

Offering Memorandum

Exclusive Listing
650 South 8th Street, San Jose, CA 95112

17-Units | Offered at: ~~\$6,200,000~~

New Price
\$5,600,000
Current CAP Rate
4.45%



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COMMERCIAL

988 Howard Avenue (Suite 300)
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Do not disturb tenants.
Please contact listing agent for showing instructions.

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EXECUTIVE SUMMARY

Address	650 South 8th Street San Jose, California
County	Santa Clara County
APN	472-24-006
Zoning	RM
<hr/>	
Original Price	\$6,200,000
New Price	\$5,600,000
Units	17
Price/Unit	\$329,412
Price/Sqft	\$573
Gross Building Square Feet	9,769
Lot Size	15,637
Year Built	1958
Current Cap Rate	4.45%
Current GIM	13.98
Market Cap Rate	5.00%
Market GIM	12.98

Building upgrades

- Brand New Roof (2019)
- New Commercial Water Heaters (2019)
- Dual Pane Windows Throughout (2016)
- New Kitchen Countertops, Appliances, Cabinets in 15 of the 17 Units (2016)
- New Landscaping, Courtyard Pavers and Exterior Paint (2019)

Location

- San Jose State University → 3 blocks
- Downtown San Jose → 2-minute drive

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PRO FORMA OPERATING SUMMARY

PRO FORMA INCOME	CURRENT	PROJECTED
Scheduled Gross Income	\$400,446	\$431,556
Less Vacancy (2.00%)	(\$8,009)	(\$8,631)
GROSS OPERATING INCOME	\$392,437	\$422,925

PRO FORMA EXPENSES

New Property Taxes [1]	\$65,392
Special Assessments [2]	\$761
Sewer [3]	\$6,569
Insurance [4]	\$5,000
On-Site Manager	\$10,759
Property Management [5]	\$18,020
Repairs & Maintenance [6]	\$9,350
Gas & Electric [7]	\$6,805
Garbage	\$4,931
Water	\$9,962
Fire Extinguishers	\$195
Pest Control	\$2,992
Licenses & Permits	\$2,417

TOTAL EXPENSES	\$143,153
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NET OPERATING INCOME	\$249,284	\$279,771
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NOTES

- [1] Price (x) Composite Tax Rate (1.167716%)
- [2] Special Assessments derived from 2021-2022 Tax Bill
- [3] Sewer derived from 2021-2022 Tax Bill
- [4] Insurance estimated at \$5,000/annual
- [5] Property Management at 4.50% of Scheduled Gross Income
- [6] Repairs & Maintenance averaged to \$550/unit/year
- [7] Gas & Electric, Garbage, Water are all actual from 2021 P&L

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RENT ROLL

UNIT	TYPE	SQFT	CURRENT RENT	MARKET RENT
1	1-Bedroom/1-Bath	+/-500	\$1,650	\$2,100
2	1-Bedroom/1-Bath	+/-500	\$1,732	\$2,000
3	2-Bedroom/1-Bath	+/-700	\$2,334	\$2,400
4	1-Bedroom/1-Bath	+/-500	\$1,872	\$2,100
5	1-Bedroom/1-Bath	+/-500	\$1,650	\$2,100
6	1-Bedroom/1-Bath	+/-500	\$1,785	\$1,700
7	1-Bedroom/1-Bath	+/-500	\$1,875	\$2,100
8	1-Bedroom/1-Bath	+/-500	\$1,875	\$2,100
9	1-Bedroom/1-Bath	+/-500	\$2,047	\$2,100
10	1-Bedroom/1-Bath	+/-500	\$2,025	\$2,100
11	1-Bedroom/1-Bath	+/-500	\$1,875	\$2,100
12	1-Bedroom/1-Bath	+/-500	\$1,850	\$1,700
13	2-Bedroom/1-Bath	+/-700	\$2,048	\$2,400
14	1-Bedroom/1-Bath	+/-500	\$2,150	\$2,100
15	1-Bedroom/1-Bath	+/-500	\$2,050	\$2,100
16	1-Bedroom/1-Bath	+/-500	\$2,100*	\$2,100
17	1-Bedroom/1-Bath	+/-500	\$1,890	\$2,100
MONTHLY RENT TOTALS			\$32,808	\$35,400
Laundry Income			\$355	\$355
Miscellaneous Income			\$208	\$208
ANNUAL TOTALS			\$400,446	\$431,556

NOTES

* Unit is vacant and market rent is applied.

