

663 La Grande Drive

SUNNYVALE, CA



OFFERING MEMORANDUM



Marcus & Millichap
Real Estate Investment Services

663 La Grande Drive

SUNNYVALE, CA

CONFIDENTIALITY AND DISCLAIMER

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR MARCUS
& MILLICHAP AGENT FOR MORE DETAILS.

Marcus & Millichap
Real Estate Investment Services

663 La Grande Drive

SUNNYVALE, CA

TABLE OF CONTENTS

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

PRICING AND FINANCIAL ANALYSIS

663 La Grande Drive

SUNNYVALE, CA

RENT ROLL

Unit Number	Unit Type			Unit SF	Current Rent	Rent/SF	Asking Rent	Rent/SF	Parking
1	2 Bdr	1 Bath	Flat	795	\$1,400	\$1.76	\$1,450	\$1.82	On-site
2	2 Bdr	1 Bath	Flat	795	\$1,300	\$1.64	\$1,450	\$1.82	On-site
3	2 Bdr	1 Bath	Flat	795	\$1,300	\$1.64	\$1,450	\$1.82	On-site
4	2 Bdr	1 Bath	Flat	795	\$1,300	\$1.64	\$1,450	\$1.82	On-site
		TOTAL	VACANT		\$0		\$0		
4			TOTAL	OCCUPIED	3,180	\$5,300		\$5,800	
4			TOTAL		3,180	\$5,300		\$5,800	

INCOME & EXPENSES

Total Number of Units: 4
 Total Rentable Area: 3,176 SF

Income	Current	Per Unit	Pro Forma	Per Unit
GROSS POTENTIAL RENT	\$63,600	\$15,900	\$69,600	\$17,400
Other Income				
Laundry Income	\$200	\$50	\$400	\$100
Total Other Income	\$200	\$50	\$400	\$100
EFFECTIVE GROSS INCOME	\$63,800	\$15,950	\$70,000	\$17,500
Expenses				
Real Estate Taxes (1.1630% + \$975,000)	\$11,339	\$2,835	\$11,339	\$2,835
Insurance	\$1,000	\$250	\$1,000	\$250
Water, Trash, Sewer	\$3,000	\$750	\$3,000	\$750
PG&E (Common Areas)	\$780	\$195	\$780	\$195
Repairs and Maintenance	\$2,400	\$600	\$2,400	\$600
Gardening/Landscaping	\$480	\$120	\$480	\$120
TOTAL EXPENSES	\$18,999	\$4,750	\$18,999	\$4,750
Expenses per SF	\$5.98		\$5.98	
% of EGI	29.8%		27.1%	
NET OPERATING INCOME	\$44,801	\$11,200	\$51,001	\$12,750

Comments

Repairs and maintenance estimated at \$600/unit per year

FINANCIAL OVERVIEW

Location

663 La Grande Drive
Sunnyvale, CA 94087

Price	\$975,000
Down Payment	100% / \$975,000
Number of Units	4
Price/Unit	\$243,750
Rentable Square Feet	3,176
Price/SF	\$306.99
CAP Rate - Current	4.59%
CAP Rate- Pro Forma	5.23%
GRM - Current	15.33
GRM- Pro Forma	14.01
Year Built	1962
Lot Size	6,050 SF
Type of Ownership	Fee Simple

Annualized Operating Data

Income	Current	Pro Forma
Gross Potential Rent	\$63,600	\$69,600
Other Income	\$200	\$400
Gross Potential Income	\$63,800	\$70,000
Effective Gross Income	\$63,800	\$70,000
Less: Expenses	\$18,999	\$18,999
Net Operating Income	\$44,801	\$51,001
Net Cash Flow Before Debt Service	\$44,801	\$51,001

Expenses

Real Estate Taxes	\$11,339	\$11,339
Insurance	\$1,000	\$1,000
Water, Trash, Sewer	\$3,000	\$3,000
PG&E (Common Areas)	\$780	\$780
Repairs and Maintenance	\$2,400	\$2,400
Gardening/Landscaping	\$480	\$480
Total Expenses	\$18,999	\$18,999
Expenses/unit	\$4,750	\$4,750
Expenses/SF	\$5.98	\$5.98
% of EGI	29.78%	27.14%

Scheduled Income

No. of Units	Unit Type	Approx. Square Feet	Current Rents	Rent/ SF	Monthly Income	Pro Forma Rents	Rent/ SF	Monthly Income
4	2 Bdr 1 Bath Flat	795	\$1,300 - \$1,400	\$1.70	\$5,300	\$1,450	\$1.82	\$5,800
4	Total/Wtd. Avg.	3,176			\$5,300			\$5,800

PROPERTY DESCRIPTION

663 La Grande Drive

SUNNYVALE, CA

INVESTMENT OVERVIEW

Investment Highlights

- Award Winning Cupertino Schools
- Upside Rent Potential
- Laundry Room for Additional Income
- Recent Capital Improvements Include Windows, Vanities, A/C Units and More



The subject property, located at 663 La Grande Drive, is an extremely well-maintained and semi-updated four unit apartment complex located in the heart of beautiful Sunnyvale, California. The property consists of one two-story building totaling approximately 3,176 square feet of living space situated on a 6,050-square foot lot.

All four two-bedroom/one-bath units measure an average size of approximately 795 square feet. Recent upgrades include double-pane windows, floors, vanities, shower doors, medicine cabinets and A/C units in all of the units. Shopping, schools, parks, banks, and coffee shops are all within walking distance. In addition, the investment property is located in the Homestead neighborhood and it's residents will be qualified to attend award winning Cupertino schools.

The building is wood framed with stucco siding and has a pitched composition shingle roof. There are a total of four covered parking spaces in the rear of the building and the on-site laundry facility creates additional monthly income. Sunnyvale's steadily increasing rental market coupled with below market rents will give an investor a tremendous opportunity to force appreciation and increase cashflow.

PROPERTY SUMMARY

The Offering

Property Address	663 La Grande Drive Sunnyvale, CA 94087
Assessor's Parcel Number	323-35-068
Zoning	R3

Site Description

Number of Units	4
Number of Buildings	2
Number of Stories	2
Year Built	1962
Rentable Square Feet	3,176
Lot Size	6,050 SF
Type of Ownership	Fee Simple
Density	Medium
Parking	On-Site Covered
Parking Ratio	1.25 : 1
Topography	Flat

