

OM | 2-STORY, 8 UNITS FOR SALE IN PACIFIC BEACH

1440 THOMAS AVENUE • SAN DIEGO, CALIFORNIA 92109



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Voit
REAL ESTATE SERVICES



DISCLAIMER

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This Memorandum was prepared by the Broker based on information supplied by the Owner and the Broker. It contains selected information about the Property and the real estate market but does not contain all the information necessary to evaluate the acquisition of the Property. The financial projections contained herein (or in any other Evaluation Material, including any online drop boxes) are for general reference only. They are based on assumptions relating to the general economy and local competition, and other factors. Accordingly, actual results may vary materially from such projections. Various documents have been summarized herein to facilitate your review; these summaries are not intended to be a comprehensive statement of the terms or a legal analysis of such documents.

While the information contained in this Memorandum and any other Evaluation Material is believed to be reliable, neither Broker nor Owner guarantees its accuracy or completeness. Because of the foregoing, a prospective purchaser must make its own independent investigations, projections and conclusions regarding the acquisition of the Property without reliance on this Memorandum or any other Evaluation Material. Although additional Evaluation Material, which may include engineering, environmental or other reports, may be provided to qualified parties as marketing proceeds, prospective purchasers should seek advice from their own attorneys, accountants, and engineering and environmental experts.

Owner expressly reserves the right, at its sole discretion, to reject any offer to purchase the Property or to terminate any negotiations with any party at any time with or without written notice. Owner shall have no legal commitment or obligations to any prospective purchaser unless and until a written sale agreement has been fully executed, delivered and approved by Owner and any conditions to Owner's obligations therein have been satisfied or waived.

Owner has retained Broker, Voit Real Estate Services, as its exclusive broker. Broker is not authorized to make any representation or agreement on behalf of Owner.

This Memorandum is the property of Owner and Broker and may be used only by parties approved by Owner and Broker.



PACIFIC BEACH

1440 THOMAS AVENUE • SAN DIEGO, CA 92109

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THE OFFERING

Voit Real Estate Services is pleased to present 1440 Thomas Avenue, a superbly located two-story, 8-unit apartment building. Situated just one block south of Grand Avenue with lighter through traffic, just blocks from both the beach and bay while being conveniently close to all that Pacific Beach offers.

It is just a few blocks from a Vons and Trader Joe's shopping center and in close proximity to various restaurants, bars/pubs, and trendy retailers along Grand and Garnet Avenues. Additionally, it is centrally located to most of the schools in the community. WalkScore rates this location as a "Walker's Paradise, daily errand do not require a car."

Built in 1972, the owner renovated the property in 2021 to ensure SB721 certification compliance.

INVESTMENT UPSIDE

The Rent Roll and Proforma outline current and projected market rents, indicating a potential 7%+ upside in existing market rent. This goes up substantially by converting the back two-car garages into 350 square feet ADUs. Jumping from 7% to over 20%

LOCATION: 1440 Thomas Avenue, San Diego, CA 92109

ASSESSOR PARCEL: 423-182-15-00

UNIT MIX:
5 – 1 Br, 1 Ba
3 – 2 Br, 1 Ba

BUILDING SIZE: ±6,470 square feet

LOT SIZE: ±6,244 square feet (0.14 acres)

PRICE: \$5,000,000

PRICE/UNIT: \$625,000

PRICE/SF: \$772.80

GROSS RENT MULTIPLIER: 17.48% on current rent, 16.21% on projected market rents

CAP RATE: 3.78% on current rents, 4.24% on projected market rents

CONDITION: Well-maintained, primarily original, with some upgrades

CONFIGURATION: One, two-story building

YEAR BUILT: 1972 - Renovated 2021

PARKING: 4 open spaces total, 4 single car garages

PROPOSED FINANCING: New 1st TD of \$ 2,125,000 at 6.25%, fixed for 5 years, 30 year fully amortized, SOFR + 2.5%, from Chase Bank

