

4 2 8 6 M O R R E L L S T R E E T

San Diego, CA 92109



O F F E R I N G M E M O R A N D U M

Marcus & Millichap

PROPERTY OVERVIEW

MARCUS & MILLICHAP IS PLEASED TO PRESENT 4286-88 MORRELL STREET, A SIX (6) UNIT MULTIFAMILY PROPERTY LOCATED IN THE HEART OF PACIFIC BEACH. PACIFIC BEACH IS COMPRISED OF MOSTLY SINGLE FAMILY HOMES, CONDO RESIDENCES, AND LUXURY APARTMENTS. OWNERS TEND TO HOLD ONTO INVESTMENTS IN THIS PRIZED LOCATION, AS A RESULT PROPERTIES ARE SELDOM SEEN ON THE MARKET. PACIFIC BEACH IS PERCEIVED TO BE AMONG THE BEST MULTIFAMILY INVESTMENT NEIGHBORHOODS IN SAN DIEGO, ALONG WITH DEL MAR, CORONADO, AND NEIGHBORING LA JOLLA.

THE 4,278 SQUARE FOOT PROPERTY IS COMPRISED OF 6 STUDIO APARTMENTS. ALL UNITS HAVE BEEN REMODELED IN 2016, ADDITIONALLY THE PROPERTY WAS RECENTLY REPAINTED. EACH UNIT IS EQUIPPED WITH TILE FLOOR AND A REFRIGERATOR. THE PROPERTY OFFERS RESIDENCE AN OPPORTUNITY TO LIVE AN IDYLIC SUBURBAN LIFESTYLE, WHILE BEING SITUATED A SHORT WALK TO THE BEACH AND A MYRIAD OF LOCAL SHOPS AND RESTAURANTS.

THIS PROPERTY IS AN OPPORTUNITY FOR AN INVESTOR TO PURCHASE A SOLID INVESTMENT IN A STRONG RENTAL SUBMARKET. THE OWNER WILL ENJOY THE SECURITY OF HAVING A PROPERTY THAT IS DESTINED TO MAINTAIN ITS DESIRABILITY AND INCREASE IN VALUE OVER TIME. WITH UPSIDE IN RENTS, THIS OFFERING IS PERFECT FOR A LONG-TERM INVESTOR SEEKING A MULTIFAMILY INVESTMENT IN A PREMIER SAN DIEGO LOCATION.

HIGHLIGHTS

- PRIME PACIFIC BEACH LOCATION
- LARGE CORNER LOT
- INTERIOR RENOVATIONS
- EXTERIOR REPAINTED
- TREMENDOUS RENTAL UPSIDE
- WALK SCORE OF 80 - CLOSE TO SHOPS, RESTAURANTS, BARS AND BEACHES



