

# 1550 CRUCERO DRIVE

SAN JOSE, CA 95122



OFFERING MEMORANDUM

Marcus & Millichap



## CONFIDENTIALITY & DISCLAIMER

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property, and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

## NON-ENDORSEMENT NOTICE

Marcus & Millichap is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Marcus & Millichap, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of Marcus & Millichap, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

**All property showings are by appointment only. Please contact your Marcus & Millichap agent for more information.**

ACTIVITY ID: ZAG0010354

Marcus & Millichap



EXCLUSIVELY LISTED BY



**Mike Henshaw**

**SENIOR MANAGING DIRECTOR INVESTMENTS**

Mike.Henshaw@MarcusMillichap.com

O: 650.391.1770 | M: 650.269.6453

License: CA 01134592



# PROPERTY OVERVIEW

## Offering Summary

1550 Crucero Drive is an exceptional 4-unit apartment complex located in the thriving city of San Jose, California. Situated on a parcel of land totaling 6,791 square feet, the subject property was originally constructed in 1962 and features a gross building area of approximately 3,264 square-feet, offering tenants and residents beautifully designed two-bedroom and one-bedroom floor plans.

1550 Crucero Drive sits near Downtown San Jose and is within walking distance to the Walmart anchored Grand Century Shopping Mall, both being home to a myriad of dining, shopping, and entertainment options. The subject property is also blocks away from Happy Hollow Park and Zoo, an exciting entertainment venue for people of all ages.

Additionally, the subject property sits 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. As part of Silicon Valley, this location also offers renters quick access to many of the nation's top tech employers including Apple, Google, Tesla, Facebook, IBM, Intel, Yahoo, Cisco Systems, Adobe Systems, LinkedIn as well as many others.

The investment appeal of this asset is driven by San Jose's strong employment fundamentals and low vacancy levels. With a world-class location in the Silicon Valley, 1550 Crucero Drive presents an attractive choice for South Bay renters due to its close proximity to major employers, transportation corridors, shopping, dining, and entertainment options.





# PROPERTY DETAILS

## Investment Highlights

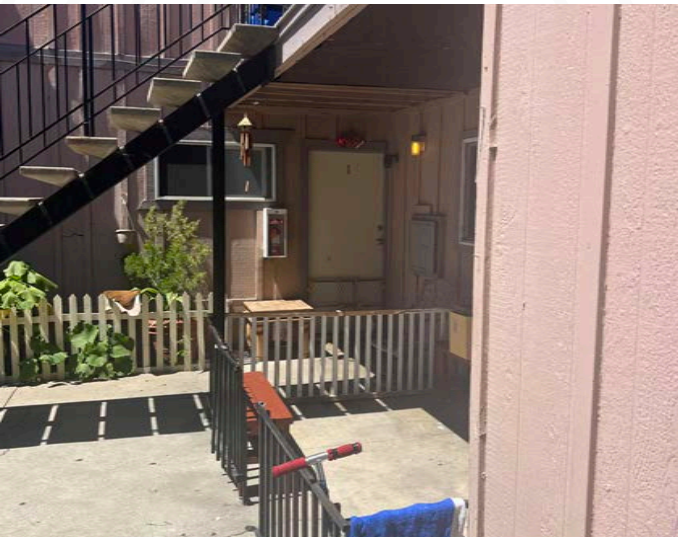
- **Exceptional San Jose Investment Opportunity** - Investors have the opportunity to acquire an exceptional multifamily asset in one of the most dynamic and desirable locations in the South Bay.
- **Desirable Unit Mix** - 1550 Crucero Drive offers tenants beautifully designed two bedrooms floor plans.
- **Prime San Jose Location** - The subject property sits near Downtown San Jose, and is within walking distance to Grand Century Shopping Mall and Happy Hollow Park and Zoo.
- **Quick Access Around the Bay Area** - 1550 Crucero Drive offers tenants and residents convenient access to I-280 and other major transportation routes providing easy access to prestigious educational institutions, major employers, and the various lifestyle amenities offered in the Bay Area.

