

889-899
S. 1st Street &
15 Oak Street
7.58% Cap Rate

885
S. 1st Street
8.10% Cap Rate

Price Reduction
Actual NOI \$347,107
7.72% Cap Rate
New Pricing \$4,495,000
Seller Financing Available

**AVISON
YOUNG**

FOR SALE (2 BUILDING OFFERING)

885-899 S. 1st Street, San Jose

±7,250 Total SF Free Standing Retail Building/Residential

5 Residential Units & 2 Ground Floor Retail Units

100% Leased Investment

- * Combined Building Size 7,250 SF
- * Corner Building 5,250 SF (7.58% Cap Rate)
- * Inlying Building 2,000 sf (8.10% Cap Rate)
- * Both Buildings are 100% Leased
- * Cap Rate 7.72%
- * Cap Rate On Actual Current Income



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Corner Building - 889-899 S. 1st Street & 15 Oak Street

Property Type:	Mixed Use
Asking Price:	\$3,295,000 (Corner Building Only) \$3,400,000
Cap Rate:	7.58% Cap Rate
Building Size:	±5,250 sf
Land Size:	±10,198 sf combined
Occupancy:	100 % Leased
Tenant Mix:	5 residential & 2 retail unit
Apartment Layout:	Four 1 bd/bath & One 2bd/1 bath
Building Condition:	Well maintained building
Building Type:	Mixed use retail & residential
Parking Stalls:	Nine (9) car parking
Parcel Number:	264-36-075
Zoning:	MUC (Mixed Use Commercial)
Year Built:	1930
Roll Up Doors:	None
Electrical Meters:	7 seperate electrical meters
Gas in Building:	Yes
Fire Sprinklers:	No
Water Meter:	1 meter for each 15 Oak & 899 1st
Floors:	Two Story Building

*Building size obtained from seller. We recommend that the buyer do their own measurements to verify the square footage being represented herein.





Fully Leased Multifamily Units

- Fully leased apartment units in highly desirable location
- Nicely appointed fully furnished apartments
- All utilities included in the monthly rent
- Excellent access to many different public transportation options
- Strong rental market with rising rents for apartments
- Located in one of the fastest growing markets in the Bay Area
- All 5 residential units are fully leased

Inlying Building - 885 S. 1st Street

Property Type:	Single Tenant Storefront Retail Building
Asking Price:	\$1,200,000 (Inlying Building Only)
Cap Rate:	8.10% Cap Rate
Building Size:	±2,000 sf
Land Size:	±10,198 sf combined
Occupancy:	100 % Leased
Tenant Mix:	Single Tenant Retail
Current Tenant:	Karaoke Hall
Building Condition:	Well maintained building
Building Type:	Retail or Office
Parking Stalls:	Shared lot with adjacent building
Parcel Number:	264-36-074
Zoning:	MUC (Mixed Use Commercial)
Year Built:	1972
Roll Up Doors:	None
Electrical Meters:	1 electrical meter
Gas Meter:	1 Gas Meter
Fire Sprinklers:	No
Water Meter:	1 Water Meter
Floors:	One Story Building
Opportunity Zone	No

*Building size obtained from seller. We recommend that the buyer do their own measurements to verify the square footage being represented herein.



