

4539
36TH STREET

SAN DIEGO, CA 92116

Marcus & Millichap
THE TRUJILLO GROUP



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4539 36TH STREET

SAN DIEGO, CA 92116

The Trujillo Group of Marcus & Millichap is pleased to present a 7-unit apartment complex in the thriving and hip neighborhood of Normal Heights. 4539 36th Street was built in 1976 and fully renovated in 2022. This rare opportunity comes with plans to convert the two-car garage and adjacent laundry room into a new two-bedroom ADU, further improving the returns for the future owner.

4539 36th St current unit mix consists of (1) two-bedroom/two-bathroom unit and (6) one-bedroom/one-bathroom units. The units also have access to off-street parking with (8) surface spaces and (1) two-car garage. The property has been renovated, both inside and out, with high-end materials and a modern design. Upgrades include redesigned kitchens and bathrooms, in-unit laundry, and split system heating and air conditioning. Select units feature walk-in closets, balconies and vaulted ceilings. The property has also been retrofitted with dual pane vinyl windows and secure gated access to the courtyard.

Professionally managed, this turnkey opportunity appeals to the passive investor while also offering significant upside by adding the ADU conversion unit. Plans have been submitted to the city and approval is expected Q1 2025. The current manager may also be willing to manage the construction of this new ADU unit. With a walk score of 91 just 1.5 blocks south of the main thoroughfare in Normal Heights consisting of many bars and restaurants, Adams Ave., the property is well positioned with the investor's longevity in mind.

INVESTMENT HIGHLIGHTS



PLANS SUBMITTED FOR 2 BR/ 2 BATH ADU



FULLY RENOVATED IN 2022



IN UNIT LAUNDRY



SPLIT SYSTEM AC/HEAT



OFF STREET PARKING- 8 SPACES AND 1 DOUBLE GARAGE



WALK IN CLOSETS



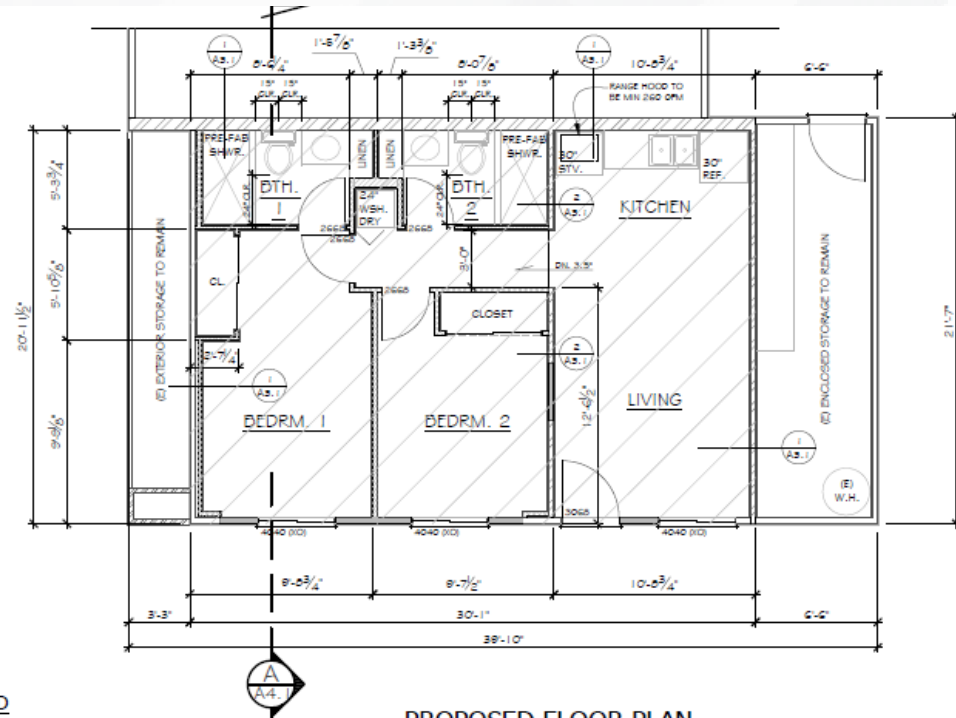
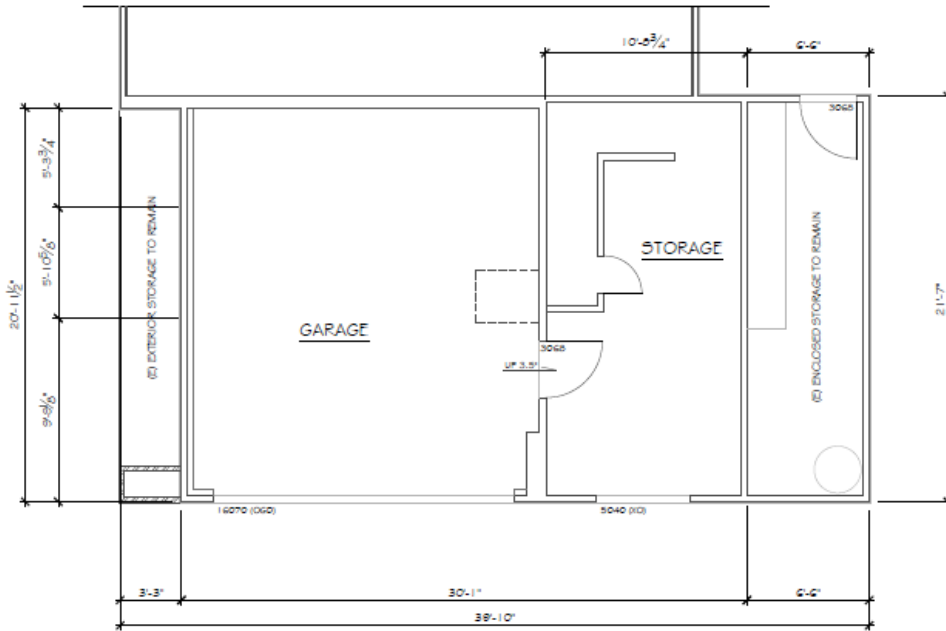
DUAL PANE VINYL WINDOWS



