



# 2134 REED AVENUE

PACIFIC BEACH  
SAN DIEGO, CA 92109

OFFERING MEMORANDUM

Marcus & Millichap



PACIFIC  
OCEAN

*Only 14 Blocks from the Beach  
& Two Blocks to Mission Bay*





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EXCLUSIVELY LISTED BY

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# THE OPPORTUNITY

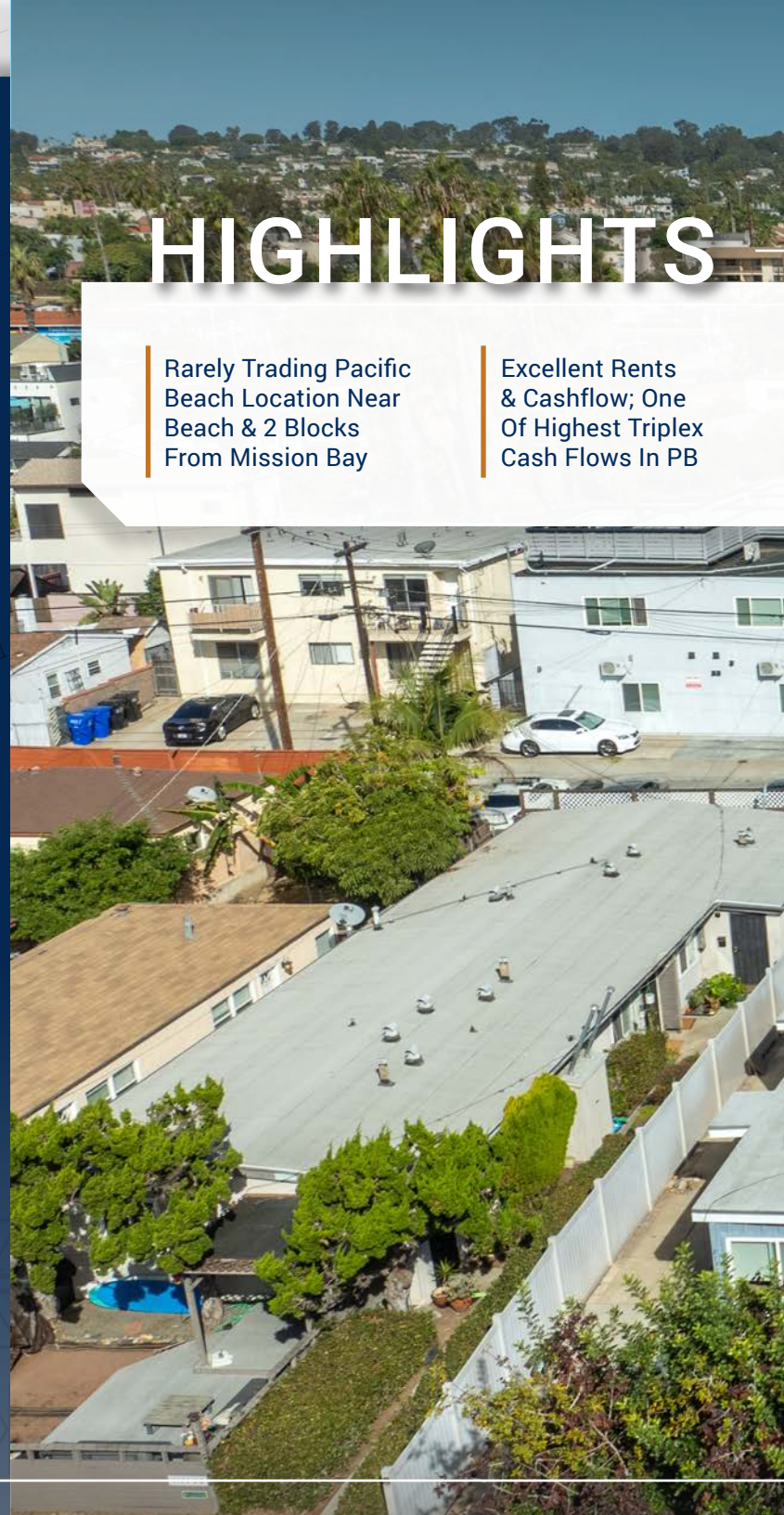
Marcus and Millichap is pleased to present 2134 Reed Avenue, a renovated triplex just two blocks to the bay in the highly popular Pacific Beach neighborhood of San Diego, California. Major upgrades have been made to the complex in the last two years including 2 completely renovated rear 1-bedroom / 1-bath units (approximately 500 SF) and a partially upgraded 2-bedroom cottage (approximately 824 SF). Units have received upgraded power, individual washer dryers and all new kitchens and baths in the rear units. Built in 1947 and restored in 2022, this triplex features prime walkability to the bay, beach, and popular Garnet Avenue shops, stores, restaurants and entertainment. This is an ideal investment for the location-prioritized investor, owner/user, ADU builder, or investor seeking strong cash flow for the price.

