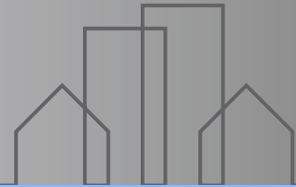


CONFIDENTIAL OFFERING MEMORANDUM

3 HOMES | RM-2.5 DEVELOPMENT LOT



1430 MERRILL STREET, SANTA CRUZ
➤ OFFERED AT \$1,975,000

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COMMERCIAL | MULTIFAMILY | DEVELOPMENT



COMMERCIAL | MULTIFAMILY | DEVELOPMENT



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CONFIDENTIAL OFFERING MEMORANDUM

PREMIER MULTI-FAMILY OFFERING

1 > PROPERTY OVERVIEW

> Property Highlights

> Property Details

PREMIER MULTI-FAMILY OFFERING



PROPERTY HIGHLIGHTS

RARE OPPORTUNITY

The largest high-density multifamily development parcel to hit the market walking distance to the beach in years.

ADDRESS

1430 Merrill Street, Santa Cruz, CA 95062

PRICE PER SQUARE FOOT

Approximately \$100 PSF

APN

027-273-01

FLOOR AREA RATIO

0.7 (FAR)

LOT SIZE

19,500 SF (0.451 acres)

GENERAL PLAN

R-UH - Urban High Residential

ZONING

RM-2.5 - High Density Multifamily Residential

DEVELOPMENT POTENTIAL

19 units (14 base + 5 density bonus)

The information listed above has been obtained from sources we believe to be reliable, however, we accept no responsibility for its correctness.



PROPERTY DETAILS

SITE CHARACTERISTICS

Location: 14th Avenue & Merrill Street

TOPOGRAPHY

Level lot

CONFIGURATION

Approximately 100' x 200'

UTILITIES

All public utilities available

COASTAL ZONE

NOT in Coastal Zone Appeal Jurisdiction

EXISTING IMPROVEMENTS

Three residential structures in disrepair

No rental history (primary residence)

Seller certification of non-rental status

Caretaker/groundskeeper available if needed

ENTITLEMENT STATUS

Current Zoning: RM-2.5 (Medium-High Density Residential)

General Plan: R-UH (Urban High Residential)

Density: 14 base units + 5 density bonus = 19 total

SB 684/1123 Eligibility: Potential, for single-family homes



2 >

LOCATION OVERVIEW

- > Coastal Access & The Neighborhood
- > Location Map
- > Aerial Overview

LOCATION & WALKABILITY THE NEIGHBORHOOD

UNMATCHED COASTAL ACCESS

Located in the heart of Live Oak's East Cliff Village, this property offers extraordinary walkability to Santa Cruz's most beloved destinations:

BLACK'S BEACH: 6-minute walk

LIVE OAK FARMERS MARKET: 3-minute walk

LAGO DI COMO: 4-minute walk

STARBUCKS & BODEGA LAGO: 5-minute walk

SUNNY COVE BEACH: 7-minute walk

NEIGHBORHOOD OVERVIEW

Live Oak represents one of Santa Cruz County's most desirable residential neighborhoods, combining:

ESTABLISHED residential character

PREMIUM coastal proximity

STRONG rental demand

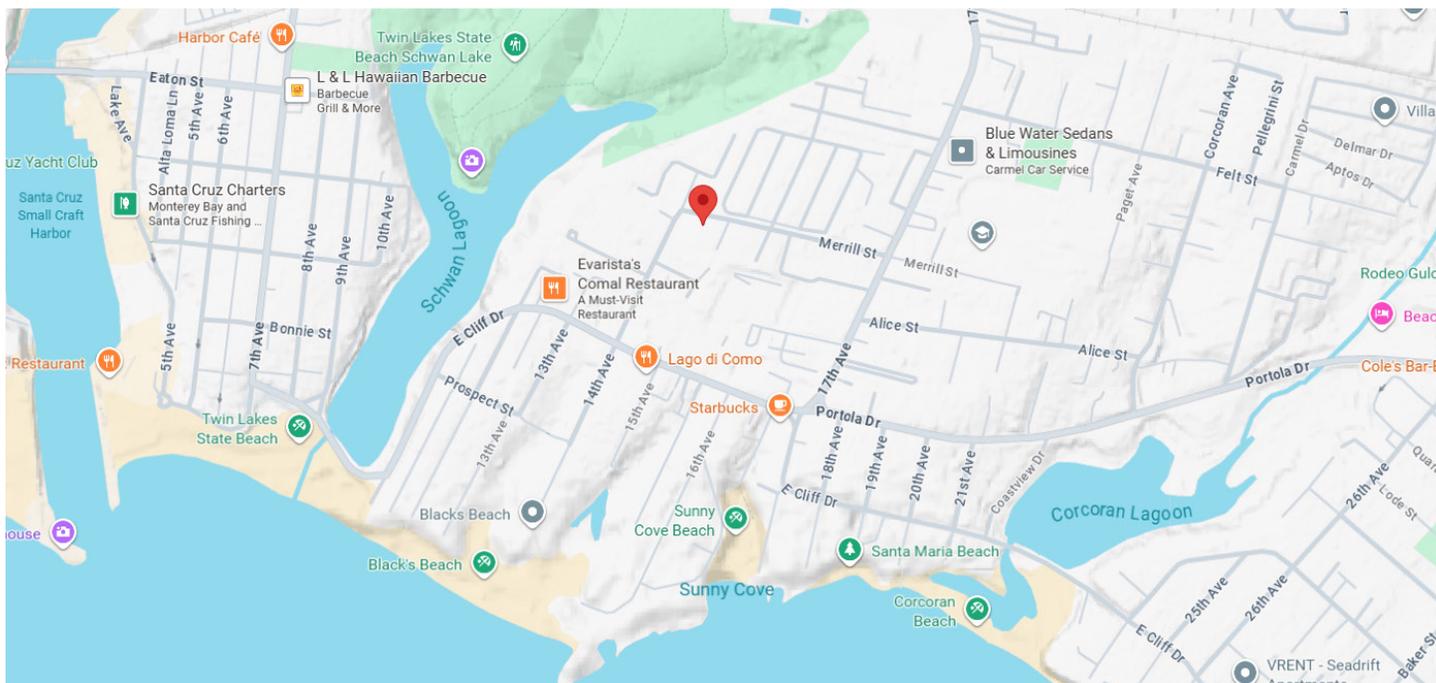
LIMITED new development opportunities



3. LOCATION OVERVIEW

PREMIER MULTI-FAMILY OFFERING

LOCATION MAP

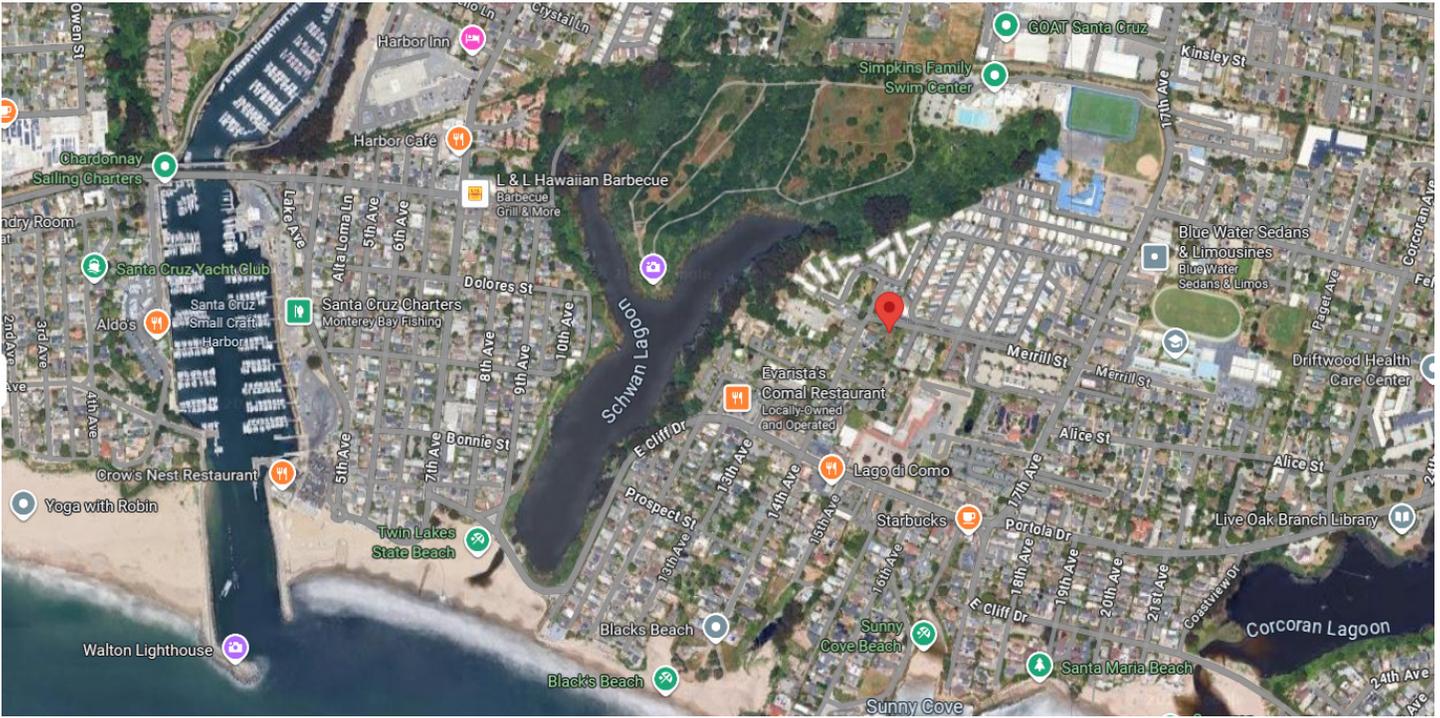


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3. LOCATION OVERVIEW

PREMIER MULTI-FAMILY OFFERING

AERIAL OVERVIEW



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3 >

DEVELOPMENT ANALYSIS

- > Recommended: Multifamily (19 units)
- > Alternative: SFR (6 units)
- > Market Analysis
- > Why This Opportunity

DEVELOPMENT COSTS

TOTAL UNITS

19 (17 market-rate
+ 2 affordable)

BUILDING SIZE

14,400 SF

7 × 600 SF =
4,200 SF
(1-bed units)

12 × 850 SF =
10,200 SF
(2-bedroom units)

UNIT MIX

7 one-bedrooms
(600 SF)

12 two-bedrooms
(850 SF)

DEVELOPMENT COSTS

Building Cost: 14,400 SF × \$450/
SF = \$6,480,000

Land Cost
\$1,975,000 (at list price)

Soft Costs/Permits/Site Work
(20% of building cost)
\$1,290,000

Total Development Cost:
\$9,745,000

ANNUAL RENTAL INCOME

Market Rate Units (17 units)

6 × 1BR @ \$3,200/month
\$230,400 annually

11 × 2BR @ \$4,200/month
\$554,400 annually

Affordable Units
(2 very low income units)
1 × 1BR @ \$2,878/month \$34,536
annually

1 × 2BR @ \$3,789/month \$45,468
annually

Total Annual Rental Income \$864,808

