



OFFERING MEMORANDUM

438 Denby St.

SAN DIEGO, CA 92102

BRIDGEPOINT
COMMERCIAL REAL ESTATE SOLUTIONS

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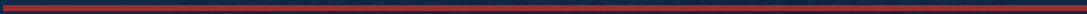
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INVESTMENT OVERVIEW





Stabilized Class A Investment Opportunity Near Downtown San Diego

438 Denby Street is a fully stabilized, multifamily offering in San Diego, CA, comprising nine units the property consists of one - fully remodeled detached single-family home and eight brand-new construction units completed in 2026. The property totals approximately 4,415 rentable square feet on a 6,573-square-foot parcel. Offered at \$2,800,000 the asset produces \$167,292 of net operating income at a 6.0% going-in cap rate and an 11.9 gross rent multiplier.

What distinguishes this offering is that it is already fully stabilized: in-place actual rents equal market rents across all nine units, generating \$19,600 of monthly income and \$235,200 of annual gross scheduled income. There is no lease-up, renovation, or rent-repositioning risk left to execute — a buyer steps into durable, day-one cash flow at delivery. The property also benefits from AB 1482 excluding this property from any future rent control limitations.

EFFICIENT OPERATIONS & DURABLE CASH FLOW

All utilities are sub-metered, shifting utility costs to residents and holding estimated annual operating expenses to \$60,852, or \$6,761 per unit. The unit mix pairs the remodeled detached home, a 2-bed/1-bath at \$2,925, with one - 2-bed/1-bath unit at \$2,500 and seven 1-bed/1-bath units averaging \$2,025. Brand-new construction, separately metered utilities, and market-rate rents already in place combine to offer a low-friction, institutionally clean core asset.

Investment Essentials

STRATEGIC LOCATION AND DIVERSE UNIT MIX

BridgePoint Realty is proud to present 438 Denby Street, a fully stabilized, nine-unit multifamily property in San Diego's core just east of Downtown San Diego. The offering consists of a fully remodeled detached two-bedroom/one-bath home in the front, 1 - 2bed/1ba and seven 1bed/1ba's, 8 of the 9 are brand new construction units built in 2026 and are exempt from Rent Control limitations. Totaling approximately 4,415 rentable square feet on a 6,573 SF parcel. The diverse unit mix appeals to a broad base of long-term San Diego renters.

STRONG SUBMARKET POSITIONING

Positioned within a high-barrier-to-entry urban infill pocket, this asset capitalizes on the intense regional demand for high-quality housing near major San Diego employment cores. As escalating home prices continue to outpace the average consumer, the local rental market remains highly resilient, sustaining low structural vacancy rates and consistent upward pressure on regional baselines. Acquiring a completely stabilized, newly delivered asset provides an immediate strategic foothold in a premier coastal metropolitan economy characterized by permanent supply constraints.

Property Overview

Address	438 Denby Street
City	San Diego 92102
Number of Units	9
Unit Mix	(1) 2bed/1ba House, (1) 2bed/1ba, (7) 1bed/1ba
Building Size	4,415 SF (Approx.)
Parcel Size	6,573 SF (Approx.)
Year Built	2026 (Approx.)
Utilities	Separately Metered Water / SDGE

