

OFFERING MEMORANDUM

437 CORTE ARANGO  
APARTMENTS

EXCLUSIVELY LISTED BY:

Jon Holmquist  
Direct Cell: 415-625-2117

A 5-UNIT EL SOBRANTE COMPLEX ON QUIET CUL-DE-SAC

**Marcus & Millichap**  
THE HOLMQUIST GROUP

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**Marcus & Millichap**  
THE HOLMQUIST GROUP

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[www.marcusmillichap.com](http://www.marcusmillichap.com)

# 437 CORTE ARANGO APTS

EXCLUSIVELY LISTED BY

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**Marcus & Millichap**  
THE HOLMQUIST GROUP

# Jon Holmquist

THE #1 MULTI-FAMILY BROKER AT THE #1 FIRM

Jon Holmquist has over 27 years of experience dedicated to brokerage and specialization in East Bay Apartment Properties. Jon Holmquist's extensive database and unique marketing methods cast as wide a net as possible to find buyers. His detailed market knowledge combined with the clout and power of Marcus & Millichap are unparalleled in achieving aggressive sales prices for owners.

## SUCCESSFULLY LISTED & CLOSED IN THE EAST BAY AT RECORD HIGH PRICES:



76 Units – Suisun City



30 Units - Pittsburg



27 Units - Antioch



37 Units – El Sobrante



18 Units – Walnut Creek



48 Units - Concord



24 Units - Alameda



25 Units - Antioch



24 Units - Martinez



14 Units – San Leandro



40 Units - Antioch



30 Units - Alameda



40 Units - Antioch



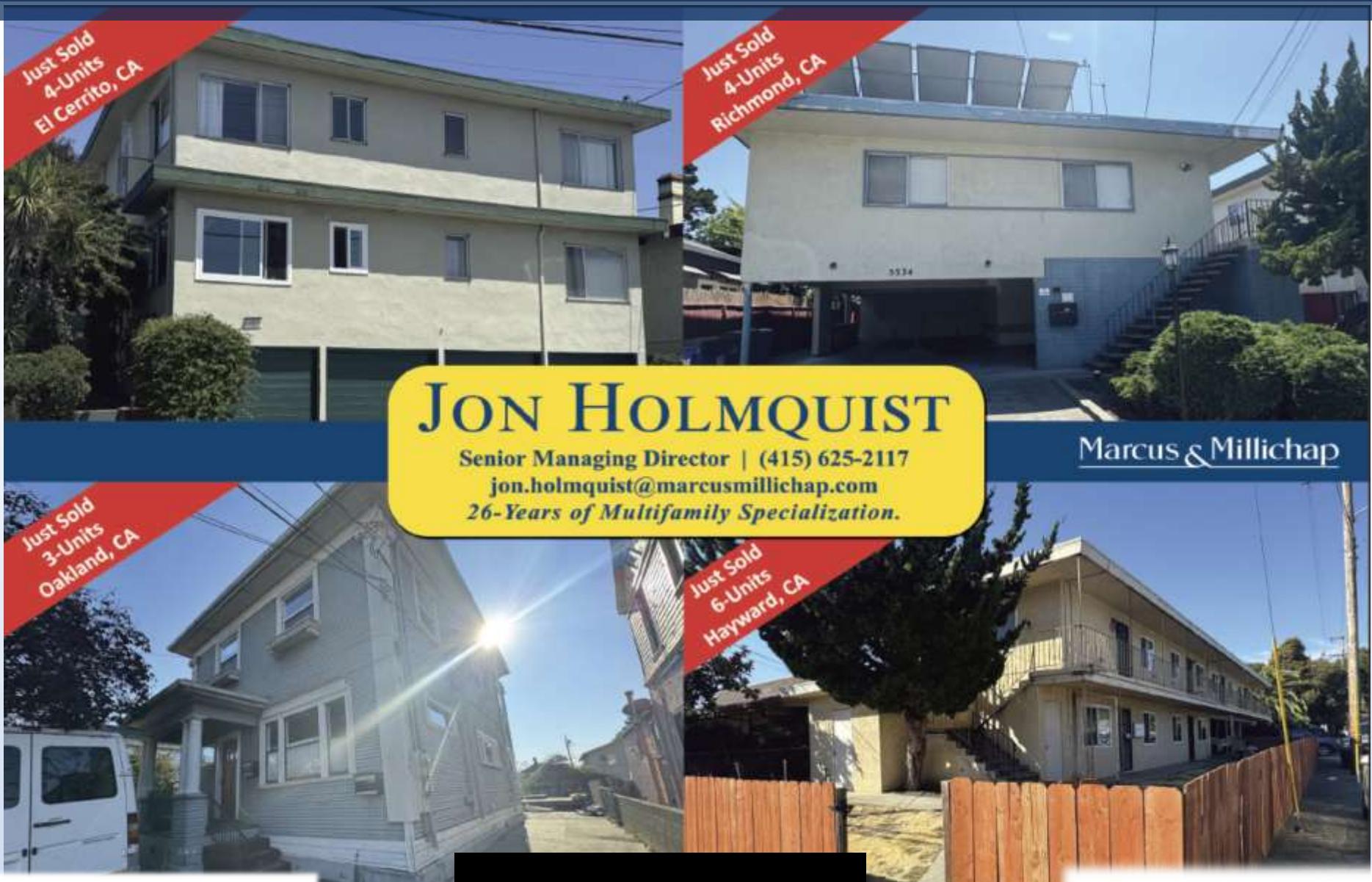
41 Units - Berkeley



36 Units - Oakland

# Jon Holmquist

THE #1 MULTI-FAMILY BROKER AT THE #1 FIRM FOR 4-10 UNIT SALES



JON HOLMQUIST TOP  
BROKER IN NORTHERN CA  
FOR OVER TWO DECADES

Marcus & Millichap  
THE HOLMQUIST GROUP

CoStar  
**POWER BROKER**  
Top Broker Award





437 CORTE  
ARANGO  
APARTMENTS

*Section 1*

# Investment Overview

**Marcus & Millichap**  
THE HOLMQUIST GROUP

## OFFERING SUMMARY

**5-UNITS IN EL SOBRANTE****Address: 437 Corte Arango, El Sobrante, CA**

List Price: \$1,508,000

Number of Units: 5

Building Size (per property records) 4,240 Sq. Ft.Lot Sq. Ft. (per property records) 0.17 AcresYear Built (per property records) 1965

Cost Per Square Foot: \$355.66

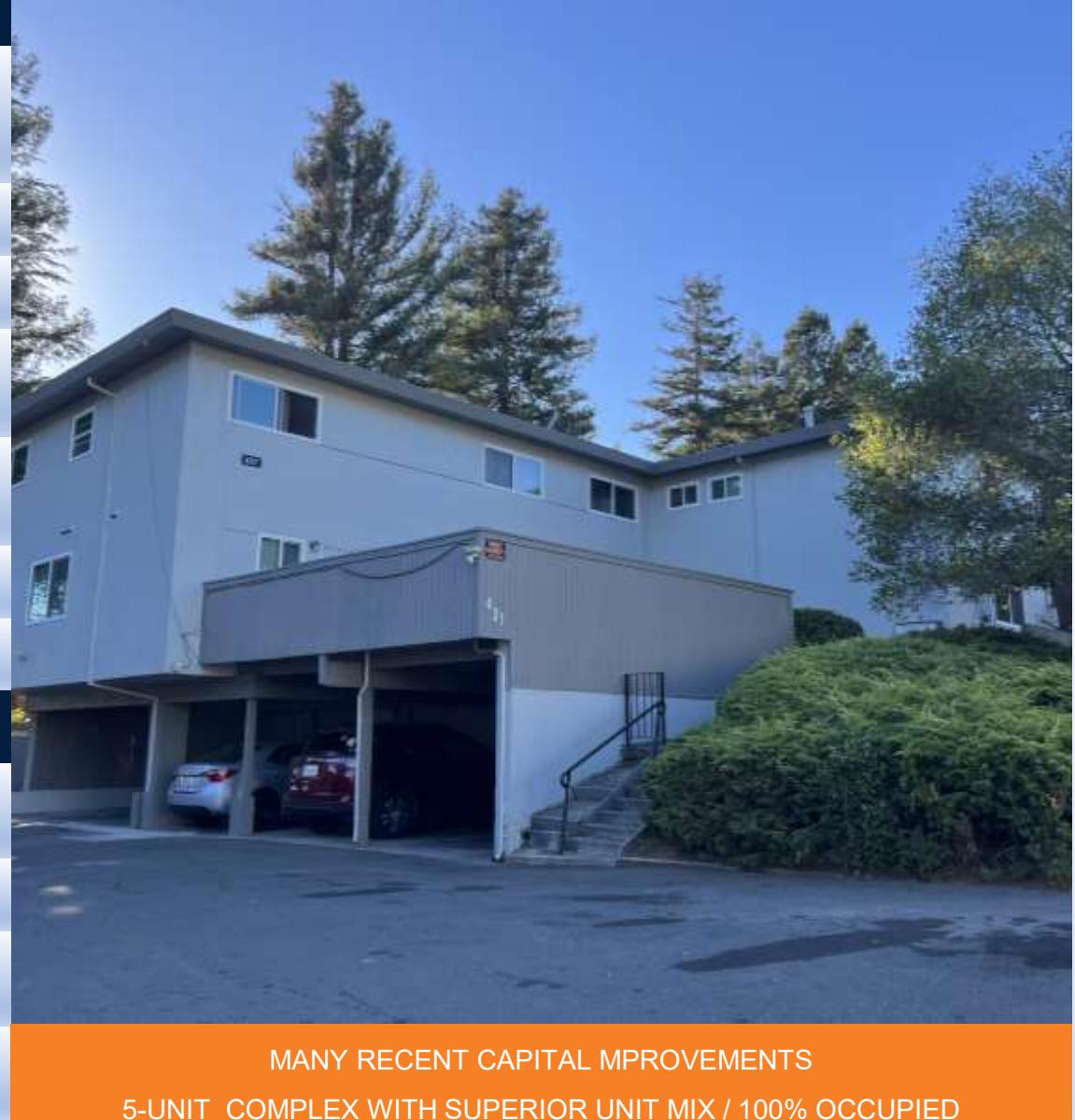
**PROPERTY DETAILS**

Superior Unit Mix of All 2bed/1.5bath units.

