

# 8 HUFFMAN STYLE UNITS IN NORTH PARK

## OFFERING MEMORANDUM

**North Park 8 units**

4270 34th St.  
San Diego CA 92104

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# North Park 8 units

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*Exclusively Marketed by:*

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# NORTH PARK 8 UNITS

01 **Executive Summary**

Investment Summary

Unit Mix Summary

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## OFFERING SUMMARY

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ADDRESS	4270 34th St. San Diego CA 92104
COUNTY	San Diego
MARKET	San Diego
SUBMARKET	North Park
BUILDING SF	5,123 SF
LAND SF	6,253 SF
NUMBER OF UNITS	8
YEAR BUILT	1969
YEAR RENOVATED	2019
APN	447-562-24-00

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## FINANCIAL SUMMARY

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PRICE	\$2,575,000
PRICE PSF	\$502.64
PRICE PER UNIT	\$321,875
OCCUPANCY	97.00 %
NOI (CURRENT)	\$127,361
NOI (Year 2)	\$165,209
CAP RATE (CURRENT)	4.95 %
CAP RATE (Year 2)	6.42 %
GRM (CURRENT)	12.62
GRM (Year 2)	10.53

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## North Park Location with ADU Potential

- Robert Klaus and RBK Commercial, Inc. is pleased to present, for sale, a stabilized multifamily investment property located at 4270 34th St. San Diego, Ca 92104, in the popular North Park Community.

For Sale is an 8 unit apartment building property consisting of (5) 1 bed / 1 bath units and (3) 2 bed / 1 bath units. All units are rented at or near market rents allowing the future owner to keep pace with rising rents.

Located on the alley are (4) 1 car garages that can be converted into multiple ADU's adding tremendous value with relatively little investment dollars.

## Drive market rents with ease

- 12.5x Gross Rents suggests day 1 cap rate of 5% with upside to a 6. 4270 34th St. current leases are at or near market rents, allowing the new owner an easy opportunity to take advantage of surging rents within San Diego to drive value via allowable rent increases.

Additionally, there is substantial opportunity to drive NOI by implementing parking fees, garage rent, laundry and RUBS, all of which are included in the year 2 pro-forma.

The subject property has staggered lease start dates and offers the new owner an opportunity to achieve nearly a 6 cap based on market rents and implementation of the business plan mentioned above.

## Community

- North Park, located in the heart of San Diego's urban core, is widely considered to be a stable investment market for multifamily and commercial real estate investors. Institutional investors, Mom and Pop investors as well as tenants consider North Park to be a prime location, driving up demand and market rents.

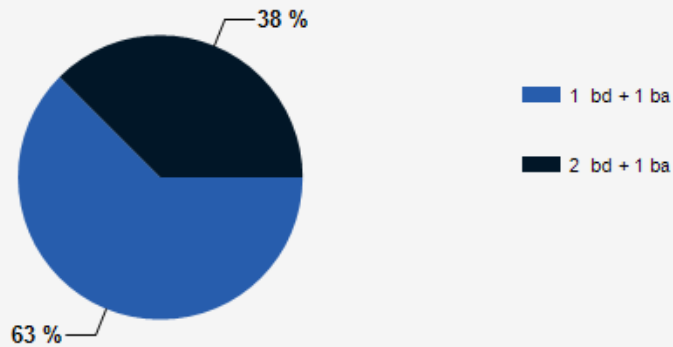
Given its central location and proximity to Downtown, SDSU and all major highways, make North Park primed for current and future development. Currently, North Park is in a development boom as well as an extended gentrification trend. Relatively affordable rents have tenants flocking to the urban core.

Young professionals, hipsters and students hang out in trendy North Park, where coffee shops, craft-beer bars and indie boutiques line University Avenue. The restaurant scene is heavy on brunch spots, upscale pubs, taquerias and sushi lounges and nightlife often revolves around the Observatory North Park, a 1929 theater that hosts rap, rock and electronica. The North Park Thursday Market also features live music.

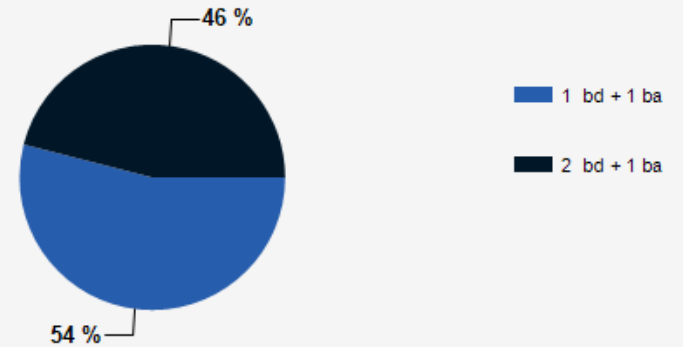


Unit Mix	# Units	Square Feet	Actual			Market		
			Current Rent	Rent PSF	Monthly Income	Market Rent	Market Rent PSF	Market Income
1 bd + 1 ba	5	550	\$1,940	\$3.53	\$9,700	\$2,150	\$3.91	\$10,750
2 bd + 1 ba	3	775	\$2,433	\$3.14	\$7,299	\$2,750	\$3.55	\$8,250
<b>Totals/Averages</b>	<b>8</b>	<b>634</b>	<b>\$2,125</b>	<b>\$3.38</b>	<b>\$16,999</b>	<b>\$2,375</b>	<b>\$3.77</b>	<b>\$19,000</b>

