4657 FELTON STREET

SAN DIEGO, CA 92116 | NORMAL HEIGHTS | 9 UNITS

Marcus & Millichap

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EXECUTIVE SUMMARY

Marcus & Millichap

INVESTMENT OVERVIEW

9-Unit Multifamily Investment in Central San Diego

Marcus & Millichap is pleased to present 4657 Felton Street, a 9-unit, 5,942-square-foot multifamily community located in the trendy neighborhood of Normal Heights, just steps from Adams Avenue entertainment, in San Diego. Originally constructed in 1969, the property was repositioned in 2018 with an extensive renovation plan to cater to today's top renters. The offering is priced at $3,150,000 at a 5.42% cap rate.

The building consists of nine units across an efficient mix of two 2-bedroom / 1-bathroom units (approximately 825 SF) and seven 1-bedroom / 1-bathroom units (averaging 615 SF). Additionally, there are 9 off-street parking spaces, AC in all units, and a common laundry facility. This straightforward, highly usable layout caters to a broad urban tenant base and remains consistently attractive to renters in the submarket.

LOCATION & WALKABILITY

Positioned within an up trending established central San Diego infill neighborhood called Normal Heights, the asset benefits from strong, in-place renter demand and convenient proximity to retail, dining, and everyday amenities. Its central location provides seamless access to major employment centers and transit corridors, insulating the asset and supporting high occupancy and durable rental demand.

TURNKEY OR VALUE-ADD OPPORTUNITY

The property offers meaningful mark-to-market upside as a turnkey investment but also has value-add opportunities by providing additional amenities in unit and common areas.

