



# OFFERING MEMORANDUM

7-Unit Value-Add Apartment Sherman Heights | 165 20th St, San Diego, CA 92102

EXCLUSIVELY LISTED BY



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01

**EXECUTIVE SUMMARY**



## OFFERING SUMMARY

## FINANCIAL SUMMARY

## PROPOSED FINANCING

|                      |                                  |                           |             |                      |                    |
|----------------------|----------------------------------|---------------------------|-------------|----------------------|--------------------|
| ADDRESS              | 165 20th St, San Diego, CA 92102 | OFFERING PRICE            | \$2,100,000 | LOAN TYPE            | New 1st Trust Deed |
| COUNTY               | San Diego                        | PRICE PSF                 | \$527       | DUE IN (YEARS)       | 5                  |
| MARKET               | Sherman Heights                  | PRICE PER UNIT (PROPOSED) | \$300,000   | DOWN PAYMENT         | \$1,239,000        |
| ASSET TYPE           | Multifamily Value-Add            | NOI (CURRENT)             | \$74,781    | DOWN PAYMENT (%)     | 59%                |
| BLDG. SF OR PROPOSED | 3,982                            | NOI (STABILIZED)          | \$122,319   | ANNUAL DEBT SERVICE  | \$61,946           |
| YEAR BUILT           | 1966                             | NOI (MARKET)              | \$144,831   | MONTHLY DEBT SERVICE | \$5,162            |
| TOTAL UNITS          | 7                                | GRM (CURRENT)             | 15.67       | LOAN AMOUNT          | \$861,000          |
| UNIT MIX             | (4) 2bed/1bath, (3) 1bed/1bath   | GRM (STABILIZED)          | 11.50       | LOAN TO VALUE        | 41%                |
| PARKING              | (5) Garage                       | GRM (MARKET)              | 10.20       | INTEREST RATE        | 6.00%              |
| LAND SF              | 4,992                            | CAP RATE (CURRENT)        | 3.56%       | AMORTIZATION PERIOD  | 30                 |
| APN                  | 535-424-01-00                    | CAP RATE (STABILIZED)     | 5.82%       | DEBT COVERAGE RATIO  | 1.21               |
|                      |                                  | CAP RATE (MARKET)         | 6.90%       |                      |                    |

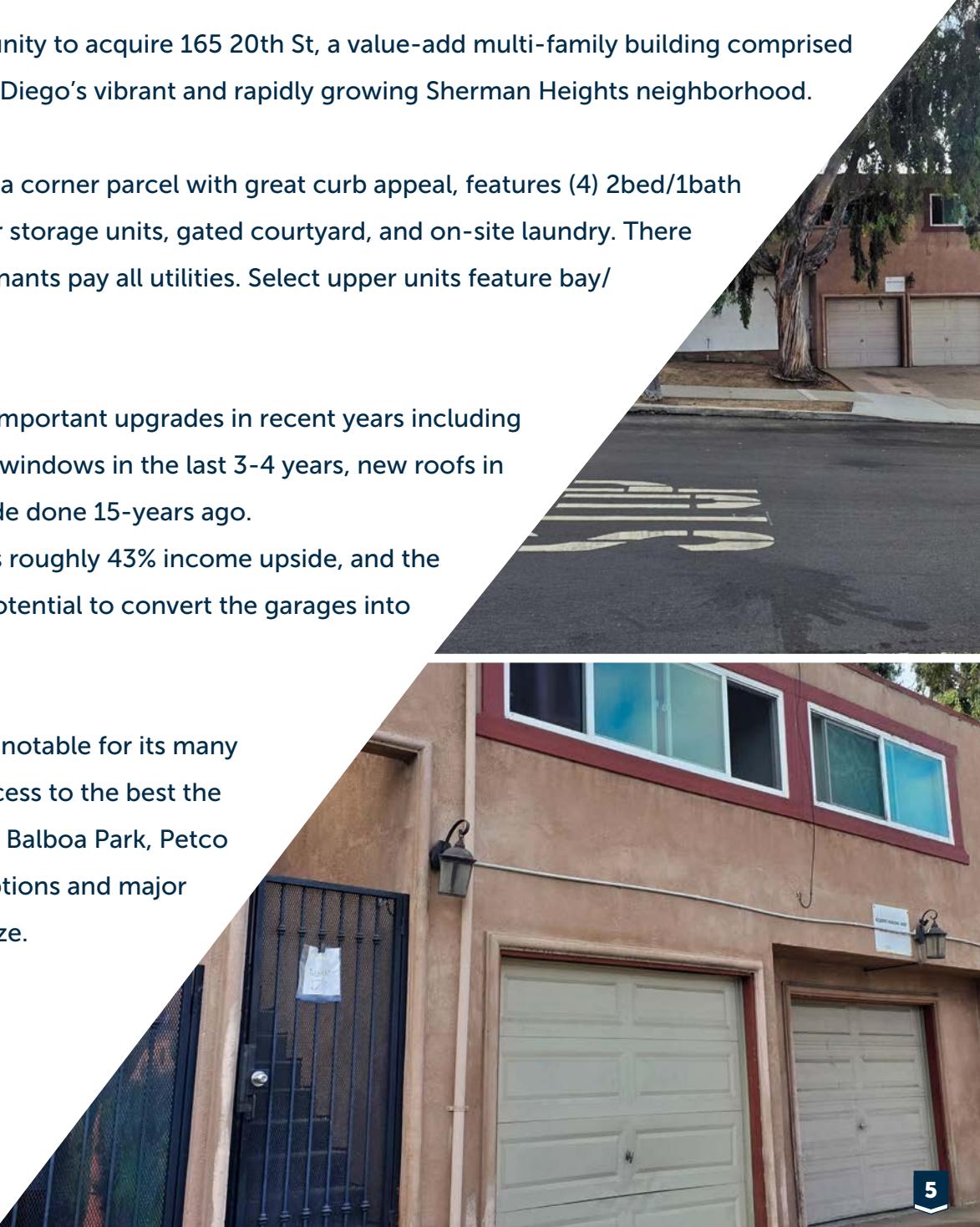
Top Gun CRE, Inc. is pleased to present the exclusive opportunity to acquire 165 20th St, a value-add multi-family building comprised of 7 well-maintained units, ideally located in the heart of San Diego's vibrant and rapidly growing Sherman Heights neighborhood.

This 2-story apartment, which is comprised of 2 buildings on a corner parcel with great curb appeal, features (4) 2bed/1bath units, (3) 1bed/1bath units, (5) larger 1-car garages, (5) smaller storage units, gated courtyard, and on-site laundry. There are separate water meters and water heaters for all units – tenants pay all utilities. Select upper units feature bay/bridge views and/or views of Downtown SD skyline.

The building has been well cared for and has received many important upgrades in recent years including various interior improvements and electric upgrades, all new windows in the last 3-4 years, new roofs in 2016, and new building plumbing and sewer main line upgrade done 15-years ago.

With long-term month-month tenants, it is estimated there is roughly 43% income upside, and the units are ready for further upgrades. There may also be the potential to convert the garages into 1 or more ADUs to increase density.

Situated in one of San Diego's most sought-after submarkets notable for its many historic and renovated homes, the property provides easy access to the best the city has to offer. Enjoy quick access to Downtown San Diego, Balboa Park, Petco Park, and the historic Gaslamp Quarter. With public transit options and major highways nearby, commuting and exploring the city is a breeze.



Located just east of Downtown San Diego, Sherman Heights is a dense, transit-accessible neighborhood with rich historic character and increasing investor interest. Its close proximity to East Village, Interstates 5 and 94, and the 25th/Commercial trolley station makes it an attractive location for infill redevelopment and adaptive reuse projects.

Many parcels fall within a federally designated Opportunity Zone, offering long-term tax advantages. As a designated Historic District, the area features distinctive architecture and may qualify for Mills Act property tax incentives.

With 75–80% of residents as renters, the neighborhood sees strong demand and a rising trend in market-rate conversions. Zoning allows for a mix of residential, commercial, and light industrial uses, including underutilized retail and office properties.

Sherman Heights also appeals to today's urban lifestyle preferences—it's walkable, culturally vibrant, and just minutes from Downtown, Petco Park, and major employment hubs.

In summary, it is best suited for value-add investors, adaptive reuse developers, and long-term holders seeking well-located urban assets with upside potential and favorable tax treatment.



