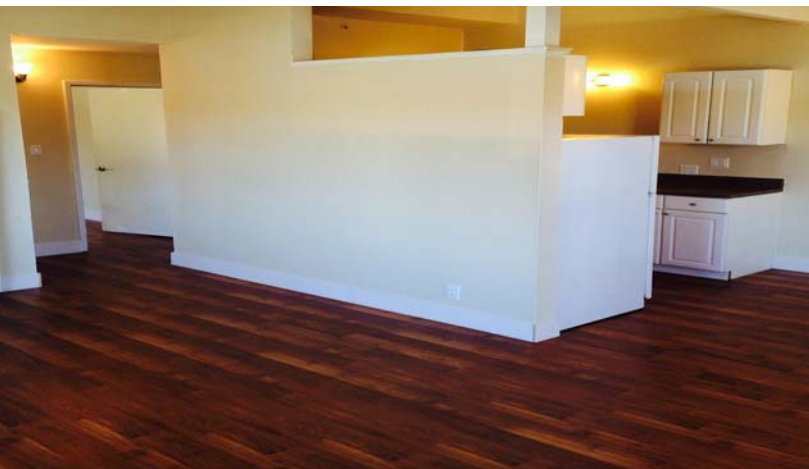
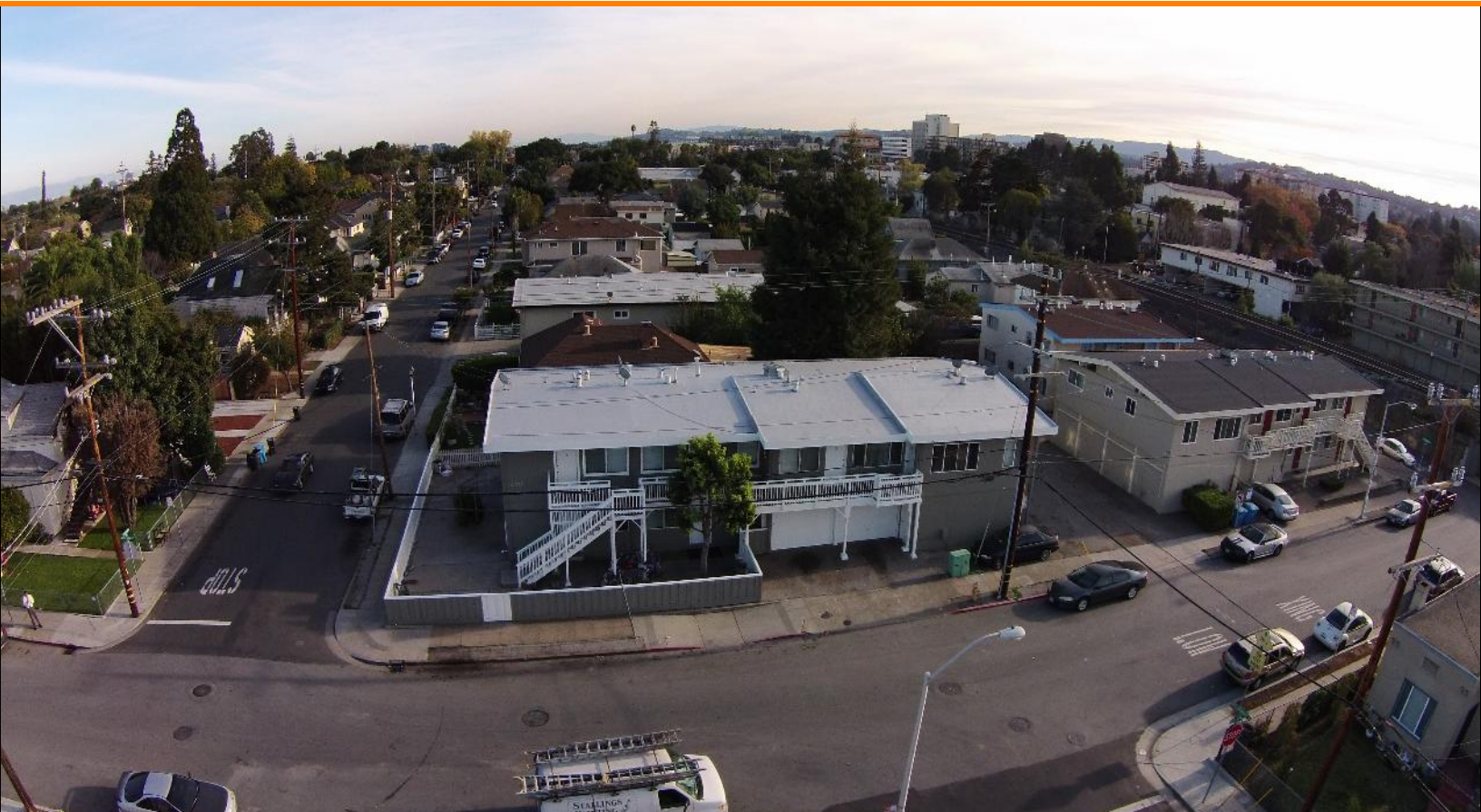


