

OFFERING MEMORANDUM | FEBRUARY 2019

1320

PACIFIC AVE

VENICE, CALIFORNIA



Conceptual Design



The Property's LAC4 zoning allows for limitless use & development potential.

 **Newmark
Knight Frank**

 **PALOMA**
REALTY PARTNERS

1320

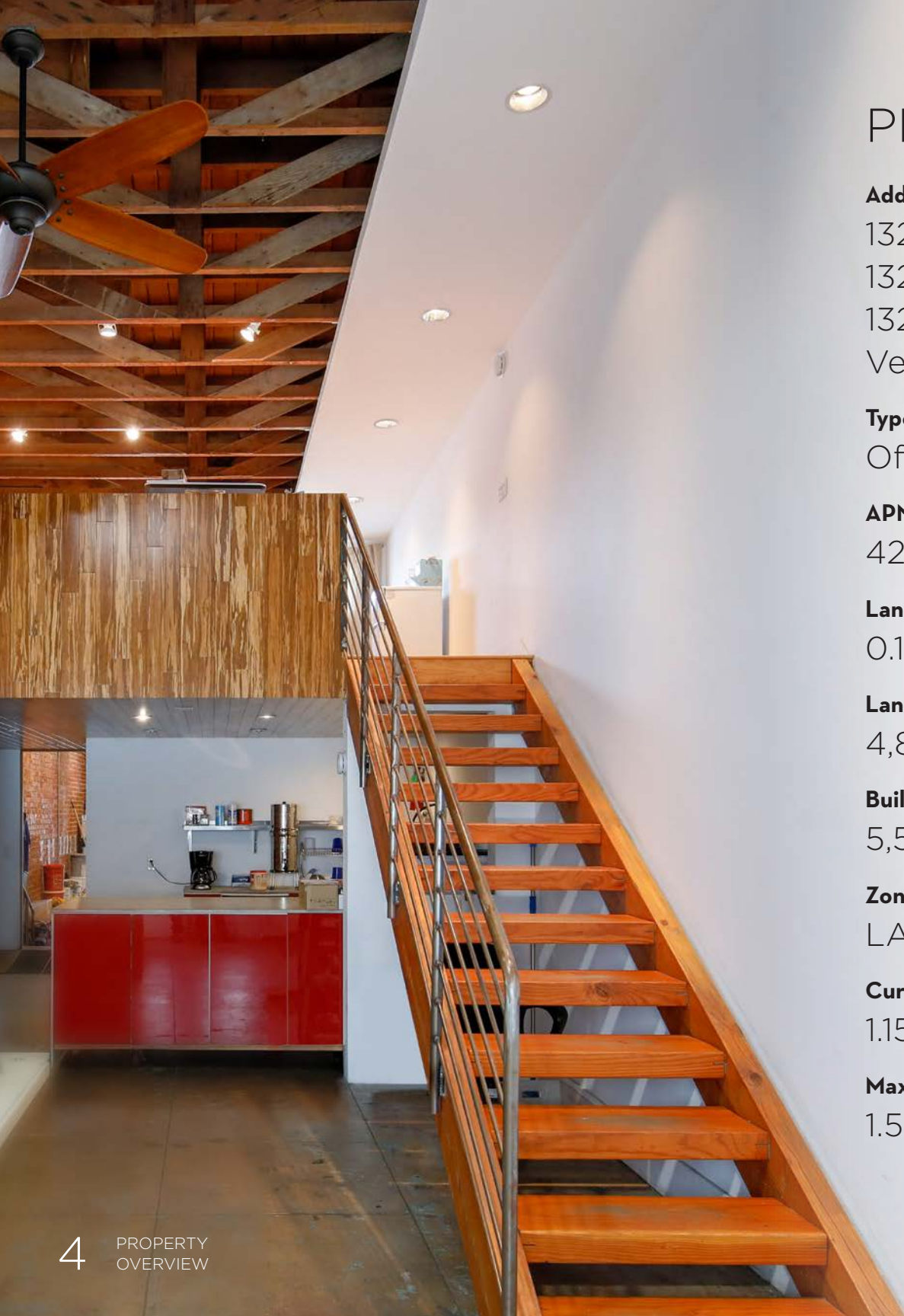
PACIFIC AVE

EXECUTIVE SUMMARY

Newmark Knight Frank and Paloma Realty Partners are pleased to present the opportunity to acquire two office buildings totaling 5,534-square-feet located at 1320-1324 Pacific Ave in Venice, California (the "Property"). The Property is 42% leased to the Venice Beach Business Improvement District, presenting a stable and secure stream of cash flow with the optionality for an owner user to occupy the vacant space or for an investor to execute a lease up strategy in one of the most dynamic office markets in the nation. Ideally located in Venice, CA, the Property benefits from versatile LAC4 zoning-allowing for a variety of uses and proximity to an abundance of shopping and recreation opportunities as well as numerous major technology, venture capital and entertainment employers who call the region home.



Conceptual Design



PROPERTY OVERVIEW

Address

1320 Pacific Ave
1322 Pacific Ave
1324 Pacific Ave
Venice, CA 90291

Type

Office

APN

4238-011-005

Land Acres

0.11 Acres

Land SF

4,800 SF

Building SF

5,534 SF

Zoning

LAC4

Current FAR

1.15:1

Maximum Allowable FAR

1.5:1

Number of Buildings

2

Number of Stories

2

Year Built/Renovated

1920/2019

Occupancy

42%

Number of Tenants

1

Suite SF

1320 Pacific Ave | 1,142 SF
1322 Pacific Ave | 1,168 SF
1324 Pacific Ave | 3,224 SF

Parking Spaces

2 Exterior Parking Stalls
1 Interior Garage/Workshop

Walk Score

96 (Walker's Paradise)

