

296 Higdon Avenue

MOUNTAIN VIEW, CA



OFFERING MEMORANDUM



296 Higdon Avenue

MOUNTAIN VIEW, CA

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PRICING AND FINANCIAL ANALYSIS

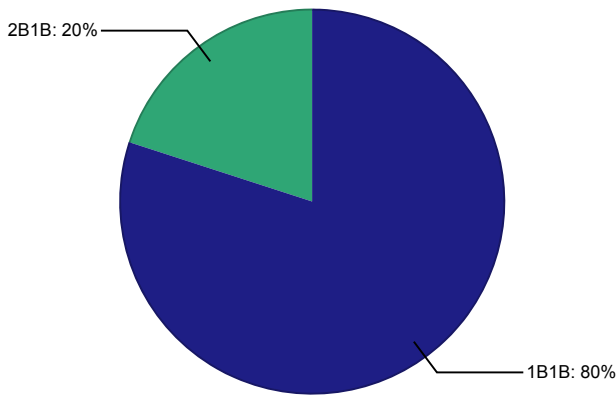
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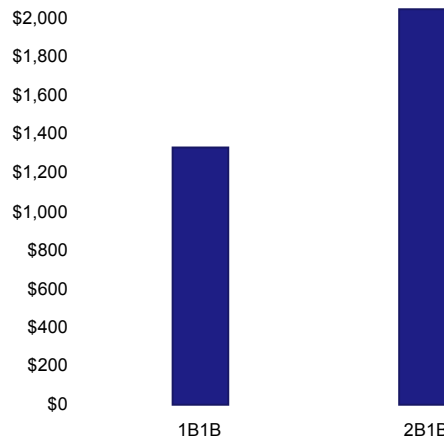
UNIT MIX

No. of Units	Unit Type	Approx. Square Feet	Current Rents	Monthly Income	Pro Forma Rents	Rent/SF	Monthly Income
4	1 Bdr 1 Bath Apartments	N/A	\$1,100 - \$1,550	\$5,320	\$1,695	\$3.35	\$6,780
1	2 Bdr 1 Bath House	N/A	\$2,050	\$2,050	\$2,450	\$2.04	\$2,450
5	TOTAL	3,227		\$7,370			\$9,230

Unit Mix



Unit Rent & Rent/SF



FINANCIAL OVERVIEW

Location

296 Higdon Avenue
Mountain View, CA 94041

Price	\$1,895,000
Down Payment	100% / \$1,895,000
Number of Units	5
Price/Unit	\$379,000
Rentable Square Feet	3,227
Price/SF	\$587.23
CAP Rate - Current	3.01%
CAP Rate- Pro Forma	4.15%
GRM - Current	21.43
GRM- Pro Forma	17.11
Year Built/Renovated	1961 / 2013
Lot Size	9,130 Square Feet
Type of Ownership	Fee Simple

Annualized Operating Data

Income	Current	Pro Forma
Gross Potential Rent	\$88,440	\$110,760
Other Income	\$575	\$575
Gross Potential Income	\$89,015	\$111,335
Less: Vacancy/Deductions (GPR)	3.0% / \$2,653	3.0% / \$3,323
Effective Gross Income	\$86,362	\$108,012
Less: Expenses	\$29,330	\$29,330
Net Operating Income	\$57,032	\$78,682
Net Cash Flow Before Debt Service	\$57,032	\$78,682

Expenses		
Real Estate Taxes	\$20,985	\$20,985
Insurance	\$1,600	\$1,600
Utilities	\$3,270	\$3,270
PG&E (common area)	\$1,075	\$1,075
Repairs & Maintenance	\$1,800	\$1,800
Landscaping	\$600	\$600
Total Expenses	\$29,330	\$29,330
Expenses/unit	\$5,866	\$5,866
Expenses/SF	\$9.09	\$9.09
% of EGI	33.96%	27.15%

Scheduled Income

No. of Units	Unit Type	Approx. Square Feet	Current Rents	Rent/ SF	Monthly Income	Pro Forma Rents	Rent/ SF	Monthly Income
4	1 Bdr 1 Bath Apartments	N/A	\$1,100 - \$1,550	N/A	\$5,320	\$1,695	\$3.35	\$6,780
1	2 Bdr 1 Bath House	N/A	\$2,050	N/A	\$2,050	\$2,450	\$2.04	\$2,450
5	Total/Wtd. Avg.	3,227			\$7,370			\$9,230

PROPERTY DESCRIPTION

296 Higdon Avenue

MOUNTAIN VIEW, CA

Marcus & Millichap
Real Estate Investment Services

INVESTMENT OVERVIEW

Investment Highlights

- \$150,000 Renovation in 2013
- Strong Historical Occupancy
- Increasing Rent Submarket
- Strong Mountain View Investment Location
- Located in Close Proximity to Highways 101, 280 and Caltrain
- Close to Beautiful Downtown Mountain View
- On-site Laundry Room
- Quiet Culdesac



The subject property is located on a quiet culdesac in highly desirable Mountain View, California. The grounds consist of 9,130 square feet with 3,227 square feet of living space nestled amongst mature landscaping.

The investment offers one four-unit building, an on-site laundry room, and one two-bedroom/one-bath house in front. Roughly \$150,000 of upgrades were put into this property giving the lucky new owner a true turnkey investment.

Built in 1961 the property is located in close proximity to Google Campus, and all other major employment hubs via Highway 101 and 280. Additionally, Mountain View's low housing affordability coupled with increasing jobs should yield continuing rent growth and decreasing vacancy through 2014.

