Santa Rosa Mountain Villas

33071/33081/33091
Santa Rosa Drive
Lake Elsinore, CA 92530



$4,700,000

OFFERING MEMORANDUM

18

TOWNHOME-STYLE UNITS

1.75

APPROX. COMBINED ACRES

6.06%

In-Place Cap Rate w/potential day 1 upside via increased operating efficiencies

Approx. 17,640 Sf of rentable Space with a separate 19,750 Sf contiguous out-parcel of buildable land (Zoned R-3) as part of the offering.

3 income producing laundry Rooms.

63 parking spaces

Stabilized Asset/Value Add Proposition

18 townhome-style residences across three buildings, with a contiguous undeveloped parcel included in the offering.

$4.7M	6.06%	17,640 SF	63 SPACES
ASKING PRICE	2026 CAP RATE*	RENTABLE AREA	3.5 PARKING / UNIT





Rent growth illustration

$45,600 in annual scheduled rent upside at the supplied $2,200 per-unit monthly assumption.

Townhome living

All residences offer 2 bedrooms, 1.5 baths, private rear patios and central HVAC.

Land development opportunity

19,750 SF contiguous outparcel with Grand Avenue frontage and sewer connection.

Great Generational Asset Potential

High and growing rental demand, durable construction, separate addresses, expandability, divisibility and possible lot line adjustment/merger. Possible ADU opportunity under SB 1211.

33071/33081/33091 Santa Rosa Dr., Lake Elsinore (postal address) sits within Lakeland Village CDP within Riverside County.

Santa Rosa Mountain Villas is a unique and highly leasable 18-unit multifamily community built in 1987, comprising approximately **17,640 square feet of rentable space**. The property consists of three identical two-story apartment buildings, each with a separate legal address, situated on an approximately **56,628-square-foot lot**.

Also included in the offering is an additional contiguous, undeveloped **19,750-square-foot parcel** featuring approximately **62 feet of frontage on Grand Avenue**, property signage, and a *sewer connection. Together, the parcels comprise approximately **1.75 acres**, providing potential opportunities for the development of additional units on the improved parcel and/or the adjoining outparcel, subject to applicable zoning, entitlements, and governmental approvals. *Sewer line for existing units runs along northern most portion of unimproved parcel. 4” sewer line was permitted & constructed circa 2001.

Each building contains six two-story, townhome-style residences and a laundry room providing additional owner income. Each approximately **980-square-foot unit** features **two bedrooms, one-and-one-half bathrooms, a private enclosed rear patio, central HVAC, and an individual water heater**.

Nearly all residences feature vinyl plank flooring throughout the first floor and upstairs full bathroom. In recent years, several units have received additional interior upgrades, including **quartz or granite countertops** in kitchens and bathrooms, as well as **stainless-steel gas ranges, microwaves, and dishwashers**.

The property incorporates several features designed to enhance operational efficiency and reduce ongoing maintenance requirements, including **copper plumbing with individual unit ball shut-off valves, ABS sewer piping, smart irrigation controllers, security cameras, and pitched roofs**. Each residence is individually metered for electricity and natural gas.

The three buildings are terraced progressively up the property, allowing nearly every residence to enjoy views of **Lake Elsinore, the Elsinore Mountains, or both**. The property also offers an exceptional **63 parking spaces—approximately 3.5 spaces per unit**. The abundant parking may present additional opportunities to enhance tenant amenities and generate value, including the potential installation of **electric vehicle charging stations**.

Santa Rosa Mountain Villas is located in the growing Southern California community of **Lake Elsinore** near the base of **Ortega Highway (SR-74)**. The property's proximity to this important connection between Riverside and Orange counties makes it particularly convenient for residents commuting to Orange County for employment and recreation.

With its combination of **townhome-style floor plans, substantial parking, lake and mountain views, operational efficiencies, additional land, and future development potential**, Santa Rosa Mountain Villas presents investors with a distinctive multifamily investment opportunity in Southern California.

