



Offering Memorandum

490 CALIFORNIA STREET
Santa Clara, CA

Marcus & Millichap

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exclusively listed

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summary

EXECUTIVE SUMMARY



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Offering Highlights

490 CALIFORNIA STREET

SANTA CLARA, CA 95050

Property Details

Price	\$1,998,000
Down Payment	100% / \$1,998,000
Price/Unit	\$499,500
Price/SF	\$497.51
Number of Units	4
Rentable Square Feet	4,016
Number of Buildings	1
Number of Stories	2
Year Built	1953
Lot Size	0.17 Acres

Vital Data

CAP Rate – Current	3.72%
GRM – Current	17.39
Net Operating Income – Current	\$74,347
CAP Rate – Year 1	4.80%
GRM – Year 1	14.61
Net Operating Income – Year 1	\$95,809

Unit Mix

NUMBER OF UNITS	UNIT TYPE	SQUARE FEET
4	Two Bedroom / One Bathroom	1,004

Demographics

	1-Miles	3-Miles	5-Miles
2016 Estimate Pop	28,823	222,131	620,963
2010 Census Pop	27,140	207,103	570,823
2016 Estimate HH	11,406	84,020	233,505
2010 Census HH	10,633	77,722	212,633
Median HH Income	\$78,148	\$83,481	\$91,967
Per Capita Income	\$44,197	\$44,420	\$47,820
Average HH Income	\$109,543	\$116,186	\$126,133

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FINANCIAL ANALYSIS
COMPARABLES
MARKET OVERVIEW

Property Details

THE OFFERING

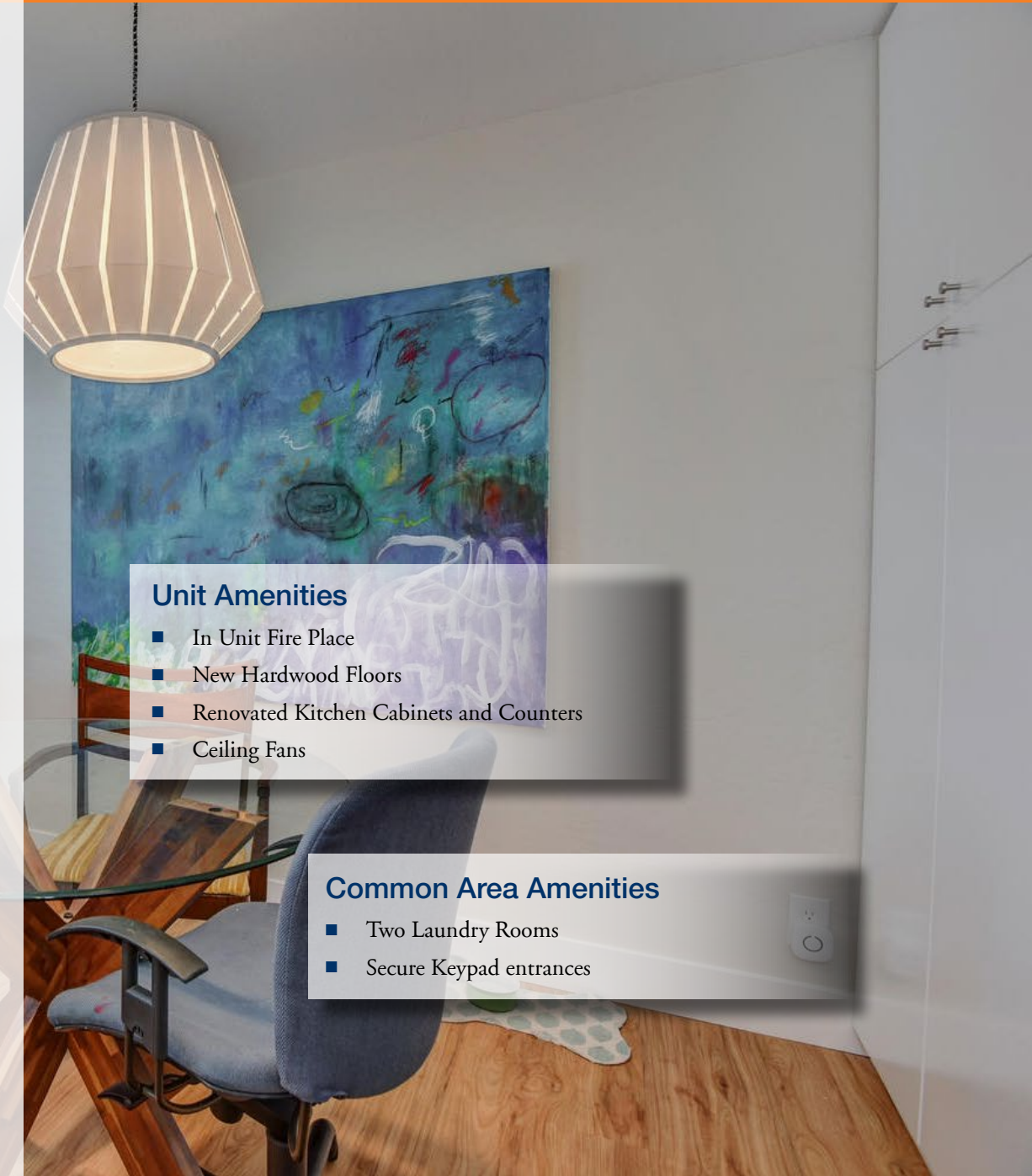
Property Address	490 California Street Santa Clara, CA 95050
Assessor's Parcel #	269-39-001
Zoning	R325

