600 Esplanade

Redondo Beach, CA 90277

30-Unit Apartment Community

LYONSTAHL
INVESTMENT REAL ESTATE

Prime Coastal Location

600 Esplanade

30-Unit Apartment Community | Redondo Beach, CA 90277

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LYON STAHL

INVESTMENT REAL ESTATE

01

Executive Summary

600 Esplanade

The Opportunity

Investment Opportunity

600 Esplanade offers an extraordinary opportunity to acquire a 30-unit apartment community in one of the South Bay's most desirable and tightly held coastal markets. Located directly across from the Pacific Ocean and just a short walk to Riviera Village, the property combines an irreplaceable location with strong rental demand and exceptional long-term appreciation potential.

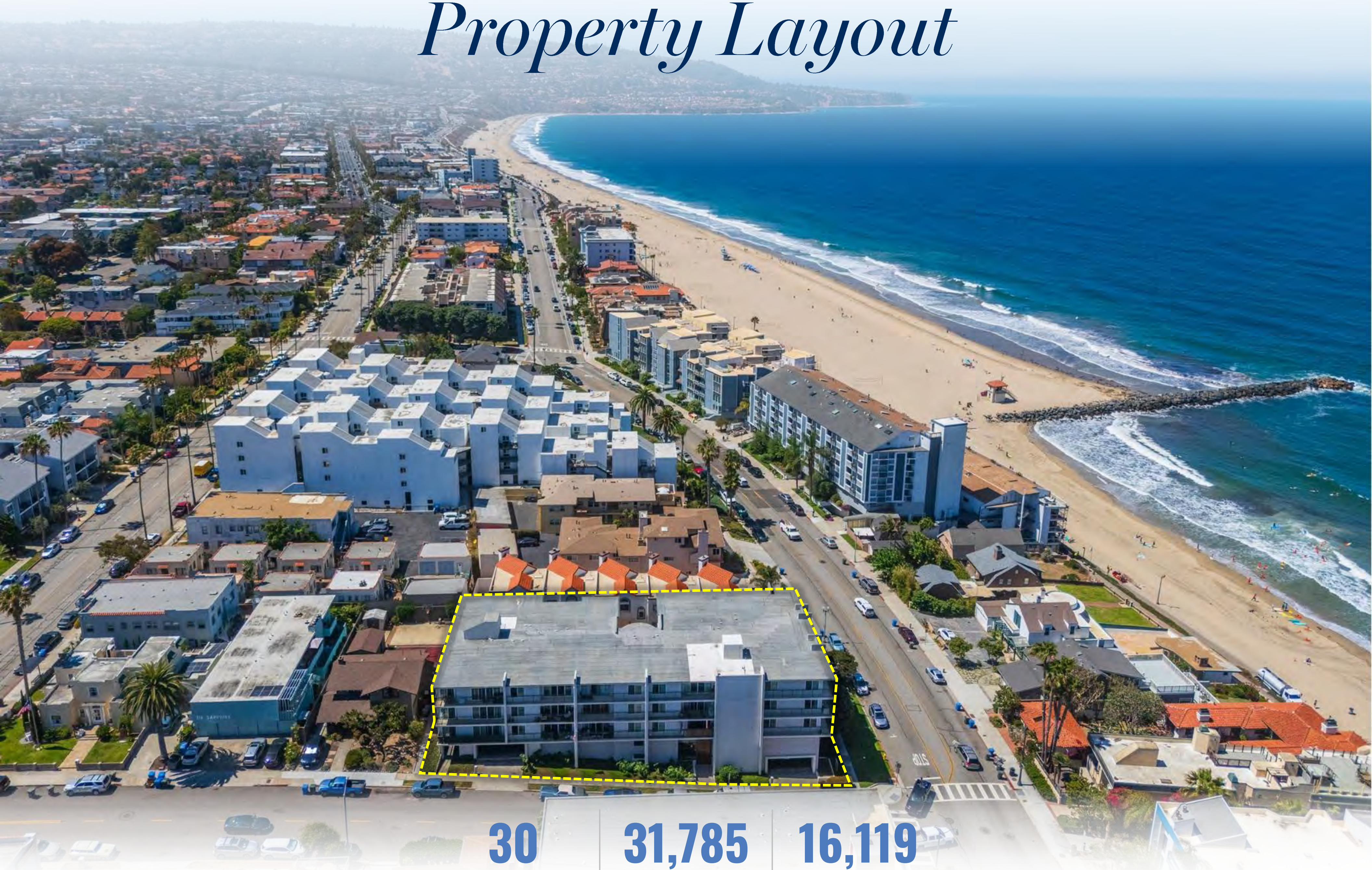
The property consists of 24 1-bed/1-bath and 6 2-bed/2-bath units and has been exceptionally maintained, providing investors with a pride-of-ownership asset requiring minimal immediate capital improvements. The attractive unit mix appeals to a broad tenant base while benefiting from the area's consistently low vacancy rates and strong demand for coastal housing.