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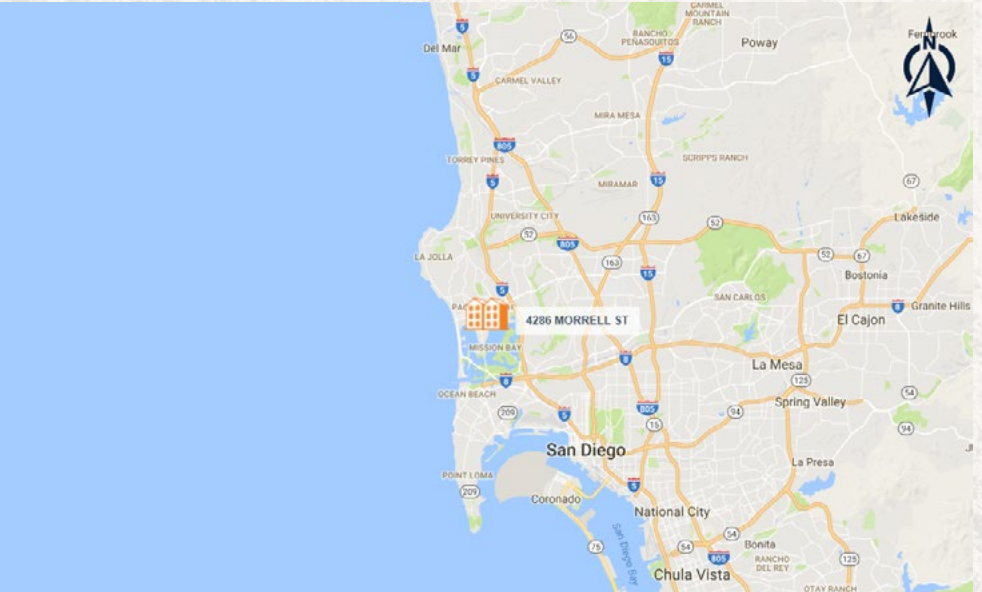
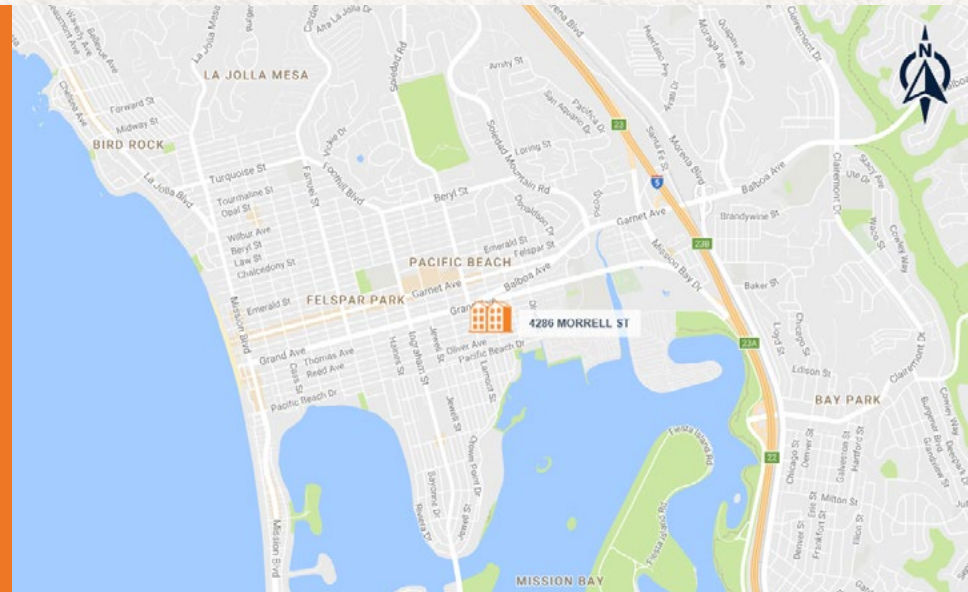
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PROPERTY DESCRIPTION

ADDRESS:	4286-4288 MORRELL ST, SAN DIEGO, CA 92109
APN:	424-182-10-00
ZONING:	R-3:RESTRI
UNITS:	6
SQUARE FEET:	1,560
LOT SIZE:	0.10 ACRES
YEAR BUILT:	1953
BUILDINGS:	1
STORIES:	1
TYPE OF OWNERSHIP:	FEE SIMPLE
PARKING:	STREET
LANDSCAPING:	MINIMAL
WATER:	OWNER PAYS
GAS/ELECTRIC:	OWNER PAYS
FOUNDATION:	CONCRETE SLAB
FRAMING:	WOOD
EXTERIOR:	WOOD
ROOF:	PITCHED

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LOCATION MAPS



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AERIAL MAP



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PRICING DETAIL

SUMMARY		
Price	\$1,450,000	
Down Payment	\$725,000	50%
Number of Units	6	
Price Per Unit	\$241,667	
Price Per SqFt	\$929.49	
Rentable SqFt	1,560	
Lot Size	0.10 Acres	
Approximate Year Built	1953	

RETURNS	CURRENT	YEAR 1
CAP Rate	2.76%	4.11%
GRM	20.55	15.80
Cash-on-Cash	-0.20%	2.50%
Debt Coverage Ratio	0.96	1.44
Financing		1st Loan
Loan Amount		\$725,000
Loan Type		New
Interest Rate		4.00%
Amortization		30 Years
Year Due		2021

Loan information is subject to change. Contact your Marcus & Millichap Capital Corporation representative.

