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2408 OCEAN PARK BOULEVARD Executive Summary

ADDRESS	2408 Ocean Park Blvd
• CITY, STATE ZIP	Santa Monica, CA 90405
YEAR BUILT	1961
• GROSS SF	± 6,160

■ LOT SIZE (SF)	±6,830
 PARCEL NUMBER 	4272-023-031
 PARKING SPACES 	10 Spaces
ZONING	SMR3*

2408 OCEAN PARK BOULEVARD Investment Highlights

- Great value-add apartment complex totaling ten units with a building SF of ± 6.160 on a ± 6.406 SF lot
- Unit mix consisting of (2) 2 bed / 1.75 bath, (5) 1 bed / 1 bath, and
 (3) -studio / 1 bath units with some units maintaining balconies
- Most units have laminate flooring, carpet in the bedrooms, and sliding mirror closet doors in bedrooms
- Three units to be delivered vacant with updated finishes
- 10 tuck-under parking spaces (retrofit potentially needed-Received Bid for $\sim\!\!80,\!000)$
- On-site laundry machines for tenant use
- The property sits within proximity to many retailers, delis restaurants, and employers in the Santa Monica/Silicon Beach market place
- Short trip to the beach, airport, and freeways
- Quiet, well maintained asset allowing for less time intensive management responsibilities
- Clean landscaping in the front of the property with alley access to building in the rear portion of the property
- Short drive to Google's new 585,000 SF campus at the Westside Pavilion that cements long term rent growth possibilities for a potential Buyer



OCEAN PARK TEN

Smart and Stable Investment Opportunity

Located in Santa Monica, this asset is comprised of (5)- 1 bed/ 1 bath, (3)-studio / 1 bath, and (2)-2 bed / 1.75 bath units with on-site laundry facilities atop a spacious 6,830 square foot lot. With three vacant units and 10 parking spaces, this ten-unit apartment building is the perfect opportunity for an investor looking to capitalize on premium rent prices through the execution of cost-effective finishes in a growing portion of Santa Monica.

Situated between two major So-Cal beaches, Venice Beach and Santa Monica State Beach, this building is a 10- minute drive from the Pier and Downtown Santa Monica. Just a short drive to Lincoln Blvd, this property is near major markets Whole Foods, Trader Joe's and Gelson's and surrounded by an array of takeout and dining options.

Situated with easy access to the 10 and 405 Freeway, this property is perfect for tenants who want the aid-back beach lifestyle in an area just close enough to LA for work or play. This property offers investors the ability to maximize profitability on tenants who want to live in one of the most highly sought-after neighborhoods in the Los Angeles County surrounded by upscale entertainment and occupational opportunities.









Financial Overview



LIST PRICE		
Price		\$4,015,000
Price per Unit		\$401,500
Price per SF		\$651.79
GRM	16.32	14.22
Cap Rate	4.23%	5.10%
	Current	Projected

FINANCING		
Down	45%	\$1,806,750
Loan	55%	\$2,208,250
Amort Years		30
Interest Rate		3.40%
Payments		(\$9,793)

THE ASSET	
Number of Units	10
Year Built	1961
Gross SF	6,160
Lot SF	6,406
APN	4272-23-031

NUMBER OF UNITS	UNIT TYPE	UNIT SF	CURRENT RENT	RENT PER SF	CURRENT TOTAL	PROJECTED RENT	RENT PER SF	PROJECTED TOTAL
2	2 Bed / 1.75 Bath	950	\$2,769	\$2.91	\$5,538	\$3,200	\$3.37	\$6,400
5	1 Bed / 1 Bath	600	\$2,065	\$3.44	\$10,325	\$2,300	\$3.83	\$11,500
3	Studio / 1 Bath	400	\$1,635	\$4.09	\$4,905	\$1,875	\$4.69	\$5,625
10					\$20,507			\$23,525

ANNUAL INCOME		CURRENT		PROJECTED
Gross Potential Rent		\$246,084		\$282,300
Pass Through Fees	Actual	\$1,392	1.5% Increase	\$1,413
Other Income	Actual	\$893	3% Increase	\$920
General Vacancy	2%	(\$4,922)	2%	(\$5,646)
Effective Gross Income		\$243,448		\$278,987

