



Offering Memorandum

THE NINTH & THE GARDENS

San Jose, CA

Marcus & Millichap

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exclusively listed

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summary

EXECUTIVE SUMMARY



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Offering Highlights

THE NINTH & THE GARDENS

649 & 659 SOUTH 9TH STREET, SAN JOSE, CA 95112

Property Details

Price	\$7,892,000
Price/Unit	\$303,538
Price/SF	\$661.80
Number of Units	26
Gross Square Feet	11,925 SF
Number of Buildings	2
Lot Size	0.39 Acres

Vital Data

CAP Rate – Current	4.19%
GRM – Current	15.44
Net Operating Income – Current	\$331,067
CAP Rate – Year 1	5.08%
GRM – Year 1	13.45
Net Operating Income – Year 1	\$400,891

Unit Mix

NUMBER OF UNITS	UNIT TYPE
12	Studio
13	One Bedroom / One Bathroom
1	Two Bedroom / One Bathroom

Demographics

	1-Miles	3-Miles	5-Miles
2016 Estimate Pop	41,646	292,207	704,079
2010 Census Pop	37,753	266,419	650,362
2016 Estimate HH	13,101	88,923	218,058
2010 Census HH	11,780	81,213	202,333
Median HH Income	\$45,244	\$61,865	\$76,304
Per Capita Income	\$28,016	\$28,689	\$33,717
Average HH Income	\$82,757	\$92,363	\$107,593

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PROPERTY DESCRIPTION
FINANCIAL ANALYSIS
COMPARABLES
MARKET OVERVIEW



Property Details

THE OFFERING

Property Name	The Gardens
Property Address	649 South 9th Street San Jose, CA 95112
Assessor's Parcel #	
Zoning	

SITE DESCRIPTION

Number of Units	12
Number of Buildings	1
Number of Stories	2
Year Built/Renovated	1959
Rentable Square Feet	6,364 SF
Lot Size	0.23 Acres
Type of Ownership	Fee Simple
Parking	
Parking Ratio	

UTILITIES

Water	Landlord
Phone	Tenant
Electric	Tenant
Gas	Tenant

CONSTRUCTION

Foundation
Framing
Exterior
Parking Surface
Roof

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Property Details

THE OFFERING

Property Name	The Ninth
Property Address	659 South 9th Street San Jose, CA 95112
Assessor's Parcel #	472-24-018
Zoning	Multi-Family Res (5+)

SITE DESCRIPTION

Number of Units	14
Number of Buildings	1
Number of Stories	3
Year Built/Renovated	1957/2015
Rentable Square Feet	5,561 SF
Lot Size	0.15 Acres
Type of Ownership	Fee Simple
Parking	14 Parking Spaces
Parking Ratio	14:14

UTILITIES

Water	Landlord
Phone	Tenant
Electric	Tenant
Gas	Tenant

CONSTRUCTION

Foundation	Concrete Perimeter
Framing	Wood
Exterior	Stucco
Parking Surface	Concrete
Roof	Composition



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Amenities

Common Area Amenities

- Coin-Operated Washer & Dryer
- Dedicated Enclosed Parking Space
- Dedicated Storage Cabinet
- Meticulously Landscaped Front Yard Area
- Free Wifi for The Ninth Apartments

Unit Amenities

- Stainless Steel Appliances
- Granite Countertops
- Shower/Tub Combo with Tile Enclosures
- Walk-In Closets
- Contemporary Hardwood Flooring



description

PROPERTY DESCRIPTION



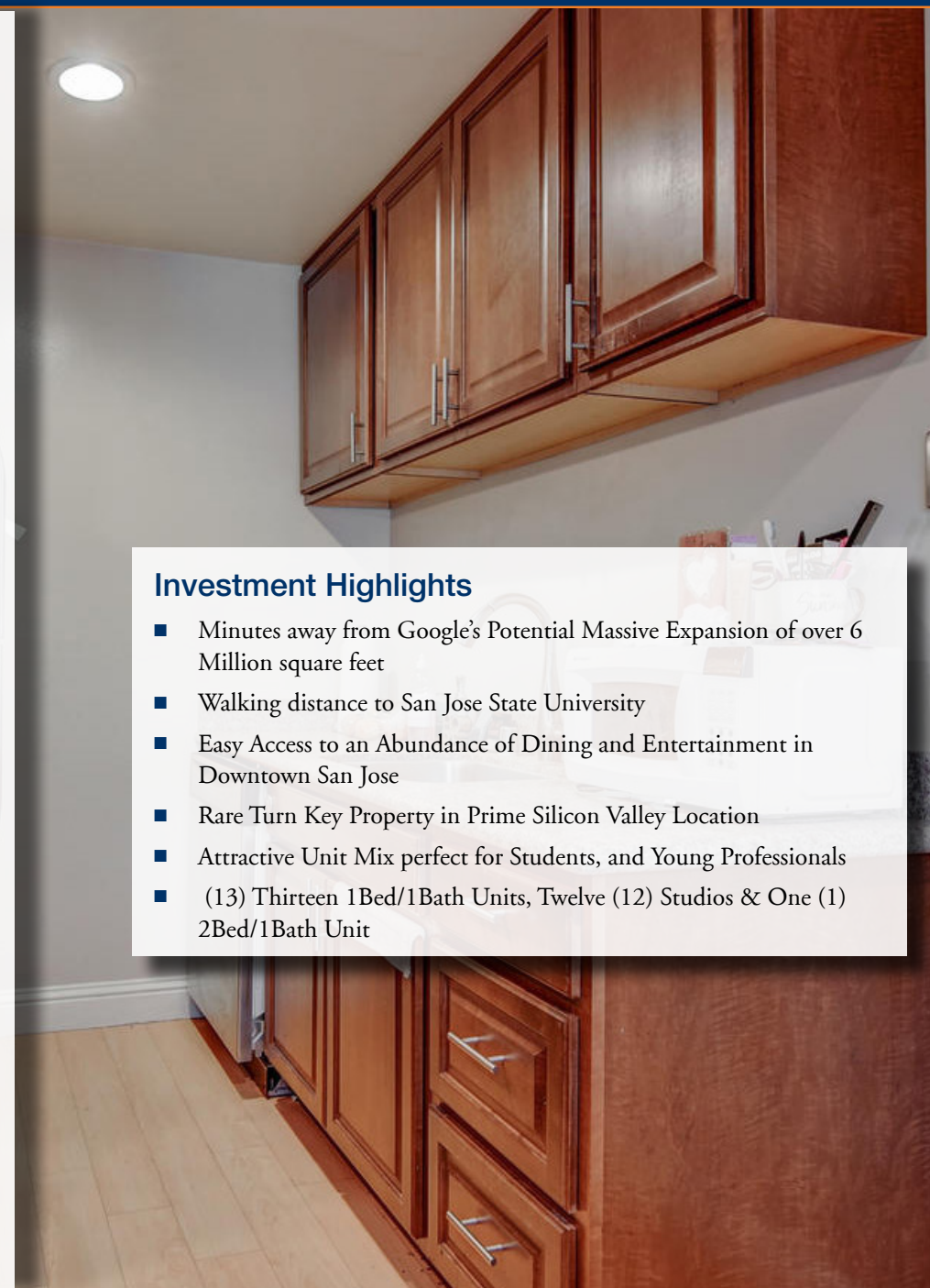
Marcus & Millichap

Investment Overview

Marcus & Millichap is pleased to offer 649 South 9th Street, in San Jose, California. This turnkey asset features twelve (26) units, consisting of thirteen (13) one bedroom/one bathroom units, twelve (12) studios and one (1) two-bedroom/one-bathroom unit. The property features twelve (26) covered parking spaces, and is equipped with four (4) coin operated washers and dryers.

659 South 9th Street is located exactly two (2) blocks from San Jose State University making them incredibly attractive to the schools student body, and staff. The properties are two (2) blocks west off I-280, making freeway access simple and convenient. The property is twelve (12) blocks to the San Jose Convention Center, and fifteen (15) blocks to Downtown San Jose. The Ninth and The Gardens scored a (74) on the Walk Score, which is considered Very Walkable, and scored a (62) on the Transit Score which is considered Above Average. The investment appeal of this opportunity is driven by the areas tremendous employment fundamentals, world-class location, and the pedestrian and transit-oriented nature of the site. High tenant turnover in an area so close to a major University will allow the landlord to keep up with the rapidly increasing rental market, and find value-add upside through the continued interior and exterior renovations.

San Jose is commonly referred to as the “City of Silicon Valley”, and is poised for a massive downtown transformation. Google is currently in discussion with the City of San Jose to develop their new headquarters it said the project could accommodate up to 20,000 employees and transform downtown. San Jose’s mayor Sam Liccardo said “with major transportation investments on the horizon including BART, high-speed rail, bus rapid transit, and an electrified Caltrain Diridon Station will become the Grand Central Station of the West Coast.” This enormous development will generate millions of dollars in tax revenue and add thousands of tech jobs in an area where experts have estimated that up to 3,000 housing units could be built. This Google Mixed Use Development could include more than 6 million square feet of office and research-and-development space, potentially making it the companys largest collection of tech offices. It would be larger than the search giants roughly 3.1-million-square-foot Mountain View headquarters, known as the Googleplex, which currently is its biggest U.S. work hub. The largest single building occupied by Google is a company-owned office tower, a 2.9-million-square-foot art deco skyscraper in Manhattan.