FINANCIAL PERFORMANCE

Annual Rental Income
\$864,808

Operating Expenses
(30% expense ratio) \$259,442

FINANCIAL PERFORMANCE CONT...

Net Operating Income (NOI)
\$605,366

Property Valuation at 4.00% Cap Rate:

Market Value:
\$605,366 ÷ 4.00% = \$15,134,150

INVESTMENT RETURNS

Total Investment \$9,745,000

Annual NOI \$605,366

Cash-on-Cash Return 6.21%

Estimated Equity Gain
\$5,389,150 (\$15.13M - \$9.75M cost)
Total Return \$5.4M equity + ongoing
\$605K annual cash flow

KEY METRICS SUMMARY

Cost per Unit \$512,894

Cost per SF \$676

Revenue per Unit
\$45,516 annually

NOI per Unit: \$31,861 annually

Immediate Equity per Unit: \$283,639



1430 MERRILL STREET

SANTA CRUZ, CALIFORNIA



DEVELOPMENT PROGRAM

ALTERNATIVE

Single-family development (6 units)

TOTAL UNITS
6 luxury homes

UNIT SIZE
1,750 SF (3BR/2.5BA)

TOTAL BUILDING
10,500 SF

FINANCIAL PROJECTIONS

TOTAL DEVELOPMENT COST
\$6,300,000 (\$600/SF)

PROJECTED SALES REVENUE
\$12.6M - \$14.4M

GROSS PROFIT
\$6.3M - \$8.1M

PROFIT MARGIN
100% - 129%

1430 MERRILL STREET, SANTA CRUZ, CA 95062



FOR SALE | \$1,995,000

WHY THIS OPPORTUNITY MATTERS

1. Scarcity Value

Largest RM-2.5 parcel available in 50+ years

2. Premium Live Oak location

Walkable coastal proximity

3. Development Ready

Clean title with no rental history
Level, rectangular lot configuration
All utilities available

