

# 1935 Colony Street

MOUNTAIN VIEW, CA



## OFFERING MEMORANDUM



Marcus & Millichap

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**PROPERTY DESCRIPTION**

**1935 Colony Street**

MOUNTAIN VIEW, CA

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## INVESTMENT OVERVIEW

### Investment Highlights

- 84,436 Square Feet of Land Next Door Purchased for Development in 2015!
- Increasing Rent Submarket
- Off-Street Parking
- Located in Close Proximity to Hwys 101, 280 & Caltrain
- Great Upside Potential as Existing Apartment or Development
- Strong Mountain View Investment Location
- Over \$80,000 in Recent Upgrades



1935 Colony Street is a three unit apartment building with one non-conforming unit located in highly desirable Mountain View, California.

Built in 1947, the property consists of a concrete perimeter foundation, wood frame construction, and a stucco exterior. The investment offers one, three-bedroom/two-bath house in the front and two, two-bedroom/one-bath apartment units located directly behind the main house. The grounds consist of 11,787 square feet with 3,442 square feet of living space. The building also offers secluded individual parking spaces for each unit in the rear of the buildings.

The two lots next door totaling 84,436 square feet of land have recently been purchased, bull-dozed and are slated for development of new housing developments.

In addition to new windows, over \$80,000 in improvements have been added to the property in recent years, totaling \$30,000 in interior, and \$50,000 in exterior upgrades.

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.



### PROPERTY SUMMARY

#### The Offering

Property Address	1935 Colony Street Mountain View, CA 94043
Assessor's Parcel Number	153-05-020
Zoning	MM-40 (General Industrial)

#### Site Description

Number of Units	2
Number of Buildings	3
Number of Stories	2
Year Built	1947
Rentable Square Feet	3,442
Lot Size	11,787 Square feet
Type of Ownership	Fee Simple
Density	Low Density
Parking	On-site Parking
Topography	Flat - Long and Large Lot

