OFFERING MEMORANDUM

$8,750,000

LIST PRICE ~~$8,950,000~~

24 VALUE-ADD UNITS
LA MESA, SAN DIEGO

8694 LEMON AVENUE, LA MESA, CA 91941

Kidder Mathews

Exclusively Listed by

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EXECUTIVE SUMMARY

Section 01

VALUE-ADD INVESTMENT OPPORTUNITY IN LA MESA

This 24-unit multifamily offering presents a compelling opportunity to acquire a well-located asset comprised entirely of three-bedroom, two-bathroom floor plans, with large private yards for the downstairs units and balconies in 10 of the 14 upstairs units. Community amenities include a swimming pool, large patio space with a BBQ, community laundry facilities, extra storage, and abundant on-site parking.

The offering represents a true value-add opportunity, with the potential to upgrade both unit interiors and the building exterior to achieve substantially higher rents. Additionally, the property has not implemented a RUBS (Ratio Utility Billing System) program for water, sewer, and trash, presenting an opportunity for additional income through RUBS implementation.

Ideally situated near La Mesa Village, the property benefits from a highly walkable neighborhood with a Walk Score of 87. Residents enjoy immediate access to restaurants, coffee shops, bars, and retail along La Mesa Boulevard. The property is also approximately 0.8 miles from a San Diego Trolley station served by the Orange Line.

With its strong in-place unit mix and multiple avenues for revenue growth, this offering provides investors with the opportunity to unlock significant upside in one of East County San Diego's most desirable rental submarkets.

ADDRESS	8694 Lemon Ave, La Mesa, CA 91941
UNITS	24
PRICE	$8,750,000
PRICE / UNIT	$364,583
PRICE / SF	$335
CAP RATE	4.98%
GRM	11.02
MARKET CAP RATE	6.03%
MARKET GRM	9.95

INVESTMENT HIGHLIGHTS

Well-maintained property with significant upside

In-place rents are below market, even in the property's current as-is condition.

The unit interiors and building exterior can be renovated to achieve higher rents.

There is ample space to add additional storage in the 12 tuck-under spaces.

Current ownership does not bill tenants for utilities. There is an opportunity to implement a RUBS program and increase revenue.

Prime La Mesa location

Located 0.8-miles from the La Mesa Trolley Station.

Convenient access to Interstate 8 and State Route 125.

Just a few blocks from La Mesa Village, offering walkable access to top-rated dining, coffee shops, retail, and a weekly farmers market.

Less than 1-block from Lemon Avenue Elementary School. The 3-bedroom floor plans are highly desirable for families.

24
UNITS
(100% 3BD/2BA)

1,063+
SQUARE FEET
FLOOR PLANS

87
WALK SCORE:
VERY WALKABLE

1.0
ACRES

PROPERTY OVERVIEW

Section 02

PROPERTY OVERVIEW

ADDRESS	8694 Lemon Ave, La Mesa, CA 91941
NO OF UNITS	24
APN	494-310-24-00
MUNICIPALITY	La Mesa
LAND AREA	1.0 Acres (43,560 SF)
DENSITY	24 Units/ Acre
ZONING	R-3 (Multiple Unit Residential allows 18-23 dwelling units per acre). Property is believed to be legal non-conforming. Buyer to confirm.