Pacific Beach presents a unique opportunity due to its prime coastal location, popular restaurants and stores, and vibrant community atmosphere. The area is known for its beautiful beaches, active lifestyle, and a strong tourism market, attracting both locals and visitors year-round. This consistent influx of people creates a robust demand for various investment properties, including multifamily, retail, restaurants, and hospitality, making it a lucrative environment for investment. Additionally, Pacific Beach has seen significant development and revitalization efforts, enhancing its appeal and driving property values upward. Moreover, the strong rental market in Pacific Beach provides investors with the potential for stable cash flow and long term appreciation. The area's demographics, characterized by a mix of young professionals, college students, families, and retirees, support a diverse range of commercial opportunities. With favorable zoning regulations and a supportive local government focused on sustainable development, investors can benefit from a proactive environment for growth. The combination of a thriving economy, desirable lifestyle, and limited available space makes Pacific Beach a compelling choice for anyone looking to invest in the area.

# HIGHLIGHTS

Rarely Trading Pacific Beach Location Near Beach & 2 Blocks From Mission Bay

Excellent Rents & Cashflow; One Of Highest Triplex Cash Flows In PB







Flexible As  
Owner/User  
Or Investment  
Opportunity

Room To Build  
Two Additional  
ADUs In Center  
Courtyard

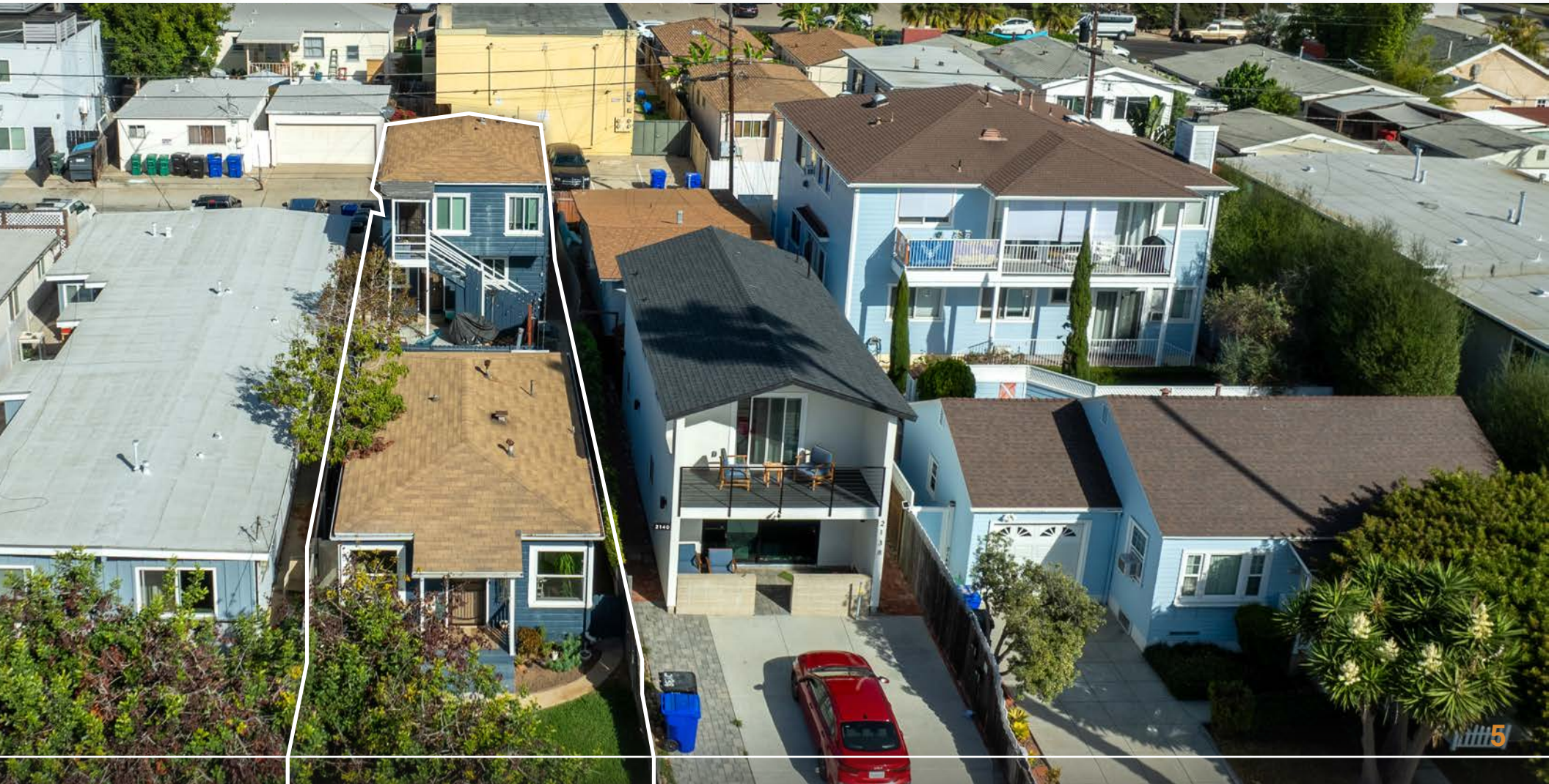
Excellent Mix Of  
One 2-Bedroom  
Cottage & Two  
1-Bedroom Units