#### Utilities

Water	Landlord
Phone	Tenant
Electric	Tenant
Gas	Tenant

#### Construction

Foundation	Concrete
Framing	Wood

PROPERTY PHOTOS



PROPERTY PHOTOS





PROPERTY PHOTOS



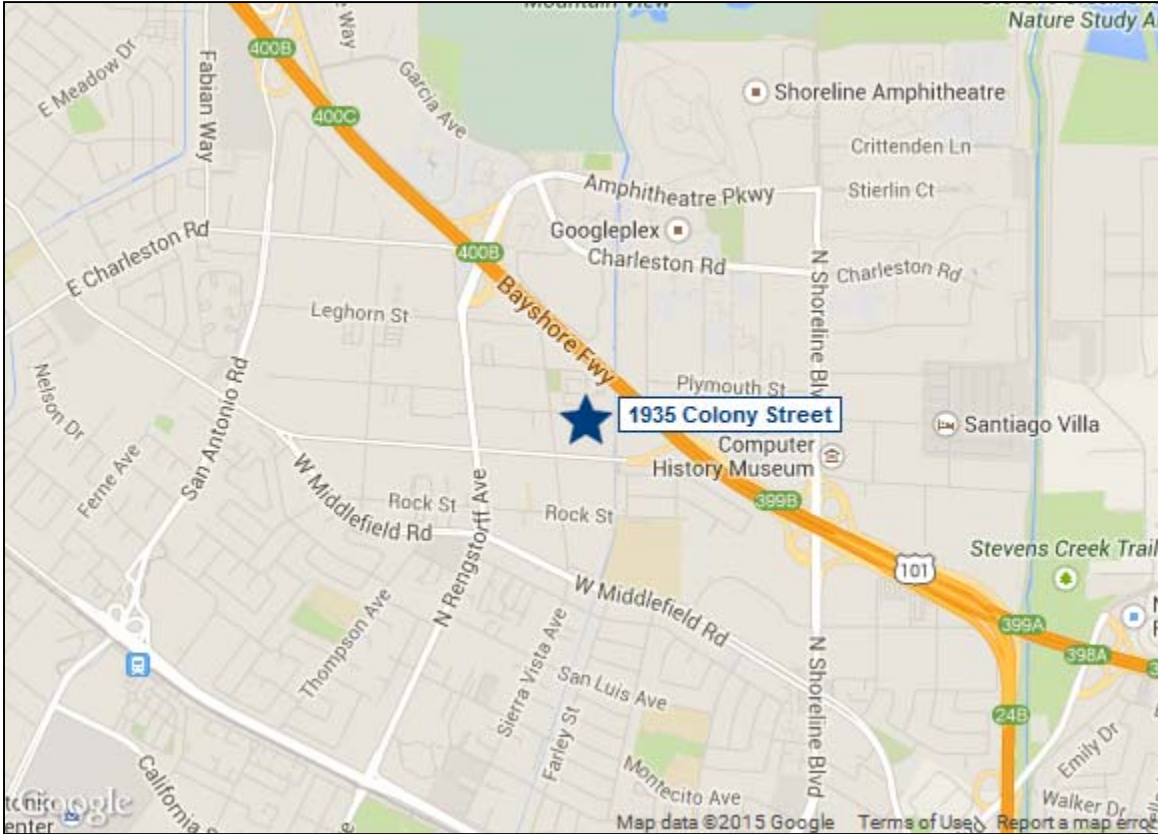
PROPERTY PHOTOS



# 1935 Colony Street

MOUNTAIN VIEW, CA

