

OFFERING MEMORANDUM

1951–1955 Hornblend Street

Pacific Beach · San Diego, CA 92109

OFFERED AT \$2,295,000



Monroe Herington

REAL ESTATE GROUP



PACIFIC BEACH THREE-UNIT WITH GARAGE UPSIDE

Sunset aerial; property inset

Detached single-level 5BR/2BA house plus two townhomes, one block off Garnet Avenue in Pacific Beach. Live in the front house and rent the back, or hold all three. The front house is about 1,150 sf with a fireplace, a fenced patio yard and its own 2-car driveway. Behind it are two mirror-image 2-story 2BR/1.5BA townhomes of about 1,000 sf each, with a living room open to the floor above, an eat-in kitchen and half bath downstairs, two bedrooms upstairs over the garage, a private patio and an alley parking space.

Current rents total \$16,000 a month (\$192,000 a year), a 5.90% cap rate on a buyer's basis. Tenants pay water, sewer, trash, SDG&E and internet, and they reimburse the City trash fee.

The value-add is the roughly 800 sf garage, and there are two ways to use it. The first is to extend both rear units into it, making each a 4BR/2.5BA for an estimated \$75,000. At the front house's current \$1,580 per bedroom, that's a projected 7.60% yield on price plus cost. The second is to convert the garage into a separate 3BR ADU at an estimated \$5,500 a month. Either path keeps the four off-street spaces and needs City of San Diego approval.

Better Buzz Coffee and the Garnet dining strip are around the corner. Trader Joe's and Mission Bay are about a third of a mile away, and the beach at Crystal Pier is about 1.3 miles. 6,586 sf lot, zoned CO-1-2. APN 424-042-07-00.

Financials, garage upside, floor plans, aerials and location details follow.

Presented by Monroe Herington | eXp Realty | DRE #01930053 | 619-929-6546 | sales@monroeherington.com

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3-UNIT INCOME PROPERTY · REMODELED · BEDROOM & ADU UPSIDE



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OFFERING PRICE

\$2,295,000

3 units + garage upside

CAP RATE

5.90%

current rents, buyer's basis

GRM

11.95

on current gross rents

PRICE / SF

\$729

3,150 sf living area

PRO FORMA CAP

7.60%

Path A, on price + cost



INVESTMENT HIGHLIGHTS

- Three remodeled units: a detached 5BR/2BA front house plus two 2-story 2BR/1.5BA rear units with bedrooms over the garage
- Current rents of \$16,000/mo (\$192,000/yr), up from \$14,875/mo for most of the past year
- Garage upside, two paths: extend both rear units to 4BR/2.5BA (est. 60% return on cost) or convert it to a 3BR ADU
- Parking: 2-car driveway for the front house plus 2 alley spaces in front of the garages, kept under either garage path
- 1 block to Garnet Ave dining and Better Buzz Coffee; ~0.35 mi to Trader Joe's and Mission Bay; ~1.3 mi to the beach
- Financials shown on a buyer's basis: reassessed taxes, insurance, vacancy and management included

UNIT MIX & RENT ROLL

Rents as of October 2026

UNIT	BED / BATH	SQ FT	MONTHLY RENT	RENT / SF	ANNUAL RENT
1951 · Front House (detached)	5 BR / 2 BA	1,150	\$7,900	\$6.87	\$94,800
1953 · Rear Unit (2-story)	2 BR / 1.5 BA	1,000	\$4,000	\$4.00	\$48,000
1955 · Rear Unit (2-story)	2 BR / 1.5 BA	1,000	\$4,100	\$4.10	\$49,200
Total, current	9 BR	3,150	\$16,000	\$5.08	\$192,000
Path A: rear units extended to 4BR	+4 BR / +2 BA	+800	+\$4,540	–	+\$54,480
<i>Path B: new 3BR ADU (4th unit)</i>	<i>+3 BR</i>	<i>+800</i>	<i>+\$5,500</i>	–	<i>+\$66,000</i>

PROPERTY DETAILS

UNITS	3 (4 with the ADU path)
LIVING AREA	3,150 sf (approx.)
GARAGE	800 sf; bedroom or ADU conversion
PARKING	2-car driveway (front) + 2 alley spaces (rear)
LOT SIZE	6,586 sf (0.15 acre)
YEAR BUILT	1977 (effective, per assessor)
ZONING	CO-1-2 (City of San Diego)
APN	424-042-07-00

GARAGE UPSIDE

A · EXTEND

B · ADU

Scope	Rear units to 4BR	New 3BR unit
Added rent	\$4,540/mo	\$5,500/mo
Cost, all-in	\$75,000	\$150,000
Added NOI	\$44,816	\$54,708
Return on cost	59.8%	36.5%
Pro forma NOI	\$180,194	\$190,086
PF cap, all-in	7.60%	7.77%

Subject to City of San Diego approval; estimates. Details and renderings on the Garage Upside page.

