

6 units in King City

414 N Vanderhurst
King City, CA 93930

For more information contact:

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BRE 01907679



- **PRICE REDUCED: \$749,000**
Multifamily in Very Good Condition, Built in 2004
- **Excellent Unit Mix: (4) 2 BR / 1 BA; (2) 1 BR / 1 BA Units**
Dual-Paned Windows; Fire Sprinklers Installed
- **On-site Laundry; Individual Water Heaters**
Tuck-Under Style Parking Beneath Living Spaces
- **One Covered Space Per Unit, Additional Street Parking**
Shady Tree-Lined Residential Street
- **A Turnkey Multifamily Investment!**

SILICON VALLEY
MULTIFAMILY GROUP

Table of Contents

SECTION 1 - PROPERTY OVERVIEW

SECTION 2 - FINANCIAL ANALYSIS

SECTION 3 - COMPARABLES

SECTION 4 - DEMOGRAPHICS

6 units in King City

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Property Overview



ANALYSIS

Analysis Date **March 2015**

PROPERTY

Property 6 units in King City
Property Address 414 N Vanderhurst
 King City, CA 93930
Year Built 2004



PURCHASE INFORMATION

Property Type MultiFamily
Purchase Price \$799,000
Fair Market Value \$799,000
Units 6
Total Rentable Sq. Ft. 4,520
Resale Valuation 3.0% (annual appreciation)
Resale Expenses 6.0%

FINANCIAL INFORMATION

Down Payment \$382,050
Closing Costs \$2,500
LT Capital Gain 20.00%
Federal Tax Rate 34.0%
State Tax Rate 9.4%
Discount Rate 3.00%

LOANS

	Debt	Term	Amortization	Rate	Payment	LO Costs
Fixed	\$466,950	30 years	30 years	4.0%	\$2,229	\$4,670

INCOME & EXPENSES

Gross Operating Income \$61,328
Monthly GOI \$5,111
Total Annual Expenses (\$27,329)
Monthly Expenses (\$2,277)

CONTACT INFORMATION

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ACQUISITION COSTS

Purchase Price, Points and Closing Costs	\$806,170
Investment - Cash	\$389,220
First Loan	\$466,950

INVESTMENT INFORMATION

Purchase Price	\$799,000
Price per Unit	\$133,167
Price per Sq. Ft.	\$176.77
Income per Unit	\$10,530
Expenses per Unit	(\$4,555)

INCOME, EXPENSES & CASH FLOW

Gross Scheduled Income	\$63,180
Total Vacancy and Credits	(\$1,852)
Operating Expenses	(\$27,329)
Net Operating Income	\$33,998
Debt Service	(\$26,751)
Cash Flow Before Taxes	\$7,247
Total Interest (Debt Service)	(\$18,528)
Depreciation and Amortization	(\$19,461)
Taxable Income (Loss)	(\$3,991)
Tax Savings (Costs)	\$1,732
Cash Flow After Taxes	\$8,979

FINANCIAL INDICATORS

Cash on Cash Return Before Taxes	1.86%
Optimal Internal Rate of Return (yr 10)	5.43%
Debt Coverage Ratio	1.27
Capitalization Rate	4.26%
Gross Rent Multiplier	12.65
Gross Income / Square Feet	\$13.98
Gross Expenses / Square Feet	(\$6.05)
Operating Expense Ratio	44.56%

6 units in King City

Property Description

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Michael Shields, CCIM
408-356-1900

6 Units in King City

Unit Mix: (4) 2 BR / 1 BA Units, (2) 1 BR / 1 BA

This six unit multifamily property presents the opportunity for a novice or seasoned investor to acquire one of the newest income properties in South Monterey County.

Four units are two-bedroom, one-bath apartments, and two units are one-bedroom, one-bath. They are fully rented and current annual income is \$61,740. Current rents are below market and there is an opportunity for rents to be raised to market levels. There is on-site laundry facility providing additional income. Unit square footage is approximately 650-695 square feet for the two-bedroom units, and 525 sqft for the one-bedroom units, total building square footage is 4,520 square feet with a lot size of 9,500 square feet - per county records. The upside potential to market rents is substantial.



Construction is stucco and wood siding with brick decorative facade over wood frame on a concrete slab foundation. This building is built with fire sprinklers installed, a desirable and rare fire safety feature only required on the newest of construction. All of the windows are dual-paned windows. Each unit has one assigned carport space with four of the the units above the carport parking spaces. There are 9 spaces under the units, two of which are reserved as a handicapped space. The driveway is laid in concrete, and there is additional off street parking available. Each unit has it's own water heater, and a seventh one serves the laundry. The lot is an almost no-maintenance yard, which could easily be maintained by a tenant. The stairs and decking are all pressure treated lumber.

Tenants pay for gas and electricity. Owner pays for gas and electricity for the common areas, as well as water, sewer, trash removal, and landscaping.

King City's economic base is largely dependent upon agriculture with food processing and packing the primary sources of employment.

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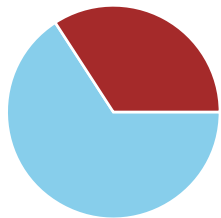
Unit Mix Report

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UNIT MIXES

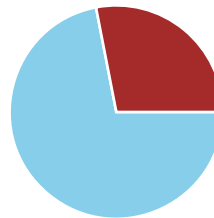
Units	Type	Approx. SqFt	Avg. Rents	Monthly	Mkt Rents	Monthly
4	2 BR / 1 BA Units	695	\$875	\$3,500	\$1,050	\$4,200
2	1 BR / 1 BA Units	525	\$823	\$1,645	\$950	\$1,900
6		3,830		\$5,145		\$6,100

UNIT MIX



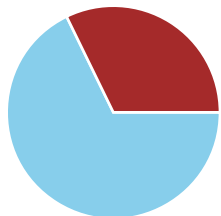
- 2 BR / 1 BA Units
- 1 BR / 1 BA Units

UNIT MIX SQUARE FEET



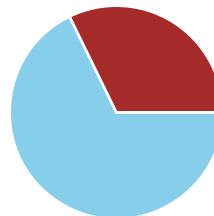
- 2 BR / 1 BA Units
- 1 BR / 1 BA Units

UNIT MIX INCOME



- 2 BR / 1 BA Units
- 1 BR / 1 BA Units

UNIT MIX MARKET INCOME



- 2 BR / 1 BA Units
- 1 BR / 1 BA Units

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Property Photos

SILICON VALLEY
MULTIFAMILY GROUP

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Property Photos *Unit Mix: (2) 2 BR / 1 BA Units*

