



**SILICON VALLEY**

**MULTIFAMILY GROUP®**

- Offering Memorandum
- Historic Hensley District Duplex
- (2) large, 3 bedroom/2 bath units
- Ample on-site parking
- Very good condition
- Ideal owner occupied or rental property
- High market rents
- Full Disclosure package

**PRICE: \$1,595,000**

**324-326 N 3rd Street  
San Jose, CA 95112**

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**Acquisition Costs**

Purchase Price, Points and Closing Costs	\$1,595,000
Investment - Cash	\$1,595,000

**Investment Information**

Purchase Price	\$1,595,000
Price per Unit	\$797,500
Price per SF	\$607.62
Expenses per Unit	(\$15,817)

**Income, Expenses & Cash Flow**

<b>Gross Scheduled Income</b>	<b>\$80,400</b>
Total Vacancy and Credits	(\$3,216)
Operating Expenses	(\$31,634)
<b>Net Operating Income</b>	<b>\$45,550</b>
Debt Service	\$0
<b>Cash Flow Before Taxes</b>	<b>\$45,550</b>

**Financial Indicators**

Cash-on-Cash Return Before Taxes	2.86%
Debt Coverage Ratio	N/A
Capitalization Rate	2.86%
Gross Rent Multiplier	19.84
Gross Income / Square Feet	\$30.63
Gross Expenses / Square Feet	(\$12.05)
Operating Expense Ratio	40.99%



**SECTION I**  
**Property Information**



### **Large Duplex, (2) 3BR/2BA Units - Historic Hensley District**

Located in the Hensley Historic Landmark District of San Jose this unique duplex has two very large three bedroom/two bath units. The property is ideal as either a rental property or an owner-occupied building. The two units each consist of three bedrooms, two full baths, a living room or dining room, a laundry room, storage areas, and ample parking. The units are large, with the downstairs unit (324) approximately 1250 SF in size, and the upstairs unit (326) approximately 1375 SF in size. Please Note: Unit measurements and sizes are approximates. Buyer should verify unit size and square footage to their own satisfaction.

The building was constructed in 1910 and although it is located in the Hensley Historic District, the structure is NOT considered an historic landmark. It is classified as only considered a "Contributing Structure" by the City of San Jose.

The 3400 SF (as per county records) building was built on a 5,980 SF level lot. The building was constructed on a concrete perimeter foundation with stucco over wood framing. There is a wood structure parking garage/storage area in the rear of the property. Due to the size of the lot, the structure might be eligible for an Additional Dwelling Unit (ADU). Buyer to verify any building plans with the City of San Jose, Planning Department.

The units are both in good condition. The downstairs unit (324) was recently remodeled. Unit 324 is on a lease agreement until September 2025, and unit 326 is rented on a month-to-month basis. Both units are near or at market rate rents.

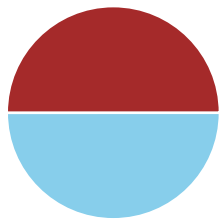
Full reports and a disclosure package are available. Contact the listing agent for additional unit photographs, or a private tour of the units.

# UNIT MIX REPORT

N 3rd St. Duplex  
324-326 N 3rd Street | San Jose, CA 95112

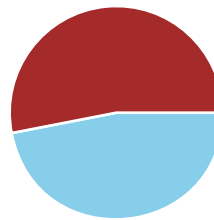
Units	Type	Approx. SF	Avg. Rents	Monthly	Mkt Rents	Monthly
1	3 Bedroom / 2 Bath	1,250	\$3,200	\$3,200	\$3,500	\$3,500
1	3 Bedroom / 2 Bath	1,375	\$3,500	\$3,500	\$3,500	\$3,500
<b>2</b>		<b>2,625</b>		<b>\$6,700</b>		<b>\$7,000</b>

UNIT MIX



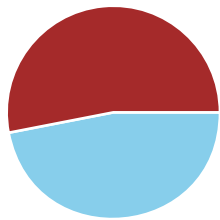
- 3 Bedroom / 2 Bath
- 3 Bedroom / 2 Bath

UNIT MIX SQUARE FEET



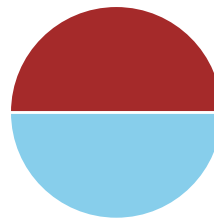
- 3 Bedroom / 2 Bath
- 3 Bedroom / 2 Bath

