

Marcus & Millichap
THE TRUJILLO GROUP
OFFERING MEMORANDUM



Board House Villas

2121 Thomas Ave, San Diego, CA 92109

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LISTING VIDEO



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Board House Villas

2121 Thomas Ave, San Diego, CA 92109

Marcus & Millichap is pleased to present a rare opportunity to acquire a highly renovated, luxury community in the Pacific Beach neighborhood of San Diego. Board House Villas is comprised of 10 total apartment units offering 6,609 rentable square feet. Originally constructed in 1970, this property has undergone an extensive renovation completed in 2022 including interior, exterior, major systems, and many additions.

Board House Villas, located at 2121 Thomas Ave, is comprised of (3) 2-bedroom/1-bathroom units, (5) 1-bedroom/1-bathroom units, and (2) oversized studio/1-bathroom units. Each unit is highly renovated with ducted air conditioning and heating, in-unit laundry, a modern design, and all high-end materials. Three of the first-floor units feature roll-up garage doors in the living room that open to large private patios for indoor/outdoor enjoyment. Second floor units feature private rooftop decks with bay views accessed by a custom floating stairway making for a one-of-a-kind apartment living in this coastal neighborhood. In addition to the many features added, the major systems have been replaced which were completed with City of San Diego building permits and inspections.

Board House Villas offers investors the rare opportunity to acquire a turnkey property in one of San Diego's most desirable rental markets. This stabilized asset is walking distance to Mission Bay and is positioned for long term appreciation and rent growth for the years to come. Pacific Beach is a high demand rental market with low vacancy rates because of the proximity to the beach, Mission Bay, and hundreds of local bars, shops, and attractions. This asset has been strategically renovated and positioned in a market lacking luxury product with the investor's longevity in mind.