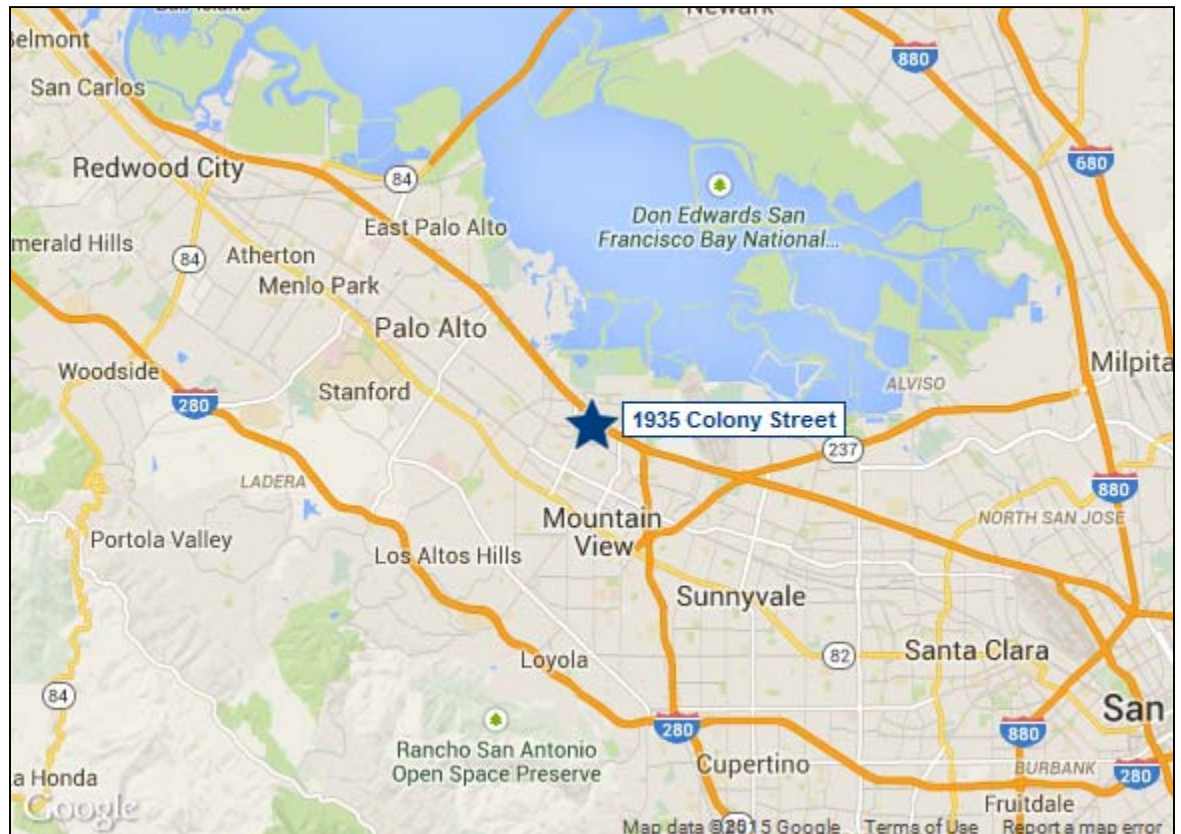
## PROPERTY DESCRIPTION



Local Map



Regional Map

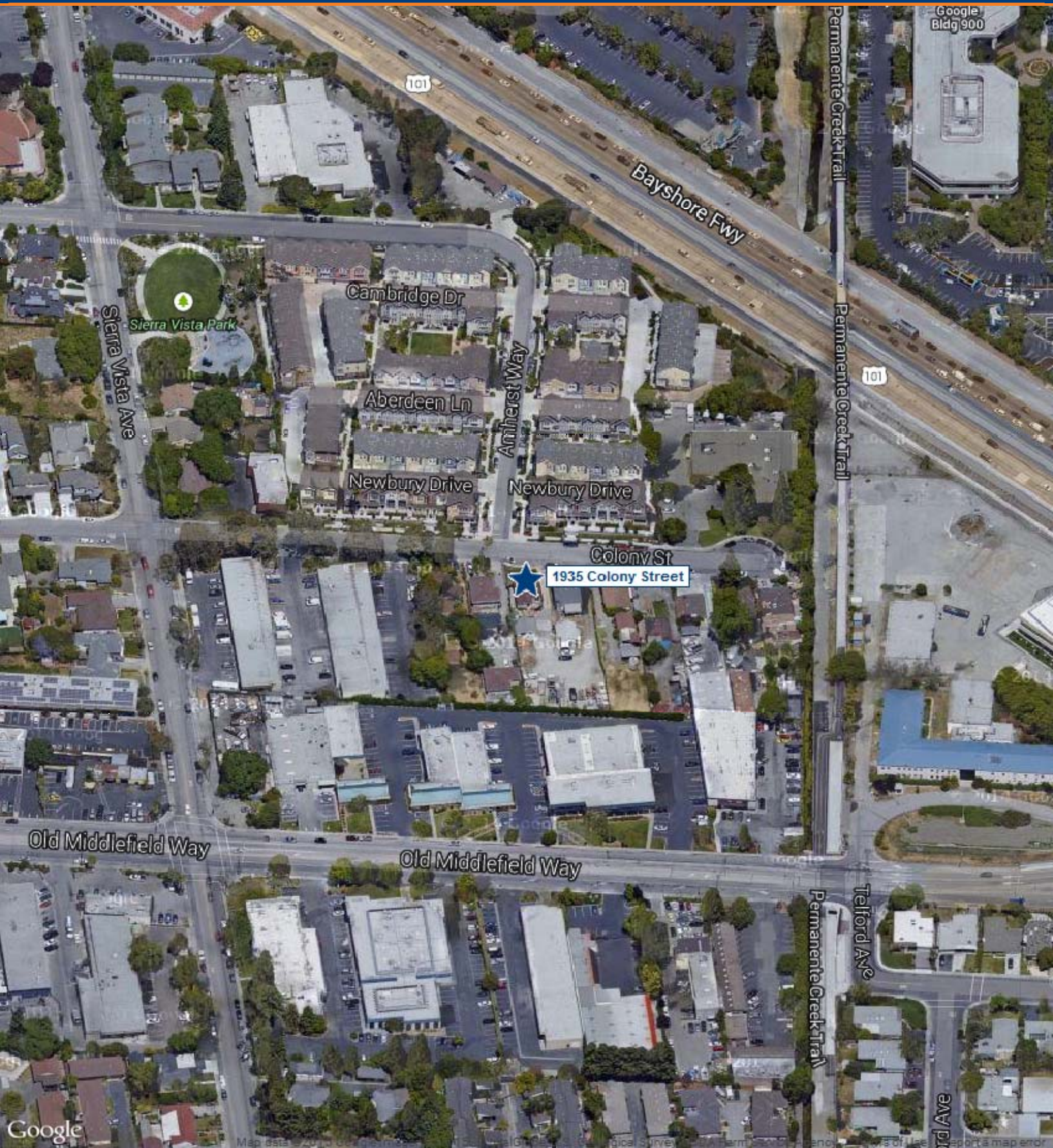


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# 1935 Colony Street

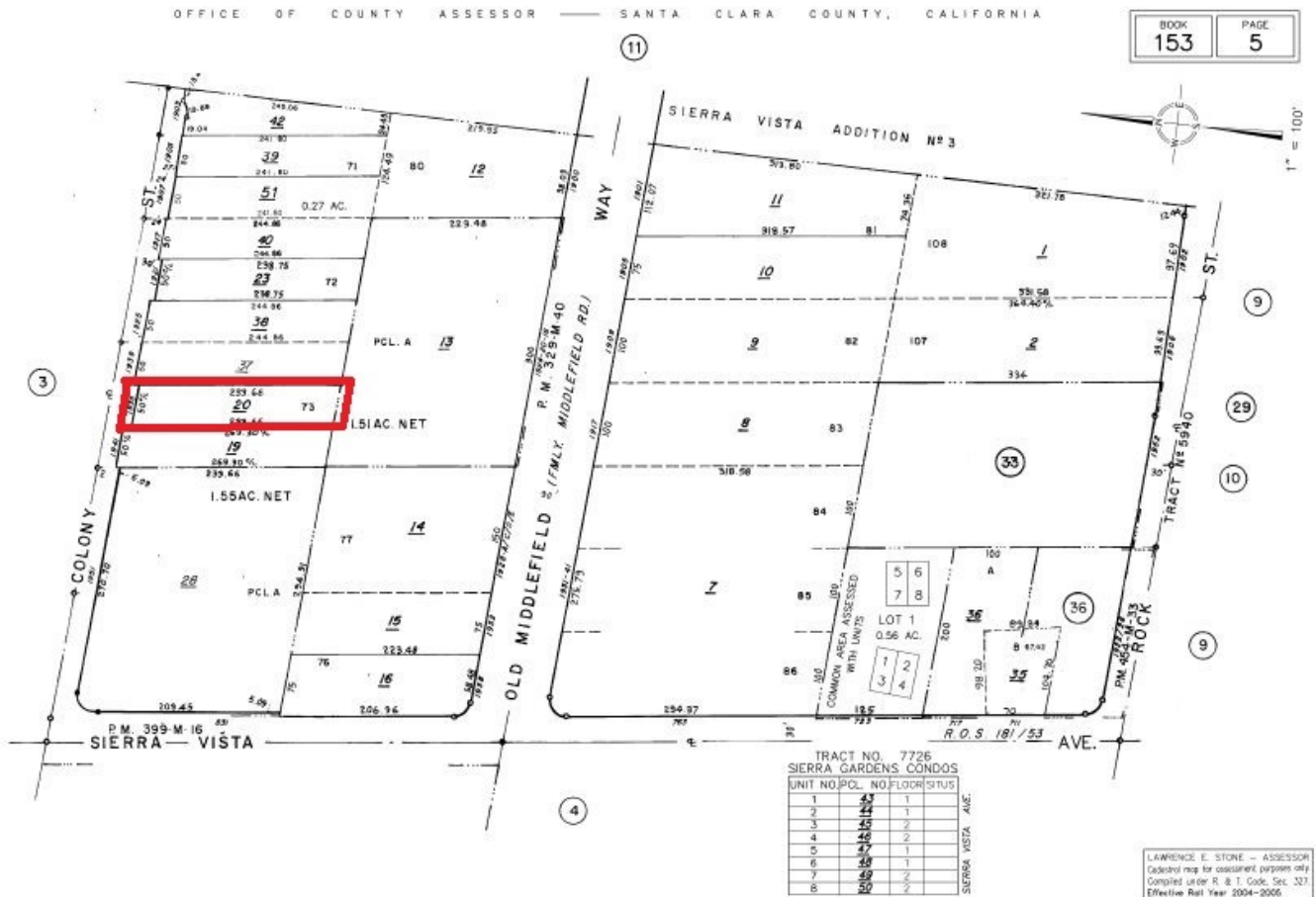
MOUNTAIN VIEW, CA