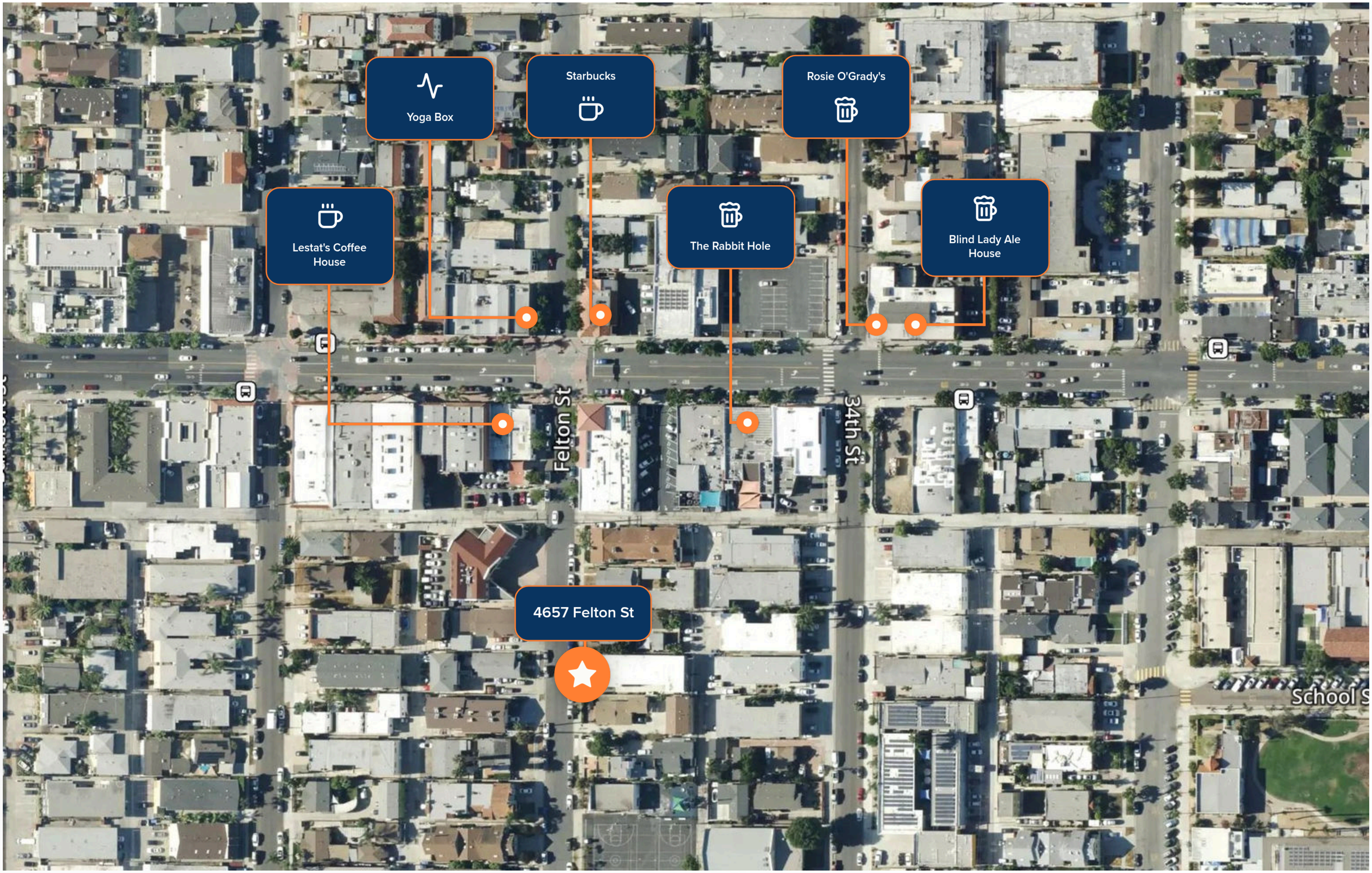
Property Description

Property Address	**4657 Felton Street, San Diego, CA 92116**
APN	439-442-27-00
Total Units	9
Zoning	RM-1-2
Parking	9 Spaces
Year Built/Renovated	1969/2018
Building Area	5,942 SF
Lot Size	7,069 SF / 0.16 Acres

