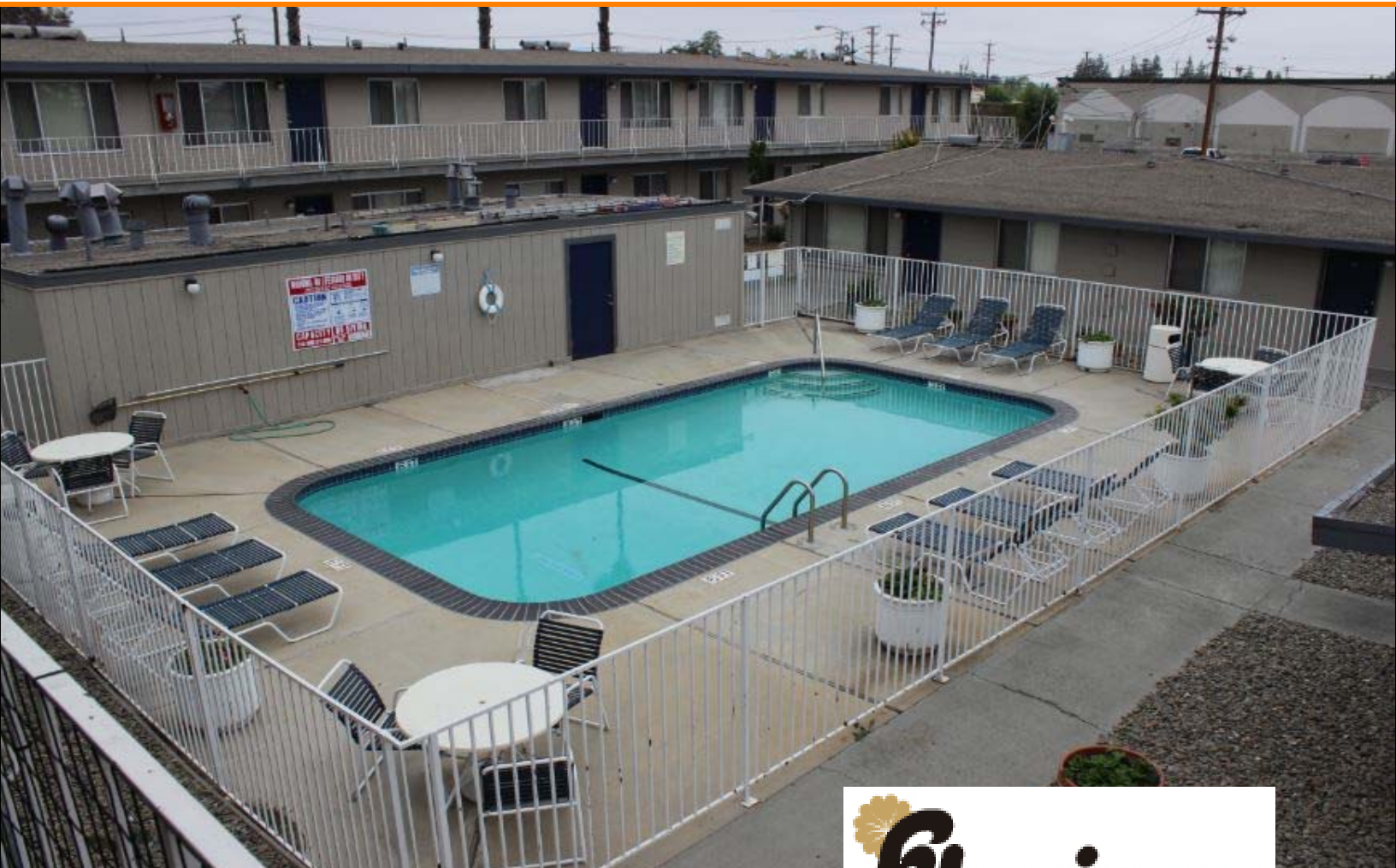


# The Floriana Apartments

SUNNYVALE, CA



## OFFERING MEMORANDUM



 **Floriana**

# The Floriana Apartments

SUNNYVALE, CA

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# The Floriana Apartments

SUNNYVALE, CA

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# The Floriana Apartments

SUNNYVALE, CA



### OFFERING SUMMARY



### Unit Mix

No. of Units	Unit Type	Approx. Square
68	1 Bdr 1 Bath Apartments	545
<b>68</b>	<b>Total</b>	<b>37,136</b>

Price	\$16,480,000
Down Payment	30% / \$4,944,000
Price/Unit	\$242,353
Price/SF	\$443.77
Number of Units	68
Rentable Square Feet	37,136
Number of Buildings	6
Number of Stories	2
Year Built	1964
Lot Size	83,940 Square Feet

### Vital Data

<b>CAP Rate - Stabilized</b>	<b>5.79%</b>
GRM - Stabilized	12.44
Net Operating Income - Stabilized	\$953,943
Net Cash Flow After Debt Service - Stabilized	7.9% / \$388,807
Total Return - Stabilized	12.9% / \$639,852

### Major Employers

Company	Local Employees
Google	20,250
Stanford University & Medical Center	19,637
Microsoft	16,850
Lockheed Martin Corporation	11,227
Cisco Systems	8,730
LinkedIn	5,045
Facebook	2,150
Apple	2,000
National Semiconductor Corp	1,700
Netapp	1,600
Santa Clara Valley Trnsp Auth	1,553
Asiainfo-Linkage Inc	1,500

### Demographics

	1-Mile	3-Miles	5-Miles
2013 Total	23,317	130,873	361,879
2018 Total	23,985	133,925	375,087
2013 Total	8,637	52,550	140,360
2018 Total	8,887	53,586	145,298
Median HH Income	\$79,252	\$91,207	\$97,339
Per Capita Income	\$38,168	\$47,855	\$50,368
Average (Mean) HH	\$102,945	\$119,014	\$129,619

### LOAN OPTIONS

#### Loan Options Available as of 4/24/2014

- **3/1 arm (amortizing), 2.75%**, margin 2.50% over the one-month LIBOR, Loan due in 10 years, amortizing over 30 years, 2.75% Floor, Life cap of 10.95%, 3 year prepayment penalty, 3%, 2%, 2%.
- **5/1 arm (amortizing), 3.50%**, margin 2.50% over the one-month LIBOR, Loan due in 10 years, amortizing over 30 years, 2.85% Floor, Life cap of 10.95%, 4 year prepayment penalty – 2%, 2%, 1%, 1%.
- **7/1 arm (amortizing), 3.95%**, margin 2.50% over the one-month LIBOR, Loan due in 10 years, amortizing over 30 years, 3.25% Floor, Life cap of 10.95%, 4 year prepayment penalty – 2%, 2%, 1%, 1%.
- **10 year fix (amortizing), 4.75%**, Loan due in 10 years, amortizing over 30 years, 5 year prepayment penalty – 2%, 2%, 2%, 1%, 1%.
- **1 month COFI (amortizing adjusts monthly), 2.60%**, margin 1.85% over the 11th District Cost of Funds, Loan due in 10 years, amortizing over 30 years, Floor 2.40%, Life cap of 10.95%, 5 year prepayment penalty – 2%, 2%, 2%, 1%, 1%.