## UNIT SPECIFICS, RENT TOTALS, OTHER INCOME

|                            | # of     | Avg. Unit | SF           | Avg. Current | Avg. Current    | Avg. Stab. | Avg. Stab.      | Avg. Reno. | Avg. Reno.      |
|----------------------------|----------|-----------|--------------|--------------|-----------------|------------|-----------------|------------|-----------------|
| Unit Type                  | Units    | SqFt      | Totals       | Rents        | Income          | Rents      | Income          | Rents      | Income          |
| <b>2bed/1bath</b>          | 4        | 625       | 2,500        | \$1,850      | \$7,400         | \$2,200    | \$8,800         | \$2,500    | \$10,000        |
| <b>1bed/1bath</b>          | 3        | 494       | 1,482        | \$1,183      | \$3,550         | \$1,700    | \$5,100         | \$1,900    | \$5,700         |
| <b>Total/<br/>Monthly:</b> | <b>7</b> |           | <b>3,982</b> |              | <b>\$10,950</b> |            | <b>\$13,900</b> |            | <b>\$15,700</b> |



## OTHER INCOME:

|                                  | Avg.<br>Current | Avg. Stab.       | Avg. Reno.      |                  |     |                  |
|----------------------------------|-----------------|------------------|-----------------|------------------|-----|------------------|
|                                  | Income          | Income           | Income          |                  |     |                  |
| <b>Laundry:</b>                  | \$120           | \$120            | \$200           |                  |     |                  |
| <b>Parking:</b>                  |                 | \$750            | \$750           |                  |     |                  |
|                                  | \$100           | \$100            | \$150           |                  |     |                  |
| <b>Other?:</b>                   |                 | \$350            | \$350           |                  |     |                  |
| <b>Total Other Income:</b>       | <b>\$220</b>    | <b>\$1,320</b>   | <b>\$1,450</b>  |                  |     |                  |
| <b>Total Monthly<br/>Income:</b> | <b>\$11,170</b> | <b>\$15,220</b>  | <b>\$17,150</b> |                  |     |                  |
| <b>Total Yearly Income:</b>      | x12             | <b>\$134,040</b> | x12             | <b>\$182,640</b> | x12 | <b>\$205,800</b> |

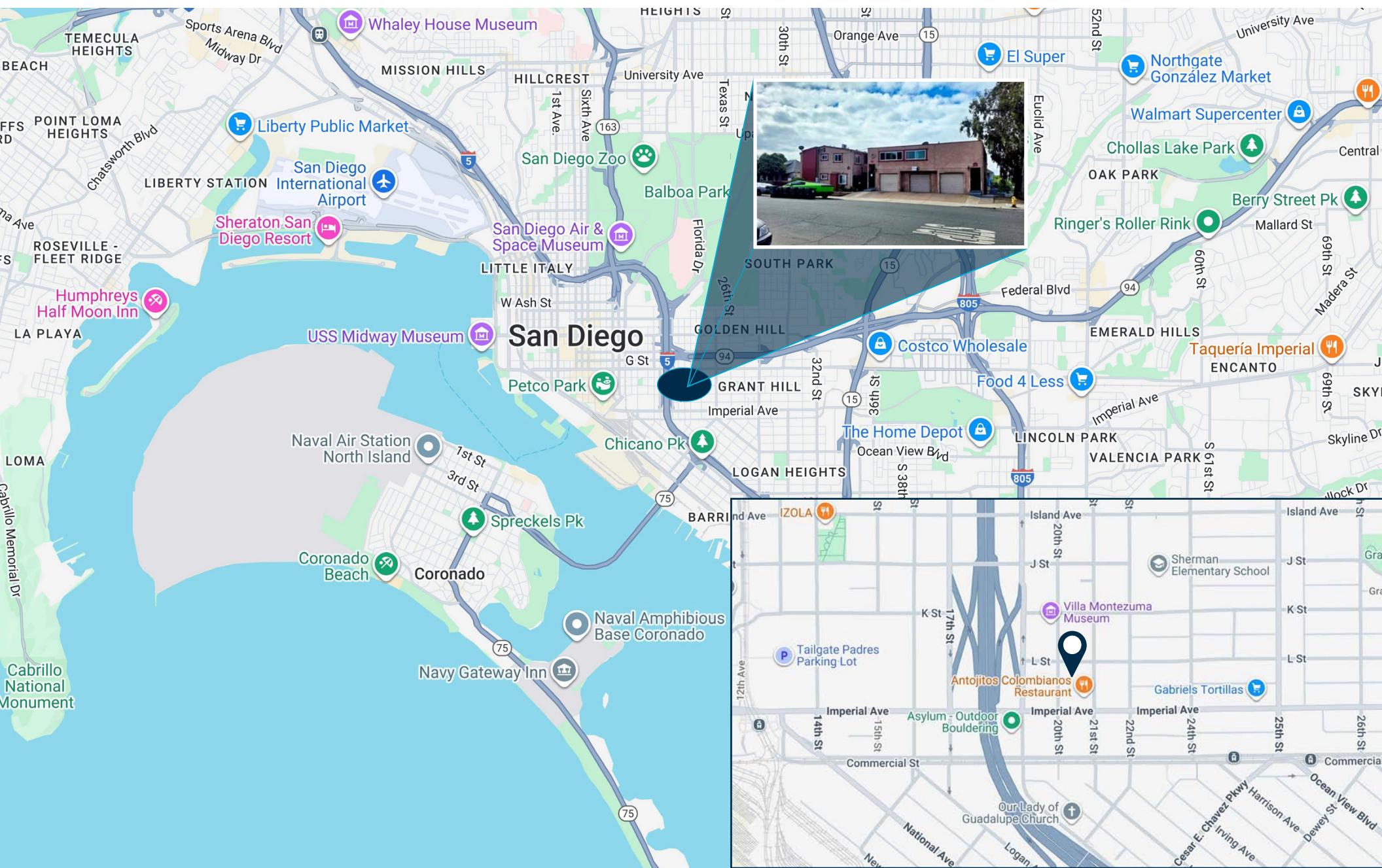


## RENT ROLL

| Address            | Type       | Est. SqFt    | Current         |               | Stabilized      |               | Renovated       |               | Notes                           |
|--------------------|------------|--------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|---------------------------------|
|                    |            |              | Rent            | (Per SF)      | Rent            | (Per SF)      | (Market) Rent   | (Per SF)      |                                 |
| 1 165              | 1bed/1bath | 482          | \$900           | \$1.87        | \$1,700         | \$3.53        | \$1,900         | \$3.94        | Vacant 10/4/25 - rent estimated |
| 2 167              | 2bed/1bath | 625          | \$2,500         | \$4.00        | \$2,200         | \$3.52        | \$2,500         | \$4.00        | LT tenant - cleans              |
| 3 169              | 2bed/1bath | 625          | \$1,550         | \$2.48        | \$2,200         | \$3.52        | \$2,500         | \$4.00        | Will raise 8.6%                 |
| 4 171              | 2bed/1bath | 625          | \$1,900         | \$3.04        | \$2,200         | \$3.52        | \$2,500         | \$4.00        | New bathroom                    |
| 5 173              | 2bed/1bath | 625          | \$1,450         | \$2.32        | \$2,200         | \$3.52        | \$2,500         | \$4.00        |                                 |
| 6 175              | 1bed/1bath | 500          | \$1,325         | \$2.65        | \$1,700         | \$3.40        | \$1,900         | \$3.80        |                                 |
| 7 179              | 1bed/1bath | 500          | \$1,325         | \$2.65        | \$1,700         | \$3.40        | \$1,900         | \$3.80        |                                 |
| <b>Sub Totals:</b> |            | <b>3,982</b> | <b>\$10,950</b> | <b>\$2.75</b> | <b>\$13,900</b> | <b>\$3.49</b> | <b>\$15,700</b> | <b>\$3.94</b> |                                 |

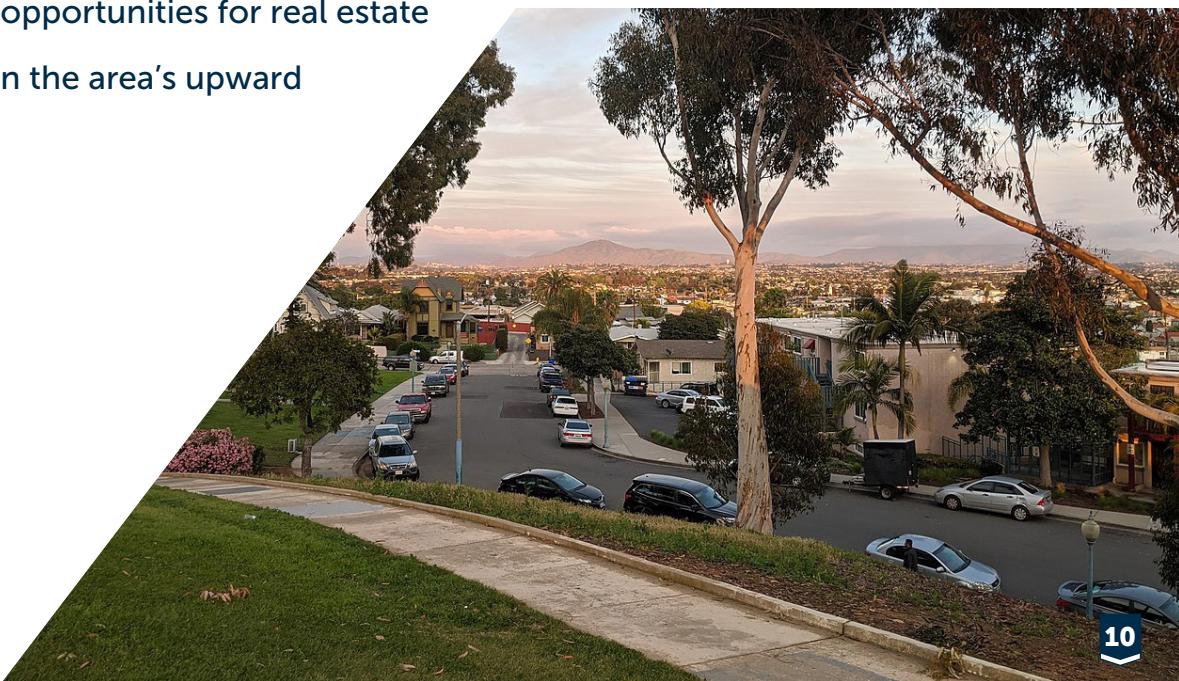
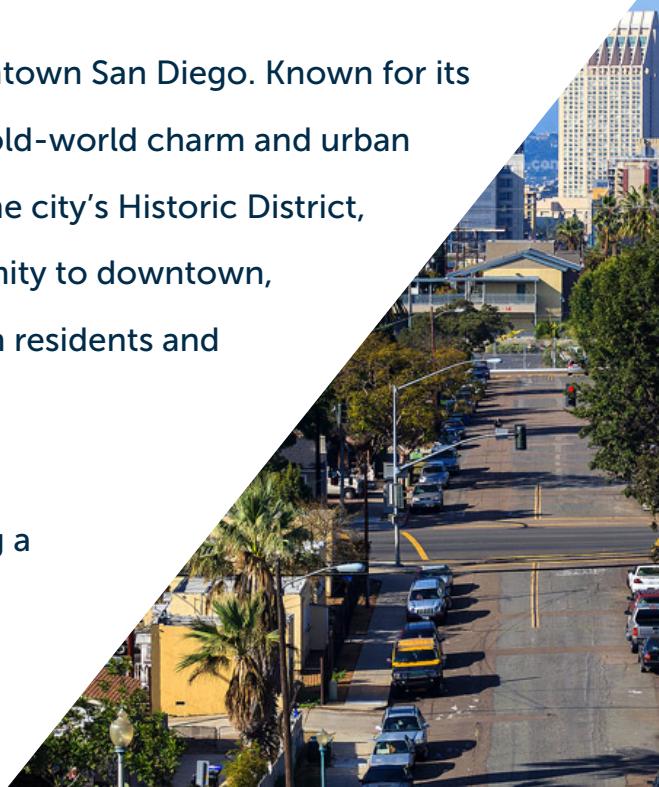
# LOCATION SUMMARY

