

An aerial photograph of the Mission Hills neighborhood in San Diego, California. The image shows a mix of residential and commercial buildings. A specific area, bounded by a dashed white line, is highlighted as the development or rehabilitation opportunity. This area contains several multi-story buildings with flat roofs and some greenery. In the background, a large parking lot and a multi-lane highway are visible. The San Diego skyline and a body of water are seen in the far distance under a clear blue sky.

DEVELOPMENT OR REHABILITATION OPPORTUNITY IN THE MISSION HILLS NEIGHBORHOOD OF SAN DIEGO, CA

2051-2089 San Diego Avenue, San Deigo CA 92103

Marcus & Millichap

OFFERING MEMORANDUM

Marcus & Millichap

EXCLUSIVELY LISTED BY

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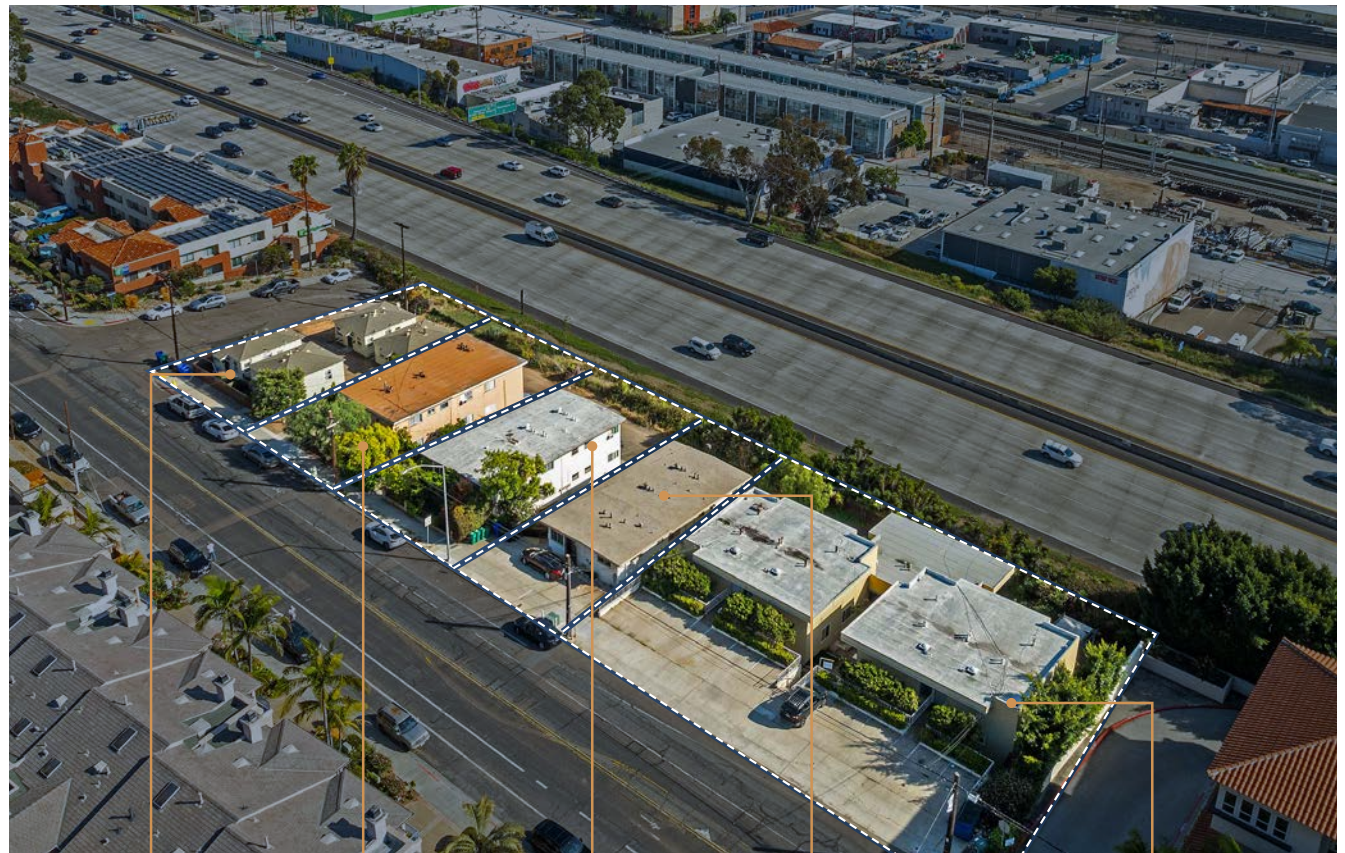
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THE OFFERING

