

1793 Bradford Fourplex

1793 Bradford Avenue
San Jose, CA 95124

For more information contact:

Michael Shields, CCIM
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BRE 01327546



- Offering Price: \$1,495,000
- Desirable Cambrian Park Location
Ideal Unit Mix: (4) 2 BR / 1 BA Units
- Capital Upgrades Include:
Roof, Dual Pane Windows, Pavement
- Patios Above and Balconies Below
On-Site Laundry for Additional Income
- Available Individually or with 1797 Bradford Way

SILICON VALLEY
MULTIFAMILY GROUP®

Table of Contents



Property Overview	3
Real Estate Investment Details	4
Executive Summary	5
Property Description	6
Unit Mix Report	7
Property Photos	8
Maps and Aerials	9
Financial Analysis	11
Annual Property Operating Data	12
Cash Flow Analysis	13
Financial Indicators	14
Loan Analysis	15
Pro Forma Summary	16
Comparables	17
Sales Comparables	18
Demographics	23
Demographics	24
Disclaimer & Footnotes	26

1793 Bradford Fourplex

1793 Bradford Avenue
San Jose, CA 95124

Property Overview



1793 Bradford Fourplex

Real Estate Investment Details



1793 Bradford Avenue
San Jose, CA 95124

Michael Shields, CCIM
408-356-1900

Analysis

Analysis Date May 2017

Property

Property 1793 Bradford Fourplex
Property Address 1793 Bradford Avenue
San Jose, CA 95124
Year Built 1961



Purchase Information

Property Type MultiFamily
Purchase Price \$1,495,000
Fair Market Value \$1,495,000
Units 4
Total Rentable Sq. Ft. 3,320
Resale Valuation 3.0% (annual appreciation)
Resale Expenses 6.0%

Financial Information

Down Payment \$747,500
Closing Costs \$2,500
LT Capital Gain 20.00%
Federal Tax Rate 33.0%
State Tax Rate 9.4%
Discount Rate 3.00%

Loans

Type	Debt	Term	Amortization	Rate	Payment	LO Costs
Fixed	\$747,500	30 years	30 years	4.0%	\$3,569	\$7,475

Income & Expenses

Gross Operating Income \$86,187
Monthly GOI \$7,182
Total Annual Expenses (\$37,052)
Monthly Expenses (\$3,088)

Contact Information

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The calculations and data presented are deemed to be accurate, but not guaranteed. They are intended for the purpose of illustrative projections and analysis. The information provided is not intended to replace or serve as substitute for any legal, accounting, investment, real estate, tax or other professional advice, consultation or service. The user of this software should consult with a professional in the respective legal, accounting, tax or other professional area before making any decisions.

ACQUISITION COSTS

Purchase Price, Points and Closing Costs	\$1,504,975
Investment - Cash	\$757,475
First Loan	\$747,500

INVESTMENT INFORMATION

Purchase Price	\$1,495,000
Price per Unit	\$373,750
Price per Sq. Ft.	\$450.30
Income per Unit	\$22,197
Expenses per Unit	(\$9,263)

INCOME, EXPENSES & CASH FLOW

Gross Scheduled Income	\$88,788
Total Vacancy and Credits	(\$2,601)
Operating Expenses	(\$37,052)
Net Operating Income	\$49,135
Debt Service	(\$42,824)
Cash Flow Before Taxes	\$6,311
Total Interest (Debt Service)	(\$29,660)
Depreciation and Amortization	(\$20,064)
Taxable Income (Loss)	(\$589)
Tax Savings (Costs)	\$250
Cash Flow After Taxes	\$6,561

FINANCIAL INDICATORS

Cash on Cash Return Before Taxes	0.83%
Optimal Internal Rate of Return (yr 5)	4.90%
Debt Coverage Ratio	1.15
Capitalization Rate	3.29%
Gross Rent Multiplier	16.84
Gross Income / Square Feet	\$26.74
Gross Expenses / Square Feet	(\$11.16)
Operating Expense Ratio	42.99%

***Fourplex in Cambrian Park
(4) 2 BR / 1 BA Units***

1793 Bradford is a fourplex on a street of attractive residential rental properties, located in the desirable Cambrian Park neighborhood of San Jose. It has many capital upgrades. Upgrades include a newer roof, driveway pavement, back yard fencing, dual-pane windows with decorative shutters, tile floors in kitchens and bathrooms, pergo in all units, some newer plumbing. The unit mix is preferable, with four two-bedroom one-bath units approximately 830 SF in size.

There is an onsite laundry for additional income and tenant convenience. There is one coin-op washer and two stacked coin-op dryers. There is a fenced in common outdoor area shared with the building next door.



