



Offering Memorandum

238 WEST CALIFORNIA AVENUE

Sunnyvale, CA

Marcus & Millichap

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summary

EXECUTIVE SUMMARY



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Offering Highlights

238 WEST CALIFORNIA AVENUE

SUNNYVALE, CA 94086

Property Details

Price	\$2,575,000
Down Payment	100% / \$2,575,000
Price/Unit	\$858,333
Price/SF	\$691.46
Number of Units	3
Gross Square Feet	3,724
Number of Buildings	2
Number of Stories	2
Year Built	1979
Lot Size	0.22 Acres

Vital Data

CAP Rate – Current	3.18%
GRM – Current	22.17
Net Operating Income – Current	\$81,992
CAP Rate – Year 1	4.02%
GRM – Year 1	18.62
Net Operating Income – Year 1	\$103,468

Unit Mix

NUMBER OF UNITS	UNIT TYPE
1	Three Bedroom / One Bathroom Single Family Home
2	Two Bedroom / One and a Half Bathroom Townhome

Demographics

	1-Miles	3-Miles	5-Miles
2016 Estimate Pop	28,950	197,374	434,720
2016 Census Pop	25,368	181,053	402,400
2016 Estimate HH	11,495	77,969	167,770
2016 Census HH	9,998	70,900	154,107
Median HH Income	\$95,875	\$104,348	\$108,662
Per Capita Income	\$50,744	\$55,824	\$57,898
Average HH Income	\$127,449	\$141,090	\$149,773

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Property Details

THE OFFERING

Property Address	238 West California Avenue Sunnyvale, CA 94086
Assessor's Parcel #	204-51-008
Zoning	R2

SITE DESCRIPTION

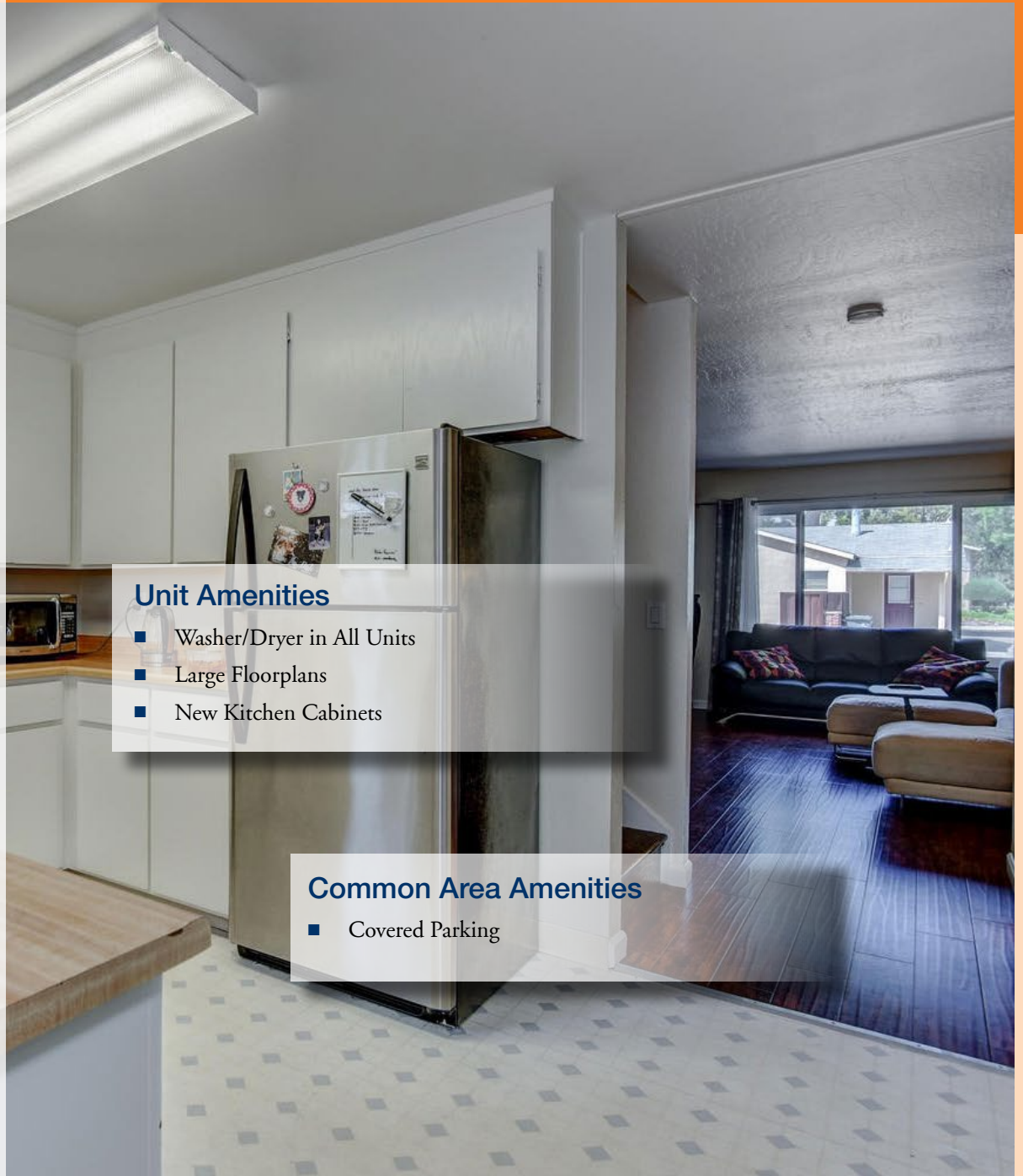
Number of Units	3
Number of Buildings	2
Number of Stories	2
Year Built	1979
Rentable Square Feet	3,724
Lot Size	0.22 Acres
Type of Ownership	Fee Simple
Density	Low-Medium
Parking	Covered
Landscaping	Low Maintenance
Topography	Flat

