504 CLAY AVE

Huntington Beach, CA 92648

Prime Coastal Location | 1980s Construction With Brand New ADU

Multifamily Investment Opportunity

Offering Memorandum

MATTHEWS™

MATTHEWS™

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504 Clay Avenue

PROPERTY OVERVIEW

Investment Highlights

504 Clay Ave Huntington Beach, CA	8 Total Units	1984 Year Built	6,400 Rentable SF	±10,001 Lot Size SF

The Opportunity

Matthews™ as the exclusive listing agent, is pleased to offer the opportunity to acquire 504 Clay Avenue, an exceptional 8-unit apartment community located in the highly desirable Garfield neighborhood of Huntington Beach. Situated just north of Yorktown Avenue and less than one mile from Downtown Huntington Beach, Main Street, Pacific Coast Highway, and the beach, the property offers residents convenient access to award-winning restaurants, shopping, grocery stores, entertainment, and recreation. Positioned on a rare island parcel with no adjacent residential buildings, the property provides an uncommon level of privacy while remaining within one of Orange County's most sought-after coastal rental markets.

Originally constructed in 1984, the property consists of seven (7) apartment units plus one (1) fully permitted ADU completed in 2023, totaling approximately 6,400 rentable square feet on a 10,001 square foot lot. The unique unit mix includes three (3) one-bedroom / one-bathroom units, one (1) two-bedroom / one-and-one-half-bathroom unit, and four (4) two-bedroom / two-bathroom units, including the newly constructed approximately 800 square foot ADU. The ADU features solar panels, a private backyard, in-unit washer and dryer, separately metered electricity, and an individual water heater, creating a highly desirable living experience. Three units have been extensively renovated with quartz countertops, luxury vinyl plank flooring, and modern interior finishes, while the remaining units feature upgraded granite countertops and laminate flooring. Additional recent capital improvements include fresh exterior paint, new perimeter fencing, and a brand-new central water heater serving the original seven units. Residents also enjoy spacious floor plans with private patios or balconies, abundant natural light, individual garages, and ample on-site parking consisting of seven (7) single-car garages, one (1) tandem parking space, and additional surface parking. The property is further enhanced by low operating expenses and a RUBS program already in place to help maximize net operating income.

Overall, 504 Clay Avenue represents a rare opportunity to acquire a well-maintained, pride-of-ownership asset offering strong in-place cash flow with approximately 19% rental upside through continued rental growth. Combining a recently constructed, fully permitted ADU, meaningful recent capital improvements, low operating expenses, and an irreplaceable coastal location less than one mile from the beach, the property provides investors with an exceptional balance of immediate income, long-term appreciation, and future revenue growth in one of Southern California's strongest multifamily markets.

Investment Highlights

Property Highlights

- Exceptional Opportunity to Acquire an 8-Unit Apartment Building Located in the Desirable Garfield Neighborhood of Huntington Beach, CA
- Seven (7) Units Built in 1984 Plus One (1) Fully Permitted ADU Completed in 2023
- Unique Unit Mix Consisting of: (3) – 1 Bedroom / 1 Bathroom Units, (1) – 2 Bedroom / 1.5 Bathroom Unit, and (4) – 2 Bedroom / 2 Bathroom Units
- Newly Constructed, Fully Permitted Approximately 800 SF ADU Featuring 2 Bedrooms / 2 Bathrooms, Solar Panels, a Private Backyard, In-Unit Washer & Dryer, Separately Metered Electricity, and an Individual Water Heater
- Recent Capital Improvements Include Fresh Exterior Paint, a Brand-New Water Heater Serving the Original Seven Units, and New Perimeter Fencing
- Well-Maintained, Pride of Ownership Property with Strong Curb Appeal, Low Operating Expenses, and a RUBS Program in Place to Help Increase Net Operating Income
- Three (3) Units Have Been Extensively Renovated with Quartz Countertops, Luxury Vinyl Plank Flooring, and Modern Interior Finishes, While the Remaining Units Feature Upgraded Granite Countertops and Laminate Flooring
- Spacious Floor Plans Feature Private Patios or Balconies, Abundant Natural Light, and Individual Garages
- Ample On-Site Parking Including Seven (7) Single-Car Garages, One (1) Tandem Parking Space, and Additional Surface Parking
- Strong In-Place Cash Flow with Approximately 19% Rental Upside Through Continued Rental Growth

