



1410 HESS RD, REDWOOD CITY

EXECUTIVE SUMMARY

INVESTMENT OVERVIEW FOR 1410 HESS RD

We are pleased to present the opportunity to acquire 1410 Hess Road, an 8-unit trophy asset located in Redwood City. With a newly constructed ADU, and fully renovated interiors, this investment offers a rare opportunity to acquire a turnkey asset in one of the most desirable cities on the Peninsula.

Built in 1958, this building spans 5,189 square feet on a spacious 8,625 square foot lot. The unit mix includes (1) two-bedroom/two-bathroom, (1) two-bedroom/one-bathroom, and (6) one-bedroom/one-bathroom units with significant interior remodels. The property features dual-pane windows, sleek stainless-steel appliances, a coin-operated laundry room, in-unit laundry machines in the ADU, two private backyards and ample parking with ten total spaces.

Located just 1.3 miles from downtown Redwood City and the Caltrain Station and close proximity to highways 101, 280 and El Camino Real, this property offers easy access to every major city in the Bay Area. 1410 Hess Road is a prime investment opportunity with a blend of classic charm and modern upgrades in a highly-sought after Peninsula neighborhood.

KEY DETAILS

ADDRESS	1410 Hess Rd
CITY	Redwood City
YEAR BUILT	1958
UNITS	8
BUILDING SF	5,189
LOT SF	8,625
OCCUPANCY	88%
APN #	053-273-070

KEY METRICS

PRICE	\$3.88M
CURRENT CAP RATE	4.1%
PRO FORMA CAP	4.6%
CURRENT GRM	16.6
PRO FORMA GRM	15.3
PRICE/UNIT	\$485K
PRICE/BUILDING SF	\$748
PRICE/LAND SF	\$450

KEY FINANCIALS

NET OPERATING INCOME	\$159K
LOAN AMOUNT	\$1.746M
LOAN-TO-VALUE (LTV%)	45%
DEBT COVERAGE RATIO	1.2
ANNUAL SERVICE DEBT¹	\$132K
NET CASH FLOW AFTER DEBT	\$26.7K
TOTAL RETURN	\$46.2K
TOTAL RETURN (%)	2.2%

¹Debt Service calculation assumes 6.5% Interest Rate and 5 year fixed amortization schedule



1410



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1410 HESS RD
REDWOOD CITY, CA

I. PROPERTY DETAILS

A. PROPERTY
DESCRIPTION

B. PROPERTY
PHOTOS



PROPERTY DESCRIPTION



CONSTRUCTION
Wood Frame



WINDOWS
Dual-Pane



FLOORING
LVP, Laminate &
Tile



LAUNDRY
Coin-Operated; ADU
w/ In-Unit Laundry



HEATING
Gas Wall Furnace



APPLIANCES
Stainless Steel



PARKING
(2) Garages, (1) undertuck
and (7) uncovered spaces



BACKYARDS
(2) Private backyards

PROPERTY PHOTOS



PROPERTY PHOTOS



PROPERTY PHOTOS



PROPERTY PHOTOS



PROPERTY PHOTOS



PROPERTY PHOTOS



PROPERTY PHOTOS



PROPERTY PHOTOS



II. LOCATION STRATEGY

A. REGIONAL AND LOCAL OVERVIEW

B. CITY OVERVIEW

C. CITY DEMOGRAPHICS





REGIONAL & LOCAL OVERVIEW



Over 7.34 million residents and the highest percentage of graduate and professional degrees in the nation.



Home to 29 Fortune 500 companies, and 32 companies which have been included on Inc. 500's list of fastest growing private companies.



A Superb quality of life with a Mediterranean climate, world-class cultural resources, and the stunning natural beauty of the Pacific Ocean and the Sierra Nevada Mountains.



The highest concentration of venture capital firms in the world which have invested an average of \$10 billion annually in 1,100 local area firms.



Proximity to outstanding education and research institutions at Stanford University, UC Berkeley, UC Davis, University of San Francisco, Santa Clara University, and San Jose State University.

REDWOOD CITY

OVERVIEW

Redwood City located in the heart of the peninsula, is central to some of the world's largest high-tech corporations. Many of the Nation's top tech employers are located within close proximity including Oracle, Google, Electronic Arts, Equinix, Shutterfly as well as many others.

Redwood City is one of the most developed cities on the peninsula and continues to surge with future planned developments, creating long-term value growth for nearby property owners.

The city's vibrant downtown, quickly becoming known as the entertainment hub of the San Francisco Peninsula, offers residents, visitors, and businesses a unique retail, entertainment, and restaurant experience.