PROPERTY SUMMARY

The Offering

Property Address	296 Higdon Avenue Mountain View, CA 94041
Assessor's Parcel Number	154-11-008
Zoning	R3-2

Site Description

Number of Units	5
Number of Buildings	2
Number of Stories	2
Year Built/Renovated	1961 / 2013
Rentable Square Feet	3,227
Lot Size	9,130 Square Feet
Type of Ownership	Fee Simple
Density	Low
Landscaping	Low Maintenance
Topography	Flat

Utilities

Water	Landlord
Phone	Tenant
Electric	Tenant
Gas	Tenant

Construction

Foundation	Concrete Perimeter
Framing	Wood
Exterior	Stucco/Wood

PROPERTY PHOTOS



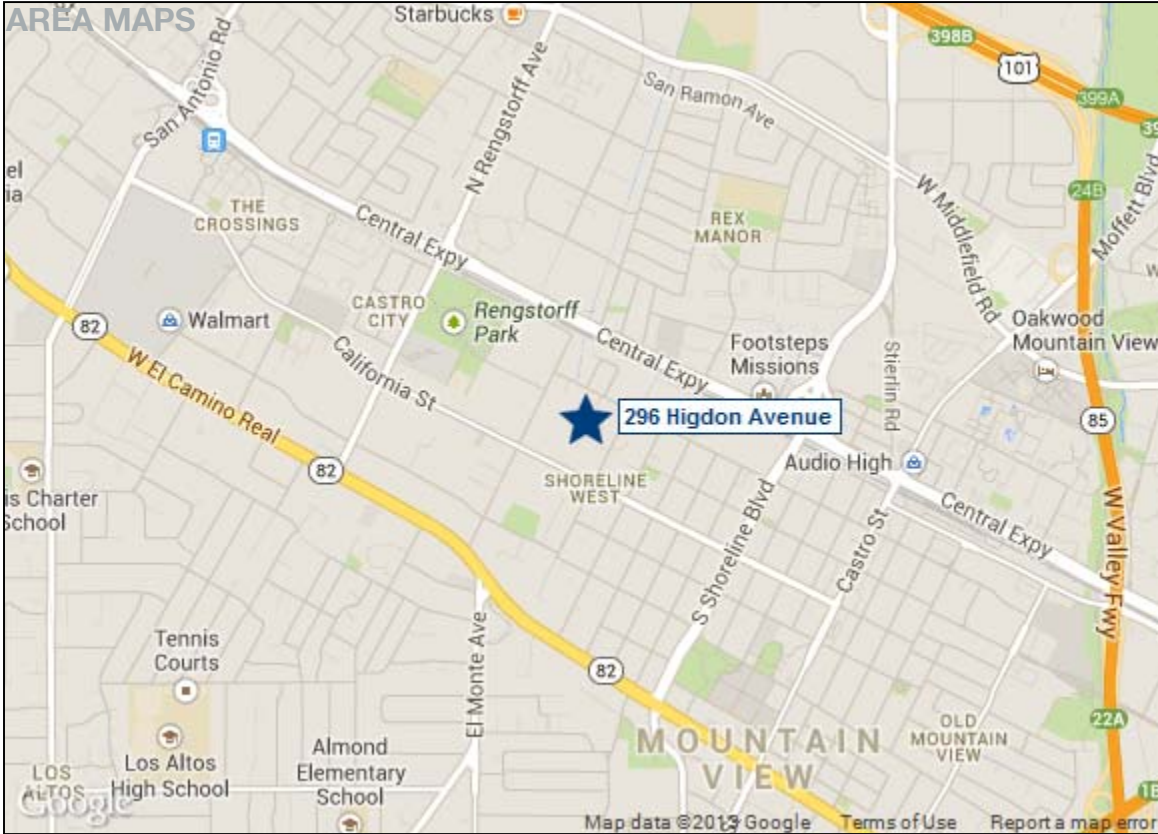
PROPERTY PHOTOS



296 Higdon Avenue

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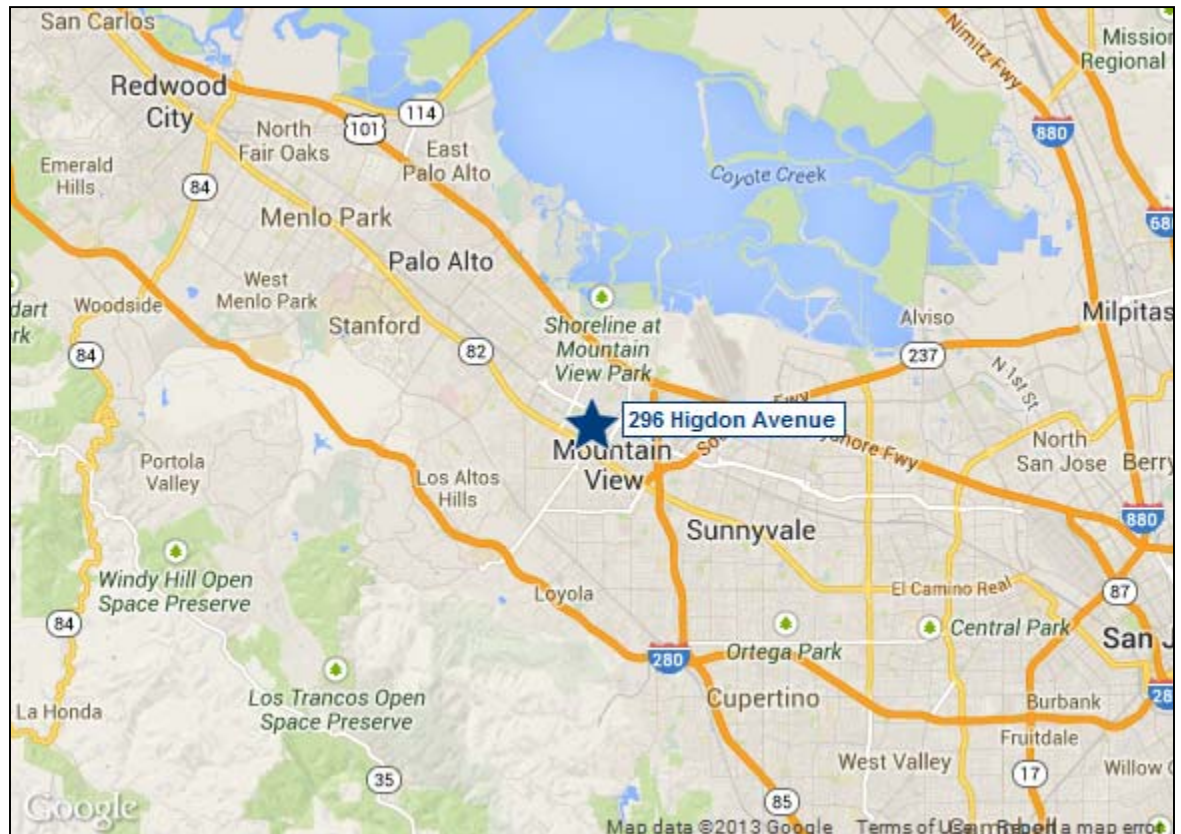
PROPERTY DESCRIPTION



