BROKER OPINION OF VALUE · CONFIDENTIAL

22159 Pacific Coast Highway

Malibu, CA 90265 · Ocean-View Multifamily Rebuild Site · ±0.45 Acre

$3,000,000 RECOMMENDED PRICE	**8 Units** ORD. 524 REBUILD	**±19,612 SF** LOT · 0.45 ACRES	**$153 / SF** APN 4451-008-009

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BROKER OPINION OF VALUE

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RECOMMENDED PRICE	ORD. 524 REBUILD	LOT SIZE · 0.45 ACRES	LAND BASIS · APN 4451-008-009

INVESTMENT OVERVIEW

A Rare Ocean-View Multifamily Rebuild Site on Pacific Coast Highway

The LA Apartment Advisors Team and The SK Group at Marcus & Millichap are proud to present 22159 Pacific Coast Highway, a rare opportunity to acquire a ±0.45-acre (19,612 SF) ocean-view multifamily rebuild parcel on the most supply-constrained stretch of California coastline. The site previously carried an eight-unit, ±5,084 SF apartment building destroyed in the January 2025 Palisades Fire. A buyer steps into an entitled rebuild — eight residential units preserved under SB 166's No-Net-Loss protection, with the rebuild itself governed by Malibu's Ordinance 524 Disaster Rebuild framework allowing like-for-like replacement plus a 10% bonus on height, bulk and floor area.

22159 PCH sits in the Carbon Beach / La Costa corridor of eastern Malibu, a coastal segment where vacant or rebuild-ready multifamily land is exceptionally rare. The site offers durable ocean views, immediate proximity to the beach, and direct access to one of the highest-rent submarkets in Los Angeles County. Multifamily zoning is preserved through the rebuild; the buyer captures an eight-unit by-right pathway in a market where new ground-up multifamily development is effectively constrained by the Coastal Act and the City of Malibu's Local Coastal Program.

Pricing is anchored on the corridor's two most relevant land comparables: 22141 PCH — the same-block, same-APN-book trade, two doors east of the subject — sold as raw vacant land in 2017 for $4,900,000 ($241 / land SF); and 22611 PCH, a 2024 commercial-land trade roughly five blocks east, which closed at $1,586,500 ($229 / land SF). Two independent PCH land trades, seven years apart, converge in a tight bracket of $229–$241 / land SF.

At an asking price of **$3,000,000**, the offering prices the parcel at $153 / land SF — a meaningful discount to the same-block comp, consistent with the post-fire distress haircut documented across the corridor, and before crediting the subject's preserved 8-unit MF entitlement and the unique Ord. 524 rebuild rights that did not exist when those comps traded. Under the rebuild program, a developer delivers a stabilized eight-unit, ±5,592 SF building for approximately $3.3M of cost plus carry and exits at a $9.0M finished value — leaving roughly $1.79M of developer profit (~21% on the sellout). With Malibu's pending ZTA-25-003 ADU code update, the same parcel can support a density stack of up to 16 doors at the same land basis. The recommendation is conservative-to-defensible on the downside, with material step-up potential in negotiation.

Executive Summary

The LA Apartment Advisors (LAAA) Team and The SK Group at Marcus & Millichap are pleased to present 22159 Pacific Coast Highway — a ±19,612-square-foot (0.45-acre) ocean-view development / rebuild parcel on the beach side of Pacific Coast Highway in Malibu's coveted Carbon Beach / La Costa corridor. The site is offered and priced as a development opportunity, positioned around the rebuild of an 8-unit apartment building under Malibu's Ordinance 524 Disaster Rebuild framework.

The property previously carried an 8-unit multifamily structure (±5,084 SF). Under Malibu's Ordinance 524 the structure may be rebuilt like-for-like plus 10% — an 8-unit, ±5,592 SF envelope — with the multifamily density protected by California's SB 166 (No Net Loss) statute. A finished, stabilized 8-unit apartment building on this ocean-view PCH frontage is modeled at a $9.0M sellout value, supporting a recommended land value of **$3,000,000**.

The pre-loss structure was a 1949-vintage 8-unit walk-up destroyed in the January 2025 Palisades Fire — squarely within the population of properties Ordinance 524 was written to facilitate. The seller is bringing the parcel to market as a redevelopment / rebuild opportunity; buyer to confirm rebuild eligibility, prior structure size and CDP treatment with the City of Malibu and qualified land-use counsel.

FINDING 01

Ordinance 524 rebuild rights. Malibu's Disaster Rebuild Ordinance (adopted 3/12/2025; LCP amendment certified 4/10/2025) lets a destroyed structure be replaced like-for-like plus 10% of height, bulk and floor area — here, an 8-unit, ±5,592 SF building.

FINDING 02

8-unit density protected. California's SB 166 "No Net Loss" statute restricts down-conversion of multifamily density — preserving the site's 8-unit residential capacity through the rebuild.

FINDING 03

$9.0M finished value vs. ~$3.3M cost. A stabilized 8-unit apartment building (±5,592 SF, $287,880 NOI) is modeled at a $9.0M sellout against ~$3.3M of development cost — the spread that underwrites the land value.

