

Offering Memorandum

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

\$3,150,000, 14 units

FOLIO
REAL ESTATE GROUP



Executive Summary

4218 46th Street, San Diego, CA 92115

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

Deal Snapshot

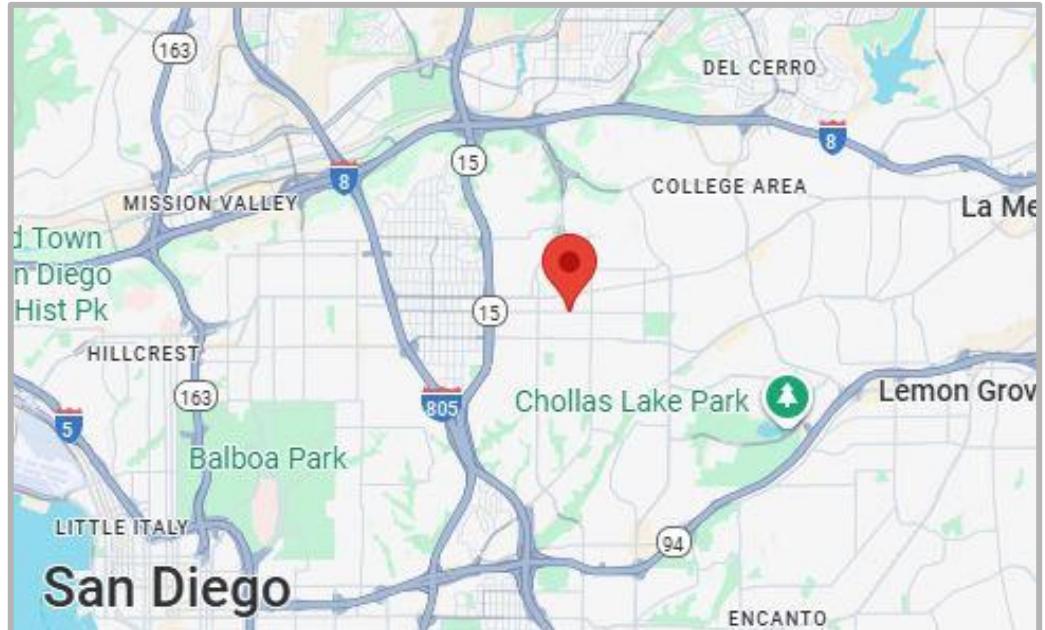
- Price: \$3,150,000
- Units: 14
- Price/Unit: \$225,000
- Cap: 5.38% Actuals, 6.73% Pro Forma



