



114-120 Natoma Ave.

Santa Barbara, CA 93101



For Sale | 8-Unit Apartment Complex

Excellent West Beach property just steps from the sand.

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FOR SALE :: PRIME 8-UNIT APARTMENT BUILDING

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Offered at
\$3,295,000

3.21% Proforma CAP | \$105,876 Proforma NOI



PROPERTY BRIEF

Amazing opportunity to own a wonderful beach property that sits in the highly sought after West Beach Neighborhood and was once known as the “Ambassador Sulphur-Baths”. The black and gold tiles that announce the property remain in the curbside steps. This Spanish Colonial-style apartment complex is just a couple blocks from downtown Santa Barbara and just steps from the gorgeous sand and waterfront. This charming property is located near parks, the harbor, Stearns Wharf, Funk Zone, restaurants, transportation, as well as many cultural opportunities to explore. Wonderful unit mix of (5) 1 BD/1BA and (3) studios. The “Walk Score” for this complex is 83 (very walkable) and a bike score of 99 — a biker’s paradise! This complex is very desirable for potential tenants.

Unit Mix :: (5) 1BR/1BA; (3) Studios

Building Size :: ±3,920 SF

Price Per Unit :: \$411,875

Land Size :: ±9,147 SF

Price/SF Lot :: \$360/SF

Parking :: On-site and street parking

APN :: 033-072-009

Zoning :: R-4/SD-3

Year Built :: 1928

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LOCATION | DOWNTOWN SANTA BARBARA, WEST BEACH & THE FUNK ZONE



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Locator Maps



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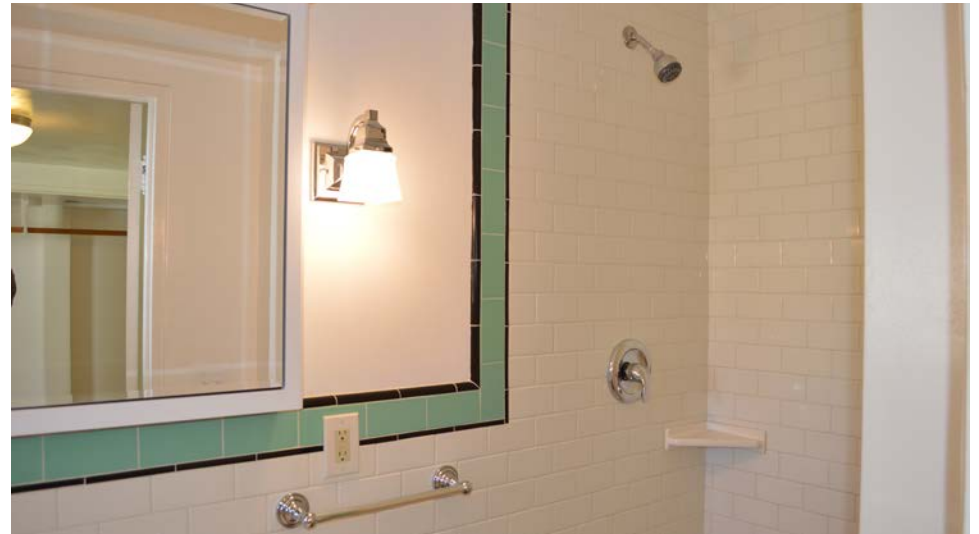
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Features & Improvements

- Major exterior revisions.
- New stairs front and rear.
- New decks.
- New balcony for unit 116.5 with new façade.
- Extensive repair and renovation of windows and several doors.
- New landscaping front and back.
- Updated common laundry room.
- Partial roof replacement.
- Updated/remodeled/renovation work to many of the units. (114,114-A, 116.5, 118, 120)
- New plumbing work underway — all lines to all units being replaced.



