

California Dreams Hostel  
17-Room Ocean Beach Hostel  
& Adjacent Duplex

SAN DIEGO, CA 92107

OFFERED INDIVIDUALLY  
OR AS A PORTFOLIO



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01

# Investment Overview



## POINT LOMA | ADJACENT INVESTMENT OPPORTUNITY

CBRE is pleased to present a rare opportunity to acquire two adjacent assets in the heart of Point Loma, one of San Diego's most supply-constrained and desirable coastal submarkets. Located along Udall Street, these properties may be purchased individually or together, offering investors flexibility to target stable income, long-term appreciation, or a blended portfolio strategy.

### 3790 Udall Street | True NNN Hostel Investment

3790 Udall Street is a  $\pm 5,032$  SF hostel property situated on 4,825 SF of land, offering true NNN income with minimal landlord responsibility. The property is master-leased through 2032, providing long-term, predictable cash flow.

The tenant pays all operating expenses, including taxes, insurance, and maintenance, resulting in rent equal to NOI.

### 3778-3880 Udall Street | Renovated Duplex with Long-Term Upside

3778-3880 Udall Street is a fully renovated duplex totaling approximately 1,896 SF on 5,114 SF of land, featuring a desirable unit mix of one 3-bedroom/2-bath unit and one 2-bedroom/2-bath unit, both with modern finishes and garage parking.

The property is leased through June 2028 at \$6,500 per month, with 3% annual rent increases built into the lease structure.

This asset offers investors stable tenancy today with embedded rent growth and long-term value upside, particularly given the property's coastal location, renovation quality, and limited supply of duplex housing in Point Loma.







## California Dreams HOSTEL

California Dreams Hostel is an established, independent hostel operator offering an authentic international travel experience in San Diego. Founded in 2017, the operator was created with the goal of fostering a welcoming, community-oriented environment where backpackers and global travelers can connect, while maintaining the comfort, cleanliness, and service standards of a quality hotel.

The hostel features 17 total guest rooms, ranging from private single-bed rooms to shared accommodations with up to three-bed bunk configurations, allowing the operator to serve a diverse mix of travelers while maximizing operational flexibility and occupancy.

The hostel has built a strong reputation for excellent guest service, affordability, and operational consistency, attracting travelers from around the world seeking a social yet well-managed lodging experience. California Dreams emphasizes community engagement and local partnerships, aligning well with San Diego's coastal lifestyle and tourism-driven economy.

