

Aztec Canyon Apartments

5502-08 UNIVERSITY AVE, SAN DIEGO, CA 92105



OFFERING MEMORANDUM



Aztec Canyon Apartments

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Aztec Canyon Apartments



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THE ASSET

Property Description

The Aztec Canyon Apartments at 5502-06 University Avenue is a 10-unit apartment complex that consists of 5,866 rentable square feet built in 1950 situated on a 21,344 square foot lot with over 12 parking spaces. The property is in the Complete Communities Housing Plan which allows for 6.5 FAR with parking relaxation incentives and no height limits.

The unit mix consists of one 3 Bed / 1 Bath unit, three 2 Bed / 1 Bath units, and six 1 Bed / 1 Bath units as well as a billboard that generates income. All the units are completely renovated with brand-new windows, interior finishings, kitchens, vanities, high-end appliances, AC units, vinyl flooring and new appliances. Two units are affordable. There are two washers and two dryers in an on-site laundry room and tenants are billed back for some utilities. There is an assumable Chase loan with a balance of \$1,449,000 fixed at 3.34% maturing in March of 2027. There are plans to build twenty 1 Bed / 1 Bath units and additional parking in the rear of the property. The contract for the billboard is up for renewal in January

2025. Soil report, slope study and full topo survey are also available.

Socially and economically, Central San Diego has a high concentration of 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 including the Interstates 8 and 15 with close access to the coast, beaches, business districts, downtown, and Mexico.

