

1129 Capuchino Avenue

BURLINGAME, CA



OFFERING MEMORANDUM



Marcus & Millichap
Real Estate Investment Services

1129 Capuchino Avenue

BURLINGAME, CA

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1129 Capuchino Avenue

BURLINGAME, CA

TABLE OF CONTENTS

Section 1	PROPERTY DESCRIPTION
Section 2	PRICING AND FINANCIAL ANALYSIS
Section 3	RECENT SALES
Section 4	DEMOGRAPHIC ANALYSIS

PROPERTY DESCRIPTION

1129 Capuchino Avenue

BURLINGAME, CA

INVESTMENT OVERVIEW

Investment Highlights

- New Roof Installed in 2008
- Exterior Painting Completed Three Years Ago
- Huge Upside Rent Potential
- 1970 Construction; Property is in Great Shape
- On-Site Covered and Garage Parking
- Unique Unit Mix
- Located Just Half a Block from Broadway Strip
- Owned Washer/Dryer in Laundry Room



The subject property located at 1129 Capuchino Avenue in Burlingame, California was built in 1970 and consists of six units on a 6,750-square foot lot with 5,370 square feet of living space. The asset offers an investor a great unit mix of one one-bedroom/one-bath unit, four two-bedroom/one-bath units and one three-bedroom/two-bath unit. The property is located half a block from the downtown Broadway strip and is in close proximity to employment hubs via highways 101 and 280. The building offers an on-site laundry facility with an owned washer and dryer for an additional \$1,200 per year in gross income.

The building's exterior is composed of brick and stucco with wood frame construction on a concrete perimeter foundation. The roof was replaced in 2008 and is in exceptional condition. The property offers four tuck-under parking stalls with two private garages and extra exterior storage space.

Additionally, the area's low land availability should yield high rent growth and appreciation throughout 2013 and beyond. Another add-value opportunity for an investor would entail increasing tenant responsibilities and raising rents. This would greatly increase the properties net operating income and further value of the asset.

The City of Burlingame is a suburban city of approximately 28,000 people in San Mateo County, California. It is located on the San Francisco Peninsula and has a significant shoreline on the San Francisco Bay. It is known for its high residential quality of life.

PROPERTY SUMMARY

The Offering

Property Address	1129 Capuchino Avenue Burlingame, CA 94010
Assessor's Parcel Number	026-212-060
Zoning	Residential Multifamily

Site Description

Number of Units	6
Number of Buildings	1
Number of Stories	2
Year Built	1970
Rentable Square Feet	5,370
Lot Size	6,750 SF
Type of Ownership	Fee Simple
Density	Medium
Parking	On-Site Covered and Garage
Parking Ratio	1:1
Landscaping	Low Maintenance
Topography	Flat

Utilities

Water	Owner
Phone	Tenant
Electric	Tenant
Gas	Tenant

Construction

Foundation	Concrete Perimeter
Framing	Wood
Exterior	Stucco (Fresh Paint)
Parking Surface	Concrete
Roof	Replaced in 2008

