

OFFERING MEMORANDUM

29178 HEATHERCLIFF ROAD

MALIBU, CALIFORNIA

Trophy Investment Property

**CBRE**



EXCLUSIVELY LISTED BY:

ALEX KOZAKOV

First Vice President

+1 213 613 3031

Lic. 01416489

alex.kozakov@cbre.com

PATRICK WADE

First Vice President

+1 213 613 3071

Lic. 01454690

patrick.wade@cbre.com

ANDREW TASHJIAN

Vice President

+1 213 613 3024

Lic. 01867711

andrew.tashjian@cbre.com



TABLE OF CONTENTS

PROPERTY OVERVIEW

Investment Highlights

Executive Summary

Architect Profile

FINANCIAL OVERVIEW

TENANT OVERVIEW

AREA OVERVIEW

**CBRE**

© 2015 CBRE, Inc. This information has been obtained from sources believed reliable. We have not verified it and make no guarantee, warranty or representation about it. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the property. You and your advisors should conduct a careful, independent investigation of the property to determine to your satisfaction the suitability of the property for your needs.



## Property Overview



PROPERTY ADDRESS:	29178 Heathercliff Road, Malibu, CA 90265
PRICE:	Open Bid: Request for Offers
GLA:	6,500 SF (Assessor = 6,484 SF)
LAND AREA:	14,385 SF
YEAR 1 NOI:	\$253,189
YEAR 3 NOI	\$473,358
YEAR BUILT:	1986
PARKING	22 Spaces
ZONING:	LCC2YY
APN:	4466-021-004
KEY TENANTS:	Coldwell Banker
TRAFFIC COUNTS:	Pacific Coast Hwy & Heathercliff Rd: 25,500

\*Also available for sale seperately-same ownership: 29350 Pacific Coast Highway, Malibu CA [CLICK HERE](#)

## Investment Highlights

- Contemporary, architecturally significant glass & steel design by renowned Malibu architect Ed Niles
- Corporate Coldwell Banker lease on 81% of GLA: strong credit tenant on a NNN lease
- Low Management, 2-tenant investment property
- On-site grade level parking exclusive to tenants: 22 stalls
- Short-term leases with significant upside in rental rate – ability to push rental rates
- Surrounded by wealthy, long term residents and zero multifamily product
- Restaurants, coffee shops, grocery and other amenities just across the street in the Point Dume Shopping Center
- Highly desirable outdoor patio terrace on upper level deck
- Trophy property in a submarket famously adverse to new development
- Excellent demographics: Average Malibu HH income exceeds \$170k and average home value over \$3m
- High demand office & retail submarket with extreme supply constraints





## Executive Summary

CBRE is pleased to present for sale 29178 Heathercliff Road – a trophy 2-story office building in the highly desirable Malibu sub-market in Southern California. The building consists of a 6,500 square foot contemporary, architecturally significant glass & steel structure designed and developed by renowned Malibu architect Ed Niles. The Heathercliff property has ample on-site, grade level parking plus a highly desirable outdoor patio terrace on an upper level deck. The glass design boasts impressive views of the Malibu mountainside and area landscaping.

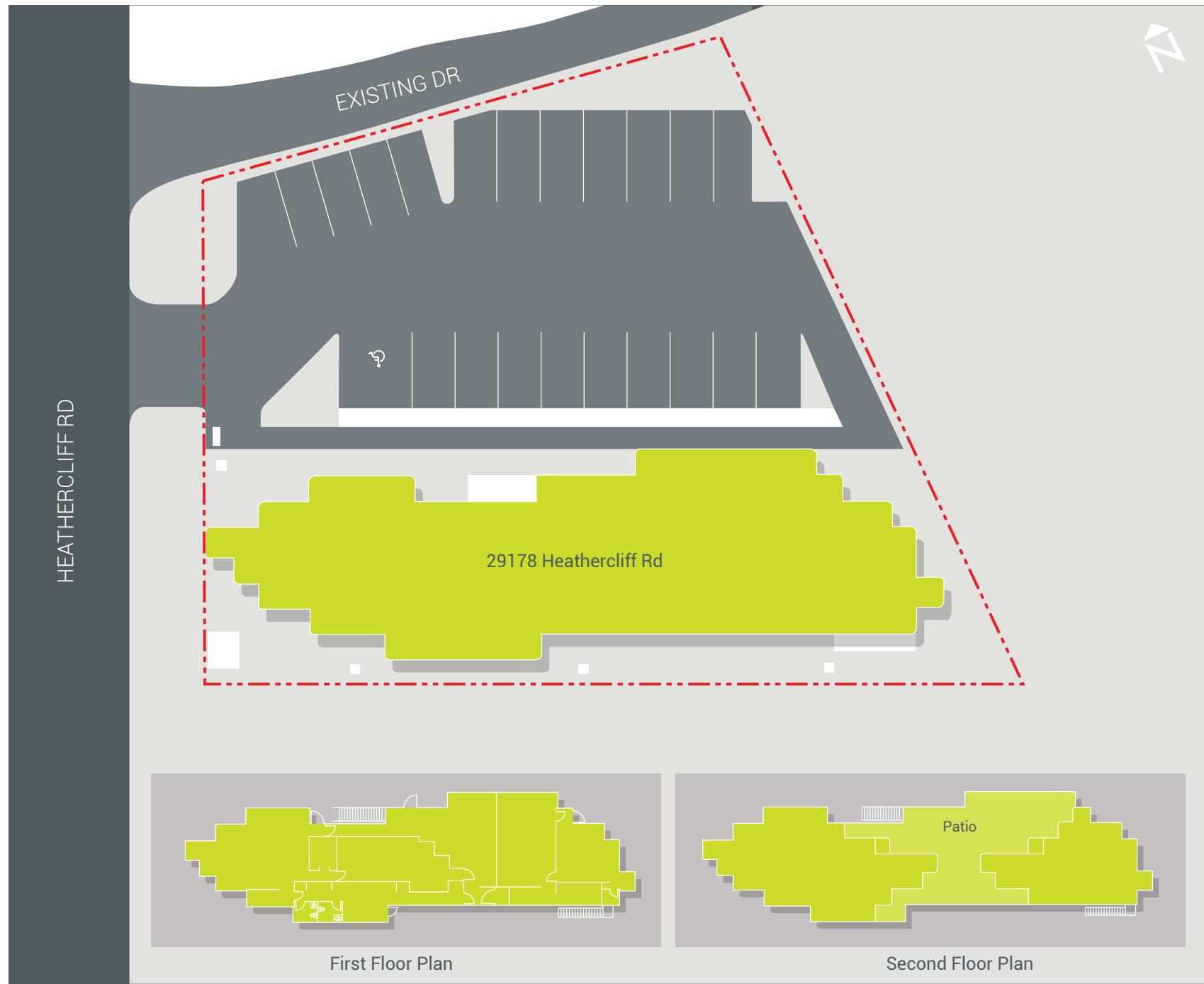
The property is currently occupied by 2 tenants, including Coldwell Banker taking up 81% of the leasable area on a corporate NNN lease. Both tenants are on short-term leases at below market rents – providing significant upside to investors.