Significant exterior capital improvements.

Attractive grounds with patios and outdoor space located on quite cul-de-sac.

Separately metered for gas &amp; electric with covered parking.



MANY RECENT CAPITAL IMPROVEMENTS

5-UNIT COMPLEX WITH SUPERIOR UNIT MIX / 100% OCCUPIED



Marcus & Millichap closes  
more transactions than any other  
brokerage firm.

## INVESTMENT OVERVIEW

## INVESTMENT OVERVIEW

This offering at 437 Corte Arango consists of a well-maintained 5-unit apartment complex with strong curb appeal in the heart of El Sobrante, a growing and supply-constrained submarket of Contra Costa County. Positioned off Appian Way, the two-story building is located on a quite cul-de-sac, providing residents with a tranquil well manicured ambience, just minutes from shopping and urban amenities.

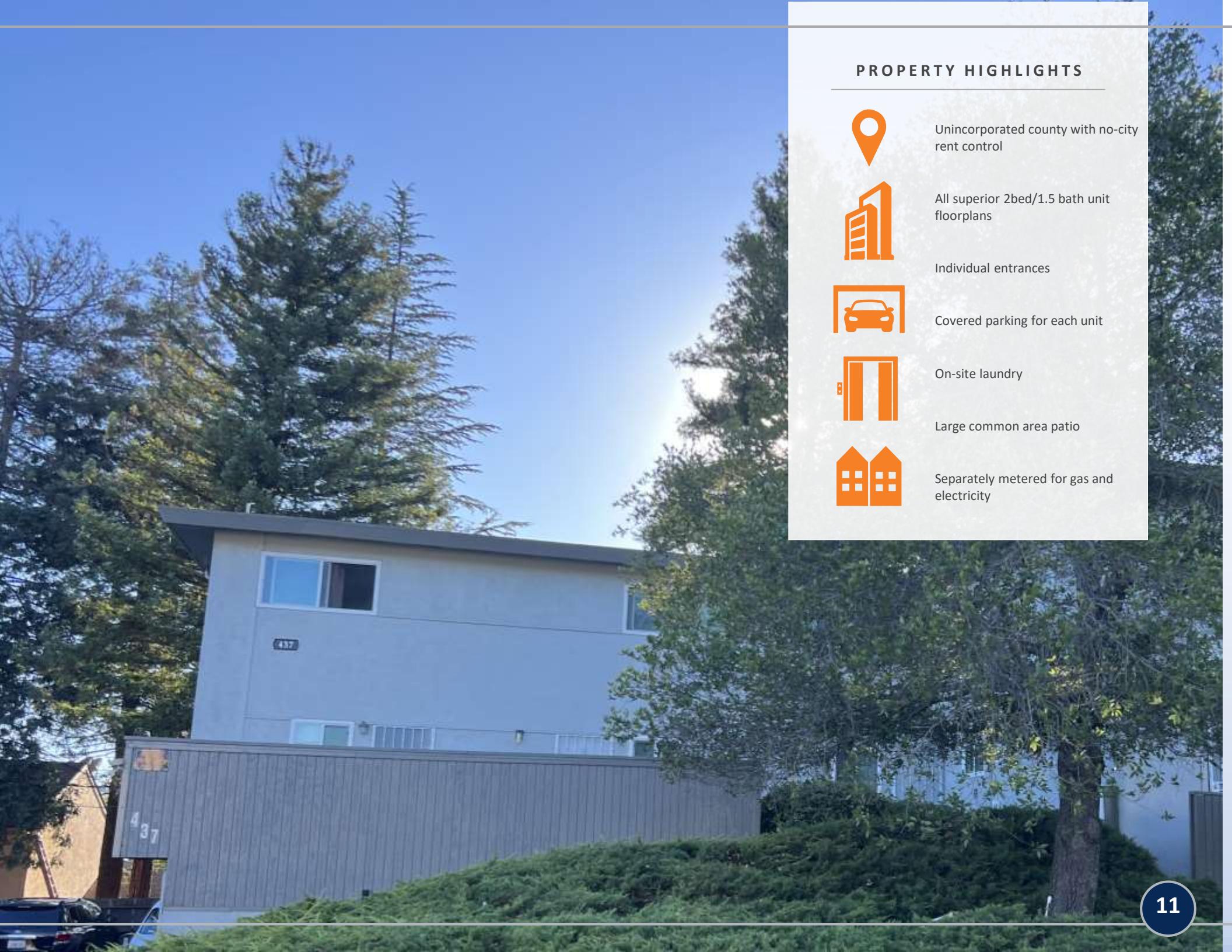
The improvements consist of five large 848 square foot (per county records) two bedroom one and a half bath townhouse style units, with tuck under parking. The rear and front units benefit from patios and balconies, and tenants enjoy ample outdoor space on the oversized 7,566 sq. foot parcel which features attractive but easy to maintain landscaping. Construction is of wood frame with stucco siding, and a flat roof. Tenants benefit from being within easy walking distance to stores and restaurants along the Appian Way Corridor. There is an on-site laundry room with 1 washer & 1 for tenant convenience and added income.

The subject property enjoys a superior location near to Interstate 80, providing direct access to employment hubs throughout the East Bay and North Bay. Nearby conveniences include the Pinole Vista Shopping Center, as well as local retailers like United Food Mart across the street and a Shell gas station adjacent to the property. Its positioning in unincorporated Contra Costa County also allows for investor-friendly rent increases of 5% plus CPI annually under California's AB 1482 rent control ordinance.

Current rents are below market, in unincorporated county jurisdiction allowing a new buyer the potential to increase rents on an annual basis moving forward, offering significant cash-flow upside. This offering is ideal for investors seeking a stabilized, easy-to-manage asset with long-term appreciation potential. The close proximity to shopping, transit, and outdoor recreation make it a compelling acquisition in an increasingly competitive submarket.

**INVESTMENT HIGHLIGHTS:**

- Close to major retailers and shopping at Pinole Vista Shopping Center. Easy commute via. Hwy 80.
- All units are spacious 2-bedroom/1.5-bath floorplans.
- Dedicated covered parking for each unit.
- On-site laundry.
- Separately metered for gas and electricity.



