

# 1838 Higdon Avenue

MOUNTAIN VIEW, CA



## OFFERING MEMORANDUM



**Marcus & Millichap**  
Real Estate Investment Services

# 1838 Higdon Avenue

MOUNTAIN VIEW, CA

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MOUNTAIN VIEW, CA

## TABLE OF CONTENTS

<b>Section 1</b>	PROPERTY DESCRIPTION
<b>Section 2</b>	RECENT SALES
<b>Section 3</b>	ON MARKET COMPARABLES
<b>Section 4</b>	PRICING AND FINANCIAL ANALYSIS
<b>Section 5</b>	DEMOGRAPHIC ANALYSIS

**PROPERTY DESCRIPTION**

**1838 Higdon Avenue**

MOUNTAIN VIEW, CA

**Marcus & Millichap**  
Real Estate Investment Services

## INVESTMENT OVERVIEW

### Investment Highlights

- 2 of 4 Units Completely Renovated in 2015!
- Large Private Backyards (Fenced Off)
- New Quartz Countertops, New Plumbing and Appliances
- Located in Close Proximity to Hwys 101, 280 & Caltrain
- New \$30,000 Driveway, New Kitchens & Bathrooms!
- Ten (10) Off-Street Parking Spaces; Four (4) Covered
- Close to Beautiful Downtown Mountain View
- On-site Laundry Room for Additional Income



1838 Higdon Avenue is a beautifully renovated four-unit apartment building located at the end of a quiet culdesac in highly desirable Mountain View, California. The grounds consist of a massive 13,181 square foot lot with 3,472 square feet of living space nestled amongst mature landscaping.

Built in 1962, the property consists of a large concrete perimeter foundation, wood frame construction, stucco exterior, and a beautifully landscaped premises. The investment offers an on-site laundry room, four covered and six additional on-site parking spaces. All four apartment units are two-bedroom/one-bath units measuring 865 square feet a piece.

The current owners have put an incredible amount of capital improvements into the property over the past two years. Recent upgrades include a \$30,000 driveway, massive new front deck, three new bathrooms and kitchens with granite countertops, tile floors and new appliances. Due to the size of the lot, there have been private fenced-off yards for each of the two ground-floor tenants making the achievable rent even higher.

The property is located in close proximity to Google Campus, and all other major employment hubs via Highway 101 & 280. Additionally, Mountain View's low housing affordability coupled with increasing jobs, should yield higher rent growth and decreasing vacancy to under an estimated 2% in 2015.



## LIST OF RECENT CAPITAL IMPROVEMENTS

### LIST OF CAPITAL IMPROVEMENTS (COMPLETED IN 2015)

#### • UPSTAIRS PORCH

- Porch re-surfaced and railing completely rebuilt. Stairs re-aligned with all worn/damaged treads replaced.
- Upstairs siding repaired and painted.

#### • ROOF

- All gutters replaced and/or repaired.
- Roof repaired with new flashing between carport, building structure, and all new downspouts.

#### • UNIT #1

- New Simonton windows throughout with bedroom sliding glass door which opens onto new patio.
- New kitchen cabinets and appliances.
- New laminate flooring throughout.
- New cement patio in park-like backyard.
- New bathroom with all new fixtures, new flooring and exterior wall framing.
- New forced-air furnace.

#### • UNIT #2

- New cement patio around the back and side of the unit.

#### • UNIT #3

- Completely new bathroom with all new fixtures, new flooring and exterior wall framing.
- New forced-air furnace.

#### • UNIT #4

- All rooms of this unit are completely renovated
- New laminate flooring throughout
- New kitchen cabinets and all new appliances
- New bathroom fixtures including new bathtub, toilet and sink
- New Simonton windows throughout the entire unit.
- New permitted wall furnace.

### PROPERTY SUMMARY

#### The Offering

Property Address	1838 Higdon Avenue Mountain View, CA 94041
Assessor's Parcel Number	154-02-019
Zoning	R3-2

#### Site Description

Number of Units	4
Number of Buildings	1
Number of Stories	2
Year Built/Renovated	1962 / 2015
Rentable Square Feet	3,472
Lot Size	13,181 Square feet
Type of Ownership	Fee Simple
Parking	4 Covered & 6 Uncovered
Parking Ratio	2.5:1
Topography	Flat

#### Utilities

Water	Landlord
Electric	Tenant   Landlord pays common area
Gas	Tenant   Landlord pays common area

#### Construction

Foundation	Concrete
Framing	Wood
Exterior	Stucco
Parking Surface	Concrete
Roof	Comp Shingle

## PROPERTY PHOTOS

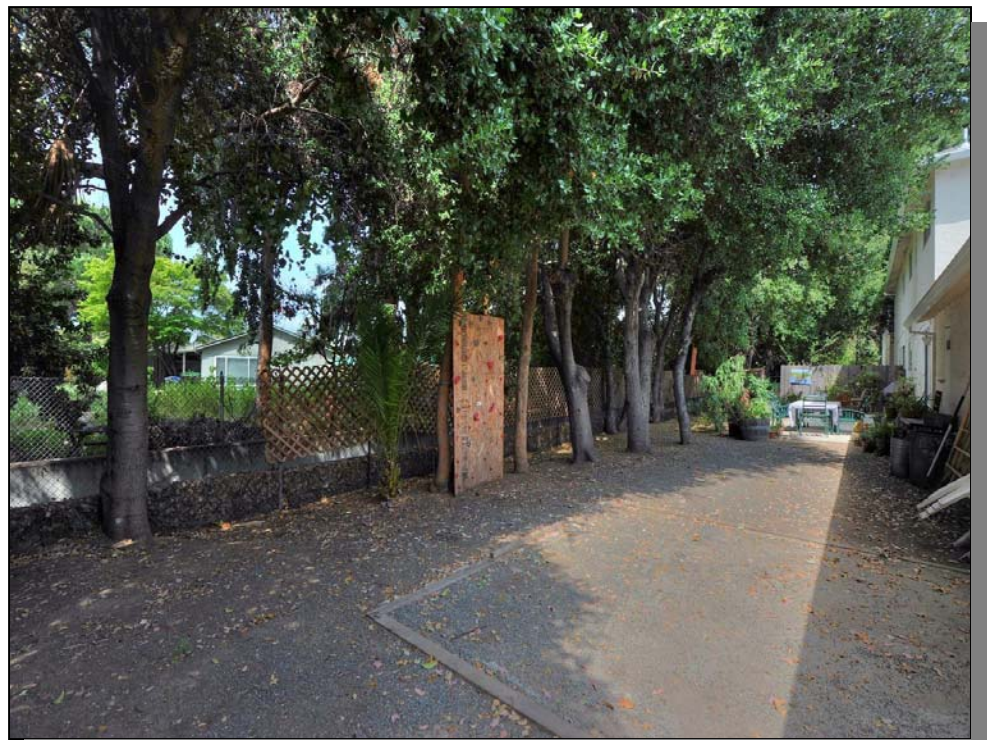




## PROPERTY PHOTOS



PROPERTY PHOTOS



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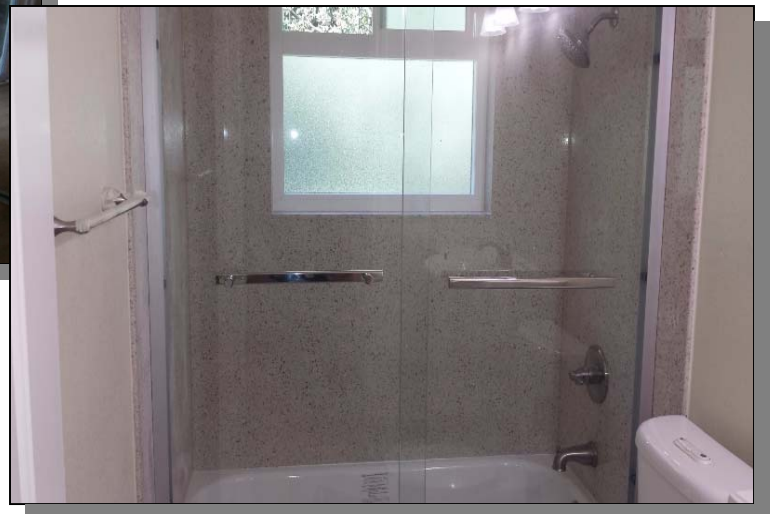
PROPERTY PHOTOS



