

For Sale!

518 - 520
SANTA MONICA BLVD

SANTA MONICA
CENTRAL BUSINESS
DISTRICT





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SANTA
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EXECUTIVE
SUMMARY

VIRTUAL REALITY

HYPERGATEVR

THE GATE TO ANOTHER WORLD

VIRTUAL REALITY EXPERIENCES

EXECUTIVE SUMMARY

Lee & Associates Los Angeles West, Inc. is pleased to present this generational asset for sale in the heart of Downtown Santa Monica. The legacy property was built in 1939 by the current family ownership. The building has been upgraded and retrofitted over the years, with the most recent electrical and HVAC upgrade happening in 2023. The property consists of a 2-story 10,000 SF building on approximately 5,000 SF parcel of land located in a high pedestrian traffic area, walking distance to all attractive businesses, shops, restaurants, and amenities that downtown Santa Monica offers.

The legacy property was originally home to one of the largest Arthur Murray Dance Studios, where history states that Fred Astaire and Ginger Rogers practiced on a regular basis. Over the years, the building's ground floor has been home to an Ice Cream Shop, Radio Shack and currently leased to HyperGate Virtual Reality. The second floor tenant Optimal Enhancement has occupied the space for over 40 years.

518 - 520 Santa Monica Blvd is being offered for sale for the very first time in its history. The proximity to premier Santa Monica amenities, restaurants, nightlife and the expo line gives an investor, owner/user an opportunity to purchase this long term value add opportunity. The large open floor plans on both floors with ceiling heights up to 14' give an array of options to either a single tenant or multi-tenant users. The building is accessible both from Santa Monica Blvd and the adjacent alley.

518 - 520 Santa Monica Blvd is an exciting opportunity to own a generational building in the heart of Santa Monica.



ADDRESS

518 - 520 Santa Monica Blvd
Santa Monica, CA 90401

PRICE

Call Broker

BUILDING SF

± 10,000 SF

LOT SF

5,000 SF

STORIES

2

OCCUPANCY

100%

TENANCY

Multiple

YEAR BUILT

1939

STREET FRONTAGE

50 ft of Frontage along Santa
Monica Blvd.

PARKING

City Lot Adjacent

RENT ROLL

| Address | Tenant | SF | Lease Type | Current | | Projected Market Rent | | Lease Exp. |
|-------------------|---------------------|-------|------------|-----------------|--------|-----------------------|--------|------------|
| | | | | Rent/mo | PSF | Rent/mo | PSF | |
| 518 SM Blvd | Optimal Enhancement | 5,000 | MN | \$6,500 | \$1.30 | \$12,500 | \$2.50 | MTM |
| 520 SM Blvd | HyperGate VR | 5,000 | NNN | \$15,000 | \$3.00 | \$22,500 | \$4.50 | 07/31/24 |
| Total Rent | | | | \$21,500 | | \$35,000 | | |

YOGA

VIRTUAL REALITY



VIRTUAL REALITY EXPERIENCES

518 - 520
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**SALE & LEASE
COMPARABLES**



SALE COMPARABLES

| | Property Address | Property Type | Building SF | Sale Price | Price/SF | Sale Date | Zoning |
|---|--|----------------------|-------------|-------------|----------|--------------|-----------------------|
| 1 | 1452 2nd St Santa Monica, CA 90401 | Retail Storefront | 7,500 SF | \$5,805,500 | \$774.07 | Apr 4, 2023 | C3 |
| 2 | 1344 4th St Santa Monica, CA 90401 | Retail Storefront | 11,500 SF | \$5,999,000 | \$521.65 | Feb 28, 2023 | SMBSC2 |
| 3 | 525 Colorado Ave Santa Monica, CA 90401 | Office | 5,050 SF | \$4,900,000 | \$970 SF | Jun 14, 2023 | C3YY, Santa Monica |

