



549-567 17TH ST

549-567 17TH ST
SAN DIEGO, CA 92101

OFFERING MEMORANDUM

Marcus & Millichap

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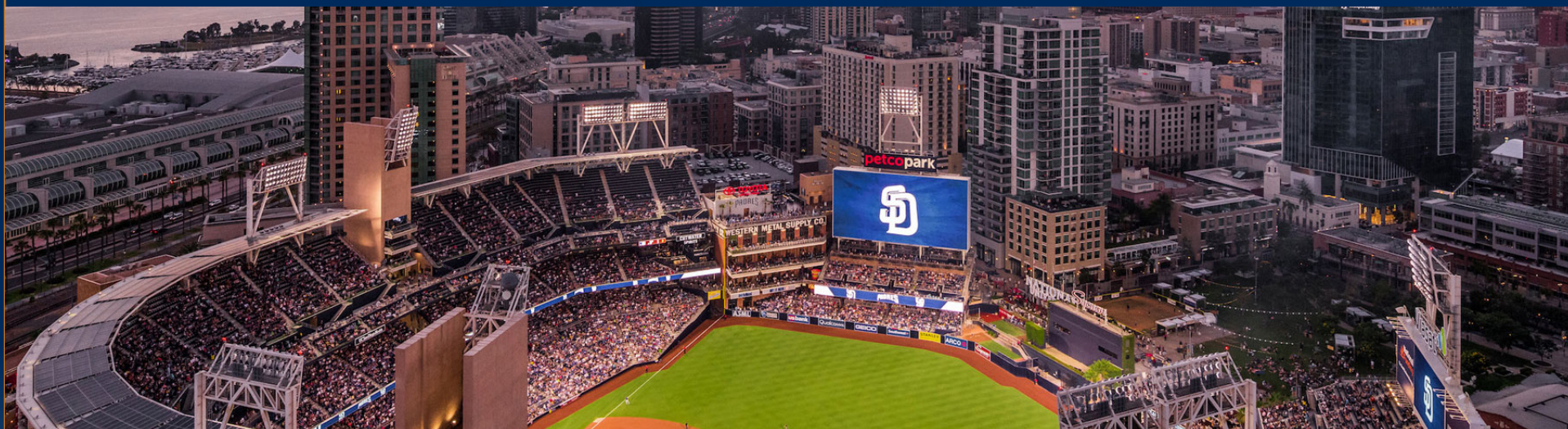
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ACTIVITY ID:

THE OPPORTUNITY

Marcus and Millichap is pleased to present for sale 549-567 17th Street, four contiguous restored cottages in the gentrifying “East Village” neighborhood of Downtown, San Diego, CA. The property consists of three 2-bedroom / 1-bath cottages (approximately 800 SF) and a single 1-bedroom / 1-bath cottage (approximately 600 SF) on a single 5,250 SF parcel. Completely remodeled cottages include luxury vinyl plank flooring, quartz countertops, stainless steel appliances and small private yards for each unit. Roofs have been replaced on all structures, a new fence is currently going in, and there have been copper plumbing updates to 549 hot and cold water supply lines. Overall condition of electrical and plumbing is good and month-to-month tenants enjoy shared onsite laundry. 17th Street offers a rare alternative to condominium and apartment living in the city with walking proximity to jobs, stores and entertainment.

PROPERTY HIGHLIGHTS

- Irreplaceable Downtown Location In The Path Of Progress For East Village
- Desirable Renter Alternative To Condo & Apartment Living With Private Yards
- All Individual Cottages With No Shared Walls & Mainly 2-Bedroom Units
- Newly Updated With Quartz Counters, New Kitchens, Baths & Vinyl Plank Flooring
- Substantial Rent Increases Possible Without Any Further Work; Great Condition
- Recent Upgrades to Roofs, Plumbing, Exterior, Fencing With Available Street Parking



THE NEIGHBORHOOD

With 2,150 units either proposed or under construction, Downtown San Diego is one of America's finest cities offering an enhanced experience for an urban lifestyle. Just blocks away, the transformation of Tailgate Park will bring 50,000 SF of neighborhood service retail, 1,800 residential units, a 1.3 acre public park and 1.4 million SF of office targeted to technology and bio-tech companies, some of San Diego's largest employers. 12 major developments have recently been completed with 11 new major proposed developments downtown are changing the skyline for East Village. As San Diego's largest employers have offices downtown, this allows employees the ability to bike, walk and access public transportation to work. The region is expected to grow by 1,000,000 residents, 500,000 jobs and 330,000 housing units in the next 25 years. Over the last decade, San Diego has experienced a housing and development boom throughout most areas of the city, especially East Village. The neighborhood is now emerging as the hotbed for innovation and employment in Southern California.



