

ACROSS THE STREET FROM THE BLUFFS

Part of a four-property portfolio which can be sold together or separately

FOR SALE

6712 DEL PLAYA DRIVE ISLA VISTA, CALIFORNIA (UCSB)



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EXECUTIVE SUMMARY

Hayes Commercial Group and Lineage Asset Advisors, Inc. are pleased to present for sale this prime-located duplex in the premium student housing market of Isla Vista. With the main UCSB campus just blocks away and the ocean bluffs across the street, this offering provides outstanding investment fundamentals and the very best of the coastal college lifestyle.

The property consists of two 2 bed + 1 bath units on a large parcel with an entertainer's backyard for the ground-floor unit and a large view deck over a two-car garage for the upper unit. Located on the coveted Del Playa Drive across the street from the bluffs and Rottapel Park and featuring ocean views.

A PREMIUM STUDENT HOUSING MARKET


The asset is in the heart of Isla Vista, the high-demand student community adjacent to UCSB, with very high barriers to entry for new development, rental vacancy of around 2%, and exceptional upside. UCSB is a top-tier university of approximately 25,000 students, ranked #7 among public universities in US News & World Report (2023) with a 29% freshman acceptance rate in 2022. Isla Vista is one of the densest student housing communities in California, with 93% of housing units occupied by tenants and 83% of residents aged 18 to 24. High property values, combined with geographic and regulatory constraints, make development of new residential projects almost unheard of in Isla Vista and the immediate area.

In a market where student housing is extremely supply-constrained and demand is both elevated and stable, this property offers investors a generational opportunity to control some of the best real estate in Isla Vista.




PORTFOLIO OPTION

The subject property is also available as part of a generational student housing portfolio. Here is a summary of the combined offering:




\$13,500,000

Portfolio Price




3.9%

Current CAP Rate




5.05%

Proforma CAP Rate




4

Total Properties




4

Total Parcels




19,628 SF

Total Portfolio Building Size



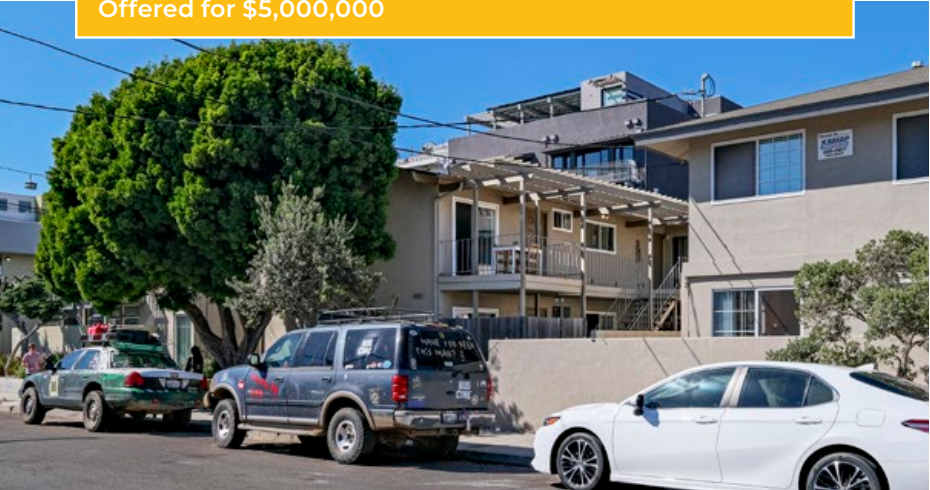
24,391 SF

Total Portfolio Lot Size



31

Total Units
(Including Commercial Units)



PROPERTY DESCRIPTION



PROPERTY PRICE

\$1,700,000 (\$850,000 per unit)

CURRENT CAP RATE & GRM

3.07% | 19.14

PROFORMA CAP RATE & GRM

3.53% | 17.49

PARCEL NUMBER (APN)