Construction is stucco over wood frame with a newer flat roof over perimeter foundation. Landscaping is mature and attractive, with plenty of shade for the building and the common usable area. There are four covered carport parking spaces accessed through the alleyway in the rear, and there is ample street parking in front. The building is 3,328 SF, on a 6,900 SF lot, built in 1961. It is zoned RM. Schools are Cambrian Elementary and Union High School.

There are individual meters for gas & electric. Tenants pay for gas, electric, phone, cable, and internet. The owner pays for taxes, insurance, gas and electric for laundry and common area lighting, water, sewer, and maintenance.

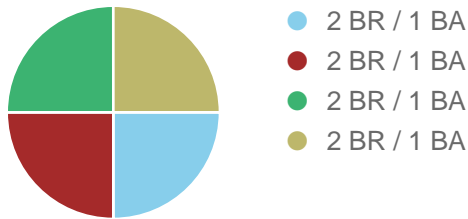
This property is one street away from large city block size Butcher Park and one street away from and buffered by residential Donna lane from a commercial strip center anchored by Home Depot and Target. It is located close to commuter routes, one mile from highway 85 and two miles from Highway 17. This property is subject to San Jose rent control laws. This property is offered in conjunction with 1797 Bradford Way.

Unit Mix Report

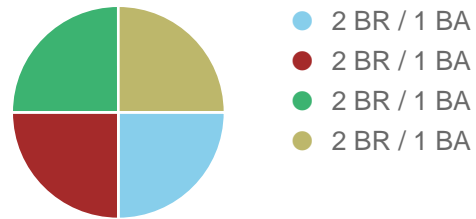
UNIT MIXES

Units	Type	Approx. SqFt	Avg. Rents	Monthly	Mkt Rents	Monthly
1	2 BR / 1 BA	830	\$1,806	\$1,806	\$2,000	\$2,000
1	2 BR / 1 BA	830	\$1,806	\$1,806	\$2,000	\$2,000
1	2 BR / 1 BA	830	\$1,806	\$1,806	\$2,000	\$2,000
1	2 BR / 1 BA	830	\$1,806	\$1,806	\$2,000	\$2,000
4		3,320		\$7,224		\$8,000

