

559 SAN YSIDRO RD. MONTECITO, CA 93108

OFFERING MEMORANDUM

Prominent “Upper Village” office building located in the affluent community of Montecito, just south of Santa Barbara.

OFFERED AT

\$10,950,000



Steve Brown

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For Sale | ±9,689 SF Prominent Office Building in Montecito's Upper Village



Within 5-mile radius of some of the world's most exclusive hotels, beaches, shopping and restaurants.

Walking distance to San Ysidro Village, Pierre Lafond Market & Deli and numerous Upper Village amenities

Spanish-style architecture with premium finishes



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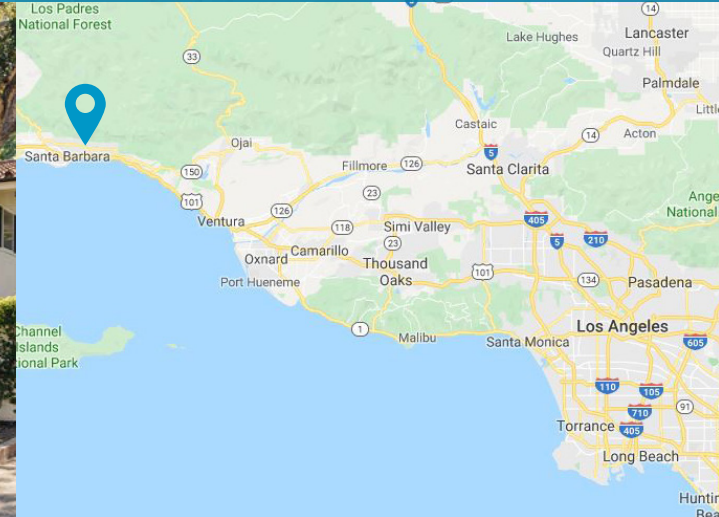
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This high identity commercial asset is well situated in the “Upper Village” of Montecito, the Central Coast’s affluent, highly desirable community located just south of Santa Barbara on US Highway 101, about an hour north of Los Angeles. The world-class setting offers excellent visibility and abundant parking. The trophy property has undergone a major renovation inside and out over the last few years and the building is now divided into various office configurations. Floor plans are designed for maximum flexibility and a wide range of uses, whether for executive offices or for layouts suitable for a variety of companies that will benefit from this strategic location. Existing leases allow options for either investor or owner/user.

Property Highlights

- **Affluent community just south of Santa Barbara with an average HHI of \$147,451 within a 3-mile radius of the property**
- **Santa Barbara and Montecito are dubbed “The American Riviera” for the location’s idyllic coastal setting and mild Mediterranean climate**
- **Property completely renovated with high end finishes and numerous configurations catering to a wide variety of office uses**

Offering Specifics

Offered at	\$10,950,000
Size	±9,689 SF
Floors	2
Breakrooms	Multiple
Restrooms	Multiple
Parking	40 Onsite Spaces
APN	011-200-065
Zoning	C-N (Neighborhood Commercial)

The information provided here has been obtained from the owner of the property or from other sources deemed reliable. We have no reason to doubt its accuracy, but we do not guarantee it.

