



Rare West LA Industrial Property

Offering Memorandum

2020 Stoner Avenue

Los Angeles, California

NAICapital | **INVESTMENT**
COMMERCIAL REAL ESTATE SERVICES, WORLDWIDE | SERVICES GROUP





\$5,200,000
Price



7,000 SF
Total Building Area



10,772 SF
Land Area



M2
Zoning



2 Loading Doors
Loading



14'-16'
Clearance Height



OFFERING SUMMARY

NAI Capital Commercial as an exclusive advisor, is pleased to present a rare opportunity to acquire a 7,000 SF flex/industrial building in West Los Angeles, CA. This opportunity offers owner-users, investors, or developers the ability to acquire an irreplaceable piece of real estate in a market with an extremely limited supply of M2 zoned inventory.

Located near the intersection of W. Olympic Boulevard and Barrington Avenue, 2020 Stoner Avenue is located in the heart of West Los Angeles. This prime location provides an ideal opportunity for an owner/user or developer to own a flex/industrial or flex/office asset in one of the most in demand markets in all of Southern California. The property is located exactly 3 miles from Santa Monica beach, 2 miles from Brentwood and Westwood, and only 1/8th of a mile to the 405 freeway.



Building Highlights

2020 Stoner Avenue
Los Angeles, California

Property Specification

Property Address	2020 Stoner Avenue, Los Angeles, CA
Total Building Area	7,000 SF
Land Size	10,772 SF
APN	4262-03-005
Zoning	M2-HR(EC)
Land Use	Industrial
Land Use Desc	Hybrid Industrial
Specific Plan Area	Exposition Corridor Transit Neighborhood Plan
Clearance Height	14'-16'
Loading	2 Ground Level Doors (12'x12')
Power	TBD
Parking	12 Stalls

LEASE SUMMARY

Tenant	Champion Baseball
Sq. Ft. Occupied	3,200 SF
Lease Expiration	Nov 30, 2023
Lease Rate	\$6,519.23 \$2.03/SF Gross
Annual Increases	3%
Options to Renew	None



Zoning Highlights

2020 Stoner Avenue
Los Angeles, California

RARE INDUSTRIAL ZONED OWNER-USER PURCHASE OPPORTUNITY

Rarely available M2 zoning with HR(EC) overlay makes this property suitable for hybrid industrial uses.

The HR(EC) zoning allows numerous potential uses including but not limited to:



Creative / Commercial Office: Professional offices, creative services (digital technology, media, post-production, advertising, public relations, design, entertainment industry)



Automobile Related Uses: Fueling and service stations, auto body/repair shops, car sales, salvage, and tow yards



Warehousing and Wholesale: Warehouses, showrooms, distribution, and storage facilities.



Entertainment Recreation: Entertainment, exhibits, cultural facilities, recreation facilities, gyms



Live/Work: Residential and work quarters combined with a single unit, built to commercial standards.



Schools: Trade schools, elementary or high school uses.



Multifamily Residential: Apartment, condominium, townhomes

Hybrid Industrial: Residential Emphasis–HR(EC) zoning overlay is a part of the Exposition Corridor Transit Neighborhood plan, which provides the following guidelines:

- Transitional between residential-only neighborhoods and jobs centers.
- Allows greater amount of housing (up to 70-75%) and a variety of neighborhood-serving commercial uses, though a minimum level of other employment uses is required.
- Max FAR: 2.0 (Base) / 4.0 (Bonus)
- Max Height: 7 stories*





