



 **LEE &  
ASSOCIATES**

COMMERCIAL REAL ESTATE SERVICES

COASTAL INVESTMENT GROUP

## LAGUNA BEACH STUDENT HOUSING INVESTMENT

2355 Laguna Canyon Road | Laguna Beach, CA 92651

## CONFIDENTIALITY AND DISCLAIMER

This Confidential Offering Memorandum (this “Memorandum”) is being delivered to you for the sole purpose of evaluating the possible acquisition of 2355 Laguna Canyon Road, Laguna Beach, California (“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 Lee & Associates Commercial Brokerage (“Broker”).

This Memorandum was prepared by the Broker based on information supplied by the Owner. 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) are for general reference only. They are based on assumptions relating to the general economy and local competition, 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.

While the information contained in this Memorandum and any other Evaluation Material is believed to be reliable, neither Broker nor Owner guarantees its accuracy or completeness. Because of the foregoing and since the Property will be sold on an “AS IS”, “WHERE IS” basis, a prospective purchaser must make its own independent 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 marketing proceeds, prospective purchasers should seek advice from their own attorneys, accountants, and engineering/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 until a written sale agreement has been fully executed, delivered and approved by Owner and any conditions to Owner’s obligations hereunder 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 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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### PROPERTY SHOWINGS BY APPOINTMENT ONLY

Exclusively Offered By:

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**INVESTMENT SUMMARY**

Offering Price	\$1,150,000
Building Size	±1,700 SF
Land Size	±24,000 SF (Aproximately ±8,416 useable)
Ownership	Fee Simple
Annual Scheduled Gross Income	\$72,600*

\*See Rent Roll Analysis on Page 4

**Property**

Lee & Associates is proud to present the opportunity to acquire a fully leased investment property located directly across the street from the Laguna College of Art & Design. The property currently houses students enrolled in the school and allows an investor the comfort in stability of income stream. The large gated lot has lots of parking and great frontage on Laguna Canyon. It has been used in the past as a glass blowing studio, art studio, welding studio, sculpture studio and many other uses. There are many outdoor spaces and a large covered carport.

**Site Improvements and Description**

Address: 2355 Laguna Canyon Road  
 APN: 632-101-05 and 632-101-04  
 Zoning: Light Industrial  
 Year Originally Built: 1960  
 Location: Located on the South Side of Laguna Canyon Road just up from the Sawdust Festival and adjacent to Schusters Auto.  
 Improvements: A single story house consisting of approximately ±1,700 square feet.



	Description	Monthly Rent	Annual Rent	Lease Start	Lease End
Art House	3 Bed 2 Bath	\$1,850	\$22,200	8/1/18	7/31/19
Art Pad	1 Bed 1 Bath	\$4,200	\$50,400	TBD	TBD
<b>TOTAL</b>		<b>\$6,050</b>	<b>\$72,600</b>		

## FINANCIAL SUMMARY

Financial Summary			
<i>Price</i>		\$1,150,000.00	
<i>Rentable Square Feet</i>		1700	
<i>Number of Units*</i>		2	
<i>All-In Price Per Square Foot</i>		676.47	
<i>Current CAP</i>		3.94%	
<i>Current GRM</i>		16.33	
<b>Income</b>		Current	
		Total	Per Month
<b>Gross Potential Rent</b>		\$72,600.00	\$6,050.00
<i>Total Other Income</i>		\$0.00	
<b>Gross Potential Income</b>		\$72,600.00	
<i>Less Vacancy Allowance (3%)</i>	0.03	\$2,178.00	
<b>Effective Gross Income</b>		<b>\$70,422.00</b>	
<b>Expenses</b>		Current	
		Total	Per Month
<i>New Real Estate Taxes (1.011%)</i>		\$12,650.00	\$1,054.17
<i>Insurance</i>		\$2,958.00	
<i>Gas</i>		\$280.00	
<i>Water</i>		\$639.00	
<i>Electricity</i>		\$3,055.00	
<i>Cable</i>		\$1,262.00	
<i>Repairs &amp; Maintenance</i>		\$2,500.00	
<i>Landscaping</i>		\$1,800.00	
<b>Total Expenses</b>		<b>\$25,144.00</b>	
<b>Net Operating Income</b>		<b>\$45,278.00</b>	
<b>Unit Type</b>	<b># of Units</b>	<b>Estimated Sq. Ft*.</b>	<b>Current Rent/Month</b>
<i>Art Pad</i>	1	500	\$1,850.00
<i>Art House</i>	1	1200	\$4,200.00
<b>Totals</b>	<b>6*</b>	<b>1700</b>	<b>\$6,050.00</b>

PROPERTY AERIAL



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INTERIOR PROPERTY PHOTOS

2355 LAGUNA CANYON ROAD, LAGUNA BEACH, CA 92651





EXTERIOR PROPERTY PHOTOS

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## MARKET OVERVIEW

### CITY & COUNTY OVERVIEW

#### City of Laguna Beach

Laguna Beach is a seaside resort and artist community located in Southern Orange County, approximately 24 miles southeast of the county seat of Santa Ana. It's known for having some of the most beautiful beaches in Southern California. The city is also known for its hotels, unique shops, restaurants, world famous art galleries, and art festivals. Several movies and TV shows have been filmed there. The community of Laguna Beach (population 27,000) is the second oldest city in Southern Orange County, second to San Juan Capistrano. It is bordered by the Pacific Ocean on the southwest, Crystal Cove on the northwest, Laguna Woods on the northeast, Aliso Viejo and Laguna Niguel on the east and Dana Point on the southeast.