## PROPERTY HIGHLIGHTS



Unincorporated county with no-city rent control



All superior 2bed/1.5 bath unit floorplans



Individual entrances



Covered parking for each unit



On-site laundry

Large common area patio

Separately metered for gas and electricity

437 CORTE ARANGO

COMMON AREA BALCONY &  
ON-SITE LAUNDRY



437 CORTE ARANGO

ATTRACTIVE MATURE LANDSCAPING



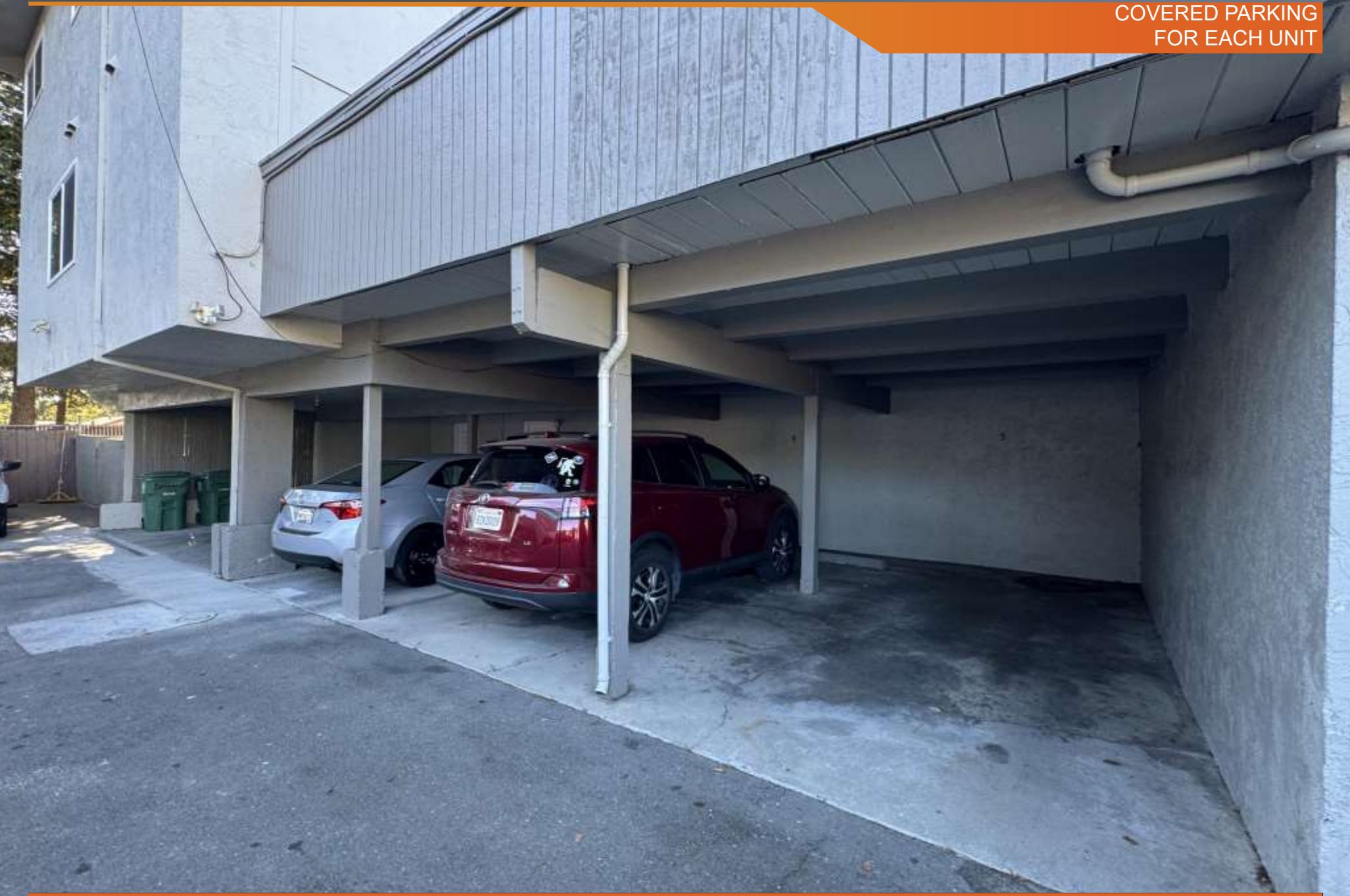
437 CORTE ARANGO

LARGE 0.17 ACRE PARCEL



437 CORTE ARANGO

COVERED PARKING  
FOR EACH UNIT



## LOCATION OVERVIEW

Nestled in the rolling hills of West Contra Costa County, El Sobrante is a desirable unincorporated community offering a unique blend of suburban tranquility, natural beauty, and strategic Bay Area connectivity. With a population of just over 15,800 residents, El Sobrante provides a peaceful, small-town atmosphere while remaining within close proximity to major employment and economic hubs throughout the East Bay, North Bay, and San Francisco.

El Sobrante's location is particularly advantageous for commuters and professionals, with seamless access to Interstate 80 and the Richmond Parkway. The community sits just 14 miles from Oakland, 14 miles from San Rafael, and 16 miles from San Francisco—making it an ideal residential base for those working in any of the region's major urban centers. Public transportation options and proximity to BART stations further enhance its accessibility.

Residents enjoy the best of both urban convenience and outdoor recreation. El Sobrante is minutes from Hilltop Mall, the redeveloping San Pablo Lytton Casino area, Contra Costa College, and numerous shopping and dining options along Appian Way. Nature lovers are drawn to the abundance of regional parks nearby, including Kennedy Grove, Wildcat Canyon, Briones, Tilden Park, and San Pablo Reservoir, offering extensive opportunities for hiking, biking, boating, and fishing.

The area's pleasant year-round climate—typically warmer and sunnier than Bayfront cities—adds to its residential appeal. El Sobrante avoids the heavy fog common in other parts of the Bay Area, creating a more comfortable living environment. Neighborhoods here range from quiet hillside enclaves and equestrian properties to newer residential developments and commercial corridors, providing a diverse housing stock that supports long-term tenant stability.

Families are served by the West Contra Costa Unified School District, and the city's stable housing market and low-density layout continue to attract renters seeking affordability without sacrificing quality of life. For investors, El Sobrante represents a high-upside market with limited new supply, favorable demographic trends, and rising demand for workforce housing in a centrally located East Bay submarket.



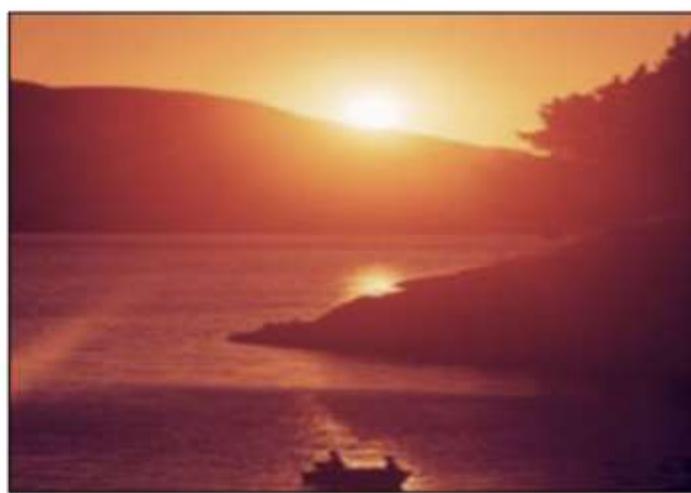
## LOCATION HIGHLIGHTS:

- Convenient to nearby shopping, restaurants and commerce at Appian 80 Shopping Center, and Pinole Vista Plaza.
- Near to Contra Costa College, Doctors Medical Center, and Casino San Pablo.
- Surrounded by outdoor entertainment with East Bay Parks and Recreation which include: Wildcat Canyon, Tilden Park, Briones, and San Pablo Dam Reservoir.
- Easy Access to major job centers via. Hwy 80 including Oakland, San Francisco, Marin, and Central Contra Costa..