Local Map



Regional Map



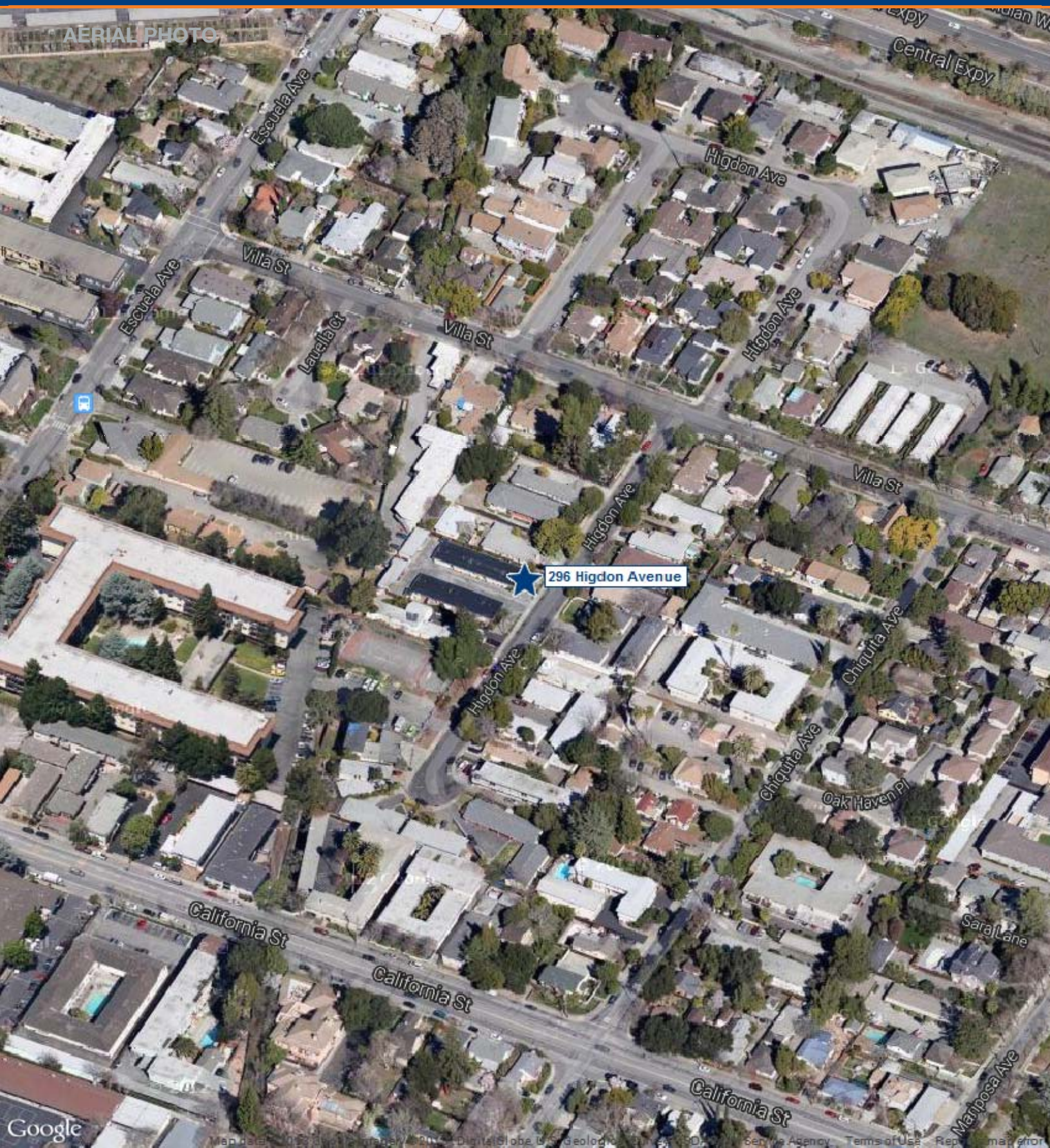
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PROPERTY DESCRIPTION



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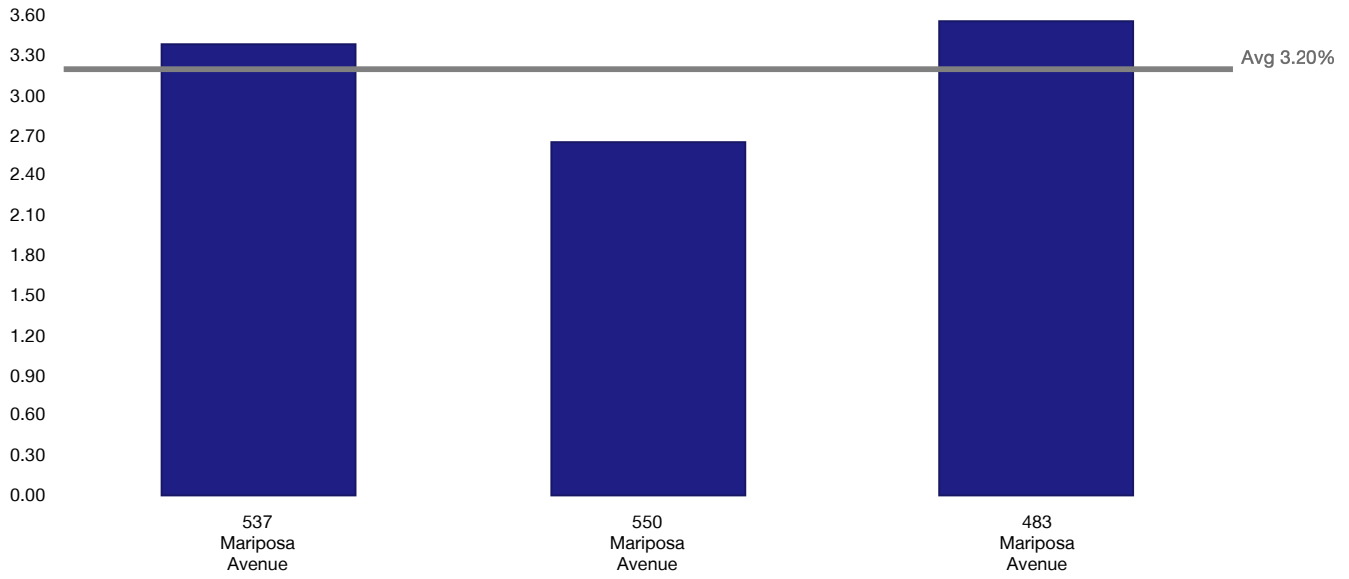
RECENT SALES