Strong Rental Demand by the Numbers

PROPERTY FACT	SUPPLIED DETAIL
Addresses	33071 / 33081 / 33091 Santa Rosa Dr.
Units / buildings	18 / 3 (six units per building)
Year built	1987
Rentable area	Approx. 17,640 SF
Improved / outparcel zoned R3	56,628 SF / 19,750 SF
Combined land area	76,378 SF / approx. 1.75 acres
Parking	63 spaces / 3.5 per unit
APNs	381-290-018 / 381-290-021

UNIT MIX

18 x 2 BR / 1.5 BA

Approx. 980 SF each

Two-story townhome-style configuration

Average Current Tenancy Across All 18 Units

5.3 Years

Average Security Deposit Held Across All 18 Units

$1,607.00

OPERATING FEATURES

Copper piping and ball shut-off valves servicing each unit; ABS sewer piping; pitched roofs; smart irrigation controllers; security cameras, concrete surface parking lots. Individual electric and natural gas meters. No Exterior Elevated Elements subject to SB 721. Entire exterior recently painted.

Three laundry rooms, one in each building. Owner collects.

All units have gas ranges, over the range microwaves, dishwashers, garbage disposals, laminate plank flooring downstairs and in upstairs bath, carpet upstairs, exterior vented exhaust in downstairs bath, ceiling fans in dining area, central HVAC. Select units have been upgraded with quartz/granite countertops in kitchen/bath, stainless-steel appliances, and a small number with owner provided refrigerators, .

Aggregate rent comparison

RENT METRIC	CURRENT	PRO FORMA	CHANGE
Units	18	18	-
Average monthly rent / unit	$1,988.89	$2,200	+$211.11
Monthly scheduled rent	$35,800	$39,600	+$3,800
Annual scheduled rent	**$429,600**	**$475,200**	**+$45,600**

10.6% SCHEDULED RENT UPSIDE

Pro Forma rents applied across all nearly identical units. Currently, rent for nearly every unit is $2,000 per month, with four units paying $1,950. As rents are nearly homogenous across all units, an investor may wish to incrementally increase unit rents commensurate with market rates, increase rents commensurate with additional upgrades, and/or strategically renovate units during tenant turnover. Another strategy to address loss to lease might be to permit the Keeping of dogs as pets as under current ownership, dogs (other than those that are not classified as service animals or under any other protected class) are not permitted. The addition of optional pet rent and/or pet deposits would likely further increase retention and market demand while reducing loss to lease.

Rents include any rent increases that have been served but not yet effective as of date of OM distribution.

2026 income & valuation

Asking price: $4,700,000 | Current scheduled totals with a separate pro forma illustration

ANNUAL METRIC	2026 SUPPLIED	PRO FORMA*
Gross Scheduled Rent	$429,600	$475,200
Laundry Income	$7,200	$7,200
Gross Scheduled Income Pre-Vacancy Allowance	$436,800	$482,400
Vacancy Loss Allowance (2%)	($8,592)	($9,504)
Operating Expenses (Inc. adjusted property tax assessment at asking price)	($143,264)	($143,264)
Net operating income	$284,944	$329,632
Cap rate at asking price	**6.06%**	**7.01%**
GIM at asking price	**10.76**	**9.74**

$261,111

ASKING PRICE / UNIT

$266.44

ASKING PRICE / RENTABLE SF

Operating Efficiencies

18 Identical Floor Plans Simplify Operations

A consistent layout across all 18 units helps streamline maintenance, renovations, and leasing.

Simpler maintenance: Familiar layouts help technicians locate issues and complete repairs efficiently.

Standardized materials: Matching specifications can simplify purchasing and reduce the variety of replacement parts kept on hand.

More predictable unit turns: Repeatable cleaning and repair routines help staff plan labor, costs, and schedules.

Consistent renovations: Improvements can follow a repeatable scope, supporting bulk purchasing and consistent finishes.

Easier leasing: One floor plan simplifies marketing materials, tours, and staff training.

These efficiencies can help control operating costs and reduce downtime between residents.

Two-Story Units Reduce Neighbor Noise Complaints and Increase Structural Footprint Efficiency (Longterm Roofing Costs per SF).

Each residence occupies both floors, so residents have no separate tenant living directly above or below them. This layout eliminates a common source of noise complaints: footsteps, moving furniture, and other activity from an upstairs or downstairs neighbor.

