



Offering Memorandum

The Seaside

3110 Highland Ave. Santa Monica, CA 90405

Residential Income

For Sale

PROPERTY WEBSITE

—lucrumre.com



EQUITY
UNION
COMMERCIAL



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The Seaside

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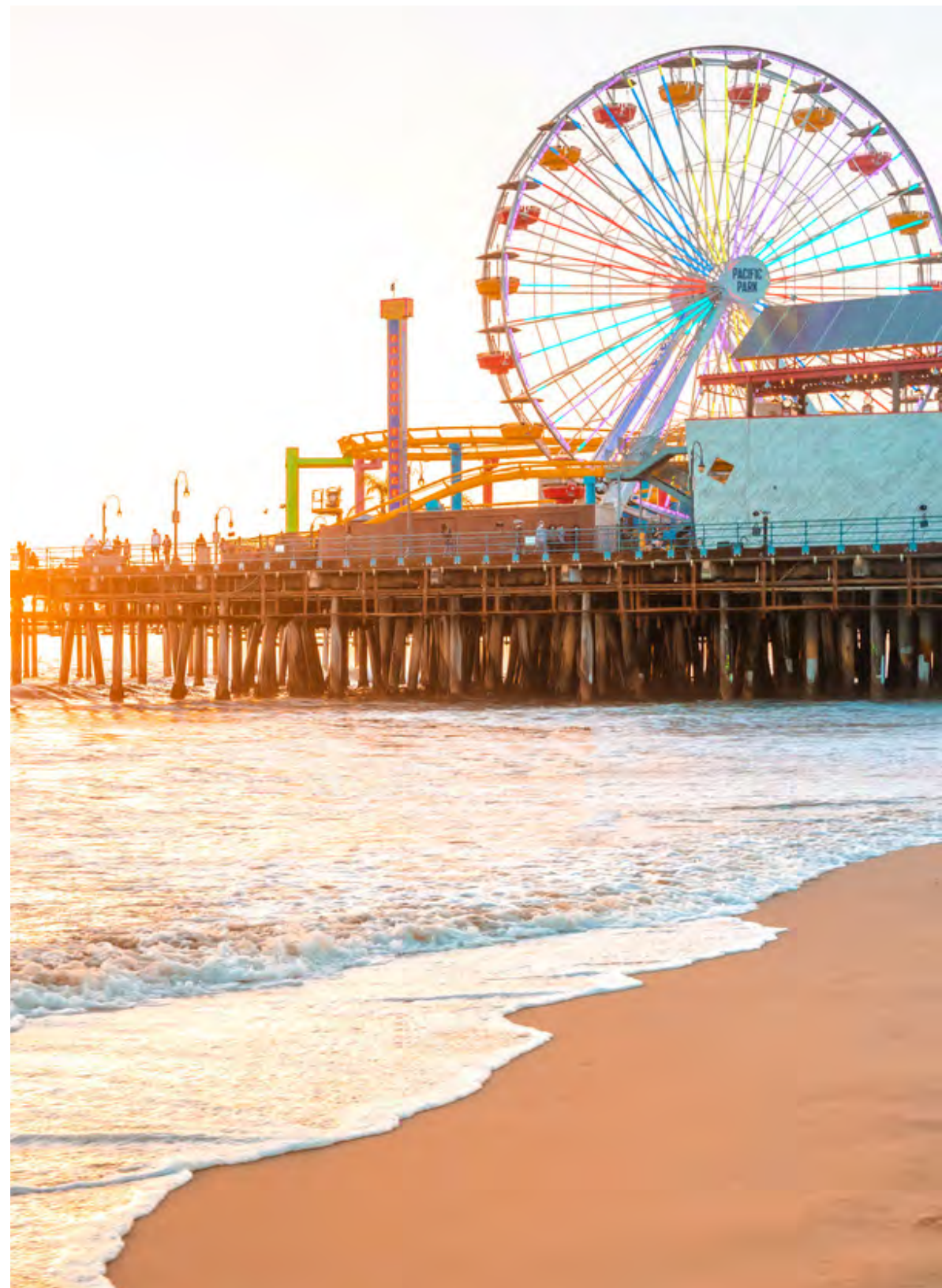


