

OFFERING MEMORANDUM

Elm
VILLAS



231-47 ELM STREET, IMPERIAL BEACH, CA 91932



NICK TREJO
MULTIFAMILY

A Division of ACRE Investment
Real Estate Services

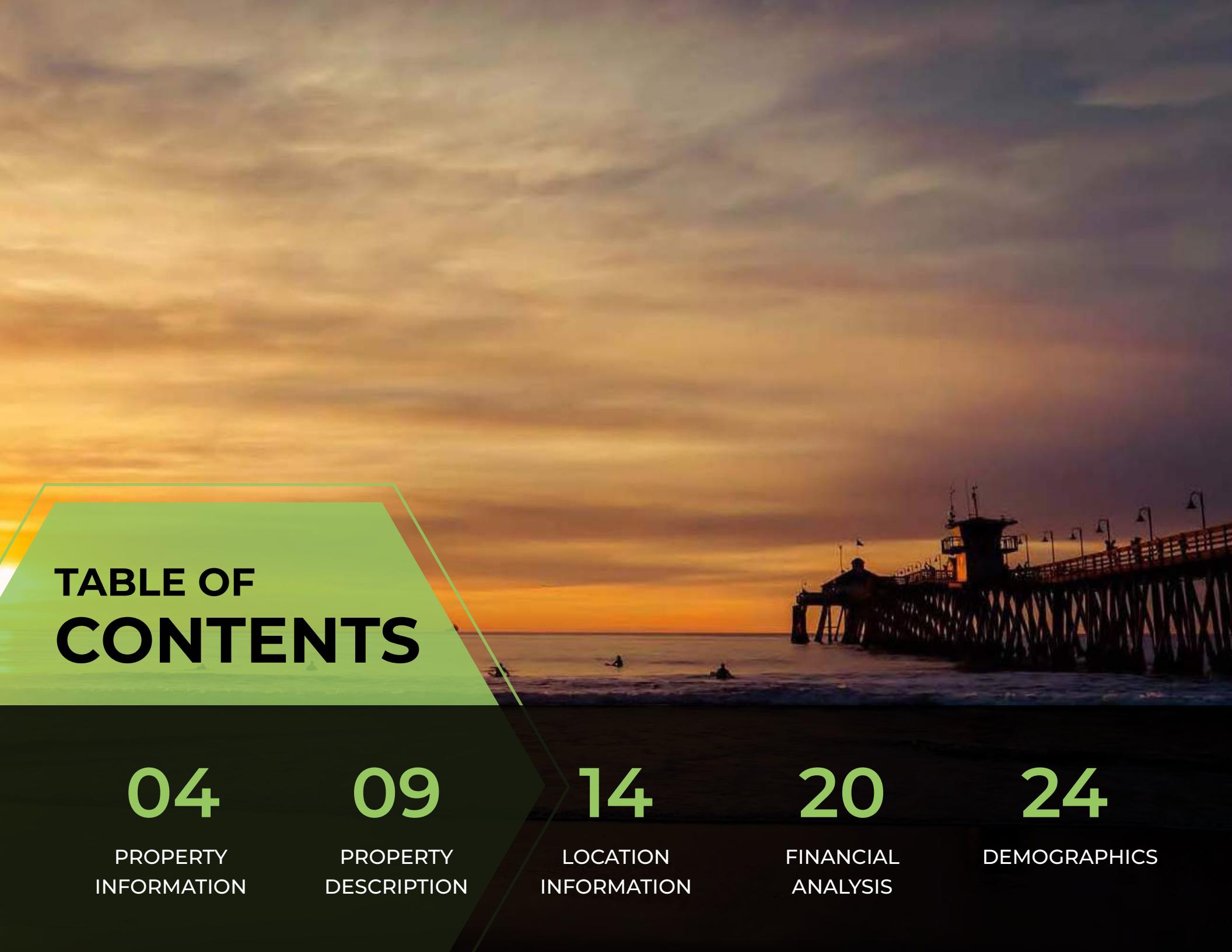


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PROPERTY INFORMATION



INVESTMENT OVERVIEW



[CLICK HERE FOR PROPERTY VIDEO](#)