Location Highlights

- Conveniently Located Near Yorktown Avenue and Less Than One Mile from Downtown Huntington Beach, Main Street, Pacific Coast Highway, and the Beach, Offering Residents Easy Access to Award-Winning Dining, Shopping, Entertainment, and Recreation
- Walk Score of 77 (Very Walkable) & Bike Score of 81 (Very Bikeable) | Offering Residents Convenient Access to Shopping Centers, Restaurants, Grocery Stores, Retail, Huntington Beach High School, and Local Employment Centers
- Situated on a Rare Island Parcel with No Adjacent Residential Buildings, Providing Exceptional Privacy in the Heart of Huntington Beach


N
5 Points Plaza
TRADER JOE'S
GAP
Bath & Body Works
BIG 5 SPORTING GOODS
VANS
Yogurtland
TILLYS
CHASE
39
Roch Courreges Elementary
±631 Students
Elan Huntington Beach
±274 Units
Ralphs
PENINSULA COSMETIC & FAMILY DENTISTRY
Sourdough & Co
rubio's COASTAL GRILL
planet fitness
Carl's Jr.
Baca Park
±1 Miles Away
CAMBRO 75
Manufacturer
±850 Total Employees
Beach Garfield
TARGET
BEACH HUT DELI
CVS pharmacy
John Wayne Airport
±9 Miles Away
Garfield Ave ±43,050 VPD
Seacliff Village
Albertsons
PETSMART
MOD
nektar JUICE BAR
Panera BREAD
ME Massage Envy
McDonald's
Seawind Cove
±109 Units
THE HOME DEPOT
Subject Property
The Huntington Club
Golf Course
Pier Pointe Condos
±159 Units
Perry Elementary
±440 Students
Delware St ±15,420 VPD
Beach Blvd ±52,150 VPD
William T. Newland Elementary
±531 Students
Huntington Beach High
±2,645 Students
Pacific-Ranch
±558 Units
Newland Center
Albertsons
WET DOG TAVERN
movita JUICE BAR
ROUND TABLE PIZZA
CAPONES
CLUB PILATES
HB Bagels & Cafe
Huntington Beach
±2 Miles Away
Google Earth


AGAVE
COURT


STOP

504 Clay Avenue

FINANCIAL SUMMARY

Financial Summary

Address	504 Clay Ave Huntington Beach, CA 92648
Number of Units	8
Year Built	1984
APN	025-112-01
Gross SF	±6,400 SF
Average SF Per Unit	±800 SF
Lot Size	±10,001SF

$3,725,000	**$465,625**	**$582.03**	**4.18%**	**15.26**
List Price	Price Per Unit	Price Per SF	Cap Rate	GRM

Unit Mix & Scheduled Income

Total Units	Unit Mix	Unit Mix %	Current Average Rent	Current Monthly Rent	Market Average Rent	Market Monthly Rent
3	1+1	38%	$2,173	$6,520	$2,650	$7,950
3	2+2	38%	$2,590	$7,770	$3,150	$9,450
1	2+1.5	13%	$2,625	$2,625	$3,000	$3,000
1	2+2 ADU	13%	$3,125	$3,125	$3,350	$3,350
Scheduled Monthly Rent:				**$20,040**		**$23,750**
Scheduled Yearly Rent:				**$240,480**		**$285,000**

Annual Operating Summary

		Current		Market	
Gross Potential Rent		$240,480		$285,000	*19% Upside*
Less Vacancy		-$7,214	*-3.0%*	-$8,550	*-3.0%*
Expense/Utility Reimbursement	*Annualized 2026*	$2,922		$2,922	
Laundry Income	*Annualized 2026*	$709		$709	
Gross Operating Income		**$236,897**		**$280,081**	
Expenses		$81,034	*33.20%*	$83,194	*28.82%*
Net Operating Income		**$155,862**		**$196,887**	
Loan Payments		$124,605		$124,605	
Pre-Tax Cash Flow		$31,258	*1.55%*	$72,283	*3.59%*

