

5-UNIT STAND ALONE BUILDING ❖ SAN JOSE, CA 95112



HEART OF SAN JOSE LOCATION

1137-1139 N. 3<sup>RD</sup> STREET



1137-1139 N. 3RD STREET SAN JOSE, CA 95112

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Any rent or income information in this offering memorandum, with the exception of actual, historical rent collections, represent good faith projections of potential future rent only, and Keller Williams makes no representations as to whether such rent may actually be attainable. Local, state, and federal laws regarding restrictions on rent increases may make these projections impossible, and Buyer and its advisors should conduct their own investigation to determine whether such rent increases are legally permitted and reasonably attainable.

An aerial photograph of a city skyline at dusk. In the foreground, there are residential buildings with dark roofs and some trees. In the middle ground, there are several tall buildings, including a prominent one with a glowing top section. The sky is a mix of blue and orange, suggesting sunset or sunrise. The text 'EXECUTIVE SUMMARY' is overlaid in white, serif font, centered horizontally. Below it is a horizontal dotted line, followed by the address '1137-1139 N. 3RD STREET' in white, sans-serif font.

# EXECUTIVE SUMMARY

1137-1139 N. 3RD STREET

# OVERVIEW

Sprawled across two APNs, 1137 N 3rd St offers an incredible investment opportunity with a 2-story home, 3 ADUs, and a versatile artist studio. The main home beckons you into its sun-lit interior from the quiet, tree-lined street. Charming built-ins and a fireplace adorn the formal living room, while endless cabinetry and a full suite of appliances complete the kitchen. French doors reveal a massive secondary living room, ideal for hosting and entertaining. A half bath and laundry area are conveniently located on the entry level, while upstairs resides 3BR/2BA. A paver-lined patio and pathing guide you through the gorgeously landscaped courtyard, which connects each standalone unit encompassed by gates and garden vignettes, adding to their remarkable privacy. Desirably located, revel in proximity to Downtown San Jose's local eateries and shopping, while nearby SJC and HWYs 880 and 87 make commuting and travel effortless.

- 4 detached units
- All updated since 2019
- Additional 600sqft stand alone office or artist studio
- Private outdoor spaces for each unit
- Community garden
- Quick access to major freeways: Hwy 880, Hwy 101
- One 3 bed 2.5 bath 2,388 SF
- Three 1 bed 1 bath...Carriage House: 600 SF ADU 421 SF Middle Cottage 580 SF, Tree House 650 SF

