



Offering Memorandum



Sunnyvale, CA
www.pkslapartments.com

Marcus & Millichap

CONFIDENTIALITY AND DISCLAIMER

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap and seller have not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap and seller have not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap and seller conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

NON-ENDORSEMENT NOTICE

Marcus & Millichap Real Estate Investment Services, Inc. ("M&M") is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of M&M, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of M&M, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

Marcus & Millichap is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Marcus & Millichap, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of Marcus & Millichap, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

**ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR
MARCUS & MILLICHAP AGENT FOR MORE DETAILS.**

Marcus & Millichap



exclusively listed

Prepared by:

Marcus & Millichap

OFFICES NATIONWIDE
www.marcusmillichap.com



PKSL

Table of Contents

EXECUTIVE SUMMARY

Offering Highlights	2
Property Details	3

PROPERTY DESCRIPTION

Investment Overview	6
Location Overview	7
Scope of Renovations	8
Apple in Sunnyvale	9
Sunnyvale Development Projects	10
Amenities	12
Floor Plans	14
What's Nearby	25
Tax Map	27
Regional Map	28
Local Map	29
Aerial Photo	30

FINANCIAL ANALYSIS

Financial Summary	34
Rent Roll Summary	35
Rent Roll	36
Operating Statement	38
Notes	39
Current Pricing	40
Pricing Detail	41

COMPETITIVE PROPERTY SET

Recent Sales Map	44
Recent Sales	45
Rent Comparables Map	51
Rent Comparables	52

MARKET OVERVIEW

Market Highlights	56
Metro	57
Labor	58
Employers	59
Rents	60
Demographics	61



8 FT

8 FT

summary

EXECUTIVE SUMMARY



Marcus & Millichap

Offering Highlights



1090 SUNNYVALE SARATOGA ROAD, SUNNYVALE, CA 94087

www.pkslapartments.com

Demographics

Price	\$16,480,000
Price/Unit	\$445,405
Price/SF	\$622.00
Number of Units	37*
Rentable Square Feet	26,488**
Year Built/Renovated	1960/2016
Lot Size	1.21 Acres
Number of Buildings	7
Number of Stories	2
Asset Type	Multifamily

	1-Miles	3-Miles	4-Miles
2015 Estimate Pop	30,525	230,126	481,318
2010 Census Pop	28,714	213,910	449,334
2015 Estimate HH	12,007	88,073	183,762
2010 Census HH	11,211	81,210	170,091
Median HH Income	\$107,724	\$106,311	\$103,329
Per Capita Income	\$56,741	\$55,041	\$54,408
Average HH Income	\$143,891	\$143,583	\$142,158

Vital Data

CAP Rate – Current	4.05%
GRM – Current	16.30
Net Operating Income – Current	\$667,854
CAP Rate – Pro Forma	4.59%
GRM – Pro Forma	15.25
Net Operating Income – Pro Forma	\$757,256

Unit Mix

NUMBER OF UNITS	UNIT TYPE	ACTUAL SQUARE FEET
9	Studio	443
11	1BR/1BA	711
15	2BR/1BA	810
2	3BR/2BA	1,200-1,330
37*	Total	26,488**

*Buyer to verify legal number of units.

**Unit square footages are approximate. Buyer to verify.

EXECUTIVE SUMMARY

PROPERTY DESCRIPTION

FINANCIAL ANALYSIS

COMPARABLES

MARKET OVERVIEW

Property Details

THE OFFERING

Property	pksl
Property Address	1090 Sunnyvale Saratoga Road Sunnyvale, CA 94087
Website	www.pkslapartments.com
Assessor's Parcel #	211-22-011
Zoning	R4

SITE DESCRIPTION

Number of Units	37*
Number of Buildings	7
Number of Stories	2
Year Built/Renovated	1960/2016
Rentable Square Feet	26,488**
Lot Size	1.21 Acres
Type of Ownership	Fee Simple
Parking	37 Covered Carports & 4 Open Spaces

UTILITIES

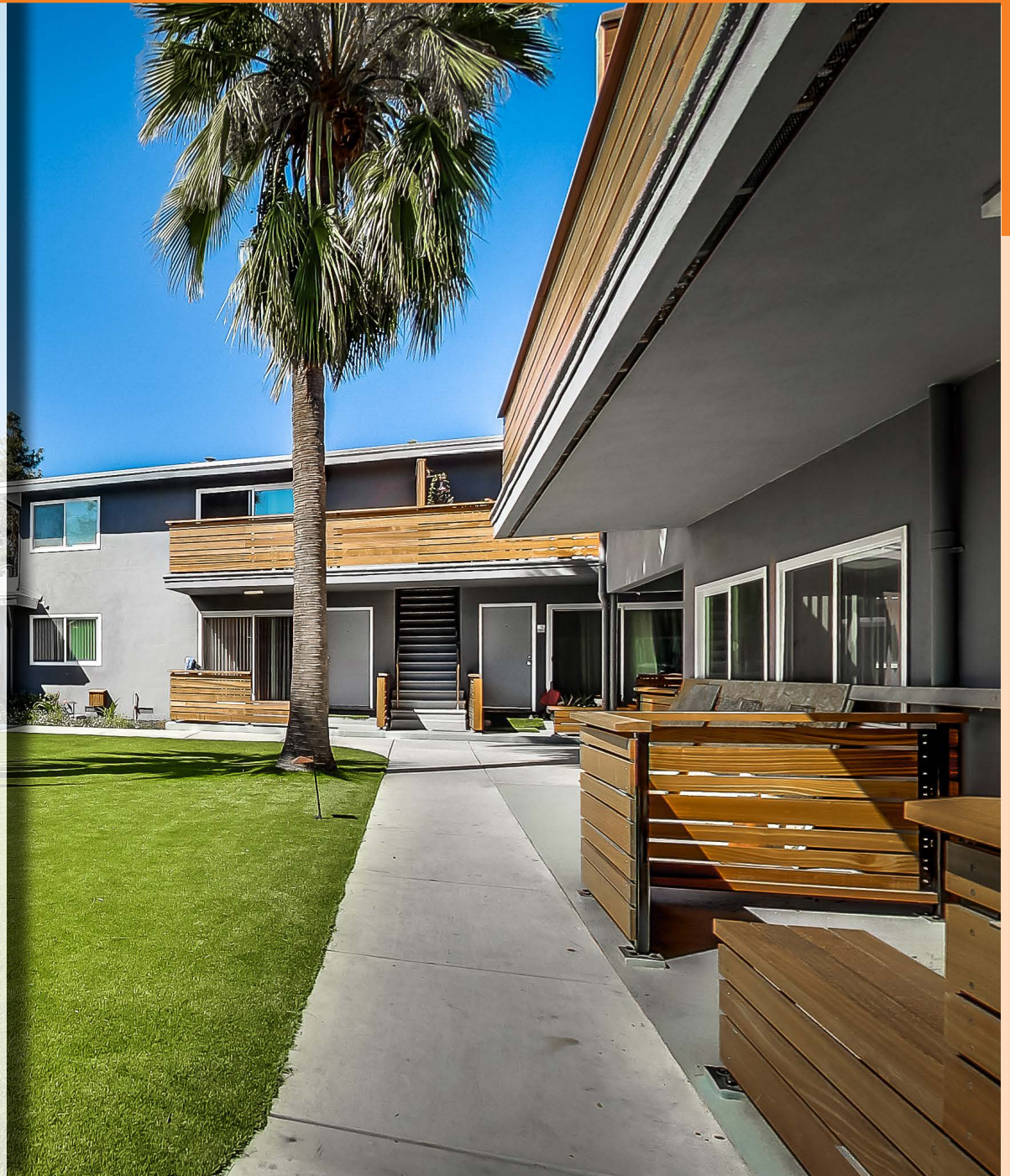
Water	Master Metered
Electric	Individually Metered
Gas	Individually Metered

CONSTRUCTION

Foundation	Concrete Perimeter
Framing	Wood
Exterior	Stucco/Sapele Siding
Roof	3 New 60 mm TPO Roofs & 4 Tar & Gravel Roofs

*Buyer to verify legal number of units.

**Unit square footages are approximate. Buyer to verify.





description

PROPERTY DESCRIPTION



Marcus & Millichap

PROPERTY DESCRIPTION

Investment Overview

Marcus & Millichap has been selected to exclusively market for sale pksl (pronounced 'pixel'), a stunning, recently renovated, thirty-seven (37) unit boutique apartment community located at 1090 Sunnyvale Saratoga Road in the thriving city of Sunnyvale, CA.

pksl was inspired by the pioneering tech heritage in Sunnyvale. Notable companies such as Yahoo! and Atari got their start here, the latter actually installing a prototype of the world famous "Pong" arcade game in a local bar back in 1972. pksl's refreshed residences challenge the notion of what renting in Silicon Valley can be. With design flair, creative outdoor and communal spaces, architect-chosen details, and a color scheme bursting with energy and promise, pksl is home to big ideas and relaxed living, just like the Valley itself. pksl was imagined to deliver high quality features and modern design to apartment living in Silicon Valley. The architect-chosen finishes, appliances and amenities reflect a desire for comfort, style, and warmth. Contemporary features are supported by a bold black and white color scheme with striking accents that are represented in murals and motifs throughout the community.

The subject property is situated on a large 1.21-acre parcel of land, and has a gross livable area of 26,488 total SF, offering its tenants a variety of studio, one, two, and three-bedroom floorplans to call home. The unit mix consists of (9) studio units with approximately 443 SF of living space, (11) 1-Bedroom/1-Bathroom units with approximately 711 SF of living space, (15) 2-Bedroom/1-Bathroom units with approximately 810 SF of living space, and (2) 3-Bedroom/2-Bathroom units ranging from 1,200-1,330 SF of living space.

pksl has recently undergone a complete transformation with exterior and interior renovations totaling approximately \$2,500,000. 36 of the 37 units have been completely renovated with cutting edge color tones and high-quality finishes and features. Refreshed kitchens and baths sport new European cabinetry, stainless steel appliances, and sleek fixtures. Most residences also feature a private balcony or patio. A full break down of capital improvements can be seen on the following page titled "Scope of Renovations".

Residents at pksl enjoy access to many state-of-the-art community

amenities including a sparkling swimming pool, outdoor mural by Erik Otto, architect-designed gardens, courtyard with drought tolerant landscaping, covered carport parking, on-site laundry facilities, gated secured entrances, bike storage room, and a cutting edge resident lobby with iPad controlled flat screen TVs, classic arcade game console, free wi-fi, and a Nest thermostat controlled A/C system.

The investment appeal of this asset is driven by Sunnyvale's strong employment fundamentals and low vacancy levels. With a world-class location in the heart of Silicon Valley, pksl present an attractive choice for Peninsula renters due to the close proximity to major employers, transportation corridors, shopping, dining and entertainment.

Investment Highlights

- Core Silicon Valley location
- Extensive exterior and interior renovations (nearly \$2,500,000 in recent capital improvements)
- 36 of 37 units renovated with cutting edge color tones and high-quality finishes
- Desirable unit-mix consisting of (9) studios, (11) 1-Bedroom units, (15) 2-Bedroom units and (2) 3-Bedroom units
- Nearly all of the units have private patios or balconies
- State-of-the-art community amenities
- Situated on a large 1.21-acre parcel of land



EXECUTIVE SUMMARY
PROPERTY DESCRIPTION
FINANCIAL ANALYSIS
COMPARABLES
MARKET OVERVIEW

Location Overview

Sunnyvale, California is widely recognized as the heart of Silicon Valley. It is the second largest city in Santa Clara County and the fifth largest in the San Francisco Bay Area with an estimated population of 148,028 residents. There are approximately 8,031 different businesses located in Sunnyvale, with a total workforce of approximately 118,500. 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.

pksl was inspired by the pioneering tech environs in and around Sunnyvale. The city is at the epicenter of Silicon Valley, contributing mightily to its lore and legend. Its first major industry was fruit orchards, which gave way to aerospace and the microprocessor. Yahoo! and Atari were also born here, the latter installing a prototype of the Pong arcade game in a local bar in 1972.

The location is equally convenient and stimulating. While serving as the bustling home to major tech, aerospace and aviation employers, Sunnyvale also offers a fantastic park and bike trail system, great schools, and a revitalized downtown area of shopping and restaurants that sits less than 2 miles from the subject property. Sunnyvale's food, drink, and entertainment options can keep even the most discerning foodie satisfied. Local favorites include Faultline Brewing Company, Philz Coffee, the Sunnyvale Farmers Market, and Murphy Avenue from end to end, to name a few.

The subject property sits less than 2 miles from Apple's Cupertino campus, 2.4 miles from Apple's new Sunnyvale Spaceship campus, and proximate to LinkedIn, Amazon, Microsoft, Motorola, HP, Google, Yahoo!, among many others. Highways 280, 85, and 101 are also within close proximity, providing direct access to all major Bay Area locations.

The city of Sunnyvale is rapidly expanding to keep up with the high demand of tech jobs in the area. Multiple major development projects within the Peery Park and Moffett Park districts are already underway and will have a significant impact on the surrounding area, more information on these projects can be found on the following pages titled "Sunnyvale Development Projects".



Location Highlights

- Less than 1.8 miles from the Apple Headquarters and 2.4 miles from the new Apple Spaceship Campus
- Approximately 1.7 miles from the Peery Park planned re-development district
- Approximately 4.4 miles from Moffett Park - home to Amazon, Microsoft, Motorola, HP, Google and future development projects
- Close proximity to downtown Sunnyvale - home to many high-end shopping, dining, and entertainment options
- Easy access to highways 280, 101, 237 and 85 providing direct access to all major Bay Area locations

Scope of Renovations

EXECUTIVE SUMMARY

PROPERTY DESCRIPTION

FINANCIAL ANALYSIS

COMPARABLES

MARKET OVERVIEW

Renovations

- 36 of 37 fully renovated units
- Extensive tree and landscape removal
- New drought tolerant landscaping added throughout the property
- Exterior painting of all structures, including carports and storage
- Professional artist mural by Erik Otto by the pool
- Various dryrot and deferred maintenance repairs
- New Sapele railings, and waterproof paint on all balconies/patios
- New double-pane windows and sliding glass doors added throughout the property
- New 60mm TPO roofs for the 3 buildings along Sunnyvale Saratoga Road
- Various roof, fascia, and gutter repairs. New downspouts and attic fans
- New trash enclosure and concrete apron
- Brand new Sapele access gates
- Renovated laundry and water heater rooms
- Brand new pool equipment room
- Brand new lobby and concrete entry walkway
- Updated electrical in the lobby and hallways, and all new lighting in the car ports and common areas
- All new property signage including new exterior, wayfinding, and unit signage packages
- All new common area furniture, free wi-fi, secured entry system, Lobby A/C system, mailboxes, and bike storage room



*See "Unit Amenities" on page 12 to see a detailed list of unit renovations.

