

OFFERING MEMORANDUM

1924 SAN PASCUAL STREET
SANTA BARBARA, CA

OFFERED AT \$4,895,000



**BERKSHIRE
HATHAWAY**
HOMESERVICES

CALIFORNIA
PROPERTIES

COMMERCIAL DIVISION

RANDY FREED

805.895.1799

DRE 00624274

KELLIE CLENET

805.705.5334

DRE 01434616

KEN SWITZER

805.680.4622

DRE 01245644



Centrally-Located 14-Unit Building with Significant Upside

1924 San Pascual Street is a prime central Santa Barbara multi-family asset, ready for the next owner to fully realize a prized long-term investment opportunity. Whether over time or as a more immediate repositioning, the property offers many upside possibilities through apartment upgrades and/or potential added units.

The unit mix is 12 x 1-bedroom/1-bath plus 2 x 2-bedroom/1-bath, with mostly large unit sizes as shown on the floorplans on Pages 5-6. The building is configured in a community-friendly horseshoe shape, with a signature mature oak tree in the center courtyard. 5 of the apartments have had recent refreshing and are almost at market rents, while the remaining units are ready for enhancement as a new owner wishes. The Seller has recently completed several valuable property improvements such as a brand-new roof for the entire structure, sewer lateral improvements per current requirements, pavement re-surfacing and common area refurbishments.

The offering is priced competitively for Santa Barbara at ~\$350,000 per unit. The stabilized cap rate potential for the existing building is in the mid-5% to 6% range, while in the interim an investor can receive a respectable return for the local area. Review the financial pages for details about current operations and pro-forma projections, and see the land-use/zoning page for discussion and links about the possibilities for additional apartment units. All materials in this Offering Memorandum are based on broker's best knowledge and estimates and are not guaranteed, Buyer is advised to rely on their own research and estimates.



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: 1964

Building Size: 9,192 SF (per permit records, \$533/SF)

Number of Units: 14 (\$350K/unit)

