



HUNTINGTON BREEZE

*16171 Springdale Street
Huntington Beach, CA 92649*

EXECUTIVE SUMMARY

114 MULTIFAMILY UNITS
A 55+ ACTIVE LIFESTYLE
COMMUNITY



NEWMARK

Voit
REAL ESTATE SERVICES

Marcus & Millichap



HUNTINGTON BREEZE

EXECUTIVE SUMMARY

We are pleased to present Huntington Breeze, an active life-style senior-living apartment community located in the Orange County coastal city of Huntington Beach with a strong Value-Add Component.

16171 Springdale St.
Huntington Beach, CA 92649

ADDRESS

1987

YEAR BUILT

96%

OCCUPANCY

114

NO. UNITS

\$37M

OFFERING PRICE

\$324,561

PRICE PER UNIT

\$359

PRICE/SF

4.4%

CURRENT CAP RATE

5.2%

EOY1 CAP RATE

PROPERTY TOURS available Tuesdays and Thursdays throughout January and February 2025. Contact Grace Martens at 949-263-5317 or gmartens@voitco.com.



HUNTINGTON B



BREEZE

INVESTMENT HIGHLIGHTS

LOCATED IN A WORLD-CLASS COASTAL BEACH COMMUNITY

Nestled in Huntington Beach, this property benefits from the lifestyle appeal and prestige of one of Southern California's most iconic coastal cities.

RECENT PROPERTY UPGRADES

Some renovations have been completed at the property to enhance the appeal and operational efficiency, including renovating 62% of unit interiors.

Other upgrades include:

- New roofs and exterior repainting
- Upgraded fitness center, clubhouse, community kitchen and hallways
- Lobby and leasing office remodeling
- New business center
- Elevator upgrades
- The addition of outdoor barbecues and a fire pit

IMMEDIATE UPSIDE AND ADDITIONAL VALUE ADD

Steady rental increases allowed by AB1482 and capturing loss to lease is projected to increase the NOI by nearly 13% by end of year one. Additionally, Huntington Breeze presents investors a unique re-positioning opportunity through additional renovation by adding contemporary styling and modern community amenities. See a complete list of value-add suggestions in the offering memorandum.

CONVENIENT ACCESS TO SHOPPING

The property is within walking distance of the Vons/CVS-anchored Marina Village Shopping Center, offering residents easy access to daily conveniences and retail options.

INVESTMENT HIGHLIGHTS (CONT.)

POTENTIAL TO ADD ADU UNITS

With minimal CapEx, a few public spaces may be converted to additional apartments. These spaces, which contain bathrooms, appear to have been configured as rental units, but they are currently used as a library/business center, office space, and a maintenance room. Converting these three spaces into additional apartments would be a low-cost value-add; however, city approval may be required.

HIGHLY VISIBLE LOCATION

Featuring over 500 feet of frontage on a major thoroughfare, the property enjoys excellent visibility and accessibility.

STABLE TENANT BASE

With an impressive 55-month average residency, this property boasts a highly stable tenant base, underscoring its appeal to the active adult demographic.

FREE SENIOR TRANSPORTATION | "SENIORS-ON-THE-GO"

Huntington Beach offers a free transportation program that provides door-to-door service to medical appointments, shopping, and any other venue specifically within Huntington Beach. Additionally, residents appreciate the numerous amenity options nearby such as shopping and restaurants.

STRONG OCCUPANCY & RENT GROWTH FORECAST

Robust demand for active adult housing has caused occupancies to average well above 97% in Orange County over the last 5 years and annual rent growth to average 4.7% over the same time. CoStar Inc projects that rent growth will average between 3% and 4% annually over the next 5 years and growing demand will maintain downward pressure on vacancies. Notably, Orange County occupancy rates rank 2nd highest among the nation's largest 50 markets.

