CONFIDENTIAL OFFERING MEMORANDUM



2635-39 MAGNOLIA AVENUE

Pacific Beach | San Diego | CA | 92109

CBRE

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If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return it to CBRE, Inc.

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CBRE

TABLE OF CONTENTS

01

Investment Overview

02

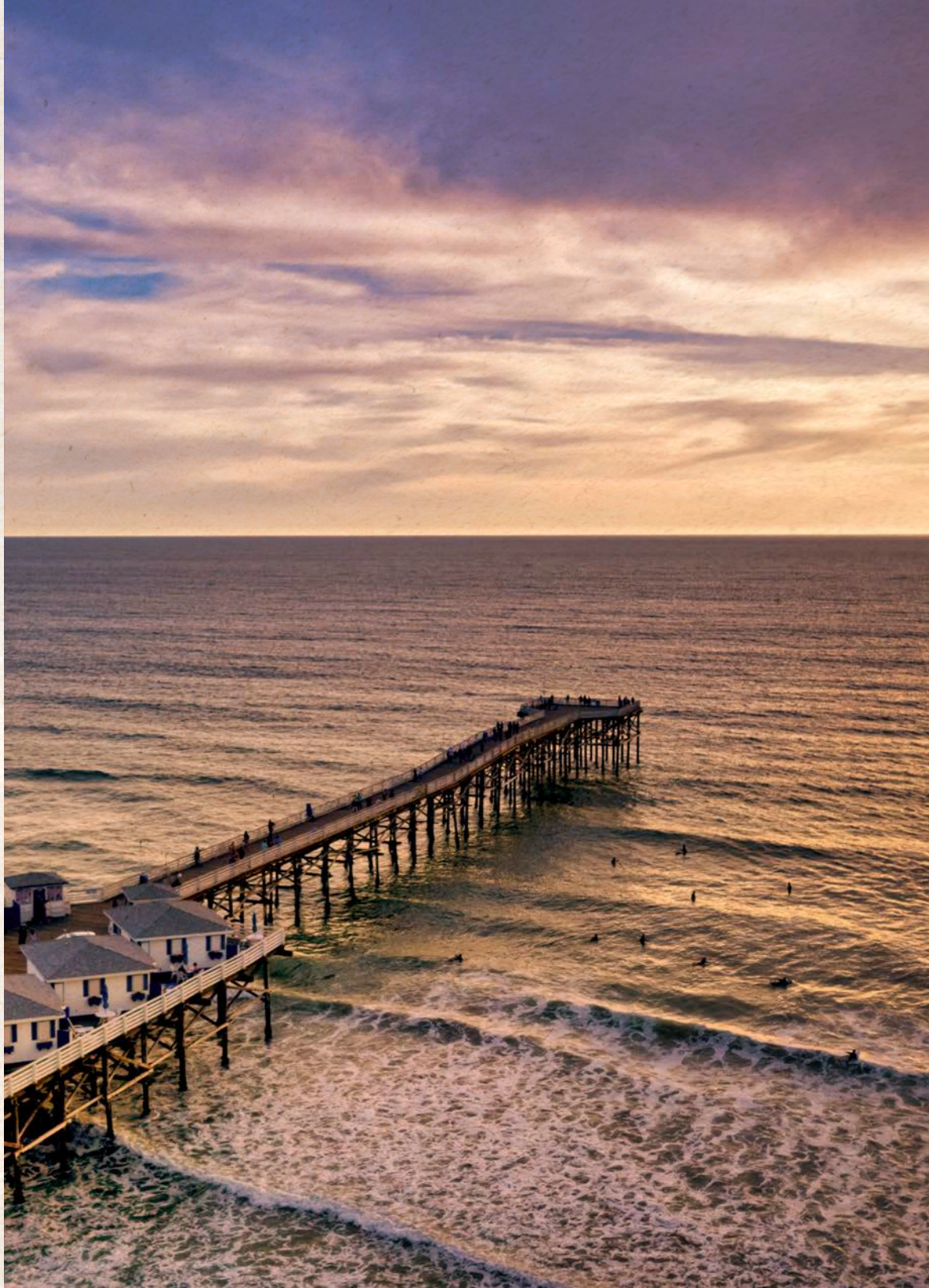
Financial Analysis

03

Sales Comparables

04

Market Overview





01

Investment Overview

PROPERTY OVERVIEW

CBRE is pleased to present 2635–2639 Magnolia Avenue, a fully renovated five-unit multifamily community ideally situated on a quiet cul-de-sac in the highly desirable Pacific Beach neighborhood of San Diego. Combining extensive property improvements, a desirable residential unit mix, and an exceptional coastal location, the offering presents investors with an opportunity to acquire a substantially modernized, income-producing asset in one of San Diego's most sought-after rental submarkets.

