

711 61ST Street ✨

711 61ST STREET, SAN DIEGO, CA 92114



OFFERING MEMORANDUM

n
Northmarq

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SAN DIEGO 12230 EL CAMINO REAL #220, SAN DIEGO CA 92130

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The background features a light blue architectural wireframe of a building with a complex, angular structure. The wireframe is composed of thin white lines. A small, solid blue diamond icon is positioned to the right of the main text.

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THE ASSET



Property Description

711 61st Street consists of 5,782 square feet of structures on a large 15,799 square foot lot.

The unit mix is one 2 bedroom / 1 bath, five 1 bedroom / 1 bath, and five studio units. The subject property has three structures and 13 parking spaces. There are 10 legal units and an 11th unit for which permits are unknown. Two studios had been previously converted to 1 bedroom units. The property has onsite laundry and upside in rents as well as ADU potential. The property is in a predominately residential neighborhood.

SALE PRICE: \$1,900,000



STRONG
CASH FLOW



6.5%
CAP RATE ON CURRENT
INCOME



11 UNITS
WITH TOTAL MONTHLY
INCOME OF \$15,255



GREAT
RENTAL LOCATION

PROPERTY SUMMARY

UNITS	11
LOCATION	San Diego
PARKING	14 spaces



Priced to sell at 10.4 GRM and \$172,727 per unit.

LOCATION DESCRIPTION

San Diego & Surrounding Submarkets

The property is located in Encanto, a hilly neighborhood located in the southeastern part of San Diego, California. The neighborhood of Encanto is split into two sections, North Encanto (which lies north of Broadway), and South Encanto (which lies south of Broadway).

The name Encanto usually refers to the neighborhood of Encanto, but it can also refer to the Encanto Neighborhoods planning area, which consists of Chollas View, Lincoln Park, Emerald Hills, Valencia Park, Encanto, South Encanto, Broadway Heights, and Alta Vista.

Encanto is a predominantly a low-density residential community, with commercial and industrial businesses located near major streets. Encanto and the adjacent neighborhoods are going through revitalization with such programs as the Chollas Creek Enhancement Program, which focuses on open space and restoring native vegetation.

Encanto's borders include: the San Diego neighborhood of Broadway Heights and Martin Luther King Jr. Freeway (SR 94) on the north, the neighborhood of Alta Vista on the south, the neighborhoods of Emerald Hills and Valencia Park on the west, and the neighborhoods of Skyline and Jamacha, and the city of Lemon Grove on the east.

ENCANTO NEIGHBORHOOD QUICK FACTS



600K

POPULATION
WITHIN 5 MILES



58%

RENTER-OCCUPIED HOUSING
UNITS WITHIN 5 MILES



\$505K

MEDIAN HOUSING UNIT
VALUE WITHIN 5 MILES

CENTRALLY LOCATED WITH EASY ACCESS TO MAIN THOROUGHFARES

Major thoroughfares include Imperial Avenue. The property is located south of the 94 Freeway and east of the I-805 and 15 Freeway.

Encanto is a high demand rental market and is a diverse and vibrant community.