INVESTMENT HIGHLIGHTS



One-of-a-kind High End Complete Renovation



Large Private Patios & Rooftop Decks with Bay Views



Major Systems Replaced and Up to Current Code

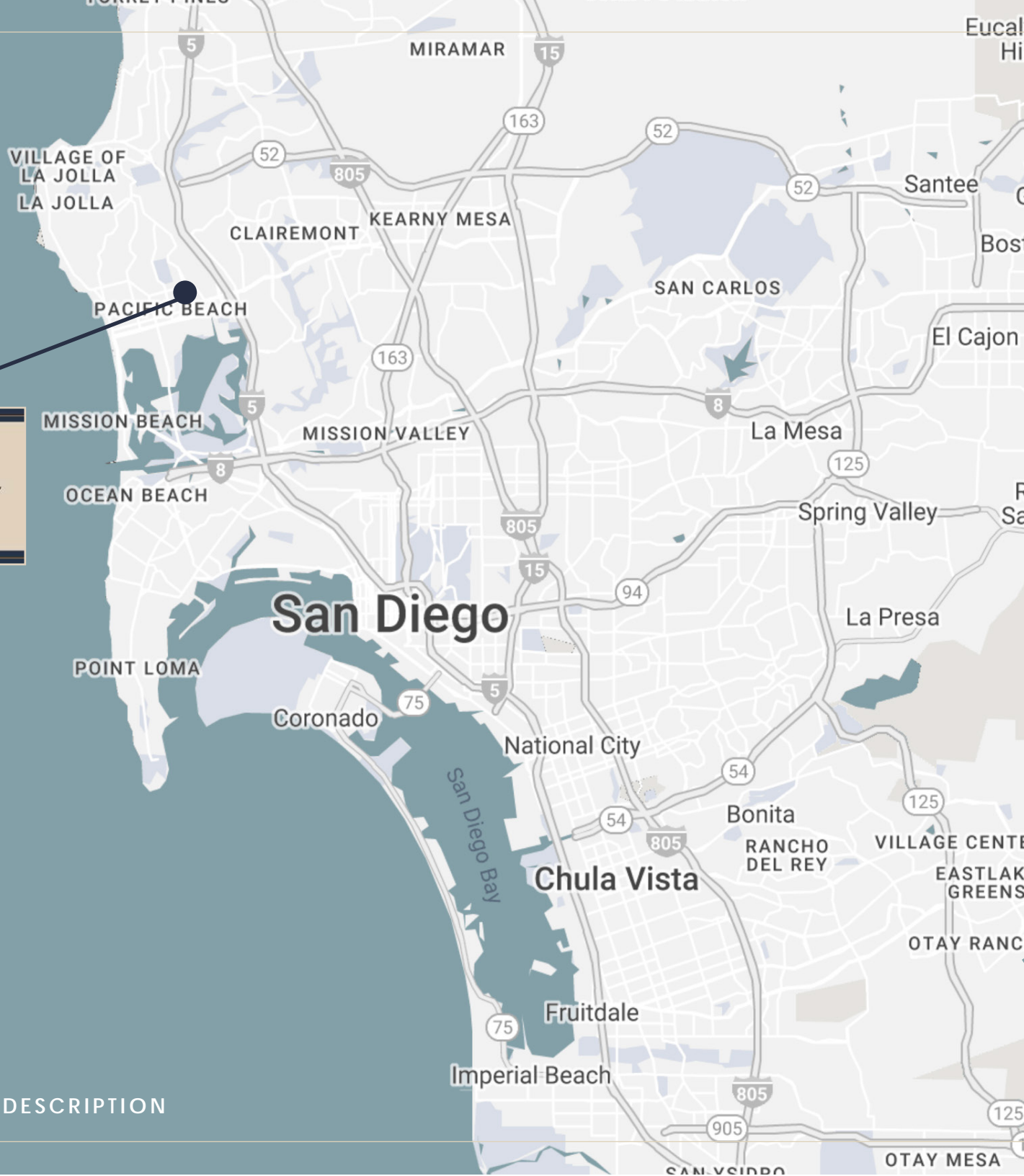


New Ducted Heating and Air Conditioning



Highly Desirable Pacific Beach Submarket

Board House Villas
2121 Thomas Ave, San Diego, CA 92109



Pacific Beach has over 50 local bars & restaurants on Garnet Ave

La Jolla

Birdrock

Kate Sessions Park



Crystal Pier

Mission Bay High School

Mission Bay Golf Course

Garnet Ave

Grand Ave

Bayside Walk

Mission Bay

Ingraham St

Board House Villas
2121 Thomas Ave, San Diego, CA 92109

Crown Point Park



EXTERIOR IMPROVEMENTS



5 private roof decks ranging 175 – 220 sf. each for 2nd floor units



New floating staircase to roof decks



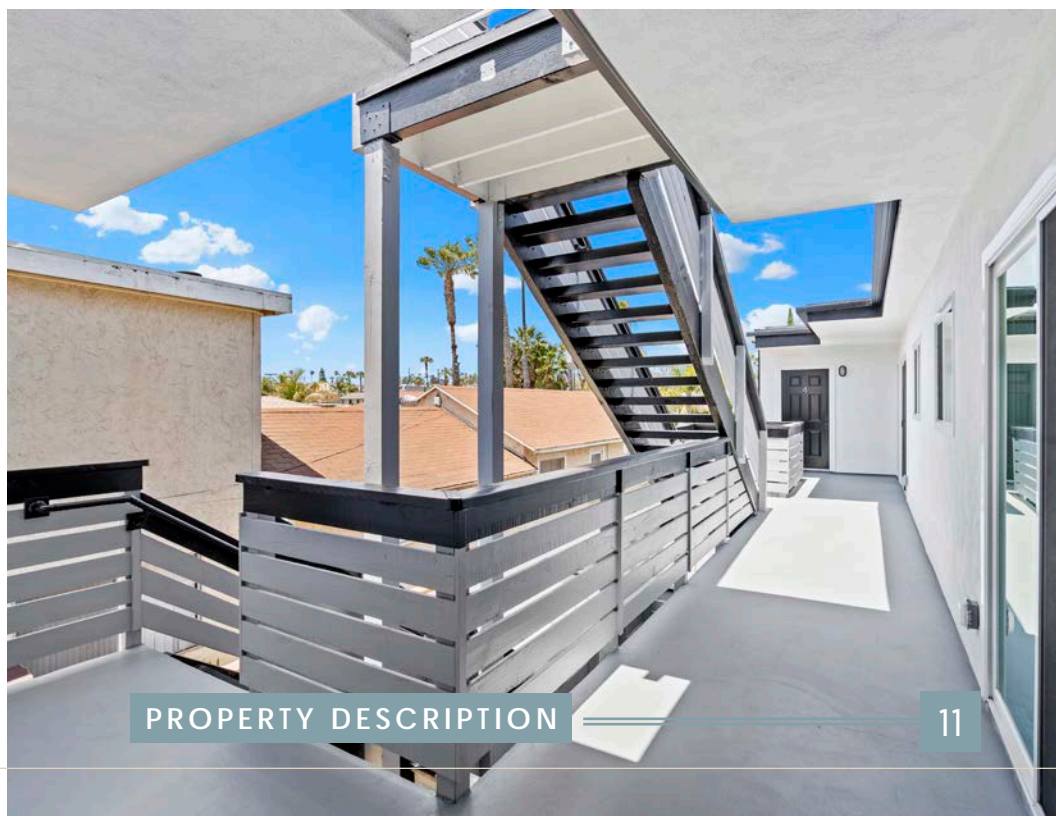
New roof with 10 year warranty



New waterproofing and deck coating with 10 year warranty



All new courtyard concrete, fencing and lighting





INTERIOR IMPROVEMENTS



Recessed ceiling lights in living room and kitchen

New vinyl windows and sliding doors. Egress windows in bedrooms.