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MONTECITO'S UPPER VILLAGE



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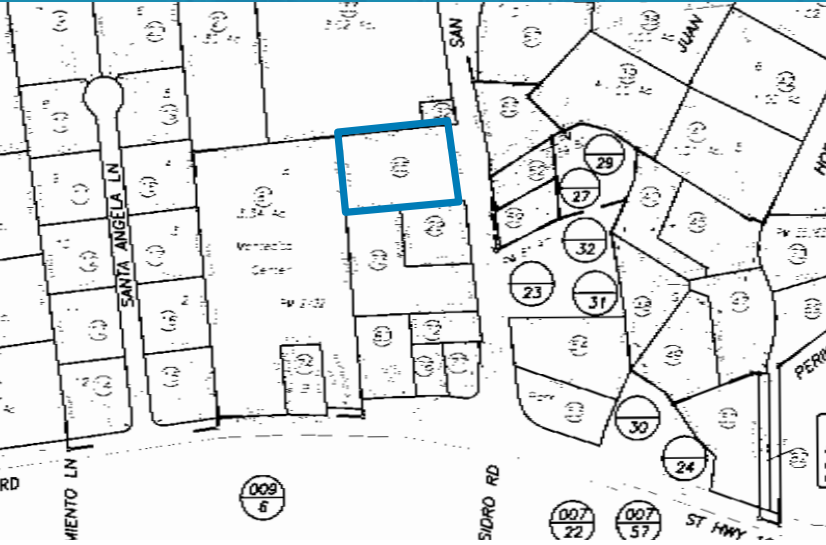
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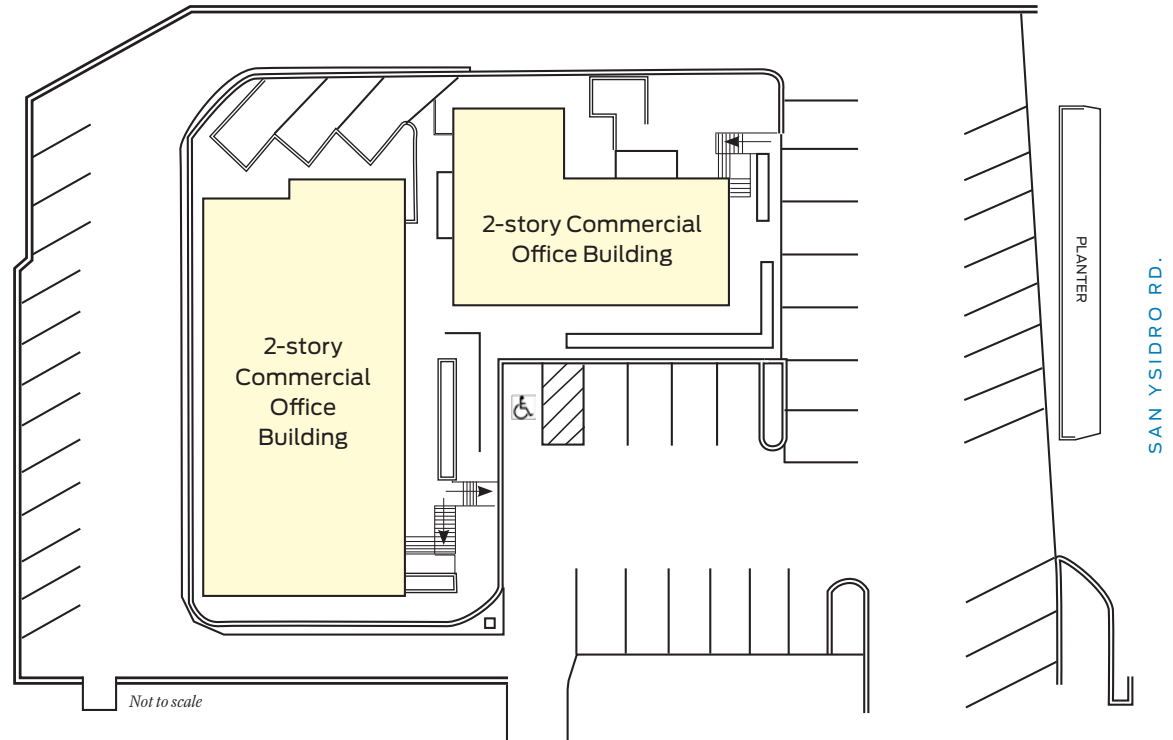
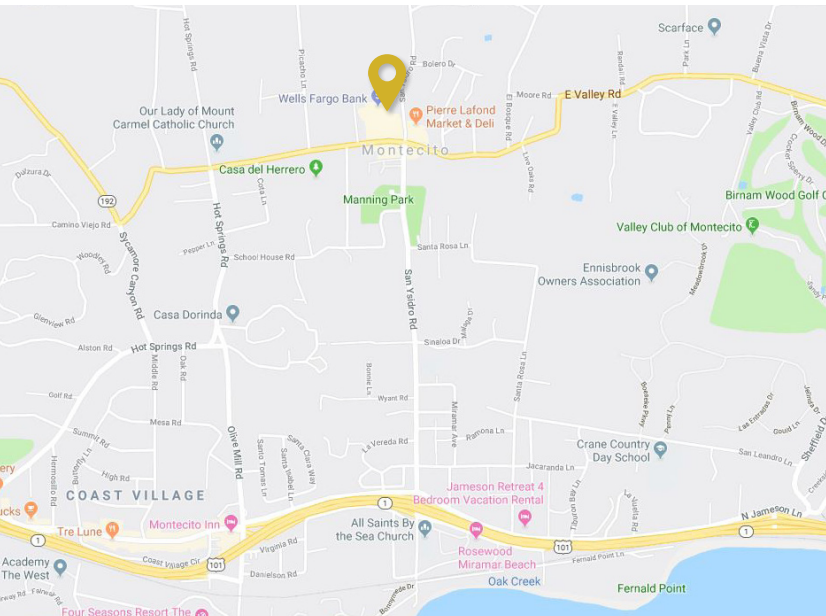


