

THE BUNGALOWS

1525-1537 UNION
STREET, SAN DIEGO,
CA 92101

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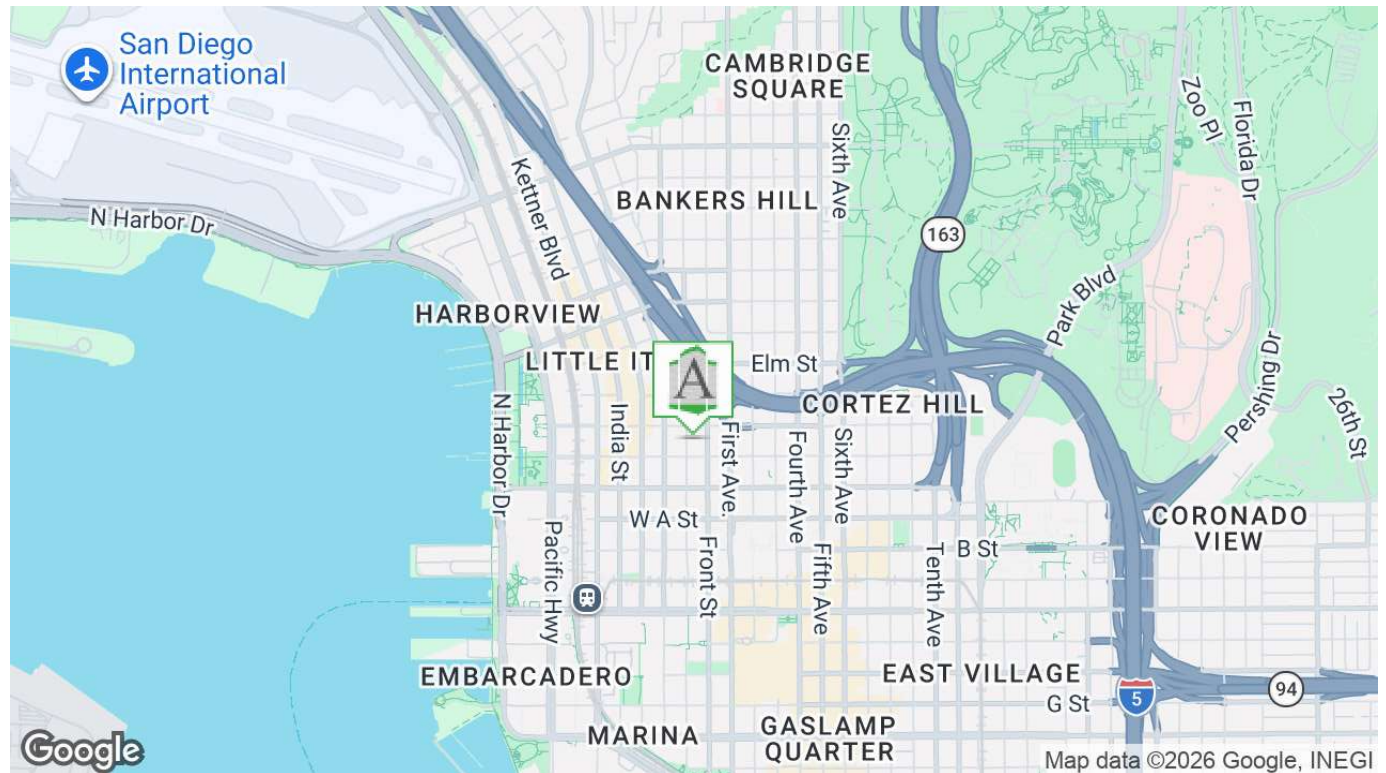
SECTION 1 | PROPERTY INFORMATION

Executive Summary



OFFERING SUMMARY

SALE PRICE:	\$3,100,000
NUMBER OF UNITS:	8
PRICE / UNIT:	\$387,500
CAP RATE:	6.25%
BUILDING SIZE:	2,304
YEAR BUILT:	1926
RENOVATED:	2022



Investment Overview



PROPERTY OVERVIEW

The Union Street Bungalows offers a unique opportunity to acquire a fully renovated, historically designated 8-unit bungalow-style property in the core of Little Italy—one of San Diego’s most dynamic and high-demand urban neighborhoods.

The asset is currently operated as a short-term rental property and is supported by a transferable Conditional Use Permit (CUP), a highly limited entitlement within the neighborhood. With new approvals no longer being issued in Little Italy, this designation represents a meaningful barrier to entry and a significant advantage over competing properties.

In addition, the property is subject to a Mills Act contract, which provides a reduced property tax basis tied to its historic designation. This structure results in materially lower operating expenses compared to similar assets, improving overall investment performance.

The property was thoughtfully revitalized under the direction of Jonathan Segal, and reflects a cohesive blend of architectural character and contemporary functionality. The eight detached studio residences are arranged in a bungalow-style layout that prioritizes privacy and individuality—an uncommon feature in downtown multifamily properties. Each unit includes a full kitchen, private bathroom, built-in Murphy bed, storage, and its own outdoor patio space, creating a distinctive residential or hospitality experience.

The site’s configuration, with separate entrances and outdoor areas for each unit, supports a variety of operational approaches. Whether maintained as a short-term rental asset, repositioned toward furnished mid-term leasing, or operated as traditional multifamily housing, the property offers flexibility to adapt to evolving market conditions.

Positioned within walking distance of Little Italy’s restaurants, cafés, and retail corridors, as well as the San Diego waterfront, the property benefits from consistent tenant and visitor demand. The surrounding area’s strong employment base, lifestyle appeal, and limited supply of comparable properties further reinforce its long-term desirability.

The Union Street Bungalows represents a rare combination of historic character, regulatory advantages, and prime location—offering investors a differentiated asset with both immediate usability and enduring value in one of San Diego’s most competitive rental markets.

