TROPHY SOUTH MISSION APARTMENT BUILDING

OFFERING MEMORANDUM

2813 Mission Blvd
San Diego CA 92109

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6 Units | South Mission Beach

SOUTH COASTCOMMERCIAL, INC.
INVESTMENTS AND MANAGEMENT

LIONS
GONZALEZ & BARBARA

6 Units | South Mission Beach

CONTENTS

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SOUTH COASTCOMMERCIAL, INC.
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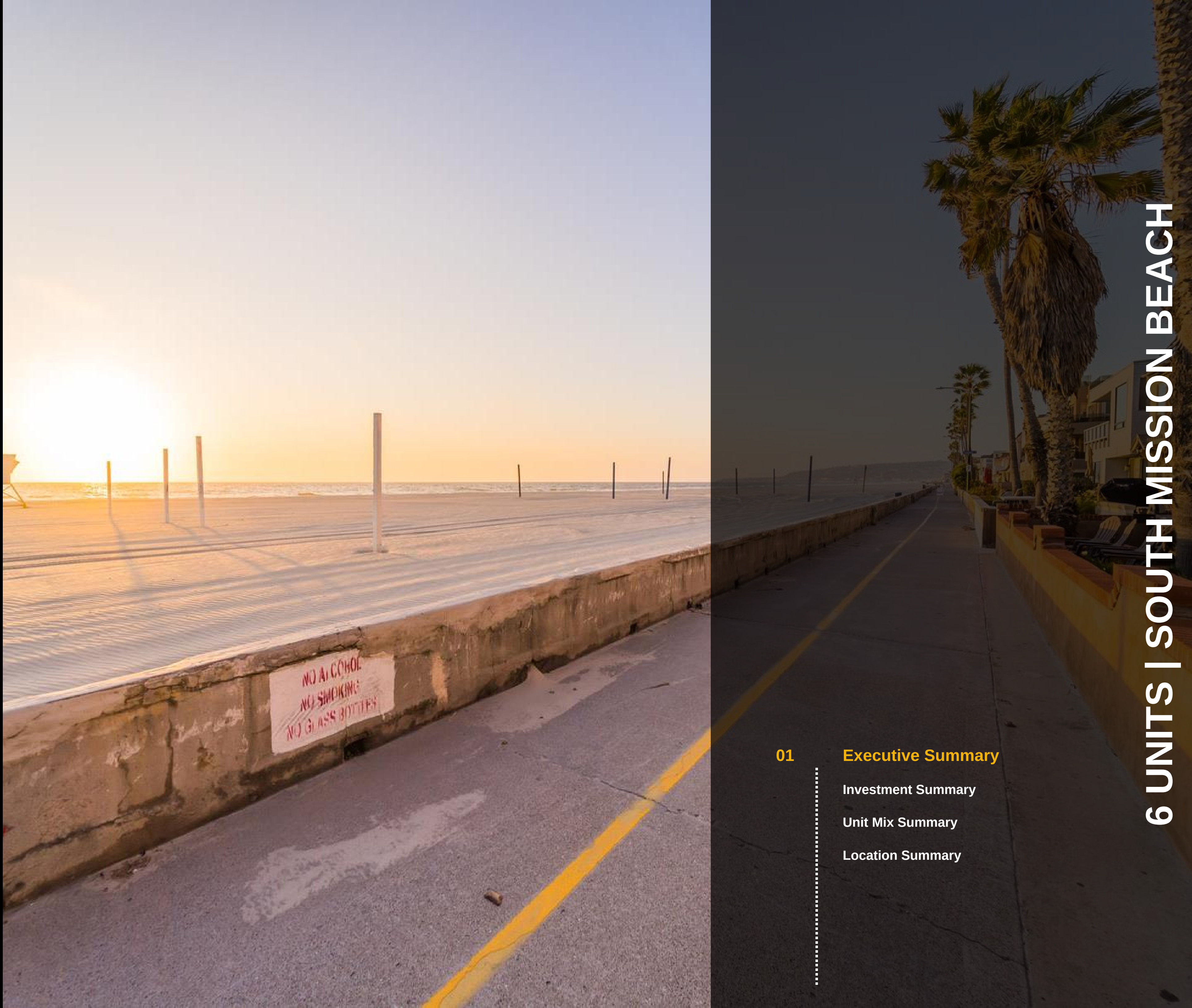


6 UNITS | SOUTH MISSION BEACH

OFFERING SUMMARY

ADDRESS	715 Cohasset Ct San Diego CA 92109
COUNTY	San DIego
MARKET	Coastal San Diego
SUBMARKET	South Mission Beach
BUILDING SF	1,776 SF
LAND SF	2,718
NUMBER OF UNITS	6
YEAR BUILT	1954
APN	423-731-01-00
OWNERSHIP TYPE	Fee Simple

FINANCIAL SUMMARY

OFFERING PRICE	$1,800,000
PRICE PSF	$1,013.51
PRICE PER UNIT	$300,000
OCCUPANCY	98.00 %
NOI (CURRENT)	$59,034
NOI (Pro Forma)	$87,963
CAP RATE (CURRENT)	3.28 %
CAP RATE (Pro Forma)	4.89 %
GRM (CURRENT)	19.01
GRM (Pro Forma)	14.48

PROPOSED FINANCING

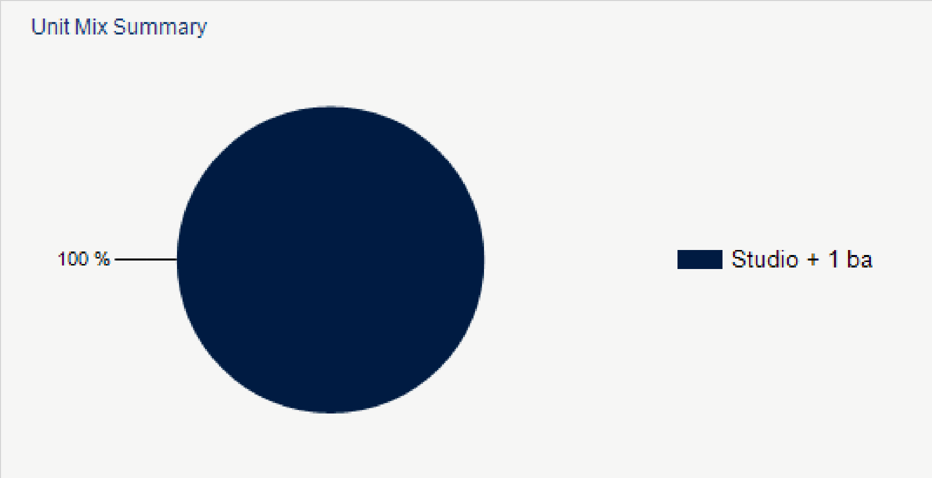
LOAN TYPE	Fully Amortized
DOWN PAYMENT	$900,000
LOAN AMOUNT	$900,000
INTEREST RATE	3.50 %
ANNUAL DEBT SERVICE	$48,499
LOAN TO VALUE	50 %
AMORTIZATION PERIOD	30 Years