PROPERTY PHOTOS



PROPERTY PHOTOS



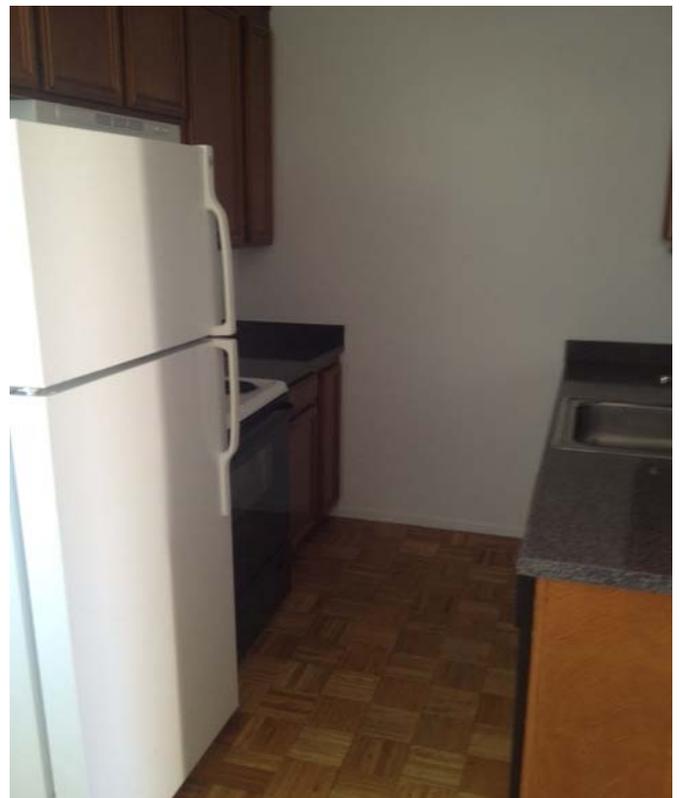
PROPERTY PHOTOS



PROPERTY PHOTOS



PROPERTY PHOTOS



PROPERTY PHOTOS



PROPERTY PHOTOS



PROPERTY PHOTOS



1129 Capuchino Avenue

BURLINGAME, CA

PROPERTY DESCRIPTION



Local Map



Regional Map

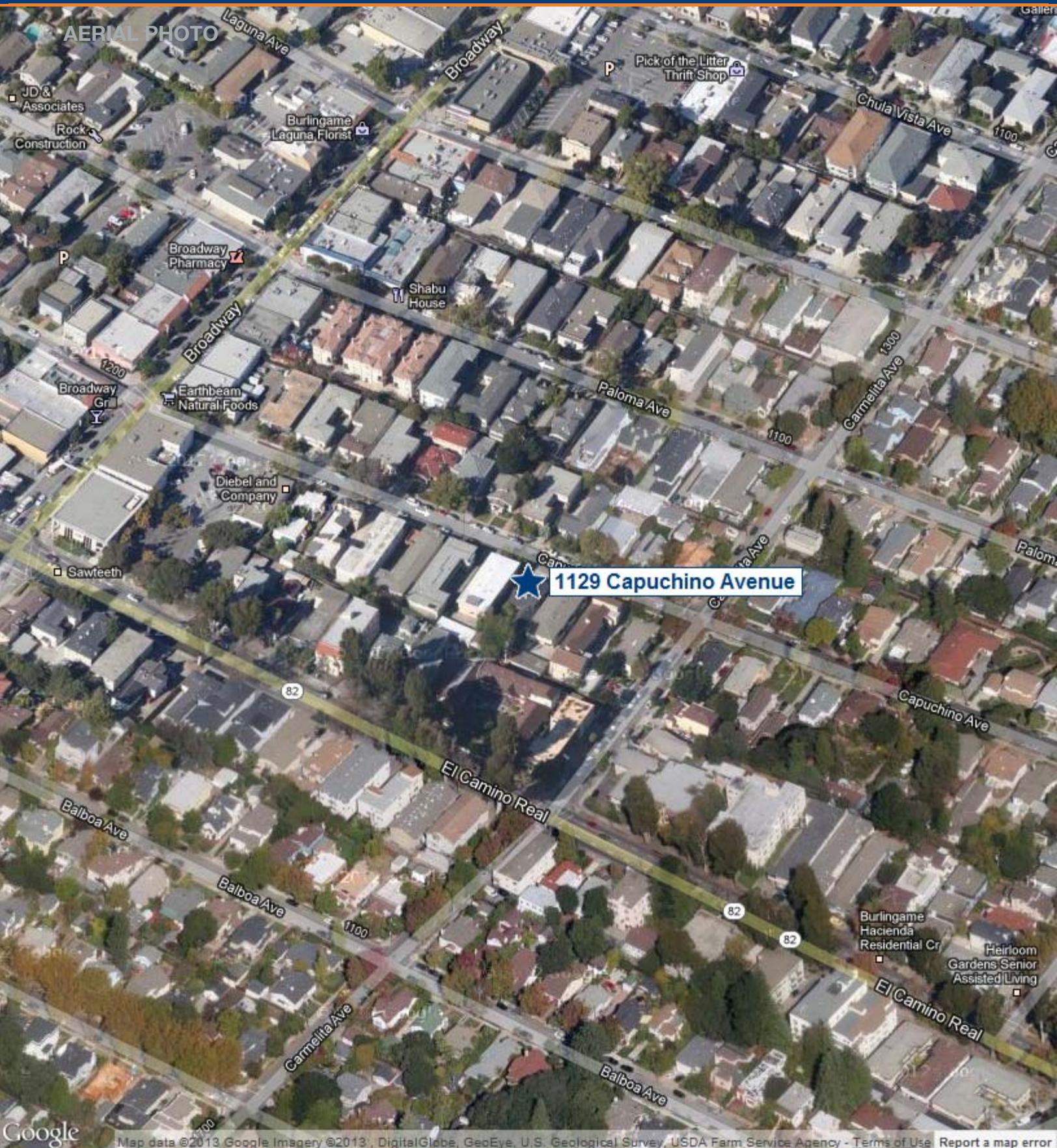


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1129 Capuchino Avenue

BURLINGAME, CA

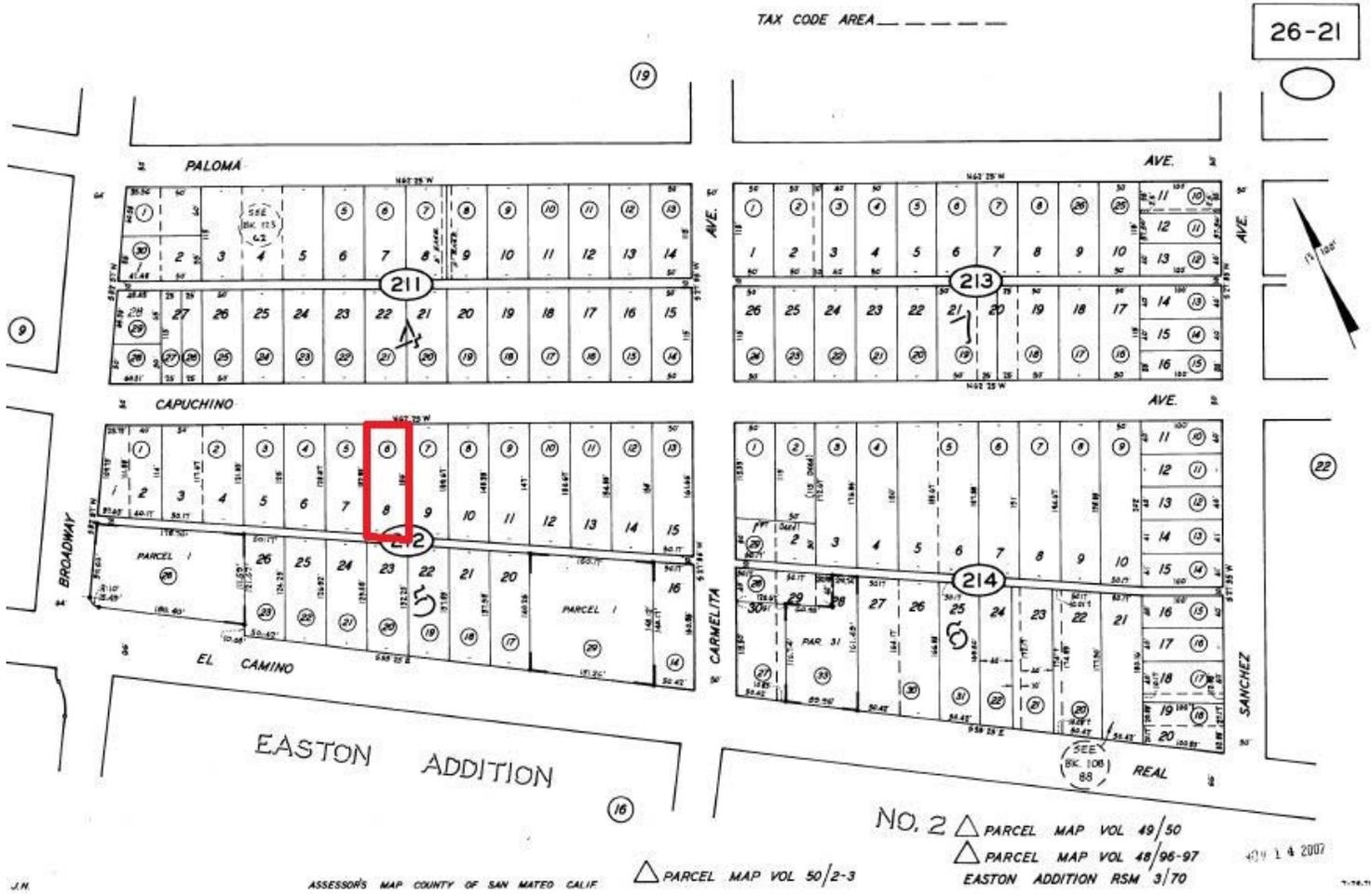
PROPERTY DESCRIPTION



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SITE PLAN



J.H. ASSESSOR'S MAP COUNTY OF SAN MATEO CALIF. 1-14-71

