

OFFERING MEMORANDUM



FOR SALE

Rare, Balboa Island (Newport Beach) Mixed-Use Investment Property
Ground Floor Retail – Second Floor Residential

NAI Capital
COMMERCIAL REAL ESTATE SERVICES, WORLDWIDE

308 Marine Avenue | Balboa Island, CA

Table of Contents

I EXECUTIVE SUMMARY

- A. Investment Overview2
- B. Property Highlights3

II THE OFFERING

- A. Property Overview5
- B. Aerials6
- C. Location Maps9
- D. Property Photos10
- E. Floor Plan15
- F. Financial Pro Forma16
- G. Assessor's Parcel Map17
- H. Zoning18

III AREA OVERVIEW

- A. Newport Beach/Balboa Island20
- B. Orange County21
- C. Demographics22
- D. Recent Sale Comps23
- E. Contact Information24

BRIAN C. CHILDS
Executive Managing Director
949.279.7200 | bchilds@naicapital.com
CA DRE #00904960

DAVID KNOWLTON, SIOR, CCIM
Executive Vice President
949.468.2307 | dknowlton@naicapital.com
CA DRE Lic #00893394

NAI Capital
1920 Main Street, Suite 100
Irvine, CA 92614

No warranty, express or implied, is made as to the accuracy of the information contained herein. This information is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and is subject to any special listing conditions imposed by our principals, cooperating brokers, buyers, tenants and other parties who receive this document should not rely on it, but should use it as a starting point of analysis, and should independently confirm the accuracy of the information contained herein through a due diligence review of the books, records, files and documents that constitute reliable sources of the information described herein. NAI Capital CA DRE #01990696



BALBOA ISLAND

I | EXECUTIVE SUMMARY

A | INVESTMENT OVERVIEW

ADDRESS:	308 Marine Avenue, Balboa Island (Newport Beach), CA 92662
TOTAL BUILDING SIZE:	± 2,428 SF (including one garage)
FOUR (4) UNITS:	Two (2) Retail, Two (2) Residential
LOT SIZE:	± 2,250 SF
PRICE:	\$2,250,000
NOI:	\$69,146 (Estimated)



OPPORTUNITY

100% Leased Mixed-Use Investment on Marine Avenue in Balboa Island. Four (4) units comprised of two (2) ground floor retail and two (2) second-story residential studios.

Balboa Island is a beachside community of Newport Beach; one of California's most visited destinations with up to 100,000 tourists daily. Marine Avenue has one of the highest pedestrian traffic counts in the city.

LOCATION HIGHLIGHTS

- Premier Coastal Location
- Outstanding Pedestrian Traffic
- International Tourist Destination
- Excellent Demographics
- Over \$167,000 Average Household Income In 1-Mile Radius
- Access From Main Street & Rear Alley
- Stable, Long-Term Tenants