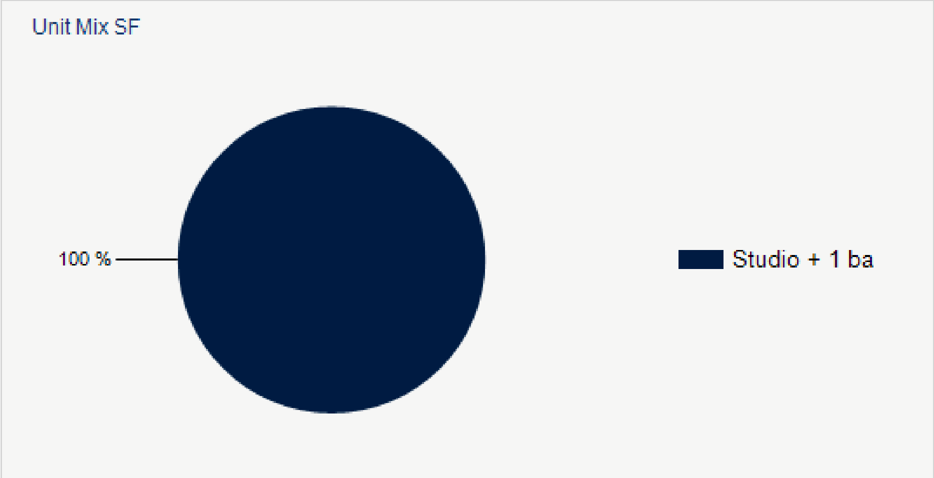
DEMOGRAPHICS	1 MILE	3 MILE	5 MILE
2016 Population	5,629	87,080	200,523
2016 Median HH Income	$39,090	$65,129	$72,191
2016 Average HH Income	$55,337	$93,989	$105,937

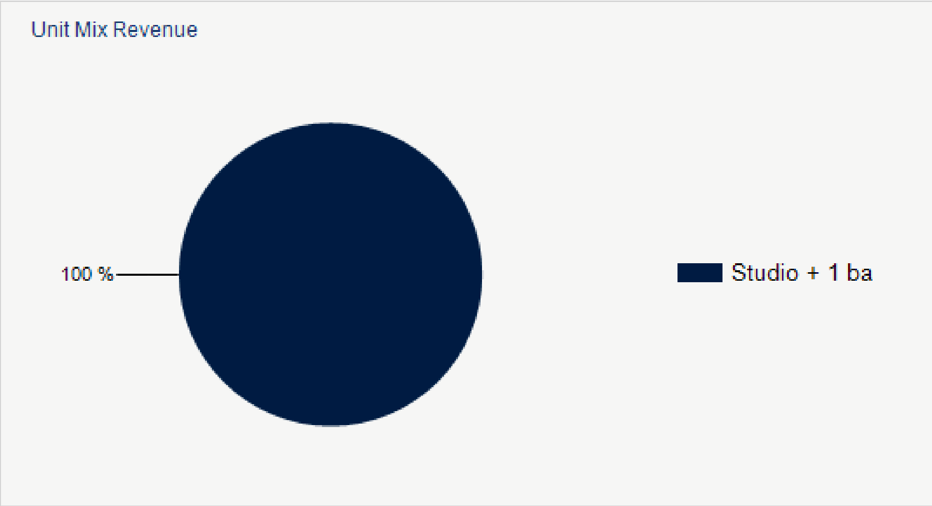
Do not miss this opportunity to own this rarely available 6 unit apartment complex, located in the highly desired community of South Mission Beach. 2813 Mission Blvd is just steps from the beach and in close proximity to the SouthMission Jetty, Beach Bonfire Pits and Volley Ball Courts. The subject property is comprised of (6) Studio Units and features (6) off-street parking spaces.

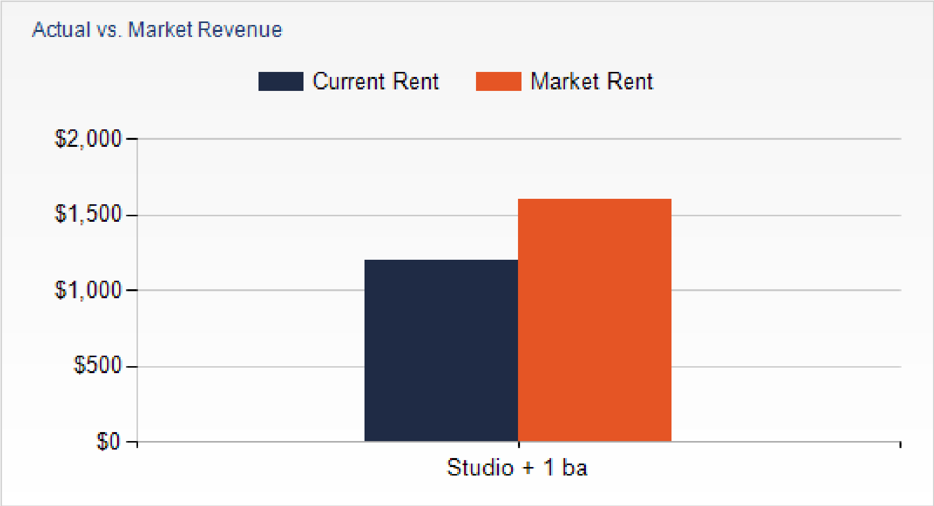
Mission Beach is a community built on a sandbar between the Pacific Ocean and Mission Bay. It is part of the city of San Diego, California. Mission Beach spans nearly two miles of ocean front. It is bounded by the San Diego River estuary on the south, Mission Bay on the east, and the community of Pacific Beach on the north. A boardwalk runs along the beaches on both the ocean and bay sides of the community. The main artery through Mission Beach is Mission Boulevard. Attractions near Mission Beach include Sea World in Mission Bay Park and the historic amusement park Belmont Park in South Mission Beach.

			Actual			Market		
Unit Mix	# Units	Square Feet	Current Rent	Rent PSF	Monthly Income	Market Rent	Market Rent PSF	Market Income
Studio + 1 ba	6	300	$1,200	$4.00	$7,200	$1,595	$5.32	$9,570
Totals/Averages	6	300	$1,200	$4.00	$7,200	$1,595	$5.32	$9,570