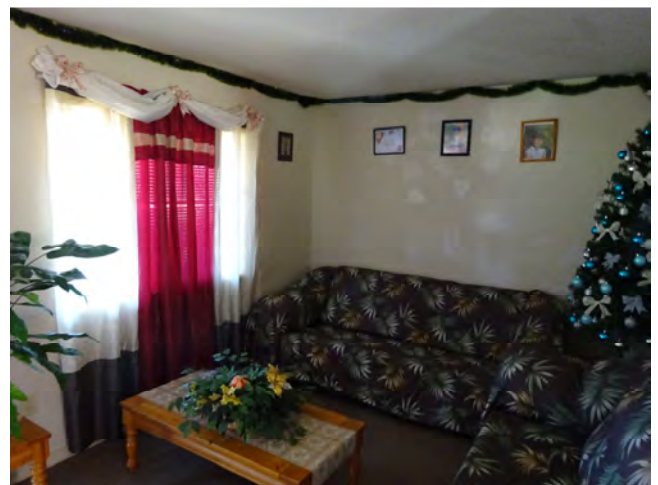


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Property Photos 2



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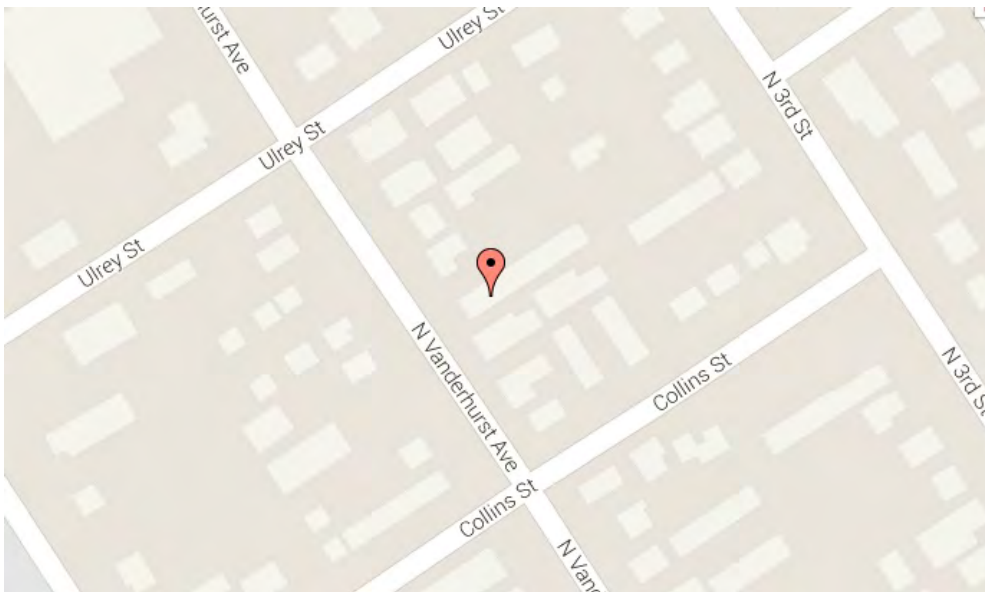
Maps and Aerials

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Location Maps



Regional Map



Neighborhood Map

6 units in King City
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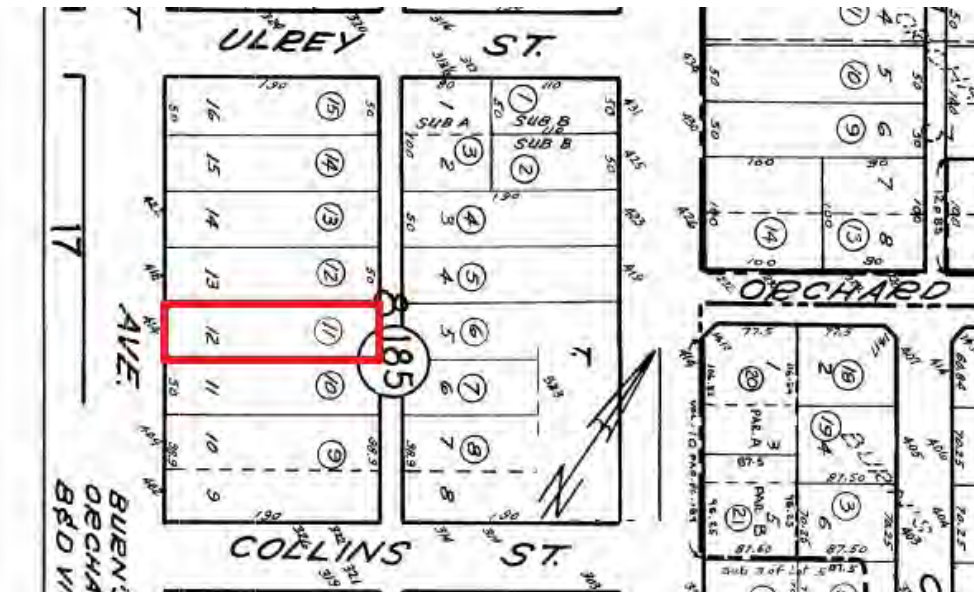
Maps and Aerials

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Aerial & Parcel Maps



Aerial Map



Parcel Map

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Financial Analysis

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Annual Property Operating Data



Michael Shields, CCIM
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Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Rental Income	\$61,740	\$62,357	\$62,981	\$63,611	\$64,247	\$64,889	\$65,538	\$66,194	\$66,856	\$67,524
Laundry	\$1,440	\$1,454	\$1,469	\$1,484	\$1,498	\$1,513	\$1,529	\$1,544	\$1,559	\$1,575
GROSS SCHEDULED INCOME	\$63,180	\$63,812	\$64,450	\$65,094	\$65,745	\$66,403	\$67,067	\$67,738	\$68,415	\$69,099
Turnover Vacancy	(\$1,852)	(\$1,871)	(\$1,889)	(\$1,908)	(\$1,927)	(\$1,947)	(\$1,966)	(\$1,986)	(\$2,006)	(\$2,026)
GROSS OPERATING INCOME	\$61,328	\$61,941	\$62,560	\$63,186	\$63,818	\$64,456	\$65,101	\$65,752	\$66,409	\$67,073
Expenses										
Property Taxes	(\$9,094)	(\$9,185)	(\$9,277)	(\$9,369)	(\$9,463)	(\$9,558)	(\$9,653)	(\$9,750)	(\$9,847)	(\$9,946)
Insurance	(\$1,047)	(\$1,078)	(\$1,110)	(\$1,144)	(\$1,178)	(\$1,213)	(\$1,250)	(\$1,287)	(\$1,326)	(\$1,365)
Utilities - Gas & Electric	(\$425)	(\$438)	(\$451)	(\$465)	(\$479)	(\$493)	(\$508)	(\$523)	(\$539)	(\$555)
Utilities - Water & Sewer	(\$3,870)	(\$3,986)	(\$4,106)	(\$4,229)	(\$4,356)	(\$4,486)	(\$4,621)	(\$4,760)	(\$4,902)	(\$5,049)
Trash Removal	(\$3,118)	(\$3,212)	(\$3,308)	(\$3,408)	(\$3,510)	(\$3,615)	(\$3,724)	(\$3,835)	(\$3,950)	(\$4,069)
Landscaping	(\$1,080)	(\$1,112)	(\$1,146)	(\$1,180)	(\$1,216)	(\$1,252)	(\$1,290)	(\$1,328)	(\$1,368)	(\$1,409)
Maintenance & Repairs	(\$7,945)	(\$8,183)	(\$8,429)	(\$8,681)	(\$8,942)	(\$9,210)	(\$9,486)	(\$9,771)	(\$10,064)	(\$10,366)
Cleaning and Misc.	(\$751)	(\$773)	(\$797)	(\$820)	(\$845)	(\$870)	(\$896)	(\$923)	(\$951)	(\$980)
TOTAL OPERATING EXPENSES	(\$27,329)	(\$27,967)	(\$28,623)	(\$29,296)	(\$29,987)	(\$30,698)	(\$31,428)	(\$32,177)	(\$32,948)	(\$33,739)
NET OPERATING INCOME	\$33,998	\$33,974	\$33,938	\$33,890	\$33,831	\$33,758	\$33,673	\$33,574	\$33,462	\$33,334