Annual Operating Expenses

	Current Estimates		Current	Per Unit	Market	Per Unit
Real Estate Taxes	*1.10%*	*% of Purchase Price*	$40,944	$5,118	$40,944	$5,118
Property Management Fee	*5.0%*	*x GOI*	$11,845	$1,481	$14,004	$1,751
Insurance	*$1.15*	*Per SF*	$7,360	$920	$7,360	$920
Repairs & Maintenance	*$500*	*Per Unit*	$4,000	$500	$4,000	$500
Gas	*$1,416*	*Annualized 2026*	$1,416	$177	$1,416	$177
Electricity	*$894*	*Annualized 2026*	$894	$112	$894	$112
Water/Sewer	*$5,132*	*Annualized 2026*	$5,132	$642	$5,132	$642
Trash Removal	*$4,038*	*Annualized 2026*	$4,038	$505	$4,038	$505
Landscaping/Grounds	*$200*	*Per Unit*	$1,600	$200	$1,600	$200
General and Administrative	*$200*	*Per Unit*	$1,600	$200	$1,600	$200
Special/Direct Assessment	*$2,205*	*Actual 2025*	$2,205	$276	$2,205	$276
Total Expenses			**$81,034**	**$10,129**	**$83,194**	**$10,399**

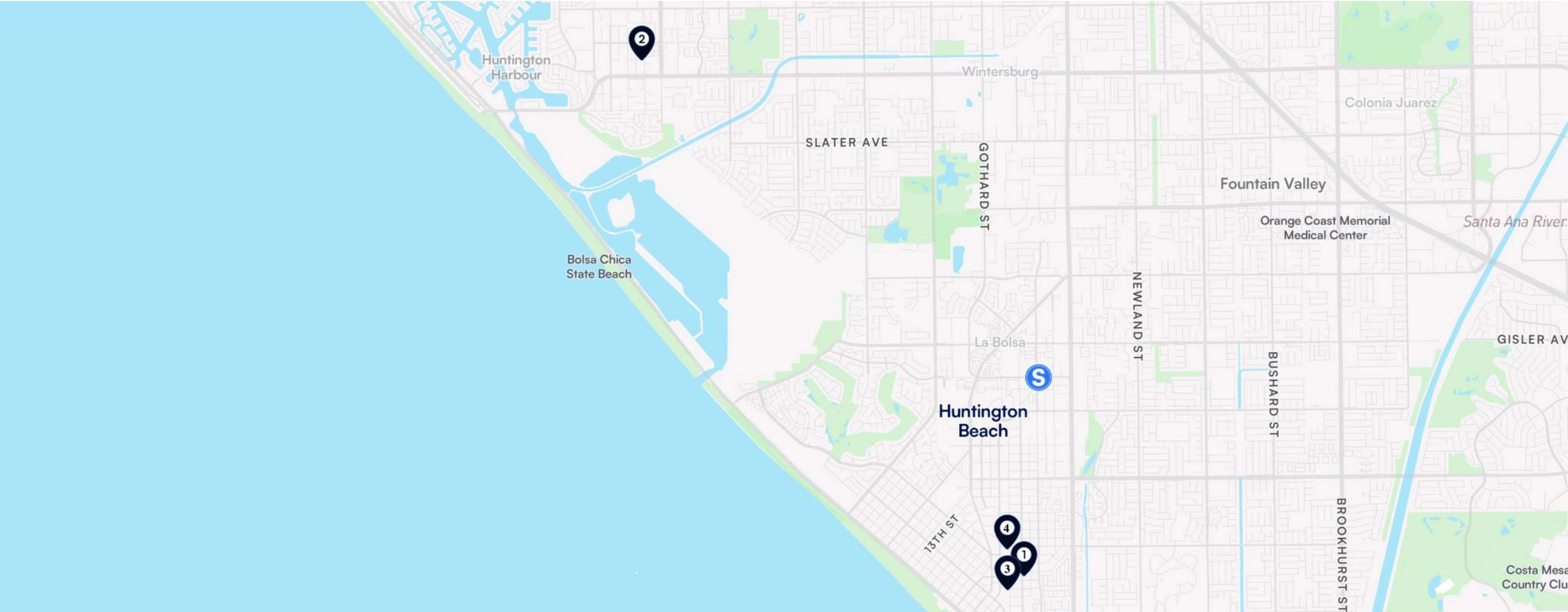
Financing - New Loan			
Term	**5 Years**	Amortization Period	**30 Years**
Loan Amount	**$1,713,500**	LTV	**46.0%**
Down Payment	**$2,011,500**	Interest	**6.10%**
Yearly Payment	**$124,605**	Monthly Payment	**$10,384**
Debt Coverage Limit	**1.25x**	Payoff or Refinance Months	**60 Months**