Beach/Water View

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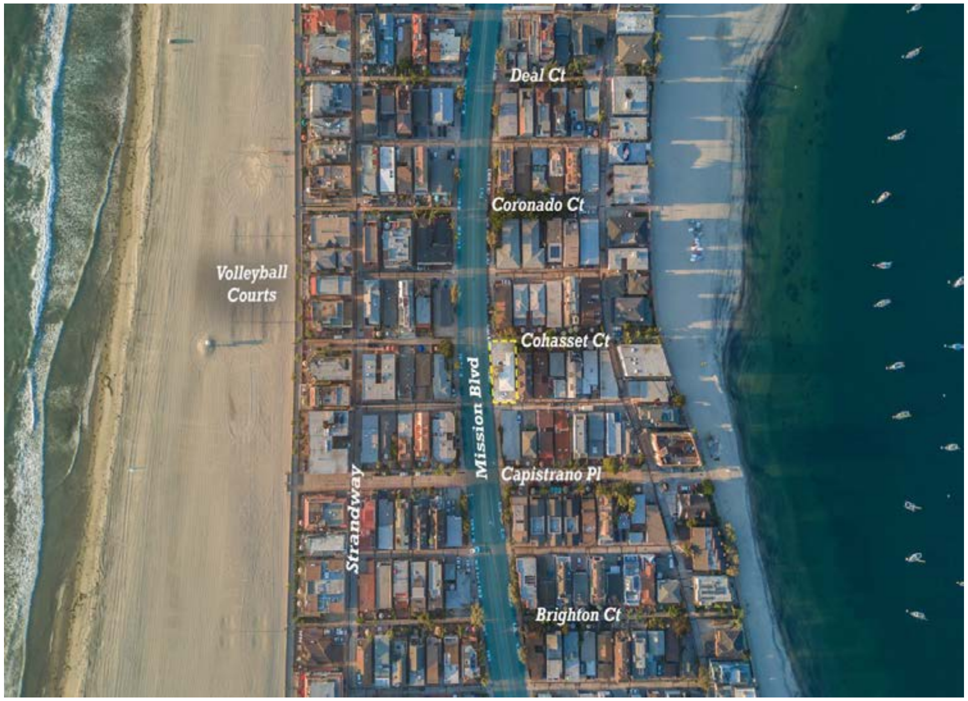
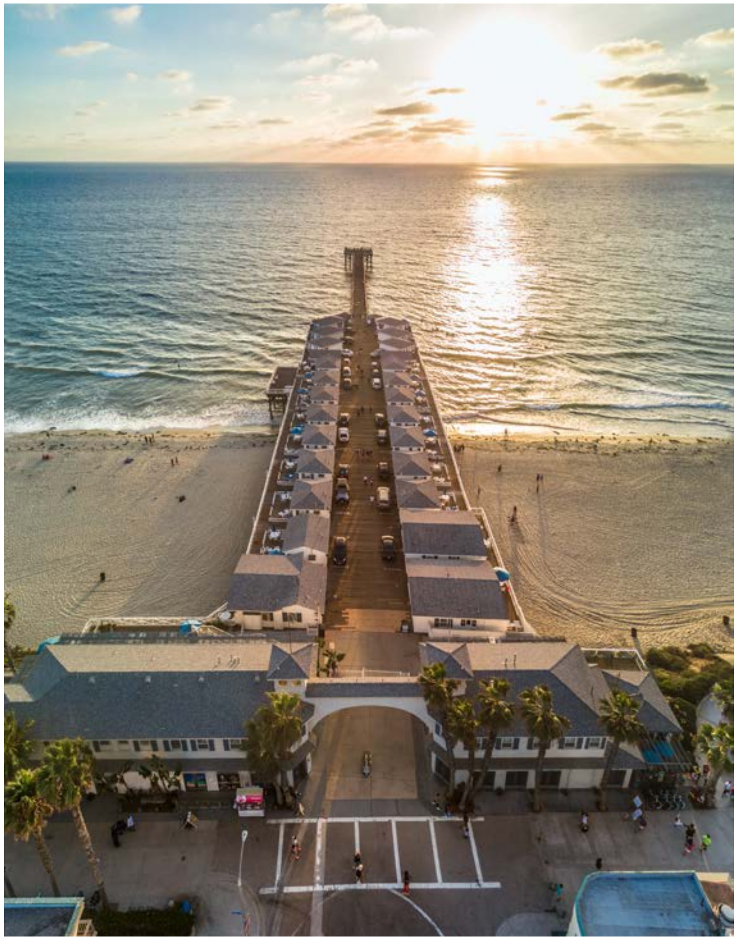
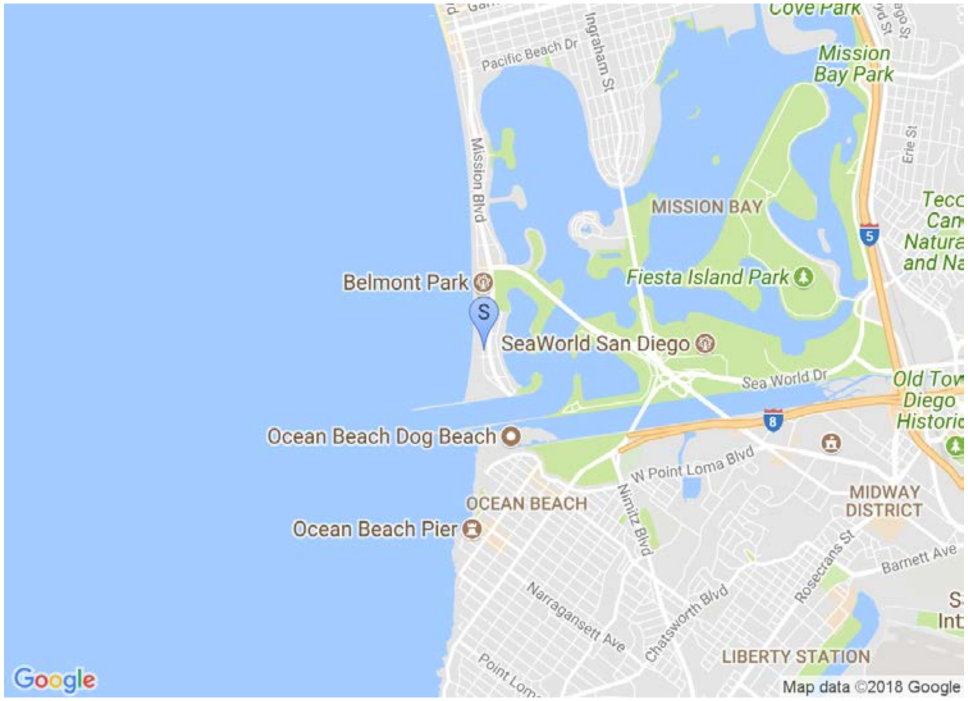


