



# 3458 MONROE AVE

3458 MONROE AVE  
SAN DIEGO, CA 92116

OFFERING MEMORANDUM

Marcus & Millichap

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ACTIVITY ID:

# THE OPPORTUNITY

Marcus and Millichap is pleased to present Monroe Place, an 8-unit, extremely well-maintained apartment building in the highly gentrifying Normal Heights neighborhood of San Diego, California. Units are composed of three 2-bedroom / 1-baths at 742 square feet and five 1-bedroom / 1-baths at 550 square feet on a single 6,772 square foot lot. Half of the units have received moderate to highest-end upgrades within the last 3 years (#1 & #4 have received highest tier improvements) while the remainder have been upgraded and very well maintained within the last 10 years and still have substantial upside in rents. The property has been fine-tuned under high-care, hands-on local ownership. There are 3 off-street parking spaces, four single car garages, and an on-site laundry room. The roof was replaced last year, plumbing has been fully removed and replaced with easy accessibility between the first and second floors and dual pane windows have been installed for energy efficiency. Units feature granite and quartz countertops, ceramic tile and laminate flooring, recessed lighting, newer appliances, 4 units feature new cabinetry and select units include new vanities and carpet in the bedrooms. Five units include either mini-splits or wall-mounted A/C. Exterior stucco includes fine stone finishes, painted wall art, stone walk-ways lush landscaping. Balconies could be added to units #s 4,5,6,7 while patios could be added to unit #s 1,2,3. Kitchens could all be open-plan and in-unit under-counter laundry could be inserted to all units.

# PROPERTY HIGHLIGHTS

- Rarely Trading Normal Heights Location Near Popular Adams Avenue
- Strong Mix Of Larger 1-Bed & 2-Bed Units With Half of Units Upgraded
- Major Plumbing Improvements, New Roof & High-End Exterior Upgrades
- Four Single Car Garages & Three Off-Street Parking Spaces
- Strong Value Add Potential Through Interior Upgrades
- Easily Convert Two Garages To An Additional Courtyard-Accessible Unit



# THE NEIGHBORHOOD

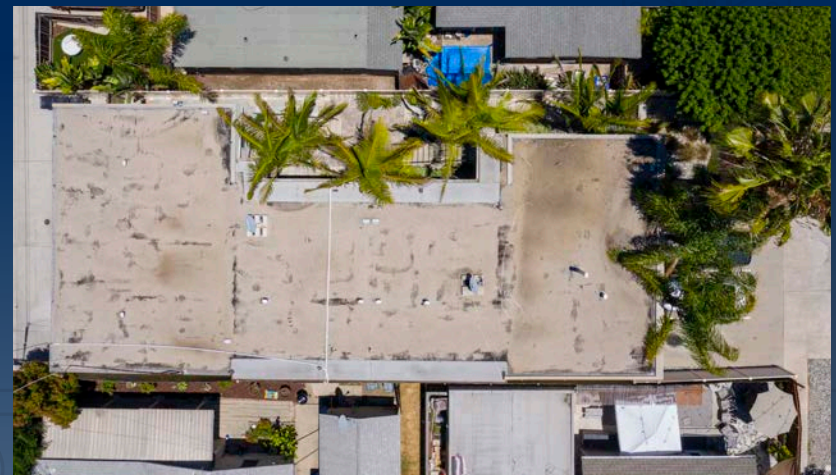
Bookended on the west by North Park and Kensington on the east, Normal Heights completes the Adams Avenue neighborhood trifecta along this uptown area, located north (and then slightly to the east) of downtown San Diego. Normal Heights was formally organized and platted in 1906 by the University Heights Syndicate under the direction of D.C. Collier. Normal Heights was named for the State Normal School in University Heights. A trolley line brought population and development to Normal Heights. The man responsible for the main business development of the Normal Heights portion of Adams Avenue was a carpenter named Bertram J. Carter and the area has seen high growth luring young business professionals and artists. Hip urban coffee shops, restaurants, boutique stores and microbreweries line area.



