108 N PROSPECT AVE REDONDO BEACH, CA

OFFERING MEMORANDUM

LISTED BY

NABIL AWADA
Associate

D: (310) 844-9362
M: (310) 469-2974
E: nabil.awada@matthews.com
License No. 02046840 (CA)

DAVID HARRINGTON
EVP & National Director

D: (310) 295-1170
M: (310) 497-5590
E: david.harrington@matthews.com
License No. 01320460 (CA)

108 N PROSPECT AVE REDONDO BEACH, CA

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108 N PROSPECT AVE REDONDO BEACH, CA

PROPERTY OVERVIEW

PROPERTY OVERVIEW

Matthews Real Estate Investment Services is proud to offer 108 N Prospect Avenue. This 4-unit apartment building is an opportunity for an investor to purchase a multifamily property in the heart of beautiful South Redondo Beach.

This turn-key investment allows for an owner to live in one unit and enjoy the top of the market rental income from the others. This opportunity also allows for a potential investor to obtain residential financing. The building consists of (1) three bedroom/two-bathroom owner's unit and (3) two bedroom/one and a half-bathroom units. Property is located less than one mile away from the beach and is near award-winning Redondo Beach schools. A buyer can capitalize on the tight rental market and rents in this neighborhood by implementing a strategic unit interior renovation plan, which will upgrade the units and allow the buyer to command top of the market rents. Rents at the high end of the range result in 26% upside.

PROPERTY HIGHLIGHTS

- 4-Units, Built in 1973.
- Gross Building Square Footage of 4,492.
- Lot Size of 6,438 Square Feet.
- Consists of (1) Three Bedroom/Two Bathroom and (3) Two Bedroom/One and a Half Bathroom Units.
- (2) Two Car Garages and (2) One Car Garages in the rear with ample street parking.
- On-Site Laundry Room.
- Conveniently located near entertainment, dining, shopping and the beach.

