



Spirickal

CAPITAL

◆ Disclaimer

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◆ 205 East 8th St & 725 B Ave - Adjacent

205 East 8th Street:

◆ Furniture Store



725 B Ave:

◆ 5-Unit Apartment Building

Ground Up Construction:

Combine these two adjacent lots and build up to 118 units, mixed-use, multi-family with 10% ground floor retail



Buildings with high parking ratios have a higher occupancy and rent rates



205 East 8th St & 725 B Ave

New Construction of all new units



- ➔ Building size: 82,565 sqft
- ➔ Lot size: 16,513 sqft with FAR up to 5.0
- ➔ Opportunity Zone: Yes
- ➔ County: San Diego

◆ The Strength of this Deal

Designated "**Opportunity Zone**" (potentially significant Tax Benefits)



For investments held for at least 10 years, investors pay no federal taxes on any capital gains produced through their investment in Opportunity Funds.

Speak to your CPA & Tax Attorney

We have a corner location on the main street in the heart of downtown National City



Purchased off market & under value by \$600k+

Shhh!



We are adding value to the downtown area by building more housing, offering more retail, providing more job opportunities



High rental demand and occupancy



◆ The Strength of this Deal

➔ There is no holding cost during the entitlement phases because the building is currently leased



➔ We are breaking even while we are getting permits approved

➔ This is a ministerial project, and we can avoid public review and public comment or any reason to be denied the project because of the "NIMBYs"



➔ We can avoid the time and cost of a lengthy public review process

➔ The city has indicated they could approve plans within 30 days of submission

◆ The Strength of this Deal

Multi-Family Benefits

- ◆ Income Stability
- ◆ More Accurate Forecasting and Underwriting Due to More Data Points and Comps

- ◆ Market Shortage of Housing Units



Investment Highlights

Hypothetical Syndication Scenario

Purchase Price: \$3.7M

Initial Raise (Phase 1): \$4M

Construction Raise (Phase 2): \$8M

Project Exit/Sale Value: \$72M

Projected Annualized Return: 25.9%

Project Equity Multiple: 3.7x

Split, Limited Partner / General Partner:

- 80/20 after preferred return and up to 15% return, then
- 65/35 after LPs exceed 15% return

Hold period: 10 years, based on market conditions to exit

Minimum Investment: \$100k

SOURCES	%	TOTAL	\$/UNIT
GP Co-Invest	5%	\$629,139	\$5,000
LP Equity	95%	\$11,953,650	\$101,000
Total Equity	45%	\$12,582,790	\$107,000
Construction Loan	55%	\$15,378,965	\$130,000
Total Sources		\$27,961,755	\$237,000

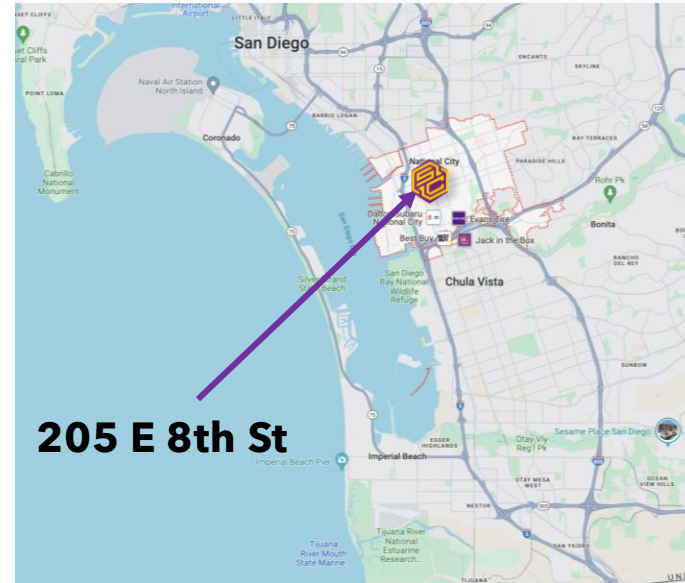
USES	PSF	TOTAL	\$/UNIT
Acquisition	\$58	\$4,800,000	\$41,000
Hard Costs	\$219	\$18,088,547	\$153,000
Soft Costs	\$48	\$3,942,829	\$33,000
Financing Costs	\$14	\$1,130,380	\$10,000
Total Uses	\$339	\$27,961,755	\$237,000



Pro-Foma shown above is intended for illustrative purposes only to facilitate analysis and are not guaranteed by Sponsors. These forecasts are based on real estate trends (including occupancy and rent trends), and Sponsor's calculated estimates, and they involve risks, variables and uncertainties. Sponsors make no representations or warranties that any investor will, or is likely to, attain the returns shown above since hypothetical or simulated performance is not an indicator or assurance of future results. Please review the financial disclaimers on page 2.