SALE PRICE: \$3,250,000

**DOWNTOWN
SAN DIEGO**

**DIAMOND
PLAZA**

54th St

Chollas Pkwy

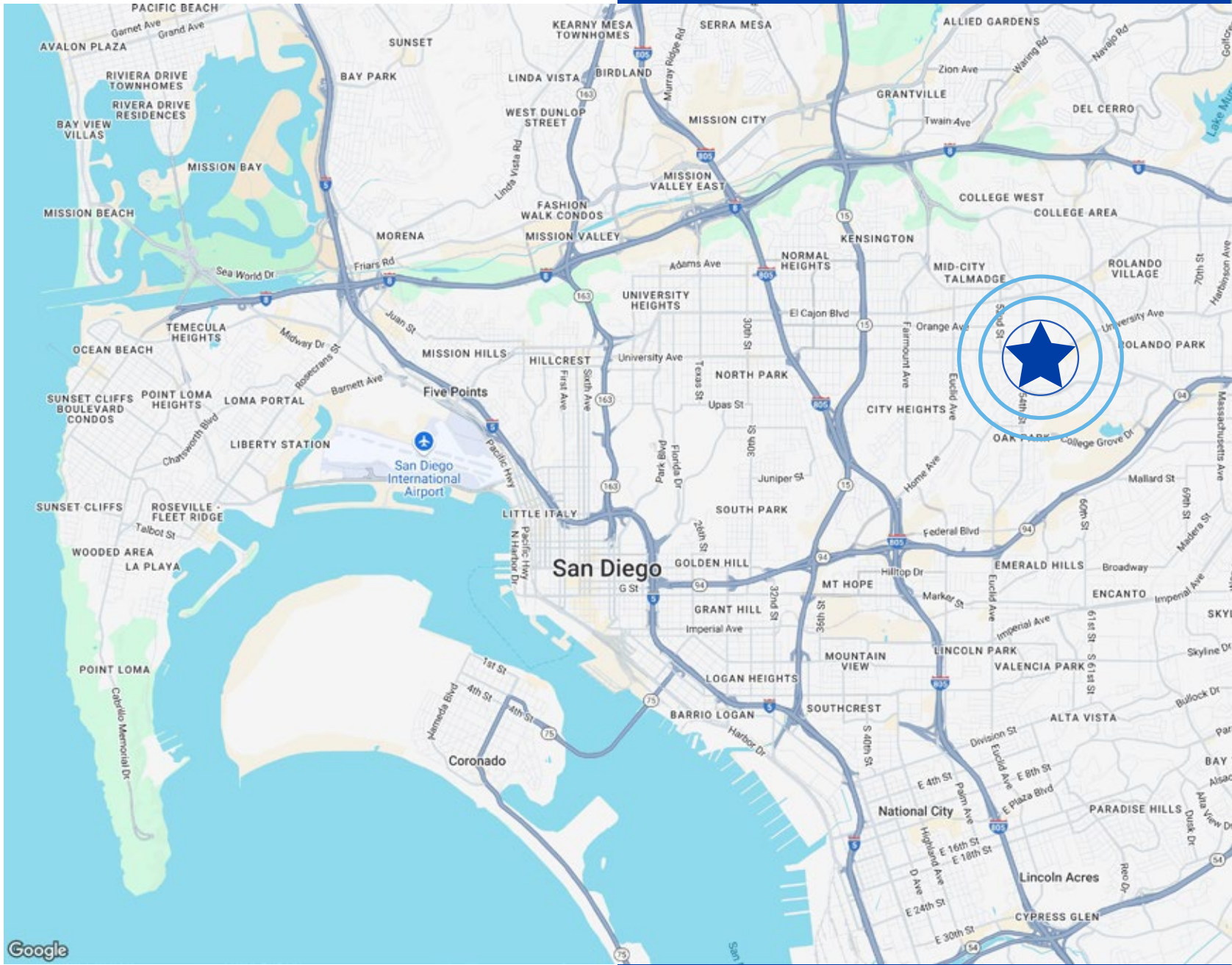
University Ave

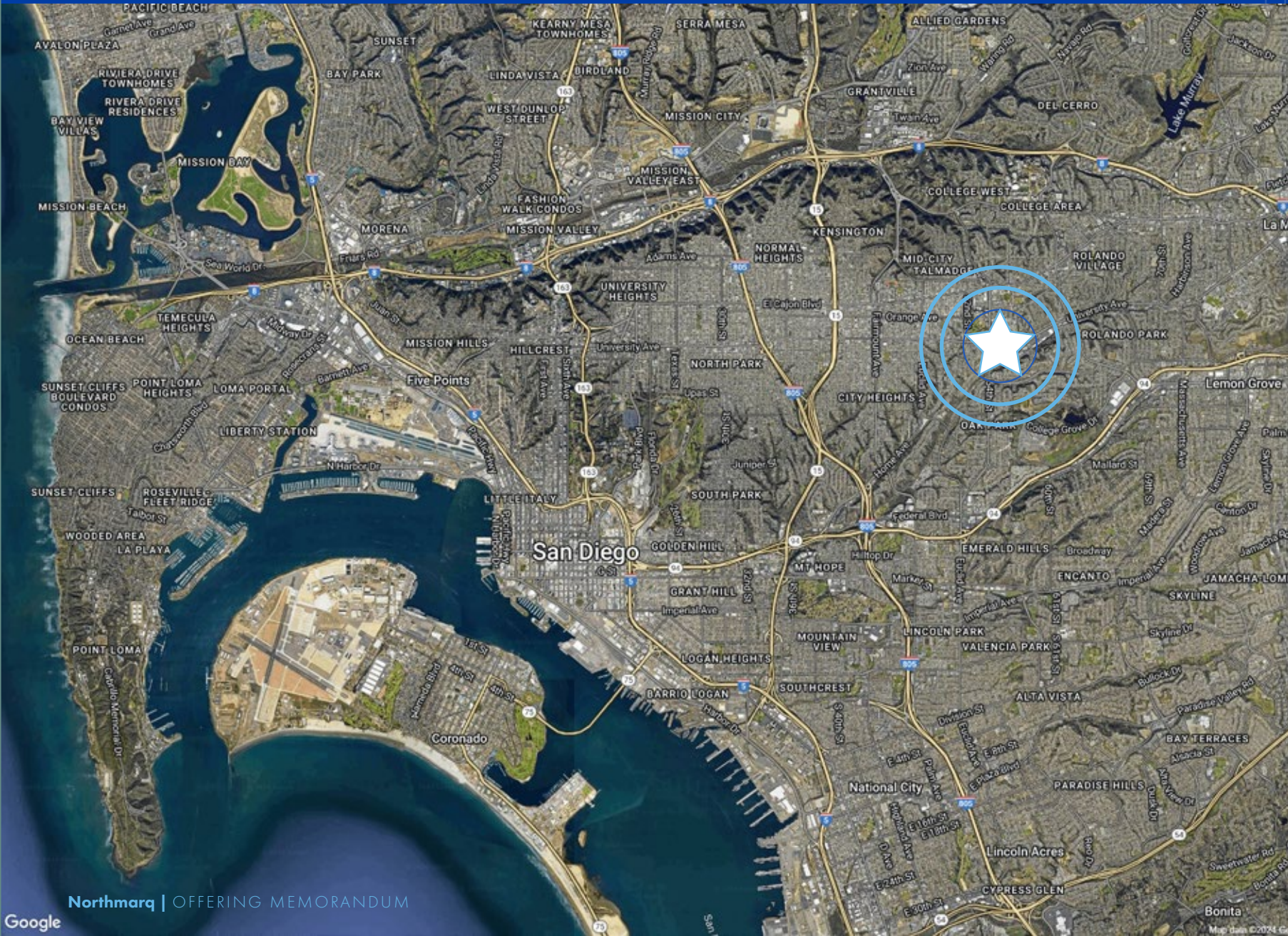






LOCATION MAPS





The background features a white architectural wireframe of a modern building with a complex, angular structure. The wireframe is set against a solid blue background. In the upper right, there are silhouettes of palm trees. A grid of thin white lines is overlaid on the entire scene, with small white plus signs at the intersections. A small, light blue four-pointed starburst icon is positioned to the right of the main title.

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FINANCIAL ANALYSIS

Financial Analysis - 10 Units



UNITS	ADDRESS	CITY	ZIP
10	5502-08 University Ave	San Diego	92105

PRICE	GRM		CAP RATE		\$/UNIT
	CURRENT	MARKET	CURRENT	MARKET	
\$3,195,000	12.8	12.4	4.38%	4.62%	\$319,500

\$/SF (APPROX.)	GROSS SF (APPROX)	PARCEL SIZE (APPROX.)	YEAR BUILT (APPROX.)
\$544.66	5,866	21,344	1950

INCOME DETAIL				
# UNITS	TYPE	RENT	TOTAL	NOTES
Estimated Actual Average Rents				
1	3BR/1BA	\$2,700	\$2,700	
3	2BR/1BA	\$2,131	\$6,393	
6	1BR/1BA	\$1,826	\$10,956	
RUBS/Laundry/Billboard Income			\$824	
Total Monthly Income			\$20,873	
Estimated Market Rents				
