

114 HERMOSA AVE HERMOSA BEACH, CA

Rare 4-unit coastal apartment community located one block from the beach, offering ocean views, immediate value-add potential, and exceptional long-term investment appeal.



An aerial photograph of Los Angeles, California, showing a dense urban landscape with numerous skyscrapers in the distance and a multi-lane highway with heavy traffic in the foreground. The sky is blue with some light clouds.

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114 HERMOSA AVE, HERMOSA BEACH, CA 90254 3

Executive Summary



\$3.50M

Offering Price

20.01

GRM

3.28%

Cap Rate

Street Address	114 Hermosa Ave
City	Hermosa Beach
State	CA
Zip Code	90254
APN	4188-012-038
Rentable Square Feet	4,002
Lot Size	2,900
Year Built	1971

4-Unit Multi-Family Offering in Hermosa Beach

Premier Hermosa Beach multifamily investment featuring four spacious units, ocean-view balconies & covered parking.

Maxwell Forester and John Katnik of BRC Advisors are pleased to present the exclusive offering of 114 Hermosa Ave, a rare coastal apartment community located just one block from the beach in the heart of Hermosa Beach.

This exceptional 4-unit multifamily property offers investors the opportunity to acquire a well-located asset in one of Southern California's most sought-after beach communities. Ideally positioned within walking distance of the beach, The Strand, the Hermosa Beach Pier, the Redondo Beach Pier, and an array of renowned restaurants, boutiques, and entertainment venues, the property offers an unmatched coastal lifestyle that continues to drive strong rental demand.

Units feature private balconies with ocean views, and the building also boasts a shared rooftop deck with sweeping panoramic views of the Pacific Ocean. The property also includes eight covered parking spaces, dedicated private storage units for each residence, and convenient onsite laundry facilities—valuable amenities in this highly sought-after beachside neighborhood. Together, these features enhance tenant appeal and position the property to command premium rents.

The property presents immediate value-add potential with two vacant units, allowing a new owner to lease at current market rents and increase cash flow from day one. Additional upside can be realized through strategic interior renovations and unit upgrades, providing the opportunity to further enhance rental income and maximize the property's long-term value. Combined with its premier location in a highly supply-constrained rental market, the asset offers both near-term income growth and long-term appreciation potential.

The property presents investors with a rare opportunity to acquire a trophy coastal asset with immediate upside in one of Southern California's most desirable beachfront communities.

Investment Highlights

Rare Value-Add Coastal Asset

114 Hermosa Ave is a rare opportunity to acquire a 4-unit apartment building in the heart of Hermosa Beach, just steps from the sand. While the property is in value-add condition, it offers significant upside through leasing the vacant units at market rents and executing strategic renovations, allowing investors to unlock its full potential in one of Southern California's most sought-after coastal markets.

Eight Covered Parking Spaces

The property includes eight covered parking spaces, a highly desirable amenity that enhances tenant convenience and adds value in this supply-constrained beach community.

Private Balconies with Ocean Views

Units feature private balconies with ocean views, offering tenants an exceptional coastal living experience and supporting premium rental demand.

Shared Rooftop Deck

The building features a shared rooftop deck with panoramic Pacific Ocean views, providing a unique lifestyle amenity that further distinguishes the property in the Hermosa Beach rental market.

Prime Hermosa Beach Location

Ideally situated just one block from the beach, the property is within walking distance of the Hermosa Beach Pier, The Redondo Beach Pier, The Strand, and an abundance of popular restaurants, cafés, and entertainment, making it one of the most desirable rental locations in the South Bay.

Private Storage for Every Unit

Every apartment includes a dedicated private storage unit, a highly desirable amenity that enhances the resident experience and supports long-term tenant retention in this supply-constrained coastal market.



Property Photos



114 Hermosa Ave combines an irreplaceable Hermosa Beach location with a highly amenitized apartment community designed to attract long-term residents.