# PROPERTY SUMMARY

## PRICING SUMMARY

▪ OFFERING PRICE	\$2,499,000
▪ PRICE/UNIT	\$624,750
▪ PRICE/SF	\$618.72
▪ GRM	19.11
▪ CAP RATE	3.21%

## THE ASSET

UNITS	4
YEAR BUILT	1932
REMODELED	2019
GROSS SF	4,039
LOT SF	12,632
ZONING	R2
BUILDINGS	5

# 5-UNIT STAND ALONE BUILDING





1137-1139 N. 3RD STREET

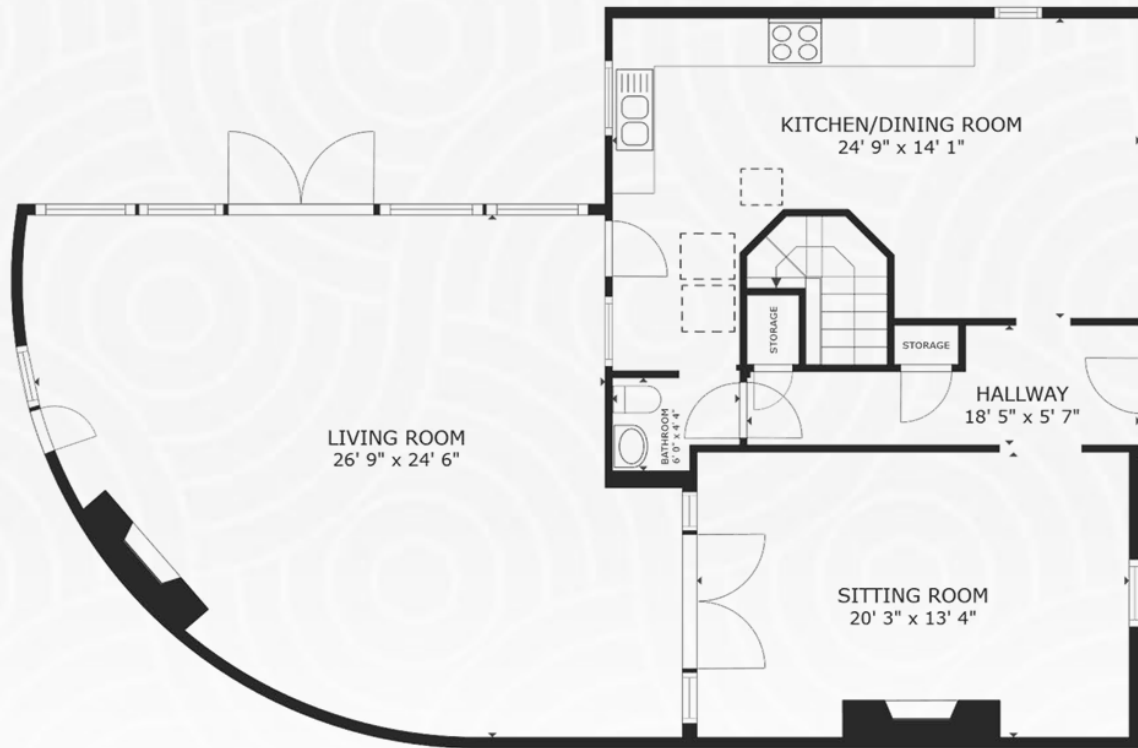


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# MAIN FLOOR PLAN



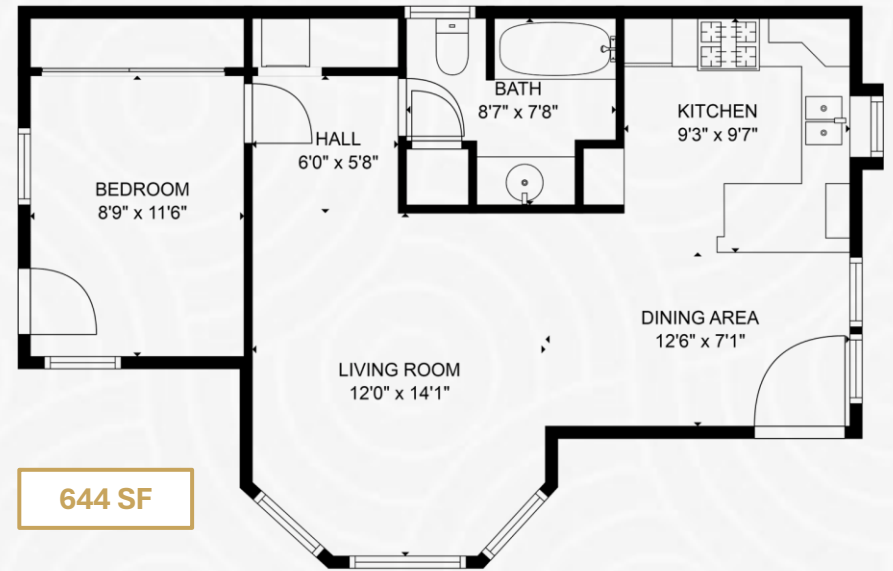
FLOOR 1



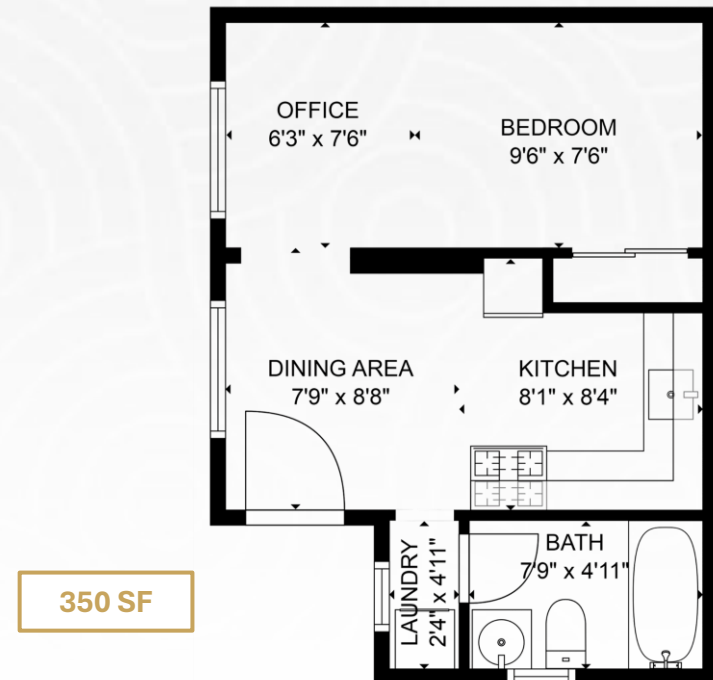
FLOOR 2



# FLOOR PLANS



1137-1139 N. 3RD STREET



# FINANCIAL ANALYSIS

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Monthly Scheduled Gross Income **\$10,900**

ANNUALIZED INCOME		Current
Scheduled Gross Income		\$130,800
Vacancy Rate	3%	(\$3,924)
Gross Operating Income		\$126,876

ANNUALIZED EXPENSES		Current
Taxes:		\$31,238
Insurance:		\$4,200
Gas & Electric:		\$6,000
Maint & Repairs:		\$1,800
Water/Trash		\$1,500
Landscape		\$1,800
<b>Total Expenses</b>		<b>\$46,538</b>
Expenses/Unit		\$11,634
Expenses/SF		\$11.52
% of SGI		35.58%

RETURN		Current
NOI		\$80,339

An aerial photograph of a city skyline at dusk. In the foreground, there are residential buildings with dark roofs and some trees. In the middle ground, there are several large, modern buildings with glass facades, some of which are illuminated from within. In the background, there are more buildings and a cloudy sky. The overall scene is a mix of urban architecture and natural elements like palm trees and other vegetation.

# LOCATION OVERVIEW

1137-1139 N. 3RD STREET

# SAN JOSE, CA

San Jose is the economic, cultural, and political center of Silicon Valley and the largest city in Northern California (both by population and area). With an estimated 2020 population of 1,030,119, it is the third-most populous city in California (after Los Angeles and San Diego) and the tenth-most populous in United States. Located in the center of the Santa Clara Valley, on the southern shore of San Francisco Bay, San Jose covers an area of 179.97 square miles (466.1 km<sup>2</sup>). San Jose is the county seat of Santa Clara County, the most affluent county in California and one of the most affluent counties in the United States.



