

1272 Poplar Avenue

SUNNYVALE, CA



OFFERING MEMORANDUM



Marcus & Millichap
Real Estate Investment Services

1272 Poplar Avenue

SUNNYVALE, CA

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PROPERTY DESCRIPTION

1272 Poplar Avenue

SUNNYVALE, CA

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INVESTMENT OVERVIEW

Investment Highlights

- High Development Potential
- Unique Unit Mix and Property Layout
- Laundry Machines in 75 Percent of the Units
- Two Private Two-Car Garages
- One of a Kind Property Style
- Located in Highly Desirable and Rapidly Growing Sunnyvale, California
- 100 Percent Month-to-Month Occupancy
- Built in 1985



1272 Poplar Avenue offers an investor the unique opportunity to own a well-maintained and well-managed rental property in one of the healthiest and attractive submarkets in California. Pending approval from the City of Sunnyvale, the property would allow for subdivision into three separate parcels giving way to a great profit margin by selling each unit individually to build single family homes.

The unit mix consists of two large two-bedroom/two-and-a-half-bath townhomes with spacious and well laid out floor plans and one large three-bedroom/two-bathroom house with a large private backyard. The property also has one converted studio unit that is non-co. There are two free standing garages with electric openers that can fit two cars each.

1272 Poplar Avenue is approximately 3,832 square feet situated on a 12,060 square foot parcel. The building has been extremely well-maintained and benefits from mature, low-maintenance landscaping. The subject property also offers additional storage areas, ample on-site parking, and the three main units all have interior laundry rooms.

1272 Poplar Avenue offers one lucky investor a rare opportunity to purchase a true turn-key asset in the highly desirable and rapidly growing city of Sunnyvale, California.

PROPERTY SUMMARY

The Offering

Property Address	1272 Poplar Avenue Sunnyvale, CA 94086
Assessor's Parcel Number	213-44-048
Zoning	R:1AB

Site Description

Number of Units	4
Number of Buildings	2
Number of Stories	2
Year Built	1985
Rentable Square Feet	3,832
Lot Size	12,060 Square feet
Type of Ownership	Fee Simple
Parking	Garages
Parking Ratio	1:1
Landscaping	Mature - Low Maintenance
Topography	Flat

Utilities

Water	Tenant RUBS Program Reimbursement
Phone	Tenant
Electric	Tenant
Gas	Tenant

Construction

Foundation	Concrete Perimeter
Framing	Wood
Exterior	Wood Shingle
Parking Surface	Concrete - Two Separate Two-Car Garages
Roof	Pitched Wood Shingle