MOTIVATION: Exchange up, seller does not require contingency



LISTING

AGENTS

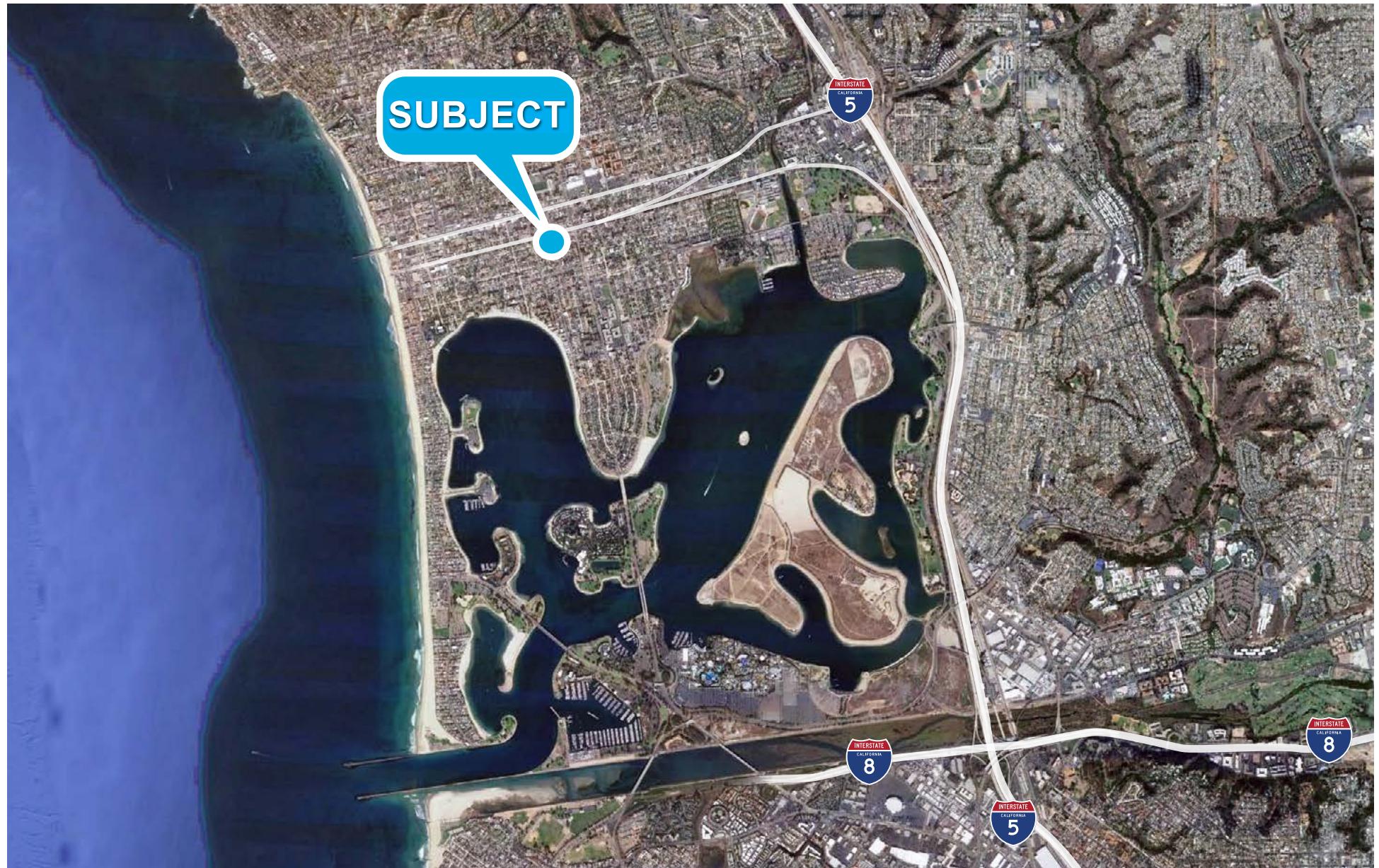
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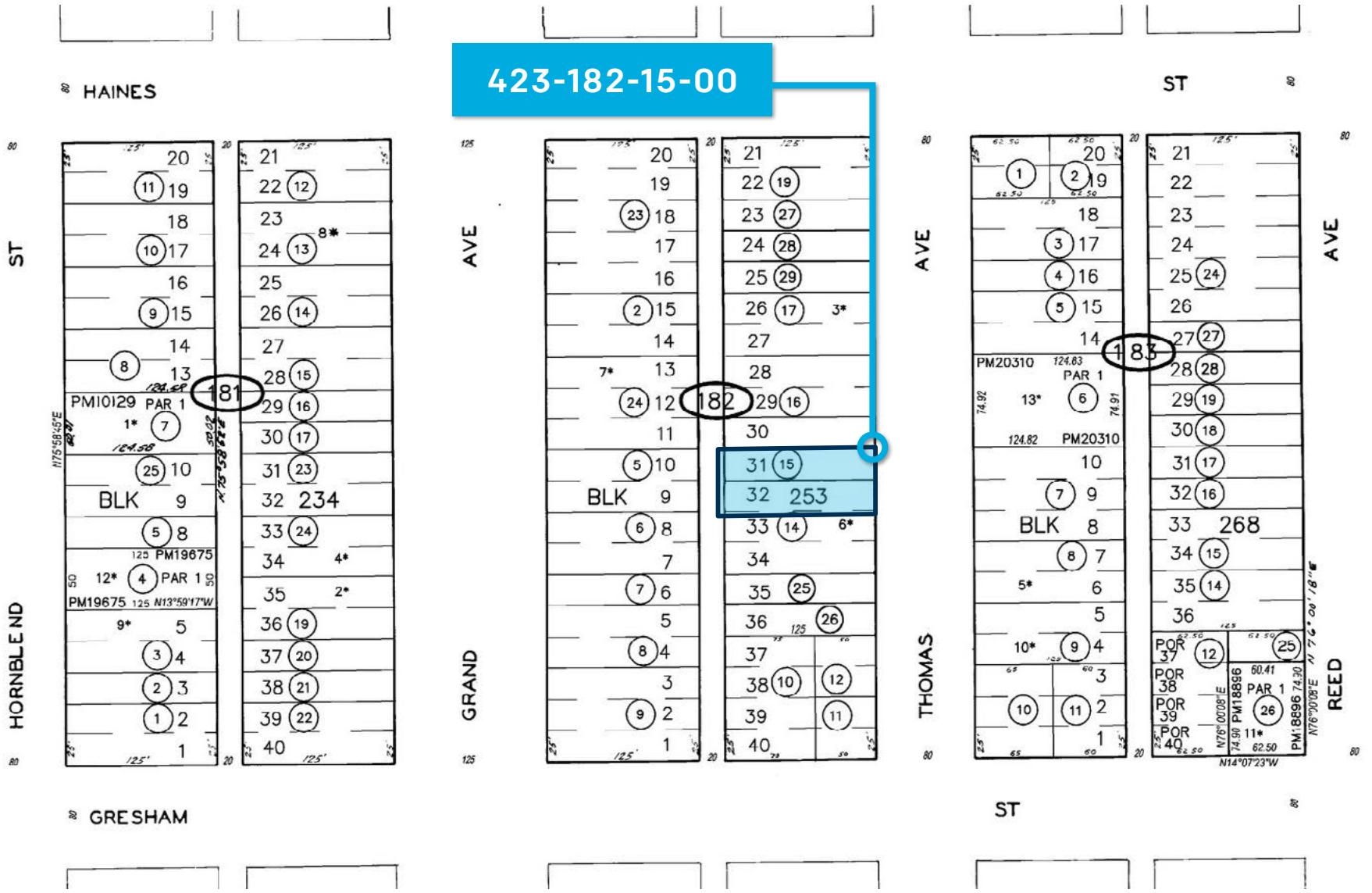
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While the above information has been obtained from sources we believe to be reliable, Voit Real Estate, make no guarantees as to its accuracy. Buyers should independently verify all of the information presented herein including age, square footage, income, and expense information.



