



=====**1502 Palm Drive, Hermosa Beach**=====

\$1,995,000



REAL ESTATE

Offering Memorandum

5 Unit Apartment

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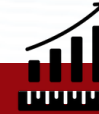
INVESTMENT OVERVIEW



LOCATION
HERMOSA BEACH, CA



NUMBER OF UNITS
5 UNITS (2BR/1BA + 4 STUDIOS)



RENTABLE SF
2,088



YEARS BUILT
1913

THE OPPORTUNITY

1502 Palm Drive presents a rare 5-unit value-add multifamily opportunity in an A+ Hermosa Beach location just one block from the Strand and Noble Park. Tucked right around the corner from downtown Hermosa, the property enjoys a 97 “Walker’s Paradise” Walk Score with easy access to some of the area’s most popular local spots including the The Comedy & Magic Club, Ryla, and Baja Sharkeez. The property consists of five units totaling approximately 2,088 square feet on a full 30’ x 100’ lot. The unit mix includes four studio apartments and one 2-bedroom, 1-bath detached cottage with its own private yard - an uncommon amenity this close to the beach. Significant upside in rents for an investor looking to renovate and reposition over time. Opportunities to acquire a multifamily asset with this level of walkability and proximity to the beach rarely come to market, making 1502 Palm Drive an ideal option for investors seeking a prime coastal location with clear value-add potential.

SALE NOTES

- Showings by appointment only - property to be sold as-is.
- Please no walking the property - do not contact or discuss sale with tenants or property employees



PROPERTY HIGHLIGHTS

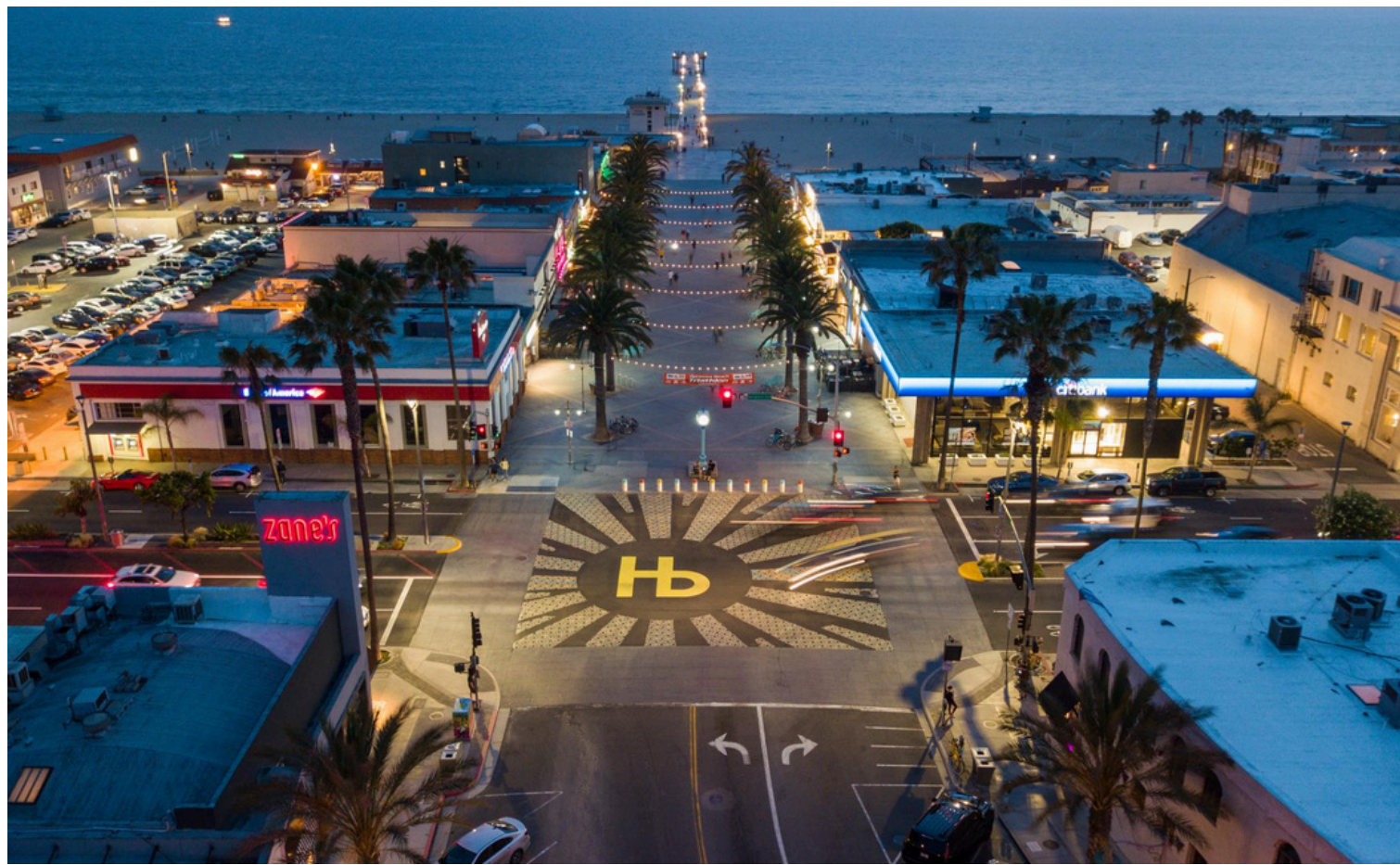
- 5 Units (4 studio and one 2br/1ba)
- Gross Building Area: 2,918 SF
- Significant value-add opportunity
- A+ location within walking distance to pier and downtown Hermosa Beach
- 2 garage spaces
- Lush yard on Manhattan Ave unit



