

1651 251ST STREET, HARBOR CITY, CA

offering memorandum



Marcus & Millichap

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PRIVATE
PROPERTY
NO THREAPLE



INVESTMENT ANALYSIS

Marcus & Millichap

EXECUTIVE SUMMARY

PRICING INFORMATION

Offering Price	\$895,000
Price/Unit	\$447,500
Price/SF	\$476
Cap Rate (Current)	3.20%
Cap Rate (Market)	4.65%

PROPERTY DETAILS

Address	1651 251St St, Harbor City, CA 90710
Units	2
Building SF	1,880
Year Built	1963
Lot SF	5,956
APN	7410-018-023
Zoning	LAR2

UTILITIES

Electricity	Separately Metered
Gas	Separately Metered
Water	Master Metered

Investment Highlights

- Excellent opportunity to acquire two homes on one lot; one is a three-bed/two-bath and the other is a two-bed/one-bath
- Competitively priced at \$476 per sqft, well-below comparable sales and Harbor City's average single-family price per sqft
- Amenities include in-unit laundry hookups, garages, and patios
- 27 Percent rental upside
- Located in the desirable inland South Bay rental market on the border of Harbor City and Lomita

Investment Description

Marcus & Millichap is pleased to present to market 1651 251st Street in Harbor City, California. This offering presents an excellent opportunity to acquire a three-bed/two-bath home and a two-bed/one-bath home on one lot. The homes feature laundry hookups, patios, and separate gas and electric meters. Additionally, a detached building in the rear offers three garage parking spaces. This property's detached, single-story floor plans and laundry and garage amenities are sought-after in this rental market.

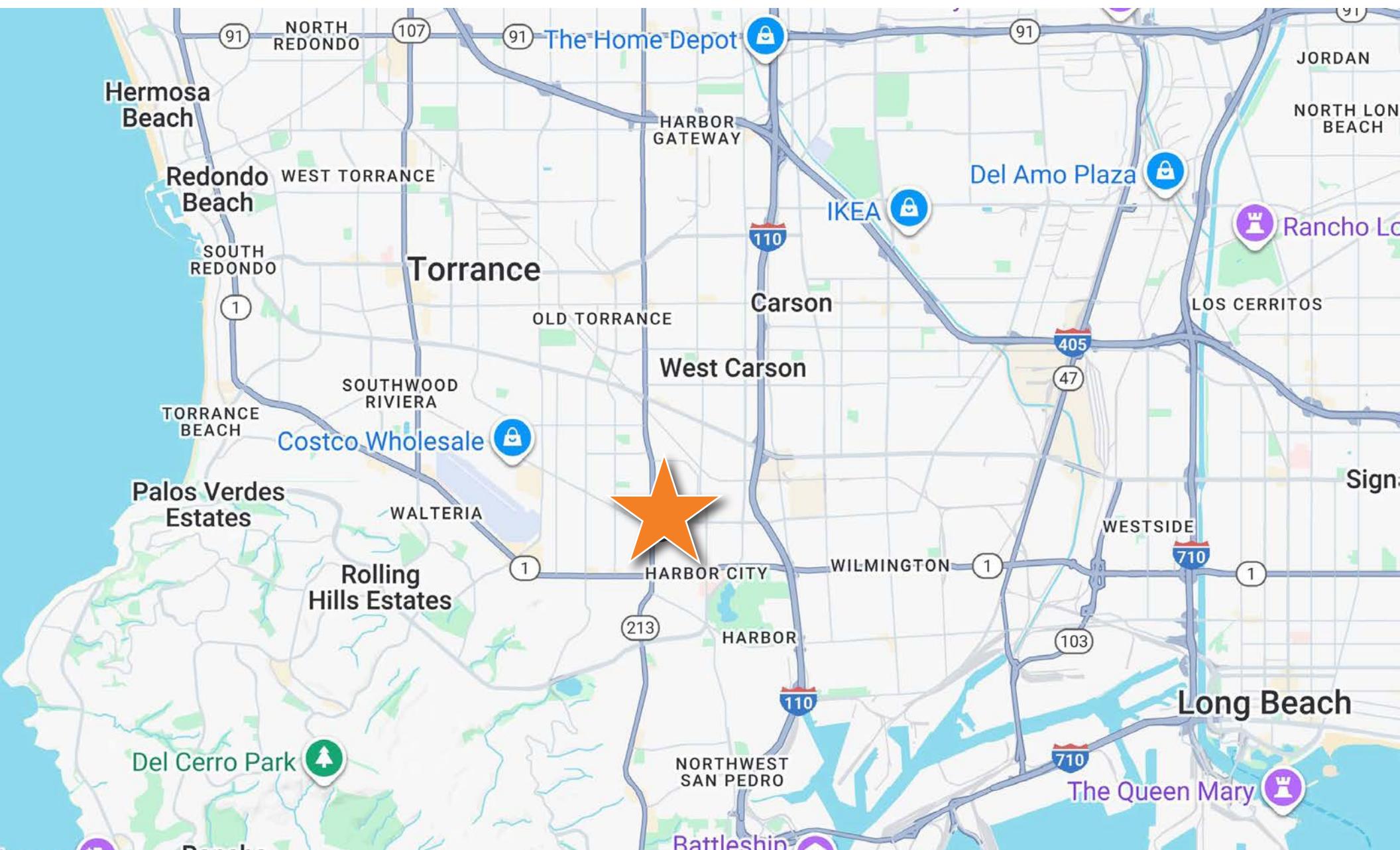
1651 251st Street is located on the border of Harbor City and Lomita in the desirable inland South Bay. Situated near the intersection of Lomita Boulevard and Western Avenue, the property is proximate to schools, retail, and the 110 Freeway.

