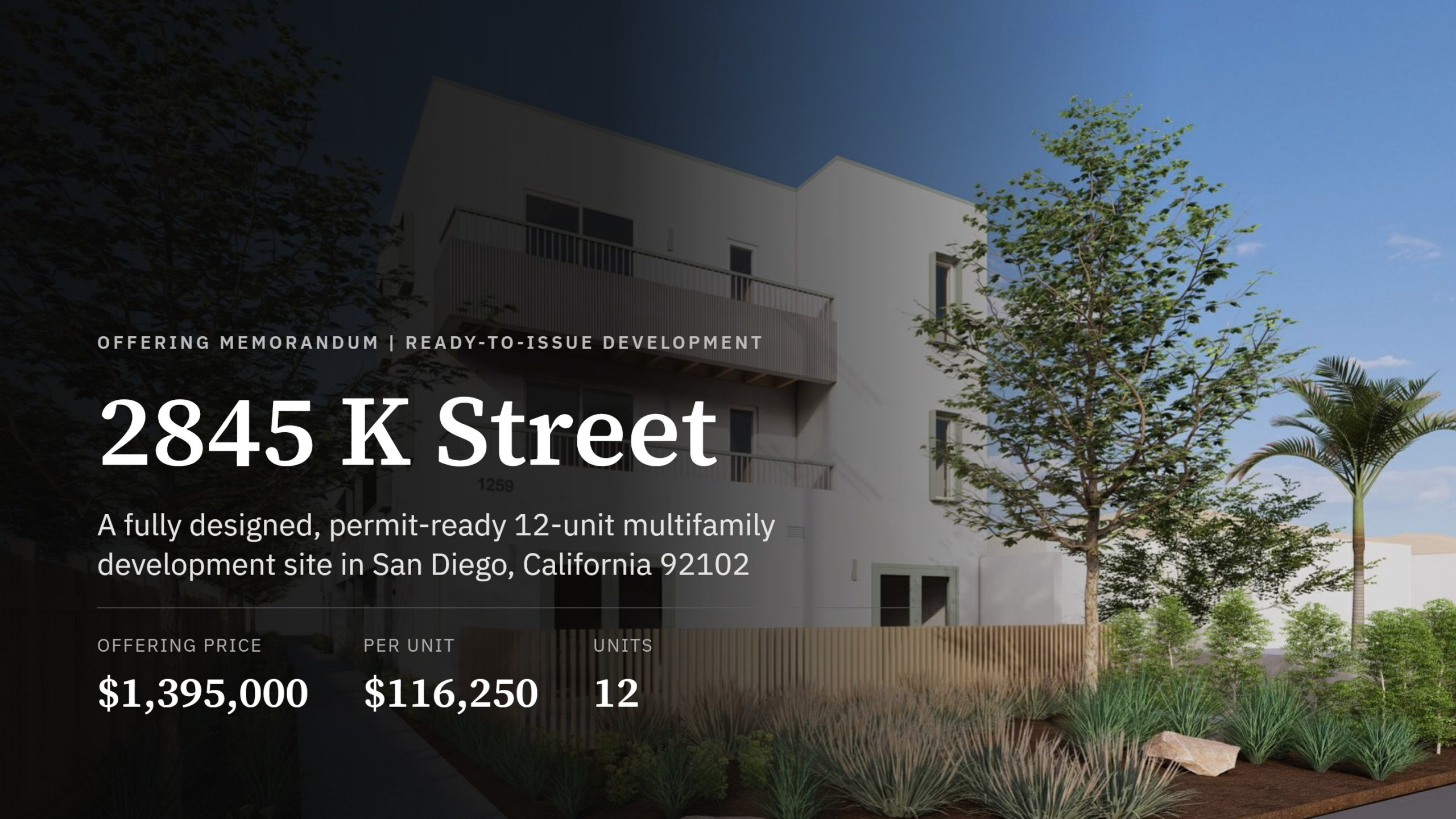


OFFERING MEMORANDUM | READY-TO-ISSUE DEVELOPMENT

2845 K Street

A fully designed, permit-ready 12-unit multifamily development site in San Diego, California 92102

OFFERING PRICE	PER UNIT	UNITS
$1,395,000	$116,250	12

THE OFFERING

Offering Summary

Property	Detail
Address	2845 K Street, San Diego, CA 92102
APN	545-271-07-00
Offering Price	$1,395,000
Permit Status	Ready to Issue (RTI)
Proposed Units	12 (6 one-bed, 6 two-bed)
Gross Floor Area	7,635 SF
Lot Size	7,029 SF (0.16 acres)
Zoning	RM-1-1
Construction	Type V-B, 3 stories, R-2
Parking	5 spaces (4 required)

$116,250
Price per unit

$183
Price per buildable SF

$5.00M
Projected stabilized value

$258,713
Projected stabilized NOI

5.17%
Stabilized cap rate

$416,667
Stabilized value per unit

THE OFFERING

Investment Highlights

Permit-Ready Plan Set

A complete 102-sheet construction set across every discipline. Skip entitlements and break ground.