296 Higdon Avenue

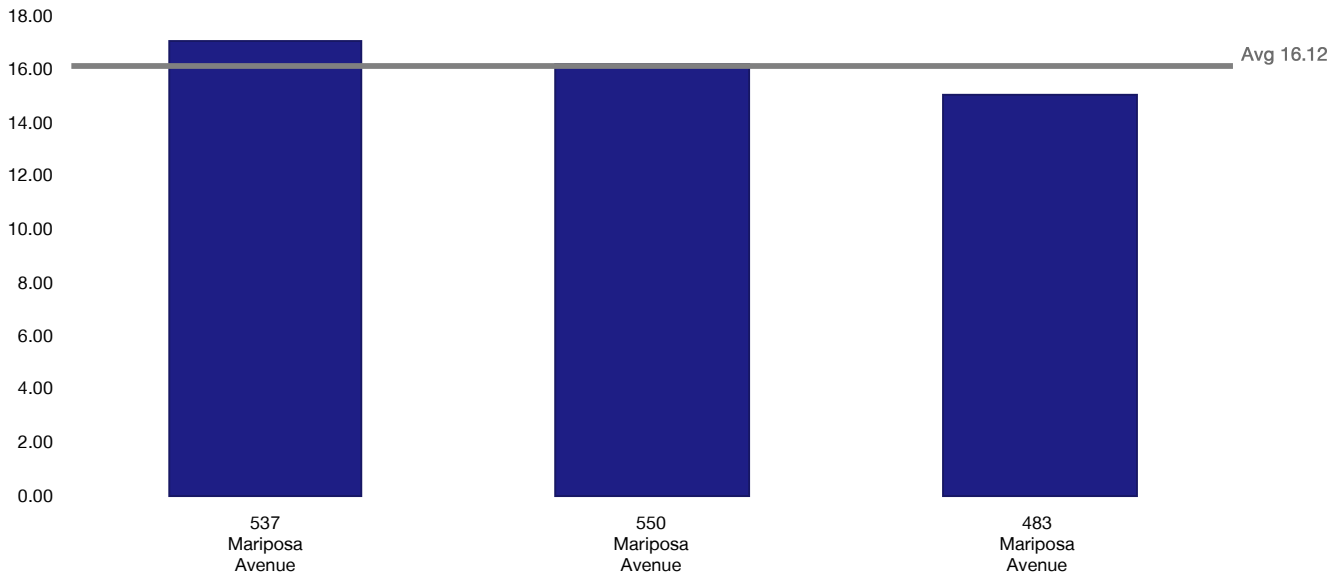
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CAP RATE AND GRM