1	3BR/1BA	\$2,800	\$2,800	
3	2BR/1BA	\$2,150	\$6,450	
6	1BR/1BA	\$1,900	\$11,400	
RUBS/Laundry/Billboard Income			\$900	
Total Monthly Income			\$21,550	

ESTIMATED ANNUAL OPERATING EXPENSES			
Advertising	\$0	Management (Off Site)	\$12,524
Elevator	\$0	Management (On Site)	\$0
SDGE	\$12,828	Licenses & Fees	\$315
Water & Sewer	\$7,200	Miscellaneous	\$0
Landscaping/Cleaning	\$1,200	Reserves	\$0
Trash Removal	\$10,594	Pool	\$0
Pest Control	\$600	Insurance	\$7,000
Maintenance	\$9,000	Taxes	\$39,299
Total Annual Operating Expenses (estimated):			\$100,559
Expenses Per:		Unit	\$10,056
		% of Actual GSI	40%

ESTIMATED ANNUAL OPERATING PROFORMA			
		Actual	Market
Gross Scheduled Income		\$250,476	\$258,600
Less: Vacancy Factor	4%	\$10,019	\$10,344
Gross Operating Income		\$240,457	\$248,256
Less: Expenses	40%	\$100,559	\$100,559
Net Operating Income		\$139,898	\$147,697
Less: 1st TD Payments		(\$76,588)	(\$76,588)
Pre-Tax Cash Flow		\$63,310	\$71,109
Cash On Cash Return		3.6%	4.1%
Principal Reduction		\$28,593	\$28,593
Total Potential Return (End of Year One)		5%	6%

FINANCING SUMMARY		
Downpayment:		\$1,745,000
		55%
Interest Rate:	3.340%	
Amortized over:	30	Years
Proposed Loan Amount:		\$1,450,000
Debt Coverage Ratio:		
	Current:	1.83
	Market:	1.93