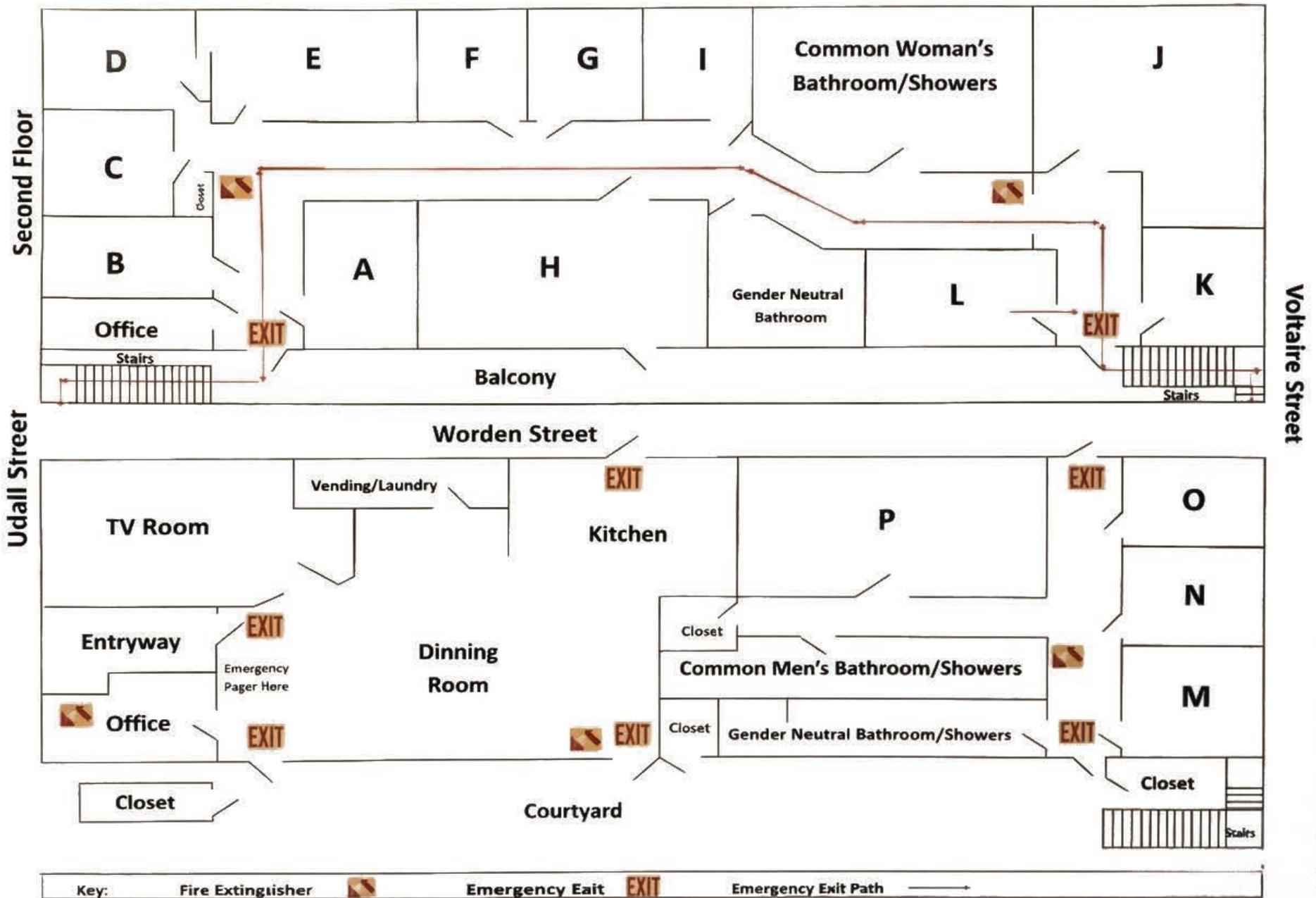
The tenant operates multiple successful locations throughout San Diego, including Downtown San Diego and Pacific Beach, demonstrating proven operational scale and local market expertise. Their continued expansion and long-term lease commitment