PRICING AND FINANCIAL ANALYSIS

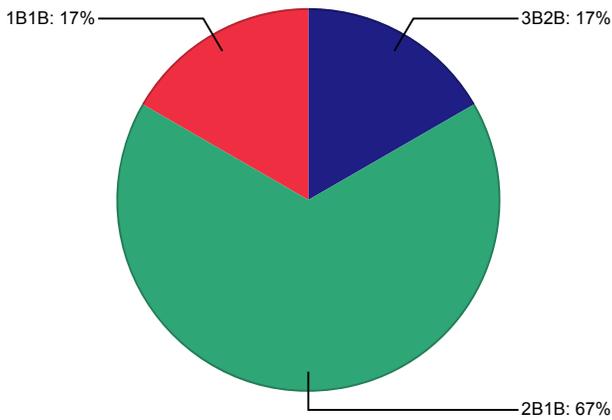
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BURLINGAME, CA

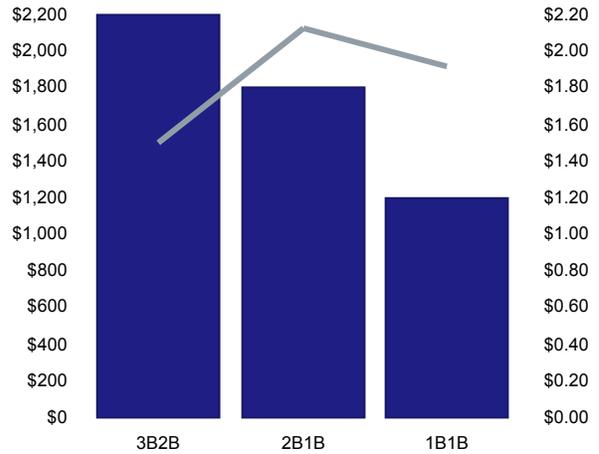
UNIT MIX

No. of Units	Unit Type	Approx. Square	Current Rents	Rent/ SF	Monthly Income	Pro Forma	Rent/ SF	Monthly Income
1	3 Bdr 2 Bath Apartment	1,465	\$2,200	\$1.50	\$2,200	\$2,895	\$1.98	\$2,895
4	2 Bdr 1 Bath Apartment	820	\$1,650 - \$1,850	\$2.13	\$7,200	\$2,195	\$2.68	\$8,780
1	1 Bdr 1 Bath Apartment	625	\$1,200	\$1.92	\$1,200	\$1,895	\$3.03	\$1,895
6	TOTAL	5,370			\$10,600			\$13,570