193K
HOUSEHOLDS
WITHIN 5 MILES



\$65K
MEDIAN HOUSEHOLD
INCOME WITHIN 5 MILES



3.5%*
CITY UNEMPLOYMENT RATE
*PRELIMINARY FOR JUNE 2023

NEIGHBORHOOD SHOPPING | FASHION VALLEY

10 MILES

FROM THE PROPERTY

LUXURY

SHOPS & DINING

200+

TOTAL STORES

APPLE | NORDSTROM | LULULEMON

NEIGHBORHOOD CONVENIENCES



WITHIN A FIVE TO TEN-MINUTE DRIVE FROM THE PROPERTY



PRIMARY EDUCATION

98K

STUDENTS SERVED

200+

SCHOOLS & CENTERS

15K

JOBS SUPPORTED

JOHN MARSHALL ELEMENTARY | HORACE MANN MIDDLE SCHOOL | WILL C. CRAWFORD HIGH

DEMAND DRIVERS

SDSU

11 MILES

FROM THE PROPERTY

6K+

JOBS SUPPORTED

400K+

STUDENTS



9 MILES

FROM THE PROPERTY

10K+

JOBS SUPPORTED

500+

FLIGHTS/DAY



7 MILES

FROM THE PROPERTY

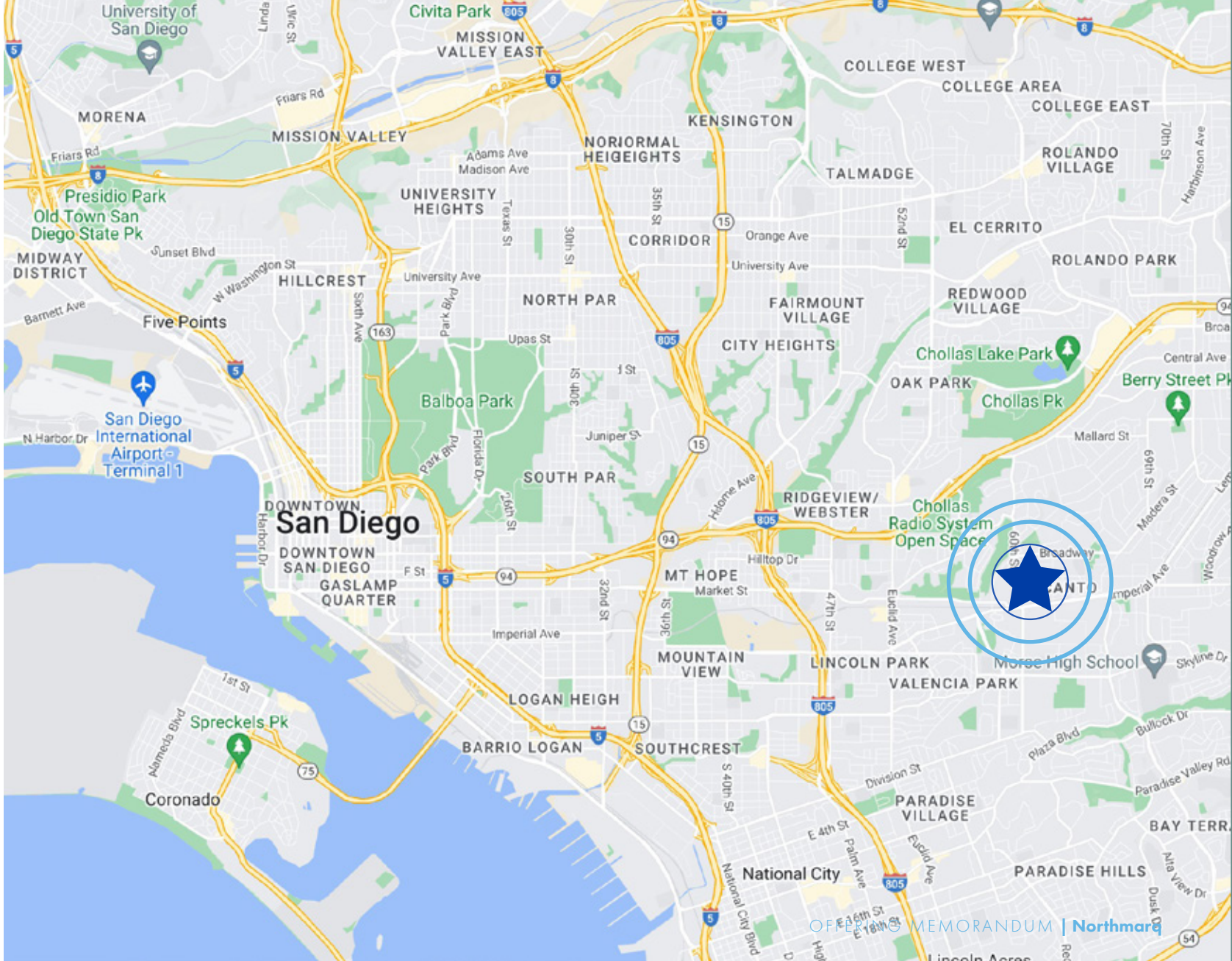
100+

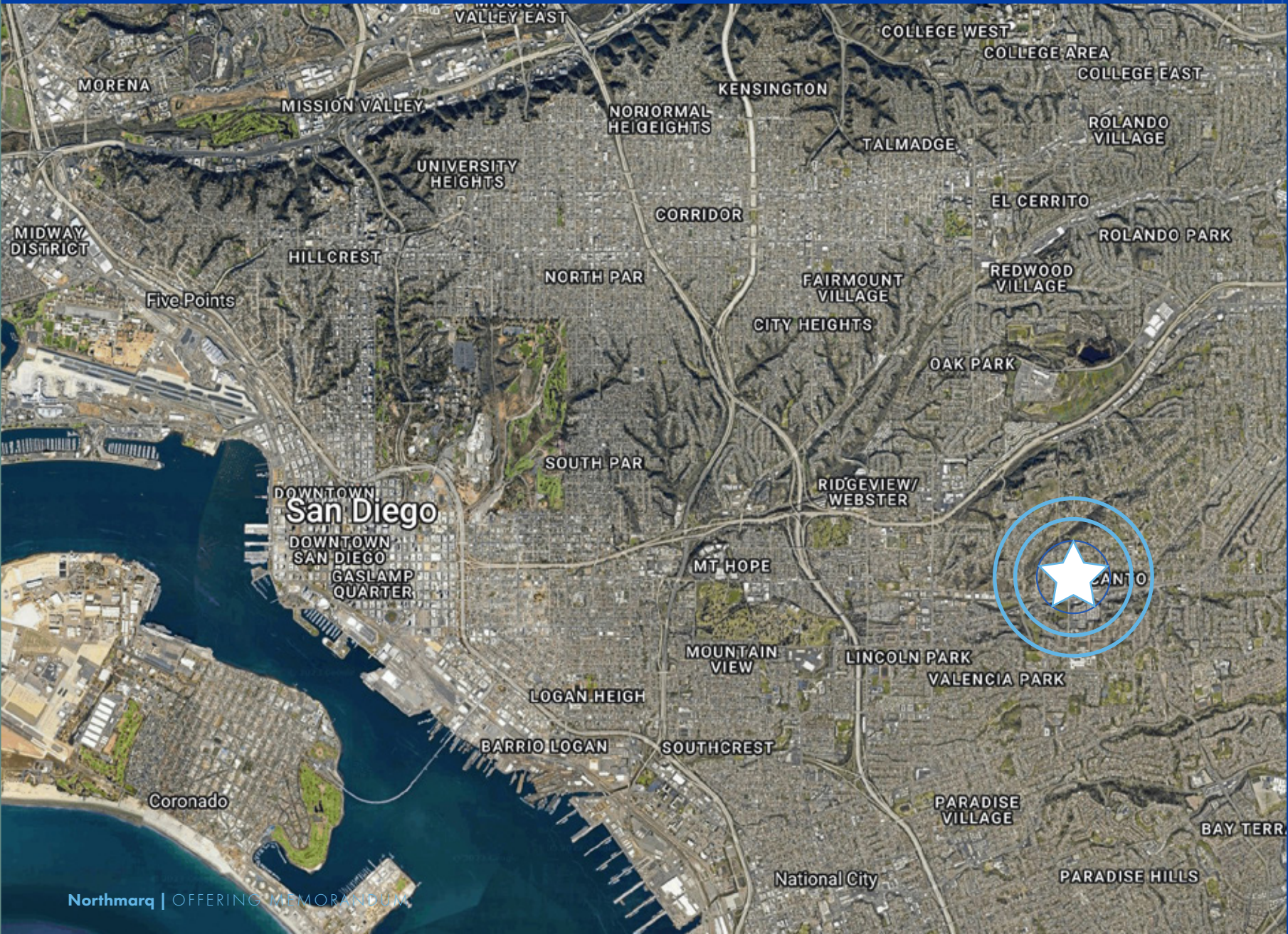
JOBS SUPPORTED

8K

SF OF SPACE

LOCATION MAPS







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FINANCIAL ANALYSIS

CORONADO BRIDGE