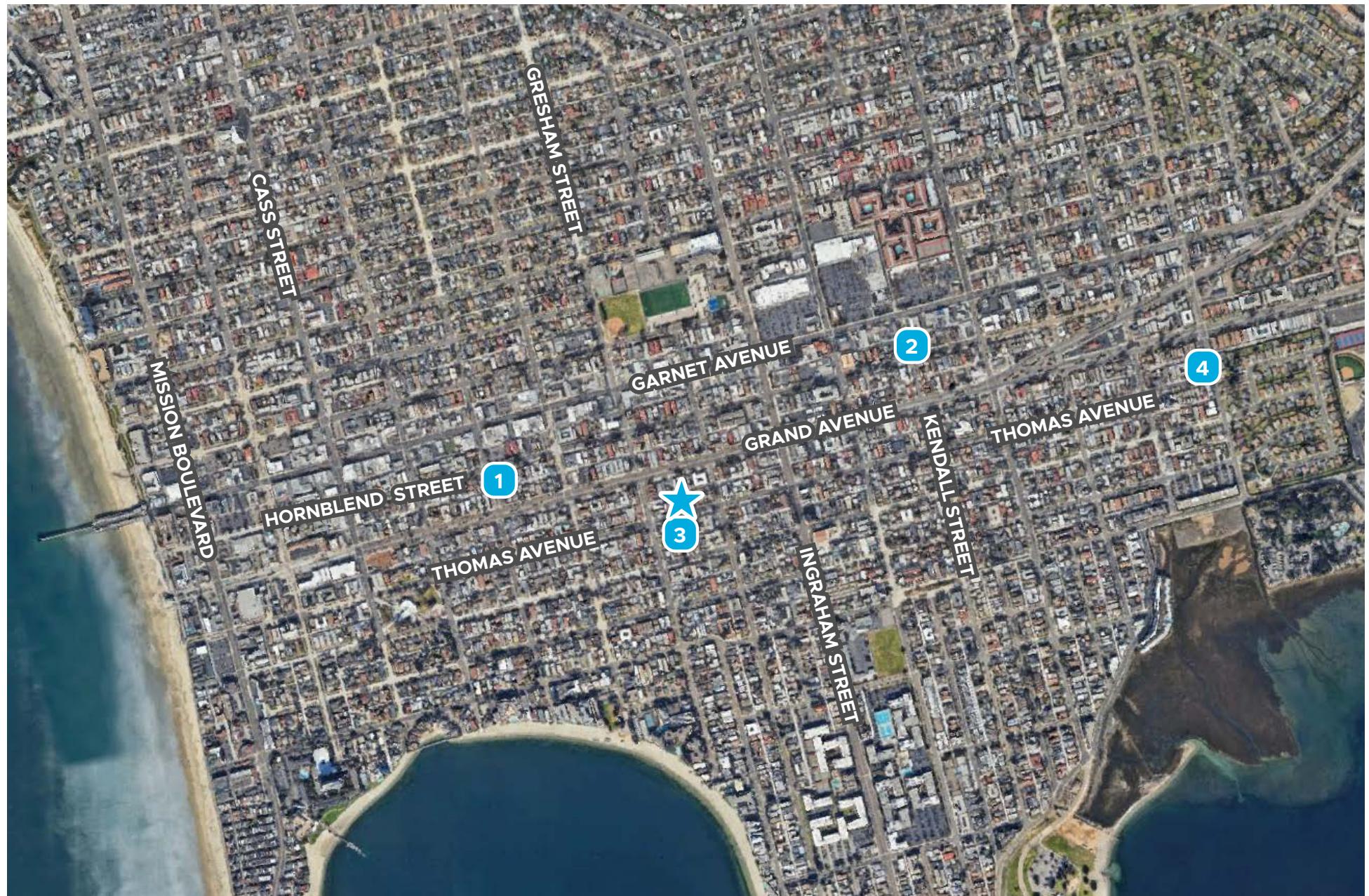




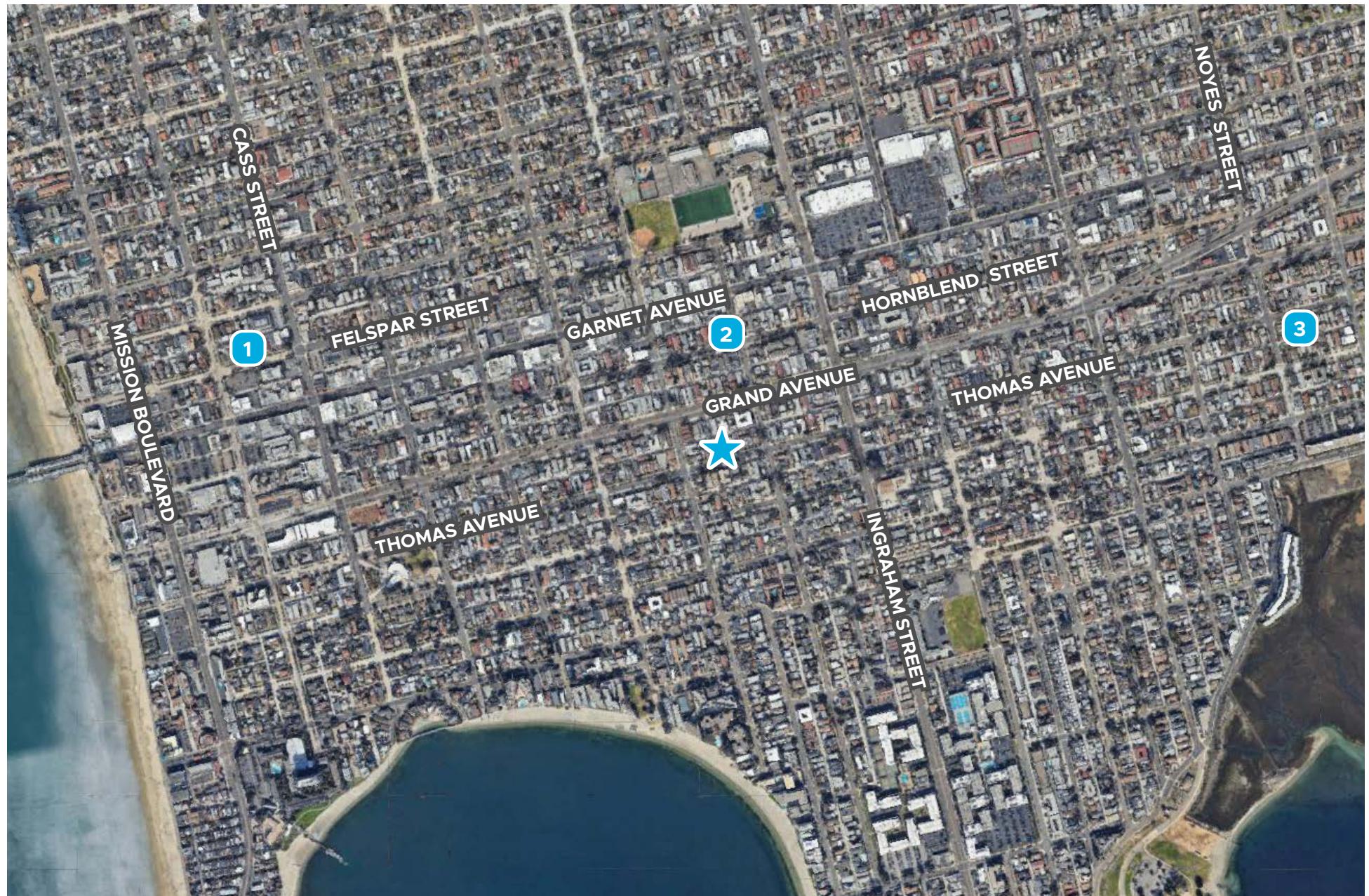
UNIT #	# OF BEDROOMS	# OF BATHROOMS	SIZE	CURRENT RENT	PRO-FORMA RENT
1	2 Bedrooms	1 Bath	1,000 SF	\$3,550	\$3,700
2	1 Bedrooms	1 Bath	700 SF	\$2,550	\$3,000
3	2 Bedrooms	1 Bath	1,000 SF	\$3,350	\$3,700
4	2 Bedrooms	1 Bath	970 SF	\$3,495	\$3,500
5	1 Bedrooms	1 Bath	700 SF	\$2,900	\$3,000
6	1 Bedrooms	1 Bath	700 SF	\$2,600	\$3,000
7	1 Bedrooms	1 Bath	700 SF	\$2,595	\$3,000
8	1 Bedrooms	1 Bath	700 SF	\$2,800	\$2,800
TOTAL			6,470 SF	\$23,840	\$25,700

