LANDMARK
MULTIFAMILY & DEVELOPMENT

OFFERING MEMORANDUM

559-565 61ST ST

SAN DIEGO, CA 92114

TABLE OF CONTENTS

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	$1,750,000
Price / SF	$302
Building SF	5,793
No. of Units	7
In-Place Cap Rate	5.47%
In-Place GRM	10.48
Market Cap Rate	7.16%
Market GRM	8.85
Lot Size	15,606
Year Built	1940
Zoning	RX-1-1, TPA, SDA Opportunity Zone

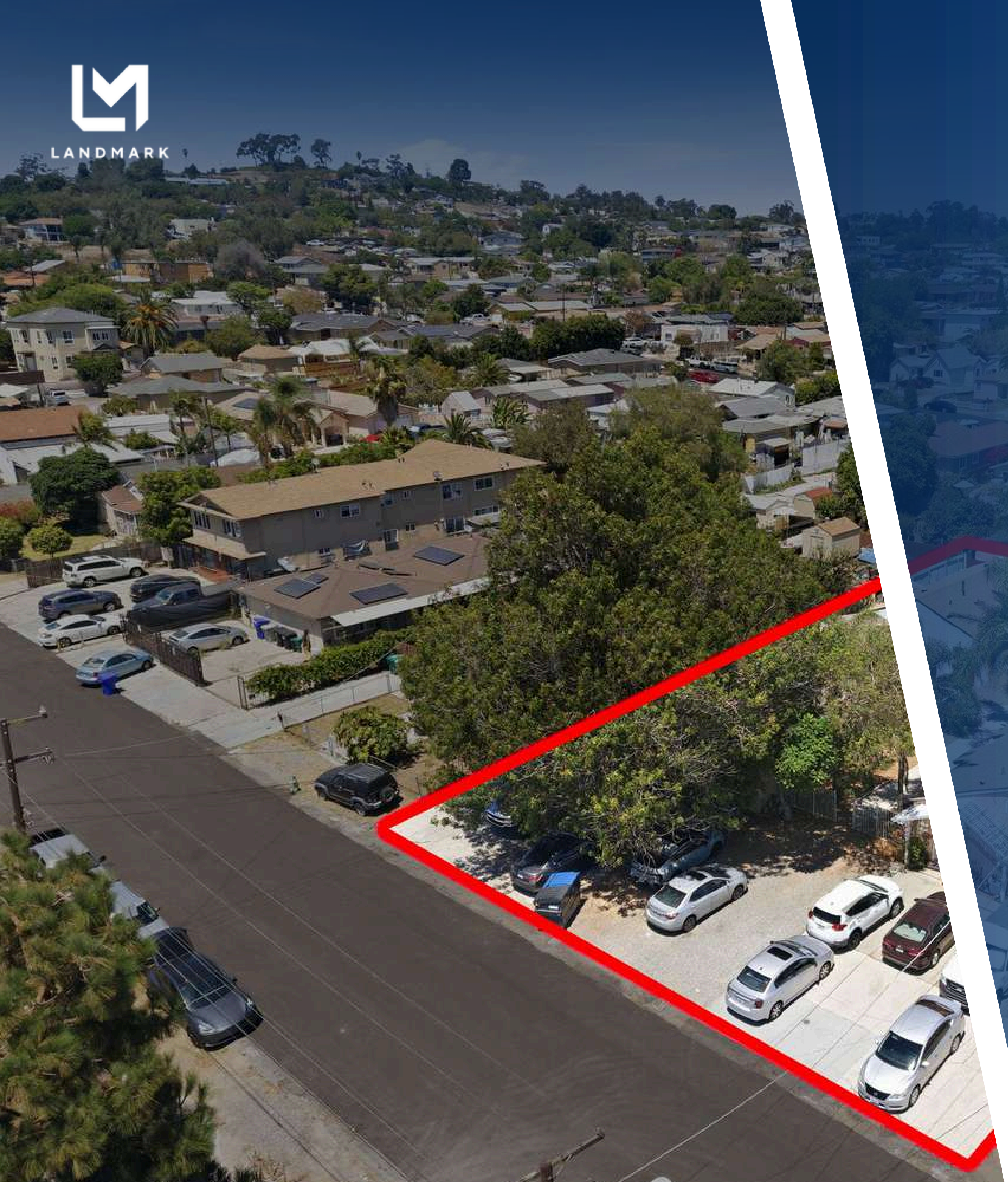
Investment Highlights

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.

