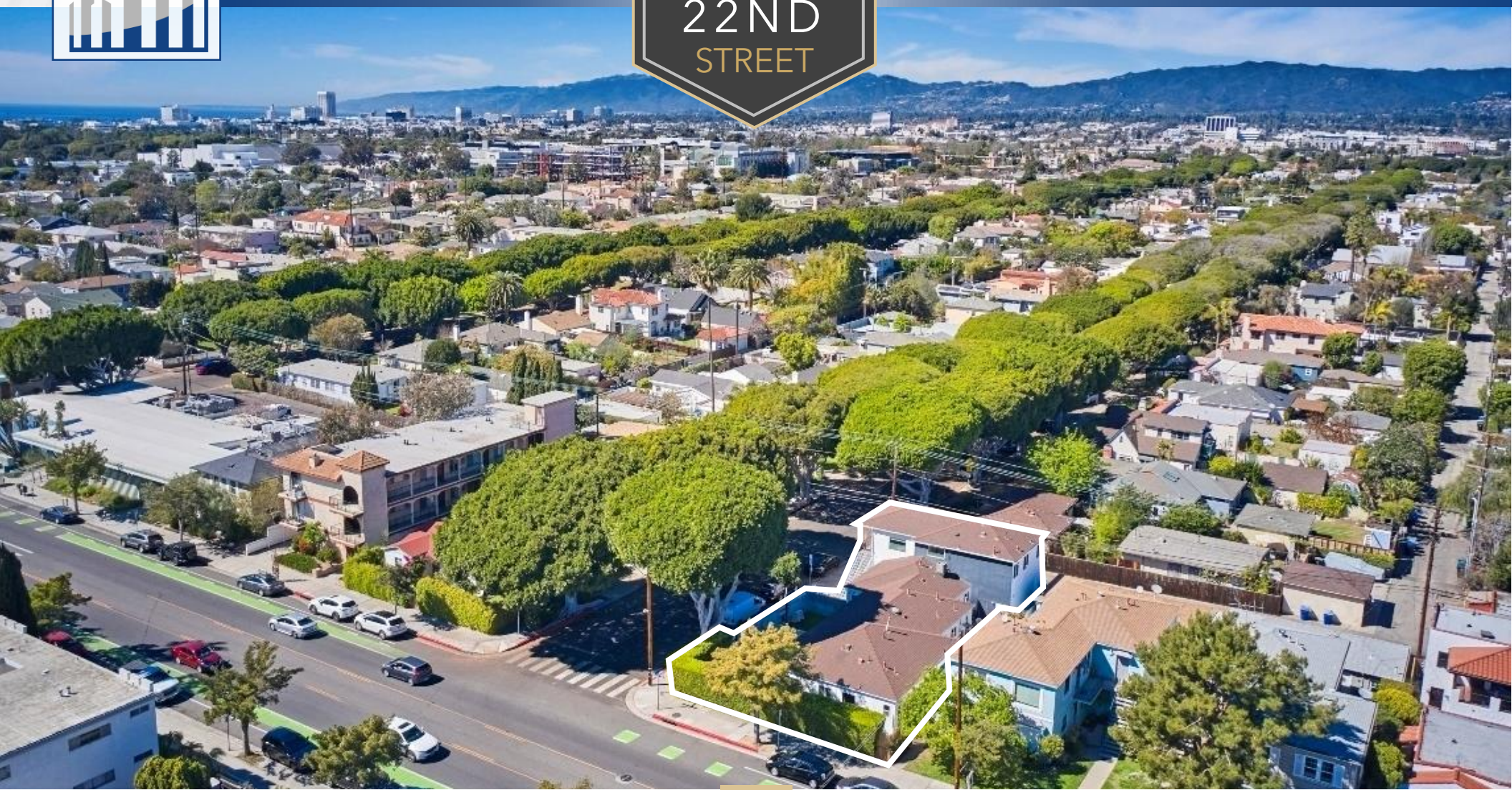




Realty Investment Advisors

2607
22ND
STREET

www.realtyinvadvisors.com



2607 22ND STREET ■ SANTA MONICA, CA 90405

4-UNIT OFFERING MEMORANDUM



Property Summary

2607 22ND STREET

SANTA MONICA, CA 90405

PRICING

OFFERING PRICE **\$2,775,000**

PRICE/UNIT \$693,750

PRICE/SF \$871.00

GRM 17.00 **14.64**

CAP RATE 4.00% **4.92%**

Current **Market**

THE ASSET

UNITS ▪ 4

YEAR BUILT ▪ 1952

GROSS SF ▪ 3,186

LOT SF ▪ 6,060

APN ▪ 4273-015-011

PROPERTY OVERVIEW

Spectacular Santa Monica fourplex in a residential neighborhood with great curb appeal. Ideal unit mix featuring (1) 2 bed 2 bath "owner's unit", (2) 1 bed 1 bath units and (1) 2 bed 1 bath unit. This high income producing property offered at a 4.0% cap rate was meticulously renovated with no expense spared. Every unit is absolutely immaculate depicting a bright airy vibe flowing throughout the seamless layout of each unit. All units include an in-unit washer/dryer, brand new windows, recessed lighting with sound dampening covers and new flooring.