\$2,800,000

PRICE

\$311,111

PRICE / UNIT

\$167,292

NOI

6.0%

CAP RATE

11.9

GRM

6,573

PARCEL SIZE

4,415

BUILDING SF

2026

YEAR BUILT



438 DENBY STREET



438 DENBY STREET



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438 DENBY STREET





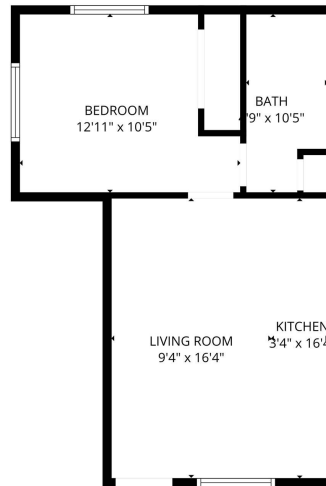
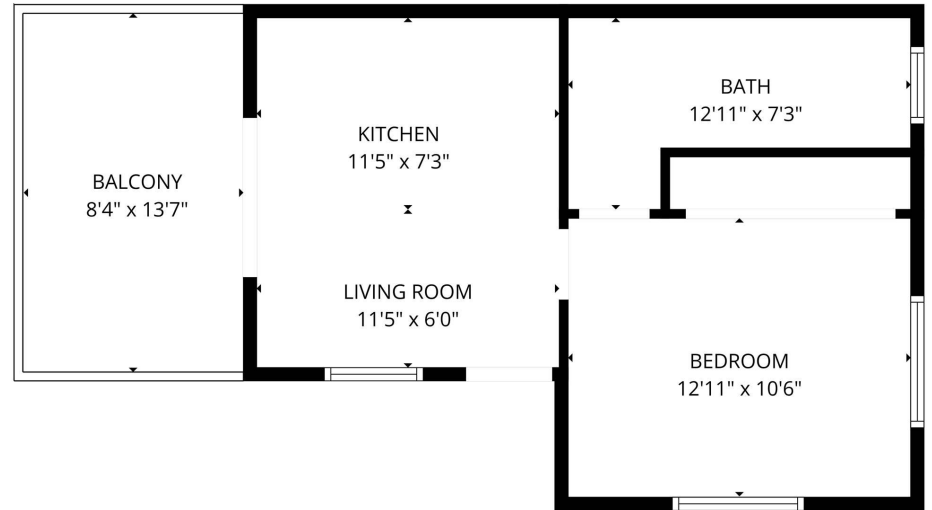
438 DENBY STREET