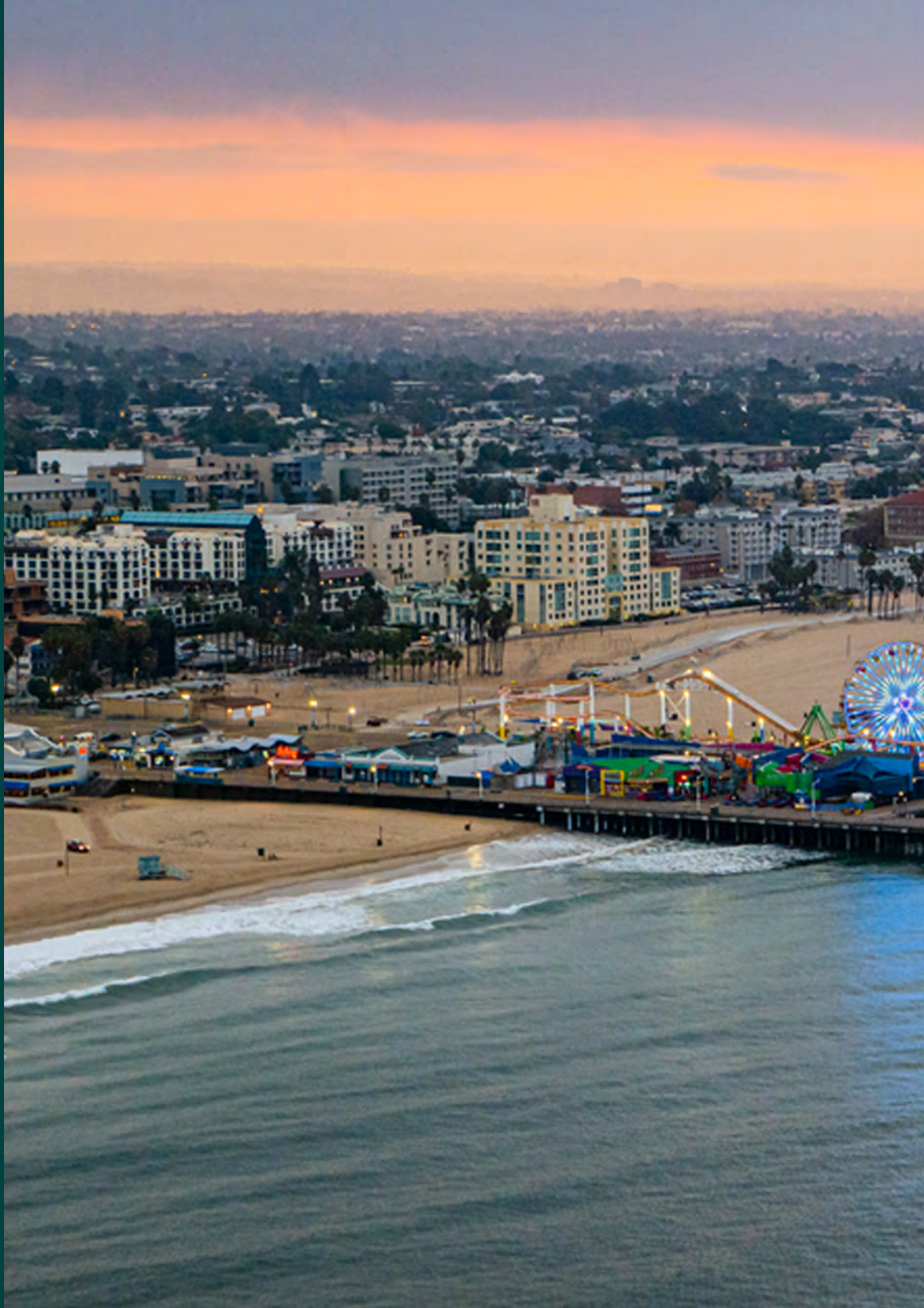


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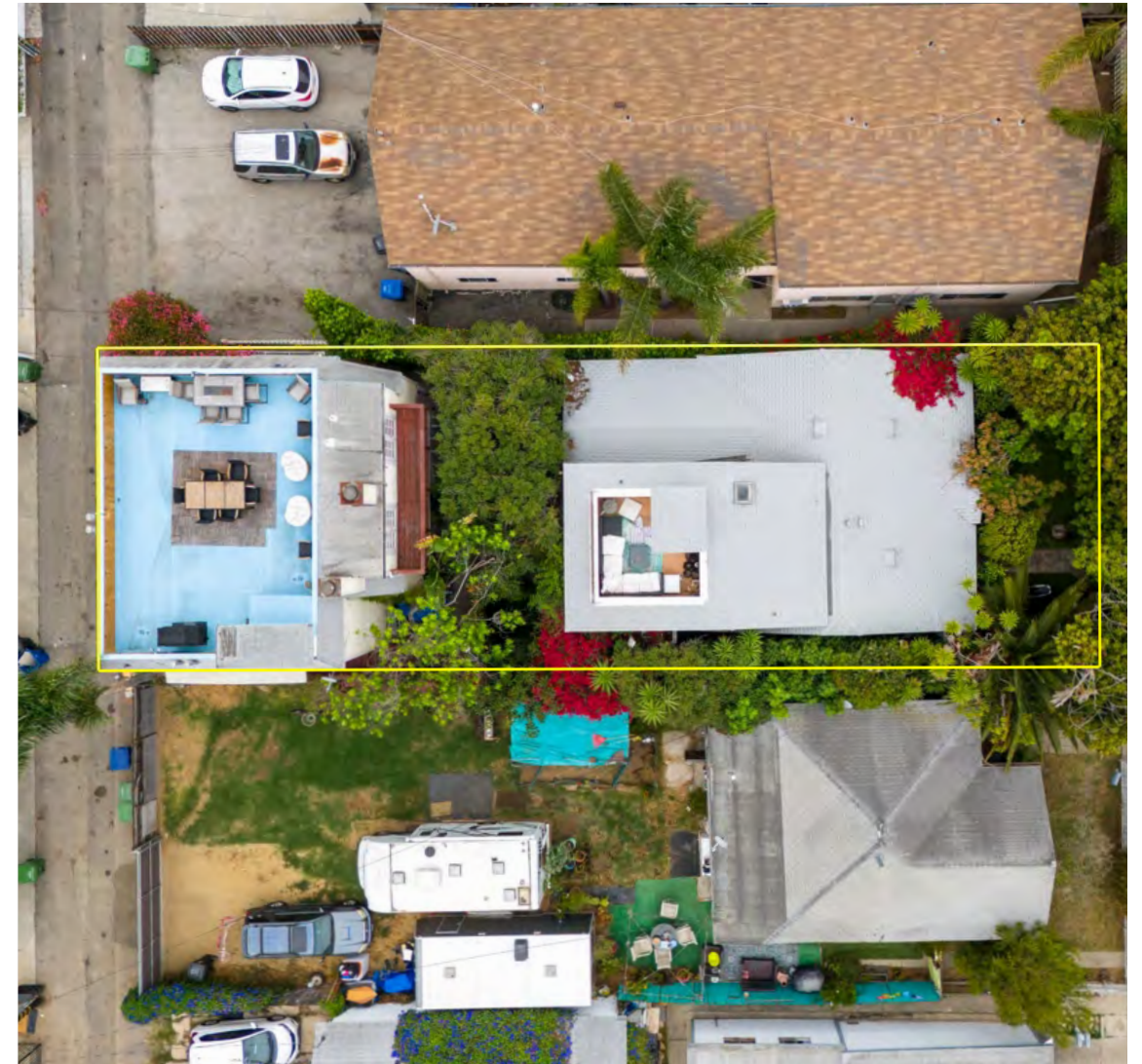
01. PROPERTY OVERVIEW



