

## Downtown Menlo Park Fourplex

960 Roble Ave  
Menlo Park, CA 94025

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- Unique Downtown Menlo Park Residential Income Property  
Just 1.5 Miles From Stanford and Downtown Palo Alto
- Pride of Ownership Property - Very Good Condition  
Strong High-Tech Employment and Stanford Student Rental Area
- 4-Units: (2) Two-Bed/Two Bath Units, (2) Two-Bed/One-Bath Units  
On-Site Laundry Facility, Carports, Storage, Patios.
- Below Market Rents - Upside Rent Potential!  
Fully Rented. No Rent Control in Menlo Park.
- Offering Price: \$2,695,000

**SILICON VALLEY**  
**MULTIFAMILY GROUP**

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Downtown Menlo Park Fourplex

960 Roble Ave  
Menlo Park, CA 94025

## Property Overview

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## ANALYSIS

**Analysis Date**                      **April 2014**

## PROPERTY

**Property**                              Downtown Menlo Park Fourplex  
**Property Address**                960 Roble Ave  
     Menlo Park, CA 94025  
**Year Built**                            1959



## PURCHASE INFORMATION

**Property Type**                      MultiFamily  
**Purchase Price**                    \$2,695,000  
**Fair Market Value**                \$2,695,000  
**Units**                                    4  
**Total Rentable Sq. Ft.**            5,444  
**Resale Valuation**                  3.0% (annual appreciation)  
**Resale Expenses**                  6.0%

## FINANCIAL INFORMATION

**Down Payment**                    \$2,695,000  
**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
All Cash						

## INCOME & EXPENSES

**Gross Operating Income**            \$105,195  
**Monthly GOI**                            \$8,766  
**Total Annual Expenses**            (\$57,576)  
**Monthly Expenses**                   (\$4,798)

## 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	\$2,697,500
Investment - Cash	\$2,697,500

## INVESTMENT INFORMATION

Purchase Price	\$2,695,000
Price per Unit	\$673,750
Price per Sq. Ft.	\$495.04
Income per Unit	\$26,833
Expenses per Unit	(\$14,394)

## INCOME, EXPENSES & CASH FLOW

Gross Scheduled Income	\$107,331
Total Vacancy and Credits	(\$2,136)
Operating Expenses	(\$57,576)
Net Operating Income	\$47,619
Debt Service	\$0
Cash Flow Before Taxes	\$47,619
Total Interest (Debt Service)	\$0
Depreciation and Amortization	(\$71,607)
Taxable Income (Loss)	(\$23,988)
Tax Savings (Costs)	\$10,411
Cash Flow After Taxes	\$58,030

## FINANCIAL INDICATORS

Cash on Cash Return Before Taxes	1.77%
Optimal Internal Rate of Return (yr 10)	3.59%
Debt Coverage Ratio	N/A
Capitalization Rate	1.77%
Gross Rent Multiplier	25.11
Gross Income / Square Feet	\$19.72
Gross Expenses / Square Feet	(\$10.58)
Operating Expense Ratio	54.73%

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### ***Downtown Menlo Park Fourplex***

***Large Units: (2) 2 BR / 2 BA units & (2) 2 BR / 1 BA units***

This unique Downtown Menlo Park property is being offered for sale for the first time in 30 years. This fourplex is located within a few blocks of Downtown Menlo Park and only 1.5 miles to Stanford University. It is located in a residential area on a cul-de-sac of well-maintained properties, close to Downtown Menlo Park, Palo Alto, Stanford Mall and high-tech employers such as Facebook, Google, and Yahoo! It is one of the most sought after rental markets from San Jose to San Francisco, and commands premium rents – especially for quality units.



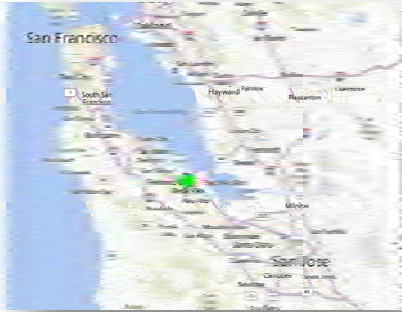
The building contains two large two-bed / two-bath units (Approx. 950 & 930 SF), and two two-bed / one-bath units (Approx. 830 SF). Average market rent for 2/1 units in this area is approximately \$3,000, with the 2/2 units fetching approx. \$3,200. There is significant upside rent potential for this property as the average rent per unit for the 2/2 unit is \$2300 and the average rent per unit for the 2/1 unit is \$2150.

The building and the units have been well maintained and are in very good condition. The upper units have a semi-private covered deck and the lower 2/2 unit in the rear has a large backyard with a permanent awning and stone patio, accessed through a glass sliding door. There is covered parking and storage lockers for all units, additional on-street parking and on-site laundry facilities. Each unit has radiant wall heaters and individual hot water heaters.

The property also has well maintained drought-tolerant landscaping. All units boast many windows, making each unit bright and airy. This two story property consists of stucco over wood frame, concrete foundation, concrete driveway and pitched composition shingle roof. Built in 1959, the building is 5,444 SF on a 7,191 SF lot (per County Records). Tenants pay individual utilities including gas heating, electric, phone & cable. Owner pays taxes, insurance, maintenance, trash removal, water & sewer, common area lighting and laundry room utilities.