underscore confidence in the Point Loma location and the broader San Diego hospitality market.

### Property Amenities

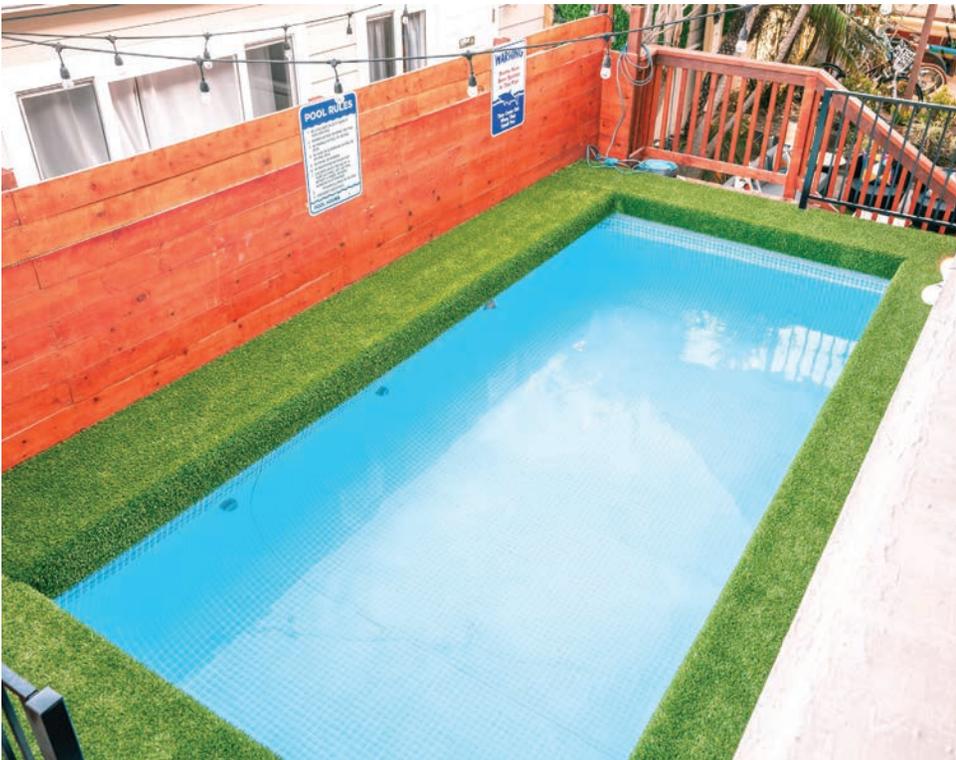
The Udall Street location offers a robust amenity package designed to support guest satisfaction and occupancy, including:

