

OFFERING MEMORANDUM // RARE COASTAL LEASED INVESTMENT



16711 PACIFIC COAST HIGHWAY
Sunset Beach, CA

Voit
REAL ESTATE SERVICES



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DISCLAIMER

This confidential Offering Memorandum (this “Memorandum”) is being delivered subject to the terms of the Confidentiality Agreement personally or electronically signed by you (the “Confidentiality Agreement”) and constitutes part of the Evaluation Material (as defined in the Confidentiality Agreement). It is being given to you for the sole purpose of evaluating the possible acquisition of 16711 Pacific Coast Highway, Sunset Beach, CA 90742 (the “Property”), and is not to be used for any other purpose or made available to any other party without the prior written consent of the “Owner” or Voit Real Estate Services (“Broker”).

This Memorandum was prepared by the Broker based on information supplied by the Owner and the Broker. It contains selected information about the Property and the real estate market but does not contain all the information necessary to evaluate the acquisition of the Property. The financial projections contained herein (or in any other “Evaluation Material”, including any computer diskettes or files distributed to you via email from Broker accessible online through Broker’s website) are for general reference only. They are based on assumptions relating to the general economy and local market, among other factors. Accordingly, actual results may vary materially from such projections. Various documents have been summarized herein to facilitate your review; these summaries are not intended to be a comprehensive statement of the terms or a legal analysis of such documents.

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investigations, projections and conclusions regarding the acquisition of the Property without reliance on this Memorandum or any other Evaluation Material. Although additional Evaluation Material, which may include engineering, environmental or other reports, may be provided to qualified parties as the marketing progresses, prospective purchasers should seek advice from their own attorneys, accountants, governmental reviews, engineering and environmental experts.

Owner expressly reserves the right, at its sole discretion, to reject any offer to purchase the Property or to terminate any negotiations with any party at any time with or without written notice. Owner shall have no legal commitment or obligations to any prospective purchaser unless and until a written purchase and sale agreement has been fully executed, delivered and approved by Owner and any conditions to Owner’s obligations therein have been satisfied or waived.

Owner has retained Broker as its exclusive broker and will be responsible for any commission due to Broker in connection with a sale of the Property pursuant to a separate agreement. Broker is not authorized to make any representation or agreement on behalf of Owner. Each prospective purchaser will be responsible for any claims for commissions by any other broker in connection with a sale of the Property if such claims arise from acts of such prospective purchaser or its broker.

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Executive Summary



THE OFFERING

Voit Real Estate Services, as exclusive advisor, is pleased to present for sale 16711 Pacific Coast Highway, Sunset Beach, CA 90742 (the "Property"). The property is located in Sunset Beach, a premier and exclusive beach city. This rare coastal asset offers strong upside potential by increasing rents or creating a boutique motel atmosphere that highlights one the few properties on the beach side of Pacific Coast Highway. This is irreplaceable coastal real estate only steps away from the beach in a city that boasts strong tourism demand and high median incomes.

Building Area	± 7,500 Square Feet
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Site Area	± 12,263 Square Feet
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Current Occupancy	100%
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Unit Mix	11 - One Room Units With Kitchenette & Bath 2 - Two Bed / One Bath 1 - Commercial Unit (Restaurant) 11 - Storage Units / Garages
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Net Operating Income	\$137,247
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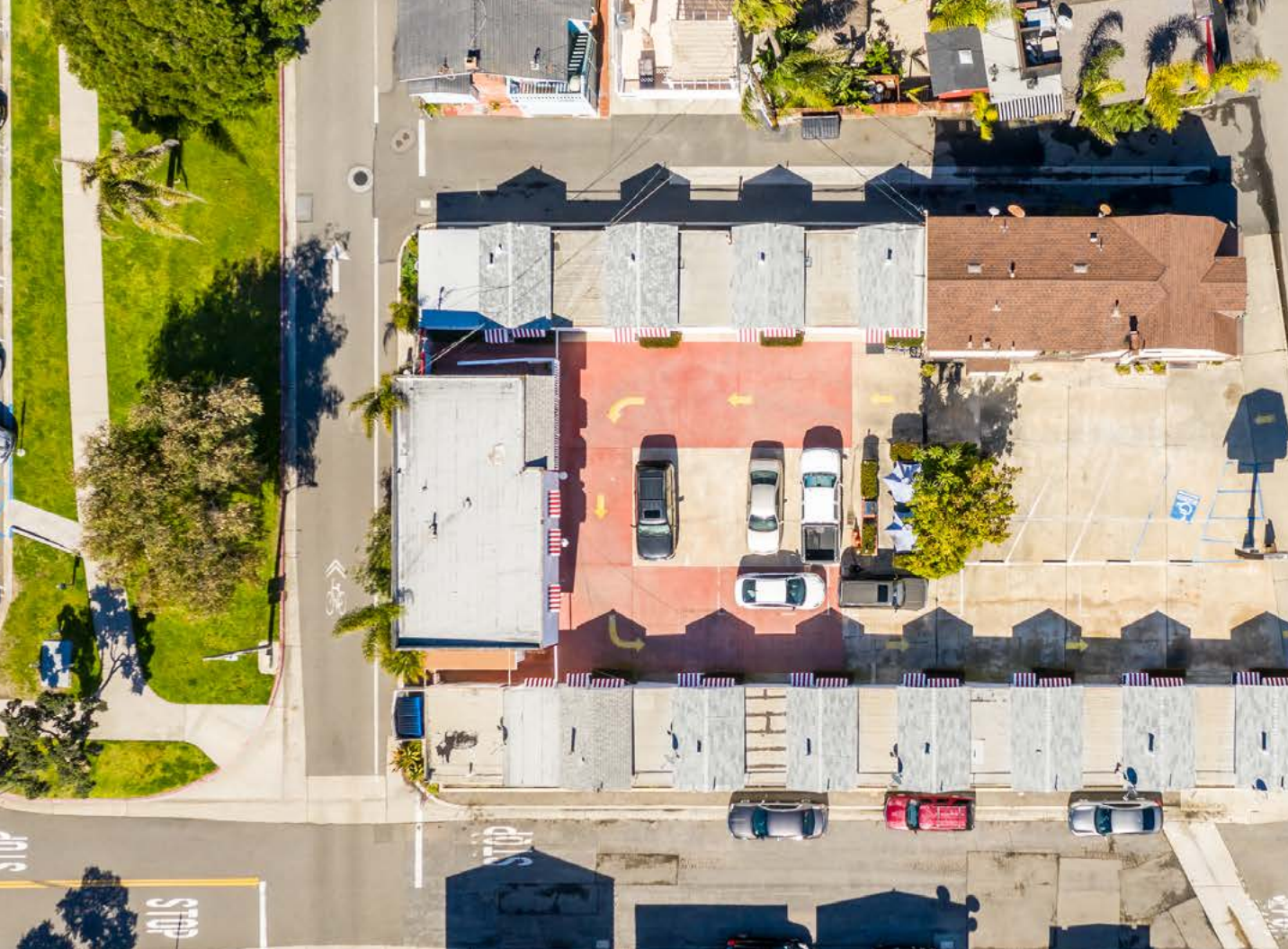
Asking Price	TBD
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INVESTMENT HIGHLIGHTS

