

# PALMS APARTMENTS

2621-2629 1st Avenue, San Diego, CA 92103

VALUE-ADD MULTIFAMILY PROPERTY FOR SALE



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# PALMS APARTMENTS

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# PALMS APARTMENTS

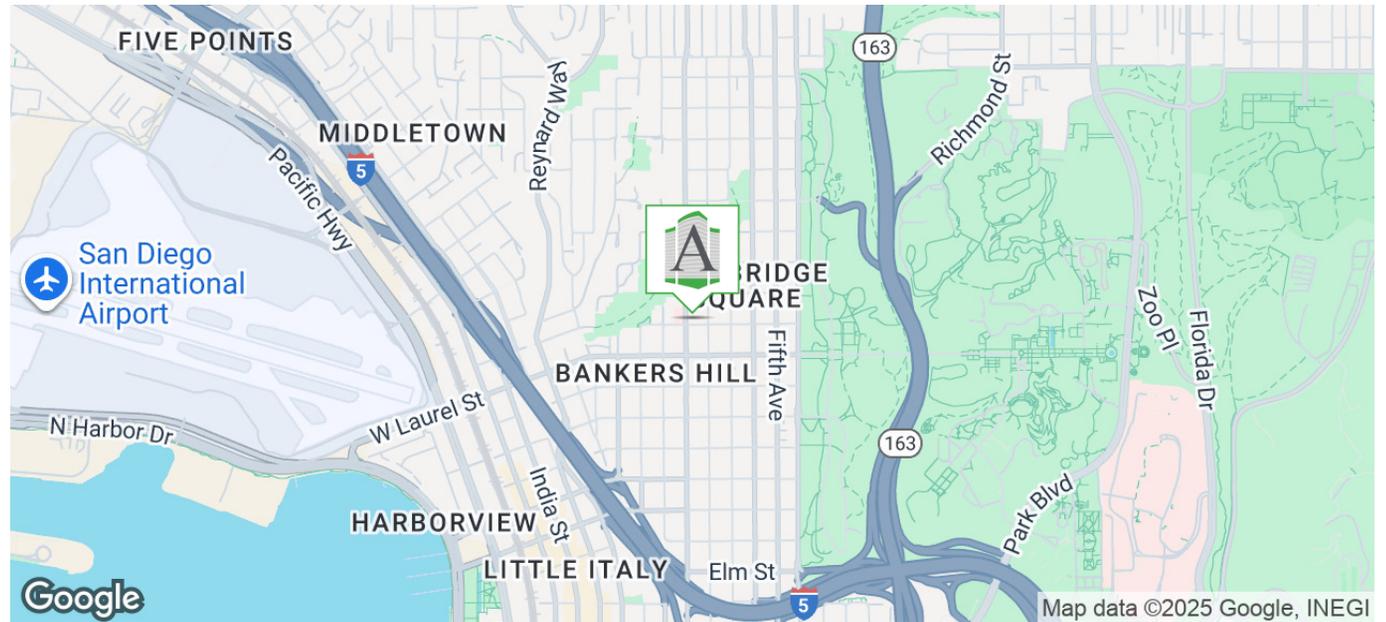
2621-2629 1st Avenue, San Diego, CA 92103

## EXECUTIVE SUMMARY



### OFFERING SUMMARY

Sale Price:	\$4,200,000
Number Of Units:	12
Price / Unit:	\$350,000
Price / SF:	\$611.35
Cap Rate Current   Market:	4.2%   5.58%
Building Size:	6,870
Lot Size:	9,109 sqft



# PROPERTY INFORMATION

SECTION 1

# PALMS APARTMENTS

2621-2629 1st Avenue, San Diego, CA 92103

## INVESTMENT OVERVIEW



### PROPERTY OVERVIEW

ACRE Investment Real Estate Services is pleased to present the opportunity to acquire Palms Apartments, a rare 12-unit community located in the highly desirable Bankers Hill neighborhood of San Diego. Situated on a 9,109 square foot lot, Palms Apartments is comprised of three buildings—a duplex, fourplex, and sixplex—creating a charming courtyard-style setting with a thoughtfully landscaped lawn and expansive green common area. The property has been well-maintained, with major system upgrades already completed, providing a strong operational foundation for a new investor.

- Unit Mix: 1 Studio, 10 One-Bedroom/One-Bath, 1 Two-Bedroom/One-Bath
- Buildings: Three separate structures (duplex, fourplex, sixplex)
- Lot Size: 9,109 SF
- Rentable Square Footage: Approximately 6,870 SF
- Capital Improvements: Recent water line exterior repipe, and the electrical systems and panels have been updated. Select units also feature new individual water heaters, upgraded flooring, air conditioning, ranges, and refrigerators.
- Income: The property income is supplemented by RUBS (Ratio Utility Billing System), allowing utility costs to be shared with tenants and enhancing overall net income.
- Vacancy: There are currently four vacant units at the property. Ownership has chosen to keep these apartments in rent-ready condition and unleased, providing immediate leasing upside and flexibility for the new owner.

Palms Apartments offers an exceptional value-add opportunity. While significant infrastructure work has been completed, most unit interiors remain in original or partially renovated condition. A new owner can modernize kitchens, baths, flooring, and fixtures to align with today's renter expectations and capture meaningful rental upside. Renovated properties in the submarket command substantial premiums, positioning Palms Apartments for strong rent growth and long-term appreciation.

Palms Apartments provides investors with a rare chance to acquire a stabilized, centrally located property in one of San Diego's most sought-after neighborhoods, while unlocking immediate upside through interior renovations and rent repositioning.

Prospective buyers are advised to independently verify all information contained in this offering memorandum, including but not limited to financial, physical, and market details.

