

OFFERING MEMORANDUM

1924 SAN PASCUAL STREET
SANTA BARBARA, CA

OFFERED AT \$7,200,000



**BERKSHIRE
HATHAWAY** | California
HomeServices Properties

COMMERCIAL DIVISION



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Newly Re-Positioned Multi-Family Asset in Central Santa Barbara

1924 San Pascual is a recently re-positioned multi-family property in a prime central Santa Barbara location, near to employment centers and services, and within minutes to downtown and the waterfront areas. Consider this investment as a preferred portfolio diversification compared to other buildings in the local area which mostly come with deferred maintenance and below-market rents, and which today have an uncertain road towards upgrading building condition and rents.



Of the 14 apartments, 11 units have been renovated with rents raised to at or near the current estimated market rents, with substantial improvements to the utility systems, roof, grounds and exterior as well. In addition, there is highly favorable assumable financing in place at a 5.0% annual interest rate with interest-only payments in place for another 3.5 years, contact agent for details.



The large parcel and horseshoe configuration of the building lends could allow the next owner to pursue multiple added Accessory Dwelling Units (ADU's) to the property, see the land-use/zoning section for discussion and links about the possibilities for additional apartment units. Review the following pages of the Offering Memorandum for more details about the financials, floorplans, site plan and location.



Address: 1924 San Pascual Street, Santa Barbara, 93101

Assessor Parcel Number: 043-132-013

Zoning: R-M (residential multi-family)
AUD Medium-High Density overlay

Lot Size: 17,859 square feet / 0.41 acres

Year Built/Reno: 1964 / 2024-26 renovations

Building Size: 9,192 SF (per permit records, \$539/SF)

