

The Melrose Apartments

2164

SECOND
AVENUE



CBRE

BANKERS HILL, SAN DIEGO CA 92101

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OVERVIEW

01

INVESTMENT OVERVIEW

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PROPERTY HIGHLIGHTS



Prime Bankers Hill location walking distance to popular Little Italy



High-demand mix of 1-bedrooms & studios; 2-bed units have been overbuilt in the submarket



Prime value-add candidate for quick interior rehab and rent bumps to market



Walk Score of 91 – a Walker’s Paradise, proximate to Downtown & Balboa Park



Assumable Loan: \$2.1 million at 3.37%*, interest-only until November 2026, converts to variable rate in November 2028

**Includes 0.20% interest rate reduction for units below specified AMI levels; base rate: 3.57%.*



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EXECUTIVE SUMMARY

CBRE is pleased to present 2164 Second Avenue, a 16-unit multifamily property ideally located in the highly sought-after Bankers Hill neighborhood of San Diego, California. Built in 1920, the property offers an attractive unit mix consisting of fourteen

(14) studio/1-bath units and two (2) one-bedroom/one-bath units, catering to a wide range of tenants seeking quality housing near San Diego's vibrant urban core.

Situated just steps from Balboa Park, and minutes from Downtown San Diego, Little Italy, and the waterfront, 2164 Second Avenue benefits from exceptional accessibility to major employment centers, cultural landmarks, and everyday conveniences. Its central location and walkable surroundings make it highly desirable for residents drawn to Bankers Hill's blend of historic charm, upscale dining, and park-side living.

The property offers significant value-add potential, with opportunities to enhance both interior and exterior features through modern upgrades and operational improvements—positioning the next owner to capture meaningful rent growth and long-term appreciation.

With its prime infill location, strong renter demand, and upside through renovation, 2164 Second Avenue represents a compelling investment opportunity in one of San Diego's most stable and prestigious submarkets.

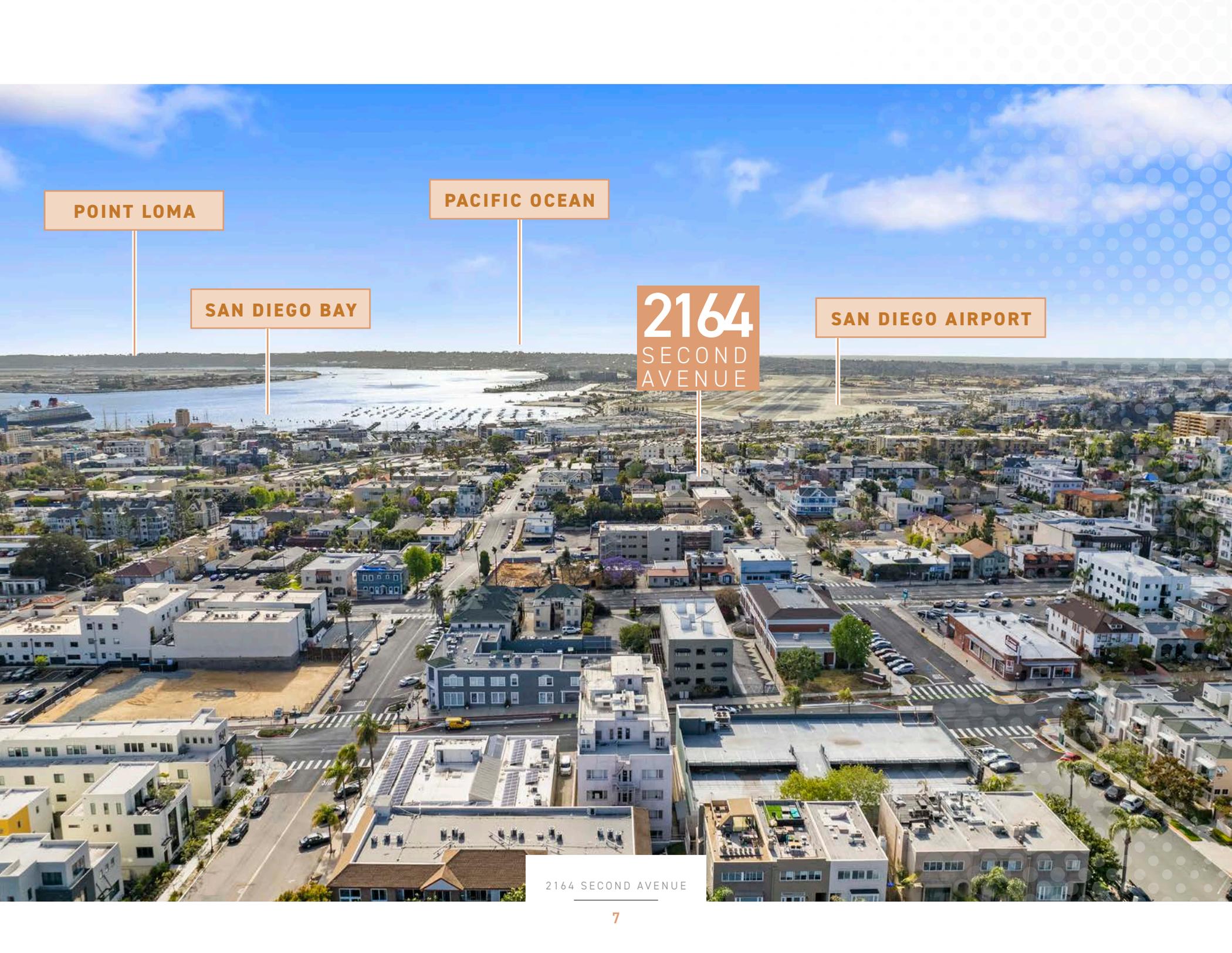
Assumable Financing (CHASE):