Full Property  
Remodel With New  
Kitchens, Baths,  
Floors, Appliances

Major Plumbing  
Improvements,  
In-Unit Laundry  
& Power Upgrades

No Owner Utilities:  
City Trash &  
Tenants Pay RUBS  
For Water & Sewer

Two Off-Street  
Parking Spaces  
& Interior Private  
Courtyard





# CAPITAL IMPROVEMENTS

VVNYL  
PLANK  
FLOORING

BRAND  
NEW WOOD  
SLAT FRONT  
ENTRANCE

WASHER &  
DRYER IN  
EVERY UNIT

NEW  
BLINDS

NEW  
DUAL PANE  
WINDOWS  
& PAINT

NEW  
PEDESTAL  
MAILBOX

DESERT  
SCAPE  
LANDSCAPING,  
NO SPRINKLER  
NEEDED

BRAND  
NEW WOOD &  
VINYL FENCE

CITY TRASH;  
NO LANDLORD  
EXPENSE



2136

# REAR BUILDING UPGRADES

NEW  
RE-WIRED  
ELECTRICAL

NEW DISH  
WASHERS

ALL NEW  
ROUGH  
PLUMBING

TILE  
BACKSPLASH  
OVER RANGE  
MICROWAVE

NEW  
KITCHEN  
WITH WHITE  
SHAKER  
CABINETS

MAIN PANEL  
ELECTRICAL  
UPGRADE TO  
200 AMP

