

# BELLA NOTTE

THE INN AT EAST CLIFF

BOUTIQUE LUXURY  
COASTAL HOTEL

21305 E CLIFF DRIVE  
SANTA CRUZ, CA 95062



OFFERING  
MEMORANDUM



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# **EXECUTIVE SUMMARY**





## PROPERTY SUMMARY

Situated along the iconic East Cliff Drive in Santa Cruz, Bella Notte Inn presents an exceptional opportunity to acquire a boutique luxury coastal hotel in one of California's most desirable tourism markets. Built in 2007, this 10-room upper-upscale property caters to a discerning clientele seeking relaxation and proximity to the beach, boardwalk, and downtown Santa Cruz. Bella Notte is perfectly located between the Santa Cruz Boardwalk and the Capitola Village which has been recognized as a top-rated seaside town and won best and most walkable beach towns by publications such as Elle Décor, USA Today and Sunset Magazine. In addition to the beautiful beaches and the charm of Capitola Village, Bella Notte is just minutes from a vibrant mix of restaurants, boutique shopping, and scenic parks.

This independently operated, two-story hotel offers a rare combination of strong market fundamentals, desirable location, and low-density inventory. The asset includes a manager's apartment, 12 dedicated surface parking spaces, ample storage area, and a laundry room with commercial washer and dryer units.

## PROPERTY HIGHLIGHTS

Property Type	Independent Boutique Hotel (Upper Upscale)
Location	21305 E Cliff Dr, Santa Cruz, CA 95062
Lot Size	0.26 Acres (11,326 SF)
GBA	11,058 SF
Guestrooms	10
Year Built	2007
Manager's Apartment	Yes
Parking	12 Surface Spaces
Storage	Ample
On-site Laundry	Yes, commercial washer and dryer
Stories	2
Zoning	VA

# PRICE AND PROFORMA

## ASKING PRICE

**\$4,250,000**

Seller financing available for qualified investors

## KEY METRICS

Average Daily Rate (ADR)	\$234.83
Occupancy	70%
Total Room Nights Occupied per Year	2,555

## ANNUAL REVENUE

Total Gross Revenue	\$600,000
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## ESTIMATED ANNUAL EXPENSES

Housekeeping	\$45,000
Supplies	\$25,000
Payroll	\$25,000
Utilities	\$22,000
Repairs & Maintenance	\$18,000
Marketing & Reservation Services	\$40,000
Insurance	\$18,000
Property Taxes	\$51,000
Bank/Credit Card Fees	\$17,000
Miscellaneous / Contingency	\$18,000
Total Expenses	\$279,000

## NET OPERATING INCOME (NOI)

**\$321,000** - 7.6% cap at asking price



















7TH AVE

EATON ST

21305 E CLIFF DR  
SUBJECT PROPERTY

BROADWAY



E CLIFF DR

3RD ST

MURRAY ST

BEACH ST





# INVESTMENT HIGHLIGHTS



## Attractive Seller Financing

Seller financing is available for qualified investors, opening the door to flexible terms and potentially reduced acquisition hurdles.

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## First Time on Market

Bella Notte has been thoughtfully built, operated, and maintained by its original owners. This is the first time the property has been offered for sale, presenting a rare opportunity to acquire a well-cared-for asset with local legacy.

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## Boutique, Turnkey Operation

This 10-room asset has been independently operated with high guest appeal. The manageable size, updated design, and proven revenue make it ideal for private or lifestyle investors.

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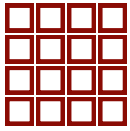


## Ideal for Owner/Operator

The on-site manager's apartment makes this property especially attractive to an owner/operator seeking to live and work in a coastal setting with a hands-on hospitality model.



# INVESTMENT HIGHLIGHTS



## Value Add Opportunity

Purchaser could split the oversized rooms to increase the key count to 16 or more rentable rooms.

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## Automating

A new operator could utilize platforms such as Airbnb, Vrbo and Booking.com to reduce expenses.

