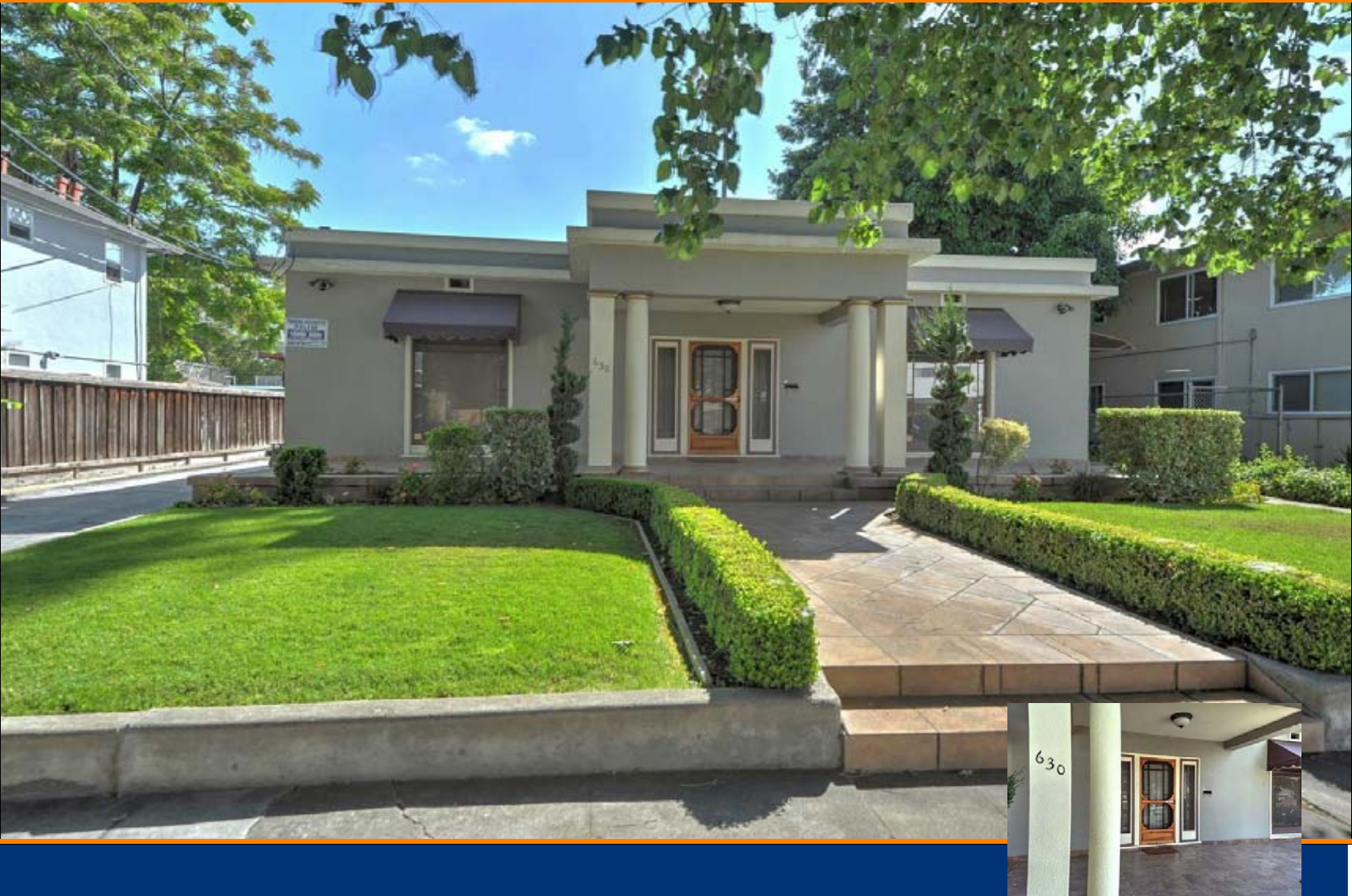


630 South 8th Street

SAN JOSE, CA



OFFERING MEMORANDUM



Marcus & Millichap

630 South 8th Street

SAN JOSE, CA

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Marcus & Millichap

630 South 8th Street

SAN JOSE, CA

TABLE OF CONTENTS

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

PRICING AND FINANCIAL ANALYSIS

630 South 8th Street

SAN JOSE, CA

Marcus & Millichap

OFFERING SUMMARY



Unit Mix

No. of Units	Unit Type	Approx. Square
3	Studio	N/A
1	1 Bdr 2 Bath	N/A
1	1 Bdr 1 Bath Owner's Unit	N/A
5	Total	2,118

Major Employers

Company	Local Employees
Rosendin Electric Inc	3,668
City of San Jose	2,578
LSI Logic	2,404
Corrections Dept of	2,008
Hadco Santa Clara Inc	2,000
Coast Personnel Services Inc	1,895
Probation Dept	1,542
S C U	1,400
Santa Clara County of	1,343
Sanmina-SCI Corporation	1,200
Therma Corporation	1,200
Bae Systems Land Armaments LP	1,056

Demographics

	1-Mile	3-Miles	5-Miles
2014 Total	40,341	279,559	681,929
2019 Total	41,612	290,062	701,240
2014 Total	13,070	87,435	215,179
2019 Total	13,761	92,047	223,084
Median HH Income	\$40,922	\$56,727	\$70,650
Per Capita Income	\$25,662	\$27,293	\$31,572
Average (Mean) HH	\$72,971	\$85,352	\$98,795

Price	\$1,400,000
Down Payment	100% / \$1,400,000
Price/Unit	\$280,000
Price/SF	\$661.00
Number of Units	5
Rentable Square Feet	2,118
Number of Buildings	2
Number of Stories	1
Year Built	1922
Lot Size	0.21 Acres

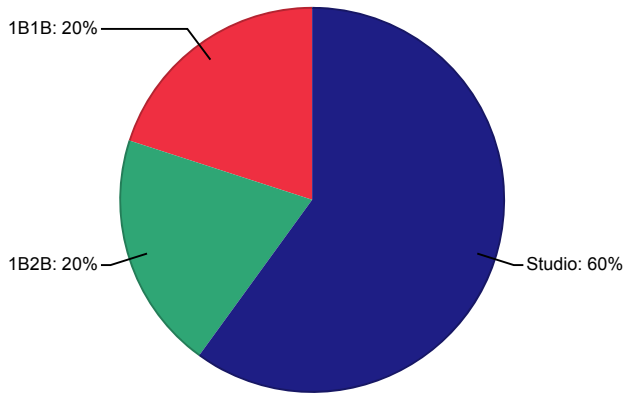
Vital Data

CAP Rate - Current	3.58%
GRM - Current	18.52
Net Operating Income - Current	\$50,081
Total Return - Current	3.6% / \$50,081
CAP Rate - Pro Forma	4.53%
GRM - Pro Forma	15.68
Net Operating Income - Pro Forma	\$63,351
Total Return - Pro Forma	4.5% / \$63,351

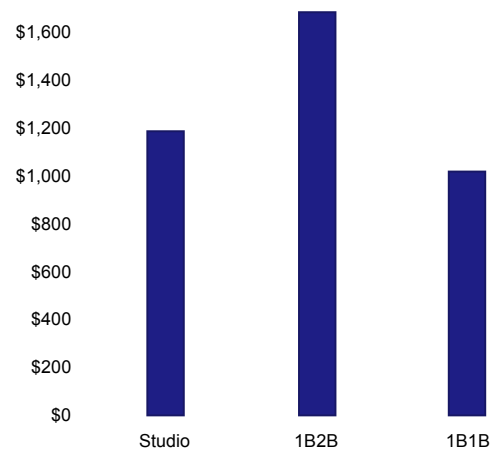
UNIT MIX

No. of Units	Unit Type	Approx. Square Feet	Current Rents	Monthly Income	Pro Forma Rents	Monthly Income
3	Studio	N/A	\$980 - \$1,450	\$3,580	\$1,300 - \$1,450	\$4,150
1	1 Bdr 2 Bath	N/A	\$1,695	\$1,695	\$1,695	\$1,695
1	1 Bdr 1 Bath Owner's Unit	N/A	\$1,025	\$1,025	\$1,595	\$1,595
5	TOTAL	2,118		\$6,300		\$7,440

Unit Mix



Unit Rent & Rent/SF



Comments

*Market rents were used for current rent on all vacant units.