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FINANCIAL OVERVIEW

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OPERATING STATEMENT

ANNUAL	T-12 ADJUSTED Sep 25–Aug 26	CURRENT in place	PATH A extensions	PATH B 3BR ADU	BASIS / NOTES
INCOME					
Gross rental income	\$174,535	\$192,000	\$246,480	\$258,000	A: 4BR at \$1,580/BR; B: +\$5,500/mo
Less: vacancy & credit loss	–	(\$5,760)	(\$7,394)	(\$7,740)	3% of scheduled; T-12 is net
Other income	\$2,491	\$4,095	\$4,095	\$4,630	T-12 reimb. & fees + tenant trash reimb.
Effective gross income	\$177,026	\$190,335	\$243,181	\$254,890	
OPERATING EXPENSES					
Property taxes	\$27,081	\$27,081	\$27,966	\$28,851	1.18% of price + path cost
Assessments & City trash fee	\$1,755	\$1,755	\$1,755	\$2,289	3 trash bundles + other; B +1
Insurance	\$6,000	\$6,000	\$6,750	\$7,500	Estimate; get a quote
Water / sewer	–	–	–	–	Tenant-paid
Electricity (house meter)	\$1,996	\$1,996	\$1,996	\$1,996	T-12; offset by reimbursements
Repairs & maintenance	\$8,444	\$8,444	\$12,196	\$11,258	T-12; paths scaled by bedrooms
Landscaping	\$165	\$165	\$165	\$165	T-12 actual
Property management	\$8,851	\$9,517	\$12,159	\$12,745	5% of EGI (current PM rate)
Total operating expenses	\$54,291	\$54,957	\$62,987	\$64,804	
Expense ratio (% of EGI)	30.7%	28.9%	25.9%	25.4%	
NET OPERATING INCOME	\$122,734	\$135,378	\$180,194	\$190,086	Before reserves & debt service
RETURNS AT OFFERING PRICE					
Total investment	\$2,295,000	\$2,295,000	\$2,370,000	\$2,445,000	Price + path cost
Cap rate on purchase price	5.35%	5.90%	7.85%	8.28%	NOI ÷ offering price
Yield on total investment	5.35%	5.90%	7.60%	7.77%	NOI ÷ total investment
Gross rent multiplier	13.15	11.95	9.62	9.48	Investment ÷ gross rent
Investment per sq ft	\$729	\$729	\$600	\$619	3,150 sf; paths 3,950 sf

NOTES & ASSUMPTIONS

- T-12 = the property manager's income statement for the 12 months Sep 2025 – Aug 2026 (actual rent collected and actual repair costs). We then adjusted it to what a buyer would pay: added property tax at the new purchase price, insurance and water/sewer (the owner pays these directly, so they are not on the manager's statement), and charged management at 5% for all 12 months (the fee was not recorded in Oct 2025 or Aug 2026). A one-time \$713 appliance purchase was left out because it is a replacement of equipment, not a recurring operating cost.
- Property tax reassessed at the offering price at 1.18% (City of San Diego, approx.; varies by tax rate area). Direct assessments include the City trash fee of \$535 per bundle (FY2026-27), 3 bundles assumed. The 2025 bill (\$21,399 on a \$1,665,000 assessed value) matches this rate plus fixed charges.
- Insurance is an estimate (about \$2,000 per unit). Tenants pay water/sewer/trash service, SDG&E and internet; they also reimburse the City trash fee, shown in other income (not counted in the T-12 column). Vacancy & credit loss at 3% of scheduled rent. NOI is before capital reserves and debt service.
- Path A extends both rear units into the garage (2BR/1.5BA to 4BR/2.5BA), priced at \$1,580 per bedroom (the front house's current rate), for an estimated \$75,000. Path B converts the garage to a 3BR ADU at \$5,500/mo for an estimated \$150,000. Both are subject to City of San Diego approval; costs are reassessed at the tax rate and operating costs scale with bedrooms. See the Garage Upside page.