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HISTORY



In 1903, this location was home to the Potter Hotel, a milestone in Santa Barbara tourism. The Potter quickly eclipsed the Arlington as the top hotel in the city with wealthy industrialists from the Midwest and East Coast choosing to spend their winters there. The hotel boasted nearly 600 rooms and the impeccably groomed grounds boasted a zoo and a rose garden with thousands of bushes. Guest amenities included a ballroom, billiard rooms, a bowling alley, lounges, gift shops, golf, trap shooting, horseback riding and tennis. There were sulphur baths located towards the rear of the property, which are now the location of our subject property at 114-120 Natoma Avenue. In 1919 the hotel was sold and became the Belvedere. The following year it was re-christened as the Ambassador Hotel. On April 13, 1921 it burned down from an unknown cause.



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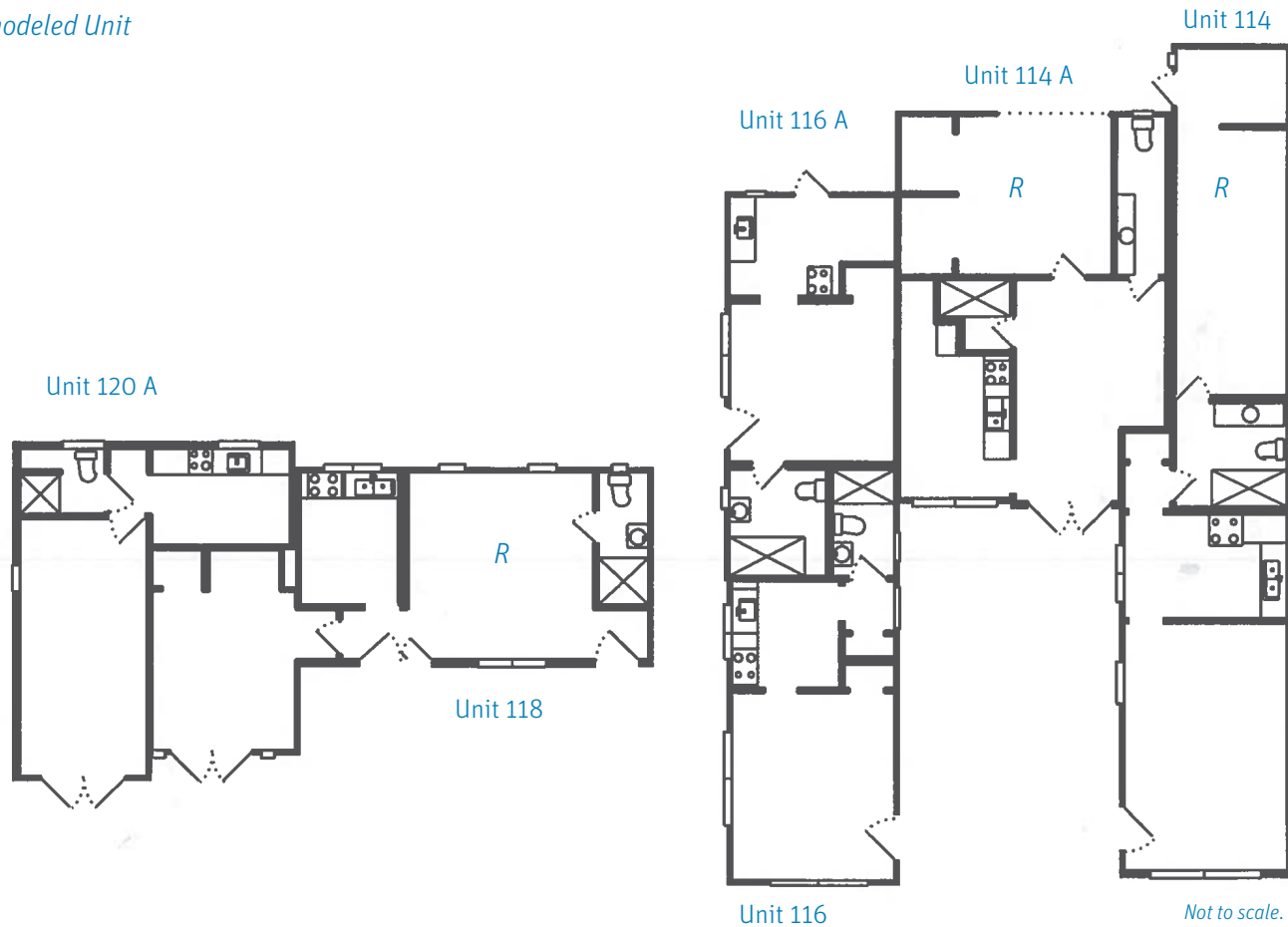
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Floor Plans