REDWOOD CITY

DEMOGRAPHICS

METRICS AS OF 2022

POPULATION ESTIMATE

83.1K

MEDIAN HOUSEHOLD INCOME

\$145.6K

MEDIAN PROPERTY VALUE

\$1.78M

NUMBER OF EMPLOYEES

45.1K

III. FINANCIALS

A. RENT ROLL

B. UNIT MIX

C. FINANCIAL OVERVIEW



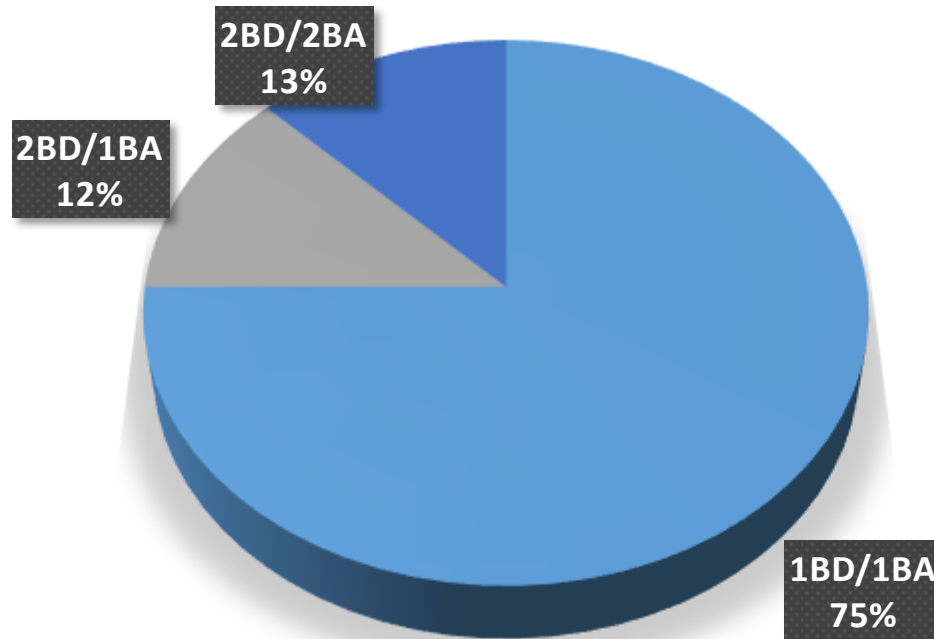
RENT ROLL

Unit #	Unit Type	Square Feet	Current Rent	Market Rent
1	1BD/1BA	580	\$2,395	\$2,495
2	1BD/1BA	580	\$2,275	\$2,495
3	1BD/1BA	580	\$2,245	\$2,495
4	1BD/1BA	580	\$2,175	\$2,495
5	2BD/1BA	775	\$2,650	\$2,900
6	1BD/1BA	580	\$2,495	\$2,495
7	1BD/1BA	580	\$2,275	\$2,495
8	2BD/2BA	934	\$3,000	\$3,200
8 UNITS	ALL	5,189	\$19,510	\$21,070

*Square Feet is estimated based on total building square feet

UNIT MIX

Unit Type	% of Units	# of Units	Avg Square Feet	Avg Current Rent	Avg Market Rent
1BD/1BA	75%	6	580	\$2,310	\$2,495
2BD/1BA	13%	1	775	\$2,650	\$2,900
2BD/2BA	13%	1	934	\$3,000	\$3,200
Grand Total	100%	8	649	\$2,439	\$2,634



FINANCIAL OVERVIEW

Key Metrics	Current	Monthly	Pro Forma	Monthly	Notes
REVENUES					
Gross Potential Rent	\$234,120	\$19,510	\$252,840	\$21,070	
Laundry Income	\$1,428	\$119	\$1,428	\$119	Actual--2023
Pet Fee Income	\$1,070	\$89	\$1,070	\$89	Actual--2023
RUBS Income	\$10,291	\$858	\$10,291	\$858	Actual--2023
Gross Potential Income	\$246,909	\$20,576	\$265,629	\$22,136	
Vacancy	\$7,024	\$585	\$7,585	\$632	Assumed 3% Vacancy
Effective Gross Income	\$239,885	\$19,990	\$258,044	\$21,504	
EXPENSES					
Real Estate Taxes	\$43,006	\$3,584	\$43,006	\$3,584	Estimated on list price
Special Tax & Assessments	\$167	\$14	\$167	\$14	Actual - \$167.06/yr
Insurance	\$9,261	\$772	\$9,261	\$772	Actual--2023
Utilities	\$19,467	\$1,622	\$19,467	\$1,622	Actual--2023
Landscaping	\$2,850	\$238	\$2,850	\$238	Actual--2023
Repairs & Maintenance	\$6,000	\$500	\$6,000	\$500	Est. - \$750/unit/yr
Total Expenses	\$80,751	\$6,729	\$80,751	\$6,729	
Expense Ratio (%EGI)	34%		31%		
PROFITS AND CASH FLOW					
Net Operating Income (NOI)	\$159,134	\$13,261	\$177,293	\$14,774	
Loan Payment	\$132,431	\$11,036	\$132,431	\$11,036	
Net Cash Flow	\$26,704	\$2,225	\$44,862	\$3,738	
Cash-on-Cash Return (%)	1.3%		2.1%		
Loan Reduction	\$19,515	\$1,626	\$19,515	\$1,626	
Total Return	\$46,219	\$3,852	\$64,377	\$5,365	
Return on Investment (ROI)	2.2%		3.0%		