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- ➔ Healthy mix of available services: banks, shopping, eateries
- ➔ Local mix of community: cultural grocery marts, ice cream parlors, local bar and hangouts
- ➔ Active, current revitalization with strong support from area residents and business owners



Drive Times:

- 3 mins to the Navy Base
- 10 mins to Coronado Island
- 12 mins to San Diego Int'l Airport
- 1 min to Interstate 5 Freeway
- 15 mins to Mexico

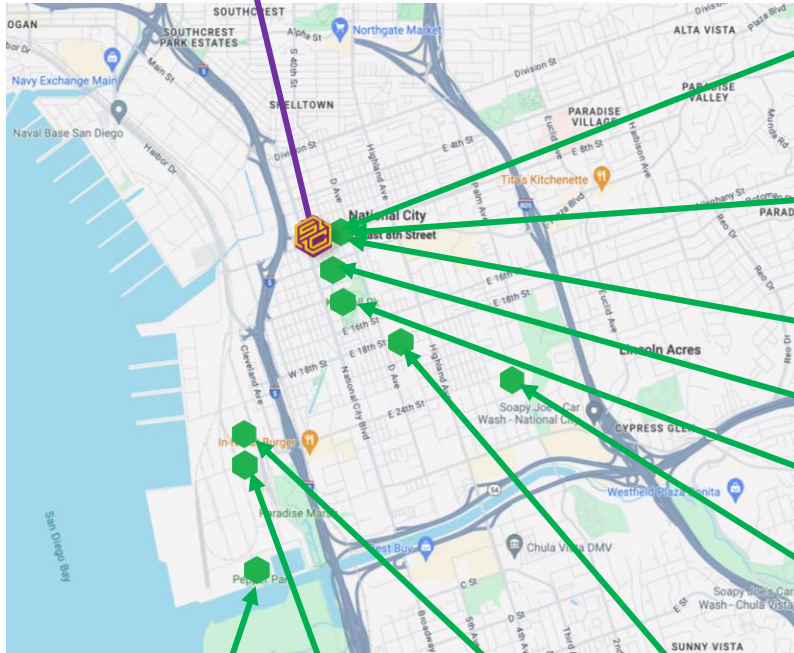


Walk Times:

- 5 mins to 8th Street Trolley Station
- 4 mins to Kimball Park
- 4 mins to Walmart
- 4 mins to the Public Library
- 2 mins to Market on 8th

CALIFORNIA NATIONAL CITY 1887 INCORPORATED

205 E 8th Street



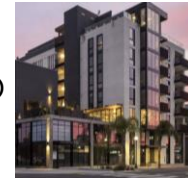
Market on 8th



Café



PARCO



Frank Kimball
Museum

Kimball
Park

Olivewood Gardens
Learning Center

The Stein
Family Farm

Aquatic Center
in National City

Santa Fe Rail
Depot (1882)

National City Historic
Railcar Plaza

◆ Retail Opportunities

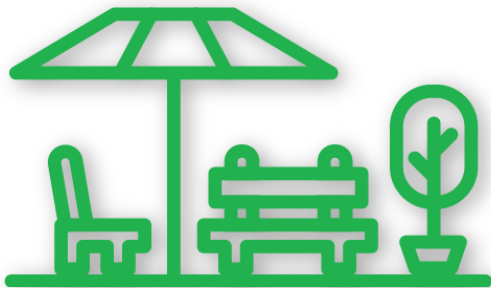
We are in talks with 2 major coffee retailers who have expressed interest in our location (Starbucks and Better Buzz)



Feature ground floor retail opportunities for shops, restaurants, boutique gyms, and more



Street Activation – utilize the sidewalk area to provide a small community vibe, creating a place where people want to hang out



Projected Sales Comps

Spirickal Capital – 205 E 8th Street*



Year Built	# of Units	Sale Price	Price/Door	Year Sold
2027	118	\$72,000,000	\$610k	2028

* Higher-End + Retail + Prime Location

611 Highland Avenue – National City



2023	19	\$8,845,000	\$465k	2023
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288 Center Drive – Chula Vista



2021	43	\$19,100,000	\$444k	2022
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Projected Unit Rent Comps

Spirickal Capital – 205 E 8th Street

Studio
1 bd
2 bd
3 bd

\$1950
\$2200
\$2900
\$3900

408 sqft
515 sqft
798 sqft
1175 sqft

Year
Built:
2027
(est)



PARCO – 800 B Avenue – National City

Studio
1 bd (Co-Living)
2 bd
3 bd (Co-Living)

