



MARKET POSITIONING AND PRICING ANALYSIS

5260

Orange Avenue

Long Beach, CA

LISTED BY

JIM BRANDON

Associate, *Multifamily*

DIR: +1 (562) 472-1499

MOB: +1 (415) 307-9482

jim.brandon@matthews.com

License No. 01996391 (CA)

DAVID HARRINGTON

EVP & Managing Director

DIR: +1 (310) 295-1170

MOB: +1 (310) 497-5590

david.harrington@matthews.com

License No. 01320460 (CA)

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SECTION 01

PROPERTY OVERVIEW

5260

Orange Avenue

Long Beach, CA

THE OPPORTUNITY

5260 Orange Avenue presents an opportunity for a purchaser to follow the lead of the long-term family ownership in a beautiful value-add apartment complex located in North Long Beach.

As two vacancies upon the close of escrow will result in a considerable increase in income, a new investor can immediately add value, raise revenue and improve operating efficiency.

PROPERTY HIGHLIGHTS



8 Units



Built In 1962



One 3 Bedroom + 2 Bathroom Unit, Four 2 Bedroom + 1 Bathroom Units, Three 1 Bedroom + 1 Bathroom Units



6,693 Gross Square Feet



Individually Metered For Electricity & Gas



8 Garage Parking Spaces + One Surface Space



Laundry On-Site



Large Corner Lot - 13,700 SF



LBR3T Zoning



Two Vacancies (3+2; 1+1)



SECTION 02

AREA OVERVIEW

5260
Orange Avenue

Long Beach, CA

LONG BEACH

Long Beach is the second largest city in the Los Angeles metropolitan area, and the third largest in Southern California behind Los Angeles and San Diego. With a location along the southern coast of Los Angeles county, it is one of the most active maritime cities in the United States.

The “Aquatic Capital of America” features the Port of Long Beach, one of the world’s largest shipping ports. With trade valued over \$180 billion annually, it serves as a foundation for over 30,000 jobs in Long Beach, 316,000 in Southern California, and 1.4 million throughout the nation. The city is also home to California State University, Long Beach, which serves nearly 40,000 students and 3,000 employees. Local attractions include the Queen Mary, Long Beach Museum of Art, the Bob Cole Conservatory as well as the world-renowned Aquarium of the Pacific.



3RD

LARGEST LOCAL CITY



2ND

BUSIEST CONTAINER PORT IN THE US

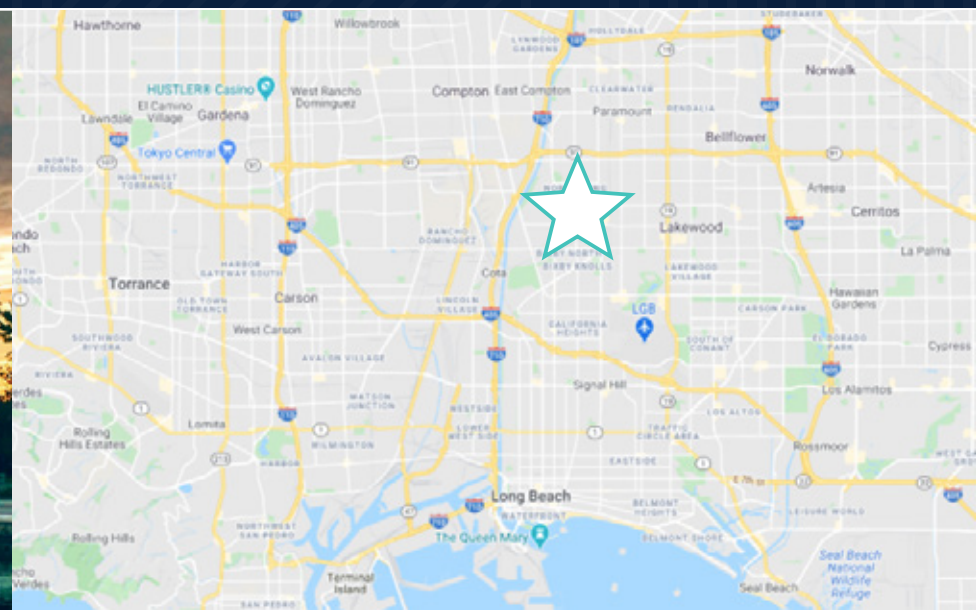


\$16 BILLION

ANNUAL TRADE-RELATED WAGES STATEWIDE

PROPERTY DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2025 Projection	43,579	220,635	667,412
2020 Estimate	44,002	223,512	676,257
2010 Census	44,819	225,772	679,952
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2025 Projection	14,521	73,254	210,837
2020 Estimate	14,074	71,042	204,443
2010 Census	13,776	69,024	197,731
INCOME	1-MILE	3-MILE	5-MILE
2020 Avg. Household Income	\$79,091	\$91,940	\$90,500