PURCHASE PRICE \$3,400,000

NUMBER OF UNITS 8

PRICE/UNIT \$425,000

PRICE/SF \$575.30

CAPITALIZATION RATE 2.23% / 5.08%

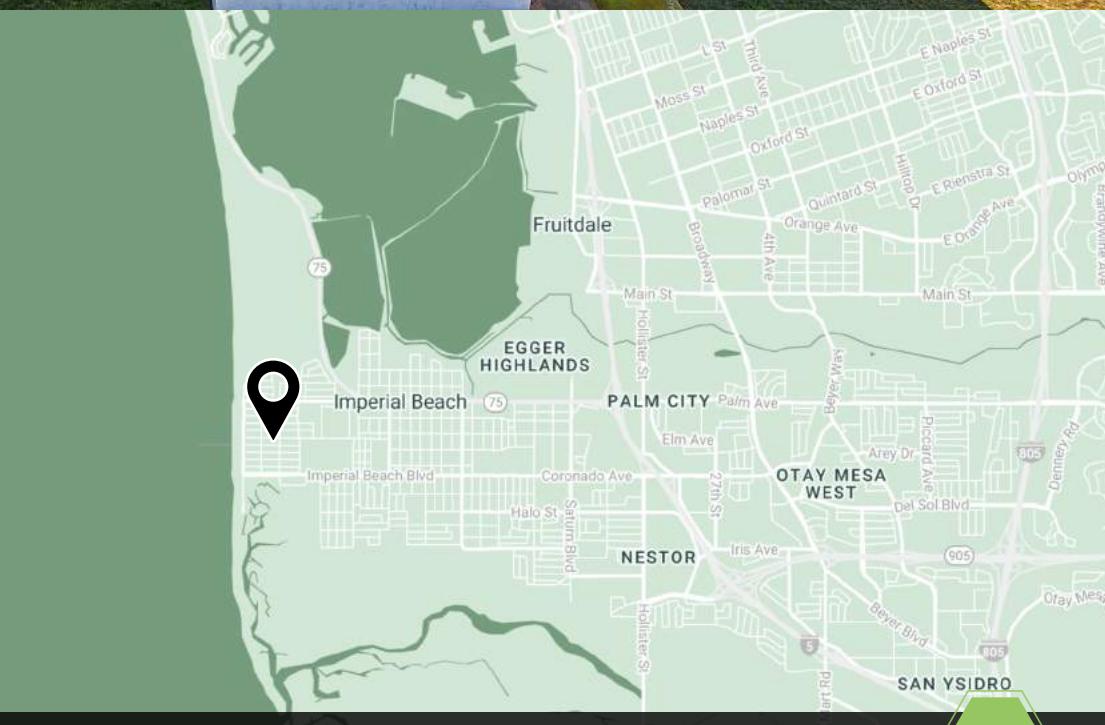
GROSS RENT MULTIPLIER 22.96 / 14.49

BUILDING SIZE 5,910 SF

LOT SIZE 9,680 SF

YEAR BUILT 1980

SUB-MARKET Imperial Beach



EXECUTIVE SUMMARY

The ACRE Investment Real Estate Service is pleased to present Elm Villas (the “Property”), a charming rental community located in the coastal area of Imperial Beach, California. The offering presents real estate investors the opportunity to acquire a pride-of-ownership coastal real estate asset in one of San Diego’s most up-and-coming coastal communities. The property is being offered free and clear of debt encumbrances.

The Property consists of 8 units, resting on approximately 9,680 square feet of land. Originally constructed in the 1980, the Property is well-maintained and managed by the long-term current ownership. The Property is comprised of three (3) two-bedroom / one and half-bath two-story townhomes with ocean view balconies and both front and back patio areas, one (1) large two-bedroom / one-bath unit with L-shape ocean view balcony, four (4) studios situated over six (6) individual garages.