PROPERTY PHOTOS



PROPERTY PHOTOS



PROPERTY PHOTOS



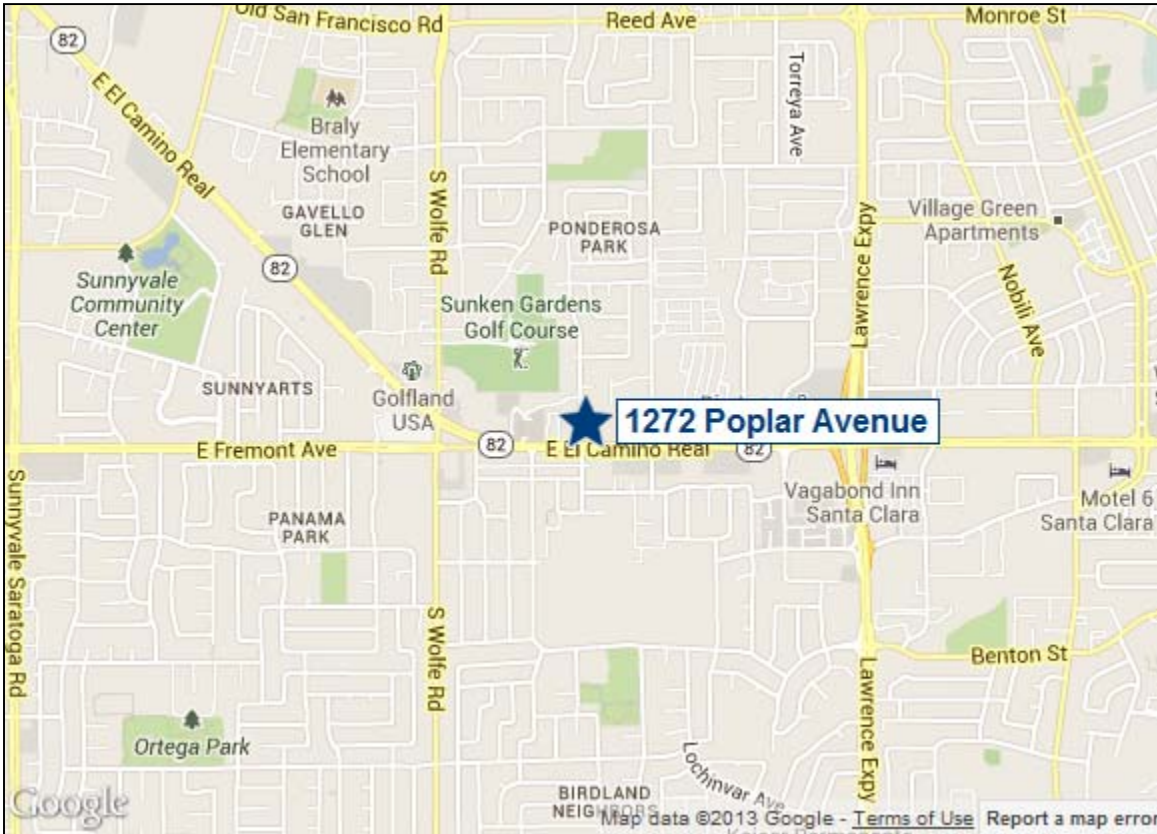
PROPERTY PHOTOS



1272 Poplar Avenue

SUNNYVALE, CA

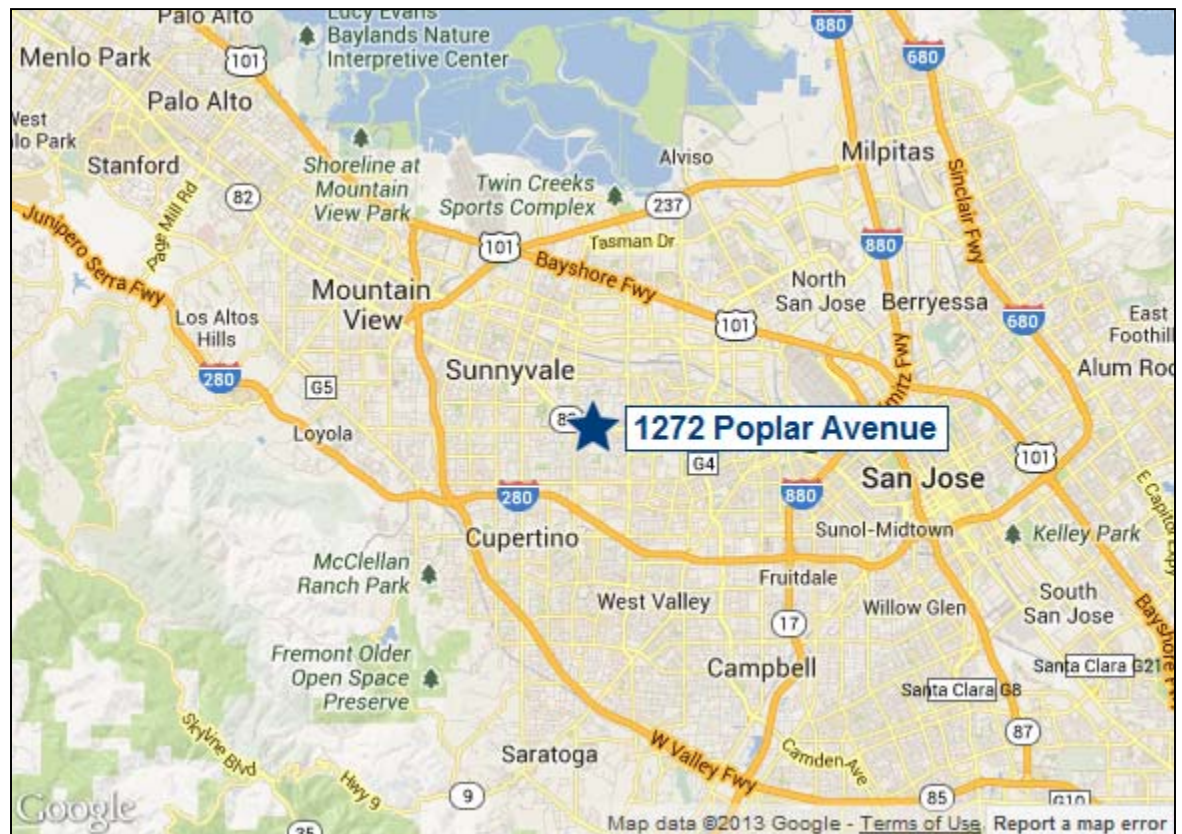
PROPERTY DESCRIPTION



Local Map



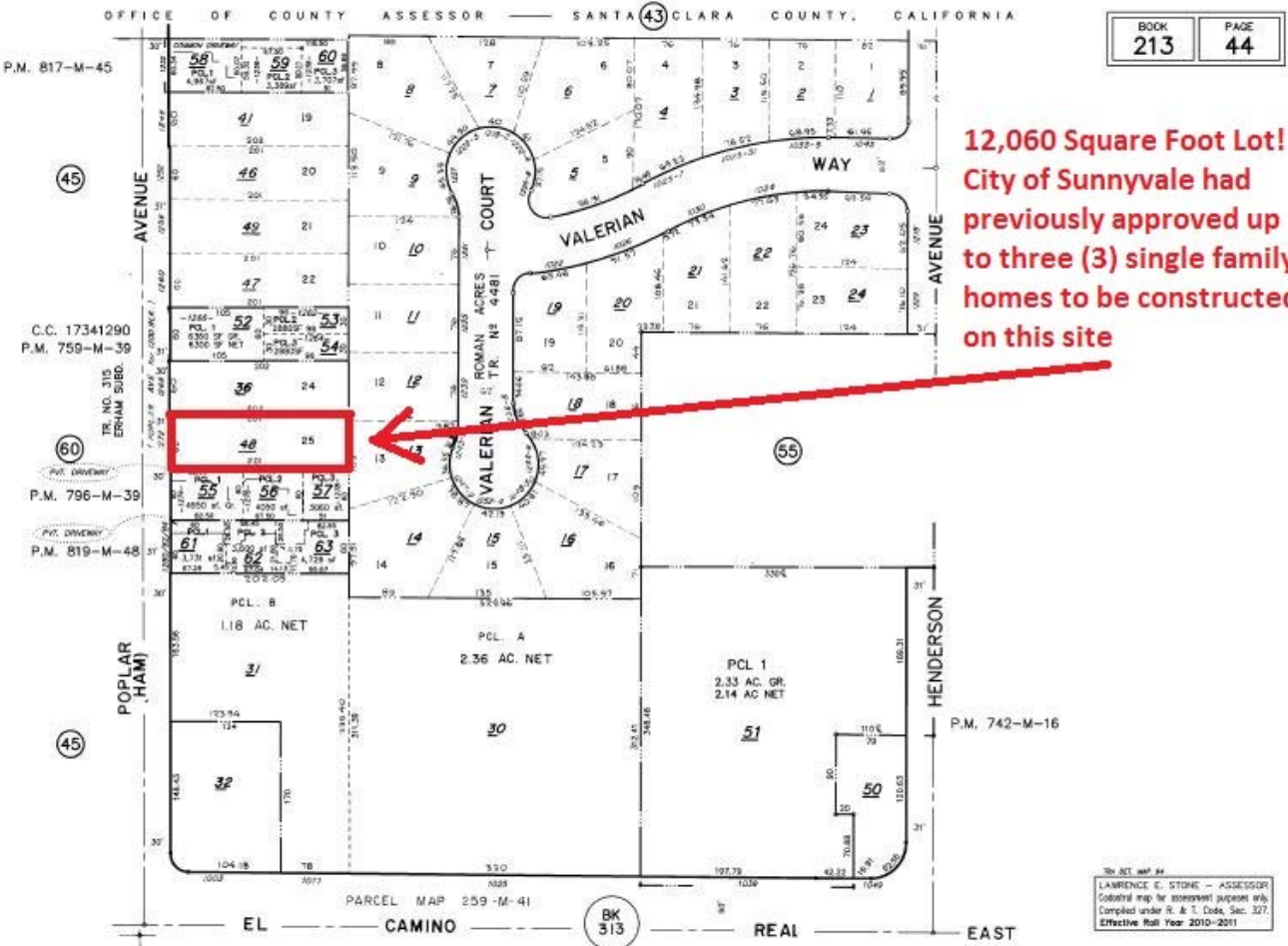
Regional Map



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SITE PLAN



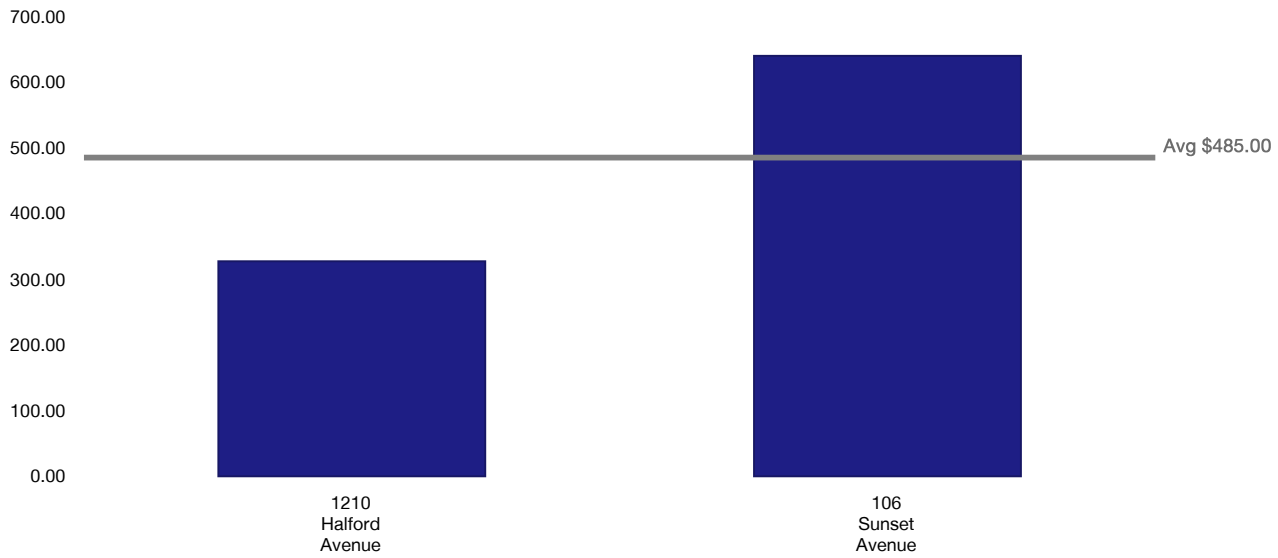
COMPARABLES

1272 Poplar Avenue

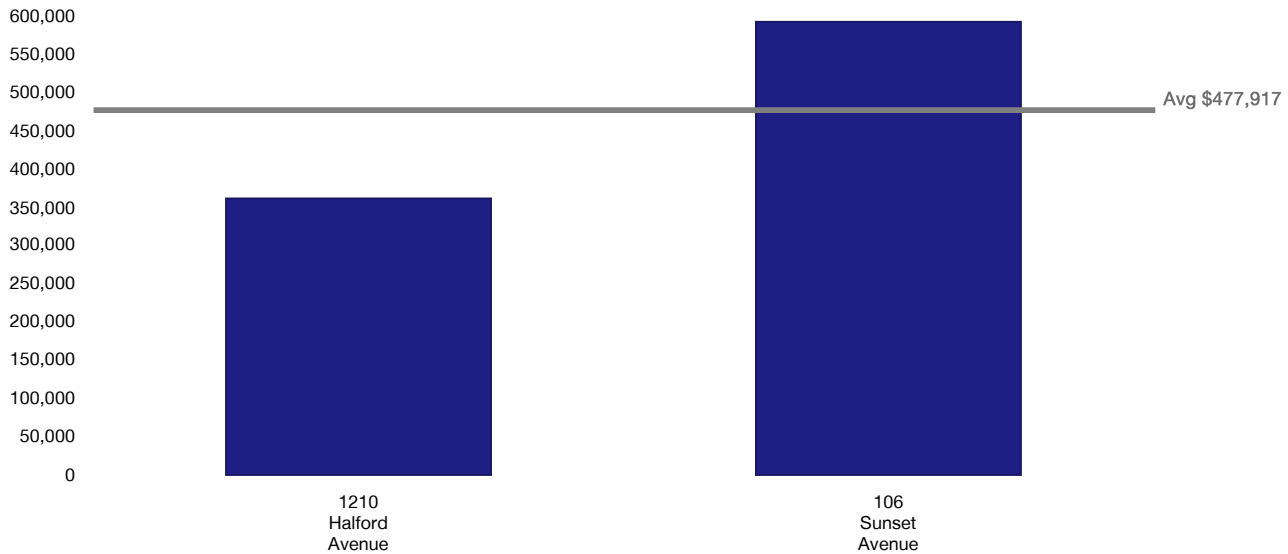
SUNNYVALE, CA

PRICE PER SF AND PRICE PER UNIT

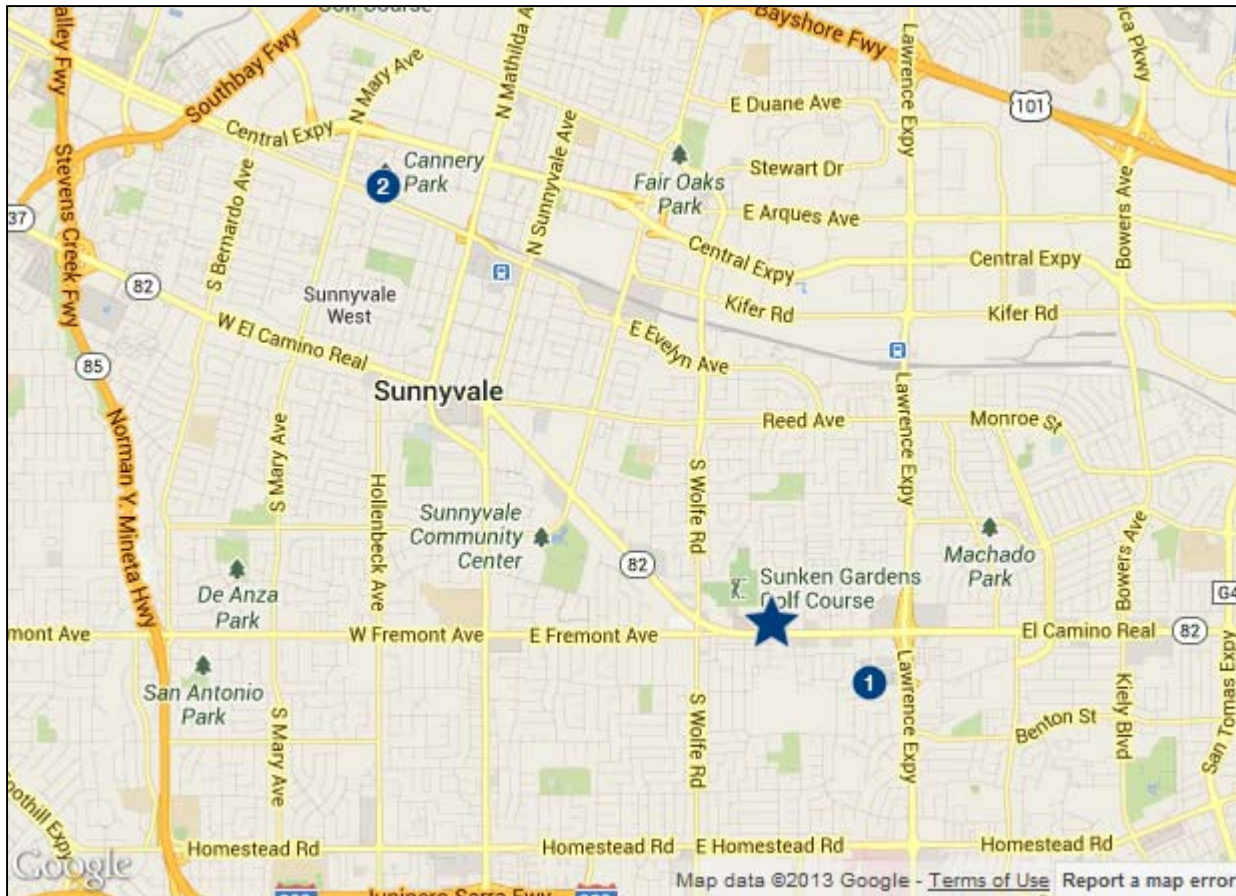
Average Price per Square Foot



Average Price per Unit



COMPS MAP



- ★ 1272 Poplar Avenue
- 1) 1210 Halford Avenue
- 2) 106 Sunset Avenue

COMPARABLES

1



Close of Escrow: 7/8/2013

1210 Halford Avenue
Santa Clara, CA 95051

No. of Units: 4
Year Built: 1970
Sale Price: \$1,450,000
Price/Unit: \$362,500
Price/SF: \$329.00
CAP Rate: 3.30%
GRM: 19.33

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

Comments

This is great comparable in a less desirable location of Santa Clara (very close to subject property).