ANNUAL EXPENSES	ASSUMPTION	CURRENT		PROJECTED
Real Estate Taxes	1.178512%	(\$47,317)	1.174279%	(\$47,317)
Direct Assessments	Per LA County	(\$1,629)	3% Increase	(\$1,678)
Insurance	\$.40 per SF	(\$2,464)	3% Increase	(\$2,538)
Water & Power	2020 Actual	(\$8,445)	3% Increase	(\$8,699)
So Cal Gas	2020 Actual	(\$17)	3% Increase	(\$18)
Rent Control Fees	2020 Actual	(\$1,980)	3% Increase	(\$2,039)
Pest Control	2020 Actual	(\$698)	3% Increase	(\$719)
Landscaping	\$100 per Month	(\$1,200)	\$100 per Month	(\$1,200)
Repairs & Maintenance	4% of EGI	(\$9,738)	3% Increase	(\$10,030)
Total Expenses		(\$73,488)		(\$74,238)
Expenses per Unit		\$7,349		\$7,424
Expenses/SF		\$11.93		\$12.05
% of EGI		30.19%		26.61%

ANNUAL RETURN	CURRENT	PROJECTED
NOI	\$169,959	\$204,749
Less Debt	(\$117,518)	(\$117,518)
Cashflow	\$52,441	\$87,231
Cash on Cash	2.90%	4.83%
DSCR	1.45	1.74

Current Rent Roll



Unit Number	Туре	Unit SF	Current Rent Total	Rent per SF	Projected Rent	Rent per SF	Move-In Date	Lease Expiration	Property Tax Pass-Through	Notes
1	2 Bed / 1.75 Bath	950	\$2,340	\$2.46	\$3,200	\$3.37	24-Aug-15	M-to-M	\$24.88	
2	2 Bed / 1.75 Bath	950	-	-	\$3,200	\$3.37	-	-	-	VACANT AND RENT READY
3	1 Bed / 1 Bath	600	\$2,159	\$3.60	\$2,300	\$3.83	01-Aug-17	M-to-M	\$24.88	
4	1 Bed / 1 Bath	600	\$1,900	\$3.17	\$2,300	\$3.83	01-Jul-21	31-Jul-22	-	
5	Studio / 1 Bath	400	-	-	\$1,800	\$4.50	-	-	-	VACANT AND RENT READY
6	1 Bed / 1 Bath	600	\$2,037	\$3.40	\$2,300	\$3.83	15-Jul-19	M-to-M	\$8.25	
7	1 Bed / 1 Bath	600	\$1,965	\$3.28	\$2,300	\$3.83	01-Jul-18	M-to-M	\$8.25	
8	Studio / 1 Bath	400	-	-	\$1,800	\$4.50	-	-	-	VACANT AND RENT READY
9	Studio / 1 Bath	400	\$1,044	\$2.61	\$1,800	\$4.50	01-Nov-10	M-to-M	\$24.88	
10	1 Bed / 1 Bath	600	\$2,262	\$3.77	\$2,300	\$3.83	20-Feb-18	M-to-M	\$24.88	
TOTALS		6,100	\$13,707.00		\$23,300.00				\$116.02	



