

# 3854 50<sup>th</sup> Street ✦

SAN DIEGO, CA 92105



OFFERING MEMORANDUM

**n** ✦  
Northmarq

# 3854 50<sup>th</sup> Street ✨

SAN DIEGO, CA 92105



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# TABLE OF Contents

N<sup>o</sup>.04  
**THE ASSET**

N<sup>o</sup>.14  
**FINANCIAL ANALYSIS**

N<sup>o</sup>.18  
**MARKET COMPARABLES**

The background features a light blue architectural wireframe of a building with a complex, angular roofline. The wireframe is composed of thin white lines. A small blue diamond icon is positioned to the right of the main text.

# 3854 50<sup>th</sup> Street

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# THE ASSET

# Property Description

3854 50th Street is a 10-unit apartment complex that consists of 5,696 rentable SF situated on a 12,502 SF lot with over 16 parking spaces.

The unit mix consists of 2 well laid out 2 Bed / 1.5 Bath units and 8 spacious 1 Bed / 1 Bath units, most of which have been remodeled with newer flooring, kitchens and bathrooms as well as security doors. The property was built in 1980 and features newer windows, laundry facilities, and a clean exterior. There is additional income from Utility Billback from the tenants and upside in the current rents. This is a true value add deal.

**SALE PRICE: \$2,650,000**



**STRONG**  
CASH FLOW



**4.7%**  
CAP RATE ON CURRENT  
INCOME



**10 UNITS**  
WITH MARKET MONTHLY  
INCOME OF \$16,960



**GREAT**  
RENTAL LOCATION

## PROPERTY SUMMARY

|          |           |
|----------|-----------|
| UNITS    | 10        |
| LOCATION | San Diego |
| PARKING  | 16 Spaces |





**Priced to sell at 13.0 GRM and \$265,000 per unit.**











**DOWNTOWN  
SAN DIEGO**

**BALBOA  
PARK**





## LOCATION DESCRIPTION

# San Diego & Surrounding Submarkets

The property is located on a quiet residential street. This property is located a few hundred feet from the shopping and transit on University Avenue and blocks from the new retail center in Fairmount Village with El Super, Starbucks, Chase and Wells Fargo banks, as well as numerous restaurants. The City Heights Library and new Police Station are nearby.

Socially and economically, Central San Diego has a high concentration businesses and households. Businesses tend to be smaller and wider spread than to the north and east. Like other urban mesa neighborhoods north of Balboa Park, Central San Diego has a high rate of pedestrian activity, relative to the rest of San Diego. Central San Diego is located next to many of the major highways with close access to the coast, beaches, business districts, downtown, and Mexico.

*Central San Diego is a high demand rental market and attracts a diverse and vibrant community.*

