OFFERING MEMORANDUM

4225-4231 CENTRAL AVENUE

San Diego, California 92105

OFFERED AT

$1,395,000

PERMITTED UNITS	OPERATING UNITS	LOT SIZE	ZONING	CURRENT GROSS
4	5	6,248 SF	CUPD-CT-2-4	$9,294/MO.

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STABILIZED COTTAGE-STYLE MULTIFAMILY PROPERTY

OFFERING PRICE	$1,395,000
LOT SIZE	6,248 SF
PERMITTED UNITS	4
OPERATING UNITS	5
OFF-STREET PARKING	5 spaces
CURRENT MONTHLY GROSS	$9,294
ANNUAL GROSS INCOME	$111,528
T-12 CAP RATE	4.85%
ADJUSTED IN-PLACE CAP RATE	4.93%
PRO FORMA CAP RATE	5.47%
CURRENT GRM	12.51x
MARKET GRM	11.95x

Adjusted in-place cap rate includes 3% vacancy and $4,800 annual utilities, reflecting repaired water leaks and the sprinkler system, plus lower electricity use after tenant turnover. Estimated buyer property taxes included.

INVESTMENT OVERVIEW

4225-4231 Central Avenue presents an opportunity to acquire a renovated and stabilized income property composed of a main residence and detached cottage structures. The property currently operates as five rental units, with four permitted units and a seller-disclosed unpermitted division of the main house. Renovations completed since 2024 include upgraded kitchens, flooring, appliances, exterior paint, fencing and landscaping.

The property is centrally positioned with convenient access to Kensington, neighborhood restaurants, I-805, SR-15 and Downtown San Diego. The cottage-style configuration, private entrances and multiple structures provide tenant appeal while the original-condition 4231 cottage offers a clear future renovation opportunity.

Buyer to independently verify that the site is within Complete Communities Housing Solutions Tier 3, with a maximum 6.5 FAR, subject to all program requirements and applicable regulations.

INVESTMENT HIGHLIGHTS

MULTIPLE STRUCTURES

Cottage-style layout with separate entrances, new fencing throughout for security, and defined yard areas.

STABILIZED INCOME

Current scheduled gross income of $9,294 per month.

TENANT QUALITY

Seller reports current tenants were thoroughly vetted and possess excellent qualifications.

RECENT CAPITAL WORK

Four operating units were fully or partially improved after acquisition.

FUTURE UPSIDE

Original-condition 4231 cottage and modest mark-to-market rent potential.

CENTRAL LOCATION

Convenient access to Kensington, dining, regional freeways and Downtown San Diego.

SITE CONFIGURATION AND CURRENT RENT ROLL

PROPERTY DETAILS

ADDRESS	4225-4231 Central Avenue
APN / LOT	6,248 SF lot
VINTAGE	1940s
PARKING	5 off-street spaces: 3 single rear spaces + 1 tandem space (2 vehicles) serving the house
UTILITIES	Selected utilities billed back
PERMITTED UNITS	4 units: one 3/2 house, two 1/1 cottages and one 0/1 studio cottage
CURRENT CONFIG.	5 operating units; the permitted 3/2 house is configured as a 2/1 + 1/1 (unpermitted split)

CURRENT UNIT MIX

UNIT	TYPE	SF	RENT	OTHER	MOVE-IN	LEASE END	MARKET	CONDITION
4225	2 Bed / 1 Bath	550	$2,295	$185	06/10/26	06/30/27	$2,350	Fully rehabbed 2024
4225-1	1 Bed / 1 Bath	420	$1,595	$205	04/15/26	04/30/27	$1,650	Fully rehabbed 2024
4227	1 Bed / 1 Bath	400	$1,749	$75	10/05/25	02/28/27	$1,800	Partial rehab 2025
4231	1 Bed / 1 Bath	400	$1,600	-	04/18/16	MTM	$1,800	Original condition
4229	Studio	220	$1,525	$65	01/25/26	02/01/27	$1,595	Fully rehabbed 2024

CURRENT BASE RENT	OTHER INCOME	CURRENT GROSS	MARKET GROSS
$8,764 / mo.	$530 / mo.	$9,294 / mo.	$9,725 / mo.

Buyer to verify square footage, legal status, use and unit configuration.

