

OFFERING MEMORANDUM

2828 Joseph Avenue

San Jose, California



ARA
A Newmark Company

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ARA, A Newmark Company 431 Florence Street, Suite 100 Palo Alto, CA 94301

Scott Kilpatrick
Managing Director

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Operations Statement

Operations		Current	Market
Scheduled Gross Rent		\$100,296	\$118,560
Vacancy	3.00%	(\$3,009)	(\$3,557)
Effective Gross Rent		\$97,287	\$115,003
Other income (Laundry)		\$548	\$548
Total Income		\$97,835	\$115,551
Water		\$2,453	\$2,453
Garbage		\$740	\$740
House Gas & Electric		\$800	\$800
Landscaping		\$1,200	\$1,200
City License		\$185	\$185
Operating Expenses		\$7,378	\$7,378
Real Estate Taxes	1.10220%	\$17,249	\$17,249
Special Assessments		\$1,261	\$1,261
Insurance (Quote)		\$1,400	\$1,400
Non-Operating Expenses		\$19,910	\$19,910
Reserves		\$1,000	\$1,000
Total Expenses		\$28,288	\$28,288
% Scheduled Gross Rent		28.20%	23.86%
Expenses/Unit		\$7,072	\$7,072
Expenses/Sq Ft		\$6.96	\$6.96
Net Operating Income		\$69,547	\$87,263

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Property Overview

Details

Address	2828 Joseph Ave San Jose, CA 95124
County	Santa Clara
APN	414-05-009
County Use	Multi Family

Attributes

Units	4
Rentable Square Feet	4,066
Average Unit Size (Sq Ft)	1,017
Land Area (Sq Ft)	9,100
Year Built	1959
Parking	4 garage stalls, 2 open stalls

Construction

Foundation	Concrete Perimeter
Exterior Walls	Stucco / Wood
Roof	Newer Composition Shingle
Patio/Balcony	Yard in Rear
Laundry Facilities	On-Site
Pool/Spa	None



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2828 Joseph Avenue

San Jose, California



Rent Summary

Type	Units	%	Sq Ft	Current Rent	\$/Sq Ft	Market Rent	\$/Sq Ft
3+2	1	25%	1,400	\$2,625	\$1.88	\$2,995	\$2.14
2+1	1	25%	875	\$1,895	\$2.17	\$2,295	\$2.62
2+1	1	25%	875	\$1,888	\$2.16	\$2,295	\$2.62
2+1	1	25%	875	\$1,950	\$2.23	\$2,295	\$2.62
Total	4	100%	4,025	\$8,358	\$2.08	\$9,880	\$2.45