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PARCEL, LOCATOR MAP & SITE PLAN



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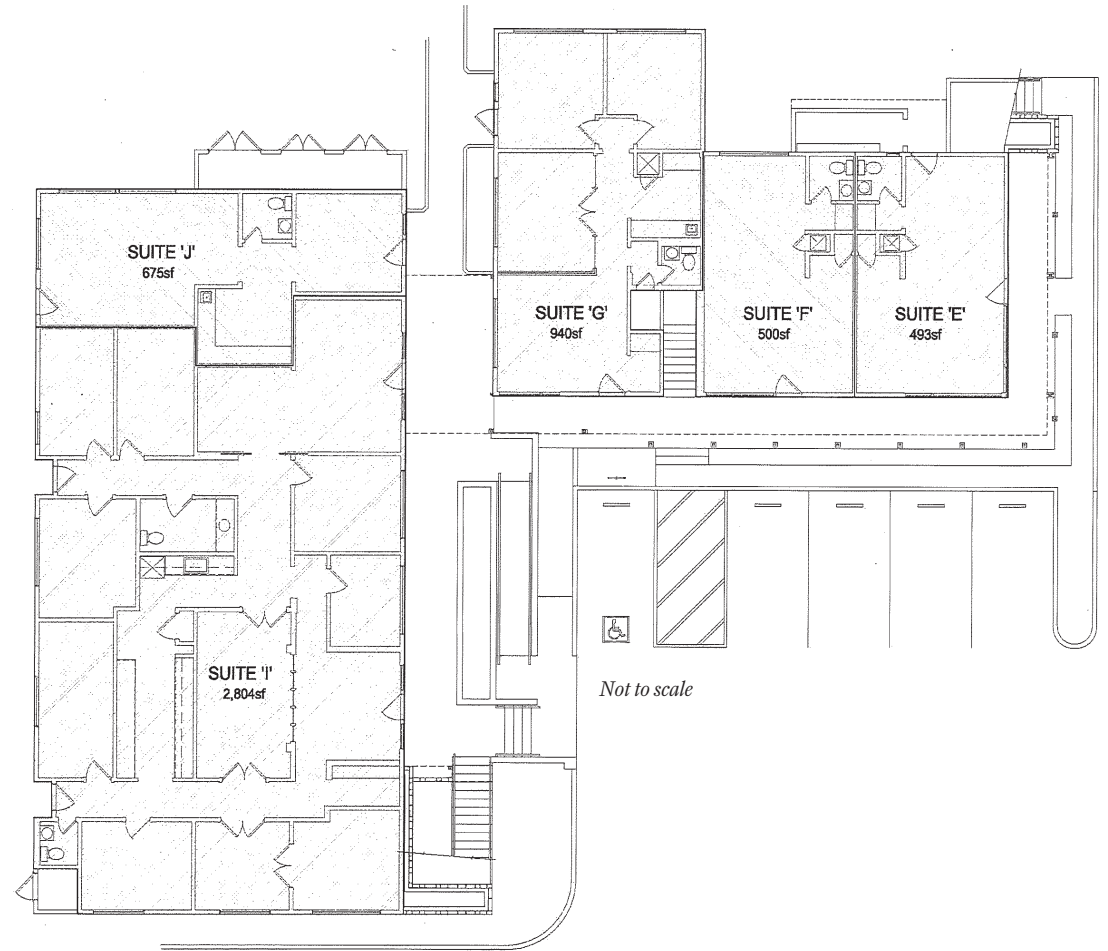
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FLOORPLAN | LOWER LEVEL