- Unique coastal asset with well under market rents.
- Short term and month-to-month tenants offer immediate access to fair market rents.
- 13 Units that are 100% occupied.
- 11 Storage units are 100% occupied.
- Hiking, biking, kayaking, nature trails, boating, fishing and surfing are within a few minutes walk at Sunset Beach, Huntington Harbor and the Bolsa Chica Wetlands.
- Steps away from the beach and Huntington Harbor.
- Walking distance to several shops, restaurants and extensive outdoor activities.
- Property has historically been 100% occupied.
- Long term re-development potential.
- Huntington Beach/Sunset Beach offers strong demographics and high tourism draw.





Property Overview



PROPERTY DESCRIPTION

PROPERTY ADDRESSES: 16711 Pacific Coast Highway, Sunset Beach, CA 90742

UNIT MIX: 11 - One Room Units; 2 - Two (2) Bed / One (1) Bath; 1 - Commercial Unit (Restaurant); 11 - Storage Units / Garages

BUILDING AREA: ± 7,500 Square Feet

COVERAGE: ± 44%

FLOORS: 2

ASSESSOR'S PARCEL NUMBER: 178-525-07

LAND AREA: ±12,263 Square Feet

ZONING: Sunset Beach Tourism (SBT), Coastal Zoning (Buyer to Verify)

CONSTRUCTION TYPE: One and two story, wood frame with stucco and wood siding, and pitched composite shingle roofs