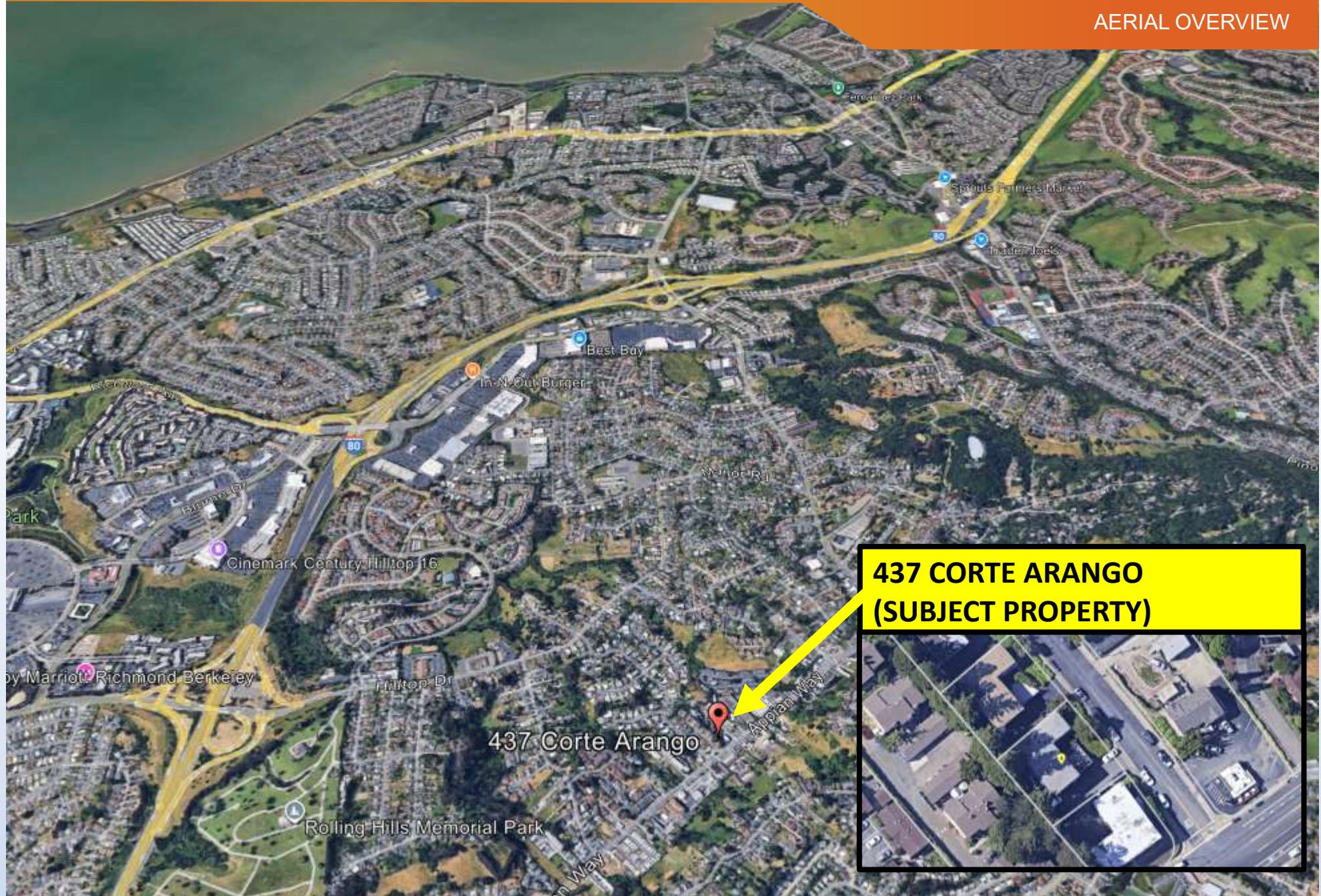
437 CORTE ARANGO

NEAR TO EL SOBRANTE  
GURDWARA SAHIB SIKH CENTER

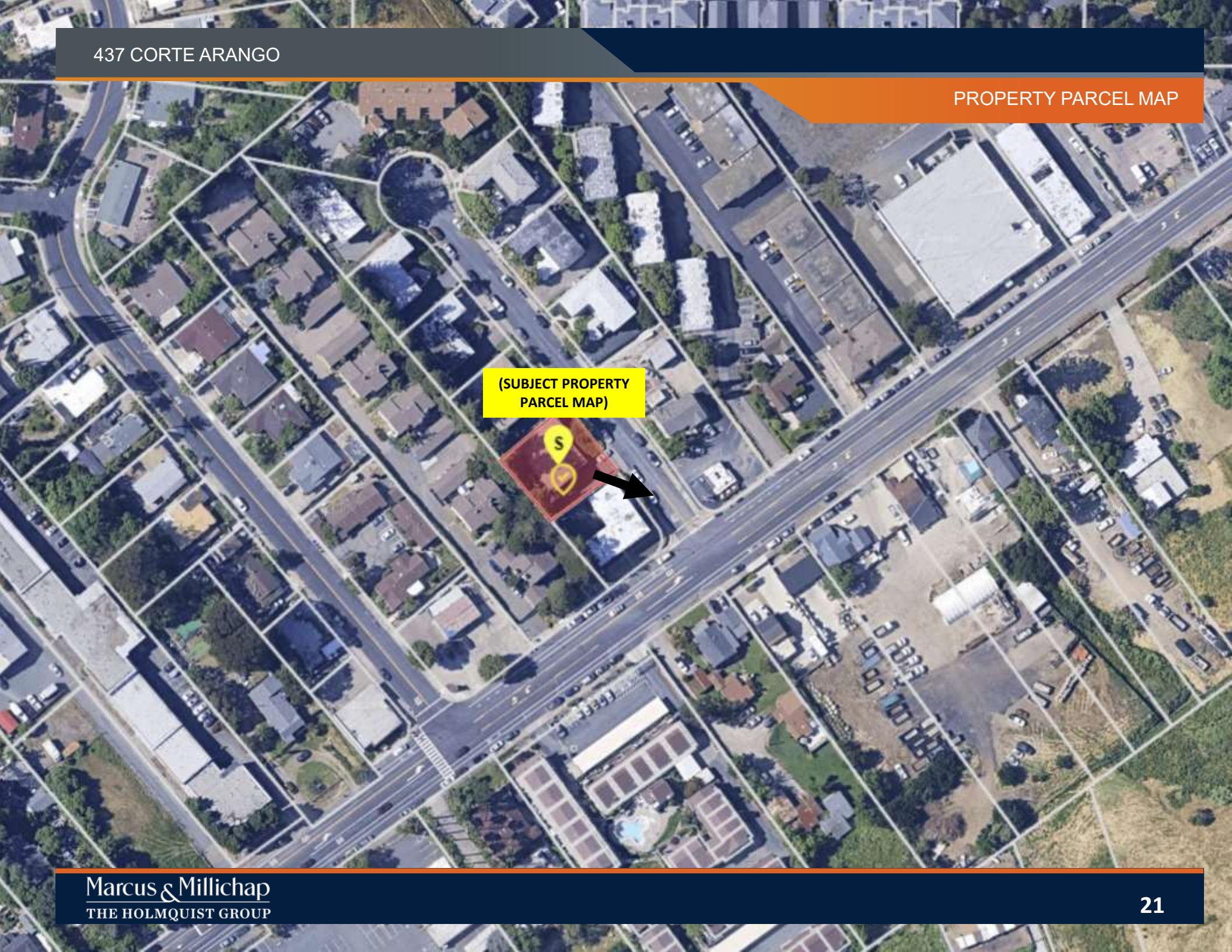




San Pablo Reservoir at Sunset







(SUBJECT PROPERTY  
PARCEL MAP)

## Property Characteristics

	Bedrooms		Year Built	1965	Living Area (SF)	4,264
	Bathrooms/Partial		Garage/No. of Cars	Carport/5	Price (\$/SF)	\$176/SF
	Total Rooms	5	Stories/Floors	1 Story	Lot Size (SF/AC)	7,565/.17
	Construction Type		No. of Units	5	Fireplace	
	Exterior Walls		No. of Buildings		Pool	
	Roof Material/Type		Basement Type/Area		Heat Type	
	Foundation Type		Style		A/C	
	Property Type	Multi-Family	View	View - None	Elevator	
	Land Use	Apartment house (5+ units)			Zoning	

## Assessment &amp; Taxes

	Assessment Year	2025	Tax Year	2024	Tax Exemption	
	Total Assessed Value	\$901,872	Tax Amount	\$16,138.68	Tax Rate Area	85-004
	Land Value	\$300,457	Tax Account ID	425-091-020-7		
	Improvement Value	\$601,415	Tax Status	No Delinquency Found		
	Improvement Ratio	66.69%	Delinquent Tax Year			
	Total Value		Market Improvement Value			
	Market Land Value		Market Value Year			

437 CORTE  
ARANGO  
APARTMENTS

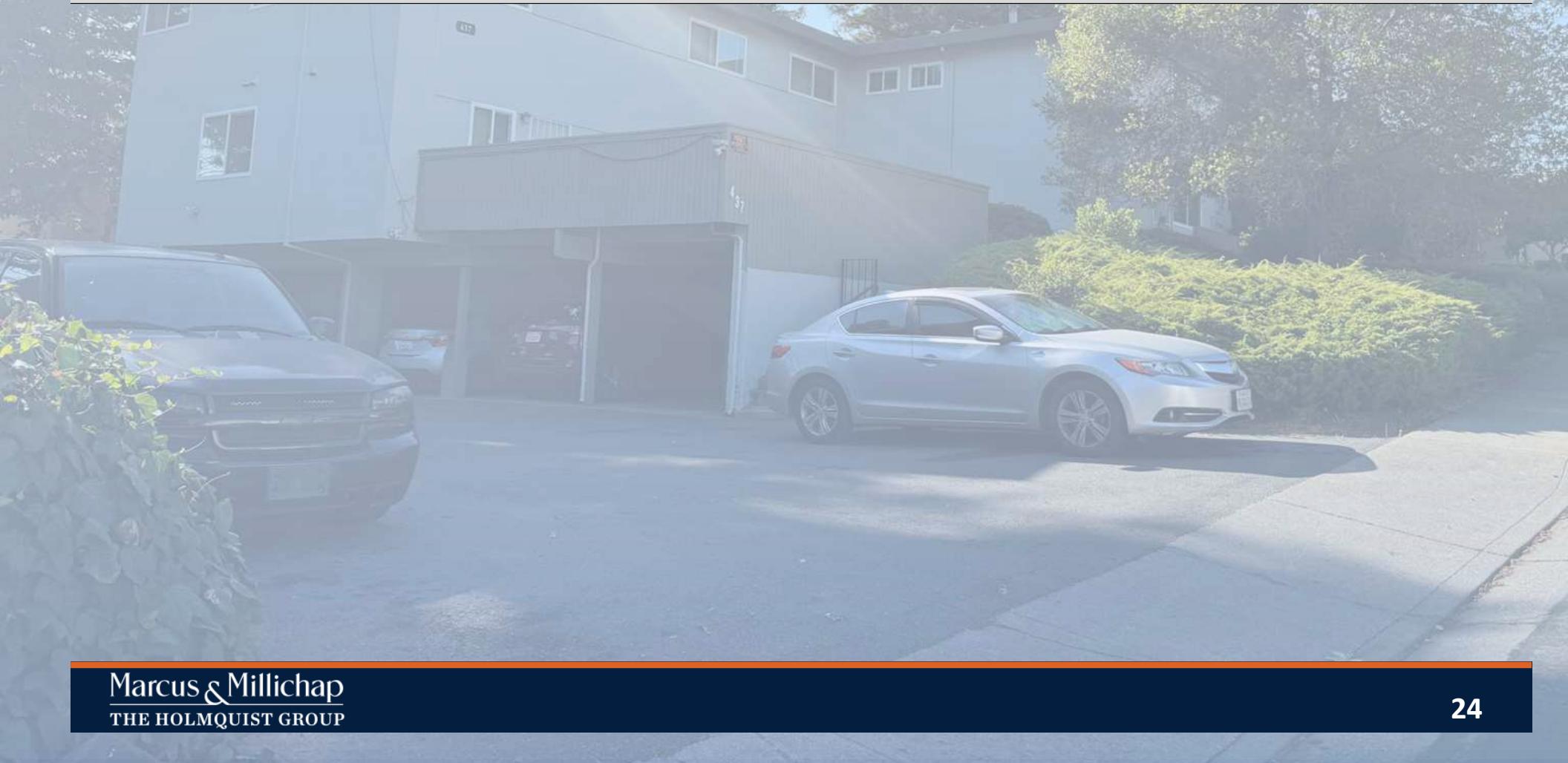
*Section 2*  
Financial Analysis

Marcus & Millichap  
THE HOLMQUIST GROUP

## RENT ROLL DETAILED

As of November,2025

		Square	Rent /	CURRENT Rent / SF/	POTENTIAL Rent /	POTENTIAL Rent/ SF/
1	2Bed/1.5Bath	848	\$2,300	\$2.71	\$2,450	\$2.89
2	2Bed/1.5Bath	848	\$2,350	\$2.77	\$2,450	\$2.89
3	2Bed/1.5Bath	848	\$1,965	\$2.32	\$2,450	\$2.89
4	2Bed/1.5Bath	848	\$1,950	\$2.30	\$2,450	\$2.89
5	2Bed/1.5Bath	848	\$2,450	\$2.89	\$2,450	\$2.89
<b>Total</b>		<b>4,240</b>	<b>\$11,015</b>	<b>\$2.60</b>	<b>\$12,250</b>	<b>\$2.89</b>



## RENT ROLL SUMMARY

UNIT TYPE	# OF UNITS	AVG SQ FEET	RENTAL RANGE	Current			POTENTIAL	
				Average Rent	Average Rent / SF	Monthly Income	AVERAGE RENT	AVERAGE RENT / SF
2Bed/1.5Bath	5	848	\$1,950 - \$2,450	\$2,203	\$2.60	\$11,015	\$2,450	\$2.89
TOTALS/WEIGHTED AVERAGE	5	848		\$2,203	\$2.60	\$11,015	\$2,450	\$2.89
GROSS ANNUALIZED RENTS				\$132,180		\$147,000		

