



**BUILD
60+ UNITS**
.....
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4604 UNIVERSITY AVE

SAN DIEGO, CA 92105

MARK MORGAN
619-300-9070
DRE 01339919
morgan@scc1031.com



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4604 UNIVERSITY AVE
RETAIL PROPERTY FOR SALE

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PROPERTY INFORMATION



PROPERTY SUMMARY

4604 UNIVERSITY AVE
RETAIL PROPERTY FOR SALE



PROPERTY HIGHLIGHTS

- Complete Communities Tier 3
- Owner/User Opportunity
- Redevelopment Potential - Build 40+ Apartments over Retail
- 6,438 SF Building, 9,258 SF Lot
- Month-To-Month Tenant
- On-Site Gated Parking for 6 Cars
- High 18+ Foot Ceilings
- Corner Location
- 23,500 Vehicles Per Day Traffic Count
- Owner Pays Taxes, Roof, and Insurance Only
- Located in the Path of Progress

OFFERING SUMMARY

Sale Price:	\$1,999,000
Number of Units:	1
Lot Size:	9,258 SF
Building Size:	6,438 SF
NOI:	\$68,951.00
Cap Rate:	3.45%

DEMOGRAPHICS	1 MILE	3 MILES	5 MILES
Total Households	20,942	109,143	266,296
Total Population	60,921	271,996	660,435
Average HH Income	\$57,131	\$77,051	\$83,366

PROPERTY DESCRIPTION

4604 UNIVERSITY AVE
RETAIL PROPERTY FOR SALE



PROPERTY DESCRIPTION

Located in an Complete Communities + Opportunity Zone at the heart of City Heights is 4604 University Avenue. This is a rare opportunity to acquire freestanding corner building consisting of 6,438 square feet and located on a 9,258 square foot parcel. Perfect for the owner/user the property is zoned for commercial and can be used for various purposes.

Currently the month-to-month tenant is using it as storage for his retail/wholesale business. 6 off street gated parking spaces plus two 30-minute street spaces ensure customers easy access should the property be used for retail in the future. This asset provides a solid current 3.4% CAP rate with the current month to month tenant. Rental upside here as the property is currently rented well below market at \$1.24 per square foot. A market CAP rate of 4.8% can be achieved simply by bringing the rent up to the surrounding market rate of \$1.60 per square foot. Over 23,000 vehicles drive by the property every day on University Avenue giving any future business plenty of exposure.

At roughly \$256 per square foot and a 3.4% CAP rate, this property is a great deal for any savvy investor looking for a property to appreciate in value, provide solid cash flow, or hold for redevelopment. The property is located in a Complete Communities Tier 3 Zone which allows for 60+ apartment units to be built over retail. With a FAR of 6.5, the possibilities abound. Additionally there are huge tax incentives to build in this Opportunity Zone. The building is located in the heart of San Diego.

3.4% CAP fully occupied (month-to-month) single net lease building in the path of progress. Current tenant is month to month offering an owner/user a prime opportunity in City Heights. The current tenant has leased the property for the past 10 years and operates a nail/beauty supply warehouse business. Many uses here such as: Complete Communities + opportunity zone redevelopment play, owner/user opportunity, hold for redevelopment while generating solid cash flow, sub-divide into 4 retail spaces to generate additional cash flow etc.... Owner pays property taxes, insurance, and roof maintenance. Tenant pays for everything else. Very easy to self-manage this property.