Originally constructed in 1960, the property underwent a comprehensive restoration in 2023–2024, including the addition of accessory dwelling units (ADUs), extensive interior renovations, and significant infrastructure and exterior improvements. The community features four (4) two-bedroom/one-bathroom residences ranging from approximately 733 to 750 square feet, including a distinctive two-story townhome, and one (1) approximately 350-square-foot studio designated as an affordable unit at 110% of Area Median Income (AMI). The property encompasses approximately 3,525 square feet of improvements on a 6,185-square-foot parcel zoned RM-3-8.

Each residence has been thoughtfully updated with modern finishes and desirable amenities, including new luxury vinyl plank flooring, stainless steel appliances, renovated kitchens and bathrooms, updated cabinetry, ceiling fans, wall heaters, and convenient in-unit washers and dryers. Major plumbing improvements and upgraded exterior finishes further enhance the property's overall condition, minimizing near-term capital expenditure requirements and providing a turnkey ownership experience. Four tandem off-street parking spaces accommodate up to eight vehicles, an especially valuable amenity in this coastal rental market.

The property also benefits from an attractive operating structure, with tenants responsible for their own utilities and water and sewer expenses recovered through a Ratio Utility Billing System (RUBS). Municipal trash service further contributes to reduced owner-paid operating expenses, supporting efficient property management and long-term investment performance.







PROPERTY HIGHLIGHTS

Prime Pacific Beach Location – Quiet cul-de-sac setting just blocks from the beach and coastal amenities.

Fully Renovated Five-Unit Community – Extensive 2023–2024 renovations, including newly added ADUs.

Desirable Unit Mix – Four 2BR/1BA residences, including a two-story townhome, plus one affordable studio.

Turnkey Investment Opportunity – Renovated kitchens, bathrooms, flooring, appliances, and upgraded exterior finishes.

Modern Resident Amenities – In-unit washers and dryers, stainless steel appliances, and updated cabinetry throughout.

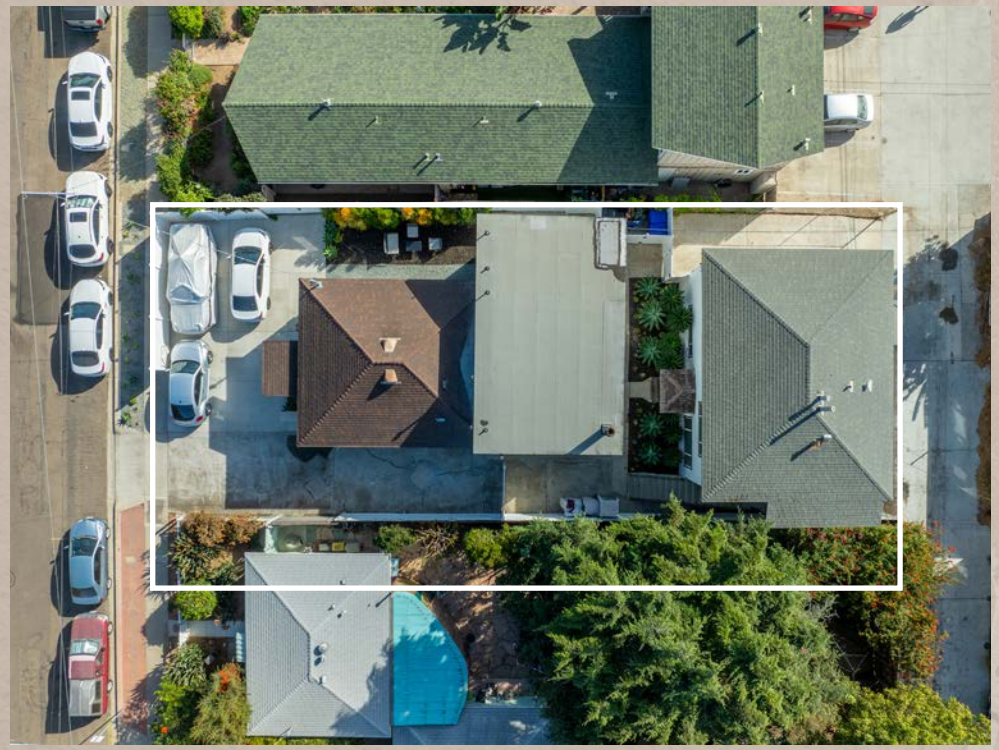
Major Capital Improvements – Significant plumbing upgrades and comprehensive property restoration.