## Location Overview



### 960 Roble Avenue Menlo Park, CA 94025

Market: Peninsula  
Submarket: Menlo Park  
County: San Mateo  
APN: 071-301-180

## Location Highlights

- Peninsula / Menlo Park
- Close to Downtown, Stanford, Employment
- Significant Rent Growth in 2011, 2012, 2013 YTD
- Robust Job & Rent Growth Projected by economists
- Low Vacancy Rate due to Strong Rental Demand

The property is located on the San Francisco Peninsula, in the City of Menlo Park, close to Downtown Menlo Park, Downtown Palo Alto, Stanford University, the Venture Capital Mecca on Sand Hill Road, and numerous high-tech employers including Google, Facebook, Yahoo, HP, Cisco and others. Recognized by many as the "Heart of Silicon Valley." The Peninsula boasts one of the highest education and well-paid workforces in the State of California, if not the world. The Peninsula is one of the largest employment areas and boasts a robust economy with employment growth that is among the strongest in the Country. It is in close proximity to Santa Clara County, the largest county within the Bay Area with more than 34% of the region's total employment. Over the coming years, population is expected to grow by 6.3%, and employment is expected to grow by 13.6% in a variety of fields including professional and business services (notably high technology), education services and health care services.

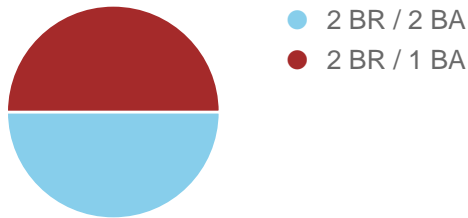
Silicon Valley also has one of highest concentrations of high-technology, engineering, computer and microprocessor companies in the world, resulting in strong employment in high paying fields with the highest average salary per worker (\$98,430) in the state. Moreover, personal income in the county is also expected to grow by 22.7%. Silicon Valley also receives 50% - 60% of all Venture Capital funding nationwide. This is due in large part to a favorable business climate for start-ups, the availability of skilled labor, and an excellent secondary educational system. Area schools such as Stanford University, the University of California, Berkeley, San Jose State University, Santa Clara University, and San Francisco State University pump thousands of engineering and computer science graduates into the local labor market every year. Moreover, numerous institutions will be expanding with new development projects. Stanford will be embarking on an ambitious hospital development project and development projects are also slated for Facebook and Apple Computer just to the south. Expansion of these (and other) institutions will bring many construction and high-tech jobs to the area.

The multifamily rental market on the Peninsula and in Silicon Valley is expected to experience significant growth over the coming years due to robust job growth, a young, mobile workforce, extraordinarily high single family housing prices, a chronic shortage of affordable housing, and chronically low development of multifamily housing due to cost, permitting and land availability. These factors have caused rents to rise dramatically in 2011, 2012 & 2013, with significant rent increases projected by local and national economists over the next five years. Moreover, institutional investors for large multifamily properties consisting of 100 or more units have re-entered the market in high numbers and are reinvesting at an extremely aggressive rate, paying on average of less than 5.4% cap rate – one of the lowest rates for multifamily properties nationwide.

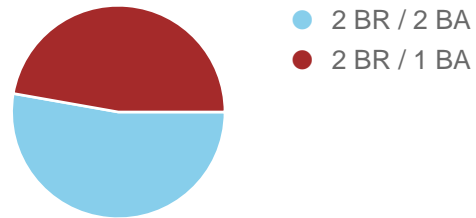
## UNIT MIXES

Units	Type	Approx. SqFt	Avg. Rents	Monthly	Mkt Rents	Monthly
2	2 BR / 2 BA	940	\$2,300	\$4,600	\$3,200	\$6,400
2	2 BR / 1 BA	830	\$2,150	\$4,300	\$3,000	\$6,000
4		3,540		\$8,900		\$12,400