Gorgeous top of the line finishes in 3 units consisting of new upgrades that include interior paint, updated kitchen/bathrooms, dual-pane windows, AC/Heat NEST systems, electrical, roof, tankless water heaters & updated copper plumbing. Poured concrete walls separate all units providing complete privacy and new landscaping upgrades the property to its finest. Take a stroll under the beautiful canopy of mature trees lining the street or take a short walk over to your favorite nearby eateries, markets and cafes. Two of the five single car garages will be delivered vacant at close providing a buyer an incredible opportunity to convert some garages into an ADU to create even more cash flow!





Trophy Turnkey Santa Monica 4Plex in Prime Ocean Park

❖ *Perfect for Owner/User or Investor*

❖ *In-Unit Washers/Dryers and All New Windows*

❖ *Exceptional 4.0% Current Cap Rate*

❖ *Potential to Convert Garages into an ADU*



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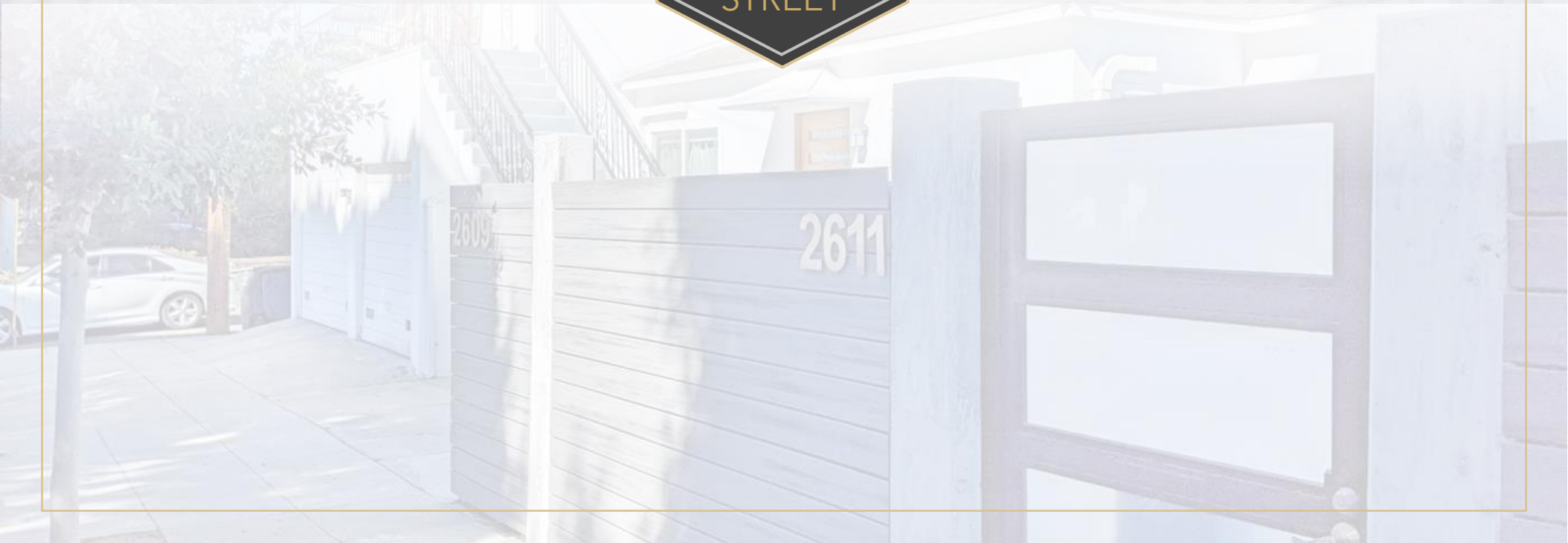
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STREET