Investment Highlights

- Minutes away from Google’s Potential Massive Expansion of over 6 Million square feet
- Walking distance to San Jose State University
- Easy Access to an Abundance of Dining and Entertainment in Downtown San Jose
- Rare Turn Key Property in Prime Silicon Valley Location
- Attractive Unit Mix perfect for Students, and Young Professionals
- (13) Thirteen 1Bed/1Bath Units, Twelve (12) Studios & One (1) 2Bed/1Bath Unit

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Google Expansion into Downtown San Jose



Google Expansion Bringing Possibly 20,000 New Jobs to Downtown San Jose

Google and the city are discussing a mixed-used development that could include 8 million square feet of office and research-and-development space, potentially making it the company's largest collection of tech offices. It would be larger than the search giant's roughly 3.1-million-square-foot Mountain View headquarters, known as the Googleplex, which currently is its biggest U.S. work hub. The largest single building occupied by Google is a company-owned office tower, a 2.9-million-square-foot art deco skyscraper in Manhattan.

Google's expansion plans could dovetail with San Jose's own quest to maximize transit links in and out of Diridon Station. The area is deemed attractive for offices, homes and retail because it's a hub for Amtrak, Caltrain and a light-rail system. It's also slated for a BART station and a possible high-speed rail line connection, although those won't materialize for years. All the transit upgrades could increase the number of commuters to downtown San Jose by eight-fold.

This is a once-in-a-century opportunity" for San Jose, Kim Welsh, the city's economic development director, told the council. "This is a dramatic opportunity to expand the downtown core" The transit village would generate millions of dollars in tax revenue and add thousands of tech jobs in an area.



EXECUTIVE SUMMARY

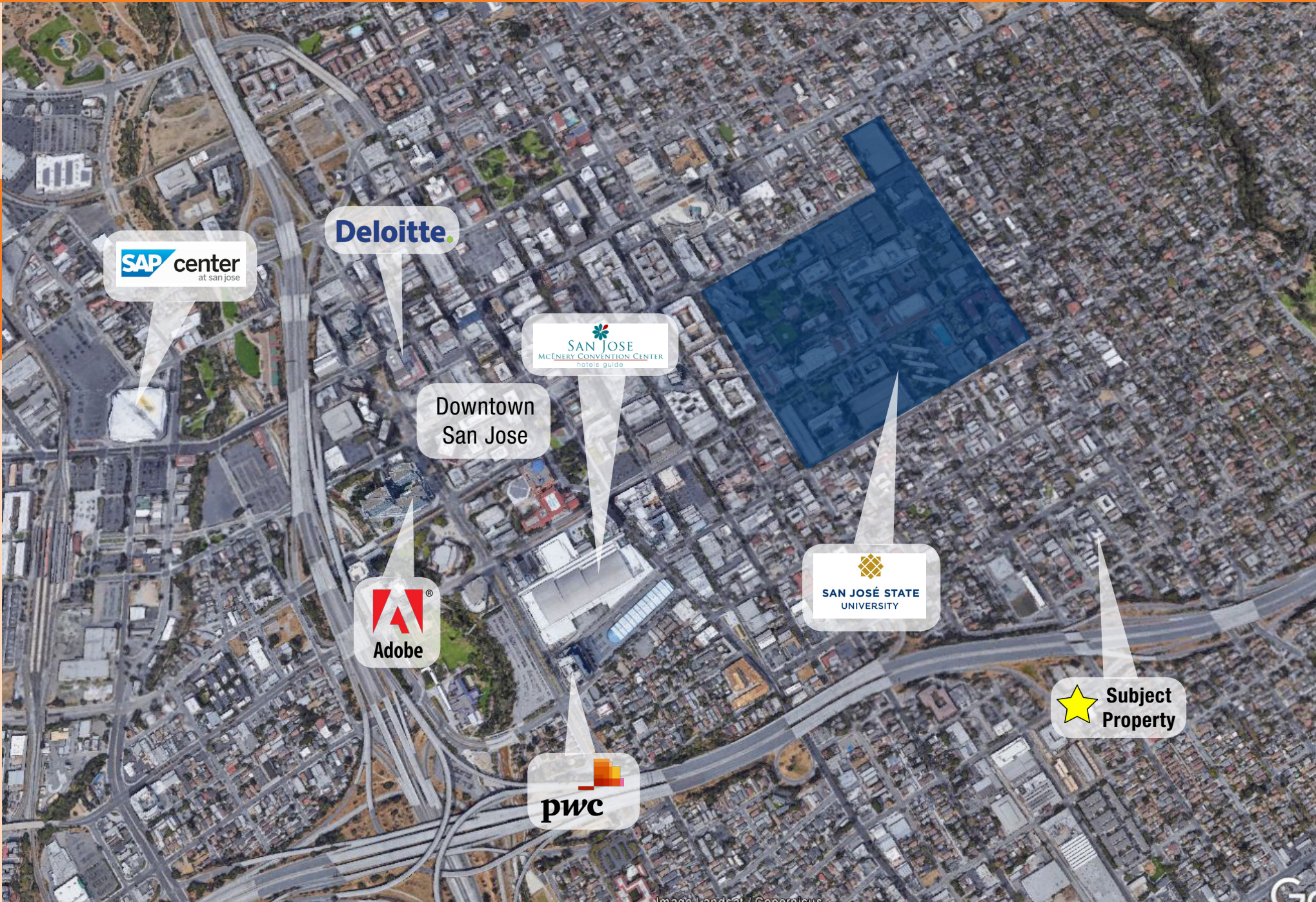
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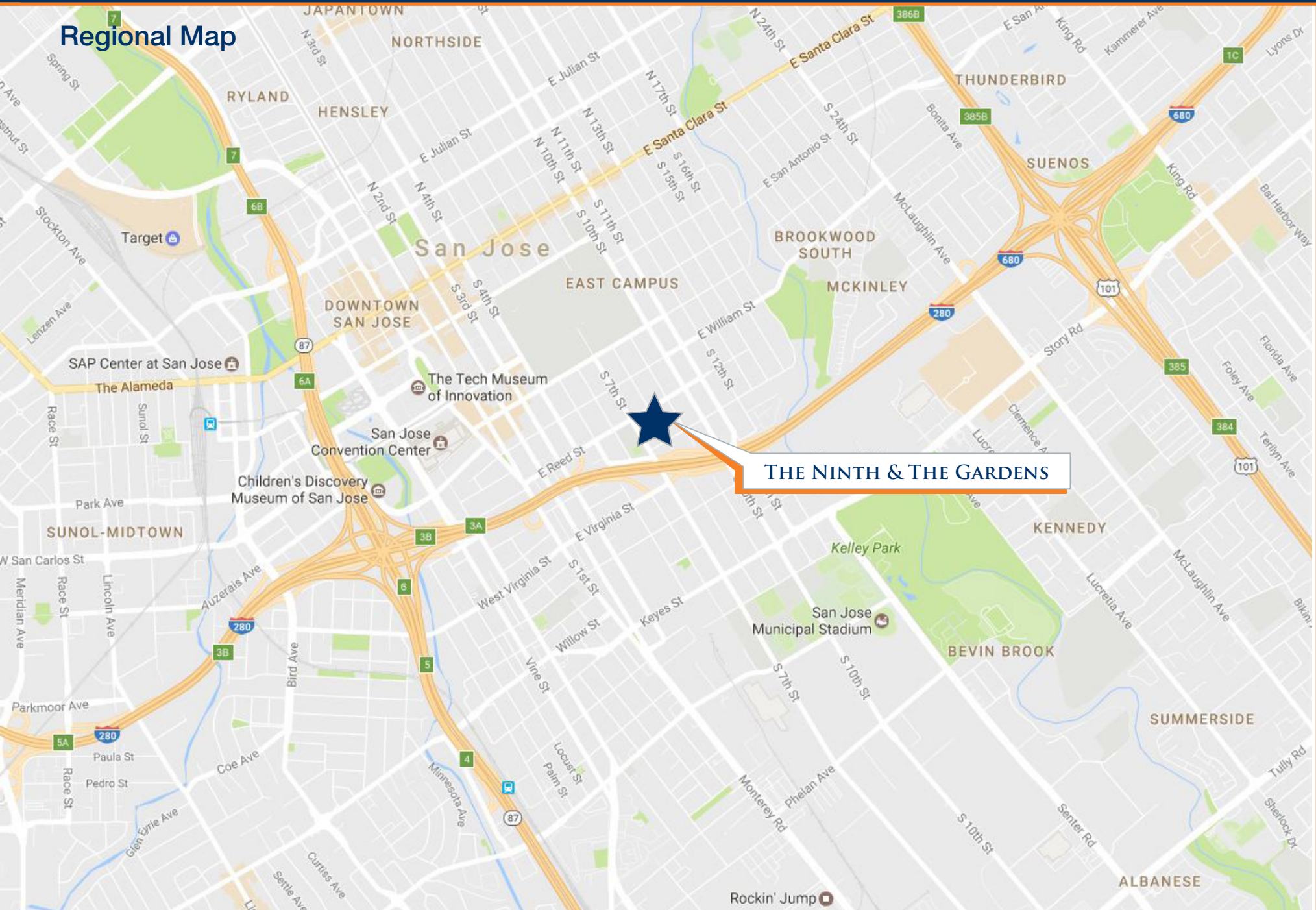
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Regional Map



