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FULLY ENTITLED 40 UNIT DEVELOPMENT OPPORTUNITY  
NEAR DOWNTOWN SAN DIEGO

35<sup>TH</sup>

& J STREET



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CalBRE #01359752

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# Property Overview



**ADDRESS:**  
Corner of 35th & J Street  
San Diego, CA 92102

**ASKING PRICE:**  
\$2,750,000

**LAND AREA:**  
38,815 sq ft

**APNS:**  
545-260-13-00; 545-260-14-00; 545-260-15-00

**ZONING:**  
RM-1-1 (Residential - Multiple Unit)

**HEIGHT LIMIT:**  
36' ; 42' (Proposed - Incentive 4)

**FAR:**  
0.75 : 1 (29,111 SQ FT)

## PROPERTY HIGHLIGHTS

This fully entitled 40 Unit development opportunity is in the heart of Mt. Hope which is a neighborhood in the City of San Diego, California. The flat development site sits high above interstate 15 which runs north and south throughout San Diego County.

This development is located within a designated Opportunity Zone which allows the purchaser to defer the taxes due on their initial gain until 12/31/2026 and earn investment income along the way. If the development is held for ten years, the owner avoids paying tax on capital gains earned on your investment - FOR LIFE

This opportunity has easy access off interstate 15 with tremendous visibility from the freeway giving the future developer great advertising space. Enjoy views of downtown San Diego and the Coronado bridge from the future third story of the future development. Costco is located within one mile of the development with access to three major San Diego freeways within 5 minutes.

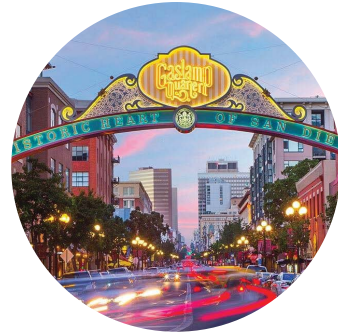
The current approved plans are to build twenty (20) detached homes with each home having its own one (1) bedroom apartment on the first level. Of the Eighteen (18) homes that can be built on the site, two (2) units must be 'very low income' affordable units. Forty (40) parking spaces are proposed on grade.



# Investment Highlights

- Fully Entitled 40 Unit Project
- Twenty (20) Individual R-3 Detached Residences
- Each Detached Residence Has a Ground Level Companion Unit; Forty (40) Units in Total
- Forty (40) Parking Spaces on Grade
- Views of Pacific Ocean, Downtown San Diego and Coronado Bridge
- 9 Minutes from Downtown San Diego
- Freeway Access with Tremendous Freeway Visibility
- Development located in an Opportunity Zone = HUGE TAX INCENTIVES

# Area Highlights



9 minutes  
Gaslamp District



13 minutes  
Coronado



7 minutes  
Barrio Logan Restaurants



4.8 miles  
Horton Plaza Shopping Mall



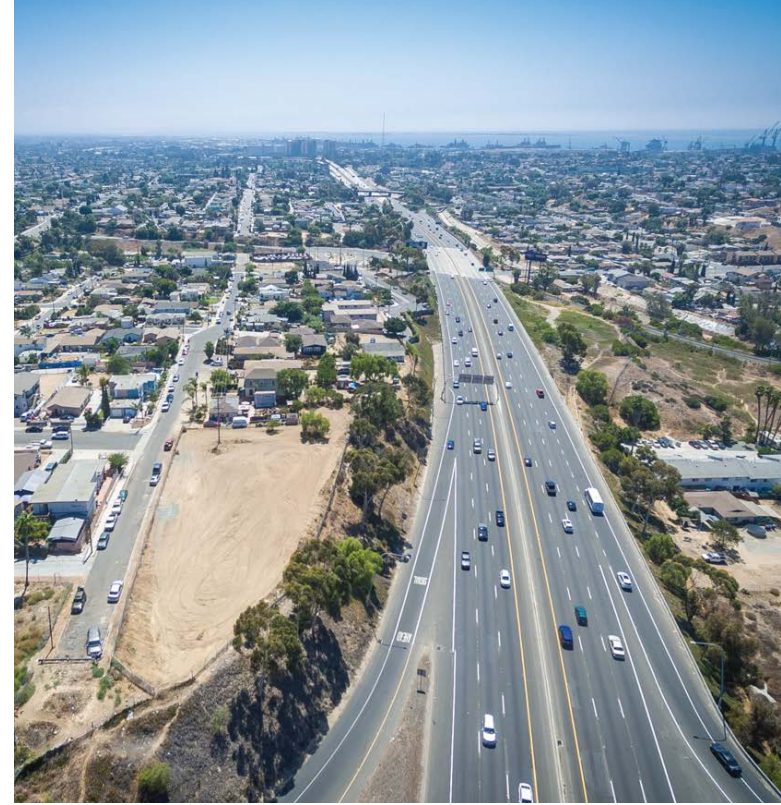
12 minutes  
San Diego International Airport (SAN)