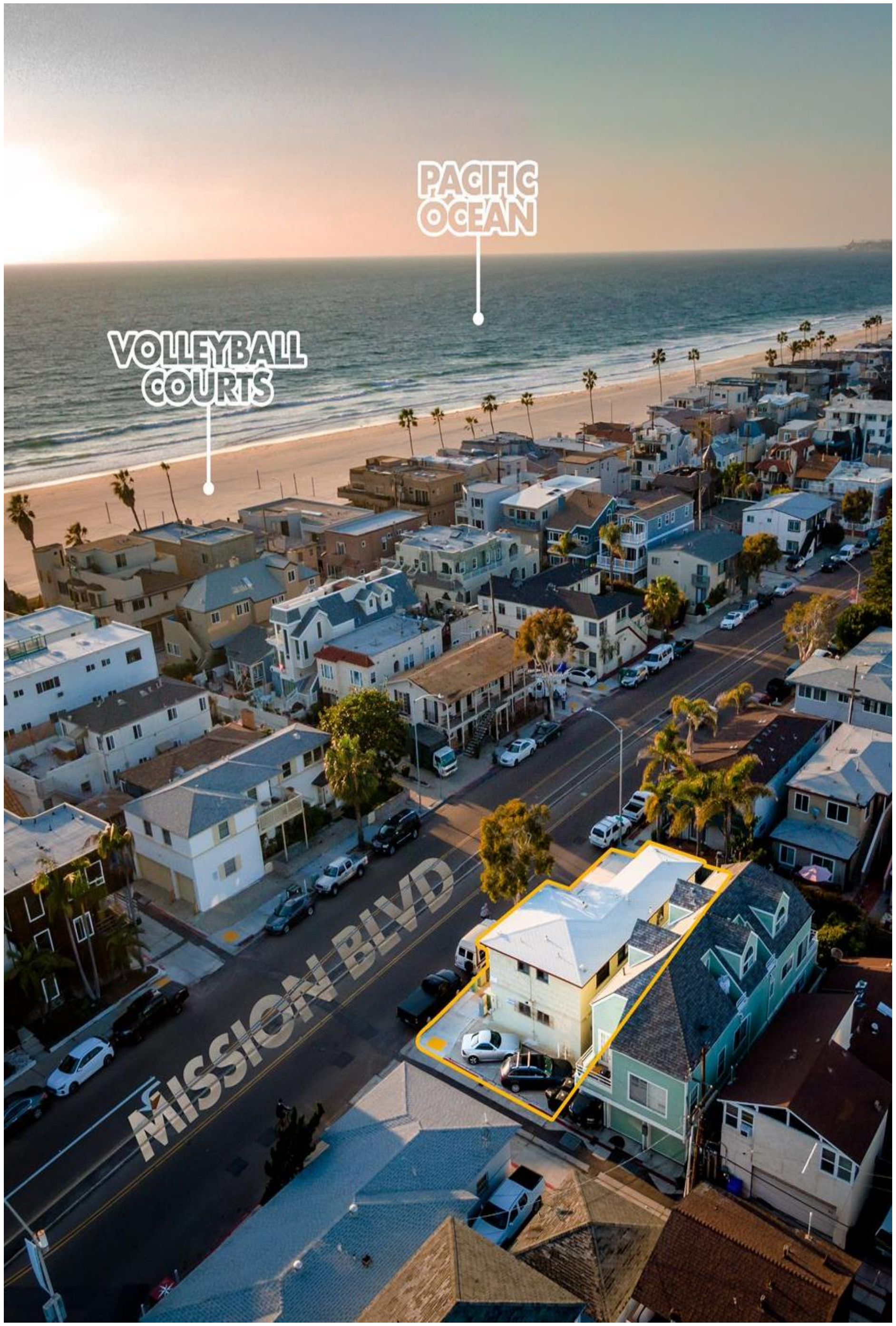


Locator Map



6 UNITS | SOUTH MISSION BEACH

PROPERTY FEATURES	
NUMBER OF UNITS	6
BUILDING SF	1,776
LAND SF	2,718
YEAR BUILT	1954
# OF PARCELS	1
ZONING TYPE	MBPD-R-S
NUMBER OF STORIES	2
NUMBER OF BUILDINGS	1
NUMBER OF PARKING SPACES	8
PARKING RATIO	1:1




