

3 BLOCKS TO SAN DIEGO BAY



Imperial Beach Palms

870

13TH STREET  
IMPERIAL BEACH,  
CA 91932



INVESTMENT OPPORTUNITY  
33 Unit Multi-Family Property  
Imperial Beach | South Bay San Diego County

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Colliers  
INTERNATIONAL

# Imperial Beach Palms

870 13TH STREET  
IMPERIAL BEACH,  
CA 91932

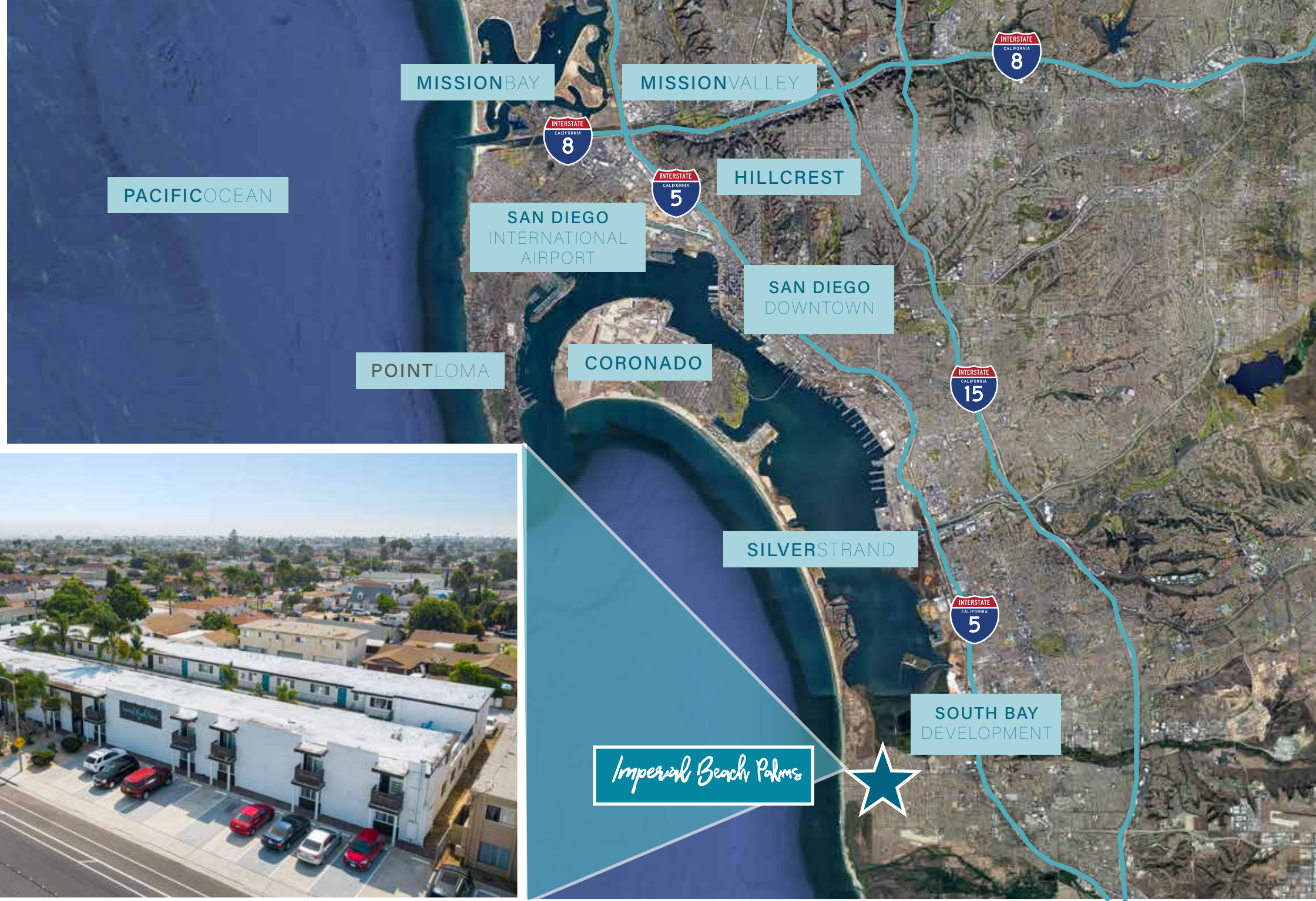
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LAST  
AFFORDABLE  
BEACH  
COMMUNITY  
IN SOUTHERN  
CALIFORNIA  
—  
*Imperial Beach*

*Imperial Beach Palms*



# Table of contents

## Section 1: The Opportunity

Offering Process	8
Investment Highlights	11
Investment Summary	13
Property Details	14

## Section 2: Market Overview

Imperial Beach Overview	16
Area Info and Demographics	18
Southern California Apartment Price Comparison	20
Area Development	22
Area Amenities and Photos	24

## Section 3: Financials & Comparables

Proforma Rent Roll & Investment Summary	30
Proforma NOI Analysis	32
Rent Comps	34
Sale Comps	36

# LARGER SCALE COASTAL SAN DIEGO APARTMENTS

33 Units



# Offering

## process

### Introduction

The Seller has engaged Colliers International CA, Inc., a Delaware Corporation, dba “Colliers International” to facilitate the sale of 870 13th Street, San Diego, CA 91932.

### The Opportunity

Imperial Beach Palms, located in Coastal South Bay San Diego County, is an opportunity to purchase a stabilized apartment asset with scale in the blossoming beach community of Imperial Beach. The property has undergone significant interior & exterior renovations with approx. 80% of the interiors having been upgraded. The exterior includes all new double-pane windows, new paint and balcony design features, a new trendy property sign, redesigned courtyard with built-in BBQ, low maintenance landscaping, high quality artificial turf and much more. The property also has 54 parking spaces, with the ability for the new owner to capitalize on implementing a parking income plan to boost GSI. Imperial Beach Palms is priced below recent comparables in the immediate area and significantly below other Southern California coastal apartment properties, located within 1.6 miles to the beach.

### Offering Process

Prospective purchasers are invited to submit offers to purchase the property through Colliers International CA, Inc. for consideration by the Seller. Any offers to purchase are encouraged to be submitted on C.A.R. form RIPA.

For further information or to submit an offer on Imperial Beach Palms Apartments, please contact:



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### Confidentiality

This Offering Memorandum (“OM”) has been prepared by Colliers International CA, Inc., a Delaware Corporation, dba Colliers International and is provided to select parties for their own analysis of the Property. The recipient acknowledges that by receipt of this OM, and by their execution of the Confidentiality Agreement, they agree to keep permanently confidential all information contained herein or made available in connection with any further investigation.

This OM is the property of Colliers International and the Seller and may be used only by parties approved by Colliers International and the Seller. The Property is privately offered and, by accepting this package, the party in possession herein agrees, without limiting the provisions of the Confidentiality Agreement: (i) to return it to Colliers International immediately upon request of Colliers International or the Seller; and (ii) that no portion of this package may be copied, reproduced or distributed to other parties at any time without the prior written consent of Colliers International and the Seller.