9 minutes  
Distance to the Trolley Stop



Site Photos

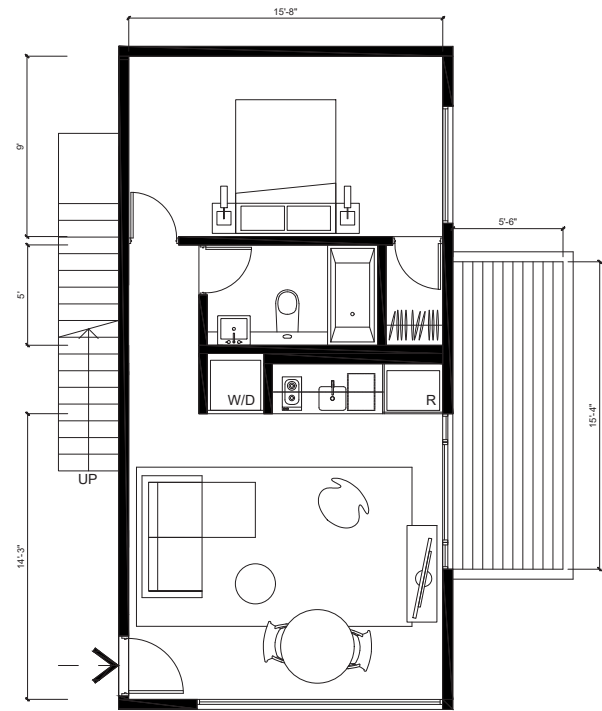




# SITE PLAN



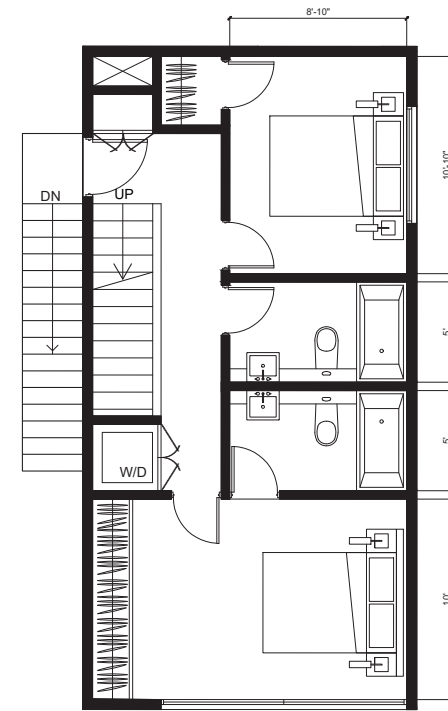
# UNIT 1 PLAN



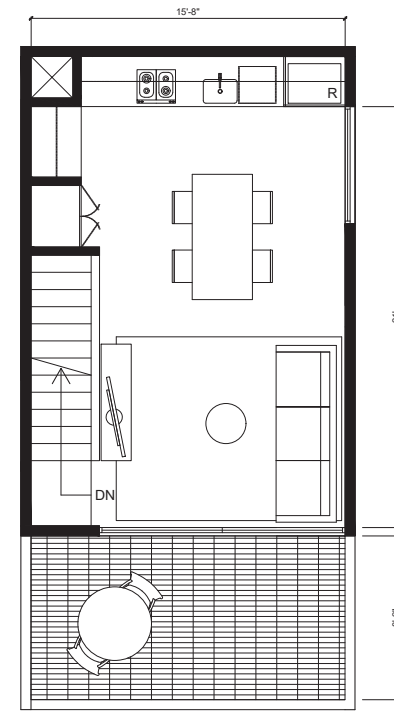
Level 1  
Companion Unit  
551 sqft

Unit Type 1  
(2-Bed/2-Bath with Companion Unit)