DOWNTOWN SAN DIEGO



7th 61st STREET 14

Imperial Ave

Market St

Iona St

60th St

61st St

Brooklyn Ave

UNITS	ADDRESS	CITY	ZIP
11	711 61st Street	San Diego	92114

PRICE	GRM		CAP RATE		\$/UNIT
	CURRENT	MARKET	CURRENT	MARKET	
\$1,900,000	10.4	9.2	6.5%	7.7%	\$172,727

\$/SF (APPROX.)	GROSS SF (APPROX)	PARCEL SIZE (APPROX.)	YEAR BUILT (APPROX.)
\$328.61	5,782	15,799	1920/1954

INCOME DETAIL				
# UNITS	TYPE	RENT	TOTAL	NOTES
Estimated Actual Average Rents				
1	2BR/1BA	\$1,900	\$1,900	
5	1BR/1BA	\$1,470	\$7,350	
4	STUDIO	\$1,295	\$5,180	
1	STUDIO	\$725	\$725	
	Laundry Income		\$100	
Total Monthly Income			\$15,255	

Estimated Market Rents				
# UNITS	TYPE	RENT	TOTAL	NOTES
1	2BR/1BA	\$1,995	\$1,995	
5	1BR/1BA	\$1,695	\$8,475	
4	STUDIO	\$1,395	\$5,580	
1	STUDIO	\$1,000	\$1,000	
	Laundry Income		\$100	
Total Monthly Income			\$17,150	

ESTIMATED ANNUAL OPERATING EXPENSES			
Advertising	\$0	Management (Off Site)	\$9,153
Elevator	\$0	Management (On Site)	\$0