The Property provides tenants with ample assigned off-street parking totaling eight (8) spaces, excluding garages, charming front courtyards, and one (1) on-site laundry facility. Four (4) of the eight (8) units have been nicely remodeled with – cabinets, granite countertops, stainless steel appliances including – refrigerators, gas ranges, fixtures, and sinks.

Elm Villas is ideal for the prudent investor looking to acquire and asset with close proximity to the beach further allowing the investor the opportunity to upgrade the remaining units to high end finishes and maximize rental income. While simultaneously being awarded long-term appreciation as coastal real estate assets outperforms most other locations for wealth preservations and land value appreciation.



PROPERTY FEATURES

- ▶ Less Than Two Blocks Away From The Beach
- ▶ Newer 1980's Construction
- ▶ Two (2) Detached Buildings
- ▶ Unique Unit Mix Consisting of Three (3) 2Bed/1.5Bath Townhomes, One (1) Large 2Bed/1Bath Unit, and Four (4) Studios
- ▶ Six (6) Individual Garages
- ▶ Eight (8) Assigned Parking Spaces
- ▶ On-Site Laundry Facility
- ▶ Charming Curb Appeal

ECONOMIC FEATURES

- ▶ Considered Last Affordable Beach Community in San Diego
- ▶ Highly Gentrifying Beach Neighborhood
- ▶ Average Occupancy Rates in Sub-Market Are 97%-100%.
- ▶ Median Home Price Over \$840,000 in the 91932 Zip Code.
- ▶ Historically High Demand, Low Vacancy Market
- ▶ Tremendous Growth & Appreciation Potential
- ▶ Strong Tenant Base With Long Term Residents & Community Feel





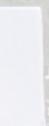
AERIAL PHOTO



PROPERTY INFORMATION | 231-47 Elm Street, Imperial Beach, CA 91932



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PROPERTY DESCRIPTION



PROPERTY DETAILS

SALE PRICE	\$3,400,000
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LOCATION INFORMATION

Building Name	Elm Villas
Street Address	231-47 Elm Avenue
City, State, Zip Code	Imperial Beach, CA 91932
County	San Diego
Sub-market	Imperial Beach

BUILDING INFORMATION

Building Size	5,910 SF
NOI	\$75,727 / \$171,449
Cap Rate	2.23% / 5.08%
Occupancy	100%
Year Built	1980

PROPERTY INFORMATION

Property Type	Multifamily
Property Subtype	Low-Rise / Garden
Lot Size	9,680 SF
Zoning	R-2000 Medium Density Residential
APN#	625-361-24-00