Utilities

Water	Landlord
Electric	Tenant
Gas	Tenant

Construction

Roof	Composition Shingle
------	---------------------

PROPERTY PHOTOS



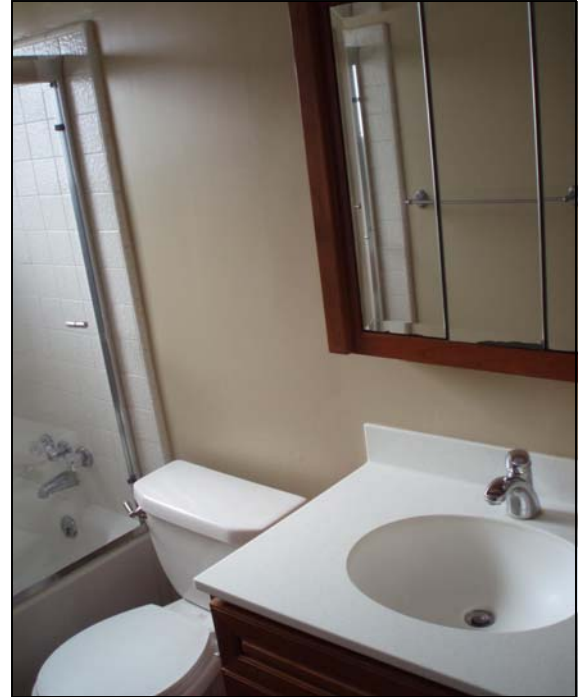
PROPERTY PHOTOS



PROPERTY PHOTOS



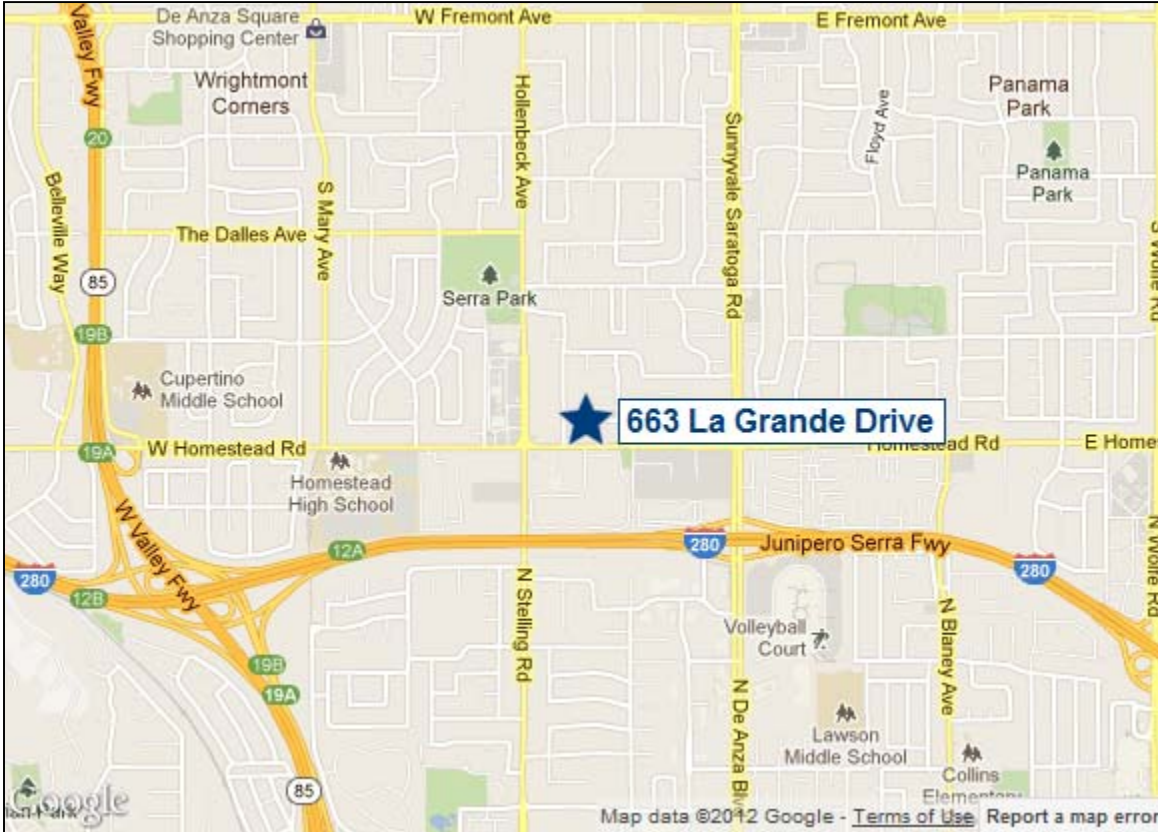
PROPERTY PHOTOS



663 LA GRANDE DRIVE

SUNNYVALE, CA

PROPERTY DESCRIPTION



Local Map



Regional Map

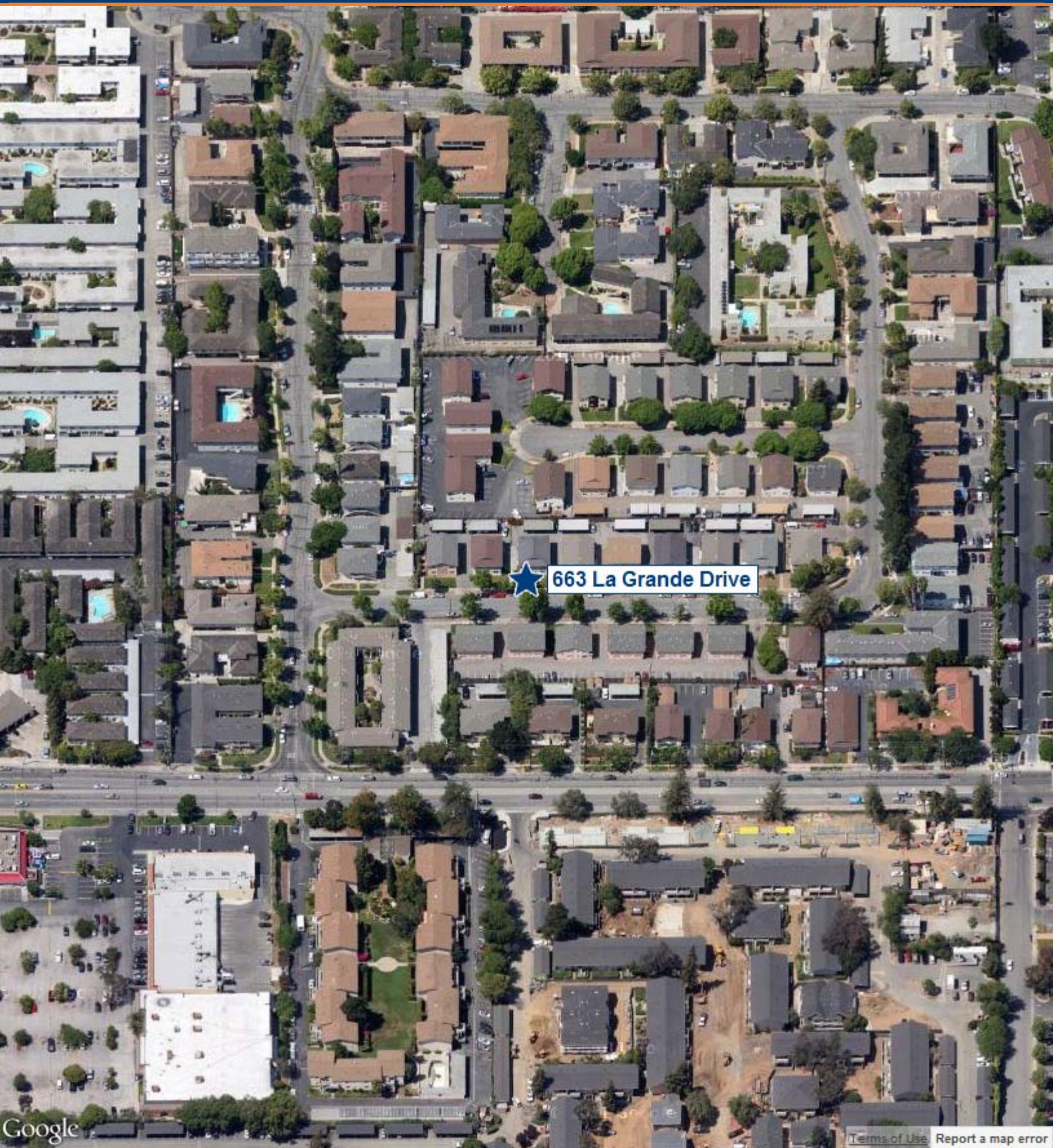


This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Marcus & Millichap Real Estate Investment Services is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2012 Marcus & Millichap T0010077

663 LA GRANDE DRIVE

SUNNYVALE, CA

PROPERTY DESCRIPTION



Google

[Terms of Use](#) [Report a map error](#)

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Marcus & Millichap Real Estate Investment Services is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2012 Marcus & Millichap T0010077