IV. SALES COMPS

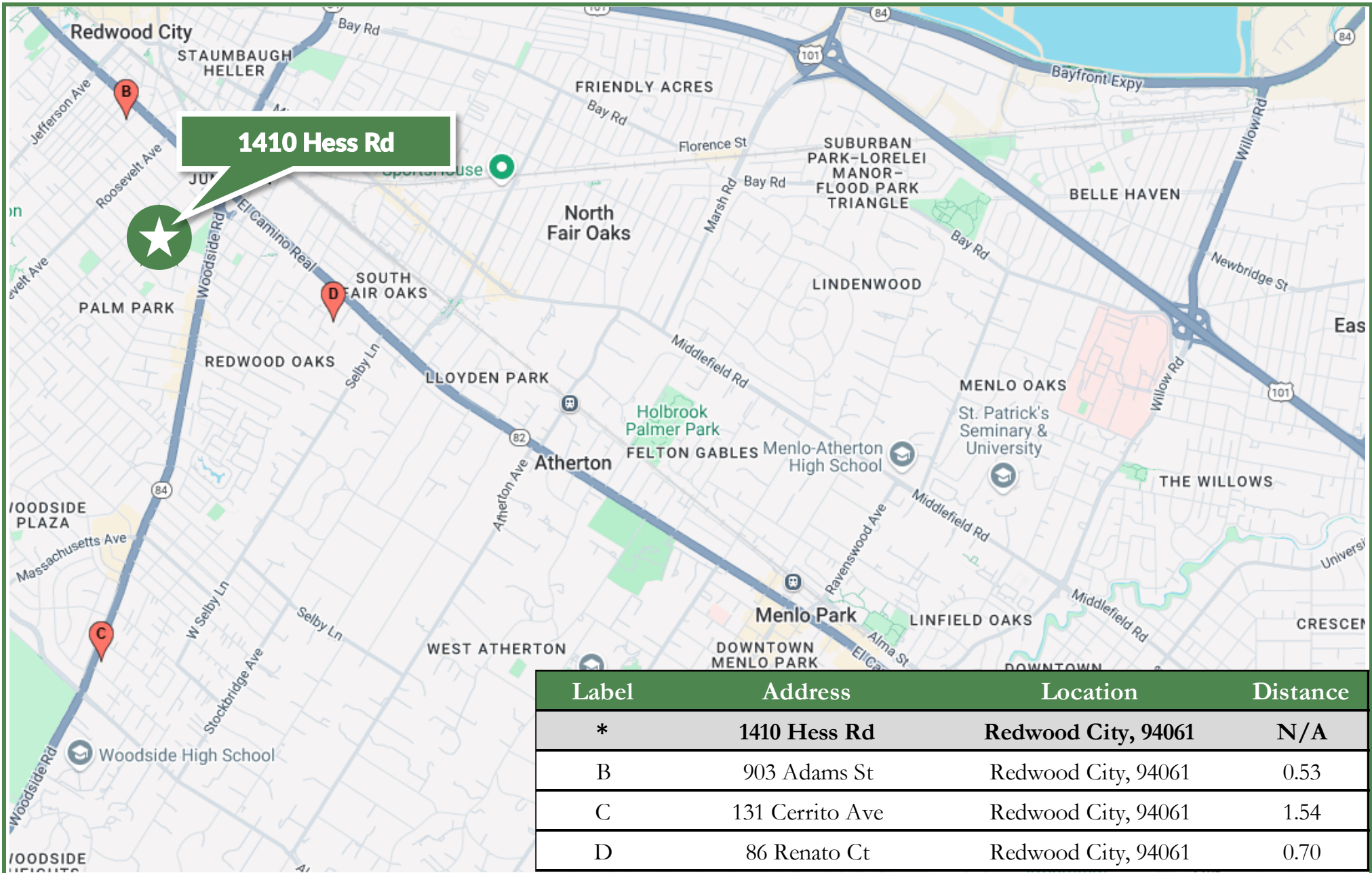
A. MAP

B. KEY DETAILS

C. KEY METRICS



MAP OF SALE COMPS



KEY DETAILS FOR SALE COMPS

Key Details									
Address	City & Zip	Distance (mi)	Price	Units	Unit Mix	Building SF	Land SF	Built	Sale Date
1410 Hess Rd	Redwood City, 94061	Subject Property	\$3,880,000	8	6(1BD/1BA) 1(2BD/1BA) 1(2BD/2BA)	5,189	8,625	1958	Subject Property
903 Adams St	Redwood City, 94061	0.53	\$2,568,850	5	3 (1BD/1BA) 2 (2BD/1BA)	3,710	6,200	1947	3/24/2023
131 Cerrito Ave	Redwood City, 94061	1.54	\$3,930,000	9	1 (S) 6 (1BD/1BA) 2 (2BD/1BA)	6,914	9,438	1960	7/12/2023
86 Renato Ct	Redwood City, 94061	0.70	\$8,012,000	14	10 (1BD/1BA) 4 (2BD/1BA)	9,848	15,246	1954	3/24/2023

