

OFFERING MEMORANDUM

CHARMING DUPLEX IN MANHATTAN BEACH

216 39th St | Manhattan Beach, CA 90266

\$1,749,000



LYONSTAHL
INVESTMENT REAL ESTATE

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Manhattan Beach, CA 90266

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OFFERING MEMORANDUM

10745 La Grange Ave

Los Angeles, CA 90025

PROPERTY OVERVIEW

PROPERTY OVERVIEW

216 39th St.

Manhattan Beach, CA 90266

PROPERTY SUMMARY

PRICE	\$1,749,000
ADDRESS	216 39 th St.
CITY, STATE, ZIP	Manhattan Beach, CA 90266
COUNTY	Los Angeles

YEAR BUILT	1931
NUMBER OF UNITS	2
BUILDING SIZE	1,528
LOT SIZE	1,348

CAP RATE	3.26%
PRO FORMA CAP RATE	3.52%
GRM	20.82
PRO FORMA GRM	19.70
PRICE / BLDG SF	\$1,144.63



PROPERTY OVERVIEW

216 39th St.

Manhattan Beach, CA 90266



INVESTMENT SUMMARY

Lyon Stahl Investment Real Estate is proud to present 216 39th St in Manhattan Beach. This charming 1,528 SF duplex is situated on a 1,348-lot with 4 garage parking spaces. Built in 1931, this property features a unit mix of (2) 1-bed/1-bath currently bringing in rental income of \$7000 monthly and \$84,000 annually. This property is just a short walk away from the beach and is the quintessential oceanside living experience. This is a perfect investment opportunity for anyone looking to rent out both units with very strong rent appeal or a homeowner looking to live by the ocean and rent out the other unit.

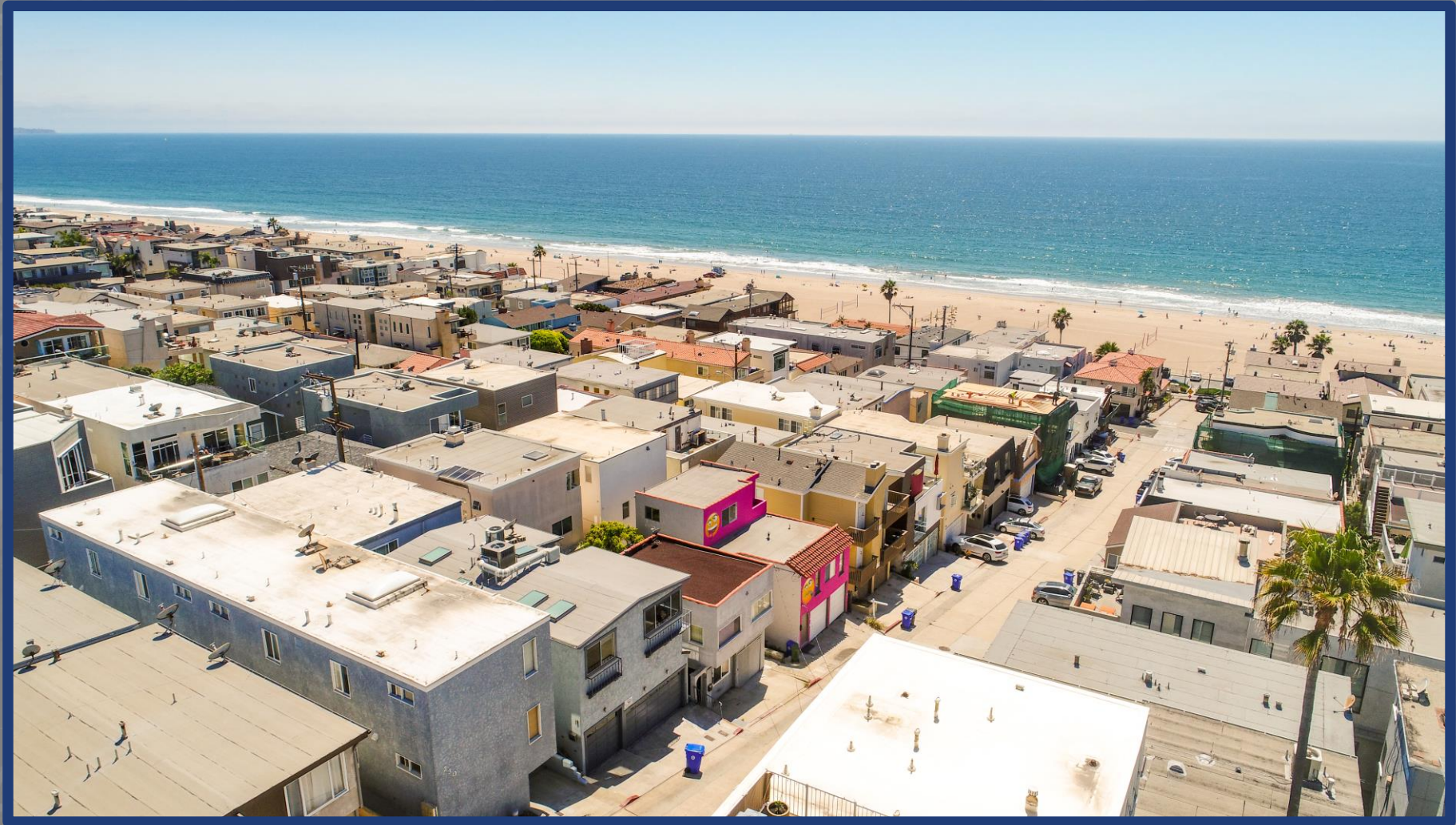
INVESTMENT HIGHLIGHTS

- Unit Mix: (2) 1-Bed/1-Bath
- 1,528 SF Two-Story building on a 1,348 SF Lot
- Various upgrades within the last year
- Current 3.26% Cap & 20.82 GRM | Pro forma 3.52% Cap & 19.70 GRM
- 4-Car garage
- INCREDIBLE LOCATION one block from the beach
- Great opportunity for an owner-user and investor alike
- Excellent development potential

PROPERTY OVERVIEW

216 39th St.