Floor Plans

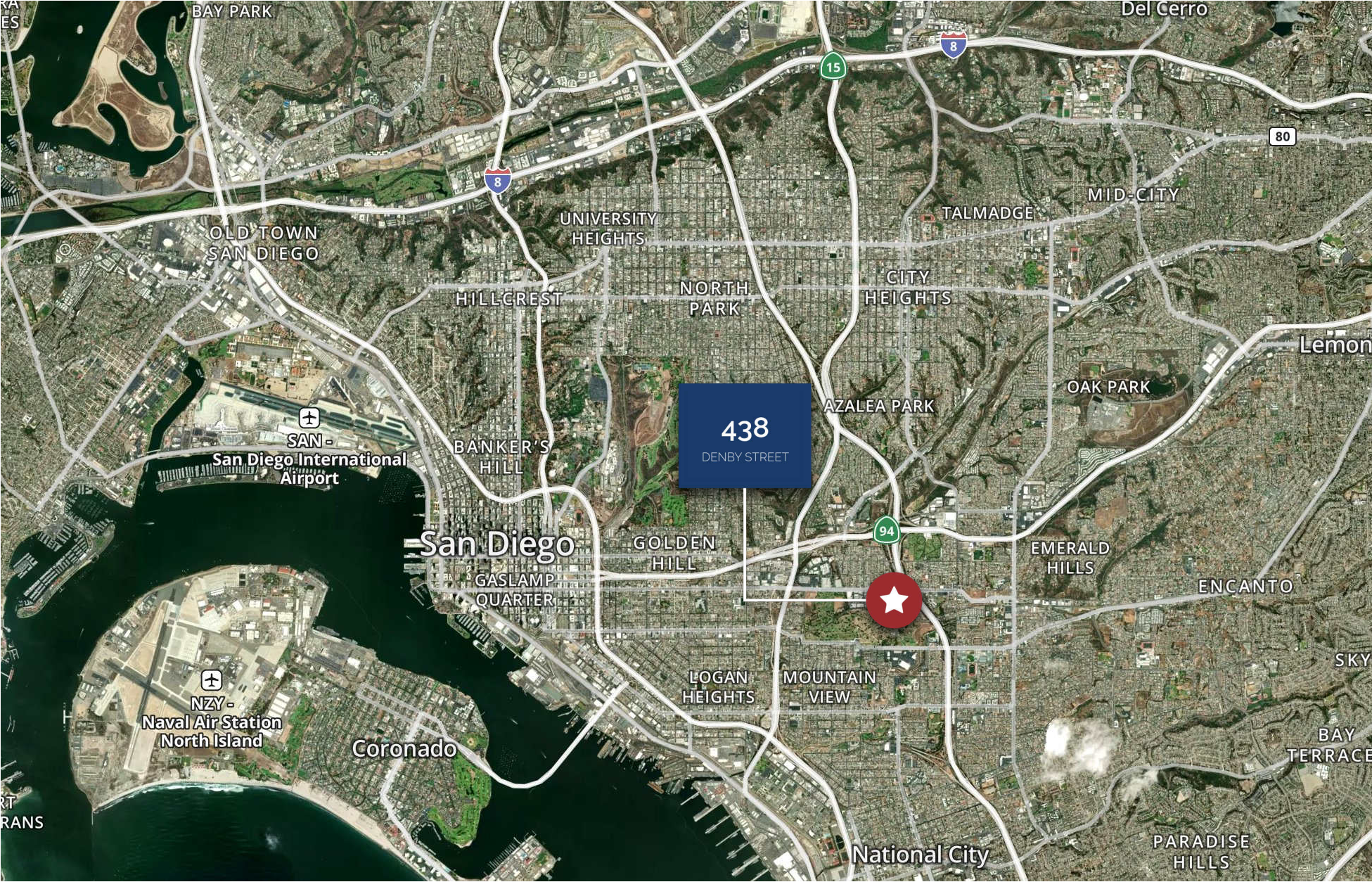


FLOOR PLAN CREATED BY CLICCLASH APP. MEASUREMENTS DEEMED HIGHLY RELIABLE BUT NOT GUARANTEED.



FLOOR PLAN CREATED BY CLICCLASH APP. MEASUREMENTS DEEMED HIGHLY RELIABLE BUT NOT GUARANTEED.

Regional Map





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FINANCIAL OVERVIEW

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Income Detail

# Units	Type	Rent	Total
Estimated Actual Average Rents			
1	2bed/1ba	\$2,500	\$2,500
7	1bed/1ba	\$2,025	\$14,175
1	2bed/1b House	\$2,925	\$2,925
Total Monthly Income			\$19,600

Estimated Market Rents			
1	2bed/1ba	\$2,500	\$2,500
7	1bed/1ba	\$2,025	\$14,175
1	2bed/1b House	\$2,925	\$2,925
Total Monthly Income			\$19,600



438 DENBY STREET

Estimated Annual Operating Expenses

Operating Expenses

Gas & Electric	\$0
Water & Sewer	\$0
Landscaping	\$1,200
Trash	\$1,800
Pest Control	\$400
Maintenance	\$4,800
Insurance	\$4,100
Taxes	\$34,440
Management (Off-Site)	\$14,112
Total Annual Operating Expenses (estimated):	\$60,852

Expenses Per:

Expense Per Unit	\$6,761
Expense Per % of Actual GSI	26%

Pro Forma

Estimated Annual Operating Proforma

		Actual	Market
Gross Scheduled Income		\$235,200	\$235,200
Less: Vacancy Factor	3%	\$7,056	\$7,056
Gross Operating Income		\$228,144	\$228,144
Less: Expenses	26%	\$60,852	\$60,852
Net Operating Income		\$167,292	\$167,292
Less: 1st TD Payments		(\$134,842)	(\$134,842)
Pre-Tax Cash Flow		\$32,450	\$32,450
Cash On Cash Return		3.3%	3.3%
Principal Reduction		\$21,385	\$21,385
Total Potential Return (End of Year One)		6%	6%

Financing Summary

Financing Summary

Downpayment: **\$975,000**

35%

Interest Rate: 6.250%

Amortized over: 30 Years

Proposed Loan Amount: \$1,825,000

Debt Coverage Ratio:

Current: 1.24

Market: 1.24





03

MARKET OVERVIEW

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San Diego, California

San Diego: A Supply-Constrained Market

San Diego is California's second-largest city and a core West Coast investment market alongside Los Angeles, the Bay Area, and Seattle. 438 Denby Street sits in the Mountain View / Southeastern San Diego submarket (ZIP 92102), minutes east of Downtown San Diego with direct access to Interstate 5, Interstate 805, and State Route 94. The metro is structurally land-constrained — bounded by the ocean to the west, Mexico to the south, Camp Pendleton to the north, and the mountains to the east — which limits long-run supply and supports durable rental demand.