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2828 Joseph Avenue

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Property Photos



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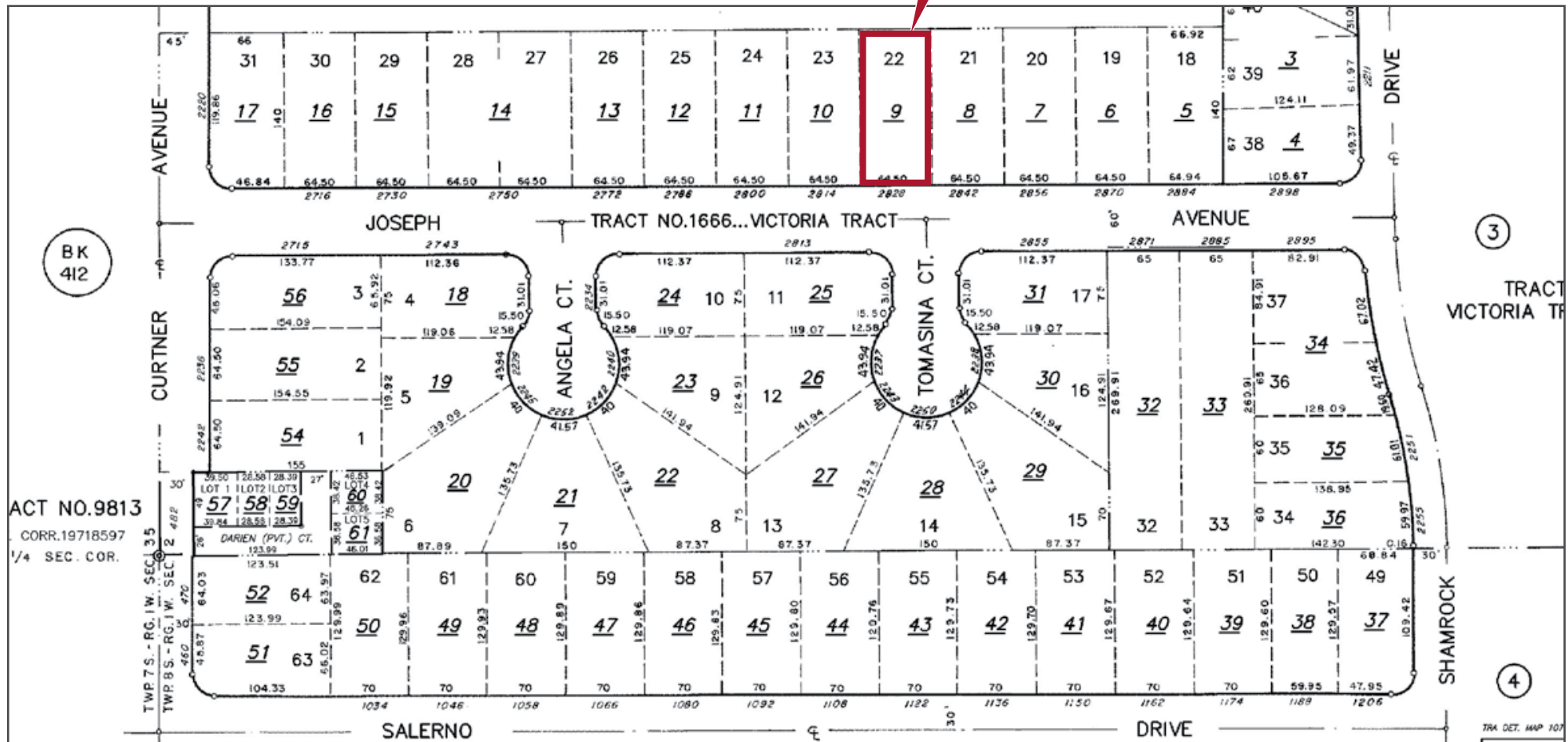
2828 Joseph Avenue