Unit Distribution



Unit Rent



## OPERATING STATEMENT

INCOME	Current	Year 1	NOTES	PER UNIT	PER SF
<b>Rental Income</b>					
Gross Potential Rent	147,000	151,410		30,282	35.71
Loss / Gain to Lease	(14,820)	10.1%	(12,113)	8.0%	(2,423)
Gross Current Rent	132,180	139,297	[1]	27,859	32.85
Physical Vacancy	(2,644)	2.0%	(5,572)	4.0%	(1,114)
<b>TOTAL VACANCY</b>	<b>(\$2,644)</b>	<b>2.0%</b>	<b>(\$5,572)</b>	<b>4.0%</b>	<b>(\$1,114)</b>
Effective Rental Income	129,536	133,725		26,745	31.54
Laundry	4,000	4,000	[3]	800	0.94
<b>TOTAL OTHER INCOME</b>	<b>\$4,000</b>	<b>\$4,000</b>		<b>\$800</b>	<b>\$0.94</b>
<b>EFFECTIVE GROSS INCOME</b>	<b>\$133,536</b>	<b>\$137,725</b>		<b>\$27,545</b>	<b>\$32.48</b>
<b>EXPENSES</b>					
Real Estate Taxes	19,367	19,367	[4]	3,873	4.57
Special Assessments	4,934	4,934	[5]	987	1.16
Utilities - Electric & Gas	2,071	2,071	[6]	414	0.49
Utilities - Water & Sewer	2,218	2,218	[6]	444	0.52
Trash Removal	2,296	5,200	[6]	1,040	1.23
Repairs & Maintenance	3,750	3,750	[7]	750	0.88
Insurance	4,750	4,750	[8]	950	1.12
Landscaping/Cleaning	1,200	1,200	[9]	240	0.28
Operating Reserves	1,250	1,250	[10]	250	0.29
<b>TOTAL EXPENSES</b>	<b>\$41,836</b>	<b>\$44,740</b>		<b>\$8,948</b>	<b>\$10.55</b>
EXPENSES AS % OF EGI	31.3%	32.5%			
<b>NET OPERATING INCOME</b>	<b>\$91,701</b>	<b>\$92,986</b>		<b>\$18,597</b>	<b>\$21.93</b>

Notes and assumptions to the above analysis are on the following page.

PARCEL NUMBER	BILL NUMBER	TRA	ISSUE DATE	TYPE	CORTAC	DEFAULT #
425-091-020-7 0	2025-324076	85004	09/07/2025	ORIGINAL		
<b>SPECIAL TAXES &amp; ASSESSMENTS</b>						
DESCRIPTION	CODE	INFORMATION	AMOUNT	DESCRIPTION	RATE	AMOUNT
WCCUSD PARCEL TAX	* CL	(844) 332-0549	\$307.00	1%COUNTYWIDE TAX	1.0000	\$9,018.72
CC-FED STRMWTR FEE	DB	(925) 313-2023	\$105.00	BART	0.0043	\$38.78
MOSQUITO & VECTOR	DV	(925) 867-3400	\$6.90	BART BOND 2016	0.0109	\$98.30
EMERGENCY MED B	DY	(925) 608-5454	\$50.00	EAST BAY REG PK BD	0.0011	\$9.92
AC TRANSIT PCL TX	FA	(800) 273-5167	\$96.00	WCC UNIF BOND 2000	0.0114	\$102.81
WCWD-SEWER CHG	GS	(888) 892-2480	\$3,555.00	WCCUSD 2002 BOND	0.0560	\$505.05
SFBRA PCL TAX	I8	(888) 508-8157	\$12.00	WCC UNIF BOND 2005	0.0659	\$594.33
WCCUSD ASSESSMENT	JA	(800) 273-5167	\$360.00	WCCUSD 2010 BOND	0.0378	\$340.91
EASTBAY TRAILS LLD	* KA	(888) 512-0316	\$13.60	WCCUSD 2012 BOND	0.0313	\$282.29
SERV AREA L-100	LO	(925) 313-2286	\$74.70	WCCUSD 2020 BOND	0.0514	\$463.56
WCC HEALTH-PRCL TX	NR	(925) 957-5551	\$312.00	COMM COLL 2002 BND	0.0026	\$23.45
EBRPD CFD NO A/C-3	* PT	(888) 512-0316	\$41.40	COMM COLL 2006 BND	0.0041	\$36.98
				COMM COLL 2014 BND	0.0075	\$67.64
				TOTAL AD VALOREM TAXES	1.2843	\$11,582.74
				ADD: SPECIAL TAXES & ASSESSMENTS		\$4,933.60
				DELINQUENT PENALTY		\$0.00
				DELINQUENT COST		\$0.00
				LESS: PAYMENTS RECEIVED		\$0.00
<b>TOTAL SPECIAL TAXES &amp; ASSESSMENTS</b>				<b>TOTAL AMOUNT DUE</b>		<b>\$16,516.34</b>

## NOTES

## NOTES TO OPERATING STATEMENT

- [1] Current rents based on actual numbers given by owner with forecast of year one growth of 3% as per submarket report forecast.
- [2] 100% Occupied / Current vacancy estimated at 2% with market vacancy estimated at 4%.
- [3] Laundry per owner.
- [4] From 2025/2026 tax bill, property tax rate of 1.2843% of the sales price.
- [5] Special Assessments from 2025/2026 tax bill of \$4933.60
- [6] Utilities based on Actual
- [7] Maintenance & Repair estimated at \$750 per unit.
- [8] Insurance based on new quote for buyer and will go up based on sales price to \$950 per unit.
- [9] Landscaping/Cleaning Actual.
- [10] Reserves estimated at \$250 per unit per year.

## PRICING DETAIL

SUMMARY		
Price	\$1,508,000	
Down Payment	\$452,400	30%
Number of Units	5	
Price Per Unit	\$301,600	
Price Per SqFt	\$355.66	
Rentable SqFt	4,240	
Lot Size	0.17 Acres	
Approx. Year Built	1965	

RETURNS	Current	Year 1	
CAP Rate	6.08%	6.17%	0.00%
GRM	11.41	10.83	
Cash-on-Cash	4.11%	4.39%	
Debt Coverage Ratio	1.25	1.27	

FINANCING		1st Loan
Loan Amount		\$1,055,600
Loan Type		New
Interest Rate		5.65%
Amortization		30 Years
Year Due		2055

Loan information is subject to change.

# OF UNITS	UNIT TYPE	SQFT/UNIT	CURRENT RENTS	MARKET RENTS
5	2Bed/1.5Bath	848	\$2,203	\$2,450

IRR Year	IRR Unlevered	IRR Levered
5	12.43%	22.92%
7	11.63%	20.14%
10	10.78%	17.56%

OPERATING DATA		
INCOME	Current	Year 1
Gross Scheduled Rent	\$132,180	\$139,297
Less: Vacancy/Deductions	2.0%	\$2,644 4.0% \$5,572
Total Effective Rental Income	\$129,536	\$133,725
Other Income	\$4,000	\$4,000
Effective Gross Income	\$133,536	\$137,725
Less: Expenses	31.3%	\$41,836 32.5% \$44,740
Net Operating Income	\$91,701	\$92,986
Cash Flow	\$91,701	\$92,986
Debt Service	\$73,120	\$73,120
Net Cash Flow After Debt Service	4.11% \$18,581	4.39% \$19,866
Principal Reduction	\$13,833	\$14,635
TOTAL RETURN	7.16% \$32,414	7.63% \$34,501

EXPENSES		
Real Estate Taxes	\$19,367	\$19,367
Special Assessments	\$4,934	\$4,934
Utilities - Electric & Gas	\$2,071	\$2,071
Utilities - Water & Sewer	\$2,218	\$2,218
Trash Removal	\$2,296	\$5,200
Repairs & Maintenance	\$3,750	\$3,750
Insurance	\$4,750	\$4,750
Landscaping/Cleaning	\$1,200	\$1,200
Operating Reserves	\$1,250	\$1,250
TOTAL EXPENSES	\$41,836	\$44,740
Expenses/Unit	\$8,367	\$8,948
Expenses/SF	\$9.87	\$10.55

## GROWTH RATE PROJECTIONS

Income	Year 1	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>Rental Income</b>										
Gross Potential Rent	3.0%	5.00%	4.00%	4.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Loss / Gain to Lease(1)	8.0%	5.00%	2.50%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Physical Vacancy		5.00%	5.00%	5.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Total Vacancy		5.00%	5.00%	5.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
<b>TOTAL OTHER INCOME</b>		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
<b>EXPENSES</b>										
Operating Expenses		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Real Estate Taxes		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Special Assessments		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Utilities		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Management Fee (2)	3.0%									