FINANCIAL



ANALYSIS



Financial Analysis

2607 22ND STREET

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MONTHLY RENT SCHEDULE

# of Units	Type	Rent Range	Current Total	Rent Range	Market Total
1	2+2	\$4,000	\$4,000	\$4,100	\$4,100
1	2+1	\$4,000	\$4,000	\$4,100	\$4,100
2	1+1	\$2,500	\$5,000	\$3,500	\$7,000

Monthly Scheduled Gross Income	\$13,000	\$15,200
2 Vacant Garages (Projected Income)	\$600	\$600
Total Monthly Scheduled Gross Income	\$13,600	\$15,800

ANNUALIZED INCOME

	Current	Market
Scheduled Gross Income	\$163,200	\$189,600
Vacancy Rate	3% (\$4,896)	3% (\$5,688)
Gross Operating Income	\$158,304	\$183,912

ANNUALIZED EXPENSES

	Current	Market
Taxes	\$33,300	\$33,300
Insurance	\$1,912	\$1,912
Water/Trash/Sewer	\$5,000	\$5,000
Gardener	\$1,200	\$1,200
Maintenance & Repairs	\$6,000	\$6,000
Total Expenses	\$47,412	\$47,412
Expenses/Unit	\$11,853	\$11,853
Expenses/SF	\$14.88	\$14.88
% of SGI	29.05%	25.01%