UTILITIES

Water	Tenant
Phone	Tenant
Electric	Tenant
Gas	Tenant

CONSTRUCTION

Foundation	Concrete Slab
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Unit Amenities

- Washer/Dryer in All Units
- Large Floorplans
- New Kitchen Cabinets

Common Area Amenities

- Covered Parking







description

PROPERTY DESCRIPTION



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Investment Overview

Marcus and Millichap is pleased to present 238 West California Avenue to the Bay Area's Investment Community.

This 3-unit apartment complex consists of (1) 3-Bed/1-Bath single family home in addition to (2) 2-Bed/1.5-Bath Town Homes. Built in 1979 the subject property has a gross livable area of 3,724 square feet and is situated on a 9,400-square foot lot.

Tenants are responsible for paying all expenses including water, electric, gas and trash removal. Current ownership has done an exceptional job keeping the property in immaculate condition. Significant capital improvements have been added to all the unit interiors such as new appliances, kitchen cabinets, kitchen counters, flooring and bathrooms, and there is still tremendous upside in rents.

The subject property is located 4 miles from Apple's highly anticipated spaceship campus in Cupertino. This new campus is expected to provide more than 12,000 jobs in an already impressive job market. Sunnyvale is a major city in the Silicon Valley and the seventh most populous city in the San Francisco Bay Area. Many of the largest technology companies have operations in and around Sunnyvale including Google, Apple, LinkedIn, Amazon, Microsoft, and Yahoo. The robust high tech job growth, shortage of housing units, rent growth, and proximity to large Silicon Valley employers make 238 West California Avenue a truly fantastic opportunity.

Investment Highlights

- Unit Mix of (1) 3Bed/1Bath Single Family Home and (2) 2Bed/1.5 Bath Town homes
- 6 Minute Walk to Downtown Sunnyvale
- Tenants Pay for All Expenses except Landscaping and Insurance
- Located in Close Proximity to Apples Highly Anticipated Spaceship Campus
- Washer/Dryers in all Units
- Tremendous Upside in Rents





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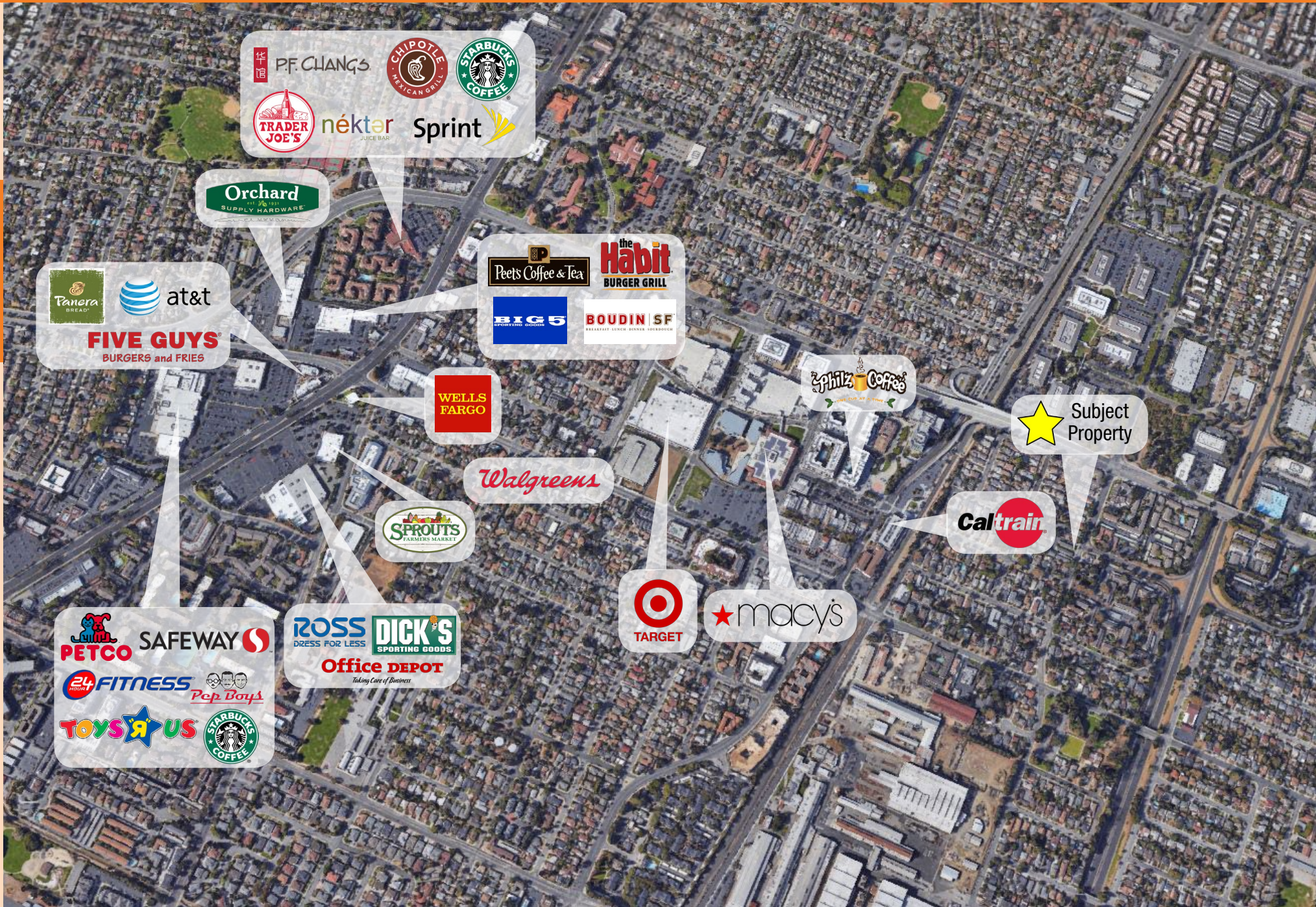
EXECUTIVE SUMMARY