1320
PACIFIC AVE

ALLEY

NOT
A PART

1320
Pacific Ave

1322
Pacific Ave

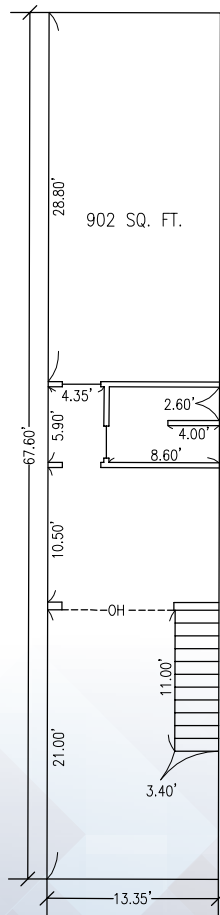
1324
Pacific Ave

HORIZON AVE

PACIFIC AVE

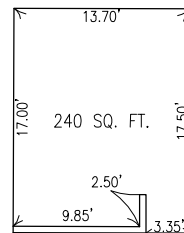


1st floor

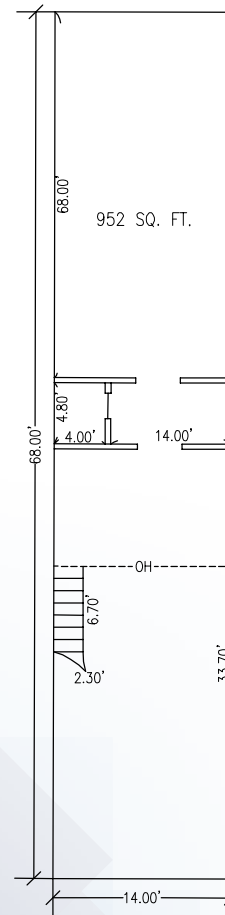


1320 Pacific Ave.

2nd floor

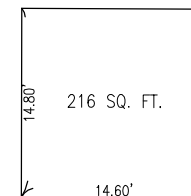


1st floor

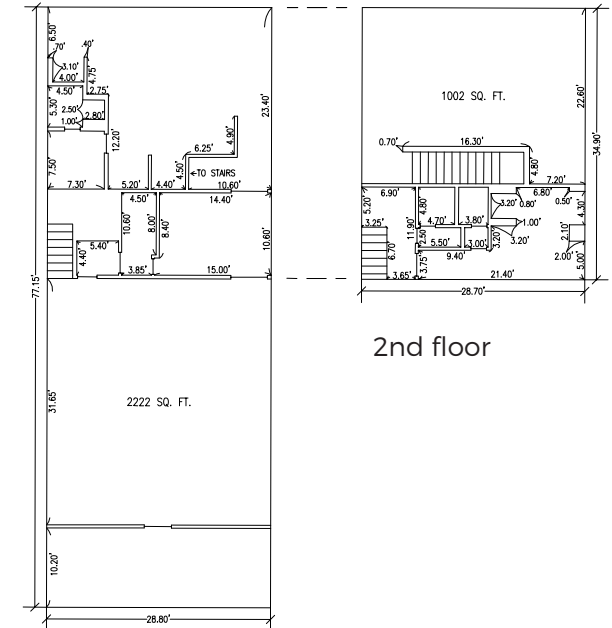


1322 Pacific Ave.

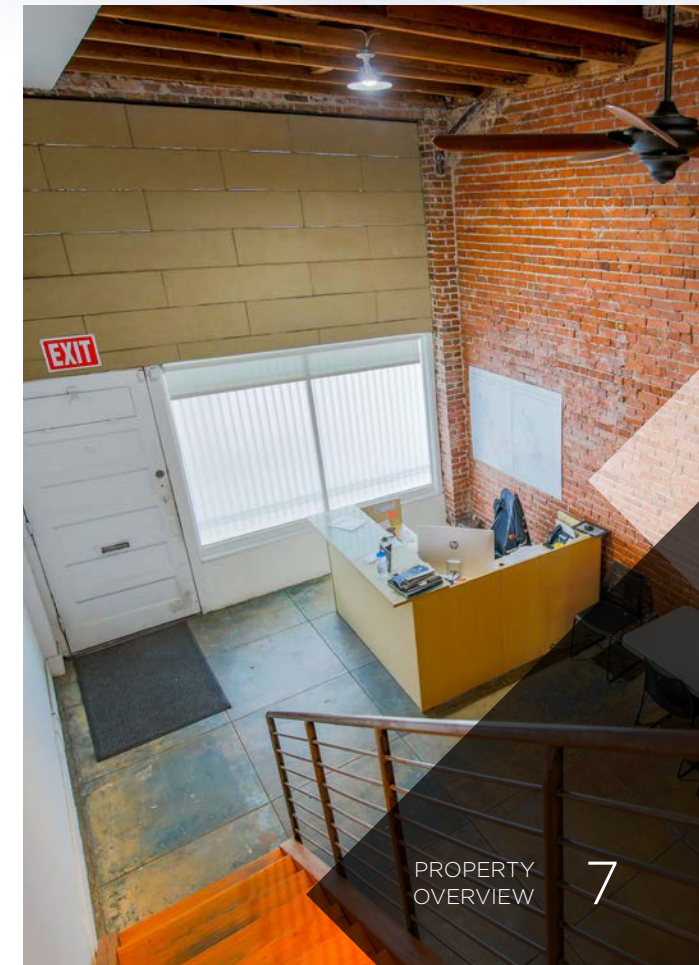
2nd floor



