

125 Oak Avenue

REDWOOD CITY , CA

OFFERING MEMORANDUM



Marcus & Millichap

125 Oak Avenue

REDWOOD CITY , CA

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TABLE OF CONTENTS

Section 1	PROPERTY DESCRIPTION
Section 2	PRICING AND FINANCIAL ANALYSIS
Section 3	RENT COMPARABLES
Section 4	RECENT SALES
Section 5	DEMOGRAPHIC ANALYSIS

PROPERTY DESCRIPTION

125 Oak Avenue

REDWOOD CITY , CA

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INVESTMENT OVERVIEW

Investment Highlights

- Great Rental Up-Side
- Six Covered Parking Spaces & Eight Garage Spaces
- Close Proximity to Highway 84, 101, and 280
- Large Units with Balconies
- One Block West of El Camino Real



125 Oak Avenue, in Redwood City California is a charming eight unit apartment building located in the Palm Park neighborhood of Redwood City. The property has an excellent unit mix consisting of two (2) studios, two (2) two-bedroom/one-bath, and four (4) one-bedroom/one-bathroom units. All eight units are currently being rented far below market rate, with upside over 35%!

The subject property offers ample parking, consisting of eight (8) private garage spaces. It also is equipped with laundry, large storage spaces for all tenants, and is separately metered for gas and electricity.

125 Oak Ave is centrally located within Redwood City, and is close to many popular retail stores such as Bed Bath and Beyond, restaurants like Subway and Harry's Hofbrau, and coffee shops such as Starbucks just a half block down the street. The property is conveniently located, situated a block west of the El Camino Real, two blocks north of Woodside Road, and a mile from Highway 101.

Redwood City is becoming in one of the healthiest and most attractive submarkets on the Peninsula. Moreover, San Mateo Counties low housing affordability coupled with increasing jobs has the ability to yield higher rent growth, and decreased vacancy below three percent. The subject property also provides easy access to major employers in the Silicon Valley, including: Oracle, Electronic Arts, Kaiser, Salesforce, Visa, Stanford Medical, plus, the vibrant startup community in the San Mateo County, Santa Clara County, and San Francisco.

PROPERTY SUMMARY

The Offering

Property Address	125 Oak Avenue Redwood City, CA 94061
Assessor's Parcel Number	053-281-070
Zoning	Multi-Family Res (5+Units)

Site Description

Number of Units	8
Number of Buildings	1
Number of Stories	2
Year Built	1960
Gross Square Feet	6,317
Lot Size	8,316
Type of Ownership	Fee Simple
Parking	6 Covered Spaces & Eight Garage Spaces
Parking Ratio	14:8
Topography	Flat

Utilities

Water	Landlord
Phone	Tenant
Electric	Tenant
Gas	Tenant

Construction

Foundation	Concrete Perimeter Foundation
Framing	Wood Frame
Exterior	Wood Frame & Stucco
Parking Surface	Concrete
Roof	Composition Shingle