2



Close of Escrow: On Market

106 Sunset Avenue
Sunnyvale, CA 94086

No. of Units: 3
Year Built: 1920
Sale Price: \$1,780,000
Price/Unit: \$593,333
Price/SF: \$641.00
CAP Rate: 2.60%
GRM: 24.55

Units	Unit Type
1	2 Bdr 1 Bath \$2150
1	2 Bdr 1 Bath \$1840
1	2 Bdr 1 Bath \$2050

Comments

The separate SFH's (823 SF, 909 SF, 1,042 SF) on a smaller lot (10,019 SF) that the subject property by 2,000 SF. Garages for each unit.

PRICING AND FINANCIAL ANALYSIS

1272 Poplar Avenue

SUNNYVALE, CA

OFFERING SUMMARY



Unit Mix

No. of Units	Unit Type	Approx. Square
1	3 Bdr 2 Bath Flat	1,400
2	2 Bdr 2.5 Bath	925
1	Studio 1 Bath	580
4	Total	3,832

Major Employers

Company	Local Employees
Cisco Systems	8,730
Agilent Labs	3,275
Lockheed Martin Corporation	3,089
Seagate	3,000
Juniper Networks Inc	2,938
HP	2,574
Apple	2,053
Hadco Santa Clara Inc	2,000
Rapiscan Syst Neutr & Adv Tech	2,000
Coast Personnel Services Inc	1,895
National Semiconductor Corp	1,755
Netapp	1,600

Demographics

	1-Mile	3-Miles	5-Miles
2012 Total	34,176	231,957	500,823
2017 Total	34,858	235,554	513,188
2012 Total	13,298	86,751	188,794
2017 Total	13,464	87,832	193,057
Median HH Income	\$100,490	\$99,079	\$99,998
Per Capita Income	\$49,818	\$47,690	\$50,032
Average (Mean) HH	\$127,888	\$127,289	\$132,158

Price	\$1,495,000
Down Payment	100% / \$1,495,000
Price/Unit	\$373,750
Price/SF	\$390.14
Number of Units	4
Rentable Square Feet	3,832
Number of Buildings	2
Number of Stories	2
Year Built	1985
Lot Size	12,060 Square feet

Vital Data

CAP Rate - Current	3.29%
GRM - Current	19.47
Net Operating Income - Current	\$49,232
Total Return - Current	3.3% / \$49,232
CAP Rate - Pro Forma	5.15%
GRM - Pro Forma	14.18
Net Operating Income - Pro Forma	\$76,993
Total Return - Pro Forma	5.2% / \$76,993

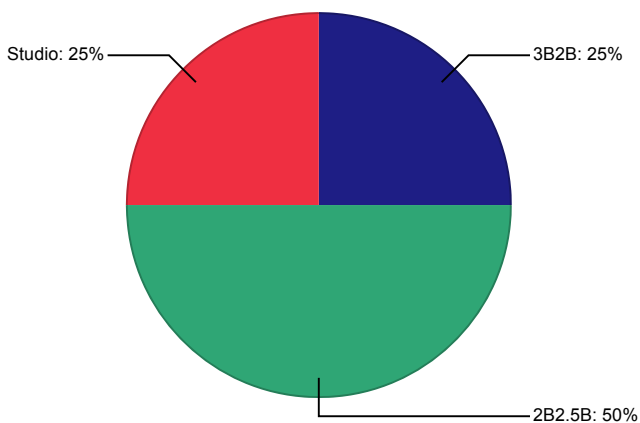
Comments

1985 Construction! -- Huge Lot Size of 12,060 Square feet

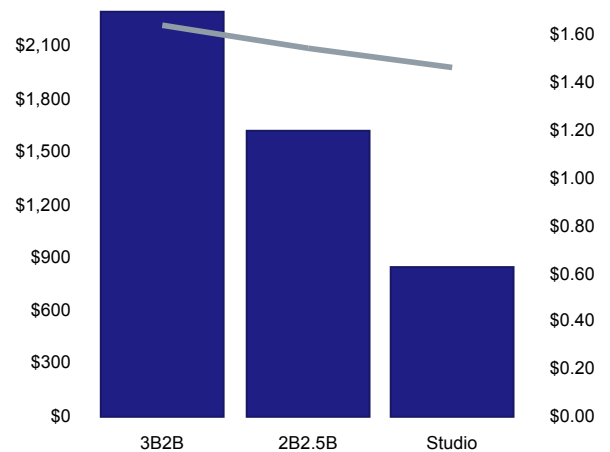
UNIT MIX

No. of Units	Unit Type	Approx. Square Feet	Current Rents	Rent/ SF	Monthly Income	Pro Forma Rents	Rent/ SF	Monthly Income
1	3 Bdr 2 Bath Flat	1,400	\$2,300	\$1.64	\$2,300	\$3,100	\$1.64	\$3,100
2	2 Bdr 2.5 Bath	925	\$1,600 - \$1,650	\$1.55	\$3,250	\$2,295	\$1.88	\$4,590
1	Studio 1 Bath	580	\$850	\$1.47	\$850	\$1,095	\$1.81	\$1,095
4	TOTAL	3,832			\$6,400			\$8,785

Unit Mix



Unit Rent & Rent/SF



Comments

**The Studio is a non-conforming unit

FINANCIAL OVERVIEW

Location

1272 Poplar Avenue
Sunnyvale, CA 94086

Price	\$1,495,000
Down Payment	100% / \$1,495,000
Number of Units	4
Price/Unit	\$373,750
Rentable Square Feet	3,832
Price/SF	\$390.14
CAP Rate - Current	3.29%
CAP Rate- Pro Forma	5.15%
GRM - Current	19.47
GRM- Pro Forma	14.18
Year Built	1985
Lot Size	12,060 Square feet
Type of Ownership	Fee Simple

Annualized Operating Data

Income	Current	Pro Forma
Gross Potential Rent	\$76,800	\$105,420
Other Income	\$1,401	\$1,401
Gross Potential Income	\$78,201	\$106,821
Less: Vacancy/Deductions (GPR)	3.0% / \$2,304	3.0% / \$3,163
Effective Gross Income	\$75,897	\$103,658
Less: Expenses	\$26,665	\$26,665
Net Operating Income	\$49,232	\$76,993
Net Cash Flow Before Debt Service	\$49,232	\$76,993