Gas & Electric	\$4,068	Licenses & Fees	\$150
Water & Sewer	\$4,794	Miscellaneous	\$0
Landscaping	\$1,680	Reserves	\$0
Trash Removal	\$2,113	Pool	\$0
Pest Control	\$744	Insurance	\$3,690
Maintenance	\$4,388	Taxes	\$23,370

Total Annual Operating Expenses (estimated):	\$54,150
Expenses Per:	Unit \$4,923
	% of Actual GSI 30%

ESTIMATED ANNUAL OPERATING PROFORMA			
		Actual	Market
Gross Scheduled Income		\$183,060	\$205,800
Less: Vacancy Factor	3%	\$5,492	\$6,174
Gross Operating Income		\$177,568	\$199,626
Less: Expenses	30%	\$54,150	\$54,150
Net Operating Income		\$123,418	\$145,476
Less: 1st TD Payments		(\$80,533)	(\$80,533)
Pre-Tax Cash Flow		\$42,885	\$64,943
Cash On Cash Return		5.7%	8.7%
Principal Reduction		\$14,794	\$14,794
Total Potential Return (End of Year One)		8%	11%

FINANCING SUMMARY		
Downpayment:		\$750,000
		39%
Interest Rate:	5.750%	
Amortized over:	30	Years
Proposed Loan Amount:		\$1,150,000
Debt Coverage Ratio:		
	Current:	1.53
	Market:	1.81