BELMONT
PARK
SAIL BAY
WEST MISSION BAY BLVD
VOLLEYBALL
COURTS
MISSION BLVD
MISSION POINT
PARK

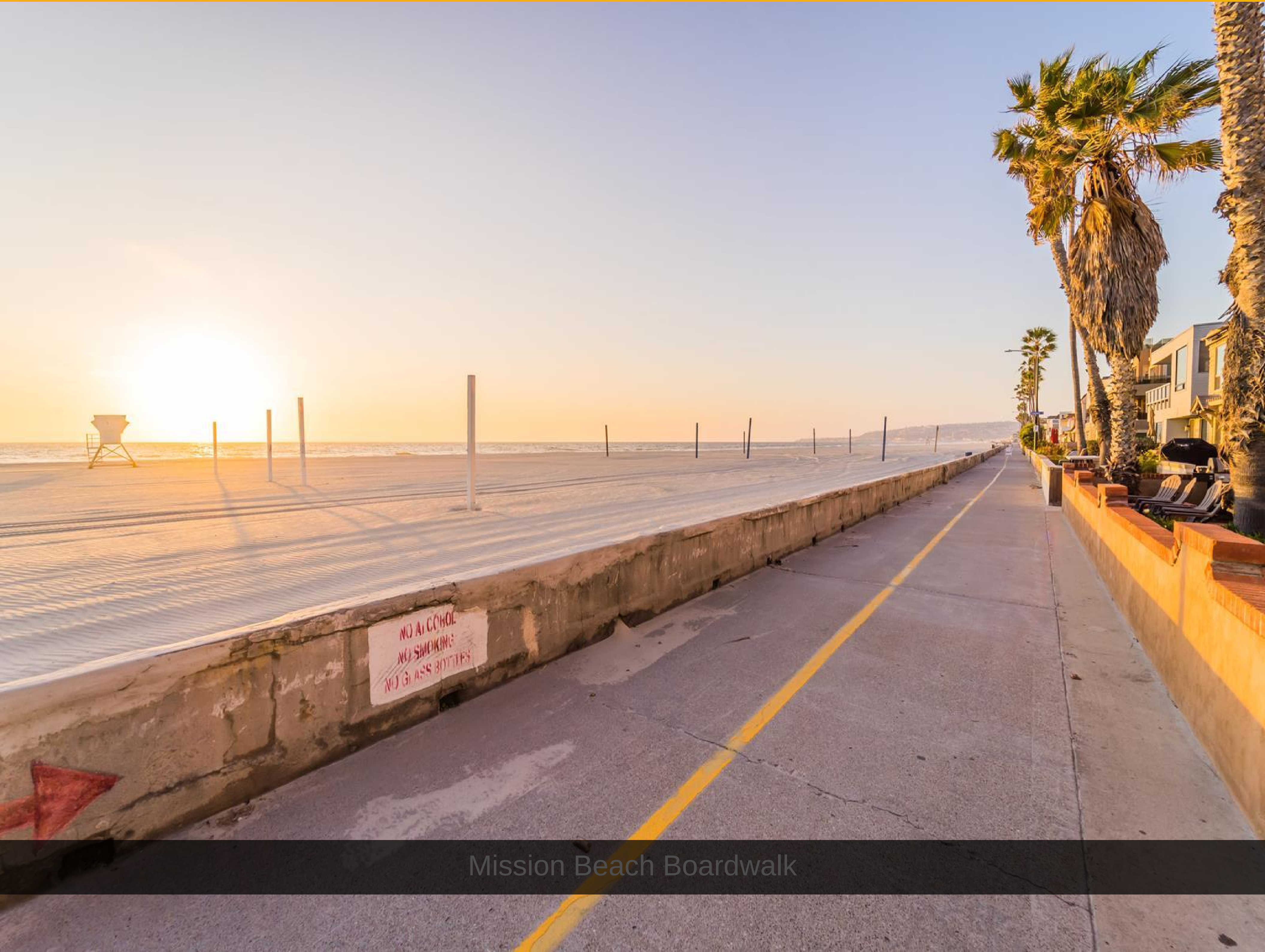

BELMONT PARK
VOLLEYBALL COURTS
MISSION BLVD


MISSION BLVD

Street View

View from Cohasset Ct

View From the Alley



Mission Beach Boardwalk


Chasset CT 800
Bayside WK 2820
8 MPH
SPEED LIMIT
YIELD TO
PEDESTRIANS
NO
SKATEBOARDING
10 PM - 7 AM
REGULATIONS

6 UNITS | SOUTH MISSION BEACH

03

Financial Analysis

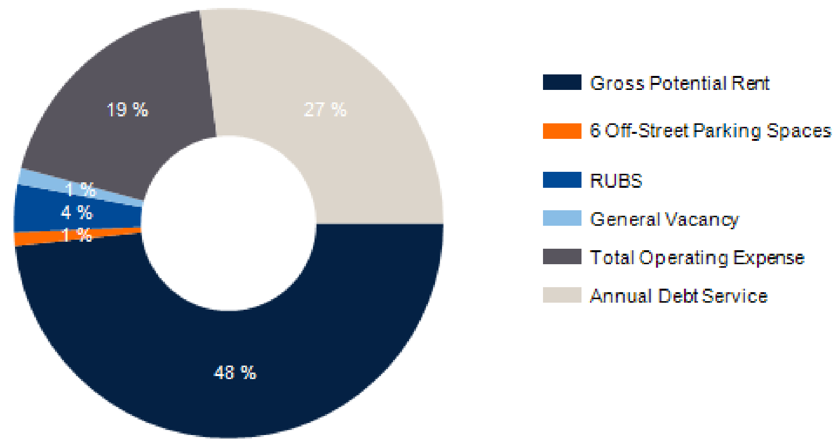
Income & Expense

Multiyear Cash Flow Projections

2813 Mission Blvd

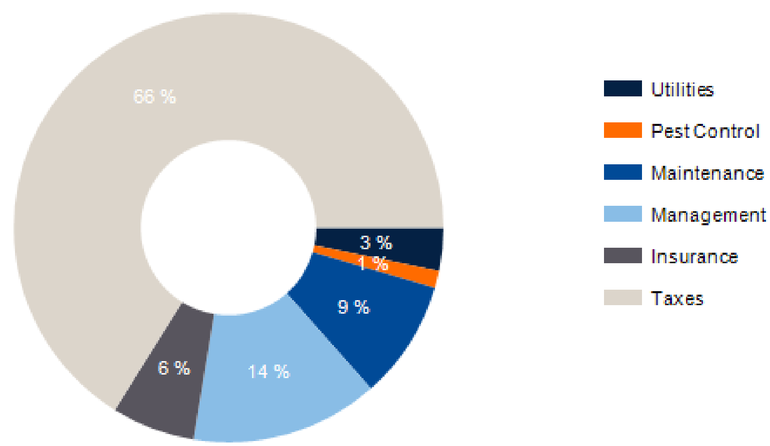
INCOME		CURRENT		PRO FORMA
Gross Potential Rent		$86,400		$114,840
6 Off-Street Parking Spaces		$1,800		$3,000
RUBS		$6,480		$6,480
Gross Potential Income		**$94,680**		**$124,320**
Less: General Vacancy		$2,160		$2,871
Effective Gross Income		**$92,520**		**$121,449**
Less: Expenses		$33,486		$33,486
Net Operating Income		**$59,034**		**$87,963**
Principal Reduction		$17,000		$17,000
Total Return	**3.1 %**	**$27,535**	**6.3 %**	**$56,464**

REVENUE ALLOCATION



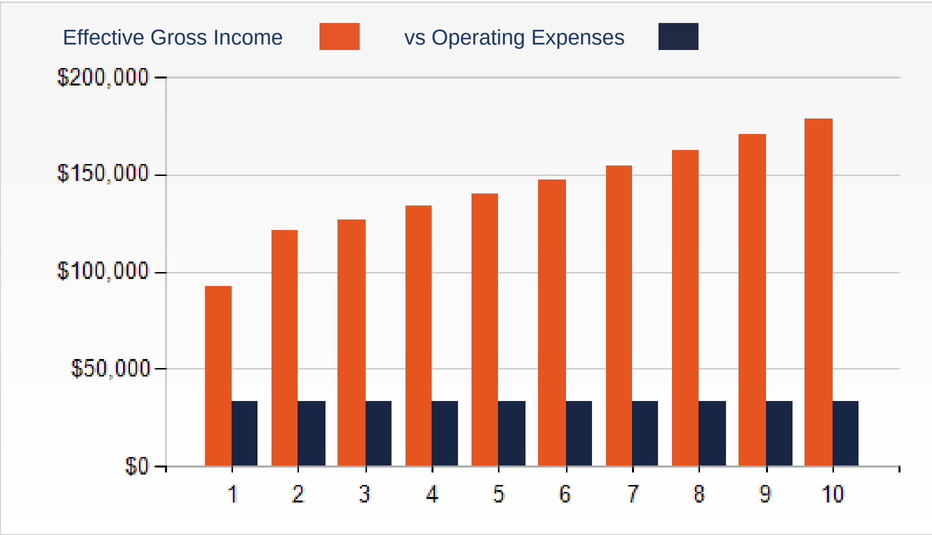
EXPENSES	Per Unit	CURRENT	Per Unit	PRO FORMA
Utilities	$180	$1,080	$180	$1,080
Pest Control	$72	$432	$72	$432
Maintenance	$500	$3,000	$500	$3,000
Management	$789	$4,734	$789	$4,734
Insurance	$350	$2,100	$350	$2,100
Taxes	$3,690	$22,140	$3,690	$22,140
Total Operating Expense	**$5,581**	**$33,486**	**$5,581**	**$33,486**
Annual Debt Service	$8,083	$48,499	$8,083	$48,499
Expense / SF		$18.85		$18.85
% of EGI		36.19 %		27.57 %

