

Marcus & Millichap  
LAAA Team

Expertise | Execution | Excellence

Marcus & Millichap  
THE LIBEROW GROUP



OFFERING MEMORANDUM  
1434 10TH ST | SANTA MONICA, CA 90401  
10 UNITS | SANTA MONICA

1434  
10th Street  
SANTA MONICA, CA



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# OFFERING SUMMARY







# THE OFFERING

The LAAA Team and The Liberow Group of Marcus & Millichap have collectively elected to present this 10-unit listing located at 1434 10th Street, situated in the heart of Santa Monica, California. Built in 1958, this 10 Unit apartment building consists of spacious 1 bedroom and 2 bedroom units in a highly desirable Santa Monica location, with proximity of ten blocks to the world renowned beaches of Santa Monica.

This approximately 8,144 square foot, 10-unit multifamily property boasts an attractive unit mix of (4) 2-bed / 2-bath units and (6) 1-bed / 1-bath units, with an average unit size of approximately 800 square feet.

Within the past several years, the seller has expended a significant amount of monies towards over standard improvements to both the interiors and the exteriors of the property. 9 of the 10 units within the subject property have been fully remodeled and modernized. The 9 remodeled units feature open floor plans with Nest controlled central AC and heating, recessed lighting, upgraded plumbing and windows, and their own in-unit washer and dryer.

This offering presents a substantial opportunity for an investor who desires for easy management to purchase a prime property at an attractive 4.67% cap rate (cap rate assumes that the 4 current vacancies are leased at the estimated rental rates).



