

OFFERING MEMORANDUM

The Element

2603 Dove St
San Diego CA 92103



SOUTH COAST
COMMERCIAL



CORFAC
INTERNATIONAL

The Element

CONTENTS

01 Executive Summary

Investment Summary
Unit Mix Summary

02 Property Description

Property Features
Aerial Map
Property Images

03 Financial Analysis

Income & Expense Analysis
Financial Metrics

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SOUTH COAST
COMMERCIAL



THE ELEMENT

01

Executive Summary

Investment Summary

Unit Mix Summary



ADDRESS	2603 Dove St San Diego CA 92103
COUNTY	San Diego
MARKET	San Diego
SUBMARKET	Bankers Hill
NET RENTABLE SQUARE FEET	20,650 SF
GROSS AREA SQUARE FEET	33,492 SF
PATIO SQUARE FEET	5,129
NUMBER OF UNITS	28
LAND SQUARE FEET	22,651
LAND ACRES	.52
APN	452-674-33-00
OWNERSHIP TYPE	Fee Simple

OFFERING PRICE	\$17,995,000
PRICE PSF	\$871.43
PRICE PER UNIT	\$642,679
OCCUPANCY	97.00 %
NOI (CURRENT)	\$627,812
NOI (Pro Forma)	\$689,667
CAP RATE (CURRENT)	3.49 %
CAP RATE (Pro Forma)	3.83 %
CASH ON CASH (CURRENT)	1.57 %
CASH ON CASH (Pro Forma)	2.13 %
GRM (CURRENT)	18.72
GRM (Pro Forma)	17.56

LOAN TYPE	Interest Only
DOWN PAYMENT	\$10,995,000
LOAN AMOUNT	\$7,000,000
INTEREST RATE	6.50 %
LOAN TERMS	5 Year I/O
ANNUAL DEBT SERVICE	\$455,000
LOAN TO VALUE	39 %

2022 Population	27,882	199,723	480,488
2022 Median HH Income	\$100,470	\$82,538	\$79,124
2022 Average HH Income	\$133,046	\$118,886	\$113,716