FINDING 04

Irreplaceable Malibu ocean-view frontage. A ±0.45-acre multifamily parcel on the beach side of PCH in one of the most supply-constrained coastal markets in the country — rebuild-ready and rare.

Subject Property

22159 Pacific Coast Highway is a ±19,612 SF (0.45-acre) ocean-view parcel on the beach side of PCH in eastern Malibu (90265), within the Carbon Beach / La Costa corridor. The site previously carried an 8-unit, ±5,084 SF multifamily structure with ocean views and beach access; the opportunity is offered, analyzed and priced as a development / rebuild site.

LOT SIZE **±19,612 SF** ±0.45 acres	APN **4451-008-009** LA County Assessor	LAND USE **Multi-Family Res** 5+ units (Malibu MF / MFBF)	EXISTING STRUCTURE **8 Units · ±5,084 SF** Built 1949 · destroyed by fire	REBUILD ENVELOPE **8 Units · ±5,592 SF** like-for-like + 10% (Ord. 524)
SETTING **Ocean-View PCH** Carbon Beach / La Costa				

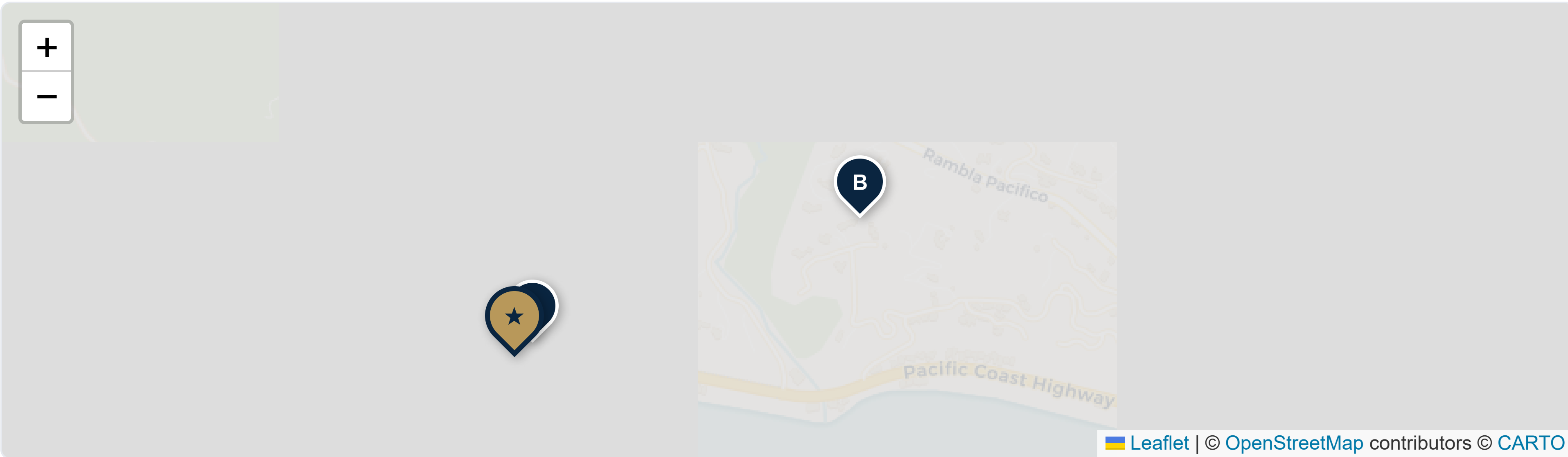
PROPERTY HIGHLIGHTS

- **Ordinance 524 rebuild pathway** — a lawfully-erected, destroyed structure may be replaced like-for-like plus 10% of floor area, height and bulk (detailed below); no down-zoning of the residential program.
- **8-unit multifamily density protected** by SB 166 No-Net-Loss — the residential capacity carries through the rebuild.
- **Ocean-view PCH frontage** on the beach side of the highway in eastern Malibu — one of the most supply-constrained coastal residential markets in the United States.
- **Finished-product economics** — a stabilized 8-unit building modeled at a $9.0M sellout / $287,880 NOI against ~$3.3M of development cost (full underwriting below).
- **Development / rebuild basis** — offered and priced as a parcel; the buyer captures the rebuild entitlement upside.

ASSESSOR & PARCEL RECORD

FIELD	VALUE
Site address	22159 Pacific Coast Hwy, Malibu CA 90265
APN	**4451-008-009**
LightBox parcel ID	0202JDD7HFHYNUAOAUDLQL
Land use	Residential — Multi-Family Res (5+ units)
Lot area	19,612 SF (0.45 acres)
Building area (pre-loss)	5,084 SF · 8 units
Buildings (current)	None — destroyed in Palisades Fire (Jan 2025)
Adjacent lots owned	None
Year built	1949

FIELD	VALUE
Owner (assessor)	22159 Pacific Coast Highway LLC
Owner mailing address	545 S Figueroa St #1225, Los Angeles, CA 90071
Last market sale	6/6/1979
Total assessed value	$395,866