Monte Diablo

SAN MATEO, CA

OFFERING MEMORANDUM



Marcus & Millichap

Monte Diablo

SAN MATEO, CA

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Monte Diablo

SAN MATEO, CA

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Section 2	PRICING AND FINANCIAL ANALYSIS
Section 3	IN ESCROW COMPARABLES
Section 4	RECENT SALES

INVESTMENT OVERVIEW

Investment Highlights

- All Units Renovated
- Close to Downtown San Mateo
- Brand New Deck and Exterior Paint
- Great Unit-Mix: Two, Two-Bedrooms and Four, One-Bedrooms
- Blocks from Cal Train and El Camino



The subject property, 430 Monte Diablo, offers an investor the rare opportunity to purchase a turn-key, rent-stabilized multifamily property close to the downtown San Mateo area.

The property features two, two-bedroom units and four-roomy one-bedroom units. There is an on-site laundry facility and also private storage units for the tenants. In addition, there are six enclosed garages for the tenants. The exterior of the property has been recently painted; moreover, the owners installed a whole new deck with pressured treated boards. There is also a fire sprinkler system installed throughout the entire property, which helps with insurance costs for the current and future owners. With the recent upgrades and renovations, paired with the recent rental increases, the new owners will be able to purchase an easy-to-maintain and easy-to-manage asset close to the up and coming downtown San Mateo area.

Downtown San Mateo is regarded as one of the healthiest and most desirable downtown areas in the Peninsula. There are a number of tasty restaurants, charming boutiques, and lively bars on Third and Fourth Avenue—the two thoroughbreds of the area. In addition, the property is walking distance to the San Mateo Cal Train, and also El Camino Real, which services a number of bus routes to major employers up and down the Peninsula.

PROPERTY SUMMARY

The Offering

Property	Monte Diablo
Property Address	430 Monte Diablo San Mateo, CA 94401
Assessor's Parcel Number	032-303-010

Site Description

Number of Units	6
Number of Buildings	1
Number of Stories	2
Year Built/Renovated	1955 / 2014
Rentable Square Feet	3,790
Lot Size	5,301
Type of Ownership	Fee Simple
Parking	Enclosed Garages
Parking Ratio	1:1
Landscaping	Minimum

