

OFFERING
MEMORANDUM

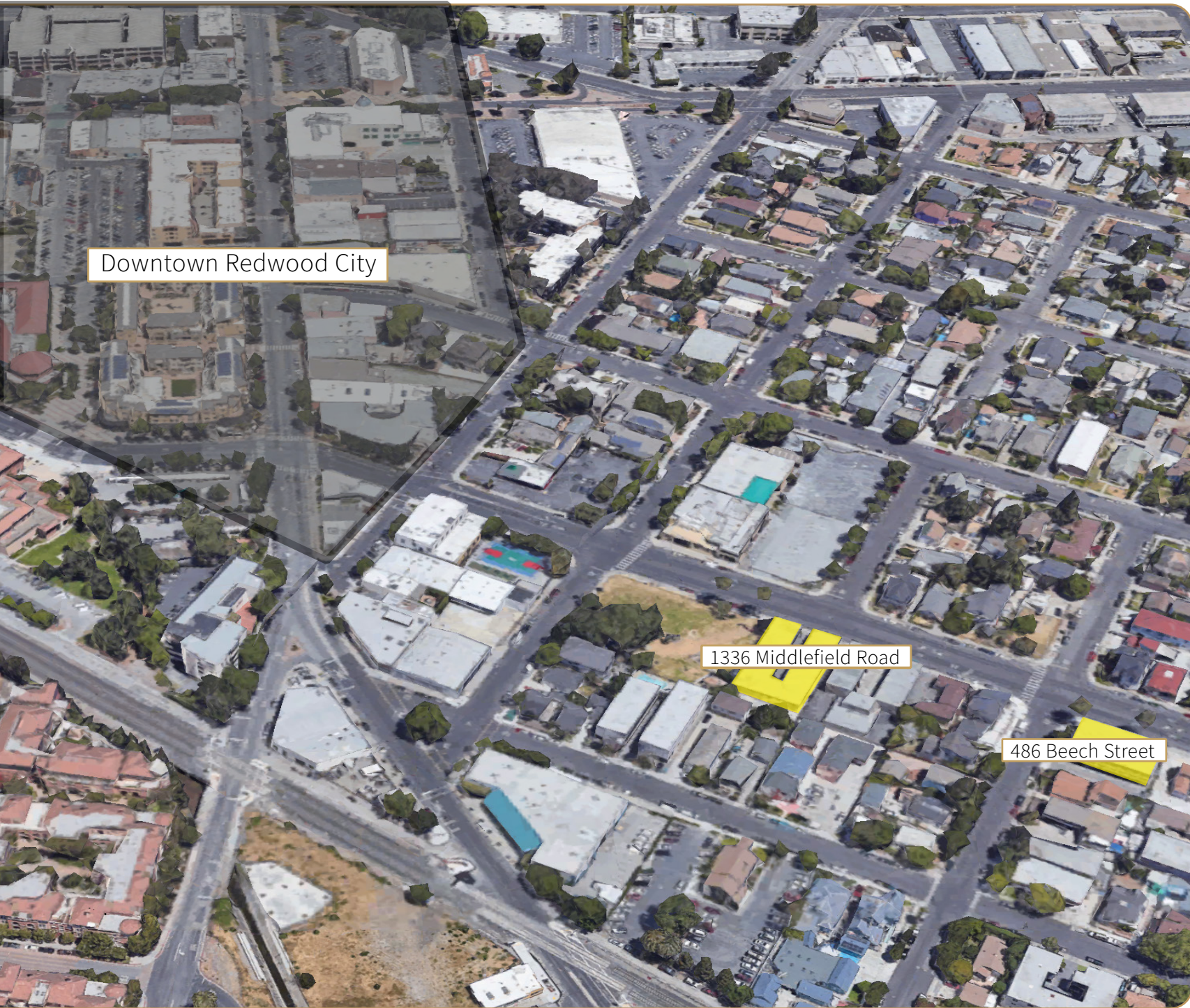
32 Units | Offered at ~~\$12,940,000~~
1336 Middlefield Rd & 486 Beech St, Redwood City, CA 94063
Two Blocks to Downtown Redwood City



