

Thompson Avenue

MOUNTAIN VIEW, CA



OFFERING MEMORANDUM

Marcus & Millichap
Real Estate Investment Services

Thompson Avenue Apartments

MOUNTAIN VIEW, CA

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Thompson Avenue Apartments

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Thompson Avenue Apartments

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PRICING AND FINANCIAL ANALYSIS

OFFERING SUMMARY



Unit Mix

No. of Units	Unit Type	Approx. Square
16	2 Bdr 1 Bath Cottage	795
16	Total	12,720

Major Employers

Employer	# of Employees
Google	33,000
Facebook	3,200+
Hewlett Packard	40,000+
Microsoft	90,000+
Linked In	900+

Price	\$4,000,000
Price/Unit	\$250,000
Price/SF	\$314.47
Number of Units	16
Rentable Square Feet	12,720
Number of Buildings	4
Number of Stories	1
Year Built	1963
Lot Size	48,977 Square feet

Vital Data

CAP Rate - Current	3.91%
GRM - Current	14.89
Net Operating Income - Current	\$156,572
CAP Rate - Pro Forma	5.86%
GRM - Pro Forma	11.57
Net Operating Income - Pro Forma	\$234,397

Demographics

	1-Mile	3-Mile	5-Mile
2010 Population			
2015 Population			
2010 Households			
2015 Households			
Median HH Income			
Per Capita Income			
Average HH Income			

RENT ROLL

Unit Number	Unit Type		Unit SF	Current Rent	Rent/SF	Asking Rent	Rent/SF	Parking	Move-In	
517-A	2 Bdr	1 Bath	Cottage	795	\$1,400	\$1.76	\$1,800	\$2.26	1 Covered	5/31/04
517-B	2 Bdr	1 Bath	Cottage	795	\$1,450	\$1.82	\$1,800	\$2.26	1 Covered	7/23/11
517-C	2 Bdr	1 Bath	Cottage	795	\$1,400	\$1.76	\$1,800	\$2.26	1 Covered	3/1/09
517-D	2 Bdr	1 Bath	Cottage	795	\$1,400	\$1.76	\$1,800	\$2.26	1 Covered	7/11/98
523-A	2 Bdr	1 Bath	Cottage	795	\$1,000	\$1.26	\$1,800	\$2.26	1 Covered	5/11/00
523-B	2 Bdr	1 Bath	Cottage	795	\$1,350	\$1.70	\$1,800	\$2.26	1 Covered	6/6/98
**523-C	2 Bdr	1 Bath	Cottage	795	\$1,400	\$1.76	\$1,800	\$2.26	1 Covered	7/21/04
**523-D	2 Bdr	1 Bath	Cottage	795	\$1,650	\$2.08	\$1,800	\$2.26	1 Covered	11/27/08
529-A	2 Bdr	1 Bath	Cottage	795	\$1,450	\$1.82	\$1,800	\$2.26	1 Covered	6/14/10
**529-B	2 Bdr	1 Bath	Cottage	795	\$1,650	\$2.08	\$1,800	\$2.26	1 Covered	7/12/08
529-C	2 Bdr	1 Bath	Cottage	795	\$1,395	\$1.75	\$1,800	\$2.26	1 Covered	4/15/09
529-D	2 Bdr	1 Bath	Cottage	795	\$1,450	\$1.82	\$1,800	\$2.26	1 Covered	3/1/09
**535-A	2 Bdr	1 Bath	Cottage	795	\$1,300	\$1.64	\$1,800	\$2.26	1 Covered	5/8/10
535-B	2 Bdr	1 Bath	Cottage	795	\$1,400	\$1.76	\$1,800	\$2.26	1 Covered	1/26/91
**535-C	2 Bdr	1 Bath	Cottage	795	\$1,400	\$1.76	\$1,800	\$2.26	1 Covered	9/8/10
**535-D	2 Bdr	1 Bath	Cottage	795	\$1,450	\$1.82	\$1,800	\$2.26	1 Covered	6/9/10
		TOTAL	VACANT		\$0		\$0			
16	TOTAL		OCCUPIED	12,720	\$22,545		\$28,800			
16	TOTAL			12,720	\$22,545		\$28,800			

INCOME & EXPENSES

Total Number of Units: 16
Total Rentable Area: 12,720 SF

Income	Current	Per Unit	Pro Forma	Per Unit
GROSS POTENTIAL RENT	\$268,716	\$16,795	\$345,600	\$21,600
Other Income				
Laundry Income	\$1,735	\$108	\$1,735	\$108
Total Other Income	\$1,735	\$108	\$1,735	\$108
GROSS POTENTIAL INCOME	\$270,451	\$16,903	\$347,335	\$21,708
Vacancy/Collection Allowance (GPR)	3.0% / \$8,061	\$504	3.0% / \$10,368	\$648
EFFECTIVE GROSS INCOME	\$262,390	\$16,399	\$336,967	\$21,060
Expenses				
Real Estate Taxes (1.1530% + \$3,980,000)	\$45,889	\$2,868	\$45,889	\$2,868
PG&E	\$7,057	\$441	\$7,057	\$441
Water, Trash, Sewer	\$14,300	\$894	\$14,300	\$894
Repairs & Maintenance	\$15,831	\$989	\$9,600	\$600
Supplies & Cleaning	\$1,414	\$88	\$1,414	\$88
Garden/Pest Control	\$6,100	\$381	\$6,100	\$381
Management Fee	4.0% / \$10,496	\$656	4.0% / \$13,479	\$842
Insurance	\$4,731	\$296	\$4,731	\$296
TOTAL EXPENSES	\$105,818	\$6,614	\$102,570	\$6,411
Expenses per SF	\$8.32		\$8.06	
% of EGI	40.3%		30.4%	
NET OPERATING INCOME	\$156,572	\$9,786	\$234,397	\$14,650
Reserves	\$15,500	\$969	\$15,500	\$969
NET CASH FLOW BEFORE DEBT SERVICE	\$141,072	\$8,817	\$218,897	\$13,681

Thompson Avenue Apartments

MOUNTAIN VIEW, CA

PRICING AND FINANCIAL ANALYSIS

FINANCIAL OVERVIEW

Location

517 Thompson Avenue
Mountain View, CA 94043

Price	\$4,000,000
Number of Units	16
Price/Unit	\$250,000
Rentable Square Feet	12,720
Price/SF	\$314.47
CAP Rate - Current	3.91%
CAP Rate- Pro Forma	5.86%
GRM - Current	14.89
GRM- Pro Forma	11.57
Year Built	1963
Lot Size	48,977 Square feet
Type of Ownership	Fee Simple

Annualized Operating Data

Income	Current	Pro Forma
Gross Potential Rent	\$268,716	\$345,600
Other Income	\$1,735	\$1,735
Gross Potential Income	\$270,451	\$347,335
Less: Vacancy/Deductions (GPR)	3.0% / \$8,061	3.0% / \$10,368
Effective Gross Income	\$262,390	\$336,967
Less: Expenses	\$105,818	\$102,570
Net Operating Income	\$156,572	\$234,397
Reserves	\$15,500	\$15,500
Net Cash Flow Before Debt Service	\$141,072	\$218,897

Expenses

Real Estate Taxes	\$45,889	\$45,889
PG&E	\$7,057	\$7,057
Water, Trash, Sewer	\$14,300	\$14,300
Repairs & Maintenance	\$15,831	\$9,600
Supplies & Cleaning	\$1,414	\$1,414
Garden/Pest Control	\$6,100	\$6,100
Management Fee	\$10,496	\$13,479
Insurance	\$4,731	\$4,731
Total Expenses	\$105,818	\$102,570
Expenses/unit	\$6,614	\$6,411
Expenses/SF	\$8.32	\$8.06
% of EGI	40.33%	30.44%

Scheduled Income

No. of Units	Unit Type	Approx. Square Feet	Current Rents	Rent/ SF	Monthly Income	Pro Forma Rents	Rent/ SF	Monthly Income
16	2 Bdr 1 Bath Cottage	795	\$1,000 - \$1,650	\$1.89	\$22,393	\$1,800	\$2.26	\$28,800
16	Total/Wtd. Avg.	12,720			\$22,393			\$28,800