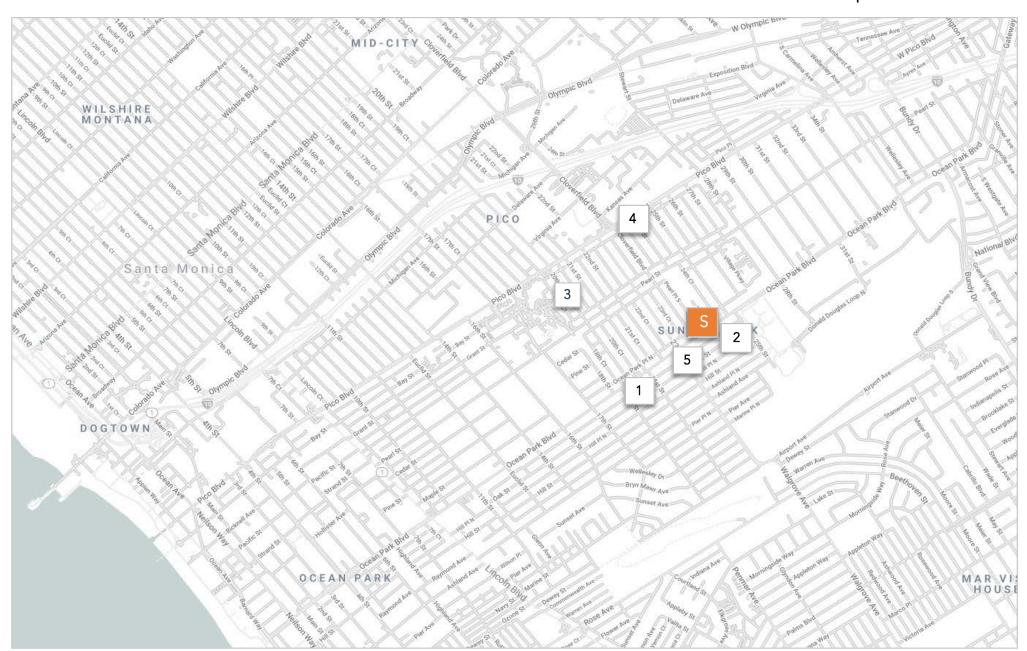
Comparable Sales



ADDRESS	# OF UNITS	BUILDING SF	LOT SIZE	YEAR BUILT	UNIT MIX	SALE DATE	PRICE	PRICE PER SF	PRICE PER UNIT	CAP RATE	GRM
1) OAK FIVE APARTMENTS	5	4,607	6,970	1979	(1) - 1 Bed / 1.5 Bath	02/22/21	\$2,580,000	\$560	\$516,000	4.31%	16.63
1807 Oak Street					(3) - 1 Bed / 1 Bath						
Santa Monica, CA 90405					(1) - 3 Bed / 2 Bath						
2) OAK STREET SIX	6	3,569	7,009	1948	(6) - 1 Bed / 1 Bath	09/03/21	\$3,036,000	\$851	\$506,000	3.20%	18.45
2450 Oak Street											
Santa Monica, CA 90405											
3) LAKEFIELD APARTMENTS	6	7,539	7,405	1969	(1) - 1 Bed / 1 Bath	09/29/20	\$3,670,000	\$487	\$611,667	3.53%	19.11
2228 20th Street					(4) - 2 Bed / 2 Bath						
Santa Monica, CA 90405					(1) - 3 Bed / 2.5 Bath TH						
4) Bentley Place Five	5	3,412	7,514	1947	(1) - Studio / 1 Bath	09/24/21	\$2,290,000	\$671	\$458,000	-	-
2218 24th Street					(3) - 1 Bed / 1 Bath						
Santa Monica, CA 90405					(1) - 1 Bed / 1 Bath						
5) 2224 Oak Street	6	3,590	8,273	1937	(2) - Studio / 1 Bath	10/13/21	\$2,700,000	\$752	\$450,000	3.84%	16.99
Santa Monica, CA 90405					(4) - 1 Bed / 1 Bath						
AVERAGES	6	5,238	7,128	1965		03/09/21	\$3,095,333	\$632	\$544,556	3.68%	18.06
S) OCEAN PARK TEN	10	6,160	6,406	1961	(2) - 2 Bed / 1.75 Bath	<u> </u>	\$4,015,000	\$651.79	\$401,500	4.23%	16.32
2408 Ocean Park Boulevard					(5) - 1 Bed / 1 Bath						
Santa Monica, CA 90405					(3) - Studio / 1 Bath						



