

OFFERING MEMORANDUM: 10-UNIT APARTMENT COMPLEX



721 N COMMERCE ST

Stockton, CA 95202

TABLE OF CONTENTS

CONFIDENTIALITY & DISCLAIMER

All materials and information received or derived from First Commercial Real Estate, 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 First Commercial Real Estate, 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 significance to such party. First Commercial Real Estate will not investigate or verify any such matters or conduct due diligence for a party unless otherwise agreed in writing.

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

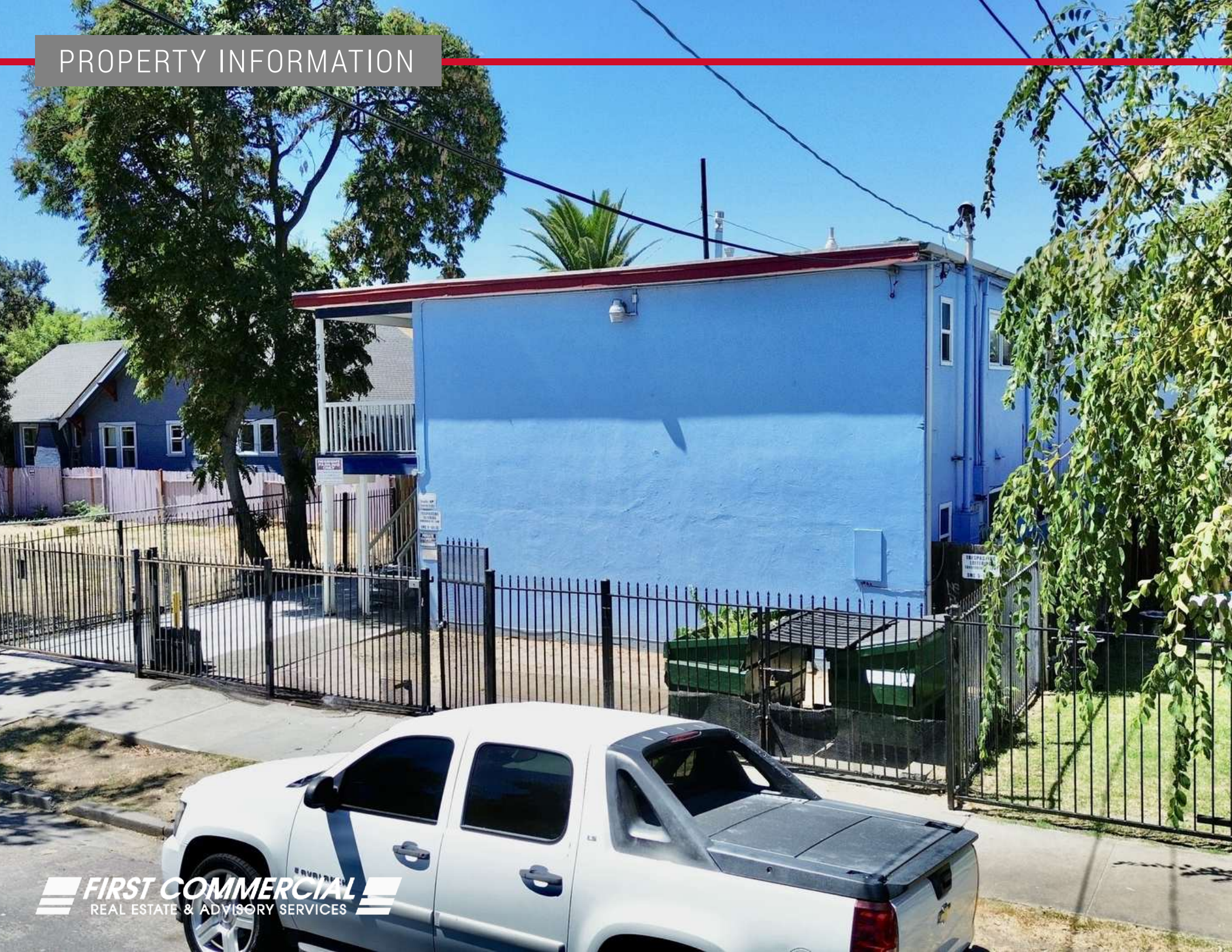
Any party contemplating or under contract or in escrow for a transaction is urged to verify all information and to conduct their own inspections and investigations including through appropriate third party independent professionals selected by such party. All financial data should be verified by the party including by obtaining and reading applicable documents and reports and consulting appropriate independent professionals. First Commercial Real Estate makes no warranties and/or representations regarding the veracity, completeness, or relevance of any financial data or assumptions. First Commercial Real Estate does not serve as a financial advisor to any party regarding any proposed transaction. 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. All properties and services are marketed by First Commercial Real Estate in compliance with all applicable fair housing and equal opportunity laws.

