

71 19th Street

LYON STAHL
INVESTMENT REAL ESTATE

HERMOSA BEACH, CA 90254



7 UNIT APARTMENT BUILDING ON A COVETED WALK STREET

71 19th Street

Hermosa Beach, CA 90254

DANIEL SHIEH

Vice President

DRE #01978847

(310) 990-2131 • daniel@lyonstahl.com

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71 19th Street, Hermosa Beach

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PROPERTY PHOTOS

Property Overview

71 19th Street, Hermosa Beach, CA



71 19th Street presents a rare opportunity to acquire a pride-of-ownership multifamily asset in one of Southern California's most desirable coastal communities. Located just steps from the sand in the heart of Hermosa Beach, the property consists of seven 1-bedroom/1-bathroom units and will be **delivered with two vacant units**, providing a new owner with an immediate value-add opportunity rarely found in today's market. The vacant units allow investors to renovate and reposition from day one, capturing market rents without the delays and uncertainty often associated with tenant turnover. Combined with the property's existing below-market rent roll, investors have a clear pathway to significantly increase income and unlock substantial upside over time. The ability to immediately renovate and lease two units at current market rates creates an attractive opportunity to establish higher rental benchmarks for the property while enhancing overall asset value.

Additionally, **the vacant units provide flexibility for a furnished rental or short-term rental strategy** (subject to local regulations and permitting requirements), offering investors the potential to further increase cash flow by capitalizing on Hermosa Beach's year-round tourism and coastal lifestyle appeal.

Beyond the operational upside, investors can **benefit from valuable tax advantages through depreciation and potential cost segregation strategies**, helping offset income while building long-term wealth. Whether repositioned as a premium beach rental asset, operated with a hybrid furnished rental strategy, or held as a legacy investment, 71 19th Street offers an exceptional combination of immediate upside, long-term appreciation potential, and irreplaceable coastal location.

Ideally situated just moments from the beach, Hermosa Pier, award-winning restaurants, boutique retail, and major employment centers throughout the South Bay, the property benefits from the exceptional demand that continues to drive both rental growth and long-term appreciation in Hermosa Beach. With limited multifamily inventory, restrictive development opportunities, and high barriers to entry, coastal apartment buildings of this size and location rarely come to market.

Hermosa won't appeal court ruling overturning short term rental ban in its coastal zone

Kevin Cody • May 13, 2026

Hermosa Beach will not appeal a Los Angeles Superior Court ruling in March that found the city's decade old ban on short term rentals (STRs) in the coastal zone is illegal.

The decision was made on a 4 to 1 vote by the city council in closed session Tuesday night. Except to announce the decision, the council did not discuss the issue in Tuesday's open session.

Hermosa banned STRs in 2016 throughout the city, including in the Coastal Zone, which includes nearly half the city. But the ban has been rarely enforced and largely ignored. STR websites advertise 200 to 300 sites in Hermosa throughout the year.

Since 2016, Hermosa Beach has issued only nine STR permits, which cost \$1,500 annually, according to a staff report to the City Council last September. STRs must also pay the City's 14% Transient Occupancy Tax (TOT), which amounted to \$189,000 in the last fiscal year, according to the September 2025 staff report.

Tuesday's decision not to appeal the ruling paves the way for the deficit facing city to collect a \$1 million or more in TOT revenue from STRs.

Like Hermosa Beach, Manhattan banned STRs in 2016 throughout the city. But a court found its ban in the coastal zone to be illegal in 2019.

Manhattan Beach spent approximately \$1 million in unsuccessfully appealing its STR case, up to the California Supreme Court.

During its last fiscal year, Manhattan received \$1.7 million in TOT revenue from 191 registered STRs in its Coastal Zone.

Attorney Frank Angel was the plaintiffs' attorney in both the Hermosa Beach and Manhattan Beach cases.

In both cases, he made the same argument — cities can't ban STRs in the Coastal Zone without Coastal Commission approval, which Hermosa does not have. **ER**

RARE HERMOSA BEACH OFFERING











71 19th Street, Hermosa Beach

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LOCATION OVERVIEW

Hermosa

BEACH, CA

A sunny small beach City of 1.43 square miles, Hermosa Beach sits at the center of Los Angeles County's South Bay coastline, just 6 miles south of Los Angeles International Airport and twenty-one miles from Downtown Los Angeles. A bedroom community with a flourishing downtown, the City of Hermosa Beach serves a stable population of 19,847, according to the State's latest population estimate.