PARKING: 8 Spaces, Public Parking on Greenbelt Behind Property

CURRENT OCCUPANCY: 100%

FRONTAGE: Approximately 91' Feet of frontage on Pacific Coast Highway

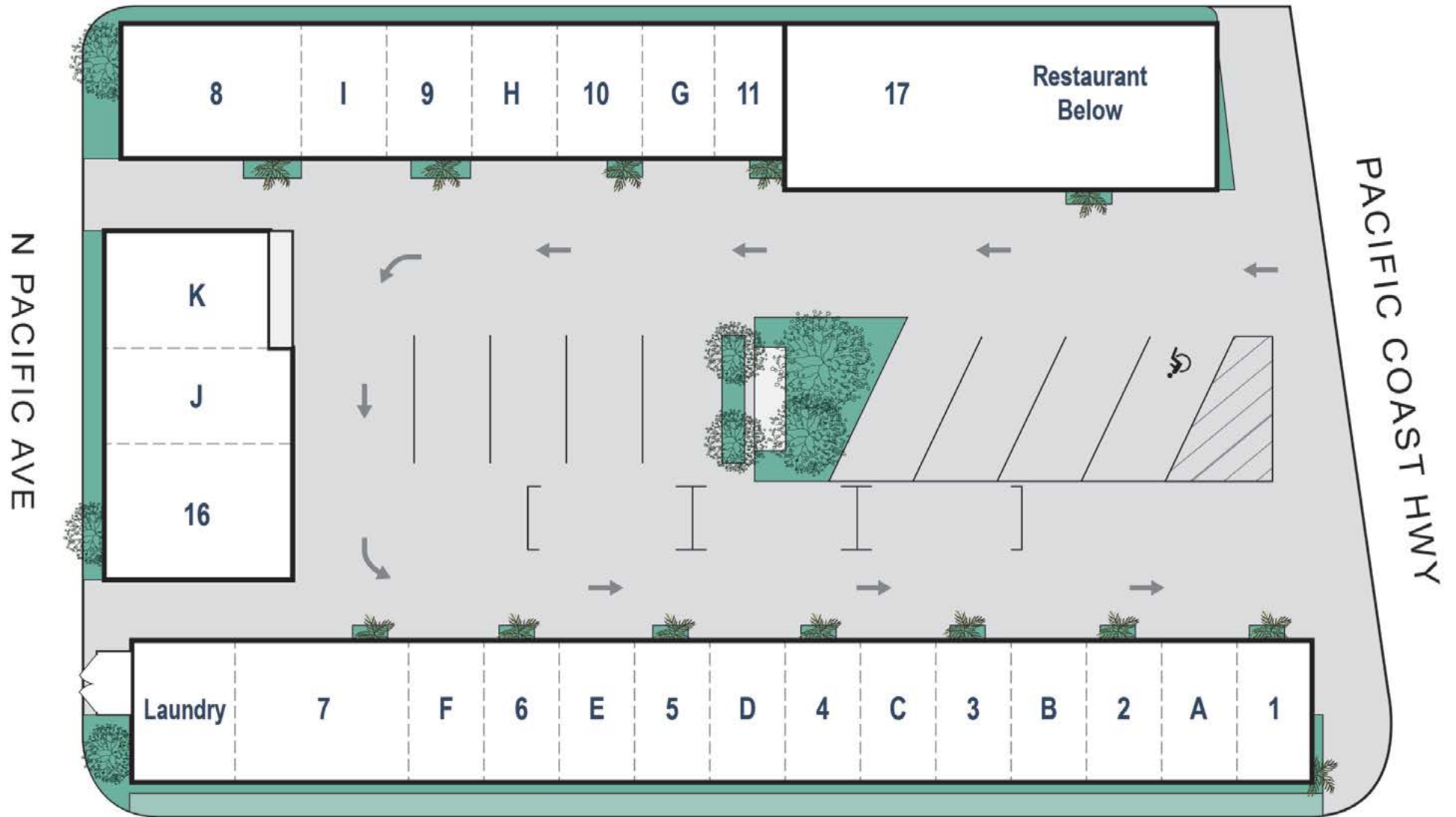
TRAFFIC COUNT: ±37,000 Cars Per Day

AMENITIES: On-site laundry facility and common patio area.



SITE PLAN

- 1-11: One Room Units
- A-K: Storage Units
- 16 & 17: 2 Bedroom/1 Bath Units
- Restaurant



*Note: Plan Not To Scale.