Average Cap Rate

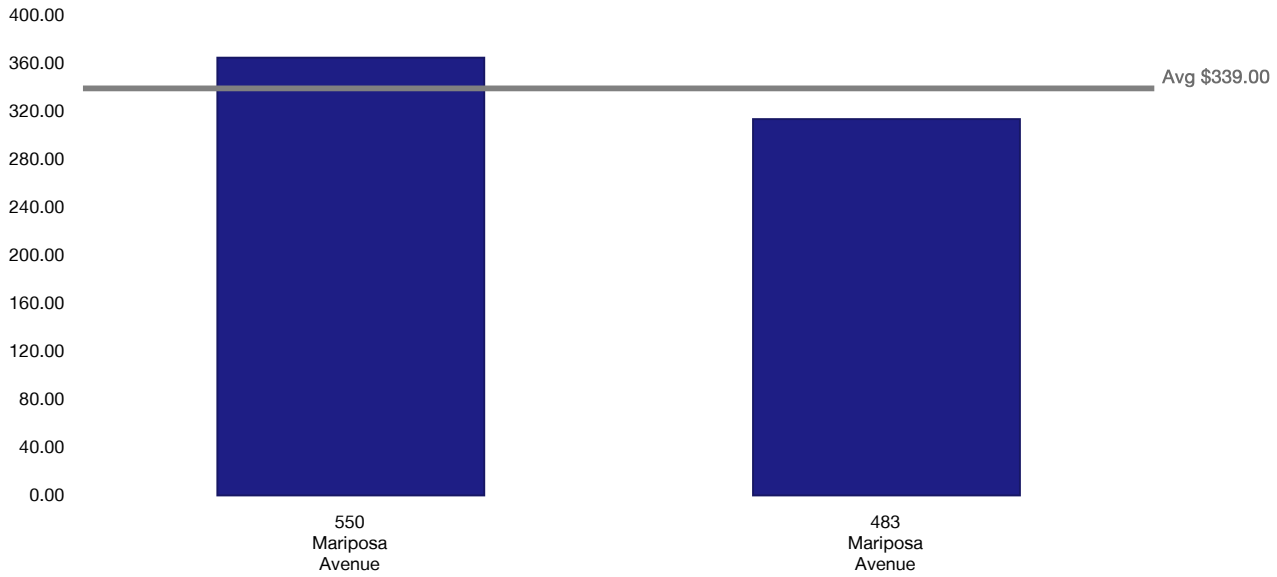


Average GRM

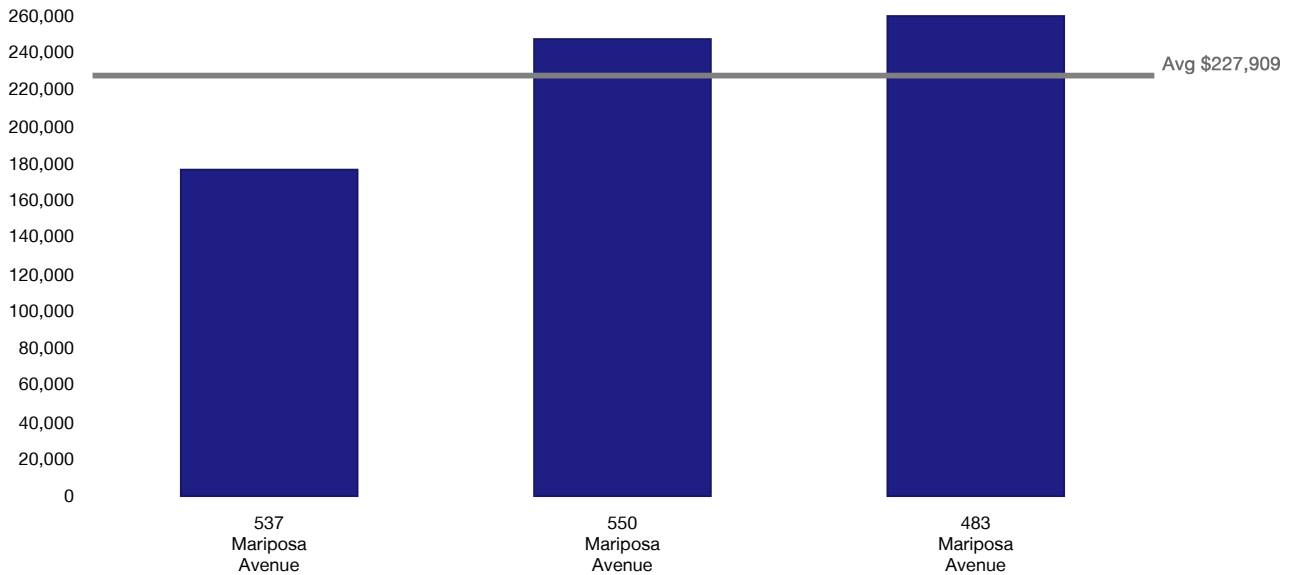


PRICE PER SF AND PRICE PER UNIT

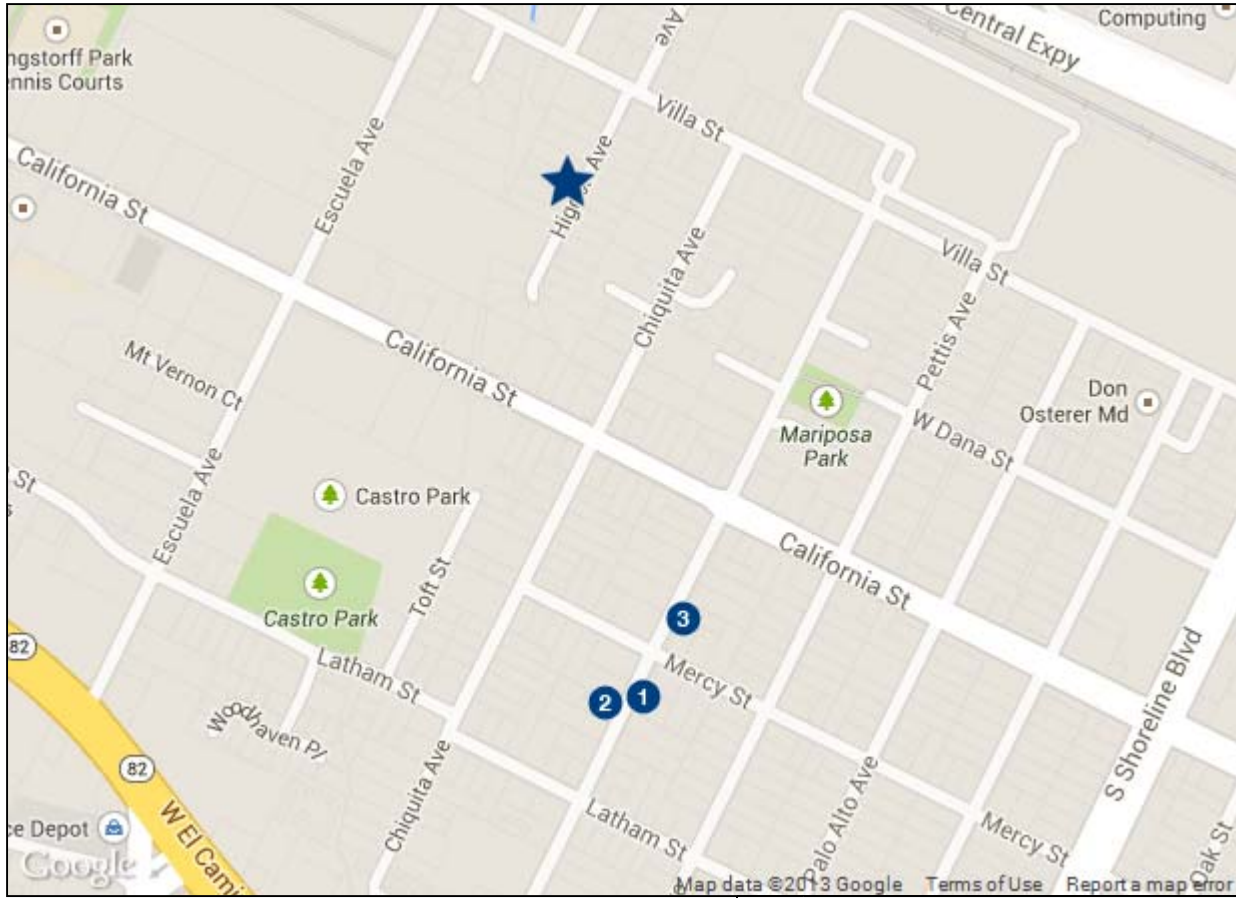
Average Price per Square Foot



Average Price per Unit



RECENT SALES MAP



- ★ 296 Higdon Avenue
- 1) 537 Mariposa Avenue
- 2) 550 Mariposa Avenue
- 3) 483 Mariposa Avenue

RECENT SALES

1



Close of Escrow: 9/4/2013

537 Mariposa Avenue
Mountain View, CA 94041

No. of Units: 12
Year Built: 1960
Sale Price: \$2,125,000
Price/Unit: \$177,083
Price/SF:
CAP Rate: 3.39%
GRM: 17.09

Units	Unit Type
12	Studio

Comments

Small Units in bad shape. Sold by Marcus & Millichap at \$177,083/door. -- Stabilized \$120,000 renovation at \$1,395/Studio = \$130,570 NET; which is stabilized 5.81 percent CAP.