165 20th St, San Diego, CA 92102



Sherman Heights is a historic and culturally rich neighborhood located just east of downtown San Diego. Known for its well-preserved Victorian and Craftsman-style homes, the area offers a unique blend of old-world charm and urban convenience. As one of San Diego's oldest neighborhoods, Sherman Heights is part of the city's Historic District, which helps preserve its architectural character and community identity. Its close proximity to downtown, the Gaslamp Quarter, and major transit lines makes it a highly desirable location for both residents and investors seeking accessibility and growth potential.

The neighborhood has experienced steady revitalization over the past decade, attracting a diverse mix of families, young professionals, and artists. Local amenities include parks, schools, cultural centers, and an array of dining and shopping options within walking distance. With ongoing infrastructure improvements and a strong sense of community pride, Sherman Heights continues to offer compelling opportunities for real estate investment, especially for those looking to capitalize on the area's upward trajectory and historical appeal.





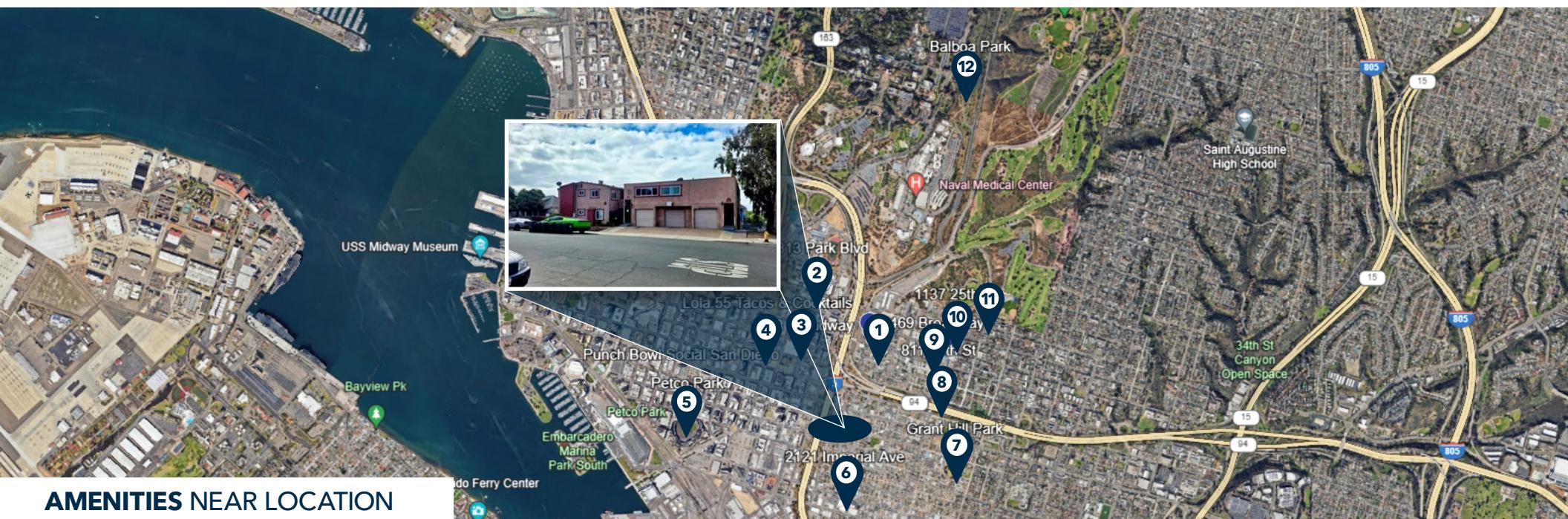
02

PROPERTY DESCRIPTION

## PROPERTY FEATURES

|                        |                                |
|------------------------|--------------------------------|
| NUMBER OF UNITS        | 7                              |
| BUILDING SF            | 3,982                          |
| UNIT MIX               | (4) 2bed/1bath, (3) 1bed/1bath |
| LAND SF                | 4,992                          |
| YEAR BUILT             | 1966                           |
| ZONING                 | RX-1-1                         |
| ZONING OVERLAY         | Opp. Zone, TPA, TAOZ, SDA      |
| PARKING SPACES         | (5)                            |
| PARKING TYPE           | Garage                         |
| ASSET QUALITY          | Value-Add                      |
| ASSET TYPE             | Multifamily                    |
| TOTAL INVESTMENT       | (\$1,519,000)                  |
| ESTIMATED FUTURE VALUE | \$2,600,000                    |
| 1-YEAR IRR             | 10%                            |
| 3-YEAR IRR             | 8%                             |
| UTILITIES              |                                |
| WATER                  | Owner/Tenant                   |
| SDG&E                  | Tenant                         |
| TRASH                  | Owner                          |