Real Estate Market Fundamentals and Demographics

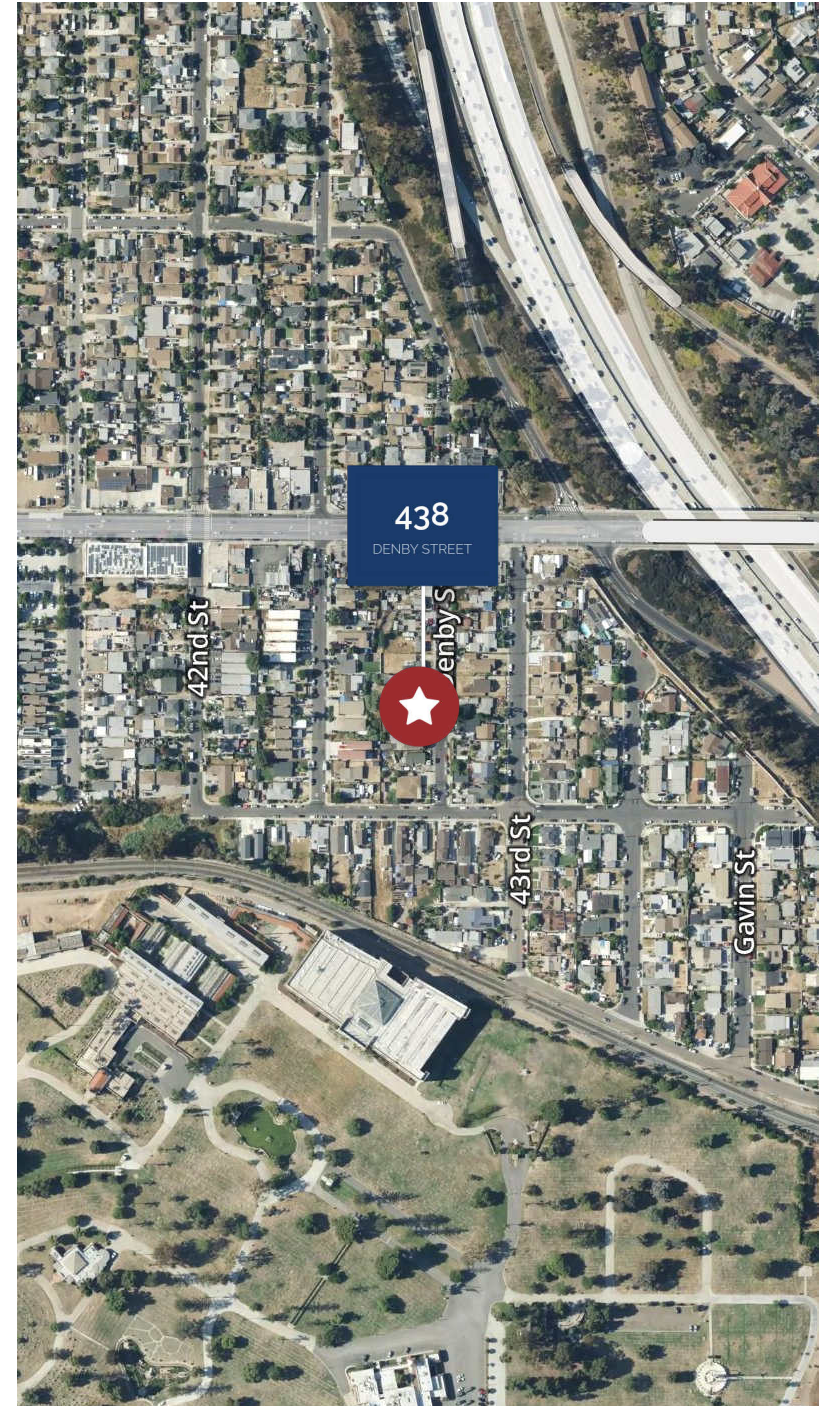
San Diego's population reached roughly 1.41 million in 2026, with a median household income of \$108,077 and approximately 53% of households renting rather than owning. Citywide apartment rents average in the high-\$2,000s, and the more affordable workforce segment — Class B and C product — has recorded the market's tightest vacancy at about 2.5%, reflecting the durable demand for attainable housing. 438 Denby Street's in-place rents already equal market, so its \$235,200 of annual gross scheduled income is fully stabilized from day one.

Investment Appeal and Submarket Maturity

Investor demand for San Diego multifamily remains deep — roughly \$3.2 billion in assets traded over the trailing twelve months, exceeding the decade average of \$2.9 billion — while average cap rates have held near 4.5% for three consecutive years. With its central location near Downtown employment and brand-new 2026 construction across eight of its nine units, 438 Denby Street offers institutional-quality product priced at a 6.0% going-in cap rate.

