

COMPASS  
COMMERCIAL

# 1850 & 1856 9TH STREET SANTA MONICA, CA



# MULTI-FAMILY

	<u>1850 9TH</u>	<u>1856 9TH</u>	<u>TOTAL</u>
<b>NUMBER OF UNITS</b>	3 Units	4 Units	7 Units
<b>BUILDING SIZE</b>	1,686 SF	2,568 SF	4,254 SF
<b>LOT SIZE</b>	7,232 SF	7,283 SF	14,515 SF

# OFFERING MEMORANDUM



FOR SALE

1850 & 1856 9TH STREET

SANTA MONICA, CA

NORTH





FOR SALE

1850 & 1856 9TH STREET

SANTA MONICA, CA

SOUTH





FOR SALE

1850 & 1856 9TH STREET

SANTA MONICA, CA

EAST





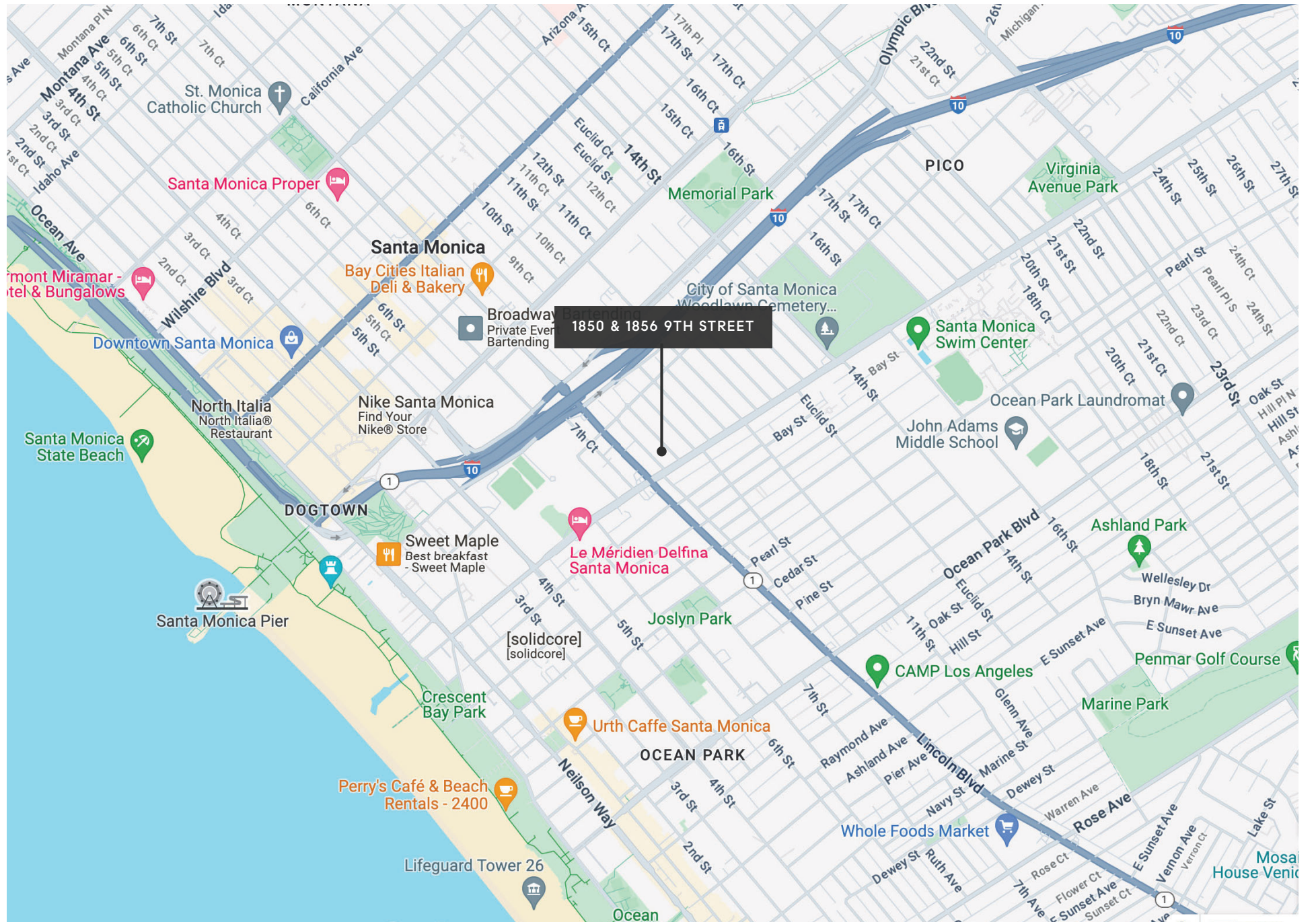
FOR SALE

1850 & 1856 9TH STREET

SANTA MONICA, CA











AT A GLANCE	1850 9TH*	1856 9TH	TOTAL
List Price	\$1,375,000	\$1,750,000	\$3,125,000
\$/SF	\$816	\$681	\$735
\$/Unit	\$458,333	\$437,500	\$446,429
Cap Rate	4.34%	4.43%	4.68%
GRM	15.3	14.5	16.27
No. Units	3	4	7
Building SF	1,686	2,568	4,254
Lot Size SF	7,232	7,283	14,515
Year Built	1927	1947	
Unit Mix	3 (1+1)	2 (1+1), 2 (2+1)	
Existing Parking			1 (2 Car Garage)
Open Parking	Potential - 6	Potential - 4	Pot. 10 (12 Tot.)
Value Add	Potential 2 ADUs		
APNs	4283-020-030	4283-020-031	
Zoning	SMR2	SMR2	

\*1 unit to be delivered vacant

**EXECUTIVE SUMMARY**

**1850 9th Street – 3 Units** - 1850 9th St. consists of 3, one-bedroom, one-bathroom units and is situated on a large 7,232 square foot lot zone R2, with rear alley access. One unit is currently vacant. There are two structures and some excess land that could either be used for additional parking, an ADU or combination thereof.