*Buyer to confirm the number of legal units

RENT ROLL

Unit Number	Unit Type		Unit SF	Current Rent	Rent/SF	Asking Rent	Rent/SF	Parking	Storage
1	1 Bdr	1 Bath	Owner's Unit	\$1,025		\$1,625		On-Site	
2	Studio			\$1,150		\$1,350		On-Site	
3	Studio			\$980		\$1,350		On-Site	
*4	1 Bdr	2 Bath		\$1,695		\$1,695		On-Site	
5	Studio			\$1,450		\$1,450		On-Site	
		TOTAL	VACANT	\$0		\$0			
5		TOTAL	OCCUPIED	\$6,300		\$7,470			
5		TOTAL		\$6,300		\$7,470			

Comments

- * Market rents were used for current rent on all vacant units.
- * All vacant units have been completely re-modeled.
- * Buyer to verify the number of legal units.

INCOME & EXPENSES

Total Number of Units: 5
Total Rentable Area: 2,118 SF

Income	Current	Per Unit	Pro Forma	Per Unit
GROSS POTENTIAL RENT	\$75,600	\$15,120	\$89,280	\$17,856
Other Income				
Laundry Income	\$1,000	\$200	\$1,000	\$200
Total Other Income	\$1,000	\$200	\$1,000	\$200
GROSS POTENTIAL INCOME	\$76,600	\$15,320	\$90,280	\$18,056
Vacancy/Collection Allowance (GPR)	3.0% / \$2,268	\$454	3.0% / \$2,678	\$536
EFFECTIVE GROSS INCOME	\$74,332	\$14,866	\$87,602	\$17,520
Expenses				
Real Estate Taxes (1.2361%)	\$17,305	\$3,461	\$17,305	\$3,461
Insurance	\$1,150	\$230	\$1,150	\$230
Water/Trash	\$1,551	\$310	\$1,551	\$310
PG&E	\$365	\$73	\$365	\$73
Repairs & Maintenance	\$2,500	\$500	\$2,500	\$500
General & Administrative	\$1,380	\$276	\$1,380	\$276
TOTAL EXPENSES	\$24,251	\$4,850	\$24,251	\$4,850
Expenses per SF	\$11.45		\$11.45	
% of EGI	32.6%		27.7%	
NET OPERATING INCOME	\$50,081	\$10,016	\$63,351	\$12,670

FINANCIAL OVERVIEW

Location

630 South 8th Street
San Jose, CA 95112

Price	\$1,400,000
Down Payment	100% / \$1,400,000
Number of Units	5
Price/Unit	\$280,000
Rentable Square Feet	2,118
Price/SF	\$661.00
CAP Rate - Current	3.58%
CAP Rate- Pro Forma	4.53%
GRM - Current	18.52
GRM- Pro Forma	15.68
Year Built	1922
Lot Size	0.21 Acres
Type of Ownership	Fee Simple

Annualized Operating Data

Income	Current	Pro Forma
Gross Potential Rent	\$75,600	\$89,280
Other Income	\$1,000	\$1,000
Gross Potential Income	\$76,600	\$90,280
Less: Vacancy/Deductions (GPR)	3.0% / \$2,268	3.0% / \$2,678
Effective Gross Income	\$74,332	\$87,602
Less: Expenses	\$24,251	\$24,251
Net Operating Income	\$50,081	\$63,351
Net Cash Flow Before Debt Service	\$50,081	\$63,351

Expenses

Real Estate Taxes	\$17,305	\$17,305
Insurance	\$1,150	\$1,150
Water/Trash	\$1,551	\$1,551
PG&E	\$365	\$365
Repairs & Maintenance	\$2,500	\$2,500
General & Administrative	\$1,380	\$1,380
Total Expenses	\$24,251	\$24,251
Expenses/unit	\$4,850	\$4,850
Expenses/SF	\$11.45	\$11.45
% of EGI	32.63%	27.68%

Scheduled Income

No. of Units	Unit Type	Approx. Square Feet	Current Rents	Rent/ SF	Monthly Income	Pro Forma Rents	Monthly Income
3	Studio	N/A	\$980 - \$1,450	N/A	\$3,580	\$1,300 - \$1,450	\$4,150
1	1 Bdr 2 Bath	N/A	\$1,695	N/A	\$1,695	\$1,695	\$1,695
1	1 Bdr 1 Bath Owner's Unit	N/A	\$1,025	N/A	\$1,025	\$1,595	\$1,595
5	Total/Wtd. Avg.	2,118			\$6,300		\$7,440

PROPERTY DESCRIPTION

630 South 8th Street

SAN JOSE, CA

Marcus & Millichap

INVESTMENT OVERVIEW

Investment Highlights

- Trophy Asset
- Tremendous Upside in Rents
- *Frank Lloyd Wright Architecture
- Beautiful Landscaping
- Just Two Blocks from SJSU
- Close Proximity to 280, 680 and 101



Marcus and Millichap is proud to present 630 South 8th Street to the Bay Area's investment community. The subject property is of true pride-of-ownership quality and has a desirable unit mix consisting of three studios, one one-bedroom/two-bathroom unit and one one-bedroom/one-bathroom owner's unit. The property consists of two buildings totaling approximately 2,118 square feet of living space and is situated on a 0.21 acre parcel of land.

630 South 8th Street is said to be designed by the famous architect, Frank Lloyd Wright. The full sized windows, twin peers and square roof are all trademarks of the renowned architect. Original flooring has been preserved to sustain a historical look and feel to the interior.

The subject property benefits from a prime Downtown San Jose location within walking distance to San Jose State University as well as many shopping and dining options. Highways 280, 101, 880 and 87 are also within close proximity, providing easy access to all major bay area destinations.

630 South 8th Street offers an investor a unique opportunity to own a true pride-of-ownership, value-add investment property in the Bay Area's fastest growing sub-market.

*While the current owner cannot confirm this property was designed by Frank Lloyd Wright, the features reflect many designs that Frank Lloyd Wright used in his architecture. Buyer to verify that the subject property is Frank Lloyd Wright architecture and design.

INVESTMENT OVERVIEW



Frank Lloyd Wright:

"Frank Lloyd Wright (born Frank Lincoln Wright, June 8, 1867 – April 9, 1959) was an American architect, interior designer, writer and educator, who designed more than 1000 structures and completed 532 works. Wright believed in designing structures which were in harmony with humanity and its environment, a philosophy he called organic architecture. This philosophy was best exemplified by his design for Fallingwater (1935), which has been called "the best all-time work of American architecture". Wright was a leader of the Prairie School movement of architecture and developed the concept of the Usonian home, his unique vision for urban planning in the United States.

Wright's residential designs were known as "prairie houses" because the designs complemented the land around Chicago. These houses featured extended low buildings with shallow, sloping roofs, clean sky lines, suppressed chimneys, overhangs and terraces all using unfinished materials. The houses are credited with being the first examples of the "open plan". Windows whenever possible are long, and low, allowing a connection between the interior and nature, outside, that was new to western architecture and reflected the influence of Japanese architecture on Wright. The manipulation of interior space in residential and public buildings are hallmarks of his style."