Rent Roll

Unit #	Unit Mix	Current Rent	Market Rent	Move-In Date
1	1+1	$2,200	$2,650	2/24/24
2	1+1	$2,195	$2,650	3/1/25
3*	1+1	$2,125	$2,650	2/18/19
4	2+1.5	$2,625	$3,000	6/26/25
5	2+2	$2,495	$3,150	7/15/26
6*	2+2	$2,500	$3,150	11/15/19
7	2+2	$2,775	$3,150	6/15/24
8	2+2 ADU	$3,125	$3,350	6/23/23
*** Section 8 Tenants**	**Totals**	**$20,040**	**$23,750**	

Sales Comparables

	Address	Units	Year Built	SF	Lot SF	Price	Per Unit	PPSF	Cap Rate	GRM	Sold Date
S	**504 Clay Ave, Huntington Beach, CA 92648**	**8**	**1984**	**6,400**	**10,001**	**$3,725,000**	**$465,625**	**$582.03**	**4.18%**	**15.44**	**-**
1	508 Huntington St Huntington Beach, 92648	9	1964	6,966	10,074	$4,200,000	$466,667	$602.93	4.07%	15.83	9/19/2025
2	16861 Green Ln Huntington Beach, 92648	6	1973	4,606	8,276	$2,850,000	$475,000	$618.76	3.87%	16.70	7/31/2025
3	311 Alabama St Huntington Beach, 92648	12	1963	10,553	12,632	$5,800,000	$483,333	$549.61	4.04%	16.15	6/16/2025
4	811 Alabama St Huntington Beach, 92648	7	1978	6,106	9,583	$3,150,000	$450,000	$515.89	3.57%	17.35	3/20/2025
	Averages	**9**	**1970**	**7,058**	**10,141**	**$4,000,000**	**$468,750**	**$571.79**	**3.89%**	**16.51**	**-**