COMPASS
COMMERCIAL

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Downtown Redwood City

1336 Middlefield Road

486 Beech Street

**EXCLUSIVELY
LISTED**

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**DO NOT DISTURB TENANTS.
PLEASE CONTACT LISTING AGENT FOR SHOWING INSTRUCTIONS.**

EXECUTIVE SUMMARY

COMBINED 32 UNITS

32 UNITS

Address: 1336 Middlefield Road, Redwood City, CA | 16 units

Address: 486 Beech Street, Redwood City, CA | 16 units

County San Mateo

APN 053-145-220 & 053-152-150

County Use R-4

Price \$12,180,000

Total Units 32

Unit Mix (2) Studio; (26) 1/1; (4) 2/1

Price/Sqft \$450

Gross Building Sqft 27,040

Lot Size Sqft 21,064

Current Cap Rate 4.08%

Current GRM 14.84

Market Cap Rate 4.62%

Market GRM 13.72

RENT ROLL SUMMARY

TYPE	UNITS	CURRENT RENT	MARKET RENT
Studio	2	\$1,850-\$1,945	\$1,950
1-Bedroom/1-Bath	26	\$1,825-\$2,150	\$2,200
2-Bedroom/1-Bath	4	\$2,595-2,950	\$2,950
Laundry Income		\$1090*	\$1090*
TOTAL MONTHLY		\$68,395	\$73,990
TOTAL ANNUAL		\$820,740	\$887,880

Note: * Estimated income after repairs at 486 Beech.



PRO FORMA OPERATING SUMMARY

COMBINED 32 UNITS



OPERATING EXPENSES

New Property Taxes (@1.077%)	\$131,179
Special Assessments & Direct Charges	\$333
Insurance	\$10,859
Garbage	\$9,681
Water & Sewer	\$44,033
Gas & Electric	\$16,027
Repairs & Maintenance [1]	\$30,400
Landscape	\$4,680
Fire Inspection	\$1,456
Property Management Offsite [2]	\$32,306
Property Management Onsite [3]	\$18,000

TOTAL EXPENSES **\$298,954**

	CURRENT	MARKET
Scheduled Gross Income	\$820,740	\$887,880
Less Vacancy	3.0% (\$24,622)	3.0% (\$26,636)
Effective Gross Rent	\$796,118	\$861,244
Less Expenses	(36.4%) \$298,954	(33.7%) \$298,954

NET OPERATING INCOME	\$497,164	\$562,290
Cap Rate	4.08%	4.62%
GRM	14.84	13.72

Notes: Expenses are from the owner's 2022 P&L.

[1] Estimated at \$950/unit

[2] Estimated at 4% of gross rents

[3] For each building, onsite manager's rent is decreased by \$750/month for a below market compensatory rate of \$1,250.

EXECUTIVE SUMMARY

1336 MIDDLEFIELD RD 16 UNITS

16 UNITS

Property Address	1336 Middlefield Road, Redwood City, CA
<u>County</u>	San Mateo
<u>APN</u>	053-145-220
<u>County Use</u>	R-4
<u>Units</u>	16
<u>Unit Mix</u>	(2) Studio; (10) 1/1; (4) 2/1
<u>Gross Building Sqft</u>	13,458
<u>Lot Size Sqft</u>	12,264
<u>Year Built</u>	1960

BUILDING FEATURES

- Individual gas and electric meters
- Two blocks from Downtown Redwood City
- Dual pane windows
- Blown-in insulation to exterior walls

