

# Offering Memorandum

Stabilized Value-Add Investment Opportunity  
Chateau Suzanne Apartments  
4218 46<sup>th</sup> Street, San Diego, CA 92115

\$3,150,000, 14 units

**FOLIO**  
REAL ESTATE GROUP



# Executive Summary

4218 46<sup>th</sup> Street, San Diego, CA 92115

**Rare 14-unit value-add in City Heights with strong cash flow and future upside**

## Deal Snapshot

- Price: \$3,150,000
- Units: 14
- Price/Unit: \$225,000
- Cap: 5.38% Actuals, 6.73% Pro Forma

## Value Drivers

- Below-market rents / mark-to-market
- Upside via renovations & RUBS
- Walkable, high-demand submarket

Property Address	<b>4218 46th Street, San Diego, CA 92115</b>
APN	<b>471-302-13-00</b>
Number of Units	<b>14 Units</b>
Year Built	<b>1985</b>
Lot Size	<b>0.13 Acres</b>
Building SF	<b>8,950 GSF</b>



# Investment Highlights

## Attractive Day 1 Returns

- Extremely attractive 5.38% cap rate Day 1
- Upside with increased rent
- Renovation premiums
- Rents up to market
- Utility bill-backs through RUBs

## Operational Efficiency

- Low turnover profile
- New solar panels and new roof
- Professionally management by MV Properties
- Experienced on-site manager
- On-site laundry

## Strong Submarket

- Highly walkable community
- Market rate affordable rents
- Limited new supply in City Heights
- Appeals to tenants priced out of North Park





# Property Overview

## Property Details

- Brand new roof and solar system 2025
- Solar system to generate \$12.1K in NOI Year 1
- Two units updated, majority present renovation upside
- Year Built: 1985
- Lot Size: 0.13 Acres
- Building SF: 8,950
- Parking: 5 Assigned Surface @ \$75/month



## Amenities

- Air Conditioners in each apartment
- On-Site Laundry
- Secured Entry
- Security Cameras
- Courtyard
- Pet Friendly



# Solar System

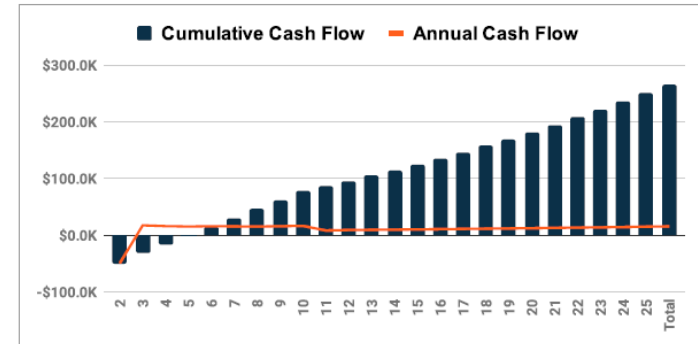
## System Details

- Size: 26 kW
- Annual Solar Production: 37,804 kWh
- Tenant discount rate from SDGE bills: 10%
- 2025 Cost of Solar and New Roof: \$143,045
- System managed by Ivy Energy, including tenant billings
- Projected to generate \$12.1K Year 1 in Net Revenue, then increases by \$500 - \$600 per year through year 9



## Solar Billing - Financial Snapshot

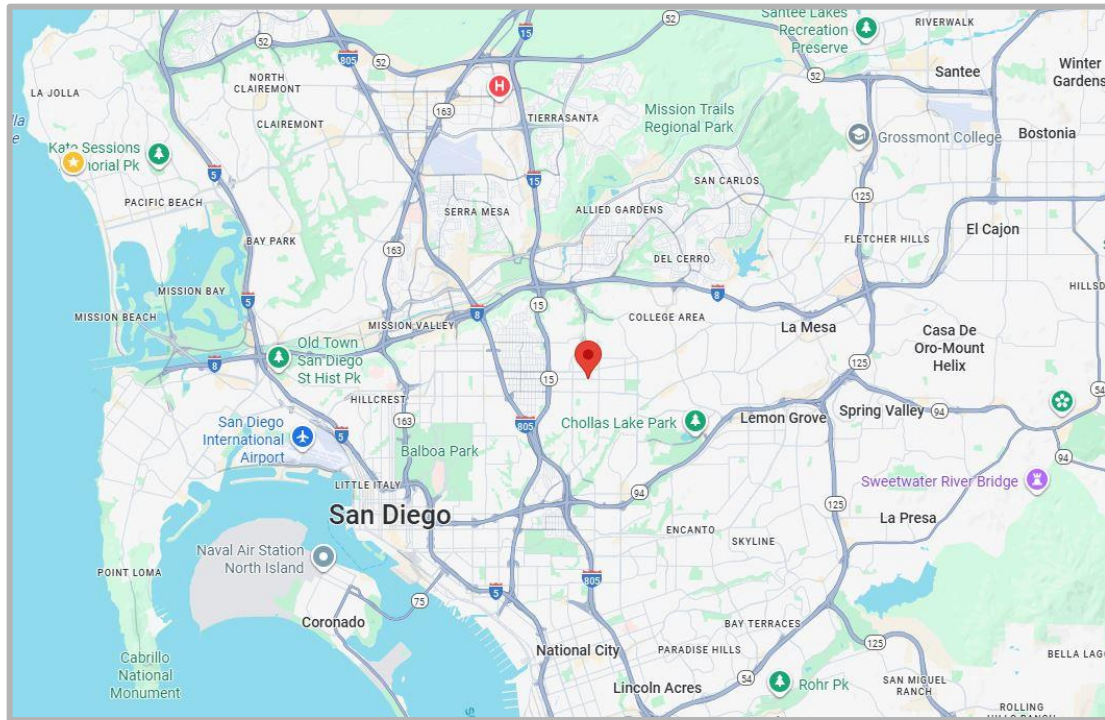
Common Area & Tenant Unit offset.				
25 Year IRR	System Size (kW)	Net Tenant Savings	Tenant Energy Usage Offset	Common Area Usage Offset
31%	26	7.1%	75%	0%
EV Charging Install	Gross Cost	Year 1 Market Value	Tax Incentives Yr 1-5	Net Revenue Per Unit
n/a	\$ (149,527)	\$ (49,000)	\$ 99,621	\$ 862,570