Apple in Sunnyvale

APPLE CAMPUS 2 “SPACESHIP” (2.4 MILES FROM pksl)

Three miles from Apple’s Cupertino, California headquarters, the tech giant is building something as massive as its own global reach: Apple’s Campus 2. The Spaceship, as many have nicknamed it, is over one mile in circumference, stretching wider than the Pentagon. When it’s completed later this year it will house 13,000 employees, including design grandmaster Jony Ive, who helped sculpt the iPhone, as well as Apple CEO Tim Cook.

Campus 2 will run entirely on clean energy, powered by renewable sources. Thousands of panels of curved window panes, which are rumored to be the largest pieces of structural glass ever made will encase Apple’s mothership. In addition, 60,000 pounds of hollow, breathable concrete slabs will be used, further adding to its eco-friendly qualities.

Upon completion, the main building will have four stories above ground and three below. There will be numerous other facilities, including seven cafes, a fitness center, and a 120,000 square-foot theater where Apple will hold its famous product announcements.

Construction on the building is expected to be finished by the end of 2016. With the company’s employees moving in around early 2017, Apple’s Spaceship is closer than ever to its launch.

**Information attained from the June 10,2016 article, “Spaceship Apple” by Xavier Harding in Popular Science Magazine*

**Apple Campus 2 “Spaceship”*



CENTRAL WOLFE - 22 NORTH WOLFE ROAD (2.1 MILES FROM pksl)

Central Wolfe offers the unique design and amenities that today’s forward thinking companies need. Located along major transit corridors and with easy access via Central Expressway, Central Wolfe is strategically located in Sunnyvale, CA. Central Wolfe is 882,857 square feet of LEED Certified Platinum, Class A office space on 17.84 acres. Three 4 story innovatively designed buildings atop 2 levels of podium parking offer an innovatively designed campus unlike any other in Silicon Valley. A 34,000 sf amenities building set amongst a richly landscaped central plaza and over 8 acres of open space provide best in class indoor and outdoor amenities. Within 1.4 miles of two Caltrain stations and within walking distance of ample amenities, Central Wolfe is ideally positioned as the next generation campus companies desire.

- 17.84 acre campus
- 882,857 rentable square feet
- Three 4 Story Buildings atop a 2 Story Parking Podium
- Class A Office
- 34,000 SF amenities building
- LEED Certified Platinum
- Initial occupancy Q4 2017
- 100% Leased to Apple

**<http://www.jaypaul.com/Portfolio.aspx?Id=428>*

**Central Wolfe - 100% Leased to Apple*



EXECUTIVE SUMMARY

PROPERTY DESCRIPTION

FINANCIAL ANALYSIS

COMPARABLES

MARKET OVERVIEW

Sunnyvale Development Projects - Moffett Park (4.4 miles from pksl)

Moffet Towers II Features

- 47.4 acre campus
- 1,805,815 rentable square feet
- Five Eight-Story Towers
- 52,500 sf fitness center
- LEED Platinum Shells
- Initial Occupancy: Q3 2017



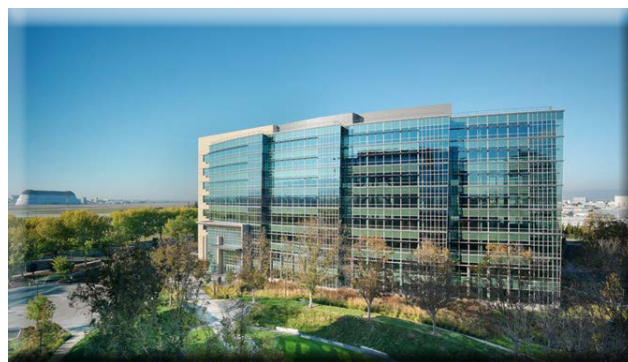
Moffet Place Features

- 55 acre campus
- 1.9 million rentable square feet
- Six Eight-Story Towers
- 50,000 sf fitness center
- LEED Gold Certification
- Initial Occupancy: Q4 2014
- 100% leased to Google



Moffett Towers Features

- 52 acre campus
- 1.8 million rentable square feet
- Seven 8-Story Class A Office Towers
- 48,000 SF fitness center
- LEED Certified Gold
- 100% leased
- Tenants include Amazon, Microsoft, Motorola and HP



Technology Corners Features

- 26.5 acre campus
- 949,000 rentable square feet
- Five Class A Office/R&D buildings
- 16,000 square foot fitness center
- LEED Certified Gold
- Direct Access to Light Rail
- 100% leased to Google



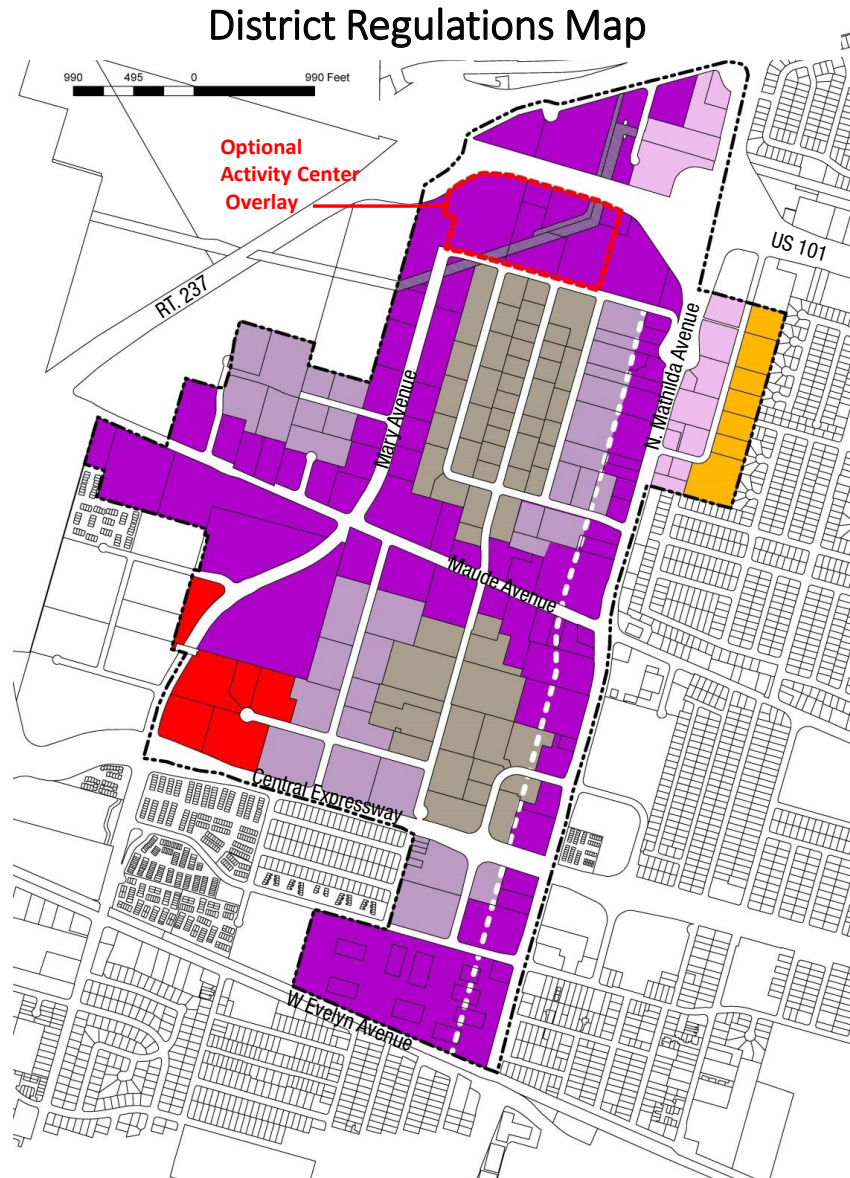
Moffett Gateway Features

- 15.531 acre campus
- 612,796 rentable square feet
- Two 7-Story Class A Office Towers
- 14,948 SF fitness center
- LEED Certified Platinum
- Initial Occupancy: Q1 2016



Sunnyvale Development Projects - Peery Park (1.7 miles from pksl)

A cutting edge workplace district that has been physically re-shaped to align with 21st century workplace trends and the innovation economy.



Primary Land Uses

- Activity Center/Core**
 - Ground Floor Retail Shopfronts
 - Office, R&D

- Innovation Edge**
 - Office, R&D, Light Industrial
 - Small scale activity clusters

- Production Core**
 - Office, R&D, Light Industrial

- Mixed Workplace Transition**
 - Office, R&D, Light Industrial

- Grand Boulevard**
 - Office, Commercial, Hotel, Limited "Retail"

- Neighborhood Transition**
 - Attached/Stacked Residential, Office

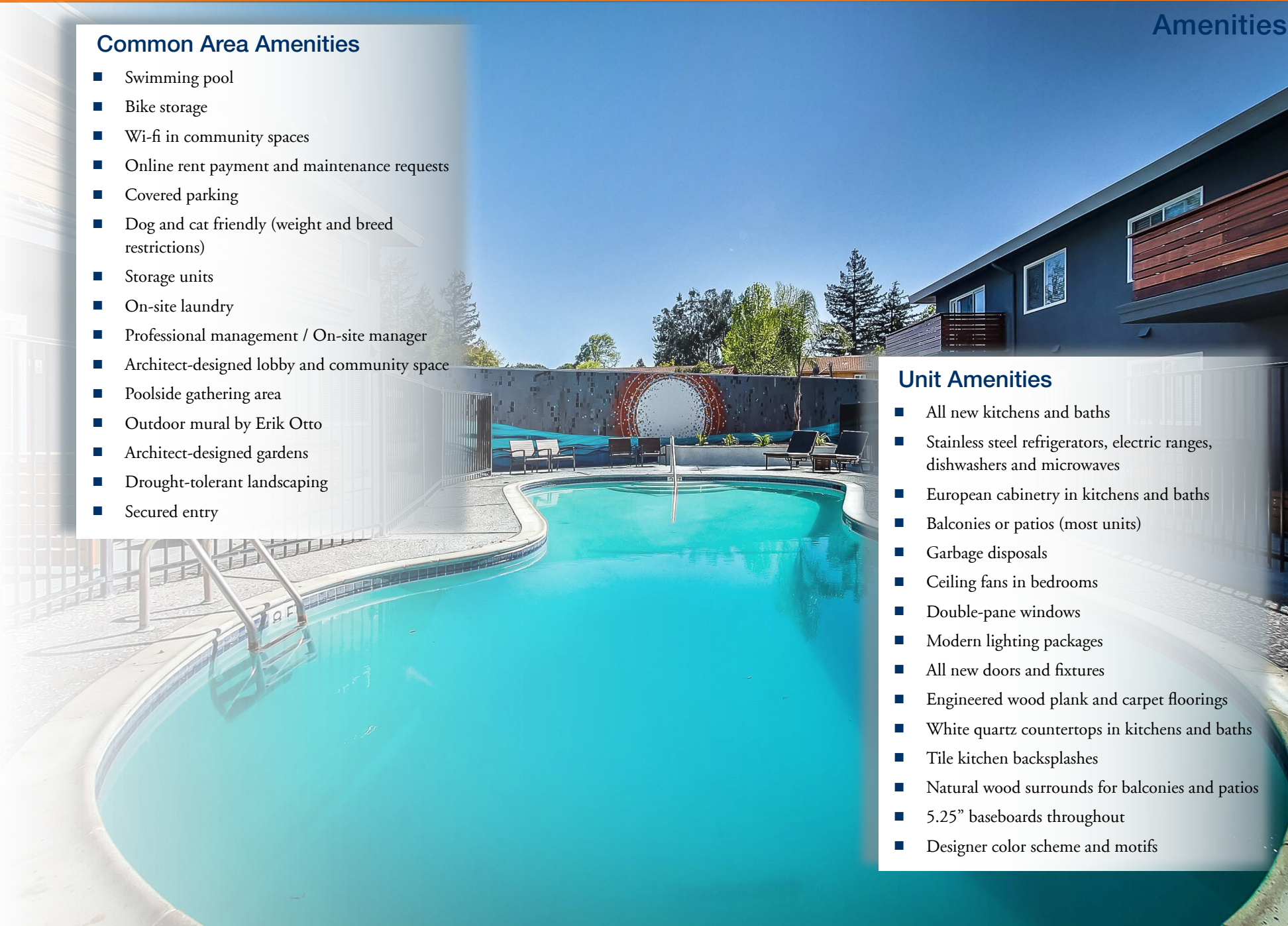
Common Area Amenities

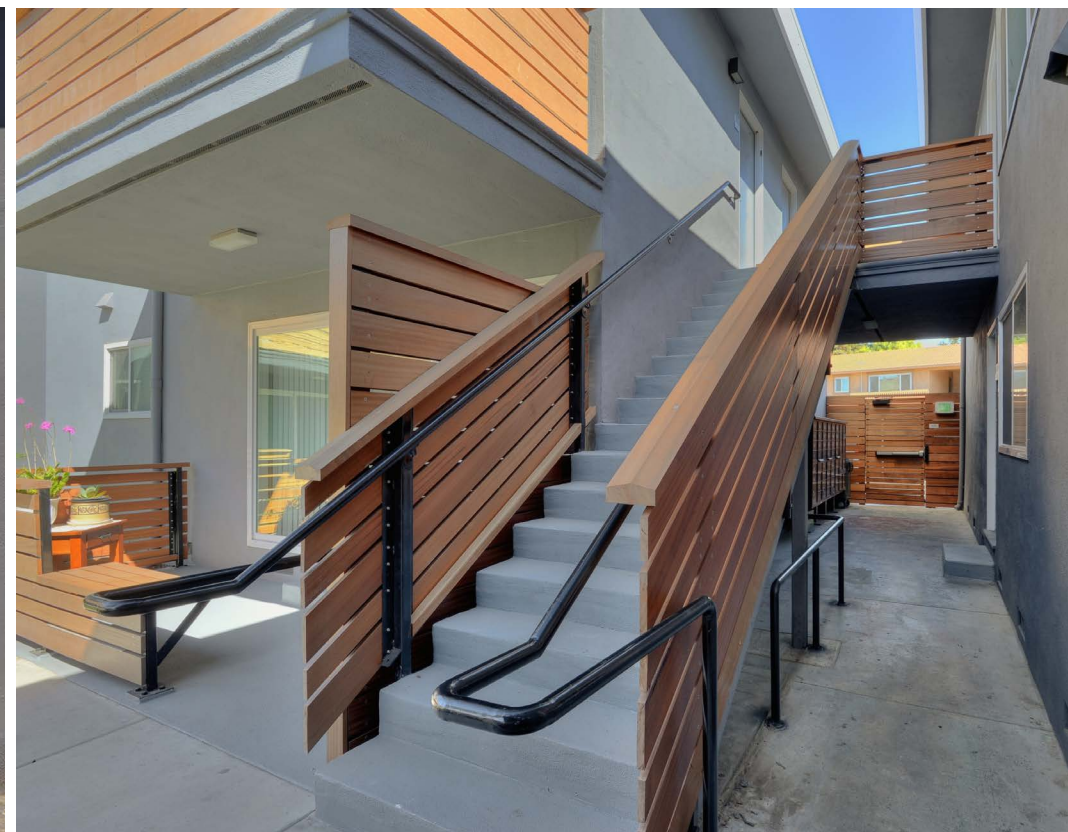
- Swimming pool
- Bike storage
- Wi-fi in community spaces
- Online rent payment and maintenance requests
- Covered parking
- Dog and cat friendly (weight and breed restrictions)
- Storage units
- On-site laundry
- Professional management / On-site manager
- Architect-designed lobby and community space
- Poolside gathering area
- Outdoor mural by Erik Otto
- Architect-designed gardens
- Drought-tolerant landscaping
- Secured entry