New ducted mini split air conditioning units with 10 year warranty

Full size LG front load washer/dryer in each unit



New kitchens including new fixtures and stainless steel appliances.

New custom quartz counter tops.

Custom kitchen cabinets with floating shelves



New walk-in custom tiled showers and custom bathrooms with rain/handheld shower valves

Custom glass roll-up doors in 1st floor unit living rooms



New 20 mil luxury vinyl plank flooring

Custom hand textured skip trowel wall texture

Large custom 5 foot bathroom vanities, (select units)



New interior doors and finish carpentry, base and case





SYSTEM UPGRADES



New 400 amp electric service. New telephone pole installed.

New transformer installed



New electric meters and switch gear to accommodate 10 units, (includes 2 garage ADU units)

New 100 amp electric panels in each unit

New electric wiring in each unit



Cat 6 wiring in each unit

New increased water meter size to 1.25"

New backflow preventer installed



New copper plumbing in each unit

New increased water meter size to 1.25"

New backflow preventer installed



New copper plumbing in each unit



PRICING DETAILS // BOARD HOUSE VILLAS

SUMMARY		
Price	\$7,750,000	
Down Payment	\$3,875,000	50%
Number of Units	10	
Price Per Unit	\$775,000	
Gross SqFt	6,609	
Lot Size	0.15 Acres	
Approx. Year Built	1970/2022	

RETURNS	CURRENT	YEAR 1
CAP Rate	3.51%	4.00%
GRM	18.94	17.22
Cash-on-Cash	1.28%	2.27%
Debt Coverage Ratio	1.22	1.40

FINANCING	1ST LOAN
Loan Amount	\$3,875,000
Loan Type	New
Interest Rate	4.00%
Amortization	30 Years
Year Due	2027

# OF UNITS	UNIT TYPE	SCHEDULED RENTS	YEAR 1
3	2-Bed/1-Bath	\$3,917	\$4,308
5	1-Bed/1-Bath	\$3,410	\$3,751
2	Studio/1-Bath	\$2,650	\$2,915

INCOME		CURRENT		YEAR 1
Gross Scheduled Rent		\$409,200		\$450,120
Less: Vacancy/Deductions	3.0%	\$12,276	3.0%	\$13,504
Total Effective Rental Income		\$396,924		\$436,616
Other Income ⁽¹⁾		\$6,300		\$6,300
Effective Gross Income		\$403,224		\$442,916
Less: Expenses	32.6%	\$131,464	30.0%	\$133,052
Net Operating Income		\$271,760		\$309,865
Cash Flow		\$271,760		\$309,865
Debt Service		\$221,998		\$221,998
Net Cash Flow After Debt Service	1.28%	\$49,762	2.27%	\$87,867
Principal Reduction		\$68,240		\$71,020
Total Return	3.05%	\$118,002	4.10%	\$158,887

EXPENSES	CURRENT	YEAR 1
Real Estate Taxes	\$95,495	\$95,495
Insurance	\$2,500	\$2,500
Utilities	\$6,500	\$6,500
Trash Removal	\$1,920	\$1,920
Repairs & Maintenance	\$5,000	\$5,000
Common Area Maintenance	\$1,200	\$1,200
Pest Control	\$720	\$720
Operating Reserves	\$2,000	\$2,000
Management Fee (4%)	\$16,129	\$17,717
Total Expenses	\$131,464	\$133,052
Expenses/Unit	\$13,146	\$13,305
Expenses/SF	\$19.89	\$20.13