A	B	C	D	E	F	G	H	I	J	K	L
Year	System Generation (kWh)	Common Area Savings	Upfront Cost + O&M Budget	Ongoing Service Cost	Net Revenue	State Incentives*	Federal Depreciation Incentives*	Federal ITC Credit	Annual Cash Flow	Cumulative Cash Flow	Market Value Increase
1	37.8K	\$0.0K	-\$149.5K	-\$1.3K	\$12.1K	\$3.0K	\$25.1K	\$59.7K	-\$49.4K	-\$49.4K	\$219.6K
2	37.7K	\$0.0K	-\$0.4K	-\$1.4K	\$12.5K	\$4.8K	-	-	\$17.3K	-\$32.0K	\$228.2K
3	37.6K	\$0.0K	-\$0.4K	-\$1.4K	\$13.0K	\$2.9K	-	-	\$15.9K	-\$16.1K	\$237.1K
4	37.5K	\$0.0K	-\$0.4K	-\$1.5K	\$13.5K	\$1.7K	-	-	\$15.3K	-\$0.9K	\$246.3K
5	37.4K	\$0.0K	-\$0.4K	-\$1.5K	\$14.1K	\$1.7K	-	-	\$15.8K	\$14.9K	\$256.0K
6	37.3K	\$0.0K	-\$0.4K	-\$1.5K	\$14.6K	\$0.9K	-	-	\$15.5K	\$30.4K	\$265.9K
7	37.2K	\$0.0K	-\$0.4K	-\$1.6K	\$15.2K	-	-	-	\$15.2K	\$45.6K	\$276.3K
8	37.1K	\$0.0K	-\$0.5K	-\$1.6K	\$15.8K	-	-	-	\$15.8K	\$61.4K	\$287.1K
9	37.1K	\$0.0K	-\$0.5K	-\$1.7K	\$16.4K	-	-	-	\$16.4K	\$77.8K	\$298.3K



## Location Overview – City Heights



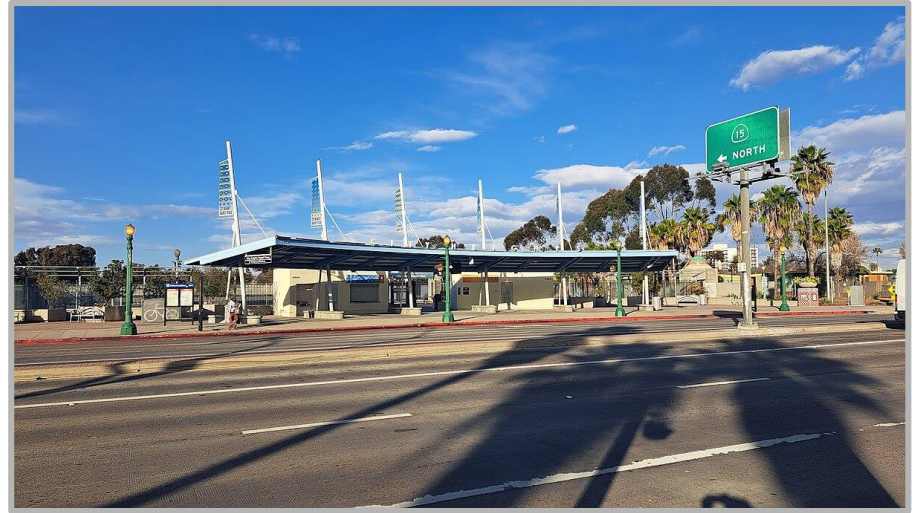
## Neighborhood Highlights

- Rapidly gentrifying
- Walk Score: 94
- Transit: Trolley/Bus proximity
- Retail: cafés, grocery, services
- Balboa Parks within 10 min
- Healthcare cluster within 10 min
- SDSU within 5 miles, 10 mins
- Diverse neighborhood with great restaurants