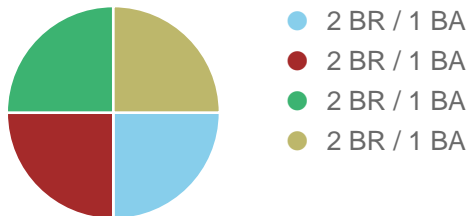
UNIT MIX



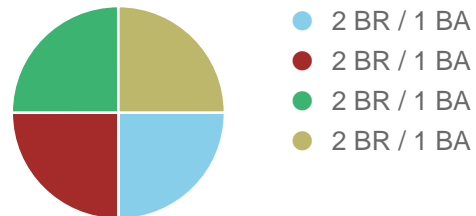
UNIT MIX SQUARE FEET



UNIT MIX INCOME



UNIT MIX MARKET INCOME



1793 Bradford Fourplex
1793 Bradford Avenue
San Jose, CA 95124

Property Photos

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408-356-1900

Property Photos



Front View



Front View



Side View



Side View



Patios/Balconies



Carports

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

1793 Bradford Fourplex
1793 Bradford Avenue
San Jose, CA 95124

Maps and Aerials



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Location Maps



Regional Map

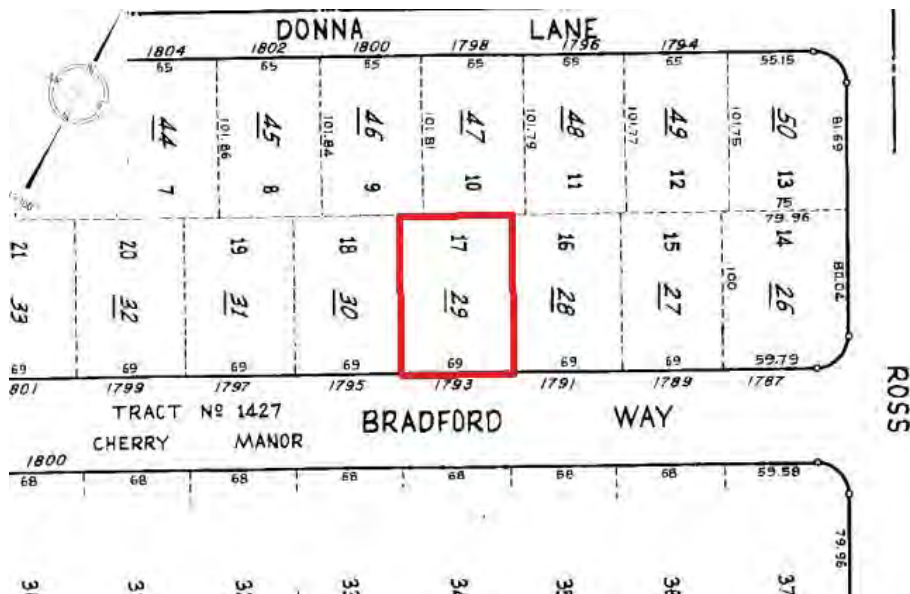


Neighborhood Map

Aerial & Parcel Maps



Aerial Map



Parcel Map

1793 Bradford Fourplex

1793 Bradford Avenue
San Jose, CA 95124

Financial Analysis



Description	Year 1	Year 2	Year 3	Year 4	Year 5
Rental Income	\$86,688	\$91,022	\$95,574	\$100,352	\$105,370
Laundry	\$2,100	\$2,100	\$2,100	\$2,100	\$2,100
GROSS SCHEDULED INCOME	\$88,788	\$93,122	\$97,674	\$102,452	\$107,470
Turnover Vacancy	(\$2,601)	(\$2,731)	(\$2,867)	(\$3,011)	(\$3,161)
GROSS OPERATING INCOME	\$86,187	\$90,392	\$94,806	\$99,442	\$104,309
Expenses					
Property Taxes	(\$17,775)	(\$17,953)	(\$18,132)	(\$18,314)	(\$18,497)
Special Assessments	(\$3,264)	(\$3,362)	(\$3,463)	(\$3,567)	(\$3,674)
Insurance	(\$2,700)	(\$2,781)	(\$2,864)	(\$2,950)	(\$3,039)
Utilities - Gas & Electric	(\$1,486)	(\$1,531)	(\$1,576)	(\$1,624)	(\$1,673)
Utilities - Water & Sewer	(\$2,850)	(\$2,936)	(\$3,024)	(\$3,114)	(\$3,208)
Trash Removal	(\$1,539)	(\$1,585)	(\$1,633)	(\$1,682)	(\$1,732)
Landscaping	(\$1,520)	(\$1,566)	(\$1,613)	(\$1,661)	(\$1,711)
Maintenance & Repairs	(\$5,918)	(\$5,918)	(\$5,918)	(\$5,918)	(\$5,918)
TOTAL OPERATING EXPENSES	(\$37,052)	(\$37,631)	(\$38,223)	(\$38,829)	(\$39,450)
NET OPERATING INCOME	\$49,135	\$52,761	\$56,583	\$60,612	\$64,858

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Description	Year 1	Year 2	Year 3	Year 4	Year 5
GROSS SCHEDULED INCOME	\$88,788	\$93,122	\$97,674	\$102,452	\$107,470
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Total Operating Expenses	(\$37,052)	(\$37,631)	(\$38,223)	(\$38,829)	(\$39,450)
NET OPERATING INCOME	\$49,135	\$52,761	\$56,583	\$60,612	\$64,858
Loan Payment	(\$42,824)	(\$42,824)	(\$42,824)	(\$42,824)	(\$42,824)
NET CASH FLOW (b/t)	\$6,311	\$9,937	\$13,759	\$17,788	\$22,034
Cash On Cash Return b/t	0.83%	1.31%	1.82%	2.35%	2.91%
NET OPERATING INCOME	\$49,135	\$52,761	\$56,583	\$60,612	\$64,858
Depreciation	(\$19,815)	(\$20,680)	(\$20,680)	(\$20,680)	(\$19,817)
Amortization	(\$249)	(\$249)	(\$249)	(\$249)	(\$249)
Loan Interest	(\$29,660)	(\$29,124)	(\$28,566)	(\$27,985)	(\$27,380)
TAXABLE INCOME (LOSS)	(\$589)	\$2,708	\$7,089	\$11,698	\$17,412
Income Taxes	\$250	(\$1,148)	(\$3,006)	(\$4,960)	(\$7,383)
CASH FLOW (a/t)	\$6,561	\$8,789	\$10,754	\$12,828	\$14,651
Cash On Cash Return a/t	0.87%	1.16%	1.42%	1.69%	1.93%

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

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Financial Indicators



1793 Bradford Avenue
San Jose, CA 95124

Michael Shields, CCIM
408-356-1900

Description	Year 1	Year 2	Year 3	Year 4	Year 5
Gross Rent Multiplier	17.34	17.03	16.73	16.42	16.13
Capitalization Rate	3.29%	3.53%	3.78%	4.05%	4.34%
Cash On Cash Return b/t	0.83%	1.31%	1.82%	2.35%	2.91%
Cash On Cash Return a/t	0.87%	1.16%	1.42%	1.69%	1.93%
Debt Coverage Ratio	1.15	1.23	1.32	1.42	1.51
Gross Income per Sq. Ft.	\$26.74	\$28.05	\$29.42	\$30.86	\$32.37
Expenses per Sq. Ft.	(\$11.16)	(\$11.33)	(\$11.51)	(\$11.70)	(\$11.88)
Net Income Multiplier	31.34	30.06	28.87	27.76	26.72
Operating Expense Ratio	42.99%	41.63%	40.32%	39.05%	37.82%
Loan To Value Ratio	47.69%	45.44%	43.24%	41.10%	39.01%