Residents enjoy a truly walkable beach lifestyle with immediate access to the Esplanade, The Strand, sandy beaches, waterfront recreation, and the restaurants, coffee shops, boutiques, and nightlife of Riviera Village. The property is also conveniently located near major South Bay employers, providing tenants with an ideal balance of lifestyle and accessibility.

Property Highlights

- Rare 30-unit apartment community in a premier coastal location
- Directly across from the Pacific Ocean
- Most units have partial or open ocean views
- Walking distance to King Harbor, Redondo Beach Pier and Hollywood Riviera
- 26 units eligible for immediate rent increase of 8.7%
- Balcony inspection passed
- No local rent control
- Secured parking, laundry, and storage
- Pride-of-ownership asset with excellent curb appeal
- Strong historical rental demand and high occupancy
- Significant barriers to new multifamily development support long-term value

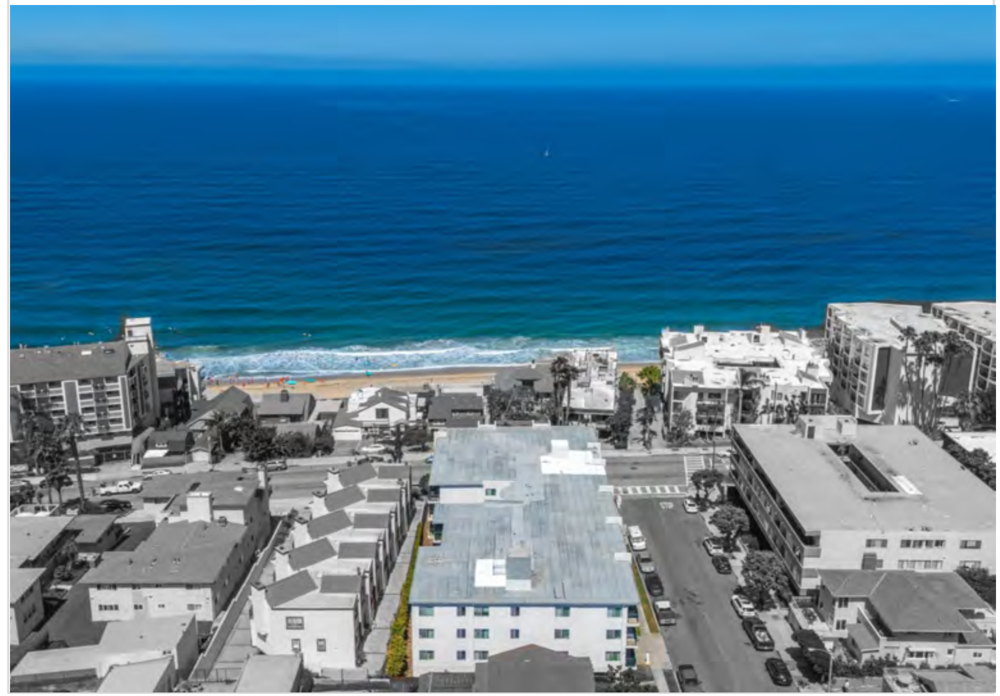
Property Layout



30
TOTAL UNITS

31,785
BUILDING SF

16,119
LOT SF



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Financial Analysis

600 Esplanade

Property Summary

PRICING			
OFFERING PRICE			**$21,000,000**
PRICE/UNIT			$700,000
PRICE/SF			$661
GRM	21.0	19.5	17.1
CAP	3.0%	3.4%	4.0%
	Current	Post Increase	Pro Forma