## PROPERTY DESCRIPTION



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SITE PLAN



RECENT SALES

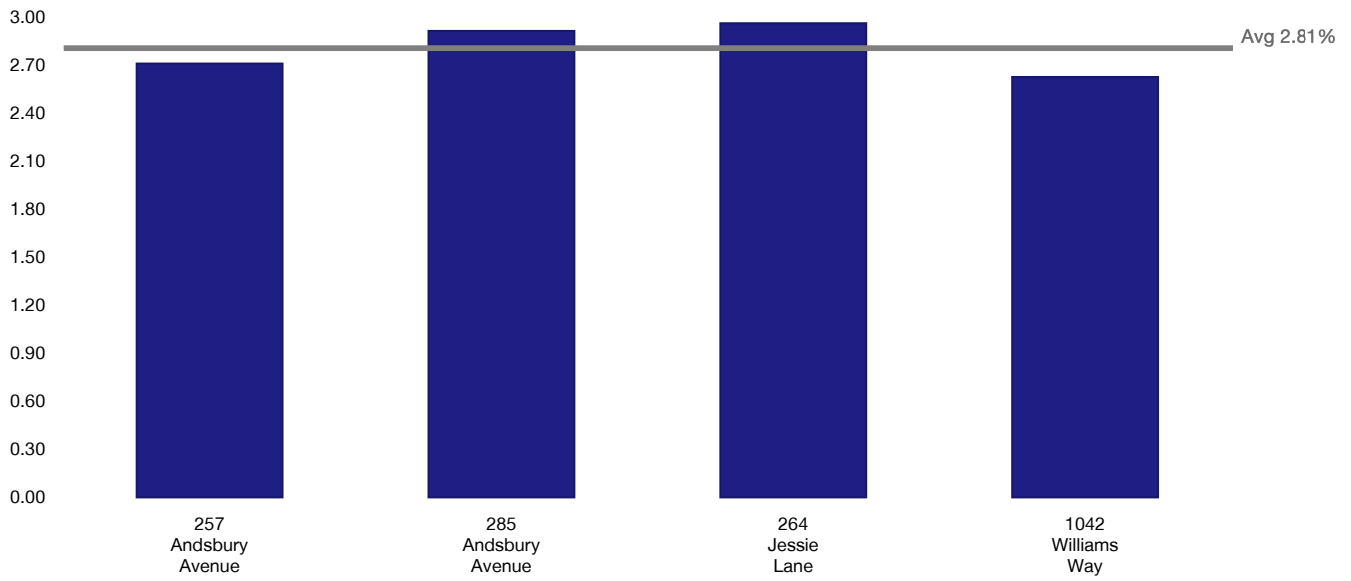
**1935 Colony Street**

MOUNTAIN VIEW, CA

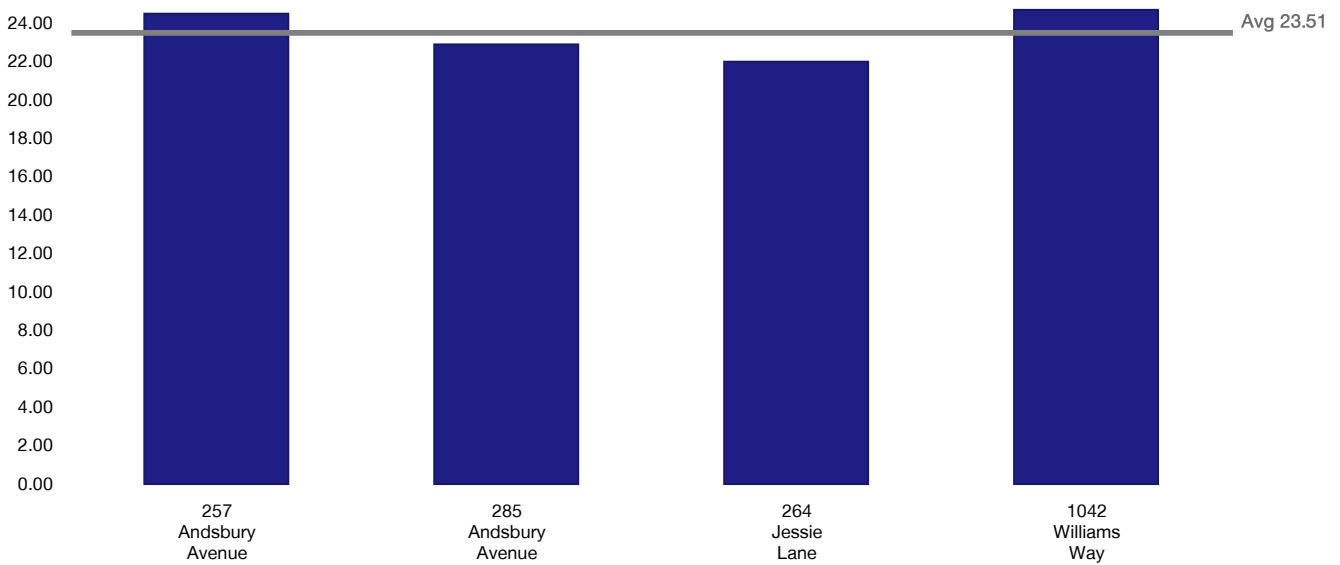
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CAP RATE AND GRM