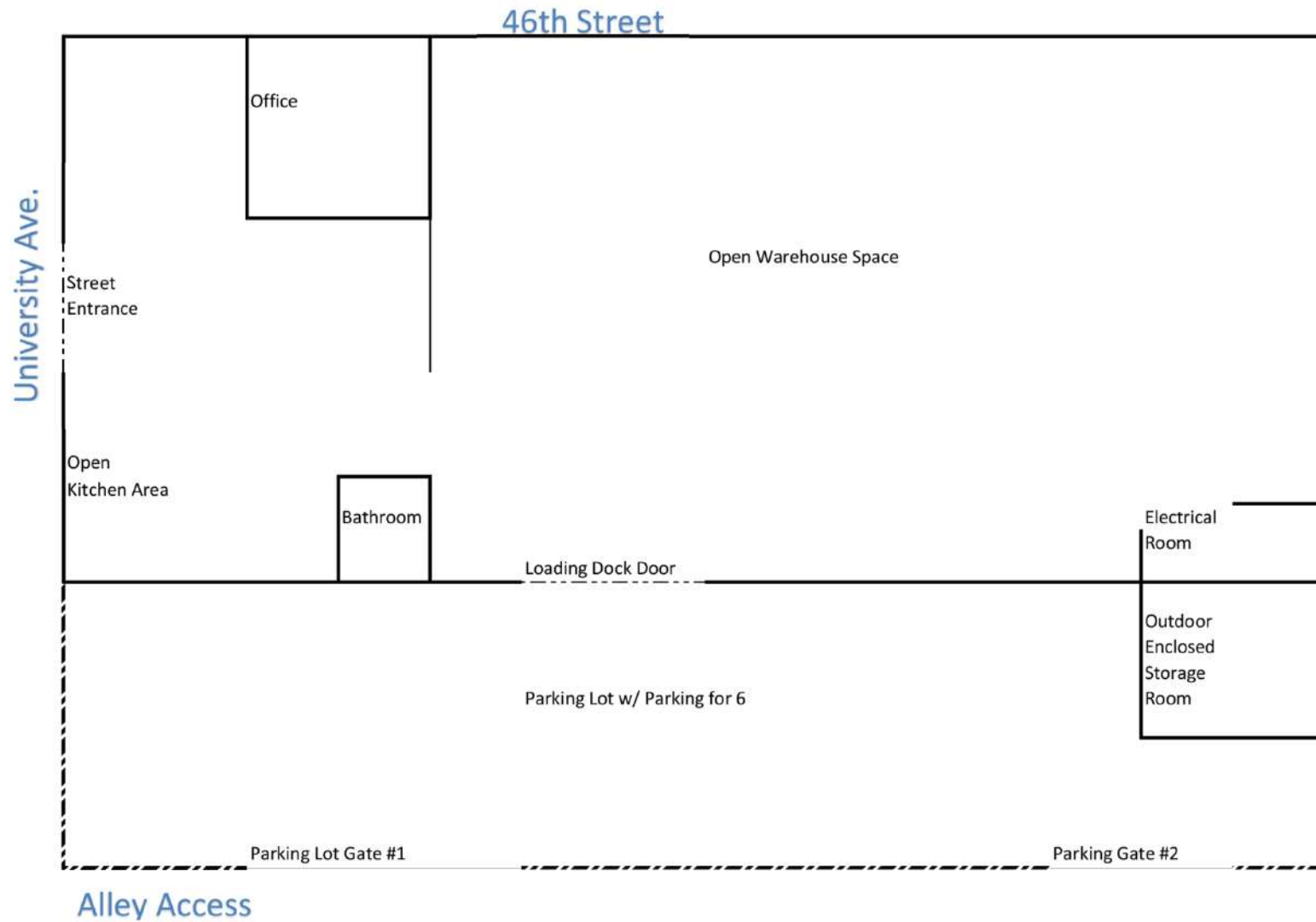
ADDITIONAL PHOTOS

4604 UNIVERSITY AVE
RETAIL PROPERTY FOR SALE



FLOOR PLAN

4604 UNIVERSITY AVE
RETAIL PROPERTY FOR SALE



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LOCATION INFORMATION

LOCATION DESCRIPTION

4604 UNIVERSITY AVE
RETAIL PROPERTY FOR SALE

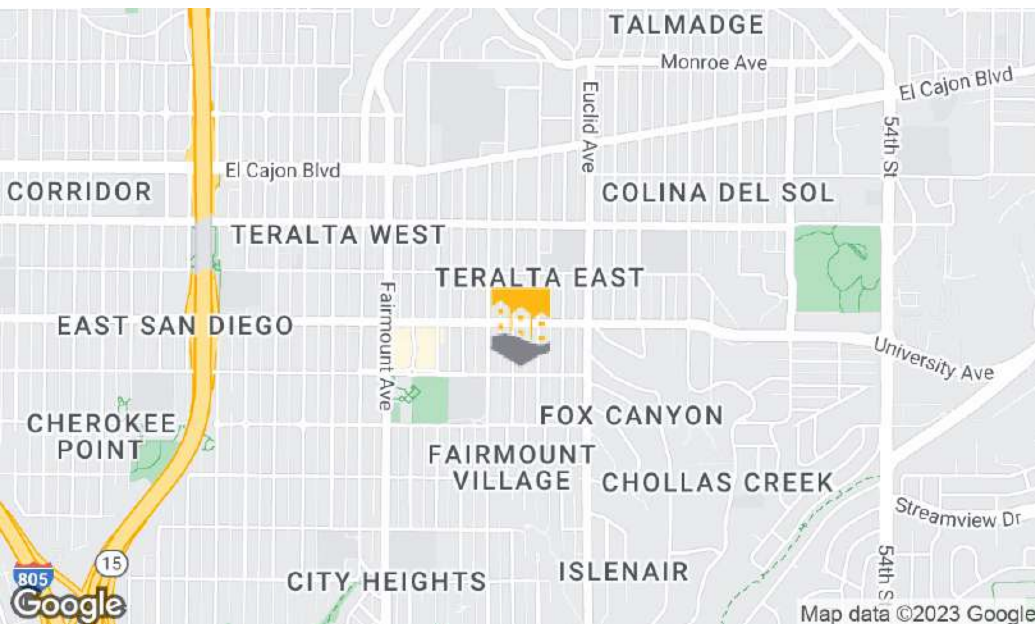


CITY HEIGHTS

City Heights is a culturally diverse neighborhood in central San Diego known for its rich immigrant heritage and redevelopment efforts. Just south of Mission Valley and northeast of Balboa Park, this location offers easy access to the 