THE ASSET	
Units	30
Year Built	1969
Gross SF	31,785
Lot SF	16,119
APN	7508-006-015
Stories	3
Zoning	RMD

600 Esplanade offers an extraordinary opportunity to acquire a 30-unit apartment community in one of the Southern California's most desirable and tightly held coastal markets.

Rent Roll

OOV Open Ocean View
POV Partial Ocean View

Unit #	Unit Type	Unit SF	Current	After Immediately Eligible Rent Increases	Pro Forma
101	1+1OOV	748	$2,800	$3,044	$3,425
102	1+1OOV	858	$3,000	$3,261	$3,425
103	1+1OOV	880	$2,950	$3,207	$3,425
104	1+1POV	713	$2,650	$2,881	$3,350
105	1+1	840	$2,650	$2,881	$3,195
106	1+1	840	**Manager** $0	$0	$3,195
107	1+1	840	$2,660	$2,891	$3,195
108	1+1	824	$2,640	$2,870	$3,195
109	2+2POV	1,029	$3,174	$3,450	$3,695
110	2+2POV	1,040	$3,300	$3,587	$3,695
201	1+1OOV	748	$2,900	$3,152	$3,425
202	1+1OOV	858	$2,950	$3,207	$3,425
203	1+1OOV	880	$3,020	$3,283	$3,425
204	1+1POV	713	$2,695	$2,695	$3,350
205	1+1	840	$2,505	$2,723	$3,195
206	1+1	840	$2,488	$2,704	$3,195
207	1+1	840	$2,750	$2,750	$3,195
208	1+1	824	$2,750	$2,989	$3,195
209	2+2POV	1,029	$3,050	$3,315	$3,795
210	2+2POV	1,040	$3,350	$3,350	$3,795
301	1+1OOV	748	$2,950	$3,207	$3,425
302	1+1OOV	858	$3,050	$3,315	$3,425
303	1+1OOV	880	$3,020	$3,283	$3,425
304	1+1POV	713	$2,531	$2,751	$3,350
305	1+1	840	$2,750	$2,989	$3,195
306	1+1	840	$2,650	$2,881	$3,195
307	1+1	840	$2,605	$2,832	$3,195
308	1+1	824	$2,500	$2,718	$3,195
309	2+2POV	1,029	$3,131	$3,403	$3,795
310	2+2POV	1,040	$3,450	$3,750	$3,795
Total			**$82,919**	**$89,368**	**$101,785**

Financial Analysis

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MONTHLY RENT SCHEDULE

# of Units	Type	Current	Current Total	Post Increase	Post Increase Total	Pro Forma	Pro Forma Total
12	1+1	$2,412	$28,948	$2,602	$31,227	$3,195	$38,340
3	1+1POV	$2,625	$7,876	$2,776	$8,327	$3,350	$10,050
9	1+1OOV	$2,960	$26,640	$3,218	$28,958	$3,425	$30,825
6	2+2POV	$3,243	$19,455	$3,476	$20,856	$3,762	$22,570
Total Scheduled Rent			**$82,919**		**$89,368**		**$101,785**

ANNUALIZED INCOME		Current		Post Increase		Pro Forma
Gross Scheduled Rent		**$995,028**		**$1,072,413**		**$1,221,420**
Less: Vacancy/Deductions	3%	($29,851)	3%	($32,172)	3%	($36,643)
Gross Scheduled Rent		**$965,177**		**$1,040,241**		**$1,184,777**
Other Income		$7,000		$7,000		$7,000
Effective Rental Income		**$972,177**		**$1,047,241**		**$1,191,777**