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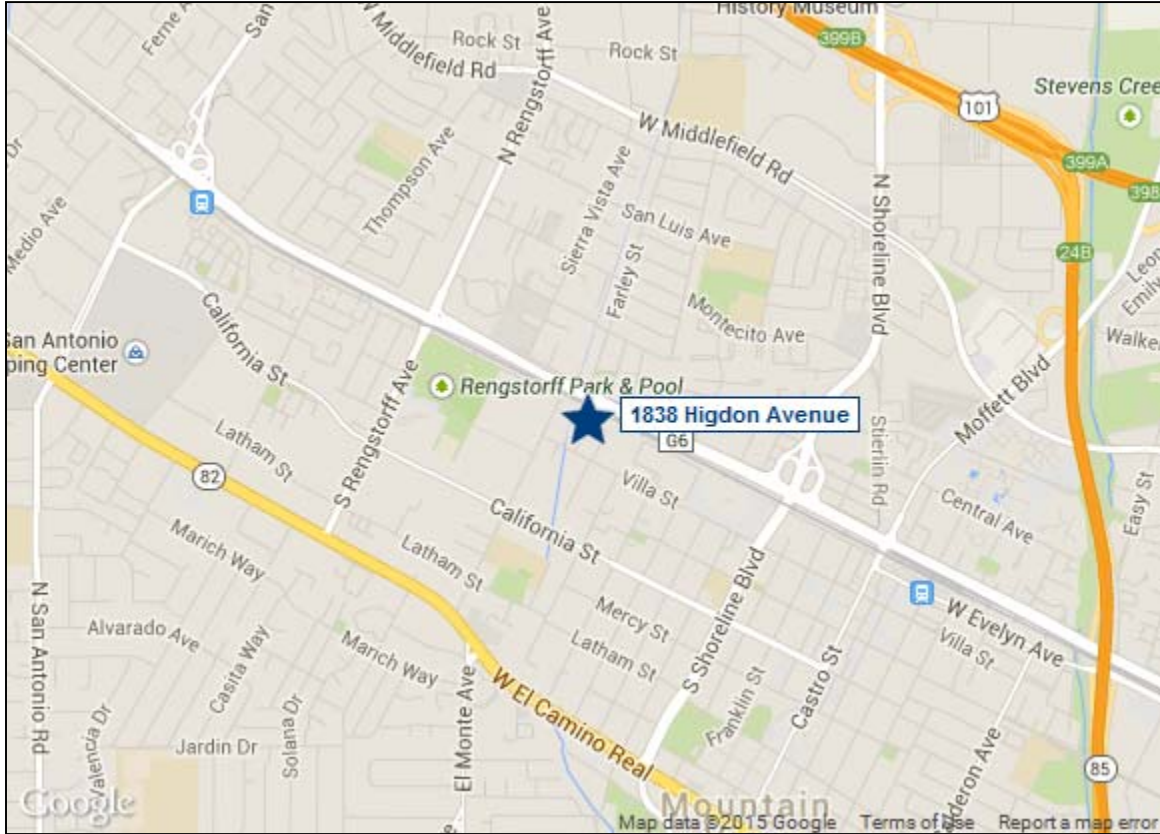




# 1838 Higdon Avenue

MOUNTAIN VIEW, CA

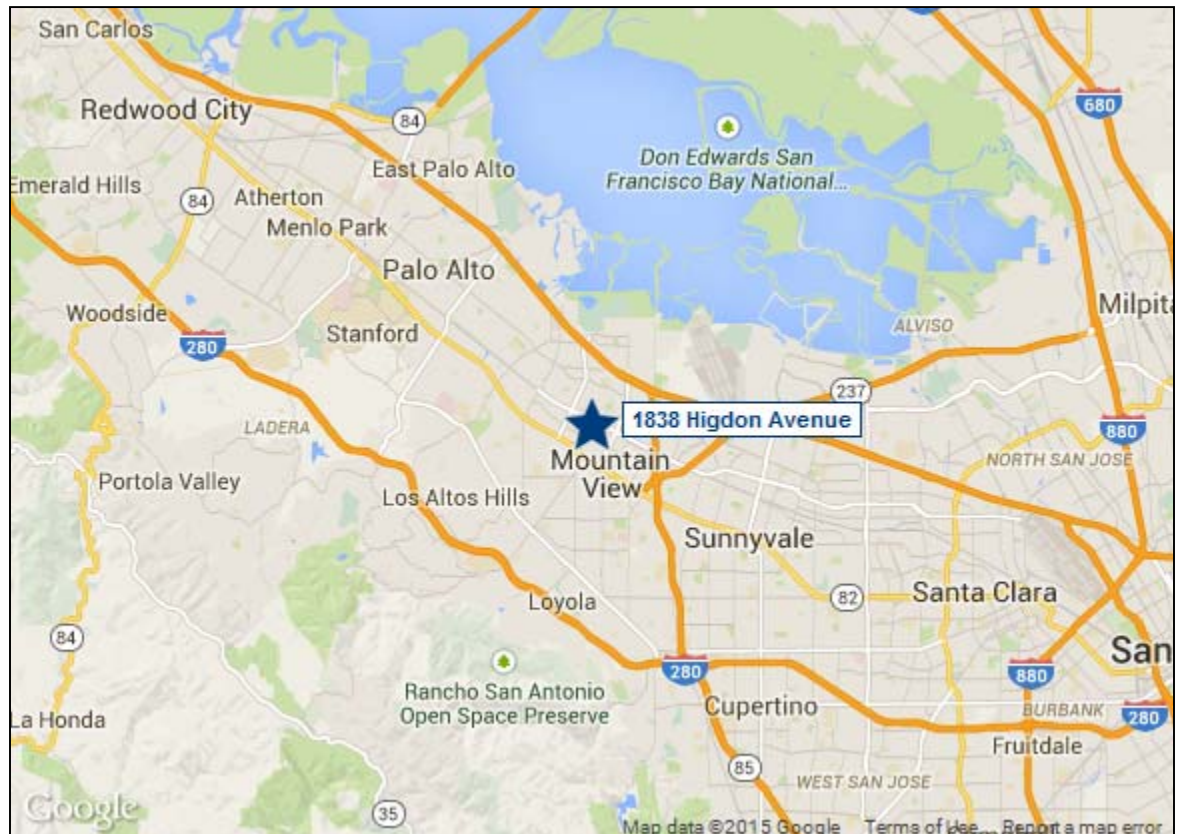
PROPERTY DESCRIPTION



Local Map



Regional Map



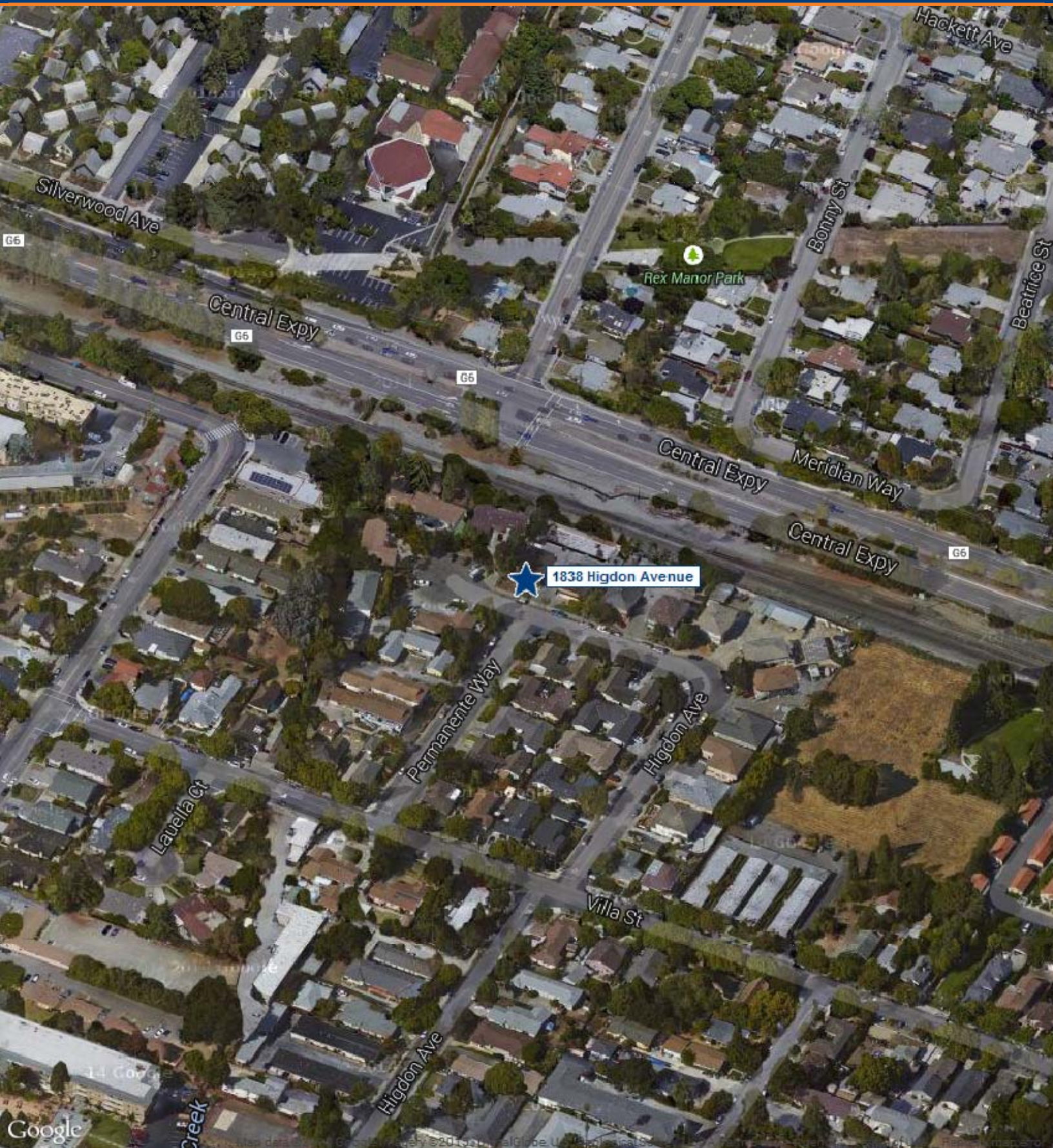
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# 1838 Higdon Avenue