SITE DESCRIPTION

Number of Units	4
Number of Buildings	1
Number of Stories	2
Year Built	1953
Rentable Square Feet	4,016
Lot Size	0.17 Acres
Type of Ownership	Fee Simple
Density	Medium
Parking	Onsite
Landscaping	Low Maintenance
Topography	Flat

UTILITIES

Water	Landlord
Phone	Tenant
Electric	Tenant
Gas	Tenant



Unit Amenities

- In Unit Fire Place
- New Hardwood Floors
- Renovated Kitchen Cabinets and Counters
- Ceiling Fans

Common Area Amenities

- Two Laundry Rooms
- Secure Keypad entrances



description

PROPERTY DESCRIPTION



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Investment Overview

Marcus & Millichap has been selected to exclusively market for sale 490 California Street, a turnkey, extensively renovated 4-unit apartment building located in the thriving city of Santa Clara, California. Santa Clara is a major city in the Silicon Valley and the ninth most populous city in the San Francisco Bay Area. Many of the largest technology companies have operations around Santa Clara including Intel, Google, Apple, LinkedIn, Amazon, Microsoft, and Yahoo. This prime location not only allows easy access to major highways, it also is located just over a mile from number of different shopping, dining and entertainment selections provided by the World Class Santana Row as well as minutes away from the distinguished Santa Clara University.

Originally constructed in 1953 the subject property consists of 4,018 of livable square feet and is situated on a 7,260 square foot lot. 490 California Street offers a desirable unit mix of four massive 1,004 square foot 2 Bedroom/1 Bath units. Tenants benefit from features such as individual private garages perfect for storage, onsite parking, onsite washer and dryers, and fireplaces in the living rooms.

The investment appeal of this asset is driven by Santa Clara's strong employment fundamentals and low vacancy levels. With a world-class location in the heart of Silicon Valley, 490 California Street presents an attractive choice for South Bay renters due to its fabulous location.

Investment Highlights

- Desirable Unit Mix of (4) 1,004 Square foot 2Bed/1Bath units
- Property has Undergone Massive Interior and Exterior Renovations
- Each unit Equipped with Fire Places
- Private Garages for all Units Perfect for Storage
- Two Separate Laundry Rooms with Direct Access from Each Unit
- Onsite Parking