(1) Displayed as a % of Gross Potential Rent

(2) Management Fees Calculated by % of EGR

## CASH FLOW

INCOME	Current	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>Rental Income</b>											
Gross Potential Rent	147,000	151,410	158,981	165,340	171,953	177,112	182,425	187,898	193,535	199,341	205,321
Loss / Gain to Lease	(14,820)	(12,113)	(7,949)	(4,133)	(1,720)	(1,771)	(1,824)	(1,879)	(1,935)	(1,993)	(2,053)
Gross Current Rent	132,180	139,297	151,031	161,206	170,234	175,341	180,601	186,019	191,600	197,348	203,268
Physical Vacancy	(2,644)	(5,572)	(7,552)	(8,060)	(8,512)	(5,260)	(5,418)	(5,581)	(5,748)	(5,920)	(6,098)
<b>TOTAL VACANCY</b>	<b>(2,644)</b>	<b>(5,572)</b>	<b>(7,552)</b>	<b>(8,060)</b>	<b>(8,512)</b>	<b>(5,260)</b>	<b>(5,418)</b>	<b>(5,581)</b>	<b>(5,748)</b>	<b>(5,920)</b>	<b>(6,098)</b>
<b>Effective Rental Income</b>	<b>129,536</b>	<b>133,725</b>	<b>143,480</b>	<b>153,146</b>	<b>161,722</b>	<b>170,081</b>	<b>175,183</b>	<b>180,438</b>	<b>185,852</b>	<b>191,427</b>	<b>197,170</b>
<b>RUBS / Other Income</b>											
Laundry	4,000	4,000	4,080	4,162	4,245	4,330	4,416	4,505	4,595	4,687	4,780
<b>TOTAL OTHER INCOME</b>	<b>4,000</b>	<b>4,000</b>	<b>4,080</b>	<b>4,162</b>	<b>4,245</b>	<b>4,330</b>	<b>4,416</b>	<b>4,505</b>	<b>4,595</b>	<b>4,687</b>	<b>4,780</b>
<b>EFFECTIVE GROSS INCOME</b>	<b>133,536</b>	<b>137,725</b>	<b>147,560</b>	<b>157,308</b>	<b>165,967</b>	<b>174,410</b>	<b>179,599</b>	<b>184,943</b>	<b>190,446</b>	<b>196,114</b>	<b>201,950</b>
<b>EXPENSES</b>											
Operating Expenses	(9,700)	(9,700)	(9,991)	(10,291)	(10,599)	(10,917)	(11,245)	(11,582)	(11,930)	(12,288)	(12,656)
Real Estate Taxes	(19,367)	(19,367)	(19,754)	(20,149)	(20,552)	(20,963)	(21,383)	(21,810)	(22,247)	(22,692)	(23,145)
Special Assessments	(4,934)	(4,934)	(5,082)	(5,234)	(5,391)	(5,553)	(5,719)	(5,891)	(6,068)	(6,250)	(6,437)
Utilities	(6,585)	(9,489)	(9,774)	(10,067)	(10,369)	(10,680)	(11,000)	(11,330)	(11,670)	(12,020)	(12,381)
Management Fee	0	0	(4,427)	(4,719)	(4,979)	(5,232)	(5,388)	(5,548)	(5,713)	(5,883)	(6,059)
<b>Total Expenses</b>	<b>(40,586)</b>	<b>(43,490)</b>	<b>(49,027)</b>	<b>(50,460)</b>	<b>(51,891)</b>	<b>(53,346)</b>	<b>(54,735)</b>	<b>(56,162)</b>	<b>(57,628)</b>	<b>(59,133)</b>	<b>(60,678)</b>
Operating Reserves	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)
<b>NET OPERATING INCOME</b>	<b>91,701</b>	<b>92,986</b>	<b>97,282</b>	<b>105,597</b>	<b>112,826</b>	<b>119,814</b>	<b>123,614</b>	<b>127,531</b>	<b>131,569</b>	<b>135,731</b>	<b>140,022</b>
<b>PURCHASE PRICE / NET RESIDUAL VALUE</b>											
Purchase Price/Net Residual Value	(1,508,000)										2,435,165
Cash Flow Before Debt Financing	92,986	97,282	105,597	112,826	119,814	123,614	127,531	131,569	135,731	2,575,187	
<b>DEBT FINANCING</b>											
Loan Amount	1,055,600	0	0	0	0	0	0	0	0	0	0
Remaining Balance	0	0	0	0	0	0	0	0	0	0	0
Loan Origination Fees	(10,556)	0	0	0	0	0	0	0	0	0	0
Prepayment Penalty	0	0	0	0	0	0	0	0	0	0	0
Closing Costs	0	0	0	0	0	0	0	0	0	0	(121,758)
Debt Service - Interest	(59,287)	(58,485)	(57,636)	(56,738)	(55,788)	(54,783)	(53,720)	(52,595)	(51,405)	(50,146)	
Debt Service - Principal	(13,833)	(14,635)	(15,484)	(16,381)	(17,331)	(18,336)	(19,399)	(20,524)	(21,714)	(22,974)	
<b>Cash Flow After Debt Financing</b>	<b>(462,956)</b>	<b>19,866</b>	<b>24,163</b>	<b>32,478</b>	<b>39,706</b>	<b>46,695</b>	<b>50,494</b>	<b>54,411</b>	<b>58,449</b>	<b>62,611</b>	<b>2,380,309</b>
Debt Coverage Ratio	1.27	1.33	1.44	1.54	1.64	1.69	1.74	1.80	1.86	1.91	
<b>INVESTOR RETURN</b>											
IRR-Unleveraged	0.00%				13.14%	12.43%	11.97%	11.63%	11.39%	11.20%	10.78%
IRR-Leveraged	4.29%				25.32%	22.92%	21.31%	20.14%	19.25%	18.54%	17.56%
Capitalization Rate	6.17%	6.45%	7.00%	7.48%	7.95%	8.20%	8.46%	8.72%	9.00%	9.29%	



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437 CORTE  
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APARTMENTS

*Section 3*

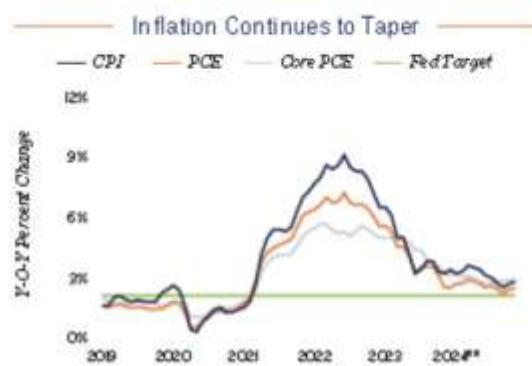
# Market Overview, Demographics, & Market Drivers Of Growth

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# DRIVERS OF RENT GROWTH



## Economic Momentum Carries Into 2025; Policy Uncertainty a Wildcard

**Growth outlook moderate by design.** Last year, the economy exceeded expectations with real GDP growth of 2.7 percent. The employment market overachieved and consumer spending proved more durable than anticipated. Inflation pressures moderated, with core PCE nearing the mid-2 percent range by year-end. This positive momentum is expected to carry the economy forward in 2025 at a more modest 2.1 percent pace, aided by an anticipated uptick in consumer sentiment. The cumulative 100-basis-point reduction of the federal funds rate in the latter part of 2024, while positive, reiterates the transition of the Federal Reserve's focus from inflation risk to supporting the employment market. Although additional rate reductions are expected this year, they will likely be modest. Uncertainty surrounding the implementation of potentially inflationary federal policies including tariffs and stricter immigration controls will remain a consideration of the Federal Reserve as they set rate policy in 2025.

**Soft landing strategy faces crosswinds.** As the Federal Reserve aligns their policies to reduce inflation while sustaining modest economic growth, crosswinds could impede their headway. The anticipated extension of many Tax Cuts and Jobs Act provisions are expected to spur growth in the coming year, but other prospective policies including deregulation, tariffs and immigration control risk the re-ignition of inflation. At the same time, challenges including low-income household financial distress, record consumer debt and continued labor supply shortages could restrain the economy.

**Housing market a key economic ingredient.** The median single-family home price increased by 4 percent to a record \$415,000 in 2024, reiterating the sustained housing shortage. For existing homeowners, the gains bolstered household wealth, pushing total owners' equity to a record \$35 trillion, but for renters, the price increases exacerbated a long-standing barrier to purchasing their first home. Only 27 percent of U.S. households can qualify for a standard Freddie Mac loan on a median priced home, and the spread between the median priced home payment and the average rent stands near \$1,200 per month. This barrier to homeownership has emerged as a major political topic that could spur policy changes, but it also strengthens renter retention for multifamily operators.

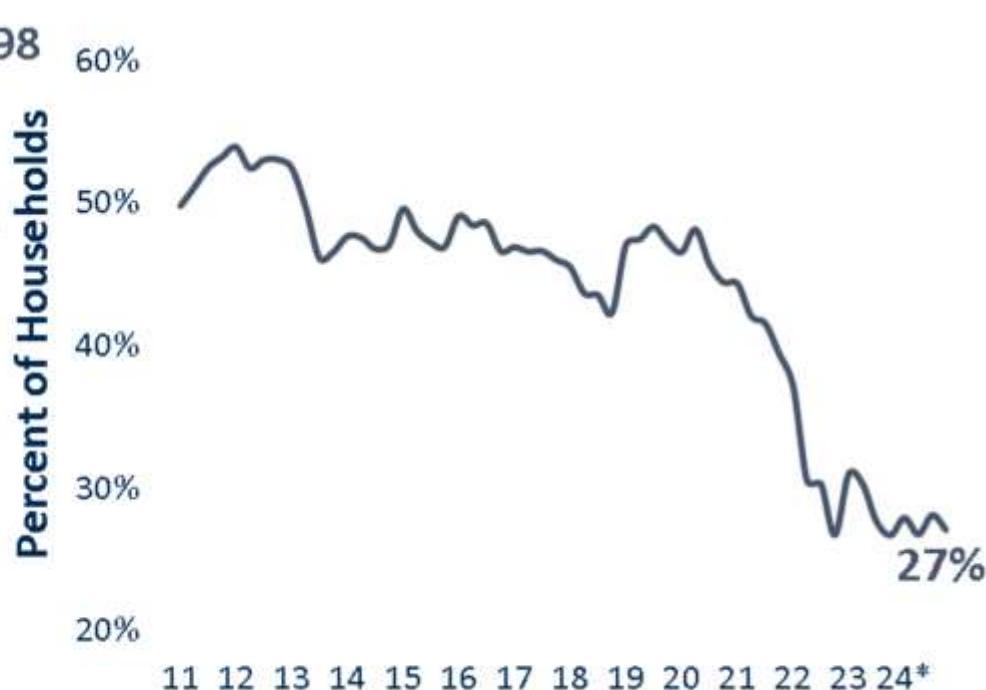
## 2025 NATIONAL ECONOMIC OUTLOOK

## Affordability Gap Widened, Bolstering Rental Demand; Home Loan Qualification Remains a Significant Barrier

### Affordability Gap Between Home Payment and Apartment Rent



### Share of Households That Qualify For Loan on Median-Priced Home



\* Through 4Q

Mortgage payments based on median home price for a 30-year fixed rate mortgage, 90% LTV, taxes, insurance, and PMI, 27% mortgage payment coverage ratio  
 Sources: Marcus & Millichap Research Services, RealPage, Inc., Freddie Mac, National Association of Realtors, U.S. Census Bureau