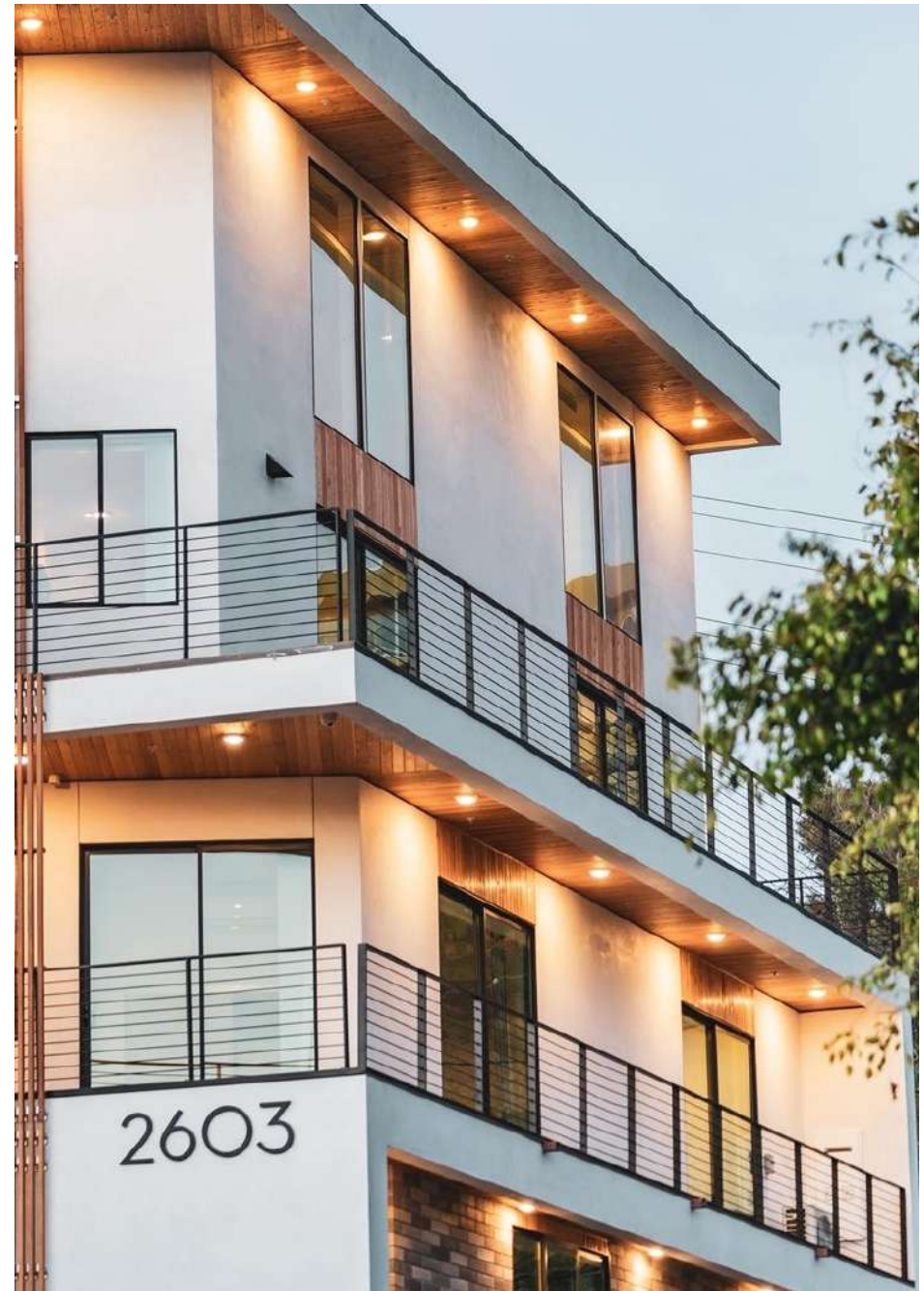


The Element is a supremely located brand new 28 unit luxury apartment complex located in the upscale "Banker's Hill" neighborhood of San Diego. Adjacent to the picturesque Maple Canyon walking trail, Element was designed with an intent to appeal to tenants that share a genuine love for outdoor serenity in combination with Class A city living. Perfectly located, the complex is less than a mile from Balboa Park, less than half a mile from Little Italy, and just an 8-10 minute drive to/from San Diego International Airport, Coronado Island, Ocean Beach and North Park.

The Element brings robust value to ownership by way of competitive tenant-demand & superior property appreciation given its location, reputation, brand and vintage. Expenses will remain sustainably low for the foreseeable future. Nearly impossible to find in San Diego County, the demand for luxurious, modern, safe, quiet units for tenants is unparalleled. Due to the year built, AB 1482 rent control does not apply to the subject property. Situated in a quieter neighborhood within the heart of San Diego, this complex provides a quaint residential feel, the best of both worlds. Each unit offers a unique patio space that ranges from 37 square feet to a remarkable 879 square feet of private outdoor patio space. Striking architectural forms, open terraces, double height interior spaces and semi-enclosed circulation are some of the simple yet unique elements that lead to inspire the buildings identity.

Some Unit Amenities/Features Include:

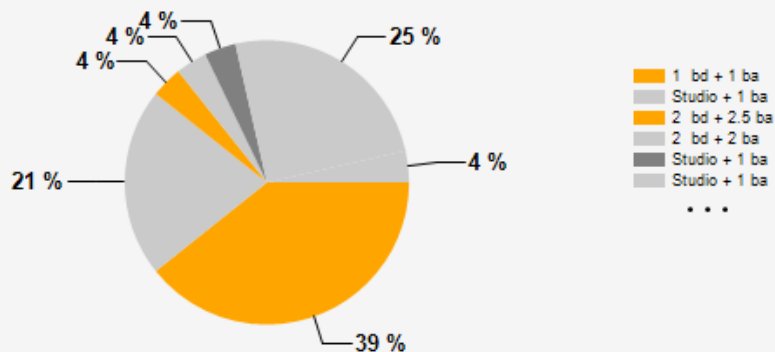
- In unit samsung washer/dryer
- Stainless steel appliances
- Large open, unique floor plan
- Large windows
- Modern kitchens with butcher block counter tops
- West facing units have beautiful views of the bay
- Samsung Dishwasher
- Samsung Microwave
- Samsung Refrigerator
- Samsung Stove/Oven



