

OFFERING MEMORANDUM

MEDICAL/OFFICE OWNER/USER INVESTMENT OPPORTUNITY

THE ATRIUM | 1265 EL CAMINO REAL, SANTA CLARA, CA

*Leaseback & Seller
Financing Available*

Your Name Here

1265 THE ATRIUM
ON EL CAMINO REAL

KIDDER.COM

km Kidder
Mathews

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LOCATION OVERVIEW

A DYNAMIC *HEALTHCARE & OFFICE* PROPERTY IN THE HEART OF SILICON VALLEY

THE OPPORTUNITY

Located at the signalized intersection of El Camino Real and Monroe Street in Santa Clara, The Atrium on El Camino is a 33,194 SF, two-story professional/medical office building situated in the heart of Silicon Valley. Built in 1986, the property features a subterranean, 84-space elevator-served parking garage with conveniently located handicap-reserved spaces near the making The Atrium the only medical office facility along the entire Santa Clara El Camino Real corridor offering this level of convenience.

Just five minutes from San Jose International Airport and easily accessible from major freeways including 101, 880, 17, 280, and 87, the location supports flexible commuting options—ideal for patients traveling from both home and work across the South Bay.

The Atrium is within walking distance of Caltrain, Santa Clara University and City Hall, this iconic Spanish-style building offers high visibility, excellent signage opportunities, and strong local recognition in the “Mission City.”

A standout feature is the state-of-the-art, 2,000 SF light filled open sports performance center. The Atrium is equipped with six 80-inch flat-screen TVs and a professional sound system, this versatile space has hosted a wide range of events—from continuing education seminars, conventions, and training sessions to award ceremonies, holiday parties, and even weddings.

Your Name Here

PROPERTY OVERVIEW



KIDDER MATHEWS

PROPERTY DESCRIPTION

1265 El Camino Real in Santa Clara has housed a diverse mix of tenants, including multidisciplinary medical groups.

These include large sports, orthopedic, and physical therapy practices with on-site imaging and training, as well as eastern medicine providers. The Atrium also accommodates traditional office users of all sizes—serving tech firms, sales, finance, insurance, nonprofits, and adult education and language schools.

LOT SIZE AC	0.74 Acres (32,234 SF)
YEAR BUILT	1986
STORIES	Two
PARKING	84 Covered Spaces
PARCEL NUMBERS	224-26-073 & 224-26-050
WALK SCORE	Very Walkable (89)
ZONING	Mixed-Use - Community Commercial (MU-CC)

→ [READ MORE ON ZONING](#)

See Page 53 of Santa Clara Zoning Code updated in July 2025 for allowed uses.

±33,194

SQUARE FEET

\$267.52

PRICE/SF

\$8.88M

ASKING PRICE

BUILDING AMENITIES

The Atrium delivers a thoughtful combination of accessibility, flexibility, and modern functionality tailored for today's medical and professional users.

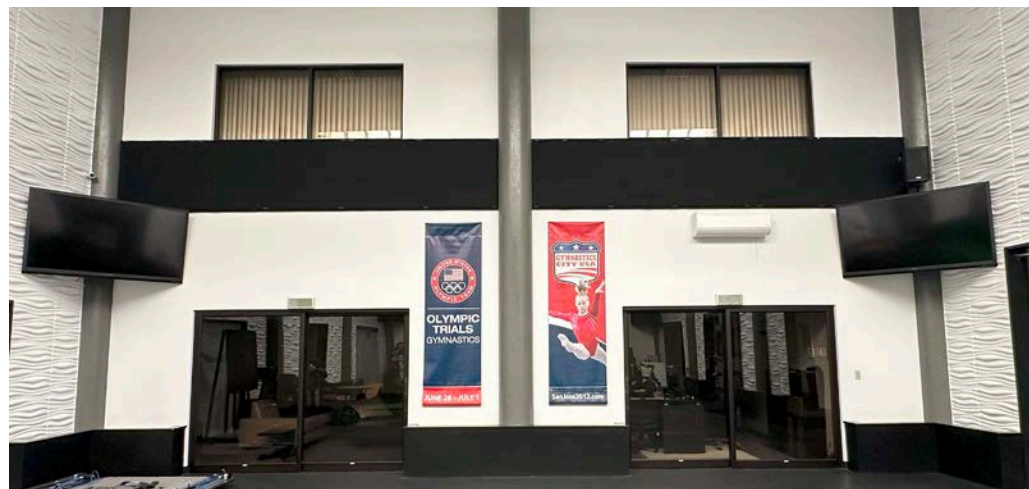


HEALTHCARE SUITE FEATURES

- Automatic sliding front entry door
- New patient admission lounge area
- Private biometric-locked business, IT, and security room
- Radiology/exam room with sink and storage cabinets
- CryoChamber, Infrared Sauna and Rehab area
- Select suites have their own private restrooms and kitchens