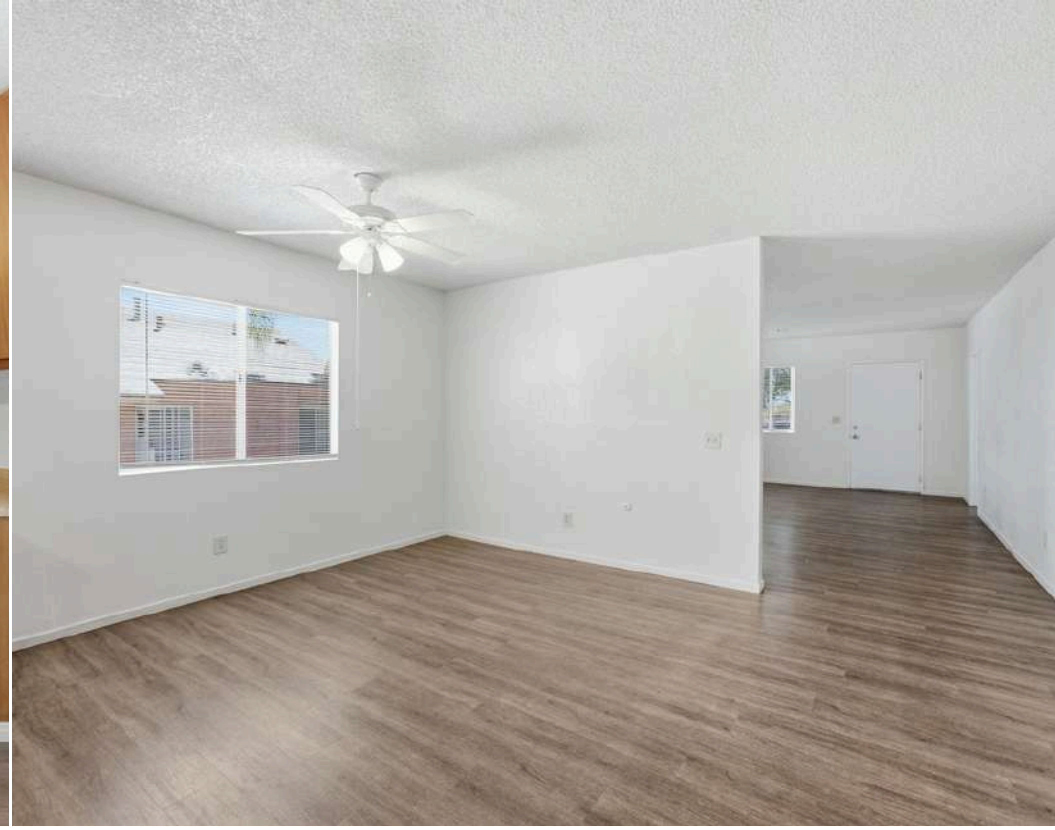
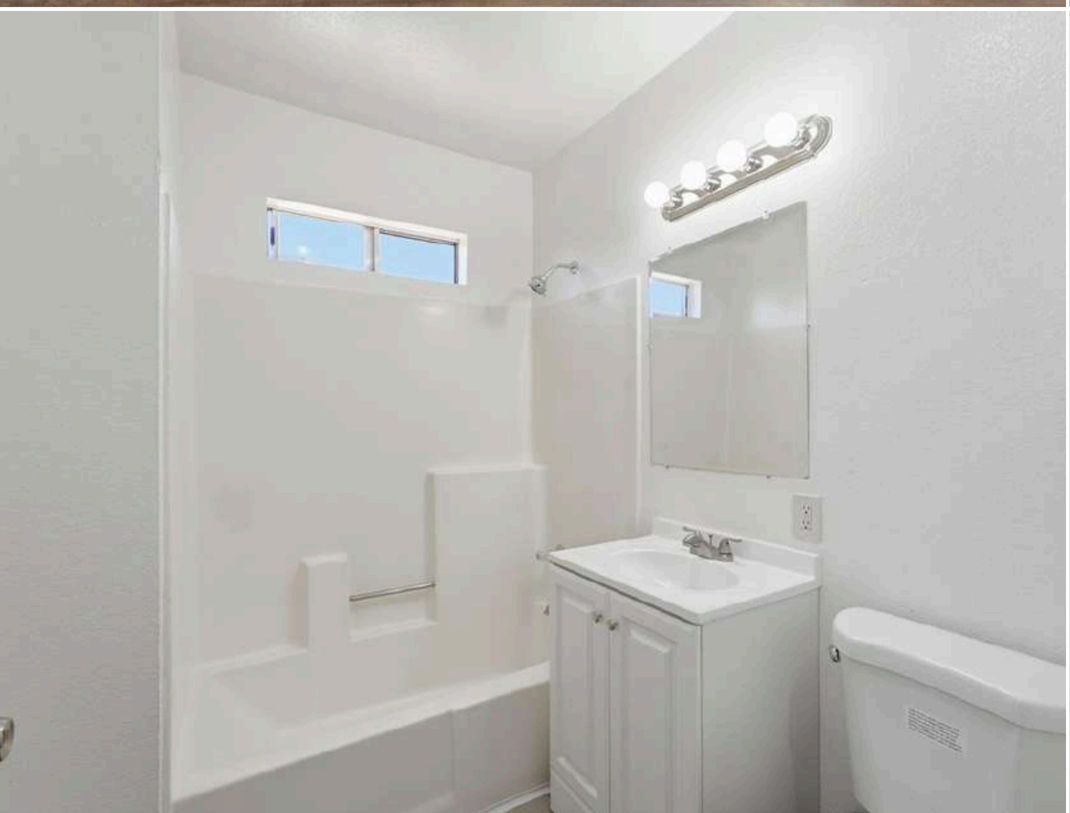