Comparable Sales



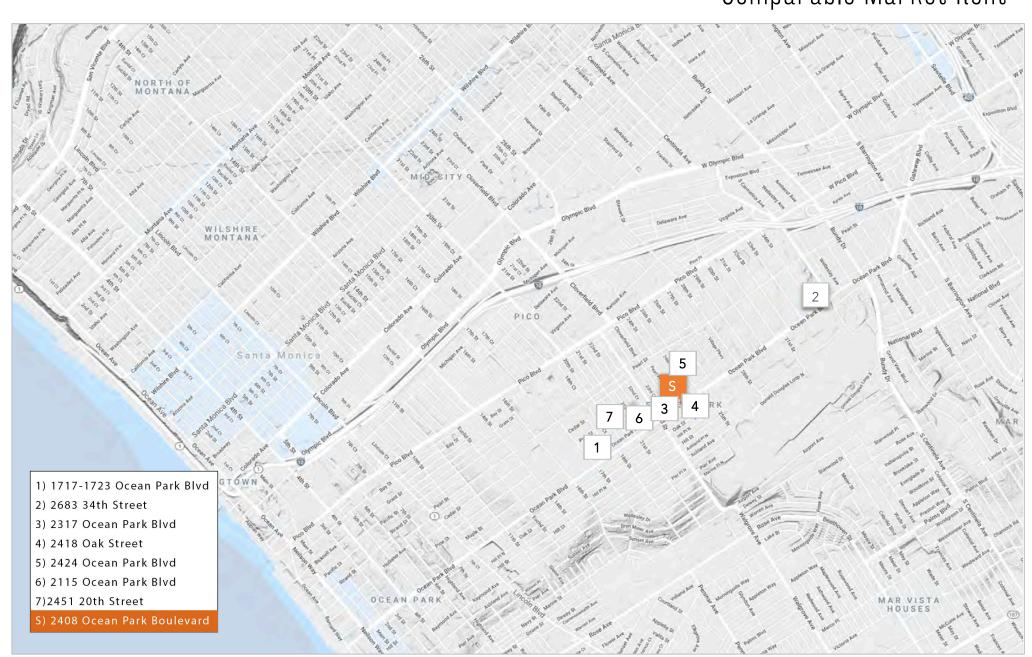
Comparable Market Rent



ADDRESS	UNIT TYPE	UNIT SF	RENT	RENT PER SF	YEAR BULT	AMENITIES
1 Ocean Park Blvd	Studio / 1 Bath	400	\$1,550	\$3.88	1954	On-site laundry facilities, hardwood flooring
1717-1723 Ocean Park Blvd						heating and A/C, updated bathroom fixtures, covered parking
Santa Monica, CA 90405						covered parking
2 2683 34th St	Studio / 1 Bath	500	\$1,850	\$3.70	1959	In-unit washer and dryer, A/C and heating,
Santa Monica, CA 90405						stainless steel appliances, hardwood and tile floors, granite countertops and balcony
3 OCEAN PARK BUNGALOWS	1 Bed / 1 Bath	650	\$2,450	\$3.77	1940	Hardwood floor throughout, Quartz counter-tops,
2317 Ocean Park Boulevard						Stainless steel appliances, in-unit washer / dryer,
Santa Monica, CA 90405						and private rear yard
4) 2418 Oak Street	1 Bed / 1 Bath	500	\$2,200	\$4.40	1947	On-site laundry, hardwood flooring, individual a/c,
Santa Monica, CA 90405						second story unit
5) 2424 Ocean Park Blvd	2 Bed / 1 Bath	794	\$2,714	\$3.42	1962	Has on-site laundry, new kitchen cabinets, new
Santa Monica, CA 90405						countertops and new appliances, new hardware and fixtures, A/C and vinyl flooring
6) 2115 Ocean Park bouelvard	2 Bed / 1 Bath	900	\$3,500	\$3.89	1963	Stainless steel appliances, in-unit washer/dryer
Santa Monica, CA 90405						one parking space, hardwood floors
7) 2451 20th Street	2 Bed / 2 Bath	950	\$3,000	\$3.16	1976	Stainless steel appliances, in-unit washer/dryer,
Santa Monica, CA 90405						one parking space, hardwood floors
AVERAGES	Studio / 1 bath	450	\$1,700	\$3.79	1957	
	1 Bedrooms	575	\$2,325	\$4.08		
	2 Bedrooms	881	\$3,071	\$3.49		
S) Subject	2 Bedrooms	950	\$2,769	\$2.91	1961	
2408 Ocean Park Blvd	1 Bedroom	600	\$2,065	\$3.44		
Santa Monica, CA 90405	Studio	400	\$1,635	\$4.09		