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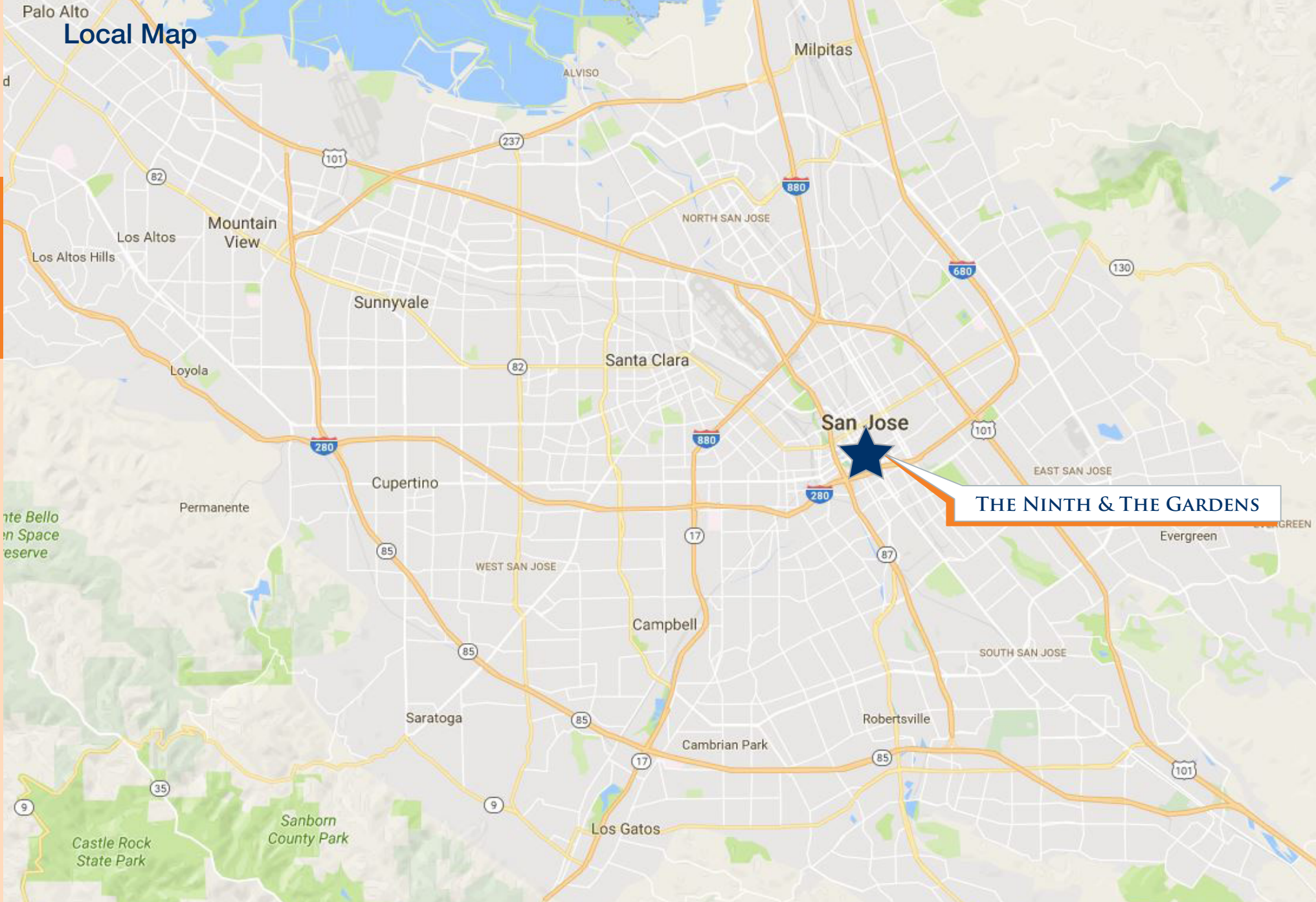
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Local Map