FINANCIAL OVERVIEW

TRAILING-12-MONTH & ADJUSTED OPERATING PROFILE

T-12 INCOME	ADJ. T-12 NOI	ADJ. T-12 CAP RATE	PRO FORMA CAP RATE
$108,038	$68,787	4.93%	5.47%

OPERATING SUMMARY

CATEGORY	T-12	T-12 ADJUSTED	PRO FORMA
Total income	$108,038	$108,038	$116,700
Vacancy & credit loss (3%)	-	($3,241)	($3,501)
Effective gross income	**$108,038**	**$104,797**	**$113,199**
General & administrative	$1,051	$1,051	$1,051
Repairs & maintenance	$6,001	$6,001	$6,001
Landscaping	$3,000	$3,000	$1,500
Utilities	$9,218	$4,800	$7,218
Insurance	$4,418	$4,418	$4,418
Estimated property taxes	$16,740	$16,740	$16,740
Total operating expenses	**$40,428**	**$36,010**	**$36,928**
Operating expense ratio	37.4%	34.4%	32.6%
NOI	**$67,610**	**$68,787**	**$76,271**
Cap rate	**4.85%**	**4.93%**	**5.47%**

UNDERWRITING NOTES

T-12 period: August 2025 through July 2026. Estimated property taxes are $16,740 annually, calculated at 1.20% of the $1,395,000 offering price to approximate buyer reassessment. Actual tax rates, fixed assessments and the buyer's final tax bill must be independently verified.

Adjusted T-12: Applies a 3% vacancy and credit-loss allowance and normalizes annual utilities to $4,800, consisting of $3,000 for water and $1,800 for electricity. The adjustment reflects repaired water leaks and the sprinkler system, together with lower electricity consumption following tenant turnover. Historical T-12 utility expense is shown separately.

Pro forma: Total income reflects the $9,725 monthly market gross shown in the unit mix ($116,700 annually) and includes a 3% vacancy and credit-loss allowance. This produces pro forma NOI of $76,271, a 32.6% operating expense ratio and a 5.47% cap rate. NOI and cap rates exclude debt service. Financial information is unaudited and subject to independent buyer verification.