BUILDING INFORMATION

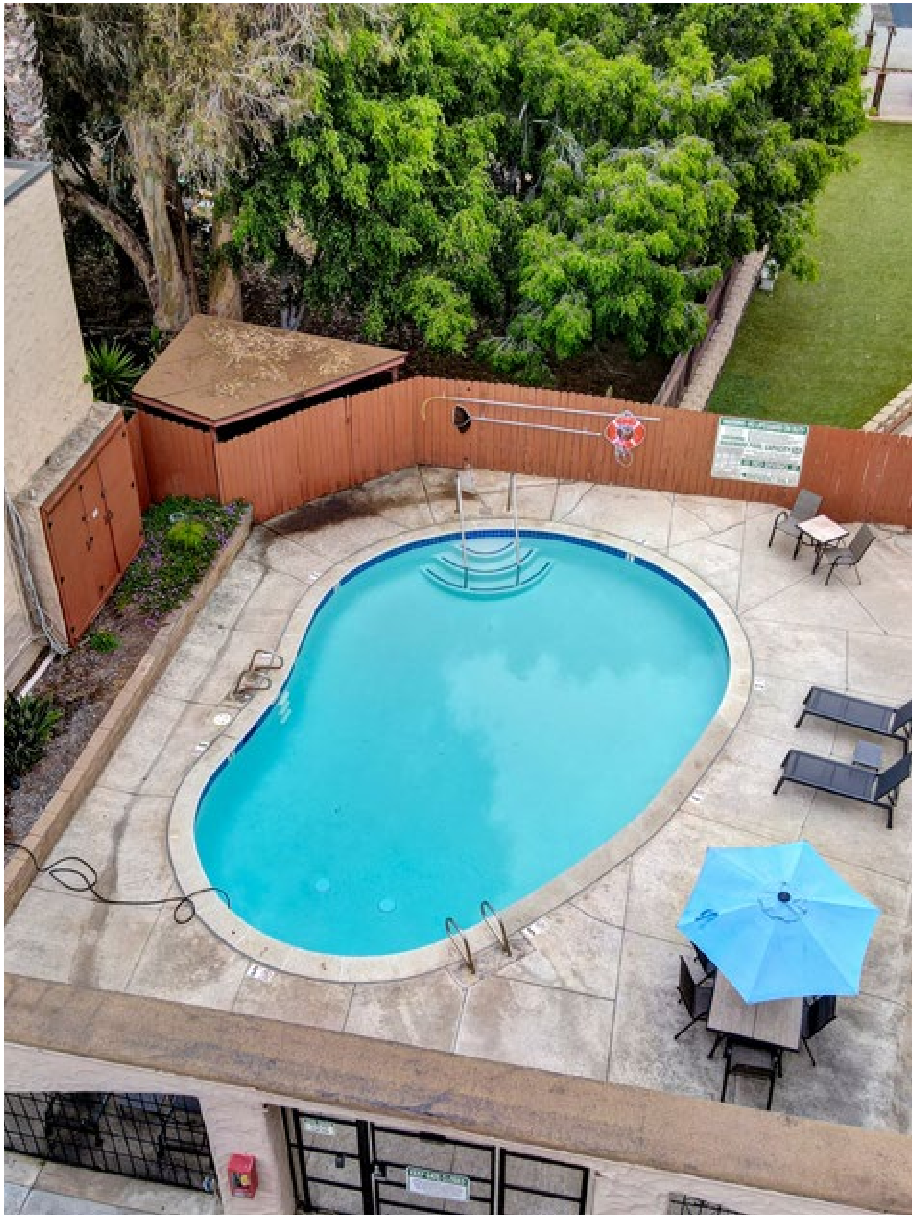
YEAR BUILT	1973
TOTAL RENTABLE SF	26,144 SF (Buyer to verify)
EXTERIOR WALLS	Stucco exterior siding
FOUNDATION	Slab-on-grade construction
ROOF COVERING	Flat roof; the roofs were replaced 2021 at a cost of $226,658.
DECK/BALCONIES	The property passed SB721 Inspection in October 2025. Repair work was completed as follows: March 2025 (Cost $46,224) - Units 1, 2, 3, 4, 19, 22, 23, 24 May 2026 (Cost $12,527) - Unit 6
WINDOWS	Single-pane aluminum-framed windows
PARKING	38 total parking spaces including 26 surface spaces and 12 tuck-under spaces. Surface spaces are assigned at one per unit and are included in the rent. Tuck-under spaces are rented separately for $35 per month.

MECHANICAL/ELECTRICAL/BUILDING SYSTEMS

METERING	Each unit is individually metered for electricity. The property is served by two main electrical panels (600A and 400A) and includes an on-site transformer, providing flexibility for future electrical upgrades.
HOT WATER	Central gas fired hot water heater
HEATING & AIR	Central heating and air conditioning with roof-mounted condenser units
COOKING ENERGY	Electric utilities
LAUNDRY	One community laundry room with three washers and four dryers. There is additional space in the laundry room for more machines. The laundry service provider is Wash. Laundry lease commenced on 11/11/2024 with no upfront rent paid, favorable 67% split to owner. The term of lease is 60 months with automatic renewals for one year unless terminated at least 30 days before expiration.

AMENITIES

- Swimming pool
- Community laundry facilities
- Central heat and air conditioning
- Ground-floor units feature oversized private patio yards
- Upstairs units feature balconies in 10 of the 14 units
- Outdoor community patio for residents with BBQ, table and umbrella
- Tuck-under parking with deep stalls, allowing potential for additional storage space