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Local Map

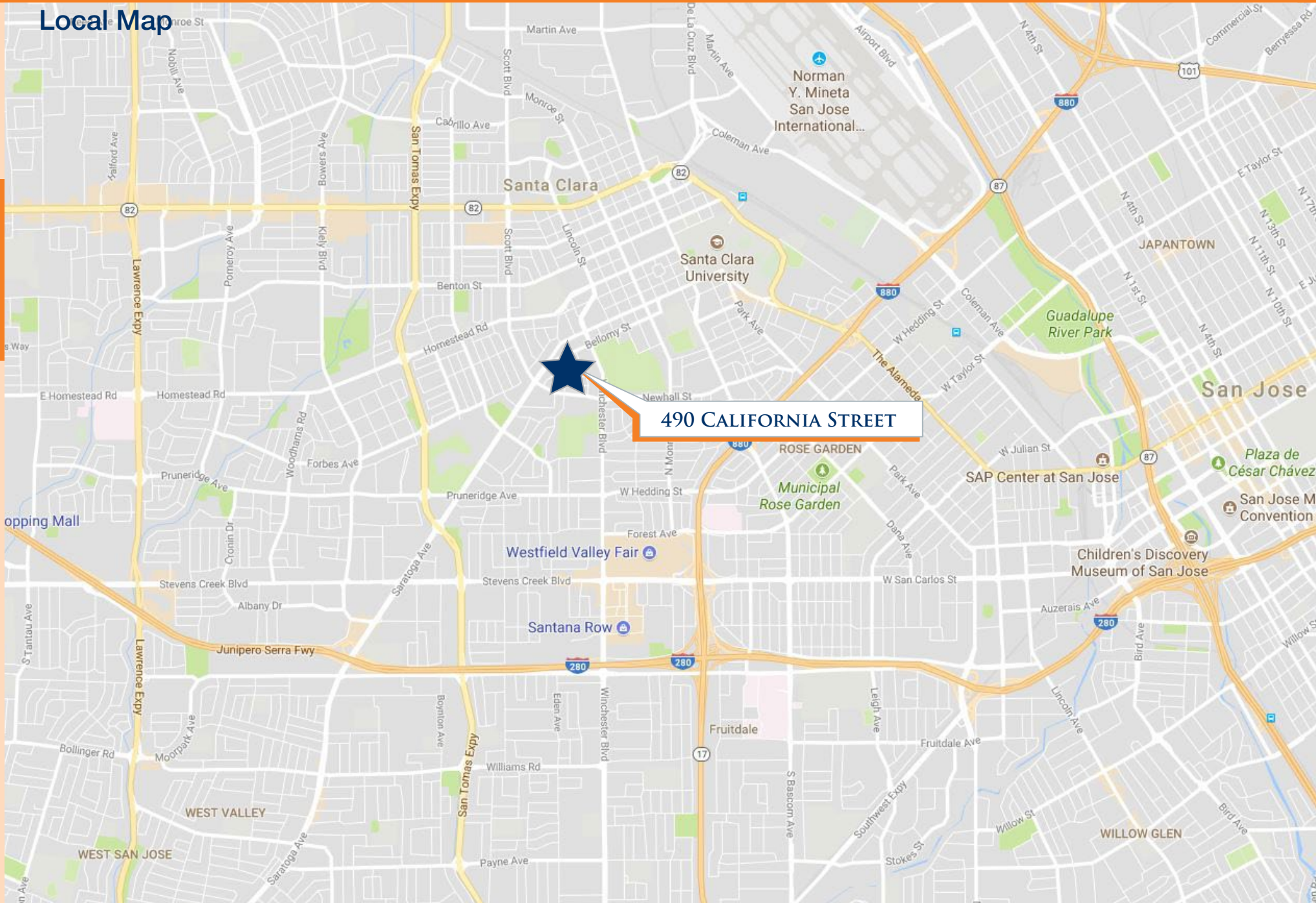
EXECUTIVE SUMMARY

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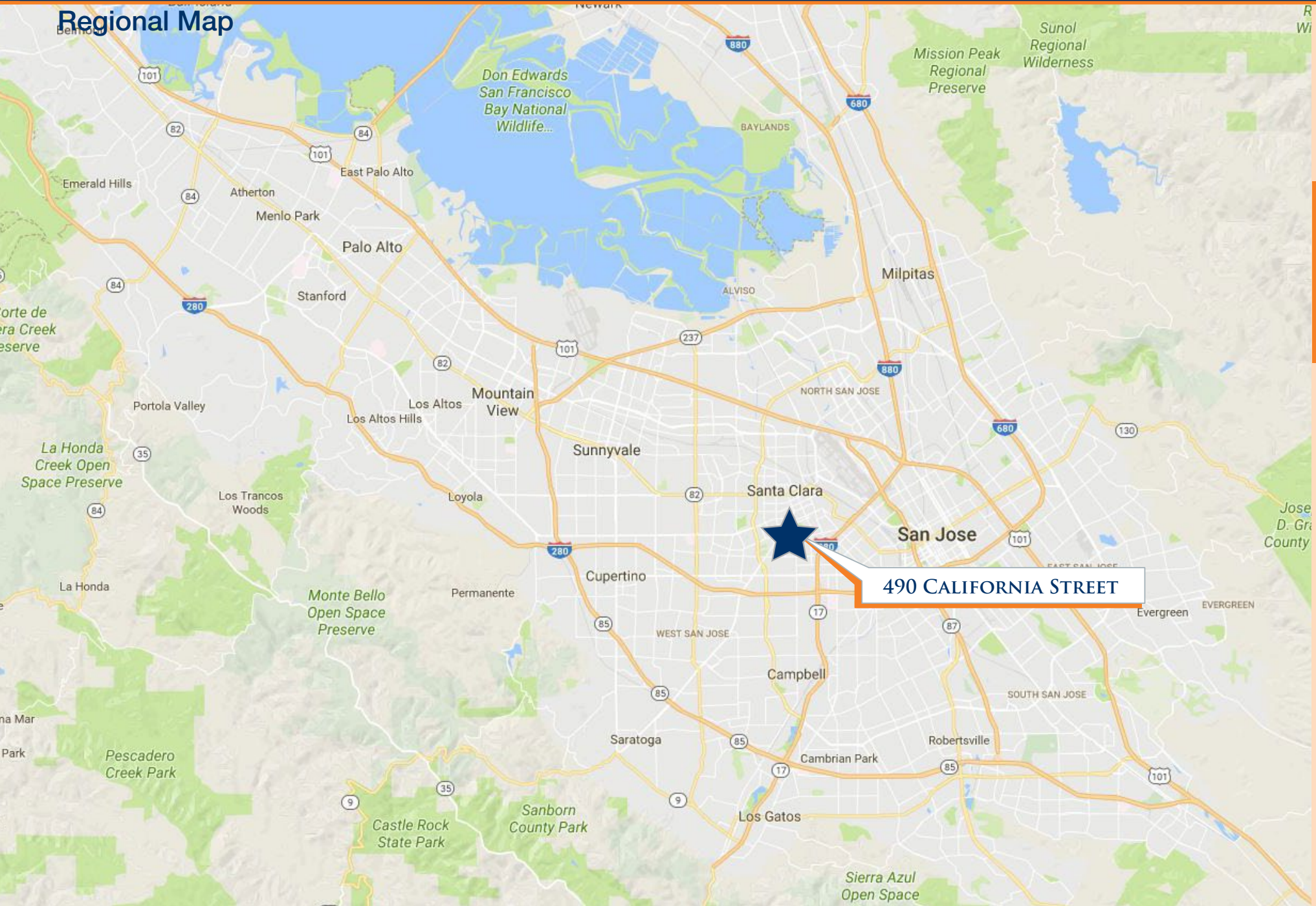
COMPARABLES