### RENT ROLL

Unit Number	Unit Type	Unit SF	Current Rent	Market Rent	Move-in Date	Rental Term	Deposit	
1	1 Bdr	1 Bath	545	\$1,225	\$1,595	6/16/2013	Month-to-Month	\$750
2	1 Bdr	1 Bath	545	\$1,200	\$1,700	6/15/2013	Month-to-Month	\$1,200
3	1 Bdr	1 Bath	545	\$1,175	\$1,595	6/9/2012	Month-to-Month	\$750
4	1 Bdr	1 Bath	545	\$1,150	\$1,700	12/17/2005	Month-to-Month	\$400
5	1 Bdr	1 Bath	545	\$1,150	\$1,700	12/10/2005	Month-to-Month	\$400
6	1 Bdr	1 Bath	545	\$1,350	\$1,700	3/15/2014	Lease Exp. 12/14/2014	\$750
7	1 Bdr	1 Bath	545	\$1,150	\$1,595	2/19/2009	Month-to-Month	\$600
8	1 Bdr	1 Bath	545	\$0	\$0	1/1/2005	**On-Site Manager	
9	1 Bdr	1 Bath	545	\$1,100	\$1,595	9/24/2011	Month-to-Month	\$1,000
10	1 Bdr	1 Bath	545	\$1,700	\$1,700	6/1/2009	Month-to-Month	
11	1 Bdr	1 Bath	545	\$1,150	\$1,595	8/6/2011	Month-to-Month	\$750
12	1 Bdr	1 Bath	545	\$1,150	\$1,595	1/11/2001	Month-to-Month	\$1,000
14	1 Bdr	1 Bath	545	\$1,150	\$1,595	9/10/2008	Month-to-Month	\$1,050
15	1 Bdr	1 Bath	545	\$1,150	\$1,700	1/18/2010	Month-to-Month	\$500
16	1 Bdr	1 Bath	545	\$1,300	\$1,700	9/27/2013	Month-to-Month	\$750
17	1 Bdr	1 Bath	545	\$1,150	\$1,595	11/12/2011	Month-to-Month	\$1,095
18	1 Bdr	1 Bath	545	\$1,300	\$1,595	11/13/2013	Month-to-Month	\$750
19	1 Bdr	1 Bath	545	\$1,350	\$1,700	1/15/2014	Lease Exp. 1/14/2015	\$1,000
20	1 Bdr	1 Bath	545	\$1,150	\$1,700	11/27/2011	Month-to-Month	\$1,125
21	1 Bdr	1 Bath	545	\$1,150	\$1,595	9/26/1987	Month-to-Month	\$800
22	1 Bdr	1 Bath	545	\$1,175	\$1,700	6/23/2012	Month-to-Month	\$750
23	1 Bdr	1 Bath	545	\$1,150	\$1,595	10/2/2012	Month-to-Month	\$1,100
24	1 Bdr	1 Bath	545	\$1,299	\$1,700	10/1/2013	Month-to-Month	\$1,299
25	1 Bdr	1 Bath	545	\$1,100	\$1,700	4/1/1994	Month-to-Month	\$350
26	1 Bdr	1 Bath	545	\$1,175	\$1,700	9/13/2012	Month-to-Month	\$750
27	1 Bdr	1 Bath	545	\$1,150	\$1,595	8/20/2011	Month-to-Month	\$1,095
28	1 Bdr	1 Bath	545	\$1,350	\$1,700	9/10/2013	Month-to-Month	\$750
29	1 Bdr	1 Bath	545	\$1,250	\$1,595	7/20/2013	Month-to-Month	\$750
30	1 Bdr	1 Bath	545	\$1,150	\$1,595	12/1/2009	Month-to-Month	\$500
31	1 Bdr	1 Bath	545	\$1,150	\$1,700	9/1/1999	Month-to-Month	\$500
32	1 Bdr	1 Bath	545	\$1,150	\$1,700	3/20/2012	Month-to-Month	\$1,095
33	1 Bdr	1 Bath	545	\$1,150	\$1,595	10/10/2009	Month-to-Month	\$700
34	1 Bdr	1 Bath	545	\$1,150	\$1,700	10/18/2002	Month-to-Month	\$750
35	1 Bdr	1 Bath	545	\$1,595	\$1,595	4/22/14	Month-to-Month	

### Comments

\*\*Refer to the last page of this Section for clarification on the On-Site Management situation.

### RENT ROLL

Unit Number	Unit Type	Unit SF	Current Rent	Market Rent	Move-in Date	Rental Term	Deposit	
36	1 Bdr	1 Bath	545	\$1,175	\$1,700	7/18/2012	Month-to-Month	\$750
37	1 Bdr	1 Bath	545	\$1,299	\$1,595	9/14/2013	Month-to-Month	\$1,299
38	1 Bdr	1 Bath	545	\$1,250	\$1,700	7/15/2013	Month-to-Month	\$1,250
39	1 Bdr	1 Bath	545	\$1,350	\$1,595	3/15/2014	Lease Exp. 12/14/2014	\$1,000
40	1 Bdr	1 Bath	545	\$1,200	\$1,595	3/23/2013	Month-to-Month	\$750
41	1 Bdr	1 Bath	545	\$1,150	\$1,595	8/10/2010	Month-to-Month	\$910
42	1 Bdr	1 Bath	545	\$1,150	\$1,700	4/1/2011	Month-to-Month	\$995
43	1 Bdr	1 Bath	545	\$1,150	\$1,595	8/18/2012	Month-to-Month	\$1,150
44	1 Bdr	1 Bath	545	\$1,150	\$1,595	10/1/2007	Month-to-Month	\$500
45	1 Bdr	1 Bath	545	\$1,350	\$1,700	3/15/2014	Lease Exp. 12/14/2014	\$750
46	1 Bdr	1 Bath	545	\$1,195	\$1,595	1/19/2013	Month-to-Month	\$750
47	1 Bdr	1 Bath	545	\$1,150	\$1,595	3/17/2012	Month-to-Month	\$1,095
48	1 Bdr	1 Bath	545	\$1,250	\$1,595	6/25/2013	Month-to-Month	\$750
49	1 Bdr	1 Bath	545	\$1,150	\$1,700	12/18/2010	Month-to-Month	\$995
50	1 Bdr	1 Bath	545	\$1,250	\$1,700	8/7/2013	Month-to-Month	\$1,250
51	1 Bdr	1 Bath	545	\$1,175	\$1,700	2/13/2012	Month-to-Month	\$1,125
52	1 Bdr	1 Bath	545	\$1,200	\$1,595	4/15/2013	Month-to-Month	\$750
53	1 Bdr	1 Bath	545	\$1,050	\$1,595	2/4/1979	Month-to-Month	\$175
54	1 Bdr	1 Bath	545	\$1,150	\$1,595	9/11/2009	Month-to-Month	\$600
55	1 Bdr	1 Bath	545	\$1,100	\$1,595	7/27/2002	Month-to-Month	\$750
56	1 Bdr	1 Bath	545	\$1,375	\$1,595	4/4/2014	Lease Exp. 4/3/2015	\$1,350
57	1 Bdr	1 Bath	545	\$1,150	\$1,595	5/20/2009	Month-to-Month	\$700
58	1 Bdr	1 Bath	545	\$1,350	\$1,700	8/27/2013	Month-to-Month	\$1,350
59	1 Bdr	1 Bath	545	\$1,150	\$1,700	10/1/2012	Month-to-Month	\$1,150
60	1 Bdr	1 Bath	545	\$1,200	\$1,595	7/10/2013	Month-to-Month	\$750
61	1 Bdr	1 Bath	545	\$1,150	\$1,700	7/12/2010	Month-to-Month	\$500
62	1 Bdr	1 Bath	545	\$1,325	\$1,700	11/7/2013	Month-to-Month	\$750
63	1 Bdr	1 Bath	545	\$1,150	\$1,700	11/1/1999	Month-to-Month	\$750
64	1 Bdr	1 Bath	545	\$1,150	\$1,595	2/2/2011	Month-to-Month	\$500
65	1 Bdr	1 Bath	545	\$1,150	\$1,700	6/1/2009	Month-to-Month	\$850
66	1 Bdr	1 Bath	545	\$1,350	\$1,700	10/21/2013	Month-to-Month	\$750
67	1 Bdr	1 Bath	545	\$1,145	\$1,700	3/3/2012	Month-to-Month	\$750
68	1 Bdr	1 Bath	545	\$1,175	\$1,700	12/22/2012	Month-to-Month	\$1,175
69	1 Bdr	1 Bath	545	\$1,299	\$1,700	9/18/2013	Month-to-Month	\$1,299
TOTAL				\$0	\$0			
68	TOTAL		37,060	\$81,207	\$110,435			\$55,277
<b>68</b>	<b>TOTAL</b>		<b>37,060</b>	<b>\$81,207</b>	<b>\$110,435</b>			<b>\$55,277</b>



