

CAJON SENIOR VILLAS

1219 PERSIMMON AVE
EL CAJON, CA 92021



SOUTH COAST
COMMERCIAL

CORFAC
INTERNATIONAL

OFFERING MEMORANDUM

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CAJON SENIOR VILLAS
MULTIFAMILY PROPERTY FOR SALE

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PROPERTY INFORMATION



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EXECUTIVE SUMMARY

CAJON SENIOR VILLAS MULTIFAMILY PROPERTY FOR SALE



Sale Price

\$10,500,000

OFFERING SUMMARY

| | |
|------------------|-----------|
| Building Size: | 23,802 SF |
| Lot Size: | 38,768 SF |
| Number of Units: | 46 |
| Price / Unit: | \$228,261 |
| Price / SF: | \$441.14 |
| Cap Rate: | 3.25% |
| Market Cap Rate: | 5.86% |
| NOI: | \$341,280 |
| Year Built: | 1990 |

PROPERTY OVERVIEW

South Coast Commercial, Inc. is pleased to present 1219 Persimmon Avenue, a charming 46-unit multifamily community located in El Cajon, California. Built in 1990, this well-maintained asset consists of (45) 516 Square foot One Bedroom / One Bath units & (1) 600 Square foot One Bedroom / One Bath permitted ADU. All second-floor units feature taller vaulted ceilings for a spacious open feel. There is the ability for a buyer to assume the current debt at an interest rate of 3.5% Interest only. Contact Brokers for details. Must be a qualified borrower and subject to approval by the current noteholder.

This asset presents significant rental upside and is extremely easy to manage given the current tenant profile. The property is restricted to senior tenants (62+). There are no income-related restrictions currently in place. The demand for senior housing is growing rapidly and according to recent studies, the aging population is projected to increase significantly in the coming years leading to a surge in demand for affordable senior housing options. The baby boomer generation, one of the largest demographic groups in history, is reaching retirement age. This cohort seeks housing options that offer convenience, accessibility, and a sense of community, making senior living communities an attractive opportunity. Furthermore, in response to the pandemic disruption, fewer senior housing projects were proposed in recent years and builders are factoring in higher borrowing costs resulting in a small construction pipeline for 2023 and likely the next few years which will only add to current demand for Senior housing moving forward.



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INTERIOR PHOTOS

CAJON SENIOR VILLAS
MULTIFAMILY PROPERTY FOR SALE



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LOCATION INFORMATION



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LOCATION DESCRIPTION



CAJON SENIOR VILLAS MULTIFAMILY PROPERTY FOR SALE

PROPERTY LOCATION

Cajon Senior Villas is ideally located within proximity to schools, Bostonia Park, the Parkway Plaza Mall, the East County Performing Arts Center, the Arnele Avenue Trolley Station, Interstate-8, and Highway 67.

The densely populated community of El Cajon presents some excellent multifamily rental market fundamentals such as proximity to high-wage jobs, an increasing average household income, no new deliveries scheduled for 2022, and significant discount to home ownership. Cajon Senior Villas offers a \$1,620 discount to home ownership. According to AxioMetrics, the El Cajon submarket is projected to experience 13.3% rent growth and the occupancy rate is expected to increase to 99.4%.