# PALMS APARTMENTS

2621-2629 1st Avenue, San Diego, CA 92103

## INVESTMENT HIGHLIGHTS

### PROPERTY HIGHLIGHTS

- 12-unit apartment community in the desirable Bankers Hill neighborhood of San Diego
- Attractive unit mix: 1 Studio, 10 One-Bedroom/One-Bath, 1 Two-Bedroom/One-Bath
- Recently repiped water lines and updated electrical systems and panels
- Select units feature upgraded flooring, new water heaters, A/C, ranges, and refrigerators
- Well-maintained grounds with landscaped lawn and a large grassed common area
- RUBS (Ratio Utility Billing System) in-place, supplementing property income

### INVESTMENT HIGHLIGHTS

- Strong value-add opportunity: modernize kitchens, baths, flooring, and fixtures to bring units up to market standards
- Potential to capture significant rental upside; comparable renovated properties in the submarket command premium rents
- Proven infrastructure improvements already completed, reducing near-term capital expenditure requirements
- Ideal for private investors seeking a well-located, supply-constrained San Diego apartment asset with immediate upside potential

### ECONOMIC HIGHLIGHTS

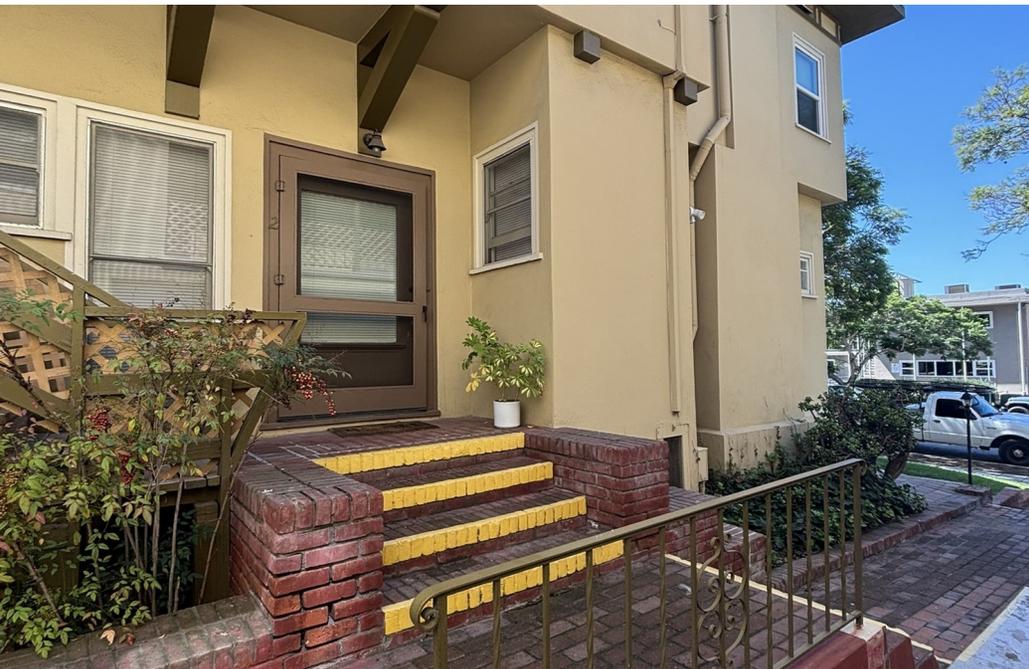
- Located in one of San Diego's strongest rental markets, supported by steady job growth and high demand for quality housing
- Favorable long-term fundamentals with limited new multifamily development in the immediate submarket
- Market rents support upside: Market Cap Rate: 5.61%



# PALMS APARTMENTS

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## PROPERTY PHOTOS



# PALMS APARTMENTS

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## AMENITIES



### PROPERTY AMENITIES

- Prime Bankers Hill/Hillcrest location adjacent to Balboa Park
- Walk Score of 85 – highly walkable neighborhood with nearby restaurants, cafés, and retail
- Secure entry and well-maintained common areas
- On-site laundry facilities
- Shared outdoor patios and landscaped areas
- Easy access to major freeways (I-5, SR-163, I-8) and public transit
- Proximity to Downtown San Diego, Little Italy, and San Diego International Airport

### UNIT AMENITIES

- Spacious one-bedroom and two-bedroom floor plans
- Rent-ready interiors with updated finishes in select units
- Well-appointed kitchens with modern appliances
- Bright living areas with ample natural light
- Hardwood or upgraded flooring in select units
- Ceiling fans and efficient layouts designed for comfort
- Cable and internet ready

# PROPERTY DESCRIPTION

## SECTION 2

# PALMS APARTMENTS

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## PROPERTY DETAILS

### SALE PRICE

**\$4,200,000**

### LOCATION INFORMATION

<b>BUILDING NAME</b>	Palms Apartments
<b>STREET ADDRESS</b>	2621-2629 1st Avenue
<b>CITY, STATE, ZIP</b>	San Diego, CA 92103
<b>COUNTY</b>	San Diego
<b>SUB-MARKET</b>	Bankers Hill
<b>CROSS-STREETS</b>	Maple Street