The design offers greater privacy and may reduce noise-related management issues. The Sound can still travel between adjacent units, depending on wall construction and sound insulation. Also saves on long-term roofing costs per rentable square foot.

Alternating Layouts Buffer Living Areas

Alternating floor plan orientations place each unit's living area beside the neighboring unit's staircase. The stairwell creates a buffer between adjacent living spaces, helping limit direct sound transfer from conversations, televisions, and everyday activity.

Two Bathrooms Provide a Backup

Two bathrooms per unit give residents access to a second toilet when one becomes clogged or needs repair. This backup can reduce disruption and allow isolated stoppages to be handled through scheduled maintenance, potentially limiting after-hours service calls.

Secondary Condensate Drains Reduce Emergency Risk

Each air conditioning system includes a primary condensate drain and a secondary overflow, or "weeping," line. If the primary drain becomes blocked, the secondary line provides an alternate drainage path, helping prevent water from overflowing into the unit and damaging ceilings or finishes.

Discharge from the secondary line can also provide a visible warning that maintenance is needed. This protection can reduce urgent leak-related service calls and costly water damage.

Operating Efficiencies

Three Buildings Offer Management Flexibility

The property's three buildings may allow an investor to manage each as a separate six-unit building, providing flexibility and potential cost saving efficiencies in managing/operating the 18-unit property.

Three Water Meters Help Isolate Leaks (Reduce water consumption, increase operating income near day 1).

Three separate water meters allow the operator to monitor usage across smaller sections of the property. An unusual increase at one meter helps narrow the search for a leak to the units or water lines it serves, making investigation and repair more efficient.

Earlier detection can help limit excess water charges and potential property damage, especially when leaks remain hidden or residents do not report them. Each unit has its own ball shut-off valve which helps isolate potential leaks further.

On-Site Storage and Worker Lavatory Improve Maintenance Efficiency

Storage sheds keep tools, supplies, and replacement parts readily available, reducing trips to purchase materials or retrieve equipment. This can help staff complete repairs faster and control maintenance costs.

An on-site worker lavatory provides convenient restroom access for maintenance crews and contractors, reducing time away from the property and supporting more efficient work.

Intelligent Irrigation Controllers Reduce Water Waste

3 intelligent irrigation controllers with online connectivity adjust watering schedules based on weather and soil moisture. Not only will the irrigation system skip cycles on rainy days, it will skip scheduled irrigation days in advance of forecasted rain and days after. They also adjust for season and humidity. This more precise scheduling can lower water use and utility costs while maintaining healthy landscaping and reducing manual adjustments.

CCTV Cameras Support Efficient Property Management

CCTV cameras allow management to review activity in common areas remotely, helping assess reported incidents and determine when an on-site visit is needed. Recorded footage can help clarify property damage, unauthorized dumping, and vendor access, reducing time spent investigating complaints.

Camera coverage can also discourage misuse of shared spaces, support upkeep and helping control avoidable maintenance costs.

Not subject to rent control other than statewide AB 1482.

Buildings identified and internally referred to as Bldgs. A, B, C with corresponding unit numbers (e.g., A1, B2, etc.).

Santa Rosa Mountain Villas

In-Place Revenue and Expenses

33071 / 33081 / 33091 Santa Rosa Dr., Lake Elsinore, CA 92530

Income

Income item	Amount
Scheduled rental revenue	$429,600
Less: vacancy	($8,592)
Laundry income	$7,200
Gross revenue	**$428,208**

$284,944

Net operating income

Before debt servicing

Expense item	Annual amount
Property insurance	$11,900
On-Site payroll	$14,400
Waste disposal service	$12,000
Water	$28,300
Electricity	$2,500
Natural gas	$1,500
Property taxes (based on new taxes at asking price)	$49,837
Gardener	$4,800
Outdoor rodent bait station service	600
Backflow testing / certification	$450
Fire extinguisher certification	$225
Internet/Wi-Fi for CCTV/Landscape irrigation controllers	$735
Laundry equipment rental	$2,520
Annual county fire inspection	170
Weed abatement	$250
General maintenance and repairs	$12,825
Total operating expenses	**$143,264**

Lake Elsinore, California

33071 / 33081 / 33091 Santa Rosa Drive

SOUTHERN CALIFORNIA

Lake Elsinore

Lake Elsinore is and has been one of the fastest growing cities in Southern California. Ranked 2nd only behind Irvine in population growth during the most recent census cycle (2010-2020). The city continues to grow with large housing tracts currently under construction and further proposed developments such as “The Elsinore Ring” private luxury motorsport country club and racing circuit reportedly under Env./Dev. review.

