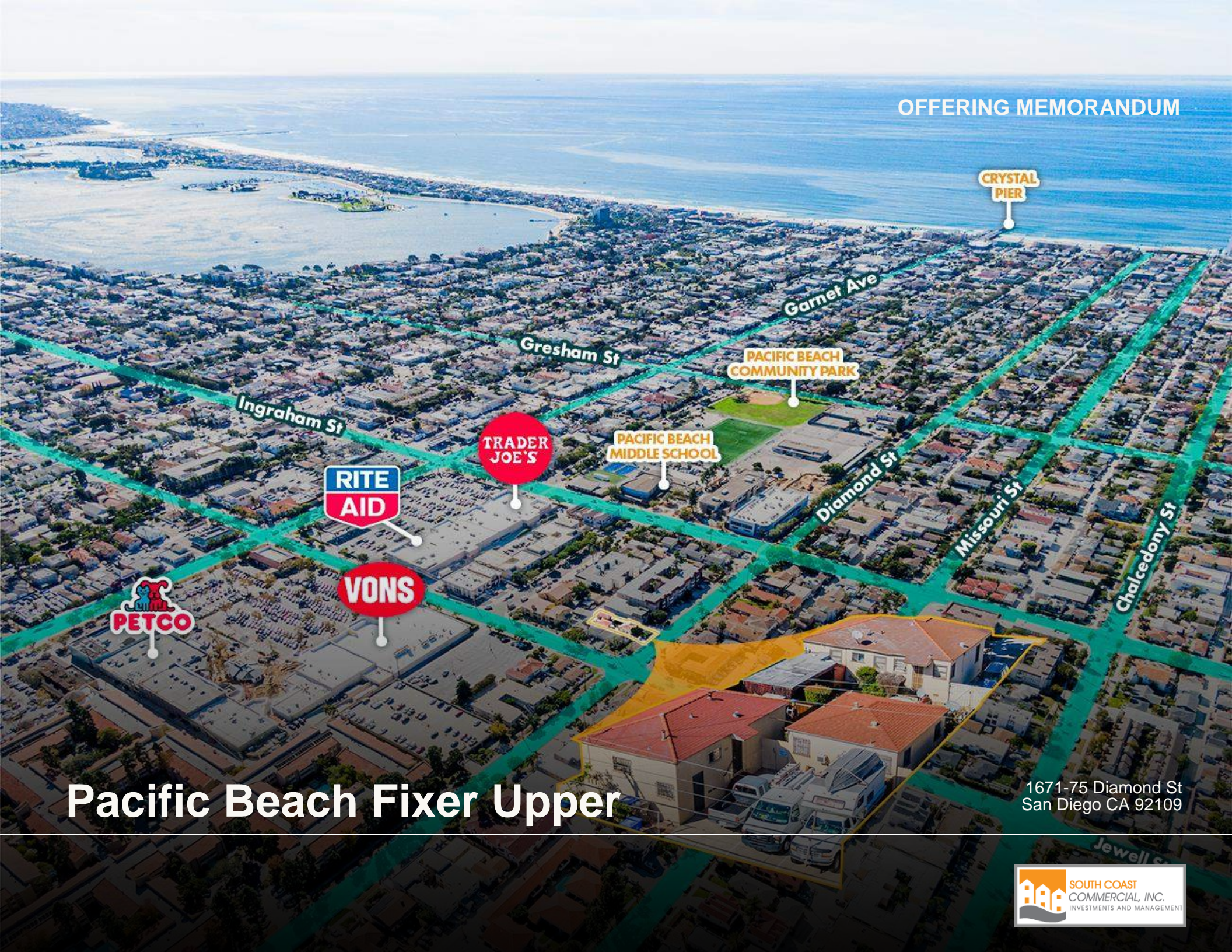


# OFFERING MEMORANDUM



CRYSTAL  
PIER

Garnet Ave

PACIFIC BEACH  
COMMUNITY PARK

Gresham St

PACIFIC BEACH  
MIDDLE SCHOOL

TRADER  
JOE'S

Diamond St

Missouri St

Chelcedony St

Ingraham St

RITE  
AID

VONS

PETCO

## Pacific Beach Fixer Upper

1671-75 Diamond St  
San Diego CA 92109



# Pacific Beach Fixer Upper

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- Investment Summary
- Unit Mix Summary
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- Multi-Year Cash Flow Assumptions
- Cash Flow Analysis
- Financial Metrics

### 04 Demographics

- Demographics
- Demographic Charts

*Exclusively Marketed by:*

#### **Cody Evans**

Vice President

858-729-3094

evans@scc1031.com

Lic: BRE# 01399935







01

## Executive Summary

Investment Summary

Unit Mix Summary

Location Summary



## OFFERING SUMMARY

ADDRESS	1671-75 Diamond St San Diego CA 92109
COUNTY	San Diego
MARKET	Coastal San Diego
SUBMARKET	Pacific Beach
APN	416-422-12-00
OWNERSHIP TYPE	Fee Simple

## FINANCIAL SUMMARY

OFFERING PRICE	\$1,500,000
OCCUPANCY	97.00 %
NOI (CURRENT)	\$26,154
NOI (Pro Forma)	\$68,058
CAP RATE (CURRENT)	1.74 %
CAP RATE (Pro Forma)	4.54 %
GRM (CURRENT)	29.76
GRM (Pro Forma)	16.03