San Jose, California



Parcel Map

SUBJECT



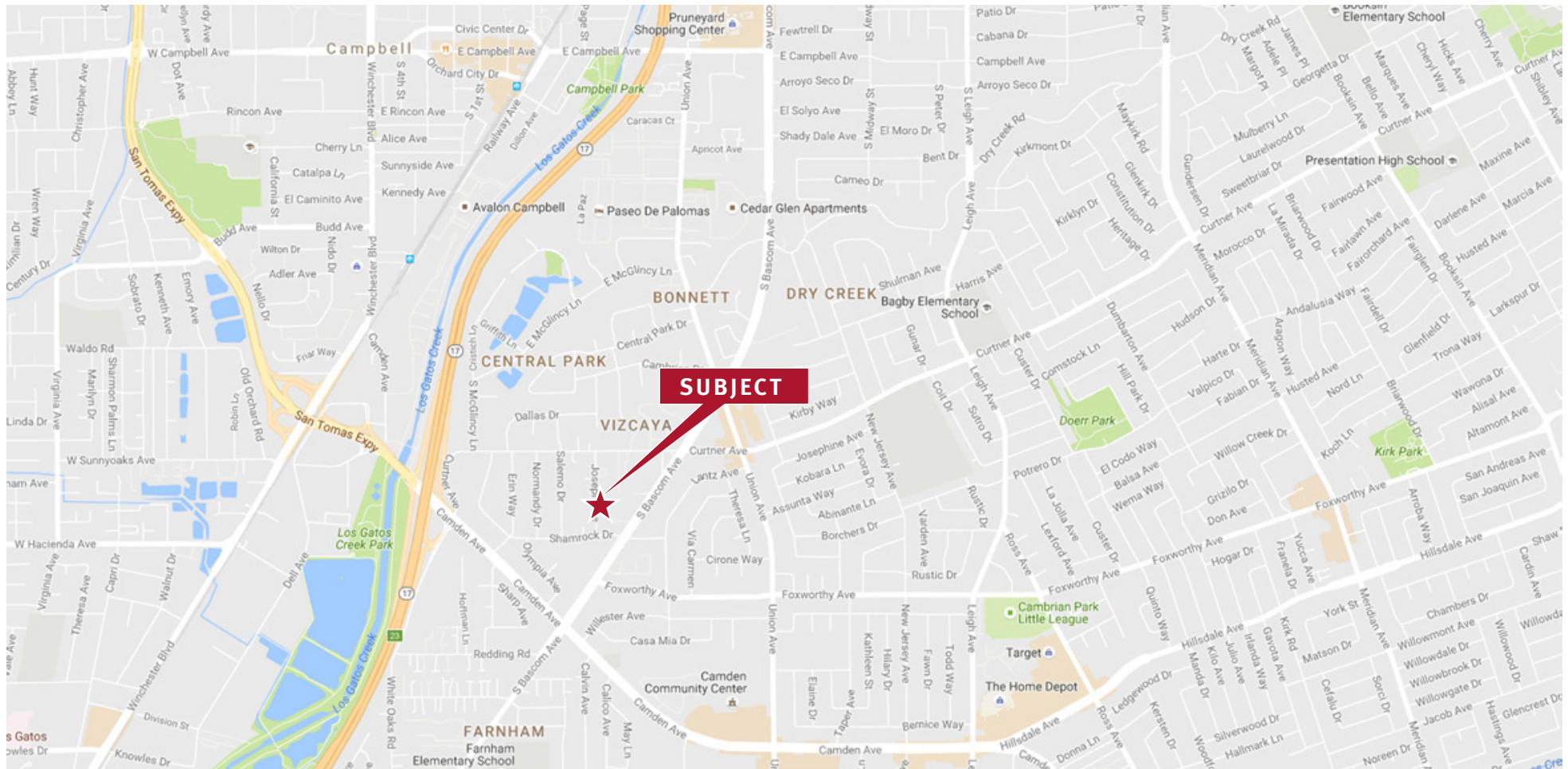
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2828 Joseph Avenue

