



COMMERCIAL  
ASSET GROUP

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**35 ARCADIA TERRACE  
SANTA MONICA, CA 90401**

**9 UNITS | \$4,500,000**

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LOCATION OVERVIEW





35 Arcadia Terrace is a very unique Apartment building located less than a block from the Beach and the Santa Monica Pier. The asset is a former hotel that was converted to nine legal units per the City of Santa Monica's records. Every unit has been completely remodeled with new kitchens, bathrooms, floorings, millwork, etc. Extremely unique to small units in the City of Santa Monica, every unit has a split system HVAC unit as well as a washer and dryer in the unit. The exterior of the building has also been remodeled to give it a classic, but elegant look.

The property is located on Arcadia Terrace which is a small pedestrian way which is behind locked gates associated with the adjacent hotel, the Sea Blue Hotel, which provides a unique and elegant pedestrian courtyard as well as 24 hour monitoring and security. As you walk to the back of the courtyard, you will find a staircase which leads directly to the beach, secured by a locked gate that only residents of the few small buildings and the hotel have access to. There is no onsite parking for the building, but residents, with proof of their residency, can secure monthly parking passes at the city lot at the bottom of the rear staircase.

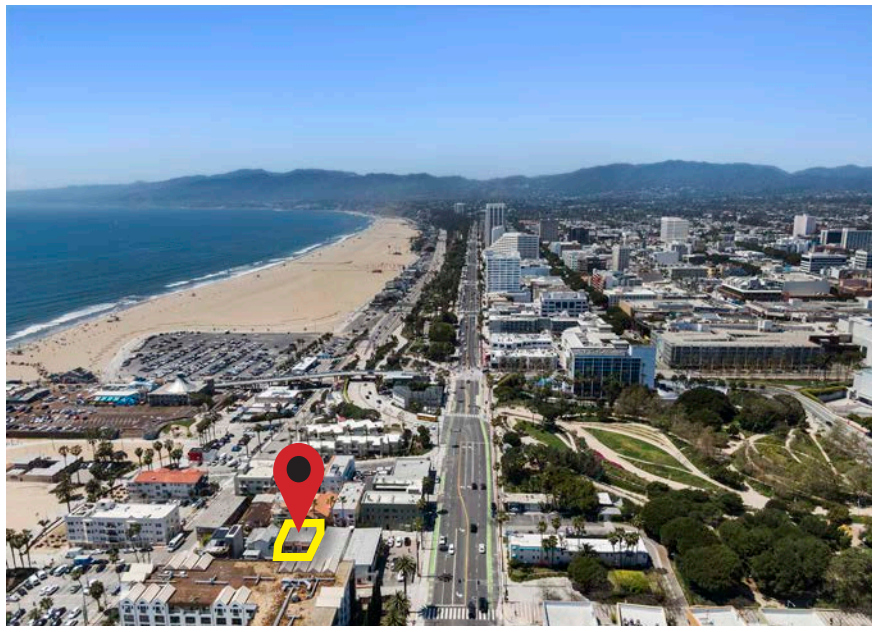
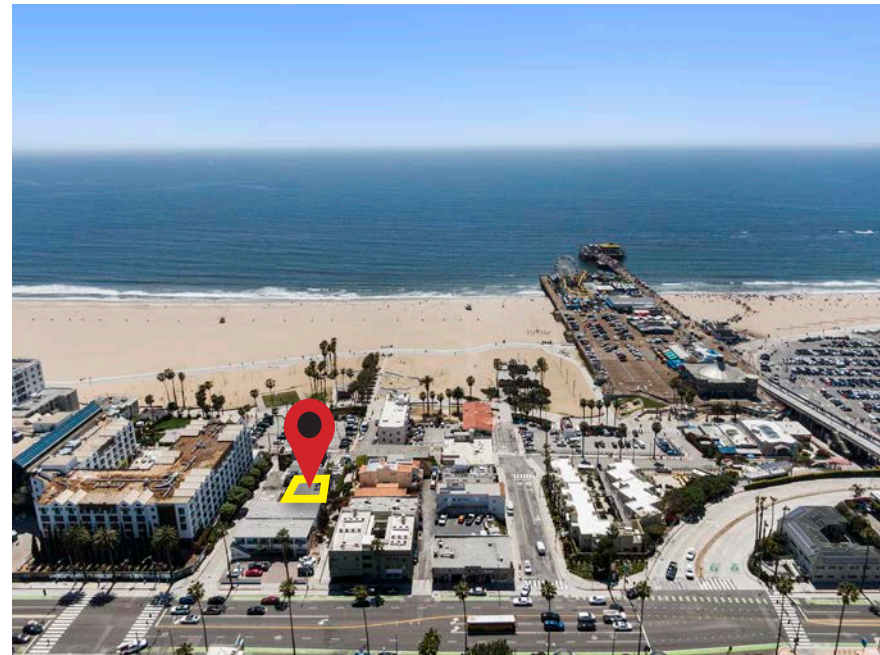
Eight of the Nine units are small, one bedroom, one bath apartments and one unit is a studio. Since the renovation, ownership has been operating the building for short term rentals to maximize the income. A short while ago, prior to them deciding to list the property for sale, they began converting the leases to long term rentals. 3 have been rented on a permanent basis and 6 will be delivered vacant, to be leased by new ownership for either short term rentals or long term rentals. The projected financials in this package are based on renting the units long term at the recently achieved rents.