RETURN

	Current	Market
NOI	\$110,892	\$136,500

Rent Roll

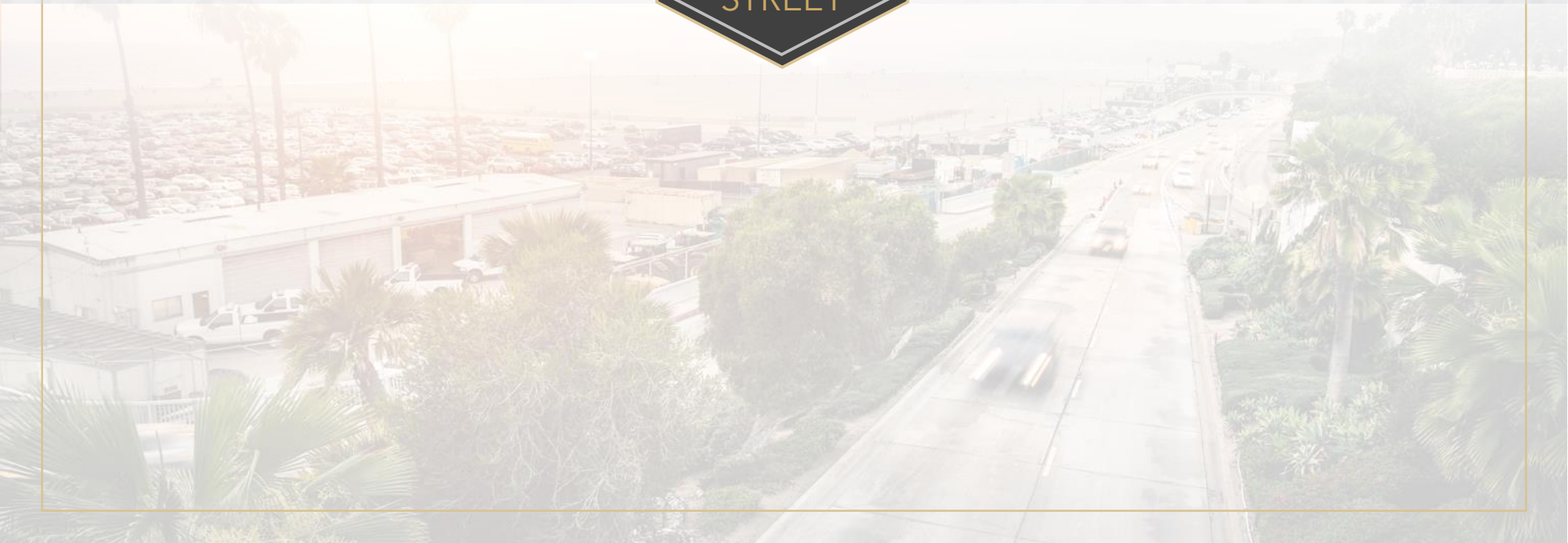
2607 22ND STREET

Unit #	Type	Current Rent	Pro Forma Rent	Comments
2607	2+2	\$4,000.00	\$4,100.00	Upstairs unit above garages
2609	1+1	\$2,500.00	\$3,500.00	Middle units
2611	1+1	\$2,500.00	\$3,500.00	Middle units
2615	2+1	\$4,000.00	\$4,100.00	Corner unit closest to Ocean Park Blvd with a big yard
Totals:		\$13,000.00	\$15,200.00	

LOCATION



OVERVIEW





Recently named by National Geographic as one of the Top "10 Beach Cities in the World"

SANTA MONICA AREA OVERVIEW

Santa Monica is a beachside city of 8.3 square miles on the westside of Los Angeles County. Offering an environment of unparalleled natural beauty, the city is home to a mix of residential communities, commercial districts, and recreational venues.

Recently named by National Geographic as one of the Top "10 Beach Cities in the World" and by TIME as one of the "Best Places to Live", Santa Monica features three miles of Pacific beaches and the Santa Monica Pier. Santa Monica's residential population is approximately 93,000, increasing to an estimated 250,000 during the day with tourists, shoppers, and employees. Tourism attracts over 8 million visitors annually.



City of
**Santa
Monica**

Santa Monica, California offers more than its beautiful beach and year-round warm weather. Its proximity to the greater Los Angeles area makes Santa Monica the perfect base for residents and travelers alike.



8.42

AREA SQUARE MILES



92,478

TOTAL POPULATION



\$1.09M

MEDIAN HOME PRICE



\$106,123

AVG HH INCOME



71%

RENTER OCCUPIED



67.9%

BACHELOR'S DEGREE+

NEIGHBORHOODS

MAIN STREET

Santa Monica's Main Street bears the laid back artsy side of Santa Monica, a side of the city that has been characterized by a local, surf vibe for years. Consider the many art galleries and attractions such as the Edgemar Center for the Arts and Mindfulnest, which is one-part art gallery, one-part shop. Main Street is also home to one of the highest concentrations of coffee shops in Santa Monica. A variety of different boutique shops are scattered along Main Street and a weekly farmers market takes place every Sunday.