PARKING INFORMATION

Parking Type	Surface
Number of Spaces	11
Garages	6

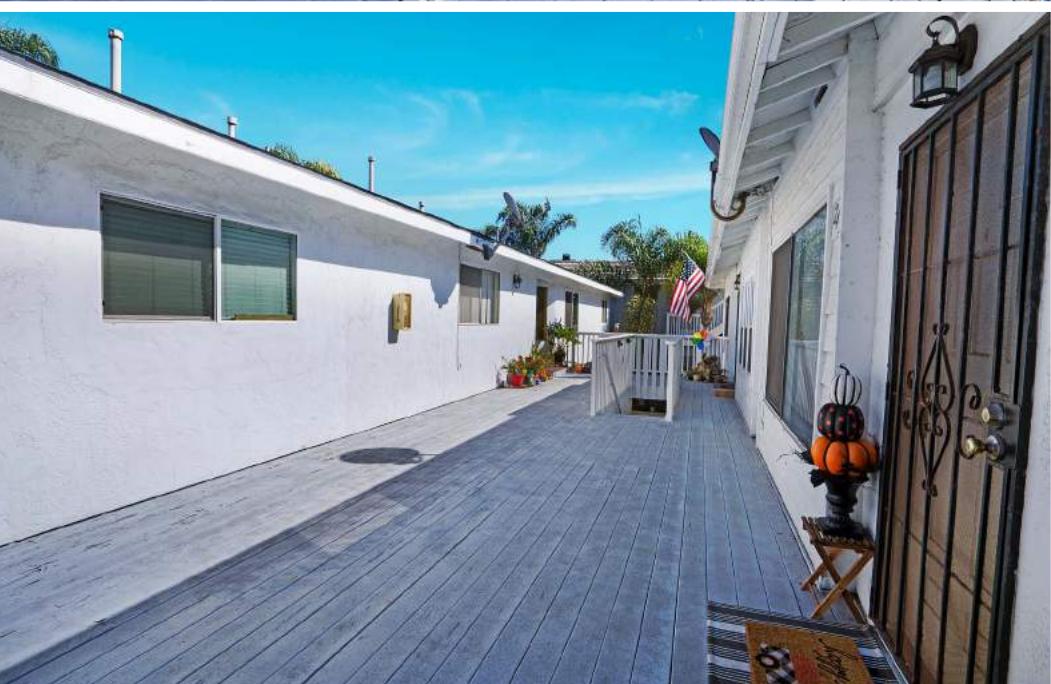
UTILITIES

Water	Paid By Residents
Sewer	Paid By Owner
Gas / Electric	Paid By Residents
Trash Removal	Paid by Owner
Laundry	On-Site Facility





PROPERTY PHOTOS - EXTERIOR





COUNT

1.5

1.5

1.5

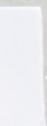
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LOCATION OVERVIEW