RECENT SALES

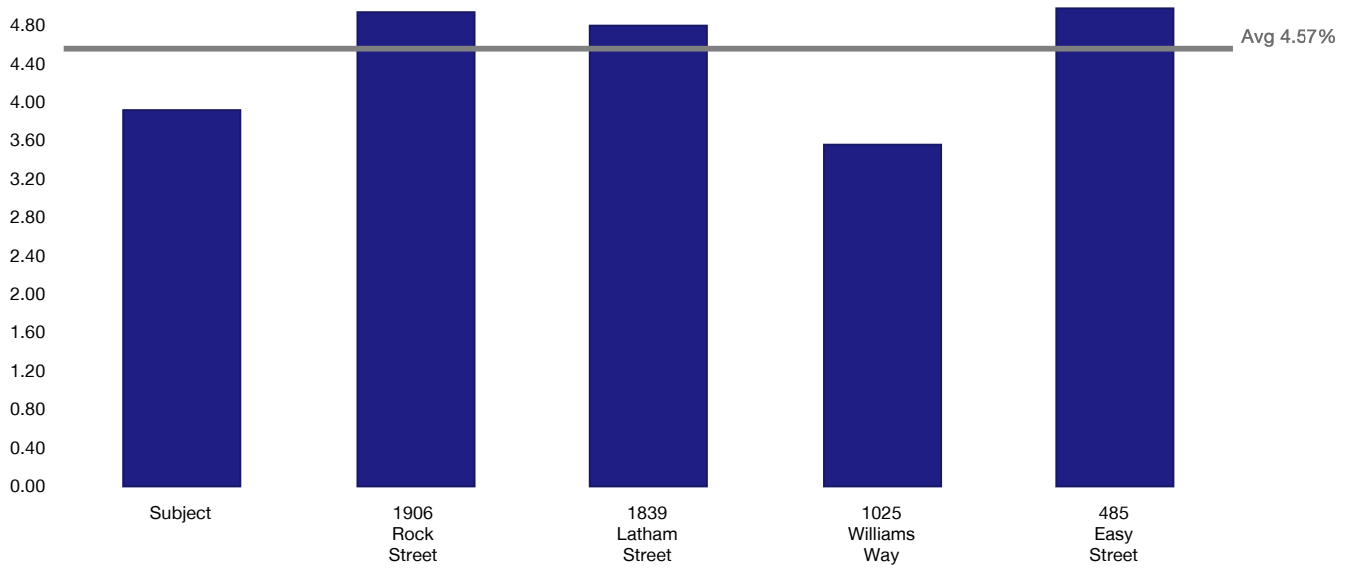
Thompson Avenue Apartments

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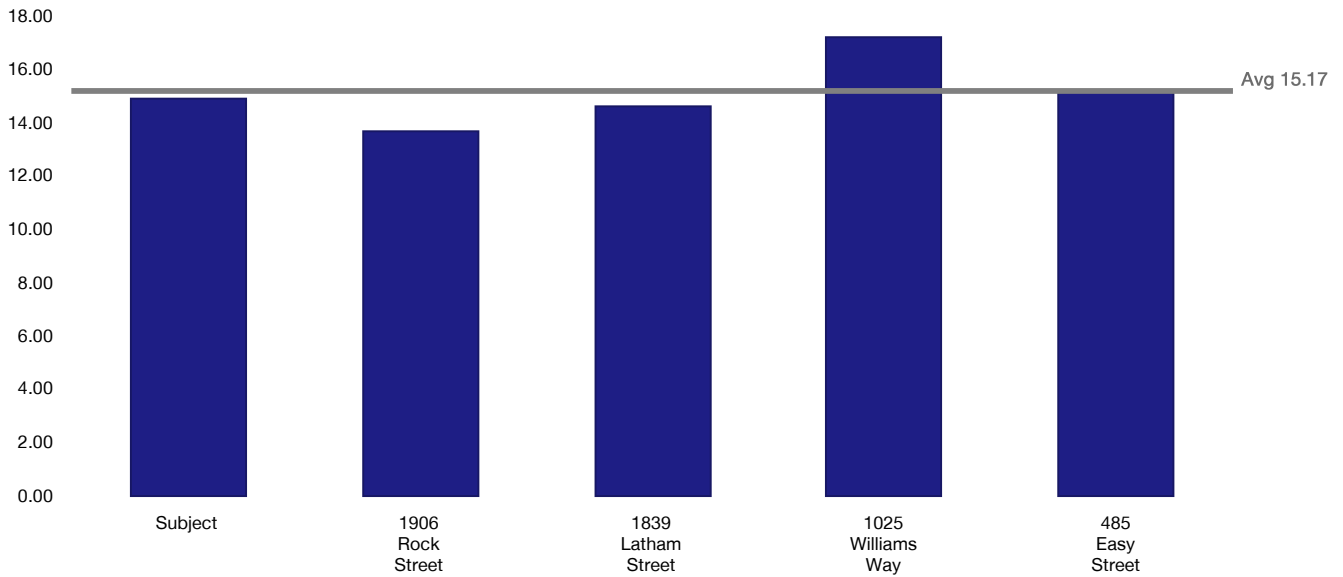
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CAP RATE AND GRM