TOURISM DRIVERS

The city's Economic Development Strategy emphasizes supporting existing businesses while attracting new enterprises and tourism. Key goals include diversifying the economy beyond its main industries of accommodation, food service, and retail trade, and fostering a creative economy that supports a range of services, arts, entertainment, and retail.

Premier Coastal Location



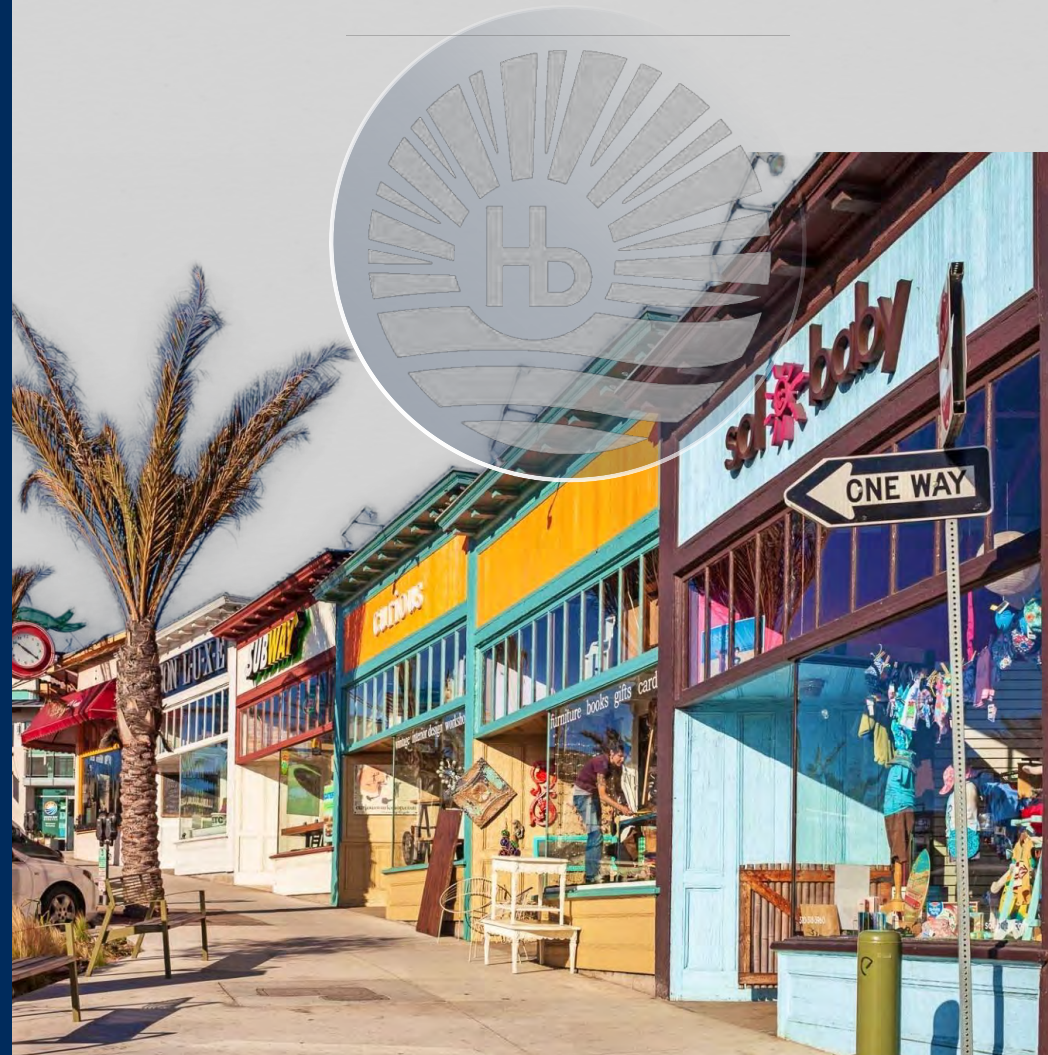
19,847
POPULATION



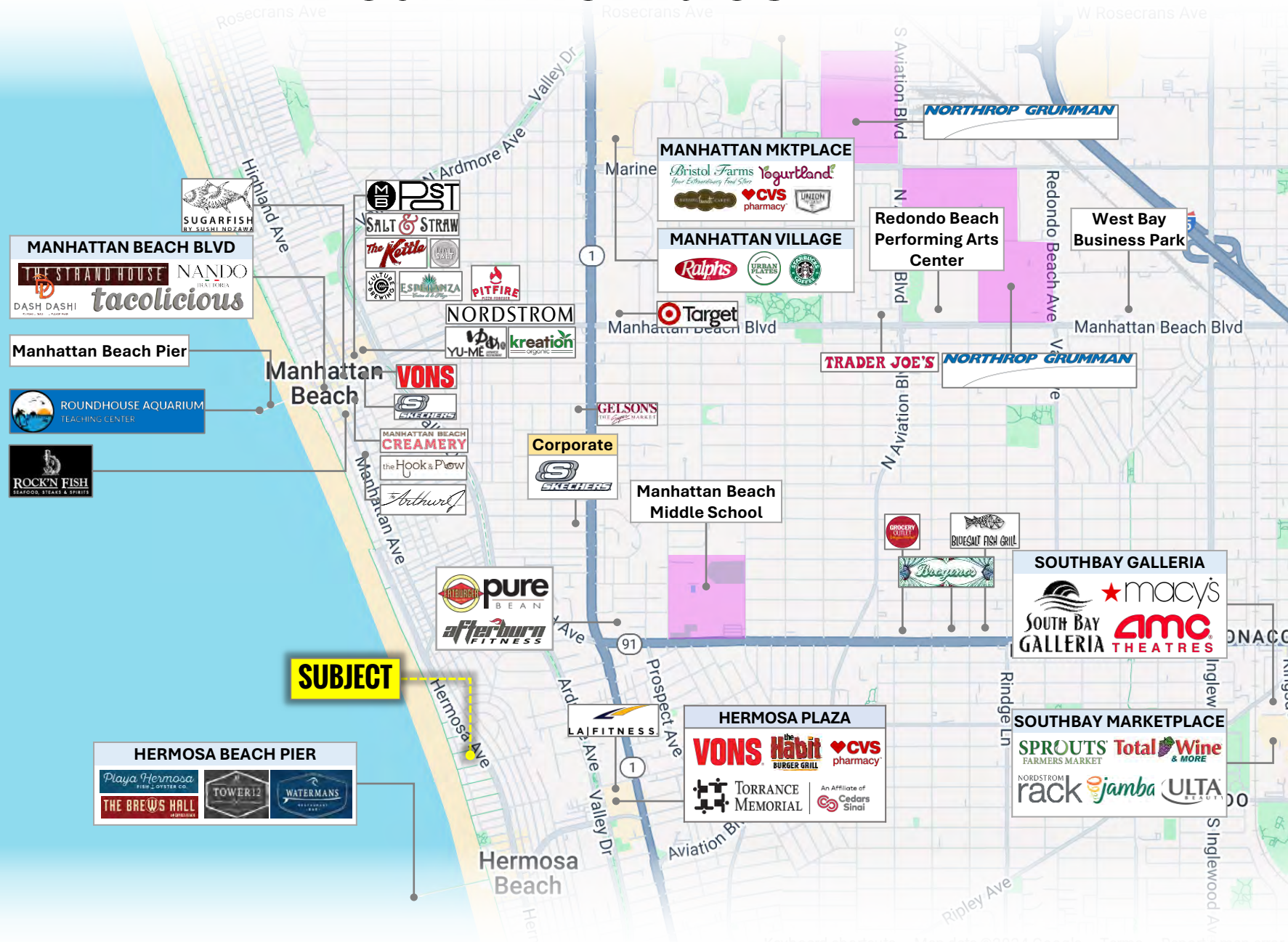
\$2,986,000
MEDIAN HOME SALE



\$152,019
MED HH INCOME