The Heathercliff property benefits from its prime location on Heathercliff Road in Malibu, just steps away from Pacific Coast Highway. The property is located directly across the street from the desirable amenities of the Point Dume Shopping Center, which boasts Pavilions Market, Starbucks, Chase Bank, and several restaurants and shops. The property is one of only a handful of easily accessible commercial sites serving the west-end of Malibu – an area that is home to over 70% of Malibu’s population. Malibu is considered one of the highest barriers to entry sub-markets in all of Southern California, adding further value to existing pride of ownership assets such as 29178 Heather Cliff. Malibu also boasts some of the country’s strongest demographic profiles, with an average household exceeding \$170,000 and average home value exceeding \$3,000,000 (2015).





# Site Plan





## Edward R. Niles | ARCHITECT PROFILE



Edward R Niles (FAIA)

Modernist Malibu Architect specializing in custom residential, and commercial designs. Niles' designs are famous for being austere, utilitarian and almost completely translucent. In 2007, the late Johnny Carson's estate, which Mr. Niles designed, sold for \$36.5 million. And in July of 2015, Dr. Wei-Tzuoh Chen's Malibu beach mansion, designed to compliment Chen's antiques and Asian art collection with incorporated Feng Shui principles, was listed for \$53 Million.

Niles' designs have been featured in the New York Times, the Los Angeles Times, and Architectural Digest. In 2001, the University of Southern California presented him with their Distinguished Alumni Award

\*Source: la.curbed.com.







MALIBU	
AVERAGE HH INCOME	\$174,645
AVERAGE HOUSE VALUE	\$3,046,000



## Financial Overview

### SUMMARY OF FINANCIAL ASSUMPTIONS

GLOBAL				VACANT SPACE LEASING		SECOND GENERATION LEASING		
<b>Analysis Period</b>				<b>Occupancy and Absorption</b>		<b>Retention Ratio</b>		
Commencement Date	February 1, 2016			Projected Vacant at 2/1/16	0 SF	75%		
End Date	January 31, 2026			Currently Vacant as of 1/1/16	0 SF	<b>Financial Terms</b>		
Term	10 Years			Percentage Vacant at 1/1/16	0.00%	2016 Monthly Market Rent \$8.00 PSF		
<b>Area Measures</b>				Absorption Period	-	Rent Adjustment 3.00% Annually		
Building Square Feet (NRSF)	6,500 SF			Absorption Period Start Date	-	Lease Term 5 Years		
<b>Growth Rates</b>				First Absorption Occurs On	-	Expense Reimbursement Type NNN		
Consumer Price Index (CPI)	3.00%			Last Absorption Occurs On	-	<b>Tenanting Costs</b>		
Other Income Growth Rate	3.00%			<b>EXPENSES</b>				
Operating Expenses	3.00%			<b>Operating Expense Source</b>				
Real Estate Taxes	2.00%			2016 Forecast				
Market Rent Growth	[1]			<b>Management Fee (% of EGR)</b>				
CY 2017	-	5.00%	-	\$8.40 PSF	3.00%			
CY 2018	-	4.70%	-	\$8.79 PSF	<b>Real Estate Taxes Reassessed</b>			
CY 2019	-	3.60%	-	\$9.11 PSF	No [3]			
CY 2020	-	3.00%	-	\$9.38 PSF	Millage Rate	1.134253%		
CY 2021	-	3.00%	-	\$9.67 PSF	Special Assessments	\$1,304		
CY 2022	-	3.00%	-	\$9.96 PSF	<b>Commissions</b>			
CY 2023	-	3.00%	-	\$10.25 PSF	New 5.00%			
CY 2024	-	3.00%	-	\$10.56 PSF	Renewal 2.50%			
CY 2025	-	3.00%	-	\$10.88 PSF	Weighted Average 3.13%			
CY 2026+	-	3.00%	-	\$11.21 PSF	<b>Downtime</b>			
<b>General Vacancy Loss</b>				New 3 Month(s)				
3.00% [2]				Weighted Average 1 Month(s)				
<b>Capital Reserves (CY 2016 Value)</b>				\$0.25 PSF				

#### Notes:

All market rates are stated on calendar-year basis.