The location is unmatched in the city, located between Ocean Ave and the Beach, less than one block from the Santa Monica Pier and the Santa Monica Promenade, which makes it ideal for both tourist rentals as well as permanent residents. Across the street from the famous Chez Jay and next to multiple hotels, restaurants, bars, and other shopping, the property is a once in a lifetime opportunity to an investor.

# PROPERTY DETAILS



ADDRESS	35 ARCADIA TERRACE SANTA MONICA, CA 90401
TOTAL UNITS	9
TOTAL BUILDING SQFT	±3,810 SF
TOTAL LOT SIZE	±3,332 SF
YEAR BUILT	1912
ZONING	SMR3
APN	4290-018-011



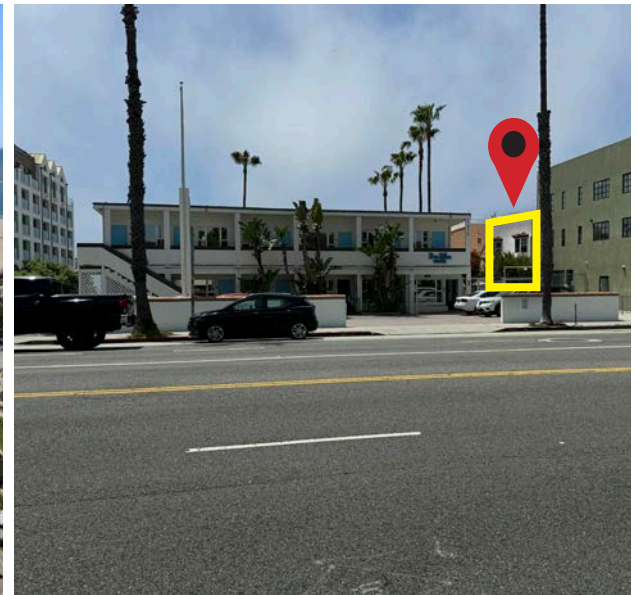
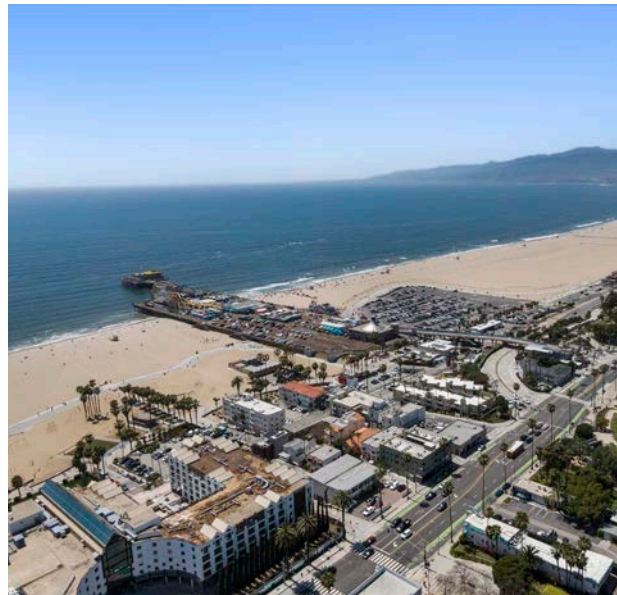
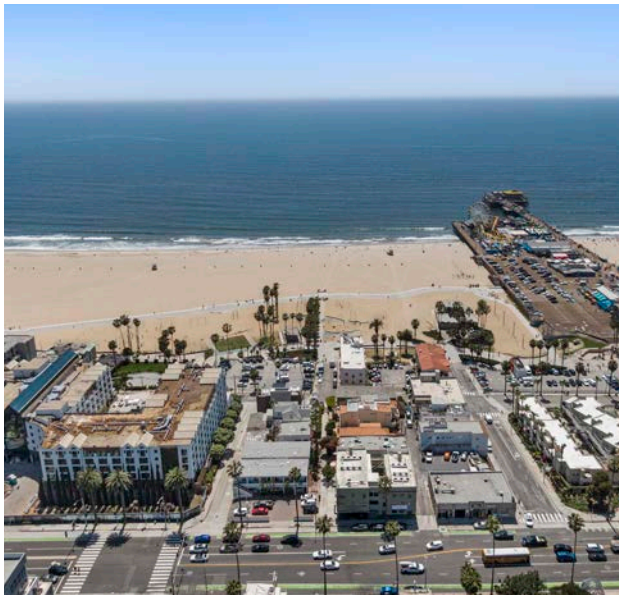
## HIGHLIGHTS