DEVELOPMENTS

Long Beach is looking to liven up its beach-front snack bar game over the next few years. New concession stands are planned for Alamitos, Junipero, and Granada beaches. The renderings make it clear that these stands aren't the typical snack bars, and were designed to look like swanky seafood joints and an espresso stand. The concession stands could become major attractions, similar to the dining scene in Newport Beach.

RESIDENTIAL PROJECTS

Two sleek new residential developments have been approved in Downtown Long Beach; one at E Ocean Blvd, and one at Seaside Way. This will bring a total of 207 apartments to the area. Both projects are planned to have rooftop decks for residents and amenities including a lounge and fitness centers. The project will also include some mixed-use space that could include a café or retail establishments.

The Seaside building will be fronted by a remarkable new pedestrian bridge. This bridge will proceed a direct link between the convention center and the Long Beach Performing Arts Center. Construction on both projects is expected to be complete by early 2018.



AQUARIUM OF THE PACIFIC

Situated on a 5-acre site, the Aquarium of the Pacific is home to over 11,000 animals including a shark lagoon, a lorikeet forest, penguins and sea lions. Visited by over 1.5 million people per year, the diverse marine center offers shows, petting areas, dining, and more.

THE PIKE

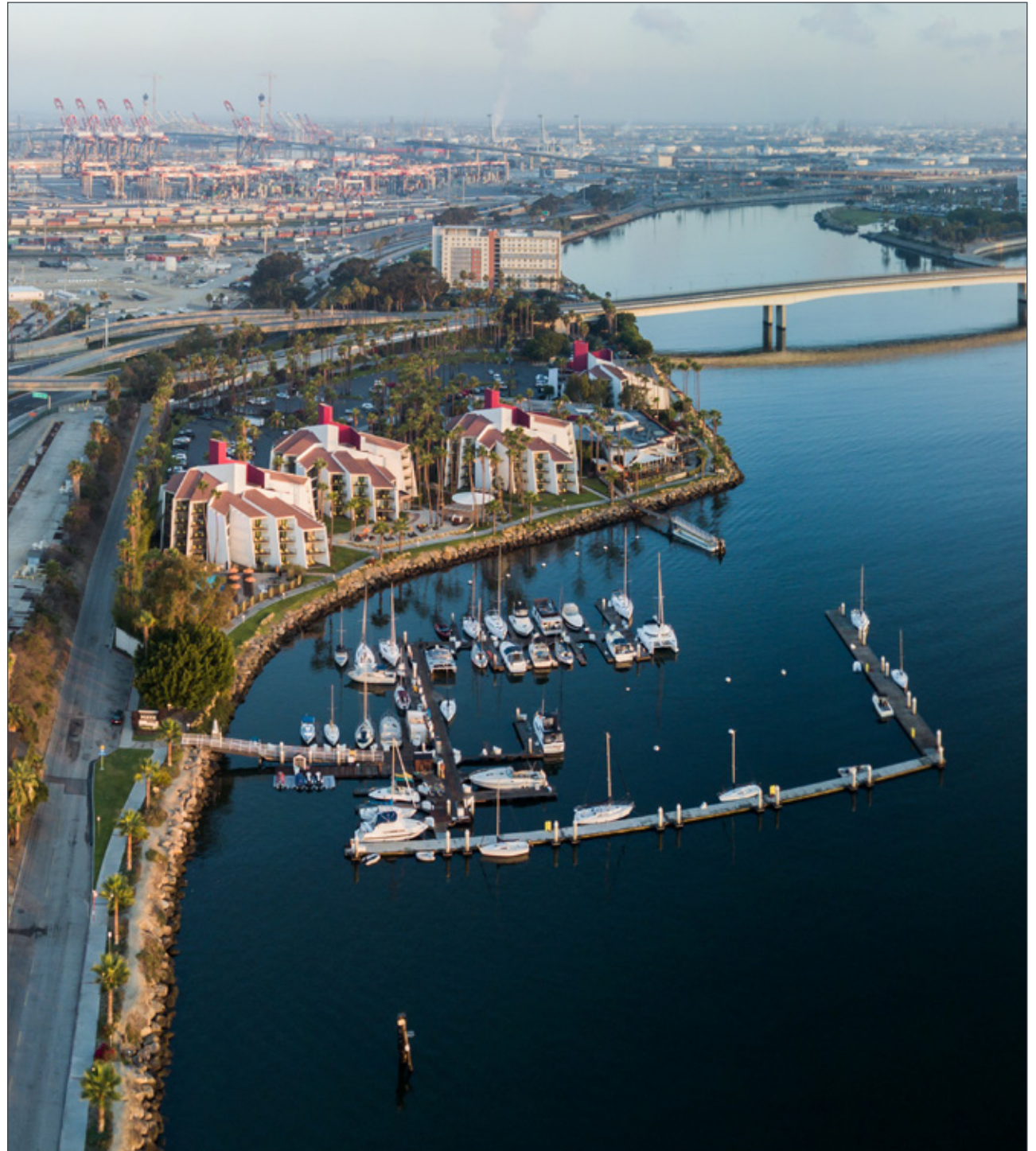
Located in downtown Long Beach, The Pike Outlets is a vibrant dining and entertainment district linking the Long Beach Convention Center to Rainbow Harbor's waterfront and the Aquarium of the Pacific. The tourist oriented development has a large number of restaurants, a movie theater, artwork, beach attractions, arcades, and even a large Ferris wheel.