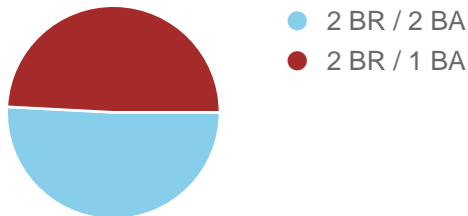
## UNIT MIX



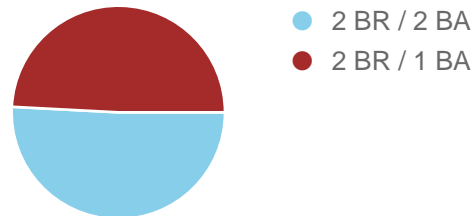
## UNIT MIX SQUARE FEET



## UNIT MIX INCOME



## UNIT MIX MARKET INCOME





**Property Photos**

*Unit Mix: (2) 2/2 Unit; (2) 2/1 Units*





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## Property Photos 2



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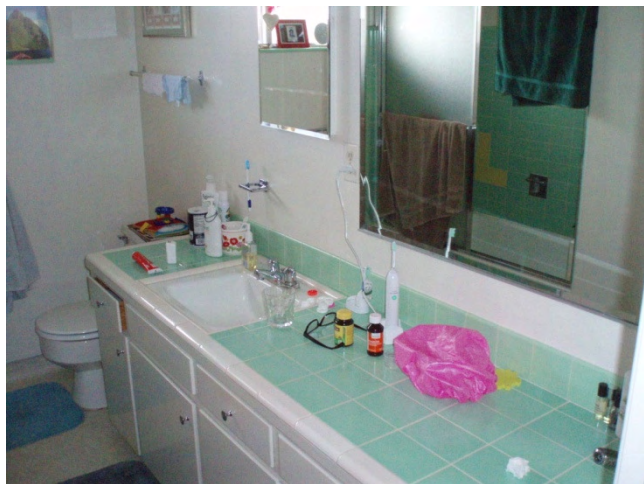
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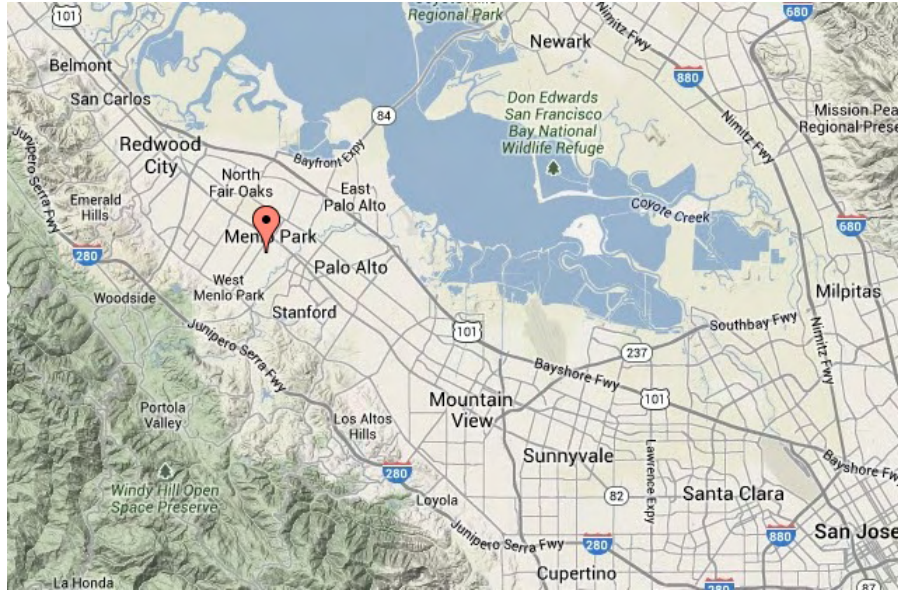
## Property Photos 3



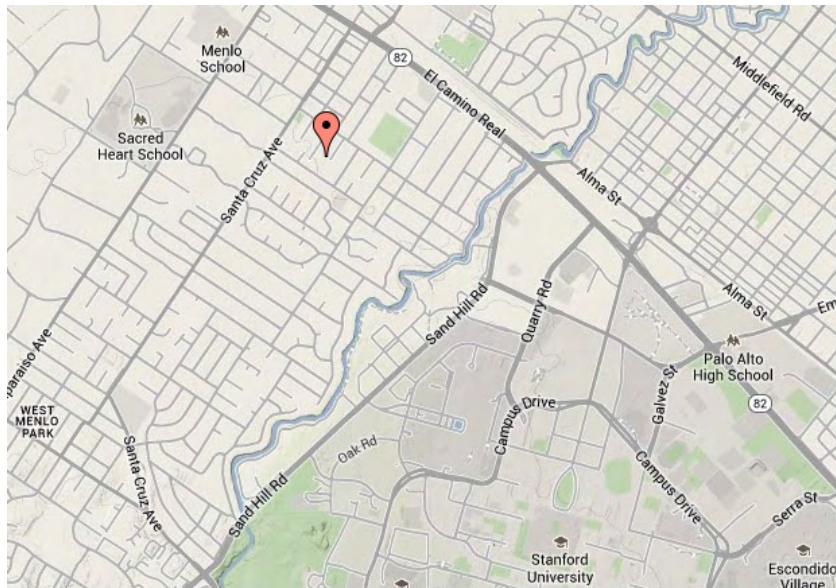
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## Location Maps