Subject pin geocoded to 22159 Pacific Coast Highway, Malibu CA 90265. Parcel and assessor data per LA County Assessor / LightBox; pre-loss building size and unit count per public record (±5,084 SF, 8 units). Building was destroyed in the January 2025 Palisades Fire; seller is offering the parcel as a redevelopment / Ord. 524 rebuild site. ***Buyer to independently verify all parcel data, square footage and rebuild eligibility.***

THE OPPORTUNITY

Ordinance 524 Rebuild + SB 166 Density Protection

The value thesis rests on Malibu's Ordinance No. 524 — the "Disaster Rebuild Ordinance" — adopted by the Malibu City Council on March 12, 2025, with the corresponding Local Coastal Program (LCP) amendment certified by the California Coastal Commission on April 10, 2025. The ordinance establishes development standards that facilitate the rebuilding of structures destroyed or damaged in the 2025 Palisades Fire, 2024 Franklin Fire and 2024 Broad Fire — and in past and future disasters.

REBUILD RIGHT

LIKE-FOR-LIKE PLUS 10%

Under LCP Local Implementation Plan (LIP) Section 13.4.6 and Malibu Municipal Code (MMC) Section 17.60.020(C), a structure destroyed in a natural disaster may be replaced with up to an additional 10 percent of height, bulk and floor area over the prior structure, provided the replacement is a lawfully-erected use sited in substantially the same location (within 50% of the previous footprint and envelope). Applied to the prior ±5,084 SF structure, this supports a rebuild envelope of approximately ±5,592 SF.

WHY 22159 PCH SUPPORTS THE 8-UNIT REBUILD

1. **Like-for-like + 10% on floor area.** Ordinance 524 permits replacing a destroyed structure with +10% height, bulk and square footage. The prior ±5,084 SF structure × 110% ≈ ±5,592 SF — the exact envelope modeled for the 8-unit rebuild.

2. **Multifamily density is protected.** California's SB 166 "No Net Loss" law restricts a jurisdiction from reducing residential density below the level used for housing-element compliance — preserving the site's 8-unit residential capacity through the rebuild.

3. **CDP relief for in-kind replacement.** A replacement that (1) is for the same use, (2) does not exceed the prior floor area, height or bulk by more than 10%, and (3) is sited in substantially the same location is treated as exempt from a separate Coastal Development Permit — streamlining the rebuild timeline.

4. **A precedented, active program.** As of July 2025 the City reported 32 rebuild applications approved in the planning phase under the ordinance — an established, working pathway, not a theoretical one.

MODELED REBUILD PROGRAM

PARAMETER	EXISTING (PRE-LOSS)	ORDINANCE 524 REBUILD
Residential units	8 units	**8 units** (SB 166 protected)
Building area	±5,084 SF	**±5,592 SF** (+10% / like-for-like)
Unit type (modeled)	8 bd / 8 ba (per record)	8 × 2BR / 2BA · ±699 SF avg
Parking (modeled)	—	16 subterranean spaces
Delivery (modeled)	—	2028

PARAMETER	EXISTING (PRE-LOSS)	ORDINANCE 524 REBUILD
Approval pathway	—	Ord. 524 like-for-like + 10%; CDP-exempt in-kind

Source: City of Malibu Ordinance No. 524 (Disaster Rebuild Ordinance) and the Zoning Code Interpretation / Council Rebuild Policy dated 7/22/2025 (MMC § 17.60.020(C); LCP LIP § 13.4.6); SB 166 (Gov. Code § 65863). Rebuild program per the seller's land-residual workbook. This eligibility summary is informational and does not constitute a legal opinion — buyer to confirm rebuild rights, the exact prior structure size and unit count, and CDP treatment with the City of Malibu and qualified land-use counsel.

DEVELOPER PLAYBOOK

Rebuild Pathways — What a Developer Can Actually Build

A developer underwriting 22159 PCH has three viable rebuild pathways, ranging from a fast like-for-like replacement to a doors-doubling density stack under Malibu's pending ADU code update. The recommended land basis is supported even by the most conservative pathway; the upside pathways are the pitch to a sophisticated developer-buyer. The cards below escalate by density and entitlement complexity.

PATHWAY A · REBUILD

Like-for-Like + 10%

8 units · ~5,592 SF

- Ord. 524 in-kind replacement on substantially the same footprint, CDP-exempt.
- Planning Verification or Administrative Plan Review — no public hearing.
- Fastest path: rebuild & lease, or rebuild & flip the permits.

Approval	**CDP-exempt**
Timeline	**1 wk – 6 mo**
Fees	**from $200**

PATHWAY B · REDESIGN

Full CDP / Expanded

8 units redesigned · larger SF

- Relocated footprint, larger envelope or a new luxury / condo layout.
- Exceeds the +10% in-kind threshold, so a full Coastal Development Permit applies.
- Best for a repositioned, high-finish product on the ocean-view frontage.

Approval	**CDP + hearing**
Timeline	**12–24 mo**
Fees	**~$11,579 base**

PATHWAY C · DENSITY STACK

8 Base + Detached ADUs

up to 16 doors

- Malibu's pending ZTA-25-003 raises the detached-ADU cap on MF parcels to 8.
- Each ADU permits on a 60-day CDP clock — no public hearing, no Coastal appeal.
- Highest-upside pitch: nearly doubles doors at the same land basis.

