

40th & highland



230 40TH STREET, MANHATTAN BEACH, CA
A TROPHY MIXED USE INVESTMENT OPPORTUNITY

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MANHATTAN BEACH

230

FOURTIETH STREET



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THE OFFERING

A trophy mixed use investment opportunity in Manhattan Beach, steps from El Porto Beach. This rare surfside asset consists of groundfloor retail, office space, and a penthouse top floor residence with a balcony that boasts unobstructed ocean views.

Marcus & Millichap is pleased to present 230 40th Street and 3917 Highland Avenue, a rare 3,221 square foot mixed use investment opportunity in prime Manhattan Beach, CA. Built in 1935 and to be delivered fully vacant, the building is in excellent condition and has significant value add potential. The property is comprised of two adjacent parcels zoned for mixed use, totalling 3,574 square feet of lot area with frontage along 40th St, El Porto St and Highland Avenue, the main commercial corridor of Manhattan Beach.

The groundfloor consists of approximately 1,600 square feet of retail space, a small office and garage access. The upper levels have 3 separate residential units: (2) two bedroom residential units and three bedroom penthouse with balconies overlooking the ocean and the world-renowned El Porto Beach.

Ideally located along Highland Avenue and just steps from the sand, the asset benefits from convenient accessibility to sought-after beaches, high profile employment, and local boutique retail and dining. While the groundfloor retail benefits from pedestrian foot traffic on Highland Avenue, the residential units feel like a private luxury beachside getaway.

Manhattan Beach is home to high profile residences, several parks, boutiques, brunch cafes, pubs, and upscale eateries centered around the Downtown District. The true beach town is consistently ranked one of the most expensive zip codes in the US and best school districts in LA county.

Manhattan Beach is one of the three Beach Cities that make up the South Bay. Situated conveniently close to LAX, Manhattan Beach is a popular attraction for a beach lover thanks to the ultra-smooth sand volleyball nets and picture perfect water that offers breathtaking views and just the right amount of waves to make it a hot spot for surfing.

Downtown Manhattan Beach is the bustling center of the city, loaded with high-end boutiques, retailers, and many popular casual and fine-dining restaurants. The Manhattan Beach Pier is a 928-foot pier that houses the free Roundhouse Aquarium located at the end of Manhattan Beach Boulevard. The South Bay Bicycle Trail and a pedestrian only walkway run through the beach providing users with an intimate glimpse at some of L.A.'s most expensive beach side homes, parallel views of the Pacific Ocean, and a scenic view of the Palos Verdes Peninsula to the South.

INVESTMENT HIGHLIGHTS

Trophy Beachside Investment Opportunity:

230 40th Street is a rare mixed use investment opportunity in the high barrier to entry location of Manhattan Beach, CA.

Opportunity to Add Value:

Incoming investor(s) can implement a renovation plan to update remaining outdated units and capitalize on Manhattan Beach's supply constrained demand for retail and housing.

Excellent Unit Mix:

The property consists of (2) Retail and (3) Apartment Units.

Affordability Gap:

A vast majority of households are priced out of single-family home and owner user retail ownership in Manhattan Beach. This property is an excellent rental option for young adults and business owners who are unable financially to purchase real estate in this highly sought after neighborhood.

Irreplaceable Manhattan Beach Location:

Located amongst some of LA's most expensive oceanfront residences, the property is conveniently located within walking distance of over 8,000 households and El Porto Beach, one of the most popular surf beaches in California.

Proximity to Major Employment Centers:

The property sits near Pacific Coast Highway, Rosecrans Avenue, and the 405 freeway, providing easy access to LAX and the LA Rams Sofi Stadium as well as major employment centers in El Segundo, Silicon Beach, and West Los Angeles.



PRIME MANHATTAN BEACH LOCATION



3 APARTMENT UNITS 2 RETAIL UNITS



EXCELLENT VALUE ADD POTENTIAL



THE RETAIL

DETAILS

- Fully Vacant
- Approx. 1,600 square foot retail and office space
- Three tandem parking spots (6 cars)
- Garage Access
- Tile floors
- Access from three street sidewalks



THE RESIDENCES

Property Details

- Wrap-around balconies with unobstructed ocean views
- 3 residential units
- (2) two bedroom and (1) three bedroom, plus (1) additional non-conforming unit
- 3 tandem parking spaces (6 cars)
- Hardwood floors
- Updated appliances
- Excellent natural lighting



SUMMARY OF TERMS

15
40th &
HIGHLAND

Offering Price

\$3,500,000

Interest Offered

100 percent fee-simple interest in a 3,221 mixed use commercial building and adjacent vacant parking lot.

Terms of Sale

The property is being offered free and clear of any debt to assume.



Property Details

Address:	230 40th St 3917 Highland Ave, Manhattan Beach, CA
APN's:	4137-010-005 4137-010-006
Units:	2 Retail 3 (+1*) Residential
# Of Stories:	Three
Year Built:	1935
Lot Size (SF):	3,574 SF
Gross Building SF:	3,221 SF
Land Use:	Commercial (Mixed Use)
Zoning:	MNCNE

An aerial photograph of a coastal city, likely San Diego, showing a dense residential area with a mix of single-story and multi-story buildings. A prominent road with traffic runs through the center. In the background, a sandy beach meets the ocean, with a pier extending into the water. The sky is blue with light clouds. A large teal triangular overlay is positioned on the right side of the image, containing the text 'MARKET OVERVIEW'.