15 and 805 freeways, connecting City Heights to other parts of San Diego. Major commercial streets include University Avenue, El Cajon Boulevard, Fairmount Avenue, and Euclid Avenue. City Heights is densely populated and has mostly multi-family apartments and homes.

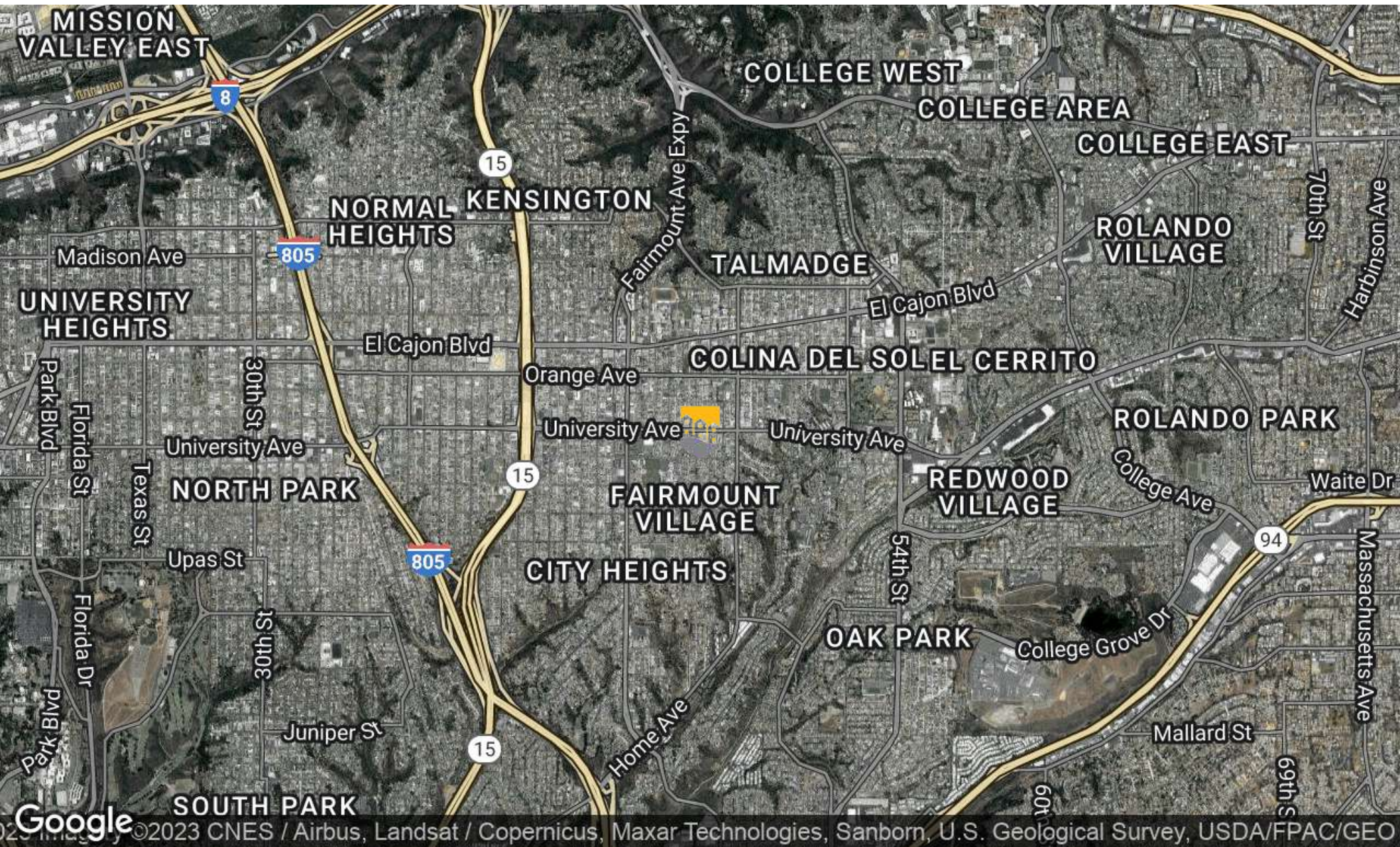
The neighborhood has a strong sense of community, with residents working together to improve their area through community organizations, programs, and resources such as the Mid-City branch of the San Diego Public Library, the City Heights Farmers Market, and the City Heights Community Garden.