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Cash Flow Analysis



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Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
GROSS SCHEDULED INCOME	\$63,180	\$63,812	\$64,450	\$65,094	\$65,745	\$66,403	\$67,067	\$67,738	\$68,415	\$69,099
Turnover Vacancy	(\$1,852)	(\$1,871)	(\$1,889)	(\$1,908)	(\$1,927)	(\$1,947)	(\$1,966)	(\$1,986)	(\$2,006)	(\$2,026)
Total Operating Expenses	(\$27,329)	(\$27,967)	(\$28,623)	(\$29,296)	(\$29,987)	(\$30,698)	(\$31,428)	(\$32,177)	(\$32,948)	(\$33,739)
NET OPERATING INCOME	\$33,998	\$33,974	\$33,938	\$33,890	\$33,831	\$33,758	\$33,673	\$33,574	\$33,462	\$33,334
Loan Payment	(\$26,751)	(\$26,751)	(\$26,751)	(\$26,751)	(\$26,751)	(\$26,751)	(\$26,751)	(\$26,751)	(\$26,751)	(\$26,751)
NET CASH FLOW (b/t)	\$7,247	\$7,222	\$7,186	\$7,139	\$7,079	\$7,007	\$6,922	\$6,823	\$6,710	\$6,583
Cash On Cash Return b/t	1.86%	1.86%	1.85%	1.83%	1.82%	1.80%	1.78%	1.75%	1.72%	1.69%
NET OPERATING INCOME	\$33,998	\$33,974	\$33,938	\$33,890	\$33,831	\$33,758	\$33,673	\$33,574	\$33,462	\$33,334
Depreciation	(\$19,306)	(\$20,148)	(\$20,148)	(\$20,148)	(\$20,148)	(\$20,148)	(\$20,148)	(\$20,148)	(\$20,148)	(\$19,308)
Amortization	(\$156)	(\$156)	(\$156)	(\$156)	(\$156)	(\$156)	(\$156)	(\$156)	(\$156)	(\$156)
Loan Interest	(\$18,528)	(\$18,193)	(\$17,845)	(\$17,482)	(\$17,104)	(\$16,711)	(\$16,302)	(\$15,876)	(\$15,433)	(\$14,972)
TAXABLE INCOME (LOSS)	(\$3,991)	(\$4,523)	(\$4,211)	(\$3,895)	(\$3,577)	(\$3,256)	(\$2,932)	(\$2,605)	(\$2,275)	(\$1,102)
Income Taxes	\$1,732	\$1,963	\$1,827	\$1,691	\$1,552	\$1,413	\$1,273	\$1,131	\$987	\$478
CASH FLOW (a/t)	\$8,979	\$9,185	\$9,014	\$8,829	\$8,632	\$8,420	\$8,194	\$7,954	\$7,698	\$7,061
Cash On Cash Return a/t	2.31%	2.36%	2.32%	2.27%	2.22%	2.16%	2.11%	2.04%	1.98%	1.81%

Footnotes: b/t = before taxes; a/t = after taxes

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Financial Indicators



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Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent Multiplier	13.03	13.28	13.55	13.82	14.09	14.37	14.65	14.94	15.24	15.54
Capitalization Rate	4.26%	4.25%	4.25%	4.24%	4.23%	4.23%	4.21%	4.20%	4.19%	4.17%
Cash On Cash Return b/t	1.86%	1.86%	1.85%	1.83%	1.82%	1.80%	1.78%	1.75%	1.72%	1.69%
Cash On Cash Return a/t	2.31%	2.36%	2.32%	2.27%	2.22%	2.16%	2.11%	2.04%	1.98%	1.81%
Debt Coverage Ratio	1.27	1.27	1.27	1.27	1.26	1.26	1.26	1.26	1.25	1.25
Gross Income per Sq. Ft.	\$13.98	\$14.12	\$14.26	\$14.40	\$14.55	\$14.69	\$14.84	\$14.99	\$15.14	\$15.29
Expenses per Sq. Ft.	(\$6.05)	(\$6.19)	(\$6.33)	(\$6.48)	(\$6.63)	(\$6.79)	(\$6.95)	(\$7.12)	(\$7.29)	(\$7.46)
Net Income Multiplier	24.21	24.95	25.73	26.54	27.38	28.26	29.18	30.15	31.16	32.21
Operating Expense Ratio	44.56%	45.15%	45.75%	46.36%	46.99%	47.63%	48.28%	48.94%	49.61%	50.30%
Loan To Value Ratio	55.74%	53.11%	50.54%	48.04%	45.60%	43.22%	40.89%	38.63%	36.42%	34.26%

Footnotes: b/t = before taxes; a/t = after taxes

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Pro Forma Summary

Michael Shields, CCIM
408-356-1900



INVESTMENT SUMMARY

Price:	\$799,000
Year Built:	2004
Units:	6
Price/Unit:	\$133,167
RSF:	4,520
Price/RSF:	\$176.77
Lot Size:	9,500 sf
Floors:	2
Parking Spaces:	1/unit
APN:	026-185-011
Cap Rate:	4.26%
Market Cap Rate:	5.65%
GRM:	12.65
Market GRM:	10.7

FINANCING SUMMARY

Loan Amount:	\$466,950
Down Payment:	\$382,050
Loan Type:	Fixed
Interest Rate:	4%
Term:	30 years
Monthly Payment:	\$2,229
DCR:	1.27

UNIT MIX & ANNUAL SCHEDULED INCOME

Type	Units	Actual	Total	Market	Total
2 BR / 1 BA Units	4	\$10,500	\$42,000	\$12,600	\$50,400
1 BR / 1 BA Units	2	\$9,870	\$19,740	\$11,400	\$22,800
TOTALS	6		\$61,740		\$73,200