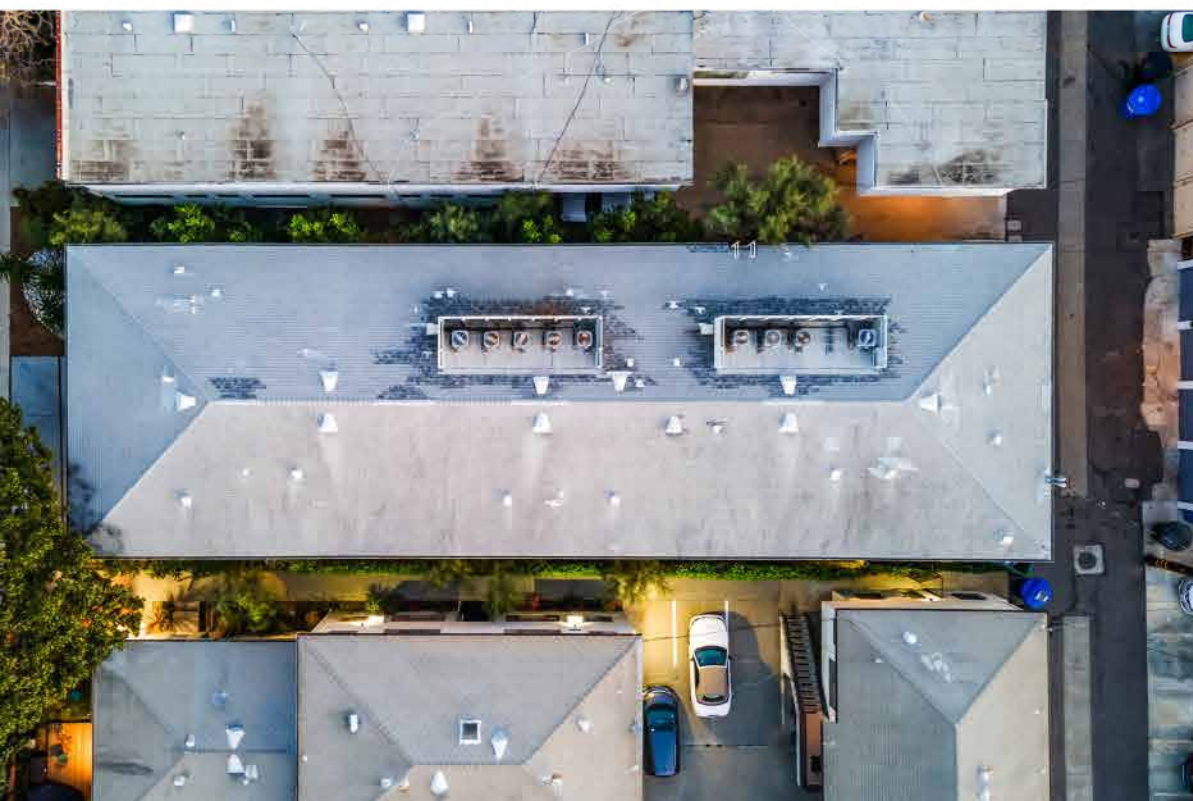
# INVESTMENT HIGHLIGHTS

## *A RARE 10 UNIT OPPORTUNITY IN SANTA MONICA*

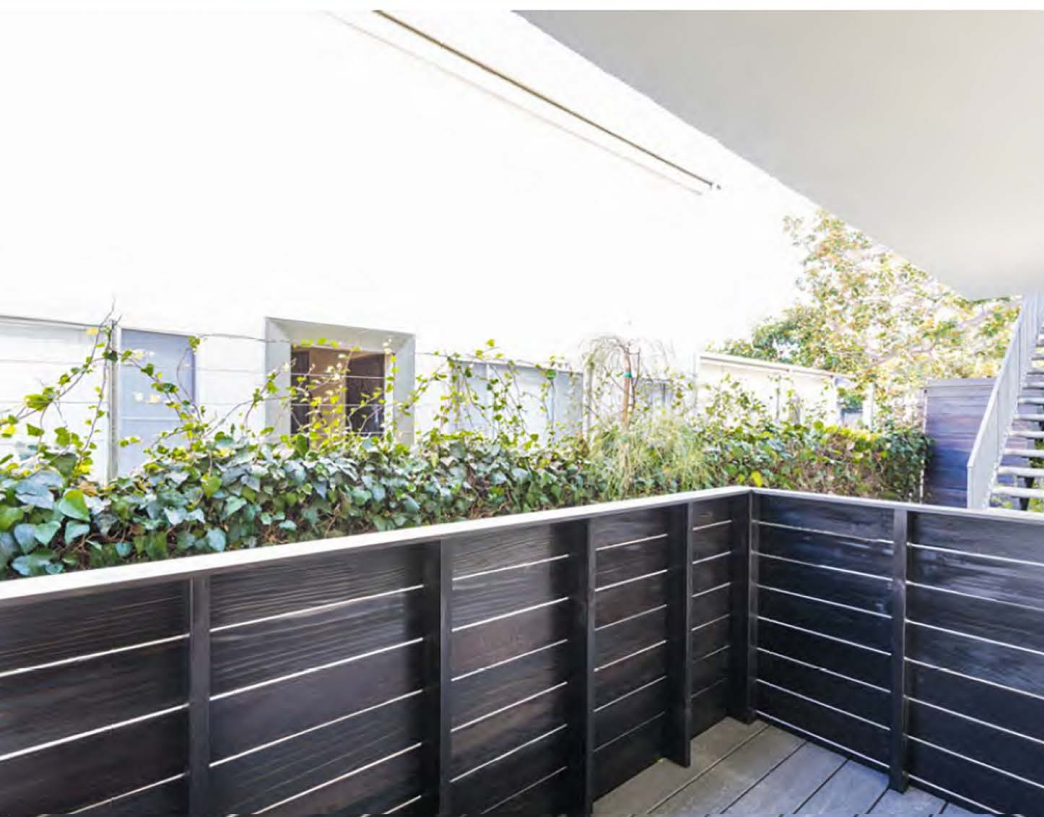
- Built in 1958
- 9 of 10 Units Have Been Fully Remodeled & Modernized in 2017
- Diversified Unit Mix of 1-Bed and 2-Bed Units
- Within immediate proximity to supermarkets, drug stores, and other local attractions.
- Walking or Biking Distance to Santa Monica Beaches and Downtown
- Walk Score of 91
- Within Walking Distance of Metro Rail

