- \$2,100,000 assumable loan
- 3.37% fixed rate*
- Converts to variable rate on November 2028
- Interest-only until November 2026, when principal payments commence

**Includes 0.20% interest rate reduction for units below specified AMI levels; base rate: 3.57%.*

Bankers Hill is one of San Diego's most desirable urban neighborhoods, combining historic charm with modern sophistication. Overlooking Balboa Park and the San Diego Bay, it offers residents tree-lined streets, elegant architecture, and a walkable lifestyle with easy access to Downtown, Little Italy, and the waterfront. Known for its mix of classic homes, luxury mid-rises, and trendy eateries, Bankers Hill delivers an elevated yet relaxed living experience in the heart of the city.





POINT LOMA

PACIFIC OCEAN

SAN DIEGO BAY

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SAN DIEGO AIRPORT

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FINANCIAL ANALYSIS

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RENT ROLL SUMMARY

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
Studio / 1-bath	14	400	\$1,245-\$1,665	\$1,507	\$21,098	\$1,759	\$24,626	\$2,000	\$28,000
1-bedroom / 1-bath	2	513	\$1,190-\$1,895	\$1,543	\$3,086	\$1,995	\$3,990	\$2,500	\$5,000
Totals / Weighted Avg	16	6,625			\$24,185		\$28,620		\$33,000
Gross Annualized Rents					\$290,220	\$343,440	\$396,000		