**(2) Total Units Proposed**  
**FAR: 1,508 sqft per Unit**

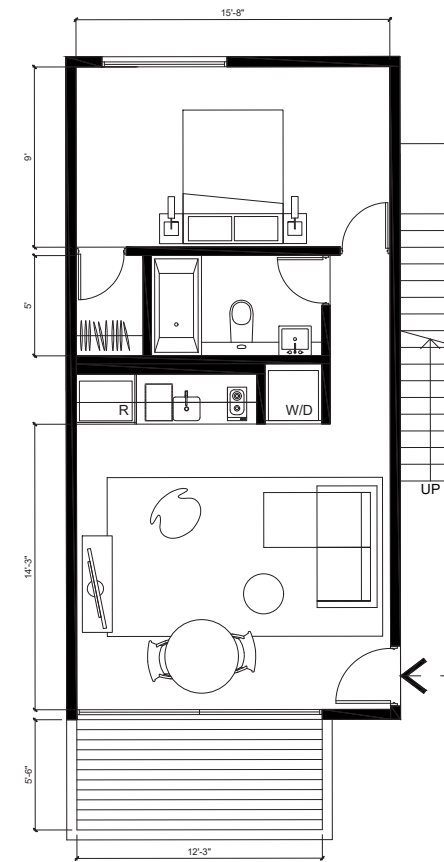


Level 2  
Single Family Unit  
551 sqft



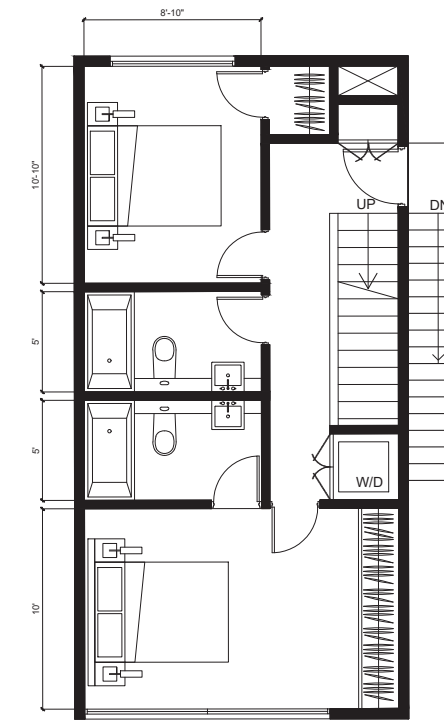
Level 3  
Single Family Unit  
406 sqft

# UNIT 2 PLAN

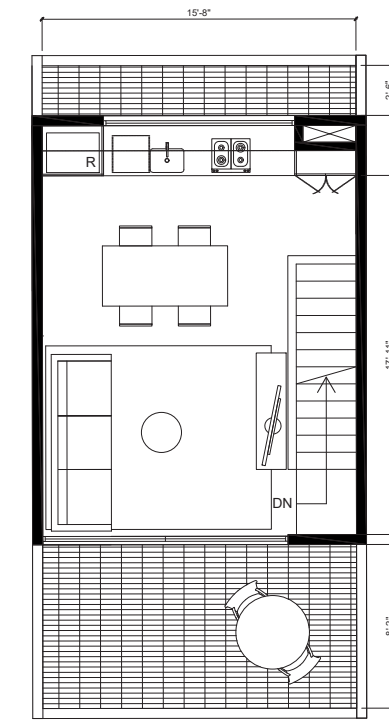


Level 1  
Companion Unit  
551 sqft

Unit Type 2  
(2-Bed/2-Bath with Companion Unit)  
**(10) Total Units Proposed**  
**FAR: 1,459 sqft per Unit**