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GARAGE UPSIDE

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TWO PATHS FOR THE GARAGE · CONCEPTUAL RENDERINGS

Illustrative only; not existing conditions

PATH A (PRIMARY) · EXTEND BOTH REAR UNITS



Each rear unit extends into its own garage: 2BR/1.5BA becomes 4BR/2.5BA. Stays 3 units.

PATH B · NEW 3BR ADU



Both garages (the alley side of the ground floor) become one separate 3BR ADU. Becomes 4 units.



GARAGE UPSIDE	A · EXTEND	B · ADU
Scope	Rear units to 4BR	New 3BR unit
Added rent	\$4,540/mo	\$5,500/mo
Cost, all-in	\$75,000	\$150,000
Added NOI	\$44,816	\$54,708
Return on cost	59.8%	36.5%
PF cap, all-in	7.60%	7.77%
Net value at 5.9% cap*	\$684,736	\$777,432

- Path A (primary): extend both rear units into the garage, 2BR/1.5BA to 4BR/2.5BA, priced at \$1,580 per bedroom, the front house's current rate; stays 3 units. Added rent assumes new leases at turnover (AB 1482 limits increases for current tenants).
- Path B: convert the garage to a separate 3BR ADU (4th unit). California ADU law generally allows garage conversions in existing multifamily buildings, and a newly built ADU is generally exempt from AB 1482 rent caps for 15 years.
- Both subject to City of San Diego review. Costs (\$75,000 / \$150,000) and rents are listing-agent estimates; buyer to verify with bids and comps. Renderings are conceptual, not existing conditions; outlines show the area each path changes. *Added NOI at the current cap rate, less cost; illustrative.

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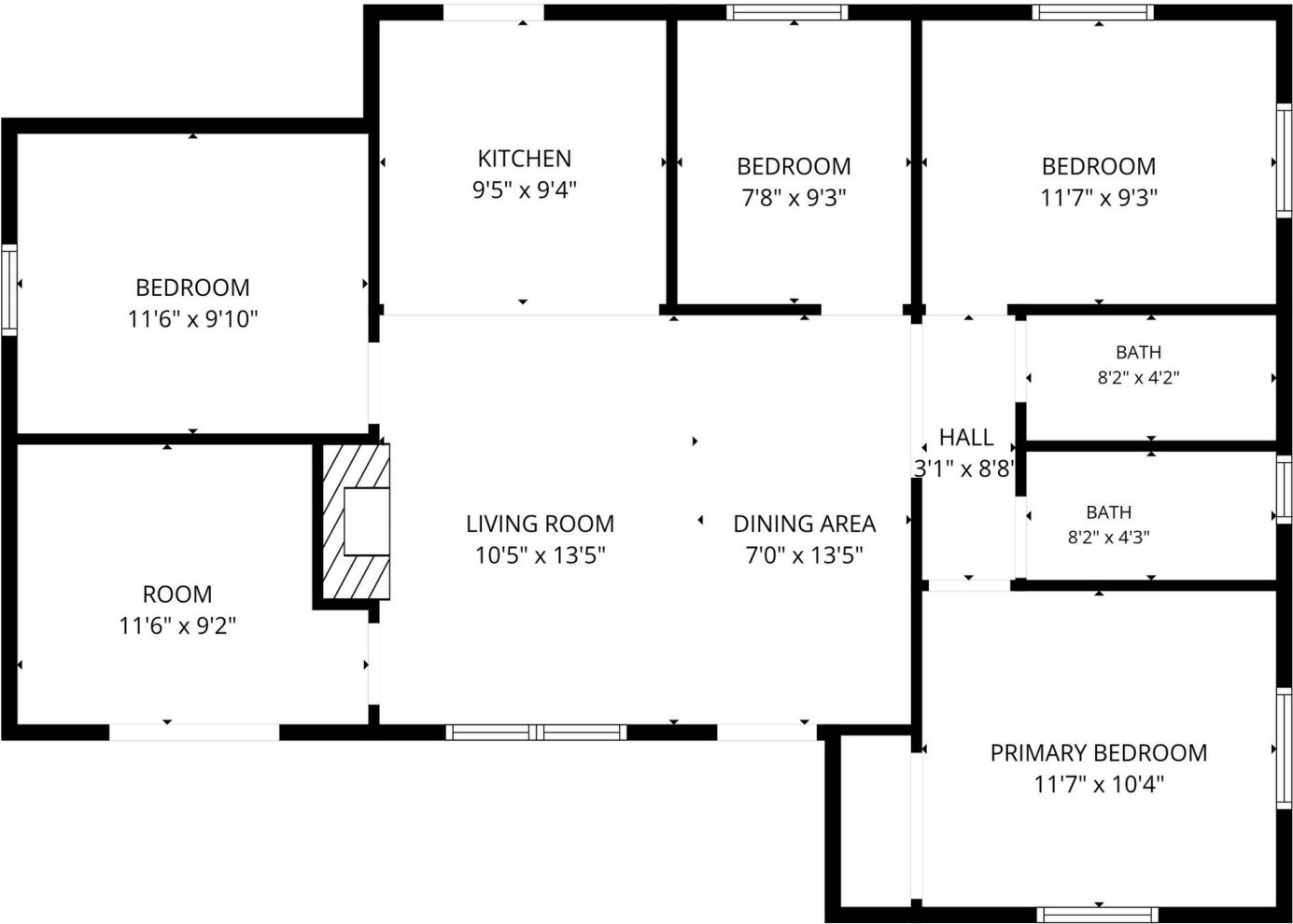
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FLOOR PLAN · 1951