INTERIOR GALLERY

4225 | RENOVATED 2 BEDROOM / 1 BATH

APPROXIMATE SF - BUYER TO VERIFY	CURRENT RENT	UTILITY REIMBURSEMENT	LEASE TERM
550 SF	$2,295	$185	06/10/26 - 06/30/27

OPEN LIVING AREA AND RENOVATED KITCHEN

KITCHEN DETAIL

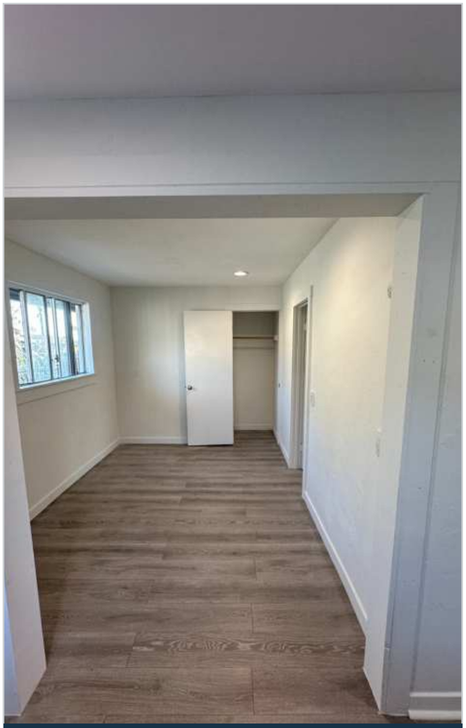
BEDROOM WITH MIRRORED CLOSET

4225-1 | RENOVATED 1 BEDROOM / 1 BATH

APPROXIMATE SF - BUYER TO VERIFY	CURRENT RENT	OTHER INCOME	LEASE TERM
420 SF	$1,595	$205	04/15/26 - 04/30/27

RENOVATED KITCHEN

KITCHEN FROM LIVING AREA



LIVING ROOM / CLOSET

BEDROOM / BATH ACCESS

RENOVATED BATH

4227 | 1 BEDROOM / 1 BATH COTTAGE

APPROXIMATE SF - BUYER TO VERIFY	CURRENT RENT	OTHER INCOME	LEASE TERM
400 SF	$1,749	$75	10/05/25 - 02/28/27

LIVING AREA

KITCHEN

BATHROOM

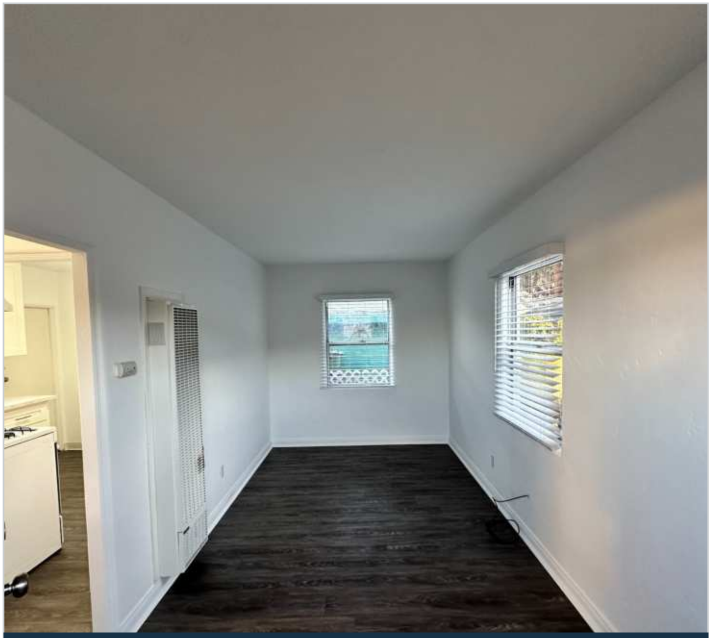
BEDROOM

4229 | RENOVATED STUDIO COTTAGE

APPROXIMATE SF - BUYER TO VERIFY	CURRENT RENT	UTILITY REIMBURSEMENT	LEASE TERM
220 SF	$1,525	$65	01/25/26 - 02/01/27

RENOVATED STUDIO KITCHEN

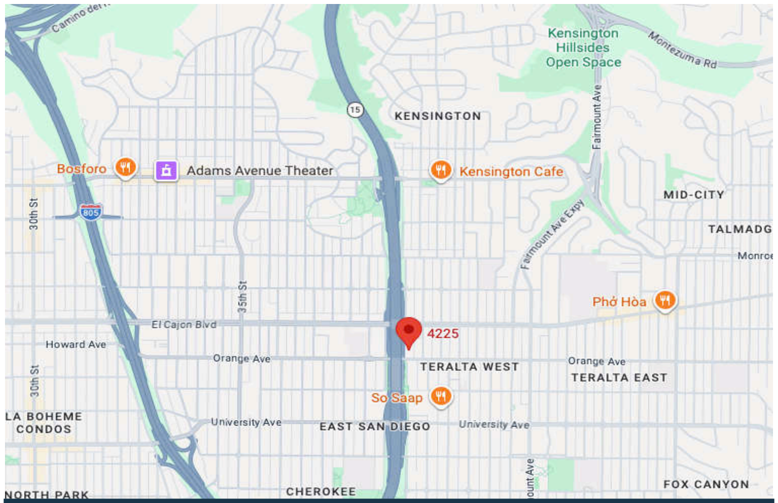
BATHROOM



MAIN LIVING / SLEEPING AREA

LOCATION CONTEXT AND REMAINING VALUE-ADD

SUBJECT PROPERTY AND TERALTA PARK



LOCATION MAP

4231 VALUE-ADD COTTAGE

Unit: 4231 - 1 Bedroom / 1 Bath

Condition: Original condition with limited bathroom upgrades

Current rent: $1,600 per month

Market rent: $1,800 per month

Tenancy: Occupied since April 2016; month-to-month

No interior marketing photographs are available because the long-term tenant has occupied the cottage since acquisition. The unit provides a straightforward future renovation and rent-growth opportunity, subject to applicable law and buyer underwriting.

IMPROVEMENTS & LOCATION

RECENT PROPERTY WORK
- Renovated kitchens and interiors in multiple units
- New exterior paint completed in 2024
- New fencing throughout, providing security and defined yard areas
- Mostly stainless-steel appliance packages
- Updated LVP flooring in improved units

LOCATION POSITIONING
The property is near Teralta Park at 4100 Central Avenue and offers convenient access to Kensington, neighborhood restaurants, I-15, I-805, SR-15 and Downtown San Diego.