PROPERTY DETAILS

PRICE \$1,490,000

NUMBER OF UNITS 4

PRICE PER UNIT \$372,500

PRICE PER SF \$726.12

RENTABLE SF 2,052

LOT SIZE 5,250

APPROX. YEAR BUILT 1920

CAP RATE 4.57%

PROFORMA CAP RATE 4.82%

GRM 14.63

PROFORMA GRM 14.07

CASH-ON-CASH 0.66%

DEBT COVERAGE RATIO 1.07

DOWN PAYMENT \$690,000

LOAN AMOUNT \$800,000

LOAN TYPE Proposed New

INTEREST RATE 6.85%

AMORTIZATION 30 Years

TERM 30 Years

PROPERTY DETAILS

NUMBER OF UNITS	UNIT TYPE	SF/UNIT	AVERAGE CURRENT RENTS	MARKET RENTS	POST RENOVATION
1	1-Bedroom / 1-Bath W/ Den	504	\$1,967	\$2,000	\$2,000
3	2-Bedroom / 1-Bath	516	\$2,174	\$2,275	\$2,275

UNIT AMENITIES

COMPLETELY REMODELED

VINYL PLANK FLOORING

QUARTZ COUNTERTOPS

STAINLESS STEEL APPLIANCES

SMALL PRIVATE YARDS

ON-SITE LAUNDRY STEPS AWAY

OPERATING STATEMENT

INCOME		CURRENT	MARKET STABILIZED	POST RENOVATION
Gross Scheduled Rent		\$101,856	\$105,900	\$105,900
Less: Vacancy / Deductions	3%	\$3,056	3% \$3,177	3% \$3,177
Total Effective Rental Income		\$98,800	\$102,723	\$102,723
Misc. Income		\$-	\$-	\$-
Laundry Income		\$690	\$690	\$690
Effective Gross Income		\$99,490	\$103,413	\$103,413
Less: Expenses	31.80%	\$31,414	30.77% \$31,610	30.77% \$31,610
Net Operating Income		\$68,076	\$71,803	\$71,803
Cash Flow		\$68,076	\$71,803	\$71,803
Debt Service		\$63,500	\$63,500	\$63,500
Net Cash Flow After Debt Service	0.66%	\$4,576	1.20% \$8,302	1.20% \$8,302
Principal Reduction		\$9,296	\$9,296	\$9,296
Total Return	2.01%	\$13,872	2.55% \$17,599	2.55% \$17,599
EXPENSES				
Real Estate Tax		\$18,360	\$18,360	\$18,360
Insurance		\$2,800	\$2,800	\$2,800
Gas & Electricity		\$-	\$-	\$-
Water & Sewer		\$2,160	\$2,160	\$2,160
Trash Removal		\$-	\$-	\$-
Repairs & Maintenance		\$2,400	\$2,400	\$2,400
Pest Control		\$720	\$720	\$720
Management Fee	5%	\$4,974.52	5% \$5,170.65	5% \$5,170.65
Total Expense		\$32,414	\$31,610	\$32,966
Expense as a % of EGI		31.80%	30.77%	30.77%
Net Operating Income		\$68,076	\$71,803	\$71,803

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 W/ Den	1	504	\$1,967	\$1,967	\$1,967	\$2,000	\$2,000	\$2,000	\$2,000
2-Bedroom / 1-Bath	3	516	\$2,046- \$2,275	\$2,174	\$6,522	\$2,275	\$6,825	\$2,275	\$6,825
Totals / Weighted Average	4	2,052			\$8,488		\$8,825		\$8,825
Gross Annualized Rents					\$101,856		\$105,900		\$105,900