1st floor



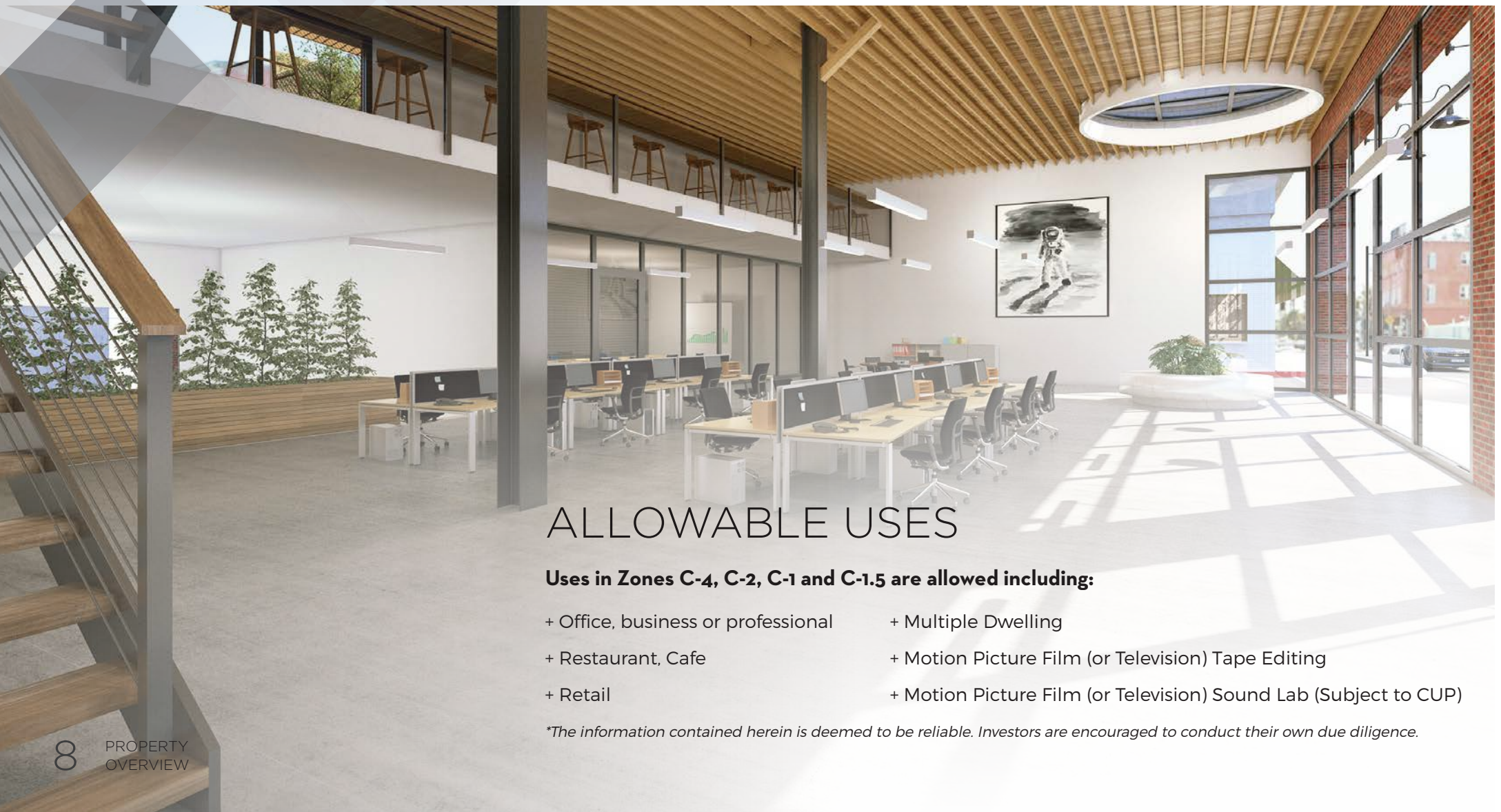
1324 Pacific Ave.



LIMITLESS USE & DEVELOPMENT POTENTIAL

Land Use Description Summary

The existing building was permitted in 1926 as "Store". Per the last issued Certificate of Occupancy in 1989 the Property use was corrected to "Art Studio & Commercial". A mezzanine was added in 1988 before the Property CofO was issued in 1989 and the commercial portion can accommodate creative office or media production since its parking rate is higher.



ALLOWABLE USES

Uses in Zones C-4, C-2, C-1 and C-1.5 are allowed including:

- + Office, business or professional
- + Restaurant, Cafe
- + Retail
- + Multiple Dwelling
- + Motion Picture Film (or Television) Tape Editing
- + Motion Picture Film (or Television) Sound Lab (Subject to CUP)

**The information contained herein is deemed to be reliable. Investors are encouraged to conduct their own due diligence.*