PHYSICAL DESCRIPTION

NO. OF UNITS	YEAR BUILT	APN	GROSS SF	AVG SF PER UNIT	LOT SIZE
4	1973	7518-004-019	4,492	1,123	6,438

108 N PROSPECT AVE REDONDO BEACH, CA

LOCATION OVERVIEW

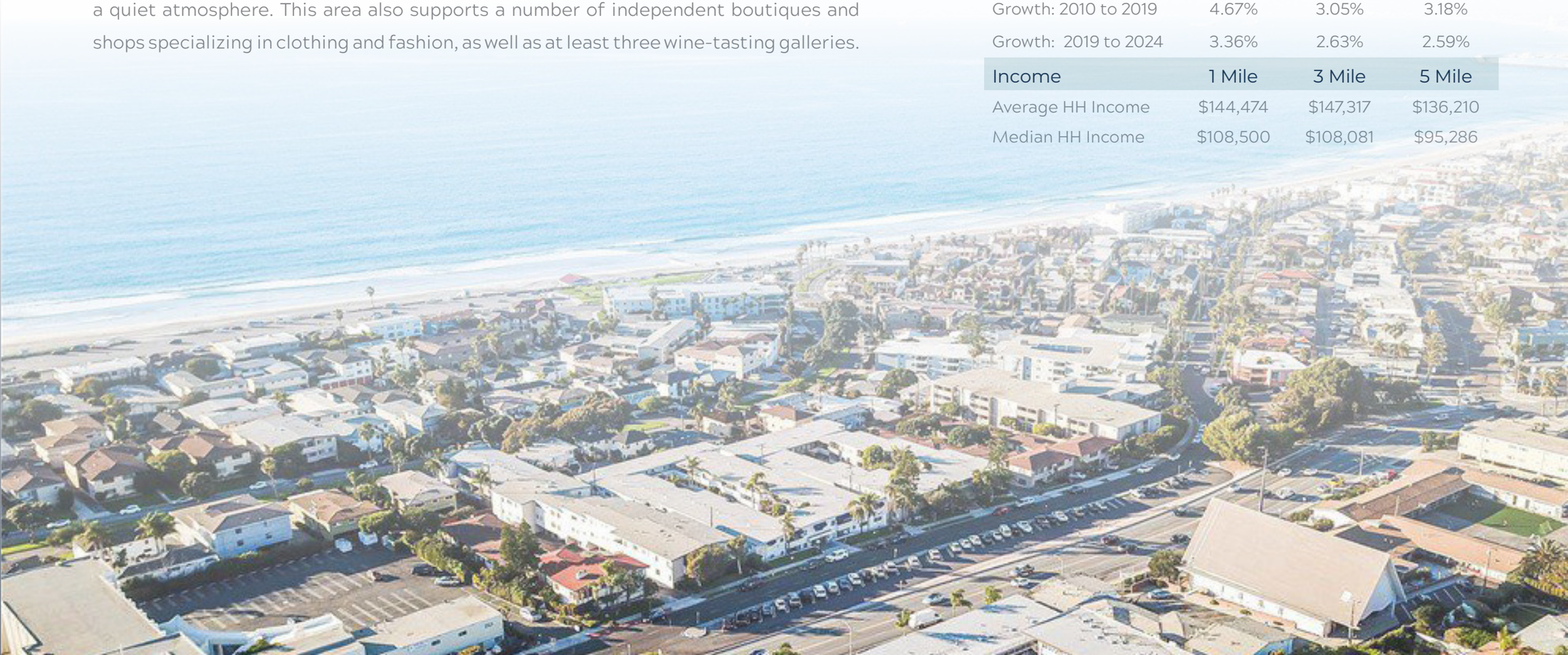
REDONDO BEACH, CA

Redondo Beach is a coastal city in Los Angeles County, located in the South Bay region of the Greater Los Angeles area. It is one of three adjacent beach cities along the southern portion of Santa Monica Bay. The city's territory has an unusual shape, including an area along the beach (South Redondo Beach) and another strip inland from Manhattan Beach and Hermosa Beach (North Redondo Beach).

The primary attractions include Municipal Pier and the sandy beach, popular with tourists and a variety of sports enthusiasts. The western terminus of the Metro Rail Green Line is in North Redondo Beach. A revitalized local shopping area affectionately termed "Riviera Village" provides locals an opportunity to eat, shop and commune in a quiet atmosphere. This area also supports a number of independent boutiques and shops specializing in clothing and fashion, as well as at least three wine-tasting galleries.

DEMOGRAPHICS

Population	1 Mile	3 Mile	5 Mile
2024 Projection	35,237	205,604	465,134
2019 Estimate	34,251	200,209	453,260
2010 Census	33,022	193,705	438,455
Growth 2019-2024	2.88%	2.69%	2.62%
Household Growth	**1 Mile**	**3 Mile**	**5 Mile**
2024 Projection	15,394	84,014	176,408
2019 Estimate	14,894	81,862	171,954
2010 Census	14,229	79,440	166,660
Growth: 2010 to 2019	4.67%	3.05%	3.18%
Growth: 2019 to 2024	3.36%	2.63%	2.59%
Income	**1 Mile**	**3 Mile**	**5 Mile**
Average HH Income	$144,474	$147,317	$136,210
Median HH Income	$108,500	$108,081	$95,286



REDONDO BEACH PIER

The Redondo Beach Pier, officially named the Municipal Pier, is located in Redondo Beach, California and stretches out into the Pacific Ocean. The Pier is a South Bay landmark offering oceanfront dining, shopping and entertainment. Enjoy a stroll with panoramic ocean and coastline views and over 50 dining, entertainment and retail establishments along the Pier, neighboring International Boardwalk, and Redondo Marina. The Pier is within walking distance to beautiful, friendly, seaside accommodations for every budget. Walk to The Esplanade, one of the most scenic stretches of beach in the world, offering a variety of land and water activities from biking, jogging, kayaking, stand-up paddle boarding, surfing, swimming, scuba diving and sport fishing.