**Value Add Opportunity 1 - Owner Occupied Exception** to exempt units from rent control. New owner can apply for exemption for the other occupied units pursuant to City Council Housing Policy: Charter Amendment, Article 23, Section 23.04 and Rent Control Regulation 1806. Buyer to verify with City of Santa Monica

**1856 9th Street – 4 Units** - The property located at 1856 9th St. consists of four units: 2 two-bedroom, one-bath units and 2, one-bedroom, one-bath units. Like 1850, it is situated on a large 7,283 SF lot. There are two structures on the property, with a two car garage attached to the rear building.

**Value Add Opportunity 2 - Parking Income** - There is the potential to create 10 open parking spaces in addition to the two car garage (total 12). These parking spaces could be rented for as much as \$250/per month. Buyer to verify with the City of Santa Monica as to number of parking spaces allowed. The photo is a rendering and not approved by the City of Santa Monica.

**Value Add Opportunity 3 - ADU** - With excess land at 1850 9th Street there is a potential to add two units above parking. Buyer to verify with the City of Santa Monica. The photos is rendering and not approved by the City of Santa Monica

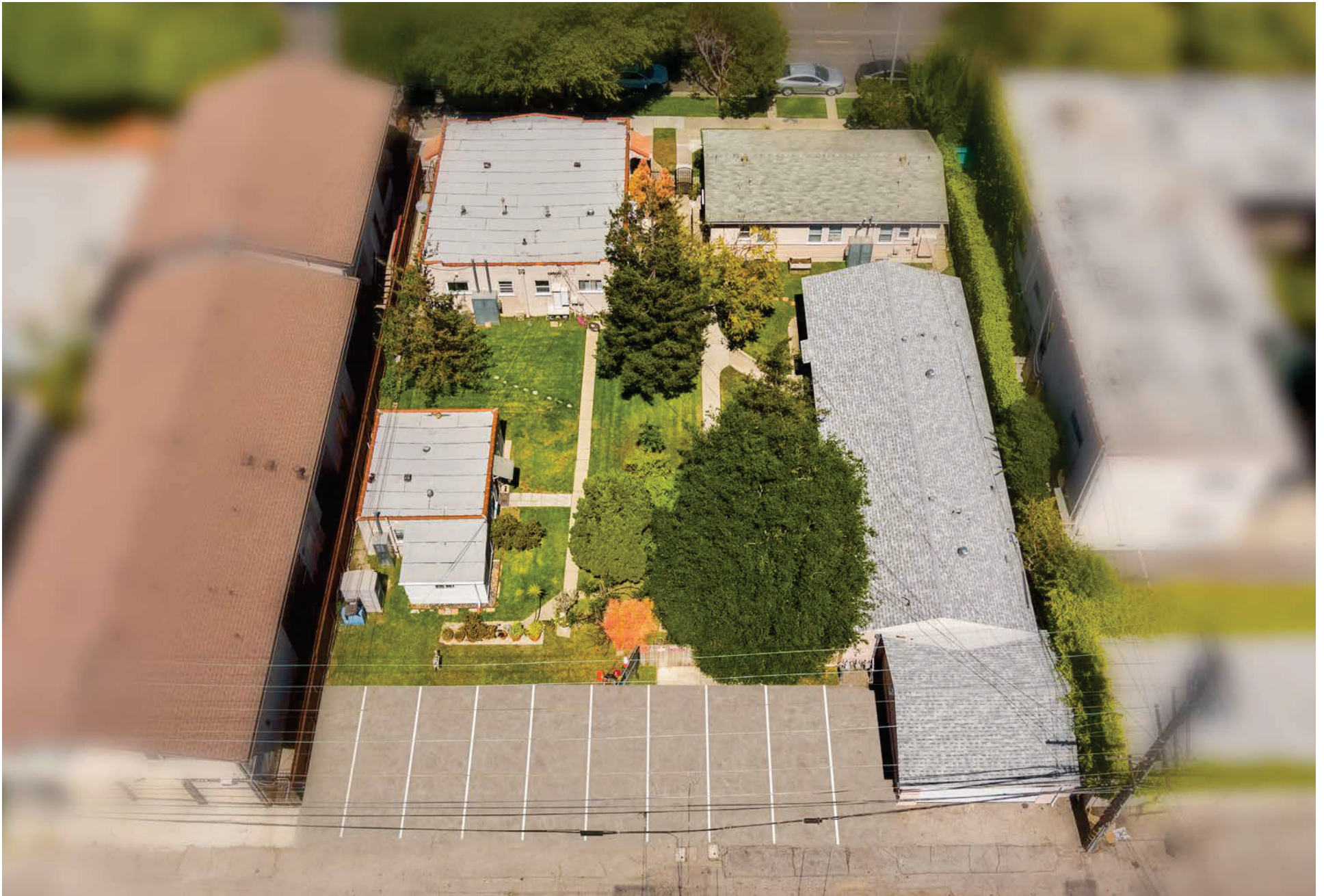