MARKET OVERVIEW

AMENITIES MAP



150 Retailers



50+ Restaurants



2.1 Mi of Beachfront



Weekly Farmer's Market



MANHATTAN GATEWAY

RETAIL
BARNES & NOBLE
BEVMO
CROWN JEWELERS
MOTHER'S MARKET
OFFICE DEPOT
OLD NAVY
PIER 1 IMPORTS
REI
THE VITAMIN SHOPPE
TRADER JOE'S

RESTAURANTS
CAFE RIO MEXICAN GRILL
ILFOMAIO

THE POINT

RETAIL
HOUSTON'S
JAMBA JUICE
LIDA DI MANHATTAN
RISTORANTE
NOTHING BUNDT CAKES
PACHANICA
THE COFFEE BEAN & TEA LEAF
THE HUMMUS FACTORY
THE RICE TERIYAKI SUSHI
ROLL
UNION PIZZA CO.
YOGURTLAND

RESTAURANTS
BRISTOL FARMS
CVS PHARMACY
GNC
HELENCYCLE

SERVICES
EUROPEAN WAX CENTER
ONE WEST BANK
PLANET BEAUTY

MANHATTAN VILLAGE

RETAIL
ANN TAYLOR
APPLE
BATH & BODY WORKS
BEYOND THE SOAP
CHICO'S
CVS
DESTINATION MATERNITY
DIANE'S BEACHWEAR
ELI & ELA ROS E
FRANCESCA'S COLLECTIONS
GAP
HOLLY & HUDSON
JANIE & JACK
JENNY CRAIG
J. JILL
KIEH L'S SINCE 1851
LOFT
MACY'S
MAC COSMETICS
ORIGINS
POTTERY BARN
RALPH'S
SEPHORA
SOMA INTIMATES
SUNGLASS HUT
TALBOTS
TEAL & SAGE
TOMMY BAHAMA
VICTORIA'S SECRET
WILLIAMSSONOMA

RESTAURANTS
CALIFORNIA PIZZA KITCHEN
CHILI'S GRILL & BAR
COFFEE BEAN & TEA LEAF
CORNER BAKERY
DAN MODERN HINESE
ISLAND'S FINE BURGERS & DRINKS
JOEY MANHATTAN BEACH
OLIVE GARDEN ITALIAN KITCHEN
SUSIE CAKES
TACONE FLAVOR GRILL
TINROOF BISTRO
URBAN PLATES

SERVICES
BANK OF AMERICA
CHASE BANK
CITI BANK
STEIN OPTOMETRIC CENTER
SUPERCUTS
UNION BANK
US BANK

APOLLO LANDING

RESTAURANTS
CALO KITCHEN + TEQUILA
PHILZ COFFEE
PIER 76
RANDY'S DONUTS
SHAKE SHACK
TENDERGREENS

PLAZA EL SEGUNDO

RETAIL
ACTIVE
ANTHROPOLOGIE
BANANA REPUBLIC
BCBGMAXAZRIA
BEST BUY
DICK'S SPORTING GOODS
H&M
HOMEGOODS
J. CREW
JOS. A. BANK
NORDSTROM RACK
ORANGE TWIST
PAPER SOURCE
PETSMART
TEMPRESS COSMETICS
THE CONTAINER STORE
ULTA
WHOLE FOODS MARKET

RESTAURANTS
CALIFORNIA FISH GRILL
CAKE MIX
MAARMALADE CAFE
MELT
PINK BERRY
SALT CREEK GRILLE
STARBUCKS
SOOM SOOM
VEGGIE GRILL

SERVICES
BARRY'S BOOTCAMP
DRYBAR
HAMMER & NAILS
LEGACY DANCE ACADEMY
MIRACLES MILE
NAIL GARDEN
STRIPTS
WONDERTREE KIDS
YOGAWORKS

THE POINT

RETAIL
ATHELETABLUEMERCURY
BONOBOS
KENDRA SCOTT
LOUGREY
LUCKY BRAND
LULULEMON
MADEWELL
NORSTFORBRIDGET
OUTERKNOWN
PLANETBUE
PRANA
QUATRINE
RABBITLADDERS
SANTOLORENZO SUGARFINA
WARBY PARKER

RESTAURANTS
HOPDODDY
LIL SIMMZYS
MENDOCINO FARMS
NORTH ITALIA
PEETS COFFEE
PRESSED JUICERY
SUPERBA FOOD & BREAD
TOCAYA ORGANICA
TRUE FOOD KITCHEN
UMI BY HAMA SAKU
VANLEEUWEN ICE CREAM

SERVICES
BEE LACURES
FACEHAUS
SOULCYCLE
VICARA WELLS FARGO BANKSTRIPTS
WONDERTREE KIDS
YOGAWORKS

MANHATTAN BEACH
230
FOURTIETH STREET



MANHATTAN BEACH

Known as 'The Pearl of LA's South Bay', Manhattan Beach is home to high profile residences, long sandy beaches, and a laid-back walk-worthy community.

Manhattan Beach is one of the three Beach Cities that make up the South Bay. Situated conveniently close to LAX, Manhattan Beach is a popular attraction for beach lovers thanks to the ultra-smooth sand volleyball nets and picture perfect water that offers breathtaking views and just the right amount of waves to make it a hot spot for surfing.