Comparable Market Rent





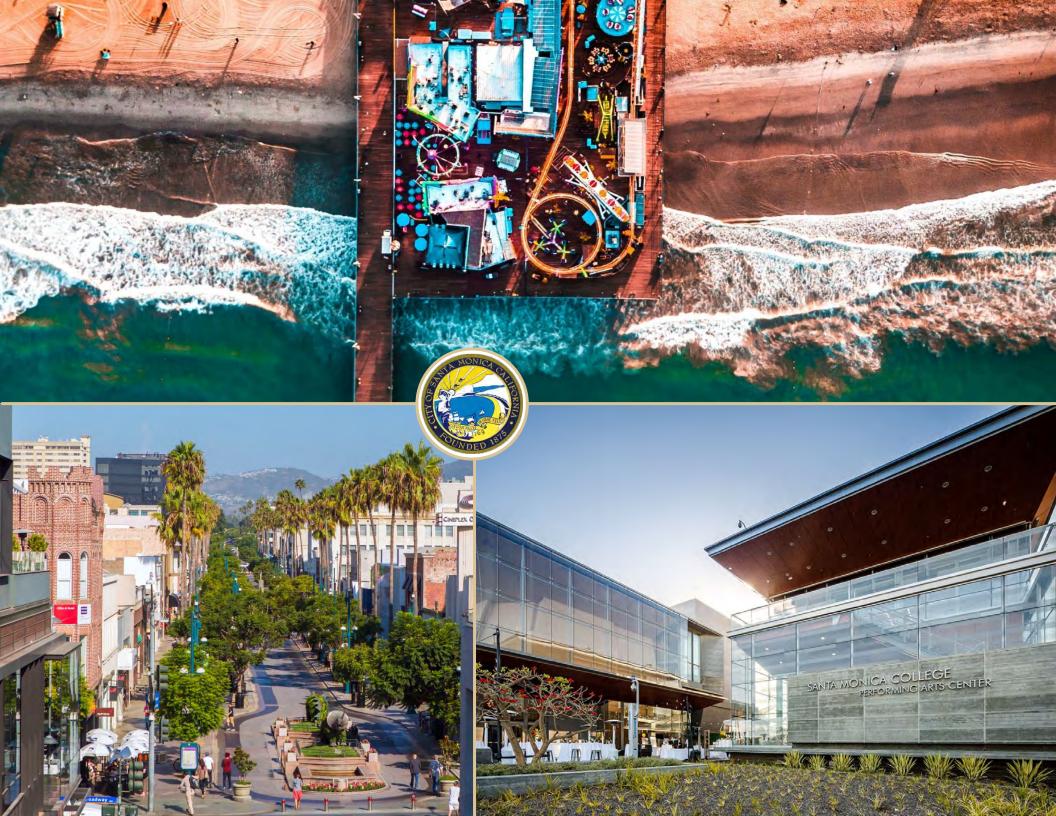




Very Walkable - Most errands can be accomplished on foot.

Excellent Transit - Transit is convenient for most trips.

Biker's Paradise - Flat as a pancake, excellent bike lanes.



NEIGHBORHOODS

OCEAN PARK BOULEVARD

Running southeast from the Santa Monica Pier is Ocean Park. That local, artsy aesthetic of Main Street extends here, comprising independent coffee shops, boutique stores, and art galleries. Located just east of Ocean Park is the Santa Monica Airport. Not only is this a working airport for private jet owners, but it also is the location of the Museum of Flying, which features numerous aircraft and artifacts, including a Wright Flyer replica and World War II planes, and adjacent to the Spitfire Grill.

PICO BOULEVARD

Running parallel to I-10 is perhaps the most ethnically diverse neighborhood in Santa Monica: Pico. The people here can vary, from college students strolling in and around Santa Monica College to locals popping in and out of the clothing boutique shops, record stores, and art galleries. Saturday mornings on Pico feature a smaller, more local farmers market than the Downtown Santa Monica Farmers Market; the Pico iteration usually comprises no more than 30-40 local farmers.

SANTA MONICA PIER

The palm tree-lined avenue and views overlooking the Pacific Ocean make the Santa Monica Pier area and Ocean Avenue one of the most iconic locations in Santa Monica. Unique hotels, such as The Georgian and The Shore, dot Ocean Avenue while open-air restaurants and bars, such as Blue Plate Oysterette and The Bungalow, line the avenue. Just down from Ocean Avenue is perhaps Santa Monica's most famous attraction, the Santa Monica Pier. This attraction dates back to 1909, and features a solar-paneled Ferris wheel, amusement park, aquarium, and live concerts and movies during the summer months.