MID CITY

The furthest inland neighborhood in Santa Monica is known as Mid-City. This is the arts and entertainment hub of Santa Monica, and is home to a number of the largest entertainment companies. Mid-City also is where you'll find one of the largest contemporary art collections in Los Angeles, Bergamot, which was formerly a railroad station but now houses a plethora of different art galleries. Some of Santa Monica's best restaurants are in Mid-City, including Mélisse, which had won two Michelin stars.

OCEAN PARK BOULEVARD

Running southeast from the Santa Monica Pier is Ocean Park. That local, artsy aesthetic of Main Street extends here, comprising independent coffee shops, boutique stores, and art galleries. Located just east of Ocean Park is the Santa Monica Airport. Not only is this a working airport for private jet owners, but it also is the location of the Museum of Flying, which features numerous aircraft and artifacts, including a Wright Flyer replica and World War II planes, and adjacent to the Spitfire Grill.





PICO BOULEVARD

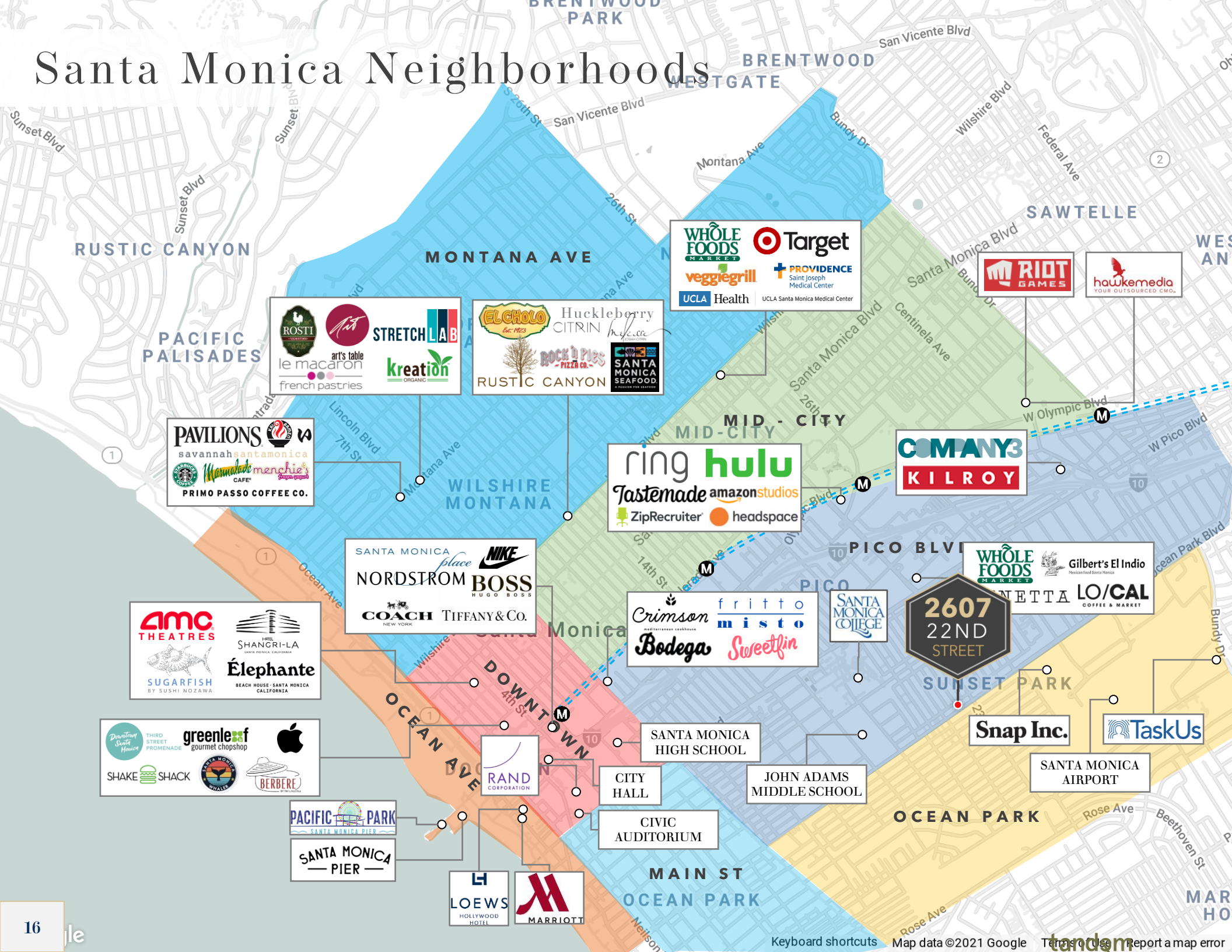
Running parallel to I-10 is perhaps the most ethnically diverse neighborhood in Santa Monica: Pico. The people here can vary, from college students strolling in and around Santa Monica College to locals popping in and out of the clothing boutique shops, record stores, and art galleries. Saturday mornings on Pico feature a smaller, more local farmers market than the Downtown Santa Monica Farmers Market; the Pico iteration usually comprises no more than 30-40 local farmers.