Average Cap Rate

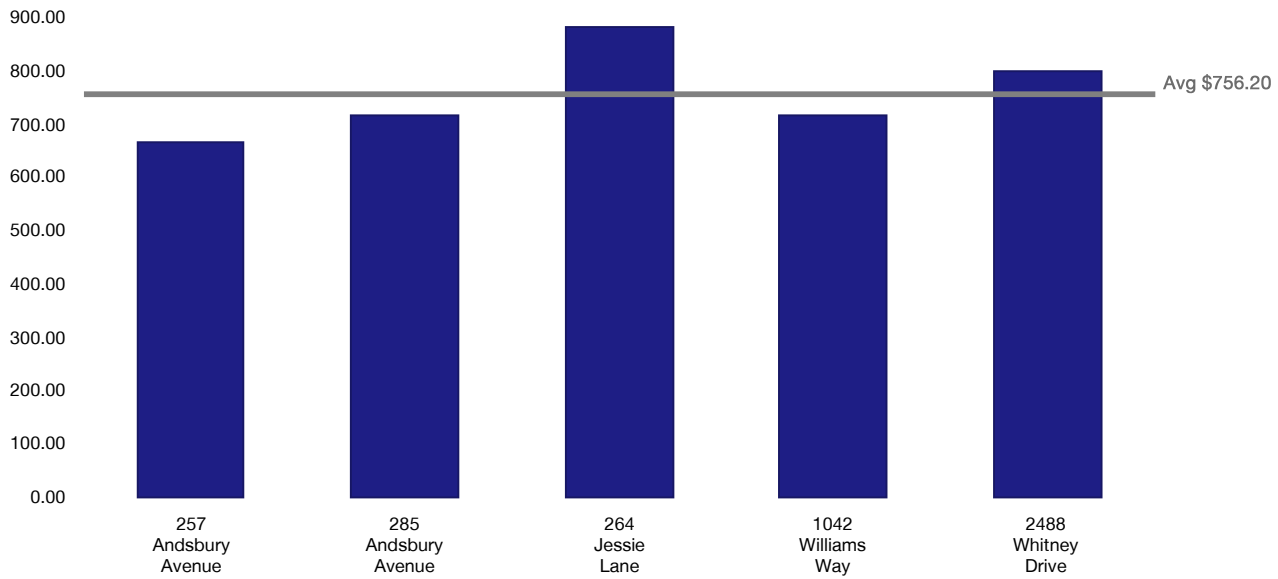


Average GRM

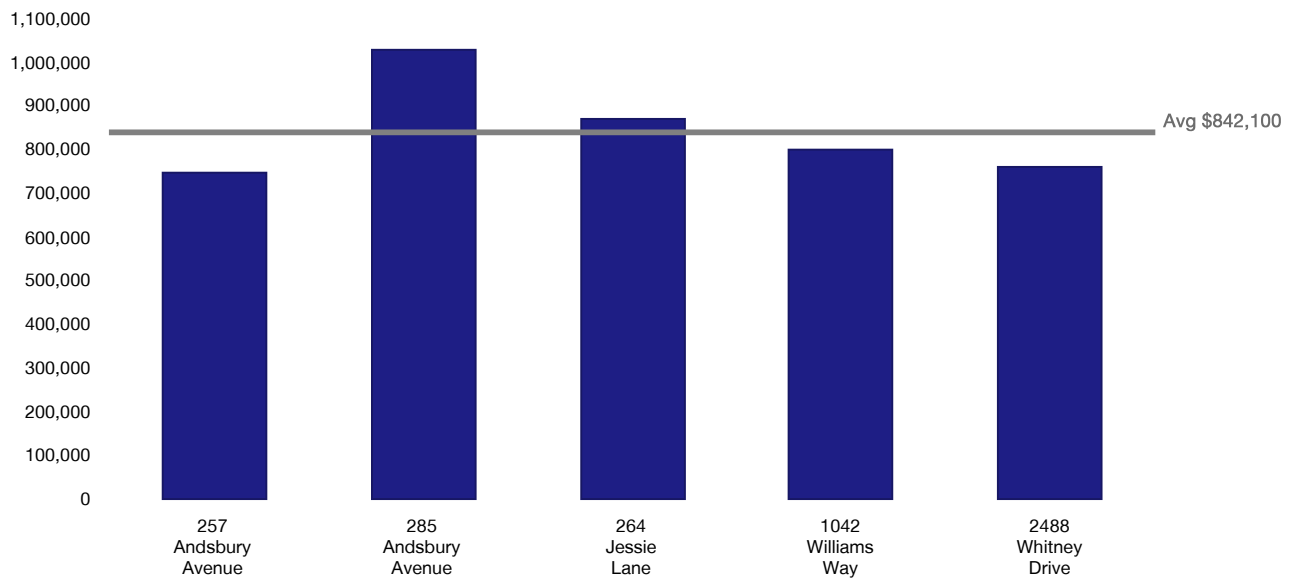


## PRICE PER SF AND PRICE PER UNIT

### Average Price per Square Foot

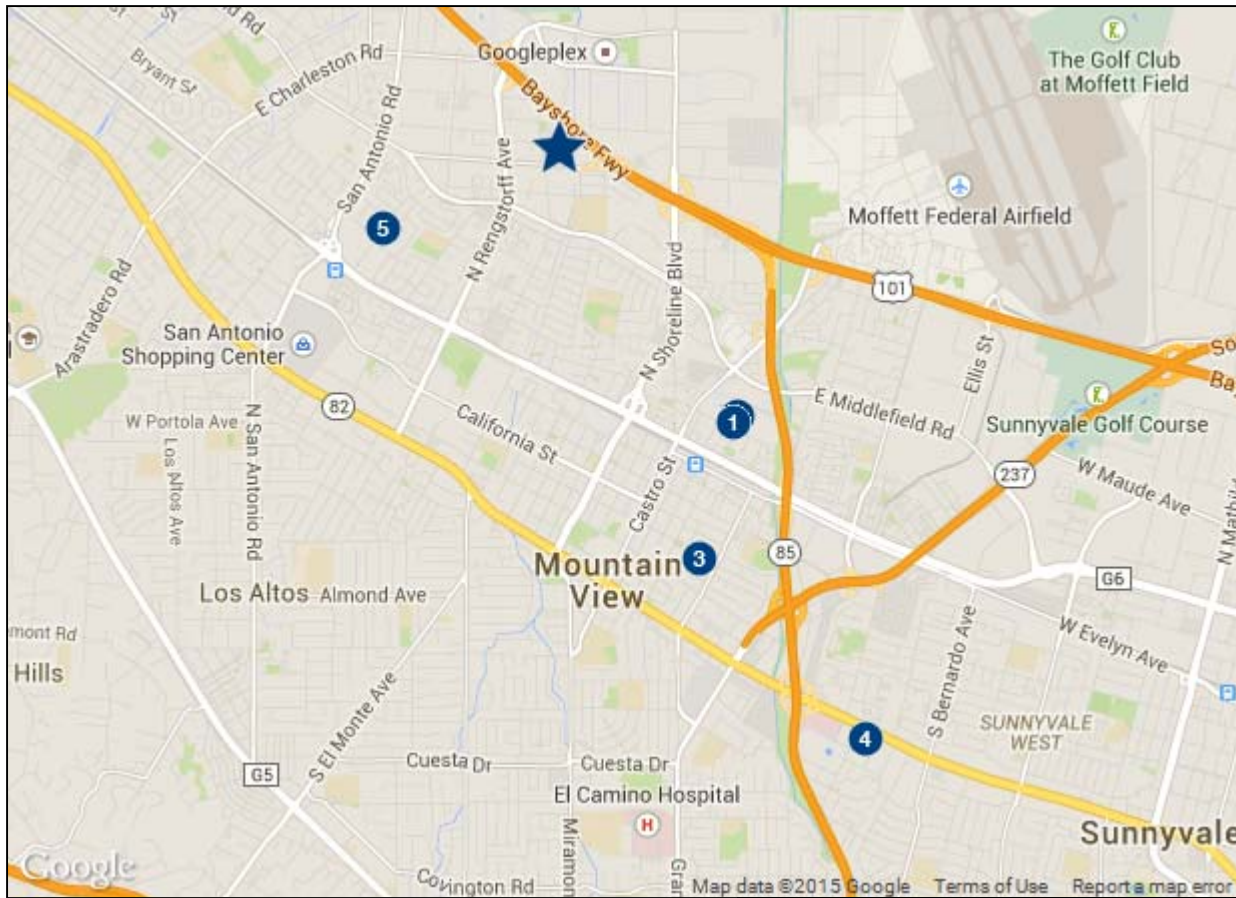


### Average Price per Unit





## RECENT SALES MAP



- ★ 1935 Colony Street
- 1) 257 Andsbury Avenue
- 2) 285 Andsbury Avenue
- 3) 264 Jessie Lane
- 4) 1042 Williams Way
- 5) 2488 Whitney Drive

RECENT SALES

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

Comments

264 Jessie I

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

3



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

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: 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.

6

No. of Units:  
Year Built:  
Sale Price:  
Price/Unit:  
Price/SF:  
CAP Rate:  
GRM:

Close of Escrow:

Units	Unit Type
-------	-----------

### Comments

PRICING AND FINANCIAL ANALYSIS

# 1935 Colony Street

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### RENT ROLL

Unit Number	Unit Type			Current Rent	Asking Rent	Parking
Unit A	3 Bdr	2 Bath	House Style Unit	\$1,950	\$3,950	Yes
Unit B	2 Bdr	1 Bath	House Style Unit	\$1,800	\$3,200	Yes
			TOTAL	VACANT	\$0	\$0
2			TOTAL	OCCUPIED	\$3,750	\$7,150
2			<b>TOTAL</b>		<b>\$3,750</b>	<b>\$7,150</b>

#### Comments

\*\*Unit B is legal non-conforming unit.