Average Cap Rate

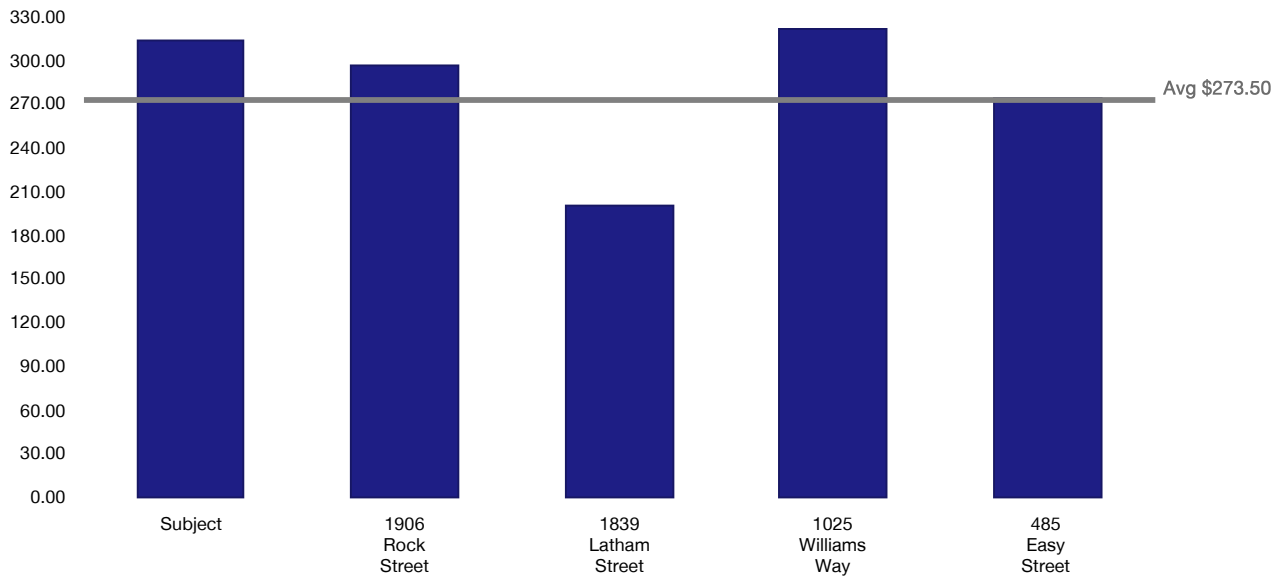


Average GRM

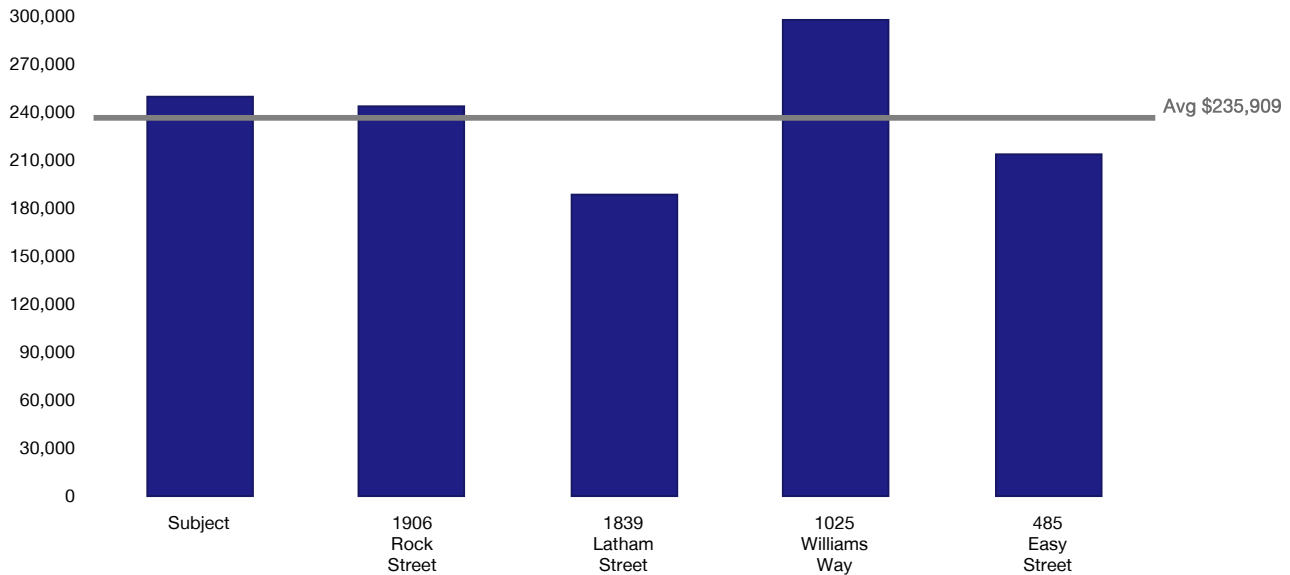


PRICE/SF AND PRICE/UNIT

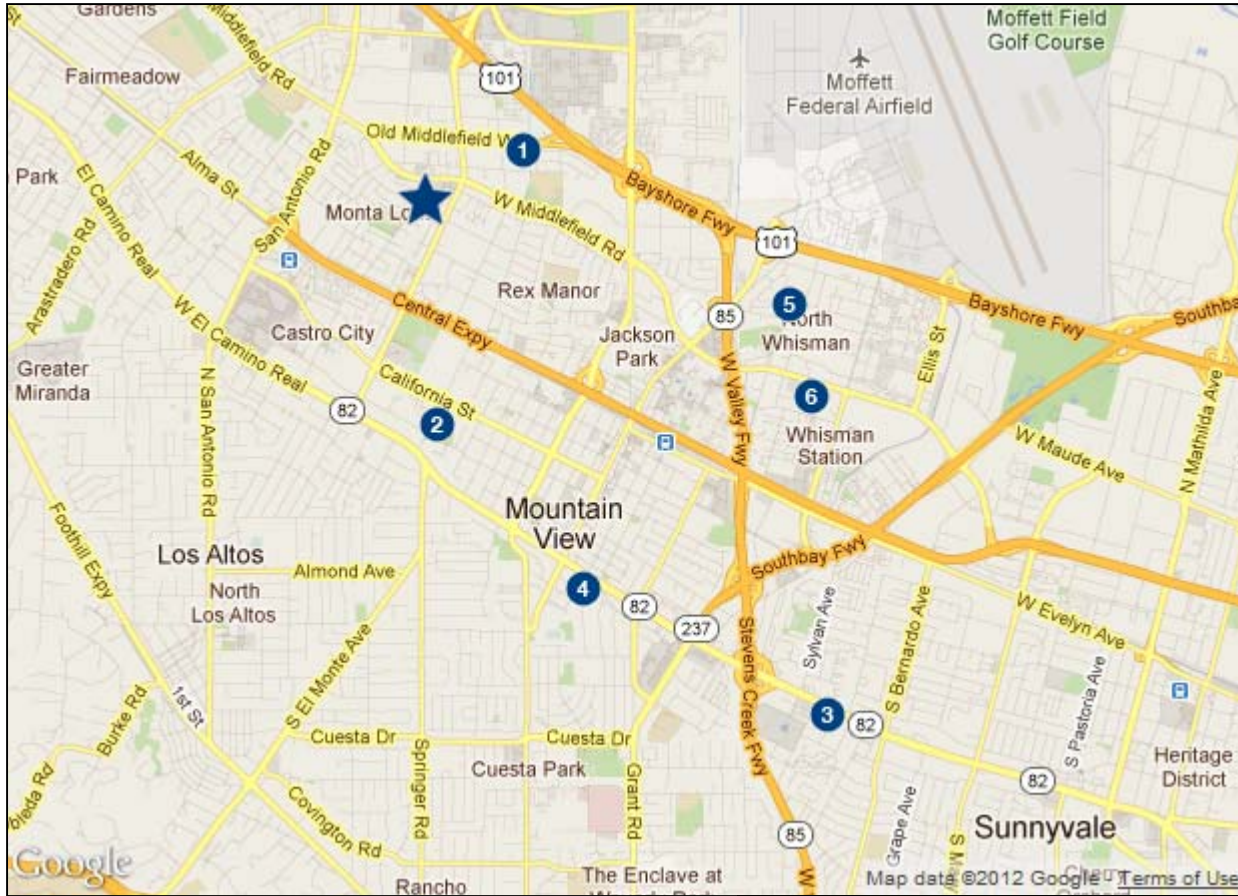
Average Price per Square Foot



Average Price per Unit



RECENT SALES MAP



- ★ Thompson Avenue Apartments
- 1) 1906 Rock Street
- 2) 1839 Latham Street
- 3) 1025 Williams Way
- 4) 485 Easy Street

RECENT SALES



Subject Property

Thompson Avenue Apartments

517 Thompson Avenue
Mountain View, CA 94043

No. of Units: 16
Year Built: 1963
Sale Price: \$4,000,000
Price/Unit: \$250,000
Price/SF: \$314.47
CAP Rate: 3.91%
GRM: 14.89

Units	Unit Type
16	2 Bdr 1 Bath Cottage

1



Close of Escrow: 12/6/2011

1906 Rock Street
Mountain View, CA 94043

No. of Units: 11
Year Built: 1964
Sale Price: \$2,680,000
Price/Unit: \$243,636
Price/SF: \$297.00
CAP Rate: 4.93%
GRM: 13.70

Units	Unit Type
11	2 Bdr 1 Bath

Comments

Average unit size 820 Square feet. Rents at time of sale range from \$1,275-\$1,800

2



Close of Escrow: 10/21/2011

1839 Latham Street
Mountain View, CA 94041

No. of Units: 8
Year Built: 1950
Sale Price: \$1,510,000
Price/Unit: \$188,750
Price/SF: \$200.00
CAP Rate: 4.80%
GRM: 14.58

Units	Unit Type
8	2 Bdr 1 Bath

Comments

All 2x1's sold at \$188,750/unit. Stands on two separate parcels, as two individual fourplexes.

RECENT SALES

3



Close of Escrow: August, 2010

1025 Williams Way
Mountain View, CA 94040

No. of Units: 4
Year Built: 1964
Sale Price: \$1,190,000
Price/Unit: \$297,500
Price/SF: \$322.00
CAP Rate: 3.55%
GRM: 17.24

Units	Unit Type
4	2 Bdr 1 Bath

Comments

All units approximately 922 square feet livable space. New 50-year metal roof, copper, forced air heat, dishwashers, private garages. 2 parking spaces/unit. Private balconies/yards. Property in great condition.

