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## 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

This Offering Memorandum (this “Memorandum”) is given to you for the sole purpose of evaluating the possible acquisition of 1440 Thomas Avenue, San Diego, CA 92109 (the “Property”), and is not to be used for any other purpose without the prior written consent of Owner or Voit Real Estate Services (“Broker”).

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

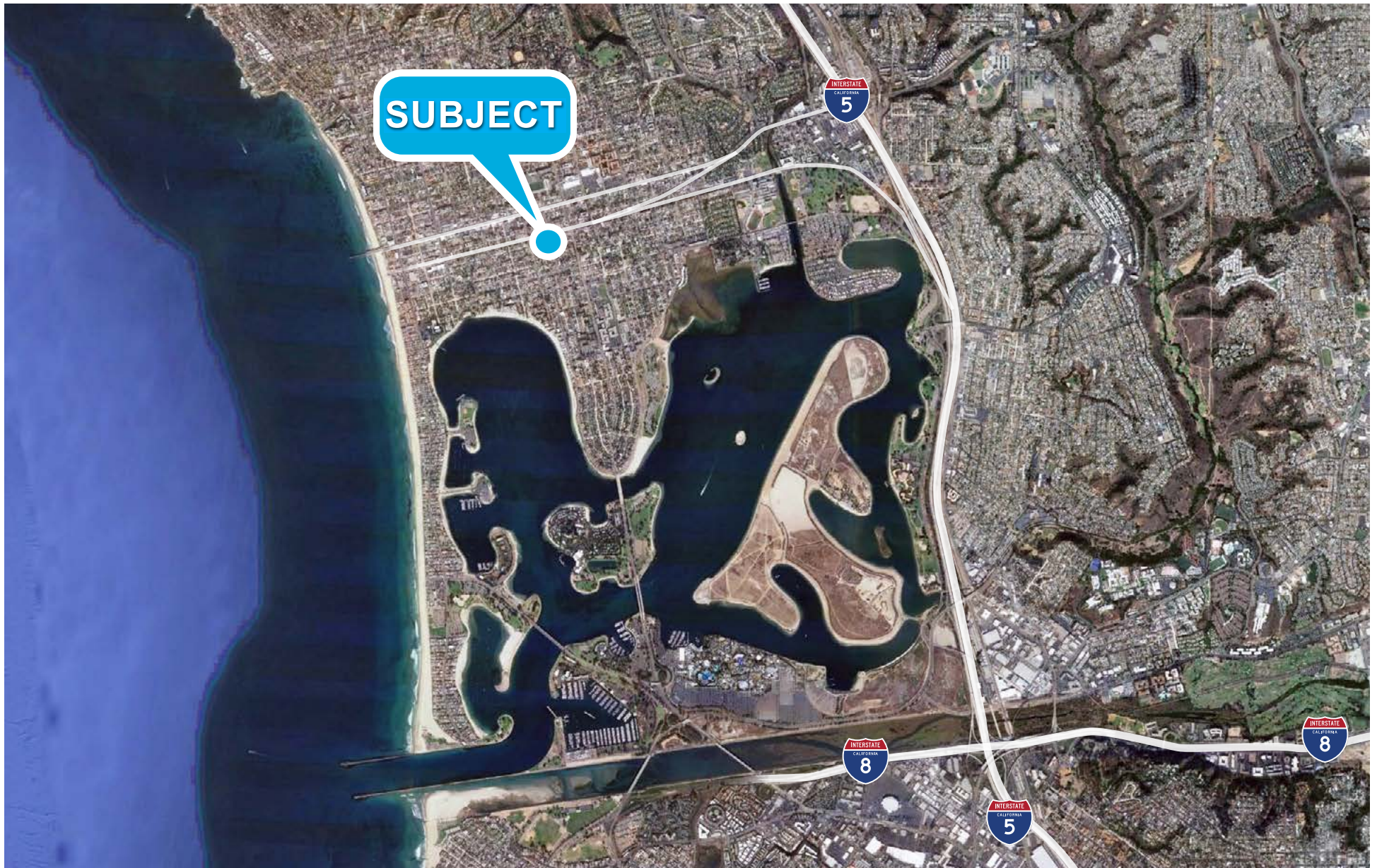
LISTING  
AGENTS

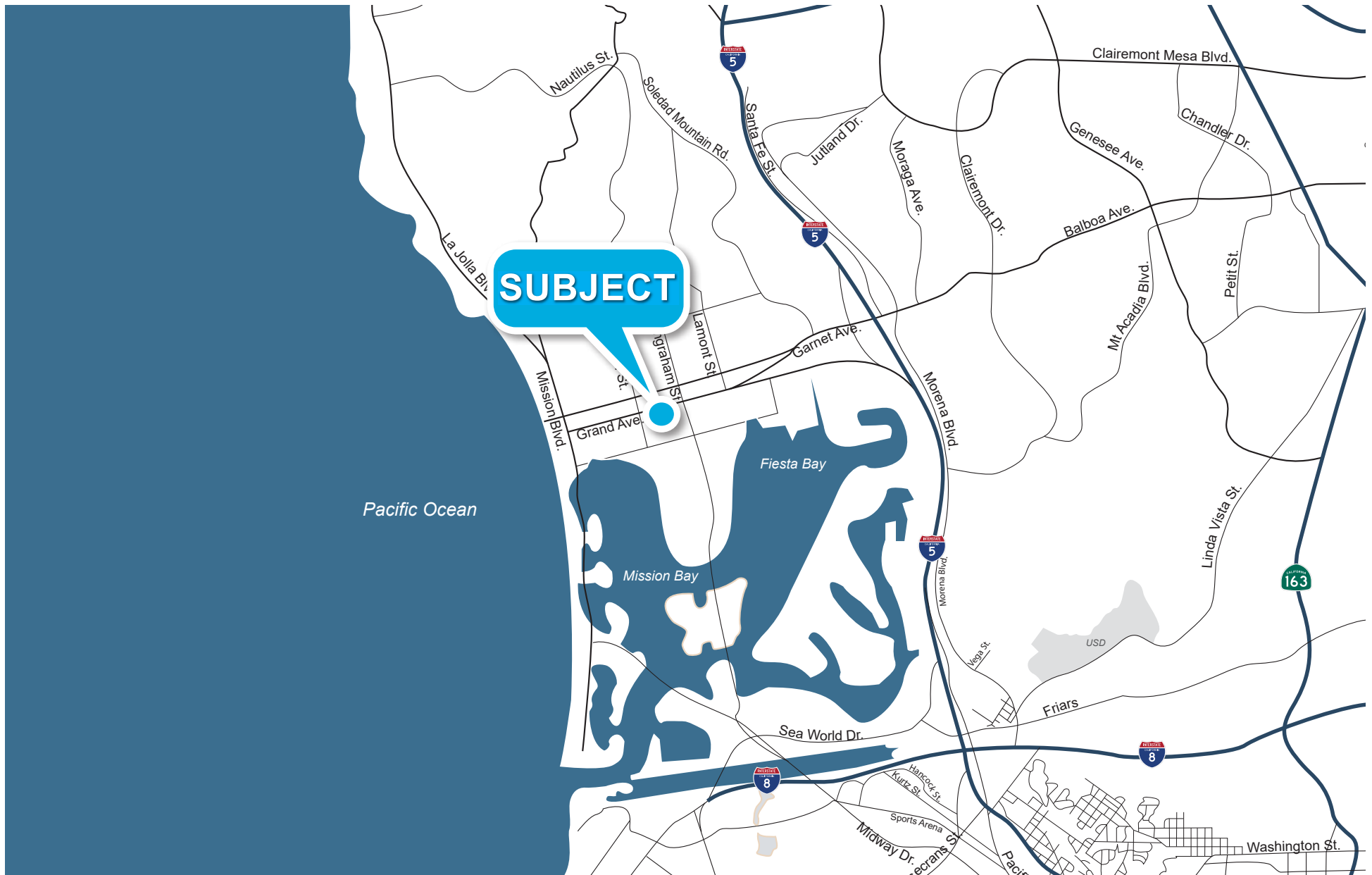
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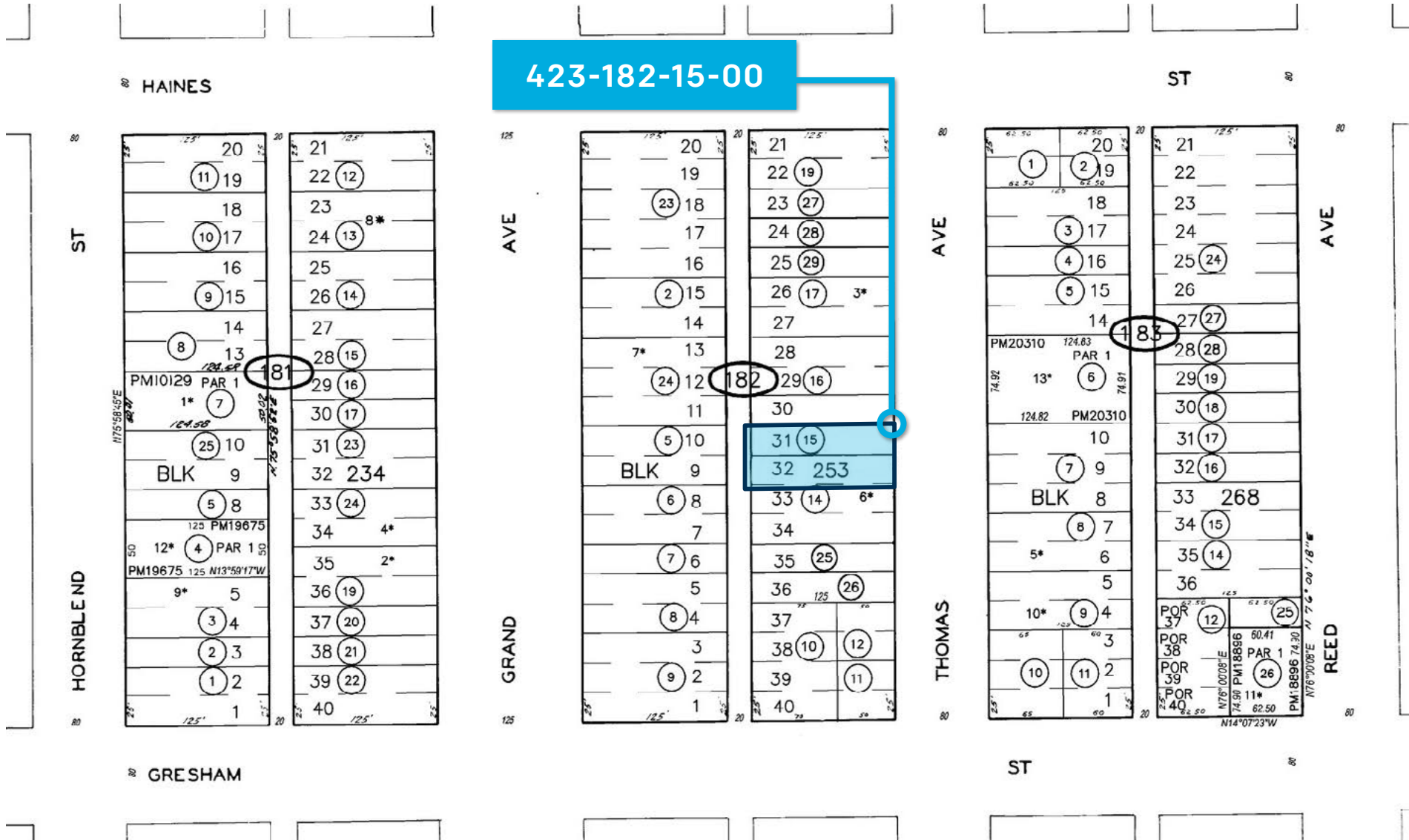
While the above information has been obtained from sources we believe to be reliable, Voit Real Estate, make no guarantees as to its accuracy. Buyers should independently verify all of the information presented herein including age, square footage, income, and expense information.











