

OFFERING MEMORANDUM

**3432 RICHLAND DRIVE
SANTA BARBARA, CA**

OFFERED AT \$3,295,000



**BERKSHIRE
HATHAWAY** | California
HomeServices Properties
COMMERCIAL DIVISION



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Prime Central Location Multi-Family Opportunity

3432 Richland Drive is a rare opportunity to purchase an attractive and mostly-stabilized mid-size multi-family building in the center of Santa Barbara's Upper State corridor. The investment offers solid current rents yielding a cap rate approaching in the mid-5%'s, with room for cap rate growth over time through further upgrades as apartments turn over. There are 8 units configured in a single L-shaped 2-story building, the unit mix is 1 x 2-BR/1-BA, 5 x 1-BR/1-BA and 2 studios. The apartments have been well-maintained inside and out, with a low expense history. A secluded and nicely-finished center courtyard with palm trees has direct slider access from the downstairs units, providing a tenant amenity and showing pride of ownership. The property is set privately in a corner location where the street bends towards a cul-de-sac.

The adjacent Upper State Street corridor is a hub of dozens of restaurants, all varieties of retail, and financial services. The location is a few blocks to the Municipal Golf Course, MacKenzie Park, Loreto Plaza, La Cumbre Shopping Center and Five Points Center, as well as nearby to the Whole Foods, Gelson's and Bristol Farms gourmet markets. Cottage Hospital - Santa Barbara's largest private employer with over 3000 employees - is within 1 mile, as are Adams Elementary and the highly-regarded Peabody Elementary schools. Downtown Santa Barbara is just 2 miles away, and the beaches and waterfront are 3 miles away.

Beautiful and sunny Santa Barbara, California is one of the premier small coastal cities in the world, a magnet for tourism, and which offers an unmatched quality of life for its fortunate residents. Consider this very well-located property for a secure ongoing investment returning a good yield in a great location, and with continued upside potential.

Address: 3432 Richland Drive, Santa Barbara, CA 93105

Assessor Parcel Number: 051-061-018

Zoning: R-M (residential multi-family)
USS (Upper State Street overlay)

Lot Size: 9,583 square feet / 0.22 acres

Year Built: 1962

Building Size: Approx. 4,707 square feet (\$700/SF)

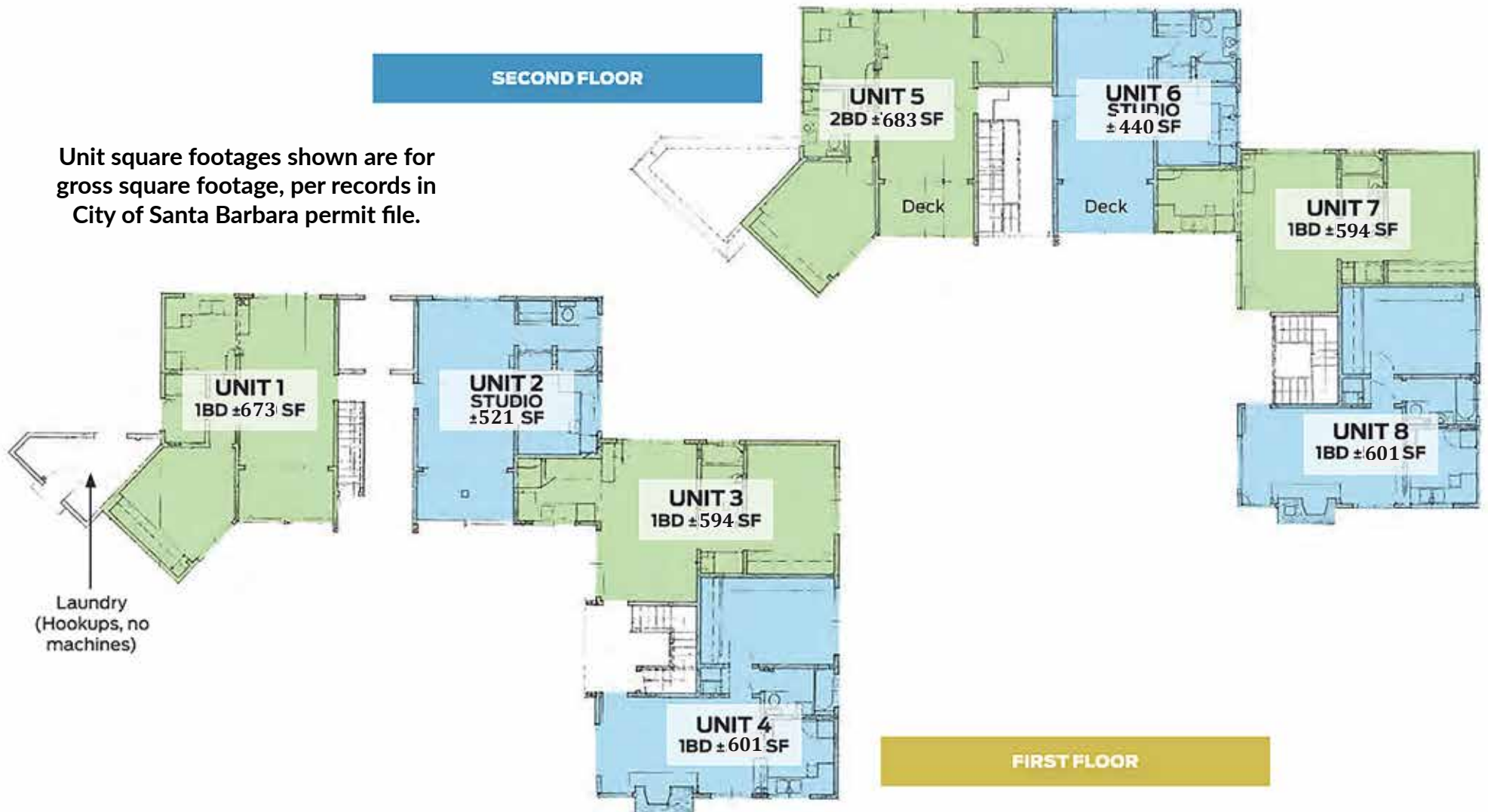
Number of Units: 8 units (\$412K per unit)