Utilities

Water	Tenant Pays
Phone	Tenant Pays
Electric	Tenant Pays
Gas	Tenant Pays

Construction

Framing	Wood
Exterior	Stucco
Parking Surface	Asphalt

PROPERTY PHOTOS



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PROPERTY PHOTOS

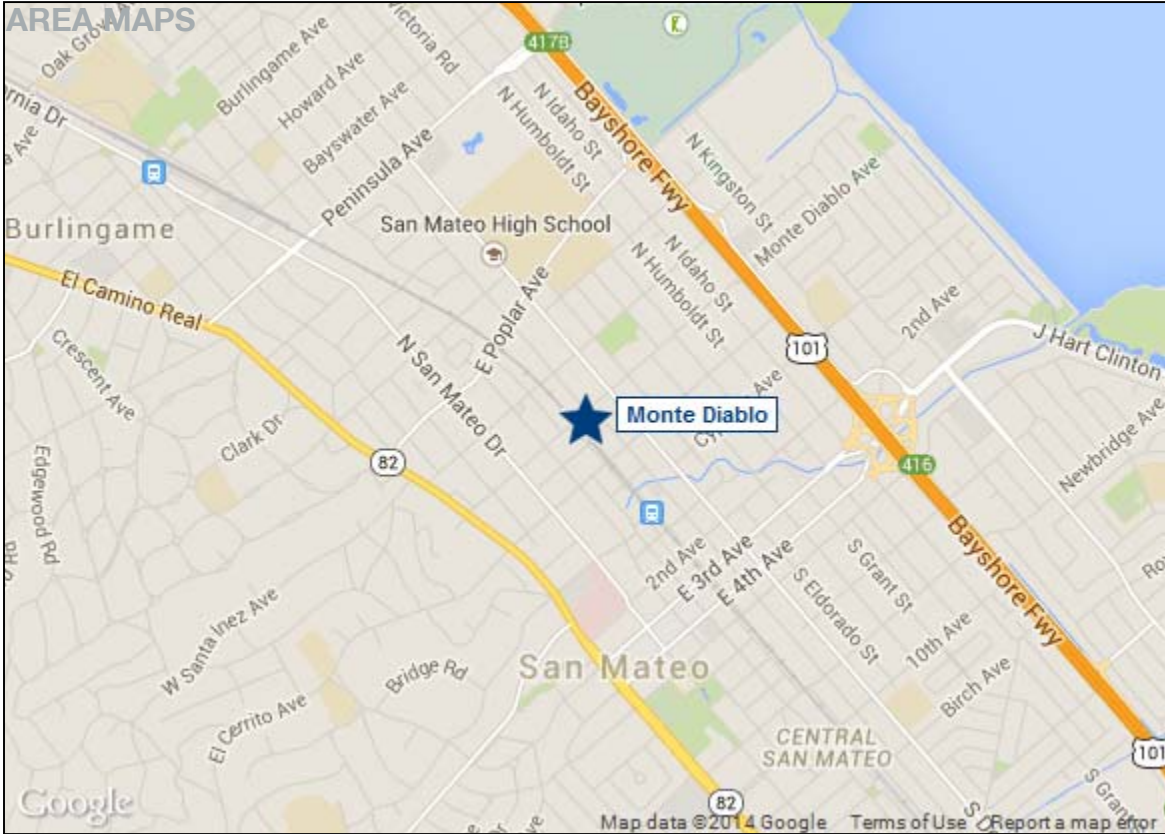


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Monte Diablo