FOR SALE

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SANTA MONICA, CA

**VALUE ADD OPPORTUNITY NO. 1** [PHOTO IS A RENDERING, SPACES NOT APPROVED BY CITY OF SM]





VALUE ADD OPPORTUNITY NO. 2 - POTENTIAL ADU LOCATION

ADU RENDERING

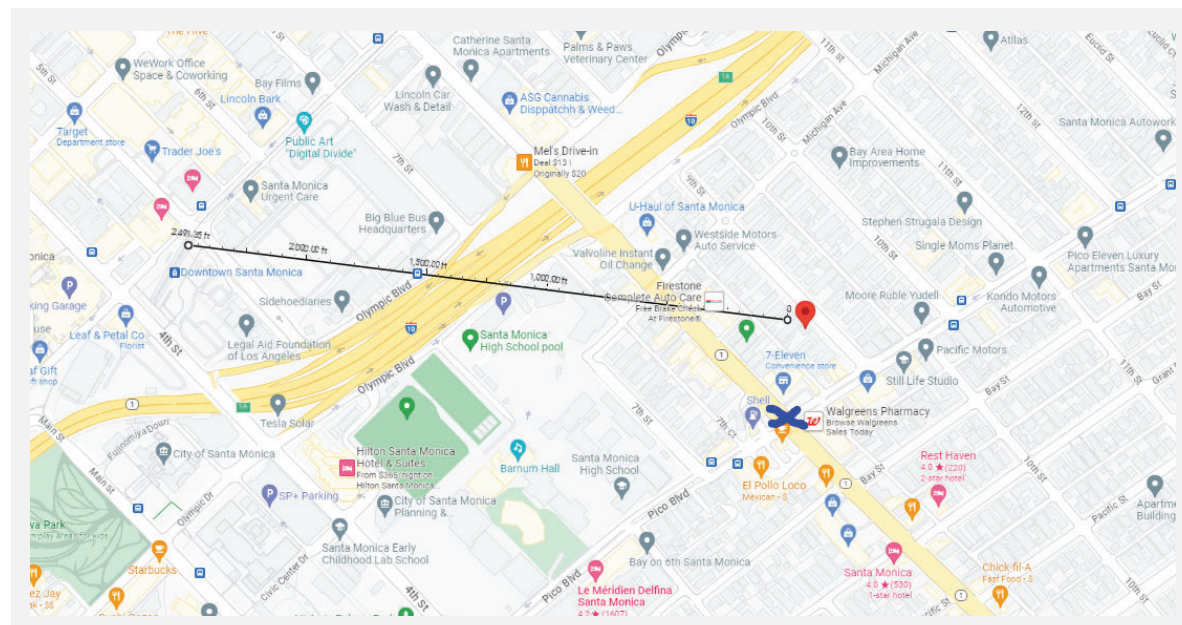
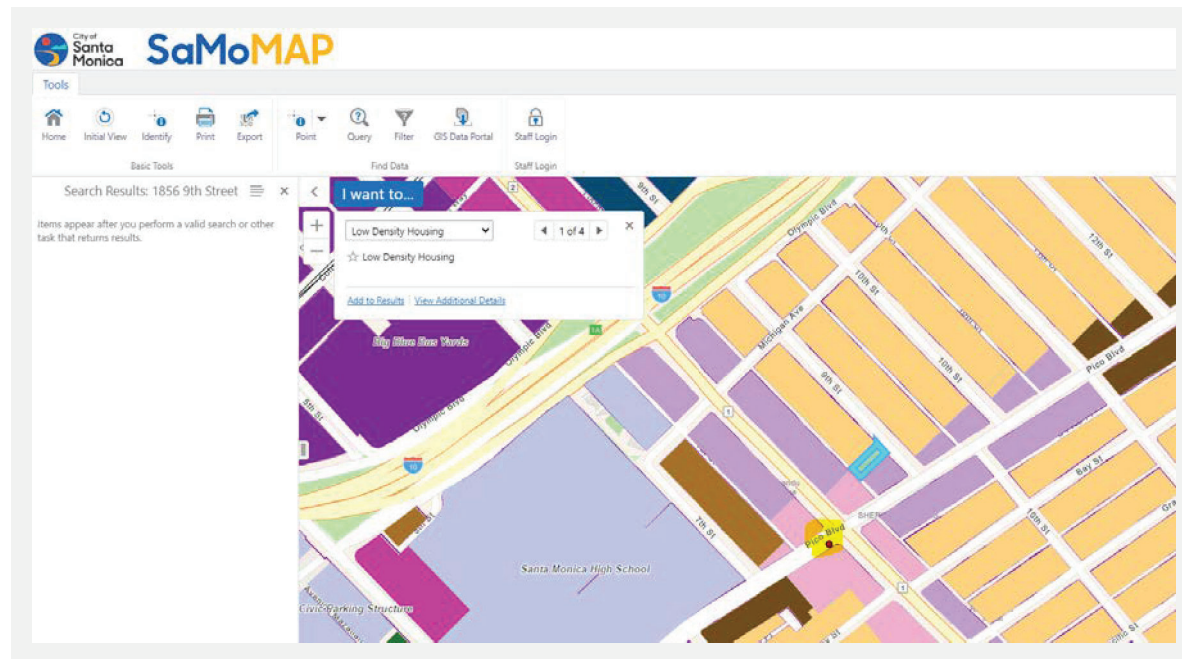


EXCESS LAND





## ZONING INFORMATION



## ZONING

1. The lots are approximately 50' x 150' | 14,500 sq. ft. together.
2. The R2 zone has specific rules for redevelopment.
3. Density is capped at 1 unit per 2000 sq. ft., with a maximum of 4 units per lot.
4. Residential lots can't be combined to create a single lot over 7,500 sq. ft.
5. 100% affordable housing projects are exempt from both above restrictions.
6. If the developer pursues a Density Bonus project, the city uses a 29 unit per acre assessment with no 4-unit cap. One could also use an incentive/concession/waiver to get around the lot area restriction above.
7. 1 Above is only used in Density Bonus projects and not allowed in by-right projects.
8. With a 50% density bonus, the base density could increase to 15 units.
9. ADUs (Accessory Dwelling Units) can be added later.
10. Density Bonus projects are now administrative per recent code updates.