UNIT MIX INCOME



- 3 Bedroom / 2 Bath
- 3 Bedroom / 2 Bath

UNIT MIX MARKET INCOME



- 3 Bedroom / 2 Bath
- 3 Bedroom / 2 Bath

# PROPERTY PHOTOS

N 3rd St. Duplex  
324-326 N 3rd Street | San Jose, CA 95112

07



# PROPERTY PHOTOS

324 N 3rd St., (Downstairs)  
324-326 N 3rd Street | San Jose, CA 95112





# PROPERTY PHOTOS

324 N 3rd St. Downstairs  
324-326 N 3rd Street | San Jose, CA 95112



# PROPERTY PHOTOS

324 N 3rd St Downstairs  
324-326 N 3rd Street | San Jose, CA 95112



# PROPERTY PHOTOS

324 N 3rd St Floorplan  
324-326 N 3rd Street | San Jose, CA 95112

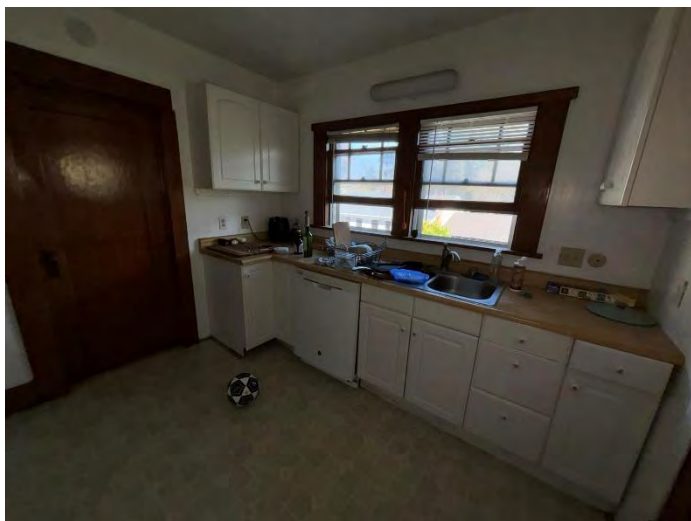


324

Floorplan Is For Illustrative Purposes Only. Sizes And Dimensions Are Approximate.