KEY METRICS FOR SALE COMPS

Key Metrics								
Address	Cap Rate	GRM	Price/Unit	Norm. PPU	Price/SF	Price/LSF	Avg Unit	Additional Notes
1410 Hess Rd	4.1%	16.6	\$485,000	\$451,163	\$748	\$450	649	N/A
903 Adams St	4.4%	15.8	\$513,770	\$458,723	\$692	\$414	742	2-Story Building
131 Cerrito Ave	4.6%	14.4	\$436,667	\$418,085	\$568	\$416	768	2-Story Building
86 Renato Ct	N/A	N/A	\$572,286	\$527,105	\$814	\$526	703	Sold Off-Market

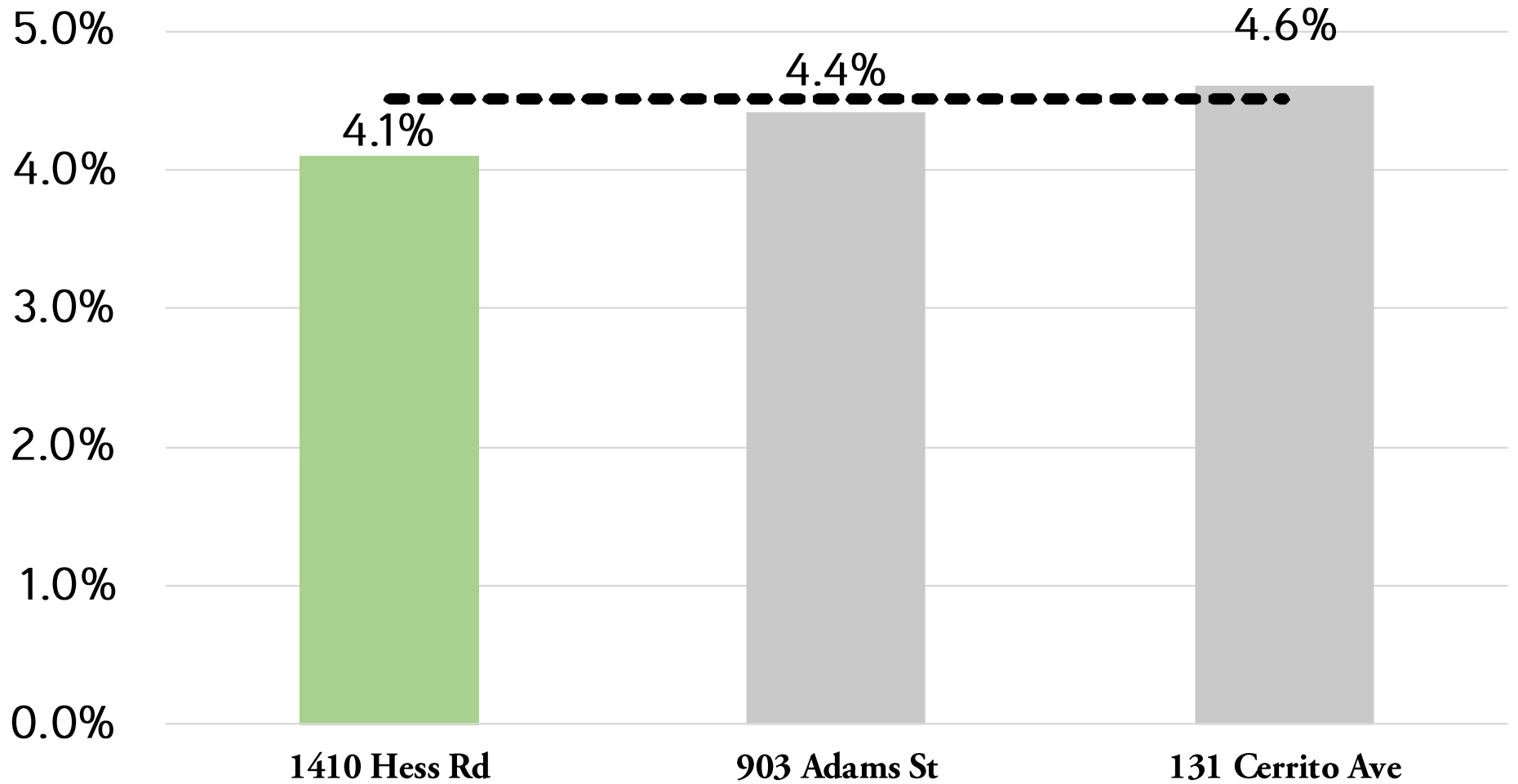
IV. SALE COMPS ANALYSIS

- A. CAP RATE
- B. PRICE / UNIT
- C. NORMALIZED PRICE / UNIT
- D. PRICE / SF
- E. PRICE / LAND SF
- F. GROSS RENT MULTIPLE