4. Financial Performance

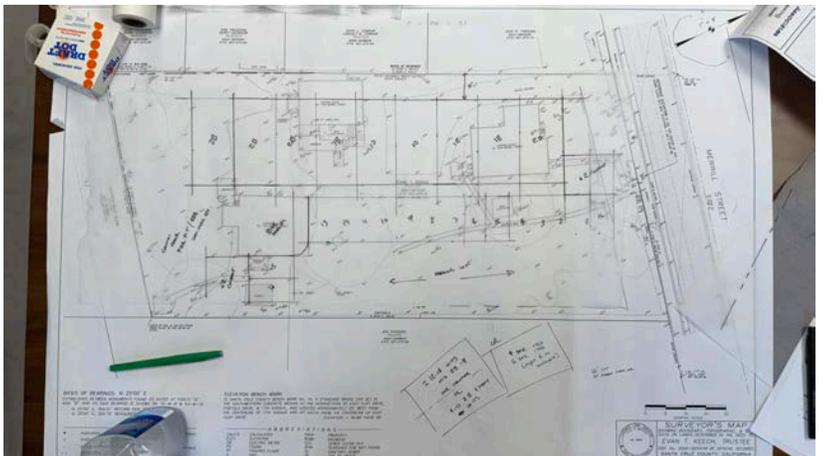
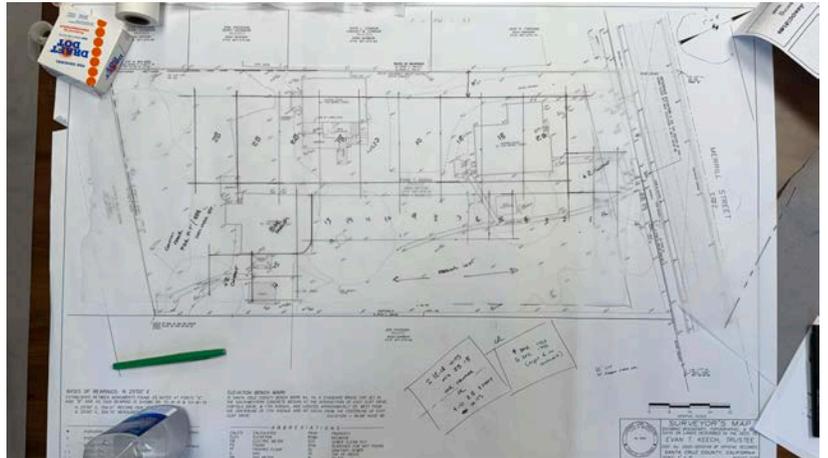
Immediate equity creation potential
Strong cash flow projections
Multiple exit strategies

5. Market Timing

Housing shortage in Santa Cruz County
Limited competing development sites
State/local support for housing development

6. Target Close

Nov 15 - Dec 1, 2025





1430 MERRILL STREET, SANTA CRUZ, CA 95062



FOR SALE | \$1,995,000

PROPERTY DETAILS/SITE CHARACTERISTICS

- Corner Location: 14th Avenue & Merrill Street
- Topography: Level lot
- Configuration: Approximately 100' x 200'
- Utilities: All public utilities available
- Coastal Zone: Yes (not in residential exclusion area)

EXISTING IMPROVEMENTS

- Three residential structures in disrepair
- No rental history (primary residence)
- Estate attorney certification of non-rental status
- Caretaker/groundskeeper available if needed

ENTITLEMENT STATUS

- Current Zoning: RM-2.5 (Medium-High Density Residential)
- General Plan: R-UH (Urban High Residential)
- Density: 14 base units + 5 density bonus = 19 total
- SB 684/1123 Eligible: Yes, for single-family conversion

MARKET ANALYSIS SANTA CRUZ HOUSING MARKET

- Average Home Price: \$1.26M (up 1.2% YoY)
- Median Price/SF: \$1,110
- New Construction Premium: 15-20% above existing
- Market Conditions: Limited inventory, strong demand

MARKET RATE RENTS 2024

- 1-Bedroom: \$3,200/month
- 2-Bedroom: \$4,200/month
- Affordable Housing Rents:
 - 1-Bedroom VLI: \$2,878/month
 - 2-Bedroom VLI: \$3,789/month

DUE DILIGENCE

- Survey in progress
- Title clear with estate certification
- Environmental Phase I recommended
- Buyer to verify all development assumptions



4 >

SALES COMPAREABLES

- > Comparative Analysis
- > Development Site Comparables

COMPARATIVE ANALYSIS

Subject property offers superior value with high-density zoning at competitive pricing compared to recent transactions.

DEVELOPMENT SITE COMPARABLES

3811 PORTOLA DRIVE, SANTA CRUZ

List Price: \$3,995,000

Lot Size: 0.495 acres (21,564 SF)

Price/SF (PSF): \$120

Zoning: C-2 (Commercial)

Development Potential: 40+ units mixed-use

Status: Active

1940 KINSLEY STREET, LIVE OAK

Current List Price: \$2,000,000

Previous List: \$1,795,000 (March 2023)

Lot Size: 0.92 acres (40,162 SF)

Price/SF: \$50 PSF

Zoning: RM-4-L

Existing: 3 homes + workshop

2378 HARPER STREET, LIVE OAK

Sale Price: \$2,500,000 (Sold 8/19/2024)

Lot Size: 1.63 acres (70,872 SF)

Price/SF: \$35 PSF

Zoning: R-1-6-D

Note: Single-family zoning w/subdivision potential



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