San Jose, California



Local Map



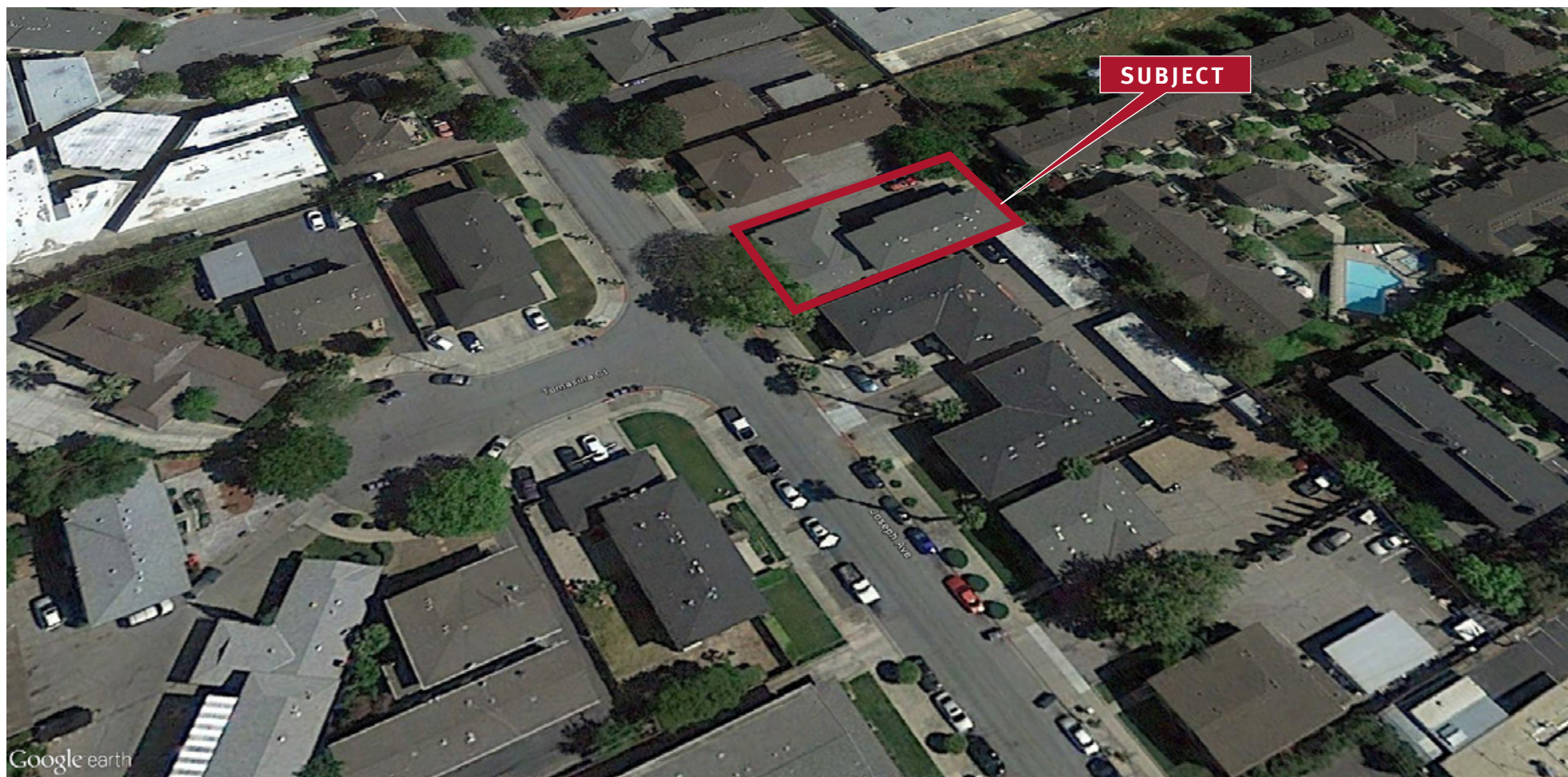
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2828 Joseph Avenue