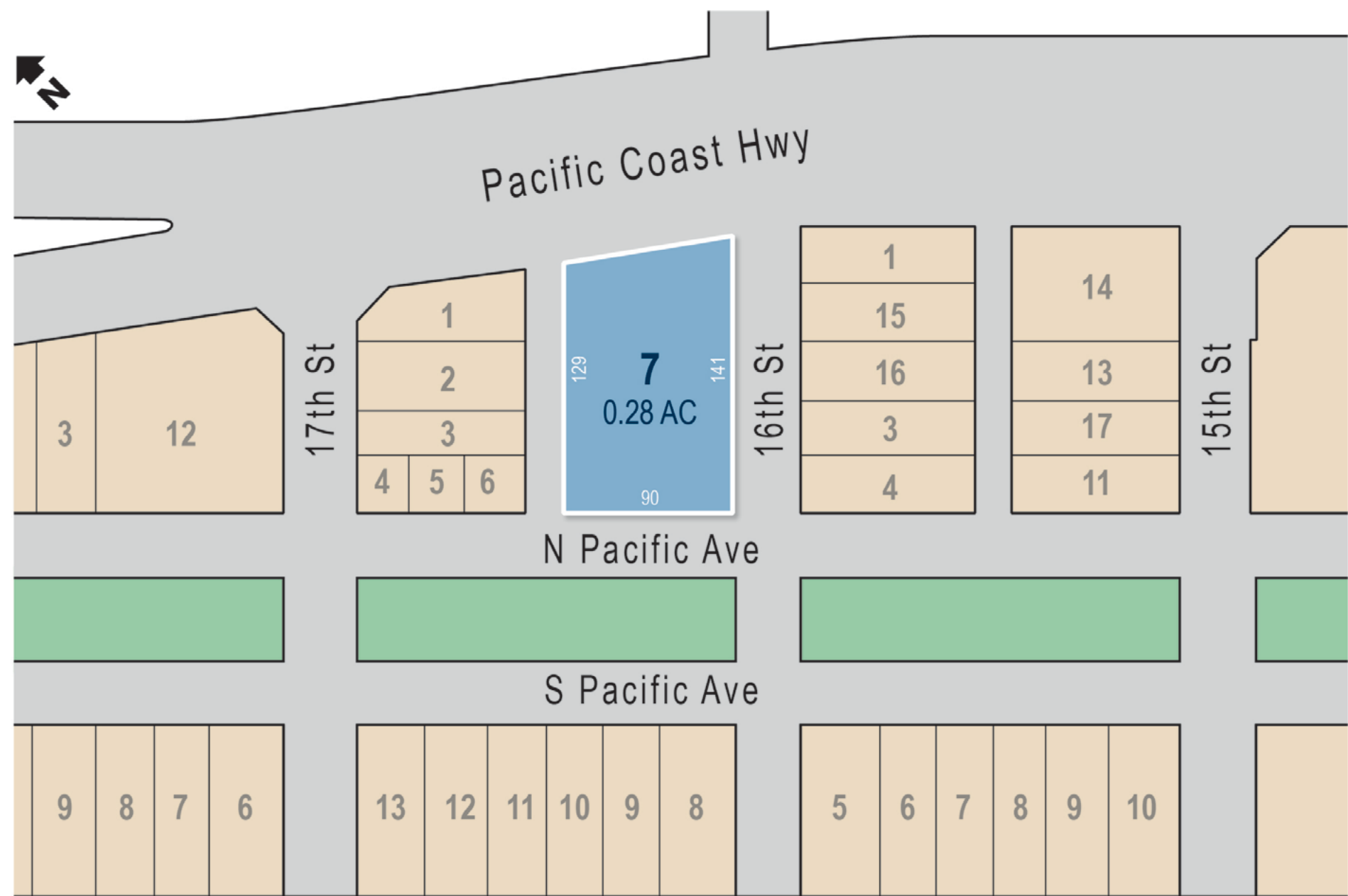


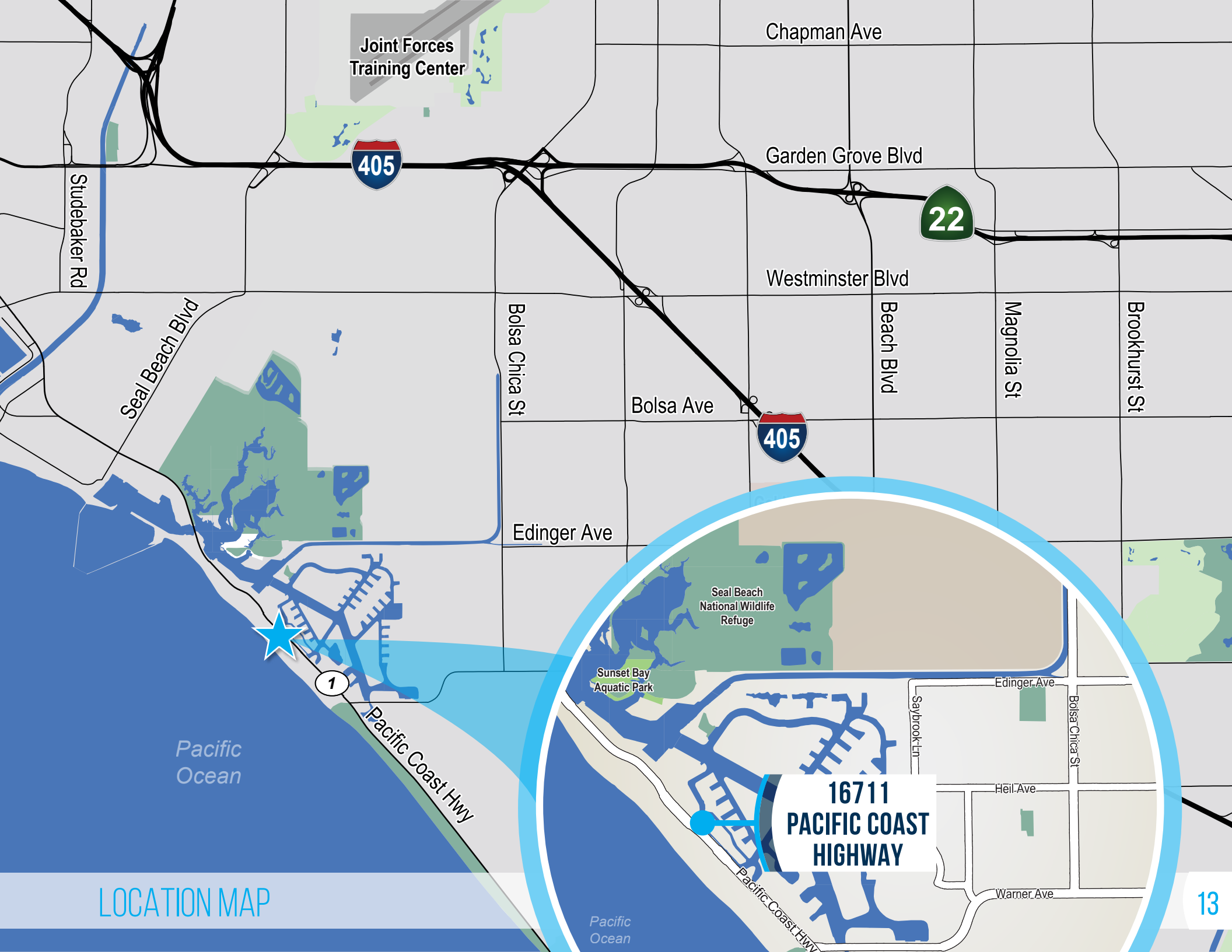


**16711
PACIFIC COAST
HIGHWAY**



PARCEL MAP





Joint Forces
Training Center

405

22

Garden Grove Blvd

Westminster Blvd

Bolsa Ave

405

Bolsa Chica St

Beach Blvd

Magnolia St

Brookhurst St

Edinger Ave

Seal Beach
National Wildlife
Refuge

Sunset Bay
Aquatic Park

Edinger Ave

Bolsa Chica St

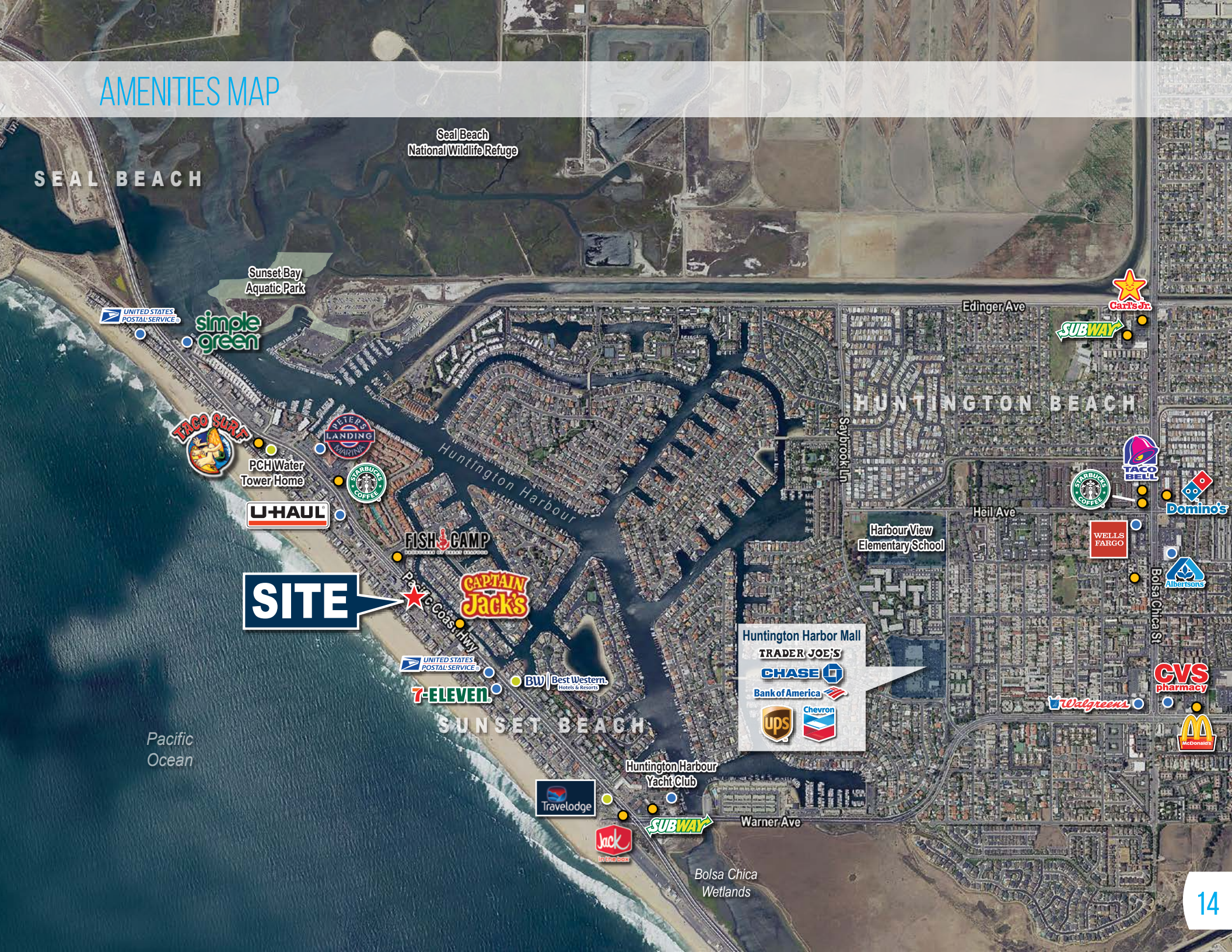
Heil Ave

Warner Ave

16711
PACIFIC COAST
HIGHWAY

LOCATION MAP

AMENITIES MAP



SITE

Huntington Harbor Mall

- TRADER JOE'S
- CHASE
- Bank of America
- UPS
- Chevron



Financial Analysis



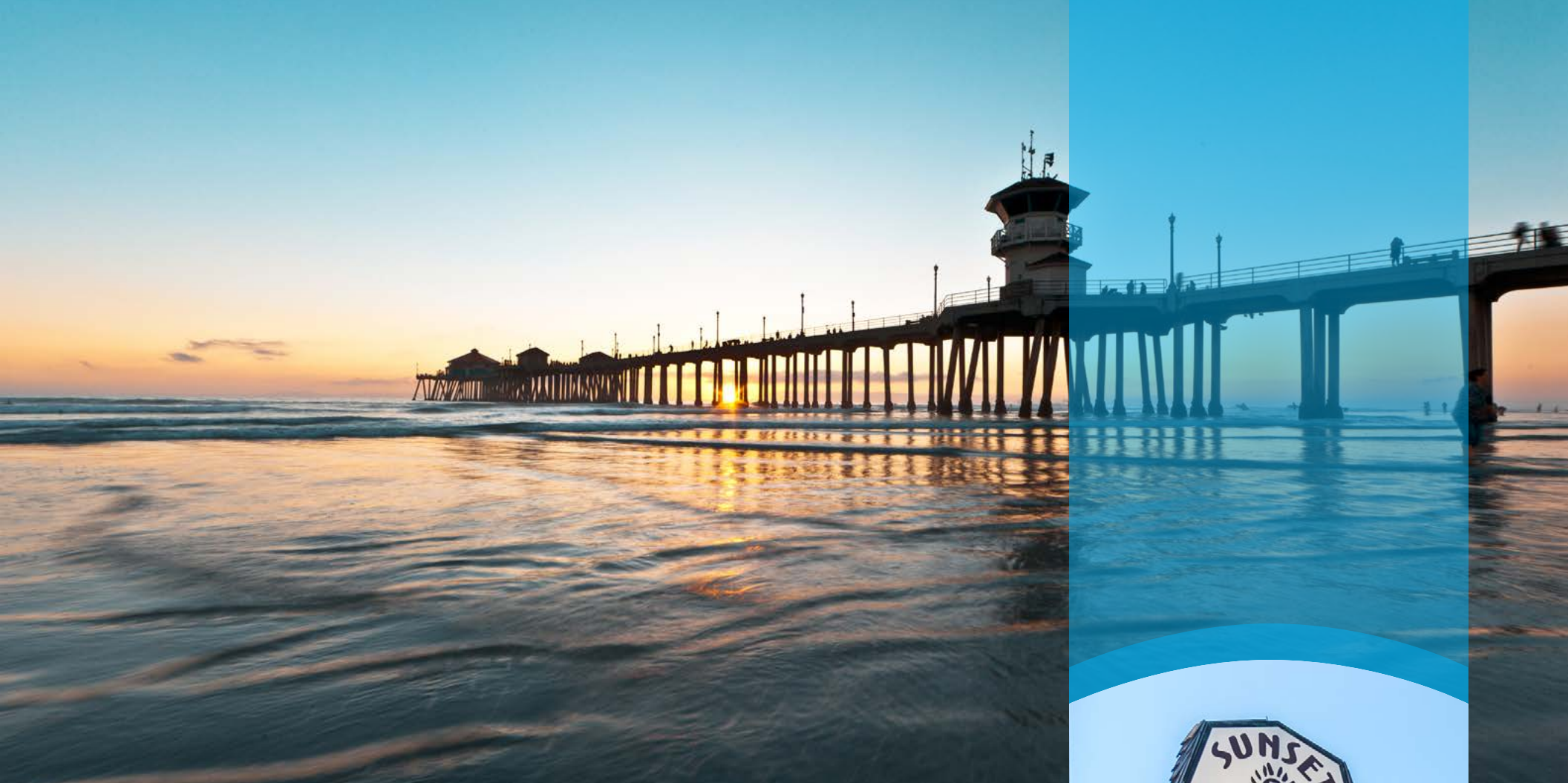
FINANCIAL SUMMARY & RENT ROLL

RENTAL INCOME		CURRENT
Gross Scheduled Income		\$226,920
Less Vacancy (2%)		\$4,538