The Seaside

Property Overview

Street Address:	3110 Highland Ave.
City:	Santa Monica
State:	California
Zip Code:	90405
APN:	4287-037-029
Rentable Square Feet:	± 3,802 SF
Lot Size:	± 4,838 SF
Year Built:	1920 & 1988
Number of Units:	3 Units + 1 NC Unit
Number of Buildings:	2
Number of Stories:	4
Water:	Master-Metered
Electric:	Individually-Metered
Gas:	Individually-Metered
Construction:	Wood-frame
Roof:	Combination
Parking:	3 Garage Parking
Zoning:	SMOP2
Unit Mix:	(1) 4 Beds/3 Baths H (1) 2 Beds/2 Baths (1) 2 Beds/1 Bath (1) 1 Single/1 Bath NC





The Seaside



*Buyer to Verify AB-1482 status and year built with the City of Santa Monica

Property Description

Lucrum Real Estate Group is proud to present The Seaside, a tranquil retreat located in the charming beachside community of Ocean Park in the City of Santa Monica. Situated on the quiet residential street of Highland Ave., this unique property, which is just 6 blocks from the beach, offers an amazing opportunity and endless possibilities for either someone looking to call this property home or a seasoned investor.

*The property is not subject to Santa Monica Rent Control, allowing for 5% + CPI annual rent increases per AB-1482. The home was originally built in 1920 and in 1988, the construction of (2) detached apartment units and workshop was completed. Over the course of the last few years, the property has undergone extensive renovation to both the main home, as well as the apartment units.

This wonderful opportunity encompasses an impressive 3,802 sq ft. building and consists of a 4 Bedroom + 3 Bath Two-Story Single-Family Home with a private 106 sq ft. 3rd-floor rooftop terrace, as well as (2) detached 2-Bedroom apartment units averaging 895 sq ft. in a 3-story structure with the 4th floor consisting of a massive 628 sq ft. sundeck and lounge with partial views of the Pacific Ocean and surrounding city. *In addition, there's a 1st floor, non-conforming studio unit that could be used as an office or can potentially be converted into an ADU.

Each of these fantastic units is individually metered for gas and electricity, and offers individual hot water heaters, further lowering utility costs, as well as an on-site laundry facility for tenants.



Though certain upgrades have been made, there is still a considerable amount of value to add to this incredible property, as well as a tremendous amount of rental income that has yet to be unlocked, making The Seaside an incredible opportunity.

- (1) Four-Bedroom + Three-Bath House - 1,708 sq ft.
- (1) Two-Bedroom + Two-Bath - 895 sq ft.
- (1) Two-Bedroom + One-Bath - 895 sq ft.
- (1) Studio + One-Bath (*Non-Conforming Unit) - 306 sq ft.

Location Description

Santa Monica, California, is one of the most sought after and highly desirable coastal city known for its vibrant culture, beautiful beaches, and thriving economy. The city of Santa Monica in Los Angeles County sits along a 3-mile stretch of the Pacific Ocean with 245 acres of sandy beach.

Located on the western edge of Los Angeles County, bordered by the Pacific Ocean to the west and the city of Los Angeles to the east. It's known for its iconic Santa Monica Pier, upscale shopping destinations like the Third Street Promenade, and its proximity to Silicon Beach, home to numerous tech companies.

Santa Monica's real estate market is characterized by high demand and limited supply, resulting in property values that are among the highest in the region.





Santa Monica boasts a robust business community characterized by a mix of industries, including technology, entertainment, tourism, and retail. The city is home to Silicon Beach, a thriving hub for tech startups and established companies alike. Major corporations, creative agencies, and innovative startups contribute to Santa Monica's reputation as a center of entrepreneurship and innovation.

Santa Monica embraces its artistic and cultural heritage with a diverse array of arts organizations, galleries, and cultural institutions. The Bergamot Station Arts Center, located in the city's Mid-City neighborhood, houses numerous galleries showcasing contemporary art from local and international artists. The Annenberg Community Beach House offers cultural events, art exhibitions, and educational programs against the backdrop of Santa Monica's iconic coastline.

Santa Monica offers endless opportunities for entertainment and recreation. The iconic Santa Monica Pier is a popular destination featuring amusement park rides, street performers, and panoramic views of the Pacific Ocean. The Third Street Promenade is a vibrant outdoor shopping and dining district known for its pedestrian-friendly atmosphere and diverse retail options. Additionally, Santa Monica's pristine beaches provide a serene escape for sunbathing, swimming, and water sports.

Santa Monica's culinary scene is a reflection of its diverse and cosmopolitan population. The city boasts an eclectic mix of restaurants, cafes, and eateries offering cuisines from around the world. From upscale dining establishments overlooking the ocean to cozy neighborhood bistros serving farm-to-table fare, Santa Monica offers culinary experiences to suit every palate.

Santa Monica, California, is a dynamic and vibrant city that embodies the quintessential Southern California lifestyle. With its stunning beaches, diverse demographics, thriving business community, and rich cultural offerings, Santa Monica offers residents and visitors alike a unique blend of coastal charm and urban sophistication. Whether strolling along the beach, exploring art galleries, or dining at world-class restaurants, Santa Monica invites you to experience the best of coastal California living.