### Disclaimer

Neither the Seller nor Colliers International, nor any of their respective affiliates, directors, officers, shareholders, employees, agents, solicitors, accountants, advisors or other representatives, makes any representations, declarations or warranties, express or implied, as to the accuracy or completeness of the information or statements contained in this OM or of any other information provided or statements made by Colliers International, the Seller or their agents, and such material, information, or statements should not be relied upon by prospective purchasers without independent investigation and verification. Prospective purchasers and responsible for obtaining their own independent financial, legal, accounting, engineering, technical and other expert advice. This OM does not purport to be all-inclusive or to contain all the information that a prospective purchaser may require in analyzing the Portfolio. All materials, information or statements are provided as a convenience to prospective purchasers only. The Vendor and Colliers International and their respective affiliates, directors, officers, shareholders, employees, agents, solicitors, accountants, advisors and other representatives expressly disclaim any and all liability for any errors or omissions contained in this OM or in any other oral or written communications given or made available to prospective purchasers.

This OM is not, and under no circumstances is it to be construed to be, an offering of securities, a prospectus, a public offering or an offering memorandum as defined under applicable securities legislation. No securities commission or regulatory authority in the United States of America or any other country has in any way passed judgment upon the merits of the opportunity to acquire the Property or the accuracy or adequacy of this OM.

The Seller and Colliers International reserve the right to withdraw, amend or replace all or any part of this OM at any time and undertake no obligation to provide prospective purchasers with access to any additional information, other than as contemplated by the Seller’s form of Offer. In all cases, prospective purchasers should conduct their own investigation and analysis of the Property. Any sale of the Portfolio will be subject to the terms of an accepted Offer, which will supersede all prior communications, including this OM.

### Review of Offers

All Offers to purchase the Property will be evaluated based upon, but not limited to, the structure proposed by the prospective purchaser, the net proceeds to the Seller, the prospective purchaser’s ability to complete the transaction, and the timeliness and proposed conditions of closing, if any. Colliers International and the Seller reserve the right to request new or additional information regarding a potential purchaser or any individual or other person associated with a potential purchaser. The Seller may elect to negotiate with the prospective purchaser(s) whose purchase proposals is/are judged to be most attractive to the Seller, in its sole and absolute discretion. The Seller is not obliged to receive, consider or accept any Offer and reserves the right to reject any or all Offers received.

At any time prior to entering into an Offer, the Vendor may request additional information from prospective purchasers. Failure to provide such information on a timely basis may result in the termination of discussions. The Seller reserves the right to end the sale process in respect of the Property or to cease discussions with any and all prospective purchasers at any time prior to accepting an Offer, without notice or liability.

# TASTEFUL RENOVATIONS

*Rapidly gentrifying  
location*



## Property Highlights

This newly renovated community provides an ideal coastal living experience in a serene pocket of Imperial Beach, California. Just minutes from the beach, Imperial Beach Palms offers large, open layout apartment homes close to schools, public parks, and shopping centers. Its convenient location and comfortable suburban setting makes Imperial Beach Palms truly special.



Best coastal value in Southern California



Close to Imperial Beach Boardwalk and Pacific Ocean



Close to shopping, restaurants and nightlife



Substantial interior & exterior renovations



Easy upside potential



Located in San Diego's premier beach surfing community - Imperial Beach



Nearby \$1.5 Billion Navy SEAL base currently under construction



# PRIME SOUTH BAY SAN DIEGO LOCATION

*Close to the Bay and the Beach*



## 8 LARGE WALK-IN STORAGE UNITS



## Investment Summary

Price:	\$10,025,000
Units:	33
Price/Unit:	\$303,788
Unit Mix:	21 - 1BR/1BA 4 - 2BR/1BA 8 - 2BR/1.5BA
Price/SF:	\$415
Capitalization Rate (Current):	4.1%
Capitalization Rate (Turnover):	4.6% 4.8%*
Capitalization Rate (Market Rent 'RC' + Washer/Dryers in Units + Quartz):	5.4% 5.6%*
GIM (Current):	14.68
GIM (Turnover):	13.49 13.16*
GIM (Market Rent 'RC' + Washer/Dryers in Units + Quartz):	12.16 11.89*
Year Built:	1972
APN:	626-342-16-00
Surface Parking Spaces:	26 in Back 22 in Front 3 Tandem (Covered) -6 Total
Large Storage Units:	8
Gross Building SF:	24,144
Land Area SF:	34,848

\* Updated Oct 2020 per new rent survey.



BLOSSOMING  
IMPERIAL  
BEACH



INVITING  
COURTYARD  
NEW ARTIFICIAL  
TURF & BUILT IN  
BBQ AREA  
*Low Water & Minimal Care*



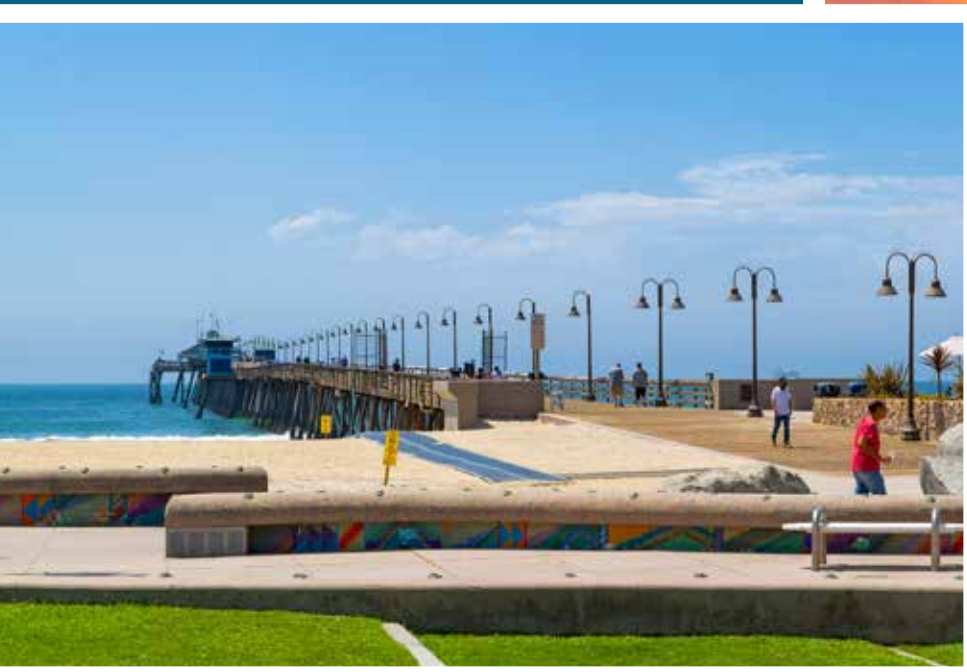
WALK TO  
SHOPPING,  
RESTAURANTS  
& ICONIC  
BAY SHORE  
BIKE PATH





MARKET  
OVERVIEW  
IMPERIAL  
BEACH

---



*Imperial Beach*

# Imperial Beach

## Overview

Located in San Diego's South Bay region, and the southernmost beach town in California, Imperial Beach is just five miles north of the Mexico border, and includes a 4-mile stretch of beach offering a host of activities including great surfing, sport fishing, beach volleyball and horseback riding along the coast. The Imperial Beach pier provides sweeping views of the Los Coronados Islands and is a popular spot for strolling, pier fishing and watching the sunset. Imperial Beach is connected to Coronado by way of the Silver Strand, a narrow, 7-mile long isthmus, popular for camping, bird watching and bicycling. Imperial Beach is also home to the Tijuana River National Estuary, a place where the fresh water of the Tijuana River mixes with the salt water of the Pacific Ocean creating the largest salt-water marsh in Southern California. The estuary is one of the top birding spots in San Diego with many endangered birds and wildlife on display. Close by you will also find the Living Coast Discovery Center, a family and budget friendly aquarium experience.