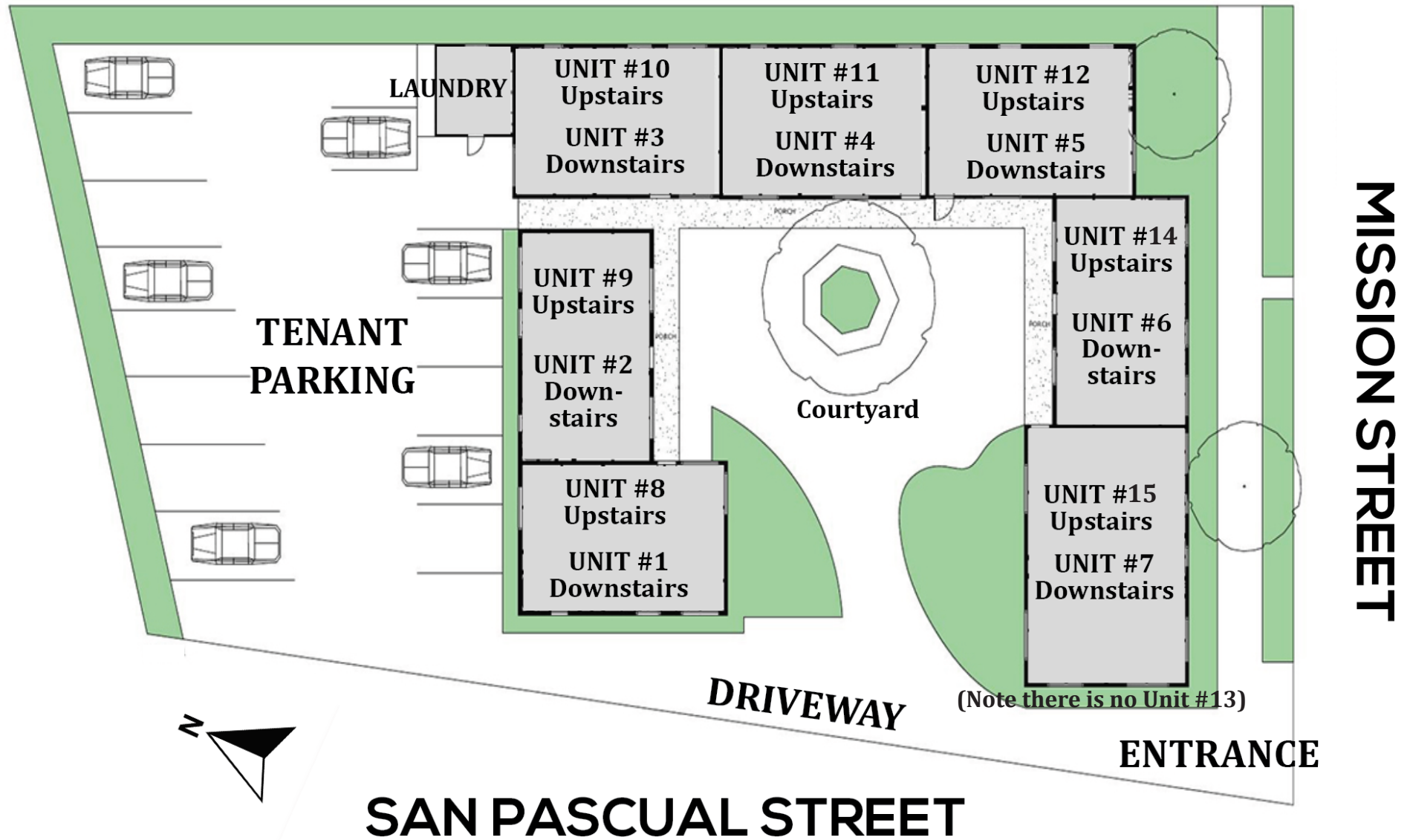
Unit Mix: 2 x 2-BR/1-BA, 12 x 1-BR/1-BA

Parking: 15 spaces (uncovered)

PROPERTY SITE PLAN



1924 SAN PASCUAL STREET
SANTA BARBARA, CA 93101



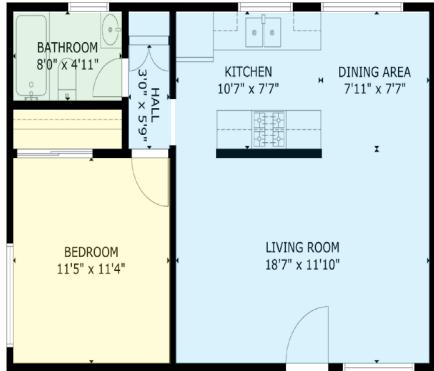
UNIT FLOORPLANS



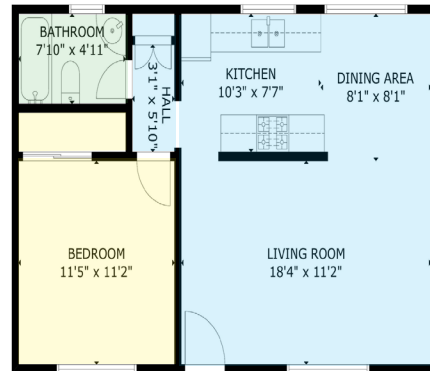
1924 SAN PASCUAL STREET
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GROUND LEVEL