FOR SALE

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SANTA MONICA, CA

PARK LIKE GROUNDS





**1850 9TH STREET - RENT ROLL PROFORMA**

#	TYPE	STATUS	PARKING	SF (.EST)	CURRENT RENTS	\$/SF	MARKET RENTS	\$/SF
1850 9th St	1+1				\$1,793		\$2,500	
1852 9th St	1+1	Vacant			\$2,750		\$2,750	
1852 A 9th St	1+1				\$1,320		\$2,500	
Parking								
Month Rent					\$5,863		\$7,750	
Gross Income					\$70,356		\$93,000	

**1850 9TH STREET - FINANCIAL OVERVIEW**

FINANCIAL OVERVIEW		
Price		\$1,375,000
Equity - Down Payment	100%	\$1,375,000
Number of Units	3	\$458,333
Gross Square Feet	1,686	
Price / SF		\$816
CAP Rate - Current		4.26%
CAP Rate - Pro Forma		5.66%
GRM - Current		15.6
GRM - Pro Forma		12.8
Year Built		1928
Lot Size		7,230
Type of Ownership		Fee Simple

ANNUALIZED OPERATING DATA (30 YR. AMTZ)		
Income	<i>Parking Proforma</i>	Pro Forma
<b>Gross Potential Rent</b>	<b>\$70,356</b>	<b>\$93,000</b>
Other Income - <i>Parking</i> -	\$18,000	\$18,000
Gross Potential Income	\$88,356	\$111,000
<i>Less: Vacancy/Deductions</i>	<i>\$884</i>	<i>\$3,330</i>
<b>Effective Gross Income</b>	<b>\$87,472</b>	<b>\$107,670</b>
Less: Expenses	\$28,864	\$29,874
<b>Net Operating Income</b>	<b>\$58,609</b>	<b>\$77,797</b>
Net Cash Flow Before Debt Service	\$58,609	\$77,797
Debt Service (30 yr.)	\$0	\$0
Debt Coverage Ratio	-	
Net Cash Flow After Debt Service	\$58,609	\$77,797
Principal Reduction	\$0	\$0
<b>Total Return</b>	<b>\$58,609</b>	<b>\$77,797</b>
<b>Total Return on Equity</b>	<b>4.34%</b>	<b>5.76%</b>



**1850 9TH STREET - INCOME & EXPENSES**

<b>INCOME</b>				
Total Number of Tenants			3	
Total Area (Gross)			1,686	
			<b>Parking Proforma</b>	<b>Pro-Forma</b>
Gross Potential Rent			\$70,356	\$93,000
Other Income - <i>Parking</i>				
Parking - 6 Parking Spaces @ \$250/Space			\$18,000	\$18,000
Laundry			\$0	
Total Other Income			\$18,000	\$18,000
Gross Potential Income			\$88,356	\$111,000
Vacancy/Collection Loss @	1.00%		\$884	3.0%
Effective Gross Income			\$87,472	\$107,670
<b>EXPENSES</b>				
Real Estate Taxes	1.245%		\$15,500	\$15,500
Insurance			\$2,000	\$2,000
Utilities:				
Gas			\$0	\$0
Electric			\$0	\$0
Water			\$2,250	\$2,250
Sewer			\$120	\$120
Trash			\$1,000	\$1,000
Repair & Maintenance			\$1,200	\$1,200
Groundskeeper			\$1,200	\$1,200
Pest Control			\$720	\$720
SM Fees			\$500	\$500
Management Fee	5.0%		\$4,374	\$5,384
Total Expenses			\$28,864	\$29,874
Expenses per SF			\$1.43	\$1.48
% of EGI			33.00%	27.75%
Net Operating Income			\$58,609	\$77,797



**1856 9TH STREET - RENT ROLL PROFORMA**

#	TYPE	STATUS	PARKING	SF (.EST)	CURRENT RENTS	\$/SF	MARKET RENTS	\$/SF
1856 9th St	1+1				\$2,100		\$2,750	
1858 9th St	1+1	Pending Move Out			\$2,750		\$2,750	
1856 A 9th St	2+1				\$2,530		\$3,500	
1856 B 9th St	2+1				\$2,764		\$3,500	
Garage - A & B								
Month Rent					\$10,144		\$12,500	
Gross Income					\$121,728		\$150,000	

**1856 9TH STREET - FINANCIAL OVERVIEW**

FINANCIAL OVERVIEW		
Price		\$1,750,000
Equity - Down Payment	56.6%	\$990,000
Number of Units	4	\$412,500
Gross Square Feet	2,568	
Price / SF		\$681
CAP Rate - Current		5.01%
CAP Rate - Pro Forma		5.96%
GRM - Current		14.3
GRM - Pro Forma		12.3
Year Built		1947
Lot Size		7,281
Type of Ownership		Fee Simple