## CENTRAL SAN DIEGO NEIGHBORHOOD QUICK FACTS



**141K**

POPULATION  
WITHIN 2 MILES



**46K**

HOUSEHOLDS  
WITHIN 2 MILES



**61%**

RENTER-OCCUPIED  
UNITS WITHIN 5 MILES



**\$52K**

MEDIAN HOUSEHOLD  
INCOME WITHIN 2 MILES



**\$480K**

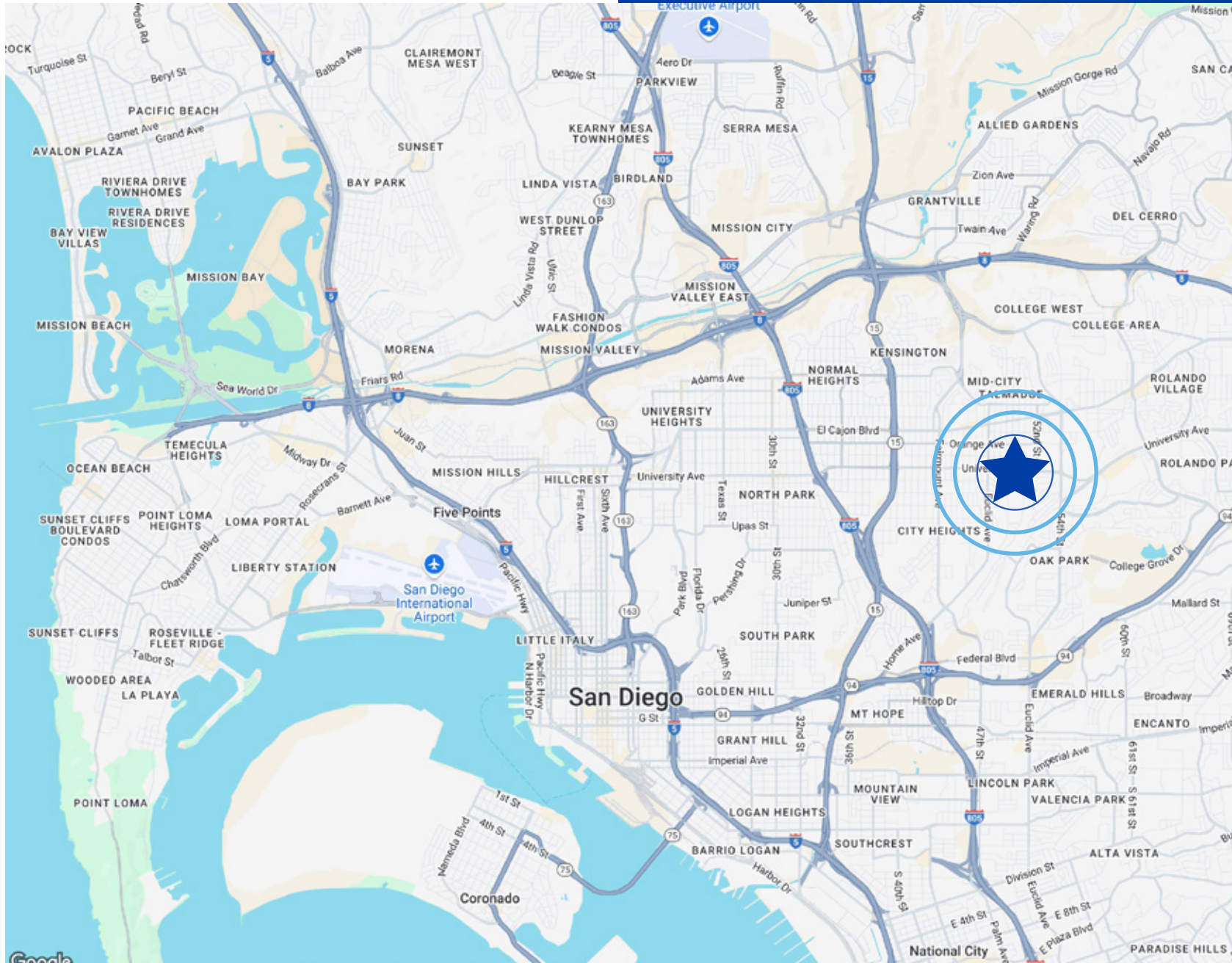
MEDIAN HOUSING UNIT  
VALUE WITHIN 2 MILES