ML Lounge Banquet Hall Interior



Rent Roll

Address/Tenant		Square Feet (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 SF	MTM	\$3,500	\$5.00 psf	\$42,000	LL pays for furnishings, water, trash
Unit 2 - 1 Bed - 1 Bath (Studio)	Residential	550 SF	MTM	\$3,300	\$6.00 psf	\$39,600	LL pays for furnishings, water, trash
Unit 3 - 1 Bed - 1 Bath	Residential	700 SF	MTM	\$3,000	\$4.29 psf	\$36,000	LL pays for furnishings, water, trash
Unit 4 - 1 Bed - 1 Bath (Studio)	Residential	550 SF	MTM	\$3,000	\$5.45 psf	\$36,000	LL pays for furnishings, water, trash
Unit 5 - 2 Bed - 1 Bath + Garage and Basement	Residential	925 SF	MTM	\$4,500	\$4.86 psf	\$54,000	LL pays for furnishings, water, trash
899 S. 1st Street Ground Floor Retail							
War Fitness Bay Area	Gym	1,025	10/1/2021-9/31/2026	\$3,600	\$3.32 psf	\$43,200	NNN Landlord Responsible for Roof and Structure
15 Oak Street Freestanding Retail							
Tenant since 2021, Would sign longer term lease	Alterations	800	MTM	\$2,500	\$3.00 psf	\$30,000	NNN Landlord Responsible for Roof and Structure
885 S. 1st Street							
Karaoke Hall Lounge/Event Space	Karaoke Hall Lounge	2,000	10/1/2021 - 9/30/2029	\$8,400	\$4.10 psf	\$100,800	NNN Landlord is Responsible for Roof and Sturcture
Current Totals:		7,250		\$31,800		\$381,600	
Occupied:		7,250	100%				

It is important to note that in each of the commercial leases the landlord has the right to terminate the leases with 90 days notice to tenant upon the sale of the building. This provides the buyer the ability to develop the property, or act as an owner user for one or more of the spaces.

Income - Expenses - NOI - Cap Rate

	889-899 S. 1st + 15 Oak	885 S. 1st Street	Combined
Price	\$3,295,000	\$1,200,000	\$4,495,000
Scheduled Rent	\$280,800	\$100,800	\$381,600
CAM Recapture (Est.)	\$19,500	\$18,135	\$37,635
Additional Income (Coin Operated Washer/ Dryer Unit #5)	\$4,200		\$4,200
EFFECTIVE GROSS RENT	\$304,500	\$118,935	\$423,435
EXPENSE PROJECTION 2025			TOTAL EXPENSES
Property Taxes 1.149% + SA \$3,104	\$40,963	\$15,165	\$5,128
Property Insurance (Combined/Estimated)	\$3,000	\$3,000	\$6,000
Repairs/Maintenance	\$2,500	Tenant pays directly	\$2,500
Utilities Electric/Gas	\$500	Tenant pays directly	\$500
Water/Sewer 5 Residential Units	\$1,500	Tenant pays directly	\$1,500
Management Fee (self managed)	\$0	\$0	\$0
Roof and Structure Reserve	\$3,500	\$3,500	\$7,000
Garbage/Recycling	\$2,700	Tenant pays directly	\$2,700
TOTAL OPERATING EXPENSES	\$54,663	\$21,665	\$76,329
NET OPERATING INCOME	\$249,837	\$97,270	\$347,107
Capitalization Rate	7.58%	8.10%	7.72%

Per the leases, the landlord has the right to collect CAM costs, but is currently not doing so. The projections above show the CAM costs which could be recaptured should the new landlord wish to.

Lease Abstracts

	Alterations Shop	Fitness Health Center
Tenant	Alterations Shop - 15 Oak Street	Fitness Health Center Gym
Lease Signatory or Lease Guarantor	None	None
Lease Type	NNN	NNN
Lease Term	MTM	4 years
Rent Commencement	12/1/2021	10/1/2022
Rent Expiration	11/30/2024 - Tenant willing to sign lease renewal	9/30/2026
Option	None	None
Right to Terminate	Landlord has the right to terminate within 90 days in the event of a sale	Landlord has the right to terminate within 90 days in the event of a sale
Expenses		
CAM	Tenant - including management	Tenant - including management
Property Taxes	Tenant - paid on a monthly basis	Tenant - paid on a monthly basis
Insurance	Tenant	Tenant
Utilities	Tenant	Tenant
HVAC	Tenant	Tenant
Repairs & Maintenance	Tenant - including parking lot	Tenant - including parking lot
Roof & Structure	Landlord	Landlord
Additional Lease Provisions		
Sale of Property	Landlord has right to terminate within 90 days in the event of sale	Landlord has right to terminate within 90 days in the event of sale
Estoppels	Within 10 days of request	Within 10 days of request

