



OFFERING MEMORANDUM

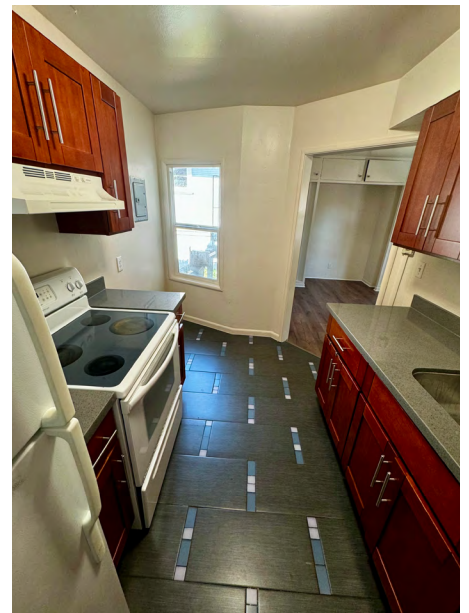
740 Alcatraz Ave

Oakland, CA 94609

5-unit Apartment Building

\$1,248,000

Bos
GROUP



This 5-unit apartment building at 740 Alcatraz Ave is a unique investment opportunity in the tenant-friendly South Berkeley board. The property consists of 5 well-maintained units: 3 - studios, 1 - one bedroom, 1 - spacious two-bedroom, and 6 private garages. Three units have been tastefully renovated, and the building offers tenants on-site coin-op laundry and ample storage space in the basement. The six private garages in a separate structure on the back of the property provide a new investor with over \$14,000 additional annual income with room to grow.

With its separate gas and electricity meters and convenient location, the building is a stable investment for any investor. It offers easy access to the CA-24 freeway and is within walking distance of Ashby BART. This well-maintained building is priced to sell at only \$250k per unit and gives investors an achievable rental upside in a currently stable building.



Property Highlights

- 6.3% CAP
- 10.7 GRM
- Over \$10k in additional income from garages
- On-site laundry
- Nearly 5% cash on cash return day 1
- Large 6,000 Sf Lot

Financial Analysis

| | | | |
|----------------------|-------------|-------------------------|-----------|
| Recommended price | \$1,248,000 | First loan | \$811,200 |
| Down payment (35%) | \$436,800 | Interest rate (5yr ARM) | 6.00% |
| Number of units | 5 | Amortization | 30 |
| Price/unit | \$249,600 | Monthly payment | \$4,864 |
| Square feet | 2,413 | Annual debt service | \$58,363 |
| Cost/sq. foot | \$517 | | |
| CAP - Current | 6.3% | | |
| CAP Rate - Pro Forma | 7.45% | | |
| GRM- Current | 10.7 | | |
| GRM - Pro Forma | 9.4 | | |
| Year built | 1910 | | |
| Lot size | 6,000 | | |
| Parking | 6 Garages | | |

Pricing Matrix

| Range | Price | GRM | CAP | \$/unit | \$/SF |
|-------|-------------|----------|-----------|-------------|----------|
| Low | \$1,200,000 | 10.3GRM | 6.51% CAP | \$240k/unit | \$497/sf |
| Mid | \$1,250,000 | 10.8 GRM | 6.2% CAP | \$250k/unit | \$518/sf |
| High | \$1,300,000 | 11.2 GRM | 5.91% CAP | \$260k/unit | \$539/sf |

Financial Summary **Continued**

| Annualized operating data | | Current | | Pro Forma | |
|----------------------------------|-------|-----------|--|-----------|--------|
| Scheduled rental income | | \$102,140 | | \$119,400 | |
| Less vacancy rate | 2% | \$2,043 | | \$2,388 | 4% |
| Parking | | \$14,400 | | \$13,800 | |
| Laundry | | \$1,500 | | \$900 | |
| Gross operating income | | \$115,998 | | \$131,712 | |
| Less expenses | | \$38,479 | | \$38,699 | |
| Net operating income | | \$77,518 | | \$93,013 | |
| Debt service | | \$58,363 | | \$58,363 | |
| Debt coverage ratio | | 1.33 | | 1.59 | |
| Net cash flow after debt service | 4.44% | \$19,156 | | \$34,651 | 7.99% |
| Loan principal reduction | | \$14,869 | | \$14,869 | |
| Total investment return | 7.85% | \$34,025 | | \$49,520 | 11.41% |