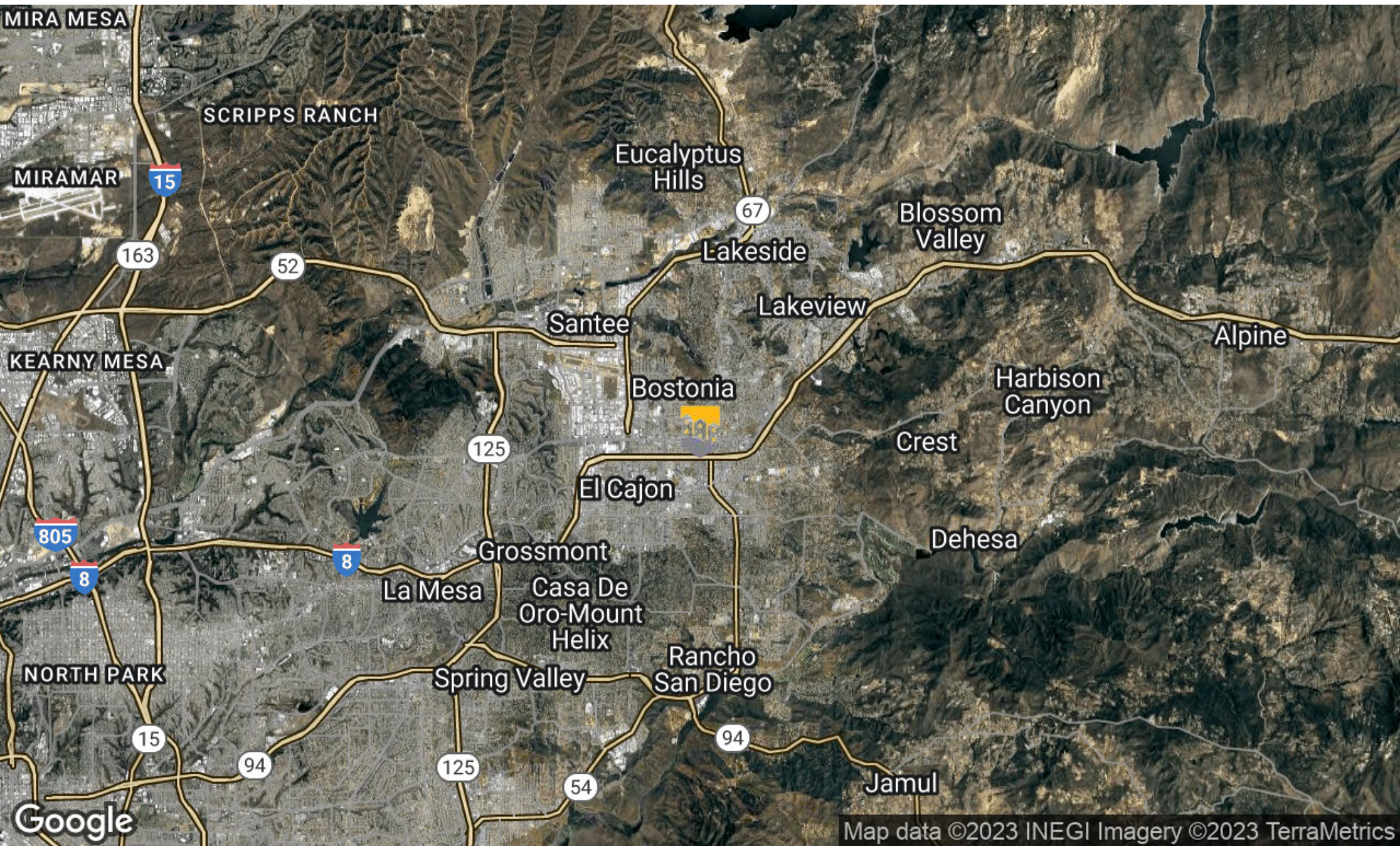
Cajon Senior Villas provides easy access Arnele Avenue Station, which runs on San Diego Trolley's Orange and Green lines connecting to major employers in the Greater San Diego region. The Arnele Avenue Station is about a 15-minute ride to Downtown San Diego, giving residents access to over 105,000 jobs, 4,000 businesses, and 13 million square feet of office space. Future developments Downtown include 13 major office projects currently in the process of delivering a total of 4.6 million square feet of office space and 20,000 new jobs that will further fuel Downtown's stunning transformation into a thriving urban metropolis. The Property is also conveniently located adjacent to Interstate 8 and just east of Highway 67, connecting residents to over 400,000 jobs in Mission Valley, Kearny Mesa/Clairemont and Golden Triangle within a 20-minute drive or less.