Downtown Manhattan Beach is the bustling center of the city, loaded with high-end boutiques, retailers, and many popular casual and fine-dining restaurants.

The Manhattan Beach Pier is a 928-foot pier that houses the free Roundhouse Aquarium located at the end of Manhattan Beach Boulevard. The South Bay Bicycle Trail and a pedestrian only walkway run through the beach providing users with an intimate glimpse at some of L.A.'s most expensive beach side homes, parallel views of the Pacific Ocean, and a scenic view of the Palos Verdes Peninsula to the South. The path will take you all the way to Hermosa Beach, which is just a couple of miles south and makes for a good scenic route.

\$237,737

AVERAGE HOUSEHOLD INCOME

119,589

POPULATION WITHIN A 3-MILE RADIUS

16,933

DAYTIME POPULATION IN MANHATTAN BEACH

manhattan BEACH

\$183,986

Average HH Income within a 3-mile radius



9,035

Population Density per square mile



10,018

Private Companies



39.6%

Bachelor's degree or higher



43.9

Median Age



49,650

Households within a 3-mile radius

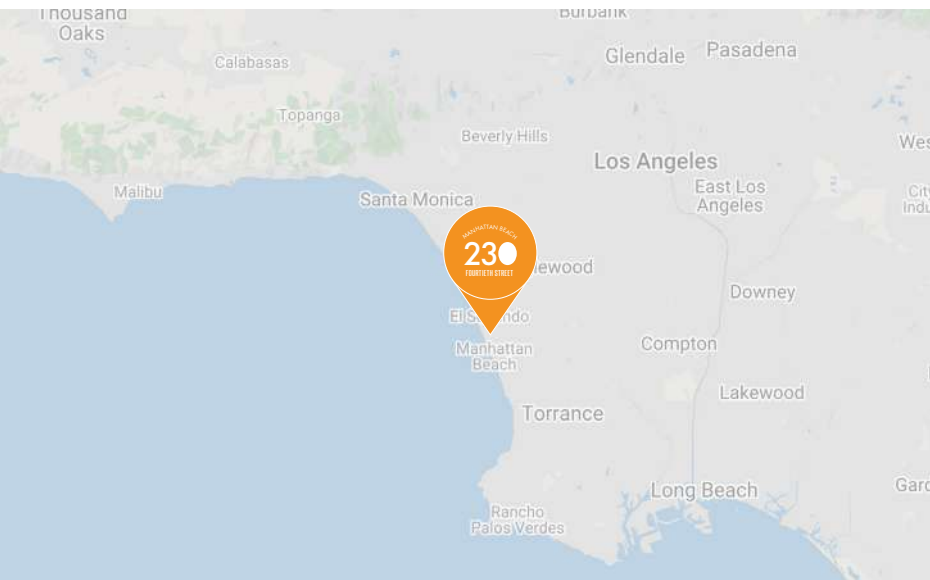
South Bay

HOT SPOTS

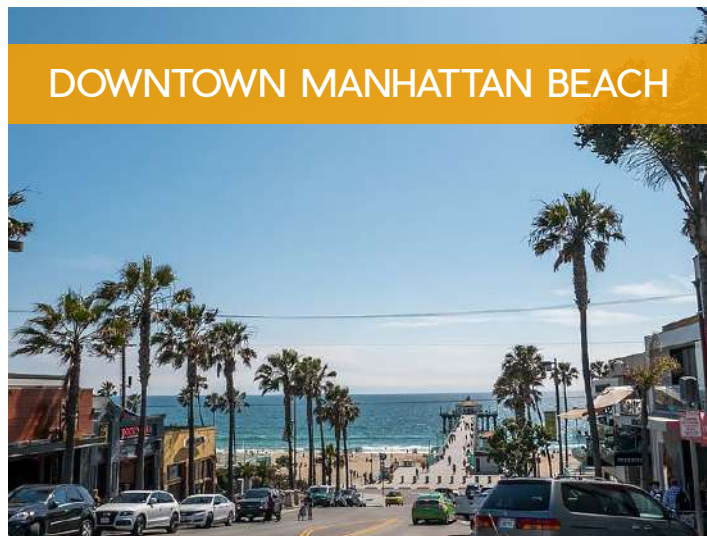


23
40th &
HIGHLAND

The South Bay is an industrial hub near the Ports of LA and Long Beach and LAX. It is a region of the Los Angeles metropolitan area, located in the southwest corner of Los Angeles County. The name stems from its geographic location stretching along the southern shore of Santa Monica Bay. The South Bay contains fifteen cities plus portions of the City of Los Angeles and unincorporated portions of the county. The area is bounded by the Pacific Ocean on the south and west and generally by the City of Los Angeles on the north and east.



LAX AIRPORT



DOWNTOWN MANHATTAN BEACH



EL PORTO BEACH



NOHO ARTS DISTRICT



NORTHROP GRUMMAN



HOLLYWOOD RIVIERA



THE POINT



HARVEST MOON



MANHATTAN BEACH PIER



SOUTH BAY NEW DEVELOPMENT

The South Bay area of Los Angeles is booming. Made up of 17 cities and some unincorporated areas of Los Angeles County, the South Bay has been seeing an influx of commercial investments in recent years. From a newly planned creative industrial hangout called Smoky Hollow in El Segundo, a new football stadium in Inglewood, a waterfront development in San Pedro to the renovation of a shopping mall in Manhattan Beach, the South Bay is experiencing a commercial real estate renaissance.

