



# 2007 HIGHLAND AVE

an exclusively offered duplex  
in a trophy beach-close location  
in “The Sand Section” of  
Manhattan Beach, CA



Marcus & Millichap

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# TROPHY COASTAL LOCATION



20th Place

Highland Avenue



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# INVESTMENT ANALYSIS

Marcus & Millichap

# EXECUTIVE SUMMARY

## PRICING INFORMATION

Offering Price	\$1,875,000
Price/Unit	\$937,500
Price/SF	\$1,659
Cap Rate (Current)	1.73%
Cap Rate (Market)	3.37%

## PROPERTY DETAILS

Address	2007 Highland Ave, Manhattan Beach, CA
Units	2
Building SF	1,130
Year Built	1939
Lot SF	1,067
APN	4178-012-032
Zoning	MBR2YY

## UTILITIES

Electricity	Separately Metered
Gas	Separately Metered
Water	Master Metered





## INVESTMENT DESCRIPTION

Marcus & Millichap is pleased to present to market the exciting opportunity to acquire a prime Manhattan Beach duplex in “The Sand Section” just one block from the sand and near the iconic Manhattan Beach Pier. This property is an excellent acquisition opportunity for any investor seeking an asset with value add potential in a trophy coastal location.

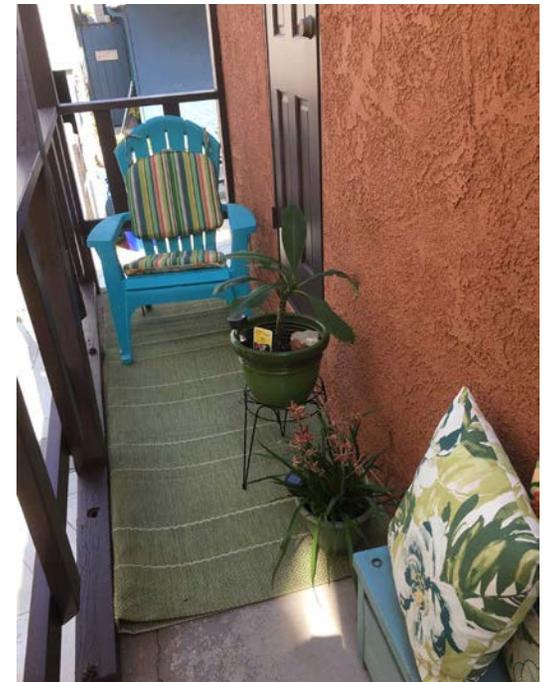
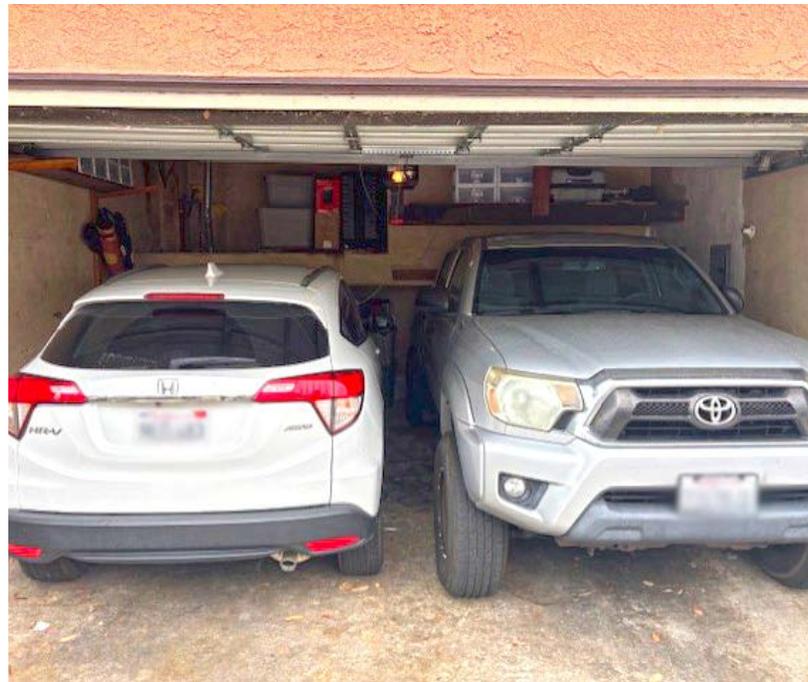
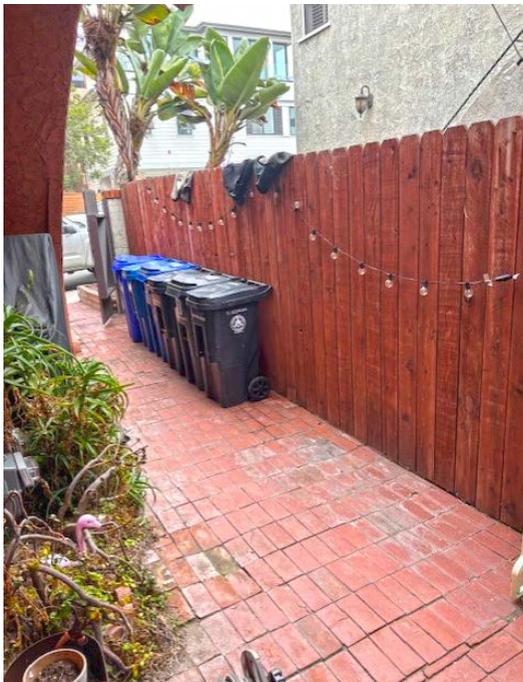
Located at 2007 Highland Avenue, this duplex consists of a studio apartment on the ground floor and a two-bedroom/one-bath unit on the second floor. The studio features a remodeled bathroom, a sizable kitchen for a studio, and a separate sleep area. The two-bedroom unit boasts stunning vaulted ceilings and peekaboo ocean views. The property also offers garage parking, a private patio, new water heaters, and upgraded plumbing and electrical.