Eight Off-Street Parking Spaces – Four tandem parking configurations accommodating up to eight vehicles.

Efficient Operating Structure – Tenant-paid utilities, RUBS for water and sewer, and city-provided trash service.

Strong Coastal Rental Appeal – Proximity to Mission Bay, beaches, restaurants, shopping, and major employment centers.

6,185 SF Parcel – RM-3-8 zoning in a highly desirable coastal rental market.







PROPERTY PHOTOS









INTERIOR PHOTOS



02

Financial Analysis

RENT ROLL SUMMARY

				Current		Market Stabilized		Post Renovation	
UNIT TYPE	# OF UNITS	AVG SQ FEET	RENTAL RANGE	AVG RENT	MONTHLY INCOME	AVG RENT	MONTHLY INCOME	AVG RENT	MONTHLY INCOME
2-bedroom / 1-bath	3	733	$2,995-$3,150	$3,098	$9,295	$3,300	$9,900	$3,300	$9,900
2-bedroom / 1-bath twhs	1	750	$2,995	$2,995	$2,995	$3,300	$3,300	$3,300	$3,300
Studio / 1-bath affr	1	350	$2,050	$2,050	$2,050	$2,050	$2,050	$2,050	$2,050
Totals / Weighted Avg	5	3,525			$14,340		$15,250		$15,250
Gross Annualized Rents					**$172,080**		**$183,000**		**$183,000**

RENT ROLL DETAIL

			CURRENT		MARKET STABILIZED		POST RENOVATION	
UNIT	UNIT TYPE	SQUARE FEET	RENT / MONTH	RENT / SF / MONTH	RENT / MONTH	RENT / SF / MONTH	RENT / MONTH	RENT / SF / MONTH
2635-1	2-bedroom / 1-bath	625	$2,995	$4.79	$3,300	$5.28	$3,300	$5.28
2635-2	2-bedroom / 1-bath twhs	800	$2,995	$3.74	$3,300	$4.13	$3,300	$4.13
2635-3	Studio / 1-bath affr	400	$2,050	$5.13	$2,050	$5.13	$2,050	$5.13
2637	2-bedroom / 1-bath	850	$3,150	$3.71	$3,300	$3.88	$3,300	$3.88
2639	2-bedroom / 1-bath	850	$3,150	$3.71	$3,300	$3.88	$3,300	$3.88
Total		**3,525**	**$14,340**	**$4.07**	**$15,250**	**$4.33**	**$15,250**	**$4.33**

OPERATING STATEMENT

INCOME	CURRENT		MARKET STABILIZED		POST RENOVATION	
Gross Scheduled Rent		$172,080		$183,000		$183,000
Less: Vacancy / Deductions	3%	$5,162	3%	$5,490	3%	$5,490
Total Effective Rental Income		$166,918		$177,510		$177,510
RUBS - Water, Sewer & Trash		$4,133		$4,133		$4,133
Pet Rent		$669		$669		$669
Effective Gross Income		$171,720		$182,312		$182,312
Less: Expenses	28.44%	$47,469	27.04%	$47,998	27.04%	$47,998
Net Operating Income		$124,251		$134,314		$134,314
Cash Flow		$124,251		$134,314		$134,314
Debt Service		$102,144		$102,144		$102,144
Net Cash Flow After Debt Service	2.11%	$22,107	3.06%	$32,170	3.06%	$32,170
Principal Reduction		$15,365		$15,365		$15,365
Total Return	**3.57%**	**$37,472**	**4.53%**	**$47,535**	**4.53%**	**$47,535**