Marcus & Millichap
Real Estate Investment Services

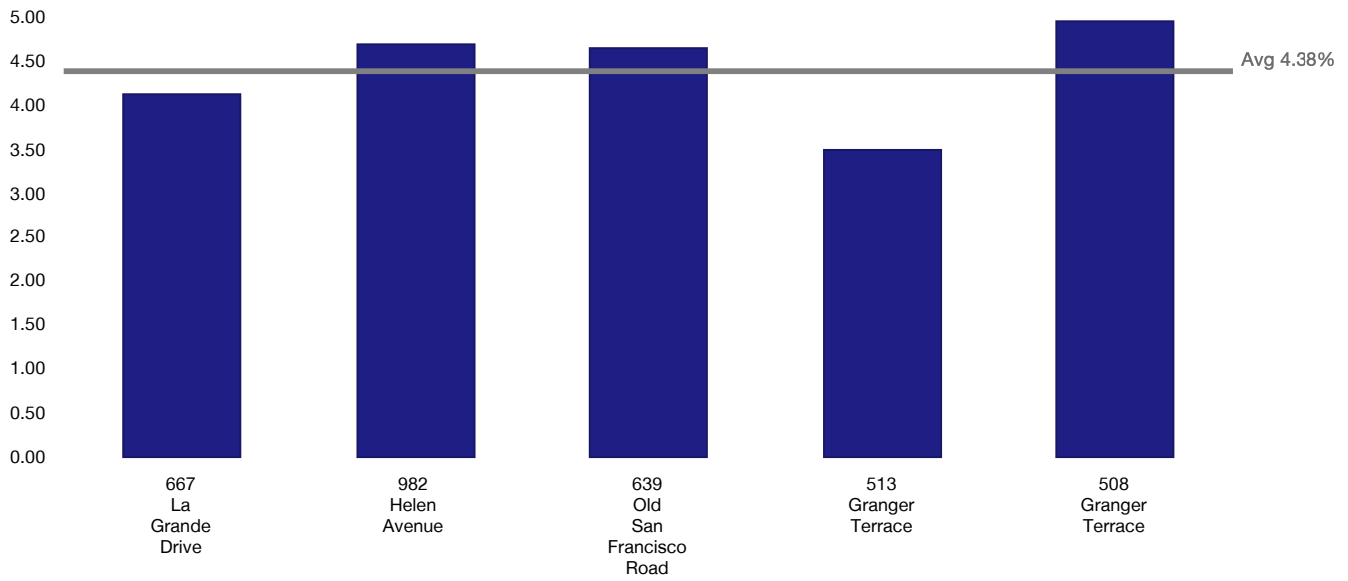
RECENT SALES

663 La Grande Drive

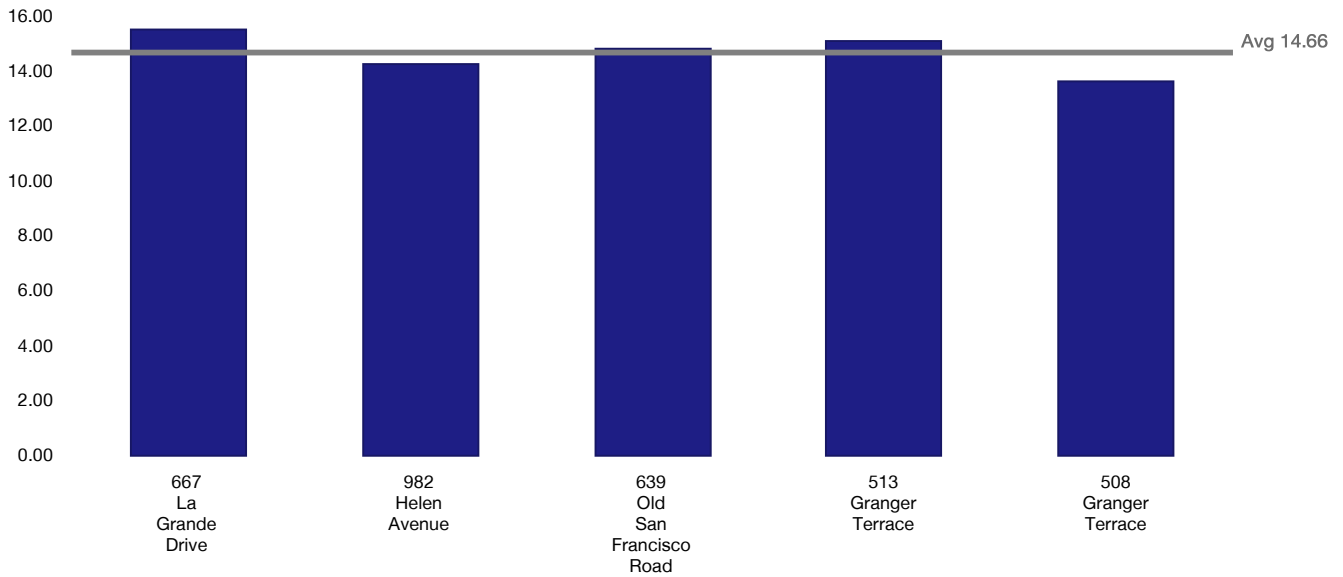
SUNNYVALE, CA

CAP RATE AND GRM

Average Cap Rate

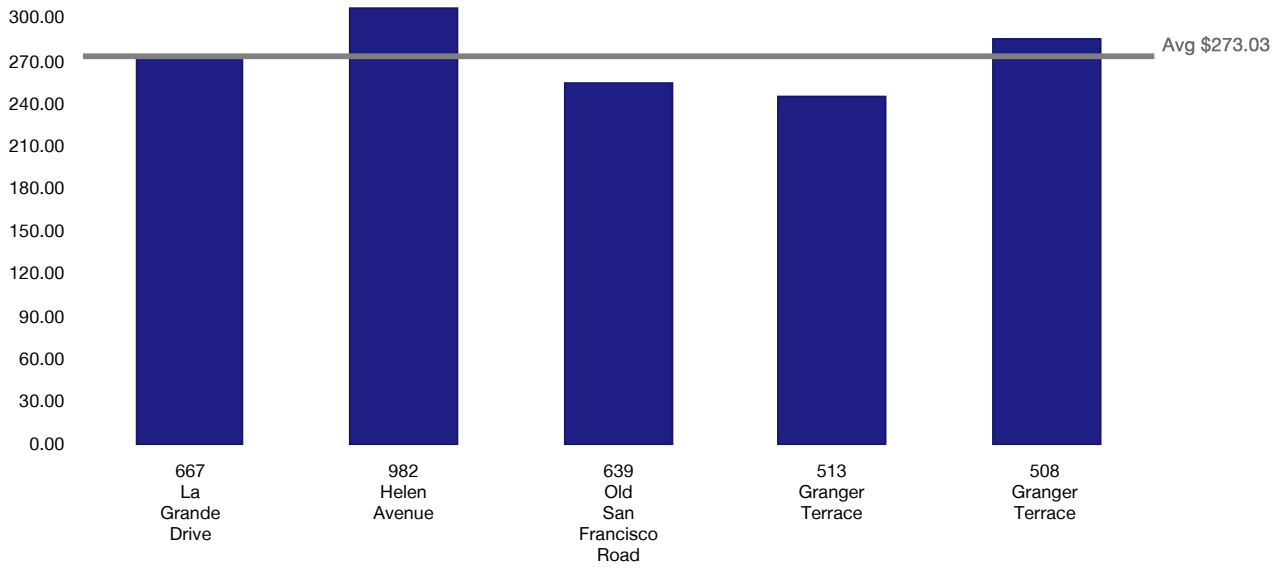


Average GRM

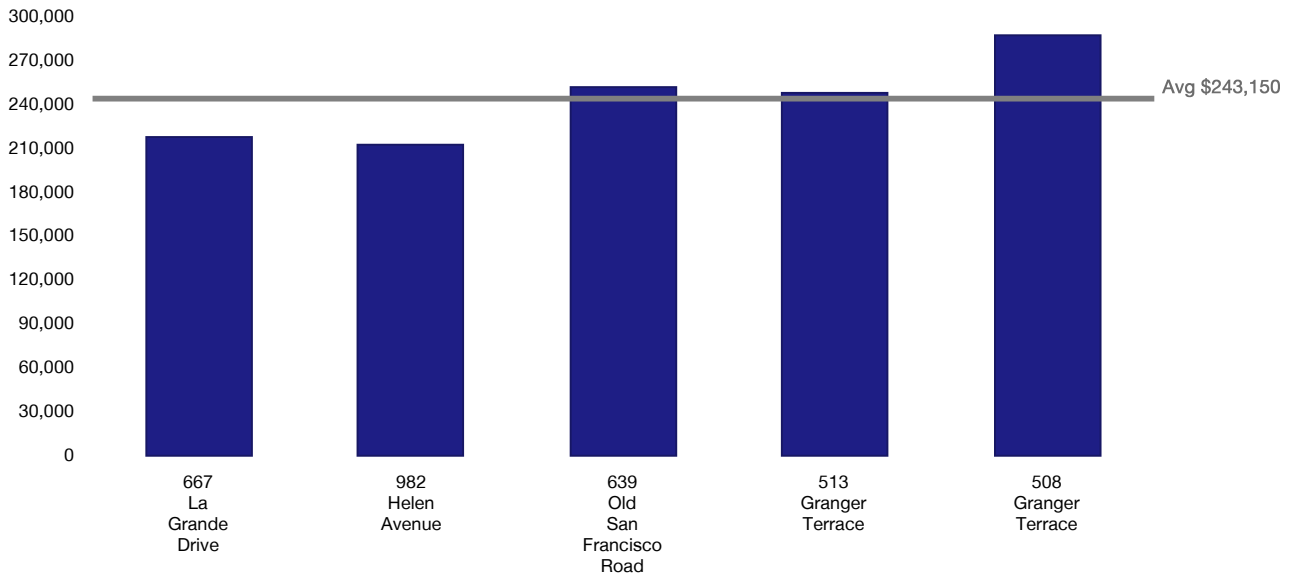


PRICE PER SF AND PRICE PER UNIT

Average Price per Square Foot



Average Price per Unit

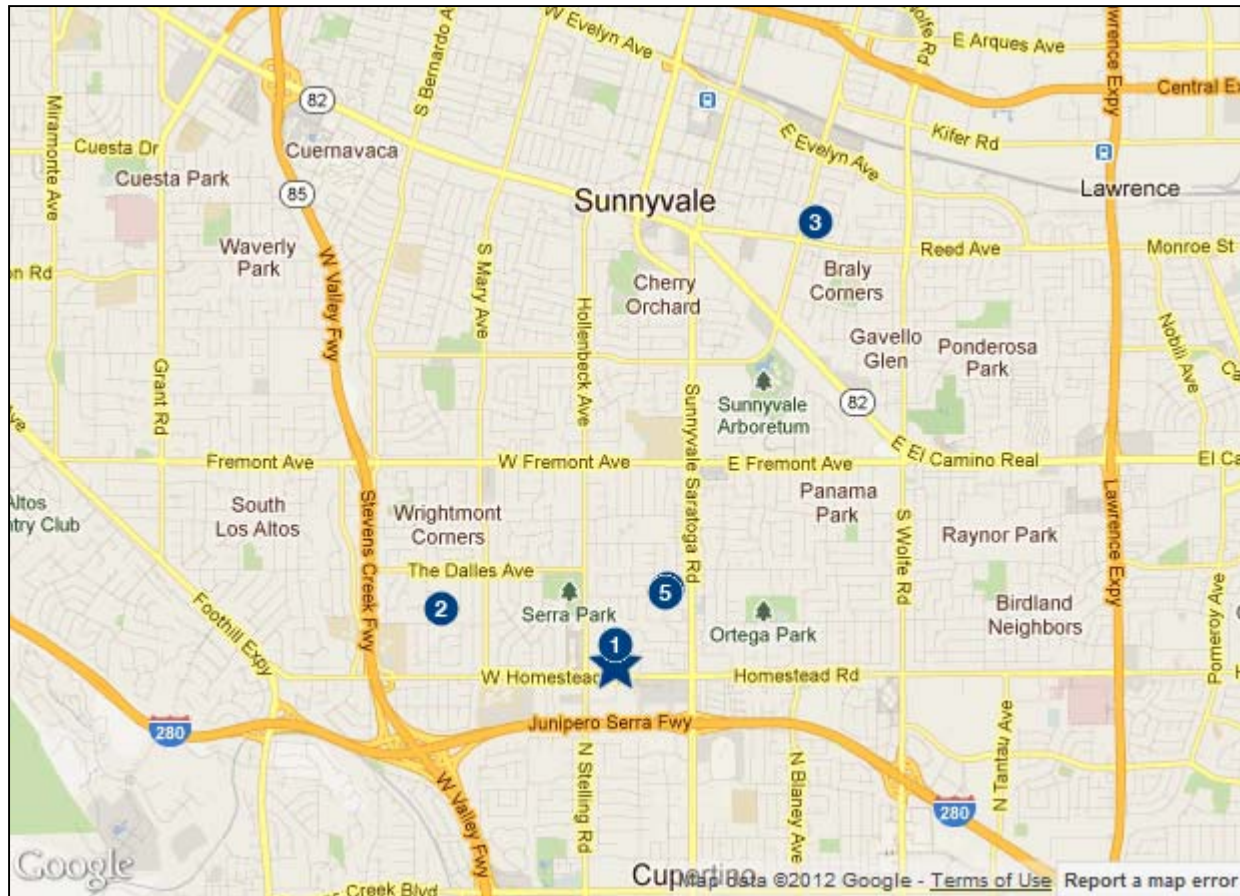


663 LA GRANDE DRIVE

SUNNYVALE, CA

RECENT SALES

RECENT SALES MAP



- ★ 663 La Grande Drive
- 1) 667 La Grande Drive
- 2) 982 Helen Avenue
- 3) 639 Old San Francisco Road
- 4) 513 Granger Terrace
- 5) 508 Granger Terrace

RECENT SALES

1



Close of Escrow: 09/2011

667 La Grande Drive
Sunnyvale, CA 94087

No. of Units: 4
Year Built: 1962
Sale Price: \$870,000
Price/Unit: \$217,500
Price/SF: \$273.92
CAP Rate: 4.12%
GRM: 15.53

Units	Unit Type
4	2 Bdr 1 Bath

Comments

Building was in inferior condition to subject property. Severly neglected at the time of sale. Needed massive upgrades.

2



Close of Escrow: 04/2012

982 Helen Avenue
Sunnyvale, CA 94086

No. of Units: 4
Year Built: 1961
Sale Price: \$850,000
Price/Unit: \$212,500
Price/SF: \$307.00
CAP Rate: 4.70%
GRM: 14.23

Units	Unit Type