12 Homes on 7,029 SF

Density unlocked through San Diego's ADU Bonus Program on an RM-1-1 lot.

Reduced Impact Fees

ADUs under 750 SF are DIF-exempt, and the on-site affordable unit waives the inclusionary fee.

Transit Priority Area

TPA and Sustainable Development Area. 4 parking spaces required; 5 provided off the alley.

Efficient Unit Mix

Six one-bed and six two-bed homes from 522 to 802 SF, with private balconies and patios.

$5.00M Exit Value

Projected NOI of $258,713 supports $416,667 per unit at a 5.17% cap rate.

THE PROPERTY

A Vacant, Through-Lot Infill Site



LOT

50’ × 140.6’

SITE AREA

7,029 SF

ACCESS

K Street and rear alley

Level, unimproved land steps from Grant Hill Park, minutes from Downtown San Diego. Lots 7 and 8, Block 1, Reed’s Central Addition.

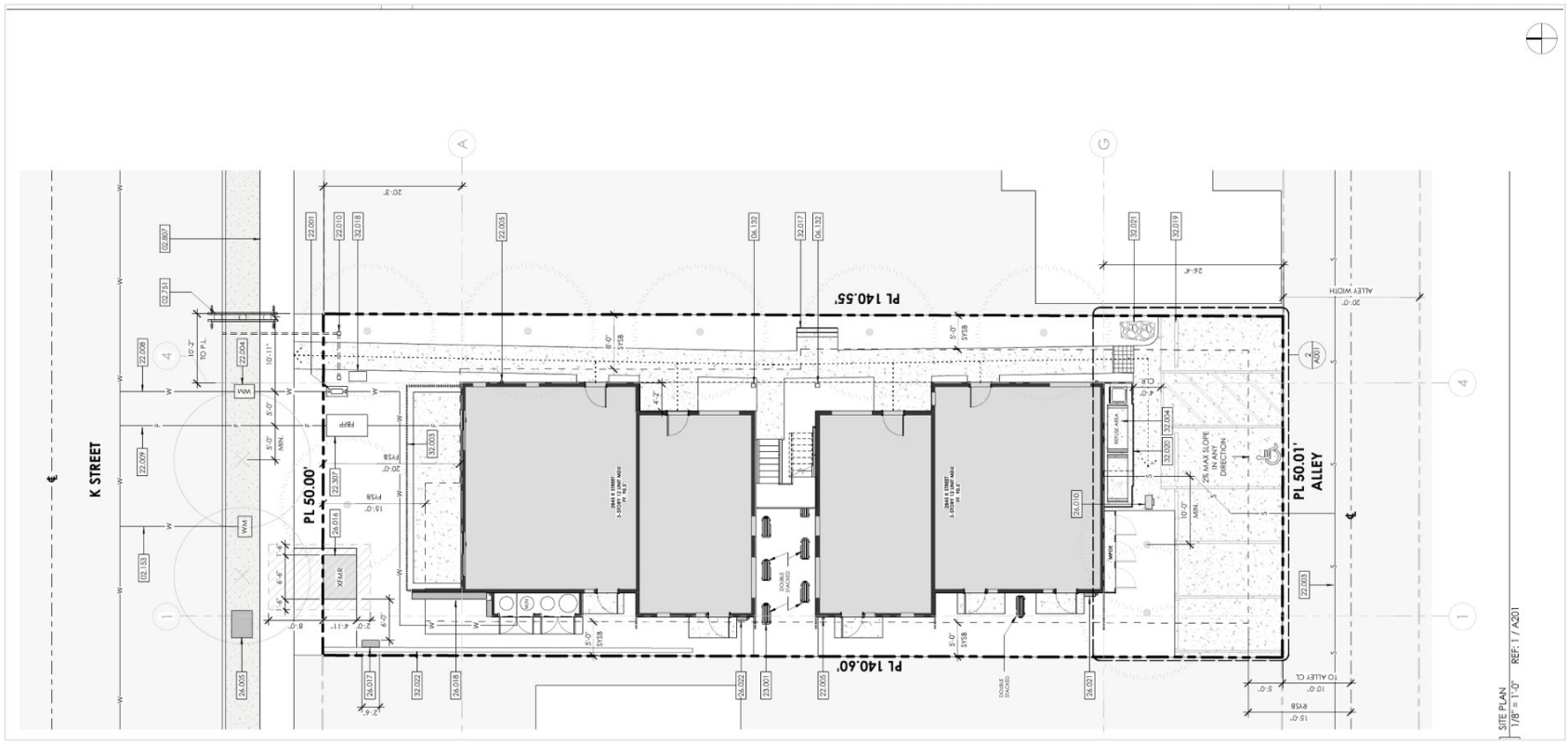
Project and Zoning Data

Building Program	
Occupancy	R-2 Multifamily
Construction Type	Type V-B
Stories / Max Height	3 / 30’-0”
Gross Floor Area	7,635 SF
FAR (Allowed 1.25)	1.09
Fire Sprinklers	NFPA 13
Solar	PV (deferred submittal)
Governing Code	2022 California Codes