DEMOGRAPHICS

DEMOGRAPHIC DATA	1 Mile	3 Miles	5 Miles
Total Households	18,722	106,822	204,829
Total Population	36,816	216,494	433,935
Population White	28,537	157,925	308,208
Population Black	1,349	8,087	16,773
Population Hispanic	4,196	29,422	64,340
Population Asian	3,771	27,646	63,218
Population Pacific Islander	39	109	244
Population American Indian	15	1,022	1,868
Population Other	1,824	14,242	29,390
Persons Per Household	2	2	2.1
Average Household Income	\$103,084	\$117,601	\$120,184
Average House Value	\$760,246	\$930,779	\$914,953
Average Age	39.8	38.5	38.3
Average Age Male	39.8	38.3	38
Average Age Female	40.5	38.8	38.6

SILICON BEACH SYNERGY

Silicon Beach is the Westside region of the Los Angeles metropolitan area that is home to over 500 tech startup companies, with emphasis on the coastal strip north of LAX to Santa Monica Mountains, but the term may be applied loosely or colloquially to refer to most anywhere in the LA Basin. Major technology companies have opened offices in the region including Google, Yahoo!, YouTube, BuzzFeed, Facebook, Salesforce, AOL, Electronic Arts, Sony, EdgeCast Networks, and MySpace. Additionally, several mobile ventures seeded here like Snapchat and Tinder. In 2012, the region was considered the second- or third-hottest tech hub in the world, according to some metrics.

Nevertheless, the headquarters of these established corporate tech titans tends to be elsewhere, though the region has had startups proliferation. Unlike the traditional definition of Silicon Valley (Menlo Park to Santa Clara) where the economy is overwhelmingly technology geared, Silicon Beach, much like San Francisco, tends to have a more diversified economy whereby tourism, finance, and/or other industries also play a major role.



THE GOOGLE EFFECT

Technology Companies and Their Impact on Multi-family Housing

Technology companies have positively served multifamily housing investors since their rapid growth in the early 2010's. 2408 Ocean Park Boulevard rests in a central location to many of the existing and future tech hubs that office within the Los Angeles housing market. With the future of the world relying heavily on tech, a prospective investor will have the comfort of knowing that their investments will have outpaced rental growth due to housing competition maintained by high wage occupants working at these companies.

In 2019, Google agreed to sign a 14-year lease for the $\pm 585,000$ square feet of office space located at the Westside Pavilion in West Los Angeles off the 405 and 10 Freeways. With the unprecedented lease execution, the sub-market is slated for more years of outpaced steady returns along with acting as a great hedge against potential downturns in the multifamily investment market.

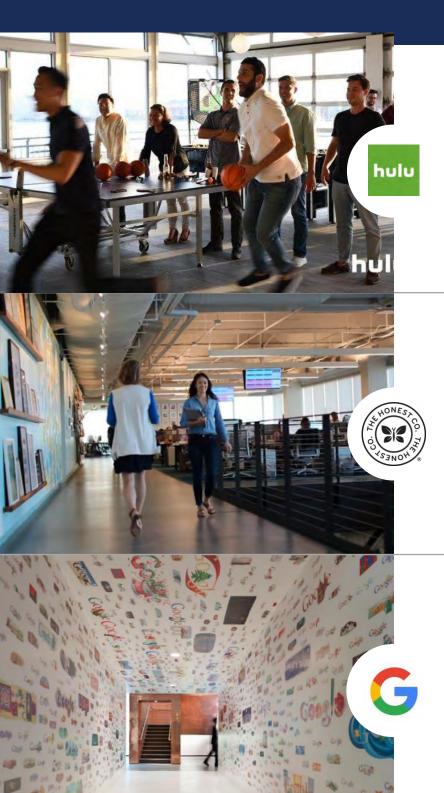
In the decade between the year 2000 and 2010, the Los Angeles Department of City Planning found that rents increased by 28% (1). In that decade, rental growth rates fell very close to the increase in the Consumer Price Index during the same period.

Upon the huge investment of technology companies into the Silicon Beach area of Los Angeles, the U.S. Department of Housing and Urban Development published that apartment rental rates in the Santa Monica housing market have increased at an annual rate of approximately 6% while the national average has grown at approximately 3.5% (2).