## Regional Map

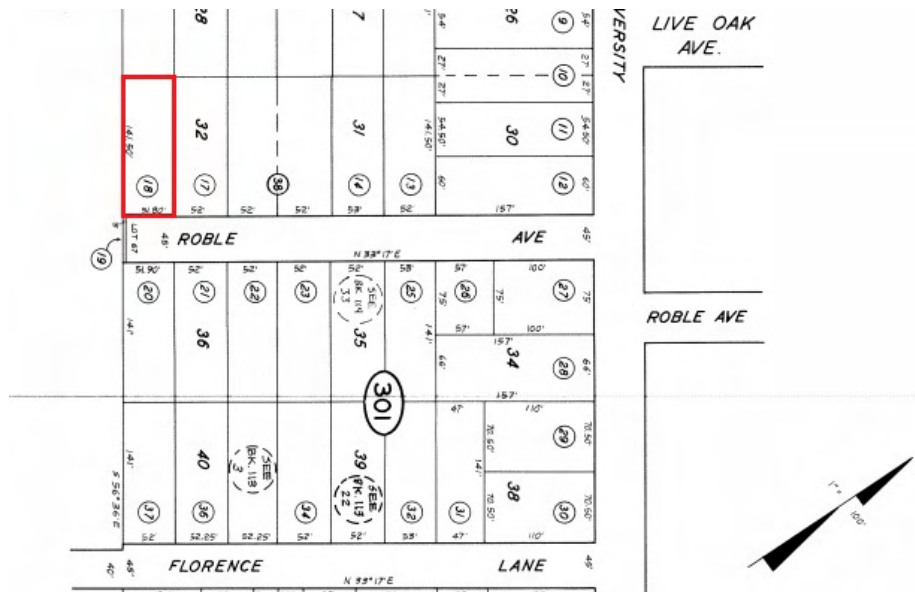


## Neighborhood Map

## Aerial & Parcel Maps



Aerial Map



Parcel Map

Downtown Menlo Park Fourplex

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## Financial 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
Rental Income	\$106,800	\$110,004	\$113,304	\$116,703	\$120,204	\$123,810	\$127,525	\$131,351	\$135,291	\$139,350
Miscellaneous Income	\$531	\$536	\$542	\$547	\$552	\$558	\$564	\$569	\$575	\$581
<b>GROSS SCHEDULED INCOME</b>	<b>\$107,331</b>	<b>\$110,540</b>	<b>\$113,846</b>	<b>\$117,250</b>	<b>\$120,757</b>	<b>\$124,368</b>	<b>\$128,088</b>	<b>\$131,920</b>	<b>\$135,866</b>	<b>\$139,930</b>
Turnover Vacancy	(\$2,136)	(\$2,200)	(\$2,266)	(\$2,334)	(\$2,404)	(\$2,476)	(\$2,550)	(\$2,627)	(\$2,706)	(\$2,787)
<b>GROSS OPERATING INCOME</b>	<b>\$105,195</b>	<b>\$108,340</b>	<b>\$111,580</b>	<b>\$114,916</b>	<b>\$118,353</b>	<b>\$121,892</b>	<b>\$125,538</b>	<b>\$129,293</b>	<b>\$133,160</b>	<b>\$137,143</b>
<b>Expenses</b>										
Property Taxes	(\$34,109)	(\$34,450)	(\$34,794)	(\$35,142)	(\$35,494)	(\$35,849)	(\$36,207)	(\$36,569)	(\$36,935)	(\$37,304)
Insurance	(\$3,476)	(\$3,580)	(\$3,688)	(\$3,798)	(\$3,912)	(\$4,030)	(\$4,151)	(\$4,275)	(\$4,403)	(\$4,535)
Utilities - Gas & Electric	(\$478)	(\$492)	(\$507)	(\$522)	(\$538)	(\$554)	(\$571)	(\$588)	(\$605)	(\$624)
Utilities - Water & Sewer	(\$1,499)	(\$1,544)	(\$1,591)	(\$1,638)	(\$1,688)	(\$1,738)	(\$1,790)	(\$1,844)	(\$1,899)	(\$1,956)
Trash Removal	(\$1,579)	(\$1,626)	(\$1,675)	(\$1,725)	(\$1,777)	(\$1,830)	(\$1,885)	(\$1,941)	(\$2,000)	(\$2,060)
Landscaping	(\$1,548)	(\$1,594)	(\$1,642)	(\$1,692)	(\$1,742)	(\$1,795)	(\$1,848)	(\$1,904)	(\$1,961)	(\$2,020)
Maintenance & Repairs	(\$13,998)	(\$14,417)	(\$14,850)	(\$15,295)	(\$15,754)	(\$16,227)	(\$16,714)	(\$17,215)	(\$17,732)	(\$18,264)
Cleaning and Misc.	(\$890)	(\$917)	(\$944)	(\$973)	(\$1,002)	(\$1,032)	(\$1,063)	(\$1,095)	(\$1,127)	(\$1,161)
<b>TOTAL OPERATING EXPENSES</b>	<b>(\$57,576)</b>	<b>(\$58,621)</b>	<b>(\$59,691)</b>	<b>(\$60,786)</b>	<b>(\$61,906)</b>	<b>(\$63,054)</b>	<b>(\$64,228)</b>	<b>(\$65,431)</b>	<b>(\$66,662)</b>	<b>(\$67,924)</b>
<b>NET OPERATING INCOME</b>	<b>\$47,619</b>	<b>\$49,719</b>	<b>\$51,889</b>	<b>\$54,131</b>	<b>\$56,446</b>	<b>\$58,839</b>	<b>\$61,310</b>	<b>\$63,862</b>	<b>\$66,498</b>	<b>\$69,220</b>

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>GROSS SCHEDULED INCOME</b>	\$107,331	\$110,540	\$113,846	\$117,250	\$120,757	\$124,368	\$128,088	\$131,920	\$135,866	\$139,930
Turnover Vacancy	(\$2,136)	(\$2,200)	(\$2,266)	(\$2,334)	(\$2,404)	(\$2,476)	(\$2,550)	(\$2,627)	(\$2,706)	(\$2,787)
Total Operating Expenses	(\$57,576)	(\$58,621)	(\$59,691)	(\$60,786)	(\$61,906)	(\$63,054)	(\$64,228)	(\$65,431)	(\$66,662)	(\$67,924)
<b>NET OPERATING INCOME</b>	\$47,619	\$49,719	\$51,889	\$54,131	\$56,446	\$58,839	\$61,310	\$63,862	\$66,498	\$69,220
Loan Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>NET CASH FLOW (b/t)</b>	\$47,619	\$49,719	\$51,889	\$54,131	\$56,446	\$58,839	\$61,310	\$63,862	\$66,498	\$69,220
Cash On Cash Return b/t	1.77%	1.84%	1.92%	2.01%	2.09%	2.18%	2.27%	2.37%	2.47%	2.57%
<b>NET OPERATING INCOME</b>	\$47,619	\$49,719	\$51,889	\$54,131	\$56,446	\$58,839	\$61,310	\$63,862	\$66,498	\$69,220
Depreciation	(\$71,607)	(\$74,731)	(\$74,731)	(\$74,731)	(\$74,731)	(\$74,731)	(\$74,731)	(\$74,731)	(\$74,731)	(\$71,610)
<b>TAXABLE INCOME (LOSS)</b>	(\$23,988)	(\$25,012)	(\$22,842)	(\$20,600)	(\$18,285)	(\$15,892)	(\$13,421)	(\$10,869)	(\$8,233)	(\$2,390)
Income Taxes	\$10,411	\$10,855	\$9,913	\$8,941	\$7,935	\$6,897	\$5,825	\$4,717	\$3,573	\$1,037
<b>CASH FLOW (a/t)</b>	\$58,030	\$60,574	\$61,802	\$63,071	\$64,382	\$65,736	\$67,134	\$68,579	\$70,071	\$70,257
Cash On Cash Return a/t	2.15%	2.25%	2.29%	2.34%	2.39%	2.44%	2.49%	2.54%	2.60%	2.60%