There is a host of annual events to entertain including free fish derbies, triathlons and the annual Sun & Sea Festival featuring elaborate, awe-inspiring works of sandcastle art. Other art in the area includes the Surfboard Museum, an outdoor public art project exploring the history of surfing in Imperial Beach. A bike path that runs from Imperial Beach to Coronado provides beautiful views of southern San Diego bay, the salt flats and Silver Strand State Beach.

Imperial Beach was originally settled by residents of the Imperial Valley looking for a break from the intense inland summer temperatures. The population was augmented by workers who built the nearby Hotel del Coronado, and they truly found a paradise of their very own. Summer temperatures rarely go above the low 80's and, in winter, hover in the 60's. The area also experiences around 323 mostly or partly sunny days, with clouds occasionally rolling in during the winter months.

In the last decade, Imperial Beach has undergone a revitalization effort, though one that has not destroyed its unique character. Following the opening of the 78-room Autograph Collection by Marriott hotel, it began to shed its more rough-and-tumble image, and small businesses in the area saw a wave of investment. The opening of 27,334 SF Breakwater Town Center in 2017 brought new retail offerings to the area, and the developments have met with little local opposition. This wave of development is also bringing new housing in its wake.

## Housing & Demographics

Housing prices in the Imperial Beach area (Zip Code 91932) have appreciated significantly over the past year. According to the San Diego Association of REALTORS (SDAR), in July 2020 the median price for a single-family (detached) residence was \$716,875 and the while the median price for a townhouse-condo (attached) was \$470,500. Detached prices increased by 13.3% year-over-year compared to July 2019 while attached prices increased by 4.6% over the same period. Median sale prices year-to-date have gone up by 6.3% for detached and 12.0% for attached compared to the same seven-month (January to July 2019) period last year.



Source: Insided Climate Change.org

## POPULATION

115,596

3 Mile Radius

## TOTAL HOUSEHOLDS

35,715

3 Mile Radius

## AVERAGE HOME PRICE

Single Family

\$716,875

## PRICE INCREASE

Price Increase over year

13.3%

Source: San Diego Association of Realtors



**IMPERIAL BEACH PALMS**  
**\$303,788**



# Coastal Southern California Apartment Pricing vs Imperial Beach Palms

Relative Coastal Sales Within 1.6 Miles of the Beach (Price / Unit)

# San Diego Development Highlights



## Apple bringing 1,200 jobs to San Diego

In October 2019, Apple leased 204,000 square feet at 9775 Towne Centre Drive, scheduled for delivery in 2021 and 96,000 square feet at 9779 Towne Centre Drive. Apple is also rumored to have leased 160,400 square feet at 9455 Towne Centre Drive, scheduled for completion in mid-2020, and seeking to lease a fourth building in the UTC/Sorrento Mesa area.



## The Boardwalk in Torrey Pines

A \$164M, amenity-rich life science campus known as “The Boardwalk” is under construction in the Torrey Pines biotech submarket. The project will consist of three buildings with more than 195,000 square feet of office and lab space, a one-acre park, fitness facilities, a full-service restaurant, and outdoor collaboration spaces. A portion of the project is said to be move-in ready by Spring of 2021.



## The Campus at Horton

Stockdale Capital Partners transform the former Westfield Horton Plaza mall into an employment and entertainment complex in Downtown San Diego that will house up to 4,000 high-tech jobs.



## Kilroy Realty’s 2100 Kettner

Kilroy Realty recently broke ground on a six-story low-rise 209,203 square foot office building with ground floor retail. This is said to be the largest office building in the Little Italy neighborhood of San Diego. Construction is anticipated to be completed by the end of 2020.

# Imperial Beach Development Highlights



## South Bay Development Projects

There are several major developments either slated to start construction soon or are awaiting final approval. The development surge is being touted for increasing the local housing supply and adding new commercial amenities for Imperial Beach residents, and for boosting local tourism. Amazon is expanding its San Diego presence with a new 2.6 MM SF facility in Otay, bringing additional jobs to the region. A new Bay Front Development in Chula Vista is under way, along with a 210 acre Millenia work-live-play project in Chula Vista.

## Silver Strand Training Complex Expansion

Silver Strand Training Complex (SSTC) is located along the southern end of the City of Coronado, north of the City of Imperial Beach, The Pacific Ocean and the San Diego Bay border the facility on its west and east side. The Navy is expanding its Special Warfare Command facilities at SSTC. The expansion, referred to as Naval Base Coronado Coastal Campus, includes over 20 projects and over 1.4 Million square feet of Coastal Campus Facilities for Administration, Operational Units, Logistics and Community Support and Training. The expansion will add over 3,000 military personnel from the Special Warfare Command at the current NAB location will be moved gradually to the Coastal Campus at SSTC.

## Naval Outlying Landing Field

NOLF is about 1,204 acres with 270 acres leased for agricultural purposes and 284 acres for wildlife refuge. The airfield provides training for the Pacific Fleet helicopter squadrons. In recent years, there have been more than 200,000 takeoffs and landings at NOLF each year. Approximately 900 personnel work on the base, and about 850 of them are civilian employees.



## Bikeway Village

Ideally located at the Southern end of the San Diego Bay National Wildlife Refuge, Bikeway Village is the perfect pitstop for bicyclists, birdwatchers and those looking to escape the San Diego hustle. Designed to house a cafe, bike shop and restaurant featuring a courtyard that is ideal for private events, weddings. Home to Coronado Brewing Company 7,000 sf restaurant, 10 barrel brewery and future distillery, featuring outdoor seating and fire pits.. Sweeping views of the water and downtown San Diego in the distance. Native landscaping and modern-eco architecture.