REFERENCES

- 1) University of Southern California, "Even Before the Pandemic, Struggling L.A. Renters Cut Back on Food, Clothes, and Transportation", December 15, 2020 https://news.usc.edu/179928/los-angeles-rent-burdened-households-basic-needs-usc-research/
- 2) U.S. Department of Housing and Urban Development, Office of Policy Development and Research, "Comprehensive Housing Market Analysis-Los Angeles Metropolitan Division Series Focus On: Westside, California", August 1, 2020 https://www.huduser.gov/portal/publications/pdf/LosAngeles-WestsideCA-CHMA-20.pdf

SILICON BEACH HEADQUARTERS



HULU

Hulu's streaming platform features a wide array of popular television shows just hours after they air live. The company occupies a 90,000-square-foot, fully customized space in the mid-city neighborhood of Santa Monica.

Industry: Media | Funding: \$683M

THE HONEST COMPANY

The Honest Company provides a line of safe products, ranging from beauty items to cleaning supplies, for the family and for use in the home. The company is also known for giving back, donating products and volunteering on a regular basis.

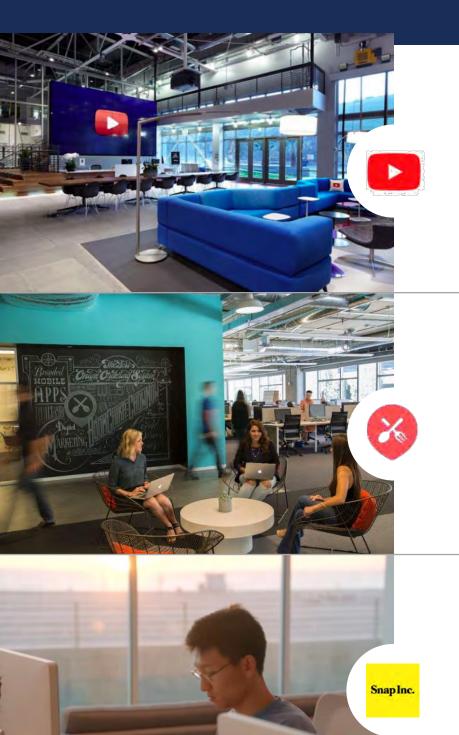
Industry: E-Commerce | Funding: \$303M

GOOGLE

Currently in Venice, the world's leading search engine is moving into a huge Playa Vista space once occupied by Howard Hughes' famous aircraft, the Spruce Goose. It comes as no surprise since Playa Vista once operated solely as Hughes' private airport.

Industry: Software | Funding: \$36.1M

SILICON BEACH HEADQUARTERS



TEN UNIT APARTMENT COMPLEX I 2408 Ocean Park Boulevard

YOUTUBE

YouTube is also making use of leftover airport structures from the Hughes era, converting the spaces into offices and creative areas for their YouTube Space facility. Free to anyone with a channel boasting more than 10,000 subscribers, the building is over 40,000-square-feet of sets, screening rooms, editing booths, dressing rooms and more.

Industry: News + Entertainment | Funding: \$11.5M

CHOWNOW

ChowNow makes software for the restaurant industry. Providing products such as online ordering systems, management tools and customer insights, ChowNow helps businesses get to know their customers and stay on top of the trends.

Industry: Food | Funding: \$43M

SNAP INC.

Snap Inc., the company responsible for Snapchat, is straddling multiple California locations at the moment. The social media company once boasted a spread of offices throughout Venice but has since made moves to a space near the Santa Monica airport.