LOCATION OVERVIEW

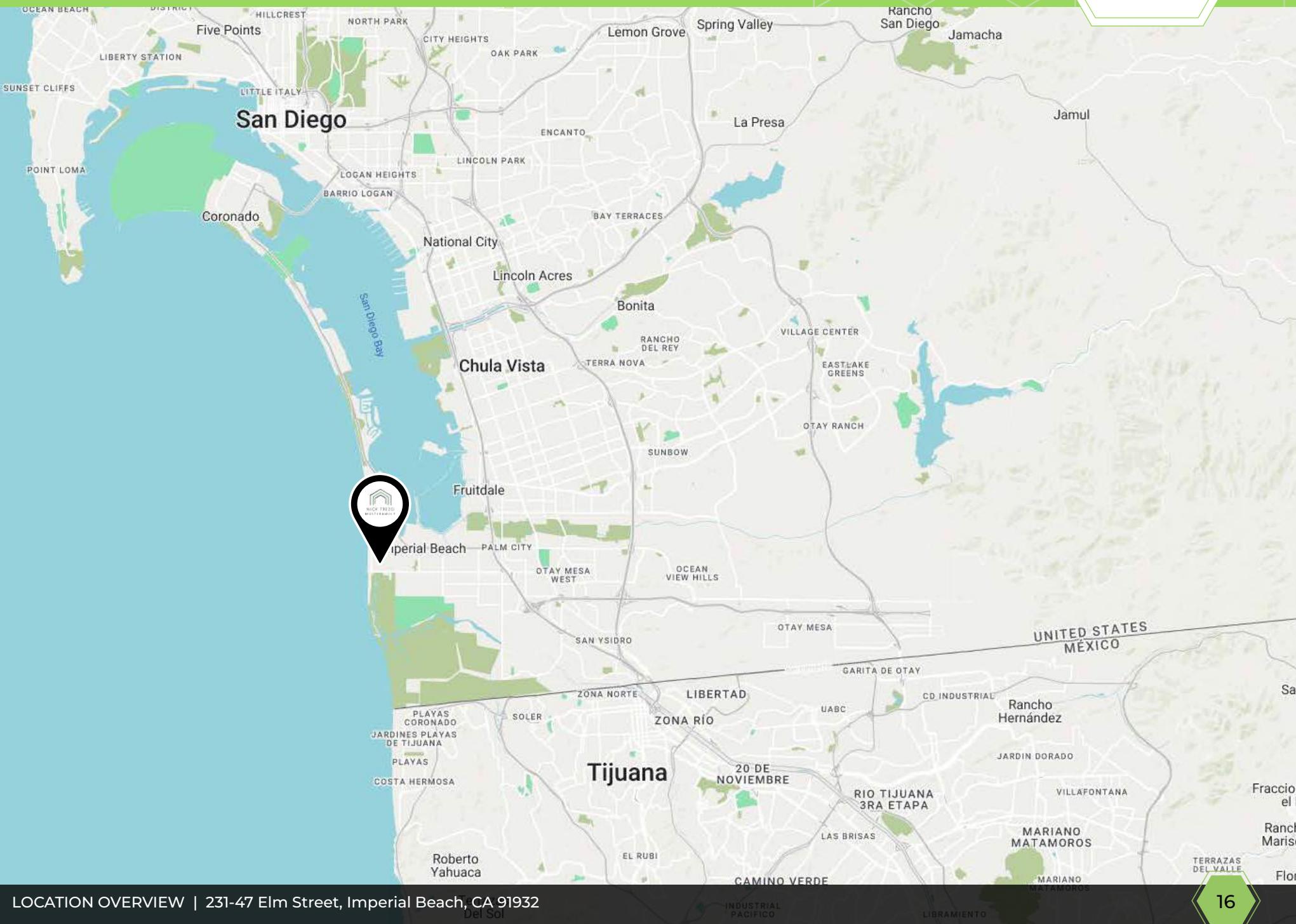


Surrounded by the Pacific Ocean and San Diego Bay, Imperial Beach offers the ideal Classic Southern California experience for its residents and visitors. With big surf, miles of uncrowded beaches, unparalleled open space and wetlands, this town embodies the true California lifestyle. Imperial Beach offers the best of all worlds for its 26,324 residents. This city is conveniently located 14.1 miles from Downtown San Diego and 5 miles to downtown Tijuana, Mexico. Aside from the ideal location, Imperial Beach also offers recreational activities for all tastes such as fantastic surf at Boca Rio, which was identified as the second-best surfing location in the county by San Diego Magazine, as well as Black Beach and Scripps canyon near La Jolla.