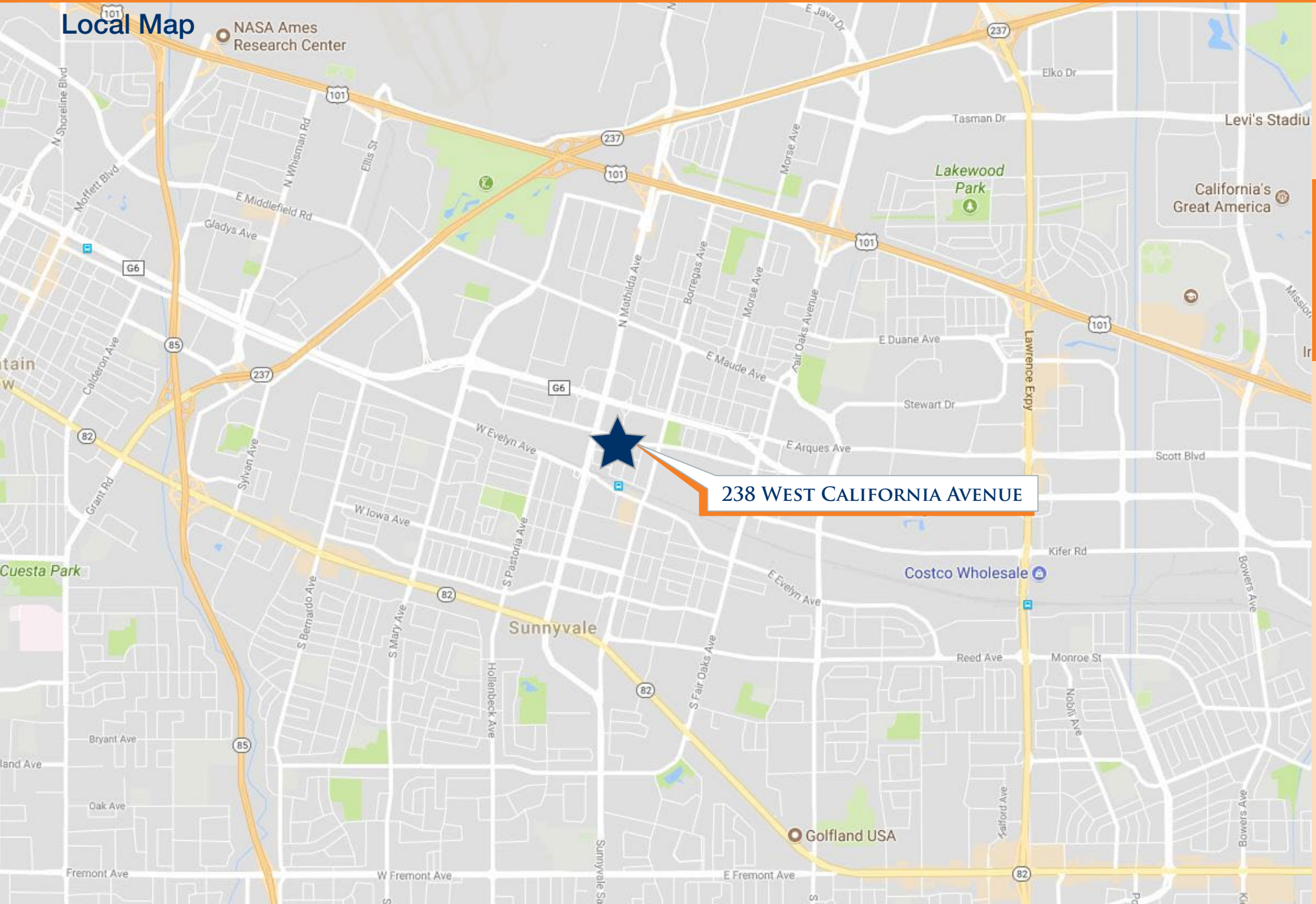
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