AREA OVERVIEW

Hermosa Beach

Hermosa Beach is a compact, high-income coastal community in the South Bay known for its surf culture and steady tourism. Though only 1.4 square miles, it draws hundreds of thousands of visitors each month in summer, supporting a lively retail and hospitality scene. The city's economy has shifted toward professional and creative services while preserving its small-town character. With limited land, high incomes, and tight zoning, property values remain strong. Hermosa's development focus is on careful revitalization of existing stock, mixed-use infill, and sustainability, offering investors high barriers to entry and resilient demand.



Hermosa Beach Enhancements

Hermosa Beach is experiencing a thoughtful wave of public and private reinvestment aimed at enhancing livability, sustainability, and coastal vitality. City initiatives emphasize streetscape beautification, pedestrian connectivity, and the modernization of public spaces, particularly around Pier Avenue and The Strand. Local redevelopment plans encourage mixed-use infill that integrates boutique retail, dining, and residential living while maintaining Hermosa's authentic beach-town identity. Environmental programs focused on coastal resilience, renewable energy, and stormwater management are reinforcing the city's long-term sustainability goals. Working closely with residents and local businesses, Hermosa Beach leadership continues to ensure that growth supports both community character and economic strength, fostering a balanced environment for residents, visitors, and investors alike.

FINANCIAL OVERVIEW



UNIT MIX & SCHEDULED INCOME

Unit	Bed	Bath	SF	Current Rent	Market Rent	Rent after Reno
1502	0	1	340	\$1,400	\$1,800	\$2,500
1502 1/2*	0	1	340	\$835	\$1,800	\$2,250
1503	1	1	728	\$1,575	\$3,500	\$4,000
1503 1/2	1	1	340	\$1,155	\$1,800	\$4,000
1504	0	1	340	\$1,417	\$1,800	\$2,500
TOTAL	2	5	2,088	\$6,382	\$10,700	\$15,250

* Will be delivered vacant

2025 ANNUAL OPERATING SUMMARY

1502 Palm Dr	Monthly	Annual
INCOME		
Rent Income	\$6,313.74	\$75,764.93
Total Rent Income	\$6,313.74	\$75,764.93
EXPENSES		
Administrative Expenses	\$41.32	\$495.80
Total Administrative Expenses	\$41.32	\$495.80
General Building Repairs		
Common Area - Electrical	\$682.33	\$8,188.00
Common Area - General	\$9.58	\$114.90
Total for General Building Repairs	\$691.91	\$8,302.90
Grounds Maintenance		
Pest Control	\$49.43	\$593.18
Total for Grounds Maintenance	\$49.43	\$593.18