# AREA AMENITIES

*There's always something to do in IB*



1. Tin Fish
2. Cow-A-Bunga Ice Cream & Coffee
3. Brigantine Seafood Restaurant
4. Mike Hess Brewing, City Tacos, Babycakes
5. Coronado Brewing Company
6. Pier South Resort /Sea 180 Restaurant
7. Pizzeria Luigi
8. El Tapatio
9. CVS, Jack in the Box
10. Starbucks, Five Guys, Jersey Mike's, Wingstop, Grocery Outlet, Poke 123
11. McDonald's
12. Burger King
13. Trident Coffee, 2 Wheels Cycling Boutique
14. Carl's Jr, O'Reilly Auto Parts, El Cilantro
15. 7-Eleven, Red House Kitchen
16. El Pollo Loco, Wing Legends, Little Caesars Pizza, Subway, Rally's
17. Southland Plaza: Walmart, The Home Depot, IHOP, Vons, Starbucks, Big 5 Sporting Goods
18. IB Forum Sports Bar & Grill

# WALKING DISTANCE

*Walkable to upscale shopping  
restaurants and nightlife*





FINANCIALS/  
COMPARABLES

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*Imperial Beach*



# Financials



## Investment Summary

[CLICK HERE FOR LOAN QUOTE](#)

Price:	\$10,025,000
Units:	33
Price/Unit:	\$303,788
Unit Mix:	21 - 1BR/1BA 4 - 2BR/1BA 8 - 2BR/1.5BA
Price/SF:	\$415
Capitalization Rate (Current):	4.1%
Capitalization Rate (Turnover):	4.8%
Capitalization Rate (Market Rent 'RC' + Washer/Dryers in Units + Quartz):	5.6%
GIM (Current):	14.68
GIM (Turnover):	13.16
GIM (Market Rent 'RC' + Washer/Dryers in Units + Quartz):	11.89
Year Built:	1972
APN:	626-342-16-00
Surface Parking Spaces:	26 in Back 22 in Front 3 Tandem (Covered) - 6 Total
Large Storage Units:	8
Gross Building SF:	24,144
Land Area SF:	34,848

## Proforma Rent Roll

Unit Type	Estimated Sq. Ft. (1)	# of Units	% of Units	CURRENT RENT ROLL (10/1/2020)			TURNOVER RENT			MARKET RENT 'RC' + WASHER/DRYERS IN UNIT + QUARTZ COUNTERS (3)		
				Rent	Monthly Inc	\$/SF	Rent	Monthly Inc	\$/SF	Rent	Monthly Inc	\$/SF
1BR/1BA	630	5	15%	\$1,390-1,500	\$ 7,390	\$ 2.35	\$ 1,575	\$ 7,875	\$ 2.50	\$ 1,825	\$ 9,125	\$ 2.90
1BR/1BA   R	630	2	6%	\$1,400-1,527	\$ 2,927	\$ 2.32	\$ 1,625	\$ 3,250	\$ 2.58	\$ 1,825	\$ 3,650	\$ 2.90
1BR/1BA   RC	630	14	42%	\$1,475-1,550	\$ 20,800	\$ 2.36	\$ 1,675	\$ 23,450	\$ 2.66	\$ 1,825	\$ 25,550	\$ 2.90
2BR/1BA   RC	775	4	12%	\$ 1,800	\$ 7,200	\$ 2.32	\$ 1,900	\$ 7,600	\$ 2.45	\$ 2,200	\$ 8,800	\$ 2.84
2BR/1.5BA	875	2	6%	\$1,800-1,900	\$ 3,700	\$ 2.11	\$ 1,900	\$ 3,800	\$ 2.17	\$ 2,250	\$ 4,500	\$ 2.57
2BR/1.5BA   R	875	3	9%	\$1,611-1,661	\$ 4,922	\$ 1.88	\$ 1,950	\$ 5,850	\$ 2.23	\$ 2,250	\$ 6,750	\$ 2.57
2BR/1.5BA   RC	875	3	9%	\$1,800-1,900	\$ 5,575	\$ 2.12	\$ 2,000	\$ 6,000	\$ 2.29	\$ 2,250	\$ 6,750	\$ 2.57
<b>TOTALS:</b>	<b>23,330</b>	<b>33</b>	<b>100%</b>		<b>\$ 52,514</b>			<b>\$ 57,825</b>			<b>\$ 65,125</b>	
<b>AVERAGE:</b>	<b>707</b>				<b>\$ 1,591</b>	<b>2.25</b>		<b>\$ 1,752</b>	<b>2.48</b>		<b>\$ 1,973</b>	<b>2.79</b>
<b>Monthly Total (GSI):</b>					<b>\$ 52,514</b>			<b>\$ 57,825</b>			<b>\$ 65,125</b>	
<b>Yearly Total (GSI):</b>					<b>\$ 630,168</b>			<b>\$ 693,900</b>			<b>\$ 781,500</b>	

### NOTES:

- (1) Square footages estimated.
- (2) Assumes all units are renovated to 'RC' level.
- (3) Assumes all units are upgraded with washer/dryers in units & quartz counters.

## Rent Roll

Unit	Unit Type	Square Feet (1)	# of Units	CURRENT RENT		TURNOVER RENT		MARKET RENT 'RC' + WASHER/DRYERS IN UNIT + QUARTZ COUNTERS (3)	
				Current Rent Roll as of 10/1/2020	Rent /SF	Turnover Rent	Rent /SF	Market Rent + Quartz & Washer/Dryer	Rent /SF
1	2BR/1.5BA   RC	875	1	\$1,900	\$ 2.17	\$2,000	\$ 2.29	\$2,250	\$ 2.57
2	1BR/1BA	630	1	\$1,390	\$ 2.21	\$1,575	\$ 2.50	\$1,825	\$ 2.90
3	1BR/1BA   R	630	1	\$1,527	\$ 2.42	\$1,625	\$ 2.58	\$1,825	\$ 2.90
4	2BR/1BA   RC	775	1	\$1,800	\$ 2.32	\$1,900	\$ 2.45	\$2,200	\$ 2.84
5	1BR/1BA   RC	630	1	\$1,475	\$ 2.34	\$1,675	\$ 2.66	\$1,825	\$ 2.90
6	1BR/1BA   RC	630	1	\$1,475	\$ 2.34	\$1,675	\$ 2.66	\$1,825	\$ 2.90
7	1BR/1BA	630	1	\$1,500	\$ 2.38	\$1,575	\$ 2.50	\$1,825	\$ 2.90
8	2BR/1.5BA   R	875	1	\$1,661	\$ 1.90	\$1,950	\$ 2.23	\$2,250	\$ 2.57
9	2BR/1.5BA   R	875	1	\$1,611	\$ 1.84	\$1,950	\$ 2.23	\$2,250	\$ 2.57
10	1BR/1BA	630	1	\$1,500	\$ 2.38	\$1,575	\$ 2.50	\$1,825	\$ 2.90
11	1BR/1BA   RC	630	1	\$1,475	\$ 2.34	\$1,675	\$ 2.66	\$1,825	\$ 2.90
12	1BR/1BA	630	1	\$1,500	\$ 2.38	\$1,575	\$ 2.50	\$1,825	\$ 2.90
13	2BR/1BA   RC	775	1	\$1,800	\$ 2.32	\$1,900	\$ 2.45	\$2,200	\$ 2.84
14	1BR/1BA   RC	630	1	\$1,475	\$ 2.34	\$1,675	\$ 2.66	\$1,825	\$ 2.90
15	1BR/1BA	630	1	\$1,500	\$ 2.38	\$1,575	\$ 2.50	\$1,825	\$ 2.90
16	2BR/1.5BA	875	1	\$1,800	\$ 2.06	\$1,900	\$ 2.17	\$2,250	\$ 2.57
17	1BR/1BA   RC	630	1	\$1,500	\$ 2.38	\$1,675	\$ 2.66	\$1,825	\$ 2.90
18	2BR/1.5BA   RC	875	1	\$1,800	\$ 2.06	\$2,000	\$ 2.29	\$2,250	\$ 2.57
19	1BR/1BA   RC	630	1	\$1,550	\$ 2.46	\$1,675	\$ 2.66	\$1,825	\$ 2.90
20	1BR/1BA   RC	630	1	\$1,475	\$ 2.34	\$1,675	\$ 2.66	\$1,825	\$ 2.90
21	2BR/1BA   RC	775	1	\$1,800	\$ 2.32	\$1,900	\$ 2.45	\$2,200	\$ 2.84
22	1BR/1BA   RC	630	1	\$1,525	\$ 2.42	\$1,675	\$ 2.66	\$1,825	\$ 2.90
23	1BR/1BA   R	630	1	\$1,400	\$ 2.22	\$1,625	\$ 2.58	\$1,825	\$ 2.90
24	1BR/1BA   RC	630	1	\$1,475	\$ 2.34	\$1,675	\$ 2.66	\$1,825	\$ 2.90
25	2BR/1.5BA   R	875	1	\$1,650	\$ 1.89	\$1,950	\$ 2.23	\$2,250	\$ 2.57
26	2BR/1.5BA	875	1	\$1,900	\$ 2.17	\$1,900	\$ 2.17	\$2,250	\$ 2.57
27	1BR/1BA   RC	630	1	\$1,475	\$ 2.34	\$1,675	\$ 2.66	\$1,825	\$ 2.90
28	1BR/1BA   RC	630	1	\$1,475	\$ 2.34	\$1,675	\$ 2.66	\$1,825	\$ 2.90
29	1BR/1BA   RC	630	1	\$1,475	\$ 2.34	\$1,675	\$ 2.66	\$1,825	\$ 2.90
30	2BR/1BA   RC	775	1	\$1,800	\$ 2.32	\$1,900	\$ 2.45	\$2,200	\$ 2.84
31	1BR/1BA   RC	630	1	\$1,475	\$ 2.34	\$1,675	\$ 2.66	\$1,825	\$ 2.90
32	1BR/1BA   RC	630	1	\$1,475	\$ 2.34	\$1,675	\$ 2.66	\$1,825	\$ 2.90
33	2BR/1.5BA   RC	875	1	\$1,875	\$ 2.14	\$2,000	\$ 2.29	\$2,250	\$ 2.57
<b>TOTALS</b>		<b>23,330</b>	<b>33</b>	<b>\$52,514</b>		<b>\$57,825</b>		<b>\$65,125</b>	
<b>AVERAGE</b>		<b>707</b>		<b>\$1,591</b>	<b>\$ 2.25</b>	<b>\$1,752</b>	<b>\$ 2.50</b>	<b>\$1,973</b>	<b>\$ 2.81</b>
<b>Yearly Total GSI:</b>				<b>\$630,168</b>		<b>\$693,900</b>		<b>\$781,500</b>	