504 Clay Avenue

MARKET OVERVIEW

Garfield | Huntington Beach

Local Market Overview

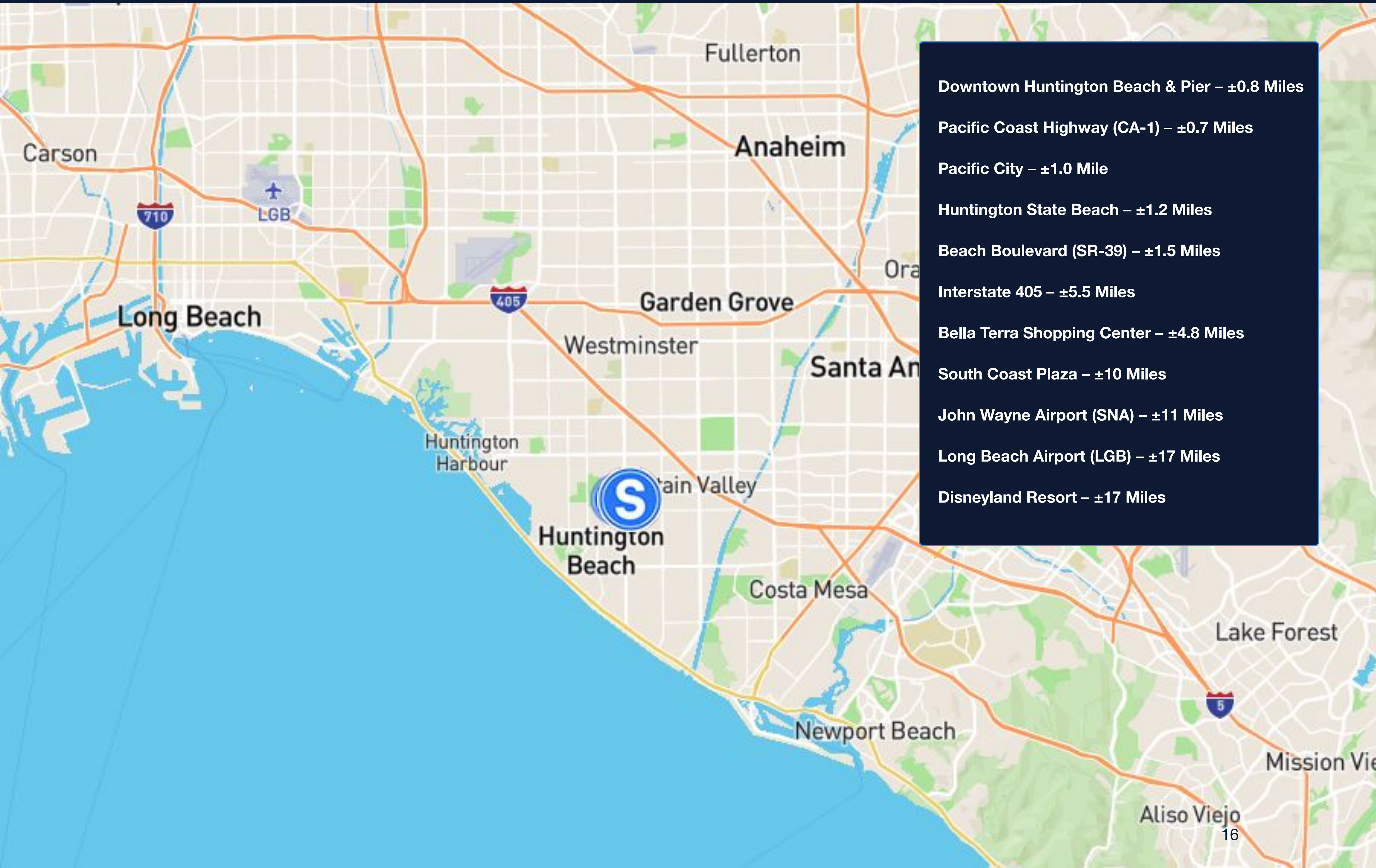
The Garfield neighborhood is one of Huntington Beach's most established residential communities, offering a desirable blend of coastal living, quiet tree-lined streets, and convenient access to employment, retail, and recreation. Located just a few miles from the beach, the neighborhood benefits from strong renter demand driven by highly rated schools, nearby shopping and dining, and easy connectivity to Pacific Coast Highway, Beach Boulevard, and Interstate 405.

Garfield's supply-constrained location within coastal Orange County supports long-term multifamily fundamentals, with limited opportunities for new apartment development and consistently strong housing demand. Residents enjoy proximity to major employment centers throughout Huntington Beach, Costa Mesa, Irvine, and greater Orange County, while nearby beaches, parks, and entertainment destinations continue to enhance the neighborhood's appeal and support stable occupancy and long-term rent growth.