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## Metros where the spread in costs between renting and owning a home with a mortgage is the widest (all United States Metros)

### No. 1: San Jose, Calif.

- Median monthly housing costs for homes with a mortgage: **\$3,942**
- Median monthly gross rent: **\$2,601**
- Difference: **\$1,341**

### No. 2: San Francisco

- Median monthly housing costs for homes with a mortgage: **\$3,603**
- Median monthly gross rent: **\$2,300**
- Difference: **\$1,303**

### No. 3: New York

- Median monthly housing costs for homes with a mortgage: **\$2,974**
- Median monthly gross rent: **\$1,685**
- Difference: **\$1,289**

*Nations Largest Rent vs. Own Barriers:  
Lending Tree Article: February 12th, 2025*

## NEW TAX BILL ADVANCES WITH CRE-FRIENDLY PROVISIONS

### ■ Tax Bill Progresses Through Congress

- House passed version includes key CRE provisions; Senate approval still pending
- Changes still possible, but framework offers early insight for investors

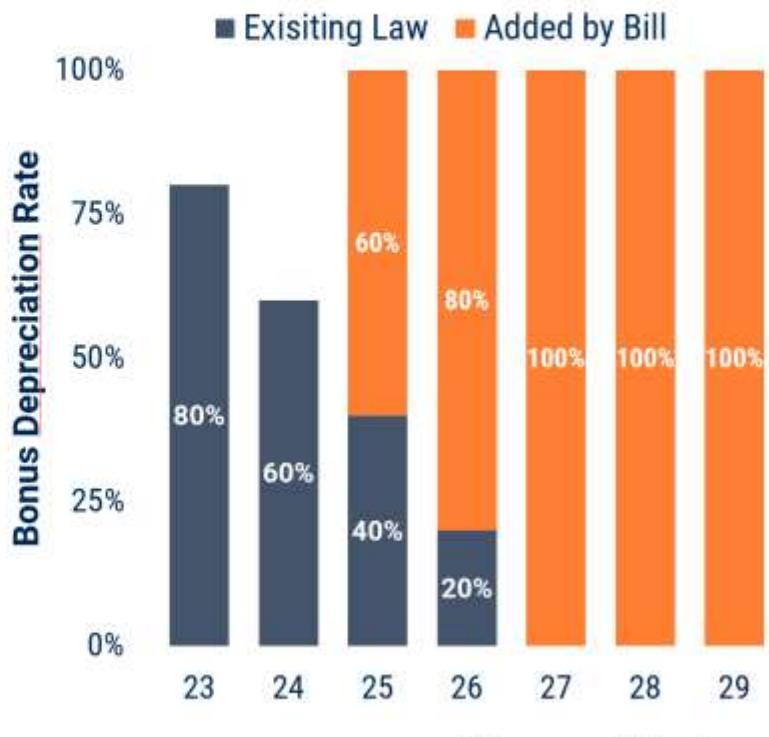
### ■ Key Provisions Likely to Benefit Commercial Real Estate

- 1031 exchanges and carried interest rules left untouched
- QBI deduction raised to 23% and made permanent
- Bonus depreciation extended through 2029 with 100% first-year expensing

### Investors Remain Optimistic Despite Rising Distress

- Bill may increase deficit by \$2.6T to \$4.3T over 10 years
- Added Treasury issuance could pressure interest rates upward
- Commercial real estate benefits may help offset rate impact, especially for value-add deals

### House Bill Restores 100% Bonus Depreciation For 2025-2029



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As of May 28

Sources: Marcus & Millichap Research Services, Internal Revenue Code §164(b)(6); House-passed American Growth & Opportunity Act, Sec. 11004 (BPC summary 5/22/25)

## Tightening Vacancy, Including for Newer Units, Underscoring Drive for Investment



**Oakland hits inflection point with improving operations.** Leading the Bay Area in labor recovery, the metro saw renter demand pick up in 2024, lowering vacancy with tailwinds likely to push into 2025. Needs were broad, with seven of the nine submarkets noting lower vacancy as total net absorption last year hit its highest level since 2021. Under a lower 2025 delivery slate, the vacancy trend should extend into the near future, as construction will be mainly focused in Fremont and the Oakland-Berkeley area. The latter's inventory has grown over 15 percent since 2018 – the largest increase among submarkets – but a thinner pipeline beyond 2025 will allow for gradual absorption and rent stabilization. Class A vacancy is lower here than that of Class B or C, suggesting the supply is justified. Marketwide, Class B properties note the tightest operational conditions, primarily in the Fremont, Concord-Martinez and San Ramon-Dublin submarkets. The significant rent delta between Class A and B will continue to highlight the appeal of mid-tier options for those priced out of luxury rentals.

**Locales close to labor and transportation hubs attract greater attention.** Class C assets, which saw the only mean rent increase in 2024, are set for heightened deal flow as the job market strengthens. Berkeley, East Oakland and Richmond-Martinez accounted for over 30 percent of the metrowide deal volume last year, bolstered by the presence of transportation hubs like BART and bridges linking to the West Bay. With local corporations implementing return-to-office policies, bringing more commuters back to the East Bay, transaction velocity may increase as market fundamentals improve. The October 2024 ridership report indicates a growing weekday commuter base in the Berkeley-Oakland submarket, where the most net absorption across submarkets took place last year at 1,200 doors – more than double the runner-up. The submarket also noted a decrease in Class A vacancy. This dynamic likely fueled the recent rise in Class A and B deals, particularly in the city of Berkeley, as well as in Downtown and East Oakland.



\*Estimate; \*\*Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics; RealPage, Inc.

## 2025 MARKET FORECAST

NMI RANK 40

*Despite lessening supply pressure, minor household growth places the metro toward the lower end of the 2025 NMI.*

+1.3%



**EMPLOYMENT:** Hiring is expected to accelerate this year, providing 15,500 net new jobs by the end of 2025, which is roughly in line with the trailing three-year annual average.

1,700



units

**CONSTRUCTION:** Development will ease for the second consecutive year to over 40 percent below the trailing five-year mean. Oakland and Fremont will see over 65 percent of this year's openings.

-10 bps



**VACANCY:** Low supply-side pressures and improved job creation will aid renter demand, helping lower vacancy to 4.8 percent. This is 20 basis points higher than the trailing five-year average.

+1.8%



**RENT:** Rent gains will continue to see traction as demand picks up, lifting the mean monthly rent to a historical \$2,643. This is over 4 percent above the five-year mean from 2020 to 2024.

### INVESTMENT:

*Investors bullish on AASEG's Coliseum purchase agreement may look at nearby areas. Their planned \$5 billion redevelopment project includes housing, restaurants, amphitheater and a new convention center.*

## EAST BAY EMPLOYMENT OVERVIEW

The Oakland/East Bay metro is located on the eastern side of the San Francisco Bay and encompasses 1,470 square miles across Alameda and Contra Costa counties. Lower housing costs and quick access across the Bay lure many San Francisco workers to the East Bay. The Port of Oakland is a major economic driver for the area, and roughly 2.5 million TEUs pass through annually. The area is also experiencing a boom in redevelopment, especially in older areas of Oakland and Hayward. These efforts are helping to attract businesses and residents. High-paying jobs in the tech sector are still attracting young professionals to the metro, and AI jobs are creating a huge boost to the entire SF Bay Area Employment demand.

### METRO HIGHLIGHTS



#### WORLD-CLASS INSTITUTIONS

Students have access to 15 universities in the Greater Bay Area including one campus of the University of California.