Gross Operating Income:		\$222,382
Plus Fee & Laundry Income		\$2,600
Gross Annual Income		\$224,982
OPERATING EXPENSES:		CURRENT
*Property Taxes (1.1%)		\$39,415
On-Site Manager		\$3,000
Property Insurance		\$7,532
Grounds Maintenance		\$2,164
Repairs & Maintenance		\$19,094
Gas & Electric		\$7,080
Trash		\$3,193
Water		\$3,429
Licenses & Permits		\$228
Replacement Reserve		\$2,600
Total Estimated Expenses:		\$87,735
Net Operating Income:		\$137,247
LISTING PRICE		TBD

**Property taxes estimated after re-assessment upon sale.*

**Disclaimer: The information contained herein is only an estimate of how the subject property may be expected to perform under a given set of market conditions and assumptions, not all of which are explicitly presented in this analysis, nor is there any guarantee that such assumptions or conditions will conform to the actual results of operations. Buyers should independently confirm all of the information presented herein.*

RENT ROLL		
UNIT#	UNIT TYPE	CURRENT RENT
1	One Room Unit	\$900.00
2	One Room Unit	\$850.00
3	One Room Unit	\$800.00
4	One Room Unit	\$800.00
5	One Room Unit	\$850.00
6	One Room Unit	\$800.00
7	One Room Unit	\$950.00
8	One Room Unit	\$1,050.00
9	One Room Unit	\$850.00
10	One Room Unit	\$900.00
11	One Room Unit	\$900.00
16	2 Bed / 1 Bath	\$2,400.00
17	2 Bed / 1 Bath	\$2,100.00
A	Garage	\$170.00
B	Garage	\$170.00
C	Garage	\$160.00
D	Garage	\$170.00
E	Garage	\$170.00
F	Garage	\$170.00
G	Garage	\$170.00
H	Garage	\$170.00
I	Garage	\$170.00
J	Garage	\$240.00
K	Garage	\$250.00
Sunset Pizza & Pasta	Restaurant	\$2,750.00
TOTAL RENTS		\$18,910.00