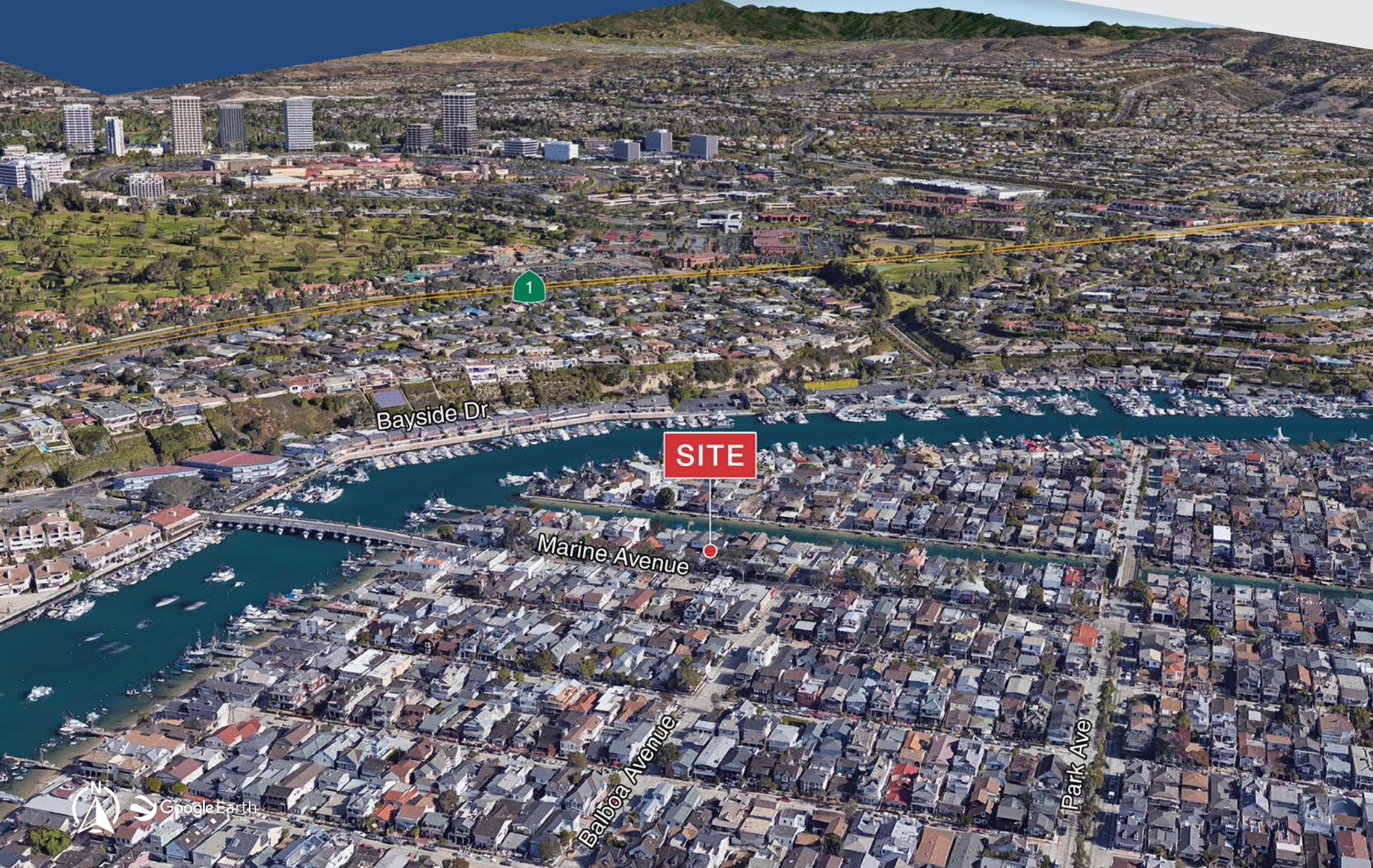
BALBOA ISLAND

|| | THE OFFERING

PROPERTY OVERVIEW

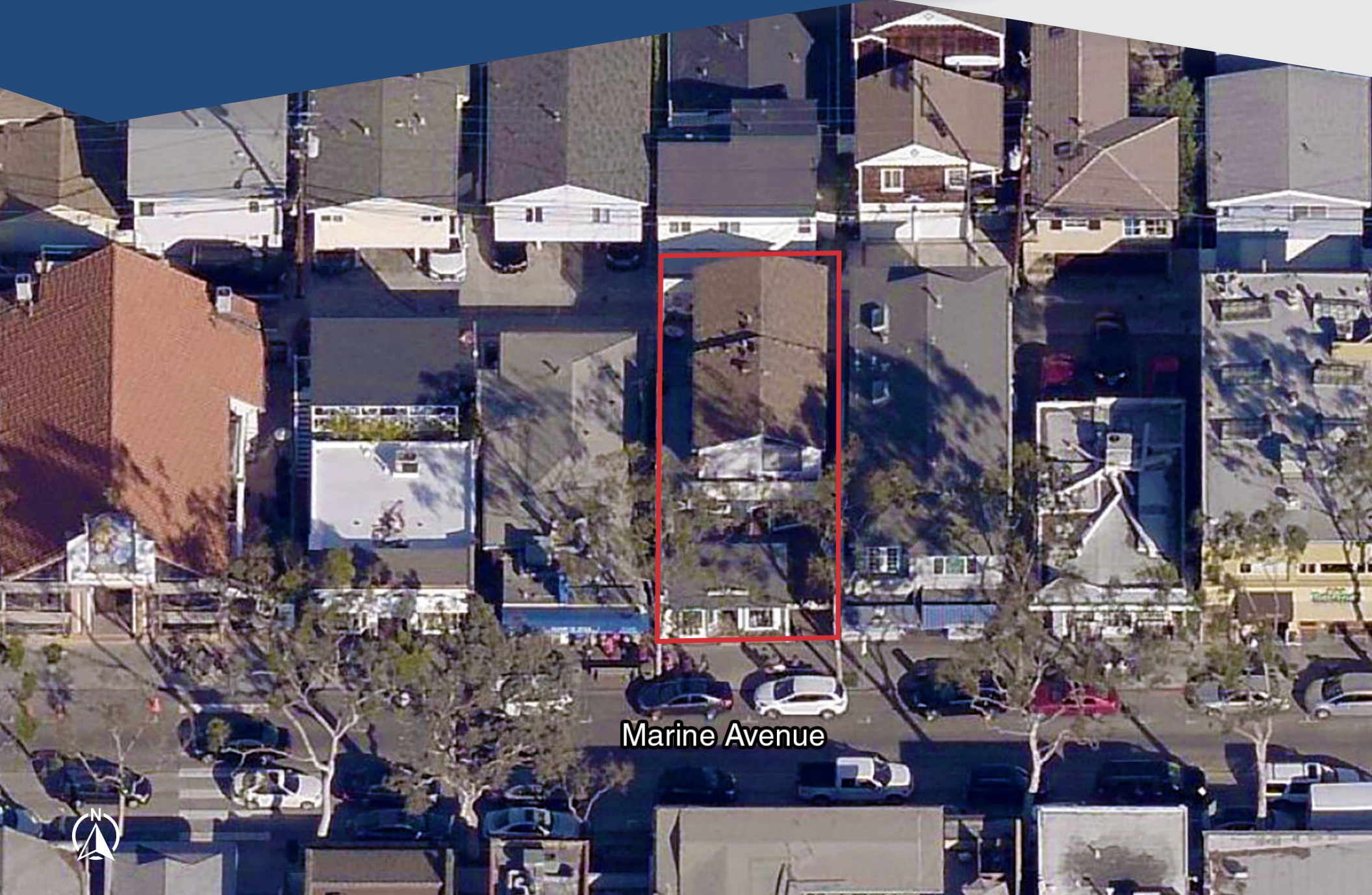
- **Four (4) Units: Two (2) Retail, Two (2) Residential**
 - » **1st Retail Unit: ± 402 SF**
 - » **2nd Retail Unit: ± 951 SF**
 - » **1st Apartment: ± 440 SF**
 - » **2nd Apartment: ± 440 SF**
- **Building Area: ± 2,428 SF (including one 195 SF garage)**
- **Year Built: 1935/1948**
- **Site Size: ± 2,250 SF (30' Frontage x 75' Depth)**
- **APN: 050-151-15**
- **Stories: Two (2)**
- **Parking: One (1) garage**
- **Zoning: Mixed-Use Water Related (MU-W2)**