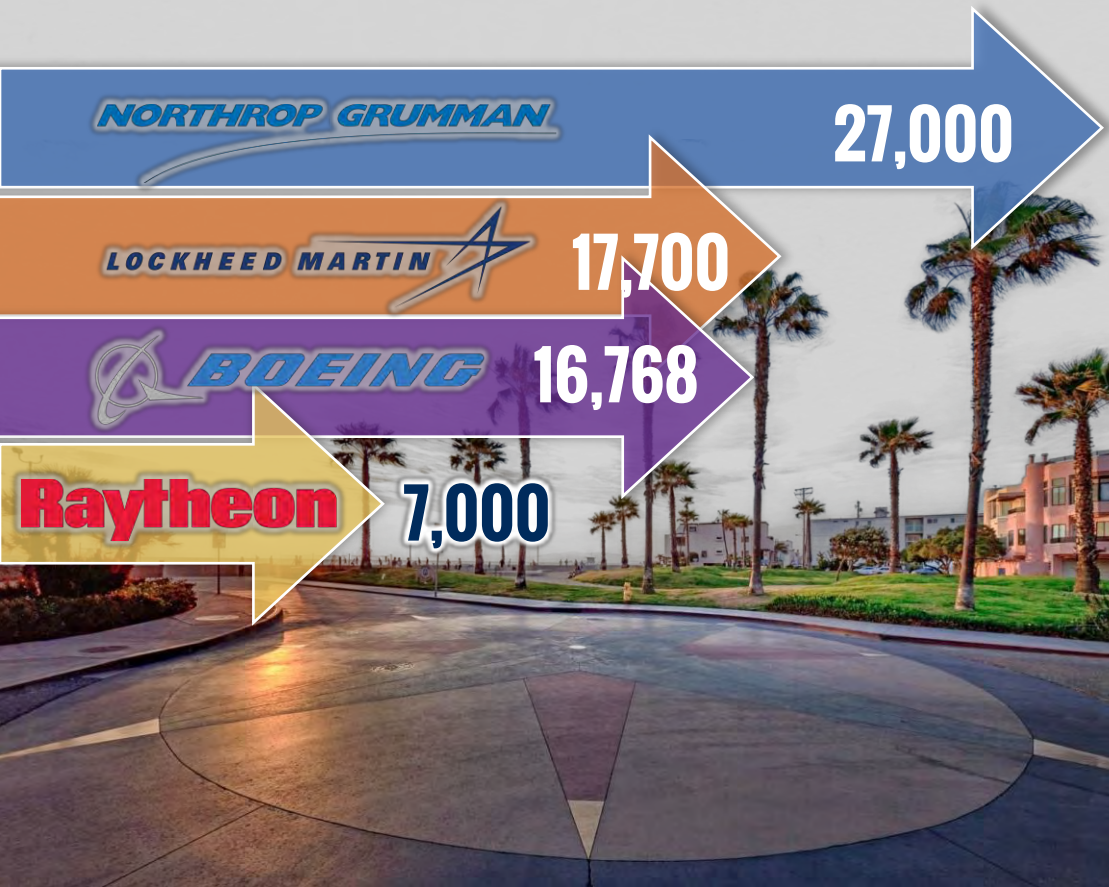
Area Amenities



Business Environment

Hermosa Beach is characterized by its "bedroom community" nature, with over 10,000 households and fewer than 1,000 in-city businesses (excluding apartments and home occupations). Despite its small size, the city has experienced steady economic growth, with a 6.2% increase in assessed property valuation as of 2022.

TOP REGIONAL EMPLOYERS



Location Highlights

Hermosa Beach, a picturesque coastal city in Los Angeles County's South Bay region, boasts a vibrant and diverse economy that reflects its unique blend of residential charm and tourist appeal.

LEISURE & HOSPITALITY

This sector is a cornerstone of Hermosa Beach's economy, accounting for approximately 23% of employment. The city's scenic beaches, surf culture, and vibrant nightlife attract numerous visitors, supporting a range of businesses from hotels to recreational services.

EDUCATION & HEALTH SERVICES

Comprising about 19% of the employment landscape, this sector includes local schools, healthcare providers, and wellness centers, serving both residents and neighboring communities.