# 326 N 3RD ST PHOTOS

N 3rd St. Duplex  
324-326 N 3rd Street | San Jose, CA 95112



# 326 N 3RD ST PHOTOS

N 3rd St. Duplex  
324-326 N 3rd Street | San Jose, CA 95112



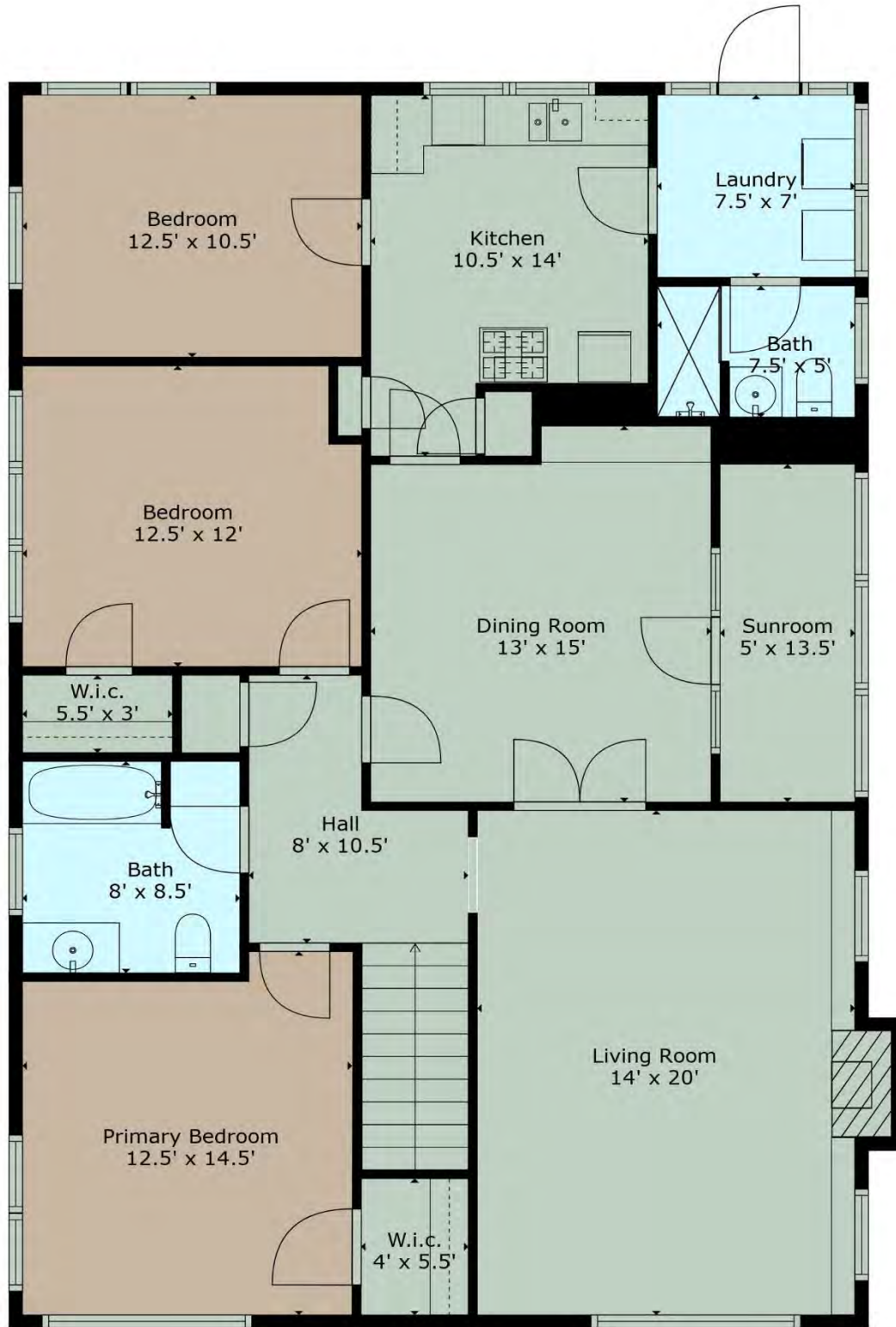
# 326 N 3RD ST PHOTOS

N 3rd St. Duplex  
324-326 N 3rd Street | San Jose, CA 95112



# 326 N 3RD ST PHOTOS

N 3rd St. Duplex  
324-326 N 3rd Street | San Jose, CA 95112

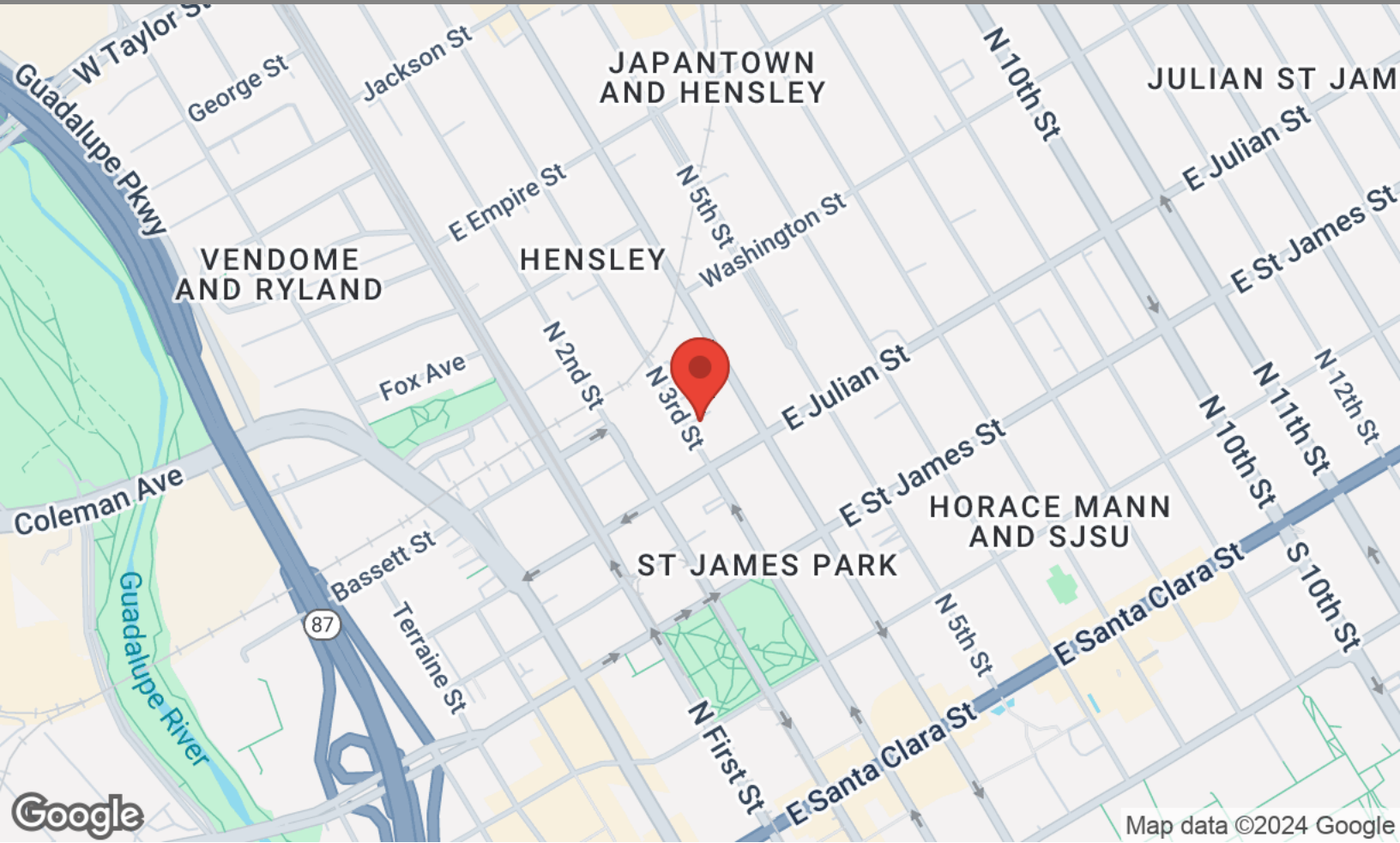


326

Floorplan Is For Illustrative Purposes Only. Sizes And Dimensions Are Approximate.

# LOCATION MAPS

N 3rd St. Duplex  
324-326 N 3rd Street | San Jose, CA 95112







**SECTION II**  
**Financial Information**

# ANNUAL PROPERTY OPERATING DATA

N 3rd St. Duplex  
324-326 N 3rd Street | San Jose, CA 95112

<b>Description</b> <b>Year Ending</b>	<b>Year 1</b> <b>10/2025</b>
<b>Income</b>	
Rental Income	\$80,400
<b>Gross Scheduled Income</b>	<b>\$80,400</b>
General Vacancy	(\$3,216)
<b>Gross Operating Income</b>	<b>\$77,184</b>
<b>Expenses</b>	
Property Tax	(\$21,746)
Insurance	(\$2,092)
Maintenance & Repairs	(\$3,441)
Utilities	(\$1,083)
Legal & Professional Fees	(\$2,274)
Cleaning	(\$586)
Miscellaneous	(\$412)
<b>Total Operating Expenses</b>	<b>(\$31,634)</b>
<b>Operating Expense Ratio</b>	<b>40.99%</b>
<b>Net Operating Income</b>	<b>\$45,550</b>

# CASH FLOW ANALYSIS

N 3rd St. Duplex  
324-326 N 3rd Street | San Jose, CA 95112

<b>Before-Tax Cash Flow Year Ending</b>	<b>Year 1 10/2025</b>
<b>Before-Tax Cash Flow</b>	
<b>Gross Scheduled Income</b>	<b>\$80,400</b>
General Vacancy	(\$3,216)
Total Operating Expenses	(\$31,634)
<b>Net Operating Income</b>	<b>\$45,550</b>
Loan Payment	\$0