MAIN PANEL  
ELECTRICAL  
UPGRADE TO  
200 AMP

NEW PLUMBING;  
SHOWER WAS  
EPOXIED

AC IN EACH  
UNIT & NEW  
WATER  
HEATERS

NEW  
SUB-PANELS

NEW  
BACKFLOW  
PREVENTER

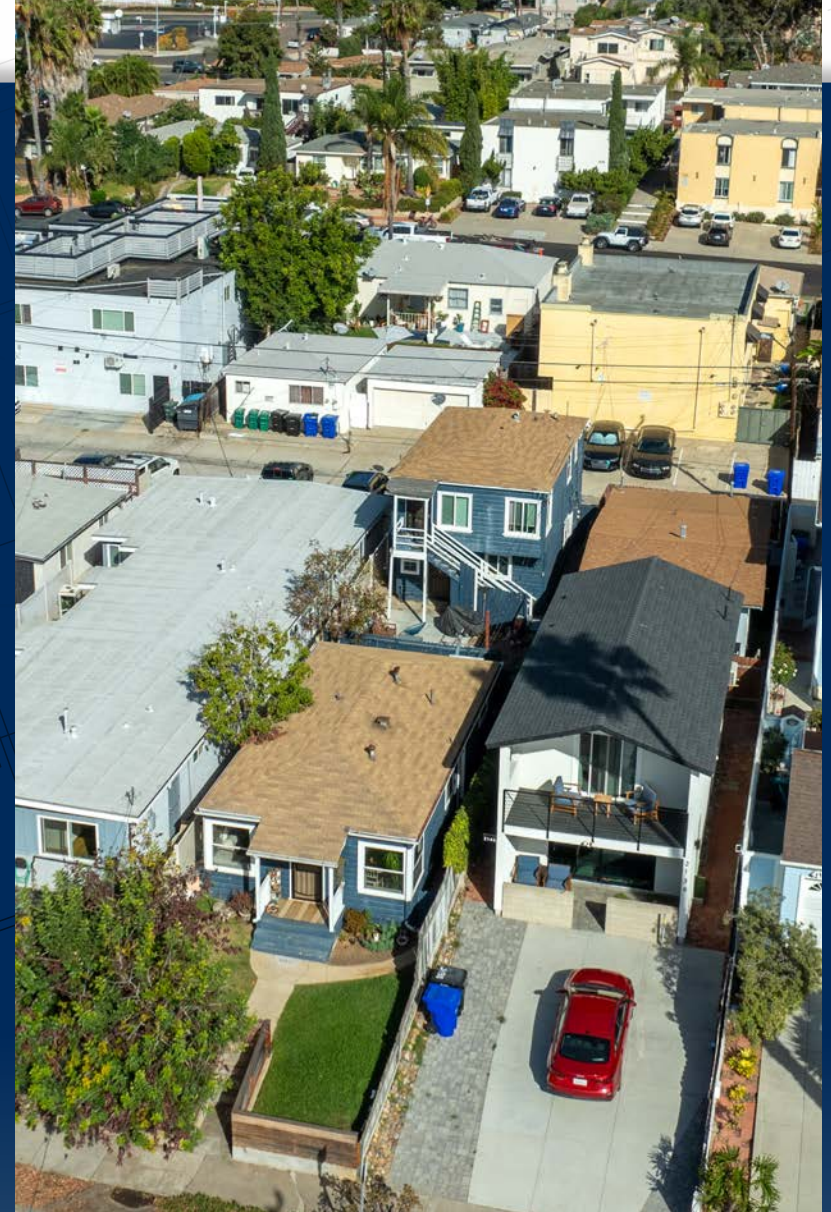


# PRICING DETAILS

PRICE	\$1,950,000
NUMBER OF UNITS	3
PRICE PER UNIT	\$650,000
PRICE PER SF	\$1,069.08
RENTABLE SF	1,824
LOT SIZE (SF)	3,129
APPROX. YEAR BUILT	1947

DOWN PAYMENT	\$1,150,000
LOAN AMOUNT	\$800,000
LOAN TYPE	Proposed New
INTEREST RATE	6.00%
AMORTIZATION	30 Years
TERM	7 Years

INCOME	CURRENT	MARKET STABILIZED	POST RENOVATION
CAP RATE	3.24%	3.50%	4.01%
GRM	19.23	18.26	16.58
CASH-ON-CASH	0.45%	0.88%	1.74%
DEBT COVERAGE RATIO	1.09	1.17	1.35







# OF UNITS	UNIT TYPE	SF / UNIT	AVERAGE CURRENT RENTS	MARKET RENTS	POST RENOVATION
1	2-bedroom / 1-bath Cottage	824	\$3,156	\$3,400	\$3,800
2	1-bedroom / 1-bath	500	\$2,648	\$2,750	\$3,000