TABLE OF CONTENTS

PROPERTY INFORMATION	3
PROPERTY SUMMARY	4
COMPLETE HIGHLIGHTS	5
RENT ROLL	6
FLOOR PLANS	7
ADDITIONAL PHOTOS	8
LOCATION INFORMATION	9
LOCATION MAP	10
RETAILER MAP	11
FINANCIAL ANALYSIS	12
FINANCIAL SUMMARY	13
INCOME & EXPENSES	14
LEASE COMPARABLES	15
LEASE COMPS	16
DEMOGRAPHICS	18
DEMOGRAPHICS MAP & REPORT	19
BACK PAGE	20

PROPERTY INFORMATION



PROPERTY SUMMARY



PROPERTY DESCRIPTION

Presenting an outstanding investment opportunity at 721 N. Commerce St., Stockton, CA. This 10-unit apartment complex consists of (8) one-bedroom, one-bathroom units and (2) two-bedroom, one-bathroom units. The property features dual-pane windows, providing enhanced energy efficiency and noise reduction, as well as a durable concrete driveway, ensuring long-term, low-maintenance use. Additional amenities include both covered and uncovered parking, a common area laundry room, and a remote-controlled security gate for added safety. With current rents below market value, there is significant potential for value-add improvements. Stockton's growing demand for quality rental housing indicates a consistent flow of prospective tenants, making this investment an excellent choice for generating steady rental income with low vacancy rates.

OFFERING SUMMARY

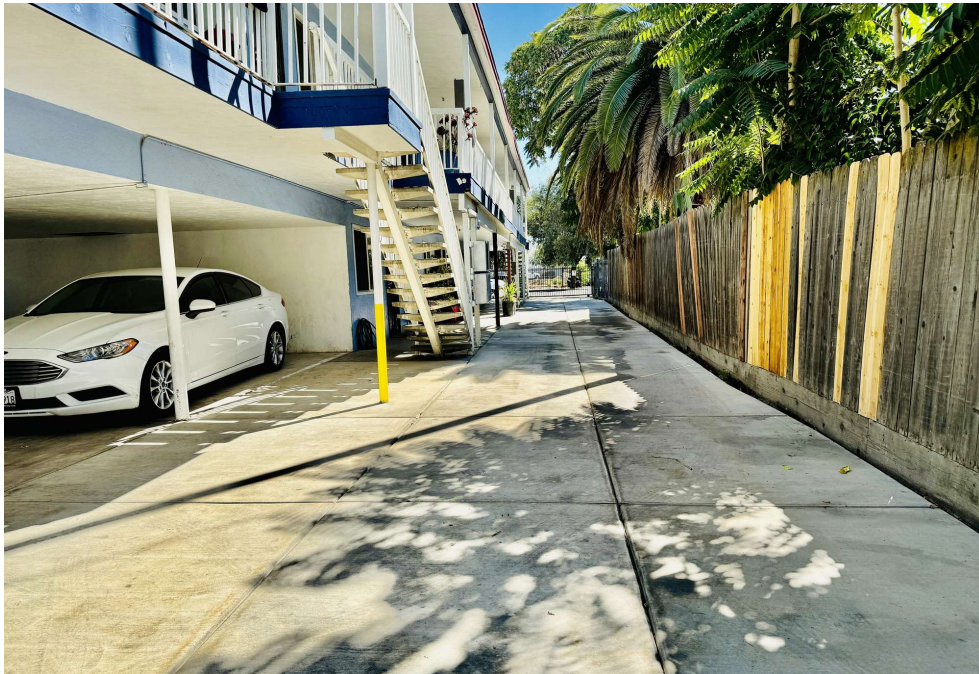
Sale Price:	\$1,199,000
Number of Units:	10
Building Size:	5,589 SF
NOI:	\$69,010.13
Cap Rate:	5.76%
Year Built:	1970

LOCATION DESCRIPTION

The apartment complex at 721 N. Commerce St., Stockton, CA, offers an exceptional investment opportunity in a prime downtown location. Situated within the Stockton Unified School District, the property appeals to families prioritizing access to quality education. The surrounding area is a vibrant hub of retail, dining, and entertainment, featuring popular destinations like Stockton Arena, Regal Cinemas, and the San Joaquin County Library. Residents will enjoy the convenience of nearby retail giants such as Starbucks, Dutch Bros, Sonic, and Subway, as well as essential services provided by major banks including Chase, Wells Fargo, and U.S. Bank. Additionally, the property is well-connected to major transportation routes, including Interstate 5 and Highway 4, making commuting and travel easy. This strategic location, surrounded by essential services, shopping, dining, and entertainment, makes the property highly desirable for tenants and an attractive investment opportunity for knowledgeable investors.