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3-MIN WALK to SJSU & DOWNTOWN

650 SOUTH 8TH STREET | SAN JOSE, CALIFORNIA



650 | SOUTH 8TH STREET

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EXTERIOR PHOTOS

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650 SOUTH 8TH STREET | SAN JOSE, CALIFORNIA

INTERIOR PHOTOS



1-Bedroom/1-Bathroom



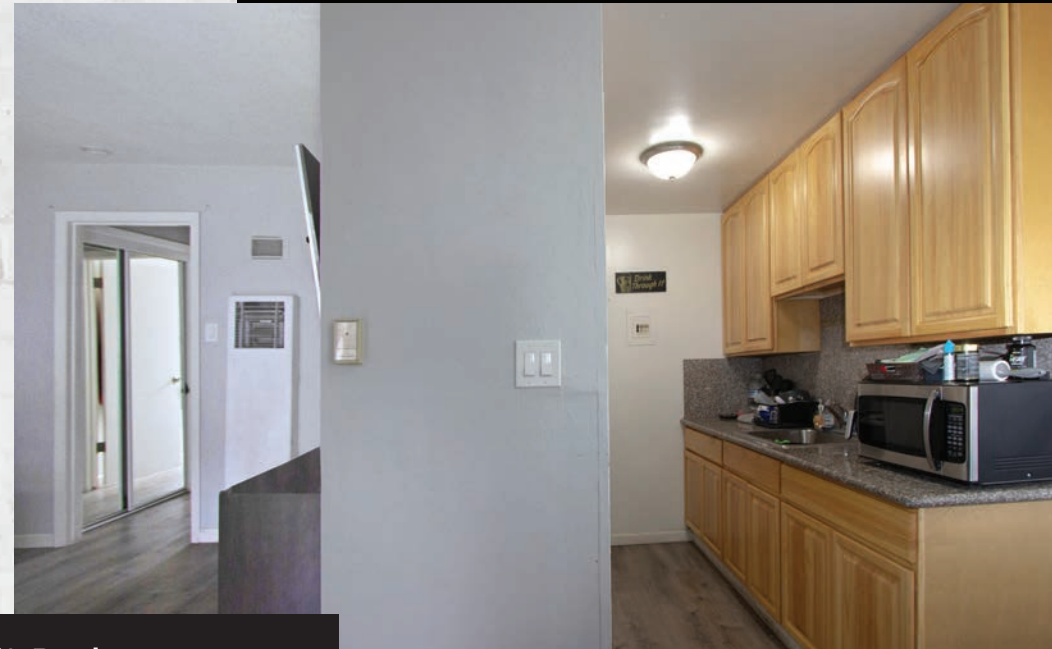
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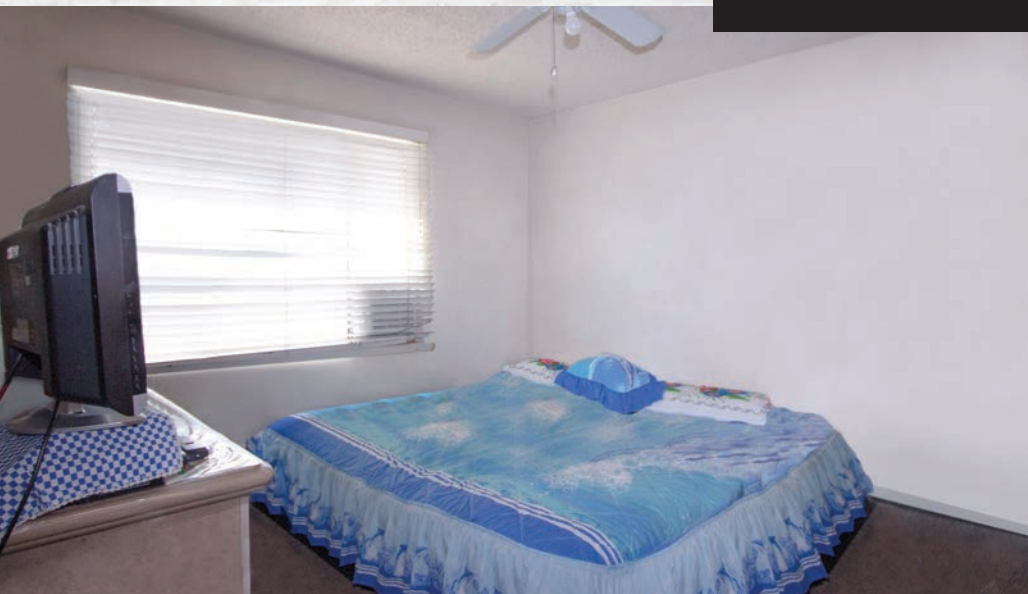
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650 SOUTH 8TH STREET | SAN JOSE, CALIFORNIA