LOCATION DETAILS

| | |
|--------|-----------|
| County | San Diego |
|--------|-----------|

AERIAL MAP

CAJON SENIOR VILLAS
MULTIFAMILY PROPERTY FOR SALE



Map data ©2023 INEGI Imagery ©2023 TerraMetrics





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FINANCIAL ANALYSIS



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FINANCIAL SUMMARY

CAJON SENIOR VILLAS
MULTIFAMILY PROPERTY FOR SALE

| INVESTMENT OVERVIEW | CURRENT | PRO FORMA |
|----------------------------|--------------|--------------|
| Price | \$10,500,000 | \$10,500,000 |
| Price per SF | \$441 | \$441 |
| Price per Unit | \$228,261 | \$228,261 |
| GRM | 16.07 | 11.03 |
| CAP Rate | 3.25% | 6.01% |
| Cash-on-Cash Return (yr 1) | 1.45% | 6.53% |
| Total Return (yr 1) | \$174,749 | \$464,410 |
| Debt Coverage Ratio | 1.32 | 2.44 |
| OPERATING DATA | CURRENT | PRO FORMA |
| Gross Scheduled Income | \$653,580 | \$952,200 |
| Total Scheduled Income | \$653,580 | \$952,200 |
| Vacancy Cost | \$19,607 | \$28,566 |
| Gross Income | \$633,973 | \$923,634 |
| Operating Expenses | \$292,692 | \$292,692 |
| Net Operating Income | \$341,281 | \$630,942 |
| Pre-Tax Cash Flow | \$82,631 | \$372,292 |
| FINANCING DATA | CURRENT | PRO FORMA |
| Down Payment | \$5,700,000 | \$5,700,000 |
| Loan Amount | \$4,800,000 | \$4,800,000 |
| Debt Service | \$258,650 | \$258,650 |
| Debt Service Monthly | \$21,554 | \$21,554 |
| Principal Reduction (yr 1) | \$92,118 | \$92,118 |



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INCOME & EXPENSES

CAJON SENIOR VILLAS
MULTIFAMILY PROPERTY FOR SALE

| INCOME SUMMARY | CURRENT | PRO FORMA |
|-----------------------------|------------------|------------------|
| Rental Income | \$613,980 | \$912,600 |
| RUBS | \$36,000 | \$36,000 |
| Laundry/Misc Income | \$3,600 | \$3,600 |
| Vacancy Cost | (\$19,607) | (\$28,566) |
| GROSS INCOME | \$633,973 | \$923,634 |
| EXPENSES SUMMARY | CURRENT | PRO FORMA |
| Gas & Electric | \$6,504 | \$6,504 |
| Water & Sewer | \$10,617 | \$10,617 |
| Landscaping | \$5,850 | \$5,850 |
| Trash Removal | \$7,086 | \$7,086 |
| Pest Control | \$2,245 | \$2,245 |
| Maintenance | \$39,100 | \$39,100 |
| Management (Admin) | \$19,017 | \$19,017 |
| Management (On Site) | \$18,925 | \$18,925 |
| Payroll Taxes | \$1,748 | \$1,748 |
| Insurance | \$11,500 | \$11,500 |
| Taxes | \$170,100 | \$170,100 |
| OPERATING EXPENSES | \$292,692 | \$292,692 |
| NET OPERATING INCOME | \$341,281 | \$630,942 |

UNIT MIX SUMMARY

CAJON SENIOR VILLAS
MULTIFAMILY PROPERTY FOR SALE

| UNIT TYPE | BEDS | BATHS | COUNT | % OF TOTAL | RENT | MIN RENT | MAX RENT | MARKET RENT | MARKET RENT/SF |
|------------------------|------|-------|-----------|-------------|----------------|--------------|----------------|----------------|----------------|
| 1Bd/1Ba | 1 | 1 | 45 | 97.80% | \$1,097 | \$800 | \$1,500 | \$1,650 | - |
| 1Bd/1Ba - ADU | 1 | 1 | 1 | 2.20% | \$1,800 | - | - | \$1,800 | - |
| TOTALS/AVERAGES | | | 46 | 100% | \$1,112 | \$800 | \$1,500 | \$1,653 | \$NAN |