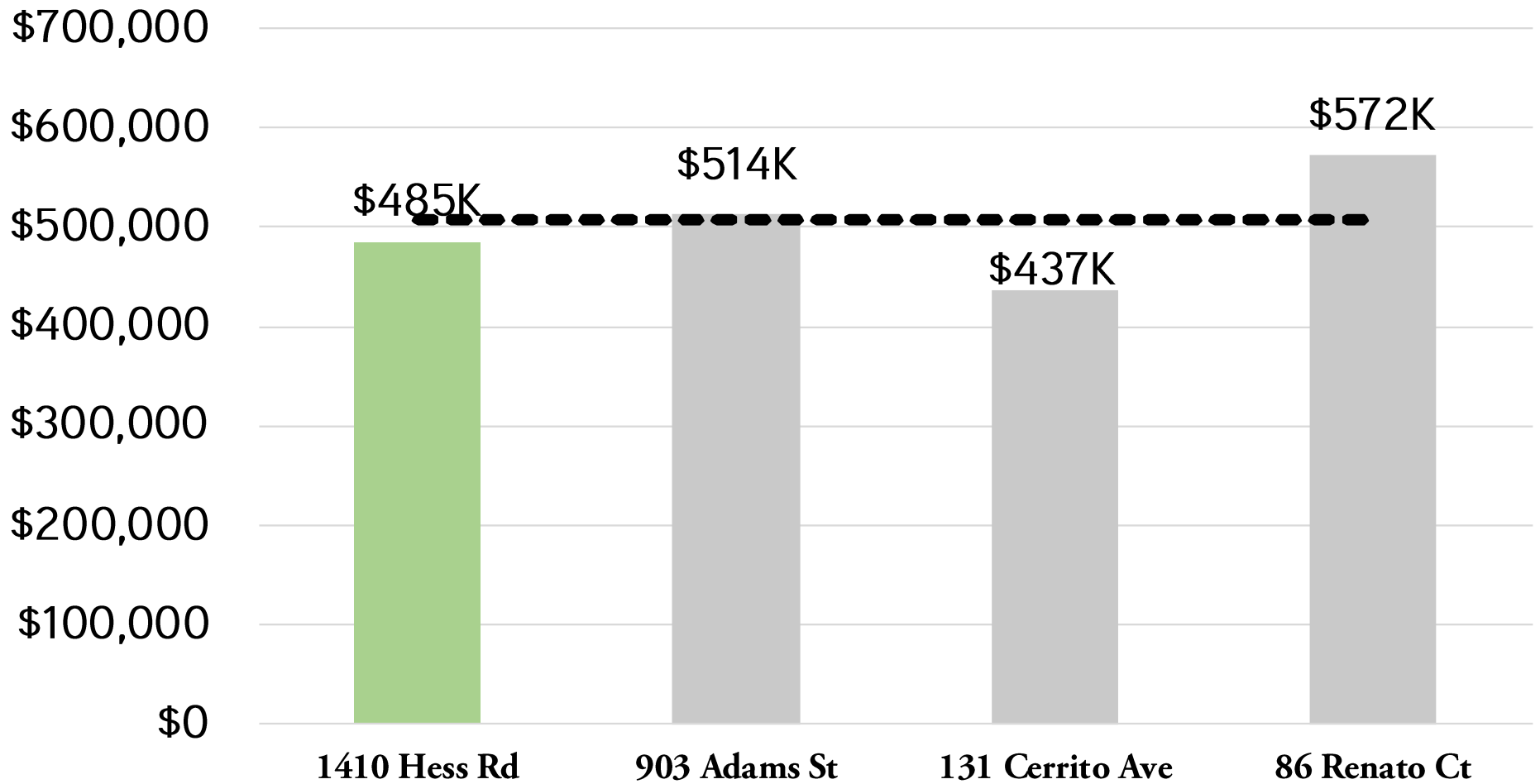
SALE COMPS ANALYSIS

CAP RATE
AVERAGE : 4.5%



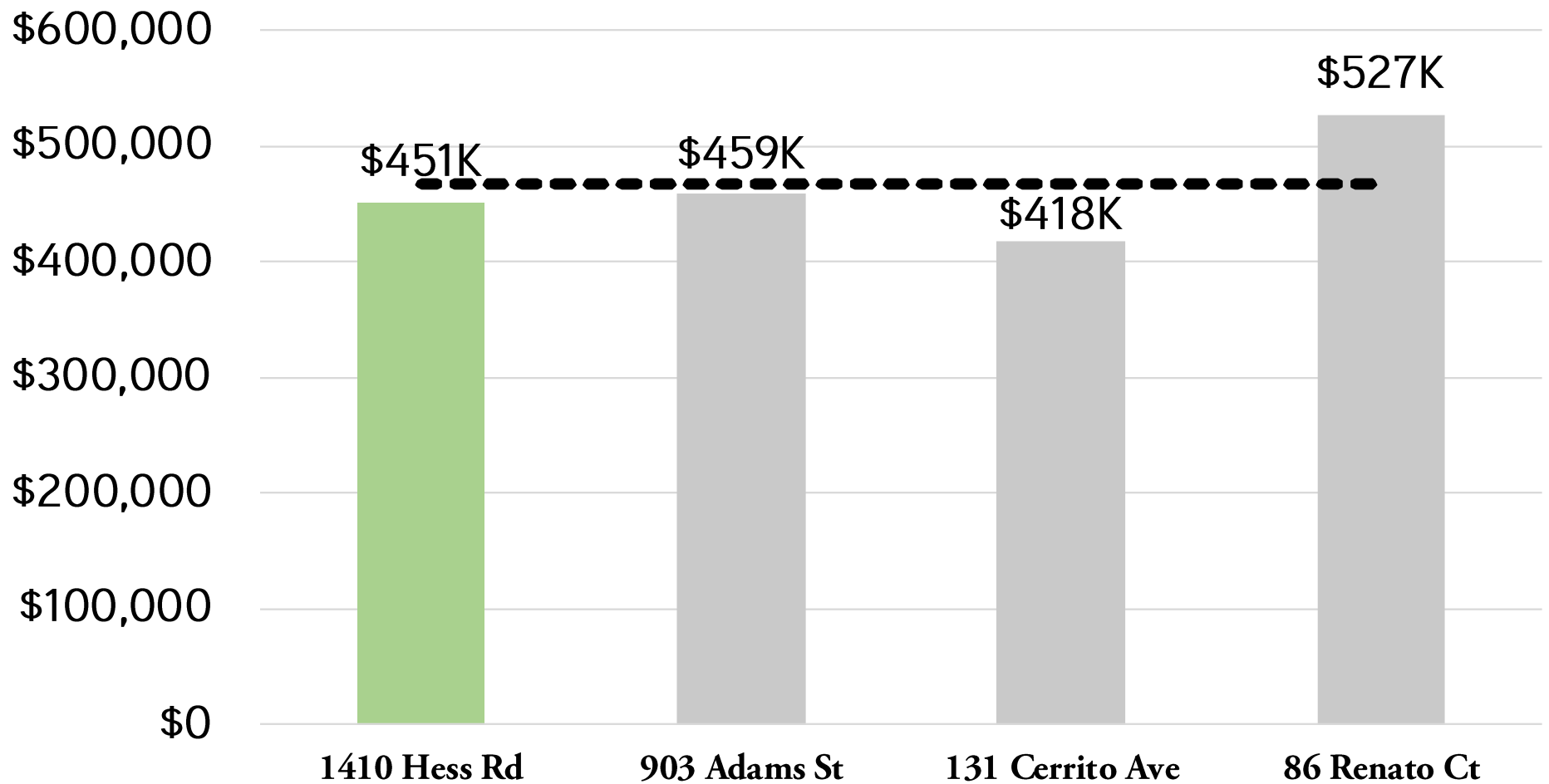
SALE COMPS ANALYSIS