Source: http://en.wikipedia.org/wiki/Frank_Lloyd_Wright

PROPERTY SUMMARY

The Offering

Property Address	630 South 8th Street San Jose, CA 95112
Assessor's Parcel Number	472-24-007
Zoning	RM

Site Description

Number of Units	5
Number of Buildings	2
Number of Stories	1
Year Built	1922
Rentable Square Feet	2,118
Lot Size	0.21 Acres
Type of Ownership	Fee Simple
Parking	Garage/On-Site
Parking Ratio	1:1
Landscaping	New and Improved
Topography	Flat

Utilities

Water	Master Metered
Electric	Individually Metered
Gas	Individually Metered

Construction

Foundation	Concrete Slab
Framing	Wood
Exterior	Stucco
Parking Surface	Cement
Roof	Flat

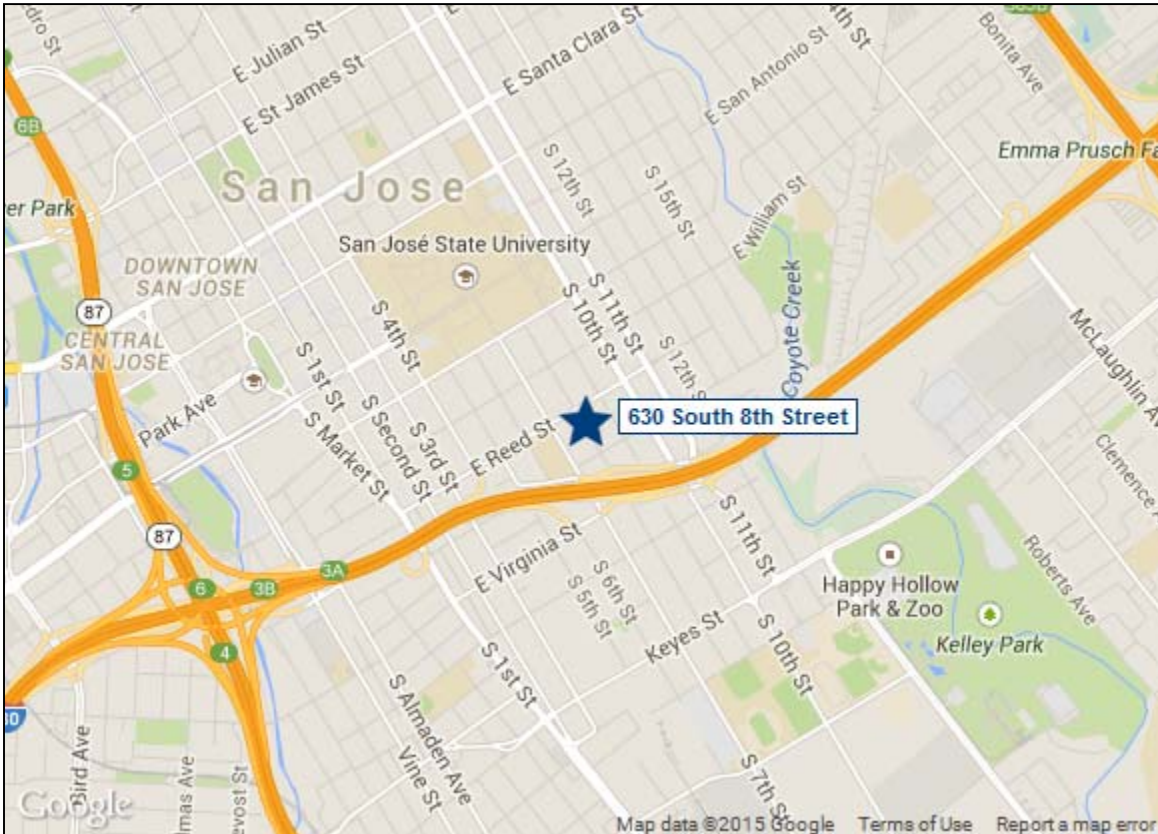
PROPERTY PHOTOS



630 South 8th Street

SAN JOSE, CA

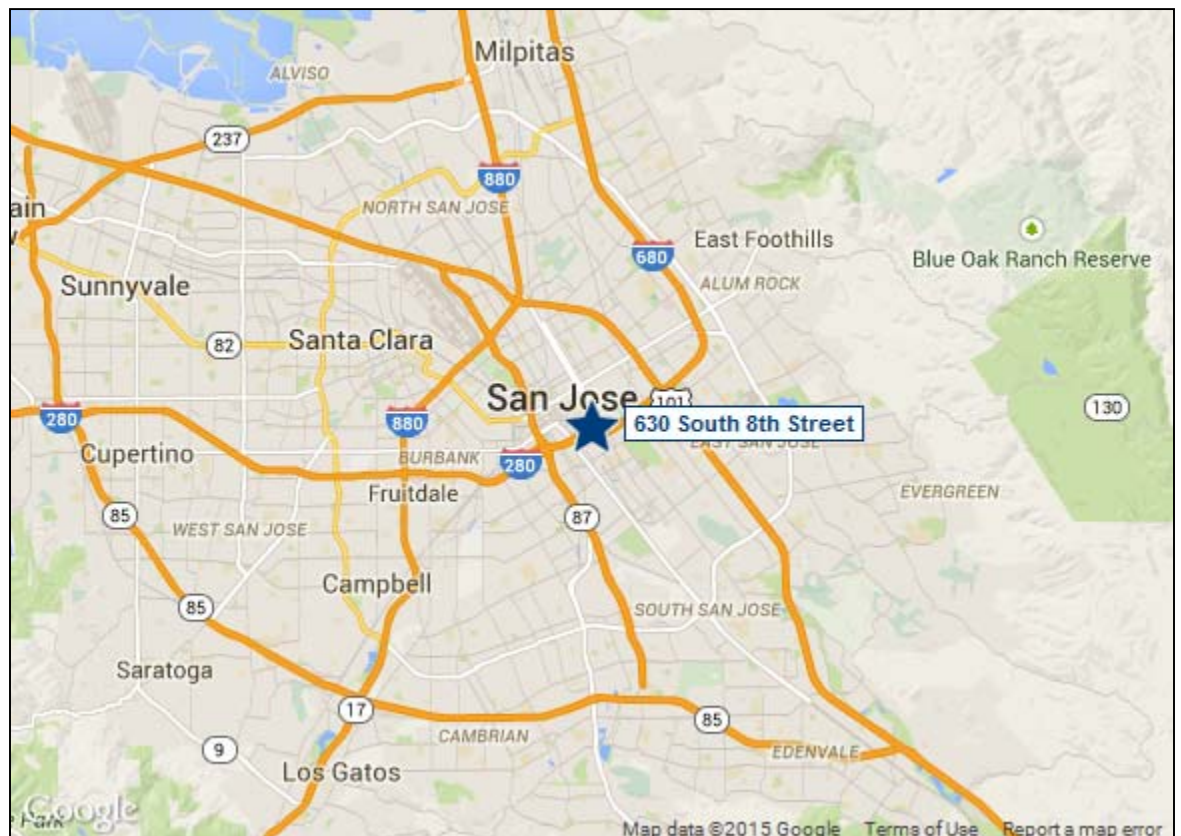
PROPERTY DESCRIPTION



Local Map



Regional Map



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630 South 8th Street

SAN JOSE, CA

PROPERTY DESCRIPTION



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RECENT SALES

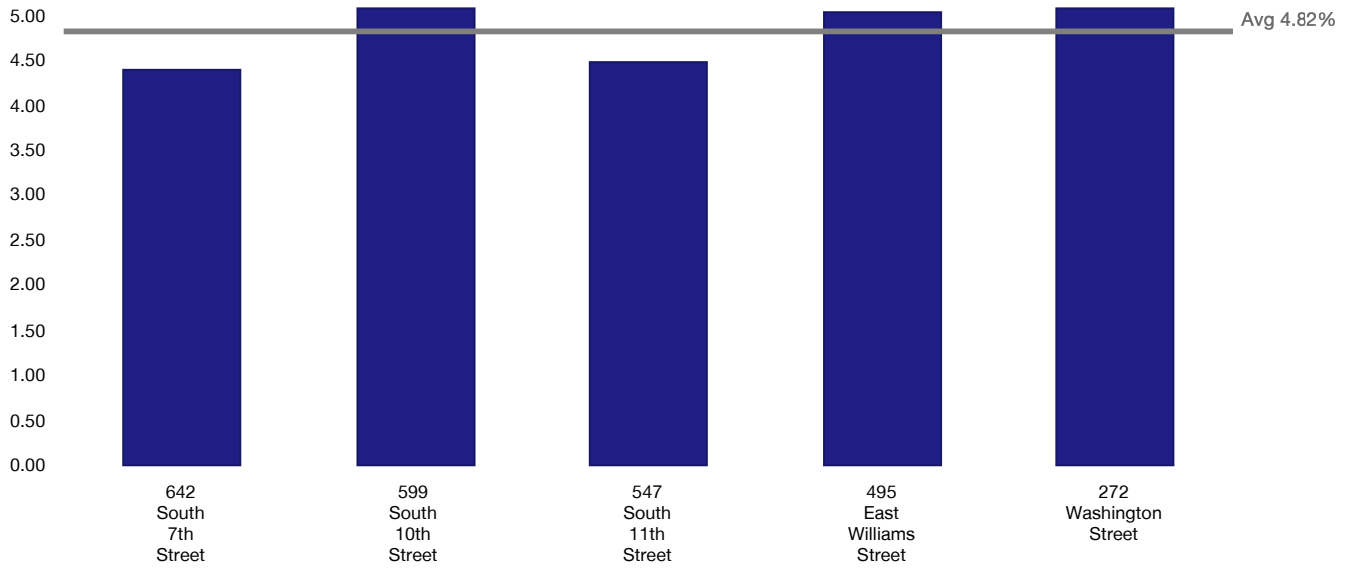
630 South 8th Street

SAN JOSE, CA

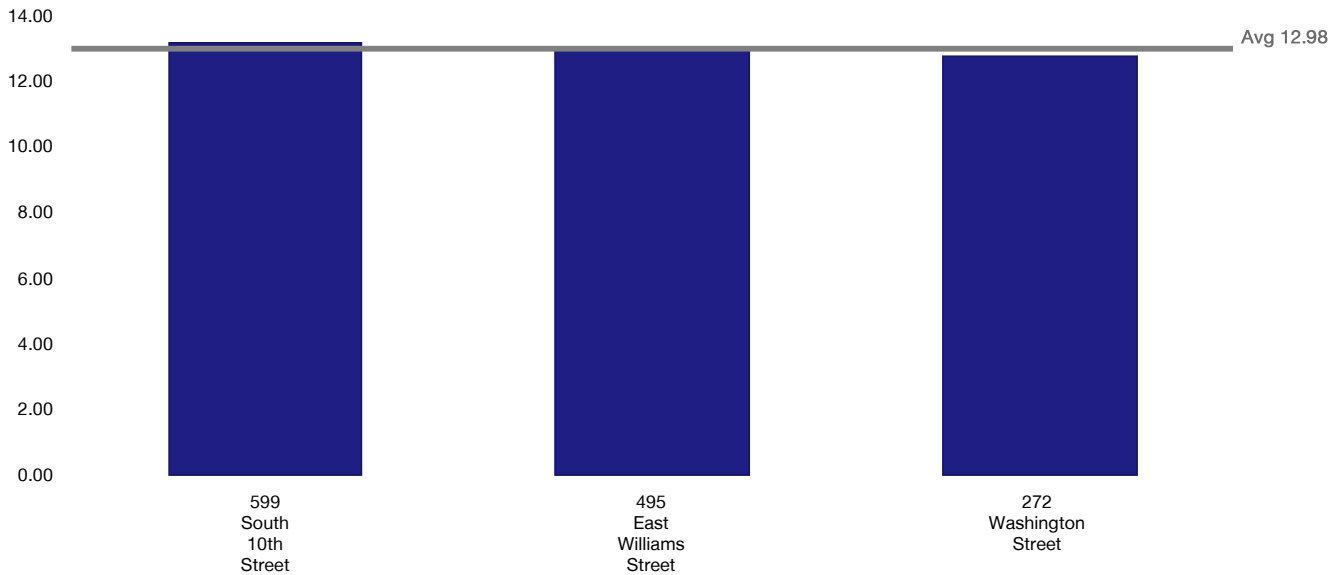
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CAP RATE AND GRM