### LOCATION

PRICE	\$1,425,000
ADDRESS	1550 CRUCERO DRIVE
CITY, STATE	SAN JOSE, CA 95122
PARCEL NUMBER	477-32-114

### PROPERTY

TOTAL UNITS	4
YEAR BUILT	1962
TOTAL SQUARE FEET	3,328 SF
LOT SIZE	6,708 SF





# REGIONAL MAP





# PROPERTY PHOTOS





# PRICING DETAIL

SUMMARY	
PRICE	\$1,425,000
DOWN PAYMENT (50%)	\$712,500
NUMBER OF UNITS	4
PRICE PER UNIT	\$356,250
PRICE PER SQFT	\$436.58
GROSS SQFT	3,264
LOT SIZE	0.16 ACRES
YEAR BUILT	1970

RETURNS	CURRENT	POTENTIAL
CAP RATE	4.56%	6.03%
GRM	12.84	10.77
CASH-ON-CASH	2.11%	5.05%
DEBT COVERAGE RATIO	1.30	1.72

FINANCING	1ST LOAN
LOAN AMOUNT	\$712,500
LOAN TYPE	NEW
INTEREST RATE	5.75%
AMORTIZATION	30 YEARS
YEAR DUE	2055

# UNITS	UNIT TYPE	SQFT	SCHEDULED RENT	MARKET RENT
1	2 BED/1 BATH	816	\$2,311	\$2,625

INCOME		CURRENT		POTENTIAL
GROSS SCHEDULED RENT		\$110,940		\$132,300
LESS: VACANCY/DEDUCTIONS	2.0%	\$2,219	2.0%	\$2,646
TOTAL EFFECTIVE RENTAL INCOME		\$108,721		\$129,654
OTHER INCOME		\$0		\$0
EFFECTIVE GROSS INCOME		\$108,721		\$129,654
LESS: EXPENSES	40.3%	\$43,791	33.8%	\$43,791
NET OPERATING INCOME		\$64,930		\$85,863
CASH FLOW		\$64,930		\$85,863
DEBT SERVICE		\$49,895		\$49,895
NET CASH FLOW AFTER DEBT SERVICE	2.11%	\$15,034	5.05%	\$35,967
PRINCIPAL REDUCTION		\$9,166		\$9,707
TOTAL RETURN	3.40%	\$24,200	6.41%	\$45,674

EXPENSES	CURRENT	POTENTIAL
REAL ESTATE TAXES	\$18,069	\$18,069
INSURANCE	\$3,465	\$3,465
UTILITIES - ELECTRIC AND GAS	\$2,534	\$2,534
UTILITIES - WATER	\$5,583	\$5,583
UTILITIES -SEWER	\$1,774	\$1,774
TRASH REMOVAL	\$3,146	\$3,146
REPAIRS & MAINTENANCE	\$2,000	\$2,000
LICENSE	\$1,026	\$1,026
HOA FEES	\$5,784	\$5,784
SPECIAL ASSESSMENTS( EXCL. SJ SEWER)	\$410	\$410
TOTAL EXPENSES	\$43,791	\$43,791
EXPENSES/UNIT	\$10,948	\$10,948
EXPENSES/SF	\$13.42	\$13.42



# OPERATING STATEMENT

INCOME	CURRENT		MARKET		PER UNIT	PER SQFT
<b>RENTAL INCOME</b>						
GROSS SCHEDULED RENT	110,940		132,300		33,075	40.53
PHYSICAL VACANCY	(2,219)	2.0%	(2,646)	2.0%	(662)	(0.81)
TOTAL VACANCY	(\$2,219)	2.0%	(\$2,646)	2.0%	(\$662)	(\$1)
EFFECTIVE GROSS INCOME	\$108,721		\$129,654		\$32,414	\$39.72