FINANCING*		
First Trust Deed		
Loan Amount	43.4%	\$760,000
Loan Type		New
Interest Rate	6.150%	
Amortization	30	
Annual 30 yr. Amtz PMT*		\$52,388

ANNUALIZED OPERATING DATA (30 YR. AMTZ)		
Income	Current	Pro Forma
<b>Gross Potential Rent</b>	<b>\$121,728</b>	<b>\$144,000</b>
Other Income	\$4,800	\$0
Gross Potential Income	\$126,528	\$144,000
Less: Vacancy/Deductions	\$1,256	\$4,320
<b>Effective Gross Income</b>	<b>\$125,263</b>	<b>\$139,680</b>
Less: Expenses	\$37,646	\$40,179
<b>Net Operating Income</b>	<b>\$87,617</b>	<b>\$99,501</b>
Net Cash Flow Before Debt Service	\$87,617	\$99,501
Debt Service (30 yr.)	\$52,388	\$52,388
Debt Coverage Ratio	1.31	1.90
Net Cash Flow After Debt Service	\$21,566	\$47,113
Principal Reduction	\$7,178	\$120,364
<b>Total Return</b>	<b>\$28,744</b>	<b>\$167,477</b>
<b>Total Return on Equity</b>	<b>3.51%</b>	<b>16.92%</b>

\*Loan Information is time sensitive and subject to change.

Provided by Tony Ocha Gensis Bank.