Conceptual Design

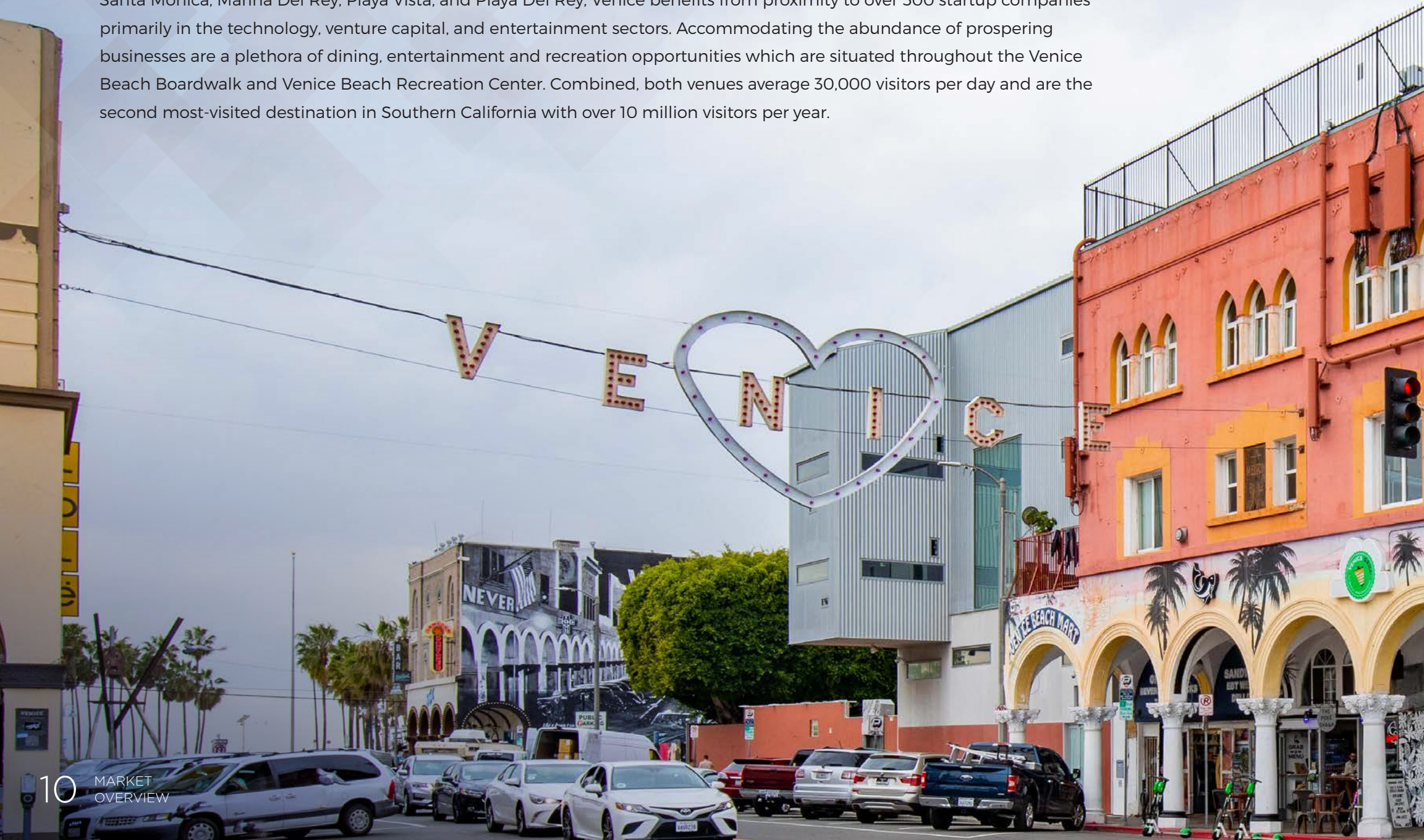
1320

PACIFIC AVE



VENICE MARKET OVERVIEW

Founded in 1905 as a resort beach town by tobacco millionaire, Abbot Kinney, Venice, CA is now considered one of the most highly desired destinations for tourists, residents, and businesses alike. Ideally situated in Silicon Beach, which also comprises Santa Monica, Marina Del Rey, Playa Vista, and Playa Del Rey, Venice benefits from proximity to over 500 startup companies primarily in the technology, venture capital, and entertainment sectors. Accommodating the abundance of prospering businesses are a plethora of dining, entertainment and recreation opportunities which are situated throughout the Venice Beach Boardwalk and Venice Beach Recreation Center. Combined, both venues average 30,000 visitors per day and are the second most-visited destination in Southern California with over 10 million visitors per year.