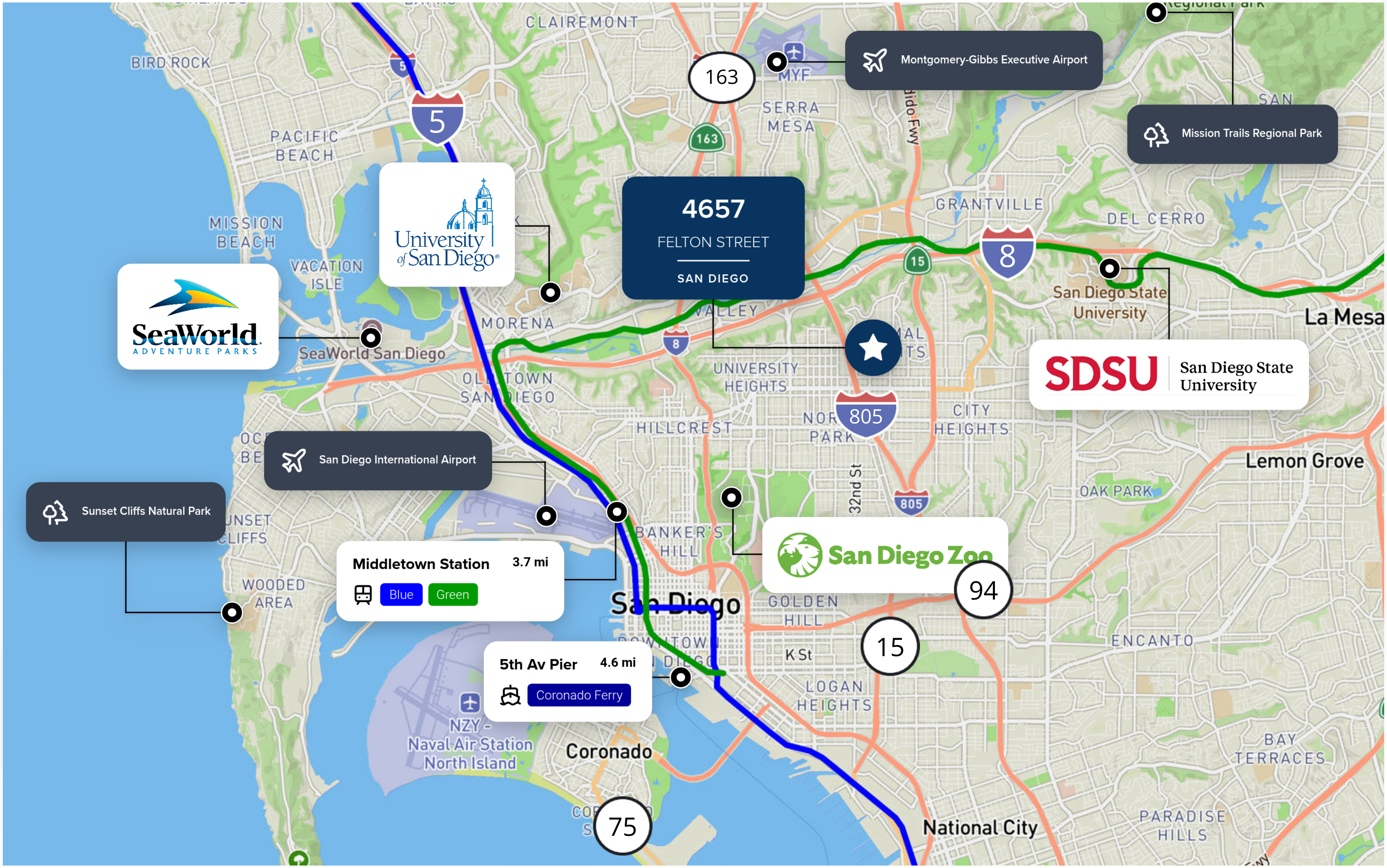
PROPERTY HIGHLIGHTS

- Strong Metrics: 5.42% Current Cap Rate
- Popular & Trendy Normal Heights Submarket: Boutique Neighborhood Feel That Residents Enjoy
- Steps to Adams Avenue: Felton St/Adams Ave is The Center of Normal Heights Business District
- Highly Walkable Setting to Trendy Local Cafes, Restaurants, Craft Breweries & Retail
- Very Limited New Construction Supply-Constrained Neighborhood: High Demand and Consistently Low Vacancy Rates
- Extensively Renovated in 2018: Continue as a Turnkey Investment or Value-Add Potential by Providing Additional Amenities
- 9 Off-Street Parking Spaces
- Consists of (9) Total Units: (7) 1 Bed / 1 Bath & (2) 2 Bed / 1 Bath Layouts
- Convenient Regional Connectivity via Nearby I-805, I-15, and I-8 Freeways