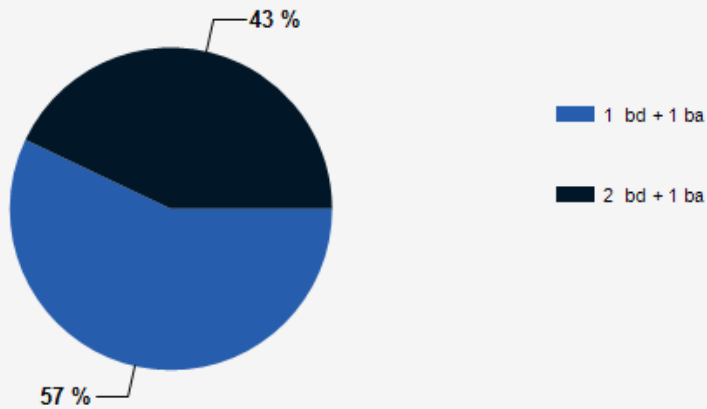
Unit Mix Summary



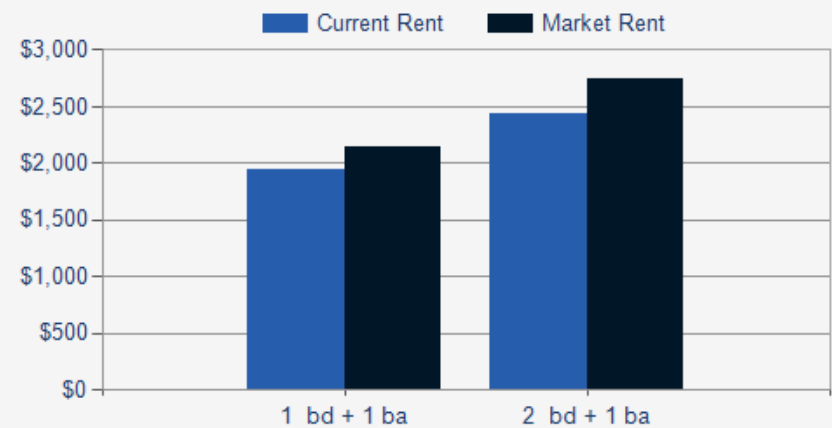
Unit Mix SF

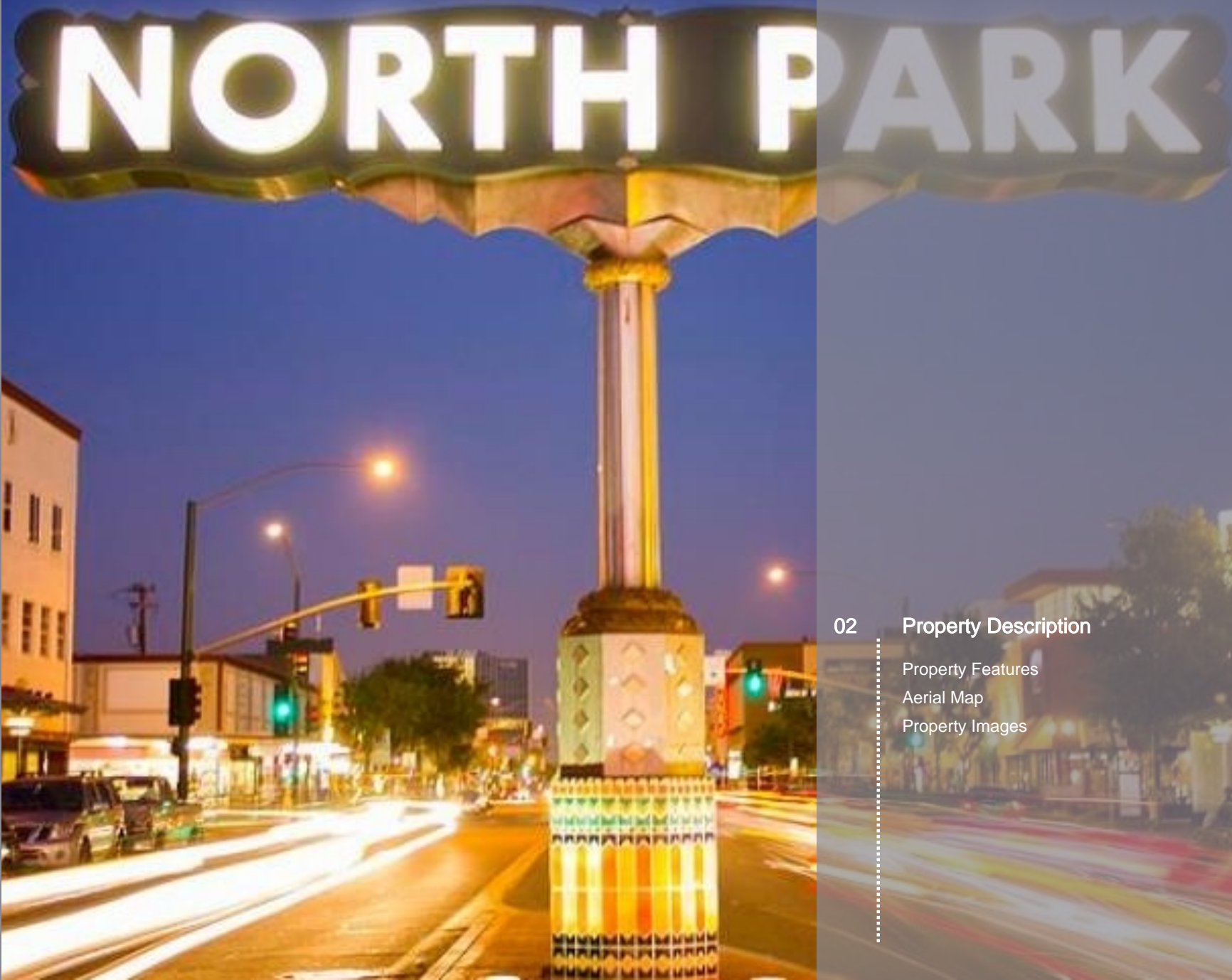


Unit Mix Revenue



Actual vs. Market Revenue





02

## Property Description

Property Features

Aerial Map

Property Images

# NORTH PARK 8 UNITS

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## PROPERTY FEATURES

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NUMBER OF UNITS	8
BUILDING SF	5,123