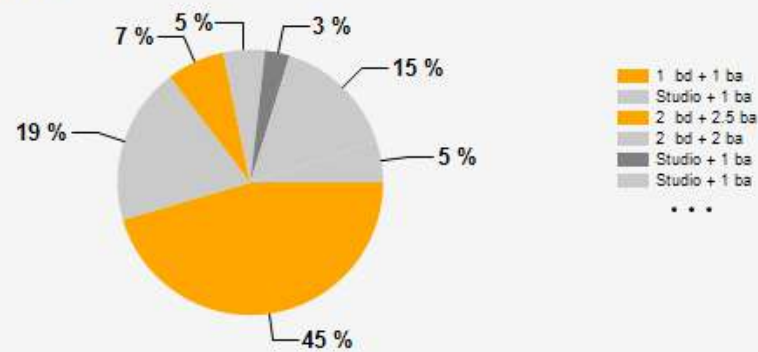
1 bd + 1 ba	11	798	\$3,227	\$4.04	\$35,497	\$3,600	\$4.51	\$39,600
Studio + 1 ba	6	619	\$3,326	\$5.37	\$19,956	\$3,500	\$5.65	\$21,000
2 bd + 2.5 ba	1	1,361	\$4,194	\$3.08	\$4,194	\$4,500	\$3.31	\$4,500
2 bd + 2 ba	1	996	\$3,500	\$3.51	\$3,500	\$4,000	\$4.02	\$4,000
Studio + 1 ba	1	678	\$997	\$1.47	\$997	\$997	\$1.47	\$997
Studio + 1 ba	7	421	\$1,981	\$4.71	\$13,867	\$2,300	\$5.46	\$16,100
1 bd + 1 ba	1	1,070	\$1,044	\$0.98	\$1,044	\$1,044	\$0.98	\$1,044
Totals/Averages	28	698	\$2,823	\$3.31	\$79,055	\$3,116	\$3.63	\$87,241

Notes: Square footage of 1's ranges from 658 to 1162 Square footage of studios ranges from 522-1,070 Square footage of ADU studios ranges from 339-541 Complete breakdown available upon request

