

# OFFERING MEMORANDUM

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**427** **W Islay St**  
SANTA BARBARA, CA  
**22-Unit Multi-Family Asset**

## **TOUR DATES BY APPT ONLY:**

**Wed, September 20, 10 AM - 12 PM**

**Wed, September 27, 1-3 PM**

## **OFFERS REVIEWED STARTING:**

**Fri, September 22, 1 PM**

See next to last page for details.  
Seller reserves the right to accept an offer  
before the offer review date.

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Information contained herein was obtained from sources believed reliable. While we do not doubt its accuracy, we do not guarantee it. Buyer to independently verify.





# FOR SALE: 427 W Islay St, Santa Barbara, CA

## PROPERTY HIGHLIGHTS

- Convenient location close to Downtown Santa Barbara and Cottage Hospital
- Very low cost per unit in Santa Barbara
- Property may be purchased with 3963 Via Lucero, a 16-unit apartment building.



Property outline is approximate.



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# FOR SALE: 427 W Islay St, Santa Barbara, CA

## PROPERTY SUMMARY

Price	\$6,750,000
Number of Units	22
<b>Price Per Unit</b>	<b>\$306,818</b>
Unit Mix	(2) 1Bed/1Bath & (20) Studio
Rentable Size	±7,088 SF
Floors	2
Parking	22 Uncovered Spaces
Laundry	Common Area
Year Built	1968
Land Size	±16,117 SF
Zoning	R4
APN	027-081-021
Proforma Gross Income	\$564,400
Proforma GRM	11.96
Proforma CAP	5.17%



Sheri Apartments is a 22-unit multi-family building close to downtown Santa Barbara, 4 blocks west of State Street, and 5 blocks south of Santa Barbara Cottage Hospital. Very low cost per unit for Santa Barbara! Originally built in 1968, the property sits on a 16,117 SF lot, and the rentable space is approximately 7,088 SF. Property consists of (2) small 1Bed/1Bath and (20) Studio units, all separately metered for electricity and gas. There are 22 uncovered parking spaces and a common laundry area. Property may be purchased with 3963 Via Lucero, a 16-unit apartment building.

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**FOR SALE: 427 W Islay St, Santa Barbara, CA**

## OVERVIEW OF SANTA BARBARA, CALIFORNIA

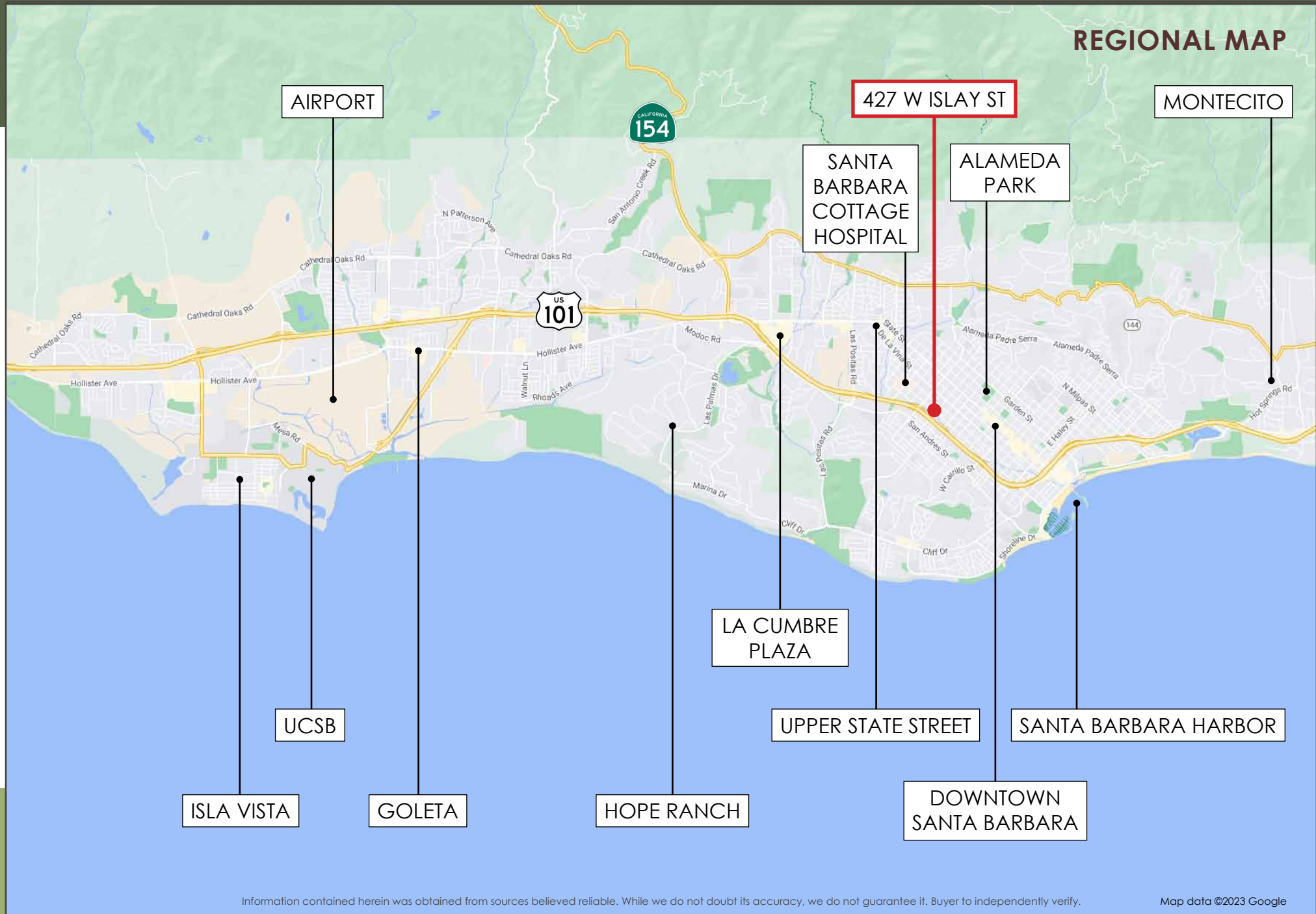
Santa Barbara is a coastal city 100 miles north of Los Angeles and 325 miles south of San Francisco. This beautiful city is known as the "American Riviera" due to its warm temperate climate, which is heavily influenced by its coastal setting backdropped against the coastal mountains.