2



Close of Escrow: 5/8/2013

550 Mariposa Avenue
Mountain View, CA 94041

No. of Units: 7
Year Built: 1964
Sale Price: \$1,730,000
Price/Unit: \$247,143
Price/SF: \$365.00
CAP Rate: 2.65%
GRM: 16.20

Units	Unit Type
1	2 Bdr 1 Bath
6	1 Bdr 1 Bath

Comments

Sold by Nate Gustavson & Adam Levin @ Marcus & Millichap. Below market rents by roughly 25 percent. -- Stabilized 4.5 percent Cap based on \$40,000 rehab

3



Close of Escrow: 4/18/2013

483 Mariposa Avenue
Mountain View, CA 94041

No. of Units: 8
Year Built: 1960
Sale Price: \$2,076,000
Price/Unit: \$259,500
Price/SF: \$313.00
CAP Rate: 3.56%
GRM: 15.08

Units	Unit Type
1	2 Bdr 2 Bath House
7	2 Bdr 1 Bath Flat

Comments

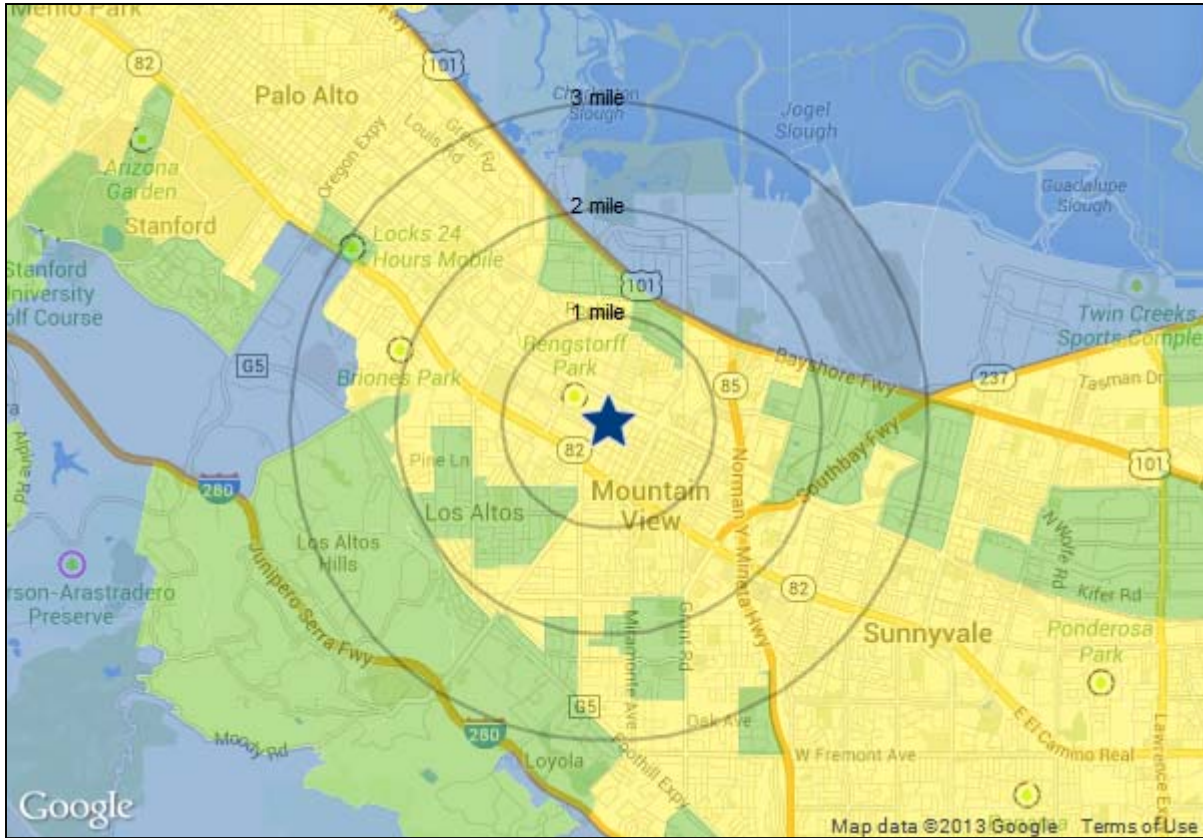
Sold by Nate Gustavson & Adam Levin of Marcus & Millichap to cash buyer who is pushing rents and renovating. -- Stabilized at \$2,195/2Br per, with about \$100,000 renovation Brings Net income to \$136,000 and CAP to 6.00 percent plus.