The Seaside

Property Highlights

- + Not subject to City of Santa Monica rent control, allowing for rent increases of 5% + CPI per AB-1482, buyer to verify
- + *Wonderful owner-user opportunity with the potential to Airbnb units
- + Tranquil gardens, lush, & mature landscaping throughout
- + Newly installed 628 sq ft. rooftop decks with partial ocean views
- + Renovated main house & units including bamboo flooring, and new countertops & appliances
- + All new roof and Central HVAC installed on main house
- + Individually metered for gas & electric, along with in-unit water heaters
- + Newly installed stainless steel appliance package
- + 3 On-site garages totaling 710 sq ft. | possible ADU opportunity



*All material presented herein is intended for discussion purposes only. It is the sole responsibility of the Buyer to conduct their own due diligence as to the accuracy of the information contained herein and the Seller nor their agents make any warranties expressed or implied



The Seaside

Location Highlights

- + Just a block from the beach and Ocean View Park
- + Located in the highly desirable Ocean Park neighborhood
- + Situated only minutes from Abbot Kinney
- + Steps from Third Street Promenade & shopping, dining, entertainment
- + 86 walk score and only steps from Santa Monica Metro E Line
- + Centrally located near the 10 Freeway and Pacific Coast Highway





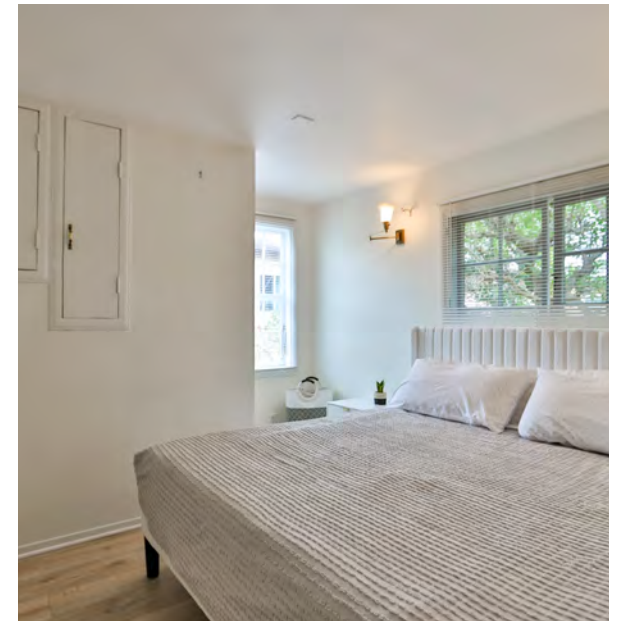
Four-Bedroom + Three-Bath House

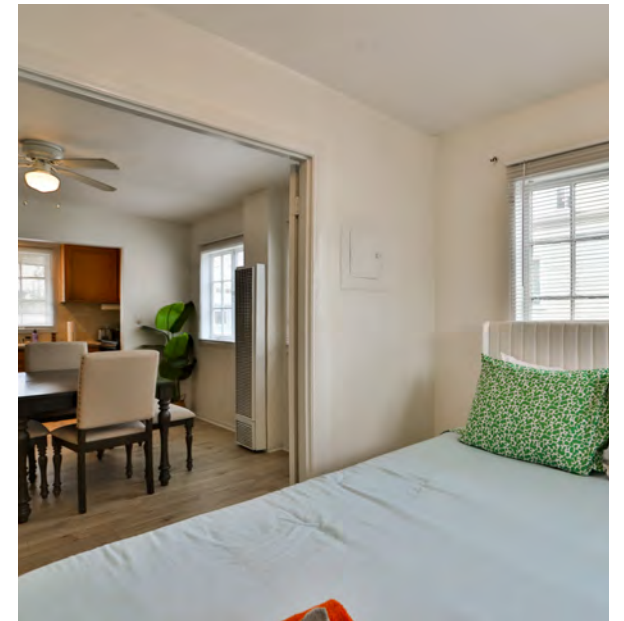




Two-Bedroom + One-Bath Unit









Two-Bedroom + Two-Bath Unit

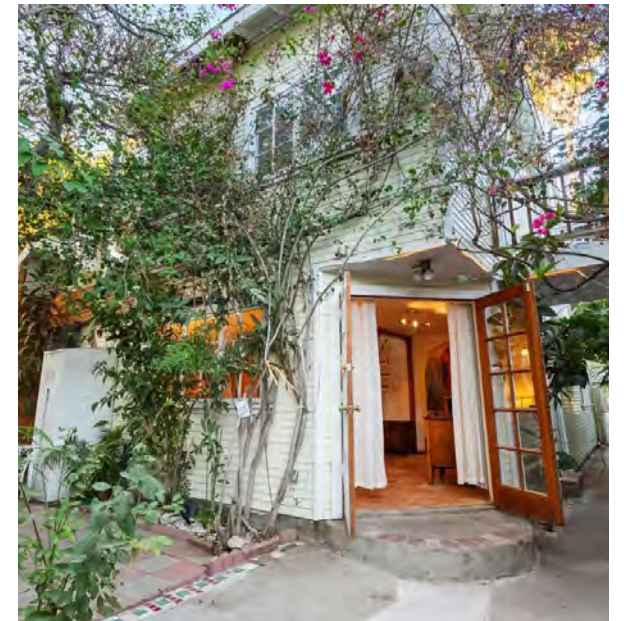


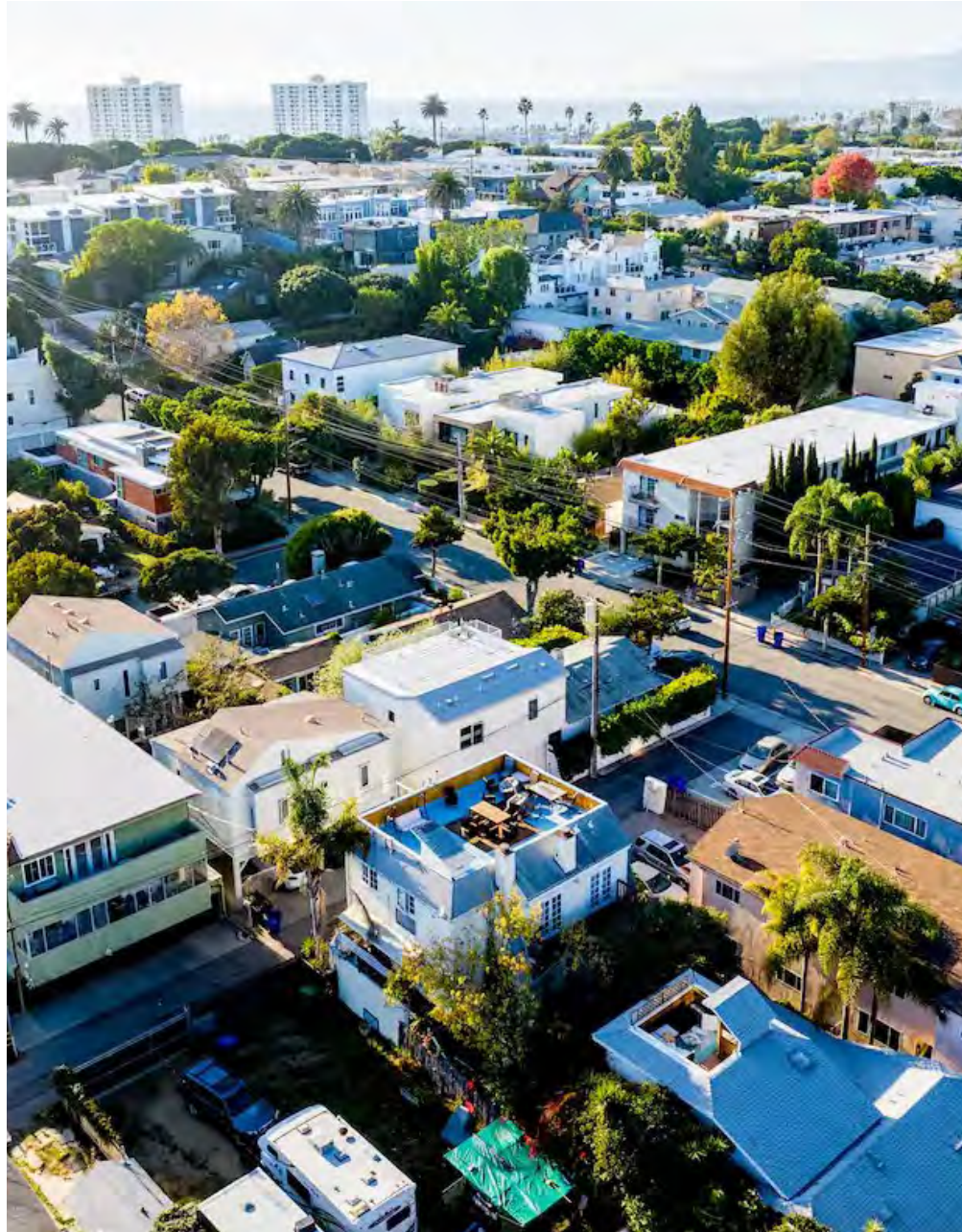


Studio + One-Bath (Non-Conforming Unit)