PROPERTY PHOTOS



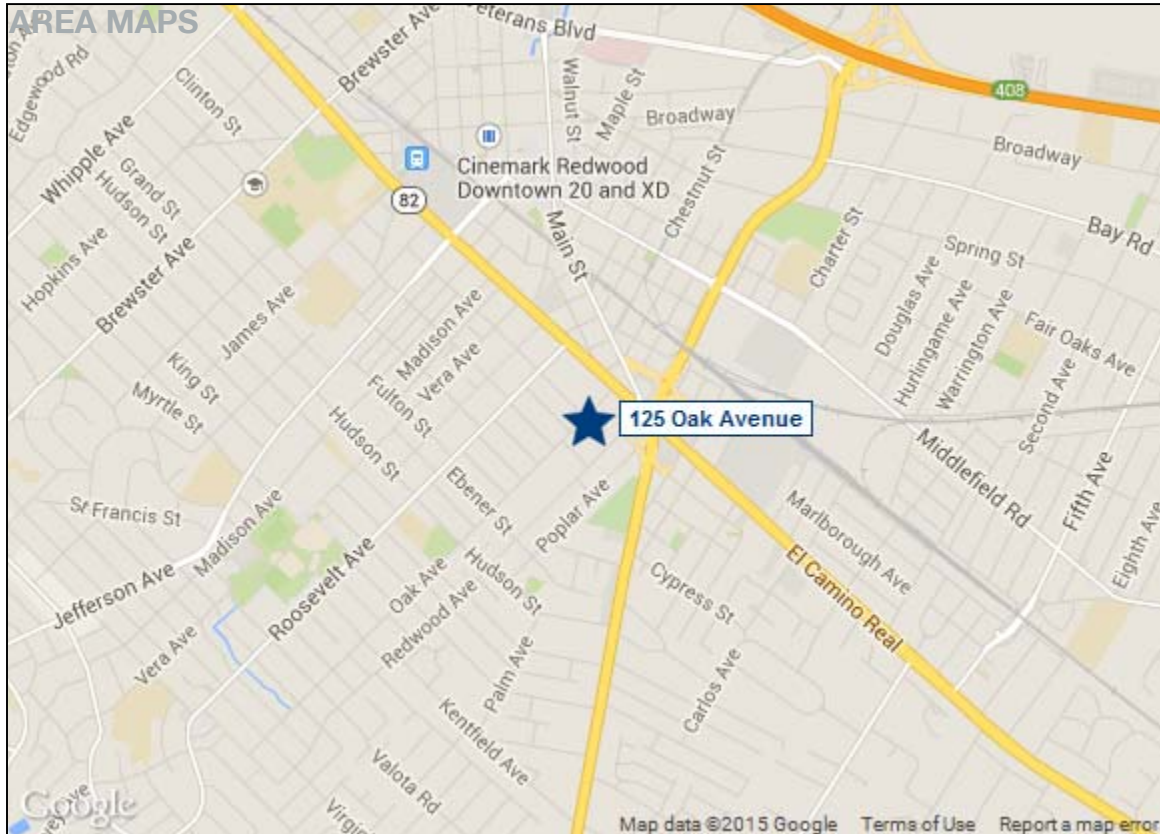
PROPERTY PHOTOS



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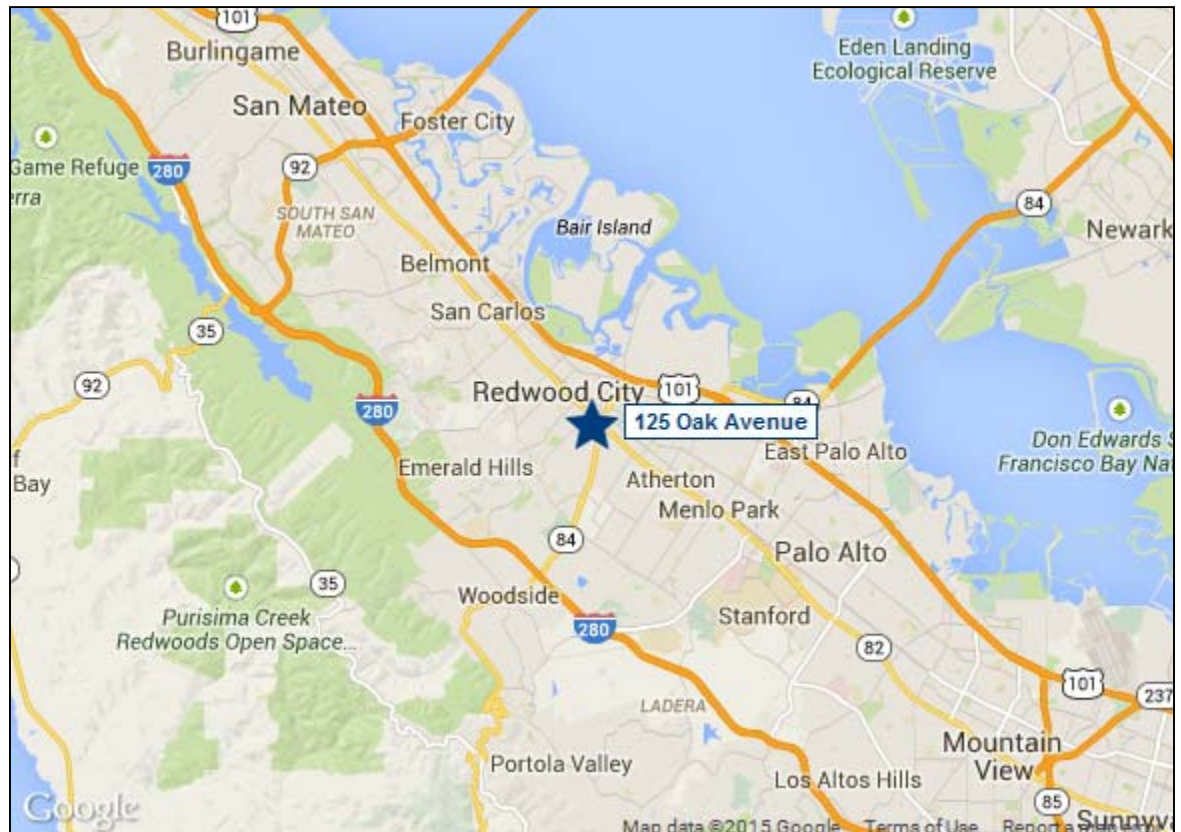
PROPERTY DESCRIPTION