LOS ANGELES MSA

As the second largest metropolitan area in the United States, the Los Angeles Metropolitan Statistical Area, or the Southland, consists of both Los Angeles and Orange Counties. These two counties also make up the inner core of the Greater Los Angeles urbanized region. Los Angeles County, one of California's original 27 counties, is one of the nation's largest counties both in land area and population. With nearly 10 million residents, the Los Angeles population accounts for approximately 27 percent of California's population. The area continues to grow, especially given the vigorous residential development in downtown LA.

108 N PROSPECT AVE REDONDO BEACH, CA

FINANCIAL OVERVIEW

INVESTMENT SUMMARY

108 N Prospect Ave Redondo Beach, CA 90277	
Number of Units:	4
Year Built:	1973
APN:	7518-004-019
Gross Sq. Ft.:	4,492
Average S.F. Per Unit:	1,123
Lot Size (S.F.):	6,438
Zoning	RBR-3

			CURRENT		PRO FORMA		MARKET	
Sale Price	Price Per Unit	Price Per Foot	Cap Rate	GRM	Cap Rate	GRM	Cap Rate	GRM
$2,250,000	$562,500	$500.89	3.27%	20.05	3.27%	20.05	4.54%	15.89

UNIT MIX

Total Units	Unit Mix	Unit Mix %	Current Avg Rent	Current Monthly Rent	Market Rent	Market Monthly Rent
3	2+1.5	75%	$2,283	$6,850	$2,650	$7,950
1	3+2	25%	$2,500	$2,500	$3,850	$3,850
Scheduled Monthly Rent:				**$9,350**		**$11,800**
Scheduled Yearly Rent:				**$112,200**		**$141,600**

ANNUAL OPERATING SUMMARY

	Current		Pro Forma		Market		
Scheduled Gross Income:	$112,200		$112,200	*Current Rent*	$141,600	26%	*Upside*
Less Vacancy Reserve:	$3,366	3.0%	$3,366	3.0%	$4,248	3.0%	
Gross Operating Income:	$108,834		$108,834		$137,352		
Expenses:	$35,190	31.36%	$35,190	31.36%	$35,190	24.85%	*
Net Operating Income:	**$73,644**		**$73,644**		**$102,162**		
Total Return Before Taxes:	$73,644	6.32%	$73,644	6.32%	$102,162	8.77%	**