THE QUEEN MARY

The RMS Queen Mary is a retired ocean liner that sailed primarily through the North Atlantic between 1936 and 1967. The ship started out as a British express service and was later used as a troopship during World War II, ferrying allied soldiers throughout the war. Today, the ship serves as a tourist attraction permanently moored in the port of Long Beach and is a museum that offers restaurants, hotel rooms, events, and even haunted tours.

SHORELINE VILLAGE

Shoreline Village is an entertainment center located in Rainbow Harbor full of specialty shops, great food, and fun activities amid scenic harbor views. Styled after a quaint Cape Cod fishing village, Shoreline Village is a family friendly destination by day the develops a sense of romance when night falls. This popular waterfront boardwalk, also features two carousels, live entertainment, beautiful views of the city, and dynamite sunsets. Shoreline Village is conveniently located within walking distance of the world-class Aquarium of the Pacific, across the harbor from the Queen Mary.



LONG BEACH EVENTS

AVP TOUR

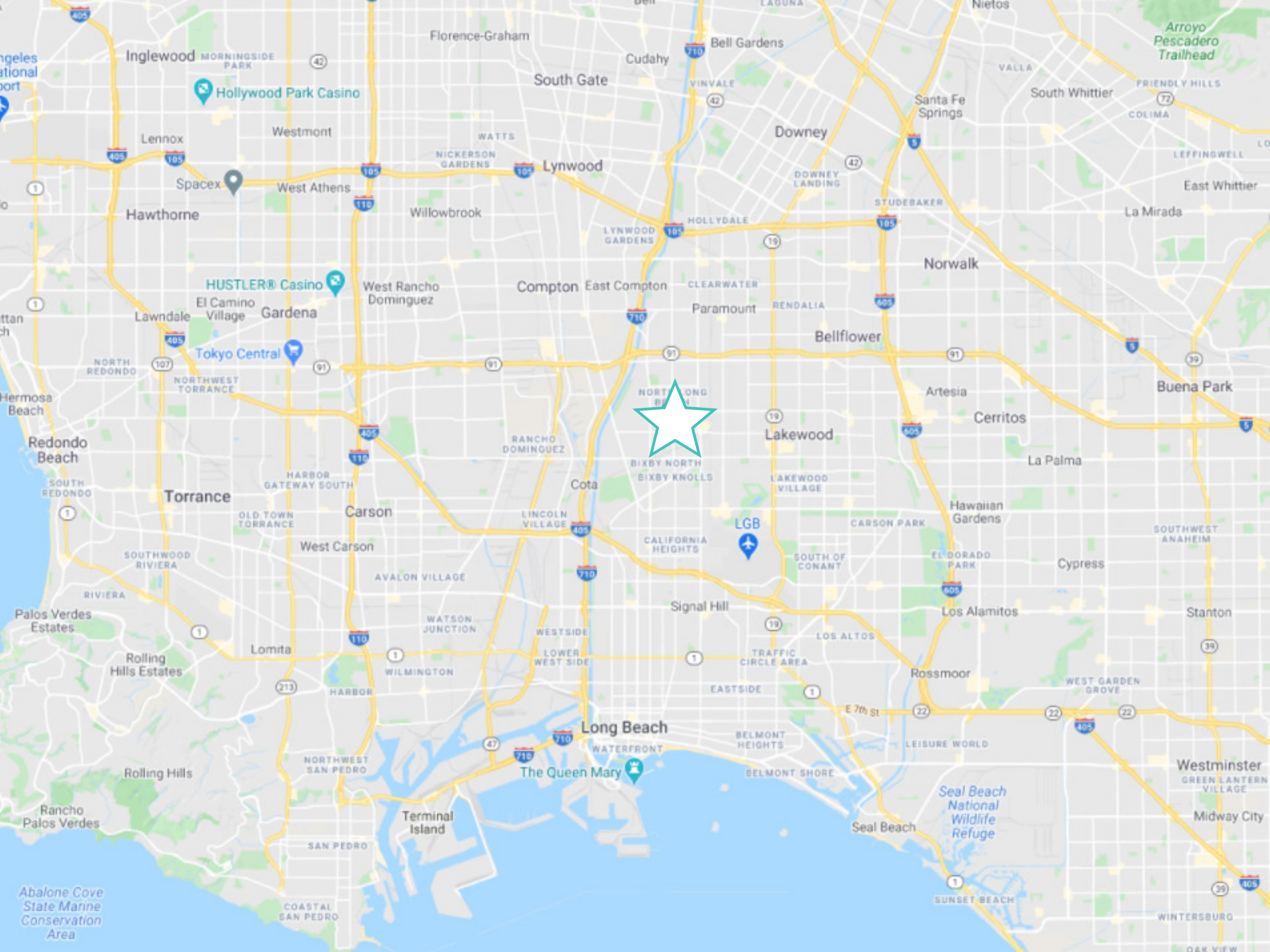


GRAND PRIX



JAZZ FESTIVAL







SECTION 03

FINANCIAL OVERVIEW

5260

Orange Avenue

Long Beach, CA

INVESTMENT SUMMARY

Offering Price:	\$1,700,000	Number of Units:	8
Property Address:	5260 Orange Avenue Long Beach, CA 90805	Year Built:	1962