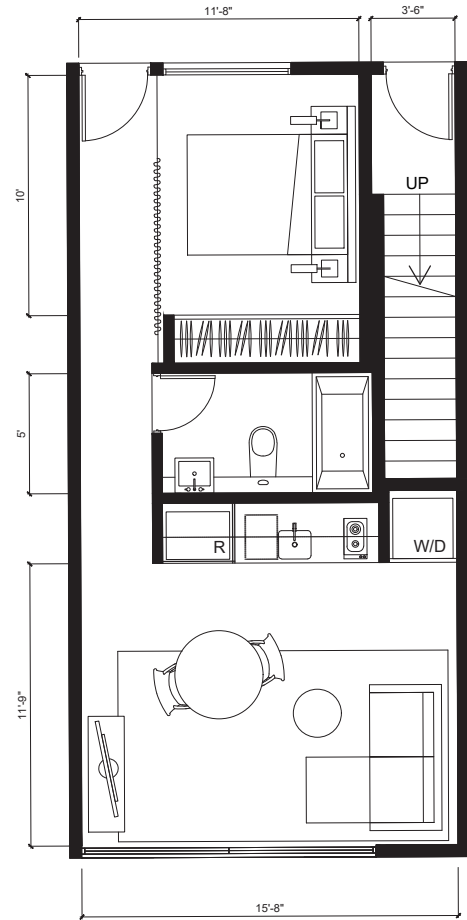


Level 2  
Single Family Unit  
551 sqft

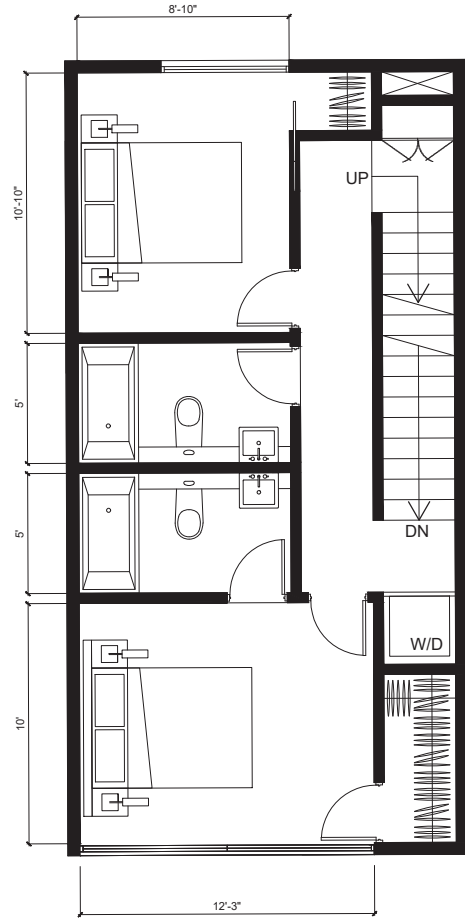


Level 3  
Single Family Unit  
357 sqft

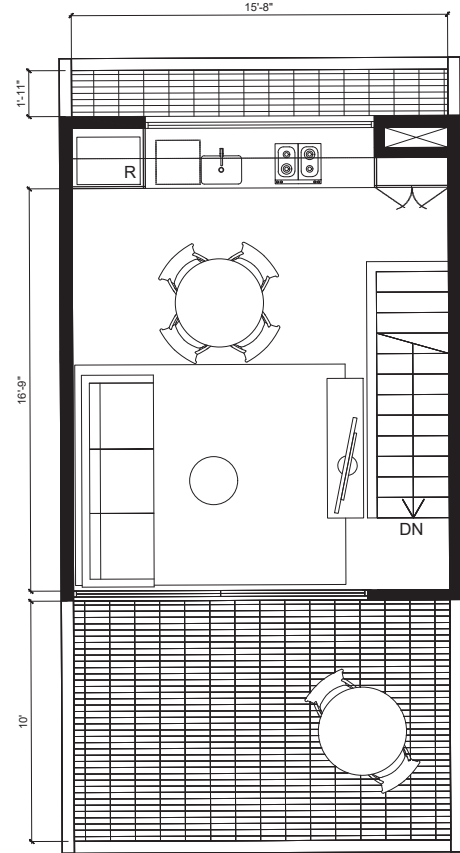
# UNIT 3 PLAN



Level 1  
Companion Unit  
551 sqft



Level 2  
Single Family Unit  
551 sqft



Level 3  
Single Family Unit  
336 sqft

Unit Type 3  
(2-Bed/2-Bath with Companion Unit)

**(8) Total Units Proposed**  
**FAR: 1,438 sqft per Unit**





# PRO FORMA



## Proforma for 35th & J-RENTAL/SALE PROFORMA

Address: 35th & J																
APN:																
Purchase Price	\$	2,750,000	\$	68,750.00	Per Unit								Annual Rent Increase	3%		
Cap Ex	\$	5,328,750	\$	133,218.75	Per Unit								Annual Expenses Increase	3%		
Financing Costs	\$	171,154	\$	4,278.84	Per Unit								Total Building Sqft	29,000		
Total Cost	\$	8,249,904	\$	206,247.59	Per Unit								Construction Cost per Sqft	\$ 183.75		
Cash:	\$	2,594,779														
Mortgage A:	\$	5,655,125	70%													
Mortgage B:	\$	-														
Year:				0	1	2	3	4	5	6	7	8	9	10		
<b>INCOME APPROACH</b>				Current	Market	2018	2019	2020	2021	2022	2023	2024	2025			
Rental Income	# of Units	Current Monthly	Market													
1BR/1BA	18	-	1,395	-	301,320	310,360	319,670	329,260	339,138	349,312	359,792	370,586	381,703			
1BR/1BA (Affordable)	2	-	767	-	18,414	18,966	19,535	20,121	20,725	21,347	21,987	22,647	23,326			
2BR/2BA	18	-	2,095	-	452,520	466,096	480,078	494,481	509,315	524,595	540,333	556,543	573,239			
2BR/2BA (Affordable)	2	-	1,152	-	27,654	28,484	29,338	30,218	31,125	32,059	33,020	34,011	35,031			
Totals	40	-	66,659	-	799,908	823,905	848,622	874,081	900,304	927,313	955,132	983,786	1,013,300			
				5%	(39,995)	(42,431)	(43,704)	(45,015)	(46,366)	(47,757)	(49,189)	(50,665)	(52,187)			
					Adjusted Gross Income	759,913	782,710	806,191	830,377	855,288	880,947	907,375	934,597	962,635		
<b>EXPENSES</b>																
Total Expenses				30.00%	116,866	227,974	234,813	241,857	249,113	256,586	264,284	272,213	280,379	288,790		
<b>NET OPERATING INCOME</b>																
					-116,866	531,939	547,897	564,334	581,264	598,702	616,663	635,163	654,218	673,844		
Purchase Price				(2,750,000)												
Cap Ex				(5,328,750)												
<b>SALE</b>																
Sale Year	Year 2	Total	Per Unit													
Next Year NOI	No	10,638,776	265,969.41													
Cap Rate	5.00%	(212,776)	(5,319.39)													
Commission	2.00%	10,426,001	260,650.02													
Net Sale Proceeds				(8,078,750)	(116,866)	10,957,940	0	0	0	-	-	-	-	-		
<b>Unlevered Cash Flow</b>																
<b>Unlevered IRR</b>				15.74%												
Mortgage	Amount	Rate	Term (months)	5,655,125	(5,532,409)	(5,404,172)	(5,270,163)	(5,130,124)	(4,983,783)	(4,830,857)	(4,671,050)	(4,504,051)	(4,329,537)	(4,147,170)		
Financing Costs	\$	5,655,125.00	4.5%	300	(377,196)	(377,196)	(377,196)	(377,196)	(377,196)	(377,196)	(377,196)	(377,196)	(377,196)	(377,196)		
Debt Pay Off				-	(5,404,172)	-	-	-	-	-	-	-	-	-		
<b>Levered Cash Flow</b>																
<b>Levered IRR</b>				32.04%												
<b>DSCR:</b>																
CAP Rate:				-1.42%	1.410	1.453	1.496	1.541	1.587	1.635	1.684	1.734	1.786			
COC:				6.45%	6.45%	6.84%	7.05%	7.26%	7.47%	7.70%	7.93%	8.17%				
Cap Rate:				-19.04%	199.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
Commission and Closing Costs	5.0%	Price per Unit	\$	265,969.41	Cap Value: \$	(2,337,325.00)	\$ 10,638,776.40	\$ 10,957,939.69	\$ 11,286,677.88	\$ 11,625,278.22	\$ 11,974,036.57	\$ 12,333,257.66	\$ 12,703,255.39	\$ 13,084,353.05	\$ 13,476,883.65	
Profit				\$	531,938.82	547,896.98	564,333.89	581,263.91	598,701.83	616,662.88	635,162.77	654,217.65	673,844.18	693,470.31	713,146.44	
Profit				\$	1,856,933.83	2,160,138.96	2,472,440.24	2,794,110.56	3,125,430.99	3,466,691.03	3,818,188.87	4,180,231.65	4,553,135.71	4,936,278.59	5,329,921.47	
<b>SALES APPROACH</b>																
Unit Type	# of Units	Price Per Unit														
2/2 & 1/1 Buildings	18	\$ 625,000.00	\$	11,250,000.00	\$ 11,587,500.00	\$ 11,935,125.00	\$ 12,293,178.75	\$ 12,661,974.11	\$ 13,041,833.34	\$ 13,433,088.34	\$ 13,836,080.99	\$ 14,251,163.42				
Affordable Buildings	2	\$ 412,500.00	\$	825,000.00	\$ 849,750.00	\$ 875,242.50	\$ 901,499.78	\$ 928,544.77	\$ 956,401.11	\$ 985,093.14	\$ 1,014,645.94	\$ 1,045,085.32				
Total	20		\$	12,075,000.00	\$ 12,437,250.00	\$ 12,810,367.50	\$ 13,194,678.53	\$ 13,590,518.88	\$ 13,998,234.45	\$ 14,418,181.48	\$ 14,850,726.93	\$ 15,296,248.73				
Commission and Closing Costs				\$	603,750.00	\$ 621,862.50	\$ 640,518.38	\$ 659,733.93	\$ 679,525.94	\$ 699,911.72	\$ 720,909.07	\$ 742,536.35	\$ 764,812.44			
Profit from Sales Approach				\$	3,221,346.25	\$ 3,565,483.75	\$ 3,919,945.38	\$ 4,285,040.85	\$ 4,661,089.19	\$ 5,048,418.97	\$ 5,447,368.66	\$ 5,858,286.83	\$ 6,281,532.55			
Cash on Cash Return from Sale					124%	137%	151%	165%	180%	195%	210%	226%	242%			







