

**DOWNTOWN
SAN JOSE**

SJSU SAN JOSÉ STATE
UNIVERSITY

SAN JOSE, CA

Esperanza Plaza

100% OCCUPIED MIXED USE RESIDENTIAL OVER
RETAIL ON A PROMINENT CORNER NEAR SAN JOSE
STATE UNIVERSITY

885-889
1ST STREET

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Esperanza Plaza

885-899 SOUTH 1ST STREET SAN JOSE, CA 95110 [↗](#)

\$4,995,000 **6.28%** **10,018 SF**
 COMBINED SALE PRICE COMBINED CAP COMBINED LAND AREA

889-899 S 1st St.

PRICE	\$3,795,000
CAP RATE	5.85%
NOI	\$222,096
LEASEABLE AREA	5,250 SF

885 S 1st St.

PRICE	\$1,200,000
CAP RATE	7.63%
NOI	\$91,573
LEASEABLE AREA	2,000 SF



100% occupied core Silicon Valley mixed use property near future Google Village

Esperanza Plaza is a **fully leased, mixed-use fee simple interest investment opportunity** located at 885 & 889-899 South 1st Street in the vibrant area just outside San Jose’s South First Area (SoFA) District. The offering includes **two separately parceled assets** consisting of a 5-unit residential complex with ground floor retail, a standalone office/retail building, and a single-story retail storefront—all combined to approximately **10,018 SF of lot space**. This investment offers a blend of **stable income** from existing leases and **upside potential through redevelopment** or repositioning in a rapidly growing part of San Jose.

Three Building, Fully-Leased Mixed-Use Property

- Building 1 at 899 South 1st St. includes a 5-unit residential complex with ground floor retail (leased to a fitness tenant) and a standalone office/retail building at 15 Oak Street, totaling approximately 5,100 SF
- Building 2 at 885 South 1st Street is 2,000 SF single-story retail storefront currently leased as an event space/karaoke lounge
- The subject property includes 9 parking spaces behind the building for tenants and customers
- 100% leased with short term leases allowing for flexibility and repositioning

Prime Location in SOFA District and Nearby Google Downtown West Project

- Situated just outside South First Area (SoFA) District, a cultural and commercial hub known for its cultural vibrancy
- The SoFA District is a thriving center for arts, entertainment, and dining, desirable for residential and commercial tenants
- Esperanza Plaza is poised to benefit from the area's continued growth and influx of new developments including Google's Downtown West Project less than two miles away
- Google's transformative Downtown West project includes office space, residential units, and retail, and is a key driver of economic growth in the region
- The property is one mile from tech giants Adobe and Zoom headquarters, which continue to draw more businesses and residents to the area

Excellent Transportation Connectivity

- The location offers quick access to major highways, including U.S. 101, 87, 280, and 880
- The site is well-served by public transportation, with a nearby bus stop at Oak St & South 1st St and half a mile to the VTA Light Rail System serving San Jose and nearby Santa Clara County
- San Jose Diridon Station, approximately 2 miles from the subject property, connects Altamont Commuter Express, Capitol Corridor, and Coast Starlight trains with Caltrain
- The subject property is 10 minutes from San Jose International Airport

Potential for Redevelopment

- The properties' combined lot space and configuration offer an attractive redevelopment opportunity, with the potential to reconfigure existing buildings or re-purpose the site for alternative uses
- The office/retail building on Oak Street is zoned under the Commercial Pedestrian designation, which may allow for conversion to residential use, adding further value to the investment
- Mixed Use Commercial zoning allows for a redevelopment up to 85' feet high