MOUNTAIN VIEW, CA

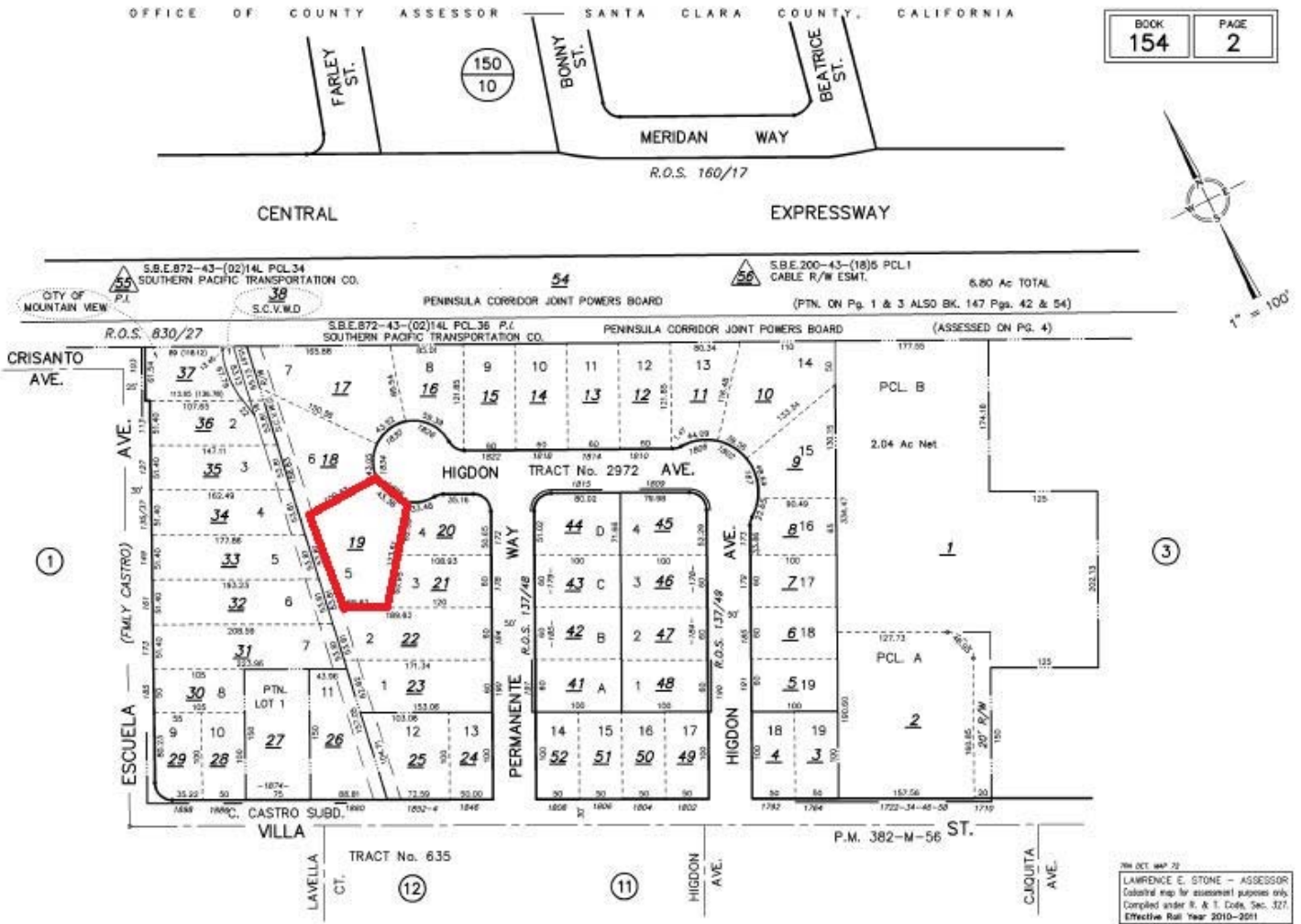
PROPERTY DESCRIPTION



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### SITE PLAN



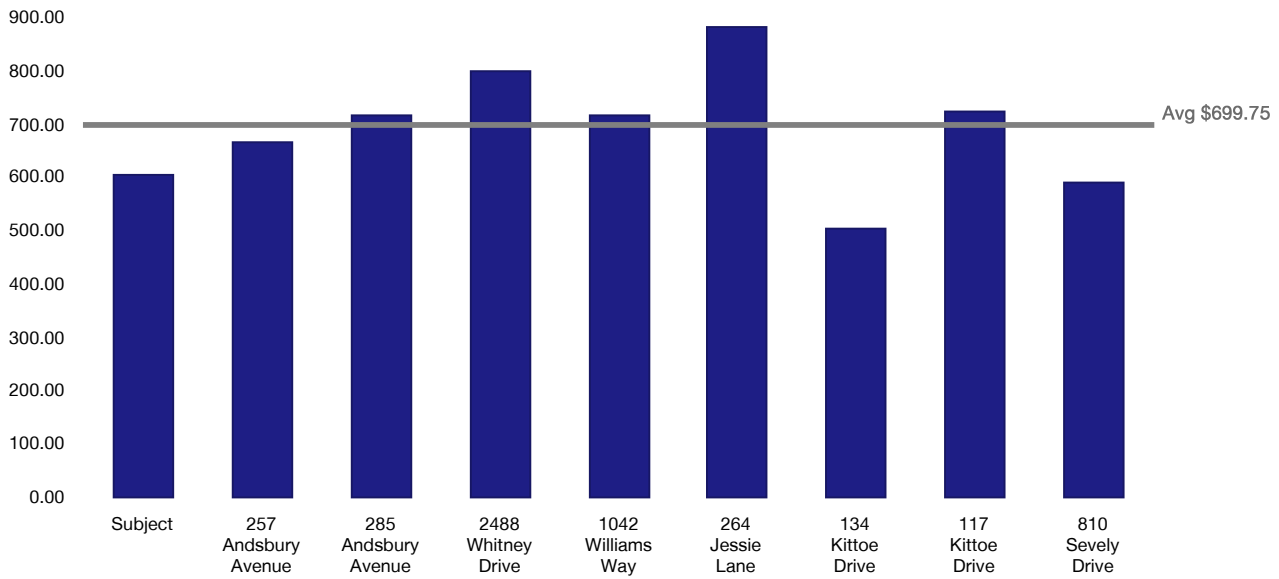
RECENT SALES

**1838 Higdon Avenue**

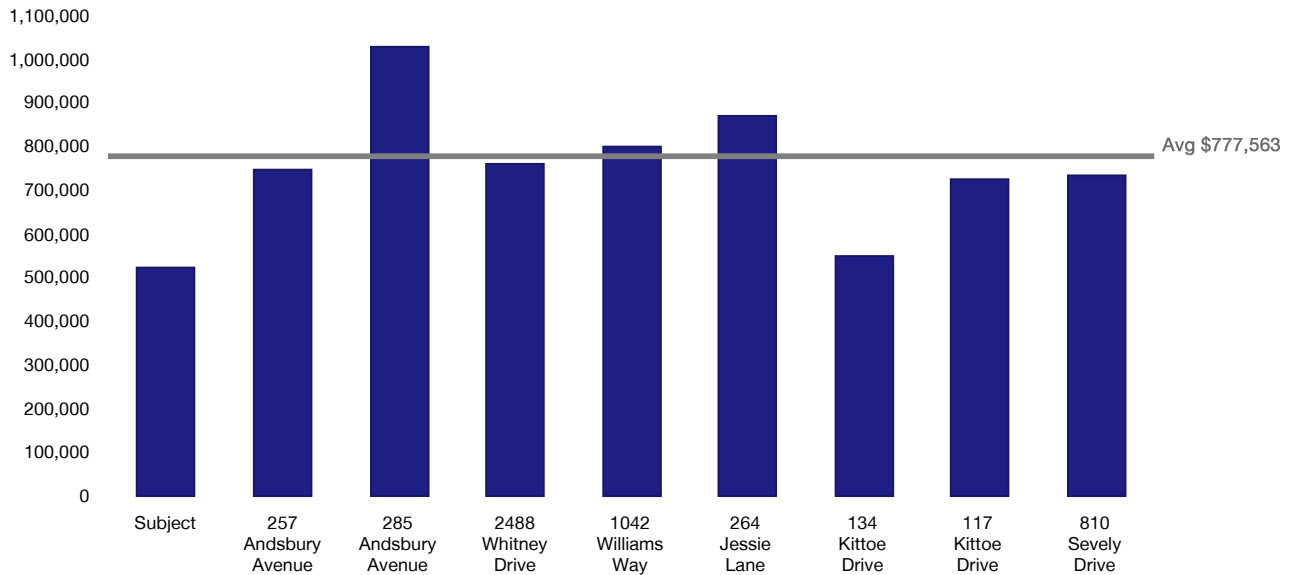
MOUNTAIN VIEW, CA

## PRICE PER SF AND PRICE PER UNIT

### Average Price per Square Foot

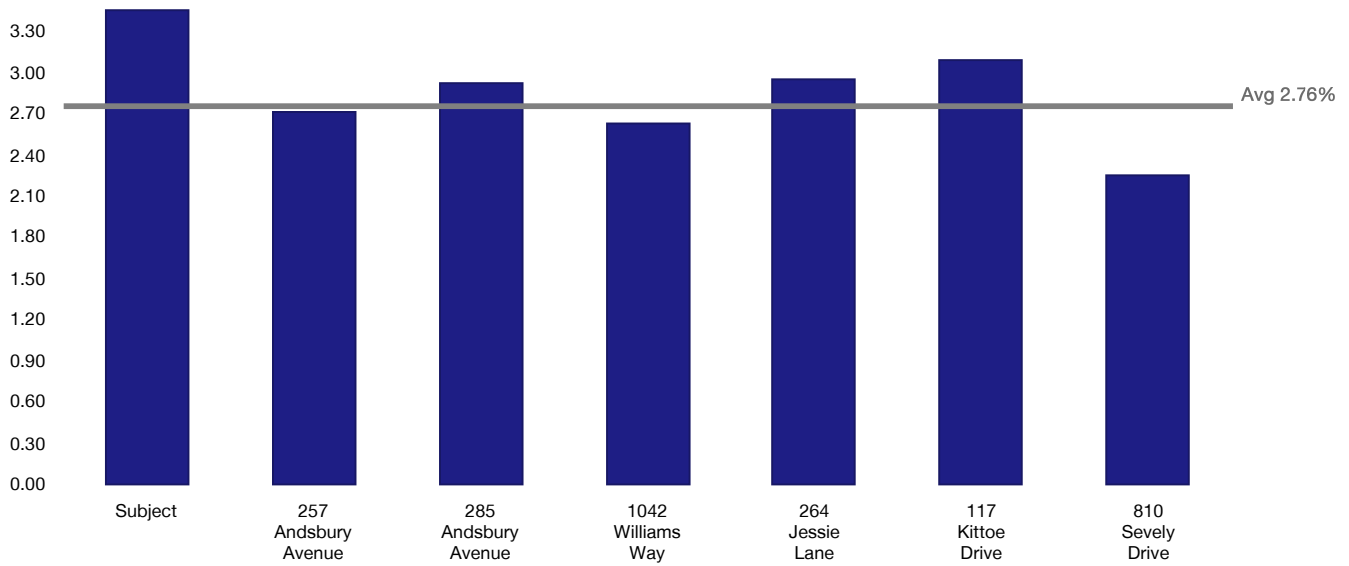