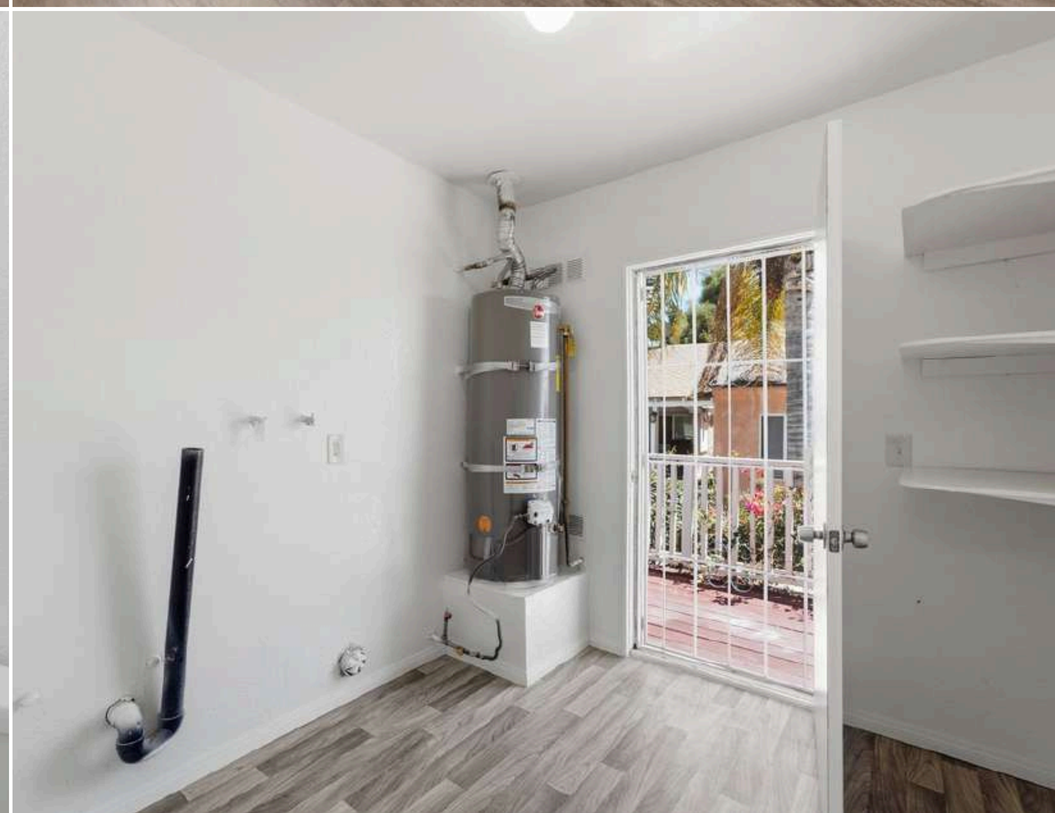