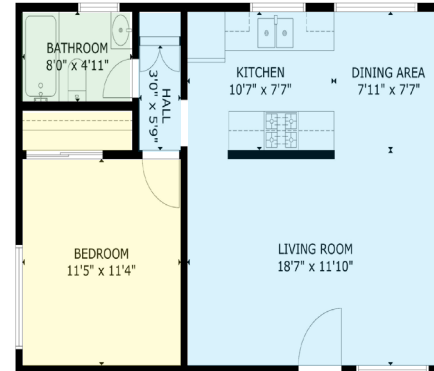
= LIVING AREA = BEDROOMS = BATH



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



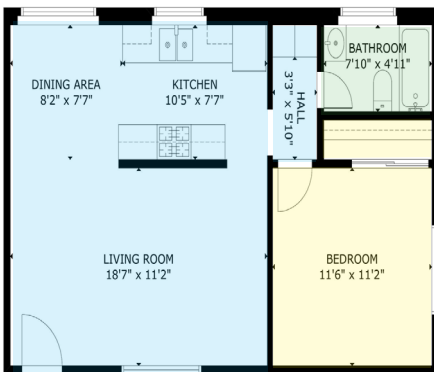
UNIT #2
1-Bed / 1-Bath / 630 SF



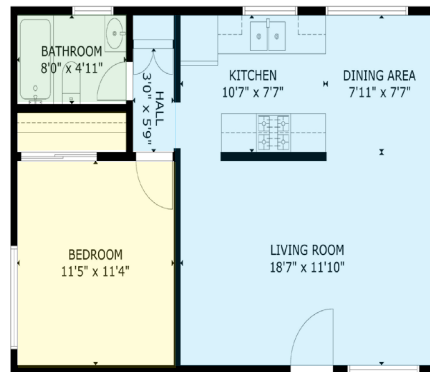
UNIT #3
1-Bed / 1-Bath / 642 SF



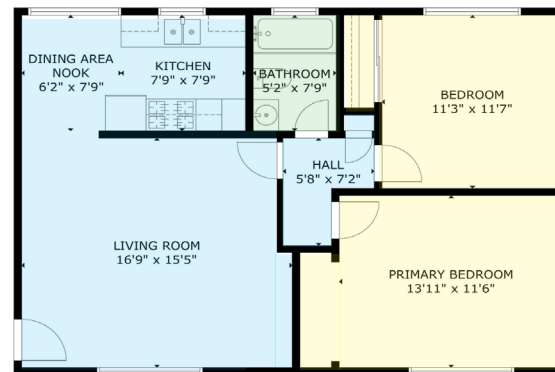
UNIT #4
1-Bed / 1-Bath / 642 SF



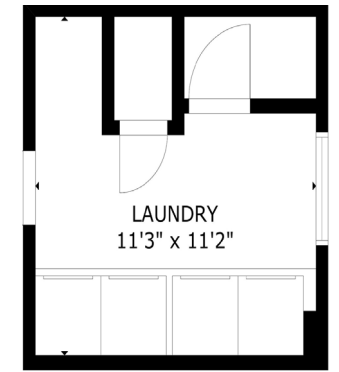
UNIT #5
1-Bed / 1-Bath / 647 SF



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



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






LAUNDRY
149 SF

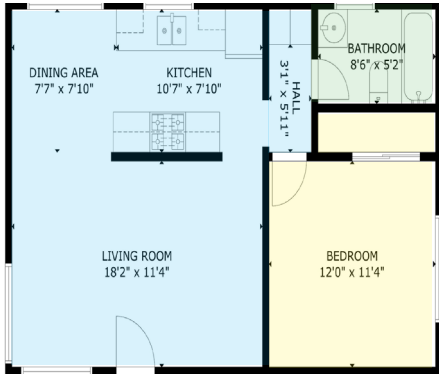
UNIT FLOORPLANS



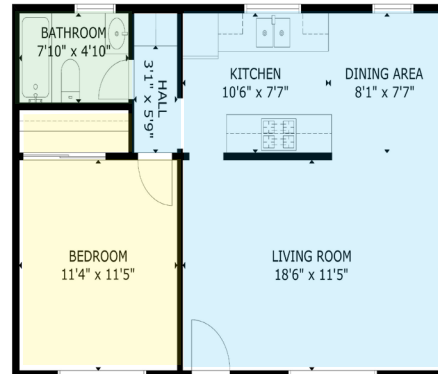
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UPPER LEVEL

