

OFFERING MEMORANDUM

3605 Stephen M. White Drive | San Pedro, CA 90731

16-Unit Coastal Multifamily Repositioning Opportunity

Offering Price
\$3,500,000

Units
16

Price/Unit
\$218,750

Market Cap
7.31%

Listed By: Jack Patel & Juan Huizar | Sage Real Estate
DRE: #01941349 | #01417642

A Rare Coastal Repositioning Opportunity in San Pedro

16-unit multifamily (15 conforming + 1 non-conforming)
directly across from Cabrillo Beach

Built 1959 | **9,356 SF** | **13,008 SF** triangular corner lot

\$3.5M offering = **4.91%** current cap / **7.31%** market cap

22.5% income upside through mark-to-market
repositioning

Less than 2 miles from \$500M West Harbor development



INVESTMENT HIGHLIGHTS

Seven Reasons to Acquire



1. Irreplaceable Coastal Location



2. 22.5% Income Upside to Market



3. Walk to \$500M West Harbor



4. Strong In-Place Cap Rate with Upside



5. Below Replacement Cost Basis



6. Olympic Tailwind (2028)



7. Financing Flexibility

Coastal Location & Aerial Views

- Well-maintained 1959 construction
- Ample tuck-under and garage parking for tenants
- Clean landscaping and courtyard access



Unit Interiors & Finishes

- Hardwood-style flooring and bright living spaces
- Updated kitchens and bathrooms in select units
- Significant upside potential through targeted renovations
- Harbor and Pacific views from select upper units



UNIT MIX & RENT ROLL

UNITS 0-7

Unit #	Type	Current Rent	Market Rent	Last Increase
0	Studio	\$677	\$1,500	Mar 2026
1	2 Bed / 1 Bath	\$2,500	\$2,800	—
2	1 Bed / 1 Bath	\$1,434	\$1,895	Mar 2026
3	2 Bed / 1 Bath	\$2,022	\$2,800	Mar 2026
4	2 Bed / 1 Bath	\$1,702	\$2,800	Mar 2026
5	2 Bed / 1 Bath	\$2,250	\$2,800	—
6	2 Bed / 1 Bath	\$1,890	\$2,800	Mar 2026
7	Studio	\$1,421	\$1,500	Oct 2026

UNITS 7.5-14

Unit #	Type	Current Rent	Market Rent	Last Increase
7.5	Studio	\$968	\$1,500	Nov 2026
8	1 Bed / 1 Bath	\$1,895	\$1,895	—
9	1 Bed / 1 Bath	\$1,562	\$1,895	Mar 2026
10	1 Bed / 1 Bath	\$1,490	\$1,895	Mar 2026
11	1 Bed / 1 Bath	\$1,783	\$1,895	Feb 2026
12	1 Bed / 1 Bath	\$1,254	\$1,895	Mar 2026
13	1 Bed / 1 Bath	\$1,895	\$1,895	—
14	1 Bed / 1 Bath	\$1,198	\$1,895	Mar 2026

16 Units | Total Current Rent: \$25,941 | Total Market Rent: \$33,660 | Upside: 29.8%

OPERATING STATEMENT

Property Income & Operating Expenses

INCOME	Current	Pro Forma
Gross Scheduled Rent	\$310,752	\$403,920
Less: Vacancy Allowance	(\$15,539)	(\$20,196)
Other Income - Laundry	\$3,600	\$3,600
Effective Gross Income	\$298,814	\$387,224
OPERATING EXPENSES		
Real Estate Taxes	\$43,750	\$43,750
Insurance	\$16,373	\$16,373
Water & Sewer	\$12,750	\$12,750
Gas	\$2,550	\$2,550
Trash	\$7,850	\$7,650
Organic Waste Disposal	\$2,550	\$2,550
Electricity	\$2,221	\$2,221
Licenses & Permits	\$0	\$0
Business Tax	\$0	\$0
Gardening	\$2,750	\$2,750
Pest / Termite Control	\$2,800	\$2,800
General Maintenance	\$8,500	\$8,500
Appliance Repair	\$0	\$0
Heater / AC Repair	\$0	\$0
Plumbing Repair	\$0	\$0
Janitorial / Cleaning	\$0	\$0
Carpet Cleaning	\$0	\$0
Painting	\$0	\$0
Legal & Accounting	\$2,750	\$2,750
Property Management	\$14,941	\$19,366
Resident Manager	\$5,217	\$5,217
AppFolio Surcharge	\$0	\$0
Reserves	\$5,000	\$5,000
Total Operating Expenses	\$127,052	\$131,477