Financial Analysis - 30 Units



UNITS	ADDRESS	CITY	ZIP
30	5502-08 University Ave	San Diego	92105

PRICE	GRM		CAP RATE		\$/UNIT
	CURRENT	MARKET	CURRENT	MARKET	
\$7,000,000	10.0	9.7	6.12%	6.44%	\$233,333

\$/SF (APPROX.)	GROSS SF (APPROX)	PARCEL SIZE (APPROX.)	YEAR BUILT (APPROX.)
\$277.33	25,241	21,344	1950 / 2025

INCOME DETAIL				
# UNITS	TYPE	RENT	TOTAL	NOTES
Estimated Actual Average Rents				
1	3BR/1BA	\$2,700	\$2,700	
3	2BR/1BA	\$2,131	\$6,393	
6	1BR/1BA	\$1,826	\$10,956	
20	1BR/1BA	\$1,850	\$37,000	
RUBS/Laundry/Billboard Income			\$1,200	
Total Monthly Income			\$58,249	

Estimated Market Rents				
# UNITS	TYPE	RENT	TOTAL	NOTES
1	3BR/1BA	\$2,800	\$2,800	
3	2BR/1BA	\$2,150	\$6,450	
6	1BR/1BA	\$1,900	\$11,400	
20	1BR/1BA	\$1,900	\$38,000	
RUBS/Laundry/Billboard Income			\$1,500	
Total Monthly Income			\$60,150	

ESTIMATED ANNUAL OPERATING EXPENSES			
Advertising	\$0	Management (Off Site)	\$34,949
Elevator	\$0	Management (On Site)	\$20,000
SDGE	\$12,828	Licenses & Fees	\$315
Water & Sewer	\$20,000	Miscellaneous	\$0
Landscaping/Cleaning	\$2,400	Reserves	\$0
Trash Removal	\$25,000	Pool	\$0
Pest Control	\$1,800	Insurance	\$21,000
Maintenance	\$18,000	Taxes	\$86,100

Total Annual Operating Expenses (estimated):	\$242,392
Expenses Per:	Unit \$8,080
	% of Actual GSI 35%

ESTIMATED ANNUAL OPERATING PROFORMA			
	Actual	Market	
Gross Scheduled Income	\$698,988	\$721,800	
Less: Vacancy Factor	4%	\$27,960	\$28,872
Gross Operating Income	\$671,028	\$692,928	
Less: Expenses	35%	\$242,392	\$242,392
Net Operating Income	\$428,636	\$450,536	
Less: 1st TD Payments	(\$323,757)	(\$323,757)	
Pre-Tax Cash Flow	\$104,879	\$126,778	
Cash On Cash Return	4.2%	5.1%	
Principal Reduction	\$55,261	\$55,261	
Total Potential Return (End of Year One)	6%	7%	

FINANCING SUMMARY		
Downpayment:		\$2,500,000
		36%
Interest Rate:	6.000%	
Amortized over:	30	Years
Proposed Loan Amount:		\$4,500,000
Debt Coverage Ratio:		
Current:	1.32	
Market:	1.39	