ANNUALIZED INCOME

	Actual	Market
Gross Potential Rent	\$61,740	\$73,200
Less: Vacancy	(\$1,852)	(\$2,196)
Misc. Income	\$1,440	\$1,440
Effective Gross Income	\$61,328	\$72,444
Less: Expenses	(\$27,329)	(\$27,329)
Net Operating Income	\$33,998	\$45,115
Debt Service	(\$26,751)	(\$26,751)
Net Cash Flow after Debt Service	\$7,247	\$18,363
Principal Reduction	\$8,223	\$8,223
Total Return	\$15,470	\$26,586

ANNUALIZED EXPENSES

	Actual	Market
Property Taxes	\$9,094	\$9,094
Insurance	\$1,047	\$1,047
Utilities - Gas & Electric	\$425	\$425
Utilities - Water & Sewer	\$3,870	\$3,870
Trash Removal	\$3,118	\$3,118
Landscaping	\$1,080	\$1,080
Maintenance & Repairs	\$7,945	\$7,945
Cleaning and Misc.	\$751	\$751
Total Expenses	\$27,329	\$27,329
Expenses Per RSF	\$6.05	\$6.05
Expenses Per Unit	\$4,555	\$4,555

6 units in King City

414 N Vanderhurst
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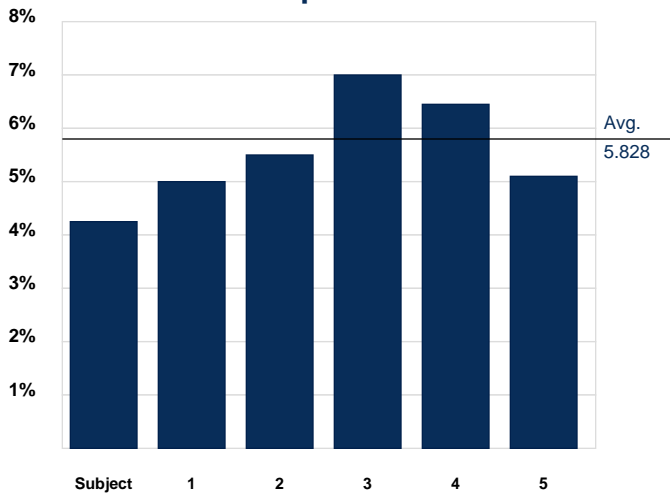
Comparables

6 units in King City
414 N Vanderhurst
King City, CA 93930

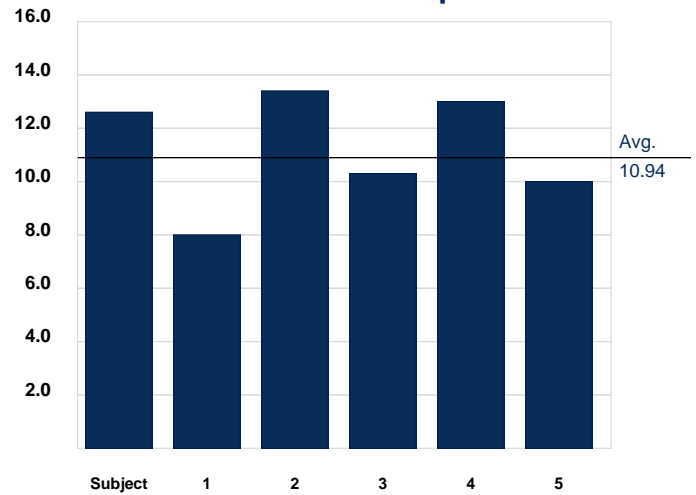
Recent Sales Comparables

Michael Shields, CCIM
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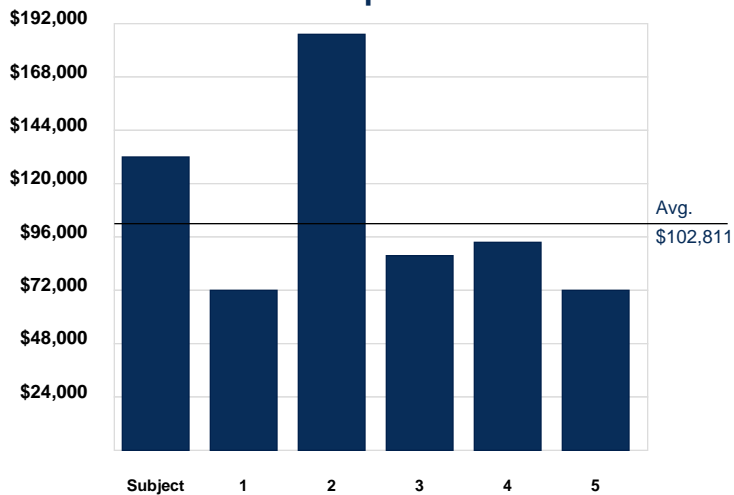
Cap Rate



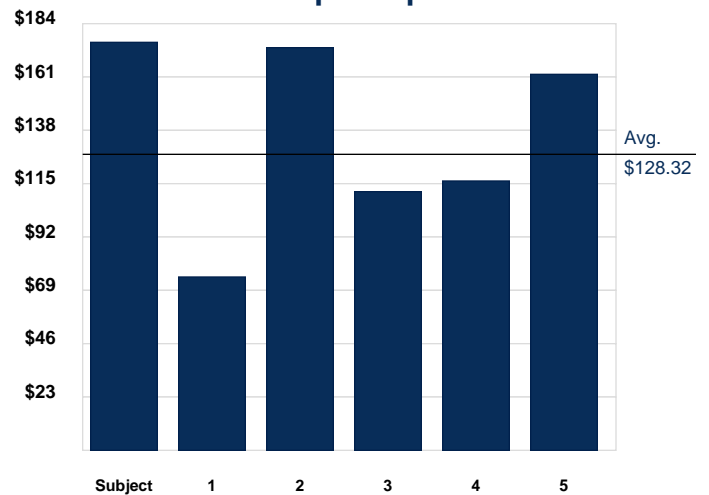
Gross Rent Multiplier



Price per Unit



Price per Sq. Ft.



6 units in King City

Recent Sales Comparables

414 N Vanderhurst
King City, CA 93930

Michael Shields, CCIM
408-356-1900

S



6 units in King City 414 N Vanderhurst King City, CA 93930

Sale Price	\$799,000	# Units	Unit Type
Units	6	4	2 BR / 1 BA Units
Price/Unit	\$133,167	2	1 BR / 1 BA Units
Price/SqFt	\$176.77		
Cap Rate	4.26%		
Year Built	2004		
GRM	12.65		

NOTES

(6) Units: (4) 2 BR / 1 BA & (2) 1 BR / 1 BA units, Built in 2004, 4520 sqft, On-Site Laundry, Dual-Paned Windows.