PRICE PER UNIT
AVERAGE : \$508K



SALE COMPS ANALYSIS

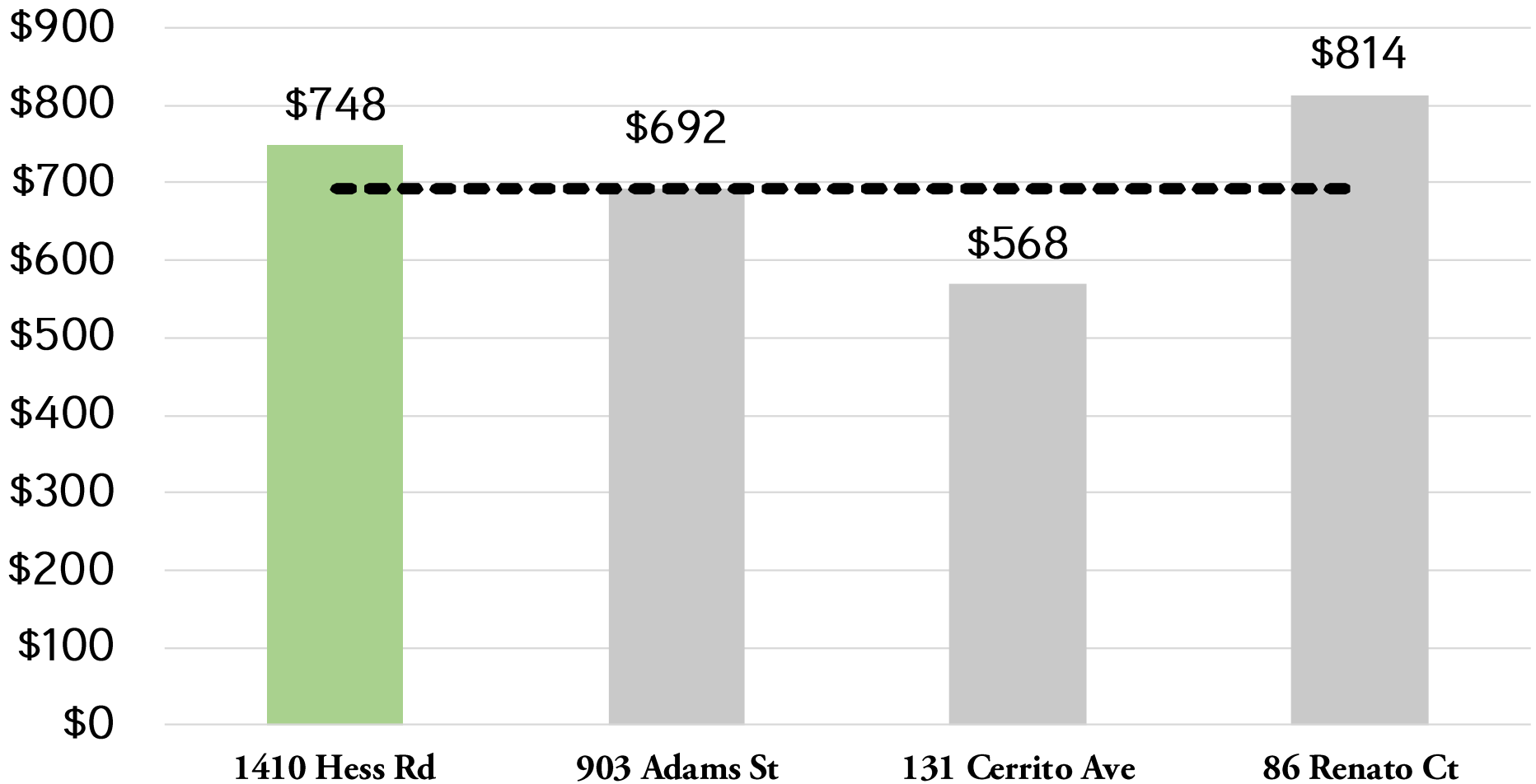
NORMALIZED PRICE PER UNIT*
AVERAGE : \$468K