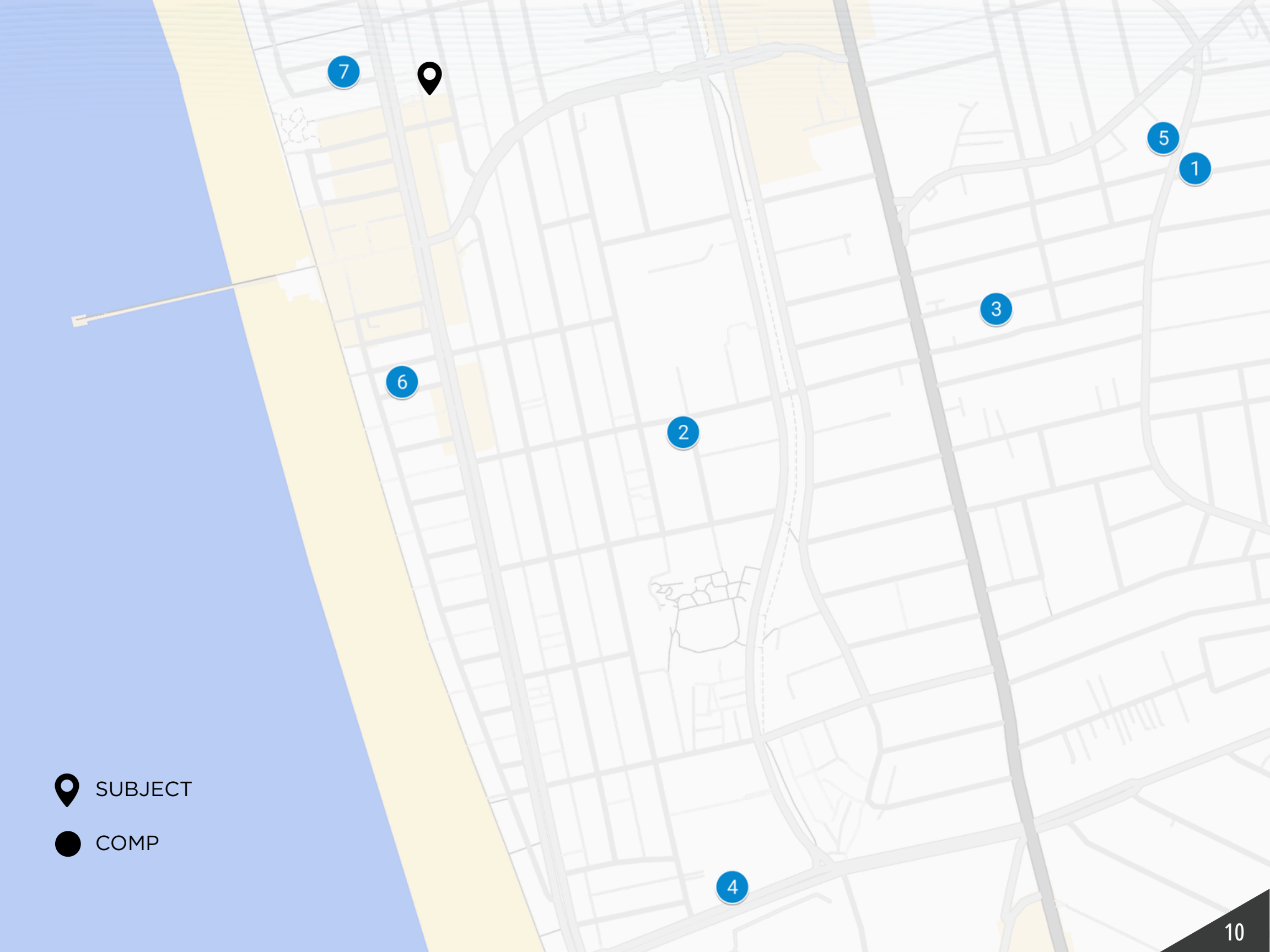
2025 ANNUAL OPERATING SUMMARY *Cont.*

1502 Palm Dr	Monthly	Annual
Legal and Professional Fees		
Management Fees	\$316.17	\$3,794.00
Total for Legal and Professional Fees	316.17	\$3,794.00
Licenses and Permits	\$31.03	\$372.37
Unit Maintenance Request Costs		
UM - General	\$169.81	\$2,037.68
UM - Materials	\$10.00	\$120.00
Total for Unit Maintenance Request Costs	\$179.81	\$2,157.68
Utilities		
Gas	\$50.23	\$602.81
Trash Pickup	\$45.29	\$543.46
Water	\$89.89	\$1,078.62
Total for Utilities	\$185.41	\$2,224.89
Total Expense	\$1,495.07	\$17,940.82
Net Operating Income	\$4,818.68	\$57,824.11
Net Income	\$4,818.68	\$57,824.11

HERMOSA LEASE COMPS

Hermosa Studio Rental Comps

Address	Year Built	Property Type	Floor Plan	Asking Rent	Square Feet	\$/SF
(1) 1002 Prospect Ave	1955	Triplex	Studio	\$3,200	400	8.00
(2) 440 8th St	1974	Apartment	Studio	\$2,595	500	5.19
(3) 912 8th Pl	1928	Duplex	Studio	\$2,650	600	4.42
(4) 415 Herondo	1973	Apartment	Studio	\$2,774	562	4.94
(4) 415 Herondo	1973	Apartment	Studio	\$2,829	512	5.53
(4) 415 Herondo	1973	Apartment	Studio	\$2,544	408	6.24
(4) 415 Herondo	1973	Apartment	Studio	\$2,440	360	6.78
(5) 1015 Prospect Ave	1959	Apartment	Studio	\$2,500	560	4.46
(6) 36 10th St	1955	Apartment	Studio	\$1,850	200	9.25
(7) 77 15th St	1972	Apartment	Studio	\$2,450	400	6.13
AVERAGE				\$2,583	450	\$6.09