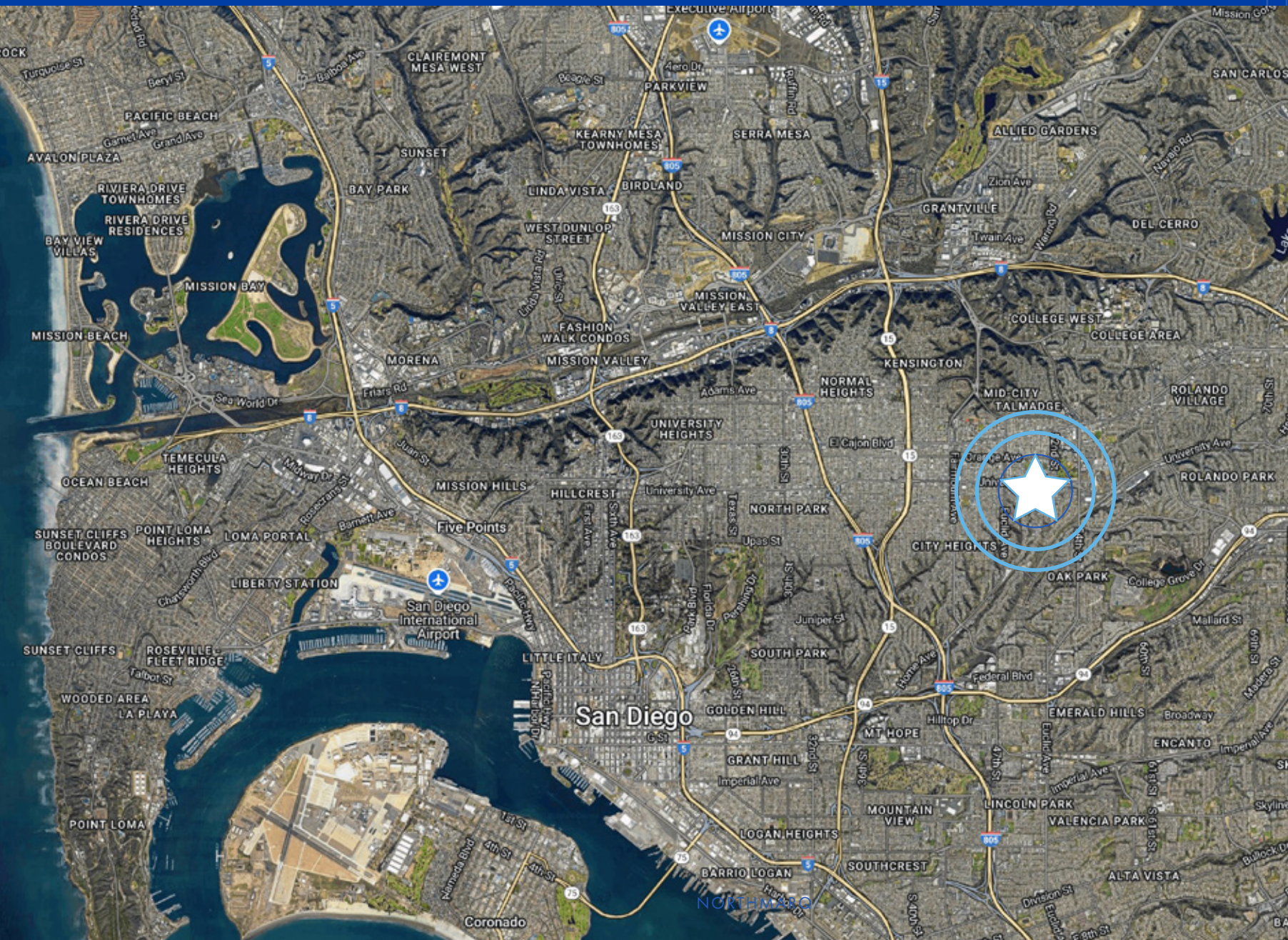
**3.5%\***

CITY UNEMPLOYMENT RATE  
\*PRELIMINARY FOR JUNE 2023

# LOCATION MAPS









The background is a solid blue color. Overlaid on it is a white architectural wireframe of a house, showing the roof structure, walls, and interior layout. The house is tilted slightly to the right. In the background, there are faint silhouettes of palm trees. A grid of thin white lines is visible, with small white plus signs at the intersections.