Notable Employers Within the Region



NOTABLE ATTRACTIONS

Venice Beach Boardwalk

Two-mile boardwalk which hosts hundreds of street vendors and performers along with numerous privately-owned restaurants and street vendors.

Venice Beach Recreation Center

Recreation center which offers basketball, paddle tennis, handball, a world-renowned skate park, bike paths and the world-famous Muscle Beach Venice gym.

Abbot Kinney Boulevard

Named the “Coolest Block in America” by GQ Magazine, the mile-long stretch features hundreds of shops, restaurants, and galleries.

Venice Canals

Man-made canals built by Abbot Kinney which feature walking paths and bridges.



RESTAURANTS

- 1 El Huarique
- 2 The Poke Shack
- 3 Great White
- 4 Bank of Venice
- 5 Menotti's Coffee Stop
- 6 Larry's
- 7 Barlo Kitchen & Cocktails
- 8 Hama Sushi
- 9 Felix Trattoria
- 10 Neighbor
- 11 the otherroom
- 12 The Butcher's Daughter
- 13 Greenleaf
- 14 The Butcher's Daughter
- 15 MTN
- 16 Intelligentsia Coffee
- 17 Salt & Straw
- 18 Abbot's Pizza Company
- 19 Gjelina
- 20 Salt Air
- 21 The Tasting Kitchen
- 22 Lemonade
- 23 French Market Cafe
- 24 The Anchor
- 25 Venice Ale House
- 26 Figtree's Café & Grill
- 27 Barrique
- 28 James' Beach

ATTRACTIONS

- 1 Venice Sign
- 2 Venice Skate Park
- 3 Venice Muscle Beach
- 4 Venice Canals
- 5 Gold's Gym
- 6 Venice Beach Boardwalk

SHOPPING

- 1 Trading Post
- 2 Maui & Sons Surf & Skate
- 3 Windward Market
- 4 Solé Bicycles
- 5 Beach House Market
- 6 Unknown Artist II
- 7 Boardwalk Vintage
- 8 It'Sugar
- 9 Industry of All Nations
- 10 Scotch & Soda
- 11 TOMS
- 12 Warby Parker
- 13 Timbuk2
- 14 Vince

LODGING

- 1 Hotel Erwin
- 2 Venice Beach Hostel
- 3 Samesun Venice Beach
- 4 Venice Beach Suites
- 5 Venice Beach Waldorf
- 6 Venice Breeze Suites
- 7 Venice on the Beach Hotel
- 8 Inn at Venice Beach
- 9 The Kinney Venice Beach
- 10 The Cadillac Hotel
- 11 Venice Suites
- 12 The Ellison Suites
- 13 Su Casa Venice
- 14 Boutique 444



MARINA
DEL REY

VENICE OFFICE MARKET OVERVIEW

With less than 500,000 total SF of office space consisting of traditionally smaller office and live work properties, Venice lends itself nicely to the ever-growing technology, entertainment, and venture capital businesses with an employee pool looking for a culture and lifestyle unmatched by any other Greater Los Angeles Area submarket. Some notable office users in the market are Vice Media, Dollar Shave Club, Zefr, Bird, and Codesmith. Average office rental rates are in the \$5.50-10.00/SF NNN range. New office product is especially scarce in the Venice submarket largely due to strict development standards set forth in the Venice Specific Plan and California Coastal Commission Strategic Plan, creating high barriers to entry and commanding premium rents for existing product.





TENANT OVERVIEW



The Venice Beach Business Improvement District ("Venice Beach BID") is a nonprofit organization founded in 2016 whose primary purpose is to provide clean and safe services within the BID zones of Venice Beach beyond what the City of Venice delivers. Property owners within the boundaries of the Venice Beach BID zones are the primary contributors to the organization and are assessed additional taxes as determined by their allocated zoning. The Venice Beach BID budget breakdown consists of 73% of funds being allocated towards Clean & Safe Programs, 20% towards administration & management, and 7% towards district identity & special projects.