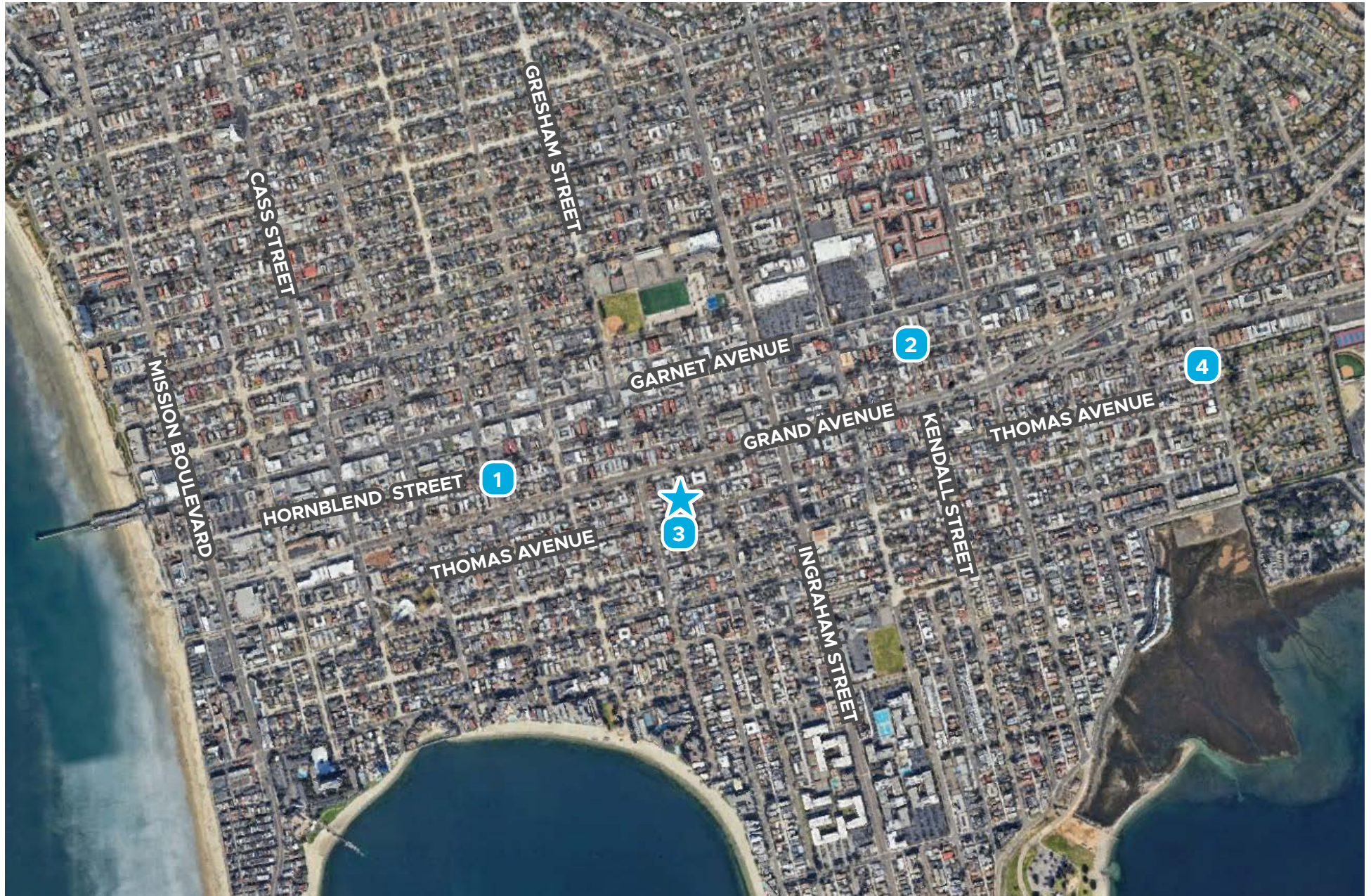


UNIT #	# OF BEDROOMS	# OF BATHROOMS	SIZE	CURRENT RENT	PRO-FORMA RENT
1	2 Bedrooms	1 Bath	1,000 SF	\$3,550	\$3,700
2	1 Bedrooms	1 Bath	700 SF	\$2,550	\$3,000
3	2 Bedrooms	1 Bath	1,000 SF	\$3,350	\$3,700
4	2 Bedrooms	1 Bath	970 SF	\$3,495	\$3,500
5	1 Bedrooms	1 Bath	700 SF	\$2,900	\$3,000
6	1 Bedrooms	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.