Unit Amenities

- All new kitchens and baths
- Stainless steel refrigerators, electric ranges, dishwashers and microwaves
- European cabinetry in kitchens and baths
- Balconies or patios (most units)
- Garbage disposals
- Ceiling fans in bedrooms
- Double-pane windows
- Modern lighting packages
- All new doors and fixtures
- Engineered wood plank and carpet floorings
- White quartz countertops in kitchens and baths
- Tile kitchen backsplashes
- Natural wood surrounds for balconies and patios
- 5.25" baseboards throughout
- Designer color scheme and motifs

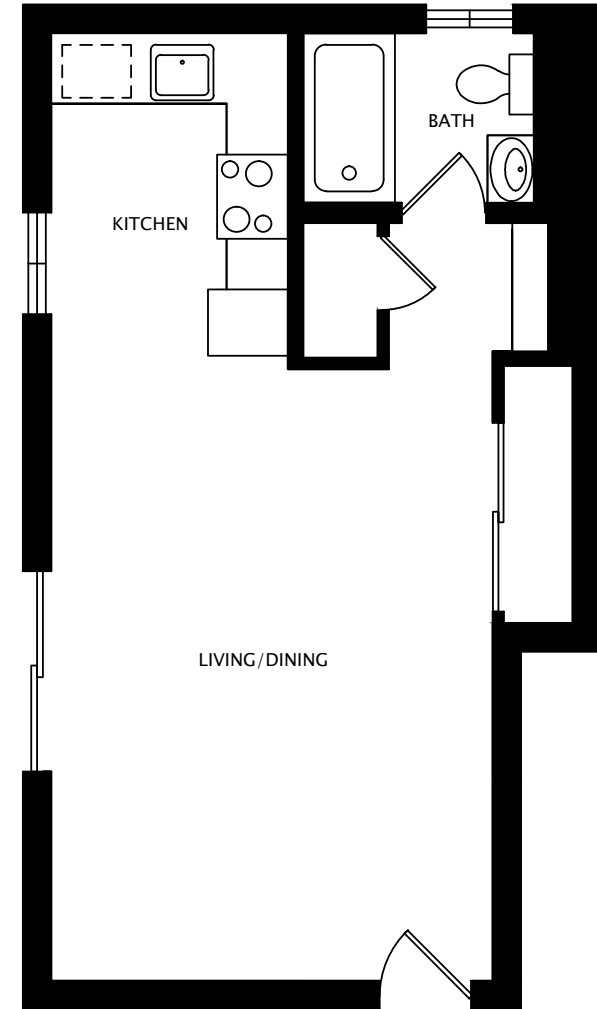
EXECUTIVE SUMMARY
PROPERTY DESCRIPTION
FINANCIAL ANALYSIS
COMPARABLES
MARKET OVERVIEW





Floor Plan - Studio

pksl studios are models of efficiency and the creative use of space. Each has been redesigned to appeal to residents who are on the go and prefer their home base simple yet comfortable. Kitchen, dining, and sleeping areas flow together to create a highly functional living space. Kitchens and baths feature white quartz countertops and vanities, along with European black cabinetry, tile backsplash, and stainless steel appliances. Plank and carpet flooring. Ceiling fans in sleeping alcoves.



EXECUTIVE SUMMARY

PROPERTY DESCRIPTION

FINANCIAL ANALYSIS

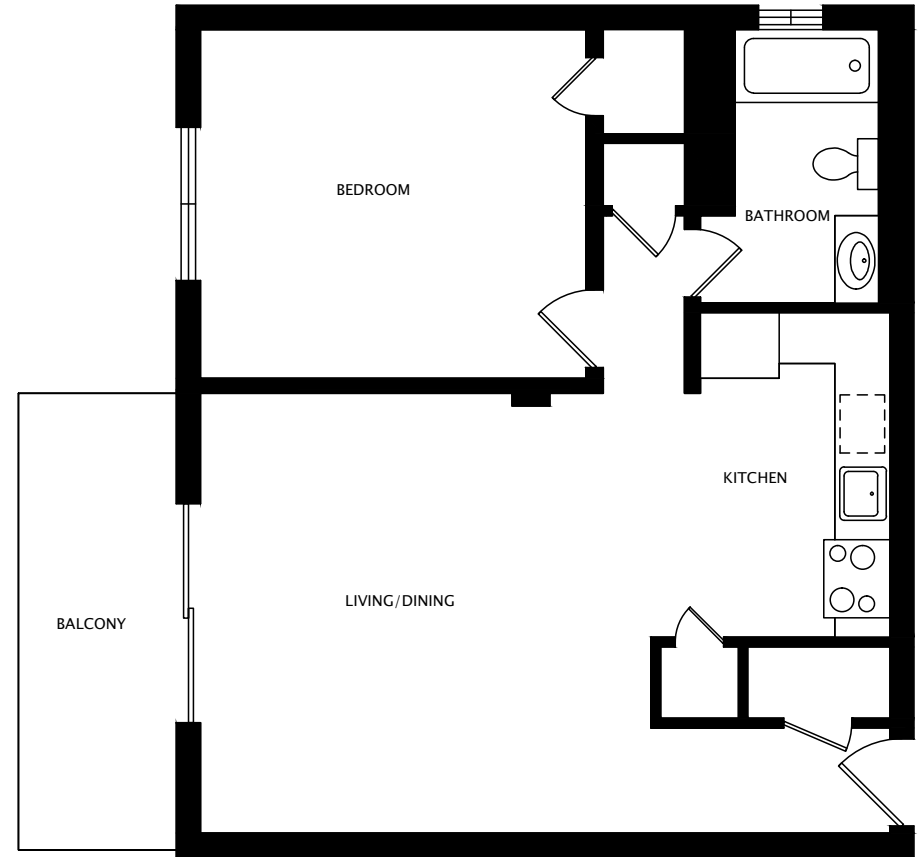
COMPARABLES

MARKET OVERVIEW

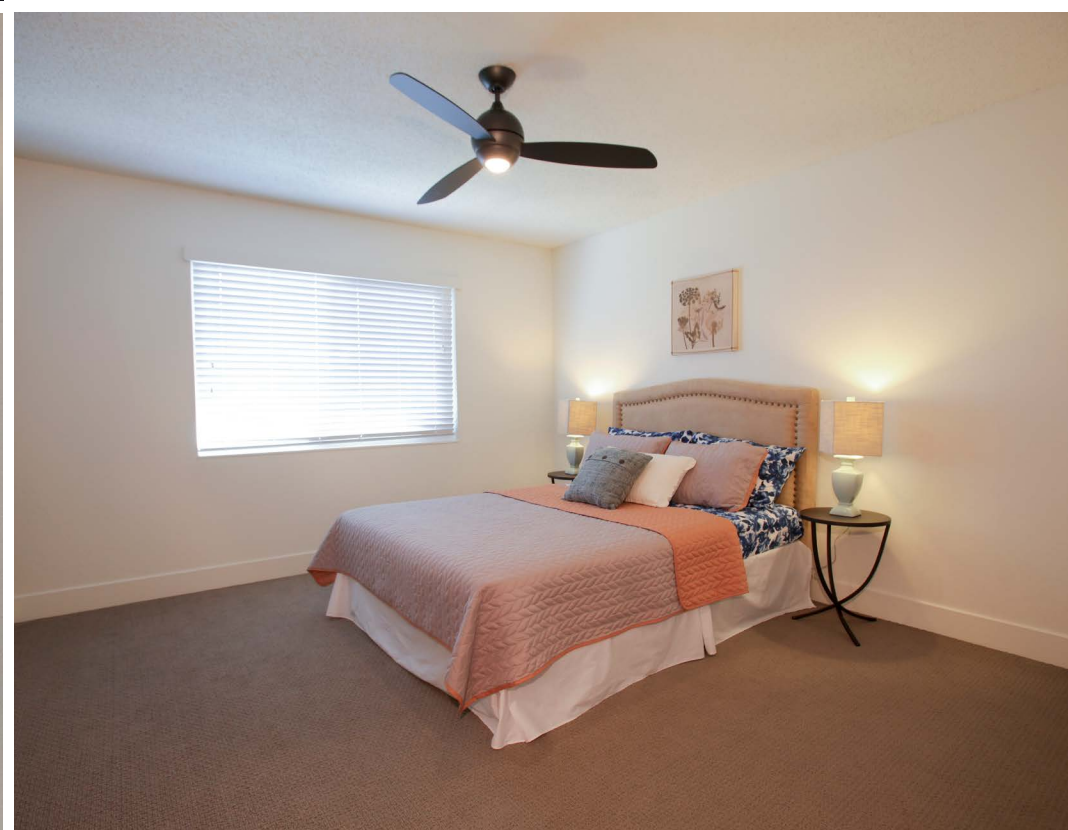
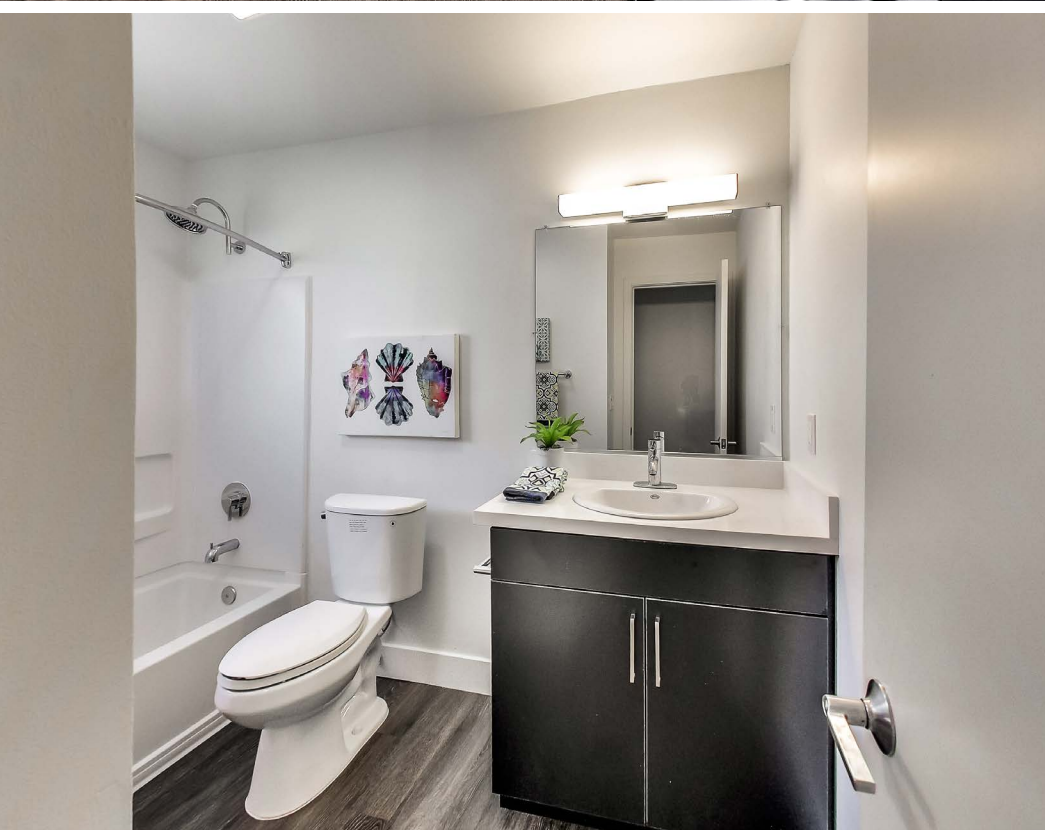


Floor Plan - One Bedroom/One Bathroom

Hip apartments with elements of privacy and quiet for those who like coming home to tranquility. Redesigned with designer touches to meet modern tastes. pksl black and white color scheme inspires the interior. Kitchens and baths feature quartz countertops and vanities, European cabinetry, tile backsplash, and stainless steel appliances. New plank and carpet flooring. Modern ceiling fan keeps light-filled bedroom cool.