### Average Price per Unit

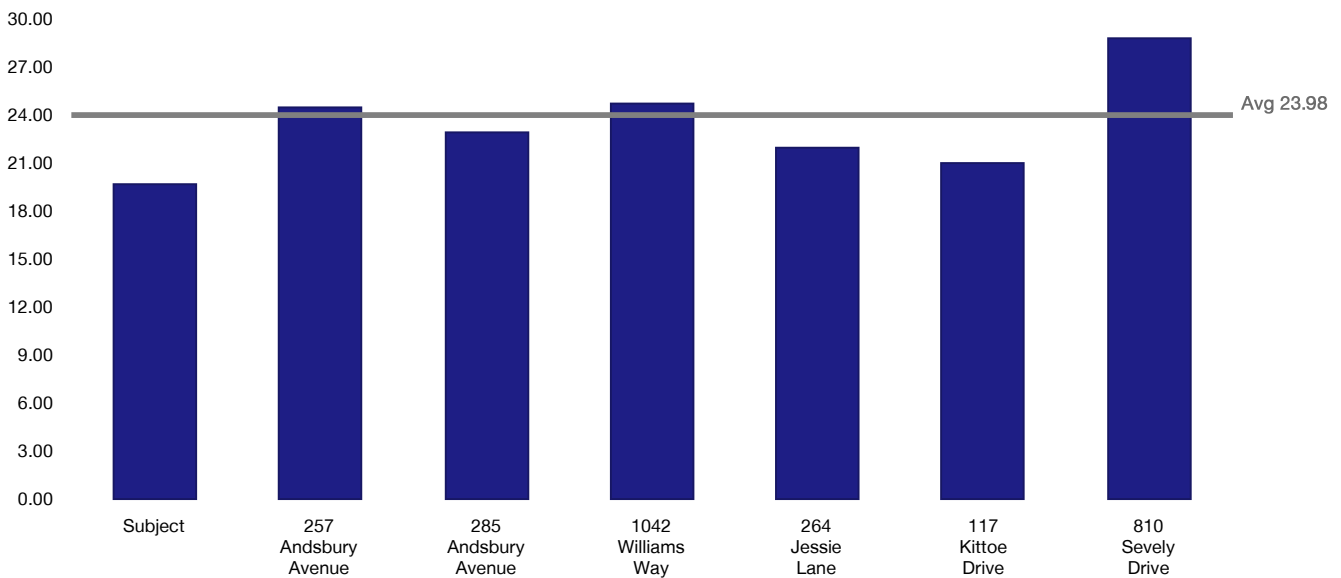


## CAP RATE AND GRM

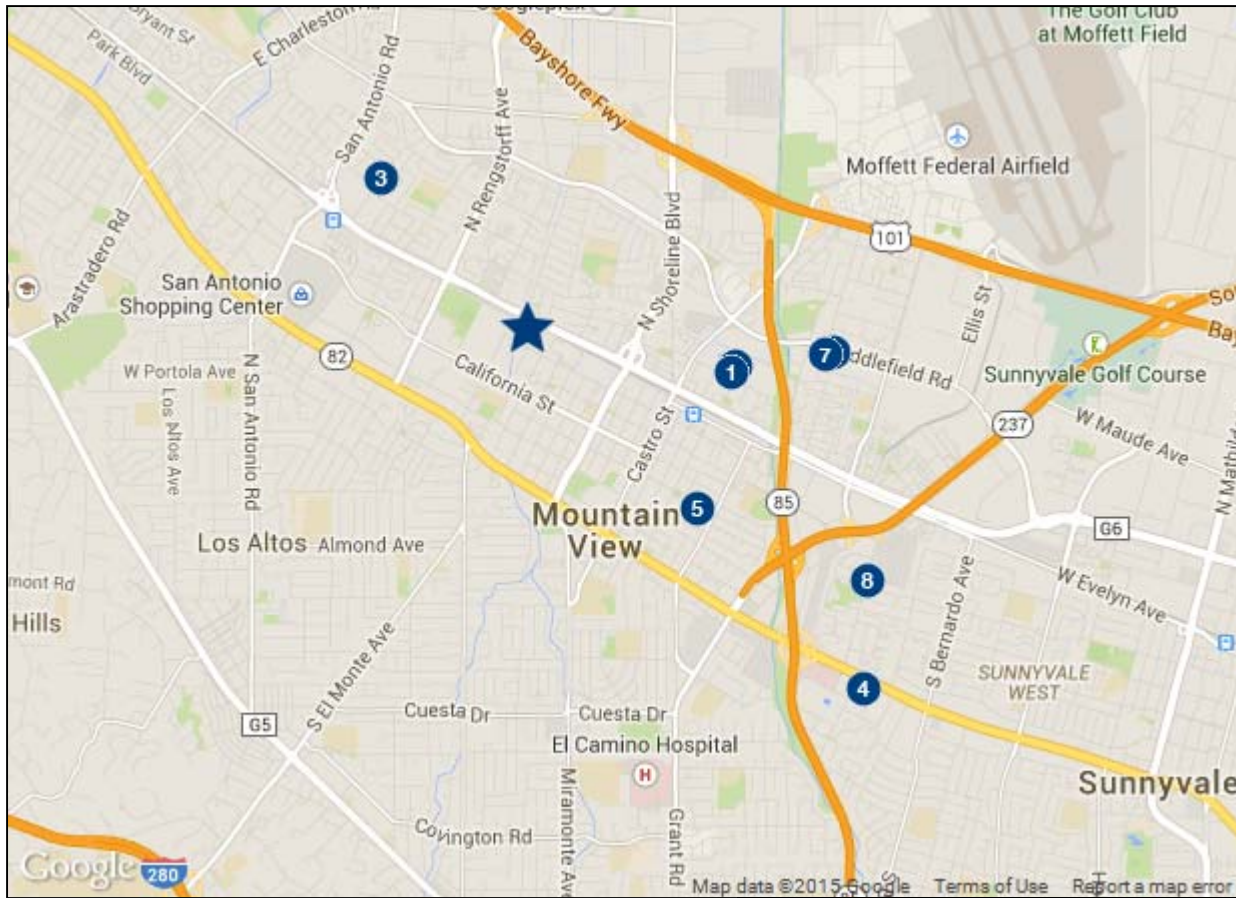
### Average Cap Rate



### Average GRM



## RECENT SALES MAP



- ★ 1838 Higdon Avenue
- 1) 257 Andsbury Avenue
- 2) 285 Andsbury Avenue
- 3) 2488 Whitney Drive
- 4) 1042 Williams Way
- 5) 264 Jessie Lane
- 6) 134 Kittoe Drive
- 7) 117 Kittoe Drive
- 8) 810 Sevely Drive