EXTREME ORANGE COUNTY HOUSING SHORTAGE

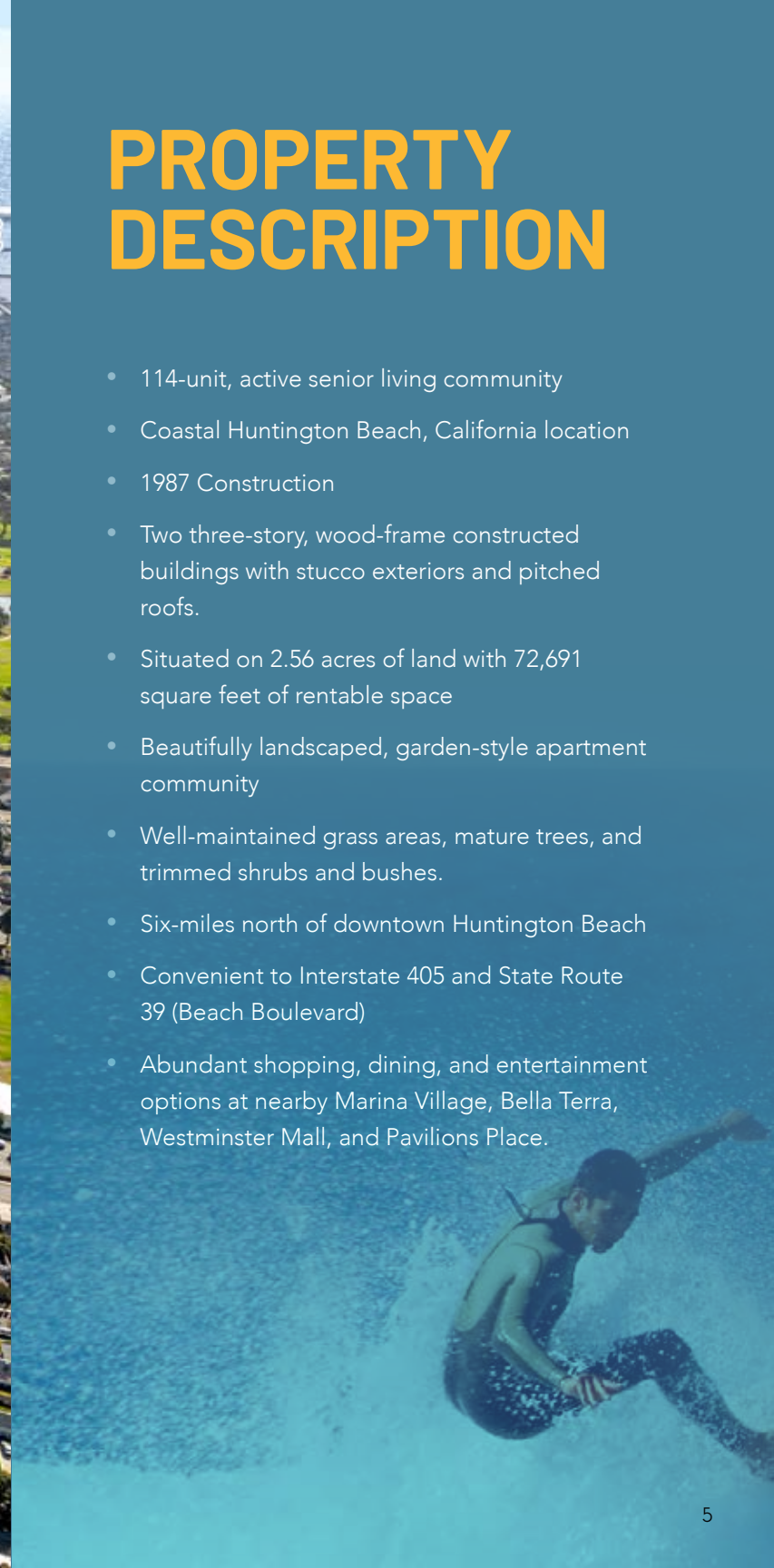
Further contributing to the strong rent growth and occupancy rates is an extreme housing shortage across the county. This is especially true for 55+ apartments. The active senior housing supply pipeline in Orange County includes only two projects under construction. Combined, these projects will deliver only 139 new 55+ apartments to the entire marketplace.