LAND SF	6,253
YEAR BUILT	1969
YEAR RENOVATED	2019
# OF PARCELS	1
ZONING TYPE	Cupd-ct-2
NUMBER OF STORIES	2
NUMBER OF BUILDINGS	1
NUMBER OF PARKING SPACES	6
PARKING RATIO	1:1

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## UTILITIES

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WATER	Landlord
TRASH	Landlord
GAS	N/A
ELECTRIC	Tenant
RUBS	N/A

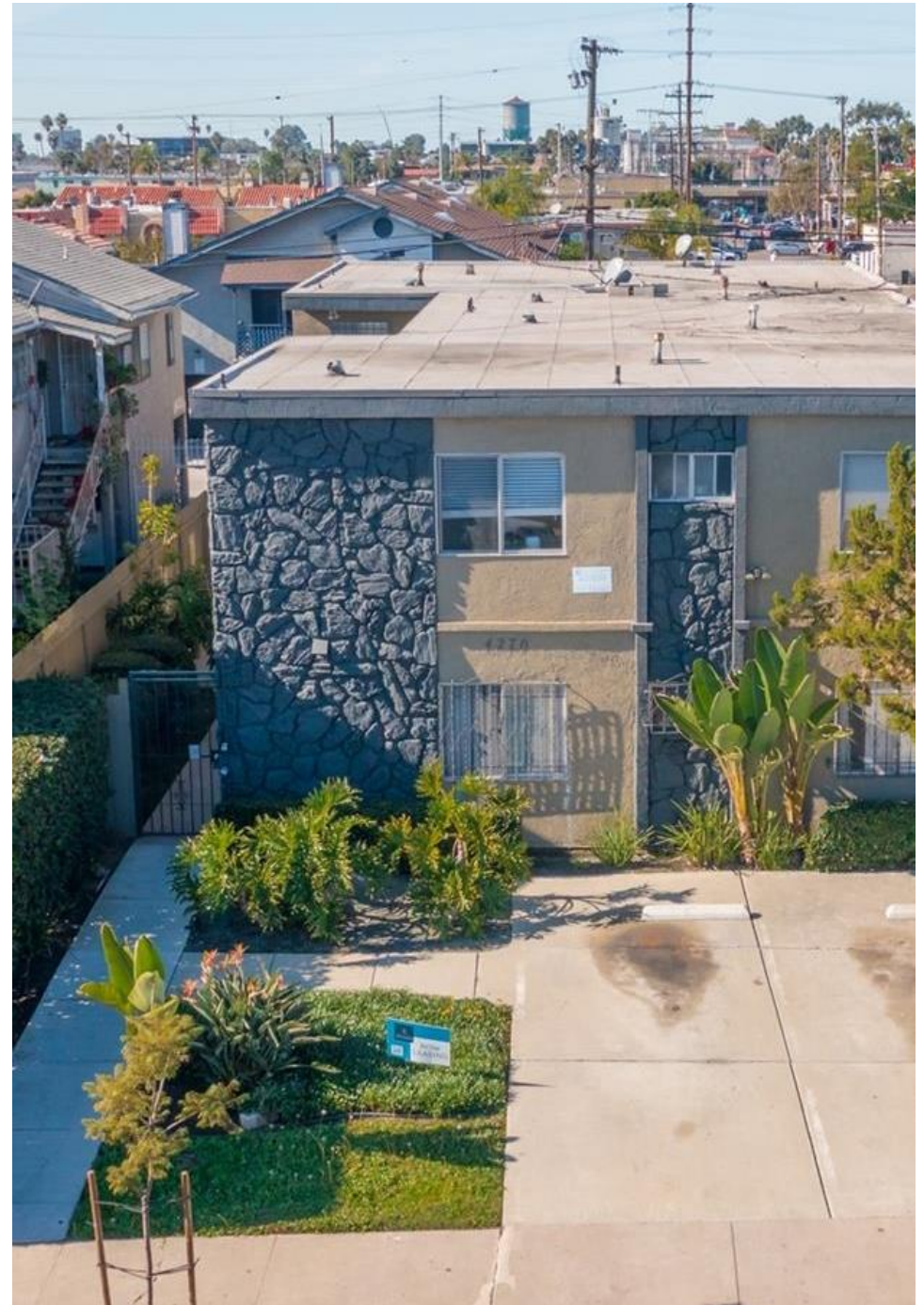
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## CONSTRUCTION