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Aerial Map



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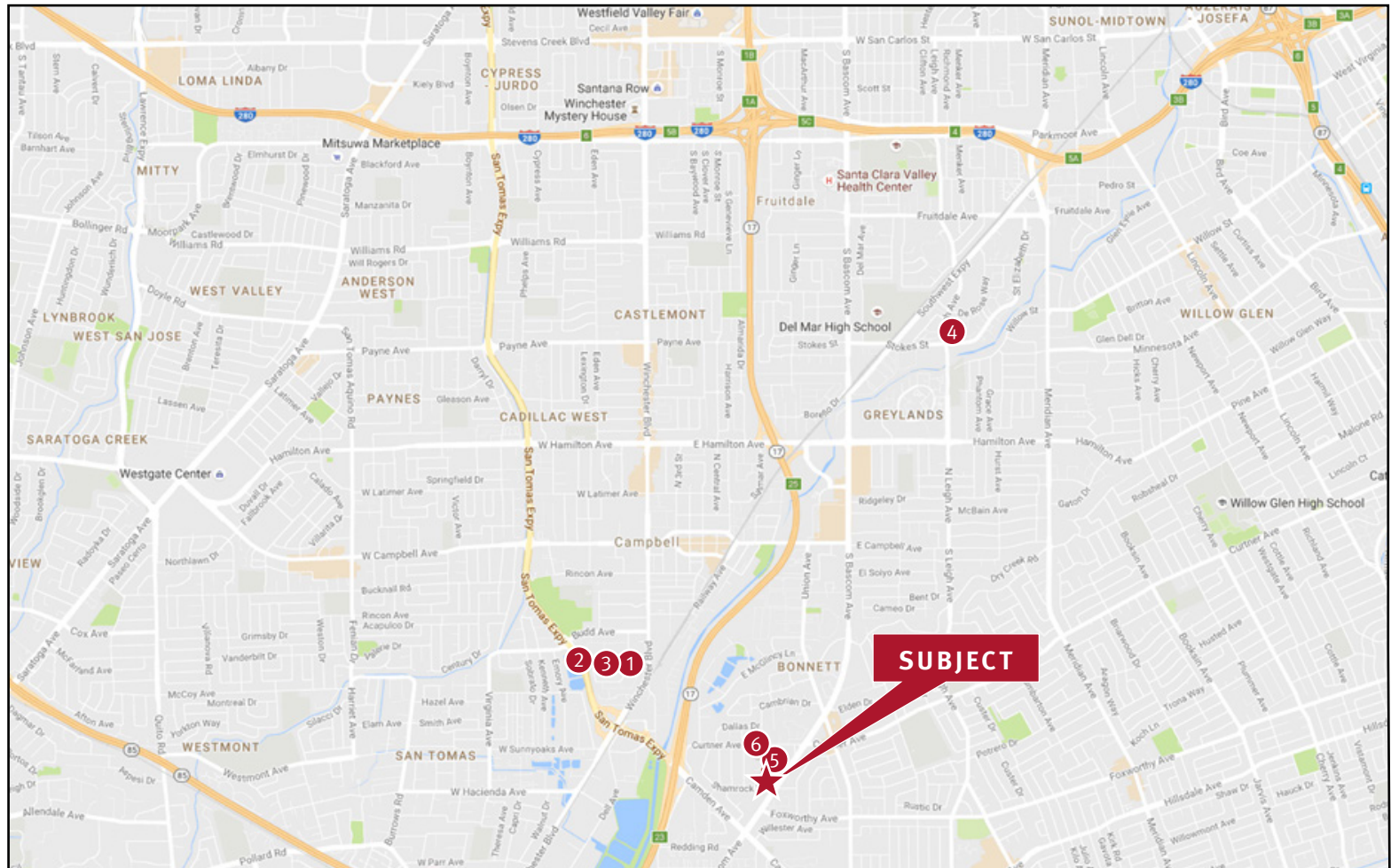
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Rent Comparable Map/Legend

Properties

1. 168 Echo Ave
Campbell, CA
2. 601 Nello Drive
Campbell, CA
3. 225 Echo Ave
Campbell, CA
4. 1194 Leigh Ave
San Jose, CA
5. 2786 Joseph Ave
San Jose, CA
6. 2743 Joseph Ave
San Jose, CA



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Rent Comparable Summary

Comparables	Total Units	Type	Sq Ft	Current Rent	\$/Sq Ft	Comments
1. 168 Echo Ave Campbell, CA	1	3+2	1400	\$2,800.0	\$2.00	Updated owners unit with new kitchens, baths and flooring. New DP windows, DW, and W/D in kitchen. 2 Bed unit updated in similar fashion
	1	2+1	800	\$2,295.0	\$2.87	
2. 601 Nello Drive Campbell, CA	1	3+2	1400	\$2,950.	\$2.11	Updated unit with new kitchen and bath, updated family room with new flooring, DW, FP and vaulted ceilings in FR .
	1	2+1	800	\$2,195.0	\$2.74	
3. 225 Echo Ave Campbell, CA	1	3+2	1400	\$2,800.0	\$2.00	Original condition with garage, WD, FP, and attached yard. Looking for 1 year lease.
4. 1194 Leigh Ave San Jose, CA	1	3+2	1450	\$3,195.0	\$2.20	Updated unit in 4 plex, new granite kitchen, new bath and updated flooring, window treatments, and walk in closet in MB
	1	2+1	875	\$2,295.0	\$2.62	
5. 2786 Joseph Ave San Jose, CA	1	3+2	1400	\$2,750.0	\$1.96	Completely updated property new everything inside and out. Spieker owned property
	1	2+1	850	\$2,395.0	\$2.82	
6. 2743 Joseph Ave San Jose, CA	1	2+1	800	\$2,195.0	\$2.74	Clean updated units with W/D hooks in the kitchen. Owner spent 15k to update interiors of each unit.
	1	2+1	815	\$2,150.0	\$2.64	