### INCOME & EXPENSES

Total Number of Units: 68  
 Total Rentable Area: 37,136 SF

Income	Current	Per Unit	Pro Forma	Per Unit
<b>GROSS POTENTIAL RENT</b>	<b>\$974,484</b>	<b>\$14,331</b>	<b>\$1,325,220</b>	<b>\$19,489</b>
<b>Other Income</b>				
Laundry Income	\$12,484	\$184	\$16,320	\$240
Deposit Forfeiture	\$4,208	\$62	\$4,208	\$62
Late Fee & Misc. Income	\$1,009	\$15	\$1,009	\$15
RUBS Util. Reimburse	\$45,178	\$664	\$45,178	\$664
<b>Total Other Income</b>	<b>\$62,879</b>	<b>\$925</b>	<b>\$66,715</b>	<b>\$981</b>
<b>GROSS POTENTIAL INCOME</b>	<b>\$1,037,363</b>	<b>\$15,255</b>	<b>\$1,391,935</b>	<b>\$20,470</b>
Vacancy/Collection Allowance (GPR)	3.0% / \$29,235	\$430	3.0% / \$39,757	\$585
<b>EFFECTIVE GROSS INCOME</b>	<b>\$1,008,128</b>	<b>\$14,825</b>	<b>\$1,352,178</b>	<b>\$19,885</b>
<b>Expenses</b>				
Real Estate Taxes (1.1681%)	\$192,502	\$2,831	\$192,502	\$2,831
Special Assessments	\$1,060	\$16	\$1,060	\$16
Insurance	\$5,527	\$81	\$5,527	\$81
Water/Sewer/Trash	\$51,254	\$754	\$51,254	\$754
Gas & Electric	\$18,427	\$271	\$18,427	\$271
Repairs & Maintenance**	\$51,000	\$750	\$51,000	\$750
On-Site Payroll	\$22,800	\$335	\$15,780	\$232
Management Fee	3.0% / \$30,244	\$445	3.0% / \$40,565	\$597
General & Administrative	\$4,920	\$72	\$4,920	\$72
Reserves & Replacements**	\$13,600	\$200	\$13,600	\$200
Pool Service	\$1,200	\$18	\$1,200	\$18
Landscaping	\$0	\$0	\$2,400	\$35
<b>TOTAL EXPENSES</b>	<b>\$392,534</b>	<b>\$5,773</b>	<b>\$398,235</b>	<b>\$5,856</b>
Expenses per SF	\$10.57		\$10.72	
% of EGI	38.9%		29.5%	
<b>NET OPERATING INCOME</b>	<b>\$615,595</b>	<b>\$9,053</b>	<b>\$953,943</b>	<b>\$14,029</b>

#### Comments

\*\*Repairs & Maintenance based on estimate of \$750 per 1-bedroom unit annually for all 68 units

\*\*Reserves & Replacements based on \$200/unit

\*\*Refer to the last page of this Section for clarification on On-Site Payroll line item.

### FINANCIAL OVERVIEW

#### Location

126 West Ahwanee Avenue  
Sunnyvale, CA 94085

Price	\$16,480,000
Down Payment	30% / \$4,944,000
Number of Units	68
Price/Unit	\$242,353
Rentable Square Feet	37,136
Price/SF	\$443.77
<b>CAP Rate - Stabilized</b>	<b>5.79%</b>
GRM - Stabilized	12.44
Year Built	1964
Lot Size	83,940 Square feet

#### Annualized Operating Data

Income	Current	Pro Forma
<b>Gross Potential Rent</b>	<b>\$974,484</b>	<b>\$1,325,220</b>
Other Income	\$62,879	\$66,715
Gross Potential Income	\$1,037,363	\$1,391,935
Less: Vacancy/Deductions (GPR)	3.0% / \$29,235	3.0% / \$39,757
Effective Gross Income	\$1,008,128	\$1,352,178
Less: Expenses	\$392,534	\$398,235
<b>Net Operating Income</b>	<b>\$615,595</b>	<b>\$953,943</b>
Net Cash Flow Before Debt Service	\$615,595	\$953,943
Debt Service	\$565,136	\$565,136
Net Cash Flow After Debt Service	1.0% / \$50,458	7.9% / \$388,807
Principal Reduction	\$251,045	\$251,045
<b>Total Return</b>	<b>6.1% / \$301,503</b>	<b>12.9% / \$639,852</b>

#### Financing

##### FIRST TRUST DEED

Loan Amount	\$11,536,000
Loan Type	Proposed New
Interest Rate	2.75%
Amortization	30 Years
Program	5-Year Fixed
Loan to Value	70%

#### Expenses

Real Estate Taxes	\$192,502	\$192,502
Special Assessments	1,060	1,060
Insurance	\$5,527	\$5,527
Water/Sewer/Trash	\$51,254	\$51,254
Gas & Electric	\$18,427	\$18,427
Repairs & Maintenance**	\$51,000	\$51,000
On-Site Payroll	\$22,800	\$15,780
Management Fee	\$30,244	\$40,565
General & Administrative	\$4,920	\$4,920
Reserves & Replacements**	\$13,600	\$13,600
Pool Service	\$1,200	\$1,200
Landscaping	\$0	\$2,400
<b>Total Expenses</b>	<b>\$392,534</b>	<b>\$398,235</b>
<b>Expenses/unit</b>	<b>\$5,773</b>	<b>\$5,856</b>
<b>Expenses/SF</b>	<b>\$10.57</b>	<b>\$10.72</b>
<b>% of EGI</b>	<b>38.94%</b>	<b>29.45%</b>

#### Scheduled Income

No. of Units	Unit Type	Approx. Square Feet	Current Rents	Rent/ SF	Monthly Income	Pro Forma Rents	Rent/ SF	Monthly Income
68	1 Bdr 1 Bath	545	\$1,100 - \$1,375	\$2.53	\$81,207	\$1,595 - \$1,700	\$3.02	\$110,435
<b>68</b>	<b>Total/Wtd. Avg.</b>	<b>37,136</b>			<b>\$81,207</b>			<b>\$110,435</b>

### UNDERWRITING ASSUMPTIONS & EXPLANATIONS

- 1) All Income, Operating Expenses, RUBS Utility Reimbursements, Laundry Income, and Miscellaneous Income are from property management's 2013 Annual Profit & Loss Statement.
- 2) Real Estate Taxes are calculated by multiplying the composite tax rate by the listing price of \$16,480,000 and adding the Special Assessments.
- 3) Average of \$750/unit per year for Current & Stabilized Repairs & Maintenance costs.
- 4) Reserves & Replacements are underwritten at \$200 per unit (68 total) annually.
- 5) At the time of underwriting (late April, 2014) on-site management was occupying units 8 & 10 jointly and paying no rent for either unit. They were also paid \$22,800/year in wages for on-site duties and all the property's annual landscaping duties.
- 6) Based on current management's (BT Properties) recommendation of on-site management's compensation we are basing Pro Forma on-site management at \$45/unit X 67 Units (Unit #8 is free to on-site mgr) = \$36,180/year minus (-) market rent of \$1,700/month X 12 months = \$20,400 for total compensation of \$15,780 (delta).
- 5) Leasing Office is a 10'x10' true office located just east of the pool.

**PROPERTY DESCRIPTION**

# **The Floriana Apartments**

SUNNYVALE, CA

## INVESTMENT OVERVIEW



## *The Floriana Apartments*

The Floriana Apartments are an incredible 68-unit apartment investment opportunity located at 126 West Ahwanee Avenue in highly desirable and rapidly growing Sunnyvale, California.

The Floriana has a gross livable area of 37,136 total square feet providing its tenants a spacious average living area of 546 square feet per one-bedroom/one-bath unit, situated on a lot close to two (2) acres. Each unit at The Floriana has full access to a community laundry room, an off-street numbered parking spot, and community pool.

Sunnyvale median rents skyrocketed over 13% in 2013 and are projected to continue on through 2014-2015 (Marcus & Millichap Research Services), The Floriana Apartments would be a great long-term hold for any potential investor.

Sunnyvale (population 140,095) is one of the major cities that make up the Silicon Valley, and is the seventh most populous city in the San Francisco Bay Area. Sunnyvale is bordered by Cupertino to the south, Santa Clara to the east, Moffett Federal Airfield to the north, and Google's home of Mountain View to the immediate northwest.

As part of the Silicon Valley, high-tech companies such as Juniper Networks, Fortinet, Google, Apple, LinkedIn, Facebook, NetApp, Spansion, Yahoo!, AppliedMicro and Ariba are headquartered there. Levi's Stadium is a football stadium under construction in Santa Clara, California, as the new home of the San Francisco 49ers. Completion is expected in time for the 2014 National Football League (NFL) season. It will be approximately 3.7 miles from The Floriana Apartments and will undoubtedly lead to more local business, jobs, and further rent increases in this southbay submarket.