\$920,082

MEDIAN HOME VALUE



\$94,234

MEDIAN HH INCOME

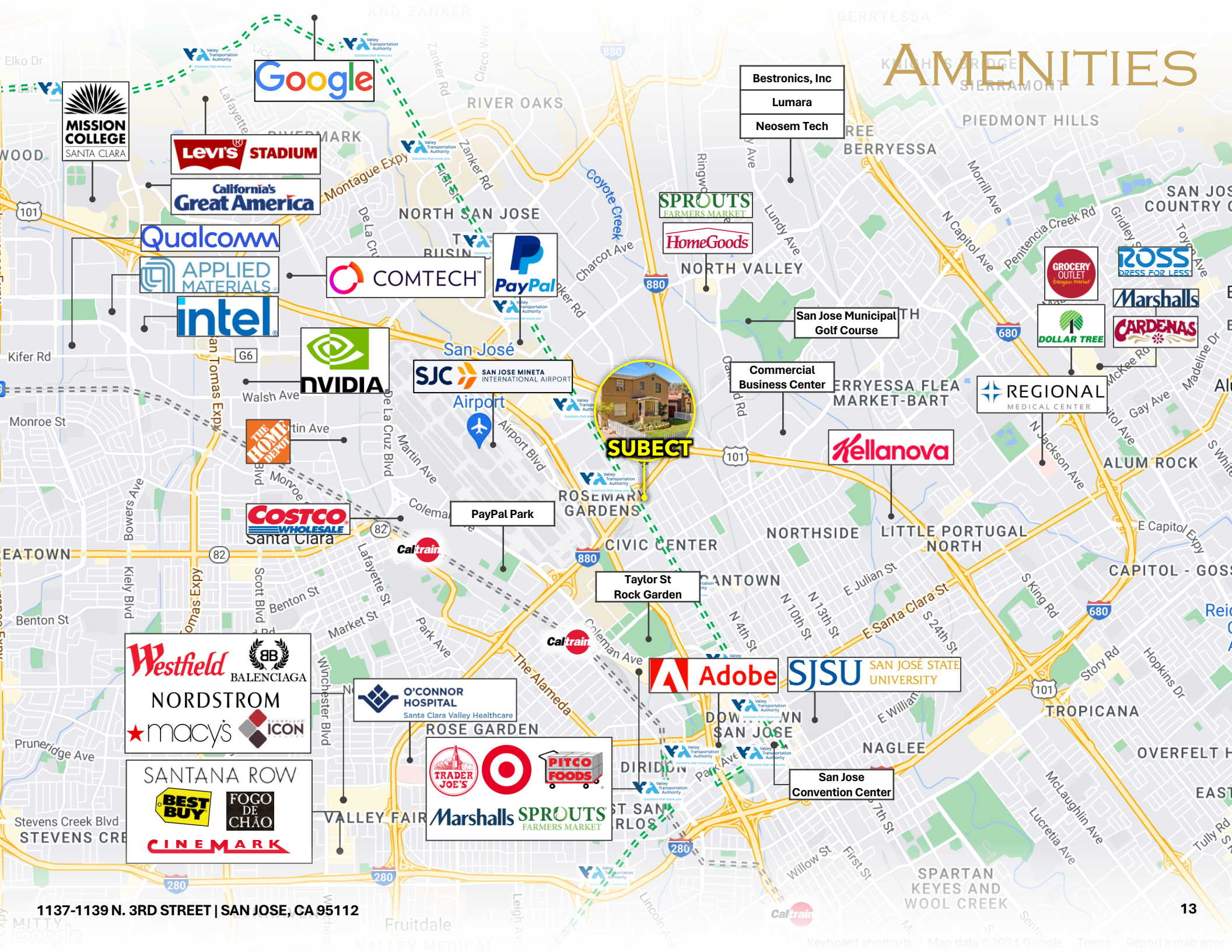


48%

BACHELOR DEGREE +



# AMENITIES



**SUBJECT**

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# DOWNTOWN SNAPSHOT

*Business Friendly Zoning: San Jose has recently adopted a new business-friendly zoning code that allows for easy, by-right adaptive reuse of existing buildings, flexible parking arrangements, streamlined development review, and a fast, straightforward approval process.*



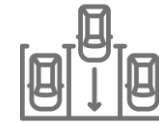
## TRANSIT ORIENTED

VTA has a strategy for a different kind of growth: Transit-Oriented Communities are vibrant, livable places near transit, with homes, jobs, parks, and shops that connect well to the surrounding neighborhoods, where traveling by bus or light rail is safe, reliable, and convenient.



## INFRASTRUCTURE

Recent public improvements include rebuilt rights-of-ways, updated landscaping, new wayfinding signage, historic monuments and placards, pedestrian and bicycle improvements, and district branding.



## PUBLIC PARKING

Three city-owned surface parking lots provide over 300 spaces of public parking for use by shoppers and other visitors to the area. An additional 300 structured parking spaces are available for VTA riders.

## SHARED VISION

**Shared Vision** | There is a shared vision in the community of Downtown San Jose as a pedestrian friendly place with active day and night uses and smart growth opportunities.

**Transit-Oriented Development Opportunities** | Much of the area surrounding the VTA light rail station has been rezoned to permit mixed-use commercial-residential development.