<b>Before-Tax Cash Flow</b>	<b>\$45,550</b>
<b>Cash-On-Cash Return</b>	<b>2.86%</b>

Description Year Ending	Year 1 10/2025
<b>Key Ratios and Multipliers</b>	
Capitalization Rate	2.86%
Gross Rent Multiplier	19.84
Net Income Multiplier	35.02
Operating Expense Ratio	40.99%
<b>Amounts per SF</b>	
Gross Income	\$30.63
Expenses	(\$12.05)
<b>Loan Metrics</b>	
Loan To Value Ratio	0.00%
Debt Coverage Ratio	N/A
<b>Cash-On-Cash Measures</b>	
Before-Tax	2.86%
After-Tax	2.86%



**Investment Summary**

Price	\$1,595,000
Year Built	1910
Units	2
Price/Unit	\$797,500
RSF	2,625
Price/RSF	\$607.62
Lot Size	5,980 sf
Floors	2
APN	249-46-028
Cap Rate	2.86%
Market Cap Rate	3.22%
GRM	19.84
Market GRM	18.99

**Unit Mix & Monthly Scheduled Income**

Type	Units	Actual	Total	Market	Total
3 Bedroom / 2 Bath	1	\$3,200	\$3,200	\$3,500	\$3,500
3 Bedroom / 2 Bath	1	\$3,500	\$3,500	\$3,500	\$3,500
<b>Totals</b>	<b>2</b>		<b>\$6,700</b>		<b>\$7,000</b>

**Annualized Income**

Description	Actual	Market
<b>Gross Potential Rent</b>	<b>\$80,400</b>	<b>\$84,000</b>
- Less: Vacancy	(\$3,216)	(\$3,360)
<b>Effective Gross Income</b>	<b>\$77,184</b>	<b>\$80,640</b>
- Less: Expenses	(\$31,634)	(\$29,360)
<b>Net Operating Income</b>	<b>\$45,550</b>	<b>\$51,280</b>

**Annualized Expenses**

Description	Actual	Market
Property Tax	\$21,746	\$21,746
Insurance	\$2,092	\$2,092
Maintenance & Repairs	\$3,441	\$3,441
Utilities	\$1,083	\$1,083
Legal & Professional Fees	\$2,274	\$0
Cleaning	\$586	\$586
Miscellaneous	\$412	\$412
<b>Total Expenses</b>	<b>\$31,634</b>	<b>\$29,360</b>
<b>Expenses Per RSF</b>	<b>\$12.05</b>	<b>\$11.18</b>
<b>Expenses Per Unit</b>	<b>\$15,817</b>	<b>\$14,680</b>