ANNUALIZED EXPENSES	Current	Post Increase	Pro Forma
*Taxes+Direct Assessments	$243,600	$243,600	$243,600
*Insurance	$39,731	$39,731	$39,731
*Reserves	$6,000	$6,000	$6,000
Onsite Manager	$0	$0	$0
Water	$11,667	$11,667	$11,667
Trash	$7,095	$7,095	$7,095
Electric	$22,502	$22,502	$22,502
Elevator Maintenance	$1,800	$1,800	$1,800
Gardening	$2,400	$2,400	$2,400
Pest Control	$1,424	$1,424	$1,424
Repairs/Maintenance	$6,000	$6,000	$6,000
ESTIMATED EXPENSES	**$342,219**	**$342,219**	**$342,219**
Expenses/Unit	$11,407	$11,407	$11,407
Expenses/SF	$10.77	$10.77	$10.77
% of SGI	34.39%	31.91%	28.02%

RETURN	Current	Post Increase	Pro Forma
NOI	$629,958	$705,022	$849,558

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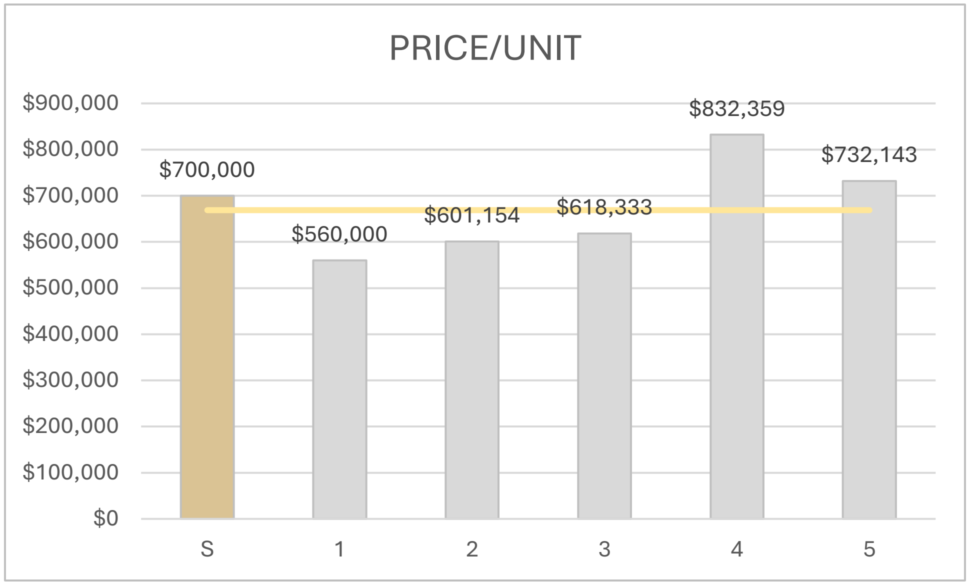
Financial Analysis

