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21ST STREET

Confidential Offering Memorandum



OWNER-USER OPPORTUNITY | QUALIFIES FOR RESIDENTIAL 2-4 UNIT UNIT FINANCING | RESTORED 3-UNIT VICTORIAN W/ VACANT FRONT HOUSE

SHERMAN HEIGHTS
SAN DIEGO, CA 92102

CBRE

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21ST STREET

01

INVESTMENT
OVERVIEW

EXECUTIVE SUMMARY

CBRE is pleased to present 572 21st Street, a fully restored 3-unit property located in the evolving Sherman Heights neighborhood of San Diego, just east of Downtown. Situated on a 4,254 square foot lot, the property consists of a two-story building totaling approximately 2,145 rentable square feet, offering a unique opportunity ideally suited for an owner-occupant, with additional appeal to investors.

The property features one (1) three-bedroom / 1.5-bath unit, one (1) one-bedroom / one-bath unit, and one (1) studio loft, providing a flexible layout ideal for an owner-occupant seeking to live in the primary residence while offsetting expenses through income generated from the remaining units. The three-bedroom unit is currently vacant, allowing for immediate occupancy, and is well-suited for personal use, live-work, or potential office space. The additional units offer income potential through traditional leasing or short-term rental (subject to local regulations). The property's configuration may also lend itself to alternative residential use scenarios (buyer to verify).

The property may also qualify for residential 2-4 unit financing, allowing buyers access to 30-year fixed-rate loan options (rates subject to market conditions and buyer qualification).

Originally constructed in a historic Victorian architectural style, the property has been extensively renovated, including upgrades to plumbing, electrical systems, drywall, and partial foundation improvements, resulting in a well-maintained asset with limited deferred maintenance. Each unit is individually sub-metered for water, allowing for efficient expense management. The property may be eligible for Mills Act designation, which could provide potential property tax savings (buyer to verify).

Located in Sherman Heights, an urban infill neighborhood experiencing ongoing reinvestment, the property benefits from strong walkability and proximity to Downtown San Diego and Balboa Park, as well as convenient access to Interstate 5 and State Route 94. Residents enjoy access to a growing mix of restaurants, retail, and neighborhood amenities, further enhancing its appeal.

With its flexible unit mix, historic character, and central location, 572 21st Street presents a compelling opportunity for an owner-occupant to enjoy urban living with supplemental income in one of San Diego's most accessible neighborhoods.



INVESTMENT HIGHLIGHTS



- › **Ideal Owner-Occupant Opportunity**
Live in the spacious vacant 3-bedroom unit while generating income from the remaining units through long-term or short-term rentals
- › **Qualifies for Residential 2–4 Unit Financing**
Access to 30-year fixed-rate as low as 5.75-6%.
- › **Flexible Unit Mix with Live-Work Potential**
Includes a 3-bedroom unit suitable for personal use or office/live-work space, along with a one-bedroom unit and studio loft.
- › **Fully Restored Historic Victorian Property**
Extensively renovated with upgraded plumbing, electrical, drywall, and partial foundation improvements.
- › **Income Potential & Multiple Rental Strategies**
Opportunity to generate supplemental income through traditional leasing or short-term rental use (buyer to verify).
- › **Prime Infill Location Near Downtown & Balboa Park**
Located in Sherman Heights with strong walkability and convenient access to major employment centers, freeways, and neighborhood amenities.



PHOTOS



PHOTOS - STUDIO LOFT



PHOTOS - 1BED



PHOTOS - 3BED



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21ST STREET

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FINANCIAL
ANALYSIS

FINANCIAL ANALYSIS



Rent Roll Summary

Unit Type	# of Units	Avg Sq Feet	Rental Range	Current		Market Stabilized		Post Renovation	
				Avg Rent	Monthly Income	Avg Rent	Monthly Income	Avg Rent	Monthly Income
3-Bedroom / 1.5-Bath	1	969	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200	\$3,800	\$3,800
1-Bedroom / 1-Bath	1	420	\$1,795	\$1,795	\$1,795	\$1,995	\$1,995	\$2,300	\$2,300
Studio Loft	1	756	\$1,475	\$1,475	\$1,475	\$1,500	\$1,500	\$2,000	\$2,000
Totals / Weighted Avg	3	2,145			\$6,470		\$6,695		\$8,100
Gross Annualized Rents					\$77,640		\$80,340		\$97,200

Rent Roll Detail

Unit	Unit Type	Square Feet	Current		Market Stabilized		Post Renovation	
			Rent / Month	Rent / SF / Month	Rent / Month	Rent / SF / Month	Rent / Month	Rent / SF / Month
572	3-Bedroom / 1.5-Bath	969	\$3,200	\$3.30	\$3,200	\$3.30	\$3,800	\$3.92
2045	1-Bedroom / 1-Bath	420	\$1,795	\$4.27	\$1,995	\$4.75	\$2,300	\$5.48
2047	Studio Loft	756	\$1,475	\$1.95	\$1,500	\$1.98	\$2,000	\$2.65
Total		2,145	\$6,470	\$3.02	\$6,695	\$3.12	\$8,100	\$3.78

*The three-bedroom unit is currently vacant.