**SECTION III**  
**Sales Comps**

Client Page



**MLS #:** **ML81961560**  
 Apprx. Bldg: 2,825 SqFt (Tax)  
 Apprx Lot: 6,558 SqFt (Other)  
 Apprx Acres: 0.151 Acres  
 Age/Yr Blt: 84/1940 (Tax)  
 Stories: 2  
 Parcel#: 249-62-017  
 DOM: 22  
 Trnsf Tx:  
 POS Ord.:  
 Walk Score: [78](#)

**925 E Julian Street, San Jose 95112**

County: Santa Clara  
 Land Use: Duplex  
 Class: Rin. Duplex  
 Special Info: Not Applicable  
 City Limit:  
 Incorpor:  
 Public:

**Status:** **Sold**  
 Orig Price: \$1,480,000  
 List Price: **\$1,480,000**  
 Sale Price: **\$1,425,000**  
 \$/SqFt: \$504.42

**Dates:**  
 Original: 04/16/2024  
 List: 04/16/2024  
 Sale: 05/08/2024  
 COE: 07/16/2024

925 & 927 E Julian St is an exceptional duplex investment opportunity located in the prosperous city of San Jose, California. Situated on a parcel of land totaling 6,558 square feet, the subject property was originally constructed in 1940 and features a gross building area of approximately 2,825 square feet, offering tenants and residents beautifully designed three-bedroom floor plans. 925 & 927 E Julian St sits near Downtown San Jose and is within proximity to the Target anchored San Jose Market Center, both being home to a myriad of dining, shopping, and entertainment options. The subject property also boasts convenient access to the San Jose Mineta International Airport (SJC). SJC is one of the busiest airports in all of Northern California serving millions of passengers every year to both domestic and international destinations. Additionally, the subject property is located near San Jose State University and the historic Santa Clara University, ranked 54th nationally for undergrad and 11th nationally for the executive MBA program based on US News & World Report Rankings.

Showing & Location

**Map**

X Street:  
 Directions:

**School**

Elem: / San Jose Unified  
 Middle:  
 High: / San Jose Unified

Unit Information

Unit #	SqFT	Beds	Baths (F/P)	Rent	# of Buildings:	1
1		3	2		# Leased Unit:	2
2		3	4 (3/1)		Exist Lease Trm:	1 Year Lease, Month to Month

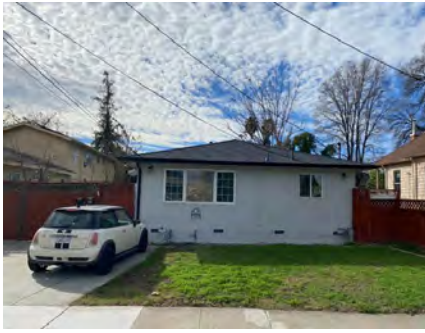
Multiple Family Financing

Expense Total: \$28,695      Income Annual Gross: **\$74,927**      Data Source: Owner

Contact Information

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**MLS #:** **ML81956862**  
**Apprx. Bldg:** 1,808 SqFt (Other)  
**Apprx Lot:** 7,000 SqFt (Other)  
**Apprx Acres:** 0.161 Acres  
**Age/Yr Blt:** 60/1964 (Other)  
**Stories:**  
**Parcel#:** 249-47-057  
**DOM:** 16  
**Trnsf Tx:**  
**POS Ord.:**  
**Walk Score:** [86](#)

**425 N 7th St, San Jose 95112**

**County:** Santa Clara  
**Land Use:**  
**Class:** Rin. Duplex  
**Special Info:** Not Applicable  
**City Limit:**  
**Incorp:**  
**Public:**

**Status:** **Sold**  
**Orig Price:** \$1,299,000  
**List Price:** **\$1,299,000**  
**Sale Price:** **\$1,410,000**  
**\$/SqFt:** \$779.87

**Dates:**  
**Original:** 03/20/2024  
**List:** 03/20/2024  
**Sale:** 04/05/2024  
**COE:** 05/06/2024

Great Investment Opportunity in Downtown San Jose and Close to Japan Town! This Duplex Has a Spacious Lot of 7,000 sf. Unit 1 is 3bed/2bath approx. 1,040sf with Direct Access into Carport and Laundry Area. Unit 2 is 2bed/1bath approx. 768sf with a Large Private Backyard. Updated Kitchens and Central AC in Both Units. Walking Distance to Downtown San Jose, Few Blocks Away From San Jose State University, Restaurants, Grocery Shopping Center Etc. Easy Access to all Major Freeway 280,680,101. Not to Mention with This Large Lot There is An Upside Opportunity to Add an ADU and Build Out the Carport! This is a One of a Kind Duplex!