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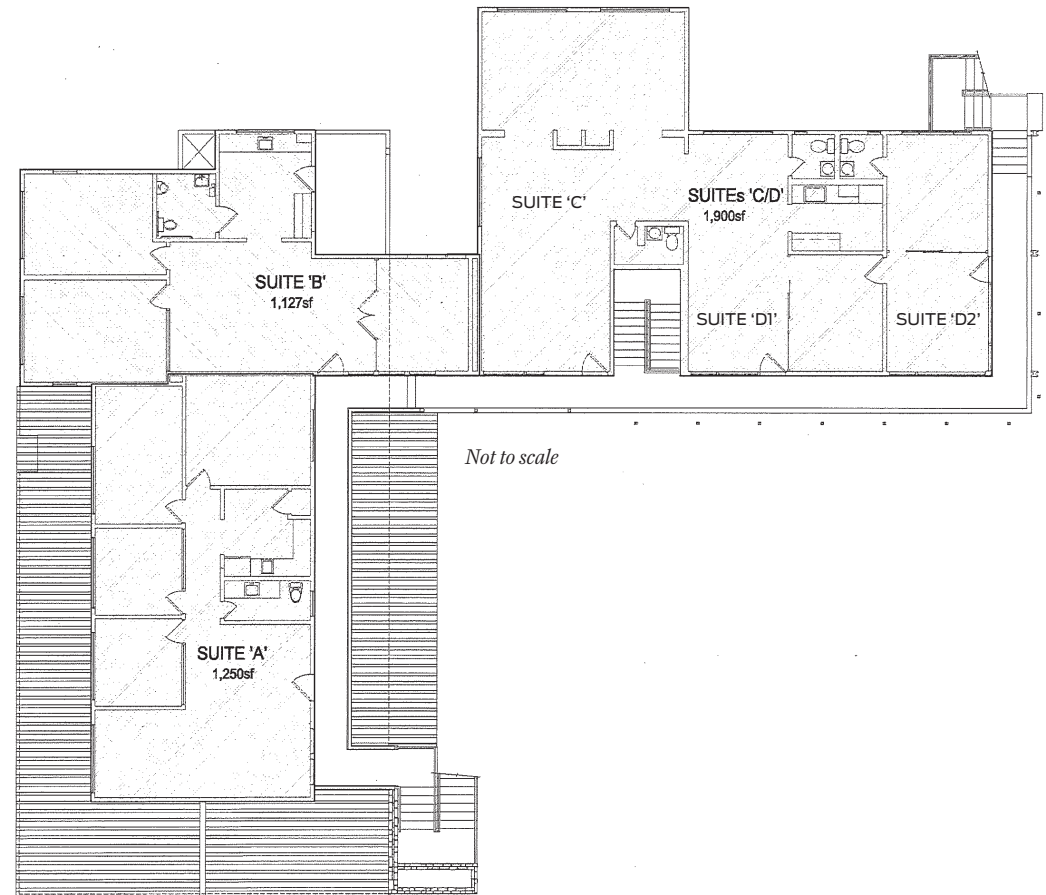
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PROPERTY PHOTOS



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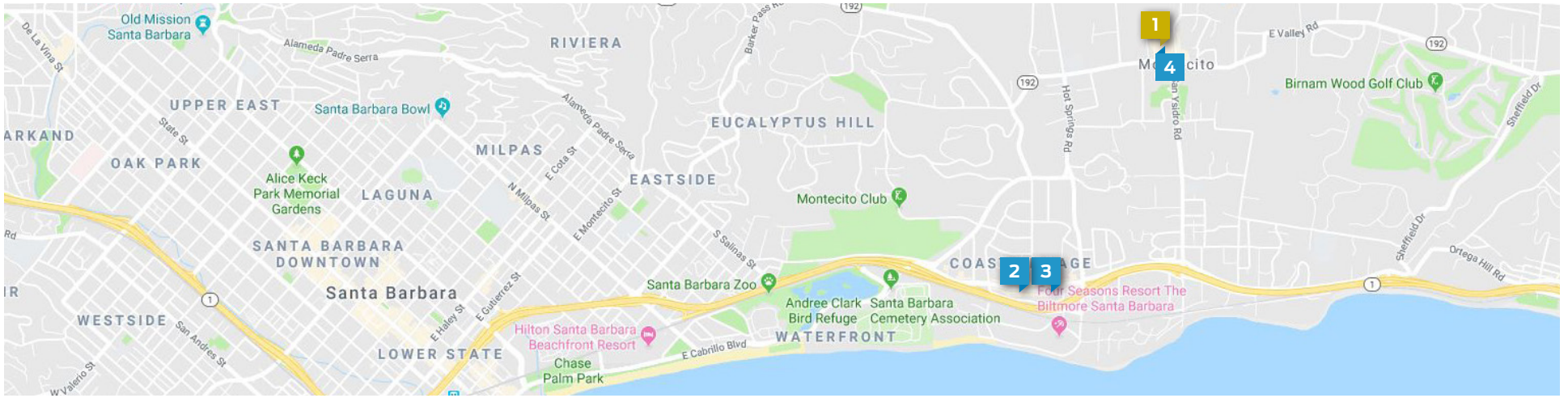
ANALYSIS