Current rents are well-below market rates and offer a new investor a substantial 52 percent potential upside.

# INVESTMENT HIGHLIGHTS

- Prime Manhattan Beach duplex with a two-bedroom/one-bath unit, a studio apartment, garage parking and a private patio
- Irreplaceable location in “The Sand Section” steps to the beach and walkable to the Manhattan Beach Pier and world-class dining and retail
- Two-bedroom occupies the upper floor and boasts ocean views and vaulted ceilings
- Major value-add opportunity with 52 percent rental upside
- Recent improvements include new water heaters, upgraded plumbing, electrical, and exterior stairs, and a new bathroom in the studio





# TWO BEDROOM INTERIOR

Vaulted Ceilings

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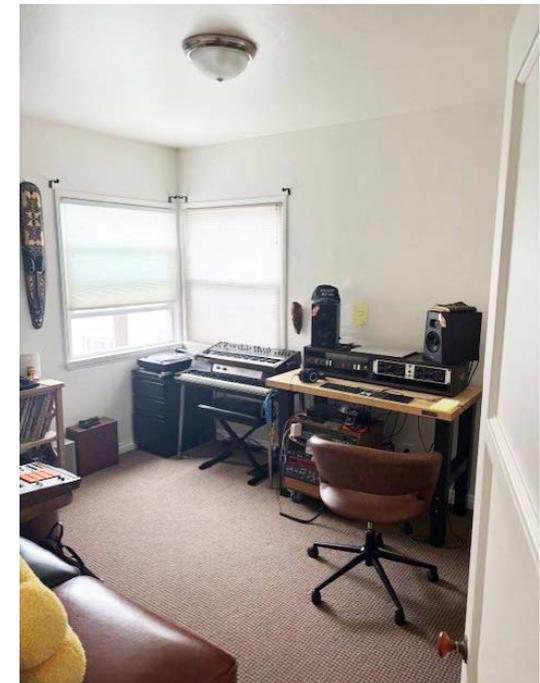
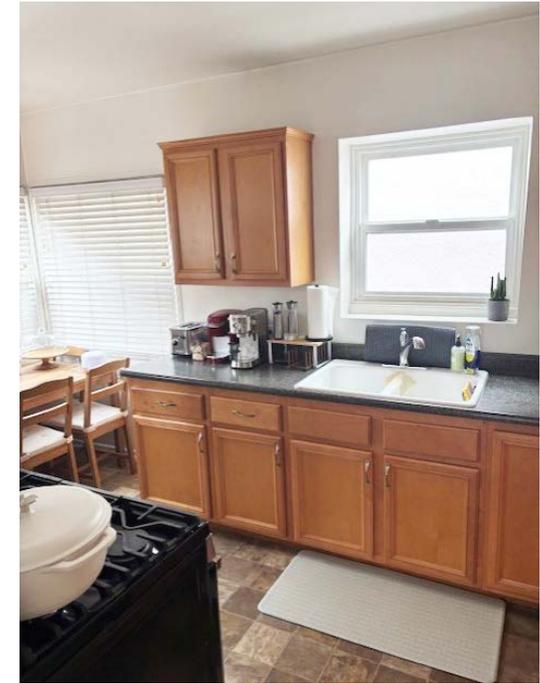
Ocean Views

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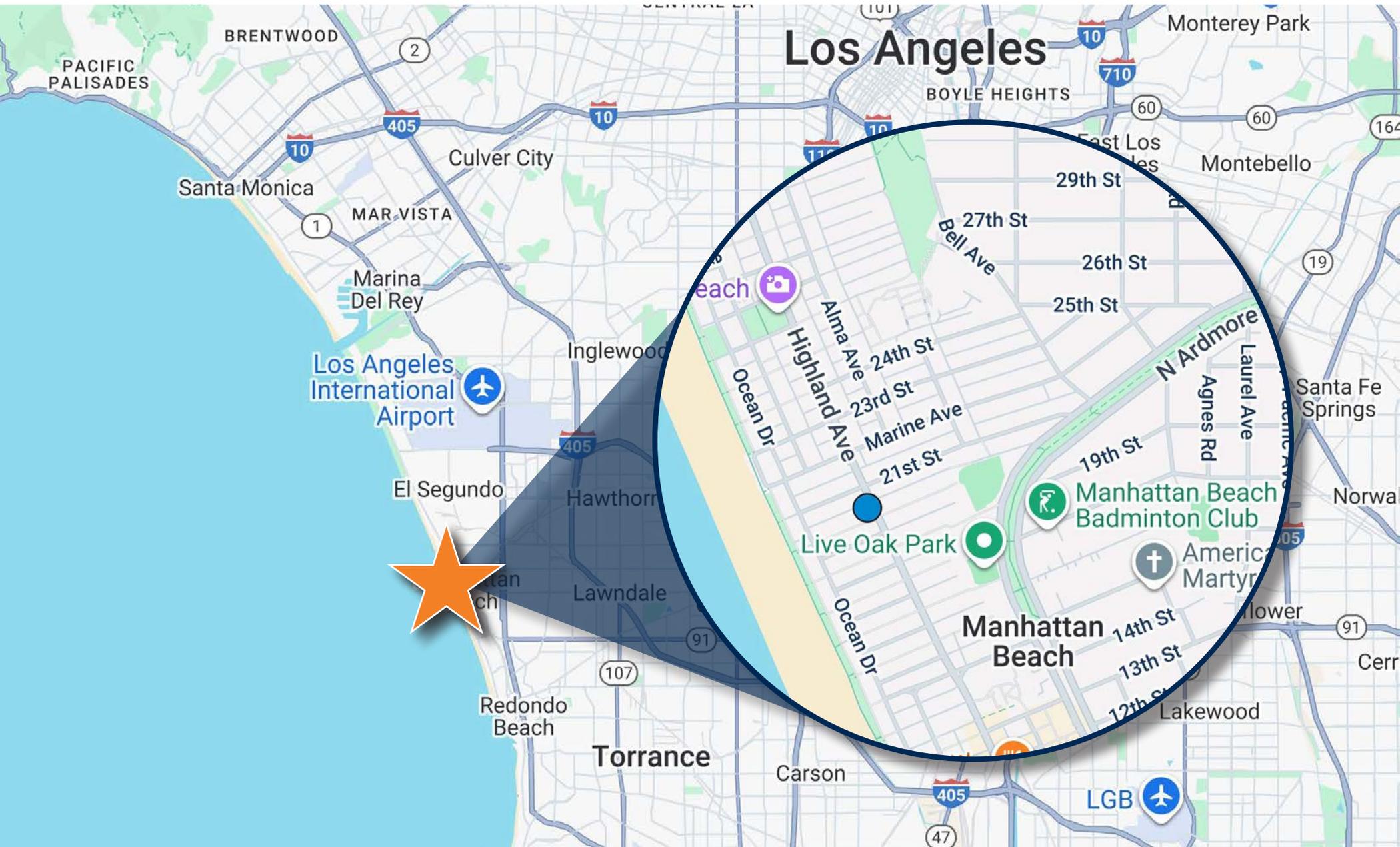
Natural Light