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

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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	25.86	25.87	25.87	25.87	25.87	25.87	25.88	25.88	25.88	25.88
Capitalization Rate	1.77%	1.84%	1.93%	2.01%	2.09%	2.18%	2.27%	2.37%	2.47%	2.57%
Cash On Cash Return b/t	1.77%	1.84%	1.92%	2.01%	2.09%	2.18%	2.27%	2.37%	2.47%	2.57%
Cash On Cash Return a/t	2.15%	2.25%	2.29%	2.34%	2.39%	2.44%	2.49%	2.54%	2.60%	2.60%
Debt Coverage Ratio	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gross Income per Sq. Ft.	\$19.72	\$20.30	\$20.91	\$21.54	\$22.18	\$22.85	\$23.53	\$24.23	\$24.96	\$25.70
Expenses per Sq. Ft.	(\$10.58)	(\$10.77)	(\$10.96)	(\$11.17)	(\$11.37)	(\$11.58)	(\$11.80)	(\$12.02)	(\$12.25)	(\$12.48)
Net Income Multiplier	58.29	57.51	56.75	56.04	55.35	54.69	54.06	53.46	52.88	52.32
Operating Expense Ratio	54.73%	54.11%	53.50%	52.90%	52.31%	51.73%	51.16%	50.61%	50.06%	49.53%
Loan To Value Ratio	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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### INVESTMENT SUMMARY

Price:	\$2,695,000
Year Built:	1959
Units:	4
Price/Unit:	\$673,750
RSF:	5,444
Price/RSF:	\$495.04
Lot Size:	7,191 sf
Floors:	2
Parking Spaces:	1/unit
APN:	071-301-180
Cap Rate:	1.77%
Pro Forma Cap Rate:	3.29%
GRM:	25.11
Pro Forma GRM:	18.05

### UNIT MIX & ANNUAL SCHEDULED INCOME

Type	Units	Actual	Total	Pro Forma	Total
2 BR / 2 BA	2	\$27,600	\$55,200	\$38,400	\$76,800
2 BR / 1 BA	2	\$25,800	\$51,600	\$36,000	\$72,000
<b>TOTALS</b>	<b>4</b>		<b>\$106,800</b>		<b>\$148,800</b>

### ANNUALIZED INCOME

	Actual	Pro Forma
Gross Potential Rent	\$106,800	\$148,800
Less: Vacancy	(\$2,136)	(\$2,976)
Misc. Income	\$531	\$528
<b>Effective Gross Income</b>	<b>\$105,195</b>	<b>\$146,352</b>
Less: Expenses	(\$57,576)	(\$57,576)
<b>Net Operating Income</b>	<b>\$47,619</b>	<b>\$88,776</b>

### ANNUALIZED EXPENSES

	Actual	Pro Forma
Property Taxes	\$34,109	\$34,109
Insurance	\$3,476	\$3,476
Utilities - Gas & Electric	\$478	\$478
Utilities - Water & Sewer	\$1,499	\$1,499
Trash Removal	\$1,579	\$1,579
Landscaping	\$1,548	\$1,548
Maintenance & Repairs	\$13,998	\$13,998
Cleaning and Misc.	\$890	\$890
<b>Total Expenses</b>	<b>\$57,576</b>	<b>\$57,576</b>
<b>Expenses Per RSF</b>	<b>\$10.58</b>	<b>\$10.58</b>
<b>Expenses Per Unit</b>	<b>\$14,394</b>	<b>\$14,394</b>