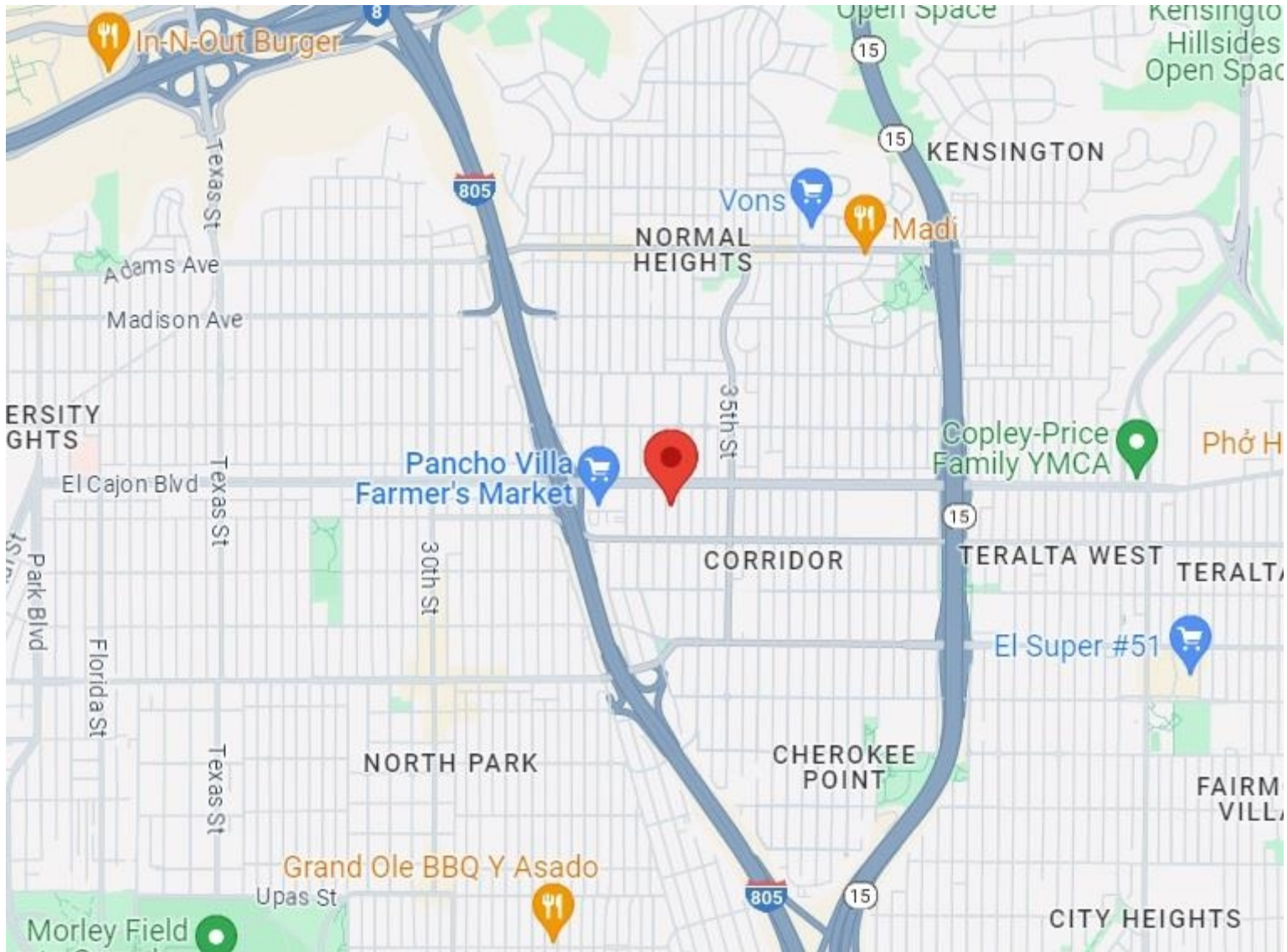
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FOUNDATION	Concrete
CONSTRUCTION TYPE	Wood
EXTERIOR	Wood / Stucco
PARKING SURFACE	Concrete
ROOF	Flat

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# NORTH PARK 8 UNITS

03 Rent Roll

Rent Roll

03

Unit	Unit Mix	Square Feet	Rent PSF	Current Rent	Market Rent
1	2 bd + 1 ba	775	\$2.61	\$2,025.00	\$2,750.00
2	1 bd + 1 ba	550	\$3.91	\$2,150.00	\$2,150.00
3	2 bd + 1 ba	775	\$3.32	\$2,575.00	\$2,750.00
4	2 bd + 1 ba	775	\$3.48	\$2,700.00	\$2,750.00
5	1 bd + 1 ba	550	\$3.73	\$2,050.00	\$2,150.00
6	1 bd + 1 ba	550	\$3.00	\$1,650.00	\$2,150.00
7	1 bd + 1 ba	550	\$3.64	\$2,000.00	\$2,150.00
8	1 bd + 1 ba	550	\$3.36	\$1,850.00	\$2,150.00
<b>Totals/Averages</b>		<b>5,075</b>	<b>\$3.38</b>	<b>\$17,000.00</b>	<b>\$19,000.00</b>