02 PROPERTY PHOTOS

PHOTOS





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	$3,400	(vacant)
	RUBS	$335	
Total Monthly Income		**$13,918**	

Market Rents

# Units	Type	Rent	Rent Range
6	2 BR / 1 BA	$2,100	
1	4 BR / 2 BA	$3,550	
	RUBS	$335	
Total Monthly Income		**$16,485**	

ESTIMATED ANNUAL OPERATING EXPENSES

Expense	Annual Cost	
Water and Sewer	$11,287	
Trash Removal	$3,780	
Maintenance & Repairs	$8,717	
Gas and Electric	$2,353	
Management Fee	$8,351	
Insurance	$9,128	
Taxes	$22,500	
Total Annual Operating Expenses	**$64,616**	**39% GSI**

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	$3,400 (Vacant)	$65.00	
Total			**$13,583**	**$335**	**$13,918**

Current & Pro Forma Investment Summary

ESTIMATED ANNUAL OPERATING PROFORMA

	Actual	Market
Gross Scheduled Income	$167,016	$197,820
Less Vacancy Factor (4%)	$6,681	$7,913
Gross Operating Income	$160,335	$189,907
Less Expenses	$64,616	$64,616
Net Operating Income	$95,720	$125,291
Less TD Payments	($75,543)	($75,543)
Pre-Tax Cash Flow	$20,176	$49,748
Cash on Cash Return	2.88%	7.11%
Principal Reduction	$12,894	$12,894
Total Potential Return (1 Year)	**4.72%**	**8.95%**

Financing

FINANCING SUMMARY

Downpayment	$700,000 (40.00%)
Interest Rate	6.0%
Amortized Over	30 Years
Proposed Loan Amount	$1,050,000
Debt Coverage Ratio (Current)	1.27
Debt Coverage Ratio (Market)	1.66

LANDMARK

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	$1975,500
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	$1,750,000
# of Units	7
Price/SF	$302
Price/Unit	$250,000
Cap Rate	5.47%
GRM	10.48
Year Built	1940
Sq Footage	5,793
Notes	(6) 2bd/1ba (1) 4bd/2ba