4



Close of Escrow: February, 2011

485 Easy Street
Mountain View, CA 94043

No. of Units: 4
Year Built: 1960
Sale Price: \$855,000
Price/Unit: \$213,750
Price/SF: \$275.00
CAP Rate: 4.98%
GRM: 15.16

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

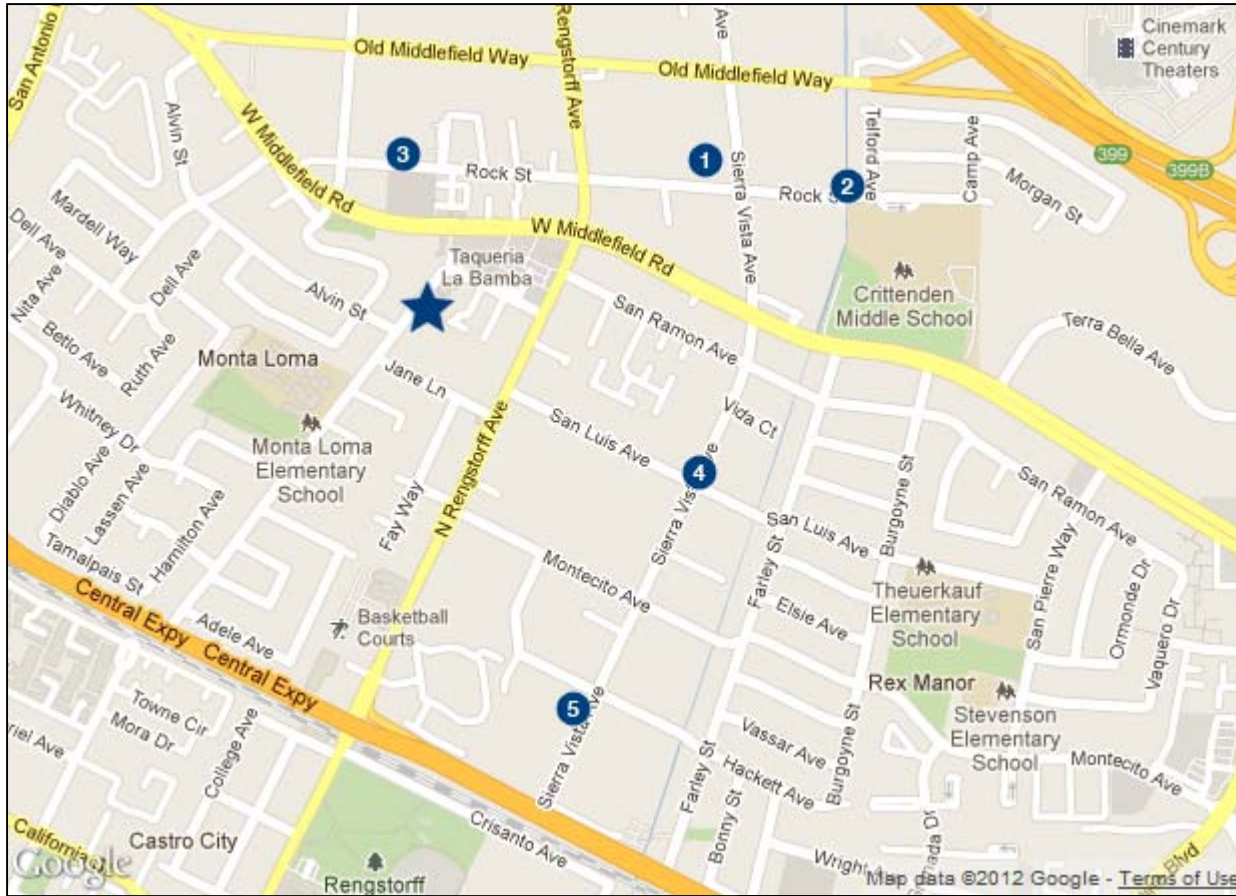
Comments

3,100 Square feet living space.

Thompson Avenue Apartments

MOUNTAIN VIEW, CA

RENT COMPARABLES MAP



- ★ Thompson Avenue Apartments
- 1) 1958 Rock Street
- 2) 1901 Rock Street
- 3) 2309 Rock Street
- 4) 395 Sierra Vista Avenue
- 5) 165 Sierra Vista Avenue

RENT COMPARABLES



Subject Property

No. of Units: 16
 Occupancy:
 Year Built: 1963

Thompson Avenue Apartments

517 Thompson Avenue
 Mountain View, CA 94043

Unit Type	Units	SF	Rent	Rent/SF
2 Bdr 1 Bath Cottage	16	795	\$1,000 - \$1,650	\$1.89
Total/Avg.	16	12,720	\$1,325	\$1.76

1



No. of Units: 12
 Occupancy: 100%
 Year Built: 1962

1958 Rock Street
 Mountain View, CA 94043

Unit Type	Units	SF	Rent	Rent/SF
2 Bdr 1 Bath		800	\$1,950	\$2.44
Total/Wtd. Avg.		11,680	\$1,950	\$0.17

2



No. of Units: 48
 Occupancy: 100%
 Year Built: 1964

1901 Rock Street
 Mountain View, CA 94043

Unit Type	Units	SF	Rent	Rent/SF
2 Bdr 1.5 Bath		905	\$1,850	\$2.04
Total/Wtd. Avg.		42,188	\$1,850	\$0.04

RENT COMPARABLES

3



2309 Rock Street
Mountain View, CA 94043

No. of Units: 37
Occupancy: 100%
Year Built/Renovated: 1967

Unit Type	Units	SF	Rent	Rent/SF
2 Bdr 1 Bath		900	\$1,750	\$1.94
Total/Wtd. Avg.		34,244	\$1,750	\$0.05

4



395 Sierra Vista Avenue
Mountain View, CA 94043

No. of Units: 32
Occupancy: 100%
Year Built/Renovated: 1964

Unit Type	Units	SF	Rent	Rent/SF
2 Bdr 1 Bath		830	\$1,895	\$2.28
Total/Wtd. Avg.		30,676	\$1,895	\$0.06

5



165 Sierra Vista Avenue
Mountain View, CA 94043

No. of Units: 10
Occupancy: 100%
Year Built/Renovated: 1963

Unit Type	Units	SF	Rent	Rent/SF
2 Bdr 1 Bath		800	\$1,800	\$2.25
Total/Wtd. Avg.		8,391	\$1,800	\$0.21

PROPERTY DESCRIPTION

Thompson Avenue Apartments

MOUNTAIN VIEW, CA

INVESTMENT OVERVIEW

Investment Highlights

- Incredible Development Potential
- Located in Highly Desirable Mountain View
- Secluded Setting and Patios for Most Units
- Single-Story Cottage Style Setting
- Large Corner Lots
- Four Separate Parcels
- 15% Below Market Rents



The subject apartments are located at 517, 523, 529 and 535 Thompson Avenue in highly desirable Mountain View, California. Constructed in 1963, the four separate cottage-style buildings are constructed on a concrete perimeter foundation, wood frame construction, and a beautifully landscaped premises. Each of the four, four-unit buildings lie on their own separate tax parcel.

The grounds consist of 48,977 square feet with 12,720 square feet of living space. The investment offers sixteen two-bedroom/one-bath single story cottage style apartment units, an on-site covered parking space for each unit, as well as an on-site laundry facility. Located in the highly desired Monta Loma neighborhood, within a two block radius are coffee shops, restaurants, a brand new Fresh-and-Easy Food Market, and Monta Loma Elementary School.

This impressive property has a true "Pride of Ownership" appeal. The property is located in close proximity to Google Campus, and all other major employment hubs via Highway 101 & 280.

