OFFERING MEMORANDUM

580 W 22nd Street | San Pedro, CA 90731

$899,000	4 UNITS	100% OCCUPIED
Offering Price	Four 1BR / 1BA Units	Existing Tenants in Place

Value-Add Multifamily Opportunity in Point Fermin

Fully occupied 1922-vintage four-unit apartment building on a prominent corner lot, with significant rent upside and parking for eight vehicles.

Presented by

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Executive Summary

580 W 22nd Street is a fully occupied four-unit apartment property located in San Pedro's Point Fermin area. The property contains approximately 2,912 square feet of building area on an approximately 5,401 square foot corner lot. Each unit is configured as a 1-bedroom, 1-bath residence. The building is separately metered for gas and electricity and offers eight uncovered/tandem parking spaces. The investment thesis is centered on the substantial difference between existing rents and the stated pro forma rents.

Offering Price	$899,000	**Price / Unit**	$224,750
Building Area	2,912 SF	**Price / SF**	$308.72
Lot Area	5,401 SF	**Year Built**	1922
Current Gross Rent	$54,792*	**Pro Forma Gross Rent**	$86,400
Annual Expenses	$19,637	**Pro Forma NOI****	$66,763

* The four unit rents shown in the MLS unit schedule total $4,566/month ($54,792/year), while the MLS also displays Gross Scheduled Income of $54,672. This OM uses the unit-by-unit rent schedule for current-rent underwriting and flags the $120 annual discrepancy for buyer verification.
** Pro forma NOI assumes the stated $19,637 annual operating expenses remain constant; actual future expenses and legally achievable rents may differ.

Investment Highlights

• Four 1-bedroom / 1-bath units; all currently occupied and sold with existing tenants in place.

• Current scheduled rents of $967, $1,015, $1,245 and $1,339 per month versus stated pro forma rent of $1,800 per unit.

• Potential gross scheduled rent increase from approximately $54,792 to $86,400 annually, a $31,608 increase based on the unit schedule.

• Corner lot at W 22nd Street and Grand Avenue in the Point Fermin area.

• Eight uncovered/tandem parking spaces and an oversized parking area.

• Four separate electric meters and four gas meters; one water meter.

• No HOA dues; zoning shown as LARD1.5.

Current Rent Roll & Pro Forma

Unit	Beds	Baths	Current / Mo.	Pro Forma / Mo.	Monthly Upside
1	1	1	$967	$1,800	$833
2	1	1	$1,015	$1,800	$785
3	1	1	$1,245	$1,800	$555
4	1	1	$1,339	$1,800	$461
TOTAL			**$4,566**	**$7,200**	**$2,634**

Annual current scheduled rent: $54,792 | **Annual pro forma rent:** $86,400 | **Potential annual gross upside:** $31,608

Illustrative Underwriting

Metric	Current (Unit Schedule)	Pro Forma
Gross Scheduled Rent	$54,792	$86,400
Operating Expenses	$19,637	$19,637
Illustrative NOI	$35,155	$66,763
Cap Rate @ $899,000	3.91%	7.43%
GRM @ $899,000	16.41	10.41

Important: The MLS displays a 7.43% cap rate and 10.41 GRM while also showing current Gross Scheduled Income of $54,672 and NOI of $46,272. Those displayed ratios mathematically correspond much more closely to the $86,400 pro forma income and $66,763 pro forma NOI. The table above therefore separates current unit-schedule underwriting from the stated pro forma scenario rather than presenting the MLS ratios as current performance.

Stated Annual Operating Expenses

Expense	Annual Amount
Property Taxes / New Taxes	$11,237
Insurance	$3,000
Water / Sewer	$5,400
Total Operating Expenses	**$19,637**

Property Details

Property Type	Quadruplex / Residential Income	**Total Units**	4
Unit Mix	4 x 1BR / 1BA	**Building Area**	Approx. 2,912 SF
Lot Size	Approx. 5,401 SF	**Year Built**	1922
Stories	2	**Architecture**	Traditional
Parking	8 uncovered / tandem spaces	**HOA**	$0
Gas Meters	4	**Electric Meters**	4
Water Meters	1	**Zoning**	LARD1.5
Parcel	7462-030-019	**MLS ID**	SB26188559

Location & Physical Characteristics

The property is situated on a corner lot at W 22nd Street and Grand Avenue in San Pedro's Point Fermin area. The listing describes convenient access to the waterfront, harbor, marina, shopping, dining and major transportation routes. Exterior and site features include a front yard, level rectangular lot, balconies, lighting, block/wood fencing, public sewer, composition shingle roof, stucco construction and a raised concrete-perimeter foundation.

Buyer / Underwriting Notes

• Property is identified as rent controlled in the MLS. Buyer should independently investigate applicable rent-control and tenant-protection regulations and the timing/legality of any rent increases.

• Drive-by / subject to inspection after offer acceptance; do not disturb or contact tenants.

• Seller may complete a 1031 exchange at no cost to buyer.

• Offers requested with RIPA, proof of funds for down payment/closing costs and lender pre-approval.

• No vacancy allowance, management, maintenance, gardening or several other expense categories are stated in the MLS. Buyers should underwrite normalized reserves and expenses independently.

Contact

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