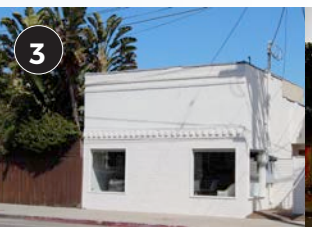



1320-1322 Pacific Ave serves as the central hub and critical use headquarters for the Venice Beach BID and their 25+ person staff.



VENICE BEACH BUSINESS IMPROVEMENT DISTRICT ZONE ALLOCATIONS



SALE COMPARABLES

						
	1	2	3	4	5	6
	64 Market St. & 63-69 Market St.	(910 Abbot Kinney Blvd) 900-916 Abbot Kinney Blvd. & 916 S. Main Street	1729 Abbot Kinney Blvd	1346 Abbot Kinney Blvd	62-66 Windward Ave.	535 Victoria Ave.
City, State	Venice, CA	Venice, CA	Venice, CA	Venice, CA	Venice, CA	Venice, CA
Sale Price	\$11,955,000	\$25,000,000	\$3,485,000	\$6,600,000	\$5,500,000	\$8,600,000
PSF	\$1,004	\$2,243	\$1,291	\$1,473	\$736	\$2,243
PSF/Land	\$1,524	\$1,173	\$1,106	\$2,446	\$1,403	\$1,147
Building Type	Office	Office	Office	Mixed Use	Retail / Office	Office
Zoning	LACM	LA C2-1	LA M1	LA C2	C2-1-CA	LA M1
Building SF	5,603 6,297	11,145	2,700	4,481	7,471	3,835
Land SF	2,614 5,227	21,318	3,150	2,698	3,920	7,501
Occupancy	63%	100%	100%	100%	69%	100%
Built / Renovated	1913 1921	1912 / 2010	1949	1925	1922	1954 / 2017
Stories	2 3	1	1	2	2	1
Parking Spaces	No available on-site parking	21	No available on-site parking	1	No available on-site parking	9
Sale Date	12/28/18	8/1/18	7/13/18	5/18/18	2/21/18	1/4/17
Sale Type	Investment	Investment	Owner / User	Owner / User	Investment Sale	Owner / User
Buyer	Brian Christopher Sullivan	Fogel Real Estate Corp.	Sc 1729 Abbot Kinney Llc	Amy Duncan	Optimus Properties, LLC	Victoria Documentary Partners LLC
Seller	Snap Inc.	Atlantic Creek Real Estate Partners, LLC	The Kor Group	Akie Watanabe	Marvin Gayle	Susanne Preissler
Comments	Creative office, formerly occupied by Snap Inc.	Creative office with mezzanine space and 2,000 SF of patio space. Part of Snap Inc. sublease portfolio.	Collaborative creative workspace design, full kitchen, outdoor patio/deck and high exposed ceilings.	Entitled for mix of uses including live / work and retail. Features a patio space on the second floor.	Street-level retail and a creative office unit on the second floor.	Newly renovated creative office building.

SANTA
MONICA

1320
PACIFIC AVE

BROOKS AVE

ROSE AVE

MAIN ST
PACIFIC AVE

SPEEDWAY

LINCOLN BLVD

ABBOT KINNEY BOULEVARD

ELECTRIC AVE

CALIFORNIA AVE

S VENICE BLVD

VENICE

Westminster
Off-Leash
Park

1

5

2

4

3

6

ABBOT KINNEY BLVD

Venice of America
Centennial Park

VENICE WAY

18TH AVE

SPEEDWAY

N VENICE BLVD
S VENICE BLVD

PACIFIC AVE

WASHINGTON BLVD

MARINA
DEL REY

SALE
COMPARABLES

19

Pacific Ocean

Venice Beach

Ocean Front Walk

Ocean Front Walk

VIA MARINA



CONFIDENTIALITY AND CONDITIONS

Newmark Knight Frank (the "Agent") has been engaged as the exclusive sales representative for the sale of 1320-1324 Pacific Ave in Venice, California (the "Property") by 'Ownership' (the "Seller"). The Property is being offered for sale on an "as-is, where-is" condition, and the Seller and the Agent make no representations or warranties as to the accuracy of the information contained in this Offering Memorandum. The enclosed materials include confidential information and are being furnished solely for the purpose of review by prospective purchasers ("Purchasers") of the interest described herein for which it shall be fully and solely responsible. Neither the enclosed materials, nor any information contained herein, are to be used for any other purpose, or made available to any other person without the express written consent of the Seller. Each recipient, as a prerequisite to receiving the enclosed information, should be registered with the Agent as a "Registered Potential Investor" or as a "Buyer's Agent" for an identified "Registered Potential Investor". The use of this Offering Memorandum, and the information provided herein, is subject to the terms, provisions and limitations of the Confidentiality Agreement furnished by the Agent prior to delivery of this Offering Memorandum.