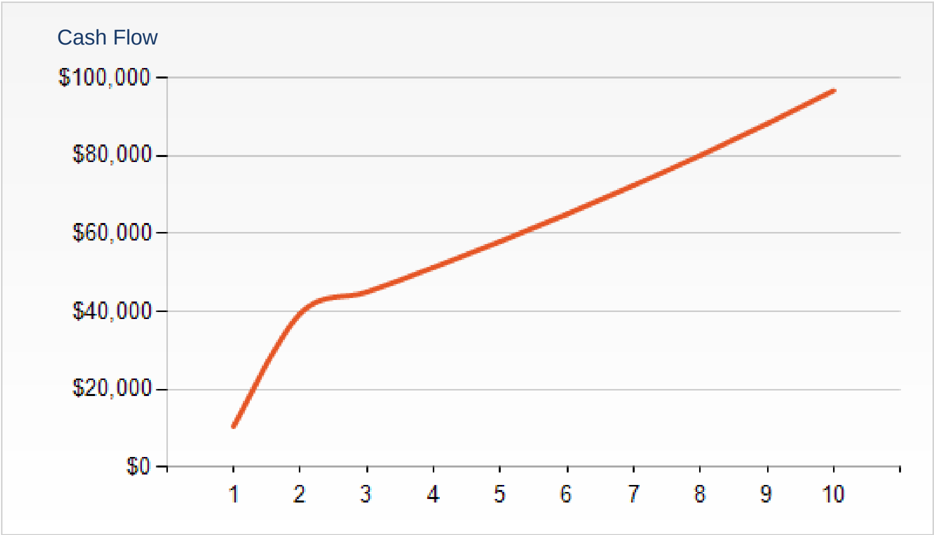
DISTRIBUTION OF EXPENSES



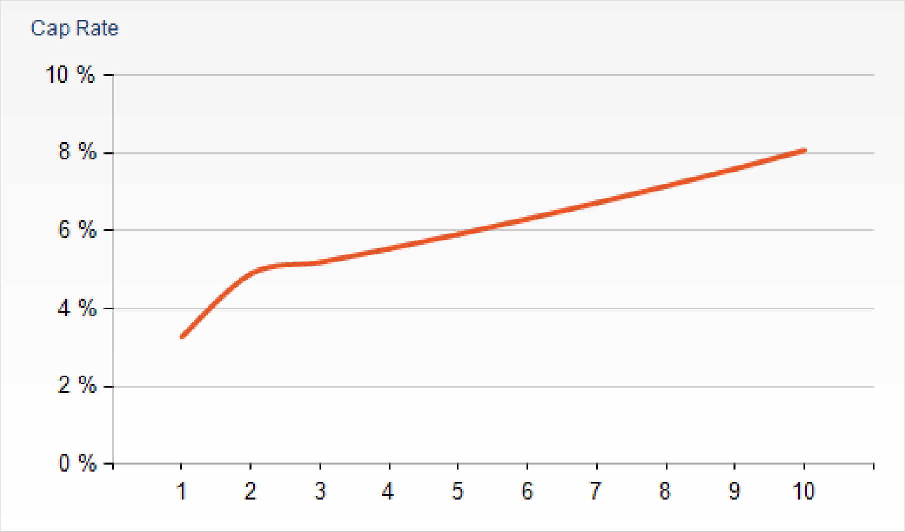
CASH FLOW

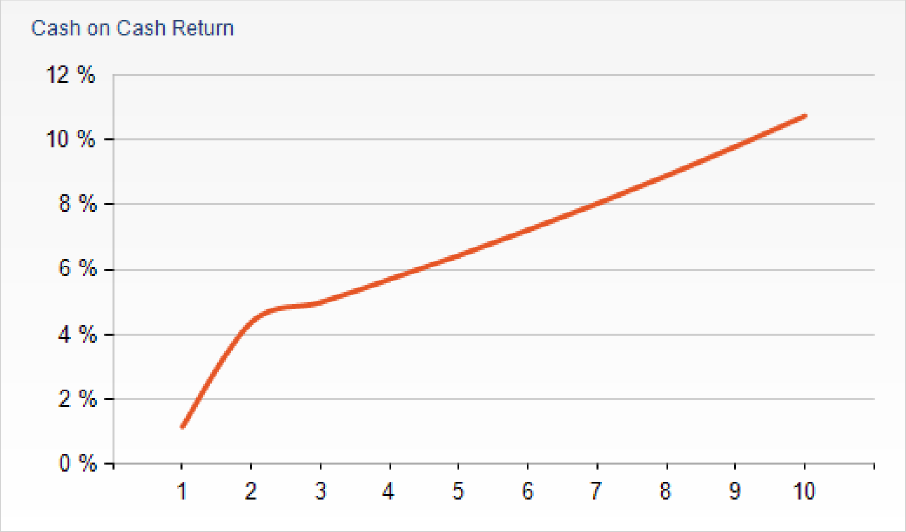
Calendar Year	CURRENT	Pro Forma	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Potential Revenue										
Gross Rental Income	$86,400	$114,840	$120,582	$126,611	$132,942	$139,589	$146,568	$153,897	$161,591	$169,671
6 Off-Street Parking Spaces	$1,800	$3,000	$3,150	$3,308	$3,473	$3,647	$3,829	$4,020	$4,221	$4,432
RUBS	$6,480	$6,480	$6,804	$7,144	$7,501	$7,876	$8,270	$8,684	$9,118	$9,574
Gross Potential Income	$94,680	$124,320	$130,536	$137,063	$143,916	$151,112	$158,667	$166,601	$174,931	$183,677
General Vacancy	$2,160	$2,871	$3,617	$3,798	$3,988	$4,188	$4,397	$4,617	$4,848	$5,090
Effective Gross Income	$92,520	$121,449	$126,919	$133,264	$139,928	$146,924	$154,270	$161,984	$170,083	$178,587
Operating Expenses										
Utilities	$1,080	$1,080	$1,080	$1,080	$1,080	$1,080	$1,080	$1,080	$1,080	$1,080
Pest Control	$432	$432	$432	$432	$432	$432	$432	$432	$432	$432
Maintenance	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000
Management	$4,734	$4,734	$4,734	$4,734	$4,734	$4,734	$4,734	$4,734	$4,734	$4,734
Insurance	$2,100	$2,100	$2,100	$2,100	$2,100	$2,100	$2,100	$2,100	$2,100	$2,100
Taxes	$22,140	$22,140	$22,140	$22,140	$22,140	$22,140	$22,140	$22,140	$22,140	$22,140
Total Operating Expense	$33,486	$33,486	$33,486	$33,486	$33,486	$33,486	$33,486	$33,486	$33,486	$33,486
Net Operating Income	$59,034	$87,963	$93,433	$99,778	$106,442	$113,438	$120,784	$128,498	$136,597	$145,101
Annual Debt Service	$48,499	$48,499	$48,499	$48,499	$48,499	$48,499	$48,499	$48,499	$48,499	$48,499
Cash Flow	$10,535	$39,464	$44,934	$51,280	$57,943	$64,939	$72,285	$79,999	$88,098	$96,602





Calendar Year	CURRENT	Pro Forma	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Financial Metrics										
Cash on Cash Return b/t	1.17 %	4.38 %	4.99 %	5.70 %	6.44 %	7.22 %	8.03 %	8.89 %	9.79 %	10.73 %
CAP Rate	3.28 %	4.89 %	5.19 %	5.54 %	5.91 %	6.30 %	6.71 %	7.14 %	7.59 %	8.06 %
Debt Coverage Ratio	1.22	1.81	1.93	2.06	2.19	2.34	2.49	2.65	2.82	2.99
Operating Expense Ratio	36.19 %	27.57 %	26.38 %	25.12 %	23.93 %	22.79 %	21.70 %	20.67 %	19.68 %	18.75 %
Gross Multiplier (GRM)	19.01	14.48	13.79	13.13	12.51	11.91	11.34	10.80	10.29	9.80
Loan to Value	50.01 %	49.07 %	48.03 %	46.98 %	45.91 %	44.82 %	43.69 %	42.51 %	41.28 %	40.00 %
Breakeven Ratio	88.61 %	67.51 %	64.60 %	61.52 %	58.59 %	55.80 %	53.14 %	50.61 %	48.20 %	45.91 %
Price / SF	$1,013.51	$1,013.51	$1,013.51	$1,013.51	$1,013.51	$1,013.51	$1,013.51	$1,013.51	$1,013.51	$1,013.51
Price / Unit	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000
Income / SF	$52.09	$68.38	$71.46	$75.03	$78.78	$82.72	$86.86	$91.20	$95.76	$100.55
Expense / SF	$18.85	$18.85	$18.85	$18.85	$18.85	$18.85	$18.85	$18.85	$18.85	$18.85