# OF UNITS	UNIT TYPE	SQ.FT./UNIT	CURRENT RENTS	MARKET RENTS
6	Studio	260	\$980	\$1,275

INCOME		CURRENT		YEAR 1
Gross Schedule Rent		\$70,560		\$91,800
Less: Vacancy/Deductions (GPR)	3.0%	\$2,117	3.0%	\$2,754
Total Effective Rental Income		\$68,443		\$89,046
Other Income		\$0		\$0
Effective Gross Income		\$68,443		\$89,046
Less: Expenses	41.4%	\$28,662	33.0%	\$29,392
Net Operating Income		\$40,081		\$59,654
Cash Flow		\$40,081		\$59,654
Debt Services		\$41,535		\$41,535
Net Cash Flow After Debt Service	-0.20%	-\$1,454	2.50%	\$18,119
Principal Reduction		\$12,768		\$13,288
Total Return	1.56%	\$11,313	4.33%	\$31,406

EXPENSES	CURRENT	YEAR 1
Real Estate Taxes	\$17,080	\$17,080
Insurance	\$960	\$960
Utilities - Gas & Electric	\$1,800	\$1,800
Utilities - Water & Sewer	\$1,800	\$1,800
Repairs & Maintenance	\$2,400	\$2,400
Landscaping	\$900	\$900
Management Fee	\$3,422	\$4,452
Total Expenses	\$28,362	\$29,392
Expenses/Unit	\$4,727	\$4,899
Expenses/SF	\$18.18	\$18.84

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RENT ROLL DETAIL

AS OF JANUARY 2017

UNIT	UNIT TYPE	SQUARE FEET	CURRENT RENT/MONTH	CURRENT RENT/SF/MONTH	POTENTIAL RENT/MONTH	POTENTIAL RENT/SF/MONTH
1	STUDIO	260	\$980	\$3.77	\$1,275	\$4.90
2	STUDIO	260	\$980	\$3.77	\$1,275	\$4.90
3	STUDIO	260	\$980	\$3.77	\$1,275	\$4.90
4	STUDIO	260	\$980	\$3.77	\$1,275	\$4.90
5	STUDIO	260	\$980	\$3.77	\$1,275	\$4.90
6	STUDIO	260	\$980	\$3.77	\$1,275	\$4.90
TOTAL/AVG		1,560	\$5,880	\$3.77	\$7,650	\$4.90