### FINANCIAL OVERVIEW

#### Location

1935 Colony Street  
Mountain View, CA 94043

Price	\$1,630,000
Down Payment	100% / \$1,630,000
Number of Units	2
Price/Unit	\$815,000
Rentable Square Feet	3,442
Price/SF	\$473.56
CAP Rate - Current	1.21%
CAP Rate- Pro Forma	2.95%
GRM - Current	36.22
GRM- Pro Forma	21.94
Year Built	1947
Lot Size	11,787 Square feet
Type of Ownership	Fee Simple

#### Annualized Operating Data

Income	Current	Pro Forma
<b>Gross Potential Rent</b>	<b>\$45,000</b>	<b>\$74,280</b>
Gross Potential Income	\$45,000	\$74,280
Less: Vacancy/Deductions (GPI)	3.0% / \$1,350	3.0% / \$2,228
Effective Gross Income	\$43,650	\$72,052
Less: Expenses	\$23,933	\$23,933
<b>Net Operating Income</b>	<b>\$19,717</b>	<b>\$48,119</b>
Net Cash Flow Before Debt Service	\$19,717	\$48,119

Expenses		
Real Estate Taxes	\$17,793	17,793
Insurance	\$1,200	1,200
Utilities (Water, Sewer, Trash)	\$2,900	2,900
PG&E	\$840	\$840
Repairs & Maintenance	\$1,200	1,200
<b>Total Expenses</b>	<b>\$23,933</b>	<b>\$23,933</b>
<b>Expenses/unit</b>	<b>\$11,967</b>	<b>\$11,967</b>
<b>Expenses/SF</b>	<b>\$6.95</b>	<b>\$6.95</b>
<b>% of EGI</b>	<b>54.83%</b>	<b>33.22%</b>

#### Scheduled Income

No. of Units	Unit Type	Approx. Square Feet	Current Rents	Rent/SF	Monthly Income	Pro Forma Rents	Monthly Income
1	3 Bdr 2 Bath House	N/A	\$1,950	N/A	\$1,950	\$3,995	\$3,995
1	2 Bdr 1 Bath House	N/A	\$1,800	N/A	\$1,800	\$2,195	\$2,195
<b>2</b>	<b>Total/Wtd. Avg.</b>	<b>3,442</b>			<b>\$3,750</b>		<b>\$6,190</b>

**DEMOGRAPHIC ANALYSIS**

**1935 Colony Street**

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**DEMOGRAPHIC REPORT**

	1 Mile	3 Miles	5 Miles
2000 Population	14,462	111,802	270,047
2010 Population	14,497	117,646	286,810
2014 Population	15,243	124,391	302,528
2019 Population	15,443	127,045	309,284
2000 Households	6,151	47,374	107,637
2010 Households	6,120	48,569	110,461
2014 Households	6,479	51,813	117,651
2019 Households	6,534	52,717	120,068
2014 Average Household Size	2.29	2.40	2.50
2014 Daytime Population	21,624	91,568	208,580
2000 Owner Occupied Housing Units	40.78%	46.84%	49.60%
2000 Renter Occupied Housing Units	54.07%	49.27%	47.20%
2000 Vacant	5.15%	3.89%	3.20%
2014 Owner Occupied Housing Units	44.86%	47.66%	49.67%
2014 Renter Occupied Housing Units	55.14%	52.34%	50.33%
2014 Vacant	1.90%	1.53%	1.44%
2019 Owner Occupied Housing Units	43.95%	47.69%	49.48%
2019 Renter Occupied Housing Units	56.05%	52.31%	50.52%
2019 Vacant	2.19%	1.66%	1.51%
\$ 0 - \$14,999	9.2%	6.8%	7.2%
\$ 15,000 - \$24,999	6.3%	6.0%	5.8%
\$ 25,000 - \$34,999	5.8%	5.6%	6.2%
\$ 35,000 - \$49,999	8.9%	8.4%	8.3%
\$ 50,000 - \$74,999	12.5%	12.4%	12.0%
\$ 75,000 - \$99,999	10.9%	11.1%	11.2%
\$100,000 - \$124,999	13.9%	11.3%	11.0%
\$125,000 - \$149,999	10.3%	8.3%	8.4%
\$150,000 - \$199,999	10.5%	11.3%	10.8%
\$200,000 - \$249,999	5.1%	7.5%	7.3%
\$250,000 +	6.9%	11.3%	11.9%
2014 Median Household Income	\$92,405	\$99,323	\$98,549
2014 Per Capita Income	\$51,227	\$60,322	\$57,265
2014 Average Household Income	\$120,416	\$144,675	\$146,401

Demographic data © 2012 by Experian.



## SUMMARY REPORT

**Geography: 5 miles****Population**

In 2014, the population in your selected geography is 302,527. The population has changed by 12.02% since 2000. It is estimated that the population in your area will be 309,283 five years from now, which represents a change of 2.23% from the current year. The current population is 50.30% male and 49.69% female. The median age of the population in your area is 36.6, compare this to the Entire US average which is 37.3. The population density in your area is 3,848.45 people per square mile.

**Households**

There are currently 117,651 households in your selected geography. The number of households has changed by 9.30% since 2000. It is estimated that the number of households in your area will be 120,068 five years from now, which represents a change of 2.05% from the current year. The average household size in your area is 2.50 persons.

**Income**

In 2014, the median household income for your selected geography is \$98,548, compare this to the Entire US average which is currently \$51,972. The median household income for your area has changed by 29.46% since 2000. It is estimated that the median household income in your area will be \$119,940 five years from now, which represents a change of 21.70% from the current year.

The current year per capita income in your area is \$57,265, compare this to the Entire US average, which is \$28,599. The current year average household income in your area is \$146,400, 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: 53.36% White, 3.15% Black, 0.95% Native American and 28.04% 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 19.37% of the current year population in your selected area. Compare this to the Entire US average of 17.13%.

