



COMMERCIAL
ASSET GROUP

22227 PACIFIC COAST HIGHWAY CARBON BEACH BUNGALOWS

SHORT TERM BEACHFRONT RENTAL-RETAIL
MIXED-USE INVESTMENT | MALIBU, CA



Daniel Chiprut
Co-Principal
310.275.8222
daniel@cagre.com
Lic. 01808709

Commercial Asset Group
190 N. Canon Drive, STE 300
Beverly Hills, CA 90210
P: 310.275.8222 F: 310.275.8223
www.cagre.com Lic. 01876070



PROPERTY DETAILS

ADDRESS

22227 PACIFIC COAST HWY
MALIBU, CA 90265

BUILDING SIZE

±8,125 SQFT

LAND SIZE

±10,743 SQFT

PARKING

±TWELVE (12) SURFACE SPACES

BUILT

1955/2019 RENOVATION

PROPERTY TYPE

MIXED USE
(RETAIL + SHORT TERM RENTAL + RESIDENTIAL)

APN

4451-008-014

OWNERSHIP

FEE SIMPLE

CURRENT USE

RETAIL, OFFICE & RESIDENTIAL/SHORT-TERM RENTAL

COMPOSITION

ONE (1) STORY FRONT BUILDING
TWO (2) STORY BACK BUILDING

ZONING

LCC2* (COMMUNITY COMMERCIAL)

PERMITS

6 STR UNITS - SEE PERMIT

DANIEL CHIPRUT

CO-PRINCIPAL

310.275.8222

DANIEL@CAGRE.COM

LIC. 01808709

EXECUTIVE SUMMARY

Carbon Beach Bungalows is a rare, permitted short-term rental and retail investment on one of California's most coveted coastlines — Malibu's Carbon Beach, widely known as “Billionaire’s Beach.” The property offers an investor a diversified income stream combining six fully permitted STR bungalows, two retail/office tenants under long-term leases, and a spa operation, all within a recently renovated ±8,125 SF mixed-use complex on ±10,743 SF of fee-simple land.

The asset benefits from an active City of Malibu Annual Short-Term Rental Permit (STR26-0014, valid through February 19, 2027) — an increasingly scarce entitlement that is extremely difficult to obtain in Malibu's highly regulated coastal environment. This permit alone represents significant embedded value for any acquirer.

KEY INVESTMENT HIGHLIGHTS

- Prime Malibu beachfront location on Pacific Coast Highway — Carbon Beach (“Billionaire's Beach”)
- Active City of Malibu Short-Term Rental Permit for 6 units (STR26-0014) — valid through Feb 2027
- Diversified income: 5 STR bungalows + 1 long-term residential unit + 2 retail/office leases + spa
- ±8,125 SF building on ±10,743 SF land — recently renovated (2019), originally built 1955
- In-place NOI of \$479,685 at a 5.0% cap rate; proforma NOI of \$583,952 at 6.25% cap rate
- 12 surface parking spaces — extremely valuable in Malibu's parking-constrained environment
- LCC2 (Community Commercial) zoning — supports retail, office, and residential uses
- Fee simple ownership — no ground lease encumbrances
- Neighboring flagship retail district anchored by Whole Foods, Blue Bottle, Erewhon corridor

FINANCIAL SUMMARY

PRICE

\$10,000,000.00

Note: Proforma figures based on Year 2 projected rents. All figures should be independently verified. Property taxes assume purchase price reassessment.

TOTAL ANNUAL GROSS INCOME

IN-PLACE: \$591,600 | PROFORMA: \$658,368

EXPENSES (INSURANCE/MAINTENANCE)

IN-PLACE: \$15,000 | PROFORMA: \$15,000

PROPERTY TAXES

IN-PLACE: \$79,167 | PROFORMA: \$79,167

VACANCY LOSS (3%)

IN-PLACE: \$17,748 | PROFORMA: \$19,751

NOI

IN-PLACE: \$479,685.33* | PROFORMA: \$583,952.30*

CAP RATE

IN-PLACE: 4.8% | PROFORMA: 6.0%





CITY OF MALIBU

ANNUAL SHORT-TERM RENTAL PERMIT

22227 Pacific Coast Hwy, Malibu, CA

PROPERTY OWNER NAME

PROPERTY ADDRESS

24/7 CONTACT NAME

24/7 CONTACT PHONE NUMBER

Unit A: 4 Unit B: 4 Unit C: 4 Unit D: 4 Unit E: 4 Unit F: 6

MAXIMUM OCCUPANCY

STR26-0014

Feb 19, 2026

SHORT-TERM RENTAL PERMIT NUMBER

DATE ISSUED

Feb 19, 2027

EXPIRATION DATE (RENEWABLE)

The short-term rental of this property shall be conducted in accordance with Malibu Municipal Code (MMC) Chapter 17.55. Violations of the permit regulations in MMC Chapter 17.55 shall be subject to fines.

