



OFFERING PRICE
\$3,950,000
CAP RATE: 5.77% | GRM: 11.20

**10791-10811
Palma Vista**
Offering Memorandum
GARDEN GROVE, CA 92840
16-Unit Multifamily Portfolio | Built 1961 | ~10,048 SF

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ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY.

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10791-10811 Palma Vista

GARDEN GROVE, CA 92840



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10791-10811 Palma Vista Avenue

GARDEN GROVE, CA 92840

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PACIFIC AVENUE REALTY



Investment Overview

10791-10811 PALMA VISTA

OFFERING MEMORANDUM

10791-10811 PALMA VISTA // OFFERING MEMORANDUM

"A 16-unit, two-parcel multifamily portfolio in Garden Grove — Orange County's lowest cost-basis path to institutional scale, featuring a substantial mark-to-market rent gap and zero new competing supply at this price point."

INVESTMENT OVERVIEW

Pacific Avenue Realty is pleased to present 10791-10811 Palma Vista Avenue — a sixteen-unit multifamily portfolio comprising two adjacent eight-unit buildings in the heart of Garden Grove. With separately metered gas and electric across all sixteen units, 24 dedicated parking spaces, and a fully occupied rent roll, the asset offers immediate scale, immediate income, and a clearly defined value-add roadmap for the next operator.

The unit mix is a uniform sixteen one-bedroom / one-bath floor plans averaging ~625 SF — the most resilient and lowest-vacancy product type in the Garden Grove submarket. With current in-place rents averaging approximately \$1,827/unit/month against a market rate of \$2,000+ for comparable 1BR product, the portfolio carries roughly \$173/unit in untapped monthly upside — equivalent to \$33,216 annually in gross rent and, at a 5.50% market cap, an implied value creation of approximately \$604,000 with no capital improvements required.

The property sits under R-3 Multiple-Family Residential zoning with Flood Zone X classification (no SFHA exposure), and benefits from immediate proximity to the 22 and 5 freeways, the Garden Grove Galleria, the Disneyland Resort employment cluster, and Rancho Alamitos High School (80th percentile).

For investors seeking institutional scale at a sub-\$250K/door cost basis in Orange County — a benchmark increasingly rare in this submarket — 10791-10811 Palma Vista delivers stabilized cash flow today and a structured roadmap to outsized NOI growth tomorrow.

PROFESSIONAL MANAGEMENT — IN PLACE TODAY

Property is professionally managed at a below-market fee of 4% by the affiliated entity of the listing brokerage, Pacific Avenue Realty (~300 doors AUM across SoCal). Management is available to transition seamlessly to new ownership.





INVESTMENT HIGHLIGHTS

INSTITUTIONAL SCALE AT \$246K/DOOR

Sixteen units across two adjacent parcels at \$246,875/door — among the lowest cost basis for stabilized OC multifamily product. 1031 buyers and family offices gain immediate scale with one closing.

~\$604K IMPLIED VALUE UPSIDE

Current rents sit ~\$173/unit below market. Closing the gap captures \$33,216/yr in additional gross rent — translating to ~\$604,000 in implied value at a 5.50% market cap, with zero capital required.

RUBS-READY UTILITY STRUCTURE

16 separately metered electric and gas accounts (tenants pay direct). Single master water/sewer meter is the primary RUBS opportunity — passing back ~70% of \$13,200/yr water cost adds ~\$9,200/yr to NOI with no capex.

SUPPLY-CONSTRAINED 1BR SUBMARKET

Garden Grove 92840 has effectively zero new 1BR multifamily under construction at this price point. Existing stock is 1960s owner-operator product — Palma Vista trades into deep, durable tenant demand.

PROFESSIONAL MANAGEMENT AT 4%

Managed today by Pacific Avenue Realty's affiliated management entity at 4% — half the local market standard. New ownership inherits a turnkey operation, full tenant ledger, vendor relationships.

TWO-PARCEL OPTIONALITY

APNs 089-651-06 and 089-651-07 are independently held and separately financeable. Buyer can refinance, 1031, or condo-map either parcel independently — flexibility unavailable in single-parcel assets.