DEMOGRAPHICS	0.3 MILES	0.5 MILES	1 MILE
Total Households	1,153	2,969	7,720
Total Population	2,777	6,991	19,389
Average HH Income	\$52,518	\$53,051	\$61,889

COMPLETE HIGHLIGHTS



PROPERTY HIGHLIGHTS

- **Prime 10-Unit Apartment Complex:** Consisting of (8) one-bedroom, one-bathroom units and (2) two-bedroom, one-bathroom units.
- **Value-Added Opportunity:** Potential to increase rental income by adjusting rents to market levels. Additionally, implementing a **Ratio Utility Billing System (RUBS)** offers the chance to recoup utility costs, further enhancing the property's income potential.
- **Extra Income Potential:** On-site laundry machines leased out by WASH, with all maintenance handled by the company, providing the owner with hassle-free additional income through monthly checks.
- **Modern Upgrades:** 9 out of the 10 units have been remodeled, featuring updated finishes and modern amenities, offering tenants a fresh, contemporary living experience while boosting the property's rental appeal.
- **Strong Rental Demand:** Located in a vibrant downtown area with high demand for quality rental housing in Stockton.
- **Enhanced Security:** Property is secured by a remote-controlled security gate for added safety.
- **Energy Efficiency:** Since 2015, dual-pane windows have been installed throughout the property, offering enhanced insulation and noise reduction, improving energy efficiency and comfort for tenants.
- **Durable Infrastructure:** This property boasts a newly completed concrete driveway (2024), offering a sleek, long-lasting, and low-maintenance solution. The roof, replaced in 2014, further enhances the property's durability, ensuring peace of mind for years to come.
- **Ample Parking:** Offers generous on-site parking, with both covered and uncovered spaces.
- **Family-Friendly Location:** Ideally situated within the Stockton Unified School District.
- **Excellent Connectivity:** Easy access to major transportation routes, including Interstate 5 and Highway 4.
- **Proximity to Amenities:** Close to popular destinations like Stockton Arena, Regal Cinemas, Starbucks, and major banks, making it an attractive location for tenants.

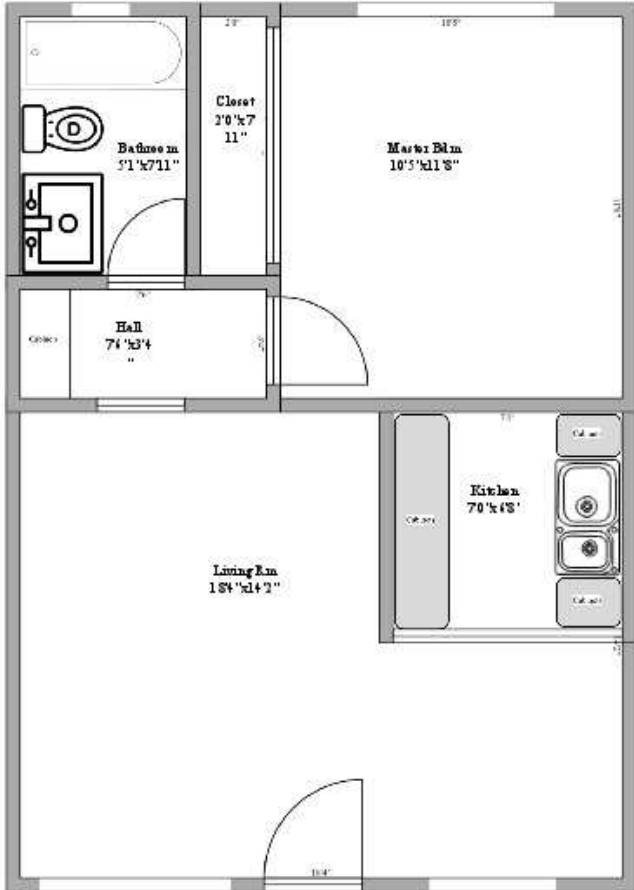
RENT ROLL

SUITE	BEDROOMS	BATHROOMS	RENT	MARKET RENT	LEASE START	LEASE END
1	1	1	\$973	\$1,150	2/1/23	Month-to-Month
2	1	1	\$945	\$1,150	5/16/24	5/15/25
3	1	1	\$979	\$1,150	9/4/18	Month-to-Month
4 (Vacant)	1	1	\$1,050	\$1,150	-	-
5	1	1	\$895	\$1,150	8/19/24	8/18/25
6 (Vacant)	1	1	\$1,150	\$1,150	-	-
7	1	1	\$1,028	\$1,150	10/15/21	Month-to-Month
8	1	1	\$1,028	\$1,150	12/1/15	Month-to-Month
9	2	1	\$1,213	\$1,350	4/1/15	Month-to-Month
10	2	1	\$1,229	\$1,350	10/7/20	Month-to-Month
TOTALS			\$10,490	\$11,900		
AVERAGES			\$1,049	\$1,190		