Downtown Menlo Park Fourplex

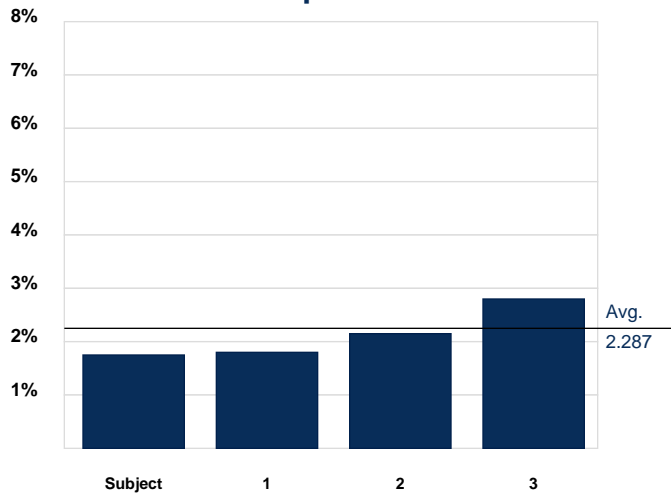
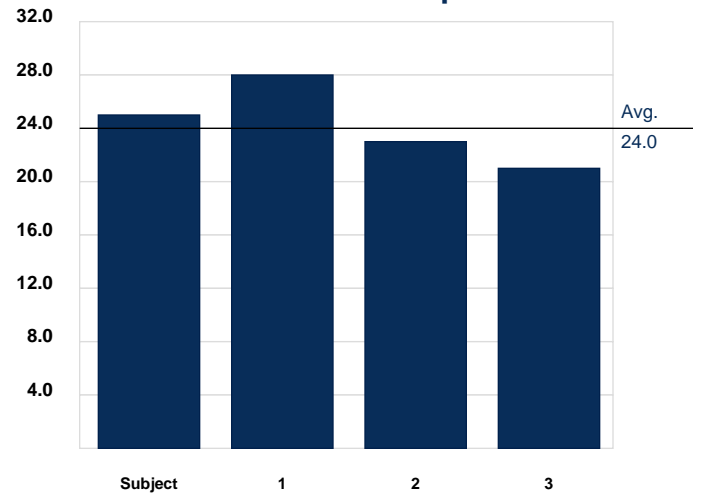
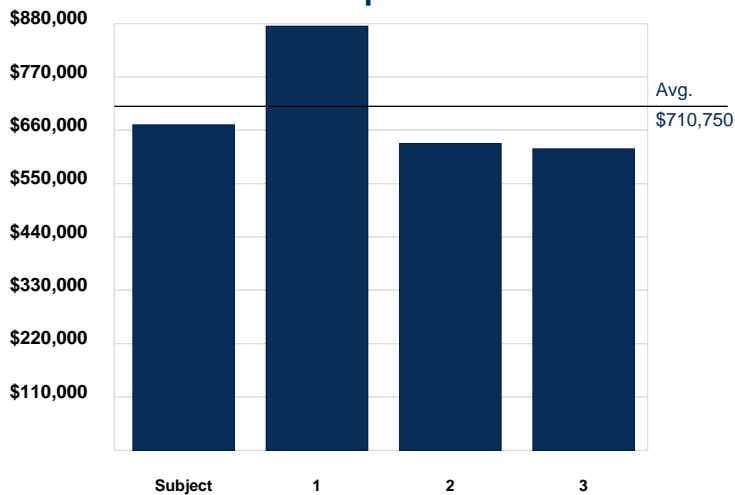
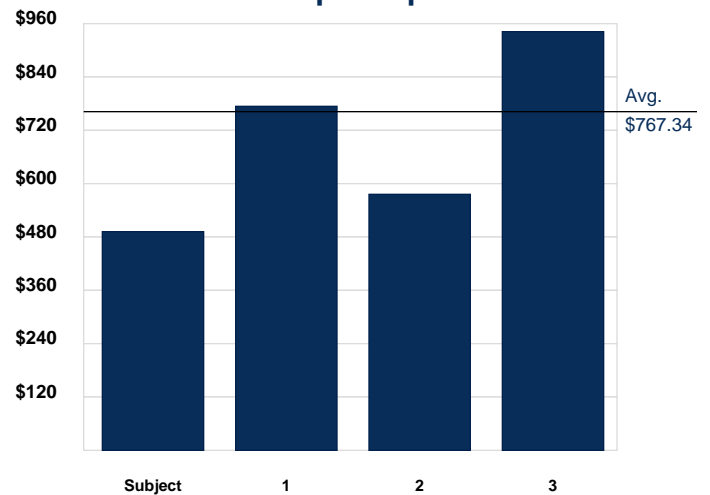
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## Comparables

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**Cap Rate****Gross Rent Multiplier****Price per Unit****Price per Sq. Ft.**



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**Downtown Menlo Park Fourplex  
960 Roble Ave  
Menlo Park, CA 94025**

Sale Price	\$2,695,000	# Units	Unit Type
Units	4	2	2 BR / 2 BA
Price/Unit	\$673,750	2	2 BR / 1 BA
Price/SqFt	\$495.04		
Cap Rate	1.77%		
Year Built	1959		
GRM	25.11		

**NOTES**

- Incredible Rental Location
- Two Two-Bed Two-Bath Units
- Two Two-Bed One-Bath Units

1



**734 Webster St  
Palo Alto, CA 94301**

Sale Price	\$3,500,000	# Units	Unit Type
Units	4	1	Four Bedroom Two Bath
Price/Unit	\$875,000	3	Two Bedroom One Bath
Price/SqFt	\$776.74		
Cap Rate	1.84%		
Year Built	1962		
GRM	28.0		

Sale Date 2/4/2014

**NOTES**

One four-bedroom/two-bath, three two-bedroom one-bath units.

2



**729 Roble Avenue  
Menlo Park, CA 94025**

Sale Price	\$2,530,000	# Units	Unit Type
Units	4	1	Two Bedroom Two Bath
Price/Unit	\$632,500	3	Two Bedroom One Bath
Price/SqFt	\$578.68		
Cap Rate	2.19%		
Year Built	1956		
GRM	23.0		

Sale Date 12/11/2013

**NOTES**

(3) 2/1 units, (1) 2/2 unit, all approx 1090 sqft. Forced air heat, dishwashers, rent upside.