1



307 S Vanderhurst King City, CA 93930

Sale Price	\$1,300,000	# Units	Unit Type
Units	18	12	Two Bedroom One Bath
Price/Unit	\$72,222	6	One Bedroom One Bath
Price/SqFt	\$74.89		
Cap Rate	5.0%		
Year Built	1970		
GRM	8.0		

Sale Date 10/16/2014

NOTES

Class C apartment building consists of (12) 1 bedroom/one bath units, and (6) two bedroom 1.5 bath units. The property is well maintained and benefits from multiple recent improvements including tile flooring throughout the units and dual pane windows. Some deferred maintenance.

2



806 Maple Ave Greenfield, CA 93927

Sale Price	\$749,000	# Units	Unit Type
Units	4	4	Two Bedroom Two Bath
Price/Unit	\$187,250		
Price/SqFt	\$173.70		
Cap Rate	5.54%		
Year Built	2003		
GRM	13.4		

Sale Date 8/21/2014

NOTES

This 4-plex is extremely well maintained. 8 Bedrooms, 8 bath, features tile flooring entire all units. Newly painted exterior and interior, covered parking and additional parking, security system in place. 4312 sqft.

6 units in King City
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Recent Sales Comparables

Michael Shields, CCIM
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3



220 Orchard St King City, CA 95030

Sale Price	\$265,000	# Units	Unit Type
Units	3	1	Two Bedroom One Bath
Price/Unit	\$88,333	2	One Bedroom One Bath
Price/SqFt	\$112.62		
Cap Rate	7.0%		
Year Built	1931		
GRM	10.3		

Sale Date 11/7/2014

NOTES

Spanish Colonial Triplex with Spacious Cottage Style Individual Units. Unit Mix (1) 2/1, (2) 1/1 each with Small Yard. Substantial deferred maintenance.

4



710 Talbot St King City, CA 93930

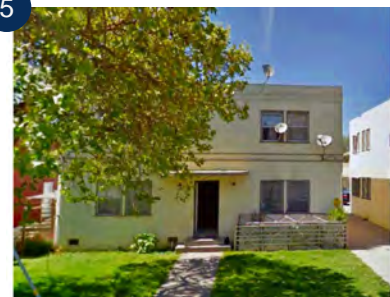
Sale Price	\$375,000	# Units	Unit Type
Units	4	4	Two Bedroom One Bath
Price/Unit	\$93,750		
Price/SqFt	\$117.19		
Cap Rate	6.48%		
Year Built	1950		
GRM	13.0		

Sale Date 7/31/2013

NOTES

Four 2/1 units. 3,200 sqft, built in 1950, new roof.

5



408 Lynn St King City, CA 93930

Sale Price	\$580,000	# Units	Unit Type
Units	8	4	One Bedroom One Bath
Price/Unit	\$72,500	4	Studio/Efficiency
Price/SqFt	\$163.20		
Cap Rate	5.12%		
Year Built	1941		
GRM	10.0		

Sale Date 12/31/2014

NOTES

8 unit complex within K.C. city limits. Great cash flow for older units. Four studio apartments and 4-1bed/1bath units, carports, coin-op laundry appliances, plenty of off-street parking. Some deferred maintenance.

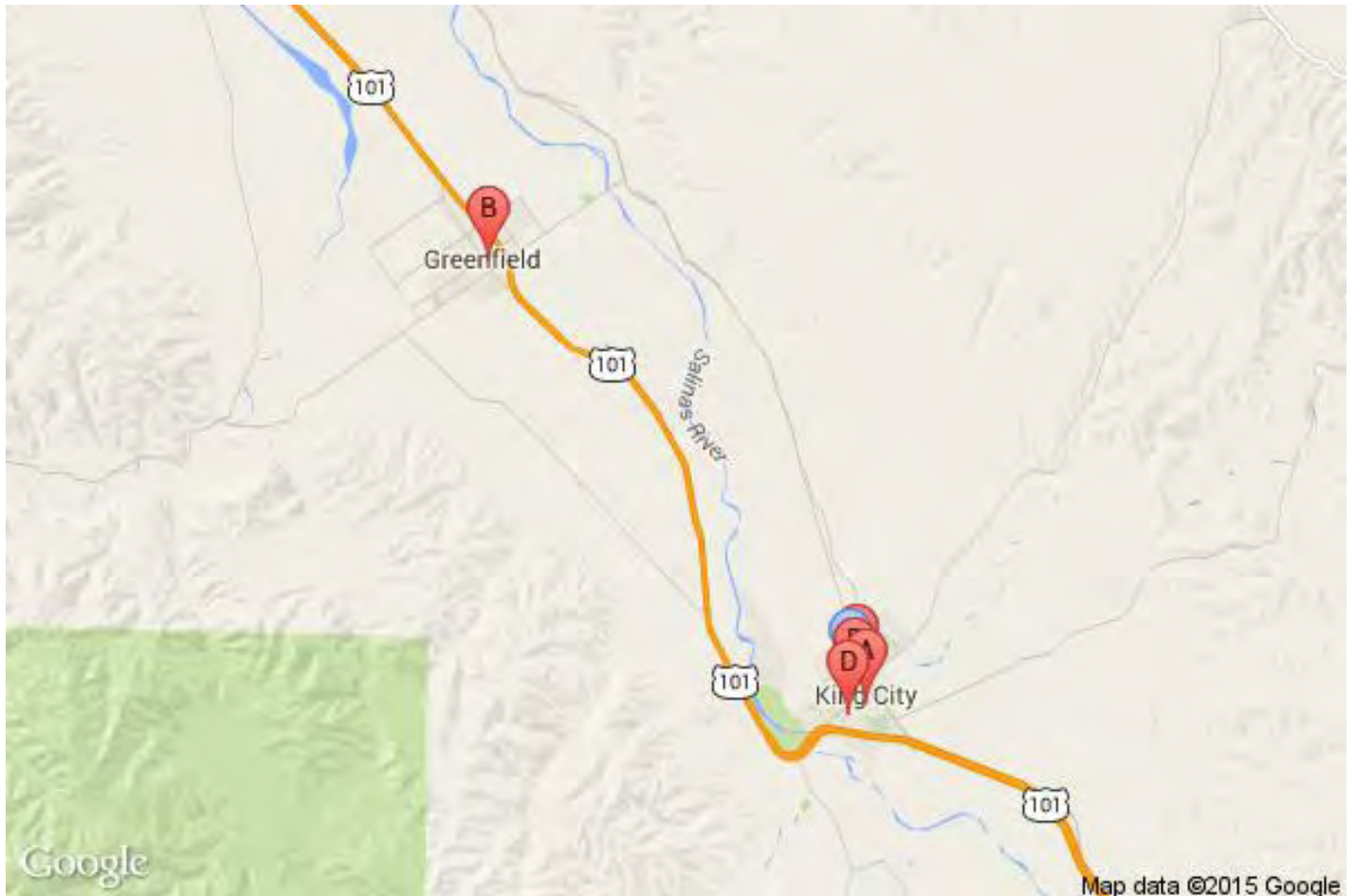
6 units in King City

Recent Sales Comparables

SILICON VALLEY
MULTIFAMILY GROUP

414 N Vanderhurst
King City, CA 93930

Michael Shields, CCIM
408-356-1900



- 1** 414 N Vanderhurst, King City, CA 93930 (\$799,000)
- A** 307 S Vanderhurst, King City, CA 93930 (\$1,300,000)
- B** 806 Maple Ave, Greenfield, CA 93927 (\$749,000)
- C** 220 Orchard St, King City, CA 95030 (\$265,000)
- D** 710 Talbot St, King City, CA 93930 (\$375,000)
- E** 408 Lynn St, King City, CA 93930 (\$580,000)