Marcus & Millichap in collaboration with Enduring Real Estate is pleased to exclusively present for sale 2051-2089 San Diego Avenue, an extremely rare 33,710 SF (.77 Acres) piece of prime land across six contiguous parcels in the highly desirable Mission Hills neighborhood of San Diego, CA. Comprised of almost of an entire block within the complete communities tier 3 overlay, the property boasts a max FAR of 6.5. Property can be bought as a new development, keeping and adding to existing structures OR bought as a legacy assemblage in current condition to raise rents to market. Existing buildings are producing substantial income and are well maintained by separate owners/operators. Buildings include a 10-unit (with two non-conforming studios), three similar 6-unit complexes on the interior, and four cottages at the south corner of the block.



2059
SAN DIEGO AVENUE
4 Cottage Units

2059
SAN DIEGO AVENUE
6 Units

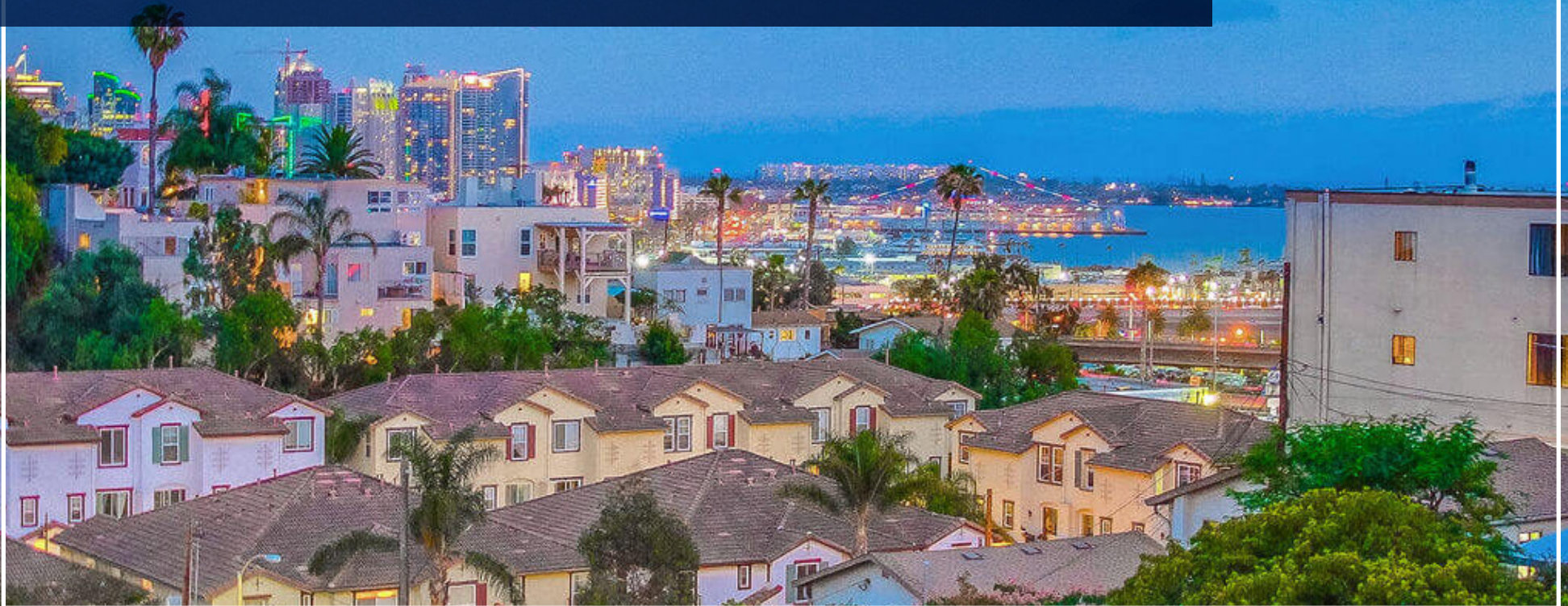
2065
SAN DIEGO AVENUE
6 Units

2073
SAN DIEGO AVENUE
6 Units

2085
SAN DIEGO AVENUE
10+2* Units

The Neighborhood

The Mission Hills neighborhood has long been known for its upscale affluent, and highly desirable charm. The neighborhood overlooks Old Town, Little Italy, Downtown and the San Diego Bay and is also proximate to the popular Hillcrest neighborhood and Balboa Park. The area is known for its architectural diversity and image as one of the oldest and best preserved neighborhoods in the County. Tenants enjoy close proximity to entertainment, nightlife, major roads, boutique shops, coffee shops and fine dining. This property would be ideal for the investor seeking to bring interiors to high-end finishes and raise rents to market in a gentrifying neighborhood that has seen one of the largest pushes in market rent in San Diego over the last year.



HIGHLIGHTS

- Irreplaceable Mission Hills, San Diego, CA