Population:  
**278,670**

Average Household Income:  
**\$68,146**

Median Age:  
**32.1**

# Demographics

## 3 MILE RADIUS

Summary	Census 2010	2018	2023
Population	259,514	278,670	293,650
Households	85,940	93,768	100,447
Families	48,357	51,518	54,124
Average Household Size	2.79	2.75	2.72
Owner Occupied Housing Units	27,474	28,408	32,193
Renter Occupied Housing Units	58,466	65,360	68,253
Median Age	31.1	32.1	33.0
Trends: 2018 - 2023 Annual Rate			
	Area	State	National
Population	1.05%	0.82%	0.83%
Households	1.39%	0.76%	0.79%
Families	0.99%	0.76%	0.71%
Owner HHs	2.53%	1.73%	1.16%
Median Household Income	3.63%	3.25%	2.50%

Households by Income	2018		2023	
	Number	Percent	Number	Percent
<\$15,000	15,916	17.0%	14,387	14.3%
<b>\$15,000 - \$24,999</b>	<b>11,796</b>	<b>12.6%</b>	<b>10,669</b>	<b>10.6%</b>
\$25,000 - \$34,999	9,497	10.1%	8,740	8.7%
<b>\$35,000 - \$49,999</b>	<b>13,227</b>	<b>14.1%</b>	<b>13,145</b>	<b>13.1%</b>
\$50,000 - \$74,999	14,576	15.5%	15,903	15.8%
<b>\$75,000 - \$99,999</b>	<b>9,601</b>	<b>10.2%</b>	<b>11,397</b>	<b>11.3%</b>
\$100,000 - \$149,999	10,730	11.4%	13,543	13.5%
<b>\$150,000 - \$199,999</b>	<b>4,112</b>	<b>4.4%</b>	<b>5,724</b>	<b>5.7%</b>
\$200,000+	4,313	4.6%	6,939	6.9%

Median Household Income	\$44,994	\$53,775
<b>Average Household Income</b>	<b>\$68,146</b>	<b>\$83,133</b>
Per Capita Income	\$24,984	\$30,386

Population by Age	Census 2010		2018		2023	
	Number	Percent	Number	Percent	Number	Percent
<b>0 - 4</b>	<b>18,114</b>	<b>7.0%</b>	<b>18,534</b>	<b>6.7%</b>	<b>19,561</b>	<b>6.7%</b>
5 - 9	16,587	6.4%	17,200	6.2%	17,144	5.8%
<b>10 - 14</b>	<b>16,798</b>	<b>6.5%</b>	<b>16,432</b>	<b>5.9%</b>	<b>16,494</b>	<b>5.6%</b>
15 - 19	19,523	7.5%	17,944	6.4%	17,268	5.9%
<b>20 - 24</b>	<b>27,330</b>	<b>10.5%</b>	<b>29,655</b>	<b>10.6%</b>	<b>29,147</b>	<b>9.9%</b>
25 - 34	49,096	18.9%	53,993	19.4%	57,986	19.7%
<b>35 - 44</b>	<b>37,662</b>	<b>14.5%</b>	<b>38,814</b>	<b>13.9%</b>	<b>42,259</b>	<b>14.4%</b>
45 - 54	31,187	12.0%	31,918	11.5%	32,545	11.1%
<b>55 - 64</b>	<b>21,852</b>	<b>8.4%</b>	<b>26,366</b>	<b>9.5%</b>	<b>28,008</b>	<b>9.5%</b>
65 - 74	11,329	4.4%	16,399	5.9%	19,601	6.7%
<b>75 - 84</b>	<b>7,187</b>	<b>2.8%</b>	<b>8,108</b>	<b>2.9%</b>	<b>10,071</b>	<b>3.4%</b>
85+	2,852	1.1%	3,307	1.2%	3,567	1.2%