PROFESSIONAL AND MANAGEMENT SERVICES

Representing around 12% of employment, this sector encompasses a variety of businesses, including consulting firms, legal services, and administrative support, reflecting the city's educated workforce.

HIGH

BARRIER-TO-ENTRY -MARKET

Demand for single-family homes in the Hermosa Beach submarket is consistently high due to several factors. The city's desirable location, proximity to major employment hubs, and lifestyle amenities attract a high number of families and individuals seeking urban amenities.

In terms of supply, Hermosa Beach has a limited amount of new development land. This, coupled strict zoning regulations, contribute to a relatively limited supply of single-family homes. As a result, the market for single-family homes in Hermosa Beach tends to be competitive, with properties often selling quickly at or above asking prices.

HERMOSA BEACH: SINGLE FAMILY MARKET



\$152,019

Median Household Income



50 Days

Median Days On Market



\$2,986,000

Median Home Sale Price

71 19th Street, Hermosa Beach

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FINANCIAL ANALYSIS

Property Data

THE ASSET

UNITS	7
YEAR BUILT	1950
GROSS SF	4,032
LOT SF	2,849
APN	4182-006-021
ZONING	HBR2B*

Financial Summary

PRICING

OFFERING PRICE	\$4,750,000
PRICE/UNIT	\$678,571
PRICE/SF	\$1,178
CURRENT GRM	19.7
MARKET GRM	15.0
CURRENT CAP RATE	3.07%
MARKET CAP RATE	4.98%

Rent Roll

Unit #	Type	Current Rent	Market Rent	Notes
A (Main)	1+1	\$3,950	\$3,950	Vacant
B	1+1	\$3,750	\$3,750	Vacant
C	1+1	\$2,300	\$3,750	Rent can be increased on 8/1/26
D	1+1	\$3,000	\$3,750	Rent can be increased immediately
E	1+1	\$2,300	\$3,750	Rent can be increased on 8/1/26
F	1+1	\$2,200	\$3,750	Rent can be increased immediately
G	1+1	\$2,600	\$3,750	Rent can be increased immediately
Monthly Total:		\$20,100	\$26,450	
Annual Total:		\$241,200	\$317,400	

Financial Analysis

PRICING

OFFERING PRICE **\$4,750,000**

PRICE/UNIT \$678,571

PRICE/SF \$1,178

CURRENT GRM 19.7

GRM AFTER RENT INCREASES 18.8

MARKET GRM 15.0

CURRENT CAP RATE 3.07%

CAP RATE AFTER INCREASES 3.46%

MARKET CAP RATE 4.98%

THE ASSET

UNITS 7

YEAR BUILT 1950

GROSS SF 4,032

LOT SF 2,849

APN 4182-006-021

ZONING HBR2B*

Monthly Rent Schedule

# of Units	Unit Mix	Avg. Current	Current Total	Market	Market Total
1	1+1 Main	\$3,950	\$3,950	\$3,950	\$3,950
6	1+1	\$2,692	\$16,150	\$3,750	\$22,500
Scheduled Monthly Rent:			\$20,100		\$26,450
Scheduled Yearly Rent:			\$241,200		\$317,400

Pro Forma Annual Operating Expenses

		<u>Current</u>	<u>Per Unit</u>	<u>% of SGI</u>	<u>Market</u>
Taxes	1.25% x Sale Price	\$59,375	\$8,482	25%	\$59,375
Insurance	\$1.50 x GSF	\$6,048	\$864	3%	\$6,048
Off-Site Management	5% x GOI	\$11,798	\$1,685	5%	\$16,574
Water	2025 Actual	\$3,253	\$465	1%	\$3,253
Trash & Sewer	2025 Actual	\$4,438	\$634	2%	\$4,438
Electric	2025 Actual	\$365	\$52	0%	\$365
Gas	2025 Actual	\$1,177	\$168	0%	\$1,177
Repairs/Maintenance	\$500 x Units	\$3,500	\$500	1%	\$3,500
Total Expenses		\$89,954	\$12,851	37.3%	\$94,730