The material contained herein is based on information and sources deemed to be reliable, but no representation or warranty, express or implied, is being made by the Agent or the Seller or any of their respective representatives, affiliates, officers, employees, shareholders, partners, and directors, as to its accuracy or completeness. Summaries contained herein of any legal or other documents are not intended to be comprehensive statements of the terms of such documents, but rather only outlines of some of the principal provisions contained therein. Neither the Seller nor the Agent shall have any liability whatsoever for any other written or oral communication or information transmitted, or made available, or any action taken, or decision made by the recipient with respect to the Property.

The Seller reserves the right, at its sole and absolute discretion, to withdraw the Property from the market for sale at any time and for any reason without notice, to reject any and all expressions of interest or offers regarding the Property, and/or to terminate discussions with any entity at any time, with or without notice. This Offering Memorandum is made subject to omissions, correction of errors, change of price or other terms, prior sale or withdrawal from the market without notice. The Agent is not authorized to make any representations or agreements on behalf of the Seller. The Seller shall have no legal commitment or obligation to any recipient reviewing the enclosed materials, performing additional investigation, and/or making an offer to purchase the Property unless and until a binding written agreement for the purchase of the Property has been fully executed, delivered, and approved by Seller and any conditions required under the contract for title to pass from the Seller to the buyer have been satisfied or waived.

By taking possession of and reviewing the information contained herein, the recipient agrees that (a) the enclosed materials and their contents will be held and treated in the strictest of confidence; and (b) the recipient shall not contact employees, contractors, sub-contractors or lien-holders of the Property directly or indirectly regarding any aspect of the enclosed materials or the Property without the prior written approval of the Seller or the Agent; and (c) no portion of the enclosed materials may be copied or otherwise reproduced without the prior written authorization of the Seller or the Agent or as otherwise provided in the Confidentiality Agreement executed and delivered by the recipient(s) to Agent.

DISCLAIMER

The broker for a purchaser of the Property shall be entitled to receive a real estate commission only in the event that broker and the Property's owner execute a written commission agreement containing the manner of calculation of that commission and all conditions to its payment, and the satisfaction of those conditions. Absent a written agreement to the contrary between that broker and Newmark Knight Frank that broker shall not look to Newmark Knight Frank for payment of such a commission or any other compensation. Although all information furnished regarding property for sale, lease, or financing has been obtained from sources deemed to be reliable, that information has not been verified by Newmark Knight Frank and no express representation is made nor is any to be implied as to the accuracy thereof. That information is subject to errors, omissions, change of price, rental or other conditions, prior sale, lease or financing, or withdrawal without notice and to any special conditions imposed by Newmark Knight Frank' client.



1320

PACIFIC AVE

INVESTMENT SALES CONTACTS



SEAN FULP
Executive Managing Director
310.407.6596
sfulp@ngkf.com
CA RE Lic #01389064

RYAN PLUMMER
Managing Director
310.407.6570
ryan.plummer@ngkf.com
CA RE Lic #01765854

MARK SCHUESSLER
Associate Director
310.201.2075
mark.schuessler@ngkf.com
CA RE Lic #02033871

RYAN TETRAULT
Associate
310.201.2062
ryan.tetrault@ngkf.com
CA RE Lic #01996711

MARKET SPECIALIST



CHRIS CUNNINGHAM
Principal
310.392.2436
chris@palomarealtypartners.com
CA RE Lic #01476244

February 2019

The information contained herein has been obtained from sources deemed reliable but has not been verified and no guarantee, warranty or representation, either express or implied, is made with respect to such information. Terms of sale or lease and availability are subject to change or withdrawal without notice.

CA RE License #01355491