CASH FLOW ANALYSIS

SOUTH COAST COMMERCIAL, INC
INVESTMENTS AND MANAGEMENT

APARTMENT INVESTMENT INFORMATION

# Units	Address	City	Zip	Map Code
6	2813 Mission Blvd	San Diego	92109	

Price	GRM Current	GRM Market	CAP Rate Current	CAP Rate Market	$/Unit
$1,800,000	19.0	14.5	3.3%	4.9%	$300,000

$/Square Foot (Approx.)	Gross Sq. Ft. (Approx.)	Parcel Size (Approx.)	Yr. Built (Approx.)
$1,013.51	1776	2,718	

Income Detail

# Units	Type	Rent	Total

Estimated Actual Average Rents — **Rent Range**

# Units	Type	Rent	Total
6	Studios	$1,200	$7,200
6	Rubs	$90	$540
Other Income (Parking)			$150
Total Monthly Income			**$7,890**

Estimated Market Rents

# Units	Type	Rent	Total
6	Studios	$1,595	$9,570
6	Rubs	$90	$540
Other Income (Parking)			$250
Total Monthly Income			**$10,360**

Estimated Annual Operating Expenses

Utilites	$1,080	Management (Off Site)	$4,734
Pest Control	$432	Insurance	$2,100
Maintenance	$3,000	Taxes	$22,140

Total Annual Operating Expenses (estimated): $33,486

Expenses Per:		
	Unit	**$5,581**
	% of Actual GSI	**35%**

Estimated Annual Operating Proforma

		Actual	Market
Gross Scheduled Income		$94,680	$124,320
Less: Vacancy Factor	3%	$2,367	$3,108
Gross Operating Income		$92,313	$121,212
Less: Expenses	35%	$33,486	$33,486
Net Operating Income		$58,827	$87,726
Less: 1st TD Payments		($48,497)	($48,497)
Pre-Tax Cash Flow		$10,330	$39,229
Cash On Cash Return		1.1%	4.4%
Principal Reduction		$17,272	$17,272
Total Potential Return (End of Year One)		3%	6%

Financing Summary

Downpayment:			**$900,000**
			50%
Interest Rate:	**3.500%**		
Amortized over:	**30**	**Years**	
Proposed Loan Amount:			**$900,000**

Debt Coverage Ratio:

Current:	1.21
Market:	1.81

Comments

Adrian Gonzalez 858-735-9977 Gonzalez@scc1031.com

SOUTH COAST COMMERCIAL, INC
INVESTMENTS AND MANAGEMENT

6 UNITS | SOUTH MISSION BEACH

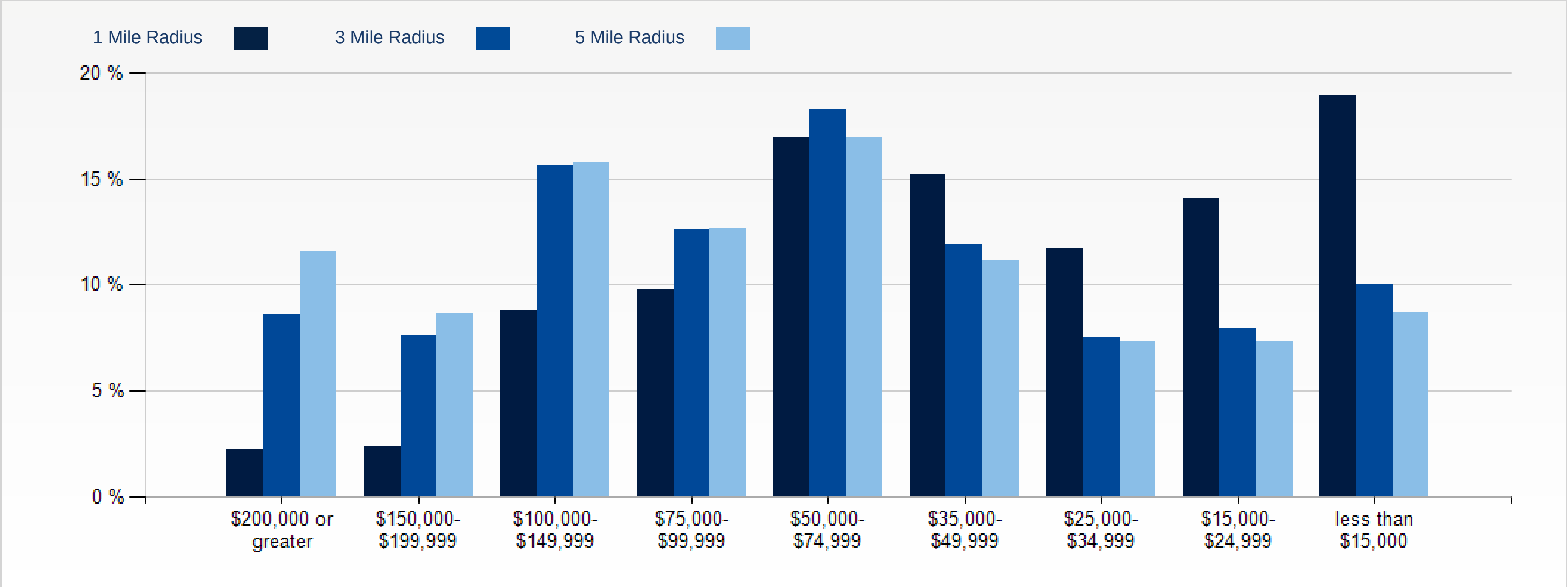
POPULATION	1 MILE	3 MILE	5 MILE
2000 Population	5,745	81,296	184,937
2010 Population	5,429	83,057	190,270
2016 Population	5,629	87,080	200,523
2021 Population	5,801	90,200	207,879
2016 African American	92	2,217	6,319
2016 American Indian	31	475	1,147
2016 Asian	164	3,332	11,637
2016 Hispanic	684	12,599	33,851
2016 White	4,817	72,348	159,005
2016 Other Race	247	4,290	11,731
2016 Multiracial	263	4,143	9,993
2016-2021: Population: Growth Rate	3.00 %	3.55 %	3.60 %

2016 HOUSEHOLD INCOME	1 MILE	3 MILE	5 MILE
less than $15,000	575	4,297	7,511
$15,000-$24,999	427	3,397	6,278
$25,000-$34,999	354	3,211	6,295
$35,000-$49,999	461	5,095	9,643
$50,000-$74,999	513	7,832	14,593
$75,000-$99,999	296	5,386	10,910
$100,000-$149,999	265	6,679	13,608
$150,000-$199,999	71	3,262	7,432
$200,000 or greater	68	3,655	9,979
Median HH Income	$39,090	$65,129	$72,191
Average HH Income	$55,337	$93,989	$105,937