- Free Wi-Fi
- Guest kitchen
- Eco-friendly operations
- Complimentary towels and bed sheets
- Personal power and USB outlets
- Outdoor common area
- Free on-site parking
- Free lockers













— Investment Overview

# 3778-80

## Udall Street

3778–3880 Udall Street is a fully renovated duplex offering two modern, well-designed residences in one of Point Loma’s most desirable coastal neighborhoods. The property consists of a 3-bedroom/2-bath unit and a 2-bedroom/2-bath unit, both recently remodeled with contemporary finishes and efficient layouts that appeal to coastal renters seeking proximity to outdoor recreation, employment centers, and San Diego International Airport.

The rear residence, configured as a 3-bedroom/2-bath unit, features a private outdoor yard, enhancing livability and long-term tenant appeal. The second residence, a 2-bedroom/2-bath unit, offers a functional floor plan with strong rental demand driven by its location and modern condition. Both units benefit from recent renovations, creating a turnkey asset with minimal near-term capital needs.

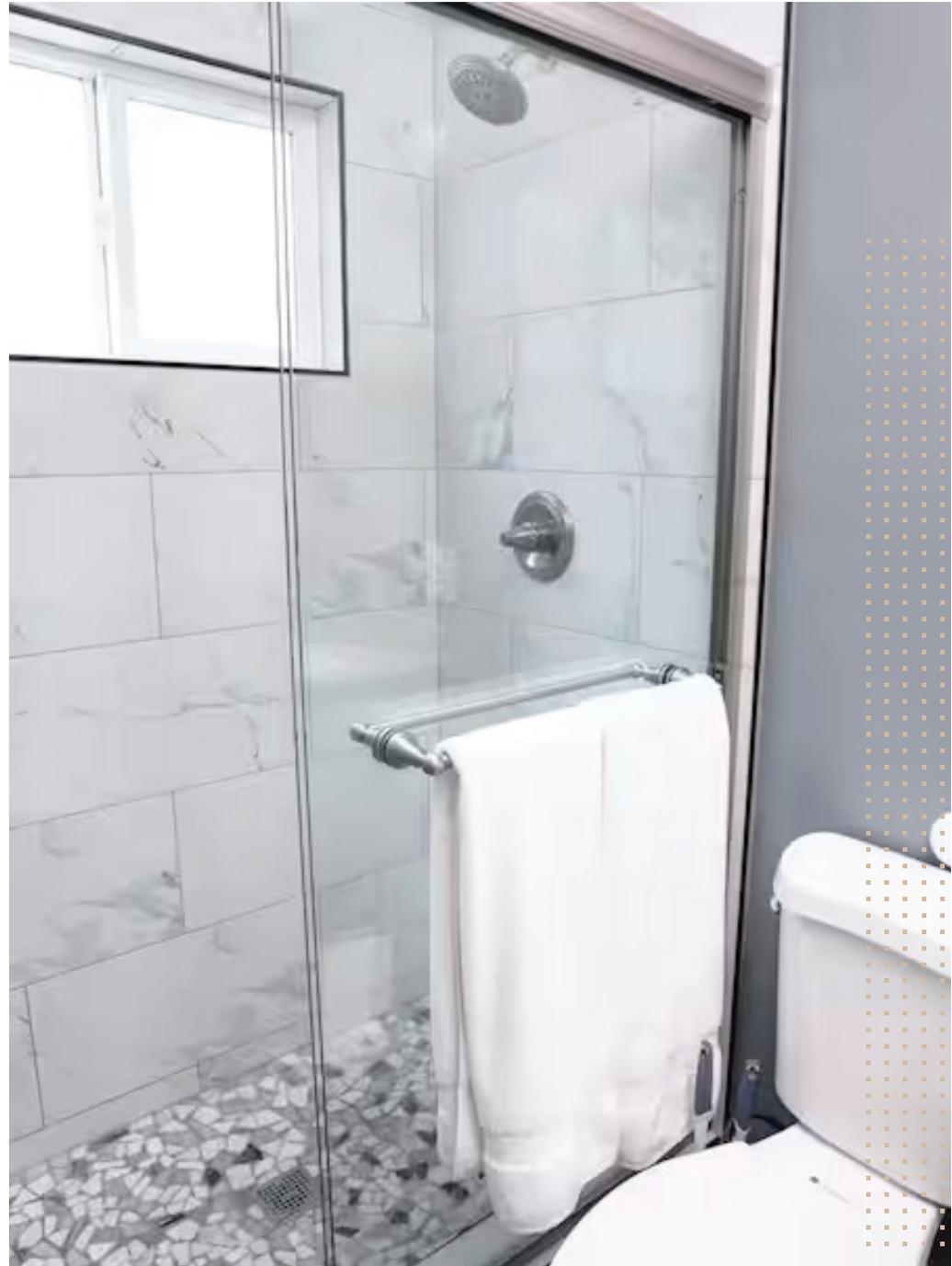
The property is located approximately 3 miles from the coastline and just a 4-minute drive to Sunset Cliffs, local breweries, farmers markets, and neighborhood retail. Its close proximity to San Diego International Airport (approximately 10 minutes) adds convenience for residents and enhances rental demand. The surrounding area supports an active coastal lifestyle, with easy access to surfing, hiking, and daily sunset views—key drivers of long-term housing demand in Point Loma.

Parking is accommodated via one designated off-site parking space at a nearby lot, supplemented by ample free street parking along Udall Street. While the property is located within the airport flight path, strong demand for coastal housing in this submarket has historically supported consistent occupancy and rent growth.















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# Financial Analysis



## RENT ROLL SUMMARY DUPLEX

Unit Type	# of Units	Avg Sq Feet	Rental Range	Current		Market Stabilized		Post Renovation	
				Avg Rent	Monthly Income	Avg Rent	Monthly Income	Avg Rent	Monthly Income
3-bedroom / 2-bath	1	1,000	\$3,500	\$3,500	\$3,500	\$3,700	\$3,700	\$4,200	\$4,200
2-bedroom / 2-bath	1	896	\$3,000	\$3,000	\$3,000	\$3,200	\$3,200	\$3,500	\$3,500
<b>Totals / Weighted Avg</b>	<b>2</b>	<b>1,896</b>			<b>\$6,500</b>		<b>\$6,900</b>		<b>\$7,700</b>
<b>Gross Annualized Rents</b>					<b>\$78,000</b>		<b>\$82,800</b>		<b>\$92,400</b>