Number of Units: 14 + storage

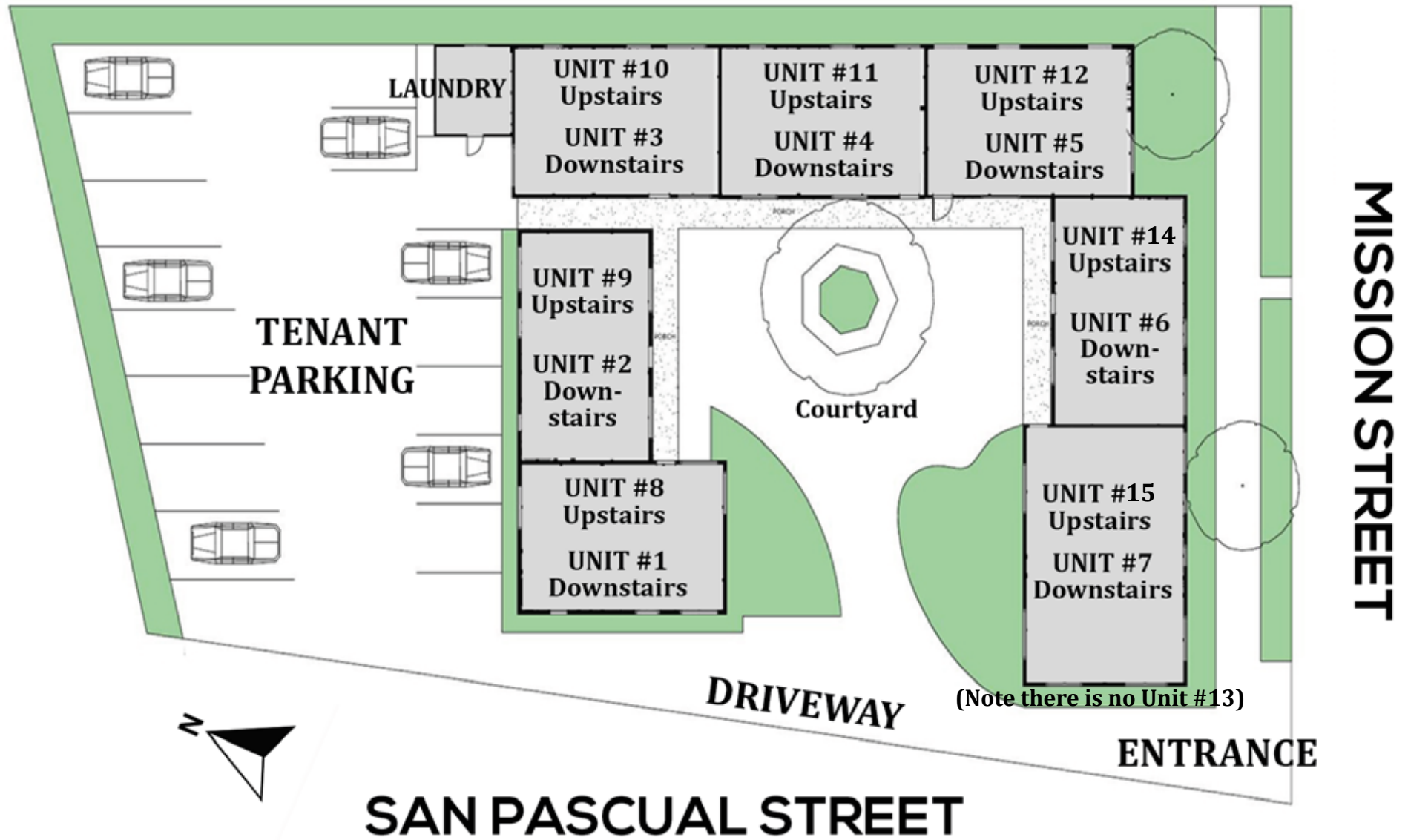
Unit Mix: 2 x 2-BR/1-BA, 12 x 1-BR/1-BA

Parking: 15 spaces (uncovered)

PROPERTY SITE PLAN



1924 SAN PASCUAL STREET
SANTA BARBARA, CA 93101



UNIT FLOORPLANS



1924 SAN PASCUAL STREET
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GROUND LEVEL

= LIVING AREA = BEDROOMS = BATH



UNIT #1
1-Bed / 1-Bath / 642 SF



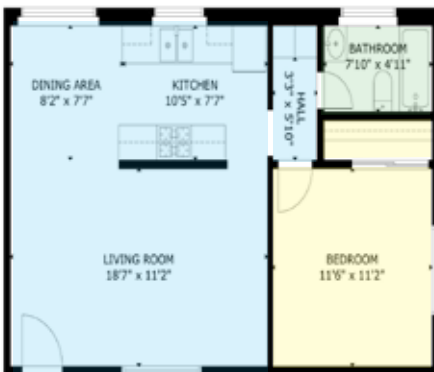
UNIT #2
1-Bed / 1-Bath / 630 SF



UNIT #3
1-Bed / 1-Bath / 642 SF



UNIT #4
1-Bed / 1-Bath / 642 SF



UNIT #5
1-Bed / 1-Bath / 647 SF



UNIT #6
1-Bed / 1-Bath / 642 SF



UNIT #7
2-Bed / 1-Bath / 851 SF



LAUNDRY
149 SF

UNIT FLOORPLANS



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UPPER LEVEL

 = LIVING AREA  = BEDROOMS  = BATH



UNIT #8
1-Bed / 1-Bath / 653 SF



UNIT #9
1-Bed / 1-Bath / 635 SF



UNIT #10
1-Bed / 1-Bath / 693 SF



UNIT #11
1-Bed / 1-Bath / 583 SF



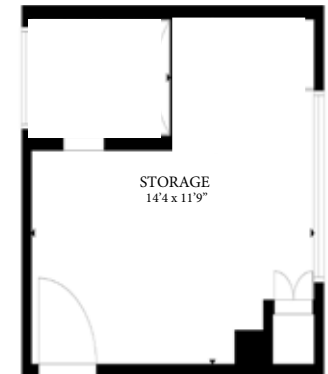
UNIT #12
1-Bed / 1-Bath / 627 SF



UNIT #14
1-Bed / 1-Bath / 623 SF



UNIT #15
2-Bed / 1-Bath / 830 SF



STORAGE
149 SF

(Note there is no Unit #13)



LAND-USE CONSULTANT SUMMARY

Legislative action in the State of California and at the local level in recent years, has served to allow for added residential income development on eligible properties. 1924 San Pascual Street may be eligible for the construction of additional units through multiple recent pro-housing legislative initiatives, such as the Special Accessory Dwelling Unit (ADU) program and the State Density Bonus Law. As examples, existing non-habitable space exists for a conversion to an additional studio, and the horseshoe configuration of the building provides a convenient space for placement of a possible detached 2-unit ADU building per one of the program's provisions. Click on the icon to the right to view a recent land-use summary by a local planning consultant.