Investment Highlights

PROPERTY HIGHLIGHTS

- Rare 8-unit bungalow-style asset in the heart of Little Italy, one of San Diego's most supply-constrained and desirable rental submarkets
- Fully renovated, historically designated property with unique architectural character and strong curb appeal
- Transferable Conditional Use Permit (CUP) allowing short-term rental operations—an increasingly rare entitlement in Little Italy with no new permits being issued
- Active Mills Act contract providing a significantly reduced property tax basis and enhanced cash flow
- Detached studio layout with individual entrances and private patio spaces, offering a level of privacy uncommon in urban multifamily assets
- All units feature full kitchens, private bathrooms, and efficient layouts designed for both short-term and long-term occupancy
- Proven operational model with existing short-term rental use, offering immediate income potential
- Flexible investment strategy: continue short-term rental operations, transition to furnished mid-term rentals, or operate as traditional multifamily housing
- Walk Score of 98 ("Walker's Paradise") with immediate access to Little Italy's dining, retail, and entertainment amenities
- Close proximity to Interstate 5, Highway 163, and San Diego International Airport, supporting strong tenant and visitor demand
- Boutique, low-density configuration with strong appeal to renters seeking a differentiated living experience
- Located in a high-barrier-to-entry market with limited new supply and strong long-term appreciation fundamentals



Additional Photos



Amenities



PROPERTY AMENITIES

- Eight detached bungalow-style structures creating a low-density, cottage-style community
- Mills Act designation providing favorable property tax treatment
- Transferable Conditional Use Permit (CUP) allowing short-term rental operations
- Professionally restored historic property with preserved architectural character
- Boutique layout offering enhanced privacy compared to traditional multifamily assets
- Individual unit entrances with no shared interior corridors
- Landscaped common areas and walkways
- Turn-key condition with minimal near-term capital requirements
- Irreplaceable infill location in Little Italy with limited comparable supply

UNIT AMENITIES

- Fully equipped kitchens with stainless steel appliances, including microwaves
- Built-in Murphy beds maximizing usable living space
- Hardwood flooring in the main living areas, providing durability and an elevated interior finish
- Charming Dutch entry doors enhancing natural light, airflow, and architectural character
- Air conditioning in each unit, offering year-round comfort for residents and guests
- Private outdoor patio space for each unit
- Tiled walk-in showers with contemporary finishes
- Efficient studio layouts designed for flexible use (short-term, mid-term, or long-term occupancy)

A green-tinted photograph of a residential property. In the foreground, there is a concrete walkway leading to a black metal fence. Behind the fence, there are two tall, thin cypress trees and some bushes. In the background, a white building with a window is visible. The text "SECTION 2 | PROPERTY DESCRIPTION" is overlaid in white on the image.

SECTION 2 | PROPERTY DESCRIPTION

Property Details

SALE PRICE

\$3,100,000

LOCATION INFORMATION

BUILDING NAME	The Bungalows
STREET ADDRESS	1525-1537 Union Street
CITY, STATE, ZIP	San Diego, CA 92101
COUNTY	San Diego
MARKET	San Diego
SUB-MARKET	Little Italy
CROSS-STREETS	Between W Beech Street and W Cedar Street

BUILDING INFORMATION

BUILDING SIZE	2,304 SF
NOI	\$193,684.00
CAP RATE	6.25
NUMBER OF FLOORS	1
YEAR BUILT	1926
YEAR LAST RENOVATED	2017

PROPERTY INFORMATION

PROPERTY TYPE	Multifamily
PROPERTY SUBTYPE	Low-Rise/Garden
ZONING	Special and/or Misc.
LOT SIZE	0.11 Acres
APN #	533-342-04-00

