

POGONIP TERRACE APARTMENTS 140 VERNON ST.

FOR SALE

Santa Cruz, CA

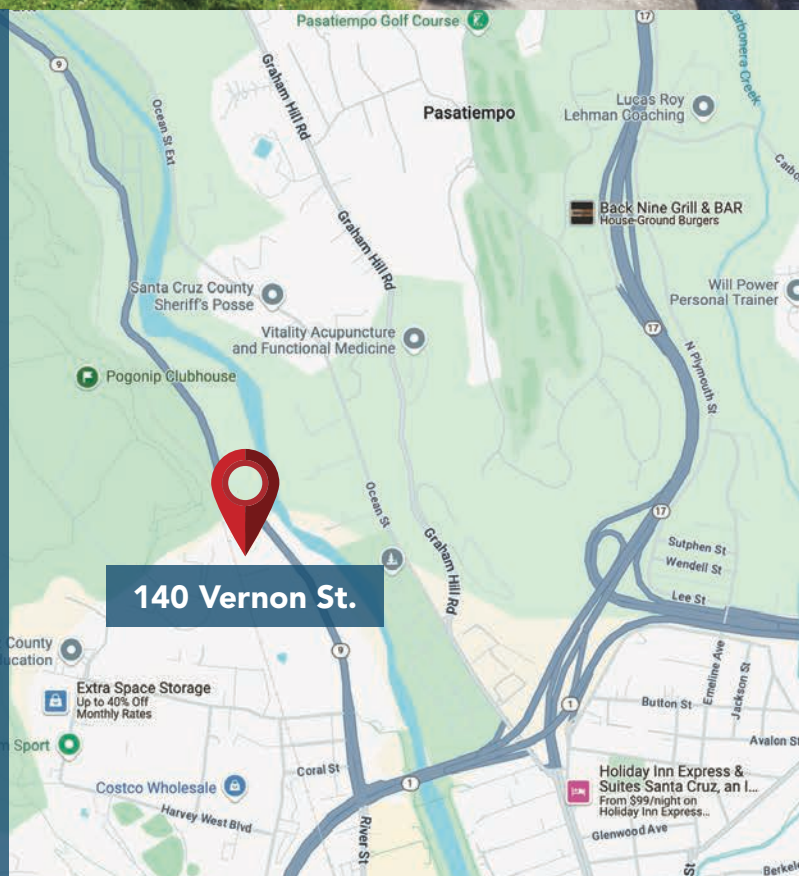
\$7,500,000



Property Highlights

- 27 Studio Units and One 1-Bedroom Unit
- Immaculately Maintained and Beautifully Landscaped
- Easy Access to Hwy 1, Downtown Santa Cruz and UCSC
- Excellent Income Producer with Upside to Rents

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SHOEMAKER COMMERCIAL REAL ESTATE

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PROPERTY DESCRIPTION

140 Vernon St, Santa Cruz, Ca

Pogonip Terrace, located at 140 Vernon St in Santa Cruz, is a well maintained property with historically high occupancy rates. Built in 1999, the 28-unit building is near open space with easy access to area highways (9, 1, 17), UC Santa Cruz, and Downtown Santa Cruz. The Santa Cruz rental market is impacted and there is constant demand for smaller units.

The 27 SRO (Single Room Occupancy) units and the 1 one-bedroom unit are appealing to professionals and students alike. It is rare for a building of this size, especially one built in the last 25 years, to come on the market in Santa Cruz. Rents have continued to increase, with the latest SRO's renting for \$1,925 per month. There is upside to an investor by bringing up the remaining rents to the current market per the Rent Roll and Financial Analysis. The property is professionally managed by a long-term manager who'd like to continue.

Four of the units are part of the Measure O (Affordable) program in the city of Cruz. The remainder of the units are market rate.

This property is owned and operated by the original owners and is offered for sale for the first time in its 25 year history.