Local Map



Regional Map



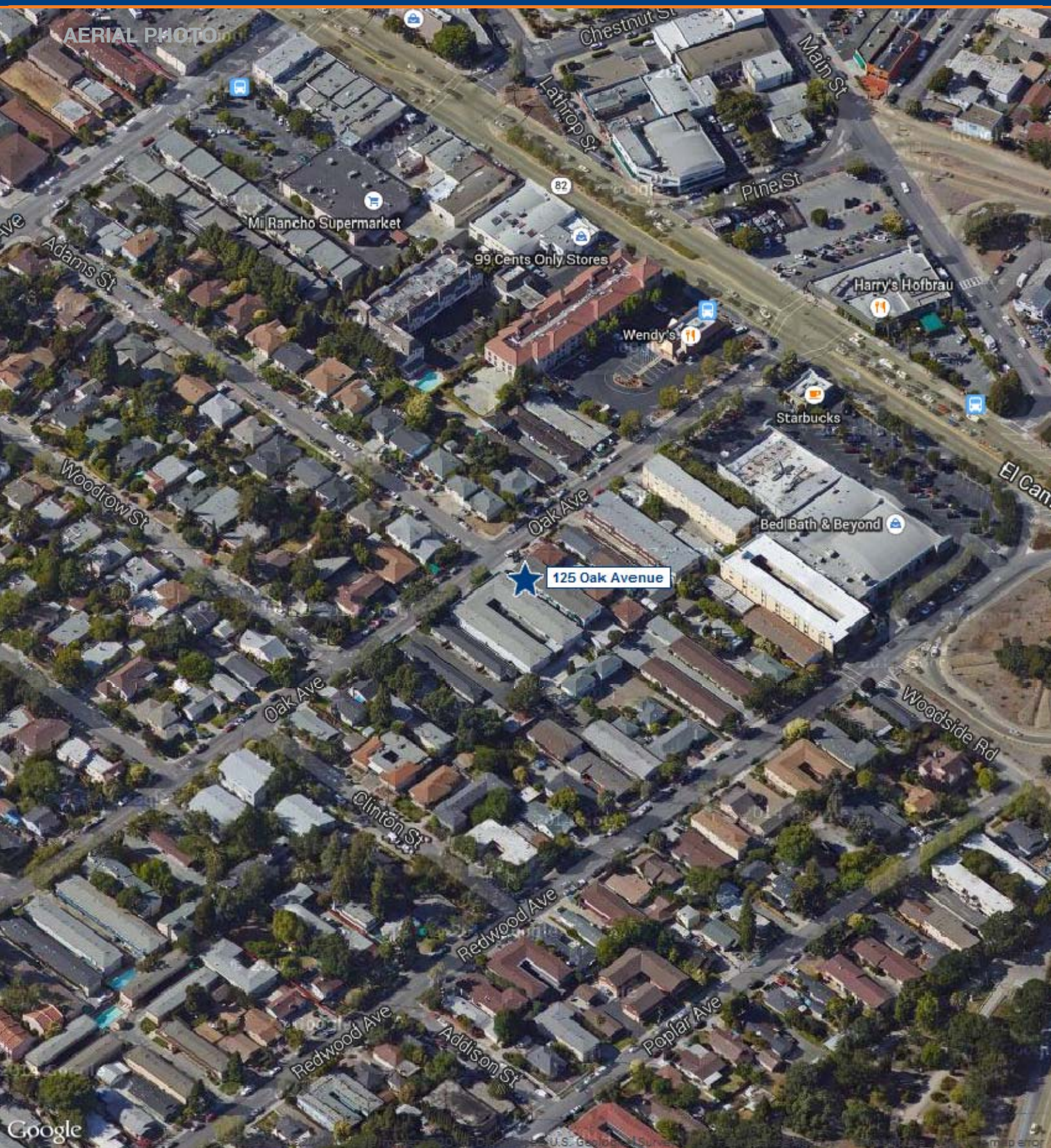
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125 Oak Avenue

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PROPERTY DESCRIPTION



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SITE PLAN



PRICING AND FINANCIAL ANALYSIS

125 Oak Avenue

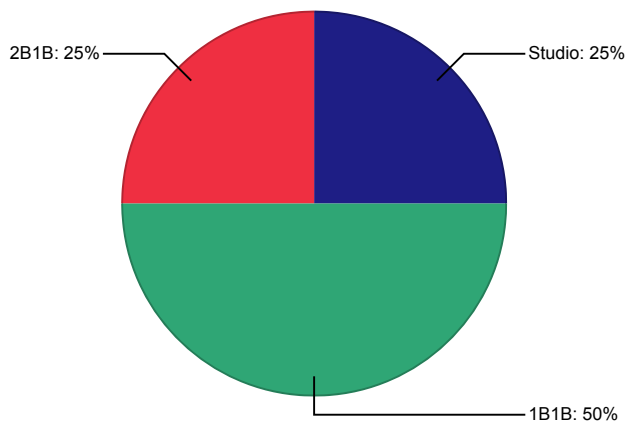
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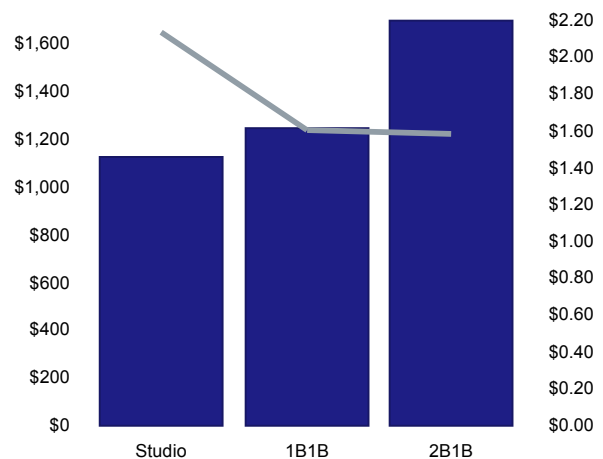
UNIT MIX