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COMPARABLE SOLD PROPERTIES



	PROPERTY ADDRESS	COMP SF	TYPE	SALE PRICE	SALE PRICE PSF	OFF-MARKET DATE	CAP RATE (%)
	1 Subject Property: 559 San Ysidro Rd., Montecito	9,689 SF	Office	\$10,950,000	\$1,130/SF	—	—
	2 1101 Coast Village Rd., Santa Barbara	5,250 SF	Retail	\$7,700,000	\$1,467/SF	3/2/2018	4.70%
	3 1283 Coast Village Cir., Santa Barbara	3,230 SF	Office	\$3,305,000	\$1,023/SF	10/31/2018	—
	4 1486 E. Valley Rd., Montecito	6,357 SF	Retail	\$13,000,000	\$2,045/SF	8/2019	—

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PROFORMA INCOME ANALYSIS

Proforma Income

ADDRESS	TENANT	SIZE (SF)	PRICE/SF	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	ANNUAL RENT ADJUSTMENTS	LEASING ASSUMPTIONS				
										ESTIMATED RE-LEASING EXPENSES	FREE RENT (MOS)	TI'S (\$/SF)	LEASING FEES (%)	VACANCY LOSS (MOS)
A	TENANT	1,250	\$5.50	\$6,875	\$7,013	\$7,153	\$7,296	\$7,442	2%					
B	TENANT	1,127	\$5.00	\$5,635	\$5,748	\$5,863	\$5,980	\$6,100	2%					
C	VACANT	905	\$5.00	\$4,525	\$4,661	\$4,801	\$4,945	\$5,093	3%	\$57,015	2	\$5	6%	6
D1	VACANT	626	\$5.00	\$3,130	\$3,224	\$3,321	\$3,420	\$3,523	3%	\$39,438	2	\$5	6%	6
D2	VACANT	369	\$5.00	\$1,845	\$1,900	\$1,957	\$2,016	\$2,077	3%	\$23,247	2	\$5	6%	6
E	VACANT	493	\$5.00	\$2,465	\$2,539	\$2,615	\$2,694	\$2,774	3%	\$23,664	2	\$5	6%	3
F	VACANT	500	\$5.00	\$2,500	\$2,575	\$2,652	\$2,732	\$2,814	3%	\$24,000	2	\$5	6%	3
G	TENANT	940	\$5.89	\$5,533	\$5,699	\$5,870	\$6,046	\$6,227	3%					
I	TENANT	2,804	\$4.05	\$11,356	\$11,697	\$12,048	\$12,409	\$12,781	3%					
J	TENANT	675	\$4.64	\$3,132	\$3,194	\$3,258	\$3,323	\$3,390	3%					
SUBTOTAL:		9,689 SF		\$46,995	\$48,249	\$49,537	\$50,860	\$52,220		\$167,364				
Tenant Reimbursables (NNN) or Utilities:			100%	\$16,030	\$17,422	\$17,834	\$18,255	\$18,688						
Total Monthly Rent:				\$63,025	\$65,671	\$67,370	\$69,116	\$70,908						
<i>Vacancy (Yr 1)</i>			30%	(\$18,818)										
<i>Vacancy (Yr 2-5)</i>			0%		\$0	\$0	\$0	\$0						
Annual Gross Income:				\$530,480	\$788,049	\$808,445	\$829,387	\$850,892						