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1951 HORNBLEND · FRONT HOUSE (DETACHED, SINGLE LEVEL)

Not to scale



UNIT DETAILS

LAYOUT	5 BR / 2 BA, single level	LIVING + DINING	10'5" × 13'5" + 7'0" × 13'5"
LIVING AREA	~1,150 sf	KITCHEN	9'5" × 9'4"
CURRENT RENT	\$7,900/mo	PRIMARY BEDROOM	11'7" × 10'4"
PARKING	2-car driveway	FEATURES	Fireplace · two full baths · fenced patio yard

Floor plan by CubiCasa; measurements deemed highly reliable but not guaranteed. Buyer to verify.

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FLOOR PLANS · 1953 & 1955

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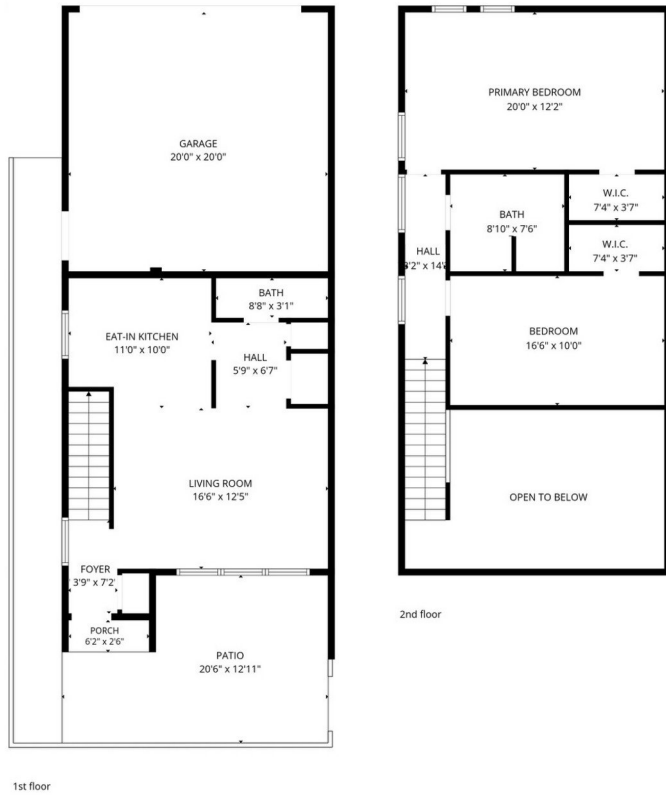


