



550 S Coast Hwy Laguna Beach, CA 92651  
Pacific Coast Highway | Multi-Tenant Retail

**NRECOMMERCIAL**

BROKERED BY  
**exp**  
REALTY

# NRECOMMERCIAL

BROKERED BY  
**exp**<sup>®</sup>  
REALTY

Exclusively Listed by:  
eXp of Greater Los Angeles, Inc

---

Drew McAllister \ DIRECTOR  
Direct \ 562.528.8105  
Mobile \ 925.683.9203  
Email \ drew@nrecommercial.com  
DRE \ 01946829

320 Golden Shore Suite 200  
Long Beach, CA 90802  
NRECommercial.com

## DISCLAIMER

The material contained in this document is confidential, furnished solely for the purpose of considering investment in the property described therein and is not to be copied and/or used for any purpose or made available to any other person without the express written consent of NRECommercial. In accepting this, the recipient agrees to keep all material contained herein confidential. This information package has been prepared to provide summary information to prospective buyers and to establish a preliminary level of interest in the property described herein. It does not, however, purport to present all material information regarding the subject property, and it is not a substitute for a thorough due diligence investigation. NRECommercial and Seller have not made any investigation of the actual property, the tenants, the operating history, financial reports, leases, square footage, age or any other aspect of the property, including but not limited to any potential environmental problems that may exist and make no warranty or representation whatsoever concerning these issues. The information contained in this informational package has been obtained from sources we believe to be reliable; however, NRECommercial and Seller have not conducted any investigation regarding these matters and make no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. Any pro formas, projections, opinions, assumptions or estimates used are for example only and do not necessarily represent the current or future performance of the property.



THOMAS STUDIOS

THOMAS STUDIOS

COASTAL MODERN GALLERY

THOMAS STUDIOS  
CLUBS

HUGO RIVERA GALLERY

HUGO RIVERA GALLERY

550



THE HAT BOX

THE HAT BOX

COASTAL MODERN GALLERY



THOMAS  
COASTAL MODERN GALLERY





Pacific Coast HWY 40,000 +/- VPD

550 S Coast HWY



# EXECUTIVE SUMMARY

## PROPERTY DETAILS

<b>Property Address:</b>	550 S Coast Hwy, Laguna Beach, CA 92651
<b>Property County:</b>	Orange County
<b>Parcel Number:</b>	056-251-04
<b>Number of Comm. Units:</b>	6
<b>Rentable Square Feet:</b>	2,625
<b>Lot Square Feet:</b>	4,400
<b>Year Built:</b>	1972
<b># of Buildings:</b>	1
<b># of Stories:</b>	2
<b>Current Leases:</b>	Gross
<b>Zoning:</b>	CBD-V (Central Business District Visitor)
<b>Parking:</b>	6 Parking Stalls
<b>Parking Ratio:</b>	1.43 / 1,000
<b>Power:</b>	200 Amps
<b>Electrical:</b>	6 Individual Meters
<b>Parking Surface:</b>	Concrete
<b>Roof:</b>	Rolled & Shingle Mix Composite

## INVESTMENT SUMMARY

Asking Price:	\$3,995,000
Price/SF (Building):	\$1,522
Price/SF (Lot):	\$908
Current Cap Rate:	2.20%
Yr 2 (Market) Cap Rate:	5.29%
Year 3 Cap Rate:	5.45%
Year 4 Cap Rate:	5.62%
Year 5 Cap Rate:	5.79%

## FINANCING QUOTE

Down Payment:	\$1,645,000 - 41%
Loan Amount:	\$2,350,000 - 59%
Interest Rate:	6.00%
Fixed Period:	5 Years
Interest Only Period:	0 years
Years Amortized:	30



# INVESTMENT OVERVIEW

Rare generational opportunity to acquire a trophy asset located at 550 S. Coast Highway, a six-unit multi-tenant commercial retail property located on one of the most iconic stretches of Pacific Coast Highway in Laguna Beach, California. The 2,625 SF building sits on a 4,400 SF lot in the CBD-V (Central Business District Visitor) zoning district, surrounded by galleries, restaurants, and boutique retail that define Laguna Beach's renowned arts and tourism corridor. Offered at \$3,995,000, the property presents a compelling value-add investment with current in-place rents significantly below market.