SAN MATEO, CA

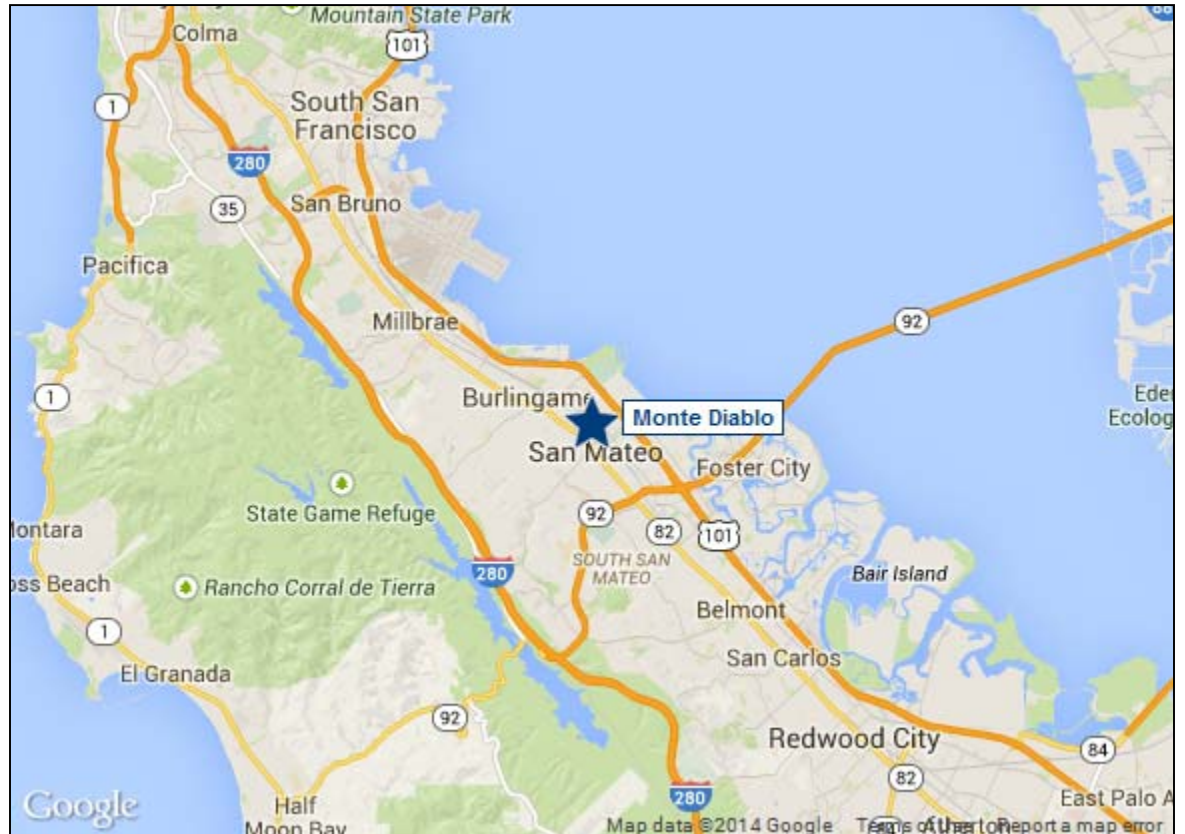
PROPERTY DESCRIPTION



Local Map



Regional Map



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AERIAL PHOTOS



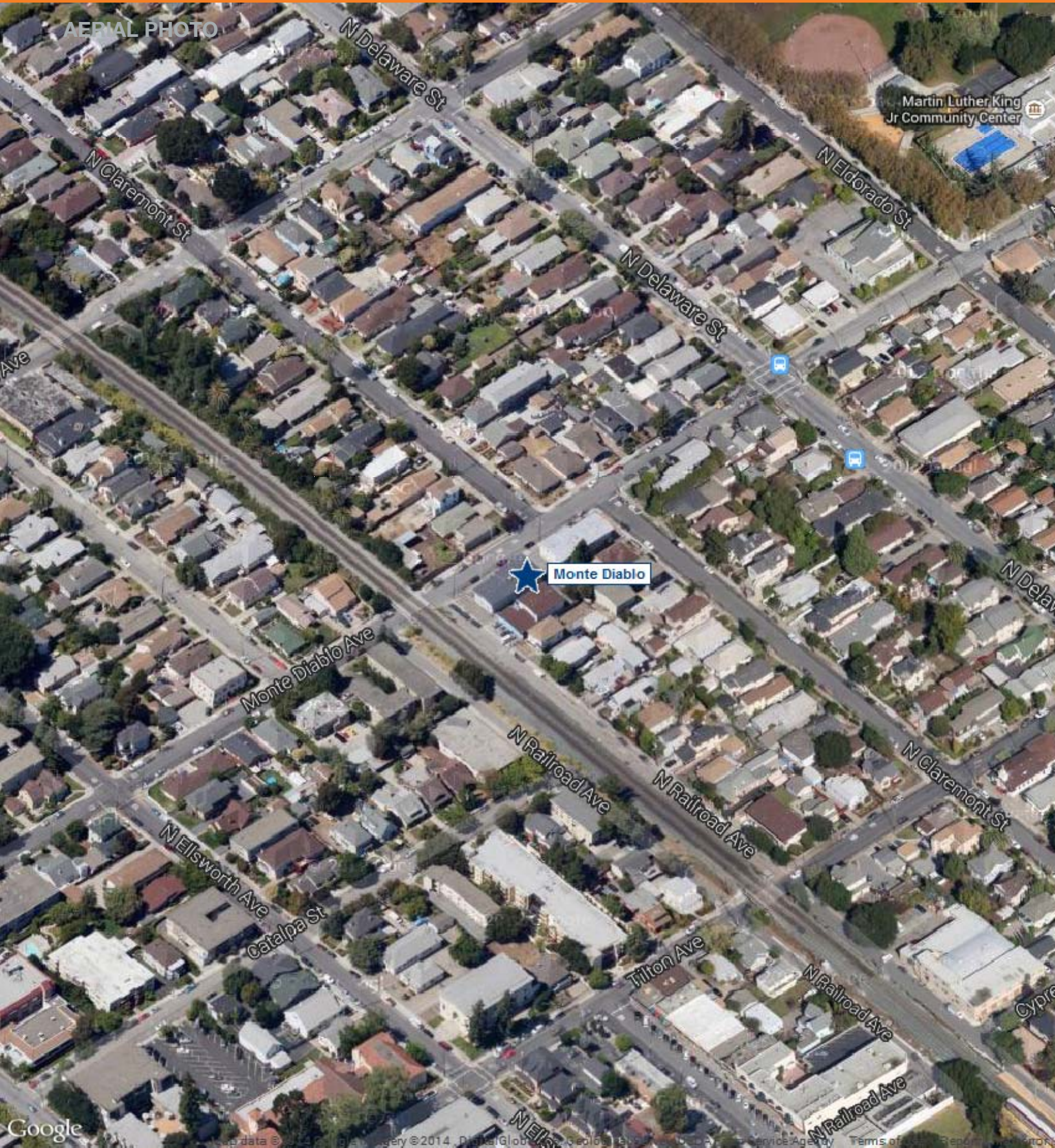
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Monte Diablo