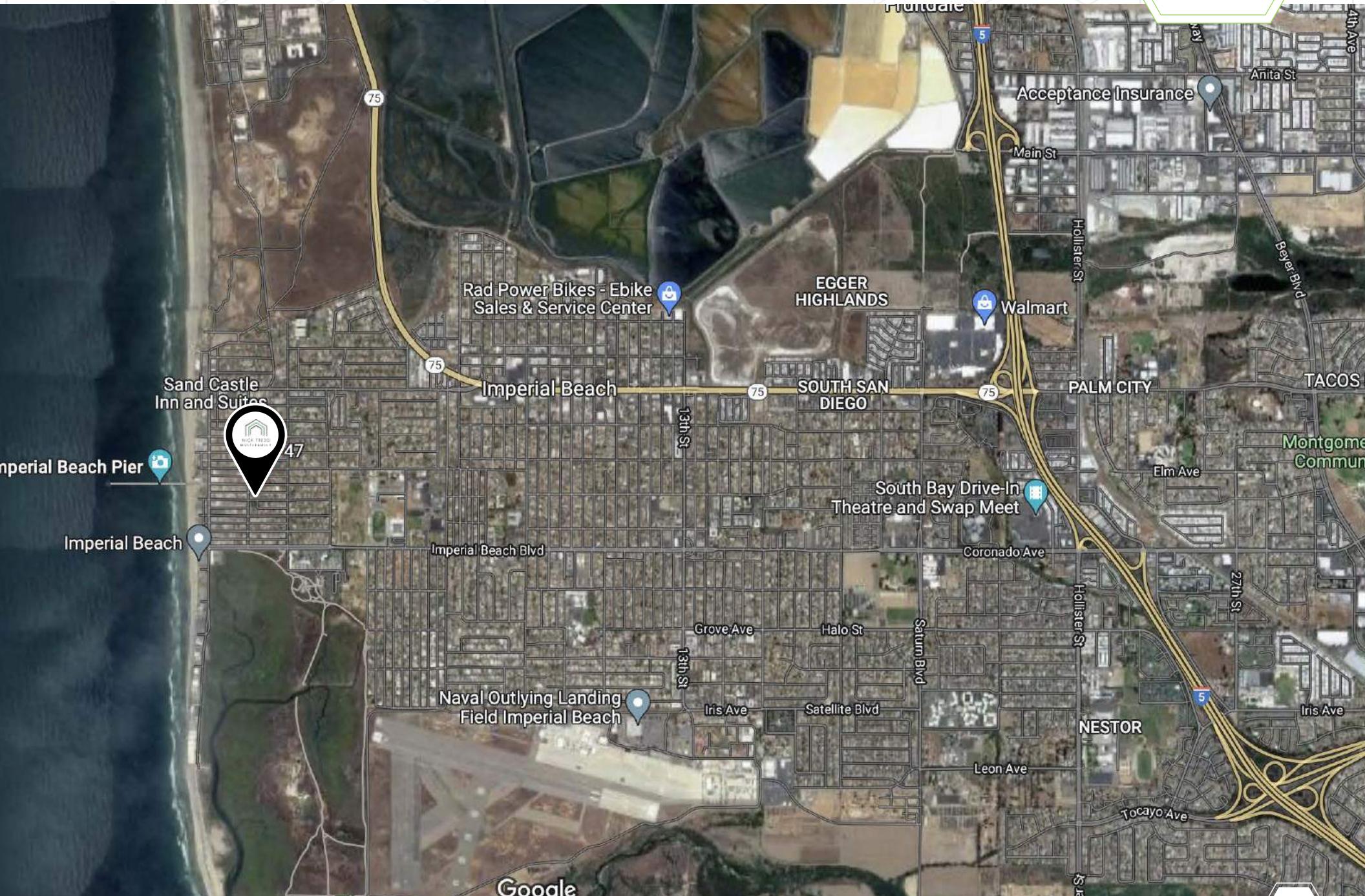
Imperial Beach is connected to the beautiful island, Coronado where residents and tourists can easily tour the island, play golf and soak in the history at the Hotel Del. For 31 years, Imperial Beach has been home to the US Open Sandcastle Competition drawing approximately 325,000 people. In addition, classic car lovers anxiously await the annual Imperial Beach Classic Car Show and Dog Surfing Contest. For those that enjoy more relaxing activities, the South Bay Drive-In Theatre serves as the only drive-in theatre in the county giving its patrons a night of great films with an ocean view and old-fashioned feel. Lastly, Imperial Beach is home to the Tijuana River National Estuarine Research Reserve, the estuary marks where fresh water from the Tijuana River enters the salt water of the Pacific Ocean.



REGIONAL MAP



LOCATION MAP



AERIAL MAP



RETAILER MAP





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FINANCIAL ANALYSIS



FINANCIAL SUMMARY

INVESTMENT OVERVIEW	CURRENT	MARKET
Price	\$3,400,000	\$3,400,000
Price per Unit	\$425,000	\$425,000
Price per SF	\$575.30	\$575.30
Cap Rate	2.23%	5.08%
GRM	22.96	14.49
Cash-on-Cash Return (Year 1)	0.87%	4.54%

OPERATING DATA	CURRENT	MARKET
Gross Scheduled Income	\$148,080	\$234,600
Less: Vacancy	(\$4,442)	(\$7,038)
Less: Concessions & Bad Debt	\$0	\$0
Net Rental Income	\$143,638	\$227,562
Plus: Other Income	\$960	\$18,960
Gross Operating Income	\$144,598	\$246,522
Less: Expenses	(\$68,871)	(\$73,967)
Net Operating Income	\$75,727	\$172,555
Less: Debt Service	(\$52,644)	(\$52,644)
Pre-Tax Cash Flow	\$23,083	\$119,911
Plus: Principal Reduction	\$9,959	\$9,959
Total Pre-Tax Return (Year 1)	\$33,042	\$129,870