Price Per Unit:	\$212,500	APN:	7129-012-010
Price Per S.F.:	\$254.00	Gross Sq. Ft.:	6,693
Cap (current / market):	4.51% / 7.04%	Average S.F. Per Unit:	837
GRM (current / market):	14.08 / 10.30	Lot Size:	13,700
		Parking Spaces:	9+

UNIT MIX

TOTAL UNITS	UNIT MIX	UNIT MIX %	CURRENT		MARKET	
			AVG RENT	MONTHLY RENT	RENT	MONTHLY RENT
3	1+1	38%	\$1,092	\$3,275	\$1,425	\$4,275
4	2+1	50%	\$1,075	\$4,300	\$1,750	\$7,000
1	3+2	13%	\$2,400*	\$2,400	\$2,400	\$2,400
Scheduled Monthly Rent:				\$9,975		\$13,675
Scheduled Yearly Rent:				\$119,700		\$164,100

ANNUAL OPERATING SUMMARY

		CURRENT		MARKET	
Scheduled Gross Income:		\$119,700		\$164,100	37% Upside
Less Vacancy Reserve:	3.0%	\$3,591	3.0%	\$4,923 *	
Estimated Laundry Income:		\$1,000		\$1,000	
Parking Income:		\$0		\$0	
Gross Operating Income:		\$117,109		\$160,177	
Expenses:	33.8%	\$40,465	24.7%	\$40,465 *	
Net Operating Income:		\$76,644		\$119,712	
Loan Payments:		\$0		\$0	
Pre-Tax Cash Flow:	4.5%	\$76,644	7.0%	\$119,712 **	
Plus Principal Reduction:		\$0		\$0	
Total Return Before Taxes:	4.5%	\$76,644	7.0%	\$119,712 **	

* As a percent of Scheduled Gross Income following vacancies filled

** As a percent of Down Payment

DEBT QUOTE

Loan quote provided by Matthews™ based on market conditions at this time. Actual rates and terms will vary based on market conditions at closing.