[Summary
Report](#)

SPECIAL ACCESSORY DWELLING UNITS (ADU): Click on the icon to see details about the State of California laws re. special ADU's for multi-family apartment properties to the right



STATE DENSITY BONUS LAW (SDBL): Click on the icon to see details about the State of California density bonus law for multi-family apartment properties to the right



AMENDMENTS FOR 2024 TO SDBL (AB 1287): Click on the icon to see details about the State of California density bonus laws amendments for multi-family properties to the right



CITY AVERAGE UNIT DWELLING (AUD) PROGRAM: Click on the icon to see details about the City of Santa Barbara AUD bonus density programs for multi-family properties to the right



PHOTOS EXTERIOR



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PHOTOS INTERIOR



**1924 SAN PASCUAL STREET
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Living Room (typ.)



Living Room (typ.)



Kitchen (typ.)



Bedroom (typ.)



Bathroom (typ.)



Laundry (renovated)



INCOME SUMMARY

APT #	UNIT #	BEDS/BATH/SF	ACTUAL	EST. MARKET
1	1	1 / 1 / 642 SF	\$2,800	\$2,800
2	2	1 / 1 / 630 SF	\$1,722	\$2,700
3	3	1 / 1 / 642 SF	\$2,750	\$2,800
4	4	1 / 1 / 642 SF	\$2,650	\$2,800
5	5	1 / 1 / 647 SF	\$2,300	\$2,800
6	6	1 / 1 / 642 SF	\$2,825	\$2,800
7	7	2 / 1 / 851 SF	\$3,350	\$3,500
8	8	1 / 1 / 653 SF	\$2,750	\$2,850
9	9	1 / 1 / 635 SF	\$2,750	\$2,850
10	10	1 / 1 / 693 SF	\$1,768	\$2,900
11	11	1 / 1 / 583 SF	\$2,800	\$2,650
12	12	1 / 1 / 627 SF	\$2,610	\$2,700
13	14	1 / 1 / 623 SF	\$2,825	\$2,850
14	15	2 / 1 / 830 SF	\$3,116	\$3,500
	16	Studio / bonus space (no permit)	\$818	\$900
		LAUNDRY	\$300	\$300
		PARKING	\$200	\$200
		PETS	\$50	\$50
TOTAL MONTHLY			\$38,384	\$41,950
TOTAL ANNUAL			\$460,608	\$503,400

Buyer to verify all local and state laws regarding allowable rent increases and leasing requirements



EXPENSES

EXPENSE CATEGORY	ACTUAL	EST. MARKET
Property Taxes (~1.054%)	\$75,891	\$75,891
Insurance	\$7,140	\$7,140
Water/Sewer (master meter)	\$15,060	\$15,060
Trash	\$11,352	\$11,352
Gas (master meter)	\$3,720	\$3,720
Electric (common only)	\$2,040	\$2,040
Repairs/Maintenance/etc.	\$12,340	\$12,340
Landscaping	\$4,800	\$4,800
Management (5%)	\$23,030	\$25,170
Reserves (\$500/unit)	\$7,000	\$7,000
TOTAL ANNUAL	\$162,373	\$164,513

Actual expenses are based on pro-rated year-to-date expenses, except Property Tax and Management use a Buyer's new estimated expenses

ASSUMABLE DEBT BENEFIT

Assumable Loan Amount	\$3,290,000
Assumable Loan Interest Rate	5.00%
Assumable Loan Monthly Payment	\$13,708
Market-Rate Loan Interest Rate	6.50%
Market-Rate Loan Monthly Interest	\$17,821
Monthly Benefit for Assumable Loan	\$4,113
Assumable Loan Maturity Date	11/26/29
Remaining # of Months (as of 5/26)	42
TOTAL ASSUMABLE DEBT BENEFIT	\$172,725

Using an annual net debt savings versus market-rate financing of \$4,113 x 12 = \$49,356, alternatively the effective capitalization rate during the period of the assumable financing would be $\$298,235 + \$49,356 = \$347,591 / \$7,200,000 = 4.83\% \text{ cap rate}$