SAN MATEO, CA

PROPERTY DESCRIPTION

AERIAL PHOTO



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OFFERING SUMMARY



Unit Mix

No. of Units	Unit Type	Approx. Square Feet
4	1 Bdr 1 Bath	N/A
2	2 Bdr 1 Bath	N/A
6	Total	3,790

Major Employers

Company	Local Employees
Menlo Worldwide Expedite	6,500
Oracle	3,604
Sun Microsystems	3,500
Visa	2,897
Franklin Templeton Svcs LLC	2,500
Icon Professional Services	2,500
Oracle Systems Corporation	2,300
Virgin America Inc	1,900
Franklin Advisers Inc	1,700
Business of Finance	1,121
Covenant Aviation Security LLC	1,100
College of San Mateo	1,051

Demographics

	1-Mile	3-Miles	5-Miles
2013 Total	38,509	117,350	225,666
2018 Total	39,288	119,717	229,164
2013 Total	15,549	47,141	89,617
2018 Total	15,901	48,126	91,044
Median HH Income	\$74,761	\$90,161	\$96,480
Per Capita Income	\$45,432	\$54,565	\$54,937
Average (Mean) HH	\$111,835	\$135,322	\$137,749

Price	\$2,195,000
Down Payment	35% / \$768,250
Price/Unit	\$365,833
Price/SF	\$579.16
Number of Units	6
Rentable Square Feet	3,790
Number of Buildings	1
Number of Stories	2
Year Built/Renovated	1955 / 2014
Lot Size	5,301

Vital Data

CAP Rate - Current	4.58%
GRM - Current	14.64
Net Operating Income - Current	\$100,640
Net Cash Flow After Debt Service - Current	2.8% / \$21,350
Total Return - Current	6.2% / \$47,584
CAP Rate - Pro Forma	5.32%
GRM - Pro Forma	13.55
Net Operating Income - Pro Forma	\$116,703
Net Cash Flow After Debt Service - Pro Forma	4.9% / \$37,413
Total Return - Pro Forma	8.3% / \$63,648

FINANCIAL OVERVIEW

430 Monte Diablo
San Mateo, CA 94401

Price	\$2,195,000
Down Payment	35% / \$768,250
Number of Units	6
Price/Unit	\$365,833
Rentable Square Feet	3,790
Price/SF	\$579.16
CAP Rate - Current	4.58%
CAP Rate- Pro Forma	5.32%
GRM - Current	14.64
GRM- Pro Forma	13.55
Year Built/Renovated	1955 / 2014
Lot Size	5,301
Type of Ownership	Fee Simple

Annualized Operating Data

Income	Current	Pro Forma
Gross Potential Rent	\$149,976	\$162,000
Other Income	\$2,800	\$7,200
Gross Potential Income	\$152,776	\$169,200
Less: Vacancy/Deductions (GPR)	3.0% / \$4,499	3.0% / \$4,860
Effective Gross Income	\$148,277	\$164,340
Less: Expenses	\$47,637	\$47,637
Net Operating Income	\$100,640	\$116,703
Net Cash Flow Before Debt Service	\$100,640	\$116,703
Debt Service	\$79,290	\$79,290
Debt Coverage Ratio	1.27	1.47
Net Cash Flow After Debt Service	2.8% / \$21,350	4.9% / \$37,413
Principal Reduction	\$26,235	\$26,235
Total Return	6.2% / \$47,584	8.3% / \$63,648