**Housing**

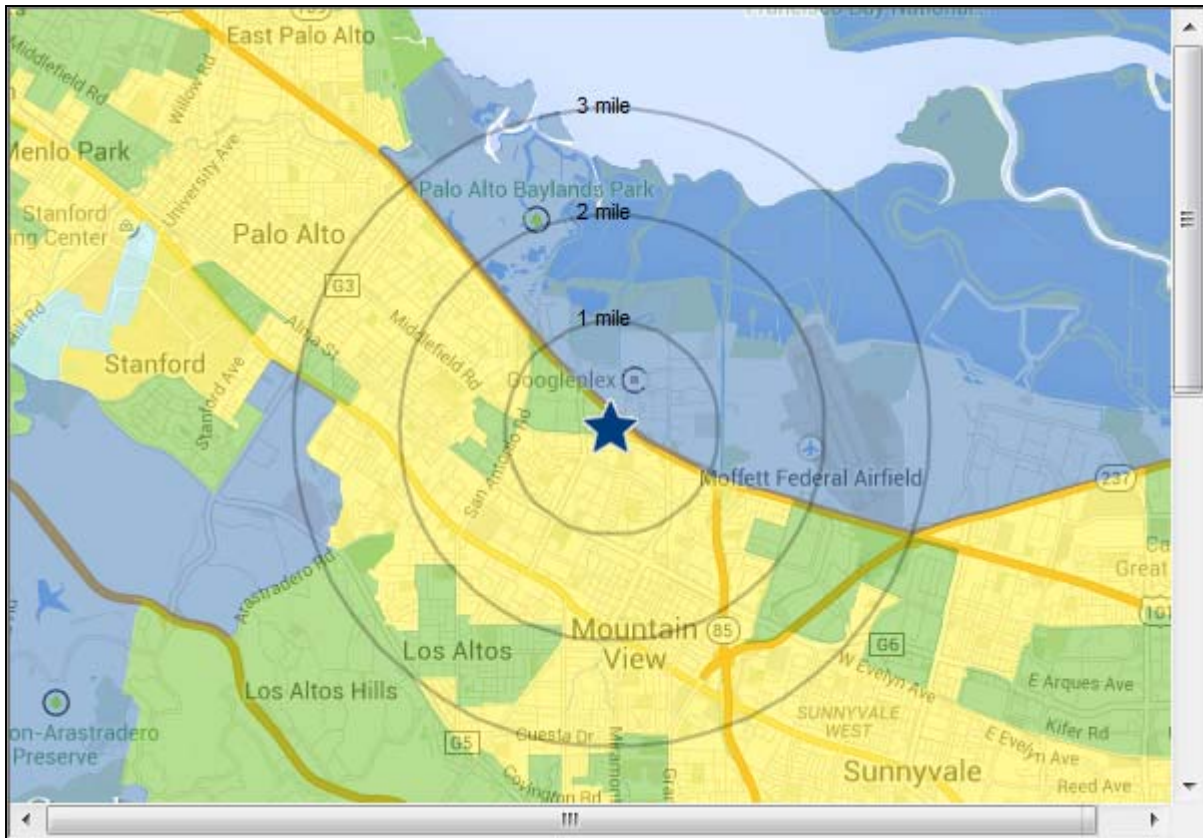
In 2000, there were 55,151 owner occupied housing units in your area and there were 52,485 renter occupied housing units in your area. The median rent at the time was \$1,147.

**Employment**

In 2014, there are 208,580 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 80.58% of employees are employed in white-collar occupations in this geography, and 19.22% are employed in blue-collar occupations. In 2014, unemployment in this area is 5.24%. In 2000, the average time traveled to work was 23.0 minutes.

Demographic data © 2012 by Experian.

POPULATION DENSITY



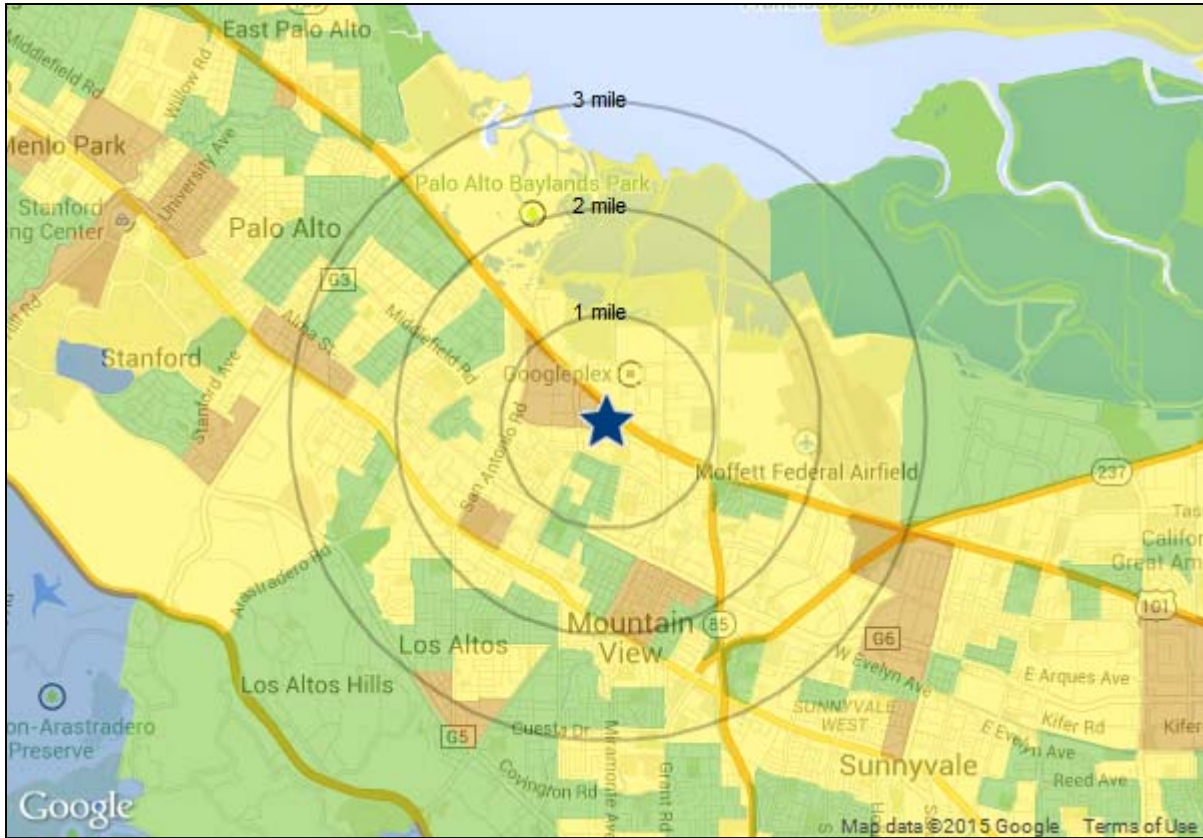
Demographic data © 2012 by Experian.