[1] Market Rent Growth projections are based upon CBRE Econometric Advisors' 2015 Q3 Retail forecast for West Los Angeles through CY 2019, with 3% annual increases modeled thereafter.

[2] General Vacancy Loss factor includes losses attributable to projected lease-up, rollover downtime, and fixturing downtime.

The following tenants are excluded from this loss factor for current lease terms only: Coldwell Banker.

[3] Real Estate Taxes in this analysis are equal to the most recent available tax bills (plus estimated inflation). It is the responsibility of the investor to reassess taxes in accordance with the projected purchase price. The millage rate is 1.134253% and special assessments are \$1,304.

## Financial Overview

### RENT ROLL

Suite	Tenant Name	Square Feet	% of Property	Lease Term		Rental Rates			Recovery Type	Market Assumption / Market Rent			
				Begin	End	Begin	Monthly	PSF			Annually	PSF	
1	Coldwell Banker	5,265	81.00%	Oct-1991	Oct-2017	Current	\$22,889	\$4.35	\$274,668	\$52.17	MG (Net TAX)		
							Oct-2016	\$23,574	\$4.48	\$282,888	\$53.73		
<b>Notes:</b>													
Tenant has two (2) 3-year options to renew @ FMV with annual CPI (3%) increases. Tenants CAM charges are capped at \$889 /Mo. Tenant is assumed to have annual CPI rental increases (assumed to be 3%).													
1	Coldwell Banker (Option 1)	5,265	81.00%	Nov-2017	Oct-2020	FUTURE	\$33,170	\$6.30	\$398,034	\$75.60	MG (Net TAX)	Option	
							OPTION					Option	
							Nov-2018	\$34,165	\$6.49	\$409,986	\$77.87		\$6.00 MG
							Nov-2019	\$35,188	\$6.68	\$422,253	\$80.20		
<b>Notes:</b>													
Tenant is assumed to exercise its first option to renew @ FMV with annual CPI (3%) increases. Tenants CAM charges are capped at \$889 /Mo.													
1	Coldwell Banker (Option 2)	5,265	81.00%	Nov-2020	Oct-2023	FUTURE	\$37,058	\$7.04	\$444,697	\$84.46	MG (Net TAX)	Market	
							OPTION					Market	
							Nov-2021	\$38,171	\$7.25	\$458,055	\$87.00		\$6.00 MG
							Nov-2022	\$39,316	\$7.47	\$471,797	\$89.61		
<b>Notes:</b>													
Tenant is assumed to exercise its first option to renew @ FMV with annual CPI (3%) increases. Tenants CAM charges are capped at \$889 /Mo.													
2	Marland	1,235	19.00%	Feb-2012	Jan-2017	Current	\$3,296	\$2.67	\$39,552	\$32.03	Gross	Market	
<b>Notes:</b>													
Tenant is assumed to have annual CPI rental increases (assumed to be 3%), with base rent including assumed 3% increase as of 2/16.													
<b>TOTALS / AVERAGES</b>		<b>6,500</b>					<b>\$26,185</b>	<b>\$4.03</b>	<b>\$314,220</b>	<b>\$48.34</b>			
<b>OCCUPIED SqFt</b>		<b>6,500</b>											
<b>VACANT SqFt</b>		<b>0</b>											
<b>TOTAL SqFt</b>		<b>6,500</b>											
<b>WEIGHTED-AVERAGE LEASE TERM REMAINING:</b>												<b>1.60 Years</b>	
<b>WEIGHTED-AVERAGE LEASE TERM LAPSED:</b>												<b>20.47 Years</b>	
<b>WEIGHTED-AVERAGE LEASE TERM FROM INCEPTION:</b>												<b>22.08 Years</b>	



## Financial Overview

### IN-PLACE AND PROJECTED NOI SUMMARY

	<u>In-Place NOI Feb-16, Annualized</u>	<u>\$ PSF</u>	<u>Pro Forma NOI Feb-16 to Jan-17</u>	<u>\$ PSF</u>
<b>Size of Improvements</b>		6,500 SF		6,500 SF
<b>REVENUES</b>				
Scheduled Base Rent				
Gross Potential Rent	\$314,220	\$48.34	\$316,967	\$48.76
Absorption & Turnover Vacancy	0	0.00	0	0.00
Base Rent Abatements	0	0.00	0	0.00
Total Scheduled Base Rent	<u>314,220</u>	<u>48.34</u>	<u>316,967</u>	<u>48.76</u>
Expense Reimbursements	<u>20,460</u>	<u>3.15</u>	<u>20,489</u>	<u>3.15</u>
<b>TOTAL GROSS REVENUE</b>	<u>334,680</u> [1]	<u>51.49</u>	<u>337,456</u>	<u>51.92</u>
General Vacancy Loss	<u>0</u>	<u>0.00</u>	<u>(1,187)</u>	<u>(0.18)</u>
<b>EFFECTIVE GROSS REVENUE</b>	<u>334,680</u>	<u>51.49</u>	<u>336,269</u>	<u>51.73</u>
<b>OPERATING EXPENSES</b>				
Utilities	(3,780)	(0.58)	(3,792)	(0.58)
R & M	(2,976)	(0.46)	(2,986)	(0.46)
Service Contracts	(11,916)	(1.83)	(11,942)	(1.84)
Management Fee	(10,008)	(1.54)	(10,088)	(1.55)
Insurance	(2,640)	(0.41)	(2,642)	(0.41)
Real Estate Taxes	<u>(12,108)</u>	<u>(1.86)</u>	<u>(12,124)</u>	<u>(1.87)</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>(43,428)</u> [2]	<u>(6.68)</u>	<u>(43,574)</u>	<u>(6.70)</u>
<b>NET OPERATING INCOME</b>	<u><b>\$291,252</b></u>	<u><b>\$44.81</b></u>	<u><b>\$292,695</b></u>	<u><b>\$45.03</b></u>
<b>In-Place Occupancy (At Start of Analysis With No Vacant Lease-Up)</b>		<b>100.00%</b>		<b>100.00%</b>
<b>Average Occupancy (Includes Vacant Lease-Up and Rollover)</b>		-		<b>100.00%</b>