Santa Barbara is known for its wide sandy beaches including East Beach which is famous for its world class beach volleyball. Other popular beaches include Leadbetter Beach, where you will catch locals surfing, boogie boarding, and paddle-boarding; and West Beach, a large, accessible, family friendly, sandy area next to the harbor. Stearns Wharf is also a great way to get out over the water and enjoy Santa Barbara's coastline.

Santa Barbara is home to just under 90,000 residents but has an annual influx of over 7 million visitors annually. In addition to tourism and the service industry, the city is also known for its thriving technology and manufacturing industry.

It is also noteworthy the Santa Barbara is home several nationally recognized universities, including University of California Santa Barbara, Santa Barbara City College, and Westmont University.

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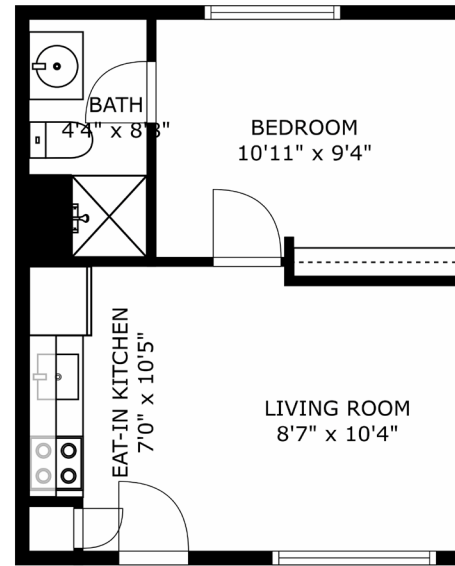


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TYPICAL LAYOUT  
OF STUDIO

## FLOORPLAN & RENT ROLL

Unit #	Bed	Bath	Rent as of 10/1/23	Market Rent
1	1	1	\$2,010	\$2,400
2	0	1	\$1,635	\$2,100
3	0	1	\$1,635	\$2,100
4	0	1	\$1,635	\$2,100
5	0	1	\$1,635	\$2,100
6	0	1	\$1,635	\$2,100
7	0	1	\$1,530	\$2,100
8	0	1	\$1,635	\$2,100
9	0	1	\$1,600	\$2,100
10	0	1	\$1,635	\$2,100
11	1	1	\$1,365	\$2,300
12	0	1	\$1,905	\$2,100
13	0	1	\$1,635	\$2,100
14	0	1	\$1,635	\$2,100
15	0	1	\$1,635	\$2,100
16	0	1	\$1,635	\$2,100
17	0	1	\$1,635	\$2,100
18	0	1	\$1,635	\$2,100
19	0	1	\$1,635	\$2,100
20	0	1	\$1,635	\$2,100
21	0	1	\$1,635	\$2,100
22	0	1	\$1,635	\$2,100
			<b>\$36,205</b>	<b>\$46,700</b>