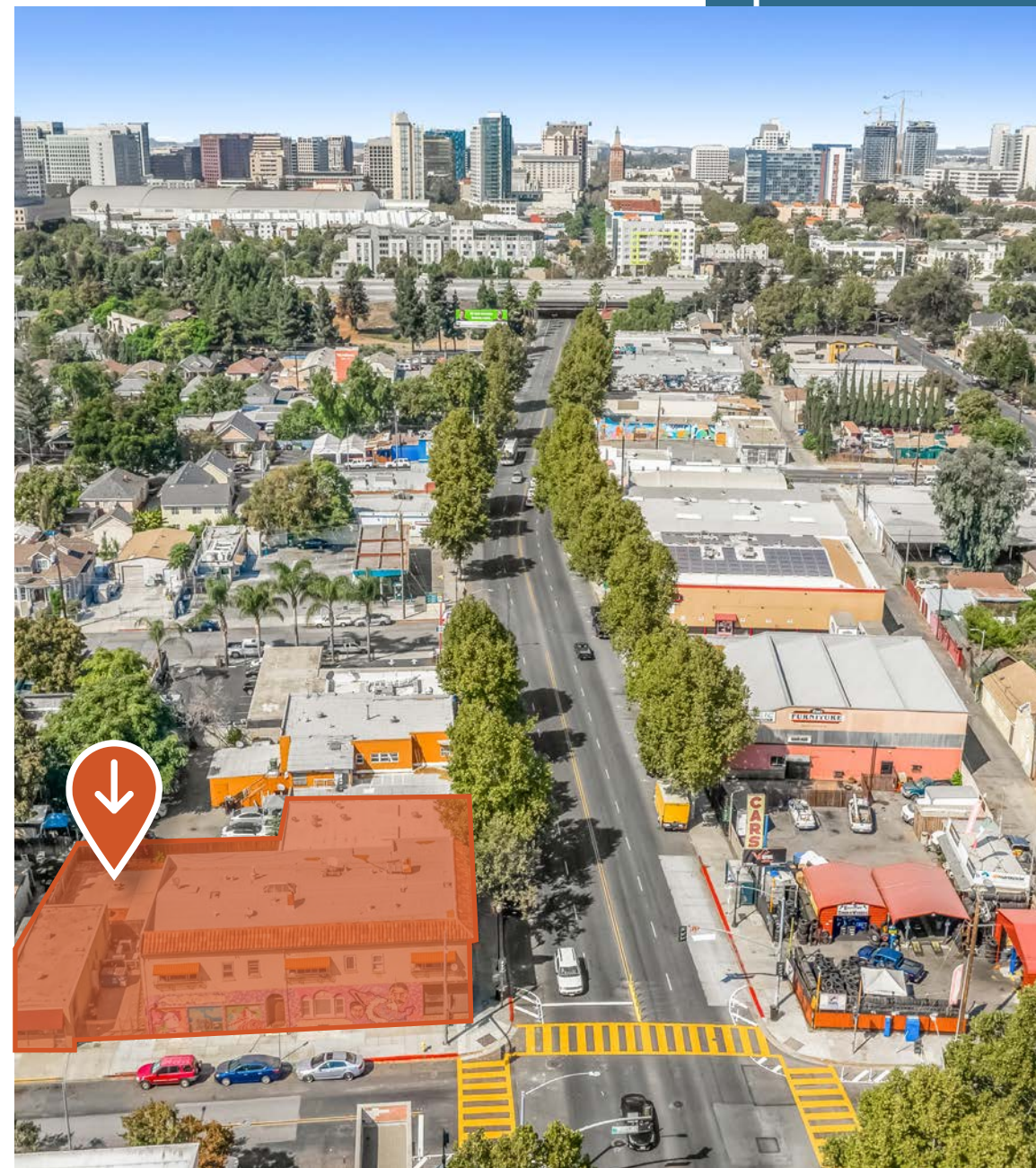
Rapidly Growing Trade Area

The Birthplace of Silicon Valley

- San Jose ranks as the third largest city in California and the 13th largest in the United States
- From its agricultural origins to its current status as a tech hub, San Jose thrives on innovation and entrepreneurship, embedded in its DNA
- San Jose's evolution into a global innovation powerhouse has created one of the world's largest clusters of technology companies and expertise, home to major headquarters like Cisco, Adobe, Zoom, Samsung, and eBay

Downtown San Jose Location

- San Jose is set to become the Bay Area's major transit hub, with the electrification of Caltrain, BART extension, and High-Speed Rail services driving transit-oriented job growth
- Anchored by San Jose State University with 36,000 students, Downtown benefits from a continuous influx of new talent and interns, supported by 6,500 new residential units in the pipeline
- As the nation's top patent-producing city, San Jose boasts an urban live-work environment with over 250 restaurants, 40+ cultural venues, and thousands of new high-rise homes, all easily accessible via Diridon Station





199 Basset St
803 co-living residential units, 3.8k SF retail

278 S. Second St.
78 residential units, 10 emergency interim housing beds

255 Julian St
14-story office building, 512k SF total

43 James Street
215 units, 5 townhomes, 18k SF of ground floor retail

282 S. Market St
20-story office building, 584k SF office, 16k SF retail

100 W San Fernando St
3.8M SF, 19-story office

35 S. Second St.
768 residential units

300 1st Street
1.25M SF of office, 50k SF of retail, 332 housing units

300 S. First St
322 residential units, 1.2 million SF office space, 50,000 SF retail

409 S 2nd St
29 stories, 520 residential units, 7,645 SF of commercial

470 S Market St
300 residential units, 4,500 SF ground floor retail

490 S 1st St
144 room hotel, 22,000 SF theater expansion

477 S. Market St
130 residential units, 5,000 SF retail

439 S. 4th St
18-story building, 218 residential units



598 S 1st St
105 residential units, 3,000 SF ground floor retail

276 Woz Way
1.8 M SF commercial

420 S. 3rd St.
140 residential units

226 Balbach
87 affordable residential units

605 S. Second St.
29 story, 345 affordable residential units

885-889 1ST STREET

600 S 1st St
336 residential units, 4.9k SF ground floor retail

802 S 1st St
6 story, 246 residential units



		889-899 S 1st Street + 15 Oak Street	885 S 1st Street
		CURRENT	CURRENT
Price:		\$3,795,000	\$1,200,000
Capitalization Rate:		5.85%	7.63%
Price Per Square Foot:		\$723.81	\$600.00
Down Payment	30%	\$1,140,000	\$420,000
Loan Amount	70%	\$2,660,000	\$780,000
Total Leased (SF):	100.00%	5,250	2,000
Total Vacant (SF):	0.00%	0	0
Total Rentable Area Est. (SF):	100.00%	5,250	2,000
Lot Area (SF)		5,227	4,791
Income	Per SF	\$723.81	\$600.00
Scheduled Rent		\$274,800	\$98,400
CAM Recapture (Est.)		\$19,500	\$18,135
Additional Income (Coin Operated Washer/Dryer Unit # 5)		\$4,200	
Vacancy Factor of 3%		(\$8,244)	
Effective Gross Income		\$290,256	\$116,535
Expense Projection 2025			
	Per Unit		
Property Taxes 1.149% + SA \$3,104	\$6,680.00	\$46,766.00	\$15,165.00
Property Insurance (Combined)	\$714.00	\$3,000.00	\$3,000.00
Repairs/ Maintenance	\$357.00	\$2,500.00	Tenant Pays Directly
Utilities Electric/Gas	\$100.00	\$500.00	Tenant Pays Directly
Water/Sewer 5 Resi Units	\$300.00	\$1,500.00	Tenant Pays Directly
Mgmt 4% Combined	\$1,100.00	\$7,694.00	\$3,297.00
Roof And Structure Reserve	\$583.33	\$3,500.00	\$3,500.00
Garbage/Recycling	\$385.00	\$2,700.00	Tenant Pays Directly
Total Operating Expenses	\$12.98	\$68,160	\$24,962
Expenses as % of EGI		23.48%	21.42%
Net Operating Income		\$222,096	\$91,573



TENANT INFO		LEASE TERMS		RENT SUMMARY			
ADDRESS/ TENANTS		SQ. FT (EST.)	TERM	MONTHLY RENT CURRENT	MONTHLY RENT/SF	ANNUAL RENT	LEASE STRUCTURE
889-899 S 1st Street							
Unit 1 - 1 Bed - 1 Bath	Residential	700	MTM	\$3,500	\$5.00	\$42,000	LL Pays for Furnishings, Water, Trash
Unit 2 - 1 Bed - 1 Bath (Studio)	Residential	550	MTM	\$3,300	\$6.00	\$39,600	LL Pays for Furnishings, Water, Trash
Unit 3 - 1 Bed - 1 Bath	Residential	700	MTM	\$3,000	\$4.29	\$36,000	LL Pays for Furnishings, Water, Trash
Unit 4 - 1 Bed - 1 Bath (Studio)	Residential	550	MTM	\$3,000	\$5.45	\$36,000	LL Pays for Furnishings, Water, Trash
Unit 5 - 2 Bed - 1 Bath + Garage and Basement	Residential	925	MTM	\$4,500	\$4.86	\$54,000	LL Pays for Furnishings, Water, Trash
<i>On Site Laundry / Storage / Off Street Parking</i>							
899 S 1st Street Ground Floor Retail/	War Fitness Bay Area	1,025	10/1/2021-9/31/2026	\$3,400	\$3.32	\$40,800	NNN Landlord Responsible for Roof and Structure
15 Oak Street/Freestanding Retail Building							
	Alterations	800	12/1/2021-11/31/2024	\$2,200	\$2.75	\$26,400	NNN Landlord Responsible for Roof and Structure
885 S 1st Street							
Karaoke Hall Lounge/Event Space	Karaoke Hall Lounge	2,000	10/1/2021-9/30/2026	\$8,200	\$4.10	\$98,400	NNN Landlord Responsible for Roof and Structure
Current Totals:		7,250	100.00%	\$31,100	\$35.77	\$373,200	
Occupied		7,250	100.00%				
Vacant		0	0.00%				