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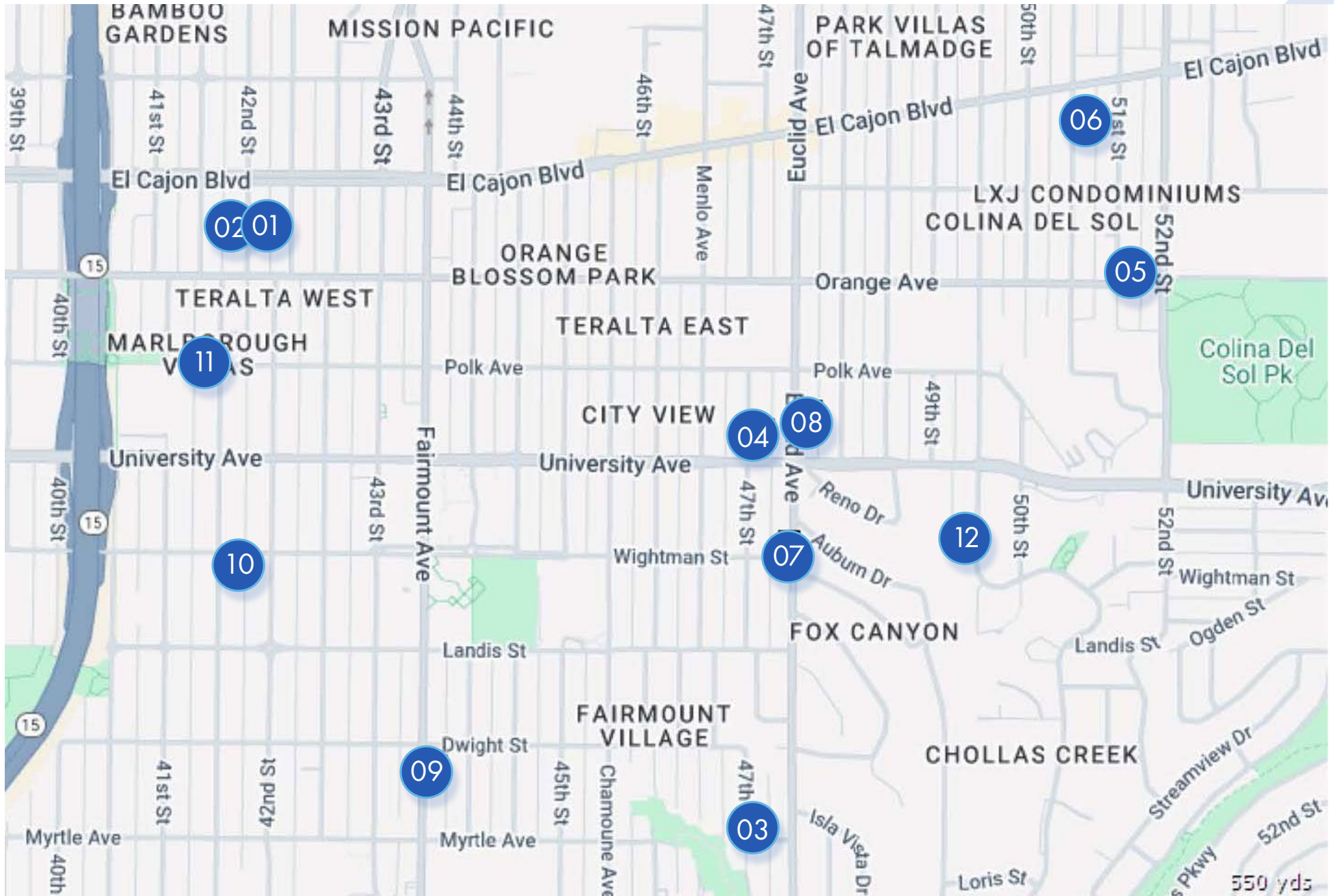