Unit Mix: 1 x 2-BR/1-BA, 5 x 1-BR/1-BA, 2 x studios

Parking: 8 spaces (uncovered)

UNIT FLOORPLANS

3432 RICHLAND DRIVE
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PHOTOS EXTERIOR

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PHOTOS INTERIOR

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Living Room (typ.)



Fireplace in Unit #4



Kitchen (typ.)



Kitchen (typ.)



Bedroom (typ.)



Bedroom (typ.)



Bathroom (typ.)



Bathroom (typ.)

INCOME

The income chart below shows the current rent roll, and for projected rent at a next rent increase estimated at 2%. The market rent column is estimated for the current condition of the units, and the upgraded rent column projects rents after future improvements. The pro-forma summary on the following page shows the solid cap rate in place approaching the mid-5%'s, along with the estimated upside scenarios. Buyer to confirm all local and state laws regarding tenant protections and potential rent stabilization, in assessing a time horizon for property upgrades.

UNIT #	TENANT START DATE	BEDS / BATH / APPROX. SF	CURRENT RENT	2027 ESTIMATED RENTS @ 2% INCREASE	ESTIMATED MARKET RENTS (AS-IS)	ESTIMATED UPGRADED CONDITION RENTS
1	6/22/2025	1 / 1 / 673	\$3,150	\$3,213	\$3,300	\$3,700
2	7/27/2026	Studio / 521	\$2,500	\$2,550	\$2,600	\$2,850
3	8/1/2026	1 / 1 / 594	\$2,895	\$2,953	\$3,000	\$3,250
4	3/20/2019	1 / 1 / 601	\$2,379	\$2,427	\$3,000	\$3,250
5	5/1/2026	2 / 1 / 683	\$3,404	\$3,472	\$3,500	\$3,700
6	12/1/2019	Studio / 440	\$1,828	\$1,865	\$2,500	\$2,750
7	6/1/2026	1 / 1 / 594	\$2,895	\$2,953	\$3,000	\$3,250
8	12/19/2009	1 / 1 / 601	\$2,234	\$2,279	\$3,000	\$3,250
TOTAL MONTHLY			\$21,285	\$21,711	\$23,900	\$26,000
TOTAL ANNUAL			\$255,420	\$260,528	\$286,800	\$312,000