The property currently generates \$13,540/month in gross rental income across five occupied units. The Seller has used the studio unit as storage and currently doesn't generate income. At market NNN rents of \$84/SF annually and leasing the storage at \$60/SF annually, the property achieves a stabilized Year 2 NOI of \$211,527 — representing a 5.30% cap rate. The current in-place rent roll shows over 33% upside to market, providing a clear path to significant income growth through lease renewals and rent adjustments to market NNN terms.

Laguna Beach is one of Southern California's most affluent and tourism-driven coastal communities, with year-round foot traffic from the Laguna Art Walk, Festival of Arts, Sawdust Art Festival, and the city's celebrated gallery district. The CBD-V zoning supports a mix of visitor-serving retail and gallery uses ideally suited to the tenant profile. With NNN lease structures eliminating landlord operating expenses, annual 3% rent escalations, and strong long-term demand for premium coastal retail space, this investment offers stable cash flow with embedded upside for a buyer seeking irreplaceable coastal California real estate.

## INCOME SUMMARY

TENANTS	TOTAL	EST. SF	CURRENT	\$/SF/MO	YR 2 (MARKET)	\$/SF/MO	YEAR 3	YEAR 4	YEAR 5
Hugo Rivera Gallery (1 & 2)	2	739	\$4,000	\$5.41	\$5,173	\$7.00	\$5,328	\$5,488	\$5,653
Resa Safra Art (3)	1	390	\$2,500	\$6.41	\$2,730	\$7.00	\$2,812	\$2,896	\$2,983
The Hat Box (4)	1	554	\$3,500	\$6.32	\$3,878	\$7.00	\$3,994	\$4,114	\$4,238
Shaun Thomas Gallery (5)	1	738	\$2,500	\$3.39	\$5,166	\$7.00	\$5,321	\$5,481	\$5,645
Management Office/Storage	1	208	\$1,040	\$5.00	\$1,040	\$5.00	\$1,071	\$1,103	\$1,136
<b>TOTALS:</b>	<b>6</b>	<b>2,629</b>	<b>\$13,540</b>		<b>\$17,987</b>		<b>\$18,527</b>	<b>\$19,082</b>	<b>\$19,655</b>
<b>GROSS ANNUAL INCOME:</b>			<b>\$162,480</b>		<b>\$215,844</b>		<b>\$222,319</b>	<b>\$228,989</b>	<b>\$235,859</b>



THOMAS  
STUDIOS  
GALLERY

CLOSED

Laguna  
Beach



# INVESTMENT HIGHLIGHTS

## NRECOMMERCIAL

**5.30%**

5.30% NNN Cap Rate on Year 2 Stabilized Market Rents



Over 33% Upside From In-Place Rents to Market NNN (\$84/SF)



4/5 Tenants Month to Month, 5th Expires 9/27 - Immediate Upside Transitioning to Market NNN Rates