4	2 Bdr 1 Bath

Comments

Rents at the time of sale were: \$1400, \$1400, \$1050 and \$1100.

3



Close of Escrow: 10/2011

639 Old San Francisco Road
Sunnyvale, CA 94086

No. of Units: 4
Year Built: 1969
Sale Price: \$1,005,000
Price/Unit: \$251,250
Price/SF: \$254.00
CAP Rate: 4.64%
GRM: 14.80

Units	Unit Type
1	1 Bdr 1 Bath
2	2 Bdr 1.5 Bath
1	3 Bdr 2 Bath

Comments

Many recent upgrades: New dual paned windows, new composition shingle roof, gutters and downspouts, new exterior paint, new copper plumbing and drainage pipes. All remodeled bathrooms, one unit has remodeled kitchen, two units with air conditioning, three units have a fireplace, four private garages plus two additional assigned spaces per unit. Extremely well-maintained. \$251,000 per unit

RECENT SALES

4



Close of Escrow: 02/2011

513 Granger Terrace
Sunnyvale, CA 94087

No. of Units: 4
Year Built: 1977
Sale Price: \$988,000
Price/Unit: \$247,000
Price/SF: \$245.22
CAP Rate: 3.50%
GRM: 15.10

Units	Unit Type
1	3 Bdr 2 Bath Flat
1	1 Bdr 1 Bath Flat
2	2 Bdr 1.5 Bath Flat

Comments

Half of the units have been upgraded, almost all windows are new double-pane, copper plumbing, and roof is only about five years old. All income, expense numbers from seller's agent on MLS.