**Business Friendly Zoning** | San Jose's new business-friendly zoning code eliminates parking as an obstacle, allowing restaurants, gastropubs, and retail to fill existing commercial spaces by-right in much of the Downtown Arcadia District.

# CENTER FOR INNOVATION

San Jose is notable as a center of innovation, for its affluence, Mediterranean climate, and extremely high cost of living. As of June 2021, the San Jose metropolitan area has the highest percentage of million-dollar (or more) homes in the United States

San Jose is one of the wealthiest major cities in the United States and the world, and has the third-highest GDP per capita in the world (after Zürich, Switzerland and Oslo, Norway), according to the Brookings Institution. The San Jose Metropolitan Area has the most millionaires and the most billionaires in the United States per capita.

*More than 6,700 students graduated from Stanford, San José State, and Santa Clara universities in 2016 with degrees in computer science, engineering, and business.*

**130%**

Increase in Computer Engineering MS degrees conferred at SJSU between 13-14 and 15-16

**197%**

Increase in Computer Science and Engineering degrees conferred at SCU between 13-14 and 15-16

**70%**

of the engineering graduates from SJSU live and work in Silicon Valley and the greater Bay Area

**2,025**

MBA's minted by SJSU, SCU and Stanford from 2013-2016.

**1 in 3**

San José residents have a bachelor's degree or higher

**1 in 5**

Hold degrees in STEM fields (Science, Tech, Engineering)

**#1**

City nationally for foreign-born talent

San José is home to approximately 66,000 businesses employing a total of 439,000 workers in sectors ranging from advanced manufacturing to healthcare to software. More than 2,500 high-tech companies are located here. We have easy access to the Bay Area and beyond, space to grow and a talent pool of one in five residents with degrees in science, engineering, technology and math. It's no wonder San José is known as one of the world's great innovation clusters to live and work.

Downtown San José is Silicon Valley's vibrant urban center - with a blend of young professionals, high-rise housing, entertainment and business.

North San José is where the world's leading technology firms do their biggest, best work – whether it's dreaming up the next microprocessor innovation, AI breakthrough or manufacturing improvement.

South San José is an expansive region with thriving business, green space and parkland.

# BUSINESS ENVIRONMENT



## FORTUNE 500

The nation's 500 biggest revenue-generating businesses produced a total of roughly \$18.1 trillion in revenue during 2022, an increase of 13% from 2021, according to the recently released Fortune 500 rankings. San Jose landed in the #5 spot, after gaining three Fortune 500 headquarters, taking its count to 20