Lease Abstracts

	Karaoke Hall	Multi-Family
Tenant	Karaoke Hall Lounge	Apartments
Lease Signatory or Lease Guarantor	None	N/A
Lease Type	NNN	Gross
Lease Term	8 years	Month to Month
Rent Commencement	10/1/2021	Varied
Rent Expiration	9/30/2029	N/A
Option	None	None
Right to Terminate	Landlord has the right to terminate within 90 days in the event of a sale	Either party with 30 days notice
Security Deposit	N/A	None
Expenses		
CAM	Tenant - including management	Landlord
Property Taxes	Tenant - paid on a monthly basis	Landlord
Insurance	Tenant	Landlord
Utilities	Tenant	Landlord
HVAC	Tenant	Landlord
Repairs & Maintenance	Tenant - including parking lot	Landlord
Roof & Structure	Landlord	Landlord
Additional Lease Provisions		
Sale of Property	Landlord has right to terminate all commercial leases within 90 days in the event of sale	Landlord has right to terminate all commercial leases within 90 days in the event of sale
Estoppels	Within 10 days of request	





Investment Highlights

- Buildings must be sold together
- Prime signalized corner intersection
- Excellent development opportunity
- Stable income with excellent upside
- Located in rapidly growing San Jose neighborhood
- Excellent long-term investment
- Immediate access to a wide range of public transportation options



