

OFFERING MEMORANDUM

**450 ELLWOOD BEACH DRIVE
GOLETA, CA 93117**

**14-UNIT APARTMENT BUILDING
BY ELLWOOD MESA OPEN SPACE
\$4,950,000**



**BERKSHIRE
HATHAWAY** | California
HomeServices Properties
COMMERCIAL DIVISION



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TABLE OF CONTENTS

**450 ELLWOOD BEACH DRIVE
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3. Property Overview

4. Property Data

5. Site Plan

6. Unit Floorplans

7. Financial Overview

8. Property Photos

9. Vicinity Map

10. Tenant Demand

11. Goleta, California

Prime Goleta Location, High Cash Flow in Place

450 Ellwood Beach Drive is a well-located 14-unit apartment building, priced at a compelling in-place capitalization rate of ~5.8% and a gross rent multiplier of ~11.6. The listed cap rate is above the cap rate of recent sale comps in the desirable Goleta, California coastal California sub-market, and is based on actual rents not market rents in order to generate a quick sale. Situated at the far end of Ellwood Beach Drive abutting the prized Ellwood Mesa Open Space Preserve and with access to trails to the beach, the building features all 1-bedroom units averaging a spacious 665 square feet per unit. The property has been well-maintained and partially updated over the years, and has had recent roof and driveway capital improvements.



The complex is always popular with tenants due to several tenant demand drivers within 1-2 miles. These sources of tenants include employees of dozens of nearby high-salary software and engineering companies, the Santa Barbara Airport, the Bacara Resort, UC Santa Barbara, the Deckers world headquarters, and a multitude of hospitality and retail employers. Tenants are drawn to the location due to its access to nature next door and proximity to the beach and Pacific Ocean, Girsh Park and Sandpiper Golf Course, as well as to all retail services and restaurant types at the nearby Camino Real Marketplace and Hollister Village.

PROPERTY INFORMATION

Assessor Parcel Number: 079-551-023

Zoning: RH (Residential High-Density)

Lot Size: 0.25 acres / 10,890 square feet

Habitable Square Footage: ~9,324+/-SF (meas.)

Number Of Apartments: 14 units, single building
All units are 1-level
8 units upstairs
6 units downstairs

Unit Mix: 14 x 1-bed/1-bath (3 floorplans)

RENTAL OPERATIONS

Parking: 14 spaces (6 carport, 8 uncovered)

Laundry: Common laundry room
Coin-op leased machines

Electric: Separate meters, plus common meter

Gas: Separate meters, common meter hot water

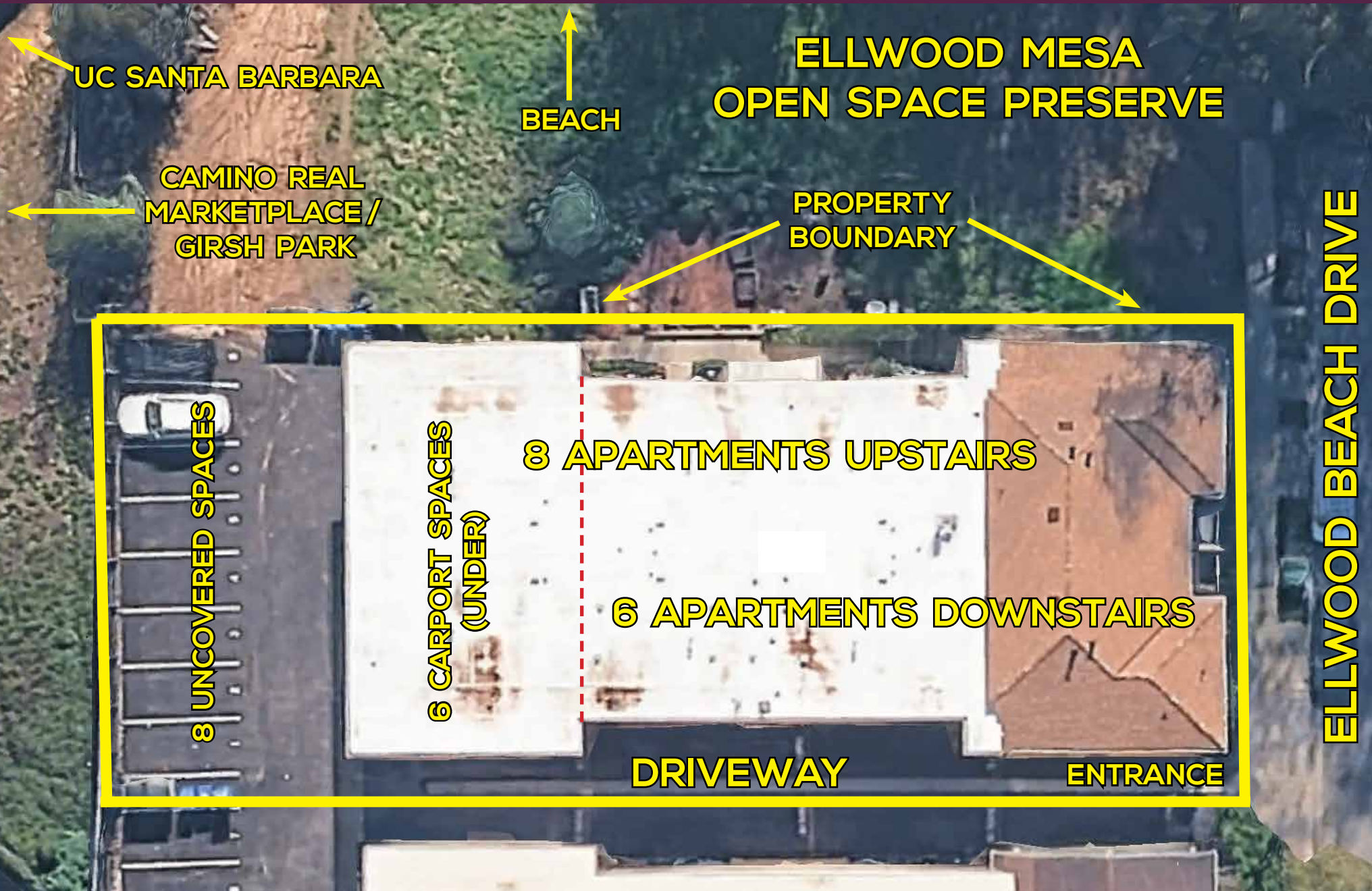
Water: Single meter, landlord pays all water