PROPERTY DESCRIPTION

- 114-unit, active senior living community
- Coastal Huntington Beach, California location
- 1987 Construction
- Two three-story, wood-frame constructed buildings with stucco exteriors and pitched roofs.
- Situated on 2.56 acres of land with 72,691 square feet of rentable space
- Beautifully landscaped, garden-style apartment community
- Well-maintained grass areas, mature trees, and trimmed shrubs and bushes.
- Six-miles north of downtown Huntington Beach
- Convenient to Interstate 405 and State Route 39 (Beach Boulevard)
- Abundant shopping, dining, and entertainment options at nearby Marina Village, Bella Terra, Westminster Mall, and Pavilions Place.



PROXIMITY TO ORANGE COUNTY'S HEALTH CARE FACILITIES

The access to health care is a primary concern for the elderly population as their health needs become more complex. There are 14 Major Hospitals or Urgent Care facilities within 13 miles, including the world renowned Hoag Hospital in Newport Beach and brand new \$1.3B UCI Health Medical Campus in Irvine.

OPPORTUNITY TO CAPITALIZE ON LONG-TERM GROWTH

The combination of rental upside and ideal micro-location will allow for durable growth and outsized returns to new ownership. Additionally, lack of new development and a near non-existent pipeline mean the incredibly tight rental market should continue for the foreseeable future boding well for current investment.

ORANGE COUNTY'S 65+ POPULATION IS THE FASTEST GROWING SEGMENT OF THE AREA'S RESIDENTS

21%, or 670,000, of Orange County's population was over the age of 60 in 2020 and projected to grow to 36% or 1.14 million people over the next 35 years. This increase "will significantly boost demand for seniors housing," per a December 2024 Multi-Housing News Article.



CLOSE TO IT ALL!



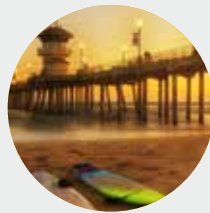
2.0

Miles to
BELLA TERRA



3.8

Miles to
HUNTINGTON
BEACH
HOSPITAL



6.6

Miles to
HUNTINGTON
BEACH PIER



9.8

Miles to
SEGERSTROM
CENTER FOR
THE ARTS



10.7

Miles to
ANAHEIM
CONVENTION
CENTER



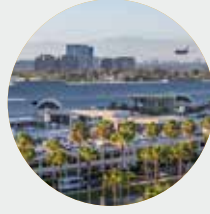
11.8

Miles to
LONG BEACH
AIRPORT



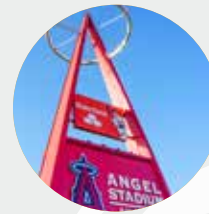
12.0

Miles to
DISNEYLAND



12.7

Miles to
JOHN WAYNE
AIRPORT



12.8

Miles to
ANGEL
STADIUM OF
ANAHEIM



15.0

Miles to
METROLINK
STATION

VALUE-ADD OPPORTUNITIES

SUGGESTED VALUE-ADD IMPROVEMENTS

While Huntington Breeze is a stable, turnkey investment with a clear path forward for organic upside, the property also offers investors an opportunity to capture additional immediate and long-term growth in both income and value through unit and common area upgrades. **Furthermore, with minimal expenditure, a few public spaces may be converted to additional apartments.** These spaces, which contain bathrooms, appear to have been configured as rental units, but they are currently used as a library/business center, office space, and a maintenance room. Converting these three spaces into additional apartments would be a low-cost value-add; however, city approval may be required. Other improvements include:

APARTMENTS

- Kitchen Renovations:
 - » White-shaker cabinet doors with modern pulls
 - » Quartz countertops with tile backsplash
 - » Stainless-steel appliance package: microwave, stove, dishwasher, and refrigerator
- Add in-unit washer / dryer to 31 larger units
- New lighting and plumbing fixtures
- Grey-tone vinyl-plank flooring
- Add space saver closet shelving
- Two-tone paint
- Add ceiling fan in all living rooms and in bedrooms
- Expand patios on 21 first floor units to create individual backyards for resident's pets