Approval	**60-day CDP / ADU**
Timeline	**Parallel permits**
Status	**ZTA pending**

How to read these: Pathway A is the by-right, CDP-exempt rebuild that underwrites the land basis on its own. Pathways B and C are programmatic upside — B trades time for a higher-finish product, and C is the doors-doubling story riding Malibu's pending ADU code. A further option — converting the multifamily site to a single-family residence — is *not* recommended: SB 166 no-net-loss would require replacement ADUs and it forfeits the multifamily entitlement premium that anchors this valuation.

SPEED LEVER — THE 30-DAY PERMIT GOAL

Governor's Executive Orders N-4-25 and N-20-25 direct a 30-day permit processing goal for 2025 fire rebuilds and suspend CEQA + California Coastal Act review for qualifying disaster replacement structures. Combined with Ordinance 524's CDP exemption for in-kind replacement, Pathway A can move from application to plan-check in weeks — a unique edge in the coastal zone.

DENSITY STACK (PATHWAY C) — THE DOORS-DOUBLING STORY

Malibu's draft ZTA-25-003 raises the detached-ADU cap on multifamily parcels from 2 to 8. Layered on the 8-unit Ord. 524 rebuild base, the parcel could deliver up to 16 doors — underwriting a meaningful step-up in $/door value at the same land basis. Each ADU permits on a 60-day CDP clock with no public hearing and no Coastal Commission appeal. Standard rules: 4-ft side/rear setbacks; 1 parking space per ADU (with multifamily / transit-adjacent exemptions).

Sources: City of Malibu Ordinance No. 524 (3/12/2025); LCP Amendment certified by Coastal Commission 4/10/2025; Governor's Executive Orders N-4-25 and N-20-25; Malibu draft ZTA-25-003 (MF ADU cap update); SB 166 (Gov. Code § 65863) · SB 330 (Gov. Code § 66300). Pathway summaries are informational and do not constitute legal advice; buyer and counsel to confirm parcel-specific eligibility, setbacks, parking and CDP treatment with the City of Malibu.

⚑ **Confirmation items still open:** (1) ZTA-25-003 adoption status / hearing date, (2) site-plan check that the 0.45 ac can physically site up to 8 detached ADUs alongside the 8-unit base, (3) parcel-side relative to PCH and FEMA Base Flood Elevation (changes the wave-action / replacement-structure exemption story).

Comparable Sales & Market Pricing

Pricing is framed against the Pacific Coast Highway land trades that establish what the parcel is worth in the corridor. Additional comparable sets — finished small-multifamily building sales and rent comparables — will be added as supplied by the listing team.

TWO PCH LAND TRADES ANCHOR THE $/SF BASIS

22141 Pacific Coast Hwy (APN 4451-008-018) sold 12/18/2017 for $4,900,000 as vacant residential land — no structures, no entitlements. The parcel is 20,351 SF (0.47 ac), two doors east of the subject in the same APN book, pricing at $241 / land SF. Current assessed value $5,575,361 reflects Prop 13 escalation off the 2017 basis. Canadian land-bank buyer (Marthas, Aunt Chip; Toronto).

22611 Pacific Coast Hwy (APN 4452-023-016) sold 7/23/2024 for $1,586,500 — a 6,916 SF (0.16 ac) commercial parcel with a 1945-vintage 838 SF tear-down office, ~5 blocks east of the subject, pricing at $229 / land SF. The trade closed roughly six months pre-fire.

Two independent PCH trades, seven years apart, converge on $229–$241 / land SF — a tight bracket that anchors the corridor's inland-land basis. The subject's $3,000,000 recommendation prices the parcel at $153 / land SF — a 33–36% discount to those trades, consistent with documented post-fire distress on Malibu fire-impacted parcels. The recommendation is conservative-to-defensible on the downside, with material step-up potential once the 8-unit MF entitlement and Ordinance 524 rebuild rights are credited in negotiation — neither of which applied to the 2017 or 2024 trades.

PACIFIC COAST HIGHWAY LAND COMPARABLES

The comp set is anchored by two PCH land trades that converge tightly on the corridor's $/SF basis: 22141 PCH — same-block, same-APN-book, same lot size, raw vacant land — and 22611 PCH, the most recent inland-PCH land trade in the corridor. Additional comparables will be added as the listing team supplies them.