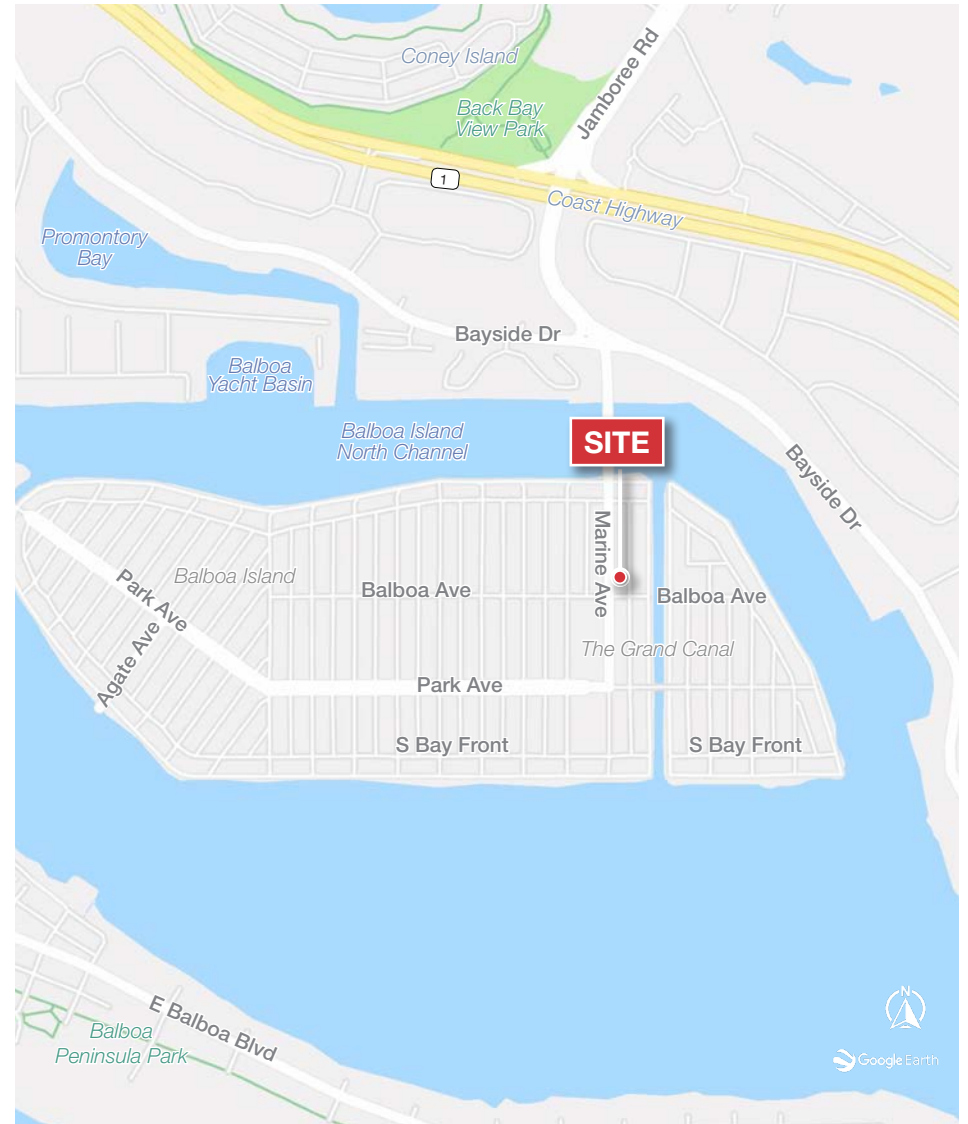