91 WALK SCORE- 1.5 BLOCKS FROM ADAMS AVE

ADU PLANS IN PROCESS |

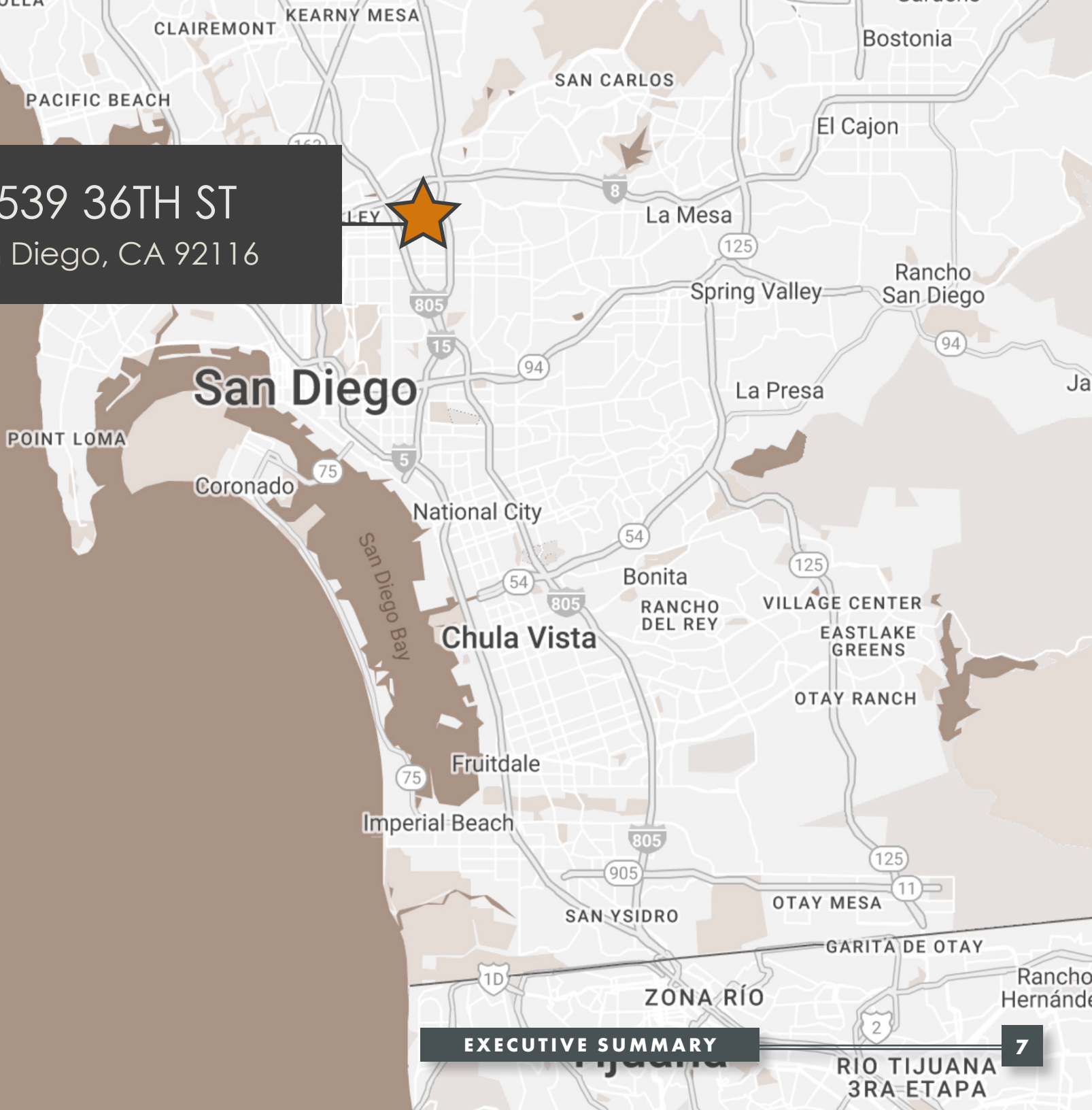
- Convert garage and storage room to a 2-Bedroom/ 2-Bathroom
- Full approval expected Q1 2025