Annual Operating Summary

		<u>Current</u>		<u>Market</u>
Scheduled Gross Income:		\$241,200		\$317,400
Less Vacancy Reserve:	3.0%	\$7,236	3.0%	\$9,522
Laundry Income:		\$2,000		\$2,000
Garage Income:		\$0		\$21,600
Gross Operating Income:		\$235,964		\$331,478
Expenses:	37.3%	\$89,954	29.8%	\$94,730
Net Operating Income:		\$146,010		\$236,748

71 19th Street, Hermosa Beach

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SOLD COMPARABLES

SOLD COMPARABLES

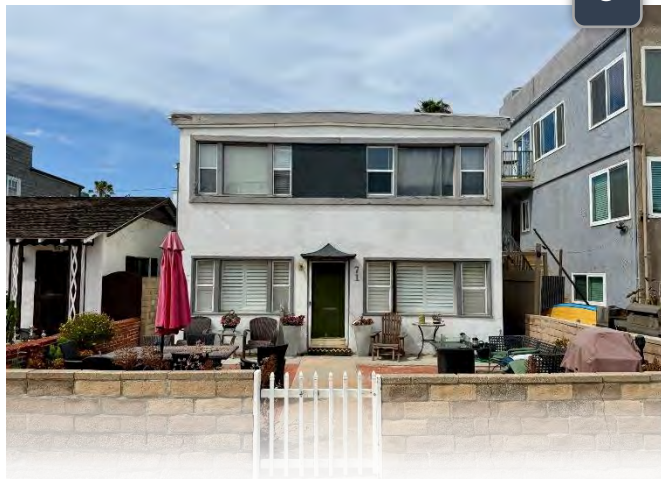
PHOTO	ADDRESS	UNITS	BUILT	GROSS SF	LOT SF	UNIT MIX	SALE DATE	PRICE	PRICE/UNIT	PRICE/SF	CAP	GRM
	1 47 21st Court Hermosa Beach, CA	5	1920	2,522	2,848	3 - Studio 1 - 1+1 1 - 2+1	8/6/2025	\$3,075,000	\$615,000	\$1,219	2.32%	25.8
	2 2124 Hermosa Ave Hermosa Beach, CA	6	1972	5,765	4,025	4 - 1+1 2 - 3+2	2/21/2025	\$5,700,000	\$950,000	\$989	2.61%	23.0
	3 908 Manhattan Ave Hermosa Beach, CA	5	1941	2,534	4,991	5 - 1+1	10/28/2025	\$3,850,000	\$770,000	\$1,519	3.54%	16.9
	4 825 Manhattan Ave Hermosa Beach, CA	5	1949	2,925	3,000	1 - Studio 3 - 1+1 1 - 2+1	3/31/2026	\$3,852,500	\$770,500	\$1,317	3.32%	18.1
AVERAGES									\$778,750	\$1,261	2.95%	21.0
	S Subject 71 19th Street Hermosa Beach, CA 90254	7	1950	4,032	2,849	7 - 1+1		\$4,750,000	\$678,571	\$1,178	3.07%	19.7

SALES COMPARABLES

71 19th Street

Hermosa Beach, CA 90254

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SUBJECT		Units	Unit Type
Offering Price	\$4,750,000	7	1+1
Price/Unit	\$678,571		
Price/SF	\$1,178		
Cap Rate	3.07%		
GRM	19.7		
Total Units	7		
Year Built	1950		

47 21st Court

Hermosa Beach, CA

1



		Units	Unit Type
Sales Price	\$3,075,000	3	Studio
Price/Unit	\$615,000	1	1+1
Price/SF	\$1,219	1	2+1
Cap Rate	2.32%		
GRM	25.8		
Total Units	5		
Year Built	1920		

2124 Hermosa Ave

Hermosa Beach, CA

2



		Units	Unit Type
Sales Price	\$5,700,000	4	1+1
Price/Unit	\$950,000	2	3+2
Price/SF	\$989		
Cap Rate	2.61%		
GRM	23.0		
Total Units	6		
Year Built	1972		

SALES COMPARABLES

908 Manhattan Ave
Hermosa Beach, CA

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		Units	Unit Type
Sales Price	\$3,850,000	5	1+1
Price/Unit	\$770,000		
Price/SF	\$1,519		
Cap Rate	3.54%		
GRM	16.9		
Total Units	5		
Year Built	1941		