5



Close of Escrow: 11/2011

508 Granger Terrace
Sunnyvale, CA 94087

No. of Units: 4
Year Built: 1977
Sale Price: \$1,150,000
Price/Unit: \$287,500
Price/SF: \$285.00
CAP Rate: 4.96%
GRM: 13.64

Units	Unit Type
1	3 Bdr 2 Bath
2	2 Bdr 1.5 Bath
1	1 Bdr 1 Bath

Comments

Rents as of 1/10/12 - three-bedroom/two-bath unit = \$2,500 | two two-bedroom/one-and-a-half-bath units = \$1,400 = one-bedroom/one-bath unit = \$1,100

IN ESCROW COMPARABLES

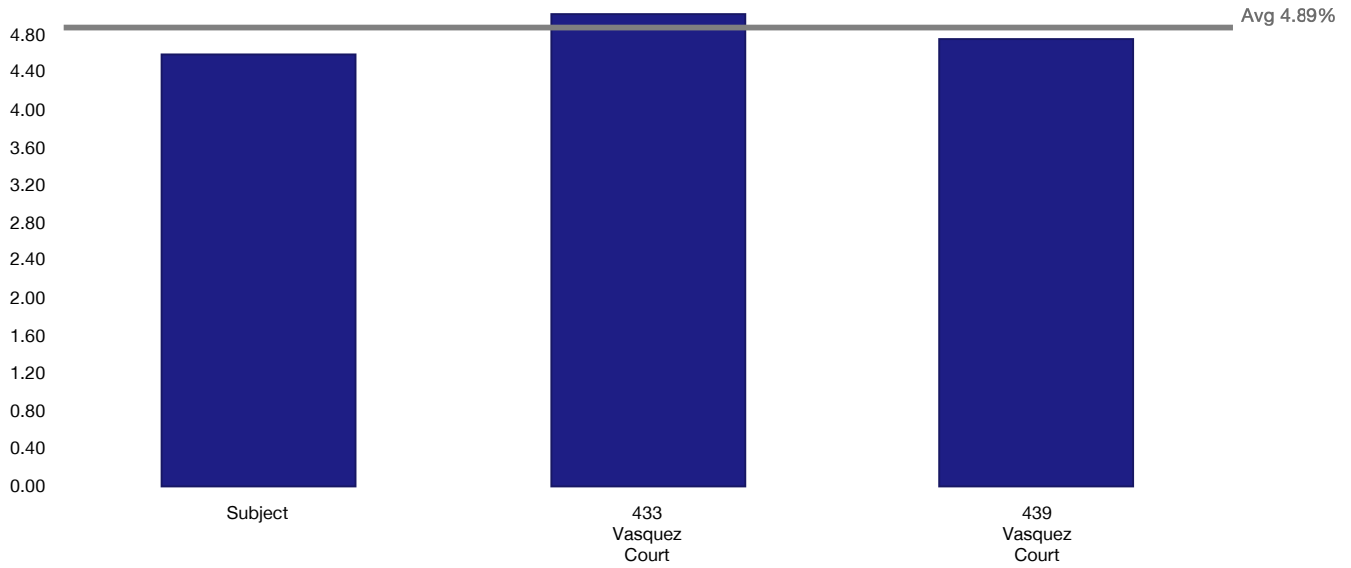
663 La Grande Drive

SUNNYVALE, CA

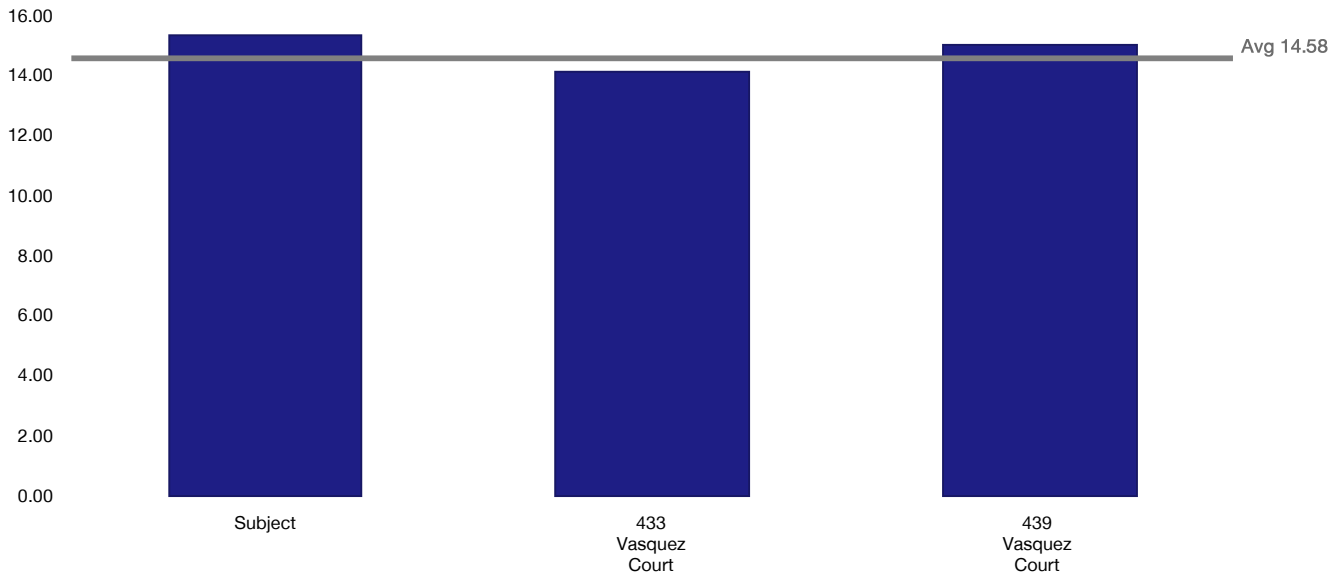
Marcus & Millichap
Real Estate Investment Services