No. of Units	Unit Type	Approx. Square Feet	Current Rents	Rent/ SF	Monthly Income	Pro Forma Rents	Rent/ SF	Monthly Income
2	Studio	525	\$1,100 - \$1,150	\$2.14	\$2,250	\$1,795	\$3.42	\$3,590
4	1 Bdr 1 Bath	775	\$1,250	\$1.61	\$5,000	\$2,125	\$2.74	\$8,500
2	2 Bdr 1 Bath	1,075	\$1,600 - \$1,800	\$1.58	\$3,400	\$2,650	\$2.47	\$5,300
8	TOTAL	6,317			\$10,650			\$17,390

Unit Mix



Unit Rent & Rent/SF



RENT ROLL

Unit Number	Unit Type		Unit SF	Current Rent	Rent/ SF	Asking Rent	Rent/ SF	Parking
1	2 Bdr	1 Bath	1,075	\$1,800	\$1.67	\$2,650	\$2.47	One Indiv. Garage
2	2 Bdr	1 Bath	1,075	\$1,600	\$1.49	\$2,650	\$2.47	One Indiv. Garage
3	1 Bdr	1 Bath	778	\$1,250	\$1.61	\$2,095	\$2.69	One Indiv. Garage
4	1 Bdr	1 Bath	778	\$1,250	\$1.61	\$2,095	\$2.69	One Indiv. Garage
5	Studio		525	\$1,100	\$2.10	\$1,795	\$3.42	One Indiv. Garage
6	Studio		525	\$1,150	\$2.19	\$1,795	\$3.42	One Indiv. Garage
7	1 Bdr	1 Bath	778	\$1,250	\$1.61	\$2,095	\$2.69	One Indiv. Garage
8	1 Bdr	1 Bath	778	\$1,250	\$1.61	\$2,095	\$2.69	One Indiv. Garage
TOTAL VAC.				\$0		\$0		
8	TOTAL	OCC	6,312	\$10,650		\$17,270		
8	TOTAL		6,312	\$10,650		\$17,270		

FINANCIAL OVERVIEW

Location

125 Oak Avenue
Redwood City, CA 94061

Price	\$2,625,000
Down Payment	100% / \$2,625,000
Number of Units	8
Price/Unit	\$328,125
Gross Square Feet	6,317
Price/SF	\$415.55
CAP Rate - Current	3.03%
CAP Rate- Pro Forma	6.02%
GRM - Current	20.54
GRM- Pro Forma	12.58
Year Built	1960
Lot Size	8,316
Type of Ownership	Fee Simple

Annualized Operating Data

Income	Current	Pro Forma
Gross Potential Rent	\$127,800	\$208,680
Other Income	\$960	\$960
Gross Potential Income	\$128,760	\$209,640
Less: Vacancy/Deductions (GPR)	3.0% / \$3,834	3.0% / \$6,260
Effective Gross Income	\$124,926	\$203,380
Less: Expenses	\$45,301	\$45,301
Net Operating Income	\$79,625	\$158,079
Net Cash Flow Before Debt Service	\$79,625	\$158,079

Expenses

Real Estate Taxes (.0109%)	\$28,489	\$28,489
Special Assessments	\$124	\$124
Insurance (Estimate)	\$1,950	\$1,950
Water, Trash, Sewer (Est)	\$9,650	\$9,650
Repairs & Maintenance**	\$3,800	\$3,800
PG&E (Common Area)	\$688	\$688
Landscaping	\$600	\$600
Total Expenses	\$45,301	\$45,301
Expenses/unit	\$5,663	\$5,663
Expenses/SF	\$7.17	\$7.17
% of EGI	36.26%	22.27%

Scheduled Income

No. of Units	Unit Type	Approx. Square Feet	Current Rents	Rent/ SF	Monthly Income	Pro Forma Rents	Rent/ SF	Monthly Income
2	Studio	525	\$1,100 - \$1,150	\$2.14	\$2,250	\$1,795	\$3.42	\$3,590
4	1 Bdr 1 Bath	775	\$1,250	\$1.61	\$5,000	\$2,125	\$2.74	\$8,500
2	2 Bdr 1 Bath	1,075	\$1,600 - \$1,800	\$1.58	\$3,400	\$2,650	\$2.47	\$5,300
8	Total/Wtd. Avg.	6,317			\$10,650			\$17,390