Unit Mix



Unit Rent & Rent/SF



RENT ROLL

Unit Number	Unit Type		Unit SF	Current Rent	Rent/SF	Asking Rent	Rent/SF	Parking	Storage	
1	3 Bdr	2 Bath	Apartment	1,465	\$2,200	\$1.50	\$2,895	\$1.98	Garage	Yes
2	2 Bdr	1 Bath	Apartment	820	\$1,850	\$2.26	\$2,195	\$2.68	Garage	Yes
3	2 Bdr	1 Bath	Apartment	820	\$1,650	\$2.01	\$2,195	\$2.68	On-Site Covered	Yes
4	1 Bdr	1 Bath	Apartment	625	\$1,200	\$1.92	\$1,895	\$3.03	On-Site Covered	Yes
5	2 Bdr	1 Bath	Apartment	820	\$1,850	\$2.26	\$2,195	\$2.68	On-Site Covered	Yes
6	2 Bdr	1 Bath	Apartment	820	\$1,850	\$2.26	\$2,195	\$2.68	On-Site Covered	Yes
TOTAL		VACANT			\$0		\$0			
6	TOTAL		OCCUPIED	5,370	\$10,600		\$13,570			
6	TOTAL			5,370	\$10,600		\$13,570			

INCOME & EXPENSES

Total Number of Units: 6
 Total Rentable Area: 5,370 SF

Income	Current	Per Unit	Pro Forma	Per Unit
GROSS POTENTIAL RENT	\$127,200	\$21,200	\$162,840	\$27,140
Other Income				
Laundry Income	\$1,200	\$200	\$1,200	\$200
Total Other Income	\$1,200	\$200	\$1,200	\$200
GROSS POTENTIAL INCOME	\$128,400	\$21,400	\$164,040	\$27,340
Vacancy/Collection Allowance (GPR)	3.0% / \$3,816	\$636	3.0% / \$4,885	\$814
EFFECTIVE GROSS INCOME	\$124,584	\$20,764	\$159,155	\$26,526
Expenses				
Real Estate Taxes (1.1054% + \$1,950,000)	\$21,555	\$3,593	\$21,555	\$3,593
Insurance	\$1,500	\$250	\$1,500	\$250
Water/Trash/Sewer	\$10,200	\$1,700	\$10,200	\$1,700
PG&E (Common Area)	\$1,800	\$300	\$1,800	\$300
Repairs & Maintenance	\$3,000	\$500	\$3,000	\$500
TOTAL EXPENSES	\$38,055	\$6,343	\$38,055	\$6,343
Expenses per SF	\$7.09		\$7.09	
% of EGI	30.6%		23.9%	
NET OPERATING INCOME	\$86,529	\$14,422	\$121,100	\$20,183

FINANCIAL OVERVIEW

Location

1129 Capuchino Avenue
Burlingame, CA 94010

Price	\$1,950,000
Down Payment	25% / \$487,500
Number of Units	6
Price/Unit	\$325,000
Rentable Square Feet	5,370
Price/SF	\$363.13
CAP Rate - Current	4.44%
CAP Rate- Pro Forma	6.21%
GRM - Current	15.33
GRM- Pro Forma	11.97
Year Built	1970
Lot Size	6,750 SF
Type of Ownership	Fee Simple

Financing

FIRST TRUST DEED

Loan Amount	\$1,462,500
Loan Type	All Cash
Interest Rate	3.57%
Amortization	30 Years

Loan information is time sensitive and subject to change. Contact your local Marcus & Millichap Capital Corporation representative.

Annualized Operating Data

Income	Current	Pro Forma
Gross Potential Rent	\$127,200	\$162,840
Other Income	\$1,200	\$1,200
Gross Potential Income	\$128,400	\$164,040
Less: Vacancy/Deductions (GPR)	3.0% / \$3,816	3.0% / \$4,885
Effective Gross Income	\$124,584	\$159,155
Less: Expenses	\$38,055	\$38,055
Net Operating Income	\$86,529	\$121,100
Net Cash Flow Before Debt Service	\$86,529	\$121,100
Debt Service	\$79,495	\$79,495
Debt Coverage Ratio	1.09	1.52
Net Cash Flow After Debt Service	1.4% / \$7,034	8.5% / \$41,605
Principal Reduction	\$27,734	\$27,734
Total Return	7.1% / \$34,769	14.2% / \$69,339