UTILITIES & AMENITIES

Additional Photos



Additional Photos



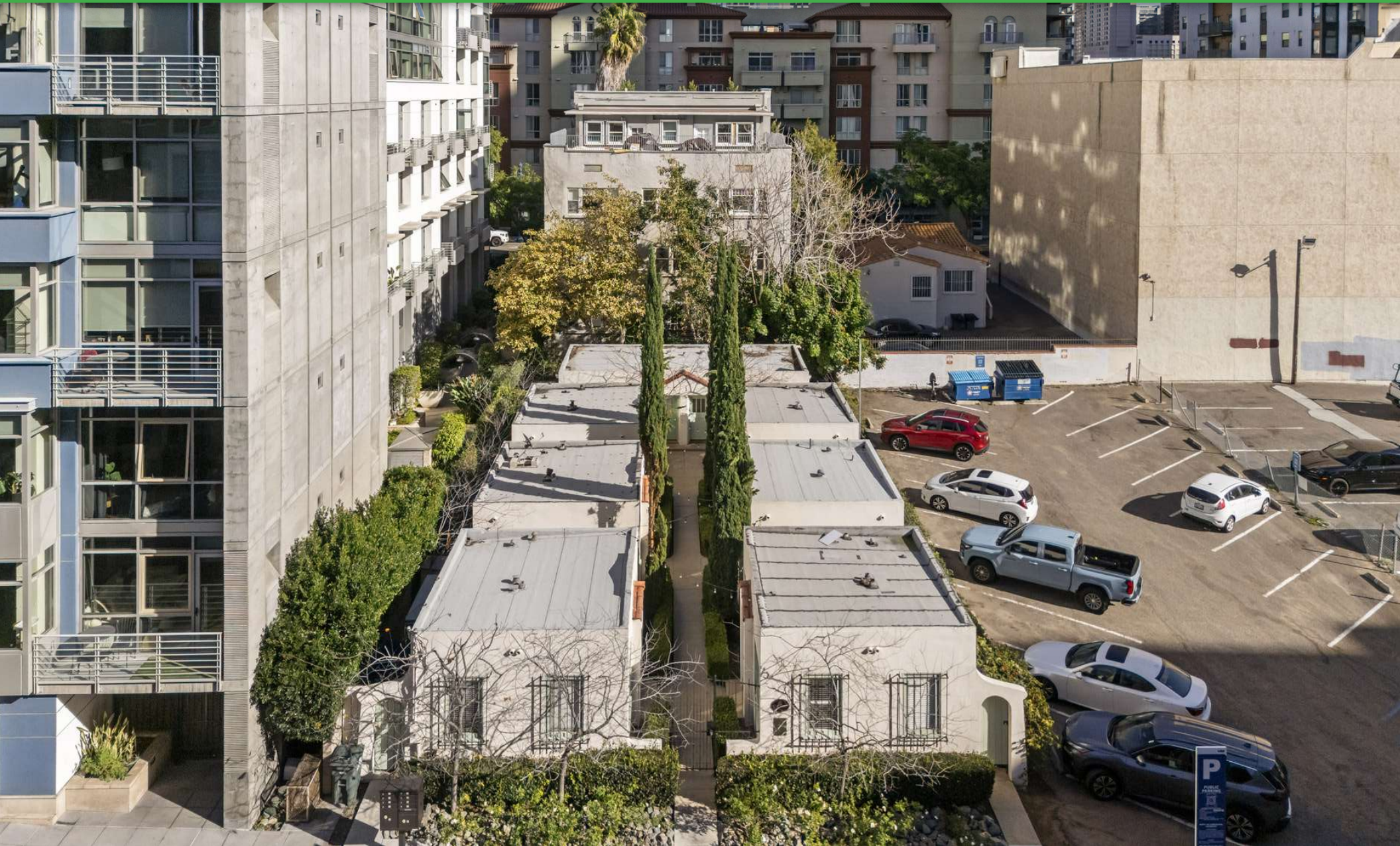
Additional Photos



Additional Photos

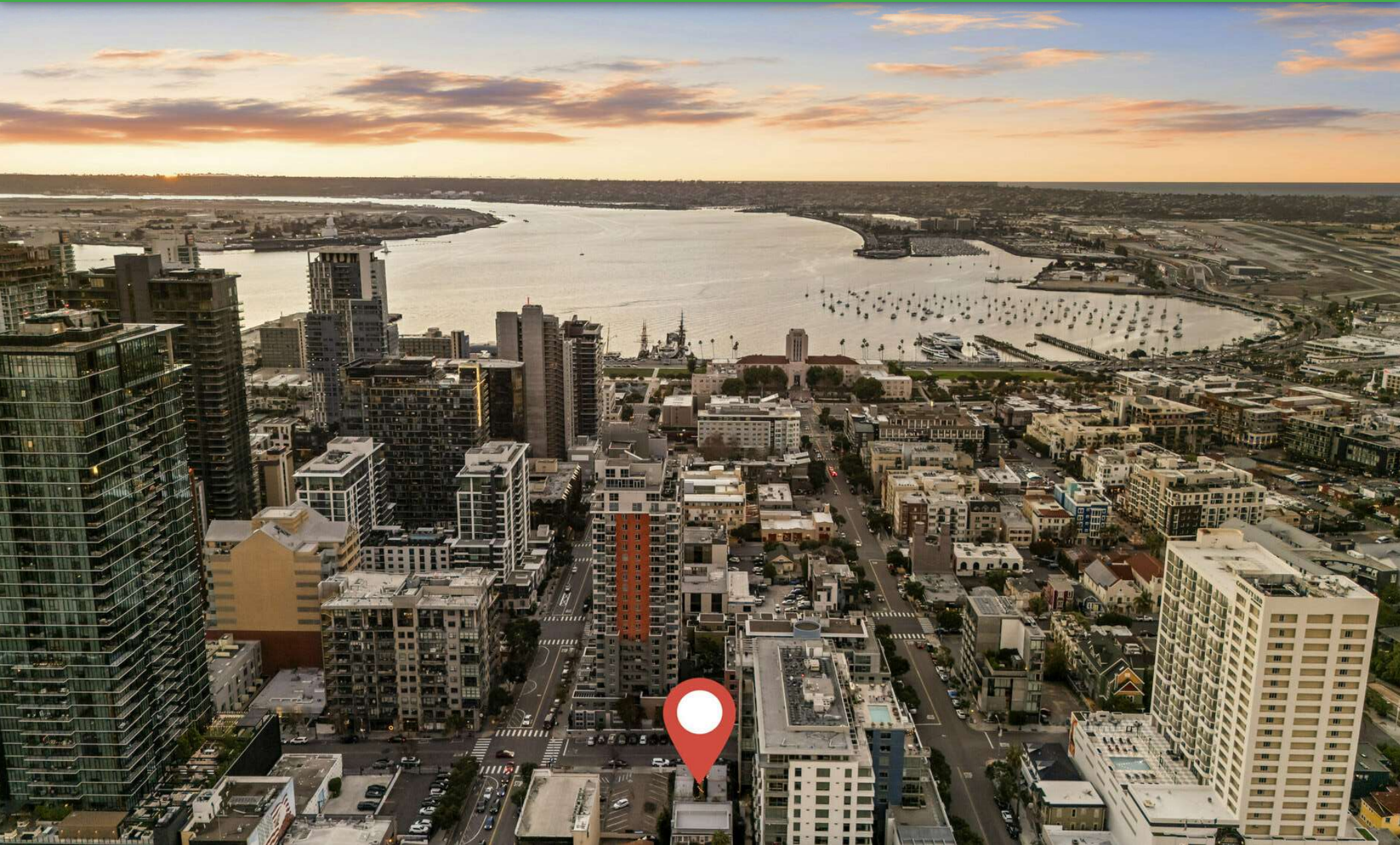


Additional Photos



1525-1537 Union Street, San Diego, CA 92101

Additional Photos



16 | PROPERTY DESCRIPTION

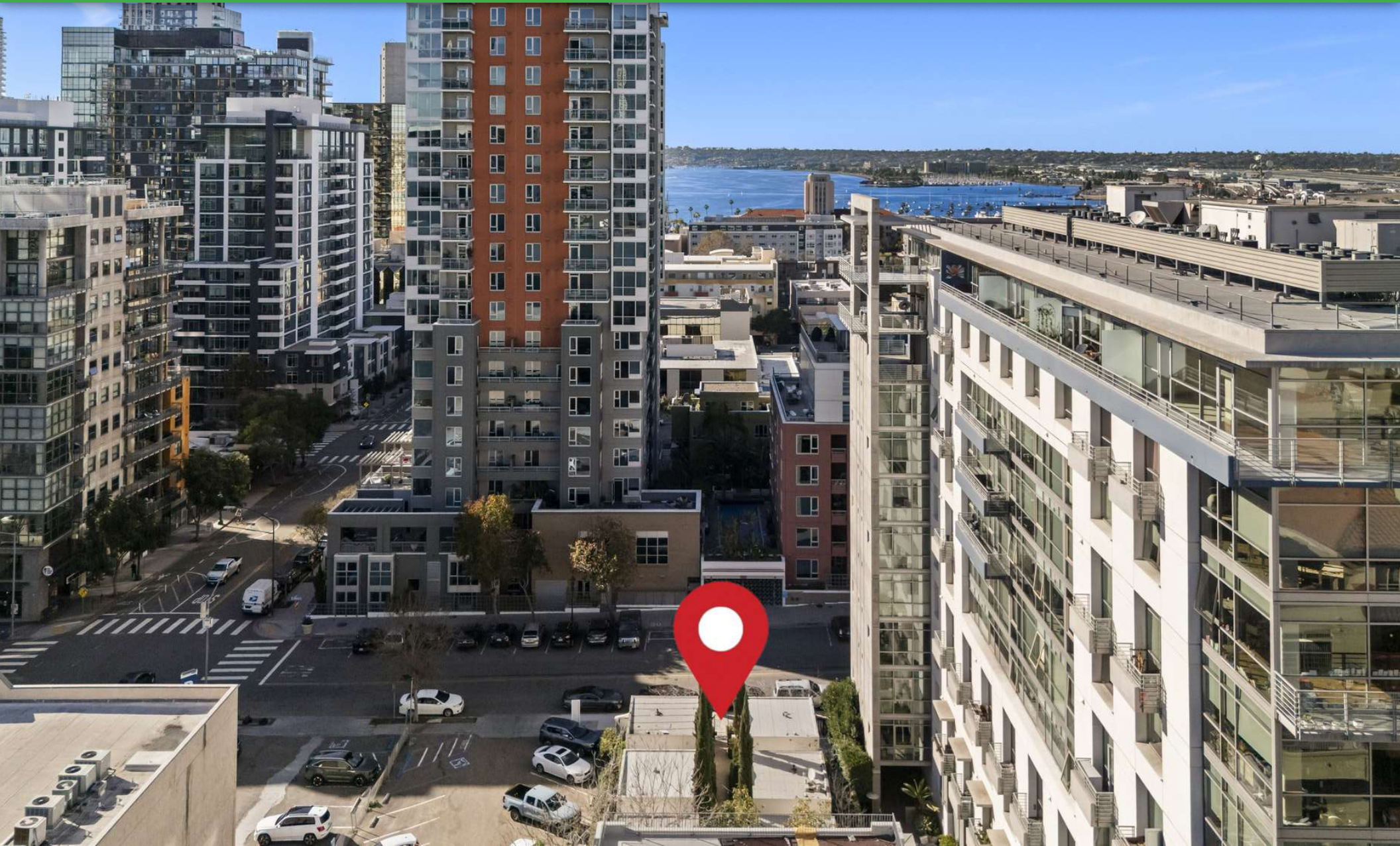
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Additional Photos



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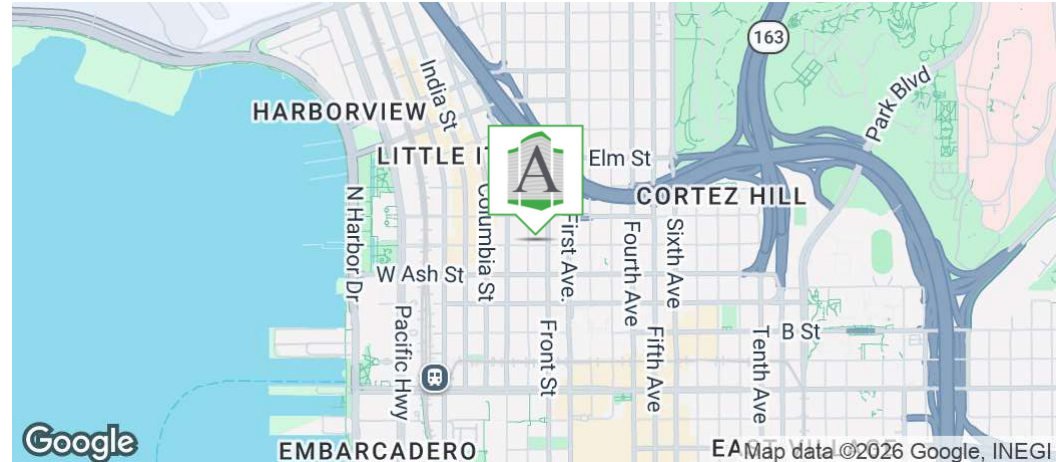
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SECTION 3 | LOCATION INFORMATION

Location Overview



LOCATION OVERVIEW

The property is ideally situated in the heart of Little Italy, one of downtown San Diego’s most vibrant and sought-after urban neighborhoods. Located at 1525–1537 Union Street, the asset benefits from a highly walkable, amenity-rich setting just steps from the neighborhood’s core dining and retail corridor along India Street, as well as the renowned Little Italy Farmers Market.

Little Italy is widely recognized for its dynamic blend of restaurants, cafés, boutique retail, and cultural attractions, creating strong year-round demand from both residents and visitors. The property boasts a Walk Score of 98, qualifying it as a “Walker’s Paradise,” where daily errands can be accomplished without a car.

The property is within walking distance to San Diego’s waterfront and the Embarcadero, offering access to marinas, parks, and scenic harborfront amenities.