#### EDUCATED WORKFORCE

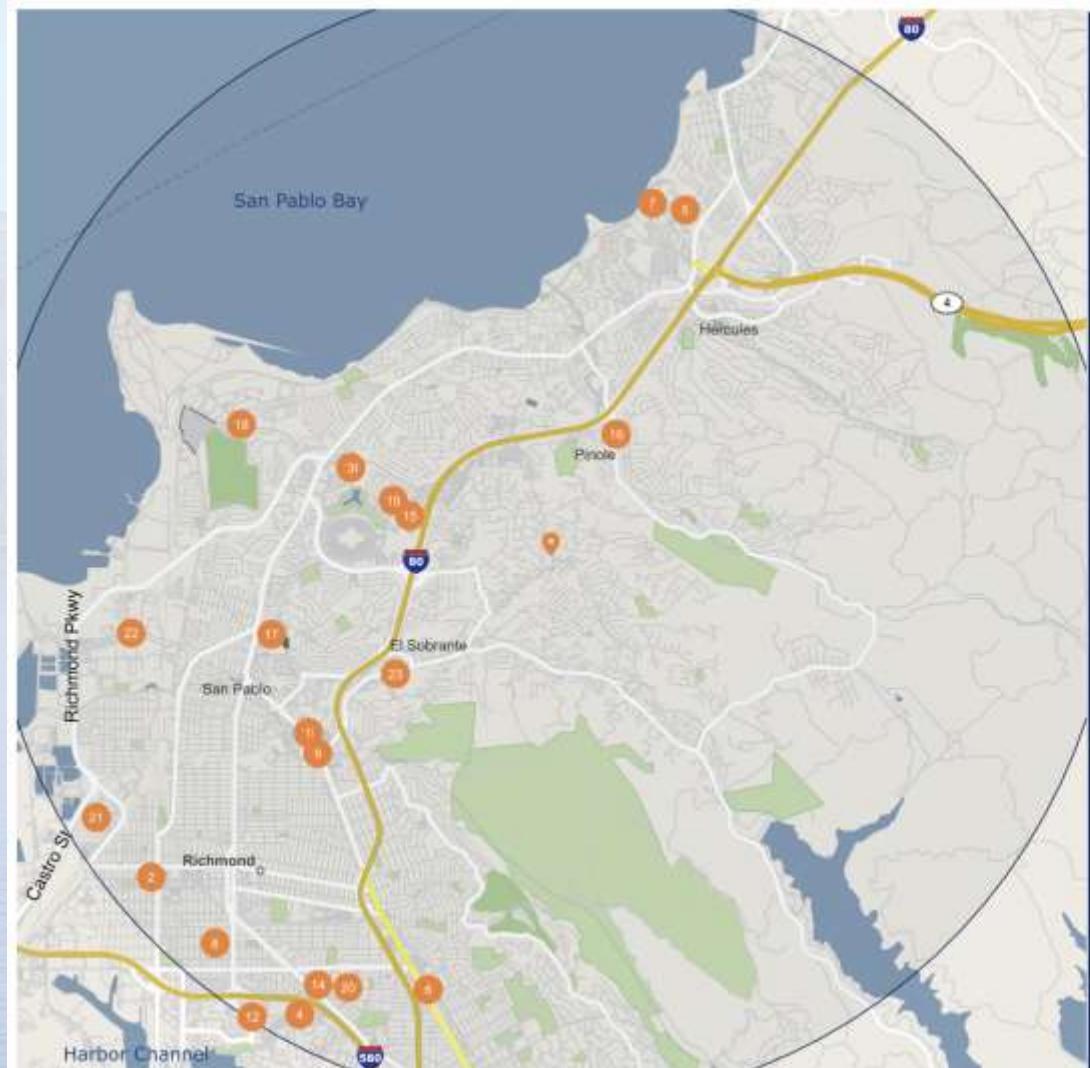
The large base of skilled workers supports the diversification in local industries, drawing additional tech and research employers.



#### ELEVATED HOUSEHOLD INCOME

The skilled labor pool and increase in higher-paying jobs have produced a median income that is nearly \$40,000 above the U.S. level.



**Major Employers**

	<b>Employees</b>
1 Vale Operating Company LP-Vale Healthcare Center	13,480
2 Kaiser Foundation Hospitals-Kaiser Permanente	3,889
3 Young MNS Chrstn Assn of E Bay-West Contra Costa YMCA	2,723
4 Safeway Inc-Safeway	2,083
5 Bio-RAD Laboratories Inc-Finance Department	1,500
6 Safeway Inc-Safeway	1,190
7 Bio-RAD Laboratories Inc-Bio-RAD	995
8 Young MNS Chrstn Assn of E Bay-Coronado YMCA	845
9 Lytton Rancheria-Casino San Pablo	547
10 Young MNS Chrstn Assn of E Bay-Hilltop Family YMCA	469
11 Mariner Health Care Inc-Vale Healthcare Center	431
12 California Dept of Pub Hlth	409
13 California Dept of Pub Hlth-Genetic Disease Screening Program	409
14 Monterey Pine Apartments	354
15 Century Theatres Inc	351
16 Dabs Inc	350
17 Contra Costa Cmnty College Dist-Contra Costa College	334
18 United Parcel Service Inc-UPS	318
19 Michael Steads Auto Depot Inc-Hilltop Chrysler Plymouth	300
20 Caliber Public Schools	295
21 Young MNS Chrstn Assn of E Bay-YMCA Richmond Cdc	282
22 First Student Inc	250
23 Falcon Critical Care Transport A Nr	250
24 California Dept of Pub Hlth-Viral Rickettsial Disease Lab	204
25 California Dept of Pub Hlth-Division Envmtl Occupnl Dsase	204



## POPULATION

In 2024, the population in your selected geography is 239,803. The population has changed by 7.64 percent since 2010. It is estimated that the population in your area will be 242,752 five years from now, which represents a change of 1.2 percent from the current year. The current population is 50.7 percent male and 49.3 percent female. The median age of the population in your area is 39.0, compared with the U.S. average, which is 39.0. The population density in your area is 3,050 people per square mile.



## EMPLOYMENT

In 2024, 121,668 people in your selected area were employed. The 2010 Census revealed that 57.8 of employees are in white-collar occupations in this geography, and 18.4 are in blue-collar occupations. In 2024, unemployment in this area was 5.0 percent. In 2010, the average time traveled to work was 35.00 minutes.



## HOUSEHOLDS

There are currently 81,617 households in your selected geography. The number of households has changed by 7.38 percent since 2010. It is estimated that the number of households in your area will be 82,603 five years from now, which represents a change of 1.2 percent from the current year. The average household size in your area is 2.9 people.



## HOUSING

The median housing value in your area was \$670,707 in 2024, compared with the U.S. median of \$321,016. In 2010, there were 45,737.00 owner-occupied housing units and 30,270.00 renter-occupied housing units in your area.



## INCOME

In 2024, the median household income for your selected geography is \$102,671, compared with the U.S. average, which is currently \$76,141. The median household income for your area has changed by 70.40 percent since 2010. It is estimated that the median household income in your area will be \$112,816 five years from now, which represents a change of 9.9 percent from the current year.

The current year per capita income in your area is \$43,467, compared with the U.S. average, which is \$40,471. The current year's average household income in your area is \$124,802, compared with the U.S. average, which is \$101,307.



## EDUCATION

The selected area in 2024 had a lower level of educational attainment when compared with the U.S. averages. 32.0 percent of the selected area's residents had earned a graduate degree compared with the national average of only 13.5 percent, and 8.1 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 14.9 percent vs. 8.8 percent, respectively.

The area had fewer high-school graduates, 3.5 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 25.5 percent in the selected area compared with the 19.7 percent in the U.S.

POPULATION	1 Mile	3 Miles	5 Miles
<b>2029 Projection</b>			
Total Population	14,771	112,381	242,752
<b>2024 Estimate</b>			
Total Population	14,562	110,882	239,803
<b>2020 Census</b>			
Total Population	14,573	111,917	243,855
<b>2010 Census</b>			
Total Population	13,593	104,501	222,783
<b>Daytime Population</b>			
2024 Estimate	12,691	78,048	163,937
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
<b>2029 Projection</b>			
Total Households	5,241	40,200	82,603
<b>2024 Estimate</b>			
Total Households	5,166	39,672	81,617
Average (Mean) Household Size	2.8	2.8	2.9
<b>2020 Census</b>			
Total Households	5,061	38,940	80,262
<b>2010 Census</b>			
Total Households	4,968	37,222	76,009
Growth 2024-2029	1.5%	1.3%	1.2%
HOUSING UNITS	1 Mile	3 Miles	5 Miles
<b>Occupied Units</b>			
2029 Projection	5,468	41,827	86,021
2024 Estimate	5,388	41,267	84,984
Owner Occupied	3,529	25,257	47,917
Renter Occupied	1,683	14,431	33,812
Vacant	222	1,595	3,367
<b>Persons in Units</b>			
2024 Estimate Total Occupied Units	5,166	39,672	81,617
1 Person Units	22.0%	23.0%	22.2%
2 Person Units	31.9%	30.7%	29.3%
3 Person Units	18.0%	17.1%	17.0%
4 Person Units	14.2%	14.9%	15.6%
5 Person Units	8.0%	8.1%	8.5%
6+ Person Units	5.9%	6.2%	7.4%

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
<b>2024 Estimate</b>			
\$200,000 or More	16.6%	17.7%	16.5%
\$150,000-\$199,999	16.6%	14.9%	13.3%
\$100,000-\$149,999	20.5%	20.4%	19.2%
\$75,000-\$99,999	12.2%	12.1%	11.8%
\$50,000-\$74,999	13.1%	12.9%	12.9%
\$35,000-\$49,999	7.2%	8.3%	9.0%
\$25,000-\$34,999	3.9%	4.0%	5.2%
\$15,000-\$24,999	3.4%	4.0%	4.6%
Under \$15,000	6.5%	5.8%	7.4%
Average Household Income	\$132,895	\$135,444	\$124,802
Median Household Income	\$109,719	\$112,250	\$102,671
Per Capita Income	\$48,039	\$48,244	\$43,467
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
<b>Population By Age</b>			
2024 Estimate Total Population	14,562	110,882	239,803
Under 20	19.7%	20.8%	23.2%
20 to 34 Years	18.9%	20.0%	20.8%
35 to 39 Years	6.9%	7.2%	7.5%
40 to 49 Years	12.9%	13.0%	13.5%
50 to 64 Years	21.4%	20.7%	18.9%
Age 65+	20.2%	18.4%	16.0%
Median Age	43.0	41.0	39.0
<b>Population 25+ by Education Level</b>			
2024 Estimate Population Age 25+	10,850	81,108	168,734
Elementary (0-8)	5.4%	6.3%	9.9%
Some High School (9-11)	6.1%	6.2%	7.8%
High School Graduate (12)	17.6%	19.4%	20.1%
Some College (13-15)	23.9%	22.0%	20.3%
Associate Degree Only	8.5%	9.5%	8.1%
Bachelor's Degree Only	26.6%	24.9%	21.6%
Graduate Degree	12.0%	11.7%	12.2%
<b>Population by Gender</b>			
2024 Estimate Total Population	14,562	110,882	239,803
Male Population	51.0%	51.2%	50.7%
Female Population	49.0%	48.8%	49.3%



# 437 CORTE ARANGO

## APARTMENTS

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Thank you for giving us the opportunity to work with you and I will do absolutely everything in my power to make sure you received the highest possible level of service.

Jon Holmquist  
415-596-3691 Cell

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