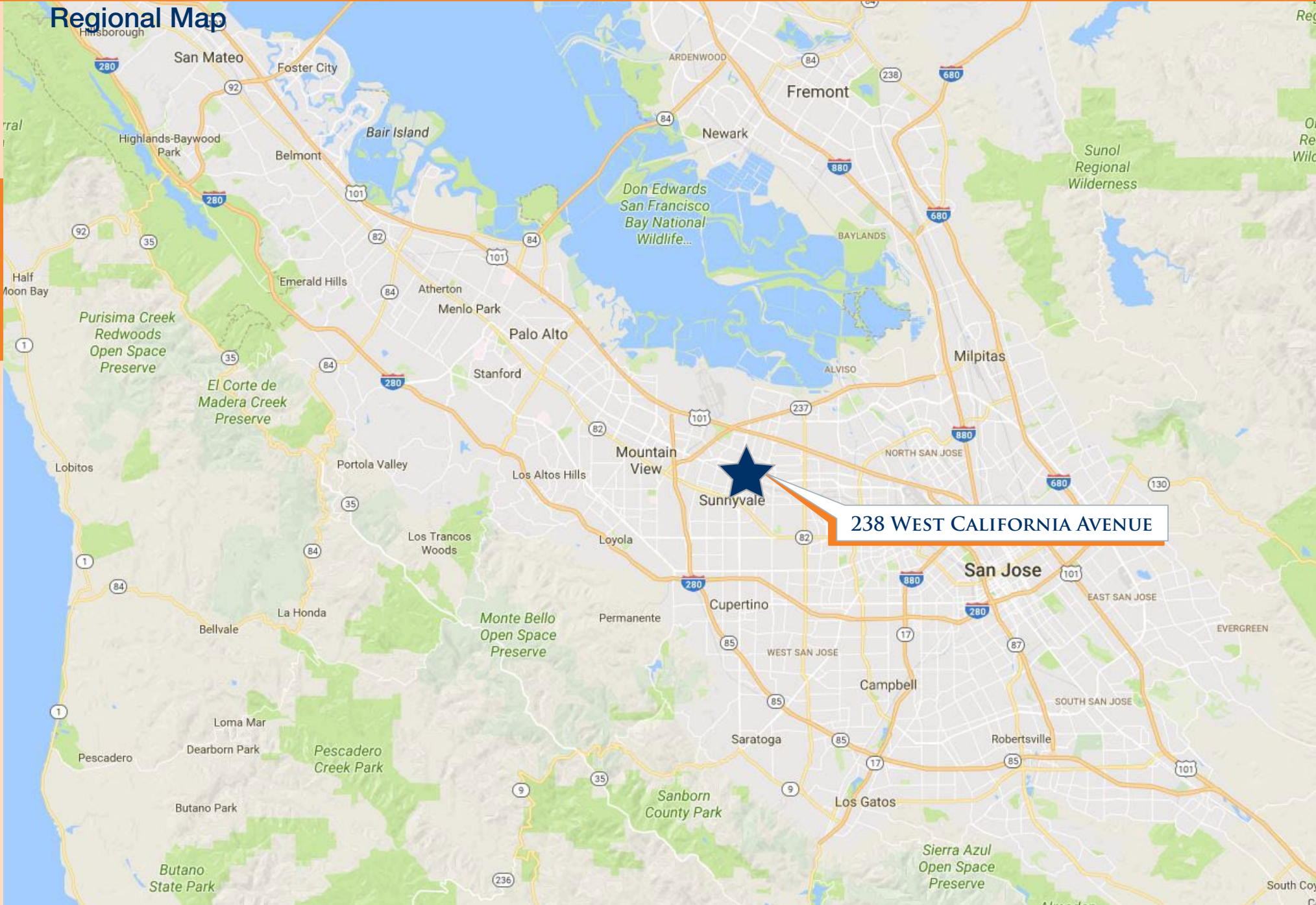
MARKET OVERVIEW