** Based on recommended list price. **

Financial Summary **Continued**

| Expenses | | Current | Pro Forma |
|--------------------------------|---------|-----------------|-----------------|
| New property taxes | 1.3722% | \$17,125 | \$17,125 |
| Special assessments | | \$4,627 | \$4,627 |
| Insurance | | \$4,500 | \$4,500 |
| Gas & Electric | | \$582 | \$582 |
| Water & Sewer | | \$2,421 | \$2,421 |
| Garbage | | \$4,956 | \$4,956 |
| Repairs & Maintenance | | \$2,500 | \$2,500 |
| Business Tax & Rent Board Fees | | \$1,768 | \$1,987 |
| Total expenses | | \$38,479 | \$38,699 |
| % of EGI | | 33.17% | 29.38% |

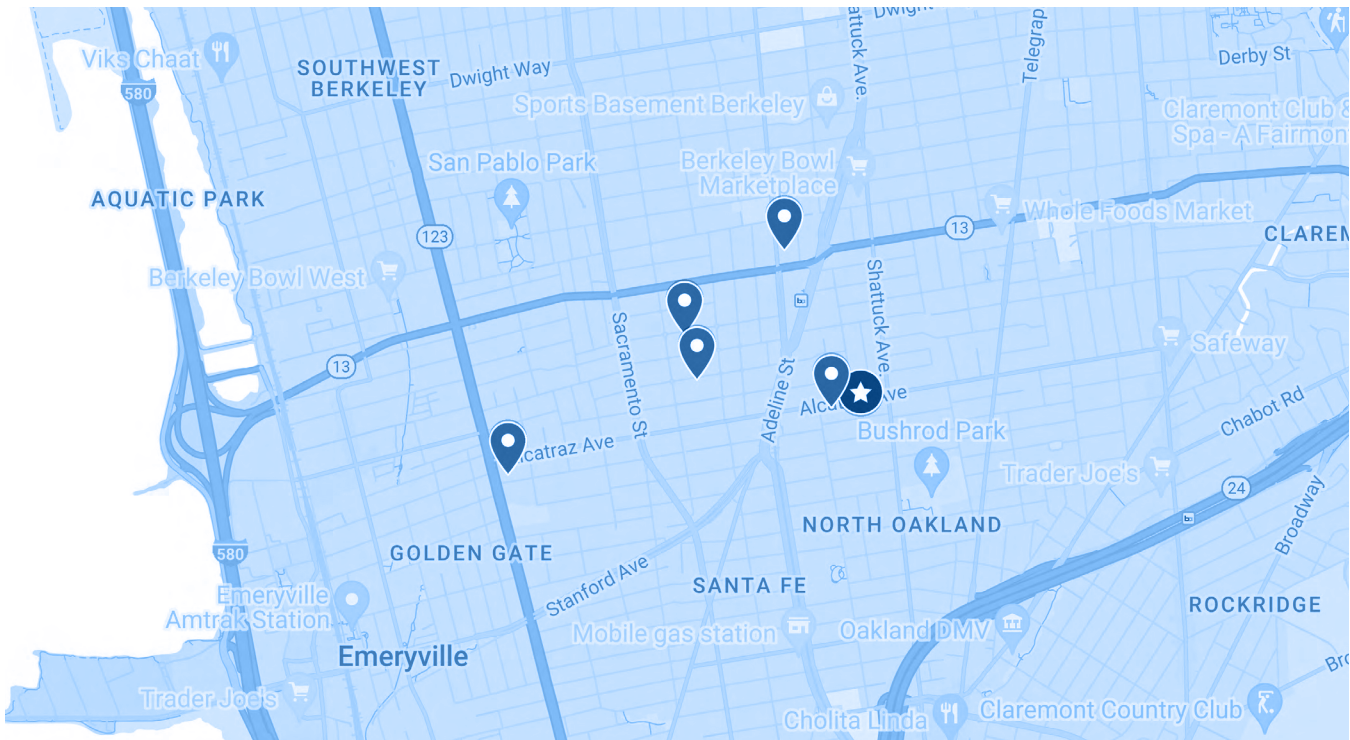
Rent Roll

| Unit | Type | Rent | Market Rent |
|-----------------|--------|-----------|-------------|
| 742 | 2 Bed | \$2,545 | \$2,600 |
| 744 | Studio | \$1,400 | \$1,750 |
| 740 # 5 | 1 Bed | \$1,800 | \$2,100 |
| 740 # 3- Vacant | Studio | \$1,750 | \$1,750 |
| 740 # 4 | Studio | \$1,065 | \$1,750 |
| Monthly | | \$8,560 | \$9,950 |
| Annual | | \$102,716 | \$119,400 |
| Upside | | 16.24% | |

| Parking | Rent | Market Rent |
|---------|----------|-------------|
| Garage | \$200 | \$200 |
| Garage | \$200 | \$200 |
| Garage | \$200 | \$200 |
| Garage | \$200 | \$200 |
| Garage | \$200 | \$200 |
| Garage | \$200 | \$200 |
| Monthly | \$1,200 | \$1,200 |
| Annual | \$14,400 | \$14,400 |