### NOTES:

- (1) Square footages estimated.
- (2) Assumes all units are up-graded to 'RC' level.
- (3) Assumes all units are upgraded with washer/dryers in units & quartz counters



# Pro-Forma NOI analysis



	July 2019 - June 2020 (T-12)		CURRENT RENT ROLL (10/1/2020)		TURNOVER RENT		MARKET RENT 'RC' + WASHER/DRYERS IN UNIT + QUARTZ COUNTERS	
		Per Unit / %		Per Unit / %		Per Unit / %		Per Unit / %
<b>MARKET RENT</b>	<b>641,725</b>	<b>19,446</b>	<b>630,168</b>	<b>19,096</b>	<b>693,900</b>	<b>21,027</b>	<b>781,500</b>	<b>23,682</b>
(Loss) / Gain to Lease	(38,435)	(1,165)	-	-	-	-	-	-
<b>GROSS POTENTIAL RENT</b>	<b>603,290</b>	<b>18,282</b>	<b>630,168</b>	<b>19,096</b>	<b>693,900</b>	<b>21,027</b>	<b>781,500</b>	<b>23,682</b>
(1) Vacancy	(37,179)	(1,127)	(18,905)	(573)	(20,817)	(631)	(23,445)	(710)
Staff Apartments	(20,350)	(617)	(20,350)	(617)	(20,350)	(617)	(20,350)	(617)
Rent Incentives	(7,667)	(232)	-	-	-	-	-	-
<b>TOTAL RENTAL INCOME</b>	<b>538,094</b>	<b>16,306</b>	<b>590,913</b>	<b>17,906</b>	<b>652,733</b>	<b>19,780</b>	<b>737,705</b>	<b>22,355</b>
(2) Laundry Room Income	3,077	93	3,077	93	5,940	180	-	-
(3) Pet Fee Income	3,005	91	3,005	91	4,158	126	4,158	126
Late Charges	2,625	80	2,625	80	2,625	80	2,625	80
(4) Storage Income	120	4	120	4	7,373	223	7,373	223
Termination Fees	10,325	313	10,325	313	10,325	313	10,325	313
Miscellaneous Rental Income	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
<b>TOTAL OTHER RENTAL INCOME</b>	<b>19,152</b>	<b>580</b>	<b>19,152</b>	<b>580</b>	<b>30,421</b>	<b>922</b>	<b>24,481</b>	<b>742</b>
(5) Resident Utility Reimbursement	24,572	745	24,572	745	28,512	864	28,512	864
Damages Charged to Residents	6,699	203	6,699	203	6,699	203	6,699	203
Collection & Legal Fee Income	1,686	51	1,686	51	1,686	51	1,686	51
Application Fee Income	554	17	554	17	554	17	554	17
<b>TOTAL MISCELLANEOUS INCOME</b>	<b>33,510</b>	<b>1,015</b>	<b>33,510</b>	<b>1,015</b>	<b>37,451</b>	<b>1,135</b>	<b>37,451</b>	<b>1,135</b>
<b>TOTAL INCOME</b>	<b>590,756</b>	<b>17,902</b>	<b>643,575</b>	<b>19,502</b>	<b>720,605</b>	<b>21,837</b>	<b>799,637</b>	<b>24,231</b>
<b>Operating Expenses</b>	<b>July 2019 - June 2020 (T-12)</b>	<b>Pro-Forma Expenses</b>	<b>Pro-Forma Expenses</b>	<b>Pro-Forma Expenses</b>	<b>Pro-Forma Expenses</b>	<b>Pro-Forma Expenses</b>	<b>Pro-Forma Expenses</b>	<b>Pro-Forma Expenses</b>
Management Fee	18,324	555	19,307	3.0%	21,618	3.0%	23,989	3.0%
Office Supplies	605	18	-	-	-	-	-	-
Postage / Courier / Freight	6	0	-	-	-	-	-	-
Property Forms	17	1	-	-	-	-	-	-
Bank Fees	600	18	-	-	-	-	-	-
Legal Services	4,471	135	600	18	600	18	600	18
Professional Fees	155	5	-	-	-	-	-	-
Seminars & Subscriptions	296	9	-	-	-	-	-	-
Permits / Licenses / Fees	1,444	44	1,444	44	1,444	44	1,444	44
Dues & Subscriptions	149	5	-	-	-	-	-	-
Miscellaneous Admin Expense	39	1	-	-	-	-	-	-
Credit Reporting	661	20	-	-	-	-	-	-
Business Meals / Luncheons	15	0	-	-	-	-	-	-
Auto / Mileage	6	0	-	-	-	-	-	-
Internet Access / E-Mail	624	19	-	-	-	-	-	-
Office Equip / Software	2,120	64	-	-	-	-	-	-
(6) Miscellaneous Administrative Cost	-	-	1,000	30	1,000	30	1,000	30
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>29,531</b>	<b>895</b>	<b>22,351</b>	<b>677</b>	<b>24,662</b>	<b>747</b>	<b>27,033</b>	<b>819</b>
(7) Salaries - Manager	17,628	534	13,200	400	13,200	400	13,200	400
Salaries - Manager Bonus	274	8	-	-	-	-	-	-
Salaries - Maintenance	11,401	345	11,401	345	11,401	345	11,401	345
Salaries - Maintenance Bonus	288	9	288	9	288	9	288	9
(8) Payroll Taxes & Worker Compensation	5,082	154	4,274	130	4,274	130	4,274	130
(8) Payroll Processing	832	25	700	21	700	21	700	21
(8) Employee Benefits	737	22	620	19	620	19	620	19
<b>TOTAL PAYROLL</b>	<b>36,241</b>	<b>1,098</b>	<b>30,483</b>	<b>924</b>	<b>30,483</b>	<b>924</b>	<b>30,483</b>	<b>924</b>
Employee Relations	130	4	130	4	130	4	130	4
Newspaper / Internet Advertising	110	3	110	3	110	3	110	3
(9) Rental Guides	2,443	74	-	-	-	-	-	-
Signage	7	0	7	0	7	0	7	0
Internet Advertising	1,647	50	1,647	50	1,647	50	1,647	50
Resident Relations	71	2	71	2	71	2	71	2
Reputation Management	182	6	182	6	182	6	182	6
Miscellaneous Marketing Expenses	670	20	670	20	670	20	670	20
<b>TOTAL ADVERTISING &amp; PROMOTIONS</b>	<b>5,260</b>	<b>159</b>	<b>2,817</b>	<b>85</b>	<b>2,817</b>	<b>85</b>	<b>2,817</b>	<b>85</b>