Average Cap Rate

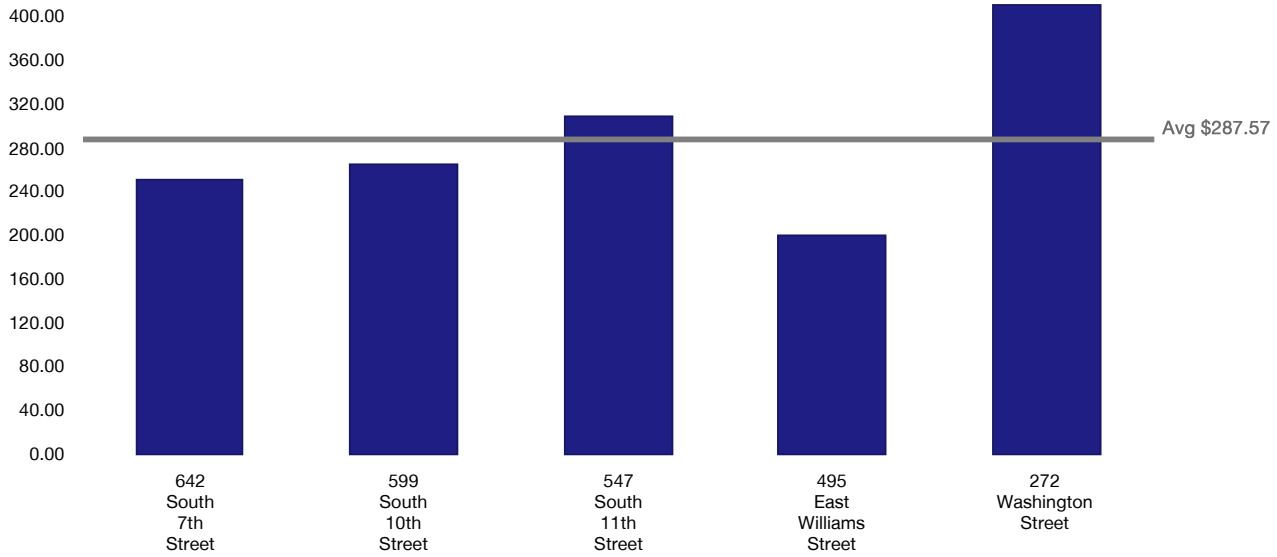


Average GRM

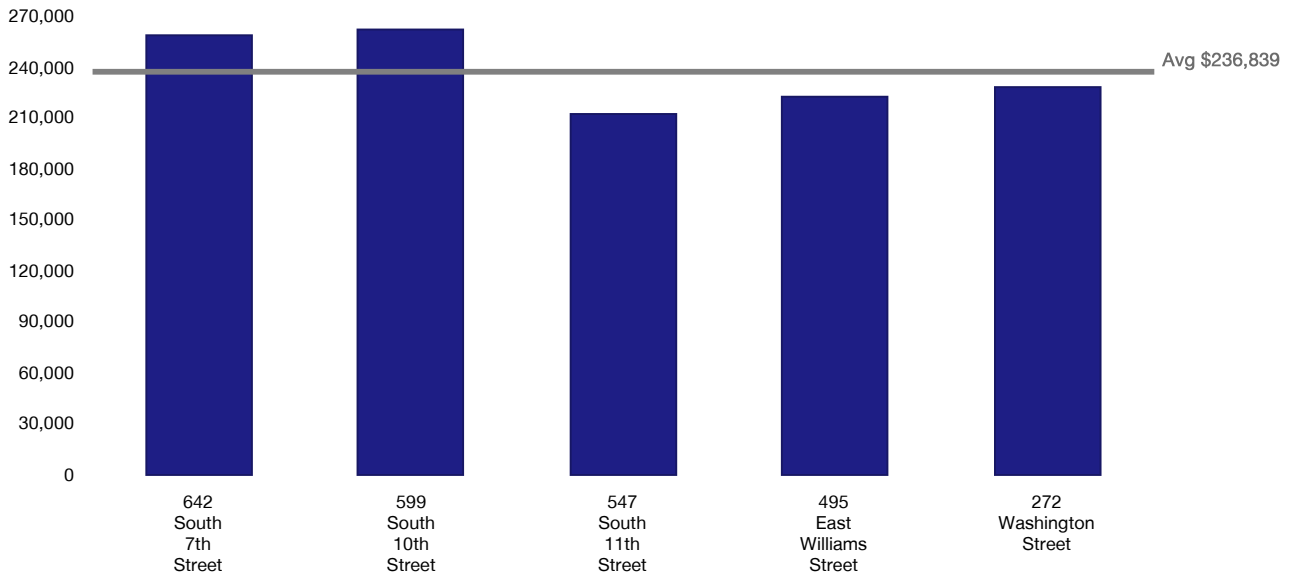


PRICE PER SF AND PRICE PER UNIT

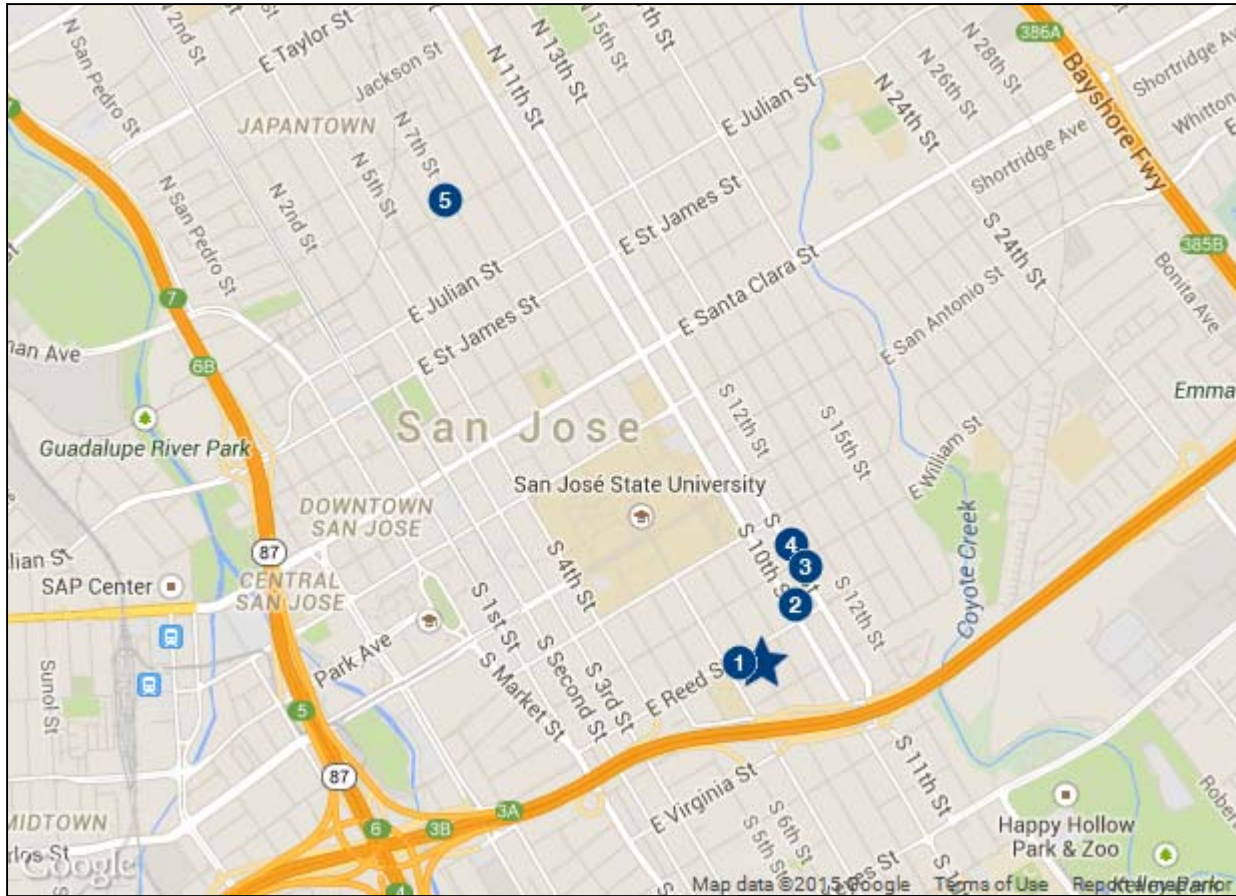
Average Price per Square Foot



Average Price per Unit



RECENT SALES MAP



- ★ 630 South 8th Street
- 1) 642 South 7th Street
- 2) 599 South 10th Street
- 3) 547 South 11th Street
- 4) 495 East Williams Street
- 5) 272 Washington Street

RECENT SALES

1



Close of Escrow: 5/8/2014

642 South 7th Street
San Jose, CA 95112

No. of Units: 12
Year Built: 1961
Sale Price: \$3,100,000
Price/Unit: \$258,333
Price/SF: \$251.52
CAP Rate: 4.40%
GRM: N/A

Units	Unit Type
6	2 Bdr 1.5 Bath
2	3 Bdr 1.5 Bath
4	3 Bdr 2 Bath

2



Close of Escrow: 8/29/2014

599 South 10th Street
San Jose, CA 95112

No. of Units: 16
Year Built: 1963
Sale Price: \$4,200,000
Price/Unit: \$262,500
Price/SF: \$264.78
CAP Rate: 5.07%
GRM: 13.20

Units	Unit Type
16	2 Bdr 1.5 Bath

3



Close of Escrow: 12/30/2014

547 South 11th Street
San Jose, CA 95112

No. of Units: 8
Year Built: 1953
Sale Price: \$1,695,000
Price/Unit: \$211,875
Price/SF: \$308.80
CAP Rate: 4.49%
GRM: N/A

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

Comments

Sold by Marcus and Millichap

RECENT SALES

4



Close of Escrow: 6/13/2014

495 East Williams Street
San Jose, CA 95112

No. of Units: 12
Year Built: 1959
Sale Price: \$2,675,000
Price/Unit: \$222,917
Price/SF: \$201.13
CAP Rate: 5.04%
GRM: 12.98

Units	Unit Type
12	2 Bdr 1 Bath

5



Close of Escrow: 4/30/2013

272 Washington Street
San Jose, CA 95112

No. of Units: 7
Year Built: 1902 / 2012
Sale Price: \$1,599,999
Price/Unit: \$228,571
Price/SF: \$411.63
CAP Rate: 5.08%
GRM: 12.77