Many wealthy and progressive people have made Laguna Beach their home and added to the local culture. Much of the community's unique identity and vitality has come from the artistic orientation of its early residents. The city of Laguna Beach was incorporated on June

29, 1972 and continues to be known as an artists' colony and popular tourist area. The location, scenic surroundings and Mediterranean type climate ensures the city's continued prominence.

Residents of Laguna Beach enjoy the cultural tradition and resort atmosphere of a city considered to be one of the most culturally enriched communities in our nation and, over the past hundred years, has established a highly regarded reputation as an Arts Center. Each year over three million visitors come to Laguna Beach to enjoy the stunning scenic beauty, the charm of a historic town center with unique shopping and dining experiences, recreation activities and a variety of cultural arts opportunities. These attributes are interwoven into the fabric symbolizing Laguna Beach.

The City's annual art festivals began over 60 years ago. The renowned Pageant of the Masters, a tribute to the achievements of famous painters and sculptors, features major works of art replicated in real life tableau. The Festival of the Arts, the Sawdust Festival and Art A Fair provide a forum for the talents of several hundred artists from Southern California. The festivals also provide entertainment and employment for residents of Laguna Beach and are a part of the community's lifestyle. The Festivals, Laguna Beach's unique downtown shops and beach activities attract over a quarter of a million visitors to Laguna Beach during July and August with three million visiting each year. Laguna Beach is known world-wide as one of the most picturesque communities in Southern California. The city's attractiveness is exemplified by the striking physical attributes of the Pacific Ocean and steep hillsides, prominent ridgelines, vistas, and verdant canyons portraying vast areas of open space surrounding the historic community.

#### Laguna Beach Demographics

2014 Est. Population	23,493	2014 Est. Average Age	43.10
2019 Proj. Population	24,547	2014 Est. Households	11,321
2010 Census Population	22,723	2019 Proj. Households	11,913
2000 Census Population	23,324	2010 Census Households	10,862
Growth 2010-2014	3.39%	2000 Census Households	11,443
Growth 2014-2019	4.49%	Growth 2010-2014	4.23%
2014 Est. Median Age	49.55	Growth 2014-2019	5.24%



## MARKET OVERVIEW

### Laguna Beach Demographic Highlights

- » Laguna Beach is internationally known as a popular tourist destination - approximately **3 million** visitors come throughout the year for the beautiful weather, high fashion shopping, art related events, and breathtaking coastline.
- » More than **8,400** people within a 1-mile radius, with an average household income of **\$118,000**.
- » More than **21,800** people within a 3-mile radius, with an average household income of **\$132,000**.
- » More than **106,900** people within a 5-mile radius, with an average household income of **\$127,000**.
- » Laguna Beach home values average **\$1,384,000** with some oceanfront home values exceeding **\$30,000,000**.

### Orange County

The cities and communities of Orange County offer a variety of residential choices, from exclusive homes with breathtaking views of the Pacific Ocean to more modest homes in attractive planned communities. The County totals 948 square miles and has 42 miles of pristine beaches, two major harbors, vast wilderness parks and open space, top-rated attractions, world-class shopping, and a wide range of cultural arts. Orange County is a worldwide tourist destination attracting more than 38 million visitors each year. Orange County is home to Disneyland, Knott's Berry Farm, miles of famous beaches and coastline, and the largest convention center in the west (Anaheim Convention Center). Tourist spending swelled to a record \$7.31 billion, supporting nearly 83,000 local jobs.

In fact, "Places Rated Almanac" has rated Orange County as the number one place to live in the nation. The nine factors that influence the quality of location and encompass the most common components applicable to relocation were climate, cost of living, crime, education, health care, jobs, recreation, the arts, and transportation. There are more than 40 colleges and universities in Southern California, which feed and support this highly trained and motivated work force. Orange County has ten public and seven private colleges and universities serving its communities.

With a population of more than 3 million residents (8.5% of California's population), Orange County is the second largest county in California, trailing behind Los Angeles and just surpassing San Diego County,

and ranks as the fifth most populated county in the nation. Orange County's population has increased by approximately 29% since 1990 and growth is expected to continue with population projections over 3.6 million by 2030. Compared to the United States overall, Orange County has a slightly younger population that is significantly more affluent and better educated. Superlative demographics continue to attract businesses to Orange County.

### Orange County Economy

- » Ranked in Forbes magazine's top 50 economically thriving metro areas, Orange County enjoys lower business costs, a highly qualified workforce, and one of the lowest unemployment rates in the country.
- » Attraction and retention of the world's leading companies will remain high due to Orange County's 17 colleges and universities, one of the best educated work forces in the world, and an independent attitude.
- » Orange County is roughly 1% of the U.S. Population, but it has 3% of Fortune 500 companies.
- » Places Rated Almanac puts Orange County in the top ten cities in the nation for job growth and retention.
- » More than 43 million tourists visit Orange County annually, spending approximately \$8.7 billion and supporting nearly 160,000 local tourism industry jobs.





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