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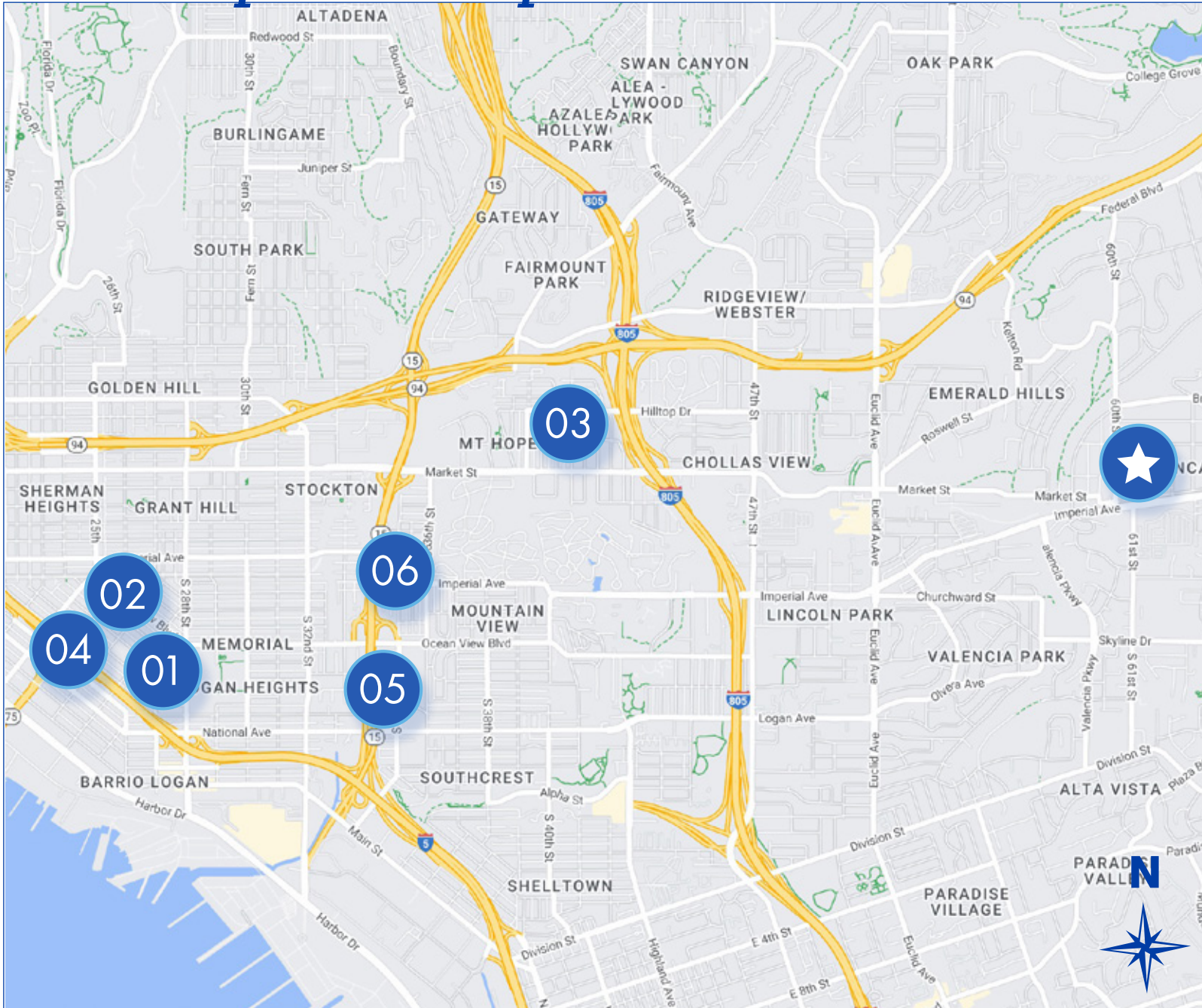
MARKET COMPARABLES

Sales Comparables

#	Address	Zip	Units	Built	SF	Price	\$/Unit	\$/SF	CAP
1	534-548 SICARD ST	92114	8	1915	4,876 SF	\$1,435,000	\$179,375	\$294.30	5.05%
2	2049 1/2 FRANKLIN AVE	92113	6	1926	1,699 SF	\$875,000	\$145,833	\$515.01	5.58%
3	838-848 41ST ST	92102	6	1958	4,440 SF	\$1,575,000	\$262,500	\$354.73	5.30%
4	2030-2034 KEARNEY AVE	92113	6	1980	2,900 SF	\$1,120,000	\$186,667	\$386.21	3.10%
5	3432-3434 FLORENCE ST	92113	16	1986	11,144 SF	\$4,000,000	\$250,000	\$358.94	5.78%
6	21-33 S 35TH ST	92113	10	1960	4,629 SF	\$2,250,000	\$225,000	\$486.07	5.00%



