

OFFERING MEMORANDUM

18103 Coastline Drive | Malibu, CA

1. COVER PAGE

18103 Coastline Drive
Malibu, CA 90265

\$4,850,000
4 Units | 12,292 SF

Tagline:
Coastal Value-Add Multifamily Opportunity

2. EXECUTIVE SUMMARY

Opportunity Overview

18103 Coastline Drive presents a **rare opportunity to acquire a partially vacant coastal multifamily asset** in one of the most supply-constrained rental markets in Southern California.

The property is currently **25% occupied**, with one unit leased at \$6,500/month and three vacant units, allowing an investor to **immediately implement a lease-up strategy and capture market rents without regulatory constraints**.

Key Differentiator:

The asset is **not subject to rent control**, enabling full mark-to-market execution and long-term NOI growth.

3. INVESTMENT HIGHLIGHTS

Significant Lease-Up Opportunity

75% vacancy allows immediate income growth through stabilization

- **No Rent Control Constraints**
Full flexibility to set and adjust rents to market levels
 - **Proven In-Place Rent Benchmark**
Existing tenancy at \$6,500/month supports underwriting assumptions
 - **Attractive Basis vs Stabilized Yield**
Ability to achieve ~5.7% cap rate post stabilization
 - **Coastal Supply Constraints**
Limited new development and strict zoning protect long-term value
 - **Efficient Operating Profile**
Tenant-paid electricity reduces expense volatility
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4. LOCATION OVERVIEW

Strategic Westside Coastal Positioning

The property benefits from proximity to major economic and lifestyle hubs:

- 10 minutes to Santa Monica employment base
- 10 minutes to central Malibu amenities
- 5 minutes to Pacific Palisades residential community

This location provides **access to high-income tenant demand drivers** while maintaining the exclusivity of a Malibu address.

5. PROPERTY OVERVIEW

Address: 18103 Coastline Drive

Zoning: LCR305

Building Size: 12,292 SF

Unit Mix:

- 4 Units (±1,200 SF each)
- 8 Beds / 8 Baths total

Parking:

- 6 Garage Spaces

Utilities:

- Electricity: Individually metered
- Water: Master meter (~\$2,400/year)

6. CURRENT FINANCIALS

In-Place Income

Source	Annual
Residential (1 unit)	\$78,000
Garage Income	\$1,200–\$2,400

Total: ~\$80,000

7. PRO FORMA FINANCIALS

Stabilized Assumptions

Source	Annual
4 Units @ \$6,500	\$312,000
Garage Income	~\$2,000

Gross Income: ~\$314,000

8. OPERATING EXPENSES

Expense	Annual
Property Taxes	\$35,307
Water	\$2,400

Total Expenses: \$37,707

9. NET OPERATING INCOME

Metric	Amount
Current NOI	~\$42,000
Stabilized NOI	~\$276,000

10. RETURNS ANALYSIS

At Asking Price: \$4,850,000

- Current Cap Rate: ~0.85%
 - Stabilized Cap Rate: ~5.7%
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11. VALUE-ADD STRATEGY

Execution Plan

1. Lease three vacant units at market rents
2. Stabilize occupancy to 100%
3. Maintain low expense structure
4. Capture long-term rental growth

Result:

NOI increases approximately **6.5x from in-place income**

12. RENT COMPS NARRATIVE

The Westside coastal rental market, including Malibu and Pacific Palisades, continues to demonstrate **strong demand for large-format units** driven by:

- High-income professional tenants
- Limited multifamily inventory
- Barriers to new development

Recent comparable leasing activity supports **\$6,500+/month** for similar unit sizes and locations, validating the subject property's projected stabilized income.

13. 5-YEAR RETURN MODEL

Assumptions:

- Purchase Price: \$4,850,000
- Stabilized NOI: \$276,000
- Annual Rent Growth: 3%
- Exit Cap: 5.75%

Year 5 Projection:

- NOI: ~\$320,000
- Exit Value: ~\$5,560,000

Investor Metrics (Approx):

- Equity Multiple: ~1.15x – 1.25x
- IRR: ~6% – 8% (unlevered)

👉 With leverage, this increases significantly

14. DEAL POSITIONING

Ideal Buyer Profiles:

- 1031 Exchange Investors
 - Family Offices
 - Value-Add Multifamily Investors
 - Lifestyle Investors (partial owner-user)
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