MARKET OVERVIEW



490 CALIFORNIA STREET

Regional Map



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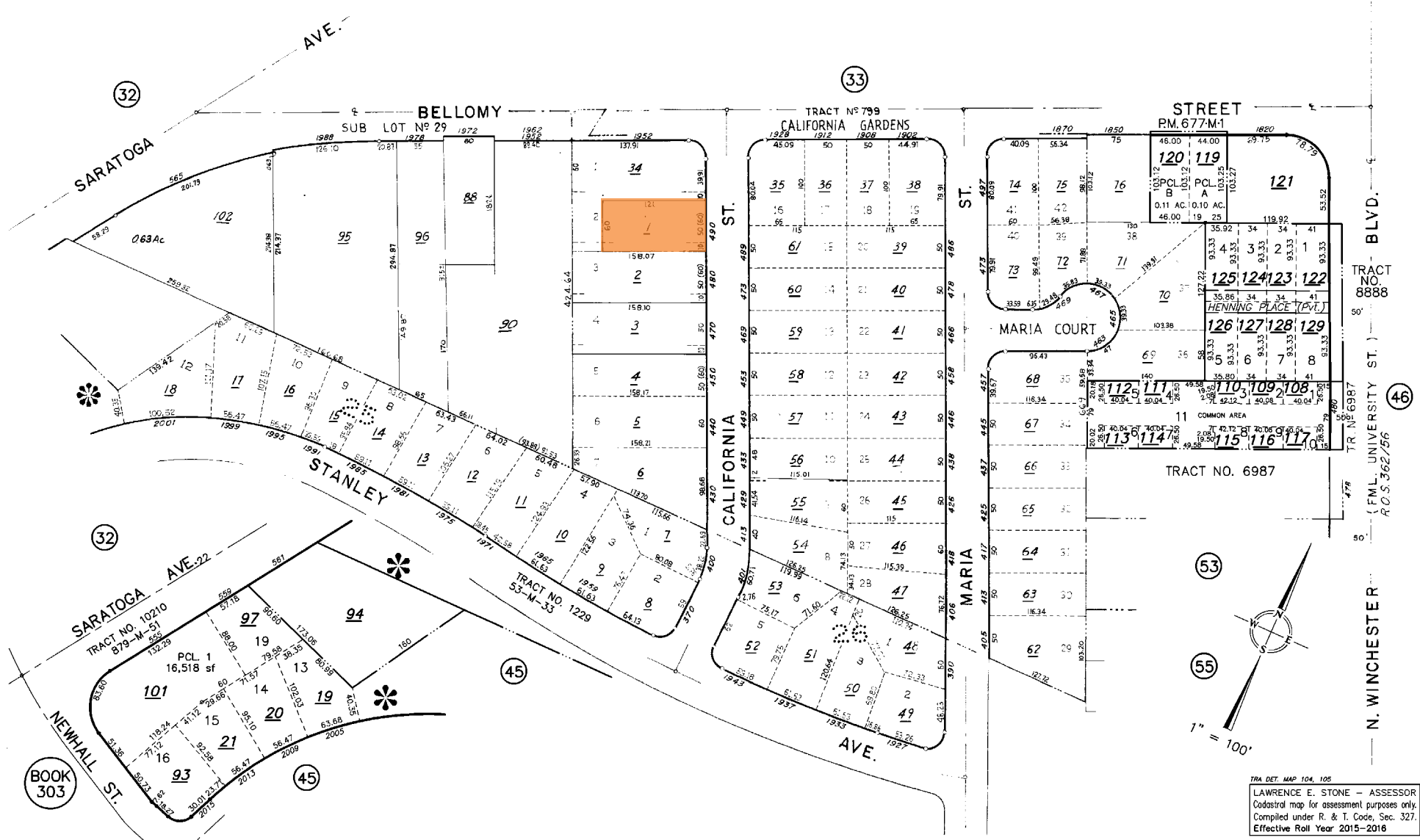
MARKET OVERVIEW