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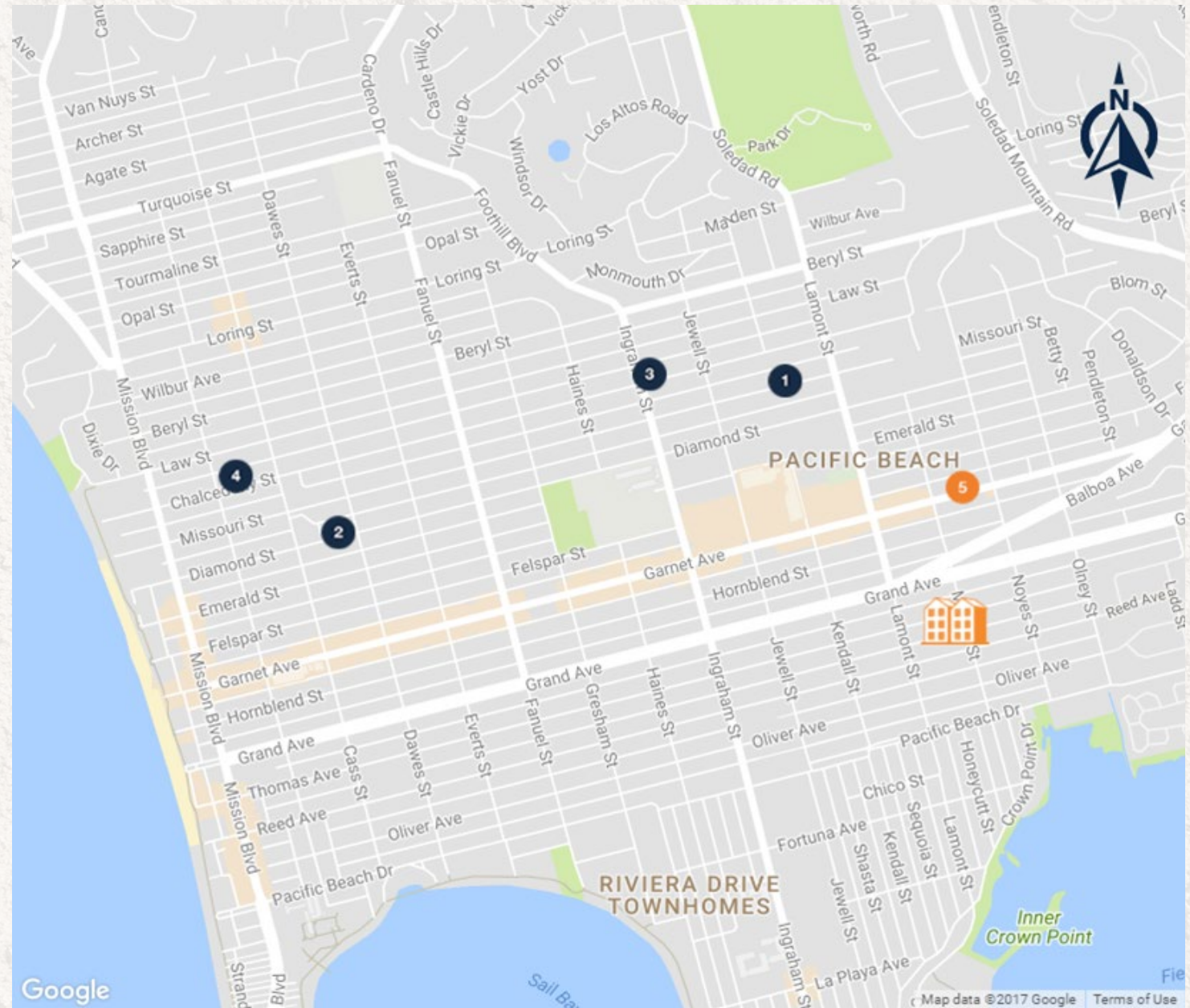
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SALES COMPARABLE MAP

LEGEND

- 1 1807 Missouri Street
- 2 1051 Diamond Street
- 3 4791 Ingraham Street
- 4 929-931 Chalcedony Street
- 5 2033 Garnet Avenue



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SALES COMPARABLES



4286 Morrell Street
4286 MORRELL ST, SAN DIEGO, CA 92109

		UNITS	UNIT TYPE
Offering Price:	\$1,450,000	6	Studio
Price/Unit:	\$241,667		
Price/SF:	\$929.49		
CAP Rate:	2.66%		
GRM:	20.55		
Total No. of Units:	6		
Year Built:	1953		

UNDERWRITING CRITERIA			
Income	\$68,443	Expenses	\$29,862
NOI	\$38,581	Vacancy	(\$2,117)



1 **1807 Missouri Street**
1807 MISSOURI ST, SAN DIEGO, CA 92109

		UNITS	UNIT TYPE
Close Of Escrow:	2/21/2017	4	1 Bdr 1 Bath
Sales Price:	\$4,100,000	7	2 Bdr 1 Bath
Price/Unit:	\$372,727		
Price/SF:	\$474.92		
CAP Rate:	3.20%		
GRM:	22.89		
Total No. of Units:	11		
Year Built:	1970		

UNDERWRITING CRITERIA			
Income	\$179,100	Expenses	\$78,100
NOI	\$100,720	Vacancy	\$5,373



2 **1051 Diamond Street**
1051 DIAMOND ST, SAN DIEGO, CA 92109

		UNITS	UNIT TYPE
Close Of Escrow:	2/27/2017	5	1 Bdr 1 Bath
Sales Price:	\$3,257,000	3	2 Bdr 1 Bath
Price/Unit:	\$407,125		
Price/SF:	\$513.48		
CAP Rate:	3.68%		
GRM:	17.27		
Total No. of Units:	8		
Year Built:	1969		

UNDERWRITING CRITERIA			
Income	\$183,981	Expenses	\$68,758
NOI	\$119,882	Vacancy	\$4,659