First Floor

R = Remodeled Unit



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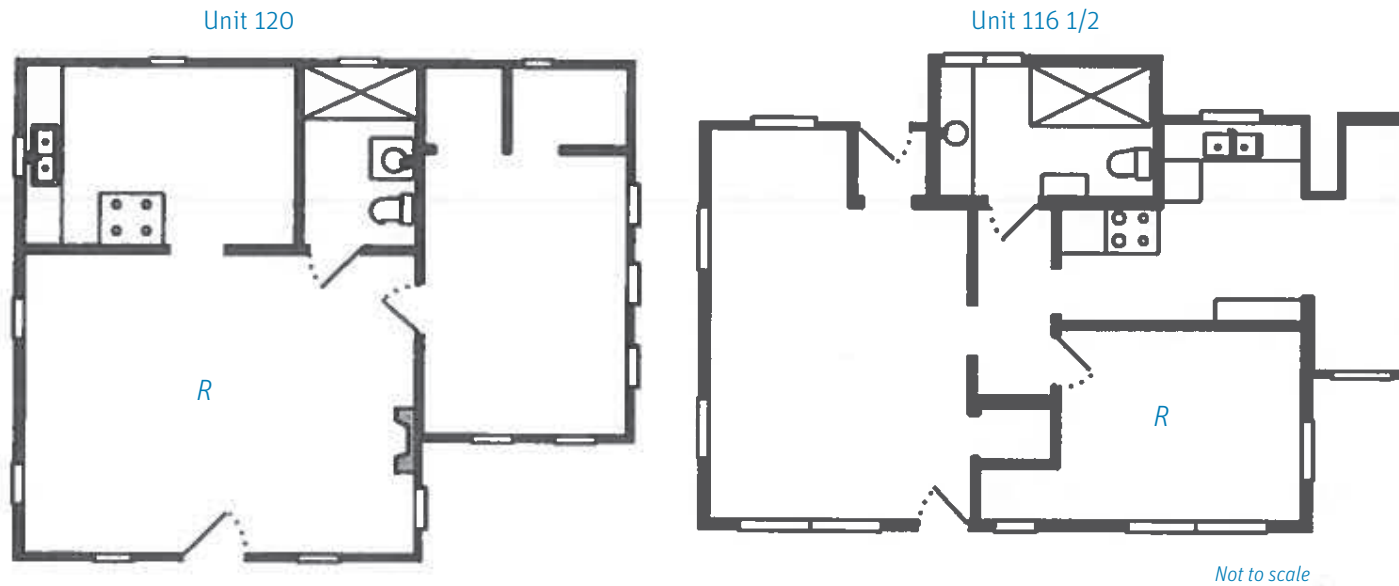
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Floor Plans

Second Floor

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INCOME ANALYSIS

Executive Summary

# Units:	8
Price:	\$3,295,000
Price/Unit:	\$411,875
Proforma NOI:	\$105,876
Lot Size:	9,147 SF
Price/Lot SF:	\$360/SF
Building Size:	3,920 SF
Zoning:	R-4/SD-3
APN	033-072-009
Year Built	1928

Calculations

	Current	Level
EOI:	\$144,283	\$184,691
Annual Exp.:	\$76,794	\$78,814
NOI:	\$67,489	\$105,876
CAP:		3.21%