## AMENITIES NEAR LOCATION



1 INFLUX CAFE



2 CITY COLLEGE



3 PUNCH BOWL SOCIAL



4 LOLA 55 TACOS & COCKTAILS



5 PETCO PARK



6 WALMART



7 GRANT PARK



8 DARK HORSE COFFEE ROASTERS



9 KINGFISHER



10 PANCHITA'S BAKERY

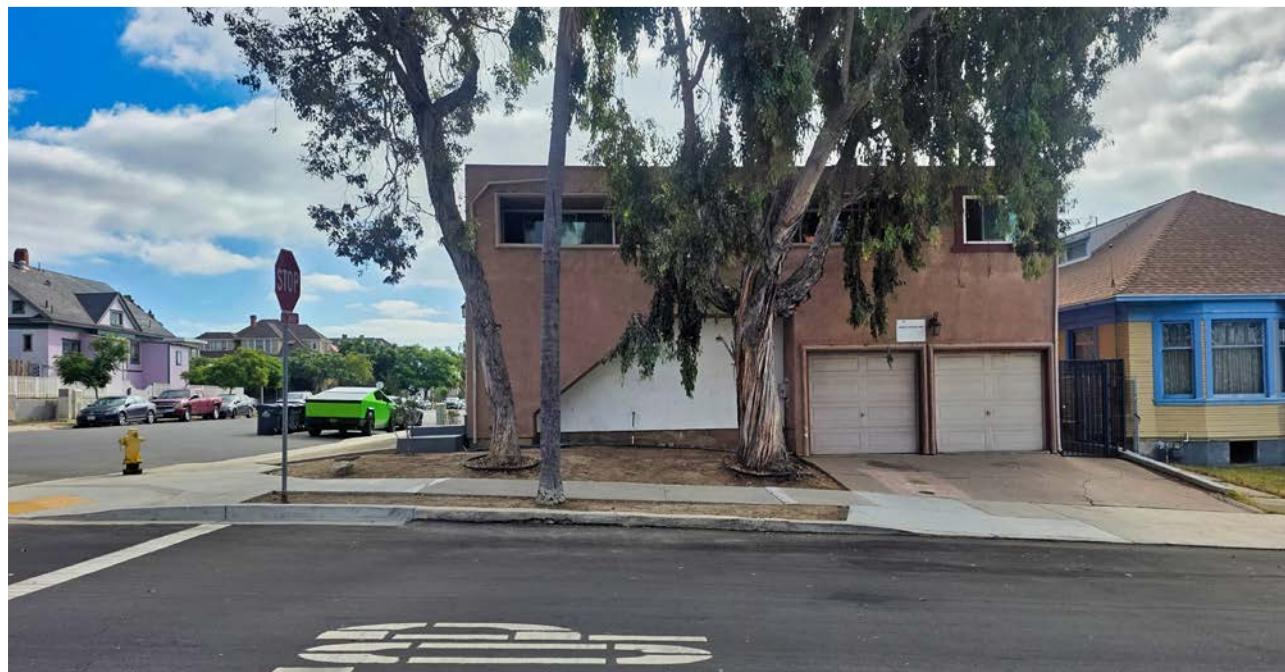
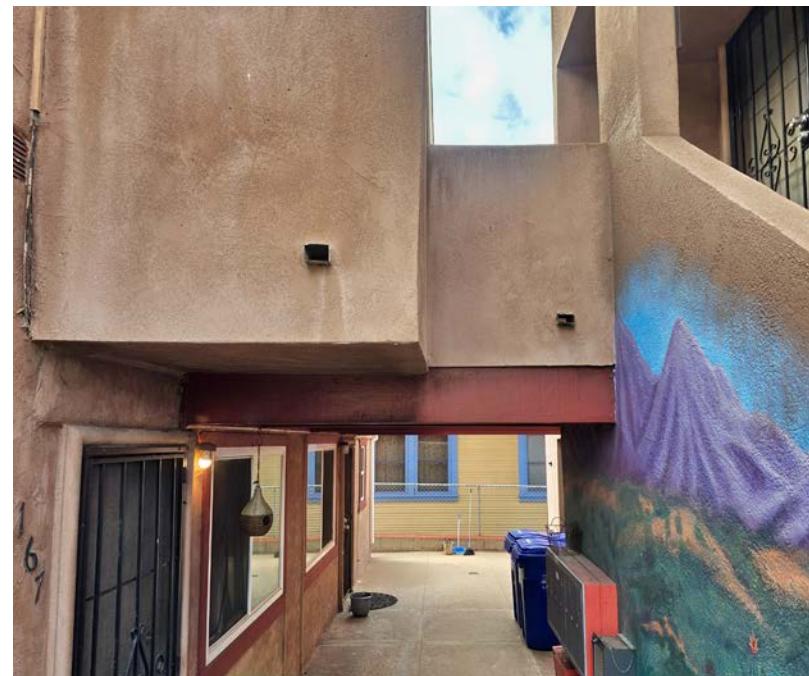


11 PIZZERIA LUIGI



12 BALBOA PARK







# 03

**SALES COMPARABLES**



**S** 165 20th St, San Diego, CA 92102

**1** 2401 Island Ave, San Diego, CA 92102

**SOLD**

|                           |             |
|---------------------------|-------------|
| <b>PRICE</b>              | \$2,100,000 |
| <b>DATE SOLD</b>          | TBD         |
| <b># (PROPOSED) UNITS</b> | 7           |
| <b>PRICE / UNIT</b>       | \$300,000   |
| <b>SF (PROPOSED)</b>      | 3,982       |
| <b>PRICE / SF</b>         | \$527       |
| <b>CURRENT GRM</b>        | 15.67       |
| <b>CURRENT CAP RATE</b>   | 3.56%       |
| <b>MARKET GRM</b>         | 10.20       |
| <b>MARKET CAP RATE</b>    | 6.90%       |
| <b>BUILT / RENOVATED</b>  | 1966        |

|                           |                                |
|---------------------------|--------------------------------|
| <b>LOT SF</b>             | 4,992                          |
| <b>PRICE / LOT SF</b>     | \$421                          |
| <b>ZONING</b>             | RX-1-1                         |
| <b>ZONING OVERLAY</b>     | Opp. Zone, TPA, TAOZ, SDA      |
| <b>LOT DENSITY FACTOR</b> | 0.14%                          |
| <b>PARKING</b>            | (5) Garage                     |
| <b>UNIT MIX</b>           | (4) 2bed/1bath, (3) 1bed/1bath |
| <b>AVG. UNIT SF</b>       | 569                            |
| <b>AVG. UNIT RENT</b>     | \$1,564                        |
| <b>AVG. RENT / SF</b>     | \$2.75                         |

|                           |             |
|---------------------------|-------------|
| <b>PRICE</b>              | \$1,040,000 |
| <b>DATE SOLD</b>          | 1/2/2025    |
| <b># (PROPOSED) UNITS</b> | 4           |
| <b>PRICE / UNIT</b>       | \$260,000   |
| <b>SF (PROPOSED)</b>      | 3,589       |
| <b>PRICE / SF</b>         | \$290       |
| <b>BUILT / RENOVATED</b>  | 1908        |



2

2259 Market St, San Diego, CA 92102

**SOLD**

3

638 22nd St, San Diego, CA 92102

**SOLD**

|                           |             |                           |  |                           |             |                           |   |
|---------------------------|-------------|---------------------------|--|---------------------------|-------------|---------------------------|---|
| <b>PRICE</b>              | \$1,600,000 | <b>LOT SF</b>             | 7,405  | <b>PRICE</b>              | \$1,280,000 | <b>LOT SF</b>             | 5,533   |
| <b>DATE SOLD</b>          | 5/7/2025    | <b>PRICE / LOT SF</b>     | \$216  | <b>DATE SOLD</b>          | 3/27/2025   | <b>PRICE / LOT SF</b>     | \$231   |
| <b># (PROPOSED) UNITS</b> | 6           | <b>ZONING</b>             | CC-3-4   | <b># (PROPOSED) UNITS</b> | 4           | <b>ZONING</b>             | RM-1-1  |
| <b>PRICE / UNIT</b>       | \$266,667   | <b>ZONING OVERLAY</b>     | TPA, TAOZ,<br>SDA  | <b>PRICE / UNIT</b>       | \$320,000   | <b>ZONING OVERLAY</b>     | TPA, TAOZ, SDA                                  |
| <b>SF (PROPOSED)</b>      | 4,608       | <b>LOT DENSITY FACTOR</b> | 0.08%  | <b>SF (PROPOSED)</b>      | 2,239       | <b>LOT DENSITY FACTOR</b> | 0.07%   |
| <b>PRICE / SF</b>         | \$347       | <b>PARKING</b>            |  | <b>PRICE / SF</b>         | \$572       | <b>UNIT MIX</b>           | (1) 2bed/1bath,<br>(3) 1bed/1bath,<br>+ storage |
| <b>CURRENT GRM</b>        | 19.70       | <b>UNIT MIX</b>           | (3)<br>3bed/1bath,<br>(1)<br>2bed/1bath,<br>(2)<br>1bed/1bath<br>+ storage | <b>CURRENT GRM</b>        | 11.69       | <b>AVG. UNIT SF</b>       | 560   |
| <b>CURRENT CAP RATE</b>   | 3.30%       | <b>AVG. UNIT SF</b>       | 768  | <b>CURRENT CAP RATE</b>   | 5.56%       | <b>AVG. UNIT RENT</b>     | \$2,281   |
| <b>MARKET GRM</b>         | 9.17        | <b>AVG. UNIT RENT</b>     | \$1,128  | <b>MARKET GRM</b>         | 11.69       | <b>AVG. RENT / SF</b>     | \$4.08  |
| <b>MARKET CAP RATE</b>    | 7.09%       | <b>AVG. RENT / SF</b>     | \$1.47   | <b>MARKET CAP RATE</b>    | 5.56%       |                           |   |
| <b>BUILT / RENOVATED</b>  | 1927        |                           |  | <b>BUILT / RENOVATED</b>  | 1895        |                           |   |



4 549 17th St, San Diego, CA 92101

**SOLD**

5 1028 14th St, San Diego, CA 92101

**SOLD**

|                           |             |
|---------------------------|-------------|
| <b>PRICE</b>              | \$1,450,000 |
| <b>DATE SOLD</b>          | 1/15/2025   |
| <b># (PROPOSED) UNITS</b> | 4           |
| <b>PRICE / UNIT</b>       | \$362,500   |
| <b>SF (PROPOSED)</b>      | 2,052       |
| <b>PRICE / SF</b>         | \$707       |
| <b>CURRENT GRM</b>        | 13.83       |
| <b>CURRENT CAP RATE</b>   | 4.70%       |
| <b>MARKET GRM</b>         | 13.49       |
| <b>MARKET CAP RATE</b>    | 4.82%       |
| <b>BUILT / RENOVATED</b>  | TBD         |

|                           |                    |
|---------------------------|--------------------|
| <b>LOT SF</b>             | 5,249              |
| <b>PRICE / LOT SF</b>     | \$276              |
| <b>ZONING</b>             | CCPD               |
| <b>ZONING OVERLAY</b>     | TPA, TAOZ, SDA     |
| <b>LOT DENSITY FACTOR</b> | 0.08%              |
| <b>PARKING</b>            |                    |
| <b>UNIT MIX</b>           | (3) 2bed, (1) 1bed |
| <b>AVG. UNIT SF</b>       | 513                |
| <b>AVG. UNIT RENT</b>     | \$2,184            |
| <b>AVG. RENT / SF</b>     | \$4.26             |

|                           |             |
|---------------------------|-------------|
| <b>PRICE</b>              | \$4,644,000 |
| <b>DATE SOLD</b>          | 12/23/2023  |
| <b># (PROPOSED) UNITS</b> | 18          |
| <b>PRICE / UNIT</b>       | \$258,000   |
| <b>SF (PROPOSED)</b>      | 8,424       |
| <b>PRICE / SF</b>         | \$551       |
| <b>BUILT / RENOVATED</b>  | 1925/2018   |

|                           |                |
|---------------------------|----------------|
| <b>LOT SF</b>             | 5,550          |
| <b>PRICE / LOT SF</b>     | \$837          |
| <b>ZONING</b>             | CCPD           |
| <b>ZONING OVERLAY</b>     | TPA, Opp. Zone |
| <b>LOT DENSITY FACTOR</b> | 0.32%          |
| <b>AVG. UNIT SF</b>       | 468            |