RENT ROLL SUMMARY

TYPE	UNITS	CURRENT RENT	MARKET RENT
Studio	2	\$1,850-\$1,945	\$1,950
1-Bedroom/1-Bath	10	\$1,825-\$2,100	\$2,200
2-Bedroom/1-Bath	4	\$2,595-\$2,950	\$2,950
Laundry Income		\$590	\$590
TOTAL MONTHLY		\$35,425	\$38,290
TOTAL ANNUAL		\$425,100	\$459,480



PRO FORMA OPERATING SUMMARY

1336 MIDDLEFIELD RD 16 UNITS



OPERATING EXPENSES

New Property Taxes (@1.077%)	\$67,851
Special Assessments & Direct Charges	\$168
Insurance	\$5,524
Garbage	\$5,198
Water & Sewer	\$22,486
Gas & Electric	\$9,672
Repairs & Maintenance [1]	\$15,200
Landscape	\$2,340
Fire Inspection	\$728
Property Management Offsite [2]	\$16,721
Property Management Onsite [3]	\$9,000

TOTAL EXPENSES **\$154,888**

	CURRENT	MARKET
Scheduled Gross Income	\$425,100	\$459,480
Less Vacancy	3.0% (\$12,753)	3.0% (\$13,784)
Effective Gross Income	\$412,347	\$445,696
Less Expenses	(36.4%) \$154,888	(33.7%) \$154,888

NET OPERATING INCOME **\$257,459** **\$290,808**

Notes:

Expenses are from the owner's 2022 P&L.

[1] Estimated at \$950/unit

[2] Estimated at 4% of gross rents

[3] Manager's rent is decreased by \$750/month for a below market compensatory rate of \$1,250.

ASSUMABLE LOAN

Balance: \$3,541,407

Lender: Chase

Interest Rate: 3.38%

RENT ROLL SUMMARY

1336 MIDDLEFIELD RD 16 UNITS



UNIT	TYPE	CURRENT RENT	MARKET RENT	APPROX. SF	MOVE-IN DATE
1	1-Bedroom/1-Bath	\$1,825	\$2,200	579	12/1/1990
2	1-Bedroom/1-Bath	\$2,050	\$2,200	579	11/14/2021
3	2-Bedroom/1-Bath	\$2,600	\$2,950	781	4/24/2020
4	2-Bedroom/1-Bath	\$2,900	\$2,950	781	3/1/2023
5	Studio	\$1,850	\$1,950	386	5/1/2019
6	Studio	\$1,945	\$1,950	386	3/15/2022
7	1-Bedroom/1-Bath	\$1,990	\$2,200	579	10/1/2008
8	1-Bedroom/1-Bath	\$1,950	\$2,200	579	6/7/2022
9	1-Bedroom/1-Bath	\$2,020	\$2,200	579	5/18/2017
10	1-Bedroom/1-Bath	\$2,100	\$2,200	579	2/15/2023
11	1-Bedroom/1-Bath	\$1,995	\$2,200	579	4/29/2016
12	1-Bedroom/1-Bath	\$2,025	\$2,200	579	11/15/2017
14	1-Bedroom/1-Bath	\$2,040	\$2,200	579	7/1/2021
15	2-Bedroom/1-Bath	\$2,595	\$2,950	781	11/10/2002
16	2-Bedroom/1-Bath	\$2,950	\$2,950	781	8/26/2019
17	1-Bedroom/1-Bath	\$2,000	\$2,200	579	7/1/2008

MONTHLY RENT TOTALS **\$34,835** **\$37,700**

Laundry \$590 \$590

MONTHLY TOTALS **\$35,425** **\$38,290** **9,686**
ANNUAL TOTALS **\$425,100** **\$459,480**

EXECUTIVE SUMMARY

486 BEECH ST 16 UNITS

16 UNITS

Property Address	486 Beech Street, Redwood City, CA
<u>County</u>	San Mateo
<u>APN</u>	053-152-150
<u>County Use</u>	R-4
<u>Units</u>	16
<u>Unit Mix</u>	(16) 1/1
<u>Building Sqft</u>	13,582
<u>Lot Size Sqft</u>	8,800
<u>Year Built</u>	1962