LEASE COMPARABLES

| | Property Address | Close Date | SF | Rent | Lease Structure | Lease Term |
|---|---|------------|-----------|--------|-----------------|------------|
| 1 | 502-514 Santa Monica Blvd Santa Monica, CA 90401 | Mar 2023 | 1,816 SF | \$4.50 | | 60 Months |
| 2 | 920-934 Broadway Santa Monica, CA 90401 | Mar 2023 | 1,630 SF | \$3.75 | NNN | 60 Months |
| 3 | 1221 2nd St Santa Monica, CA 90401 | Jul 2023 | 6,280 SF | \$3.25 | | 36 Months |
| 4 | 1344 4th St Santa Monica, CA 90401 | Aug 2023 | 11,500 SF | \$4.95 | NNN | 120 Months |
| 5 | 400-416 Broadway Santa Monica, CA 90401 | Aug 2023 | 5,075 SF | \$4.95 | | 36 Months |
| 6 | 1505 4th St Santa Monica, CA 90401 | Aug 2023 | 5,075 SF | \$4.75 | NNN | 36 Months |
| 7 | 1335 4th St Santa Monica, CA 90401 | Oct 2023 | 4,050 SF | \$3.95 | MG | 36 Months |
| 8 | 602-616 Santa Monica Blvd Santa Monica, CA 90401 | Nov 2023 | 1,520 SF | \$4.93 | MG | 36 Months |
| 9 | 1410 2nd St Santa Monica, CA 90401 | Dec 2023 | 6,783 SF | \$1.75 | MG | 36 Months |

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PROPERTY
OVERVIEW

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AERIAL MAP





SITE DETAIL

ADDRESS

518 - 520 Santa Monica Blvd
Santa Monica, CA 90401

BUILDING SIZE

1st Fl: ± 5,000 SF
2nd Fl: ± 5,000 SF

LOT AREA

± 5,000 SF

ASSESSOR PARCEL NUMBER

4291-019-001

ZONING

SMC3
Transit Adjacent (TA)

PROPERTY TYPE

2 Story Freestanding Brick Building
Built in 1939

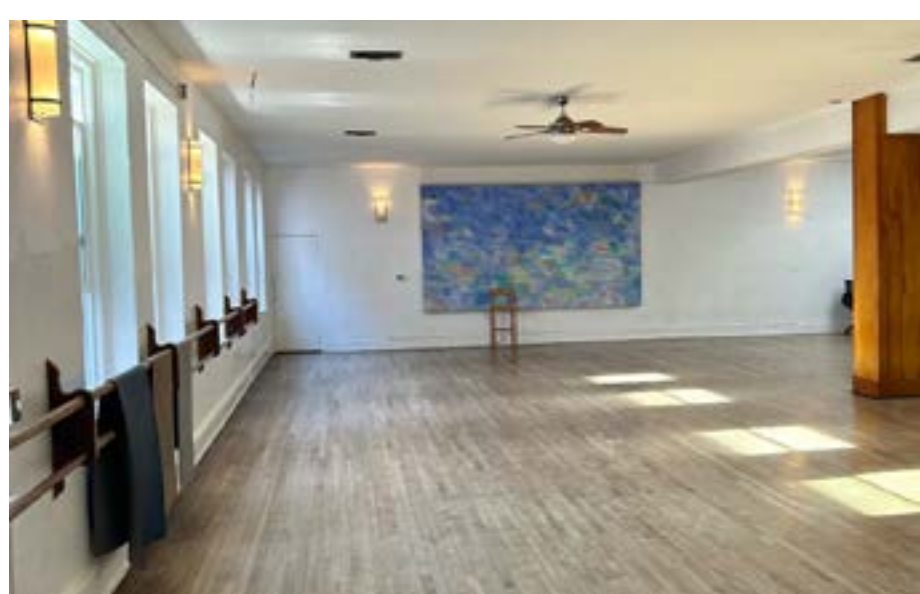
PROSPECTIVE USE

Retail, restaurant, Class-A office, creative employment, hospitality uses, multi-family housing, and community gathering spaces.

TRANSPORTATION EFFICIENCY

The location has a Walker's Paradise score of 94, is on major bus corridor, and a 5 minute walk to the new Expo line.