EXPENSES	CURRENT		MARKET		PER UNIT	PER SQFT	NOTES
REAL ESTATE TAXES	18,069		18,069		5.54	5.54	
INSURANCE	3,465		3,465		1.06	1.06	
UTILITIES - ELECTRIC AND GAS	2,534		2,534		0.78	0.78	
UTILITIES - WATER	5,583		5,583		1.71	1.71	
UTILITIES - SEWER	1,774		1,774		0.54	0.54	
TRASH REMOVAL	3,146		3,146		0.96	0.96	
REPAIRS & MAINTENANCE	2,000		2,000		0.61	0.61	
LICENSE	1,026		1,026		0.31	0.31	
HOA FEES	5,784		5,784		1.77	1.77	
SPECIAL ASSESSMENTS( EXCL. SJ SEWER)	410		410		0.13	0.13	
TOTAL EXPENSES	\$43,791		\$43,791		\$13.42	\$13.42	
EXPENSES AS % OF EGI	40.3%		33.8%				
NET OPERATING INCOME	\$64,930		\$85,863		\$26.31	\$26.31	



# RENT ROLL

UNIT TYPE	# OF UNITS	AVG SQ FEET	RENTAL RANGE	SCHEDULED			POTENTIAL		
				AVERAGE RENT	AVERAGE RENT / SF	MONTHLY INCOME	AVERAGE RENT	AVERAGE RENT / SF	MONTHLY INCOME
2 BED 1 BATH	4	816	\$1,990 - \$2,625	\$2,311	\$2.83	\$9,245	\$2,625	\$3.22	\$10,500
TOTAL	4	816		\$2,311	\$2.83	\$9,245	\$2,625	\$3.22	\$10,500

# RENT ROLL DETAIL

UNIT	UNIT TYPE	SQUARE FEET	SCHEDULED RENT / MONTH	SCHEDULED RENT / SF/ MONTH	POTENTIAL RENT / MONTH	POTENTIAL RENT/ SF/ MONTH
1550-1	2BR/1BA	816	\$2,625	\$3.22	\$2,625	\$3.22
1550-2	2BR/1BA	816	\$2,230	\$2.73	\$2,625	\$3.22
1550-3	2BR/1BA	816	\$2,400	\$2.94	\$2,625	\$3.22
1550-4	2BR/1BA	816	\$1,990	\$2.44	\$2,625	\$3.22
TOTAL		3,264	\$9,245	\$2.83	\$10,500	\$3.22