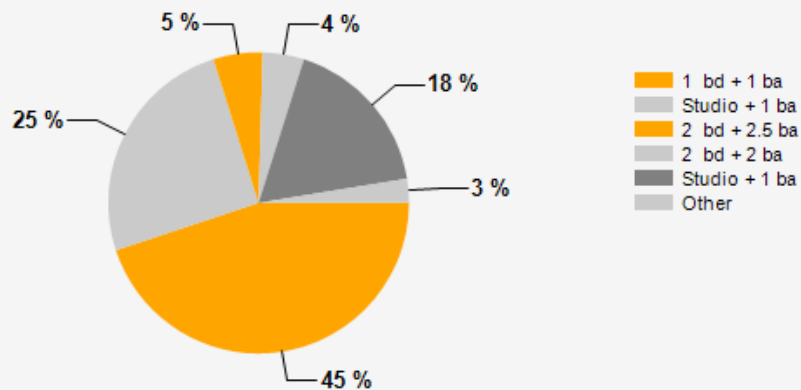
Unit Mix Summary



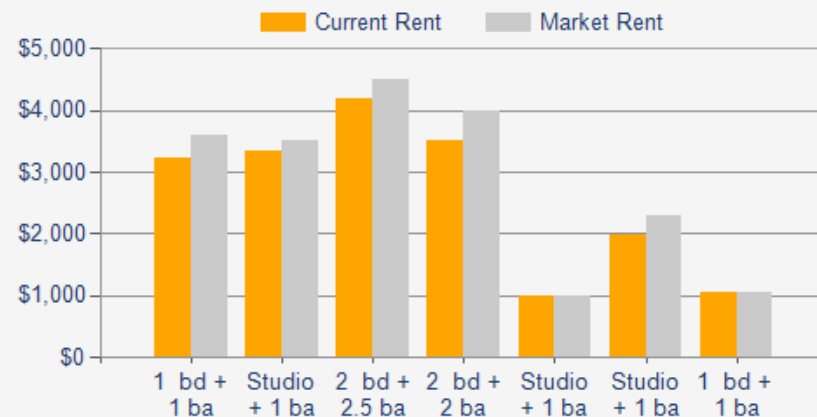
Unit Mix SF



Unit Mix Revenue



Actual vs. Market Revenue



THE ELEMENT

02

Property Description

Property Features
Aerial Map
Property Images

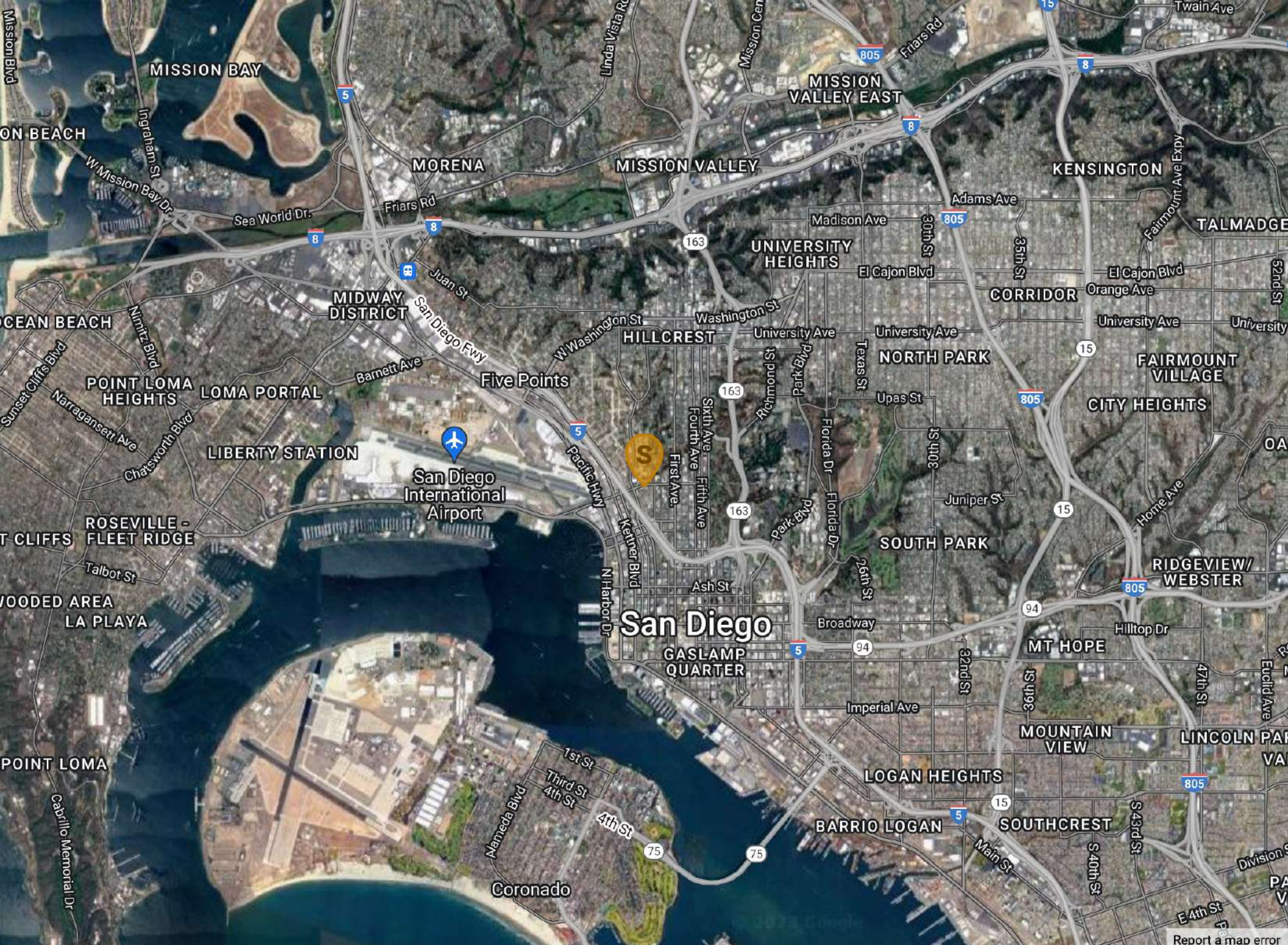
NUMBER OF UNITS	28
NET RENTABLE SQUARE FEET	20,650
GROSS AREA SQUARE FEET	33,492
PATIO SQUARE FEET	5,129
LAND SQUARE FEET	22,651
LAND ACRES	.52
# OF PARCELS	1
YEAR BUILT	2021
ZONING TYPE	Commercial
BUILDING CLASS	A
LOCATION CLASS	A
NUMBER OF STORIES	4
NUMBER OF PARKING SPACES	19
WASHER/DRYER	28