*Normalized price per unit adjust for the number of bedrooms (as # of bedrooms increases, norm PPU decreases). Better unit mix = lower normalized PPU

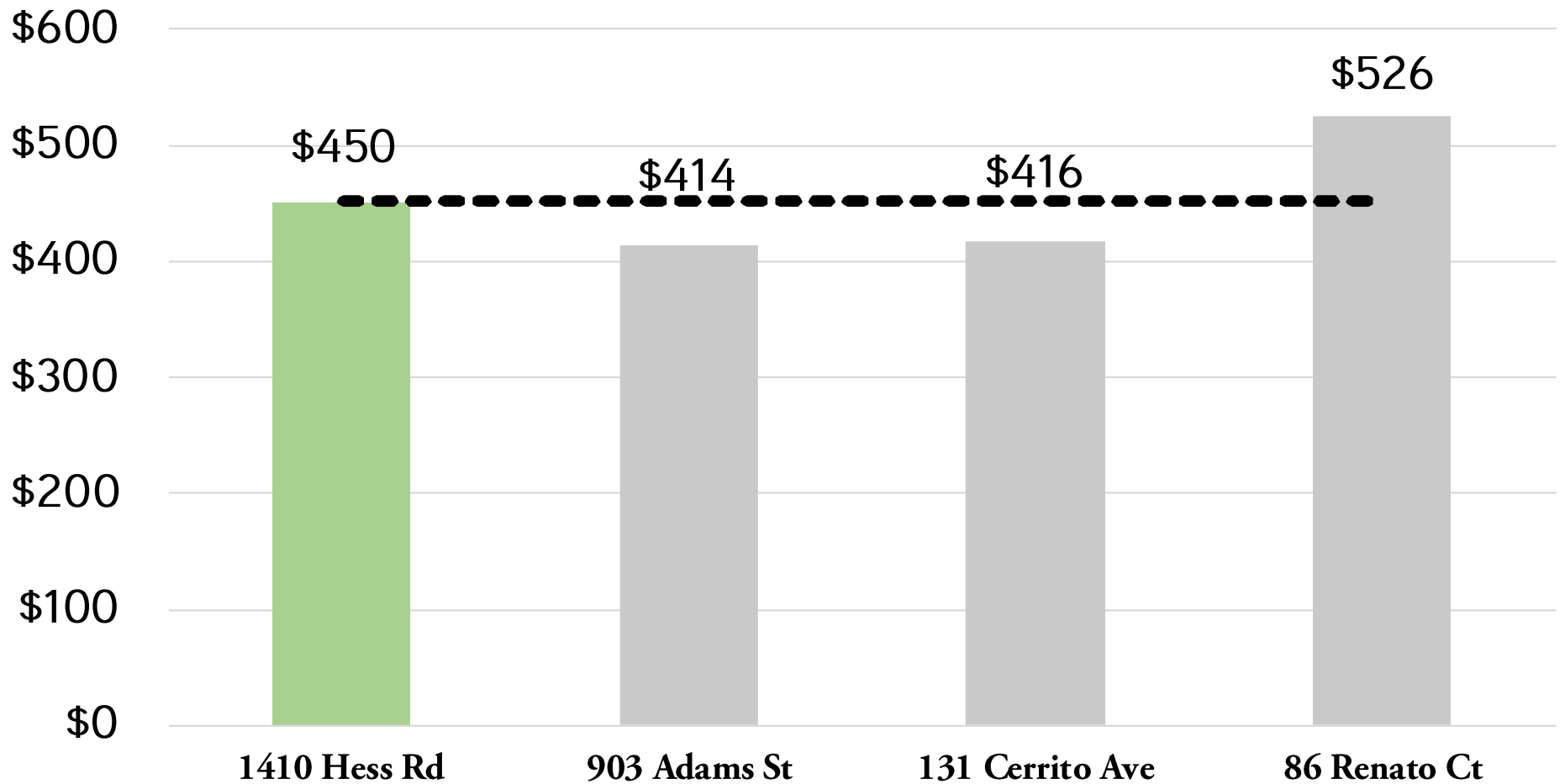
SALE COMPS ANALYSIS

PRICE / SQ FT