LTV: 65.00%

RATE: 3.25-3.50%

AMORTIZATION: 30

JACKSON DAILY

(949) 873-0272

jackson.daily@matthews.com

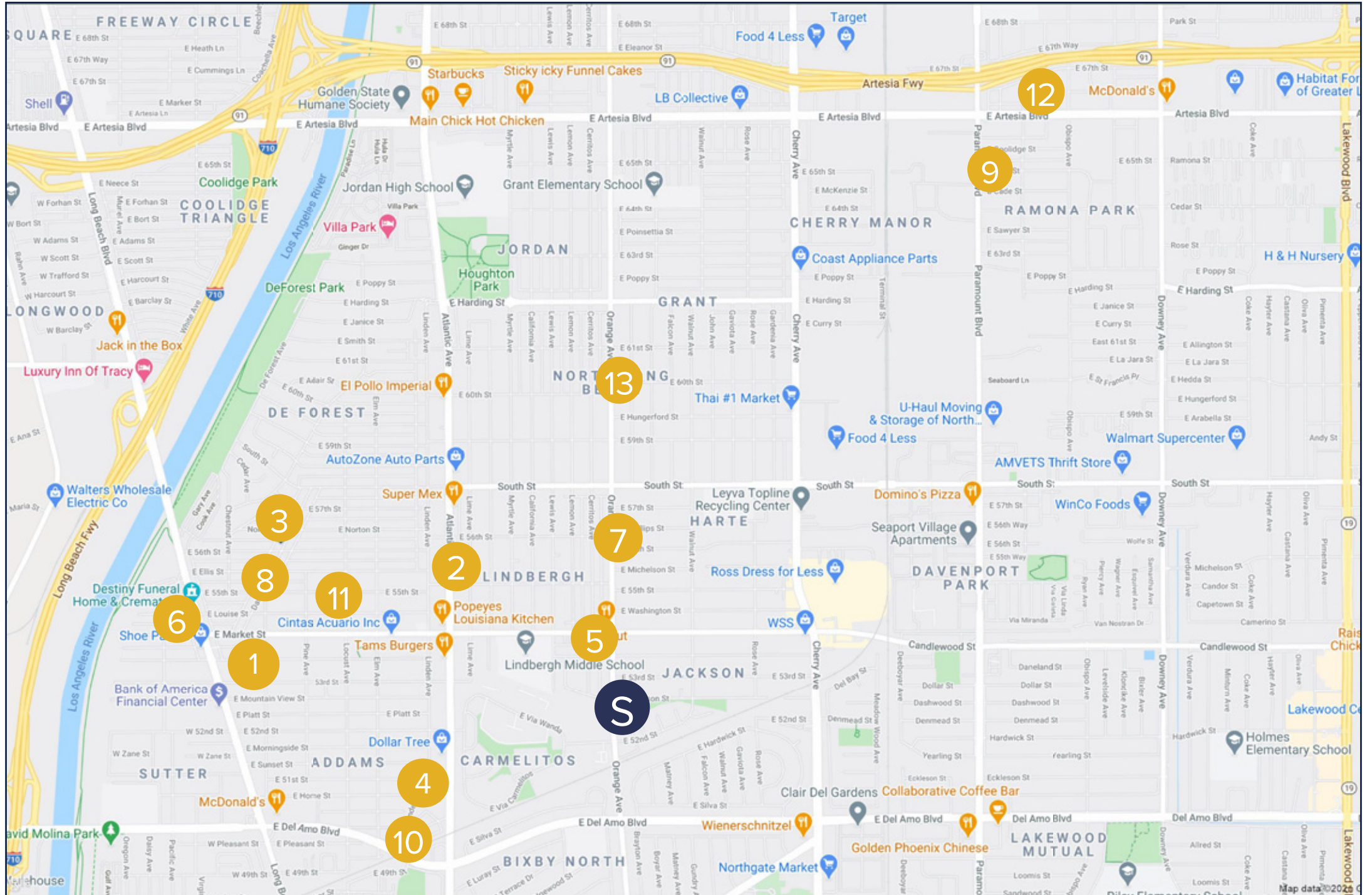
PRO FORMA ANNUAL OPERATING EXPENSES

			CURRENT	PER UNIT	% OF SGI	MARKET	PER UNIT	% OF SGI
*Taxes	1.207%	x Sale Price	\$20,523	\$2,565	17.1%	\$20,523	\$2,565	12.5%
*Insurance	\$0.35	x GSF	\$2,343	\$293	2.0%	\$2,343	\$293	1.4%
*Reserves	\$250	x Units	\$2,000	\$250	1.7%	\$2,000	\$250	1.2%
Repairs & Maintenance	\$750	x Units	\$6,000	\$750	5.0%	\$6,000	\$750	3.7%
Utilities	\$700	x Units	\$5,600	\$700	4.7%	\$5,600	\$700	3.4%
Contract Services	\$500	x Units	\$4,000	\$500	3.3%	\$4,000	\$500	2.4%
Total Expenses			\$40,465	\$5,058	33.8%	\$40,465	\$5,058	24.7%
			<u>Current</u>	<u>Per Unit</u>	<u>% of SGI</u>			
Non-controllable expenses: Taxes, Ins., Reserves:			\$24,865	\$3,108	20.8%			
Total Expense without Taxes			\$19,943	\$2,493	16.7%			