RECENT SALES



**Subject Property**

1838 Higdon Avenue  
Mountain View, CA 94041

No. of Units: 4  
Year Built: 1962 / 2015  
Sale Price: \$2,098,000  
Price/Unit: \$524,500  
Price/SF: \$604.26  
CAP Rate: 3.46%  
GRM: 19.64

Units	Unit Type
4	2 Bdr 1 Bath Flat

[Comments](#)

285 Andsbu

1



Close of Escrow: 11/15/14

257 Andsbury Avenue  
Mountain View, CA 94043

No. of Units: 3  
Year Built: 1971  
Sale Price: \$2,250,000  
Price/Unit: \$750,000  
Price/SF: \$666.00  
CAP Rate: 2.71%  
GRM: 24.50

Units	Unit Type
3	2 Bdr 1 Bath \$2000-\$3150

[Comments](#)

2



Close of Escrow: 3/20/15

285 Andsbury Avenue  
Mountain View, CA 94043

No. of Units: 2  
Year Built: 1970  
Sale Price: \$2,060,000  
Price/Unit: \$1,030,000  
Price/SF: \$718.00  
CAP Rate: 2.92%  
GRM: 22.88

Units	Unit Type
1	3 Bdr 2 Bath \$3750
1	2 Bdr 2 Bath \$3250

[Comments](#)



## RECENT SALES

3



Close of Escrow: 11/25/14

2488 Whitney Drive  
Mountain View, CA 94043

No. of Units: 2  
Year Built: 1959  
Sale Price: \$1,525,000  
Price/Unit: \$762,500  
Price/SF: \$800.00  
CAP Rate:  
GRM:

Units	Unit Type
2	2 Bdr 1 Bath N/A

### Comments

No operating information available. - Huge price per foot for a duplex.

4



Close of Escrow: 10/14/14

1042 Williams Way  
Mountain View, CA 94040

No. of Units: 2  
Year Built: 1963  
Sale Price: \$1,598,000  
Price/Unit: \$799,000  
Price/SF: \$715.00  
CAP Rate: 2.63%  
GRM: 24.66

Units	Unit Type
1	3 Bdr 1 Bath \$3000
1	2 Bdr 1 Bath \$2400

### Comments

5



Close of Escrow: 3/18/15

264 Jessie Lane  
Mountain View, CA 94041

No. of Units: 2  
Year Built: 1958  
Sale Price: \$1,738,000  
Price/Unit: \$869,000  
Price/SF: \$882.00  
CAP Rate: 2.96%  
GRM: 22.01

Units	Unit Type
2	2 Bdr 1 Bath \$3000-\$3600

### Comments

## RECENT SALES

6



Close of Escrow: 1/6/2015

134 Kittoe Drive  
Mountain View, CA 94043

No. of Units: 2  
Year Built: 1960  
Sale Price: \$1,100,000  
Price/Unit: \$550,000  
Price/SF: \$503.00  
CAP Rate:  
GRM:

Units	Unit Type
2	3 Bdr 2 Bath

### Comments

No operating info. Property in very "original" condition.

7



Close of Escrow: 3/10/2015

117 Kittoe Drive  
Mountain View, CA 94043

No. of Units: 2  
Year Built: 1959  
Sale Price: \$1,450,000  
Price/Unit: \$725,000  
Price/SF: \$725.00  
CAP Rate: 3.09%  
GRM: 21.01

Units	Unit Type
2	2 Bdr 2 Bath \$2875-month

### Comments

Hardwood floors and rental grade conditions.

8



Close of Escrow: 10/27/2014

810 Sevely Drive  
Mountain View, CA 94041

No. of Units: 2  
Year Built: 1964  
Sale Price: \$1,470,000  
Price/Unit: \$735,000  
Price/SF: \$589.00  
CAP Rate: 2.26%  
GRM: 28.82

Units	Unit Type
1	2 Bdr 1 Bath \$1900-month
1	3 Bdr 1 Bath \$2350-month

### Comments

Rental grade condition. Worse unit condition than subject property.