### BUILDING INFORMATION

<b>BUILDING SIZE</b>	6,870 SF
<b>NUMBER OF FLOORS</b>	2
<b>NUMBER OF BUILDINGS</b>	3

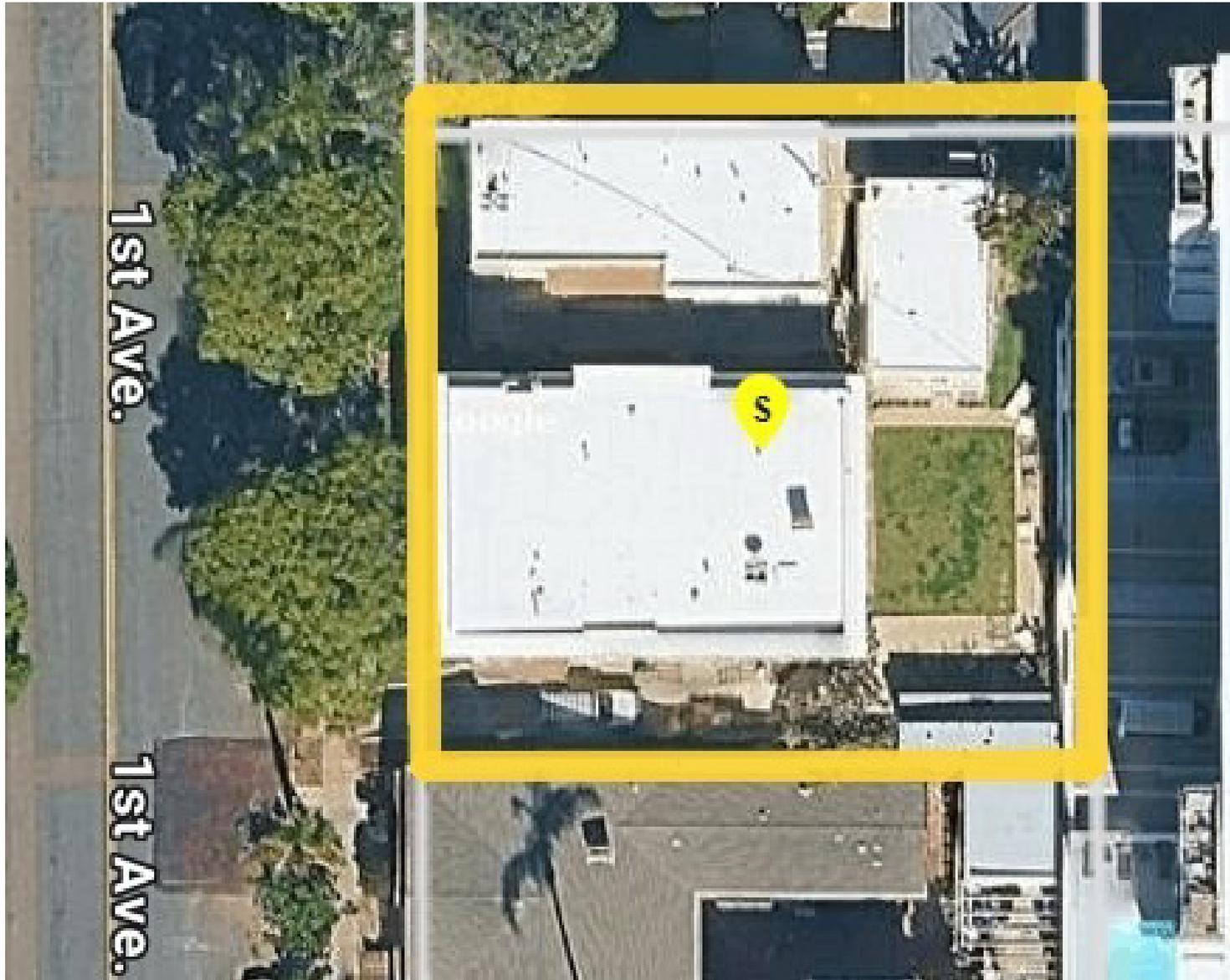
### PROPERTY INFORMATION

<b>PROPERTY TYPE</b>	Multifamily
<b>PROPERTY SUBTYPE</b>	Low-Rise/Garden
<b>ZONING</b>	CC-3-4
<b>LOT SIZE</b>	9,109 SF
<b>APN #</b>	452-705-03-00

# PALMS APARTMENTS

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## SITE MAP



# PALMS APARTMENTS

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## INTERIOR PHOTOS



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## INTERIOR PHOTOS



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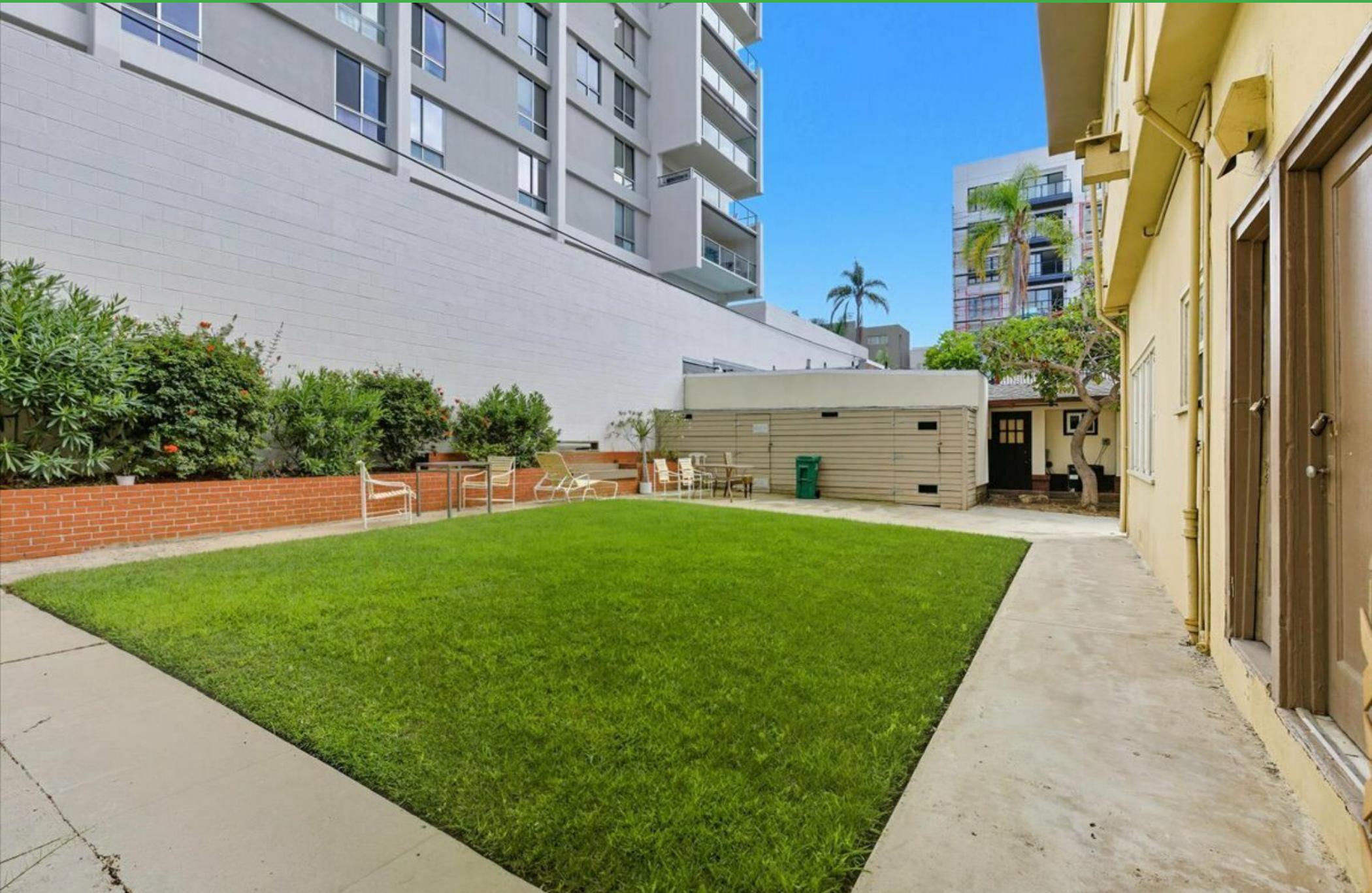
## PROPERTY PHOTOS