FLOOR PLANS

**721 N Commerce St
Unit No. 4
Stockton, CA 95292**

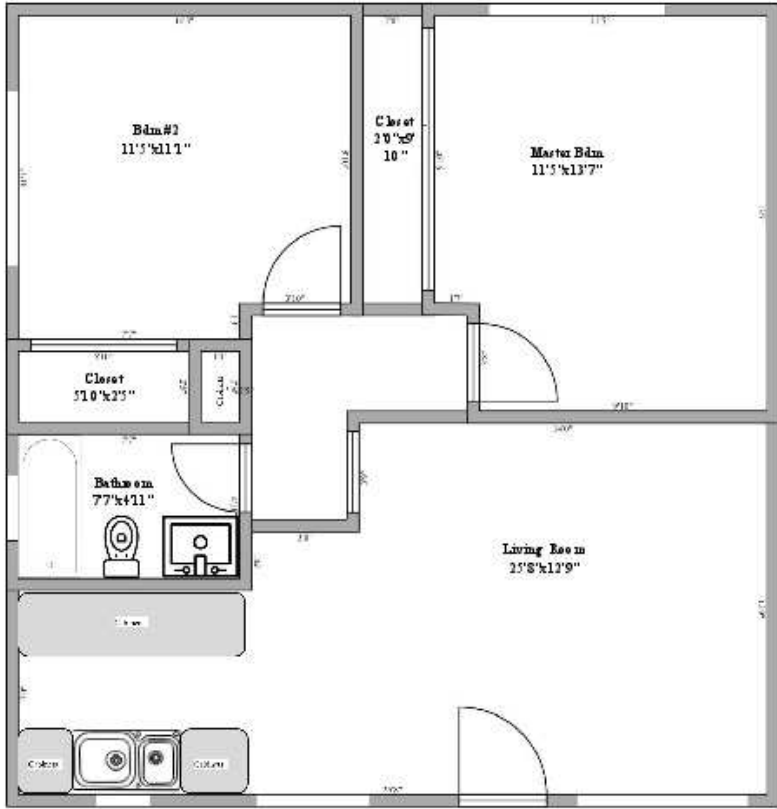
Floor Plans



Area: Approx. 500 Square Feet

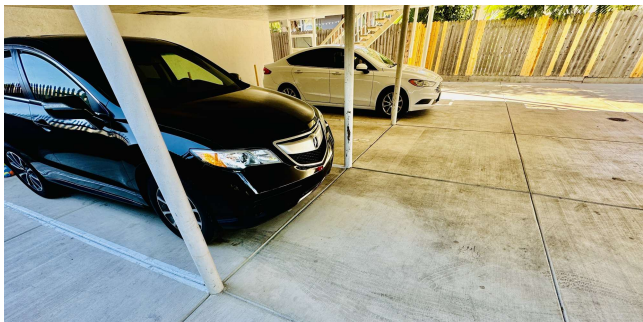
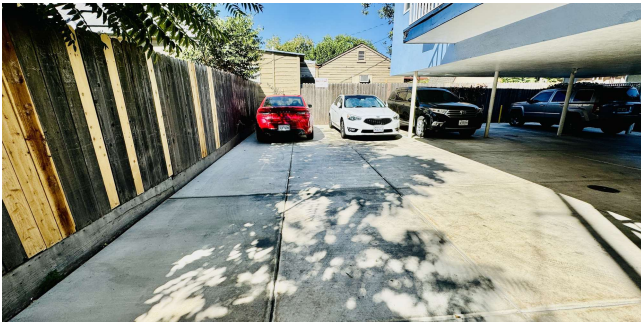
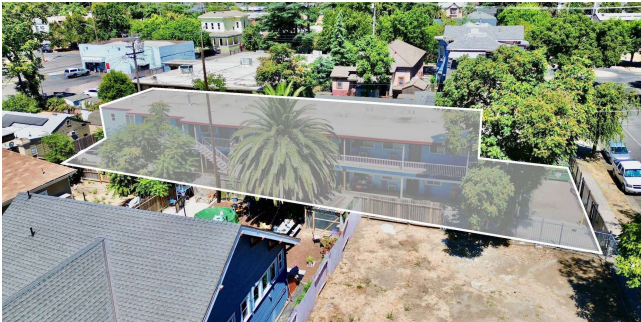
**721 N Commerce St
Unit No. 10
Stockton, CA 95292**