Financing

FIRST TRUST DEED

Loan Amount	\$1,426,750
Loan Type	Proposed New
Interest Rate	3.75%
Amortization	30 Years
Loan to Value	65%

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

Expenses

Real Estate Taxes (1.1158%+\$11,498)	\$38,277	\$38,277
Insurance	\$3,910	\$3,910
Utilities	\$1,850	\$1,850
Repairs & Maintenance (\$50/per unit per month)	\$3,600	\$3,600
Total Expenses	\$47,637	\$47,637
Expenses/unit	\$7,940	\$7,940
Expenses/SF	\$12.57	\$12.57
% of EGI	32.13%	28.99%

Scheduled Income

No. of Units	Unit Type	Approx. Square Feet	Current Rents	Rent/SF	Monthly Income	Pro Forma Rents	Monthly Income
4	1 Bdr 1 Bath	N/A	\$1,800 - \$1,895	N/A	\$7,298	\$1,950	\$7,800
2	2 Bdr 1 Bath	N/A	\$2,600	N/A	\$5,200	\$2,850	\$5,700
6	Total/Wtd. Avg.	3,790			\$12,498		\$13,500

RENT ROLL

Unit Number	Unit Type		Current Rent	Asking Rent	Garage Fee	Pet Fee
1	1 Bdr	1 Bath	\$1,800	\$1,950		
2	1 Bdr	1 Bath	\$1,800	\$1,950		
3	1 Bdr	1 Bath	\$1,898	\$1,950	\$50	\$100
4	1 Bdr	1 Bath	\$1,800	\$1,950		
5	2 Bdr	1 Bath	\$2,600	\$2,850		
6	2 Bdr	1 Bath	\$2,600	\$2,850		
TOTAL			\$0	\$0		
6	TOTAL		\$12,498	\$13,500	\$50	\$100
6	TOTAL		\$12,498	\$13,500	\$50	\$100

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IN ESCROW COMPARABLES



Subject Property

Monte Diablo
 430 Monte Diablo
 San Mateo, CA 94401

No. of Units: 6
 Year Built: 1955 / 2014
 Sale Price: \$2,195,000
 Price/Unit: \$365,833
 Price/SF: \$579.16
 CAP Rate: 4.58%
 GRM: 14.64

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



Close of Escrow: In Escrow

710 N. Claremont
 San Mateo, CA 94401

No. of Units: 5
 Year Built: 1963
 Sale Price: \$1,980,000
 Price/Unit: \$396,000
 Price/SF: \$349.89
 CAP Rate: 3.23%
 GRM: 18.58

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

RECENT SALES



Subject Property

Monte Diablo
 430 Monte Diablo
 San Mateo, CA 94401

No. of Units: 6
 Year Built: 1955 / 2014
 Sale Price: \$2,195,000
 Price/Unit: \$365,833
 Price/SF: \$579.16
 CAP Rate: 4.58%
 GRM: 14.64

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

1



Close of Escrow: 8/15/2014

18 Hayward Avenue
 San Mateo, CA 94401

No. of Units: 10
 Year Built: 1962
 Sale Price: \$3,900,000
 Price/Unit: \$390,000
 Price/SF: \$379.00
 CAP Rate: 2.06%
 GRM: 24.77

Units	Unit Type
1	Studio Non-Conforming
7	1 Bdr 1 Bath
2	2 Bdr 1 Bath
1	2 Bdr 2 Bath

2



Close of Escrow: 2/21/2014

511 Highland Avenue
 San Mateo, CA 94401

No. of Units: 5
 Year Built: 1975
 Sale Price: \$2,280,000
 Price/Unit: \$456,000
 Price/SF: \$341.00
 CAP Rate: N/A
 GRM: N/A

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

RECENT SALES

3



Close of Escrow: 7/17/2014

1114 Chula Vista
Burlingame, CA 94010

No. of Units: 5
Year Built: 1964
Sale Price: \$2,520,000
Price/Unit: \$504,000
Price/SF: \$502.00
CAP Rate: 3.06%
GRM: 21.24

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

Monte Diablo

SAN MATEO, CA

OFFERING MEMORANDUM

Presented By:

Kent Williams

Broker

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