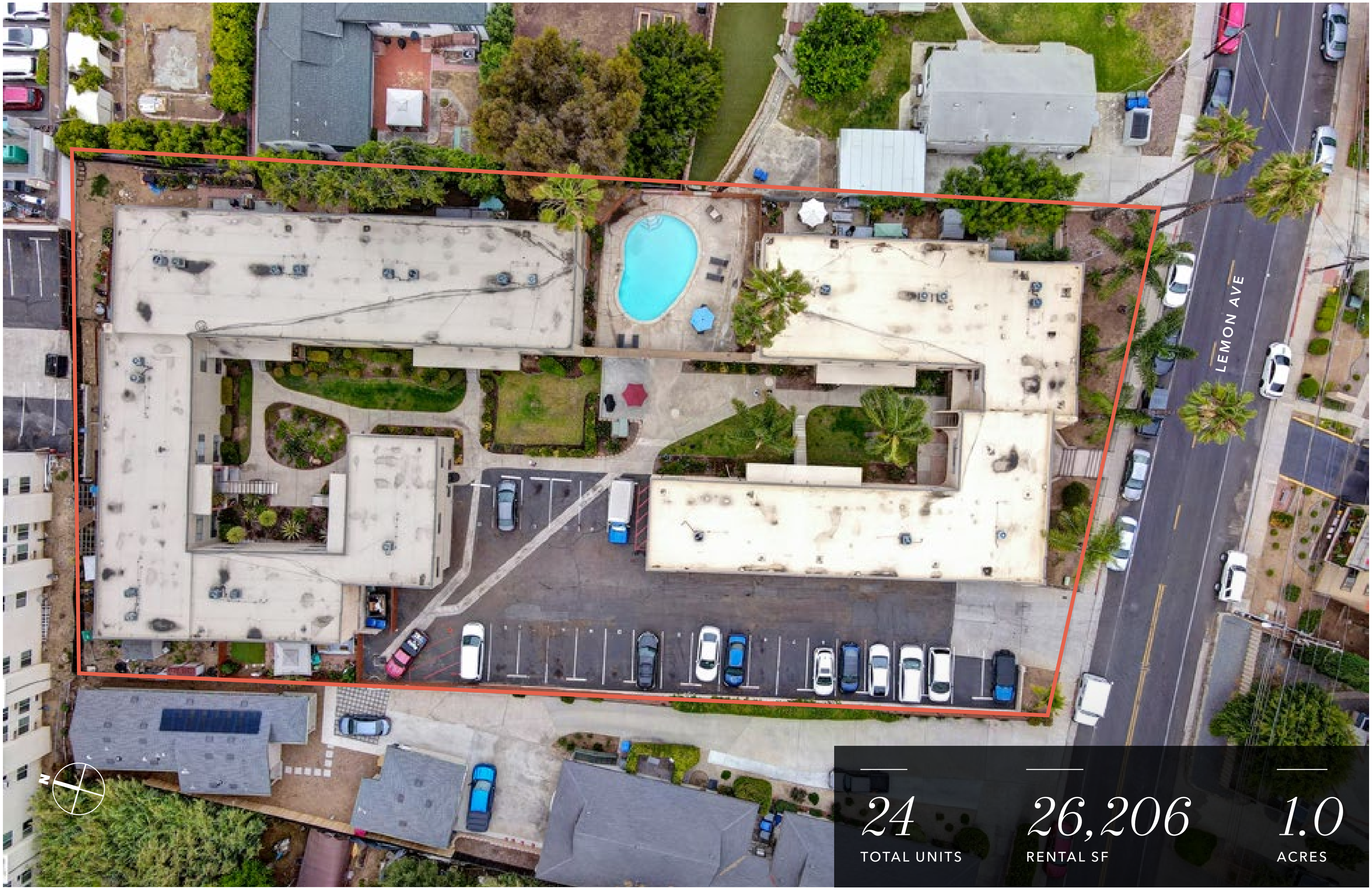
PLAN A

Unit Type	No of Units
3 BR / 2 BA	12

PLAN B

Unit Type	No of Units
3 BR / 2 BA	12


LEMON AVENUE
COVERED PARKING



24
TOTAL UNITS

26,206
RENTAL SF

1.0
ACRES

FINANCIALS & PROFORMA

Section 03

OFFERING SUMMARY

$8,750,000

LIST PRICE

$/UNIT	$364,583
$/SF	$335
DOWN PAYMENT	$3,500,000
% DOWN	40%
IN-PLACE CAP RATE	4.98%
IN PLACE GRM	11.02
MARKET CAP RATE	6.03%
MARKET GRM	9.95

INCOME SUMMARY

# Units	Unit Type	Sq. Ft.	Total Sq.Ft.	$ Rent	$/Sq.Ft.	Total In-Place Rent	$ Mkt Rent	Market $/Sq.Ft.	Total Market Rent
4	3 Bed / 2 Bath - downstairs	1,087	4,348	$2,656	$2.44	$10,624	$3,150	$2.90	$12,600
6	3 Bed / 2 Bath - downstairs	1,149	6,894	$2,798	$2.44	$16,788	$3,150	$2.74	$18,900
10	3 Bed / 2 Bath - upstairs balcony	1,063	10,630	$2,778	$2.61	$27,780	$2,995	$2.82	$29,950
4	3 Bed / 2 Bath - upstairs no balcony	1,068	4,272	$2,748	$2.57	$10,992	$2,950	$2.76	$11,800
24	**Apartment Total**	**1,089**	**26,144**	**$2,758**	**$2.53**	**$66,184**	**$3,052**	$2.80	**$73,250**

	T-12 (April 2026) Actuals		Total In-Place	Total Market
			$794,208	**$879,000**
Vacancy	3.0%	3.0%	($23,826)	($26,370)
ADJUSTED GROSS INCOME	*$747,209*		**$770,382**	**$852,630**
Laundry Income(2025 per 1099)	*$6,893*		$6,893	$6,893
Manager Rent Credit	*($22,200)*		($21,900)	($29,400)
Storage	*$2,100*		$2,100	$2,100
Parking	$3,985		$4,020	$5,040
RUBS Income	-		$0	$16,416
EFFECTIVE GROSS INCOME	*$737,987*		**$761,495**	**$853,679**