Asking Price

\$4,295,000



Land Size

±10,198 sf



Building Size

±7,250 sf



Zoning

MUC

Site Plans

LEGEND



Property
Boundary

2,000sf

885 1st Street

5,250sf

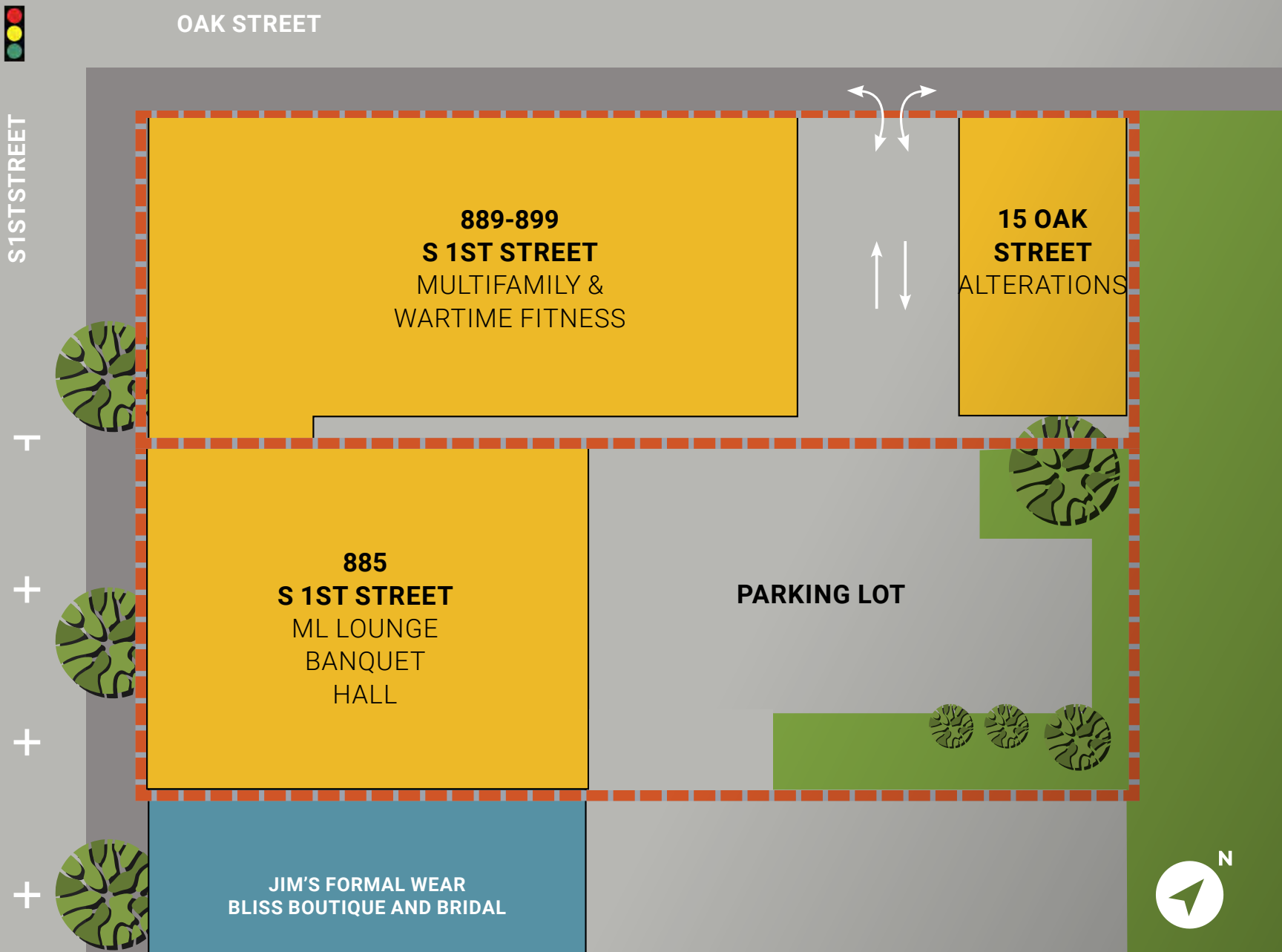
889-899+15 Oak

7,250sf

Combined
Leasable SF

10,018sf

Combined Land
Area SF



Allowed Uses Under MU Zoning

- | | |
|--|--|
| 1. Mixed use development | 21. Laundromat |
| 2. Food, beverages, and groceries | 22. Maintenance/repair small household appliances |
| 3. Retail art studio | 23. Mortuary & funeral services |
| 4. Retail bakery | 24. Personal services |
| 5. Retail sales, goods and merchandise | 25. Animal boarding, indoor |
| 6. Seasonal sales | 26. Animal grooming |
| 7. Instructional art studios | 27. Office, medical |
| 8. Driving school | 28. Veterinary clinic |
| 9. School, post secondary | 29. Office R&D, laboratory |
| 10. Arcade, amusement game | 30. Office, general business |
| 11. Health club, gymnasium | 31. Retail bank or Financial services |
| 12. Performing arts rehearsal space | 32. Wireless communication antenna, building mounted |
| 13. Billiards establishment | 33. Sale or vehicle leasing showroom |
| 14. Recreation, commercial indoor | |
| 15. Caterer | |
| 15. Commercial kitchen | |
| 17. Public eating establishment | |

[Click here to view a full list of approved uses](#)