MAP	ADDRESS / COMP	LOT SF	PRICE	$/LAND SF	NOTES	DATE
★	**22159 Pacific Coast Hwy** *Malibu 90265 · **Subject** · MF, 8-unit (Ord. 524)*	19,612	**$3,000,000**	**$153**	Ocean-view MF rebuild site, 8 units protected by SB 166	Proposed
A	**22141 Pacific Coast Hwy** Same Block *Malibu 90265 · APN 4451-008-018 · vacant residential land · 2 doors east of subject*	**20,351** (0.47 ac)	**$4,900,000**	$241	Pure raw-land trade (no structures, no entitlements). Current assessed $5,575,361. Canadian holding-co buyer (Toronto). The gold-standard comp.	12/18/2017
B	**22611 Pacific Coast Hwy** PCH Corridor FLYER → *Malibu 90265 · APN 4452-023-016 · commercial/office, 838 SF on land · ~5 blocks east*	**6,916** (0.16 ac)	**$1,586,500**	$229	Pre-fire 2024 trade; small commercial parcel with tear-down 838 SF office (1945). Current assessed $3,000,000. Confirms the ~$230–$241 / SF PCH land basis.	7/23/2024

Sources: 22141 PCH and 22611 PCH per LA County Assessor / LightBox (22141 sale 12/18/2017 $4,900,000; current assessed $5,575,361 / 22611 sale 7/23/2024 $1,586,500; current assessed $3,000,000); 22611 flyer per The SK Group of Marcus & Millichap. Two independent PCH land trades, seven years apart, converging on $229–$241 / land SF. Additional Malibu development & rebuild-lot comparables to be added as supplied by the listing team.

ON-MARKET PACIFIC COAST HIGHWAY LISTINGS

Active PCH listings provide current asking-price context across the corridor. These span land, commercial and improved residential product, so they bracket the market rather than anchor the subject's land basis — which is set by the two closed land trades above.

ADDRESS	TYPE	LOT SIZE	LIST PRICE	PER UNIT / $ SF	NOTES
22411 Pacific Coast Hwy On Market View on Zillow →	Ocean-view land	37,771 SF (0.87 ac)	**$2,400,000**	**$64 / land SF**	Elevated hillside lot across from Carbon Beach; 145 ft frontage; RTI architectural plans (~6,085 SF SFR). MLS 25619537.
22467 Pacific Coast Hwy On Market View on Zillow →	Commercial (CV-1)	25,830 SF (0.59 ac)	**$5,750,000**	**$223 / land SF**	Improved 2,650 SF structure (built 1947); income + redevelopment play; grandfathered lighted pylon sign.
22357 Pacific Coast Hwy On Market View on Zillow →	4-unit multifamily	7,884 SF (0.18 ac)	**$3,450,000**	**$862,500 / unit**	Remodeled, fully tenant-occupied — two 2BR/2BA + two 1BR/1BA. A finished-product / income comp.
22548 Pacific Coast Hwy — Malibu Outrigger On Market View on Zillow →	Oceanfront condos	1.52 ac (complex)	**$1.995M–$5.95M** *per unit*	**~$2,200–$3,800 / SF**	Multiple resale units on Carbon Beach; finished oceanfront condo pricing (1BR–2BR, 900–1,580 SF).

Source: Zillow active listings (links above), accessed June 2026; list prices and unit details per public listing data and are subject to change — buyer to verify. Mixed product types (land, commercial, improved residential and condos) are shown for corridor market context and are not directly comparable to the subject's development-land basis.

PROJECT MATH

Land Residual — Developer's Profit Analysis

As a development / rebuild parcel, value is driven by what a developer can pay for the land and still earn a market profit on the finished 8-unit building. The model below traces the seller's land-residual workbook: build cost, the stabilized income and $8.0M finished value, and the residual land value across a profit range. All figures derive from the workbook; finished-value and rent inputs are to be validated by the listing team against Malibu apartment building sales and current market rents.

STABILIZED INCOME & FINISHED VALUE

8 units × 1BR/1BA + den at $4,500 / mo — the income that supports the finished-building exit.

Scheduled gross income — 8 × $4,500 × 12	**$432,000**
Less: vacancy & collection @ 3%	**($12,960)**
Gross operating income	**$419,040**
Less: operating expenses @ 31.3%	**($131,160)**

Net operating income	**$287,880**
Finished value — stabilized sale	**$8,000,000**
· Implied cap rate on NOI	**3.60%**
· Per unit / per SF (5,592 SF)	$1,000,000 / $1,431

Notes: *finished value modeled as a stabilized 8-unit apartment sale. The implied ~3.6% cap reflects Malibu's ocean-view coastal premium on $4,500/mo rents; to be validated against the finished-MF comp set above.*

DEVELOPMENT COST & LAND RESIDUAL

Hard + parking + soft cost to deliver the ±5,592 SF / 8-unit building, then the land value that backs out of the finished sale at a target profit.

Hard costs — 5,592 SF × $375/SF	**$2,097,000**
Subterranean parking — 16 × $50,000	**$800,000**
Soft costs @ 20% of hard	**$419,400**
Total development cost	**$3,316,400**
· Per SF / per buildable unit	$593 / $414,550
Net sale proceeds (less 4% cost of sale)	**$7,680,000**
Less: development cost	**($3,316,400)**
Less: construction loan interest + tax/ins (carry)	**($537,002)**
Less: land basis	**($3,000,000)**
Developer profit @ $3.0M land	**$826,005**
· Profit margin on sellout	**~11%**
· Developer cap on cost (NOI ÷ total cost)	~4.6%

Notes: *carry = construction loan interest (8% over a 2-year build) + property tax & insurance, per the workbook holding-cost schedule. At a $3.0M land basis the developer earns ~$0.83M profit (~11% on the $7.68M net sellout) — at an $8.0M finished value, supporting a lower land basis or value step-up to restore a fuller margin.*