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

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1793 Bradford Fourplex

Loan Analysis



1793 Bradford Avenue
San Jose, CA 95124

Michael Shields, CCIM
408-356-1900

Description	Year 1	Year 2	Year 3	Year 4	Year 5
LOAN 1					
Debt Service Analysis					
Principal Payments	\$13,164	\$13,700	\$14,258	\$14,839	\$15,444
Interest Payments	\$29,660	\$29,124	\$28,566	\$27,985	\$27,380
Total Debt Service	\$42,824	\$42,824	\$42,824	\$42,824	\$42,824
Principal Balance Analysis					
Beginning Principal Balance	\$747,500	\$734,336	\$720,636	\$706,378	\$691,539
Principal Reductions	\$13,164	\$13,700	\$14,258	\$14,839	\$15,444
Ending Principal Balance	\$734,336	\$720,636	\$706,378	\$691,539	\$676,095

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**UNIT MIX & ANNUAL SCHEDULED INCOME**

Type	Units	Actual	Total	Market	Total
2 BR / 1 BA	1	\$21,672	\$21,672	\$24,000	\$24,000
2 BR / 1 BA	1	\$21,672	\$21,672	\$24,000	\$24,000
2 BR / 1 BA	1	\$21,672	\$21,672	\$24,000	\$24,000
2 BR / 1 BA	1	\$21,672	\$21,672	\$24,000	\$24,000
TOTALS	4		\$86,688		\$96,000

INVESTMENT SUMMARY

Price:	\$1,495,000
Year Built:	1961
Units:	4
Price/Unit:	\$373,750
RSF:	3,320
Price/RSF:	\$450.30
Lot Size:	6,900 sf
Floors:	2
Parking Spaces:	1/unit
APN:	419-04-029
Cap Rate:	3.29%
Market Cap Rate:	3.91%
GRM:	16.84
Market GRM:	15.24

FINANCING SUMMARY

Loan Amount:	\$747,500
Down Payment:	\$747,500
Loan Type:	Fixed
Interest Rate:	4%
Term:	30 years
Monthly Payment:	\$3,569
DCR:	1.15

ANNUALIZED INCOME

	Actual	Market
Gross Potential Rent	\$86,688	\$96,000
Less: Vacancy	(\$2,601)	(\$2,880)
Misc. Income	\$2,100	\$2,100
Effective Gross Income	\$86,187	\$95,220
Less: Expenses	(\$37,052)	(\$36,704)
Net Operating Income	\$49,135	\$58,516
Debt Service	(\$42,824)	(\$42,824)
Net Cash Flow after Debt Service	\$6,311	\$15,692
Principal Reduction	\$13,164	\$13,164
Total Return	\$19,475	\$28,856

ANNUALIZED EXPENSES

	Actual	Market
Property Taxes	\$17,775	\$17,427
Special Assessments	\$3,264	\$3,264
Insurance	\$2,700	\$2,700
Utilities - Gas & Electric	\$1,486	\$1,486
Utilities - Water & Sewer	\$2,850	\$2,850
Trash Removal	\$1,539	\$1,539
Landscaping	\$1,520	\$1,520
Maintenance & Repairs	\$5,918	\$5,918
Total Expenses	\$37,052	\$36,704
Expenses Per RSF	\$11.16	\$11.06
Expenses Per Unit	\$9,263	\$9,176

1793 Bradford Fourplex

1793 Bradford Avenue
San Jose, CA 95124

Comparables

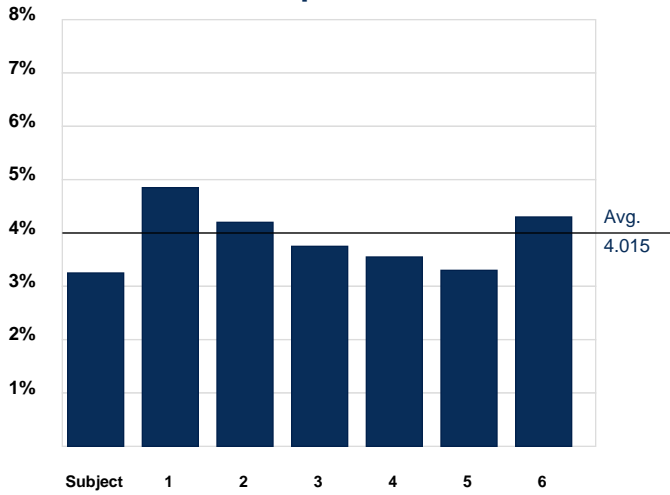
1793 Bradford Fourplex
 1793 Bradford Avenue
 San Jose, CA 95124