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## PROPERTY PHOTOS



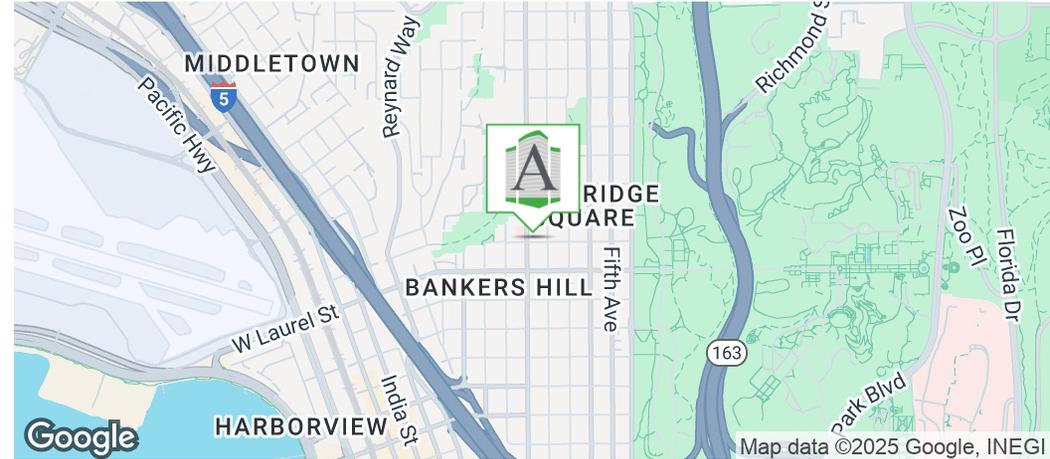
# LOCATION INFORMATION

SECTION 3

# PALMS APARTMENTS

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## LOCATION OVERVIEW



### LOCATION OVERVIEW

The property is ideally located in San Diego's Bankers Hill, one of the city's most desirable urban neighborhoods. Residents enjoy immediate access to Balboa Park with its world-class museums, gardens, and the San Diego Zoo, as well as the vibrant dining and retail corridors of Hillcrest and Little Italy. The property is less than 10 minutes from Downtown San Diego, the Gaslamp Quarter, East Village, and the Marina District, offering a wide range of entertainment, cultural, and lifestyle amenities. Proximity to major freeways (I-5, SR-163, I-8) and the San Diego International Airport (approximately 8 minutes away) ensures excellent connectivity throughout the region.

The location also benefits from close access to San Diego's largest employment centers, including downtown office towers, medical institutions such as UC San Diego Medical Center, Scripps Mercy Hospital, and Sharp, as well as the biotech and research hubs of Mission Valley, UTC, and Torrey Pines. The area's strong walkability, transit options, and amenity density make it highly attractive to young professionals and long-term residents alike. With its central position, lifestyle appeal, and stable renter demand, the property is exceptionally well-positioned to capture strong ongoing rental performance and long-term value appreciation.