Race and Ethnicity	Census 2010		2018		2023	
	Number	Percent	Number	Percent	Number	Percent
<b>White Alone</b>	<b>116,231</b>	<b>44.8%</b>	<b>122,077</b>	<b>43.8%</b>	<b>127,743</b>	<b>43.5%</b>
Black Alone	31,615	12.2%	32,671	11.7%	33,219	11.3%
<b>American Indian Alone</b>	<b>2,261</b>	<b>0.9%</b>	<b>2,342</b>	<b>0.8%</b>	<b>2,434</b>	<b>0.8%</b>
Asian Alone	25,530	9.8%	28,561	10.2%	31,134	10.6%
<b>Pacific Islander Alone</b>	<b>1,399</b>	<b>0.5%</b>	<b>1,438</b>	<b>0.5%</b>	<b>1,470</b>	<b>0.5%</b>
Some Other Race Alone	70,197	27.0%	77,513	27.8%	82,285	28.0%
<b>Two or More Races</b>	<b>12,280</b>	<b>4.7%</b>	<b>14,068</b>	<b>5.0%</b>	<b>15,365</b>	<b>5.2%</b>
<b>Hispanic Origin (Any Race)</b>	<b>137,039</b>	<b>52.8%</b>	<b>151,246</b>	<b>54.3%</b>	<b>162,574</b>	<b>55.4%</b>

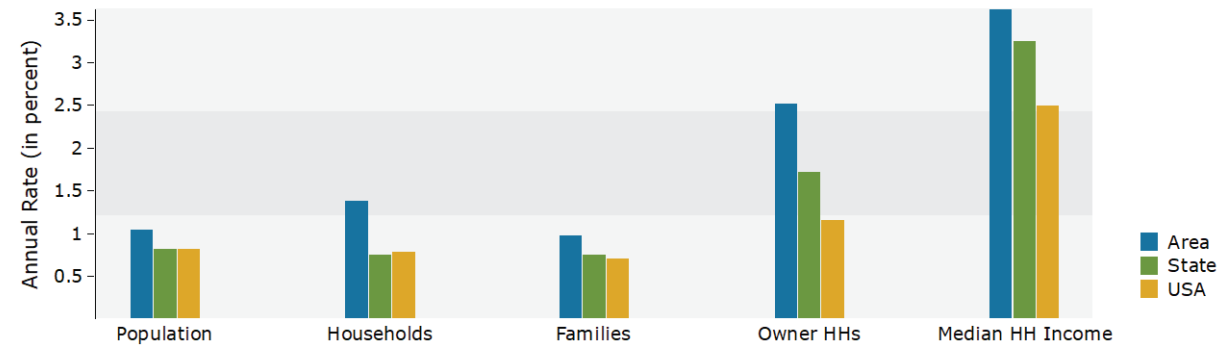
Data Note: Income is expressed in current dollars.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2018 and 2023.