BUILDING FEATURES

- Individual electric meters, no gas in units
- Two blocks from Downtown Redwood City
- Dual pane windows

RENT ROLL SUMMARY

<u>TYPE</u>	<u>UNITS</u>	<u>CURRENT RENT</u>	<u>MARKET RENT</u>
1-Bedroom/1-Bath	16	\$1,900-\$2,150	\$2,200
Laundry Income *		\$500	\$500
TOTAL MONTHLY		\$32,970	\$35,700
TOTAL ANNUAL		\$395,640	\$428,400

Note: * Estimated income after repairs.



PRO FORMA OPERATING SUMMARY

486 BEECH ST 16 UNITS



OPERATING EXPENSES

New Property Taxes (@1.077%)	\$63,328
Special Assessments & Direct Charges	\$165
Insurance	\$5,335
Garbage	\$4,483
Water & Sewer	\$21,547
Gas & Electric	\$6,355
Repairs & Maintenance [1]	\$15,200
Landscape	\$2,340
Fire Inspection	\$728
Property Management Offsite [2]	\$15,586
Property Management Onsite [3]	\$9,000

TOTAL EXPENSES **\$144,066**

	CURRENT	MARKET
Scheduled Gross Income	\$395,640	\$428,400
Less Vacancy	3.0% (\$11,869)	3.0% (\$12,852)
Effective Gross Income	\$383,771	\$415,548
Less Expenses	(36.4%) \$144,066	(33.6%) \$144,066

NET OPERATING INCOME **\$239,705** **\$271,482**

Notes:

Expenses are from the owner's 2022 P&L.

[1] Estimated at \$950/unit

[2] Estimated at 4% of gross rents

[3] Onsite manager's rent is decreased by \$750/month for a below market compensatory rate of \$1,250.

RENT ROLL SUMMARY

486 BEECH ST 16 UNITS



UNIT	TYPE	CURRENT RENT	MARKET RENT	APPROX. SF	MOVE-IN DATE
1	1-Bedroom/1-Bath	\$2,000	\$2,200	520	3/15/2017
2	1-Bedroom/1-Bath	\$2,115	\$2,200	520	1/1/2019
3	1-Bedroom/1-Bath	\$2,150	\$2,200	520	4/5/2023
4	1-Bedroom/1-Bath [1]	\$2,200	\$2,200	520	Vacant
5	1-Bedroom/1-Bath	\$2,000	\$2,200	520	6/1/2007
6	1-Bedroom/1-Bath	\$1,900	\$2,200	520	3/5/2022
7	1-Bedroom/1-Bath	\$1,995	\$2,200	520	11/1/2011
8	1-Bedroom/1-Bath [1]	\$2,200	\$2,200	520	Vacant
9	1-Bedroom/1-Bath	\$1,975	\$2,200	520	4/15/2022
10	1-Bedroom/1-Bath	\$2,070	\$2,200	520	11/1/2017
11	1-Bedroom/1-Bath	\$2,025	\$2,200	520	3/1/2019
12	1-Bedroom/1-Bath	\$1,975	\$2,200	520	5/13/2022
13	1-Bedroom/1-Bath	\$1,975	\$2,200	520	4/18/2022
14	1-Bedroom/1-Bath	\$2,000	\$2,200	520	1/28/2017
15	1-Bedroom/1-Bath	\$1,950	\$2,200	520	4/27/2022
16	1-Bedroom/1-Bath	\$1,940	\$2,200	520	7/1/2012
MONTHLY RENT TOTALS		\$32,470	\$35,200		
	Laundry [2]	\$500	\$500		
MONTHLY TOTALS		\$32,970	\$35,700	8,320	
ANNUAL TOTALS		\$395,640	\$428,400		

Notes: [1] Vacant, market rent applied. [2] Estimated income after repairs.