Zoning and Overlays	
Base Zone	RM-1-1
Transit Priority Area	Yes
Sustainable Dev. Area	Yes
Parking	4 required / 5 provided
Front Setback	15’ / 20’
Coastal Overlay	No
FEMA Flood Hazard Zone	No
Historic Designation	No

Source: Architect’s construction documents (PALO), Sheet G000, dated 02/06/2025. Buyer to verify all data.

Site Plan



Orientation

K Street frontage at left; alley at right.

Parking

5 spaces taken from the alley, including 1 accessible.

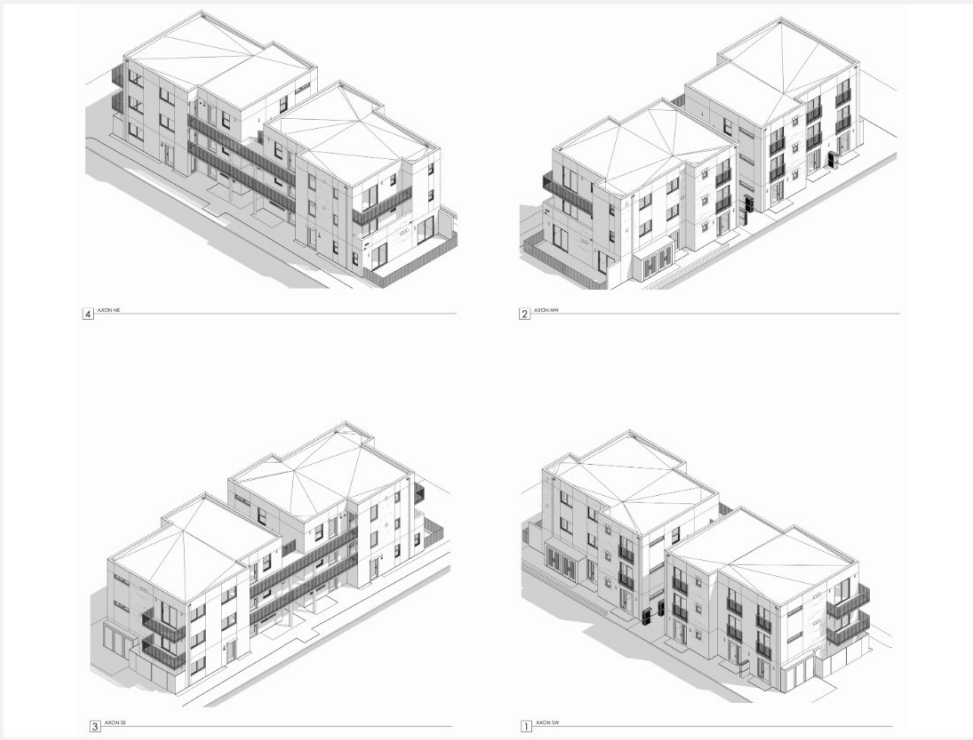
Site Work

6’ perimeter fencing, paving and full landscape plans.