Six-Unit Multi-Tenant Commercial Retail Diversified Income



Transition to NNN Lease Would Eliminate Landlord Operating Expenses



Prime South Coast Highway Location — Laguna Beach Arts District



CBD-V Zoning in One of California's Most Sought-After Coastal Markets



Walk Score: 97 Daily Errands Do Not Require a Car



6 On-Site Parking Stalls & Adjacent to Public Parking Lot



Sleepy Hollow Beach

Main Beach

Heisler Park

Laguna Art Museum

Downtown Laguna Beach

550 S Coast Hwy

Forest Ave Promenade

Festival of Arts

Pacific Coast HWY 40,000 +/- VPD

# RENT ROLL - 550 S Coast Hwy ○○○

UNITS	TENANT	EST. SF	LEASE START	LEASE END	CURRENT RENT	YR 2 (MARKET)	YEAR 3	YEAR 4	YEAR 5	NOTES
1 & 2	Hugo Rivera Gallery	739	1/1/21	12/31/22	\$4,000	\$5,173	\$5,328	\$5,488	\$5,653	Fronts Coast hwy. Unit 1 =368SF, Unit 2 =371 SF
3	Resa Safra Art	390	10/1/25	9/30/27	\$2,500	\$2,730	\$2,812	\$2,896	\$2,983	Market Rent \$84.00 PSF NNN IN Year 2
4	The Hat Box	554	12/1/19	11/30/22	\$3,500	\$3,878	\$3,994	\$4,114	\$4,238	Fronts Coast Hwy.
5	Shaun Thomas Gallery	738	1/1/21	12/31/21	\$2,500	\$5,166	\$5,321	\$5,481	\$5,645	Upstairs
6	Management Office/ Storage	208	Vacant	Vacant	\$1,040	\$1,040	\$1,071	\$1,103	\$1,136	Occupied by Own- ers - Pro Forma - Storage @ \$60.00 PSF NNN
<b>TOTALS:</b>		<b>2,629</b>			\$13,540	\$17,987	\$18,527	\$19,082	\$19,655	
					X 12	X 12	X 12	X 12	X 12	
<b>TOTAL ANNUAL INCOME:</b>					<b>\$162,480</b>	<b>\$215,844</b>	<b>\$222,319</b>	<b>\$228,989</b>	<b>\$235,859</b>	

\*YEAR 2 RENTS AT MARKET NNN RATES; YEARS 3-6 ASSUME 3.0% ANNUAL INCREASES

\*UNIT 6 MANGEMENT OFFICE ASSUMED LEASED AT \$60/SF"

\*SQUARE FOOTAGE IS FROM AN APPRAISAL IN 2024 - BUYER TO DO THEIR OWN INVESTIGATIONS TO VERIFY

# FINANCIALS: 550 S Coast Hwy

OPERATING STATEMENT		CURRENT	YR 2 (MARKET)	YEAR 3	YEAR 4	YEAR 5
Gross Monthly Rental Income:		\$13,540	\$17,987	\$18,527	\$19,082	\$19,655
		X12	X12	X12	X12	X12
<b>Gross Scheduled Income:</b>		<b>\$156,480</b>	<b>\$215,844</b>	<b>\$222,319</b>	<b>\$228,989</b>	<b>\$235,859</b>
Less Physical Vacancy:	2%	\$(3,250)	\$(4,317)	\$(4,446)	\$(4,580)	\$(4,717)
<b>Gross Annual Income:</b>		<b>\$159,230</b>	<b>\$211,527</b>	<b>\$217,873</b>	<b>\$224,409</b>	<b>\$231,141</b>
<b>ESTIMATED EXPENSES:</b>	<b>ASSUMPTION</b>	<b>CURRENT</b>	<b>NNN</b>	<b>NNN</b>	<b>NNN</b>	<b>NNN</b>
New Property Taxes:	1.1890%	\$(47,501)	\$-	\$-	\$-	\$-
Insurance:	\$10,000/Yr	\$(10,000)	\$-	\$-	\$-	\$-
Repairs & Maintenance:	\$3,000/Yr	\$(3,000)	\$-	\$-	\$-	\$-
Management Fee:	5% of EGI	\$(7,962)	\$-	\$-	\$-	\$-
General & Administrative:	\$1,500/Yr	\$(1,500)	\$-	\$-	\$-	\$-
Reserves for Replacement:	\$1,500/Yr	\$(1,500)	\$-	\$-	\$-	\$-
<b>TOTAL EXPENSES:</b>		<b>\$(71,462)</b>	<b>45%</b>			
<b>NET OPERATING INCOME:</b>		<b>\$87,768</b>	<b>\$211,527</b>	<b>\$217,873</b>	<b>\$224,409</b>	<b>\$231,141</b>
Less New Debt Service:	ALL CASH		\$(169,073)	\$(169,073)	\$(169,073)	\$(169,073)
<b>Cash Flow:</b>		<b>\$87,768</b>	<b>\$42,454</b>	<b>\$48,800</b>	<b>\$55,336</b>	<b>\$62,068</b>
<b>Cash on Cash Return:</b>		<b>2.20%</b>	<b>2.58%</b>	<b>2.97%</b>	<b>3.36%</b>	<b>3.77%</b>
Plus Principal Reduction:		-	\$28,858	\$30,638	\$32,528	\$34,534
<b>Total Return:</b>		<b>\$87,768</b>	<b>\$71,312</b>	<b>\$79,438</b>	<b>\$87,864</b>	<b>\$96,602</b>
<b>Total Rate of Return:</b>		<b>2.20%</b>	<b>4.34%</b>	<b>4.83%</b>	<b>5.34%</b>	<b>5.87%</b>