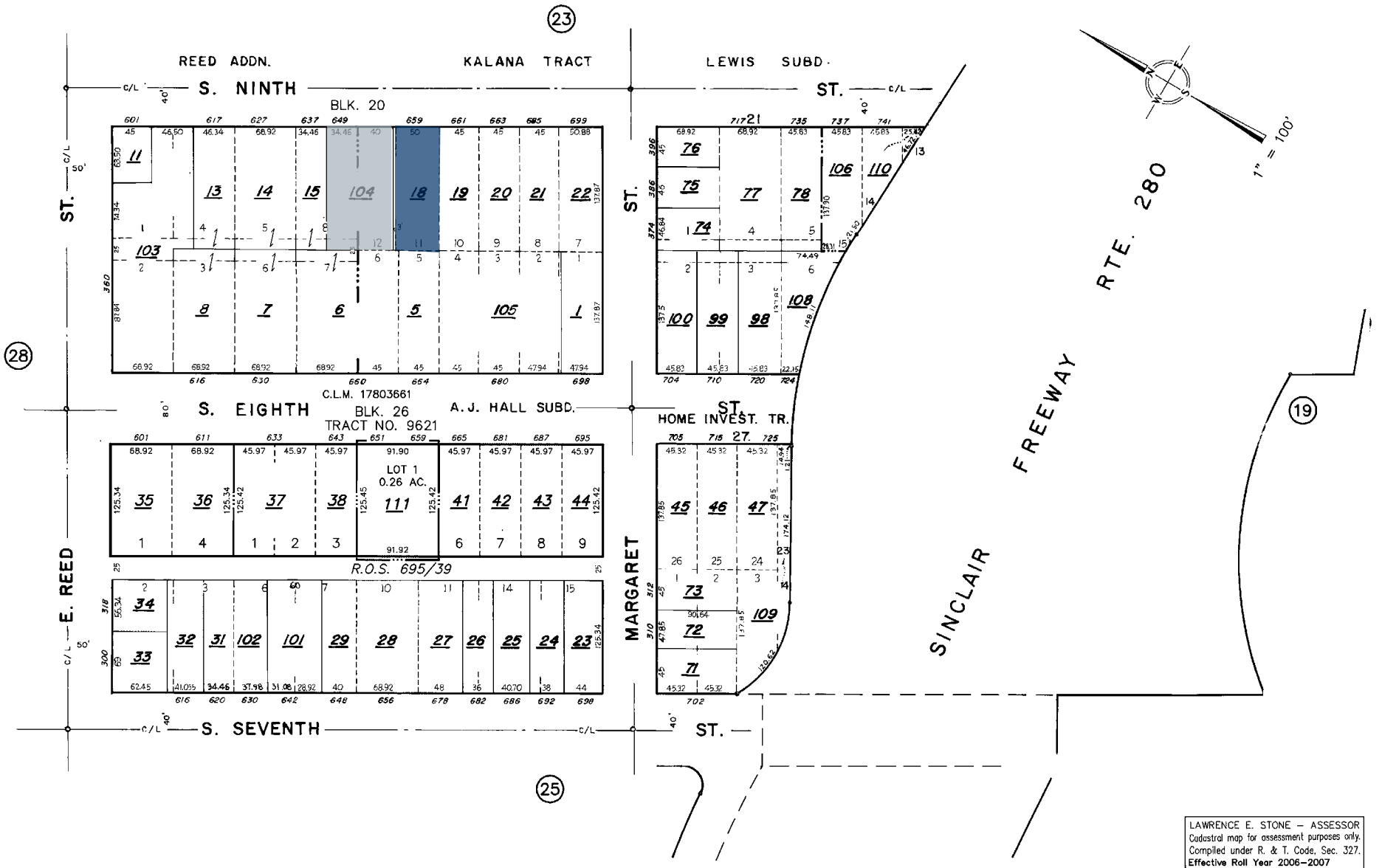


THE NINTH & THE GARDENS

Parcel Map

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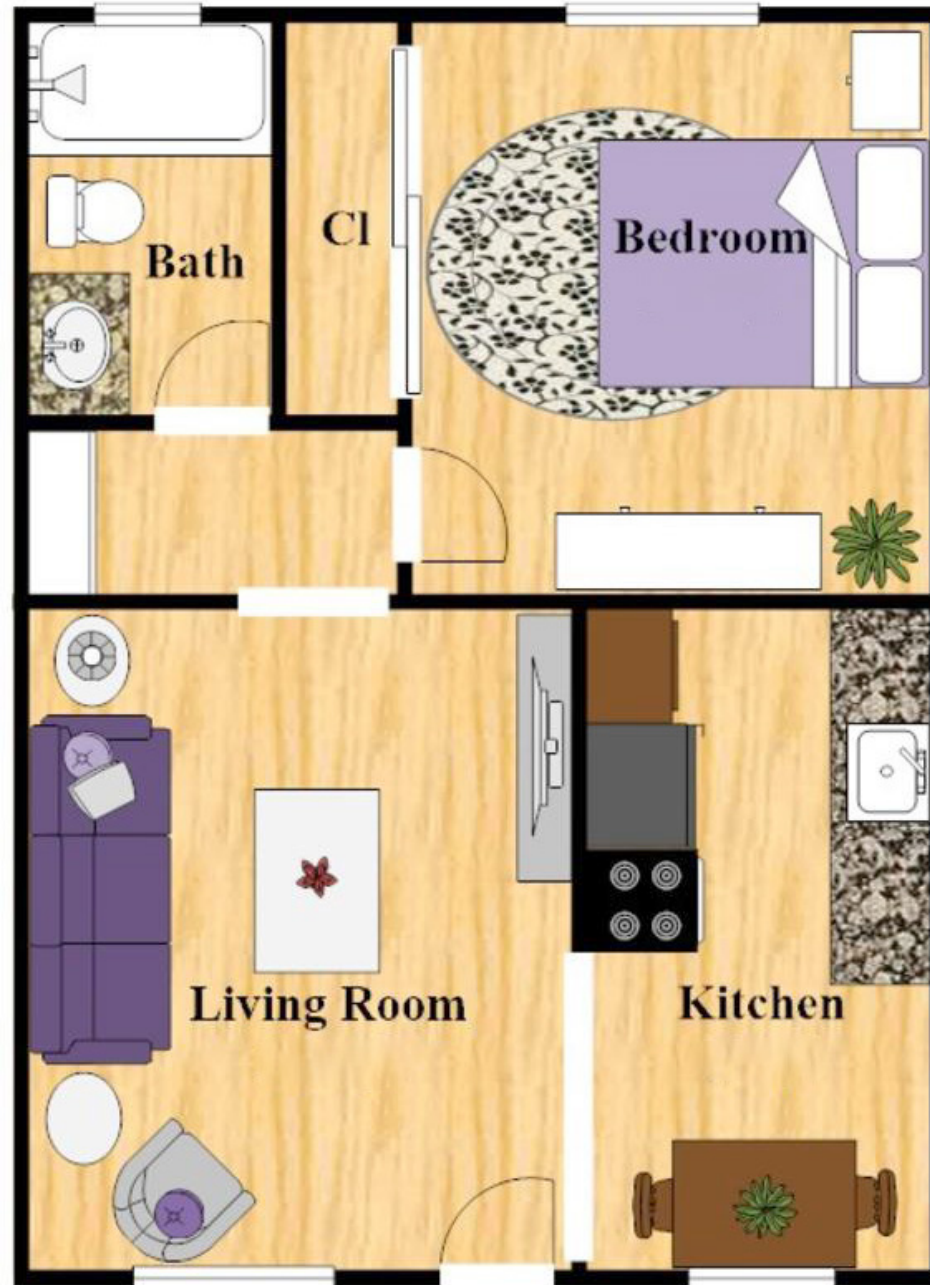
Floorplan - 649 South 9th Street
1 Bedroom / 1 Bathroom

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Floorplan - 649 South 9th Street

1 Bedroom / 1 Bathroom



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Floorplan - 659 South 9th Street

1 Bedroom / 1 Bathroom



EXECUTIVE SUMMARY

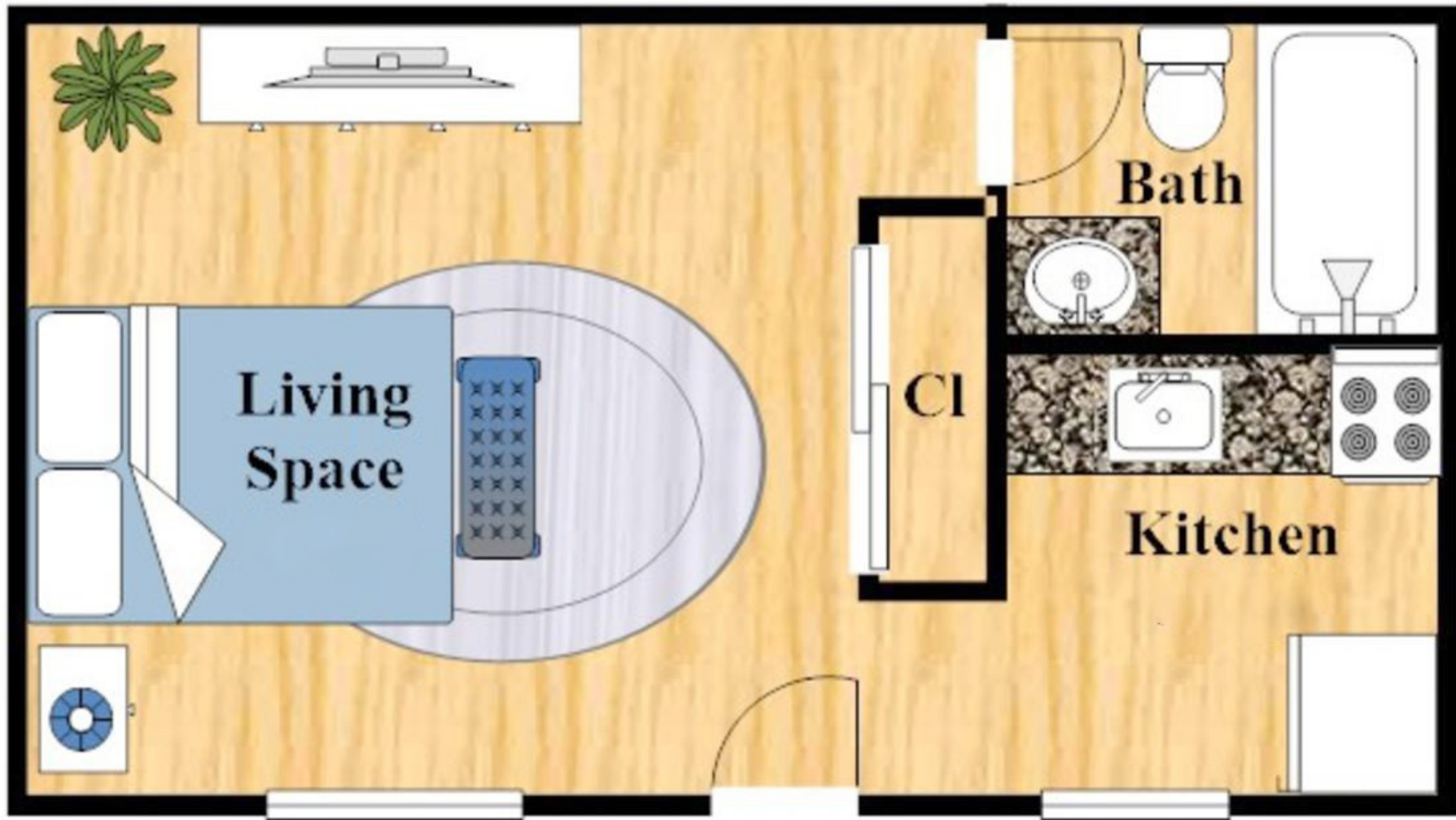
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Floorplan - 659 South 9th Street
Studio



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analysis

FINANCIAL ANALYSIS



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Financial Summary - The Ninth & The Gardens

Property Details

Price	\$7,892,000
Price/Unit	\$303,538
Price/SF	\$661.80
Number of Units	26
Gross Square Feet	11,925 SF
Number of Buildings	
Number of Stories	
Year Built	
Lot Size	0.39 Acres

Vital Data

CAP Rate – Current	4.19%
GRM – Current	15.44
Net Operating Income – Current	\$331,067
CAP Rate – Year 1	5.08%
GRM – Year 1	13.45
Net Operating Income – Year 1	\$400,891

Rent Roll Summary

UNIT TYPE	NUMBER OF UNITS	RENTAL RANGE	CURRENT AVERAGE RENT	CURRENT MONTHLY INCOME	POTENTIAL AVERAGE RENT	POTENTIAL MONTHLY INCOME
Studio	12	\$1,495 - \$1,595	\$1,554	\$18,645	\$1,695	\$20,340
1 Bed/1 Bath	13	\$1,496 - \$1,795	\$1,700	\$22,099	\$2,000	\$26,000
2 Bed/1 Bath	1	\$1,845 - \$1,845	\$1,845	\$1,845	\$2,550	\$2,550
Totals/Weighted Averages	26		\$1,638	\$42,589	\$1,880	\$48,890
Gross Annualized Rents			\$511,068		\$586,680	

Rent Roll - The Ninth & The Gardens

UNIT	UNIT TYPE	CURRENT RENT	POTENTIAL RENT
659-1	Studio	\$1,495	\$1,695
659-2	Studio	\$1,545	\$1,695
659-3	Studio	\$1,575	\$1,695
659-4	Studio	\$1,545	\$1,695
659-5	Studio	\$1,545	\$1,695
659-6	Studio	\$1,570	\$1,695
659-7	1 Bed/1 Bath	\$1,750	\$2,000
659-8	Studio	\$1,595	\$1,695
659-9	Studio	\$1,545	\$1,695
659-10	Studio	\$1,545	\$1,695
659-11	Studio	\$1,545	\$1,695
659-12	Studio	\$1,545	\$1,695
659-13	Studio	\$1,595	\$1,695
659-14	1 Bed/1 Bath	\$1,795	\$2,000
649-1	1 Bed/1 Bath	\$1,645	\$2,000
649-2	1 Bed/1 Bath	\$1,675	\$2,000
649-3	1 Bed/1 Bath	\$1,795	\$2,000
649-4	1 Bed/1 Bath	\$1,652	\$2,000
649-5	1 Bed/1 Bath	\$1,645	\$2,000
649-6	1 Bed/1 Bath	\$1,795	\$2,000
649-7	1 Bed/1 Bath	\$1,683	\$2,000
649-8	1 Bed/1 Bath	\$1,496	\$2,000
649-9	1 Bed/1 Bath	\$1,695	\$2,000
649-10	2 Bed/1 Bath	\$1,845	\$2,550
649-11	1 Bed/1 Bath	\$1,694	\$2,000
649-12	1 Bed/1 Bath	\$1,779	\$2,000
Total		\$42,589	\$48,890