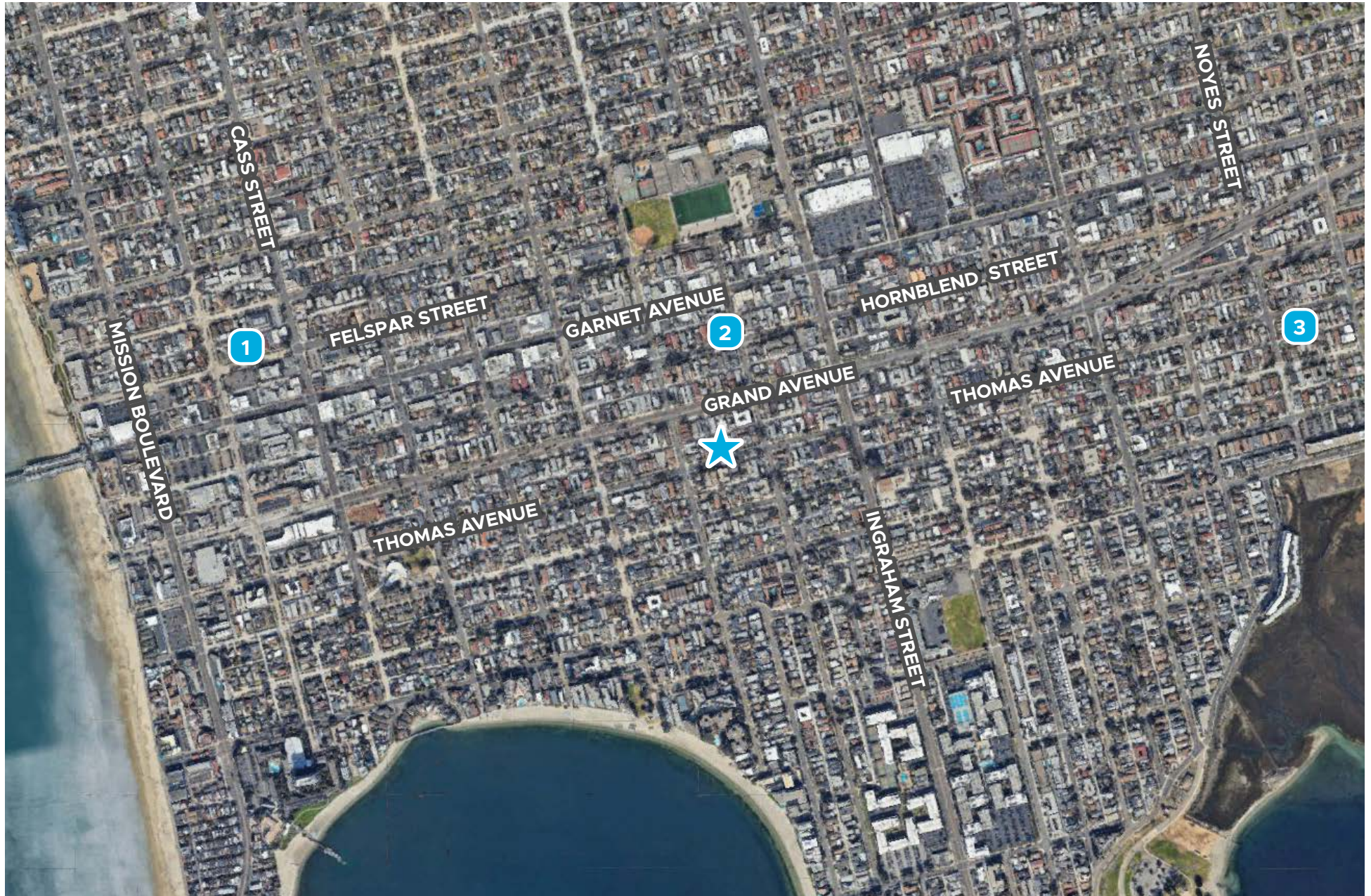






#	STREET ADDRESS	# OF UNITS	SALE PRICE	DATE LISTED	\$/SF	CAP RATE	GRM	\$/UNIT	AGE	UNIT MIX	PARKING	CONDITION
1	930 Felspar Street San Diego, CA 92109	24	\$13,000,000	6/23/2024	\$1,015	N/A	N/A	\$541,667	1960	(8) Studios (16) 1 Br+1 Ba	25 - Open Spaces	All units have been renovated. Shared laundry units. 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 root 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.
<b>AVERAGES</b>					<b>\$969</b>	<b>4.29%</b>	<b>15.70</b>	<b>\$640,222</b>				
★	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% \$12,336 \$1,542