141

PROJECTS UNDER CONSTRUCTION AND PROPOSED IN SOUTH BAY

12,967

APARTMENT UNITS IN DEVELOPMENT

8.3M

RENTABLE SQUARE FEET OF COMMERCIAL REAL ESTATE

2.8%

VACANCY RATE

SOUTH BAY MAJOR DEVELOPMENTS UNDERWAY

SoFi Stadium	Sports & Entertainment	Under Construction
Hollywood Park - Residential	Multi-Family	Proposed
21126-21212 Avalon Blvd Phase 1	Multi-Family	Proposed
6221 Bristol Pky	Multi-Family	Proposed
1 Golden Shore Dr	Multi-Family	Proposed
Union South Bay	Multi-Family	Under Construction
SouthBay	Multi-Family	Proposed
888 N Douglas St	Office	Under Construction
NFL Media Building at Hollywood Park	Office	Under Construction
The District at South Bay	Multi-Family	Proposed
550 Harborfront	Multi-Family	Under Construction
Entrada	Office	Under Construction
Hollywood Park - Residential - Phase I	Multi-Family	Under Construction
505 S Centre St	Multi-Family	Proposed
Evolve South Bay	Multi-Family	Under Construction
Hyatt Place Hotel	Hospitality	Under Construction
Phase 2- Hotel	Hospitality	Proposed
Revel SouthBay	Multi-Family	Under Construction
Market Gateway	Multi-Family	Proposed
Millennium Hawthorne	Multi-Family	Under Construction
Picerne Lomita Apartments	Multi-Family	Proposed
Hotel Portion	Hospitality	Proposed
Bldg B	Office	Proposed
Stadium Village	Multi-Family	Proposed
WE3	Office	Under Construction
6711 S Sepulveda Blvd	Multi-Family	Proposed
Magnolia & Broadway	Multi-Family	Proposed



MANHATTAN BEACH

Local Destinations

- Manhattan Beach Pier (1.5 miles)
- El Porto Beach (0.1 miles)
- The Strand Bike Path (0.1 miles)
- The Point (1.9 miles)
- Manhattan Village (1.7 miles)
- Equinox (2.7 miles)
- Verandas Beach House (0.2 miles)
- Marine Street Volleyball Courts (0.8 miles)