# PRICING SUMMARY







# THIRD STREET PROMENADE

## PROPERTY RENT ROLL

### UNIT TYPE SUMMARY

Number	Unit Type	Sqft	Current Rent	Market Rent
1	2 Bed / 2 Bath	875	\$3,800	\$4,050
2	1 Bed / 1 Bath	690	\$2,900	\$3,450
3	1 Bed / 1 Bath	725	\$3,275	\$3,450
4	2 Bed / 2 Bath Vacant	1,065	\$4,295*	\$4,350
5	2 Bed / 2 Bath	1,060	\$4,250	\$4,350
6	1 Bed / 1 Bath	680	\$2,995	\$3,450
7	1 Bed / 1 Bath	700	\$3,450	\$3,450
8	2 Bed / 2 Bath Vacant	915	\$4,050*	\$4,050
9	1 Bed / 1 Bath	700	\$1,521	\$3,450
10	1 Bed / 1 Bath	690	\$2,795	\$3,450
			\$33,331	\$37,500

Note:  
Two of the existing pending vacancies are prompted by seller relocating two family members to another property.

\*Vacant units are being marketed for rent. Rent shown above is estimated only, and subject to change.







# PRICINGDETAILS

PRICE	\$6,050,000
Number of Units	10
Price Per Unit	\$605,000
Price Per SqFt	\$742.88
Gross Building SqFt	8,144
Lot SqFt	7,505
Approx. Year Built	1958

RETURNS	CURRENT	PRO FORMA
CAP Rate	4.67%	5.45%
GRM	15.13	13.44
CASH ON CASH	6.66%	8.60%
DEBT COVERAGE RATIO	2.32	2.71

FINANCING	INTEREST ONLY LOAN	
Loan Amount	\$3,630,000	
Down Payment	\$2,420,000	40%
Interest Rate	3.35%	
Amortization	30 Years	
Year Due	2026	

# OF UNITS	SQFT	UNIT TYPE	AVG RENT
6	698	1 Bed / 1 Bath	\$2,823
2	990	2 Bed / 2 Bath Vacant	\$4,173
2	968	2 Bed / 2 Bath	\$4,025

# OPERATINGDATA

INCOME		CURRENT		PROFORMA
Gross Scheduled Rent		\$399,972		\$450,000
Less: Vacancy/Deductions	3.0%	\$11,999	3.0%	\$13,500
Effective Gross Income		\$387,973		\$436,500
Less: Expenses	27.1%	\$105,249	24.4%	\$106,705
Net Operating Income		\$282,724		\$329,795
Cash Flow		\$282,724		\$329,795
Debt Service		\$121,605		\$121,605
Net Cash Flow After Debt Service	6.66%	\$161,119	8.60%	\$208,190
Principal Reduction		\$0		\$0
Total Return	6.66%	\$161,119	8.60%	\$208,190

EXPENSES		CURRENT		PROFORMA
Real Estate Taxes		\$69,091		\$69,091
Insurance		\$3,839		\$3,839
Utilities - Electric		\$941		\$941
Utilities - Water & Sewer		\$5,023		\$5,023
Utilities - Gas		\$1,351		\$1,351
Trash		\$1,845		\$1,845
Repairs & Maintenance		\$5,000		\$5,000
Landscaping		\$2,880		\$2,880
Pest Control		\$660		\$660
Intercom		\$480		\$480
Operating Reserves		\$2,500		\$2,500
Management Fee	3.0%	\$11,639	3.0%	\$13,095
Total Expenses		\$105,249		\$106,705
Expenses/Unit		\$10,525		\$10,671
Expenses/SF		\$12.92		\$13.10

### Rent Disclaimer:

Any rent or income information in this offering memorandum, with the exception of actual, historical rent collections, represent good faith projections of potential future rent only, and Marcus & Millichap makes no representations as to whether such rent may actually be attainable. Local, state, and federal laws regarding restrictions on rent increases may make these projections impossible, and Buyer and its advisors should conduct their own investigation to determine whether such rent increases are legally permitted and reasonably attainable.