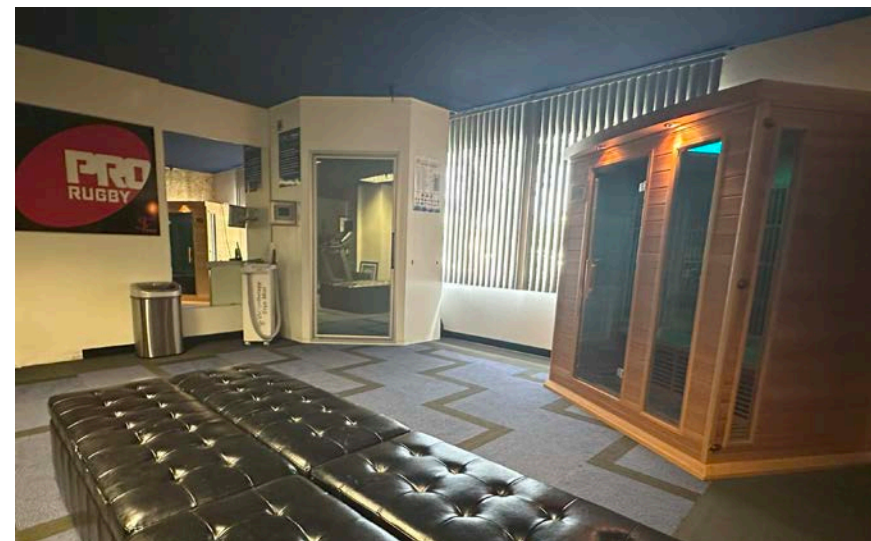
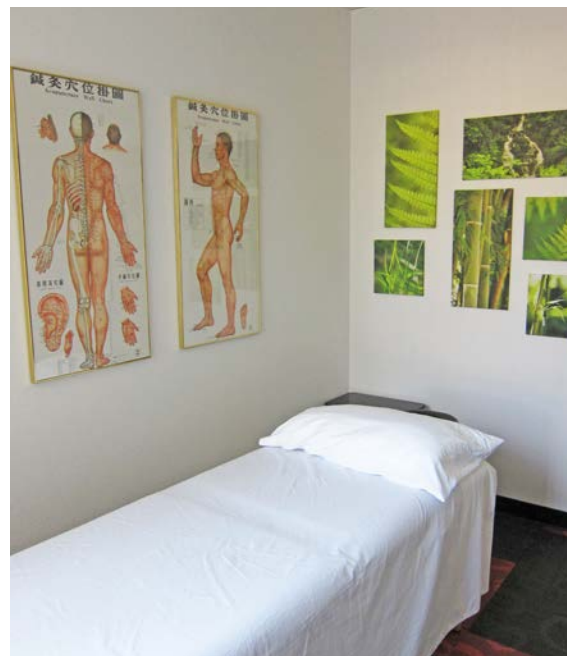
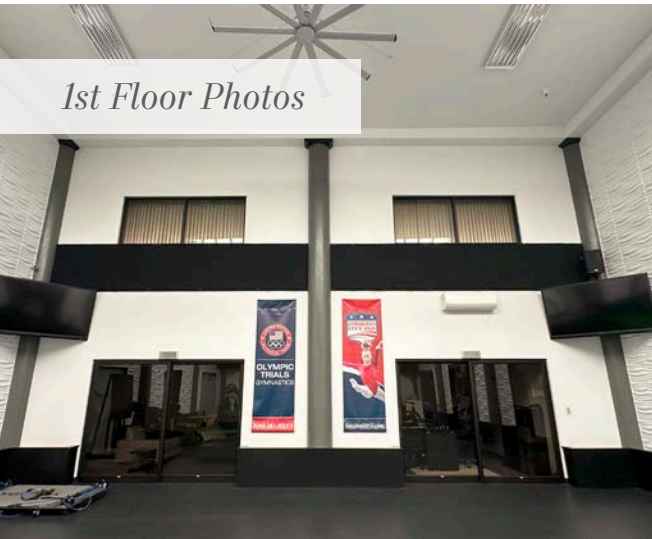
COMMON AREA FEATURES

- Secured Access: 24hr AiPhone audio/video entry system smartphone
- Elevator: From underground parking to both the 1st and 2nd floors
- Entries: Timed auto-lock front main entrance and private rear door with staircase to underground parking
- Staircases: Front and rear entry staircases to the second floor
- Restrooms: Men's & Women's on both 1st and 2nd floors
- First Floor Showers: Regular & handicap access
- Multiple Kitchens: With refrigerators, dishwashers, microwaves & sinks
- Internet: Comcast Fiber service
- First & Second Floor Janitor Closets : 1 with sink and 1 for storage