Alterations Shop**Premise & Term**

Tenant	Alterations Shop - 15 Oak St
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Lease Signatory - or - Lease Guarantor	None
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Lease Type	NNN
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Lease Term	3 years
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Rent Commencement	12/1/2021
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Rent Expiration	11/30/2024
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Options	None
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Expenses

CAM	Tenant - including management
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Property Taxes	Tenant - paid on a monthly basis
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Insurance	Tenant
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Utilities	Tenant
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HVAC	Tenant
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Repairs & Maintenance	Tenant - including parking lot
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Roof & Structure	Landlord
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Additional Lease Provisions

Sale of Property	Tenant has right to terminate within 90 days in the event of sale
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Assignment	No
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Estoppels	Within 10 days of request
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Fitness Health Center**Premise & Term**

Tenant	Fitness Health Center Gym
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Lease Signatory - or - Lease Guarantor	None
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Lease Type	NNN
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Lease Term	4 years
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Rent Commencement	10/1/2022
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Rent Expiration	9/30/2026
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Options	None
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Expenses

CAM	Tenant - including management
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Property Taxes	Tenant - paid on a monthly basis
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Insurance	Tenant
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Utilities	Tenant
-----------	--------

HVAC	Tenant
------	--------

Repairs & Maintenance	Tenant - including parking lot
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Roof & Structure	Landlord
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Additional Lease Provisions

Sale of Property	Tenant has right to terminate within 90 days in the event of sale
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Assignment	No
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Estoppels	Within 10 days of request
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Karaoke Hall	
Premise & Term	
Tenant	Karaoke Hall Lounge
Lease Signatory - or - Lease Guarantor	None
Lease Type	NNN
Lease Term	8 years
Rent Commencement	10/1/2021
Rent Expiration	9/30/2029
Options	None
Expenses	
CAM	Tenant - including management
Property Taxes	Tenant - paid on a monthly basis
Insurance	Tenant
Utilities	Tenant
HVAC	Tenant
Repairs & Maintenance	Tenant - including parking lot
Roof & Structure	Landlord
Additional Lease Provisions	
Sale of Property	Tenant has right to terminate within 90 days in the event of sale
Assignment	No
Estoppels	Within 10 days of request

Multi-Family	
Premise & Term	
Tenant	Apartments
Lease Type	Gross
Lease Term	Month to Month
Rent Commencement	Varied
Options	None
Right to Terminate	Either party with 30 days notice
Security Deposit	None

LEGEND

Property
Boundary

2,000
885 Total SF

5,250
889-899 + 15
Oak Total SF

7,250
Combined
Leasable SF

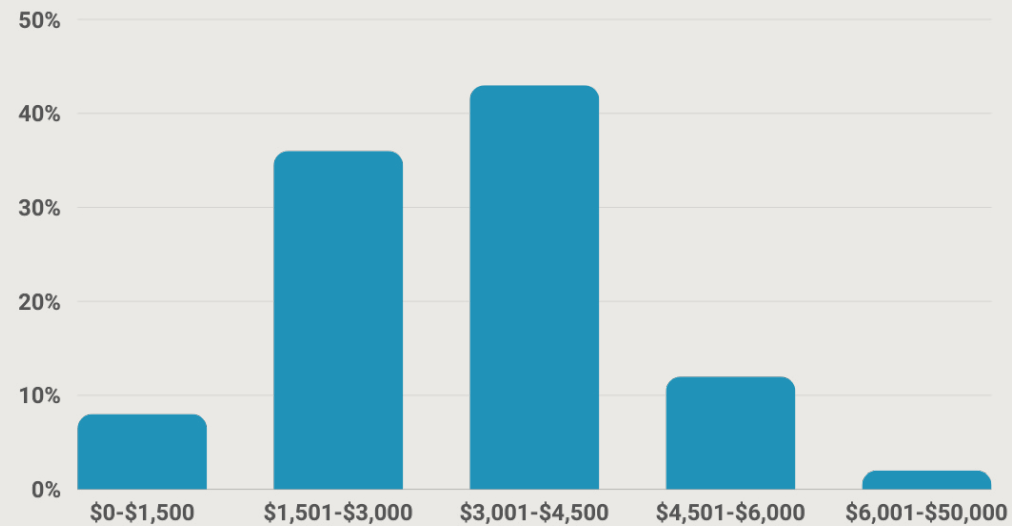
10,018
Combined Land
Area SF



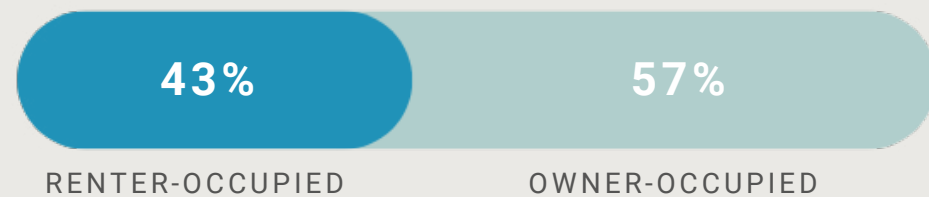
The San Jose Rental Market

has experienced significant growth over the past 20 years, driven by Silicon Valley's thriving tech economy, which has fueled employment and income gains, leading to strong housing demand. Despite high housing costs—third highest in the U.S. for average apartment rents—renter demand remains robust, especially in mid- and lower-tier properties with low vacancy rates. While the city's population is growing again post-pandemic and incomes are rising faster than rents, high home prices continue to make rentals a preferred option. San Jose remains a key hub for innovation and tech employment, with major companies like Apple and Google maintaining a strong presence and local employment expected to outperform national averages.