## DEMOGRAPHICS

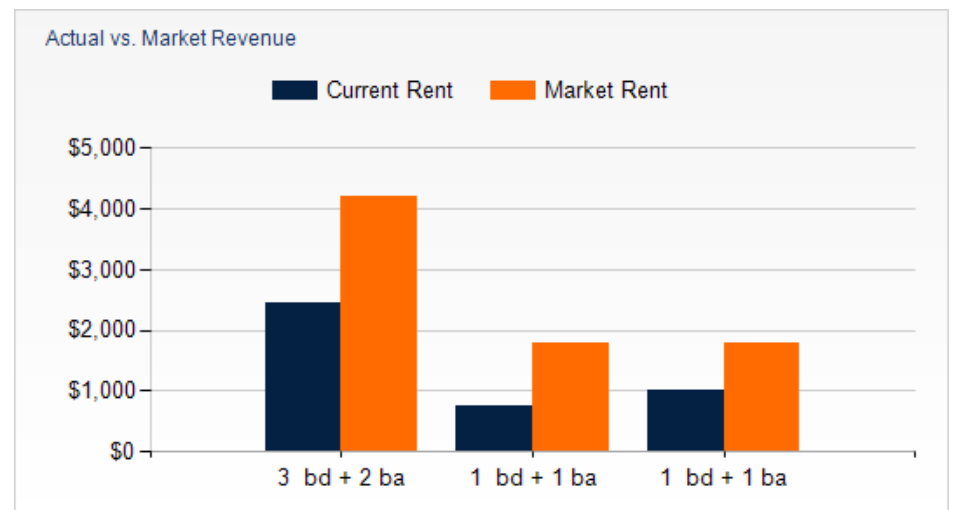
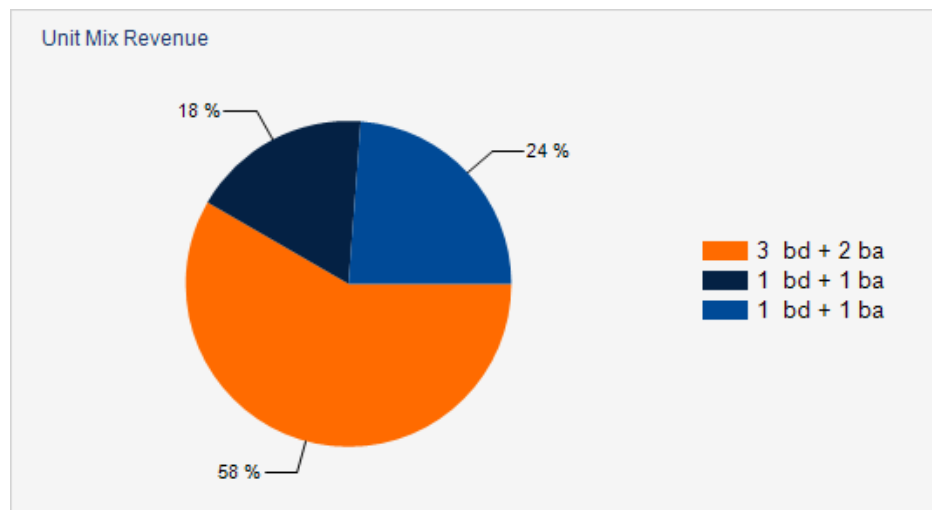
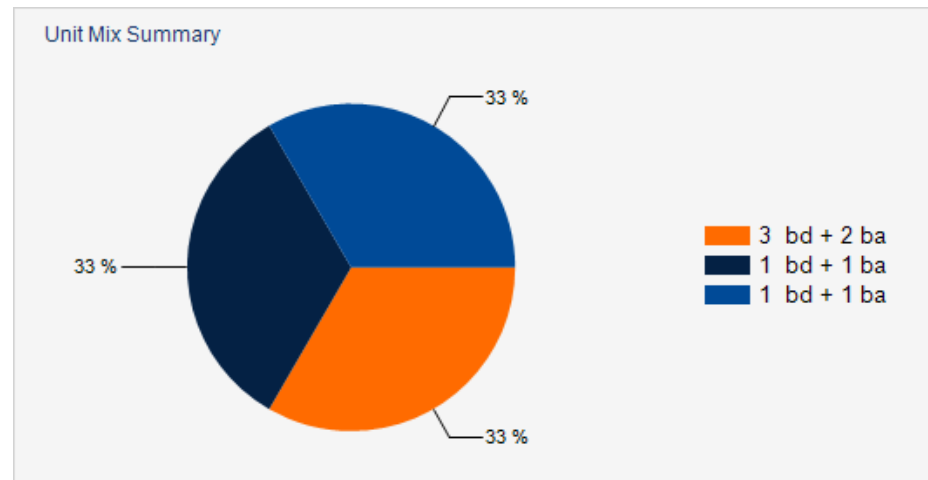
	1 MILE	3 MILE	5 MILE
2021 Population	32,590	99,462	294,824
2021 Median HH Income	\$85,479	\$96,885	\$90,103
2021 Average HH Income	\$111,536	\$131,802	\$120,882



## Property Description

- 1671-75 Diamond Street consists of three rental on a 6,241 sq ft lot. Each unit is its own free standing structure with private yards and individual laundry hook-ups. The front home has 3 bedrooms and 2 bathrooms. And the back two buildings are both 1 bedroom 1 bath units. All residents are month to month. Homes are located in walking distance to all the shops, restaurants, and bars. Approximately one mile to the beach too. This property has been held in the same family for decades. Rents are significantly under market. The complex represents a tremendous opportunity to acquire a value add investment in the highly desired community of Pacific Beach.

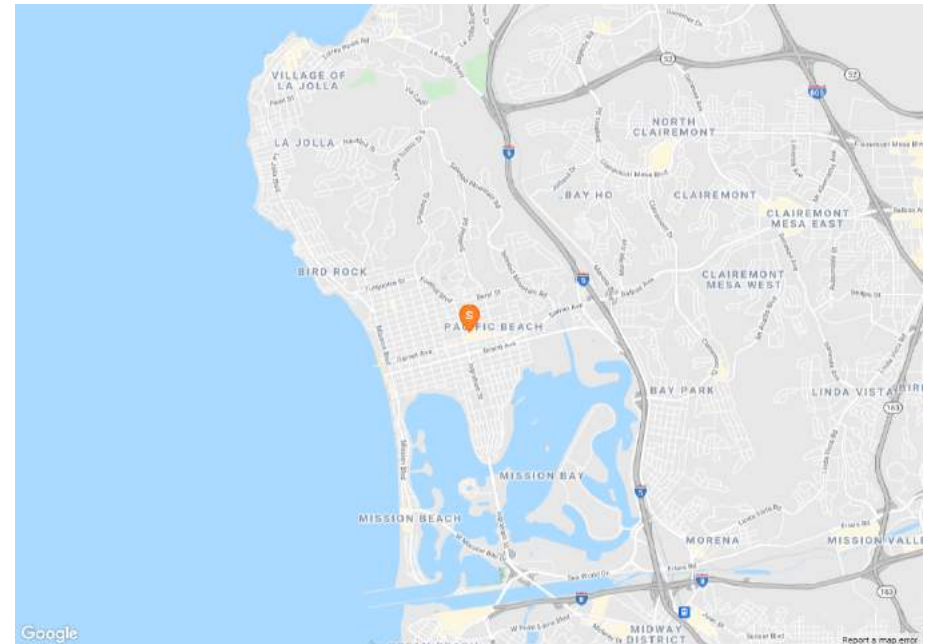
		Actual		Market	
Unit Mix	# Units	Current Rent	Monthly Income	Market Rent	Market Income
3 bd + 2 ba	1	\$2,450	\$2,450	\$4,200	\$4,200
1 bd + 1 ba	1	\$750	\$750	\$1,800	\$1,800
1 bd + 1 ba	1	\$1,000	\$1,000	\$1,800	\$1,800
<b>Totals/Averages</b>	<b>3</b>	<b>\$1,400</b>	<b>\$4,200</b>	<b>\$2,600</b>	<b>\$7,800</b>



## Area Description

- Pacific Beach is a popular coastal community within the city of San Diego, known for its beaches, surf culture, retail shops, wide selection of restaurants, and as one of San Diego's most developed nightlife destinations. The lure of the surf and sand by day and abundance of bars and restaurants at night help make the seaside neighborhood of Pacific Beach or "P.B." as it's referred to by locals. Within the 92019 ZIP Code where Pacific Beach is located there are roughly 350 restaurants, bars, and coffee shops. Trendy hotel bars and casual cafes line the 3.2-mile-long boardwalk, while Mission Boulevard and the surrounding streets are dotted with women's clothing boutiques, yoga studios and casual eating spots. While formerly largely populated by young people, surfers, and college students, because of rising property and rental costs the population is gradually becoming older and more affluent. PB is bordered by the Pacific Ocean to the west, La Jolla to the north, Mission Beach to the south, and Interstate 5 to the east.