Location Near Popular Balboa Park & Little Italy
- Opportunity To Develop For Maximum Density Or Refurbish Existing Legacy Assemblage
- Complete Communities Tier 3 Allows For 6.5 FAR; ~300 SF Of Frontage On San Diego Ave (~115 SF Depth)
- Extremely Rare Land Assemblage Of 33,710 SF In One Of The Most Trendy So-Cal Neighborhoods
- Existing Buildings Are Well-Maintained Condition Providing Substantial Rental Income During Permitting
- Large Under-Rented Units & Buildings Rest On Rarely Trading San Diego Avenue
- The subject Property Contains A Hard Corner With Ample Space For Behind-Property Parking
- Highly Walkable To Balboa Park, Local Restaurants, Cafes, Entertainment, Bars & Grocery Stores
- Close Proximity To UCSD Hospital, downtown San Diego Employment & 3 Major Freeways



LOT SIZE AND ZONING

SUMMARY

List Price	\$10,500,000
Land Price/SF	\$311.48
Dimensions (approx.)	~300 feet of frontage and ~115 feet of depth
SF/DU	1,500
Allowable Uses	Multifamily, Retail
Leases	All tenants have month-to-month rental agreements
Zoning	CC-3-4
Municipal Code	Click Here

RENT ROLL DETAIL

Unit Type	# of Units	Avg Sq Feet	Rental Range	Scheduled			Potential		
				Average Rent	Average Rent / SF	Monthly Income	Average Rent	Average Rent / SF	Monthly Income
2 bedroom/1-bathroom	4	763	\$1,525 - \$1,875	\$1,763	\$2.31	\$7,050	\$2,650	\$3.47	\$10,600
1 bedroom/1-bathroom	20	471	\$1,136 - \$1,850	\$1,565	\$3.32	\$31,307	\$2,200	\$4.67	\$44,000
1 bedroom Cottage	4	480	\$1,700 - \$1,700	\$1,700	\$3.54	\$6,800	\$2,350	\$4.90	\$9,400
Studio/1-bathroom	2	388	\$1,300 - \$1,400	\$1,350	\$3.48	\$2,700	\$1,900	\$4.90	\$3,800
Studio non-conforming	2	400	\$1,100 - \$1,190	\$1,145	\$2.86	\$2,290	\$1,400	\$3.50	\$2,800
Totals/Weighted Averages	32	499		\$1,567	\$3.14	\$50,147	\$2,206	\$4.42	\$70,600
Gross Annualized Rents				\$601,764			\$847,200		