075-191-028

BUILDING SIZE

1,792 SF

LOT SIZE

4,791 SF | 0.11 Acres

UNITS

- 2 Residential Units
- Two 2 Bed + 1 Bath

AVERAGE UNIT SIZE

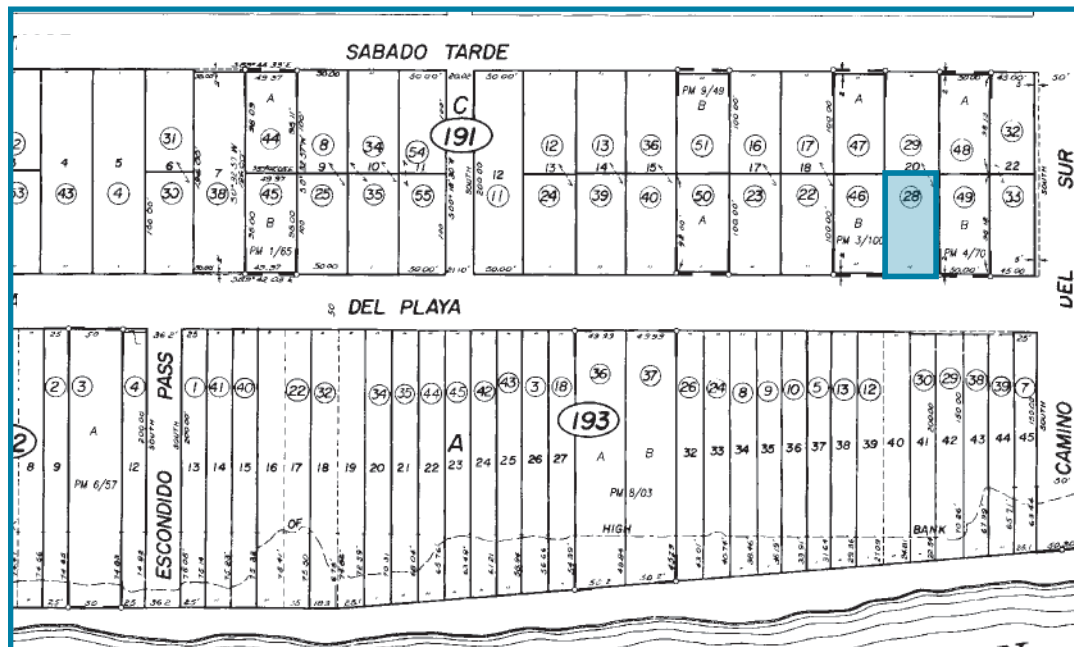
896 SF

PARKING

2 Car Garage + 3 Uncovered Spaces

ZONING

SR-M-18





101

HOLLISTER VILLAGE

CVS Smart & Final T-Mobile

HOLLISTER AVE

CAMENO REAL
MARKETPLACE

AT&T BevMo! Home Depot
Costco Best Buy STAPLES

STORKE RD

STORKE PLAZA

Target SUBWAY

LOS CARNEROS RD

SANTA BARBARA AIRPORT

EL COLEGIO RD

ISLA VISA

CAMINO CORTO

CAMINO PESCADERO

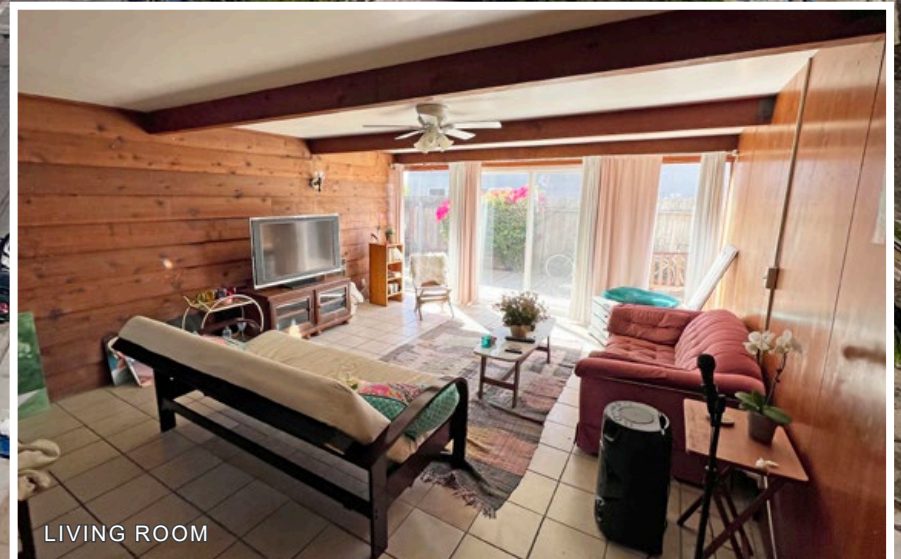
UCSB

MAIN CAMPUS

6712 DEL PLAYA DRIVE



PROPERTY PHOTOS



LIVING ROOM

6712 DEL PLAYA DRIVE | PROFORMA OVERVIEW

INVESTMENT SUMMARY

PRICE	\$1,700,000
NUMBER OF UNITS	2
PRICE PER UNIT	\$850,000
CAP RATE (CURRENT)	3.07%
CAP RATE (MARKET)	3.53%
GRM (CURRENT)	19.14
GRM (MARKET)	17.49
BUILDING SIZE ⁽¹⁾	1,792
LAND SIZE	4,791
PRICE/SF BUILDING	\$949
PRICE/SF LAND	\$355