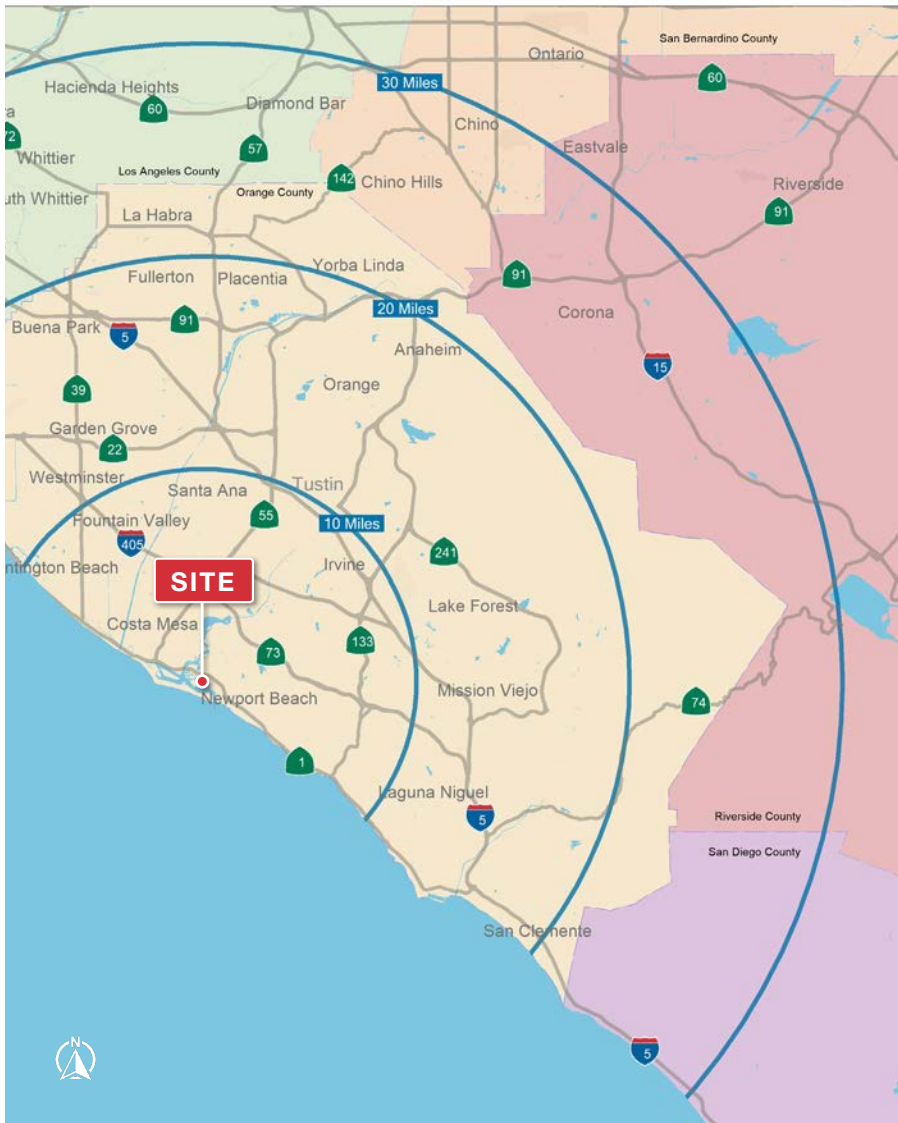
308 Marine Ave