HVAC	Carrier ducted mini split-DLS24K 230V HPCDULG PTAC
FIRE SPRINKLERS	NFPA13 Standpipe sprinkler system throughout
WATER METERING	¾" CA submeter -Units individually submetered
HOT WATER SUPPLY	Tankless Rheem inline RTG-XL outdoor

WATER	Tenant
TRASH	Landlord
GAS	Tenant
ELECTRIC	Tenant

FOUNDATION	Conventional concrete footing w/ some areas of slab on grade & some w/ crawl space.Block frame and podium for the rear building up to level two
FLOORING	Concrete
SIDING	T&G Larch/ Santa Barbara Stucco
PLUMBING	PVC/ABS/PEX
ROOF	White 2 Ply Torch Down (Eco Friendly)
MATERIALS/ COUNTER TOPS	Birch Butcherblock
MATERIALS/ CABINETS	Ikea/Kungsbacka
LIGHT FIXTURES	LED Disk Lights
BUILDING	Wood Frame





[Report a map error](#)

























THE ELEMENT

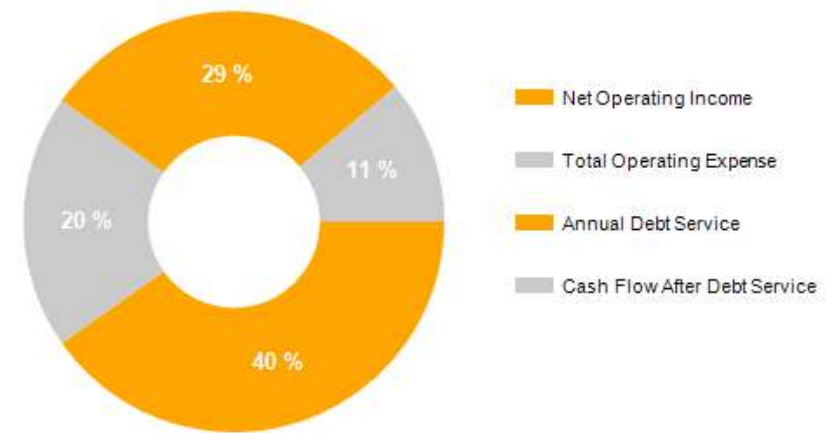
03

Financial Analysis

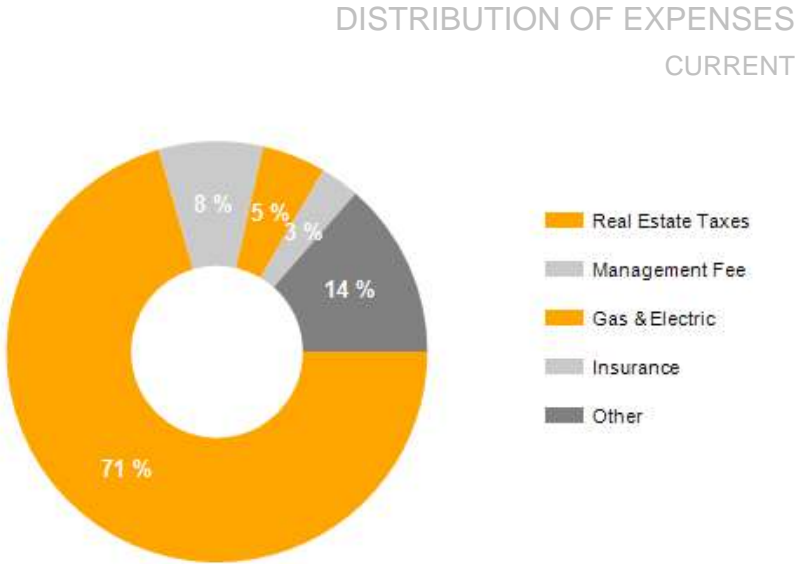
Income & Expense Analysis
Financial Metrics