Expenses

Real Estate Taxes	\$21,555	\$21,555
Insurance	\$1,500	\$1,500
Water/Trash/Sewer	\$10,200	\$10,200
PG&E (Common Area)	\$1,800	\$1,800
Repairs & Maintenance	\$3,000	\$3,000
Total Expenses	\$38,055	\$38,055
Expenses/unit	\$6,343	\$6,343
Expenses/SF	\$7.09	\$7.09
% of EGI	30.55%	23.91%

Scheduled Income

No. of Units	Unit Type	Approx. Square Feet	Current Rents	Rent/SF	Monthly Income	Pro Forma Rents	Rent/SF	Monthly Income
1	3 Bdr 2 Bath	1,465	\$2,200	\$1.50	\$2,200	\$2,895	\$1.98	\$2,895
4	2 Bdr 1 Bath	820	\$1,650 - \$1,850	\$2.13	\$7,200	\$2,195	\$2.68	\$8,780
1	1 Bdr 1 Bath	625	\$1,200	\$1.92	\$1,200	\$1,895	\$3.03	\$1,895
6	Total/Wtd. Avg.	5,370			\$10,600			\$13,570

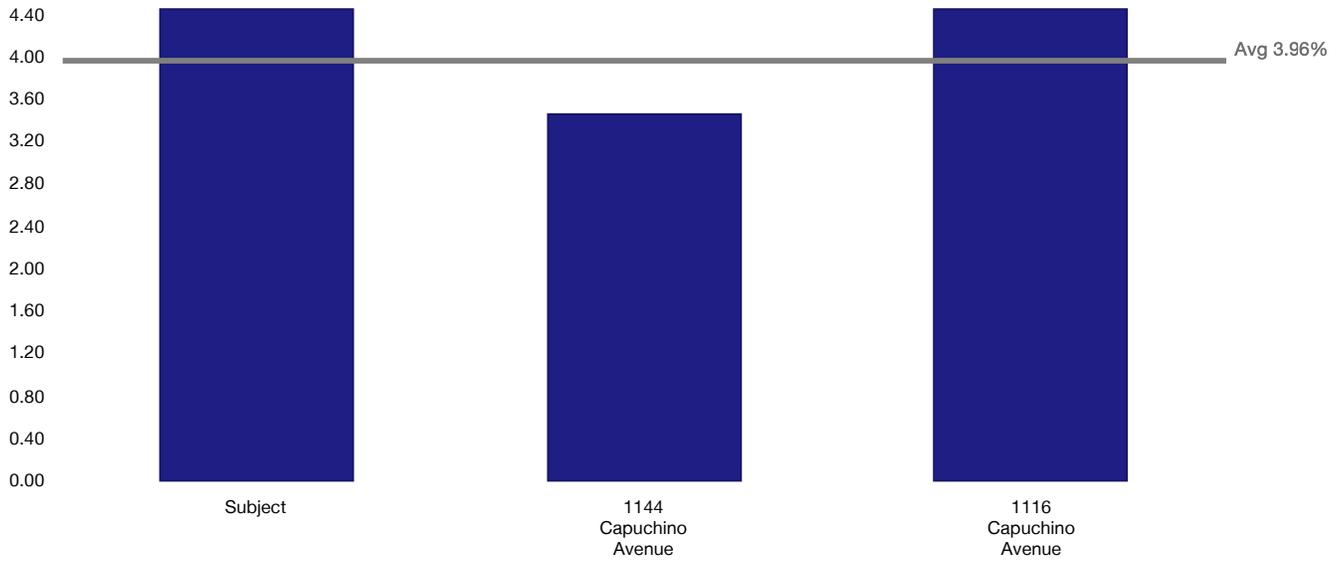
RECENT SALES

1129 Capuchino Avenue

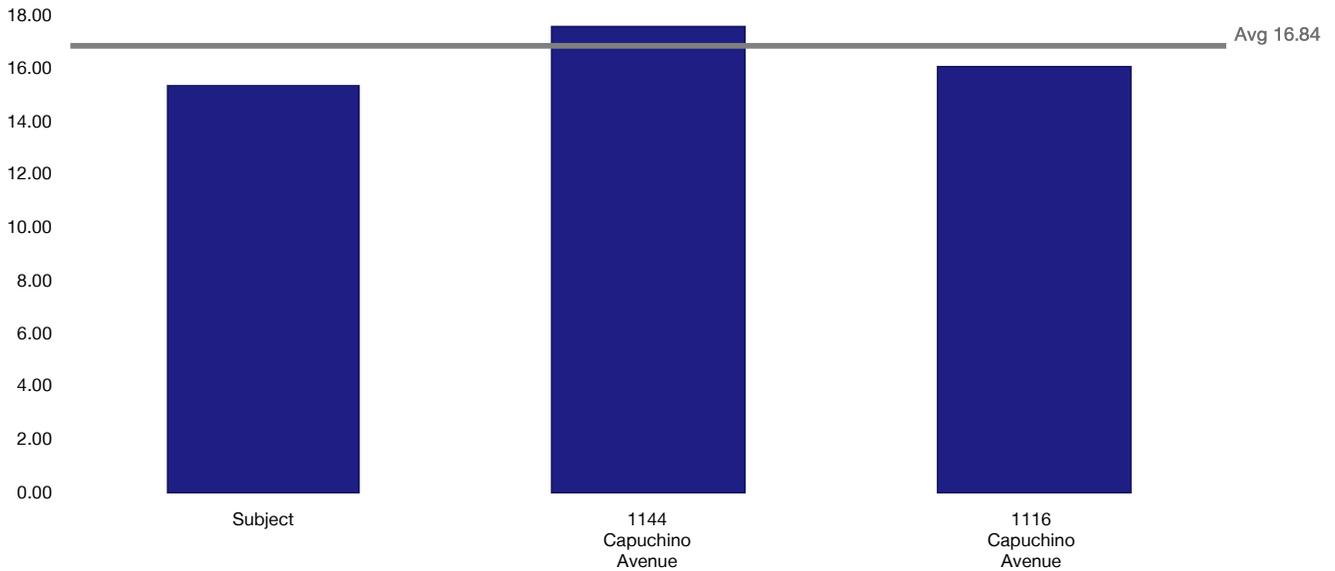
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CAP RATE AND GRM