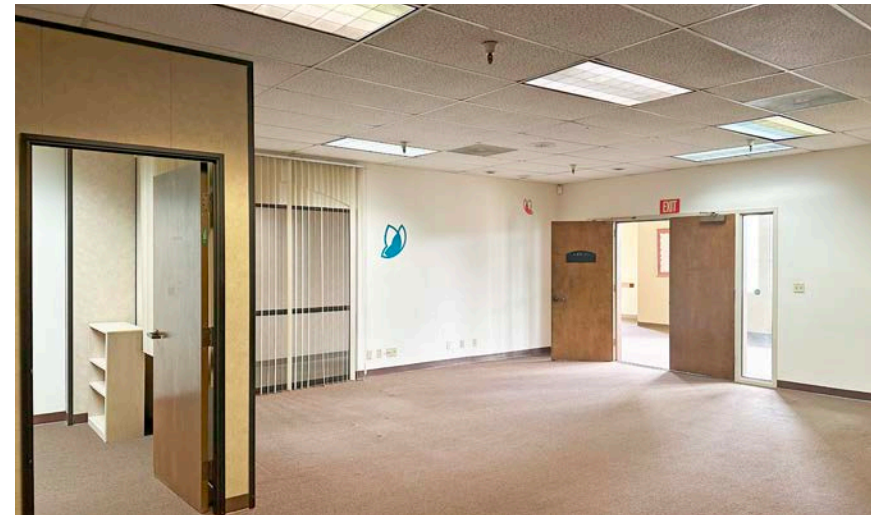
PROPERTY OVERVIEW

1st Floor Photos



PROPERTY OVERVIEW

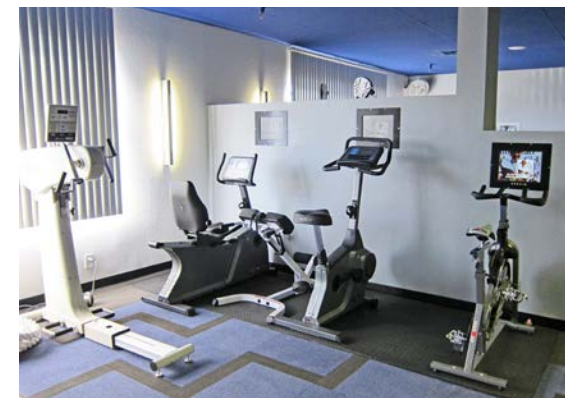
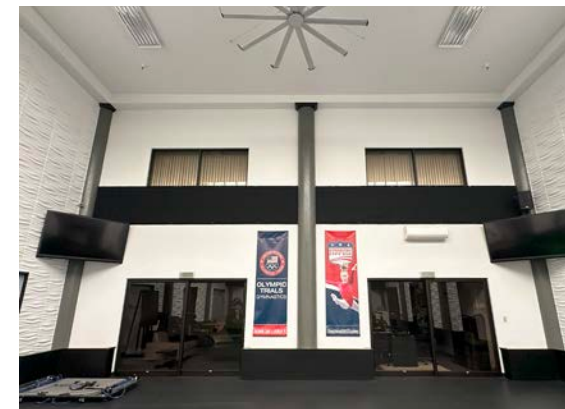
2nd Floor Photos