-

Stunning Potential



# PROPERTY LOCATION



# PRICING SUMMARY

## PRICING & PROPERTY DETAILS

Address	2007 Highland Ave Manhattan Beach, CA 90266
Offering Price	\$1,875,000
No. of Units	2
Rentable SF	1,130
Price/Unit	\$937,500
Price/SF	\$1,659
Lot Size (SF)	1,067
Year Built	1939

## VITAL DATA    CURRENT    PRO FORMA

NOI	\$32,435	\$63,165
Cap Rate	1.73%	3.37%
GRM	29.76	19.80



# INCOME & EXPENSES

NO. OF UNITS	UNIT TYPE	% OF UNITS	AVG. CURRENT RENT	TOTAL RENT	PRO FORMA RENT	TOTAL RENT
1	2 BR / 1 BA	50%	\$3,400	\$3,400	\$5,395	\$5,395
1	Studio	50%	\$1,850	\$1,850	\$2,495	\$2,495
2	Total			\$5,250		\$7,890

ANNUALIZED EXPENSES	CURRENT	PRO FORMA
Real Estate Taxes	\$22,737	\$22,737
Insurance	\$1,063	\$1,063
Utilities	\$1,775	\$1,775
Repairs & Maint.	\$2,000	\$2,000
Contract Services	\$600	\$600
CAPEX/Reserves	\$500	\$500
<b>Total</b>	<b>\$28,675</b>	<b>\$28,675</b>
Per Unit	\$14,337	\$14,337
Per SF	\$25.38	\$25.38
% EGI	46.92%	31.22%

ANNUALIZED OPERATING DATA	CURRENT	PRO FORMA
All Units at Market Rent	\$94,680	\$94,680
Less: Loss to Lease	\$31,680	\$0
Gross Potential Rent	\$63,000	\$94,680
Less: Vacancy Allowance	\$1,890	\$2,840
Effective Gross Income	\$61,110	\$91,840
Less: Expenses	\$28,675	\$28,675
<b>Net Operating Income</b>	<b>\$32,435</b>	<b>\$63,165</b>

# 10-YEAR CASH FLOW

	MAR-27	MAR-28	MAR-29	MAR-30	MAR-31	MAR-32	MAR-33	MAR-34	MAR-35	MAR-36
<b>Income</b>										
All Units at Market Rent	\$98,467	\$102,406	\$106,502	\$110,762	\$115,193	\$119,800	\$124,592	\$129,576	\$134,759	\$140,150
Gain (Loss)-to-Lease	(\$29,146)	(\$26,814)	(\$24,669)	(\$22,695)	(\$20,880)	(\$19,209)	(\$17,673)	(\$16,259)	(\$14,958)	(\$13,761)
Gross Potential Rent	\$69,322	\$75,592	\$81,833	\$88,067	\$94,313	\$100,591	\$106,920	\$113,317	\$119,801	\$126,388
Vacancy Allowance	(\$2,080)	(\$2,268)	(\$2,455)	(\$2,642)	(\$2,829)	(\$3,018)	(\$3,208)	(\$3,400)	(\$3,594)	(\$3,792)
Effective Gross Income	\$67,242	\$73,324	\$79,378	\$85,425	\$91,484	\$97,573	\$103,712	\$109,918	\$116,207	\$122,596
<b>Expenses</b>										
Real Estate Taxes	\$23,192	\$23,656	\$24,129	\$24,611	\$25,103	\$25,606	\$26,118	\$26,640	\$27,173	\$27,716
Insurance	\$1,063	\$1,095	\$1,128	\$1,162	\$1,196	\$1,232	\$1,269	\$1,307	\$1,347	\$1,387
Utilities	\$1,775	\$1,828	\$1,883	\$1,940	\$1,998	\$2,058	\$2,119	\$2,183	\$2,249	\$2,316
Repairs & Maint.	\$2,000	\$2,060	\$2,122	\$2,185	\$2,251	\$2,319	\$2,388	\$2,460	\$2,534	\$2,610
Contract Services	\$600	\$618	\$637	\$656	\$675	\$696	\$716	\$738	\$760	\$783
CAPEX/Reserves	\$500	\$515	\$530	\$546	\$563	\$580	\$597	\$615	\$633	\$652
Total Expenses	\$29,130	\$29,772	\$30,428	\$31,100	\$31,787	\$32,489	\$33,208	\$33,943	\$34,695	\$35,464
<b>Net Operating Income</b>	<b>\$38,112</b>	<b>\$43,552</b>	<b>\$48,950</b>	<b>\$54,325</b>	<b>\$59,697</b>	<b>\$65,084</b>	<b>\$70,504</b>	<b>\$75,975</b>	<b>\$81,512</b>	<b>\$87,132</b>

# INCOME & EXPENSE NOTES

Pro forma rents represent all units at adjusted market rents. Market rents are underwritten using comparable market rents and assume that the buyer will continue to upgrade the units to market levels, with similar features, upgrades, and amenities as surrounding area properties.