#### Notes:

[1] In-Place Net Operating Income is calculated using contractual rents and expense reimbursements as of February 2016, Annualized (with no General Vacancy Loss).

In-Place NOI does not include vacant lease-up revenue, downtime due to near-term expirations, or future rent increases for existing tenants.

[2] Real Estate Taxes in this analysis are not reassessed based on the sales price, but rather are equal to the most recent available tax bills (plus estimated inflation).

## Financial Overview

### CASH FLOW PROJECTIONS

Fiscal Year Ending - January 31	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Physical Occupancy	100.00%	98.42%	100.00%	100.00%	100.00%	100.00%	98.42%	93.25%	100.00%	100.00%	100.00%
Overall Economic Occupancy [1]	99.65%	97.76%	99.40%	99.40%	99.40%	99.41%	98.09%	91.89%	97.00%	97.00%	97.00%
Weighted Average Market Rent	\$6.03	\$6.33	\$6.62	\$6.85	\$7.06	\$7.27	\$7.49	\$7.71	\$7.94	\$8.18	\$8.43
Weighted Average In Place Rent [2]	\$4.06	\$5.15	\$6.37	\$6.56	\$6.79	\$7.09	\$7.30	\$7.40	\$7.76	\$7.99	\$8.23
Total Operating Expenses PSF Per Year	\$6.70	\$7.24	\$7.84	\$8.05	\$8.28	\$8.53	\$8.73	\$8.80	\$9.29	\$9.55	\$9.81

	[3] FY 2017 \$/SF/MO											
<b>REVENUES</b>												
Scheduled Base Rent												
Gross Potential Rent	\$4.06	\$316,967	\$405,056	\$496,953	\$511,862	\$529,656	\$552,861	\$571,673	\$588,748	\$605,196	\$623,352	\$642,052
Absorption & Turnover Vacancy	0.00	0	(7,781)	0	0	0	0	(9,222)	(40,494)	0	0	0
Base Rent Abatements	0.00	0	(1,945)	0	0	0	0	(2,306)	(10,124)	0	0	0
Total Scheduled Base Rent	4.06	316,967	395,330	496,953	511,862	529,656	552,861	560,145	538,130	605,196	623,352	642,052
Expense Reimbursements	0.26	20,489	28,840	30,525	30,964	31,431	31,934	31,458	35,133	60,456	62,052	63,730
<b>TOTAL GROSS REVENUE</b>	4.33	337,456	424,170	527,478	542,826	561,087	584,795	591,603	573,263	665,652	685,404	705,782
General Vacancy Loss	(0.02)	(1,187)	0	(3,168)	(3,263)	(3,360)	(3,461)	0	0	(19,970)	(20,562)	(21,173)
<b>EFFECTIVE GROSS REVENUE</b>	4.31	336,269	424,170	524,310	539,563	557,727	581,334	591,603	573,263	645,682	664,842	684,609
<b>OPERATING EXPENSES</b>												
Utilities	(0.05)	(3,792)	(3,906)	(4,023)	(4,144)	(4,268)	(4,396)	(4,528)	(4,664)	(4,804)	(4,948)	(5,097)
R & M	(0.04)	(2,986)	(3,076)	(3,168)	(3,263)	(3,361)	(3,462)	(3,566)	(3,673)	(3,783)	(3,897)	(4,014)
Service Contracts	(0.15)	(11,942)	(12,300)	(12,669)	(13,049)	(13,441)	(13,844)	(14,259)	(14,687)	(15,127)	(15,581)	(16,049)
Management Fee	(0.13)	(10,088)	(12,725)	(15,729)	(16,187)	(16,732)	(17,440)	(17,748)	(17,198)	(19,370)	(19,945)	(20,538)
Insurance	(0.03)	(2,642)	(2,721)	(2,802)	(2,887)	(2,973)	(3,062)	(3,154)	(3,249)	(3,346)	(3,447)	(3,550)
Real Estate Taxes	(0.16)	(12,124)	(12,340)	(12,561)	(12,786)	(13,015)	(13,250)	(13,489)	(13,732)	(13,981)	(14,234)	(14,493)
<b>TOTAL OPERATING EXPENSES</b>	(0.56)	(43,574)	(47,068)	(50,952)	(52,316)	(53,790)	(55,454)	(56,744)	(57,203)	(60,411)	(62,052)	(63,741)
<b>NET OPERATING INCOME</b>	<b>3.75</b>	<b>292,695</b>	<b>377,102</b>	<b>473,358</b>	<b>487,247</b>	<b>503,937</b>	<b>525,880</b>	<b>534,859</b>	<b>516,060</b>	<b>585,271</b>	<b>602,790</b>	<b>620,868</b>
<b>CAPITAL COSTS</b>												
Tenant Improvements	0.00	0	(15,901)	0	0	0	0	(18,433)	(80,941)	0	0	0
Leasing Commissions	0.00	0	(15,430)	0	0	0	0	(18,288)	(80,305)	0	0	0
Capital Reserves	(0.02)	(1,629)	(1,678)	(1,728)	(1,780)	(1,834)	(1,889)	(1,945)	(2,004)	(2,064)	(2,126)	(2,189)
<b>TOTAL CAPITAL COSTS</b>	(0.02)	(1,629)	(33,009)	(1,728)	(1,780)	(1,834)	(1,889)	(38,666)	(163,250)	(2,064)	(2,126)	(2,189)
<b>OPERATING CASH FLOW</b>	<b>\$3.73</b>	<b>\$291,066</b>	<b>\$344,093</b>	<b>\$471,630</b>	<b>\$485,467</b>	<b>\$502,103</b>	<b>\$523,991</b>	<b>\$496,193</b>	<b>\$352,810</b>	<b>\$583,207</b>	<b>\$600,664</b>	<b>\$618,679</b>

