



COMMERCIAL
ASSET GROUP

2227 PACIFIC COAST HIGHWAY CARBON BEACH BUNGALOWS

SHORT TERM BEACHFRONT RENTAL-RETAIL
MIXED-USE INVESTMENT | MALIBU, CA



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PROPERTY DETAILS

ADDRESS

22227 PACIFIC COAST HWY
MALIBU, CA 90265

BUILDING SIZE

±8,125 SQFT

LAND SIZE

±10,743 SQFT

PARKING

±TWELVE (12) SURFACE SPACES

BUILT

1955/2019 RENOVATION

PROPERTY TYPE

MIXED USE
(RETAIL + SHORT TERM RENTAL + RESIDENTIAL)

APN

4451-008-014

OWNERSHIP

FEE SIMPLE

CURRENT USE

RETAIL, OFFICE & RESIDENTIAL/SHORT-TERM RENTAL

COMPOSITION

ONE (1) STORY FRONT BUILDING
TWO (2) STORY BACK BUILDING

ZONING

LCC2* (COMMUNITY COMMERCIAL)

PERMITS

6 STR UNITS - SEE PERMIT

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EXECUTIVE SUMMARY

Carbon Beach Bungalows is a rare, permitted short-term rental and retail investment on one of California's most coveted coastlines — Malibu's Carbon Beach, widely known as “Billionaire’s Beach.” The property offers an investor a diversified income stream combining six fully permitted STR bungalows, two retail/office tenants under long-term leases, and a spa operation, all within a recently renovated ±8,125 SF mixed-use complex on ±10,743 SF of fee-simple land.

The asset benefits from an active City of Malibu Annual Short-Term Rental Permit (STR26-0014, valid through February 19, 2027) — an increasingly scarce entitlement that is extremely difficult to obtain in Malibu's highly regulated coastal environment. This permit alone represents significant embedded value for any acquirer.

KEY INVESTMENT HIGHLIGHTS

- Prime Malibu beachfront location on Pacific Coast Highway — Carbon Beach (“Billionaire's Beach”)
- Active City of Malibu Short-Term Rental Permit for 6 units (STR26-0014) — valid through Feb 2027
- Diversified income: 5 STR bungalows + 1 long-term residential unit + 2 retail/office leases + spa
- ±8,125 SF building on ±10,743 SF land — recently renovated (2019), originally built 1955
- In-place NOI of \$479,685 at a 5.0% cap rate; proforma NOI of \$583,952 at 6.25% cap rate
- 12 surface parking spaces — extremely valuable in Malibu's parking-constrained environment
- LCC2 (Community Commercial) zoning — supports retail, office, and residential uses
- Fee simple ownership — no ground lease encumbrances
- Neighboring flagship retail district anchored by Whole Foods, Blue Bottle, Erewhon corridor

FINANCIAL SUMMARY

PRICE

\$10,000,000.00

Note: Proforma figures based on Year 2 projected rents. All figures should be independently verified. Property taxes assume purchase price reassessment.

TOTAL ANNUAL GROSS INCOME

IN-PLACE: \$591,600 | PROFORMA: \$658,368

EXPENSES (INSURANCE/MAINTENANCE)

IN-PLACE: \$15,000 | PROFORMA: \$15,000

PROPERTY TAXES

IN-PLACE: \$79,167 | PROFORMA: \$79,167

VACANCY LOSS (3%)