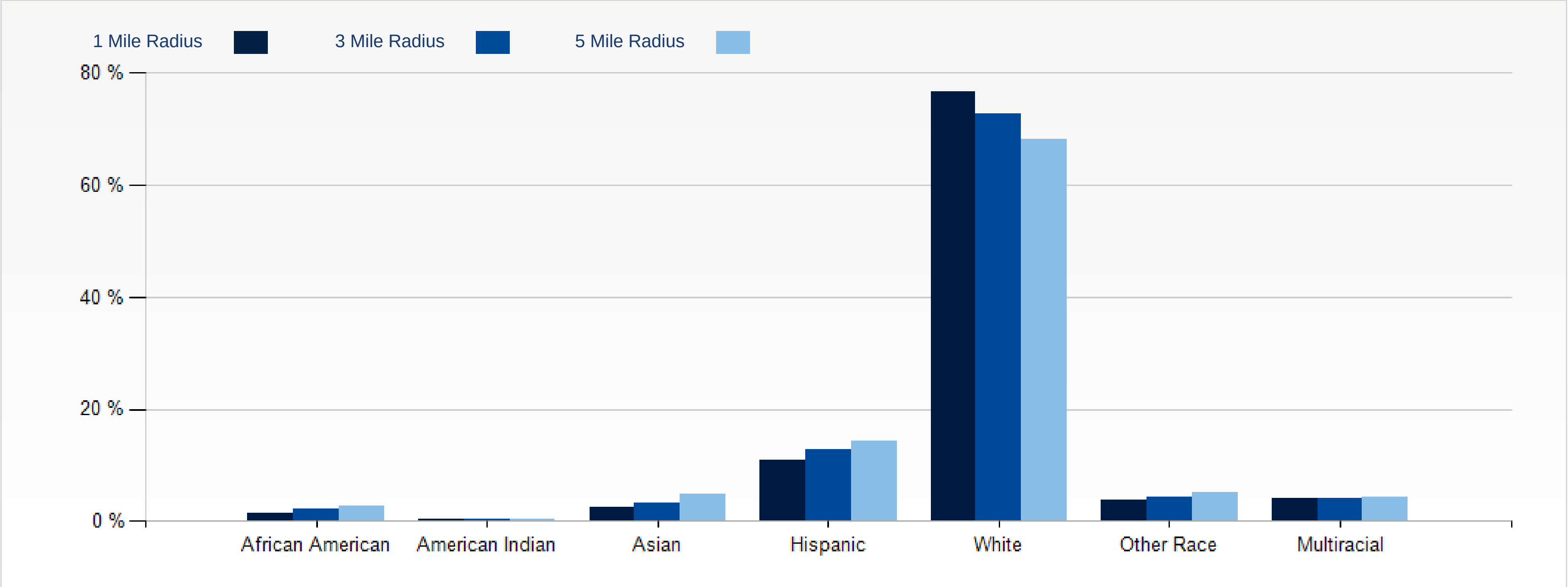
HOUSEHOLDS	1 MILE	3 MILE	5 MILE
2000 Total Housing	3,701	44,357	87,050
2010 Total Households	2,937	41,100	82,299
2016 Total Households	3,029	42,813	86,255
2021 Total Households	3,109	44,237	89,440
2016 Average Household Size	1.84	1.98	2.13
2000 Owner Occupied Housing	557	13,979	38,007
2000 Renter Occupied Housing	2,576	27,543	44,346
2016 Owner Occupied Housing	489	13,269	36,784
2016 Renter Occupied Housing	2,540	29,544	49,471
2016 Vacant Housing	679	3,796	6,543
2016 Total Housing	3,708	46,609	92,798
2021 Owner Occupied Housing	498	13,507	37,820
2021 Renter Occupied Housing	2,611	30,730	51,620
2021 Vacant Housing	713	4,070	7,093
2021 Total Housing	3,822	48,307	96,533
2016-2021: Households: Growth Rate	2.60 %	3.30 %	3.65 %

Source: esri

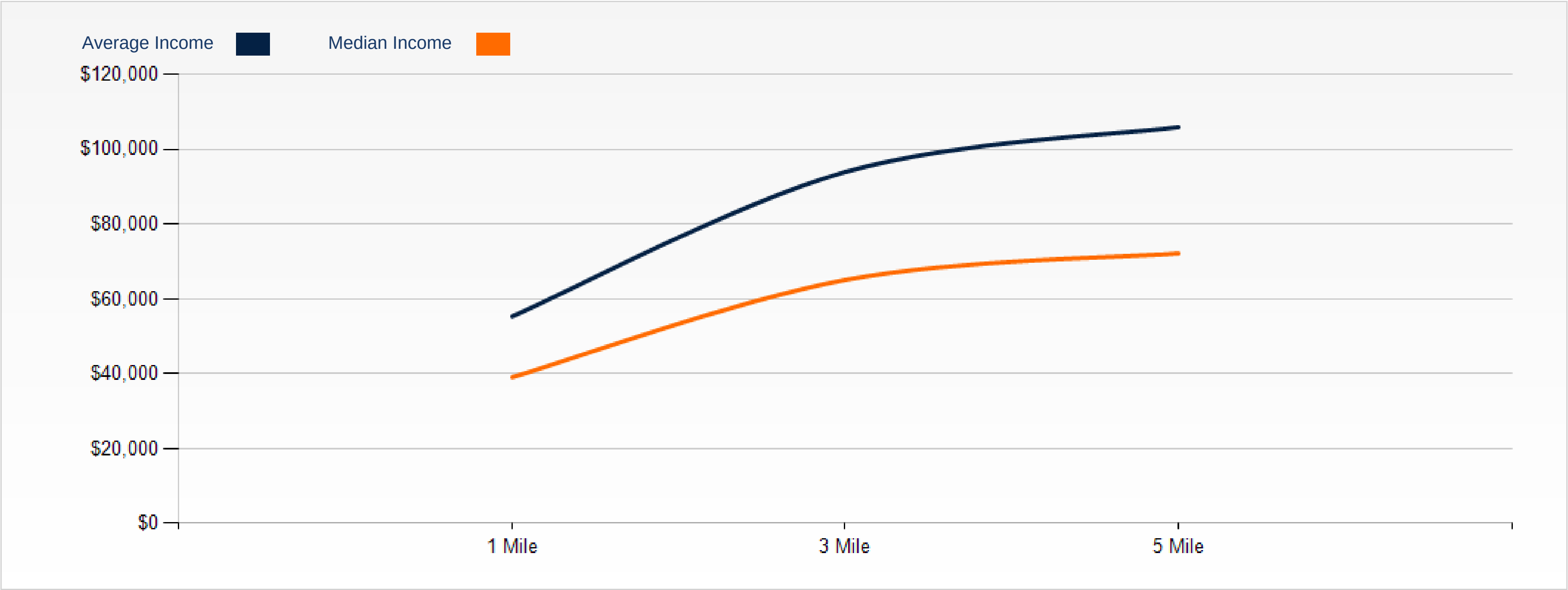
2016 Household Income



2016 Population by Race



2016 Household Income Average and Median



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