Surrounding Area



Aerial View



Aerial View



Income and Expenses

INCOME		CURRENT RENTS		MARKET RENTS	
# of Units	Unit Type	Average Rent	Total	Average Rent	Total
2	2+1.5	\$3,738	\$7,475	\$4,500	\$9,000
2	2+1	\$3,550	\$7,100	\$4,250	\$8,500
Rental Income			\$14,575		\$17,500
TOTAL MONTHLY INCOME			\$14,575		\$17,500
GROSS POTENTIAL INCOME			\$174,900		\$210,000
Vacancy/Collection Allowance (GPR)		3.00%	\$5,247	3.00%	\$6,300
EFFECTIVE GROSS INCOME			\$169,653		\$203,700

EXPENSES	CURRENT		PER UNIT	
Taxes (1.2% x Sales Price)	76%	\$42,000	76%	\$42,000
Insurance (\$1/sq. foot)	7%	\$4,002	7%	\$4,002
Maintenance & Repair (\$750/unit)	5%	\$3,000	5%	\$3,000
Utilities (Estimated)	7%	\$4,000	7%	\$4,000
Pest Control (Estimated)	2%	\$900	2%	\$900
Reserves (\$250/unit)	2%	\$1,000	2%	\$1,000
TOTAL	100%	\$54,902	100%	\$54,902

Financial Analysis

PRICING DETAILS		ANNUALIZED OPERATING DATA		CURRENT RENTS		MARKET RENTS	
Offering Price	\$3,500,000	Scheduled Gross Income		\$174,900		\$210,000	
Down Payment	100%	Less Vacancy	3.00%	\$5,247	3.00%	\$6,300	
Number of Units	4	Gross Operating Income		\$169,653		\$203,700	
Price Per Unit	\$875,000	Less Expenses	31%	\$54,902	26%	\$54,902	
Rentable Square Feet	4,002	NET OPERATING INCOME		\$114,751		\$148,798	
Price Per SF	\$874.56	Net Cash Flow After Loan Payments	3.28%	\$114,751	4.25%	\$148,798	
GRM - Current	20.01	TOTAL RETURN	3.28%	\$114,751	4.25%	\$148,798	
CAP Rate - Current	3.28%						
GRM - Market	16.67	EXPENSES		CURRENT		MARKET	
CAP Rate - Market	4.25%	Taxes (1.2% x Sales Price)	76%	\$42,000	76%	\$42,000	
Year Built	1971	Insurance (\$1/sq. foot)	7%	\$4,002	7%	\$4,002	
Lot Size	2,900	Maintenance & Repair (\$750/unit)	5%	\$3,000	5%	\$3,000	
Type of Ownership	Fee Simple	Utilities (Estimated)	7%	\$4,000	7%	\$4,000	
		Pest Control (Estimated)	2%	\$900	2%	\$900	
		Reserves (\$250/unit)	2%	\$1,000	2%	\$1,000	
		TOTAL	100%	\$54,902	100%	\$54,902	

Rent Roll

Unit #	Unit Type	Unit SF	Current Rent	Rent / SF	Market Rent	PF Rent/SF	Notes
A - BOTTOM UNIT	2+1.5	1,000	\$2,475	\$2.48	\$4,750	\$4.75	
B - TOP UNIT	2+1.5	1,000	\$5,000	\$5.00	\$5,000	\$5.00	VACANT
C - BOTTOM UNIT	2+1	1,000	\$2,850	\$2.85	\$4,250	\$4.25	
D - TOP UNIT	2+1	1,000	\$4,250	\$4.25	\$4,250	\$4.25	VACANT
Total		4,000	\$14,575		\$18,250		

*Sq Ft of All Units are Estimated – Buyer to Verify



Area Overview

The South Bay

Premier Coastal Submarket with Proximity to Major Employment and Transportation Hubs

The South Bay region in Los Angeles is a vibrant and diverse area that plays a crucial role in the economic and cultural fabric of Southern California. Encompassing cities such as Torrance, Manhattan Beach, Redondo Beach, Hermosa Beach, and El Segundo, the South Bay is strategically located near major transportation hubs like the Los Angeles International Airport (LAX) and the Port of Los Angeles. This proximity facilitates significant commercial and logistical advantages, making it an essential area for both local and international businesses.

Major employers in the South Bay include aerospace giants such as Northrop Grumman and SpaceX, as well as automotive leader Honda, which has its American headquarters in Torrance. The presence of these industry leaders underscores the region's importance as a hub for high-tech and engineering jobs. Additionally, companies like Chevron operate major facilities here, further diversifying the industrial base and providing numerous employment opportunities. The economic impact of these employers is profound, contributing to the region's robust economy and supporting a highly skilled workforce.