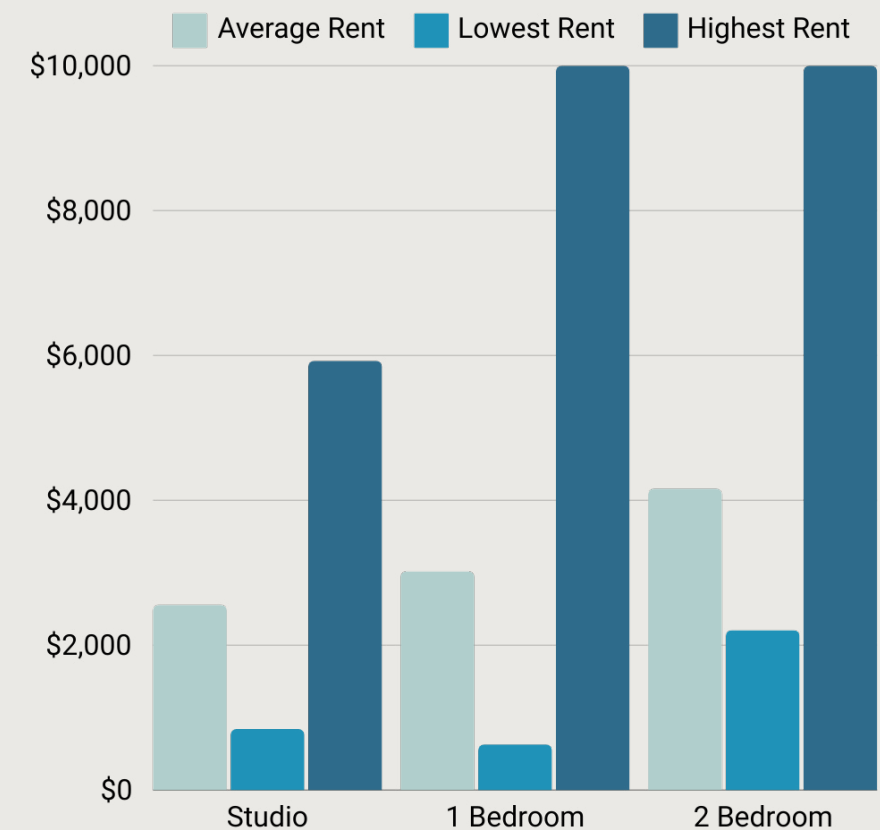
Multifamily Rent Ranges



Multifamily Households



Multifamily Average Rents



SOURCE: APARTMENT HOME LIVING



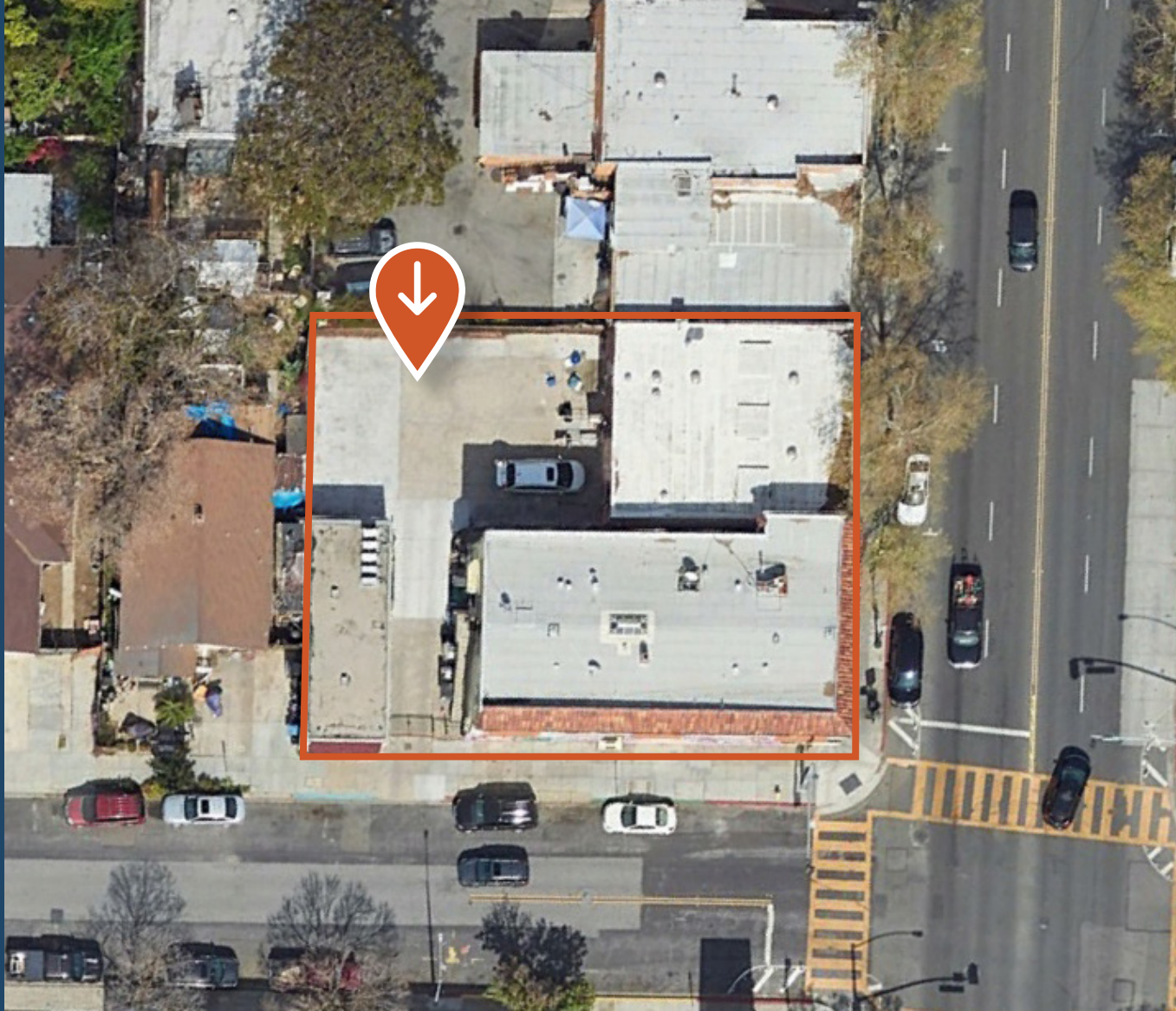
Fully Leased Multifamily Units in High Demand Location