\$2295
\$3060
\$2965
\$5640

387 sqft
600 sqft
1095 sqft
1175 sqft

Year Built:
2021



Harborview – 819 D Avenue – National City

Studio
1 bd
2 bd
3 bd

N/A
\$2395
\$2695
\$3565

N/A
727 sqft
1047 sqft
1314 sqft

Year Built:
2010



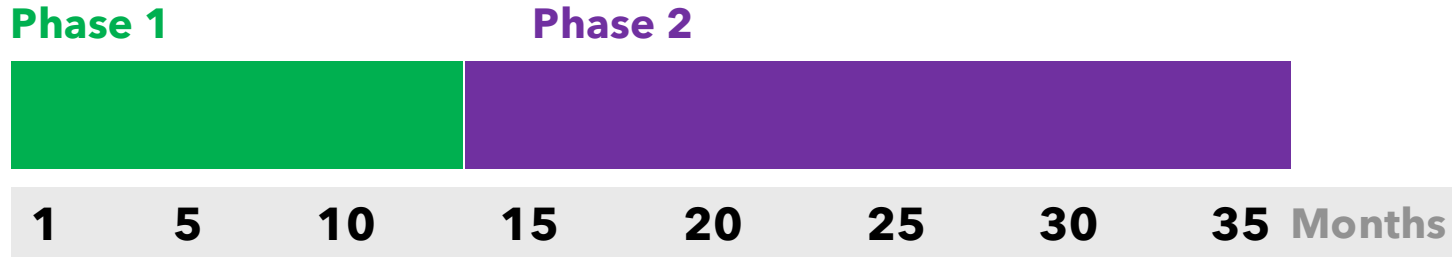
◆ Sample Floor Plans

1 Bedroom, 1 Bath (two variations)



◆ Phases 1 & 2

Project Shovel Ready at 13 Months



Planning:

- ⇒ Permitting
- ⇒ Design
- ⇒ Architectural
- ⇒ Coordinate with City
- ⇒ Structural Engineering



Construction:

- ⇒ Begins month 13
- ⇒ **Ends month 36**

Why We Love It

Beach areas in San Diego continue to undergo significant development, signaling a move to develop the remaining available sites

National City indicates they need an additional 4,000 units by 2029

Anticipating 5,000-10,000 military personnel moving to National City in the next few years excluding their families

Directly opposite, the full-block Parco Building was completed and fully occupied within 6 weeks of opening, achieving higher rents than projected

Existing housing demand, combined with nearby military personnel seeking quality housing for their B.A.H. and a city facilitating rapid developer approvals, creates a prime opportunity in the area

Walking proximity to shopping, eateries, and social activities make it an attractive location for tenants

And we LOVE the numbers



◆ Hypothetical Compensation Structure

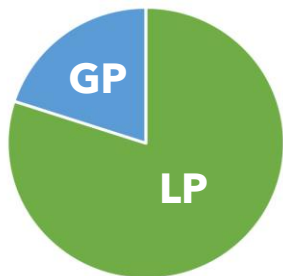
GP Compensation*

Accounting / Admin Fee: **1.5%**
Asset Management Fee: **2%**
Acquisition Fee: **1.5%**
Developer Fee: **4%**
Disposition Fee: **1%**

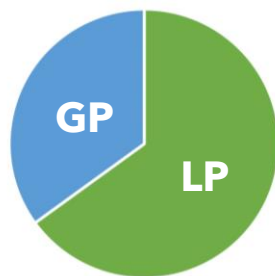
Distribution Approach

Distribution to Partners: Both a distribution of cash flow and from refinance & sale

Until 15% is returned



After 15% is returned



* Affiliate Fees – These are fees paid to third party vendors. Spirickal owns and operates companies in these areas and may or may not provide these services internally. Refinancing Costs: **1%**. Listing and Agency Fees: **4%**. Property Management Fees: **5%**, and Construction Management Fees: **1%**.

LP Investment Terms

Hold Period: **10 years**
\$100k Minimum Investment
9% Preferred Return

LP/GP Split (Hypothetical)