# PROPERTY DETAILS

PRICE	\$3,095,000
NUMBER OF UNITS	8
PRICE PER UNIT	\$386,875
PRICE PER SF	\$621.99
RENTABLE SF	4,976
LOT SIZE (SF)	6,772
APPROX. YEAR BUILT	1969
CAP RATE	4.83%
PROFORMA CAP RATE	5.50%
GRM	14.78
PROFORMA GRM	13.34
CASH-ON-CASH	2.24%
DEBT COVERAGE RATIO	1.26

DOWN PAYMENT	\$1,395,000
LOAN AMOUNT	\$1,700,000
LOAN TYPE	Proposed New
INTEREST RATE	5.60%
AMORTIZATION	30 Years
TERM	5 Years



# PROPERTY DETAILS

NUMBER OF UNITS	UNIT TYPE	SF/UNIT	AVERAGE CURRENT RENTS	MARKET RENTS	POST RENOVATION
5	1-Bedroom / 1-Bath	550	\$1,969	\$2,100	\$2,350
3	2-Bedroom / 1-Bath	742	\$2,537	\$2,945	\$3,100



# OPERATING STATEMENT

INCOME		CURRENT		MARKET STABILIZED		POST RENOVATION
Gross Scheduled Rent		\$209,460		\$232,020		\$252,600
Less: Vacancy / Deductions	3%	\$6,284	3%	\$6,961	3%	\$7,578
Total Effective Rental Income		\$203,176		\$225,059		\$245,022
Garage Income		\$12,000		\$12,000		\$12,000
Laundry Income		\$3,800		\$3,800		\$3,800
Pet Income		\$1,500		\$1,500		\$1,500
Effective Gross Income		\$220,476		\$242,359		\$262,322
Less: Expenses	34.95%	\$71,010	32.04%	\$72,104	29.83%	\$73,102
Net Operating Income		\$149,467		\$170,256		\$189,220
Cash Flow		\$149,467		\$170,256		\$189,220
Debt Service		\$118,264		\$118,264		\$118,264
Net Cash Flow After Debt Service	2.24%	\$31,203	3.73%	\$51,992	5.09%	\$70,956
Principal Reduction		\$25,720		\$25,720		\$25,720
Total Return	4.08%	\$56,922	5.57%	\$77,711	6.93%	\$96,676
<b>EXPENSES</b>						
Real Estate Tax		\$38,008		\$38,008		\$38,008
Insurance		\$6,000		\$6,000		\$6,000
SDGE		\$1,850		\$1,850		\$1,850
Water & Sewer		\$5,988		\$5,988		\$5,988
Repairs & Maintenance		\$5,290		\$5,290		\$5,290
Landscaping		\$1,250		\$1,250		\$1,250
Reserves		\$1,600		\$1,600		\$1,600
Management Fee	5%	\$11,023.81	5%	\$12,117.97	5%	\$13,116.10
Total Expense		\$71,010		\$72,104		\$73,102
Expense as a % of EGI		34.95%		32.04%		29.83%
Net Operating Income		\$149,467		\$170,256		\$189,220



# 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
1-Bedroom / 1-Bath	5	550	\$1,870-\$2,045	\$1,969	\$9,845	\$2,100	\$10,500	\$2,350	\$11,750
2-Bedroom / 1-Bath	3	742	\$2,115-\$2,945	\$2,537	\$7,611	\$2,945	\$8,835	\$3,100	\$9,300
<b>Totals / Weighted Average</b>	<b>8</b>	<b>4,976</b>			<b>\$17,455</b>		<b>\$19,335</b>		<b>\$21,050</b>
<b>Gross Annualized Rents</b>					<b>\$209,460</b>		<b>\$232,020</b>		<b>\$252,600</b>



# RENT ROLL DETAIL

UNIT	# OF UNITS	SQUARE FEET	CURRENT RENT/MONTH	CURRENT SF/MONTH	MARKET STABILIZED RENT/MONTH	MARKET STABILIZED RENT/SF/MONTH	POST RENOVATION RENT/MONTH	POST RENOVATION RENT/SF/MONTH
1	2-Bedroom / 1-Bath	742	\$2,550	\$3.44	\$2,945	\$3.97	\$3,100	\$4.18
2	1-Bedroom / 1-Bath	550	\$1,870	\$3.40	\$2,100	\$3.82	\$2,350	\$4.27
3	2-Bedroom / 1-Bath	742	\$2,115	\$2.85	\$2,945	\$3.97	\$3,100	\$4.18
4	2-Bedroom / 1-Bath	742	\$2,945	\$3.97	\$2,945	\$3.97	\$3,100	\$4.18
5	1-Bedroom / 1-Bath	550	\$1,995	\$3.63	\$2,100	\$3.82	\$2,350	\$4.27
6	1-Bedroom / 1-Bath	550	\$2,045	\$3.72	\$2,100	\$3.82	\$2,350	\$4.27
7	1-Bedroom / 1-Bath	550	\$2,045	\$3.72	\$2,100	\$3.82	\$2,350	\$4.27
8	1-Bedroom / 1-Bath	550	\$1,890	\$3.44	\$2,100	\$3.82	\$2,350	\$4.27
<b>TOTAL</b>		<b>4,976</b>	<b>\$17,455</b>	<b>\$3.51</b>	<b>\$19,335</b>	<b>\$3.89</b>	<b>\$21,050</b>	<b>\$4.23</b>