RENTAL UPSIDE 7.80%

#	STREET ADDRESS	# OF UNITS	PRICE SOLD	DATE SOLD	\$/SF	CAP RATE	GRM	\$/UNIT	AGE	UNIT MIX	PARKING	CONDITION
1	1215 Hornblend Street San Diego, CA 92109	10	\$4,190,000	9/4/2024	\$910	4.30%	N/A	\$419,000	1971	(10) Studios	5 - Open Spaces	Units appear renovated, they are all 500SF, shared washer dryer.
2	4455 Kendall Street San Diego, CA 92109	9	\$3,780,000	2/29/2024	\$581	4.10%	16.29	\$420,000	1960	(6) 1 Br+1 Ba (2) 2 Br+1 Ba (1) 2 Br+1.5 Ba	10 Total 4 - Garage Units and 6 - Open Spaces	Appears to be in primarily original conditions.
3	1433 Thomas Avenue San Diego, CA 92109	12	\$5,300,000	2/15/2024	\$589	3.10%	N/A	\$441,667	1972	(9) 1 Br+1 Ba (3) 2 Br+1 Ba	12 - Open Spaces	Appears to be in primarily original conditions.
4	2176 Thomas Avenue San Diego, CA 92109	6	\$2,050,000	1/16/2024	\$1,056	3.90%	16.21	\$341,667	1957	(6) Studio	0	Some units have been renovated, unclear how many, unclear quality of renovations. Average unit size 346 SF.
AVERAGES					\$784	3.85%	16.25	\$405,583				
★	1440 Thomas Avenue San Diego, CA 92109	8	\$5,000,000	N/A	\$773	3.78%	17.48	\$625,000	1972 (Renov. 2021)	(5) 1 Br+1 Ba (3) 2 Br+1 Ba	8 Total 2 - Double Garages and 4 - Open Spaces	All units have been renovated.



#	STREET ADDRESS	# OF UNITS	SALE PRICE	DATE LISTED	\$/SF	CAP RATE	GRM	\$/UNIT	AGE	UNIT MIX	PARKING	CONDITION
1	930 Felspar Street San Diego, CA 92109	24	\$13,000,000	6/23/2024	\$1,015	N/A	N/A	\$541,667	1960	(8) Studios (16) 1 Br+1 Ba	25 - Open Spaces	All units have been renovated. Shared laundry units. Community swimming pool.
2	1478 Hornblend Street San Diego, CA 92109	10	\$6,795,000	6/12/2024	\$842	4.46%	15.20	\$679,500	1969	(1) Studio (6) 1 Br+1 Ba (2) 2 Br+1.5 Ba (1) 2 br+2 Ba	9 - Garage Units	All units have been renovated. In unit laundry. Four units have access to roof top decks.
3	2121 Thomas Avenue San Diego, CA 92109	10	\$6,995,000	5/1/2024	\$1,051	4.11%	16.20	\$699,500	1972	(2) Studios (5) 1 Br+1 Ba (3) 2 Br+1 Ba	12 - Open Spaces	All units have been renovated. Five rooftop decks. Some have in unit washer and dryer.
AVERAGES												
★	1440 Thomas Avenue San Diego, CA 92109	8	\$5,000,000	N/A	\$773	3.78%	17.48	\$625,000	1972 (Renov. 2021)	(5) 1 Br+1 Ba (3) 2 Br+1 Ba	8 Total 2 - Double Garages and 4 - Open Spaces	All units have been renovated.



Total Number of Units**8 Units****Total Area (Gross)****6,470 SF****INCOME**

	CURRENT	PER UNIT	PRO FORMA	PER UNIT
GROSS POTENTIAL RENT	\$286,080	\$35,760	\$308,400	\$38,550
Other Income				
Parking	\$1,813	\$227	\$4,800	\$600
Laundry*	\$573	\$72	\$1,920	\$240
Miscellaneous	\$3,075	\$384	\$1,200	\$150
Total Other Income	\$5,461	\$683	\$7,920	\$990
GROSS POTENTIAL INCOME	\$291,541	\$36,443	\$316,320	\$39,540
Vacancy/Collection Allowance (GPR)	4.0%	\$11,443	\$1,430	4.0%
EFFECTIVE GROSS INCOME	\$280,098	\$35,012	\$303,984	\$37,998

EXPENSES

Real Estate Taxes	1.2251%	\$34,800	\$4,350	\$61,255	\$7,657
Insurance		\$4,568	\$571	\$5,386	\$673
Utilities: Water		\$1,473	\$184	\$1,473	\$184
Utilities: Electricity		\$1,370	\$171	\$1,370	\$171
Trash Removal		\$7,194	\$899	\$7,194	\$899
Repairs, Maintenance & Supplies		\$22,131	\$2,766	\$2,000	\$250
Grounds		\$1,320	\$165	\$1,320	\$165
Pest Control		\$1,380	\$173	\$1,380	\$173
Management Fee	6.0%	\$16,806	\$2,101	\$15,199	\$1,900
TOTAL EXPENSES		\$91,042	\$11,380	\$96,577	\$12,072
Expenses per SF		\$14.07		\$14.93	
% of EGI		32.5%		31.8%	
NET OPERATING INCOME		\$189,056	\$23,632	\$211,823	\$26,478

*Estimated

LOCATION

1440 THOMAS AVENUE
SAN DIEGO, CA 92109

PRICE	\$5,000,000
DOWN PAYMENT (58%)	\$2,875,000
# OF UNITS	8
PRICE/UNIT	\$625,000
GROSS SF	6,470
PRICE/SF	\$772.80
CAP RATE (current)	3.78%
CAP RATE (pro-forma)	4.24%
GRM - CURRENT	17.48
GRM - PRO FORMA	16.21
YEAR BUILT	1972 Renov. 2021
LOT SIZE /SF	6,244
TYPE OF OWNERSHIP	Fee Simple