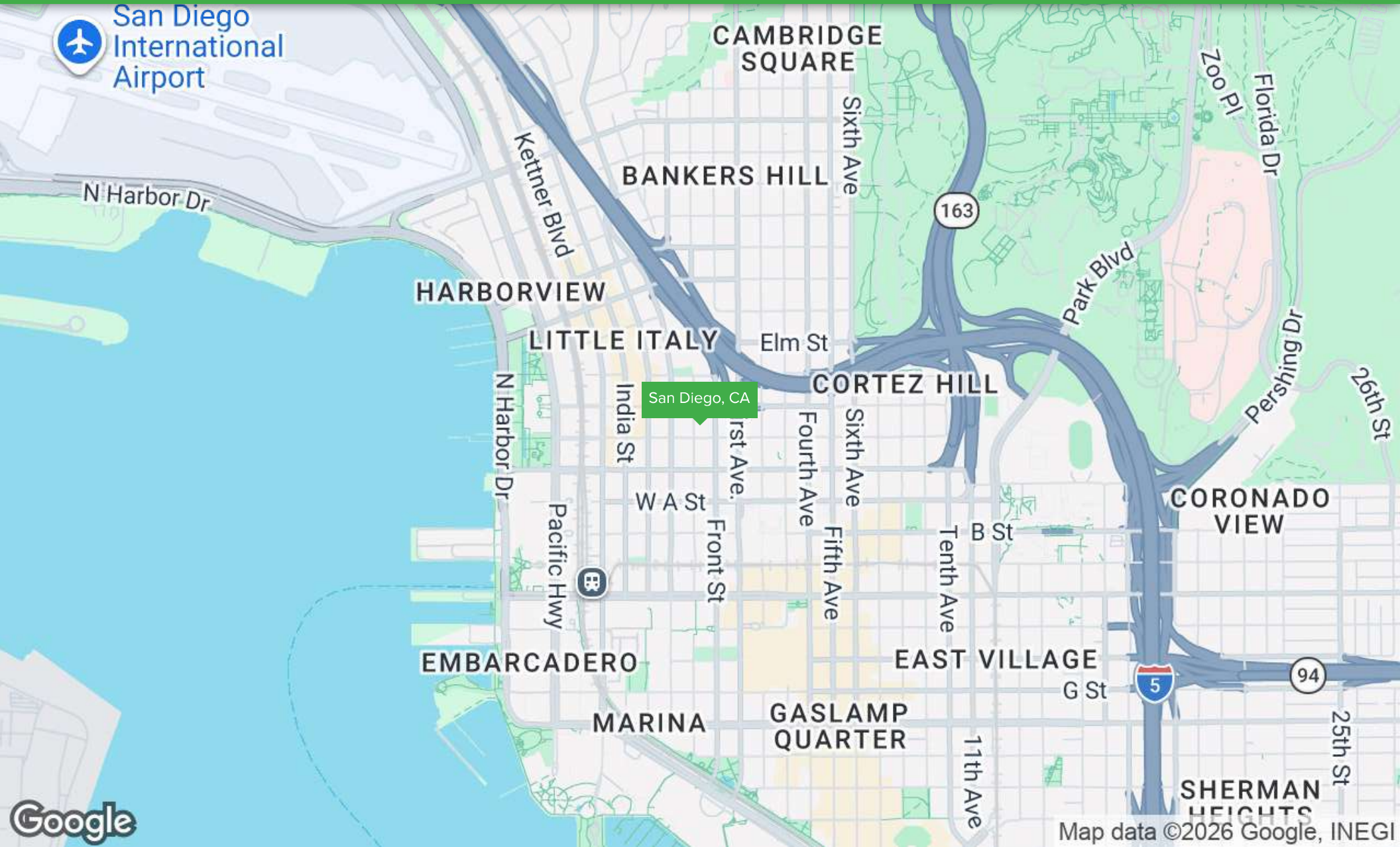
The location provides exceptional connectivity to major employment and entertainment hubs. Downtown San Diego, the Gaslamp Quarter, and the Columbia District are all within minutes, while San Diego International Airport is approximately a 5–10 minute drive, making the property highly attractive for both long-term tenants and short-term rental users.

Transportation access is a key advantage, with immediate proximity to major thoroughfares including Interstate 5, Highway 163, and Interstate 8, allowing convenient access throughout San Diego County. Public transit options, including the County Center/Little Italy trolley station, are also nearby, further enhancing accessibility.