Water Heaters: Single common water heater

Heat: Gas wall heaters in each unit

SITE PLAN

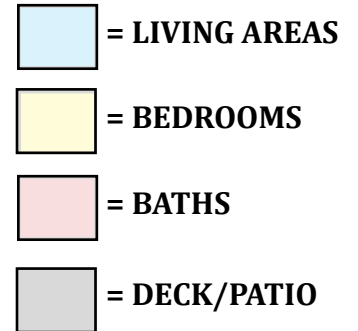
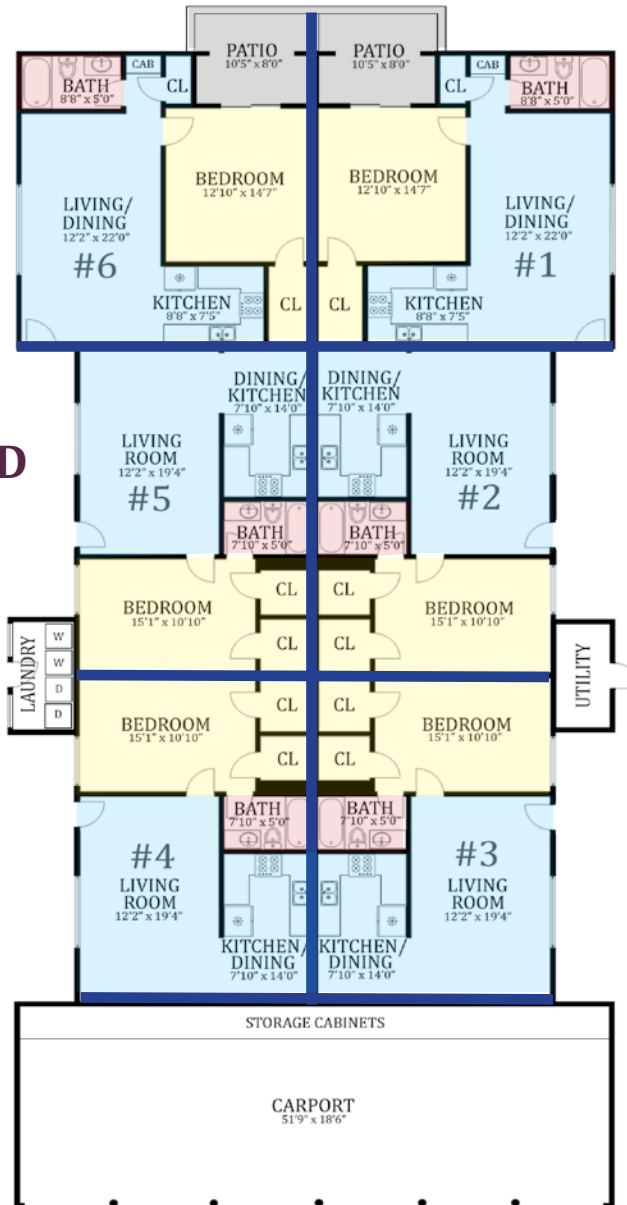
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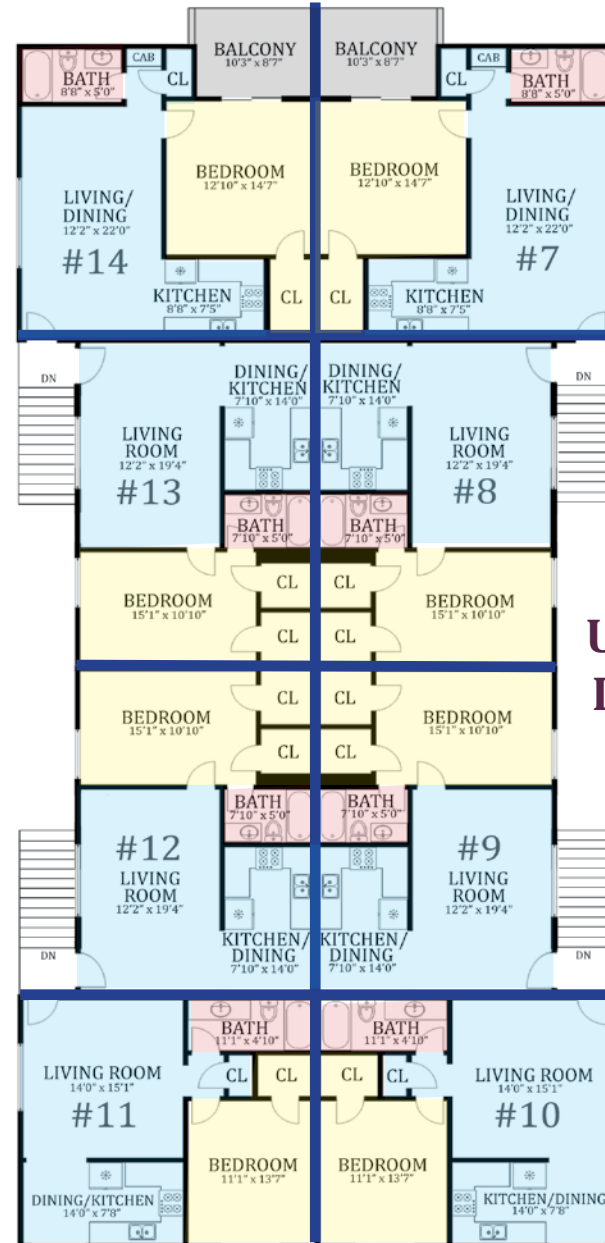
UNIT FLOORPLANS

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GROUND LEVEL



UPPER LEVEL



FINANCIAL OVERVIEW

450 ELLWOOD BEACH DRIVE
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INCOME SUMMARY

APT #	BEDS/BATH/SF	ACTUAL RENT	EST. MARKET
1	1 / 1 / 695 SF	\$2,495	\$2,550
2	1 / 1 / 660 SF	\$2,500	\$2,550
3	1 / 1 / 660 SF	\$2,450	\$2,550
4	1 / 1 / 660 SF	\$2,522	\$2,550
5	1 / 1 / 660 SF	\$2,495	\$2,550
6	1 / 1 / 695 SF	\$2,500	\$2,550
7	1 / 1 / 695 SF	\$2,500	\$2,550