NET OPERATING INCOME: \$171,762 (Current) | \$255,847 (Pro Forma)

KEY FINANCIAL METRICS

NOI: \$171,762 (Current) | \$255,847 (Pro Forma)

Cap Rate: 4.91% (Current) | 7.31% (Pro Forma)

Expense Ratio: 42.5% (Current) | 33.9% (Pro Forma)

PRICING SUMMARY

Current vs. Pro Forma Value Comparison

CURRENT

Price: \$3,500,000	NOI: \$171,762
NOI: \$171,762	GRM: 499,950
Cap Rate: 4.91%	GRM: 11.26
Price / Unit: \$218,750	Price / SF: \$324.07

PRO FORMA

Price: \$3,500,000	NOI: \$255,847
NOI: \$255,847	GRM: 439,163
Cap Rate: 7.31%	GRM: 8.66
Price / Unit: \$218,750	Price / SF: \$324.07

UPSIDE POTENTIAL

22.5% Increase in NOI

PROPOSED FINANCING & RETURNS

Favorable Debt Terms & Projected Yields

Proposed Financing

- Loan Amount: **\$1,900,000**
- Down Payment: **\$1,600,000** (45.7%)
- Loan to Value (LTV): **54.3%**
- Interest Rate: **6.50%**
- Amortization: **30 Years**
- Monthly Payment: **\$12,009**
- Annual Debt Service: **\$144,111**

Returns

- Current Cash Flow: **\$27,651** (1.73% Cash-on-Cash)
- Pro Forma Cash Flow: **\$111,736** (6.98% Cash-on-Cash)
- Current Debt Coverage Ratio (DCR): **1.20**
- Pro Forma Debt Coverage Ratio (DCR): **1.78**

10-Year Growth Scenario

Year 1 NOI: **\$171,762**

Year 5 NOI: **\$210,000**

Year 10 NOI: **\$255,847**

SALES COMPARABLES

Below-Replacement-Cost Basis

Property	Year Built	Price	Units	Price/Unit	Cap Rate	GRM
Subject Property 3605 Stephen M White Dr	1959	\$3,500,000	16 Units	\$218,750	4.91%	11.26
1 2505-2509 S Denison Ave	1958	\$2,492,500	14 Units	\$177,893	6.80%	9.79
2 3621 S Pacific Ave	1929	\$2,500,000	18 Units	\$138,889	6.27%	8.56
3 1350 W 9th St	1973	\$3,530,600	15 Units	\$235,373	5.00%	12.44
4 2424 S Leland St	1980	\$5,200,000	21 Units	\$247,619	6.40%	9.52
Averages (Excl. Subject)	1960	\$3,430,775	17 Units	\$199,944	6.12%	10.08

Conclusion: The Subject Property is priced competitively on a per-unit basis compared to recent coastal San Pedro sales.

Market Overview

A Submarket on the Verge of Transformation

KEY STATS

14,000

Multifamily units in
submarket

5.1%

Vacancy

\$370M+

TTM sales volume

5,000

Units in development
pipeline

TAILWINDS

- **Olympic Catalyst** — 2028 sailing events host

- **Multifamily Pipeline** — Largest housing investment in San Pedro history

- **Port Activity** — 10.2M containers + 1.6M cruise passengers (2025)

SAN PEDRO DEMOGRAPHICS & WORKFORCE

DEMOGRAPHICS



Population: 56,936



Median Age: 43



Housing: 52.8% Renter Occupied | 47.2% Owner Occupied



Median Rent: \$2,198/mo

INCOME & EMPLOYMENT



Median Household Income: \$98,601/yr (+3.5% YoY)



Workforce: 76.9% White Collar | 23.1% Blue Collar



Top Employers: Port of LA, Providence Health, LA County, Aerospace

STRATEGIC LOCATION & DEMAND DRIVERS



- Irreplaceable proximity to major employment hubs and lifestyle amenities
- Walking distance to Cabrillo Beach and West Harbor development
- Central to the Port of Los Angeles and upcoming 2028 Olympic venues

SAN PEDRO DEMAND GENERATORS

KEY POINTS

- **PORT OF LOS ANGELES:** The busiest seaport in the Western Hemisphere, driving massive local employment and logistics demand.
- **OUTER HARBOR CRUISE TERMINAL:** A new \$50M gateway expanding tourism and bringing thousands of daily visitors to the waterfront.
- **LA 2028 OLYMPICS:** San Pedro will host the sailing events, spurring infrastructure upgrades and international attention.
- **AEROSPACE & DEFENSE:** Growing presence of blue-tech and aerospace companies at AltaSea, creating high-paying jobs.
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WEST HARBOR DEVELOPMENT