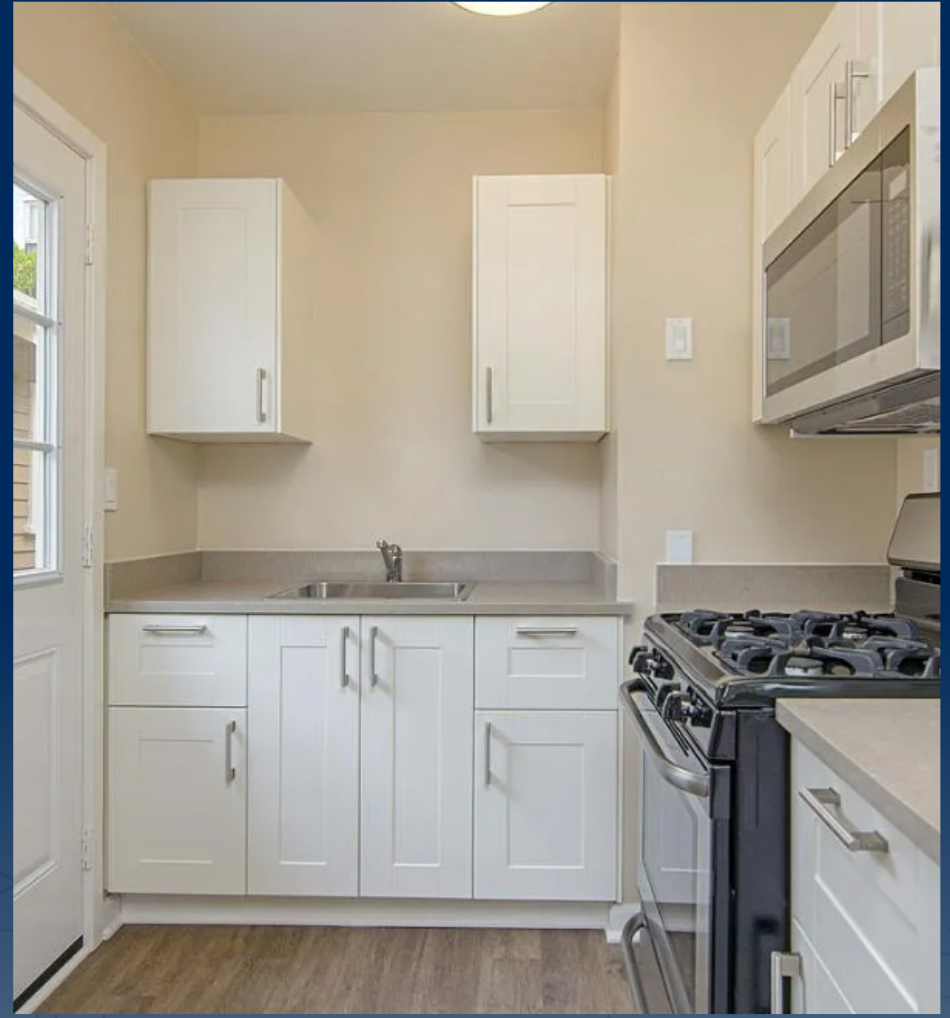
RENT ROLL DETAIL

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
549	2-Bedroom / 1-Bath	516	\$2,200	\$4.26	\$2,275	\$4.41	\$2,275	\$4.41
555	2-Bedroom / 1-Bath	516	\$2,275	\$4.41	\$2,275	\$4.41	\$2,275	\$4.41
563	2-Bedroom / 1-Bath	516	\$2,046	\$3.97	\$2,275	\$4.41	\$2,275	\$4.41
567	1-Bedroom / 1-Bath w/ Den	504	\$1,967	\$3.90	\$2,000	\$3.97	\$2,000	\$3.97
TOTAL		2,052	\$8,488	\$4.14	\$8,825	\$4.30	\$8,825	\$4.30

LOAN SUMMARY

LOAN AMOUNT	\$800,000.00	SCHEDULED PAYMENT	\$63,500.43
ANNUAL INTEREST RATE	6.85%	SCHEDULED NUMBER OF PAYMENTS	30
LOAN PERIOD IN YEARS	30	ACTUAL NUMBER OF PAYMENTS	1
NUMBER OF PAYMENTS PER YEAR	1	TOTAL EARLY PAYMENTS	\$0.00
START DATE OF LOAN	11/14/2024	TOTAL INTEREST	\$1,105,013.01
OPTIONAL EXTRA PAYMENTS	\$0.00	LENDER NAME	Proposed New