Pro forma vacancy loss is underwritten at 3%, which is common for an asset located in this area. Loss-to-lease is underwritten as market rents, less the properties current rent roll.

Real estate taxes are calculated on proposed pricing at an ad valorem rate of 1.117897% on the full value of the land and improvements and \$1935.77 for special assessments which was obtained from the LA County Tax Assessor's Office.

Pro forma insurance is underwritten as provided from historical operations.

Pro forma utilities is underwritten as provided from historical operations.

Pro forma repairs and maintenance expense is estimated at \$850 per unit. A standard amount for a building of this size, age, and condition.

Pro forma pest control expense is underwritten as provided from historical operations and is rolled into contract services.

Pro forma turnover cost is underwritten at \$300 per unit.

Pro forma replacements and reserves is underwritten at \$200 per unit, and represents industry standards for an asset of this size and age.



# VAULTED CEILINGS

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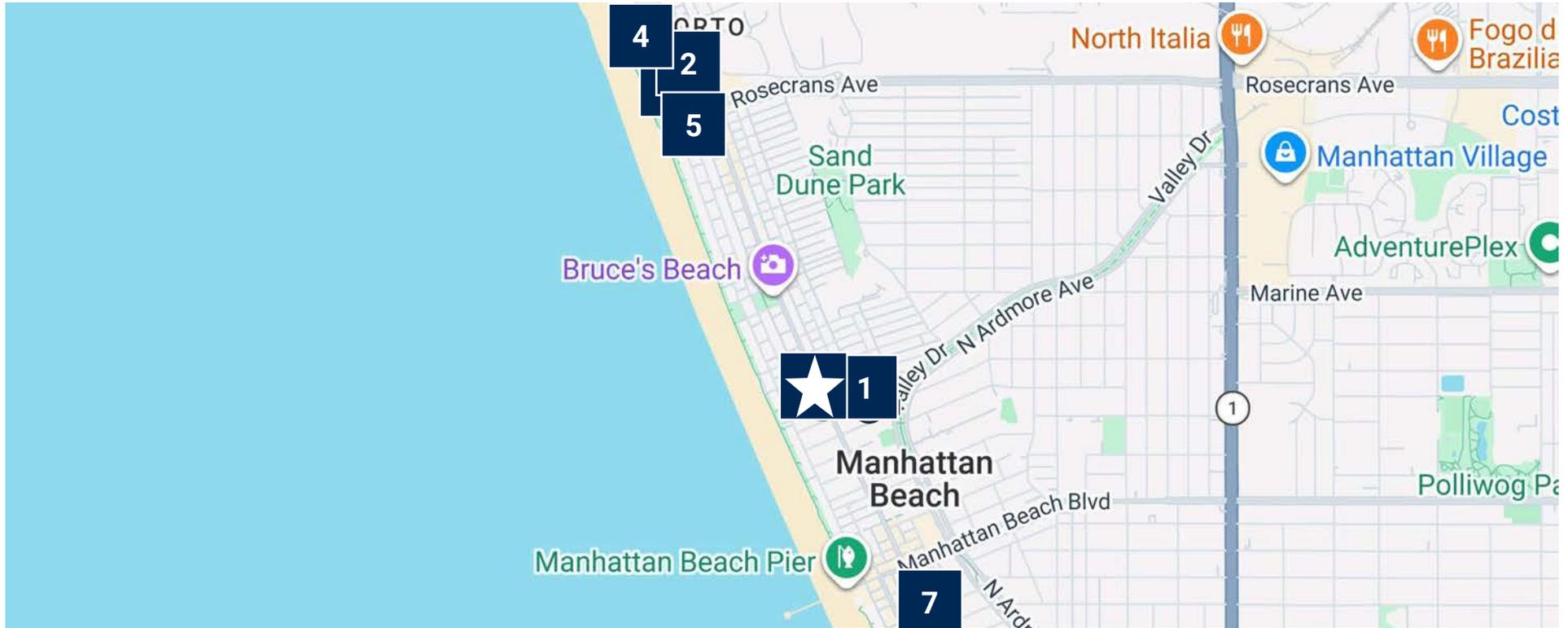
# OCEAN VIEWS