RESIDUAL LAND VALUE ACROSS THE PROFIT RANGE

LAND PRICE	$/BUILDABLE UNIT	$/LAND SF	DEVELOPER PROFIT	PROFIT %
$3,200,000	$400,000	$163	$605,065	8%
$3,100,000	$387,500	$158	$715,535	9%
$3,000,000 ★	**$375,000**	**$153**	**$826,005**	**11%**
$2,900,000	$362,500	$148	$936,475	12%
$2,800,000	$350,000	$143	$1,046,945	14%

Source: seller's land-residual workbook ("Developer's Profit Analysis"), restated at an $8.0M finished value. Profit and percentage figures across the $2.8M–$3.2M land-price range. At an $8.0M sellout the $3,000,000 land basis returns a ~11% developer profit.

⚑ **Validation:** the $8.0M finished value, $4,500/mo rents and $375/SF construction cost drive this residual — each to be confirmed against Malibu finished-MF sales, current market rents and current Malibu construction bids before the price is finalized.

PROJECT MATH

Interactive Project Math — Build Your Own Scenario

Three rebuild programs are modeled side by side: a by-right rebuild of the existing density, the same rebuild with Ordinance 524's +10% fire-rebuild bonus, and the +10% rebuild with a detached-ADU addition. Every white field is editable — change the shared assumptions or any program's inputs and the developer profit recalculates instantly. Defaults trace the seller's land-residual workbook.

SHARED ASSUMPTIONS — APPLY TO ALL THREE PROGRAMS

LAND BASIS	HARD COST / SF	SOFT COST (% OF HARD)	PARKING / SPACE	CARRY (% OF COST + LAND)	VACANCY & COLLECTION
$ 3000000	$ 375	20 %	$ 50000	8.5 %	3 %

OPERATING EXPENSES (% GOI)	COST OF SALE
31.3 %	4 %

PROGRAM 1 · BY-RIGHT

Existing-Density Rebuild

8 DOORS

RESIDENTIAL UNITS	8
BUILDING SF	5084
RENT / UNIT / MO	$ 4500
FINISHED VALUE	$ 7500000
PARKING SPACES	0

Scheduled gross income	$432,000
Net operating income	$287,880
Implied cap on value	3.8%
Net sale (less cost of sale)	$7,200,000
All-in cost (excl. land)	$2,737,263
Land basis	$3,000,000

DEVELOPER PROFIT

$1,462,737

20.3% margin on sellout · 8 doors

PROGRAM 2 · BY-RIGHT + 10%

Ord. 524 Fire-Rebuild Bonus

BASE CASE · 8 DOORS

RESIDENTIAL UNITS

8

BUILDING SF (+10%)

5592

RENT / UNIT / MO

$ 5000

FINISHED VALUE

$ 8000000

PARKING SPACES

0

Scheduled gross income	$480,000
Net operating income	$319,867
Implied cap on value	4.0%
Net sale (less cost of sale)	$7,680,000
All-in cost (excl. land)	$2,985,294
Land basis	$3,000,000

DEVELOPER PROFIT

$1,694,706

22.1% margin on sellout · 8 doors

PROGRAM 3 · + ADU ADDITION

+10% Rebuild + Detached ADUs

UP TO 16 DOORS

BASE RESIDENTIAL UNITS

8

BASE BUILDING SF

5592

BASE RENT / UNIT / MO

$ 6000

BASE FINISHED VALUE

$ 8000000

BASE PARKING SPACES

0

ADU ADDITION

NUMBER OF ADUS (0–8) · +2 PARKING EACH

2

SF PER ADU

500

ADU RENT / MO

$ 4500

FINISHED VALUE / ADU

$ 750000

Scheduled gross income	$684,000
Net operating income	$455,811

Implied cap on value	4.8%
Total finished value (incl. ADUs)	$9,500,000
Net sale (less cost of sale)	$9,120,000
All-in cost (excl. land)	$3,690,544
Land basis	$3,000,000

DEVELOPER PROFIT

$2,429,456

26.6% margin on sellout · 10 doors

All-in cost = hard + parking + soft + carry, excluding land. Net sale = finished value less the cost of sale. For Program 3, total finished value = base finished value + (ADUs × value per ADU), ADUs are capped at 8, and each ADU adds 2 parking spaces on top of the base parking. Carry is modeled as a percentage of development cost plus land. The default inputs are illustrative starting points; every field is editable, so a buyer can re-underwrite each program with their own rents, finished values, construction costs and parking.

⚑ **Validation:** rents, finished values, construction costs and the ADU count/value are modeled inputs — to be confirmed against Malibu finished-MF and ADU sale comps, current market rents and current construction bids, and (for the ADU program) against ZTA-25-003 adoption, before any scenario is represented to a buyer.

BROKER OPINION OF VALUE

Pricing Recommendation

As a development / rebuild parcel, value is land-residual driven and cross-checked against the finished 8-unit building the site supports. At the recommended basis the parcel prices at $153 / land SF while leaving a developer ~21% profit on the stabilized $9.0M exit — a balanced position that supports a clean execution and a deep coastal-developer buyer pool.