Less Estimated Expenses

			YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	ANNUAL EXPENSE INCREASE
<i>New Taxes:</i>	1.05%	\$10,950,000	\$114,597	\$116,889	\$119,227	\$121,611	\$124,043	2%
<i>Insurance:</i>	Est.		\$8,566	\$8,823	\$9,088	\$9,360	\$9,641	3%
<i>Utilities:</i>	Est.		\$13,826	\$14,241	\$14,668	\$15,108	\$15,561	3%
<i>Landscaping/Janitorial/Security:</i>	Est.		\$6,634	\$6,833	\$7,038	\$7,249	\$7,467	3%
<i>Repairs & Maintenance:</i>	Est.		\$22,208	\$22,874	\$23,560	\$24,267	\$24,995	3%
<i>Management:</i>	5.0%		\$26,524	\$39,204	\$40,016	\$40,845	\$41,692	3%
Annual Expenses (\$/SF):		(\$1.65)	(\$192,355)	(\$208,864)	(\$213,597)	(\$218,441)	(\$223,399)	

NET OPERATING INCOME:	\$338,125	\$578,987	\$594,442	\$610,322	\$626,640
CAP RATE:	3.0%	5.2%	5.3%	5.5%	5.6%
PURCHASE PRICE:	\$10,950,000				
RESERVES:	\$167,364				

LEASE SYNOPSIS

ADDRESS	TENANT	SIZE (SF)	MONTHLY RENT	RENT/SF	SHARE OF UTILITY COSTS	RENT ADJUSTMENT	SECURITY DEPOSIT	PARKING SPACES	TERM (START – END)	OPTIONS
A	Tenant	1,250	\$6,875.00	\$5.50	12.90%	COL 2% min/5% max	\$6,875.00	4	11/30/2021	3, 36 mo options @ COLA 2% min/5% max
B	Tenant	1,127	\$5,635.00	\$5.00	11.63%	COLA 3% min/6% max		4	12/31/2022	1, 36 mo options
C	Vacant	905	\$4,525.00	\$5.00	9.34%			3		
D1	Vacant	626	\$3,130.00	\$5.00	6.46%			3		
D2	Vacant	369	\$1,845.00	\$5.00	3.81%			2		
E	Vacant	493	\$2,465.00	\$5.00	5.09%			2		
F	Vacant	500	\$2,500.00	\$5.00	5.16%			2		
G	Tenant	940	\$5,532.78	\$5.89	9.70%	COLA 3% min/6% max		3	12/31/2022	1, 36 mo options
I	Tenant	2,804	\$11,356.00	\$4.05	28.94%	COLA 3% min/6% max	\$15,000.00	10	9/1/19 - 1/31/2027	2, 36 mo options @ 95% MRV
J	Tenant	675	\$3,131.66	\$4.64	6.97%	COLA 3% min/6% max	\$3,969.00	2	6/30/2021	1, 60 mo option @ CPI w/ 3%/6% min/max.
TOTALS		9,689	\$46,995.44	\$4.85	100.00%		\$25,844.00	35		

MARKET OVERVIEW



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MONTECITO & "THE AMERICAN RIVIERA"

Just south of Santa Barbara and 90 miles west of Los Angeles is the affluent seaside community of Montecito. The area is popularly known as "The American Riviera" due to its fantastic climate and beauty, and truly no other town does luxury or exudes an effortlessly chic vibe like Montecito. Elegant and sophisticated, yet retaining its country feel, Montecito is world famous for its climate and oceanfront setting.