6 1061 20th St, San Diego, CA 92102

SOLD

7 2442 Broadway, San Diego, CA 92102

SOLD

|                       |             |
|-----------------------|-------------|
| PRICE                 | \$1,200,000 |
| DATE SOLD             | 10/29/24    |
| # (PROPOSED)<br>UNITS | 6           |
| PRICE / UNIT          | \$200,000   |
| PRICE / SF            | \$529       |
| CURRENT<br>GRM        | 16.05       |
| CURRENT CAP<br>RATE   | 4.05%       |
| MARKET GRM            | 9.80        |
| MARKET CAP<br>RATE    | 6.63%       |

|                    |                                  |
|--------------------|----------------------------------|
| LOT SF             | 5,008                            |
| PRICE / LOT SF     | \$240                            |
| ZONING             | RM-2-5                           |
| ZONING OVERLAY     | TPA, TAOZ,<br>SDA                |
| LOT DENSITY FACTOR | 0.12%                            |
| UNIT MIX           | (3)<br>1bed/1bath,<br>(3) studio |
| AVG. UNIT SF       | 378                              |
| AVG. UNIT RENT     | \$1,038                          |
| AVG. RENT / SF     | \$2.75                           |

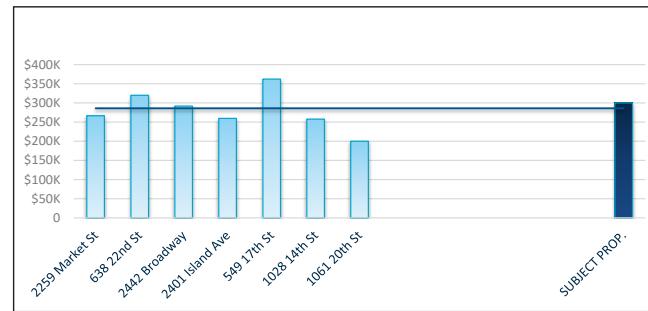
|                       |             |
|-----------------------|-------------|
| PRICE                 | \$1,750,000 |
| DATE SOLD             | 8/29/2024   |
| # (PROPOSED)<br>UNITS | 6           |
| PRICE / UNIT          | \$291,667   |
| SF (PROPOSED)         | 4,834       |
| PRICE / SF            | \$362       |
| BUILT /<br>RENOVATED  | 1928        |

|                    |                      |
|--------------------|----------------------|
| LOT SF             | 7,146                |
| PRICE / LOT SF     | \$245                |
| ZONING             | RM-1-1               |
| ZONING OVERLAY     | TPA,<br>TAOZ,<br>SDA |
| LOT DENSITY FACTOR | 0.11%                |
| UNIT MIX           | (6) studio           |
| AVG. UNIT SF       | 806                  |

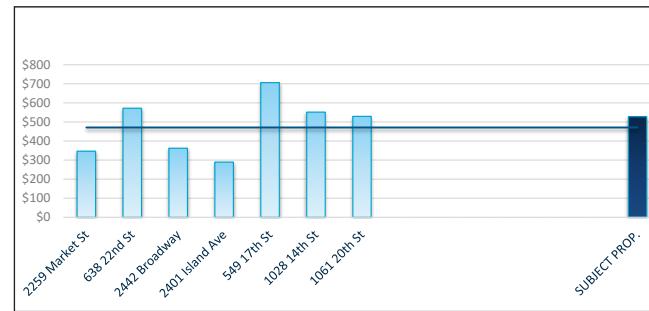


|                               |              |                           |                   |
|-------------------------------|--------------|---------------------------|-------------------|
| <b>PRICE</b>                  | \$1,650,000  | <b>LOT SF</b>             | 4,228             |
| <b>DATE SOLD</b>              | TBD-For Sale | <b>PRICE / LOT SF</b>     | \$390             |
| <b># (PROPOSED)<br/>UNITS</b> | 5            | <b>ZONING</b>             | RM-1-2            |
| <b>PRICE / UNIT</b>           | \$330,000    | <b>ZONING OVERLAY</b>     | TPA, Opp, Zone    |
| <b>PRICE / SF</b>             | \$415        | <b>LOT DENSITY FACTOR</b> | 0.12%             |
| <b>CURRENT<br/>GRM</b>        | 21.10        | <b>UNIT MIX</b>           | (5)<br>2bed/1bath |
| <b>CURRENT CAP<br/>RATE</b>   | 3.08%        | <b>AVG. UNIT SF</b>       | 796               |
| <b>MARKET GRM</b>             | 10.47        | <b>AVG. UNIT RENT</b>     | \$1,303           |
| <b>MARKET CAP<br/>RATE</b>    | 6.21%        | <b>AVG. RENT / SF</b>     | \$1.64            |