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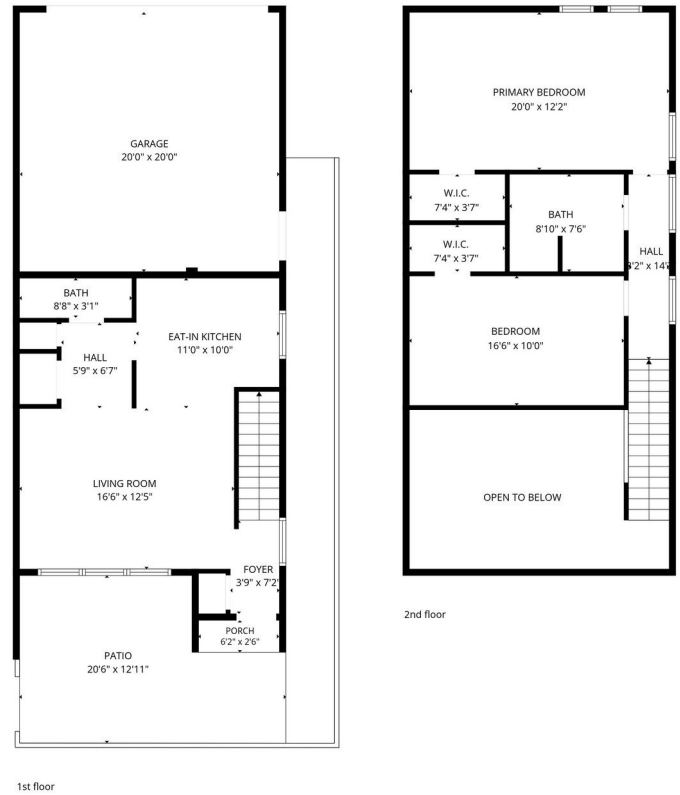
REAR UNITS · MIRROR-IMAGE 2-STORY TOWNHOMES

Not to scale

1953 HORNBLEND



1955 HORNBLEND



UNIT DETAILS (EACH UNIT)

LAYOUT	2 BR / 1.5 BA, 2-story townhome	DOWNSTAIRS	Living 16'6" × 12'5", eat-in kitchen, half bath
LIVING AREA	~1,000 sf	UPSTAIRS	Primary 20'0" × 12'2" + bedroom 16'6" × 10'0"
CURRENT RENTS	1953: \$4,000/mo · 1955: \$4,100/mo	CEILING	Open-to-below living room
GARAGE	20'0" × 20'0" (~400 sf), off the alley	PATH A	Garage becomes 2 BR + 1 BA: 4 BR / 2.5 BA
PATIO	20'6" × 12'11" private patio	PARKING	Alley space in front of each garage

Floor plans by CubiCasa; measurements deemed highly reliable but not guaranteed. Buyer to verify. The two rear units are mirror images.

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AERIAL VIEWS

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CENTRAL PACIFIC BEACH · BETWEEN THE OCEAN AND MISSION BAY

Drone photography; property inset



LOCATION AT A GLANCE

Better Buzz Coffee & Garnet Ave dining	0.08 mi
Trader Joe's	0.35 mi
Mission Bay	0.35 mi
Sail Bay beach	0.84 mi
Pacific Ocean / Crystal Pier	1.34 mi
La Jolla Village	3.71 mi
San Diego International Airport	5.28 mi

Straight-line distances from the property; full amenity list and map on the Location page.