Property Demographics

Population	1-Mile	3-Mile	5-Mile
Current Year Estimate	26,544	199,536	433,744
Households	**1-Mile**	**3-Mile**	**5-Mile**
Current Year Estimate	9,632	75,672	153,898
Income	**1-Mile**	**3-Mile**	**5-Mile**
Average Household Income	$137,413	$158,245	$147,347

Connectivity & Nearby Destinations



Downtown Huntington Beach & Pier – ±0.8 Miles

Pacific Coast Highway (CA-1) – ±0.7 Miles

Pacific City – ±1.0 Mile

Huntington State Beach – ±1.2 Miles

Beach Boulevard (SR-39) – ±1.5 Miles

Interstate 405 – ±5.5 Miles

Bella Terra Shopping Center – ±4.8 Miles

South Coast Plaza – ±10 Miles

John Wayne Airport (SNA) – ±11 Miles

Long Beach Airport (LGB) – ±17 Miles

Disneyland Resort – ±17 Miles

Orange County, CA

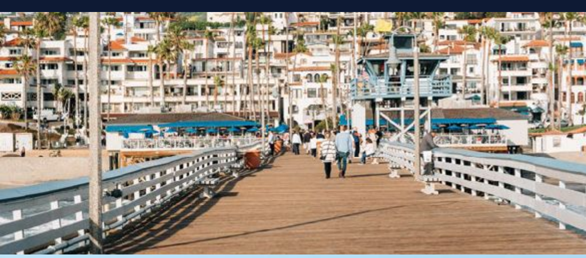
Orange County's multifamily market is widely recognized as one of the most desirable and stable rental environments in the U.S., supported by a strong economic foundation, affluent population, and high quality of life. Consistent demand, paired with limited new supply, continues to drive healthy occupancy and long-term rent growth across the region. With a diverse employment base and enduring lifestyle appeal, the market remains highly attractive to both renters and investors, reinforcing its position as a premier location for multifamily performance and long-term stability.

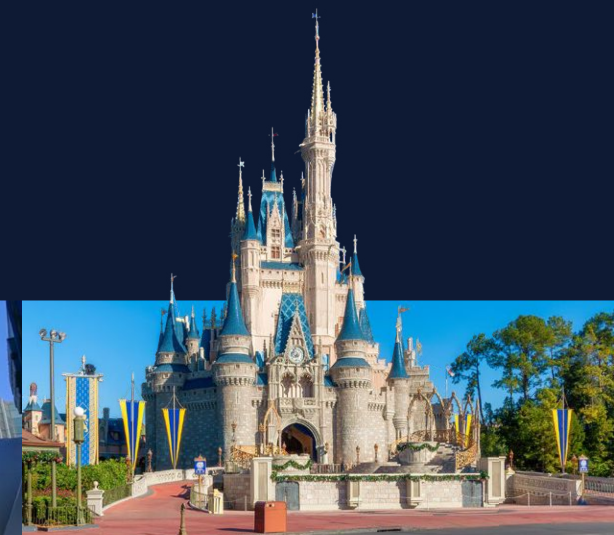
3.17M+
Total Population

1,104,452
Total Households

#2 Lowest Vacancy Rate
in Top 50 U.S. Apartment Markets

Source: CoStar, U.S. Census Bureau, Visit California | **2025 Dataset**





Employment

Orange County's employment base is anchored by a highly diversified and resilient economy, supporting consistent consumer activity across both professional and service-oriented sectors. The region benefits from a strong mix of industries, including healthcare, technology, tourism, and corporate services which together sustain a large, stable workforce and drive daily retail demand. A significant portion of this employment is tied to the tourism sector, reinforcing steady, year-round spending patterns across dining, entertainment, and experiential retail.

Source: U.S. Census Bureau, CoStar Group, BLS, Visit California, Anaheim Chamber of Commerce | **2025 Dataset**

2025 Statistics

1.7M+
Total Workforce Base

130K+
Tourism-Supported Jobs

25M+
Annual Disneyland Visitors

OC Major Employers

Number of Employees in Orange County

Employer	Employees
Largest Employer: The Walt Disney Company	36,000+ Employees
UC Irvine	34,000+ Employees
County of Orange	18,000+ Employees
Kaiser Permanente	10,000+ Employees
Hoag Memorial Hospital Presbyterian	8,000+ Employees
Children's Hospital of Orange County	6,000+ Employees
The Boeing Company	4,000+ Employees
CSU Fullerton	3,000+ Employees

OC Multifamily Performance

Orange County's multifamily market stands out as one of the most resilient and sought-after coastal investment environments in the U.S., driven by strong renter demand, limited new supply, and high barriers to entry. Consistently strong occupancy and rent growth reflect the market's affluent demographics and desirable lifestyle, while sustained investment activity highlights continued confidence from institutional and private capital. With a well-balanced supply pipeline and long-term demand drivers firmly in place, Orange County continues to offer a highly stable and attractive setting for multifamily performance and long-term value creation.