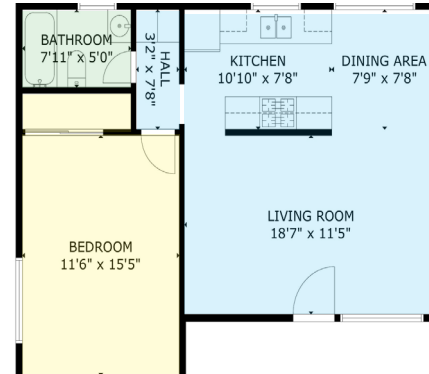
 = LIVING AREA  = BEDROOMS  = BATH



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



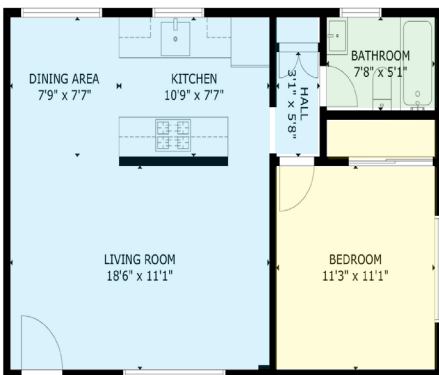
UNIT #9
1-Bed / 1-Bath / 635 SF



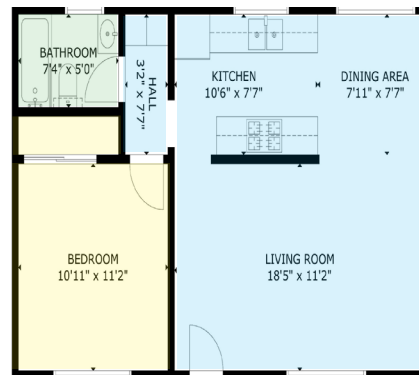
UNIT #10
1-Bed / 1-Bath / 693 SF



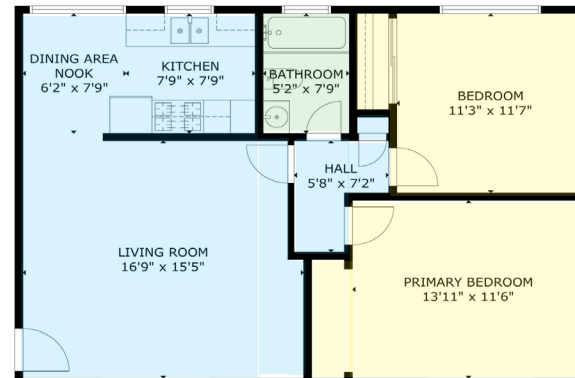
UNIT #11
1-Bed / 1-Bath / 583 SF



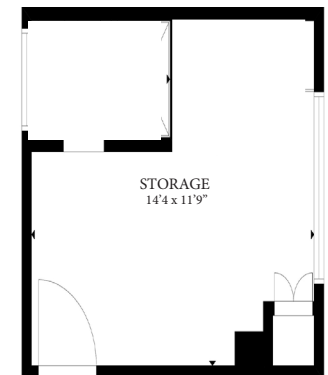
UNIT #12
1-Bed / 1-Bath / 627 SF



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



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Living Room (typ.)



Living Room (typ.)



Kitchen (typ.)



Kitchen (typ.)



Bedroom (typ.)



Bedroom (typ.)



Bathroom (typ.)



Bathroom (typ.)



INCOME WITH PROJECTIONS

INCOME SUMMARY				
UNIT #	BEDS/BATH/SF	ACTUAL	EST. MARKET	EST. REMODEL
1	1 / 1 / 642 SF	\$2,072	\$2,250	\$2,750
2	1 / 1 / 630 SF	\$1,599	\$2,250	\$2,750
3	1 / 1 / 642 SF	\$1,615	\$2,250	\$2,750
4	1 / 1 / 642 SF	\$1,642	\$2,250	\$2,750
5	1 / 1 / 647 SF	\$1,615	\$2,250	\$2,750
6	1 / 1 / 642 SF	\$1,615	\$2,250	\$2,750
7	2 / 1 / 851 SF	\$2,758	\$2,950	\$3,450
8	1 / 1 / 653 SF	\$2,025	\$2,500	\$2,750
9	1 / 1 / 635 SF	\$2,550	\$2,550	\$2,750
10	1 / 1 / 693 SF	\$1,642	\$2,250	\$2,750
11	1 / 1 / 583 SF	\$2,452	\$2,500	\$2,750
12	1 / 1 / 627 SF	\$2,400	\$2,500	\$2,750
14	1 / 1 / 623 SF	\$1,663	\$2,250	\$2,750
15	2 / 1 / 830 SF	\$2,660	\$2,950	\$3,450
(no #13)	LAUNDRY	\$443	\$450	\$450
TOTAL MONTHLY		\$28,751	\$34,400	\$40,350
TOTAL ANNUAL		\$345,012	\$412,800	\$484,200

Income figures are based on information provided to agents, and projections are best estimates by agents but are not guaranteed in any way. Actual income includes a projection for Unit #9 after updates and re-rent. Buyer to verify projected income models to their own satisfaction. Buyer to verify all local and state laws for tenant protections for rent increases, leasing requirements and substantial remodel.



EXPENSES

EXPENSE CATEGORY	ACTUAL EST. *	MARKET EST.**	REMODEL EST.***
Property Taxes (~1.064%)	\$52,083	\$54,187	\$57,379
Insurance (est.)	\$18,000	\$19,096	\$19,096
Water/Sewer (master meter)	\$17,276	\$18,328	\$18,328
Trash	\$10,400	\$11,033	\$11,033
Gas (master meter)	\$7,442	\$7,895	\$7,895
Electric (common only)	\$2,039	\$2,164	\$2,164
Repairs/Maintenance/etc.	\$12,952	\$13,741	\$13,741
Landscaping	\$6,280	\$6,662	\$6,662
Management (5%)	\$17,251	\$20,640	\$24,210
TOTAL ANNUAL	\$143,723	\$153,747	\$160,509

* "ACTUAL EST." figures are derived from actual 2023 expenses plus 3% inflation rate for 2024, except Property Tax, Insurance and Management use a Buyer's new estimated expenses not Seller's

** Assumes another 2 years of 3% inflation for regular expenses, 2% for property taxes

*** Assumes renovated-condition expenses after 2 years of 3% inflation, add 50% of renovation cost to property tax basis

SUMMARY

SUMMARY METRIC	ACTUAL EST.	MARKET EST.	REMODEL EST.
Annual Income	\$345,012	\$412,800	\$484,200
Annual Expenses	\$143,723	\$153,747	\$160,509
Net Operating Income	\$201,289	\$259,053	\$323,691
Total Investment (incl rehab)	\$4,895,000	\$4,895,000	\$5,495,000
CAPITALIZATION RATE	4.11%	5.29%	5.89%
GROSS RENT MULTIPLIER	14.19	11.86	11.35

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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