Sales Comparables

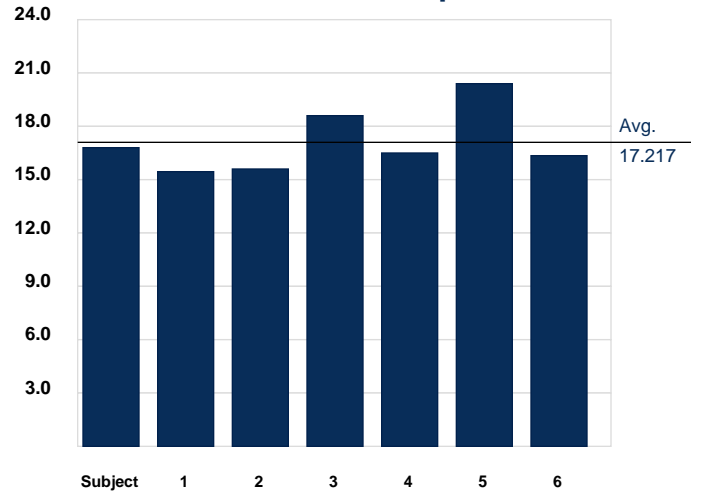


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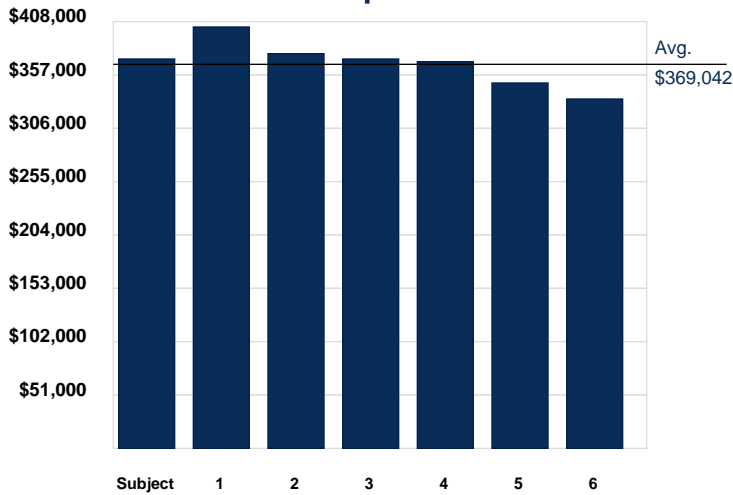
Cap Rate



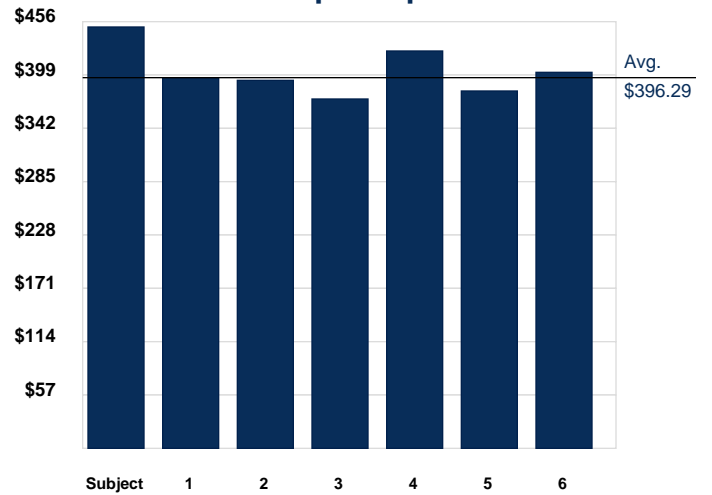
Gross Rent Multiplier



Price per Unit



Price per Sq. Ft.



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1793 Bradford Fourplex

Sales Comparables

1793 Bradford Avenue
San Jose, CA 95124

Michael Shields, CCIM
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S



**1793 Bradford Fourplex
1793 Bradford Avenue
San Jose, CA 95124**

	Sale Price	# Units	Unit Type
	\$1,495,000	1	2 BR / 1 BA
Units	4	1	2 BR / 1 BA
Price/Unit	\$373,750	1	2 BR / 1 BA
Price/SqFt	\$450.30	1	2 BR / 1 BA
Cap Rate	3.29%	1	2 BR / 1 BA
Year Built	1961		
GRM	16.84		

NOTES

(4) 22 2 BR / 1 BA Units, Desirable Location, Many Upgrades.