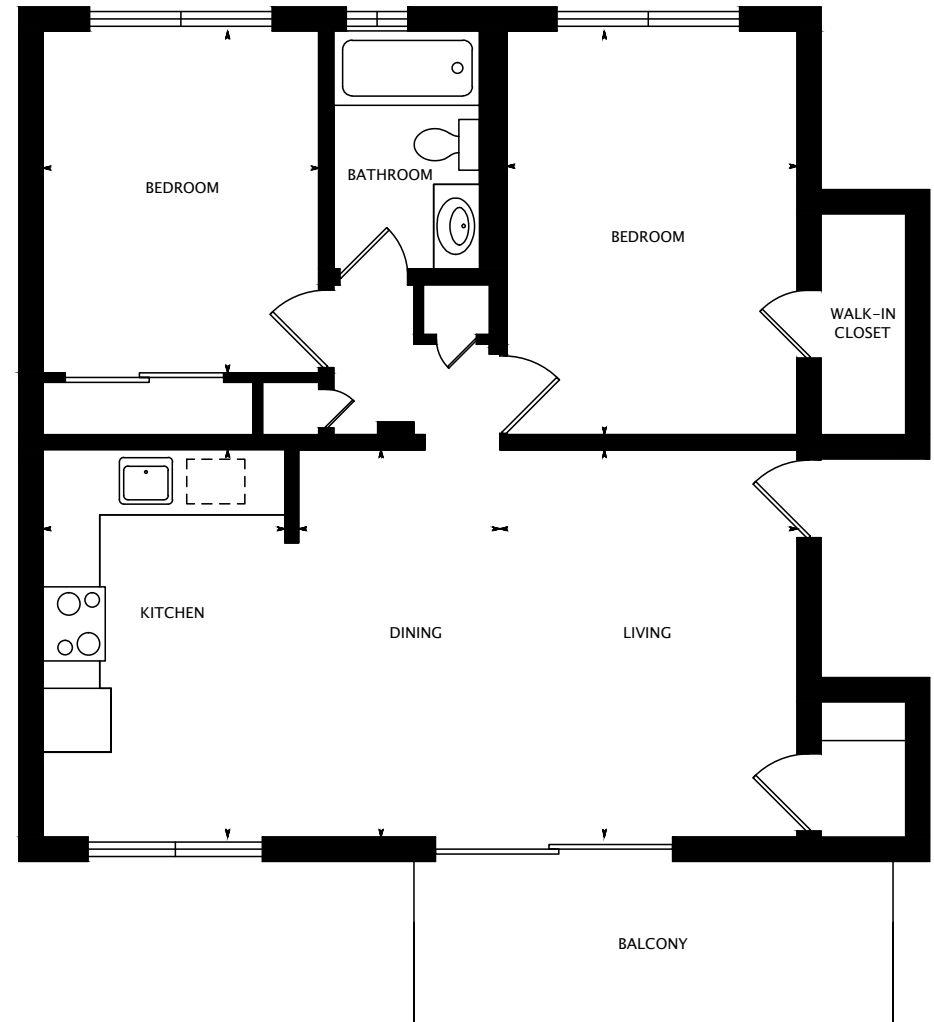
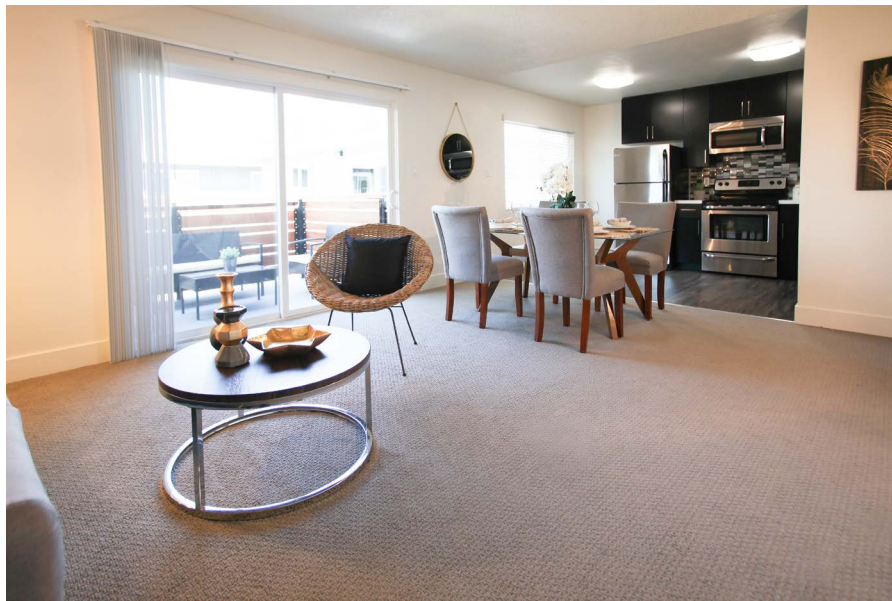


EXECUTIVE SUMMARY
PROPERTY DESCRIPTION
FINANCIAL ANALYSIS
COMPARABLES
MARKET OVERVIEW



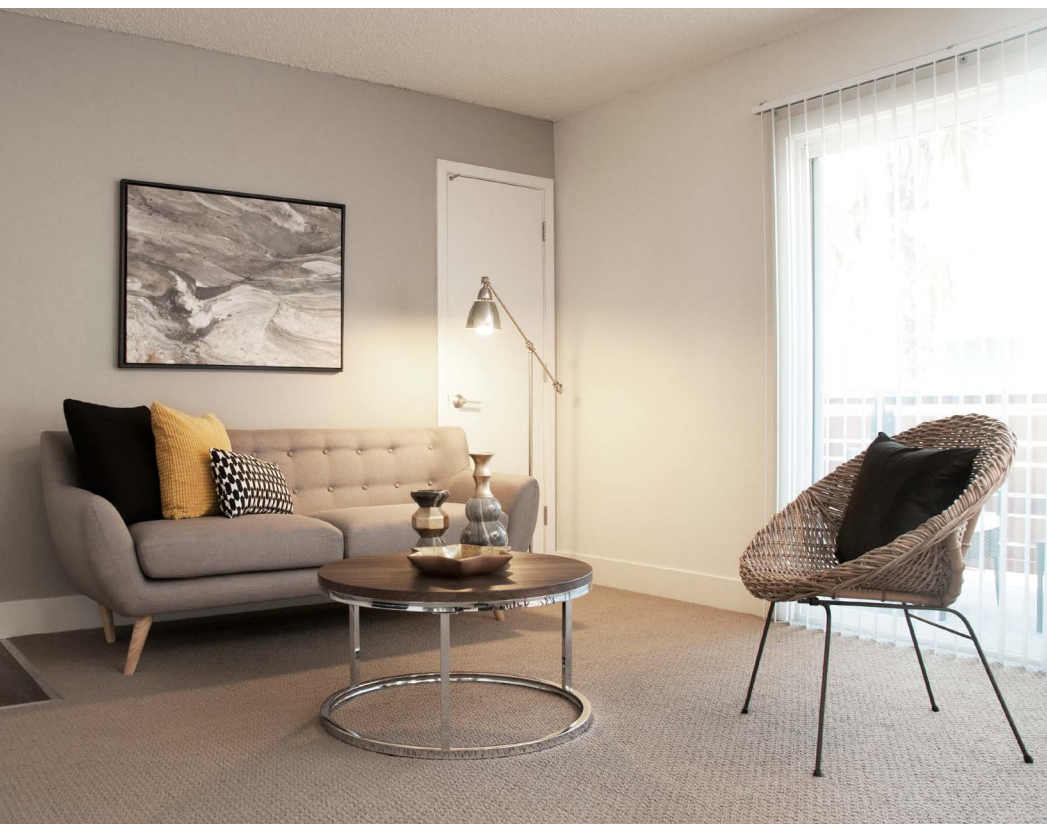
Floor Plan - Two Bedroom/One Bathroom

Residences for those who need the extra space for an office, family or guests, or a passion like meditation, yoga or gaming. Design qualities are consistent with pksl style. Black and white colors set the tone. New plank and carpet flooring. Renewed kitchens and baths featuring quartz counters and vanities, European cabinetry, tile backsplash and stainless steel appliances. Modern ceiling fans keep each bedroom cool.



EXECUTIVE SUMMARY
PROPERTY DESCRIPTION
FINANCIAL ANALYSIS
COMPARABLES
MARKET OVERVIEW

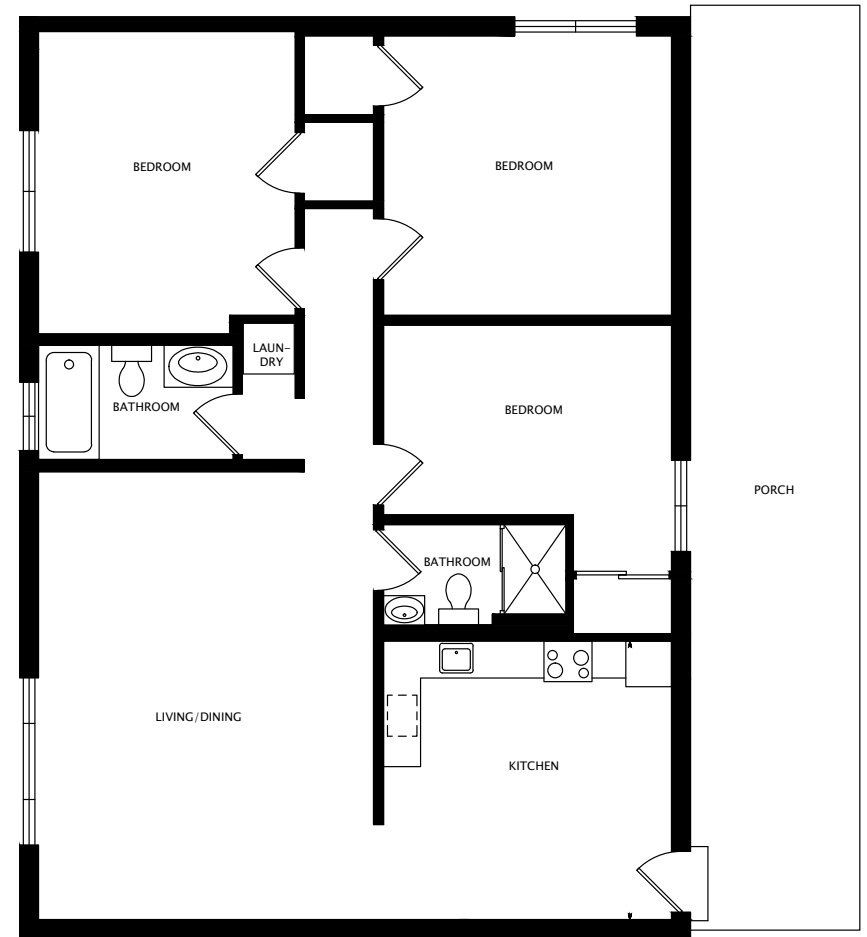






Floor Plan - Three Bedroom/Two Bathroom

The ultimate in pksl layout, design, and space. Three full-size bedrooms can accommodate a home office, family or guests, or areas dedicated to meditation, yoga, or gaming. Work, entertain, and relax with privacy. Sleek black and white colors flow throughout. Remodeled kitchens and baths feature quartz counters and vanities, European cabinetry, tile backsplash, and stainless steel appliances. Modern ceiling fans in each bedroom. New plank and carpet flooring.



EXECUTIVE SUMMARY

PROPERTY DESCRIPTION

FINANCIAL ANALYSIS

COMPARABLES

MARKET OVERVIEW





What's Nearby

Shopping

- Trader Joe's, Safeway and Sprouts Supermarkets
- Santana Row
- Westfield Valley Fair

Culture & Events

- Sunnyvale Farmer's Market
- Charles Street Gardens
- Stanford and Santa Clara Universities
- San Jose Museum of Art
- Tech Museum of Innovation
- Shoreline Amphitheatre
- SAP Center

Transportation

- Caltrain Sunnyvale and Lawrence Stations
- Santa Clara Valley Transportation Authority light rail and buses
- San Jose International Airport

Dining

- A Slice of New York
- Adamson's French Dip
- BonChon Chicken
- DishDash Restaurant
- Faultline Brewing Company
- Falafel Stop
- Habit Burger
- In-N-Out Burger
- Kabul
- Nom Burger
- Philz Coffee
- St. John's Bar and Grill



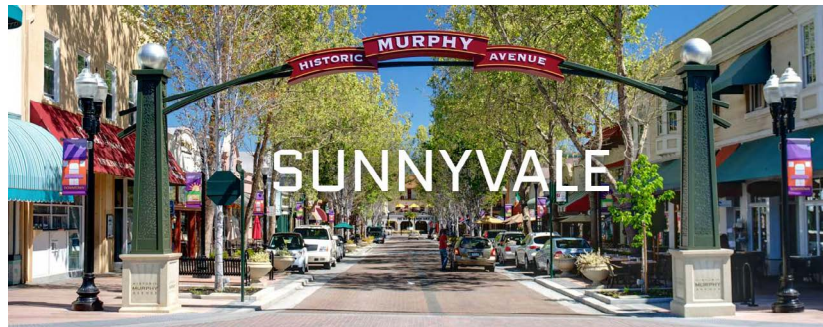
What's Nearby

Local Employers

- Apple
- Aruba Networks
- Bloom Energy
- Blue Coat Systems
- Dionex
- Finisar
- Fortinet
- Fujitsu Computer Products of America
- Google
- Infinera
- Infortrend
- Intuitive Surgical
- Juniper Networks
- LinkedIn
- NetApp
- Plaxo
- Rambus
- ShoreTel
- Spansion
- Trimble Navigation
- Yahoo!