Unit Mix & Rent Schedules

# Units	Mix	Est. SF	Current Rent		Market Rent	
			Rent/Square Foot	Monthly Income	Rent/Square Foot	Monthly Income
114	1/1	585	\$3.12	\$1,825	\$4.10	\$2,399
114A	1/1	494	\$3.24	\$1,600	\$4.25	\$2,100
116	Studio	276	\$4.17	\$1,150	\$5.00	\$1,380
116.5	1/1	618	\$2.67	\$1,650	\$4.00	\$2,472
116A	Studio	276	\$4.53	\$1,250	\$5.00	\$1,380
118	1/1	476	\$3.68	\$1,750	\$4.00	\$1,904
120	1/1	618	\$2.90	\$1,795	\$4.00	\$2,472
120A	Studio	280	\$3.75	\$1,050	\$5.00	\$1,400
Monthly Rental Income:				\$12,070		\$15,506
Monthly Laundry Income:				\$199		\$199
Potential Gross Monthly Income:				\$12,269		\$15,705
Potential Gross Annual Income:				\$147,228		\$188,460
Less: Vacancy & Collection Loss:				2%	% Rent Upside	\$3,769
Effective Gross Economic Income:				\$144,283	28.0%	\$184,691

Estimated Annual Expenses

			Current	Current % GOI	Market % GOI	Market
Real Estate Taxes:	1.052%		\$34,663	24.0%	18.8%	\$34,663
Advertising:	Est		\$150	0.1%	0.1%	\$150
Insurance:	Act		\$4,443	3.1%	2.4%	\$4,443
Utilities*: <i>All utilities are master metered.</i>	Act		\$14,786	10.2%	8.0%	\$14,786
		Electric	\$3,098			\$3,098
		Water/Sewer	\$5,558			\$5,558
		Gas	\$3,063			\$3,063
		Trash	\$3,066			\$3,066
Maint/Repairs:	Est.	\$550/Unit	\$4,400	3.0%	2.4%	\$4,400
Grounds:	Act.		\$7,487	5.2%	4.1%	\$7,487
Off-site Management:	5%		\$7,214	5.0%	5.0%	\$9,235
Pest Control:	Est.		\$750	0.5%	0.4%	\$750
Legal & Accounting:	Est.		\$500	0.3%	0.3%	\$500
Reserves:	Est.	\$300/Unit	\$2,400	1.7%	1.3%	\$2,400
Annual Expenses Per Unit			\$9,599			\$9,852
Annual Expenses			\$76,794	53.2%	42.7%	\$78,814

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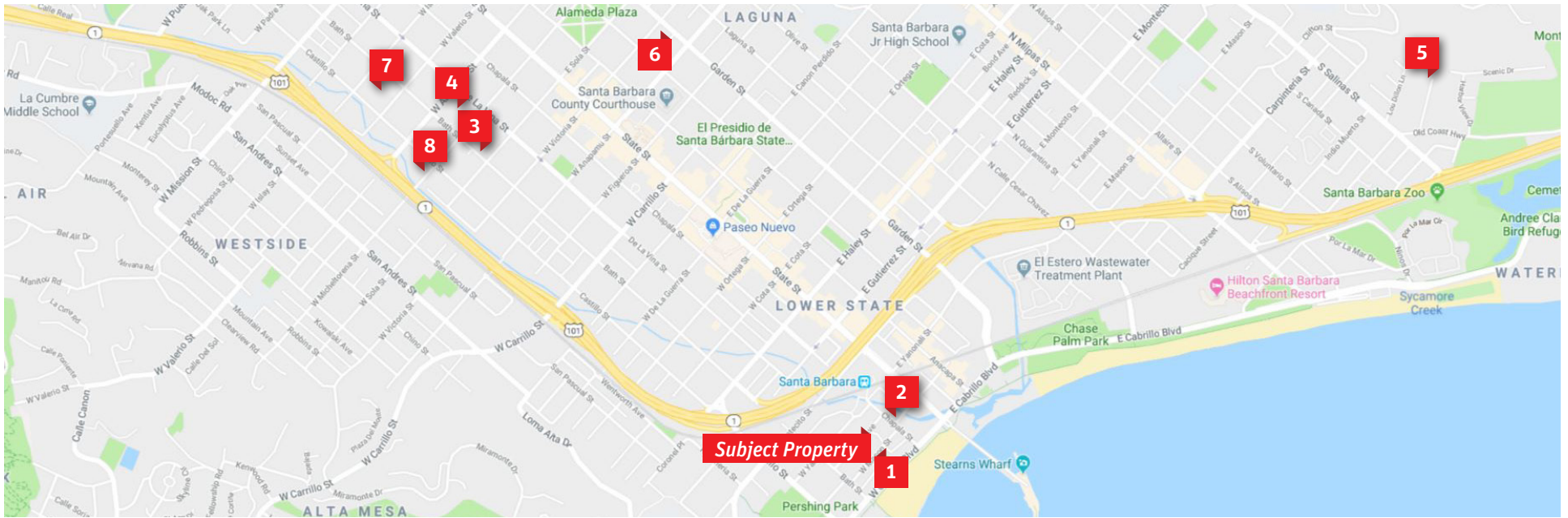
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COMPARABLE PROPERTIES