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Operating Statement - The Ninth & The Gardens

Income	Current		Year 1		Notes	Per Unit	Per SF
Gross Current Rent	511,068		586,680			22,565	49.20
Physical Vacancy	(15,332)	3.0%	(17,600)	3.0%		(677)	(1.48)
Total Vacancy	(\$15,332)	3.0%	(\$17,600)	3.0%		(\$677)	(\$1)
Effective Rental Income	495,736		569,080			21,888	47.72
Other Income							
All Other Income	3,900		3,900			150	0.33
Total Other Income	\$3,900		\$3,900			\$150	\$0.33
Effective Gross Income	\$499,636		\$572,980			\$22,038	\$48.05

Expenses	Current		Year 1		Notes	Per Unit	Per SF
Real Estate Taxes	95,659		95,659			3,679	8.02
Insurance	9,152		9,152			352	0.77
Utilities - Electric & Gas	5,560		5,560			214	0.47
Utilities - Water & Sewer	11,344		11,344			436	0.95
Trash Removal	6,822		6,822			262	0.57
Repairs & Maintenance	5,050		5,050			194	0.42
Landscaping	1,260		1,260			48	0.11
Special Assessments	9,739		9,739			375	0.82
Management Fee	23,983	4.8%	27,503	4.8%		1,058	2.31
Total Expenses	\$168,569		\$172,089			\$6,619	\$14.43
Expenses as % of EGI	33.7%		30.0%				
Net Operating Income	\$331,067		\$400,891			\$15,419	\$33.62

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Financial Summary - The Gardens

Property Details

Price	\$3,860,000
Price/Unit	\$321,667
Price/SF	\$606.54
Number of Units	12
Gross Square Feet	6,364 SF
Number of Buildings	1
Number of Stories	2
Year Built	1959
Lot Size	0.23 Acres

Vital Data

CAP Rate – Current	4.37%
GRM – Current	15.77
Net Operating Income – Current	\$168,777
CAP Rate – Year 1	5.60%
GRM – Year 1	13.10
Net Operating Income – Year 1	\$216,198

Rent Roll Summary

UNIT TYPE	NUMBER OF UNITS	RENTAL RANGE	CURRENT AVERAGE RENT	CURRENT MONTHLY INCOME	POTENTIAL AVERAGE RENT	POTENTIAL MONTHLY INCOME
1Bed/1Bath	11	\$1,496 - \$1,795	\$1,687	\$18,554	\$2,000	\$22,000
2Bed/1Bath	1	\$1,845 - \$1,845	\$1,845	\$1,845	\$2,550	\$2,550
Totals/Weighted Averages	12		\$1,700	\$20,399	\$2,046	\$24,550
Gross Annualized Rents			\$244,788		\$294,600	

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Rent Roll - The Gardens

UNIT	UNIT TYPE	CURRENT RENT	POTENTIAL RENT
1	1Bed/1Bath	\$1,645	\$2,000
2	1Bed/1Bath	\$1,675	\$2,000
3	1Bed/1Bath	\$1,795	\$2,000
4	1Bed/1Bath	\$1,652	\$2,000
5	1Bed/1Bath	\$1,645	\$2,000
6	1Bed/1Bath	\$1,795	\$2,000
7	1Bed/1Bath	\$1,683	\$2,000
8	1Bed/1Bath	\$1,496	\$2,000
9	1Bed/1Bath	\$1,695	\$2,000
10	2Bed/1Bath	\$1,845	\$2,550
11	1Bed/1Bath	\$1,694	\$2,000
12	1Bed/1Bath	\$1,779	\$2,000
Total		\$20,399	\$24,550

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Operating Statement - The Ninth & The Gardens

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Income	Current		Year 1		Notes	Per Unit	Per SF
Gross Current Rent	244,788		294,600			24,550	46.29
Total Vacancy	\$0	0.0%	\$0	0.0%		\$0	\$0
Effective Rental Income	244,788		294,600			24,550	46.29
Other Income							
All Other Income	1,800		1,800			150	0.28
Total Other Income	\$1,800		\$1,800			\$150	\$0.28
Effective Gross Income	\$246,588		\$296,400			\$24,700	\$46.57

Expenses	Current		Year 1		Notes	Per Unit	Per SF
Real Estate Taxes	44,048		44,048			3,671	6.92
Insurance	4,224		4,224			352	0.66
Utilities - Electric & Gas	2,320		2,320			193	0.36
Utilities - Water & Sewer	4,432		4,432			369	0.70
Trash Removal	3,402		3,402			284	0.53
Repairs & Maintenance	2,200		2,200			183	0.35
Landscaping	840		840			70	0.13
Special Assessments	4,509		4,509			376	0.71
Management Fee	11,836	4.8%	14,227	4.8%		1,186	2.24
Total Expenses	\$77,811		\$80,202			\$6,684	\$12.60
Expenses as % of EGI	31.6%		27.1%				
Net Operating Income	\$168,777		\$216,198			\$18,016	\$33.97

Financial Summary - The Ninth

Property Details

Price	\$4,032,000
Price/Unit	\$288,000
Price/SF	\$725.05
Number of Units	14
Gross Square Feet	5,561
Number of Buildings	1
Number of Stories	3
Year Built	1957/2015
Lot Size	0.16 Acres

Vital Data

CAP Rate – Current	4.27%
GRM – Current	15.14
Net Operating Income – Current	\$172,368
CAP Rate – Year 1	4.87%
GRM – Year 1	13.80
Net Operating Income – Year 1	\$196,193

Rent Roll Summary

UNIT TYPE	NUMBER OF UNITS	RENTAL RANGE	SCHEDULED AVERAGE RENT	SCHEDULED MONTHLY INCOME	POTENTIAL AVERAGE RENT	POTENTIAL MONTHLY INCOME
1/Bed/1Bath	2	\$1,750 - \$1,795	\$1,773	\$3,545	\$2,000	\$4,000
Studio	12	\$1,495 - \$1,595	\$1,554	\$18,645	\$1,695	\$20,340
Totals/Weighted Averages	14		\$1,585	\$22,190	\$1,739	\$24,340
Gross Annualized Rents			\$266,280		\$292,080	

Rent Roll - The Ninth

UNIT	UNIT TYPE	CURRENT RENT	POTENTIAL RENT
1	Studio	\$1,495	\$1,695
2	Studio	\$1,545	\$1,695
3	Studio	\$1,575	\$1,695
4	Studio	\$1,545	\$1,695
5	Studio	\$1,545	\$1,695
6	Studio	\$1,570	\$1,695
7	1/Bed/1Bath	\$1,750	\$2,000
8	Studio	\$1,595	\$1,695
9	Studio	\$1,545	\$1,695
10	Studio	\$1,545	\$1,695
11	Studio	\$1,545	\$1,695
12	Studio	\$1,545	\$1,695
13	Studio	\$1,595	\$1,695
14	1/Bed/1Bath	\$1,795	\$2,000
Total		\$22,190	\$24,340

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Operating Statement - The Ninth

Income	Current		Year 1		Notes	Per Unit	Per SF
Gross Scheduled Rent	266,280		292,080			20,863	52.52
Physical Vacancy	(7,988)	3.0%	(8,762)	3.0%		(626)	(1.58)
Total Vacancy	(\$7,988)	3.0%	(\$8,762)	3.0%		(\$626)	(\$2)
Effective Rental Income	258,292		283,318			20,237	50.95
Other Income							
All Other Income	2,100		2,100			150	0.38
Total Other Income	\$2,100		\$2,100			\$150	\$0.38
Effective Gross Income	\$260,392		\$285,418			\$20,387	\$51.32

Expenses	Current		Year 1		Notes	Per Unit	Per SF
Real Estate Taxes	48,525		48,525			3,466	8.73
Insurance	4,928		4,928			352	0.89
Utilities - Electric & Gas	3,240		3,240			231	0.58
Utilities - Water & Sewer	6,912		6,912			494	1.24
Trash Removal	3,420		3,420			244	0.61
Repairs & Maintenance	2,850		2,850			204	0.51
Landscaping	420		420			30	0.08
Special Assessments	5,230		5,230			374	0.94
Management Fee	12,499	4.8%	13,700	4.8%		979	2.46
Total Expenses	\$88,024		\$89,225			\$6,373	\$16.04
Expenses as % of EGI	33.8%		31.3%				
Net Operating Income	\$172,368		\$196,193			\$14,014	\$35.28