The South Bay's economy is bolstered by a mix of sectors including aerospace, manufacturing, information technology, and healthcare, creating a dynamic job market. This economic diversity attracts a wide array of professionals and supports a high standard of living in the region. The area is also known for its excellent educational institutions and research facilities, which feed into the local talent pool and support ongoing innovation and development.



Area Overview

Hermosa Beach, CA

Premier Coastal Community Offering an Exceptional Beachfront Lifestyle

Hermosa Beach is one of Southern California's most desirable coastal communities, renowned for its pristine beaches, vibrant downtown district, and relaxed yet upscale lifestyle. Situated along the Pacific Ocean in the heart of the South Bay, the city offers residents unparalleled access to The Strand, the Hermosa Beach Pier, award-winning restaurants, boutique shopping, and year-round recreational activities. Its walkable, amenity-rich environment continues to attract professionals, families, and lifestyle-driven renters seeking an authentic beachside experience.

The city's limited land availability and strict development regulations have created a highly supply-constrained housing market, supporting strong rental demand and long-term property appreciation. Combined with its exceptional quality of life and irreplaceable coastal location, Hermosa Beach remains one of the most sought-after residential markets in Los Angeles County.

Hermosa Beach also benefits from its strategic proximity to major employment centers throughout the South Bay, including El Segundo, Manhattan Beach, Torrance, and Los Angeles International Airport (LAX). The area is home to a diverse employment base anchored by aerospace, technology, health-care, finance, and professional services, providing residents with convenient access to some of Southern California's largest employers while enjoying the benefits of coastal living.

Today, Hermosa Beach continues to command premium residential values due to its unique combination of limited housing supply, exceptional walkability, and enduring appeal as a world-class beach destination.



Area Overview

The Strand

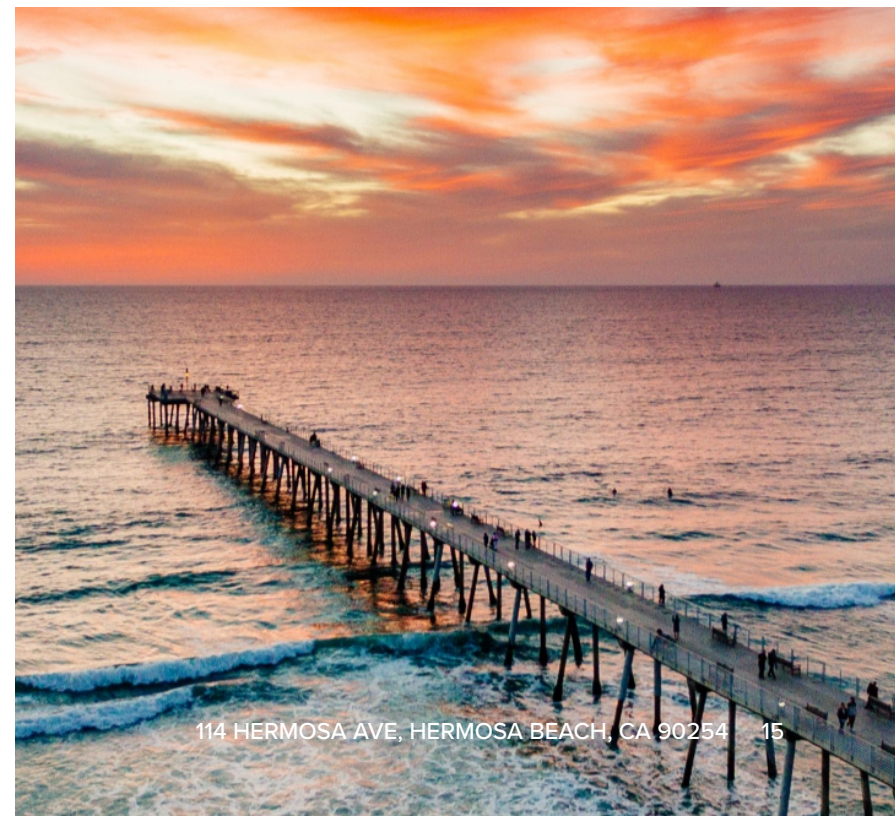
The Strand is Hermosa Beach's iconic oceanfront pedestrian and bicycle path, stretching approximately 22 miles along the Pacific coastline from Torrance to Pacific Palisades. Running directly through Hermosa Beach, The Strand serves as the city's defining amenity, offering residents immediate access to pristine beaches, oceanfront parks, volleyball courts, restaurants, cafés, and some of Southern California's most valuable residential real estate. The path is a destination for cyclists, runners, surfers, and beachgoers year-round, contributing to the area's vibrant coastal atmosphere.