El Porto Beach

Manhattan Beach Pier



The Strand

Equinox



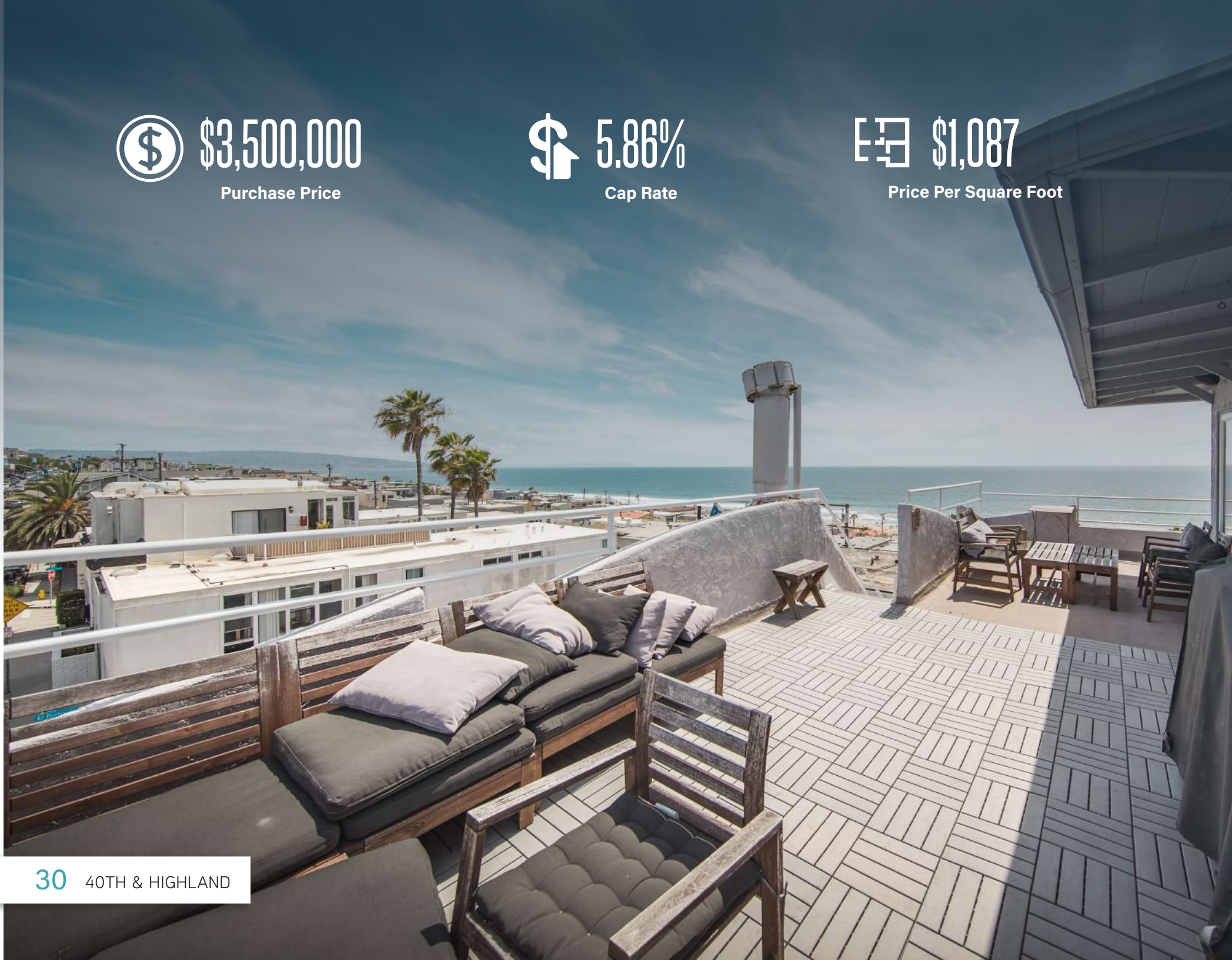


FINANCIAL OVERVIEW

 **\$3,500,000**
Purchase Price

 **5.86%**
Cap Rate

 **\$1,087**
Price Per Square Foot



30 40TH & HIGHLAND



PROPERTY RENT ROLL

UNIT TYPE SUMMARY

Number	Unit Type	Pro Forma
Retail Unit A	1,200	\$6,000
Retail Unit B & Small Office	400	\$2,500
Apt - Unit #1 - 2 Bed / 1 Bath	500	\$3,500
Apt - Unit #2 - 3 Bed / 1 Bath	500	\$4,500
Apt - Unit #3 - 3 Bed / 1 Bath	621	\$5,000
Total		\$21,500

PRICING DETAILS

PRICE	\$3,500,000
Rentable Square Feet	3,221
Price Per SqFt	\$1,086.62
Lot Size	3,574
Price Per SqFt (Land)	\$979.29
Year Built	1935

RETURNS	PRO FORMA
CAP Rate	5.86%

RENT ROLL SUMMARY

# OF UNITS	APPROX. SF	PRO FORMA
Retail Unit A	1,200	\$6,000
Retail Unit B & Small Office	400	\$2,500
Apt - Unit #1 - 2 Bed / 1 Bath	500	\$3,500
Apt - Unit #2 - 3 Bed / 1 Bath	500	\$4,500
Apt - Unit #3 - 3 Bed / 1 Bath	621	\$5,000

OPERATING DATA

INCOME	PRO FORMA
Scheduled Lease Income:	\$258,000
NNN Charges:	\$15,750
Effective Gross Income:	\$273,750
Vacancy	5.0%
Vacancy and Expenses:	\$12,900
Net Operating Income:	\$204,948


EXPENSES	PROFORMA
Property Tax	\$43,750
Insurance	\$2,500
Utilities	\$6,000
Repair	\$2,500
Trash	\$1,152
Total Expenses	\$55,902
Per Sq. Ft:	\$17.36
Per Sq. Ft / Month:	\$1.45