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SALES COMPARABLES



3 **4791 Ingraham Street**
4791 INGRAHAM ST, SAN DIEGO, CA 92109

		UNITS	UNIT TYPE
Close Of Escrow:	1/10/2017	1	1 Bdr 1 Bath
Sales Price:	\$2,450,000	6	2 Bdr 1 Bath
Price/Unit:	\$350,000		
Price/SF:	\$458.46		
CAP Rate:	2.67%		
GRM:	20.86		
Total No. of Units:	7		
Year Built:	1972		

UNDERWRITING CRITERIA			
Income	\$117,466	Expenses	\$49,500
NOI	\$65,415	Vacancy	\$2,551



4 **929-931 Chalcedony Street**
929 CHALCEDONY ST, SAN DIEGO, CA 92109

		UNITS	UNIT TYPE
Close Of Escrow:	1/20/2017	3	1 Bdr 1 Bath
Sales Price:	\$1,600,000	1	4 Bdr 2 Bath
Price/Unit:	\$400,000		
Price/SF:	\$492.61		
CAP Rate:	3.32%		
GRM:	19.34		
Total No. of Units:	4		
Year Built:	1945		

UNDERWRITING CRITERIA			
Income	\$80,258	Expenses	\$28,598
NOI	\$51,680	Vacancy	\$2,482



5 **2033 Garnet Avenue**
2033 GARNET AVE, SAN DIEGO, CA 92109

		UNITS	UNIT TYPE
On Market		1	Studio 1 Bath
Sales Price:	\$1,295,000	1	1 Bdr 1 Bath
Price/Unit:	\$323,750	2	2 Bdr 1 Bath
Price/SF:	\$520.29		
CAP Rate:	2.86%		
GRM:	21.69		
Total No. of Units:	4		
Year Built:	1980		

UNDERWRITING CRITERIA			
Income	\$59,700	Expenses	\$22,592
NOI	\$37,108	Vacancy	\$1,254

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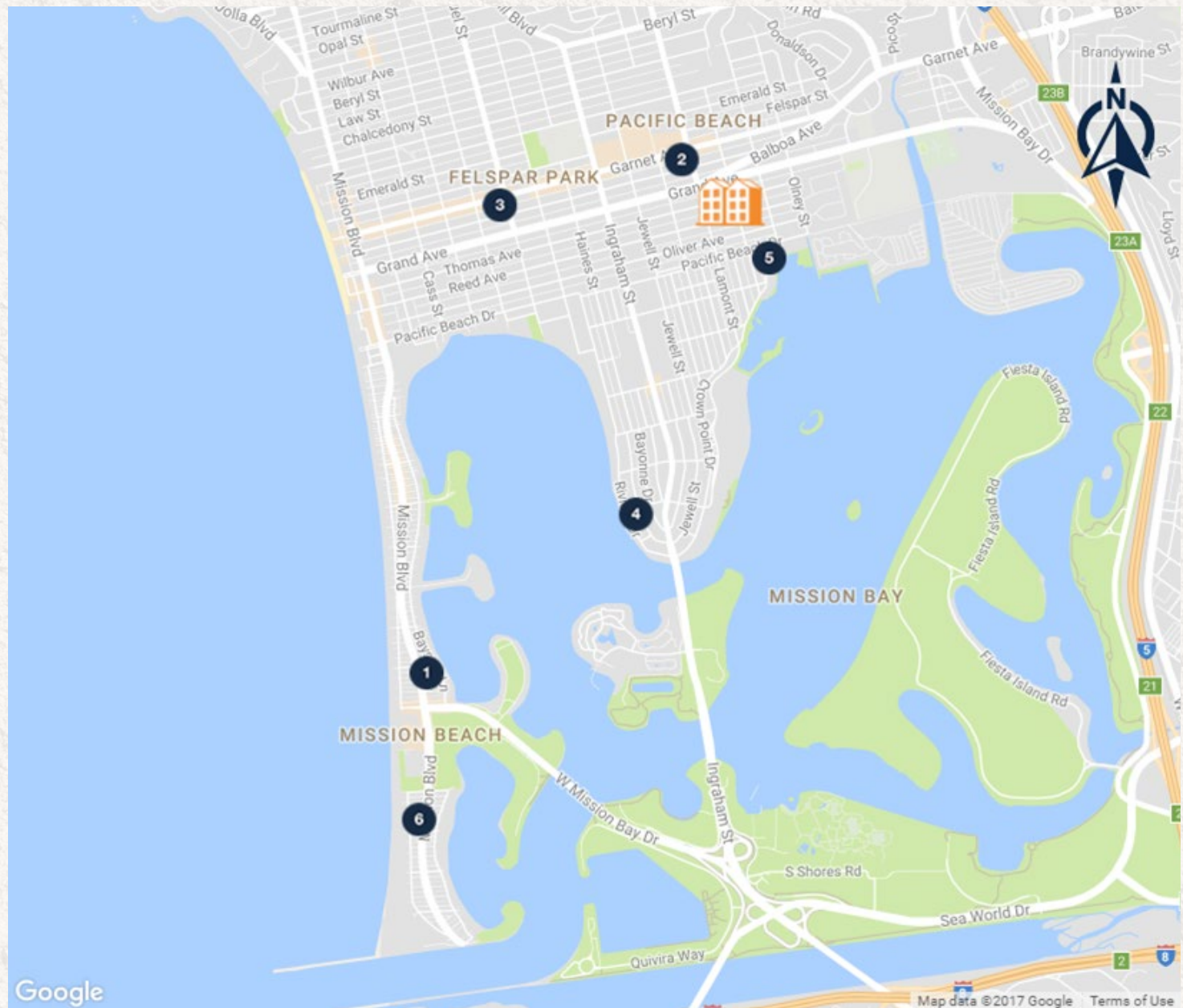
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RENT COMPARABLE MAP