IN-PLACE: \$17,748 | PROFORMA: \$19,751

NOI

IN-PLACE: \$479,685.33* | PROFORMA: \$583,952.30*

CAP RATE

IN-PLACE: 5% | PROFORMA: 6.0%





CITY OF MALIBU

ANNUAL SHORT-TERM RENTAL PERMIT

22227 Pacific Coast Hwy, Malibu, CA

PROPERTY OWNER NAME

PROPERTY ADDRESS

24/7 CONTACT NAME

24/7 CONTACT PHONE NUMBER

Unit A: 4 Unit B: 4 Unit C: 4 Unit D: 4 Unit E: 4 Unit F: 6

MAXIMUM OCCUPANCY

STR26-0014

Feb 19, 2026

SHORT-TERM RENTAL PERMIT NUMBER

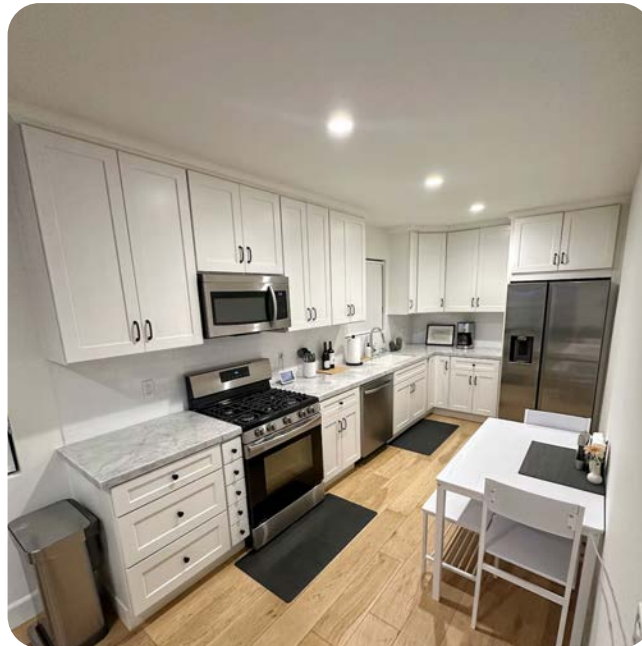
DATE ISSUED

Feb 19, 2027

EXPIRATION DATE (RENEWABLE)

The short-term rental of this property shall be conducted in accordance with Malibu Municipal Code (MMC) Chapter 17.55. Violations of the permit regulations in MMC Chapter 17.55 shall be subject to fines.

INTERIOR PHOTOS



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RENT ROLL

Property Address: Carbon Beach Bungalows	City:	State:	Zip Code:
22227 Pacific Coast Highway	Malibu	CA	90265

Unit #	Tenant	Sq. Feet Approx.	Unit	Use	Current Rent	Year 2 Rent	Lease Start Date	Lease End Date
22221-3 PCH	LA Home Contractor	1,000	Retail/ Office	Office	\$4,000.00	\$4,160.00	7/1/2025	6/30/2028
22225 PCH	Empress Builders	500	Retail/ Office	Office	\$2,600.00	\$2,704.00	2/1/2025	1/31/2028
22227 PCH	Carbon Beach Bungalows SPA-Net Income After STR MGMT	500	Retail/ Office	SPA for STR	\$5,400.00	\$6,000.00	Month to Month	
A - Front	Carbon Beach Bungalows SPA-Net Income After STR MGMT	775	1 Bedroom+ 1 Bath	Furnished Short Term Rental	\$5,900.00	\$6,200.00	Month to Month	
B - Front	Carbon Beach Bungalows SPA-Net Income After STR MGMT	775	1 Bedroom+ 1 Bath	Furnished Short Term Rental	\$5,900.00	\$6,200.00	Month to Month	
C - Rear/Downstairs	Carbon Beach Bungalows SPA-Net Income After STR MGMT	850	1 Bedroom+ 1 Bath	Furnished Short Term Rental	\$5,900.00	\$6,200.00	Month to Month	
D - Rear/Downstairs	Carbon Beach Bungalows SPA-Net Income After STR MGMT	850	1 Bedroom+ 1 Bath	Furnished Short Term Rental	\$5,900.00	\$6,200.00	Month to Month	
E - Rear/Upstairs	Carbon Beach Bungalows SPA-Net Income After STR MGMT	775	1 Bedroom+ 1 Bath	Furnished Short Term Rental	\$5,900.00	\$6,200.00	Month to Month	
F- Rear/Upstairs*	Long term Rental	2,100	2 Bedroom + 1.5 Bath	Residential Long Term - Can be STR	\$7,800.00	\$11,000.00	4/1/2025	3/31/2027
					\$49,300.00	\$54,864.00		

Total Square Footage	8,125	
Monthly Current Rent:	\$49,300.00	\$54,864.00
	Current	Proforma
TOTAL ANNUAL GROSS INCOME:	\$591,600.00	\$658,368.00
EXPENSES (Insurance/Maintance)	-\$15,000.00	-\$15,000.00
PROPERTY TAXES	-\$79,166.67	-\$79,166.67
VACANCY LOSS 3%	-\$17,748.00	-\$19,751.04
NET INCOME	\$479,685.33	\$583,952.37
\$10,000,000.00	CAP Rate Yr. 1	5 %
Purchase Price	Proforma CAP Rate Yr. 2	6 %