FINANCING

LOAN AMOUNT	\$2,125,000
LOAN TYPE	Proposed New
INTEREST RATE	6.250%
AMORTIZATION	30 Years
MONTHLY PAYMENTS	\$13,083.99

ANNUALIZED OPERATING DATA

INCOME	CURRENT	PRO FORMA	PRO FORMA NOTES
GROSS POTENTIAL RENT	\$286,080	\$308,400	See Rent Roll for details
Other Income	\$5,461	\$7,920	
Gross Potential Income	\$291,541	\$316,320	
Less: Vacancy/Deductions (GPR)	4.0%	\$11,443	4.0%
Effective Gross Income		\$280,098	\$12,336
Less: Expenses		\$91,042	\$303,984
NET OPERATING INCOME	\$189,056	67.50%	\$211,823
Net Cash Flow Before Debt Service	\$189,056	\$211,823	
Debt Service	\$157,008	\$157,008	
Debt Service Coverage Ratio (DSCR)		1.20	1.35
Net Cash Flow After Debt Service	1.1%	\$32,048	\$54,815
Principal Reduction		\$25,719	\$25,719
TOTAL RETURN BEFORE APPRECIATION	2.0%	\$57,767	2.8%
			\$80,534
EXPENSES			
Real Estate Taxes	1.22509%	\$34,800	\$61,255
Insurance		\$4,568	\$5,386
Utilities: Water		\$1,473	\$1,473
Utilities: Electric		\$1,370	\$1,370
Trash Removal		\$7,194	\$7,194
Repairs, Maintenance & Supplies		\$22,131	\$2,000
Grounds		\$1,320	\$1,320
Pest Control		\$1,380	\$1,380
Management Fee	6%	\$16,806	5%
Total Expenses		\$91,042	32.50%
Expenses/Unit		\$11,380	\$12,072
Expenses/SF		\$14.07	\$14.93
% of EGI		32.50%	31.77%

LOCATION

1440 THOMAS AVENUE
SAN DIEGO, CA 92109

PRICE	\$5,350,000*
DOWN PAYMENT (59%)	\$3,167,200
# OF UNITS	10
PRICE/UNIT	\$535,000
GROSS SF	7,170
PRICE/SF	\$746.16
CAP RATE (current)	3.53%
CAP RATE (pro-forma)	4.73%

GRM - CURRENT	18.70
GRM - PRO FORMA	14.81

YEAR BUILT	1972
	Renov. 2021

LOT SIZE /SF	6,244
TYPE OF OWNERSHIP	Fee Simple

FINANCING

LOAN AMOUNT	\$2,182,000
LOAN TYPE	Proposed New
INTEREST RATE	6.250%
AMORTIZATION	30 Years
MONTHLY PAYMENTS	\$13,439.88

*Assuming that each ADU conversion costs \$175,000

ANNUALIZED OPERATING DATA

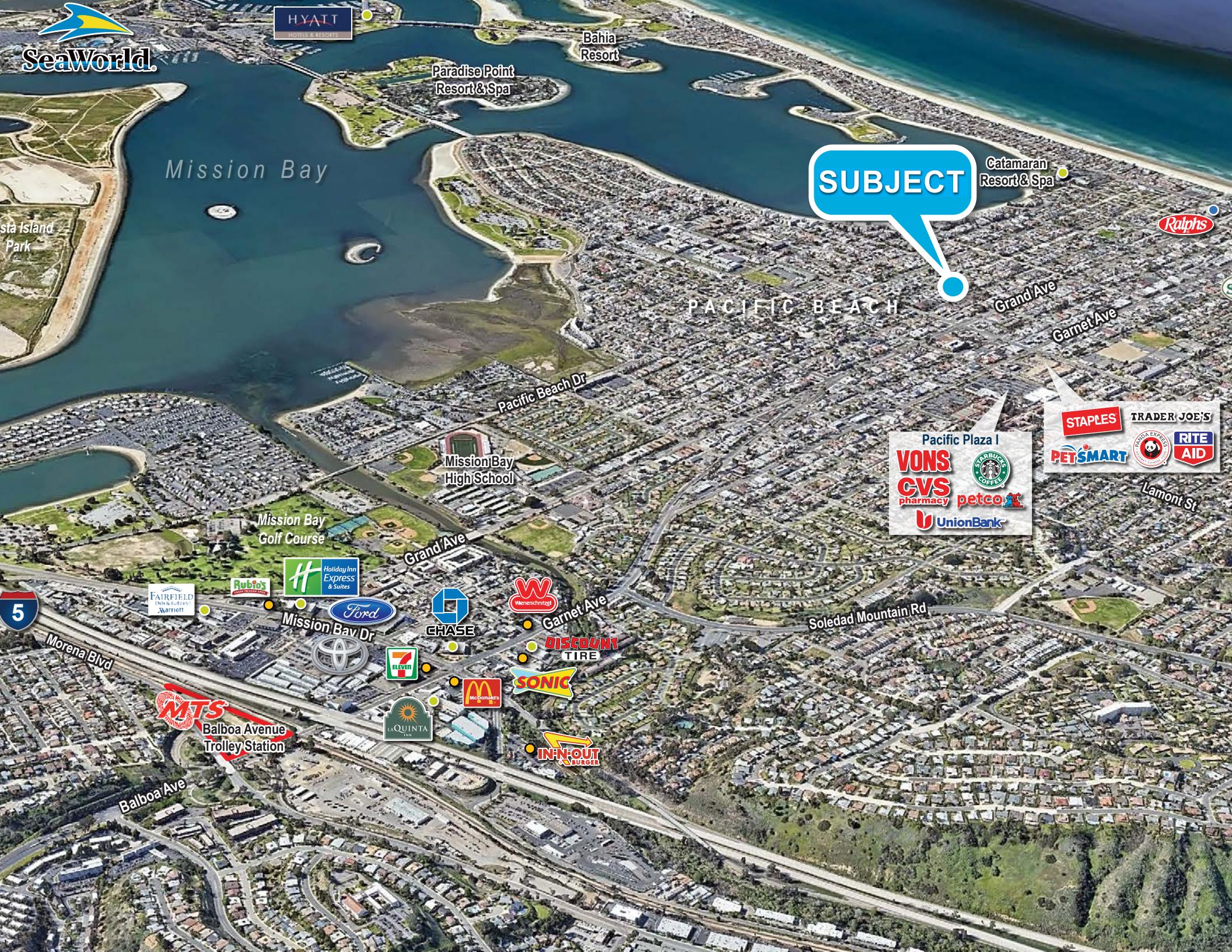
INCOME	CURRENT	PRO FORMA	PRO FORMA NOTES
GROSS POTENTIAL RENT	\$286,080	\$361,200	See rent roll for details
Other Income	\$5,461	\$3,120	
Gross Potential Income	\$291,541	\$364,320	
Less: Vacancy/Deductions (GPR)	4.0%	\$11,443	4.0%
Effective Gross Income		\$280,098	\$14,448
Less: Expenses		\$91,042	Standard
NET OPERATING INCOME	\$189,056	64.85%	\$253,295
			69.53%