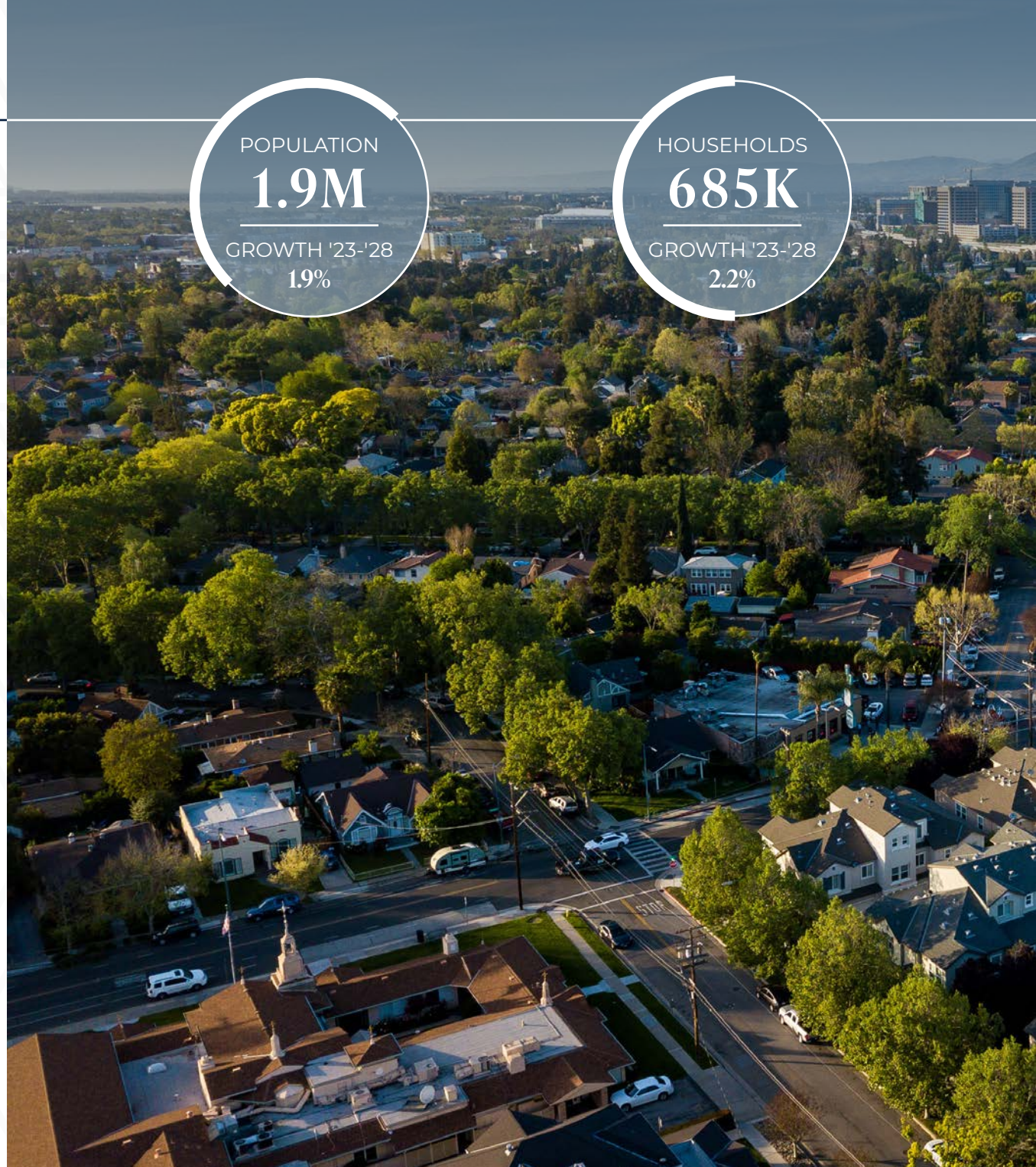




# SAN JOSE METRO

## THE SAN JOSE METRO IS THE WORLD'S MOST PROMINENT TECHNOLOGICAL HUB

Known to the world as Silicon Valley, the San Jose metro is located at the southern end of the San Francisco Bay and encompasses Santa Clara and San Benito counties. A large portion of the area's 1,315 square miles is unincorporated ranch and farmland. The metro contains roughly 1.95 million inhabitants, and roughly half of the region's residents reside in the city of San Jose. It is the metro's largest city with 983,000 residents, followed by Sunnyvale and Santa Clara. Venture capital funds received in the 1990s helped turn the area into the world's most prominent technology hub — a distinction that still stands today, despite recent volatility in the office sector.



POPULATION

1.9M

GROWTH '23-'28

1.9%

HOUSEHOLDS

685K

GROWTH '23-'28

2.2%





MEDIAN AGE

38.0

U.S. MEDIAN  
38.7

MEDIAN  
HOUSEHOLD  
INCOME

\$137,200

U.S. MEDIAN  
\$68,500

# METRO HIGHLIGHTS

## TOP HIGH-TECH ENTER

Silicon Valley's dense concentration of high-tech jobs is world renowned, attracting a variety of large employers and startups.

## HIGH INCOMES

Well-paying jobs in the tech sector contribute to a median annual household income level that is more than double the U.S. median.