Floor Plans

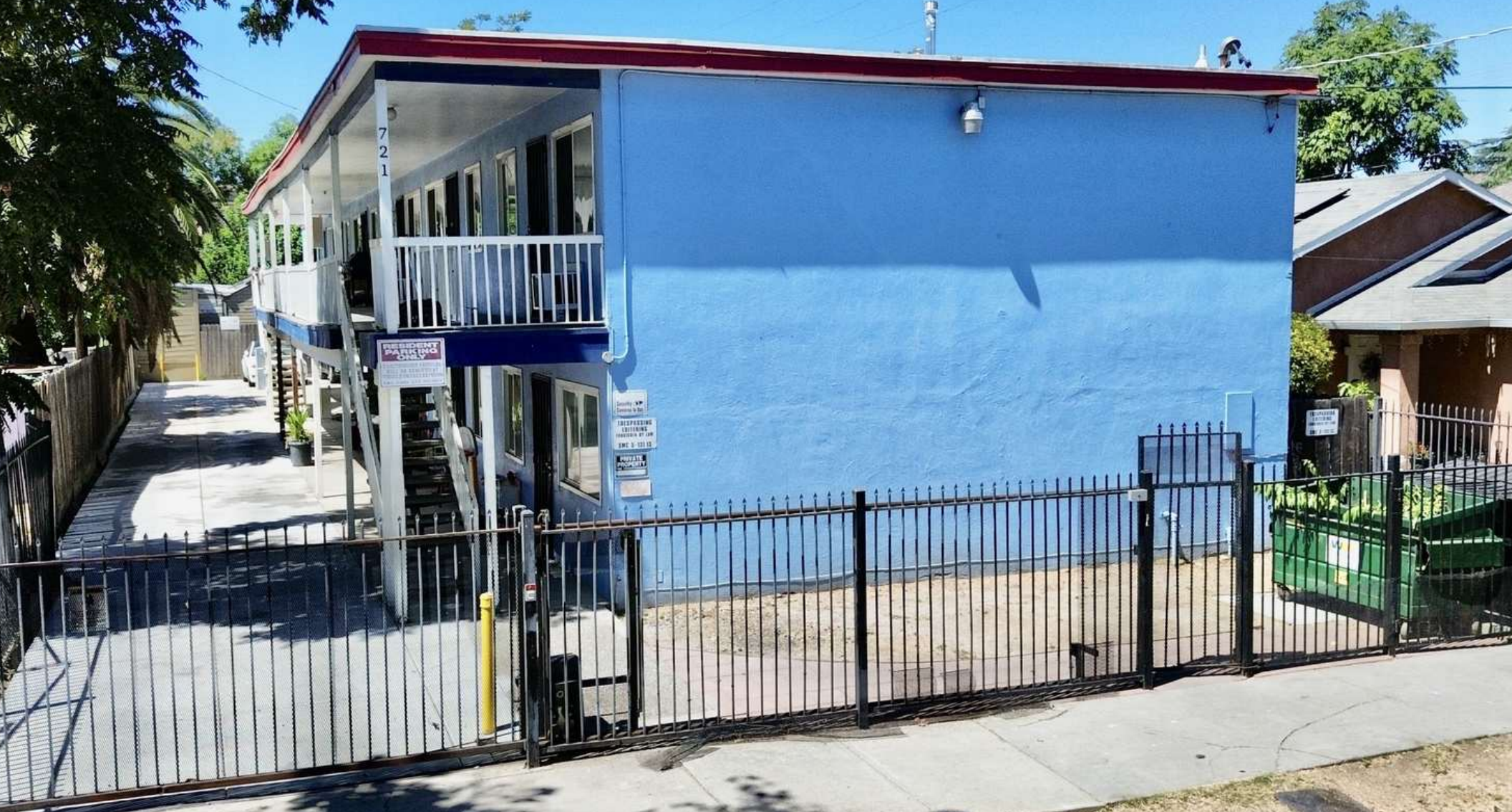


Area: Approx. 750 Square Feet

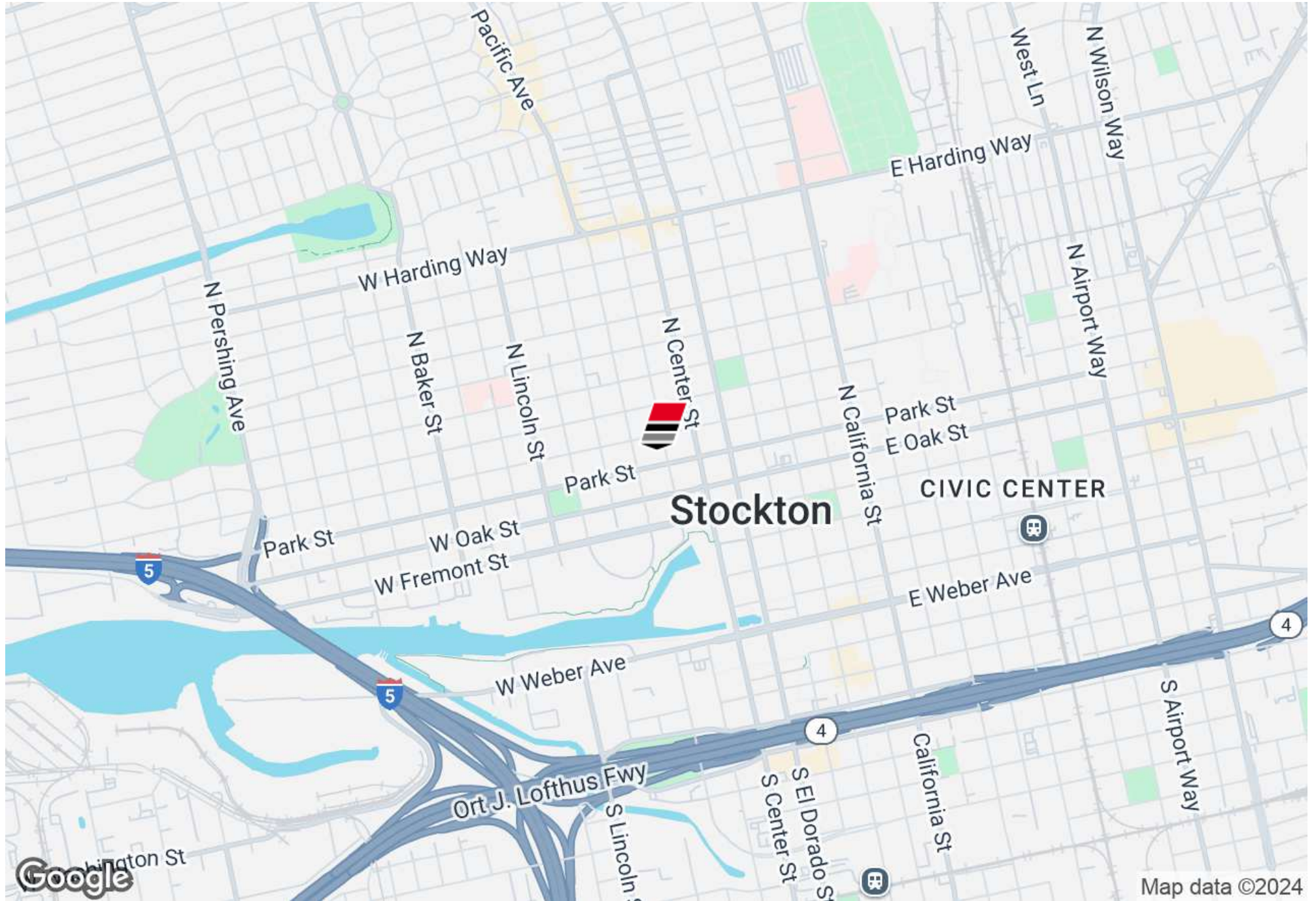
ADDITIONAL PHOTOS



LOCATION INFORMATION



LOCATION MAP



RETAILER MAP



FINANCIAL ANALYSIS



FINANCIAL SUMMARY

INVESTMENT OVERVIEW	CURRENT INCOME & EXPENSES	PROFORMA - YEAR 1	PROFORMA - YEAR 2
Price	\$1,199,000	\$1,199,000	\$1,199,000
Price per SF	\$215	\$215	\$215
Price per Unit	\$119,900	\$119,900	\$119,900
GRM	9.52	8.75	8.44
CAP Rate	5.76%	7.81%	8.19%
Cash-on-Cash Return (yr 1)	5.76%	7.81%	8.19%
Total Return (yr 1)	\$69,010	\$93,626	\$98,224

OPERATING DATA	CURRENT INCOME & EXPENSES	PROFORMA - YEAR 1	PROFORMA - YEAR 2
Gross Scheduled Income	\$125,880	\$137,005	\$141,995
Other Income	\$1,200	\$16,320	\$16,320
Total Scheduled Income	\$127,080	\$153,325	\$158,315
Vacancy Cost	\$3,776	\$4,110	\$4,260
Gross Income	\$123,304	\$149,215	\$154,056
Operating Expenses	\$54,293	\$55,589	\$55,831
Net Operating Income	\$69,010	\$93,626	\$98,224
Pre-Tax Cash Flow	\$69,010	\$93,626	\$98,224