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# FINANCIAL ANALYSIS





| UNITS | ADDRESS          | CITY      | ZIP   |
|-------|------------------|-----------|-------|
| 10    | 3854 50th Street | San Diego | 92105 |

| PRICE       | GRM     |        | CAP RATE |        | \$/UNIT   |
|-------------|---------|--------|----------|--------|-----------|
|             | CURRENT | MARKET | CURRENT  | MARKET |           |
| \$2,550,000 | 12.5    | 10.7   | 5.0%     | 6.3%   | \$255,000 |

| \$/SF (APPROX.) | GROSS SF (APPROX) | PARCEL SIZE (APPROX.) | YEAR BUILT (APPROX.) |
|-----------------|-------------------|-----------------------|----------------------|
| \$447.68        | 5,696             | 12,502                | 1980                 |

| INCOME DETAIL                         |           |         |                 |       |
|---------------------------------------|-----------|---------|-----------------|-------|
| # UNITS                               | TYPE      | RENT    | TOTAL           | NOTES |
| <b>Estimated Actual Average Rents</b> |           |         |                 |       |
| 2                                     | 2BR/1.5BA | \$1,763 | \$3,526         |       |
| 8                                     | 1BR/1BA   | \$1,673 | \$13,384        |       |
| Utility Income                        |           |         | \$50            |       |
| <b>Total Monthly Income</b>           |           |         | <b>\$16,960</b> |       |
| <b>Estimated Market Rents</b>         |           |         |                 |       |
| 2                                     | 2BR/1.5BA | \$2,095 | \$4,190         |       |
| 8                                     | 1BR/1BA   | \$1,895 | \$15,160        |       |
| Utility Income                        |           |         | \$500           |       |
| <b>Total Monthly Income</b>           |           |         | <b>\$19,850</b> |       |

| ESTIMATED ANNUAL OPERATING EXPENSES                 |         |                        |                 |
|---|---------|------------------------|-----------------|
| Advertising   | \$0     | Management (Off Site)  | \$10,176        |
| Security Patrol                                     | \$5,104 | Management (On Site)   | \$0             |
| Gas & Electric                                      | \$2,478 | Licenses & Fees        | \$104           |
| Water & Sewer                                       | \$3,787 | Miscellaneous          | \$0             |
| Landscaping   | \$150   | Reserves               | \$0             |
| Trash Removal                                       | \$5,156 | Pool                   | \$0             |
| Pest Control  | \$600   | Insurance              | \$3,274         |
| Maintenance   | \$8,000 | Taxes                  | \$31,365        |
| <b>Total Annual Operating Expenses (estimated):</b> |         |                        | <b>\$70,194</b> |
| <b>Expenses Per:</b>                                |         | <b>Unit</b>            | <b>\$7,019</b>  |
|   |         | <b>% of Actual GSI</b> | <b>34%</b>      |

| ESTIMATED ANNUAL OPERATING PROFORMA      |     |             |             |
|--|-----|-------------|-------------|
|  |     | Actual      | Market      |
| Gross Scheduled Income                   |     | \$203,520   | \$238,200   |
| Less: Vacancy Factor                     | 3%  | \$6,106     | \$7,146     |
| Gross Operating Income                   |     | \$197,414   | \$231,054   |
| Less: Expenses                           | 34% | \$70,194    | \$70,194    |
| Net Operating Income                     |     | \$127,220   | \$160,860   |
| Less: 1st TD Payments                    |     | (\$101,521) | (\$101,521) |
| Pre-Tax Cash Flow                        |     | \$25,700    | \$59,339    |
| Cash On Cash Return                      |     | 2.4%        | 5.6%        |
| Principal Reduction                      |     | \$20,072    | \$20,072    |
| Total Potential Return (End of Year One) |     | 4%          | 7%          |

| FINANCING SUMMARY            |               |                    |
|------------------------------|---------------|--------------------|
| <b>Downpayment:</b>          |               | <b>\$1,060,000</b> |
|                              |               | <b>42%</b>         |
| <b>Interest Rate:</b>        | <b>5.500%</b> |                    |
| <b>Amortized over:</b>       | <b>30</b>     | <b>Years</b>       |
| <b>Proposed Loan Amount:</b> |               | <b>\$1,490,000</b> |
| <b>Debt Coverage Ratio:</b>  |               |                    |
|                              | Current:      | 1.25               |
|                              | Market:       | 1.58               |