Average Cap Rate

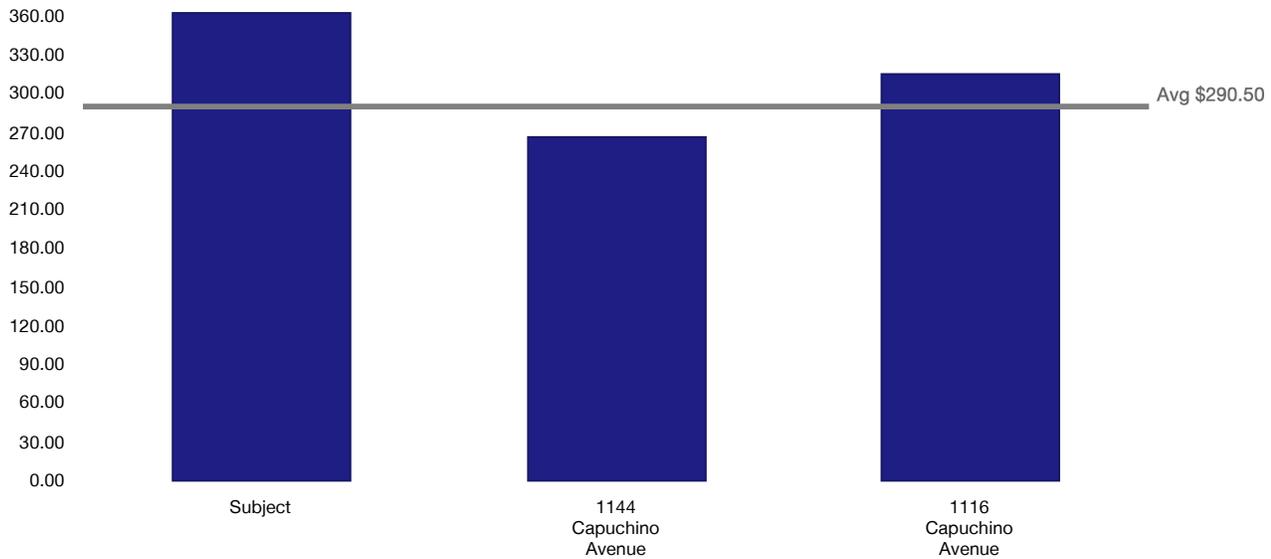


Average GRM

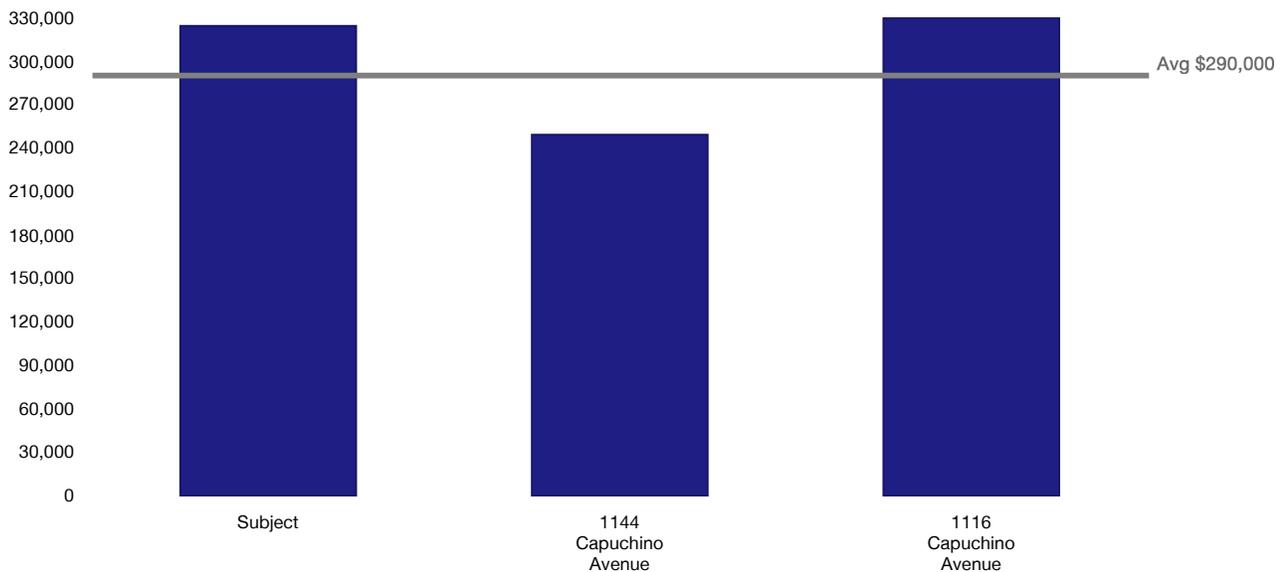


PRICE PER SF AND PRICE PER UNIT

Average Price per Square Foot



Average Price per Unit



RECENT SALES MAP



- ★ 1129 Capuchino Avenue
- 1) 1144 Capuchino Avenue
- 2) 1116 Capuchino Avenue

RECENT SALES



Subject Property

1129 Capuchino Avenue
Burlingame, CA 94010

No. of Units: 6
Year Built: 1970
Sale Price: \$1,950,000
Price/Unit: \$325,000
Price/SF: \$363.13
CAP Rate: 4.44%
GRM: 15.33

Units	Unit Type
1	3 Bdr 2 Bath Apartment
4	2 Bdr 1 Bath Apartment
1	1 Bdr 1 Bath Apartment

1



Close of Escrow: 3/16/2012

1144 Capuchino Avenue
Burlingame, CA 94010

No. of Units: 5
Year Built: 1964
Sale Price: \$1,250,000
Price/Unit: \$250,000