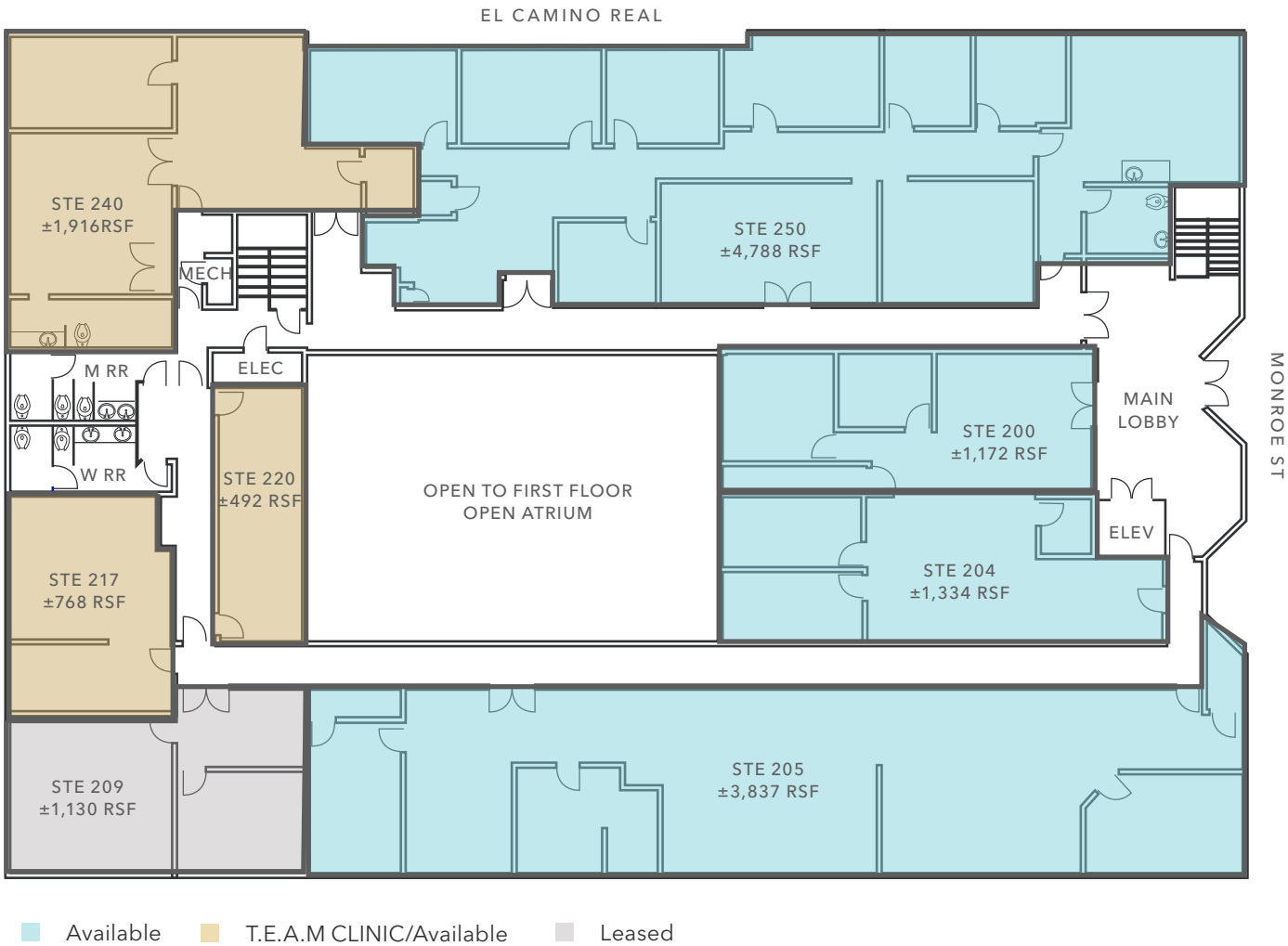
FIRST FLOOR



FLOOR PLAN NOT TO SCALE



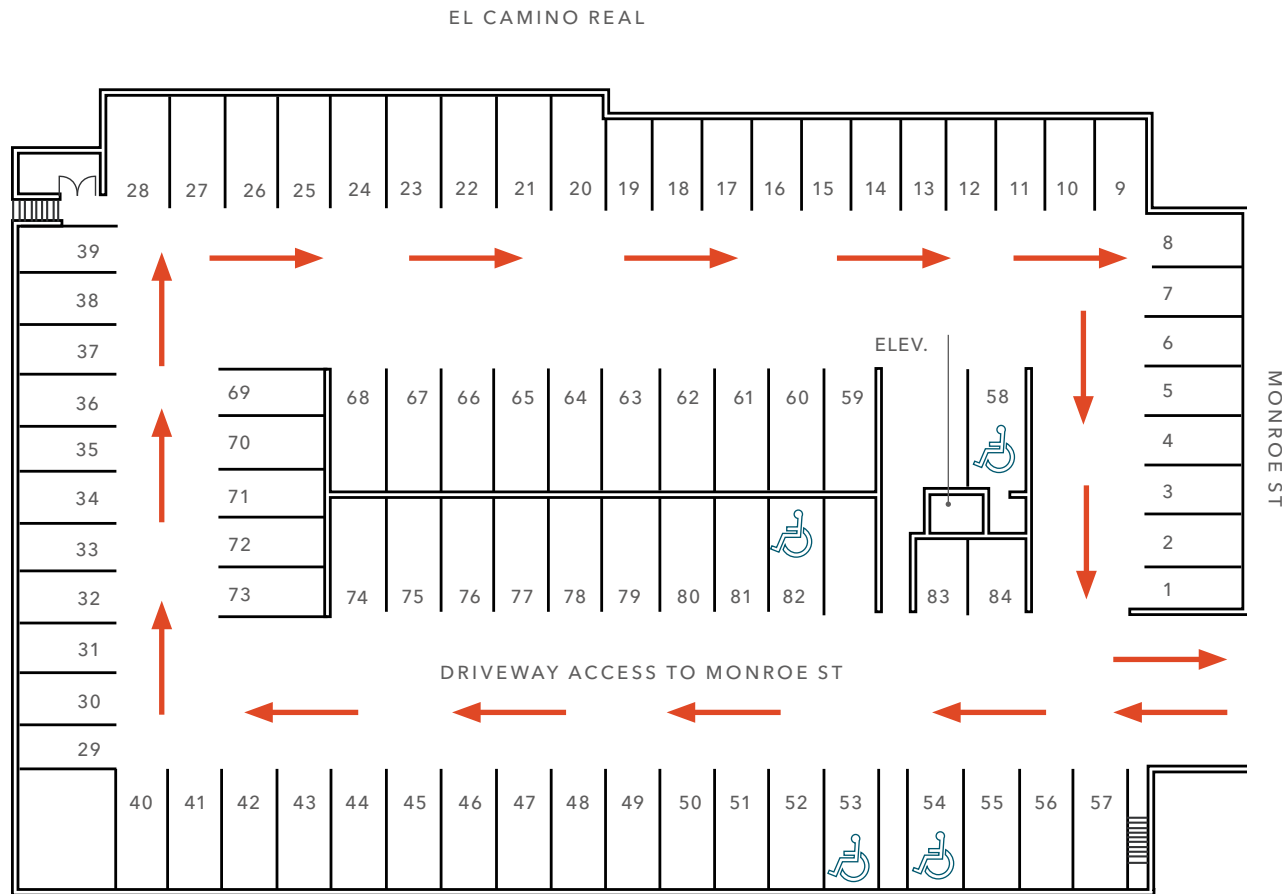
SECOND FLOOR



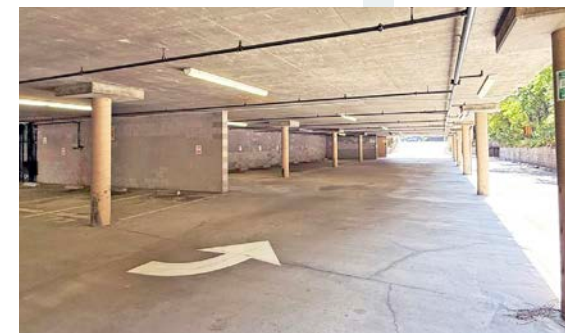
FLOOR PLAN NOT TO SCALE



PARKING LOT PLAN - UNDERGROUND



FLOOR PLAN NOT TO SCALE



PROPERTY OVERVIEW



RENT ROLL

Suite	Tenant	CURRENT			PRO-FORMA		
		RSF	Rate/SF (FS)	Rent/SF (FS)	Rent/SF (FS)	Rent/Mo (FS)	Lease End Date
100	T.E.A.M. CLINIC/ Available	2,503	\$2.75	\$6,882	\$2.75	\$6,882	8/14/2027*
101	Available	1,533	-	-	\$2.75	\$4,215	-
103	Available	650	-	-	\$2.75	\$1,786	-
105	T.E.A.M. CLINIC/ Available	499	\$2.75	\$1,373	\$2.75	\$1,373	8/14/2027*
107	Partially Available	-	-	-	-	-	-
107A	Therapeutic Massage	271	\$2.95	\$800	\$3.00	\$814	MTM
107B	Acupuncture	221	\$2.94	\$650	\$3.00	\$664	MTM
107 C	Available	426	-	-	\$3.00	\$1,278	-
107D	Hand & Microsurgery Medical	305	\$2.46	\$750	\$3.00	\$914	MTM
109	T.E.A.M. CLINIC/ Available	1,306	\$2.75	\$3,592	\$2.75	\$3,592	8/14/2027*
The Atrium	Available	2,664	-	-	\$2.75	\$7,326	-
125	Silicon Valley Trading (Storage)	318	\$2.20	\$700	\$2.75	\$874	MTM
130	Available (Part of Atrium)	286	-	-	\$2.75	\$787	-
140	Available (Part of Atrium)	215	-	-	\$2.75	\$592	-
150	T.E.A.M. CLINIC/ Available	1,425	\$2.75	\$3,919	\$2.75	\$3,919	8/14/2027*
160	T.E.A.M. CLINIC/ Available	1,638	\$2.75	\$4,503	\$2.75	\$4,503	8/14/2027*
180	T.E.A.M. CLINIC/ Available	3,406	\$2.75	\$9,367	\$2.75	\$9,367	8/14/2027*
200	Available	1,172	-	-	\$2.75	\$3,222	-
204	Available	1,334	-	-	\$2.75	\$3,669	-
205	Available	3,837	-	-	\$2.75	\$10,551	-
209A	TRB & Associates, LLC	497	\$2.01	\$1,000	\$3.00	\$1,492	MTM
209B	Datasling	633	\$1.98	\$1,250	\$3.00	\$1,898	MTM
217	T.E.A.M. CLINIC/ Available	768	\$2.75	\$2,112	\$2.75	\$2,112	8/14/2027*
220	T.E.A.M. CLINIC/ Available	492	\$2.75	\$1,354	\$2.75	\$1,354	8/14/2027*
240	T.E.A.M. CLINIC/ Available	1,916	\$2.75	\$5,268	\$2.75	\$5,268	8/14/2027*
250	Available	4,788	-	-	\$2.75	\$13,168	-
Total		33,103		\$45,121	\$2.77	\$91,621	

* Landlord has a unilateral termination rights on all T.E.A.M CLINIC office suites providing flexibility for an owner-user or investor.

OPERATING STATEMENT

	CURRENT			PRO-FORMA		
INCOME	Annual	Monthly	Mo/PSF	Annual	Monthly	Mo/PSF