MARKET COMPARABLES

Sale Comparables



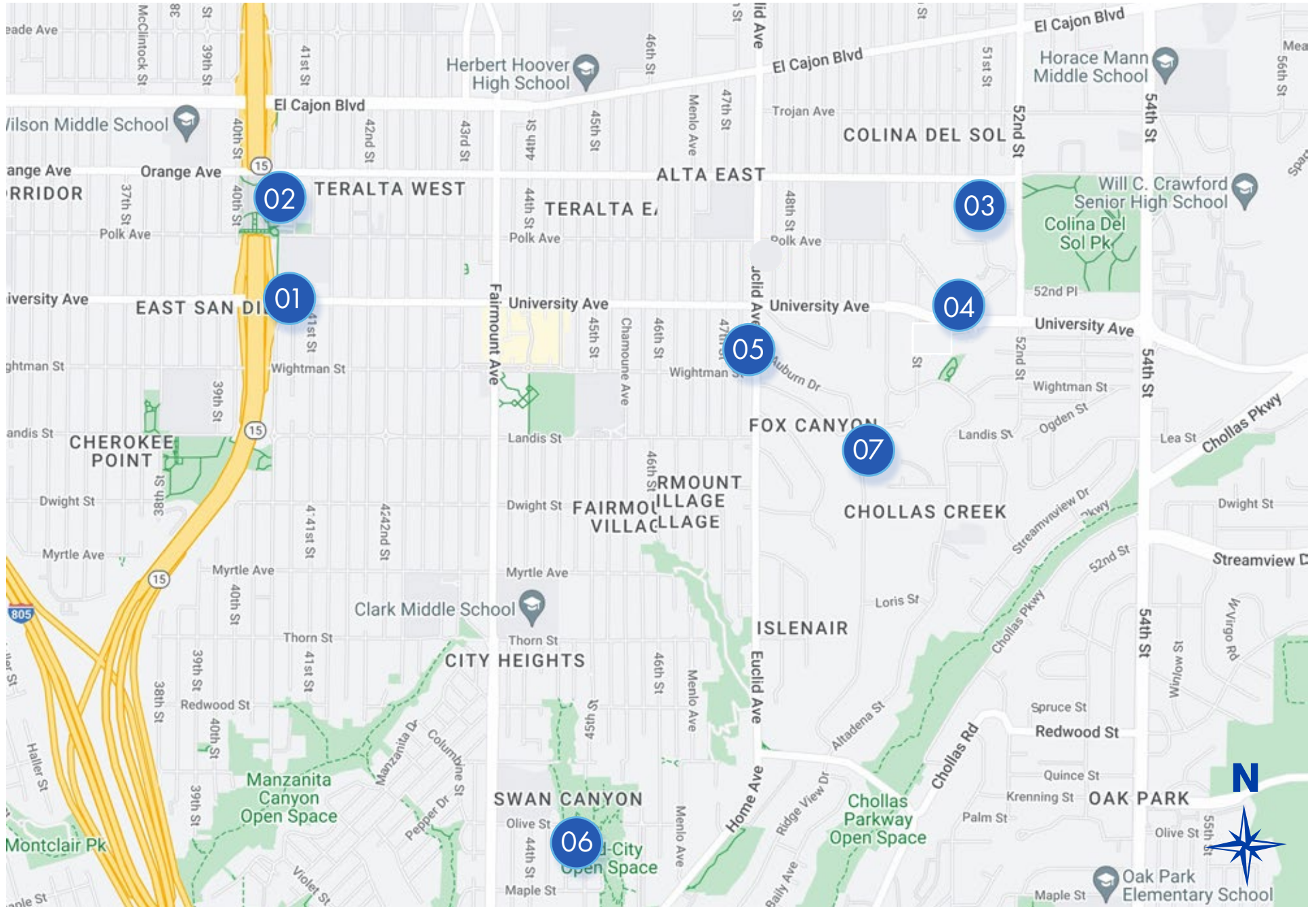
#	Address	Built	Units	Size SF	Sale Date	Sale Price	Price/Unit	Price/SF	Cap
1	4361-4365 ALTADENA AVE - ALTADENA APARTMENTS	1950	8	4,622 SF	OCT 2024	\$2,400,000	\$300,000	\$519.26	8.06%
2	4102 MARLBOROUGH AVE	1981	18	16,891 SF	SEPT 2024	\$5,130,000	\$285,000	\$303.71	5.50%
3	3513-3519 47TH ST	1940	5	3,700 SF	SEPT 2024	\$1,425,000	\$285,000	\$385.14	5.00%
4	4051 EUCLID AVE	1970	20	13,664 SF	MAY 2024	\$4,330,000	\$216,500	\$316.89	8.97%
5	4023-4029 47TH ST	1914	6	2,500 SF	MAY 2024	\$1,450,000	\$241,667	\$580.00	6.55%
6	4264 42ND ST	1969	7	5,016 SF	MAR 2024	\$1,775,000	\$253,571	\$353.87	4.51%
7	3565-3579 FAIRMOUNT AVE	1927	6	4,126 SF	JAN 2024	\$1,495,000	\$249,167	\$362.34	4.90%
8	3826 WINONA AVE	1961	6	2,576 SF	JAN 2024	\$1,670,000	\$278,333	\$648.29	5.10%
9	3810 EUCLID AVE	1958	8	4,988 SF	JAN 2024	\$1,289,000	\$161,125	\$258.42	-
10	3791 MARLBOROUGH AVE	1948	5	6,284 SF	JAN 2024	\$1,285,000	\$257,000	\$204.49	2.82%
11	4263 42ND ST	1967	8	5,226 SF	DEC 2023	\$1,765,000	\$220,625	\$337.73	6.63%
12	4201 51 ST ST	1986	23	11,304 SF	NOV 2023	\$5,250,000	\$228,261	\$464.44	5.25%
					AVERAGES	\$2,438,667	\$248,021	\$394.55	5.75%



Rent Comparables



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





Northmarq

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