The property is occupied by long-term tenants, and current rents are 27 percent below market, offering a new investor significant upside potential.

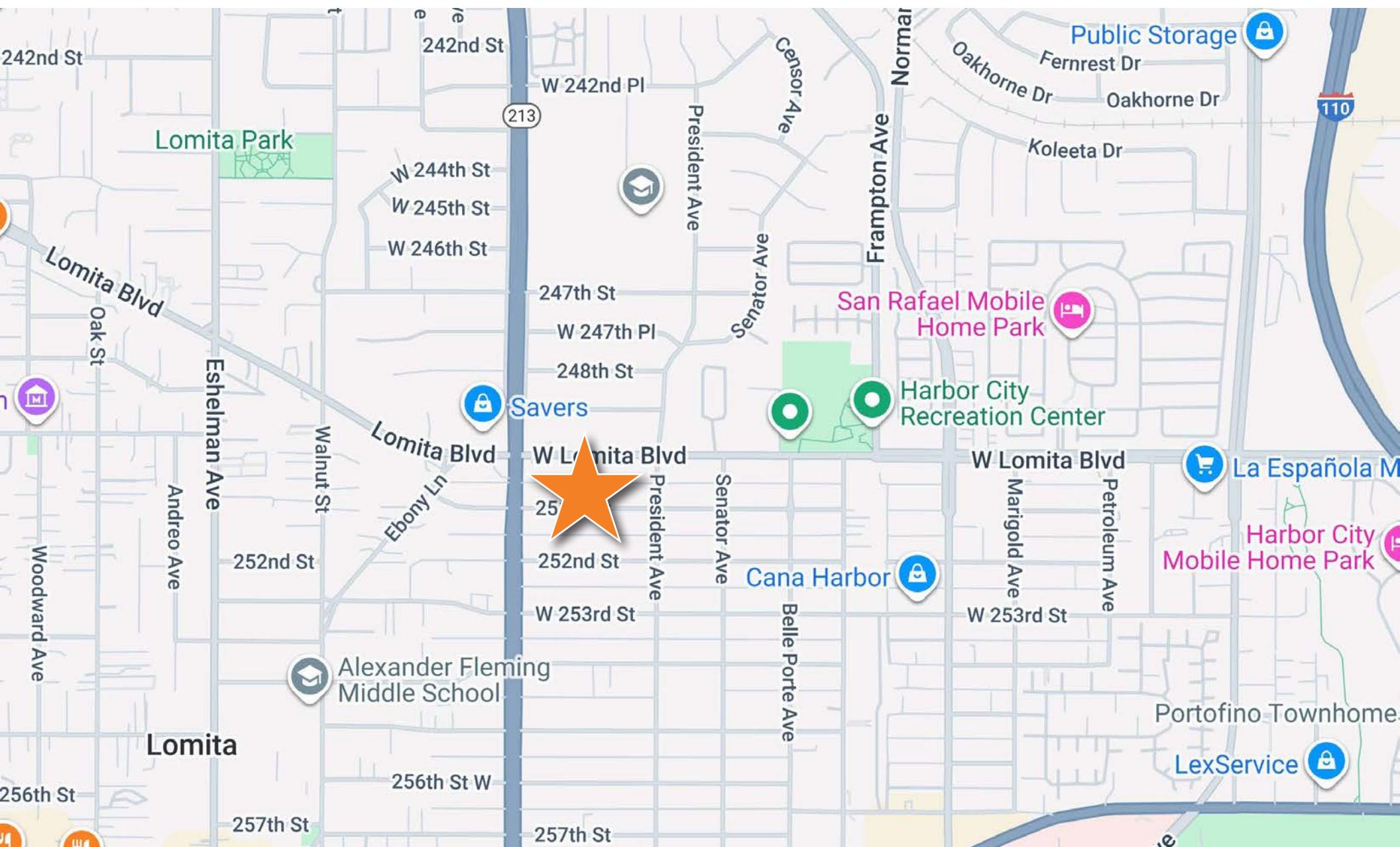


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PROPERTY LOCATION



PROPERTY LOCATION



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PRICING SUMMARY

PRICING & PROPERTY DETAILS

Address	1651 251St St
	Harbor City, CA 90710
Offering Price	\$895,000
Units	2
Rentable SF	1,880
Price/Unit	\$447,500
Price/SF	\$476.06
Lot Size (SF)	5,956
Year Built	1963