	July 2019 - June 2020 (T-12)		CURRENT RENT ROLL (10/1/2020)		TURNOVER RENT		MARKET RENT 'RC' + WASHER/DRYERS IN UNIT + QUARTZ COUNTERS	
		Per Unit / %		Per Unit / %		Per Unit / %		Per Unit / %
<b>TOTAL ADVERTISING &amp; PROMOTIONS</b>	<b>5,260</b>	<b>159</b>	<b>2,817</b>	<b>85</b>	<b>2,817</b>	<b>85</b>	<b>2,817</b>	<b>85</b>
Telephone	1,597	48	1,597	48	1,597	48	1,597	48
Gas	3,550	108	3,550	108	3,550	108	3,550	108
Electric	2,997	91	2,997	91	2,997	91	2,997	91
(10) Sewer	9,275	281	9,270	281	9,270	281	9,270	281
Water	12,230	371	12,230	371	12,230	371	12,230	371
Rubbish Removal	5,595	170	5,595	170	5,595	170	5,595	170
<b>TOTAL UTILITIES</b>	<b>35,243</b>	<b>1,068</b>	<b>35,238</b>	<b>1,068</b>	<b>35,238</b>	<b>1,068</b>	<b>35,238</b>	<b>1,068</b>
Landscape	2,898	88	2,898	88	2,898	88	2,898	88
(11) Pest Control	3,680	112	1,880	57	1,880	57	1,880	57
Plumbing Supplies & Services	2,278	69	2,278	69	2,278	69	2,278	69
Appliance	(337)	(10)	-	-	-	-	-	-
Keys & Locks	213	6	213	6	213	6	213	6
Hardware & Supplies	1,242	38	1,242	38	1,242	38	1,242	38
Exterior Building Repair	335	10	335	10	335	10	335	10
Windows / Screens / Doors	(465)	(14)	-	-	-	-	-	-
Roofing Repairs	1,015	31	1,015	31	1,015	31	1,015	31
Common Area Cleaning	831	25	831	25	831	25	831	25
Carpets / Blinds / Vinyl	(968)	(29)	-	-	-	-	-	-
Electrical Supplies & Services	91	3	91	3	91	3	91	3
Fire Safety	78	2	78	2	78	2	78	2
<b>TOTAL REPAIRS AND MAINTENANCE</b>	<b>10,892</b>	<b>330</b>	<b>10,861</b>	<b>329</b>	<b>10,861</b>	<b>329</b>	<b>10,861</b>	<b>329</b>
Apartment Cleaning	2,665	81	2,665	81	2,665	81	2,665	81
(12) Apartment Painting	(3,667)	(111)	2,063	63	2,063	63	2,063	63
Carpet / Drape Cleaning	165	5	165	5	165	5	165	5
<b>TOTAL TURNOVER COSTS</b>	<b>(837)</b>	<b>(25)</b>	<b>4,893</b>	<b>148</b>	<b>4,893</b>	<b>148</b>	<b>4,893</b>	<b>148</b>
Insurance	6,684	203	6,684	203	6,684	203	6,684	203
Property Taxes	82,475	2,499	116,520	3,531	116,520	3,531	116,520	3,531
Personal Property Taxes	3,400	103	-	-	-	-	-	-
Income Taxes	171	5	-	-	-	-	-	-
Fixed Property Taxes (NEW)	-	-	81	2	81	2	81	2
<b>TOTAL FIXED EXPENSES</b>	<b>92,731</b>	<b>2,810</b>	<b>123,285</b>	<b>3,736</b>	<b>123,285</b>	<b>3,736</b>	<b>123,285</b>	<b>3,736</b>
(13) Estimated Replacement Reserves (NEW)	-	-	6,600	200	6,600	200	6,600	200
<b>TOTAL OPERATING EXPENSE</b>	<b>209,061</b>	<b>6,335</b>	<b>236,528</b>	<b>7,168</b>	<b>238,839</b>	<b>7,238</b>	<b>241,210</b>	<b>7,309</b>
Expenses as % of 'Total Income'			36.8%		33.1%		30.2%	
<b>Net Operating Income</b>			<b>\$ 407,048</b>	<b>\$ 12,335</b>	<b>\$ 481,766</b>	<b>14,599</b>	<b>\$ 558,427</b>	<b>16,922</b>