LEGEND

- 1 3239 Mission Blvd
- 2 1845 Hornblend Street
- 3 1251 Hornblend Street
- 4 3433 Riviera Drive
- 5 4015 Crown Point Drive
- 6 2886 Mission Blvd



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RENT COMPARABLES



4286 Morrell Street

4286 MORRELL STREET, SAN DIEGO, CA 92109

UNIT TYPE	UNITS	SF	RENT	RENT/SF
Studio	6	260	\$980	\$3.77
Total/Avg.	6	1,560	\$980	\$3.77

YEAR BUILT: 1953



1 3239 Mission Boulevard

3239 MISSION BLVD, SAN DIEGO, CA 92109

UNIT TYPE	UNITS	SF	RENT	RENT/SF
Studio	12	550	\$1,300-\$1,400	\$2.45
Total/Avg.	12	550	\$1,350	\$2.45

YEAR BUILT: 1960



2 1845 Hornblend Street

1845 HORNBLEND ST, SAN DIEGO, CA 92109

UNIT TYPE	UNITS	SF	RENT	RENT/SF
Studio	1	425	\$1,450	\$3.41
Total/Avg.	1	425	\$1,450	\$3.41

YEAR BUILT: 1960

NOTES:

Onsite Laundry
Underground Parking

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RENT COMPARABLES



3 **1251 Hornblend Street**
1251 HORNBLEND ST, SAN DIEGO, CA 92109

UNIT TYPE	UNITS	SF	RENT	RENT/SF
Studio	1	400	\$1,395	\$3.49
Total/Avg.	1	400	\$1,395	\$3.49

YEAR BUILT: 1960



4 **3433 Riviera Drive**
3433 RIVIERA DRIVE, SAN DIEGO, CA 92109

UNIT TYPE	UNITS	SF	RENT	RENT/SF
Studio	1	300	\$1,700	\$5.67
Total/Avg.	1	300	\$1,700	\$5.67

YEAR BUILT: 1945

NOTES:

Washer / Dryer in Unit



5 **4015 Crown Point Drive**
4015 CROWN POINT DR, SAN DIEGO, CA 92109

UNIT TYPE	UNITS	SF	RENT	RENT/SF
Studio	1	434	\$1,300	\$3.00
Total/Avg.	1	434	\$1,300	\$3.00

YEAR BUILT: 1973

NOTES:

Furnished
Pool & Jacuzzi

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RENT COMPARABLES



6 **2886 Mission Boulevard**
2886 MISSION BLVD, SAN DIEGO, CA 92109

UNIT TYPE	UNITS	SF	RENT	RENT/SF
Studio	1	200	\$1,225	\$6.13
Total/Avg.	1	200	\$1,225	\$6.13

YEAR BUILT: 1927

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