8	1 / 1 / 660 SF	\$2,550	\$2,550
9	1 / 1 / 660 SF	\$2,500	\$2,550
10	1 / 1 / 632 SF	\$2,500	\$2,550
11	1 / 1 / 632 SF	\$2,495	\$2,550
12	1 / 1 / 660 SF	\$2,500	\$2,550
13	1 / 1 / 660 SF	\$2,500	\$2,550
14	1 / 1 / 695 SF	\$2,495	\$2,550
LAUNDRY		\$455	\$455
TOTAL MONTHLY		\$35,457	\$36,155
TOTAL ANNUAL		\$425,484	\$433,860

EXPENSE SUMMARY

EXPENSE CATEGORY	ACTUAL	EST. MARKET
Property Taxes (~1.214%)	\$60,093	\$60,093
Insurance	\$9,952	\$10,250
Water/Sewer (master meter)	\$10,369	\$10,680
Trash	\$3,486	\$3,590
Gas (common water heater)	\$2,640	\$2,719
Electric (common only)	\$732	\$754
Repairs/Maintenance/etc.	\$20,848	\$21,473
Landscaping	\$1,916	\$1,973
Management (4.5%)	\$19,147	\$19,524
Reserves/Vacancy (2%)	\$8,510	\$8,677
TOTAL ANNUAL	\$137,692	\$139,735