Units	Unit Type
1	2 Bdr 1 Bath
5	1 Bdr 1 Bath
1	Studio

Comments

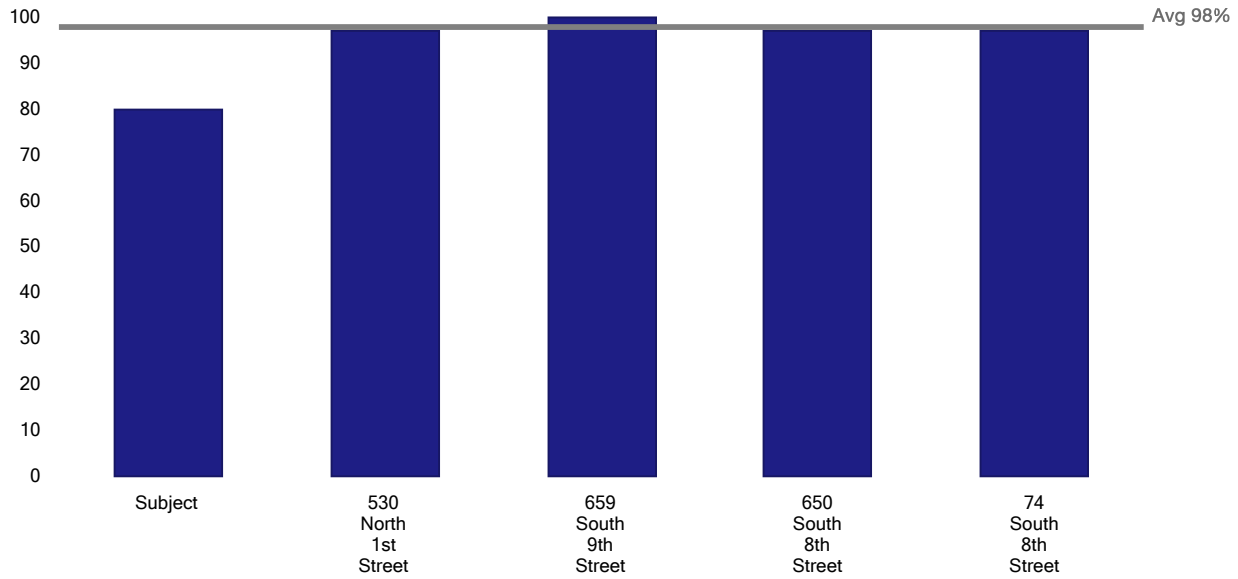
Sold by Adam Levin of Marcus and Millichap

630 South 8th Street

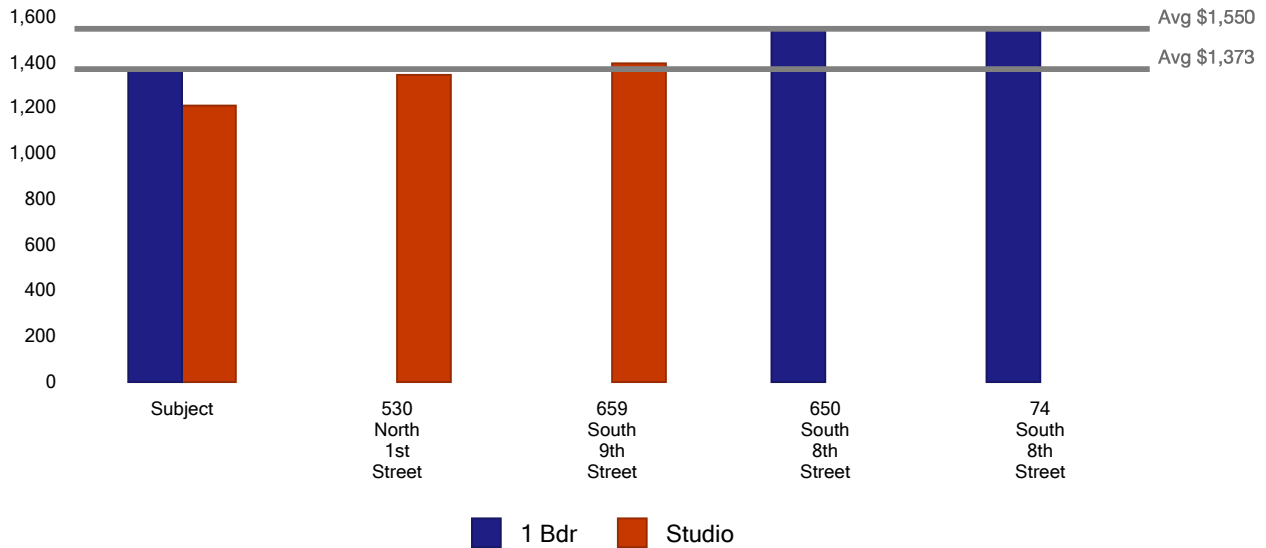
SAN JOSE, CA

OCCUPANCY AND AVERAGE RENTS

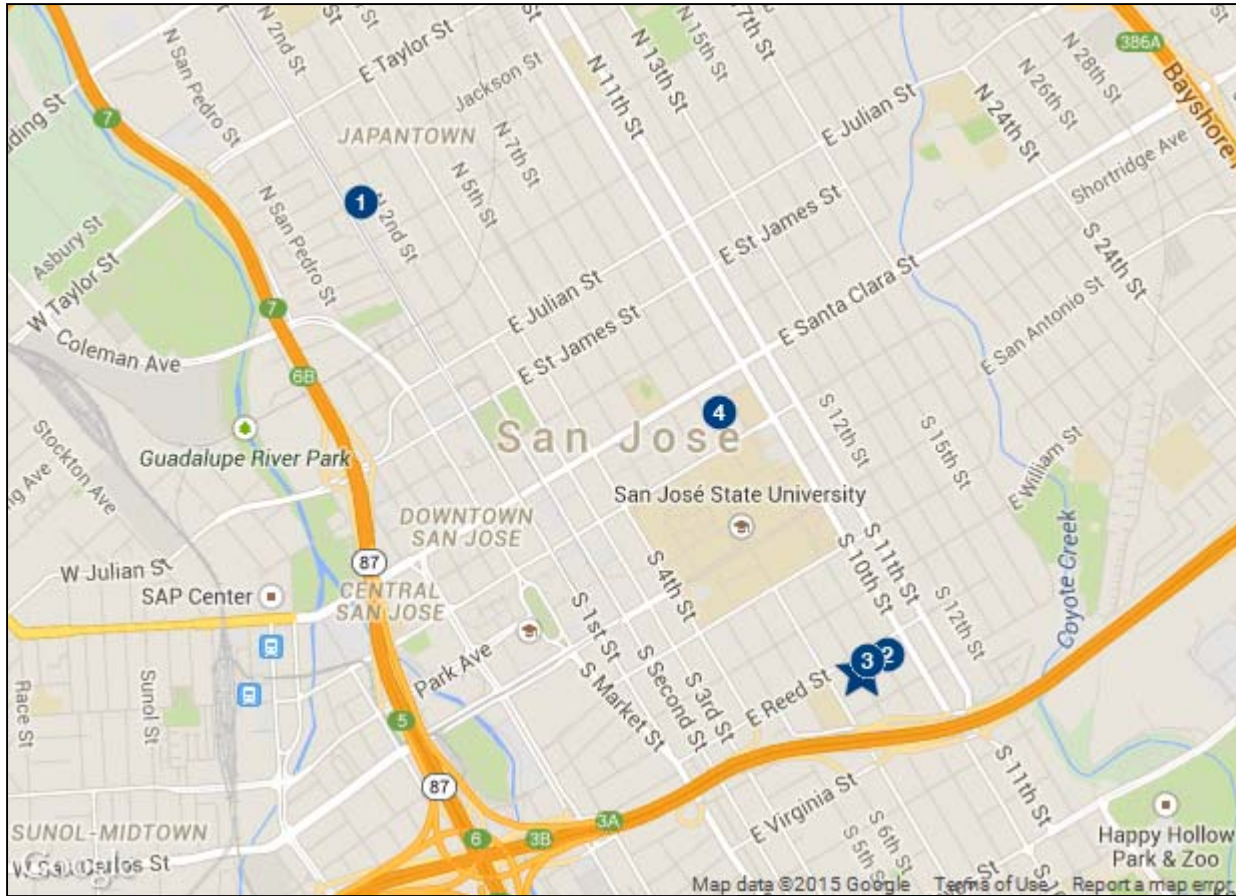
Average Occupancy



Average Rents - Studio and 1 Bedroom



RENT COMPARABLES MAP



- ★ 630 South 8th Street
- 1) 530 North 1st Street
- 2) 659 South 9th Street
- 3) 650 South 8th Street
- 4) 74 South 8th Street