RENT ROLL

UNIT	MIX	RENT	MARKET RENT	ESTIMATED SF
1	3+2	\$2,400	\$2,400	1,694
2	2+1	\$1,100	\$1,750	810
3	2+1	\$1,100	\$1,750	810
4	2+1	\$1,100	\$1,750	810
5	2+1	\$1,000	\$1,750	810
6	1+1	\$1,050	\$1,425	655
7	1+1	\$1,425	\$1,425	552
8	1+1	\$800	\$1,425	552
Totals		\$9,975	\$13,675	6,693
Averages	8	\$1,247	\$1,709	837

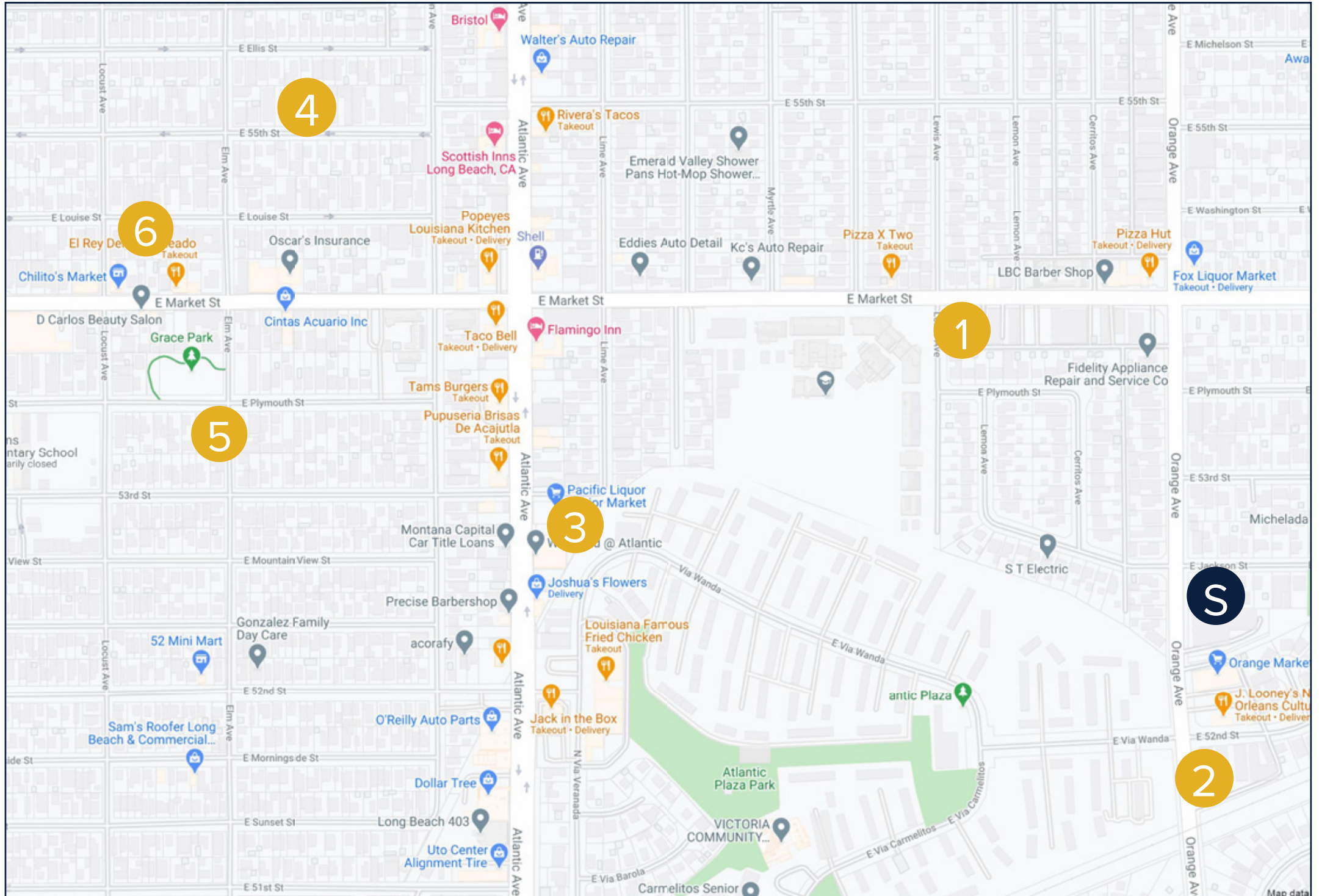
SALES COMPARABLES



SALES COMPARABLES

	ADDRESS	SALE DATE	SALE PRICE	UNITS	YEAR	PRICE PER UNIT	PRICE PER FOOT	GRM	CAP RATE
S	5260 Orange Avenue, Long Beach, CA 90805	-	\$1,700,000	8	1962	\$212,500	\$254.00	14.08	4.51%
1	46 E Plymouth Street, Long Beach, CA 90805	1/24/2020	\$1,900,000	8	1964	\$237,500	\$279.08	13.37	4.58%
2	5524 Atlantic Avenue, Long Beach, CA 90805	2/26/2020	\$2,280,000	12	1988	\$190,000	\$251.10	-	-
3	193 E Norton St / 5645-57 Dairy Ave Long Beach, CA 90805	4/28/2020	\$2,450,000	12	1971	\$204,167	\$312.98	13.25	4.77%
4	500 E 51st Street, Long Beach, CA 90805	5/13/2020	\$2,967,000	15	1963	\$197,800	\$262.06	15.83	3.15%
