

The Royal Hotel

20-Unit SRO Hotel Investment Property

238 West 10th Street, San Pedro, CA 90731

Presented by
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EXCLUSIVE OFFERING

The Royal Hotel

238 West 10th Street, San Pedro, CA 90731

Offered At \$2,399,999

20

\$120K

5.7%

32%

Units

Per Unit

Current Cap

Rent Upside

Investment Highlights



Prime San Pedro Location

Steps from the \$150M West Harbor waterfront development. Downtown San Pedro is experiencing unprecedented revitalization.



32% Rent Upside

Current rents averaging \$1,565/unit. Strong upside through lease-up of 7 vacant units at market rents of \$1,500.



Recently Renovated

Modern LVP flooring, updated common areas, refreshed unit interiors with new fixtures, and contemporary navy blue/white aesthetic.



Value-Add Opportunity

5.7% current cap rate with 9.0% stabilized cap. Significant upside through lease-up and operational improvements.



Stable SRO Asset Class

Workforce housing with weekly/monthly rental flexibility. Strong demand from port workers and maritime industry.



Port Proximity

Minutes from Port of Los Angeles—busiest container port in North America. 190,000+ port-related jobs driving tenant demand.



Current Rent Roll

Unit	Current Rent	Market Rent	Variance	Status	Move-In	Last Increase
101	Vacant	\$1,500	-\$1,500	Vacant	—	—
102	\$1,800	\$1,500	+\$300	Occupied	04/2025	—
103	\$1,600	\$1,500	+\$100	Occupied	10/2025	—
104	\$1,600	\$1,500	+\$100	Occupied	11/2025	—
105	\$1,590	\$1,500	+\$90	Occupied	01/2022	01/2025
106	Vacant	\$1,500	-\$1,500	Vacant	—	—
107	Vacant	\$1,500	-\$1,500	Vacant	—	—
108	Vacant	\$1,500	-\$1,500	Vacant	—	—
201	\$1,590	\$1,500	+\$90	Occupied	05/2020	02/2025
202	\$1,500	\$1,500	\$0	Occupied	11/2025	—
203	\$1,600	\$1,500	+\$100	Occupied	11/2025	—
204	\$1,560	\$1,500	+\$60	Occupied	11/2025	—
205	Vacant	\$1,500	-\$1,500	Vacant	—	—
206	\$973	\$1,500	-\$527	Occupied	02/2010	02/2025
207	Vacant	\$1,500	-\$1,500	Vacant	—	—
208	Vacant	\$1,500	-\$1,500	Vacant	—	—
209	\$1,500	\$1,500	\$0	Occupied	10/2025	—
210	\$1,928	\$1,500	+\$428	Occupied	05/2020	01/2025
211	\$1,600	\$1,500	+\$100	Occupied	04/2024	—
212	\$1,500	\$1,500	\$0	Occupied	12/2025	—
TOTALS	\$20,341/mo	\$30,000/mo	+\$9,659	13 / 7	65%	—

\$20,341

\$30,000

65%

+\$9,659

Current Monthly

Market Monthly

Occupancy

Monthly Upside

Rent Roll Analysis

Above Market (9 units): Units 102, 103, 104, 105, 201, 203, 204, 210, 211 paying \$1,560-\$1,928

At Market (3 units): Units 202, 209, 212 paying \$1,500

Below Market (1 unit): Unit 206 paying \$973 (long-term tenant since 2010)

Property Details

Property Information

- **Address:** 238 West 10th Street, San Pedro, CA 90731
- **Property Type:** SRO / Residential Hotel
- **Number of Units:** 20 Units
- **Year Built:** 1923
- **Building Size:** 5,304 SF
- **Lot Size:** 5,004 SF
- **Zoning:** Commercial / Mixed-Use
- **Parking:** Street Parking

Unit Features

- **Configuration:** Private Rooms w/ Shared Facilities
- **In-Room Amenities:** TV, Mini Fridge, Vanity
- **Flooring:** Luxury Vinyl Plank(LVP)
- **Common Bathrooms:** Renovated Tile Showers
- **Included Utilities:** Water, Electric, Gas, WiFi, Directv
- **Management:** Front Desk / Office
- **Rental Terms:** Weekly & Monthly
- **Current Occupancy:** 65% (13 of 20 units)



Financial Analysis

Based on Actual Annual Operating Expenses

Income

- Current Monthly Rent: \$20,341
- **Current Annual GSI: \$244,092**
- Pro Forma GSI (Market): \$360,000
- Pro Forma EGI (10% vacancy): \$324,000

Operating Expenses

- Property Tax: \$30,000
- Insurance: \$26,000
- LADWP (Water/Electric): \$18,000
- DirecTV + Cox (Cable/Internet): \$7,860
- Supplies: \$6,000
- Legal: \$6,000
- Athens (Trash): \$5,028
- TOT Tax: \$4,200
- Gas: \$3,600
- Pest Control: \$1,100
- **TOTAL: \$107,788**

Net Operating Income

- Current Annual GSI: \$244,092
- Less: Operating Expenses: (\$107,788)

\$136,304

Current NOI

SBA Loan Analysis

- Purchase Price: \$2,399,999
- Down Payment (40%): \$960,000
- Loan Amount: \$1,440,000
- Interest Rate: 8.25%
- Amortization: 25 Years
- Monthly Payment: \$11,354
- Annual Debt Service: \$136,244

5.7%

Current Cap Rate

9.0%

Stabilized Cap

44.2%

Expense Ratio

9.83x

GRM



Value-Add Opportunity

At current NOI of \$136,304 and annual debt service of \$136,244, the property is at break-even cash flow with 40% down. The real opportunity is in lease-up: with stabilized occupancy and market rents, NOI increases to \$216,212, yielding cash flow of \$79,968/year (8.3% CoC). Alternative: A buyer with larger down payment or all-cash purchase captures immediate returns.

Prime Location

West Harbor (0.3 mi)

\$150M waterfront development with restaurants, retail, parks, amphitheater. Opening 2025-2026.

Port of Los Angeles (0.8 mi)

Busiest container port in North America. 190,000+ jobs driving housing demand.

World Cruise Center (0.5 mi)

Serves 1M+ cruise passengers annually.

Downtown San Pedro (0.2 mi)

Walkable to restaurants, shops, Warner Grand Theatre.

Transportation (Access)

I-110, Vincent Thomas Bridge, Metro, Red Car Trolley.





San Pedro Renaissance

San Pedro is experiencing its most significant transformation in decades. The \$150M West Harbor project—42 acres of waterfront restaurants, retail, amphitheater, and promenade—is transforming the area. The Royal Hotel is perfectly positioned to benefit from increasing rental demand.

Ready to Invest?

Contact me today to schedule a tour or request due diligence materials.



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