AVERAGE : \$691



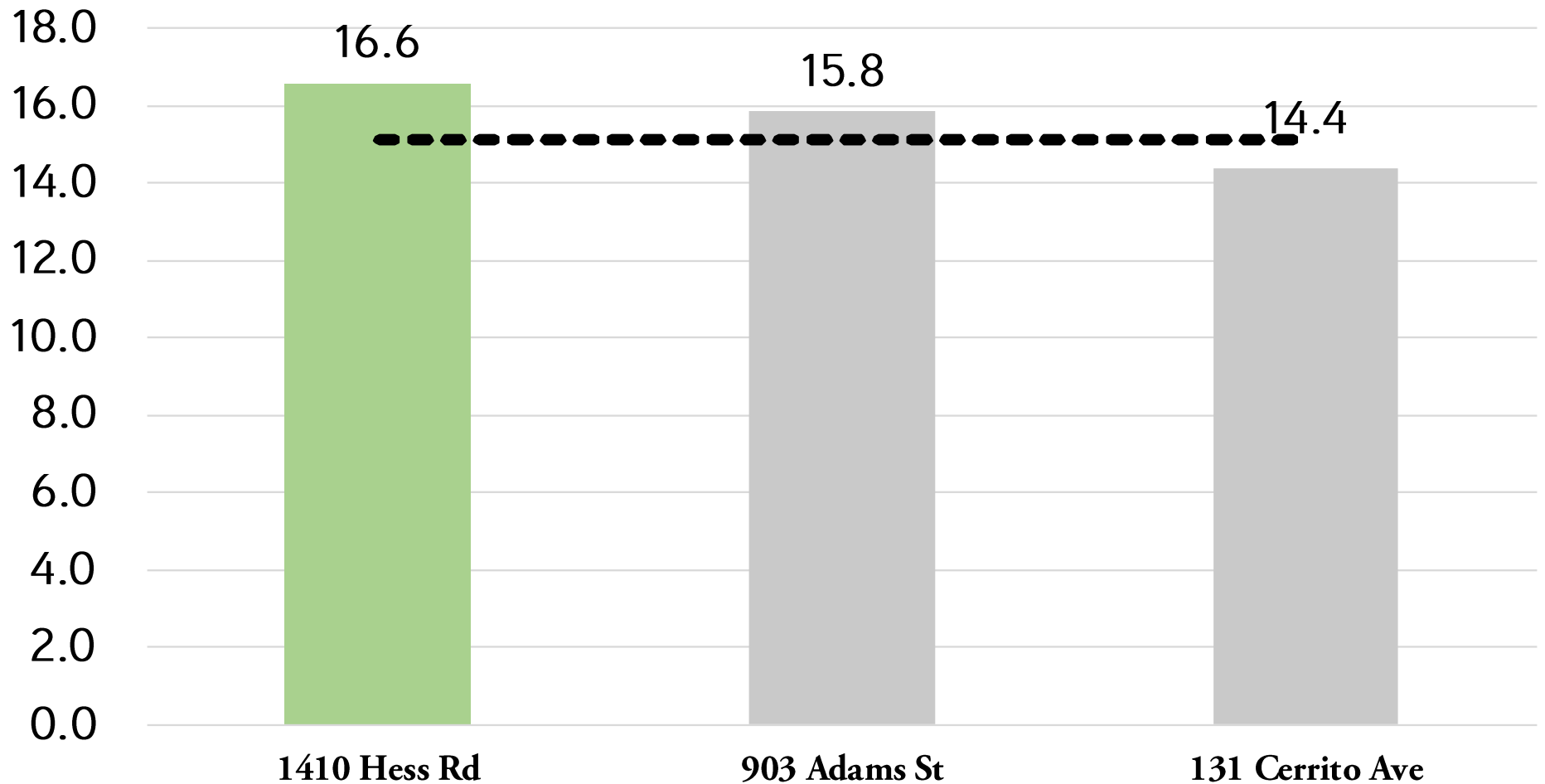
SALE COMPS ANALYSIS

PRICE / LAND SQ FT
AVERAGE : \$452



SALE COMPS ANALYSIS

GRM
AVERAGE : 15.1



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