RENT ROLL DETAIL

Unit	Unit Type	Square Feet	Current Rent / Month	Current Rent / SF/ Month	Scheduled Rent / Month	Scheduled Rent / SF/ Month	Potential Rent / Month	Potential Rent/ SF/ Month
2051	1 bedroom Cottage	480	\$1,700	\$3.54	\$1,700	\$3.54	\$2,350	\$4.90
2053	1 bedroom Cottage	480	\$1,700	\$3.54	\$1,700	\$3.54	\$2,350	\$4.90
2055	1 bedroom Cottage	480	\$1,700	\$3.54	\$1,700	\$3.54	\$2,350	\$4.90
2057	1 bedroom Cottage	480	\$1,700	\$3.54	\$1,700	\$3.54	\$2,350	\$4.90
2059	1 bedroom/1-bathroom	450	\$1,575	\$3.50	\$1,575	\$3.50	\$2,200	\$4.89
2059.5	1 bedroom/1-bathroom	450	\$1,325	\$2.94	\$1,325	\$2.94	\$2,200	\$4.89
2061	1 bedroom/1-bathroom	450	\$1,500	\$3.33	\$1,500	\$3.33	\$2,200	\$4.89
2061.5	1 bedroom/1-bathroom	450	\$1,850	\$4.11	\$1,850	\$4.11	\$2,200	\$4.89
2063	2 bedroom/1-bathroom	676	\$1,875	\$2.77	\$1,875	\$2.77	\$2,650	\$3.92
2063.5	2 bedroom/1-bathroom	676	\$1,525	\$2.26	\$1,525	\$2.26	\$2,650	\$3.92
2065	1 bedroom/1-bathroom	525	\$1,725	\$3.29	\$1,725	\$3.29	\$2,200	\$4.19
2065.5	Studio/1-bathroom	375	\$1,300	\$3.47	\$1,300	\$3.47	\$1,900	\$5.07
2067	1 bedroom/1-bathroom	450	\$1,650	\$3.67	\$1,650	\$3.67	\$2,200	\$4.89
2067.5	1 bedroom/1-bathroom	450	\$1,375	\$3.06	\$1,375	\$3.06	\$2,200	\$4.89
2069	1 bedroom/1-bathroom	450	\$1,500	\$3.33	\$1,500	\$3.33	\$2,200	\$4.89
2069.5	1 bedroom/1-bathroom	450	\$1,500	\$3.33	\$1,500	\$3.33	\$2,200	\$4.89
2073	1 bedroom/1-bathroom	460	\$1,136	\$2.47	\$1,136	\$2.47	\$2,200	\$4.78
2073.5	Studio/1-bathroom	400	\$1,400	\$3.50	\$1,400	\$3.50	\$1,900	\$4.75
2075	1 bedroom/1-bathroom	460	\$1,199	\$2.61	\$1,199	\$2.61	\$2,200	\$4.78
2075.5	1 bedroom/1-bathroom	460	\$1,677	\$3.65	\$1,677	\$3.65	\$2,200	\$4.78
2077	1 bedroom/1-bathroom	460	\$1,600	\$3.48	\$1,600	\$3.48	\$2,200	\$4.78
2077.5	1 bedroom/1-bathroom	460	\$1,750	\$3.80	\$1,750	\$3.80	\$2,200	\$4.78
2085-1	1 bedroom/1-bathroom	500	\$1,825	\$3.65	\$1,825	\$3.65	\$2,200	\$4.40
2085-2	1 bedroom/1-bathroom	500	\$1,615	\$3.23	\$1,615	\$3.23	\$2,200	\$4.40
2085-3	1 bedroom/1-bathroom	500	\$1,565	\$3.13	\$1,565	\$3.13	\$2,200	\$4.40
2085-4	1 bedroom/1-bathroom	500	\$1,615	\$3.23	\$1,615	\$3.23	\$2,200	\$4.40
2085-5	1 bedroom/1-bathroom	500	\$1,825	\$3.65	\$1,825	\$3.65	\$2,200	\$4.40
2085-6	1 bedroom/1-bathroom	500	\$1,500	\$3.00	\$1,500	\$3.00	\$2,200	\$4.40
2085-7	2 bedroom/1-bathroom	850	\$1,825	\$2.15	\$1,825	\$2.15	\$2,650	\$3.12
2085-8	2 bedroom/1-bathroom	850	\$1,825	\$2.15	\$1,825	\$2.15	\$2,650	\$3.12
2085-9	Studio non-conforming	400	\$1,190	\$2.98	\$1,190	\$2.98	\$1,400	\$3.50
2085-10	Studio non-conforming	400	\$1,100	\$2.75	\$1,100	\$2.75	\$1,400	\$3.50
Total		15,972	\$50,147	\$3.14	\$50,147	\$3.14	\$70,600	\$4.42