Expenses

Real Estate Taxes	\$17,365	\$17,365
Special Assessments	\$182	\$182
PG&E (Common Area)	\$1,668	\$1,668
Water/Sewer/Trash	\$3,888	\$3,888
Repairs & Maintenance	\$2,010	\$2,010
Insurance	\$1,205	\$1,205
General & Administrative	\$347	\$347
Total Expenses	\$26,665	\$26,665
Expenses/unit	\$6,666	\$6,666
Expenses/SF	\$6.96	\$6.96
% of EGI	35.13%	25.72%

Scheduled Income

No. of Units	Unit Type	Approx. Square Feet	Current Rents	Rent/SF	Monthly Income	Pro Forma Rents	Rent/SF	Monthly Income
1	3 Bdr 2 Bath Flat	1,400	\$2,300	\$1.64	\$2,300	\$3,100	\$1.64	\$3,100
2	2 Bdr 2.5 Bath	925	\$1,600 - \$1,650	\$1.55	\$3,250	\$2,295	\$1.88	\$4,590
1	Studio 1 Bath	580	\$850	\$1.47	\$850	\$1,095	\$1.81	\$1,095
4	Total/Wtd. Avg.	3,832			\$6,400			\$8,785

**Studio is non-conforming

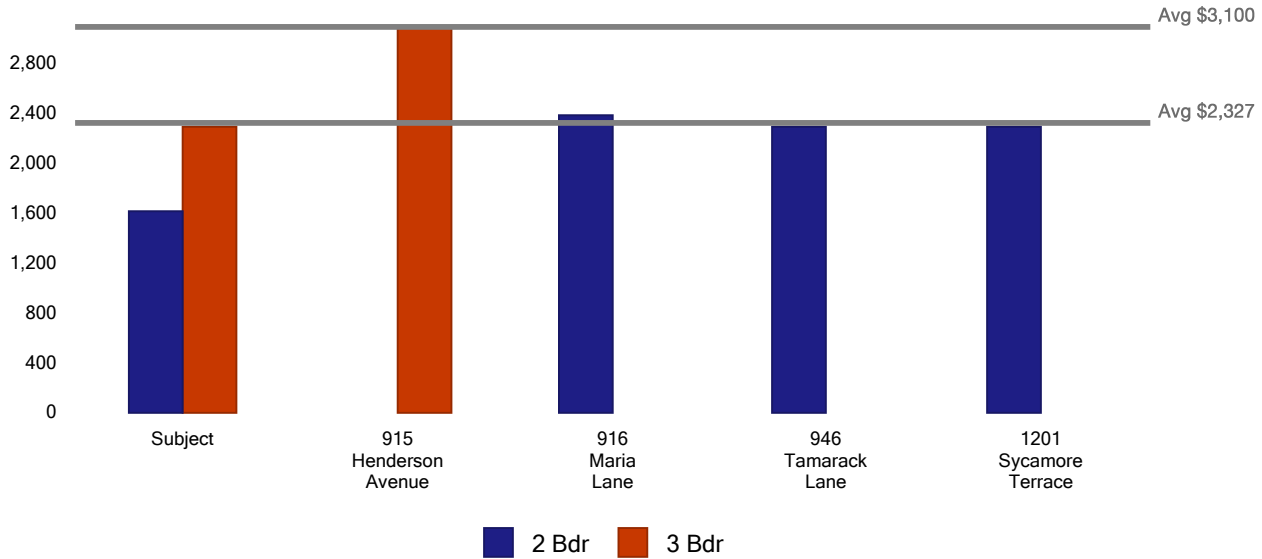
RENT COMPARABLES

1272 Poplar Avenue

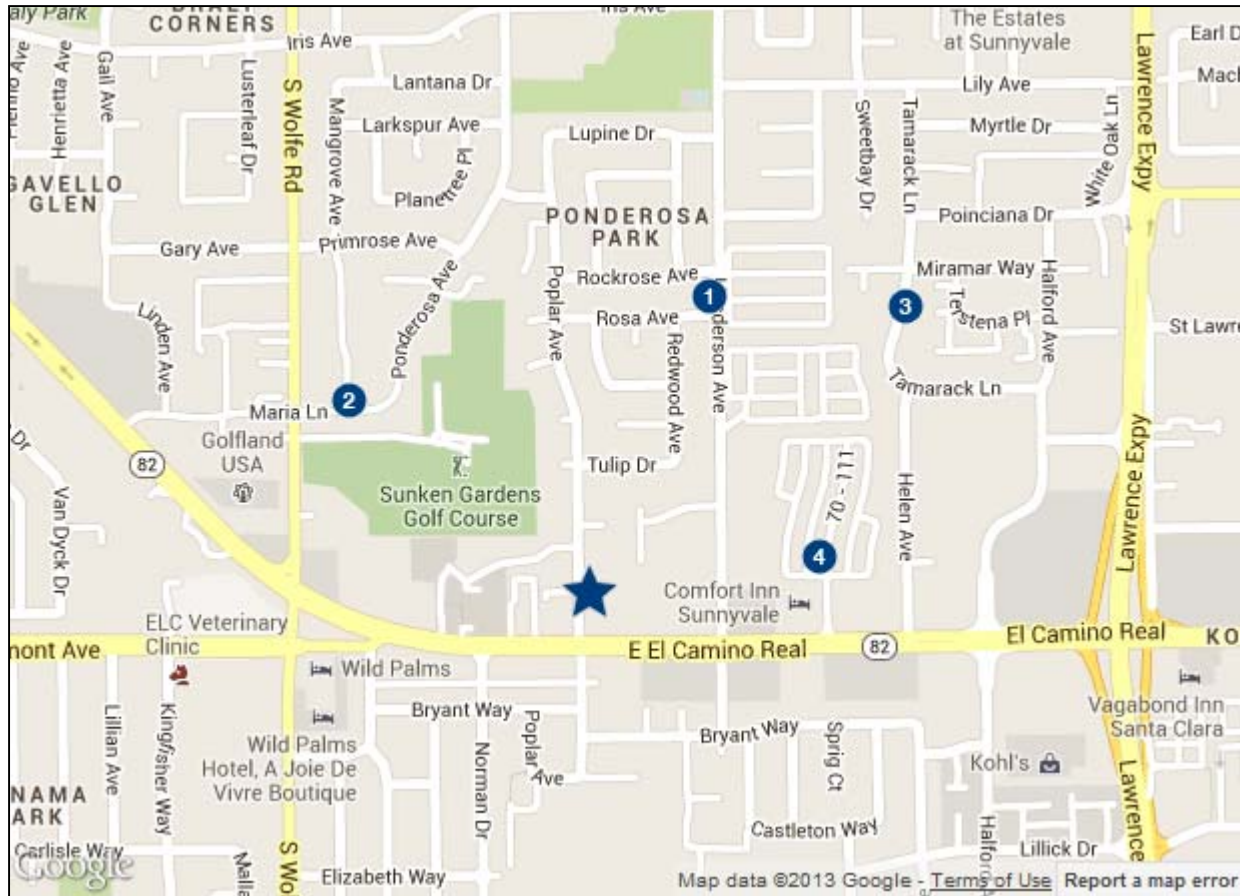
SUNNYVALE, CA

OCCUPANCY AND AVERAGE RENTS

Average Rents - 2 and 3 Bedrooms



RENT COMPARABLES MAP



- ★ 1272 Poplar Avenue
- 1) 915 Henderson Avenue
- 2) 916 Maria Lane
- 3) 946 Tamarack Lane
- 4) 1201 Sycamore Terrace