Some of the highlights of City Heights include its vibrant cultural scene, with a variety of restaurants and markets, as well as its beautiful parks, such as Chollas Lake Park and Teralta Park. The neighborhood is also home to the City Heights Performance Annex, a community center that offers a variety of arts and cultural programs. For those interested in shopping, City Heights is just a short drive from several large shopping centers, including the Westfield Mission Valley Mall.



LOCATION MAP

4604 UNIVERSITY AVE
RETAIL PROPERTY FOR SALE



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FINANCIAL ANALYSIS

FINANCIAL SUMMARY

4604 UNIVERSITY AVE
RETAIL PROPERTY FOR SALE

INVESTMENT OVERVIEW	CURRENT	PRO FORMA
Price	\$1,999,000	\$1,999,000
Price per SF	\$311	\$311
Price per Unit	\$1,999,000	\$1,999,000
GRM	20.84	16.17
CAP Rate	3.45%	4.83%
Cash-on-Cash Return (yr 1)	-1.10%	2.16%
Total Return (yr 1)	\$6,142	\$33,802
Debt Coverage Ratio	0.88	1.23
OPERATING DATA	CURRENT	PRO FORMA
Gross Scheduled Income	\$95,940	\$123,600
Total Scheduled Income	\$95,940	\$123,600
Gross Income	\$95,940	\$123,600
Operating Expenses	\$26,989	\$26,989
Net Operating Income	\$68,951	\$96,611
Pre-Tax Cash Flow	-\$9,336	\$18,324
FINANCING DATA	CURRENT	PRO FORMA
Down Payment	\$850,000	\$850,000
Loan Amount	\$1,149,000	\$1,149,000
Debt Service	\$78,287	\$78,287
Debt Service Monthly	\$6,523	\$6,523
Principal Reduction (yr 1)	\$15,478	\$15,478

INCOME & EXPENSES

4604 UNIVERSITY AVE
RETAIL PROPERTY FOR SALE

INCOME SUMMARY	CURRENT	PRO FORMA
Vacancy Cost	\$0	\$0
NET INCOME	\$95,940	\$123,600
EXPENSES SUMMARY	CURRENT	PRO FORMA
Insurance	\$5,000	\$5,000
Taxes	\$21,989	\$21,989
OPERATING EXPENSES	\$26,989	\$26,989
NET OPERATING INCOME	\$68,951	\$96,611



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DEVELOPMENT SUMMARY



DEVELOPMENT SUMMARY

4604 UNIVERSITY AVE
RETAIL PROPERTY FOR SALE



San Diego Address
710 13th St, Ste 307
San Diego, CA 92101
(619) 535-0537

Sacramento Address
2715 K St, Ste 250
Sacramento, CA 95816
(916) 545-2512

Development Summary

Date	February 10, 2023
Address	4604 University Ave San Diego, CA 92105
APN	471-482-34-00
Community Plan	Mid City: City Heights
Overlays	San Diego Unified School District Transit Priority Area (TPA) Transit Area Overlay Zone (TAOZ) Parking Standards Transit Priority Area (PSTPA) Geological Hazard Category 52 Community Plan Implementation Overlay Zone (CPIOZ-A) Complete Communities Tier 3: 6.5 FAR City Heights Business Improvement District Central Urbanized Planned District (CUPD) Communities of Concern (COC)
Zone	CC-5.4 The purpose of the CC zones is to accommodate community-serving commercial services, retail uses, and limited industrial uses of moderate intensity and small to medium scale. The CC zones are intended to provide for a range of development patterns from pedestrian-friendly commercial streets to shopping centers and auto-oriented strip commercial streets. Some of the CC zones may include residential development. Property within the CC zones will be primarily located along collector streets, major streets, and public transportation lines.
Permitted Uses	Multiple Dwelling Units Rooming House Shopkeeper Units Commercial Services (Various) Offices See SDMC Use Table 131-05B for additional Uses
Lot Size	9,231.25 SF (-0.211 Acres)
Max Permitted Residential Density	1 Dwelling Unit for each 1,500 SF of Lot Area
Min. Street Frontage	25 ft
Max Structure Height	30'-0", Unlimited if Complete Communities