* As a percent of Scheduled Gross Income

** As a percent of Down Payment

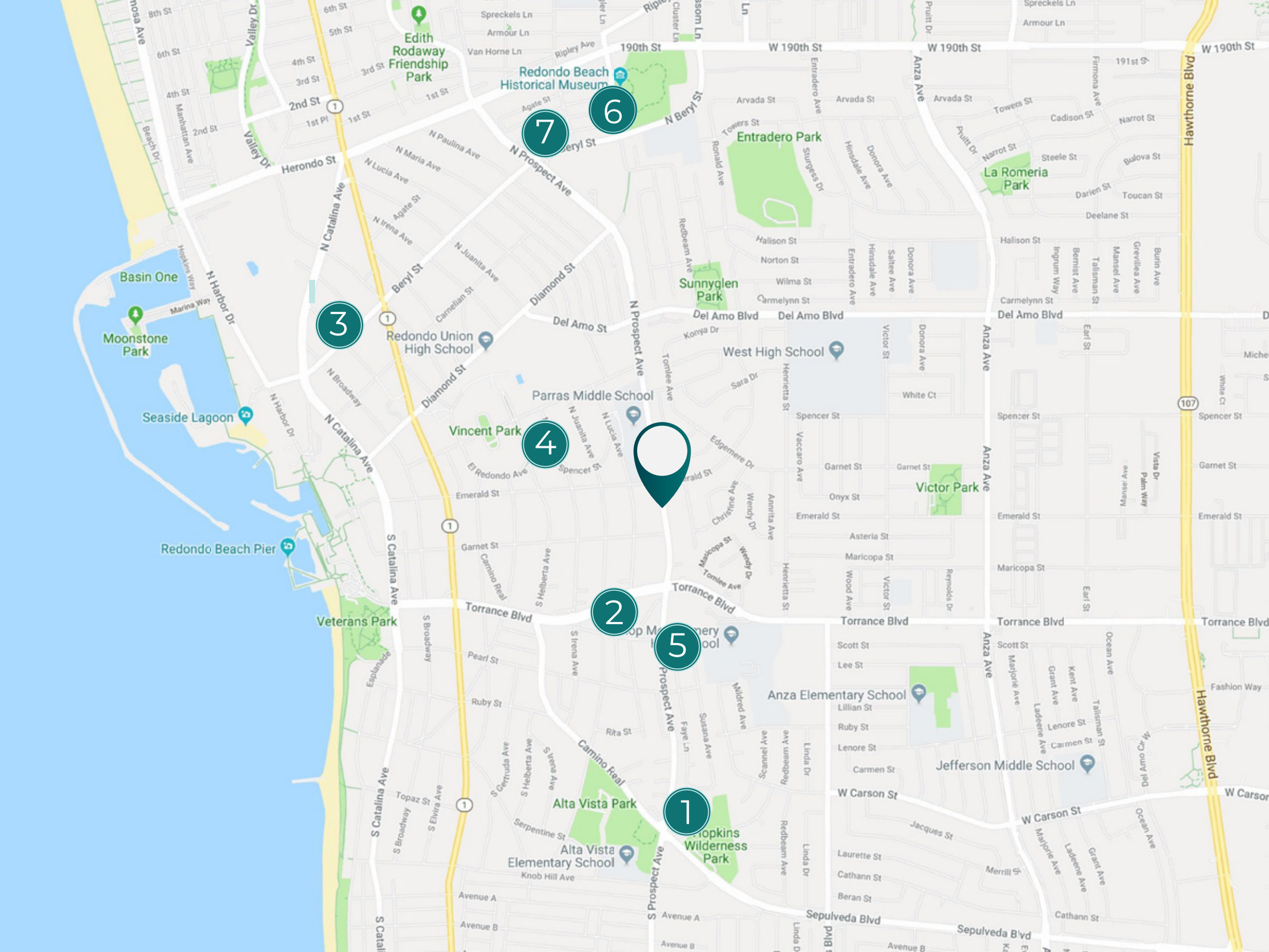
PRO FORMA ANNUAL OPERATING EXPENSES

		Pro Forma Estimates	% of SGI	Current	Per Unit	* Pro Forma	Per Unit	Market	Per Unit	% of SGI
Property Taxes	1.109%	x Sale Price	22.93%	$24,953	$6,238	$24,953	$6,238	$24,953	$6,238	17.6%
Insurance	$0.35	x GSF	1.44%	$1,572	$393	$1,572	$393	$1,572	$393	1.1%
Repairs & Maintenance		Actual 2018	0.86%	$937	$234	$937	$234	$937	$234	0.7%
Landscaping		Actual 2018	1.45%	$1,580	$395	$1,580	$395	$1,580	$395	1.1%
Pest Control		Actual 2018	0.61%	$662	$166	$662	$166	$662	$166	0.5%
Utilities		Actual 2018	3.89%	$4,237	$1,059	$4,237	$1,059	$4,237	$1,059	3.0%
Trash		Actual 2018	1.15%	$1,250	$313	$1,250	$313	$1,250	$313	0.9%
Total Expenses			**32.33%**	**$35,190**	**$8,798**	**$35,190**	**$8,798**	**$35,190**	**$8,798**	**24.9%**

	Current	Per Unit	% of SGI
Non-controllable expenses: Taxes, Ins., Reserves:	$26,525	$6,631	23.6%
Total Expense without Taxes	$10,238	$2,559	9.12%