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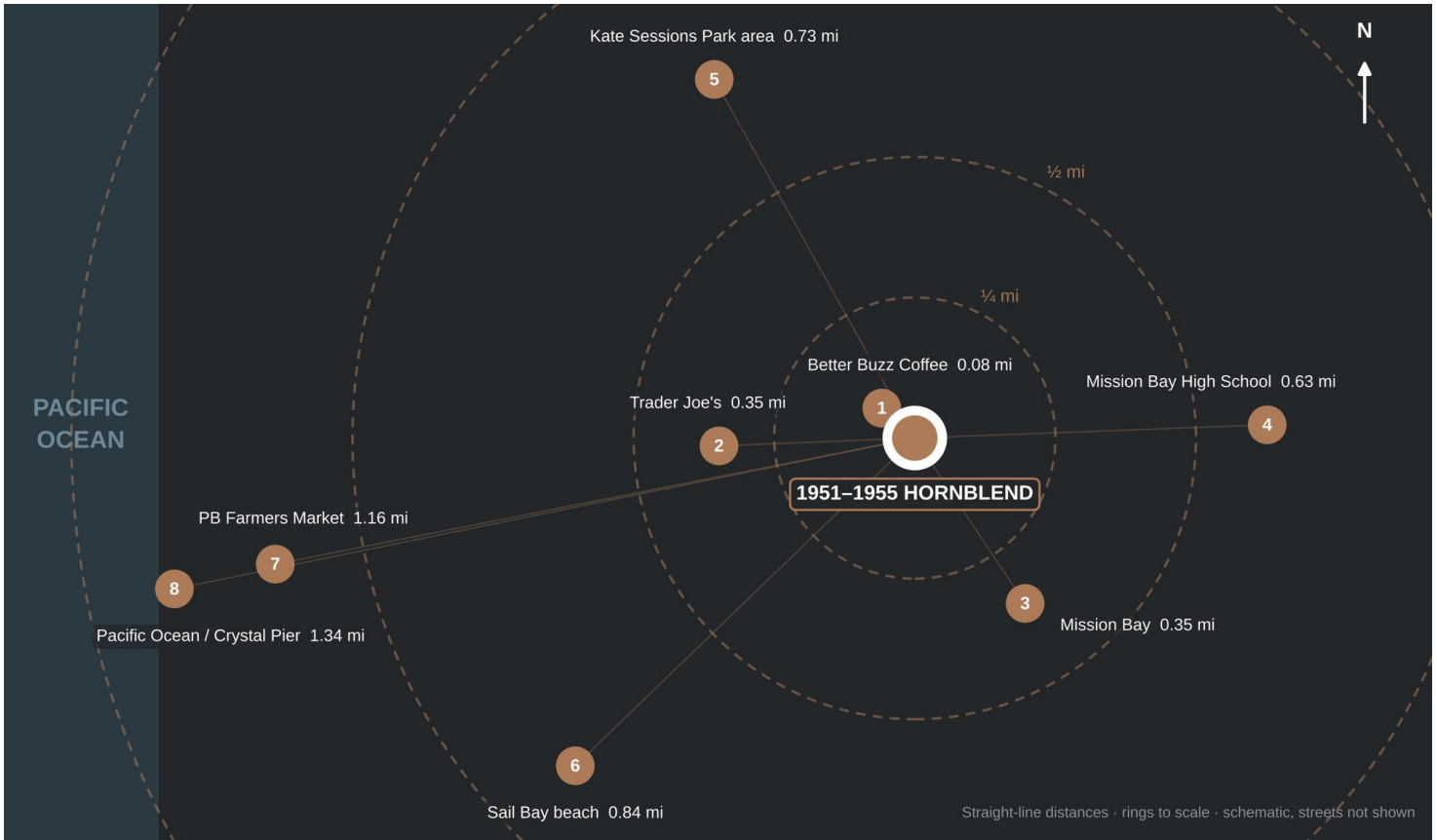
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CENTRAL PACIFIC BEACH · WHAT'S NEARBY

Straight-line distances from the property



NEARBY AMENITIES

#	AMENITY	TYPE	DISTANCE	APPROX. WALK
1	Better Buzz Coffee & Garnet Ave dining	Coffee / dining	0.08 mi	~2 min
2	Trader Joe's	Grocery	0.35 mi	~9 min
3	Mission Bay (Kendall-Frost Marsh)	Bay	0.35 mi	~9 min
4	Mission Bay High School	School	0.63 mi	~16 min
5	Kate Sessions Park area	Park / views	0.73 mi	~18 min
6	Sail Bay beach (Fanuel St Park)	Bay beach	0.84 mi	~21 min
7	PB Farmers Market (Bayard & Garnet)	Market	1.16 mi	~29 min
8	Pacific Ocean / Crystal Pier	Beach	1.34 mi	~34 min
	La Jolla Village	Regional	3.71 mi	—
	Downtown San Diego	Regional	7.21 mi	—
	San Diego International Airport	Regional	5.28 mi	—

Distances are straight-line from 1951 Hornblend St, using U.S. Census and Esri geocoding and published landmark coordinates; walking and driving routes are longer. Walk times assume 3 mph plus a 25% route allowance. The map is a to-scale proximity schematic; streets are not shown.

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