

3710 Madison Ave

EIGHT TWO-BEDROOM UNITS IN NORMAL HEIGHTS, SAN DIEGO



OFFERING MEMORANDUM

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



3710 Madison Ave

San Diego, CA 92116



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3710 Madison Ave ✨

San Diego, CA 92116



THE ASSET



The Offering

3710 Madison Ave

Northmarq is excited to present 3710 Madison Ave, a fantastic value-add investment that offers an investor 70% upside in rents in the rapidly accelerating rental market of Normal Heights. The 6,660 square foot structure built in 1959 is situated on a 6,947 square foot lot just over a block from Adams Avenue. The property features eight 2 Bedroom / 1 Bath units, each averaging over 800 square feet. Half of the units have been recently renovated with new flooring and kitchens. In addition, the property offers a common laundry space with leased washer/dryer and 10 surface parking spaces.

3710 Madison Ave is located in Normal Heights in close proximity to three additionally desirable sub-markets in San Diego: North Park, Kensington and University Heights. All of these prime, central San Diego locations offer many options for walkable dining, retail, grocery shopping and recreational activities. The property is less than 2 miles away from two trolley line stops in Mission Valley and has easy access to the 805, 15 and 8 Freeways.

**CORONADO
BRIDGE**

**DOWNTOWN
SAN DIEGO**

**SAN DIEGO
INTERNATIONAL
AIRPORT**

07

3700 MADISON AVE

37th St

Madison Ave

38th St





LOCATION DESCRIPTION

SAN DIEGO & SURROUNDING SUBMARKETS

3710 Madison Ave is located in Normal Heights in close proximity to three additionally desirable sub-markets in San Diego: North Park, Kensington and University Heights. All of these prime, central San Diego locations offer many options for walkable dining, retail, grocery shopping and recreational activities. The property is less than 2 miles away from two trolley line stops in Mission Valley and has easy access to the 805, 15 and 8 Freeways.

Like other urban mesa neighborhoods north of Balboa Park, Normal Heights has a high rate of pedestrian activity. The stretch of Adams Avenue between Texas Street on the west and Ohio Street on the east is sometimes referred to as Antique Row, due to its numerous antique stores. A landmark neon sign over Adams Avenue at Felton Street identifies the neighborhood.

3710 Madison Ave is just over a mile from the employment hub of Mission Valley. San Diego State University is currently expanding westward and developing SDSU West which will create 4,600 student/faculty housing units, over 1.5 million square feet of office and lab space, 95,000 square feet of commercial/retail space, a 35,000 seat stadium, 400 hotel rooms and 40,000 square feet of conference space, as well as over 80 acres of park and recreational space.

NORMAL HEIGHTS NEIGHBORHOOD QUICK FACTS



135K
POPULATION
WITHIN 2 MILES



65%
RENTER-OCCUPIED HOUSING
UNITS WITHIN 2 MILES



\$659K
MEDIAN HOUSING UNIT
VALUE WITHIN 2 MILES

CENTRALLY LOCATED WITH EASY ACCESS TO MAIN THOROUGHFARES

Normal Heights is centrally located in the city of San Diego, on a mesa just south of Mission Valley. Its borders are defined by Interstate 805 to the West, Interstate 8 to the North, Interstate 15 to the East, and El Cajon Boulevard to the South.



62K
HOUSEHOLDS
WITHIN 3 MILES



\$73K
MEDIAN HOUSEHOLD
INCOME WITHIN 2 MILES



4.3%*
CITY UNEMPLOYMENT RATE
*PRELIMINARY FOR MAY 2023

NEIGHBORHOOD SHOPPING | FASHION VALLEY

4.0 MILES

FROM THE PROPERTY

LUXURY

SHOPS & DINING

200+

TOTAL STORES

APPLE | NORDSTROM | LULULEMON

NEIGHBORHOOD CONVENIENCES



WITHIN A FIVE TO TEN-MINUTE DRIVE FROM THE PROPERTY



PRIMARY EDUCATION

98K

STUDENTS SERVED

200+

SCHOOLS & CENTERS

15K

JOBS SUPPORTED

BIRD ROCK ELEMENTARY (K-5) | MARSHALL MIDDLE (6-18) | LA JOLLA HIGH (9-12)