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
1	1-Bedroom / 1-Bath	500	\$1,190	\$2.38	\$1,995	\$3.99	\$2,500	\$5.00
2	Studio / 1-Bath	400	\$1,495	\$3.74	\$1,695	\$4.24	\$2,000	\$5.00
3	Studio / 1-Bath	400	\$1,645	\$4.11	\$1,695	\$4.24	\$2,000	\$5.00
4	Studio / 1-Bath	400	\$1,495	\$3.74	\$1,695	\$4.24	\$2,000	\$5.00
5	Studio / 1-Bath	400	\$1,245	\$3.11	\$1,695	\$4.24	\$2,000	\$5.00
6	Studio / 1-Bath	400	\$1,495	\$3.74	\$1,695	\$4.24	\$2,000	\$5.00
7	Studio / 1-Bath	400	\$1,345	\$3.36	\$1,695	\$4.24	\$2,000	\$5.00
8	Studio / 1-Bath	400	\$1,595	\$3.99	\$1,695	\$4.24	\$2,000	\$5.00
9	1-Bedroom / 1-Bath	525	\$1,895	\$3.61	\$1,995	\$3.80	\$2,500	\$4.76
10	Studio / 1-Bath	400	\$1,595	\$3.99	\$1,795	\$4.49	\$2,000	\$5.00
11	Studio / 1-Bath	400	\$1,495	\$3.74	\$1,795	\$4.49	\$2,000	\$5.00
12	Studio / 1-Bath	400	\$1,495	\$3.74	\$1,895	\$4.74	\$2,000	\$5.00
14	Studio / 1-Bath	400	\$1,595	\$3.99	\$1,895	\$4.74	\$2,000	\$5.00
15	Studio / 1-Bath	400	\$1,345	\$3.36	\$1,795	\$4.49	\$2,000	\$5.00
16	Studio / 1-Bath	400	\$1,595	\$3.99	\$1,795	\$4.49	\$2,000	\$5.00
17	Studio / 1-Bath	400	\$1,665	\$4.16	\$1,795	\$4.49	\$2,000	\$5.00
Total		6,625	\$24,185		\$28,620		\$33,000	

OPERATING STATEMENT

INCOME		Current		Market Stabilized		Post Renovation
Gross Scheduled Rent		\$290,220		\$343,440		\$396,000
Less: Vacancy / Deductions	3%	\$8,707	3%	\$10,303	3%	\$11,880
Total Effective Rental Income		\$281,513		\$333,137		\$384,120
Laundry Income		\$1,800		\$1,800		\$1,800
RUBS Reimbursements		\$8,533		\$8,533		\$8,533
Effective Gross Income		\$291,846		\$343,470		\$394,453
Less: Expenses	41.78%	\$117,621	36.08%	\$120,202	31.96%	\$122,751
Net Operating Income		\$174,226		\$223,268		\$271,702
Cash Flow		\$174,226		\$223,268		\$271,702
Debt Service		\$70,770		\$70,770		\$70,770
Net Cash Flow After Debt Service (Interest Only)	4.31%	\$103,456	6.35%	\$152,498	8.37%	\$200,932
Principal Reduction		\$44,406		\$44,406		\$44,406
EXPENSES						
Real Estate Tax		\$56,301		\$56,301		\$56,301
Insurance		\$11,960		\$11,960		\$11,960
Water & Sewer		\$5,530		\$5,530		\$5,530
Electricity		\$2,928		\$2,928		\$2,928
Gas		\$1,455		\$1,455		\$1,455
Repairs & Maintenance		\$10,400		\$10,400		\$10,400
Landscaping		\$2,100		\$2,100		\$2,100
Trash		\$4,354		\$4,354		\$4,354
Reserves		\$3,200		\$3,200		\$3,200
Onsite Management		\$4,800		\$4,800		\$4,800
Management Fee	5%	\$14,592	5%	\$17,173	5%	\$19,723
Total Expense		\$117,621		\$120,202		\$122,751
Expense as a % of EGI		41.78%		36.08%		31.96%
Net Operating Income		\$174,226		\$223,268		\$271,702



PRICING DETAILS

SUMMARY

Price	\$4,500,000
Number of Units	16
Price Pr Unit	\$281,250
Price Per SF	\$679.25
Rentable SF	6,625
Lot Size	6,936
Approx. Year Built	1920

RETURNS	CURRENT	MARKET STABILIZED	POTENTIAL
Cap Rate	3.87%	4.96%	6.04%
GRM	15.51	13.10	11.36
Cash-on-Cash	4.31%	6.35%	8.37%
Debt Coverage Ratio	2.46	3.15	3.84

FINANCING	1ST LOAN
Down Payment	\$2,400,000
Loan Amount	\$2,100,000
Loan Type	Assumable
Interest Rate	3.37%*
Amortization	30 Years
Term	3 Years

*Includes 0.20% interest rate reduction for units below specified AMI levels; base rate: 3.57%.