1



**2828 Joseph Ave
San Jose, Ca 95124**

	Sale Price	# Units	Unit Type
	\$1,615,000	3	Two Bedroom One Bath
Units	4	1	Three Bedroom Two Bath
Price/Unit	\$403,750		
Price/SqFt	\$397.20		
Cap Rate	4.87%		
Year Built	1959		
GRM	15.5		

Sale Date 10/23/2016

2



**2255 Shamrock Dr
San Jose, Ca 95124**

	Sale Price	# Units	Unit Type
	\$1,510,000	3	Two Bedroom One Bath
Units	4	1	Two Bedroom Two Bath
Price/Unit	\$377,500		
Price/SqFt	\$395.60		
Cap Rate	4.24%		
Year Built	1959		
GRM	15.7		

Sale Date 5/15/2016

1793 Bradford Fourplex

1793 Bradford Avenue
San Jose, CA 95124

Sales Comparables

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3



Sale Date 1/9/2017

4925 Canto Dr San Jose, Ca 95124

Sale Price	\$1,499,000	# Units	Unit Type
Units	4	1	One Bedroom One Bath
Price/Unit	\$374,750	2	Two Bedroom One Bath
Price/SqFt	\$373.54	1	Three Bedroom Two Bath
Cap Rate	3.79%		
Year Built	1977		
GRM	18.6		

4



Sale Date 11/6/2016

Starview Fourplex 3873 Starview Dr San Jose, Ca 95124

Sale Price	\$1,488,000	# Units	Unit Type
Units	4	1	Three Bedroom Two Bath
Price/Unit	\$372,000	2	Two Bedroom One Bath
Price/SqFt	\$426.12	1	One Bedroom One Bath
Cap Rate	3.59%		
Year Built	1962		
GRM	16.6		

5



Sale Date 9/25/2016

1725 Ross Circle San Jose, Ca 95124

Sale Price	\$1,405,000	# Units	Unit Type
Units	4	4	Two Bedroom One Bath
Price/Unit	\$351,250		
Price/SqFt	\$382.63		
Cap Rate	3.3%		
Year Built	1963		
GRM	20.5		

1793 Bradford Fourplex

1793 Bradford Avenue
San Jose, CA 95124

Sales Comparables

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6



Sale Date 6/6/2016

NOTES

Onsite laundry, Four Carport Spaces, All 2/1 Units.

1791 Bradford Ave San Jose, CA 95124

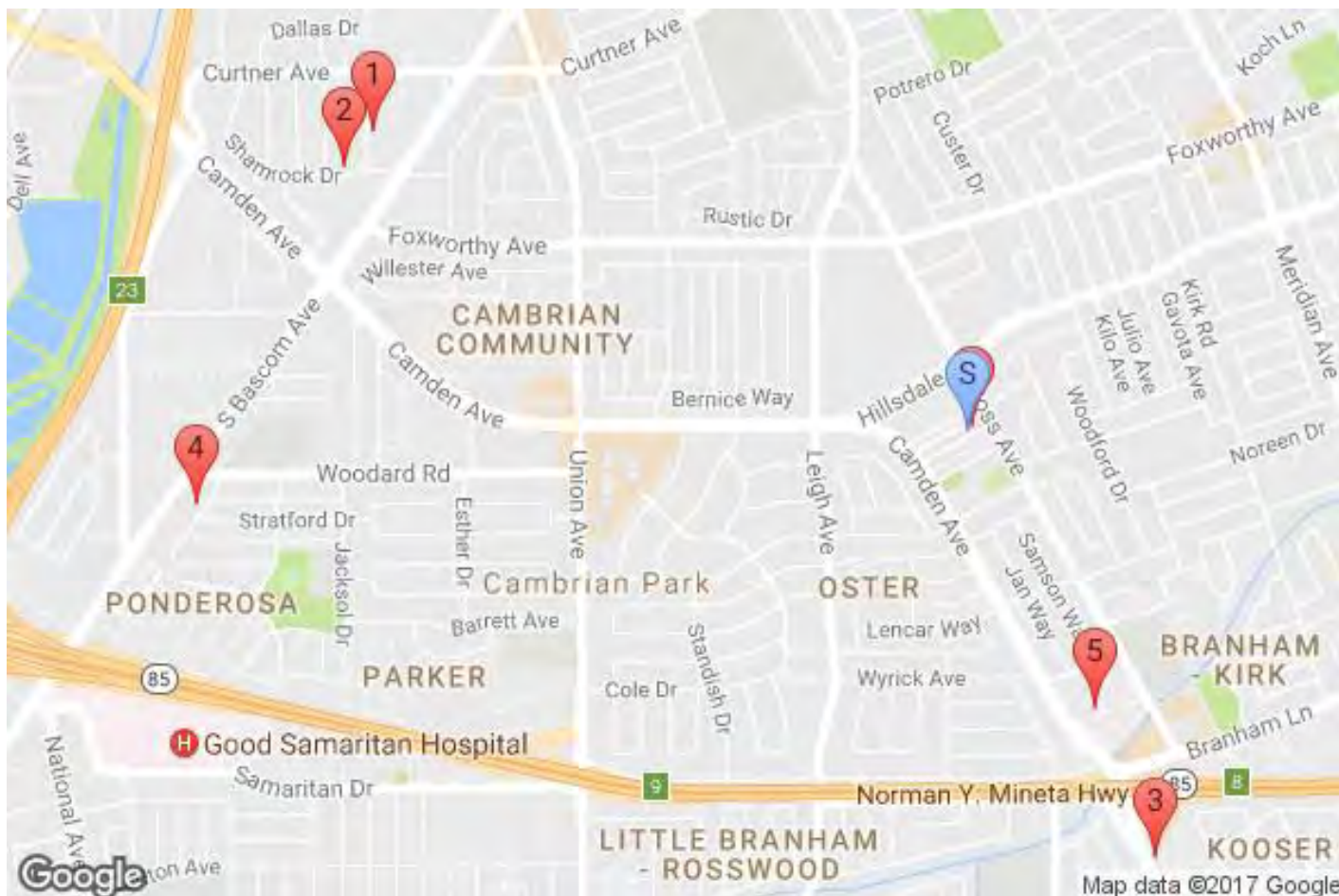
Sale Price	\$1,340,000	# Units	Unit Type
Units	4	4	Two Bedroom One Bath
Price/Unit	\$335,000		
Price/SqFt	\$402.64		
Cap Rate	4.3%		
Year Built	1961		
GRM	16.4		