PROPERTY SUMMARY

The Offering

Property	Thompson Avenue Apartments
Property Address	517 Thompson Avenue Mountain View, CA 94043
Assessor's Parcel Number	147-18-031
Zoning	R3-25

Site Description

Number of Units	16
Number of Buildings	4
Number of Stories	1
Year Built	1963
Rentable Square Feet	12,720
Lot Size	48,977 Square feet
Type of Ownership	Fee Simple
Density	Low-Medium
Parking	On-site Covered
Parking Ratio	1:1
Topography	Flat

Utilities

Water	Landlord
Phone	Tenant
Electric	Tenant
Gas	Tenant

Construction

Foundation	Concrete
Framing	Wood
Exterior	Stucco

PROPERTY PHOTOS



PROPERTY PHOTOS



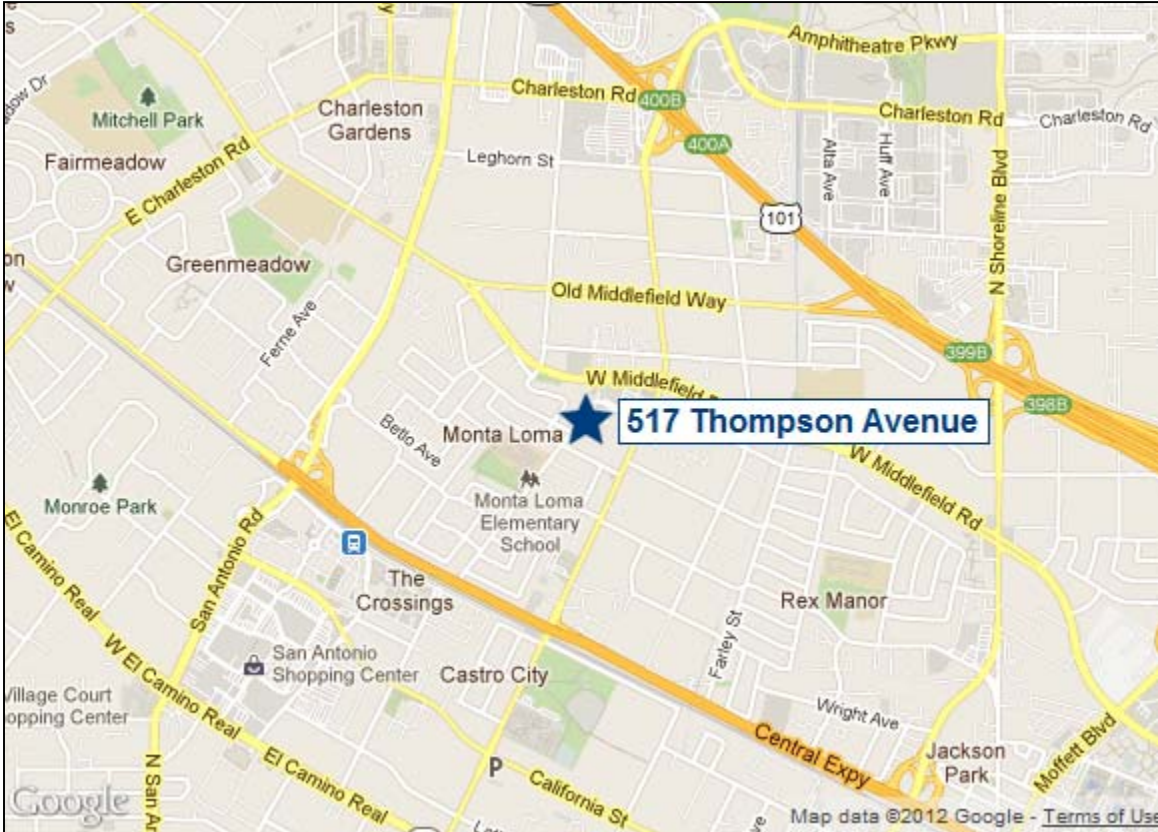
PROPERTY PHOTOS



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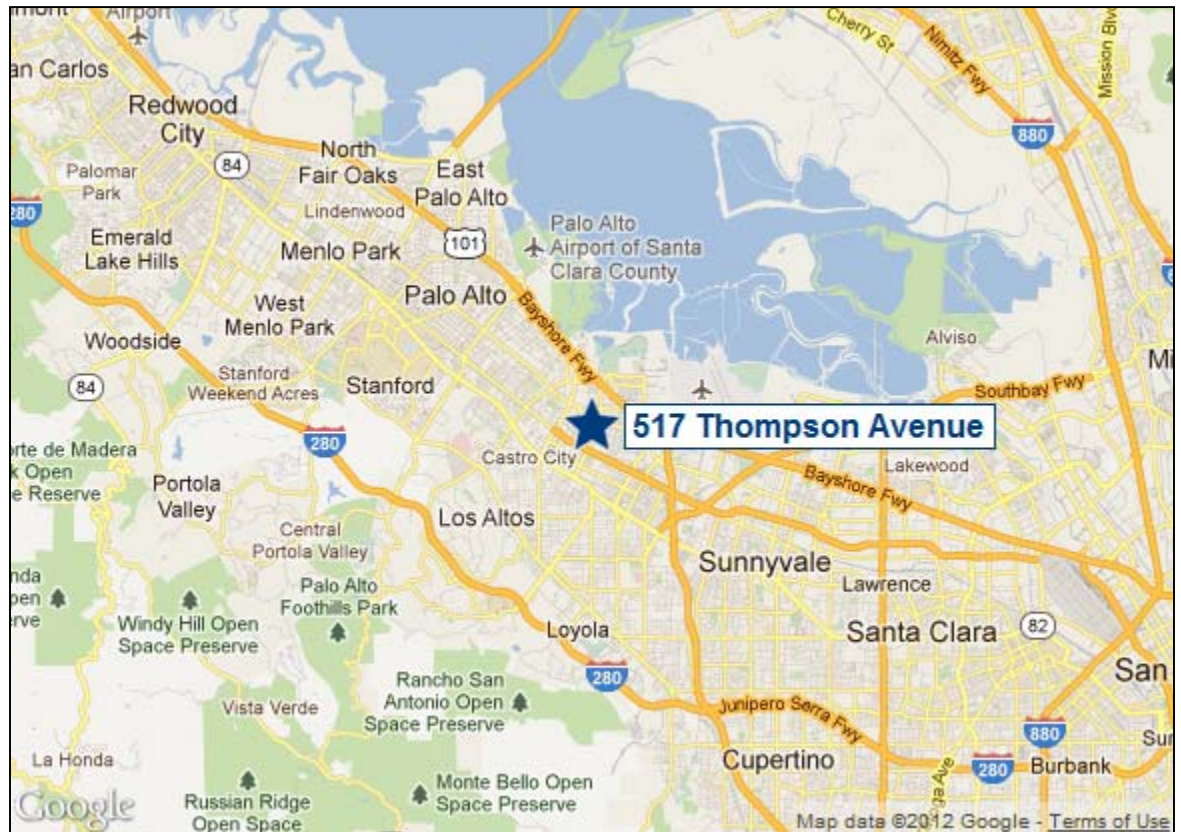
PROPERTY DESCRIPTION