# MARKET COMPARABLES

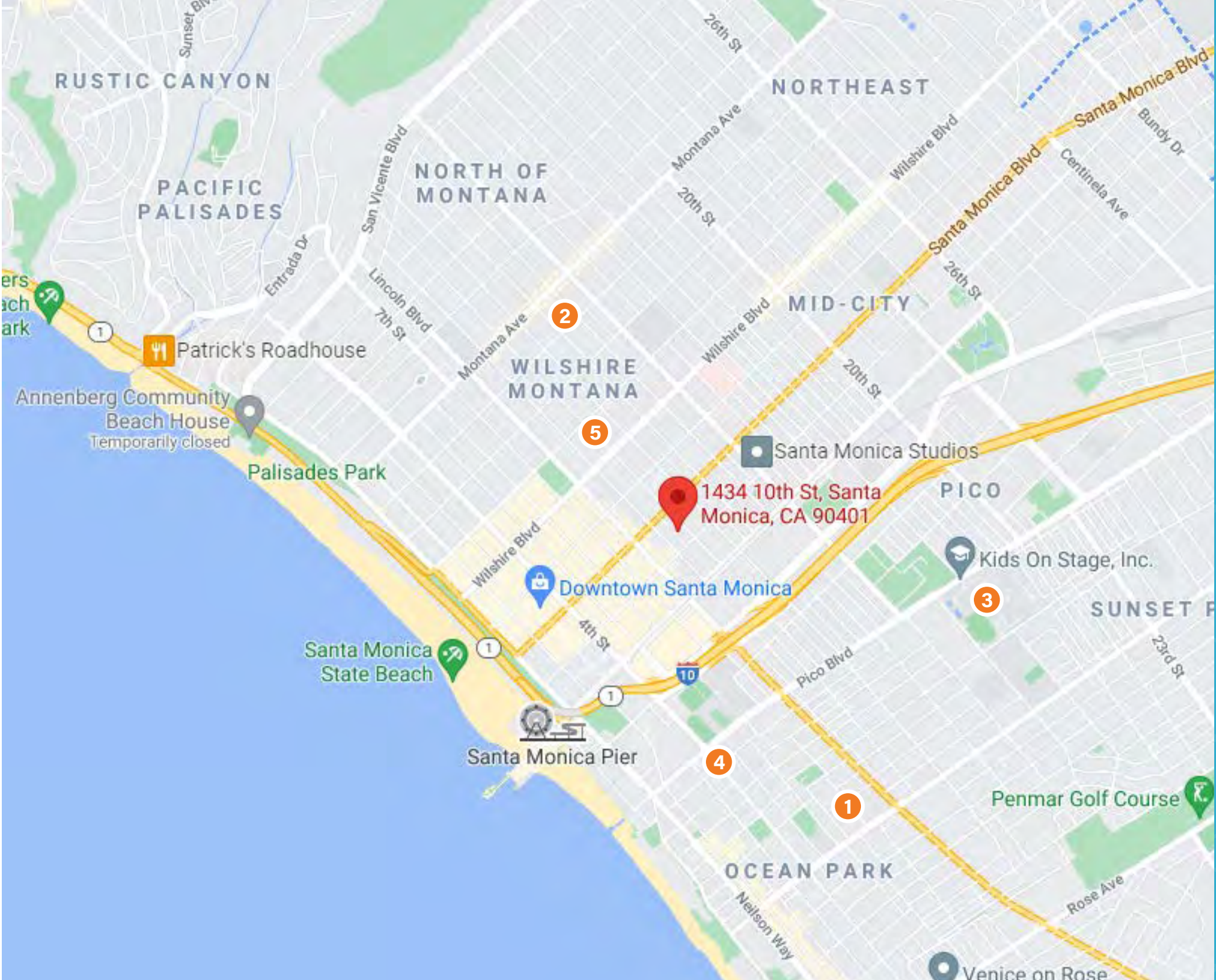




1434 10th Street

SALES COMPARABLES

#	ADDRESS	SALE PRICE	YR BUILT	UNITS	\$/UNIT	\$/SF	CAP RATE	GRM	COE DATE
	Subject Property 1434 10th Street	\$6,050,000	1958	10	\$605,000	\$742.88	4.67%	15.13	-
1	654 Ozone St Santa Monica, CA 90405	\$3,350,000	1952	5	\$670,000	\$1,225.31	4.75%	15.05	02/18/2021
2	848 19th St Santa Monica, CA 90403	\$3,750,000	1960	6	\$625,000	\$450.61	3.29%	18.57	08/31/2020
3	2228 20th St Santa Monica, CA 90405	\$3,670,000	1969	6	\$611,667	\$486.80	3.53%	19.11	09/29/2020
4	402 Pacific St Santa Monica, CA 90405	\$3,645,000	1954/2019	6	\$607,500	\$964.29	4.57%	15.62	03/02/2020
5	1009 10th St Santa Monica, CA 90403	\$2,980,000	1947	5	\$596,000	\$810.22	-	-	04/07/2020
Average					\$622,033	\$787.45	4.04%	17.09	





1434 10th Street

# RENT COMPARABLES

#	ADDRESS	UNIT TYPE	YR BUILT	SF	RENT	RENT/SF
1	1548 6th St Santa Monica, CA 90401	1+1	2009	650	\$3,158	\$4.86
2	1317 7th St Santa Monica, CA 90401	1+1	2014	672	\$3,255	\$4.84
3	1133 10th St Santa Monica, CA 90403	1+1	1970	725	\$3,295	\$4.54
4	Junction Santa Monica 1641 Lincoln Blvd	1+1 2+2	2020	505 692	\$3,285 \$4,250	\$6.50 \$6.14
5	Living at Santa Monica 1519 6th St	2+2	2001	878	\$4,355	\$4.96
6	1048 7th St Santa Monica, CA 90403	2+1	1959	1,050	\$4,300	\$4.10
7	1122 10th St Santa Monica, CA 90403	2+2	1967	1,350	\$4,300	\$3.19





A scenic view of a beach at sunset. The sky is a mix of orange, pink, and purple. Several palm trees are silhouetted against the sky. In the background, a Ferris wheel is lit up with colorful lights. The foreground shows the dark silhouettes of the palm trees and the beach.

# MARKET OVERVIEW





# SANTA MONICA

## Natural Beauty, Boutique Dining, Famed Shopping an iconic urban experience.

### LOCATION

Santa Monica is a renowned beach city adjacent to Los Angeles that draws over 7 million visitors a year for its 300 days of sunshine and stunning sunsets. It is a walkable and bike friendly town that allows its tenants and visitors to get around easily and experience all its shops, restaurants, nightlife and attractions.

### COASTLINE AND SHOPPING

Downtown Santa Monica is located alongside the famous Pacific Coast Highway (PCH) and is home to the Santa Monica Pier, Third Street Promenade, Santa Monica Place Shopping Center, Palisades Park and its famous Beach.

### HOUSING

The median housing value in Santa Monica is \$1,590,800, more than double the amount in California at \$568,500. There are 50,563 housing units in the city.

### ECONOMICS

In 2020, the daytime population was 28,979 (employees) in Santa Monica. The per capita income is \$71,322 and the median household income is \$92,490. 11% of the population is below the poverty line.

### HOUSEHOLDS

There are 45,096 households in the city with an average of 2 persons per household. 44% of the cities population is married. 94.1% are of high school grad or higher and 64.3% have attained a bachelor's degree or higher.





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SANTA MONICA, CA

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