RENT UPSIDE ANALYSIS

Current avg. rent: ~\$1,827/unit → Market avg. rent: ~\$2,000/unit
 Portfolio upside: ~\$2,768/mo | Annual upside: ~\$33,216
 At 5.50% market cap → Implied value creation: ~\$604,000

VALUE-ADD ROADMAP

Executable strategies available from day one.

MARK-TO-MARKET RENTS

Sixteen units averaging \$1,827 against \$2,000 market rate. Standard 60-day notice + non-renewal strategy on natural turnover captures the gap with no capex.

+ ~\$33,216/yr at full mark

RUBS — RATIO UTILITY BILLING

Sixteen units share one master water meter (\$13,200/yr current). Implementing a standard CA RUBS schedule passes ~70% back to tenants with no impact to gross rent.

+ ~\$9,240/yr NOI

INTERIOR UNIT TURN UPGRADES

On natural turnover, light cosmetic refresh (LVP, kitchen hardware, paint, light fixtures) supports \$100–150/unit/month rent premium above proforma — ~\$3-4k/unit capex, ~12-month payback.

+ \$19,200/yr at full turnover

CARPORT-TO-STORAGE / EV

Twenty-four covered carport spaces. Conversion of select stalls to paid storage units (~\$50/mo each) or future EV-charging income are low-cost incremental revenue lines.

+ \$6-12k/yr potential

IDEAL BUYER PROFILE

This asset speaks directly to multiple buyer types.

1031 EXCHANGE BUYER

Two parcels under separate APNs offer flexibility on basis allocation. Stabilized rent roll, in-place professional management, and one closing event = clean same-day capital deployment.

VALUE-ADD / SYNDICATION SPONSOR

Three discrete value-add levers — RUBS, mark-to-market, parking monetization — plus a buy-down story compressing cap from 5.77% in-place to 6.57% pro forma. Clean syndicable narrative.

FAMILY OFFICE / LEGACY HOLD

Sixteen-door footprint at sub-\$250k/door is increasingly rare in OC. Long-term hold buyer captures value-add upside, then enjoys 30+ years of supply-protected cash flow in a Prop 13–anchored asset.

CASH BUYER SEEKING YIELD

Unlevered yield of 5.77% current / 6.57% proforma against tangible OC real estate, depreciation shelter, and Prop 13–anchored tax basis — a credible alternative to fixed income.

OFFERING MEMORANDUM

Executive Summary

10791-10811 PALMA VISTA

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10791-10811 Palma Vista Ave

Garden Grove, CA 92840

16-Unit Multifamily Property in Orange County, California

OFFERING PRICE
\$3,950,000

CAP RATE
5.77%

VITAL DATA

Price	\$3,950,000
Cap Rate — Current	5.77%
Cap Rate — Market (Pro Forma)	6.57%
GRM — Current	11.20
GRM — Market	10.24
Rentable Square Footage	~10,048 SF
Price / SF	\$393.11
Units	16
Price / Unit	\$246,875
Year Built	1961
Lot Size	~19,220 SF (0.44 ac)
Parcel Numbers	089-651-06 & 089-651-07
Zoning	R-3 Multiple-Family Residential
Parking	24 Carport Spaces
Construction	Wood / Stucco, Pitched Shingle Roof
Utilities	Sep. Metered Gas + Electric 1 Water Meter

OFFERING MEMORANDUM

Financial Overview

10791-10811 PALMA VISTA // OFFERING MEMORANDUM

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RENT ROLL

► [VERIFY] Per-unit rent figures shown are estimates derived from \$1,827/unit average. Final rent roll to be replaced with seller's certified rent roll prior to distribution.

