

INVESTMENT OPPORTUNITY · SAN DIEGO, CA

4017 42nd Street

San Diego, CA 92105

\$8,995,000

Asking Price

6.40%

Going-In Cap Rate

\$576K

Year 1 NOI

NNN

Lease Type

Triple Net · 26 Units · 8,450 SF · **~50-Year Tenant**



Exclusively listed by Lepe Tendwell Group · All inquiries to broker of record

INVESTMENT THESIS

Contractual 3% Growth

- 1 NOI grows from \$576K (Yr 1) to \$751K (Yr 10) — built into the lease, not market-dependent.

~50-Year Tenant

- 3 House of Metamorphosis has operated at this address since 1976 — a San Diego institution with civic recognition.

Scarce Entitlement

- 5 Motel zoning supporting behavioral health use is virtually impossible to replicate under current CA regulations.

Truly Passive NNN

- 2 Tenant pays all taxes, insurance & operating costs. Landlord collects a clean \$48K/mo check.

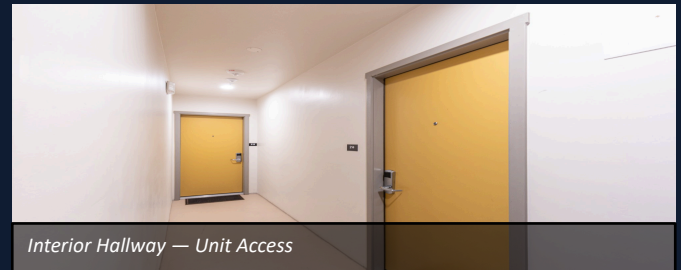
Government-Backed Revenue

- 4 HOM funded by County HHS, Medicaid & Medicare — recession-resistant, countercyclical demand.

Multiple Renewal Options

- 6 Initial 5-year term plus options. A 50-year occupant has every incentive to stay.

PHOTOS



PHOTOS



Community / Program Room



Staff Kitchen & Office



Ground Floor Corridor



Admin Office & Lockers

FINANCIALS & ASSET SNAPSHOT

ASSET OVERVIEW

Building 8,450 SF · 26 Units

Occupancy 100% (Master Lease)

Submarket Mid-City

Lease Term 5-Year + Options

Monthly Rent \$48,000 NNN

Escalation 3% Per Annum

Year 1 NOI \$576,000

Year 10 NOI \$751,550 (+30.5%)

Cap Rate 6.40% Going-In