RENT ROLL

Property Address: Carbon Beach Bungalows	City:	State:	Zip Code:
22227 Pacific Coast Highway	Malibu	CA	90265

Unit #	Tenant	Sq. Feet Approx.	Unit	Use	Current Rent	Year 2 Rent	Lease Start Date	Lease End Date
22221-3 PCH	LA Home Contractor	1,000	Retail/ Office	Office	\$4,000.00	\$4,160.00	7/1/2025	6/30/2028
22225 PCH	Empress Builders	500	Retail/ Office	Office	\$2,600.00	\$2,704.00	2/1/2025	1/31/2028
22227 PCH	Carbon Beach Bungalows SPA-Net Income After STR MGMT	500	Retail/ Office	SPA for STR	\$5,400.00	\$6,000.00	Month to Month	
A - Front	Carbon Beach Bungalows SPA-Net Income After STR MGMT	775	1 Bedroom+ 1 Bath	Furnished Short Term Rental	\$5,900.00	\$6,200.00	Month to Month	
B - Front	Carbon Beach Bungalows SPA-Net Income After STR MGMT	775	1 Bedroom+ 1 Bath	Furnished Short Term Rental	\$5,900.00	\$6,200.00	Month to Month	
C - Rear/Downstairs	Carbon Beach Bungalows SPA-Net Income After STR MGMT	850	1 Bedroom+ 1 Bath	Furnished Short Term Rental	\$5,900.00	\$6,200.00	Month to Month	
D - Rear/Downstairs	Carbon Beach Bungalows SPA-Net Income After STR MGMT	850	1 Bedroom+ 1 Bath	Furnished Short Term Rental	\$5,900.00	\$6,200.00	Month to Month	
E - Rear/Upstairs	Carbon Beach Bungalows SPA-Net Income After STR MGMT	775	1 Bedroom+ 1 Bath	Furnished Short Term Rental	\$5,900.00	\$6,200.00	Month to Month	
F- Rear/Upstairs*	Long term Rental	2,100	2 Bedroom + 1.5 Bath	Residential Long Term - Can be STR	\$7,800.00	\$11,000.00	4/1/2025	3/31/2027
					\$49,300.00	\$54,864.00		

Total Square Footage	8,125	
Monthly Current Rent:	\$49,300.00	\$54,864.00
	Current	Proforma
TOTAL ANNUAL GROSS INCOME:	\$591,600.00	\$658,368.00
EXPENSES (Insurance/Maintance)	-\$15,000.00	-\$15,000.00
PROPERTY TAXES	-\$79,166.67	-\$79,166.67
VACANCY LOSS 3%	-\$17,748.00	-\$19,751.04
NET INCOME	\$479,685.33	\$583,952.37
\$10,000,000.00	CAP Rate Yr. 1	4.8%
Purchase Price	Proforma CAP Rate Yr. 2	5.8%

*Significantly below the proforma STR rate of \$11,000/month

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NEIGHBORING TENANTS

MALIBU LUMBER YARD

James Perse
MALIBU HOUSE LA
Maxfield
DNCFX Dance
Café Habana
Dance Star
John Henry Salon

THE PARK AT CROSS CREEK

Barefoot Dreams
Just Food for Dogs
BeWell IV
Malibu Sushi by
Howdy
Blue Bottle Coffee
Nail Spa @ The Park
Door to Door Dry
Prince Street Pizza
Cleaners
Howdy's Sonrisa Cafe
Tesla Showroom
Irv's Burgers
Whole Foods Market

MALIBU COUNTRY MART

9026-Eyes
Encore
9x by APN
Faherty
Alfred Coffee
gorjana
Alicia Adams Alpaca
Henry Beguelin
All Points North Lodge
John Varvatos
Aloha Collection
John's Garden
Ambience Skin & Body
K Chocolate by Diane
American Vintage
KIRK'S
Aroma360
Kron
Bleusalt
L'AGENCE
Brandy Melville
Los Angeles Sculpt
CB2
Lucky's Steakhouse
Chrome Hearts
M.Frederic
Cie Salon
Madison
Creo Arthouse
Malibu Car Wash
Crown
Malibu Grooming Co.
Daily Calm Wellness
Malibu Mutt's Grill
Double RL & Co.
Malibu Shaman