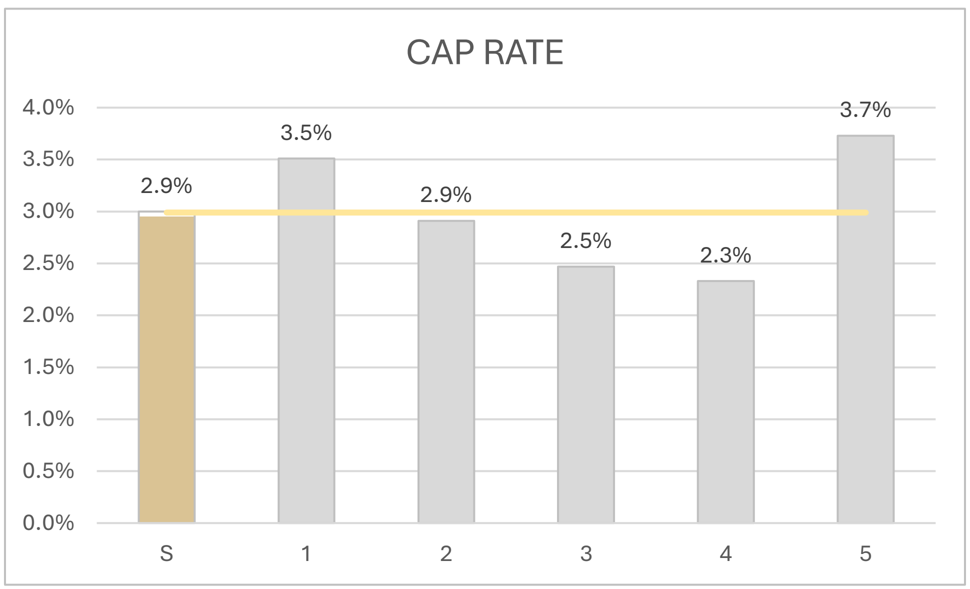
600 Esplanade

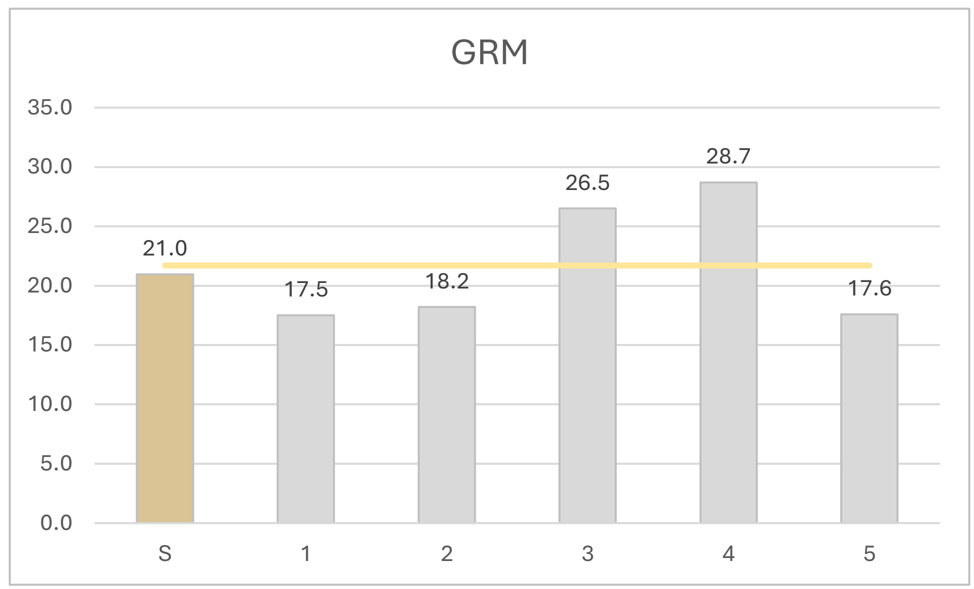
Sales Comparables

PHOTO		ADDRESS	UNITS	BUILT	GROSS SF	PRICE	PRICE/UNIT	PRICE/SF	CAP	GRM
	S	Subject **600 Esplanade** Redondo Beach, CA 90277	30	1969	31,785	**$21,000,000**	$700,000	$661	3.0%	21.0
	1	**1802 Esplanade** Redondo Beach, CA 90277	10	1960	7,155	**$5,600,000**	$560,000	$783	3.5%	17.5
	2	**612 S Catalina Ave** Redondo Beach, CA 90277	26	1971	28,788	**$15,630,000**	$601,154	$543	2.9%	18.2
	3	**329-333 Calle Miramar** Redondo Beach, CA 90277	12	1980	13,770	**$7,420,000**	$618,333	$539	2.5%	26.5
	4	**1100 Esplanade** Redondo Beach, CA 90277	16	1958	15,541	**$13,317,750**	$832,359	$857	2.3%	28.7
	5	**1402 Esplanade** Redondo Beach, CA 90277	14	1963	12,993	**$10,250,000**	$732,143	$789	3.7%	17.6
		AVERAGES	**16**	**1966**	**15,649**		**$668,798**	**$702**	**3.0%**	**21.7**