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SALES COMPARABLES

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SALES COMPARABLES



2164 2nd Avenue, San Diego CA 92101

Sales Date	N/A	
Status	On Market	
Sales Price	\$4,500,000	
Price/Unit	\$281,250	
Price Per SF	\$679.25	
Cap Rate	3.87%	
Number of Units	16	
Year Built	1920	
NOI	\$174,226	
# Units / Unit Type	14	Studio / 2-Bath
# Units / Unit Type	2	1-Bed / 1-Bath



3939 7th Avenue, San Diego CA 92103

Sales Date	N/A	
Status	On Market	
Sales Price	\$5,245,000	
Price/Unit	\$327,812	
Price Per SF	\$612.16	
Cap Rate	4.88%	
Number of Units	16	
Year Built	1928	
NOI	\$255,912	
# Units / Unit Type	16	Studio/1-Bath



237 Spruce Street, San Diego CA 92103

Sales Date	N/A	
Status	On Market	
Sales Price	\$4,600,000	
Price/Unit	\$328,571	
Price Per SF	\$527.28	
Cap Rate	4.09%	
Number of Units	14	
Year Built	1913	
NOI	\$188,302	
# Units / Unit Type	1	Studio/1-Bath
# Units / Unit Type	12	1-Bed / 1-Bath
# Units / Unit Type	1	2-Bed / 1-Bath



303 Olive Street, San Diego CA 92103

Sales Date	02/05/25
Status	Sold
Sales Price	\$3,550,000
Price/Unit	\$350,000
Price Per SF	\$664.26
Cap Rate	4.87%
Number of Units	10
Year Built	1935
NOI	\$170,450

# Units / Unit Type	10	1-Bed/1-Bath
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2920 1st Avenue, San Diego CA 92103

Sales Date	04/29/25
Status	Sold
Sales Price	\$4,300,000
Price/Unit	\$307,142
Price Per SF	\$484.45
Cap Rate	4.04%
Number of Units	14
Year Built	1965
NOI	\$173,720

# Units / Unit Type	4	Studio/1-Bath
# Units / Unit Type	5	1-Bed/1-Bath
# Units / Unit Type	3	2-Bed/1-Bath
# Units / Unit Type	1	2-Bed/2-Bath



4030 Front Street, San Diego CA 92103

Sales Date	07/25/25
Status	Sold
Sales Price	\$4,150,000
Price/Unit	\$296,428
Price Per SF	\$455.74
Cap Rate	4.20%
Number of Units	14
Year Built	1969
NOI	\$174,300

# Units / Unit Type	2	Studio/1-Bath
# Units / Unit Type	8	1-Bed/1-Bath
# Units / Unit Type	4	2-Bed/1-Bath

04

MARKET OVERVIEW

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MARKET OVERVIEW

Bankers Hill: Where timeless charm meets urban sophistication.

Perched just west of Balboa Park and minutes from downtown San Diego, Bankers Hill blends historic elegance with modern city living. Its tree-lined streets feature beautifully preserved Victorian and Craftsman homes alongside sleek new developments, attracting professionals and families seeking a refined yet convenient lifestyle. The neighborhood's proximity to key employment centers, major medical facilities, and cultural landmarks makes it a top choice for renters and homeowners alike. With stunning bay views, walkable access to restaurants, coffee shops, and green spaces, and a reputation for stability and prestige, Bankers Hill offers both enduring value and strong investment potential in San Diego's competitive housing market.

Architectural Heritage – A striking mix of historic mansions and modern condos defines the neighborhood's upscale aesthetic.

Parkside Living – Steps from Balboa Park's gardens, museums, and trails, offering an unmatched outdoor and cultural experience.

Culinary Sophistication – Home to some of San Diego's top-rated fine dining and boutique cafés with scenic views.

Prime Central Location – Minutes from Downtown, Little Italy, and the waterfront, combining tranquility with urban convenience.



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