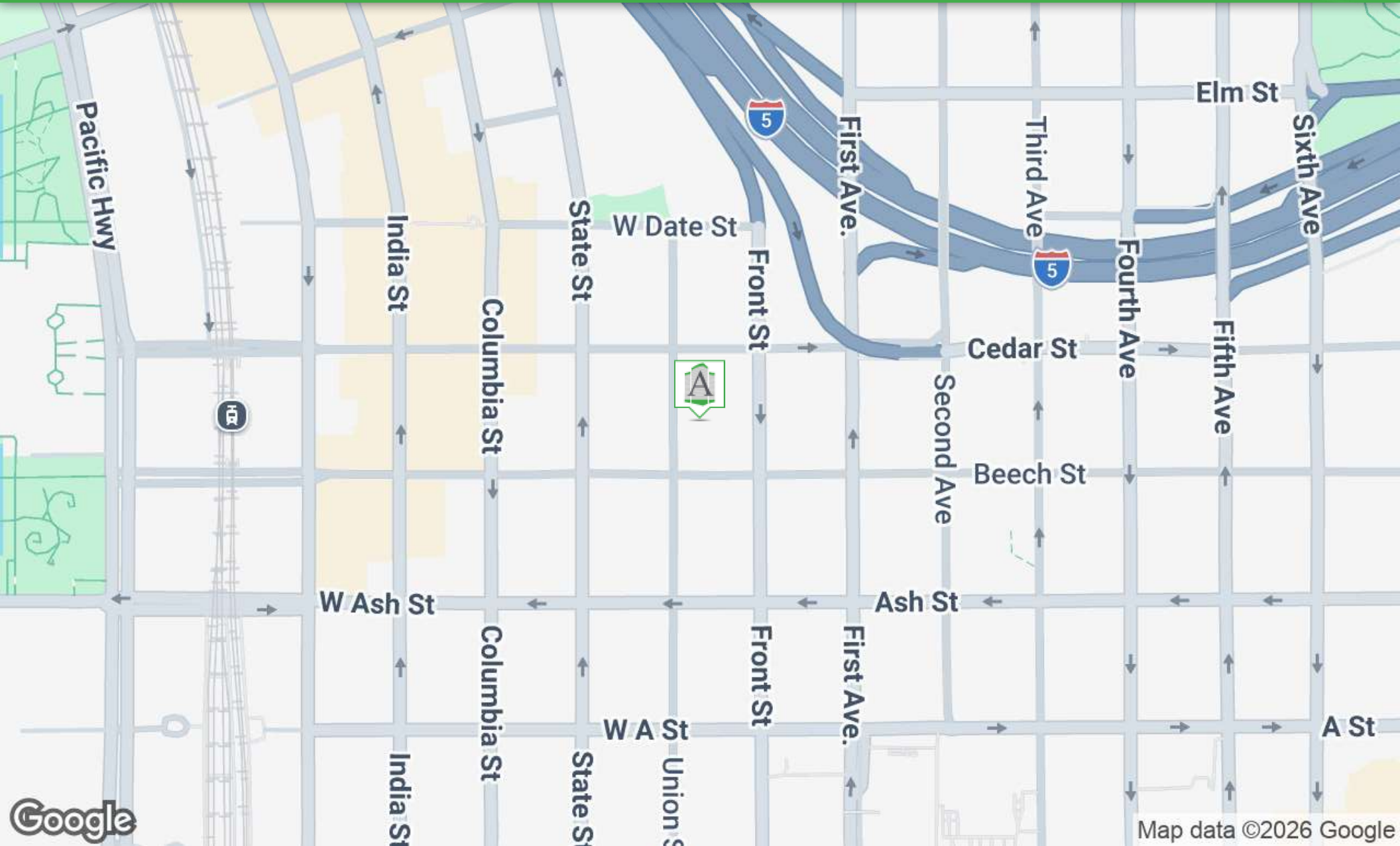
DEMOGRAPHICS

	0.25 MILES	0.5 MILES	1 MILE
Total Households	2,905	8,641	22,997
Total Population	4,974	15,548	38,968
Average HH Income	\$118,943	\$121,004	\$129,117

Regional Map



Location Map



Map data ©2026 Google

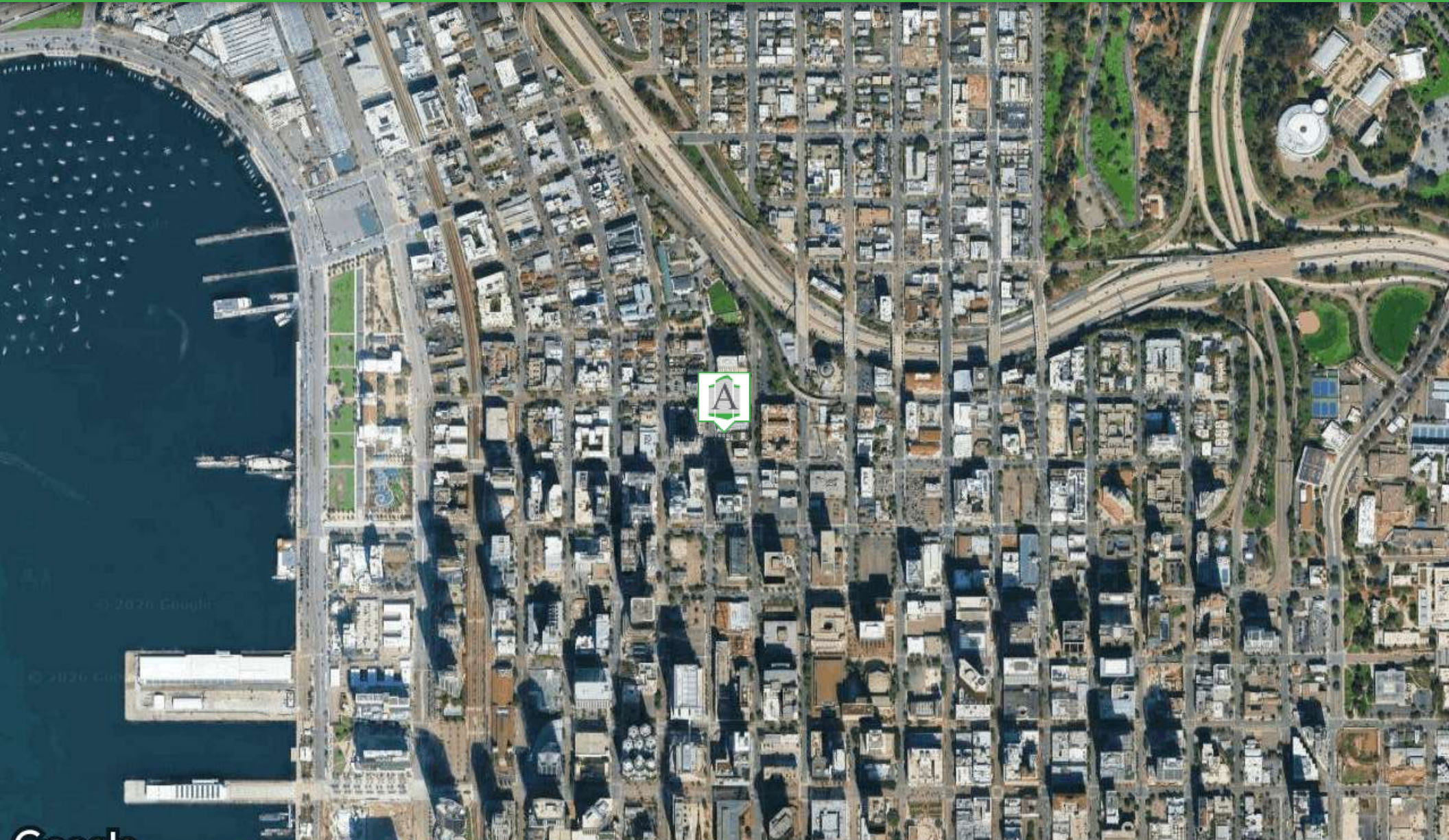
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Aerial Map



Google

Imagery ©2026 Airbus, CNES / Airbus, Maxar Technologies, Vexcel Imaging US, Inc.