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**MARKET
OVERVIEW**



NEARBY AMENITIES



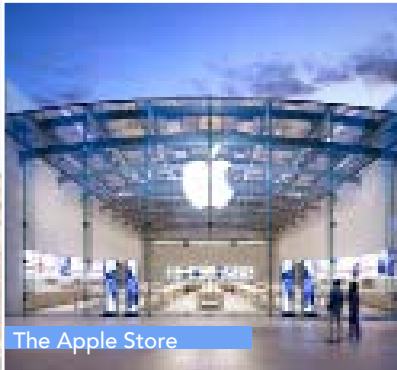
Philz Coffee



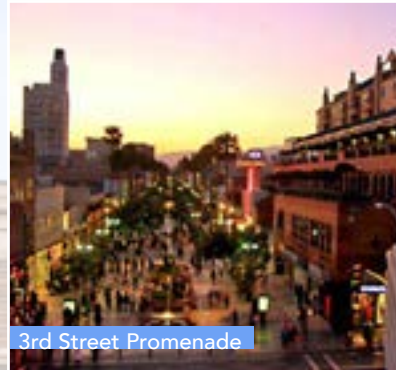
Soul Cycle



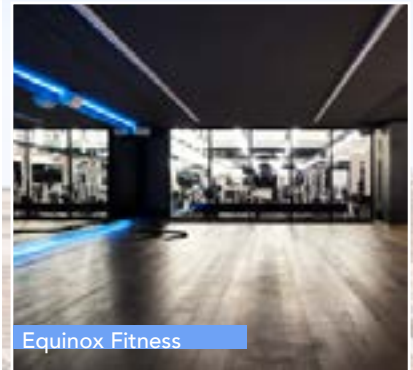
The Bungalow



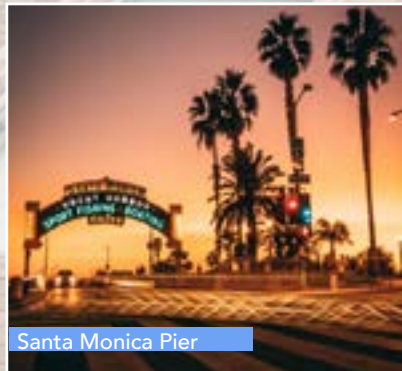
The Apple Store



3rd Street Promenade



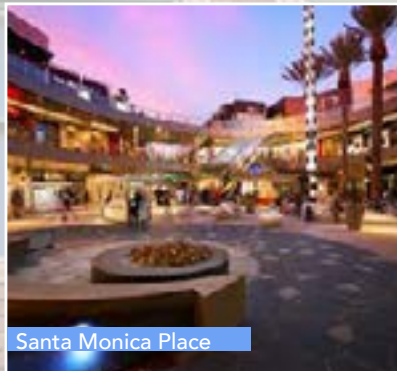
Equinox Fitness



Santa Monica Pier



Ivy at the Shore



Santa Monica Place



Cassia



Blue Plate Oysterette

An aerial photograph of the Santa Monica Pier extending into the ocean at sunset. The pier features a Ferris wheel, roller coasters, and a building with a yellow roof. The beach is visible in the foreground, and the sky is a mix of orange and blue.

SANTA MONICA MARKET OVERVIEW

Santa Monica's rental market demonstrates remarkable strength, as evidenced by data from Zillow. In 2022 alone, median rents in the city experienced a substantial 13% increase, rising from \$3,966 to \$4,457. This growth far outpaces the national average by 86% and surpasses the average rent in Los Angeles by 34%. The demand for larger living spaces is also evident, with 3-bedroom rentals starting at \$7,500 in 2023, a staggering 223% higher than the national average. These figures highlight the robustness of Santa Monica's rental market, reflecting its desirability as a residential destination and the limited supply of housing in this sought-after coastal city.

Santa Monica boasts an extraordinarily high quality of life with close proximity to upscale neighborhoods, abundant retail, beautiful beaches, the Santa Monica Mountains, top schools, a wealth of dining and entertainment options, and a vibrant economy. The city is conveniently located 14 miles from Downtown Los Angeles and 8 miles from Los Angeles International Airport. Santa Monica has a thriving, walkable downtown area and 3.5 miles of spectacular coastline. One of the most densely urbanized cities in California, Santa Monica has a land area of approximately 8.3 square miles and a population of 88,000 people via the US Census Bureau.

Santa Monica is an extremely prosperous city with a dynamic, well educated workforce. With an estimated population of approximately 88,000 people and a large daytime workforce, the city experiences substantial daily in-migration of workers contributing greatly to the economic vitality of the region. Average home value in Santa Monica is \$2.0 million, evidence of the fact that Santa Monica is one of the most prestigious addresses in all of California and a preferred location with numerous high-end housing options and an average household income in Santa Monica of \$151,000, well above the national and California averages.