Locator Map







02

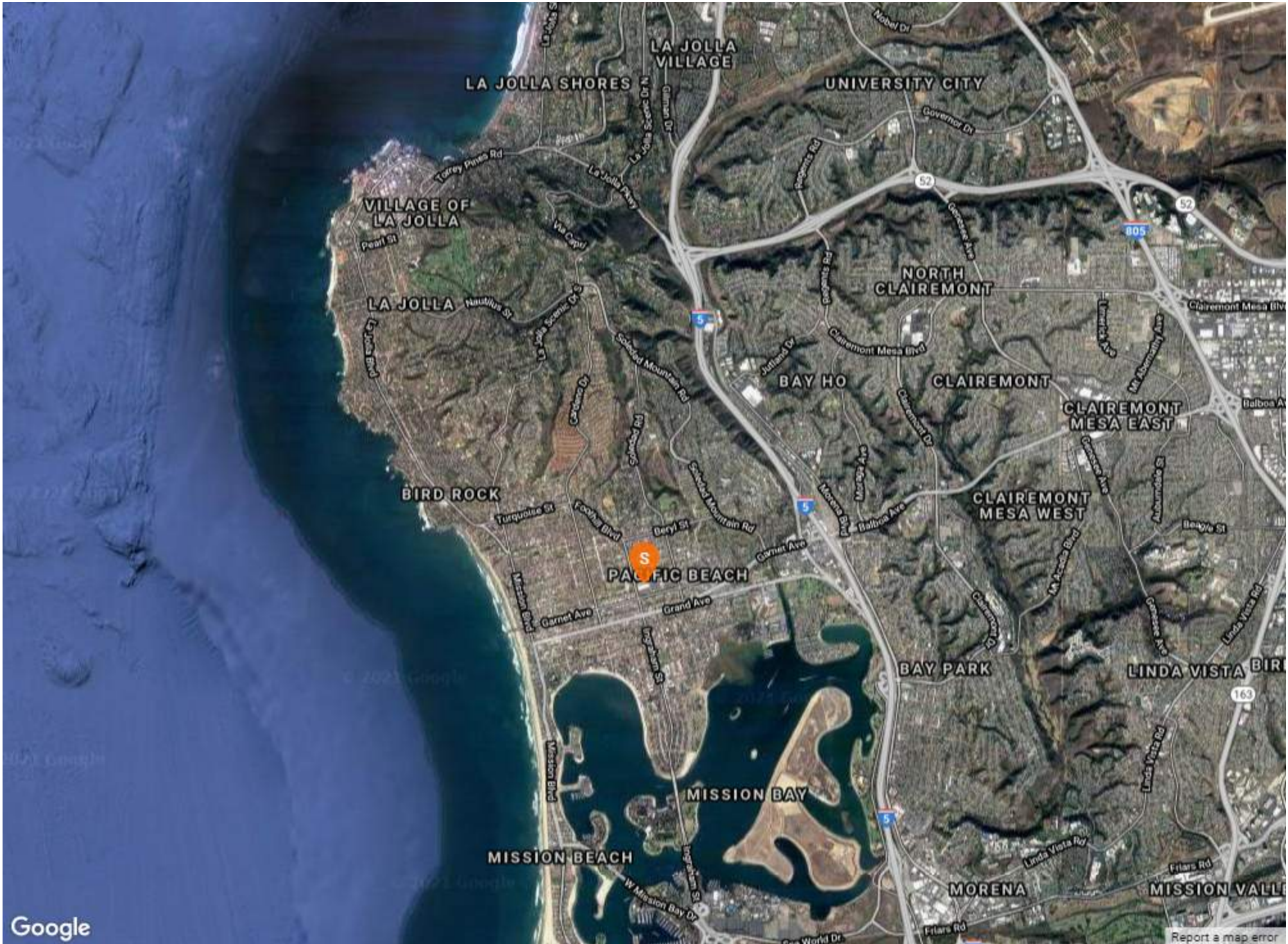
## Property Description

Aerial Map

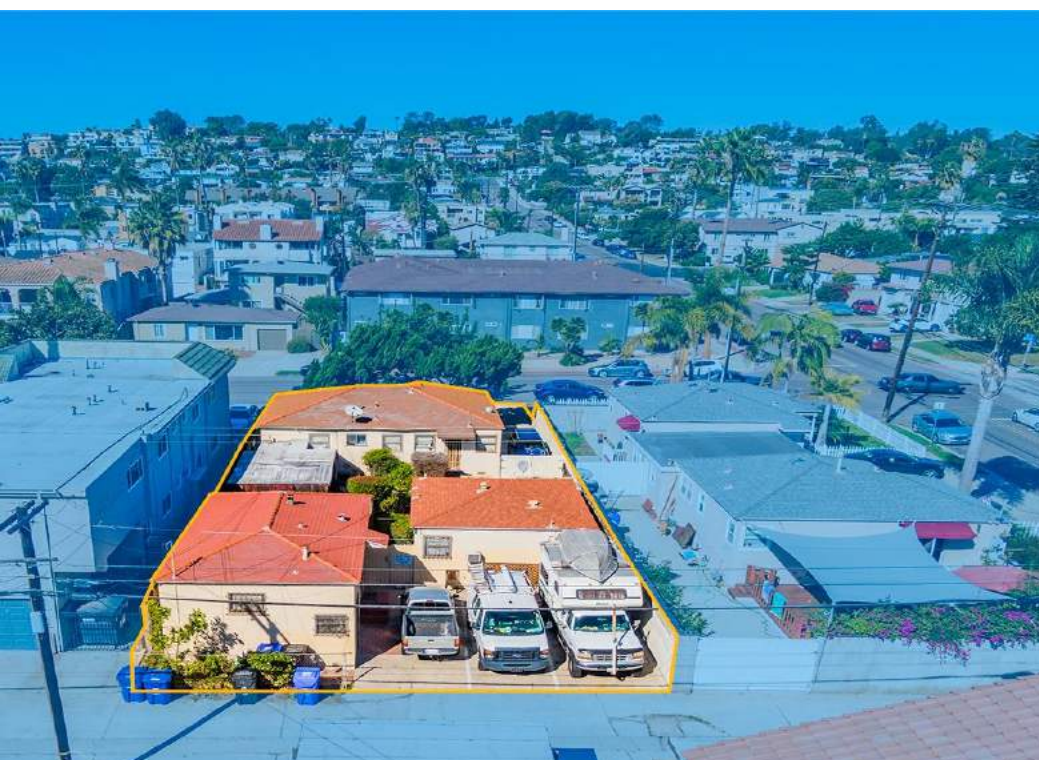
Parcel Map

Pictures with Captions













1671 Living Room



1671 Bedroom



1671 Kitchen



1671 Bathroom





1671 Private Yard



1673 Living Room



1673 Kitchen



1673 Bathroom





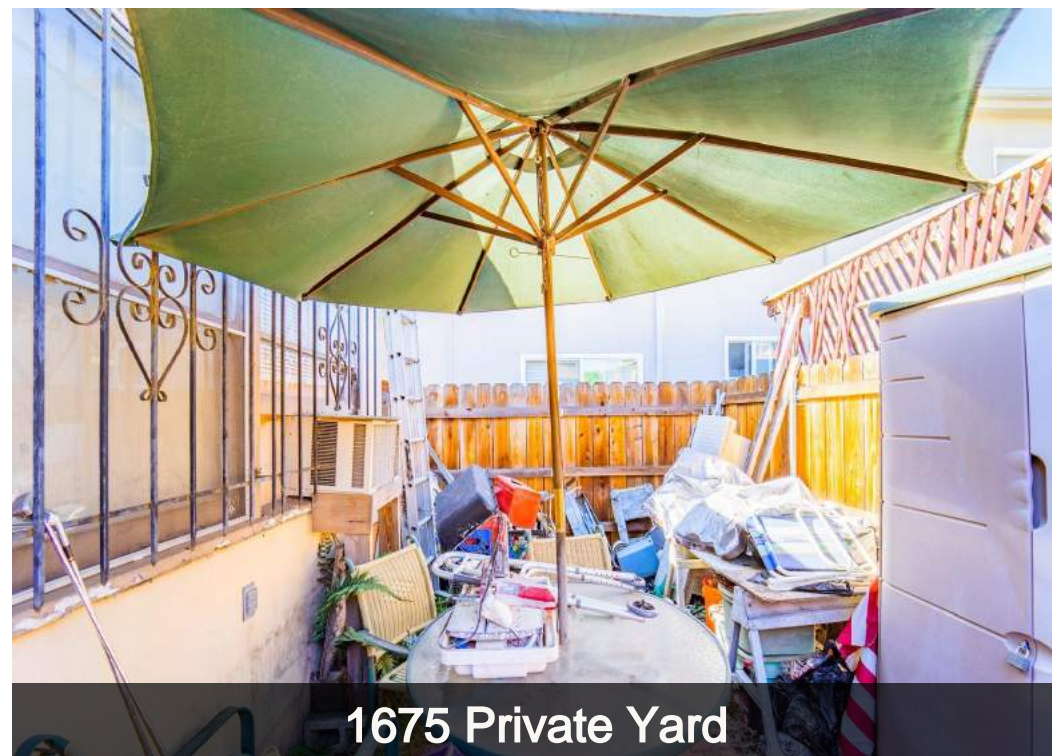
**1675 Living Room**



**1675 Kitchen**



**1675 Bathroom**



**1675 Private Yard**

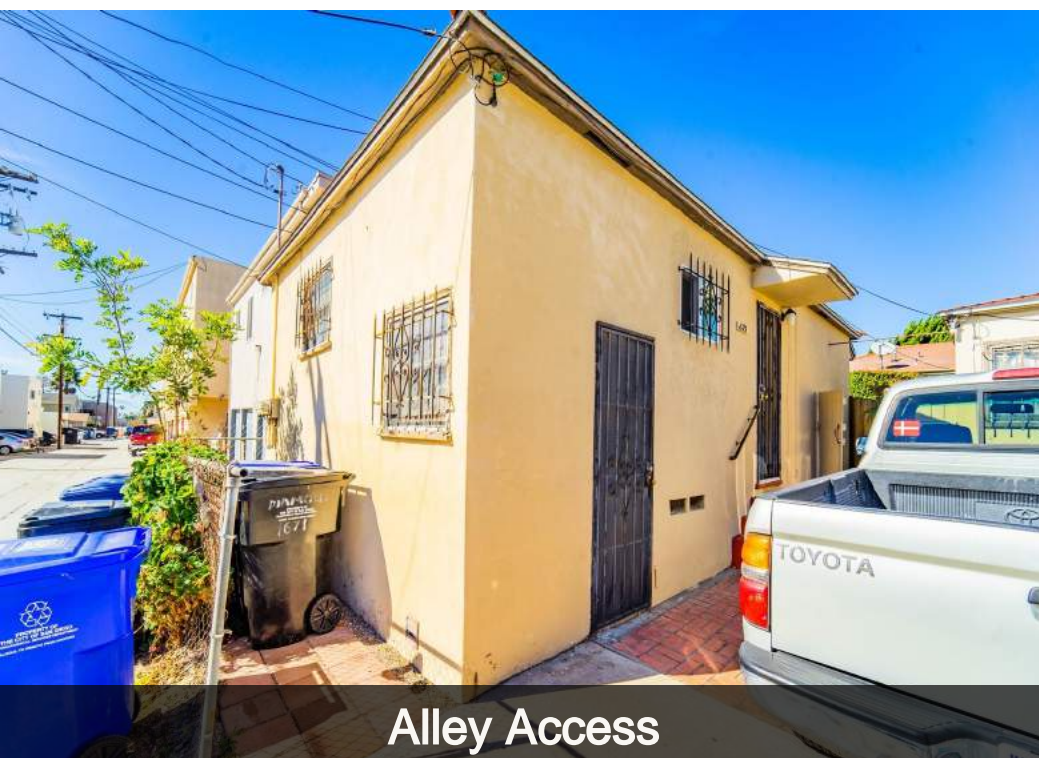




Individual Laundry Hook-ups



Driveway Parking in Front