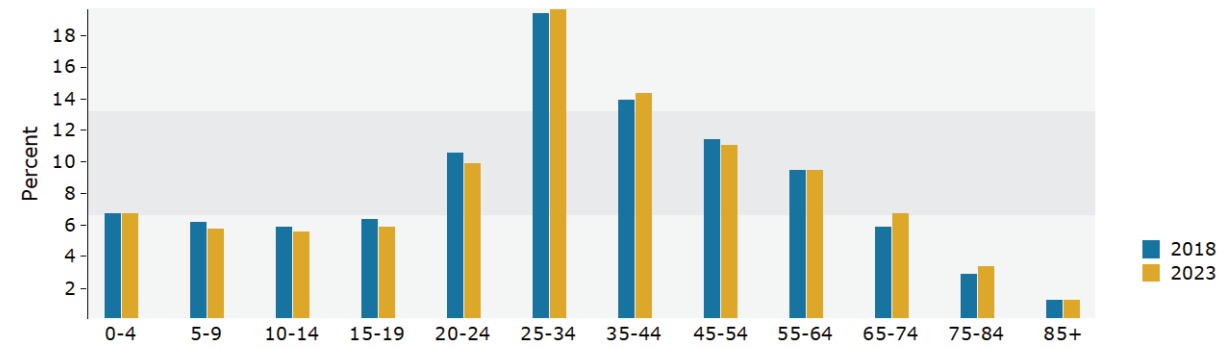
# Demographics

## 3 MILE RADIUS

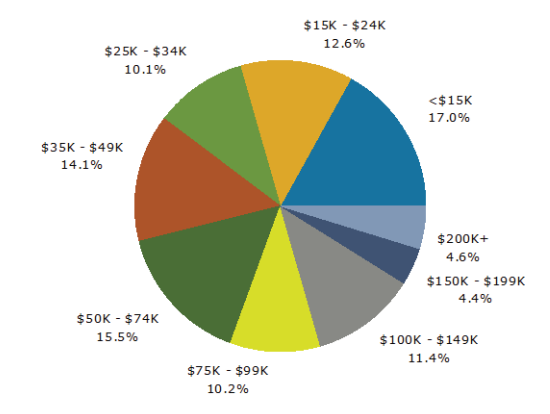
Trends 2018-2023



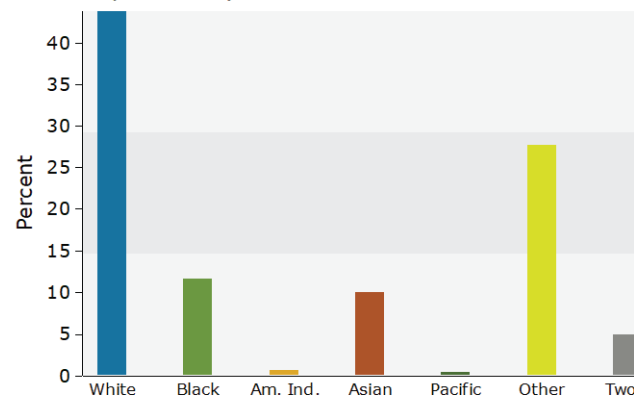
Population by Age



2018 Household Income



2018 Population by Race



2018 Percent Hispanic Origin: 54.3%

Population:  
**591,651**

Average Household Income:  
**\$76,424**

Median Age:  
**33.4**

# Demographics

## 5 MILE RADIUS

Summary	Census 2010	2018	2023	
<b>Population</b>	552,608	591,651	620,190	
Households	196,143	211,851	223,953	
<b>Families</b>	108,481	115,535	120,876	
Average Household Size	2.65	2.64	2.62	
<b>Owner Occupied Housing Units</b>	69,279	71,846	80,685	
Renter Occupied Housing Units	126,864	140,005	143,267	
<b>Median Age</b>	32.3	33.4	34.2	
<b>Trends: 2018 - 2023 Annual Rate</b>				
<b>Population</b>	<b>Area</b>	<b>State</b>	<b>National</b>	
Households	1.12%	0.76%	0.79%	
<b>Families</b>	<b>0.91%</b>	<b>0.76%</b>	<b>0.71%</b>	
Owner HHs	2.35%	1.73%	1.16%	
<b>Median Household Income</b>	<b>3.27%</b>	<b>3.25%</b>	<b>2.50%</b>	
<b>Households by Income</b>				
	Number	Percent	Number	Percent
<\$15,000	29,478	13.9%	25,883	11.6%
<b>\$15,000 - \$24,999</b>	<b>23,386</b>	<b>11.0%</b>	<b>20,510</b>	<b>9.2%</b>
\$25,000 - \$34,999	20,298	9.6%	18,206	8.1%
<b>\$35,000 - \$49,999</b>	<b>28,616</b>	<b>13.5%</b>	<b>27,522</b>	<b>12.3%</b>
\$50,000 - \$74,999	35,730	16.9%	37,088	16.6%
<b>\$75,000 - \$99,999</b>	<b>24,070</b>	<b>11.4%</b>	<b>27,376</b>	<b>12.2%</b>
\$100,000 - \$149,999	26,781	12.6%	33,548	15.0%
<b>\$150,000 - \$199,999</b>	<b>10,976</b>	<b>5.2%</b>	<b>14,772</b>	<b>6.6%</b>
\$200,000+	12,515	5.9%	19,047	8.5%
Median Household Income	\$52,024		\$61,092	
<b>Average Household Income</b>	<b>\$76,424</b>		<b>\$92,671</b>	
Per Capita Income	\$28,972		\$35,018	
<b>Population by Age</b>				
	Number	Percent	Number	Percent
<b>0 - 4</b>	<b>36,459</b>	<b>6.6%</b>	<b>36,778</b>	<b>6.2%</b>
5 - 9	32,811	5.9%	33,963	5.7%
<b>10 - 14</b>	<b>33,334</b>	<b>6.0%</b>	<b>32,904</b>	<b>5.6%</b>
15 - 19	38,593	7.0%	36,228	6.1%
<b>20 - 24</b>	<b>56,653</b>	<b>10.3%</b>	<b>59,506</b>	<b>10.1%</b>
25 - 34	104,024	18.8%	113,208	19.1%
<b>35 - 44</b>	<b>79,041</b>	<b>14.3%</b>	<b>82,164</b>	<b>13.9%</b>
45 - 54	68,991	12.5%	68,581	11.6%
<b>55 - 64</b>	<b>51,363</b>	<b>9.3%</b>	<b>61,000</b>	<b>10.3%</b>
65 - 74	26,611	4.8%	39,312	6.6%
<b>75 - 84</b>	<b>17,146</b>	<b>3.1%</b>	<b>19,222</b>	<b>3.2%</b>
85+	7,579	1.4%	8,786	1.5%
<b>Race and Ethnicity</b>				
	Number	Percent	Number	Percent
<b>White Alone</b>	<b>269,194</b>	<b>48.7%</b>	<b>280,993</b>	<b>47.5%</b>
Black Alone	62,567	11.3%	64,619	10.9%
<b>American Indian Alone</b>	<b>4,556</b>	<b>0.8%</b>	<b>4,688</b>	<b>0.8%</b>
Asian Alone	67,797	12.3%	75,440	12.8%
<b>Pacific Islander Alone</b>	<b>3,272</b>	<b>0.6%</b>	<b>3,337</b>	<b>0.6%</b>
Some Other Race Alone	117,826	21.3%	131,061	22.2%
<b>Two or More Races</b>	<b>27,396</b>	<b>5.0%</b>	<b>31,512</b>	<b>5.3%</b>
<b>Hispanic Origin (Any Race)</b>				
	Number	Percent	Number	Percent
	243,950	44.1%	271,160	45.8%
	292,612	47.2%		