Less Estimated Expenses:		T-12 (April 2026) $/UNIT	T-12 (April 2026) $/YEAR	Proforma $/YEAR	In-Place	Market
Property Taxes	1.19599%	$4,360	$104,649	$104,649		
Fixed Assessment		$666	$15,979	$15,979		
Property Insurance - Fire & Liability		$1,250	$30,000	$30,000		
Controllable Expenses						
Utilities		$2,551	$61,226	$61,226		
Contract Services		$767	$18,410	$18,410		
Maintenance		$1,197	$28,716	$19,200		
Turnover Related		$639	$15,346	$12,000		
Admin		$278	$6,661	$5,000		
Payroll		$1,899	$45,564	$22,000		
Replacement Reserves		$998	$23,957	$7,200		
Professional mgmt	4.0%	$1,378	$33,077	$30,460		
TOTAL			**$383,585**	**$326,124**	($326,124)	($326,124)
Exp./unit:			*$15,983*	*$13,588*		
Exp/psf:			*$14.67*	*$12.47*		
Exp. % of SGI:			*48.3%*	*37.1%*		

				In-Place	Market
NET OPERATING INCOME				**$435,371**	**$527,555**
Amortization			30		
Rate			6.00%		
Debt Service	$5,250,000	@		$377,717	$377,717
CASH FLOW				**$57,654**	**$149,838**
		Return on Down Payment		1.65%	4.28%
		DCR		1.15	1.40
Rate			6.00%		
Debt Service	$5,250,000	@		$315,000	$315,000
CASH FLOW				**$120,371**	**$212,555**
		Return on Down Payment		3.44%	6.07%

INCOME NOTES

UNIT SIZE (SF)	Unit sizes are estimated from the appraiser's notes on the official County Assessor Building Record. The downstairs units in the North building are approximately 1,149 SF. Buyer to verify.
LAUNDRY	Laundry is reported by Seller. Laundry income is not reflected in professional management cash flow statements (Hoban Property Management). Owner receives income directly from Wash Service Provider.
STORAGE RENT	Two tuck-under parking spaces were converted into a large storage unit currently rented for $150 per month. There are also two additional storage spaces rented for $25 per month each.
PARKING RENT	All 12 tuck-under parking spaces are rented. Market rent for tuck-under spaces is $35 per month. The manager is assigned one tuck-under space as part of her compensation package.
MANAGER RENT CREDIT	Manager's total rent is $2,525/month. The manager receives a $1,825 rent credit and pays $700/month.

EXPENSE NOTES

PROPERTY TAXES	Property taxes are reassessed upon sale and are estimated using a millage rate of 1.19599%. Fixed assessments include the sewer fee of $15,851.86.
UTILITIES	Utilities from the trailing 12-month period ending April 2026 include the following expenses: Trash Service: $8,582.28 Phone & Internet: $690.00 Electric: $9,170.00 Gas: $17,443.08 Vacant Apartment Utilities: $810.14 Water: $24,530.43 The sewer expense is included in the property tax bill, as noted above.
CONTRACT SERVICES	Includes pest control, pool service and landscaping.
MAINTENANCE	Underwritten at the industry standard of $800/unit per year. Does not include the Maintenance Payroll expense noted below.
PAYROLL	Proforma expenses lowered to $22,000 based on industry average. In-Place Payroll expenses are as follows: On-site Manager: $18,930 Maintenance: $20,077 Payroll Tax: $3,666 Workers Comp: $2,890
TURNOVER RELATED	Underwritten at the industry standard of $500/unit per year.
MANAGEMENT FEE	The property management fee is underwritten at 4%.
RESERVES	Underwritten at the industry standard of $300 per unit per year.


COWLES MOUNTAIN
GROSSMONT TROLLEY
1.6 miles away
macy's
TARGET
Walmart
CVS pharmacy
STARBUCKS COFFEE
READING CINEMAS
GROSSMONT SHOPPING CENTER
GROSSMONT CENTER
Walmart
HOBBY LOBBY
ULTA BEAUTY
TJ maxx
LA MESA BLVD

COMPARABLES

Section 04

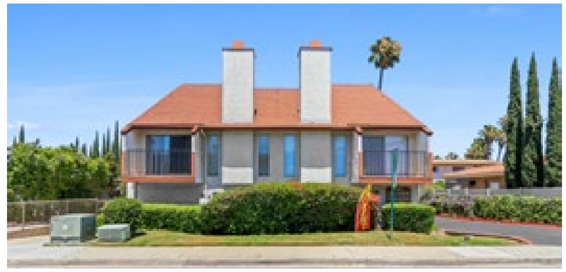
SALE COMPARABLES

Subject

8694 LEMON AVE, LA MESA, CA

DATE SOLD	For Sale
PRICE	$8,750,000
PRICE / UNIT	$364,583
PRICE / SF	$335
CAP RATE	4.61%
GRM	11.2
UNITS	24 - (All 3bd/2ba)
YEAR BUILT	1970's Est.
NOTES	-