Value Drivers

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

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



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

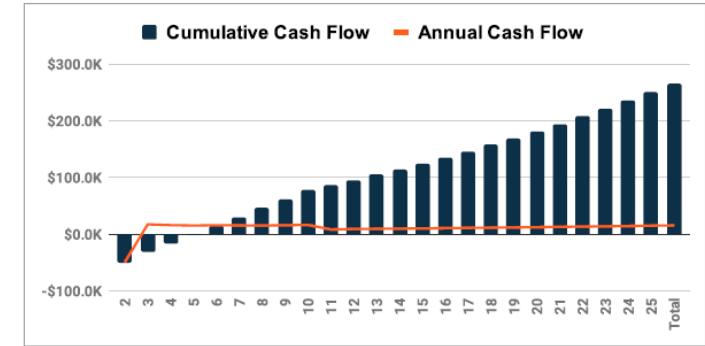
System Details

- 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

#IVY

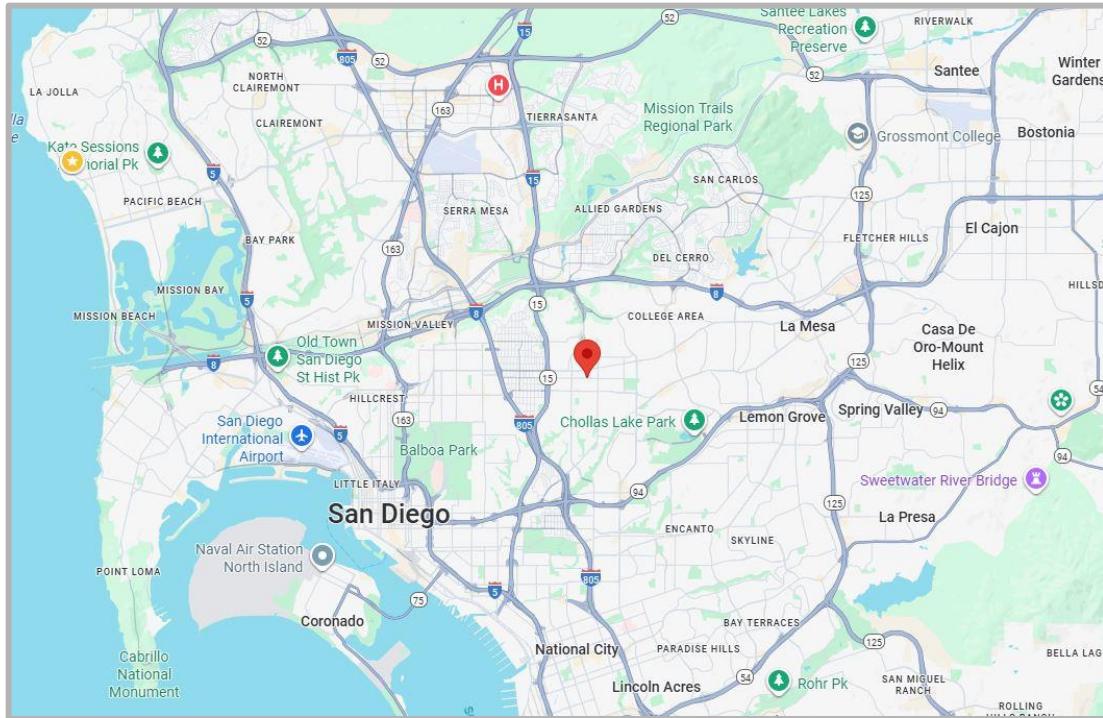
Solar Billing - Financial Snapshot

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

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

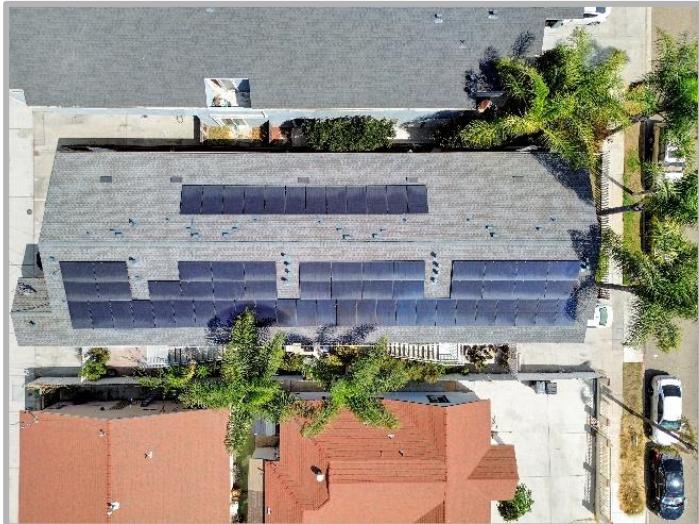
Gross Potential Rent (GPR) Current Actuals	\$262,893
Solar Income	\$12,500
Parking & Laundry Income	\$5,225
Gross Potential Income	\$280,618
Plus Vacancy and Credit Loss - 4.00%	(\$10,516)
Effective Gross Income	\$270,102
<u>Less: Expenses (See Detail)</u>	\$100,744
Net Operating Income	\$169,358
Capitalization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

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

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
TOTAL:		5,860	\$21,907	\$25,620	\$375	

Property Gallery



Property Gallery



Property Gallery



Property Gallery



Comparable Properties



4215 45th Street, 92115

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



4334 49th 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 48th Street

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



3414 31st 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



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