Photos

2020 Stoner Avenue
Los Angeles, California





Photos

2020 Stoner Avenue
Los Angeles, California





Photos

2020 Stoner Avenue
Los Angeles, California





West Los Angeles Flex/Office

2020 Stoner Avenue
Los Angeles, California

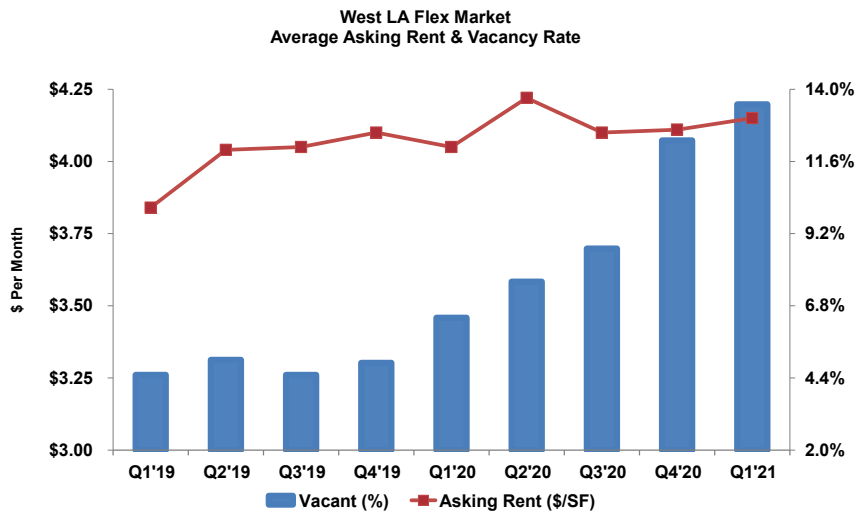
The neighboring West LA flex market consists of 1,463,604 square feet of flex space. It is part of a flourishing hub of innovative companies known as Silicon Beach. The live-work creative flex market has experienced solid demand from an increasing population and employment base that is being driven by a robust housing market on the greater Westside.

West LA over the last decade has grown into a sizable flex market within the Westside of Los Angeles County. Rising rental rates and steady demand for flex space coming from a diverse business base have been key drivers. The average asking rent for flex buildings has more than doubled in 10 years to \$4.15 NNN per square foot in Q1 2021. Vacancy has seen an uptick in the last couple of quarters, up 120 basis points from the previous quarter to 13.5% as of Q1 2020. The run up in vacancy has been organic, as no new flex construction has been added to the market in the past several years, keeping supply limited and prices elevated. The pace of leasing activity has decelerated given the disruption from the COVID-19 worldwide shutdown.

Sales have been low due to a limited availability of flex buildings for sale, coupled with a strong desire to own vs lease from owner-users, and investors.

Reopening post-pandemic, steady demand from a diverse business base that includes media, digital entertainment, information technology, and professional services will resume in the West LA flex market. This demand will continue to grow as Silicon Beach expands, attracting more entrepreneurs and investors to the region.

Proximity to a productive labor force and expanding LA tech and startup scene will serve to keep demand, rents, and sale prices rising at a steady pace in the West LA flex market.



Source: NAI Capital Commercial Research
Flex buildings rents quoted in \$/SF NNN on a monthly basis

West LA Flex Market	Q1 2021
Existing Total RBA (SF)	1,463,604
Under Construction (SF)	0
Total Available (%)	13.0%
Total Vacancy (%)	20.2%
Leasing Volume (SF)	2,350
Sales Volume (SF)	6,488
Average Asking Rent \$/Psf Fsg	\$4.15
Average Sale Price \$/PSF	\$586



Market Overview

2020 Stoner Avenue
Los Angeles, California

West Los Angeles

Los Angeles County, CA

Location

West LA is a vibrant neighborhood within the City of Los Angeles' Westside region in Los Angeles County. West LA lies approximately four miles northeast of Santa Monica and 14 miles west of Downtown LA. The area is part of Silicon Beach and includes the communities of Sawtelle, Rancho Park, Beverlywood, Cheviot Hills, and Century City. West LA's generally accepted boundaries are Centinela Ave. to the west, Wilshire Blvd. and Santa Monica Blvd. to the north, National Blvd., Pico Blvd., & Exposition Blvd. to the south, and Durango Ave., Robertson Blvd., and Canfield Ave. on the east.