960 Roble Ave  
Menlo Park, CA 94025

Michael Shields, CCIM, CCRM  
408-354-7470

3



On Market

**360 Hawthorne  
Palo Alto, CA 94301**

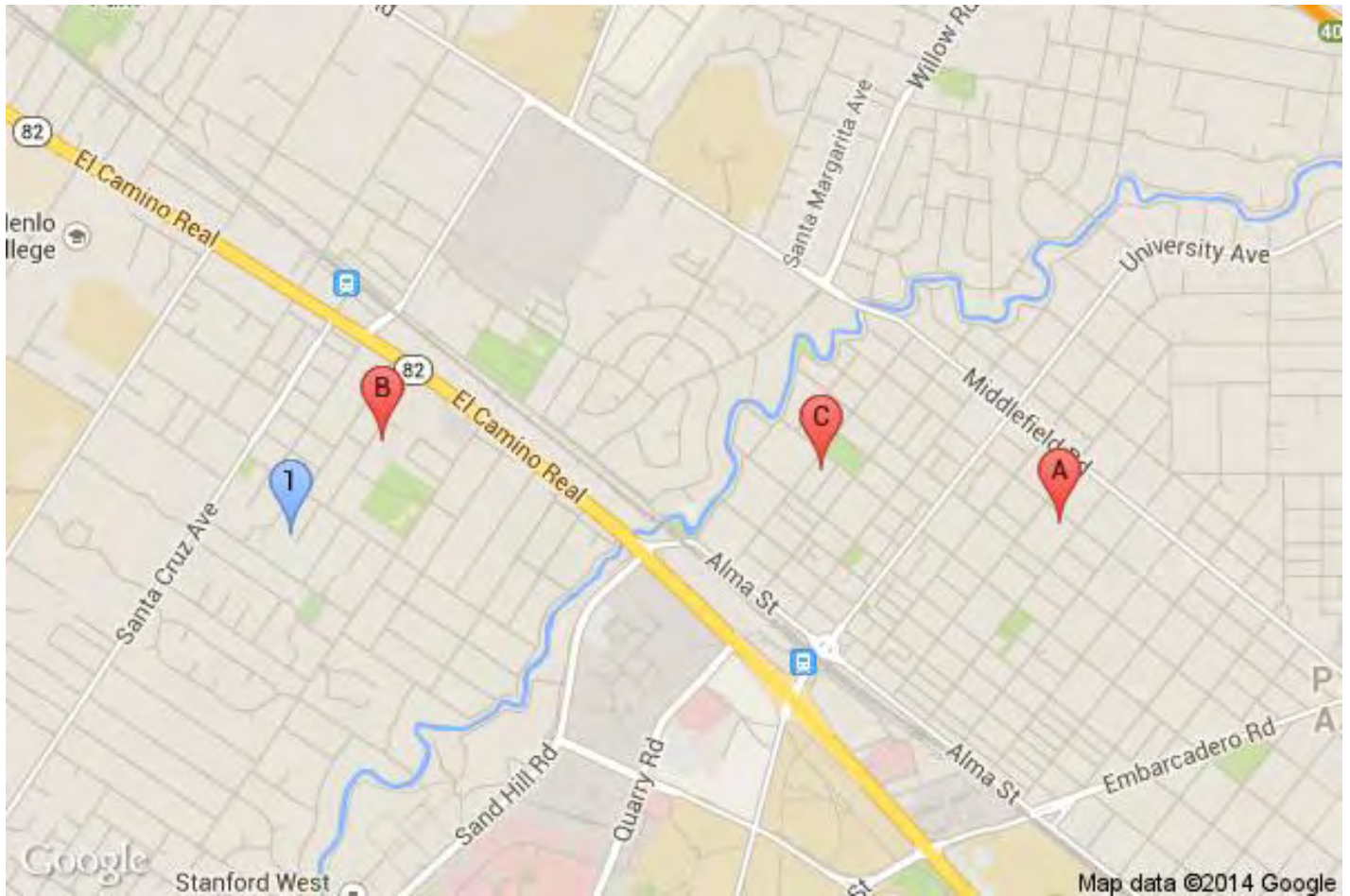
Sale Price	\$2,499,000	# Units	Unit Type
Units	4	4	One Bedroom One Bath
Price/Unit	\$624,750		
Price/SqFt	\$946.59		
Cap Rate	2.83%		
Year Built	1922		
GRM	21.0		

**NOTES**

2 bldgs, 4 units. 360 Hawthorne has three 1 bedroom units. 358 recently upgraded has 1 BR plus a Den.

960 Roble Ave  
Menlo Park, CA 94025

Michael Shields, CCIM, CCRM  
408-354-7470



- 1** 960 Roble Ave, Menlo Park, CA 94025 (\$2,695,000)
- A** 734 Webster St, Palo Alto, CA 94301 (\$3,500,000)
- B** 729 Roble Avenue, Menlo Park, CA 94025 (\$2,530,000)
- C** 360 Hawthorne, Palo Alto, CA 94301 (\$2,499,000)

Downtown Menlo Park Fourplex

960 Roble Ave  
Menlo Park, CA 94025

## Demographics

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# Executive Summary

960 Roble Ave, Menlo Park, California, 94025  
Rings: 0.5, 1, 2 mile radii

Prepared by Michael Shields  
Latitude: 37.446810979  
Longitude: -122.1844036

	0.5 miles	1 mile	2 miles
<b>Population</b>			
2000 Population	5,281	14,079	50,667
2010 Population	5,530	16,490	53,412
2013 Population	5,678	16,859	54,309
2018 Population	5,991	17,627	56,437
2000-2010 Annual Rate	0.46%	1.59%	0.53%
2010-2013 Annual Rate	0.81%	0.68%	0.51%
2013-2018 Annual Rate	1.08%	0.89%	0.77%
2013 Male Population	46.3%	47.6%	49.8%
2013 Female Population	53.7%	52.4%	50.2%
2013 Median Age	39.3	39.5	37.5

In the identified area, the current year population is 54,309. In 2010, the Census count in the area was 53,412. The rate of change since 2010 was 0.51% annually. The five-year projection for the population in the area is 56,437 representing a change of 0.77% annually from 2013 to 2018. Currently, the population is 49.8% male and 50.2% female.