01



7630 NORMAL AVE, LA MESA, CA

DATE SOLD	10/15/2025
PRICE	$3,400,000
PRICE / UNIT	$212,500
PRICE / SF	$440
CAP RATE	5.21%
GRM	10.66
UNITS	16 - (14 Studio, 2 - 1bd/1ba+loft)
YEAR BUILT	1977
NOTES	Not renovated

02

4818-4832 ½ PALM AVE, LA MESA, CA

DATE SOLD	9/30/2025
PRICE	$4,200,000
PRICE / UNIT	$262,500
PRICE / SF	$446
CAP RATE	4.78%
GRM	12.29
UNITS	16 - (4 Studio; 4-1bd/1ba, 8-2bd/1ba)
YEAR BUILT	1943
NOTES	Two parcels; Not renovated

03

7425 WAITE DRIVE, LA MESA, CA

DATE SOLD	8/6/2025
PRICE	$3,700,000
PRICE / UNIT	$290,909
PRICE / SF	$530
CAP RATE	6.26%
GRM	11.38
UNITS	12 - (All 2bd/1.5ba)
YEAR BUILT	1973
NOTES	Not renovated

04

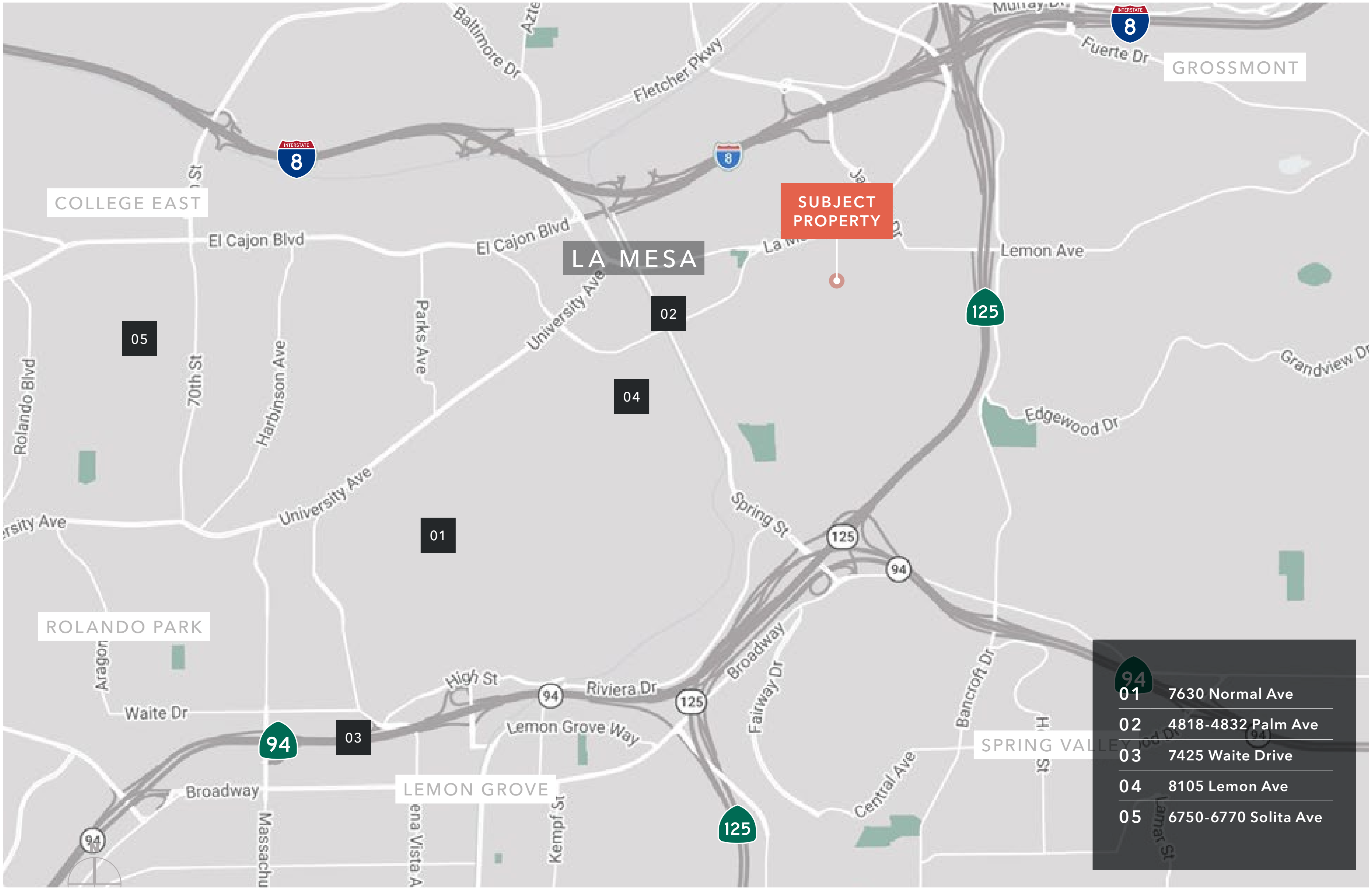
8105 LEMON AVE, LA MESA, CA

DATE SOLD	6/20/2025
PRICE	$2,464,000
PRICE / UNIT	$308,000
PRICE / SF	$380
CAP RATE	5.70%
GRM	11.20
UNITS	8 - (All 2bd/1ba)
YEAR BUILT	1970
NOTES	Not renovated