Sales Comparables







SALES COMPARABLES

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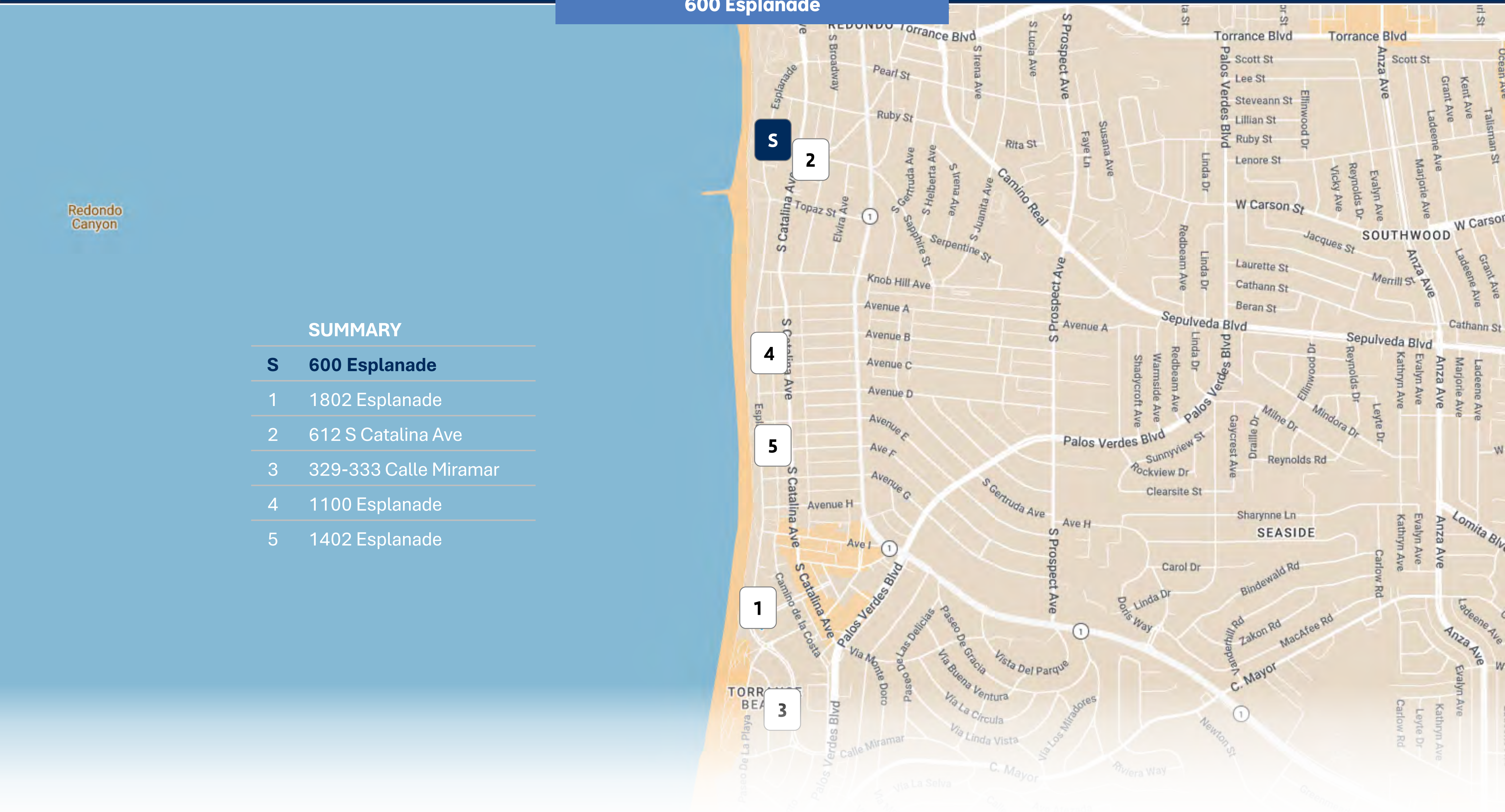

SUMMARY

S	**600 Esplanade**
1	1802 Esplanade
2	612 S Catalina Ave
3	329-333 Calle Miramar
4	1100 Esplanade
5	1402 Esplanade

04

Location Overview

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Redondo Beach

Prime Coastal Location

Located in the choice coastal edge of Los Angeles County, just twenty miles from downtown Los Angeles and seven miles south of Los Angeles International Airport, Redondo Beach has been a preferred resort destination for more than a century and one of the most desirable areas to live in the country. The City's population has been slowly, but steadily growing in the past few years.