WALL LEGEND

- EXISTING TO REMAIN
- NEW 2x8 WALLS
- NEW 2x4 WALLS
- NEW 2x6 WALLS

4539 36TH ST
San Diego, CA 92116







PRICING DETAIL | 4539 36TH STREET

SUMMARY

Price	\$2,940,000
Down Payment (45%)	\$1,323,000
Number of Units	7
Price Per Unit	\$420,000
Price Per SqFt	\$639.13
Rentable SqFt	4,600
Lot Size	0.14 Acres
Approx. Year Built	1976/2022

FINANCING 1ST LOAN

Loan Amount	\$1,617,000
Loan Type	New
Interest Rate	6.00%
Amortization	30 Years
Year Due	2029

Loan information is subject to change. Contact your Marcus & Millichap Capital Corporation representative.

Returns

	Current	Year 1	ADU Proforma
CAP Rate	5.00%	5.54%	6.94%
GRM	13.69	12.66	10.57
Cash- on Cash	2.31%	3.52%	6.63%
Debt Coverage Ratio	1.26	1.40	1.75

OF UNIT TYPE SQFT/UNIT SCHEDULED RENTS MARKET RENTS

6	1-Bed/1-Bath	600	\$2,432	\$2,553
1	2-Bed/2-Bath	1,000	\$3,300	\$3,465

INCOME		CURRENT		YEAR 1		ADU Proforma
Gross Scheduled Rent		\$214,680		\$232,176		\$278,265
Less: Vacancy/Deductions	3.0%	\$6,440	3.0%	\$6,965	3.0%	\$8,348
Total Effective Rental Income		\$208,240		\$225,211		\$269,917
Other Income*		\$8,280		\$8,280		\$9,840
Effective Gross Income		\$216,520		\$233,491		\$279,757
Less: Expenses	32.1%	\$69,571	30.2%	\$70,589	27.0%	\$75,665
Net Operating Income		\$146,948		\$162,902		\$204,091
Cash Flow		\$146,948		\$162,902		\$204,091
Debt Service		\$116,337		\$116,337		\$116,337
Net Cash Flow After Debt Service	2.31%	\$30,612	3.52%	\$46,565	6.63%	\$87,755
Principal Reduction		\$19,857		\$21,082		\$21,082
TOTAL RETURN	3.81%	\$50,469	5.11%	\$50,469	8.23%	\$108,836

EXPENSES	CURRENT	YEAR 1	ADU Proforma
Real Estate Taxes	\$36,104	\$36,104	\$36,104
Insurance	\$3,500	\$3,500	\$4,000
Utilities	\$4,900	\$4,900	\$6,000
Trash Removal	\$3,960	\$3,960	\$3,960
Repairs & Maintenance	\$3,500	\$3,500	\$4,000
Landscaping	\$2,160	\$2,160	\$2,160
Pest Control	\$1,056	\$1,056	\$1,056
Operating Reserves	\$1,400	\$1,400	\$1,600
Management Fee	\$12,991	\$14,009	\$16,785
TOTAL EXPENSES	\$69,571	\$70,589	\$75,665
Expenses/Unit	\$9,939	\$10,084	\$9,458
Expenses/SF	\$15.12	\$15.35	\$13.51