Population Density

Theme	Low	High
Low	less than 55	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



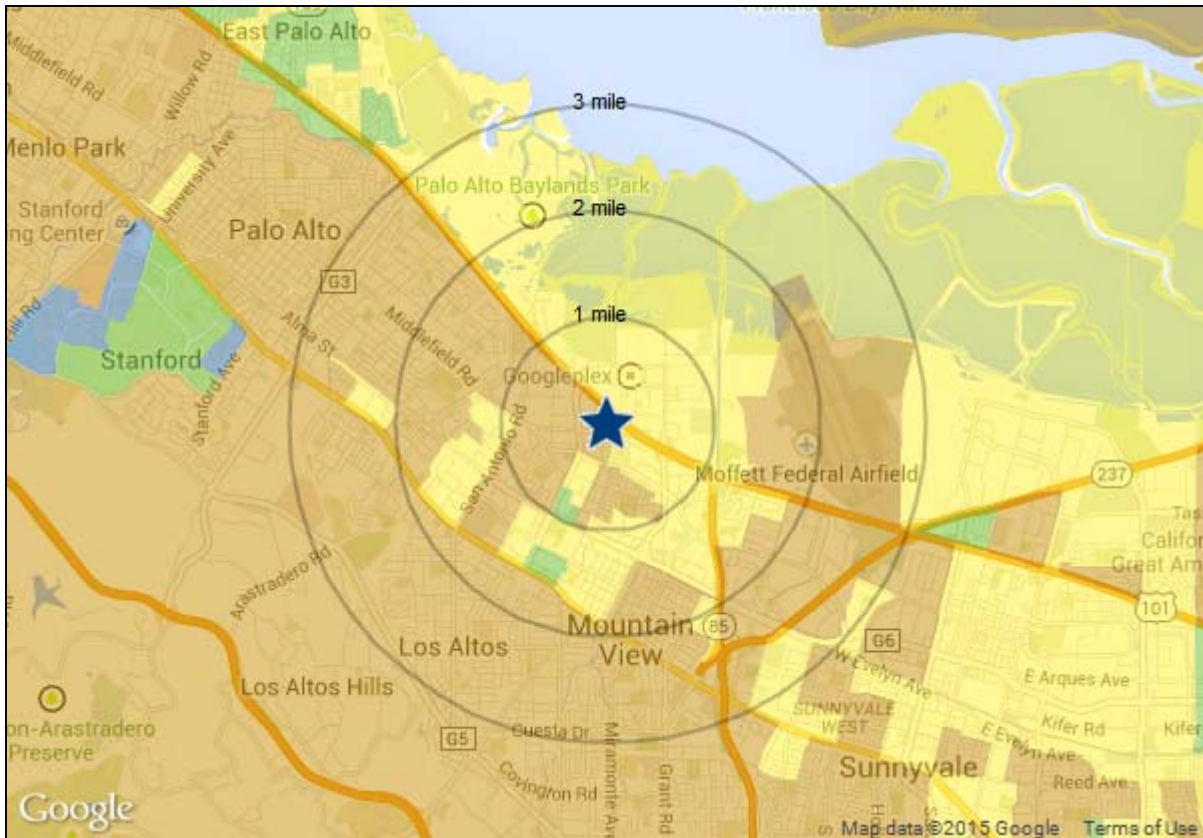
Demographic data © 2012 by Experian.

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



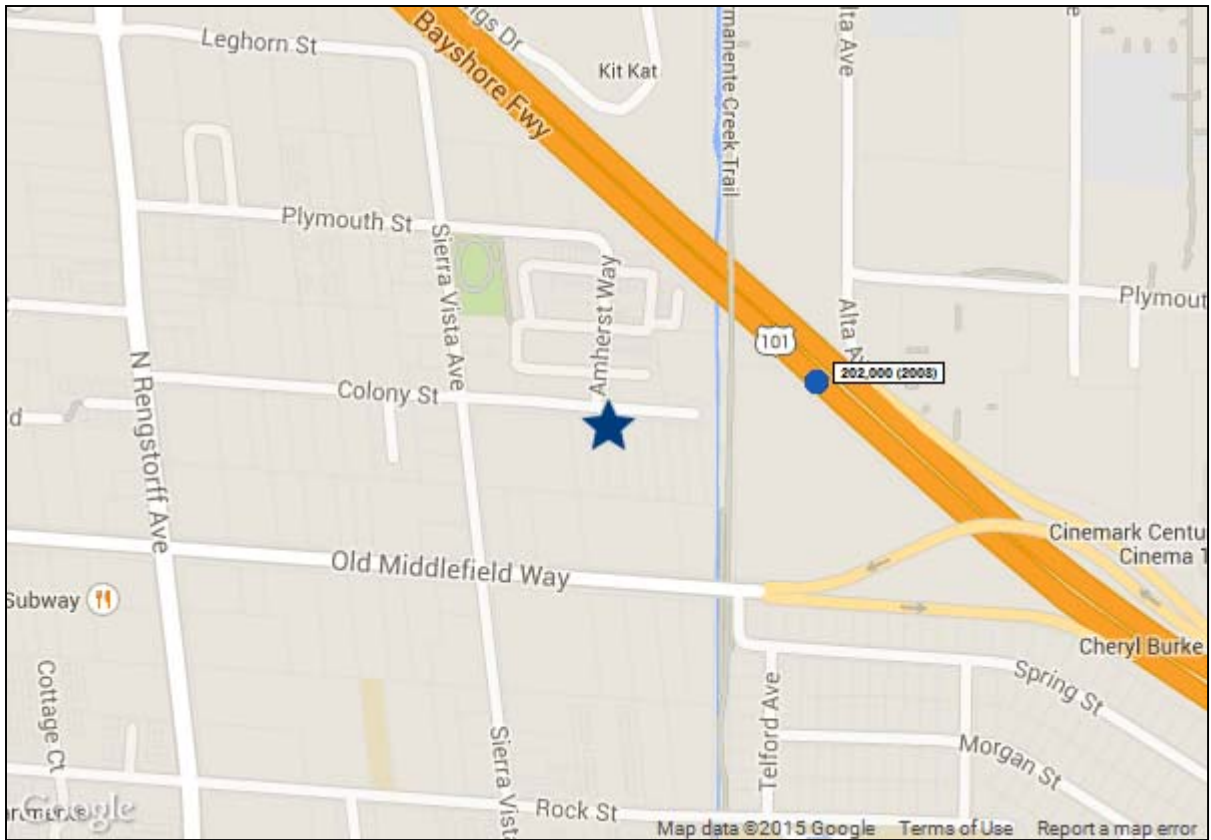
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#### Average Household Income

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.

\* Traffic Count Estimate

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