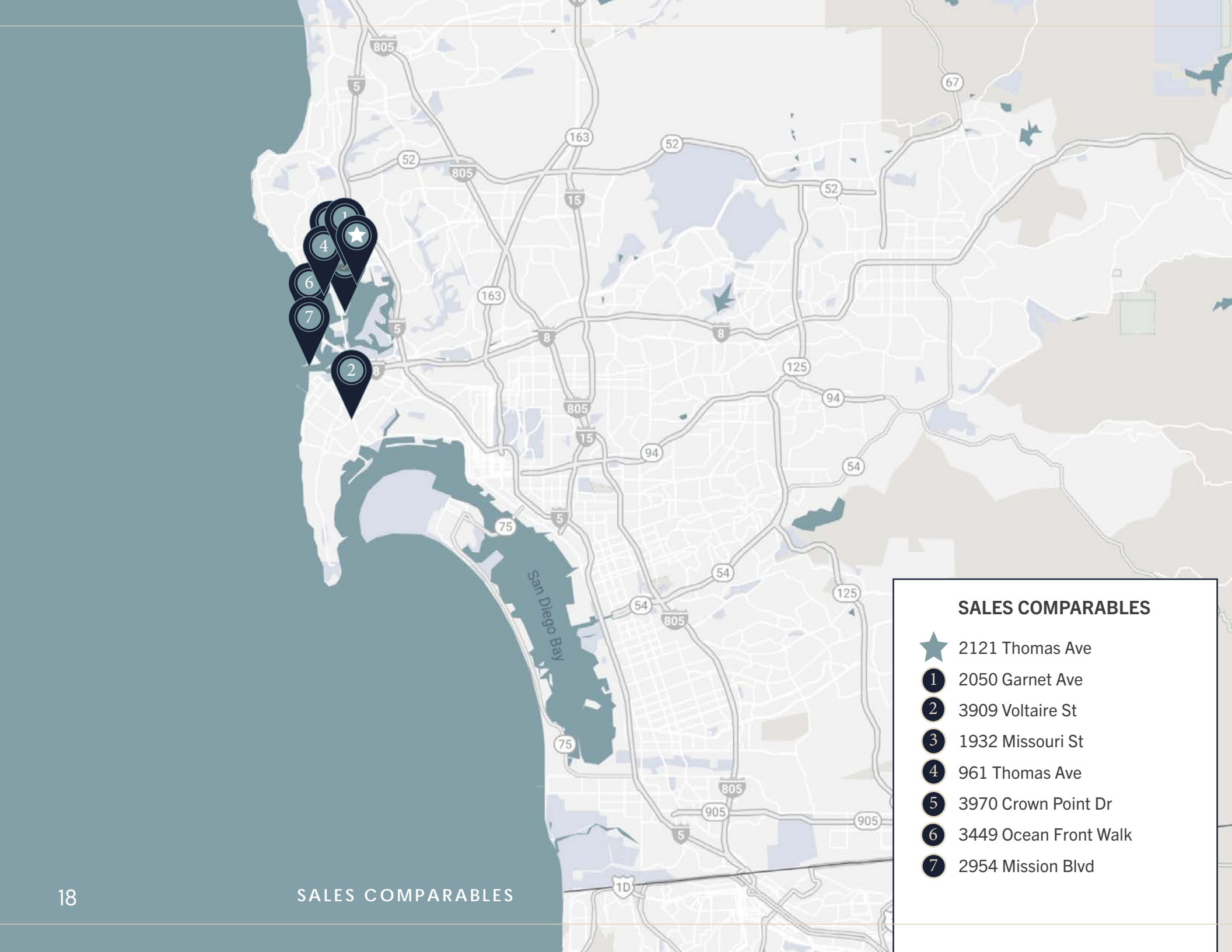
⁽¹⁾ RUBS collected at \$65/ month for 2-Bed units, \$50/ month for 1-Bed units, & \$40/ month for Studio units

RENT ROLL SUMMARY // BOARD HOUSE VILLAS

UNIT TYPE	# OF UNITS	AVG. SQ FEET	RENTAL RANGE	CURRENT			YEAR 1		
				AVG. RENT	AVG. RENT/SF	MONTHLY INCOME	AVG. RENT	AVG. RENT/SF	MONTHLY INCOME
2-Bedroom/1-Bathroom	3	863	\$3,850 - \$3,950	\$3,917	\$4.54	\$11,750	\$4,308	\$4.99	\$12,925
1-Bedroom/1-Bathroom	5	620	\$3,325 - \$3,500	\$3,410	\$5.50	\$17,050	\$3,751	\$6.05	\$18,755
Studio/1-Bathroom	2	460	\$2,450 - \$2,850	\$2,650	\$5.76	\$5,300	\$2,915	\$6.34	\$5,830
TOTAL / WEIGHTED AVERAGES	10	661		\$3,410	\$5.16	\$34,100	\$3,751	\$5.68	\$37,510
GROSS ANNUALIZED RENTS				\$409,200			\$450,120		