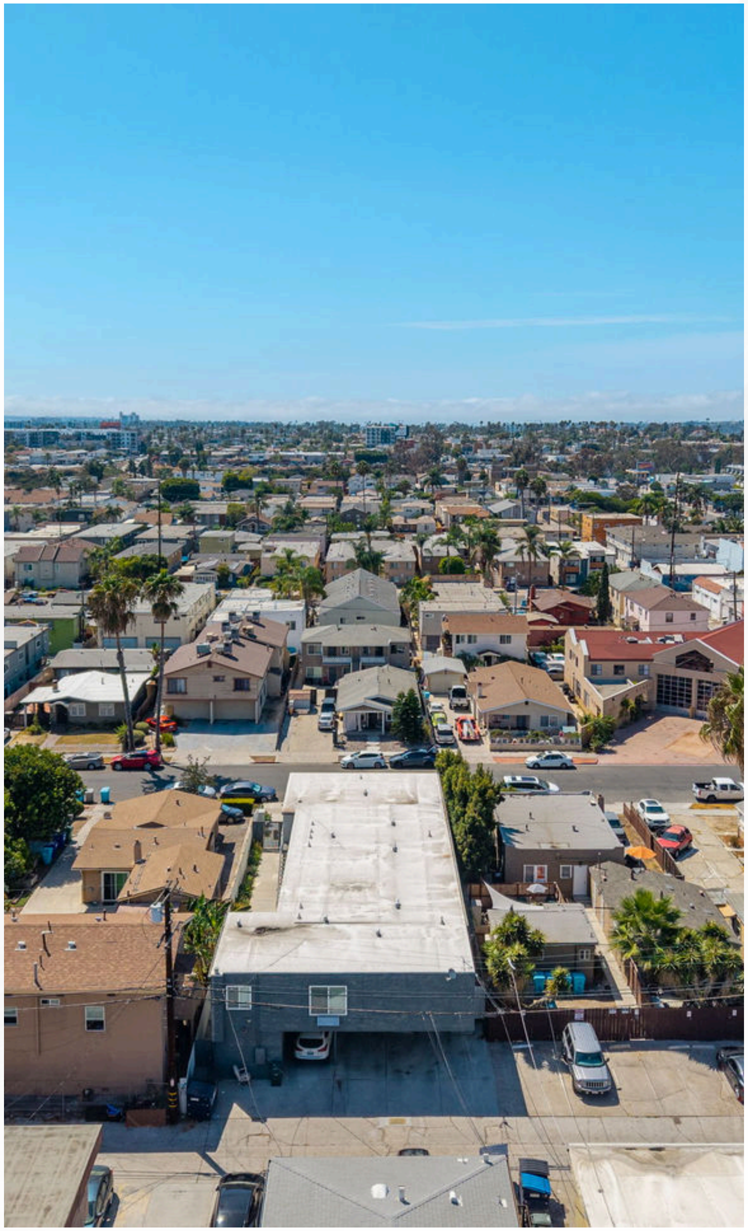
NEIGHBORHOOD AERIAL



AERIAL MAP

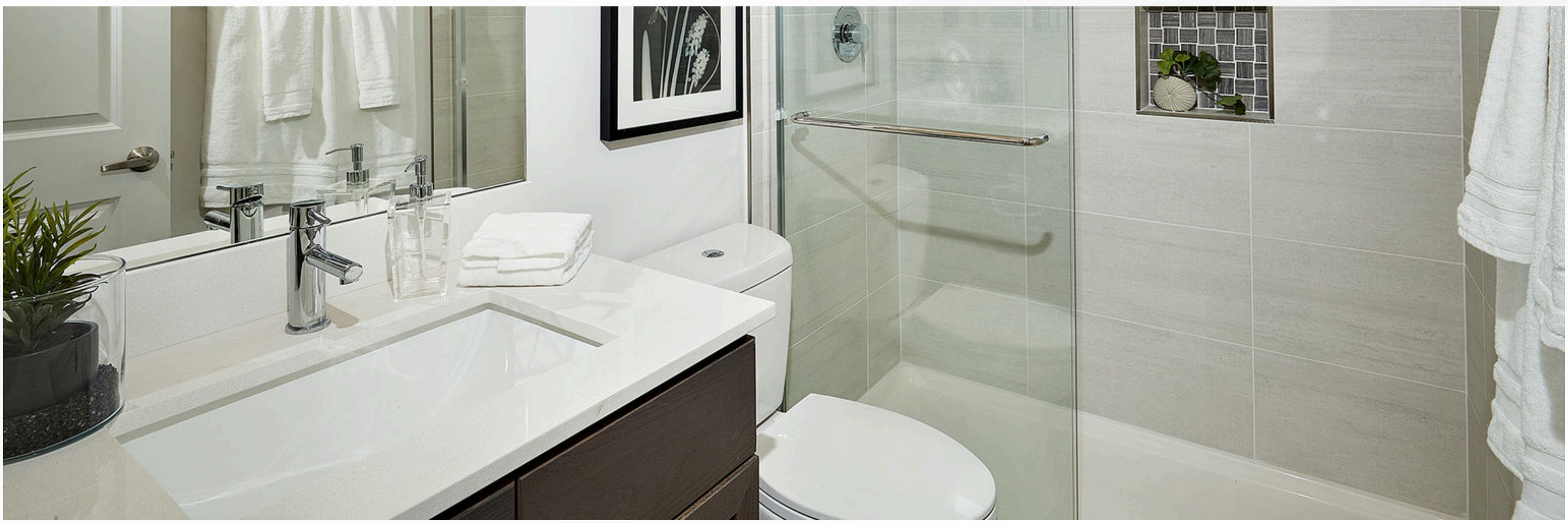

4657
FELTON STREET
SAN DIEGO
Montgomery-Gibbs Executive Airport
Mission Trails Regional Park
University of San Diego
SeaWorld ADVENTURE PARKS
SeaWorld San Diego
San Diego International Airport
Sunset Cliffs Natural Park
Middletown Station 3.7 mi
Blue
Green
5th Av Pier 4.6 mi
Coronado Ferry
San Diego Zoo
SDSU San Diego State University
San Diego State University
CLAIREMONT
BIRD ROCK
PACIFIC BEACH
MISSION BEACH
VACATION ISLE
MORENA
OLD TOWN SAN DIEGO
SERRA MESA
GRANTVILLE
DEL CERRO
La Mesa
UNIVERSITY HEIGHTS
HILLCREST
NORTH PARK
CITY HEIGHTS
Lemon Grove
OAK PARK
BANKER'S HILL
WOODED AREA
San Diego
GOLDEN HILL
K St
LOGAN HEIGHTS
ENCANTO
BAY TERRACES
NZY - Naval Air Station North Island
Coronado
National City
PARADISE HILLS
32nd St
MYF
163
5
8
15
805
94
75

PHOTOS



PHOTOS

INTERIOR PHOTOS



RENT ROLL SUMMARY

				Current			Potential		
Unit Type	# of Units	Avg SQFT	Rental Range	Avg Rent	Avg Rent/SF	Monthly Income	Avg Rent	Avg Rent/SF	Monthly Income