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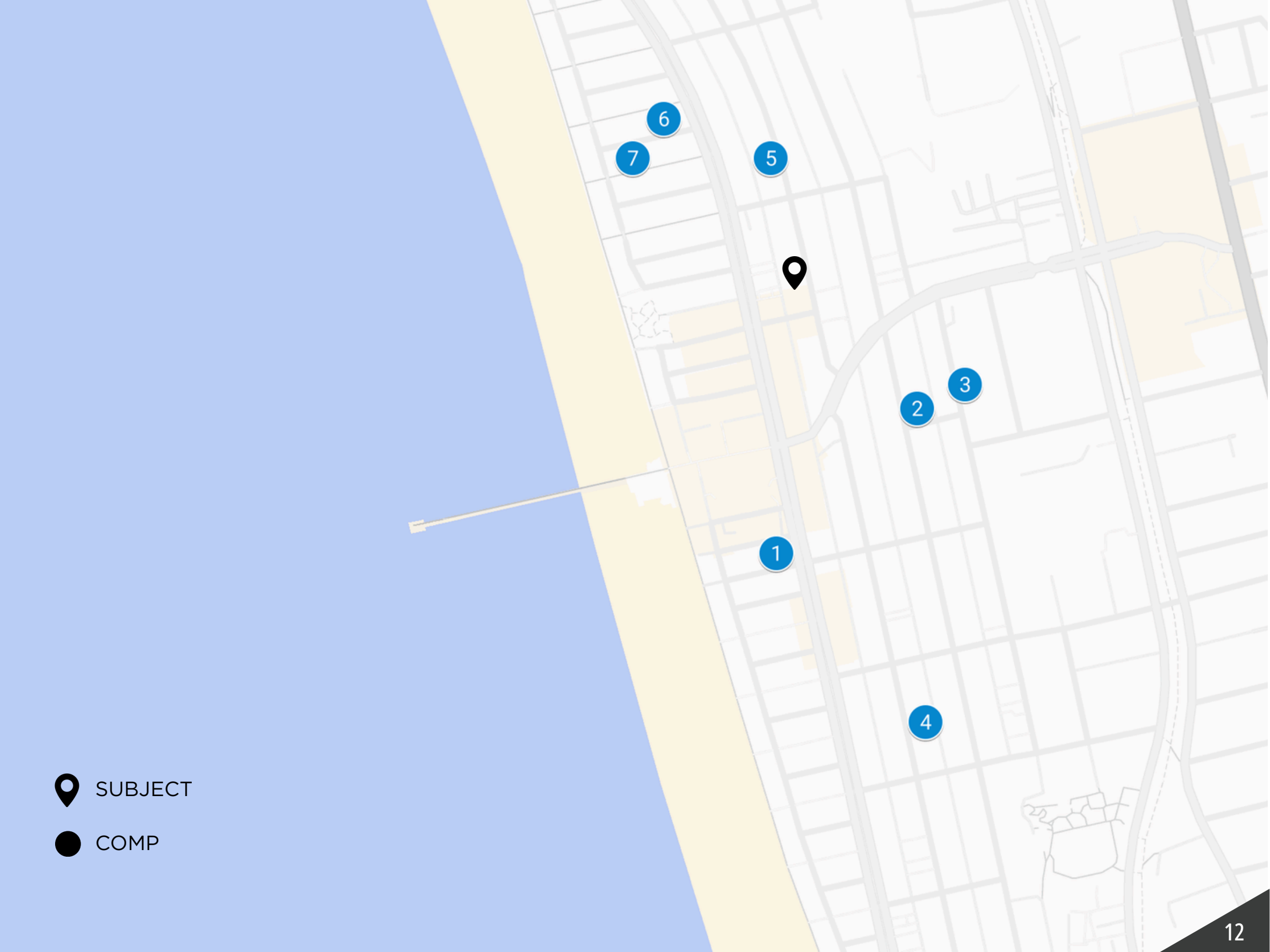
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 SUBJECT

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Hermosa Two-Bed Rental Comps

Address	Year Built	Property Type	Floor Plan	Asking Rent	Avg Square Feet	\$/SF
(1) 65 10th St	1972	Apartment	2 Bed/1 Bath	\$4,180	950	4.40
(2) 1100 Monterey Blvd	1965	Apartment	2 Bed/2 Bath	\$3,950	1000	3.95
(3) 1126 Loma Dr	1923	Triplex	2 Bed/1 Bath	\$4,975	1100	4.52
(4) 644 Manhattan Ave	1979	Apartment	2 Bed/2 Bath	\$4,500	1100	4.09
(5) 1633 Manhattan Ave	1963	Quadruplex	2 Bed/1 Bath	\$6,000	1100	5.45
(6) 78 18th St	1924	Quadruplex	2 Bed/1 Bath	\$5,500	1000	5.50
(7) 35 17th St	1922	Apartment	2 Bed/1 Bath	\$3,200	650	4.92
AVERAGE				\$4,615	986	\$4.68



 SUBJECT

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