[1] This figure takes into account vacancy/credit loss, absorption vacancy, turnover vacancy, and base rent abatements.

[2] This figure does not include any amount related to expense reimbursements. Only Scheduled Base Rent and Fixed/CPI Increases are included in this calculation, which is based on the weighted-average physical occupancy during each fiscal year.

[3] Based on 6,500 square feet.

**[4] Real Estate Taxes in this analysis are equal to the most recent available tax bills (plus estimated inflation). It is the responsibility of the investor to reassess taxes in accordance with the projected purtaxes in accordance with the projected purchase price. The millage rate is 1.134253% and special assessments are \$1,304.**





ALSO AVAILABLE FOR SALE SEPARATELY - SAME OWNERSHIP [CLICK HERE](#)

PROPERTY ADDRESS:	29350 Pacific Coast Hwy, Malibu, CA 90265
PRICE:	Open Bid: Request for Offers
GLA:	13,772 SF
LAND AREA:	99,058 SF
YEAR BUILT:	1979
ZONING:	LCC2YY
APN:	4468-011-005
KEY TENANTS:	Coral Beach Cantina, Zooma Sushi
TRAFFIC COUNTS:	Pacific Coast Hwy & Heathercliff Rd: 25,500



ZUMA TERRACE | EDWARD R. NILES DESIGN





## Tenant Overview

The story of Coldwell Banker is one of leadership and success. Their rich history began in San Francisco in 1906. In the time immediately before the First World War, while Colbert Coldwell and Benjamin Arthur Banker were striving to establish a real estate business, San Francisco was hardly the booming market it is today. The scrub-grown rolling dunes of the city's western half, it was agreed, would never be inhabitable. Downtown business practices were nearly as informal as they had been during the Gold Rush. Most telling of all, much of the city was still in ruins from the 1906 earthquake. During those hectic days of rebuilding, some unscrupulous businessmen took the chance to benefit financially through fraud and deception. Coldwell and Banker were trying to make progress in an industry where plain dealing had become optional. The two saw an opportunity to distinguish themselves by offering honest, knowledgeable and competent real estate services, bringing much-needed integrity to the profession. The exceptional standards set by those real estate pioneers, who blazed a trail that the entire industry would eventually follow, remain the benchmark of today's Coldwell Banker. Since the early days, Coldwell Banker has become internationally recognized as the industry leader with over \$140 billion in sales volume. The credit goes to the affiliation with 113,000 professional and dedicated independent sales associates worldwide and 3,600 offices throughout the United States, Canada and Puerto Rico and the world.

Realty Holdings Corp (NYSE: RLGY) is a global leader in residential real estate franchising with the company-owned real estate brokerage operations doing business under its franchise systems as well as relocation and title services. Realty's brands and business units include: Better Homes and Gardens Real Estate, Century 21, Coldwell Banker, Coldwell Banker Commercial, The Corcoran Group, ERA, Sotheby's International Realty, ZipRealty, NRT LLC, Cartus and Title Resource Group. Collectively, Realty's franchise system members operate approximately 13,500 offices with more than 251,300 independent sales associates doing business in 104 countries and territories around the world. Realty is headquartered in Madison, New Jersey.





## Malibu

Malibu is an affluent beach community in Los Angeles County that consists of a 21-mile strip of prime Pacific coastline. Nicknamed “the Bu” by surfers and locals, the community is famous for its warm, sandy beaches and for being the home of many Hollywood movie stars and others associated with the entertainment industry. Most Malibu residents live within a few hundred yards of the Pacific Coast Highway, which traverses the city, and almost everyone lives near the beach. Malibu’s beaches include Surfrider Beach, Zuma Beach, Malibu Beach, Topanga Beach, Point Dume Beach and Dan Blocker Beach and Malibu also offers residents access to nine parks: Malibu Bluffs Park, Trancas Canyon Park, Las Flores Creek Park, Legacy Park, Malibu Creek State Park, Leo Carrillo State Beach and Park, Point Mugu State Park, the Santa Monica Mountains National Recreation Area and Robert H. Meyer Memorial State Beach.