NEXT DOOR DEVELOPMENT

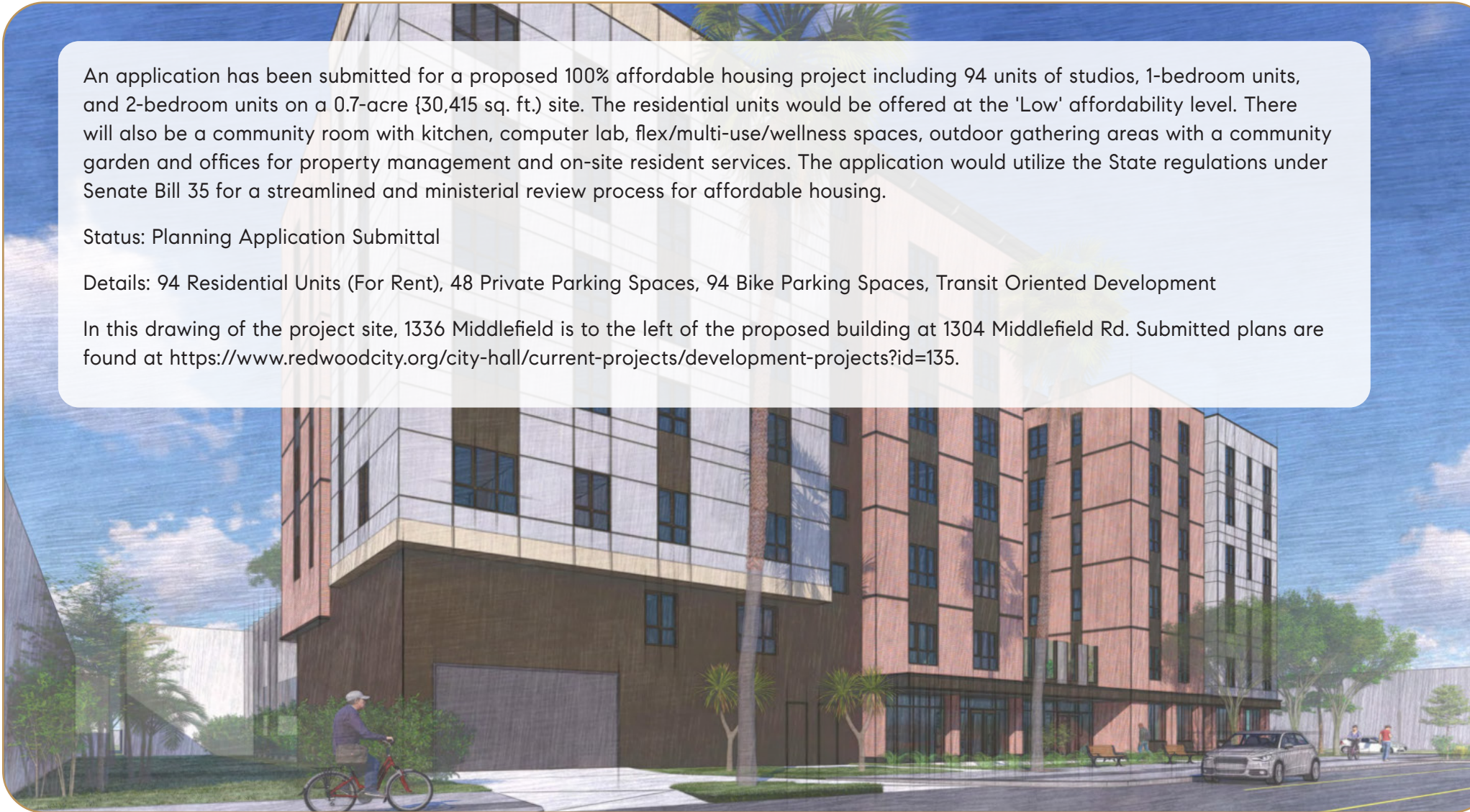
1304 MIDDLEFIELD RD

An application has been submitted for a proposed 100% affordable housing project including 94 units of studios, 1-bedroom units, and 2-bedroom units on a 0.7-acre (30,415 sq. ft.) site. The residential units would be offered at the 'Low' affordability level. There will also be a community room with kitchen, computer lab, flex/multi-use/wellness spaces, outdoor gathering areas with a community garden and offices for property management and on-site resident services. The application