*Other income- RUBS collected and pet rent

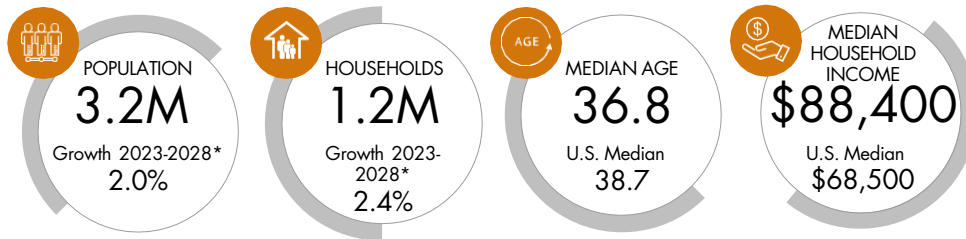
RENT ROLL SUMMARY | 4539 36TH STREET

UNIT	UNIT TYPE	Square Feet	Scheduled Rent / Month	Scheduled Rent / SF/ Month	Proforma Rent/ Month	Potential Rent/ SF/ Month
1	1-Bed/1-Bath	600	\$2,345	\$3.91	\$2,462	\$4.10
2	1-Bed/1-Bath	600	\$2,545	\$4.24	\$2,672	\$4.45
3	1-Bed/1-Bath	600	\$2,465	\$4.11	\$2,588	\$4.31
4	1-Bed/1-Bath	600	\$2,450	\$4.08	\$2,573	\$4.29
5	1-Bed/1-Bath	600	\$2,370	\$3.95	\$2,489	\$4.15
6	1-Bed/1-Bath	600	\$2,415	\$4.03	\$2,536	\$4.23
7	2-Bed/2-Bath	1,000	\$3,300	\$3.30	\$3,465	\$3.47
ADU 8*	2-Bed/2-Bath	630	\$3,300	\$5.23	\$3,300	\$5.23
Total		5,230	\$21,190	\$4.12	\$22,085	\$4.28

*Non-existing with approved plans expected Q1 2025

DEMOGRAPHICS

- The metro is home to roughly 1.2 million households and is expected to expand by 29,000 residents through 2028.
- A median home price of \$980,000 is significantly above the U.S. median, resulting in approximately half of the metro's residents slotting into the renter pool.
- Residents are more educated than the nation on average. Roughly 39 percent of people ages 25 and older have a bachelor's degree, compared with 29 percent for the U.S.



2023 POPULATION BY AGE



QUALITY OF LIFE

San Diego is California's oldest community. A large harbor, miles of beaches and exceptional weather attract businesses, residents and tourists. San Diego still houses a number of buildings and facilities from its past, including two missions — Old Town San Diego, Balboa Park and the Hotel del Coronado. San Diego County has grown into a sophisticated, urban region. Its downtown area underwent a significant renaissance earlier this century, spurred by the construction of Petco Park — home of the San Diego Padres. Since, the urban core has continued to expand via apartment, office and entertainment-related development, attracting additional residents. San Diego's major tourist attractions include the San Diego Zoo, San Diego Wild Animal Park, SeaWorld San Diego and LEGOLAND.

SPORTS

- BASEBALL | **MLB** | SAN DIEGO PADRES
- HOCKEY | **AHL** | SAN DIEGO GULLS
- HORSE RACING | **DMTC** | DEL MAR THOROUGHBRED CLUB
- SOCCER | **NWSL** | SAN DIEGO WAVE FC
- LACROSSE | **NLL** | SAN DIEGO SEALS

EDUCATION

- UNIVERSITY OF CALIFORNIA, SAN DIEGO
- CALIFORNIA STATE UNIVERSITY, SAN DIEGO
- CALIFORNIA STATE UNIVERSITY, SAN MARCOS
- UNIVERSITY OF SAN DIEGO
- NATIONAL UNIVERSITY
- POINT LOMA NAZARENE UNIVERSITY

ARTS & ENTERTAINMENT

- SAN DIEGO ZOO
- THE SAN DIEGO MUSEUM OF ART
- BALBOA PARK
- SEAWORLD
- LEGOLAND CALIFORNIA
- RADY SHELL AT JACOBS PARK

* Forecast

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau



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