Market Overview



HUNTINGTON BEACH AREA OVERVIEW

Huntington Beach is a seaside city positioned in the western region of Orange County. Bordered by the Pacific Ocean on the west, it is known worldwide for its long 8.5 mile stretch of beautiful coast, mild climate, and excellent surfing. The surf, sand, sun and subtle sophistication found in the City of Huntington Beach encapsulate the Californian lifestyle. Its ocean swells, endless sunshine and a fleet of bobbing longboards have played an instrumental role in earning the city its well-deserved “Surf City” nickname.

Located 35 miles south of Los Angeles and 90 miles north of San Diego, it is home to more than 197,000 residents making it the largest beach city in Orange County. Named for railroad magnate Henry Huntington who orchestrated its development, the city is now an epicenter of activity and entertainment with a large stretch of sandy beach, mild climate, excellent surfing, and beach culture. Named one of the “Best Cities to Live in Orange County” by OC Weekly, Huntington Beach offers residents a charming community with ideal weather, a diversified economy, good jobs, a wide variety of housing, an excellent educational system, boat marinas, numerous parks, and exemplary health care. Huntington Beach is centrally located to all major attractions in Orange County including Disney Resorts, the Orange County Performing Arts Center and Repertory Theater, and the Long Beach Aquarium of the Pacific. Huntington Beach is located near three airports: John Wayne/Orange County (SNA), Long Beach (LGB), and Los Angeles International Airport (LAX).

ECONOMY

Tourism and technology are the leading industries in Huntington Beach today. Home to more than 650 industrial businesses, including Boeing, Quicksilver, Cambro Manufacturing, Dynamic Cooking Systems and C & D Aerospace, Huntington Beach boasts a diversified and dynamic economy. Tourism remains a vital part of the economy, as over 11 million visitors flock to the city during the summer, on weekends and for special events. Huntington Beach features one of the largest recreational piers in the world, public parks, riding stables and equestrian trails, a marina, and a wildlife preserve, and

an eight-mile biking, inline skating, jogging, and walking trail along the ocean. As the fourth largest city in Orange County and the 23rd largest in the State of California, more than 60,000 people are currently employed by over 10,000 businesses in the city.

Huntington Beach is not only known for its beaches and technology but also its variety of food and retail that can be found throughout. Located in the Downtown District, there are more than 50 unique and exciting businesses that line the streets. Their close proximity to the ocean mixed with the cities laid back Californian vibes offer a one-of-a-kind experiences for residents and visitors alike. Huntington Beach is also home to Bella Terra. A Tuscan themed commercial property with nearly 800,000 square feet of retail, restaurant, open-air courtyards and entertainment. Located just off of the 405 freeway, Bella Terra offers residents and visitors more than 70 unique restaurants, cafes and shops. Anchors include Whole Foods, Kohl's, REI, Century Theaters, and Cost Plus World Market.

Huntington Beach supports a thriving retail economy and is currently home to 9.9 million square feet of retail space and 109 major retail centers. The largest centers in the city include the 1 million square foot Bella Terra, 233,000 square foot Town House Plaza, the 232,000 square foot Seacliff Village, and the newly constructed 200,000 square foot Pacific City. Furthermore, Huntington Beach has a vibrant and diverse Main St. shopping area as well as multiple costal retail properties.

ECONOMIC DEVELOPMENT

Huntington Beach is one of the leading commercial and industrial centers in Southern California. The city works diligently to maintain its business friendly atmosphere, working closely with the Huntington Beach Chamber of Commerce and local business associations. The city also supports business through its Development Assistance Team (DAT), an inter-departmental committee formed to review projects at their earliest stages to guide development through the approval process.

HUNTINGTON BEACH AREA OVERVIEW CONT.

#	MAJOR EMPLOYERS	# OF EMPLOYEES
1	Boeing	3,827
2	Zodiac Aerospace	709
3	Hyatt Regency Huntington Beach	640
4	C&D Aerospace	555
5	Cambro Manufacturing	550
6	Huntington Beach Hospital	527
7	Wal-Mart	462
8	No Ordinary Moments	421
9	Huntington Valley Healthcare	381
10	Harbor Distributing	350
	ALL OTHER EMPLOYERS	101,477