UNIT	UNIT TYPE	SF	TERM	CURRENT RENT	PRO FORMA
BUILDING 1 — 10791 PALMA VISTA AVE • APN 089-651-06					
Unit 1	1 Bed / 1 Bath	625	MTM	\$1,800	\$2,000
Unit 2	1 Bed / 1 Bath	625	MTM	\$1,750	\$2,000
Unit 3	1 Bed / 1 Bath	625	MTM	\$1,800	\$2,000
Unit 4	1 Bed / 1 Bath	625	MTM	\$1,850	\$2,000
Unit 5	1 Bed / 1 Bath	625	MTM	\$1,750	\$2,000
Unit 6	1 Bed / 1 Bath	625	MTM	\$1,900	\$2,000
Unit 7	1 Bed / 1 Bath	625	MTM	\$1,950	\$2,000
Unit 8	1 Bed / 1 Bath	625	MTM	\$1,750	\$2,000
BUILDING 2 — 10811 PALMA VISTA AVE • APN 089-651-07					
Unit 9	1 Bed / 1 Bath	625	MTM	\$1,800	\$2,000
Unit 10	1 Bed / 1 Bath	625	MTM	\$1,800	\$2,000
Unit 11	1 Bed / 1 Bath	625	MTM	\$1,850	\$2,000
Unit 12	1 Bed / 1 Bath	625	MTM	\$1,750	\$2,000
Unit 13	1 Bed / 1 Bath	625	MTM	\$1,950	\$2,000
Unit 14	1 Bed / 1 Bath	625	MTM	\$1,800	\$2,000
Unit 15	1 Bed / 1 Bath	625	MTM	\$1,750	\$2,000
Unit 16	1 Bed / 1 Bath	625	MTM	\$1,925	\$2,000
TOTAL — MONTHLY	16 × 1 BR / 1 BA	10,000		\$29,225	\$32,000
Gross Annual Rent				\$350,700	\$384,000
Gross Annual Income (Incl. Laundry — est. \$1,920/yr)				\$352,620	\$385,920

** Laundry: estimated 2 loads/unit/week × 16 units × 4 weeks × 12 months × \$1.25/load

OPERATING STATEMENT

	CURRENT ANNUAL	PRO FORMA	PER MONTH
INCOME			
Gross Potential Rent	\$350,784	\$384,000	\$32,000
Laundry Income (estimated)	\$1,920	\$1,920	\$160
Gross Scheduled Income	\$352,704	\$385,920	\$32,160
Less: Vacancy (1%)	(\$3,527)	(\$3,859)	(\$322)
Effective Gross Income	\$349,177	\$382,061	\$31,838
EXPENSES			
Property Tax (Prop 13 Reset @ 1.10%)	\$43,450	\$43,450	\$3,621
Insurance	\$14,400	\$14,400	\$1,200
Water & Sewer (1 Master Meter)	\$13,200	\$13,200	\$1,100
Electric (Common)	\$1,800	\$1,800	\$150
Gas (Common)	\$2,400	\$2,400	\$200
Trash / Waste	\$3,840	\$3,840	\$320
Maintenance & Repairs	\$24,000	\$24,000	\$2,000
Pest / Landscape	\$4,200	\$4,200	\$350
Management (4% of Gross)	\$14,108	\$15,437	\$1,176
TOTAL EXPENSES	\$121,398	\$122,627	\$10,116
NET OPERATING INCOME	\$227,779	\$259,434	\$18,982
Expenses as % of EGI	34.8%	32.1%	
Cap Rate	5.77%	6.57%	
GRM	11.20	10.24	

NOTE ON EXPENSES — Property tax reflects post-sale Prop 13 reassessment at \$3.95M purchase price. Property is professionally managed by the Pacific Avenue Realty management entity at 4% of gross rents (below the 6–8% market standard). Management transitions seamlessly to new ownership.

■ **[VERIFY]** Operating expense lines reflect projected post-sale figures. Seller T-12 to be supplied in due diligence package.

PRICING DETAIL

SUMMARY	
Price	\$3,950,000
Down Payment	\$3,950,000 (100%)
Number of Units	16
Price Per Unit	\$246,875
Price Per SqFt	\$393.11
Gross SqFt	~10,048 SF
Lot Size	~19,220 SF
Year Built	1961
Parcel #	089-651-06, -07

RETURNS		
	CURRENT	MARKET
CAP Rate	5.77%	6.57%
GRM	11.20	10.24
Cash-on-Cash	5.77%	6.57%
Implied Value Upside	—	~\$604K

INCOME		
	CURRENT	PRO FORMA
Gross Sched. Rent	\$352,704	\$385,920
Less: Vacancy (1%)	(\$3,527)	(\$3,859)
Effective Gross Income	\$349,177	\$382,061
Less: Expenses	\$121,398	\$122,627
Net Operating Income	\$227,779	\$259,434
Cash Flow	\$227,779	\$259,434
Total Return %	5.77%	6.57%