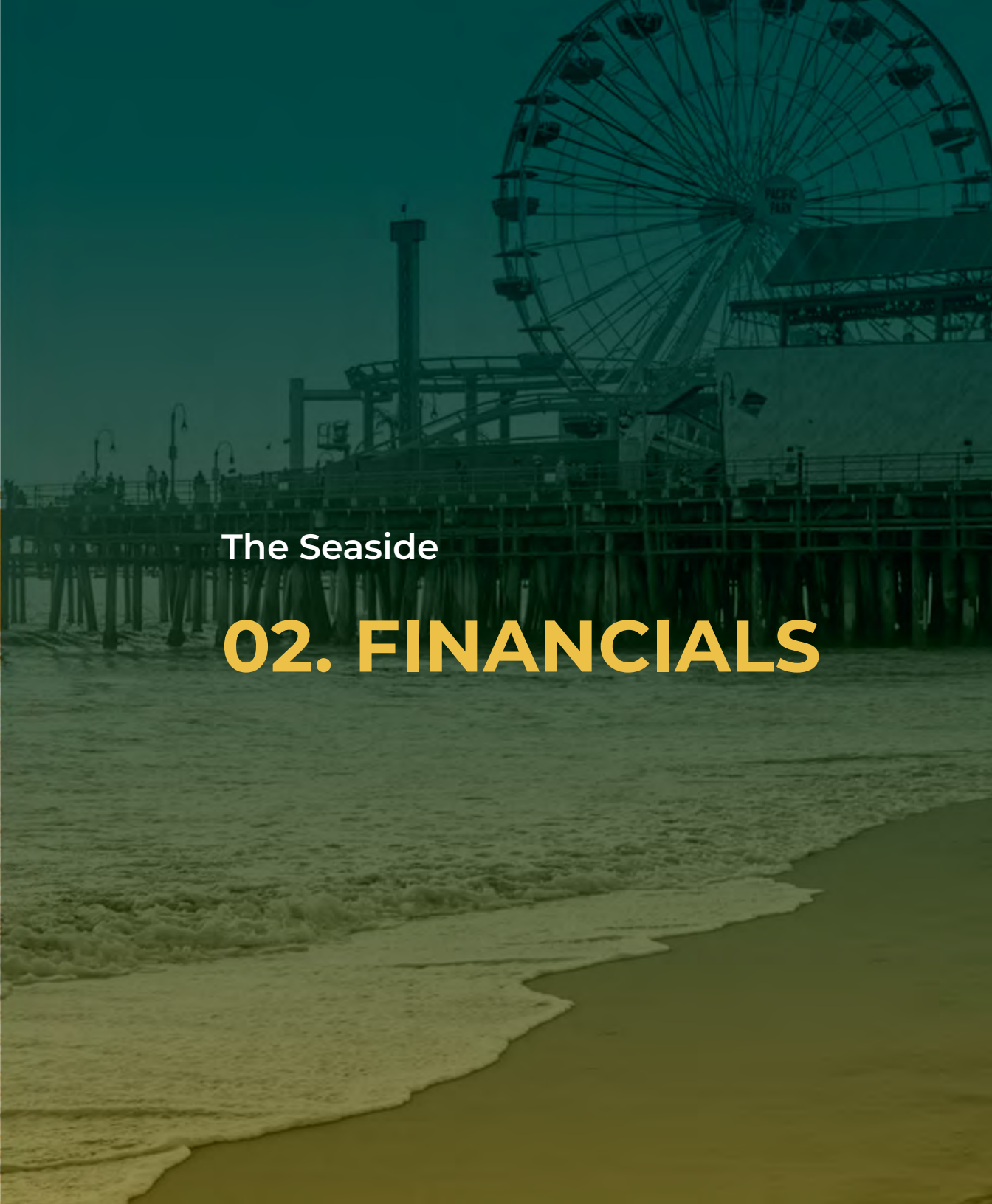
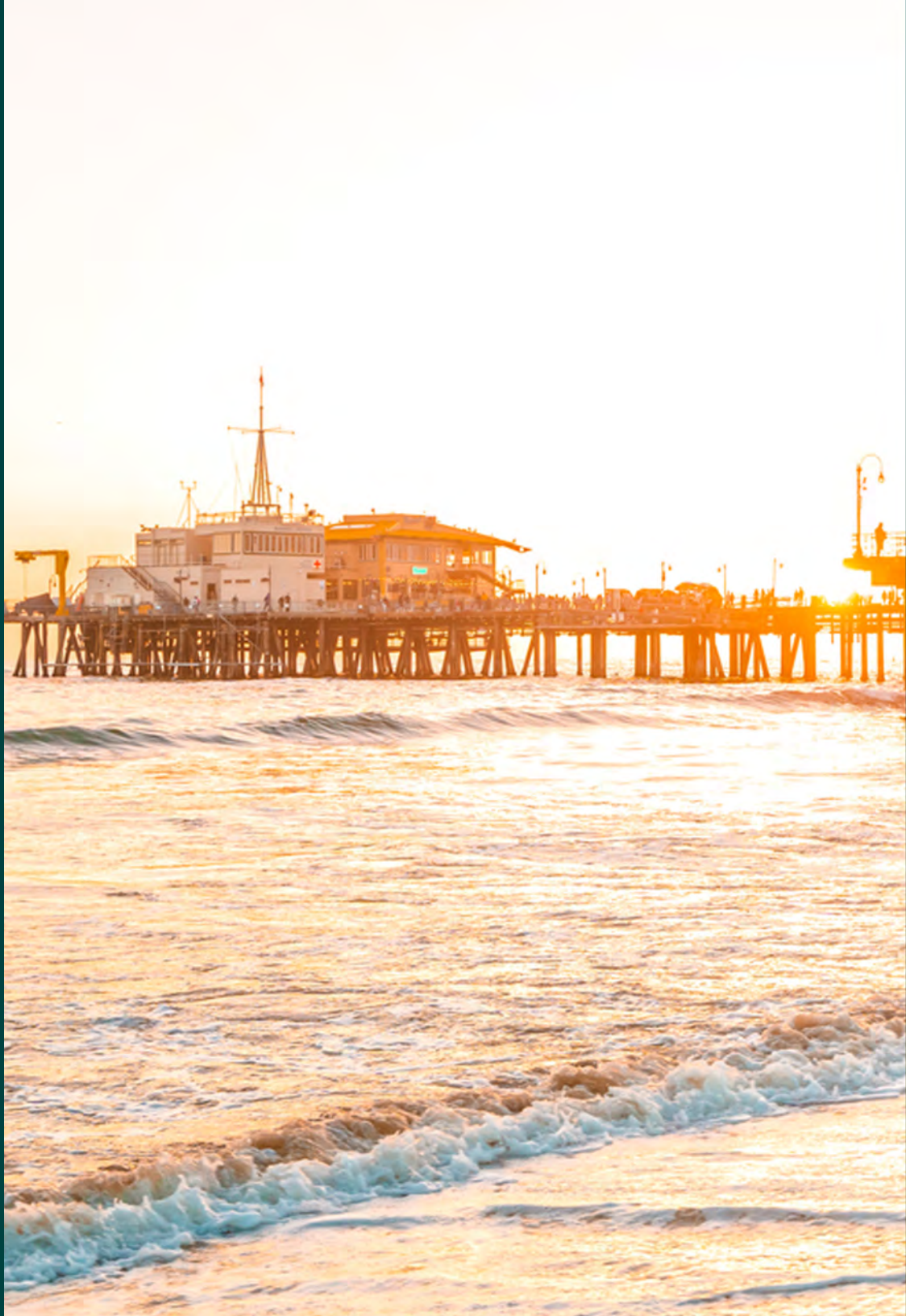






Street Map





The Seaside

02. FINANCIALS



Financials Pricing Details

Price	\$2,895,000
Number of units	3 Units + 1 NC Unit
Price per Square Foot	\$761.44
Gross Square Footage	3,802
Lot Size	4,838
Year Built	1920 & 1988
Returns	Current Pro Forma
CAP Rate	4.39% 5.11%
GRM	15.72 14.09

Rent Roll Summary

# of Units	Unit Type	Avg Current	Pro Forma
1	4 + 3	\$7,500	\$7,500
1	2 + 2	\$4,050	\$4,150
1	2 + 1	\$3,795	\$3,795
1	*S + 1 NC	-	\$1,675

*The "Non-Conforming" Single Unit is not a legal unit per City of Santa Monica



Financials **Operating Data**

Annual Income		Current		Pro Forma
Scheduled Gross Income		\$184,140		\$205,440
Less: Vacancy/Deductions	3.00%*	(\$5,524)	3.00%*	(\$6,163)
Gross Operating Income		\$178,616		\$199,277
Less: Expenses	27.91%*	(\$51,388)	25.01%*	(\$51,388)
Net Operating Income		\$127,228		\$147,889
Expenses				
Real Estate Taxes				\$36,188
Insurance				\$9,500
Utilities				\$2,700
Maintenance & Repairs				\$3,000
Total Expenses				\$51,388
Per Square Foot				\$13.52
Per Unit				\$17,129.17

* As a percentage of Scheduled Gross Income.