2 Bdrm / 1 Bath	2	825	$2,576 - $2,695	$2,636	$3.19	$5,271	$2,725	$3.30	$5,450
1 Bdrm / 1 Bath	6	600	$2,140 - $2,271	$2,192	$3.65	$13,151	$2,295	$3.83	$13,770
1 Bdrm / 1 Bath X-Large	1	700	$2,248 - $2,248	$2,248	$3.21	$2,248	$2,325	$3.32	$2,325
Totals / Weighted Avg	**9**	**660**	**—**	**$2,297**	**$3.48**	**$20,670**	**$2,394**	**$3.63**	**$21,545**
Gross Annualized Rents				$248,034			$258,540		

RENT ROLL DETAIL

				Current		Potential	
Rent Roll	Unit	Unit Type	Square Feet	Rent/Month	Rent/SF/Month	Rent/Month	Rent/SF/Month
	1	2 Bdrm / 1 Bath	825	$2,695	$3.27	$2,725	$3.30
	2	1 Bdrm / 1 Bath	600	$2,195	$3.66	$2,295	$3.83
	3	1 Bdrm / 1 Bath	600	$2,200	$3.67	$2,295	$3.83
	4	1 Bdrm / 1 Bath	600	$2,140	$3.57	$2,295	$3.83
	5	2 Bdrm / 1 Bath	825	$2,576	$3.12	$2,725	$3.30
	6	1 Bdrm / 1 Bath	600	$2,195	$3.66	$2,295	$3.83
	7	1 Bdrm / 1 Bath	600	$2,271	$3.79	$2,295	$3.83
	8	1 Bdrm / 1 Bath	600	$2,150	$3.58	$2,295	$3.83
	9	1 Bdrm / 1 Bath X-Large	700	$2,248	$3.21	$2,325	$3.32
Total	**9 Units**	**—**	**5,942 SF**	**$20,670**	**$3.48**	**$21,545**	**$3.63**