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SAN DIEGO, CA 92105





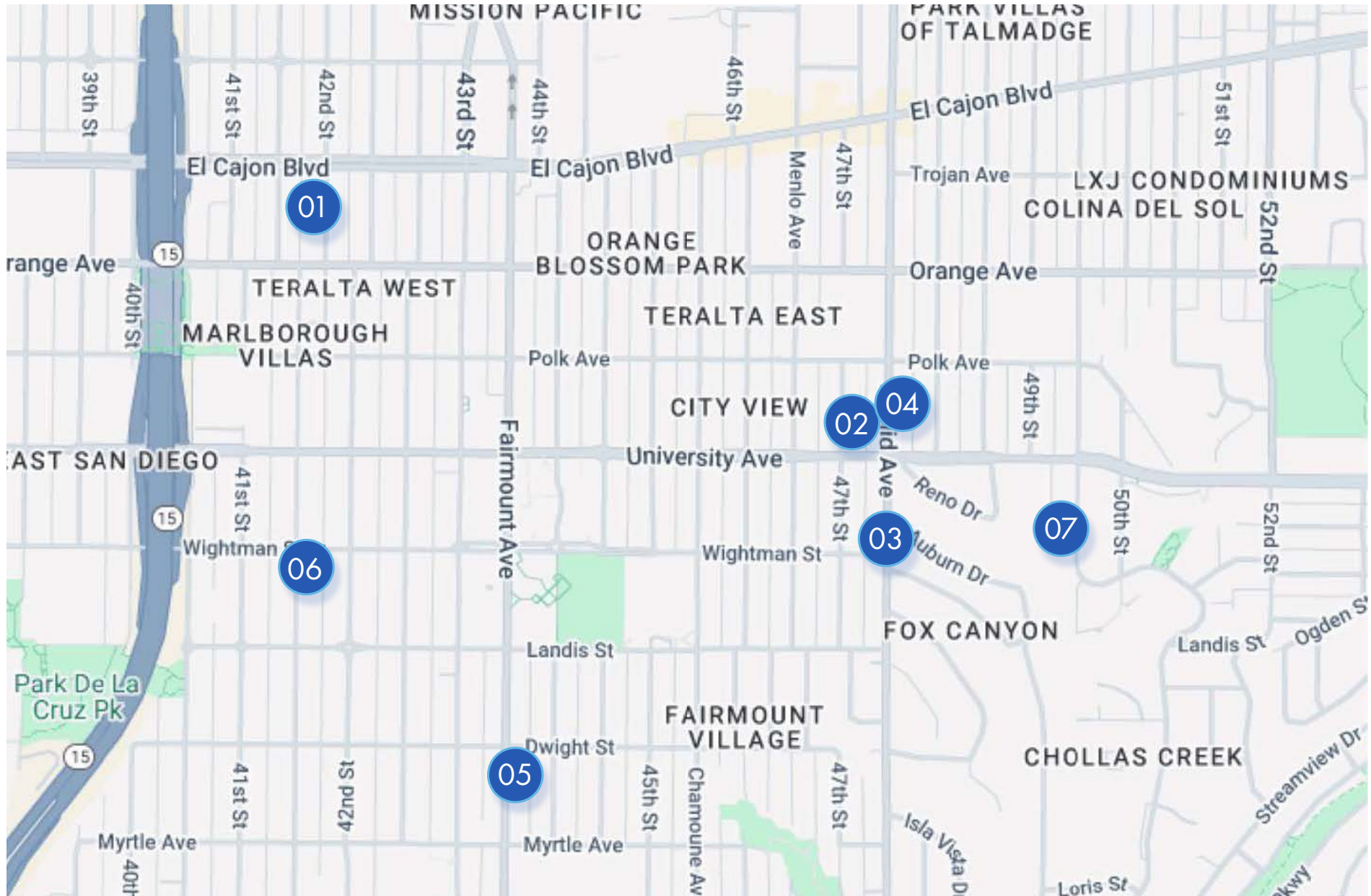
# MARKET COMPARABLES

# Sale Comparables



| #               | Address                                      | Built       | Units    | Price              | Pr./Unit         | Pr./SF          | Cap          | Sq. Ft.   | Sold     |
|-----------------|--|-------------|----------|--------------------|------------------|-----------------|--------------|-----------|----------|
| 1               | 4051 EUCLID AVE - 4051-4061 EUCLID AVENUE    | 1970        | 20       | \$4,330,000        | \$216,500        | \$316.89        | 5.00%        | 13,664 SF | MAY 24   |
| 2               | 4023-4029 47TH ST                            | 1914        | 6        | \$1,450,000        | \$241,667        | \$580.00        | 6.55%        | 2,500 SF  | MAY 24   |
| 3               | 4264 42ND ST                                 | 1969        | 7        | \$1,775,000        | \$253,571        | \$353.87        | 4.51%        | 5,016 SF  | MARCH 24 |
| 4               | 3565-3579 FAIRMOUNT AVE - FAIRMOUNT COTTAGES | 1927        | 6        | \$1,495,000        | \$249,167        | \$362.34        | 4.90%        | 4,126 SF  | JAN 24   |
| 5               | 3826 WINONA AVE                              | 1961        | 6        | \$1,670,000        | \$278,333        | \$648.29        | 5.10%        | 2,576 SF  | JAN 24   |
| 6               | 3810 EUCLID AVE                              | 1958        | 8        | \$1,289,000        | \$161,125        | \$98.01         | -            | 4,988 SF  | JAN 24   |
| 7               | 3791 MARLBOROUGH AVE                         | 1948        | 5        | \$1,285,000        | \$257,000        | \$204.49        | 2.82%        | 6,284 SF  | JAN 24   |
| <b>Averages</b> |  | <b>1950</b> | <b>8</b> | <b>\$1,899,143</b> | <b>\$236,766</b> | <b>\$366.27</b> | <b>4.81%</b> |           |          |