EXPENSES						
Real Estate Tax		$28,952		$28,952		$28,952
Insurance		$2,098		$2,098		$2,098
Water & Sewer		$1,881		$1,881		$1,881
Trash Removal		$1,837		$1,837		$1,837
Repairs & Maintenance		$3,000		$3,000		$3,000
Pest Control		$365		$365		$365
Landscaping		$750		$750		$750
Management Fee	5%	$8,585.98	5%	$9,115.60	5%	$9,115.60
Total Expense		$47,469		$47,998		$47,998
Expense as a % of EGI		28.44%		27.04%		27.04%
Net Operating Income		**$124,251**		**$134,314**		**$134,314**

PRICING DETAILS

SUMMARY	
Price	$2,350,000
Number of Units	5
Price Pr Unit	$470,000
Price Per SF	$666.67
Rentable SF	3,525
Lot Size	6,185
Approx. Year Built	1960

RETURNS	CURRENT	MARKET STABILIZED	POTENTIAL
Cap Rate	5.29%	5.72%	5.72%
GRM	13.66	12.84	12.84
Cash-on-Cash	2.11%	3.06%	3.06%
Debt Coverage Ratio	1.22	1.31	1.31

FINANCING	1ST LOAN
Down Payment	$1,050,000
Loan Amount	$1,300,000
Loan Type	Proposed New
Interest Rate	6.75%
Amortization	30 Years
Term	5 Years



$2,350,000
Price

$470,000
Unit/Price

5.29%
Cap Rate



03

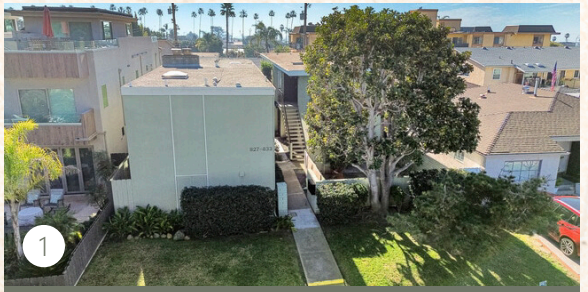
Sales Comparables

SALES COMPARABLES



2635 MAGNOLIA AVENUE
SAN DIEGO, CA 92109

Sales Date	N/A
Status	On Market
Sales Price	$2,350,000
Price/Unit	$470,000
Price per SF	$666.67
Cap Rate	5.29%
GRM	13.66
Number of Units	5
GBA/Rentable SF	3,525
Year Built	1960
Income	$172,080
NOI	$124,251
Expenses	$47,469
Vacancy	3%
# Units / Unit Type 3	2-bed 1-bath
# Units / Unit Type 1	2-bed 1-bath twh
# Units / Unit Type 1	Studio 1-bath



827 OPAL STEET
SAN DIEGO, CA 92109

Sales Date	7/23/2026
Status	Sold
Sales Price	$2,700,000
Price/Unit	$540,000
Price per SF	$607.01
Cap Rate	3.42%
GRM	16.60
Number of Units	5
GBA/Rentable SF	4,448
Year Built	1966
Income	$174,660
NOI	$92,319
Expenses	$82,341
Vacancy	3%
# Units / Unit Type 3	2-bed 1.5-bath
# Units / Unit Type 1	2-bed 2-bath
# Units / Unit Type 1	Studio 1-bath



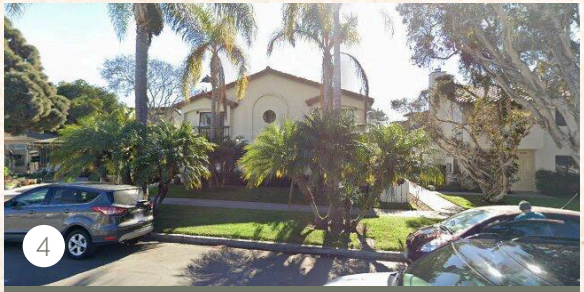
3702-3710 CROWN POINT DR
SAN DIEGO, CA 92109