DEMAND DRIVERS

SDSU

5.7 MILES

FROM THE PROPERTY

6K+

JOBS SUPPORTED

400K+

STUDENTS



9.2 MILES

FROM THE PROPERTY

10K+

JOBS SUPPORTED

500+

FLIGHTS/DAY



2.6 MILES

FROM THE PROPERTY

100+

JOBS SUPPORTED

8K

SF OF SPACE

3710 Madison Ave ✨

San Diego, CA 92116

FINANCIAL ANALYSIS



UNITS	ADDRESS	CITY	ZIP
8	3710 Madison Ave	San Diego	92116

PRICE	GRM CURRENT	GRM MARKET	CAP RATE CURRENT	CAP RATE MARKET	\$/UNIT
\$2,900,000	17.5	10.3	3.23%	7.12%	\$362,500

\$/SF (APPROX.)	GROSS SF (APPROX.)	PARCEL SIZE (APPROX.)	YEAR BUILT (APPROX.)
\$435.44	6,660	6,947	1959

INCOME DETAIL			
# UNITS	TYPE	RENT	TOTAL
Estimated Actual Average Rents			
8	2BR/1BA	\$1,708	\$13,660
	Other Income		\$120
	Total Monthly Income		\$13,780
Estimated Market Rents			
8	2BR/1BA	\$2,895	\$23,160
	Other Income		\$300
	Total Monthly Income		\$23,460

ESTIMATED ANNUAL OPERATING EXPENSES			
Advertising	\$0	Management (Off Site)	\$8,196
Elevator	\$0	Management (On Site)	\$0
SDGE	\$543	Licenses & Fees	
Water & Sewer	\$5,173	Admin + Misc.	\$200
Landscaping/Cleaning	\$1,860	Reserves	\$0
Trash Removal	\$3,038	Pool	\$0
Pest Control	\$915	Insurance	\$5,000
Maintenance	\$6,000	Taxes	\$35,670
Total Annual Operating Expenses (estimated):			\$66,595
Expenses Per:			Unit \$8,324
			% of Actual GSI 40%

ESTIMATED ANNUAL OPERATING PROFORMA			
		Actual	Market
Gross Scheduled Income		\$165,360	\$281,520
Less: Vacancy Factor	3%	\$4,961	\$8,446
Gross Operating Income		\$160,399	\$273,074
Less: Expenses	40%	\$66,595	\$66,595
Net Operating Income		\$93,804	\$206,479
Less: 1st TD Payments		(\$74,668)	(\$74,668)
Pre-Tax Cash Flow		\$19,136	\$131,811
Cash On Cash Return		1.0%	6.9%
Principal Reduction		\$11,499	\$11,499
Total Potential Return (End of Year One)		2%	8%

FINANCING SUMMARY		
Downpayment:		\$1,900,000
		66%
Interest Rate:	6.350%	
Amortized over:	30	Years
Proposed Loan Amount:		\$1,000,000
Debt Coverage Ratio:		
Current:	1.26	
Market:	2.77	