Recreation

- 24 Hour Fitness
- Sunnyvale Golf Course
- Sunnyvale Tennis Center



Entertainment

- Downtown Sunnyvale Heritage District and Murphy Avenue
- Sunnyvale Theatre
- Levi's Stadium

EXECUTIVE SUMMARY
PROPERTY DESCRIPTION
FINANCIAL ANALYSIS
COMPARABLES
MARKET OVERVIEW

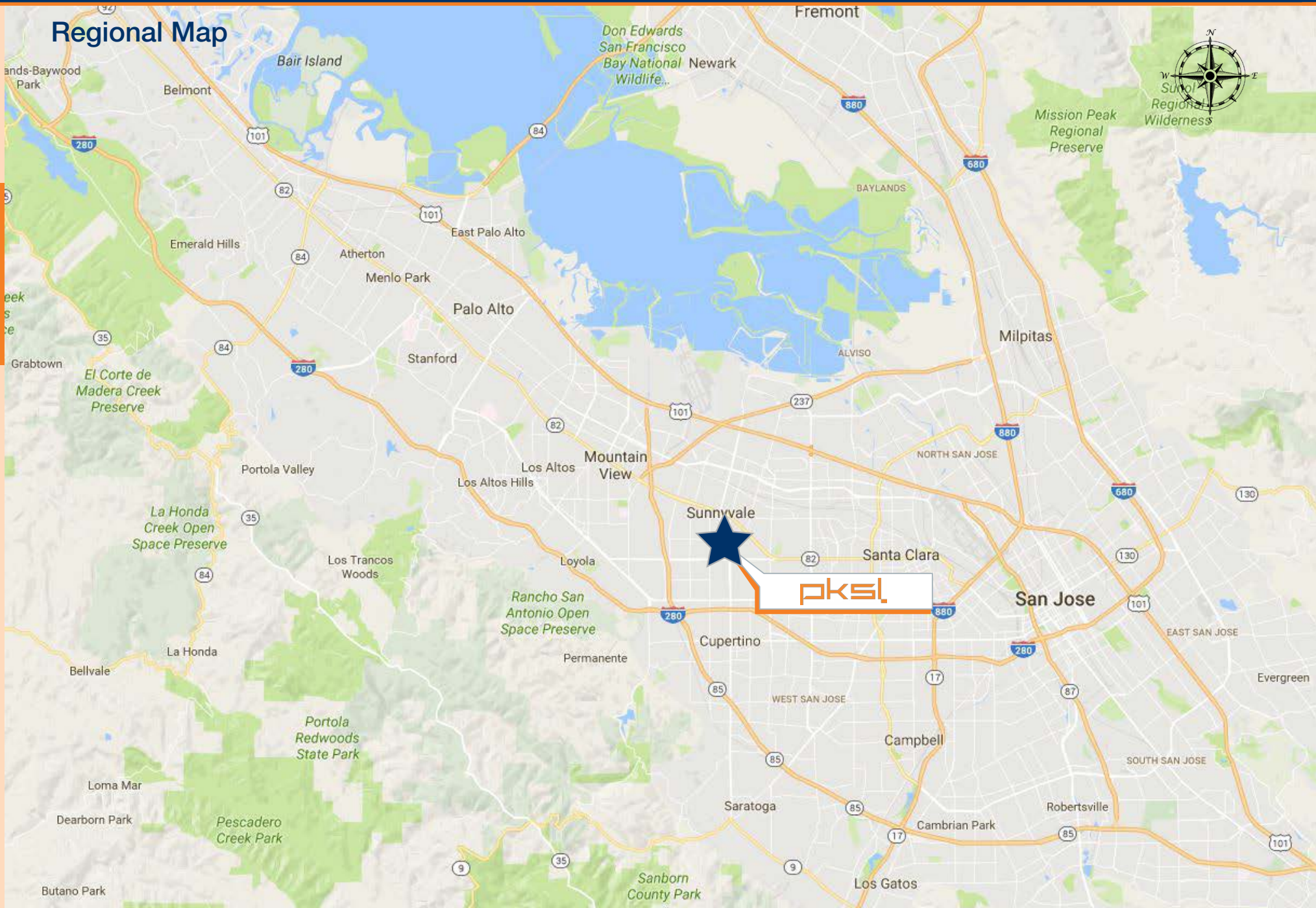
EXECUTIVE SUMMARY

PROPERTY DESCRIPTION

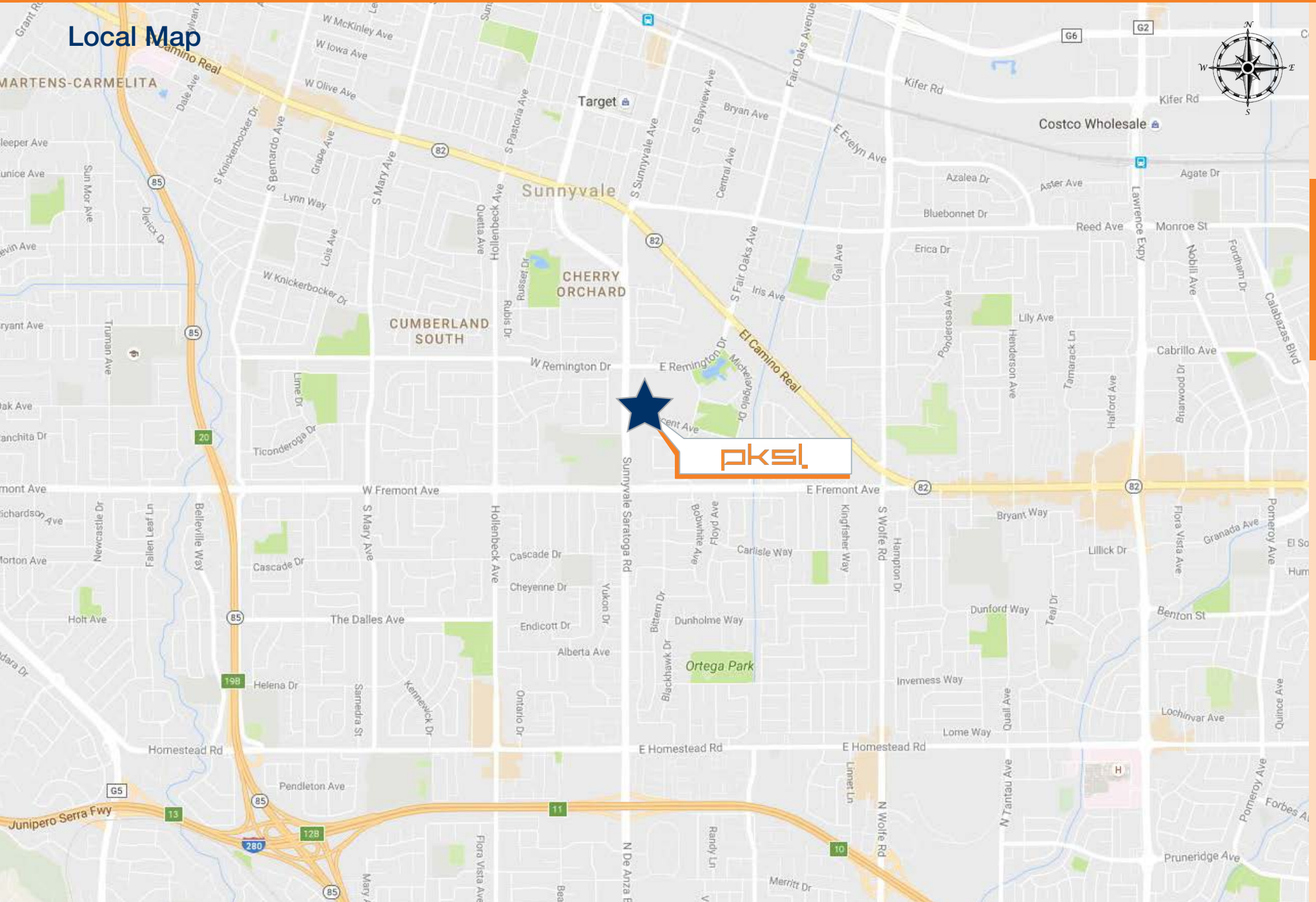
FINANCIAL ANALYSIS

COMPARABLES

MARKET OVERVIEW



Local Map



EXECUTIVE SUMMARY

PROPERTY DESCRIPTION

FINANCIAL ANALYSIS

COMPARABLES

MARKET OVERVIEW



EXECUTIVE SUMMARY

PROPERTY DESCRIPTION

FINANCIAL ANALYSIS

COMPARABLES

MARKET OVERVIEW

MOFFET PARK (4.4 miles from pksl)

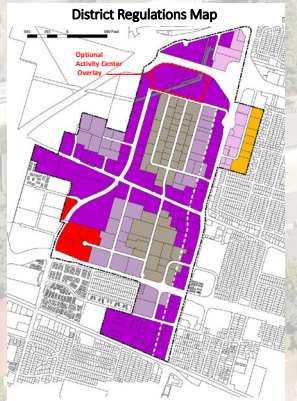


DOWNTOWN SUNNYVALE (1.4 miles from pksl)



PEERY PARK DISTRICT (1.7 miles from pksl)


A cutting edge workplace district that has been physically re-shaped to align with 21st century workplace trends and the innovation economy.





 **APPLE CAMPUS 2**
(2.4 miles from pksl)

 **APPLE HEADQUARTERS**
(1.8 miles from pksl)


KAISER PERMANENTE®
(2.9 miles from pksl)

 **FREMONT HIGH SCHOOL**
(.1 miles from pksl)





EXECUTIVE SUMMARY

PROPERTY DESCRIPTION

FINANCIAL ANALYSIS

COMPARABLES

MARKET OVERVIEW

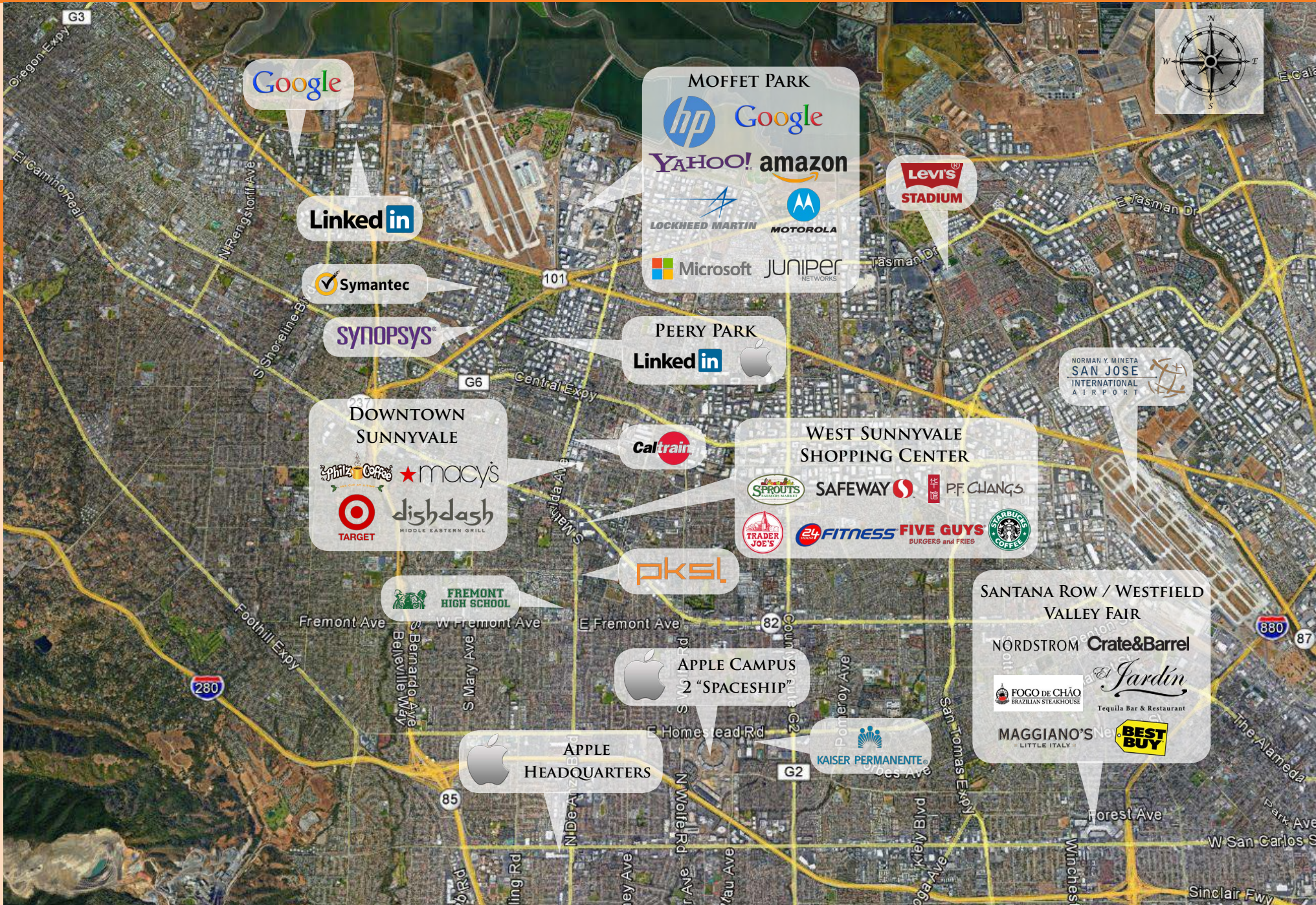
EXECUTIVE SUMMARY

PROPERTY DESCRIPTION

FINANCIAL ANALYSIS

COMPARABLES

MARKET OVERVIEW



analysis

FINANCIAL ANALYSIS



Marcus & Millichap

Financial Summary

Price	\$16,480,000
Price/Unit	\$445,405
Price/SF	\$622.00
Number of Units	37*
Rentable Square Feet	26,488**
Year Built/Renovated	1960/2016
Lot Size	1.21 Acres
Number of Buildings	7
Number of Stories	2
Asset Type	Multifamily

Vital Data

CAP Rate – Current	4.05%
GRM – Current	16.30
Net Operating Income – Current	\$667,854
CAP Rate – Pro Forma	4.59%
GRM – Pro Forma	15.25
Net Operating Income – Pro Forma	\$757,256

*Buyer to verify legal number of units.

**Unit square footages are approximate. Buyer to verify.



EXECUTIVE SUMMARY

PROPERTY DESCRIPTION

FINANCIAL ANALYSIS

COMPARABLES

MARKET OVERVIEW

Rent Roll Summary

UNIT TYPE	NUMBER OF UNITS	AVERAGE SQUARE FEET***	CURRENT RENTAL RANGE	CURRENT AVERAGE RENT	CURRENT AVERAGE RENT/SF	CURRENT MONTHLY INCOME	PROFORMA AVERAGE RENT	PROFORMA AVERAGE RENT/SF	PROFORMA MONTHLY INCOME
Studio	9	443	\$1,745 - \$1,995	\$1,906	\$4.30	\$17,155	\$1,995	\$4.50	\$17,955
1-Bdr/1-Ba	11	711	\$2,045 - \$2,295	\$2,166	\$3.05	\$23,825	\$2,295	\$3.23	\$25,245
2-Bdr/1-Ba	15	810	\$2,145 - \$2,645	\$2,427	\$3.00	\$36,400	\$2,645	\$3.27	\$39,675
3-Bdr/2-Ba A	1	1,200	\$3,295 - \$3,295	\$3,295	\$2.75	\$3,295	\$3,595	\$3.00	\$3,595
3-Bdr/2-Ba B	1	1,330	\$3,595 - \$3,595	\$3,595	\$2.70	\$3,595	\$3,595	\$2.70	\$3,595
Totals/Weighted Averages	37	716		\$2,278	\$3.18	\$84,270	\$2,434	\$3.40	\$90,065
Gross Annualized Rents				\$1,011,240			\$1,080,780		

*Buyer to verify legal number of units.

** On-site manager is currently residing in a 3-bedroom unit (15A). Current income assumes moving on-site into a standard 1-bedroom unit.