FINANCIAL SUMMARY

SUMMARY METRIC	ACTUAL	EST. MARKET
Annual Income	\$425,484	\$433,860
Annual Expenses	\$137,692	\$139,735
Net Operating Income	\$287,792	\$294,125
Purchase Price	\$4,950,000	\$4,950,000
GROSS RENT MULTIPLIER	11.63	11.41
CAPITALIZATION RATE	5.81%	5.94%



**View From Ellwood Mesa
Open Space Preserve**



**North Side of Building
Driveway to Parking in Rear**



**6 Carport Spaces, Plus Storage
8 Uncovered Spaces at Back**



**Living Room Looking to Kitchen
(updated flooring, typical)**



Kitchen (typical)



**Living Room Looking to Kitchen
(carpeted flooring, typical)**

VICINITY MAP

450 ELLWOOD BEACH DRIVE
GOLETA, CA 93117



450 Ellwood Beach Drive benefits from significant drivers of tenant demand in the nearby vicinity. High-paying tech companies along the Hollister Tech Corridor are as close as a half-mile away, along with many other company types and institutions who would be suitable employers for the tenant price point and lifestyle location of 450 Ellwood Beach Drive. The tenant demand is further enhanced by the many amenities easily accessed from the property.

NEARBY EMPLOYMENT

TECHNOLOGY – HARDWARE Dozens of research and manufacturing cutting-edge high-tech companies	0.5-2.0 miles
TECHNOLOGY – SOFTWARE 2 major real estate software companies (AppFolio, Yardi), many software start-ups	0.5-2.0 miles
TECHNOLOGY – LIFE SCIENCES Medical device and biotech companies	0.5-2.0 miles
RETAIL BUSINESSES Camino Real Marketplace anchored by Costco, Home Depot, plus several smaller stores and restaurants; 3 other major retail centers adjacent to the east, north and south	1.0 miles
HOSPITALITY Bacara Resort, several large chain hotels	1.0-1.5 miles
EDUCATION UC Santa Barbara campus (6,600 employees)	2.5 miles

NEARBY AMENITIES

NATURE PRESERVE Adjacent to the Ellwood Mesa Open Space Preserve, including butterfly habitat	0.0 miles
BEACH ACCESS Trails lead from the apartments over the ocean bluffs then down to beach below	0.75 miles
MAJOR RETAIL CENTERS Camino Real Marketplace with Costco, Home Depot anchors, plus 3 other surrounding shopping centers	0.75-1.25 miles
RESTAURANTS / DINING Dozens of eating options nearby, from fast food to casual to fine dining	0.75-1.25 miles
MOVIE THEATERS Multiplex cinema at Camino Real Marketplace	1.0 miles
PARKS / RECREATION Girsh Park with ball fields, basketball, community events; ice hockey rink; Sandpiper Golf Course	1.0-1.5 miles

A Thriving Coastal Community

Goleta, California is the primary sub-city in the greater Santa Barbara area along the Southern California coast, on the western end of the metropolitan area. With its proximity to the University of California at Santa Barbara (UCSB) campus, and a durable and always evolving decades-long technology industry, the City of Goleta is an energetic hub full of well-paying job opportunities for its tenant population. Known as “The Good Land”, Goleta also boasts a wealth of recreational and lifestyle opportunities for its residents – beautiful sunny beaches, coastal nature preserves (including adjacent to 450 Ellwood Beach Drive), an abundance of parks and sports facilities, the Santa Barbara Airport (national), and every size and shape of retail, culinary and hospitality spaces.

CITY OF GOLETA DEMOGRAPHICS

(per most recent data source found)

Population: 32,338

Unemployment Rate: 2.8%

Total Workforce: 19,165

Median Household Income: \$122,370

Apartment Inventory: 5,049 units

Percentage of Renters: 49.2%

MAJOR EMPLOYERS

UC Santa Barbara (~6,600 employees)

Deckers (footwear, world headquarters)

Yardi Systems (software, world headquarters)

AppFolio (software, world headquarters)

Raytheon (infrared imaging, other defense tech)

Northrop Grumman (aviation, defense tech)

Inogen (portable oxygen, medical devices)

"The Good Land"



Ellwood Mesa Open Space Preserve



Sands Beach



Hollister Tech Corridor



Sandpiper Golf Course



Girsh Park



Bacara Resort



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