Magnolia Pearl
Nati
Nenergy Boost
Nomad Malibu
Oliver Peoples
Outerknown
PAIGE
Scott's Malibu Market
SunLife Organics
Starbucks
Taverna Tony
The Bunker Surf & Skate
Toy Crazy
Tra di Noi
Veritas Yoga
Vince.
Vuori
Westside Estate Agency

CROSS CREEK RANCH

Be Kind Studios
California Incline
Clark's Oyster Bar
Chitchat Coffee +
Matcha (coming soon)
Frame
Frankie's Bikinis
Guest In Residence
(coming soon)
Industrious
KITH
KITH Treats
Le Labo
Madoe Restaurant
(coming soon)

Madhappy (coming soon)
Malbon (coming soon)
Pura Vida Miami
Ray-Ban
Sunroom
THE GREAT.
The Shop by WHEAT
(coming soon)
Velvet
Wally's (coming soon)
Zadig & Voltaire (coming soon)
First class gym, hair
salon and nail spa
(coming soon)

MALIBU VILLAGE

Broad Street Coffee
Co.
Broad Street Oyster
Co.
Catch Surf
Chipotle
Colony Cleaners
European Shoe Repair
First Bank
Fred Segal Home
KITSON
Kreation Organic
Lululemon Athletica
Malibu Eye Center

Marine Layer
Marmalade Cafe
Res Ipsa
Sephora
Summer
Somewhere Wines
Surfing Cowboys
Teresa Foglia
The Alcove
The Mindry
Vibae & Alma Mater
Wittmore
Wells Fargo

WITHIN DRIVING DISTANCE OF SUBJECT PROPERTY

Aviator Nation
Cafe Luxxe
Damores Pizza Malibu
Little Beach House Malibu
Nobu Malibu
Nobu Ryokan Malibu
Malibu Farm Restaurant
at the Pier
Pita Bu
Prima Cantina
Sake House Malibu
V's Restaurant and Bar

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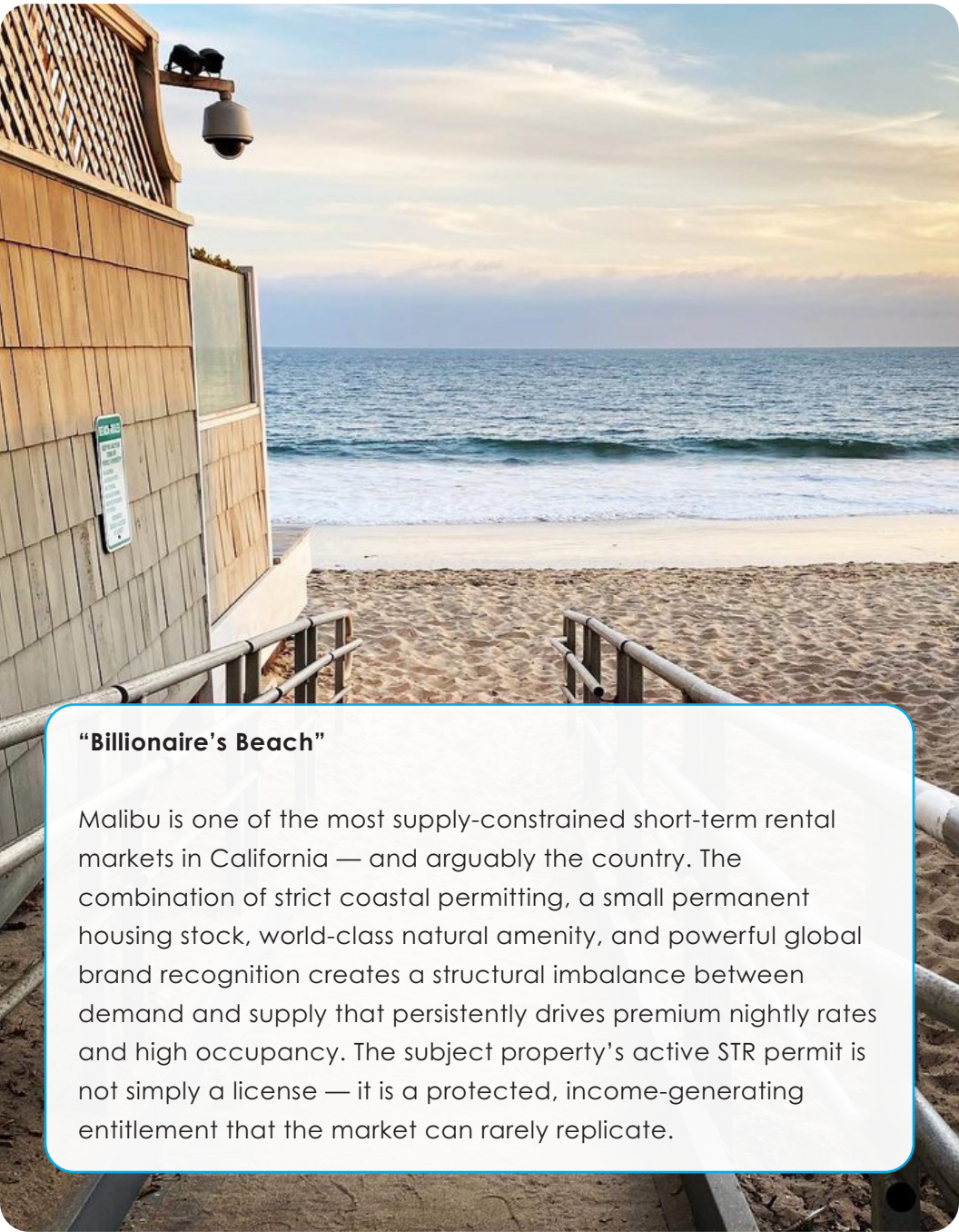
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WHY MALIBU SHORT-TERM RENTALS ARE EXCEPTIONAL PERFORMING ASSETS