Alley Access



More Parking Spaces in Back









03

### Financial Analysis

Income & Expense

Multiyear Cash Flow Assumptions

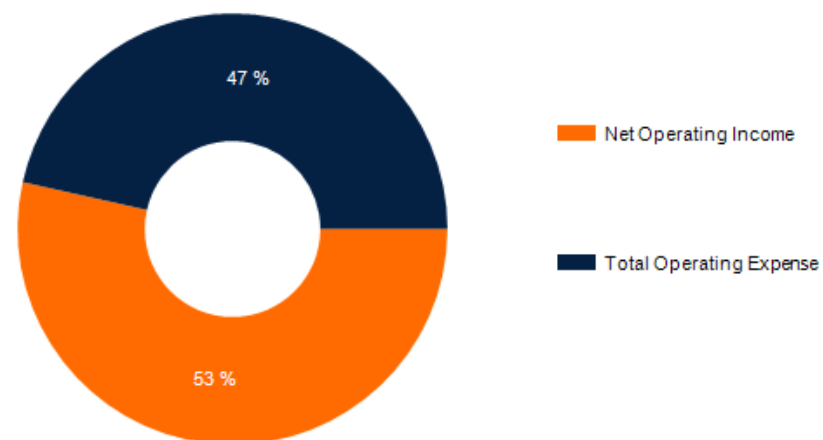
Multiyear Cash Flow Projections

Financial Metrics



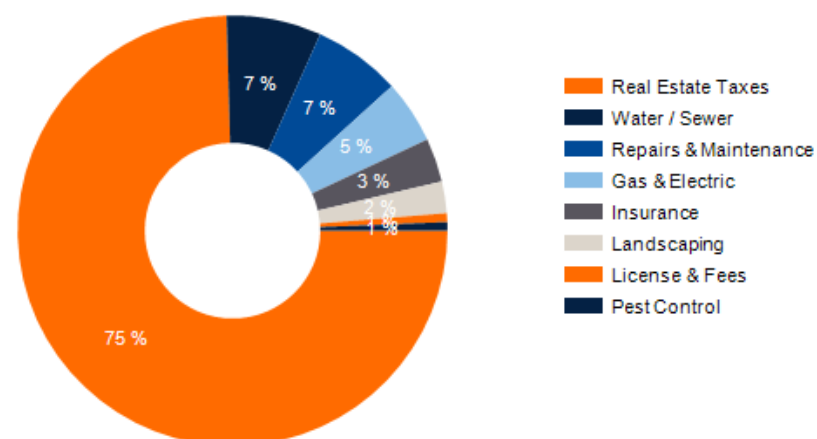
INCOME	CURRENT	PRO FORMA
<b>Gross Potential Income</b>	<b>\$50,400</b>	<b>\$93,600</b>
Less: General Vacancy	\$1,512	\$2,808
<b>Effective Gross Income</b>	<b>\$48,888</b>	<b>\$90,792</b>
Less: Expenses	\$22,734	\$22,734
<b>Net Operating Income</b>	<b>\$26,154</b>	<b>\$68,058</b>