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## Strong Coastal Location

Situated in Santa Cruz, one of California's most iconic beach destinations, Bella Notte Inn benefits from year-round tourism demand and strong local brand identity. Just minutes from the Santa Cruz Beach Boardwalk and the Capitola Village, the property enjoys proximity to one of the state's top seaside attractions.

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## Limited Supply, High Barriers

No new rooms were delivered in the past year in the submarket, highlighting the value of existing inventory and the appeal of well-located, boutique hospitality assets.







# **PROPERTY OVERVIEW**

# GUESTROOM OVERVIEW

Situated along the iconic East Cliff Drive in Santa Cruz, Bella Notte Inn presents an exceptional opportunity to acquire a boutique coastal hotel in one of California's most desirable tourism markets. Built in 2007, this 10-room upper-upscale property caters to a discerning clientele seeking relaxation and proximity to the beach, boardwalk, and downtown Santa Cruz. The hotel is ideally positioned within walking distance of the ocean and benefits from a Walk Score of 72, indicating high accessibility to restaurants, parks, and shopping.

This independently operated, two-story hotel offers a rare combination of strong market fundamentals, desirable location, and low-density inventory. The asset features oversized rooms, spa amenities, dedicated surface parking, and a wood-frame construction tailored to coastal living. The local market shows strong RevPAR and occupancy performance, reflecting stable tourism-driven demand and limited new supply—making this a highly attractive, cash-flowing hospitality investment.

ROOM TYPE	LOCATION	KEY FEATURES
King Spa	Ground Floor	Bubble tub/shower, wet bar, mini fridge
Superior King	Second Floor	Gas fireplace, bathtub/shower combo, walk-in closet (Rooms 7 & 8)
Standard King	Second Floor	High ceilings, wet bar, mini fridge
Standard King ADA	Ground Floor	ADA compliant, large walk-in shower, easy access to handicapped parking
Double Queen ADA	Ground Floor	Two queen beds, ADA compliant, large walk-in shower, easy access to parking

## All rooms are equipped with:

- All bathrooms have heated floors
- All except one guest room feature a built-in desk and a convenient secondary sink
- Pillow-top mattresses
- Luxurious bathrobes
- Flat-screen TVs with premium channels and DVD players
- iPod/iPad/iPhone compatible alarm clock
- Air conditioning
- Free calls within the 48 contiguous states
- Complimentary Wi-Fi

## Oversized Room Information and Investor Potential:

Oversized rooms provide the opportunity for an investor to add to the rentable key count. The **approximate** sizes of the rooms are as follows:

ROOM	SIZE	ROOM	SIZE	ROOM	SIZE	ROOM	SIZE	ROOM	SIZE
1	384 SF	3	350 SF	5	312 SF	7	396 SF	9	350 SF
2	384 SF	4	350 SF	6	392 SF	8	396 SF	10	422 SF

The presence of these larger rooms offers the potential for investors to explore the possibility of creating additional keys and maximizing the property's capacity.









# AMENITIES

Bella Notte Inn enhances the guest experience with a range of amenities designed for comfort and convenience:

- All bathrooms have heated floors
- Free on-site parking
- Complimentary Wi-Fi throughout the property
- In-room safes
- Mini refrigerators stocked with complimentary waters
- Coffee and tea makers
- Complimentary snacks
- Non-smoking rooms
- Proximity to Twin Lakes State Beach (just two blocks away)

These amenities contribute to a relaxing and enjoyable stay, making Bella Notte Inn a preferred choice for travelers seeking boutique accommodations in Santa Cruz.