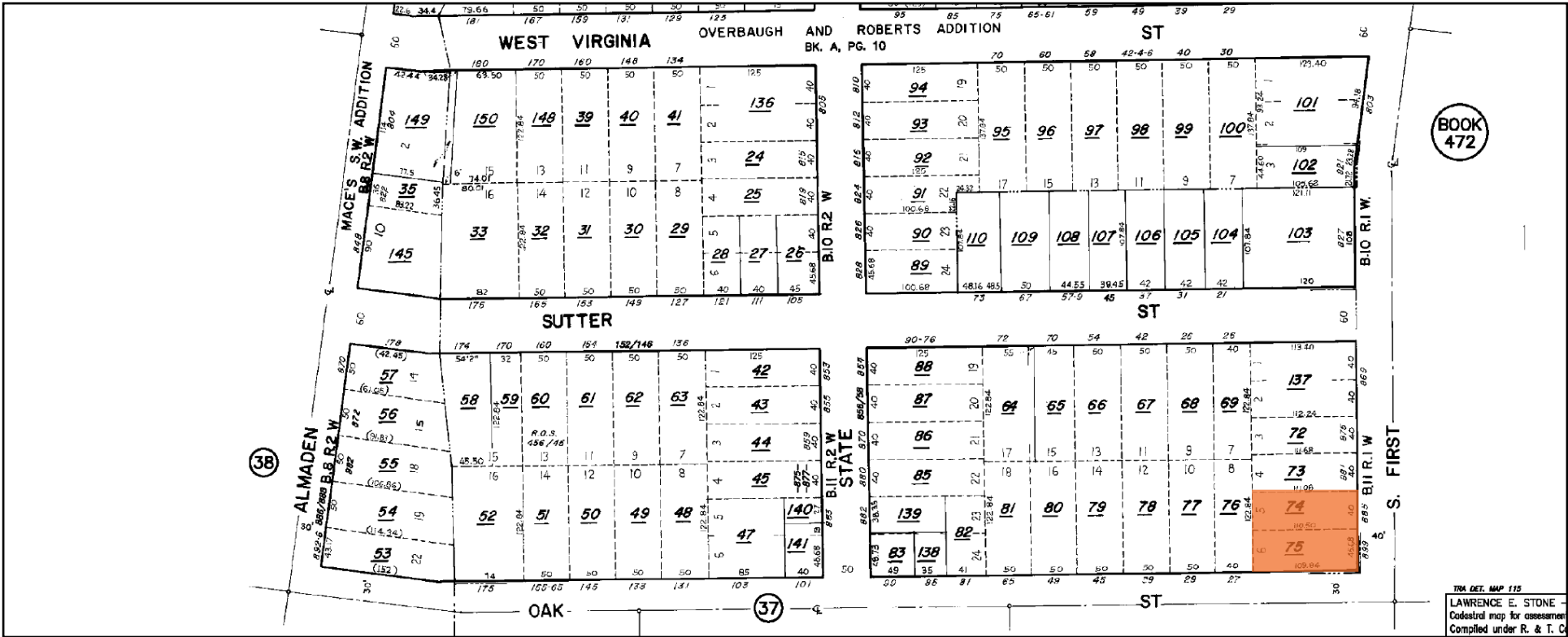


DOWNTOWN
SAN JOSE

SJSU SAN JOSÉ STATE
UNIVERSITY

885-899
S. 1st Street

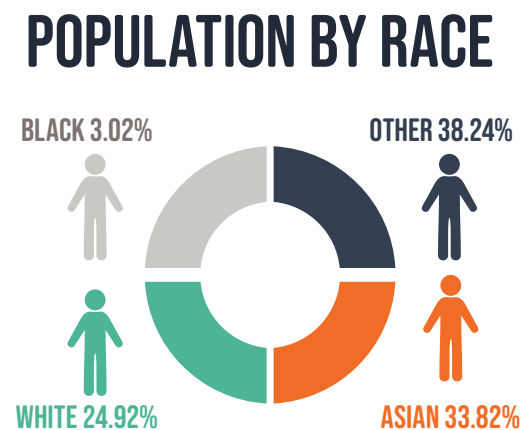
Property Tax Map



Demographics



MEDIAN AGE
38
MEDIAN HOME VALUE
\$1,016,069



HOUSEHOLDS **54,743**



Average Household Size: **2.90** Owner Occupied Housing Units: **100,609** Renter Occupied Housing Units: **113,292** Median Household Income: **\$112,614**

		1 Mile	3 Mile	5 Mile
Population	2029 Projection	36,615	251,635	632,969
	2023 Estimate	37,805	261,153	658,527
	2010 Census	38,457	272,253	694,467
	Growth 2020-2025	-3.15%	-3.64%	-3.88%
	Growth 2010-2020	-1.70%	4.08%	-5.18%

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This Confidential Offering Memorandum (the "Memorandum") has been prepared and presented to the recipient (the "Recipient") by Avison Young - Northern California ("Avison Young") as part of Avison Young's efforts to market for sale the property located at 885-889 S. 1st Street, San Jose, CA California (the "Property"). Avison Young is the exclusive agent and broker for the owner(s) of the Property (the "Owner"). Avison Young is providing this Memorandum and the material contained in it to the Recipient solely to assist the Recipient in determining whether the Recipient is interested in potentially purchasing all or part of the Property. Avison Young also is providing this Memorandum and the material in it to the Recipient with the understanding that the Recipient will independently investigate those matters that it deems necessary and appropriate to evaluate the Property and that the Recipient will rely only on its own investigation, and not on Avison Young, the Owner or this Memorandum, in determining whether to purchase the Property.

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