## REVENUE ALLOCATION CURRENT



EXPENSES	CURRENT	PRO FORMA
Real Estate Taxes	\$16,950	\$16,950
Insurance	\$750	\$750
License & Fees	\$150	\$150
Repairs & Maintenance	\$1,500	\$1,500
Water / Sewer	\$1,620	\$1,620
Landscaping	\$540	\$540
Pest Control	\$144	\$144
Gas & Electric	\$1,080	\$1,080
<b>Total Operating Expense</b>	<b>\$22,734</b>	<b>\$22,734</b>
% of EGI	46.50 %	25.04 %

## DISTRIBUTION OF EXPENSES CURRENT





GLOBAL

Offering Price	\$1,500,000
----------------	-------------

EXPENSES - Growth Rates

Real Estate Taxes	2.00 %
Insurance	3.00 %
License & Fees	3.00 %
Repairs & Maintenance	3.00 %
Water / Sewer	3.00 %
Landscaping	3.00 %
Pest Control	3.00 %
Gas & Electric	3.00 %

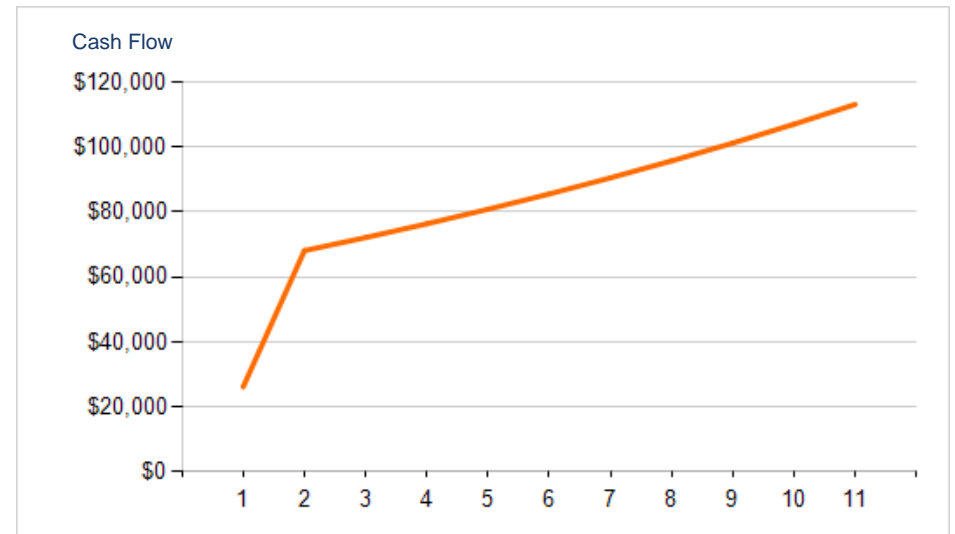
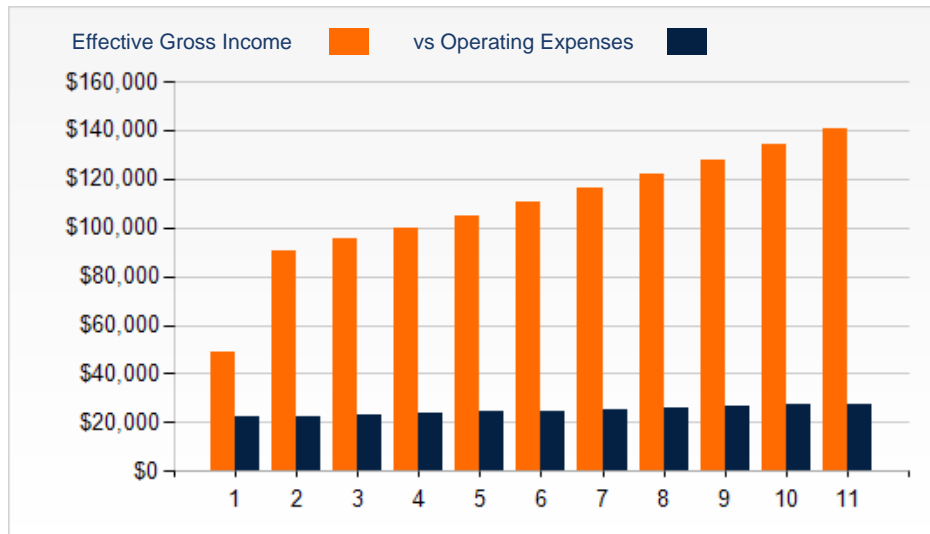


INCOME - Growth Rates	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Gross Potential Rent	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%



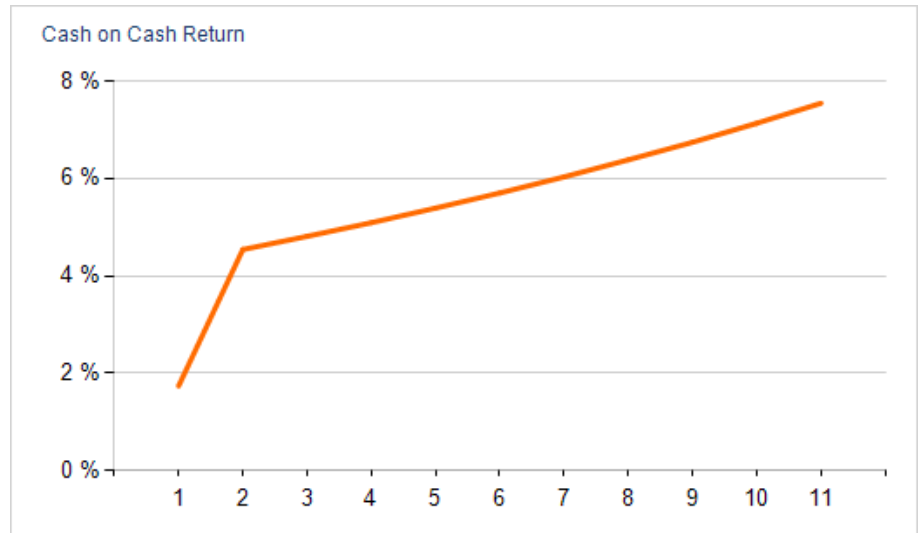
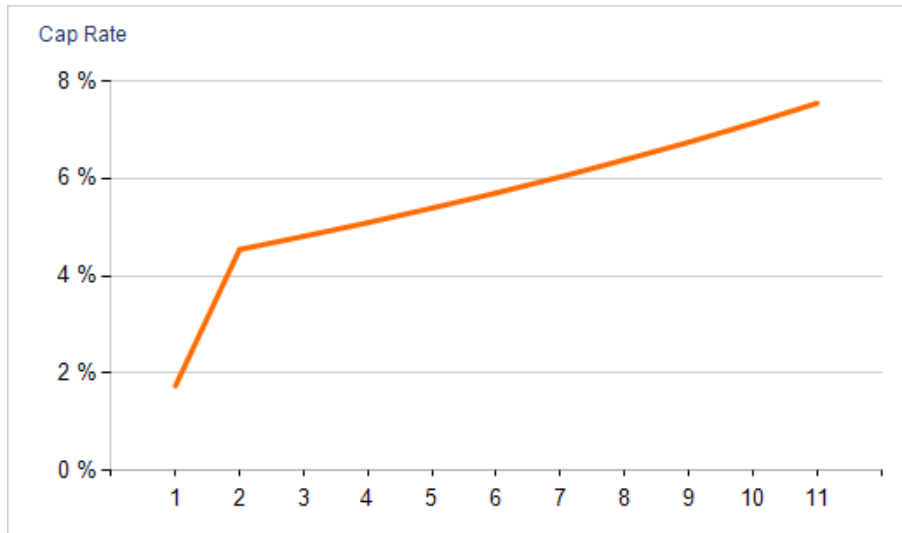
## CASH FLOW