Parcel Map

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TRA DET. MAP 104, 105
LAWRENCE E. STONE — ASSESSOR
Cadastral map for assessment purposes only.
Compiled under R. & T. Code, Sec. 327.
Effective Roll Year 2015-2016

Floor Plan



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analysis

FINANCIAL ANALYSIS



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Financial Summary

Property Details

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CAP Rate – Year 1	4.80%
GRM – Year 1	14.61
Net Operating Income – Year 1	\$95,809

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
2 Bedroom/ 1 Bath	4	1,004	\$2,300 - \$2,495	\$2,394	\$2.38	\$9,575	\$2,850	\$2.84	\$11,400
Totals/Weighted Averages	4	1,004		\$2,394	\$2.38	\$9,575	\$2,850	\$2.84	\$11,400
Gross Annualized Rents				\$114,900		\$136,800			

Rent Roll

UNIT	UNIT TYPE	SQUARE FEET	CURRENT RENT	CURRENT RENT/SF	POTENTIAL RENT	POTENTIAL RENT/SF
1	2 Bedroom/ 1 Bath	1,004	\$2,335	\$2.33	\$2,850	\$2.84
2	2 Bedroom/ 1 Bath	1,004	\$2,445	\$2.44	\$2,850	\$2.84
3	2 Bedroom/ 1 Bath	1,004	\$2,495	\$2.49	\$2,850	\$2.84
4	2 Bedroom/ 1 Bath	1,004	\$2,300	\$2.29	\$2,850	\$2.84
Total		4,016	\$9,575	\$2.38	\$11,400	\$2.84



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Operating Statement

Income	Current		Year 1		Notes	Per Unit	Per SF
Gross Current Rent	114,900		136,800			34,200	34.06
Physical Vacancy	(2,298)	2.0%	(2,736)	2.0%		(684)	(0.68)
Total Vacancy	(\$2,298)	2.0%	(\$2,736)	2.0%		(\$684)	(\$1)
Effective Rental Income	112,602		134,064			33,516	33.38
Other Income							
All Other Income	1,200		1,200			300	0.30
Total Other Income	\$1,200		\$1,200			\$300	\$0.30
Effective Gross Income	\$113,802		\$135,264			\$33,816	\$33.68
Expenses							
	Current		Year 1		Notes	Per Unit	Per SF
Real Estate Taxes	31,449		31,449			7,862	7.83
Insurance	1,845		1,845			461	0.46
Utilities - Electric, Water, Sewer, Garbage	4,081		4,081			1,020	1.02
Repairs & Maintenance	1,600		1,600			400	0.40
Landscaping	480		480			120	0.12
Total Expenses	\$39,455		\$39,455			\$9,864	\$9.82
Expenses as % of EGI	34.7%		29.2%				
Net Operating Income	\$74,347		\$95,809			\$23,952	\$23.86

Notes:

- [1] *Master Water
- [2] Master Electric for Common Area
- [3] Individual Gas and Electric within each unit
- [4] Owner pays water and Garbage
- [5] Real Estate Taxes based on List Price. Tax Rate is 1.1574