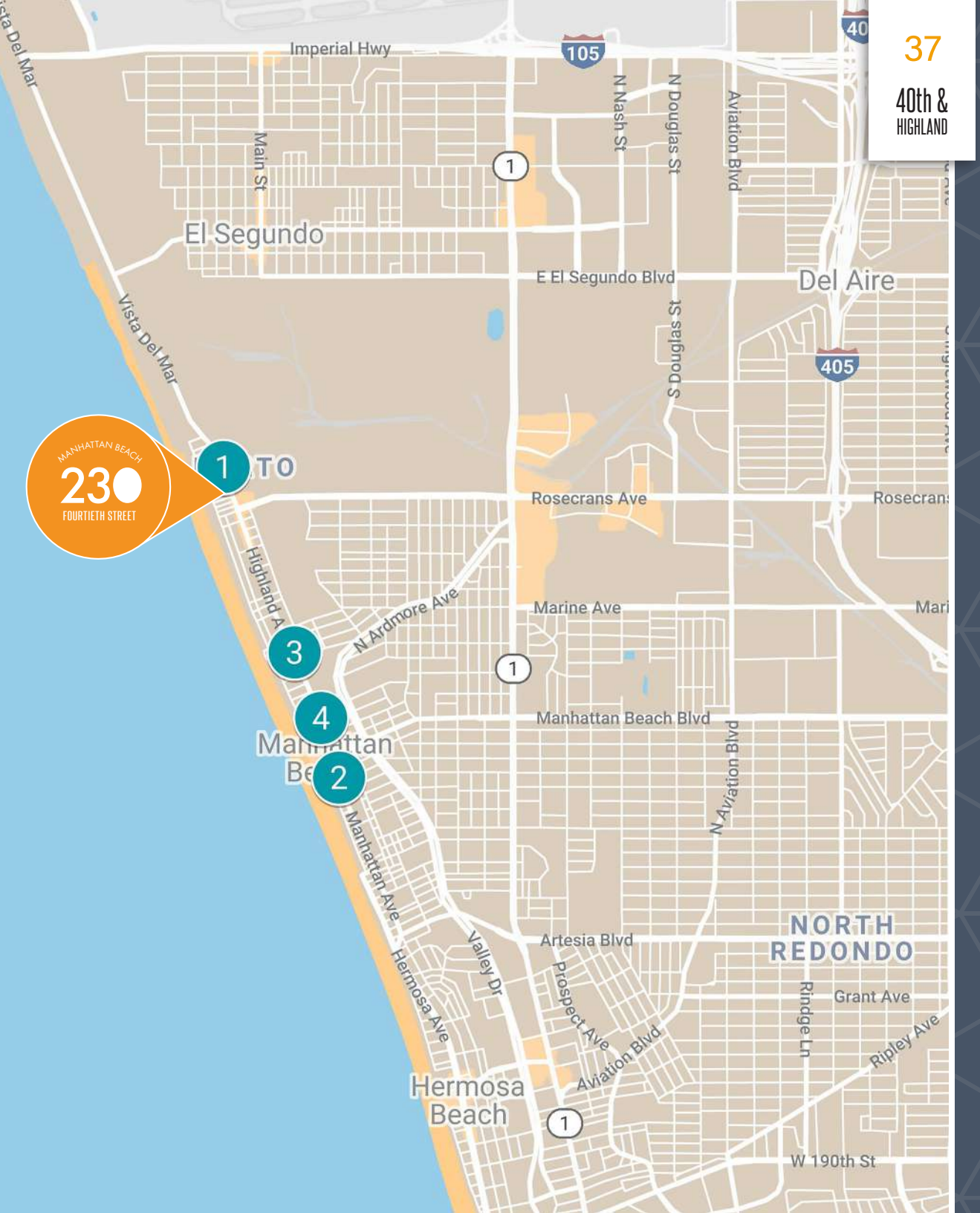


MARKET COMPARABLES



40th & Highland SALES COMPARABLES

#	ADDRESS	SALE PRICE	BLDG SF	PRICE/SF (BLDG)	LAND SF	PRICE/SF (LAND)	ZONING	YEAR BUILT	COE DATE
	Subject Property 230 40th Street	\$3,500,000	3,221	\$1,086.62	3,221	\$979.29	MNCNE	1935	-
1	4108 Highland Ave Manhattan Beach, CA 90266	\$2,500,000	3,682	\$678.98	2,243	\$1,114.58	Mixed Use Commercial	1990	3/18/2020
2	920 Manhattan Ave Manhattan Beach, CA 90266	\$10,173,000	8,445	\$1,204.62	6,660	\$1,527.48	MNCD	1921 / 1957	3/12/2020
3	2118 Highland Ave Manhattan Beach, CA 90266	\$3,500,000	2,808	\$1,246.44	6,299	\$555.64	MNCL	1924	10/10/2019
4	1419 Highland Ave Manhattan Beach, CA 90266	\$2,625,000	1,666	\$1,575.63	3,485	\$753.23	MNCD	1956 / 2011	4/24/2019
Average				\$1,176.42	4,671	\$987.73			



40th & Highland
SALES COMPARABLES



4108 HIGHLAND AVE
 MANHATTAN BEACH, CA 90266

Sales Price	\$2,500,000
Building SF	3,682
Price / SF (Bldg)	\$678.98
Land SF	2,243
Price / SF (Land)	\$1,114.58
Zoning	Mixed Used/ Commercial
Year Built	1990
Sale Date	3/18/2020



920 MANHATTAN AVE
 MANHATTAN BEACH, CA 90266

Sales Price	\$10,173,000
Building SF	8,445
Price / SF (Bldg)	\$1,204.62
Land SF	6,660
Price / SF (Land)	\$1,527.48
Zoning	MNCD
Year Built	1957
Sale Date	3/12/2020