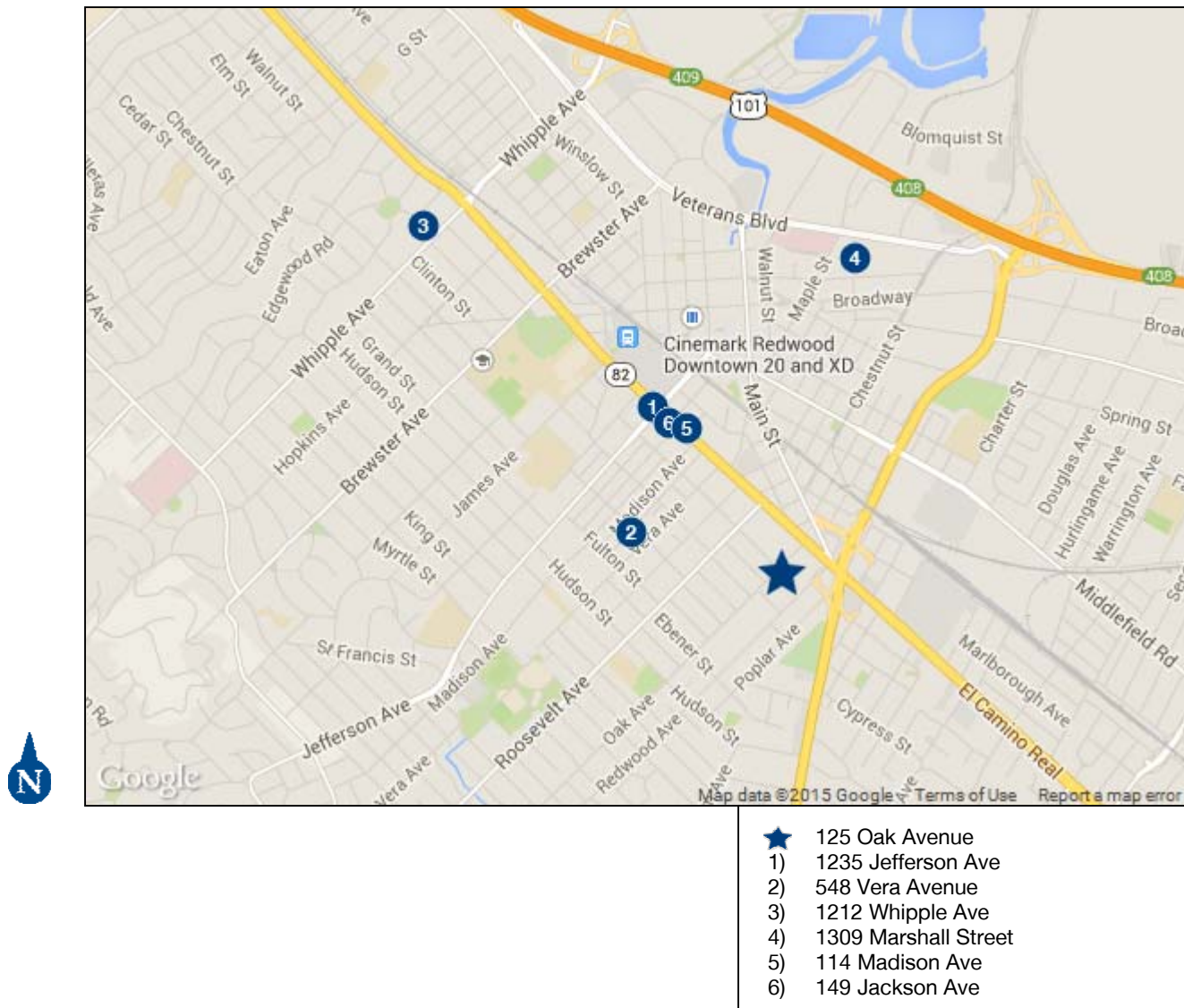
RENT COMPARABLES

125 Oak Avenue

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RENT COMPARABLES MAP



RENT COMPARABLES



125 Oak Avenue
Redwood City, CA 94061

Unit Type	Units	SF	Rent	Rent/SF
Studio	2	525	\$1,100 - \$1,150	\$2.14
1 Bdr 1 Bath	4	775	\$1,250	\$1.61
2 Bdr 1 Bath	2	1,075	\$1,600 - \$1,800	\$1.58
Total/Avg.	8	6,317	\$1,358	\$1.69

Subject Property

No. of Units: 8
Occupancy:
Year Built: 1960

Comments

125 Oak Ave offers units with substantially larger square footage when measured against comparable properties.

1



1235 Jefferson Ave
Redwood City, CA 94062

Unit Type	Units	SF	Rent	Rent/SF
Studio		600	\$1,880	\$3.13
Total/Wtd. Avg.			\$1,880	

Comments

RENTAL GRADE UNITS

2



548 Vera Avenue
Redwood City, CA 94061

Unit Type	Units	Rent
2 Bdr 2 Bath	1	\$2,400
Total/Wtd. Avg.	1	\$2,400

Comments

RENTAL GRADE UNITS

RENT COMPARABLES

3



1212 Whipple Ave
Redwood City, CA 94062

Unit Type	Units	SF	Rent	Rent/SF
2 Bdr 1 Bath		875	\$2,705	\$3.09
Total/Wtd. Avg.			\$2,705	

[Comments](#)
[Rental Grade](#)

4



1309 Marshall Street
Redwood City, CA 94063

Unit Type	Units	SF	Rent	Rent/SF
1 Bdr 1 Bath		800	\$2,095	\$2.62
Total/Wtd. Avg.			\$2,095	

[Comments](#)
[RENTAL GRADE](#)

5



114 Madison Ave
Redwood City, CA 94061

Unit Type	Units	Rent
1 Bdr 1 Bath		\$1,995
Total/Wtd. Avg.		\$1,995

[Comments](#)
[RENTAL GRADE](#)

RENT COMPARABLES

6



149 Jackson Ave
Redwood City, CA 94061

Unit Type	Units	SF	Rent	Rent/SF
1 Bdr 1 Bath		700	\$1,980	\$2.83
Total/Wtd. Avg.			\$1,980	