CAP RATE AND GRM

Average Cap Rate

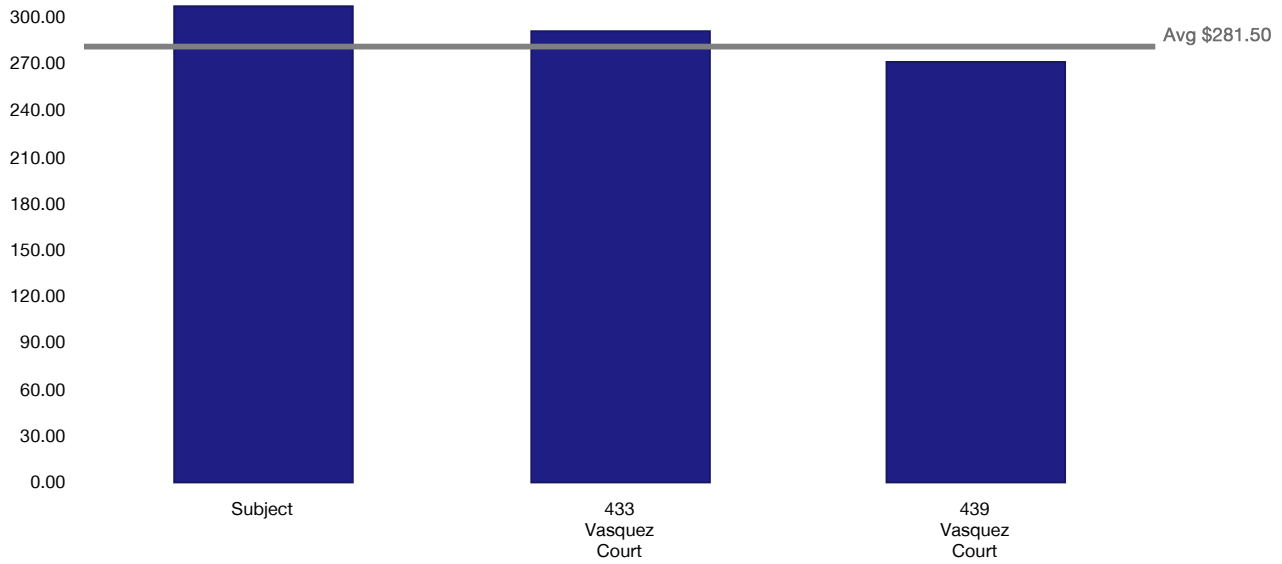


Average GRM

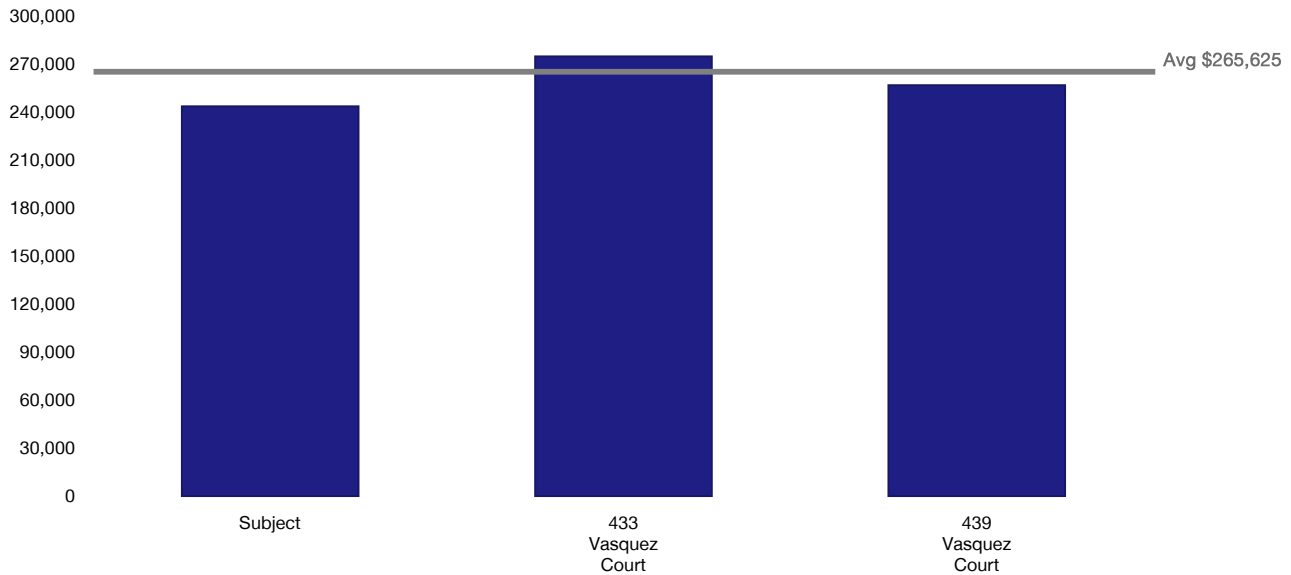


PRICE PER SF AND PRICE PER UNIT

Average Price per Square Foot



Average Price per Unit

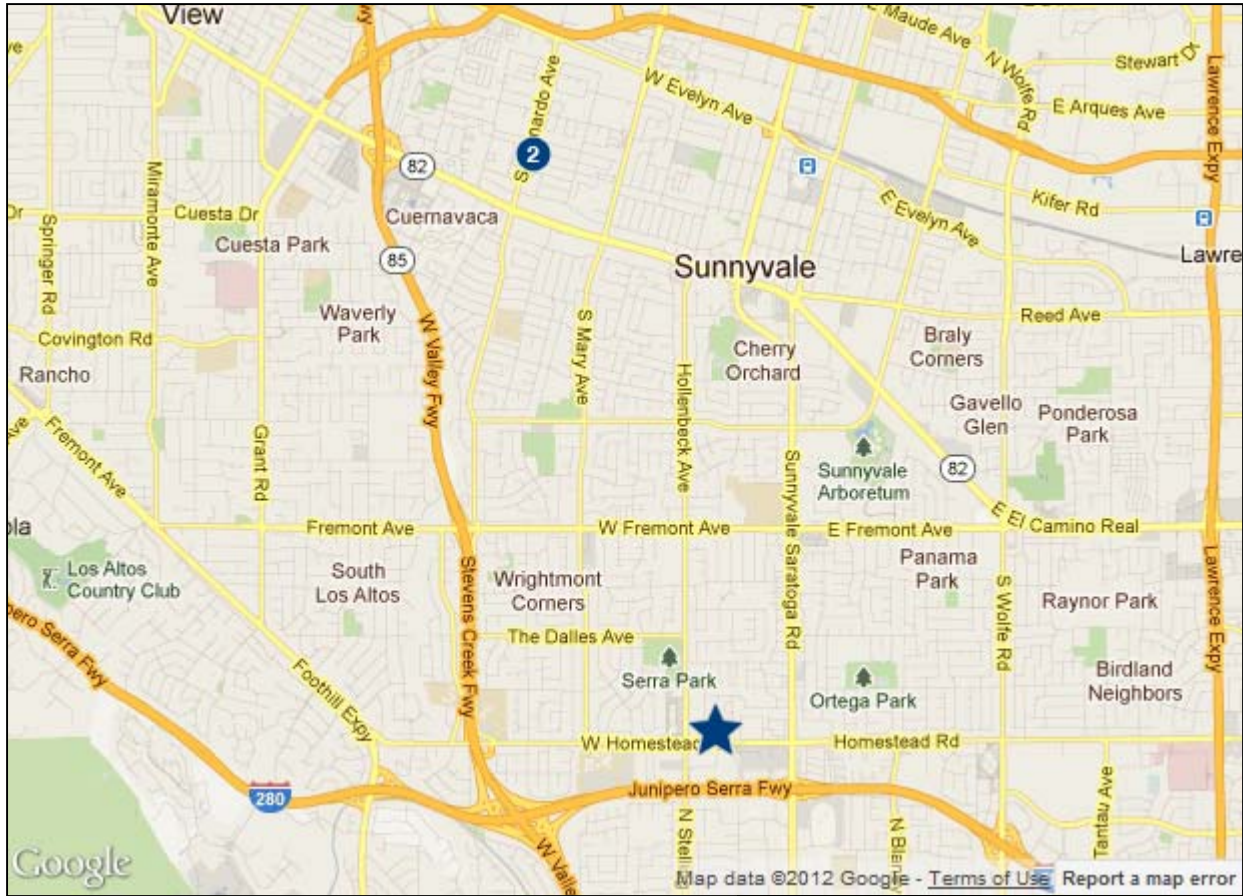


663 LA GRANDE DRIVE

SUNNYVALE, CA

IN ESCROW COMPARABLES

IN ESCROW COMPARABLES MAP



- ★ 663 La Grande Drive
- 1) 433 Vasquez Court
- 2) 439 Vasquez Court

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Marcus & Millichap Real Estate Investment Services is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2012 Marcus & Millichap T0010077

IN ESCROW COMPARABLES



Subject Property

663 La Grande Drive
Sunnyvale, CA 94087

No. of Units: 4
Year Built: 1962
Sale Price: \$975,000
Price/Unit: \$243,750
Price/SF: \$306.99
CAP Rate: 4.59%
GRM: 15.33

Units	Unit Type
4	2 Bdr 1 Bath Flat

1



Close of Escrow: 05/25/2012

433 Vasquez Court
Sunnyvale, CA 94086

No. of Units: 4
Year Built: 1963
Sale Price: \$1,100,000
Price/Unit: \$275,000
Price/SF: \$291.00
CAP Rate: 5.01%
GRM: 14.12

Units	Unit Type
1	4 Bdr 2.5 Bath
1	2 Bdr 1 Bath
2	1 Bdr 1 Bath

Comments

Exceptionally well-maintained four-plex with an incredible owners unit boasting a large private yard and pool. Three of the four units have been recently remodeled, termite inspection and section one work done last year.