RENT COMPARABLES



Subject Property

No. of Units: 5
 Occupancy: 80%
 Year Built: 1922

630 South 8th Street
 San Jose, CA 95112

Unit Type	Units	SF	Rent	Rent/SF
Studio	3	N/A	\$980 - \$1,450	N/A
1 Bdr 2 Bath	1	N/A	\$1,695	N/A
1 Bdr 1 Bath Owner's Unit	1	N/A	\$1,025	N/A
Total/Avg.	5	2,118	\$1,312	\$2.97

1



No. of Units: 39
 Occupancy: 97%
 Year Built: 1948

530 North 1st Street
 San Jose, CA 95112

Unit Type	Units	SF	Rent	Rent/SF
Studio		310	\$1,350	\$4.35
Total/Wtd. Avg.			\$1,350	

2



No. of Units: 14
 Occupancy: 100%
 Year Built: 1957

659 South 9th Street
 San Jose, CA 95112

Unit Type	Units	Rent
Studio		\$1,395
Total/Wtd. Avg.		\$1,395

RENT COMPARABLES

3



650 South 8th Street
San Jose, CA 95112

No. of Units: 17
Occupancy: 97%
Year Built/Renovated: 1958

Unit Type	Units	SF	Rent	Rent/SF
1 Bdr 1 Bath		600	\$1,550	\$2.58
Total/Wtd. Avg.			\$1,550	

4



74 South 8th Street
San Jose, CA 95112

No. of Units: 11
Occupancy: 97%
Year Built/Renovated: 1957

Unit Type	Units	SF	Rent	Rent/SF
1 Bdr 1 Bath		650	\$1,550	\$2.38
Total/Wtd. Avg.			\$1,550	

DEMOGRAPHIC ANALYSIS

630 South 8th Street

SAN JOSE, CA

Marcus & Millichap

DEMOGRAPHIC REPORT

	1 Mile	3 Miles	5 Miles
2000 Population	37,666	257,078	630,536
2010 Population	37,916	265,153	652,361
2013 Population	40,341	279,559	681,929
2018 Population	41,612	290,062	701,240
2000 Households	10,716	72,833	188,948
2010 Households	11,970	81,484	203,444
2013 Households	13,070	87,435	215,179
2018 Households	13,761	92,047	223,084
2013 Average Household Size	2.71	3.05	3.06
2013 Daytime Population	18,380	113,857	253,916
2000 Owner Occupied Housing Units	23.56%	43.23%	54.19%
2000 Renter Occupied Housing Units	73.57%	54.20%	43.82%
2000 Vacant	2.87%	2.57%	1.99%
2013 Owner Occupied Housing Units	24.73%	40.83%	50.65%
2013 Renter Occupied Housing Units	75.27%	59.17%	49.35%
2013 Vacant	4.23%	1.84%	1.09%
2018 Owner Occupied Housing Units	24.90%	40.42%	50.16%
2018 Renter Occupied Housing Units	75.10%	59.58%	49.84%
2018 Vacant	4.82%	2.06%	1.21%
\$ 0 - \$14,999	19.4%	13.4%	9.8%
\$ 15,000 - \$24,999	13.5%	10.7%	8.4%
\$ 25,000 - \$34,999	11.4%	8.8%	7.7%
\$ 35,000 - \$49,999	13.0%	12.6%	11.3%
\$ 50,000 - \$74,999	11.6%	15.5%	15.3%
\$ 75,000 - \$99,999	9.6%	11.4%	12.8%
\$100,000 - \$124,999	5.9%	9.1%	11.3%
\$125,000 - \$149,999	4.7%	5.9%	7.3%
\$150,000 - \$199,999	5.7%	6.5%	8.3%
\$200,000 - \$249,999	1.7%	2.4%	3.2%
\$250,000 +	3.3%	3.9%	4.6%
2013 Median Household Income	\$40,922	\$56,727	\$70,650
2013 Per Capita Income	\$25,662	\$27,293	\$31,572
2013 Average Household Income	\$72,971	\$85,352	\$98,795

Demographic data © 2012 by Experian.

SUMMARY REPORT

Geography: 5 miles**Population**

In 2014, the population in your selected geography is 681,928. The population has changed by 8.15% since 2000. It is estimated that the population in your area will be 701,239 five years from now, which represents a change of 2.83% from the current year. The current population is 50.78% male and 49.21% female. The median age of the population in your area is 34.1, compare this to the Entire US average which is 37.3. The population density in your area is 8,674.98 people per square mile.

Households

There are currently 215,178 households in your selected geography. The number of households has changed by 13.88% since 2000. It is estimated that the number of households in your area will be 223,084 five years from now, which represents a change of 3.67% from the current year. The average household size in your area is 3.06 persons.

Income

In 2014, the median household income for your selected geography is \$70,649, compare this to the \$Entire US average which is currently \$51,972. The median household income for your area has changed by 12.89% since 2000. It is estimated that the median household income in your area will be \$86,532 five years from now, which represents a change of 22.48% from the current year.

The current year per capita income in your area is \$31,572, compare this to the \$Entire US average, which is \$28,599. The current year average household income in your area is \$98,795, compare this to the \$Entire US average which is \$74,533.

Race & Ethnicity

The current year racial makeup of your selected area is as follows: 40.43% White, 3.26% Black, 0.45% Native American and 30.31% Asian/Pacific Islander. Compare these to Entire US% averages which are: 71.60% White, 12.70% Black, 0.18% Native American and 5.02% Asian/Pacific Islander.

People of Hispanic origin are counted independently of race. People of Hispanic origin make up 40.34% of the current year population in your selected area. Compare this to the Entire US% average of 17.13%.

Housing

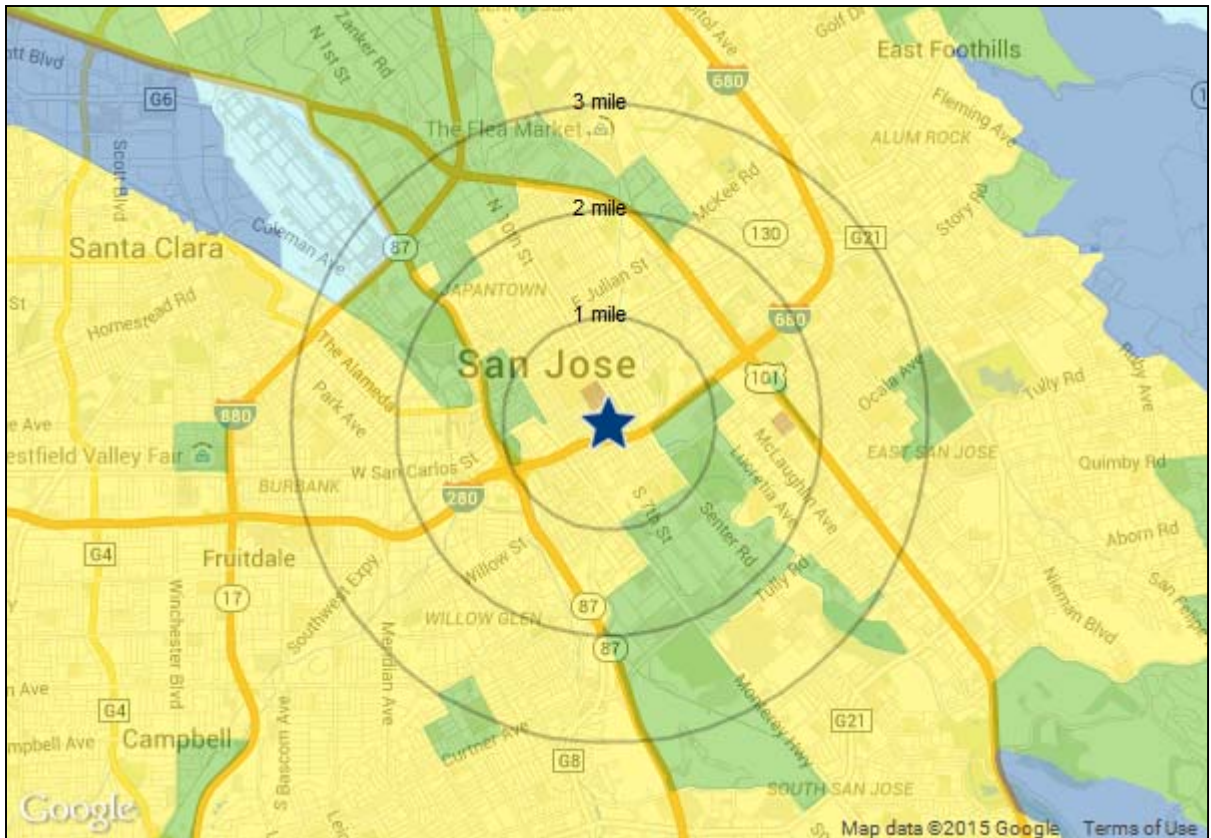
In 2000, there were 104,464 owner occupied housing units in your area and there were 84,484 renter occupied housing units in your area. The median rent at the time was \$986.