# OPERATING STATEMENT

INCOME		CURRENT	MARKET STABILIZED	POST RENOVATION
Gross Scheduled Rent		\$101,412	\$106,800	\$117,600
Less: Vacancy / Deductions	3%	\$3,042	\$3,204	\$3,528
Total Effective Rental Income		\$98,370	\$103,596	\$114,072
RUBS - Water		\$2,669	\$2,669	\$2,669
Misc Income		\$-	\$-	\$-
Effective Gross Income		\$101,039	\$106,265	\$116,741
Less: Expenses	38.40%	\$37,772	\$38,033	\$38,557
Net Operating Income		\$63,267	\$68,232	\$78,184
Cash Flow		\$63,267	\$68,232	\$78,184
Debt Service		\$58,119	\$58,119	\$58,119
Net Cash Flow After Debt Service	0.45%	\$5,148	\$10,113	\$20,065
Principal Reduction		\$10,726	\$10,726	\$10,726
Total Return	1.38%	\$15,874	\$20,839	\$30,791
<b>EXPENSES</b>				
Real Estate Tax		\$24,024	\$24,024	\$24,024
Insurance		\$1,505	\$1,505	\$1,505
Water & Sewer		\$2,669	\$2,669	\$2,669
Electricity		\$2,062	\$2,062	\$2,062
Trash Removal		\$-	\$-	\$-
Repairs & Maintenance		\$1,800	\$1,800	\$1,800
Landscaping		\$660	\$660	\$660
Management Fee	5%	\$5,051.93	\$5,313.25	\$5,837.05
Total Expense		\$37,772	\$38,033	\$38,557
Expense as a % of EGI		38.40%	36.71%	33.80%
Net Operating Income		\$63,267	\$68,232	\$78,184



# RENT ROLL SUMMARY

UNIT TYPE	# OF UNITS	AVERAGE SF	RENTAL RANGE	CURRENT		MARKET STABILIZED		POST RENOVATION	
				AVERAGE RENT	MONTHLY INCOME	AVERAGE RENT	MONTHLY INCOME	AVERAGE RENT	MONTHLY INCOME
2-bedroom / 1-bath Cottage	1	824	\$3,156	\$3,156	\$3,156.0	\$3,400	\$3,400	\$3,800	\$3,800
1-bedroom / 1-bath	2	500	2600-2695	\$2,648	\$5,295.0	\$2,750	\$5,500	\$3,000	\$6,000



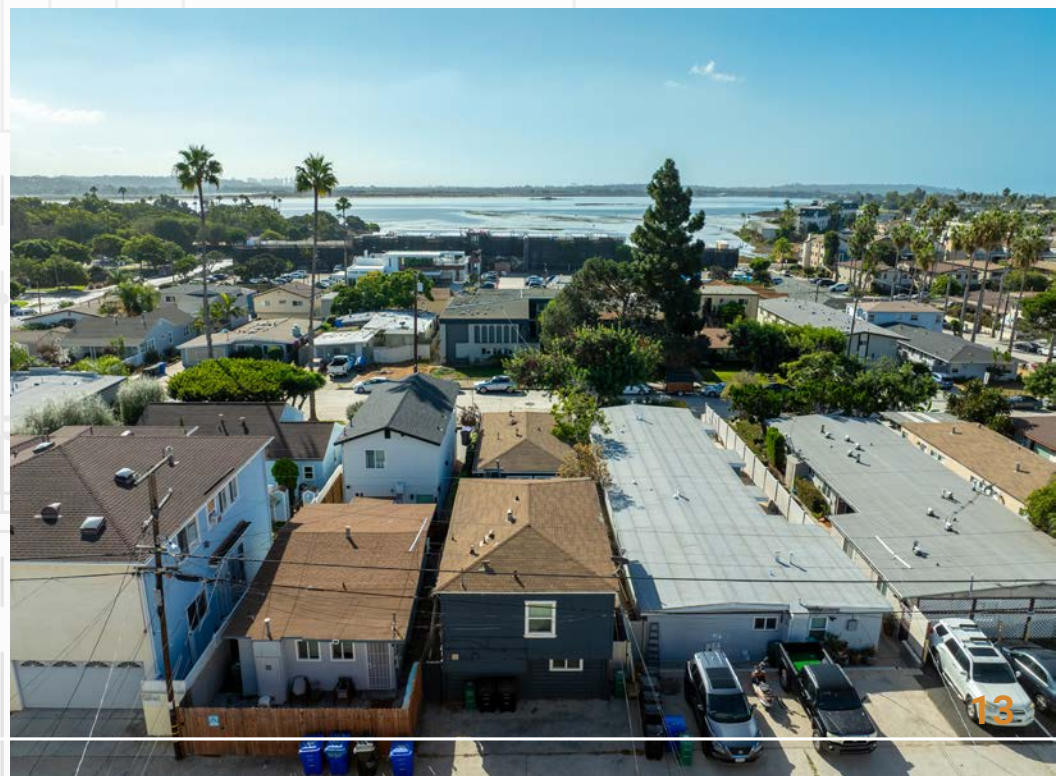
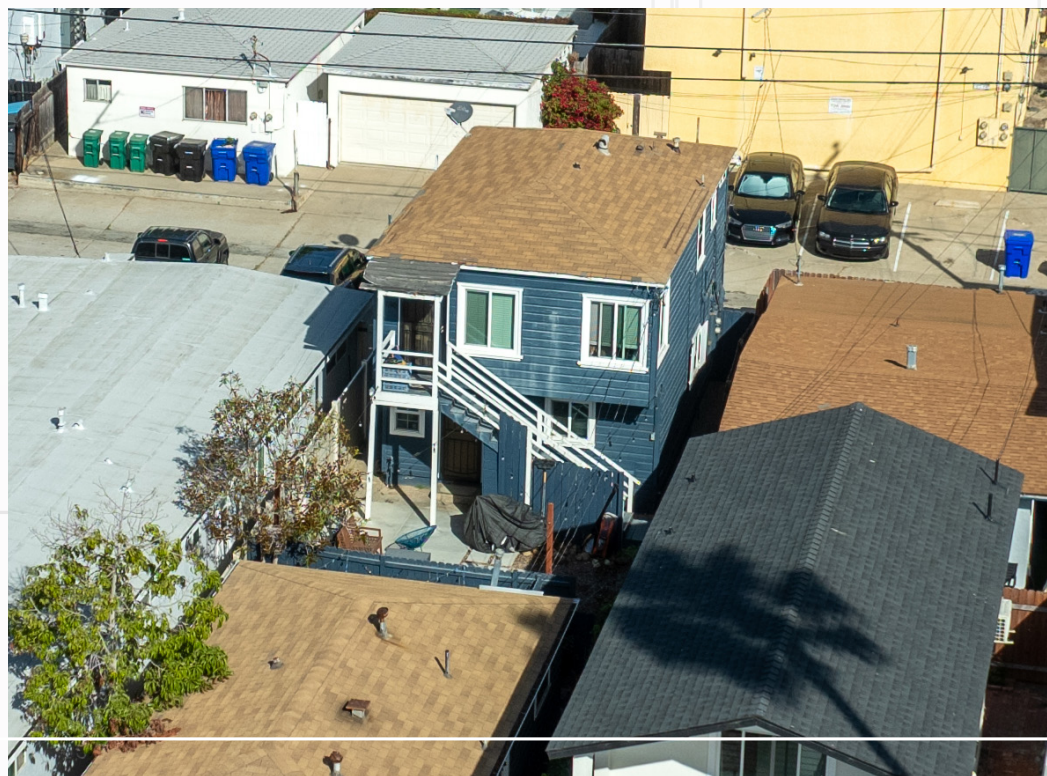