VITAL DATA CURRENT PRO FORMA

NOI	\$28,640	\$41,613
Cap Rate	3.20%	4.65%
GRM	18.20	14.37



INCOME & EXPENSES

RENT ROLL

UNIT #	UNIT TYPE	CURRENT RENT	PRO FORMA RENT	MOVE-IN DATE
1651	3BR / 2BA	\$2,500	\$2,795	10/1/2016
1653	2BR / 1BA	\$1,598	\$2,395	12/1/2014
2	Total	\$4,098	\$5,190	

ANNUALIZED EXPENSES	CURRENT	PRO FORMA
Real Estate Taxes	\$11,313	\$11,313
Insurance	\$1,870	\$1,870
Utilities	\$3,554	\$3,554
Repairs & Maint.	\$2,000	\$2,000
General & Admin	\$492	\$623
Contract Services	\$500	\$500
Turnover Costs	\$600	\$600
CAPEX/Reserves	\$400	\$400
Total	\$20,729	\$20,860
Per Unit	\$10,364	\$10,430
Per SF	\$11.03	\$11.10
% EGI	41.99%	33.39%

ANNUALIZED OPERATING DATA	CURRENT	PRO FORMA
All Units at Market Rent	\$62,280	\$62,280
Less: Loss to Lease	\$13,104	\$0
Gross Potential Rent	\$49,176	\$62,280
Less: Vacancy Allowance	\$0	\$0
Other Income	\$193	\$193
Effective Gross Income	\$49,369	\$62,473
Less: Expenses	\$20,729	\$20,860
Net Operating Income	\$28,640	\$41,613

10-YEAR CASH FLOW

	NOV-26	NOV-27	NOV-28	NOV-29	NOV-30	NOV-31	NOV-32	NOV-33	NOV-34	NOV-35
Income										
All Units at Market Rent	\$64,771	\$67,362	\$70,057	\$72,859	\$75,773	\$78,804	\$81,956	\$85,234	\$88,644	\$92,190
Gain (Loss)-to-Lease	\$11,951	\$10,899	\$9,940	\$9,065	\$8,268	\$7,540	\$6,877	\$6,271	\$5,719	\$5,216
Gross Potential Rent	\$52,820	\$56,463	\$60,116	\$63,793	\$67,506	\$71,264	\$75,080	\$78,963	\$82,924	\$86,973
Vacancy Allowance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Income	\$199	\$205	\$211	\$217	\$224	\$231	\$238	\$245	\$252	\$260
Effective Gross Income	\$53,019	\$56,668	\$60,328	\$64,011	\$67,730	\$71,495	\$75,317	\$79,208	\$83,176	\$87,233
Expenses										
Taxes	\$11,539	\$11,770	\$12,005	\$12,246	\$12,490	\$12,740	\$12,995	\$13,255	\$13,520	\$13,790
Insurance	\$1,870	\$1,926	\$1,983	\$2,043	\$2,104	\$2,167	\$2,232	\$2,299	\$2,368	\$2,439
Utilities	\$3,554	\$3,661	\$3,771	\$3,884	\$4,001	\$4,121	\$4,244	\$4,371	\$4,503	\$4,638
Repairs & Maint.	\$2,000	\$2,060	\$2,122	\$2,185	\$2,251	\$2,319	\$2,388	\$2,460	\$2,534	\$2,610
General & Admin	\$492	\$507	\$522	\$537	\$553	\$570	\$587	\$605	\$623	\$642
Contract Services	\$500	\$515	\$530	\$546	\$563	\$580	\$597	\$615	\$633	\$652
Turnover Costs	\$600	\$618	\$637	\$656	\$675	\$696	\$716	\$738	\$760	\$783
CAPEX/Reserves	\$400	\$412	\$424	\$437	\$450	\$464	\$478	\$492	\$507	\$522
Total Expenses	\$20,955	\$21,468	\$21,995	\$22,534	\$23,088	\$23,656	\$24,238	\$24,835	\$25,448	\$25,554
Net Operating Income	\$32,064	\$35,200	\$38,333	\$41,477	\$44,642	\$47,839	\$51,079	\$54,373	\$57,729	\$61,679

Underwriting Assumptions

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. Other income is based on historic operations at \$193.20 per year.