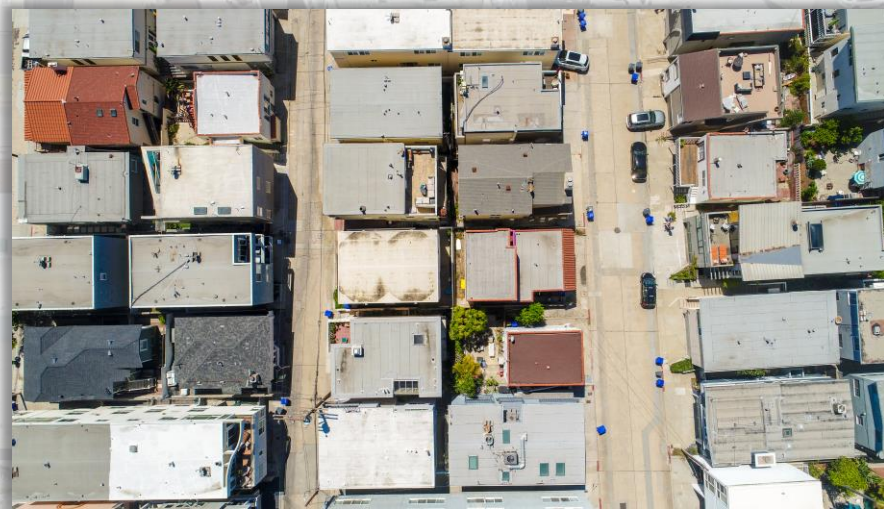
Manhattan Beach, CA 90266



PROPERTY PHOTOGRAPHS

216 39th St.

Manhattan Beach, CA 90266



PROPERTY PHOTOGRAPHS

216 39th St.

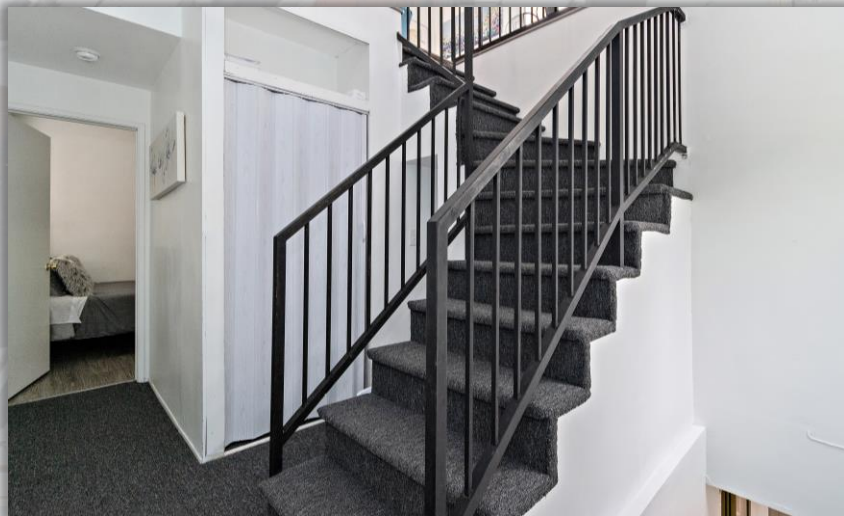
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PROPERTY PHOTOGRAPHS

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PROPERTY PHOTOGRAPHS

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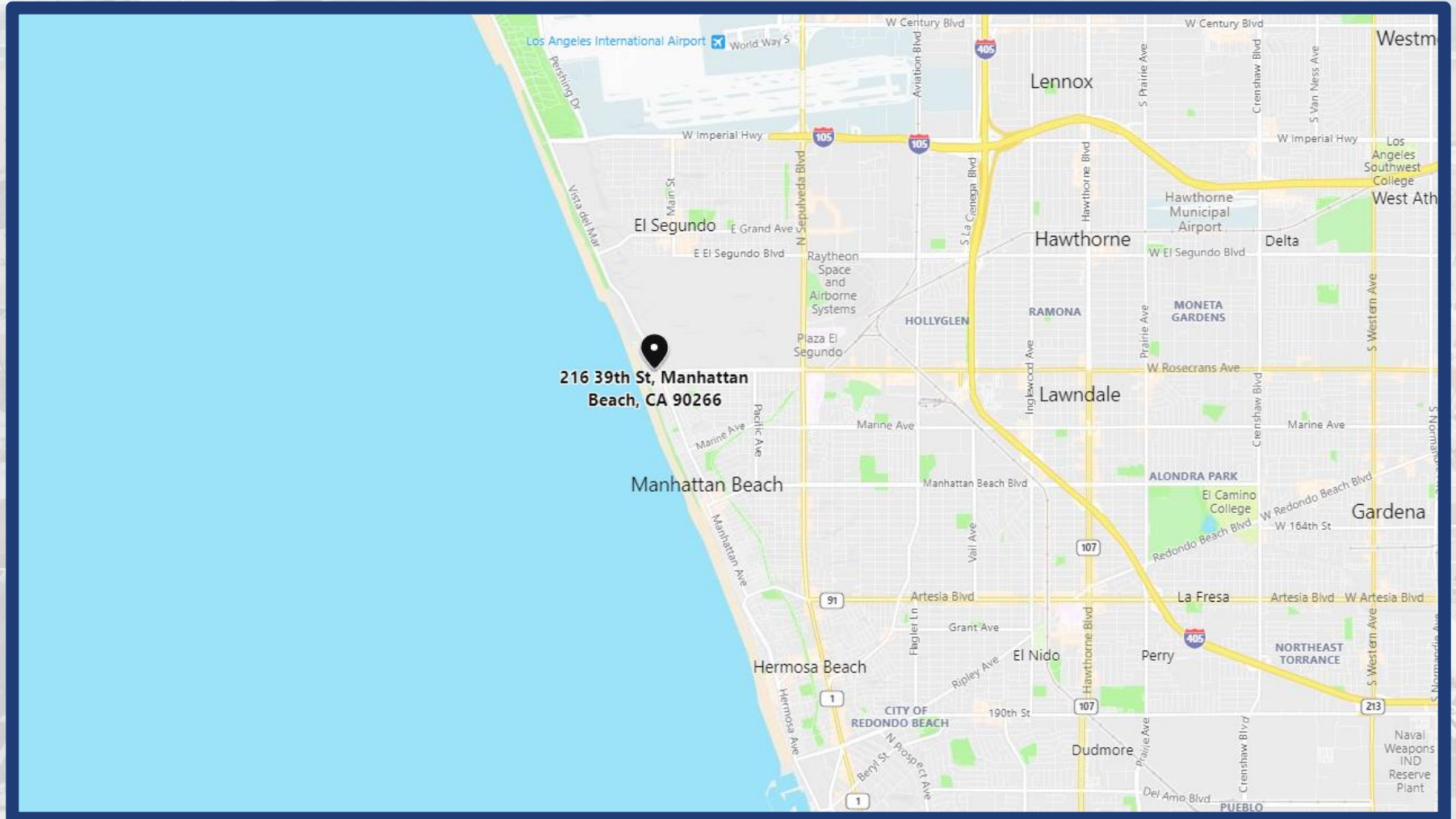
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LOCAL MAP