PROPERTY

EXTERIOR

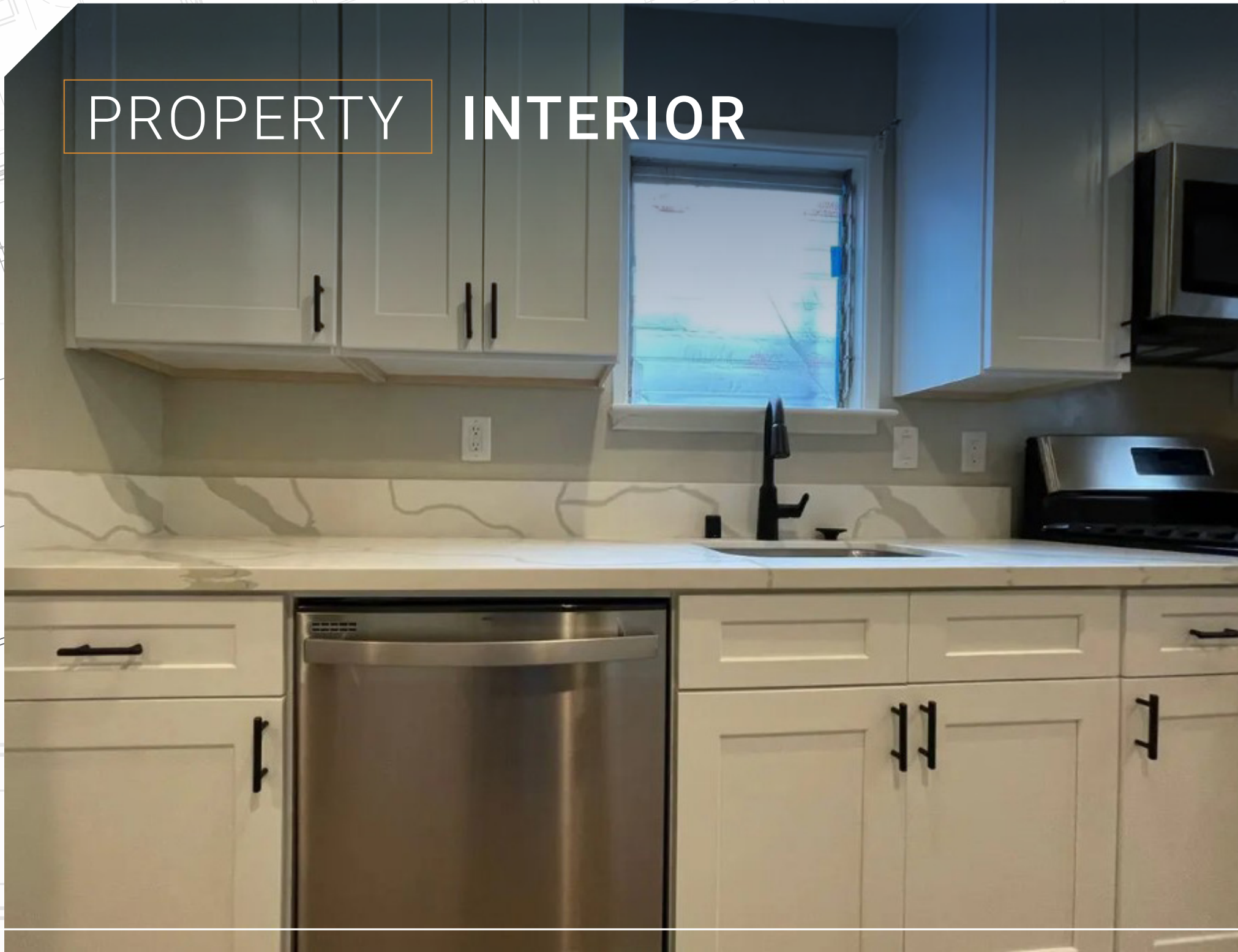








# PROPERTY INTERIOR









# SOLD

# COMPARABLES

1 934 Reed Ave | San Diego, CA



		Unit	Unit Type
Sale Date	07/14/2023	1	2 Bed / 1 Bath
Status	Sold	1	1 Bed / 1 Bath
Sale Price	\$2,350,000	1	Studio / 1 Bath
Price Per Unit	\$783,000		
Price Per SF	\$1,486.40		
Cap Rate	1.92%		
GRM	31.84		
Number of Units	3		
Year Built	1950		
Income	\$73,788		
NOI	\$45,010		
Expenses	\$26,565		
Vacancy	\$2,213		

2 1927 Oliver Ave, San Diego, CA



		Unit	Unit Type
Sale Date	07/14/2023	3	2 Bed / 1 Bath
Status	Sold		
Sale Price	\$1,900,000		
Price Per Unit	\$633,333		
Price Per SF	\$688.16		
Cap Rate	2.65%		
GRM	23.03		
Number of Units	3		
Year Built	1977		
Income	\$82,500		
NOI	\$50,325		
Expenses	\$29,700		
Vacancy	\$2,213		

3 910 Diamond Ave, San Diego, CA



		Unit	Unit Type
Sale Date	10/21/2024	3	2 Bed / 1 Bath
Status	Sold		
Sale Price	\$2,100,000		
Price Per Unit	\$700,000		
Price Per SF	\$961.54		
Cap Rate	1.79%		
GRM	32.56		
Number of Units	3		
Year Built	1977		
Income	\$64,500		
NOI	\$37,505		
Expenses	\$25,060		
Vacancy	\$1,935		





DOWNTOWN  
SAN DIEGO

MISSION  
BAY



4

### 3721 Riviera Dr, San Diego, CA



#### Unit Type

Sale Date	9/16/2024	1	3 Bed / 2 Bath
Status	Sold	1	2 Bed / 1 Bath
Sale Price	\$2,600,000	1	1 Bed / 1 Bath
Price Per Unit	\$866,667		
Price Per SF	\$1,045.02		
Cap Rate	2.15%		
GRM	28.32		
Number of Units	3		
Year Built	1965		
Income	\$91,800		
NOI	\$55,998		
Expenses	\$33,048		
Vacancy	\$2,754		





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