The city of Malibu is committed to ensure the physical and biological integrity of its environment through the development of land use programs and decisions, to protect the public and private health, safety and general welfare. The Malibu Chamber of Commerce was formed in 1949 to provide support to local Malibu businesses and now has over 500 members.

### INTERESTING FACTS ABOUT LOS ANGELES COUNTY

- Los Angeles has more than 80 stage theaters and 300 museums, more than any other U.S. city.
- The Port of Los Angeles is the busiest in the U.S. and one of the busiest in the world.
- The Los Angeles five-county area includes Los Angeles, Riverside, Ventura, Orange and San Bernardino Counties, has a population of almost 20 million.
- If the five-county Los Angeles area were a state, it would be the fourth largest in the United States.
- The world’s 20th largest economy is the Los Angeles County.
- Los Angeles is regarded as the entrepreneurial capital of the world. It has about 200,000 small businesses, which is twice as many small businesses that can be found in any other region of the United States.



## Recent Malibu Home Sales



24380 MALIBU RD | \$11,000,000

ADDRESS	LAST SALE DATE	LAST SALE PRICE
28028 SEA LANE DR	11/20/14	\$15,300,000
24380 MALIBU RD	10/6/15	\$11,000,000
21910 PACIFIC COAST HWY	9/9/15	\$10,750,000
27960 PACIFIC COAST HWY	9/18/15	\$21,000,000
28724 GRAYFOX ST	7/27/15	\$13,340,646
29208 CLIFFSIDE DR	6/12/15	\$19,900,000
29715 CUTHBERT RD	6/10/15	\$15,000,000
5963 PHILIP AVE	5/29/15	\$10,133,616
23560 MALIBU COLONY RD #66	3/18/15	\$10,382,500
3556 SWEETWATER MESA RD	2/2/15	\$10,650,000
28006 SEA LANE DR	1/29/15	\$11,000,000



27960 PACIFIC COAST HWY | \$21,000,000



21910 PACIFIC COAST HWY | \$10,750,000



29208 CLIFFSIDE DR | \$19,900,000



\*Source: California Real Estate Technology Services (CARETS)



## Extreme High Barriers to Entry

**The City of Malibu is known for being one of the most challenging cities in Southern California to develop commercial projects due to local laws, ordinances, restrictions and terrain. A recently passed ballot measure looks to further complicate future commercial development projects:**

“The battle over Measure W has come to an end, with a little more than 57 percent of Malibu voters rejecting the plan to build a new 38,425 sq. ft. shopping center in the Malibu Civic Center.

Supporters and opponents of Measure W waited until nearly midnight on Election Day to hear definitive results over the highly contentious ballot measure which, in the end, earned 1,575 votes, over the “yes” camp’s 1,173.

As of 11:40 p.m. on Tuesday, Nov. 3, 100 percent of precincts had reported election results, along with results from vote by mail ballots, showing “‘No’ on W” at 57.31 percent while “‘Yes’ on W” had earned 42.69 percent of votes.

Measure W became a guinea pig for Measure R, the formula retail ordinance that passed overwhelmingly in Malibu last November, earning 59.27 percent of votes. **A key provision of Measure R requires a citywide vote on major shopping center development and commercial or mixed use construction over 20,000 sq. ft.**

According to Steve Soboroff, the developer who hoped to bring a Whole Foods and various other retailers and restaurants to the property, **Measure W may be considered more of a canary in a coal mine for would-be developers, signaling that voters will block any development they have the opportunity to vote on.**

“It’s categorically not possible to win an election to build anything in Malibu,” Soboroff told The Malibu Times after results were posted Tuesday night.

Representatives from the “‘No’ on W” campaign were not available for comment by the

time The Malibu Times went to press, but have long held that developers’ motives when it comes to building in the Civic Center cannot be trusted.

“We are not against development. We are just asking for a fair and honest representation of what we are getting,” wrote Rob Reiner, vocal Measure W opponent and author of Measure R, in an email sent by the “‘No’ on W” campaign on Monday, Nov. 2. “We get to vote on a specific plan. If we don’t feel it’s right for our city, then we vote ‘NO’ and they have to come back with a more amenable plan.”