# LOCATION OVERVIEW

South Coast Highway / Downtown Laguna Beach, CA ○○○

Located on South Coast Highway in the heart of Laguna Beach's arts and gallery district, one of Southern California's most iconic and affluent coastal communities. The property benefits from year-round tourism, a thriving arts scene, and exceptional foot traffic from visitors and residents alike. Laguna Beach consistently ranks among the highest-income and most desirable coastal markets in Orange County.

## ○ Lifestyle + Amenities Nearby + Transit + Demand



**Dining & Retail:** Surrounded by Laguna Beach's gallery district, boutique retail, and acclaimed restaurants including The Deck on Laguna Beach, Nick's, and Las Brisas. Walking distance to Main Beach, Heisler Park, and the Festival of Arts grounds.



**Schools:** *Laguna Beach Unified School District* — among the highest-rated public school districts in Orange County. *Laguna Beach High School* (10/10 GreatSchools), *Top of the World Elementary* (9/10).



**Transit + Connectivity:** OCTA Route 1 (Pacific Coast Highway) with frequent service. 15-minute drive to Laguna Niguel/ Mission Viejo Metrolink station. I-5 and 73 Toll Road accessible within 10 minutes.



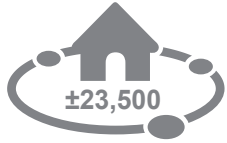
**Major Demand Drivers** Tourism & hospitality, arts & culture, professional services. Major employers include The Ritz-Carlton Laguna Niguel, Montage Laguna Beach, and numerous independent galleries and restaurants. Strong seasonal employment boost from summer art festivals.



**Walk Score:** 97 - Very Walkable. Most errands accomplished on foot.

## ECONOMIC HIGHLIGHTS ○○○

---



Population (City)  
~23,500 (Laguna Beach)



Average Household Income  
\$168,000



Median Home Value  
\$3,200,000



Average Age (1-Mile)  
51 Years

- Submarket Retail Rent (NNN): \$72–\$96/SF NNN (Laguna Beach CBD)
- Historically High Occupancy Rates - Submarket Vacancy Only 4.0%
- Coastal Scarcity Premium: Zero new supply — CBD-V zone is fully built out with no entitled development sites. High barriers to entry protect existing retail rents.



550 S Coast HWY

Short Walk To Subject

Public Parking

## ECONOMIC HIGHLIGHTS ○○○

---

### Art Festival Season

Laguna Beach's art scene thrives on a legacy of plein air painters, evolving into a dynamic mix of galleries, festivals, and public art. Signature events like the *Festival of Arts* and *Sawdust Art Festival* anchor the summer season, while year-round galleries and the *Laguna Art Museum* sustain cultural depth. Interactive workshops, live performances, and coastal landscapes continue to inspire both emerging and established artists.

#### Festival of Arts

#### Sawdust Art Festival

#### Art-A-Fair July–August

#### First Thursdays Art Walk year-round



## ECONOMIC HIGHLIGHTS ○○○

### Historical Art Community

With over 100 galleries and working studios, Laguna Beach clearly earns its reputation as a true “art colony.” Its origins are rooted in creativity—artists were among the first to put it on the map.

In the late 1800s, visitors traveled through the canyons each summer to camp along the coast. By 1903, painters like Norman St. Clair were drawn from San Francisco by the area’s unique coastal light. His enthusiasm inspired others, including William Wendt and Frank Cuprien, to settle there. Soon, nearly half of Laguna’s 300 residents were artists.