Marine Avenue



C | LOCATION MAPS





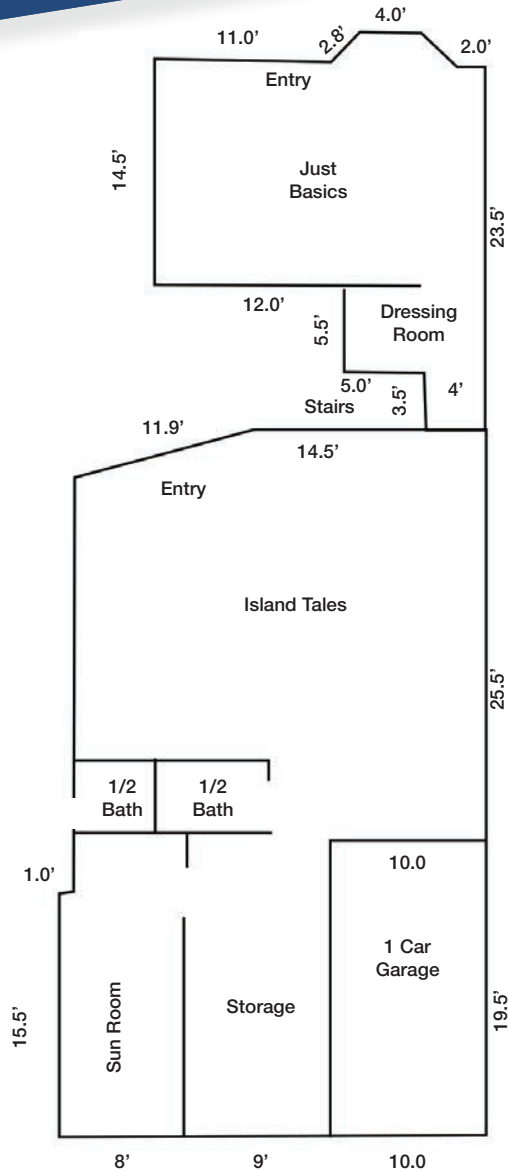




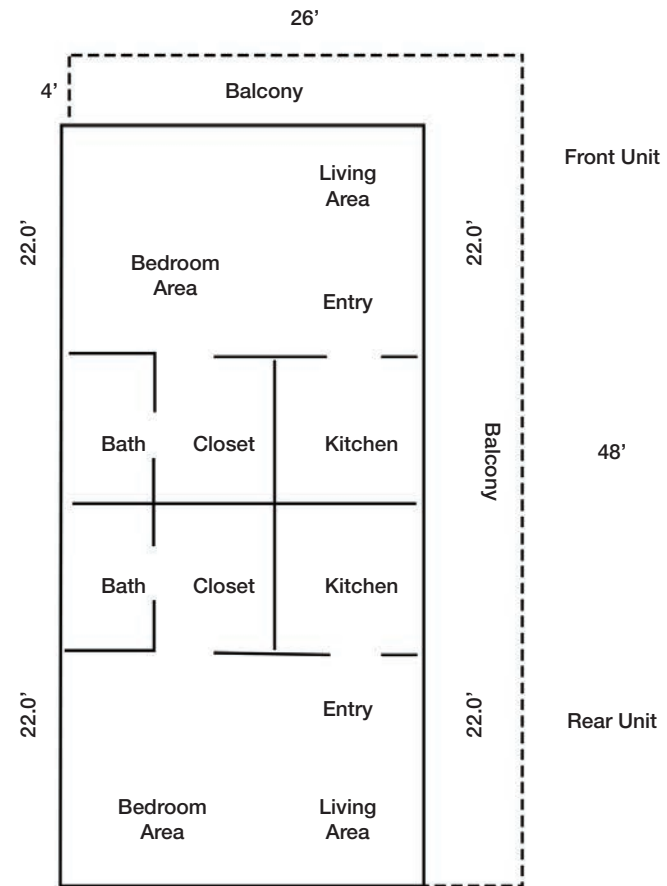




E | FLOOR PLAN



First Floor



Second Floor

308 MARINE FINANCIAL ANALYSIS

CURRENT GROSS REVENUE		\$98,400
CURRENT OPERATING EXPENSES		
Estimated Property Taxes:	(23,644)	
Special Assessment Fees:	(581)	
Property Insurance:	(3,405)	
Water & Trash:	(837)	
Gas:	(397)	
Pest Control:	<u>(390)</u>	
TOTAL OPERATING EXPENSES:		<u>(29,254)</u>
NET OPERATING INCOME:		\$69,146
PRICE:		\$2,250,000

NOTE: 2018 Expenses are annualized and subject to change. Buyer must verify all expenses.



H | ZONING OVERVIEW

The Zoning District is MU-W2 (Mixed-Use Water Related). This zoning district applies to waterfront properties in which marine-related uses may be intermixed with general commercial, visitor-serving commercial and residential dwelling units on the upper floors. A wide variety of commercial uses (i.e. retail/office/service/R&D) are allowed on the first floor, with residential uses allowed on the second floor.

For mixed-use buildings, the FAR is a total of 1.25; with a maximum of 0.5 for ground level commercial plus 0.75 for second-story residential.

	1ST TIER MIN/MAX REQUIREMENTS	2ND TIER MIN/MAX REQUIREMENTS
MAX. HEIGHT	25 Feet	35 Feet
COVERAGE	Max. 1.0 F.A.R.*	N/A
MAX. SIZE	10,000 SF Gross Floor Area	N/A
MIN. LANDSCAPE COVERAGE	5% of lot area	2% of lot area

*Gross floor area/lot area ratio (excludes parking structures)

CONTACT INFORMATION

City Hall

100 Civic Center Drive, Newport Beach, CA 92660

Main Phone:	(949) 644-3309
City Clerk's Office:	(949) 644-3005
Planning:	(949) 644-3204
Community Development:	(949) 644-3200
Public Works:	(949) 644-3330
Utilities:	(949) 644-3011