REVENUE ALLOCATION CURRENT

Gross Potential Rent	\$939,804	97.8 %	\$1,003,572	97.9 %
Pet Rent	\$8,448	0.9 %	\$8,448	0.8 %
Carport	\$6,504	0.7 %	\$6,504	0.6 %
Utilities	\$6,432	0.7 %	\$6,432	0.6 %
Gross Potential Income	\$961,188		\$1,024,956	
General Vacancy	-\$28,194	3.0 %	-\$30,107	3.0 %
Effective Gross Income	\$932,994		\$994,849	
Less Expenses	\$305,182	32.70 %	\$305,182	30.67 %
Net Operating Income	\$627,812		\$689,667	
Annual Debt Service	\$455,000		\$455,000	
Cash flow	\$172,812		\$234,667	
Debt Coverage Ratio	1.38		1.52	

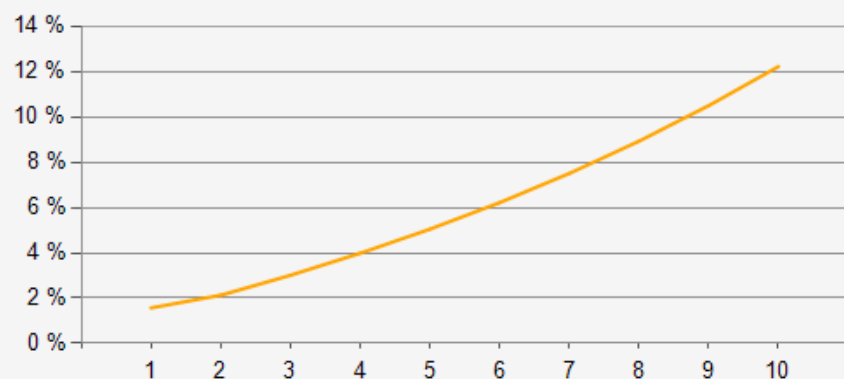


Real Estate Taxes	\$215,250	\$7,688	\$215,250	\$7,688
Insurance	\$9,159	\$327	\$9,159	\$327
Management Fee	\$24,434	\$873	\$24,434	\$873
Porter	\$4,050	\$145	\$4,050	\$145
Advertising	\$6,154	\$220	\$6,154	\$220
Trash	\$7,507	\$268	\$7,507	\$268
Landscaping	\$1,156	\$41	\$1,156	\$41
Pest Control	\$1,263	\$45	\$1,263	\$45
Gas & Electric	\$14,972	\$535	\$14,972	\$535
Water & Sewer	\$756	\$27	\$756	\$27
Fire Alarm	\$4,552	\$163	\$4,552	\$163
Parts & Supplies	\$1,405	\$50	\$1,405	\$50
Turnover	\$5,927	\$212	\$5,927	\$212
Maintenance	\$8,597	\$307	\$8,597	\$307
Total Operating Expense	\$305,182	\$10,899	\$305,182	\$10,899
Annual Debt Service	\$455,000		\$455,000	
Expense / SF	\$14.78		\$14.78	
% of EGI	32.70 %		30.67 %	