Calendar Year	CURRENT	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Gross Potential Revenue</b>											
Gross Rental Income	\$50,400	\$93,600	\$98,280	\$103,194	\$108,354	\$113,771	\$119,460	\$125,433	\$131,705	\$138,290	\$145,204
General Vacancy	-\$1,512	-\$2,808	-\$2,948	-\$3,096	-\$3,251	-\$3,413	-\$3,584	-\$3,763	-\$3,951	-\$4,149	-\$4,356
<b>Effective Gross Income</b>	<b>\$48,888</b>	<b>\$90,792</b>	<b>\$95,332</b>	<b>\$100,098</b>	<b>\$105,103</b>	<b>\$110,358</b>	<b>\$115,876</b>	<b>\$121,670</b>	<b>\$127,753</b>	<b>\$134,141</b>	<b>\$140,848</b>
<b>Operating Expenses</b>											
Real Estate Taxes	\$16,950	\$16,950	\$17,289	\$17,635	\$17,987	\$18,347	\$18,714	\$19,088	\$19,470	\$19,860	\$20,257
Insurance	\$750	\$750	\$773	\$796	\$820	\$844	\$869	\$896	\$922	\$950	\$979
License & Fees	\$150	\$150	\$155	\$159	\$164	\$169	\$174	\$179	\$184	\$190	\$196
Repairs & Maintenance	\$1,500	\$1,500	\$1,545	\$1,591	\$1,639	\$1,688	\$1,739	\$1,791	\$1,845	\$1,900	\$1,957
Water / Sewer	\$1,620	\$1,620	\$1,669	\$1,719	\$1,770	\$1,823	\$1,878	\$1,934	\$1,992	\$2,052	\$2,114
Landscaping	\$540	\$540	\$556	\$573	\$590	\$608	\$626	\$645	\$664	\$684	\$705
Pest Control	\$144	\$144	\$148	\$153	\$157	\$162	\$167	\$172	\$177	\$182	\$188
Gas & Electric	\$1,080	\$1,080	\$1,112	\$1,146	\$1,180	\$1,216	\$1,252	\$1,290	\$1,328	\$1,368	\$1,409
<b>Total Operating Expense</b>	<b>\$22,734</b>	<b>\$22,734</b>	<b>\$23,247</b>	<b>\$23,771</b>	<b>\$24,308</b>	<b>\$24,857</b>	<b>\$25,419</b>	<b>\$25,995</b>	<b>\$26,584</b>	<b>\$27,187</b>	<b>\$27,804</b>
<b>Net Operating Income</b>	<b>\$26,154</b>	<b>\$68,058</b>	<b>\$72,085</b>	<b>\$76,327</b>	<b>\$80,795</b>	<b>\$85,501</b>	<b>\$90,457</b>	<b>\$95,675</b>	<b>\$101,170</b>	<b>\$106,955</b>	<b>\$113,045</b>





Calendar Year	CURRENT	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Financial Metrics</b>											
Cash on Cash Return b/t	1.74 %	4.54 %	4.81 %	5.09 %	5.39 %	5.70 %	6.03 %	6.38 %	6.74 %	7.13 %	7.54 %
CAP Rate	1.74 %	4.54 %	4.81 %	5.09 %	5.39 %	5.70 %	6.03 %	6.38 %	6.74 %	7.13 %	7.54 %
Operating Expense Ratio	46.50 %	25.03 %	24.38 %	23.74 %	23.12 %	22.52 %	21.93 %	21.36 %	20.80 %	20.26 %	19.74 %
Gross Multiplier (GRM)	29.76	16.03	15.26	14.54	13.84	13.18	12.56	11.96	11.39	10.85	10.33
Breakeven Ratio	46.50 %	25.04 %	24.38 %	23.75 %	23.13 %	22.52 %	21.94 %	21.37 %	20.81 %	20.27 %	19.74 %







04

## Demographics

Demographic Details

Demographic Charts



POPULATION	1 MILE	3 MILE	5 MILE
2000 Population	31,831	97,658	276,922
2010 Population	32,152	97,854	287,773
2021 Population	32,590	99,462	294,824
2026 Population	32,898	100,859	301,744
2021 African American	488	1,385	8,056
2021 American Indian	123	409	1,474
2021 Asian	1,419	5,675	41,163
2021 Hispanic	4,865	16,269	53,769
2021 Other Race	1,741	5,847	20,349
2021 White	27,184	80,831	206,441
2021 Multiracial	1,554	5,066	16,392
2021-2026: Population: Growth Rate	0.95 %	1.40 %	2.35 %
2021 HOUSEHOLD INCOME	1 MILE	3 MILE	5 MILE
less than \$15,000	1,030	2,633	8,973
\$15,000-\$24,999	699	2,145	6,252
\$25,000-\$34,999	983	2,382	6,663
\$35,000-\$49,999	1,669	4,067	11,851
\$50,000-\$74,999	2,783	6,669	18,289
\$75,000-\$99,999	2,414	5,860	15,842
\$100,000-\$149,999	3,431	9,250	25,498
\$150,000-\$199,999	1,929	5,681	14,363
\$200,000 or greater	1,760	7,664	17,414
Median HH Income	\$85,479	\$96,885	\$90,103
Average HH Income	\$111,536	\$131,802	\$120,882

HOUSEHOLDS	1 MILE	3 MILE	5 MILE
2000 Total Housing	17,383	49,767	128,364
2010 Total Households	16,444	45,601	122,479
2021 Total Households	16,697	46,352	125,152
2026 Total Households	16,827	46,915	128,300
2021 Average Household Size	1.93	2.13	2.23
2000 Owner Occupied Housing	4,615	22,194	57,108
2000 Renter Occupied Housing	11,867	24,434	64,301
2021 Owner Occupied Housing	4,390	21,147	56,068
2021 Renter Occupied Housing	12,307	25,205	69,084
2021 Vacant Housing	1,251	4,448	10,677
2021 Total Housing	17,948	50,800	135,829
2026 Owner Occupied Housing	4,463	21,479	56,936
2026 Renter Occupied Housing	12,364	25,436	71,364
2026 Vacant Housing	1,267	4,517	10,932
2026 Total Housing	18,094	51,432	139,232
2021-2026: Households: Growth Rate	0.80 %	1.20 %	2.50 %



2021 POPULATION BY AGE	1 MILE	3 MILE	5 MILE
2021 Population Age 30-34	5,447	10,727	30,066
2021 Population Age 35-39	3,234	8,247	23,048
2021 Population Age 40-44	1,887	6,087	17,314
2021 Population Age 45-49	1,377	5,249	14,699
2021 Population Age 50-54	1,269	5,195	14,851
2021 Population Age 55-59	1,224	5,774	16,206
2021 Population Age 60-64	1,138	5,551	15,850
2021 Population Age 65-69	973	4,925	13,697
2021 Population Age 70-74	928	4,411	12,203
2021 Population Age 75-79	635	3,264	8,850
2021 Population Age 80-84	451	2,262	6,515
2021 Population Age 85+	578	2,985	8,383
2021 Population Age 18+	29,719	86,379	253,463
2021 Median Age	33	38	36