RESIDENT COMMON AREAS

- Improve parking by moving entrance gate allowing additional guest and leasing parking as well as creating a ride-share reception area.
- Improve courtyards by removing large trees, fencing in the boiler units, and adding Zen garden
- Expand tenants' gardening areas
- Add a dog park with a dog run at the northwest corner of the property
- Add a pet parlor in one of the laundry rooms
- Add 6 storage units or containers in parking areas
- Add covered carports topped with solar panels for pool heating
- Add parcel pending and parcel acceptance lockers
- Move vending machines indoors
- Replace entryway signage
- Add automatic handicap doors on perimeter gates
- Add EV charging stations
- Upgrade lobby and manager's office
- New pool furniture and cabanas
- Add a single-chair hair salon in the first-floor laundry room



UNIT MIX AND INCOME SUMMARY

FLOORPLAN	UNITS	AVG SF	TOTAL SF	CURRENT RENT			MARKET RENT		PROFORMA POST-RENO RENT	
				AVG TOTAL	RANGE	TOTAL	AVG RENT	TOTAL	AVG RENT	TOTAL
STUDIO	4	486	1,944	\$1,672	\$1,650 - \$1,695	\$6,687	\$1,816	\$7,264	\$2,000	\$8,000
1 BD / 1 BA	27	576	15,552	\$1,951	\$1,712 - \$2,107	\$52,687	\$2,200	\$59,400	\$2,400	\$64,800
1 BD / 1 BA	41	636	26,076	\$2,047	\$1,763 - \$2,300	\$83,911	\$2,207	\$90,487	\$2,400	\$98,400
1 BD / 1 BA ADA	11	636	6,996	\$1,994	\$1,885 - \$2,099	\$21,936	\$2,207	\$24,277	\$2,400	\$26,400
1 BD / 1 BA	1	757	757	\$2,254		\$2,254	\$2,300	\$2,300	\$2,500	\$2,500
1 BD / 1 BA + Den	18	663	11,934	\$2,042	\$1,879 - \$2,254	\$36,756	\$2,296	\$41,328	\$2,500	\$45,000
2 BD / 2 BA	12	786	9,432	\$2,239	\$1,782 - \$2,460	\$26,866	\$2,507	\$30,084	\$2,800	\$33,600
TOTAL / AVG	114	638	72,691	\$2,027		\$231,097	\$2,238	\$255,140	\$2,445	\$278,700
ADU 1 BD / 1 BA	3	600	1,800						\$2,400	\$7,200
WITH ADU TOTAL / AVG	117	637	74,491						\$2,444	\$285,900

SECTION 8 UNITS			CURRENT RENT (01-21-2025)				LOSS TO LEASE		
FLOORPLAN	#UNITS	AVG SF	AVG LEASE	AVG HUD	TOTAL	AVG MARKET	MAX ALLOWABLE	AVG \$	%
1 BD / 1 BA SECTION 8	19	576	\$524	\$1,408	\$1,932	\$2,200	\$2,300	\$268	12.2%
1 BD / 1 BA SECTION 8	33	636	\$467	\$1,578	\$2,016	\$2,207	\$2,300	\$191	8.6%
1 BD / 1 BA SECTION 8	1	757	\$299	\$1,955	\$2,254	\$2,300	\$2,300	\$46	2.0%
1 BD / 1 BA + DEN SECTION 8	6	663	\$394	\$1,734	\$1,997	\$2,296	\$2,300	\$300	13.0%
2 BD / 2 BA SECTION 8	5	786	\$555	\$1,728	\$2,283	\$2,507	\$2,725	\$224	8.9%
TOTAL / AVG	64	634	\$481	\$1,560	\$2,041	\$2,238	\$2,333	\$197	8.8%

BEST PLACE TO RETIRE

Huntington Beach ranked among the top 10 “Best Places to Retire in Orange County”

- Niche

TOP PLACE TO LIVE

Huntington Beach ranked among the top 100 “Best Places to Live in the Nation”

- Livability

PREPARED FOR RETIREMENT

Senior residents of Huntington Beach ranked No. 5 nationally among the “Most Financially Prepared for Retirement”