Beyond its recreational appeal, The Strand significantly enhances the desirability of surrounding residential properties. Apartments within walking distance consistently command premium rental rates due to the unique combination of beach access, walkability, and an active outdoor lifestyle. As one of California's most recognizable beachfront corridors, The Strand continues to drive strong housing demand and reinforces Hermosa Beach's position as one of the region's premier coastal rental markets.

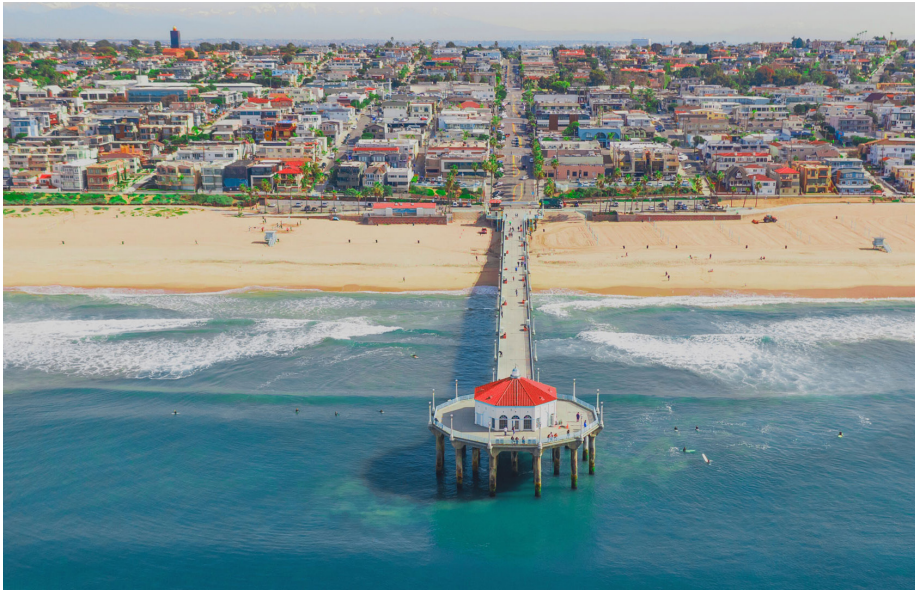
Hermosa Beach Pier & Downtown

The Hermosa Beach Pier serves as the centerpiece of the city's vibrant downtown district, creating one of Southern California's most walkable and dynamic beachfront destinations. The surrounding area features an exceptional collection of award-winning restaurants, cafés, breweries, boutique retailers, fitness studios, and entertainment venues that attract both residents and visitors throughout the year. The district also hosts a variety of community events including the weekly Farmers Market, seasonal concerts, beach volleyball tournaments, art festivals, and holiday celebrations that contribute to the city's lively atmosphere.

The Pier and downtown district provide residents with a true live-work-play environment where everyday conveniences and recreational opportunities are accessible without relying on a vehicle. This highly walkable lifestyle continues to attract professionals, families, and long-term renters seeking an authentic beach community, supporting strong occupancy levels and long-term rental demand throughout Hermosa Beach.



Area Overview



Manhattan Beach

Located immediately north of Hermosa Beach, Manhattan Beach is one of California's most affluent and prestigious coastal communities. Known for its luxury residences, upscale dining, boutique shopping, and award-winning schools, the city has become a highly desirable destination for professionals working throughout the South Bay and greater Los Angeles region. Downtown Manhattan Beach offers an extensive selection of high-end restaurants, cafés, fitness studios, and specialty retailers, further enhancing the area's exceptional quality of life.

The close relationship between Manhattan Beach and Hermosa Beach creates a seamless coastal lifestyle that appeals to residents seeking premier beach living with convenient access to employment centers and everyday amenities.