	Property Address	Date of Sale	Sale Price	# Units	Unit Mix	\$ Per Unit	CAP Rate
	Subject Property: 114-120 Natoma Avenue	Subject Property	\$3,295,000	8	(3) Studios, (5) 1BR+1BA	\$411,875	Proforma 3.21%
1	125 W. Mason St., Santa Barbara, CA	8/24/18	\$3,400,000	5	(1) Studio; (3) 1BR+1BA; (1) 2BR+1BA	\$680,000	3.14%
2	104-106 Chapala St., Santa Barbara, CA	8/15/2018	\$3,650,000	8	(3) Studios, (5) 1BR+1BA	\$456,250	3.35%
3	1416-1418 Bath St., Santa Barbara, CA *Off-market deal	9/11/2017	\$2,340,000	7	(6) 1BR+1BA, (1) 2BR+1BA	\$334,286	4.55%
4	215 Arrellaga St., Santa Barbara, CA	4/17/2018	\$3,700,000	10	(6) 1BR+1BA, (4) 2BR+1BA	\$334,286	3.65% (Existing rents under-market)
5	55 Ocean View Ave., Santa Barbara, CA	11/14/2017	\$4,275,000	11	(2) 1BR+1.5BA Townhouses; (9) 2BR+1BA	\$388,636	4.17%
6	1223 Garden St., Santa Barbara, CA *Off-market deal	7/31/2017	\$4,200,000	11	(6) 1BR+1BA; (5) 2BR+2BA	\$381,818	

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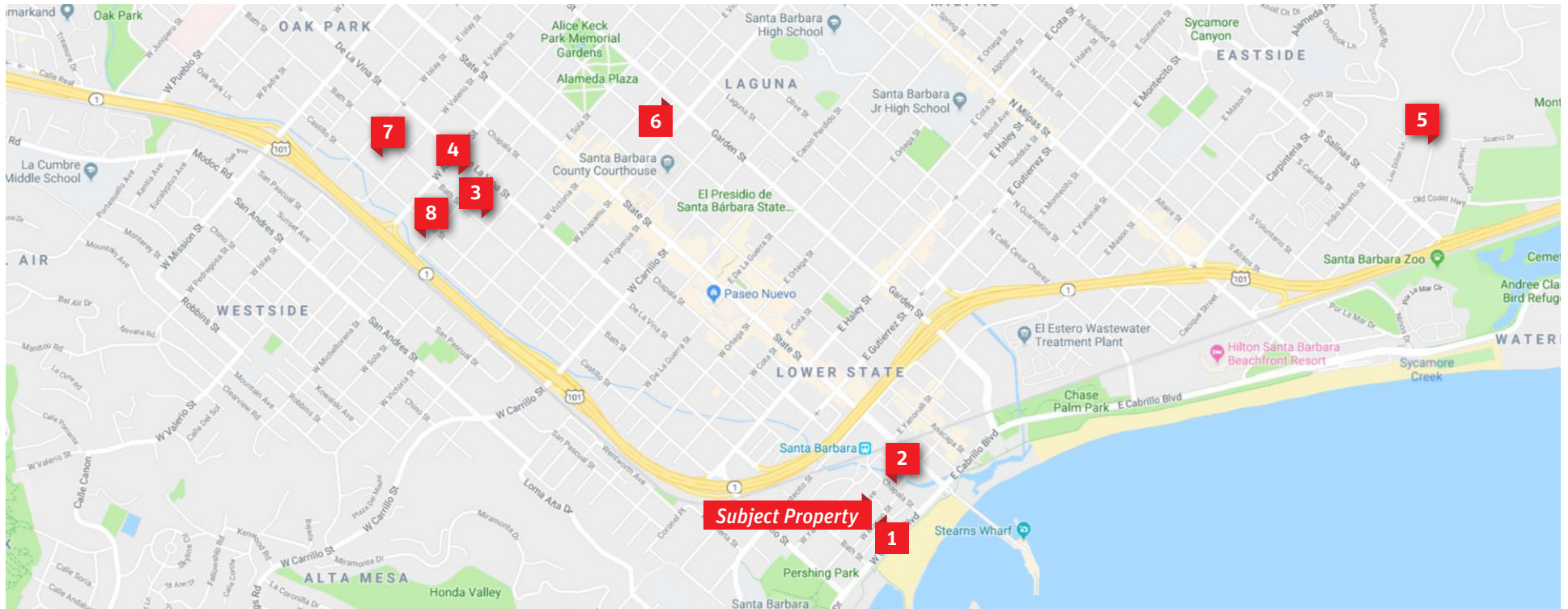
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COMPARABLE PROPERTIES, CONT.