\$328,125

Price/Unit



\$311.48

Land Price/SF



3.63%

Cap Rate



17.45

GRM

SUMMARY

Price	\$10,500,000	
Down Payment	\$5,775,000	55%
Number of Units	32	
Land Price/SF	\$311.48	
Price Per SqFt	\$657.40	
Rentable SqFt	15,972	
Lot Size (SqFt)	33,710	
Approx. Year Built	1941-1958	

RETURNS	CURRENT	YEAR 1
Cap Rate	3.63%	5.81%
GRM	17.45	12.39
Cash-on-Cash	0.82%	4.77%
Debt Coverage Ratio	1.14	1.82

FINANCING	1ST LOAN
Loan Amount	\$4,725,000
Loan Type	New
Interest Rate	5.85%
Amortization	30 Years
Year Due	2029
Term	5 Years

Loan information is subject to change. Contact your Marcus and Millichap Capital Corporation representative.

PRICING DETAIL

# Of Units	Unit Type	SqFt/Unit	Current Rents	Market Rents
4	2 bedroom/1-bathroom	763	\$1,763	\$2,650
24	1 bedroom/1-bathroom	473	\$1,588	\$2,225
4	Studio/1-bathroom	394	\$1,248	\$1,650

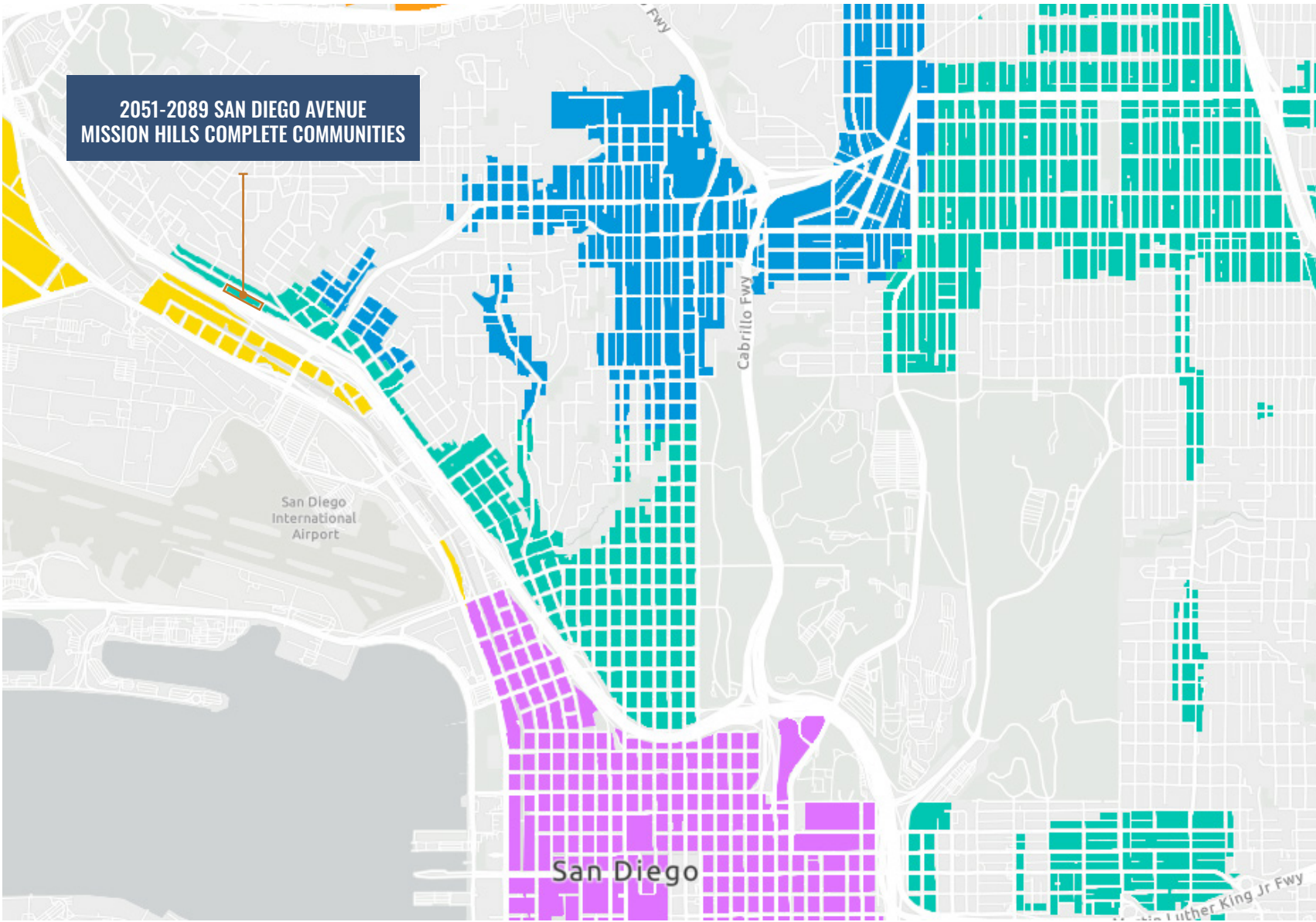
The above information, while not guaranteed, has been secured from sources we believe to be reliable. Submitted subject to error, change or withdrawal. An interested party should verify the status of the property and the information herein.

OPERATING STATEMENT

INCOME	CURRENT		YEAR 1		PER UNIT	PER SF
