



OFFERING MEMORANDUM



559-565

61ST ST

SAN DIEGO, CA 92114



LANDMARK

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01 INVESTMENT SUMMARY

INVESTMENT SUMMARY

INVESTMENT HIGHLIGHTS

INVESTMENT SUMMARY

THE OFFERING

559-565 61st Street presents a rare **7-unit** multifamily opportunity spread across **4 separate structures** on a spacious **15,606 square foot lot**. A footprint that is genuinely difficult to find in this market. The property consists of **(6) 2bed/1ba units and (1) 4bed/2ba**, offering a unit mix with broad tenant appeal and strong household income potential.

Current rents sit below market, making this a straightforward value add opportunity for an investor looking to capture meaningful rental upside through interior renovations and professional management. The existing RUBS program provides a modest additional income stream and opportunity to offset utility expenses going forward.

The four structure configuration adds operational flexibility, allowing for phased renovations, staggered lease ups, or alternative management strategies.

PROPERTY OVERVIEW

Price	\$1,875,000
Price / SF	\$323
Building SF	5,793
No. of Units	7
In-Place Cap Rate	5.37%
In-Place GRM	10.99
Market Cap Rate	6.93%
Market GRM	9.31
Lot Size	15,606
Year Built	1940
Zoning	RX-1-1, TPA, SDA Opportunity Zone



Investment Highlights

Value-Add Rental Upside

Current rents are below market, providing a clear path to increased cash flow through interior renovations and professional management. An investor with a renovation strategy can meaningfully close the gap between in-place and market rents across all 7 units.

Spacious Lot in a Supply-Constrained Market

The 15,606 square foot lot is a standout attribute in a market where land is increasingly scarce. The existing 4-structure layout maximizes the site's utility while leaving room for an operator to add value through thoughtful improvements.

Diverse Unit Mix

The combination of (6) 2bed/1ba and (1) 4bed/2ba units attracts a wide range of tenants, reducing vacancy risk and supporting strong, sustained occupancy.

Favorable Zoning Overlays

The property sits within a Transit Priority Area (TPA), Sustainable Development Area (SDA), and Federal Opportunity Zone – a combination that expands the toolkit for future investors and may offer significant tax advantages for qualifying capital gains investments.





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02 PROPERTY PHOTOS

PHOTOS







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03 FINANCIALS

RENT ROLL & EXPENSES

Income & Expenses

Current Rents

# Units	Type	Rent	Rent Range
6	2 BR / 1 BA	\$1,697	\$1,679 - \$1,750
1	4 BR / 2 BA	\$3,700	
	RUBS	\$335	

Total Monthly Income	\$14,218
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Market Rents

# Units	Type	Rent	Rent Range
6	2 BR / 1 BA	\$2,100	
1	4 BR / 2 BA	\$3,850	
	RUBS	\$335	

Total Monthly Income	\$16,785
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ESTIMATED ANNUAL OPERATING EXPENSES

Expense	Annual Cost
Utilities	\$15,773
Trash Removal	\$957
Maintenance & Repairs	\$8,517
Cleaning	\$200
Professional Fee	\$4,375
Insurance	\$9,128
Taxes	\$22,500

Total Annual Operating Expenses	\$61,450	36% GSI
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Current Rent Roll

Unit Number	Bedroom	Bathroom	Rent	RUBS
559	2.00	1.00	\$1,679	\$45.00
559 1/2	2.00	1.00	\$1,679	\$45.00
561	2.00	1.00	\$1,750	\$45.00
561 1/2	2.00	1.00	\$1,679	\$45.00
563	2.00	1.00	\$1,690	\$45.00
563 1/2	2.00	1.00	\$1,706	\$45.00
565 (Vacant)	4.00	2.00	\$3,700 (Vacant)	\$65.00
Total			\$13,883	\$335
				\$14,218

Current & Pro Forma Investment Summary

ESTIMATED ANNUAL OPERATING PROFORMA

	Actual	Market
Gross Scheduled Income	\$170,616	\$201,420
Less Vacancy Factor (5%)	\$8,531	\$10,071
Gross Operating Income	\$162,085	\$191,349
Less Expenses	\$61,450	\$61,450
Net Operating Income	\$100,636	\$128,699
Less TD Payments	(\$79,642)	(\$79,642)
Pre-Tax Cash Flow	\$20,994	\$50,257
Cash on Cash Return	2.80%	6.70%
Principal Reduction	\$14,206	\$14,206
Total Potential Return (1 Year)	4.69%	8.60%