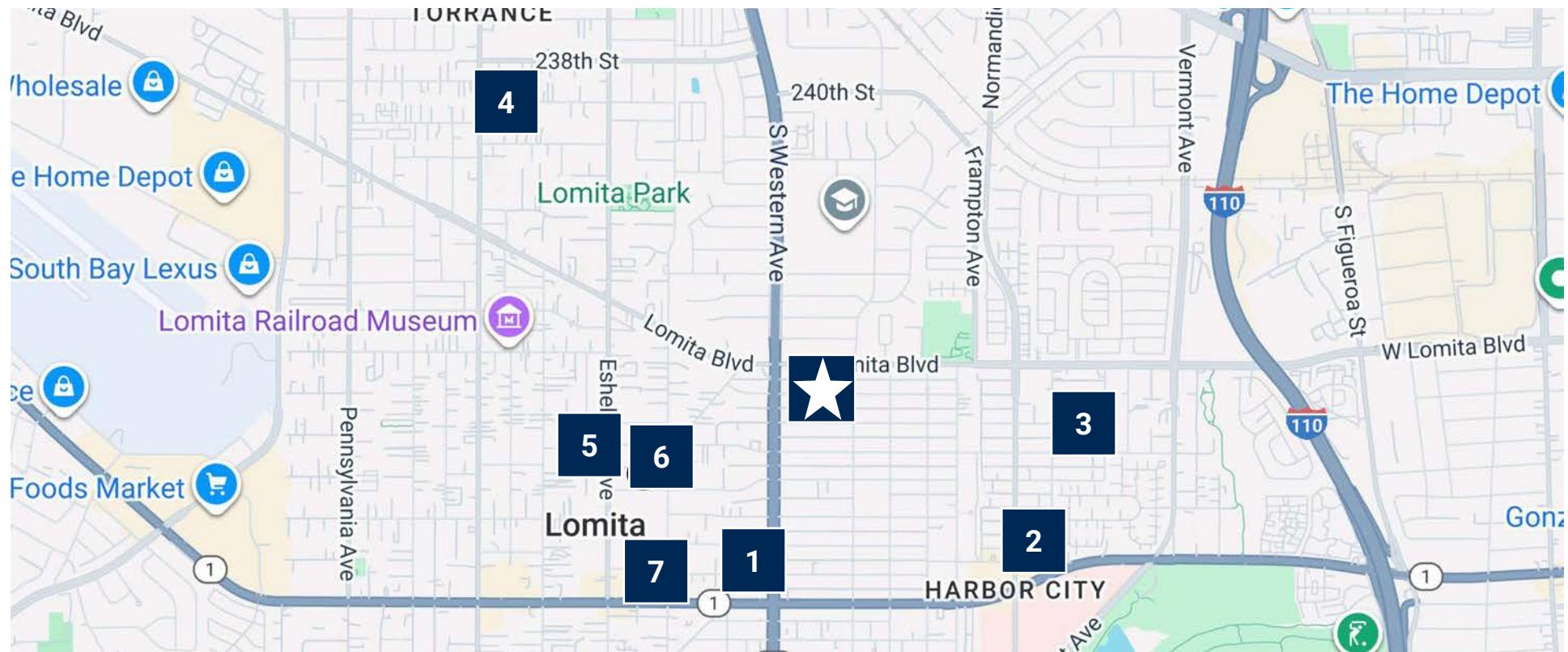
Real estate **taxes** are calculated on proposed pricing at an ad valorem rate of 1.199691% on the full value of the land and improvements and \$575.73 for special assessments which was obtained from the LA County Tax Assessor's Office. Pro forma **insurance** and **utilities** are underwritten as provided from historical operations; Pro forma **repairs and maintenance** expense is estimated at \$1000 per unit. A standard amount for a building of this size, age, and condition.; Pro forma **general and administrative** expense is underwritten at 1% of gross potential rent. Pro forma **pest control** expense is underwritten at \$100 per unit, pro forma **landscaping** expense is underwritten at \$150 per unit, and both are 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.