SANTA MONICA PIER

The palm tree-lined avenue and views overlooking the Pacific Ocean make the Santa Monica Pier area and Ocean Avenue one of the most iconic locations in Santa Monica. Unique hotels, such as The Georgian and The Shore, dot Ocean Avenue while open-air restaurants and bars, such as Blue Plate Oysterette and The Bungalow, line the avenue. Just down from Ocean Avenue is perhaps Santa Monica's most famous attraction, the Santa Monica Pier. This attraction dates back to 1909, and features a solar-paneled Ferris wheel, amusement park, aquarium, and live concerts and movies during the summer months.

- ▶ *3.5-miles stretch of coastline*
- ▶ *laid-back beach town atmosphere with big city sophistication*
- ▶ *diverse mix of shopping, dining, entertainment, outdoor recreation*
- ▶ *only eight miles (13 km) north of Los Angeles International Airport (LAX)*
- ▶ *close to other popular Southern California cities such as Beverly Hills and Hollywood*

Santa Monica Neighborhoods



Silicon Beach Synergy

Silicon Beach is the Westside region of the Los Angeles metropolitan area that is home to over 500 tech startup companies, with emphasis on the coastal strip north of LAX to Santa Monica Mountains, but the term may be applied loosely or colloquially to refer to most anywhere in the LA Basin. Major technology companies have opened offices in the region including Google, Yahoo!, YouTube, BuzzFeed, Facebook, Salesforce, AOL, Electronic Arts, Sony, EdgeCast Networks, and MySpace. Additionally, several mobile ventures seeded here like Snapchat and Tinder. In 2012, the region was considered the second- or third-hottest tech hub in the world, according to some metrics.

Nevertheless, the headquarters of these established corporate tech titans tends to be elsewhere, though the region has had startups proliferation. Unlike the traditional definition of Silicon Valley (Menlo Park to Santa Clara) where the economy is overwhelmingly technology geared, Silicon Beach, much like San Francisco, tends to have a more diversified economy whereby tourism, finance, and/or other industries also play a major role.



One for One

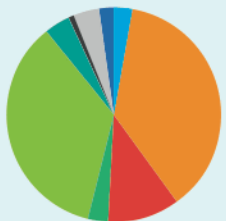
Innovation Hub

Los Angeles has a flourishing hub of innovative companies putting down roots outside of the San Francisco tech epicenter. Known as "Silicon Beach," due to its proximity to surf and sand, the tech community's attraction to the area is partly credited to its proximity to LAX and the diversity of LA's industries.

While Silicon Beach is sometimes used to loosely describe both LA and Orange County, the tech community specifically refers to the stretch of cities west of LA, spanning from Santa Monica to Venice, often including communities as far as Hermosa Beach. As we see it, Silicon Beach encompasses the following tech hubs: Santa Monica, Venice, Marina del Rey, Playa Vista, Playa del Rey, El Segundo, Manhattan Beach and Hermosa Beach, respectively.