Financing

FINANCING SUMMARY

Downpayment	\$750,000 (40.00%)
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Interest Rate	5.85%
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Amortized Over	30 Years
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Proposed Loan Amount	\$1,125,000
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Debt Coverage Ratio (Current)	1.26
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Debt Coverage Ratio (Market)	1.63
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04 SALES & RENT COMPARABLES

Sale Comparables



**719-31 N 63rd St
San Diego, CA 92114**

Sale Price	\$2,525,000
# of Units	6
Price/SF	\$607
Price/Unit	\$420,833
Year Built	1960
Building SF	4,822
Cap Rate	5.64%
Date of Sale	6/17/2025
GRM	12.00
Notes	(5) 3bd/1ba (1) 3bd/2ba



**5181-93 Naranja St
San Diego, CA 92114**

Sale Price	\$1,675,000
# of Units	5
Price/SF	\$259
Price/Unit	\$335,000
Year Built	NA
Building SF	6,466
Cap Rate	NA
Date of Sale	3/30/2026
GRM	NA
Notes	(3) 2bd/1ba (1) 3bd/1ba (1) 4bd/3ba



**601-15 Stork St
San Diego, CA 92114**

Sale Price	\$1,975,000
# of Units	8
Price/SF	\$310
Price/Unit	\$246,875
Year Built	1965
Building SF	6,375
Cap Rate	4.20%
Date of Sale	3/17/2025
GRM	12.60
Notes	(8) 3bd/1ba (1) 1bd/ba Non Conforming

Sale Comparables



**5201-5211 Naranja St
San Diego, CA 92114**

Sale Price	\$1,975,000
# of Units	10
Price/SF	\$317
Price/Unit	\$197,500
Year Built	1948
Building SF	6,236
Cap Rate	5.89%
Date of Sale	7/14/2025
GRM	11.80
Notes	(5) 2bd/1ba (4) 2bd/1ba (1) 3bd/1.5ba



**701-15 60th St
San Diego, CA 92114**

Sale Price	\$2,050,000
# of Units	10
Price/SF	\$368
Price/Unit	\$246,875
Year Built	1940
Building SF	5,577
Cap Rate	4.61%
Date of Sale	6/12/2026
GRM	12.94
Notes	(8) 1bd/1ba (2) 2bd/1ba

Subject Property Metrics vs Comparable Averages



**559-65 N 61st St
San Diego, CA 92114**

Broker Value	\$1,875,000
# of Units	7
Price/SF	\$323
Price/Unit	\$267,857
Cap Rate	5.37%
GRM	10.99
Year Built	1940
Sq Footage	5,793
Notes	(6) 2bd/1ba (1) 4bd/2ba