- Furnished, updated apartments with all utilities included
- Located close to San Jose State University, Downtown and major employers
- Easy transportation access to greater Silicon Valley and Bay Area
- Renter demand for apartments remains robust in Q3, 2024
- San Jose dominates the nation for innovation and employment in Information Technologies

The building is an approximate **10 minute walk** from the convention center in the heart of downtown San Jose



ML Lounge offers a **modern, wide open event space**, with karaoke

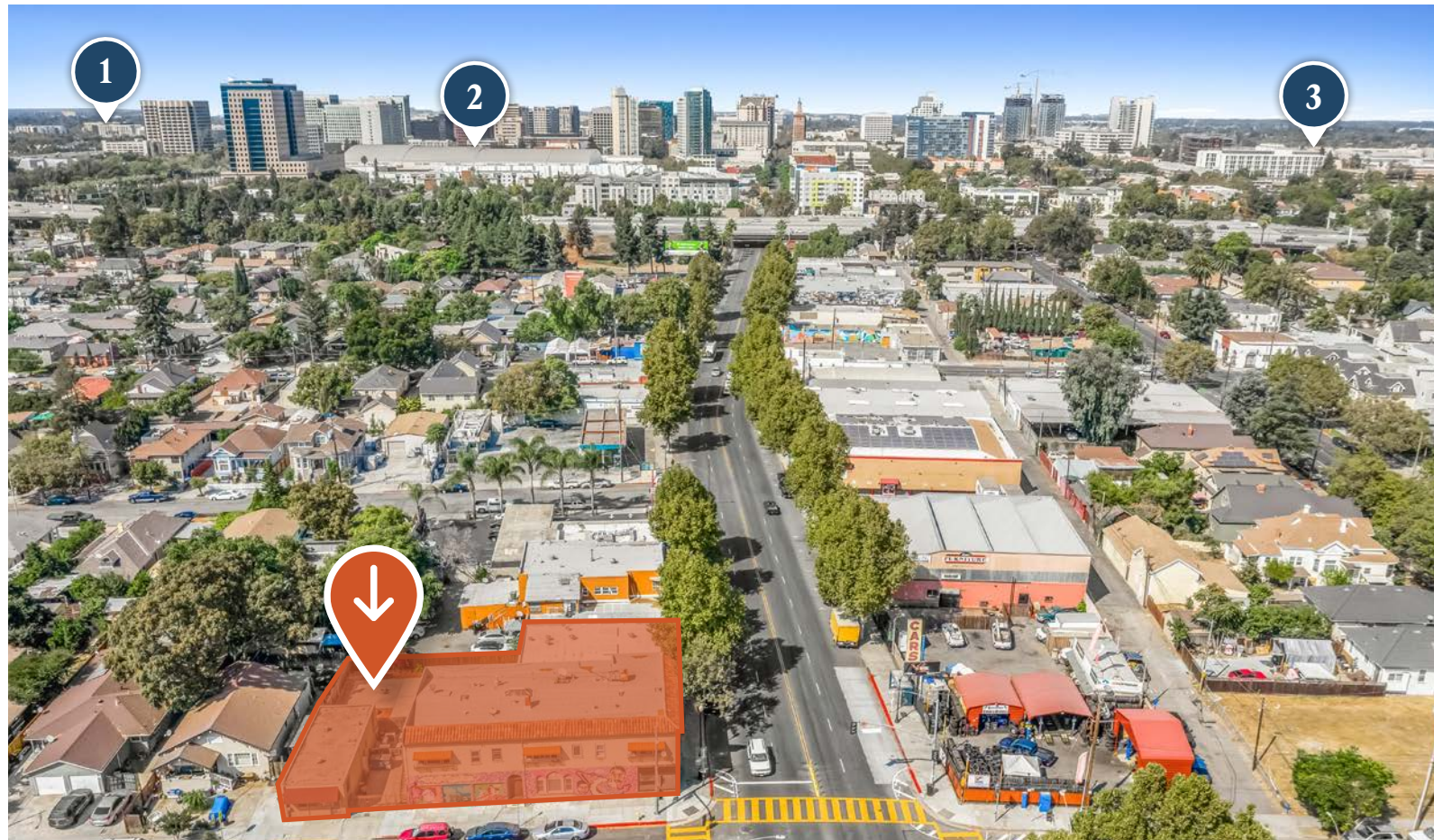


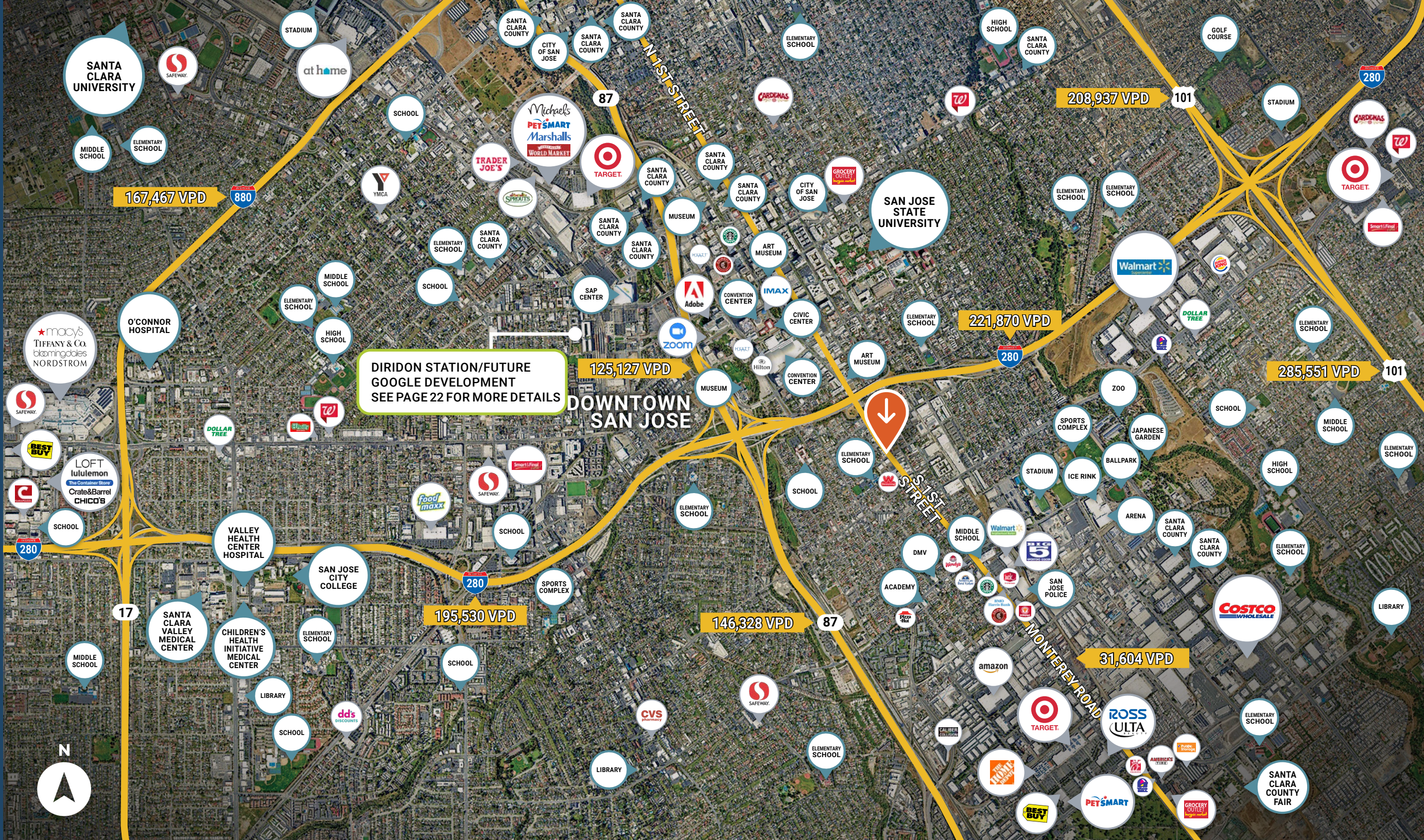
CMU: Mixed-Use Commercial Zoning allows for a wide range of uses

Potential ADU or other development opportunities

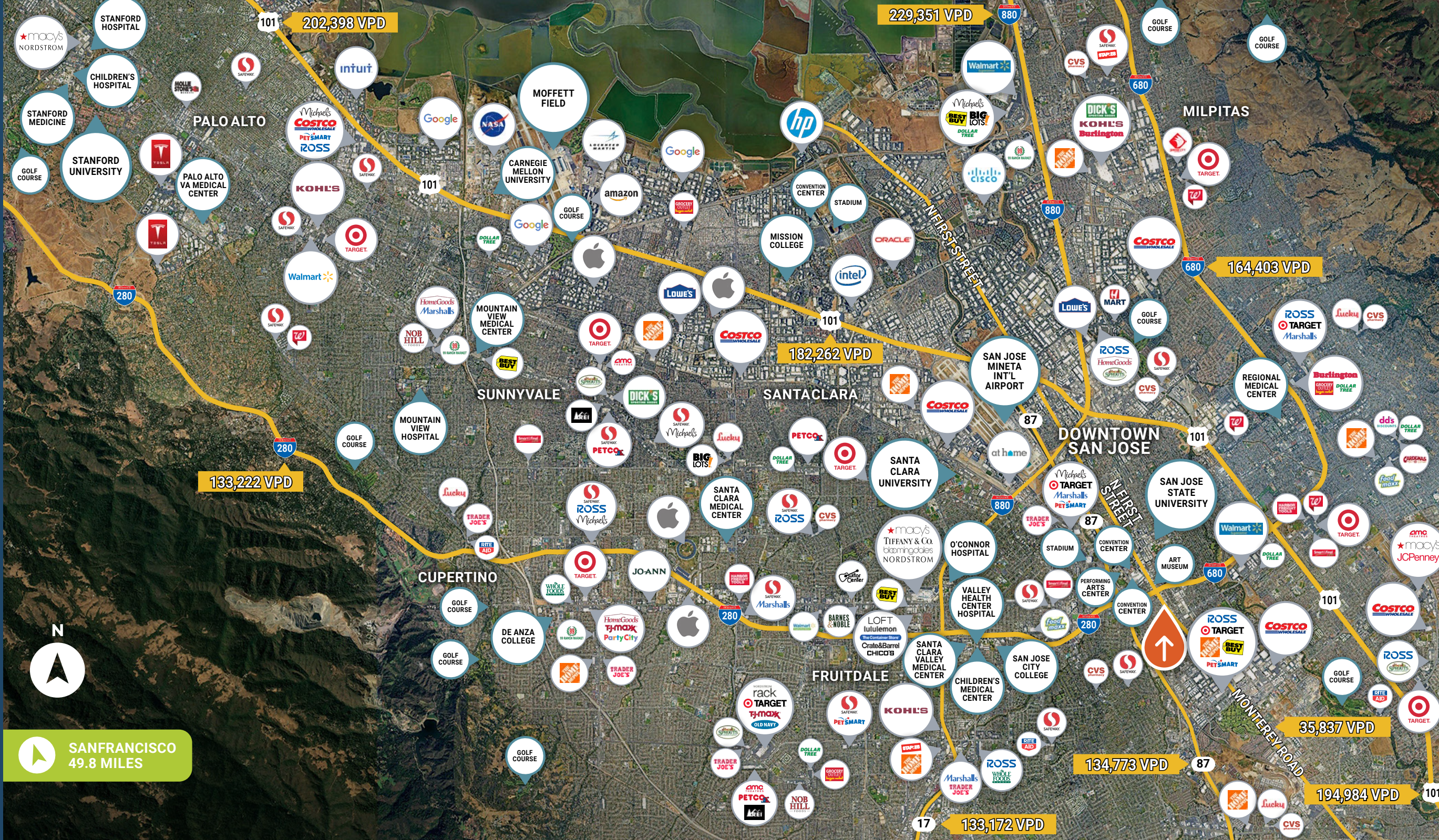
For additional information, [see full zoning code here](#)

The subject property is in close proximity to several San Jose landmarks, including **SAP Center, San Jose McEnery Convention Center, and San Jose State University**





Regional Trade Area



SAN FRANCISCO 49.8 MILES



Over **76% of housing units** within a 1-mile radius of the subject property have are multi-unit properties

Ring Radius Population Data

	1-MILE	3-MILES	5-MILES
2023	42,332	275,624	700,395

Ring Radius Income Data

	1-MILE	3-MILES	5-MILES
Average	\$124,657	\$152,329	\$162,481
Median	\$89,142	\$105,050	\$117,930

Ring Radius Education Data

	1-MILE	3-MILES	5-MILES
College/AS	23.2%	22.7%	23.4%
Bachelor's	22.1%	22.8%	24.2%
Advanced	13.8%	15.2%	16.2%

Data on this page provided by Placer.ai. Placer.ai uses location data collected from mobile devices of consumers nationwide to model demographic trends at any physical location.