Local Map



Regional Map



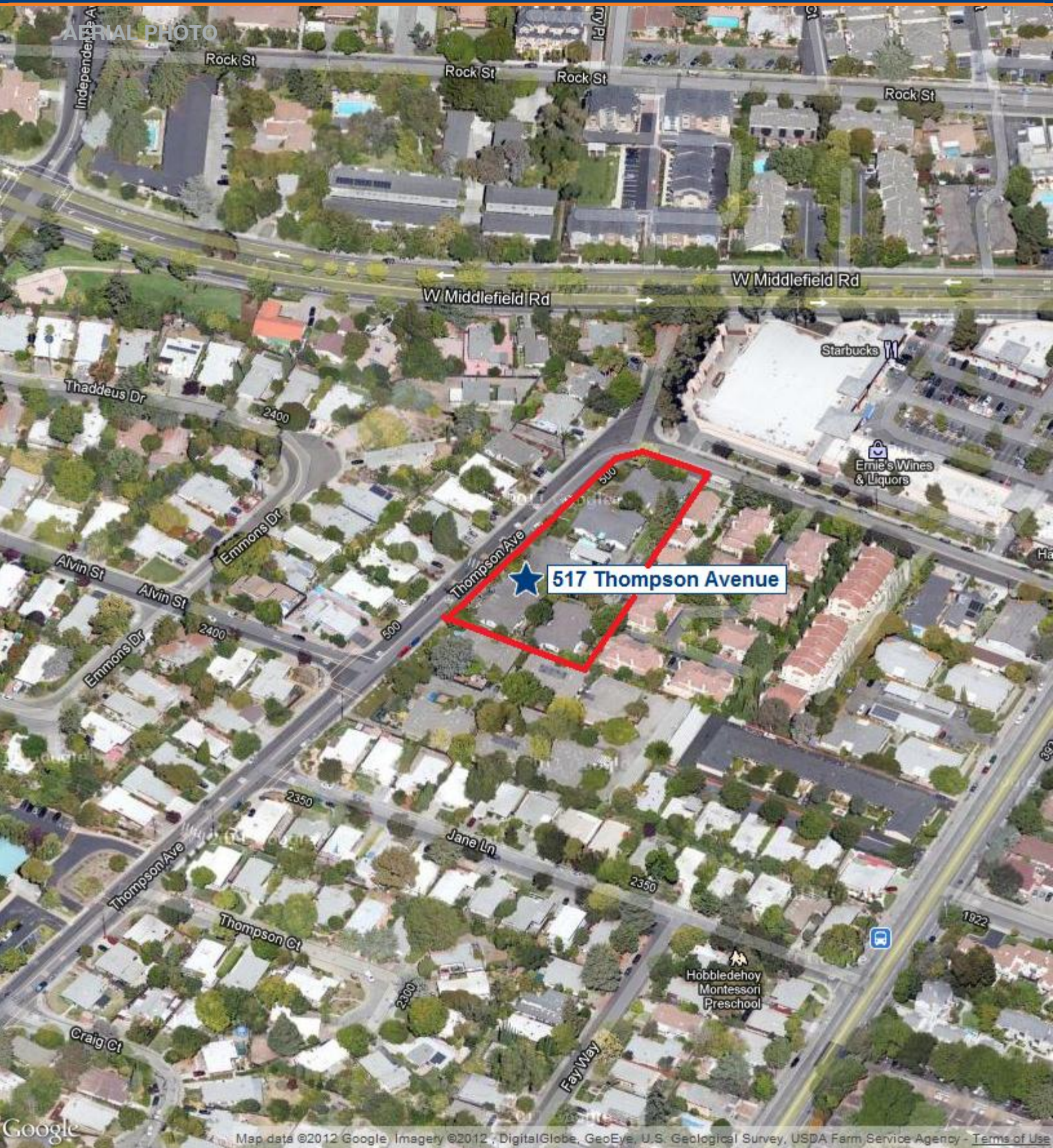
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Thompson Avenue Apartments

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PROPERTY DESCRIPTION



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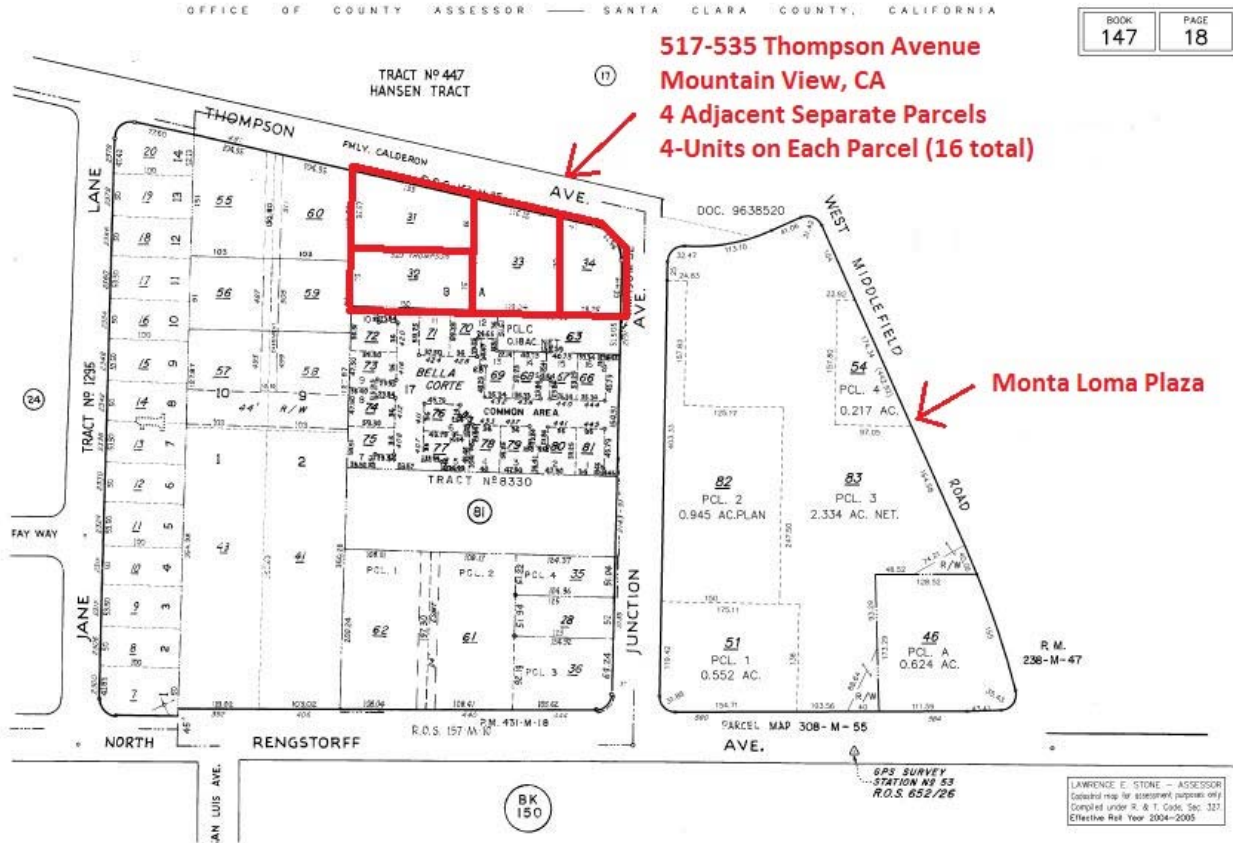
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Thompson Avenue Apartments

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PROPERTY DESCRIPTION

SITE PLAN



Thompson Avenue Apartments

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DEMOGRAPHIC REPORT

	1 Mile	3 Miles	5 Miles
1990 Population	27,076	105,495	213,058
2000 Population	29,609	110,399	232,418
2010 Population	30,349	126,250	286,429
2011 Population	31,240	129,120	292,802
2016 Population	34,730	139,533	310,729
1990 Households	11,900	45,112	87,080
2000 Households	12,788	46,993	92,475
2010 Households	12,556	52,021	110,500
2011 Households	12,874	53,211	112,573
2016 Households	14,245	57,381	119,415
2011 Average Household Size	2.42	2.42	2.53
2011 Daytime Population	17,115	86,260	187,300
1990 Median Housing Value	\$308,885	\$407,611	\$408,881
2000 Median Housing Value	\$469,498	\$683,393	\$658,058
2000 Owner Occupied Housing Units	34.62%	48.91%	50.53%
2000 Renter Occupied Housing Units	63.70%	47.55%	46.48%
2000 Vacant	1.68%	3.54%	2.99%
2011 Owner Occupied Housing Units	33.76%	48.46%	49.50%
2011 Renter Occupied Housing Units	60.44%	46.06%	44.95%
2011 Vacant	5.80%	5.48%	5.43%
2016 Owner Occupied Housing Units	34.23%	48.59%	49.72%
2016 Renter Occupied Housing Units	60.04%	45.99%	44.84%
2016 Vacant	5.73%	5.43%	5.33%
\$ 0 - \$14,999	10.1%	6.8%	7.1%
\$ 15,000 - \$24,999	8.1%	5.9%	5.4%
\$ 25,000 - \$34,999	6.4%	5.6%	6.1%
\$ 35,000 - \$49,999	9.0%	7.7%	8.0%
\$ 50,000 - \$74,999	13.7%	12.6%	12.2%
\$ 75,000 - \$99,999	12.4%	11.6%	11.8%
\$100,000 - \$124,999	12.6%	10.0%	9.7%
\$125,000 - \$149,999	8.5%	7.9%	8.1%
\$150,000 - \$199,999	9.6%	11.6%	11.2%
\$200,000 - \$249,999	3.5%	5.3%	5.1%
\$250,000 +	6.1%	15.0%	15.4%
2011 Median Household Income	\$80,594	\$99,521	\$98,884
2011 Per Capita Income	\$40,859	\$58,899	\$56,711
2011 Average Household Income	\$96,224	\$142,080	\$144,677

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SUMMARY REPORT

Geography: 5 Miles

Population

In 2011, the population in your selected geography was 292,802. The population has changed by 25.98% since 2000. It is estimated that the population in your area will be 310,729 five years from now, which represents a change of 6.12% from the current year. The current population is 51.3% male and 48.8% female. The median age of the population in your area is 37.0, compare this to the U.S. average which is 36.9. The population density in your area is 3,724.73 people per square mile.