BALBOA ISLAND

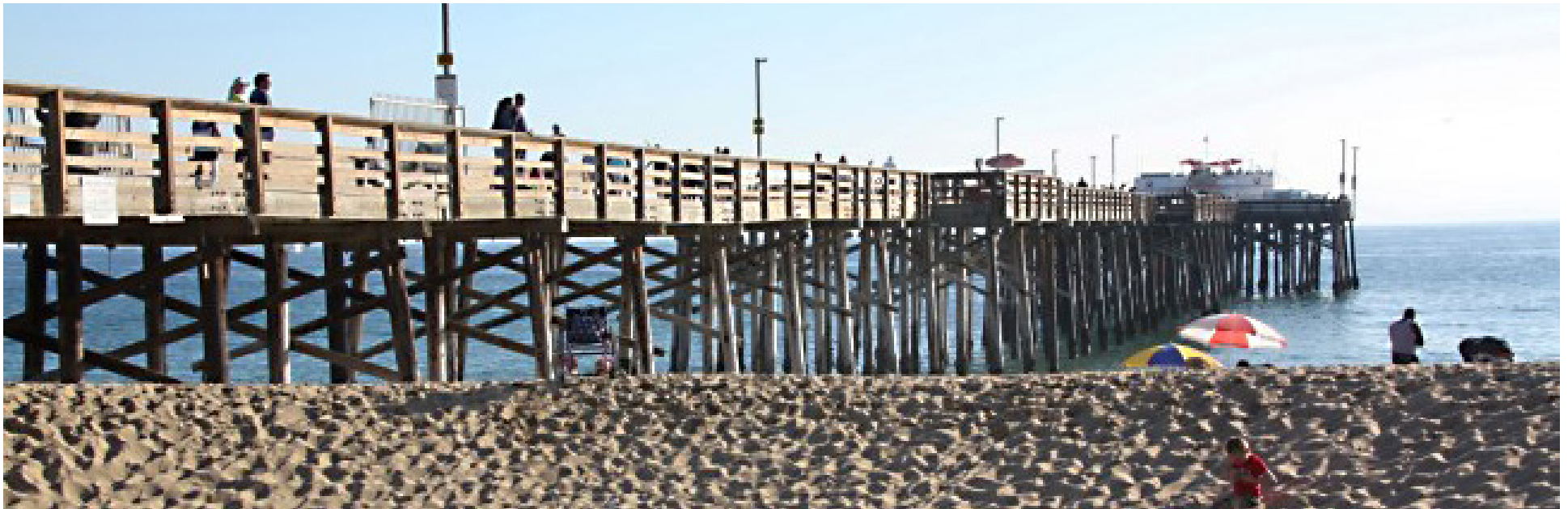
||| | AREA OVERVIEW

A | NEWPORT BEACH/BALBOA ISLAND

Newport Beach is known for its fine residential areas, modern shopping facilities, strong business community and quality school system. It surrounds Newport Bay where approximately 4,300 boats of all types are docked within the 21-square-mile harbor area. The bay area and the City's eight miles of ocean beach offer outstanding fishing, swimming, surfing, and aquatic sports activities. The University of California, Irvine, is also located immediately adjacent to the city, and eight other colleges are all within a 30-mile-radius. The City has a permanent population of over 90,000 which typically grows to well over 100,000 during the summer months, including 20,000 to 120,000 daily tourists.

Balboa Island is an important destination within Newport Beach and is comprised of three islands – Balboa Island, Little Balboa Island and Collins Island. The main street, Marine Avenue, is lined with quaint shops, art galleries and restaurants. “The Island” is known for the great walking path that circles its perimeter, the annual Balboa Island Parade, its annual Art Walk, and, of course, the legendary Balboa Bar – vanilla ice cream dipped in chocolate and assorted toppings. Balboa Peninsula has 2 piers, Newport Beach Pier and Balboa Pier.

Newport Beach's average annual household income is \$180,876 and the median home price is over \$1,700,000, one of the highest in the country.



Top Employers:

#	Employer	# of employees
1	Walt Disney Co.	29,000
2	University of California, Irvine	23,605
3	County of Orange	18,264
4	St. Joseph Health System	11,925
5	Allied Universal	8,229
6	Kaiser Permanente	7,694
7	Boeing Co.	6,103
8	Wal-Mart	6,000
9	California State University, Fullerton	5,781
10	Bank of America	5,500



With over 3.1 million residents, Orange County is the 6th most populous county in the U.S. Its residents enjoy a nearly perfect climate in which parks and beaches provide abundant opportunities for outdoor activities as well as exciting professional sports, a wide range of tourist attractions and quality venues for visual and performing arts. It boasts a thriving business economy and a well-educated work force. It accounts for 10% of the State of California's economy and has a significantly younger and better educated workforce in comparison to most major metropolitan areas.

Strong infrastructure contributes to Orange County's successful and positive business climate. Centrally located in Southern California, the county has close proximity to the ports of Los Angeles and Long Beach, the largest container ports in the world. An abundance of passenger and cargo airports exists, including LAX and John Wayne Airport. Toll roads in South County and improvements to the existing freeway system in Central County continue to fuel growth in Orange County.

Education

There are more than 40 colleges and universities in Southern California creating and supporting a highly trained and motivated work force. UC Irvine, Cal State Fullerton and Chapman University continue to produce homegrown talent for Orange County's business community. Education levels are also among the highest in the nation, with 84%

of the population having graduated from high school and 29% having graduated from a 4-year college or university. Nearly 38% of persons 25 years of age or older possess a Bachelor's or Master's degree, significantly higher than the national average of 21%.



Economy

Orange County is the headquarters for many Fortune 500 companies including Pacific Life, First American, Broadcom, Western Digital, Quicksilver, Gateway, Panasonic and Allergan. Orange County enjoys a diverse economy, with economic output and employment well distributed among numerous sectors. If Orange County were a separate state, it would rank 30th in the nation based on the size of its population. With a total civilian labor force of 1.6 million, Orange County enjoys a diverse economy, with economic output and employment well-distributed among sectors. It ranks 16th among the nation's metro areas based on its Gross Metropolitan Product.