## Median Age

The median age in this area is 37.5, compared to U.S. median age of 37.3.

## Race and Ethnicity

2013 White Alone	81.7%	78.3%	73.7%
2013 Black Alone	0.4%	1.2%	2.3%
2013 American Indian/Alaska Native Alone	0.1%	0.2%	0.3%
2013 Asian Alone	11.6%	14.4%	15.5%
2013 Pacific Islander Alone	0.2%	0.3%	0.4%
2013 Other Race	1.6%	1.5%	2.7%
2013 Two or More Races	4.3%	4.1%	5.1%
2013 Hispanic Origin (Any Race)	6.5%	6.0%	8.4%

Persons of Hispanic origin represent 8.4% of the population in the identified area compared to 17.4% 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 51.9 in the identified area, compared to 62.1 for the U.S. as a whole.

## Households

2000 Households	2,650	6,790	20,131
2010 Households	2,616	7,659	21,084
2013 Total Households	2,662	7,766	21,358
2018 Total Households	2,794	8,092	22,240
2000-2010 Annual Rate	-0.13%	1.21%	0.46%
2010-2013 Annual Rate	0.54%	0.43%	0.40%
2013-2018 Annual Rate	0.97%	0.82%	0.81%
2013 Average Household Size	2.10	2.11	2.25

The household count in this area has changed from 21,084 in 2010 to 21,358 in the current year, a change of 0.40% annually. The five-year projection of households is 22,240, a change of 0.81% annually from the current year total. Average household size is currently 2.25, compared to 2.23 in the year 2010. The number of families in the current year is 11,598 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 2013 and 2018. Esri converted Census 2000 data into 2010 geography.

March 14, 2014

# Executive Summary

960 Roble Ave, Menlo Park, California, 94025  
Rings: 0.5, 1, 2 mile radii

Prepared by Michael Shields

Latitude: 37.446810979

Longitude: -122.1844036

	0.5 miles	1 mile	2 miles
<b>Median Household Income</b>			
2013 Median Household Income	\$100,276	\$105,602	\$108,412
2018 Median Household Income	\$112,443	\$120,709	\$125,182
2013-2018 Annual Rate	2.32%	2.71%	2.92%
<b>Average Household Income</b>			
2013 Average Household Income	\$139,212	\$141,856	\$147,057
2018 Average Household Income	\$168,190	\$172,412	\$180,618
2013-2018 Annual Rate	3.85%	3.98%	4.20%
<b>Per Capita Income</b>			
2013 Per Capita Income	\$65,621	\$65,934	\$60,272
2018 Per Capita Income	\$78,774	\$79,743	\$73,474
2013-2018 Annual Rate	3.72%	3.88%	4.04%

## Households by Income

Current median household income is \$108,412 in the area, compared to \$51,314 for all U.S. households. Median household income is projected to be \$125,182 in five years, compared to \$59,580 for all U.S. households

Current average household income is \$147,057 in this area, compared to \$71,842 for all U.S. households. Average household income is projected to be \$180,618 in five years, compared to \$83,667 for all U.S. households

Current per capita income is \$60,272 in the area, compared to the U.S. per capita income of \$27,567. The per capita income is projected to be \$73,474 in five years, compared to \$32,073 for all U.S. households

<b>Housing</b>			
2000 Total Housing Units	2,737	7,094	20,982
2000 Owner Occupied Housing Units	1,063	2,866	10,737
2000 Owner Occupied Housing Units	1,587	3,925	9,395
2000 Vacant Housing Units	87	303	850
2010 Total Housing Units	2,773	8,296	22,619
2010 Owner Occupied Housing Units	1,025	2,937	10,565
2010 Renter Occupied Housing Units	1,591	4,722	10,519
2010 Vacant Housing Units	157	637	1,535
2013 Total Housing Units	2,809	8,375	22,808
2013 Owner Occupied Housing Units	1,018	2,898	10,402
2013 Renter Occupied Housing Units	1,645	4,868	10,956
2013 Vacant Housing Units	147	609	1,450
2018 Total Housing Units	2,897	8,603	23,752
2018 Owner Occupied Housing Units	1,098	3,082	10,981
2018 Renter Occupied Housing Units	1,696	5,010	11,259
2018 Vacant Housing Units	103	511	1,512

Currently, 45.6% of the 22,808 housing units in the area are owner occupied; 48.0%, renter occupied; and 6.4% are vacant. Currently, in the U.S., 56.4% of the housing units in the area are owner occupied; 32.3% are renter occupied; and 11.3% are vacant. In 2010, there were 22,619 housing units in the area - 46.7% owner occupied, 46.5% renter occupied, and 6.8% vacant. The annual rate of change in housing units since 2010 is 0.37%. Median home value in the area is \$1,000,001, compared to a median home value of \$177,257 for the U.S. In five years, median value is projected to change by 0.00% annually to \$1,000,001.

**Data Note:** Income is expressed in current dollars

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2013 and 2018. Esri converted Census 2000 data into 2010 geography.

March 14, 2014



## 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.

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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 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.