“Billionaire’s Beach”

Malibu is one of the most supply-constrained short-term rental markets in California — and arguably the country. The combination of strict coastal permitting, a small permanent housing stock, world-class natural amenity, and powerful global brand recognition creates a structural imbalance between demand and supply that persistently drives premium nightly rates and high occupancy. The subject property’s active STR permit is not simply a license — it is a protected, income-generating entitlement that the market can rarely replicate.

Malibu’s Structural STR Advantages

- **Permit scarcity:** Malibu’s coastal overlay and the City’s restrictive STR ordinance (MMC Chapter 17.55) mean new permits are extremely difficult to obtain. Existing permitted properties command a significant premium over the unentitled market.
- **No large hotel supply:** Unlike urban markets, Malibu has virtually no major hotel inventory. Visitors seeking overnight stays in Malibu have no alternative to STRs and high-end vacation rentals — demand flows directly to permitted inventory.
- **Year-round draw:** Malibu draws visitors 12 months a year — summer beach traffic, fall hiking and wine touring, winter surf culture, and spring events all contribute to compressed seasonality compared to typical beach markets.
- **High-income, low-price-sensitivity guest profile:** Malibu’s brand attracts affluent domestic and international travelers willing to pay a significant premium for the address. Average nightly rates for beachfront units routinely exceed \$800–\$1,200+ per night in peak season.
- **Celebrity and luxury halo:** Carbon Beach in particular commands the highest STR premiums in the market due to its positioning alongside some of California’s most expensive residential real estate.
- **Proximity to LA’s entertainment and business base:** Malibu’s 30-minute drive from West Hollywood, Beverly Hills, and Santa Monica makes it accessible for weekend escapes and corporate retreats throughout the year.

WHY MALIBU SHORT-TERM RENTALS ARE EXCEPTIONAL PERFORMING ASSETS

2026 FIFA World Cup — Immediate Demand Catalyst

The 2026 FIFA World Cup runs from June 11 to July 19, 2026, with Los Angeles (SoFi Stadium) serving as one of 11 U.S. host cities and expected to draw approximately 5 million international visitors to the greater LA area. The impact on the short-term rental market is already measurable: Airbnb searches for LA-area stays have surged 80% above prior-year levels, and properties near SoFi Stadium are reporting nightly rate increases of up to 1,000% during match dates. Historical precedent from prior World Cups supports aggressive rate expectations — Qatar 2022 saw average STR pricing jump approximately 112%, while Russia 2018 saw increases of 150–300% in host cities.

Malibu's beachfront STRs are positioned to capture high-spending international visitors who seek an alternative to standard hotel accommodations in a legendary California coastal setting. The World Cup window (summer 2026) aligns directly with Malibu's peak season — making this a uniquely powerful revenue opportunity for the subject property's STR units. Deloitte projects that World Cup hosts in LA could earn an average of \$3,000 during the tournament alone, and upscale beachfront units can be expected to outperform that baseline significantly.

2028 LA Olympics — Structural Long-Term Tailwind

The 2028 Los Angeles Summer Olympics represent an even larger, longer-horizon demand event. A Deloitte study commissioned by Airbnb projects that LA and Orange County will face a lodging shortfall of up to 320,000 visitors on 13 of the 19 competition days — a gap that existing hotel inventory cannot close. Deloitte estimates the Games will draw 15 million total visitors, generating one of the largest tourism surges Los Angeles has ever seen. The report projects that expanding short-term rental capacity could accommodate 282,000 additional visitors and inject \$488 million in economic activity into the local economy — with an estimated 90% nightly rate premium applied to STR pricing during the event window.