**Showing & Location**

**Map**

X Street:  
 Directions:

**School**

Elem: / San Jose Unified  
 Middle:  
 High: / San Jose Unified

**Unit Information**

Unit #	SqFT	Beds	Baths (F/P)	Rent	# of Buildings:
1	1,040	3	2	\$4,500	2
2	768	2	1	\$2,500	2
					Exist Lease Trm: Month to Month

**Multiple Family Financing**

Expense Total: \$0      Income Annual Gross: **\$84,000**      Data Source: Owner

**Contact Information**

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**MLS #:** **ML81971331**  
**Apprx. Bldg:** 2,180 SqFt (Tax)  
**Apprx Lot:** 6,534 SqFt (Tax)  
**Apprx Acres:** 0.150 Acres  
**Age/Yr Blt:** 56/1968 (Tax)  
**Stories:** 1  
**Parcel#:** 249-13-062  
**DOM:** 13  
**Trnsf Tx:**  
**POS Ord.:**  
**Walk Score:** [74](#)

**768 N 14th Street, San Jose 95112**

**County:** Santa Clara  
**Land Use:** Duplex  
**Class:** Rin. Duplex  
**Special Info:** Not Applicable  
**City Limit:**  
**Incorp:**  
**Public:**

**Status:** **Sold**  
**Orig Price:** \$1,098,000  
**List Price:** **\$1,098,000**  
**Sale Price:** **\$1,405,000**  
**\$/SqFt:** \$644.50

**Dates:**  
**Original:** 06/27/2024  
**List:** 06/27/2024  
**Sale:** 07/10/2024  
**COE:** 07/19/2024

Introducing a remarkable investment opportunity in the heart of San Jose! This great Duplex in Downtown boasts interior paint along with new carpeting in the 2 bedroom 1 bath unit. The Duplex is conveniently situated with easy access to freeways 101, 87, and 880. The ease of commute is unparalleled, with quick exits to San Jose Airport and San Jose State University. Additionally, the charm and culture of the nearby Japan town are just a stone's throw away, offering entertainment, dining, and shopping options. Don't miss out on this unique opportunity to own an income-generating property in a prime location!

**Showing & Location**

**Map**

X Street:  
 Directions:

**School**

**Elem:** / San Jose Unified  
**Middle:**  
**High:** / San Jose Unified

**Unit Information**

Unit #	SqFT	Beds	Baths (F/P)	Rent	# of Buildings:	2
1		2	1		# Leased Unit:	1
2		3	2	\$3,350	Exist Lease Trm:	Month to Month

**Multiple Family Financing**

**Expense Total:** \$12,306      **Income Annual Gross:** **\$75,780**      **Data Source:** Owner

**Contact Information**

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**MLS #:** **ML81955745**  
**Apprx. Bldg:** 1,887 SqFt (Tax)  
**Apprx Lot:** 6,534 SqFt (Tax)  
**Apprx Acres:** 0.150 Acres  
**Age/Yr Blt:** 59/1965 (Tax)  
**Stories:** 1  
**Parcel#:** 235-08-024  
**DOM:** 18  
**Trnsf Tx:**  
**POS Ord.:**  
**Walk Score:** [74](#)

**909 N 4th Street, San Jose 95112**

**County:** Santa Clara  
**Land Use:** Duplex  
**Class:** Rin. Duplex  
**Special Info:** Not Applicable  
**City Limit:**  
**Incorp:**  
**Public:**

**Status:** **Sold**  
**Orig Price:** \$1,400,000  
**List Price:** **\$1,400,000**  
**Sale Price:** **\$1,400,000**  
**\$/SqFt:** \$741.92

**Dates:**  
**Original:** 02/28/2024  
**List:** 02/28/2024  
**Sale:** 03/17/2024  
**COE:** 04/09/2024

909-911 N 4th Street. Wonderful duplex. Both unit are 2 bedroom and 1 bath. Each unit have one car garage with plenty of extra parking spaces on the long driveway. Beautiful kitchen cabinets and counter. Engineer floor in both unit. Freshly painted interior. Both unit have access to back yard. Convenient located close to San Jose downtown and Japan town. Short distance to 101 and 880 freeway.