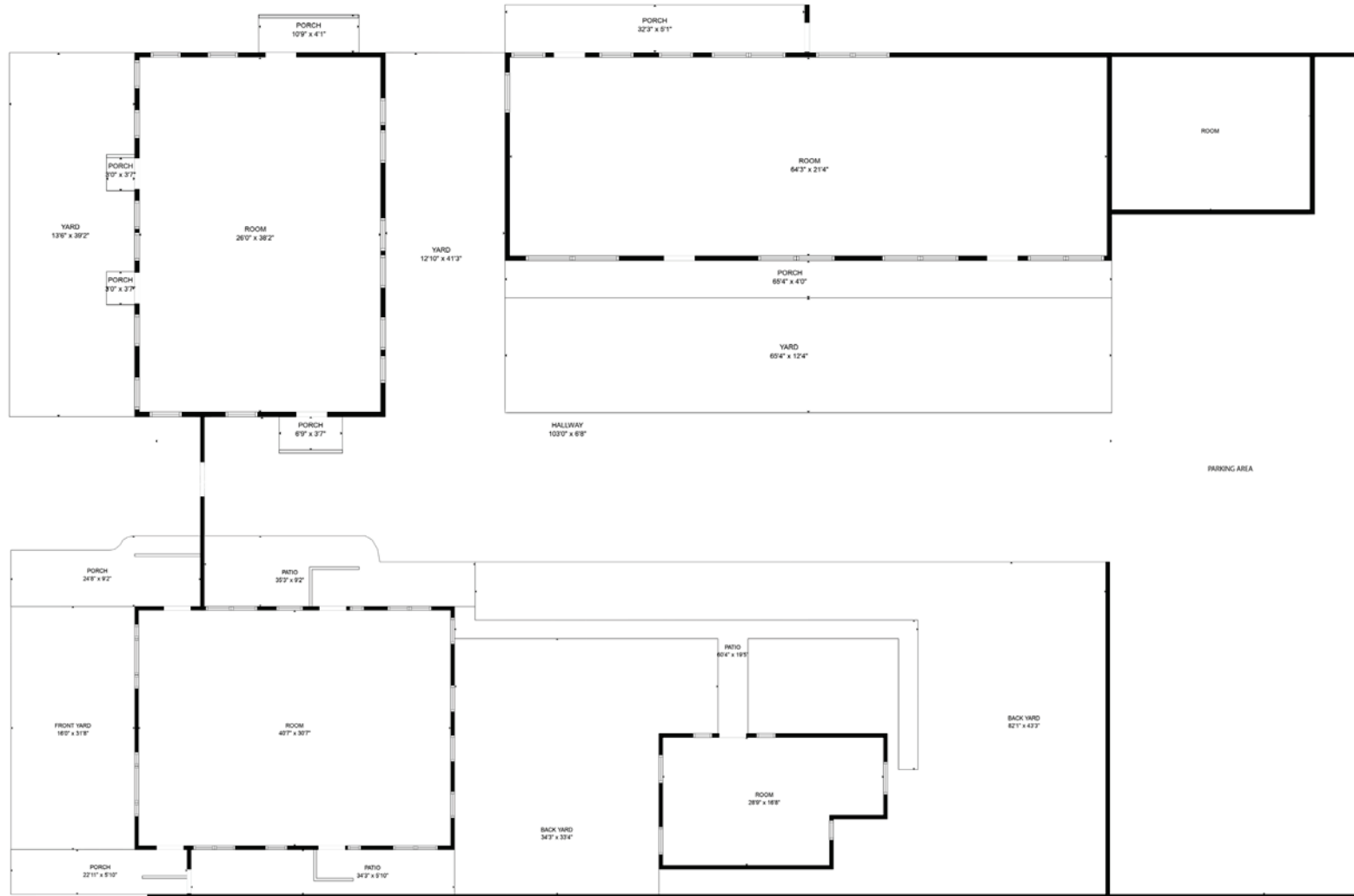


**1856 9TH STREET - INCOME & EXPENSES**

<b>INCOME</b>				
Total Number of Tenants		4		
Total Area (Gross)		2,568		
			<b>Current</b>	<b>Pro-Forma</b>
Gross Potential Rent			\$121,728	\$144,000
Other Income				
Parking			\$400	\$0
Laundry			\$0	\$0
Total Other Income			\$0	\$0
Gross Potential Income			\$126,528	\$144,000
Vacancy/Collection Loss @	1.00%		\$1,265	\$4,320
Effective Gross Income			\$125,263	\$139,680
<b>EXPENSES</b>				
Real Estate Taxes	1.245%		\$20,225	\$20,225
Insurance			\$4,500	\$4,500
Utilities:				
Gas			\$0	\$0
Electric			\$600	\$600
Water			\$2,000	\$2,000
Sewer			\$1,100	\$1,100
Trash			\$1,000	\$1,000
Repair & Maintenance			\$1,250	\$1,250
Groundskeeper			\$1,200	\$1,200
Pest Control			\$720	\$720
SM Fees			\$600	\$600
Management Fee	5.0%		\$5,639	\$6,984
Total Expenses			\$38,834	\$40,179
Expenses per SF			\$1.26	\$1.30
% of EGI			34.43%	28.77%
Net Operating Income			\$87,617	\$99,501



SITE PLAN



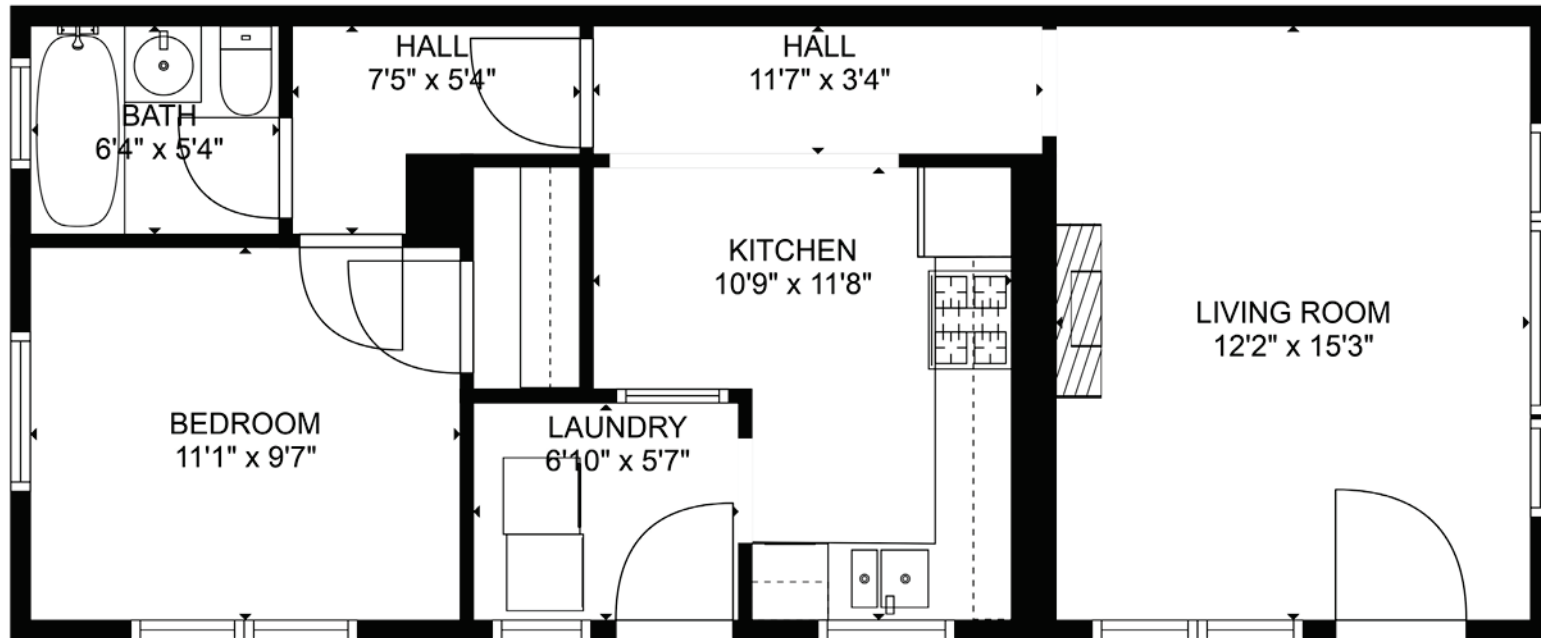
TOTAL: 4484 sq. ft

LOT SIZE: 7232 sq. ft

All measurements are approximate, actual size may vary.