Population

	1 Mile	3 Mile	5 Mile
2018 Estimated	10,988	83,071	217,733
2023 Projected	11,659	86,127	224,272
2018 Male	5,284	40,863	108,349
2018 Female	5,704	42,208	109,384
2018 Total Adult (Age 25 yrs+)	13,229	77,693	171,602
2018 Total Businesses	2,327	7,166	16,650

Income

	1 Mile	3 Mile	5 Mile
Estimated Average Household Income (2018)	\$202,581	\$207,673	\$159,638
Projected Average Household Income (2023)	\$244,939	\$255,587	\$194,249
Census Average Household Income (2010)	\$161,479	\$157,078	\$123,559
2023 Estimated Household Income (Median)	\$244,939	\$255,587	\$194,249
2018 Estimated Per Capita Income	\$76,788	\$57,428	\$61,148
2023 Estimated Per Capita Income	\$94,676	\$71,567	\$76,291

Households

	1 Mile	3 Mile	5 Mile
2018 Estimated Households	7,973	43,333	95,078
2023 Projected Households	8,557	45,957	100,584
2018 Average Household Size	2.1	2.4	2.4

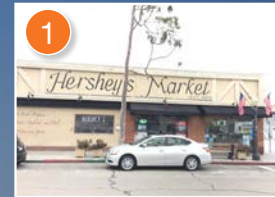


D | RECENT SALE COMPS

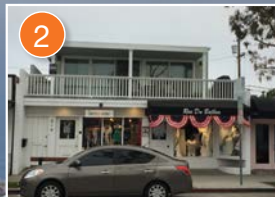
308 Marine Avenue, Balboa Island, CA 92662



308 Marine Avenue
Balboa Island, CA
Asking Price: \$2,250,000
Asking Price/SF: \$1007.61/SF
Year Built: 1935/1948
Est. Gross Leasable Area: ± 2,233 SF
Est. Land Area: ± 2,250



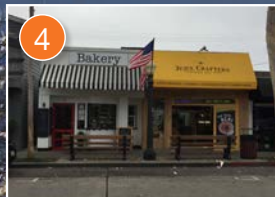
200 Marine Avenue
Balboa Island, CA
Sale Date: 6/2017
Sale Price: \$3,900,000 – Confirmed
Price/SF: \$928.57/SF
Year Built: 1936
Gross Leasable Area: 4,200 SF
Land Area: 2,614 SF



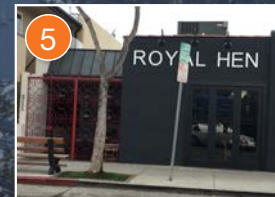
319 Marine Avenue
Balboa Island, CA
Sale Date: 3/2018
Sale Price: \$2,240,000 – Confirmed
Price/SF: \$971.80/SF
Year Built: 1952
Gross Leasable Area (GLA): 2,305 SF
Land Area: 2,178 SF



304 Marine Avenue
Balboa Island, CA
Sale Date: 4/2017
Sale Price: \$1,715,000 – Confirmed
Price/SF: \$1,531/SF
Year Built: 1940
Gross Leasable Area (GLA): 1,120 SF
Land Area: 2,178 SF



220 Marine Avenue
Balboa Island, CA
Sale Date: 5/2016
Sale Price: \$1,840,000 – Confirmed
Price/SF: \$1,117.86/SF
Year Built: 1946
Gross Leasable Area (GLA): 1,646 SF
Land Area: 2,614 SF



311 Marine Avenue
Balboa Island, CA
Sale Date: 4/2016
Sale Price: \$1,800,000 – Confirmed
Price/SF: \$1,280.23/SF
Year Built: 1947
Gross Leasable Area (GLA): 1,406 SF
Land Area: 2,178 SF

308 Marine Avenue

Balboa Island, CA

just basics

Contact Information:

BRIAN C. CHILDS
Executive Managing Director
949.279.7200 | bchilds@naicapital.com
CA DRE #00904960

DAVID KNOWLTON, SIOR, CCIM
Executive Vice President
949.468.2307 | dknowlton@naicapital.com
CA DRE Lic #00893394

NAI Capital
1920 Main Street, Suite 100
Irvine, CA 92614

No warranty, express or implied, is made as to the accuracy of the information contained herein. This information is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and is subject to any special listing conditions imposed by our principals, cooperating brokers, buyers, tenants and other parties who receive this document should not rely on it, but should use it as a starting point of analysis, and should independently confirm the accuracy of the information contained herein through a due diligence review of the books, records, files and documents that constitute reliable sources of the information described herein. NAI Capital CA DRE #01990696

NAI Capital
COMMERCIAL REAL ESTATE SERVICES, WORLDWIDE