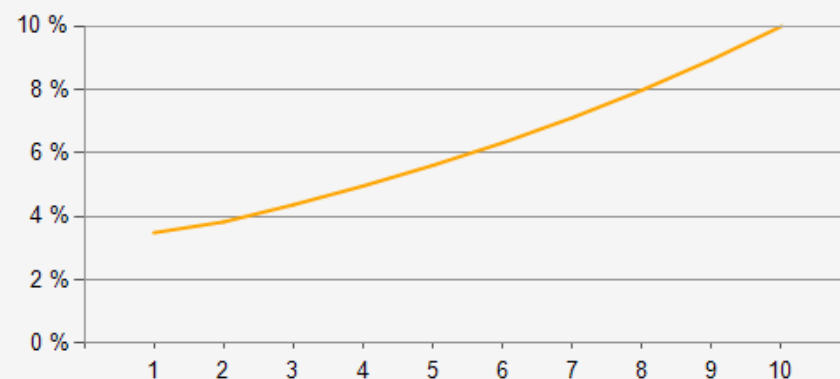


Cash on Cash Return b/t	1.57 %	2.13 %	3.01 %	3.98 %	5.04 %	6.21 %	7.50 %	8.92 %	10.49 %	12.21 %	14.11 %
CAP Rate	3.49 %	3.83 %	4.37 %	4.96 %	5.61 %	6.32 %	7.11 %	7.98 %	8.94 %	9.99 %	11.15 %
Debt Coverage Ratio	1.38	1.52	1.73	1.96	2.22	2.50	2.81	3.16	3.53	3.95	4.41
Operating Expense Ratio	32.70 %	30.67 %	28.14 %	25.82 %	23.70 %	21.75 %	19.97 %	18.34 %	16.84 %	15.47 %	14.21 %
Gross Multiplier (GRM)	18.72	17.56	15.97	14.52	13.21	12.01	10.92	9.93	9.03	8.21	7.47
Loan to Value	38.91 %	38.87 %	38.92 %	38.92 %	38.92 %	38.88 %	38.89 %	38.90 %	38.91 %	38.90 %	38.90 %
Breakeven Ratio	79.09 %	74.17 %	67.69 %	61.78 %	56.40 %	51.48 %	47.00 %	42.91 %	39.19 %	35.78 %	32.68 %
Price / SF	\$871.43	\$871.43	\$871.43	\$871.43	\$871.43	\$871.43	\$871.43	\$871.43	\$871.43	\$871.43	\$871.43
Price / Unit	\$642,679	\$642,679	\$642,679	\$642,679	\$642,679	\$642,679	\$642,679	\$642,679	\$642,679	\$642,679	\$642,679
Income / SF	\$45.18	\$48.17	\$52.97	\$58.24	\$64.04	\$70.43	\$77.44	\$85.16	\$93.65	\$102.99	\$113.27
Expense / SF	\$14.77	\$14.77	\$14.90	\$15.04	\$15.18	\$15.32	\$15.47	\$15.62	\$15.77	\$15.94	\$16.10

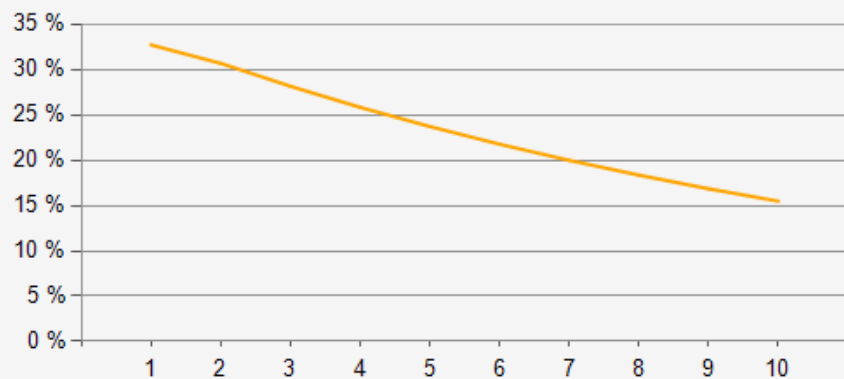
Cash on Cash



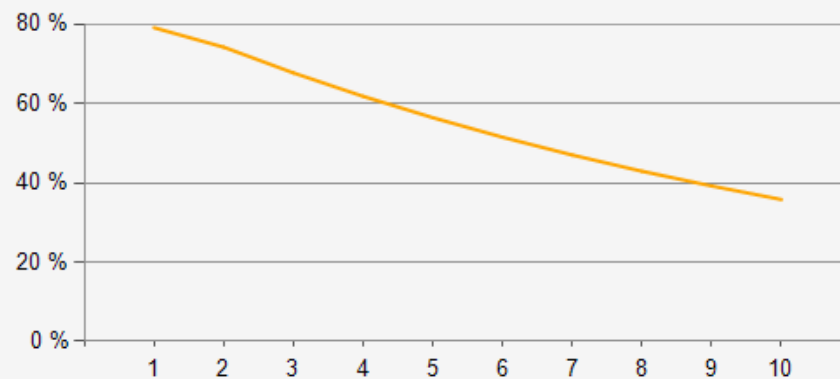
Cap Rate



Operating Expense Ratio



Breakeven Ratio



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