1793 Bradford Fourplex

Sales Comparables

1793 Bradford Avenue
San Jose, CA 95124

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S 1793 Bradford Avenue
San Jose, CA, 95124
\$1,495,000

1 2828 Joseph Ave
San Jose, Ca, 95124
\$1,615,000

2 2255 Shamrock Dr
San Jose, Ca, 95124
\$1,510,000

3 4925 Canto Dr
San Jose, Ca, 95124
\$1,499,000

4 3873 Starview Dr
San Jose, Ca, 95124
\$1,488,000

5 1725 Ross Circle
San Jose, Ca, 95124
\$1,405,000

6 1791 Bradford Ave
San Jose, CA, 95124
\$1,340,000

1793 Bradford Fourplex

1793 Bradford Avenue
San Jose, CA 95124

Demographics



Executive Summary

1793 Bradford Way, San Jose, California, 95124
Rings: 1, 3, 5 mile radii

Prepared by Esri
Latitude: 37.26122
Longitude: -121.91678

	1 mile	3 miles	5 miles
Population			
2000 Population	22,816	172,777	433,088
2010 Population	22,927	178,091	455,546
2016 Population	24,410	186,824	482,615
2021 Population	25,982	197,376	512,608
2000-2010 Annual Rate	0.05%	0.30%	0.51%
2010-2016 Annual Rate	1.01%	0.77%	0.93%
2016-2021 Annual Rate	1.26%	1.10%	1.21%
2016 Male Population	49.8%	49.1%	49.5%
2016 Female Population	50.2%	50.9%	50.5%
2016 Median Age	40.5	40.2	38.5

In the identified area, the current year population is 482,615. In 2010, the Census count in the area was 455,546. The rate of change since 2010 was 0.93% annually. The five-year projection for the population in the area is 512,608 representing a change of 1.21% annually from 2016 to 2021. Currently, the population is 49.5% male and 50.5% female.

Median Age

The median age in this area is 40.5, compared to U.S. median age of 38.0.

Race and Ethnicity

2016 White Alone	67.6%	66.4%	57.6%
2016 Black Alone	1.9%	2.5%	3.2%
2016 American Indian/Alaska Native Alone	0.7%	0.6%	0.8%
2016 Asian Alone	15.2%	16.3%	20.5%
2016 Pacific Islander Alone	0.3%	0.4%	0.4%
2016 Other Race	7.7%	7.5%	11.6%
2016 Two or More Races	6.7%	6.3%	6.0%
2016 Hispanic Origin (Any Race)	20.6%	20.2%	26.7%

Persons of Hispanic origin represent 26.7% of the population in the identified area compared to 17.9% 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 77.2 in the identified area, compared to 63.5 for the U.S. as a whole.