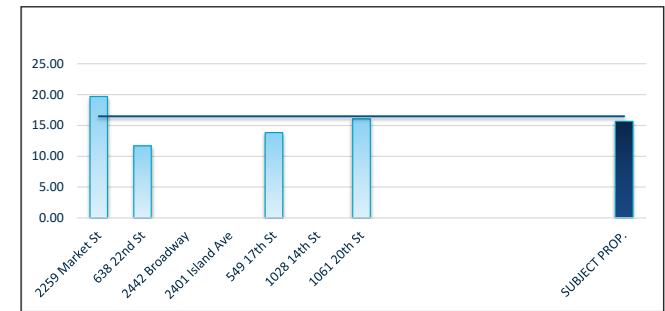
## PRICE / UNIT



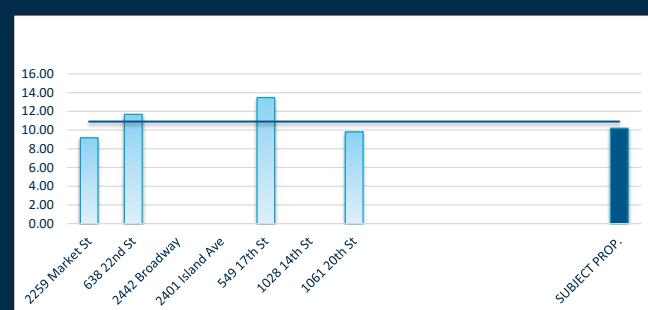
## PRICE / BLDG SF



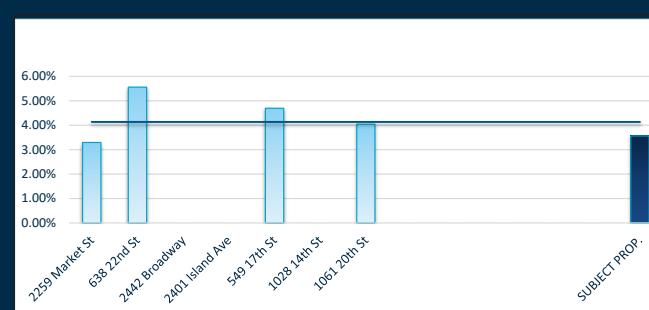
## CURRENT GRM



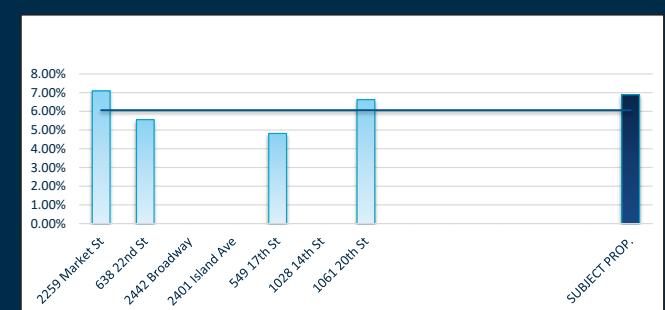
## MARKET GRM



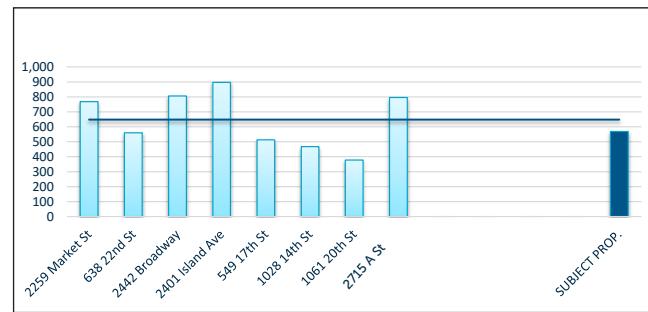
## CURRENT CAP RATE



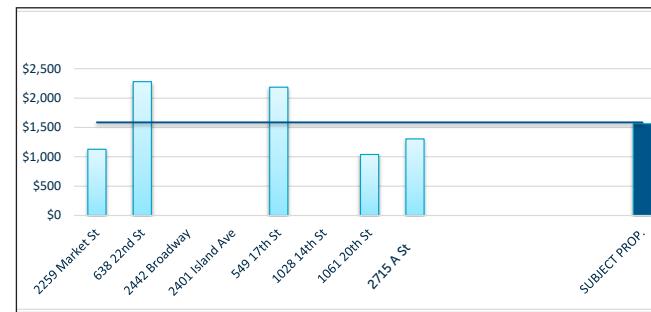
## MARKET CAP RATE



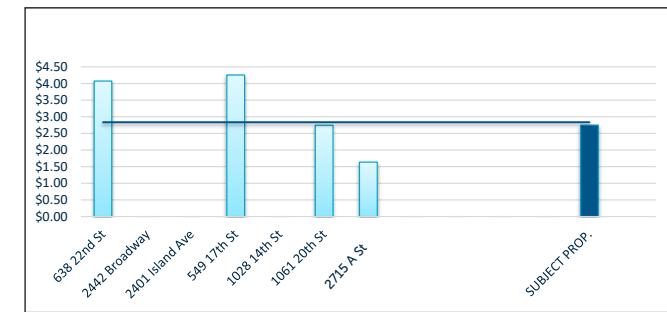
## AVG. UNIT SF



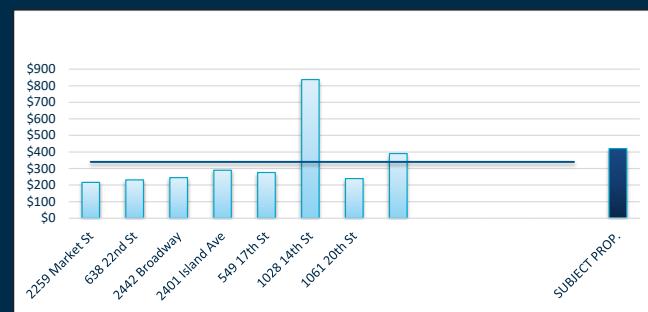
## AVG. UNIT RENT (MONTHLY)



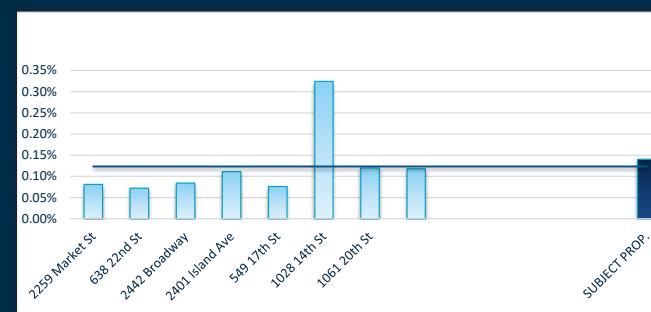
## AVG. RENT/SF (MONTHLY)



## PRICE / LOT SF

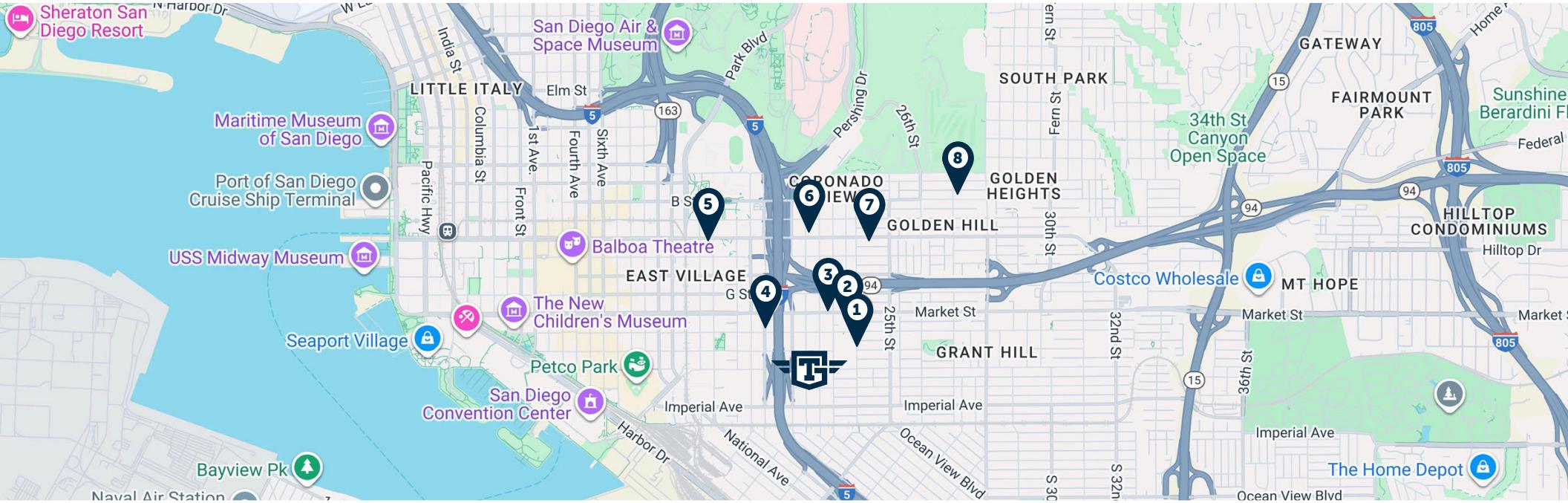


## LOT DENSITY FACTOR



# SALES COMPARABLES MAP

165 20th St, San Diego, CA 92102



**1**

 [TOP GUN CRE](#)



**2**

 [TOP GUN CRE](#)



**3**

 [TOP GUN CRE](#)



**4**

 [TOP GUN CRE](#)



**5**



**6**



**7**



**8**



04

## FINANCIAL SUMMARY



| CURRENT VALUE |  | BLDG. STATS. |  | STABILIZED VALUE |  | RENOVATED VALUE |  |
|---------------|--|--------------|--|------------------|--|-----------------|--|
|---------------|--|--------------|--|------------------|--|-----------------|--|

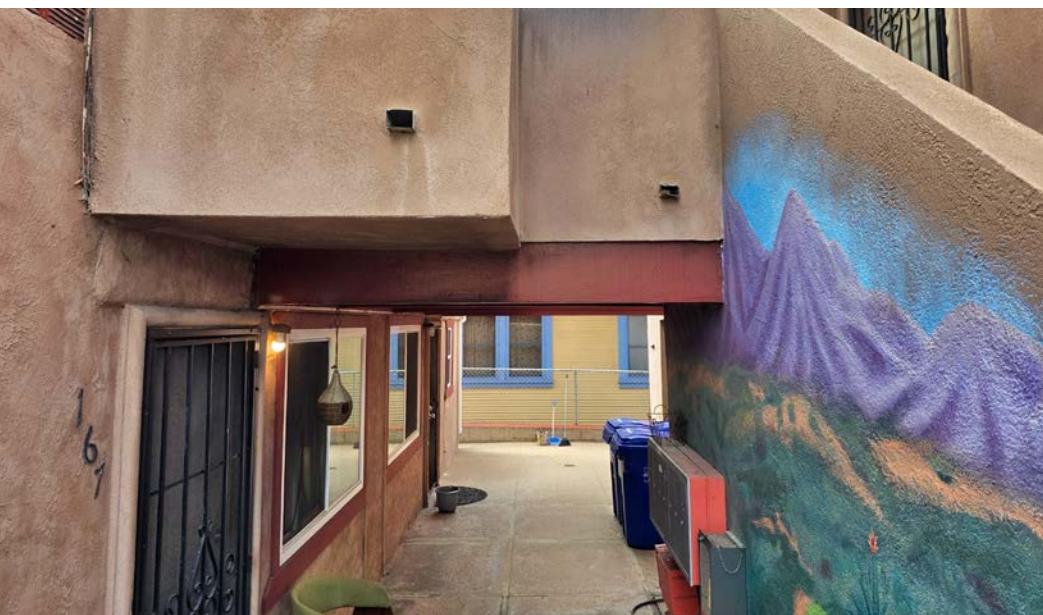
|                    |                                |                |                           |                 |               |                 |               |
|--------------------|--------------------------------|----------------|---------------------------|-----------------|---------------|-----------------|---------------|
| Purchase Price     | \$2,100,000                    | Year Built     | 1966                      | Purchase Price  | \$2,100,000   | Purchase Price  | \$2,600,000   |
| Price/Unit         | \$300,000                      | # of Units     | 7                         | Reno. Cost/Unit | \$(5,000)     | Reno. Cost/Unit | \$(40,000)    |
| Price/SF           | \$527                          | Bldg. SF       | 3,982                     | Tot. Reno. Cost | \$(35,000)    | Tot. Reno. Cost | \$(280,000)   |
| Unit Mix           | (4) 2bed/1bath, (3) 1bed/1bath | Avg. Unit SF   | 569                       | Tot. Investment | \$(1,274,000) | Tot. Investment | \$(1,519,000) |
| Avg. Unit Rent     | \$1,564                        | Lot SF         | 4,992                     | Net Sale Equity | \$1,239,000   | Net Sale Equity | \$1,609,000   |
| Tot. Income Upside | 54%                            | % Imp./Land    | 80%                       | Total Return    | \$(35,000)    | Total Return    | \$90,000      |
| Off-Street Parking | (5) Garage                     | Zoning         | RX-1-1                    | 1 Year IRR      | 1%            | 1 Year IRR      | 10%           |
| Type/Quality       | Multifamily                    | Zoning Overlay | Opp. Zone, TPA, TAOZ, SDA | 3 Year IRR      | 4%            | 3 Year IRR      | 8%            |
| APN(s):            |                                |                |                           |                 |               |                 |               |

|          | Current | Stabilized | Market | 535-424-01-00 | Valuators @ Stab. Value | Valuators @ Reno. Value |
|----------|---------|------------|--------|---------------|-------------------------|-------------------------|
| GRM      | 15.67   | 11.50      | 10.20  |               | GRM                     | 11.50                   |
| CAP Rate | 3.56%   | 5.82%      | 6.90%  |               | CAP Rate                | 5.82%                   |