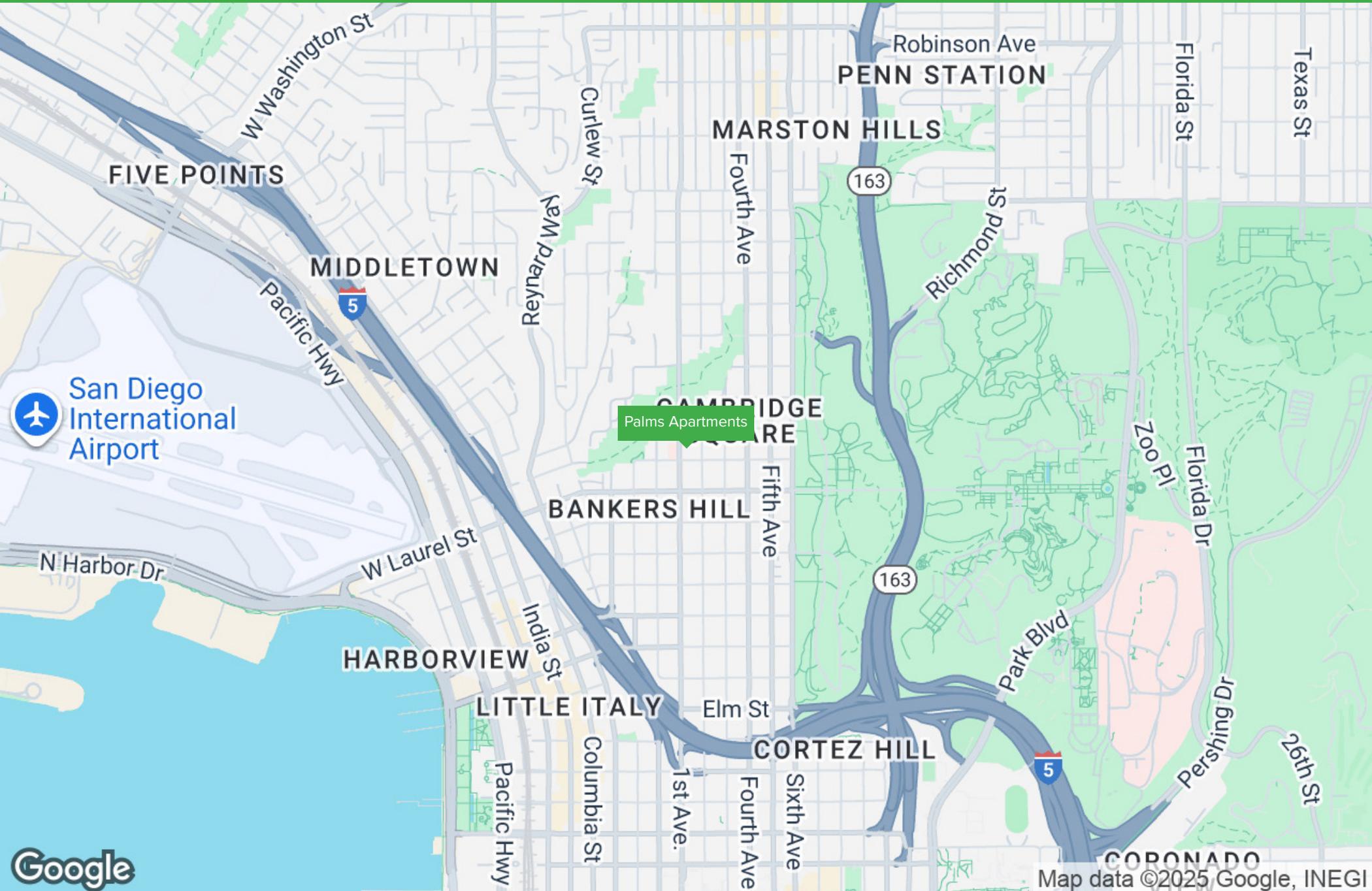
### DEMOGRAPHICS

	0.3 MILES	0.5 MILES	1 MILE
Total Households	2,313	4,926	15,945
Total Population	4,001	8,454	26,676
Average HH Income	\$138,113	\$136,142	\$134,709