Setbacks

Front	10' (Max.)
Side	0'
Streetside	10' (Max.)
Rear	0'

Additional Regulations

Ground Floor Height, Pedestrian Paths, Transparency, Building Articulation, Refuse & Recyclable Material Storage, Visibility Area

Max FAR

1.0 FAR
0.5 FAR Bonus for Residential Mixed Use
0.25 FAR Minimum for Residential Use in a Mixed Use Development

Residential Density

9,231.25 sf / 1,500 sf per DU = 6.15 DUs rounds to **6 Base Dwelling Units**

Complete Communities

FAR Tier 3: **6.5 FAR**

Affordable Housing Density Bonus

Option 1 (50% Density Bonus):

- 6 Base Units - Provide 1 Very Low Income Affordable Unit
 - 1/6 = .1667 (16.7%)
 - ≥15% Very Low Income Affordable = 50% Density Bonus and 5 Development Incentives
 - 6 x 1.5 = 9 Dwelling Units: 8 Market Rate, 1 Very Low Income Affordable + Commercial**

Option 2 (75% Density Bonus per Table 143-07a Superscript 2):

- 6 Base Units - Provide 2 Very Low Income Affordable Units
 - 2/6 = .333 (33.3%)
 - ≥25% Very Low Income Affordable = 75% Density Bonus and 8 Development Incentives
 - 6 x 1.75 = 10.5 rounds to 11 Dwelling Units: 9 Market Rate, 2 Very Low Income Affordable + Commercial**

Option 3 (100% Micro-Unit Bonus):

- 6 Base Units - Provide 1 Very Low Income Affordable Units
 - 1/6 = .1667 (More than 5%)
 - 5% Low Income Affordable = 100% Density Bonus
 - 6 x 2 = 12 Dwelling Units: 11 Market Rate, 1 Low Income Affordable + Commercial**
 - *Average of units must not exceed 600sf, with no DU exceeding 800sf

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San Diego Address
710 13th St, Ste 307
San Diego, CA 92101
(619) 535-0537

Sacramento Address
2715 K St, Ste 250
Sacramento, CA 95816
(916) 543-2512

Option 3 (Complete Communities):

Allowable GFA = 9,231.25 (Lot Size) x 6.5 (CC FAR) = 60,003.125 sf
6 Base Units

- Affordable Rent Restrictions
 - o 15% (1 DUs) of Base Units @ 30% of 50% of AMI
 - o 10% (1 DUs) of Base Units @ 30% of 60% of AMI
 - o 15% (1 DUs) of Base Units @ 30% of 120% of AMI
- Project Assumptions:
 - o 75% Efficiency Factor
 - o 700 sf Unit Average
 - o 3,750 sf of Commercial (Required in front 30')
 - o 56,253.125 sf (Residential GFA) x 75% / 700 =
Approx. 60 Dwelling Units: 57 Market Rate, 1 Very
Low Income Affordable, 1 Low Income Affordable
Income, 1 Moderate Income Affordable +
Commercial.

Parking Required

Parking Standards Transit Priority Area

Residential & Additional Uses			
	Car (Per DU)	Motorcycle (Per DU)	Bicycle (Per DU)
Studio up to 400 SF	0	.05	.3
1 Bed or Studio Over 400 SF	0	.1	.4
2 Bed	0	.1	.5
3-4 Beds	0	.1	.6
5+ Beds	0	.2	1.0
Retail	0*	2 Spaces	2 or 1 per 1,000 sf of floor area min.**
Commercial	0*	2 Spaces	2 or 1 per 1,000 sf of floor area min.**
Mixed-Use	0*	2 Spaces	2 or 1 per 1,000 sf of floor area min.**
Eating & Drinking Establishments	0*	2 Spaces	2 or 1 per 1,000 sf of floor area min.**

* Per SDMC §142.0531 Where no a parking is provided, a passenger drop-off and loading zone shall be provided near the main entrance unless there is a compliant drop off/loading zone within 200ft of the main entrance and one 'on-street' accessible space along the street frontage of the development.