- Unbelievable Santa Monica Beach location steps from Ocean Ave, the Beach, the Pier and the Promenade
- Unit mix of (8) 1 +1 and (1) studio
- All units have been remodeled including new kitchens, bathrooms, flooring, HVAC, and in unit washer and dryers
- No below market rents
- Immediately achieve 5% + return upon lease up with significant upside

PROPERTY PHOTOS  
**EXTERIOR**



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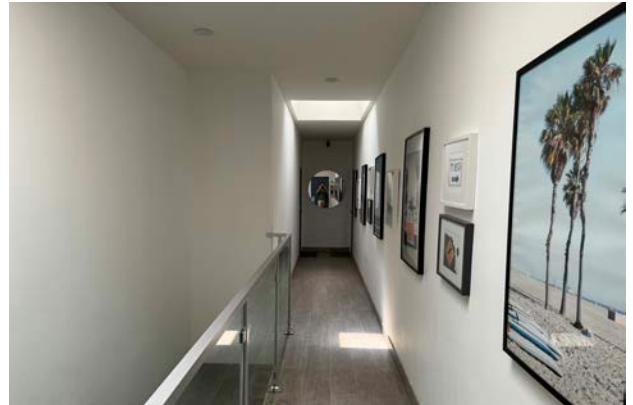


35 Arcadia Terrace, Santa Monica, CA 90401

PROPERTY PHOTOS  
**INTERIOR**



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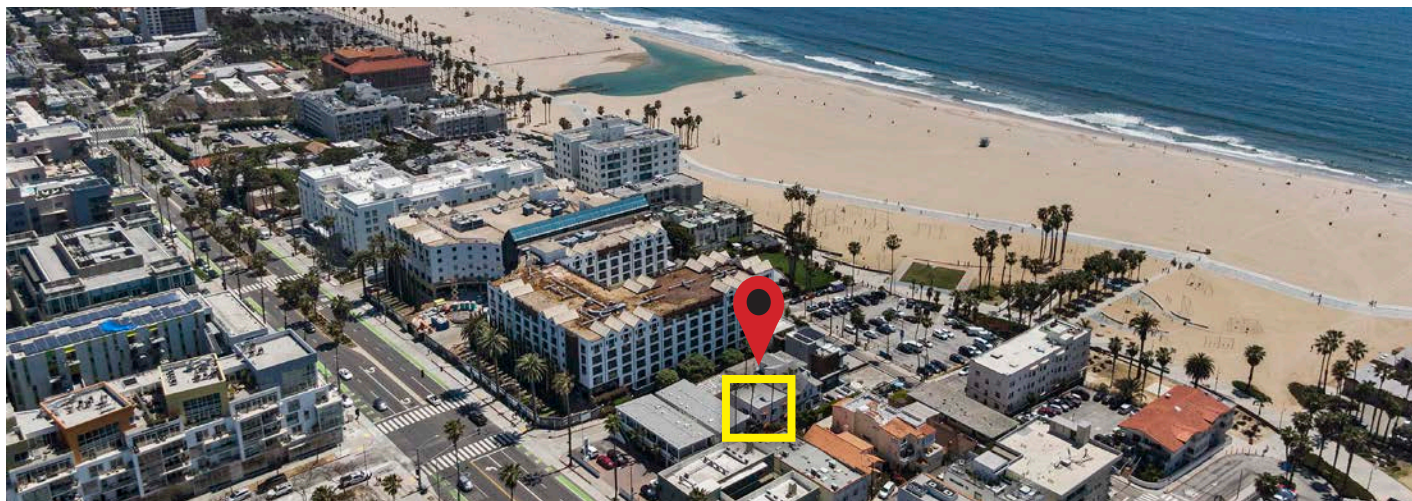
**FINANCIAL ANALYSIS**  
**RENT ROLL**