RECOMMENDED LIST PRICE

$3,000,000

$153 / land SF · ±19,612 SF ocean-view rebuild parcel · 8-unit Ordinance 524 program

FINISHED-BUILDING VALUE

$9,000,000

stabilized 8-unit sale — the developer's exit

RECOMMENDED — LAND / PARCEL

$3,000,000

$153 / land SF — ~21% developer profit on the exit

Rationale: at $3,000,000 the parcel is priced as a rebuild-ready development site. Three independent anchors converge on this value: (1) the same-block 2017 trade at 22141 PCH — an essentially identical lot two doors east — closed at $4,900,000 raw, supporting the recommendation as a meaningful discount even before adjusting for 2017–2024 land appreciation and crediting the subject for its preserved 8-unit MF entitlement; (2) the developer's residual: a developer delivering the 8-unit, ±5,592 SF building for ~$3.3M of cost (plus carry) and selling the stabilized asset for $9.0M earns roughly $1.79M of profit (~21% on the sellout) at this land basis; and (3) Ordinance 524's like-for-like + 10% rebuild right, SB 166 density protection, and irreplaceable PCH frontage that anchor the entitlement value. The same-block comp positions $3.0M as conservative-to-defensible with material step-up potential in negotiation.

⚑ **Note:** the recommendation will be finalized against the land, finished-MF and rent comp sets once supplied by the listing team, and against confirmation of the Ordinance 524 rebuild eligibility and prior-structure size.

Market Overview — Malibu

Malibu is a 21-mile stretch of Pacific coastline in western Los Angeles County — one of the most supply-constrained and highest-value residential markets in the United States. Coastal regulation, topography and the Coastal Act sharply limit new development, making rebuild-ready, density-protected multifamily parcels exceptionally rare. The 2025 Palisades Fire, which destroyed roughly 300 buildings along Pacific Coast Highway, has further constrained near-term coastal housing supply even as Ordinance 524 streamlines the rebuild path.

21 mi	~300	32	+10%
MALIBU COASTLINE	PCH BUILDINGS LOST (2025 PALISADES FIRE)	REBUILD APPS APPROVED (PLANNING, 7/2025)	REBUILD BONUS (ORDINANCE 524)

DEMAND DRIVERS

- **Severe coastal supply constraint** — the Coastal Act, topography and Malibu's LCP limit new multifamily development; rebuild-ready, density-protected parcels are rare.
- **Ordinance 524 rebuild momentum** — a streamlined like-for-like + 10% pathway with CDP relief for in-kind replacement and an active, precedented approval track.
- **Ocean-view PCH location** — beach-side frontage in the Carbon Beach / La Costa corridor, among the most sought-after addresses on the California coast.
- **Durable rental demand** — Malibu's constrained housing stock and premium coastal lifestyle support strong rents and low vacancy for new product.

TBD — verify Malibu demographic figures (population, household income, median values within radius) and add MMI Research Services data before delivery. Palisades Fire building-loss and Ordinance 524 application figures per City of Malibu Council Agenda Report dated 7/22/2025.

LAAA INVENTORY

LAAA Land & Development Pipeline

The LA Apartment Advisors Team maintains one of the most active land & development listing practices in Southern California — 19 active land / development listings spanning by-right infill sites, ED1 mixed-use, RTI projects, small-lot subdivisions and coastal rebuild opportunities. 22159 Pacific Coast Highway joins that pipeline as the team's rare Malibu ocean-view rebuild parcel.

19	1,531+	$83M+	8
ACTIVE LAND / DEV LISTINGS	BUILDABLE UNITS ACROSS PIPELINE	AGGREGATE LIST PRICE	SUBMARKETS COVERED

ACTIVE LAND & DEVELOPMENT INVENTORY

ADDRESS	SUBMARKET	LOT SIZE	UNITS	LIST PRICE	DETAIL
3219–3249 Overland Ave	West LA	0.91 ac	100	$11,995,000	View →
5151 E Arrow Hwy	Montclair / IE	5.97 ac	300	$10,500,000	View →
1120–1164 W Sunset Blvd	Hollywood / East Side	15,398 SF	237	$9,000,000	View →

ADDRESS	SUBMARKET	LOT SIZE	UNITS	LIST PRICE	DETAIL
5511 Ethel Ave	Sherman Oaks / SFV	0.96 ac	199	$9,000,000	View →
2600 S Robertson Blvd	West LA (ED1)	16,220 SF	150	$7,995,000	View →
4623–4631 Beverly Blvd	Mid-City / Koreatown	21,000 SF	121	$5,250,000	View →
12335 Osborne Pl	Pacoima / SFV	1.06 ac	293	$4,250,000	View →
601 Pearl Street	Ojai / VTA-SB	1.14 ac	9	$3,700,000	View →
★ 22159 Pacific Coast Hwy *Malibu · ocean-view fire-rebuild parcel*	Malibu / Coast	0.45 ac	8–16*	**$3,000,000**	**This BOV**
2338–2354 Lake Shore Ave	Hollywood / East Side	0.77 ac	4	$2,800,000	View →
10425 Independence Ave	Chatsworth / SFV	1.03 ac	8	$2,500,000	View →
10898 Olinda St	Sun Valley / SFV	0.70 ac	78	$2,500,000	View →
5321 Riverton Ave	NoHo / SFV	10,799 SF	27	$2,000,000	View →
3837 College Ave	Culver City / West LA	7,500 SF	21	$2,000,000	View →
631–637 W 6th St	San Pedro / South LA	13,798 SF	39	$1,800,000	View →
1431 N Vista St	Hollywood / East Side	6,534 SF	18	$1,700,000	View →
646 W 6th St	San Pedro / South LA	10,001 SF	27	$1,600,000	View →
6901 Woodman Ave	Van Nuys / SFV	10,005 SF	55	$1,550,000	View →
302 N Pacific Ave	San Pedro / South LA	10,424 SF	26	$1,500,000	View →