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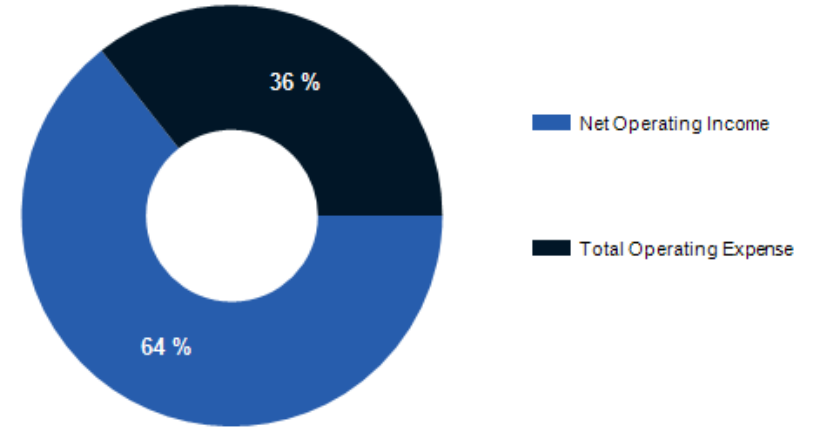
**Financial Analysis**

- Income & Expense Analysis
- Multi-Year Cash Flow Assumptions
- Cash Flow Analysis
- Financial Metrics
- Disposition Sensitivity Analysis

**NORTH PARK 8 UNITS**

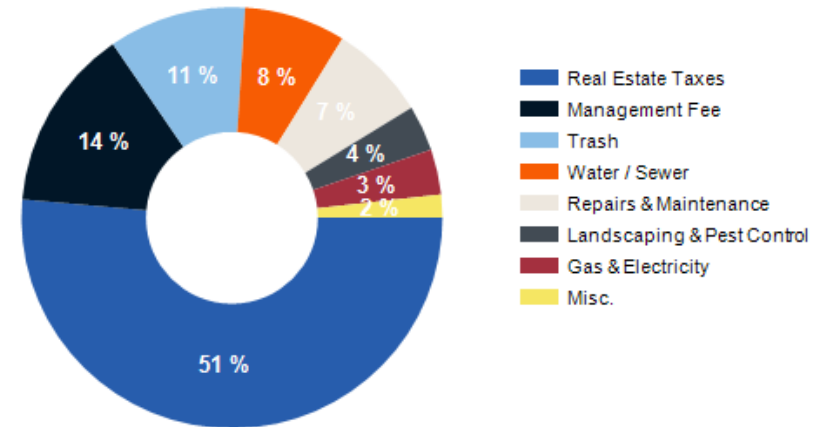
## REVENUE ALLOCATION CURRENT

INCOME	CURRENT	YEAR 2	
Gross Scheduled Rent	\$204,000	\$228,000	93.2 %
Parking		\$7,200	2.9 %
RUBS		\$8,160	3.3 %
Laundry		\$1,200	0.5 %
<b>Gross Potential Income</b>	<b>\$204,000</b>	<b>\$244,560</b>	
General Vacancy	-3.00 %	-3.00 %	
<b>Effective Gross Income</b>	<b>\$197,880</b>	<b>\$237,720</b>	
Less Expenses	\$70,519	\$72,511	30.50 %
<b>Net Operating Income</b>	<b>\$127,361</b>	<b>\$165,209</b>	



EXPENSES	CURRENT	Per Unit	YEAR 2	Per Unit
Real Estate Taxes	\$36,250	\$4,531	\$36,250	\$4,531
Management Fee	\$9,894	\$1,237	\$11,886	\$1,486
Landscaping & Pest Control	\$2,475	\$309	\$2,475	\$309
Repairs & Maintenance	\$5,250	\$656	\$5,250	\$656
Water / Sewer	\$5,500	\$688	\$5,500	\$688
Misc.	\$1,250	\$156	\$1,250	\$156
Trash	\$7,450	\$931	\$7,450	\$931
Gas & Electricity	\$2,450	\$306	\$2,450	\$306
<b>Total Operating Expense</b>	<b>\$70,519</b>	<b>\$8,815</b>	<b>\$72,511</b>	<b>\$9,064</b>
Expense / SF	\$13.77		\$14.15	
% of EGI	35.63 %		30.50 %	

## DISTRIBUTION OF EXPENSES CURRENT





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## GLOBAL

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Price	\$2,575,000
Analysis Period	5 year(s)
Exit Cap Rate	5.50 %

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## INCOME - Growth Rates

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Gross Scheduled Rent	5.00 %
RUBS	5.00 %
Laundry	5.00 %