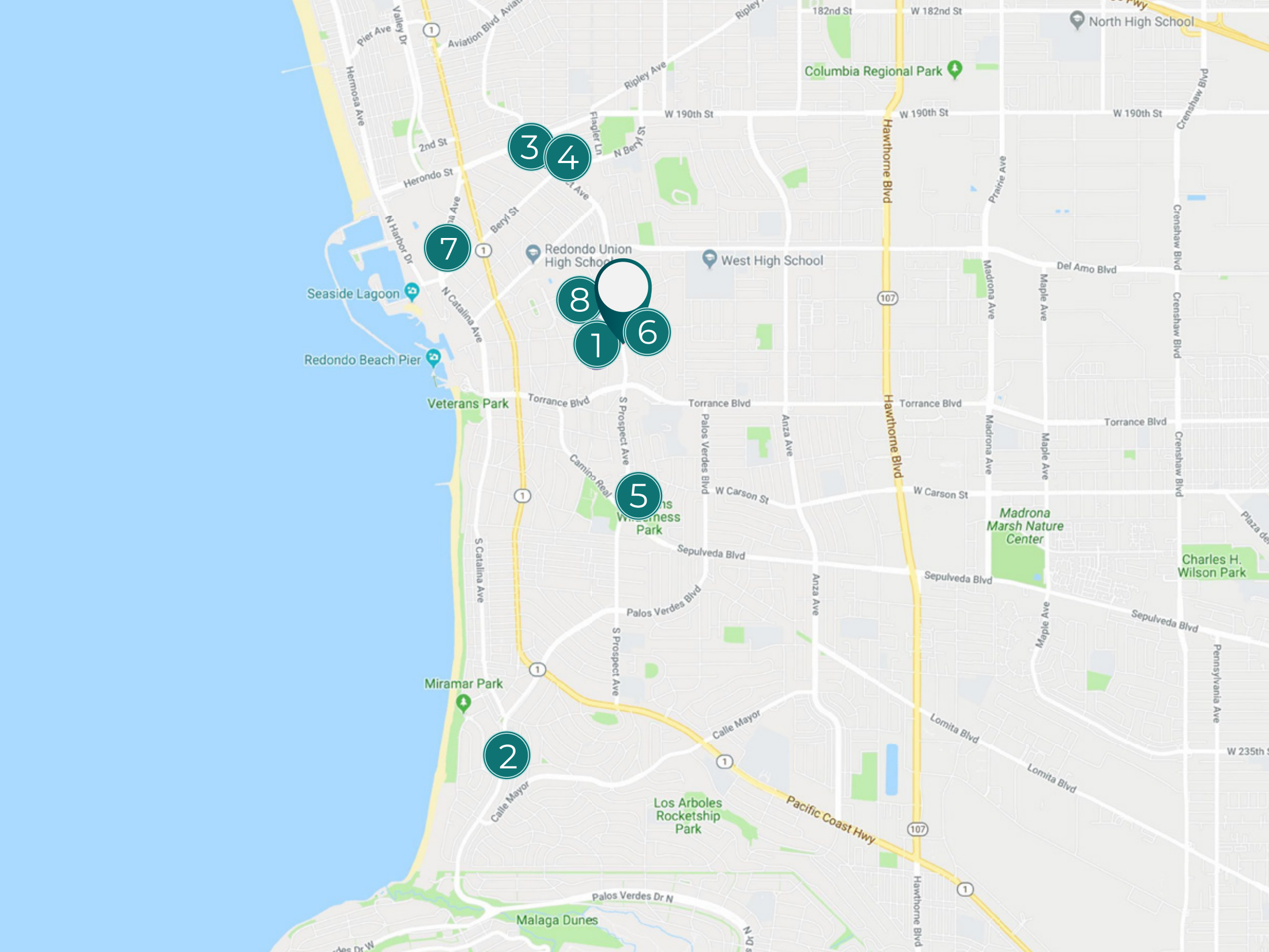
RENT ROLL

Unit	Mix	Rent	Market Rent
1	2+1.5	$2,350	$2,650
2	2+1.5	$2,350	$2,650
3	2+1.5	$2,150	$2,650
4	3+2	$2,500	$3,850
Totals	**4**	**$9,350**	**$11,800**
Averages		**$2,338**	**$2,950**


