



OFFERING MEMORANDUM



**5205**  
**TIPTON ST**  
SAN DIEGO, CA 92115



LANDMARK



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01

# INVESTMENT SUMMARY

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INVESTMENT HIGHLIGHTS

# INVESTMENT SUMMARY

## THE OFFERING

Approved plans, entitlements in hand, and permits **ready to issue for a 2-unit project** – zoned RS-1-7 within the **SDA, TPA, and College Area Community Plan**, this SDSU-area lot is built for an investor or developer looking to move fast.

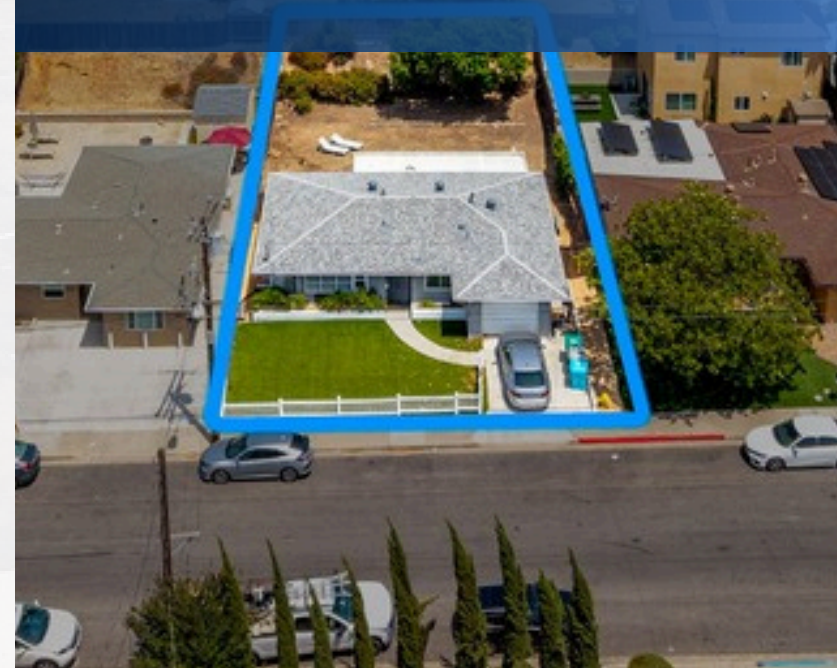
Approved plans convert the existing 2BD/1BA SFR into a 2-unit project **totaling 3,048 SF**: a first-floor ADU (5BD/3BA) built out from the existing 953 SF home area, 182 SF garage, and 350 SF covered patio, plus a new second-story addition to the SFD (6BD/2.5BA) – both units purpose-built for the student rental market. Once stabilized, the project is projected to generate **\$15,050/month** in gross rental income.

**Phase 2** of the project presents the opportunity to add a **3rd unit by-right in the rear** – unlocking additional density and meaningfully increasing stabilized income and long-term asset value.

*All square footage, unit counts, entitlements, development plans, and rental projections to be independently verified by buyer.*

## PROPERTY OVERVIEW

Price	\$1,199,000
Price / SF (Land)	\$229.39
Proposed # of Units	2 RTI   Up to 3
Market Cap Rate	5.60%
Market GRM	10.90
Lot Size	5,277
Existing SF	936 sq ft
Zoning Overview	RS-1-7   SDA   TPA College Area Community Plan



# Investment Highlights

## Approved Plans & Permits Ready to Issue

No waiting on entitlements – approved plans and permits are ready to issue, allowing a buyer to move directly into the build phase. The heavy lifting on the approval process is done.

## Strong Projected Rental Income

Once stabilized, the project is projected to generate \$15,050/month in gross rental income across (2) large-format units purpose-built for the SDSU student rental market – one of San Diego's most consistently high-demand rental submarkets.