# **MARKET OVERVIEW**

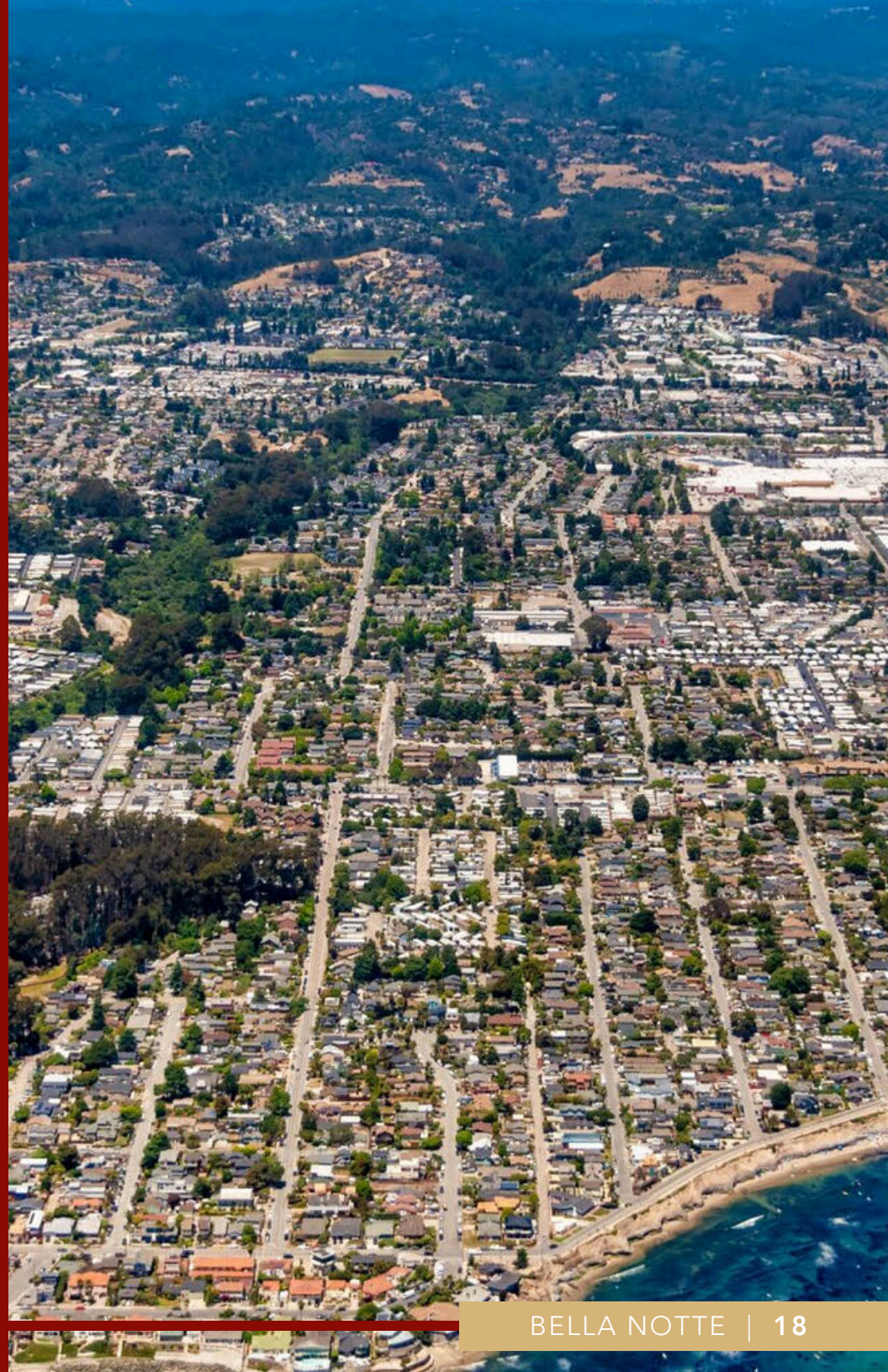
# SANTA CRUZ OVERVIEW

The Santa Cruz-Watsonville Metropolitan Statistical Area ("MSA") is nestled within Santa Cruz County, a region celebrated for its stunning natural beauty, from pristine beaches to majestic redwood forests. With a population of over 260,000 residents, the Santa Cruz-Watsonville MSA encompasses the city of Santa Cruz, alongside Watsonville, Capitola, and Scotts Valley.