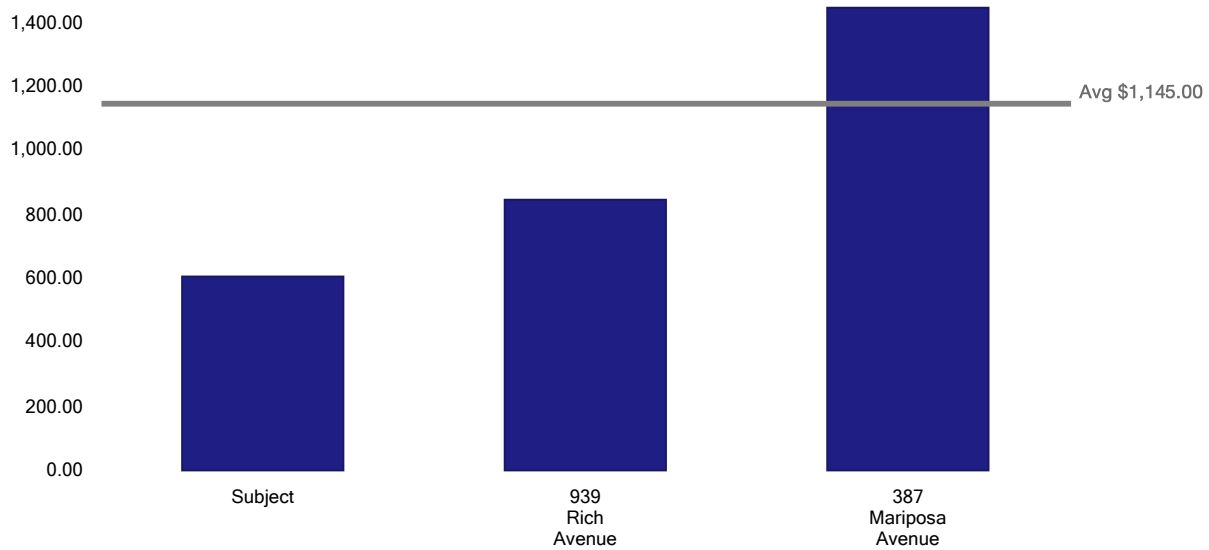
ON MARKET COMPARABLES

**1838 Higdon Avenue**

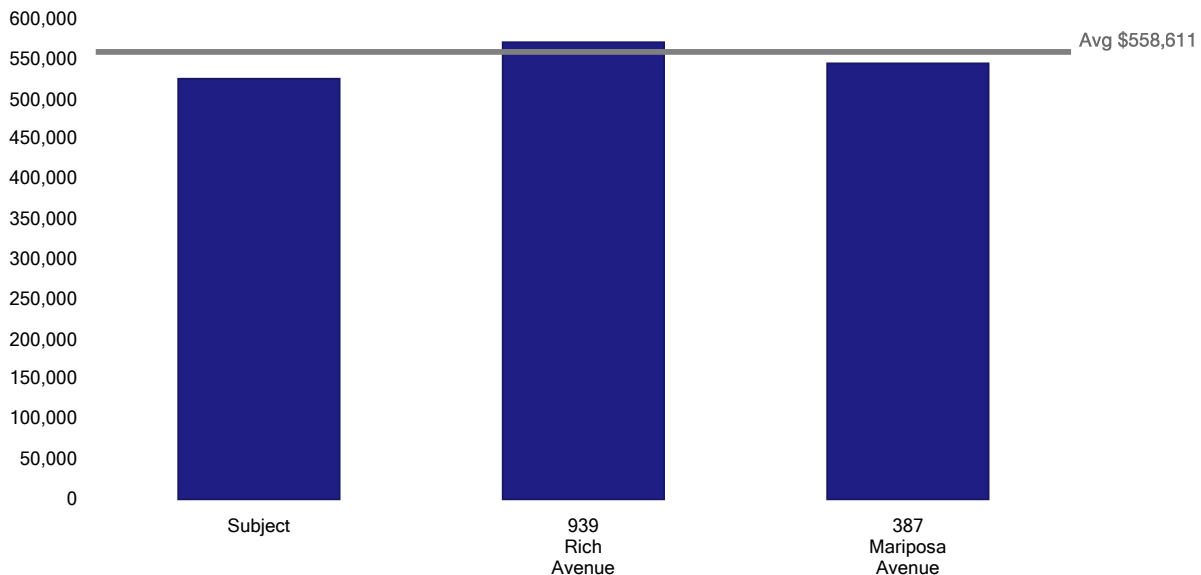
MOUNTAIN VIEW, CA

### PRICE PER SF AND PRICE PER UNIT

#### Average Price per Square Foot



#### Average Price per Unit

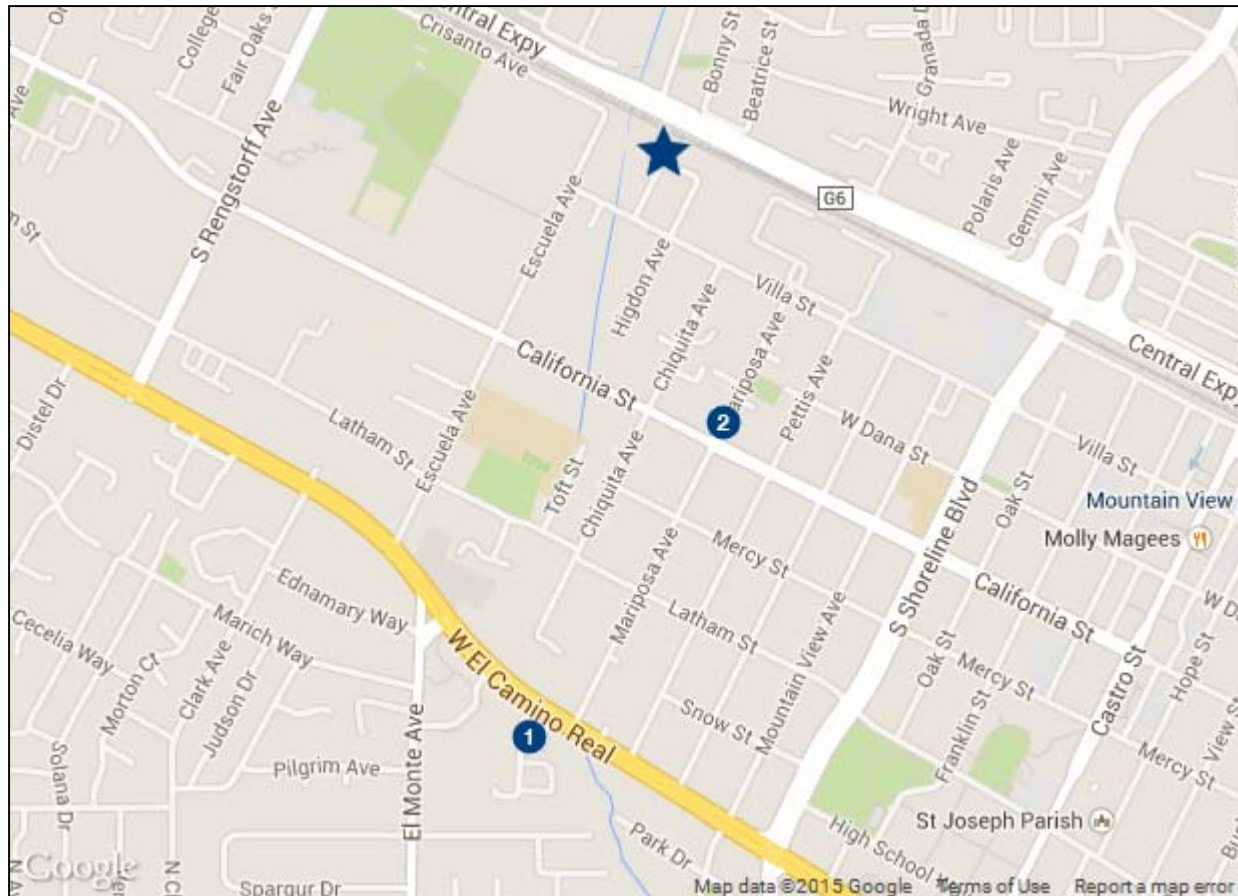


# 1838 Higdon Avenue

MOUNTAIN VIEW, CA

ON MARKET COMPARABLES

## ON MARKET COMPARABLES MAP



- ★ 1838 Higdon Avenue
- 1) 939 Rich Avenue
- 2) 387 Mariposa Avenue

### ON MARKET COMPARABLES



**Subject Property**

1838 Higdon Avenue  
Mountain View, CA 94041

No. of Units: 4  
Year Built: 1962 / 2015  
Sale Price: \$2,098,000  
Price/Unit: \$524,500  
Price/SF: \$604.26  
CAP Rate: 3.46%  
GRM: 19.64

Units	Unit Type
4	2 Bdr 1 Bath Flat

[Comments](#)

1



Status: On Market

939 Rich Avenue  
Mountain View, CA 94040

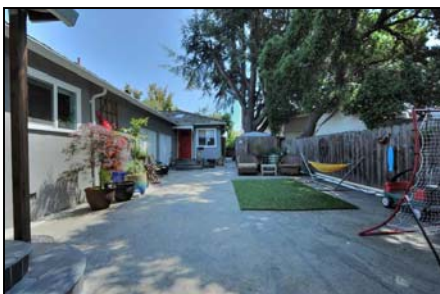
No. of Units: 4  
Year Built: 1960  
List Price: \$2,288,888  
Price/Unit: \$572,222  
Price/SF: \$843.00  
CAP Rate: 2.33%  
GRM: 27.84

Units	Unit Type
3	2 Bdr 1 Bath \$1700-\$2100
1	1 Bdr 1 Bath \$1250

[Comments](#)

Smaller unit sizes. Building is stacked, much smaller lot size than subject property. Worse condition than subject property. Listing agent has wrong taxes on MLS. Factored real #'s into Cap Rate here.

2



Status: On Market

387 Mariposa Avenue  
Mountain View, CA 94041

No. of Units: 4  
Year Built: 1947 / 2014  
List Price: \$2,180,000  
Price/Unit: \$545,000  
Price/SF: \$1,447.00  
CAP Rate:  
GRM:

Units	Unit Type
2	2 Bdr 1 Bath \$3050-\$4000
2	Studio Airbnb \$3150-\$3300

[Comments](#)

Subject property built as a Duplex. Listed with Nate Gustavson and Adam Levin. Two non-conforming Studios getting \$105-\$110/night from Airbnb. Legal duplex.

PRICING AND FINANCIAL ANALYSIS

**1838 Higdon Avenue**

MOUNTAIN VIEW, CA

### RENT ROLL

Unit Number	Unit Type		Unit SF	Current Rent	Rent/SF	Asking Rent	Rent/SF	Parking	Storage	
1	2 Bdr	1 Bath	Flat	865	\$2,350	\$2.72	\$2,750	\$3.18	2 On-site	Yes
2	2 Bdr	1 Bath	Flat	865	\$2,200	\$2.54	\$2,595	\$3.00	2 On-site	Yes
3	2 Bdr	1 Bath	Flat	865	\$2,000	\$2.31	\$2,595	\$3.00	2 On-site	Yes
4	2 Bdr	1 Bath	Flat	865	\$2,350	\$2.72	\$2,750	\$3.18	2 On-site	Yes
		TOTAL	VACANT		\$0		\$0			
4	TOTAL		OCCUPIED	3,460	\$8,900		\$10,690			
4	<b>TOTAL</b>			<b>3,460</b>	<b>\$8,900</b>		<b>\$10,690</b>			

### Comments



### FINANCIAL OVERVIEW

#### Location

1838 Higdon Avenue  
Mountain View, CA 94041

Price	\$2,098,000
Down Payment	100% / \$2,098,000
Number of Units	4
Price/Unit	\$524,500
Rentable Square Feet	3,472
Price/SF	\$604.26
CAP Rate - Current	3.46%
CAP Rate- Pro Forma	4.45%
GRM - Current	19.64
GRM- Pro Forma	16.35
Year Built/Renovated	1962 / 2015
Lot Size	13,181 Square feet
Type of Ownership	Fee Simple

#### Annualized Operating Data

Income	Current	Pro Forma
<b>Gross Potential Rent</b>	<b>\$106,800</b>	<b>\$128,280</b>
Other Income	\$960	\$960
Gross Potential Income	\$107,760	\$129,240
Less: Vacancy/Deductions (GPR)	3.0% / \$3,204	3.0% / \$3,848
Effective Gross Income	\$104,556	\$125,392
Less: Expenses	\$31,971	\$31,971
<b>Net Operating Income</b>	<b>\$72,585</b>	<b>\$93,421</b>
Net Cash Flow Before Debt Service	\$72,585	\$93,421

#### Expenses

Real Estate Taxes	\$23,016	\$23,016
Insurance	\$1,647	\$1,647
PG&E (Common Area)	\$1,074	\$1,074
Water, Trash, Sewer	\$3,274	\$3,274
Repairs & Maintenance	\$2,000	\$2,000
Landscaping	\$960	\$960
<b>Total Expenses</b>	<b>\$31,971</b>	<b>\$31,971</b>
<b>Expenses/unit</b>	<b>\$7,993</b>	<b>\$7,993</b>
<b>Expenses/SF</b>	<b>\$9.21</b>	<b>\$9.21</b>
<b>% of EGI</b>	<b>30.58%</b>	<b>25.50%</b>