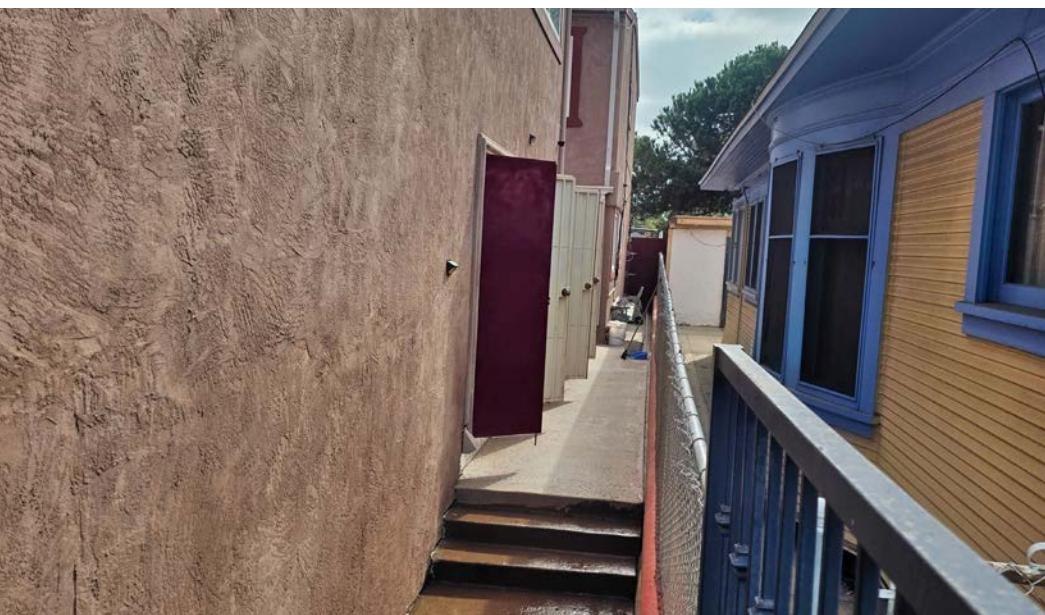
## PROPOSED FINANCING

|                            |     | CURRENT           | STABILIZED        | RENOVATED         |
|----------------------------|-----|-------------------|-------------------|-------------------|
| Down Payment               | 59% | \$(1,239,000)     | \$(1,239,000)     | \$(1,239,000)     |
| New 1st Trust Deed         |     | \$861,000         | \$861,000         | \$861,000         |
| Interest Rate              |     | 6.00%             | 6.00%             | 6.50%             |
| Amortization Period        |     | 30                | 30                | 30                |
| Due In (Years)             |     | 5                 | 5                 | 5                 |
|                            |     |                   |                   |                   |
| Monthly Debt Service       |     | (\$5,162)         | (\$5,162)         | (\$5,442)         |
| <b>Annual Debt Service</b> |     | <b>(\$61,946)</b> | <b>(\$61,946)</b> | <b>(\$65,305)</b> |
|                            |     |                   |                   |                   |
| <b>DCR</b>                 |     | <b>1.21</b>       | <b>1.97</b>       | <b>2.22</b>       |
| <b>LTV</b>                 |     | <b>41%</b>        | <b>41%</b>        | <b>33%</b>        |



## EXPENSES (Estimated, Unless Where Indicated by\* Below)

| Tax Rate:             | 1.22804% | CURRENT           | STABILIZED        | RENOVATED         |
|-----------------------|----------|-------------------|-------------------|-------------------|
| Property Taxes (New)  |          | \$(25,843)        | \$(25,843)        | \$(25,843)        |
| Insurance             |          | \$(8,163)         | \$(8,163)         | \$(8,163)         |
| Off-Site Management   |          | \$(6,505)         | \$(6,505)         | \$(6,505)         |
| Water                 |          | \$(1,200)         | \$(1,200)         | \$(1,200)         |
| Trash                 |          | \$(4,200)         | \$(4,200)         | \$(4,200)         |
| Contracted Services   |          | \$(2,400)         | \$(2,400)         | \$(2,400)         |
| Repairs/Maintenance   |          | \$(5,256)         | \$(5,256)         | \$(5,256)         |
| Reserves/Misc.        |          | \$(1,750)         | \$(1,750)         | \$(1,750)         |
| <b>Total Expenses</b> |          | <b>\$(55,317)</b> | <b>\$(55,317)</b> | <b>\$(55,317)</b> |
|                       |          |                   |                   |                   |
| Per Unit              |          | \$(7,902)         | \$(7,902)         | \$(7,902)         |
| % of Gross Income     |          | 42%               | 33%               | 29%               |



### ANNUALIZED OPERATING DATA - LEVERED

|                                   | CURRENT          | % Return      | STABILIZED       | % Return      | RENOVATED        | % Return      |
|-----------------------------------|------------------|---------------|------------------|---------------|------------------|---------------|
| <b>Gross Scheduled Rent</b>       | <b>\$131,400</b> |               | <b>\$166,800</b> |               | <b>\$188,400</b> |               |
| Vacancy                           | \$(3,942)        | 3.0%          | \$(5,004)        | 3.0%          | \$(5,652)        | 3.0%          |
| Other Income                      | \$2,640          |               | \$15,840         |               | \$17,400         |               |
| <b>Gross Op. Income</b>           | <b>\$130,098</b> |               | <b>\$177,636</b> |               | <b>\$200,148</b> |               |
| Expenses                          | \$(55,317)       | 42%           | \$(55,317)       | 33%           | \$(55,317)       | 29%           |
| <b>Net Operating Income (NOI)</b> | <b>\$74,781</b>  |               | <b>\$122,319</b> |               | <b>\$144,831</b> |               |
| Debt Service                      | \$(61,946)       |               | \$(61,946)       |               | \$(65,305)       |               |
| <b>Pre-Tax Cash Flow</b>          | <b>\$12,835</b>  | <b>1.04%</b>  | <b>\$60,373</b>  | <b>4.74%</b>  | <b>\$79,525</b>  | <b>5.24%</b>  |
| Principal Reduction               | \$10,573         |               | \$10,573         |               | \$9,624          |               |
| <b>"Earned" Return</b>            | <b>\$23,408</b>  | <b>1.89%</b>  | <b>\$70,946</b>  | <b>5.57%</b>  | <b>\$89,149</b>  | <b>5.87%</b>  |
| Appreciation*                     | \$168,000        |               | \$168,000        |               | \$168,000        |               |
| <b>"Unearned" Return</b>          | <b>\$191,408</b> | <b>15.45%</b> | <b>\$238,946</b> | <b>19.29%</b> | <b>\$257,149</b> | <b>16.93%</b> |