5	1164-70 E Market Street, Long Beach, CA 90805	8/3/2020	\$2,950,000	14	1964	\$210,714	\$309.61	-	-
6	36 W Louise Street, Long Beach, CA 90805	8/17/2020	\$1,225,000	6	1964	\$204,167	\$302.17	-	-
7	1207 E 56th Street, Long Beach, CA 90805	8/17/2020	\$1,245,000	6	1953	\$207,500	\$328.41	-	4.87%
8	5529 Dairy Avenue, Long Beach, CA 90805	9/17/2020	\$1,350,000	7	1964	\$192,857	\$277.09	12.63	4.46%
9	2820 E 65th Street, Long Beach, CA 90805	9/30/2020	\$1,400,000	6	1955	\$233,333	\$451.61	14.60	4.89%
10	510 E Pleasant Street, Long Beach, CA 90805	12/1/2020	\$1,805,000	9	1963	\$200,556	\$246.92	12.30	-
11	270-78 E 55th Street, Long Beach, CA 90805	1/3/2021	\$1,100,000	5	1924	\$220,000	\$299.40	13.67	4.75%
12	6641 Hammond Avenue, Long Beach, CA 90805	3/19/2021	\$1,850,000	8	1959	\$231,250	\$308.33	13.08	-
13	5946 Orange Avenue, Long Beach, CA 90805	3/24/2021	\$985,000	6	1956	\$164,167	\$285.18	16.21	4.00%
AVERAGE						\$206,202	\$301.07	13.88	4.43%