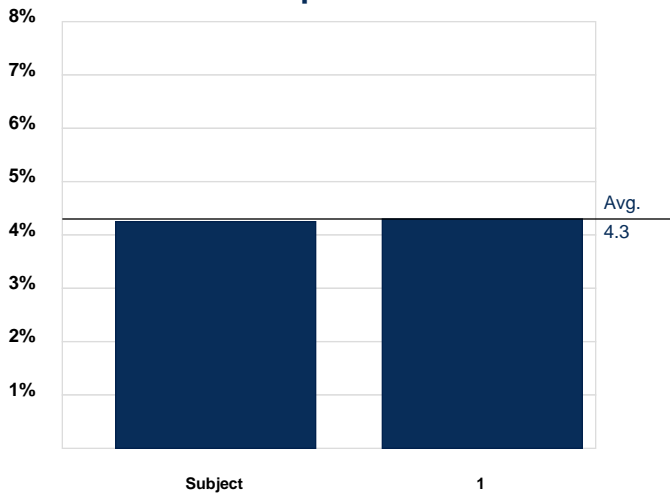
The information and calculations presented are deemed to be accurate, but not guaranteed and we are not responsible for its correctness.

6 units in King City
414 N Vanderhurst
King City, CA 93930

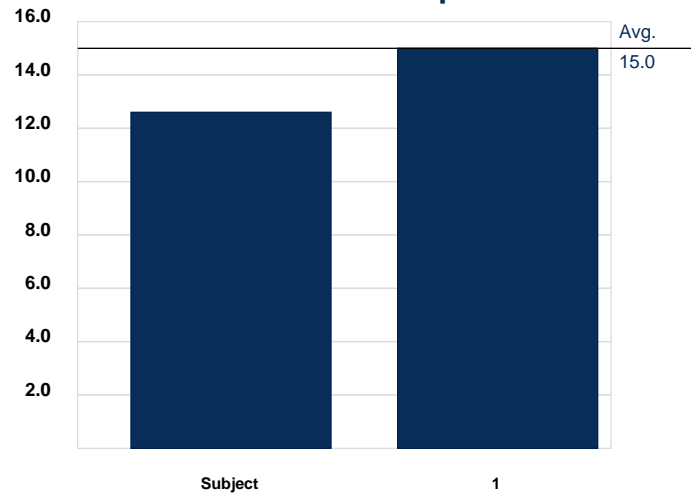
On Market Comparables

Michael Shields, CCIM
408-356-1900

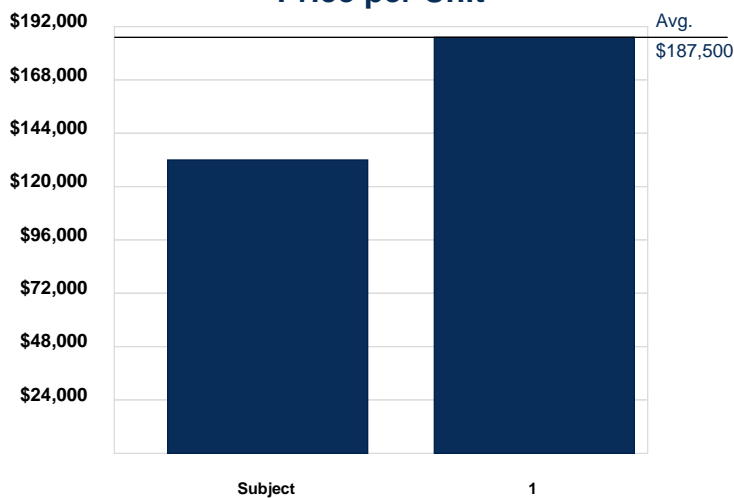
Cap Rate



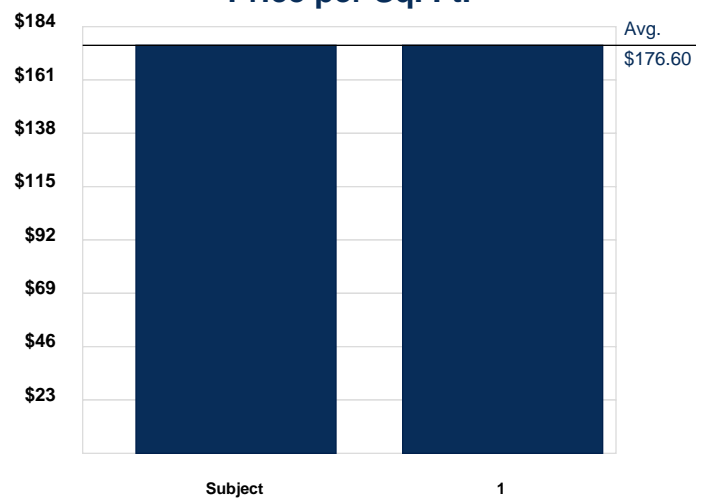
Gross Rent Multiplier



Price per Unit



Price per Sq. Ft.



6 units in King City

On Market Comparables

414 N Vanderhurst
King City, CA 93930

Michael Shields, CCIM
408-356-1900

S



6 units in King City 414 N Vanderhurst King City, CA 93930

	Sale Price	# Units	Unit Type
	\$799,000	4	2 BR / 1 BA Units
		2	1 BR / 1 BA Units
Units	6		
Price/Unit	\$133,167		
Price/SqFt	\$176.77		
Cap Rate	4.26%		
Year Built	2004		
GRM	12.65		

NOTES

(6) Units: (4) 2 BR / 1 BA & (2) 1 BR / 1 BA units, Built in 2004, 4520 sqft, On-Site Laundry, Dual-Paned Windows.

1



324 Lynn St King City, CA 93930

	Sale Price	# Units	Unit Type
	\$750,000	1	Two Bedroom Two Bath
		3	Two Bedroom One Bath
Units	4		
Price/Unit	\$187,500		
Price/SqFt	\$176.60		
Cap Rate	4.3%		
Year Built	1990		
GRM	15.0		

On Market

NOTES

REDUCED!!! Opportunity! 4 units! all in good condition! And Opportunity for extra income with separate laundry room downstairs! extra parking spaces for guests! Fireplaces in Units! Backyard patio for some units, Upstairs unit has 2 bedrooms 2 full baths! Exterior deferred maintenance.