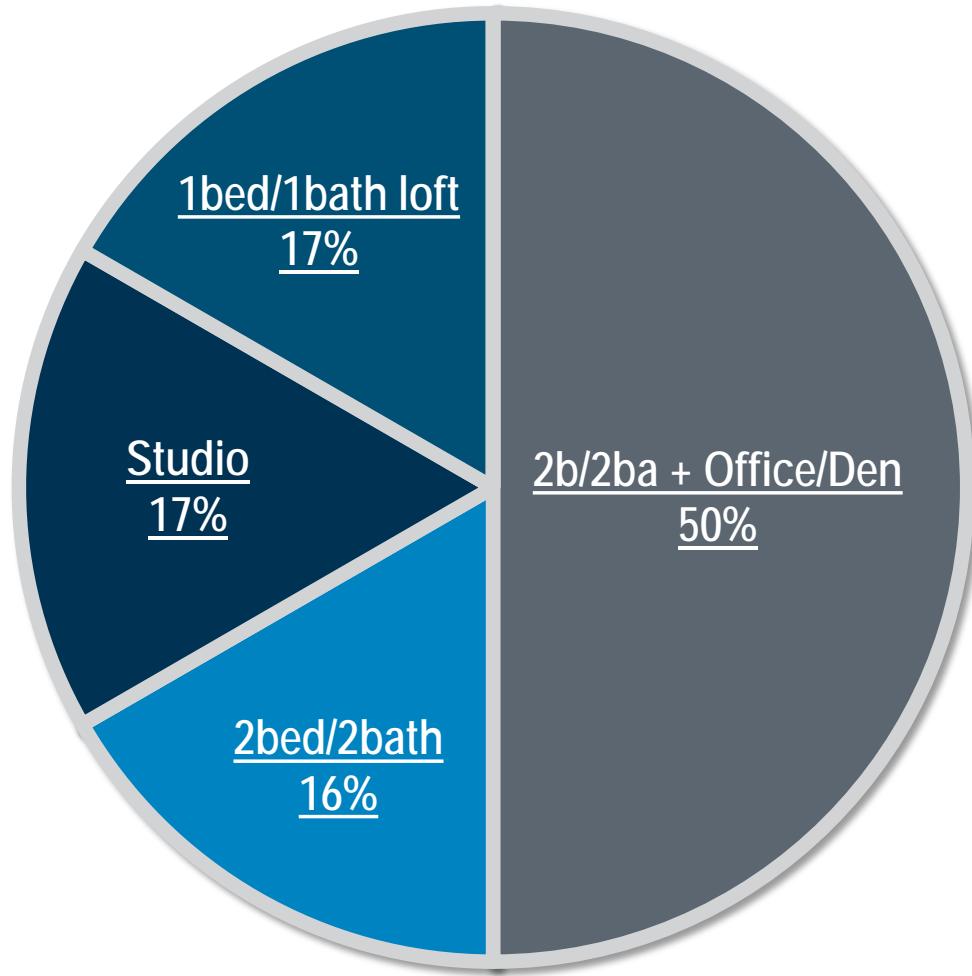
\*Est. Yearly Appreciation Rate Based on 30-year CAGR from MLS Sales Data: 8.00%



### SUMMARY UNIT RENT ANALYSIS & OTHER INCOME

| Type                         | # of Units | Avg. SqFt<br>Per Unit | Avg. Current<br>Rent/Unit | Avg. Stabilized<br>Rent/Unit | Avg. Renovated<br>Rent/Unit |
|------------------------------|------------|-----------------------|---------------------------|------------------------------|-----------------------------|
| 2bed/1bath                   | 4          | 625                   | \$1,850                   | \$2,200                      | \$2,500                     |
| 1bed/1bath                   | 3          | 494                   | \$1,183                   | \$1,700                      | \$1,900                     |
| <b>Total/Monthly:</b>        | <b>7</b>   | <b>3,982</b>          | <b>\$10,950</b>           | <b>\$13,900</b>              | <b>\$15,700</b>             |
|                              |            |                       | Laundry:                  | \$120                        | \$200                       |
|                              |            |                       | Parking:                  | \$750                        | \$750                       |
|                              |            |                       | Storage:                  | \$100                        | \$150                       |
|                              |            |                       | Other?:                   | \$350                        | \$350                       |
| <b>Total Monthly Income:</b> |            |                       | <b>\$11,170</b>           | <b>\$15,220</b>              | <b>\$17,150</b>             |
| <b>Total Yearly Income:</b>  |            |                       | <b>\$134,040</b>          | <b>\$182,640</b>             | <b>\$205,800</b>            |

# UNIT MIX

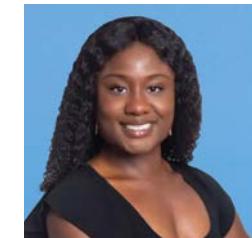




05

## COMPANY PROFILE

### REAL ESTATE YOUR WINGMEN IN COMMERCIAL



### Specialized SD Apartment Brokers

Top Gun CRE is your premiere San Diego commercial real estate brokerage, providing the very top tier of representation through the perfect formation of a superior team, innovative technology, expertise, and a clients-first approach.

Created out of a desire to make the local commercial brokerage experience better, Top Gun CRE was founded in late 2017 after several years of planning. We know that brokers of the past used to succeed by withholding information and not representing their clients' best interests. As brokers of the present and future, we believe in being expert advisors to our clients by sharing information and distilling it down into actionable insights.

Collectively, we have over 3 decades of broad CRE experience including investment, property management, development, and brokerage; having worked previously at several of the largest apartment brokerages in Southern California for many years.

We broker apartments in San Diego County. Our simple but laser-guided focus in this airspace means the highest level of service and support. And this means we know all of the ins and outs of San Diego apartments, and how to best sell them to the investment community in order to generate the highest price, while also protecting our clients from liability.

We offer expertise in all multifamily properties and capital markets within San Diego County. Our ability to translate market trends into market intelligence enables you to make decisions with confidence. Our unrivaled combination of capital markets know-how and in-depth understanding of real estate fundamentals allows us to deliver on our promises in order to meet the precise needs of our clients. We are a boutique firm 100% focused on client success.

**MAXIM DELBECQ, MBA**

President &amp; Principal Broker

**MAD MAX**

1550 Hotel Circle North #225  
San Diego, CA 92108

(858) 333-7701  
maxd@topguncre.com  
DRE #01964069

**MY FAVORITE SAYINGS:**

"Life is a dream in which we are an imagination of ourselves"

"Everything good in life is hard"

**PROFESSIONAL BACKGROUND**

Max is President and co-founder of Top Gun CRE, Inc. and specializes in exclusively representing multifamily investors in San Diego. He is a successful serial entrepreneur and real estate investor with multiple active businesses within the real estate industry. He has been in commercial real estate as an investor and property manager since 2012, and has been licensed as a full-time real estate broker since 2014.

A native of Santa Clara, CA, Max moved to Los Angeles in 2005 to study business at USC. As a tenant, Max moved 10 times in 11 years as his studies and post-graduate work took him all over So-Cal and he thus became fascinated by multifamily properties. Wanting to gain a deeper understanding of the investment world, he plunged head first into multifamily brokerage. He was mentored by some of the highest producing brokers in his early years, and he carries the success tactics of those mentors and his passion for entrepreneurship and real estate into all that he does. Sensing a general lack of quality brokerage services in San Diego, Max and his business partner, Ken Herskind, founded Top Gun CRE, Inc. in 2018 to provide the highest level of service and support to multifamily investors in the County.

During his MBA at USC, Max purchased a commercial property investment and management company. With a ton of grit and daily hard work, that business has grown over 10-fold since 2012, and it now has 102 rental units, 5 locations, and roughly 30,000 SF under management, and generates above-average returns for investors.

As a student and practitioner of business, real estate and entrepreneurship, Max provides a unique combination of theoretical knowledge and real-world savvy. He prides himself on providing the highest level of customer service, business acumen, and likes to believe he will generate for his clients: "the highest price, in the quickest time, with the least amount of hassle". Practicing what he preaches, he currently owns several investment properties and has a goal to purchase at least 1 property per year for the indefinite future.

Max is also a drummer of 25 years, and in his free time enjoys progressive heavy metal and jazz music, exercising, and travel. He resides in Poway with his wife and daughter.

**EDUCATION**

B.S. Business Administration:  
University of Southern California, 2005

MBA, Business, Entrepreneurship,  
Finance, Real Estate:  
University of Southern California (USC), 2014

CA Real Estate Salesperson License:  
Nationwide Real Estate School, 2014

CA Real Estate Broker License:  
The Claire Institute, 2018

**MEMBERSHIPS & AFFILIATIONS**

San Diego Regional Chamber of Commerce  
San Diego Association of Realtors  
Pacific Southwest Association of Realtors  
California Association of Realtors  
National Association of Realtors  
San Diego County Apartment Owners  
Association  
California Apartment Owners Association

## KENNETH HERSKIND

Vice President & Principal Broker



### MAD SCIENTIST

1550 Hotel Circle North #225  
San Diego, CA 92108  
(858) 699-4013  
kenh@topguncre.com  
DRE #01872460

## PROFESSIONAL BACKGROUND

Kenneth Herskind has been investing and working within multifamily industry for over 20 years, and he brings a deep level of expertise and knowledge from an investor's perspective. And always by putting clients first, Kenneth strives to bring maximum value and benefit to each client through his deep understanding of the San Diego multifamily real estate market as well as the intricacies of commercial transactions.

Previously, Kenneth worked within the international technology sector in both the United States and Japan, and he was focused on new business development and sales functions closing multi-million dollar accounts. He also has entrepreneurial experience and was a founding member of a San Diego based technology firm that was later purchased by a NASDAQ 500 company. Kenneth is conversationally fluent in Japanese.

## EDUCATION

Illinois State University Normal, IL  
Bachelor of Science, International  
Business,  
Minor in Business Administration  
  
Nanzan University  
Nagoya, Japan  
Certificate of International Studies

## MEMBERSHIPS & AFFILIATIONS

San Diego & California Association of  
Realtors  
National Association of Realtors  
CoStar Group



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TOP GUN CRE

YOUR **WINGMEN** IN  
**COMMERCIAL**  
**REAL ESTATE**

EXCLUSIVELY LISTED BY:



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**MAXIM DELBECQ, MBA**

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[Maxd@topguncre.com](mailto:Maxd@topguncre.com)

DRE #01964069

### 7-Unit Value-Add Apartment Sherman Heights

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