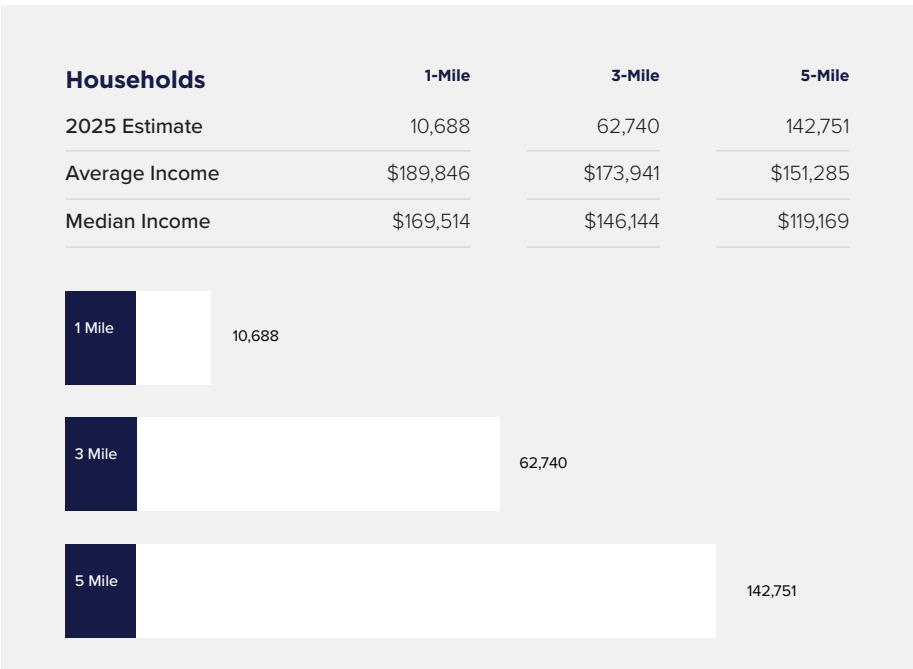
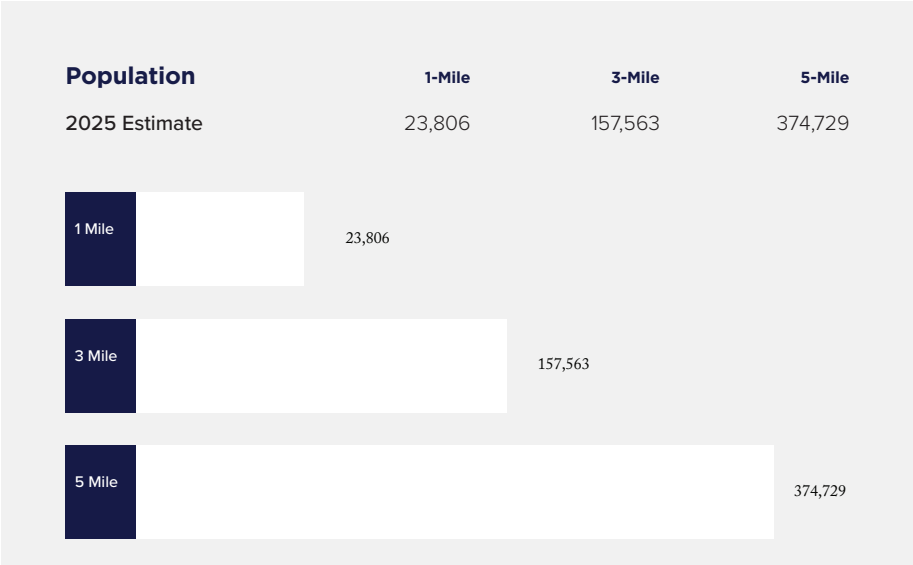


Los Angeles International Airport

Los Angeles International Airport is one of the busiest airports in the world and a critical economic engine for Southern California, serving tens of millions of passengers annually. As a global gateway for domestic and international travel, LAX supports a vast employment base across aviation, hospitality, logistics, tourism, and professional services, creating sustained economic activity throughout the surrounding region.

The airport is undergoing extensive modernization and infrastructure investment, including terminal upgrades, transportation improvements, and transit connectivity enhancements. These initiatives are designed to increase capacity, improve efficiency, and strengthen long-term competitiveness, further reinforcing LAX's role as a cornerstone of the regional economy. Its scale and ongoing reinvestment provide long-term employment stability and durable demand drivers for nearby residential communities.

Demographics



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