**SALES  
COMPARABLES**

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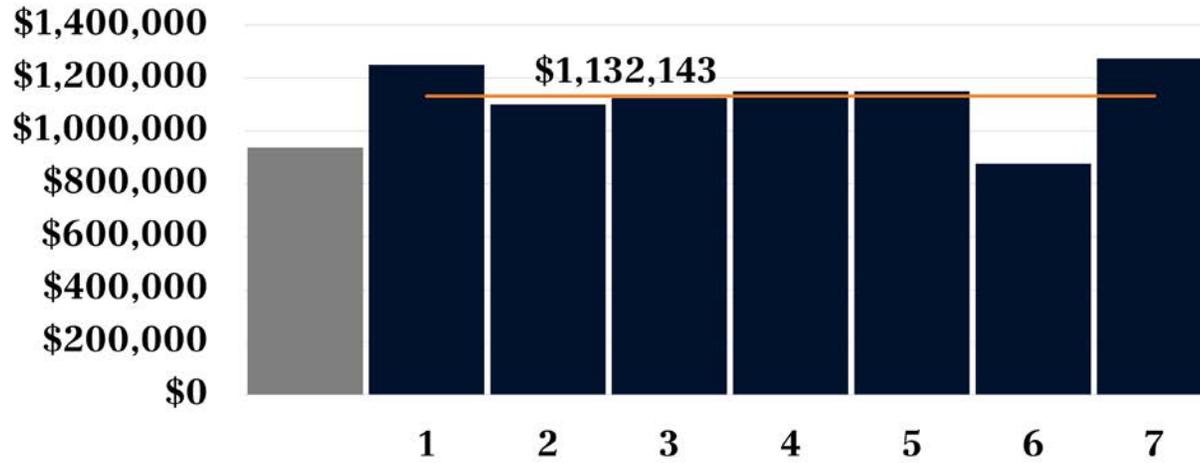
# SALES COMPARABLES



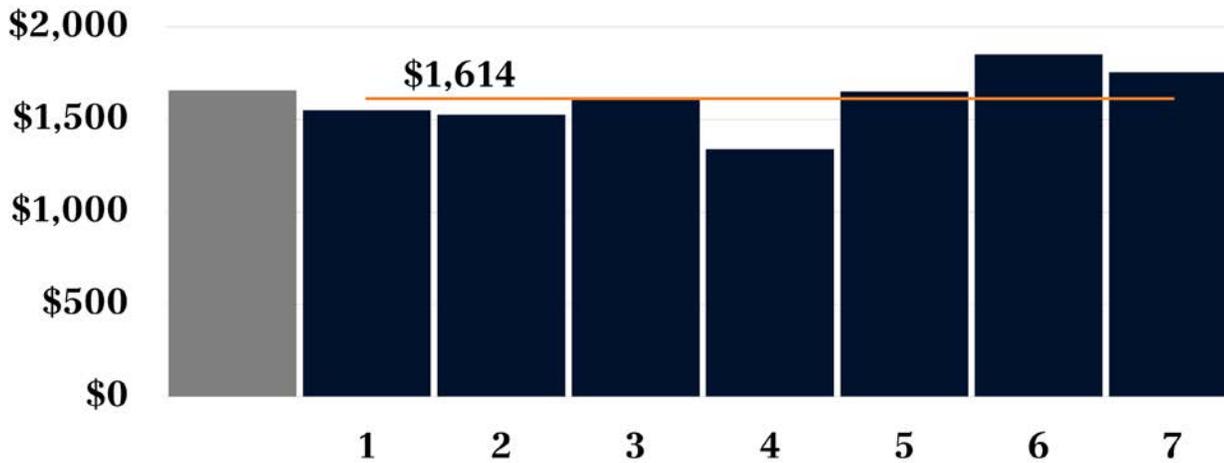
NO.	ADDRESS	PRICE	UNITS	PRICE/UNIT	PRICE/SF	SALE DATE
1	421 19th Place	\$2,500,000	2	\$1,250,000	\$1,551	3/27/2025
2	200 Moonstone Street	\$2,200,000	2	\$1,100,000	\$1,528	11/13/2025
3	204 38th Place	\$2,250,000	2	\$1,125,000	\$1,616	3/14/2025
4	200 43rd Street	\$2,300,000	2	\$1,150,000	\$1,340	10/8/2025
5	205 38th Street	\$2,300,000	2	\$1,150,000	\$1,652	4/15/2025
6	200 39th Street	\$2,625,000	3	\$875,000	\$1,854	1/9/2026
7	225 9th Street	\$2,550,000	2	\$1,275,000	\$1,756	4/29/2025
Comparables Average				\$1,132,143	\$1,614	
Subject	2007 Highland Ave	\$1,875,000	2	\$937,500	\$1,659	

# SALES COMPARABLES

## Price Per Unit



## Price Per SF



# SALES COMPARABLES



**421 19th. Place  
Manhattan Beach, CA**

Sale Date	3/27/2025
Price	\$2,500,000
Units	2
Price/Unit	\$1,250,000
Price/SF	\$1,550.87
Cap Rate	N/A
GRM	N/A
Year Built	1957

Unit Mix	
1	One-Bedroom
1	Three-Bedroom



**200 Moonstone Street  
Manhattan Beach, CA**

Sale Date	11/13/2025
Price	\$2,200,000
Units	2
Price/Unit	\$1,100,000
Price/SF	\$1,527.78
Cap Rate	3.00%
GRM	17.54
Year Built	1958

Unit Mix	
1	One-Bedroom
1	Two-Bedroom



**204 38th Place  
Manhattan Beach, CA**

Sale Date	3/14/2025
Price	\$2,250,000
Units	2
Price/Unit	\$1,125,000
Price/SF	\$1,616.38
Cap Rate	--
GRM	#DIV/0!
Year Built	1967

Unit Mix	
1	One-Bedroom
1	Two-Bedroom

# SALES COMPARABLES



**200 43rd Street  
Manhattan Beach, CA**

Sale Date	10/8/2025
Price	\$2,300,000
Units	2
Price/Unit	\$1,150,000
Price/SF	\$1,340.33
Cap Rate	--
GRM	#DIV/0!
Year Built	1972

Unit Mix	
2	Two-Bedroom



**205 38th Street  
Manhattan Beach, CA**

Sale Date	4/15/2025
Price	\$2,300,000
Units	2
Price/Unit	\$1,150,000
Price/SF	\$1,652.30
Cap Rate	--
GRM	#DIV/0!
Year Built	1967