Gross Potential Rent	847,200		847,200		26,475	53.04
Loss / Gain to Lease	(245,436)	29.0%	0	0.0%	0	0.00
Gross Scheduled Rent	601,764		847,200		26,475	53.04
Total Vacancy	(\$18,053)	3.0%	(\$25,416)	3.0%	(\$794)	(\$2)
Effective Rental Income	583,711		821,784		25,681	51.45
Other Income	0		0		0	0
Laundry	11,100		11,100		347	0.69
Parking	9,600		9,600		300	0.60
Total Other Income	\$20,700		\$20,700		\$647	\$1.30
Effective Gross Income	\$604,411		\$842,484		\$26,328	\$52.75
EXPENSES						
Real Estate Taxes	127,654		127,654		3,989	7.99
Insurance	16,000		16,000		500	1.00
Utilities	15,470		15,470		483	0.97
SDGE	7,680		7,680		240	0.48
Trash Removal	5,200		5,200		163	0.33
Repairs & Maintenance	20,800		20,800		650	1.30
Landscaping	4,800		4,800		150	0.30
Management Fee	24,176		33,699	4.0%	1,053	2.11
Total Expenses	\$221,780		\$231,303		\$7,228	\$14.48
Expenses as % of EGI	36.7%		27.5%			
Net Operating Income	\$382,631		\$611,181		\$19,099	\$38.27

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COMPLETE COMMUNITIES MAP



CALCULATING POTENTIAL UNITS FOR 2051-2089 SAN DIEGO AVE

BASE LOT SIZE AND DENSITY:

Lot Size: 33,710 square feet combined for both properties.