1
2
3
4
5
6
7
Basin One
Moonstone Park
Seaside Lagoon
Redondo Beach Pier
Veterans Park
Edith Rodaway Friendship Park
Redondo Beach Historical Museum
Redondo Union High School
Parras Middle School
Vincent Park
Sunnyglen Park
Entradero Park
La Romeria Park
West High School
Victor Park
Anza Elementary School
Jefferson Middle School
Alta Vista Park
Alta Vista Elementary School
Hopkins Wilderness Park
Valley Dr
Herondo St
N Catalina Ave
S Catalina Ave
Beryl St
Diamond St
Del Amo St
N Prospect Ave
S Prospect Ave
Torrance Blvd
Camino Real
Sepulveda Blvd
W 190th St
Anza Ave
Hawthorne Blvd
N Harbor Dr
Ripley Ave
Arvada St
Towers St
Halison St
Norton St
Wilma St
Carmelynn St
Spencer St
Garnet St
Onyx St
Emerald St
Asteria St
Maricopa St
Scott St
Lee St
Lillian St
Ruby St
Lenore St
Carmen St
W Carson St
Laurette St
Cathann St
Beran St
Merrill St
Jacques St
Pearl St
Rita St
Topaz St
Serpentine St
Knob Hill Ave
Avenue A
Avenue B
Sara Dr
White Ct
Edgemere Dr
Vaccaro Ave
Wendy Dr
Annrita Ave
Christine Ave
Tomlee Ave
Henrietta St
Wood Ave
Victor St
Reynolds Dr
Earl St
Ocean Ave
Fashion Way
Marjorie Ave
Grant Ave
Kent Ave
Talisman St
Ladeene Ave
Lenore St
Carmen St
Del Amo Cir
Redbeam Ave
Linda Dr
Faye Ln
Susana Ave
Mildred Ave
Sonoma Ave
Manhattan Ave
Beach Dr
Hopkins Way
Marina Way
Esplanade
S Broadway
S Elvira Ave
S Gertruda Ave
S Helberta Ave
S Irena Ave
S Vrena Ave
Camino Real
Cluster Ln
Armour Ln
Van Horne Ln
Spreckels Ln
Agate St
N Paulina Ave
N Maria Ave
N Lucia Ave
N Irena Ave
N Juanita Ave
Camelian St
N Broadway
El Redondo Ave
Emerald St
Garnet St
Spencer St
Konya Dr
Redbeam Ave
Ronald Ave
Sturgess Dr
Hinsdale Ave
Donora Ave
Saltee Ave
Entradero Ave
Arvada St
Towers St
Cadison St
Narrot St
Steele St
Bulova St
Darien St
Toucan St
Deelane St
Pruitt Dr
Firmona Ave
191st St
Ingrum Way
Bernist Ave
Talisman St
Mansel Ave
Grevillea Ave
Burin Ave
Palm Way
Vista Dr
Mansel Ave
Michel
S
107

SALES COMPARABLES

	Address	Units	Yr Built	Square Feet	Price	Price Per Unit	Per Foot	Cap Rate	GRM	Sold Date	Unit Mix
	108 N Prospect Ave, Redondo Beach, CA 90277	**4**	**1973**	**4,492**	**$2,250,000**	**$562,500**	**$500.89**	**3.27%**	**20.05**	**None**	**(1) - 3+2 (3) - 2+1.5**
1	1106 Barbara Street, Redondo Beach, CA 90277	4	1965	3,942	$2,070,000	$517,500	$525.11	3.12%	22.40	6/29/2018	(1) - 3+2 (1) - 2+2 (2) - 1+1
2	303 S Lucia Ave, Redondo Beach, CA 90277	4	1972	4,549	$2,150,000	$537,500	$472.63	3.55%	19.73	7/24/2018	(1) - 3+3 (2) - 2+1 (1) - 1+1
3	504 N Elena Ave, Redondo Beach, CA 90277	4	1962	3,160	$2,150,000	$537,500	$680.38	3.34%	20.96	8/7/2018	(4) - 2+1
4	219 N Irena Ave, Redondo Beach, CA 90277	4	1969	3,638	$1,890,000	$472,500	$519.52	3.20%	21.86	10/3/2018	(1) - 3+2 (1) - 2+2 (2) - 1+1
5	1102 Opal Street, Redondo Beach, CA 90277	4	1965	4,610	$1,960,000	$490,000	$425.16	2.87%	24.41	12/14/2018	(1) - 3+2 (4) - 2+2
6	1324 Amethyst Street, Redondo Beach, CA 90277	4	1963	4,170	$1,885,000	$471,250	$452.04	2.78%	25.38	2/26/2019	(1) - 3+2.5 (2) - 2+2 (1) - 1+1
7	1219 Beryl Street, Redondo Beach, CA 90277	4	1963	4,632	$1,900,000	$475,000	$410.19	3.09%	22.61	8/20/2019	(1) - 4+2.5 (3) - 2+2
	AVERAGES					**$500,179**	**$497.86**	**3.14%**	**22.48**		