EXPENSES		
	CURRENT	PRO FORMA
Property Tax	\$43,450	\$43,450
Insurance	\$14,400	\$14,400
Water & Sewer	\$13,200	\$13,200
Electric	\$1,800	\$1,800
Gas	\$2,400	\$2,400
Trash	\$3,840	\$3,840
Maintenance	\$24,000	\$24,000
Pest / Landscape	\$4,200	\$4,200
Management (4%)	\$14,108	\$15,437
TOTAL EXPENSES	\$121,398	\$122,627

DEBT & DEAL STRUCTURE

INTERNAL — BROKER USE ONLY • Contains seller-side strategic information not for buyer distribution. Remove before sending OM externally.

EXISTING ENCUMBRANCES (≈ \$4.21M)

1. Senior — Freddie Mac SBL via CBRE Capital Markets (\$3,730,000)

Recorded 10/07/2021; matures 11/01/2041. 240-month term / 360-month amortization. 3.48% fixed for 60 months, then floats SOFR + 3.25%. Step-down prepayment penalty (5/4/3/2/1%). Tobias is personal guarantor.

2. Subordinate (2nd) — Newcomer Investments / Stepien (\$227,000)

Recorded 1/28/2025; matured 2/01/2026. Default rate of 28% if unpaid. Status to be confirmed (paid / extended / defaulted).

3. Junior (3rd) — Ocean Pacific Pharma (\$250,000)

Recorded 12/22/2025; balloons 7/01/2026 at 18% interest-only. Cross-collateralized with sister parcel (10851-10861, owned by Palma Vista Garden Grove II LLC) AND a third property at 7555-7705 Market Place Drive, Aurora, OH. Due-on-sale clause — must be paid off OR consent obtained at close.

CLOSING CONSIDERATIONS

- Seller (Palma Vista Garden Grove LLC, Reynaldo Tobias 100% member/sole manager) requires evidence of authority + Members' Resolution authorizing sale (Sec. 22 of listing agreement).
- All three lien releases coordinated at close. Freddie payoff demand requires lead time for prepay penalty calculation.
- OPP cross-collateral release path: payoff at close, OR consent letter, OR alternate collateral (Ohio property is the release valve).
- Tobias occupies a unit at 10811 — vacancy strategy / cash-for-keys must be negotiated in PSA.
- Title insurance with affirmative coverage on all lien releases recommended.

COMPANY SUMMARY

Specializing in Southern California Residential, Residential Investment and Commercial Real Estate. Whether it is finding your dream home or finding that next great investment property or even that new location for your business, Pacific Avenue Realty is here to assist you in all of your Real Estate needs.

Buying and selling a home is one of the most important decisions people will make in their lifetime. Having the right trustworthy, dedicated and experienced team on your side can be the difference between owning a wonderful asset versus having an unfavorable liability. Our team has a diverse background in all the aspects of Real Estate, Real Estate Finance and Property Management to navigate you through any of the unexpected turns that come up in any real estate transaction.

In an industry where salesmanship many times supersedes integrity, larger brokerages are trying to sell you homes to meet their quarterly numbers, often forgetting the original goal of satisfying all of the client's best interests. At Pacific Avenue Realty, we want to ensure that you are on the right path by using facts not opinions to help you formulate better decisions. Our relentless work ethic, personalized customer service and insightful knowledge of the rapidly changing real estate market will help guide you in the right direction.

The affiliated property management entity manages approximately 300 doors across Long Beach, Whittier, Montebello, Riverside, San Bernardino, and Orange County — providing seamless transition support and below-market 4% management for our brokerage clients.

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Specializing in Southern California Residential and Residential Investment Realty, Pacific Avenue Realty takes a top-down analytical approach in helping you target the best property to meet all your real estate needs.

Our company is growing and we plan to cover most areas in Southern California. Visit us at www.pacificavenurealty.com for our current listings.

\$3,950,000

~10,048 Livable Sq Ft
16 Units — (16) 1 Bed / 1 Bath
Two Parcels • Built 1961

Listed By:
Prashant Sampat
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10791-10811 Palma Vista

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