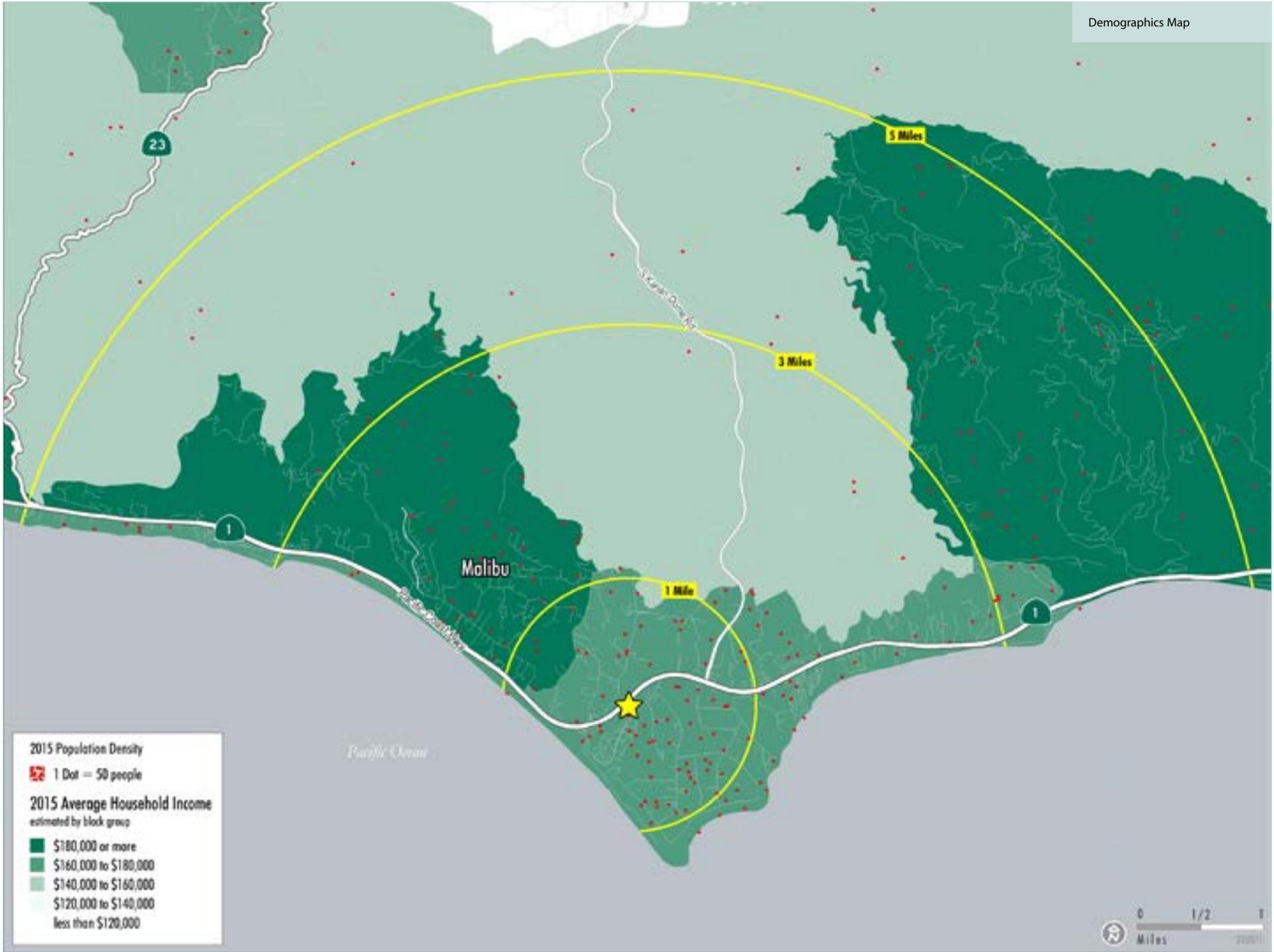
\*Article previously appeared in The Malibu Times – *Nov. 4, 2015*





# Demographics

	29178 HEATHERCLIFF RD 1 MILE RADIUS	29178 HEATHERCLIFF RD 3 MILE RADIUS	29178 HEATHERCLIFF RD 5 MILE RADIUS
2015 ESTIMATED POPULATION	3,982	8,141	10,343
2020 PROJECTED POPULATION	4,230	8,559	10,896
2010 CENSUS POPULATION	3,749	7,763	9,827
2000 CENSUS POPULATION	3,303	7,543	9,618
GROWTH 2010-2015	6.20%	4.86%	5.26%
GROWTH 2015-2020	6.25%	5.14%	5.34%
2015 ESTIMATED MEDIAN AGE	48.56	48.80	47.73
2015 ESTIMATED AVERAGE AGE	44.54	44.59	43.79
2015 ESTIMATED HOUSEHOLDS	1,533	3,220	4,242
2020 PROJECTED HOUSEHOLDS	1,627	3,402	4,521
2010 CENSUS HOUSEHOLDS	1,446	3,049	3,966
2000 CENSUS HOUSEHOLDS	1,219	2,905	3,844
GROWTH 2010-2015	6.01%	5.60%	6.97%
GROWTH 2015-2020	6.16%	5.64%	6.56%
2015 EST. AVERAGE HOUSEHOLD SIZE	2.50	2.50	2.47
2015 EST. MEDIAN HOUSEHOLD INCOME	\$105,976	\$116,319	\$121,380
2020 PRJ. MEDIAN HOUSEHOLD INCOME	\$105,077	\$116,189	\$122,478
2000 CEN. MEDIAN HOUSEHOLD INCOME	\$98,094	\$95,871	\$100,684
2015 EST. AVERAGE HOUSEHOLD INCOME	\$164,969	\$174,518	\$176,806
2015 ESTIMATED PER CAPITA INCOME	\$63,507	\$69,035	\$72,519
2015 ESTIMATED HOUSING UNITS	1,831	3,850	5,224
2015 ESTIMATED OCCUPIED UNITS	1,533	3,220	4,242
2015 ESTIMATED VACANT UNITS	298	629	982
2015 EST. OWNER OCCUPIED UNITS	1,093	2,373	3,161
2015 EST. RENTER OCCUPIED UNITS	440	847	1,081
2015 EST. MEDIAN HOUSING VALUE	\$1,000,000	\$1,000,000	\$1,000,000
2015 EST. AVERAGE HOUSING VALUE	\$1,141,281	\$1,169,886	\$1,170,522
<b>2015 ESTIMATED POPULATION BY RACE AND ORIGIN</b>			
- WHITE POPULATION	3,642 (91.5%)	7,390 (90.8%)	9,253 (89.5%)
- BLACK POPULATION	40 (1.0%)	122 (1.5%)	188 (1.8%)
- ASIAN POPULATION	77 (1.9%)	175 (2.1%)	298 (2.9%)
- PACIFIC ISLANDER POPULATION	5 (0.1%)	9 (0.1%)	11 (0.1%)
- AMERICAN INDIAN AND ALASKA NATIVE	7 (0.2%)	12 (0.1%)	16 (0.2%)
- OTHER RACE POPULATION	44 (1.1%)	139 (1.7%)	192 (1.9%)
- TWO OR MORE RACES POPULATION	166 (4.2%)	293 (3.6%)	386 (3.7%)
- HISPANIC POPULATION	272 (6.8%)	560 (6.9%)	745 (7.2%)
- WHITE NON-HISPANIC POPULATION	3,453 (86.7%)	7,040 (86.5%)	8,794 (85.0%)