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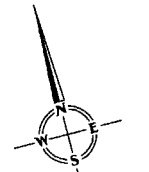


Parcel Map

OFFICE OF COUNTY ASSESSOR — SANTA CLARA COUNTY, CALIFORNIA

BOOK 204 PAGE 51

BK 165



1" = 100'

LAWRENCE E. STONE — ASSESSOR
Cadastral map for assessment purposes only
Compiled under R. & T. Code, Sec. 327.
Effective Roll Year 2007-2008

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Floor Plan



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Floor Plan - First Floor



EXECUTIVE
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Floor Plan - Second Floor

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analysis

FINANCIAL ANALYSIS



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Financial Summary

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GRM – Year 1	18.62
Net Operating Income – Year 1	\$103,468

Rent Roll Summary

UNIT TYPE	NUMBER OF UNITS	AVERAGE SQUARE FEET	RENTAL RANGE	CURRENT AVERAGE RENT	CURRENT AVERAGE RENT/SF	CURRENT MONTHLY INCOME	POTENTIAL AVERAGE RENT	POTENTIAL AVERAGE RENT/SF	POTENTIAL MONTHLY INCOME
3 Bed/1 Bath Single Family Home	1	N/A	\$3,440 - \$3,440	\$3,440	N/A	\$3,440	\$4,175	N/A	\$4,175
2Bed/1.5 Bath Townhome	2	N/A	\$3,090 - \$3,150	\$3,120	N/A	\$6,240	\$3,675	N/A	\$7,350
Totals/Weighted Averages	3	1,241		\$3,227	\$2.60	\$9,680	\$3,842	\$3.09	\$11,525
Gross Annualized Rents				\$116,160		\$138,300			

Rent Roll

UNIT	UNIT TYPE	CURRENT RENT	POTENTIAL RENT
1	3 Bed/1 Bath Single Family Home	\$3,440	\$4,175
2	2Bed/1.5 Bath Townhome	\$3,150	\$3,675
3	2Bed/1.5 Bath Townhome	\$3,090	\$3,675
Total		\$9,680	\$11,525



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Operating Statement

Income	Current		Year 1		Notes	Per Unit	Per SF
Gross Scheduled Rent	116,160		138,300			46,100	37.14
Physical Vacancy	(3,485)	3.0%	(4,149)	3.0%		(1,383)	(1.11)
Total Vacancy	(\$3,485)	3.0%	(\$4,149)	3.0%		(\$1,383)	(\$1)
Effective Gross Income	\$112,675		\$134,151			\$44,717	\$36.02

Expenses	Current		Year 1		Notes	Per Unit	Per SF
Real Estate Taxes	29,857		29,857			9,952	8.02
Insurance	726		726			242	0.19
Landscaping	100		100			33	0.03
Total Expenses	\$30,683		\$30,683			\$10,228	\$8.24
Expenses as % of EGI	27.2%		22.9%				
Net Operating Income	\$81,992		\$103,468			\$34,489	\$27.78

Notes:

*Tenants pay Water/Garbage/Gas/ Electric

*Landlord only pays insurance/Taxes/ Landscaping

competitive

COMPETITIVE PROPERTY SET



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EXECUTIVE SUMMARY

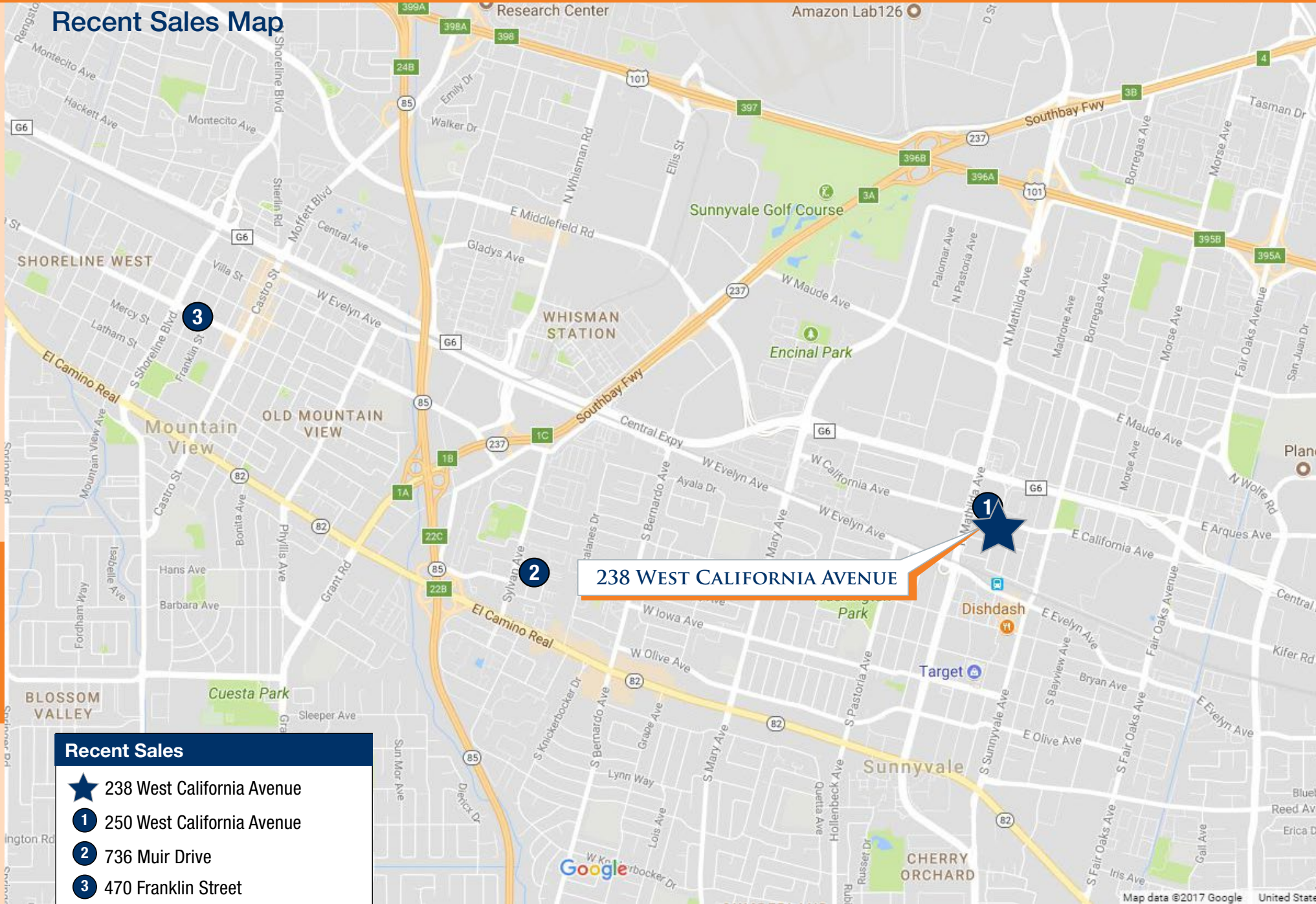
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Recent Sales Map



238 WEST CALIFORNIA AVENUE

Recent Sales

- ★ 238 West California Avenue
- ① 250 West California Avenue
- ② 736 Muir Drive
- ③ 470 Franklin Street

Map data ©2017 Google United States

Recent Sales



238 West California Avenue, Sunnyvale, CA 94086



Offering Price	\$2,575,000
Price/Unit	\$858,333
Price/SF	\$691.46
CAP Rate	3.18%
GRM	22.17
Total No. of Units	3
Year Built	1979

Units	Unit Type
1	3BR/1BA Single Family Home
2	2BR/1.5BA Townhome

1

250 West California Avenue, Sunnyvale, CA 94086



Close of Escrow	4/30/2017
Sales Price	\$1,783,000
Price/Unit	\$891,500
Price/SF	\$721.86
Total No. of Units	2
Year Built	1947

Units	Unit Type
1	3BR/1BA
1	3BR/2BA

Notes: Units were Vacant upon COE

2

736 Muir Drive, Mountain View, CA 94041



Close of Escrow	6/26/2017
Sales Price	\$2,240,000
Price/Unit	\$1,120,000
Price/SF	\$838.01
CAP Rate	2.59%
GRM	25.57
Total No. of Units	2
Year Built	1969