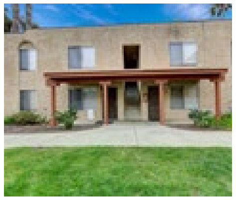
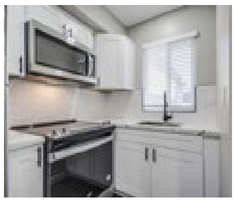
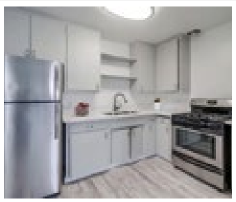
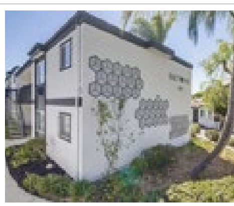
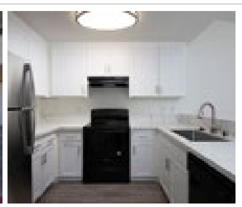
05

6750-6770 SOLITA AVE, SAN DIEGO, CA

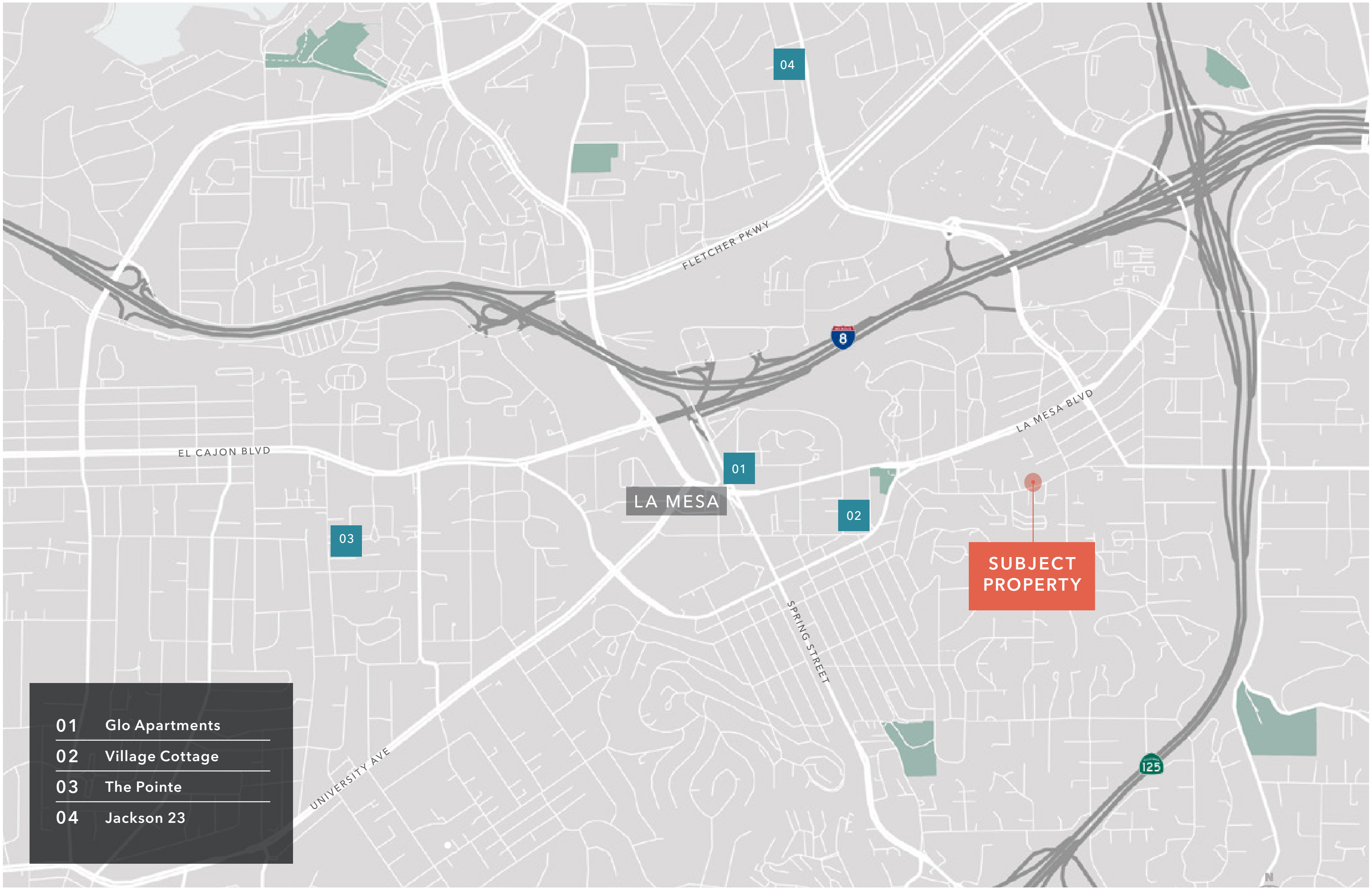
DATE SOLD	1/30/2026
PRICE	$5,250,000
PRICE / UNIT	$525,000
PRICE / SF	$530
CAP RATE	5.3%
GRM	12.6
UNITS	10 - (All 3bd/2ba)
YEAR BUILT	1983
NOTES	All units have attached 1-car garage