In addition; the six (6) buildings that comprise The Floriana were constructed in 1964 and lie on a massive 83,940 square foot lot located just 3/4 of a mile, or ten-minute walk, to LinkedIn's new 560,000 square foot campus located at 555 Mathilda Avenue. The new campus, set to be completed in August 2014, is a great example of how this small pocket of Sunnyvale is poised for tremendous near-term upside in commercial and residential rent growth.



## INVESTMENT OVERVIEW

### Investment Highlights

- Located Just a Ten Minute Walk to LinkedIn's New 560,000+ Square Foot Campus
- Massive Upside Potential in Rents (~20%) From Current to Market Average
- Economies of Scale Cost Advantages | Tenant-to-Tenant Turnover Extremely Cost Efficient
- Extremely Low Historical Vacancy Rates
- Located Less than One Mile from Starbucks, Lucky's, Sunnyvale Golf Course, Bank of America & Sunnyvale Square Shopping Center
- Easy Access to Highways 101-North/South & Southbay Freeway 237
- Just an 8-Minute Drive to Levi's Stadium; New Home of the San Francisco Forty-Niners!



*Located just a few minutes from Levi's Stadium!  
New home of the San Francisco 49ers!*





# The Floriana Apartments

SUNNYVALE, CA

PROPERTY DESCRIPTION

## AERIAL VIEW FACING NORTHEAST

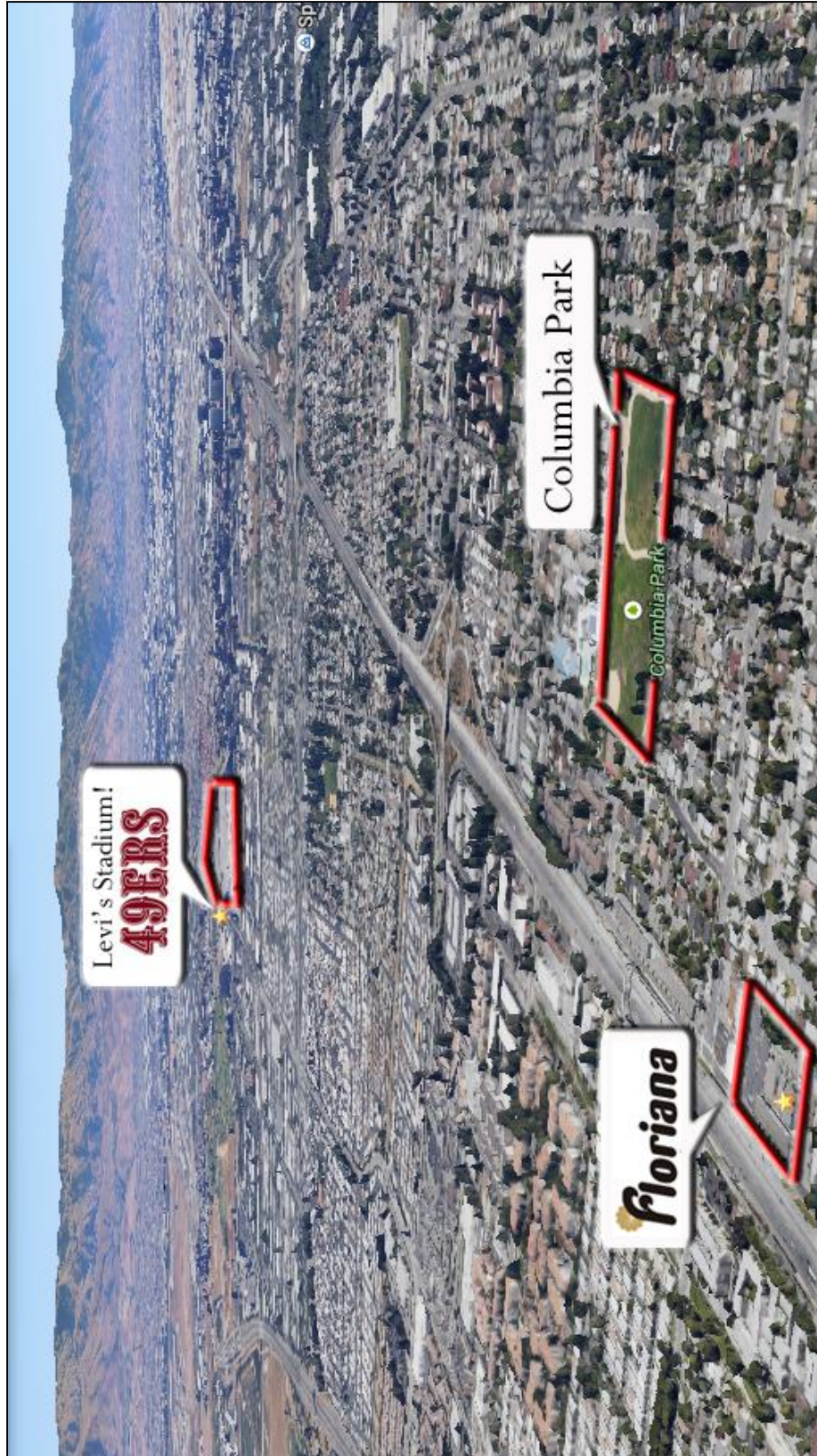


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## AERIAL VIEW FACING SOUTHEAST



## INVESTMENT OVERVIEW

4/22/2014

More details emerge on LinkedIn's Sunnyvale campus plans - Silicon Valley Business Journal

From the Silicon Valley Business Journal  
: <http://www.bizjournals.com/sanjose/news/2012/08/30/more-details-on-linkedins-sunnyvale.html>

## More details emerge on LinkedIn's Sunnyvale campus plans

Mary Ann Azevedo

**LinkedIn Corp.** has confirmed a 12-year lease of 560,000 square feet of office space in Sunnyvale, according to a filing with the U.S. Securities and Exchange Commission.

[The Silicon Valley Business Journal reported on Aug. 17](#) that the professional social networking giant had committed to leasing more than 500,000 square feet of a Class A office campus being built out by DiNapoli Companies Inc. in Sunnyvale, according to multiple real estate industry sources.

On Aug. 22, LinkedIn (NYSE:LNKD) confirmed the report with an SEC filing that said the company had entered into a lease agreement of about 560,000 square feet in a four-building project to be located at 555 Mathilda Ave. in Sunnyvale. (Click here [to read more about those plans.](#))

Although the lease was effective as of Aug. 22, LinkedIn does not have to pay rent until three months after the developer completes construction, according to the filing. During that three-month period, the company will conduct tenant improvements.

In its filing, LinkedIn said it expects construction of the buildings to be complete in July 2014 and that it will begin paying rent in October 2014.

Under the lease, rent will be paid on a monthly basis and will increase incrementally from about \$1.8 million per month to about \$2.5 million per month through the end of the lease term in September 2026, [according to the filing.](#)

San Jose-based **Arctec Inc.** has been hired to design the space, and **Devcon Construction** has been named the general contractor.

[John DiNapoli](#), vice president of JP Dinapoli Companies Inc., said while there was interest in the site from a number of companies, LinkedIn was a logical choice in part because it was an existing tenant at 599 N. Mathilda Ave.

"It was a good fit," DiNapoli said. "Plus, they're a great company that's been fantastic to work with."

[Phil Mahoney](#), executive vice president of Cornish & Carey Commercial Newmark Knight Frank,

<http://www.bizjournals.com/sanjose/news/2012/08/30/more-details-on-linkedins-sunnyvale.html?s=print>

1/2



## INVESTMENT OVERVIEW

4/22/2014

More details emerge on LinkedIn's Sunnyvale campus plans - Silicon Valley Business Journal

was part of the team leasing the campus on behalf of DiNapoli.

He said other companies had written interest in the campus in its entirety "or portions thereof."

"LinkedIn is an existing tenant so we knew them well," Mahoney noted. "Plus, they're a great tenant and they moved expeditiously."

Asking rate on the property was \$3.35 per square foot, he said.

Although the lease was effective as of Aug. 22, LinkedIn does not have to pay rent until three months after the developer completes construction, according to the filing. During that three-month period, the company will conduct tenant improvements.

In its filing, LinkedIn said it expects construction of the buildings to be complete in July 2014 and that it will begin paying rent in October 2014.

Under the lease, rent will be paid on a monthly basis and will increase incrementally from about \$1.8 million per month to about \$2.5 million per month through the end of the lease term in September 2026, according to the filing.