FINANCIAL ANALYSIS: PRICING DETAIL

PRICING SUMMARY	
Price	**$3,150,000**
Down Payment	(40%) $1,260,000
Number of Units	9
Price Per Unit	$350,000
Price Per SqFt	$530.12
Approx. Gross SqFt	5,942
Lot Size	0.16 Acres
Year Built/Renovated	1969

RETURNS	Current	Proforma
CAP Rate	5.42%	5.73%
GRM	12.70	12.18
Cash-on-Cash	2.35%	3.12%
Debt Coverage Ratio	1.21	1.28

FINANCING	1st Loan
Loan Amount	$1,890,000
Loan Type	New
Interest Rate	6.35%
Amortization Rate	30 Years
Year Due	2031

UNIT MIX

#	Type	SQFT	Current Rent	Market Rent
2	2 Bdrm / 1 Bath	825	$2,636	$2,725
7	1 Bdrm / 1 Bath	615	$2,200	$2,299

INCOME		Current		Proforma
Gross Scheduled Rent		**$248,034**		**$258,540**
Less: Vacancy/Deductions	3.0%	$7,441	3.0%	$7,756
Total Effective Rental Income		$240,593		$250,784
Effective Gross Income		$251,080		$261,271
Less: Expenses	31.98%	$80,301	30.93%	$80,811
Net Operating Income		**$170,779**		**$180,460**
Cash Flow		$170,779		$180,460
Debt Service		$141,123		$141,123
Net Cash Flow After Debt Service	2.35%	$29,656	3.12%	$39,337
Principal Reduction		$21,733		$23,154
TOTAL RETURN	**4.08%**	**$51,389**	**4.96%**	**$62,491**

EXPENSES	Current	Proforma
Real Estate Taxes	$39,375	$39,375
Insurance	$6,300	$6,300
Utilities	$5,930	$5,930
Trash Removal	$4,991	$4,991
Repair & Maintenance	$7,200	$7,200
Landscaping/Pest	$2,451	$2,451
General & Administrative	$500	$500
Misc. Expenses	$1,000	$1,000
Management Fee	$12,554	$13,064
TOTAL EXPENSES	**$80,301**	**$80,811**
Expenses/Unit	**$8,922**	**$8,979**
Expenses/SF	**$13.51**	**$13.60**

OPERATING STATEMENT

INCOME	Current		Year 1		PER UNIT	PER SF
Rental Income					28,727	43.51
Gross Current Rent	**$248,034**		**258,540**		**28,727**	**43.51**
Physical Vacancy	-$7,441	3.0%	-7,756	3.0%	-862	-1.31
TOTAL VACANCY	($7,441)	3.0%	($7,756)	3.0%	($862)	-$1.31
Effective Rental Income	$240,593		250,784		27,865	42.21
Other Income						
Utility Bill-Back	**$7,279**		**7,279**		**809**	**1.23**
All Other Income	$3,208		3,208		356	0.54
TOTAL OTHER INCOME	**$10,487**		**$10,487**		**$1,165**	**$1.76**
EFFECTIVE GROSS INCOME	**$251,080**		**$261,271**		**$29,030**	**$43.97**

EXPENSES	**Current**		**Year 1**		**PER UNIT**	**PER SF**
Real Estate Taxes	$39,375		39,375		4,375	6.63
Insurance	$6,300		6,300		700	1.06
Utilities	$5,930		5,930		659	1.00
Trash	$4,991		4,991		555	0.84
Repairs & Maintenance	$7,200		7,200		800	1.21
Landscaping/Pest	$2,451		2,451		272	0.41
General & Administrative	$500		500		56	0.08
Misc. Expenses	$1,000		1,000		111	0.17
Management Fee	$12,554	5.0%	13,064	5.0%	**1,452**	**2.20**
TOTAL EXPENSES	**$80,301**		**$80,811**		$8,979	$13.60
EXPENSES AS % OF EGI	**32.0%**		**30.9%**			
NET OPERATING INCOME	**$170,779**		**$180,460**		**$20,051**	**$30.37**

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