RENT ROLL

BUILDING	SF ⁽¹⁾	CURRENT RENTS ⁽²⁾	MARKET RENTS ⁽³⁾
Unit A	896	\$3,600	\$4,000
Unit B	896	\$3,700	\$4,000
TOTALS	1,792	\$7,300	\$8,000

INCOME & EXPENSE ANALYSIS

GROSS RENTAL INCOME	NOTES	% of EGI	CURRENT RENTS		% of EGI	MARKET RENTS	
			MONTHLY	ANNUAL		MONTHLY	ANNUAL
TOTAL GROSS RENTAL INCOME			\$7,300	\$87,600		\$8,000	\$96,000
Laundry Income			\$0	\$0		\$0	\$0
Storage Income ⁽⁴⁾	Manager Rents Garage		\$100	\$1,200		\$100	\$1,200
RUBS			\$0	\$0		\$0	\$0
TOTAL GROSS INCOME			\$7,400	\$88,800		\$8,100	\$97,200
(LESS) Vacancy Rate	2%		-\$148	-\$1,776		-\$162	-\$1,944
EFFECTIVE GROSS INCOME (EGI)		100%	\$7,252	\$87,024	100%	\$7,938	\$95,256
OPERATING EXPENSES							
Real Estate Taxes ⁽⁵⁾	Est 1.05745%	20.66%	\$1,498	\$17,977	18.87%	\$1,498	\$17,977
Insurance ⁽⁶⁾	2022 Act	3.92%	\$284	\$3,412	3.58%	\$284	\$3,412
Gas ⁽⁷⁾	None	0.00%	\$0	\$0	0.00%	\$0	\$0
Electric ⁽⁷⁾	Tenant's Pay	0.00%	\$0	\$0	0.00%	\$0	\$0
Water ⁽⁸⁾	2022 Act	2.68%	\$194	\$2,329	2.45%	\$194	\$2,329
Sewer ⁽⁹⁾	2022 Act	0.60%	\$44	\$525	0.55%	\$44	\$525
Trash ⁽¹⁰⁾	2022 Act	2.31%	\$167	\$2,010	2.11%	\$167	\$2,010
Repairs, Maint. & Turnover	Est \$750/Unit/Year	1.72%	\$125	\$1,500	1.57%	\$125	\$1,500
Offsite Manager	5% of EGI	5.00%	\$363	\$4,351	5.00%	\$397	\$4,763
Taxes, Licenses & Prof. Fees	2022 Act	0.40%	\$29	\$350	0.37%	\$29	\$350
Pest Control	Est	0.29%	\$21	\$250	0.26%	\$21	\$250
Gardening	2022 Act	1.96%	\$142	\$1,708	1.79%	\$142	\$1,708
Reserves	Est \$250/Unit/Year	0.57%	\$42	\$500	0.52%	\$42	\$500
(LESS) TOTAL ANNUAL EXPENSES		40.12%	-\$2,909	-\$34,912	37.08%	-\$2,944	-\$35,324
NET OPERATING INCOME (NOI)		59.88%	\$4,343	\$52,112	62.92%	\$4,994	\$59,932

Note 1: Building Size has been obtained from seller. Exact unit sizes are estimates.

Note 2: Current Rents are as of June 2023 (per Seller).

Note 3: Market rents are estimates based off of comparable asking rents.

Note 4: Property Manager currently leases an area of the property for storage @ \$100/month.

Note 5: Property Taxes are predicated on a 1.05745% Tax Rate plus Fixed Assessments less the fixed Goleta Sanitary District Fee.

Note 6: Property Insurance is based upon Seller's current insurance premium.

Note 7: Tenants pay for their own electrical. No Gas.

Note 8: Water is based off of 11 months of actual bills plus 1 month estimated.

Note 9: Sewer is paid through Property Taxes and is a fixed amount established annually by The Goleta Sanitary District.

Note 10: Trash is billed every two months.