Gross Scheduled Income	\$541,449	\$45,121	\$1.36	\$1,102,481	\$91,873	\$2.77
Less 5% Vacancy	(\$27,072)	(\$2,256)	(\$0.07)	(\$55,124)	(\$4,594)	(\$0.14)
Plus After-Hours Paid Parking Revenue	\$0	\$0	\$0.00	\$153,300	\$12,775	\$0.38
Effective Gross Income	\$514,377	\$42,865	\$1.29	\$1,200,657	\$100,055	\$3.01
ESTIMATED EXPENSES						
Real Estate Taxes	\$43,562	\$3,630	\$0.11	\$111,000	\$9,250	\$0.28
Building Insurance	\$14,201	\$1,183	\$0.04	\$14,201	\$1,183	\$0.04
Building Maintenance & Supplies	\$23,792	\$1,983	\$0.06	\$23,792	\$1,983	\$0.06
Landscaping	\$5,796	\$483	\$0.01	\$5,796	\$483	\$0.01
Elevator Service	\$2,760	\$230	\$0.01	\$2,760	\$230	\$0.01
Fire Alarm, Extinguisher & Sprinkler Service	\$3,108	\$259	\$0.01	\$3,108	\$259	\$0.01
Santa Clara Utilities (Electricity, Water, etc.)	\$22,188	\$1,849	\$0.06	\$79,666	\$6,639	\$0.20
Gas - PG&E	\$2,580	\$215	\$0.01	\$2,580	\$215	\$0.01
Recycling	\$600	\$50	\$0.00	\$3,021	\$252	\$0.01
Janitorial	\$14,976	\$1,248	\$0.04	\$55,766	\$4,647	\$0.14
Property Management	\$0	\$0	\$0.00	\$36,544	\$3,045	\$0.09
Total Estimated Operating Expenses	\$133,563	\$11,131	\$0.34	\$343,712	\$28,643	\$0.86
Total Estimated Net Operating Income	\$380,814	\$31,734	\$0.96	\$856,945	\$71,412	\$2.15

±33,194

SQUARE FEET

\$267.52

PROPERTY VALUE (PSF)

9.7%

PRO-FORMA CAP RATE

\$8,880,000

ASKING PRICE

OFFICE MARKET ANALYSIS

In Q2 2025, the Silicon Valley office market showed mixed signals as it navigates a pivotal transition. Office availability dropped to 18.2%, yet vacancy rose to 17.4%, with net absorption falling sharply to -1.1M SF—largely due to owner-user purchases that don't count as leased space. Asking rents ticked up to \$4.07/SF, close to typical levels but still 0.2% lower than a year ago. Lease activity reached 2.2M SF, nearly matching the total recorded for all of 2024 so far.

Sales volume surged to 1.6M SF—more than double the previous quarter and up 48% year-over-year—driven by owner-users and strategic investors acquiring properties at steep discounts. Notable transactions included LinkedIn's \$75M purchase in Sunnyvale, signaling both current market distress and long-term confidence in select locations.