Units	Unit Type
1	3BR/2BA
1	2BR/2BA

Recent Sales

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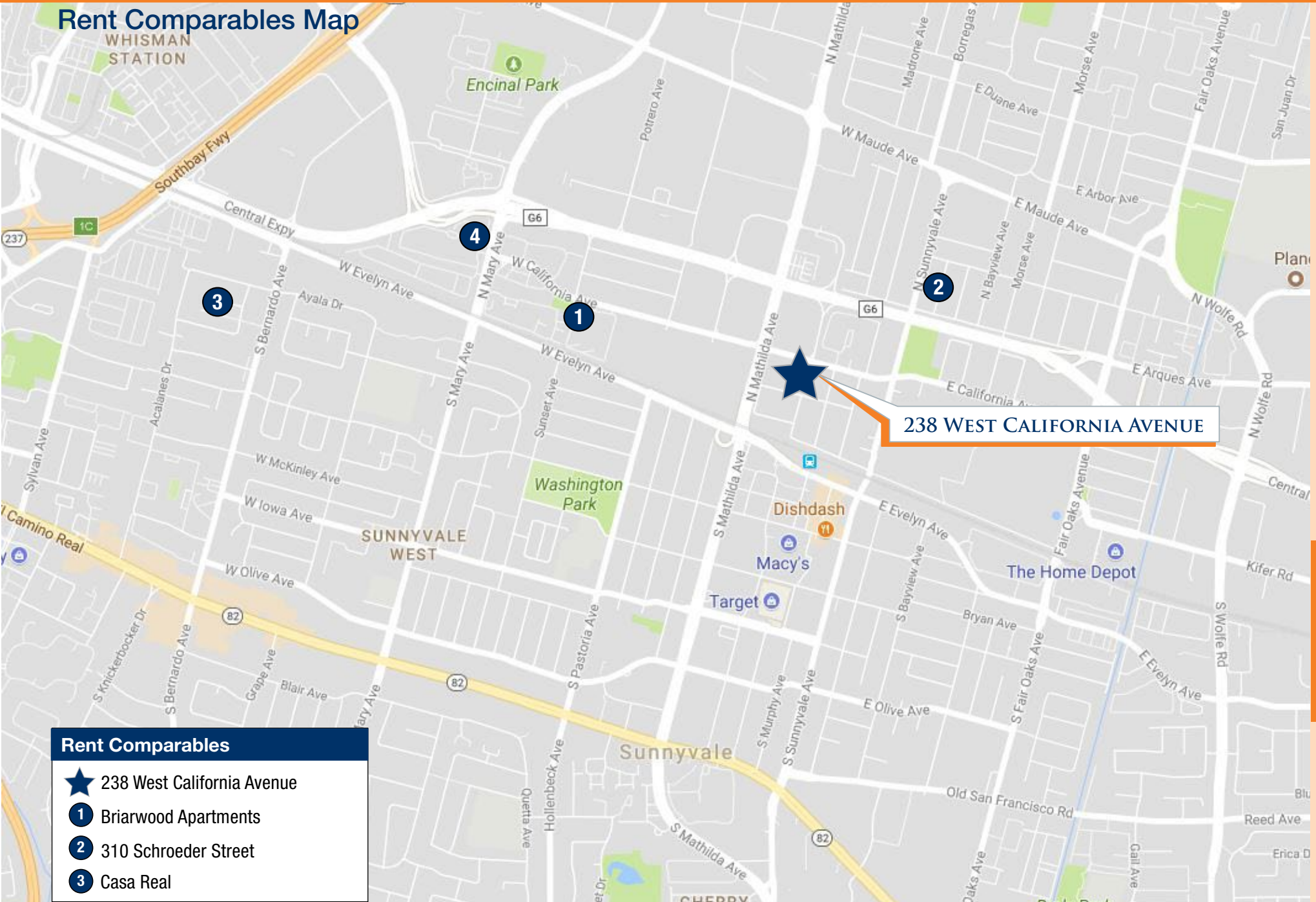
470 Franklin Street, Mountain View, CA 94041



Close of Escrow	5/6/2016
Sales Price	\$2,500,000
Price/Unit	\$833,333
Price/SF	\$1,164.96
CAP Rate	3.80%
GRM	18.93
Total No. of Units	3
Year Built	1948

Units	Unit Type
1	1BR/1BA
2	2BR/1BA

Rent Comparables Map



Rent Comparables

- ★ 238 West California Avenue
- ① Briarwood Apartments
- ② 310 Schroeder Street
- ③ Casa Real

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Rent Comparables



238 West California Avenue, Sunnyvale, CA 94086



No. of Units:	3
Year Built:	1979

Unit Type	Rent	Rent/SF
3BR/1BA Single Family Home	\$3,440	N/A
2BR/1.5BA Townhome	\$3,120	N/A
Total/Wtd. Avg.	\$3,227	

1 Briarwood Apartments

180 Pasito Terrace, Sunnyvale, CA 94086



No. of Units:	192
Year Built:	1985

Unit Type	SF	Rent	Rent/SF
2BR/1BA	804	\$3,358	\$4.18
Total/Wtd. Avg.	804	\$3,358	\$4.18

2 310 Schroeder Street, Sunnyvale, CA 94085



No. of Units:	1
Year Built:	1948

Unit Type	SF	Rent	Rent/SF
3BR/1BA	1,119	\$3,950	\$3.53
Total/Wtd. Avg.	1,119	\$3,950	\$3.53

Rent Comparables

3 Casa Real

1244 Balboa Court, Sunnyvale, CA 94086



No. of Units:	16
Year Built:	1964

Unit Type	SF	Rent	Rent/SF
2BR/2BA	1,160	\$3,500	\$3.02
Total/Wtd. Avg.	1,160	\$3,500	\$3.02