Sales Date	7/28/2026
Status	Sold
Sales Price	$3,325,000
Price/Unit	$665,000
Price per SF	$772.18
Cap Rate	3.40%
GRM	17.69
Number of Units	5
GBA/Rentable SF	4,306
Year Built	1955
Income	$187,980
NOI	$113,050
Expenses	($72,215
Vacancy	3%
# Units / Unit Type 2	2-bed 1-bath
# Units / Unit Type 2	2-bed 2-bath
# Units / Unit Type 1	1-bed 1-bath

SALES COMPARABLES



1023-1031 LORING ST SAN DIEGO, CA 92109		
Sales Date		7/30/2026
Status		Sold
Sales Price		$3,090,000
Price/Unit		$618,000
Price per SF		$785.26
Cap Rate		3.92%
GRM		16.09
Number of Units		5
GBA/Rentable SF		3,935
Year Built		1945
Income		$192,000
NOI		$121,056
Expenses		$65,184
Vacancy		3%
# Units / Unit Type	1	1-bed 1-bath
# Units / Unit Type	4	2-bed 1-bath



1119 OLIVER AVE SAN DIEGO, CA 92109		
Sales Date		7/15/2026
Status		Sold
Sales Price		$3,300,000
Price/Unit		$660,000
Price per SF		$821.10
Cap Rate		3.20%
GRM		19.70
Number of Units		5
GBA/Rentable SF		4,019
Year Built		1987
Income		$167,500
NOI		$105,600
Expenses		$56,875
Vacancy		3%
# Units / Unit Type	5	Studio 1-bath



1102 PACIFIC BEACH DR SAN DIEGO, CA 92109		
Sales Date		4/17/2026
Status		Sold
Sales Price		$4,290,000
Price/Unit		$536,250
Price per SF		$545.94
Cap Rate		3.74%
GRM		15.67
Number of Units		8
GBA/Rentable SF		7,858
Year Built		1969
Income		$273,772
NOI		$160,446
Expenses		$105,112
Vacancy		3%
# Units / Unit Type	7	1-bed 1-bath
# Units / Unit Type	1	2-bed 2-bath



04

Market Overview

PACIFIC BEACH: ICONIC COASTAL LIFESTYLE

Situated along San Diego's central coastline, Pacific Beach ("PB") is one of the city's most dynamic and recognizable coastal neighborhoods, known for its vibrant beachfront boardwalk, lively dining and nightlife scene, and active outdoor lifestyle. With a unique blend of young professionals, long-term residents, and seasonal visitors, PB has maintained its position as a highly sought-after rental market offering both lifestyle appeal and consistent investment performance.

The neighborhood benefits from unmatched coastal access—nestled between La Jolla to the north and Mission Bay to the south—while still offering proximity to downtown San Diego, major employment hubs, and regional freeways. Garnet Avenue serves as the community's commercial spine, with a walkable collection of restaurants, bars, coffee shops, and retail that reinforces the area's reputation as one of the most active social and recreational destinations in Southern California.

From an investment perspective, Pacific Beach stands out as a supply-constrained submarket with significant barriers to new multifamily development due to coastal zoning regulations and limited land availability. This scarcity, paired with a steady influx of high-income renters drawn to the neighborhood's lifestyle and coastal amenities, has supported consistent rent growth and exceptionally low vacancy rates. The rental base is further diversified by San Diego's thriving tourism economy and proximity to UC San Diego, Sorrento Valley tech and life science employers, and downtown's expanding business district.

As one of San Diego's most established and iconic coastal communities, Pacific Beach offers investors a rare opportunity to secure long-term cash flow, appreciation potential, and asset stability in a market defined by scarcity and lifestyle-driven demand.

Pacific Beach is one of San Diego's most desirable coastal neighborhoods, offering an unmatched combination of walkability, lifestyle appeal, and long-term investment stability. High barriers to new multifamily development, limited housing supply, and consistently strong renter demand continue to support occupancy, rent growth, and long-term appreciation in this highly sought-after beach community.







2635-39 MAGNOLIA AVENUE

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