Property Address	Date of Sale	Sale Price	# Units	Unit Mix	\$ Per Unit	CAP Rate
Subject Property: 114-120 Natoma Avenue	Subject Property	\$3,295,000	8	(3) Studios, (5) 1BR+1BA	\$411,875	Proforma 3.21%
7 316 W. Valerio St., Santa Barbara, CA	Active	\$2,795,000	8	(7) 1BR+1BA; (1) 2BR+1BA	\$349,375	4.59%
8 410 W. Micheltorena St., Santa Barbara, CA	Active	\$5,750,000	12	(1) Studio; (6) 1BR+1BA; (4) 2BR+1BA; (3) 2BR+2BA	\$479,167	4.87%

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SANTA BARBARA

THE AMERICAN RIVIERA

“Best Beach Town”

— *Sunset Magazine’s 2015 Inaugural Travel Awards*

“The 12 Best Cities for a Weekend Getaway”

— *U.S. News & World Report*

“30 Best Small Cities in America”

— *Condé Nast Traveler’s Readers’ Choice Awards*

Symbolizing the ultimate in casual California lifestyle, Santa Barbara is undoubtedly one of America’s most desirable travel destinations. Located on a pristine coastline approximately 337 miles south of San Francisco and 93 miles north of Los Angeles, Santa Barbara is nestled between the Pacific Ocean and the Santa Ynez Mountains. This stretch of coast is known as the “American Riviera” because of its mild Mediterranean climate.

With a population of approximately 92,000, Santa Barbara is both small and vibrant. Locals and visitors are drawn to the city’s charming downtown and picturesque State Street with its rich Spanish architecture and historical sites, wide variety of shops and galleries, numerous Zagat-rated restaurants and thriving open-air shopping centers like the famed Paseo Nuevo Mall. Pristine, sunny beaches, an expansive harbor and countless outdoor attractions including the Santa Barbara Zoo, Santa Barbara Mission, Stearns Wharf and Santa Barbara Museum of Natural History all add to the area’s appeal. And with nearly 100 wineries within a short drive, Santa Barbara County is a renowned wine region offering an array of some of the finest labels in the world.



Santa Barbara Tourism

A Mediterranean-like climate, welcoming coastal vibe, activities for every interest and small-town feel with big city amenities have long landed Santa Barbara at the top of many travelers' bucket lists. In fact Santa Barbara's tourism industry is a major economic sector generating a hefty \$1.5 billion in direct visitor spending annually with approximately 6.1 million visitors to the South Coast region in 2015. And the region's central location in close proximity to Los Angeles and San Francisco are huge drivers in capturing domestic and international travelers.