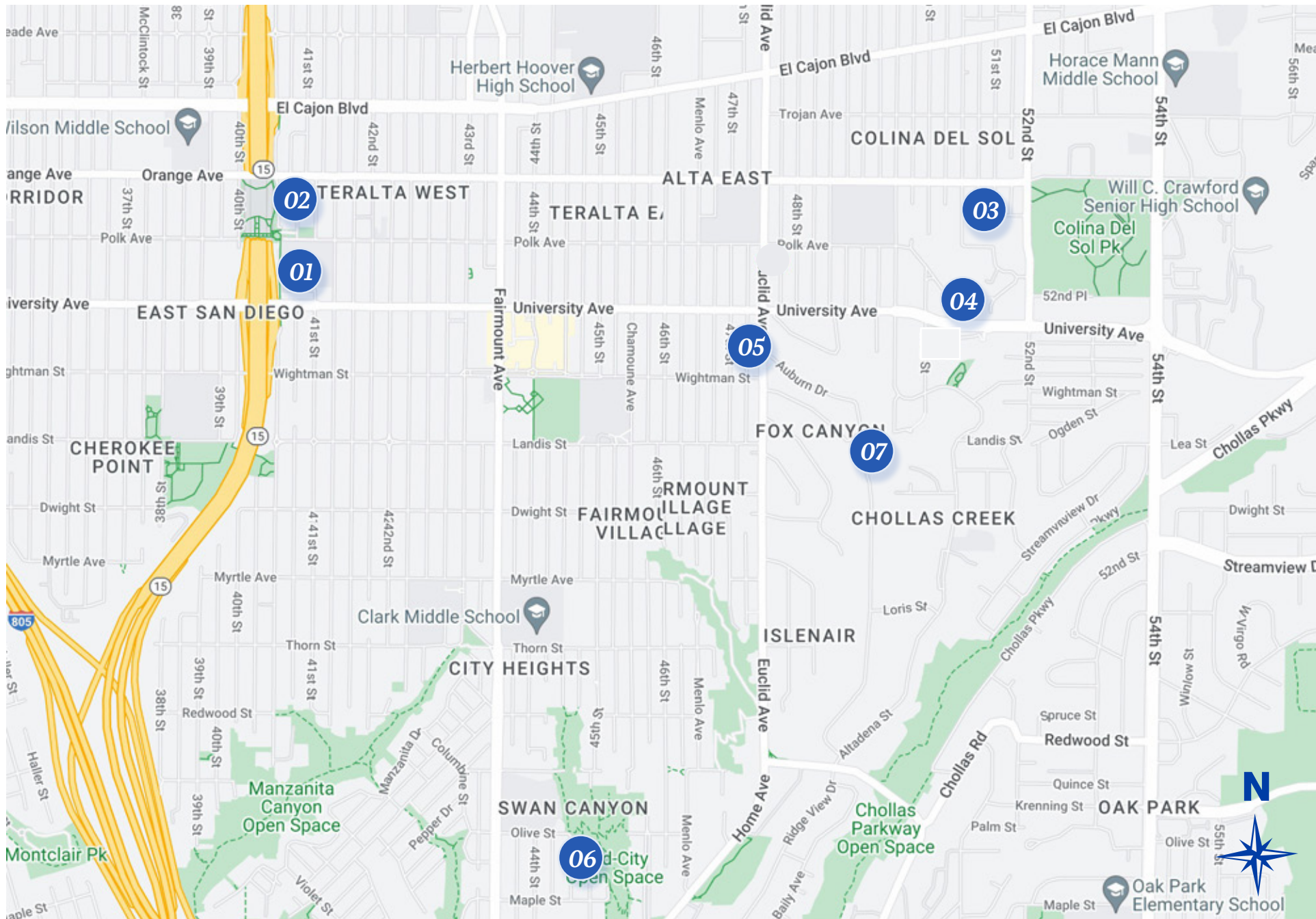


# Rent Comparables



| #               | ADDRESS   | SUBMARKET         | UNITS | YEAR BUILT | STUDIO         | 1 BEDROOM      | 2/1            |
|-----------------|---|-------------------|-------|------------|----------------|----------------|----------------|
| 1               | CENTRAL CHALET<br>4141-49 Central Ave<br>San Diego, CA 92105    | City Heights      | 17    | 1969       | \$1,699        | \$1,899        | \$2,199        |
| 2               | 4161 CENTRAL AVE<br>San Diego, CA 92105                         | Teralta West      | 4     | 1950       |                |                | \$2,295        |
| 3               | 4150 41 ST STREET<br>San Diego, CA 92105                        | Teralta West      | 14    | 1970       |                | \$1,995        | \$2,095        |
| 4               | PACIFIC COVE<br>4025 Oakcrest Drive<br>San Diego, CA 92105      | Colina Del Sol    | 81    | 1988       | \$1,550        | \$1,824        | \$2,299        |
| 5               | 3834 EUCLID AVE<br>San Diego, CA 92105                          | Fairmount Village | 6     | 1953       |                |                | \$2,300        |
| 6               | HIGHLAND APARTMENTS<br>2707 Highland Ave<br>San Diego, CA 92105 | Swan Canyon       | 24    | 1985       |                | \$1,799        |                |
| 7               | AUBURN APARTMENTS<br>4968 Auburn Drive<br>San Diego, CA 92105   | Fox Canyon        | 45    | 1986       |                |                | \$2,099        |
| <b>Averages</b> |   |                   |       |            | <b>\$1,723</b> | <b>\$1,928</b> | <b>\$2,197</b> |







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SAN DIEGO  
12230 EL CAMINO REAL #200  
SAN DIEGO CA 92130