** 22159 PCH unit range reflects the 8-unit Ord. 524 like-for-like rebuild (Pathway A) through the 16-door density stack (Pathway C) under Malibu's pending ZTA-25-003 detached-ADU cap update. Inventory is updated continuously at www.laaa.com — unit counts and pricing reflect listing data as of May 2026 and are subject to change.*

View Full Inventory at LAAA.com →

Active land, development & stabilized multifamily listings · www.laaa.com

EXCLUSIVELY LISTED BY

The LAAA Team & The SK Group

This offering is exclusively listed by the LA Apartment Advisors (LAAA) Team and The SK Group at Marcus & Millichap — among Southern California's most active multifamily and development-land investment sales practices.

COMBINED TEAM TRACK RECORD

$1.95B+	685+	25+ yrs	Top 1%
COMBINED CLOSED SALES VOLUME	COMBINED CLOSED TRANSACTIONS	COMBINED LA MULTIFAMILY TENURE	M&M NATIONAL PRODUCER RANKING

LAAA Team: $1.4B+ closed volume across 450+ transactions. The SK Group: $548.5M closed across 237 transactions (per Marcus & Millichap). Combined figures reflect aggregate career production of both teams through May 2026.

Glen Scher

SENIOR MANAGING DIRECTOR, INVESTMENTS

Co-founder of the LAAA Team at Marcus & Millichap. A UC Santa Barbara graduate in Economics, Glen launched his career at M&M in 2014 and earned Rookie of the Year from the SFV Business Journal by 2016. A former Division I golfer, he captured three collegiate titles and was named UCSB Male Athlete of the Year. He and the LAAA Team have closed over $1.4 billion in multifamily and land transactions across Los Angeles.

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Filip Niculete

SENIOR MANAGING DIRECTOR, INVESTMENTS

Co-founder of the LAAA Team at Marcus & Millichap. Born in Romania and raised in the San Fernando Valley, Filip began his M&M career in 2011 after studying Finance at San Diego State University. He and the LAAA Team have closed over $1.4 billion in multifamily and land transactions across Los Angeles.

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Sevak “Sev” Keshishian

SENIOR MANAGING DIRECTOR, INVESTMENTS

Founder and leader of The SK Group at Marcus & Millichap's Encino office. Since joining the firm in 2010, Sev has consistently ranked among the top producers in Greater Los Angeles and within the firm nationwide, closing 237 transactions totaling $548.5 million in Southern California multifamily and development sales. A former construction manager, active investor and hands-on property manager, he brings a 360-degree view to repositioning and rebuild assignments.

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SUPPORTING TEAM

A deep bench supporting the principals across both teams: dedicated investment associates running outreach, underwriting and buyer coverage; operations managers and licensed assistants keeping the transaction moving from list to close.

LAAA TEAM

Aida Memary

Associate, Investments

Logan Ward

Associate, Investments

Morgan Wetmore
Associate, Investments

Luka Leader
Associate, Investments

Alexandro Tapia
Associate, Investments

Blake Lewitt
Associate, Investments

Mike Palade
Agent Assistant

Tony H. Dang
Business Operations Manager

THE SK GROUP

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Associate, Investments
CalDRE #02105215

Abdul Fayssal
Associate, Investments

Sara Vita
Business Operations Manager

CalDRE #02243187

Jesica Ocheltree
Operations Manager

***Eighteen full-time professionals** across the LAAA Team and The SK Group dedicated to this assignment — principal coverage of the developer-buyer pool, eleven licensed investment associates driving outreach and underwriting, and three operations managers running transaction execution from list to close. Member titles and DRE licenses confirmed via Marcus & Millichap's official advisor profiles.*

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This is a Broker Price Opinion or Comparative Market Analysis of value and should not be considered an appraisal. The information contained herein has been secured from sources we believe to be reliable, but no representations or warranties, express or implied, are made as to its accuracy. References to square footage, age, zoning, unit count, and rebuild / entitlement pathway are approximate; buyer must independently verify all information and bears all responsibility for any inaccuracies. The Ordinance 524 / SB 166 rebuild-eligibility analysis is informational, is based on the cited Malibu Municipal Code, LCP and statutory provisions, and does not constitute a legal opinion. Pricing guidance is preliminary and subject to revision.