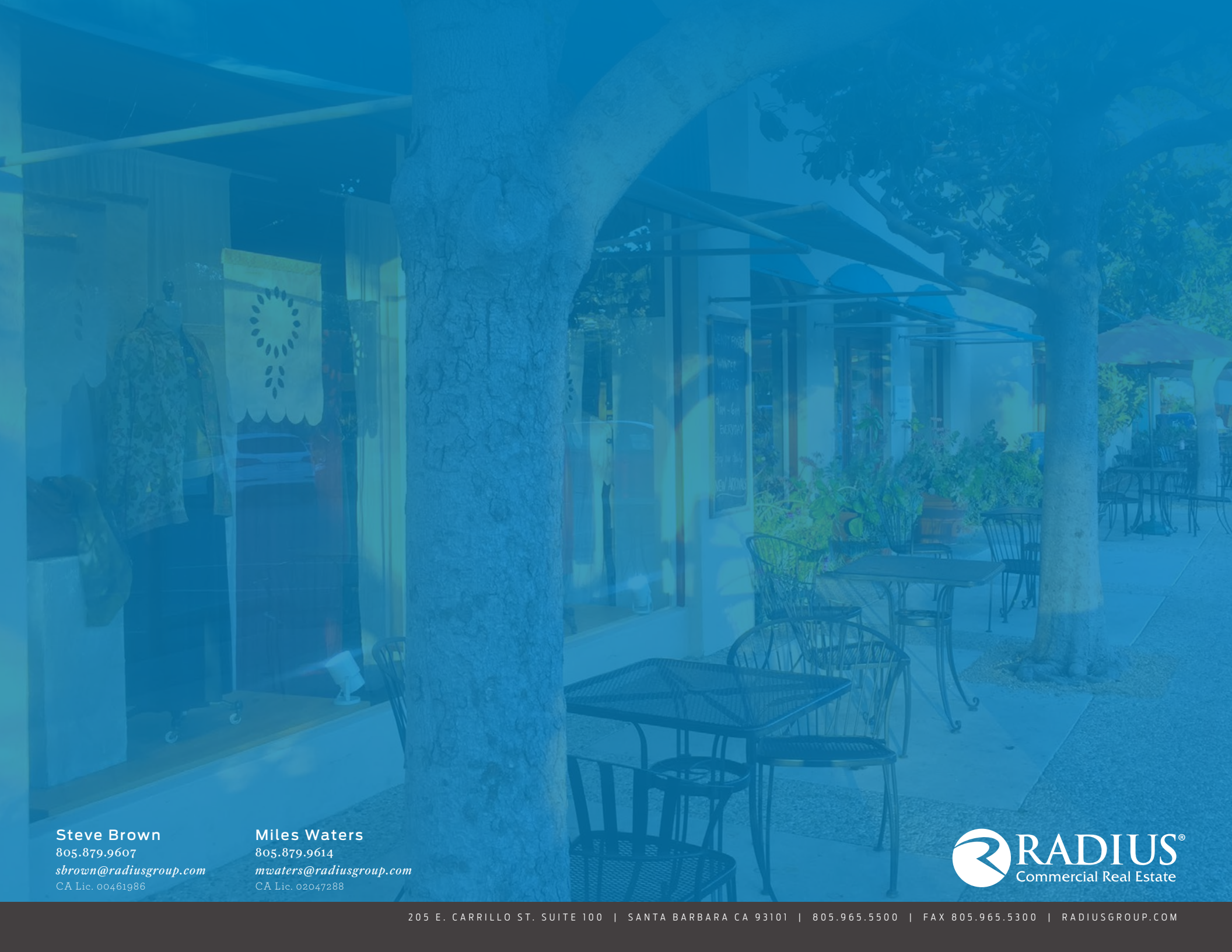
Montecito is home to many world class restaurants and shopping as well some of Santa Barbara's most stunning stretches of coastline and mountainous trailheads. It encompasses a total of eight square miles and comprises the Upper and Lower villages. The Mediterranean-style architecture, beautiful scenery and year-round sunshine is about as idyllic as you can get. It is conveniently situated five-minutes from downtown Santa Barbara and Los Angeles is about an hour by car. *Travel + Leisure* magazine named Montecito one of "its **50 Best Places to Travel in 2019**."



Rosewood Miramar Hotel (1.3 Miles from Subject Property)

Opened in 2019 on Miramar Beach in Montecito, the all-new Rosewood Miramar luxury resort built by world renowned developer Rick Caruso. The property boasts elegant rooms and opulent suites in Montecito's beachside haven.

POPULATION	1 MILE	3 MILE	5 MILE	AVG HHI	1 MILE	3 MILE	5 MILE	BUSINESSES	1 MILE	3 MILE	5 MILE
2024 Projection	5,548	27,380	74,766	2019	\$178,146	\$147,451	\$109,834	Total Businesses	208	1,098	6,144
2019	5,113	26,321	72,468					Employee Count	2,007	10,331	58,132



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