## RENT ROLL DETAIL

Unit	Unit Type	Square Feet	Current		Market Stabilized		Post Renovation	
			Rent / Month	Rent / SF / Month	Rent / Month	Rent / SF / Month	Rent / Month	Rent / SF / Month
3778	3-bedroom / 2-bath	1,000	\$3,500	\$3.50	\$3,700	\$3.70	\$4,200	\$4.20
3880	2-bedroom / 2-bath	896	\$3,000	\$3.35	\$3,200	\$3.57	\$3,500	\$3.91
<b>Total</b>		<b>1,896</b>	<b>\$6,500</b>	<b>\$3.43</b>	<b>\$6,900</b>	<b>\$3.64</b>	<b>\$7,700</b>	<b>\$4.06</b>

\*Currently the duplex is master leased through 2028. Market stabilized assumes market rents from annual leases after this master lease expires. Post renovation assumes units have been fully upgraded and leased annually.

## OPERATING STATEMENT DUPLEX

INCOME		Current		Market Stabilized		Post Renovation
Gross Scheduled Rent		\$78,000		\$82,800		\$92,400
Less: Vacancy / Deductions	3%	\$2,340	3%	\$2,484	3%	\$2,772
Total Effective Rental Income		\$75,660		\$80,316		\$89,628
Effective Gross Income		\$75,660		\$80,316		\$89,628
Less: Expenses	47.56%	\$35,982	45.09%	\$36,215	40.92%	\$36,680
Net Operating Income		\$39,678		\$44,101		\$52,948
Cash Flow		\$39,678		\$44,101		\$52,948
Debt Service		\$59,682		\$59,682		\$59,682
Net Cash Flow After Debt Service	-1.82%	\$(20,004)	-1.42%	\$(15,581)	-0.61%	\$(6,734)
Principal Reduction		\$10,287		\$10,287		\$10,287
<b>Total Return</b>		<b>-0.88%</b>		<b>\$(9,717)</b>	<b>-0.48%</b>	<b>\$(5,293)</b>
						<b>0.32%</b>
						<b>\$3,553</b>
<b>EXPENSES</b>						
Real Estate Tax		\$2,000		\$2,000		\$2,000
Insurance		\$2,669		\$2,669		\$2,669
Water & Sewer		\$2,062		\$2,062		\$2,062
Trash Removal		\$1,400		\$1,400		\$1,400
Repairs & Maintenance		\$660		\$660		\$660
Landscaping	5%	\$3,783	5%	\$4,015	5%	\$4,481
Management Fee		\$35,982		\$36,215		\$36,680
Total Expense		47.56%		45.09%		40.92%
Expense as a % of EGI		\$39,678		\$44,101		\$52,948
<b>Net Operating Income</b>		<b>\$160,901</b>		<b>\$178,122</b>		<b>\$216,715</b>

\*Currently the duplex is master leased through 2028. Market stabilized assumes market rents from annual leases after this master lease expires. Post renovation assumes units have been fully upgraded and leased annually.

PRICING DETAIL DUPLEX



**\$950,000**  
Price Per Unit



**\$1,002.11**  
Price Per SF



**2.09%**  
Cap Rate



**24.36**  
GRM

**SUMMARY**

Price	\$1,900,000
Number of Units	2
Price Pr Unit	\$950,000
Price Per SF	\$1,002.11
Rentable SF	1,896
Lot Size	5,114
Approx. Year Built	1954

RETURNS	CURRENT	MARKET STABILIZED	POTENTIAL
Cap Rate	2.09%	2.32%	2.79%
GRM	24.36	22.95	20.56
Debt Coverage Ratio	0.66	0.74	0.89

FINANCING	1ST LOAN
Down Payment	\$1,100,000
Loan Amount	\$800,000
Loan Type	Proposed New
Interest Rate	6.25%
Amortization	30 Years
Term	30 Years

\*\$850,000 existing loan may be wrapped at 4%

\*\*Currently the duplex is master leased through 2028. Market stabilized assumes market rents from annual leases after this master lease expires. Post renovation assumes units have been fully upgraded and leased annually.