SALES COMPARABLES

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SALES COMPARABLES

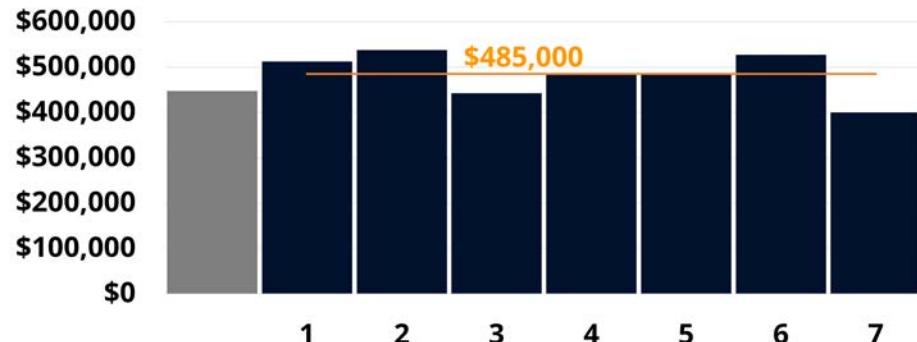


NO	ADDRESS	PRICE	UNITS	PRICE/UNIT	PRICE/SF	CAP RATE	GRM	COE
1	1735 257th Street	\$1,025,000	2	\$512,500	\$506.42	4.56%	14.26	11/20/2025
2	1128 W 256th Street	\$1,075,000	2	\$537,500	\$541.02	N/A	N/A	10/25/2024
3	1062 252nd Street	\$885,000	2	\$442,500	\$449.92	5.38%	12.09	8/28/2025
4	2150 240th Street	\$975,000	2	\$487,500	\$608.23	4.32%	15.05	12/10/2024
5	25225 Eshelman Avenue	\$975,000	2	\$487,500	\$639.76	4.32%	15.05	7/16/2025
6	1928 253rd Place	\$1,055,000	2	\$527,500	\$519.19	N/A	N/A	4/3/2025
7	1910 257th Street	\$800,000	2	\$400,000	\$578.45	3.58%	18.15	10/22/2024
		Comparables Average		\$485,000	\$549.00	4.43%	14.92	
Subject	1651 251St Street	\$895,000	2	\$447,500	\$476.06	3.20%	18.20	

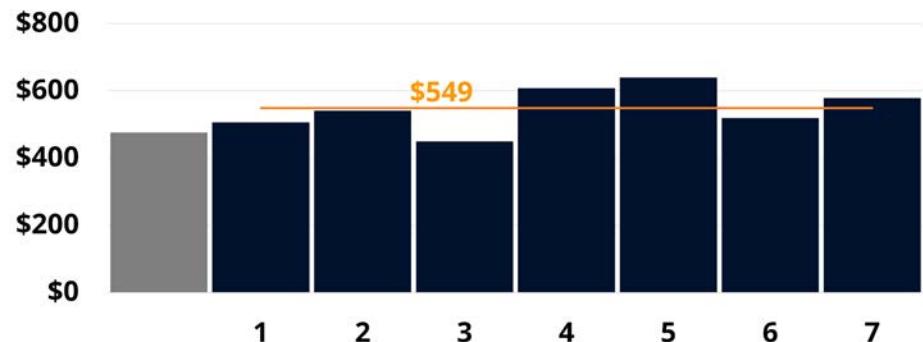
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SALES COMPARABLES

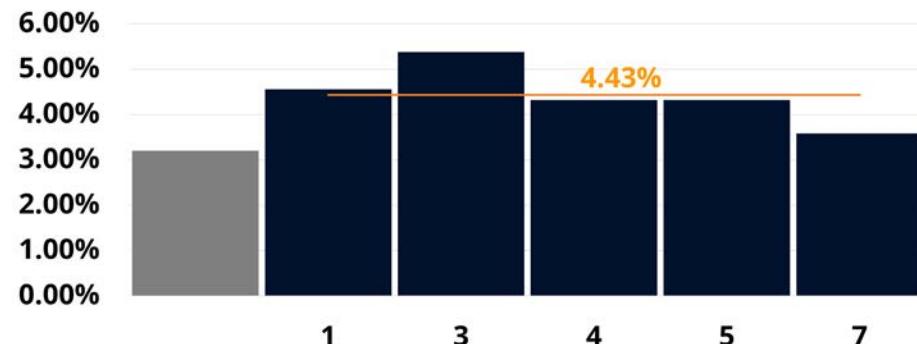
Price Per Unit



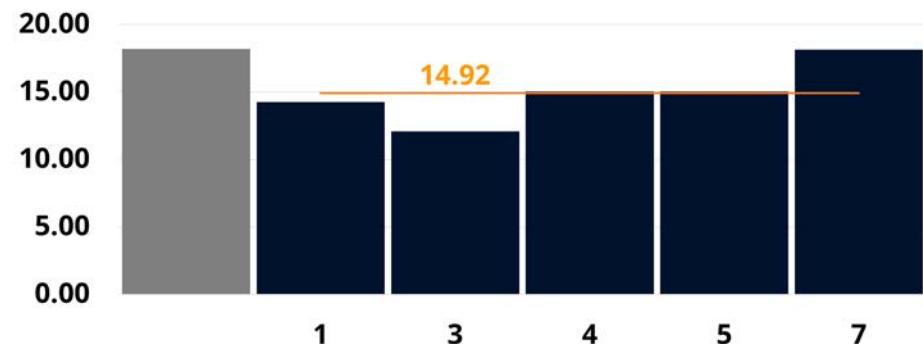
Price Per SF



Cap Rate



GRM



SALES COMPARABLES



1735 257th Street
Lomita, CA

Sale Date	11/20/2025
Price	\$1,025,000
Units	2
Price/Unit	\$512,500
Price/SF	\$506.42
Cap Rate	4.56%
GRM	14.26
Year Built	1950