** Per SDMC §142.0530(e)(2) At least 1 additional space shall be long-term bicycle parking for use by employees.



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SALE
COMPARABLES



SALE COMPS

4604 UNIVERSITY AVE
RETAIL PROPERTY FOR SALE



4604 UNIVERSITY AVE

San Diego, CA 92105

Subject Property

DETAILS

Price:	\$1,999,000
Bldg Size:	6,438 SF
Lot Size:	9,258 SF
No. Units:	1
Year Built:	1960
Price/SF:	\$310.50

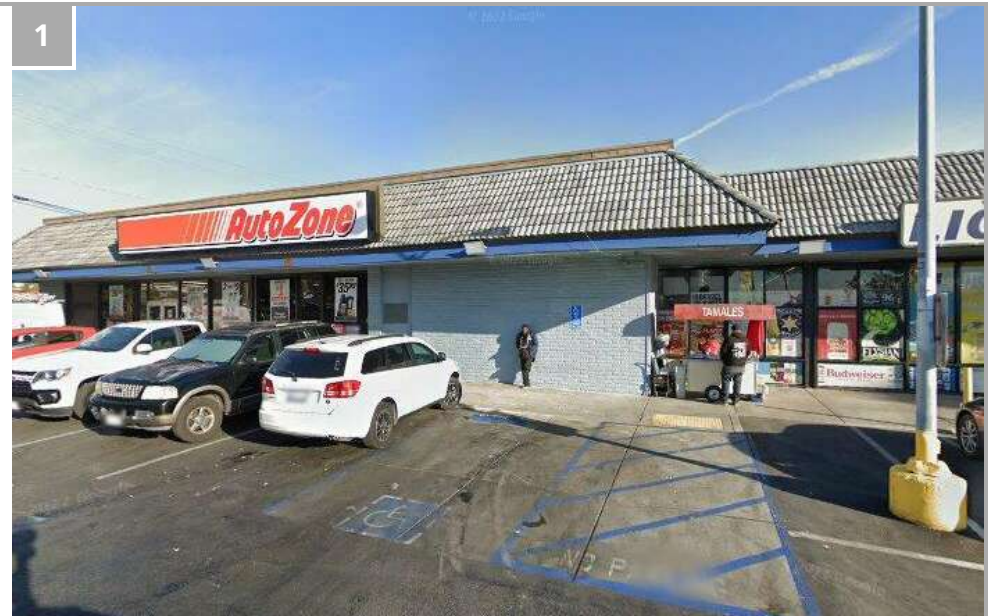
4004 39TH ST

San Diego, CA 92105

Sold 8/4/2021

DETAILS

Price:	\$3,900,000
Bldg Size:	7,016 SF
Lot Size	14,000 SF
No. Units:	2
Year Built:	1976
Price/SF:	\$555.87



SALE COMPS

4604 UNIVERSITY AVE
RETAIL PROPERTY FOR SALE

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4260 EL CAJON BLVD

San Diego, CA 92105

Sold 4/1/2022

DETAILS

Price:	\$2,400,000
Bldg Size:	3,950 SF
Lot Size	18,731 SF
No. Units:	2
Year Built:	1964
Price/SF:	\$607.59