INDUSTRY BREAKDOWN



- HEALTHCARE
- PROFESSIONAL SERVICES
- HOSPITALITY
- ARCHITECTURE
- ENTERTAINMENT
- FASHION
- ADVERTISING
- TECHNOLOGY AND MEDIA
- EDUCATION

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INVESTOR'S BUSINESS DAILY

SYMANTEC
VEVO
GEHRY PARTNERS
TOMS
GOOGLE RUBICON
VENICE
CHIAT DAY
DIGITAL DOMAIN
MARINA DEL REY
ICAAN
USC ITC

OVE ARUP

GAMEFLY

SONY

CULVER CITY

PEPPERDINE UNIVERSITY

NORTH AMERICAN PHILIPS

ED HARDY

DEUTSCH INC
OGILVY & MATHER

MIRACLE MILE

OMNICOM

DOWNTOWN LA

MICROSOFT
NPR WEST

7RANDSUNNY

PLAYA VISTA

CALIFORNIA PIZZA KITCHEN

LUXURY LINK

DirectV

TEAM ONE (SAATCHI & SAATCHI)

EARTHBOUND MEDIA (O.C.)

MANHATTAN BEACH

LADERA HEIGHTS

THOMSON REUTERS

INGLEWOOD

HAWTHORNE

EL SEGUNDO

LOS ANGELES CLIPPERS (CARSON)

OUT OF THE AREA

- YOUTUBE
- GENZYME
- GAMEFLY
- REGUS BUSINESS CENTER
- FACEBOOK
- ZYNGA GAMES NETWORK
- SILICON STORAGE TECHNOLOGIES

SILICON BEACH FIRMS



Hulu's streaming platform features a wide array of popular television shows just hours after they air live. The company occupies a 90,000-square-foot, fully customized space in the mid-city neighborhood of Santa Monica.

Industry: Media | Funding: \$683M



The Honest Company provides a line of safe products, ranging from beauty items to cleaning supplies, for the family and for use in the home. The company is also known for giving back, donating products and volunteering on a regular basis.

Industry: E-Commerce | Funding: \$303M



Currently in Venice, the world's leading search engine is moving into a huge Playa Vista space once occupied by Howard Hughes' famous aircraft, the Spruce Goose. It comes as no surprise since Playa Vista once operated solely as Hughes' private airport.

Industry: Software | Funding: \$36.1M

SILICON BEACH FIRMS

YOUTUBE

YouTube is also making use of leftover airport structures from the Hughes era, converting the spaces into offices and creative areas for their YouTube Space facility. Free to anyone with a channel boasting more than 10,000 subscribers, the building is over 40,000-square-feet of sets, screening rooms, editing booths, dressing rooms and more.

Industry: News + Entertainment | Funding: \$11.5M



CHOWNOW

ChowNow makes software for the restaurant industry. Providing products such as online ordering systems, management tools and customer insights, ChowNow helps businesses get to know their customers and stay on top of the trends.

Industry: Food | Funding: \$43M



SNAP INC.

Snap Inc., the company responsible for Snapchat, is straddling multiple California locations at the moment. The social media company once boasted a spread of offices throughout Venice but has since made moves to a space near the Santa Monica airport.

Industry: Software | Funding: \$4.6B

A white circular icon containing a yellow square with the text "Snap Inc." in black.

Snap Inc.





Priceless cachet of an exclusive ‘Silicon Beach’ address in Santa Monica, down the street from Santa Monica College and abundant world-class amenities that include acclaimed restaurants, world-class resorts, venerable shopping and entertainment centers, and unlimited fair-weather recreational activities. Walking distance to Third Street Promenade, Santa Monica Place, and Santa Monica Pier.



Realty Investment Advisors



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