Households

There are currently 112,573 households in your selected geography. The number of households has changed by 21.73% since 2000. It is estimated that the number of households in your area will be 119,415 five years from now, which represents a change of 6.08% from the current year. The average household size in your area is 2.53 persons.

Income

In 2011, the median household income for your selected geography is \$98,884, compare this to the U.S. average which is currently \$53,620. The median household income for your area has changed by 28.34% since 2000. It is estimated that the median household income in your area will be \$107,615 five years from now, which represents a change of 8.83% from the current year.

The current year per capita income in your area is \$56,711, compare this to the U.S. average, which is \$28,713. The current year average household income in your area is \$144,677, compare this to the U.S. average which is \$73,458.

Race & Ethnicity

The current year racial makeup of your selected area is as follows: 55.35% White, 3.10% African American, 0.36% Native American and 21.11% Asian/Pacific Islander. Compare these to U.S. averages which are: 72.40% White, 12.60% African American, 0.95% Native American and 4.93% Asian/Pacific Islander.

People of Hispanic origin are counted independently of race. People of Hispanic origin make up 18.91% of the current year population in your selected area. Compare this to the U.S. average of 16.90%.

Housing

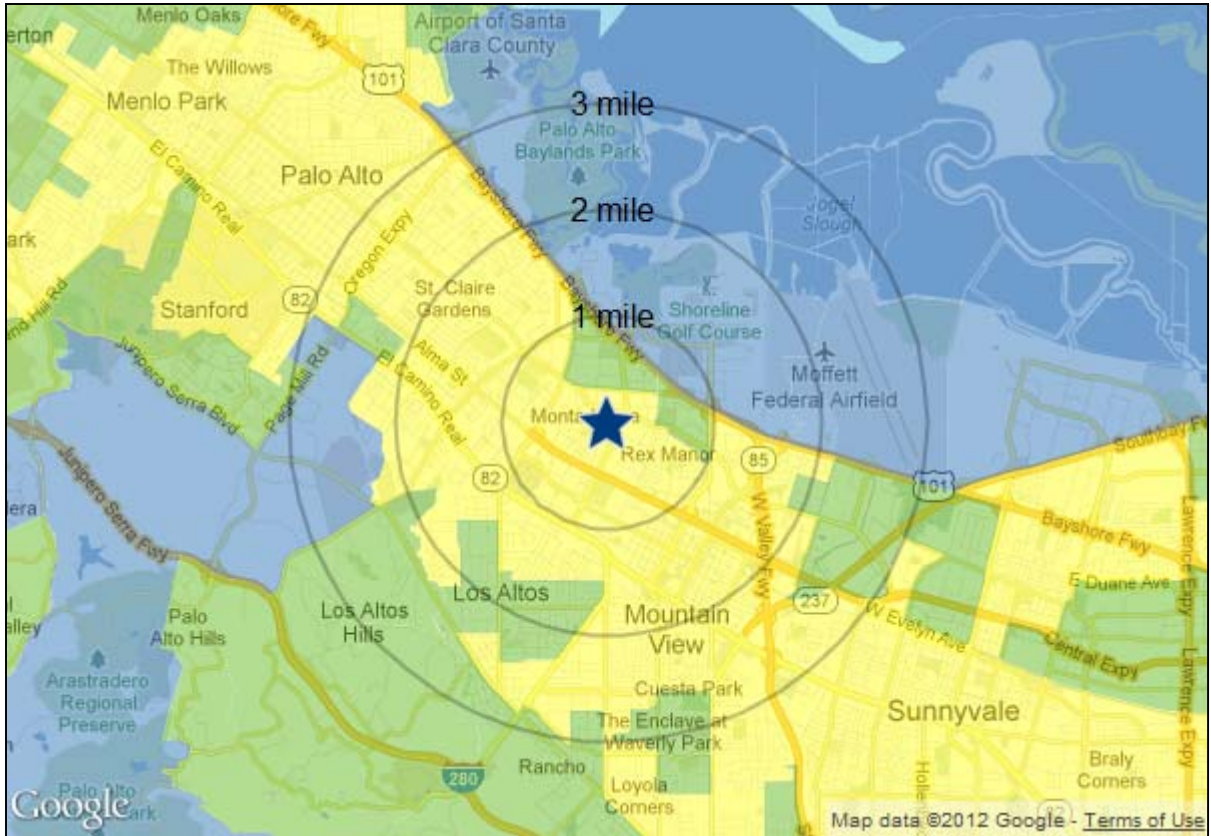
The median housing value in your area was \$658,058 in 2000, compare this to the U.S. average of \$110,796 for the same year. In 2000, there were 48,169 owner occupied housing units in your area and there were 44,305 renter occupied housing units in your area. The median rent at the time was \$1,168.

Employment

In 2011, there are 187,300 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 80.1% of employees are employed in white-collar occupations in this geography, and 19.9% are employed in blue-collar occupations. In 2011, unemployment in this area is 9.41%. In 2000, the median time traveled to work was 20.2 minutes.

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POPULATION DENSITY



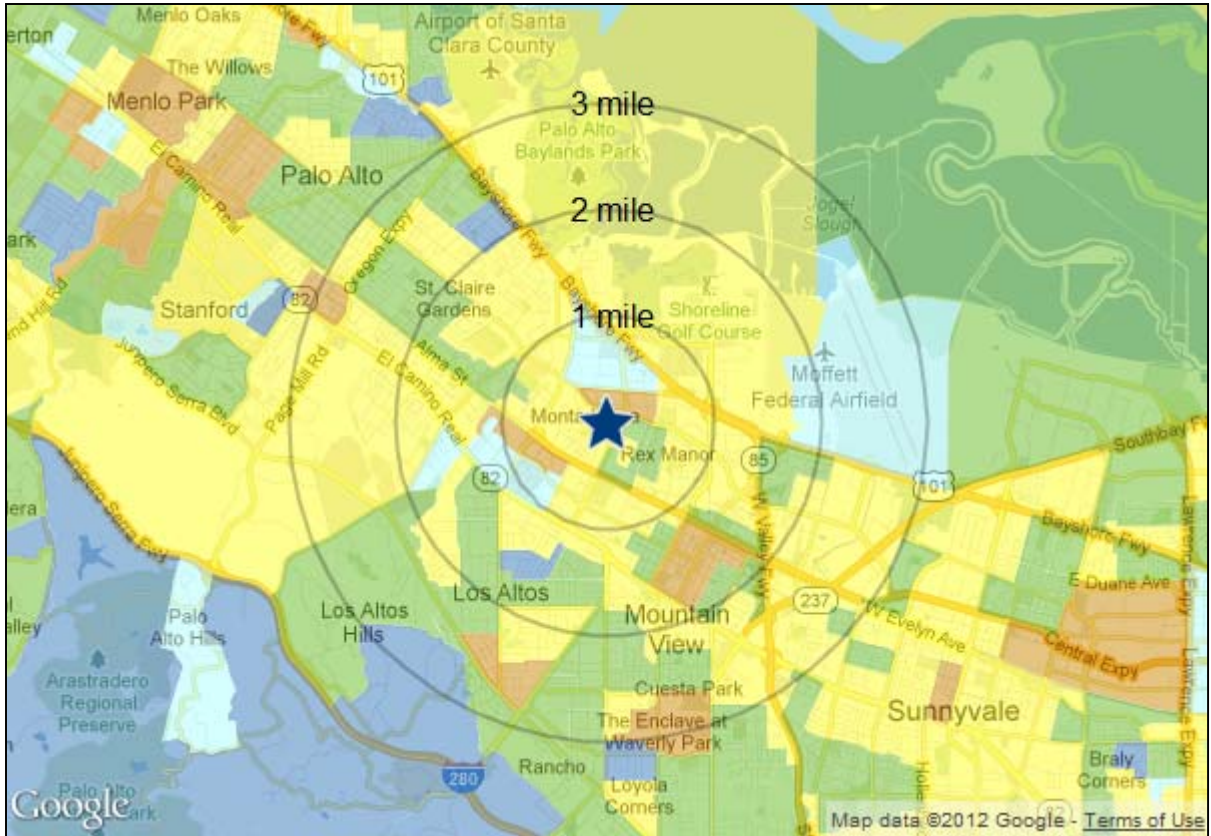
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Population Density