216 39th St.

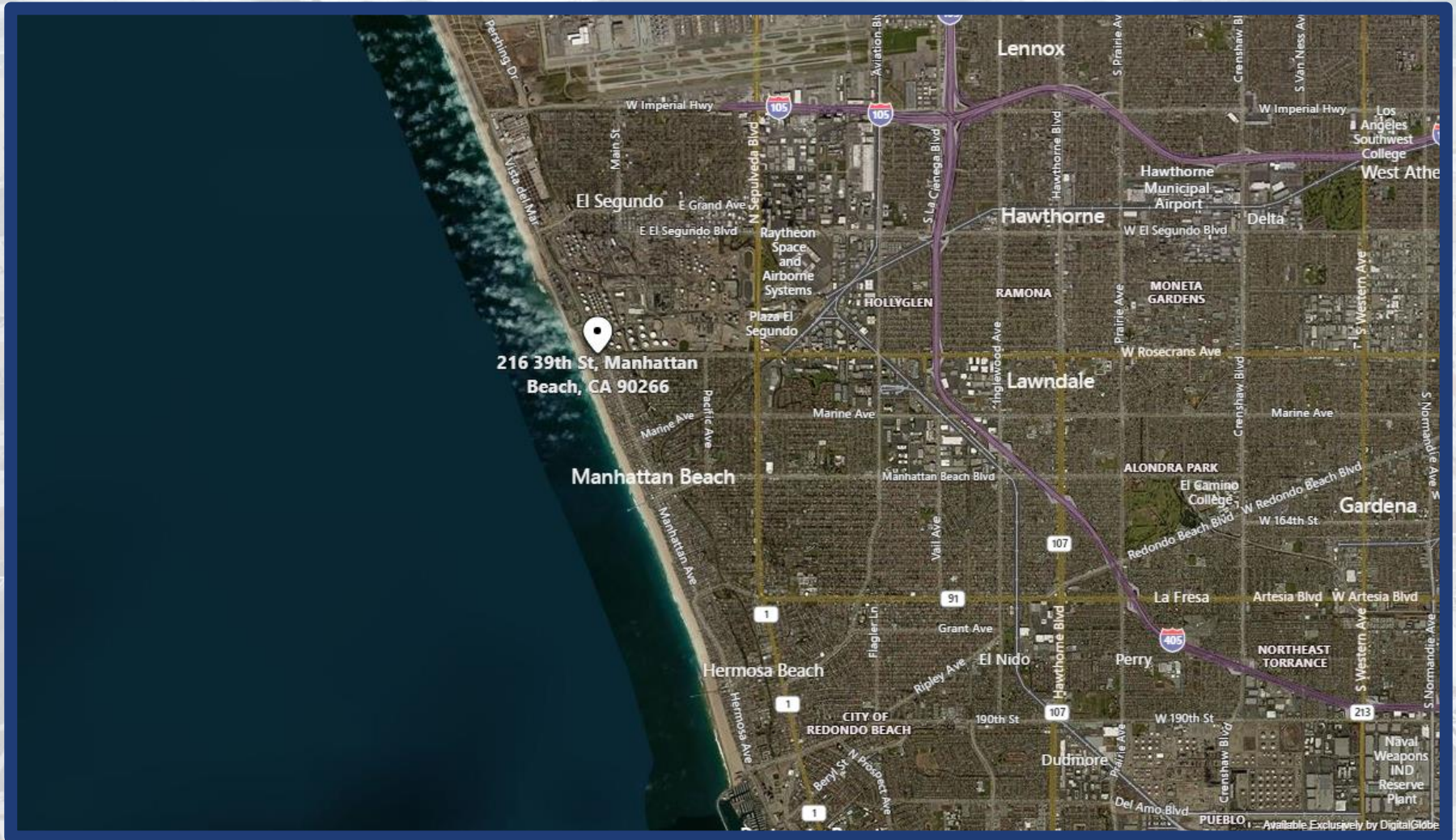
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AERIAL MAP

216 39th St.