POPULATION	MEDIAN HH INCOME	MEDIAN HOME VALUE
68,918	*$134,033*	*$1,192,300*

Redondo Beach is a full-service city with its own police, fire and public works departments, two public libraries, a performing arts center, fifteen parks, thirteen parkettes, a large recreational and commercial harbor including King Harbor, a 1,500-slip private craft port; the Redondo Beach Pier and Seaside Lagoon; and a bathing and surfing beach.

Location Highlights

Much larger than its south bay counterparts Manhattan and Hermosa Beach, Redondo Beach is 6.35 square miles and home to over 66,000 people. Redondo Beach is divided into two sections, North and South Redondo which meet at a very small section of Pacific Coast Highway and 190th St.

Properties in Redondo Beach within a short distance of the Pacific Ocean routinely sell for above -average prices.

The median price of homes listed in the Redondo Beach real estate market is currently $1,100,000.

Redondo Union High School is the zoned high school within the Redondo Beach Unified School District and is ranked in the top 50 high schools in California.

Also within the school district are two middle schools, and eight elementary schools, all evenly divided between North and South Redondo Beach.

Area Landmarks

ARTESIA BOULEVARD: Shop, dine and stroll along Artesia Boulevard. With dining options from around the world and multiple shopping choices, residents and guests can find just about anything along this pedestrian-friendly business corridor that begins on the west end at Aviation Boulevard and ends at the east end with the South Bay Galleria at Hawthorne Boulevard.

PIER & KING HARBOR: At the City's waterfront, you will find some of the best hotels in the South Bay area. There are over 600 rooms in three hotels (the Crowne Plaza, the Portofino, and the Sunrise Best Western Hotels) with many more within a short distance. The City's Harbor & Pier area occupies over 150 acres of land and water area and offers many types of activity for the out-of-town guest and the area resident.

RIVIERA VILLAGE: Nestled next to the beautiful coves of Palos Verdes Peninsula between Pacific Coast Highway and the Pacific Ocean, you will find Riviera Village -- a charming collection of over 300 shops, restaurants and services. The gem of Redondo Beach, it is the South Bay destination for fashion, food and gifts.

SOUTH BAY GALLERIA: South Bay Galleria is a shopping, dining and entertainment destination boasting three levels of over 140 retailers including Macy's, Kohl's, California Pizza Kitchen, and AMC South Bay Galleria 16 Theatres. South Bay Galleria is proud to feature a grand 45 foot, Mediterranean-style, limestone main entrance and granite tile flooring with a wave pattern to reflect the beach community.

The Location

REDONDO BEACH ECONOMY

Significant concentrations of employment and retail activity include the northern industrial complex anchored by the Northrop Grumman Corporation campus; the Harbor/Pier area; the Galleria at South Bay–-a regional mall anchoring the east end of the City; and an eclectic mix of specialty shops, restaurants and services known as the Riviera Village area in the south end of the City.

Redondo Beach is a “charter city” governed by a council-manager form of government. The Mayor is elected at large, and one Council Member is elected from each of the five City districts. The Mayor and Council appoint the City Manager as the chief administrative officer of the City to guide day-to-day operations.

Located midway between the largest airport and the largest seaport in California, Redondo Beach is a great place to work and to do business. The City offers a broad based economy and is home to a number of employers offering high value, high wage job opportunities.

The City provides an excellent base for businesses: excellent entertainment and recreational facilities, the ocean nearby, an attractive regional mall (The Galleria at South Bay), and a mild climate with smog-free ocean breezes. Approximately 1,590 home-based businesses operate within Redondo Beach.

TOP AREA EMPLOYERS

27,000 Employees	17,700 Employees	16,768 Employees	7,000 Employees
NORTHROP GRUMMAN	LOCKHEED MARTIN	BOEING	Raytheon

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