** As a percentage of Down Payment.



Financials **Rent Roll**

#	Unit Type	SF	Rent	Rent Per SF	Pro Forma Rent	Pro Forma Rent Per SF	Note
1	4 Beds/3 Baths	1,706	\$7,500.00	--	\$7,500.00	--	Vacant
2	2 Beds/1 Bath	895	\$3,795.00	--	\$3,795.00	--	Vacant
3	2 Beds/2 Baths	895	\$4,050.00	--	\$4,150.00	--	--
4	Studio /1 Bath	306	--	--	\$1,675.00	--	Non-Conforming Vacant
Totals		--	\$15,345	--	\$17,120	--	--



Financials **Loan Options**

Indicative Loan Pricing	The Seaside		
Loan Product	Option 1 30 Year Fixed	Option 2 30 Year Fixed	Option 3 Owner Occupied
Loan Amount	\$1,497,500	\$1,647,250	\$2,062,500 (max loan)
Fixed	30 Years	30 Years	30 Years
LTV	50%	50%	up to 75% LTV
Amortization	30 Years	30 Years	30 Years
Interest Only Period	--	--	--
Prepay	--	--	--
Rate Lock Period	Locked at Approval	Locked at Approval	60 Days
Minimum Debt Coverage Ratio	--	--	--
Max Loan to Value	50%	55%	75%
Debt Coverage Ratio as Underwritten	--	--	--
Estimated Interest Rate	6.875%	7.13%	6.88%
Approximate Annual Payment	\$118,008	\$133,164	\$162,624
Approximate Annual Payment (IO)	Case by Case	Case by Case	--

The interest rates listed above and any spreads derived there from are subject to market influences, which may impact loan proceeds. All terms are subject to review and approval by the lender and are subject to change until rate/spread lock. This analysis is based upon information provided by First Commercial Capital. Final terms and conditions are subject to change. | September 06, 2024.



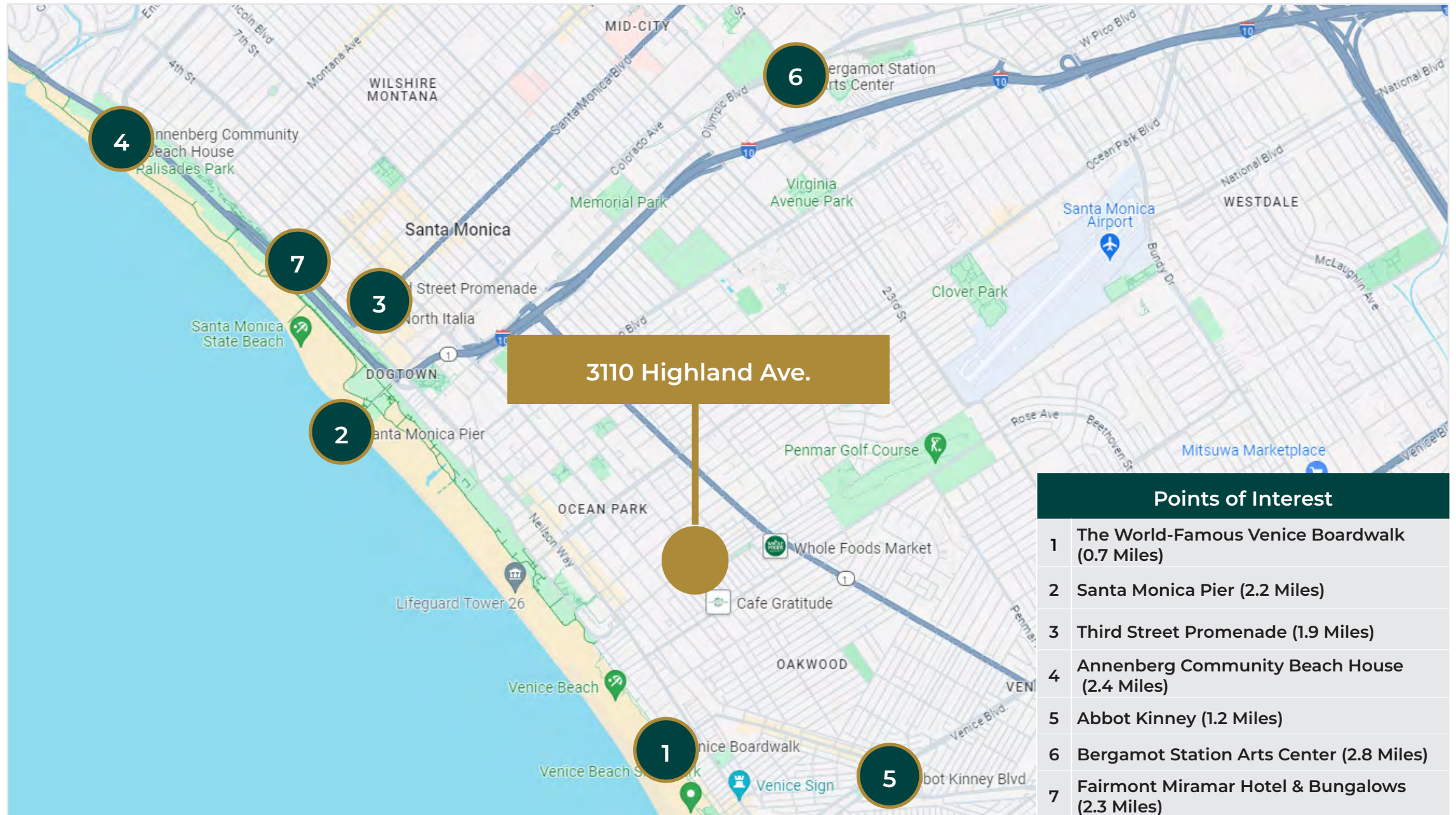
The Seaside

03. AREA OVERVIEW





Points of Interest





The Seaside

Points of Interest



The World-Famous Venice Boardwalk (0.7 Miles)

The Venice Beach Boardwalk is a two-mile promenade stretching parallel to Venice Beach which includes Muscle Beach Venice, the Venice Beach Skatepark, the Venice Art Walls, and numerous volleyball courts. The Venice Beach Boardwalk attracts approximately 28,000 to 30,000 tourists daily, attracting approximately 10 million visitors per year.