Comments
RENTAL GRADE

RECENT SALES

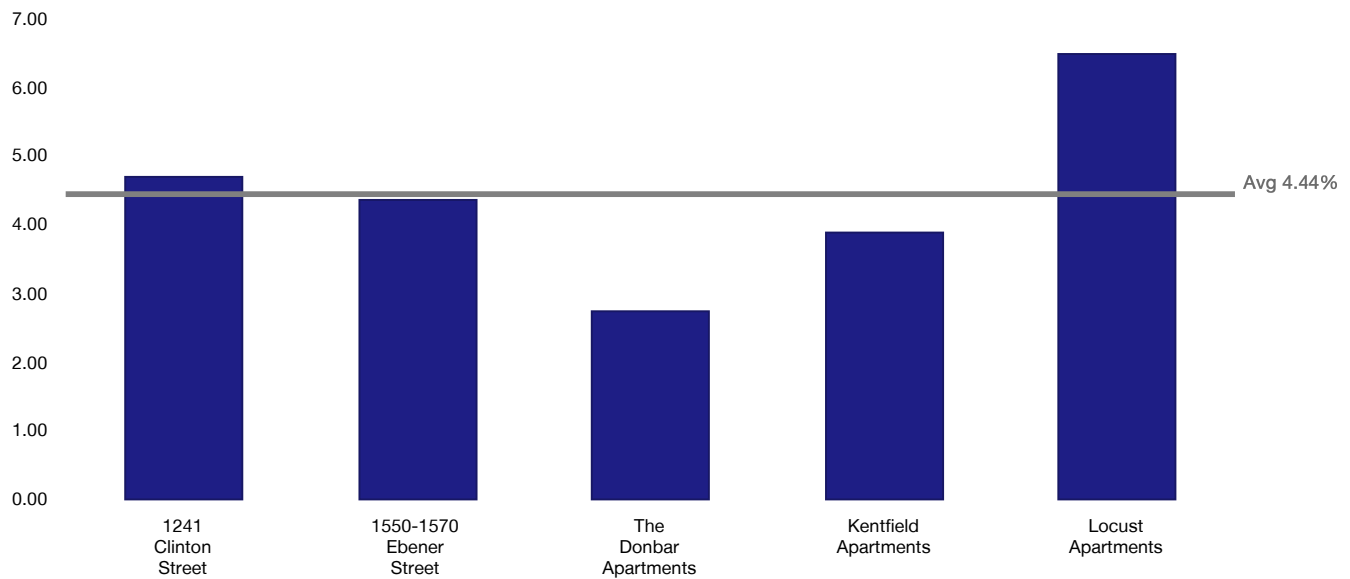
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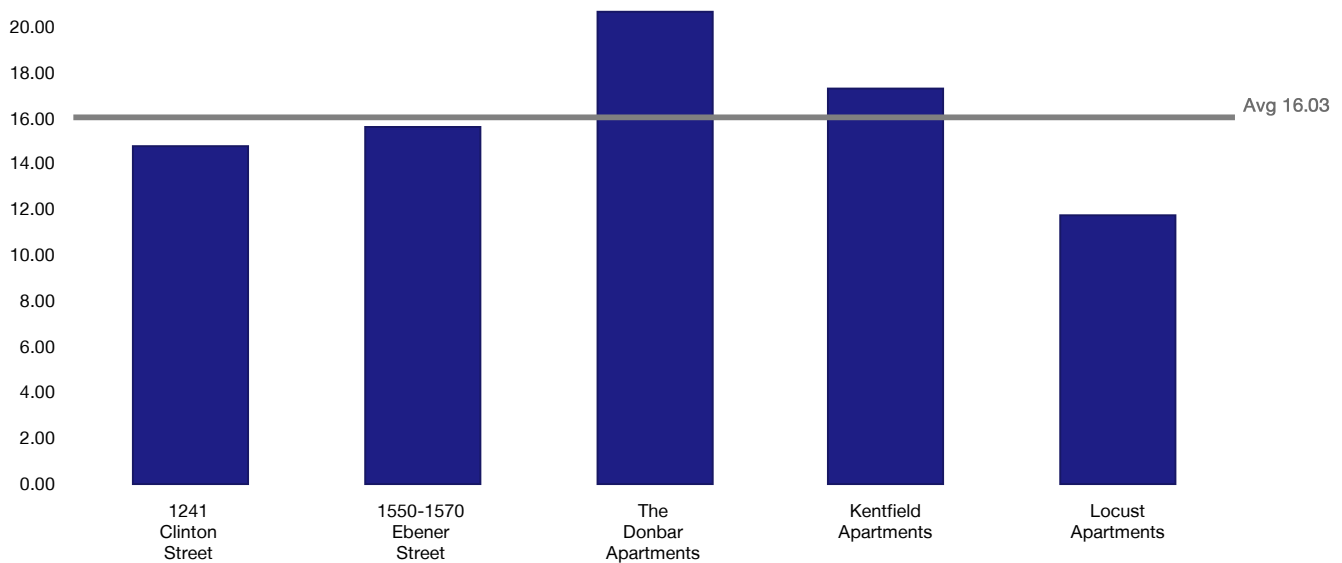
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CAP RATE AND GRM