Architectural Design

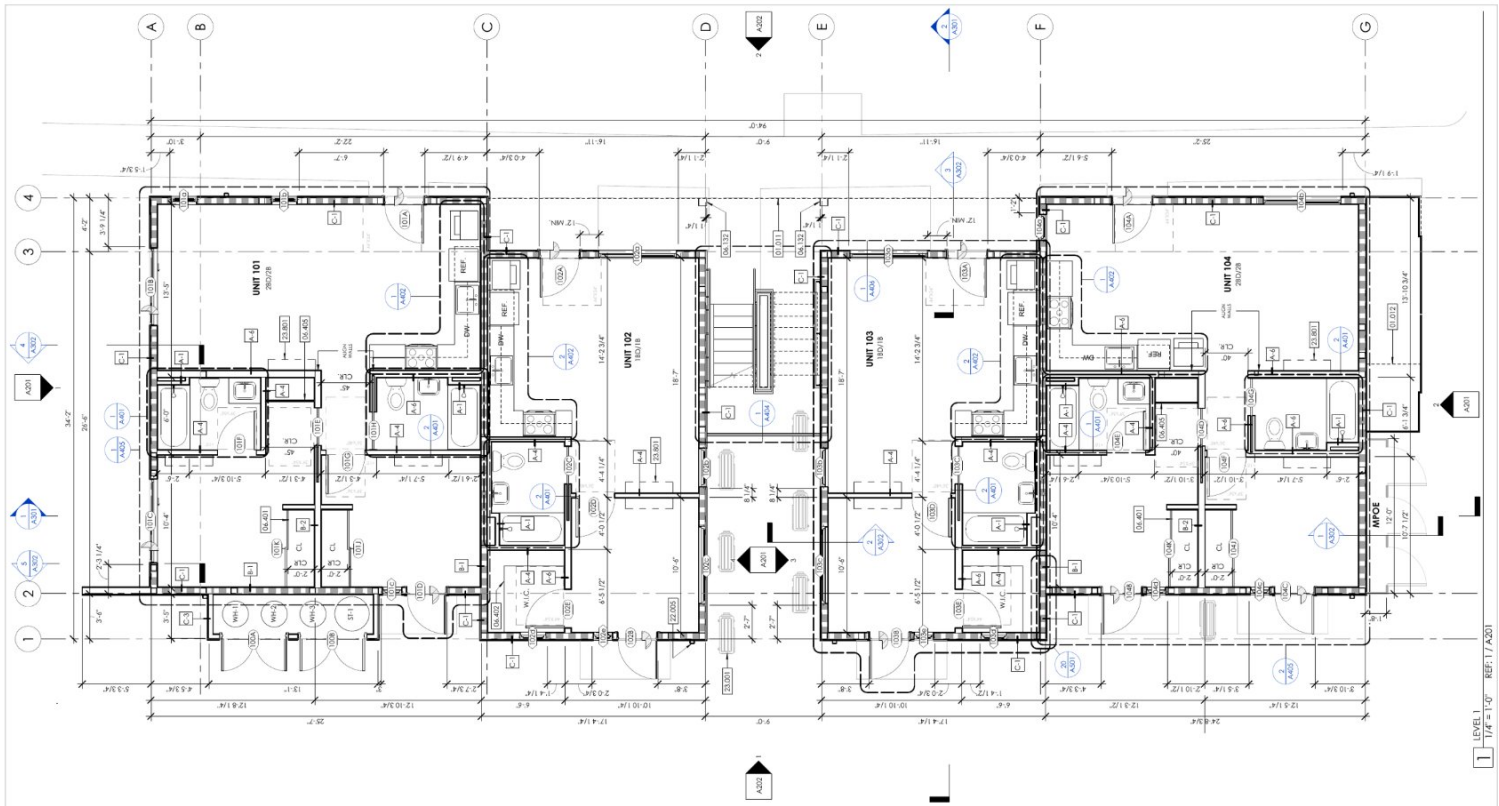


Rendering, by PALO



Axonometric views, Sheet A004

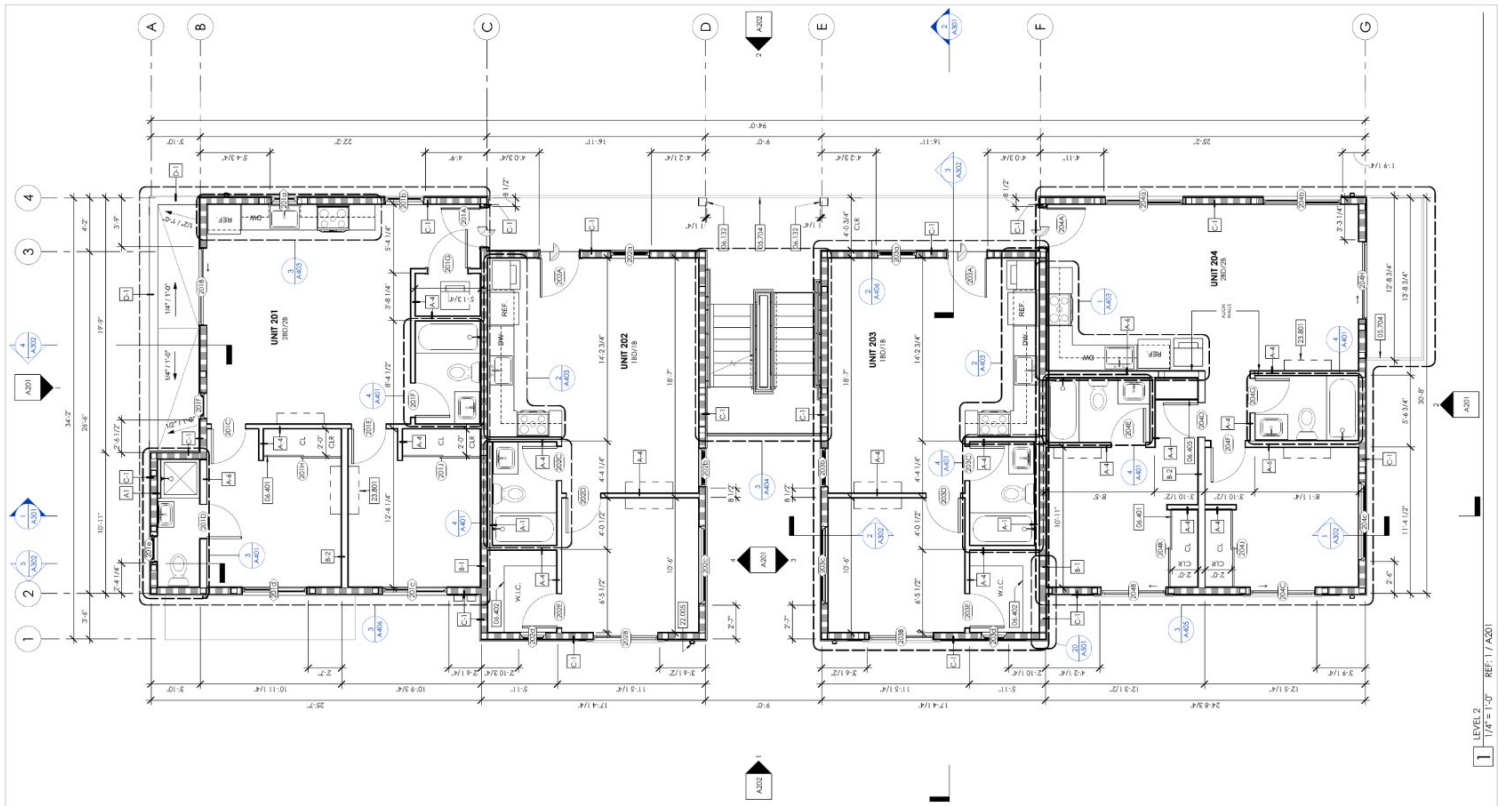
Floor Plan, Level 1



Unit	Plan	SF
101	2BD/2BA	802
102	1BD/1BA	522
103	1BD/1BA	522
104	2BD/2BA	749

101 and 104 are market-rate MDUs. 102 and 103 are Bonus ADUs; 103 is the accessible unit.