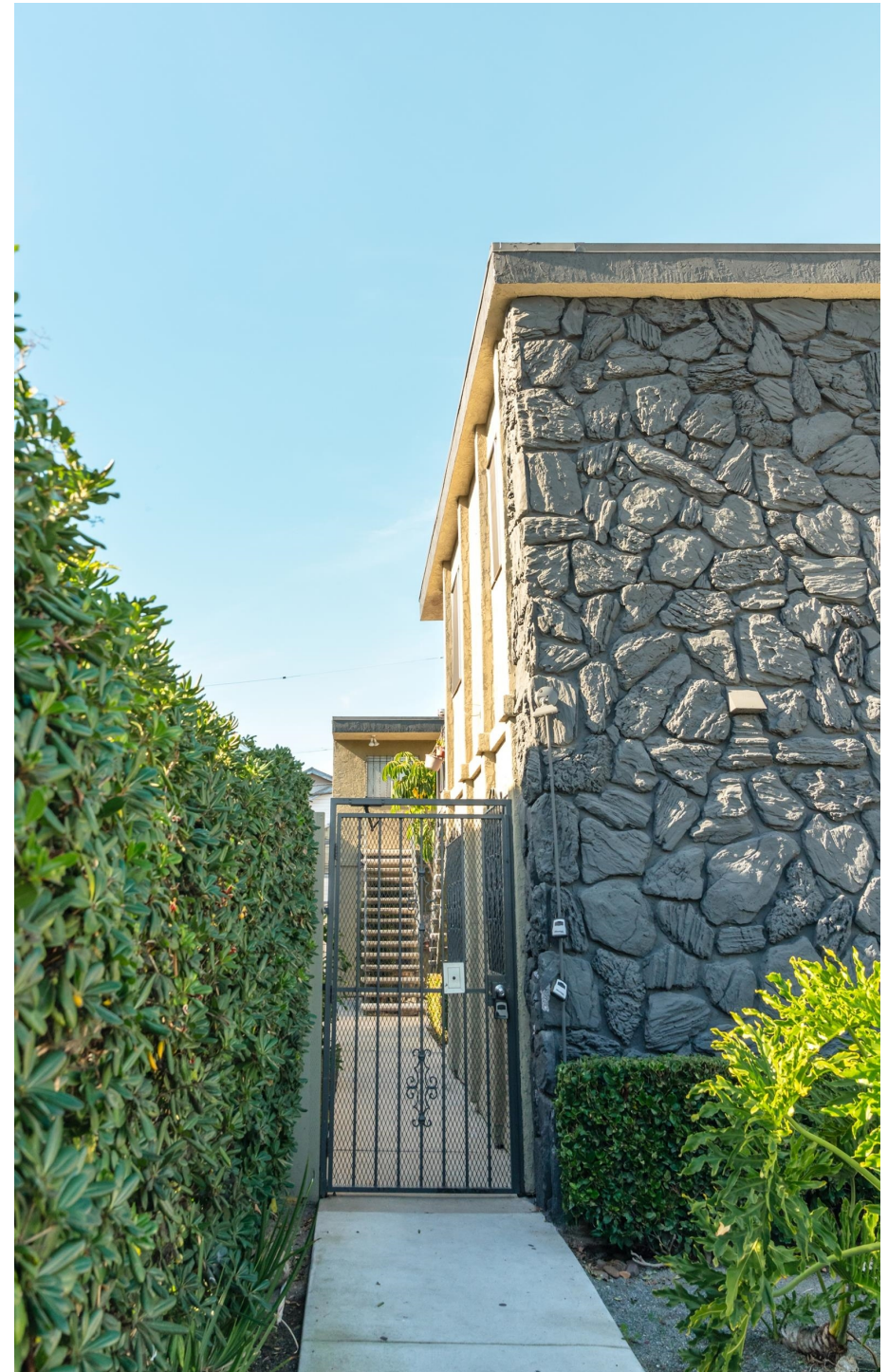
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## EXPENSES - Growth Rates

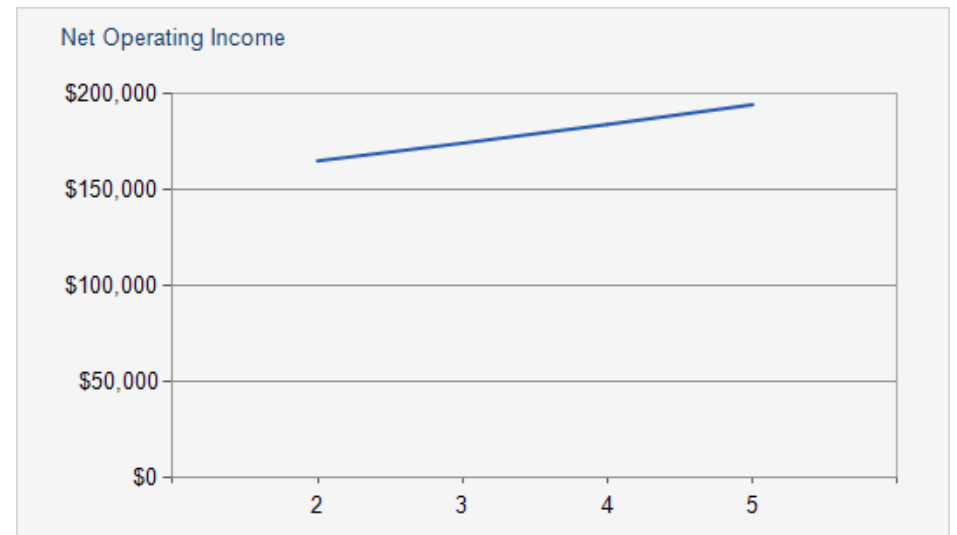
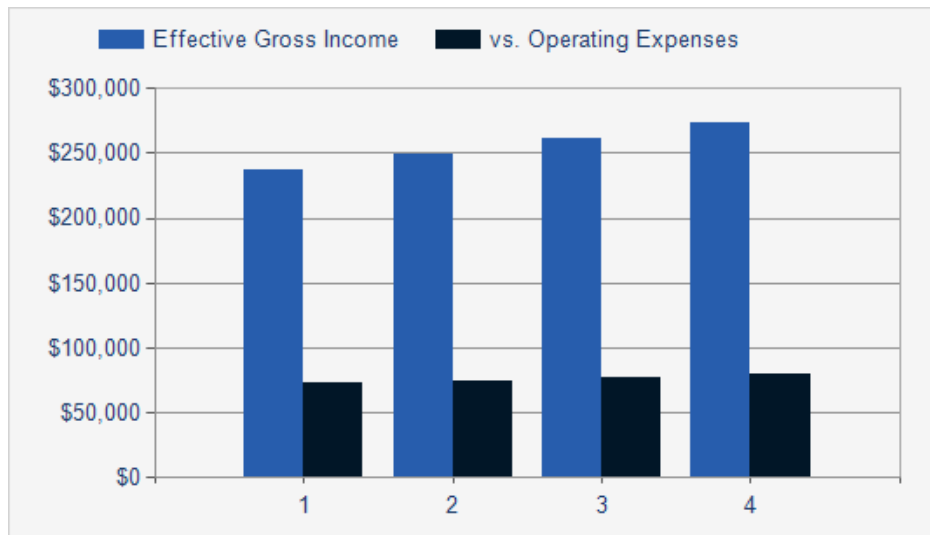
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Real Estate Taxes	2.00 %
Landscaping & Pest Control	4.00 %
Repairs & Maintenance	4.00 %
Water / Sewer	4.00 %
Misc.	4.00 %
Trash	4.00 %
Gas & Electricity	4.00 %