RENT COMPARABLES



Subject Property

No. of Units: 4
 Occupancy:
 Year Built: 1985

1272 Poplar Avenue
 Sunnyvale, CA 94086

Unit Type	Units	SF	Rent	Rent/SF
3 Bdr 2 Bath Flat	1	1,400	\$2,300	\$1.64
2 Bdr 2.5 Bath	2	925	\$1,600 - \$1,650	\$1.55
Studio 1 Bath	1	580	\$850	\$1.47
Total/Avg.	4	3,832	\$1,592	\$1.67



No. of Units: 2
 Occupancy:
 Year Built:

915 Henderson Avenue
 Sunnyvale, CA 94086

Unit Type	Units	SF	Rent	Rent/SF
3 Bdr 2 Bath Half Duplex	1	1,450	\$3,100	\$2.14
Total/Wtd. Avg.	1		\$3,100	\$2.14

Comments

Square footage is roughly the same as the 3Br/2Ba of the subject property. Style of living at this location very similar to that of 1272 Poplar. Found on Craigslist on 8/15/2013. Clean rental grade.



No. of Units: 4
 Occupancy:
 Year Built:

916 Maria Lane
 Sunnyvale, CA 94086

Unit Type	Units	SF	Rent	Rent/SF
2 Bdr 1 Bath Apartment Unit	1	1,000	\$2,390	\$2.39
Total/Wtd. Avg.	1		\$2,390	\$2.39

Comments

This fourplex is identical to all of the other fourplexes in the neighborhood. Many are asking for \$2350-\$2400 and getting around \$2250-\$2300.

RENT COMPARABLES

3



946 Tamarack Lane
Sunnyvale, CA 94086

Unit Type	Units	SF	Rent	Rent/SF
2 Bdr 1.5 Bath Apartment Unit	1	1,200	\$2,295	\$1.91
Total/Wtd. Avg.	1		\$2,295	\$1.91

No. of Units 22
Occupancy:
Year Built/Renovated:

Comments

Granite countertops, disposal, W/D, and central heat. Rent includes water, trash and sewer.

4



1201 Sycamore Terrace
Sunnyvale, CA 94086

Unit Type	Units	SF	Rent	Rent/SF
2 Bdr 2 Bath House	1	1,100	\$2,295	\$2.09
Total/Wtd. Avg.	1		\$2,295	\$2.09

No. of Units 1
Occupancy:
Year Built/Renovated:

Comments

This is a listing from 8/15/13 found on Craigslist. This is the only SFH on a mobile home park lot. Includes the amenities of the mobile home park (pool, clubhouse) and has W/D, covered parking (2), new floors and carpets. Rental grade in similar location, but it is in a mobile home park.

DEMOGRAPHIC ANALYSIS

1272 Poplar Avenue

SUNNYVALE, CA

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Real Estate Investment Services

SUMMARY REPORT

Geography: 5 Miles

Population

In 2012, the population in your selected geography was 500,823 . The population has changed by 10.58% since 2000. It is estimated that the population in your area will be 513,188 five years from now, which represents a change of 2.46% from the current year. The current population is 50.0% male and 49.9% female. The median age of the population in your area is 37.0 , compare this to the U.S. average which is 37. The population density in your area is 5,310.18 people per square mile.

Households

There are currently 188,794 households in your selected geography. The number of households has changed by 8.13% since 2000. It is estimated that the number of households in your area will be 193,057 five years from now, which represents a change of 2.25% from the current year. The average household size in your area is 2.62 persons.

Income

In 2012, the median household income for your selected geography is \$99,998 , compare this to the U.S. average which is currently \$53,535. The median household income for your area has changed by 33.47% since 2000. It is estimated that the median household income in your area will be \$116,243 five years from now, which represents a change of 16.24% from the current year.

The current year per capita income in your area is \$50,032 , compare this to the U.S. average, which is \$28,888. The current year average household income in your area is \$132,158 , compare this to the U.S. average which is \$75,373.

Race & Ethnicity

The current year racial makeup of your selected area is as follows: 44.82% White, 2.33% African American, 0.50% Native American and 40.22% Asian/Pacific Islander. Compare these to U.S. averages which are: 72.20% White, 12.65% African American, 0.96% Native American and 5.01% Asian/Pacific Islander.

People of Hispanic origin are counted independently of race. People of Hispanic origin make up 17.07% of the current year population in your selected area. Compare this to the U.S. average of 16.55%.

Housing

The median housing value in your area was \$487,273 in 2000, compare this to the U.S. average of \$110,781 for the same year. In 2000, there were 89,307 owner occupied housing units in your area and there were 85,396 renter occupied housing units in your area. The median rent at the time was \$1,215 .

Employment

In 2012, there are 277,766 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 79.1% of employees are employed in white-collar occupations in this geography, and 20.8% are employed in blue-collar occupations. In 2012, unemployment in this area is 4.32% . In 2000, the median time traveled to work was 20.9 minutes.