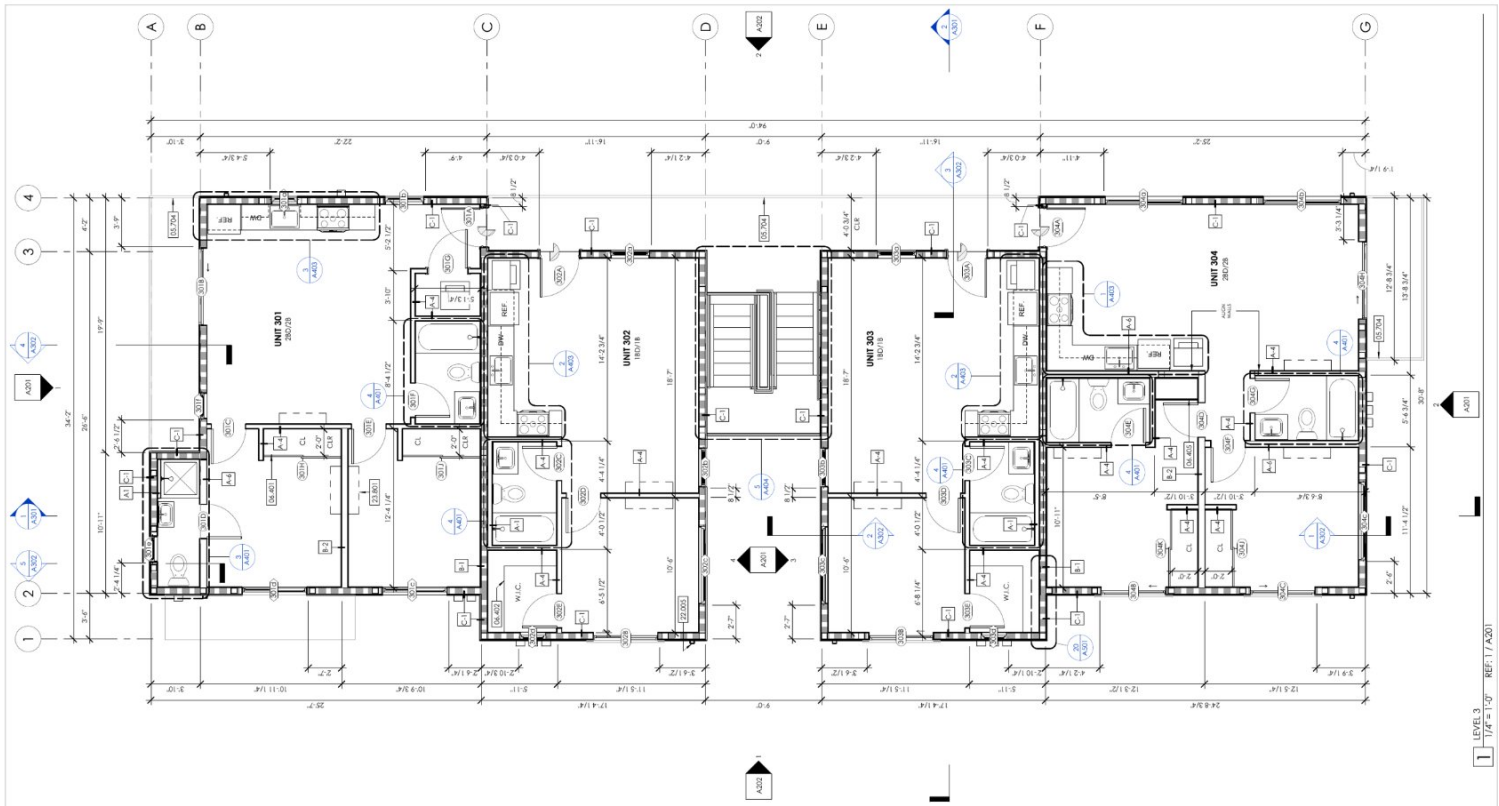
Floor Plan, Level 2



Unit	Plan	SF
201	2BD/2BA	726
202	1BD/1BA	522
203	1BD/1BA	522
204	2BD/2BA	749

201 and 202 are moderate-income ADUs. 203 is the low-income ADU. 204 is a by-right ADU.

Floor Plan, Level 3



Unit	Plan	SF
301	2BD/2BA	726
302	1BD/1BA	522
303	1BD/1BA	522
304	2BD/2BA	749

301 and 302 are Bonus ADUs. 303 is a moderate-income ADU. 304 is a by-right ADU.