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FINANCIAL OVERVIEW

FINANCIAL OVERVIEW

216 39th St.

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PRICING SUMMARY

PRICE	\$1,749,000
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PROPERTY SUMMARY

APN	4137-011-066	PARKING	4
NUMBER OF UNITS	2	OCCUPANCY	100%
BUILDING SIZE	1,528 SF	CURRENT NOI	\$56,957
LOT SIZE	1,348 SF	MARKET NOI	\$61,613
PRICE PER UNIT	\$874,500	CURRENT CAP RATE	3.26%
PRICE PER SF	\$1,144.63	MARKET CAP RATE	3.52%
YEAR BUILT	1931	CURRENT GRM	20.82
ZONING	RH	MARKET GRM	19.70

FINANCIAL SUMMARY

LOAN AMOUNT	\$1,049,400	LOAN-TO-VALUE	60%
DOWN PAYMENT	\$699,600	AMORTIZATION	30 Years
INTEREST RATE	4%	TERM	30 – Year Fixed
MONTHLY PAYMENT	\$5,010	PROPOSED/EXISTING	Proposed
ANNUAL PAYMENT	\$60,120	DCR	0.95

FINANCIAL OVERVIEW

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SCHEDULED RENT SUMMARY			
Unit Type	No. Of Units	Average Rent	Market Rent
1-Bed/1-Bath	2	\$3,500	\$3,600
SCHEDULED RENT SUMMARY			
		Current Actuals	Market Rent
Gross Scheduled Income		\$84,000	\$88,800
Vacancy Reserve	3%	\$2,520	\$2,664
Gross Operating Income		\$81,480	\$86,136
EXPENSE SUMMARY			
		Current Actuals	Market Pro Forma
Real Estate Taxes & Special Assessment Tax	1.12%	\$20,116	\$20,116
Insurance	\$0.45/sqft	\$688	\$688
Utilities	\$600/unit/year	\$1,200	\$1,200
Maintenance/Repairs	3%	\$2,520	\$2,520
TOTAL EXPENSES		\$24,523	\$24,523
Expense Per SF		\$16.05	\$16.05
NET OPERATING INCOME		\$56,957	\$61,613
Pre-Tax Cash Flow	-0.45%	\$(3,163)	\$1,493
Principal Reduction		\$18,480	\$18,480
TOTAL RETURN	2.19%	\$15,317	\$19,973

RENT ROLL

216 39th St.

Manhattan Beach, CA 90266

UNIT #	UNIT TYPE	ACTUAL RENT	MARKET RENT	LOSS TO LEASE
1	1-Bed/1-Bath	\$3,500	\$3,600	\$100
2	1-Bed/1-Bath	\$3500	\$3600	\$100
Parking	Garage	N/A	\$200	N/A
MONTHLY TOTALS	N/A	\$7,000	\$7,400	\$400
ANNUALIZED TOTALS	N/A	\$84,000	\$88,800	\$4,800

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COMPARABLES

ON MARKET/SOLD COMPARABLES

216 39th St.