Price/SF: \$266.00
CAP Rate: 3.46%
GRM: 17.59

Units	Unit Type
3	1 Bdr 1 Bath
2	2 Bdr 1 Bath

Comments

Covered parking, and laundry facility are very similar to the subject property. Great comparable.

2



Close of Escrow: 7/11/2012

1116 Capuchino Avenue
Burlingame, CA 94010

No. of Units: 5
Year Built: 1972
Sale Price: \$1,650,000
Price/Unit: \$330,000
Price/SF: \$315.00
CAP Rate: 4.45%
GRM: 16.08

Units	Unit Type
1	3 Bdr 1 Bath \$2,100
4	2 Bdr 1 Bath \$1,500-\$1,750

Comments

This property was remodeled and in retail condition. See Pictures.

DEMOGRAPHIC ANALYSIS

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POPULATION DENSITY



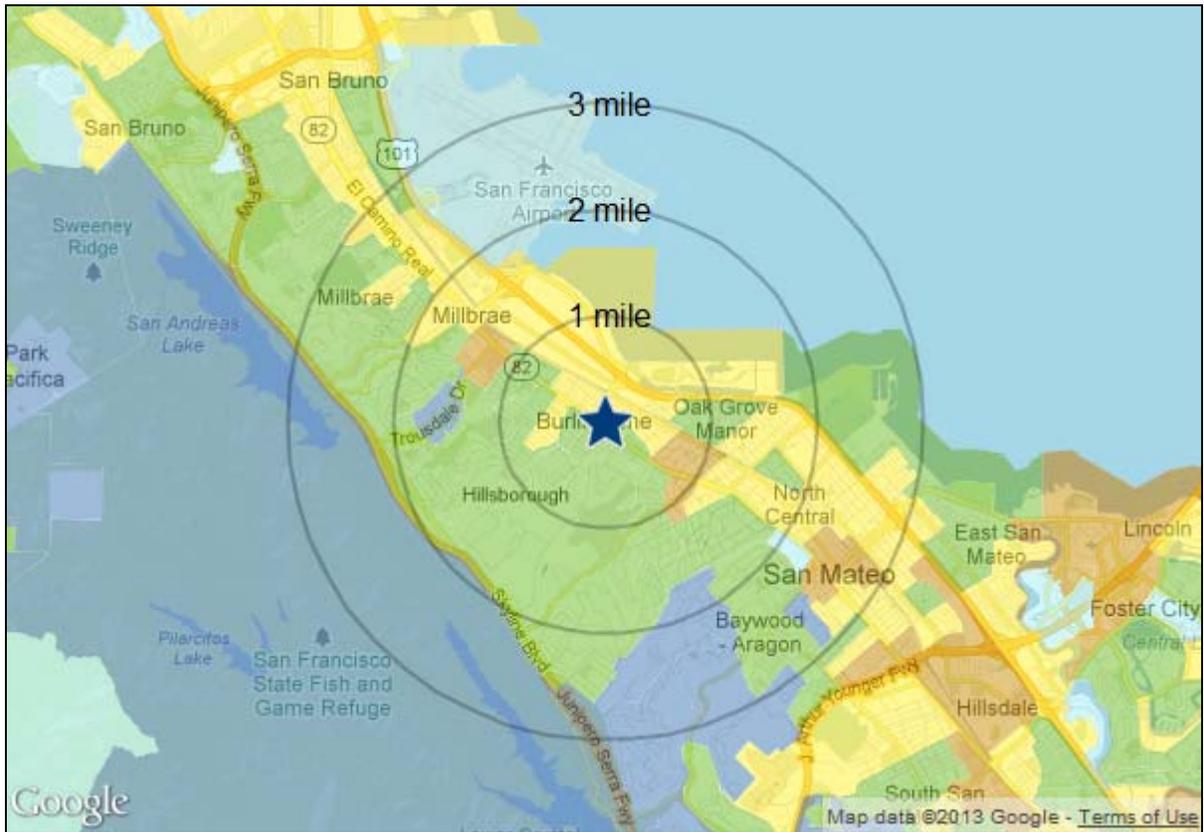
Demographic data © 2010 by Experian/Applied Geographic Solutions.