PLANS AND DRAWINGS

Exterior Elevations



East elevation, Sheet A202



West elevation, Sheet A202

3 Stories

Low-rise walk-up

30’-0” Max

Building height limit

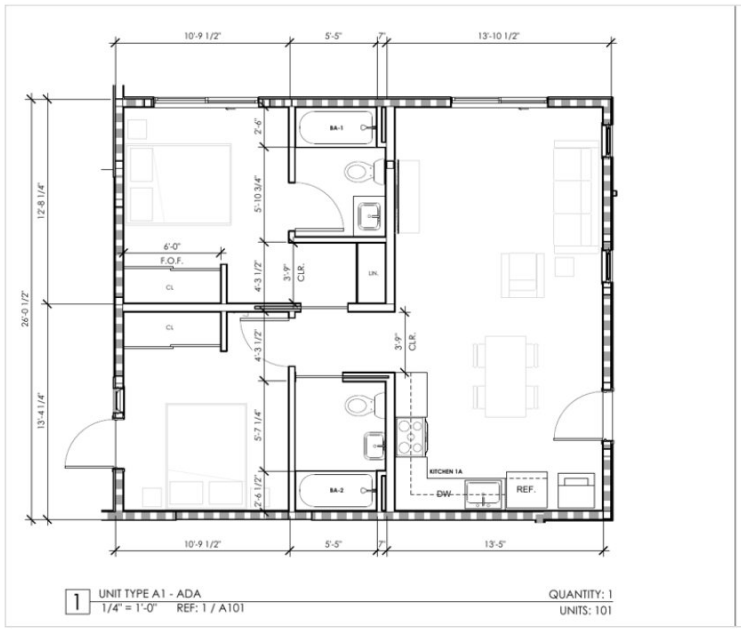
Type V-B

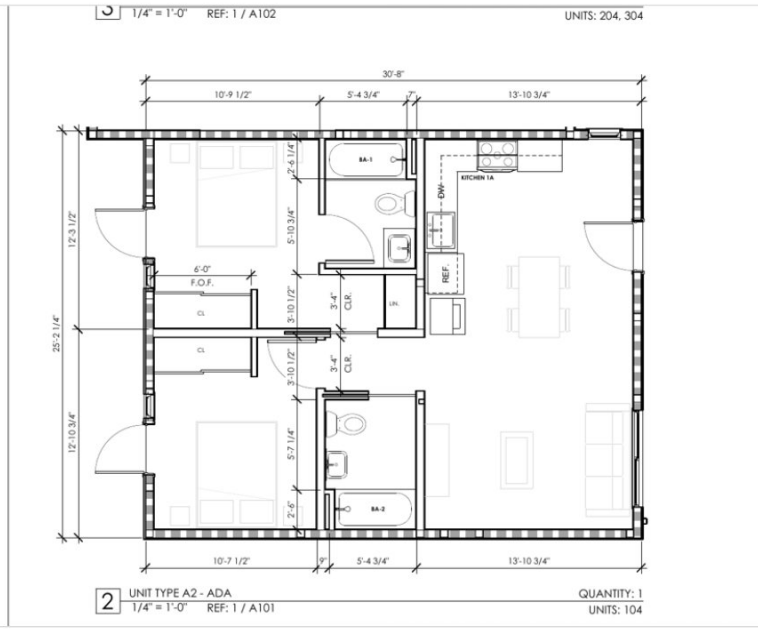
Wood-frame construction

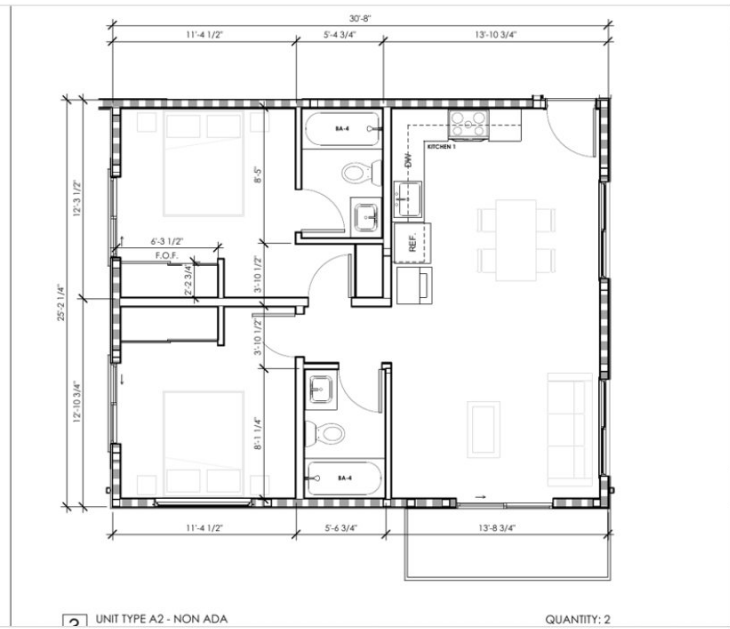
Open-Air

Exterior stair and balconies

Two-Bedroom Plans: Types A1 and A2





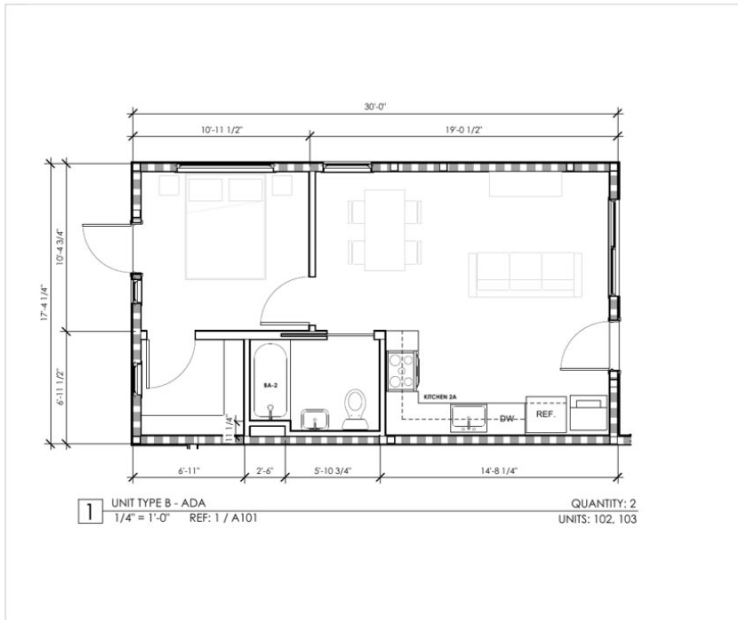


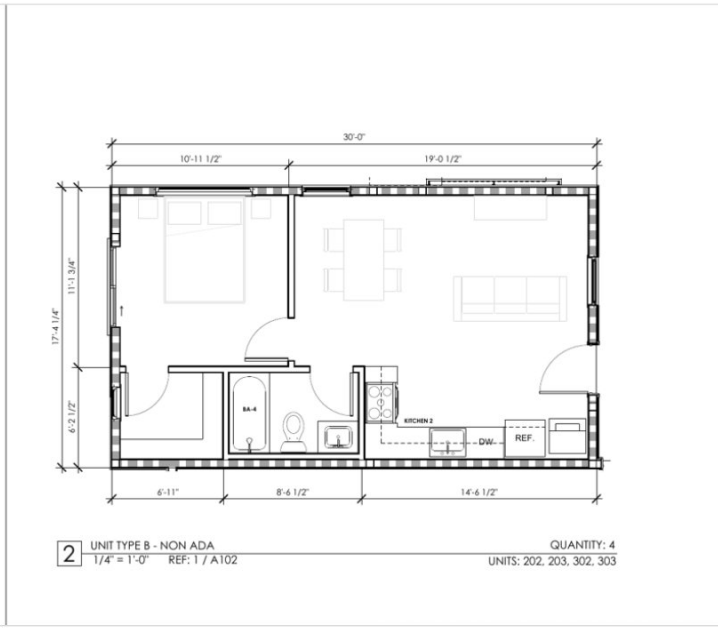
Type A1, Accessible
2BD/2BA | 802 SF | Unit 101