- SmartAsset

HAPPIEST PLACE TO LIVE

Huntington Beach ranked No. 6 among the “Happiest Places to Live”

- Wallethub

HUNTINGTON BEACH CALIFORNIA



Situated between the Pacific Coast Highway and Interstate 405 in northwestern Orange County, the coastal city of **Huntington Beach, California**, offers an unmatched quality of life, a strong educational system, and easy access to major employment centers throughout the region. The city, known internationally as “**Surf City USA**,” boasts nearly 10 miles of uninterrupted beachfront and the longest recreational pier in the state of California, making tourism a vital aspect of the local economy. Huntington Beach was named as the top “**Best West Coast Beach**,” outperforming beaches located in Hawaii, Washington, and Oregon. Most recently, the city ranked No. 6 in the nation as the “Happiest Place to Live” by Wallethub.

Huntington Beach offers access to some of Southern California’s best shopping, dining, entertainment, and golfing. Combined with the community’s access to one of the state’s largest metropolitan areas, and top health care facilities, Huntington Beach is a top draw for residents age 55 and older who want to maintain an active lifestyle and no longer want to finance the expense of home ownership.

THE 55+ NICHE- INVESTMENT ADVANTAGES

INCREASING DEMAND FROM THE AGING POPULATION

Many older adults are seeking communities tailored to their lifestyles, prioritizing safety, convenience and social opportunities.

LOWER OPERATIONAL RISKS, LOWER WEAR AND TEAR

Older tenants are generally considered lower risk in terms of property damage and compliance with community rules.

SUBSIDIZED HOUSING DEMAND

The population of retirees on fixed incomes often have housing subsidized with federal Section 8 housing vouchers. This provides residents with affordable rent while providing property owners with competitive, market rate rental income.