would utilize the State regulations under Senate Bill 35 for a streamlined and ministerial review process for affordable housing.

Status: Planning Application Submittal

Details: 94 Residential Units (For Rent), 48 Private Parking Spaces, 94 Bike Parking Spaces, Transit Oriented Development

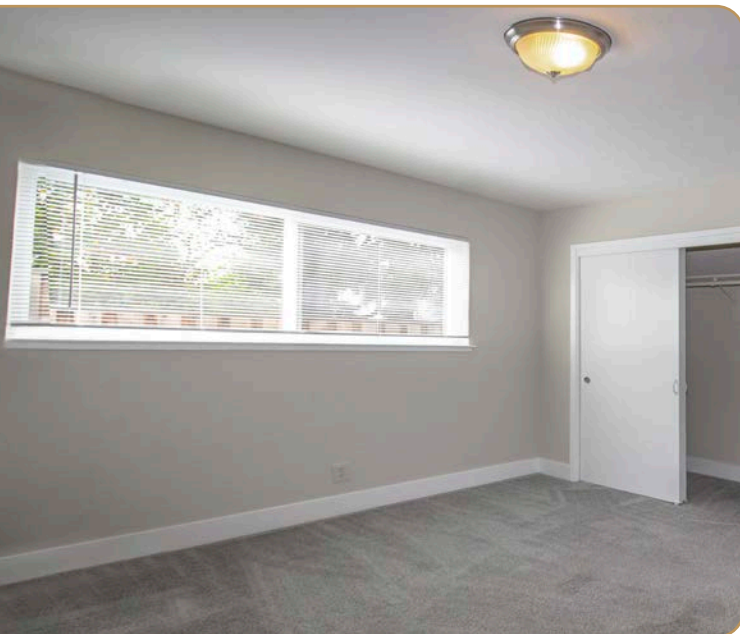
In this drawing of the project site, 1336 Middlefield is to the left of the proposed building at 1304 Middlefield Rd. Submitted plans are found at <https://www.redwoodcity.org/city-hall/current-projects/development-projects?id=135>.