FINANCIAL SUMMARY

SUMMARY METRIC	ACTUAL	EST. MARKET
Annual Income	\$460,608	\$503,400
Annual Expenses	\$162,373	\$164,513
Net Operating Income	\$298,235	\$338,887
Purchase Price	\$7,200,000	\$7,200,000
CAPITALIZATION RATE	4.14%	4.71%
Assumable Debt Benefit (42 mos.)	\$172,725	\$172,725
Effective Price (if debt assumed)	\$7,027,275	\$7,027,275
EFFECTIVE CAPITALIZATION RATE (if debt assumed)	4.24%	4.82%

IN THE VICINITY



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At this convenient location in one of country's most renowned coastal cities, tenants enjoy easy and nearby access to places to work, to go to college, and to enjoy the city's many wonderful amenities. Several major medical facilities are nearby, including Cottage Hospital and Sansum Clinic. Downtown Santa Barbara and the vibrant Pacific Ocean waterfront and sunny beaches are all within a couple miles, as is the 13,500-student Santa Barbara City College. Access to all points is convenient with the location by the Mission Street artery and the 101 freeway.

Nearby Employment

MEDICAL FACILITIES Cottage Hospital (largest local private employer, ~3000 employees, Sansum Clinic, Ridley-Tree Cancer Center)	0.5-1.0 miles
RETAIL BUSINESSES Hundreds along the downtown corridor and select Westside pockets	0.2-1.5 miles
PROFESSIONAL SERVICES Dozens of law firms, accountant offices, financial services, banks, real estate	0.7-1.5 miles
GOVERNMENT OFFICES County and City main admin buildings, County Courthouse	1.0-2.0 miles
EDUCATION Santa Barbara City College, high school, 2 junior high schools	1.0-2.0 miles

Nearby Amenities

CORNER STORE	1/4 block
NEIGHBORHOOD RETAIL CENTERS Restaurants, all services	0.3-0.7 miles
OAK PARK / ALAMEDA PARK	0.8-1.2 miles
THEATER / ARTS DISTRICT Fine dining, 3 performing arts theaters	1.0-1.5 miles
MID / LOWER DOWNTOWN Dozens of restaurants, all retail	1.5-2.0 miles
S.B. BOWL CONCERT VENUE	2.0 miles
WATERFRONT / FUNK ZONE Wineries, restaurants, skate park	2.0 miles
BEACHES / OCEAN RECREATION Sailing, kayaking, sportfishing	2.0 miles



A World-Class Boutique Coastal City

Santa Barbara, California with its moderate year-round climate and 330 annual days of sunshine on the Pacific Ocean, is one of the premier vacation and retirement destinations in the entire world, and offers its lucky residents a wealth of amenities, culture and recreation, diverse economic opportunities, and aesthetic beauty. Santa Barbara packs all its wonder in a small size, with a population of ~95,000 in the city proper, and ~275,000 in the larger metropolitan area. The secluded and peaceful coastal location is isolated from the traffic and other issues in major cities, yet Santa Barbara is only 100 miles to the Los Angeles area and 300 miles to the San Francisco Bay Area, and is served by a national airport.

Beyond the \$2.2B annual tourism industry supporting dozens of boutique hotels and a couple of hundred restaurants, the Santa Barbara area is known for its world-class medical facilities including Cottage Hospital and Sansum Clinic, cutting-edge technology and software enterprises including Sonos and Pro-Core, and notable educational institutions including the University of California at Santa Barbara, Santa Barbara City College, and Westmont College. Annual festivals big and small happen nearly every week, and there are ample recreational opportunities by the waterfront and beaches, as well as in the Santa Ynez mountains right behind the city. There are 3 major performing arts theaters downtown, several renowned museums, and a multitude of parks and specialty gardens. The city's energy is driven by an abundant spirit of hospitality, entrepreneurship, patronage of arts and culture, and love of life.

All these wonderful features of Santa Barbara provide bountiful employment opportunities and amenities for residents, adding up to a never-ending tenant demand for apartment housing in central locations such as 1924 San Pascual Street.



"The American Riviera"



Beautiful Mediterranean Architecture



Downtown Life



3 Grand Performing Arts Theaters



Waterfront and Beaches



Mountain Recreation



Santa Barbara Harbor



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