Unit Mix

1	Two-Bedroom
1	Three-Bedroom



1128 W 256th Street
Harbor City, CA

Sale Date	10/25/2024
Price	\$1,075,000
Units	2
Price/Unit	\$537,500
Price/SF	\$541.02
Cap Rate	N/A
GRM	N/A
Year Built	1952

Unit Mix

1	Two-Bedroom
1	Three-Bedroom



1062 252nd Street
Harbor City, CA

Sale Date	8/28/2025
Price	\$885,000
Units	2
Price/Unit	\$442,500
Price/SF	\$449.92
Cap Rate	5.38%
GRM	12.09
Year Built	1919

Unit Mix

2	Three-Bedroom

SALES COMPARABLES



4

2150 240th Street
Lomita, CA

Sale Date	12/10/2024
Price	\$975,000
Units	2
Price/Unit	\$487,500
Price/SF	\$608.23
Cap Rate	4.32%
GRM	15.05
Year Built	1946

Unit Mix

2	One-Bedroom



5

25225 Eshelman Avenue
Lomita, CA

Sale Date	7/16/2025
Price	\$975,000
Units	2
Price/Unit	\$487,500
Price/SF	\$639.76
Cap Rate	4.32%
GRM	15.05
Year Built	1957

Unit Mix

1	One-Bedroom
1	Three-Bedroom



6

1928 253rd Place
Lomita, CA

Sale Date	4/3/2025
Price	\$1,055,000
Units	2
Price/Unit	\$527,500
Price/SF	\$519.19
Cap Rate	N/A
GRM	N/A
Year Built	1962

Unit Mix

1	Two-Bedroom
1	Three-Bedroom

SALES COMPARABLES

7



1910 257th Street Lomita, CA

Sale Date	10/22/2024
Price	\$800,000
Units	2
Price/Unit	\$400,000
Price/SF	\$578.45
Cap Rate	3.58%
GRM	18.15
Year Built	1922