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



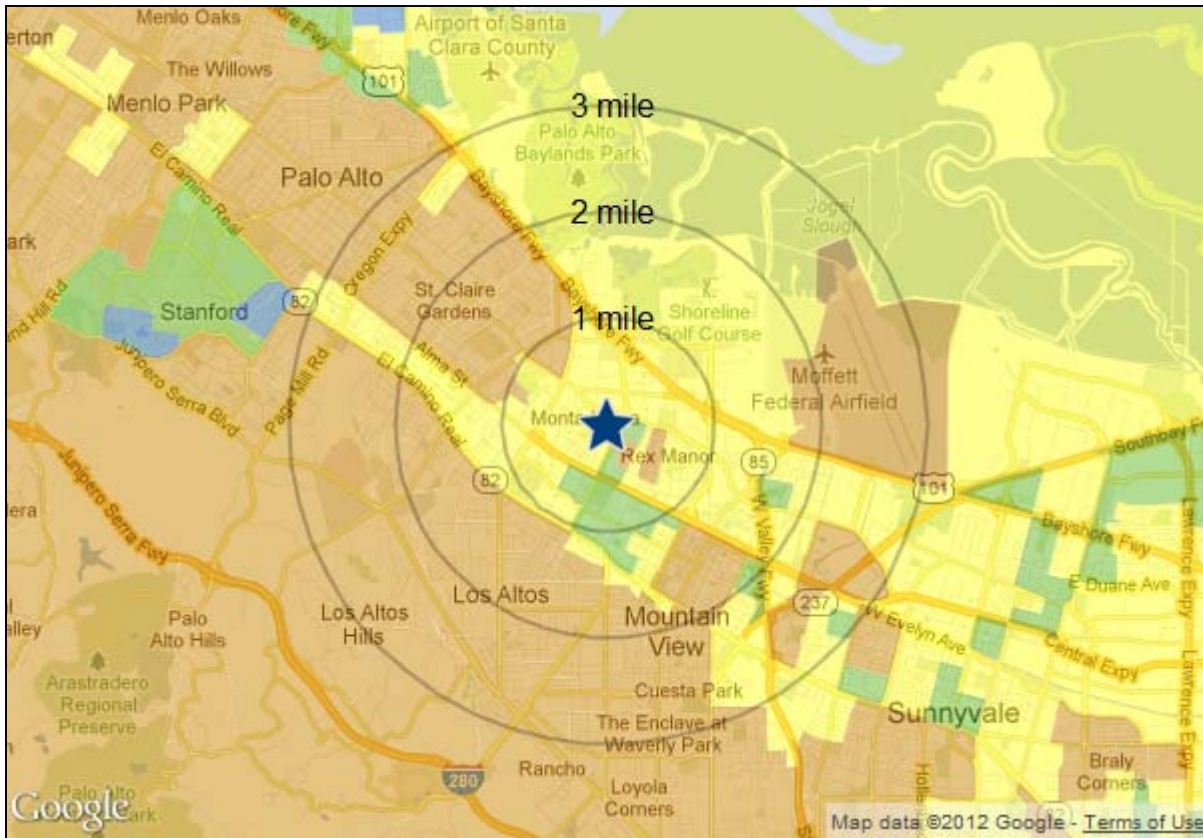
Demographic data © 2010 by Experian/Applied Geographic Solutions.

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

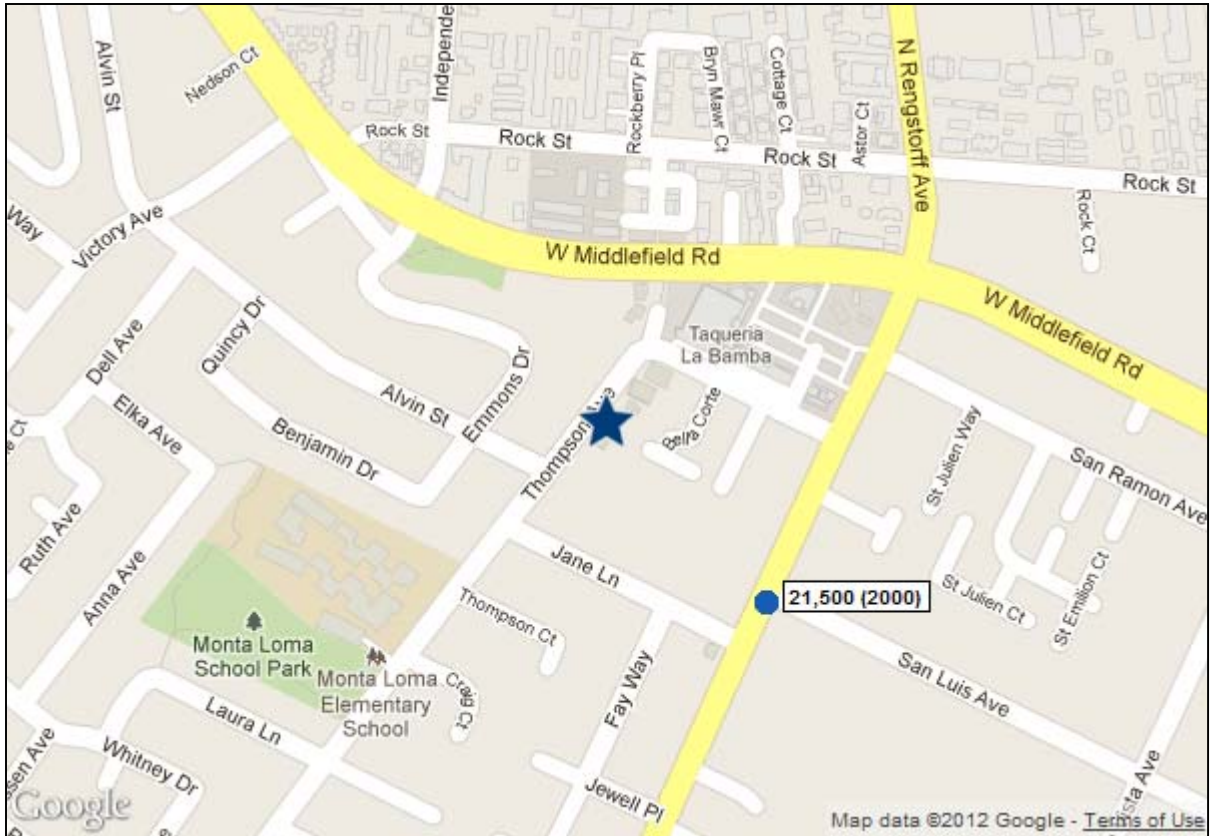
Average income of all the people 15 years and older occupying a single housing unit.

Thompson Avenue Apartments

MOUNTAIN VIEW, CA

DEMOGRAPHIC ANALYSIS

TRAFFIC COUNTS



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Two-way, average daily traffic volumes.



Thompson Avenue Apartments

MOUNTAIN VIEW, CA

OFFERING MEMORANDUM

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