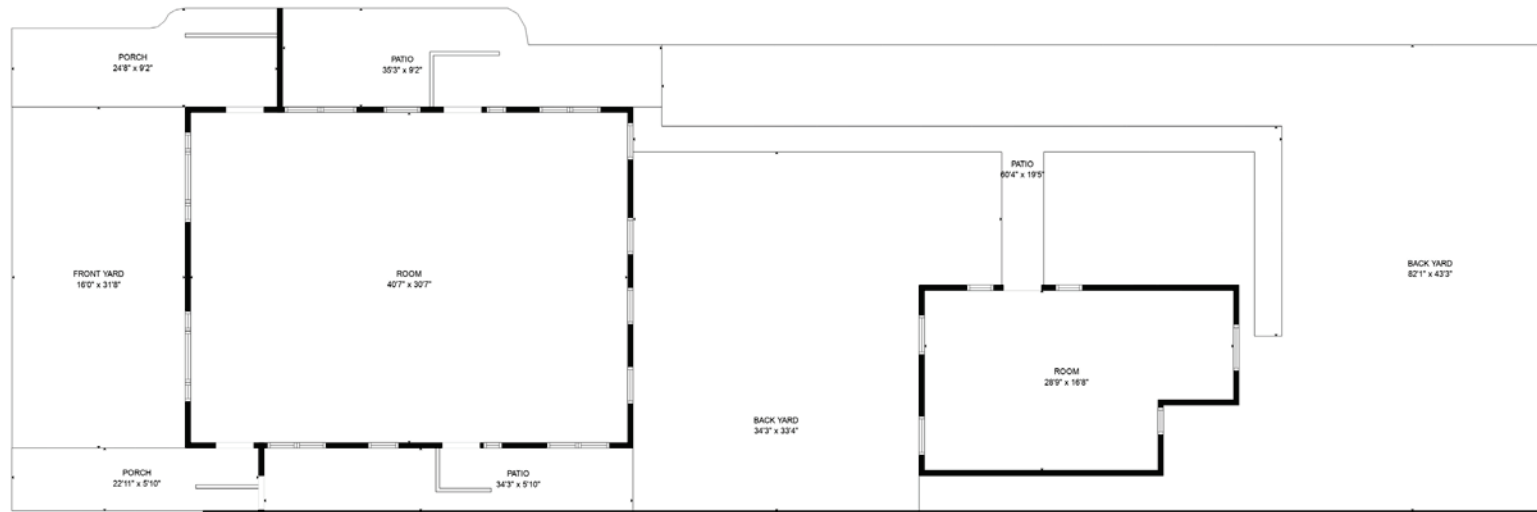
UNIT PLAN 1850 9TH STREET



**TOTAL: 590 sq. ft**  
**FLOOR 1: 590 sq. ft**  
All measurements are approximate, actual size may vary.



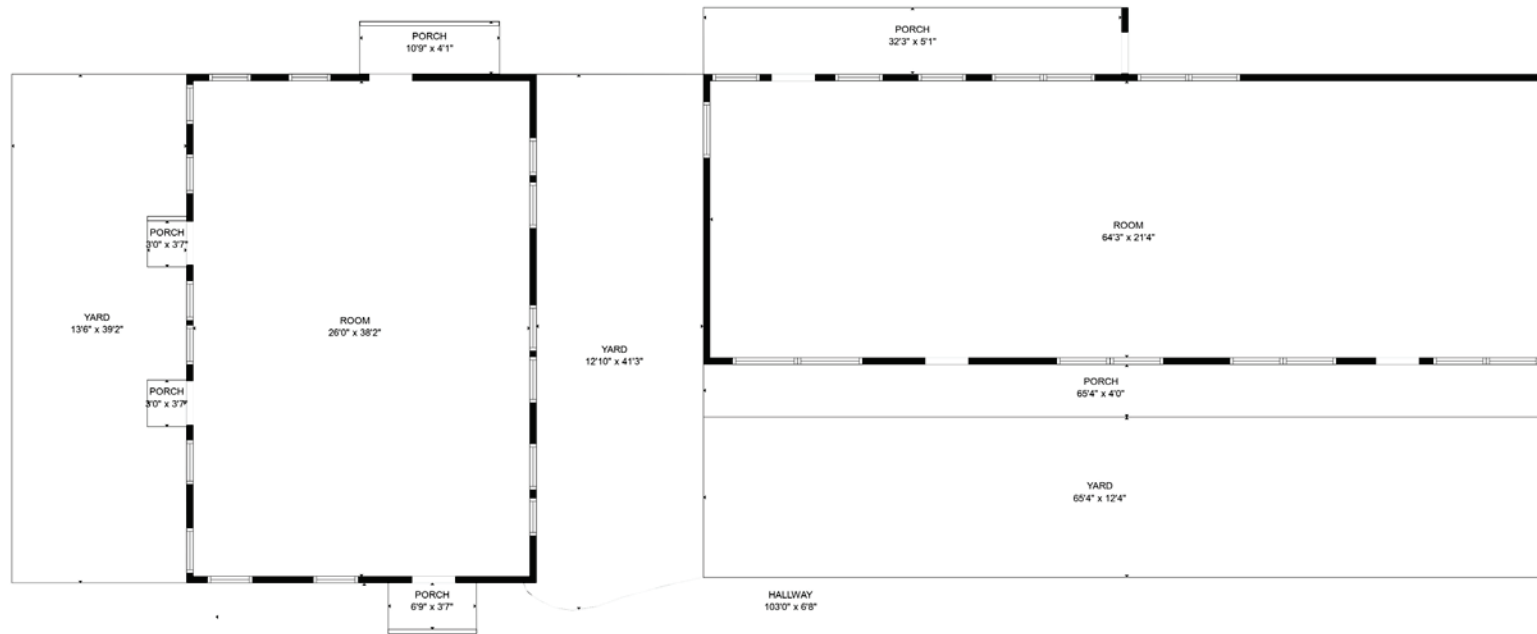
SPACE PLAN



**TOTAL: 1677 sq. ft**  
FLOOR 1: 1677 sq. ft  
EXCLUDED AREAS: PORCH: 334 sq. ft, FRONT YARD: 509 sq. ft, BACK YARD: 2931 sq. ft,  
PATIO: 721 sq. ft  
All measurements are approximate, actual size may vary.