Unit Mix

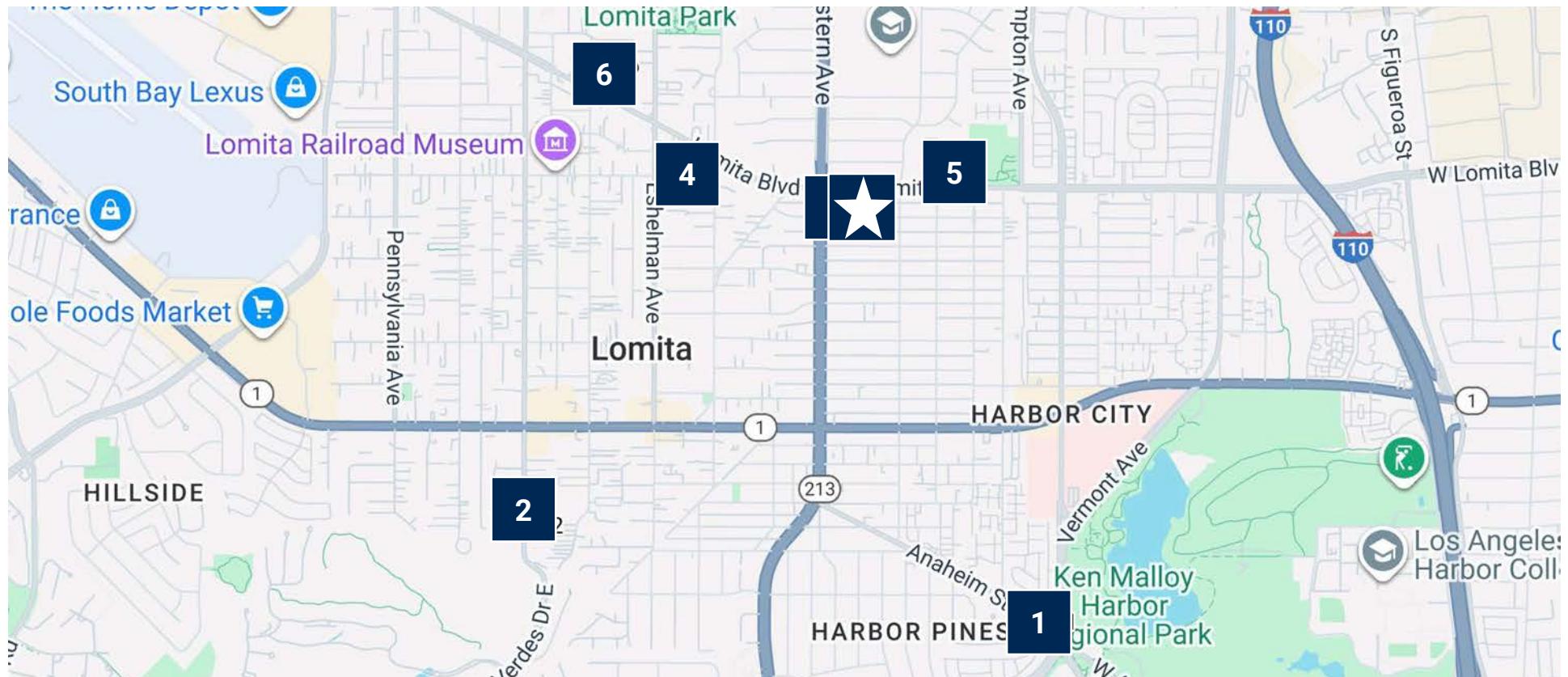
1	One-Bedroom
1	Three-Bedroom



RENT COMPARABLES

Marcus & Millichap

RENT COMPARABLES



NO	ADDRESS	UNIT TYPE	RENT
1	223 Anaheim St, Harbor City, CA 90710	2BR / 1BA	\$2,450
2	26100 Narbonne Ave, Lomita, CA 90717	2BR / 1BA	\$2,495
3	1661 251st St, Harbor City, CA 90710	2BR / 1BA	\$2,500
4	24818 Eshelman Ave, Lomita, CA 90717	2BR / 1BA	\$2,650
5	1435 Lomita Blvd, Harbor City, CA 90710	3BR / 2BA	\$2,800
6	2069 Lomita Blvd, Lomita, CA 90717	3BR / 2BA	\$2,800



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%



Median Age
39.5

U.S. Median
38.7



Households
489K

Growth 2023-2028*
2.1%



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	37,391	227,506	440,222
2024 Estimate	36,677	225,837	436,206
2020 Census	37,037	232,589	446,472
2010 Census	35,905	226,075	435,887
Growth 2024 - 2029	1.94%	0.74%	0.92%
Growth 2020 - 2024	-0.97%	-2.90%	-2.30%
Growth 2010 - 2020	3.15%	2.88%	2.43%
Daytime Population	28,917	201,299	446,501
Median Age	41.0	41.0	42.0

HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2029 Projection	13,937	80,065	160,164
2024 Estimate	13,647	79,119	158,131
2020 Census	13,251	77,827	155,342
2010 Census	12,777	74,107	149,275
Growth 2024 - 2029	2.13%	1.20%	1.29%
Growth 2020 - 2024	2.99%	1.66%	1.80%
Growth 2010 - 2020	3.71%	5.02%	4.06%

2024 HOUSEHOLD INCOME	1 MILE	3 MILES	5 MILES
\$200,000 or More	12.08%	14.84%	18.21%
\$150,000 - \$199,999	10.89%	11.42%	11.78%
\$100,000 - \$149,999	18.43%	20.57%	19.53%
\$75,000 - \$99,999	11.33%	12.05%	11.61%
\$50,000 - \$74,999	16.57%	13.53%	12.75%
\$35,000 - \$49,999	10.19%	9.43%	8.51%
\$25,000 - \$34,999	6.74%	5.96%	5.58%
\$15,000 - \$24,999	6.69%	5.59%	5.49%
\$10,000 - \$14,999	2.95%	2.58%	2.59%
Under \$9,999	4.14%	4.02%	3.96%
Average Household Income	\$108,590	\$118,587	\$127,267
Median Household Income	\$83,895	\$96,126	\$103,920
Per Capita Income	\$41,046	\$42,482	\$47,194

2024 HOUSING UNITS	1 MILE	3 MILES	5 MILES
Owner-Occupied	46.6%	52.1%	52.1%
Renter-Occupied	49.5%	44.6%	44.2%
Vacant	3.89%	3.37%	3.65%

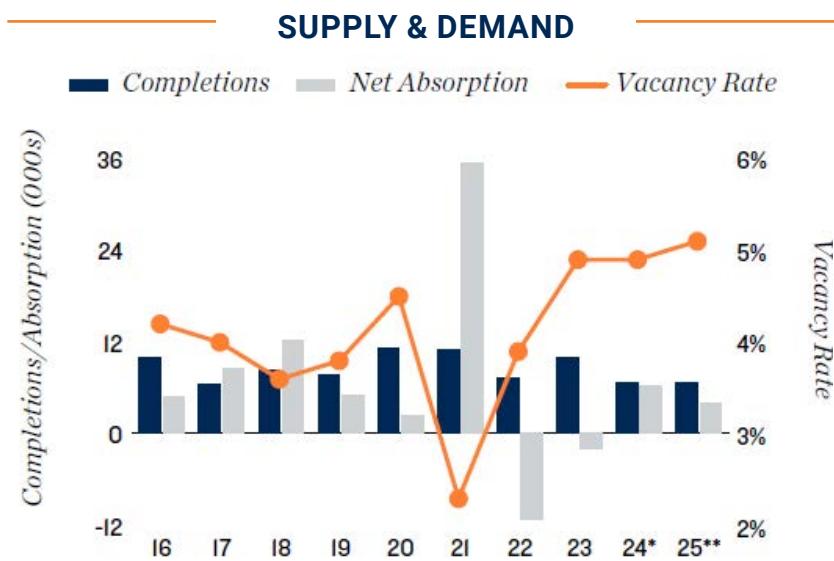
INVESTMENT FORECAST LOS ANGELES METRO 2025