INCOME & EXPENSES

INCOME SUMMARY	CURRENT INCOME & EXPENSES	PROFORMA - YEAR 1	PROFORMA - YEAR 2
Rental Income	\$125,880	\$137,005	\$141,995
Laundry Income	\$1,200	\$1,200	\$1,200
Ratio Utility Billing System (RUBS) - 80% of the Annual Water, Sewer, and Trash	-	\$15,120	\$15,120
GROSS INCOME	\$127,080	\$153,325	\$158,315

EXPENSES SUMMARY	CURRENT INCOME & EXPENSES	PROFORMA - YEAR 1	PROFORMA - YEAR 2
New Property Taxes	\$14,581	\$14,581	\$14,581
Property Insurance	\$6,000	\$6,000	\$6,000
Repair & Maintenance (\$150 per Unit)	\$1,500	\$1,500	\$1,500
Landscaping	\$900	\$900	\$900
Water/Sewer	\$11,400	\$11,400	\$11,400
Gas/Electricity	\$3,850	\$3,850	\$3,850
Off-Site Property Management (5%)	\$6,165	\$7,461	\$7,703
Garbage	\$7,500	\$7,500	\$7,500
Pest Control	\$1,000	\$1,000	\$1,000
Reserves	\$1,397	\$1,397	\$1,397
OPERATING EXPENSES	\$54,293	\$55,589	\$55,831
NET OPERATING INCOME	\$69,010	\$93,626	\$98,224