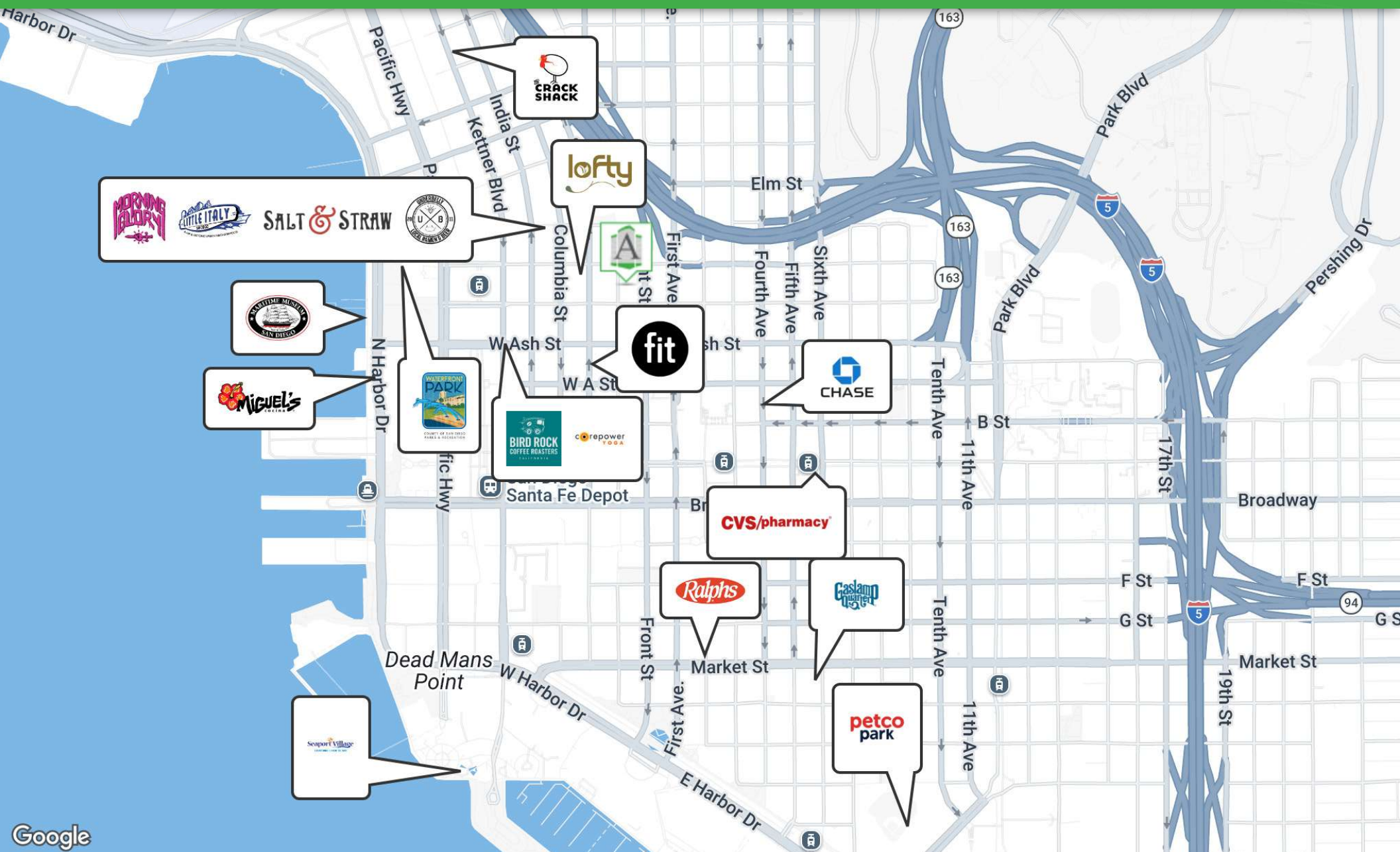
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Retailer Map



Google

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SECTION 4 | FINANCIAL ANALYSIS

Financial Summary

INVESTMENT OVERVIEW	STR
PRICE	\$3,100,000
PRICE PER SF	\$1,345
PRICE PER UNIT	\$387,500
GRM	8.45
CAP RATE	6.25%
OPERATING DATA	STR
GROSS SCHEDULED INCOME	\$500,000
*OTHER INCOME	\$2,400
LESS: AIRBNB (15.5%)	(\$77,500)
LESS: TOT (13.75%)	(\$58,094)
GROSS INCOME	\$366,806
OPERATING EXPENSES	\$173,122
NET OPERATING INCOME	\$193,684
FINANCING DATA	STR
DOWN PAYMENT	\$3,100,000

*Other Income: Owned Laundry

Income & Expenses

INCOME SUMMARY	STR	PER SF
GROSS SCHEDULED INCOME	\$500,000	\$217.01
OTHER INCOME	\$2,400	\$1.04
LESS: AIRBNB (15.5%)	(\$77,500)	(\$33.64)
LESS: TOT (13.75%)	(\$58,094)	(\$25.21)
GROSS INCOME	\$366,806	\$159.20
EXPENSES SUMMARY	STR	PER SF
PROPERTY TAXES	\$14,956	\$6.49
PROPERTY INSURANCE	\$9,147	\$3.97
MANAGEMENT FEES	\$54,661	\$23.72
CLEANING SERVICES	\$37,111	\$16.11
COMMERCIAL LAUNDRY	\$14,000	\$6.08
CONTRACT LABOR	\$2,500	\$1.09
UTILITIES	\$12,700	\$5.51
INTERNET CABLE	\$3,600	\$1.56
DISPOSAL WASTE	\$2,060	\$0.89
STR SOFTWARE	\$4,800	\$2.08
LANDSCAPE	\$2,625	\$1.14
REPAIRS & MAINTENANCE	\$5,500	\$2.39
BUSINESS TAX & LICENSES	\$2,855	\$1.24
GENERAL BUSINESS	\$700	\$0.30
SUPPLIES	\$5,907	\$2.56
OPERATING EXPENSES	\$173,122	\$75.14
NET OPERATING INCOME	\$193,684	\$84.06