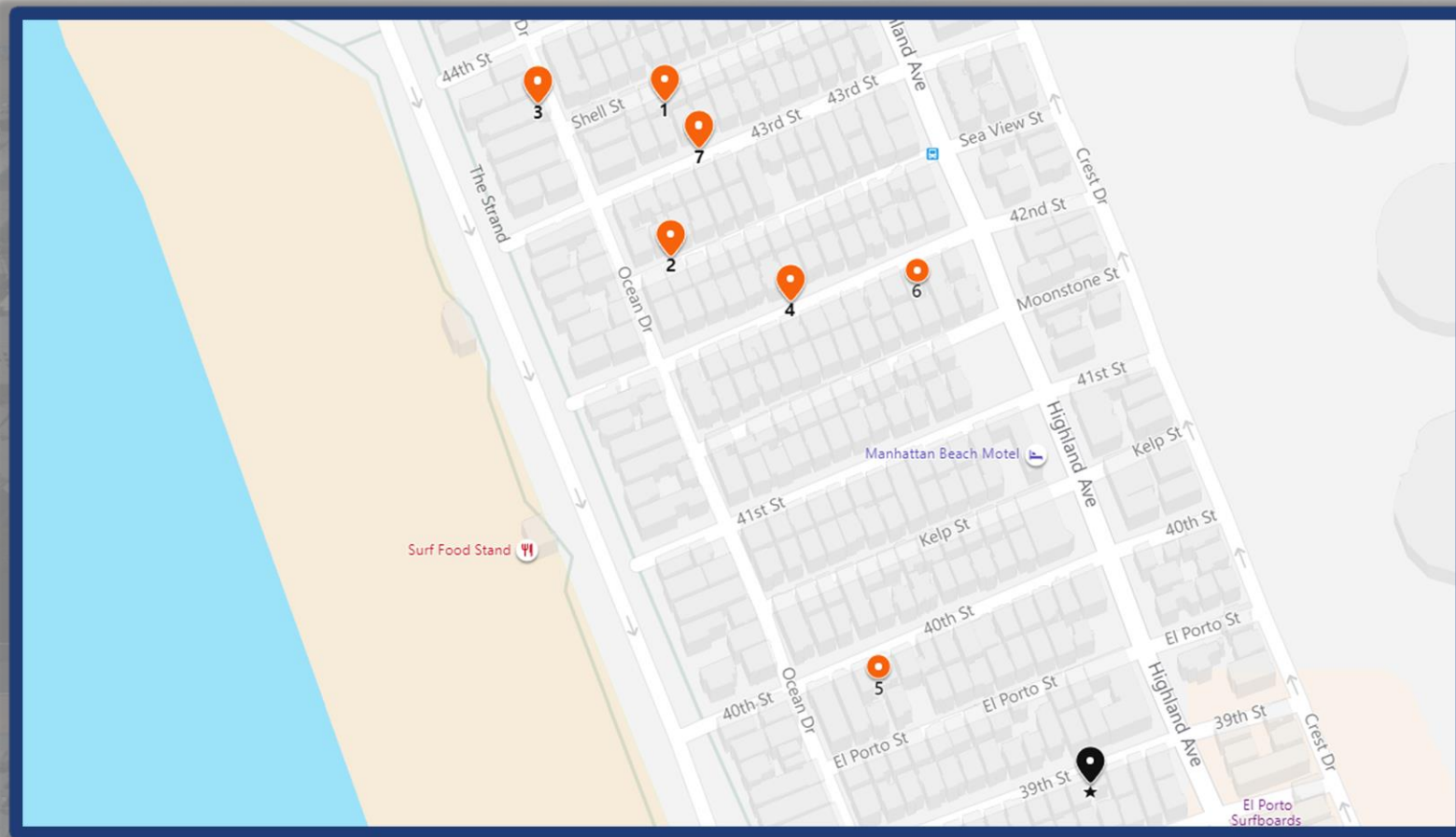
Manhattan Beach, CA 90266

	Address	Price	Units	Year Built	Building Size	Price/Unit	Price/SF	Cap Rate	GRM	Sale Date
1	121 Shell St Manhattan Beach	\$1,950,000	2	1969	1,476	\$975,000	\$1321.14	Vacant	Vacant	Active
2	112 Seaview St Manhattan Beach	\$1,850,000	2	1959	1,350	\$849,500	\$1370.37	2.02%	34.64	3/13/19
3	4314 Ocean Dr Manhattan Beach	\$1,975,000	2	1927	1,556	\$999,500	\$1269.28	2.01%	28.38	4/5/19
4	201 42 nd St Manhattan Beach	\$2,120,000	2	1936	1,266	\$1,049,500	\$1674.57	3.78%	26.37	1/3/18
5	123 40 th St Manhattan Beach	\$2,137,500	2	1987	1,464	\$997,500	\$1,460.04	3.18%	21.99	8/17/18
6	229 42 nd St Manhattan Beach	\$2,176,000	2	1992	1,900	\$1,095,000	\$1,145.26	2.89%	23.64	6/27/18
7	130 43 rd St Manhattan Beach	\$2,211,000	2	1972	1541	\$1,100,000	\$1,247.74	2.74%	25.55	10/19/18
	Averages	\$2,2059,928	2	1963	8,411	\$1,009,429	\$1,355.49	2.77%	26.76	N/A
★	216 39 th St Manhattan Beach	\$1,749,000	2	1931	1,528	\$874,500	\$1,144.63	3.26%	20.82	N/A

SOLD COMPARABLES MAP

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LEASE COMPARABLES

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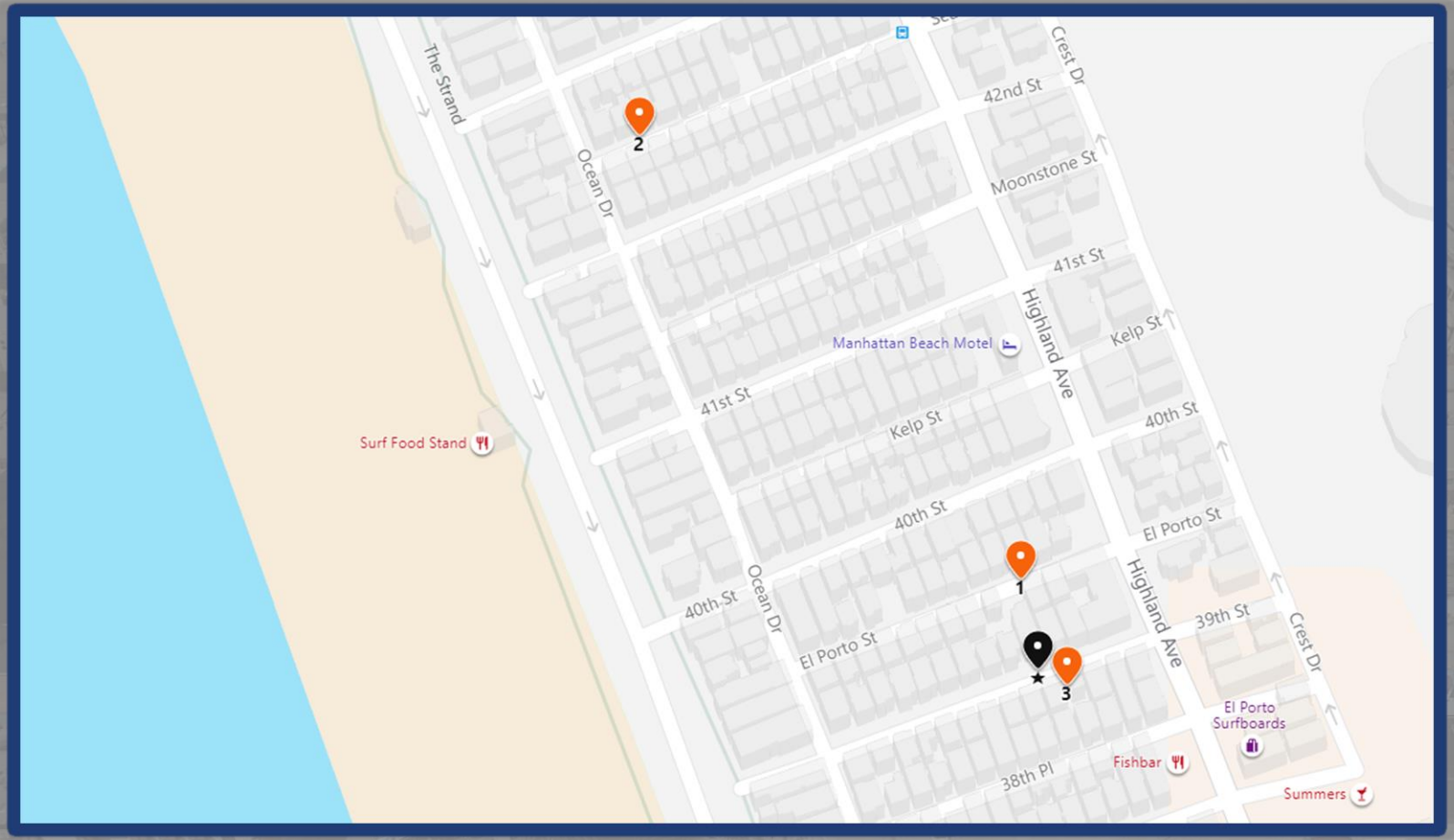
	Address	Date Leased	Year Built	Unit Type	Rental Rate	Rate / Sq. Ft.
1	223 El Porto St Manhattan Beach, CA 90266	ACTIVE	1968	1-Bed/1-Bath	\$3,500	\$2.18
2	120 Seaview St Manhattan Beach, CA 90266	6/18	1931	1-Bed/1-Bath	\$3,200	\$4.57
3	218 39 th St Manhattan Beach, CA 90266	6/19	1931	1-Bed/1-Bath	\$3,500	\$2.29
	Averages	N/A	1943	1-Bed/1-Bath	\$3400	\$3.01
★	216 39 th St Manhattan Beach, CA 90266	ACTIVE	1931	1-Bed/1-Bath	\$3,500	\$2.29