competitive

COMPETITIVE PROPERTY SET



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EXECUTIVE SUMMARY

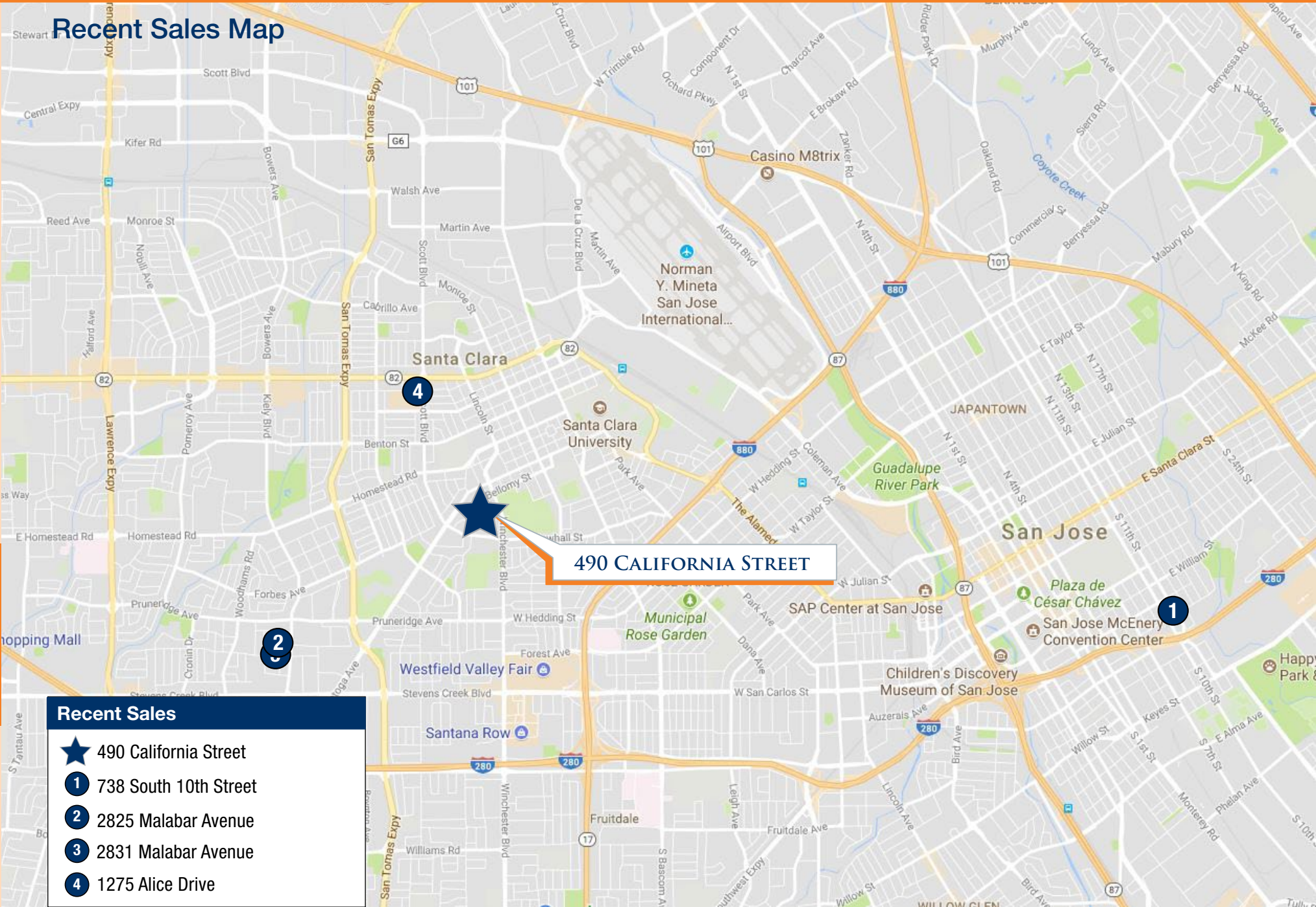
PROPERTY DESCRIPTION

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Recent Sales Map



490 CALIFORNIA STREET

Recent Sales	
★	490 California Street
1	738 South 10th Street
2	2825 Malabar Avenue
3	2831 Malabar Avenue
4	1275 Alice Drive

Recent Sales



490 California Street, Santa Clara, CA 95050



Offering Price	\$1,998,000
Price/Unit	\$499,500
Price/SF	\$497.51
CAP Rate	3.72%
GRM	17.39
Total No. of Units	4
Year Built	1953

Units	Unit Type
4	2BR/1BA

1

738 South 10th Street, San Jose, CA 95112



Close of Escrow	6/19/2017
Sales Price	\$2,018,000
Price/Unit	\$504,500
Price/SF	\$659.05
Total No. of Units	4
Year Built	1976

Units	Unit Type
4	2BR/1BA

2

2825 Malabar Avenue, Santa Clara, CA 95051



Close of Escrow	4/7/2017
Sales Price	\$2,100,000
Price/Unit	\$525,000
Price/SF	\$520.83
CAP Rate	2.69%
GRM	16.91
Total No. of Units	4
Year Built	1962

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

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Recent Sales

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2831 Malabar Avenue, Santa Clara, CA 95051



Close of Escrow	6/18/2017
Sales Price	\$2,030,000
Price/Unit	\$507,500
Price/SF	\$503.47
CAP Rate	2.40%
GRM	25.63
Total No. of Units	4
Year Built	1962