# LOAN SUMMARY

**LOAN AMOUNT** \$1,700,000

**ANNUAL INTEREST RATE** 5.60%

**LOAN PERIOD IN YEARS** 30

**NUMBER OF PAYMENTS PER YEAR** 1

**START DATE OF LOAN** 10/04/2024

**OPTIONAL EXTRA PAYMENTS** \$0.00

**SCHEDULED PAYMENT** \$118,264.03

**SCHEDULED NUMBER OF PAYMENTS** 30

**ACTUAL NUMBER OF PAYMENTS** 1

**TOTAL EARLY PAYMENTS** \$0.00

**TOTAL INTEREST** \$1,847,920.77

**LENDER NAME** Proposed New



# INTERIOR PHOTOS



# INTERIOR PHOTOS



# SALES COMPARABLES

1 3225 Adams Ave, San Diego, CA 92116



		Units	Unit Type
Sale Date:	N/A	8	1 Bed/1 Bath
Status:	On Market	1	2 Bed/1 Bath
Sale Price:	\$3,385,000		
Price Per Unit:	\$376,111		
Price Per SF:	\$705.94		
Cap Rate:	2.33%		
GRM:	22.03		
Number of Units:	9		
Year Built:	1920		
Income:	\$153,684		
NOI:	\$78,783		
Expenses:	\$71,491		
Vacancy:	\$4,611		

2 4561 Hawley Blvd, San Diego, CA 92116



		Units	Unit Type
Sale Date:	N/A	4	1 Bed/1 Bath
Status:	Under Contract	4	2 Bed/1 Bath
Sale Price:	\$3,150,000	1	2 Bed/2 Bath
Price Per Unit:	\$350,000		
Price Per SF:	\$533.89		
Cap Rate:	4.66%		
GRM:	13.51		
Number of Units:	9		
Year Built:	1971		
Income:	\$233,160		
NOI:	\$146,890		
Expenses:	\$79,276		
Vacancy:	\$6,994		

3 4368 Wilson Ave, San Diego, CA 92104



		Units	Unit Type
Sale Date:	12/04/2023	6	1 Bed/1 Bath
Status:	Sold	1	3 Bed/2 Bath
Sale Price:	\$2,600,000		
Price Per Unit:	\$371,429		
Price Per SF:	\$554.13		
Cap Rate:	3.34%		
GRM:	16.18		
Number of Units:	7		
Year Built:	1979		
Income:	\$160,680		
NOI:	\$86,817		
Expenses:	\$70,243		
Vacancy:	\$4,820		

# SALES COMPARABLES

4 5050 Marlborough Dr, San Diego, CA 92116



	Units	Unit Type
Sale Date:	03/05/2024	6 1 Bed/1 Bath
Status:	Sold	5 2 Bed/1 Bath
Sale Price:	\$4,900,000	
Price Per Unit:	\$445,455	
Price Per SF:	\$526.88	
Cap Rate:	3.62%	
GRM:	17.38	
Number of Units:	11	
Year Built:	1940	
Income:	\$282,000	
NOI:	\$177,660	
Expenses:	\$95,880	
Vacancy:	\$8,460	

5 3746 31st St, San Diego, CA 92104



	Units	Unit Type
Sale Date:	04/02/2024	2 1 Bed/1 Bath
Status:	Sold	5 2 Bed/ 1 Bath
Sale Price:	\$2,700,000	
Price Per Unit:	\$385,714	
Price Per SF:	\$498.89	
Cap Rate:	4.36%	
GRM:	14.45	
Number of Units:	7	
Year Built:	1968	
Income:	\$186,900	
NOI:	\$117,747	
Expenses:	\$63,546	
Vacancy:	\$5,607	

6 4502 40th St, San Diego, CA 92116



	Units	Unit Type
Sale Date:	N/A	2 1 Bed/1 Bath
Status:	Under Contract	4 2 Bed/2 Bath
Sale Price:	\$2,336,000	
Price Per Unit:	\$389,333	
Price Per SF:	\$463.49	
Cap Rate:	4.57%	
GRM:	13.77	
Number of Units:	6	
Year Built:	1972	
Income:	\$169,632	
NOI:	\$106,868	
Expenses:	\$57,675	
Vacancy:	\$5,089	



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