FINANCIAL DATA	CURRENT	MARKET
Down Payment	\$2,640,000	\$2,640,000
Loan Amount	\$760,000	\$760,000
Amortization	30	30
Interest Rate	5.65%	5.65%
Debt Service (Annual)	\$52,644	\$52,644
Principal Reduction	\$9,959	\$9,959



INCOME & EXPENSES SUMMARY



INCOME SUMMARY	CURRENT	PER SF	MARKET	PER SF
Rental Income	\$148,080	\$25.06	\$234,600	\$39.70
Laundry	\$960	\$0.16	\$960	\$0.16
Garages	\$0	\$0.00	\$18,000	\$3.05
GROSS INCOME	\$148,080	\$25.06	\$234,600	\$39.70
EXPENSE SUMMARY	CURRENT	PER SF	MARKET	PER SF
Off-Site Management Fees	\$7,230	\$1.22	\$12,326	\$2.09
Repairs & Maintenance	\$7,200	\$1.22	\$7,200	\$1.22
Utilities	\$1,600	\$0.27	\$1,600	\$0.27
Contracted Services	\$6,600	\$1.12	\$6,600	\$1.12
Real Estate Taxes	\$39,768	\$6.73	\$39,768	\$6.73
Tax Assessments	\$3,273	\$0.55	\$3,273	\$0.55
Insurance	\$3,200	\$0.54	\$3,200	\$0.54
TOTAL OPERATING EXPENSES	\$68,871	\$11.65	\$73,967	\$12.52
NET OPERATING INCOME	\$75,727	\$12.81	\$172,555	\$29.20



UNIT MIX SUMMARY



UNIT TYPE	BEDS	BATHS	COUNT	SIZE SF	CURRENT RENT	CURRENT RENT/SF	MARKET RENT	MARKET RENT/SF
Two-Bedroom/One and Half-Bath Townhome	2	1.5	1	1120	\$2,050	\$1.83	\$3,100	\$2.77
Two-Bedroom/One and Half-Bath Townhome	2	1.5	1	1120	\$2,200	\$1.96	\$3,100	\$2.77
Two-Bedroom/One and Half-Bath Townhome	2	1.5	1	1120	\$1,500	\$1.34	\$3,100	\$2.77
Two-Bedroom/One-Bath	2	1	1	950	\$2,050	\$2.16	\$2,850	\$3.00
Studio	0	1	1	400	\$1,100	\$2.75	\$1,850	\$4.63
Studio	0	1	1	400	\$1,100	\$2.75	\$1,850	\$4.63
Studio	0	1	1	400	\$1,500	\$3.75	\$1,850	\$4.63
Studio	0	1	1	400	\$840	\$2.10	\$1,850	\$4.63
TOTALS/AVERAGES			8	5910	\$1,543	\$2.33	\$2,444	\$3.73