RENT ROLL

UNIT	UNIT TYPE	SQUARE FEET	CURRENT RENT/MONTH	CURRENT RENT SF/MONTH	YEAR 1 RENT/MONTH	YEAR 1 RENT/SF/MONTH
101	2-Bedroom/1-Bathroom	863 + 234 SF Yard	\$3,950	\$4.58	\$4,345	\$5.03
102	1-Bedroom/1-Bathroom	620 + 283 SF Yard	\$3,500	\$5.65	\$3,850	\$6.21
103	2-Bedroom/1-Bathroom	863 + 174 SF Yard	\$3,850	\$4.46	\$4,235	\$4.91
104	2-Bedroom/1-Bathroom	863 + 216 SF Deck	\$3,950	\$4.58	\$4,345	\$5.03
105	1-Bedroom/1-Bathroom	620 + 171 SF Deck	\$3,325	\$5.36	\$3,658	\$5.90
106	1-Bedroom/1-Bathroom	620 + 171 SF Deck	\$3,325	\$5.36	\$3,658	\$5.90
107	1-Bedroom/1-Bathroom	620 + 242 SF Deck	\$3,450	\$5.56	\$3,795	\$6.12
108	1-Bedroom/1-Bathroom	620 + 242 SF Deck	\$3,450	\$5.56	\$3,795	\$6.12
109	Studio/1-Bathroom	520	\$2,850	\$5.48	\$3,135	\$6.03
110	Studio/1-Bathroom	400	\$2,450	\$6.13	\$2,695	\$6.74
TOTAL		6,609	\$34,100	\$5.16	\$37,510	\$5.68



SALES COMPARABLES

- ★ 2121 Thomas Ave
- ① 2050 Garnet Ave
- ② 3909 Voltaire St
- ③ 1932 Missouri St
- ④ 961 Thomas Ave
- ⑤ 3970 Crown Point Dr
- ⑥ 3449 Ocean Front Walk
- ⑦ 2954 Mission Blvd



★ **2121 THOMAS AVE**
San Diego, CA 92109

Sale Price	\$7,750,000
Sale Date	On Market
Year Built	1970 / 2022
Price per Unit	\$775,000
CAP Rate	3.51%
GRM	18.94
Number of Units	10

Units	Unit Type
3	2 Bedroom / 1 Bathroom
5	1 Bedroom / 1 Bathroom
2	Studio / 1 Bathroom



① **2050 GARNET AVE**
San Diego, CA 92109

Sale Price	\$7,330,000
Sale Date	06/03/2022
Year Built	1995
Price per Unit	\$916,250
CAP Rate	2.81%
GRM	21.63
Number of Units	8

Units	Unit Type
2	2 Bedroom/ 2 Bathroom
1	2 Bedroom/ 2.5 Bathroom
2	3 Bedroom/ 2 Bathroom
3	3 Bedroom/ 2.5 Bathroom



② **3909 VOLTAIRE ST**
San Diego, CA 92107

Sale Price	\$30,000,000
Sale Date	06/06/2022
Year Built	2022
Price per Unit	\$833,333
CAP Rate	2.96%
GRM	20.99
Number of Units	36

Units	Unit Type
24	2 Bedroom/ 2 Bathroom
12	Studio/ 1 Bathroom



5 1932 MISSOURI ST
San Diego, CA 92109

Sale Price	\$4,100,000
Sale Date	10/01/2021
Year Built	1981
Price per Unit	\$820,000
Number of Units	5

Units	Unit Type
3	3 Bedroom / 3 Bathroom
2	2 Bedroom / 2.5 Bathroom



4 961 THOMAS AVE
San Diego, CA 92109

Sale Price	\$2,850,000
Sale Date	08/20/2021
Year Built	1990
Price per Unit	\$712,500
Number of Units	4

Units	Unit Type
1	3 Bedroom / 2 Bathroom Hse
2	2 Bedroom / 2 Bathroom
1	2 Bedroom / 1 Bathroom



5 3970 CROWN POINT DR
San Diego, CA 92109

Sale Price	\$6,313,231
Sale Date	05/18/2021
Year Built	1969
Price per Unit	\$701,470
CAP Rate	3.23%
GRM	21.82
Number of Units	9

Units	Unit Type
9	2 Bedroom/ 2 Bathroom



6 3449 OCEAN FRONT WALK
San Diego, CA 92109

Sale Price	\$7,450,000
Sale Date	11/04/2020
Year Built	1971
Price per Unit	\$1,241,666
CAP Rate	3.20%
Number of Units	6