80/20 after 9% to 15%
65/35 after 15%

9% preferred return
for \$100k investment

10% preferred return
for \$500k investment

11% preferred return
for \$1M investment

Projected Financials

OPERATING PRO FORMA		Untrended				Sep-27			
		Total	\$/Unit	\$/NRSF	% EGI	Trended - Month 34	\$/Unit	\$/NRSF	% EGI
Income	Assumptions								
Residential Income									
Gross Scheduled Residential Rent	\$4.26 PSF/Mo.	\$3,143,400	\$26,639	\$51.09	96.76%	\$3,399,901	\$28,813	\$55.26	96.76%
Subtotal - Residential Rent		\$3,143,400	\$26,639	\$51.09	96.76%	\$3,399,901	\$28,813	\$55.26	96.76%
Other Residential Income									
Parking	\$150/Space/Mo.	\$0	\$0	\$0.00	0.00%	\$0	\$0	\$0.00	0.00%
Amazon Lockers	\$4/Unit/Mo.	\$5,664	\$48	\$0.09	0.17%	\$6,126	\$52	\$0.10	0.17%
Insurance Policy	\$3/Unit/Mo.	\$4,248	\$36	\$0.07	0.13%	\$4,595	\$39	\$0.07	0.13%
Retained Deposits from Turnover	\$11/Unit/Mo.	\$15,576	\$132	\$0.25	0.48%	\$16,847	\$143	\$0.27	0.48%
Misc. Other Income (Storage)	\$80/Unit/Mo.	\$113,280	\$960	\$1.84	3.49%	\$122,524	\$1,038	\$1.99	3.49%
Subtotal - Other Residential Income		\$138,768	\$1,176	\$2.26	4.27%	\$150,091	\$1,272	\$2.44	4.27%
Residential Deductions									
Vacancy Loss	% of RGPI 5.0%	(\$164,108)	(\$1,391)	(\$2.67)	-5.05%	(\$177,500)	(\$1,504)	(\$2.89)	-5.05%
Net Rental Income		\$3,118,060	\$26,424	\$50.68	95.98%	\$3,372,493	\$28,581	\$54.82	95.98%
Commercial Income									
Gross Scheduled Commercial Rent	\$2.60 PSF/Mo.	\$115,440	\$978	\$1.88	3.55%	\$124,860	\$1,058	\$2.03	3.55%
Subtotal - Gross Sched. Comm. Rent		\$115,440	\$978	\$1.88	3.55%	\$124,860	\$1,058	\$2.03	3.55%
Other Commercial Income									
Expense Reimbursements	\$0.50 PSF/Mo.	\$22,200	\$188	\$0.36	0.68%	\$24,012	\$203	\$0.39	0.68%
Subtotal - Comm. Reimb.		\$22,200	\$188	\$0.36	0.68%	\$24,012	\$203	\$0.39	0.68%
Commercial Deductions									
Vacancy Loss	% of CGPI 5.0%	(\$6,882)	(\$58)	(\$0.11)	-0.21%	(\$7,444)	(\$63)	(\$0.12)	-0.21%
Net Commercial Income		\$130,758	\$1,108	\$2.13	4.02%	\$141,428	\$1,198	\$2.30	4.02%
Effective Gross Income		\$3,248,818	\$27,532	\$52.81	100.00%	\$3,513,921	\$29,779	\$57.12	100.00%
Expenses									
Controllable Expenses									
Payroll	\$339/Unit	\$40,000	\$339	\$0.65	1.23%	\$43,264	\$367	\$0.70	1.23%
Advertising & Promotion	\$64/Unit	\$7,500	\$64	\$0.12	0.23%	\$8,112	\$69	\$0.13	0.23%
General & Administrative	\$153/Unit	\$18,000	\$153	\$0.29	0.55%	\$19,469	\$165	\$0.32	0.55%
Turnover	\$116/Unit	\$13,728	\$116	\$0.22	0.42%	\$14,848	\$126	\$0.24	0.42%
Repair & Maintenance	\$1,376/Unit	\$162,319	\$1,376	\$2.64	5.00%	\$175,564	\$1,488	\$2.85	5.00%
Contract Services	\$127/Unit	\$15,000	\$127	\$0.24	0.46%	\$16,224	\$137	\$0.26	0.46%
Utilities	\$254/Unit	\$30,000	\$254	\$0.49	0.92%	\$32,448	\$275	\$0.53	0.92%
Subtotal - Controllable Expenses		\$286,547	\$2,429	\$4.66	8.82%	\$309,929	\$2,627	\$5.04	8.82%
Fixed Expenses									
Property Taxes	1.15414%	\$322,718	\$2,735	\$5.25	9.93%	\$349,052	\$2,958	\$5.67	9.93%
Insurance	\$396/Unit	\$46,750	\$396	\$0.76	1.44%	\$50,565	\$429	\$0.82	1.44%
Management Fee*	5.0% of EGI	\$162,441	\$1,377	\$2.64	5.00%	\$175,696	\$1,489	\$2.86	5.00%
Subtotal - Fixed Expenses		\$531,909	\$4,508	\$8.65	16.37%	\$575,312	\$4,876	\$9.35	16.37%
Total Expenses		\$818,456	\$6,937	\$13.30	25.19%	\$885,242	\$7,503	\$14.39	25.19%
Expense Ratio		25.2%				25.2%			
Net Operating Income		\$2,430,362	\$20,595	\$39.50	74.81%	\$2,628,679	\$22,276	\$42.73	74.81%

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