Leasing momentum improved, especially for larger, high-quality spaces. Zscaler secured the quarter's largest lease with a 301,000 SF sublease, while other firms like One X Tech and ALPFA Medical expanded. At the same time, Google listed major space for sublease, creating opportunities for AI-driven firms such as Snowflake and C3.ai.

Elevated tenant improvement costs (\$245-\$335/SF) and ongoing uncertainty around materials and tariffs are pushing demand toward move-in-ready buildings. This trend, along with nearly \$1 trillion in maturing commercial real estate loans and rising CMBS delinquencies, has placed additional pressure on capital markets. Refinancing remains slow, though private capital continues to pursue discounted opportunities with redevelopment potential.

Despite economic headwinds—including a modest decline in statewide unemployment to 5.3% and a drop to 3.9% in Santa Clara County—employment in the professional and information sectors declined slightly in the San Jose metro area. Still, increased lease activity and property tours point to early signs of recovery, with the coming quarters critical in determining the pace and stability of that rebound.

Market Summary

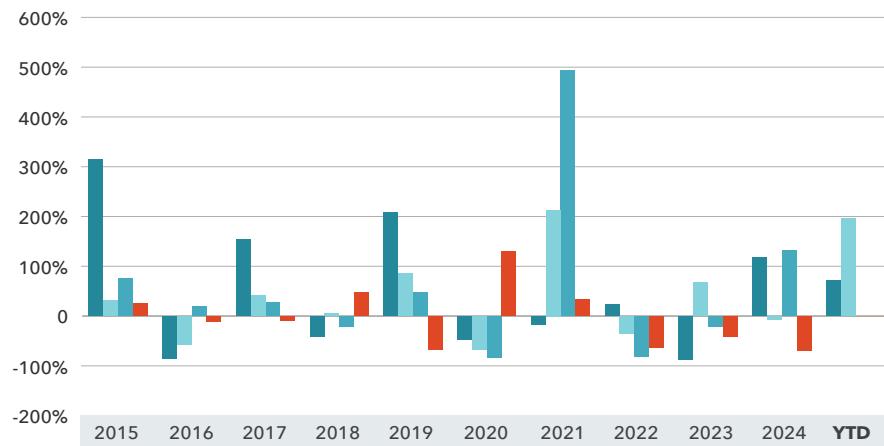
	2Q25	1Q25	2Q24	YOY Change
Vacancy Rate	17.4%	16.6%	16.2%	120 bps
Availability Rate	18.2%	18.8%	19.5%	-130 bps
Asking Lease Rate	\$4.07	\$4.01	\$4.08	-0.2%
Under Construction (SF)	2,601,662	2,601,662	3,404,066	-23.6%
	2Q25	2025 YTD	2024 YTD	YOY Change
Lease Volume (SF)	2,156,572	3,219,166	2,626,441	-17.9%
Sales Volume (SF)	1,647,942	2,355,709	1,111,892	48.2%
Deliveries (SF)	0	0	549,830	-100.0%
Net Absorption (SF)	-1,136,558	-1,336,519	395,510	N/A

SUBMARKET STATISTICS

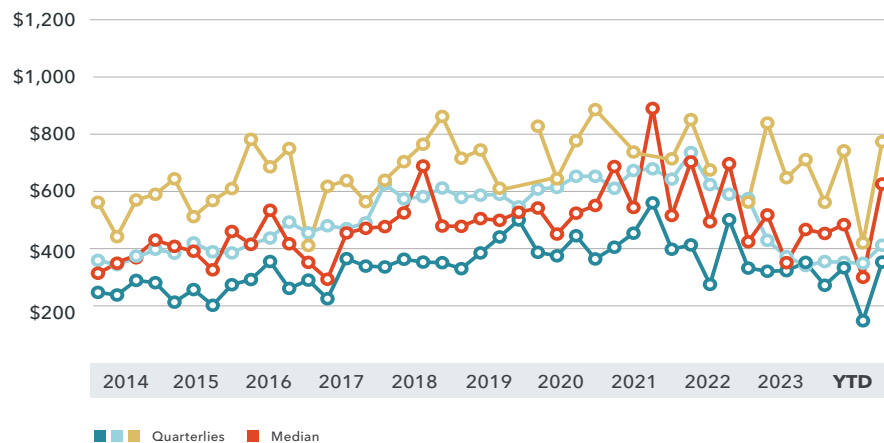
Submarket	Total Inventory	SF Under Construction	Direct Vacancy Rate	Total Vacancy Rate	Total Availability Rate	2Q25 Direct Net Absorption	2Q25 Total Net Absorption	YTD Direct Net Absorption	YTD Total Net Absorption	2Q25 Gross Absorption	YTD Gross Absorption	2Q25 Rental Rate KM CoStar
Campbell	2,676,240	-	24.6%	32.2%	37.8%	-27,181	-39,955	-2,722	-20,455	25,202	54,894	\$4.11
Cupertino	7,337,559	-	2.5%	2.5%	2.8%	19,662	18,138	9,335	16,978	15,187	31,941	\$4.83
Fremont	5,119,106	-	5.9%	17.9%	18.1%	4,408	3,188	7,297	-45,565	8,858	21,225	\$3.03
Milpitas	4,580,560		12.5%	14.5%	15.3%	-17,765	-17,765	10,520	13,790	10,626	35,341	\$2.72
Mountain View	14,865,924	799,482	14.1%	20.2%	23.9%	-161,309	-177,003	-196,235	-195,280	271,431	384,379	\$6.99
Newark	1,017,507	-	30.7%	30.8%	30.9%	-9,297	-9,297	813	813	1,409	9,254	\$2.79
Palo Alto	12,523,712	38,523	11.7%	14.3%	20.6%	-339,994	-353,160	-331,159	-272,560	441,586	616,699	\$7.42
San Jose	43,556,267	231,579	17.2%	19.0%	20.2%	-98,611	-163,079	214,970	123,319	407,777	839,433	\$4.01
Santa Clara	21,404,635	-	11.1%	13.8%	16.4%	-303,794	-131,160	-221,741	42,694	574,853	787,342	\$4.20
Sunnyvale	22,968,735	1,532,078	16.5%	20.7%	19.2%	-275,220	-266,465	-949,012	-1,000,253	399,643	442,521	\$5.17
Total	133,335,522	2,601,662	14.2%	17.4%	18.2%	-1,209,101	-1,136,558	-1,457,934	-1,336,519	2,156,572	3,223,029	\$4.07
Class A	62,693,489	2,601,662	15.6%	19.9%	21.8%	-493,277	-478,310	1,047,192	822,911	1,091,019	2,607,092	\$5.09
Class B	60,110,164		14.3%	17.1%	18.6%	-761,910	-700,363	37,286	-531,690	1,000,053	2,049,660	\$4.49
Class C	13,246,592		6.8%	7.2%	8.7%	46,086	42,115	14,201	-73,796	65,500	220,646	\$3.28