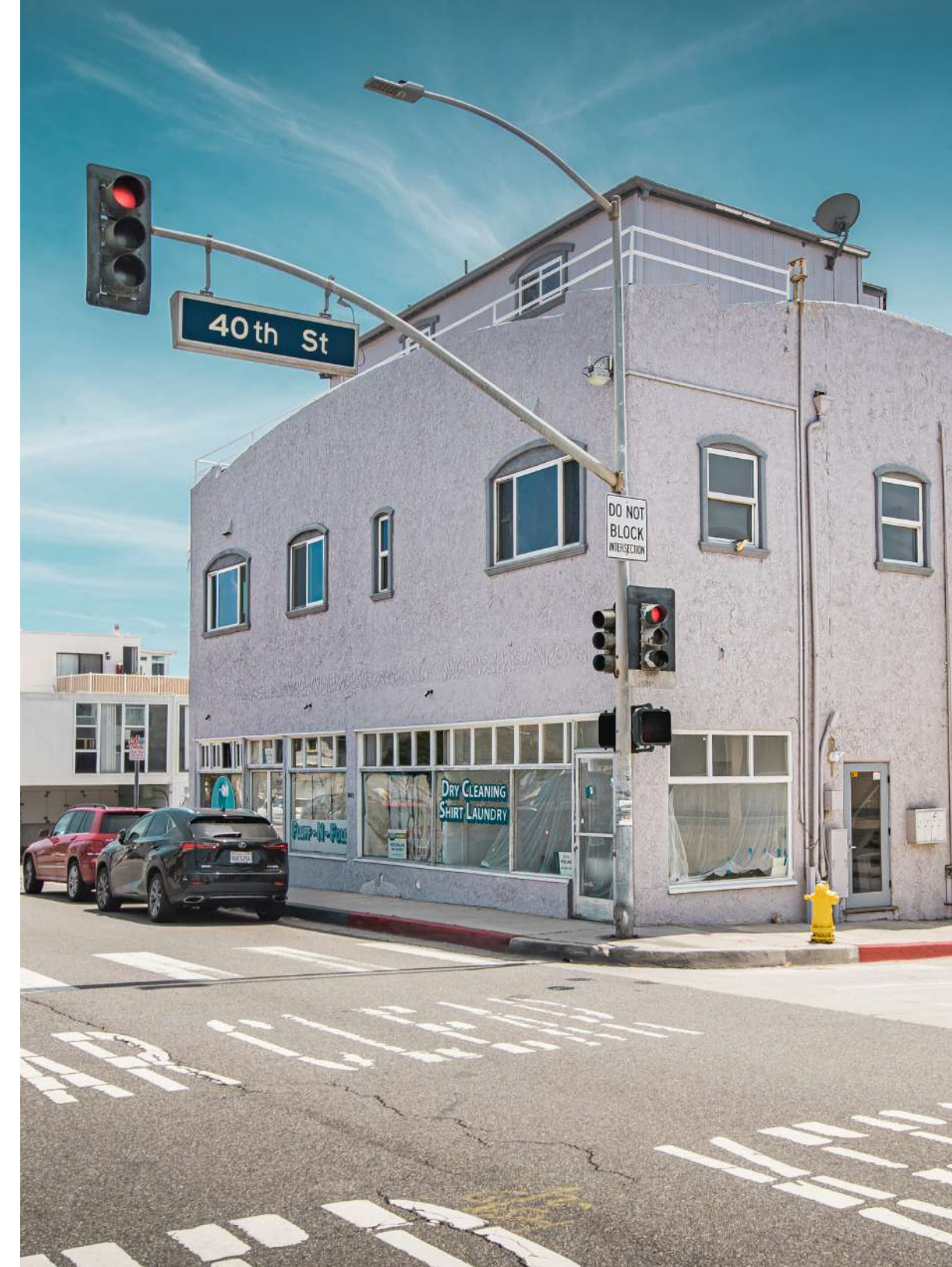
2118 HIGHLAND AVE
 MANHATTAN BEACH, CA 90266

Sales Price	\$3,500,000
Building SF	2,808
Price / SF (Bldg)	\$1,246.44
Land SF	6,299
Price / SF (Land)	\$555.64
Zoning	MNCL
Year Built	1957
Sale Date	10/10/2019