3725-3727 UNIVERSITY AVE

San Diego, CA 92105

Sold 7/21/2022

DETAILS

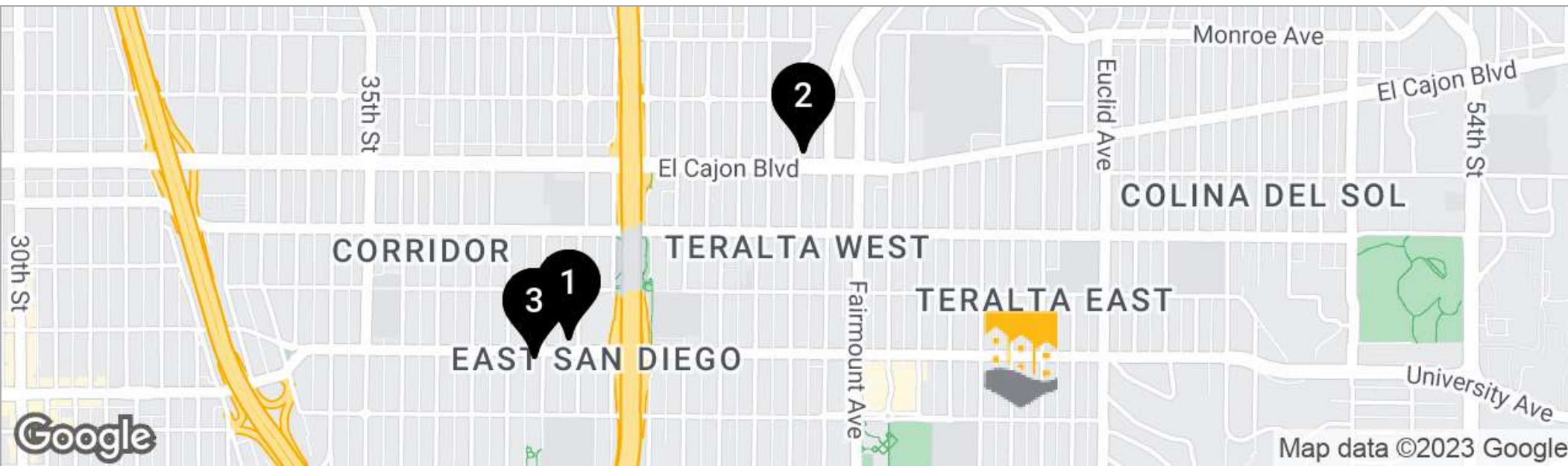
Price:	\$3,100,000
Bldg Size:	13,354 SF
Lot Size	14,248 SF
No. Units:	3
Year Built:	1948
Price/SF:	\$232.14

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SALE COMPS MAP & SUMMARY

4604 UNIVERSITY AVE
RETAIL PROPERTY FOR SALE



	NAME/ADDRESS	PRICE	BLDG SIZE	LOT SIZE	NO. UNITS	CAP RATE	PRICE/SF	PRICE/UNIT	DEAL STATUS
★	4604 University Ave San Diego, CA	\$1,999,000	6,438 SF	9,258 SF	1	3.45%	\$310.50	\$1,999,000	Subject Property
1	4004 39th St San Diego, CA	\$3,900,000	7,016 SF	14,000 SF	2	-	\$555.87	\$1,950,000	Sold 8/4/2021
2	4260 El Cajon Blvd San Diego, CA	\$2,400,000	3,950 SF	18,731 SF	2	-	\$607.59	\$1,200,000	Sold 4/1/2022
3	3725-3727 University Ave San Diego, CA	\$3,100,000	13,354 SF	14,248 SF	3	-	\$232.14	\$1,033,333	Sold 7/21/2022
	AVERAGES	\$3,133,333	8,107 SF	15,660 SF	2	NAN%	\$465.20	\$1,394,444	