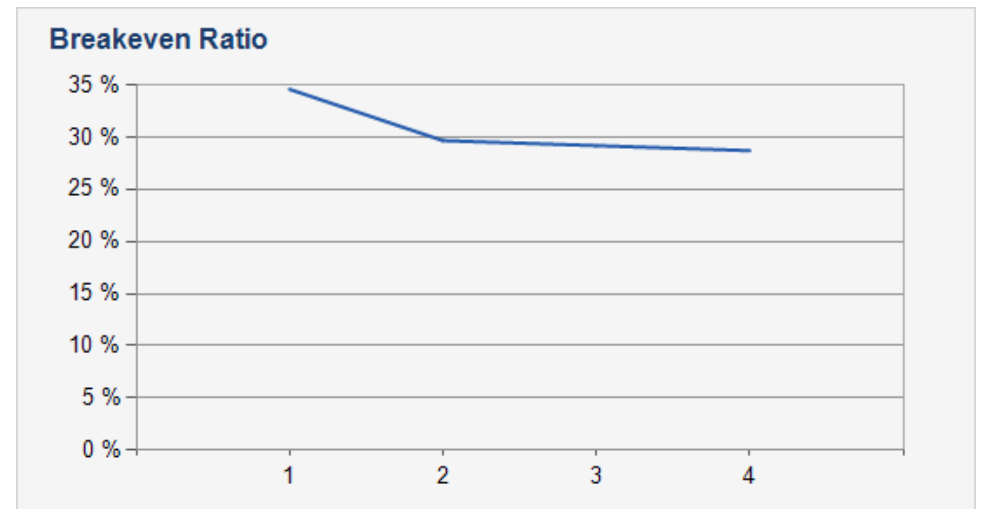
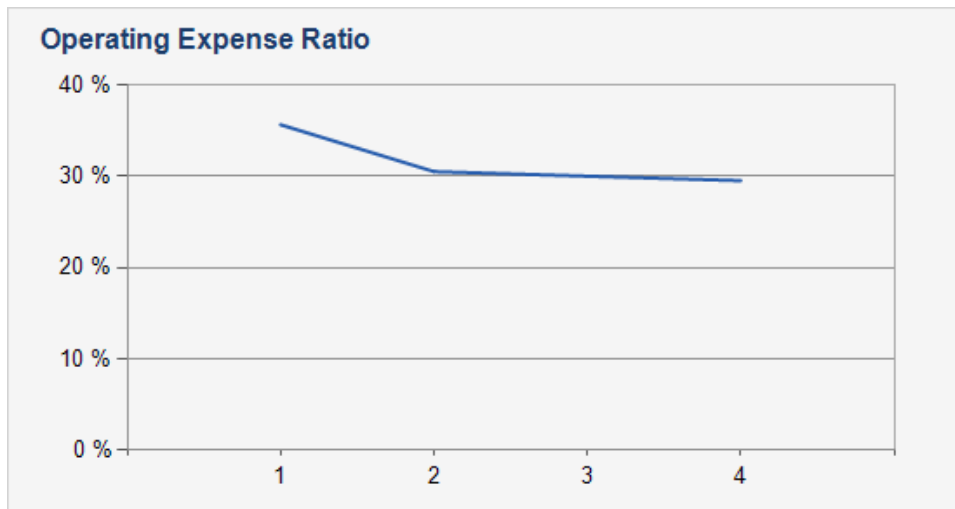
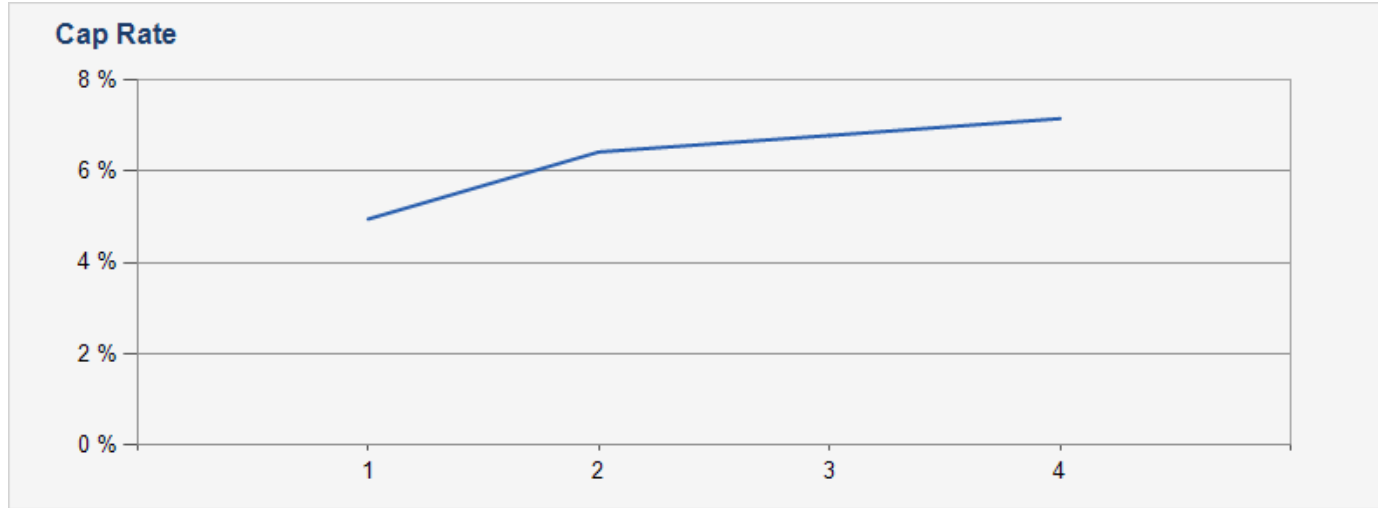
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Calendar Year	CURRENT	Year 2	Year 3	Year 4	Year 5
<b>Gross Revenue</b>					
Gross Scheduled Rent	\$204,000	\$228,000	\$239,400	\$251,370	\$263,939
Parking		\$7,200	\$7,200	\$7,200	\$7,200
RUBS		\$8,160	\$8,568	\$8,996	\$9,446
Laundry		\$1,200	\$1,260	\$1,323	\$1,389
<b>Gross Potential Income</b>	<b>\$204,000</b>	<b>\$244,560</b>	<b>\$256,428</b>	<b>\$268,889</b>	<b>\$281,974</b>
General Vacancy	-3.00 %	-3.00 %	-3.00 %	-3.00 %	-3.00 %
<b>Effective Gross Income</b>	<b>\$197,880</b>	<b>\$237,720</b>	<b>\$249,246</b>	<b>\$261,348</b>	<b>\$274,056</b>
<b>Operating Expenses</b>					
Real Estate Taxes	\$36,250	\$36,250	\$36,975	\$37,715	\$38,469
Management Fee	\$9,894	\$11,886	\$12,462	\$13,067	\$13,703
Landscaping & Pest Control	\$2,475	\$2,475	\$2,574	\$2,677	\$2,784
Repairs & Maintenance	\$5,250	\$5,250	\$5,460	\$5,678	\$5,906
Water / Sewer	\$5,500	\$5,500	\$5,720	\$5,949	\$6,187
Misc.	\$1,250	\$1,250	\$1,300	\$1,352	\$1,406
Trash	\$7,450	\$7,450	\$7,748	\$8,058	\$8,380
Gas & Electricity	\$2,450	\$2,450	\$2,548	\$2,650	\$2,756
<b>Total Operating Expense</b>	<b>\$70,519</b>	<b>\$72,511</b>	<b>\$74,787</b>	<b>\$77,146</b>	<b>\$79,590</b>
<b>Net Operating Income</b>	<b>\$127,361</b>	<b>\$165,209</b>	<b>\$174,459</b>	<b>\$184,202</b>	<b>\$194,466</b>