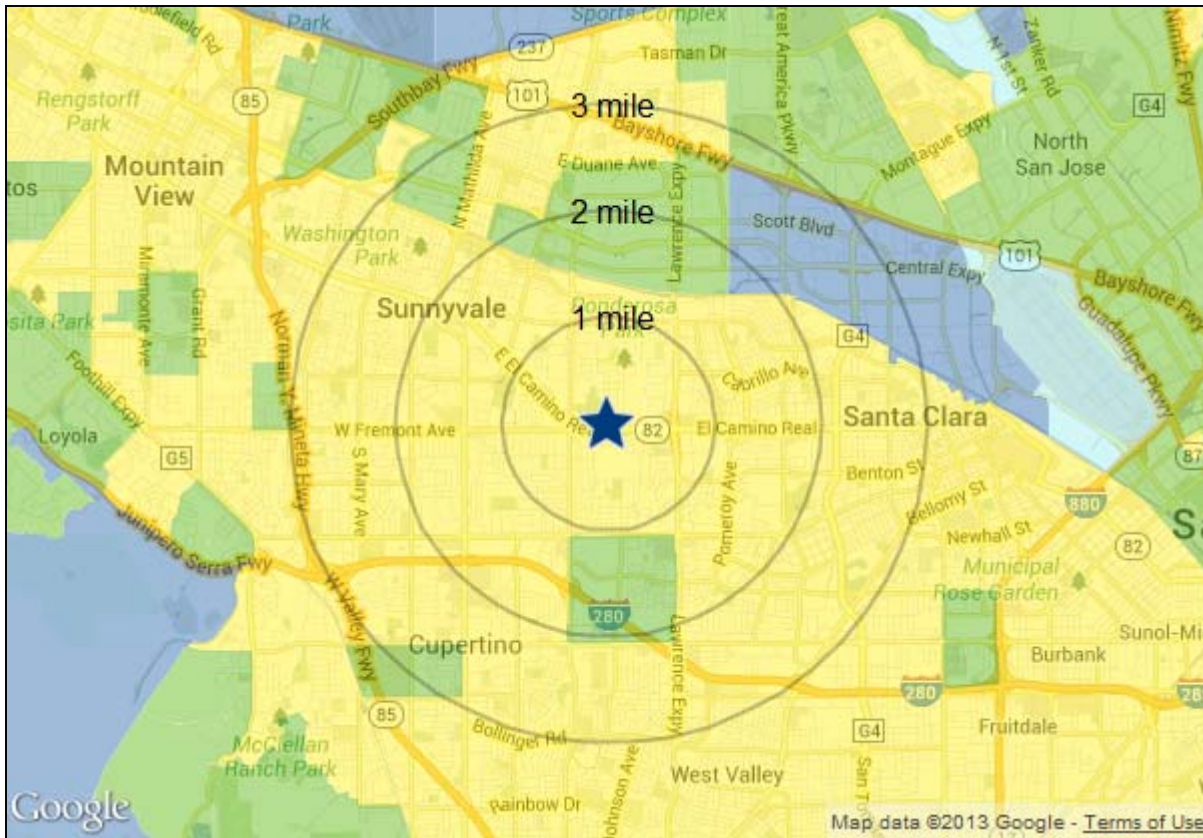
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DEMOGRAPHIC REPORT

	1 Mile	3 Miles	5 Miles
2000 Population	31,418	215,074	452,901
2010 Population	33,454	225,806	487,889
2012 Population	34,176	231,957	500,823
2017 Population	34,858	235,554	513,188
2000 Households	12,769	83,385	174,591
2010 Households	12,953	84,033	182,966
2012 Households	13,298	86,751	188,794
2017 Households	13,464	87,832	193,057
2012 Average Household Size	2.57	2.66	2.62
2012 Daytime Population	5,464	102,930	277,766
2000 Median Housing Value		\$465,622	\$487,273
2000 Owner Occupied Housing Units	43.92%	47.23%	49.83%
2000 Renter Occupied Housing Units	54.60%	50.78%	47.64%
2000 Vacant	1.85%	2.03%	2.59%
2012 Owner Occupied Housing Units	42.16%	45.98%	48.66%
2012 Renter Occupied Housing Units	54.92%	51.89%	49.26%
2012 Vacant	2.92%	2.13%	2.08%
2017 Owner Occupied Housing Units	41.85%	45.75%	48.44%
2017 Renter Occupied Housing Units	54.89%	52.00%	49.46%
2017 Vacant	3.27%	2.24%	2.10%
\$ 0 - \$14,999	5.5%	5.8%	6.2%
\$ 15,000 - \$24,999	4.6%	5.4%	5.5%
\$ 25,000 - \$34,999	4.5%	5.3%	5.3%
\$ 35,000 - \$49,999	8.1%	8.3%	8.3%
\$ 50,000 - \$74,999	11.8%	12.3%	12.3%
\$ 75,000 - \$99,999	15.2%	13.5%	12.5%
\$100,000 - \$124,999	14.9%	14.9%	13.9%
\$125,000 - \$149,999	11.3%	10.4%	9.8%
\$150,000 - \$199,999	11.7%	11.4%	12.0%
\$200,000 - \$249,999	5.7%	5.6%	6.0%
\$250,000 +	6.8%	7.2%	8.3%
2012 Median Household Income	\$100,490	\$99,079	\$99,998
2012 Per Capita Income	\$49,818	\$47,690	\$50,032
2012 Average Household Income	\$127,888	\$127,289	\$132,158

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POPULATION DENSITY



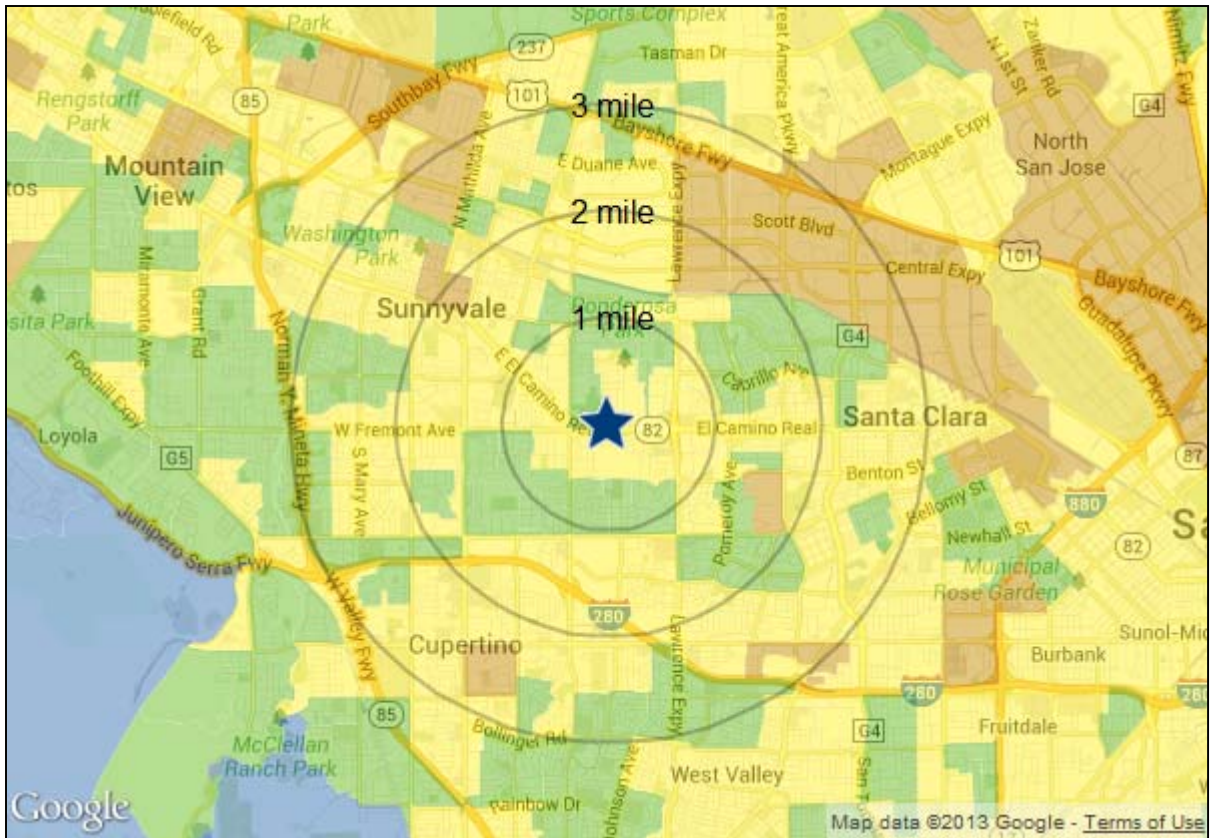
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Population Density