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

4

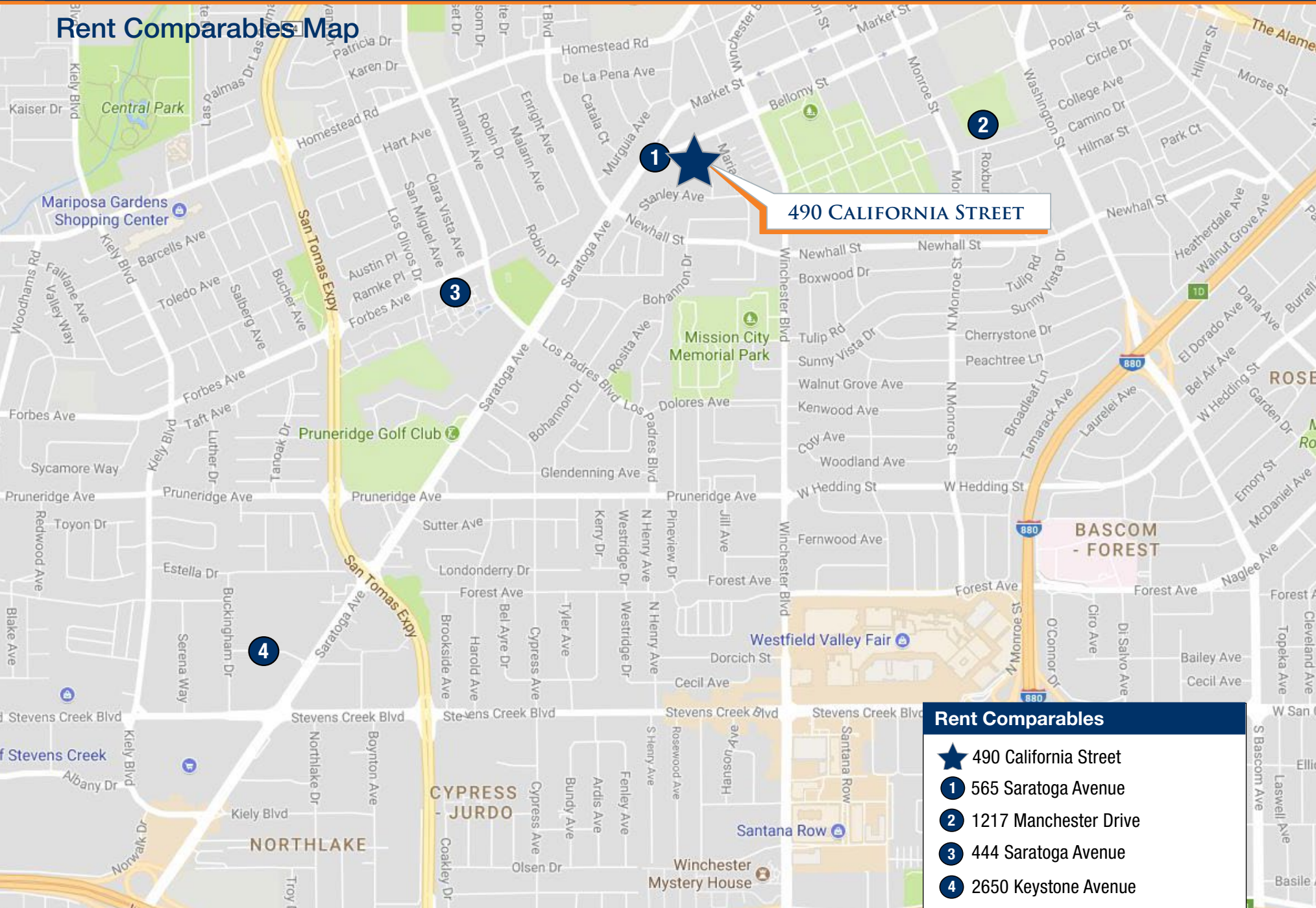
1275 Alice Drive, Santa Clara, CA 95050



Close of Escrow	2/9/2017
Sales Price	\$1,900,000
Price/Unit	\$475,000
Price/SF	\$495.57
Total No. of Units	4
Year Built	1977

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

Rent Comparables Map



490 CALIFORNIA STREET

Rent Comparables

- ★ 490 California Street
- 1 565 Saratoga Avenue
- 2 1217 Manchester Drive
- 3 444 Saratoga Avenue
- 4 2650 Keystone Avenue

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Rent Comparables



490 California Street, Santa Clara, CA 95050



No. of Units:	4
Year Built:	1953

Unit Type	SF	Rent	Rent/SF
2BR/1BA	1,004	\$2,394	\$2.38
Total/Wtd. Avg.	1,004	\$2,394	\$2.38

1

565 Saratoga Avenue, Santa Clara, CA 95050



No. of Units:	16
Year Built:	1969

Unit Type	SF	Rent	Rent/SF
2BR/1BA	850	\$2,450	\$2.88
Total/Wtd. Avg.			

2

1217 Manchester Drive, Santa Clara, CA 95050



No. of Units:	2
Year Built:	1960

Unit Type	SF	Rent	Rent/SF
2BR/1BA	900	\$2,650	\$2.94
Total/Wtd. Avg.			

Rent Comparables

3

444 Saratoga Avenue, Santa Clara, CA 95050



No. of Units:	12
Year Built:	1969

Unit Type	SF	Rent	Rent/SF
2BR/1BA	970	\$2,802 - \$2,847	\$2.91
Total/Wtd. Avg.			

4

2650 Keystone Avenue, Santa Clara, CA 95051



No. of Units:	72
Year Built:	1976

Unit Type	SF	Rent	Rent/SF
2BR/2BA	1,056	\$3,245	\$3.07
Total/Wtd. Avg.			