INTERIOR PHOTOS

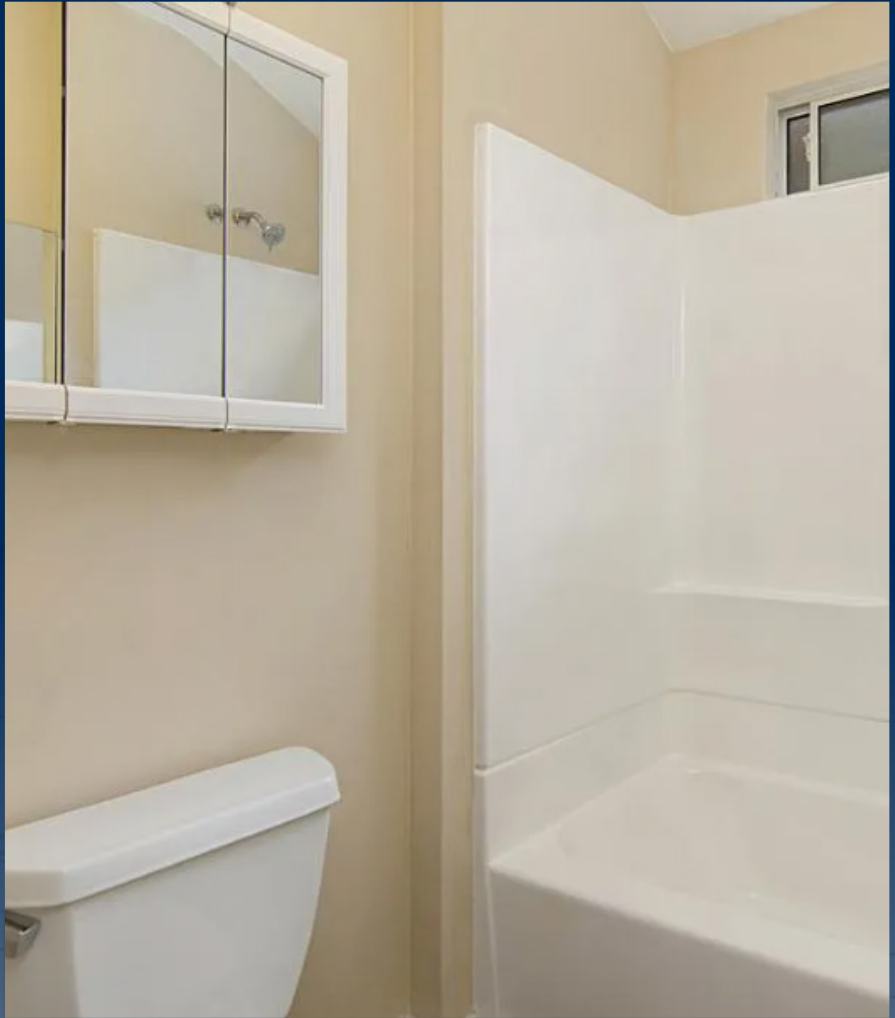


INTERIOR PHOTOS



INTERIOR

PHOTOS



SOLD

COMPARABLES

1. 4517 Cleveland Ave, San Diego, CA 92116



		Units	Unit Type
Sale Date:	06/07/2024	3	1 Bed/1 Bath
Sale Price:	\$1,515,000	1	2 Bed/1 Bath
Price Per Unit:	\$378,750		
Price Per Square Foot:	\$644.68		
Cap Rate:	3.33%		
GRM:	21.04		
Number of Units:	4		
Year Built:	1949		
Income:	\$72,000		
NOI:	\$50,400		
Expenses:	\$19,440		
Vacancy:	\$2,160		

2. 1629 Myrtle Ave, San Diego, CA 92103



		Units	Unit Type
Sale Date:	08/05/2024	2	1 Bed/1 Bath
Sale Price:	\$1,700,000	2	2 Bed/1 Bath
Price Per Unit:	\$425,000		
Price Per Square Foot:	\$653.85		
Cap Rate:	4.84%		
GRM:	14.46		
Number of Units:	4		
Year Built:	1955		
Income:	\$117,600		
NOI:	\$82,320		
Expenses:	\$31,752		
Vacancy:	\$3,528		

3. 3154 B St, San Diego, CA 92102



		Units	Unit Type
Sale Date:	05/17/2024	4	1 Bed/1 Bath
Sale Price:	\$1,701,748		
Price Per Unit:	\$425,437		
Price Per Square Foot:	\$625.64		
Cap Rate:	3.72%		
GRM:	18.79		
Number of Units:	4		
Year Built:	1916		
Income:	\$90,540		
NOI:	\$63,378		
Expenses:	\$24,446		
Vacancy:	\$2,716		

SOLD COMPARABLES

4. 358 22nd St, San Diego, CA 92102



		Units	Unit Type
Sale Date:	07/11/2024	2	1 Bed/1 Bath
Sale Price:	\$1,733,000	2	2 Bed/1 Bath
Price Per Unit:	\$433,250		
Price Per Square Foot:	\$626.99		
Cap Rate:	4.58%		
GRM:	15.28		
Number of Units:	4		
Year Built:	1923		
Income:	\$113,400		
NOI:	\$79,380		
Expenses:	\$30,618		
Vacancy:	\$3,402		

5. 3757 Bancroft St, San Diego, CA 92104



		Units	Unit Type
Sale Date:	07/11/2024	3	1 Bed/1 Bath
Sale Price:	\$1,775,000	1	2 Bed/1 Bath
Price Per Unit:	\$443,750		
Price Per Square Foot:	\$724.49		
Cap Rate:	4.02%		
GRM:	17.40		
Number of Units:	4		
Year Built:	1933		
Income:	\$102,000		
NOI:	\$71,400		
Expenses:	\$27,540		
Vacancy:	\$3,060		



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