MARKET TRENDS

YOY CHANGE IN QUARTERLY VOLUME



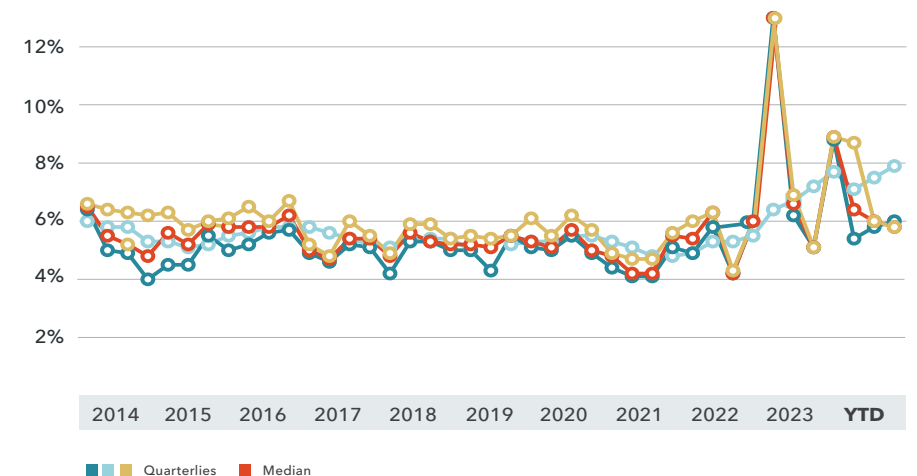
PRICE PSF



MARKET SNAPSHOT

	Last 4 Qtrs	YOY Change	Q2 2025	YOY Change
Individual Property Volume	\$1.95B	103.3%	\$951.43M	196.3%
Portfolio Volume	\$288.8M	-17.3%	N/A	N/A
Total Volume	\$2.24B	71.1%	\$951.43M	196.3%
# Properties	67	3.1%	19	0.0%
Square Feet	5.53M	44.2%	1.71M	92.4%
Avg Price Per SF	\$412.00	20.8%	\$556.00	50.1%

YIELD CAP RATE



SILICON VALLEY'S PULSE FOR INNOVATION

Silicon Valley remains a leading U.S. region for high-paying tech roles, with giants like Apple, Google, Meta (Facebook), and Nvidia headquartered there. The area around 1265 El Camino Real in Santa Clara is particularly strategic—it sits just 4–5 miles south of Adobe’s global headquarters in downtown San Jose, putting it well within easy driving distance of this dynamic tech hub.

San Jose, the largest city in Silicon Valley, is playing a key role in the Bay Area’s office market recovery. Federal Realty Investment Trust recently signed leases with two artificial intelligence startups—Etched and Securiti.ai—for more than 60,000 square feet at One Santana West in downtown San Jose’s Santana Row district. With this lease, the building is now 80% occupied, reflecting renewed demand for office space in the area. This leasing momentum reflects a broader trend: office availability in Silicon Valley dropped to 17.4% in Q2 2025, down from 19.1% at the end of 2024.

In contrast, San Francisco’s office availability remains high at 26.3%, currently the highest in the nation. The recovery in San Jose is being driven by more employees returning to the office and a surge in venture capital investment—particularly in AI and other tech sectors.

Economic activity in downtown San Jose is also accelerating due to tech events, real estate developments, and growing small business engagement. Nvidia’s GTC conference in March 2025 brought in over 25,000 attendees, boosting tourism and restaurant visits by 132%. Major projects like CityView Plaza and Paseo Place are helping to reshape downtown in preparation for upcoming 2026 sports events. Meanwhile, local revitalization efforts are bringing new life to vacant storefronts, with businesses such as Paleta Planeta moving into physical retail spaces. All these developments contribute to a vibrant and rapidly growing urban core.



LOCATION OVERVIEW

SANTA CLARA

Santa Clara County, located in Northern California, is the geographic and economic core of Silicon Valley. It hosts a diverse economy with tech giants, startups, manufacturing, and service industries. Home to over 1.9 million people, the county features a multicultural population and a mix of urban and suburban areas, offering high-quality living with parks, cultural sites, and top universities.