PRICING DETAIL HOSTEL



**\$223,529**  
Price Per Room



**\$579.97**  
Price Per SF



**5.56%**  
Cap Rate



**\$211,465**  
NOI

**SUMMARY**

Price	\$3,800,000
Number of Rooms	17
Price Per Room	\$223,529
Price Per SF	\$579.97
Rentable SF	6,552
Lot Size	4,792
Approx. Year Built	1978

**RETURNS**

**CURRENT**

Cap Rate	5.56%
NOI	\$211,465

*\*Existing \$1,700,000 loan may be wrapped @ 5.1%; proposed new financing quotes around 55% LTV at 6% and 1.25% debt coverage ratio – see Kyle Wilson of CBRE debt for details at [kyle.wilson@cbre.com](mailto:kyle.wilson@cbre.com)*

*\*\*Master-leased through 2032. Tenant covers everything: taxes, insurance, maintenance  
Tenant operates two other successful San Diego locations (Downtown and Pacific Beach)*

03

Sales  
Comparables



SALES COMPARABLES DUPLEX



SUBJECT

3778-80 Udall St, San Diego, CA 92107

Sales Date	05/22/25
Status	Sold
Sales Price	\$1,900,000
Price/Unit	\$950,000
Price Per SF	\$1,002.11
Number of Units	2
Year Built	1954



1

4585-87 Saratoga Ave, San Diego, CA 92107

Sales Date	05/22/25
Status	Sold
Sales Price	\$1,650,000
Price/Unit	\$825,000
Price Per SF	\$954.30
Number of Units	2
Year Built	1967



2

4569 Narragansett Ave, San Diego, CA 92107

Sales Date	06/06/25
Status	Sold
Sales Price	\$1,600,000
Price/Unit	\$800,000
Price Per SF	\$927.53
Number of Units	2
Year Built	1964

SALES COMPARABLES DUPLEX



**3**  
4817-21 Coronado Ave, San Diego, CA 92107

Sales Date	06/30/25
Status	Sold
Sales Price	\$2,308,000
Price/Unit	\$1,154,000
Price Per SF	\$866.36
Number of Units	2
Year Built	1944



**4**  
4569-71 Coronado Ave, San Diego, CA 92107

Sales Date	05/22/25
Status	Sold
Sales Price	\$2,400,000
Price/Unit	\$1,200,00
Price Per SF	\$927.35
Number of Units	2
Year Built	1953



**5**  
3754-56 Tennyson St, San Diego, CA 92107

Sales Date	09/05/25
Status	Sold
Sales Price	\$1,450,000
Price/Unit	\$725,500
Price Per SF	\$1,074
Number of Units	2
Year Built	1941

SALES COMPARABLES HOSTEL



SUBJECT

3790 Udall St, San Diego, CA 92107

Sales Date	NA
Status	On Market
Sales Price	\$3,800,000
Price/Room	\$223,529
Price Per SF	\$579.97
Number of Rooms	16
Year Built	1978



1

1325 Scott St, San Diego, CA 92106

Sales Date	09/30/25
Status	Sold
Sales Price	\$8,800,000
Price/Room	\$220,000
Price Per SF	\$694.88
Number of Rooms	40
Year Built	1960 / 2008



2

1322 N Coast Hwy 101, San Diego, CA 92124

Sales Date	08/29/25
Status	Sold
Sales Price	\$5,600,000
Price/Room	\$266,667
Price Per SF	\$644.12
Number of Rooms	21
Year Built	1920 / 2005

SALES COMPARABLES HOSTEL



**3**  
5082 W Point Loma Blvd, San Diego, CA 92107

Sales Date	09/12/25
Status	Sold
Sales Price	\$5,820,000
Price/Room	\$306,316
Price Per SF	\$491.26
Number of Rooms	19
Year Built	2002



**4**  
1538 E Main St, San Diego, CA 92021

Sales Date	07/10/25
Status	Sold
Sales Price	\$5,600,000
Price/Room	\$100,000
Price Per SF	\$320.00
Number of Rooms	56
Year Built	1981 / 2000