#### Scheduled Income

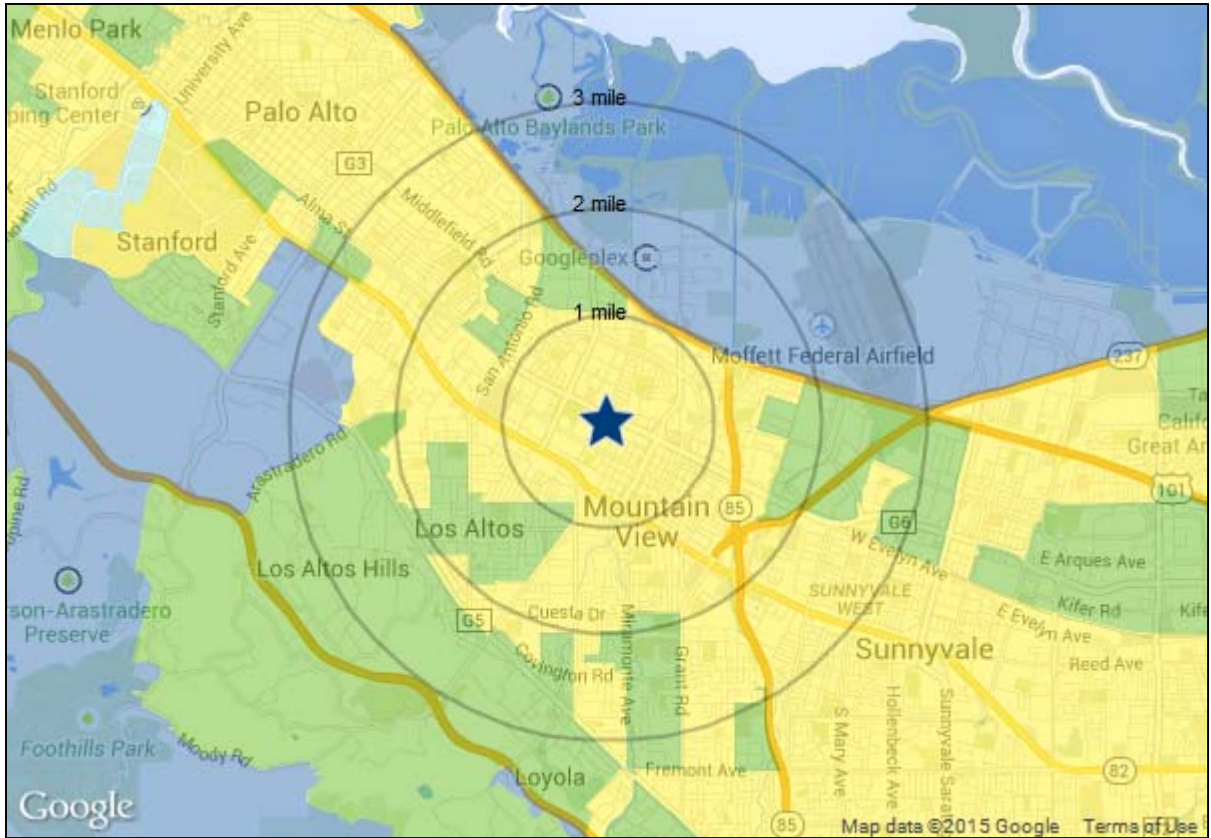
No. of Units	Unit Type	Approx. Square Feet	Current Rents	Rent/SF	Monthly Income	Pro Forma Rents	Rent/SF	Monthly Income
4	2 Bdr 1 Bath Flat	865	\$2,000 - \$2,350	\$2.51	\$8,900	\$2,595 - \$2,750	\$3.09	\$10,690
<b>4</b>	<b>Total/Wtd. Avg.</b>	<b>3,472</b>			<b>\$8,900</b>			<b>\$10,690</b>

DEMOGRAPHIC ANALYSIS

**1838 Higdon Avenue**

MOUNTAIN VIEW, CA

## POPULATION DENSITY



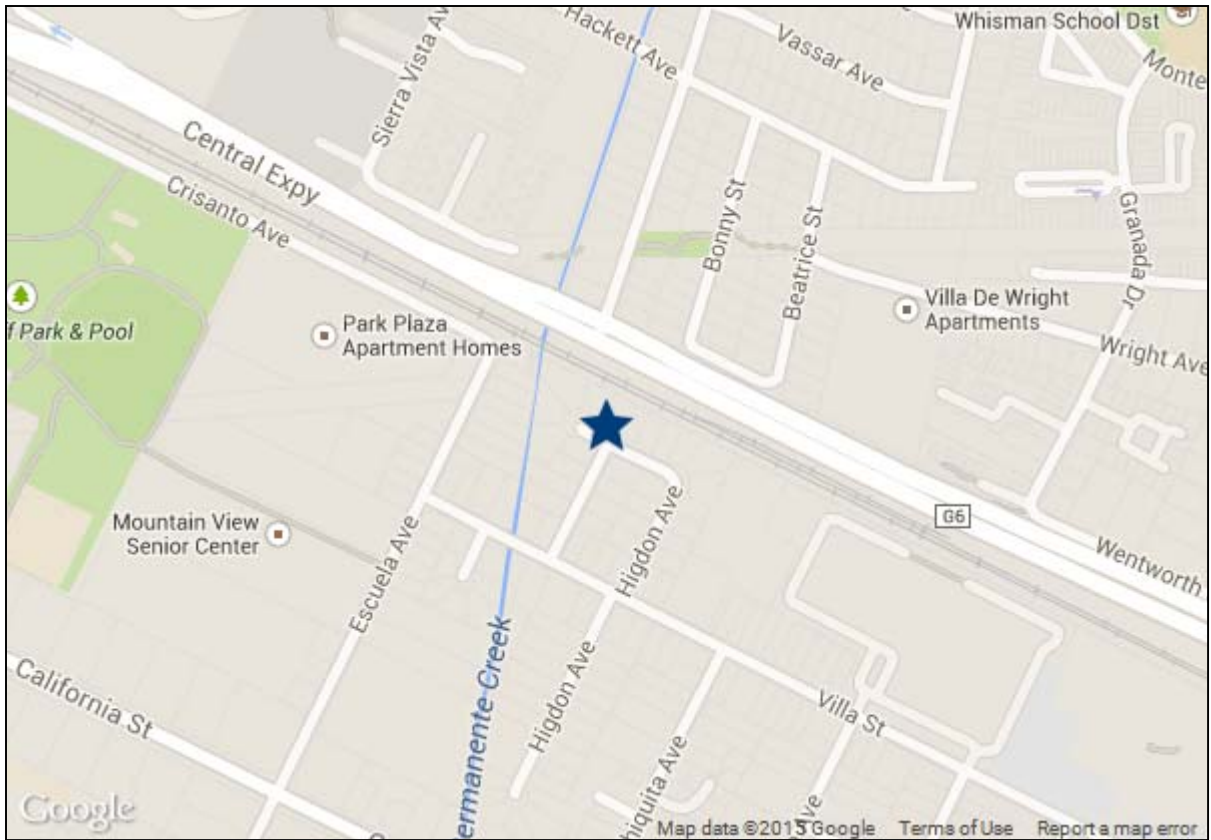
Demographic data © 2010 by Experian/Applied Geographic Solutions.