San Jose, CA

THE HEART OF SILICON VALLEY



About San Jose

- San Jose is located in Santa Clara County in the southern part of the San Francisco Bay Area, known as Silicon Valley
- San Jose is approximately 50 miles south of San Francisco and about 30 miles southeast of Oakland
- The city is served by a variety of transportation options including the VTA light rail, Caltrain, and the SJC airport
- Major highways include I-280, I-880, I-680, U.S. Route 101, and State Route 97

Arts & Entertainment

- San Jose has a vibrant arts scene with venues such as the SAP Center, San Jose Center for Performing Arts, the San Jose Repertory Theatre, and the City National Civic hosting performances ranging from Broadway shows to concerts by major artists
- The city is home to the NHL's San Jose Sharks and the MLS's San Jose Earthquakes

The Tech Capital of the World

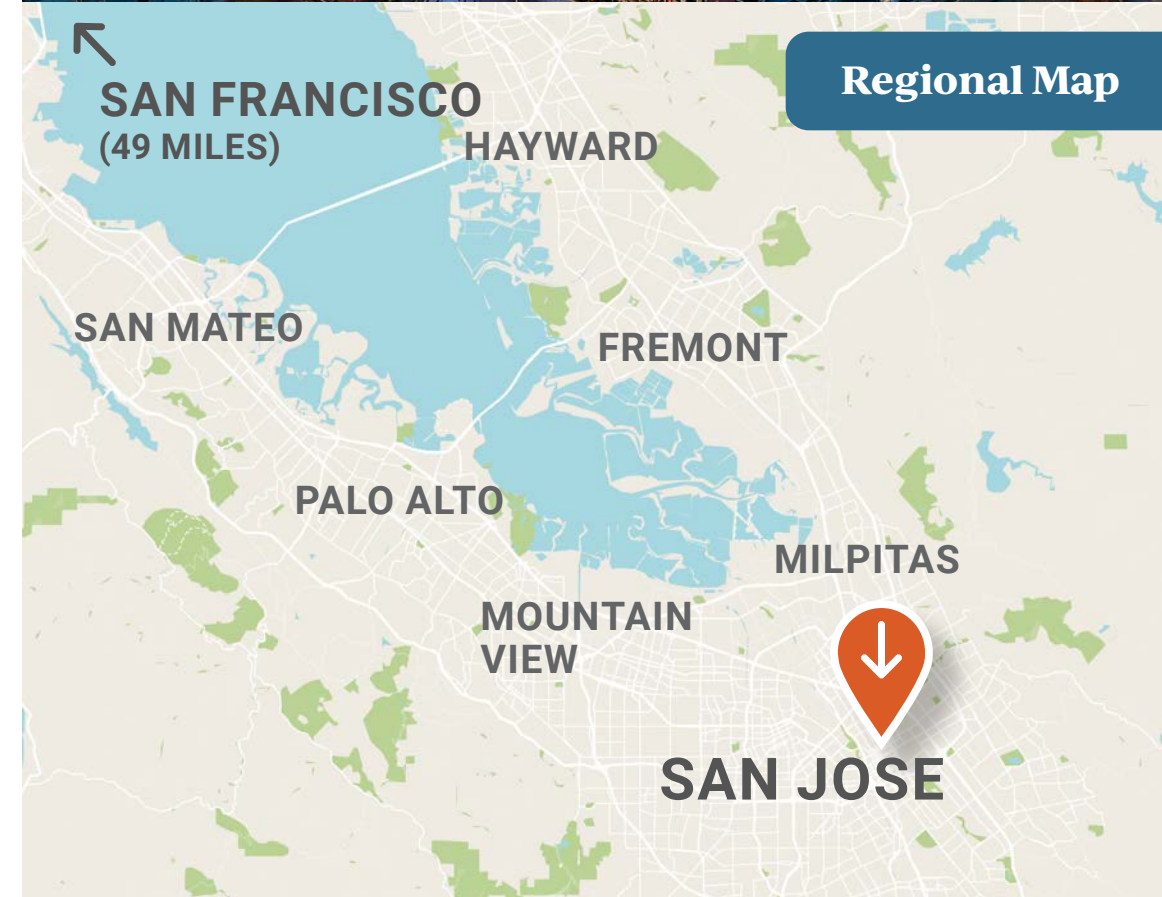
- Silicon Valley remains the epicenter of tech innovation, home to some of the world's most influential tech giants
- San Jose has a vibrant startup culture, where entrepreneurs flock to the city to tap into the wealth of venture capital, mentorship, and networking opportunities available in the region
- Some top San Jose-based tech firms include Adobe, Cisco, Nvidia, eBay, PayPal, Hewlett Packard Enterprise, Verifone, Western Digital, FICO, and Intuit

1.9 Million

ESTIMATED POPULATION SAN JOSE-SUNNYVALE-SANTA CLARA

\$385 B

CITY OF SAN JOSE GDP



Transit Profile

Caltrain

Caltrain is a commuter rail line serving the San Francisco Peninsula and South Bay to San Jose and Gilroy.

ACE (Alamont Corridor Express)

ACE is a commuter rail service in that connects the Central Valley and the East Bay to San Jose Diridon Train Station, an 86-mile route.