INTERIOR PHOTOS



2-Bedroom/1-Bathroom



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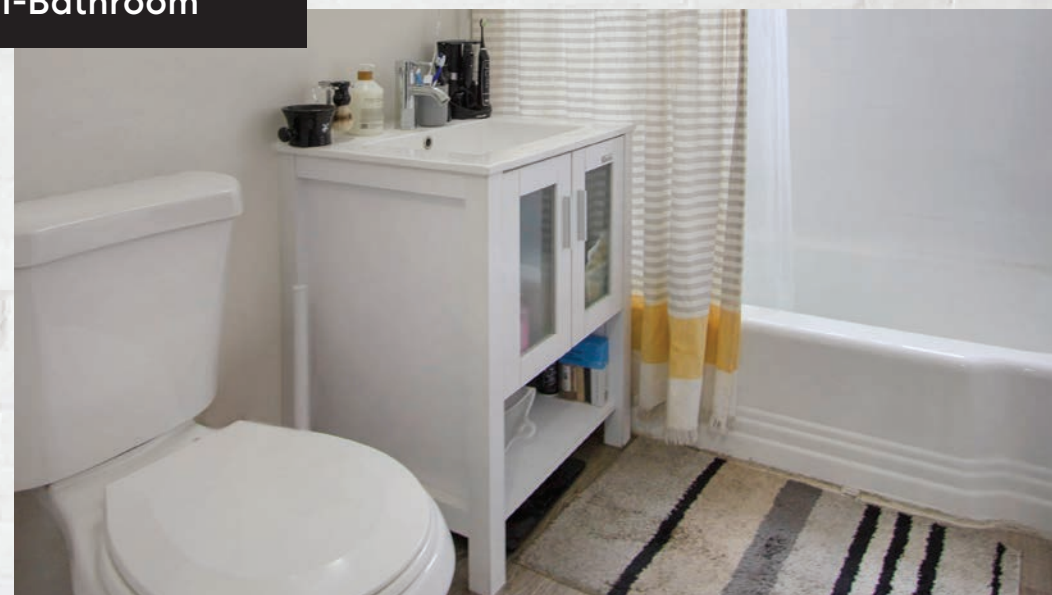
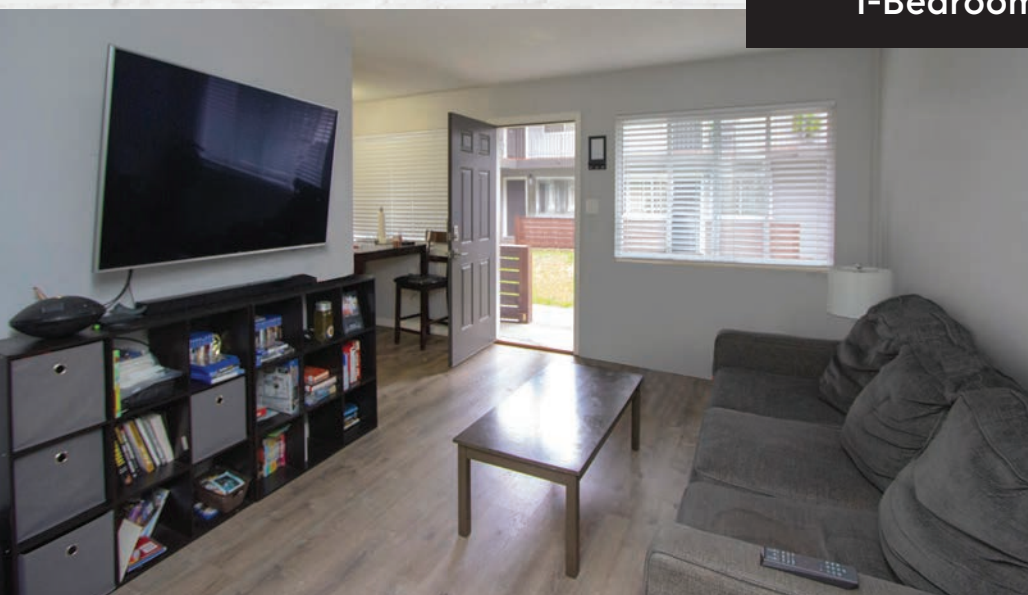
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650 SOUTH 8TH STREET | SAN JOSE, CALIFORNIA