## HIGHLY-EDUCATED WORKFORCE

A pro-business environment and affordability will continue to lure new companies to San Jose.





# SAN JOSE

## DEMOGRAPHICS

- The metro is expected to add approximately 36,000 people through 2028, and during this time, more than 21,500 households will be formed.
- High home prices contribute to a homeownership rate of 55 percent, which is below the national rate.
- Nearly 47 percent of residents ages 25 and older hold a bachelor's degree, including more than 20 percent who have also obtained a graduate or professional degree.

### 2023 POPULATION BY AGE



### QUALITY OF LIFE

The San Jose metro has an enviable combination of major universities that produce a highly-educated workforce, cutting-edge tech firms and exceptional affluence. Residents can visit a plethora of museums, including the San Jose Museum of Art and the Tech Interactive. Santa Clara County is home to performing arts companies and hosts the San Jose Jazz Festival. The San Francisco 49ers play their home games at Levi's Stadium, and the San Jose Sharks hockey team plays at the SAP Center. Other sports venues include Excite Ballpark and Stevens Stadium. The northern portion of the metro is minutes away from San Francisco and relatively close to some of the world's finest wine-producing regions, notably the Napa, Sonoma and Alexander valleys.



## SPORTS

- 1 Football | San Francisco 49ers
- 2 Hockey | San Jose Sharks
- 3 Soccer | San Jose Earthquakes
- 4 Soccer | Bay FC
- 5 Baseball | San Jose Giants

## EDUCATION

- 6 Stanford University
- 7 San Jose State University
- 8 Santa Clara University
- 9 San Jose City College

## ARTS & ENTERTAINMENT

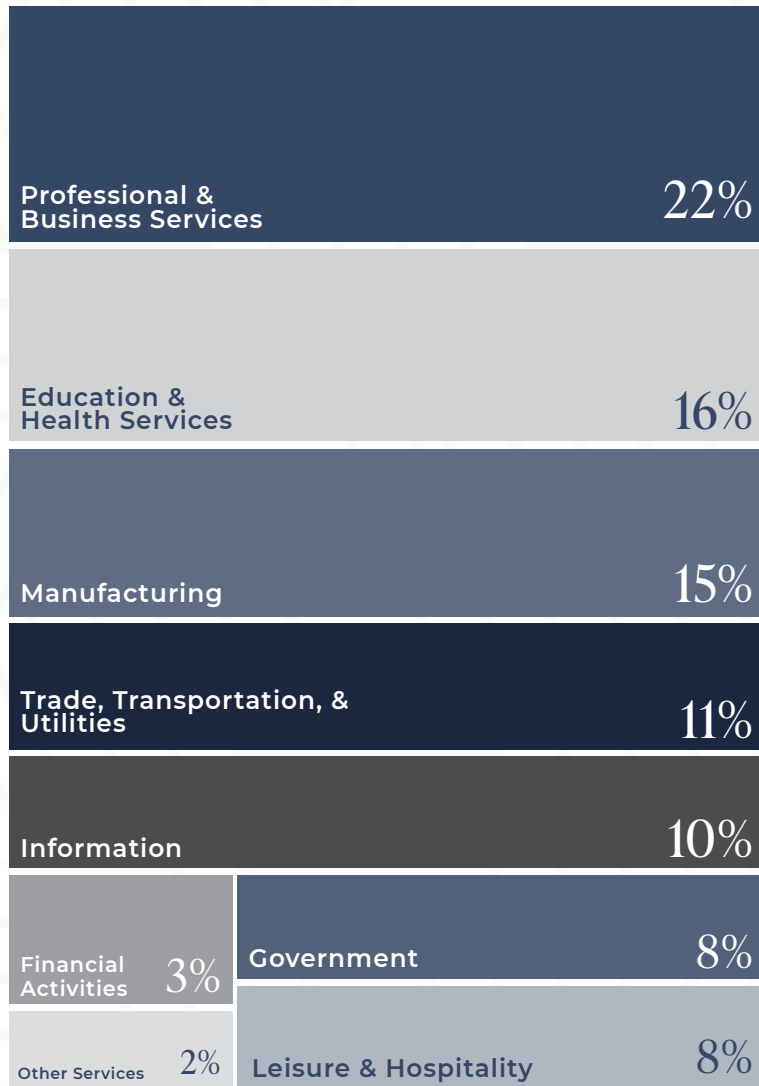
- 10 Children's Discovery Museum Of San Jose
- 11 Silicon Valley Symphony
- 12 San Jose Museum Of Art
- 13 The Tech Interactive