*Significantly below the proforma STR rate of \$11,000/month

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NEIGHBORING TENANTS

MALIBU LUMBER YARD

James Perse MALIBU HOUSE LA
 Maxfield DNCFX Dance
 Café Habana Dance Star
 John Henry Salon

THE PARK AT CROSS CREEK

Barefoot Dreams Just Food for Dogs
 BeWell IV Malibu Sushi by
 Howdy
 Blue Bottle Coffee Nail Spa @ The Park
 Door to Door Dry Prince Street Pizza
 Cleaners
 Howdy's Sonrisa Cafe Tesla Showroom
 Irv's Burgers Whole Foods Market

MALIBU COUNTRY MART

9026-Eyes Encore
 9x by APN Faherty
 Alfred Coffee gorjana
 Alicia Adams Alpaca Henry Beguelin
 All Points North Lodge John Varvatos
 Aloha Collection John's Garden
 Ambience Skin & Body K Chocolate by Diane
 American Vintage KIRK'S
 Aroma360 Kron
 Bleusalt L'AGENCE
 Brandy Melville Los Angeles Sculpt
 CB2 Lucky's Steakhouse
 Chrome Hearts M.Frederic
 Cie Salon Madison
 Creo Arthouse Malibu Car Wash
 Crown Malibu Grooming Co.
 Daily Calm Wellness Malibu Mutt's Grill
 Double RL & Co. Malibu Shaman
 Magnolia Pearl
 Nati
 Nenergy Boost
 Nomad Malibu
 Oliver Peoples
 Outerknown
 PAIGE
 Scott's Malibu Market
 SunLife Organics
 Starbucks
 Taverna Tony
 The Bunker Surf & Skate
 Toy Crazy
 Tra di Noi
 Veritas Yoga
 Vince.
 Vuori
 Westside Estate Agency

CROSS CREEK RANCH

Be Kind Studios
 California Incline
 Clark's Oyster Bar
 Chitchat Coffee +
 Matcha (coming soon)
 Frame
 Frankie's Bikinis
 Guest In Residence
 (coming soon)
 Industrious
 KITH
 KITH Treats
 Le Labo
 Madeo Restaurant
 (coming soon)
 Madhappy (coming soon)
 Malbon (coming soon)
 Pura Vida Miami
 Ray-Ban
 Sunroom
 THE GREAT.
 The Shop by WHEAT
 (coming soon)
 Taverna Tony
 Velvet
 Wally's (coming soon)
 Zadig & Voltaire (coming
 soon)
 First class gym, hair
 salon and nail spa
 (coming soon)