#### AFFILIATED BUSINESS DISCLOSURE

CBRE, Inc. operates within a global family of companies with many subsidiaries and/or related entities (each an "Affiliate") engaging in a broad range of commercial real estate businesses including, but not limited to, brokerage services, property and facilities management, valuation, investment fund management and development. At times different Affiliates may represent various clients with competing interests in the same transaction. For example, this Memorandum may be received by our Affiliates, including CBRE Investors, Inc. or Trammell Crow Company. Those, or other, Affiliates may express an interest in the property described in this Memorandum (the "Property") may submit an offer to purchase the Property and may be the successful bidder for the Property. You hereby acknowledge that possibility and agree that neither CBRE, Inc. nor any involved Affiliate will have any obligation to disclose to you the involvement of any Affiliate in the sale or purchase of the Property. In all instances, however, CBRE, Inc. will act in the best interest of the client(s) it represents in the transaction described in this Memorandum and will not act in concert with or otherwise conduct its business in a way that benefits any Affiliate to the detriment of any other offeror or prospective offeror, but rather will conduct its business in a manner consistent with the law and any fiduciary duties owed to the client(s) it represents in the transaction described in this Memorandum.

#### CONFIDENTIALITY AGREEMENT

This is a confidential Memorandum intended solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property.

This Memorandum contains selected information pertaining to the Property and does not purport to be a representation of the state of affairs of the Property or the owner of the Property (the "Owner"), to be all-inclusive or to contain all or part of

the information which prospective investors may require to evaluate a purchase of real property. All financial projections and information are provided for general reference purposes only and are based on assumptions relating to the general economy, market conditions, competition and other factors beyond the control of the Owner and CBRE, Inc. Therefore, all projections, assumptions and other information provided and made herein are subject to material variation. All references to acreages, square footages, and other measurements are approximations. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective purchasers. In this Memorandum, certain documents, including leases and other materials, are described in summary form. These summaries do not purport to be complete nor necessarily accurate descriptions of the full agreements referenced. Interested parties are expected to review all such summaries and other documents of whatever nature independently and not rely on the contents of this Memorandum in any manner.

Neither the Owner or CBRE, Inc, nor any of their respective directors, officers, Affiliates or representatives make any representation or warranty, expressed or implied, as to the accuracy or completeness of this Memorandum or any of its contents, and no legal commitment or obligation shall arise by reason of your receipt of this Memorandum or use of its contents; and you are to rely solely on your investigations and inspections of the Property in evaluating a possible purchase of the real property.

The Owner expressly reserved the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions with any entity at any time with or without notice which may arise as a result of review of this Memorandum. The Owner shall have no legal commitment or obligation to any entity reviewing this Memorandum or making an offer to purchase the Property unless and until written agreement(s) for the purchase of the Property have been

fully executed, delivered and approved by the Owner and any conditions to the Owner's obligations therein have been satisfied or waived.


By receipt of this Memorandum, you agree that this Memorandum and its contents are of a confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose this Memorandum or any of its contents to any other entity without the prior written authorization of the Owner or CBRE, Inc. You also agree that you will not use this Memorandum or any of its contents in any manner detrimental to the interest of the Owner or CBRE, Inc.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return this Memorandum to CBRE, Inc.

#### DISCLAIMER

© 2015 CBRE, Inc. The information contained in this document has been obtained from sources believed reliable. While CBRE, Inc. does not doubt its accuracy, CBRE, Inc. has not verified it and makes no guarantee, warranty or representation about it. It is your responsibility to independently confirm its accuracy and completeness. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the property. The value of this transaction to you depends on tax and other factors which should be evaluated by your tax, financial and legal advisors. You and your advisors should conduct a careful, independent investigation of the property to determine to your satisfaction the suitability of the property for your needs.



A photograph of a modern, multi-story building with a glass and steel facade. The building features a prominent glass staircase on the left side. The sky is clear and blue. The image is used as a background for a real estate listing.

Exclusively Listed By:

**ALEX KOZAKOV**

First Vice President  
+1 213 613 3031  
Lic. 01416489  
alex.kozakov@cbre.com

**PATRICK WADE**

First Vice President  
+1 213 613 3071  
Lic. 01454690  
patrick.wade@cbre.com

**ANDREW TASHJIAN**

Vice President  
+1 213 613 3024  
Lic. 01867711  
andrew.tashjian@cbre.com

**CBRE**