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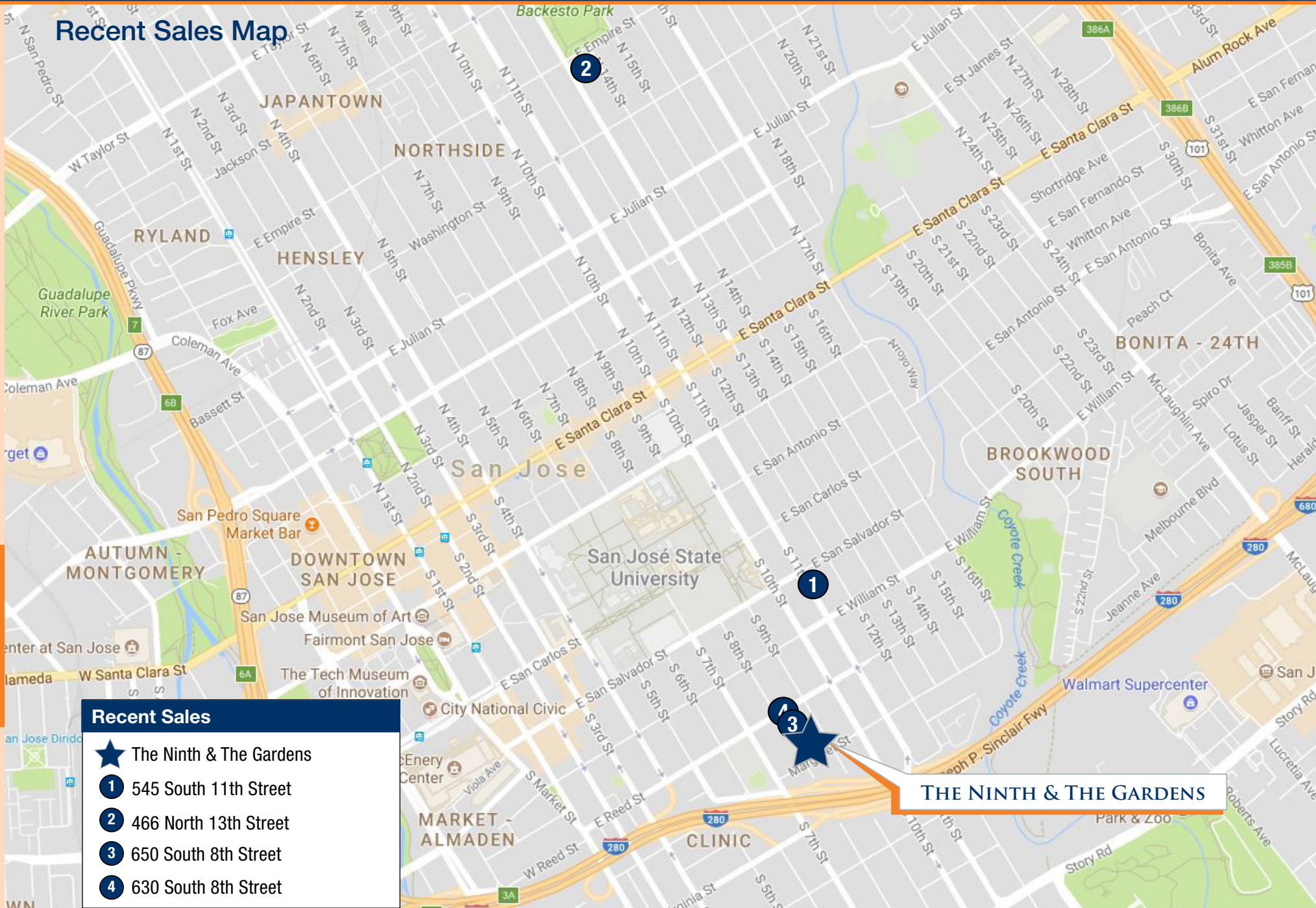
competitive

COMPETITIVE PROPERTY SET



Marcus & Millichap

Recent Sales Map



Recent Sales

- ★ The Ninth & The Gardens
- 1 545 South 11th Street
- 2 466 North 13th Street
- 3 650 South 8th Street
- 4 630 South 8th Street

THE NINTH & THE GARDENS

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Recent Sales

★ The Ninth & The Gardens 649 & 659 South 9th Street, San Jose, CA 95112



Offering Price	\$7,892,000
Price/Unit	\$303,538
Price/SF	\$661.80
CAP Rate	4.19%
GRM	15.44
Total No. of Units	26
Year Built	1957/1959

Units	Unit Type
12	Studio
13	1BR/1BA
1	2BR/1BA

1 545 South 11th Street, San Jose, CA 95112



Close of Escrow	8/4/2016
Sales Price	\$2,575,000
Price/Unit	\$321,875
Price/SF	\$514.07
CAP Rate	5.07%
GRM	13.95
Total No. of Units	8
Year Built	1950

Units	Unit Type
8	1BR/1BA

2 466 North 13th Street, San Jose, CA 95112



Close of Escrow	8/15/2016
Sales Price	\$2,410,000
Price/Unit	\$344,286
Price/SF	\$630.07
CAP Rate	4.72%
GRM	14.74
Total No. of Units	7
Year Built	1957

Units	Unit Type
7	1BR/1BA

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Recent Sales

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3

650 South 8th Street, San Jose, CA 95112



In Escrow	
List Price	\$5,100,000
Price/Unit	\$300,000
Price/SF	\$522.06
CAP Rate	4.71%
GRM	14.44
Total No. of Units	17
Year Built	1958

Units	Unit Type
15	1BR/1BA
2	2BR/1BA

Notes: Property currently Under Contract with all contingencies removed. This property is in need of extensive exterior renovations.

4

630 South 8th Street, San Jose, CA 95112

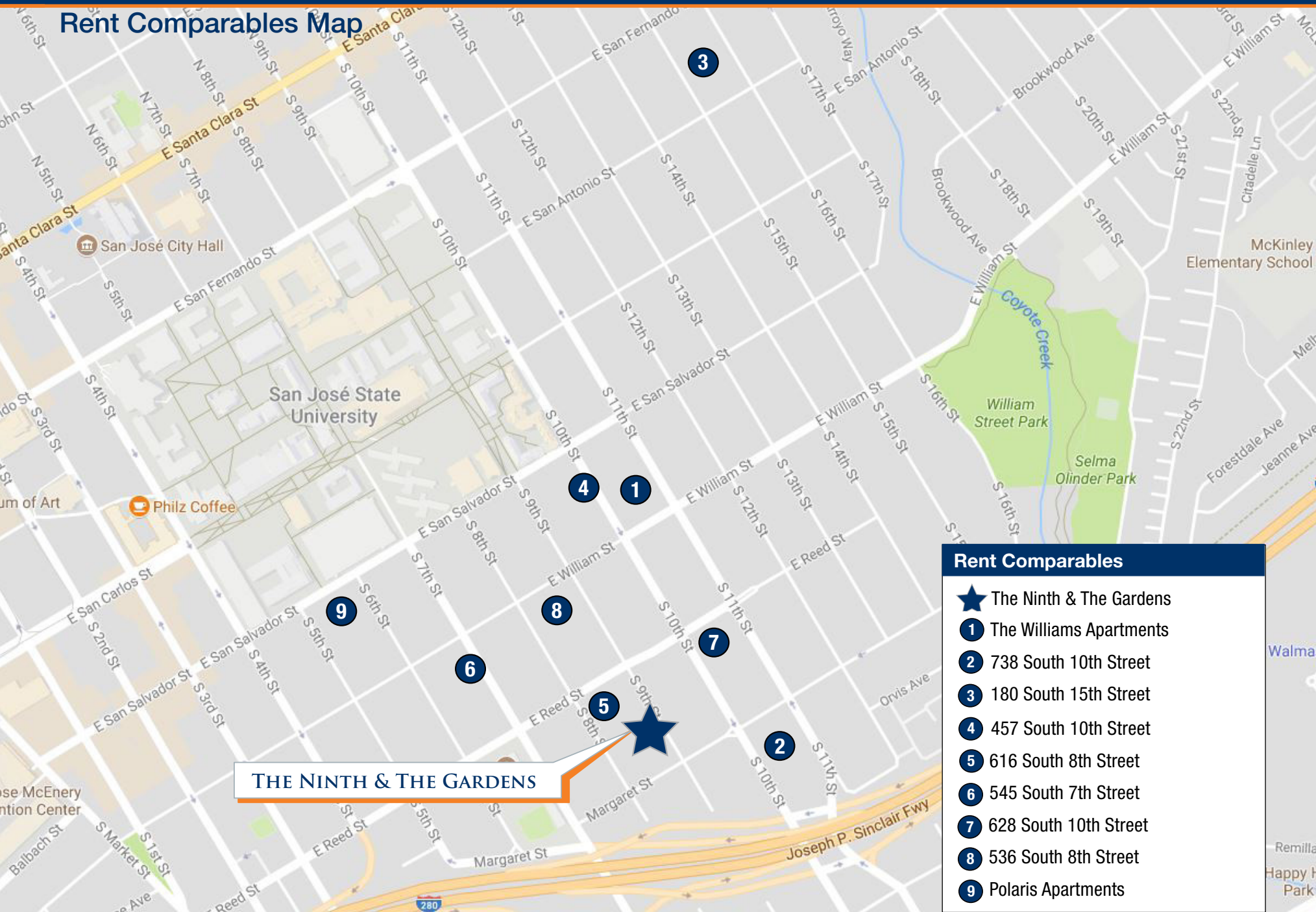


In Escrow	
List Price	\$1,688,000
Price/Unit	\$337,600
Price/SF	\$586.11
CAP Rate	4.62%
GRM	15.94
Total No. of Units	5
Year Built	1922

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

Notes: Property Currently Under Contract.