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# Location Overview – City Heights



# Financial Summary

## Key Metrics

Price: \$3,175,000 | Cap Rate (Curr/Mkt): 5.38% / 6.73% | GRM (Curr/Mkt): 11.23 / 9.65 | Price/Unit: \$225,000 | Price/SF: \$352

Gross Potential Rent (GPR) Current Actuals	<b>\$262,893</b>
Solar Income	<b>\$12,500</b>
Parking & Laundry Income	<b><u>\$5,225</u></b>
Gross Potential Income	<b>\$280,618</b>
<b>Plus Vacancy and Credit Loss - 4.00%</b>	<b><u>(\$10,516)</u></b>
Effective Gross Income	<b>\$270,102</b>
<u>Less: Expenses (See Detail)</u>	<b><u>\$100,744</u></b>
<b>Net Operating Income</b>	<b>\$169,358</b>
<b>Capitalization Rate</b>	<b>5.38%</b>

<b><u>Expense Detail</u></b>	
Real Estate Taxes	<b>\$39,411</b>
Insurance 2025 - 2026 Premium	<b>\$9,575</b>
Gas and Electric	<b>\$3,731</b>
Trash, water, sewer	<b>\$18,267</b>
Internet / Security Cameras	<b>\$1,320</b>
Repairs & Maintenance	<b>\$7,029</b>
Pest Control	<b>\$876</b>
Landscaping & Cleaning	<b>\$2,400</b>
Management & Leasing Fees	<b>\$13,636</b>
Legal, Accounting, G&A	<b>\$3,750</b>
Misc Expenses	<b><u>\$750</u></b>
<b>Total Expenses</b>	<b>\$100,744</b>



# Rent Roll

Unit	Type	SF	Current Rent	Market Rent	Parking Rent	Lease End
1	1x1	420	\$1,720	\$1840		3/31/2026
2- Mgr Unit	1x1	420	\$900	\$1840	\$0 for mgr	1/31/2028
3	1x1	420	\$1841	\$1840		6/30/2026
4	1x1	420	\$1495	\$1840		6/30/2026
5	1x1	420	\$1683	\$1840	\$75	7/31/2026
6 holding vacant	1x1	420	\$1840	\$1840		Holding vacant
7	Studio	400	\$1489	\$1700	\$75	MTM
8	1x1	420	\$1540	\$1840		5/31/2026
9	1x1	420	\$1820	\$1840	\$75	3/31/2026
10	1x1	420	\$1574	\$1840		7/31/2026
11	1x1	420	\$1440	\$1840		5/31/2026
12	1x1	420	\$1549	\$1840	\$75	MTM
13	1x1	420	\$1720	\$1840		3/31/2026
14	1x1	420	\$1296	\$1840	\$75	MTM
<b>TOTAL:</b>		<b>5,860</b>	<b>\$21,907</b>	<b>\$25,620</b>	<b>\$375</b>	

# Property Gallery





# Property Gallery





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# Comparable Properties



## 4215 45<sup>th</sup> Street, 92115

- Sold Price: \$2,137,000
- Units: 8
- \$/Unit: \$287,375
- Cap Rate: 5.0%
- \$/SF: \$462
- Sale Date: 04/18/2025



## 4334 49<sup>th</sup> Street, 92115

- Sold Price: \$2,750,000
- Units: 9
- \$/Unit: \$305,555
- Cap Rate: 5.2%
- \$/SF: \$382
- Sale Date: 08/20/2025



# Comparable Properties



## 4285 48<sup>th</sup> Street

- Sold Price: \$4,150,000
- Units: 16
- \$/Unit: \$259,375
- Cap Rate: 6.0%
- \$/SF: \$415
- Sale Date: 08/27/2025



## 3414 31<sup>st</sup> Street, 92104

- Sold Price: \$1,725,000
- Units: 6
- \$/Unit: \$287,500
- Cap Rate: 3.2%
- \$/SF: \$486
- Sale Date: 08/27/2025

# Comparable Properties



## 4048 Menlo, 92105

- Sold Price: \$1,800,000
- Units: 8
- \$/Unit: \$225,000
- Cap Rate: 4.0%
- \$/SF: \$335
- Sale Date: 06/25/2025



## 3458 Monroe Ave 92116

- Sold Price: \$2,875,000
- Units: 8
- \$/Unit: \$359,375
- Cap Rate: 4.7%
- \$/SF: \$577
- Sale Date: 05/01/2025

# Brokerage Contact



## **Keegan McNamara — Principal (DRE #01853692)**

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