Cap Rate
Average

5.09%

GRM
Average

12.34

\$/Sqft
Average

\$372

\$/Unit
Average

\$281,042

559-565 61st St - Sales Comps Map

Subject Property

 559-65 61st St

Comparables

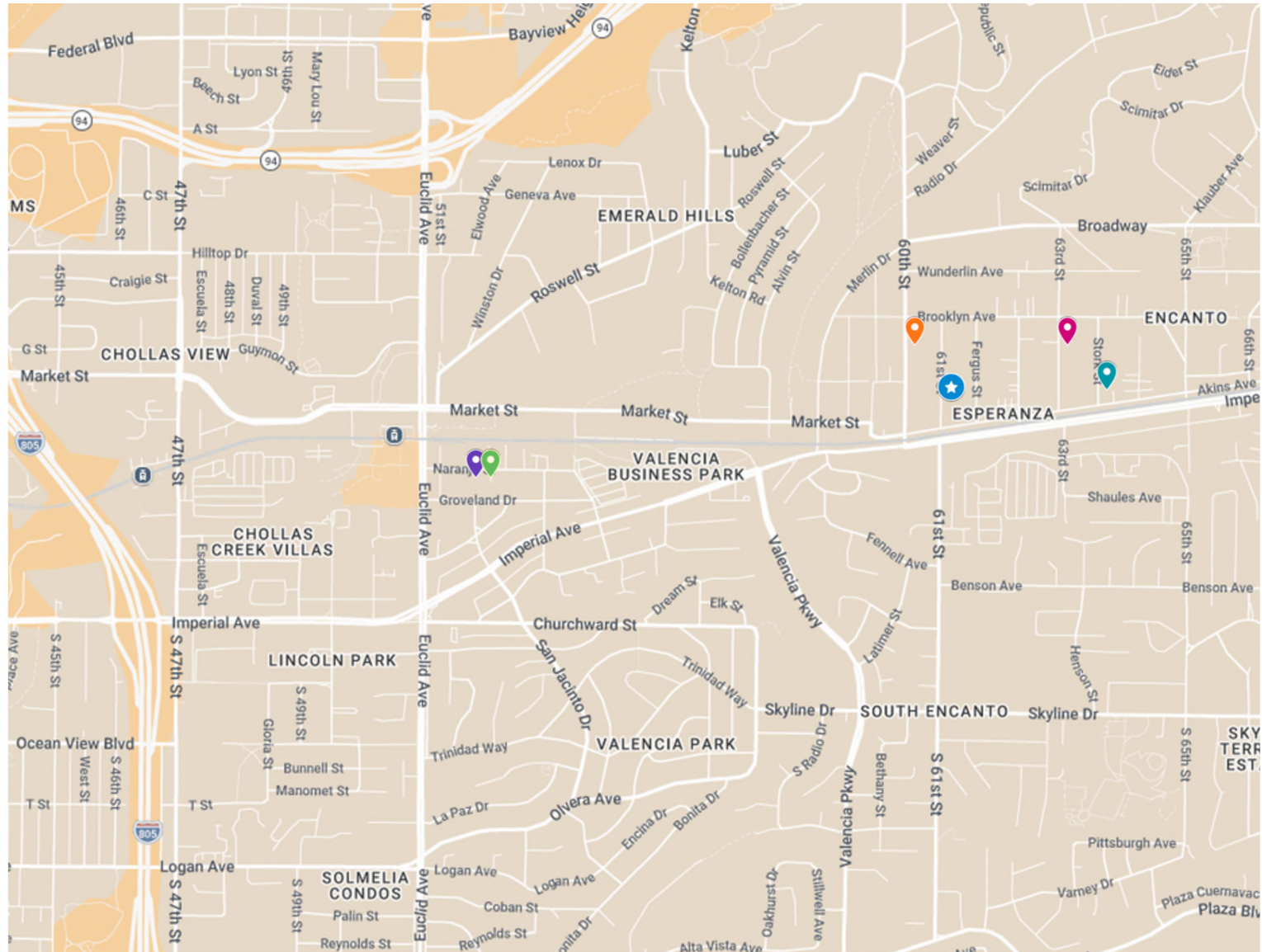
 5181-93 Naranja St

 601-15 Stork St

 719-31 63rd St

 5201-5211 Naranja St

 701-15 60th St



Rent Comparables



**6327 Brooklyn Ave
San Diego, CA 92114**

Rent	\$2,100
Unit Mix	2bd/1ba
Unit SF	671 sq ft



**5302 Churchward St
San Diego, CA 92114**

Rent	\$2,195
Unit Mix	2bd/1ba
Unit SF	800 sq ft



**244 50th St
San Diego, CA 92114**

Rent	\$2,195
Unit Mix	2bd/1ba
Unit SF	700 sq ft

Rent Comparables



220 47th St
San Diego, CA 92114

Rent	\$2,200
Unit Mix	2bd/1ba
Unit SF	770 sq ft



445 47th St
San Diego, CA 92114

Rent	\$2,395
Unit Mix	2bd/1ba
Unit SF	800 sq ft



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04 MARKET OVERVIEW



ENCANTO STATE MARKET OVERVIEW

Encanto continues to attract investor interest due to its relative affordability, stable renter demand, and strategic location within Southeast San Diego. The neighborhood benefits from strong transit connectivity, limited housing supply, and growing demand from tenants seeking attainable housing options within San Diego proper, supporting long term occupancy and rent growth potential.

Vacancy rates in Encanto are approximately 4.1%, reflecting consistent tenant demand and limited available inventory. As housing costs continue to rise throughout San Diego County, Southeast San Diego communities such as Encanto have become increasingly attractive to workforce tenants seeking affordability without sacrificing access to employment centers and everyday amenities.

The neighborhood is served by the Encanto 62nd Street Station on the MTS Orange Line, providing direct access to Downtown San Diego. Several MTS bus routes further connect residents to major employment centers and destinations throughout the region.

Residents enjoy access to a variety of community amenities, including the Martin Luther King Jr. Recreation Center and Park, George L. Stevens Senior Center, and Encanto Neighborhood Park. These facilities offer playgrounds, a swimming pool, athletic courts, and open space for recreation. The Imperial Avenue corridor provides convenient access to retail, dining, and everyday services, while the broader Southeast San Diego area continues to benefit from public and private investment that supports long term neighborhood growth.



**559-565 61ST ST
SAN DIEGO, CA 92114**

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