Population Density

Theme	Low	High
Low	less than	55
Below Average	55	475
Average	475	4100
Above Average	4100	35000
High	35000	or more

Number of people living in a given area per square mile.

EMPLOYMENT DENSITY



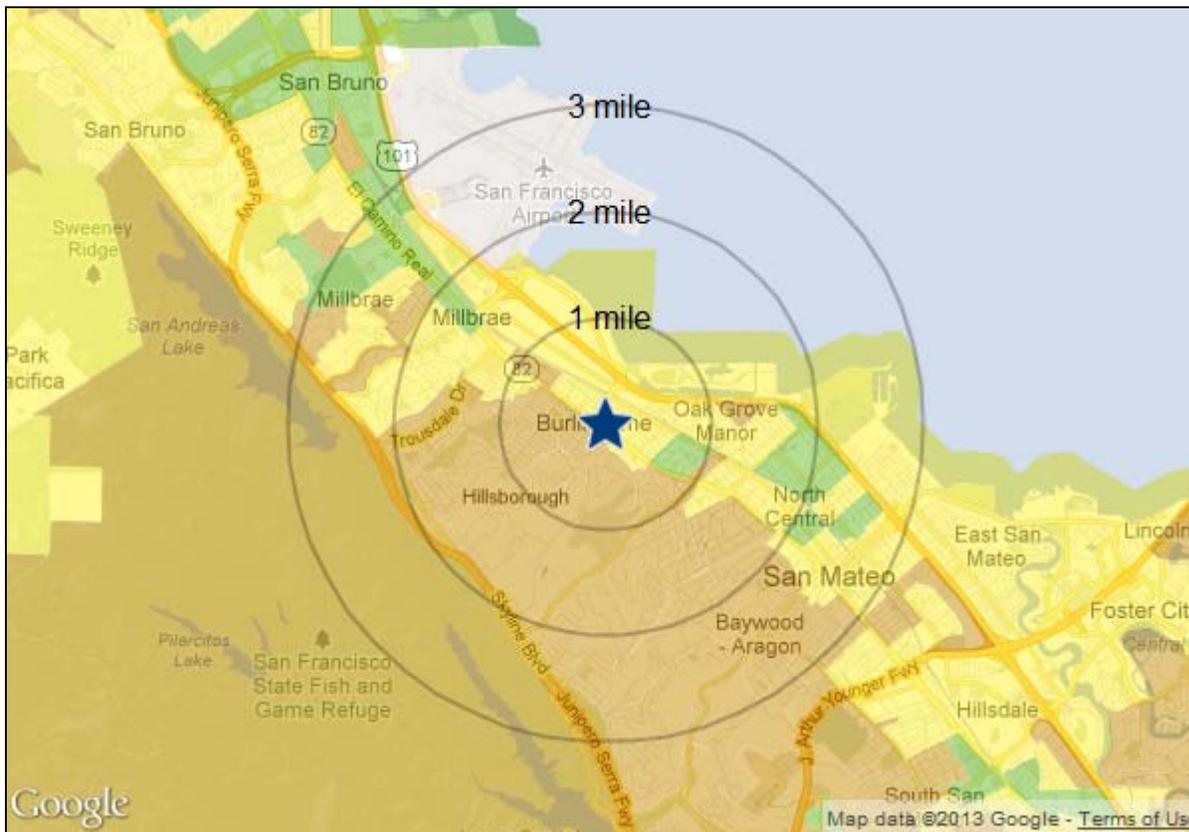
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Employment Density

Theme	Low	High
Low	less than 9	9
Below Average	9	96
Average	96	1025
Above Average	1025	10875
High	10875	or more

The number of people employed in a given area per square mile.

AVERAGE HOUSEHOLD INCOME



Demographic data © 2010 by Experian/Applied Geographic Solutions.

Average Household Income

Theme	Low	High
Low	less than	\$29,500
Below Average	\$29,500	\$48,500
Average	\$48,500	\$80,000
Above Average	\$80,000	\$132,500
High	\$132,500	or more

Average income of all the people 15 years and older occupying a single housing unit.

TRAFFIC COUNTS



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Two-way, average daily traffic volumes.



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BURLINGAME, CA

OFFERING MEMORANDUM

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