INTERIOR PHOTOS



1-Bedroom/1-Bathroom



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EXTERIOR PHOTOS



Courtyard & Parking



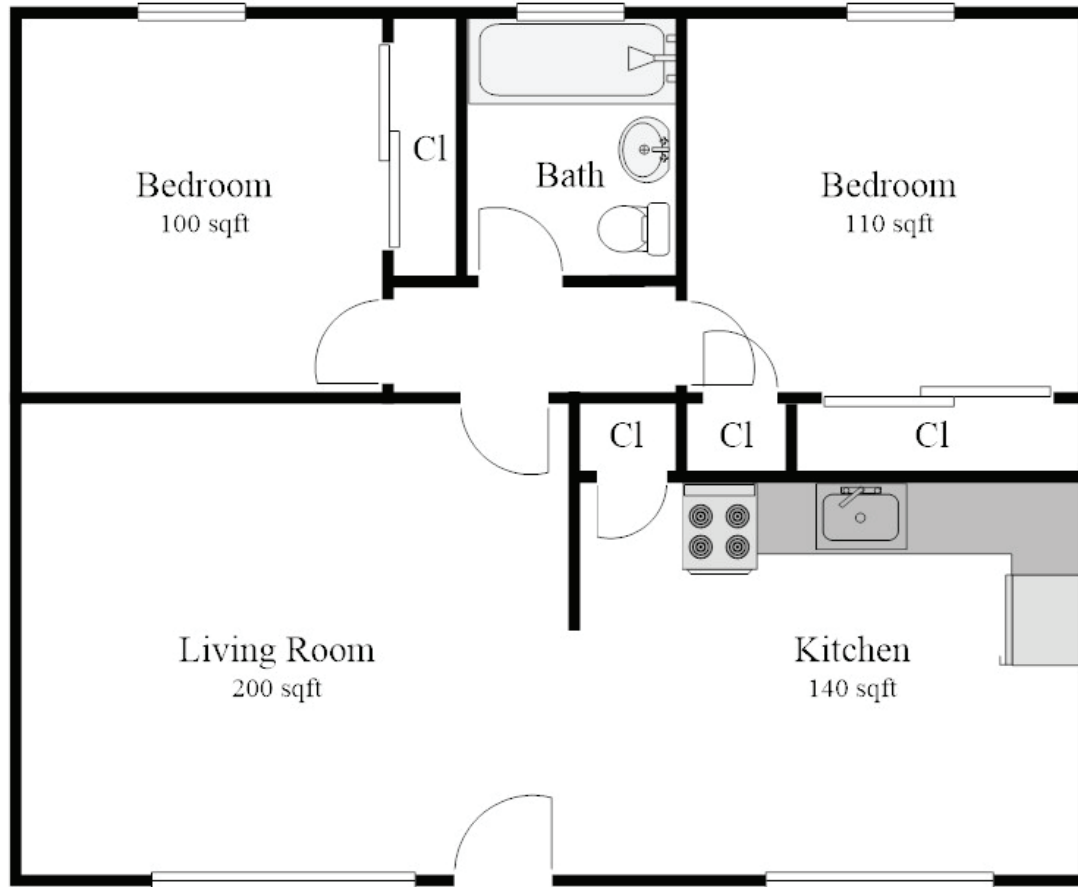
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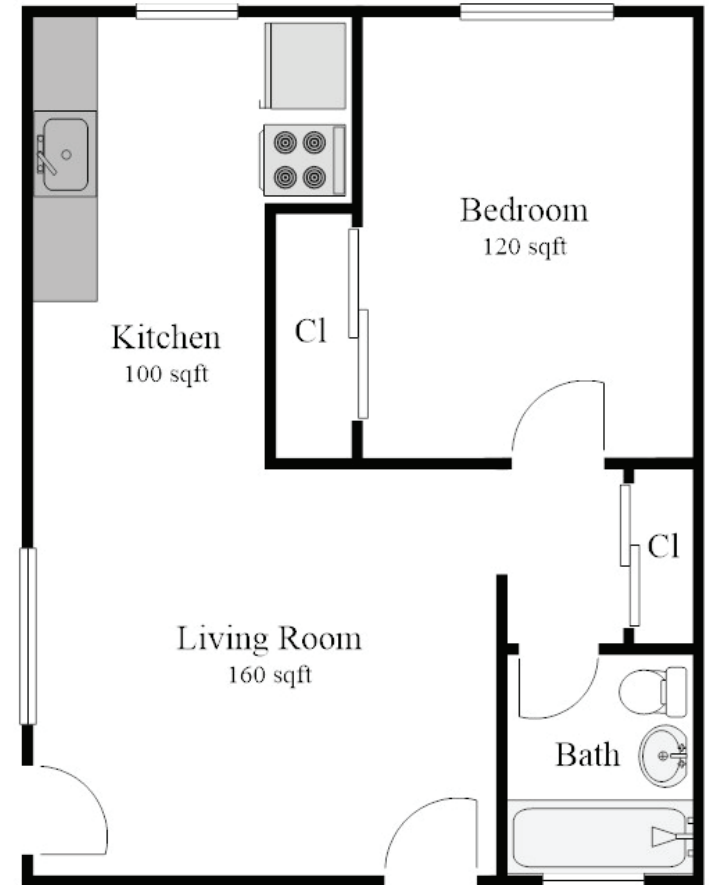
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FLOORPLANS