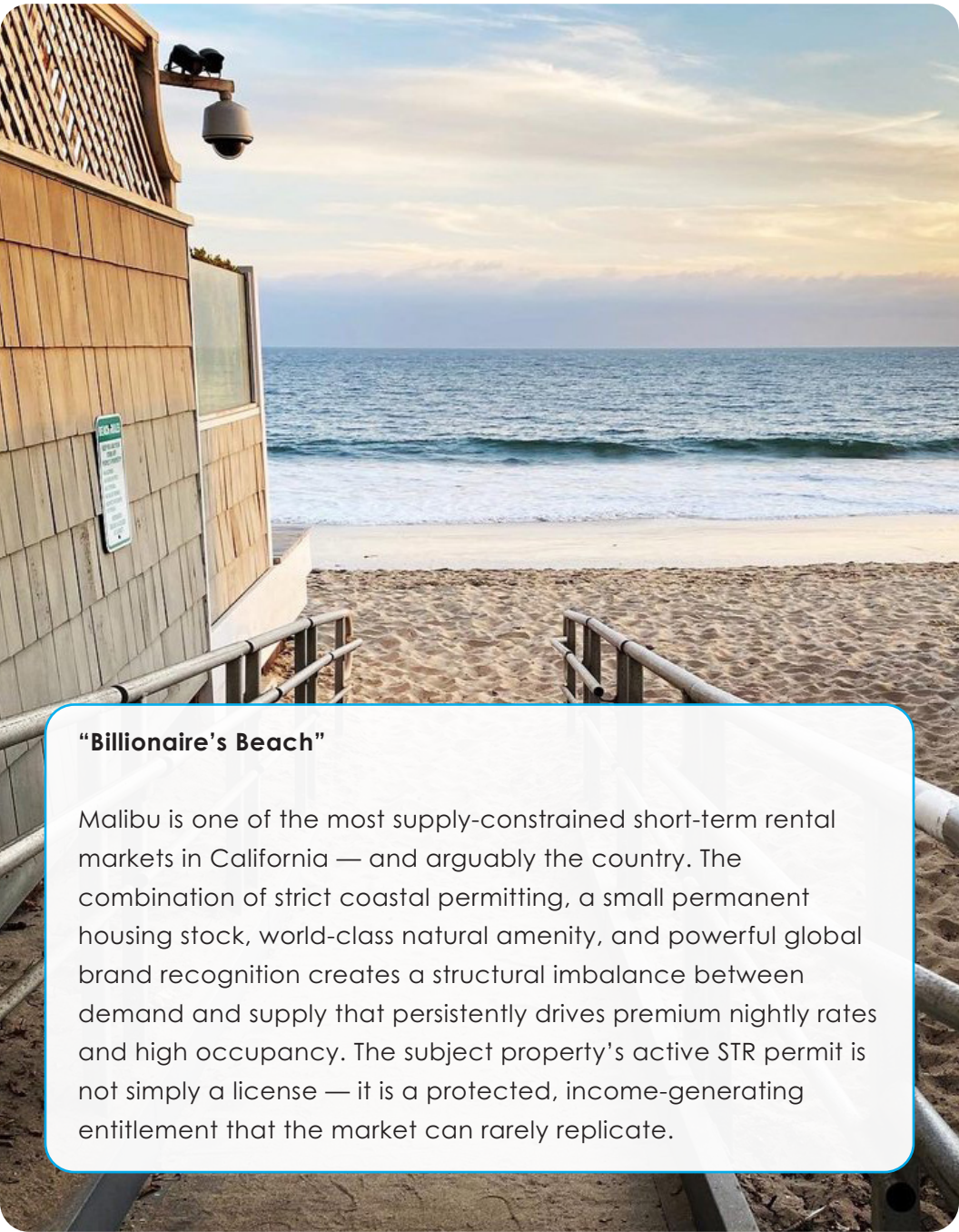
MALIBU VILLAGE

Broad Street Coffee
 Co.
 Broad Street Oyster
 Co.
 Catch Surf
 Chipotle
 Colony Cleaners
 European Shoe Repair
 First Bank
 Fred Segal Home
 KITSON
 Kreation Organic
 Lululemon Athletica
 Malibu Eye Center
 Marine Layer
 Marmalade Cafe
 Res Ipsa
 Sephora
 Summer
 Somewhere Wines
 Surfing Cowboys
 Teresa Foglia
 The Alcove
 The Mindry
 Vibae & Alma Mater
 Wittmore
 Wells Fargo

**WITHIN DRIVING DISTANCE
 OF SUBJECT PROPERTY**

Aviator Nation
 Cafe Luxxe
 Damores Pizza Malibu
 Little Beach House Malibu
 Nobu Malibu
 Nobu Ryokan Malibu
 Malibu Farm Restaurant
 at the Pier
 Pita Bu
 Prima Cantina
 Sake House Malibu
 V's Restaurant and Bar

WHY MALIBU SHORT-TERM RENTALS ARE EXCEPTIONAL PERFORMING ASSETS



“Billionaire’s Beach”

Malibu is one of the most supply-constrained short-term rental markets in California — and arguably the country. The combination of strict coastal permitting, a small permanent housing stock, world-class natural amenity, and powerful global brand recognition creates a structural imbalance between demand and supply that persistently drives premium nightly rates and high occupancy. The subject property’s active STR permit is not simply a license — it is a protected, income-generating entitlement that the market can rarely replicate.