Households

2000 Households	7,903	66,251	159,298
2010 Households	8,010	67,807	168,278
2016 Total Households	8,436	70,257	176,314
2021 Total Households	8,950	73,945	186,710
2000-2010 Annual Rate	0.13%	0.23%	0.55%
2010-2016 Annual Rate	0.83%	0.57%	0.75%
2016-2021 Annual Rate	1.19%	1.03%	1.15%
2016 Average Household Size	2.88	2.64	2.71

The household count in this area has changed from 168,278 in 2010 to 176,314 in the current year, a change of 0.75% annually. The five-year projection of households is 186,710, a change of 1.15% annually from the current year total. Average household size is currently 2.71, compared to 2.68 in the year 2010. The number of families in the current year is 118,945 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 2016 and 2021. Esri converted Census 2000 data into 2010 geography.

Executive Summary

1793 Bradford Way, San Jose, California, 95124
Rings: 1, 3, 5 mile radii

Prepared by Esri
Latitude: 37.26122
Longitude: -121.91678

	1 mile	3 miles	5 miles
Median Household Income			
2016 Median Household Income	\$105,611	\$98,723	\$88,222
2021 Median Household Income	\$115,260	\$107,818	\$100,306
2016-2021 Annual Rate	1.76%	1.78%	2.60%
Average Household Income			
2016 Average Household Income	\$132,948	\$130,420	\$122,193
2021 Average Household Income	\$144,971	\$141,704	\$132,829
2016-2021 Annual Rate	1.75%	1.67%	1.68%
Per Capita Income			
2016 Per Capita Income	\$46,331	\$49,412	\$45,040
2021 Per Capita Income	\$50,328	\$53,440	\$48,758
2016-2021 Annual Rate	1.67%	1.58%	1.60%

Current median household income is \$88,222 in the area, compared to \$54,149 for all U.S. households. Median household income is projected to be \$100,306 in five years, compared to \$59,476 for all U.S. households

Current average household income is \$122,193 in this area, compared to \$77,008 for all U.S. households. Average household income is projected to be \$132,829 in five years, compared to \$84,021 for all U.S. households

Current per capita income is \$45,040 in the area, compared to the U.S. per capita income of \$29,472. The per capita income is projected to be \$48,758 in five years, compared to \$32,025 for all U.S. households

Housing			
2000 Total Housing Units	7,976	67,343	162,435
2000 Owner Occupied Housing Units	6,010	42,110	94,325
2000 Renter Occupied Housing Units	1,893	24,140	64,973
2000 Vacant Housing Units	73	1,093	3,137
2010 Total Housing Units	8,270	70,341	175,359
2010 Owner Occupied Housing Units	6,137	42,469	96,908
2010 Renter Occupied Housing Units	1,873	25,338	71,370
2010 Vacant Housing Units	260	2,534	7,081
2016 Total Housing Units	8,587	72,841	182,877
2016 Owner Occupied Housing Units	6,335	42,875	98,259
2016 Renter Occupied Housing Units	2,101	27,382	78,054
2016 Vacant Housing Units	151	2,584	6,563
2021 Total Housing Units	9,114	76,789	193,950
2021 Owner Occupied Housing Units	6,658	44,805	103,159
2021 Renter Occupied Housing Units	2,292	29,140	83,551
2021 Vacant Housing Units	164	2,844	7,240

Currently, 53.7% of the 182,877 housing units in the area are owner occupied; 42.7%, renter occupied; and 3.6% are vacant. Currently, in the U.S., 55.4% of the housing units in the area are owner occupied; 32.9% are renter occupied; and 11.7% are vacant. In 2010, there were 175,359 housing units in the area - 55.3% owner occupied, 40.7% renter occupied, and 4.0% vacant. The annual rate of change in housing units since 2010 is 1.88%. Median home value in the area is \$722,841, compared to a median home value of \$198,891 for the U.S. In five years, median value is projected to change by 0.69% annually to \$748,257.

Data Note: Income is expressed in current dollars

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021. Esri converted Census 2000 data into 2010 geography.

DISCLAIMER

All materials and information received or derived from Silicon Valley Multifamily Group (SVMG) its directors, officers, agents, advisors, 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.

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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 those 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. *SVMG makes no warranties and/or representations regarding the veracity, completeness, or relevance of any financial data or assumptions.* SVMG 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 the units, lot or the building and are making NO representation as to the accuracy of square footage figures. Data source for building size and lot size is provided by an online resource such as that provided by Chicago Title Company. SVMG is not responsible for errors in the data. 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. Unless otherwise indicated, 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 SVMG.

All properties and services are marketed by SVMG 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 either previous year actual levels or annualized current income.

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 Forma 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.

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 provided through the Chicago Title Company online resource. 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. SVMG, 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 current 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 reflects projected rents, not current rent levels. Projected 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.