Industry: Software | Funding: \$4.6B

























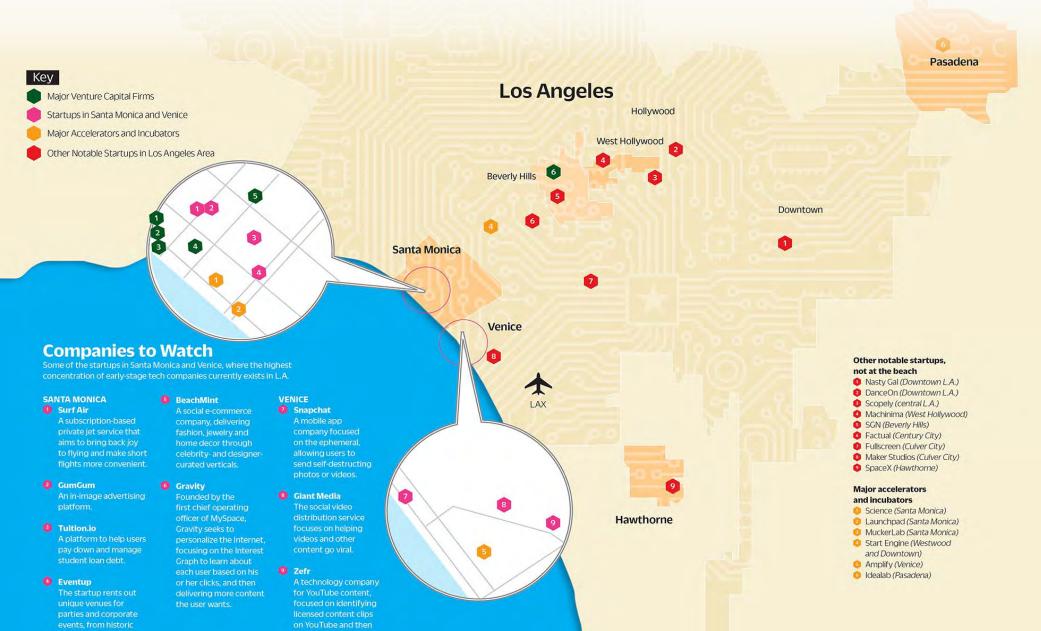


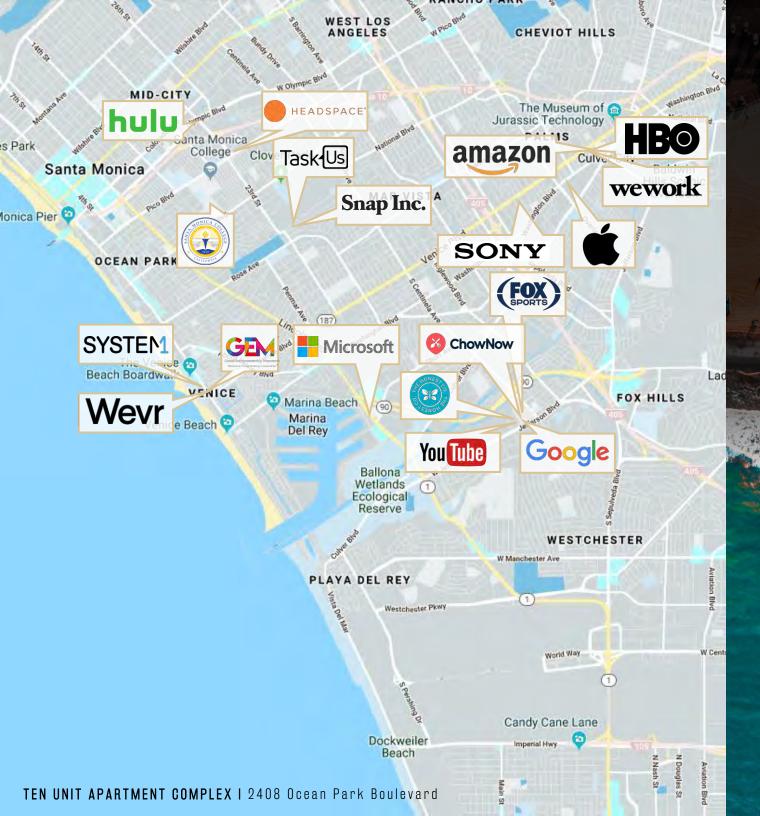












SILICON BEACH SYNERGY

Los Angeles has a flourishing hub of innovative companies putting down roots outside of the San Francisco tech epicenter. Known as "Silicon Beach," due to its proximity to surf and sand, the tech community's attraction to the area is partly credited to its proximity to LAX and the diversity of LA's industries. While Silicon Beach is sometimes used to loosely describe both LA and Orange County, the tech community specifically refers to the stretch of cities west of LA, spanning from Santa Monica to Venice, often including communities as far as Hermosa Beach. As we see it, Silicon Beach encompasses the following tech hubs: Santa Monica, Venice, Marina del Rey, Playa Vista, Playa del Rey, El Segundo, Manhattan Beach and Hermosa Beach, respectively.