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A photograph of a residential street scene. In the foreground, there's a paved area with white parking lines. A large, light gray number '04' is overlaid on the left side. Behind the number, there's a row of houses with light-colored siding and dark roofs. Several large, leafy green trees are planted along the sidewalk in front of the houses. A green utility box is visible on the sidewalk to the right. The sky is blue with some light clouds.

04

DEMOGRAPHICS



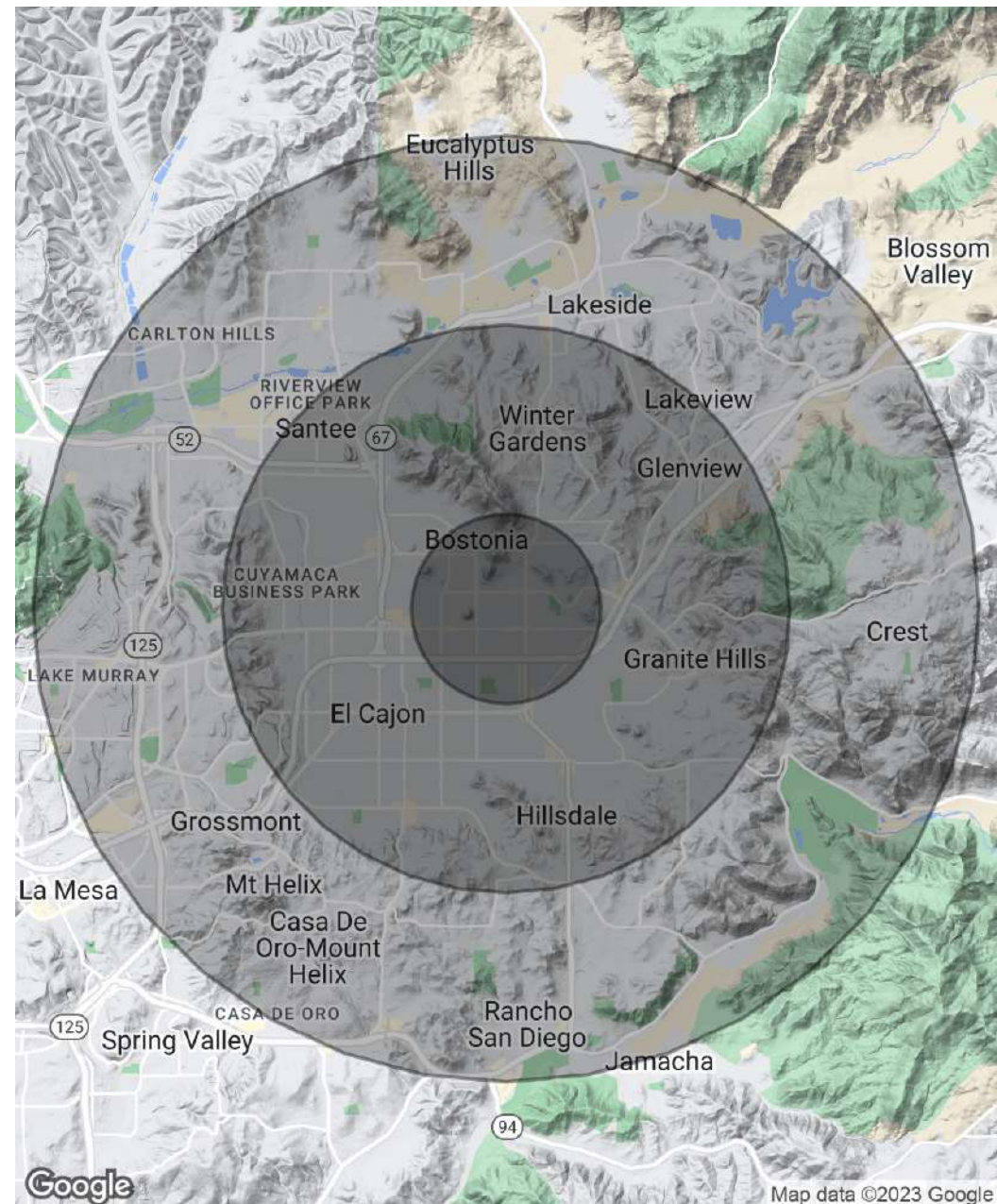
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DEMOGRAPHICS MAP & REPORT