Unit Mix	
1	One-Bedroom
1	Two-Bedroom



**200 39th Street  
Manhattan Beach, CA**

Sale Date	1/9/2026
Price	\$2,625,000
Units	3
Price/Unit	\$875,000
Price/SF	\$1,853.81
Cap Rate	--
GRM	#DIV/0!
Year Built	1972

Unit Mix	
1	Studio
1	One-Bedroom
1	Two-Bedroom

# SALES COMPARABLES

7



**225 9th Street  
Manhattan Beach, CA**

Sale Date	4/29/2025
Price	\$2,550,000
Units	2
Price/Unit	\$1,275,000
Price/SF	\$1,756.20
Cap Rate	--
GRM	#DIV/0!
Year Built	1956

Unit Mix	
1	One-Bedroom
1	Two-Bedroom

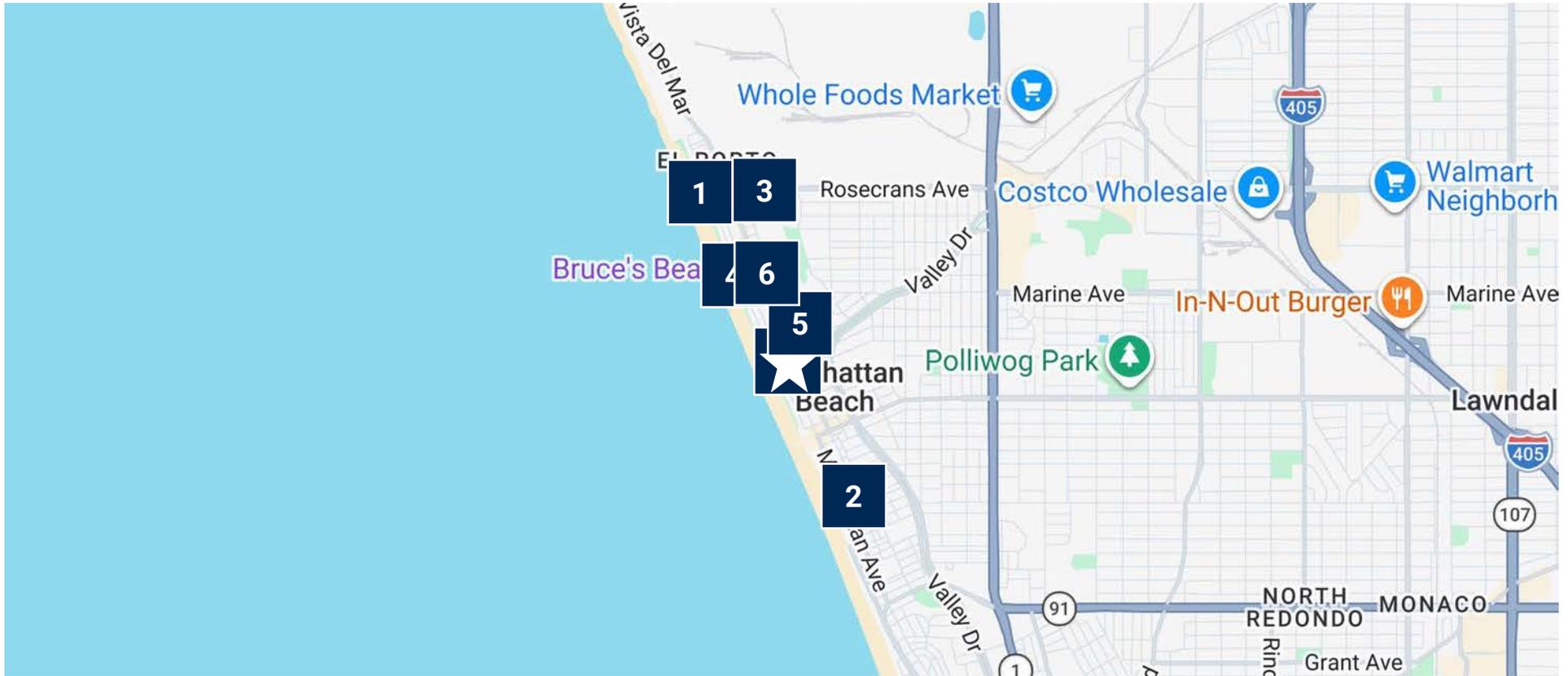


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# RENT COMPARABLES

Marcus & Millichap

# RENT COMPARABLES



NO.	ADDRESS	UNIT TYPE	UNIT SQFT	MONTHLY RENT	RENT PER SF
1	115 38th Pl, Manhattan Beach, CA 90266	Studio	375	\$2,495	\$6.65
2	229 5th Pl, Manhattan Beach, CA 90266	Studio	200	\$2,000	\$10.00
3	432 Rosecrans Ave, Manhattan Beach, CA 90266	Studio	275	\$2,250	\$8.18
4	112 29th Pl, Manhattan Beach, CA 90266	2 BR / 1 BA	950	\$5,400	\$5.68
5	437 23rd Pl, Manhattan Beach, CA 90266	2 BR / 1 BA	850	\$5,250	\$6.18
6	2903 Highland Ave, Manhattan Beach, CA 90266	2 BR / 1.5 BA	1,200	\$4,900	\$4.08

# RENT COMPARABLES



**115 38th Pl,  
Manhattan Beach, CA 90266**

Studio      \$2,495



**229 5th Pl,  
Manhattan Beach, CA 90266**

Studio      \$2,000



**432 Rosecrans Ave,  
Manhattan Beach, CA 90266**

Studio      \$2,250



**112 29th Pl,  
Manhattan Beach, CA 90266**

2 BR / 1 BA      \$5,400



**437 23rd Pl,  
Manhattan Beach, CA 90266**

2 BR / 1 BA      \$5,250



**2903 Highland Ave,  
Manhattan Beach, CA 90266**

2 BR / 1.5 BA      \$4,900





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# MARKET OVERVIEW

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# MARKET OVERVIEW

## SOUTH BAY - LONG BEACH

The South Bay-Long Beach area of southwestern Los Angeles County contains 21 miles of coastline between Long Beach and El Segundo, and includes Los Angeles International Airport, the Port of Los Angeles and the Port of Long Beach. The region boasts a population of more than 1.3 million and is projected to add roughly 20,000 residents over the next five years. Less than half of the area's households own their home, generating a large rental market. Entering 2024, local apartment vacancy was 5.0 percent.