Standard Density: Typically 1 unit per 1,500 square feet without any bonuses.

COMPLETE COMMUNITIES BONUSES:

The program allows for significant density increases.

If the project qualifies for maximum bonuses, you could potentially achieve a much higher density than the base zoning would allow.

Assume a high-density scenario under the Complete Communities program might allow for up to 145 units per acre.

CONSIDERATIONS:

Affordable Housing Requirement: To achieve the maximum number of units, a portion of these units must be allocated as affordable housing.

Infrastructure Contributions: Contributions to local infrastructure and public amenities may be required.

Height and Setback Limitations: Ensure compliance with any specific height and setback requirements imposed by overlays or the Complete Communities program.

Community Plan Compatibility: Projects should align with the goals and objectives outlined in the local community plan.

2051-2089 San Diego Ave are zoned as **CC-3-4**. This zoning designation stands for **Community Commercial**, which allows for a mix of residential and commercial uses. Specifically, the CC-3-4 zone permits:

Multi-family Residential Development: This includes apartments and condos, often with higher density due to the mixed-use nature of the zone.

Commercial Uses: Retail, office space, and other commercial activities are allowed. The zoning encourages pedestrian-friendly and community-serving commercial establishments.

Mixed-Use Development: This zone is designed to support developments that integrate both residential and commercial spaces, providing flexibility for developers to create vibrant, walkable communities

CURRENT APARTMENT RENTS



DENIZEN
3840 6th Ave
Studio | 526 | \$3,247
1 Bedroom | 543 SF | \$3,636
2 Bedroom | 963 SF | \$4,535



THE WINSLOW
4353 Park Blvd
Studio | 522 Sf | \$2,611
1 Bedroom | 681 SF | \$3,888
2 Bedroom | 1,377 SF | \$5,445



MODE
635 Robinson
1 Bedroom | 563 SF | \$3,900
2 Bedroom | 1,167 SF | \$5,470



MR. ROBINSON
3752 Park Blvd
2 Bedroom | 1,053 SF | \$3,895

**2051-2089
SAN DIEGO AVE**

BROADSTONE BALBOA PARK
3288 5th Avenue
1 Bedroom | 665 SF | \$3,135
2 Bedroom | 1,249 SF | \$5,420

THE ELEMENT
2603 Dove St
1 Bedroom | 787 SF | \$3,856
2 Bedroom | 1,361 SF | \$4,194



525 OLIVE
1 Bedroom | 739 SF | \$3,793-\$4,910
2 Bedroom | 1,280 SF | \$5,496-\$9,546



TRU
2001 4th Avenue
1 Bedroom | 542 SF | \$5,575



San Diego is California's oldest community. A large harbor, miles of beaches and exceptional weather attract businesses, residents and tourists. San Diego still houses a number of buildings and facilities from its past, including two missions, Old Town San Diego, Balboa Park and the Hotel del Coronado. San Diego County has grown into a sophisticated, urban region. Its downtown area has undergone a renaissance in the past decade or so. Petco Park, home of the San Diego Padres, spurred redevelopment that spread to the mid-city communities and attracted residents to the urban core. San Diego's major tourist attractions are the San Diego Zoo, San Diego Wild Animal Park, SeaWorld San Diego and Legoland.

EDUCATION



ENTERTAINMENT



DEMOGRAPHICS



269,853

Total Population within 3 mile radius



\$103,284

Average Household Income within a 3 mile radius



88,226

Total Rental Units within a 3 mile radius



123,812

Total Households in 3 mile radius

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