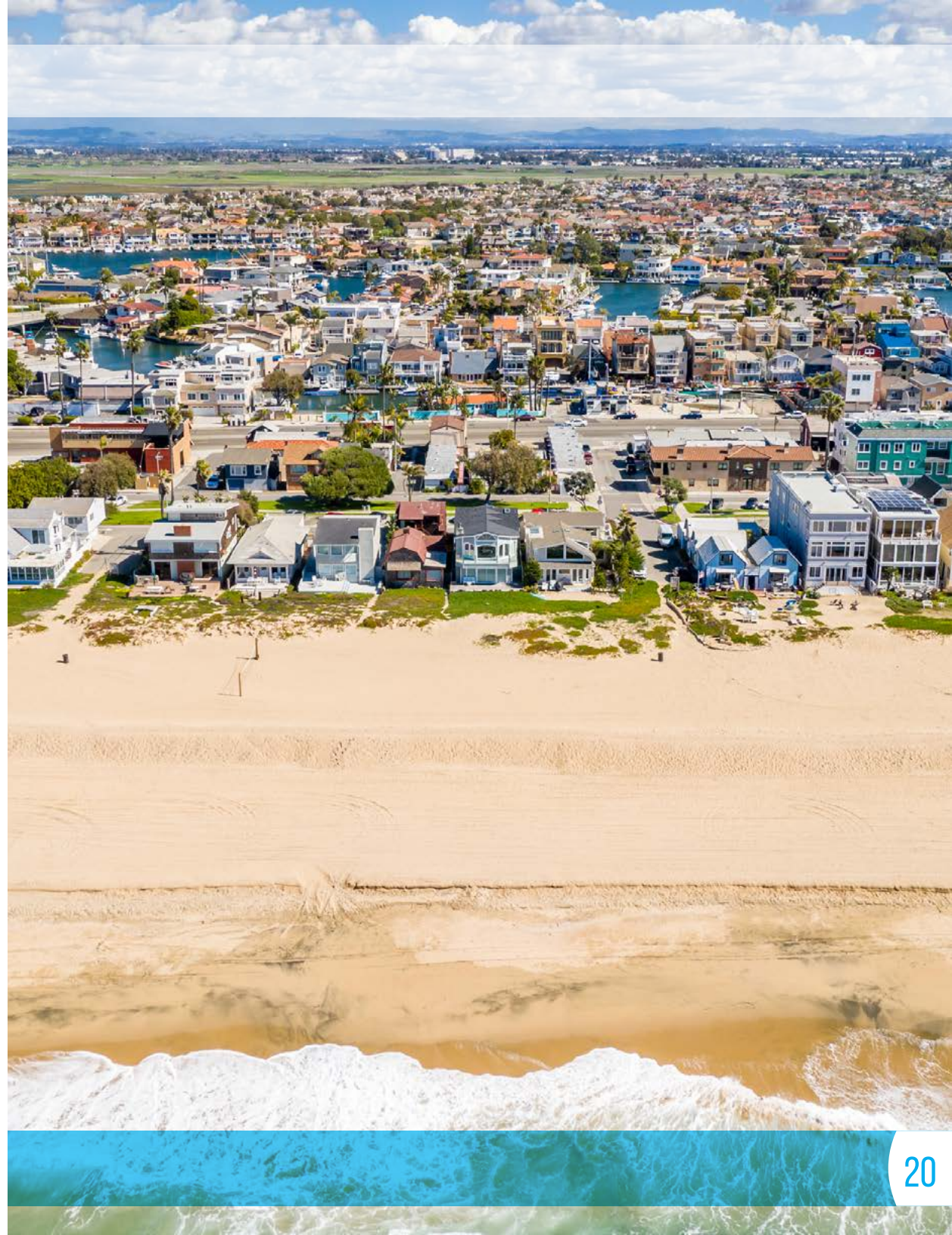
Demographics 5 Mile Radius	
2018 Population	216,154
2023 Estimated Population	224,386
Growth 2010-2018	5.8%
Estimated Growth 2018-2023	3.8%
2018 Median Age	44.5
2018 Households	86,002
2023 Projected Households	88,617
2018 Median Household Income	\$88,033
2018 Average Household Income	\$126,624
2023 Projected Median Household Income	\$103,227
2023 Projected Average Household Income	\$148,885
Estimated Household Growth 2018-2023	3.4%

SUNSET BEACH OVERVIEW

Sunset Beach is an approximately 134 acre primarily residential community that stretches 1.2 miles from Seal Beach at the northwest extremity to Bolsa Chica State Beach, with which it is contiguous at the southeast. It is bordered on the southwest by the Pacific Ocean and on the northeast by Huntington Harbour and the Peter's Landing development and is in proximity to the Bolsa Chica Wetlands and Sunset Aquatic Park. On August 2, 2010 the Huntington Beach city council, voted to annex Sunset Beach making the community a part of the much larger Huntington Beach. Huntington Beach officially annexed Sunset Beach in August 2011.

Sunset Beach features one of the widest beaches in southern California. Running parallel to the beach, from the north of town to the southern edge is the Green Belt, a 14 acre park on which residents walk their dogs and celebrate Mother's Day with the historic Sunset Beach Art Festival, sponsored by Las Damas.

From the ocean inland Sunset Beach is formed by six successive strips running the length of the community: the beach, the ocean front residences along South Pacific Avenue, the linear park/public parking facility between South and North Pacific Avenues, the residences along North Pacific and side streets, the mixed residential-commercial buildings on both sides of Pacific Coast Highway, and the residences on Sunset Island and adjacent to Park Avenue.





16711 Pacific Coast Highway

SUNSET BEACH, CA 90742

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