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PROPERTY DESCRIPTION

140 Vernon St, Santa Cruz, Ca

APN	008-011-12
ADDRESS	140 Vernon St. Santa Cruz, CA 95060
LOCATION	Quiet complex near open space with easy access to area highways (9, 1 & 17), UCSC and downtown Santa Cruz
CURRENT USE	Apartment Complex 27 studio units One 1-bedroom unit
ZONING	IG - General Industrial
PARCEL SIZE	23,566 sq. ft. +/- (0.541 acres +/-)
IMPROVEMENT SIZE	9,400 sq. ft. +/- rentable
IMPROVEMENT DESCRIPTION	Three two-story buildings, covered parking structure on flag lot
PARKING / COVERED	24 / 8
CARPORT SQUARE FOOTAGE	1,366 sq. ft +/-
ON-SITE LAUNDRY	Yes, coin operated
LANDSCAPING	Well maintained, mature
YEAR BUILT	1999



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RENT ROLL

140 Vernon St, Santa Cruz, Ca

Unit	Size	Current Rent	Proforma Rent*
1	Studio / 1 Bath	\$1,925	\$1,925
2	Studio / 1 Bath	\$1,625	\$1,925
3	Studio / 1 Bath	\$1,650	\$1,925
4	Studio / 1 Bath	\$1,070	\$1,795
5	Studio / 1 Bath	\$1,109	\$1,795
6	Studio / 1 Bath	\$1,600	\$1,925
7	Studio / 1 Bath	\$1,925	\$1,925
8	Studio / 1 Bath	\$1,600	\$1,925
9	Studio / 1 Bath	\$1,925	\$1,925
10	Studio / 1 Bath	\$1,150	\$1,285
11	Studio / 1 Bath	\$1,625	\$1,925
12	Studio / 1 Bath	\$1,650	\$1,925
13	Studio / 1 Bath	\$1,625	\$1,925
14	Studio / 1 Bath	\$1,625	\$1,925
15	Studio / 1 Bath	\$1,625	\$1,925
16	Studio / 1 Bath	\$1,625	\$1,925
17	Studio / 1 Bath	\$1,600	\$1,925
18	Studio / 1 Bath	\$1,680	\$1,925
19	Studio / 1 Bath	\$1,575	\$1,925
20	Studio / 1 Bath	\$1,114	\$1,795
21	Studio / 1 Bath	\$1,575	\$1,925
22	Studio / 1 Bath	\$1,600	\$1,925
23	Studio / 1 Bath	\$1,625	\$1,925
24	Studio / 1 Bath	\$1,075	\$1,795
25	Studio / 1 Bath	\$1,600	\$1,925
26	Studio / 1 Bath	\$1,600	\$1,925
27	Studio / 1 Bath	\$1,600	\$1,925
28	1 Bed / 1 Bath	\$2,375	\$2,500
TOTAL		\$44,373	\$53,315

*Proforma rents for each unit type are calculated as the highest current rent for each unit type. Market rents may be slightly higher or lower depending on size, location, and quality of each unit.



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OPERATING EXPENSES

140 Vernon St, Santa Cruz, Ca

2023 Expenses with Property Tax Increased to Reflect List Price

Item	Annual Cost
Insurance	\$29,609
Property Tax Based on \$7,500,000	\$83,165
Utilities	\$28,464
Repair and Maintenance	\$18,901
Management	\$45,691
Landscaping	\$6,845
	\$212,675



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FINANCIAL ANALYSIS

140 Vernon St, Santa Cruz, Ca

	Current	Proforma*
Potential Monthly Rental Income	\$44,373	\$53,315
Potential Annual Rental Income	\$532,476	\$639,780
Annual Laundry Income	\$5,370	\$5,370
(2% Vacancy and Reserves)	(\$10,757)	(\$12,903)
Effective Gross Income	\$527,089	\$632,247
(Annual Expenses)**	(\$212,675)	(\$212,675)
Net Operating Income	\$314,414	\$419,572
CAP Rate	4.2%	5.6%
Gross Income Multiplier	13.94	11.63
Price Per Unit	\$267,857	\$267,857
Price Per Sq. Ft.	\$798	\$798

*Proforma Rental Rates use the latest rents (\$1,925 per month) for the market rate units. They also use the Section 8 guidance for SRO's in Santa Cruz County for the Measure O units (\$1,795).

**The Annual Expenses are the 2023 end of year expenses, with property taxes increased to reflect the list price of \$7,500,000.



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PARCEL MAP

140 Vernon St, Santa Cruz, Ca

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CITY OF SANTA CRUZ

Tax Area Code
1-032

8-01



Note - Assessor's Parcel & Block Numbers are Shown in Circles.