**\$500 Million Waterfront
Transformation Opening 2026**

Key Features

- 42 Acres of waterfront dining, retail, and entertainment
- 1-Mile Promenade connecting the downtown to the water
- 6,200-Seat Amphitheater for live music and events
- 150,000 SF of commercial space and a boutique hotel

Economic Impact

- Will attract 5 million annual visitors
- Creates 1,000+ permanent jobs
- Significant catalyst for property value appreciation



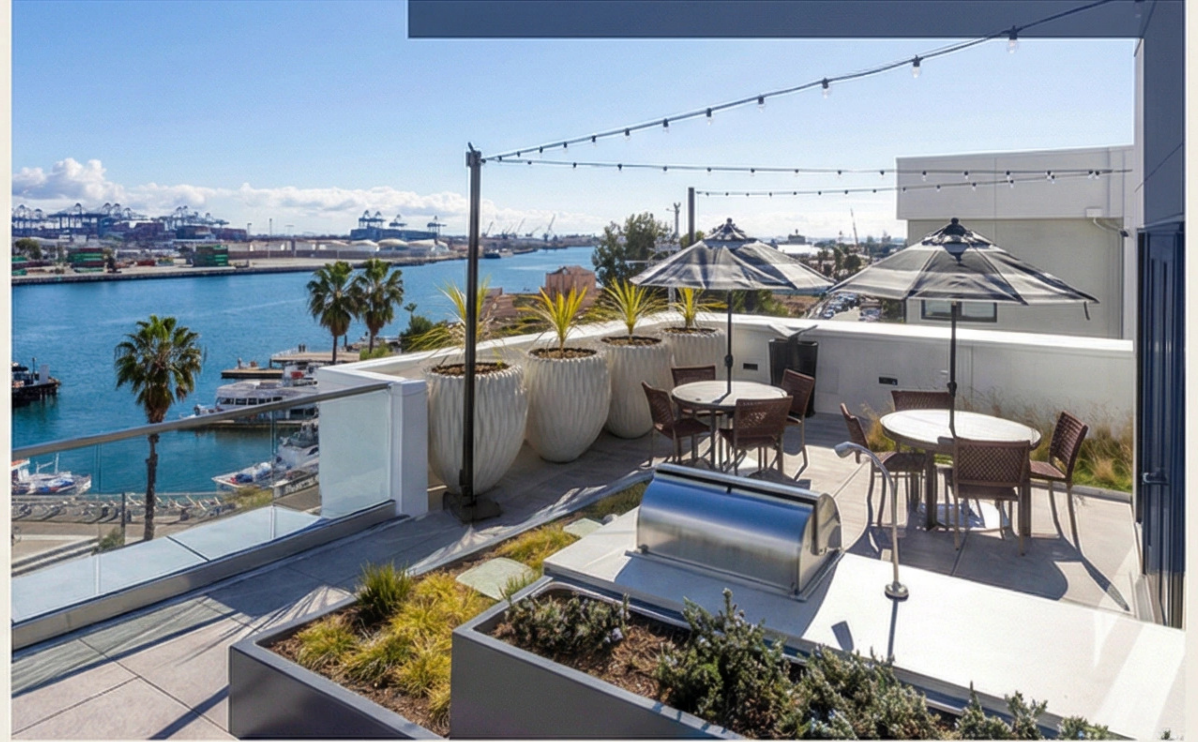
~5,000 New Units in the Pipeline



Jules San Pedro

281 Units | Q2 2028

- Trammell Crow / High Street Residential & Haseko North America
- 8-story mixed-use podium directly across from West Harbor



Vivo on Harbor

137 Units | Delivered Feb 2025

- TCC / HSR's first San Pedro project — successful lease-up validated institutional appetite

Plus: San Pedro Promenade Phase II (\$85M) | Avalon Promenade & Gateway (\$65M)

A New West Coast Cruise Gateway

- Operator: Pacific Cruise Terminals (Carrix + JLC Infrastructure JV)
- 13 acres + 20 acres parking | Berths 46–50
- 241 cruise calls in 2025 (record)
- 1.6M passengers in 2025 (record)
- \$1.3M economic impact per ship visit



Schedule a Tour



JACK PATEL

Multifamily Investment Sales

CA DRE #01941349

(213) 453-2572

jack@sageregroup.com



JUAN HUIZAR

Multifamily Investment Sales

CA DRE #01417642

(562) 307-0838

juan@sageregroup.com