BART (Bay Area Rapid Transit)

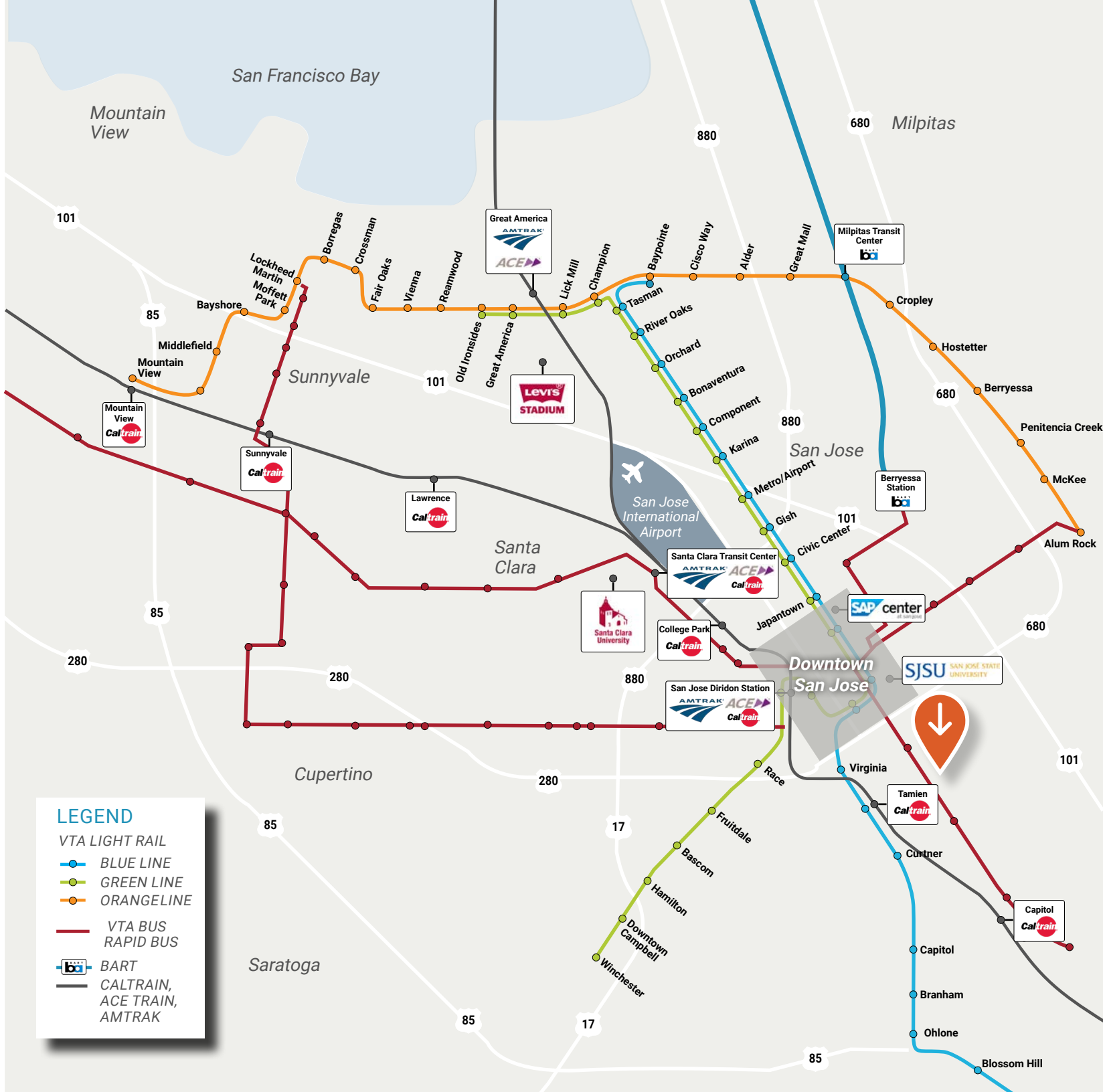
BART connects the San Francisco Peninsula with the East Bay and South Bay. San Jose is currently served by Berryessa/North San Jose station, with four more stations in development: 28th St/Little Portugal, Downtown San Jose, Diridon, and Santa Clara Station.

VTA Light Rail, Rapid, and Bus System

The Santa Clara Valley Transportation Authority (VTA) light rail system has 60 stations and 42.2 miles of tracks on three main lines. Rapid is a recently-completed \$148 million Bus Rapid Transit project that connects east San Jose to the downtown transit hub. The bus system has 3,777 stops county-wide serving 71 total routes.

Amtrak Capitol Corridor

The Capitol Corridor is a 168-mile train route that connects San Jose to Auburn in the Sacramento Valley, serving 18 stations.



LEGEND

- BLUE LINE
- GREEN LINE
- ORANGELINE
- VTA BUS RAPID BUS
- bā BART
- CALTRAIN, ACE TRAIN, AMTRAK



First public university in the western United States

- San Jose State University is a public university that is the founding campus of the California State University (CSU) system
- The university's urban campus spans approximately 154 acres in the tech hub of Downtown San Jose
- SJSU offers over 145 bachelor's and master's degree programs across various disciplines, including engineering, business, education, humanities, social sciences, health sciences, and the arts
- Their 22 athletic teams compete in the NCAA Division I Mountain West Conference
- SJSU offers a vibrant student life with over 450 student organizations, including academic clubs, cultural organizations, fraternities and sororities, and special interest groups

SJSU SAN JOSÉ STATE
UNIVERSITY

300k+

TOTAL
ALUMNI

36k+

ENROLLMENT
(2023)

22

TOTAL ATHLETIC
TEAMS

9

TOTAL
COLLEGES

Google's Huge San Jose Project Moving Ahead

THE MERCURY NEWS | JUNE 20, 2024

After nearly a year-long pause in development, signs point to Google moving forward on their massive downtown San Jose project, Downtown West

Google's massive Downtown West project in San Jose, which includes 7.3 million square feet of office space, 500,000 square feet of retail, 4,000 residential units, and 15 acres of public parks, is showing signs of resuming, exciting residents and local businesses. Of the 4,000 residential units, 25% of them are dedicated to low-cost affordable housing developments.

The project, centered around Diridon Station, promises to boost local businesses and create thousands of jobs. Despite the pause, Google has contributed millions to local services, and the community is closely monitoring the distribution of these funds.

"Any extra population density helps with business," said Eric Johnson, Bookstore owner in downtown San Jose. "The Campus would probably attract more high-quality restaurants and businesses on The Alameda, which would create more foot traffic. The more people coming close to your location, the better it is."

Google announced plans for Downtown West in 2019, and the San Jose City Council approved the project in 2021. Since then, Google has been demolishing vacant buildings and preparing the site for development.

[Read More](#) 



ceptual rendering, subject to change



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