John Duquette, ArcTec principal and project manager for the campus buildout, said demolition of existing buildings and a hotel on the site will begin in December. The project was approved in June.

The new campus will be LEED Gold Certified and include a five-level parking garage that will hold 1,640 cars as well as surface parking, noted Jim Fulton, ArcTec principal in charge of tenant improvements.

LinkedIn currently has its headquarters in Mountain View although it recently leased additional office space in Sunnyvale. It is not yet known if the company will continue to maintain its headquarters in Mountain View once the new Sunnyvale campus is complete.

LinkedIn, which went public in May 2011, has had explosive growth in recent years and is one of the few shining stars among networking companies. Its headcount grew to 2,861 full-time employees as of June 30, up from about 1,000 at the beginning of 2011, and from around 500 at the beginning of 2010. As of November 2011, about 760 employees worked out of the company's Mountain View headquarters.

Earlier this month, the company posted earnings of \$2.8 million, or 3 cents per share, on record revenue of \$228.2 million, an increase of 89 percent compared to \$121 million in the second quarter of 2011.

By Aug. 2, LinkedIn had grown the number of people who use its network to more than 175 million with professionals signing up to join LinkedIn at a rate of approximately two new members per second. The company was founded in 2002.

<http://www.bizjournals.com/sanjose/news/2012/08/30/more-details-on-linkedins-sunnyvale.html?s=print>

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### PROPERTY SUMMARY

#### The Offering

Property	The Floriana Apartments
Property Address	126 West Ahwanee Avenue Sunnyvale, CA 94085
Assessor's Parcel Number	204-03-004
Zoning	R4   Multifamily Tier 4

#### Site Description

Number of Units	68
Number of Buildings	6
Number of Stories	2
Year Built	1964
Rentable Square Feet	37,136
Lot Size	83,940 Square Feet
Type of Ownership	Fee Simple
Density	Low   40% Max Livable Area Lot Coverage
Parking	On-Site Individually Numbered
Landscaping	Very Low Maintenance
Topography	Flat

#### Utilities

Water	Landlord Paid   Tenant RUBS Reimbursed
Phone	Tenant Paid
Electric	Tenant Paid

#### Construction

Foundation	Concrete Slab
Framing	Wood & Cinder Block
Exterior	Stucco & Concrete
Parking Surface	Asphalt
Roof	Pitched Tar & Gravel

### AMENITIES

#### Common Area Amenities

- Sparking Community Pool
- Enormous Individually Numbered Parking Space for Each Unit
- Quick & Easy Access to Highways 101 & 237
- On-Site Laundry Rooms with New Equipment



#### Unit Amenities

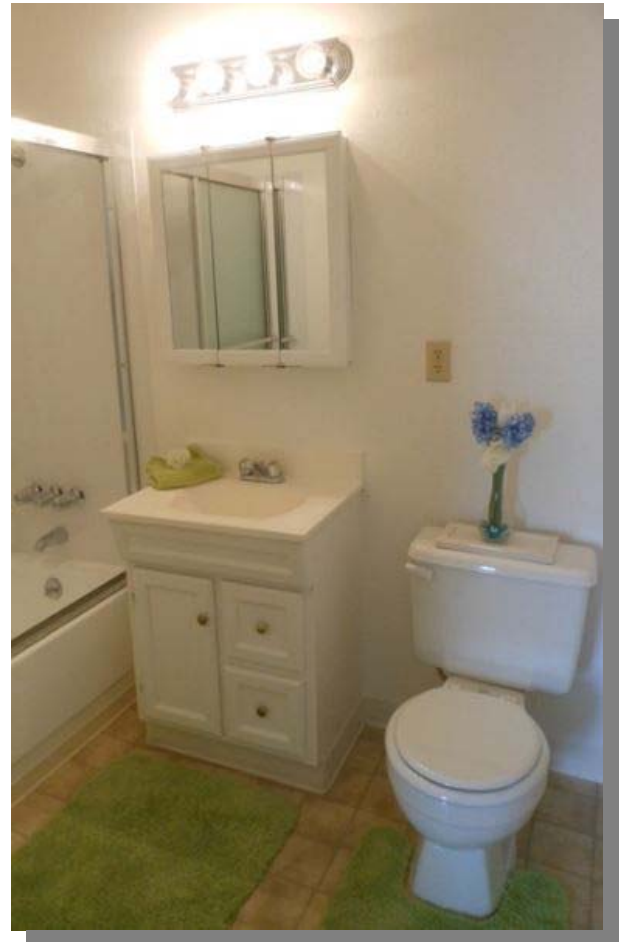
- Spacious Apartments with Open Floor Plans
- Vaulted Ceilings on Upstairs Units for More Open Feel
- Large Sized Bedrooms with Plenty of Closet Space
- Kitchens Open to Living Areas
- Loads of Counter Space, Large Pantries in Kitchens for Storage