6 units in King City
414 N Vanderhurst
King City, CA 93930

On Market Comparables

SILICON VALLEY
MULTIFAMILY GROUP

Michael Shields, CCIM
408-356-1900



- 1** 414 N Vanderhurst, King City, CA 93930 (\$799,000)
- A** 324 Lynn St, King City, CA 93930 (\$750,000)

6 units in King City

414 N Vanderhurst
King City, CA 93930

Demographics



Executive Summary

414 N Vanderhurst Ave, King City, California, 93930 2
 414 N Vanderhurst Ave, King City, California, 93930
 Rings: 0.3, 0.5, 0.7 mile radii

Latitude: 36.21528
 Longitude: -121.13015

	0.3 mile	0.5 mile	0.7 mile
Population			
2000 Population	3,151	5,829	7,440
2010 Population	3,654	6,935	8,659
2014 Population	3,574	7,027	8,866
2019 Population	3,587	7,271	9,249
2000-2010 Annual Rate	1.49%	1.75%	1.53%
2010-2014 Annual Rate	-0.52%	0.31%	0.56%
2014-2019 Annual Rate	0.07%	0.69%	0.85%
2014 Male Population	54.2%	53.5%	53.4%
2014 Female Population	45.8%	46.5%	46.6%
2014 Median Age	26.3	26.7	26.9

In the identified area, the current year population is 8,866. In 2010, the Census count in the area was 8,659. The rate of change since 2010 was 0.56% annually. The five-year projection for the population in the area is 9,249 representing a change of 0.85% annually from 2014 to 2019. Currently, the population is 53.4% male and 46.6% female.

Median Age

The median age in this area is 26.3, compared to U.S. median age of 37.7.

Race and Ethnicity

2014 White Alone	45.8%	47.4%	47.4%
2014 Black Alone	1.0%	0.9%	0.9%
2014 American Indian/Alaska Native Alone	3.4%	3.0%	2.8%
2014 Asian Alone	0.9%	1.5%	1.6%
2014 Pacific Islander Alone	0.0%	0.0%	0.0%
2014 Other Race	44.5%	42.4%	42.5%
2014 Two or More Races	4.4%	4.8%	4.7%
2014 Hispanic Origin (Any Race)	90.0%	88.6%	88.3%

Persons of Hispanic origin represent 88.3% of the population in the identified area compared to 17.5% of the U.S. population. Persons of Hispanic Origin may be of any race. The Diversity Index, which measures the probability that two people from the same area will be from different race/ethnic groups, is 82.1 in the identified area, compared to 62.6 for the U.S. as a whole.

Households

2000 Households	810	1,486	1,894
2010 Households	890	1,681	2,114
2014 Total Households	867	1,696	2,158
2019 Total Households	873	1,761	2,260
2000-2010 Annual Rate	0.95%	1.24%	1.10%
2010-2014 Annual Rate	-0.61%	0.21%	0.49%
2014-2019 Annual Rate	0.14%	0.76%	0.93%
2014 Average Household Size	4.12	4.14	4.10

The household count in this area has changed from 2,114 in 2010 to 2,158 in the current year, a change of 0.49% annually. The five-year projection of households is 2,260, a change of 0.93% annually from the current year total. Average household size is currently 4.10, compared to 4.09 in the year 2010. The number of families in the current year is 1,750 in the specified area.

Data Note: Income is expressed in current dollars

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2014 and 2019. Esri converted Census 2000 data into 2010 geography.

December 19, 2014



Executive Summary

414 N Vanderhurst Ave, King City, California, 93930 2
 414 N Vanderhurst Ave, King City, California, 93930
 Rings: 0.3, 0.5, 0.7 mile radii

Latitude: 36.21528
 Longitude: -121.13015

	0.3 mile	0.5 mile	0.7 mile
Median Household Income			
2014 Median Household Income	\$44,166	\$44,225	\$43,603
2019 Median Household Income	\$49,686	\$49,139	\$48,301
2014-2019 Annual Rate	2.38%	2.13%	2.07%
Average Household Income			
2014 Average Household Income	\$55,034	\$54,201	\$53,174
2019 Average Household Income	\$61,481	\$60,171	\$58,925
2014-2019 Annual Rate	2.24%	2.11%	2.08%
Per Capita Income			
2014 Per Capita Income	\$13,055	\$13,046	\$12,819
2019 Per Capita Income	\$14,608	\$14,533	\$14,263
2014-2019 Annual Rate	2.27%	2.18%	2.16%

Current median household income is \$43,603 in the area, compared to \$52,076 for all U.S. households. Median household income is projected to be \$48,301 in five years, compared to \$59,599 for all U.S. households

Current average household income is \$53,174 in this area, compared to \$72,809 for all U.S. households. Average household income is projected to be \$58,925 in five years, compared to \$83,937 for all U.S. households

Current per capita income is \$12,819 in the area, compared to the U.S. per capita income of \$27,871. The per capita income is projected to be \$14,263 in five years, compared to \$32,168 for all U.S. households

Housing			
2000 Total Housing Units	815	1,504	1,965
2000 Owner Occupied Housing Units	271	597	827
2000 Renter Occupied Housing Units	539	889	1,067
2000 Vacant Housing Units	5	18	71
2010 Total Housing Units	931	1,781	2,283
2010 Owner Occupied Housing Units	273	633	853
2010 Renter Occupied Housing Units	617	1,048	1,261
2010 Vacant Housing Units	41	100	169
2014 Total Housing Units	947	1,842	2,365
2014 Owner Occupied Housing Units	262	631	856
2014 Renter Occupied Housing Units	605	1,065	1,302
2014 Vacant Housing Units	80	146	207
2019 Total Housing Units	968	1,930	2,494
2019 Owner Occupied Housing Units	266	658	896
2019 Renter Occupied Housing Units	608	1,102	1,364
2019 Vacant Housing Units	95	169	234

Currently, 36.2% of the 2,365 housing units in the area are owner occupied; 55.1%, renter occupied; and 8.8% are vacant. Currently, in the U.S., 56.0% of the housing units in the area are owner occupied; 32.4% are renter occupied; and 11.6% are vacant. In 2010, there were 2,283 housing units in the area - 37.4% owner occupied, 55.2% renter occupied, and 7.4% vacant. The annual rate of change in housing units since 2010 is 1.58%. Median home value in the area is \$183,036, compared to a median home value of \$190,791 for the U.S. In five years, median value is projected to change by 2.59% annually to \$207,979.

Data Note: Income is expressed in current dollars

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2014 and 2019. Esri converted Census 2000 data into 2010 geography.

DISCLAIMER

All materials and information received or derived from Silicon Valley Multifamily Group its directors, officers, agents, advisors, affiliates, and/or any third party sources are provided without representation or warranty as to completeness, veracity, or accuracy, condition of the property, compliance or lack of compliance with applicable governmental requirements, developability or suitability, financial performance of the property, projected financial performance of the property for any party's intended use or any and all other matters.