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UNIT	BEDROOMS	BATHROOMS	RENT	NOTES
1	1	1	\$3,300*	VACANT
2	1	1	\$3,300*	VACANT
3	1	1	\$3,300*	VACANT
4	1	1	\$3,300*	VACANT
5	1	1	\$3,300	
6	STUDIO	1	\$2,750	
7	1	1	\$3,300*	VACANT
8	1	1	\$3,300*	VACANT
9	1	1	\$3,600	
<b>TOTALS</b>			<b>\$29,450</b>	

\*RENTED AT MARKET



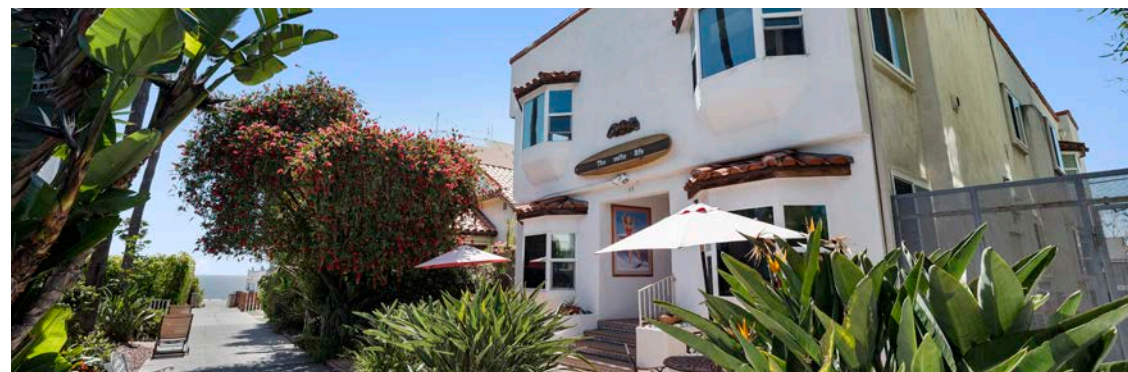
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PROPERTY ADDRESS		35 ARCADIA TERRACE		ANNUALIZED OPERATING DATA			ANNUAL EXPENSES *ESTIMATED	
LIST PRICE	\$4,500,000	SCHEDULED GROSS INCOME	\$353,400				NEW TAXES (NEW ESTIMATED)	\$52,045
DOWN PAYMENT	45%	VACANCY RATE RESERVE	\$10,602	3%	*1		MAINTENANCE	\$13,572
NUMBER OF UNITS	9	GROSS OPERATING INCOME	\$342,798				INSURANCE	\$3,810
COST PER UNIT	\$500,000	EXENSES	\$102,807	30%	*1		UTILITIES	\$8,100
GRM	12.73	NET OPERATING INCOME	\$239,991				LANDSCAPING	\$900
CAP	5.33%	LOAN PAYMENTS	\$184,800	2.73%	*2		PROPERTY MGMT (5%)	\$17,140
YEAR BUILT/AGE	1912	PRE TAX CASH FLOWS	\$55,191				PEST	\$600
APPROX LOT SIZE	±3,332	PRINCIPAL REDUCTION	\$27,642				TRASH	\$3,500
APPROX GROSS RSF	±3,810	TOTAL RETURN BEFORE TAXES	\$82,833	4.01%	*2		RESERVES	\$3,000
COST PER NET RSF	\$1,181						<b>TOTAL EXPENSES</b>	<b>\$102,807</b>
		*1 As a percent of scheduled gross income					<b>EXPENSES AS %/SGI</b>	<b>30%</b>
		*2 As a percent of down payment					<b>PER NET SQFT</b>	<b>\$26.98</b>
							<b>PER UNIT</b>	<b>\$11,423</b>