Epicenters of Local Development Activity Shift as Developers Respond to Emerging Trends

Deliveries focused in some of the least vacant areas. After falling to 2.1 percent in early 2022, vacancy in Los Angeles rose 300 basis points over the next eight quarters. This spike prompted a pullback in multifamily permitting, dropping deliveries 1,800 units below the local average of the past 10 years. The most notable reduction will occur in the CBD, which is comprised of Downtown Los Angeles, Mid-Wilshire and Hollywood. Here, the decline is warranted, as more than 8,000 rentals were added over the prior two years — a supply wave that pushed local vacancy near 6 percent. Westside Cities will also register a noteworthy pullback in completions, with deliveries minimal in South Bay and Bur-bank-Glendale-Pasadena. In contrast, the San Gabriel and San Fernando valleys — home to some of the metro's lowest vacancy rates — receive a collective 3,100 units after combin-ing for 1,000 new rentals last year. These additions may translate into some local upward vacancy momentum over the short-term. Still, the moderation in deliveries elsewhere should help foster a level of demand for rentals that supports a second-straight year of positive net absorption.

Sales outside of Los Angeles proper make up a larger share of activity. Deal flow took a notable step forward in the final quarter of 2024, due in part to interest rate cuts and the failure of Proposition 33. Based on preliminary data, the three-month span was the stron-gest in more than two years, with trades in Los Angeles proper accounting for one-third of sales activity. Nearly all these trades, however, were below the \$5 million mark. This trend will persist into the foreseeable future as a direct result of Measure ULA. Many investors seeking assets that

require capital deployments above this threshold will target areas outside the city, including Southeast Los Angeles, Long Beach, and the San Gabriel and San Fernando valleys. Relatively lower rents here spur steadfast Class B and C demand.



* Estimate; ** Forecast

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

2025 Market Forecast



0.8%
employment increase

EMPLOYMENT

Local job creation improves in 2025, with the county slated to welcome 36,000 positions. Of these, 15 percent are within traditionally office-using sectors, aiding Class A rental demand.



6,600
units
will be completed

CONSTRUCTION

For the third time in four years, Los Angeles' rental inventory expands by 0.6 percent. Projects scheduled for delivery this year comprise an average of 105 units.



20
basis point
increase in vacancy

VACANCY

The metro registers positive net absorption; however, supply outpaces demand, lifting vacancy to 5.1 percent. The January wildfires may put downward pressure on vacancy rates.

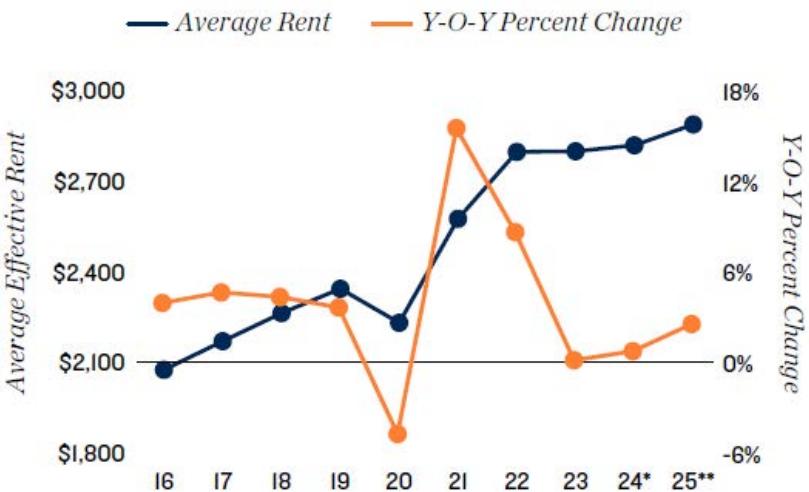


2.5%
increase in
effective rent

RENT

Household demand for lower-cost rentals supports moderate rent growth in the Class B and C sectors, lifting Los Angeles' overall effective rate to an average of \$2,883 per month.

RENT TRENDS



SALES TRENDS



* Estimate, ** Forecast

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

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