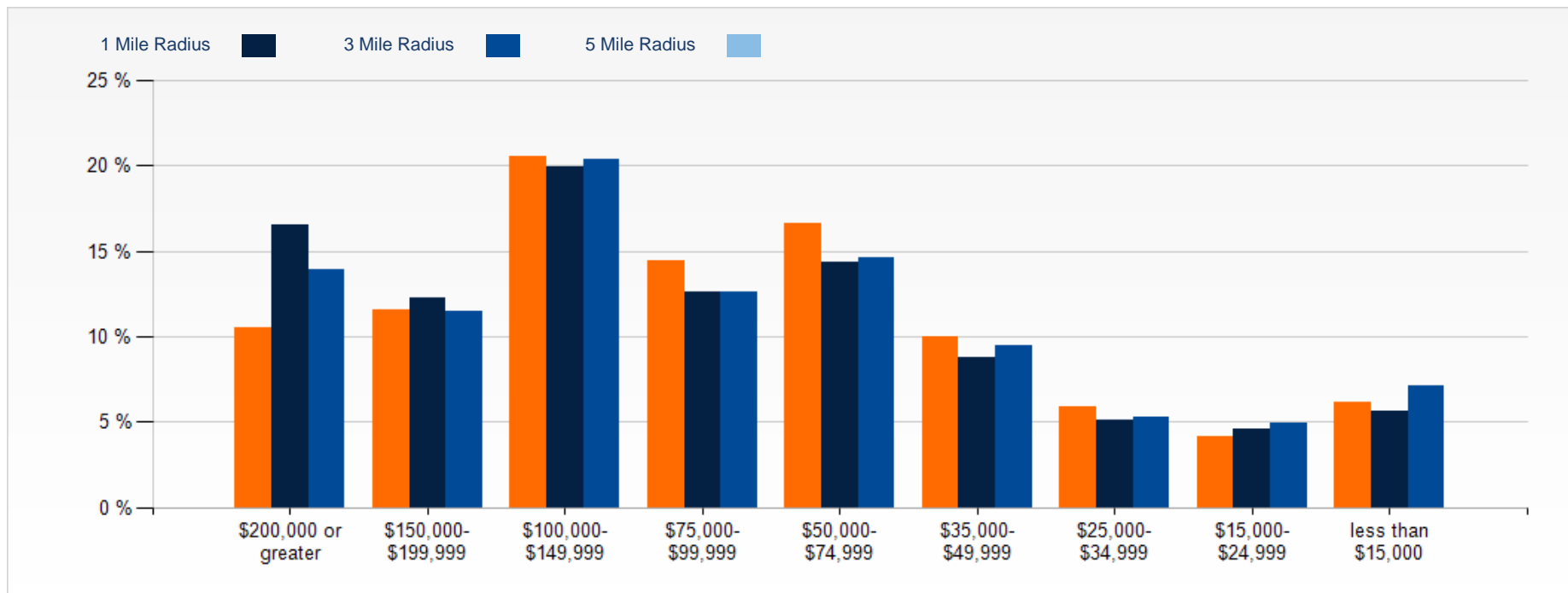
2021 INCOME BY AGE	1 MILE	3 MILE	5 MILE
Median Household Income 25-34	\$85,069	\$88,505	\$87,838
Average Household Income 25-34	\$102,406	\$109,440	\$106,064
Median Household Income 35-44	\$98,460	\$109,288	\$104,761
Average Household Income 35-44	\$130,199	\$146,472	\$135,065
Median Household Income 45-54	\$116,338	\$129,828	\$118,681
Average Household Income 45-54	\$151,399	\$175,002	\$156,576
Median Household Income 55-64	\$105,536	\$119,552	\$108,473
Average Household Income 55-64	\$139,736	\$167,166	\$148,285
Median Household Income 65-74	\$78,877	\$93,639	\$83,029
Average Household Income 65-74	\$110,615	\$134,460	\$120,929
Average Household Income 75+	\$82,659	\$102,131	\$90,520

2026 POPULATION BY AGE	1 MILE	3 MILE	5 MILE
2026 Population Age 30-34	5,215	10,087	27,401
2026 Population Age 35-39	3,549	8,351	24,534
2026 Population Age 40-44	2,313	7,232	20,367
2026 Population Age 45-49	1,577	5,792	16,384
2026 Population Age 50-54	1,278	5,153	14,631
2026 Population Age 55-59	1,183	5,217	14,802
2026 Population Age 60-64	1,152	5,566	15,651
2026 Population Age 65-69	1,013	5,181	14,726
2026 Population Age 70-74	921	4,577	12,807
2026 Population Age 75-79	738	3,829	10,869
2026 Population Age 80-84	584	2,732	7,643
2026 Population Age 85+	599	3,089	8,838
2026 Population Age 18+	30,038	87,896	260,615
2026 Median Age	34	39	37

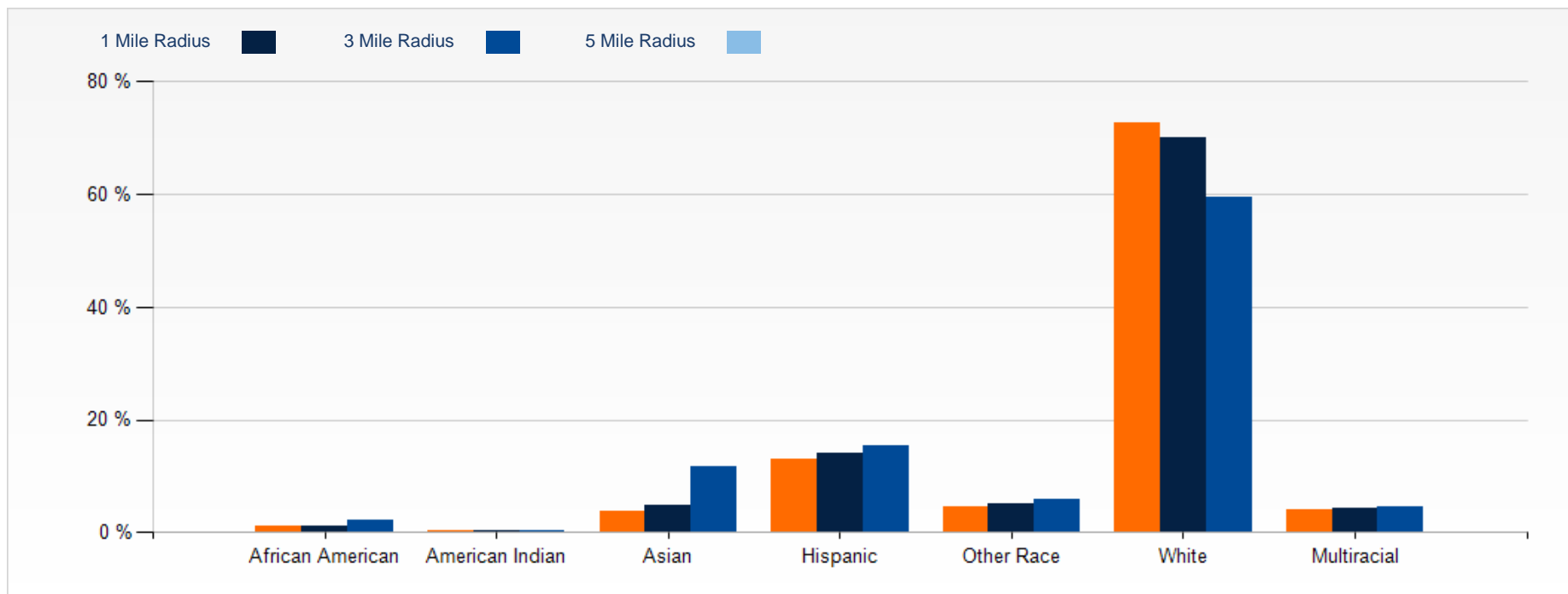
2026 INCOME BY AGE	1 MILE	3 MILE	5 MILE
Median Household Income 25-34	\$97,511	\$100,881	\$99,098
Average Household Income 25-34	\$116,439	\$124,614	\$120,115
Median Household Income 35-44	\$106,659	\$119,899	\$113,577
Average Household Income 35-44	\$144,986	\$163,879	\$152,137
Median Household Income 45-54	\$124,754	\$139,565	\$127,495
Average Household Income 45-54	\$168,377	\$190,724	\$172,364
Median Household Income 55-64	\$112,636	\$128,875	\$118,213
Average Household Income 55-64	\$152,714	\$182,597	\$164,536
Median Household Income 65-74	\$86,571	\$104,169	\$95,879
Average Household Income 65-74	\$124,011	\$151,721	\$138,453
Average Household Income 75+	\$95,451	\$119,735	\$108,134