**5**  
1322 N Coast Hwy 101, San Diego, CA 92124

Sales Date	12/08/25
Status	Sold
Sales Price	\$4,250,000
Price/Room	\$163,462
Price Per SF	\$611.95
Number of Rooms	26
Year Built	2025

# 04 Market Overview



## MARKET OVERVIEW

### POINT LOMA: A PREMIER COASTAL NEIGHBORHOOD DEFINED BY STEADY DEMAND, LIMITED SUPPLY, AND LASTING VALUE

Point Loma is one of San Diego's most desirable coastal neighborhoods, offering a rare combination of natural beauty, urban connectivity, and long-term housing stability. Bordered by the Pacific Ocean to the west and San Diego Bay to the east, the area is characterized by its panoramic water views, established residential communities, and a strong sense of identity rooted in its maritime and military history. The neighborhood benefits from exceptional accessibility, located just minutes from Downtown San Diego, the San Diego International Airport, and major employment hubs, making it a strategic location for both residents and investors.

The area draws a well-educated and high-income demographic, with a median household income above \$130,000 and consistently low vacancy rates. Demand for rental housing in Point Loma is supported by a diverse tenant base, including military personnel from the nearby Naval Base Point Loma, professionals working in downtown and at nearby hospitals and universities, and lifestyle renters drawn to the coastal setting. The community's strong appeal is further reinforced by its walkable access to Liberty Station, a vibrant mixed-use redevelopment offering top-tier restaurants, cafes, retail, arts, and fitness amenities.

Residents value the area's access to outdoor recreation, including Sunset Cliffs, Shelter Island, Cabrillo National Monument, and extensive biking and hiking trails, making Point Loma one of the few locations in San Diego that offers true coastal living with everyday convenience.

As a result, Point Loma stands out as a premium submarket within the broader San Diego metro. With high barriers to entry, strong long-term fundamentals, and enduring appeal to both renters and owner-occupants, the neighborhood offers an ideal foundation for multifamily investment with durable income, high retention, and long-term value appreciation.



05

# Hostel Operator Profile



<b>3</b> Active Properties <i>San Diego</i>	<b>#1</b> TripAdvisor Rank <i>Lucky D's · SD Specialty Lodging</i>	<b>8.8/10</b> Booking.com <i>OB Location · 448 reviews</i>	<b>1,400+</b> OTA Reviews <i>Verified across all 3 properties</i>	<b>8 Yrs</b> Operating History <i>Consistent quality since 2017</i>
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### WHY CALIFORNIA DREAMS IS A BANKABLE OPERATOR

California Dreams Hostel Group has operated three of San Diego's highest-reviewed budget properties continuously since 2017. Their flagship Lucky D's holds the #1 TripAdvisor ranking out of 72 specialty lodging properties in San Diego — a Travelers' Choice Award winner — and is one of the most-booked properties in the city. Multi-site operations across Pacific Beach, Ocean Beach, and Downtown demonstrate scalable brand management and consistent guest experience delivery.

### ACCOLADES & PROOF POINTS

- **#1 Specialty Lodging** — San Diego - Lucky D's · TripAdvisor · 993 reviews
- **Travelers' Choice Award** — TripAdvisor — Top 10% globally
- **8.8 / 10 Booking.com Score** — Ocean Beach · 448 verified reviews
- **Featured: Top Hostel Lists** — Nomadic Matt · Broke Backpacker Hostelgeeks
- **Free Breakfast Across Portfolio** — High-retention guest amenity
- **Revenue-Gen Amenity Layer** — Bikes, surfboards, wetsuits, lessons
- **Global OTA Distribution** — Booking.com · Hostelworld · Expedia · TripAdvisor
- **8-Year Uninterrupted Operation** — No major closures — consistent performance

### VERIFIED GUEST REVIEWS

- "Facilities like a plushy hotel — staff universally welcoming, place kept immaculately clean."  
— TripAdvisor · Ocean Beach
- "I've stayed at hostels across the US and Europe. Lucky D's is genuinely the best."  
— TripAdvisor · Lucky D's
- "Best place in Pacific Beach. Clean, amazing location, incredible staff."  
— Booking.com · Pacific Beach
- "Lucky D's has been my go-to since 2018. Always clean, always welcoming."  
— TripAdvisor · Regular Guest

**California Dreams — Ocean Beach**

**SUBJECT PROPERTY**

*3790 Udall St · Ocean Beach / Point Loma*

Pool, jacuzzi, **free breakfast**, surf & bike rentals, **nightly events**. 10 min from SAN airport.