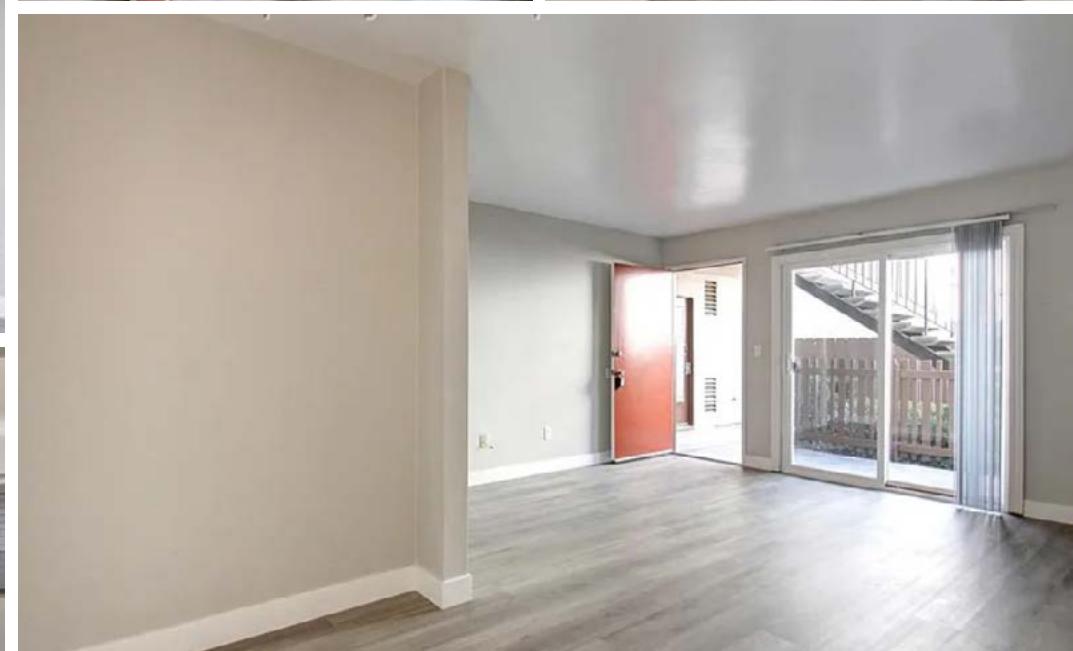
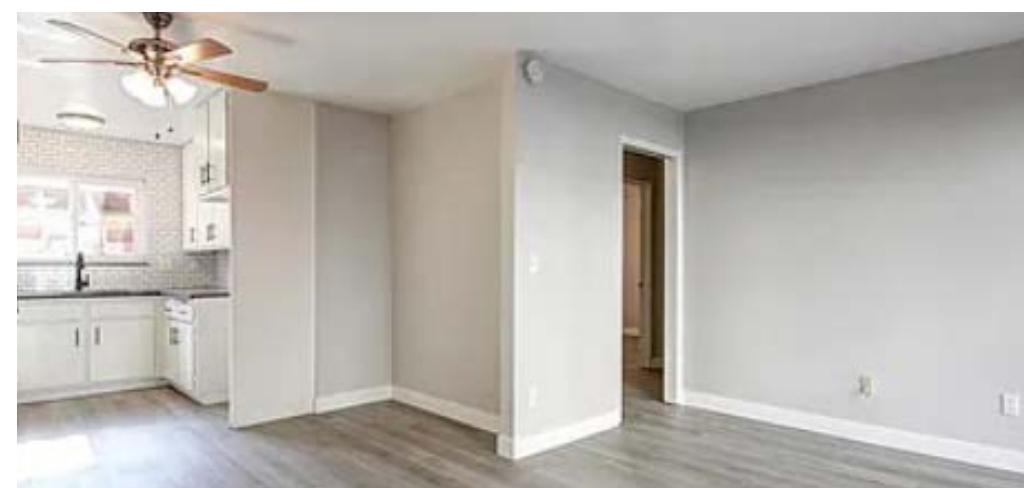
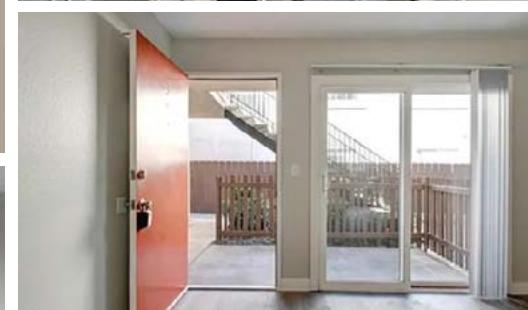
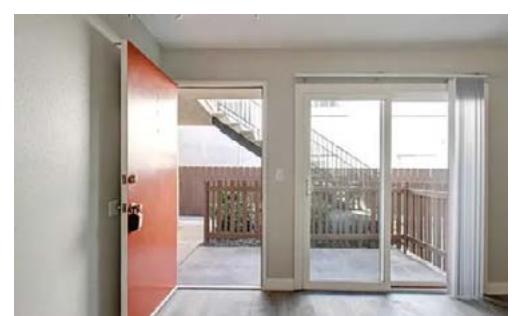
PROPOSED NEW RENT ROLL