Average Cap Rate

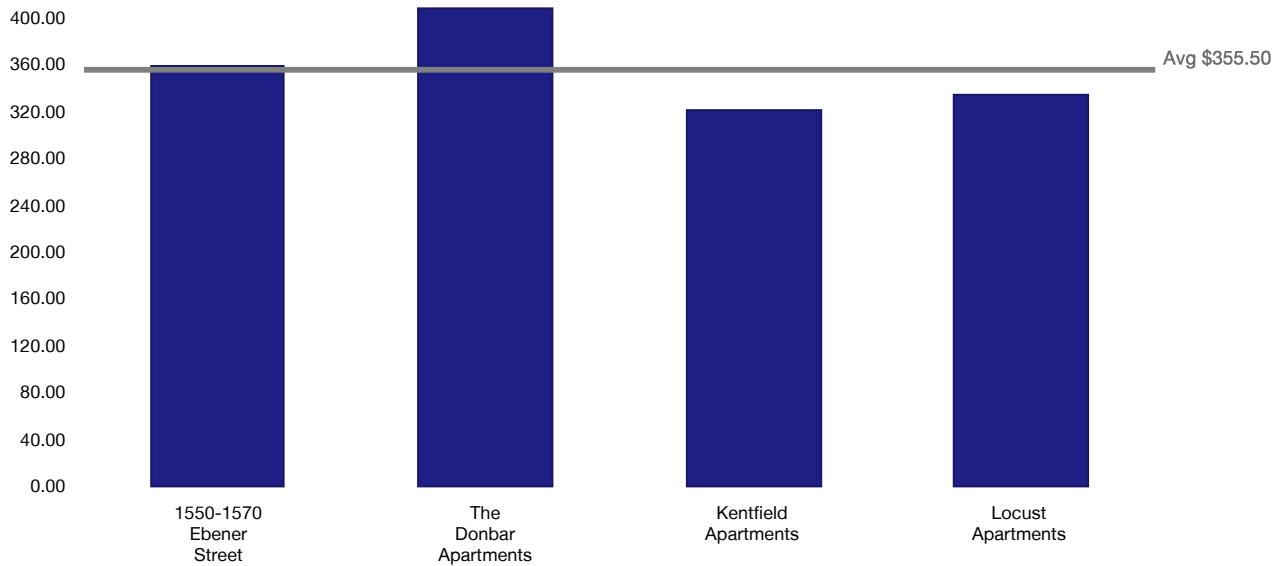


Average GRM

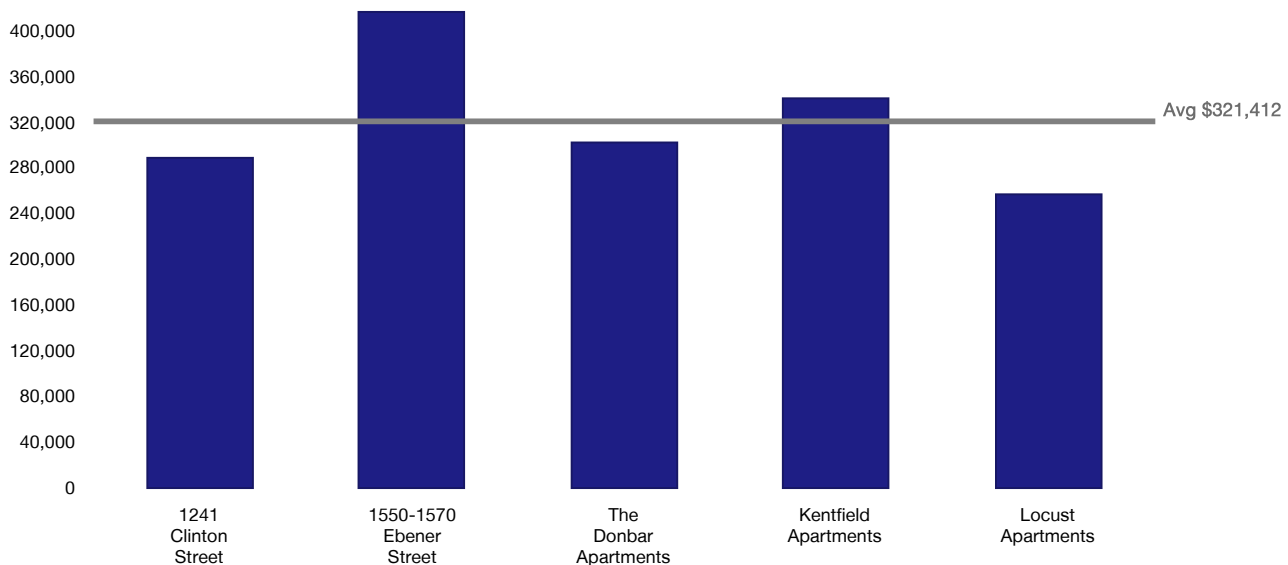


PRICE PER SF AND PRICE PER UNIT

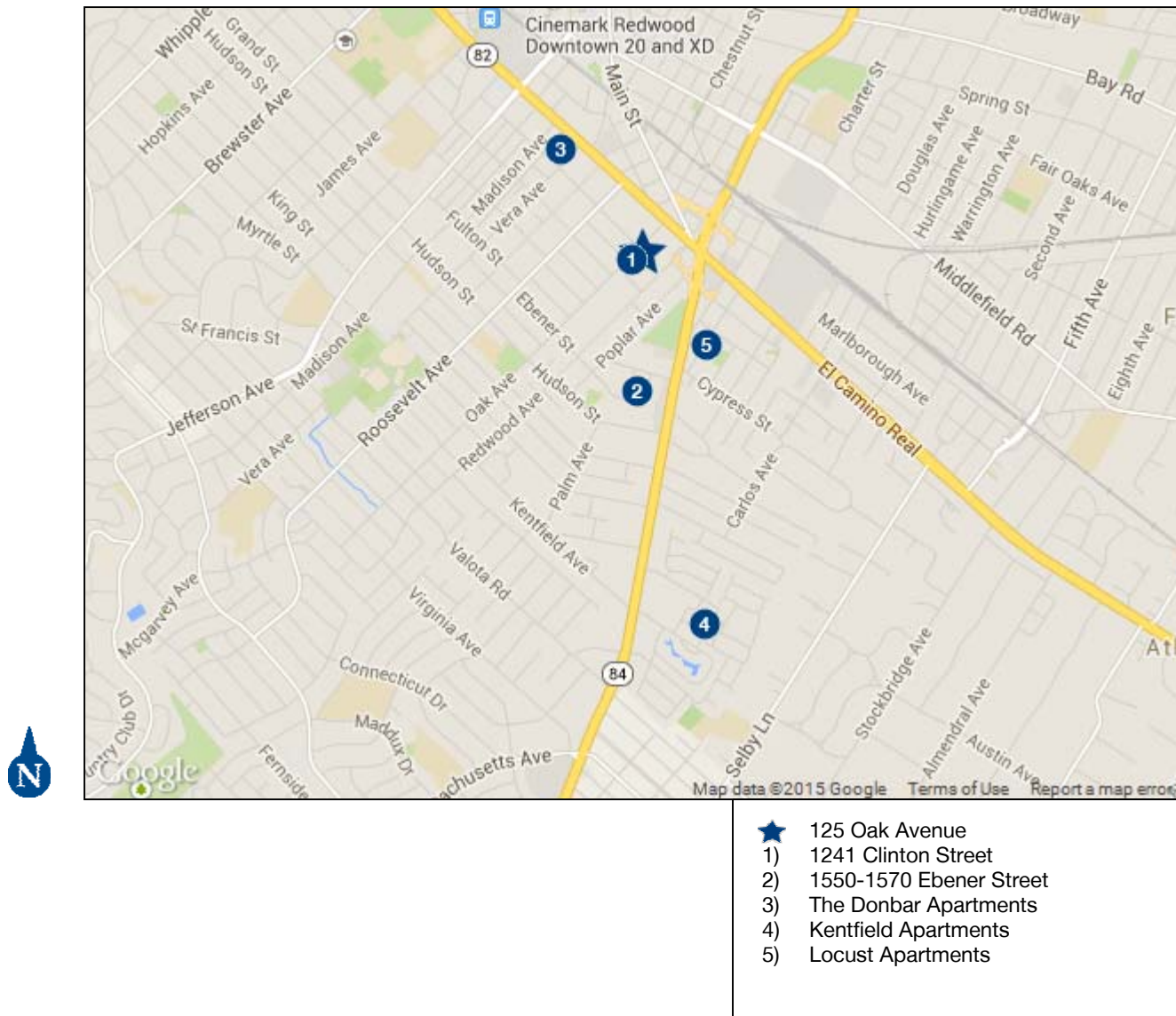
Average Price per Square Foot



Average Price per Unit



RECENT SALES MAP



RECENT SALES

1



Close of Escrow: 3/12/214

1241 Clinton Street
Redwood City, CA 94061

No. of Units: 5
Year Built: 1951
Sale Price: \$1,445,000
Price/Unit: \$289,000
Price/SF:
CAP Rate: 4.69%
GRM: 14.81

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

2



Close of Escrow: 9/30/2014

1550-1570 Ebener Street
Redwood City, CA 94061

No. of Units: 8
Year Built: 1962
Sale Price: \$3,330,000
Price/Unit: \$416,250
Price/SF: \$359.00
CAP Rate: 4.37%
GRM: 15.62

Units	Unit Type
3	2 Bdr 1 Bath 990 SF
9	1 Bdr 1 Bath 700 SF

Comments

S

3



Close of Escrow: 6/17/2014

The Donbar Apartments

903 Adams Street
Redwood City, CA 94061

No. of Units: 5
Year Built: 1947
Sale Price: \$1,515,000
Price/Unit: \$303,000
Price/SF: \$408.00
CAP Rate: 2.73%
GRM: 20.68

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

RECENT SALES

4



Close of Escrow: 6/12/2014

Kentfield Apartments

1964 Kentfield Ave
Redwood City, CA 94016

No. of Units: 6
Year Built: 1952
Sale Price: \$2,050,000
Price/Unit: \$341,667
Price/SF: \$321.00
CAP Rate: 3.90%
GRM: 17.30

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

5



Close of Escrow: 10/31/2014

Locust Apartments

150 Locust Street
Redwood City, CA 94061

No. of Units: 7
Year Built: 1963
Sale Price: \$1,800,000
Price/Unit: \$257,143
Price/SF: \$334.00
CAP Rate: 6.50%
GRM: 11.72

Units	Unit Type
1	2 Bdr 1 Bath
6	1 Bdr 1 Bath

Comments

Sold By Terrance Associates

125 Oak Avenue

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