3710 Madison Ave ✨

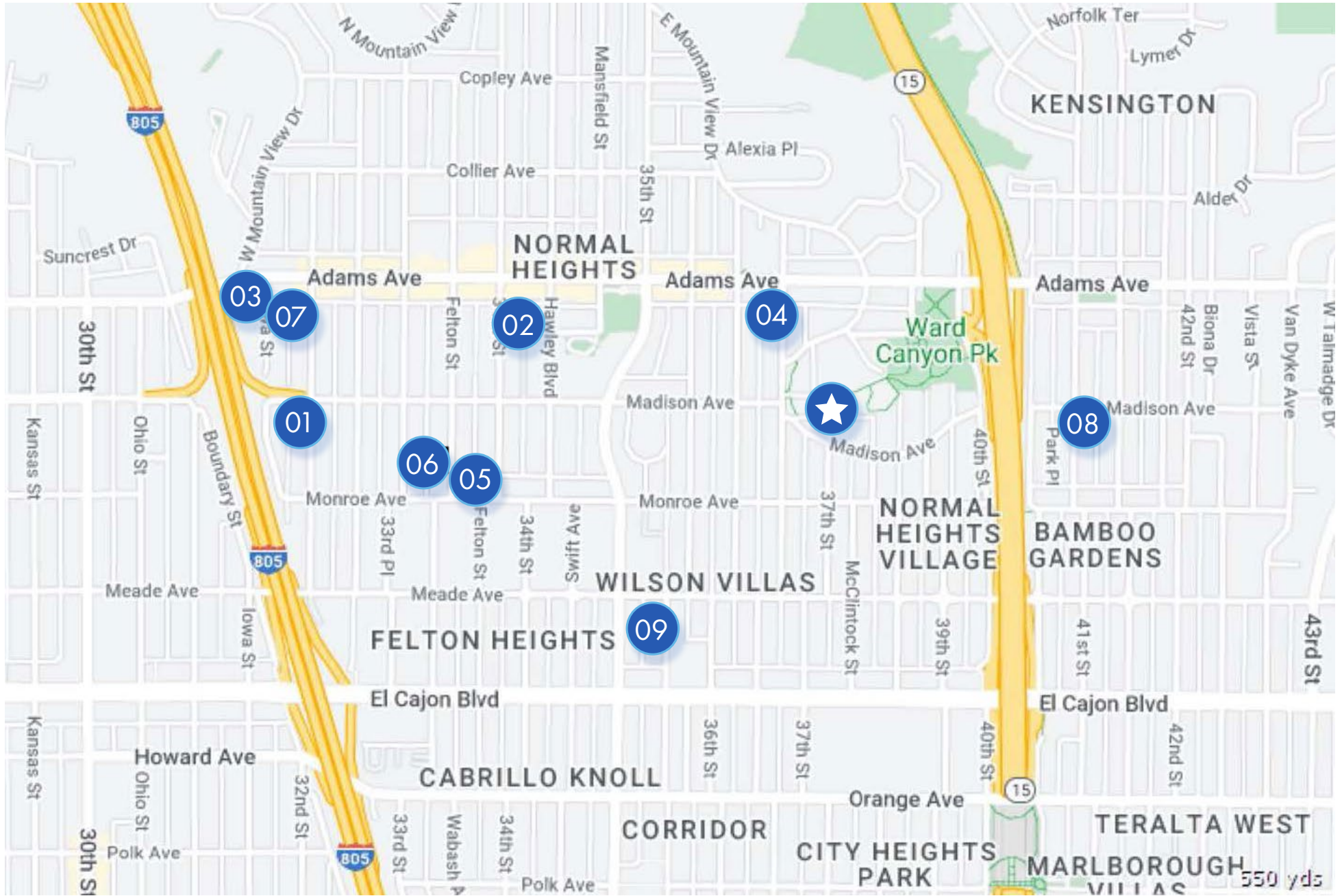
San Diego, CA 92116

MARKET COMPARABLES

Sale Comparables

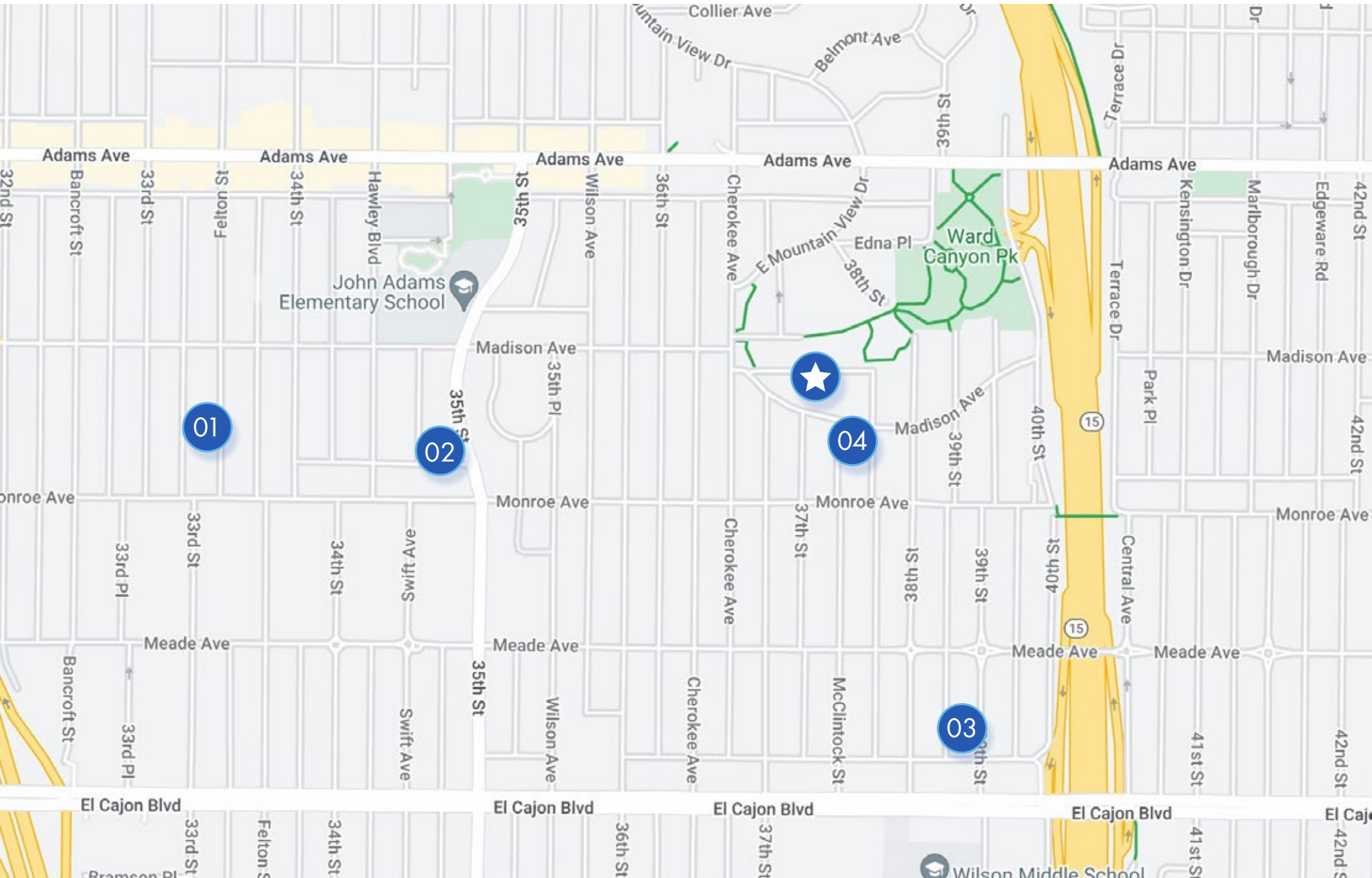
	Address	Submarket	Built	Units	Price	\$/Unit	\$/SF	Cap	Sale Date	S	1BR	2BR	3BR
1	MULTI-PROPERTY SALE 3151-3157 ADAMS AVE SAN DIEGO, CA 92116	Normal Heights	-	13	N/A	N/A	\$357.69	-	2/2/2024	2	8		
2	4665-4669 34TH ST SAN DIEGO, CA 92116	Normal Heights	1963	12	\$4,050,000	\$337,500	\$322.35	-	1/24/2024	12			
3	VILLA LORAIN APTS 4575 KENSINGTON DR SAN DIEGO, CA 92116	Kensington	1970	9	\$3,075,000	\$341,667	\$477	3	1/5/2024		6	3	
4	4368 WILSON AVE SAN DIEGO, CA 92104	Normal Heights	1979	7	\$2,600,000	\$371,429	\$554	2.77	12/4/2023		6		1
5	MULTI-PROPERTY SALE 4515 FELTON ST SAN DIEGO, CA 92116	Normal Heights	-	8	\$2,365,126	\$295,641	\$303	-	9/26/2023		4	4	
6	MULTI-PROPERTY SALE 4542 FELTON ST SAN DIEGO, CA 92116	Normal Heights	-	8	\$2,234,874	\$279,359	\$303	-	9/26/2023		4	4	