### PROPERTY PHOTOS





### PROPERTY PHOTOS



### PROPERTY PHOTOS





### PROPERTY PHOTOS



### PROPERTY PHOTOS





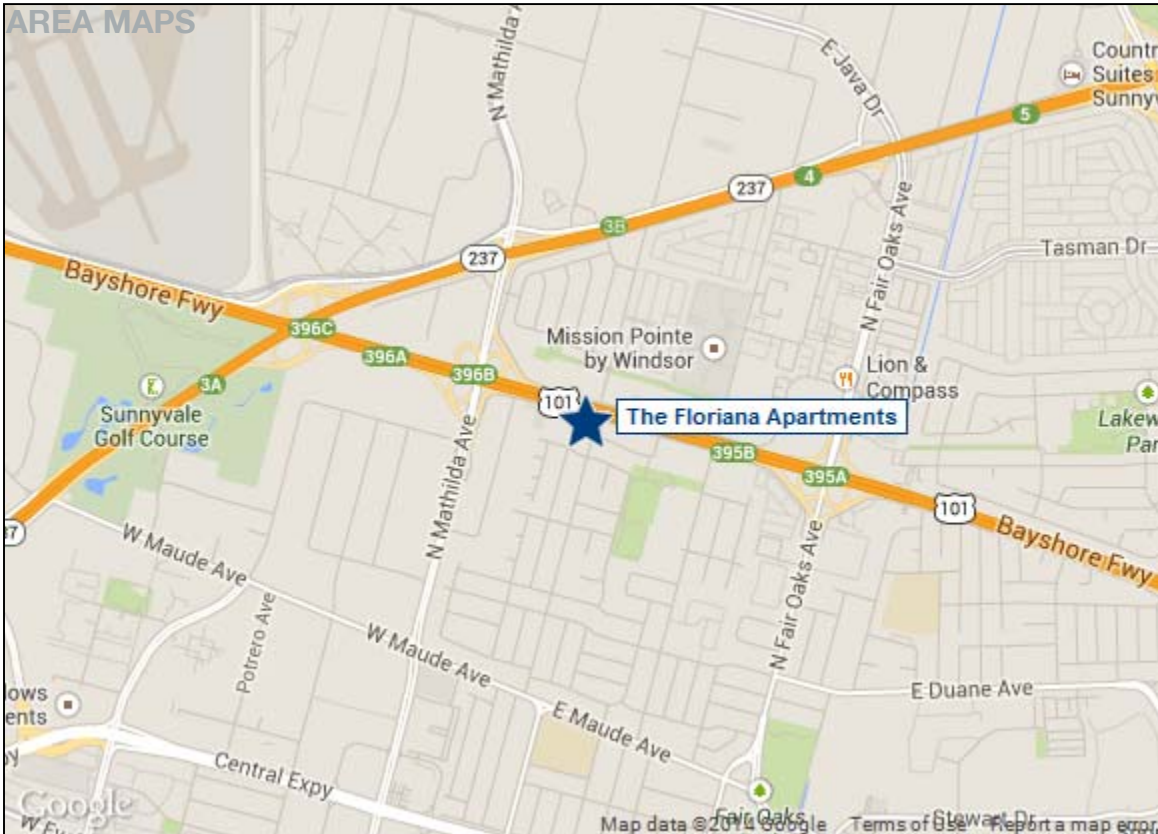
### PROPERTY PHOTOS



# The Floriana Apartments

SUNNYVALE, CA

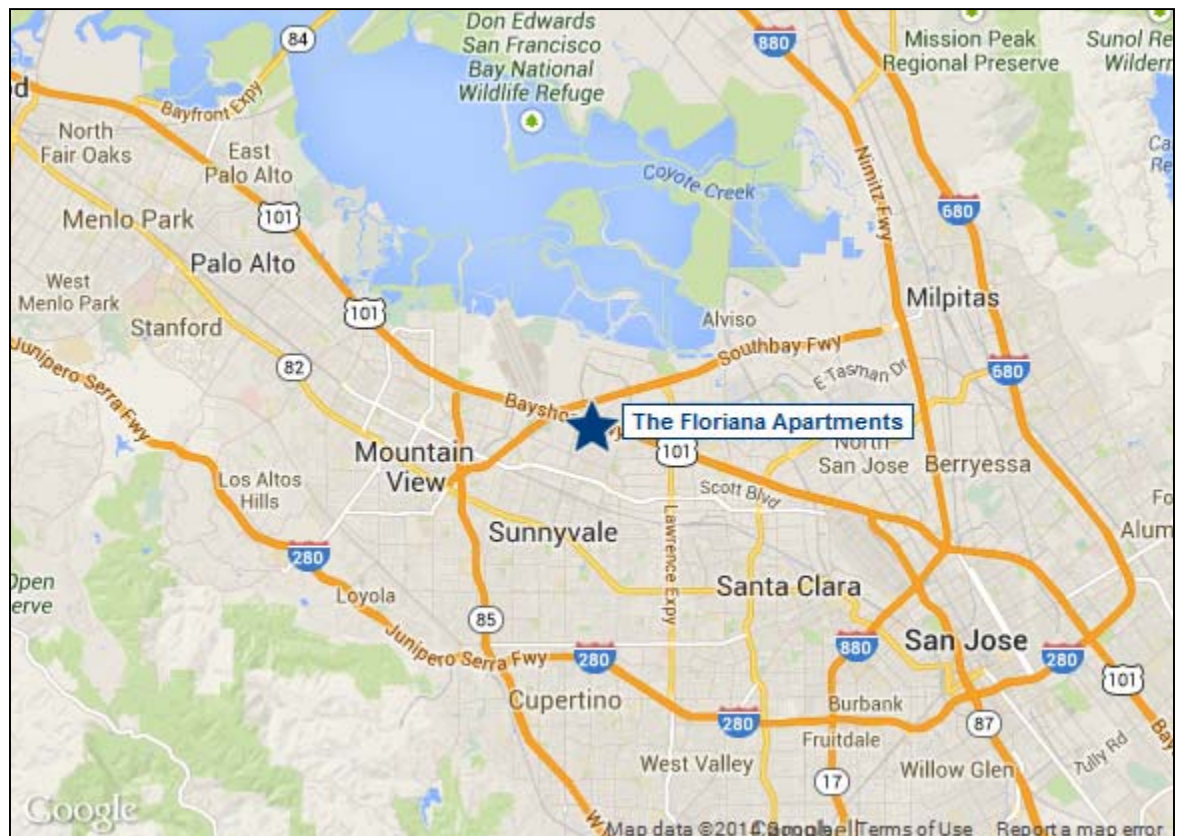
PROPERTY DESCRIPTION



Local Map



Regional Map

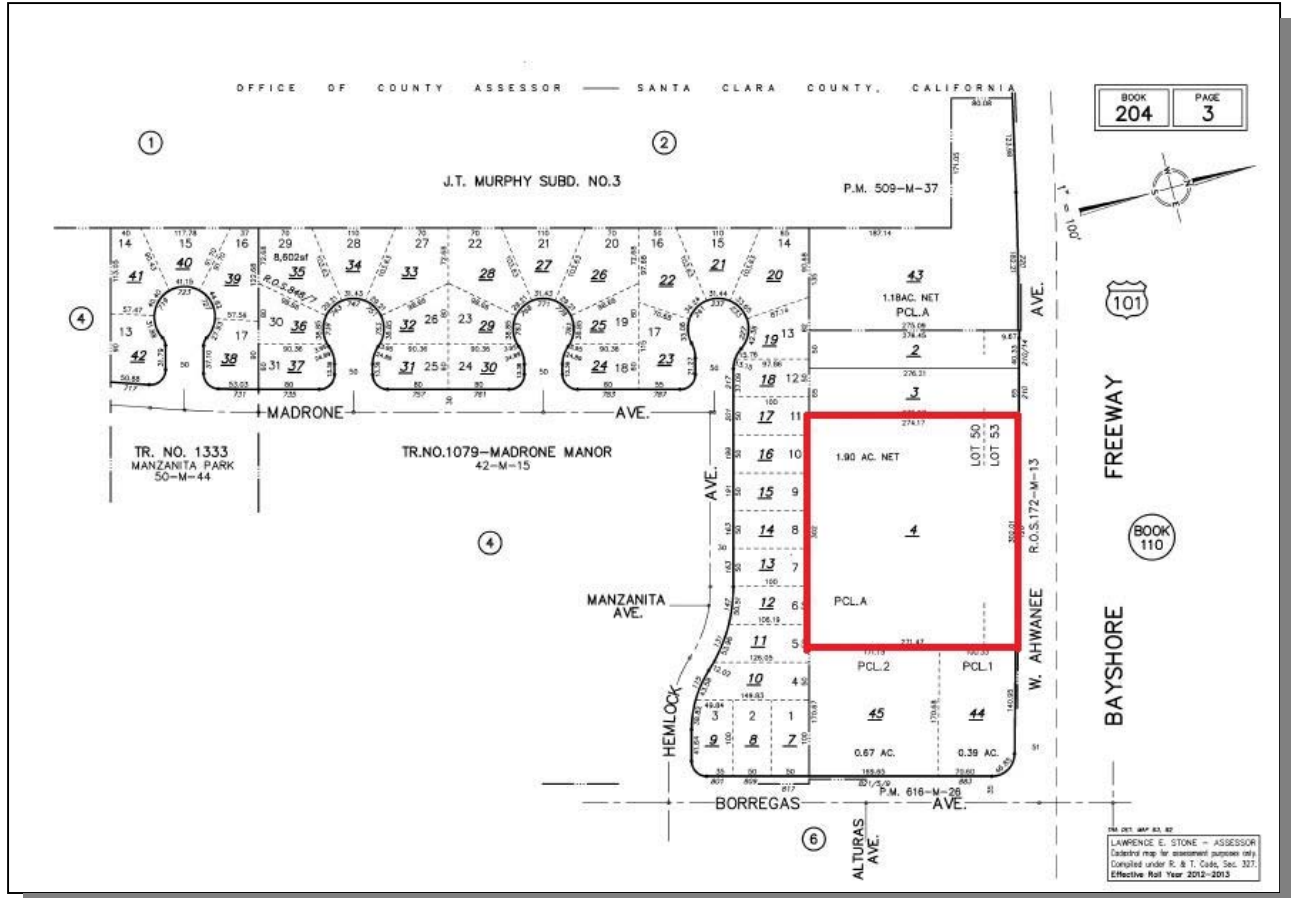


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### SITE PLAN



**RECENT SALES**

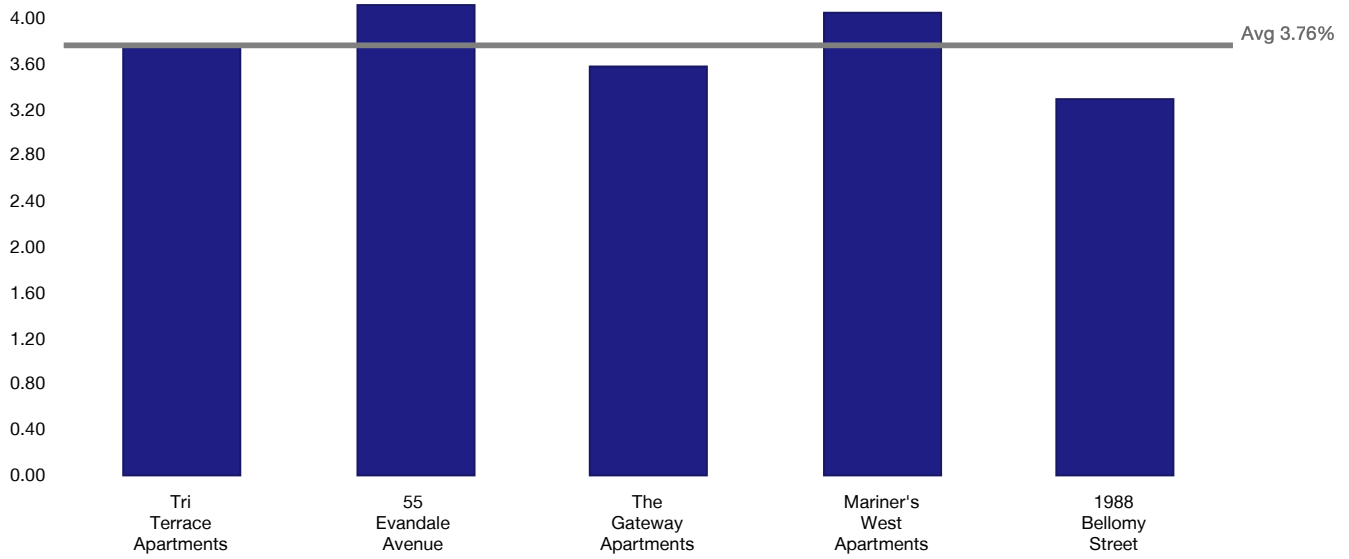
# **The Floriana Apartments**

SUNNYVALE, CA

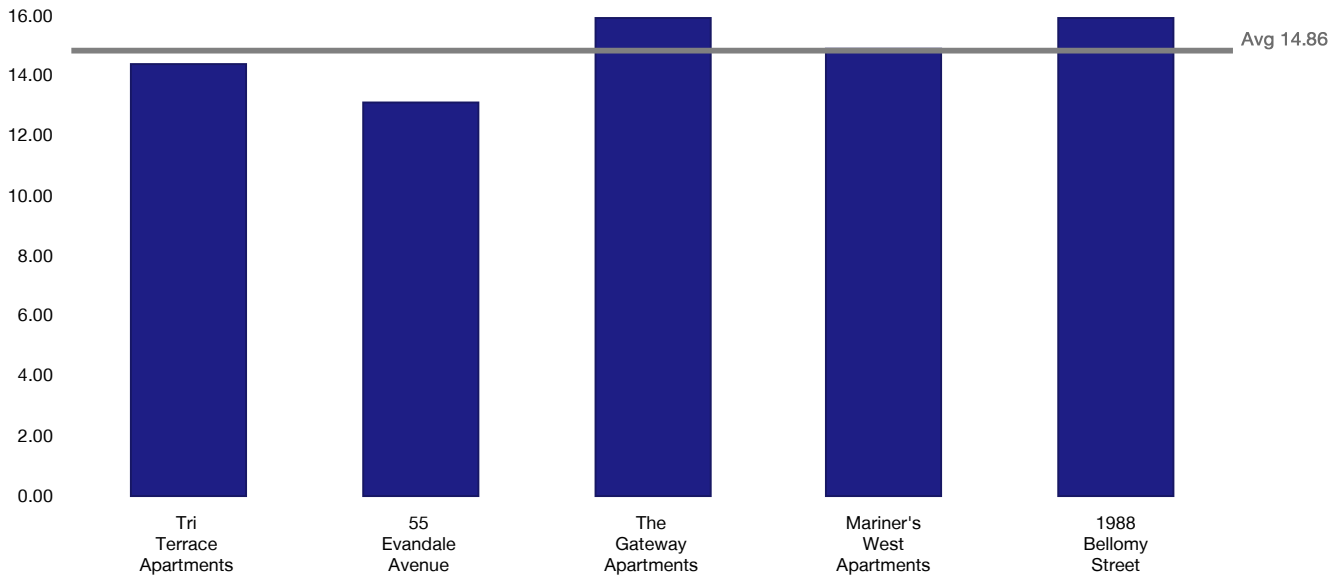


## CAP RATE AND GRM

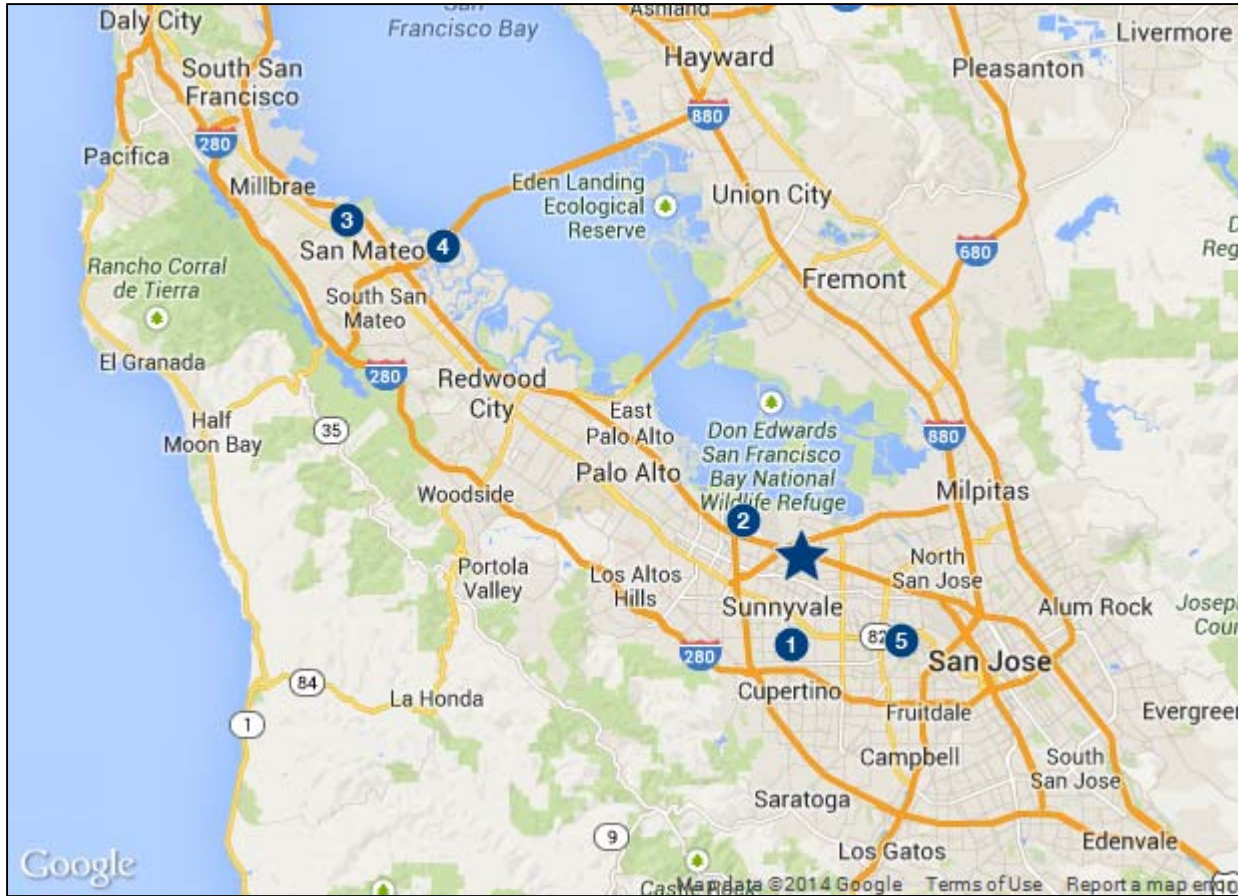
### Average Cap Rate



### Average GRM



## RECENT SALES MAP



- ★ The Floriana Apartments
- 1) Tri Terrace Apartments
- 2) 55 Evandale Avenue
- 3) The Gateway Apartments
- 4) Mariner's West Apartments
- 5) 1988 Bellomy Street

## RECENT SALES

1



Close of Escrow: 3/13/2014

### Tri Terrace Apartments

160-180 Locksunart Way  
Sunnyvale, CA 94087

No. of Units: 84  
Year Built: 1962  
Sale Price: \$22,600,000  
Price/Unit: \$269,048  
Price/SF: \$204.57  
CAP Rate: 3.74%  
GRM: 14.40

Units	Unit Type
66	1 Bdr 1 Bath
18	2 Bdr 1 Bath

2



Close of Escrow: 3/6/2014

55 Evandale Avenue  
Mountain View, CA 94043

No. of Units: 33  
Year Built: 1956  
Sale Price: \$7,220,000  
Price/Unit: \$218,788  
Price/SF: \$440.00  
CAP Rate: 4.12%  
GRM: 13.12