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overview

MARKET OVERVIEW



Marcus & Millichap

Demographic Summary

POPULATION	1 Miles	3 Miles	5 Miles
• 2021 Projection			
Total Population	29,053	227,341	640,595
• 2016 Estimate			
Total Population	28,823	222,131	620,963
• 2010 Census			
Total Population	27,140	207,103	570,823
• 2000 Census			
Total Population	26,080	195,957	528,527
• Daytime Population			
2016 Estimate	30,649	271,313	826,363
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
• 2021 Projection			
Total Households	11,470	86,234	241,624
• 2016 Estimate			
Total Households	11,406	84,020	233,505
Average (Mean) Household Size	2.37	2.55	2.58
• 2010 Census			
Total Households	10,633	77,722	212,633
• 2000 Census			
Total Households	10,786	74,313	196,592
Growth 2015-2020	0.56%	2.64%	3.48%
HOUSING UNITS	1 Miles	3 Miles	5 Miles
• Occupied Units			
2021 Projection	11,470	86,234	241,624
2016 Estimate	11,437	84,770	235,975
Owner Occupied	4,910	35,099	102,935
Renter Occupied	6,496	48,922	130,570
Vacant	31	750	2,470
• Persons In Units			
2016 Estimate Total Occupied Units	11,406	84,020	233,505
1 Person Units	31.77%	28.17%	27.52%
2 Person Units	31.90%	30.72%	30.30%
3 Person Units	16.55%	17.39%	17.51%
4 Person Units	12.45%	13.61%	14.58%
5 Person Units	4.29%	5.71%	5.63%
6+ Person Units	3.04%	4.40%	4.47%

HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
• 2016 Estimate			
\$200,000 or More	9.81%	11.23%	13.75%
\$150,000 - \$199,000	9.99%	10.37%	11.48%
\$100,000 - \$149,000	20.15%	20.98%	21.13%
\$75,000 - \$99,999	11.57%	11.51%	11.38%
\$50,000 - \$74,999	14.92%	14.77%	13.04%
\$35,000 - \$49,999	9.14%	9.72%	9.03%
\$25,000 - \$34,999	7.65%	6.48%	5.86%
\$15,000 - \$24,999	7.31%	6.97%	6.50%
Under \$15,000	9.45%	7.97%	7.83%
Average Household Income	\$109,543	\$116,186	\$126,133
Median Household Income	\$78,148	\$83,481	\$91,967
Per Capita Income	\$44,197	\$44,420	\$47,820

POPULATION PROFILE	1 Miles	3 Miles	5 Miles
• Population By Age			
2016 Estimate Total Population	28,823	222,131	620,963
Under 20	22.41%	23.46%	23.91%
20 to 34 Years	26.11%	26.31%	25.05%
35 to 39 Years	7.33%	8.54%	8.62%
40 to 49 Years	13.54%	14.29%	14.86%
50 to 64 Years	17.85%	16.88%	16.90%
Age 65+	12.77%	10.52%	10.65%
Median Age	35.96	35.12	35.58
• Population 25+ by Education Level			
2016 Estimate Population Age 25+	19,533	153,708	430,307
Elementary (0-8)	2.07%	3.58%	4.34%
Some High School (9-11)	4.37%	5.74%	5.55%
High School Graduate (12)	18.37%	17.17%	15.00%
Some College (13-15)	22.78%	18.60%	16.97%
Associate Degree Only	7.41%	7.35%	7.04%
Bachelors Degree Only	27.09%	26.86%	27.55%
Graduate Degree	17.04%	19.41%	22.11%
• Population by Gender			
2016 Estimate Total Population	28,823	222,131	620,963
Male Population	49.54%	50.80%	50.86%
Female Population	50.46%	49.20%	49.14%

Demographic Summary

Geography: 5 Miles

Population

In 2016, the population in your selected geography is 28,823. The population has changed by 10.52% since 2000. It is estimated that the population in your area will be 29,053.00 five years from now, which represents a change of 0.80% from the current year. The current population is 49.54% male and 50.46% female. The median age of the population in your area is 35.96, compare this to the US average which is 37.68. The population density in your area is 9,166.71 people per square mile.

Households

There are currently 11,406 households in your selected geography. The number of households has changed by 5.75% since 2000. It is estimated that the number of households in your area will be 11,470 five years from now, which represents a change of 0.56% from the current year. The average household size in your area is 2.37 persons.

Income

In 2016, the median household income for your selected geography is \$78,148, compare this to the US average which is currently \$54,505. The median household income for your area has changed by 26.17% since 2000. It is estimated that the median household income in your area will be \$101,219 five years from now, which represents a change of 29.52% from the current year.

The current year per capita income in your area is \$44,197, compare this to the US average, which is \$29,962. The current year average household income in your area is \$109,543, 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: 61.14% White, 2.87% Black, 0.45% Native American and 21.34% 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 20.90% 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 \$646,584 in 2016, compare this to the US average of \$187,181. In 2000, there were 4,890 owner occupied housing units in your area and there were 5,896 renter occupied housing units in your area. The median rent at the time was \$1,024.

Employment

In 2016, there are 9,128 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 76.40% of employees are employed in white-collar occupations in this geography, and 23.74% are employed in blue-collar occupations. In 2016, unemployment in this area is 3.54%. In 2000, the average time traveled to work was 23.00 minutes.

Demographic data © 2015 by Experian/Applied Geographic Solutions.



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