01	7630 Normal Ave
02	4818-4832 Palm Ave
03	7425 Waite Drive
04	8105 Lemon Ave
05	6750-6770 Solita Ave

	Photos	Property Name	Units	Year Built	Unit Type	Rent	Rent/SF	Laundry / Parking / Amenities
Subject	 	**LEMON GARDENS** 8694 Lemon Ave La Mesa, CA 91941	24	1970	3bd/2ba (1,089 SF Avg)	$2,758	$2.53	• Common laundry
01	 	**GLO APARTMENTS** 4969 Mills Street La Mesa, CA 91941	20	1970 / Reno 2021	3bd/2ba (901 SF)	$3,295	$3.66	• In-unit washer/dryer • Large private yard • Renovated
02	 	**VILLAGE COTTAGE** 4817-4831 Pine St La Mesa, CA 91942	8	-	3bd/1ba Cottage (865 SF)	$3,095	$3.58	• In-unit washer/dryer • Large private yard • Renovated
03	 	**THE POINTE** 4747-4757 Jessie Ave La Mesa, CA 91942	31	1976 / Reno 2021	3bd/2.5ba (1,200 SF)	$3,295	$2.75	• In-unit washer/dryer • Large private yard • Renovated
04	 	**JACKSON 23** 5630-5670 Jackson Dr La Mesa, CA 91942	23	1990	3bd/2ba (982 SF)	$2,995	$3.05	• Common laundry • One car garage detached • Light Renovation

Survey Date: February 26, 2026. Rents reflect asking rents.


04
FLETCHER PKWY
8
LA MESA BLVD
EL CAJON BLVD
01
LA MESA
02
03
SUBJECT PROPERTY
SPRING STREET
UNIVERSITY AVE
125
01 Glo Apartments
02 Village Cottage
03 The Pointe
04 Jackson 23


MANAGER
IN UNIT 19

LOCATION OVERVIEW

Section 05

DESIRABLE LA MESA LOCATION IN SAN DIEGO'S EAST COUNTY

Walkable neighborhoods, easy access to retail areas, and a quaint downtown village make La Mesa a highly desirable community to live and work.

La Mesa offers a plethora of amenities and attractions that contribute to a high quality of life. The city features a charming downtown area with shops, restaurants, and local businesses. Additionally, the city hosts various community events and festivals throughout the year.

La Mesa's prime location allows for convenient access to both natural beauty and urban amenities. The city is situated near scenic parks and trails. La Mesa is just a short drive away from downtown San Diego, offering easy access to a wide range of employment opportunities, cultural attractions, and entertainment options.

Lemon Gardens Apartments is located just 4-miles (about a 7-minute drive) from San Diego State University, making it highly attractive to students, faculty, and staff. The property combines the convenience of close proximity to a major university with a serene suburban atmosphere.


DOWNTOWN SD
15 Min | 11.5 Miles
LA MESA VILLAGE
11 Min Walk | 0.5 Miles
LEMON AVENUE

Lemon Gardens is centrally located, providing residents with convenient access to San Diego's largest employment hubs, shopping centers, educational institutions, and surrounding neighborhoods.


EL CAJON
SUBJECT PROPERTY
GROSSMONT MALL
COWLES MOUNTAIN
LA MESA
LAKE MURRAY
LA MESA BLVD STATION
4 min. away | 0.8 miles away
UNIVERSITY AVE
SAN CARLOS
EAST CAMPUS UCSD HOSPITAL
MONTEZUMA ROAD
EL CAJON BLVD
INTERSTATE 8
SAN DIEGO STATE UNIVERSITY
DEL CERRO
AVE
SDSU TROLLEY STATION
N

TRANSPORTATION

San Diego offers multiple modes of public transportation, providing residents with economical and eco-friendly options to explore the region, including public buses, the San Diego Trolley, COASTER, SPRINTER, and the Pacific Surfliner. Two of the most commonly used are the San Diego Trolley and San Diego International Airport.

SAN DIEGO TROLLEY

Lemon Gardens is approximately 0.8 miles from the La Mesa Trolley Station, which is served by the Orange Line of the San Diego Trolley system.

The San Diego Trolley provides convenient service from key downtown locations, including the Santa Fe Depot and the San Diego Convention Center, and extends through areas such as Old Town, Mission Valley, El Cajon, Santee, and San Ysidro, near the Mexican border. The UC San Diego Blue Line extension further expands service northward to Clairemont, the UCSD/La Jolla area, and the Westfield University City shopping center.

The Trolley system connects with Amtrak's Pacific Surfliner and North County's COASTER commuter rail service at Santa Fe Depot station.