# PALMS APARTMENTS

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## REGIONAL MAP

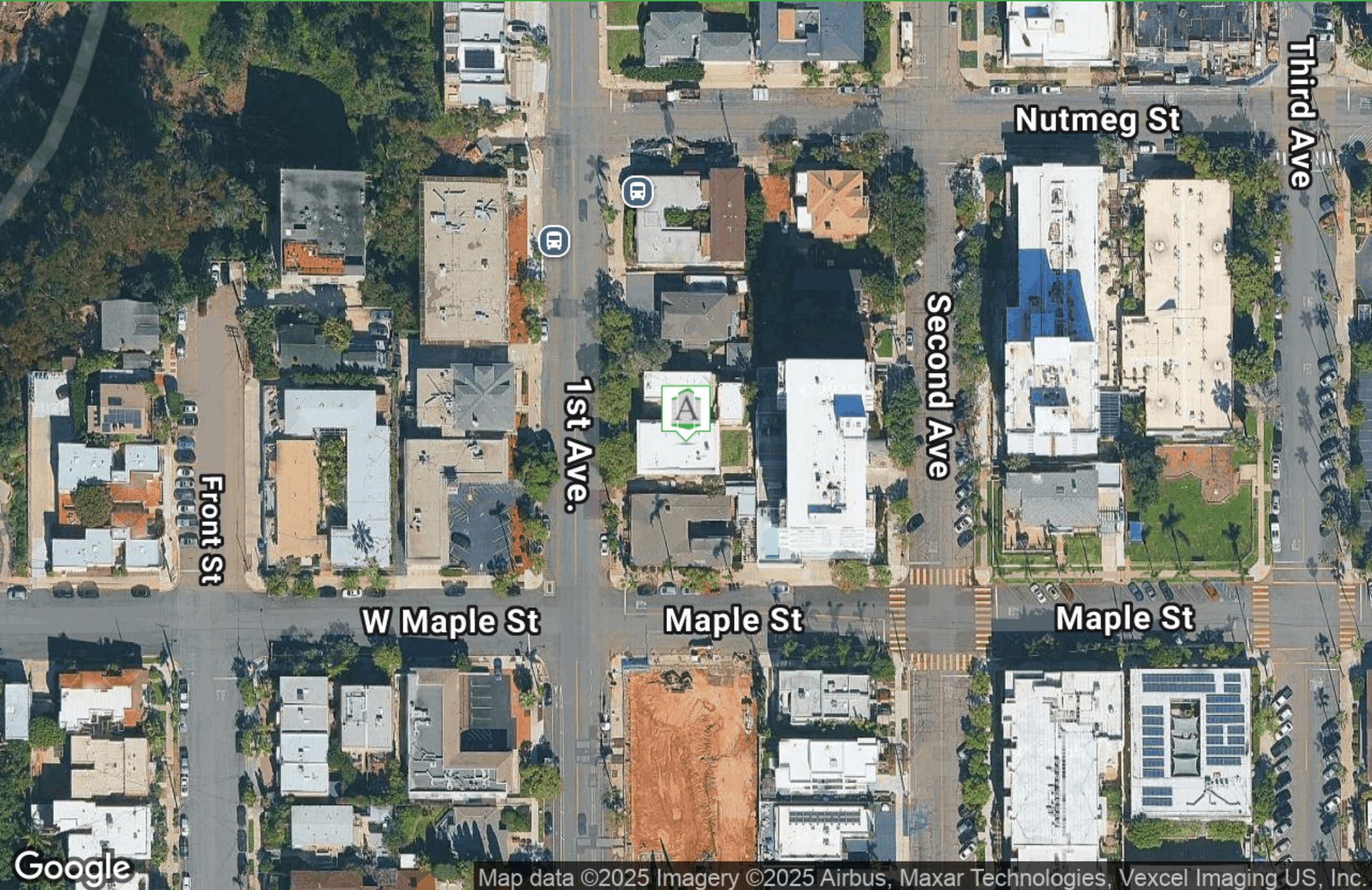


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# PALMS APARTMENTS

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## LOCATION MAP



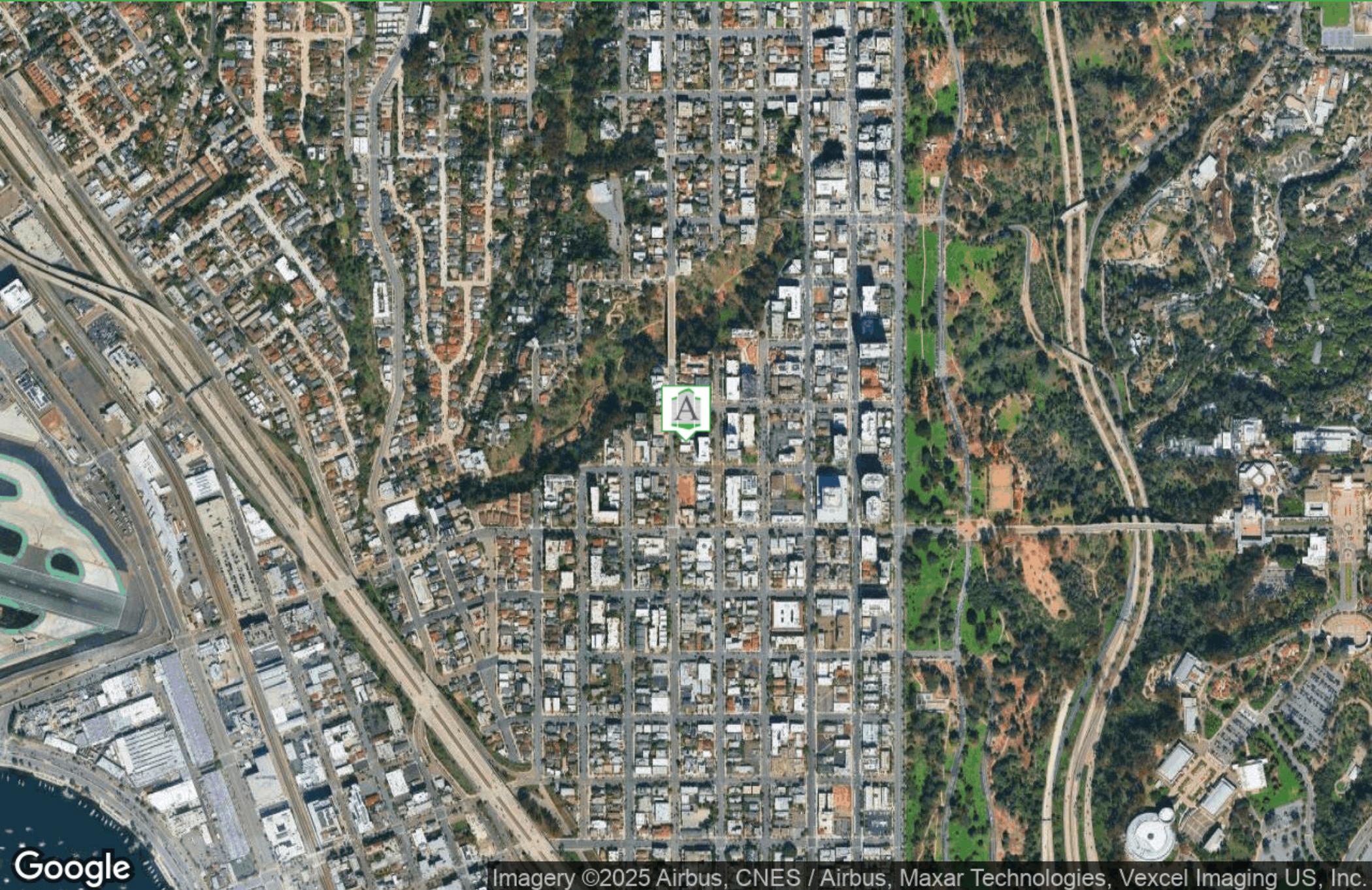
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# PALMS APARTMENTS

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AERIAL MAP



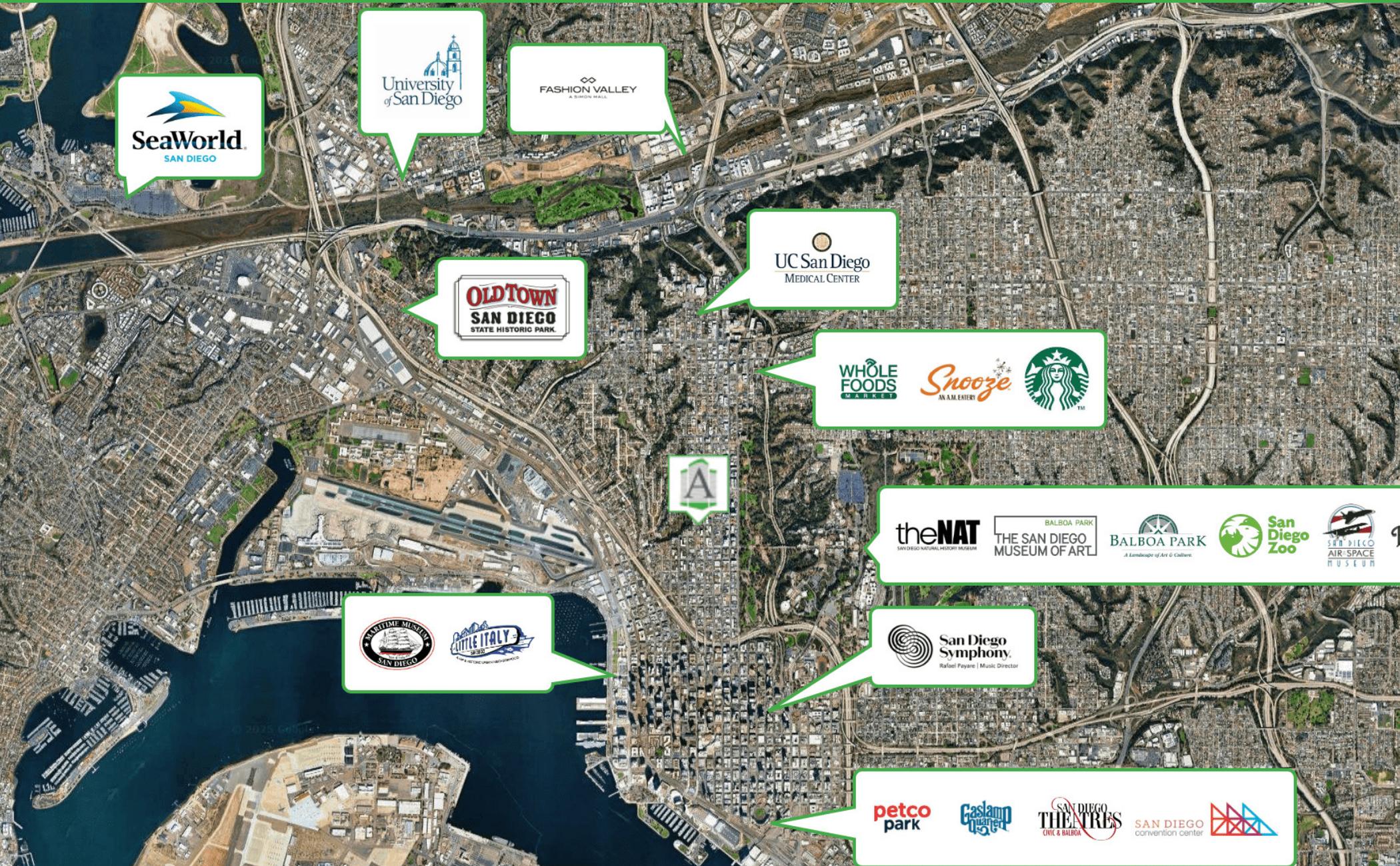
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# PALMS APARTMENTS