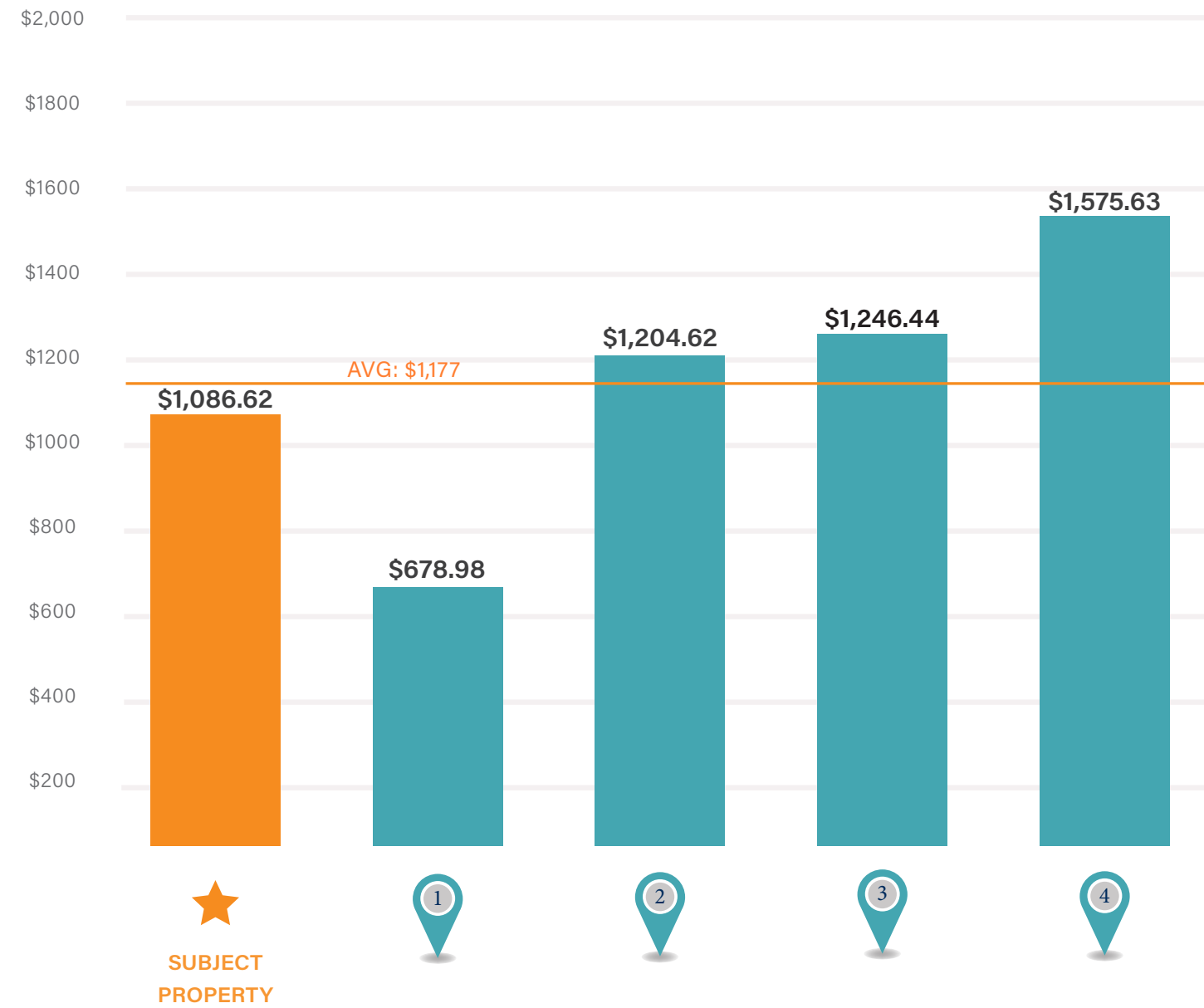


1419 HIGHLAND AVE
 MANHATTAN BEACH, CA 90266

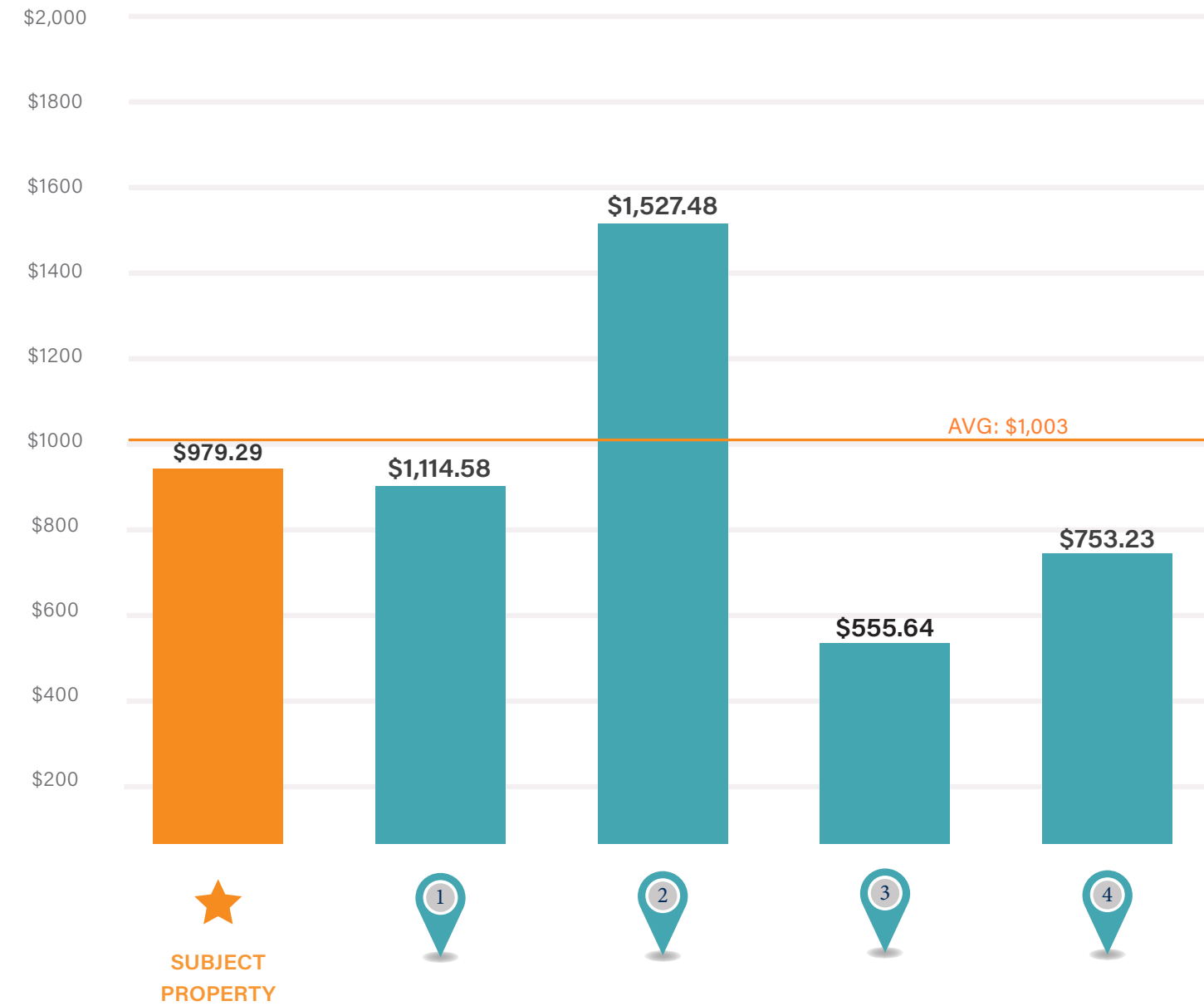
Sales Price	\$2,625,000
Building SF	1,666
Price / SF (Bldg)	\$1,575.63
Land SF	3,485
Price / SF (Land)	\$753.23
Zoning	MNCD
Year Built	1956 / 2011
Sale Date	4/24/2019



PRICE PER SF (BLDG)



PRICE PER SF (LAND)





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FLOYD GROUP

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