**Showing & Location**

**Map**  
**X Street:** E Hedding Street  
**Directions:**

**School**  
**Elem:** / San Jose Unified  
**Middle:**  
**High:** / San Jose Unified

**Unit Information**

Unit #	SqFT	Beds	Baths (F/P)	Rent	# of Buildings:	1
1	943	2	1		# Leased Unit:	0
2	943	2	1		Exist Lease Trm:	Building Vacant

**Multiple Family Financing**

**Expense Total:** \$0      **Income Annual Gross:** **\$0**      **Data Source:** Info Not Available

**Contact Information**

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**MLS #:** **ML81944471**  
**Apprx. Bldg:** 2,160 SqFt (Tax)  
**Apprx. Lot:** 5,704 SqFt (Tax)  
**Apprx Acres:** 0.131 Acres  
**Age/Yr Blt:** 54/1969 (Tax)  
**Stories:** 2  
**Parcel#:** 249-57-044  
**DOM:** 54  
**Trnsf Tx:**  
**POS Ord.:**  
**Walk Score:** [69](#)

**440 N 16th Street, San Jose 95112**

**County:** Santa Clara  
**Land Use:** Duplex  
**Class:** Rin. Duplex  
**Special Info:** Not Applicable  
**City Limit:** Yes  
**Incorp:** Yes  
**Public:**

**Status:** **Sold**  
**Orig Price:** \$1,385,000  
**List Price:** **\$1,345,000**  
**Sale Price:** **\$1,345,888**  
**\$/SqFt:** \$623.10

**Dates:**  
**Original:** 11/28/2023  
**List:** 11/28/2023  
**Sale:** 01/21/2024  
**COE:** 02/26/2024

Great opportunity to purchase investment property surrounded by a charming single family home neighborhood. Both units have been remodeled and are vacant and ready for occupancy . New roof and paint (11/23) Large units featuring 3 bedrooms, new flooring, remodeled kitchen and bath. Plenty of off street parking. This unit is located towards the front of the property with a very large back area that could possibly be additional rental unit. 1.3 miles to downtown San Jose. 1.4 miles to San Jose State University.

**Showing & Location**

**Map**

X Street: Empire / Washington  
 Directions:

**School**

Elem: / San Jose Unified  
 Middle:  
 High: / San Jose Unified

**Unit Information**

Unit #	SqFT	Beds	Baths (F/P)	Rent	# of Buildings:	1
1	1,080	3	1		# Leased Unit:	1
2	1,080	3	1		Exist Lease Trm:	Month to Month, Other

**Multiple Family Financing**

Expense Total: \$11,339      Income Annual Gross: **\$39,393**      Data Source: Owner

**Contact Information**

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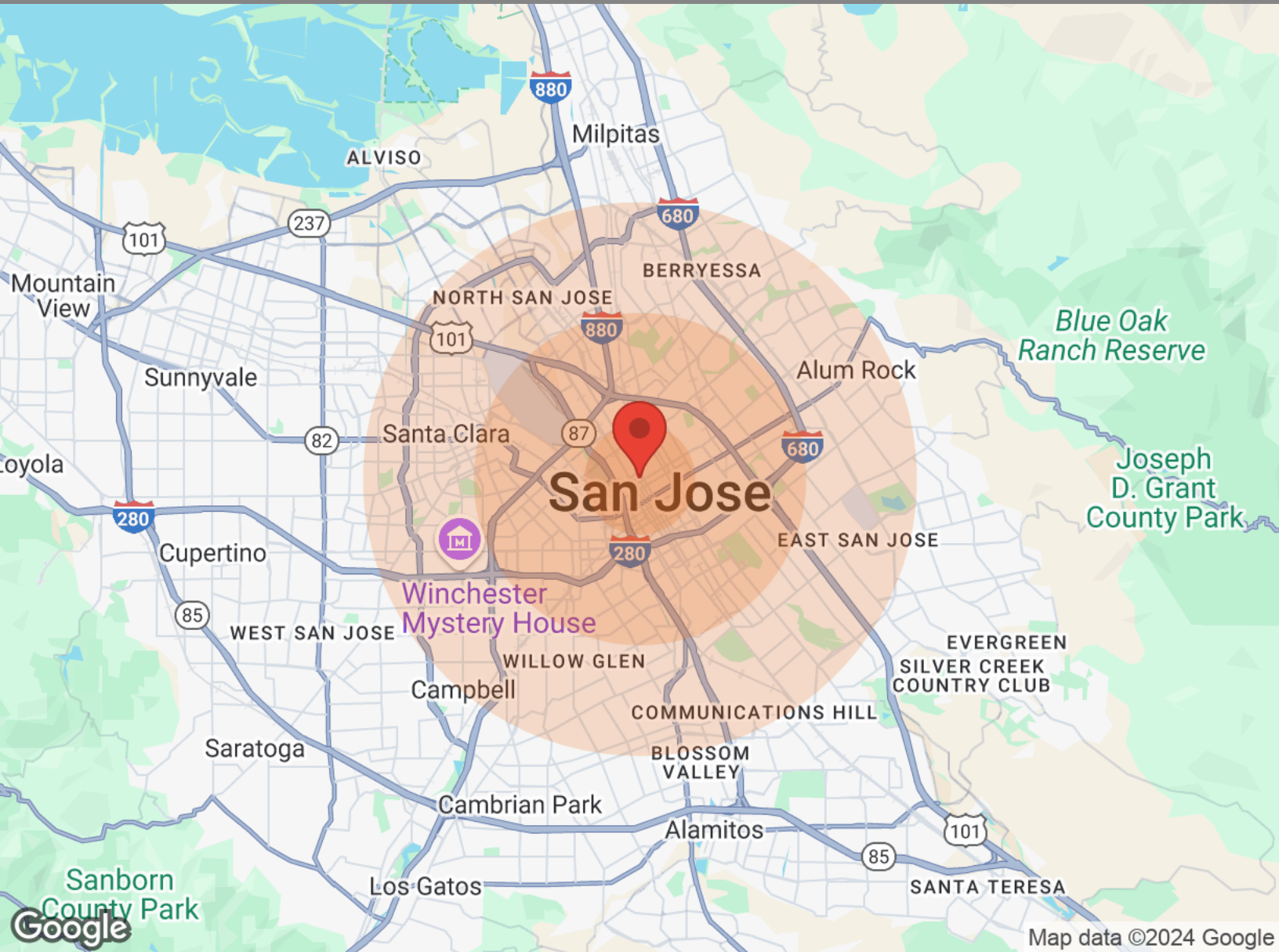
\*Data provided by Realist®, compiled by CoreLogic® from public and private sources, and accuracy of the data is deemed reliable but not guaranteed.