CAJON SENIOR VILLAS
MULTIFAMILY PROPERTY FOR SALE

| POPULATION | 1 MILE | 3 MILES | 5 MILES |
|----------------------|-----------|-----------|-----------|
| Total Population | 33,663 | 156,832 | 297,902 |
| Average Age | 33.0 | 37.1 | 38.4 |
| Average Age (Male) | 33.0 | 36.2 | 37.3 |
| Average Age (Female) | 33.5 | 38.6 | 39.9 |
| HOUSEHOLDS & INCOME | 1 MILE | 3 MILES | 5 MILES |
| Total Households | 10,895 | 52,789 | 103,379 |
| # of Persons per HH | 3.1 | 3.0 | 2.9 |
| Average HH Income | \$66,235 | \$80,022 | \$91,407 |
| Average House Value | \$323,833 | \$374,485 | \$448,141 |

* Demographic data derived from 2020 ACS - US Census





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ADVISOR BIOS



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INTERNATIONAL



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PROFESSIONAL BACKGROUND

Abe Peay specializes in the sale of multifamily buildings in San Diego County. He joined South Coast Commercial, INC in 2017 as a Senior Associate, and was promoted to Vice President of Investment Sales in the company's San Diego office, with responsibility for multifamily acquisitions, dispositions, opinions of value and market insights. With more than 15 years of commercial real estate experience in investment sales & acquisitions, Abe has established himself as one of the region's top producing multifamily brokers, working with local private investors and national institutional groups alike. His decades of experience in the field of commercial real estate, as well as his keen eye for a good deal, ensure that his clients receive exceptional results for their investments.

In addition, Mr. Peay's multifamily team—including a financial analyst, administrative assistant, and three agents—provides his clients with a solid base of support to help guide them through each step of the transaction process. Whether assessing the value of a property, or brokering the right deal tailored to their specific personal and financial needs, Mr. Peay's knowledge, enthusiasm, confidence, and negotiating skills ensure his place as one of San Diego's leading apartment brokers.

See what my clients say about me –

“Abe is terrific to work with — always available, he picks up the phone at night or on weekends.”

“Abe is a tireless worker who never rests until the job is done.”

“In an industry where trust is a rare commodity, Abe is dependable, honest, and reliable.”

“An experienced real estate agent, Abe brings a wide range of knowledge and expertise to his profession.”

South Coast Commercial

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PROFESSIONAL BACKGROUND

Jeff Diller joined South Coast Commercial in June of 2014 after working in commercial asset association management and graduating with honors from San Diego State University in Real Estate Finance. Specializing in 5–50 unit multifamily properties located throughout San Diego County, Jeff has an extremely intimate knowledge of all local submarkets from serving both private and institutional clients alike. During his career, Jeff has personally listed, closed, and represented buyers on well over \$300,000,000.00 dollars in real estate transactions to date.

Jeff prioritizes his clients' interests above all else, with an understanding that his success is solely dependent on his client's success. By combining his extensive market experience, comprehensive knowledge of capital markets, and innovative and aggressive marketing strategies, Jeff consistently achieves superior results for his clients.

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