*Estimated

LEASE COMPARABLES MAP

216 39th St.

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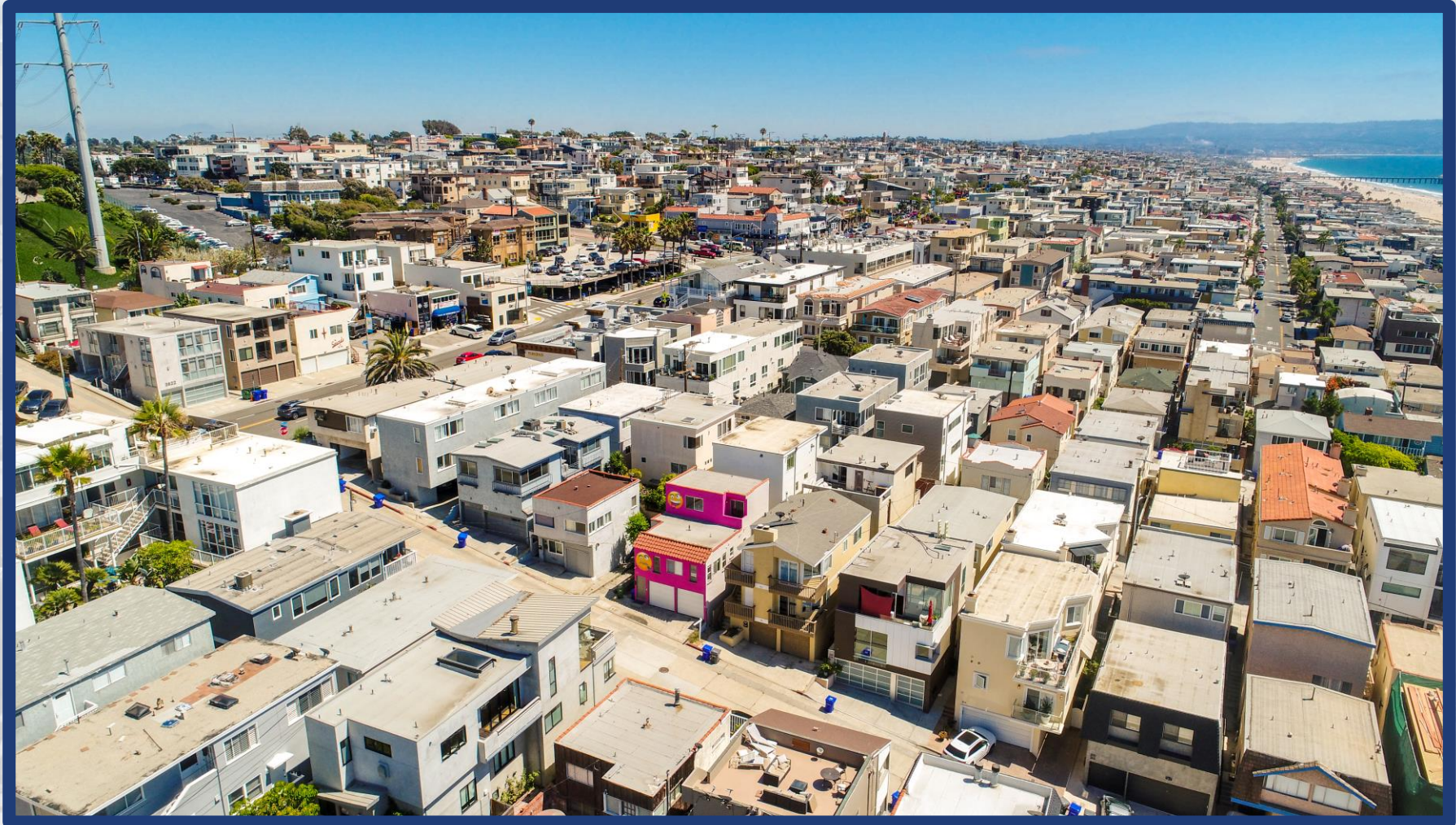
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LOCATION

CITY OVERVIEW

216 39th St.