West LA represents a mixture of urban/commercial alongside residential communities. This Silicon Beach neighborhood serves as an ideal environment for businesses occupying flex or office space, such as production studios, tech companies, and professional service providers. Startups are also attracted to the area's entrepreneurial reputation and access to all the Westside's amenities.

Population & Income

West LA's population consists of nearly 586K in more than 280K households with an average size of 2.0 within a five-mile radius of the subject property. The community expects to add over 3K households thru 2025 for 0.6% growth. These affluent households enjoy an average annual income of \$154,014, which is projected to reach \$187,698 per year over the same period.

Area residents are considered highly educated as 83.5% of the population within a five-mile radius of the subject property attended some college while 63.6% earned a bachelor's degree or higher — an impressive 27% achieved a graduate degree.

Economy & Employment

West LA and the surrounding Westside area offer a thriving economy with outstanding amenities for office and flex space users. West LA is a regional transit-oriented hub known for its clusters of tech, production, healthcare, and creative companies offering high-paying local jobs. Three Expo Line stations make for easy commutes for area workers and convenient 405 freeway access allows for moving material goods. Proximity to LAX also benefits business travelers. The community's labor force breaks down to 77.4% white collar and 22.6% blue collar workers within a five-mile radius of the subject property. Prominent employment sectors include professional & related services (34%), management, business & financial operations (23.7%), and sales & office positions (19.6%).

The subject property's WalkScore® of 90 speaks to its outstanding location within a walkable community. Employees find everything they need in the area from Sawtelle Japantown's trendy restaurants to entertainment in adjacent Westwood's theatres. The recently renovated Westfield Century City mall as well as the famous Santa Monica Pier and 3rd St. Promenade are both less than five miles from the subject property.

West Los Angeles*

POPULATION

585,569



LA County

POPULATION

10.05M

MEDIAN HOUSEHOLD INCOME

\$106,935



MEDIAN HOUSEHOLD INCOME

\$75,112

NUMBER OF EMPLOYEES

505,211



NUMBER OF EMPLOYEES

4.27M

MEDIAN PROPERTY VALUE

\$1.42M



MEDIAN PROPERTY VALUE

\$601,395

MEDIAN AGE

38.6



MEDIAN AGE

36.5

TOTAL BUSINESSES

59,858



TOTAL BUSINESSES

466,088

*Data reflects a five-mile radius of subject property; Source: NAI Capital Research; Applied Geographic Solutions

Sale Comparables

2020 Stoner Avenue
Los Angeles, California



1717-1725 21st Street
Santa Monica, CA 90404

Sale Date: 5/16/2019
Sale Price: \$6,800,000.00
Price/SF: \$647.62
Building Type: Class C Flex/Light Industrial
Year Built: 1963
RBA: 10,500
Parcel Size: 15,028
Seller: Damon Porter
Buyer: The Crossroads School
Comments: Additional school annex building with quality office build out.



2222 Cotner Avenue
Los Angeles, CA 90064

Sale Date: 7/10/2020
Sale Price: \$3,187,500.00
Price/SF: \$637.50
Building Type: Class C Automotive Service Building
Year Built: 1960
RBA: 5,000
Parcel Size: 6,534
Seller: Fred Mashian
Buyer: BLT Enterprises
Comments: Buyer to convert to creative office/ industrial



11174 W. La Grange Avenue
Los Angeles, CA 90025

Sale Date: 1/5/2021
Sale Price: \$3,800,000.00
Price/SF: \$585.70
Building Type: Class C Light Industrial
Year Built: 1955
RBA: 6,488
Parcel Size: 7,575
Seller: David Altemus
Buyer: Salim Mavany
Comments: Buyer to use the building for his spice distribution company



3122 Nebraska Avenue
Santa Monica, CA 90404

Sale Date: 1/21/2020
Sale Price: \$12,310,500.00
Price/SF: \$746.09
Building Type: Class C Light Industrial
Year Built: 1950
RBA: 16,500
Parcel Size: 20,038
Seller: Rosenstein Trust
Buyer: Redcar Properties LTD
Comments: New owner to renovate as creative office for lease at \$2.95 / SF NNN.