EXPENSES

EXPENSE CATEGORY	2026 ESTIMATED ANNUAL TOTAL *	2027 ESTIMATED EXPENSES **	ANNUALIZED PRO-FORMA AT MARKET RENTS ***	ANNUALIZED PRO-FORMA AFTER UPGRADES ****
Property Taxes (~1.057%)	\$34,818	\$35,514	\$36,949	\$36,949
Insurance	\$7,500	\$7,725	\$8,195	\$8,195
Water/Trash (master meter)	\$9,157	\$9,432	\$10,006	\$10,006
Gas (master meter)	\$3,691	\$3,802	\$4,034	\$4,034
Electric (common only)	\$367	\$378	\$401	\$401
Repairs/Maintenance/etc.	\$4,120	\$4,244	\$4,502	\$4,502
Landscaping	\$2,472	\$2,546	\$2,701	\$2,701
Management (5%)	\$12,771	\$13,026	\$14,340	\$15,600
Reserves/Vacancy (2%)	\$5,108	\$5,211	\$5,736	\$6,240
TOTAL ANNUAL	\$80,004	\$81,878	\$86,864	\$88,628

* Based on earlier expenses plus 3% annual inflation, except Property Taxes, Insurance and Management are new Buyer estimates

** Assumes 2% rent bump, Buyer's new estimated expenses using 3% inflation for next year, except 2% property taxes

*** Assumes another 2 years of 3% inflation for regular expenses, 2% for property taxes

**** Assumes renovated-condition expenses after 2 years of 3% inflation

SUMMARY

SUMMARY METRIC	CURRENT	2027 ESTIMATED @ 2% INCREASE	MARKET RENT PRO-FORMA	POST-UPGRADE PRO-FORMA
Annual Income	\$255,420	\$260,528	\$286,800	\$312,000
Annual Expenses	\$80,004	\$81,878	\$86,864	\$88,628
Net Operating Income	\$175,416	\$178,651	\$199,936	\$223,372
Total Investment (incl. reno)	\$3,295,000	\$3,295,000	\$3,295,000	\$3,695,000
CAPITALIZATION RATE	5.32%	5.42%	6.07%	6.05%
GROSS RENT MULTIPLIER	12.90	12.65	11.49	11.84

PROXIMITY HIGHLIGHTS

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BEACHES & WATERFRONT

PACIFIC OCEAN

DOWNTOWN
SANTA BARBARA

MACKENZIE
PARK

COTTAGE
HOSPITAL

MUNICIPAL
GOLF COURSE

LORETO PLAZA

STATE STREET

SUBJECT PROPERTY
3432 RICHLAND DRIVE

NEARBY AMENITIES

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Major Shopping Centers



Loreto Plaza - 2 blocks
La Cumbre Plaza - 6 blocks
Five Points Center - 7 blocks

Gourmet Food Stores



Gelson's Market - 2 blocks
Whole Foods - 4 blocks
Trader Joe's - 5 blocks
Bristol Farms - 6 blocks

Notable Restaurants



Harry's Plaza Cafe - 2 blocks
Lure Fish House - 6 blocks
Los Agaves - 6 blocks
Chuck's of Hawaii - 7 blocks

Medical Facilities



Cottage Hospital - 1 mile
Sutter Health - 1 mile
Ridley-Tree Cancer Ctr - 1 mile

Schools



Peabody Charter - 5 blocks
Providence Private - 6 blocks
Adams Elementary - 7 blocks