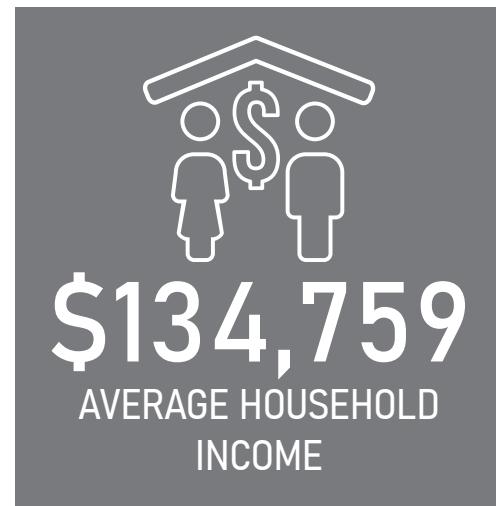
UNIT	BED	BATH	SF	CURRENT RENT	PRO-FORMA RENT
1	2 Bedroom	1 Bath	1,000 SF	\$3,550	\$3,700
2	1 Bedroom	1 Bath	700 SF	\$2,550	\$3,000
3	2 Bedroom	1 Bath	1,000 SF	\$3,350	\$3,700
4	2 Bedroom	1 Bath	970 SF	\$3,495	\$3,500
5	1 Bedroom	1 Bath	700 SF	\$2,900	\$3,000
6	1 Bedroom	1 Bath	700 SF	\$2,600	\$3,000
7	1 Bedroom	1 Bath	700 SF	\$2,595	\$3,000
8	1 Bedroom	1 Bath	700 SF	\$2,800	\$2,800
9	Studio	1 Bath	350 SF	*	\$2,200
10	Studio	1 Bath	350 SF	*	\$2,200
10	TOTAL			\$23,840	\$30,100

*Estimated

RENTAL UPSIDE 20.80%





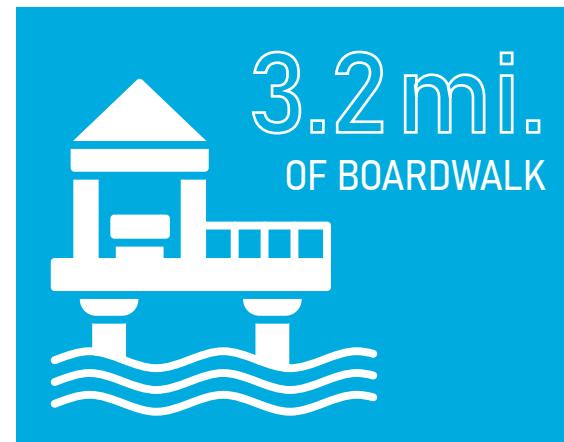


Pacific Beach

San Diego's Pacific Beach neighborhood embodies Southern California's chill vibe. Whether you're headed there to catch some rays, shred waves, or partake in the famous nightlife, PB (as the locals call it) is a constant beach party.

That said, there's so much more to PB than revelry-minded college students and young adults. Situated on a stretch of land between the Pacific Ocean and San Diego's man-made "water wonderland" Mission Bay, Pacific Beach is also an ideal base for exploring America's Finest City, given its proximity to major San Diego must-see attractions.

From wide, sandy beaches to trendy rooftop bars and fish tacos you'll never forget! 



Demographics based on a 3 mile radius
Sources: www.costar.com & www.sandiego.gov



Pacific Beach Overview

Pacific Beach (or as the locals call it, PB) is a San Diego neighborhood that has become a hotspot for surfers, young professionals, and college students with young families and empty nesters sprinkled in.

You won't find a lot of high-end options when it comes to dining or accommodations, but you will find beachy energy and lots of good vibes. This is where you want to be if you're dreaming of eating in flip-flop-friendly restaurants during the day, spending long hours strolling up and down the boardwalk, and partying at night (as well as during the day).

That said, Pacific Beach can suit families who are okay with this environment. It's not really a good spot for luxury travelers though. Below, you'll find my best advice about how to enjoy Pacific Beach attractions, where to go in Pacific Beach, and where to stay during your visit to this California beach town.

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Amenity Rich Location





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