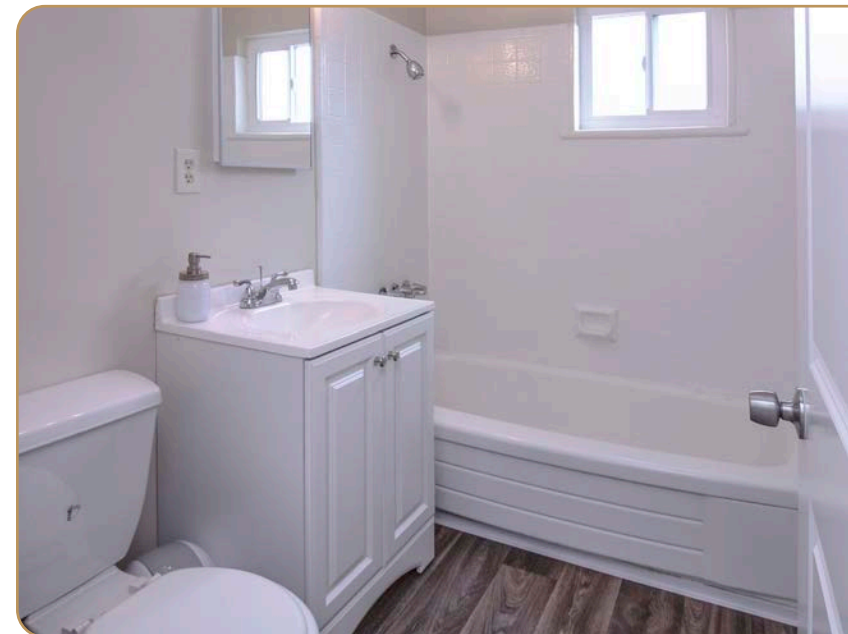


NEXT DOOR DEVELOPMENT

1304 MIDDLEFIELD RD





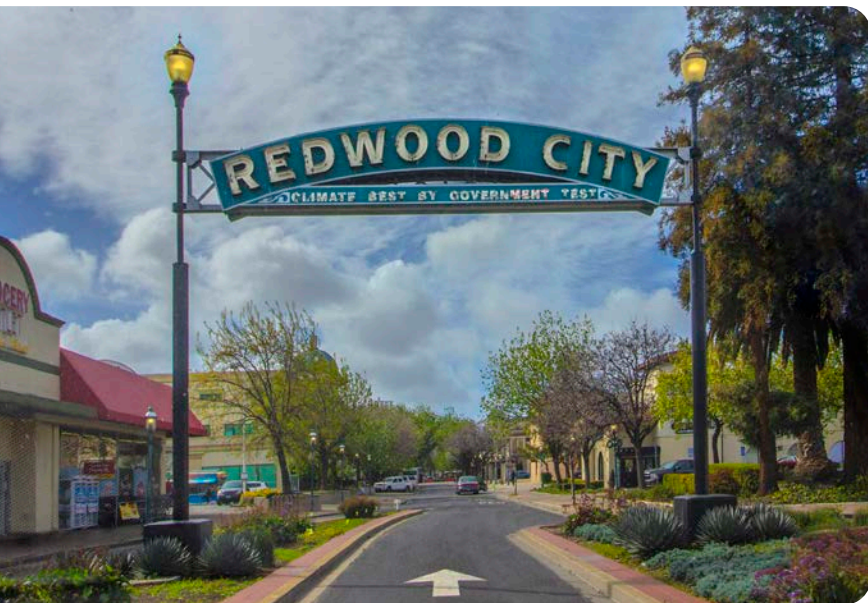






LOCATION OVERVIEW

REDWOOD CITY



The City of Redwood City is a San Francisco Bay Area community located in the heart of Silicon Valley, the technology-rich region extending from the San Francisco Peninsula to the foothills of the Santa Cruz Mountains. Being so centrally located, Redwood City is approximately 27 miles south of San Francisco, and 24 miles northwest of San Jose.

Redwood City is the third largest city in the County of San Mateo, with 85,992 residents. The city enjoys an average of 255 sunny days a year, which it boasts via the city slogan: “Climate Best by Government Test”. Incorporated in 1867, Redwood City is home to the San Mateo County History Museum (located in the county’s old courthouse) and the only active deep-water port within the south bay of San Francisco. Ampex, Avangate, BigBand Networks, BroadVision, Crystal Dynamics, DPR Construction, Electronic Arts, GoFundMe, Informatica, iPass Inc., Jivox, Openwave, Oracle, Shutterfly, Support.com, Evernote, Equinix, i2c Inc, YuMe, and iCracked are based in Redwood City.

The city’s vibrant downtown, quickly becoming known as the entertainment hub of the San Francisco Peninsula, offers residents, visitors, and businesses a unique retail, entertainment, and restaurant experience. U.S. Route 101 passes through Redwood City as it goes along the Peninsula. Other major thoroughfares include El Camino Real (Route 82); Woodside Rd (Route 84), and I-280, which passes west of the city. Redwood City has a stop on Caltrain, and local bus service is provided by SamTrans.



NEIGHBORHOOD MAP

REDWOOD CITY



INVESTMENT ADVISORS



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