Santa Cruz boasts a diverse and dynamic economy anchored by several key sectors, including agriculture, tourism, high technology, and education, particularly due to the presence of the University of California, Santa Cruz (UCSC), a distinguished research institution. The region is a hub for innovation, with a thriving tech ecosystem and a strong emphasis on marine sciences, organic agriculture, and artisanal crafts.

Drawing over one million annual visitors, Santa Cruz is a premier tourist destination renowned for its favorable Mediterranean climate, breathtaking coastline, and world-class recreational opportunities such as surfing, hiking, and whale watching. Key attractions include the Santa Cruz Beach Boardwalk, the Santa Cruz Wharf, and numerous state parks and beaches.

The Santa Cruz MSA is home to several institutions of higher learning, most notably the University of California, Santa Cruz, which enrolls over 19,000 undergraduate and graduate students. Other notable institutions include Cabrillo College and the nearby California State University, Monterey Bay, contributing to a vibrant intellectual environment in the region.





# TOURISM

Explore Santa Cruz: Attractions Near Bella Notte Inn

Bella Notte Inn offers a central coastal location that places guests within minutes of some of Santa Cruz's most iconic natural landmarks, entertainment venues, and local experiences.



## **Twin Lakes State Beach (0.3 miles)**

- Mile-long sandy shoreline ideal for swimming and sunbathing
- Popular for picnics and beach walks
- Adjacent to Schwan's Lake, a haven for birdwatchers

## **Santa Cruz Yacht Harbor (0.6 miles)**

- Home to local restaurants, marine activities, and watercraft rentals
- Perfect for kayaking, paddleboarding, and harbor-side dining
- Access to scenic walking and biking trails



## **Santa Cruz Beach Boardwalk, Wharf & Main Beach (2.6 miles)**

- Historic seaside amusement park with rollercoasters and arcade games
- Family-friendly activities like laser tag and bowling
- Shopping, snacks, and beachfront restaurants

## **Seymour Marine Discovery Center (2.6 miles)**

- Features hands-on exhibits, tide pool displays, and marine science education
- Home to an 87-foot blue whale skeleton
- Offers guided tours and oceanfront views





# **SALES COMPARABLES**



# SALES COMPARABLES



## 01 BEACH STREET INN & SUITES - 125 BEACH ST SANTA CRUZ, CA 95060 (SANTA CRUZ COUNTY)

SALE PRICE  
\$24,000,000(\$500K/KEY)

Sold	1/19/2024	Parcel Numbers	007-212-16-000
Rooms	48	Price Status	Allocated
Built/Renovated	1940/2012	Land Area	1.63 AC/71,003 SF
Sale Comp Status	Research Complete	Sale Comp ID	6641738



## 02 EDGEWATER BEACH INN SANTA CRUZ, CA 95060 (SANTA CRUZ COUNTY)

SALE PRICE  
\$11,400,000 (\$670,588/KEY)

Sold	8/15/2023	Parcel Numbers	007-212-11-000
Rooms	17	Price Status	Full Value
Built/Renovated	1967	Land Area	0.26 AC/11,326 SF
Sale Comp Status	Research Complete	Sale Comp ID	6582189



## 03 EL VIEW LODGE MOTEL - 810 3RD ST SANTA CRUZ, CA 95060 (SANTA CRUZ COUNTY)

SALE PRICE  
\$7,000,000 (\$333,333/-ROOM)

Sold	4/14/2023	Parcel Numbers	007-033-05-000
Rooms	21	Price Status	Full Value
Built/Renovated	1956	Land Area	1.06 AC/46,174 SF
Sale Comp Status	Research Complete	Sale Comp ID	6372134



## 04 DARLING HOUSE BED... - 314 W CLIFF DR SANTA CRUZ, CA 95060 (SANTA CRUZ COUNTY)

SALE PRICE  
\$5,000,000 (\$714,286/KEY)