### 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.

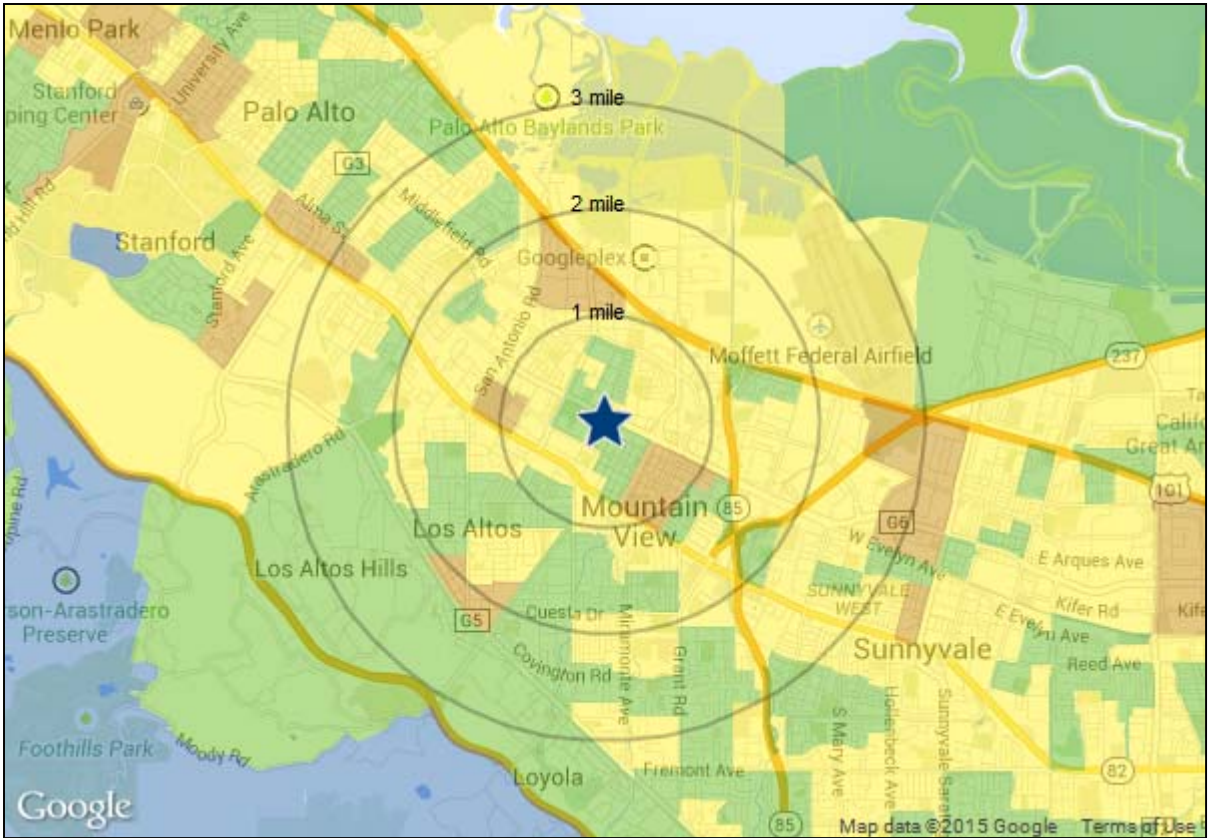
### TRAFFIC COUNTS



Traffic Count data © 2010 by TrafficMetrix. All rights reserved.

Two-way, average daily traffic volumes.

## EMPLOYMENT DENSITY



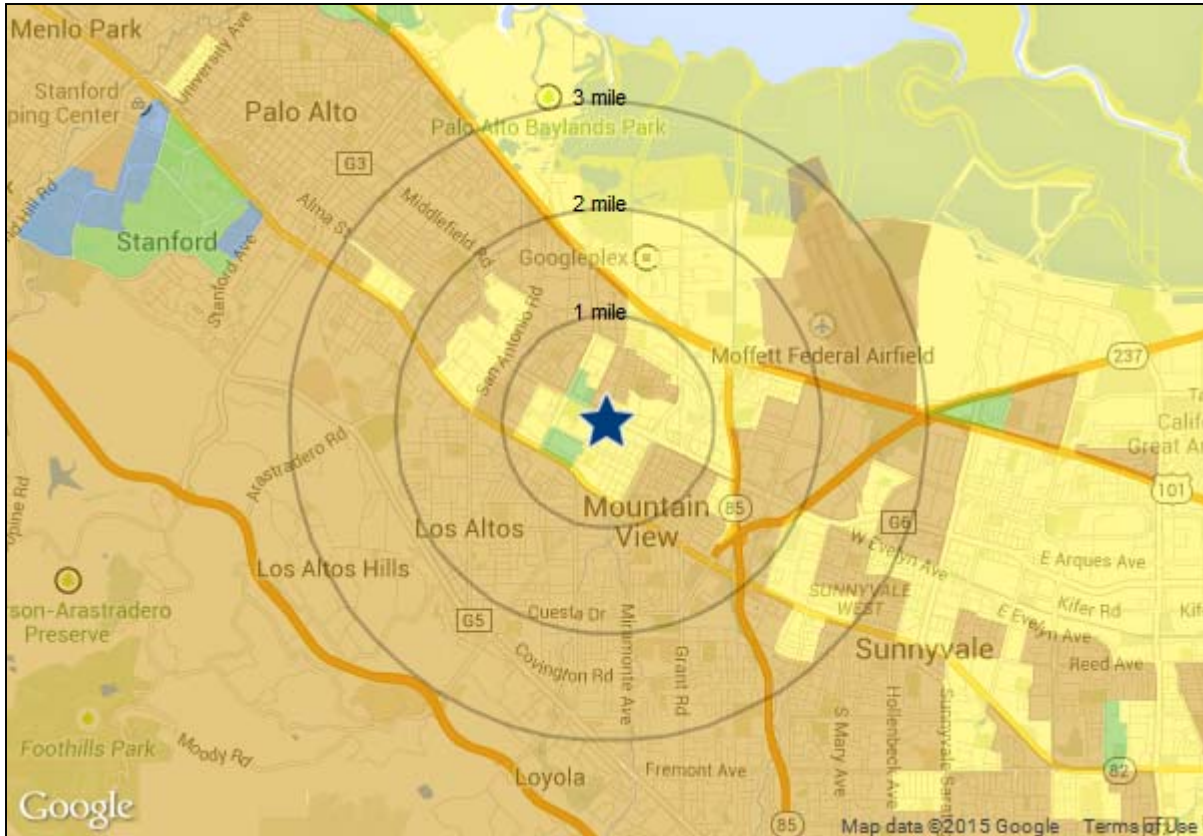
Demographic data © 2010 by Experian/Applied Geographic Solutions.

### 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.

### DEMOGRAPHIC REPORT

	1 Mile	3 Miles	5 Miles
2000 Population	32,222	134,956	274,728
2010 Population	35,522	141,630	295,297
2014 Population	37,541	149,768	311,137
2019 Population	38,083	152,740	317,765
2000 Households	13,850	56,871	111,933
2010 Households	15,078	58,125	115,355
2014 Households	16,101	62,005	122,694
2019 Households	16,264	63,029	125,105
2014 Average Household Size	2.30	2.40	2.48
2014 Daytime Population	11,298	98,144	197,480
2000 Owner Occupied Housing Units	31.85%	48.08%	50.80%
2000 Renter Occupied Housing Units	65.35%	48.35%	46.17%
2000 Vacant	2.80%	3.56%	3.03%
2014 Owner Occupied Housing Units	31.66%	48.54%	50.68%
2014 Renter Occupied Housing Units	68.34%	51.46%	49.32%
2014 Vacant	0.87%	1.42%	1.28%
2019 Owner Occupied Housing Units	31.81%	48.55%	50.48%
2019 Renter Occupied Housing Units	68.19%	51.45%	49.52%
2019 Vacant	0.83%	1.52%	1.33%
\$ 0 - \$14,999	8.7%	6.3%	6.7%
\$ 15,000 - \$24,999	8.4%	5.8%	5.7%
\$ 25,000 - \$34,999	5.7%	5.3%	5.8%
\$ 35,000 - \$49,999	9.5%	8.0%	8.0%
\$ 50,000 - \$74,999	13.4%	12.3%	11.8%
\$ 75,000 - \$99,999	12.7%	11.3%	11.3%
\$100,000 - \$124,999	12.7%	11.7%	11.3%
\$125,000 - \$149,999	8.2%	8.6%	8.6%
\$150,000 - \$199,999	9.9%	11.4%	11.1%
\$200,000 - \$249,999	4.7%	7.5%	7.6%
\$250,000 +	6.3%	11.7%	12.2%
2014 Median Household Income	\$83,514	\$102,036	\$101,543
2014 Per Capita Income	\$49,142	\$61,365	\$59,187
2014 Average Household Income	\$114,467	\$148,025	\$149,283

Demographic data © 2010 by Experian/Applied Geographic Solutions.

### SUMMARY REPORT

#### Geography: 5 miles

#### Population

In 2014, the population in your selected geography is 311,136. The population has changed by 13.25% since 2000. It is estimated that the population in your area will be 317,764 five years from now, which represents a change of 2.13% from the current year. The current population is 50.13% male and 49.86% female. The median age of the population in your area is 37.3, compare this to the Entire US average which is 37.3. The population density in your area is 3,957.98 people per square mile.

#### Households

There are currently 122,694 households in your selected geography. The number of households has changed by 9.61% since 2000. It is estimated that the number of households in your area will be 125,105 five years from now, which represents a change of 1.96% from the current year. The average household size in your area is 2.48 persons.

#### Income

In 2014, the median household income for your selected geography is \$101,543, compare this to the Entire US average which is currently \$51,972. The median household income for your area has changed by 28.69% since 2000. It is estimated that the median household income in your area will be \$122,849 five years from now, which represents a change of 20.98% from the current year.

The current year per capita income in your area is \$59,186, compare this to the Entire US average, which is \$28,599. The current year average household income in your area is \$149,282, compare this to the Entire US average which is \$74,533.

#### Race & Ethnicity

The current year racial makeup of your selected area is as follows: 53.25% White, 2.37% Black, 0.57% Native American and 31.19% Asian/Pacific Islander. Compare these to Entire US averages which are: 71.60% White, 12.70% Black, 0.18% Native American and 5.02% Asian/Pacific Islander.

People of Hispanic origin are counted independently of race. People of Hispanic origin make up 16.25% of the current year population in your selected area. Compare this to the Entire US average of 17.13%.

#### Housing

In 2000, there were 58,643 owner occupied housing units in your area and there were 53,289 renter occupied housing units in your area. The median rent at the time was \$1,176.

#### Employment

In 2014, there are 197,480 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 82.56% of employees are employed in white-collar occupations in this geography, and 17.24% are employed in blue-collar occupations. In 2014, unemployment in this area is 5.00%. In 2000, the average time traveled to work was 23.1 minutes.

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**1838 Higdon Avenue**

MOUNTAIN VIEW, CA

**OFFERING MEMORANDUM**

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