7	4669 IOWA ST SAN DIEGO, CA 92116	Normal Heights	1986	9	\$2,775,000	\$308,333	\$675.35	2.81%	7/24/2023		9		
8	4576-4580 32ND ST SAN DIEGO, CA 92116	Normal Heights	1925	5	\$1,495,000	\$299,000	\$748.25	6.91%	6/21/2023	2	2	1	
9	4676-78 CHEROKEE AVE SAN DIEGO, CA 92116	Normal Heights	1956	8	\$2,450,000	\$306,250	\$462.96	3.98%	6/7/2023		8	0	

AVERAGES
1963
8
\$2,630,625
\$317,397
\$467.07



Rent Comparables

#	Address	Submarket	Units	Year Built	2/1	Size (SF)	\$/SF
1	4542 FELTON ST SAN DIEGO, CA 92116	NORMAL HEIGHTS	8	1963	\$2,850	700	\$4.07
2	4532 35TH ST SAN DIEGO, CA 92116	NORMAL HEIGHTS	8	1951	\$2,840	975	\$2.91
3	4342 39TH ST SAN DIEGO, CA 92105	NORMAL HEIGHTS	3	1939	\$2,700	800	\$3.38
4	4530 38TH ST SAN DIEGO, CA 92116	NORMAL HEIGHTS	4	1943	\$2,999	806	\$3.72
AVERAGE			6	1949	\$2,847	820	\$3.52





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