Sales Comparable

| PROPERTY ADDRESS | SALE PRICE | ON MARKET DATE | BLDG SF | UNITS | GRM | CAP | \$/UNIT | \$/SF |
|--|----------------|----------------|---------|-------|-------|-------|-----------|-------|
| 1092 63Rd St, Emeryville, Ca 94608 | \$2,550,000.00 | 09/08/22 | 4176 | 10 | 10.5 | 5.94% | \$255,000 | \$611 |
| 1628 Fairview St, Berkeley, Ca 94703 | \$1,500,000.00 | 07/31/23 | 3102 | 5 | 11.7 | 4.20% | \$300,000 | \$484 |
| 1926 Alcatraz Ave, Berkeley, Ca 94703 | \$1,335,000.00 | 10/12/22 | 3066 | 6 | 10.4 | 6.10% | \$222,500 | \$435 |
| 2935 Martin Luther King Jr Way, Berkeley, Ca 94703 | \$1,170,000.00 | 08/19/22 | 2876 | 4 | | | \$292,500 | \$407 |
| 1616 Prince St, Berkeley, Ca 94703 | \$1,100,000.00 | 11/23/22 | 2634 | 5 | | | \$220,000 | \$418 |
| AVERAGE OF ALL COMPARABLES | \$1,795,000 | | | | 10.87 | 5.41% | \$258,000 | \$471 |
| 740 ALCATRAZ AVE | \$1,245,000 | | 2,413 | | 10.73 | 6.23% | \$249,000 | \$516 |



The information contained in the offering is confidential, furnished solely for the purpose of review by a prospective purchaser of the subject property. The material is based in part upon information supplied and in part upon information obtained by Compass Commercial from sources it deems reasonably reliable. No warranty or representation, expressed or implied, is made by the owner, Compass Commercial, or any of their respective affiliates, as to the accuracy or completeness of the information contained herein or any other written or oral communication transmitted to a prospective purchaser in the course of its evaluation of the Property. No legal liability is assumed or to be applied in connection with the information or such other communications. Without limiting the generality of the foregoing, the information shall not be deemed a representation of the state of affairs of the subject property or constitute an indication that there has been no change in the business or affairs of the subject property since the date of preparation of the information. Prospective purchasers should make their own projections and conclusions without reliance upon the materials contained herein and conduct their own independent due diligence, including engineering and environmental inspections, to determine the condition of the Property and the existence of any potentially hazardous material located at the site.

The Offering Memorandum was prepared Compass Commercial. It contains select information pertaining to the subject property and does not purport to be all inclusive or to contain all of the information which a prospective purchaser may desire. All financial projections are provided for general reference purposes only and are based on assumptions relating to the general economy, competition and other factors beyond control and, therefore, are subject to material change or variation. An opportunity to inspect the subject property will be made available to qualified prospective purchasers.

In the Offering certain documents and other materials are described in summary form. The summaries do not purport to be complete nor, necessarily, accurate descriptions of the full agreements involved, nor do they constitute a legal analysis of such documents. Interested parties are expected to independently review all documents.

The Offering is subject to prior placement, errors, omissions, changes or withdrawal without notice and does not constitute a recommendation, endorsement or advice as to the value of the Property by Compass Commercial or the owner. Each prospective purchaser is to rely upon its own investigation, evaluation and judgment as to the advisability of purchasing the subject property described herein.

The owner and Compass Commercial expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offer to purchase the subject property and/or to terminate discussions with any party at any time with or without notice. The owner shall have no legal commitment or obligation to any interested party reviewing the Offering or making an offer to purchase the subject property unless a written agreement for the purchase of the subject property has been fully executed and delivered by the owner and such party and any conditions to the owner's obligations there under have been satisfied or waived and then only to the extent expressly provided for therein. Compass Commercial is not authorized to make any representations or agreements on behalf of the owner.