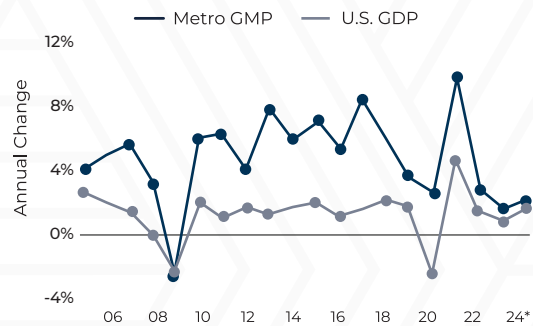


# THE SAN JOSE ECONOMY

## SHARE OF 2023 TOTAL EMPLOYMENT



## ECONOMIC GROWTH



## MAJOR AREA EMPLOYERS

- Apple Inc.
- Cisco Systems
- Adobe Systems Inc.
- Hewlett-Packard Co.
- Alphabet Inc.
- Intel Corp.
- eBay
- Stanford University
- San Jose State University
- Meta



# THE SAN JOSE MULTIFAMILY OUTLOOK

## SUPPLY PRESSURES SHIFT DEMAND AND INVESTMENT TOWARD SAN JOSE'S MORE AFFORDABLE NEIGHBORHOODS

Elevated construction meets a shifting market. San Jose is set for a historic year of apartment deliveries. Many projects launched in 2022 will reach completion. While vacancy stood at 4.0 percent in March — the lowest since 2022, when those projects were greenlit — the rate is projected to rise 100 basis points due to record-setting supply this year. Employment has also softened. White-collar job losses were offset only by modest gains in government, education and health care. Still, rising home prices — up 10 percent in 2024 — may drive more demand for apartments from priced-out buyers. These competing forces are reshaping the market, as rising supply and uneven demand drive rent and occupancy volatility.

Supply concentration opens up overlooked submarkets. Most development remains concentrated in core Silicon Valley cities such as Palo Alto, Mountain View, Sunnyvale and Santa Clara. In contrast, East San Jose has seen no notable construction over the past three years. The area recorded a 170-basis-point drop in vacancy in 2024 — the sharpest in the metro. Similar patterns in the North San Jose-Milpitas area and South San Jose point to growing renter demand in underbuilt, more affordable areas. This trend is also evidenced by asset class; Class C properties posted the lowest vacancy in 2024, outperforming Class B by 50 basis points. As economic uncertainty alters renter preferences, lower-cost units in undersupplied submarkets are likely to attract greater attention



**2,500**  
JOBS WILL BE  
LOST

### EMPLOYMENT:

The number of white-collar jobs is projected to decline for the third straight year in 2025. After a brief recovery in the last three months of 2024, employment numbers continued to drop during the first quarter.



**4,500**  
UNITS WILL BE  
COMPLETED

### CONSTRUCTION:

Apartment deliveries are expected to reach a record high in 2025, exceeding the metro's 10-year average by roughly 50 percent. Most new supply is concentrated in Santa Clara, Mountain View and West San Jose.



**60**  
BASIS POINT  
INCREASE IN  
VACANCY

### VACANCY:

The robust new supply, combined with a potential contraction of jobs, will push vacancy rate up considerably in 2025, hitting about 5.0 percent. The metric will mark the highest level in the metro since 2021.