Sales Comparables Map

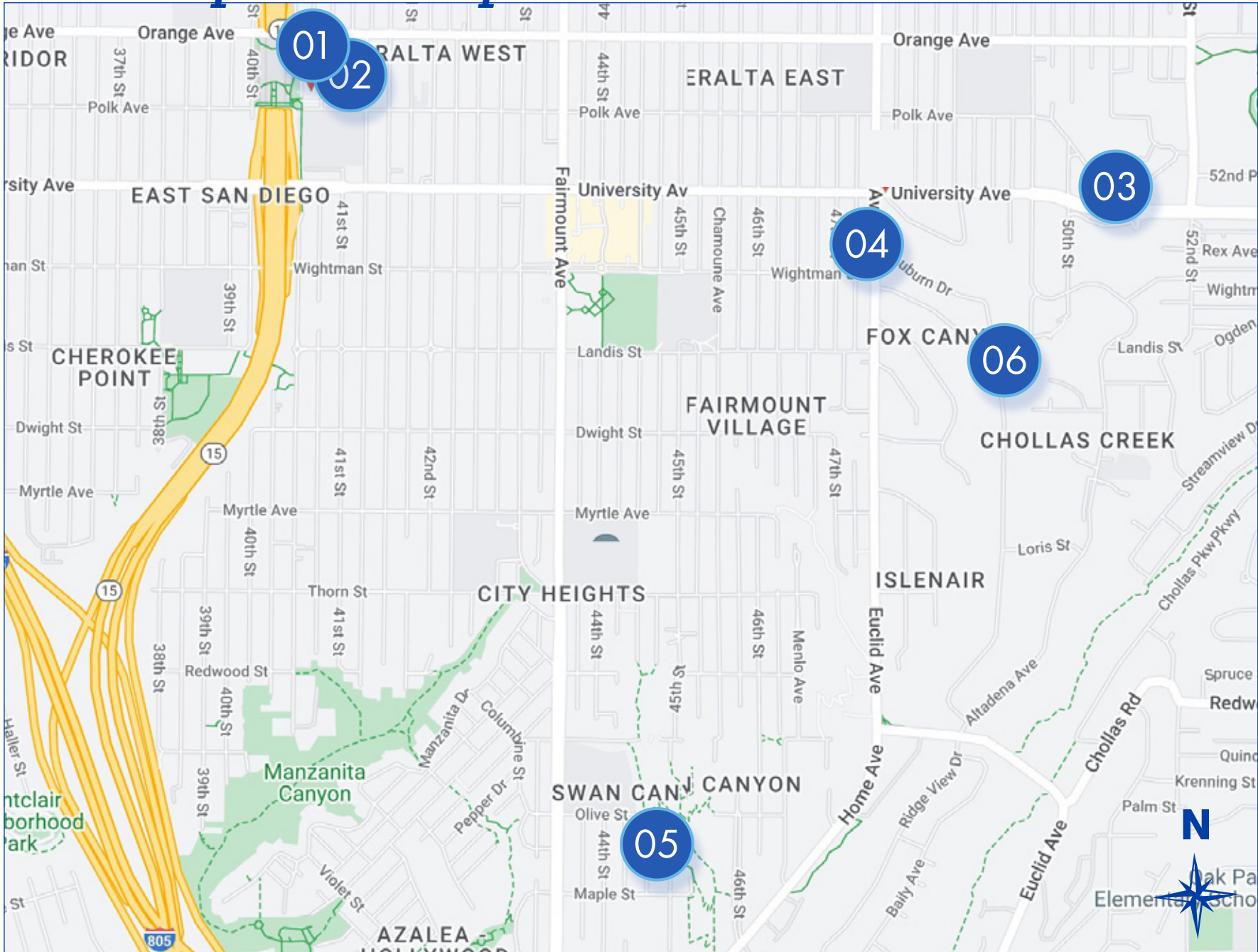


Rent Comparables



#	ADDRESS	SUBMARKET	UNITS	YEAR BUILT	STUDIO	1 BEDROOM	2/1
1	4161 Central Ave San Diego, CA 92105	Teralta West	4	1950			\$2,295
2	4150 41st Street San Diego, CA 92105	Teralta West	14	1970		\$1,995	\$2,095
3	Pacific Cove 4025 Oakcrest Drive San Diego, CA 92105	Colina Del Sol	81	1988	\$1,550	\$1,824	\$2,299
4	3834 Euclid Ave San Diego, CA 92105	Fairmount Village	6	1953			\$2,300
5	Highland Apartments 2707 Highland Ave San Diego, CA 92105	Swan Canyon	24	1985		\$1,799	
6	Auburn Apartments 4968 Auburn Drive San Diego, CA 92105	Fox Canyon	45	1986			\$2,099

Rent Comparables Map





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