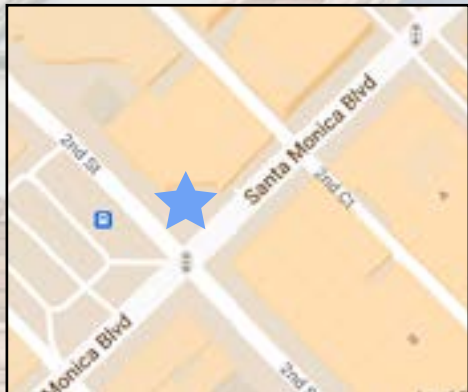
Santa Monica City officials have recently made great strides to update their zoning on major corridors such as Santa Monica Boulevard in order to spur development. The strategy has worked with a construction boom.

NEARBY DEVELOPMENTS



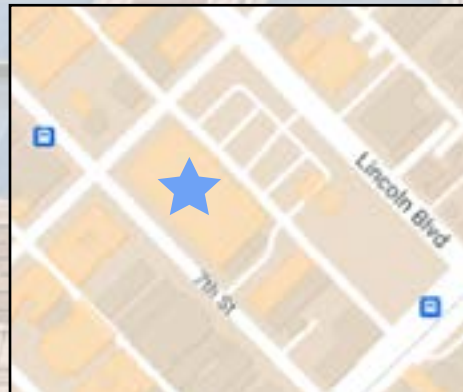
OCEAN AVENUE PROJECT

Located at the northeast corner of Ocean Avenue and Santa Monica Boulevard - directly across the street from Palisades Park. Plans call for the construction of multiple mid-rise and low-rise structures. World class design by Pritzker Prize winning architect Frank Gehry 120 hotel rooms with union workforce 100 total apartments including new affordable, replacement rent-controlled and market rate units Cultural Uses Campus incorporating two rehabilitated City-designated landmarks restaurants/shops including outdoor dining Public rooftop viewing terrace with 360-degree views of Santa Monica.



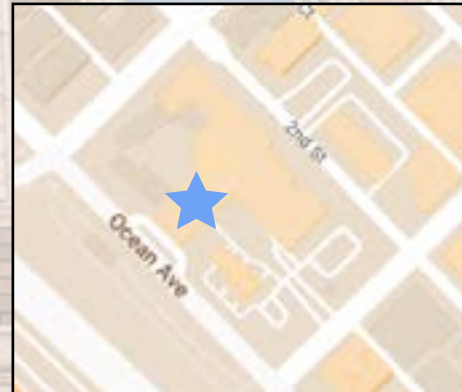
710 BROADWAY

710 Broadway will deliver 280 residential units, of which 30% will be reserved for low-income and middle-income households, a 53,500 square foot grocery store, and approximately 34,000 square feet of neighborhood-serving retail to Santa Monica. The new grocery store will be prominently located at the corner of Lincoln and Broadway and will continue to be operated by the Albertsons Companies. The additional community-serving retail will activate the corner of 7th and Broadway. 710 Broadway will be designed and built to a high level of sustainability and will be pedestrian friendly and transit oriented.



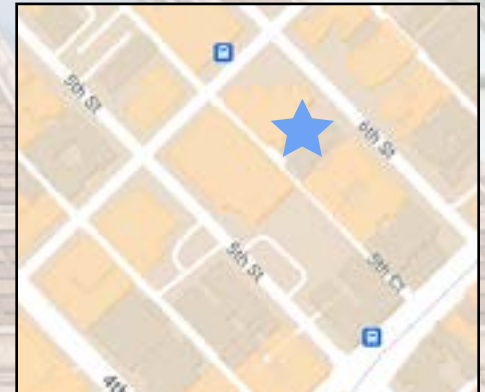
THE MIRAMAR HOTEL

The Miramar Santa Monica is located on a site prominent both for its location, where Wilshire Boulevard meets the Pacific Ocean, and its central place in Santa Monica's rich cultural history. The new plan aims to rectify this and reestablish the Miramar Santa Monica as a world-class destination ensuring a beloved community asset for the next 100+ years. When complete, the Miramar will be a new landmark and a spectacular addition to Downtown Santa Monica.



"THE PARK" BROADWAY

Joint venture between Witkoff and New Valley, LLC, replaced a shuttered Fred Segal store at 5th Street and Broadway with a new seven-story edifice. Koning Eizenberg Architecture design, which includes multiple courtyards at street level that provide open space for use by commercial and residential tenants. The project consists of a seven story building featuring 249 apartments above 55,000 square feet of ground-floor retail space and a basement parking garage. The building includes a mix of studio, one-, two-, and three-bedroom floor plans, with monthly rents starting at \$4,350.



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