**Population**  
**1.3M**

Growth 2023-2028\*  
**1.8%**



**Households**  
**489K**

Growth 2023-2028\*  
**2.1%**



**Median Age**  
**39.5**

U.S. Median  
**38.7**



**Median HH Income**  
**\$87,900**

U.S. Median  
**\$68,500**

\* Forecast

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau

### Metro Highlights

- **Port Activity:** The Port of Los Angeles in San Pedro and the adjacent Port of Long Beach are the nation's busiest ports, underpinning employment in the transportation and warehousing sector.
- **Educated Labor Pool:** Educational attainment supports business services and health care-related hiring. The number of residents ages 25 and older with a bachelor's degree exceeds the U.S. mean.
- **Los Angeles International Airport:** The Inglewood-adjacent LAX Airport is undergoing a \$15 billion modernization program to improve operations and capacity. While some upgrades are already complete, the full project is expected to extend to 2030.

### Economy Highlights

- Torrance and Hawthorne in the South Bay are hubs for the aerospace and defense technology industries, highlighted by the presence of Boeing, SpaceX, Honeywell Aerospace and Raytheon.
- A number of corporate headquarters are located in the area. Significant operations are held by American Honda Motor Co. in Torrance and Mattel in El Segundo, while auto parts manufacturer United Pacific and Molina Healthcare call Long Beach home. Several other Fortune 500 firms are based in the area — A-Mark Precious Metals in El Segundo and Skechers USA in Manhattan Beach.
- Major universities in the area include Long Beach State University and California State University, Dominguez Hills in Carson, which have a combined enrollment of more than 50,000 students.

# LOCAL DEMOGRAPHICS

POPULATION	1 MILE	3 MILES	5 MILES
2029 Projection	20,585	114,496	362,667
2024 Estimate	20,341	113,034	359,675
2020 Census	20,310	112,497	365,391
2010 Census	20,207	107,921	359,308
Growth 2024 - 2029	1.20%	1.29%	0.83%
Growth 2020 - 2024	0.15%	0.48%	-1.56%
Growth 2010 - 2020	0.51%	4.24%	1.69%
Daytime Population	16,210	190,942	439,224
Median Age	43.0	41.0	39.0

HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2029 Projection	8,196	46,461	139,943
2024 Estimate	8,154	46,054	138,732
2020 Census	8,093	45,493	137,070
2010 Census	8,375	45,250	134,267
Growth 2024 - 2029	0.52%	0.88%	0.87%
Growth 2020 - 2024	0.75%	1.23%	1.21%
Growth 2010 - 2020	-3.37%	0.54%	2.09%

2024 HOUSEHOLD INCOME	1 MILE	3 MILES	5 MILES
\$200,000 or More	49.12%	38.98%	22.51%
\$150,000 - \$199,999	12.42%	14.25%	11.26%
\$100,000 - \$149,999	15.05%	17.55%	18.75%
\$75,000 - \$99,999	8.35%	9.60%	12.38%
\$50,000 - \$74,999	5.28%	7.89%	12.74%
\$35,000 - \$49,999	3.51%	3.67%	7.45%
\$25,000 - \$34,999	1.86%	2.27%	5.06%
\$15,000 - \$24,999	1.89%	2.37%	4.17%
\$10,000 - \$14,999	0.52%	1.00%	2.18%
Under \$9,999	2.02%	2.44%	3.49%
Average Household Income	\$216,378	\$192,012	\$138,956
Median Household Income	\$198,550	\$166,258	\$115,158
Per Capita Income	\$86,130	\$77,657	\$54,645

2024 HOUSING UNITS	1 MILE	3 MILES	5 MILES
Owner-Occupied	58.0%	53.6%	41.6%
Renter-Occupied	32.0%	40.5%	53.6%
Vacant	10.02%	5.90%	4.85%