**SECTION IV**  
**Demographics Section**

# DEMOGRAPHICS

N 3rd St. Duplex  
324-326 N 3rd Street | San Jose, CA 95112



Population	1 Mile	3 Miles	5 Miles
Male	19,802	128,388	339,325
Female	16,712	126,613	333,388
Total Population	36,514	255,001	672,713
Age	1 Mile	3 Miles	5 Miles
Ages 0-14	5,372	52,498	139,554
Ages 15-24	3,211	29,367	81,066
Ages 25-54	19,113	115,871	293,219
Ages 55-64	3,971	27,134	73,558
Ages 65+	4,847	30,131	85,316
Race	1 Mile	3 Miles	5 Miles
White	17,231	108,690	275,321
Black	1,541	6,512	15,599
Am In/AK Nat	176	1,248	2,743
Hawaiian	57	264	1,158
Hispanic	16,908	131,891	296,542
Multi-Racial	20,280	153,706	348,202

Income	1 Mile	3 Miles	5 Miles
Median	\$48,207	\$56,186	\$68,664
< \$15,000	2,043	10,969	21,555
\$15,000-\$24,999	1,505	8,726	18,544
\$25,000-\$34,999	798	6,739	16,346
\$35,000-\$49,999	1,744	10,365	24,517
\$50,000-\$74,999	1,987	13,183	35,522
\$75,000-\$99,999	1,299	10,124	28,180
\$100,000-\$149,999	1,882	11,488	37,365
\$150,000-\$199,999	872	6,460	17,899
> \$200,000	675	4,667	15,839

Housing	1 Mile	3 Miles	5 Miles
Total Units	14,853	89,890	232,559
Occupied	13,166	84,444	221,517
Owner Occupied	3,767	34,140	110,600
Renter Occupied	9,399	50,304	110,917
Vacant	1,687	5,446	11,042

## DISCLAIMER

All materials and information received or derived from Silicon Valley Multifamily Group (SVMG) its directors, officers, agents, advisors, 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 those 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. *SVMG makes no warranties and/or representations regarding the veracity, completeness, or relevance of any financial data or assumptions.* SVMG 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 the units, lot or the building and are making NO representation as to the accuracy of square footage figures. Data source for building size and lot size is provided by an online resource such as that provided by Chicago Title Company. SVMG is not responsible for errors in the data. 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. Unless otherwise indicated, 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 SVMG.

All properties and services are marketed by SVMG 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 either previous year actual levels or annualized current income.

**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 Forma 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.

**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 provided through the Chicago Title Company online resource. 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** 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. SVMG, its Brokers and Agents can not be held accountable for these numbers. Buyer should use the numbers it thinks most appropriate.

**Financial Information** 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** This information is provided for illustrative purposes only. Buyer should use the loan information he or she 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 current 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 5 or 10 YEAR PROJECTIONS ARE PROVIDED FOR ILLUSTRATIVE PURPOSES ONLY. BUYER SHOULD USE THE PROJECTIONS HE or SHE 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 reflects projected rents, not current rent levels. Projected 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.