***Square footage is approximate. Buyer to verify

Rent Roll

UNIT NUMBER	UNIT TYPE	SQUARE FEET***	CURRENT RENT	CURRENT RENT/SF	SCHEDULED RENT	SCHEDULED RENT/SF	PROFORMA RENT	PROFORMA RENT/SF
1	2-Bdr/1-Ba	810	\$2,345	\$2.90	\$2,345	\$2.90	\$2,645	\$3.27
2	2-Bdr/1-Ba	810	\$2,645	\$3.27	\$2,645	\$3.27	\$2,645	\$3.27
3	2-Bdr/1-Ba	810	\$2,195	\$2.71	\$2,195	\$2.71	\$2,645	\$3.27
4	2-Bdr/1-Ba	810	Vacant	\$0.00	\$2,645	\$3.27	\$2,645	\$3.27
5	3-Bdr/2-Ba A	1,200	\$3,295	\$2.75	\$3,295	\$2.75	\$3,595	\$3.00
6	2-Bdr/1-Ba	810	\$2,495	\$3.08	\$2,495	\$3.08	\$2,645	\$3.27
7	2-Bdr/1-Ba	810	\$2,145	\$2.65	\$2,145	\$2.65	\$2,645	\$3.27
8	2-Bdr/1-Ba	810	Vacant	\$0.00	\$2,645	\$3.27	\$2,645	\$3.27
9	2-Bdr/1-Ba	810	\$2,545	\$3.14	\$2,545	\$3.14	\$2,645	\$3.27
10	2-Bdr/1-Ba	810	\$2,495	\$3.08	\$2,495	\$3.08	\$2,645	\$3.27
11	2-Bdr/1-Ba	810	\$2,145	\$2.65	\$2,145	\$2.65	\$2,645	\$3.27
11A	Studio	443	Vacant	\$0.00	\$1,995	\$4.50	\$1,995	\$4.50
12	2-Bdr/1-Ba	810	\$2,345	\$2.90	\$2,345	\$2.90	\$2,645	\$3.27
14	1-Bdr/1-Ba	711	\$2,145	\$3.02	\$2,145	\$3.02	\$2,295	\$3.23
15	2-Bdr/1-Ba	810	\$2,495	\$3.08	\$2,495	\$3.08	\$2,645	\$3.27
15A	3-Bdr/2-Ba B	1,330	\$3,595	\$2.70	\$3,595	\$2.70	\$3,595	\$2.70
16	2-Bdr/1-Ba	810	\$2,495	\$3.08	\$2,495	\$3.08	\$2,645	\$3.27
17	2-Bdr/1-Ba	810	\$2,470	\$3.05	\$2,470	\$3.05	\$2,645	\$3.27
18	2-Bdr/1-Ba	810	\$2,295	\$2.83	\$2,295	\$2.83	\$2,645	\$3.27
19	Studio	443	\$1,895	\$4.28	\$1,895	\$4.28	\$1,995	\$4.50
20	Studio	443	\$1,945	\$4.39	\$1,945	\$4.39	\$1,995	\$4.50

*Pre-leased. Move in date 3/15/2017.

EXECUTIVE SUMMARY
PROPERTY DESCRIPTION
FINANCIAL ANALYSIS
COMPARABLES
MARKET OVERVIEW

Rent Roll

UNIT NUMBER	UNIT TYPE	SQUARE FEET***	CURRENT RENT	CURRENT RENT/SF	SCHEDULED RENT	SCHEDULED RENT/SF	PROFORMA RENT	PROFORMA RENT/SF
21	Studio	443	\$1,995	\$4.50	\$1,995	\$4.50	\$1,995	\$4.50
22	Studio	443	\$1,995	\$4.50	\$1,995	\$4.50	\$1,995	\$4.50
23	1-Bdr/1-Ba	711	\$2,195	\$3.09	\$2,195	\$3.09	\$2,295	\$3.23
24	1-Bdr/1-Ba	711	\$2,295	\$3.23	\$2,295	\$3.23	\$2,295	\$3.23
25	1-Bdr/1-Ba	711	\$2,120	\$2.98	\$2,120	\$2.98	\$2,295	\$3.23
26	1-Bdr/1-Ba	711	\$2,200	\$3.09	\$2,200	\$3.09	\$2,295	\$3.23
27	1-Bdr/1-Ba	711	\$2,145	\$3.02	\$2,145	\$3.02	\$2,295	\$3.23
28	1-Bdr/1-Ba	711	\$2,045	\$2.88	\$2,045	\$2.88	\$2,295	\$3.23
29	1-Bdr/1-Ba	711	\$2,095	\$2.95	\$2,095	\$2.95	\$2,295	\$3.23
30	1-Bdr/1-Ba	711	\$2,195	\$3.09	\$2,195	\$3.09	\$2,295	\$3.23
31	1-Bdr/1-Ba	711	\$2,195	\$3.09	\$2,195	\$3.09	\$2,295	\$3.23
32	1-Bdr/1-Ba	711	\$2,195	\$3.09	\$2,195	\$3.09	\$2,295	\$3.23
33	Studio	443	\$1,795	\$4.05	\$1,795	\$4.05	\$1,995	\$4.50
34	Studio	443	\$1,795	\$4.05	\$1,795	\$4.05	\$1,995	\$4.50
35	Studio	443	\$1,995	\$4.50	\$1,995	\$4.50	\$1,995	\$4.50
36	Studio	443	\$1,745	\$3.94	\$1,745	\$3.94	\$1,995	\$4.50
Total		26,488	\$76,985	\$3.15	\$84,270	\$3.18	\$90,065	\$3.40

*Buyer to verify legal number of units.

** On-site manager is currently residing in a 3-bedroom unit (15A). Current income assumes moving on-site into a standard 1-bedroom unit.

***Square footage is approximate. Buyer to verify

EXECUTIVE SUMMARY

PROPERTY DESCRIPTION

FINANCIAL ANALYSIS

COMPARABLES

MARKET OVERVIEW

Operating Statement

EXECUTIVE SUMMARY

PROPERTY DESCRIPTION

FINANCIAL ANALYSIS

COMPARABLES

MARKET OVERVIEW

Income	Current		Proforma		Notes	Per Unit	Per SF
Gross Potential Rent	1,080,780		1,134,819		[1]	30,671	42.84
Loss / Gain to Lease	(69,540)	6.4%	(54,039)	4.8%	[2]	(1,461)	(2.04)
Gross Scheduled Rent	1,011,240		1,080,780		[3]	29,210	40.80
Total Vacancy	(\$30,337)	3.0%	(\$32,423)	3.0%		(\$876)	(\$1)
Effective Rental Income	980,903		1,048,357		[5]	28,334	39.58
Other Income							
Utility Bill-Back	22,938		44,440		[6]	1,201	1.68
All Other Income	9,311		9,311		[7]	252	0.35
Total Other Income	\$32,249		\$53,751			\$1,453	\$2.03
Effective Gross Income	\$1,013,151		\$1,102,107			\$29,787	\$41.61

Expenses	Current		Proforma		Notes	Per Unit	Per SF
Real Estate Taxes	189,741		189,741		[8]	5,128	7.16
Insurance	6,216		6,216		[9]	168	0.23
Utilities - Electric	6,464		6,464		[10]	175	0.24
Utilities - Gas	8,800		8,800		[10]	238	0.33
Utilities - Water	10,351		10,351		[10]	280	0.39
Utilities - Sewer	10,997		10,997		[10]	297	0.42
Utilities - Garbage & Recycling	18,887		18,887		[10]	510	0.71
Repairs & Maintenance	11,010		11,010		[11]	298	0.42
Contract Services	10,412		10,412		[12]	281	0.39
Resident Manager Payroll	20,000		20,000		[13]	541	0.76
Administrative	9,559		6,000		[14]	162	0.23
Operating Reserves	7,400		7,400		[15]	200	0.28
Management Fee	35,460	3.5%	38,574	3.5%	[16]	1,043	1.46
Total Expenses	\$345,297		\$344,852			\$9,320	\$13.02
Expenses as % of EGI	34.1%		31.3%				
Net Operating Income	\$667,854		\$757,256			\$20,466	\$28.59

*Notes and assumptions to the above analysis are on the following page.

Notes

Notes to Operating Statement

- [1] Gross Potential Rent - Based on all units at market rent
- [2] Loss to Lease - Based on February 2017 rent roll
- [3] Gross Scheduled Rent - Shows annualized rental collections based on February 2017 rent roll
- [4] Physical Vacancy - Used a market rate of 3%
- [5] Effective Rental Income
- [6] Utility Bill Back - Current based on trailing 12 operating statement. Proforma projected at \$100/unit/month
- [7] Other Income - Includes: NSF/Application/Late Fees, Laundry Income, Deposit Forfeiture, and Misc. Income. Based on trailing 12 operating statement
- [8] Real Estate Taxes - Based on list price and includes direct assessments (tax rate - 1.1466%, Direct Assessments: \$781.58)
- [9] Insurance - Quote obtained from Ross Peterson at Willow Glen Insurance Agency
- [10] Utilities - Based on trailing 12 operating statement
- [11] Repairs & Maintenance - Based on trailing 12 operating statement
- [12] Contract Services - Includes: Gardening, Janitorial Expense, Swimming Pool Maintenance, Pest Control, and Fire Extinguishers. Based on trailing 12 operating statement
- [13] Resident Manager Payroll - On-site manager is currently residing in a 3-bedroom unit. Payroll expense assumes moving the manager to a standard 1-Bedroom unit for which the manager pays full market value for and receives a full time employee salary at \$10/hour
- [14] Administrative Expense - Includes: Credit check fees, internet/website, office supplies, postage/delivery, printing/reproduction, & office telephone. Current based on trailing 12 operating statement. Proforma estimated at \$500/month
- [15] Operating Reserves - Estimated at \$200/unit
- [16] Management Fee - Estimated at 3.5% of Effective Gross Income

Current Pricing

EXECUTIVE SUMMARY

PROPERTY DESCRIPTION

FINANCIAL ANALYSIS

COMPARABLES

MARKET OVERVIEW

Price	\$16,480,000
Price Per Unit	\$445,405
Price Per Square Foot	\$622.17

Analysis Period	Cap Rate
Proforma	4.59%
Current	4.05%

Analysis Period	GRM
Proforma	15.25
Current	16.30



Property Detail			
Current Physical Occupancy	91.89%	Total Number of Units	37
Average Monthly Rent Per Unit	\$2,278	Total Square Feet	26,488
Asset / Location Class	B	Average Square Feet Per Unit	716
Asset Type	Multifamily	Year of Construction	1960

*Buyer to verify legal number of units.

**Unit square footages are approximate. Buyer to verify.

Pricing Detail

Summary		
Price	\$16,480,000	
Down Payment	\$16,480,000	100%
Number of Units	37*	
Price Per Unit	\$445,405	
Price Per SqFt	\$622.17	
Rentable SqFt	26,488**	
Lot Size (SqFt)	52,707	
Approx. Year Built	1960	

Returns	Current	Pro-Forma
CAP Rate	4.05%	4.59%
GRM	16.30	15.25

# Of Units	Unit Type	Average SF/Unit	Average Current Rents	Market Rents
9	Studio	443	\$1,895	\$1,995
11	1-Bedroom/1-Bathroom	711	\$2,166	\$2,295
15	2-Bedroom/1-Bathroom	810	\$2,393	\$2,645
2	3-Bedroom/2-Bathroom	1265	\$3,445	\$3,595

*Buyer to verify legal number of units.

**Unit square footages are approximate. Buyer to verify.

Income	Current		Pro-Forma	
Gross Scheduled Rent		\$1,011,240		\$1,080,780
Less: Vacancy/Deductions (GPR)	3.0%	\$30,337	3.0%	\$32,423
Total Effective Rental Income		\$980,903		\$1,048,357
Other Income		\$32,249		\$53,751
Effective Gross Income		\$1,013,151		\$1,102,107
Less: Expenses	34.1%	\$345,297	31.3%	\$344,852
Net Operating Income		\$667,854		\$757,256

Expenses	Current	Pro-Forma
Real Estate Taxes	\$189,741	\$189,741
Insurance	\$6,216	\$6,216
Utilities - Electric	\$6,464	\$6,464
Utilities - Gas	\$8,800	\$8,800
Utilities - Water	\$10,351	\$10,351
Utilities - Sewer	\$10,997	\$10,997
Utilities - Garbage & Recycling	\$18,887	\$18,887
Repairs & Maintenance	\$11,010	\$11,010
Contract Services	\$10,412	\$10,412
Resident Manager Payroll	\$20,000	\$20,000
Administrative	\$9,559	\$6,000
Operating Reserves	\$7,400	\$7,400
Management Fee	\$35,460	\$38,574
Total Expenses	\$345,297	\$344,852
Expenses/Unit	\$9,332	\$9,320
Expenses/SF	\$13.04	\$13.02



EXIT

HIT LIST
David Guetta / Sia
"Titanium" / Sia
"Thinking Out Loud" / Ed Sheeran (2015)

DID YOU KNOW?
David's song with Block
Eyes Open, "I Gotta
Feeling," became the
highest-selling digital
track ever in 2010

800-429-0805

Movies	TV Shows	Music	Computers	Settings
CBS SPORTS	NBC	abc	FOX NOW	FXNOW
USA NOW	PBS	PBS KIDS	YouTube	CNBC
CW go	abc NEWS	Sky News	CBS NEWS	NBC Sports