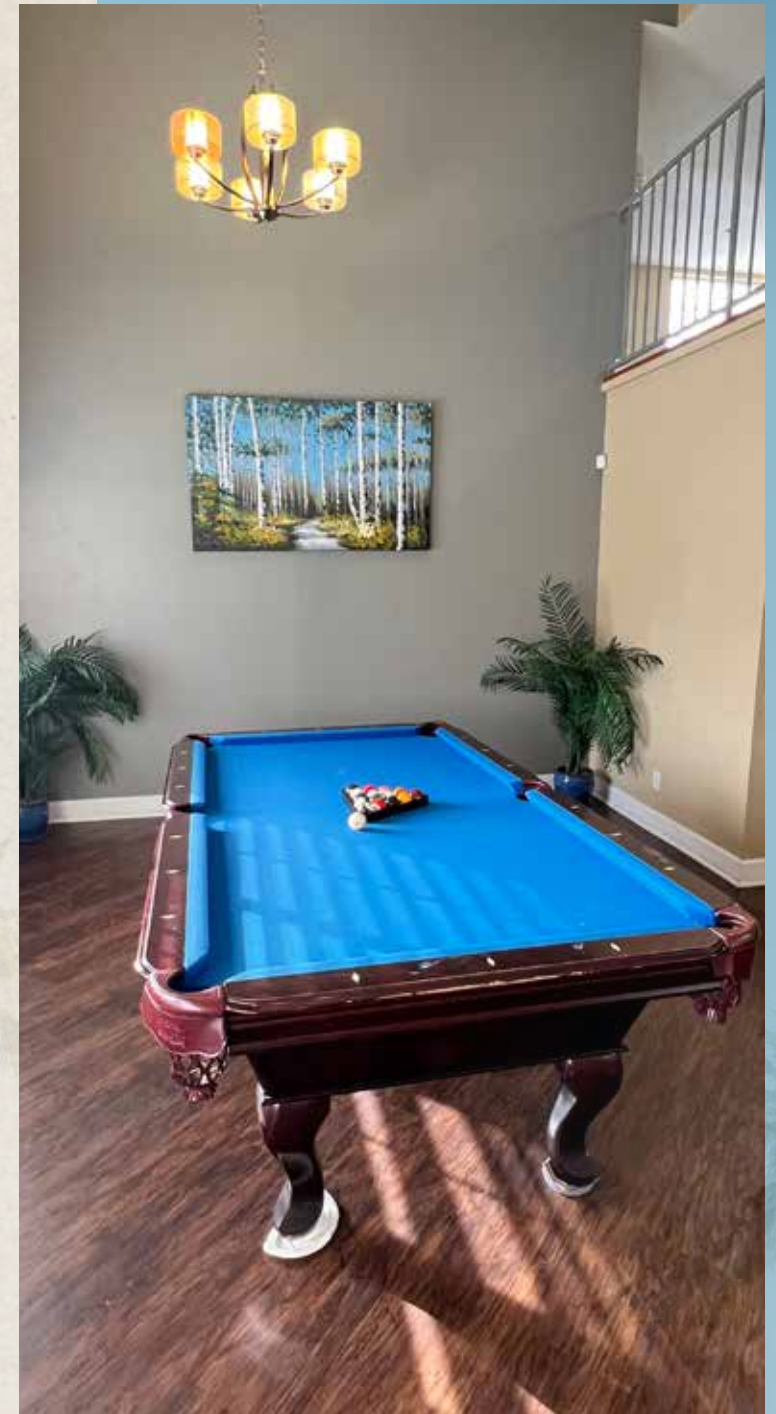
RESILIENCE TO ECONOMIC CYCLES

Unlike younger renters whose housing decisions are closely tied to job markets, seniors are less affected by economic fluctuations.

A NICHE MARKET WITH LOWER COMPETITION

Investors in this specialized market face less direct competition which promotes short-term and long-term operational stability.

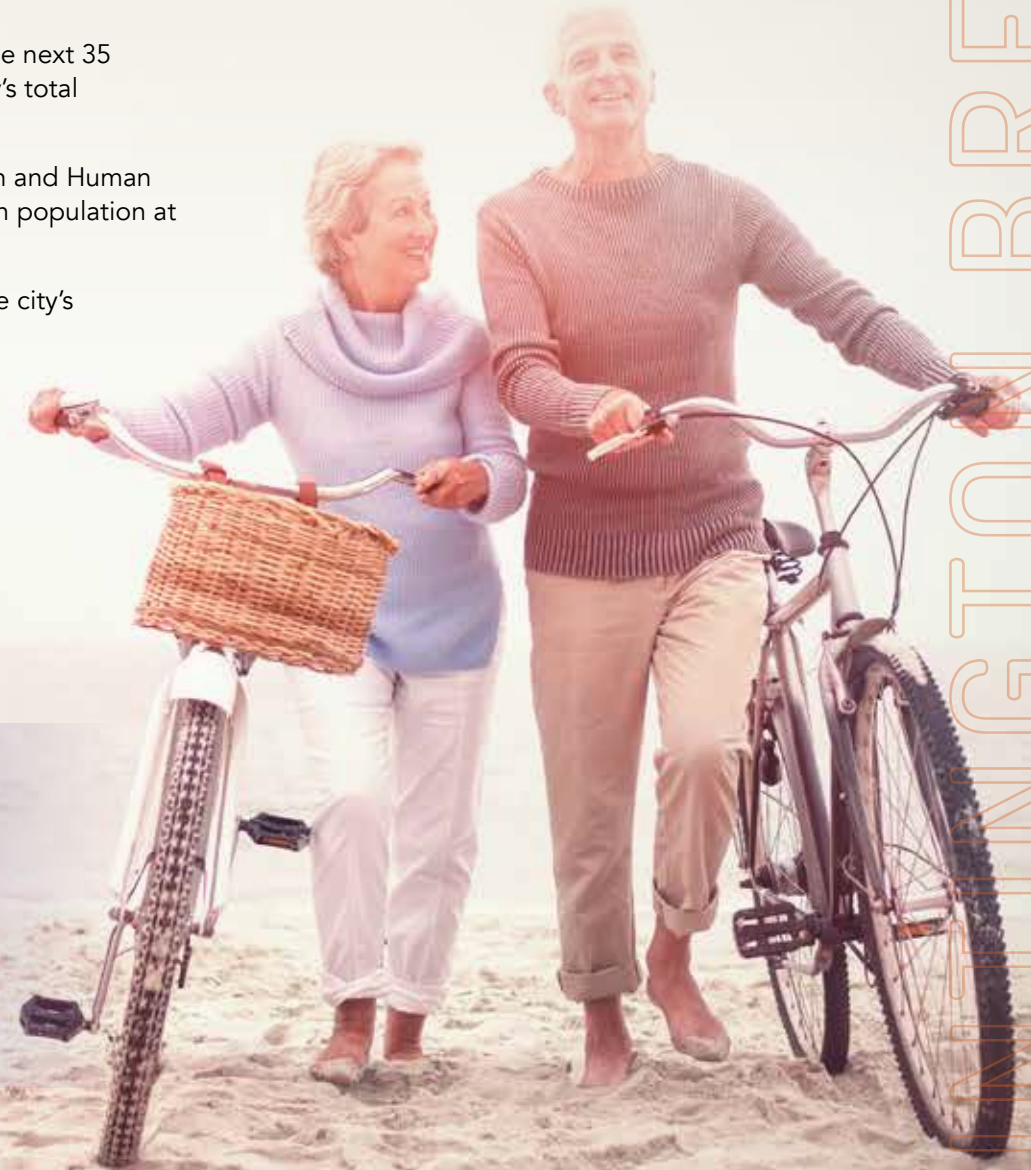
**AGE-RESTRICTED
MULTIFAMILY
PROPERTIES
CATERING TO
RESIDENTS 55
AND OLDER
OFFER NUMEROUS
ADVANTAGES OVER
TRADITIONAL
MULTIFAMILY
HOUSING**