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## POINTS OF INTEREST MAP



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# FINANCIAL ANALYSIS

## SECTION 4

# PALMS APARTMENTS

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## UNIT MIX SUMMARY

UNIT TYPE	BEDS	BATHS	COUNT	% OF TOTAL	SIZE SF	RENT	MIN RENT	MAX RENT	MARKET RENT	MARKET RENT/SF
STUDIO	-	1	1	8.30%	400 SF	\$1,785	\$1,785	\$1,785	\$1,950	\$4.88
1 BED	1	1	10	83.30%	550 SF	\$1,884	\$1,200	\$1,995	\$2,250	\$4.09
2 BED	2	1	1	8.30%	900 SF	\$2,200	\$2,200	\$2,200	\$2,650	\$2.94
TOTALS/AVERAGES			12	99.90%	567 SF	\$1,902	\$1,332	\$1,995	\$2,258	\$4.06

There are currently four vacancies. Ownership has elected to keep these units rent-ready and vacant for the benefit of the new owner.

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## FINANCIAL SUMMARY

INVESTMENT OVERVIEW	CURRENT	MARKET
Price	\$4,200,000	\$4,200,000
Price per Unit	\$350,000	\$350,000
GRM	15.33	12.92
CAP Rate	4.2%	5.58%
Cash-on-Cash Return (yr 1)	4.2 %	5.58 %
Total Return (yr 1)	\$176,570	\$234,436

OPERATING DATA	CURRENT	MARKET
Gross Scheduled Income	\$273,900	\$325,200
Other Income	\$7,534	\$17,640
Total Scheduled Income	\$281,434	\$342,840
Vacancy Cost	\$5,478	\$6,504
Gross Income	\$275,956	\$336,336
Operating Expenses	\$99,386	\$101,900
Net Operating Income	\$176,570	\$234,436
Pre-Tax Cash Flow	\$176,570	\$234,436

FINANCING DATA	CURRENT	MARKET
Down Payment	\$4,200,000	\$4,200,000
Loan Amount		

# PALMS APARTMENTS

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## INCOME & EXPENSES

INCOME SUMMARY	CURRENT	PER SF	MARKET	PER SF
Gross Scheduled Income	\$273,900	\$39.87	\$325,200	\$47.34
Other Income	\$7,534	\$1.10	\$17,640	\$2.57
<b>Gross Income</b>	<b>\$281,434</b>	<b>\$40.97</b>	<b>\$342,840</b>	<b>\$49.90</b>

EXPENSE SUMMARY	CURRENT	PER SF	MARKET	PER SF
Property Taxes (1.25114%)	\$52,632	\$7.66	\$52,632	\$7.66
Property Insurance	\$8,650	\$1.26	\$8,650	\$1.26
Off-Site Management	\$13,421	\$1.95	\$15,935	\$2.32
Repairs & Maintenance	\$9,600	\$1.40	\$9,600	\$1.40
Gas & Electric	\$7,289	\$1.06	\$7,289	\$1.06
Water & Sewer	\$5,214	\$0.76	\$5,214	\$0.76
Pest	\$480	\$0.07	\$480	\$0.07
Landscape	\$2,100	\$0.31	\$2,100	\$0.31
<b>Gross Expenses</b>	<b>\$99,386</b>	<b>\$14.47</b>	<b>\$101,900</b>	<b>\$14.83</b>

<b>Net Operating Income</b>	<b>\$176,570</b>	<b>\$25.70</b>	<b>\$234,436</b>	<b>\$34.12</b>
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# PALMS APARTMENTS

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## RENT ROLL

UNIT	BEDROOMS	BATHROOMS	SIZE SF	RENT	RENT / SF
01	2	1	970 SF	\$2,200	\$2.27
02	-	1	400 SF	\$1,785	\$4.46
03	1	1	550 SF	\$1,995	\$3.63
04	1	1	550 SF	\$1,995	\$3.63
05	1	1	500 SF	\$1,700	\$3.40
06	1	1	600 SF	\$2,100	\$3.50
07	1	1	550 SF	\$1,220	\$2.22
08	1	1	550 SF	\$1,995	\$3.63
09	1	1	550 SF	\$1,995	\$3.63
10	1	1	550 SF	\$1,995	\$3.63
11	1	1	550 SF	\$1,995	\$3.63
12	1	1	550 SF	\$1,850	\$3.36
<b>TOTALS</b>			<b>6,870 SF</b>	<b>\$22,825</b>	<b>\$40.99</b>
<b>AVERAGES</b>			<b>573 SF</b>	<b>\$1,902</b>	<b>\$3.42</b>

There are currently four vacancies. Ownership has elected to keep these units rent-ready and vacant for the benefit of the new owner. For this analysis, the Rent Roll above shows our market rent for those rent-ready units.