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## FINANCIAL ANALYSIS

### Unit Mix and Rent Schedules

Units	Mix	Approx (SF)	<u>Current</u>		<u>Market</u>	
			Rent/ * Unit	Monthly Income	Rent/ Unit	Monthly Income
1	1 Bed	424	\$2,010	\$2,010	\$2,400	\$2,400
1	1 Bed	424	\$1,905	\$1,905	\$2,300	\$2,300
20	Studio	312	\$1,616	\$32,325	\$2,100	\$42,000

\*Rent taking effect Oct 1, 2023

Laundry				\$333		\$333
<b>Gross Monthly Income</b>				\$36,573		\$47,033
				<u>Current</u>		<u>Market</u>
<b>Gross Annual Income</b>				\$438,880		\$564,400
less vacancy, losses		3%		\$13,166		\$16,932
<b>Effective Operating Income (EOI)</b>				<b>\$425,714</b>		<b>\$547,468</b>

### Annual Expenses

		<u>Current</u>		<u>Market</u>	
		Current	%EOI	Market	%EOI
Real Estate Taxes	1.06%	\$71,752	16.9%	\$71,752	13.1%
Licenses		\$75	0.0%	\$75	0.01%
Insurance		\$11,000	2.6%	\$11,000	2.0%
Utilities		\$42,500	10.0%	\$42,500	7.8%
Maint/ Repairs	\$950/Unit	\$20,900	4.9%	\$20,900	3.8%
Grounds		\$1,800	0.4%	\$1,800	0.3%
Off-site Management	5%	\$21,286	5.0%	\$27,373	5.0%
Resident Manager	Est	\$10,500	2.5%	\$10,500	1.9%
Pest Control	Est	\$2,525	0.6%	\$2,525	0.5%
Legal & Accounting	Est.	\$2,500	0.6%	\$2,500	0.5%
Reserves	\$350/Unit	\$7,700	1.8%	\$7,700	1.4%
<b>Annual Expenses</b>		<b>\$192,537</b>	<b>45.2%</b>	<b>\$198,625</b>	<b>36.3%</b>
<b>Annual Expenses per Unit</b>		<b>\$8,752</b>		<b>\$9,028</b>	



### Financial Summary

	<u>Current</u>	<u>Market</u>
EOI	\$425,714	\$547,468
Annual Exp.	\$192,537	\$198,625
<b>NOI</b>	<b>\$233,176</b>	<b>\$348,843</b>
<b>GRM</b>	<b>15.38</b>	<b>11.96</b>
<b>CAP Rate</b>	<b>3.45%</b>	<b>5.17%</b>

The information above has been obtained from sources believed reliable. While we do not doubt its accuracy we have not verified and make no guarantee, warranty or representation about it. It is your responsibility to independently confirm its accuracy and completeness. Any projections, opinion, assumptions, or estimates used are for example only and do not represent the current or future performance of the property. In addition, this is not a formal appraisal and is not to be used for the purpose of financing.



# FOR SALE: 427 W Islay St, Santa Barbara, CA

## SALE COMPARABLES

Comp #	PROPERTY ADDRESS	SALE DATE	SALE PRICE	# Units	Unit Mix	Price Per Unit	GRM	CAP Rate
<b>S</b>	427 W Islay St	Active	\$6,750,000	22	22-1/1	\$306,818	11.96	5.17% *
①	1510 Eucalyptus Hill Rd	4/20/2023	\$4,750,000	10	10-1/1	\$475,000	17.03	3.85%
②	111 N La Cumbre Rd	5/27/2022	\$6,865,000	17	16-2/1 1-1/1	\$403,824	16.22	3.34%
③	321 W Padre St	11/2/2022	\$5,750,000	11	1-2/1 10-1/1	\$522,727	17.49	3.48%
④	613 W Sola St	3/14/2023	\$4,500,000	11	11-2/1	\$409,091	15.13	2.69%
⑤	28 W Pedrogosa St	12/1/2022	\$6,450,000	14	12-1/1 2-Studio	\$460,714	15.98	4.14%
⑥	515 E Arrellaga St	9/21/2022	\$6,595,000	10	8-2/1.5 2-2/2	\$659,500	17.20	3.61%
⑦	16 W Mission St	12/19/2022	\$11,825,000	23	3-2/1 13-1/1 7-Studio	\$514,130	16.75	4.25%