<b>Booking.com</b>	<b>8.8 / 10</b>	448 reviews
<b>TripAdvisor</b>	<b>4.0 / 5.0</b>	#21 of 72 · SD
<b>Hotels.com</b>	<b>Highly Rated</b>	Nov 2025

**California Dreams — Pacific Beach**

*743 Emerald St · Pacific Beach (steps from beach)*

Adults-only. Pool, hot tub, **free breakfast**, surf lessons, live music, tour desk.

<b>Booking.com</b>	<b>8.0 / 10</b>	410 reviews
<b>Hostelworld</b>	<b>8.2 / 10</b>	751 reviews
<b>TripAdvisor</b>	<b>4.0 / 5.0</b>	#12 of 72 · SD

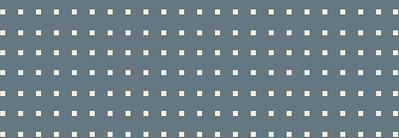
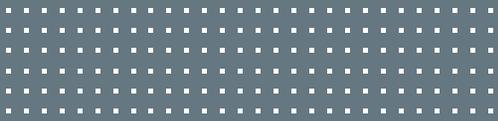
**Lucky D's Hostel ★ FLAGSHIP**

**TRAVELERS' CHOICE AWARD**

*Downtown San Diego — East Village / Gaslamp*

SD's #1 specialty lodging. Steps from Gaslamp, Petco Park & Convention Center. Bar, **nightly events**.

<b>TripAdvisor</b>	<b>4.0 / 5.0</b>	#1 of 72 · 993 reviews
<b>TripAdvisor</b>	<b>Travelers' Choice</b>	Top 10% globally
<b>Booking.com</b>	<b>Top 10</b>	Best Hostels in SD



## Conor Brennan

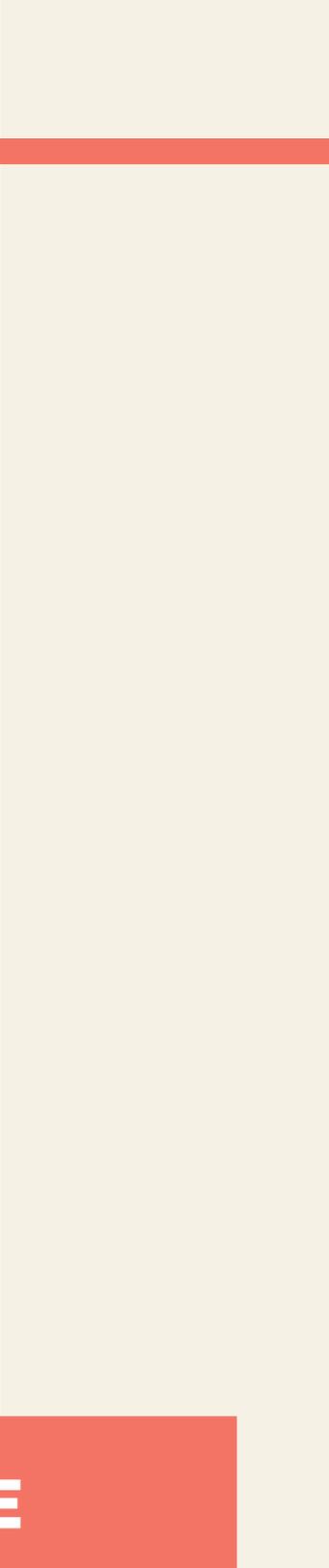
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