3
4
7
8
1
6
5
2
North High School
Columbia Regional Park
W 182nd St
182nd St
W 190th St
Ripley Ave
Aviation Blvd
Pier Ave
Valley Dr
Hermosa Ave
2nd St
Herondo St
Flagler Ln
N Beryl St
Beryl St
N Harbor Dr
Redondo Union High School
West High School
Seaside Lagoon
N Catalina Ave
Redondo Beach Pier
Veterans Park
Torrance Blvd
S Prospect Ave
Palos Verdes Blvd
Anza Ave
Hawthorne Blvd
Prairie Ave
Madrona Ave
Maple Ave
Del Amo Blvd
Crenshaw Blvd
Camino Real
W Carson St
Sepulveda Blvd
Madrona Marsh Nature Center
Charles H. Wilson Park
S Catalina Ave
Miramar Park
Calle Mayor
Lomita Blvd
Pennsylvania Ave
W 235th
Los Arboles Rocketship Park
Pacific Coast Hwy
Palos Verdes Dr N
Malaga Dunes

RENT COMPARABLES

	Address	Number of Units	Year Built	Floor Plan	Asking Rent	Square Feet	Rent PSF
	THREE BEDROOM UNITS						
	108 N PROSPECT AVE, REDONDO BEACH, CA 90277	**4**	**1973**	**3+2**	**$2,500**	-	-
1	122 S JUANITA AVE, REDONDO BEACH, CA 90277	2	1921	3+3	$4,200	1,470	$2.86
2	374 PALOS VERDES BLVD, REDONDO BEACH, CA 90277	6	1959	3+2	$4,100	1,550	$2.65
3	1208 AGATE STREET, REDONDO BEACH, CA 90277	4	1963	3+2	$3,300	1,030	$3.20
4	1215 AMETHYST STREET, REDONDO BEACH, CA 90277	4	1963	3+2.5	$3,800	1,750	$2.17
	AVERAGES				**$3,850**	**1,450**	**$2.72**
	TWO BEDROOM UNITS						
	108 N PROSPECT AVE, REDONDO BEACH, CA 90277	**4**	**1973**	**2+1.5**	**$2,283**	-	-
5	1109 BARBARA STREET, REDONDO BEACH, CA 90277	4	1965	2+2	$2,695	950	$2.84
6	106 N PROSPECT AVE, REDONDO BEACH, CA 90277	4	1973	2+1.5	$2,600	1,295	$2.01
7	518 N ELENA AVE, REDONDO BEACH, CA 90277	4	1971	2+1.5	$2,695	1,200	$2.25
8	212 N JUANITA AVE, REDONDO BEACH, CA 90277	4	1965	2+1.5	$2,550	800	$3.19
	AVERAGES				**$2,635**	**1,061**	**$2.57**

CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **108 N Prospect Ave Redondo Beach, CA 90277** ("Property"). It has been prepared by Matthews Real Estate Investment Services. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the MS of affairs of the Property or constitute an indication that there has been no change in the MS of affairs of the Property since the date this Offering Memorandum.

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E: nabil.awada@matthews.com
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EVP & National Director

D: (310) 295-1170
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E: david.harrington@matthews.com
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REAL ESTATE INVESTMENT SERVICES

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