Anchored by the City of Santa Barbara, the greater South Coast tourism region is a sweeping 110 mile stretch along the northernmost part of Southern California's pristine coastline. Other popular South Coast hot spots surrounding Santa Barbara include the cities and unincorporated areas of Montecito, Summerland, Goleta, Isla Vista, Carpinteria and the Santa Ynez Valley.

The area is well-known for its farm-to-table cuisine, beautiful wine country (Santa Barbara County was the real-life set of the Oscar winning film *Sideways*), sunny beaches, thriving surf culture, vast hiking and biking trails, marine life, art galleries, gardens and estates, festivals and luxury resorts. Popular annual events like Fiesta and the star-studded Santa Barbara International Film Festival are also huge draws to the area. Indeed Santa Barbara offers a diverse mix of up-market and down-home, making it an affordable, accessible and appealing destination for a wide range of budgets and interests.



- *Approx. 6.1 million visitors to the South Coast in 2015.*
- *Visitor split — 67.4% California Travelers, 17% Other US States, 17% International.*
- *24% of visitors spend at least 1 night in area hotels. Average trip length 3 days / 2.4 nights.*
- *\$1.5 billion in direct visitor spending annually.*
- *The region is home to 175 wineries and 22,000 acres of vineyards.*
- *Tourism & Hospitality Industry supports roughly 12,000 jobs.*

Source: 2015/2016 Strategic Marketing Plan (Visit Santa Barbara)



THE FUNK ZONE

SANTA BARBARA'S UNIQUE ARTS, BUSINESS & INDUSTRIAL DISTRICT

The Funk Zone is Santa Barbara's unique arts, business and industrial district which over the past few years has exploded into a contemporary sub-culture of artisan shops, galleries, hip eateries, award-winning microbreweries, a craft distillery, and the Urban Wine Trail with 29 wine tasting rooms all within walking distance. Perfectly situated in Santa Barbara's up-and-coming waterfront just footsteps from the beach, Stearns Wharf and the city's famed downtown, the mixed use neighborhood encompasses approximately 16 square blocks adjacent to State Street, the main commercial thoroughfare through the city, and is easily accessible off the 101 freeway and the Amtrak station.

Don't be deterred by the name; the area doesn't have a *funk* so much as it has a *vibe*. The Funk Zone delights visitors and locals with its rich tapestry of historical marine structures, industrial lots and old houses which support a colorful mixture of creative uses and give the zone its face, while its occupants that reside and work there embody its eclectic soul. With a spirit for innovation and community, the neighborhood offers the best that Santa Barbara has to offer wrapped in an eclectic, dynamic package. Artists, winemakers and chefs have taken up shop in aged warehouses and forgotten scuba shops, transforming the zone into an understated array of hidden hot spots.

Indeed the Funk Zone offers the perfect contrast to the pristine red tile roofs and charming Spanish-style architecture of Santa Barbara's historic downtown. Minus the polish and plus some grit, the Funk Zone has its own distinctive brand of charm. Filled with sightseers and locals, the Funk Zone offers the ultimate sense of discovery as it continues to evolve and get better as ever more businesses crop up in the 'hood.



The Funk Zone & The Urban Wine Trail

Santa Barbara's acclaimed Urban Wine Trail offers novices and aficionados the opportunity to learn about and taste wines of many different varieties crafted from Santa Barbara County's finest vineyards. With 29 tasting rooms conveniently located in the Funk Zone just blocks from downtown and the beach, the wine trail was created to provide the ideal adventure for those wanting to sip and savor without the lengthy car ride.

A uniquely "green" experience, the Urban Wine Trail can be navigated entirely by foot, bike or even pedicab, allowing for detours to shop, sight see and sink your toes in the sand. While rolling hills and breathtaking vineyards are certainly a treat, this urban option is a dream for those looking to maximize their wine tasting experience without ever leaving the excitement and amenities of downtown Santa Barbara and the beach.