Future Outlook and Multifamily Opportunities

As the current construction wave is absorbed, forecasters expect vacancy to stabilize and rent growth to resume, with asking rents projected to rise about 2.5% and workforce Class B/C rents growing near 2.6%. For buyers, San Diego pairs income stability with long-term capital growth, and 438 Denby Street delivers a fully remodeled detached home plus eight newly built units — generating \$167,292 of net operating income with no lease-up or execution risk.



Market Insights



RESILIENT RENT FUNDAMENTALS

San Diego is a supply-constrained coastal market where apartment rents sit well above the national average. As the recent wave of new luxury deliveries is absorbed, forecasters project asking-rent growth of roughly 2.5% year-over-year and Class B/C rent growth near 2.6%. With 438 Denby Street's in-place rents already equal to market, there is no gap-to-market to lease into and no downside re-pricing risk.



TIGHT WORKFORCE VACANCY

While new Class A luxury supply has lifted overall vacancy, San Diego's workforce housing remains structurally undersupplied: Class B and C vacancy was just 2.5% at the end of 2024, versus roughly 6.6% for Class A. Attainably-priced product like 438 Denby Street draws the deepest, most durable renter demand and the most stable occupancy.



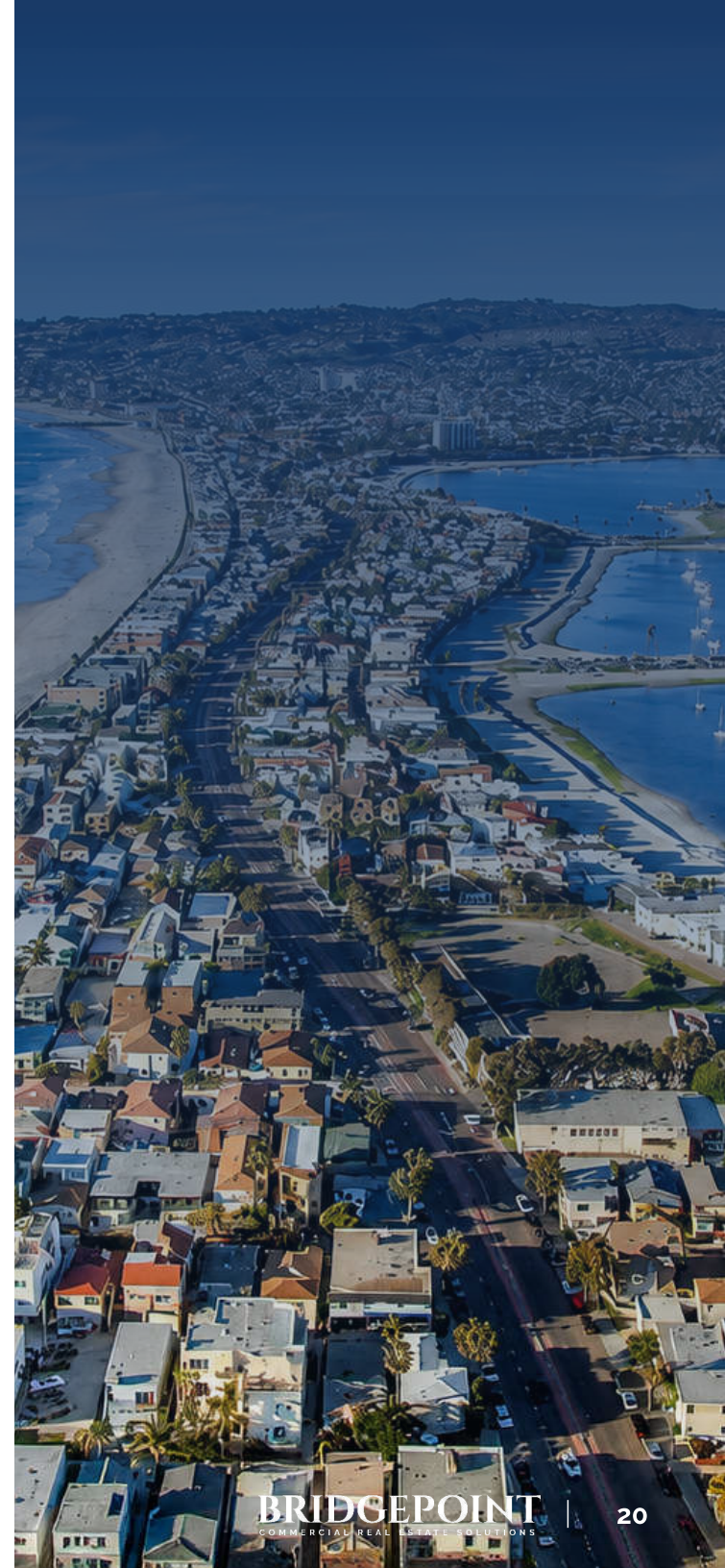
DEEP INVESTOR DEMAND

San Diego is a core West Coast market that institutional capital continues to target for its diversified employment base and geographic constraints. Roughly \$3.2 billion in multifamily traded over the trailing twelve months — above the decade average of \$2.9 billion — underscoring sustained liquidity and buyer appetite even through a higher interest-rate environment.