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DEMOGRAPHICS

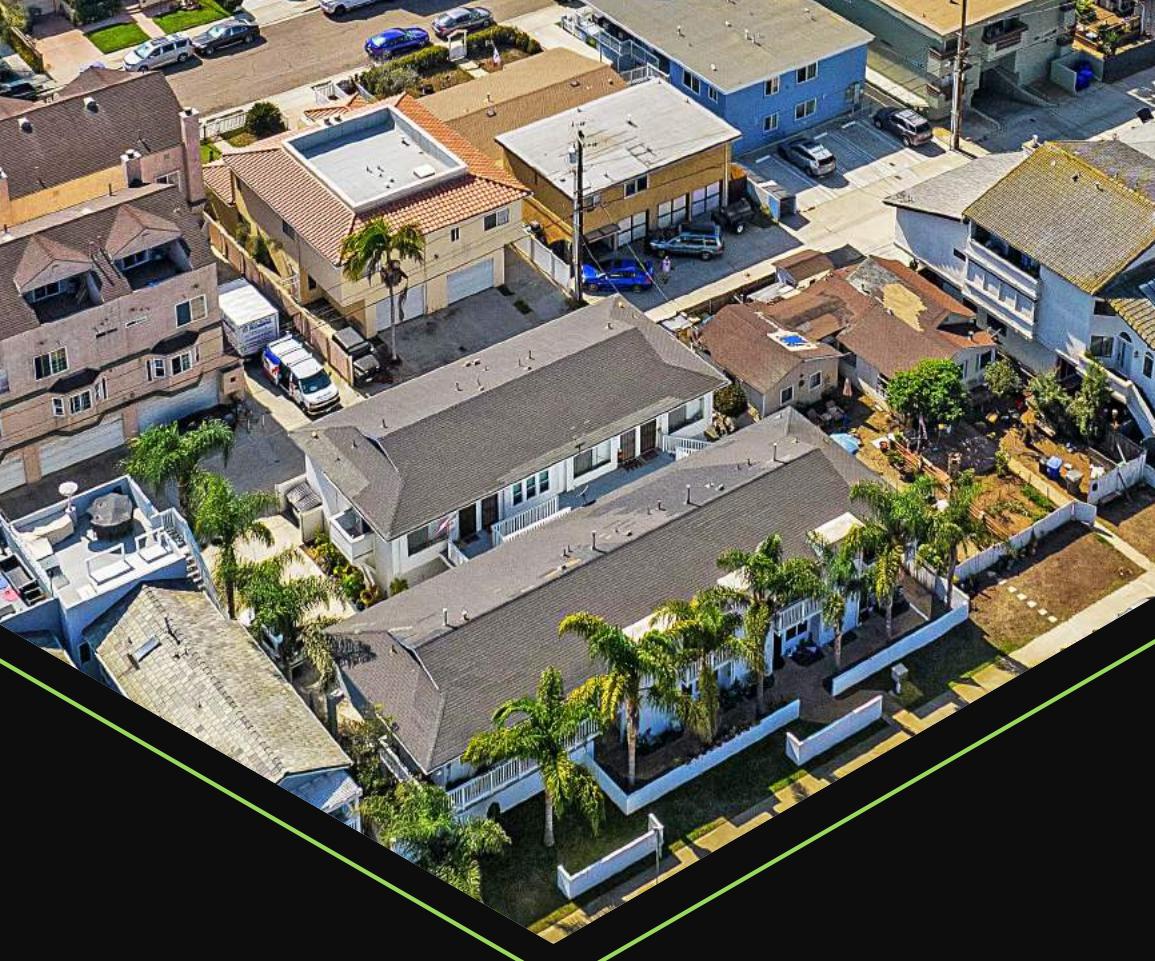


DEMOGRAPHICS



2022 SUMMARY	1 MILE	3 MILES	5 MILES
Population	12,887	53,784	188,713
Households	5,024	17,628	58,543
Families	3,147	13,129	44,462
Average Household Size	2.56	3.04	3.20
Owner Occupied Housing Units	2,042	7,403	25,265
Renter Occupied Housing Units	2,982	10,225	33,278
Median Age	35.7	33.3	33.8
Median Household Income	\$72,104	\$62,978	\$59,789
Average Household Income	\$99,587	\$87,960	\$80,568

2027 SUMMARY	1 MILE	3 MILES	5 MILES
Population	12,706	53,415	188,701
Households	4,956	17,508	58,527
Families	3,105	13,051	44,485
Average Household Size	2.56	3.04	3.20
Owner Occupied Housing Units	2,053	7,418	25,488
Renter Occupied Housing Units	2,903	10,090	33,039
Median Age	36.6	34.9	35.5
Median Household Income	\$86,094	\$75,990	\$72,869
Average Household Income	\$121,983	\$105,212	\$96,615



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IMPERIAL BEACH, CA 91932

NICK TREJO

Senior Associate

CAL BRE #02015892

619.933.2672

ntrejo@acrecommercial.com



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