Calendar Year	CURRENT	Year 2	Year 3	Year 4	Year 5
CAP Rate	4.95 %	6.42 %	6.78 %	7.15 %	7.55 %
Operating Expense Ratio	35.63 %	30.50 %	30.00 %	29.51 %	29.04 %
Gross Multiplier (GRM)	12.62	10.53	10.04	9.58	9.13
Breakeven Ratio	34.57 %	29.65 %	29.17 %	28.69 %	28.23 %
Price / SF	\$502.64	\$502.64	\$502.64	\$502.64	\$502.64
Price / Unit	\$321,875	\$321,875	\$321,875	\$321,875	\$321,875
Income / SF	\$38.62	\$46.40	\$48.65	\$51.01	\$53.49
Expense / SF	\$13.76	\$14.15	\$14.59	\$15.05	\$15.53



## 5 YEAR SENSITIVITY ANALYSIS

EXIT CAP RATE	PROJECTED SALES PRICE	SALES PRICE/UNIT	SALES PRICE PSF	UNLEVERED IRR
4.50 %	\$4,321,457	\$540,182	\$844	16.21 %
4.75 %	\$4,094,012	\$511,752	\$799	15.13 %
5.00 %	\$3,889,312	\$486,164	\$759	14.11 %
5.25 %	<b>\$3,704,106</b>	<b>\$463,013</b>	<b>\$723</b>	<b>13.16 %</b>
5.50 %	<b>\$3,535,738</b>	<b>\$441,967</b>	<b>\$690</b>	<b>12.27 %</b>
5.75 %	\$3,382,010	\$422,751	\$660	11.43 %
6.00 %	\$3,241,093	\$405,137	\$633	10.63 %
6.25 %	\$3,111,449	\$388,931	\$607	9.88 %
6.50 %	\$2,991,778	\$373,972	\$584	9.16 %

# North Park 8 units

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