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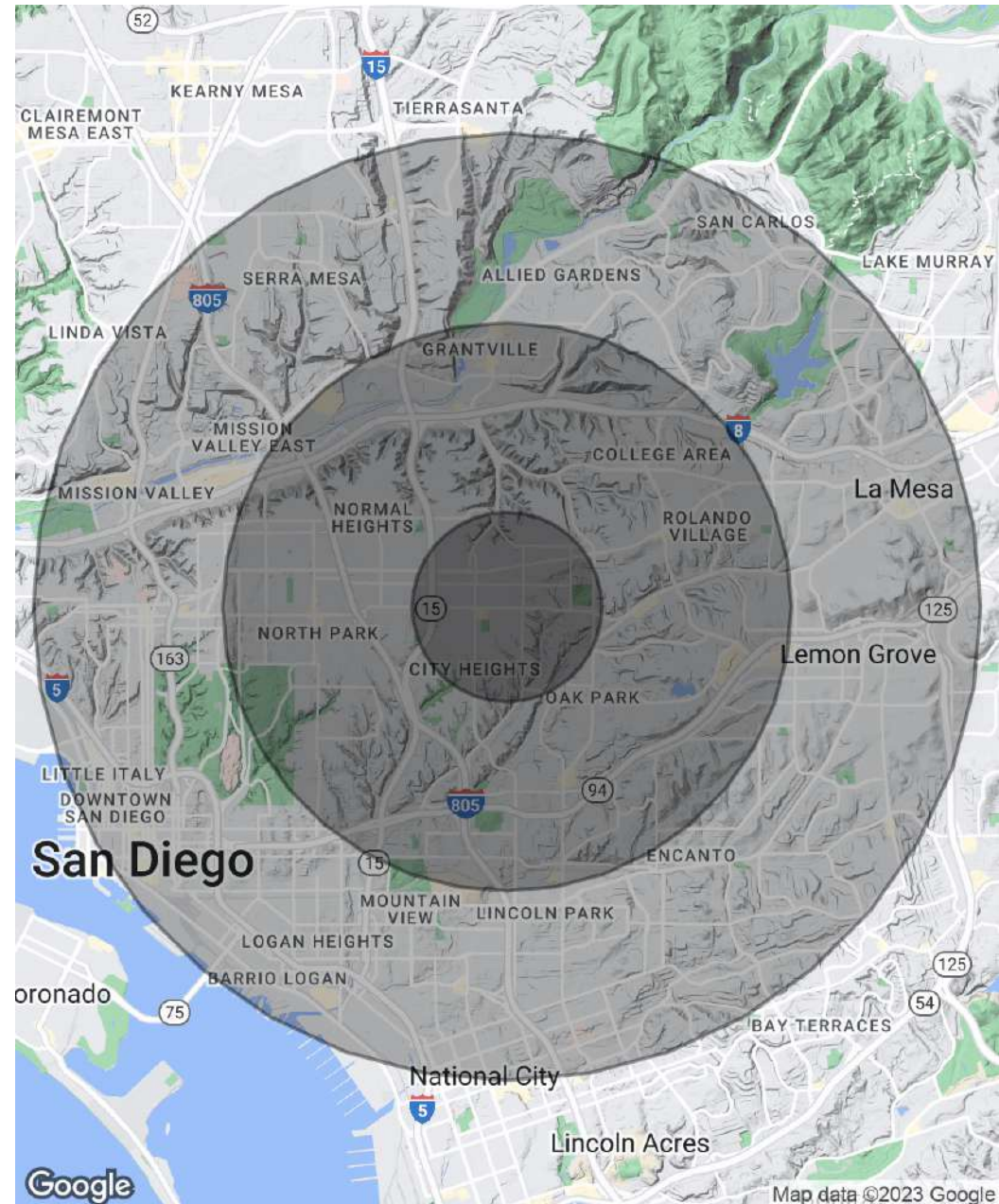
DEMOGRAPHICS

DEMOGRAPHICS MAP & REPORT

4604 UNIVERSITY AVE
RETAIL PROPERTY FOR SALE

POPULATION	1 MILE	3 MILES	5 MILES
Total Population	60,921	271,996	660,435
Average Age	32.9	33.7	35.2
Average Age (Male)	32.2	33.5	35.0
Average Age (Female)	33.8	34.3	36.2
HOUSEHOLDS & INCOME	1 MILE	3 MILES	5 MILES
Total Households	20,942	109,143	266,296
# of Persons per HH	2.9	2.5	2.5
Average HH Income	\$57,131	\$77,051	\$83,366
Average House Value	\$309,567	\$436,783	\$469,483
ETHNICITY (%)	1 MILE	3 MILES	5 MILES
Hispanic	53.6%	38.6%	38.7%
RACE	1 MILE	3 MILES	5 MILES
% White	44.9%	58.2%	60.7%
% Black	11.4%	11.1%	9.9%
% Asian	19.2%	11.9%	12.2%
% Hawaiian	0.2%	0.4%	0.4%
% American Indian	0.9%	1.0%	0.8%
% Other	15.5%	8.8%	7.9%

* Demographic data derived from 2020 ACS - US Census



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ADVISOR BIOS



MARK MORGAN

Senior Vice President

morgan@scc1031.com

Direct: 619-300-9070

CalDRE #01339919

PROFESSIONAL BACKGROUND

With 25 years of multi-family real estate experience, Mark has been involved in the sale and acquisition of over \$200,000,000 in real estate transactions. He has a deep understanding of how the apartment market in San Diego operates, including tracking sales, cash flow expectations of buyers, rental rate fluctuations, income and expense analysis, the interpretation of market indicators, condo-conversion analysis, and the devising of real estate marketing strategies. Mark's extensive real estate background has assisted him in maximizing the value of his clients' real estate and increasing their returns. In addition to representing his clients, he has been involved as an investor in the acquisition, condo-conversion, and sale multiple apartment complexes throughout San Diego County. This additional experience allows him to view the transaction from the perspective of a principal. As such, Mark has an extensive knowledge of the various investment products the San Diego County market has to offer.

South Coast Commercial

3405 Kenyon St #411
San Diego, CA 92110
619.226.6011