Parks / Recreation



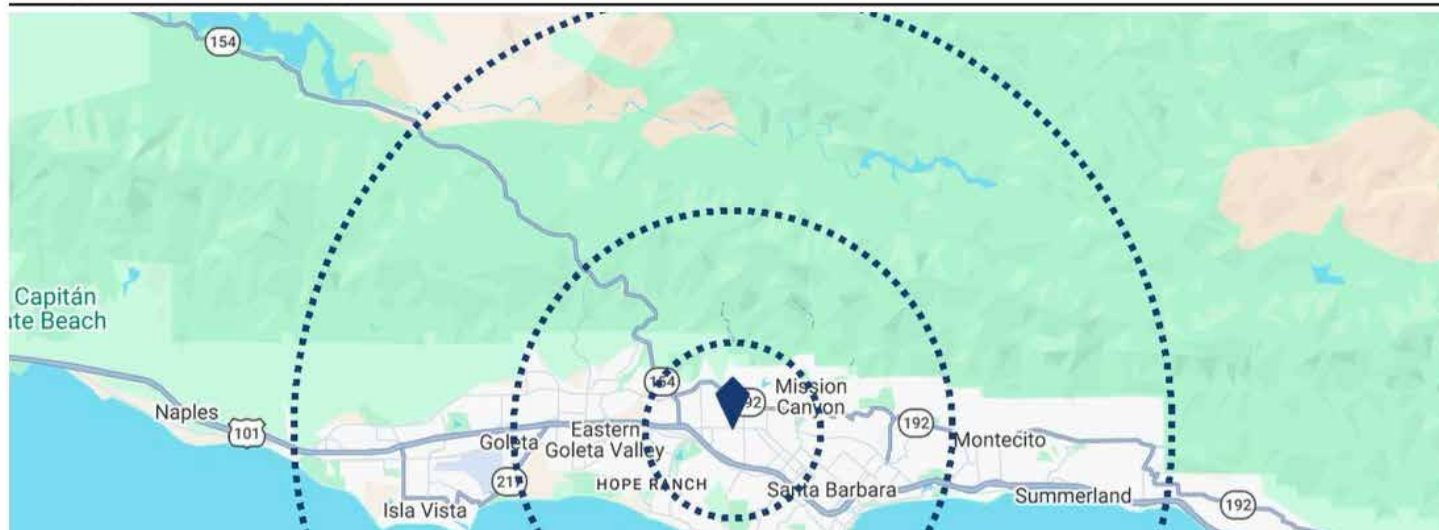
MacKenzie Park - 3 blocks
YMCA Pool/Gym - 6 blocks
Muni Golf Course - 6 blocks

AREA DEMOGRAPHICS

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Population (2 mi)	Avg. HH Size (2 mi)	Avg. Age (2 mi)	Med. HH Inc. (2 mi)
48,961	2.3	44	\$111,339

DEMOGRAPHIC RADIUS RINGS



DEMOGRAPHIC SUMMARY

	2 Mile	5 Mile	10 Mile
Population			
2025 Population	48,961	130,325	185,072
2030 Population	48,963	130,159	184,686
Pop Growth 2025-2030	0.0%	(0.1%)	(0.2%)
2025 Average Age	44	42	41
Households			
2025 Households	19,913	50,409	69,391
2030 Households	19,895	50,339	69,252
Household Growth 2025-2030	(0.1%)	(0.1%)	(0.2%)
Median Household Income	\$111,339	\$107,312	\$104,224
Average Household Size	2.3	2.4	2.5
Average HH Vehicles	2	2	2
Housing			
Median Home Value	\$1,106,197	\$1,107,840	\$1,103,957
Median Year Built	1964	1966	1968

A World-Class Boutique Coastal City

Santa Barbara, California with its moderate year-round climate and 330 annual days of sunshine on the Pacific Ocean, is one of the premier vacation and retirement destinations in the entire world, and offers its lucky residents a wealth of amenities, culture and recreation, diverse economic opportunities, and aesthetic beauty. Santa Barbara packs all its wonder in a small size, with a population of ~95,000 in the city proper, and ~275,000 in the larger metropolitan area. The secluded and peaceful coastal location is isolated from the traffic and other issues in major cities, yet Santa Barbara is only 100 miles to the Los Angeles area and 300 miles to the San Francisco Bay Area, and is served by a national airport.

Beyond the \$2.2B annual tourism industry supporting dozens of boutique hotels and a couple of hundred restaurants, the Santa Barbara area is known for its world-class medical facilities including Cottage Hospital and Sansum Clinic, cutting-edge technology and software enterprises including Sonos and Pro-Core, and notable educational institutions including the University of California at Santa Barbara, Santa Barbara City College, and Westmont College. Annual festivals big and small happen nearly every week, and there are ample recreational opportunities by the waterfront and beaches, as well as in the Santa Ynez mountains right behind the city. There are 3 major performing arts theaters downtown, several renowned museums, and a multitude of parks and specialty gardens. The city's energy is driven by an abundant spirit of hospitality, entrepreneurship, patronage of arts and culture, and love of life.

All these wonderful features of Santa Barbara provide bountiful employment opportunities and amenities for residents, adding up to a never-ending tenant demand for apartment housing in central locations such as 3432 Richland Drive.

"The American Riviera"



Beautiful Mediterranean Architecture



Downtown Life



3 Grand Performing Arts Theaters



Waterfront and Beaches



Mountain Recreation



Santa Barbara Harbor



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