DEMOGRAPHIC ANALYSIS

296 Higdon Avenue

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POPULATION DENSITY



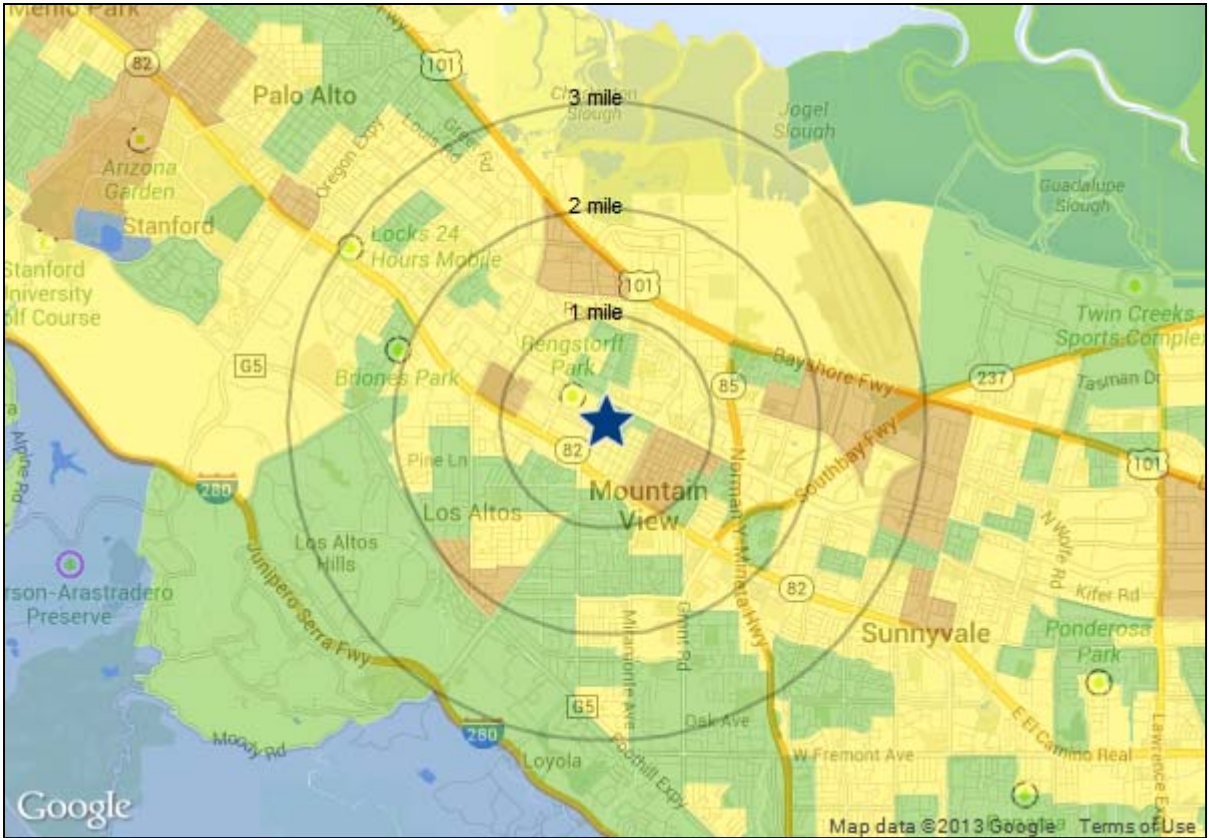
Demographic data © 2012 by Experian.

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



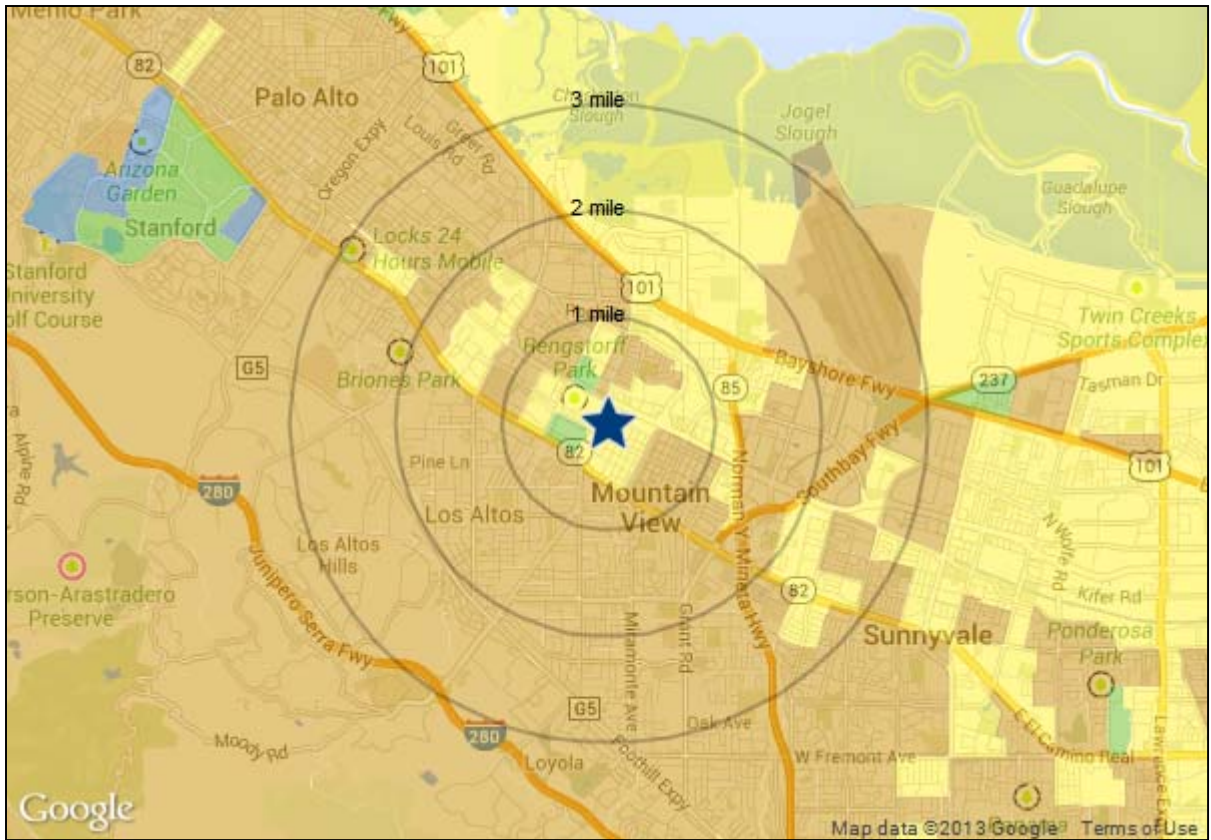
Demographic data © 2012 by Experian.