1901 Pontius Avenue
Los Angeles, CA 90025

Sale Date: 5/24/2019
Sale Price: \$3,620,000.00
Price/SF: \$632.54
Building Type: Class C Light Industrial (High End Creative Office over Warehouse Conversion)
Year Built: 1973
RBA: 5,723
Parcel Size: 6,098
Seller: Leonid Minkovski
Buyer: Weather Masters Waterproofing, Inc
Comments: Buyer to occupy the building with his business.



1929-1931 Pontius Avenue
Los Angeles, CA 90025

Sale Date: 12/24/2020
Sale Price: \$3,100,000.00
Price/SF: \$553.57
Building Type: Class C Light Industrial (Office over Warehouse)
Year Built: 1954 (R2012)
RBA: 5,600
Parcel Size: 5,663
Seller: Assanti Family Trust
Buyer: Matt Guirguis
Comments: Buyer to occupy the building with his business.

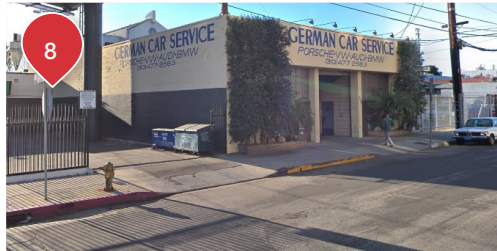
Sale Comparables

2020 Stoner Avenue
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2033 Pontius Avenue
Los Angeles, CA 90025

Sale Date: 8/14/2020
Sale Price: \$3,000,000.00
Price/SF: \$495.87
Building Type: Class C Warehouse
Year Built: 1969
RBA: 6,050
Parcel Size: 5,663
Seller: Ava Kahn Family Trust
Buyer: Kazemi Holdings, LLC (Kazemi Water-proofing & Paving)
Comments: Buyer to occupy the building with his business. Building was in poor condition at time of sale, which is reflective of the pricing due to the substantial deferred maintenance to cure the property.



2143 Pontius Avenue
Los Angeles, CA 90025

Sale Date: 5/5/2020
Sale Price: \$3,344,235.00
Price/SF: \$514.50
Building Type: Class C Automotive Service Building
Year Built: 1948
RBA: 6,500
Parcel Size: 6,551
Seller: Heidenwang Family Trust (German Car Service)
Buyer: Dean Factor (Auto Towing Company)
Comments: Buyer to occupy the building and the adjacent parking lot with his auto towing business.



11511 Tennessee Avenue
Los Angeles, CA 90065

Sale Date: 12/31/2020
Sale Price: \$15,750,000.00
Price/SF: \$1,101.24
Building Type: Class C Automotive Service Building
Year Built: 1953 (R2015)
RBA: 14,302
Parcel Size: 23,061
Seller: CRS investments LP (Michael Rogerson)
Buyer: UCD Properties (Ruben Urcis)
Comments: 1031 Exchange for Buyer. The property was NNN leased to a luxury auto repair shop on their fifth year of a 15 year lease and purchase at a 4% CAP.

Comparables Map

2020 Stoner Avenue
Los Angeles, California





2020 Stoner Avenue

Los Angeles, California

Rare West LA Industrial Property

Offering Memorandum

Investment Advisors:

Chad Gahr, SIOR

Executive Vice President

Mobile: (818) 383-5581

cgahr@naicapital.com

Cal DRE Lic: #01230414

David Young

Executive Vice President

Mobile: (818) 422-8658

dyoung@naicapital.com

Cal DRE Lic: #00914504