LEASE COMPARABLES



LEASE COMPS



721 N COMMERCE ST
Stockton, CA 95202

UNIT TYPE:	RENT:
1 br / 1 ba	\$1,006
2 br / 1 ba	\$1,221



940 N SAN JOAQUIN ST.
Stockton, CA 95202

UNIT TYPE:	RENT:
Apartment (2bd/1bth)	\$1,350



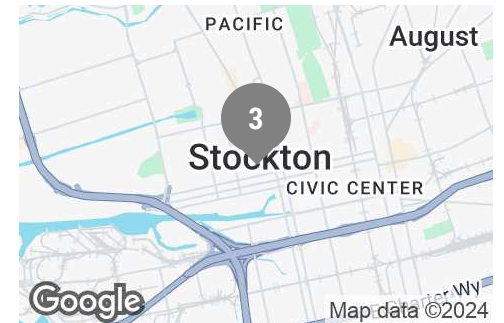
733 N SUTTER ST.
Stockton, CA 95202

UNIT TYPE:	RENT:
Apartment (2bd/1bth)	\$1,350



827 N MADISON ST.
Stockton, CA 95202

UNIT TYPE:	RENT:
Apartment (2bd/1bth)	\$1,325

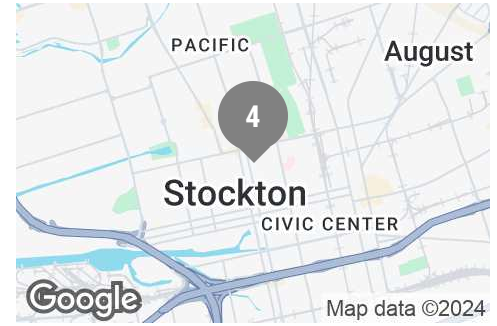


LEASE COMPS



4
126 E VINE ST.
Stockton, CA 95202

UNIT TYPE:	RENT:
Apartment (1bd/1bth)	\$1,295



5
446 E ACACIA ST
Stockton, CA 95202

UNIT TYPE:	RENT:
Apartment (1bd/1bth)	\$1,275



6
420 E ROSE ST
Stockton, CA 95202

UNIT TYPE:	RENT:
Apartment (1bd/1bth)	\$1,200



7
544 N LINCOLN ST.
Stockton, CA 95203

UNIT TYPE:	RENT:
Apartment (1bd/1bth)	\$1,100



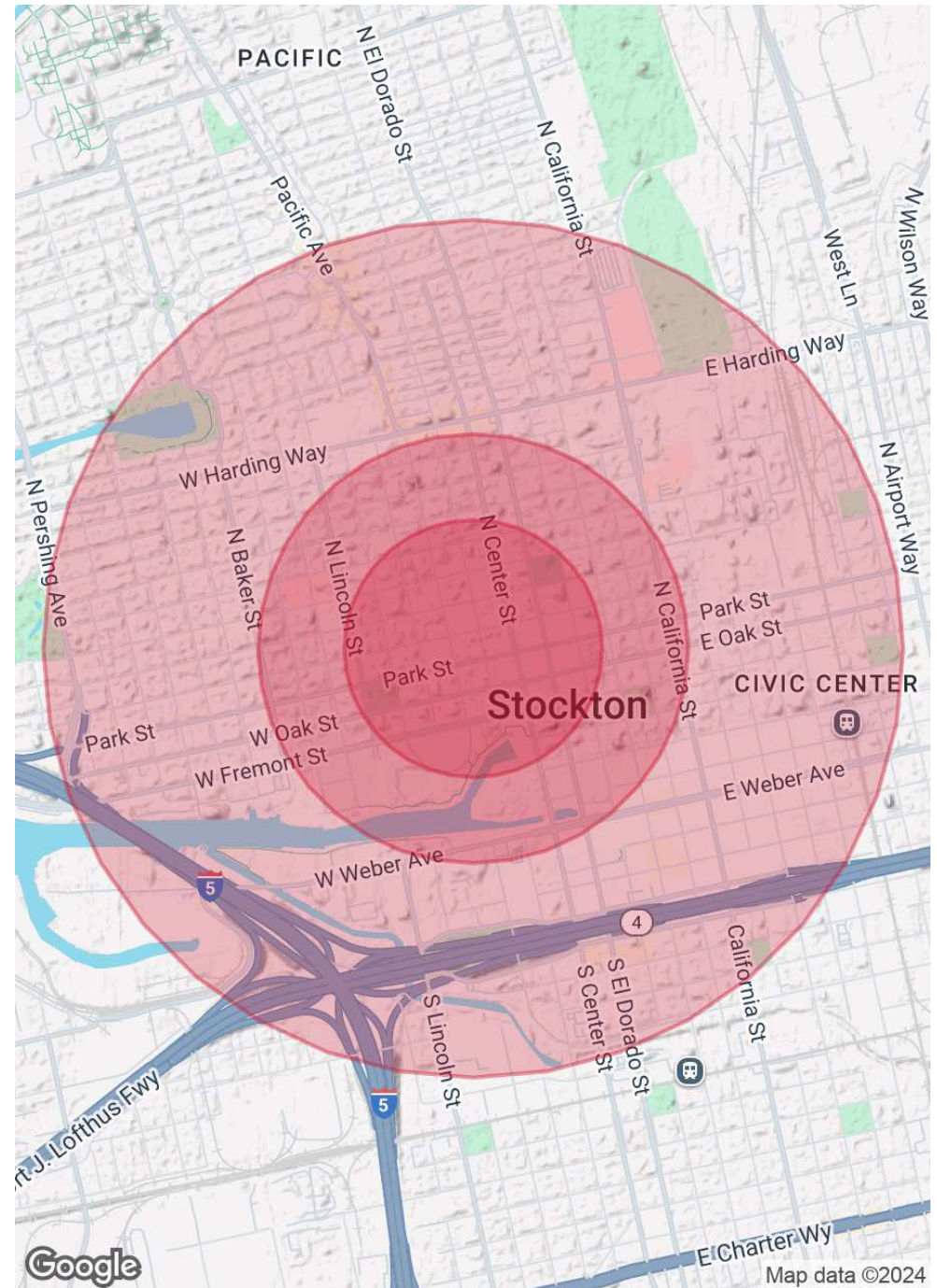
DEMOGRAPHICS



DEMOGRAPHICS MAP & REPORT

POPULATION	0.3 MILES	0.5 MILES	1 MILE
Total Population	2,777	6,991	19,389
Average Age	37	38	39
Average Age (Male)	36	37	38
Average Age (Female)	37	38	39
HOUSEHOLDS & INCOME	0.3 MILES	0.5 MILES	1 MILE
Total Households	1,153	2,969	7,720
# of Persons per HH	2.4	2.4	2.5
Average HH Income	\$52,518	\$53,051	\$61,889
Average House Value	\$425,659	\$510,677	\$432,897
RACE	0.3 MILES	0.5 MILES	1 MILE
Total Population - White	554	1,518	5,171
% White	19.9%	21.7%	26.7%
Total Population - Black	739	1,668	3,343
% Black	26.6%	23.9%	17.2%
Total Population - Asian	149	402	1,440
% Asian	5.4%	5.8%	7.4%
Total Population - Hawaiian	9	27	83
% Hawaiian	0.3%	0.4%	0.4%
Total Population - American Indian	63	175	494
% American Indian	2.3%	2.5%	2.5%
Total Population - Other	782	2,027	5,739
% Other	28.2%	29.0%	29.6%

Demographics data derived from AlphaMap





EXCLUSIVELY LISTED BY:

FIRST COMMERCIAL
REAL ESTATE & ADVISORY SERVICES

ANDY LE
Broker Associate
209.471.6358
andy@fcrei.com
CA DRE #02110117