The I15 Fwy runs through Lake Elsinore, connecting the Inland Empire with San Diego County to the south and to Orange/Los Angles counties to the N/W via the 91/60/10 freeways.



Near the base of Ortega Highway

A regional connection

Santa Rosa Mountain Villas is located off Grand Ave. near the base of the Ortega Hwy, which is the portion of SR-74 that connects San Juan Capistrano and Orange County to the west with Lake Elsinore and Riverside county to the east. Many residents of Lake Elsinore and the surrounding area commute the Ortega Hwy daily to work in Orange County.

Branded property signage on outparcel at *heavily traveled Grand Ave helps generate prospective tenant leads and leasing pipeline.

**VPD: Grand Avenue east of Ethlene Drive: 18,775 vehicles per day, 2019.*

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Location narrative, rankings, and market statistics to be independently verified.

Exterior and Site / Mountain Views & Site

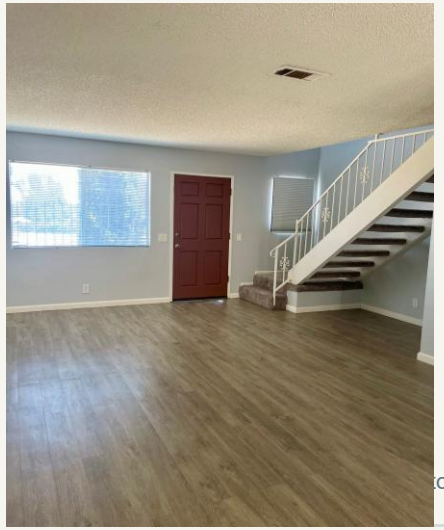
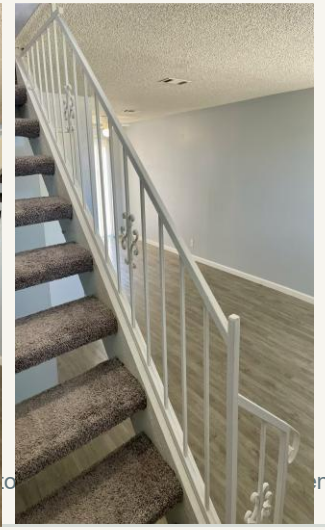







Interior/ Patio/ Laundry Rooms



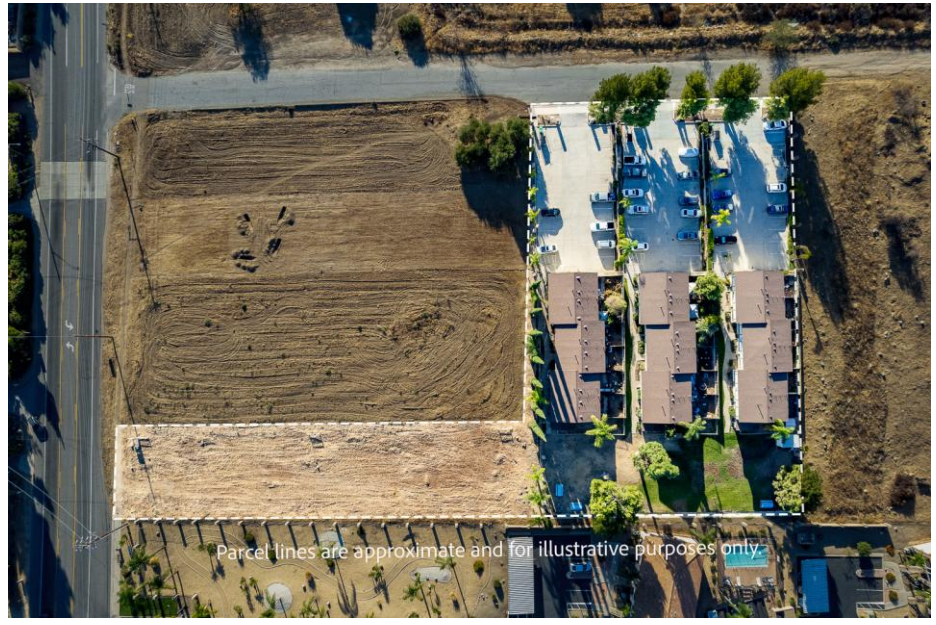














Santa Rosa Mountain Villas

Notes

Exclusively Listed By:



David Ramzy Matta
Broker Associate
909-815-7744
Email Dave@matta.realestate
License CA 01403332

Realty Masters & Associates

Broker of Record
Realty Masters & Associates
License CA 01927637
10681Foothill Blvd STE 140
Rancho Cucamonga, CA 91730

22+ Years Experience

Chapman University Master of Organizational Leadership

U.S. Navy Veteran

Any development potential is subject to zoning, entitlements and governmental approvals. This memorandum does not establish an entitlement, approved density or commitment to a sale.

DISCLAIMER & CONFIDENTIALITY NOTICE

SANTA ROSA MOUNTAIN VILLAS

33071, 33081 & 33091 Santa Rosa Drive
Lake Elsinore, California

CONFIDENTIALITY NOTICE

This Offering Memorandum has been prepared solely for informational purposes to assist prospective purchasers in evaluating the potential acquisition of Santa Rosa Mountain Villas (the "Property"). The information contained herein is confidential and is intended exclusively for the use of prospective purchasers and their authorized representatives. It may not be reproduced, distributed, or disclosed to any other party without the prior written consent of the Property Owner or its authorized representative.

DISCLAIMER OF REPRESENTATIONS AND WARRANTIES

The information contained in this Offering Memorandum has been obtained from sources believed to be reliable; however, neither the Property Owner nor its representatives make any representation or warranty, express or implied, regarding the accuracy, completeness, or reliability of such information.

All property descriptions, building and land measurements, unit counts, rental information, operating expenses, financial statements, zoning information, development potential, and other materials are subject to independent verification by prospective purchasers.

FINANCIAL INFORMATION AND PROJECTIONS

Any financial information, including current rental income, projected rental income, operating expenses, net operating income, capitalization rates, and pro forma financial projections, is provided for illustrative and analytical purposes only.

Pro forma projections are based on assumptions that may not be realized and should not be interpreted as guarantees of future financial performance. Actual operating results may differ materially due to market conditions, vacancies, operating costs, capital expenditures, regulatory requirements, and other factors.

DEVELOPMENT POTENTIAL

Any reference to potential additional development, expansion, construction of additional residential units, or use of the adjoining undeveloped parcel is conceptual only. No representation is made regarding the feasibility, entitlement, zoning compliance, permit availability, utility capacity, or governmental approval of any proposed development.

Prospective purchasers are solely responsible for independently verifying all development possibilities with the City of Lake Elsinore and other applicable governmental agencies.

BUYER'S DUE DILIGENCE

Each prospective purchaser is encouraged to conduct its own independent investigation of the Property, including physical inspections, financial analysis, title review, environmental assessments, zoning and land-use verification, and review of all applicable laws and regulations.

Prospective purchasers should consult their own legal, tax, financial, engineering, and real estate advisors before making any investment decision.

RIGHT TO MODIFY OR WITHDRAW OFFERING

The Property Owner reserves the right, at its sole discretion, to modify the terms of the offering, reject any or all offers, discontinue negotiations, or withdraw the Property from the market at any time without prior notice.

Nothing contained in this Offering Memorandum constitutes an offer to sell, a binding agreement, or a commitment to enter into any transaction. Any sale shall be subject to the terms and conditions of a mutually executed written purchase and sale agreement.

NO RELIANCE

No prospective purchaser shall rely solely upon this Offering Memorandum in making an investment decision. Receipt of this document constitutes acknowledgment that the recipient is responsible for conducting its own independent due diligence and verification of all material information.

ALL INFORMATION IS SUBJECT TO CHANGE WITHOUT NOTICE. BUYERS MUST INDEPENDENTLY VERIFY ALL INFORMATION.