Units	Unit Type
4	Sm. 1Br 1 Bath 401 SF
3	Med. 1Br 1 Bath 442 SF
19	Lg. 1 Bdr 1 Bath 612 SF
7	2 Bdr 1 Bath 756 SF

3



Close of Escrow: 12/4/2013

### The Gateway Apartments

438 North El Camino Real Blvd  
San Mateo, CA 94401

No. of Units: 24  
Year Built: 1960  
Sale Price: \$6,550,000  
Price/Unit: \$272,917  
Price/SF: \$267.00  
CAP Rate: 3.58%  
GRM: 15.94

Units	Unit Type
6	2 Bdr 1 Bath 800 SF
18	1 Bdr 1 Bath 700 SF

## RECENT SALES

4



Close of Escrow: 3/25/2014

### Mariner's West Apartments

730 Mariner's Island Blvd & 735 Fathom Drive

San Mateo, CA 94404

No. of Units: 45  
 Year Built: 1979 / 2012  
 Sale Price: \$16,450,000  
 Price/Unit: \$365,556  
 Price/SF: \$426.00  
 CAP Rate: 4.05%  
 GRM: 14.94

Units	Unit Type
30	1 Bdr 1 Bath 742 SF
15	2 Bdr 1 Bath 1,010 SF

5



Close of Escrow: 1/31/2014

1988 Bellomy Street  
 Santa Clara, CA 95050

No. of Units: 21  
 Year Built: 1978  
 Sale Price: \$5,150,000  
 Price/Unit: \$245,238  
 Price/SF: \$299.00  
 CAP Rate: 3.30%  
 GRM: 15.91

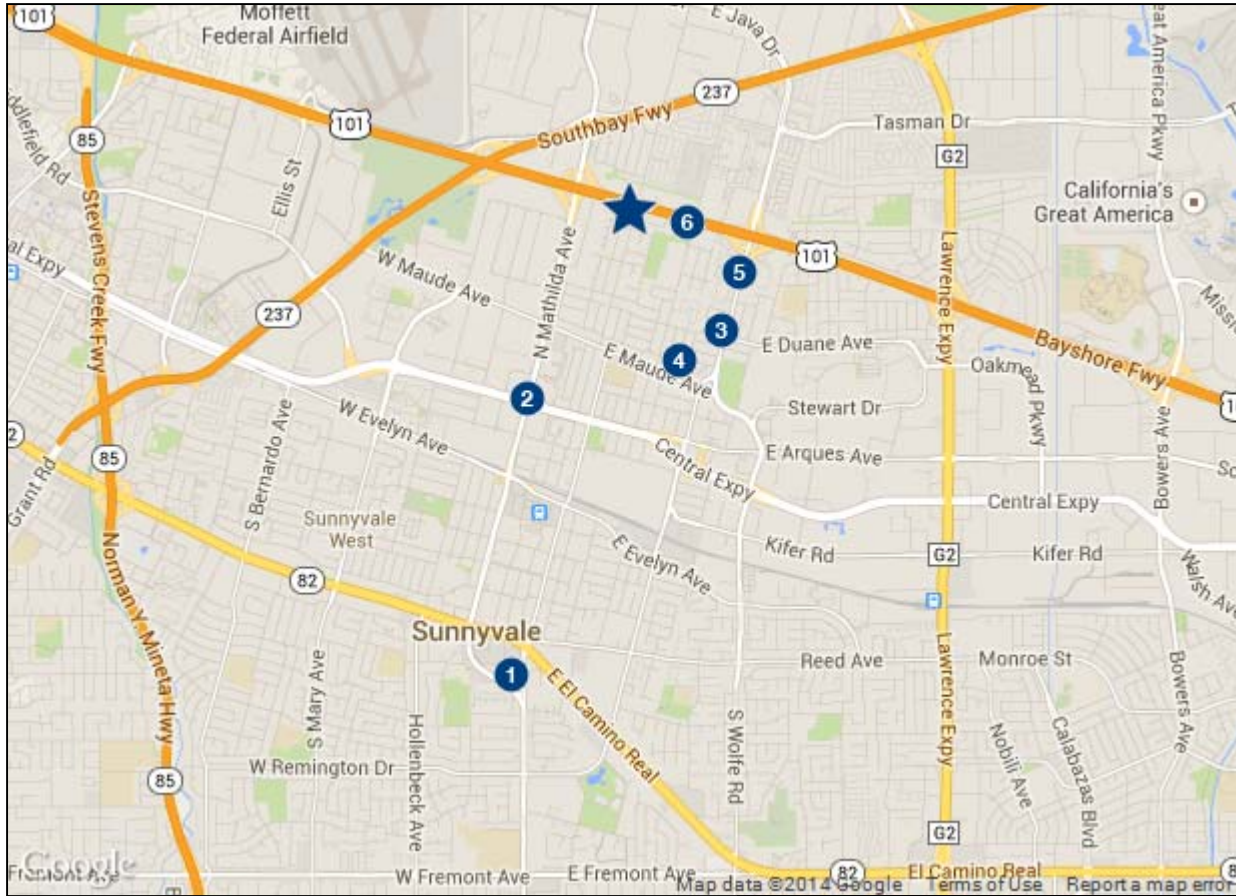
Units	Unit Type
1	3 Bdr 2 Bath 1383 SF
1	2 Bdr 1.5 Bath 884 SF
2	2 Bdr 1.5 Bath 866 SF
6	2 Bdr 1.5 Bath 855 SF
4	2 Bdr 1.5 Bath 853 SF
7	1 Bdr 1 Bath 672 SF

# The Floriana Apartments

SUNNYVALE, CA



### RENT COMPARABLES MAP



- ★ The Floriana Apartments
- 1) Mathilda Gardens
- 2) Wildwood Manor
- 3) Montclair Apartments
- 4) 535 East Maude Avenue
- 5) 720 North Fair Oaks Avenue
- 6) Morse Court Apartments

### RENT COMPARABLES



**Subject Property**

No. of Units: 68  
Year Built: 1964

**The Floriana Apartments**

126 West Ahwanee Avenue  
Sunnyvale, CA 94085

Unit Type	Units	SF	Rent	Rent/SF
1 Bdr 1 Bath Apartments	68	545	\$1,100 - \$1,375	\$2.53
<b>Total/Avg.</b>	<b>68</b>	<b>37,136</b>	<b>\$1,238</b>	<b>\$2.19</b>

1



No. of Units: 184  
Year Built: 1972

**Mathilda Gardens**

777 South Mathilda Avenue  
Sunnyvale, CA 94087

Unit Type	Units	SF	Rent	Rent/SF
1 Bdr 1 Bath		590	\$1,700	\$2.88
<b>Total/Wtd. Avg.</b>			<b>\$1,700</b>	

2



No. of Units: 185  
Year Built: 1973

**Wildwood Manor**

260 North Mathilda Avenue  
Sunnyvale, CA 94086

Unit Type	Units	SF	Rent	Rent/SF
1 Bdr 1 Bath		650	\$1,655 - \$1,755	\$2.62
<b>Total/ Avg.</b>			<b>\$1,705</b>	<b>\$2.62</b>

### RENT COMPARABLES

3



No. of Units 390  
Year Built/Renovated: 1971

#### Montclair Apartments

450 North Mathilda Avenue  
Sunnyvale, CA 94085

Unit Type	Units	SF	Rent	Rent/SF
1 Bdr 1 Bath		710	\$2,093 - \$2,435	\$3.19
<b>Total/ Avg.</b>		<b>290,498</b>	<b>\$2,264</b>	<b>\$3.19</b>

4



No. of Units 28  
Occupancy:  
Year Built/Renovated: 1960

535 East Maude Avenue  
Sunnyvale, CA 94085

Unit Type	Units	SF	Rent	Rent/SF
1 Bdr 1 Bath		580	\$1,745	\$3.01
<b>Total/Wtd. Avg.</b>		<b>20,864</b>	<b>\$1,745</b>	<b>\$0.08</b>

5



No. of Units 36  
Occupancy:  
Year Built/Renovated: 1965

720 North Fair Oaks Avenue  
Sunnyvale, CA 94085

Unit Type	Units	SF	Rent	Rent/SF
1 Bdr 1 Bath		648	\$1,631	\$2.52
<b>Total/Wtd. Avg.</b>		<b>23,360</b>	<b>\$1,631</b>	<b>\$0.07</b>



# The Floriana Apartments

SUNNYVALE, CA

## OFFERING MEMORANDUM