Source: CoStar Group | **2025 Dataset**

4.7% Vacancy Rate

4.5% Market Cap Rate

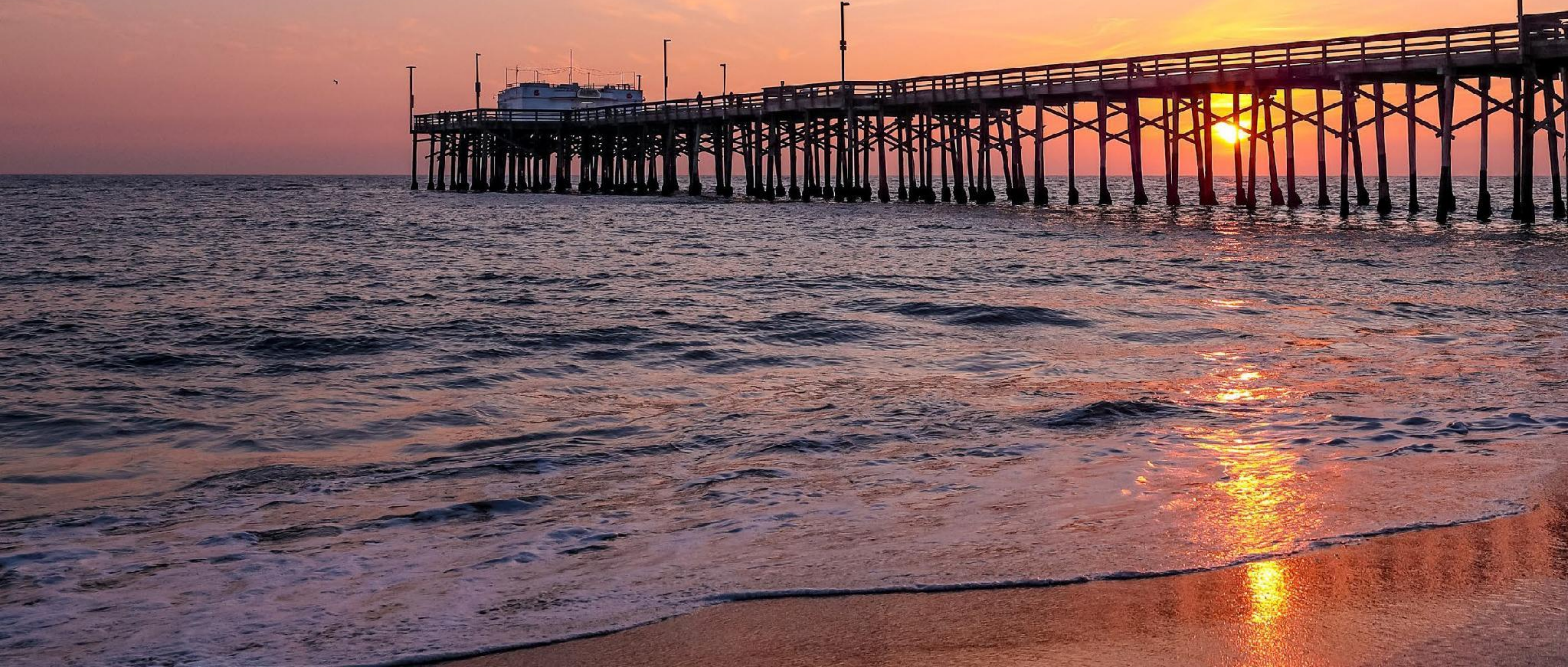
$1,300,000,000
Sales Volume

262K
Inventory Units

2,760
Units Under Construction

$2,761
Market Asking Rent Per Unit

$443K
Market Sale Price Per Unit



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