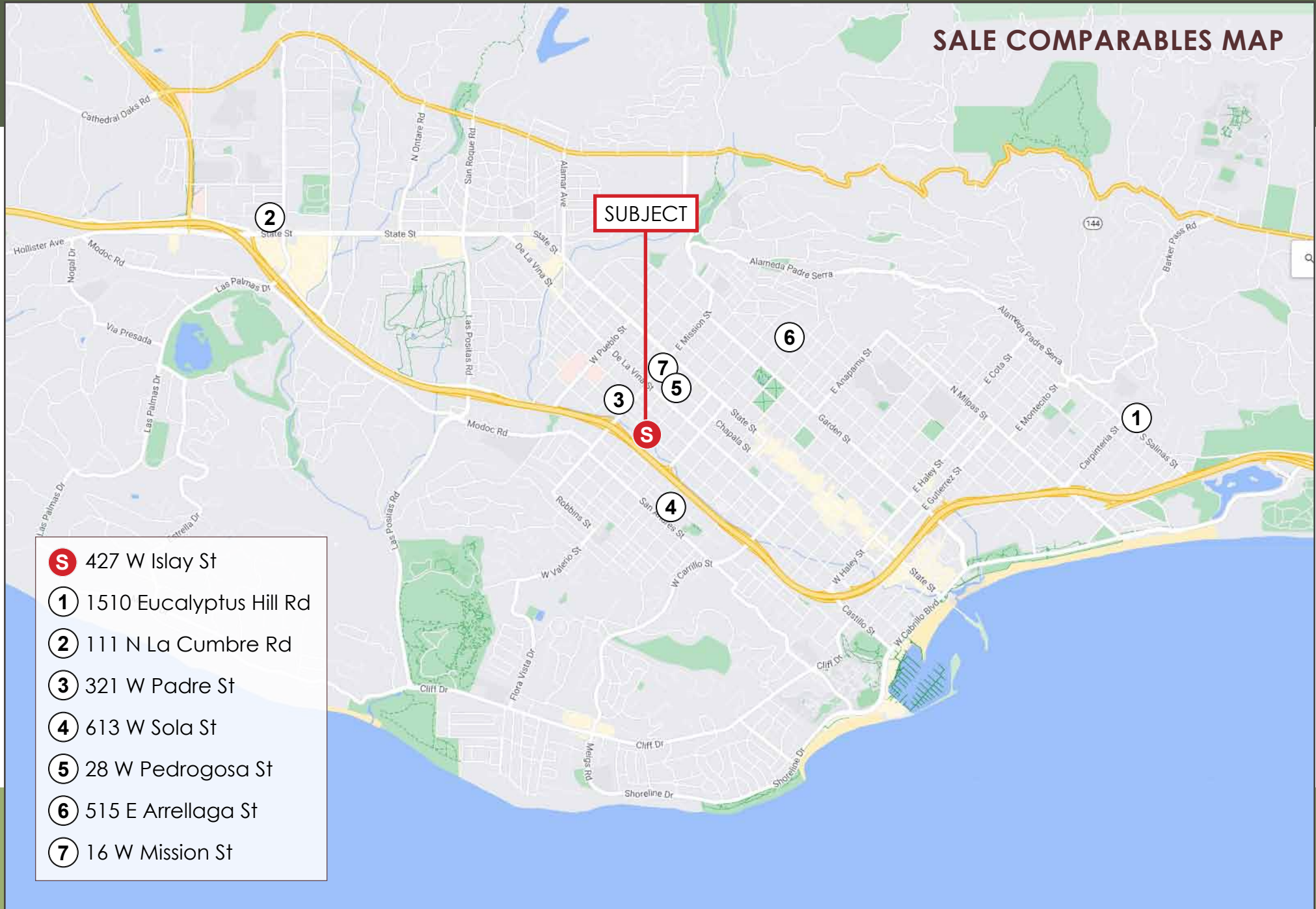
\* Proforma GRM and CAP Rate for Subject Property

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# FOR SALE: 427 W Islay St, Santa Barbara, CA

## SALE COMPARABLES MAP





## OFFER INSTRUCTIONS

- Offers will be reviewed starting Friday, September 22, 2023 at 1:00PM.
- Please submit offers on CAR Residential Income Purchase Agreement (RIPA) Form.
- Include Escrow and Title with Ann Hamilton-Dewey at First American Title Santa Barbara.
- Property is being sold in its "As-Is" condition with no seller repairs, credits, or discounts.

*Note: Seller reserves the right to accept an offer before the offer review date.*

## TOUR INFORMATION

- Tours are available by appointment only on  
Wednesday, September 20, 10AM - 12PM  
Wednesday, September 27, 1-3PM
- Contact Listing Agent at 805.688.5333 or 805.680.6431 to schedule.



# OFFERING MEMORANDUM

*Exclusively Listed by*

**Steven R. Battaglia**

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