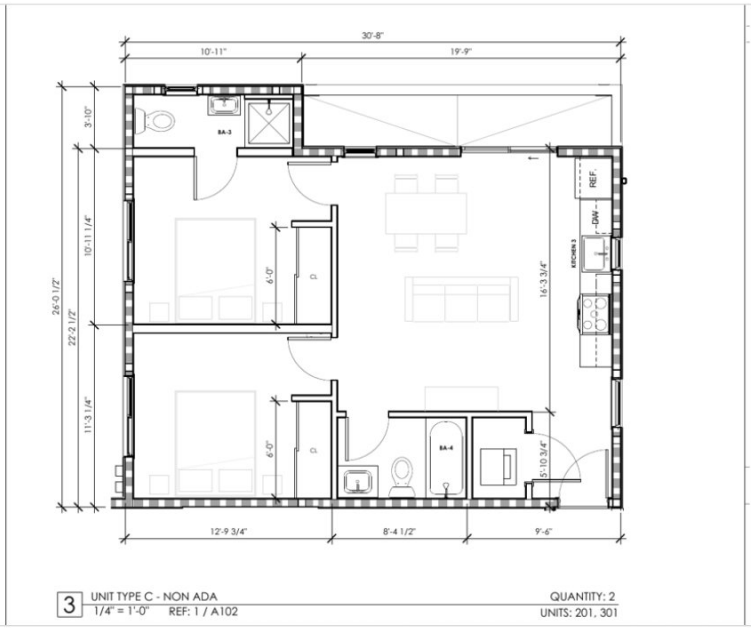
Type A2, Accessible
2BD/2BA | 749 SF | Unit 104

Type A2
2BD/2BA | 749 SF | Units 204, 304

One-Bedroom Type B and Two-Bedroom Type C







Type B, Accessible
1BD/1BA | 522 SF | Units 102, 103

Type B
1BD/1BA | 522 SF | Units 202, 203, 302, 303

Type C
2BD/2BA | 726 SF | Units 201, 301

FINANCIAL ANALYSIS

Unit Mix and Projected Rents

Type	Plan	Units	Unit Numbers	SF	Rent	Rent/SF	Monthly
A1	2BD/2BA	1	101	802	$2,900	$3.62	$2,900
A2	2BD/2BA	3	104, 204, 304	749	$2,900	$3.87	$8,700
C	2BD/2BA	2	201, 301	726	$2,900	$3.99	$5,800
B	1BD/1BA	5	102, 103, 202, 302, 303	522	$2,400	$4.60	$12,000
B (60% AMI)	1BD/1BA	1	203	522	$2,300	$4.41	$2,300
Total / Avg.		12		636	$2,642	$4.15	$31,700
Parking	5 × $50						$250
RUBS	12 × $75						$900
Total Income							$32,850

Projected stabilized rents. Unit areas per architect’s dwelling unit matrix (Sheet G000); total net unit area 7,633 SF.

FINANCIAL ANALYSIS

Stabilized Operating Proforma

Income	Annual
Rental Income	$380,400
Parking Income	$3,000
RUBS Reimbursement	$10,800
Gross Scheduled Income	$394,200
Less Vacancy (5.0%)	($19,710)
Effective Gross Income	$374,490
Less Operating Expenses	($115,777)
Net Operating Income	$258,713

$9,648
Expenses per unit

29.4%
Expense ratio (of GSI)

Operating Expenses	Annual
Real Estate Taxes (reassessed)	$62,572
Property Management (5%)	$18,725
Water / Sewer	$10,080
Insurance	$7,200
Repairs and Maintenance	$7,200
Trash	$4,800
Reserves / Misc.	$3,000
Contract Services	$1,200
Common Utilities	$1,000
Total Expenses	$115,777

FINANCIAL ANALYSIS

Projected Stabilized Value

$5,000,000

Value at stabilization, from a projected NOI of $258,713

$416,667
Value per unit

$655
Value per gross SF

5.17%
Cap rate

12.68x
Gross rent multiplier

Cap Rate Sensitivity

Cap Rate	Value	Per Unit
4.75%	$5,447,000	$453,900
5.00%	$5,174,000	$431,200
5.17%	$5,000,000	$416,667
5.25%	$4,928,000	$410,700
5.50%	$4,704,000	$392,000
5.75%	$4,499,000	$374,900

Offering price: $116,250 per unit. NOI held constant across cap rates; values rounded.