Santa Monica Pier (2.2 Miles)

The Santa Monica Pier is the most photographed pier in the world and home to the Pacific Park where visitors can ride roller coasters, visit concession stands, and take in the beautiful views of the Pacific Ocean.



Third Street Promenade (1.9 Miles)

The Third Street Promenade is a pedestrian mall esplanade, shopping, dining and entertainment complex in the downtown Santa Monica and is considered a premier shopping and dining district. on the Westside which draws visitors from around the world.



Annenberg Community Beach House: (2.4 Miles)

The Annenberg Community Beach House combines elements of the historic Marion Davies Mansion & Estate with new amenities to create a truly unique community destination offering spectacular views, splash pad, children's play area, gallery and historic pool which is open to the public.



The Seaside

Points of Interest



Abbot Kinney (1.2 Miles)

Abbot Kinney Boulevard is a mile-long road lined with shops, restaurants, and galleries located in the southern part of Venice, known for its art scene and creative culture. Every first Friday night of each month the boulevard is transformed into a street festival filled with live music, food trucks, and shopping.



Bergamot Station Arts Center (2.8 Miles)

Bergamot Station Arts Center is a Santa Monica facility housing many different private art galleries and appears in most tourist guides as a primary cultural destination. Opened September 17, 1994, as Bergamot Station, the campus-like complex is owned by the city of Santa Monica and presently managed by the Worthe Group.



Fairmont Miramar Hotel & Bungalows (2.3 Miles)

Fairmont Miramar Hotel & Bungalows is a Santa Monica five-acre urban resort perched on the bluffs overlooking the Pacific Ocean, steps from Santa Monica State Beach. Varied accommodations include ocean-view rooms in the mid-century tower and 31 charming 1930s bungalows.



Local Developments



24-Story Apartment Tower Proposed for 601 Colorado Ave.

The proposed project at the northeast corner of Colorado and 6th Street involves constructing a 24-story building with 264 apartments, including 40 affordable units, plus 4,200 square feet of ground-floor commercial space and a two-level, 103-car basement parking garage.



45 Apartments Planned for 901 W. Pico Boulevard

A project submitted last year by co-owners 901-907 Pico Blvd, LLC and 913 Pico Blvd, LLC to the City of Santa Monica proposes a five-story building with 45 residential units and a single level of subterranean parking at the corner of Pico and 9th Street.



Redesigned Offices Proposed for 1645 Euclid Street

The project at 1645 Euclid Street, last reviewed by the board in 2019, has been redesigned as a three-story building with approximately 39,000 square feet of office space. This marks an increase from the original plan of about 26,000 square feet of office space proposed five years ago. The new design also includes a two-level subterranean parking garage.



Demographics

Santa Monica, Los Angeles, CA

Santa Monica, located in Los Angeles County, California, and surrounded by the city of Los Angeles, was established in 1875 by Senator John P. Jones and named after a local spring. Initially promoted as a resort and railroad port terminus, it later became a hub for the aerospace and communications industries, starting with Donald Douglas's aircraft company in 1920. Although it was overshadowed as a port by San Pedro, Santa Monica thrived as a residential and vacation destination, especially known for its historic pier featuring restaurants, shops, an aquarium, and a classic carousel.

Quick Facts:

+ Santa Monica's public art installations enhance the cityscape with creativity and

visual appeal. These initiatives, including murals, sculptures, and interactive pieces, enrich the urban environment with artistic expression.

+ Santa Monica is a vibrant coastal city characterized by a mild Mediterranean climate, iconic landmarks like the Santa Monica Pier, and a flourishing arts and culinary scene, making it an essential destination for nature lovers and food enthusiasts.

+ The city is home to the iconic Santa Monica Pier, a cherished landmark that extends into the glistening Pacific Ocean. It offers a variety of attractions, including an amusement park, an aquarium, and breathtaking sunset views.



Average Household
Income

\$158,034



Median Age

41 years old



2021 Estimated
Population

98,828



Total Households

46,664



Bachelors Degree
or Higher

0.5%



Overview

Los Angeles, California

The Los Angeles Metro Rail is an urban rail transportation system serving Los Angeles County, California. It consists of six lines, including two subway lines and four light rail lines serving 93 stations. It connects with the Metro Busway bus rapid transit system and also with the Metrolink commuter rail system.



The City of Los Angeles holds many distinctions. L.A. is the entertainment capital of the world, a cultural mecca boasting more than 100 museums, and a paradise of idyllic weather. From tourist attractions like the Walk of Fame's collection of stars (numbering more than 2,614 and growing by one or two a month) to career opportunities like those presented in the expanding tech industry, Los Angeles is the place to be. It is the only city in North America to have hosted the Summer Olympics twice. Downtown L.A. is the largest government center outside of Washington, D. C. Los Angeles has the only remaining wooden lighthouse in the state (located in San Pedro's Point Fermin Park) and the largest historical theater district on the National Register of Historic Places (located Downtown on Broadway).

Los Angeles is on the leading edge of several growth industries. LA County, with more than 87,000 jobs in the fashion industry, has surpassed New York's fashion district workforce. The LA Five-County area also has more than 700,000 people at work in health services / biomedical activities and 190,000 people in aerospace and technology.





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