STUDENT HOUSING SALES COMPARABLES

6712 DEL PLAYA DRIVE | SALES COMPS

	ADDRESS	COE		UNIT MIX	BLDG SF	PRICE	PRICE/SF	PRICE/UNIT	CAP RATE (CURRENT)	CAP RATE (MARKET)	GRM (CURRENT)	GRM (MARKET)
★	6712 Del Playa Dr	-	2	2 - 2BD/2BA	1,792	\$1,700,000	\$949	\$850,000	3.07%	3.53%	19.14	17.49
1	6636 Sabado Tarde Rd	2/6/23	2	2 - 3BD/1BA	2,098	\$1,850,000	\$882	\$925,000	3.36%	4.30%	20.31	
2	6753 Trigo Rd	10/15/21	2	2 - 3BD/1BA	1,726	\$1,550,000	\$898	\$775,000	3.64%	4.30%	17.01	
3	6799 Trigo Rd	4/19/22	2	2 - 3BD/2BA	2,186	\$1,795,000	\$821	\$897,500	3.77%	4.30%	16.29	
4	6711 Sabado Tarde	12/31/21	2	1- 3BD/2BA 1 - 2BD/1BA	2,300	\$1,585,000	\$689	\$792,500	3.99%	4.30%	15.54	
5	1016 Camino Corto	7/30/21	2	2 - 2BD/1BA	1,750	\$1,450,000	\$829	\$725,000	2.98%	4.30%	20.80	
6	6735 Trigo Rd	5/24/21	2	2 - 2BD/1.5BA	1,726	\$1,335,000	\$773	\$667,500	3.51%	4.30%	19.15	
7	6765 Sabado Tarde	10/15/21	2	1 - 3BD/1.5BA 1 - 2BD/1BA	2,436	\$1,450,000	\$595	\$725,000	3.90%	4.30%	15.90	
AVERAGES							\$784	\$908,200	3.59%		17.86	



STUDENT HOUSING SALES COMPARABLES



LOCATION OVERVIEW

ISLA VISTA

The community of Isla Vista, commonly known as “I.V.,” is 1.8 square mile in area and adjacent to UCSB’s main campus. 83% of residents are between 18 and 24--predominantly UCSB and Santa Barbara City College students--with the remainder being families with children, a few UCSB faculty and staff members, and long-term residents.

Students who choose to live in Isla Vista are attracted by the beautiful ocean views from apartments and houses on oceanside Del Playa Drive (also known as “D. P.”); the convenience of being able to walk, bike, or skateboard to class; the ability to shop for and take care of basic needs without a car; and the benefits of communal living (living in households with multiple roommates/housemates).

Isla Vista remains a highly coveted market for Multifamily investors looking to capitalize on the area’s perennially low vacancy rate and high density of rental housing, complemented by its adjacency to UCSB with the university’s highly selective admissions standards and above average retention and completion rates. Increased student enrollment and extremely limited development are the most important

factors in play. The area has seen annual rent growth reach an all-time high of 11 percent and a .5 percent decrease in vacancy. Close proximity to the UCSB campus and quality amenities should lead to increased yields and extremely low long term vacancy for this asset under this projected scenario.

UCSB IN ISLA VISTA

The beachside community is home to many UCSB students who savor the beach culture, warm weather, and energetic atmosphere. Students enjoy restaurants, parks, coffee shops, grocery stores, and a bike-friendly atmosphere that makes a sustainable commute to campus a breeze. UCSB maintains a strong presence in Isla Vista through the Associated Students Pardall Center, Embarcadero Hall, and more. UCSB has a dormitory capacity of just about 10,300 beds, leaving the balance of the university’s 25,320 full-time students searching for housing off campus, with the vast majority renting in adjacent Isla Vista.



ABOUT UC SANTA BARBARA

UC SANTA BARBARA (UCSB)

The University of California, Santa Barbara is ranked as one of the top teaching and research institutions in the United States. UCSB offers a world-class education in a picturesque seaside location. They offer more than 200 majors, degrees and credentials, a number that includes 90+ undergraduate majors and more than 50 graduate programs. Undergraduate majors at UCSB are housed in our three colleges: the College of Letters and Science, the College of Engineering, and the College of Creative Studies.

The campus is home to 10 national institutes and centers. Among them are the Kavli Institute for Theoretical Physics and the Materials Research Laboratory, both funded by the National Science Foundation, and the U.S. Army-funded Institute for Collaborative Biotechnologies. UCSB ranks number 7 among all public universities in U.S. News and World Report's 2023 "Best Colleges" Rankings,

the most widely read college guide in the country. UCSB was also ranked No. 10 on Princeton Review's 2022 Top 50 Green Schools list, which recognizes "superb sustainability practices, a strong foundation in sustainability education, and a healthy quality of life for students on campus." UCSB's renowned faculty includes six winners of Nobel Prizes for landmark research in chemistry, physics and economics. An alumna of our College of Creative Studies won the 2009 Nobel in Physiology or Medicine.

UCSB received almost 130,000 applications for freshman and transfer students for fall 2022 as the entire University of California System saw a record-breaking number of applicants. The UCSB Office of Admissions experienced a 5% increase in freshman applications this year compared to last year, with 110,995 received, and a 14% decline in transfer applications with 17,598 received.

#7 PUBLIC UNIVERSITIES IN THE U.S.
Source: US News & World Report 2023

#10 GREENEST UNIVERSITY IN THE U.S.
Source: Princeton's Review 2022

6 FACULTY NOBEL PRIZES IN
CHEMISTRY, ECONOMICS & PHYSICS

19 NCAA DIVISION 1
SPORTS TEAMS

90+ UNDERGRADUATE MAJORS
& 50+ GRADUATE PROGRAMS