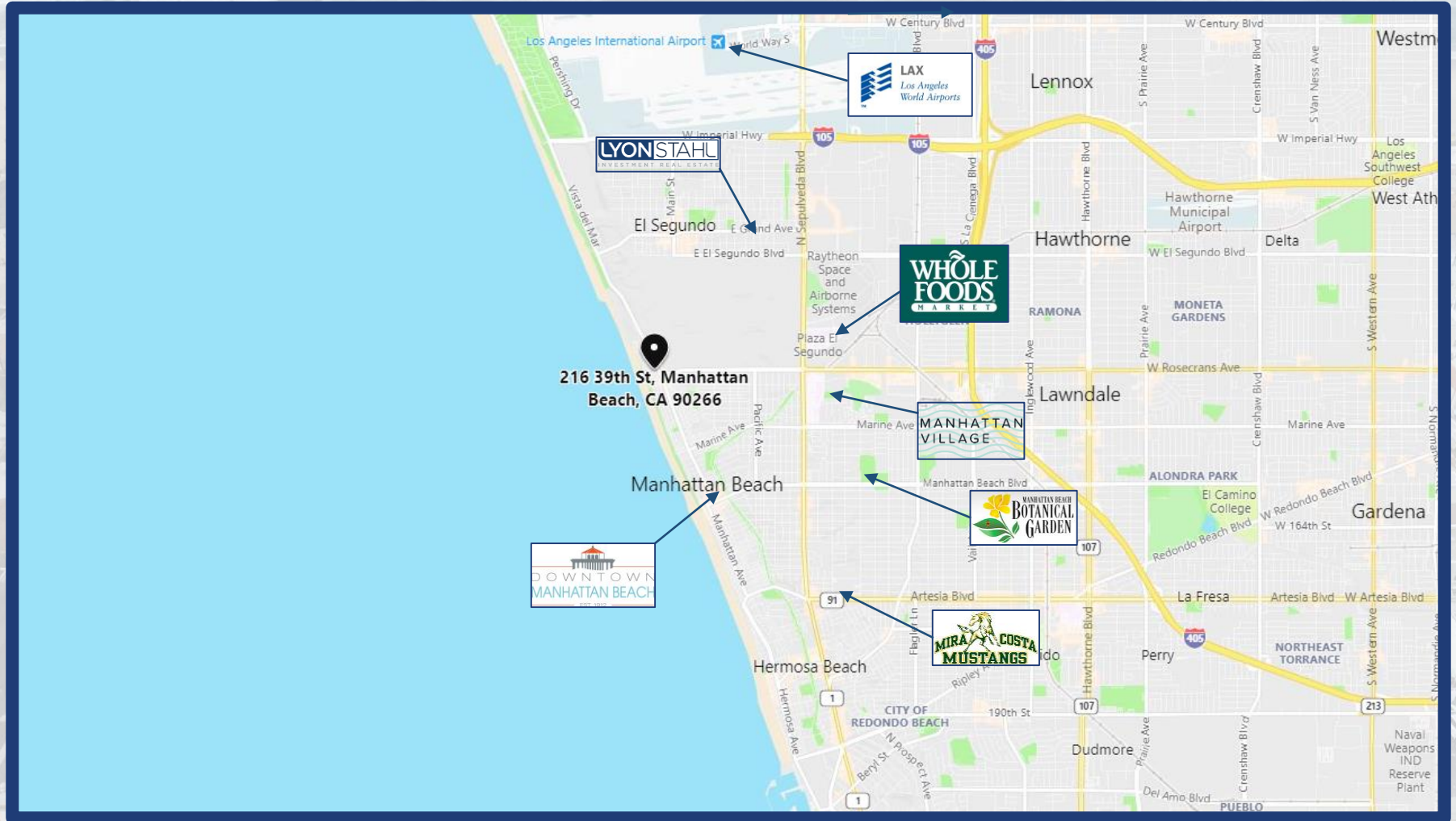
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CITY OVERVIEW

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CITY OVERVIEW

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MANHATTAN BEACH

Manhattan Beach is a real-deal beach community and is one of three Beach Cities in the South Bay region of Los Angeles bordered by Redondo Beach, Hermosa Beach, Hawthorne, and El Segundo. The main attraction to the city is the strand of beach stretching from El Porto down to Hermosa Beach. The 2-mile Strand is filled with great shops, amazing restaurants and infinite activities peppered along Manhattan Beach Blvd.

Much of Manhattan Beach's lifestyle is influenced by its sister cities: Redondo Beach and Hermosa Beach. The city maintains permanent beach volleyball nets year-round and hosts the Manhattan Beach Open Volleyball Tournament every August. Surfing is another essential lifestyle as the city hosts the International Surf Festival year-round.

Properties in Manhattan Beach within walking distance of the Pacific Ocean routinely sell for above-average prices. The median price of homes listed in the Manhattan Beach real estate market is currently \$2,850,000 but home values have gone down 2% since August 2018 due to the hyper supply phase of the real estate cycle.

Mira Costa High School is the zoned high school within the Manhattan Beach Unified School District and is ranked in the top 100 high schools in California. Also within the school district are five elementary schools, and one middle school, all evenly divided throughout Manhattan Beach.