650 SOUTH 8TH STREET | SAN JOSE, CALIFORNIA



650 S 8th St, San Jose
2 Bed | 1 Bath | approx 650 sqft



650 S 8th St, San Jose
1 Bed | 1 Bath | approx 500 sqft

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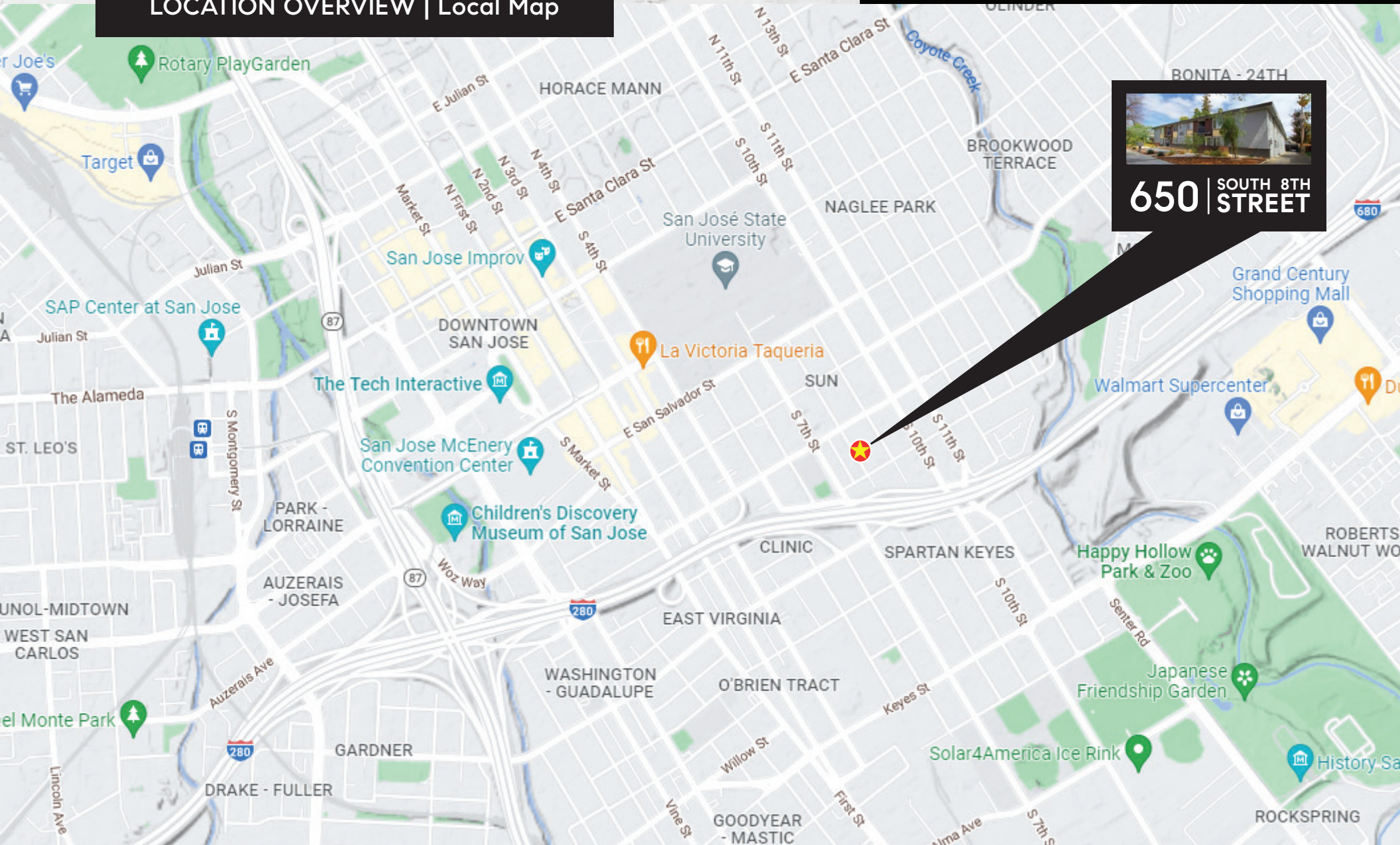
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650 SOUTH 8TH STREET | SAN JOSE, CALIFORNIA

LOCATION OVERVIEW | Local Map



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LOCATION OVERVIEW | Tax Map



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SAN JOSE, CALIFORNIA

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San Jose is notable for its innovation, cultural diversity, affluence, and sunny and mild Mediterranean climate. Its connection to the booming high tech industry phenomenon known as Silicon Valley sparked Mayor Tom McEnery to adopt for the city the motto of “Capital of Silicon Valley” in 1988. Major global tech companies including Cisco Systems, eBay, Adobe Inc., PayPal, Broadcom, Samsung, Acer, Hewlett Packard Enterprise, and Zoom maintain their headquarters in San Jose. San Jose is one of the wealthiest major cities in the world, with the third-highest GDP per capita and the fifth-most expensive housing market. It is home to the world’s largest overseas Vietnamese population, a Hispanic community that makes up over 40% of the city’s residents, and historic Japanese and Portuguese neighborhoods.

San Jose is home to several colleges and universities. The largest is San Jose State University, which was founded by the California legislature in 1862 as the California State Normal School, and is the founding campus of the California State University (CSU) system. Located in downtown San Jose since 1870, the university enrolls approximately 30,000 students in over 130 different bachelor’s and master’s degree programs. The school enjoys a good academic reputation, especially in the fields of engineering, business, computer science, art and design, and journalism, and consistently ranks among the top public universities in the western region of the United States.

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