Employment

In 2014, there are 253,915 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 59.64% of employees are employed in white-collar occupations in this geography, and 40.32% are employed in blue-collar occupations. In 2014, unemployment in this area is 8.04%. In 2000, the average time traveled to work was 26.4 minutes.

Demographic data © 2012 by Experian.

POPULATION DENSITY



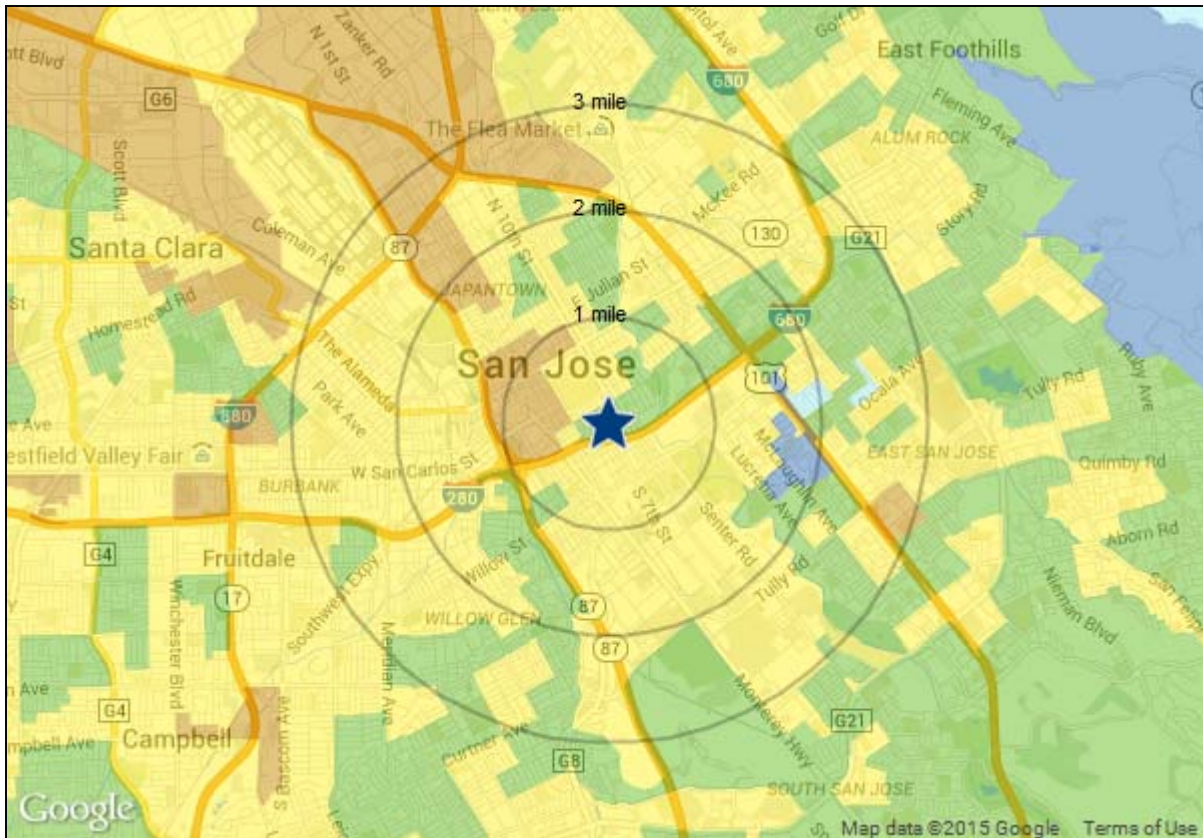
Demographic data © 2012 by Experian.

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



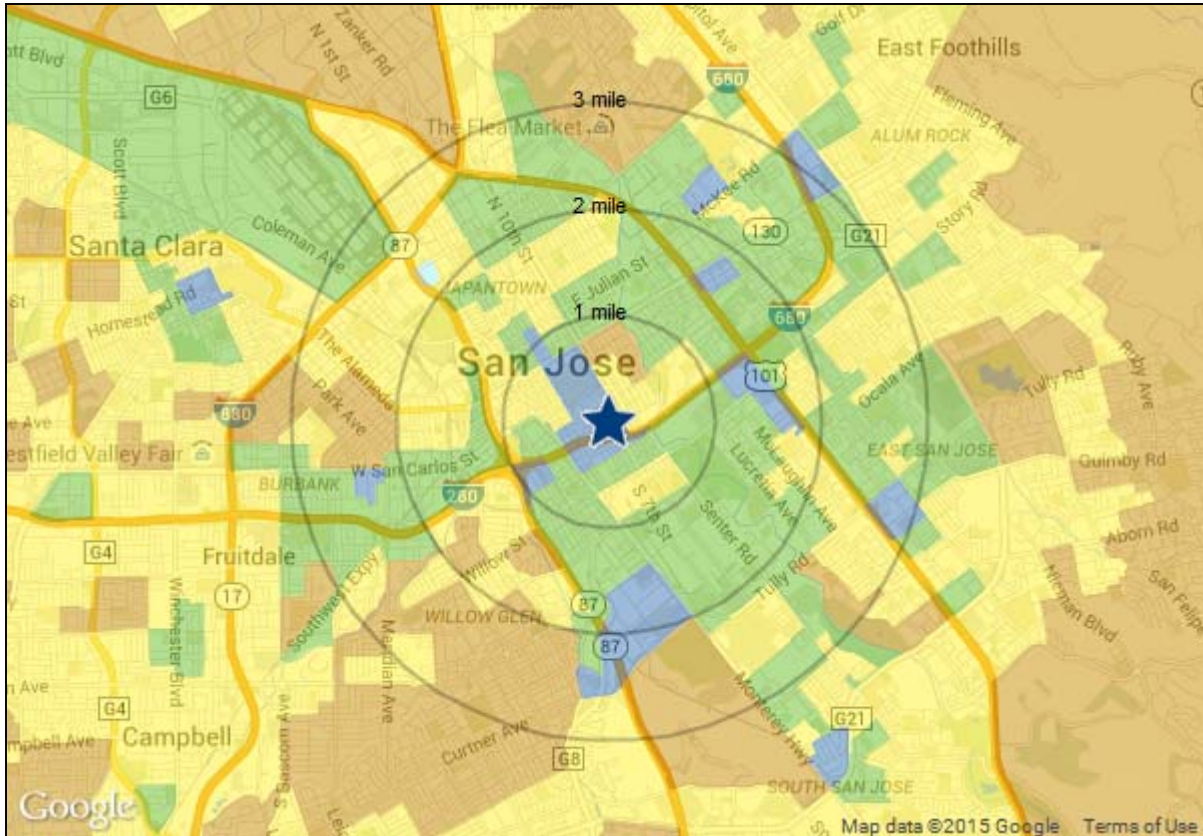
Demographic data © 2012 by Experian.

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 © 2012 by Experian.

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.

630 South 8th Street

SAN JOSE, CA

OFFERING MEMORANDUM

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