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overview

MARKET OVERVIEW



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Demographic Summary

POPULATION	1 Miles	3 Miles	5 Miles
• 2021 Projection			
Total Population	29,645	201,057	446,314
• 2016 Estimate			
Total Population	28,950	197,374	434,720
• 2010 Census			
Total Population	25,368	181,053	402,400
• 2000 Census			
Total Population	24,197	170,063	371,329
• Daytime Population			
2016 Estimate	41,009	189,251	577,707
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
• 2021 Projection			
Total Households	11,735	79,173	171,797
• 2016 Estimate			
Total Households	11,495	77,969	167,770
Average (Mean) Household Size	2.48	2.5	2.56
• 2010 Census			
Total Households	9,998	70,900	154,107
• 2000 Census			
Total Households	9,846	69,164	146,680
Growth 2015-2020	2.09%	1.54%	2.40%
HOUSING UNITS	1 Miles	3 Miles	5 Miles
• Occupied Units			
2021 Projection	11,735	79,173	171,797
2016 Estimate	11,503	78,645	169,238
Owner Occupied	4,136	35,336	81,822
Renter Occupied	7,359	42,633	85,948
Vacant	8	675	1,468
• Persons In Units			
2016 Estimate Total Occupied Units	11,495	77,969	167,770
1 Person Units	29.41%	28.11%	26.67%
2 Person Units	31.28%	31.25%	30.57%
3 Person Units	18.05%	18.04%	18.02%
4 Person Units	12.01%	14.12%	15.76%
5 Person Units	5.17%	4.89%	5.32%
6+ Person Units	4.06%	3.60%	3.66%

HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
• 2016 Estimate			
\$200,000 or More	12.87%	16.95%	19.05%
\$150,000 - \$199,000	11.06%	12.28%	12.84%
\$100,000 - \$149,000	23.77%	23.03%	22.65%
\$75,000 - \$99,999	13.74%	12.02%	11.08%
\$50,000 - \$74,999	11.29%	11.99%	11.37%
\$35,000 - \$49,999	8.44%	7.87%	7.33%
\$25,000 - \$34,999	6.10%	5.20%	4.96%
\$15,000 - \$24,999	5.12%	5.03%	5.11%
Under \$15,000	7.62%	5.63%	5.61%
Average Household Income	\$127,449	\$141,090	\$149,773
Median Household Income	\$95,875	\$104,348	\$108,662
Per Capita Income	\$50,744	\$55,824	\$57,898

POPULATION PROFILE	1 Miles	3 Miles	5 Miles
• Population By Age			
2016 Estimate Total Population	28,950	197,374	434,720
Under 20	22.56%	23.25%	24.28%
20 to 34 Years	28.34%	23.89%	21.55%
35 to 39 Years	10.08%	9.45%	8.87%
40 to 49 Years	14.21%	14.77%	15.35%
50 to 64 Years	16.03%	17.05%	17.59%
Age 65+	8.80%	11.61%	12.35%
Median Age	34.64	36.44	37.31
• Population 25+ by Education Level			
2016 Estimate Population Age 25+	20,829	141,921	308,057
Elementary (0-8)	4.02%	3.25%	2.67%
Some High School (9-11)	3.66%	3.64%	3.31%
High School Graduate (12)	13.24%	12.09%	11.40%
Some College (13-15)	16.58%	15.10%	14.09%
Associate Degree Only	5.76%	5.75%	5.84%
Bachelors Degree Only	28.14%	29.50%	30.38%
Graduate Degree	27.66%	29.77%	31.42%
• Population by Gender			
2016 Estimate Total Population	28,950	197,374	434,720
Male Population	52.05%	50.54%	50.30%
Female Population	47.95%	49.46%	49.70%

Demographic Summary

Geography: 5 Miles

Population

In 2016, the population in your selected geography is 28,950. The population has changed by 19.64% since 2000. It is estimated that the population in your area will be 29,645.00 five years from now, which represents a change of 2.40% from the current year. The current population is 52.05% male and 47.95% female. The median age of the population in your area is 34.64, compare this to the US average which is 37.68. The population density in your area is 9,206.79 people per square mile.

Households

There are currently 11,495 households in your selected geography. The number of households has changed by 16.75% since 2000. It is estimated that the number of households in your area will be 11,735 five years from now, which represents a change of 2.09% from the current year. The average household size in your area is 2.48 persons.

Income

In 2016, the median household income for your selected geography is \$95,875, compare this to the US average which is currently \$54,505. The median household income for your area has changed by 37.47% since 2000. It is estimated that the median household income in your area will be \$121,214 five years from now, which represents a change of 26.43% from the current year.

The current year per capita income in your area is \$50,744, compare this to the US average, which is \$29,962. The current year average household income in your area is \$127,449, compare this to the US average which is \$78,425.

Race and Ethnicity

The current year racial makeup of your selected area is as follows: 42.71% White, 1.99% Black, 0.56% Native American and 36.60% Asian/Pacific Islander. Compare these to US averages which are: 70.77% White, 12.80% Black, 0.19% Native American and 5.36% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 27.72% of the current year population in your selected area. Compare this to the US average of 17.65%.

Housing

The median housing value in your area was \$662,650 in 2016, compare this to the US average of \$187,181. In 2000, there were 3,764 owner occupied housing units in your area and there were 6,082 renter occupied housing units in your area. The median rent at the time was \$1,185.

Employment

In 2016, there are 20,183 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 75.98% of employees are employed in white-collar occupations in this geography, and 24.79% are employed in blue-collar occupations. In 2016, unemployment in this area is 3.71%. In 2000, the average time traveled to work was 24.00 minutes.

Demographic data © 2015 by Experian/Applied Geographic Solutions.



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