Rent Comparables Map



THE NINTH & THE GARDENS

Rent Comparables

- ★ The Ninth & The Gardens
- ① The Williams Apartments
- ② 738 South 10th Street
- ③ 180 South 15th Street
- ④ 457 South 10th Street
- ⑤ 616 South 8th Street
- ⑥ 545 South 7th Street
- ⑦ 628 South 10th Street
- ⑧ 536 South 8th Street
- ⑨ Polaris Apartments

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Rent Comparables

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The Ninth & The Gardens

649 & 659 9th Street, San Jose, CA 95112



No. of Units:	26
Year Built:	1957/1959

Unit Type	Units	Rent
Studio	12	\$1,554
1BR/1BA	13	\$1,700
2BR/1BA	1	\$1,845
Total/Wtd. Avg.	26	\$1,638

1

The Williams Apartments

475 East William Street, San Jose, CA 95112



No. of Units:	16
Year Built:	1951

Unit Type	SF	Rent	Rent/SF
1BR/1BA	600	\$2,150	\$3.58
Studio/1BA	355	\$1,650	\$4.65
Total/Wtd. Avg.			

2

738 South 10th Street, San Jose, CA 95112



No. of Units:	4
Year Built:	1976

Unit Type	SF	Rent	Rent/SF
2BR/1BA	N/A	\$2,700	N/A
Total/Wtd. Avg.		\$2,700	

Notes: Units were recently upgraded with high end finishes.

Rent Comparables

3 180 South 15th Street, San Jose, CA 95112



No. of Units:	8
Year Built:	1962

Unit Type	SF	Rent	Rent/SF
1BR/1BA	N/A	\$2,095	N/A
Total/Wtd. Avg.		\$2,095	

4 457 South 10th Street, San Jose, CA 95112



No. of Units:	9
Year Built:	1960

Unit Type	SF	Rent	Rent/SF
1BR/1BA	N/A	\$1,895	N/A
Total/Wtd. Avg.		\$1,895	

5 616 South 8th Street, San Jose, CA 95112



No. of Units:	8
Year Built:	1955

Unit Type	SF	Rent	Rent/SF
1BR/1BA	N/A	\$2,071	N/A
Total/Wtd. Avg.		\$2,071	

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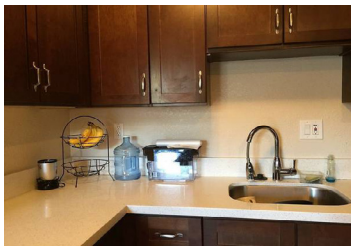
6 545 South 7th Street, San Jose, CA 95112



No. of Units:	14
Year Built:	1959

Unit Type	SF	Rent	Rent/SF
2BR/1BA	N/A	\$2,400	N/A
Total/Wtd. Avg.			

7 628 South 10th Street, San Jose, CA 95112



No. of Units:	13
Year Built:	1963

Unit Type	SF	Rent	Rent/SF
2BR/1BA	700	\$2,495	\$3.56
Total/Wtd. Avg.			

8 536 South 8th Street, San Jose, CA 95112



No. of Units:	18
Year Built:	1960

Unit Type	SF	Rent	Rent/SF
1BR/1BA	N/A	\$2,045	N/A
Total/Wtd. Avg.		\$2,045	

Rent Comparables

9 Polaris Apartments 435 South 6th Street, San Jose, CA 95112



No. of Units:	17
Year Built:	1930

Unit Type	SF	Rent	Rent/SF
Studio	400	\$1,625	\$4.06
Total/Wtd. Avg.			

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overview

MARKET OVERVIEW



Marcus & Millichap

Market Highlights

Premier high-tech center

- Silicon Valley's dense concentration of high-tech jobs is world renowned, attracting a variety of large employers and startups.

High incomes

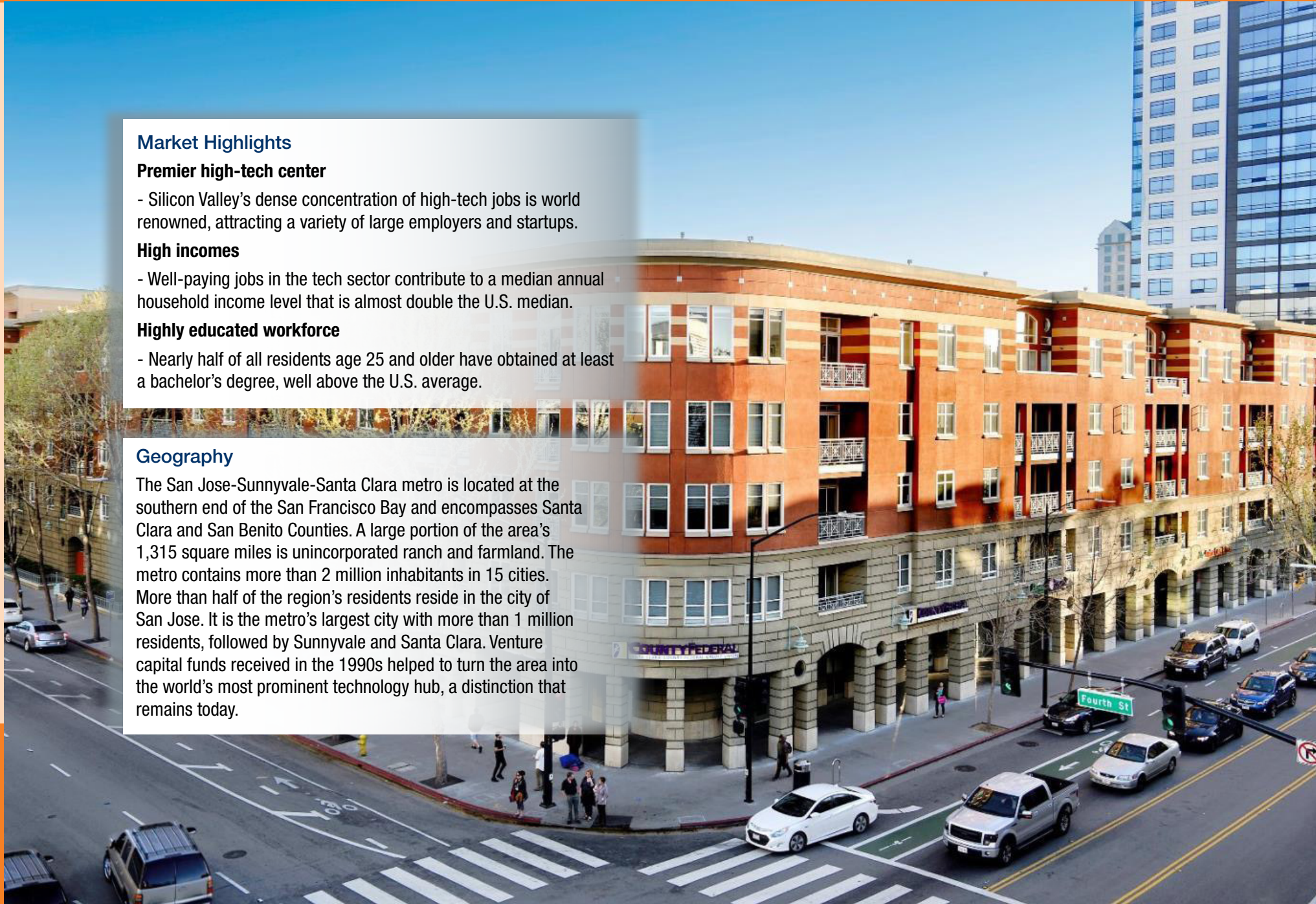
- Well-paying jobs in the tech sector contribute to a median annual household income level that is almost double the U.S. median.

Highly educated workforce

- Nearly half of all residents age 25 and older have obtained at least a bachelor's degree, well above the U.S. average.

Geography

The San Jose-Sunnyvale-Santa Clara metro is located at the southern end of the San Francisco Bay and encompasses Santa Clara and San Benito Counties. A large portion of the area's 1,315 square miles is unincorporated ranch and farmland. The metro contains more than 2 million inhabitants in 15 cities. More than half of the region's residents reside in the city of San Jose. It is the metro's largest city with more than 1 million residents, followed by Sunnyvale and Santa Clara. Venture capital funds received in the 1990s helped to turn the area into the world's most prominent technology hub, a distinction that remains today.



Economy

- The San Jose employment base contains more than 1 million workers, ranking the metro as one of the 30 largest job markets in the nation.
- There are various Fortune 500 companies headquartered in San Jose, including Intel, Cisco Systems, Apple Inc., eBay and Google Inc.
- The area’s many colleges and universities, including Stanford, San Jose State and Santa Clara, support these companies by graduating thousands of engineering and computer science students into the local workforce.

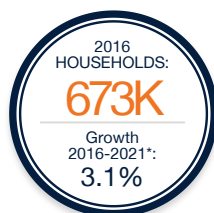
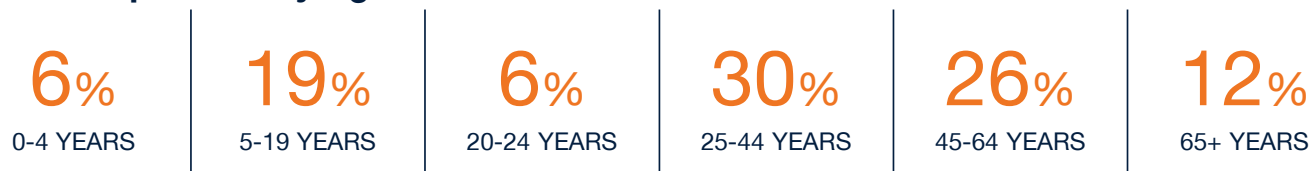
Demographics

- The metro is expected to add nearly 60,000 people through 2021 and during this time nearly 20,000 households will be formed.
- High home prices contribute to a homeownership rate of 56 percent, which is below the national rate of 64 percent.
- Nearly 50 percent of residents age 25 and older hold a bachelor’s degree, including 20 percent who have also obtained a graduate or professional degree.