## High-Yield Bedroom Configuration

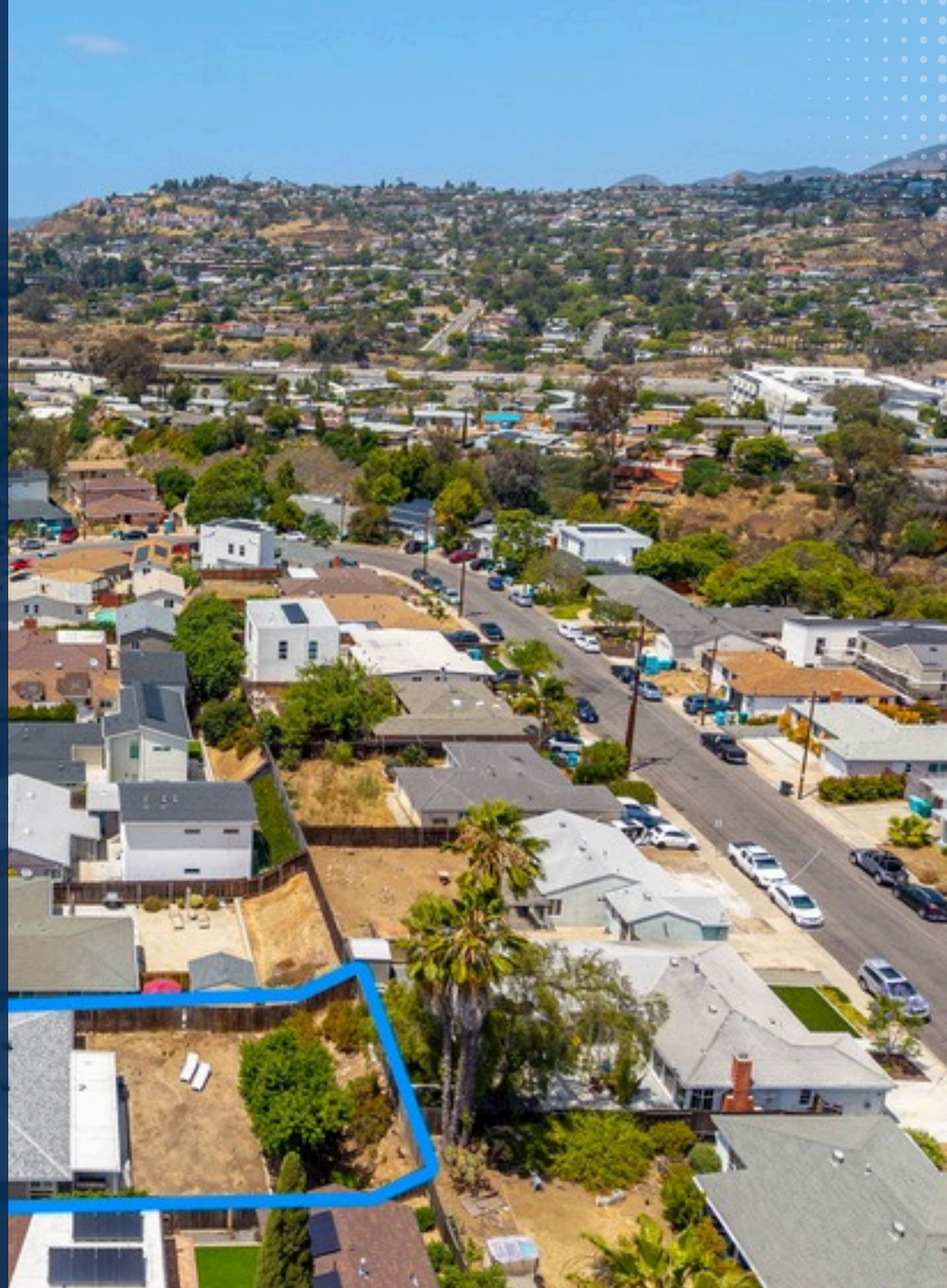
The approved plans produce a 5BD/3BA ADU and a 6BD/2.5BA SFD – 11 bedrooms across (2) units. More bedrooms means more doors, stronger per-unit yield, and a tenant profile that sustains premium rents near campus.