Units	Unit Type
6	2 Bedroom/ 2 Bathroom

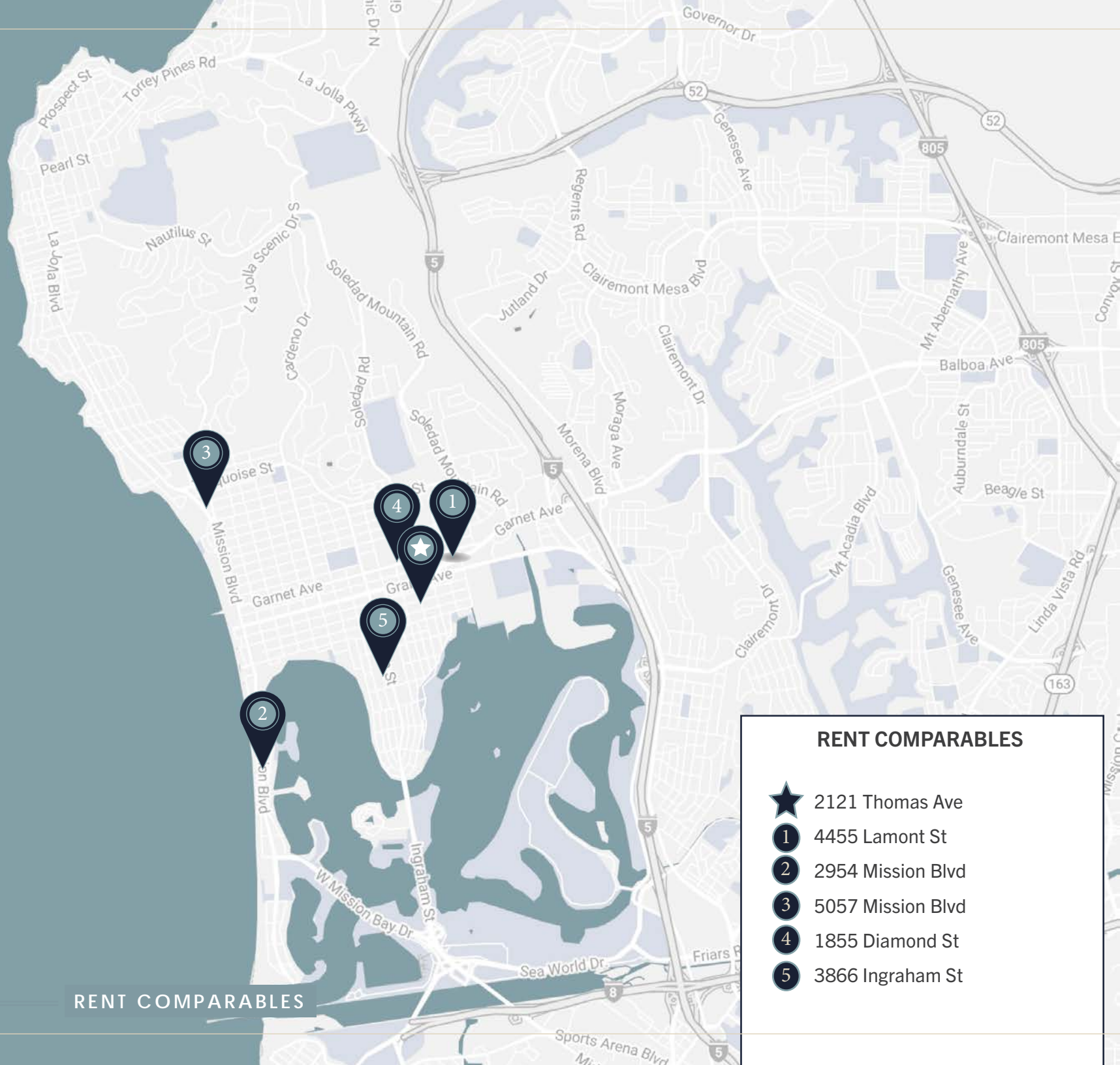


7 2954 MISSION BLVD
San Diego, CA 92109

Sale Price	\$4,800,000
Sale Date	On Market
Year Built	1970 / 2016
Price per Unit	\$960,000
Number of Units	5

Units	Unit Type
3	2 Bedroom/ 2 Bathroom
2	2 Bedroom/ 2.5 Bathroom

RENT COMPARABLES



RENT COMPARABLES

- ★ 2121 Thomas Ave
- ① 4455 Lamont St
- ② 2954 Mission Blvd
- ③ 5057 Mission Blvd
- ④ 1855 Diamond St
- ⑤ 3866 Ingraham St