As of 2017, population in Manhattan Beach is 35,900 with a laid-back community. The city is an oceanside pearl emitting upscale beach vibes with its famous Strand and pier. The culinary scene goes well beyond the catch of the day with seafood joints as good as you would expect from a beach town.



COUNTY OVERVIEW

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LOS ANGELES

The most heavily populated county in the country is Los Angeles County with approximately 9.9 million people, including about 1 million that live in unincorporated areas of the county. The metropolis - formed by the six neighboring counties of Los Angeles, Ventura, Kern, San Bernardino, Riverside, and Orange - is home to approximately 19 million residents. Los Angeles County is home to one of the most educated labor pools in the country and offers a labor force of more than 4.7 million, of which more than 1.5 million are college graduates. Los Angeles County has the largest population of any county in the nation, exceeded only by eight states. According to the United States Conference of Mayors, Los Angeles County boasts a GDP among the twenty largest in the world. Los Angeles County's continued economic growth, in contrast to other areas of the state and nation, is due to its diversified economy and abundant, well-trained workforce.

Los Angeles County is well located on the Southern Coast of the California, and covers 4,061 square miles, including the San Clemente and Santa Catalina islands. The County is comprised of approximately 88 vibrant and diverse cities hosting more than 244,000 business establishments— the greatest concentration in the state. Los Angeles County has a Gross Domestic Product (GDP) of approximately \$446 billion - placing it among the top 20 economies in the world. The combined GDP of Los Angeles and its five surrounding neighboring counties places it in the top 10. California is generally considered to be in the top five.

If Los Angeles County were its own nation, its economy would be the 18th largest in the world. It is home to more than 244,000 businesses, with more minority and women owned businesses than any other in the nation and is the nation's top international trade center and manufacturing center. Los Angeles is recognized worldwide as a leader in entertainment, health sciences, business services, aerospace and international trade. Because the Los Angeles area is so large and diverse, it has something to offer to everyone. While Hollywood and the Los Angeles beach culture are part of our collective image of Los Angeles, the city also has more museums than any other city and some of the best hotels in the world are located in Los Angeles.



County Highlights

- Los Angeles County is the world's 18th largest economy.
- Los Angeles part of the "Tech Coast" and is regarded as the of the main entrepreneurial regions of the world. It has approximately 200,000 small businesses, which is twice as many small businesses as can be found in any other region of the United States.
- If Los Angeles' five county area were a state, it would be the fourth largest in the United States.
- Los Angeles has more than 80 stage theaters and 300 museums, more than any other U.S city.

CITY PROJECTS

216 39th St.

Manhattan Beach, CA 90266



MANHATTAN VILLAGE RENOVATION

The 44-acre Manhattan Village mall is taking on a \$180 million redevelopment with four new companies hopping aboard to transform the center to a modern luxury retailer with an emphasis on dining.

The mixed-use center is situated on Pacific Coast Highway and Rosecrans Ave and comprises of enclosed retails, open-air lifestyle shops, a community center and an office building . Renovations include updating and remerchandising the interior mall, along with the addition of 53,000 SF of new open-air, lifestyle retail, restaurants and two new parking structures to be completed 2021. A four-level deck was complete November 2018.

The center features top national retail brand sand eight full-service restaurants. Newly announced restaurants include: Edo Little Bites, ROC (Republic of China), Joey Restaurants, Urban Plates and Mercado. When finished, the center will add a total of 75,000 SF featuring top national retail brands and restaurants.

**Rendering courtesy of JLL*

OFFERING MEMORANDUM

10745 La Grange Ave

Los Angeles, CA 90025

THE TEAM

TEAM STIEGLER



JOHNNIE STIEGLER

Vice President



CHARLIE RASMUSSEN

Director of Leads & Operations

DISCLAIMER & CONFIDENTIALITY AGREEMENT

The information contained in this Offering Memorandum (“Memorandum”) is proprietary and strictly confidential; it is intended to be reviewed only by the party receiving it from Broker and should not be made available to anyone else without the written consent of Broker. By retention or use of this Memorandum, you agree that its contents are confidential, that you will hold it in the strictest confidence, and that you will not disclose any of its contents contrary to these terms.

This Memorandum has been prepared to provide summary, unverified information to establish a preliminary level of interest in the subject property (“Property”). The information in this Memorandum has been obtained from sources Broker believes to be reliable; however, Broker has not conducted sufficient investigation to make any warranty or representation whatsoever including but not limited to the accuracy or completeness of the information, veracity or accuracy of the information, condition of the Property or its compliance or lack of compliance with applicable governmental requirements, developability, suitability or financial performance of the Property, income or expenses for the Property, the size and square footage of the Property and improvements, the presence or absence of contaminating substances, PCB’s or asbestos, the compliance with State or Federal regulations, the physical condition of the improvements thereon, or the financial condition or business Property and does not purport to be an all – inclusive representation regarding the Property or to contain all or part of the information which prospective investors may require to evaluate the purchase of the Property. Additional information and an opportunity to investigate the Property will be made available to interested and qualified prospective purchasers. All information is based on assumptions relating to the general economy, market conditions, competition and other factors beyond the control of Broker, therefore, all information is subject to material variation. The information contained herein is not a substitute for a thorough due diligence investigation. Interested parties are expected to review all information of whatever nature independently and not rely on the contents of this Memorandum in any manner.

The Property owner (“Owner”) expressly reserves the right, at its sole discretion, to reject any or all offers to purchase the Property, and/or to terminate discussions at any time with or without notice. The Owner shall have no legal commitment or obligation unless and until written agreement(s) have been fully executed, delivered and approved by the Owner and any conditions to the Owner’s obligations therein have been satisfied or waived.

EXCLUSIVELY MARKETED BY



JOHNNIE STIEGLER

Vice President

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