SENIOR HOUSING | A GROWING INVESTMENT NICHE

- Over 20% of the County's population is over the age of 60 (nearly 670,000 residents). Over the next 35 years, that population is expected to expand to 1.1 million people, or 36% of Orange County's total population.
- Nationwide, more than 10,000 people turn 65 years old every day (U.S. Department of Health and Human Services), equating to a 44% growth rate, well above the 5% growth rate among the American population at large, meaning a significant boost in demand for seniors housing
- Huntington Beach represents a unique driver in Senior Housing. Residents are attracted to the city's moderate climate, recreational opportunities, and close-knit neighborhoods.
- As residents age, many seek to simplify living arrangements by downsizing to age-appropriate multifamily housing. Due to family proximity, social networks, healthcare providers, and the unique Huntington Beach lifestyle, many residents choose to stay in the community creating Embedded Demand.
- The growth of Embedded Demand will add continued pressure on supply-constrained senior housing in the city.

**ORANGE COUNTY'S SENIOR
POPULATION IS THE FASTEST
GROWING SEGMENT OF THE
AREA'S RESIDENTS**



MULTIFAMILY INVESTMENT CONTACTS

Dean Zander

Vice Chairman
NEWMARK
t 310-407-6522
dean.zander@nmrk.com
CA RE Lic. #00875853

Joe Leon

Senior Vice President | Partner
VOIT REAL ESTATE SERVICES
t 949-939-9898
jleon@voitco.com
CA BRE Lic. No. #00945852

Joseph R. Berkson

Senior Managing Director
MARCUS & MILLICHAP
t 949-419-3232
joe.berkson@marcusmillichap.com
CA RE Lic. #01031951

Nick Ingle

Vice President
VOIT REAL ESTATE SERVICES
t 949-409-5244
ningle@voitco.com
CA BRE Lic. #02192776



HUNTINGTON BREEZE

DEBT & EQUITY TEAM

Mitch Clarfield

Executive Vice Chairman
NEWMARK
Debt & Structured Finance
Multifamily Capital Markets
t 310-255-1233
mitch.clarfield@nmrk.com
CA RE Lic. #01078848

Vincent Punzi

Executive Managing Director
NEWMARK
Debt & Structured Finance
Multifamily Capital Markets
t 831-234-1215
vincent.punzi@nmrk.com
CA RE Lic. # 01876251



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