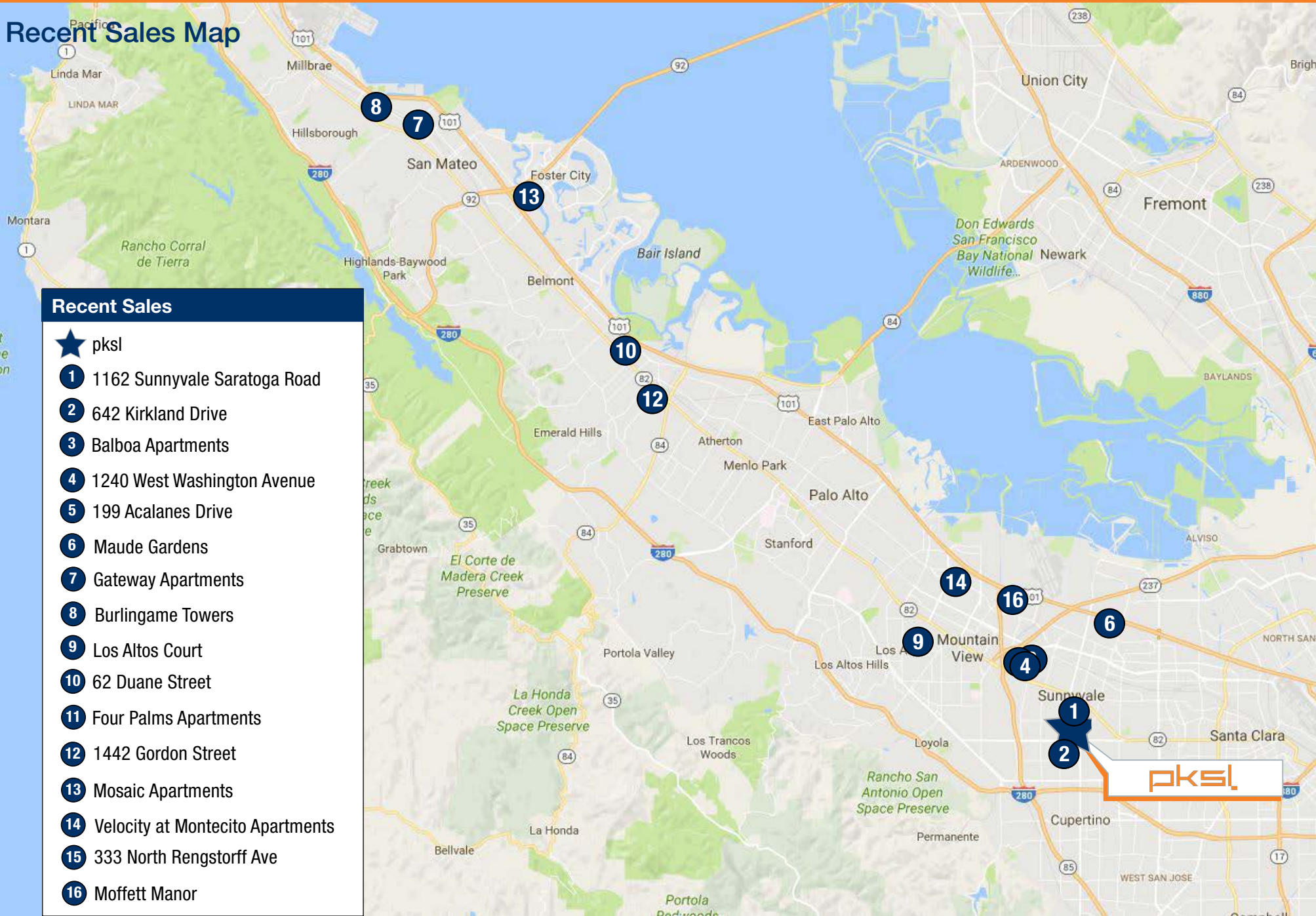
competitive

COMPETITIVE PROPERTY SET



Marcus & Millichap

Recent Sales Map



Recent Sales




- ★ pksl
- 1 1162 Sunnyvale Saratoga Road
- 2 642 Kirkland Drive
- 3 Balboa Apartments
- 4 1240 West Washington Avenue
- 5 199 Acalanes Drive
- 6 Maude Gardens
- 7 Gateway Apartments
- 8 Burlingame Towers
- 9 Los Altos Court
- 10 62 Duane Street
- 11 Four Palms Apartments
- 12 1442 Gordon Street
- 13 Mosaic Apartments
- 14 Velocity at Montecito Apartments
- 15 333 North Rengstorff Ave
- 16 Moffett Manor



EXECUTIVE SUMMARY
PROPERTY DESCRIPTION
FINANCIAL ANALYSIS
COMPARABLES
MARKET OVERVIEW

Recent Sales

★ **pksl** 1090 Sunnyvale Saratoga Road, Sunnyvale, CA 94087




Offering Price	\$16,480,000
Price/Unit	\$445,405
Price/SF	\$622.00
CAP Rate	4.05%
GRM	16.30
Total No. of Units	37*
Year Built/Renovated	1960/2016

Units	Unit Type
9	Studio*
11	1BR/1BA
15	2BR/1BA
2	3BR/2BA

*Buyer to verify legal number of units.


1 1162 Sunnyvale Saratoga Road, Sunnyvale, CA 94087



Close of Escrow	2/10/2016
Sales Price	\$4,400,000
Price/Unit	\$440,000
Price/SF	\$611.00
CAP Rate	3.01%
GRM	25.98
Total No. of Units	10
Year Built	1952

Units	Unit Type
5	2BR/1BA
5	1BR/1BA

2 642 Kirkland Drive, Sunnyvale, CA 94087



Close of Escrow	1/27/2016
Sales Price	\$3,100,000
Price/Unit	\$442,857
Price/SF	\$470.00
CAP Rate	2.75%
GRM	20.26
Total No. of Units	7
Year Built	1961

Units	Unit Type
5	2BR/1BA
2	1BR/1BA

Recent Sales

EXECUTIVE SUMMARY

PROPERTY DESCRIPTION

FINANCIAL ANALYSIS

COMPARABLES

MARKET OVERVIEW

3 Balboa Apartments 1228 Balboa Court, Sunnyvale, CA 94086



Close of Escrow	7/31/2015
Sales Price	\$7,750,000
Price/Unit	\$430,556
Price/SF	\$467.00
CAP Rate	3.54%
GRM	16.72
Total No. of Units	18
Year Built	1964

Units	Unit Type
10	1BR/1BA
8	2BR/1BA

4 1240 West Washington Avenue, Sunnyvale, CA 94086



Close of Escrow	9/30/2015
Sales Price	\$7,650,000
Price/Unit	\$425,000
Price/SF	\$457.00
Total No. of Units	18
Year Built	1969

Units	Unit Type
6	1BR/1BA
8	2BR/2BA
4	3BR/2BA

5 199 Acalanes Drive, Sunnyvale, CA 94086



Close of Escrow	11/17/2015
Sales Price	\$5,600,000
Price/Unit	\$400,000
Price/SF	\$421.00
CAP Rate	3.38%
GRM	17.23
Total No. of Units	14
Year Built	1969

Units	Unit Type
2	1BR/1BA
10	2BR/1BA
2	2BR/2BA

Recent Sales

6 Maude Gardens 524 East Maude Avenue, Sunnyvale, CA 94085



Close of Escrow	4/19/2016
Sales Price	\$14,800,000
Price/Unit	\$352,381
Price/SF	\$617.00
CAP Rate	4.31%
GRM	15.03
Total No. of Units	42
Year Built	1958

Units	Unit Type
1	Studio
40	1BR/1BA
1	2BR/1.5BA

7 Gateway Apartments 438 North El Camino Real, San Mateo, CA 94401



Close of Escrow	6/24/2016
Sales Price	\$11,455,000
Price/Unit	\$477,292
Price/SF	\$655.00
CAP Rate	3.47%
GRM	18.09
Total No. of Units	24
Year Built	1960

Units	Unit Type
18	1BR/1BA
6	2BR/1BA

8 Burlingame Towers 1469 Bellevue Avenue, Burlingame, CA 94010



Close of Escrow	10/1/2015
Sales Price	\$40,575,000
Price/Unit	\$477,353
Price/SF	\$541.00
Total No. of Units	85
Year Built	1962

Units	Unit Type
51	1BR/1BA
4	2BR/1BA
26	2BR/2BA
4	3BR/2BA

EXECUTIVE SUMMARY
PROPERTY DESCRIPTION
FINANCIAL ANALYSIS
COMPARABLES
MARKET OVERVIEW

Recent Sales

EXECUTIVE SUMMARY

PROPERTY DESCRIPTION

FINANCIAL ANALYSIS

COMPARABLES

MARKET OVERVIEW

9 Los Altos Court 848-854 Jordan Avenue, Los Altos, CA 94022



Close of Escrow	6/14/2016
Sales Price	\$32,422,500
Price/Unit	\$578,973
Price/SF	\$721.00
CAP Rate	4.00%
GRM	16.25
Total No. of Units	56
Year Built	1962

Units	Unit Type
8	Studio
36	1BR/1BA
12	2BR/1BA

10 62 Duane Street, Redwood City, CA 94062



Close of Escrow	10/21/2015
Sales Price	\$7,950,000
Price/Unit	\$496,875
Price/SF	\$504.00
CAP Rate	3.18%
GRM	19.88
Total No. of Units	16
Year Built	1963

Units	Unit Type
16	1BR/1BA

11 Four Palms Apartments 1277-1283 Ayala Drive, Sunnyvale, CA 94086



Close of Escrow	8/30/2016
Sales Price	\$7,047,000
Price/Unit	\$440,483
Price/SF	\$589.00
CAP Rate	3.27%
GRM	17.86
Total No. of Units	16
Year Built	1964

Units	Unit Type
7	1BR/1BA
8	2BR/1BA
1	3BR/2BA

Recent Sales

12

1442 Gordon Street, Redwood City, CA 94061



Close of Escrow	5/25/2016
Sales Price	\$6,800,000
Price/Unit	\$485,714
Price/SF	\$421.00
CAP Rate	4.14%
GRM	16.51
Total No. of Units	14
Year Built	1964

Units	Unit Type
12	2BR/2BA
2	3BR/2BA

13

Mosaic Apartments

3110 Casa de Campo, San Mateo, CA 94403



Close of Escrow	4/11/2016
Sales Price	\$62,500,000
Price/Unit	\$428,082
Price/SF	\$429.00
CAP Rate	4.84%
GRM	13.43
Total No. of Units	146
Year Built	1965

Units	Unit Type
24	Studio/0BA
12	1BR/1BA
48	2BR/1BA
36	2BR/1.5BA
26	3BR/1.5BA

14

Velocity at Montecito Apartments

2044 Montecito Avenue, Mountain View, CA 94043



Close of Escrow	11/20/2015
Sales Price	\$23,400,000
Price/Unit	\$450,000
Price/SF	\$665.00
CAP Rate	3.00%
GRM	21.66
Total No. of Units	52
Year Built	1963

Units	Unit Type
36	1BR/1BA
16	2BR/2BA

Recent Sales

EXECUTIVE SUMMARY

PROPERTY DESCRIPTION

FINANCIAL ANALYSIS

COMPARABLES

MARKET OVERVIEW

15

333 North Rengstorff Avenue, Mountain View, CA 94043



Close of Escrow	7/2/2015
Sales Price	\$19,000,000
Price/Unit	\$593,750
Price/SF	\$467.00
CAP Rate	1.75%
GRM	27.01
Total No. of Units	32
Year Built	1965

Units	Unit Type
16	2BR/1.5BA
16	3BR/2.5BA

16

Moffett Manor

535 Walker Drive, Mountain View, CA 94043

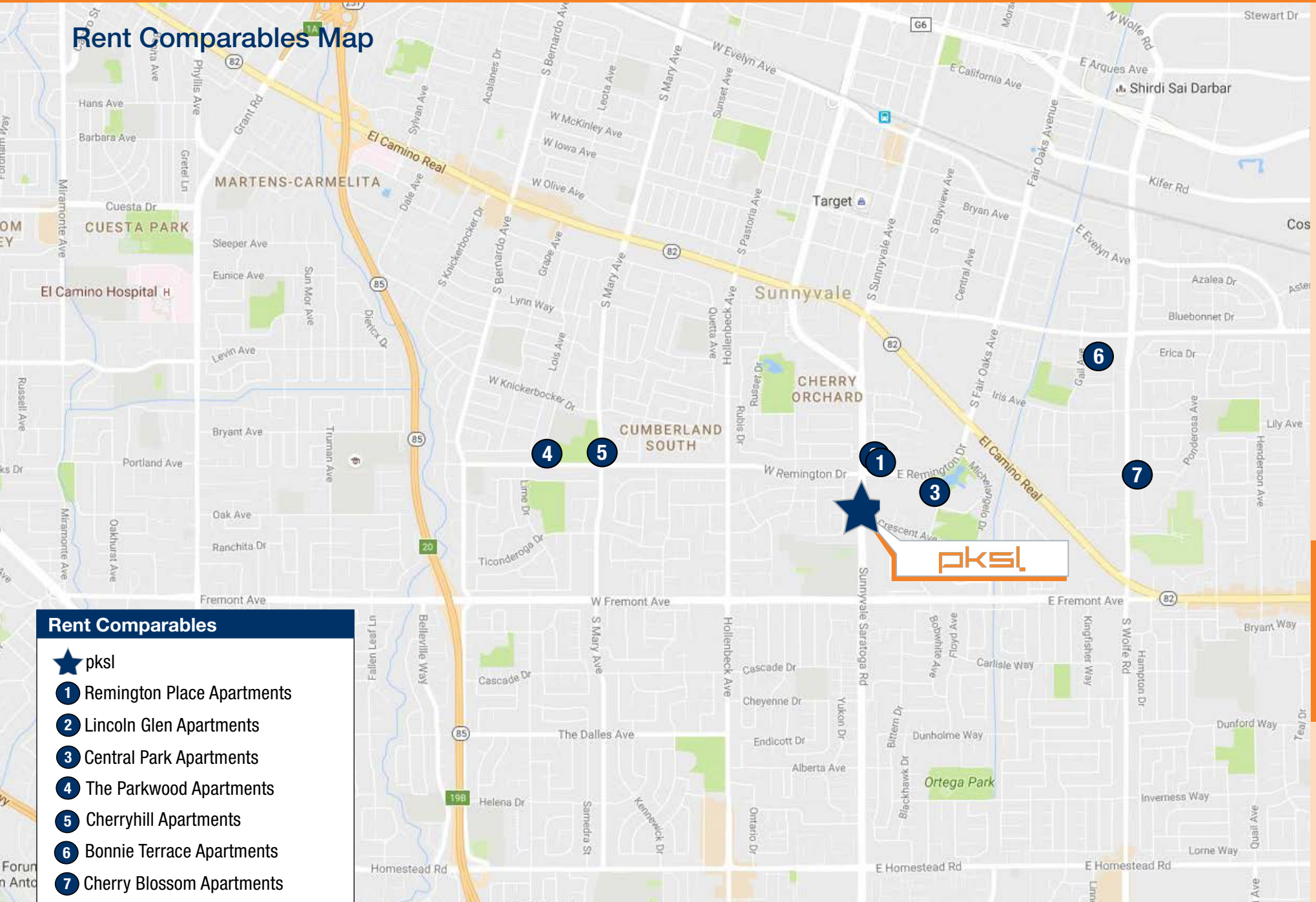


	On Market
Sales Price	\$26,800,000
Price/Unit	\$478,571
Price/SF	\$583.00
CAP Rate	4.79%
GRM	13.88
Total No. of Units	56
Year Built	1964

Units	Unit Type
6	Studio
20	1BR/1BA
30	2BR/1BA

COMMENTS: CAP Rate and GRM based on Pro Forma numbers.