**2.6%**  
INCREASE IN  
EFFECTIVE  
RENT

### RENT:

Despite higher vacancy, rent growth remains intact, supported by steady net absorption and limited supply in some submarkets. Rent is expected to reach \$3,214 per month — the highest among all major U.S. markets.



# PROPERTY DEMOGRAPHICS

POPULATION	1 MILE	3 MILES	5 MILES
<b>2029 PROJECTION</b>			
TOTAL POPULATION	36,054	291,797	601,321
<b>2024 ESTIMATE</b>			
TOTAL POPULATION	36,184	289,735	596,585
<b>2020 CENSUS</b>			
TOTAL POPULATION	39,963	306,247	623,372
<b>2010 CENSUS</b>			
TOTAL POPULATION	42,492	298,346	594,722
<b>DAYTIME POPULATION</b>			
2023 ESTIMATE	25,135	270,852	573,337

HOUSEHOLDS	1 MILE	3 MILES	5 MILES
<b>2029 PROJECTION</b>			
TOTAL HOUSEHOLDS	9,321	88,288	195,541
<b>2024 ESTIMATE</b>			
TOTAL HOUSEHOLDS	9,291	87,195	193,366
AVERAGE HOUSEHOLD SIZE	3.9	3.4	3.2
<b>2020 CENSUS</b>			
TOTAL HOUSEHOLDS	9,243	85,678	190,363
<b>2010 CENSUS</b>			
TOTAL POPULATION	9,189	79,163	175,959
<b>GROWTH 2023-2028</b>	0.30%	1.30%	1.10%

HOUSING UNITS	1 MILE	3 MILES	5 MILES
<b>OCCUPIED UNITS</b>			
2029 PROJECTION	9,564	92,312	204,248
2024 ESTIMATE	9,532	91,149	201,901
OWNER OCCUPIED	4,436	39,656	100,440
RENTER OCCUPIED	4,848	47,501	92,850
VACANT	242	3,954	8,535
<b>PERSONS IN UNIT</b>			
2024 ESTIMATE TOTAL OCCUPIED UNITS	9,291	87,195	193,366
1 PERSON UNITS	13.00%	20.80%	21.30%
2 PERSON UNITS	17.70%	22.90%	26.30%
3 PERSON UNITS	17.90%	17.50%	18.30%
4 PERSON UNITS	17.60%	15.60%	16.00%
5 PERSON UNITS	13.50%	10.20%	8.70%
6+PERSON UNITS	20.30%	12.90%	9.40%

HOUSEHOLDS BY INCOME	1 MILE	3 MILES	5 MILES
<b>2024 ESTIMATE</b>			
\$200,000 OR MORE	14.60%	19.50%	28.50%
\$150,000-\$199,000	11.70%	12.00%	13.50%
\$100,000-\$149,000	19.00%	16.60%	16.30%
\$75,000-\$99,999	13.00%	11.00%	9.90%
\$50,000-\$74,999	14.80%	13.00%	10.50%
\$35,000-\$49,999	9.90%	8.10%	6.20%
\$25,000-\$34,999	4.80%	5.40%	4.30%
\$15,000-\$24,999	5.20%	6.10%	4.60%
UNDER \$15,000	7.10%	8.40%	6.10%
<b>AVERAGE HOUSEHOLD INCOME</b>	\$121,938	\$131,441	\$158,036
<b>MEDIAN HOUSEHOLD INCOME</b>	\$93,691	\$103,263	\$130,832
<b>PER CAPITA INCOME</b>	\$30,866	\$39,848	\$51,734