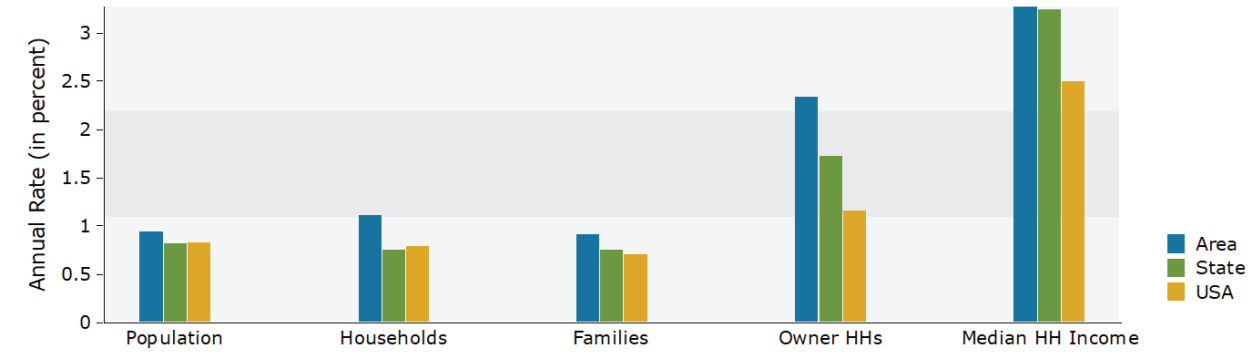
Data Note: Income is expressed in current dollars.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2018 and 2023.

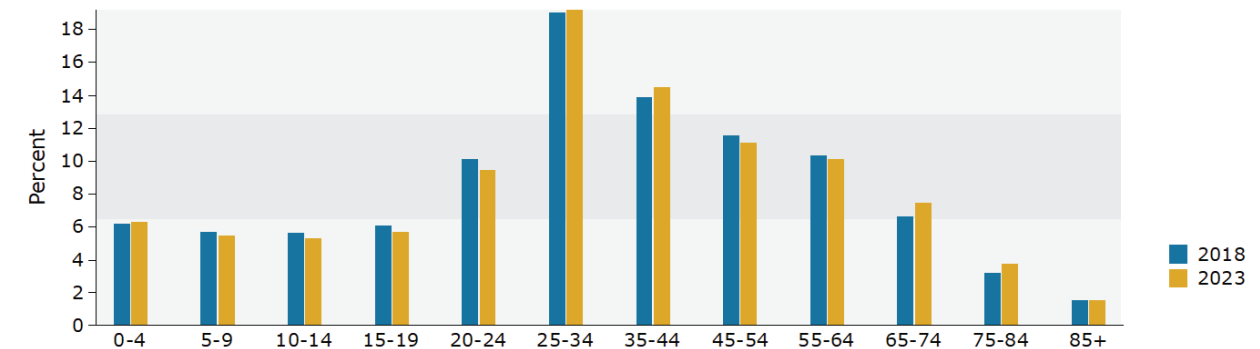
# Demographics

## 5 MILE RADIUS

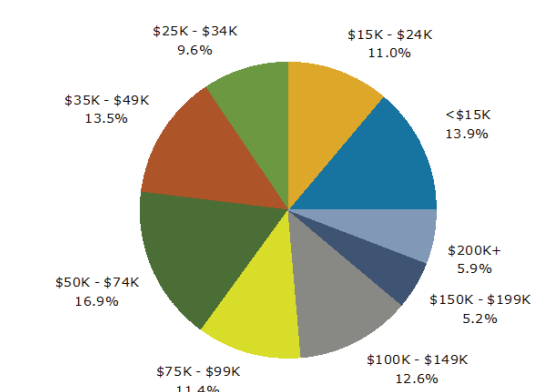
Trends 2018-2023



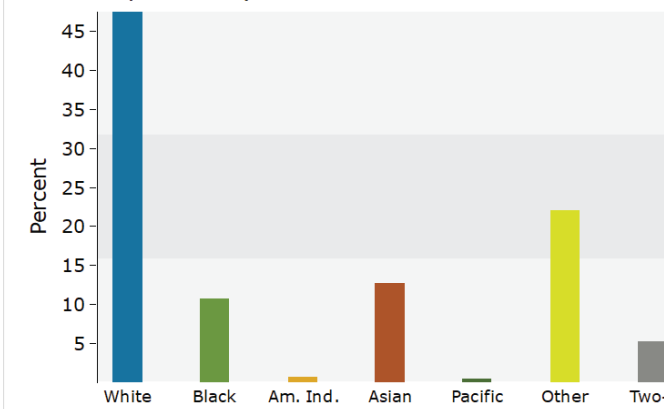
Population by Age



2018 Household Income



2018 Population by Race



2018 Percent Hispanic Origin: 45.8%

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# 35<sup>TH</sup>

## FULLY ENTITLED 40 UNIT DEVELOPMENT OPPORTUNITY NEAR DOWNTOWN SAN DIEGO

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