## 2021 Household Income

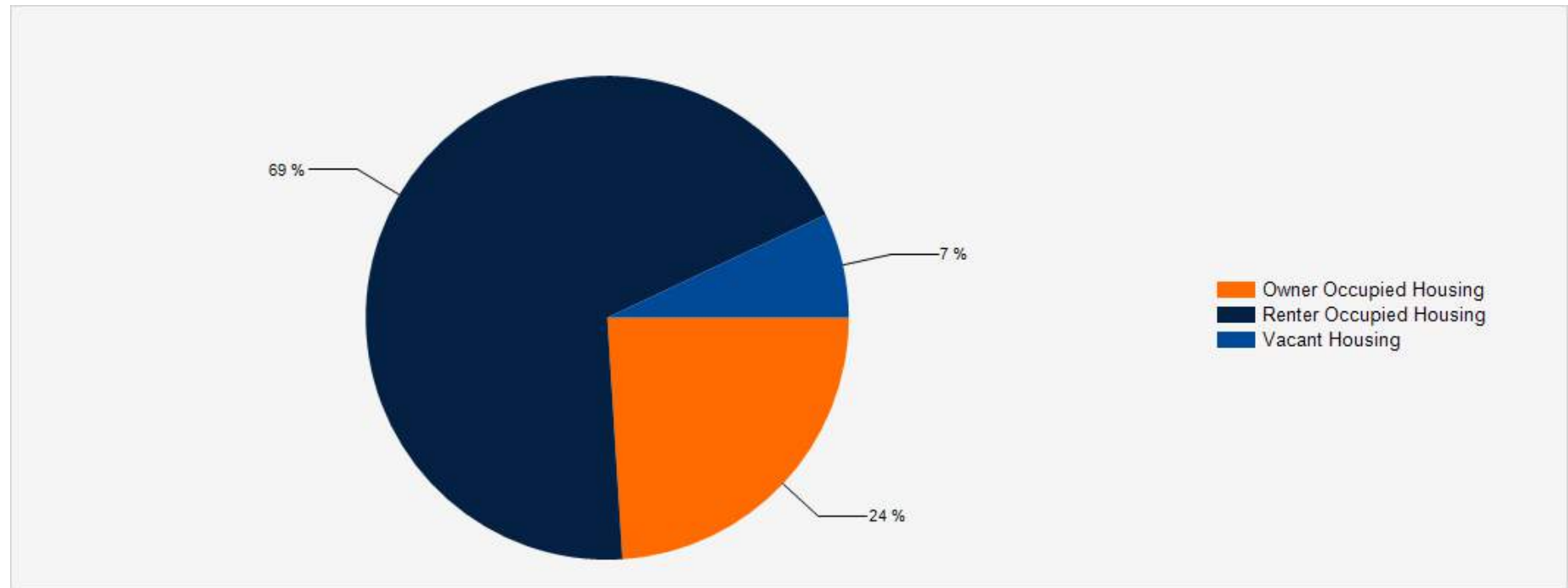


## 2021 Population by Race

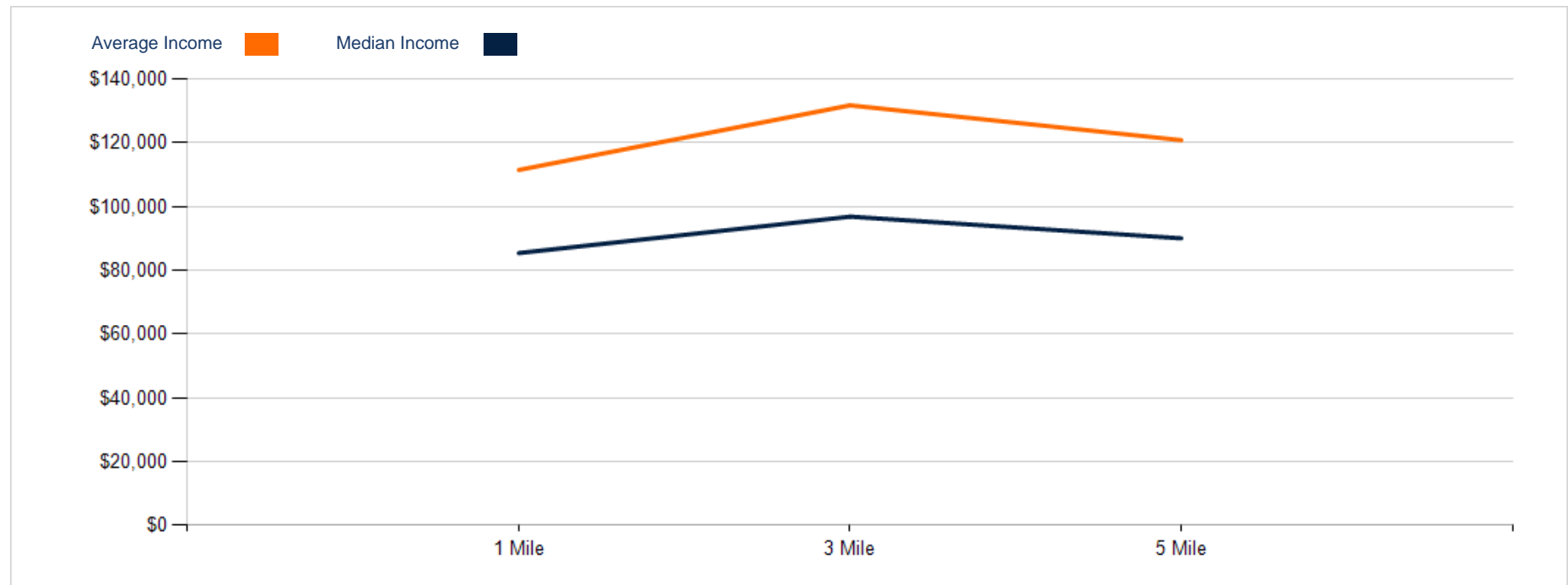




## 2021 Household Occupancy - 1 Mile Radius



## 2021 Household Income Average and Median





# Pacific Beach Fixer Upper

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The information contained herein is not a substitute for a thorough due diligence investigation. South Coast Commercial Inc. has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property.

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