★ **2121 THOMAS AVE**
San Diego, CA 92109

10 Total Units

2022 Year Built



UNIT TYPE	UNITS	SQUARE FEET	RENT	RENT/SF
2 Bedroom / 1 Bathroom	3	863	\$3,917	\$4.54
1 Bedroom/ 1 Bathroom	5	620	\$3,410	\$5.50
Studio/ 1 Bathroom	2	460	\$2,650	\$5.27
TOTAL/WTD. AVG.	10	661	\$3,410	\$5.16

① **4455 LAMONT ST**
San Diego, CA 92109

18 Total Units

2022 Year Built



UNIT TYPE	UNITS	SQUARE FEET	RENT	RENT/SF
2 Bedroom / 2 Bathroom	1	889	\$4,250	\$4.78
TOTAL/WTD. AVG.	1	889	\$4,250	\$4.78

② **2954 MISSION BLVD**
San Diego, CA 92109

05 Total Units

1999 Year Built



UNIT TYPE	UNITS	SQUARE FEET	RENT	RENT/SF
2 Bedroom / 2 Bathroom	1	1,100	\$4,250	\$3.86
TOTAL/WTD. AVG.	1	1,100	\$4,250	\$3.86



5057 MISSION BLVD
San Diego, CA 92109

13 *Total Units*

1958 *Year Built*



UNIT TYPE	UNITS	SQUARE FEET	RENT	RENT/SF
1 Bedroom / 1 Bathroom	1	600	\$3,600	\$6.00
TOTAL/WTD. AVG.	1	600	\$3,600	\$6.00



1855 DIAMOND ST
San Diego, CA 92109

502 *Total Units*

1975 *Year Built*



UNIT TYPE	UNITS	SQUARE FEET	RENT	RENT/SF
1 Bedroom / 1 Bathroom	1	653	\$3,850	\$5.90
TOTAL/WTD. AVG.	1	653	\$3,850	\$5.90



3866 INGRAHAM ST
San Diego, CA 92109

506 *Total Units*

1968 *Year Built*



UNIT TYPE	UNITS	SQUARE FEET	RENT	RENT/SF
Studio / 1 Bathroom	1	600	\$2,731	\$4.55
TOTAL/WTD. AVG.	1	600	\$2,731	\$4.55





PACIFIC BEACH

Pacific Beach is a neighborhood in San Diego, bounded by La Jolla to the north, Mission Beach and Mission Bay to the south, Interstate 5 to the east and the Pacific Ocean to the west. Largely populated by young people, surfers, and college students, Pacific Beach is home to one of San Diego's more developed nightlife scenes. It has a great variety of bars, eateries, and clothing stores located along Garnet Avenue and Mission Boulevard.

The beach stretches for miles from the Mission Bay to the cliffs of La Jolla. The boardwalk, officially called Ocean Front Walk/Ocean Boulevard, is a pedestrian walkway that runs approximately 3.2 miles along the beach from the end of Law St. in the north down into Mission Beach, ending at Mission Bay in the south. There are numerous local shops, bars, hotels, and restaurants along the boardwalk, and it is generally crowded with pedestrians, cyclists, rollerbladers, skateboarders and shoppers. Adjacent to the boardwalk is the Crystal Pier, a public pier and hotel at the west end of Garnet Avenue.

Pacific Beach is one of San Diego County's most desirable rental markets. This neighborhood is extremely walkable, lively, and attracts high quality tenants willing to pay a premium to be located next to the beach and in proximity to so many highly rated restaurants, bars, and leisure time activities.

"Three miles of boardwalk and an endless beach party vibe keep this beach town moving"
-San Diego.org

DEMOGRAPHICS // BOARD HOUSE VILLAS



94,334

Total Population Within 3 Mile Radius



\$139,606

Average Household Income within
3 Mile Radius



44,976

Total Households in 3 Mile Radius

SAN DIEGO

The San Diego-Carlsbad metro is located in the southwestern portion of the state of California. Composed of San Diego County, it sits adjacent to the Mexican border, extending north to the southern edge of Orange County and Riverside County. From west to east, it is situated between the Pacific Ocean and Imperial County.

San Diego is the most populous city in the county, with 1.4 million residents, followed by Chula Vista, with 275,500, and Oceanside, with 180,000 people. A diverse economic base includes military, finance, life sciences, tourism and real estate. Employment in these industries and a strong retail base draw many job seekers to the region.

METRO HIGHLIGHTS



WHITE-COLLAR JOBS

The professional and business services sector accounts for a larger share of total employment than the United States average.



POPULATION GROWTH

A gain of approximately 108,900 residents in the metro over the next five years will increase the need for basic health and education services.