POPULATION PROFILE	1 MILE	3 MILES	5 MILES
<b>POPULATION BY AGE</b>			
2024 ESTIMATE TOTAL POPULATION	36,184	289,735	596,585
UNDER 20	27.20%	24.60%	23.30%
20 TO 34 YEARS	22.90%	24.30%	23.30%
35 TO 39 YEARS	7.30%	7.30%	7.50%
40 TO 49 YEARS	13.40%	12.90%	13.30%
50 TO 64 YEARS	17.20%	17.90%	18.80%
AGE 65+	11.90%	13.00%	13.90%
MEDIAN AGE	36	37	38
<b>POPULATION 25+ BY EDUCATION LEVEL</b>			
2024 ESTIMATE POPULATION AGE 25+	23,485	195,083	414,516
ELEMENTARY (0-8)	22.90%	16.80%	11.90%
SOME HIGH SCHOOL (9-11)	11.60%	9.70%	7.40%
HIGH SCHOOL GRADUATE (12)	26.40%	22.70%	18.40%
SOME COLLEGE (13-15)	17.30%	17.20%	16.00%
ASSOCIATE DEGREE ONLY	5.60%	7.00%	7.30%
BACHELOR'S DEGREE ONLY	12.70%	18.00%	23.80%
GRADUATE DEGREE	3.60%	8.60%	15.20%
<b>POPULATION BY GENDER</b>			
2024 ESTIMATE TOTAL POPULATION	36,184	289,735	596,585
MALE POPULATION	48.10%	48.50%	48.80%
FEMALE POPULATION	51.90%	51.50%	51.20%



## POPULATION

In 2024, the population in your selected geography is 596,585. The population has changed by 0.31 percent since 2010. It is estimated that the population in your area will be 601,321 five years from now, which represents a change of 0.8 percent from the current year. The current population is 48.8 percent male and 51.2 percent female. The median age of the population in your area is 38.0, compared with the U.S. average, which is 39.0. The population density in your area is 7,589 people per square mile.

## HOUSEHOLDS

There are currently 193,366 households in your selected geography. The number of households has changed by 9.89 percent since 2010. It is estimated that the number of households in your area will be 195,541 five years from now, which represents a change of 1.1 percent from the current year. The average household size in your area is 3.1 people.

## INCOME

In 2024, the median household income for your selected geography is \$130,832, compared with the U.S. average, which is currently \$76,141. The median household income for your area has changed by 83.60 percent since 2010. It is estimated that the median household income in your area will be \$148,305 five years from now, which represents a change of 13.4 percent from the current year.

The current year per capita income in your area is \$51,734, compared with the U.S. average, which is \$40,471. The current year's average household income in your area is \$158,036, compared with the U.S. average, which is \$101,307.

## EMPLOYMENT

In 2024, 317,817 people in your selected area were employed. The 2010 Census revealed that 59.2 of employees are in white-collar occupations in this geography, and 21.9 are in blue-collar occupations. In 2024, unemployment in this area was 5.0 percent. In 2010, the average time traveled to work was 27.00 minutes.

## HOUSING

The median housing value in your area was \$1,000,000 in 2024, compared with the U.S. median of \$321,016. In 2010, there were 97,378.00 owner-occupied housing units and 78,578.00 renter-occupied housing units in your area.

## EDUCATION

The selected area in 2024 had a lower level of educational attainment when compared with the U.S. averages. 36.9 percent of the selected area's residents had earned a graduate degree compared with the national average of only 13.5 percent, and 7.3 percent completed a bachelor's degree, compared with the national average of 21.1 percent.

The number of area residents with an associate degree was higher than the nation's at 11.2 percent vs. 8.8 percent, respectively.

The area had fewer high-school graduates, 3.4 percent vs. 26.2 percent for the nation, but the percentage of residents who completed some college is higher than the average for the nation, at 23.2 percent in the selected area compared with the 19.7 percent in the U.S.



EXCLUSIVELY LISTED BY



**Mike Henshaw**

**SENIOR MANAGING DIRECTOR INVESTMENTS**

Mike.Henshaw@MarcusMillichap.com

O: 650.391.1770 | M: 650.269.6453

License: CA 01134592

**Marcus & Millichap**