Unit Mix Summary

UNIT TYPE	BATHS	COUNT	% OF TOTAL	SIZE SF
STUDIO	1	8	100%	265 SF
TOTALS/AVERAGES		8	100%	265 SF



SECTION 5 | DEMOGRAPHICS

Demographics Report

	0.25 MILES	0.5 MILES	1 MILE
Total population	4,974	15,548	38,968
Median age	43.2	42.4	41.0
Median age (male)	41.8	42.2	41.9
Median age (female)	45.4	45.1	42.6
Total households	2,905	8,641	22,997
Total persons per HH	1.7	1.8	1.7
Average HH income	\$118,943	\$121,004	\$129,117
Average house value	\$633,130	\$899,128	\$877,536
Total Population - White	3,237	9,777	25,268
% White	65.1%	62.9%	64.8%
Total Population - Black	238	967	2,732
% Black	4.8%	6.2%	7.0%
Total Population - Asian	372	1,373	3,494
% Asian	7.5%	8.8%	9.0%
Total Population - Hawaiian	11	245	325
% Hawaiian	0.2%	1.6%	0.8%
Total Population - American Indian	48	177	375
% American Indian	1.0%	1.1%	1.0%
Total Population - Other	359	995	2,115
% Other	7.2%	6.4%	5.4%
Total Population - Hispanic	1,091	3,444	8,351
% Hispanic	21.9%	22.2%	21.4%

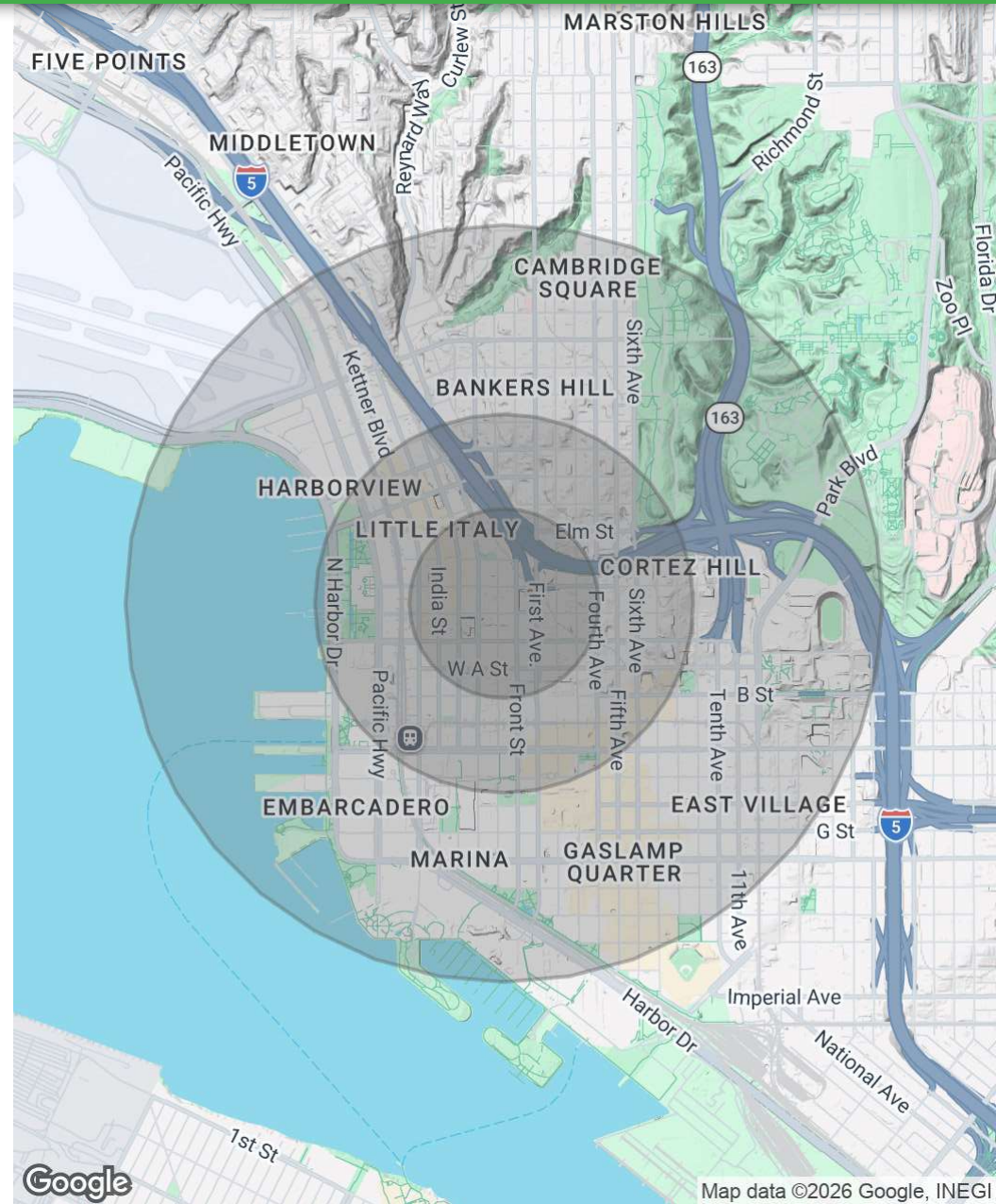
* Demographic data derived from 2020 ACS - US Census

Demographics Map & Report

POPULATION	0.25 MILES	0.5 MILES	1 MILE
TOTAL POPULATION	4,974	15,548	38,968
AVERAGE AGE	43.2	42.4	41.0
AVERAGE AGE (MALE)	41.8	42.2	41.9
AVERAGE AGE (FEMALE)	45.4	45.1	42.6

HOUSEHOLDS & INCOME	0.25 MILES	0.5 MILES	1 MILE
TOTAL HOUSEHOLDS	2,905	8,641	22,997
# OF PERSONS PER HH	1.7	1.8	1.7
AVERAGE HH INCOME	\$118,943	\$121,004	\$129,117
AVERAGE HOUSE VALUE	\$633,130	\$899,128	\$877,536

2023 American Community Survey (ACS)



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