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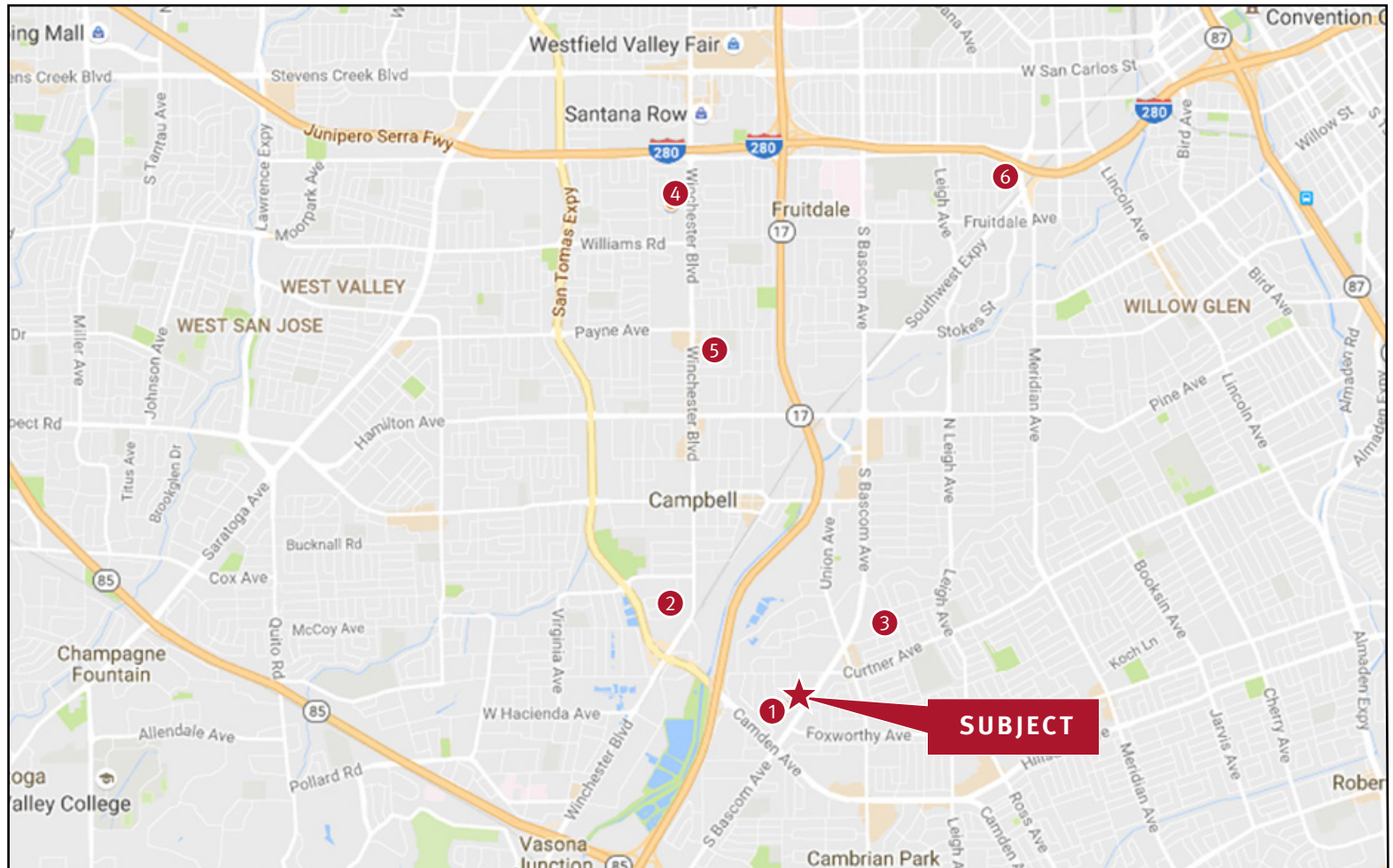
2828 Joseph Avenue