Assessor's Map No. 8-01
City of Santa Cruz
County of Santa Cruz, Calif.

Electronically reproduced 8/20/11 USA
Assessor's Map No. 8-01
Rev. 3/17/04, CA 100, 04/02/22
Rev. 12/11/08 mm (Camb. Form. 2-05)



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PHOTOS

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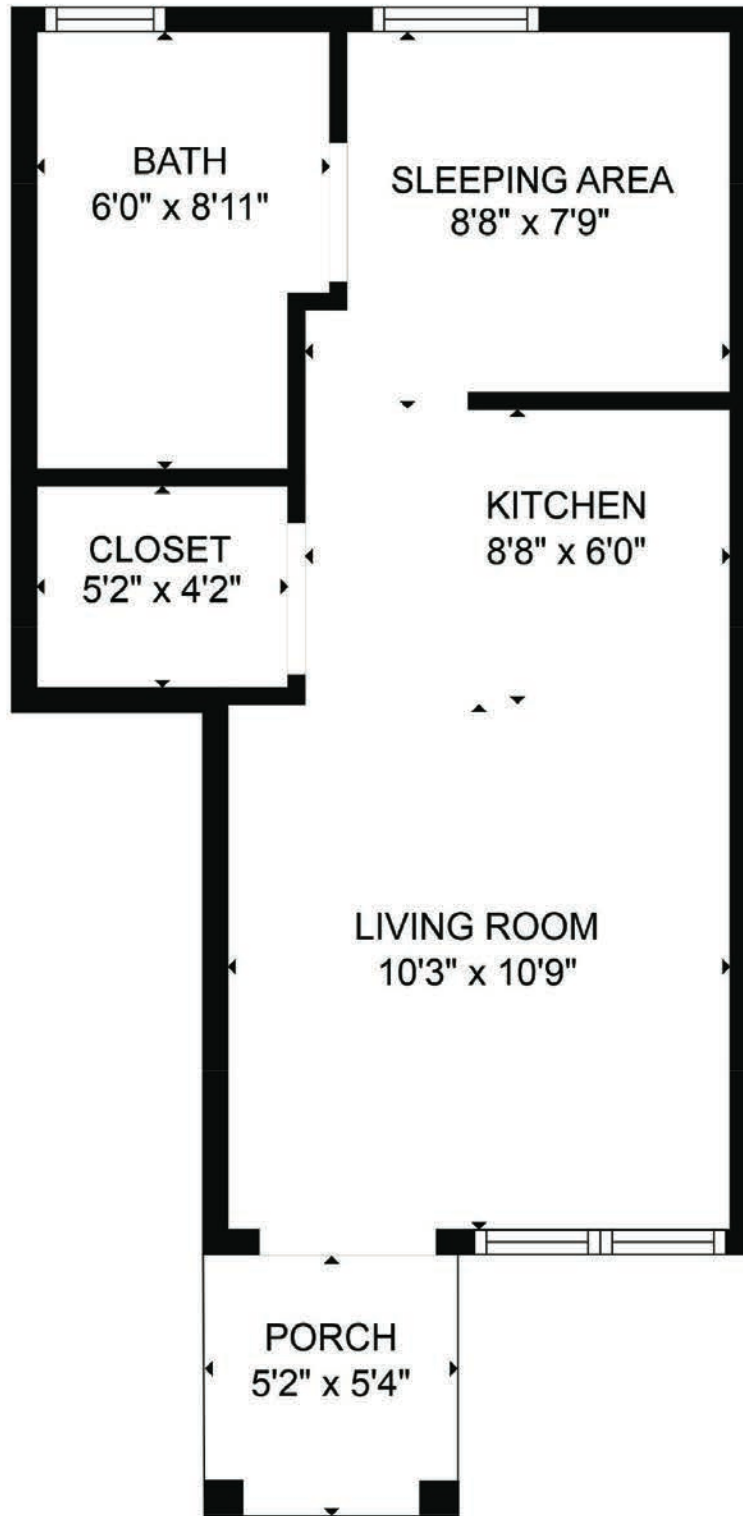


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FLOOR PLAN

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AERIAL MAP

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