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



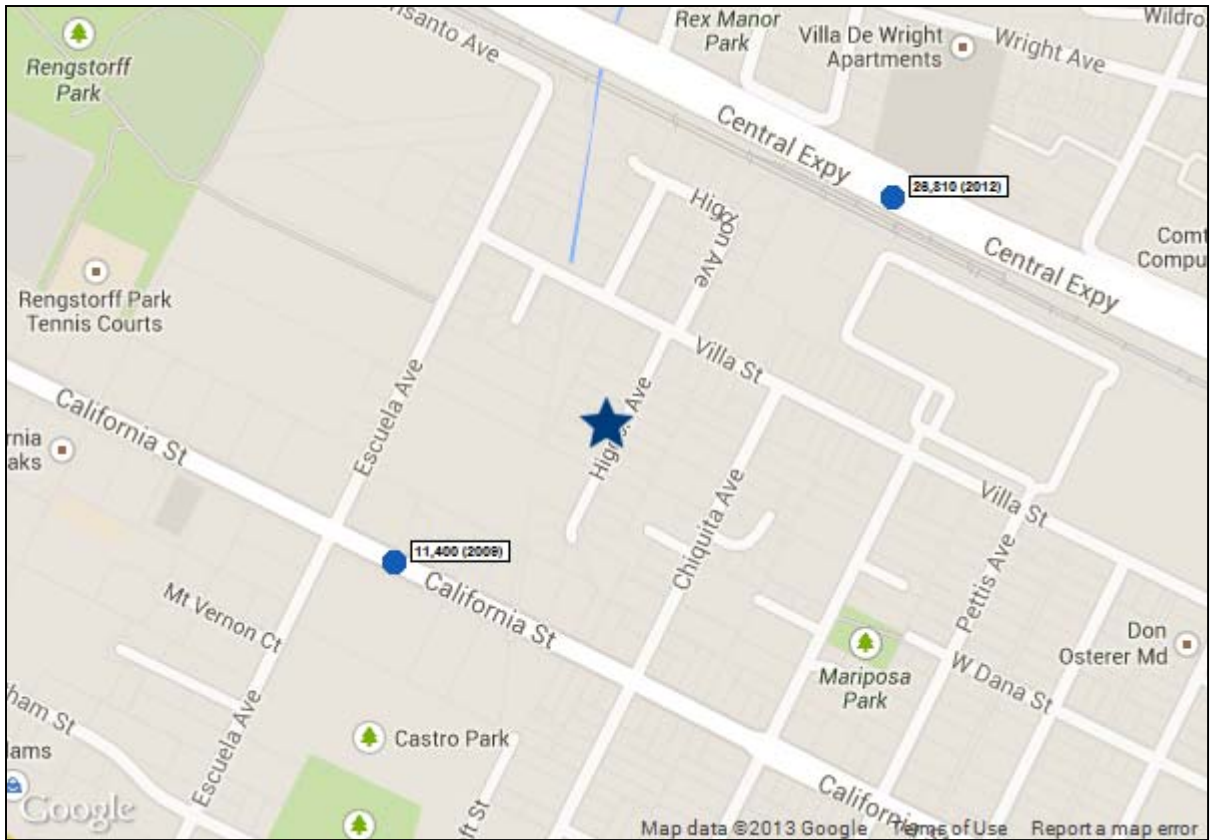
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Average Household Income

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



Traffic Count data © 2012 by TrafficMetrix. All rights reserved.

Two-way, average daily traffic volumes.

* Traffic Count Estimate



DEMOGRAPHIC REPORT

	1 Mile	3 Miles	5 Miles
2000 Population	33,371	136,703	278,645
2010 Population	35,122	143,295	299,219
2012 Population	36,086	147,646	307,902
2017 Population	36,645	150,669	314,520
2000 Households	14,462	57,442	113,335
2010 Households	14,897	58,646	116,730
2012 Households	15,408	60,736	120,770
2017 Households	15,574	61,625	122,952
2012 Average Household Size	2.32	2.42	2.49
2012 Daytime Population	14,089	82,960	174,170
2000 Median Housing Value	\$538,392	\$766,168	\$656,944
2000 Owner Occupied Housing Units	34.12%	48.63%	50.34%
2000 Renter Occupied Housing Units	62.57%	47.74%	46.87%
2000 Vacant	3.32%	3.54%	3.06%
2012 Owner Occupied Housing Units	31.59%	47.99%	49.44%
2012 Renter Occupied Housing Units	65.96%	49.11%	47.86%
2012 Vacant	2.44%	2.90%	2.70%
2017 Owner Occupied Housing Units	31.77%	47.95%	49.22%
2017 Renter Occupied Housing Units	65.75%	49.00%	47.97%
2017 Vacant	2.47%	3.05%	2.81%
\$ 0 - \$14,999	8.1%	5.9%	6.3%
\$ 15,000 - \$24,999	7.7%	5.2%	5.2%
\$ 25,000 - \$34,999	5.5%	5.1%	5.5%
\$ 35,000 - \$49,999	9.0%	7.6%	7.7%
\$ 50,000 - \$74,999	12.6%	11.6%	11.2%
\$ 75,000 - \$99,999	13.4%	11.6%	11.6%
\$100,000 - \$124,999	13.2%	12.5%	12.1%
\$125,000 - \$149,999	8.8%	9.5%	9.4%
\$150,000 - \$199,999	9.9%	11.6%	11.2%
\$200,000 - \$249,999	5.1%	7.6%	7.6%
\$250,000 +	6.8%	11.9%	12.2%
2012 Median Household Income	\$88,213	\$106,089	\$104,975
2012 Per Capita Income	\$50,741	\$62,184	\$59,649
2012 Average Household Income	\$118,715	\$150,960	\$151,242

Demographic data © 2012 by Experian.

SUMMARY REPORT

Geography: 5 Miles**Population**

In 2012, the population in your selected geography was 307,902 . The population has changed by 10.49% since 2000. It is estimated that the population in your area will be 314,520 five years from now, which represents a change of 2.14% from the current year. The current population is 50.1% male and 49.8% 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 3,471.69 people per square mile.

Households

There are currently 120,770 households in your selected geography. The number of households has changed by 6.56% since 2000. It is estimated that the number of households in your area will be 122,952 five years from now, which represents a change of 1.80% from the current year. The average household size in your area is 2.49 persons.

Income

In 2012, the median household income for your selected geography is \$104,975 , compare this to the U.S. average which is currently \$53,535. The median household income for your area has changed by 32.03% since 2000. It is estimated that the median household income in your area will be \$122,978 five years from now, which represents a change of 17.14% from the current year.

The current year per capita income in your area is \$59,649 , compare this to the U.S. average, which is \$28,888. The current year average household income in your area is \$151,242 , 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: 54.09% White, 2.43% African American, 0.38% Native American and 31.15% 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 16.19% 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 \$656,944 in 2000, compare this to the U.S. average of \$110,781 for the same year. In 2000, there were 58,841 owner occupied housing units in your area and there were 54,780 renter occupied housing units in your area. The median rent at the time was \$1,194 .

Employment

In 2012, there are 174,170 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 83.1% of employees are employed in white-collar occupations in this geography, and 16.8% are employed in blue-collar occupations. In 2012, unemployment in this area is 4.17% . In 2000, the median time traveled to work was 20.2 minutes.

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OFFERING MEMORANDUM

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