Cap Rate Average	GRM Average	$/Sqft Average
5.09%	12.34	$372

$/Unit Average

$281,042

559-565 61st St - Sales Comps Map

Subject Property

559-65 61st St

Comparables

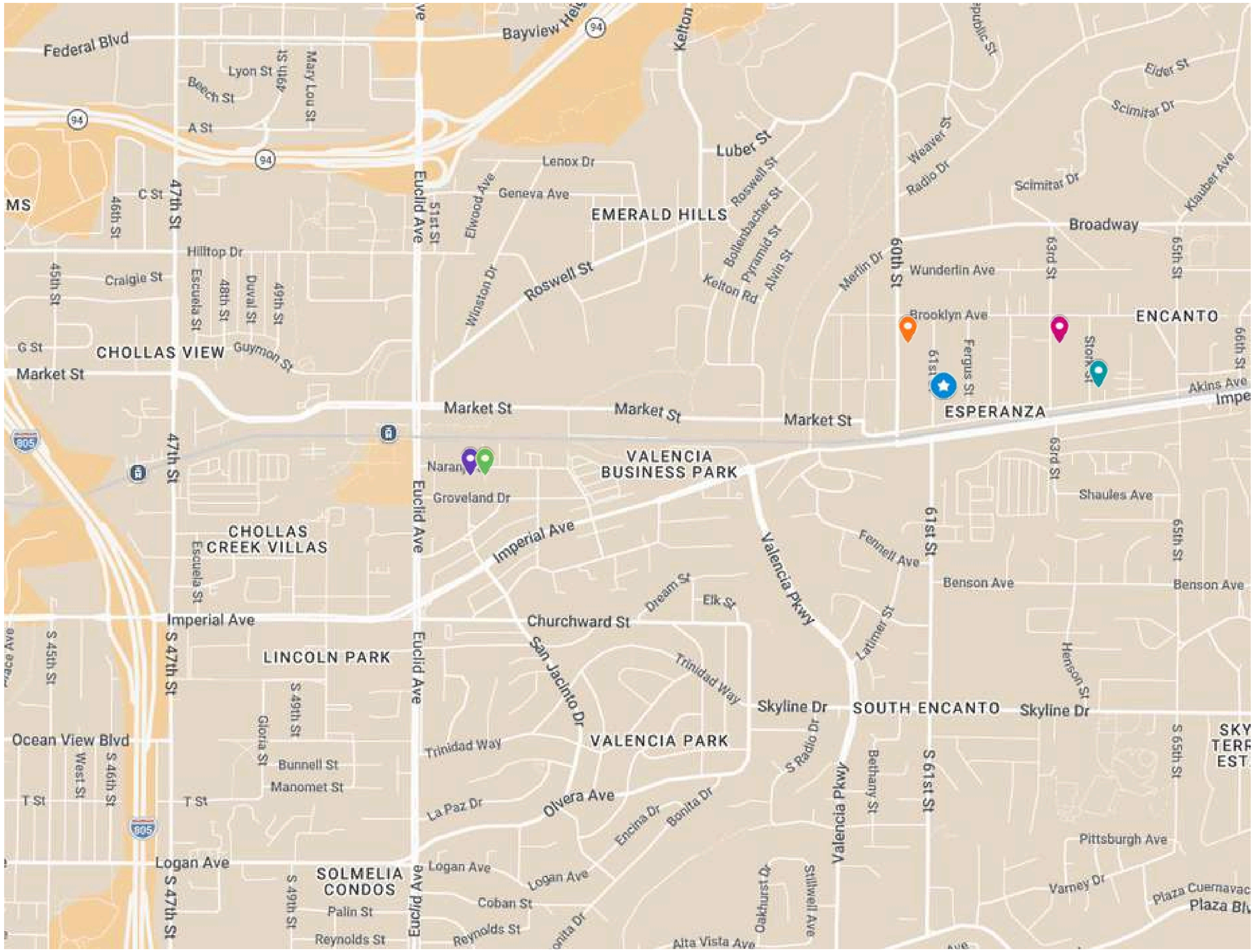
5181-93 Naranja St

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

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.

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