Quality of Life

The San Jose metro has an enviable combination of major universities that produce a highly educated workforce, cutting-edge firms and exceptional affluence. Residents can visit a plethora of museums including the San Jose Museum of Art and the Tech Museum of Innovation. Santa Clara County is home to performing arts companies and hosts the San Jose Jazz Festival. The San Francisco 49ers play their home games at Levi’s Stadium and the San Jose Sharks hockey team plays at the SAP Center. Other sports venues include the San Jose Municipal Stadium and Buck Shaw Stadium. The metro is minutes away from San Francisco and some of the world’s finest wine-producing regions, notably the Napa, Sonoma and Alexander valleys.

2016 Population by Age



Employers

Large employers in the San Jose metro include high-tech industry giants Cisco Systems, Apple, eBay, Google and Hewlett-Packard. Many of these large-scale employers are among the top places to work.

Not all of the area's job providers are large corporations. More than 60 percent of companies in San Jose have fewer than five workers. Many of these are small startups or businesses that provide support services to the growing tech industry.

With the return of venture capital flowing into the metro economy, San Jose offers some of the most exciting employment opportunities that the tech world has to offer. Some of today's startups will likely become tomorrow's key players in the industry, a trend that has fostered a lively enterprise culture.

Other major employers are the numerous institutions of higher education that are located in Santa Clara County, including San Jose State University, Stanford and Santa Clara State University. Tens of thousands of jobs are created by these academic institutions.

Major Employers

- _____
Cisco Systems
- _____
County of Santa Clara
- _____
Kaiser Permanente Northern California
- _____
Hewlett-Packard Co.
- _____
City of San Jose
- _____
IBM
- _____
eBay
- _____
Xilinx
- _____
San Jose State University
- _____
Apple



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Rents

- Tight vacancy amid strong tenant demand is driving rent growth throughout the metro. Year over year in first quarter of 2016, effective rents jumped 7.6 percent to an average of \$2,502 per month. This builds on a 10.3 percent surge in rents one year earlier.
- Over the last four quarters, the North San Jose/Milpitas submarket recorded the greatest rent gain. Here rents soared 10 percent to an average of \$2,675 per month. The leasing of new luxury rentals delivered in the final months of last year contributed to the rise.
- By vintage, complexes built before 1970 were the only tranche to register rent growth of less than 7.0 percent. Here rents rose 6.6 percent to an average of \$2,338 per month. Lower rents can be found in 1970s-era properties at an average of \$2,384 per month, having risen 7.5 percent during the last 12 months.
- Outlook: During 2016, effective rents will climb 5.1 percent to an average of \$2,600 per month, soaring 46.0 percent in the last five years.

Sales Trends

- San Jose apartments are attracting robust investor interest, with local buyers very active. Transaction volume jumped 13 percent year over year in March, following a 16 percent decline in the year earlier period when sales volume was hindered by the availability of marketed properties.
- Robust buyer interest is driving valuations higher. The average price of assets sold during the last four quarters climbed 14 percent to more than \$298,600 per door. Prices varied widely throughout the market. In San Jose, the average was \$236,700 per unit, while assets in Palo Alto garnered more than \$600,000 per door.
- Average cap rates have remained relatively steady in the mid-4 percent range during the last three years. Well-located properties with a lot of upside potential will dip below 3 percent.
- Outlook: The surge in deliveries will provide more buying opportunities at the top end of the market, keeping large funds, life companies and REITs active.



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Demographic Summary

POPULATION	1 Miles	3 Miles	5 Miles
• 2021 Projection			
Total Population	42,978	302,795	723,767
• 2016 Estimate			
Total Population	41,646	292,207	704,079
• 2010 Census			
Total Population	37,753	266,419	650,362
• 2000 Census			
Total Population	37,360	258,879	628,824
• Daytime Population			
2016 Estimate	68,842	324,780	702,977
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
• 2021 Projection			
Total Households	13,812	93,544	226,055
• 2016 Estimate			
Total Households	13,101	88,923	218,058
Average (Mean) Household Size	2.72	3.06	3.06
• 2010 Census			
Total Households	11,780	81,213	202,333
• 2000 Census			
Total Households	10,487	72,632	187,893
Growth 2015-2020	5.43%	5.20%	3.67%
HOUSING UNITS	1 Miles	3 Miles	5 Miles
• Occupied Units			
2021 Projection	13,812	93,544	226,055
2016 Estimate	13,668	90,481	220,264
Owner Occupied	3,283	36,071	109,822
Renter Occupied	9,817	52,851	108,235
Vacant	568	1,558	2,206
• Persons In Units			
2016 Estimate Total Occupied Units	13,101	88,923	218,058
1 Person Units	31.17%	25.04%	22.73%
2 Person Units	27.22%	25.33%	26.30%
3 Person Units	14.58%	15.49%	16.49%
4 Person Units	11.34%	13.58%	14.97%
5 Person Units	6.75%	8.43%	8.57%
6+ Person Units	8.95%	12.14%	10.94%

HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
• 2016 Estimate			
\$200,000 or More	6.57%	7.43%	9.70%
\$150,000 - \$199,000	6.81%	7.41%	9.39%
\$100,000 - \$149,000	12.60%	16.49%	19.70%
\$75,000 - \$99,999	9.60%	11.04%	11.89%
\$50,000 - \$74,999	11.64%	15.17%	14.79%
\$35,000 - \$49,999	11.93%	11.59%	10.41%
\$25,000 - \$34,999	10.41%	8.14%	7.18%
\$15,000 - \$24,999	11.95%	9.89%	7.78%
Under \$15,000	18.48%	12.84%	9.16%
Average Household Income	\$82,757	\$92,363	\$107,593
Median Household Income	\$45,244	\$61,865	\$76,304
Per Capita Income	\$28,016	\$28,689	\$33,717

POPULATION PROFILE	1 Miles	3 Miles	5 Miles
• Population By Age			
2016 Estimate Total Population	41,646	292,207	704,079
Under 20	24.26%	26.06%	25.68%
20 to 34 Years	39.75%	27.79%	25.22%
35 to 39 Years	6.85%	7.87%	7.67%
40 to 49 Years	11.35%	13.62%	13.97%
50 to 64 Years	12.09%	15.55%	16.99%
Age 65+	5.69%	9.13%	10.48%
Median Age	28.03	32.82	34.46
• Population 25+ by Education Level			
2016 Estimate Population Age 25+	24,433	190,469	468,029
Elementary (0-8)	15.83%	11.74%	8.88%
Some High School (9-11)	12.38%	12.30%	9.48%
High School Graduate (12)	19.06%	22.04%	20.80%
Some College (13-15)	15.42%	17.18%	18.69%
Associate Degree Only	6.38%	6.25%	7.11%
Bachelors Degree Only	17.05%	17.47%	20.92%
Graduate Degree	10.68%	8.92%	10.68%
• Population by Gender			
2016 Estimate Total Population	41,646	292,207	704,079
Male Population	55.03%	51.96%	50.83%
Female Population	44.97%	48.04%	49.17%

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Demographic Summary

Geography: 5 Miles

Population

In 2016, the population in your selected geography is 41,646. The population has changed by 11.47% since 2000. It is estimated that the population in your area will be 42,978.00 five years from now, which represents a change of 3.20% from the current year. The current population is 55.03% male and 44.97% female. The median age of the population in your area is 28.03, compare this to the US average which is 37.68. The population density in your area is 13,244.62 people per square mile.

Households

There are currently 13,101 households in your selected geography. The number of households has changed by 24.93% since 2000. It is estimated that the number of households in your area will be 13,812 five years from now, which represents a change of 5.43% from the current year. The average household size in your area is 2.72 persons.

Income

In 2016, the median household income for your selected geography is \$45,244, compare this to the US average which is currently \$54,505. The median household income for your area has changed by 16.17% since 2000. It is estimated that the median household income in your area will be \$58,657 five years from now, which represents a change of 29.65% from the current year.

The current year per capita income in your area is \$28,016, compare this to the US average, which is \$29,962. The current year average household income in your area is \$82,757, 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: 43.44% White, 4.58% Black, 0.40% Native American and 20.51% 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 49.73% 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 \$568,052 in 2016, compare this to the US average of \$187,181. In 2000, there were 2,604 owner occupied housing units in your area and there were 7,882 renter occupied housing units in your area. The median rent at the time was \$796.

Employment

In 2016, there are 24,077 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 49.80% of employees are employed in white-collar occupations in this geography, and 49.07% are employed in blue-collar occupations. In 2016, unemployment in this area is 8.69%. In 2000, the average time traveled to work was 25.00 minutes.

Demographic data © 2015 by Experian/Applied Geographic Solutions.



exclusively listed

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