

FOR SALE

30-UNIT HISTORIC SPANISH CHARMER

Premier Value-Add Opportunity In Central San Diego

1906 – 1944

K STREET, SAN DIEGO

OFFERING MEMORANDUM

CBRE


An aerial photograph of a city, likely San Francisco, showing a mix of residential, commercial, and industrial areas. A large body of water is visible in the background, with a long bridge extending across it. In the foreground, a rectangular area is highlighted with a white glow, indicating a specific site of interest. The sky is clear and blue.

TABLE OF CONTENTS

- OFFERING OVERVIEW
- INVESTMENT HIGHLIGHTS
- PROPERTY DESCRIPTION
- FINANCIAL OVERVIEW
- SUBMARKET OVERVIEW

OFFERING OVERVIEW

CBRE is pleased to offer for sale a 30-unit residential community located at 1906–1944 K Street in the historic neighborhood of Sherman Heights, adjacent to Downtown San Diego’s East Village, home to Petco Park. Built in 1927, the property features Spanish Colonial Revival architecture combined with secured access to create the ideal living environment. The unit mix consists of 30 well designed one-bedroom one-bathroom floor plans and a laundry facility for the tenant’s convenience. Along with immediate rental upside, the property is an excellent value-add opportunity through renovation. Most tenants are currently month-to-month. The improvements sit on an expansive 20,118 SF flat usable lot. The property is part of the Sherman Heights Historical District and eligible for the Mills Act. The Mills Act typically saves a new owner between 20% and 70% of their property tax bill.



\$5,100,000

OFFERING PRICE



\$170,000

PRICE PER UNIT



\$373

PRICE PER SF



5.8%

CURRENT CAP RATE



7.71%

MARKET CAP RATE

INVESTMENT HIGHLIGHTS



- Immediate rental upside and value-add opportunity
- Ideally located in the heart of San Diego with access to all
- Historic Spanish Colonial Revival architecture across an expansive 20,118 SF lot
- Spacious well laid out one-bedroom one-bathroom floor plans
- Walking distance from restaurants, shopping, cafes, schools, parks, and entertainment
- Proximity to Downtown, Golden Hill, and Logan Heights
- Convenient access to Interstate 5 and Highway 94
- Eligible to apply for the Mills Act tax saving benefit

PROPERTY DESCRIPTION



ADDRESS

1906-1944 K Street
San Diego, CA 92102



BUILDINGS

4 One-Story
Buildings



RENTABLE AREA

13,680
Square Feet



UNITS

30 Unit Residential
Community



ROOFS

Flat Roofs



LOT AREA

20,118
Square Feet



YEAR BUILT

1927



APN

535-404-06-00





FINANCIAL OVERVIEW

INVESTMENT SUMMARY	ACTUAL	YEAR 1	MARKET
PRICE	\$5,100,000	\$5,100,000	\$5,100,000
NUMBER OF UNITS	30	30	30
PRICE PER UNIT	\$170,000	\$170,000	\$170,000
PRICE PER SF	\$373	\$373	\$373
GRM	10.4	9.52	8.88
CAP RATE	5.8%	7%	7.71%
YEAR BUILT	1927	1927	1927
LOT SIZE	20,118	20,118	20,118
BUILDING SIZE	13,680	13,680	13,680

SCHEDULED INCOME				ACTUAL	YEAR 1	MARKET		
UNIT NUMBER	UNIT TYPE	SF	CUR RENTS	MONTHLY INC	YR1 RENT	MONTHLY INC	MARKET	MONTHLY INC
30	1+1	456	\$1,368	\$41,040	\$1,488	\$44,640	\$1,595	\$47,850
MONTHLY GROSS INCOME:				\$41,040		\$44,640		\$47,850

FINANCIAL SUMMARY	ACTUAL	YEAR 1	MARKET
ANNUAL GROSS INCOME	\$492,480	\$535,680	\$574,200
VACANCY	3%	3%	3%
RUBS	\$0	\$18,000	\$18,000
LAUNDRY INCOME	\$0	\$4,320	\$4,320
EFFECTIVE GROSS INCOME	\$477,706	\$541,930	\$579,294

OPERATING EXPENSES

REPAIRS & MAINTENANCE	\$30,000	\$30,000	\$30,000
UTILITIES	\$32,000	\$32,000	\$32,000
TRASH	\$16,200	\$16,200	\$16,200
PROPERTY MANAGEMENT @4%	\$19,108	\$21,677	\$23,172
LANDSCAPE	\$4,200	\$4,200	\$4,200
ON-SITE MANAGER	\$24,000	\$24,000	\$24,000
ADMINISTRATIVE	\$2,400	\$2,400	\$2,400
PROPERTY INSURANCE	\$22,995	\$22,995	\$22,995
PROPERTY TAXES (*See Note Below)	\$31,365	\$31,365	\$31,365
OPERATING EXPENSES PER UNIT	(\$6,076)	(\$6,161)	(\$6,211)
OPERATING EXPENSES % OF EGI	38%	34%	32%
TOTAL OPERATING EXPENSES	(\$182,268)	(\$184,837)	(\$186,332)
NET OPERATING INCOME	\$295,437	\$357,092	\$392,962

You are solely responsible for independently verifying the information in this Memorandum. ANY RELIANCE ON IT IS SOLELY AT YOUR OWN RISK.

*PROPERTY TAXES are estimated at 50% of new assessed value, because the property is eligible for the Mills Act.

**YEAR 1 Rent was calculated using the maximum allowable increase of 8.8%.



SUBMARKET OVERVIEW

Sherman Heights is San Diego's largest historic district offering a vibrant urban lifestyle while still maintaining a sense of tranquility. The neighborhood hosts 19th and early 20th century homes and buildings, most famously the Villa Montezuma. The community attracts both preservationists and investors looking to rent out properties. Despite the area's high density of renters, people here are deeply invested in their community and consistently show up to support and celebrate it. The property enjoys proximity to restaurants, cafes, parks, shopping, schools, and entertainment. Sherman Heights features convenient access to neighboring Downtown, Golden Hill, and Logan Heights, along with interstates 5 and Highway 94. Sherman Heights is ideal for multifamily real estate investment.



SAN DIEGO DEMOGRAPHICS

PLACE OF WORK

2024 Employees	1,086,639
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POPULATION DEMOGRAPHICS

2025 Population - Current Year Estimate	2,237,609
2020-2024 Annual Population Growth Rate	0.05%
2024-2029 Annual Population Growth Rate	0.16%
2024 Median Age	36.70

AGE

2025 Median Age	37.30
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EDUCATION

High School Diploma	246,611
GED or Alternative Credential	43,252
Some College - No Degree	276,805
Associate`s Degree	140,503
Bachelor`s Degree	430,996
Graduate or Professional Degree	279,546

EMPLOYMENT STATUS

2025 Unemployed Population 16+	69,596
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CLASS OF WORKER

2025 Employed Civilian Population 16+	1,122,477
White Collar	749,447
Services	200,292
Blue Collar	172,737

GENDER

Males	1,126,570
Females	1,111,039

HOUSEHOLDS

2025 Households - Current Year Estimate	814,216
2030 Households - Five Year Projection	830,952
2020 Households - Census	794,775
2020-2025 Compound Annual Household Growth Rate	747,065
2025-2030 Annual Household Growth Rate	0.41%
2025 Average Household Size	2.65

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K STREET, SAN DIEGO

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