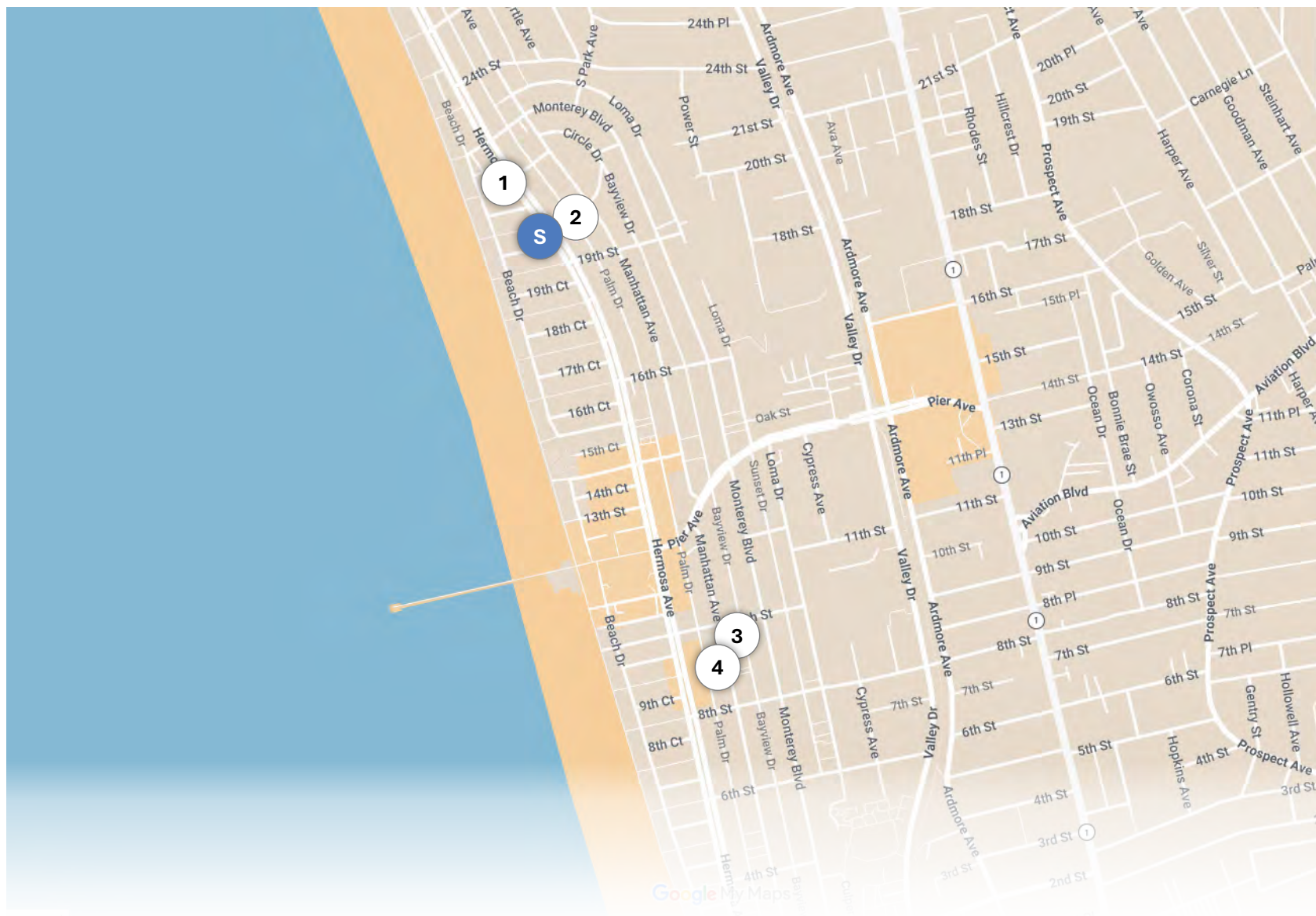
825 Manhattan Ave
Hermosa Beach, CA

4



COE	3/31/2026	Units	Unit Type
Sales Price	\$3,852,500		
Price/Unit	\$770,500		
Price/SF	\$1,317		
Cap Rate	3.32%		
GRM	18.1		
Total Units	5		
Year Built	1949		

SALES COMPARABLES



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