Operating Statement



INCOME		Current	Market Stabilized	Post Renovation
Gross Scheduled Rent		\$77,640	\$80,340	\$97,200
Less: Vacancy / Deductions	3%	\$2,329	\$2,410	\$2,916
Total Effective Rental Income		\$75,311	\$77,930	\$94,284
RUBS Reimbursements		\$2,135	\$2,135	\$2,135
Effective Gross Income		\$77,446	\$80,065	\$96,419
Less: Expenses	36.96%	\$27,835	35.89% \$27,966	30.53% \$28,784
Net Operating Income		\$49,611	\$52,099	\$67,635
Cash Flow		\$49,611	\$52,099	\$67,635
Debt Service		\$47,222	\$47,222	\$47,222
Net Cash Flow After Debt Service	0.34%	\$2,389	0.70% \$4,877	2.92% \$20,414
Principal Reduction		\$8,715	\$8,715	\$8,715
Total Return		1.59% \$11,104	1.94% \$13,592	4.16% \$29,129

EXPENSES		Current	Market Stabilized	Post Renovation
Real Estate Tax		\$16,635	\$16,635	\$16,635
Insurance		\$1,502	\$1,502	\$1,502
Utilities		\$2,706	\$2,706	\$2,706
Trash Removal		\$-	\$-	\$-
Repairs & Maintenance		\$1,500	\$1,500	\$1,500
Landscaping		\$1,620	\$1,620	\$1,620
Management Fee	5%	\$3,872	5% \$4,003	5% \$4,820
Total Expense		\$27,835	\$27,966	\$28,784
Expense as a % of EGI		36.96%	35.89%	30.53%
Net Operating Income		\$49,611	\$52,099	\$67,635

*The three-bedroom unit is currently vacant.

Pricing Details

SUMMARY

Price	\$1,350,000
Number of Units	3
Price Pr Unit	\$450,000
Price Per SF	\$629.37
Rentable SF	2,145
Lot Size	4,254
Approx. Year Built	1910

RETURNS	CURRENT	MARKET STABILIZED	POTENTIAL
Cap Rate	3.67%	3.86%	5.01%
GRM	17.39	16.80	13.89
Cash-on-Cash	0.34%	0.70%	2.92%
Debt Coverage Ratio	1.05	1.10	1.43

FINANCING	1ST LOAN
Down Payment	\$700,000
Loan Amount	\$650,000
Loan Type	Proposed New
Interest Rate	6.00%
Amortization	30 Years
Term	30 Years

**The three-bedroom unit is currently vacant.*



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21ST STREET

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SALES
COMPARABLES

SALES COMPARABLES



SUBJECT
572 21st St, San Diego, CA 92102

Sales Date	N/A	
Status	On Market	
Sales Price	\$1,350,000	
Price/Unit	\$450,000	
Price Per SF	\$629.37	
Number of Units	3	
Year Built	1910	
# Units / Unit Type	1	3-Bed / 1.5-Bath
# Units / Unit Type	1	1-Bed / 1-Bath
# Units / Unit Type	1	Studio Loft



1
2901 Webster Ave, San Diego, CA 92113

Sales Date	2/20/2025	
Status	Sold	
Sales Price	\$885,000	
Price/Unit	\$295,000	
Price Per SF	\$383.11	
Number of Units	3	
Year Built	1930	
# Units / Unit Type	1	3-Bed/1-Bath
# Units / Unit Type	12	1-Bed/2-Bed



2
1914 - 1916 Fern Street, San Diego, CA 92102

Sales Date	6/26/2025	
Status	Sold	
Sales Price	\$1,302,635	
Price/Unit	\$434,211	
Price Per SF	\$530.94	
Number of Units	3	
Year Built	1930	
# Units / Unit Type	Studio/1-Bath	
# Units / Unit Type	1-Bed/1-Bed	

**The three-bedroom unit is currently vacant.*



1159 24th Street, San Diego, CA 92102

Sales Date	10/16/2025	
Status	Sold	
Sales Price	\$1,800,000	
Price/Unit	\$450,000	
Number of Units	4	
Year Built	1933	
# Units / Unit Type	4	1-Bed/1-Bed



3371 A Ave, San Diego, CA 92102

Sales Date	11/7/2025	
Status	Sold	
Sales Price	\$1,425,000	
Price/Unit	\$475,000	
Number of Units	3	
Year Built	1956	
# Units / Unit Type	2	1-Bed/1-Bed
# Units / Unit Type	1	3-Bed/1-Bed



31232-36 31st St, San Diego, CA 92102

Sales Date	8/18/2025	
Status	Sold	
Sales Price	\$1,299,000	
Price/Unit	\$433,000	
Number of Units	3	
Year Built	1926	
# Units / Unit Type	3	1-Bed/1-Bed

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21ST STREET

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MARKET
OVERVIEW

SHERMAN HEIGHTS: A HISTORIC, WALKABLE URBAN NEIGHBORHOOD NEAR DOWNTOWN SAN DIEGO

Sherman Heights is one of San Diego's most desirable urban neighborhoods, located just east of Downtown and south of Balboa Park. Known for its historic architecture, walkability, and neighborhood charm, Sherman Heights offers a unique blend of residential character and urban convenience. The area attracts a diverse tenant base including young professionals, creatives, and long-term residents seeking proximity to Downtown without sacrificing a neighborhood-oriented environment.

The neighborhood benefits from strong demand drivers including its immediate access to Balboa Park, Downtown San Diego, and major employment centers, as well as a growing mix of restaurants, coffee shops, and local retail along 25th Street and surrounding corridors. Golden Hill's elevated positioning also provides views of Downtown and San Diego Bay, further enhancing its long-term appeal.

Sherman Heights offers excellent connectivity, with convenient access to Interstate 5, State Route 94, and Interstate 15, as well as proximity to public transportation. Its central location allows residents to easily access surrounding neighborhoods including South Park, North Park, and East Village.





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