## Favorable Zoning | RS-1-7, SDA, TPA & College Community Plan Update Area

The site's zoning and location within the SDA, TPA, and College Community Plan Update Area reflect the City's density objectives for this corridor – a profile that supports the project as entitled and may offer additional flexibility for future investors.

## Potential for a 3rd Unit

The site can accommodate an additional ADU by-right in the rear during Phase 2, creating further density and income upside beyond what's already entitled.





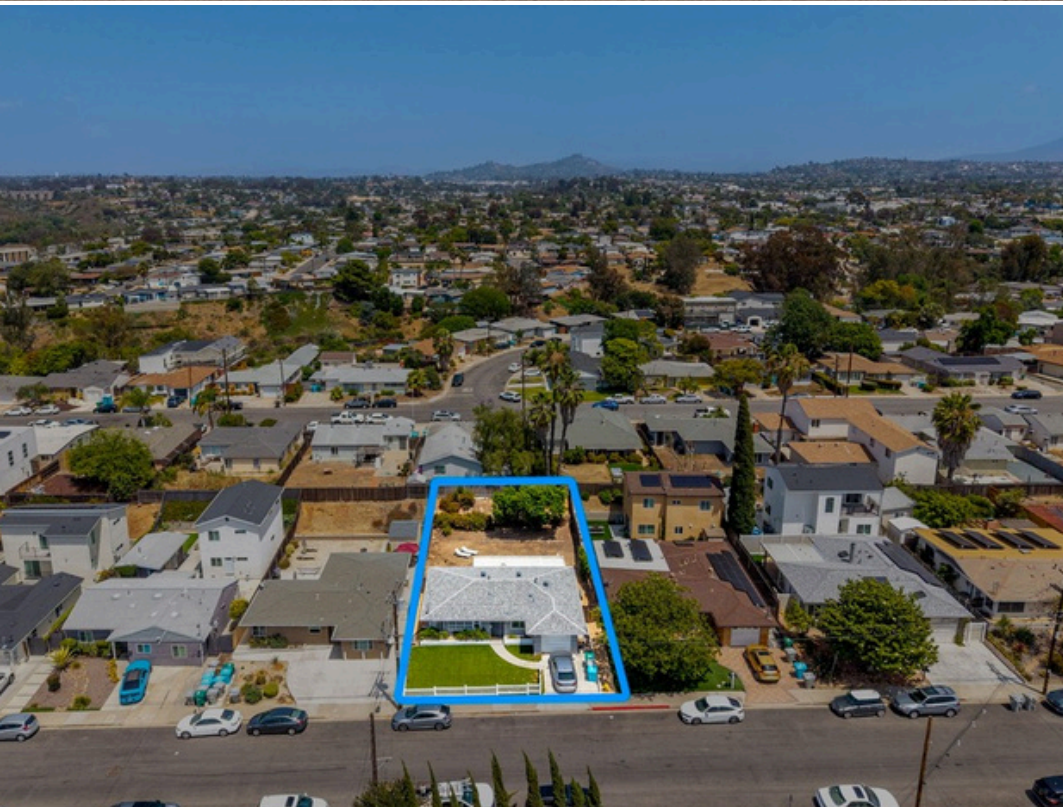
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# 02 PROPERTY PHOTOS

PHOTOS

RENDERINGS





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# 03 FINANCIALS

RENT ROLL & EXPENSES

# Pro Forma Financial Analysis - 2 Unit Build

## CONSTRUCTION COSTS

Second Story (Ground Up)[1,563 SF x \$250]	\$390,750
Garage + Patio Conversion [532 SF x \$200]	\$106,400
Existing SFD Renovation [953 SF x \$200]	\$190,600
Site Work / Utilities	\$50,000