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



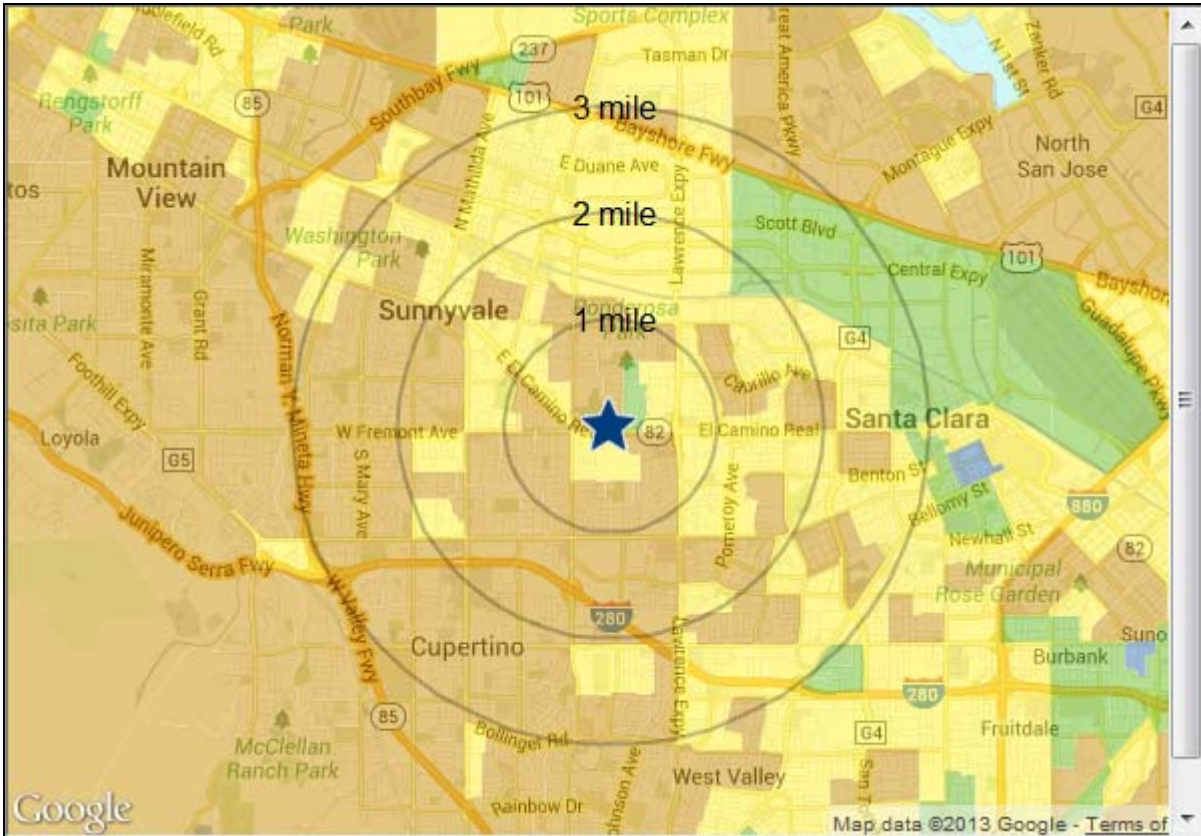
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Employment Density

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



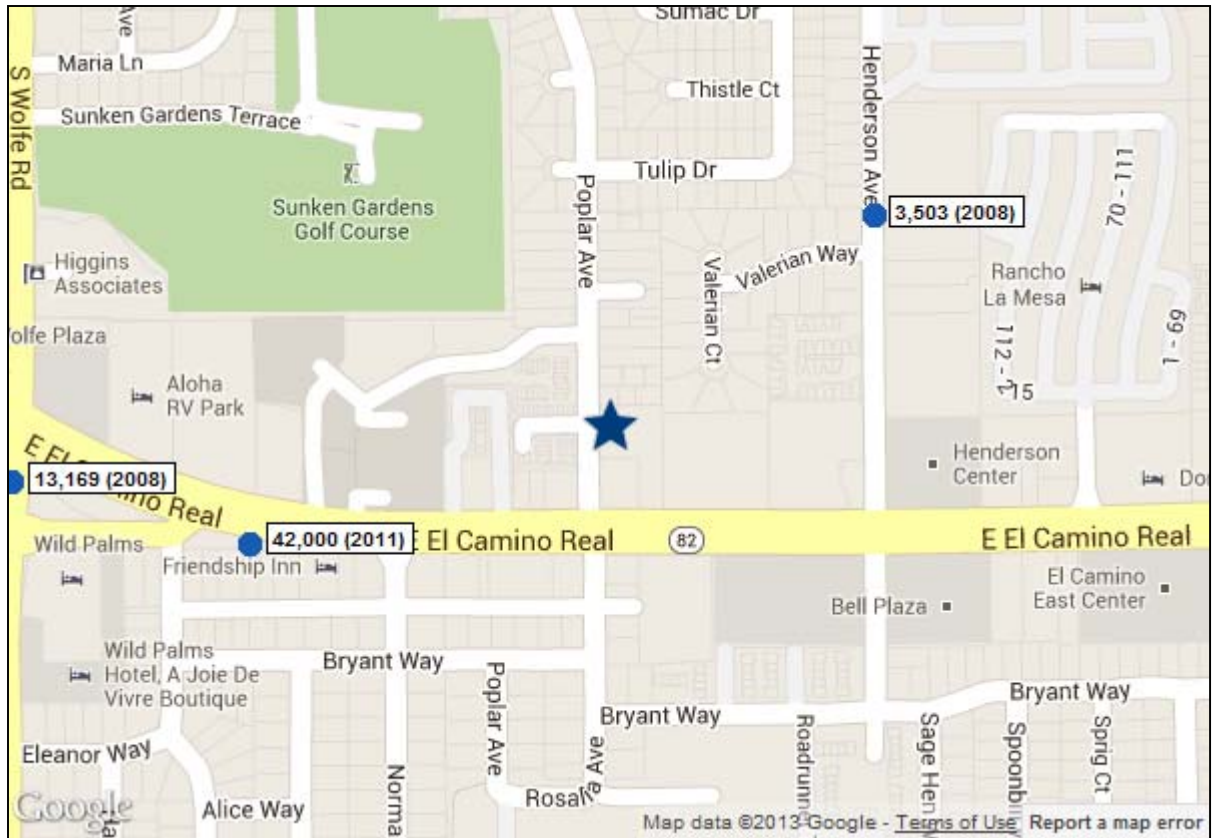
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Average Household Income

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.

TRAFFIC COUNTS



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Two-way, average daily traffic volumes.



1272 Poplar Avenue

SUNNYVALE, CA

OFFERING MEMORANDUM

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

Offices Nationwide
www.MarcusMillichap.com

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Real Estate Investment Services