STABLE CAP RATES & YIELD

Average San Diego multifamily cap rates have held near 4.5% for three consecutive years, providing pricing stability through the cycle. At a 6.0% going-in cap rate on fully stabilized, brand-new construction, 438 Denby Street offers an attractive yield premium with durable in-place cash flow and long-term upside.



Amenities Map



Major Employers

ECONOMIC ANCHORS AND INNOVATION

438 Denby Street sits within central San Diego, minutes from one of the nation's deepest and most diversified employment bases. The market is fundamentally anchored by the military's massive footprint, led by the U.S. Navy's largest West Coast presence alongside premier manufacturing leaders like General Dynamics NASSCO. Complementing this stability is a thriving innovation economy, where marquee private employers like Qualcomm and Illumina drive high-wage job growth and attract a highly skilled workforce that underpins durable rental demand.

INSTITUTIONAL STABILITY AND CONNECTIVITY

The area's economic resilience is further reinforced by a strong concentration of non-cyclical institutional anchors across healthcare and education. Major regional employers—including Scripps Health, Kaiser Permanente, and San Diego State University—ensure steady, recession-resilient employment and ongoing workforce development.

The property's central location offers seamless connectivity via major transit corridors, linking residents directly to Downtown employment centers and the broader regional economy. This powerful synergy of military, institutional, and innovation sectors positions central San Diego as a secure, fully stabilized rental market with exceptional long-term demand.

Employer	Industry	Employees	Distance
United States Navy	Defense	35,000	3.5 mi
Qualcomm	Technology	12,000	15.7 mi
San Diego State University	Education	4,000	9.0 mi
General Dynamics NASSCO	Manufacturing	3,500	3.4 mi
Illumina	Biotechnology	3,000	13.6 mi
Scripps Health	Healthcare	3,000	8.5 mi
Kaiser Permanente	Healthcare	2,500	7.3 mi
Sempra Energy	Energy	2,500	4.2 mi



Nearby Dining & Bar Options



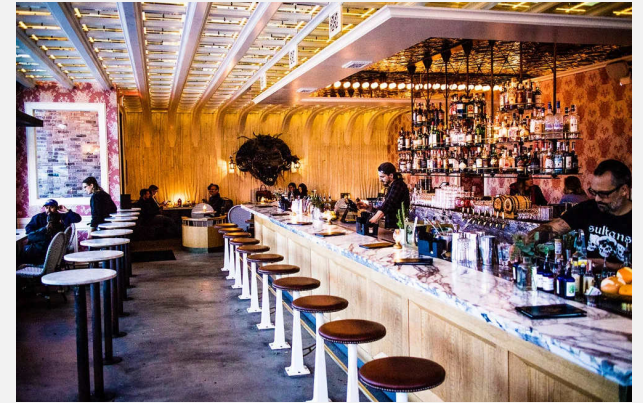
Kingfisher – Golden Hill

Acclaimed, chic destination featuring French-influenced Vietnamese fare and a glamorous cocktail bar in the adjacent Golden Hill neighborhood.



Turf Supper Club – Golden Hill

Iconic retro neighborhood lounge functioning as San Diego's original grill-your-own-steak venue with classic cocktails.



KINDRED – South Park

Design-forward South Park cocktail bar and kitchen serving craft drinks and elevated shareable plates in a warm, welcoming space.



Mothership – South Park

Immersive, plant-based tropical bar drawing massive crowds for its transportive space-themed tiki cocktails and atmosphere.



The Station Tavern – South Park

Popular open-air neighborhood beer garden known for excellent burgers, craft beer, and laid-back backyard picnic vibes.



The Rose Wine Bar – South Park

Charming neighborhood wine bar showcasing a curated natural wine selection, seasonal small plates, and a relaxed patio.

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