**PROPOSED FINANCING**

FIRST LOAN AMOUNT	\$2,475,000	AMORT	30
TERMS	6.35%	FIXED	5
PAYMENT	15,400	DCR	1.28



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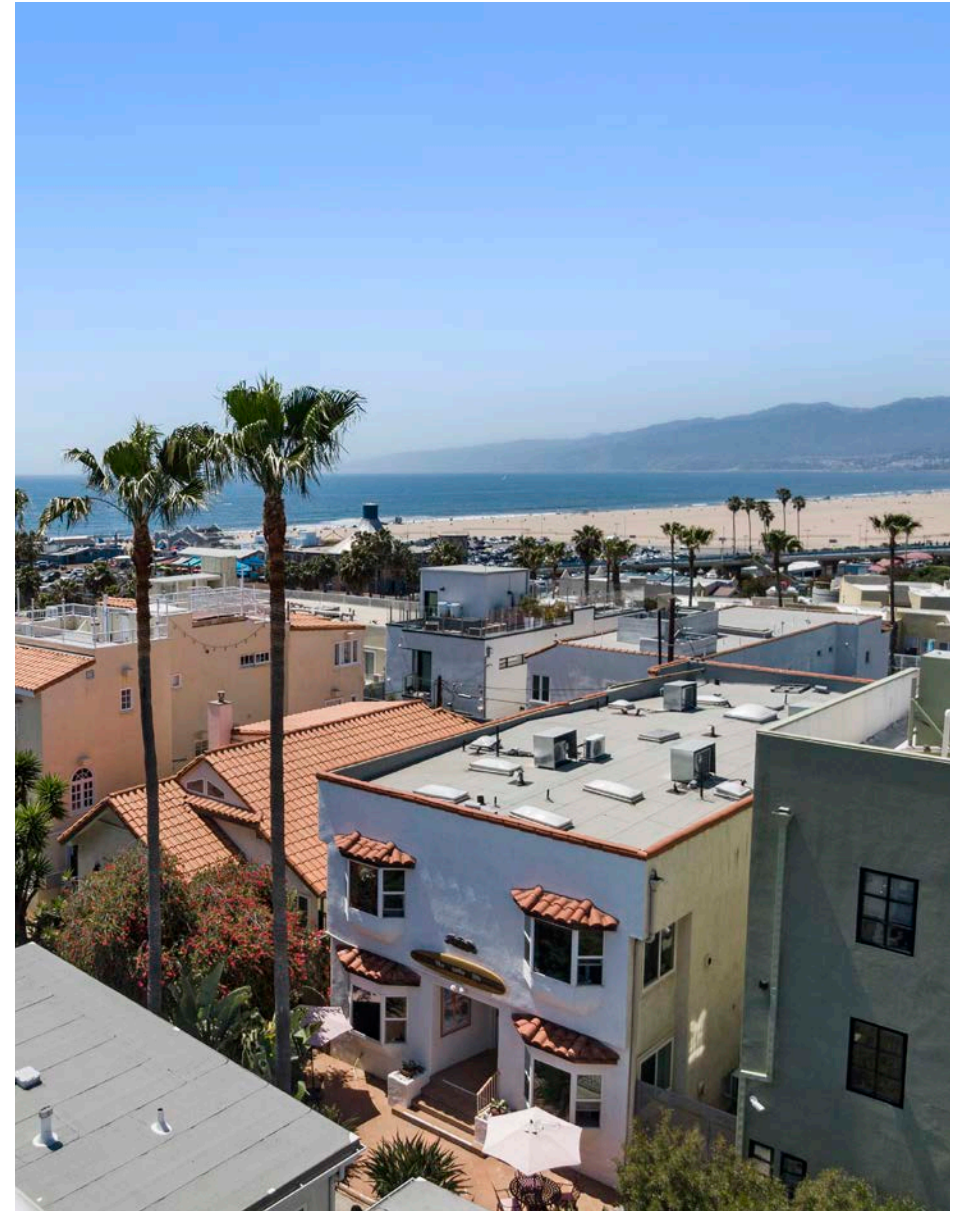
# CITY OF SANTA MONICA



Santa Monica (Spanish for 'Saint Monica') is a beachfront city in western Los Angeles County, California, United States. Situated on Santa Monica Bay, it is bordered on five sides by different neighborhoods of the city of Los Angeles: Pacific Palisades to the north, Brentwood on the northeast, West Los Angeles on the east, Mar Vista on the southeast, and Venice on the south. The 2010 U.S. Census population was 89,736. Due to a favorable climate and close proximity to Los Angeles, Santa Monica became a famed resort town by the early 20th century attracting many celebrities, like Marion Davies, to build magnificent beach front homes on Pacific Coast Highway (PCH).

The city has experienced a boom since the late 1980s through the revitalization of its downtown core, significant job growth and increased tourism. Popular tourists sites include Pacific Park on the Santa Monica Pier [12] and Palisades Park atop a bluff over the Pacific Ocean.

Like other coastal beach communities, coastal erosion due to coastal infrastructure and high human usage is an increasing challenge, and will become worse due to sea level rise. Santa Monica has a history of developing environmental and sustainability strategies, with the most recent focus on community-wide carbon neutrality by 2050 or sooner.



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