Rent Comparables Map



Rent Comparables

- ★ pksl
- 1 Remington Place Apartments
- 2 Lincoln Glen Apartments
- 3 Central Park Apartments
- 4 The Parkwood Apartments
- 5 Cherryhill Apartments
- 6 Bonnie Terrace Apartments
- 7 Cherry Blossom Apartments

EXECUTIVE SUMMARY
PROPERTY DESCRIPTION
FINANCIAL ANALYSIS
COMPARABLES
MARKET OVERVIEW

Rent Comparables

EXECUTIVE SUMMARY

PROPERTY DESCRIPTION

FINANCIAL ANALYSIS

COMPARABLES

MARKET OVERVIEW



pksl

1090 Sunnyvale Saratoga Road, Sunnyvale, CA 94087



No. of Units:	37*
Year Built/Renovated:	1960/2016

Unit Type	Units	SF	Rent	Rent/SF
Studio*	9	443	\$1,895.00	\$4.28
1BR/1BA	11	711	\$2,165.91	\$3.05
2BR/1BA	15	810	\$2,393.08	\$2.95
3BR/2BA	2	1,265	\$3,445.00	\$2.72
Total/Wtd. Avg.	37	807		

*Buyer to verify legal number of units.

1

Remington Place Apartments

120 East Remington Drive, Sunnyvale, CA 94087



No. of Units:	108
Year Built:	1972

Unit Type	SF	Rent	Rent/SF
Studio/1BA	500	\$1,950-\$2,125	\$4.08
1BR/1BA	600	\$2,125-\$2,375	\$3.75
Total/Wtd. Avg.	550	\$2,143.75	\$3.92

2

Lincoln Glen Apartments

150 East Remington Drive, Sunnyvale, CA 94087



No. of Units:	88
Year Built:	1977

Unit Type	SF	Rent	Rent/SF
Studio/1BA	383	\$1,924-\$1,960	\$5.08
1BR/1BA	563	\$2,309-\$2,584	\$4.35
2BR/1BA	824	\$2,935	\$3.57
Total/Wtd. Avg.	590	\$2,342.40	\$4.33

Rent Comparables

EXECUTIVE SUMMARY
PROPERTY DESCRIPTION
FINANCIAL ANALYSIS
COMPARABLES
MARKET OVERVIEW

3 Central Park Apartments 1055 Manet Drive, Sunnyvale, CA 94087



No. of Units:	88
Year Built:	1977

Unit Type	SF	Rent	Rent/SF
1BR/1BA	720	\$2,415	\$3.36
2BR/1BA	924	\$3,035	\$3.29
Total/Wtd. Avg.	822	\$2,725.00	\$3.33

4 The Parkwood Apartments 1032 West Remington Drive, Sunnyvale, CA 94087



No. of Units:	40
Year Built:	1957

Unit Type	SF	Rent	Rent/SF
1BR/1BA	560	\$2,345	\$4.19
2BR/1BA	655	\$3,095	\$4.73
3BR/2BA	770	\$3,850	\$5.00
Total/Wtd. Avg.	662	\$3,096.67	\$4.64

5 Cherryhill Apartments 902 West Remington Drive, Sunnyvale, CA 94087



No. of Units:	244
Year Built:	1962

Unit Type	SF	Rent	Rent/SF
1BR/1BA	656	\$2,328	\$3.55
2BR/1BA	816	\$2,598	\$3.19
3BR/2BA	1,088	\$3,458	\$3.18
Total/Wtd. Avg.	853	\$2,794.67	\$3.31

Rent Comparables

EXECUTIVE SUMMARY

PROPERTY DESCRIPTION

FINANCIAL ANALYSIS

COMPARABLES

MARKET OVERVIEW

6 Bonnie Terrace Apartments 660 Gail Avenue, Sunnyvale, CA 94086



No. of Units:	114
Year Built:	1969

Unit Type	SF	Rent	Rent/SF
Studio/1BA	394	\$1,910	\$4.85
1BR/1BA	649	\$2,199	\$3.39
2BR/1BA	824	\$2,596	\$3.16
3BR/2BA	1,068	\$3,353	\$3.14
Total/Wtd. Avg.	734	\$2,514.50	\$3.64

7 Cherry Blossom Apartments 924 Mangrove Avenue, Sunnyvale, CA 94086



No. of Units:	67
Year Built:	1964

Unit Type	SF	Rent	Rent/SF
1BR/1BA	615	\$2,145	\$3.49
2BR/1BA	815	\$2,843	\$3.49
Total/Wtd. Avg.	715	\$2,494.00	\$3.49

overview

MARKET OVERVIEW



Marcus & Millichap

Market Highlights

Premier high-tech center

- Silicon Valley's dense concentration of high-tech jobs is world renowned.

High incomes

- San Jose's 2015 median yearly household income was nearly \$50,000 higher than the U.S. median.

Highly educated workforce

- More than 45 percent of residents have at least a bachelor's degree, well above the U.S. average.

Geography

The San Jose-Sunnyvale-Santa Clara metro is located at the southern end of the San Francisco Bay and encompasses Santa Clara County. The Santa Clara Valley runs the entire length of the county, flanked by the rolling hills of the Diablo Range on the east and the Santa Cruz Mountains on the west. Salt marshes and wetlands lie to the northwest, adjacent to the San Francisco Bay. A large portion of the county's 1,315 square miles is unincorporated ranch and farmland.



Metro

The San Jose metro contains more than 1.9 million inhabitants in 15 cities. More than half of the county’s residents are in the city of San Jose. It is the metro’s largest city with 1,005,300 residents, followed by Sunnyvale and Santa Clara. An annual population growth rate of 0.9 percent is projected over the next five years for the county.

Infrastructure

San Jose is serviced by extensive freeway, expressway and rail systems. Amtrak and Caltrain offer passenger and commuter rail service to San Francisco and Sacramento. The Altamont Commuter Express operates commuter rail to Pleasanton and Stockton, while the Santa Clara Valley Transit Authority (VTA) runs local light rail. There are more than 50 light-rail stations through which passengers can connect to VTA bus service or Caltrain.

The area is directly served by the Norman Y. Mineta San Jose International Airport and three general aviation facilities: Reid-Hillview, Palo Alto and South County. Additional air service is available at San Francisco International and Oakland International airports, each fewer than 40 miles away.

The Oakland Metro is

- 45 miles from San Francisco
- 120 miles from Sacramento
- 340 miles from Los Angeles
- 690 miles from Portland

Airports

- Norman Y. Mineta San Jose International
- General Aviation – Reid-Hillview, Palo Alto and South County

Major Roadways

- Interstates 280, 680 and 880
- San Tomas, Montague and Capitol expressways
- State Routes 17, 82, 85, 87, 130 and 237

Rail

- Passenger – Amtrak
- Commuter – Caltrain and ACE
- Light rail – VTA

Largest Cities in Metro by Population

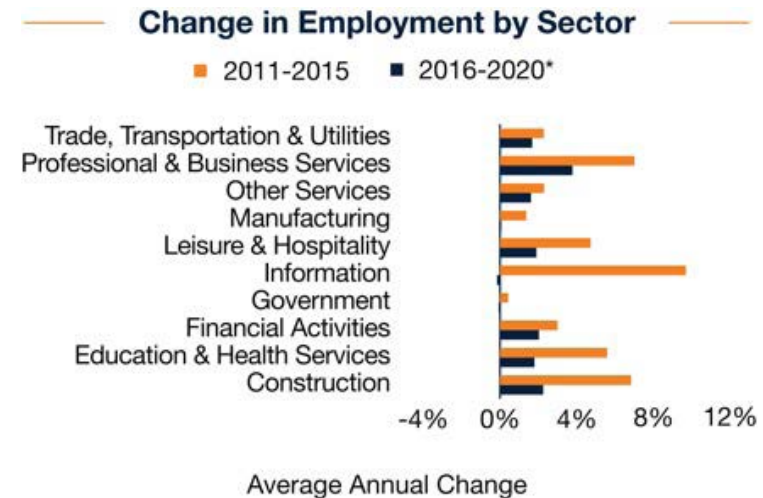
San Jose	1,006,300
Sunnyvale	148,900
Santa Clara	124,000
Mountain View	79,600
Milpitas	70,700
Palo Alto	69,100

Labor

The San Jose employment base contains more than 1 million workers, ranking the metro as one of the 30 largest job markets in the nation. Employment growth is forecast to average 1.7 percent annually through the next five years amid gains in most segments. The area's concentration of jobs in the information sector is more than triple the U.S. average, comprising 7.2 percent of total metro employment.

The Silicon Valley has evolved into a center for the design and support of high-tech systems, with the actual manufacturing processes of these products now occurring in lower-cost areas elsewhere. As a result, professional and business services has become the largest employment sector in the metro, accounting for 21 percent of all jobs, while manufacturing makes up only 15 percent. After rapid growth in the professional and business services over the previous five years, the sector is now expected to expand at a more modest annual 3.8 percent through 2020.

The education and health services segment, making up 15 percent of area jobs, is forecast to increase at an average annual pace of 1.8 percent. As the San Jose population rises, demand for these services will continue to grow.



EXECUTIVE SUMMARY
PROPERTY DESCRIPTION
FINANCIAL ANALYSIS
COMPARABLES
MARKET OVERVIEW

Employers

Large employers in the San Jose metro include high-tech industry giants Cisco Systems, Apple, eBay, Google and Hewlett-Packard. Many of these large-scale employers are among the top places to work.

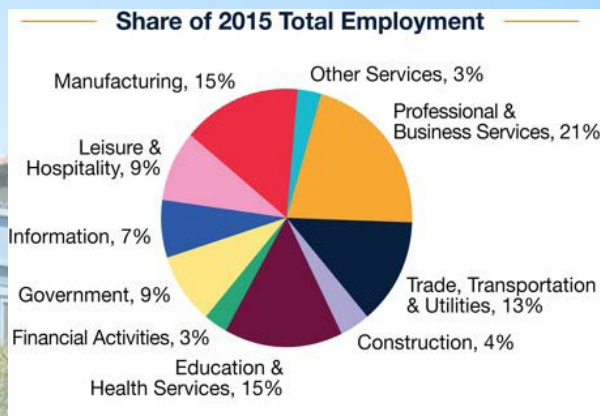
Not all of the area's job providers are large corporations. More than 60 percent of companies in San Jose have fewer than five workers. Many of these are small startups or businesses that provide support services to the growing tech industry.

With the return of venture capital flowing into the metro economy, San Jose offers some of the most exciting employment opportunities that the tech world has to offer. Some of today's startups will likely become tomorrow's key players in the industry, a trend that has fostered a lively enterprise culture.

Other major employers are the numerous institutions of higher education that are located in Santa Clara County, including San Jose State University, Stanford and Santa Clara State University. Tens of thousands of jobs are created by these academic institutions.

Major Employers

- Cisco Systems
- County of Santa Clara
- Kaiser Permanente Northern California
- Hewlett-Packard Co.
- City of San Jose
- IBM
- eBay
- Xilinx
- San Jose State University
- Apple



EXECUTIVE SUMMARY

PROPERTY DESCRIPTION

FINANCIAL ANALYSIS

COMPARABLES

MARKET OVERVIEW

Rents

- Tight vacancy amid strong tenant demand is driving rent growth throughout the metro. Year over year in first quarter of 2016, effective rents jumped 7.6 percent to an average of \$2,502 per month. This builds on a 10.3 percent surge in rents one year earlier.
- Over the last four quarters, the North San Jose/Milpitas submarket recorded the greatest rent gain. Here rents soared 10 percent to an average of \$2,675 per month. The leasing of new luxury rentals delivered in the final months of last year contributed to the rise.
- By vintage, complexes built before 1970 were the only tranche to register rent growth of less than 7.0 percent. Here rents rose 6.6 percent to an average of \$2,338 per month. Lower rents can be found in 1970s-era properties at an average of \$2,384 per month, having risen 7.5 percent during the last 12 months.
- Outlook: During 2016, effective rents will climb 5.1 percent to an average of \$2,600 per month, soaring 46.0 percent in the last five years.

Sales Trends

- San Jose apartments are attracting robust investor interest, with local buyers very active. Transaction volume jumped 13 percent year over year in March, following a 16 percent decline in the year earlier period when sales volume was hindered by the availability of marketed properties.
- Robust buyer interest is driving valuations higher. The average price of assets sold during the last four quarters climbed 14 percent to more than \$298,600 per door. Prices varied widely throughout the market. In San Jose, the average was \$236,700 per unit, while assets in Palo Alto garnered more than \$600,000 per door.
- Average cap rates have remained relatively steady in the mid-4 percent range during the last three years. Well-located properties with a lot of upside potential will dip below 3 percent.
- Outlook: The surge in deliveries will provide more buying opportunities at the top end of the market, keeping large funds, life companies and REITs active.



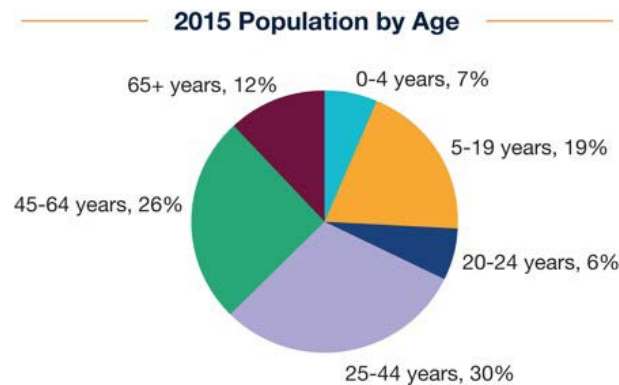
Demographics

The San Jose metro has more than 1.9 million residents. Population growth is expected to be 0.9 percent annually through the coming five years, slightly outpacing national growth projections.

The residents of the metro are highly educated, with more than 45 percent of adults 25 and older having obtained at least a bachelor's degree. This level of education attainment is drastically higher than the U.S. average of 28.8 percent. Furthermore, more than 20 percent of all residents have completed a degree at the graduate or professional level. These figures hold positive implications for the local economy, as college-educated workers typically earn more than their non-college-educated counterparts.

Growth in the share of affluent households in the metro provides striking evidence of the advantages of higher education. In 2015, 27 percent of households earned at least \$150,000; this rate will continue to expand over the next five years.

The median household income remains high at \$102,800 annually, far above the U.S. median of \$56,100 per year. The local median household income will increase at an annual pace of 5 percent through 2020. Even though incomes are above the national average, high home prices make housing affordability difficult for many residents, sustaining demand for rental housing.





Prepared by:

Marcus & Millichap

OFFICES NATIONWIDE
www.marcusmillichap.com