## Notes:

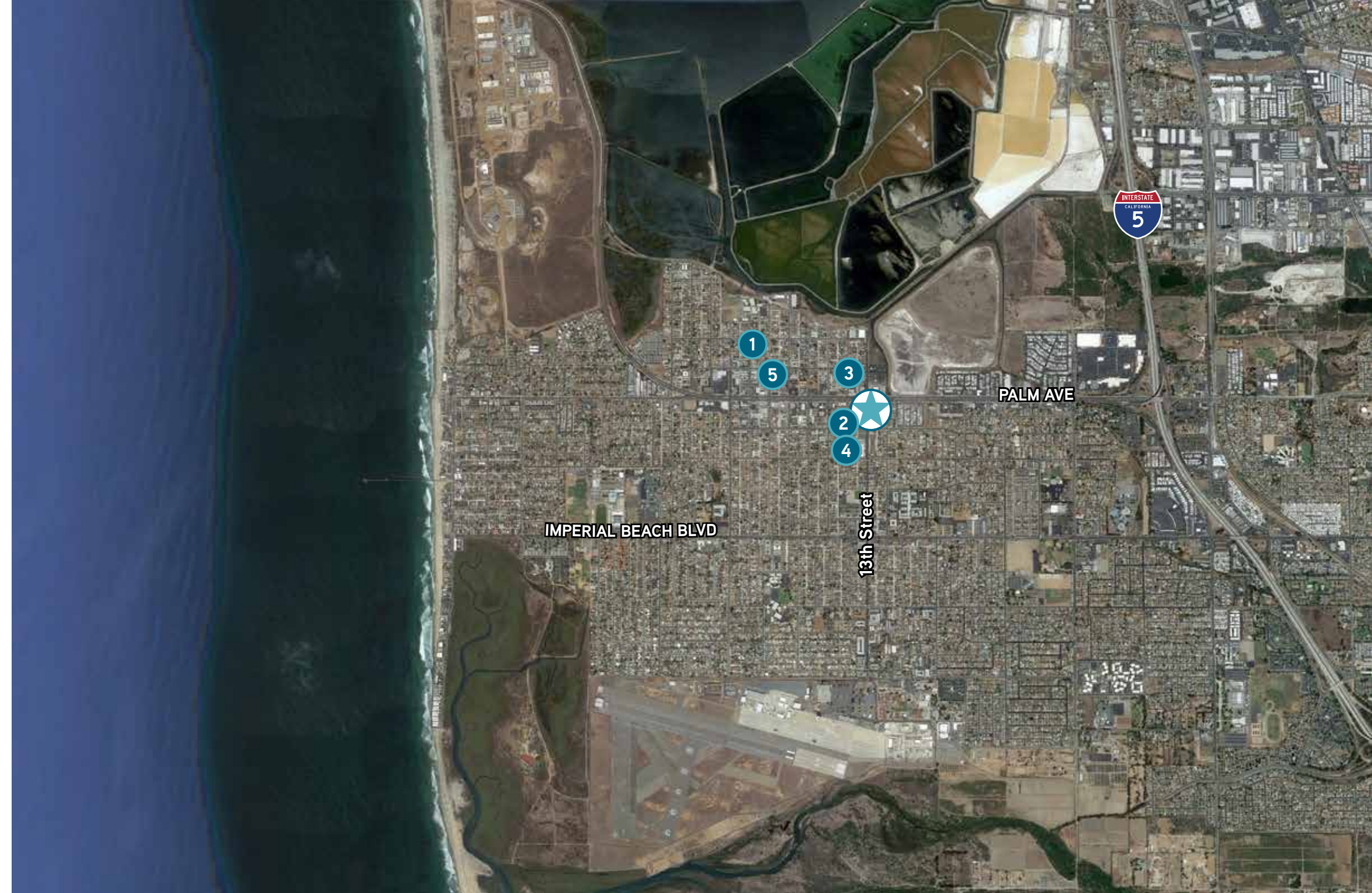
- (1) Vacancy estimated at 3%.
- (2) Laundry income estimated at \$15/unit/mo. and not included in the 'Market Rent Post Renovation + Washer/Dryers in Unit + Quartz Counters'.
- (3) 'Storage Income' assumes 8 storage units rented at \$80/mo. with a 4% vacancy. Storage units are large.
- (3) 'Pet Fee Income' estimated at \$35/pet/mo. and assumes 30% of the units have pets.
- (4) There are 8 storage units at the property. Storage Income estimated at \$50/unit/mo. with a 4% vacancy.
- (5) 'Resident Utility Reimbursement' is currently billed at \$75/unit/mo. A 4% vacancy is estimated.
- (6) 'Miscellaneous Administrative Cost' estimated at \$1000/year.
- (7) 'Salaries - Manager' estimated at \$400/unit/year.
- (8) Payroll burden adjusted downward based on new estimated 'Salaries - Manager' expense (same percentage as T-12).
- (9) Pro-forma assumes a new buyer will not use 'Rental Guides' as part of operating the property.
- (10) Sewer fee paid through property tax bill. Sewer fee actual from most recent tax bill.
- (11) Pest control expense based on T-3 (June 2020) annualized.
- (12) Apartment Painting based on 25% turnover per year with estimated painting expense of \$250/unit turned.
- (12) 'Replacement Reserves' estimated at \$200/unit/year.