The county's infrastructure includes extensive transportation options like Caltrain, light rail, and major highways. It also emphasizes sustainability through energy efficiency, water conservation, and public transit initiatives. While technology drives its identity, the economy is broadening into healthcare, finance, clean energy, and advanced manufacturing, boosting resilience and global competitiveness.

Overall, Santa Clara County blends innovation, diversity, and sustainable growth to create a vibrant community and a strong future foundation.

COUNTY DEMOGRAPHICS

1.92M

POPULATION

\$160K

MEDIAN HH INCOME

\$151K

PER CAPITA INCOME

654K

HOUSEHOLDS

981K

TOTAL EMPLOYEES

85K

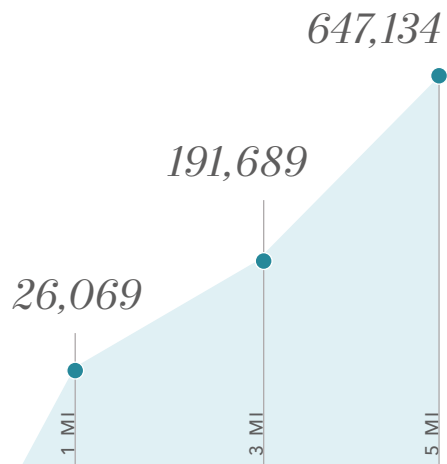
TOTAL BUSINESSES

LOCATION OVERVIEW

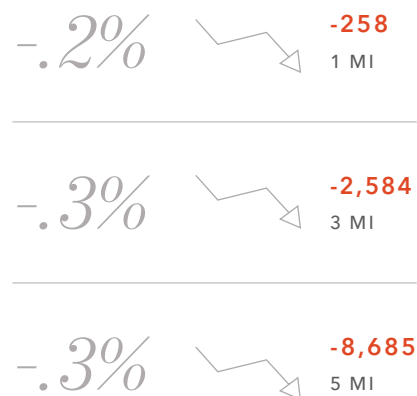


DEMOGRAPHICS

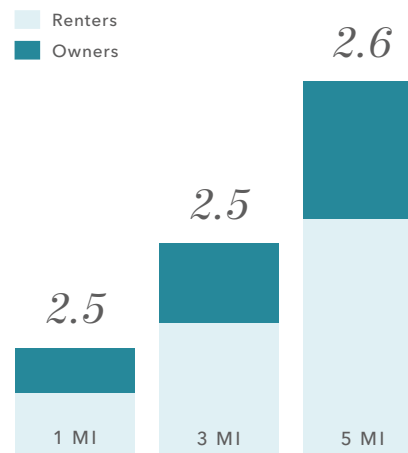
POPULATION



2025-2028 POP. GROWTH



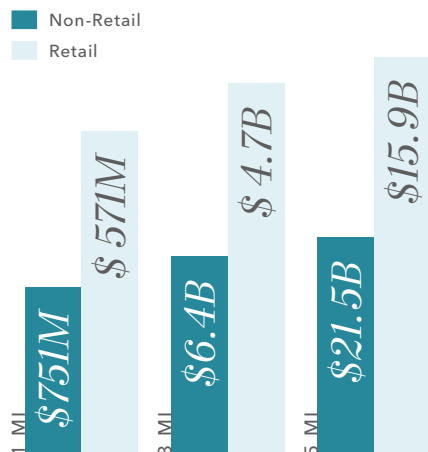
AVERAGE HH SIZE



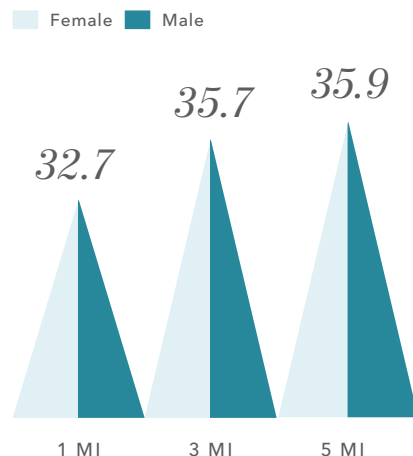
AVERAGE HH INCOME



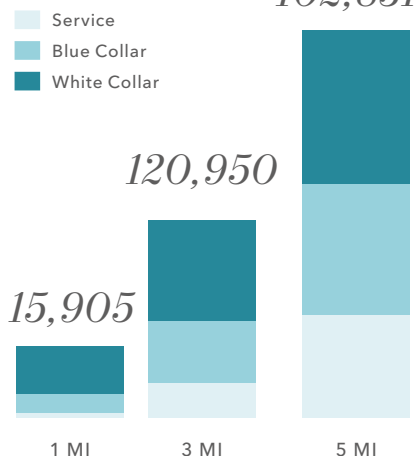
CONSUMER SPENDING



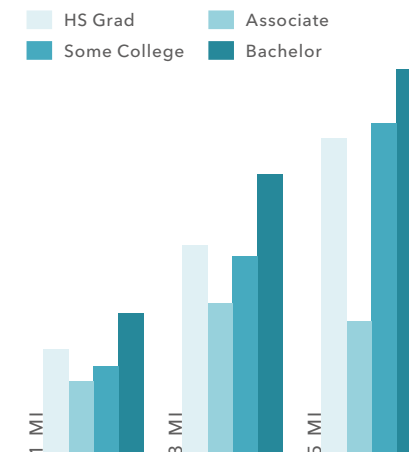
MEDIAN AGE & GENDER



EMPLOYMENT



EDUCATION OVERVIEW



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