2



Close of Escrow: 06/04/2012

439 Vasquez Court
Sunnyvale, CA 94086

No. of Units: 4
Year Built: 1963
Sale Price: \$1,025,000
Price/Unit: \$256,250
Price/SF: \$272.00
CAP Rate: 4.76%
GRM: 15.03

Units	Unit Type
1	2 Bdr 1.5 Bath
3	2 Bdr 1 Bath

Comments

Two of the four units have been recently remodeled, termite inspection and most section one work done. Roof, dual pane windows, and copper re-pipe done about 12 years ago.

DEMOGRAPHIC ANALYSIS

663 La Grande Drive

SUNNYVALE, CA

DEMOGRAPHIC REPORT

	1 Mile	3 Miles	5 Miles
1990 Population	22,192	159,507	364,019
2000 Population	24,625	174,060	396,097
2010 Population	27,608	206,283	446,604
2011 Population	27,913	208,549	452,840
2016 Population	29,283	218,691	478,237
1990 Households	8,859	64,001	145,470
2000 Households	9,284	67,680	153,536
2010 Households	9,775	76,359	167,866
2011 Households	9,853	77,227	170,254
2016 Households	10,311	80,878	179,559
2011 Average Household Size	2.82	2.69	2.65
2011 Daytime Population	8,485	73,293	176,544
1990 Median Housing Value	\$399,310	\$378,740	\$346,110
2000 Median Housing Value	\$596,600	\$596,937	\$536,061
2000 Owner Occupied Housing Units	46.78%	53.99%	52.56%
2000 Renter Occupied Housing Units	51.70%	44.21%	45.06%
2000 Vacant	1.53%	1.80%	2.38%
2011 Owner Occupied Housing Units	47.39%	52.82%	52.05%
2011 Renter Occupied Housing Units	47.99%	43.05%	43.66%
2011 Vacant	4.62%	4.13%	4.29%
2016 Owner Occupied Housing Units	46.90%	52.77%	51.98%
2016 Renter Occupied Housing Units	48.59%	43.16%	43.80%
2016 Vacant	4.51%	4.08%	4.22%
\$ 0 - \$14,999	6.6%	5.2%	6.0%
\$ 15,000 - \$24,999	7.1%	4.7%	5.7%
\$ 25,000 - \$34,999	4.3%	4.8%	5.1%
\$ 35,000 - \$49,999	8.9%	7.5%	8.4%
\$ 50,000 - \$74,999	10.6%	11.2%	13.1%
\$ 75,000 - \$99,999	10.2%	12.9%	12.9%
\$100,000 - \$124,999	12.9%	12.3%	11.8%
\$125,000 - \$149,999	10.8%	10.0%	8.9%
\$150,000 - \$199,999	11.1%	13.0%	11.9%
\$200,000 - \$249,999	5.3%	5.6%	4.9%
\$250,000 +	12.4%	12.9%	11.2%
2011 Median Household Income	\$104,860	\$106,913	\$97,625
2011 Per Capita Income	\$46,212	\$50,915	\$47,725
2011 Average Household Income	\$129,851	\$136,065	\$125,685

Demographic data © 2010 by Experian/Applied Geographic Solutions.

SUMMARY REPORT

Geography: 5 Miles**Population**

In 2011, the population in your selected geography was 452,840 . The population has changed by 14.33% since 2000. It is estimated that the population in your area will be 478,237 five years from now, which represents a change of 5.61% from the current year. The current population is 50.7% male and 49.3% female. The median age of the population in your area is 36.0 , compare this to the U.S. average which is 36.9. The population density in your area is 5,760.67 people per square mile.

Households

There are currently 170,254 households in your selected geography. The number of households has changed by 10.89% since 2000. It is estimated that the number of households in your area will be 179,559 five years from now, which represents a change of 5.47% from the current year. The average household size in your area is 2.65 persons.

Income

In 2011, the median household income for your selected geography is \$97,625 , compare this to the U.S. average which is currently \$53,620. The median household income for your area has changed by 23.81% since 2000. It is estimated that the median household income in your area will be \$104,249 five years from now, which represents a change of 6.79% from the current year.

The current year per capita income in your area is \$47,725 , compare this to the U.S. average, which is \$28,713. The current year average household income in your area is \$125,685 , compare this to the U.S. average which is \$73,458.

Race & Ethnicity

The current year racial makeup of your selected area is as follows: 45.52% White, 1.93% African American, 0.42% Native American and 31.22% Asian/Pacific Islander. Compare these to U.S. averages which are: 72.40% White, 12.60% African American, 0.95% Native American and 4.93% Asian/Pacific Islander.

People of Hispanic origin are counted independently of race. People of Hispanic origin make up 15.46% of the current year population in your selected area. Compare this to the U.S. average of 16.90%.

Housing

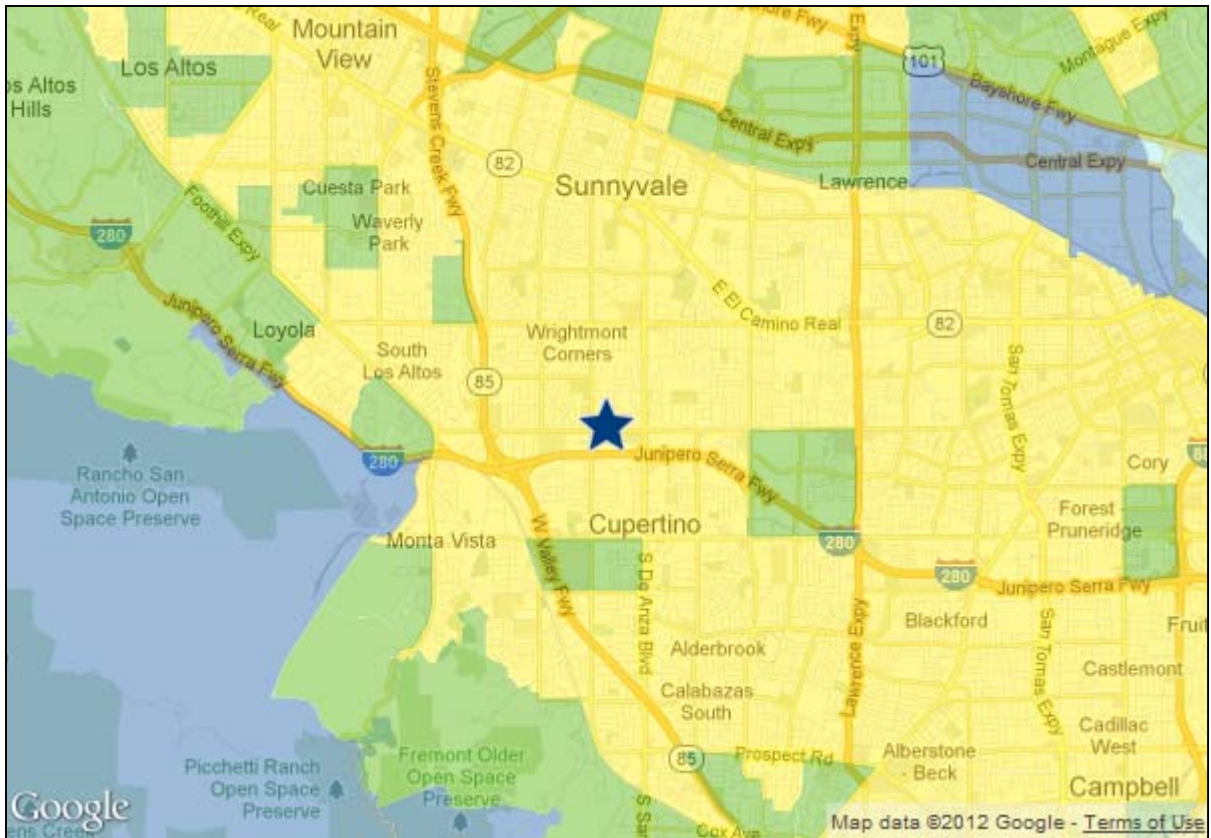
The median housing value in your area was \$536,061 in 2000, compare this to the U.S. average of \$110,796 for the same year. In 2000, there were 82,668 owner occupied housing units in your area and there were 70,868 renter occupied housing units in your area. The median rent at the time was \$1,203 .