Neither Silicon Valley Multifamily Group its directors, officers, agents, advisors, or affiliates makes any representation or warranty, express or implied, as to accuracy or completeness of the any materials or information provided, derived, or received. Materials and information from any source, whether written or verbal, that may be furnished for review are not a substitute for a party's active conduct of its own due diligence to determine these and other matters of significant chance to such party. Silicon Valley Multifamily Group will not investigate or verify any such matters or conduct due diligence for a party unless otherwise agreed in writing. Seller desires to sell the property in "its present as is condition" subject to inspection reports.

EACH PARTY SHALL CONDUCT ITS OWN INDEPENDENT INVESTIGATION AND DUE DILIGENCE.

Any party contemplating or under contract or in escrow for a transaction is urged to verify all information and to conduct their own inspections and investigations including through appropriate third party independent professionals selected by such party. All financial data should be verified by the party including by obtaining and reading applicable documents and reports and consulting appropriate independent professionals. *Silicon Valley Multifamily Group makes no warranties and/or representations regarding the veracity, completeness, or relevance of any financial data or assumptions.* Silicon Valley Multifamily Group does not serve as a financial advisor to any party regarding any proposed transaction. When analyzing this property buyer should use income, vacancy and expense levels that will accurately reflect the manner in which it plans to operate the property. Broker, Agent and Seller are making no representations or warranties as to the level of income or expenses Buyer will incur at the property.

Building square footage, unit square footage and lot sizes are not guaranteed. Broker, Agent and Seller have not measured all units, lot or the building and are making NO representation as to the accuracy of square footage figures. Data source for building and lot size is FastWeb. Buyer should measure all units, lot and the building prior to purchase and should not rely on any square footage figures provided by Broker, Agent or Seller.

All data and assumptions regarding financial performance, including that used for financial modeling purposes, may differ from actual data or performance. Any estimates of market rents and/or projected rents that may be provided to a party do not necessarily mean that rents can be established at or increased to that level. Parties must evaluate any applicable contractual and governmental limitations as well as market conditions, vacancy factors and other issues in order to determine rents from or for the property. Legal questions should be discussed by the party with an attorney. Tax questions should be discussed by the party with a certified public accountant or tax attorney. Title questions should be discussed by the party with a title officer or attorney. Questions regarding the condition of the property and whether the property complies with applicable governmental requirements should be discussed by the party with appropriate engineers, architects, contractors, other consultants and governmental agencies.

- Do Not Disturb -- Please respect the Seller's request that the tenants not be disturbed. All offers are to be written subject to inspection. The Seller will provide access for the Buyer to inspect the interiors of all units within a reasonable period following a fully executed purchase contract. Seller requests that all inspections be made on the same day.

- Representation -- This information is given with the understanding that all negotiations relating to the purchase of the property described herein shall be conducted through Silicon Valley Multifamily Group.

All properties and services are marketed by Silicon Valley Multifamily Group in compliance with all applicable fair housing and equal opportunity laws.

OFFERING MEMORANDUM NOTES

Gross Annual Scheduled Income & the Gross Rent Multiplier are based on current rents shown in the Rent Roll. These rent levels are current rent levels at the time this package was prepared and subject to change without notice. Buyer should review most recent rent roll prior to purchase. The laundry income was based on 2011 actual levels.

Gross Annual Scheduled Income & Gross Income Multiplier (Market or Pro Forma) assumes the units are all rented at the rent levels shown in the Pro Form Summary. These rent levels are not guaranteed to be achievable by Seller, Broker or Agent. Buyer should use rent levels it thinks it can obtain for the subject property. The laundry income was based on the actual 2011 laundry income reported by the owner.

Capitalization Rate is based on rents, expenses and vacancy figures shown in the Operating Statement.

Pro Forma Capitalization Rate is based on rents, expenses and vacancy figures shown in the Pro-Forma Operating Statement Pro-Forma (Market) column. See Pro Forma Operating Statement Footnotes and Disclaimers in this section of the Offering Memorandum.

Year Built: Data source is through Chicago Title Company. Seller, Broker and Agent are making no guarantee or representations as to when the improvements were built. Buyer should conduct its own investigation to determine age of improvements.

UNIT MIX/SCHEDULED INCOME OVERVIEW FOOTNOTES

Current Rent Column is based on current rents shown in the Rent Roll. These rent levels are current rent levels at the time this package was prepared and subject to change without notice. Buyer should review most recent rent roll prior to purchase.

Pro Forma or Market Rents assumes the units are all rented at the estimated market rent levels shown in the rent roll. Please note that current rents are not at these levels. Pro Forma rent levels are not guaranteed to be achievable by Seller, Broker or Agent. Buyer should use rent levels it thinks it can obtain for the subject property.

Purchase Information on page 4 including Fair Market Value, Resale Valuation and Resale Expenses are provided for illustrative purposes only and will vary depending on market conditions and other factors. Silicon Valley Multifamily Group, its Brokers and Agents can not be held accountable for these numbers. Buyer should use the numbers it thinks most appropriate.

Financial Information on page 4 including Down Payment, Closing Costs, LT Capital Gain, Federal and State Tax Rates and the Discount Rate are provided for illustrative purposes only. Actual numbers may, and probably will, vary depending on the Buyer's individual situation.

Loans on page 4. This information is provided for illustrative purposes only. Buyer should use the loan information it thinks attainable and realistic for the property.

Annual Property Operating Data Notes and Disclaimers

Rental Income is based on current rents shown in the Rent Roll

Miscellaneous income is based upon information provided by the owner or manager.

General Vacancy is estimated to be at current market levels or provided by owner.

Taxes are estimated based on list price and based on 2011/2012 tax rate reported by Santa Clara County.

Other Expenses All other expenses are as reported by owner or property manager.

Loan Payment is based upon information provided in the LOANS section of page 4. Buyer should use the loan information it thinks attainable and realistic for the property.

Income Taxes is based upon a 33% or greater tax rate and is provided for illustrative purposes only. Buyer should consult with a licensed tax professional in determining the most realistic and appropriate tax rate.

NOTE: THE 10 YEAR PROJECTIONS ARE PROVIDED FOR ILLUSTRATIVE PURPOSES ONLY. BUYER SHOULD USE THE PROJECTIONS IT THINKS ARE REALISTIC AND ATTAINABLE.

Rent Roll Notes

General Notes: Rent levels, occupancy, deposit amounts and terms are subject to change without notice. Move-In dates are subject to change as units turnover. Buyer should obtain updated information and confirm all rent levels, lease terms, move-in dates, amount of last rental adjustment and deposit amounts prior to purchase.

Market Rent column does not reflect current rent levels. These rent levels are not guaranteed to be achievable by Seller, Broker or Agents. Buyer should use rent levels it thinks it can obtain for the subject property.