The San Diego Trolley provides traffic-free commutes to the numerous amenities around the city.

SAN DIEGO INTERNATIONAL AIRPORT

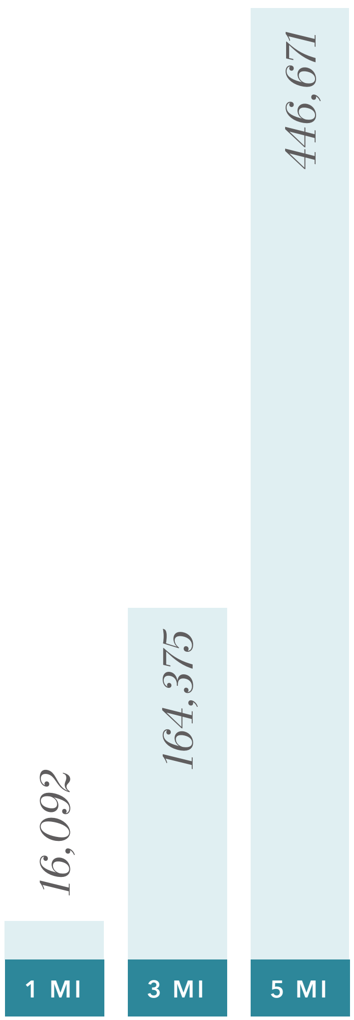
The San Diego International Airport (SAN) provides commercial air service to approximately 20 million passengers annually. Its two terminals serve 18 airlines, offering nonstop flights to more than 60 destinations worldwide.

SAN DIEGO TROLLEY ROUTES

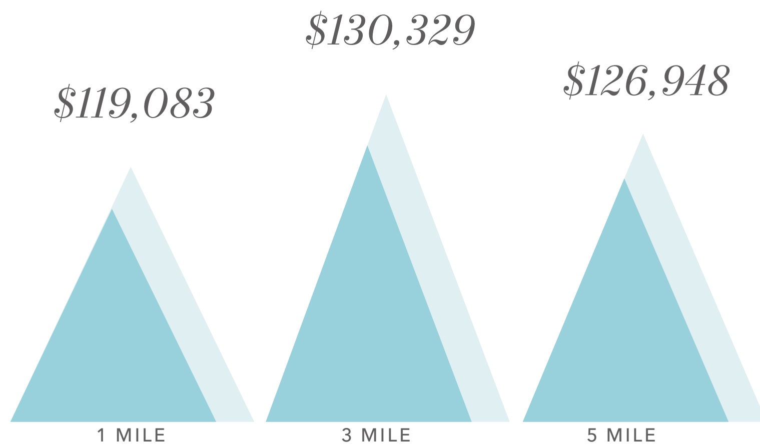
- American Plaza-San Ysidro/Tijuana TC
- Blue Line Extension-San Ysidro/Tijuana TC to UCSD
- Gillespie Field-Santa Fe Depot
- Santee Town Center-12th & Imperial TC
- Normal Station
- Interchange Station
- Terminal Station
- MTS Bus Route 992 to Airport
- COASTER & Amtrak Pacific Surfliner to Points North

DEMOGRAPHICS | LA MESA

ESTIMATED POPULATION



AVERAGE HOUSEHOLD INCOME



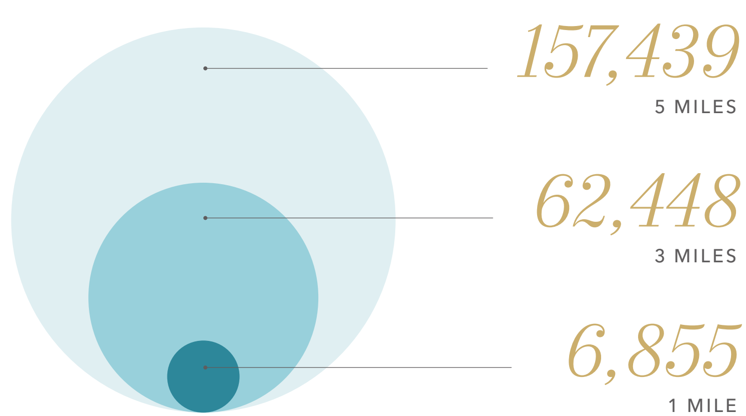
MEDIAN AGE

40 YRS
1 MILE

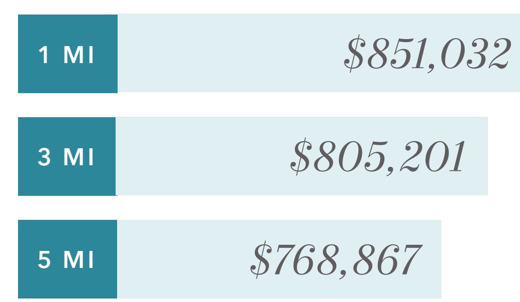
38 YRS
3 MILES

37 YRS
5 MILES

ESTIMATED HOUSEHOLDS



MEDIAN HOME VALUE



Data Source: Applied Geographic Solutions Feb 2026

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