## BUSINESS SNAPSHOT

20

Fortune 500 Companies

39

Fortune 1000 Companies

35M

SF of Class A Office Space

Easy freeway and public transportation access

Skilled Workforce

Industry Diversity



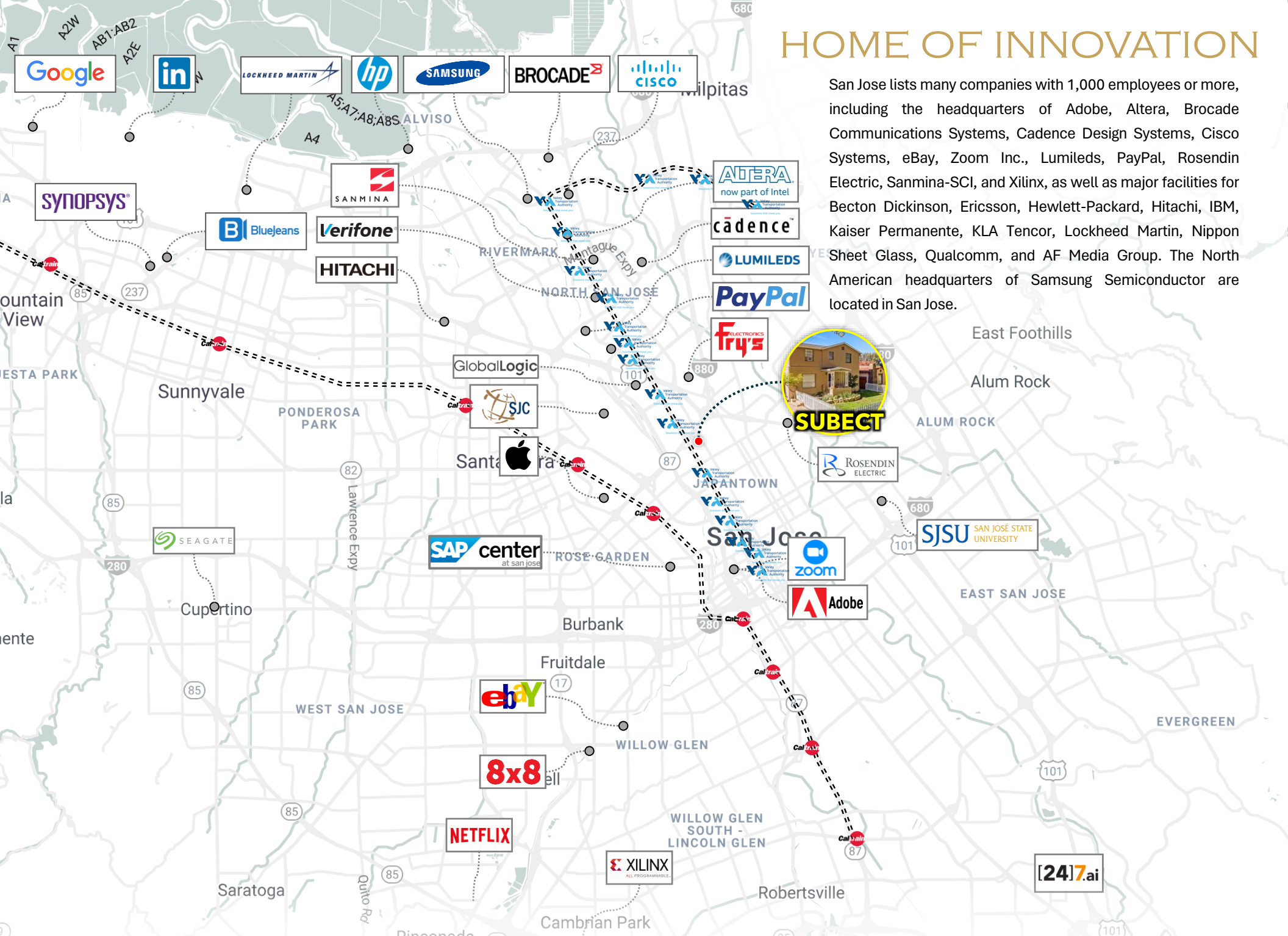
SANMINA





# HOME OF INNOVATION

San Jose lists many companies with 1,000 employees or more, including the headquarters of Adobe, Altera, Brocade Communications Systems, Cadence Design Systems, Cisco Systems, eBay, Zoom Inc., Lumileds, PayPal, Rosendin Electric, Sanmina-SCI, and Xilinx, as well as major facilities for Becton Dickinson, Ericsson, Hewlett-Packard, Hitachi, IBM, Kaiser Permanente, KLA Tencor, Lockheed Martin, Nippon Sheet Glass, Qualcomm, and AF Media Group. The North American headquarters of Samsung Semiconductor are located in San Jose.



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# TRANSIT PROFILE

## CAL TRAIN

San José to San Francisco in about an hour on the 'Baby Bullet'

## ACE

San José to Stockton in a little more than 2 hours

## BART PHASE 2

Downtown San José to San Francisco planned for 2026

## CAPITOL CORRIDOR

San José to Sacramento in about 3 hours

## BART

San José's Berryessa district to San Francisco in about an hour, via the East Bay

## VTA LIGHT RAIL

42 miles of rail stretching from South San José up to Mountain View

## VTA RAPID

A just-completed \$148 million Bus Rapid Transit project connects San José's east side to the downtown transit hub on stylish new buses running every 10 minutes.

## VTA BUS SYSTEM

3,777 stops countywide with 1,236 miles traveled serving 71 total routes, including 18 express and limited lines.



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