San Jose, California



Sale Comparable Map/Legend

Properties	
5.	2828 Joseph Avenue San Jose, CA
1.	2255 Shamrock Drive San Jose, CA
2.	168 Echo Ave Campbell, CA
3.	1971 Harris Ave San Jose, CA
4.	840 Opal Drive San Jose, CA
5.	1343 Castlemont Ave San Jose, CA
6.	1539 Moorpark Ave San Jose, CA



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Sale Comparable Summary

Properties	Price	Units	\$/Unit	SF	\$/SF	COE
1. 2255 Shamrock Drive San Jose, CA	\$1,510,000	4	\$377,500	3,817	\$396	May-16
2. 168 Echo Ave Campbell, CA	\$1,580,000	4	\$395,000	3,624	\$436	Mar-16
3. 1971 Harris Ave San Jose, CA	\$1,550,000	4	\$387,500	4,314	\$359	Feb-16
4. 840 Opal Drive San Jose, CA	\$1,600,000	4	\$400,000	3,828	\$418	Jul-16
5. 1343 Castlemont Ave San Jose, CA	\$1,670,000	4	\$417,500	3,867	\$432	May-16
6. 1539 Moorpark Ave San Jose, CA	\$1,599,000	4	\$399,750	3,755	\$426	Pending



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Sale Comparable Properties



Comparable #1

2255 Shamrock Drive San Jose, CA	Price Units \$/Unit Sq Ft \$/Sq Ft Unit Mix	\$1,510,000 4 \$377,500 3,817 \$396 1:3+2, 3:2+1	COE	May-16	Comments: Clean building with 2 of the 4 units updated, owners unit had new carpets, and window coverings, and was well kept but only lightly updated, both upstairs units had been updated with new kitchens & baths, DOM 17 sold 112k above asking price.
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Comparable #2

168 Echo Ave Campbell, CA	Price Units \$/Unit Sq Ft \$/Sq Ft Unit Mix	\$1,580,000 4 \$395,000 3,624 \$436 1:3+2, 3:2+1	COE	Mar-16	Comments: Listed and sold by Scott Kilpatrick, two of the four units completely updated, the remaining two in average condition. Building had new windows and other updates. DOM 15 Sold for 85K above the asking price, 9 offers No rent control
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Comparable #3

1971 Harris Ave San Jose, CA	Price Units \$/Unit Sq Ft \$/Sq Ft Unit Mix	\$1,550,000 4 \$387,500 4,314 \$359 1:3+2, 3:2+1	COE	Feb-16	Comments: Updated building with new roof, DP windows, and exterior paint, interiors updated on turnover, building had 10% below market rents in place at time of sale, property bordering Willow Glen, DOM 9 sold 100k above the asking price.
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Sale Comparable Properties



Comparable #4

840 Opal Drive	Price	\$1,600,000	COE	Jul-16	Comments: Updated building with new copper plumbing, enclosed garages, in West San Jose neighborhood near Santana Row and Valley Fair mall. Superior unit mix to subject, inferior overall condition. DOM 14, sold for 65k under asking price.
San Jose, CA	Units	4			
	\$/Unit	\$400,000			
	Sq Ft	3,828			
	\$/Sq Ft	\$418			
	Unit Mix	1:3+2, 2:2+1, 2+2			



Comparable #5

1343 Castlemont Ave	Price	\$1,670,000	COE	May-16	Comments: West San Jose location with updated landscaping, owners unit has private garages, building has large units. DOM 13, sold for 71K above asking
San Jose, CA	Units	4			
	\$/Unit	\$417,500			
	Sq Ft	3,867			
	\$/Sq Ft	\$432			
	Unit Mix	1:3+2, 2:2+1, 2+2			



Comparable #6

1539 Moorpark Ave	Price	\$1,599,000	COE	Pending	Comments: Currently under contract, large owners unit that has been updated with new flooring and other updates. Three good sized 2+1 units as well. Similar condition to subject property.
San Jose, CA	Units	4			
	\$/Unit	\$399,750			
	Sq Ft	3,755			
	\$/Sq Ft	\$426			
	Unit Mix	1:3+1.5, 3:2+1			