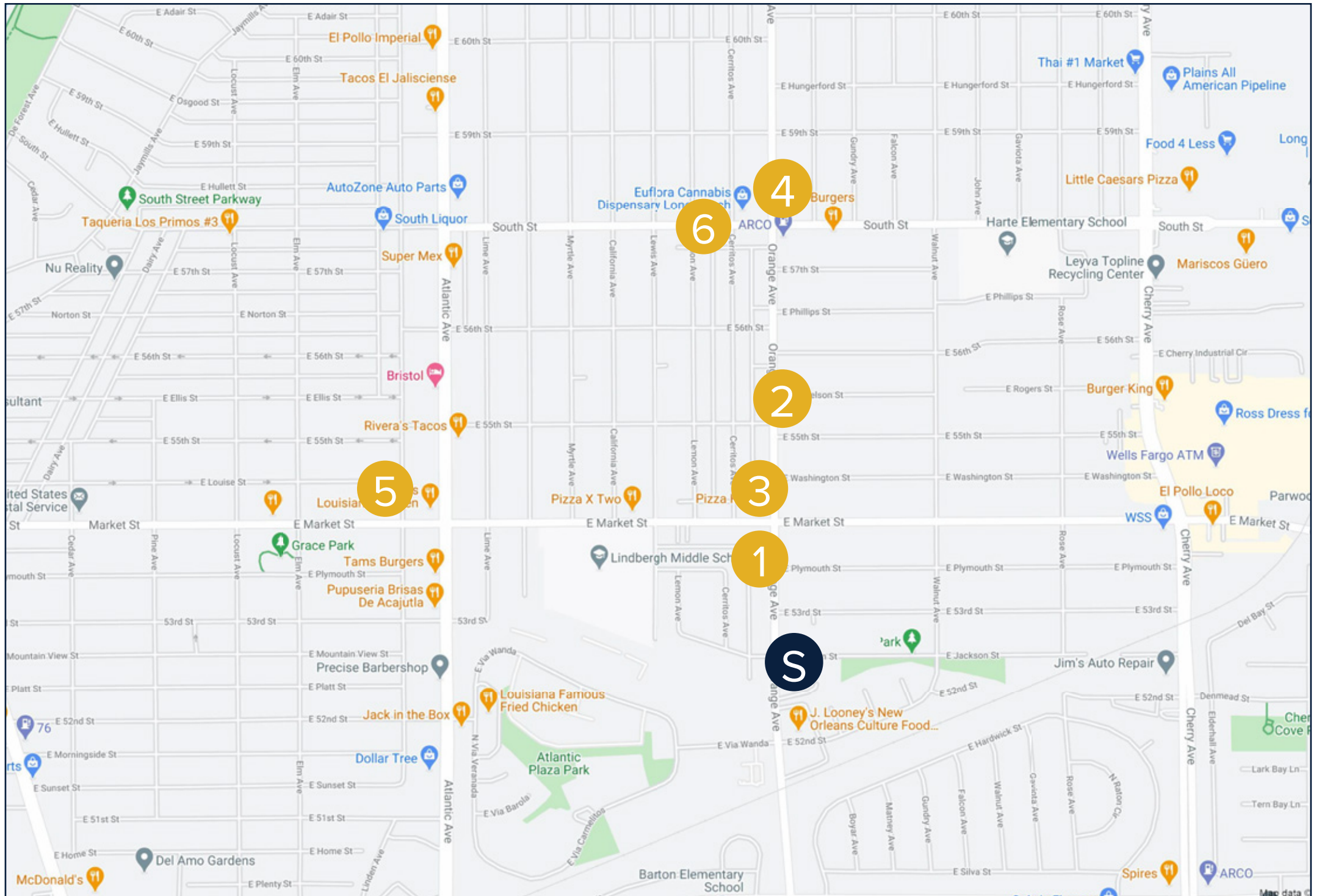
TWO-BEDROOM RENT COMPARABLES



TWO-BEDROOM RENT COMPARABLES

	ADDRESS	ASKING RENT	AVERAGE SF	YEAR BUILT	PARKING AVAILABLE?
S	5260 Orange Avenue, Long Beach, CA 90805	\$1,075	837	1962	Yes
1	1064 Market Street, Long Beach, CA 90805	\$1,850	680	1957	Included
2	1200 E 52nd Street, Long Beach, CA 90805	\$1,695	781	1959	Included
3	628 E 53rd Street, Long Beach, CA 90805	\$1,695	767	1962	Yes
4	445 E 55th Street, Long Beach, CA 90805	\$1,695	862	1968	Yes
5	360 E Plymouth Street, Long Beach, CA 90805	\$1,650	856	1979	Included
6	318 E Louise Street, Long Beach, CA 90805	\$1,825	694	1964	Yes
AVERAGE		\$1,735			

ONE-BEDROOM RENT COMPARABLES



ONE-BEDROOM RENT COMPARABLES

	ADDRESS	ASKING RENT	AVERAGE SF	YEAR BUILT	PARKING AVAILABLE?
S	5260 Orange Avenue, Long Beach, CA 90805	\$900	837	1962	Yes
1	5361 Orange Avenue, Long Beach, CA 90805	\$1,495	743	1948	Yes
2	5520 Orange Avenue, Long Beach, CA 90805	\$1,250	722	1952	Yes
3	5429 Orange Avenue, Long Beach, CA 90805	\$1,295	604	1953	No
4	5832 Orange Avenue, Long Beach, CA 90805	\$1,425	576	1956	\$50
5	488 E Louise Street, Long Beach, CA 90805	\$1,400	769	1970	Included
6	5720 Lemon Avenue, Long Beach, CA 90805	\$1,550	809	1986	Included
	AVERAGE	\$1,403			

CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **5260 Orange Avenue, Long Beach, CA 90805** (“Property”). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants’ plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

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Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser’s sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

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