For an investor acquiring Carbon Beach Bungalows today, the LA28 Olympics represent a clear and quantifiable revenue event embedded in the hold period — assuming a typical 5–7 year investment horizon. Malibu's permitted STR inventory is expected to be among the most sought-after accommodation options for affluent Olympic visitors seeking an iconic California beach experience. Unlike the broader LA market, where new STR supply can enter to absorb demand, Malibu's regulatory environment functionally prevents new supply from emerging — meaning the subject property's 6-unit permitted inventory faces no meaningful new competition.

	FIFA World Cup 2026	LA28 Olympics 2028
Dates	June 11 – July 19, 2026	Summer 2028
LA Visitors Expected	~5 million	~15 million total
Lodging Shortfall	Heavy surge demand	Up to 320,000/day at peak
STR Rate Premium (Est.)	+30–40% (conservative)	+90% (Deloitte baseline)
Malibu Timing	Peak summer season	Peak summer season
New STR Supply Risk	Low — permit-restricted	Very low — permit-restricted

Sources: Deloitte / Airbnb LA28 Lodging Report (Feb 2026); IA Magazine World Cup STR Analysis (Feb 2026); Open Air Homes LA STR Market Data (2026). All projections are forward-looking estimates and should be independently verified.

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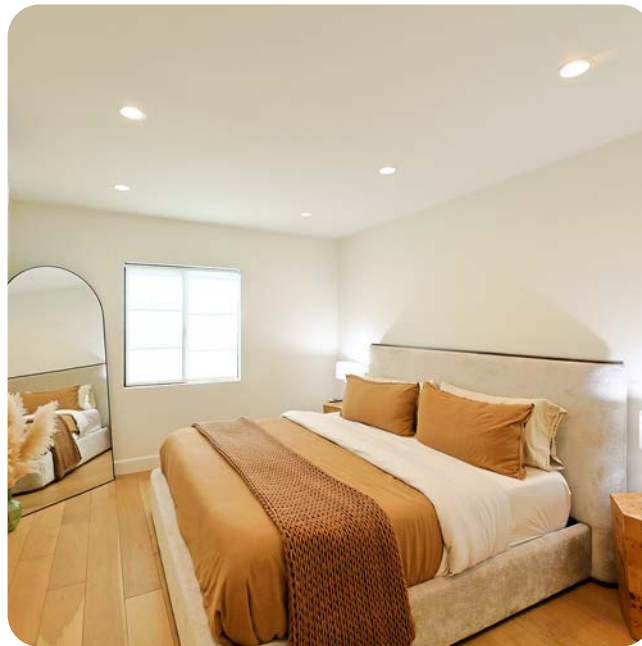
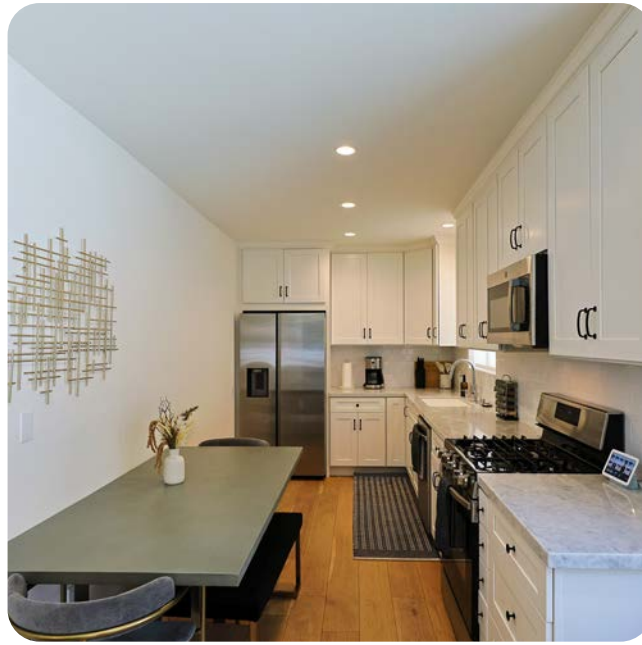
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INTERIOR PHOTOS



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LIC. 01808709

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DANIEL CHIPRUT

CO-PRINCIPAL

310.275.8222

DANIEL@CAGRE.COM

LIC. 01808709

EXTERIOR PHOTOS



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