# Rent Comps

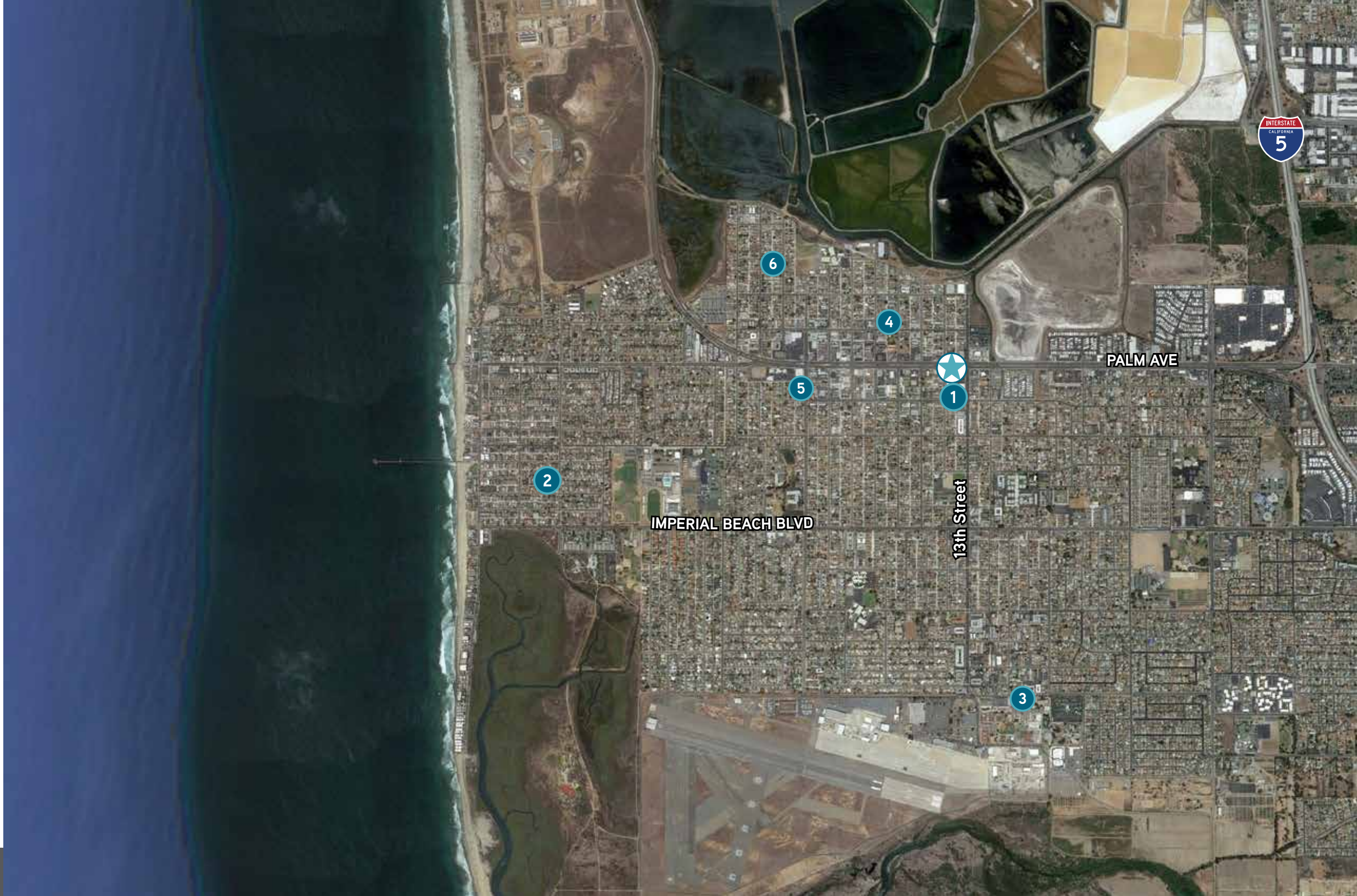
## UPDATED RENT SURVEY - OCTOBER 2020

Property Image	Project Name / Address	Age	Units	Type (Br/Ba)	SF	Current Rent	Turnover Rent	Market Rent (RC) - Post W/D + Quartz	Market Rent (RC) - Post W/D + Quartz Rent / SF
	<b>Imperial Beach Palms</b> 870 13th Street Imperial Beach, CA 91932	1972	33	1BR/1BA	630	\$1,390-1,500	<del>\$1,500</del> <b>\$1,575</b>	<del>\$1,750</del> <b>\$1,825</b>	<del>\$2.78</del> <b>\$2.89</b>
				1BR/1BA   R	630	\$1,400-1,527	<del>\$1,550</del> <b>\$1,625</b>	<del>\$1,750</del> <b>\$1,825</b>	<del>\$2.78</del> <b>\$2.89</b>
				1BR/1BA   RC	630	\$1,475-1,550	<del>\$1,600</del> <b>\$1,675</b>	<del>\$1,750</del> <b>\$1,825</b>	<del>\$2.78</del> <b>\$2.89</b>
				2BR/1BA   RC	775	\$1,800	\$1,900	\$2,200	\$2.84
				2BR/1.5BA	875	\$1,800-1,900	\$1,900	\$2,250	\$2.57
				2BR/1.5BA   R	875	\$1,611-1,661	\$1,950	\$2,250	\$2.57
2BR/1.5BA   RC	875	\$1,800-1,900	\$2,000	\$2,250	\$2.57				
<b>Notes: Recent interior &amp; exterior renovations.</b>									
	<b>584 11th Street</b> Imperial Beach, CA 91932	1977	10	1BR/1BA	650	<del>\$1,695</del> <b>\$1,775</b>			<del>\$2.61</del> <b>\$2.73</b>
				2BR/1BA	800	\$2,095			\$2.62
<b>Notes: Nicely renovated units. No in-unit Washer/Dryer.</b>									
	<b>1285-99 Donax Avenue</b> Imperial Beach, CA 91932	2019	8	3BR/2.5BA	1,623	\$3,000			\$1.85
<b>Notes: Newer construction condo located 1 parcel away from Imperial Beach Palms. Unit has in-unit Washer/Dryer.</b>									
	<b>621 Forence Street</b> Imperial Beach, CA 91932	1948	4	2BR/1BA	600	\$2,095			\$3.49
<b>Notes: Nicely renovated unit. No in-unit Washer/Dryer.</b>									
	<b>1190 13th Street</b> Imperial Beach, CA 91932	1975	6	1BR/1BA	700	<del>575</del> <b>\$1,600</b>	<del>\$1,600</del> <b>\$1,675</b>		<del>\$2.29</del> <b>\$2.91</b>
<b>Notes: Nicely renovated unit. No in-unit Washer/Dryer.</b>									
	<b>615 9th Street</b> Imperial Beach, CA 91932	1972	36	2BR/1BA	825	\$2,200			\$2.67
<b>Notes: Dated interior renovation. Unit includes small Washer/Dryer combo in the closet.</b>									



# Sale Comps

Property Image	Project Name / Address	Age	Units	Sale Price	Price/Unit	Price/SF	GIM	CAP Rate	Sale Date
	<b>Imperial Beach Palms</b> 870 13th Street Imperial Beach, CA 91932	1972	33	\$10,025,000	\$303,788	\$415	14.68 (Cur) 13.16 (Turn) 11.89 (RC + W/D + Qtz)	4.1% (Cur) 4.8% (Turn) 5.6% (RC + W/D + Qtz)	Available
<b>NOTES: Unit Mix: 21 - 1BR/1BA   4 - 2BR/1BA   8 - 2BR/1.5BA. Recent interior &amp; exterior renovations.</b>									
	<b>1285-99 Donax Avenue</b> Imperial Beach, CA 91932	2019	8	\$4,395,000	\$549,375	\$329	15.5	N/A	Available
<b>NOTES: Unit Mix: 4 - 3BR/2.5BA   4 - 4BR/2.5BA. Located two parcels to the North of Imperial Beach Palms.</b>									
	<b>285 Elder Avenue</b> Imperial Beach, CA 91932	1972	5	\$1,825,000	\$365,000	\$453	15.57 (Cur)	4.33% (Cur)	6/8/2020
<b>NOTES: Unit Mix: 3 - 1BR/1BA   2 - 2BR/1BA. Property had recent interior &amp; exterior renovations.</b>									
	<b>1491 14th Street</b> Imperial Beach, CA 91932	1991	5	\$1,452,500	\$290,500	\$362	15.41 (Cur) 13.83 (Mkt)	4.0% (Cur) 4.75% (Mkt)	5/4/2020
<b>NOTES: Unit Mix: 5 - 2BR/1BA. Some minor interior improvements, but property in need of upgrades. Inferior Imperial Beach location. Mkt cap rate &amp; GIM don't include cost of renovation.</b>									
	<b>Brookwood North</b> 584 11th Street Imperial Beach, CA 91932	1977	10	\$3,425,000	\$342,500	\$470	15.4 (Cur)	4.49% (Cur)	3/30/2020
<b>NOTES: Unit Mix: 5 - 1BR/1BA   5 - 2BR/1BA. Renovated property.</b>									
	<b>757 9th Street</b> Imperial Beach, CA 91932	1976	12	\$3,800,000	\$316,667	\$352	14.17 (Cur)	4.5% (Cur)	2/20/2020
<b>NOTES: Unit Mix: 12 - 2BR/1.5BA. Some recent interior improvements. Exterior in need of updating. Old windows.</b>									
	<b>527 Delaware Street</b> Imperial Beach, CA 91932	1987	5	\$1,601,000	\$320,200	\$328	16.94 (Cur) 14.59 (Mkt)	3.45% (Cur) 4.33% (Mkt)	11/14/2019
<b>NOTES: Unit Mix: 5 - 2BR/1BA. Property in need of updating.</b>									





**INVESTMENT OPPORTUNITY**  
33 Unit Multi-Family Property  
Imperial Beach | South Bay San Diego County

*Imperial Beach Palms*

870

13TH STREET  
IMPERIAL BEACH,  
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