Employment

In 2011, there are 176,544 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 80.5% of employees are employed in white-collar occupations in this geography, and 19.5% are employed in blue-collar occupations. In 2011, unemployment in this area is 8.76% . In 2000, the median time traveled to work was 21.7 minutes.

Demographic data © 2010 by Experian/Applied Geographic Solutions.

POPULATION DENSITY



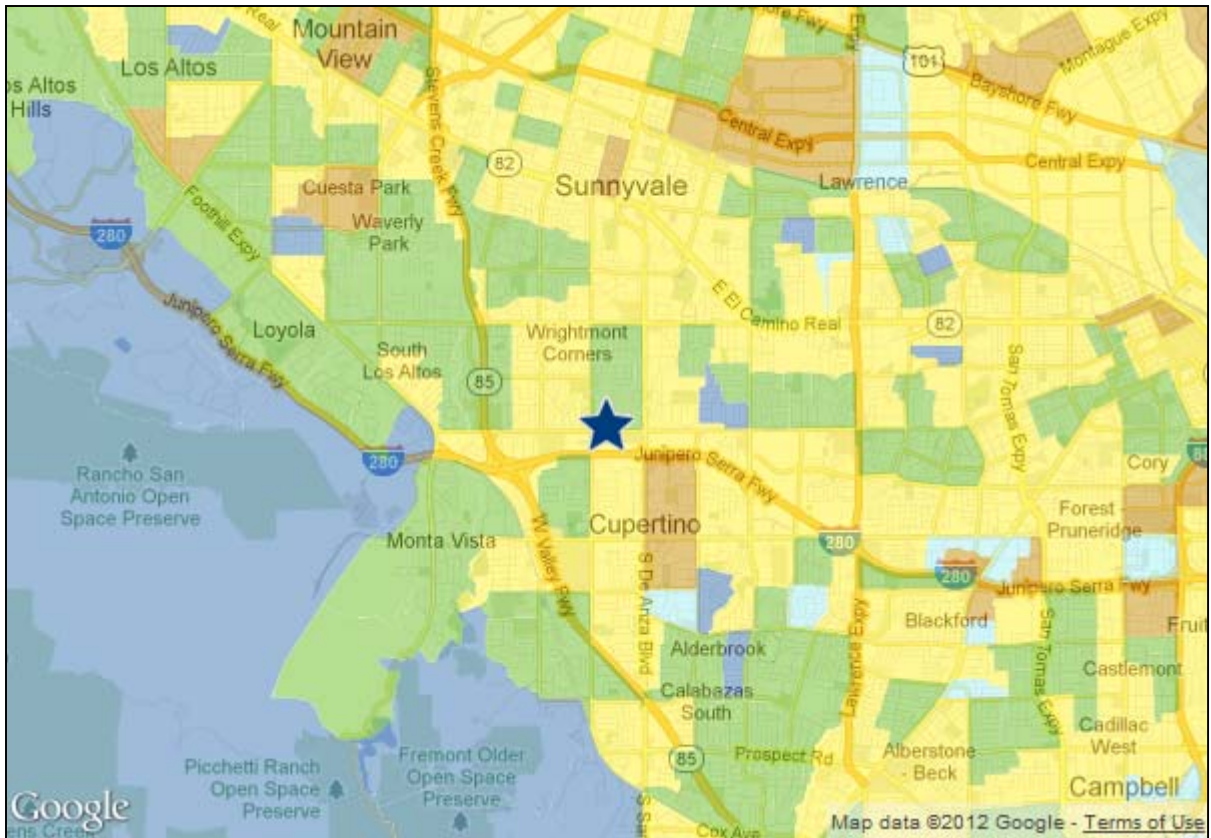
Demographic data © 2010 by Experian/Applied Geographic Solutions.

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



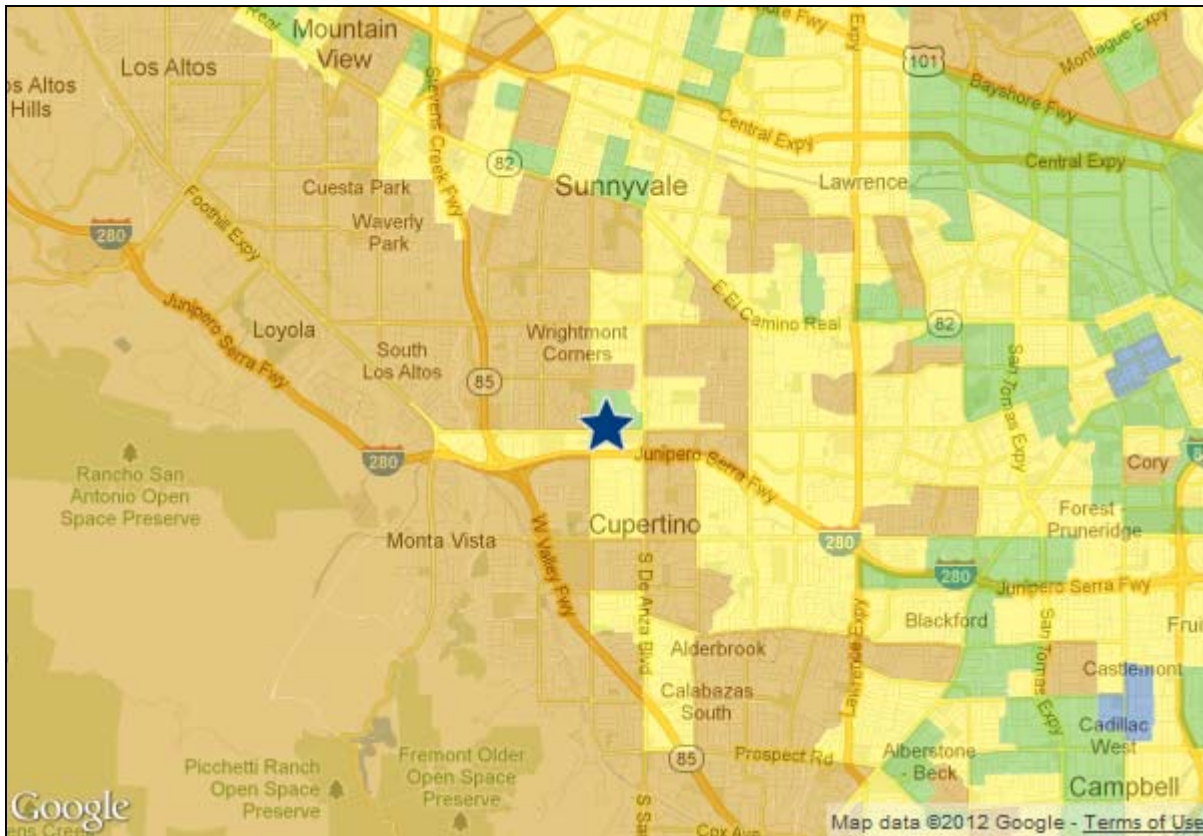
Demographic data © 2010 by Experian/Applied Geographic Solutions.

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 © 2010 by Experian/Applied Geographic Solutions.

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.

663 La Grande Drive

SUNNYVALE, CA

OFFERING MEMORANDUM

Marcus & Millichap
Real Estate Investment Services

Offices Nationwide
www.MarcusMillichap.com

Exclusively Listed By:

Nathan Gustavson
Senior Associate
Associate Member, National Multi Housing Group
San Francisco Office
License: CA: 01898316
Tel: (415)625-2176
Fax: (415)963-3010
Nathan.Gustavson@marcusmillichap.com
www.marcusmillichap.com/NathanGustavson