# INVESTMENT FORECAST

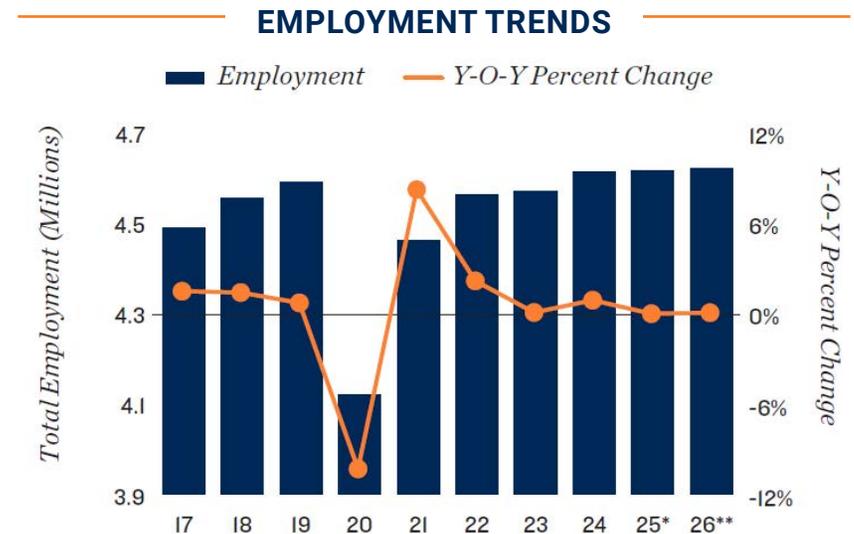
## LOS ANGELES METRO 2026

### Rental Demand Proves Steadfast, but Metro Faces Heightened Exposure to Broader Headwinds

Emerging and longstanding tailwinds limit the impact of near-term hurdles. After two years of moderate vacancy compression, Los Angeles' rental market will face several challenges in 2026 that could alter the trajectory of local demand. Home to the nation's fourth-largest immigrant population — more than 4 million people as of 2023 — the market will continue to be acutely affected by stricter immigration policies, which reduced the number of individuals arriving to the U.S. legally last year. The ongoing decline in local film- and entertainment-related jobs may also affect the metro's renter pool. Over the past three years, the number of Los Angelenos employed in the motion picture industry has declined by at least 40,000. Fortunately, the market will face limited supply pressure in 2026, as approximately 6,200 units are slated for delivery — the lowest total since 2015. This, along with the metro's longstanding barriers to homeownership, will counter the headwinds affecting the renter pool, keeping the metro in a low-vacancy state over the near term.

Private investor interest apparent. Los Angeles tallied the most transactions among major markets last year, with sub-\$5 million sales accounting for nearly 90 percent of deal flow. Home to below-average rent and Class C vacancy in the 3 percent to 4 percent range, Greater Inglewood, Long Beach, and other parts of South Bay should continue to attract upside-seeking buyers targeting assets that command similar capital infusions. Exhibiting comparable fundamentals, the San Gabriel and San Fernando valleys will represent additional centers of Class C trading in 2026, with investors often acquiring assets via 1031

exchange. In Los Angeles proper, investor demand for these assets will be impacted by recent changes to the city's rent stabilization ordinance, which now caps rent increases for apartments built before 1978 at 4 percent or 90 percent of CPI.



\* Estimate; \*\* Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics; RealPage, Inc.

## 2026 Market Forecast



**+0.1%**  
employment  
increase

### EMPLOYMENT

Aided by healthcare hiring, Los Angeles registers a second straight year of modest job creation that translates to the addition of 6,000 positions.



**6,200**  
units  
will be completed

### CONSTRUCTION

For the fifth consecutive year, local apartment inventory expands by less than 1 percent. Deliveries in Los Angeles proper account for nearly half the units added metrowide.



**10**  
basis point  
increase in vacancy

### VACANCY

Supply and demand remain aligned despite the metro's exposure to several significant headwinds. As such, vacancy dips slightly to 4.3 percent — on par with the market's long-term average.

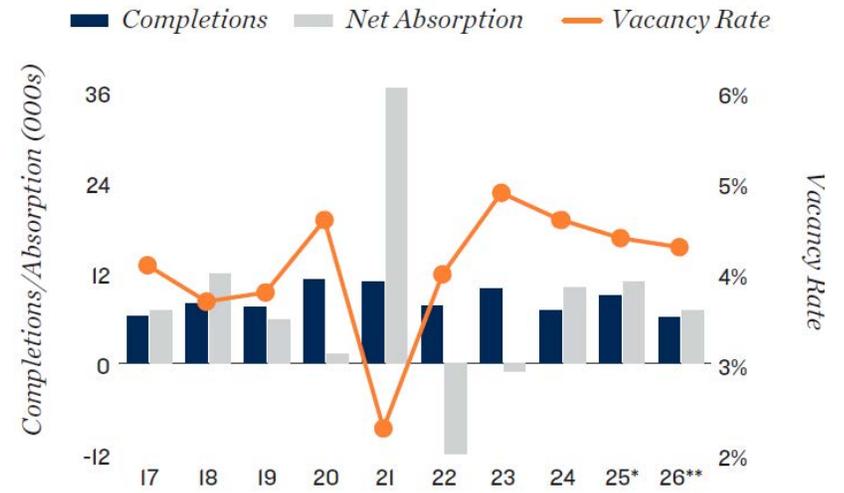


**1.7%**  
increase in  
effective rent

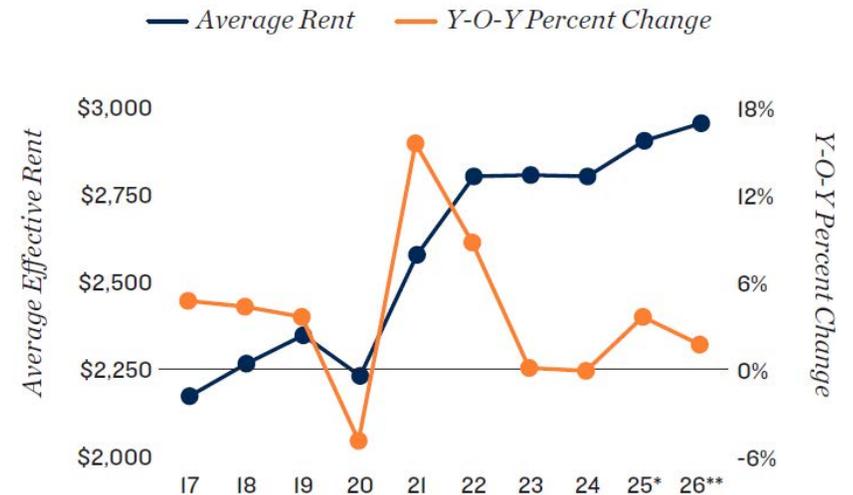
### RENT

Four-year-low vacancy, fueled partially by encouraging renewal activity, supports moderate rent growth in 2026. The metro's average effective rate ends this year at \$2,950 per month.

## SUPPLY & DEMAND



## RENT TRENDS



\* Estimate; \*\* Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics; RealPage, Inc.



**EXCLUSIVELY LISTED  
BY**

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