HIGHLY AFFLUENT POPULATION

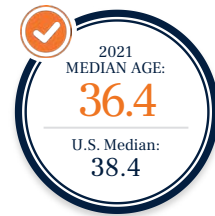
San Diego's median household income of \$83,800 per year is well above the national median.



DEMOGRAPHICS

- The metro population consists of 3.3 million people and will expand to over 3.4 million residents through 2026. During this time, 44,400 households will be added.
- A median home price of \$893,000 is more than double the U.S. median, resulting in a homeownership rate of 53 percent, which is below the national rate of 64 percent.
- Residents are more educated than the nation. Roughly 38 percent of people ages 25 and older have a bachelor's degree, compared with 31 percent for the U.S.

2021 Population by Age



QUALITY OF LIFE

San Diego is California's oldest community. A large harbor, miles of beaches and exceptional weather attract businesses, residents and tourists. San Diego still houses a number of buildings and facilities from its past, including two missions, Old Town San Diego, Balboa Park and the Hotel del Coronado. San Diego County has grown into a sophisticated, urban region. Its downtown area has undergone a renaissance in the past decade or so. Petco Park, home of the San Diego Padres, spurred redevelopment that spread to the mid-city communities and attracted residents to the urban core. San Diego's major tourist attractions include the San Diego Zoo, San Diego Wild Animal Park, SeaWorld San Diego and LEGOLAND.

* Forecast
Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau

SPORTS



EDUCATION

UC San Diego

SAN DIEGO STATE UNIVERSITY



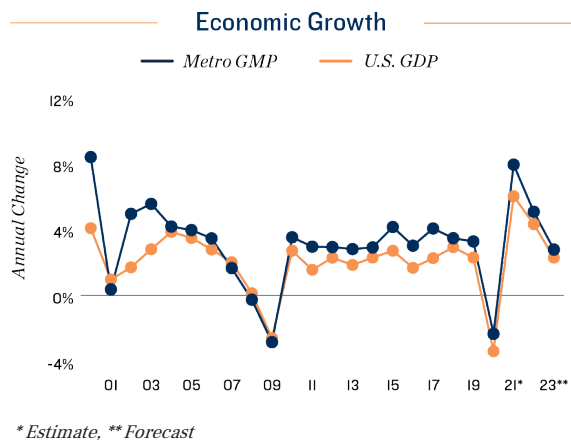
ARTS & ENTERTAINMENT



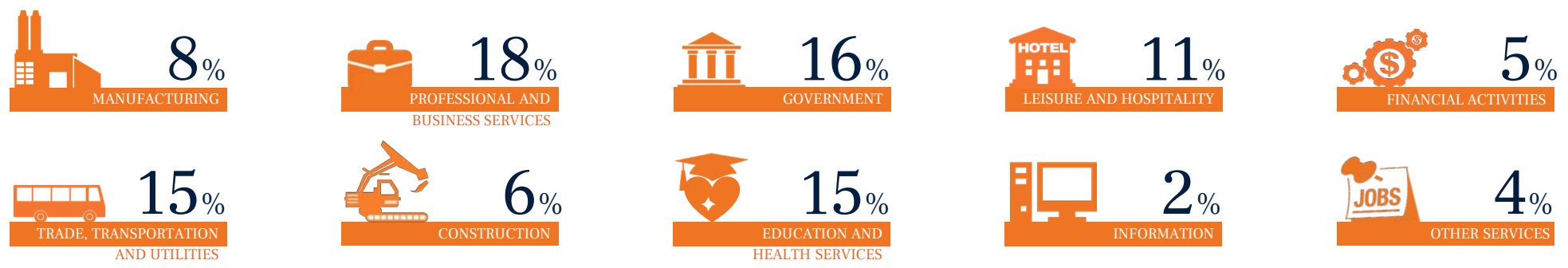
ECONOMY

- The San Diego metro is maintaining economic recovery. Gross metro product is expected to grow just ahead of the U.S. pace this year.
- The U.S. Department of Defense has a significant impact on the local economy. The largest employer in the county is the U.S. Navy at the Naval Base Coronado, which includes the North Island Naval Air Station. Camp Pendleton is also a sizable employer.
- Tech and life science firms are proliferating. Major technology and research companies include Leidos, General Dynamics NASSCO, Qualcomm and BAE Systems.

MAJOR AREA EMPLOYERS
Qualcomm
General Dynamics NASSCO
Kaiser Permanente
Palomar Health
Scripps Health
Rady Children's Hospital
Cubic Corporation
Sharp HealthCare
Sony Electronics Inc.
Illumina



SHARE OF 2021 TOTAL EMPLOYMENT







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