Sold	8/30/2019	Parcel Numbers	004-243-15
Rooms	7	Price Status	Confirmed
Built/Renovated	1913/August 2017	Land Area	0.60 AC/26,136 SF
Sale Comp Status	Research Complete	Sale Comp ID	4882000

# SALES COMPARABLES



## 05 CAPITOLA HOTEL - 210 ESPLANADE CAPITOLA, CA 95010 (SANTA CRUZ COUNTY)

SALE PRICE  
\$3,000,000 (\$300,000/KEY)

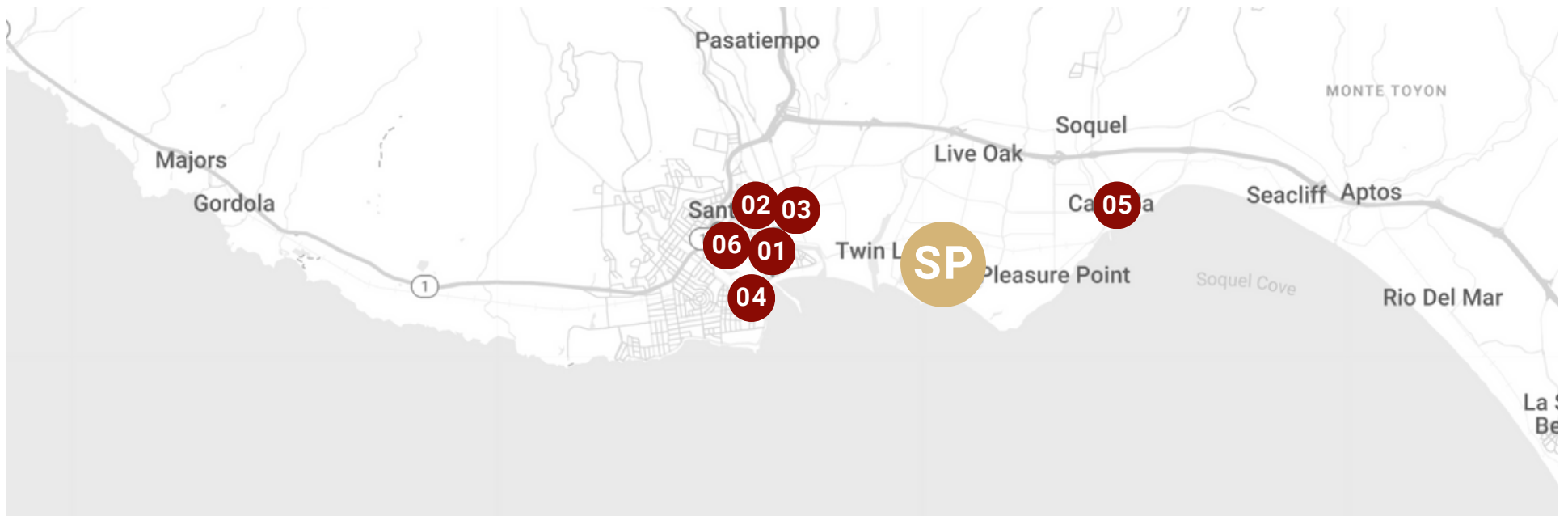
Sold	6/28/2018	Parcel Numbers	035-221-08-000 +1
Rooms	10	Price Status	Confirmed
Built/Renovated	1950	Land Area	0.07 AC/3,049 SF
Sale Comp Status	Research Complete	Sale Comp ID	4347043



## 06 SEAWAY INN SANTA CRUZ, CA 95060

SALE PRICE  
\$5,400,000 (\$311,111/KEY)

Sold	11/15/2018	Parcel Numbers	004-081-14-000
Rooms	18	Price Status	Confirmed
Built/Renovated	1959	Land Area	0.26 AC/11,326 SF
Sale Comp Status	Research Complete	Sale Comp ID	4603646

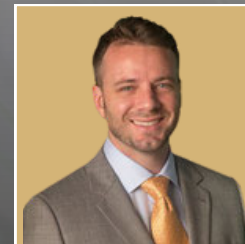




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