**Total Costs** **\$737,750**

## RENT ROLL - PRO FORMA

#	Unit Type	Est. Square Footage	Market Rent
1	5 BED / 3 BATH	1,485 SF	\$7,050
2	6 BED / 2.5 BATH	1,563 SF	\$8,000

**Total Monthly Income** **\$15,050**

### ESTIMATED PRO FORMA ANNUAL FINANCIALS

Gross Scheduled Income	\$180,600
Vacancy Factor (5%)	\$9,030
Gross Operating Income	\$171,570
Expenses (Est)	\$45,755
<b>Net Operating Income</b>	<b>\$125,816</b>

### ESTIMATED PRO FORMA ANNUAL EXPENSES

Gas & Electric	Tenant Pays
Water	\$1,560
Landscape	\$1,800
Trash	\$840
Pest	\$1,200
Maintenance	\$1,600
Management Fees (7.00%)	\$12,642
Insurance	\$1,800
Taxes (1.13%)	\$24,513

**Total** **\$45,755**

# Pro Forma Financial Analysis - 3 Unit Build

## CONSTRUCTION COSTS

Second Story (Ground Up)[1,563 SF x \$250]	\$390,750
Garage + Patio Conversion [532 SF x \$200]	\$106,400
Existing SFD Renovation [953 SF x \$200]	\$190,600
Site Work / Utilities	\$50,000
5BED/2BA By-Right ADU [1,200 SF X \$250]	\$300,000
<b>Total Costs</b>	<b>\$1,037,750</b>

## RENT ROLL - PRO FORMA

#	Unit Type	Est.Square Footage	Market Rent
1	5 BED / 3 BATH	1,485 SF	\$7,050
2	6 BED / 2.5 BATH	1,563 SF	\$8,000
3	5 BED / 2 BATH	1,200 SF	\$6,250
<b>Total Monthly Income</b>			<b>\$21,300</b>

## ESTIMATED PRO FORMA ANNUAL FINANCIALS

Gross Scheduled Income	\$255,600
Vacancy Factor (5%)	\$12,780
Gross Operating Income	\$242,820
Expenses (Est)	\$58,751
<b>Net Operating Income</b>	<b>\$184,069</b>

## ESTIMATED PRO FORMA ANNUAL EXPENSES

Gas & Electric	Tenant Pays
Water	\$2,340
Landscape	\$2,700
Trash	\$1,260
Pest	\$1,800
Maintenance	\$2,100
Management Fees (7.00%)	\$17,892
Insurance	\$2,700
Taxes (1.13%)	\$27,959

<b>Total</b>	<b>\$58,751</b>
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# DEVELOPMENT UPSIDE ANALYSIS

## 2 UNITS - ARV & NET PROFIT BY EXIT CAP RATE

CAP RATE	5.20%	5.40%	5.60%	5.80%	6.00%
ARV	\$2,419,529	\$2,329,917	\$2,246,705	\$2,169,233	\$2,096,925
Construction Cost	(\$737,750)	(\$737,750)	(\$737,750)	(\$737,750)	(\$737,750)
Purchase Price	(\$1,199,000)	(\$1,199,000)	(\$1,199,000)	(\$1,199,000)	(\$1,199,000)
Net Profit	\$482,779	\$393,167	\$309,955	\$232,483	\$160,175

## 3 UNITS - ARV & NET PROFIT BY EXIT CAP RATE

CAP RATE	5.20%	5.40%	5.60%	5.80%	6.00%
ARV	\$3,539,781	\$3,408,678	\$3,286,940	\$3,173,597	\$3,067,810
Construction Cost	(\$1,037,750)	(\$1,037,750)	(\$1,037,750)	(\$1,037,750)	(\$1,037,750)
Purchase Price	(\$1,199,000)	(\$1,199,000)	(\$1,199,000)	(\$1,199,000)	(\$1,199,000)
Net Profit	\$1,303,031	\$1,171,928	\$1,050,190	\$936,847	\$831,060



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# 04 SALES COMPARABLES

# ARV Sales Comparables



**4955 Baja Ct  
San Diego, CA 92115**

Sale Price	\$2,400,000
Building SF	3,103
Price/SF	\$773.45
# of Units	3
Cap Rate	5.60%
Mo. Income	\$16,100
Date of Sale	Aug 2025