Malibu’s Structural STR Advantages

- **Permit scarcity:** Malibu’s coastal overlay and the City’s restrictive STR ordinance (MMC Chapter 17.55) mean new permits are extremely difficult to obtain. Existing permitted properties command a significant premium over the unentitled market.
- **No large hotel supply:** Unlike urban markets, Malibu has virtually no major hotel inventory. Visitors seeking overnight stays in Malibu have no alternative to STRs and high-end vacation rentals — demand flows directly to permitted inventory.
- **Year-round draw:** Malibu draws visitors 12 months a year — summer beach traffic, fall hiking and wine touring, winter surf culture, and spring events all contribute to compressed seasonality compared to typical beach markets.
- **High-income, low-price-sensitivity guest profile:** Malibu’s brand attracts affluent domestic and international travelers willing to pay a significant premium for the address. Average nightly rates for beachfront units routinely exceed \$800–\$1,200+ per night in peak season.
- **Celebrity and luxury halo:** Carbon Beach in particular commands the highest STR premiums in the market due to its positioning alongside some of California’s most expensive residential real estate.
- **Proximity to LA’s entertainment and business base:** Malibu’s 30-minute drive from West Hollywood, Beverly Hills, and Santa Monica makes it accessible for weekend escapes and corporate retreats throughout the year.

WHY MALIBU SHORT-TERM RENTALS ARE EXCEPTIONAL PERFORMING ASSETS

2026 FIFA World Cup — Immediate Demand Catalyst

The 2026 FIFA World Cup runs from June 11 to July 19, 2026, with Los Angeles (SoFi Stadium) serving as one of 11 U.S. host cities and expected to draw approximately 5 million international visitors to the greater LA area. The impact on the short-term rental market is already measurable: Airbnb searches for LA-area stays have surged 80% above prior-year levels, and properties near SoFi Stadium are reporting nightly rate increases of up to 1,000% during match dates. Historical precedent from prior World Cups supports aggressive rate expectations — Qatar 2022 saw average STR pricing jump approximately 112%, while Russia 2018 saw increases of 150–300% in host cities.

Malibu's beachfront STRs are positioned to capture high-spending international visitors who seek an alternative to standard hotel accommodations in a legendary California coastal setting. The World Cup window (summer 2026) aligns directly with Malibu's peak season — making this a uniquely powerful revenue opportunity for the subject property's STR units. Deloitte projects that World Cup hosts in LA could earn an average of \$3,000 during the tournament alone, and upscale beachfront units can be expected to outperform that baseline significantly.

2028 LA Olympics — Structural Long-Term Tailwind

The 2028 Los Angeles Summer Olympics represent an even larger, longer-horizon demand event. A Deloitte study commissioned by Airbnb projects that LA and Orange County will face a lodging shortfall of up to 320,000 visitors on 13 of the 19 competition days — a gap that existing hotel inventory cannot close. Deloitte estimates the Games will draw 15 million total visitors, generating one of the largest tourism surges Los Angeles has ever seen. The report projects that expanding short-term rental capacity could accommodate 282,000 additional visitors and inject \$488 million in economic activity into the local economy — with an estimated 90% nightly rate premium applied to STR pricing during the event window.

For an investor acquiring Carbon Beach Bungalows today, the LA28 Olympics represent a clear and quantifiable revenue event embedded in the hold period — assuming a typical 5–7 year investment horizon. Malibu's permitted STR inventory is expected to be among the most sought-after accommodation options for affluent Olympic visitors seeking an iconic California beach experience. Unlike the broader LA market, where new STR supply can enter to absorb demand, Malibu's regulatory environment functionally prevents new supply from emerging — meaning the subject property's 6-unit permitted inventory faces no meaningful new competition.

	FIFA World Cup 2026	LA28 Olympics 2028
Dates	June 11 – July 19, 2026	Summer 2028
LA Visitors Expected	~5 million	~15 million total
Lodging Shortfall	Heavy surge demand	Up to 320,000/day at peak
STR Rate Premium (Est.)	+30–40% (conservative)	+90% (Deloitte baseline)
Malibu Timing	Peak summer season	Peak summer season
New STR Supply Risk	Low — permit-restricted	Very low — permit-restricted

Sources: Deloitte / Airbnb LA28 Lodging Report (Feb 2026); IA Magazine World Cup STR Analysis (Feb 2026); Open Air Homes LA STR Market Data (2026). All projections are forward-looking estimates and should be independently verified.

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EXTERIOR PHOTOS



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