# DEMOGRAPHICS

SECTION 5

# PALMS APARTMENTS

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## DMEOGRAPHICS REPORT

	0.3 MILES	0.5 MILES	1 MILE
Total population	4,001	8,454	26,676
Median age	48	47	45
Median age (male)	48	47	45
Median age (female)	48	47	44
Total households	2,313	4,926	15,945
Total persons per HH	1.7	1.7	1.7
Average HH income	\$138,113	\$136,142	\$134,709
Average house value	\$1,273,518	\$1,221,395	\$1,096,759
Total Population - White	2,906	5,879	17,706
% White	72.6%	69.5%	66.4%
Total Population - Black	120	319	1,136
% Black	3.0%	3.8%	4.3%
Total Population - Asian	214	516	2,110
% Asian	5.3%	6.1%	7.9%
Total Population - Hawaiian	13	25	79
% Hawaiian	0.3%	0.3%	0.3%
Total Population - American Indian	26	59	190
% American Indian	0.6%	0.7%	0.7%
Total Population - Other	272	631	1,951
% Other	6.8%	7.5%	7.3%
Total Population - Hispanic	743	1,686	5,390
% Hispanic	18.6%	19.9%	20.2%

\* Demographic data derived from 2020 ACS - US Census

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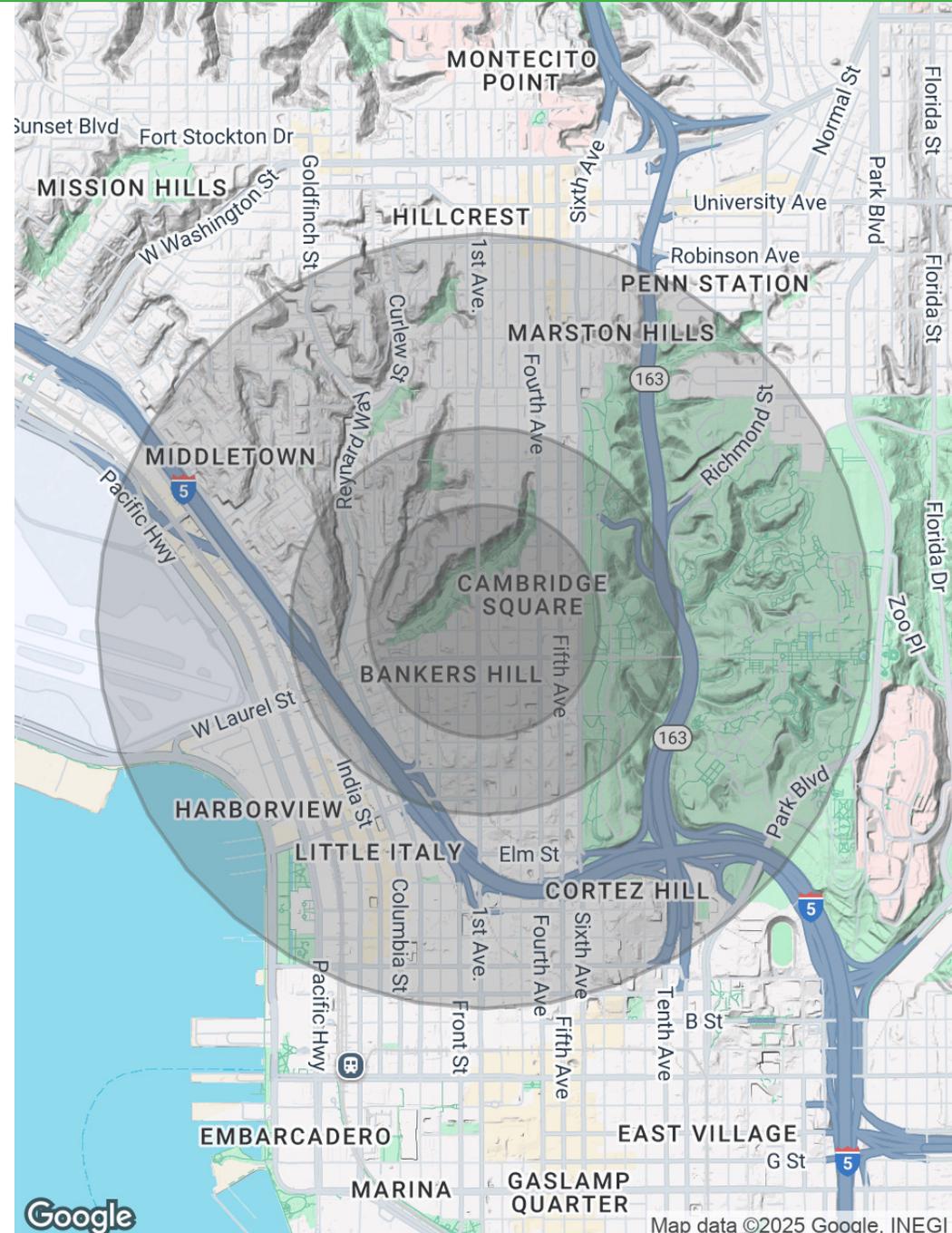
## DEMOGRAPHICS MAP & REPORT

POPULATION	0.3 MILES	0.5 MILES	1 MILE
TOTAL POPULATION	4,001	8,454	26,676
AVERAGE AGE	48	47	45
AVERAGE AGE (MALE)	48	47	45
AVERAGE AGE (FEMALE)	48	47	44

HOUSEHOLDS & INCOME	0.3 MILES	0.5 MILES	1 MILE
TOTAL HOUSEHOLDS	2,313	4,926	15,945
# OF PERSONS PER HH	1.7	1.7	1.7
AVERAGE HH INCOME	\$138,113	\$136,142	\$134,709
AVERAGE HOUSE VALUE	\$1,273,518	\$1,221,395	\$1,096,759

Demographics data derived from AlphaMap



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# PALMS APARTMENTS

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VALUE-ADD MULTIFAMILY PROPERTY FOR SALE

## **BILL ANDERSON, MBA**

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