**6250-56 Stewart St  
San Diego, CA 92115**

Sale Price	\$2,770,000
Building SF	4,961
Price/SF	\$558.36
# of Units	4
Cap Rate	5.00%
Mo. Income	\$16,350
Date of Sale	Jan 2024



**6144-48 Pontiac St  
San Diego, CA 92115**

Sale Price	\$2,738,571
Building SF	3,139
Price/SF	\$872.43
# of Units	3
Cap Rate	5.80%
Mo. Income	\$18,925
Date of Sale	April 2026



**6246-50 Rose St  
San Diego, CA 92115**

Sale Price	\$2,195,000
Building SF	2,200
Price/SF	\$997.73
# of Units	3
Cap Rate	5.50%
Mo. Income	\$14,500
Date of Sale	Aug 2025

COMPARABLE AVERAGES	ARV / SOLD PRICE	CAP RATES	PRICE / SF
	\$2,526,000	5.48%	\$800.50
<b>SUBJECT PROPERTY</b>	<b>\$2,246,705</b>	<b>5.60%</b>	<b>\$737.11</b>

SUBJECT PROPERTY	ARV / NEW VALUE	CAP RATES	PRICE / SF	NET PROFIT
2 UNITS	\$2,246,705	5.60%	\$737.11	\$309,955
3 UNITS	\$3,286,940	5.60%	\$773.76	\$1,050,190

# Land Sales Comparables



**6411 Gary Ct  
San Diego, CA 92115**

Sale Price	\$1,085,000
# of Parcels	1
Lot Size	7,500
Zoning	RS-1-7
Price/Sqft	\$145
Planned Dev.	4Bed/2ba ADU Permits RTI



**5026 Faber Way  
San Diego, CA 92115**

Sale Price	\$1,200,000
# of Parcels	1
Lot Size	7,600
Zoning	RS-1-7
Price/Sqft	\$158
Planned Dev.	5Bed/2ba ADU Permits RTI



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# 05 MARKET OVERVIEW



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# SAN DIEGO STATE MARKET OVERVIEW

San Diego State University and its surrounding neighborhood represent one of San Diego's most dynamic rental markets, driven by exceptionally high demand for student housing and strong rental income potential. With over 36,000 students and a steadily growing enrollment, SDSU has transformed into a nationally recognized research institution with increasing prestige, expansion of academic programs, and significant investments in campus infrastructure. This growth has only amplified the need for nearby housing, creating a reliable and resilient rental base year after year.

The area around SDSU is defined by its student-driven lifestyle and consistent housing demand, with tenants ranging from undergraduates and graduate students to faculty, staff, and young professionals who value proximity to campus. Investors benefit from near-zero vacancy risk as housing close to the university is always in demand, and units often command premium rental rates due to limited supply. This demand has fueled a surge of new multifamily developments, mixed-use projects, and modern student housing communities, further elevating the area's appeal.

SDSU's prime location adds another layer of strength. Just off the I-8 freeway, residents enjoy direct connectivity to Mission Valley, North Park, Downtown, and San Diego's coastal communities. Beyond convenience, the neighborhood offers a vibrant lifestyle with restaurants, cafes, nightlife, and shopping options tailored to a youthful, energetic tenant base.

Recent years have also seen a wave of reinvestment and development activity around SDSU, highlighted by projects tied to the Mission Valley campus expansion—a multi-billion-dollar transformation including a new stadium, research facilities, retail, housing, and park space. This development signals long-term institutional commitment to growth, which translates into lasting demand for nearby housing.

With high rental income potential, virtually guaranteed tenant demand, and ongoing reinvestment, the SDSU market stands out as one of San Diego's strongest and most stable submarkets. For investors, it offers the rare combination of consistent cash flow, strong appreciation potential, and a built-in tenant base fueled by one of California's fastest-growing universities.

# 5205 TIPTON ST SAN DIEGO, CA 92115



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