SPACE PLAN



**TOTAL: 2807 sq. ft**  
FLOOR 1: 2807 sq. ft  
EXCLUDED AREAS: PORCH: 522 sq. ft, YARD: 1835 sq. ft  
All measurements are approximate, actual size may vary.



## OUR SERVICES

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At Elevated LA, we are dedicated to delivering comprehensive and superior services across development, construction, and design. Our team works with clients to identify their real estate goals and build a strategic plan. Learn more about the value-added services we offer.

### ADAPTIVE REUSE



Revitalize underutilized or aging properties. With our adaptive reuse services, we can identify where there is untapped potential and transform properties into valuable assets.

### ASSET MANAGEMENT



Maximize the return on your investments. We provide comprehensive asset management services to maximize the value of your real estate portfolio.

### NEW DEVELOPMENT



Build from the ground up. We specialize in exceptional design and construction for residential, commercial and mixed-use properties.

### DESIGN CONSULTING



Improve the look and feel of your space. Our expert designers collaborate with clients to bring their vision to life, with a focus on functionality and timeless style.

### TREND FORECASTING



Stay ahead of the curve. We track and analyze trends including competitive properties, market conditions, and building occupancy to provide insightful guidance during major decisions. Our clients have access to the most up-to-date information in the industry.

### NEW DEVELOPMENT SALES



Meet your financial objectives. We offer new development sales services that make selling a seamless process.

### PROPERTY MANAGEMENT



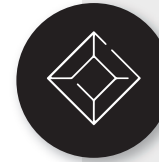
Partner with a trusted manager. Our property management services handle the day-to-day management and maintenance, from tenant relations, rent collection, and repairs to reporting, budgeting, and regulatory compliance.

### MARKETING STRATEGY



Reach the right potential buyers and tenants. We create personalized marketing plans to showcase your property in the best light and to have the most impact.

### LUXURY BRAND STRATEGY



Be set apart from the rest. Our luxury brand strategy services define and promote the unique qualities of your brand.

Our services go much further than purchasing or selling an asset. Working with clients, we identify their real estate investment goals and work side by side to build a strategic real estate investment plan.



**BIO****TIM BYRNE**

EVP | REGIONAL DIRECTOR

An Angeleno with over 20 years experience in Southern California real estate, Tim Byrne is dedicated to helping clients build wealth through real estate.

Tim's diverse background in residential and commercial real estate focuses on the high-end Westside market. He analyzes market trends and projections to help clients make the best financial decisions possible. When should a property owner update, refinance, or sell their rental property? What are the best long-term strategies? And what renovation projects will provide the best ROI for homeowners?

Clients benefit from Tim's award-winning sales ability and expertise, spanning residential and commercial real estate brokerage, asset management, property management, finance, appraisal and leasing. He began his career as a real estate appraiser, working in finance before becoming a commercial broker.

As the Los Angeles real estate market evolved, Tim's investment knowledge and expertise kept pace. He branched out into property and asset management, but did more than the average manager, assisting clients with renovation, marketing and strategy development. Once his investment formula was

created, it was applied cross property types to single family homes, apartments, industrial, office buildings, retail centers, hospitality and business opportunities. Tim concurrently managed a property investment fund, running the day-to-day management of 1,800 apartment units, 1.2 million square feet of multi-tenant industrial space with over 400 tenants, and a mix of hospitality properties.

Tim has closed transactions in Southern California totaling over \$800 million in residential and commercial sales and financing. Ranked as a national top seller, Tim has repeatedly been recognized for outstanding sales achievement.

Tim attended Loyola High School and holds a Bachelor of Science degree with an emphasis in Real Estate Finance from Loyola Marymount University in Los Angeles. Outside the office, Tim is a family man and an avid hiker. When he's not coaching a sporting activity or enjoying a great meal at one of his wife's restaurants, Tim spends his free time trying to convince his wife and two daughters to watch the Dodgers game.

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**phone:** 310.801.3442

**CalBRE:** 01186465





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The Offering Memorandum was prepared by Compass Commercial. It contains select information pertaining to the subject property and does not purport to be all inclusive or to contain all of the information which a prospective purchaser may desire. All financial projections are provided for general reference purposes only and are based on assumptions relating to the general economy, competition and other factors beyond control and, therefore, are

subject to material change or variation. An opportunity to inspect the subject property will be made available to qualified prospective purchasers. In the Offering certain documents and other materials are described in summary form. The summaries do not purport to be complete nor, necessarily, accurate descriptions of the full agreements involved, nor do they constitute a legal analysis of such documents. Interested parties are expected to independently review all documents.

The Offering is subject to prior placement, errors, omissions, changes or withdrawal without notice and does not constitute a recommendation, endorsement or advice as to the value of the Property by Compass Commercial or the owner. Each prospective purchaser is to rely upon its own investigation, evaluation and judgment as to the advisability of purchasing the subject property described

herein.

The owner and Compass Commercial expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offer to purchase the subject property and/or to terminate discussions with any party at any time with or without notice. The owner shall have no legal commitment or obligation to any interested party reviewing the Offering or making an offer to purchase the subject property unless a written agreement for the purchase of the subject property has been fully executed and delivered by the owner and such party and any conditions to the owner's obligations there under have been satisfied or waived and then only to the extent expressly provided for therein. Compass Commercial is not authorized to make any representations or agreements on behalf of the owner.



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SANTA MONICA, CA



**TIM BYRNE**  
EVP | REGIONAL DIRECTOR

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FOR SALE