#### 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



## ANNUALIZED OPERATING DATA

## 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

## INCOME

## GROSS POTENTIAL RENT

## CURRENT

\$286,080

## PRO FORMA

\$308,400

## PRO FORMA NOTES

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%	\$12,336	
Effective Gross Income		\$280,098		\$303,984	
Less: Expenses		\$91,042		\$96,577	

## NET OPERATING INCOME

\$189,056

67.50%

\$211,823

69.7%

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	1.9%	\$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	Based on current basis
Insurance		\$4,568		\$5,386	Trailing 10 Months
Utilities: Water		\$1,473		\$1,473	Trailing 10 Months
Utilities: Electric		\$1,370		\$1,370	Trailing 10 Months
Trash Removal		\$7,194		\$7,194	Trailing 10 Months
Repairs, Maintenance & Supplies		\$22,131		\$2,000	Trailing 10 Months
Grounds		\$1,320		\$1,320	Trailing 10 Months
Pest Control		\$1,380		\$1,380	Trailing 10 Months
Management Fee	6%	\$16,806	5%	\$15,199	6% Current - 5% starting 01/01/25

## Total Expenses

\$91,042

32.50%

\$96,577

31.8%

## 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

## ANNUALIZED OPERATING DATA

INCOME		CURRENT	PRO FORMA	PRO FORMA NOTES
<b>GROSS POTENTIAL RENT</b>		<b>\$286,080</b>	<b>\$361,200</b>	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	\$14,448	Standard
Effective Gross Income		\$280,098	\$349,872	
Less: Expenses		\$91,042	\$96,577	
<b>NET OPERATING INCOME</b>		<b>\$189,056</b>	<b>\$253,295</b>	<b>69.53%</b>

## 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
<b>10</b>	<b>TOTAL</b>			<b>\$23,840</b>	<b>\$30,100</b>

\*Estimated

RENTAL UPSIDE 20.80%





Bahia  
Resort

Paradise Point  
Resort & Spa

Mission Bay

SUBJECT

Catamaran  
Resort & Spa



PACIFIC BEACH

Grand Ave

Garnet Ave

Pacific Beach Dr

Mission Bay  
High School

Mission Bay  
Golf Course

Grand Ave



Lamont St

Soledad Mountain Rd

Garnet Ave

Grand Ave

Mission Bay Dr

Morena Blvd

Balboa Ave

Balboa Avenue  
Trolley Station











**A**  
OVERALL GRADE

**A+** **B**  
NIGHTLIFE DIVERSITY




**\$1,054,131**  
MEDIAN HOME VALUE

## 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! 



**96,581**  
POPULATION



**1,020**  
PROFESSIONAL SERVICES

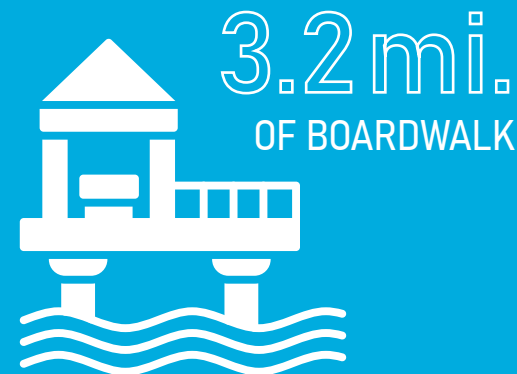


**44,322**  
HOUSEHOLDS

30  
PUBS & BARS



**\$134,759**  
AVERAGE HOUSEHOLD INCOME



*Demographics based on a 3 mile radius  
Sources: [www.costar.com](http://www.costar.com) & [www.sandiego.gov](http://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.

Pacific Beach (or as the locals call it, PB) is a San Diego neighborhood that has become a hotspot for surfers, young professionals, and

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## Amenity Rich Location







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