

EXCLUSIVE INVESTMENT OFFERING



THE UPHAM STREET TOWNHOMES

418-422 UPHAM STREET, PETALUMA | 6 UNITS | \$3,495,000

DISCLAIMER NOTICE

Norcal's Source for Apartment Brokerage Services



Norcal Commercial ("Broker") has been retained on an exclusive basis to market the property described herein ("Upham Street Townhomes"). Broker has been authorized by the Seller of the Property to prepare and distribute the enclosed Offering Memorandum for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller, its affiliates or Broker. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Effective Jan 1, 2020 the state of California passed AB 1482: Tenant Protection Act of 2019. Buyer is advised to research local and statewide rental laws impacting the subject property.

All inquiries related to the property should be directed to the exclusive listing agents:



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INVESTMENT SUMMARY:

Located in the coveted Westside District of the charming and vibrant city of Petaluma, Upham Street Townhomes is a stunning pride of ownership property featuring 6-2x1.5 townhomes with spacious floor plans and modern amenities.

At Three Million Four Hundred Ninety-Five Thousand dollars, Upham Street Townhomes is priced at a 5.26% cap rate and \$530 per square foot comparing favorably to other Class A sales in the North Bay.

FINANCING:

After making a down payment of \$1,747,500 the buyer will secure new financing at fixed rates ranging from 5.75-6.05% for either 3 or 5 year fixed term and full 30 amortization and loan term. Starting annual cash flow of \$58,899 grows to \$68,211 at what are believed to be today's market rents, with total starting return including principle reduction of \$80,559 growing to over \$89,000. Contact listing agent for financing referral if needed.

INVESTMENT HIGHLIGHTS:

Current GRM:	13.67	Current CAP Rate:	5.26%
Market GRM:	13.18	Market CAP Rate:	5.53%
Price/Unit:	\$582,500	Price/SF:	\$530

PROPERTY HIGHLIGHTS

- 1986 Construction
- Garages
- Dual pane windows
- In-unit laundry
- Dishwashers & microwaves
- Shaker kitchen cabinetry
- Granite countertops
- Fireplaces
- Spacious floorplans
- Ample storage
- Pitched Comp Roofing
- Westside Location
- Walk to dining & shops
- Separate entrances
- Mature landscaping
- Private outdoor spaces
- Residential Neighborhood



PROPERTY OVERVIEW

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PROPERTY DESCRIPTION

Situated in the heart of Petaluma, a 10-minute stroll from bustling restaurants, bars and shops on Kentucky Street and Petaluma Boulevard sits the Upham Street Townhomes. This charming contemporary rental community consists of six two-bedroom one and a half bathroom townhouses with attached one-car garages.

Perennially high occupancy is easy to understand. Beautiful spacious 1100 square foot updated apartments with garages and full-sized washer dryers tucked into a true residential neighborhood, is both coveted and rare. Built in 1986 by a respected local builder, Ralph Webb, Upham Street Townhomes offers quality and location.

Priced to offer immediate cash flow to a knowledgeable investor, a seamless hand-off will be made from a conscientious local owner to its next owner. With recent updating in 2014, including new roofs and many interior upgrades, one would expect a very low level of management and maintenance demands and ACTUAL pride of ownership.

Unit Interiors

Featuring attractive two-story townhome floorplans of approximately 1100 square feet, living room and kitchen open to either a yard and/or a deck with two generous bedrooms and full bath upstairs and half bath on the main lower floor. 422 units feature both back yard and large deck while 418 & 420 units have direct garage access.

Contemporary kitchens feature stone countertops, multipaneled wood cabinetry, gas ranges, refrigerator, dishwasher, microwave range hood and garbage disposal. Full size washer dryers included with every unit are located in the one-car fully finished garages, as are the 40-gallon hot water heaters and gas forced air furnaces. Air conditioning has been added to 418A. Units feature state of the art lighting, wall and ceiling surfaces and fire sprinklers which are both ideal for safety and in keeping casualty insurance premiums in check.

Exteriors and Roofs

Built in the style of wood frame on perimeter concrete foundations, the Upham Street Townhomes also feature bolted foundations, interior shear wall and wood lap siding in addition to relatively recent pitched asphalt shingle roofs throughout, making this a lifetime legacy style property for the ages.

Combining quality real estate with superior location, Norcal Commercial is proud to offer this once in a lifetime multifamily investment.

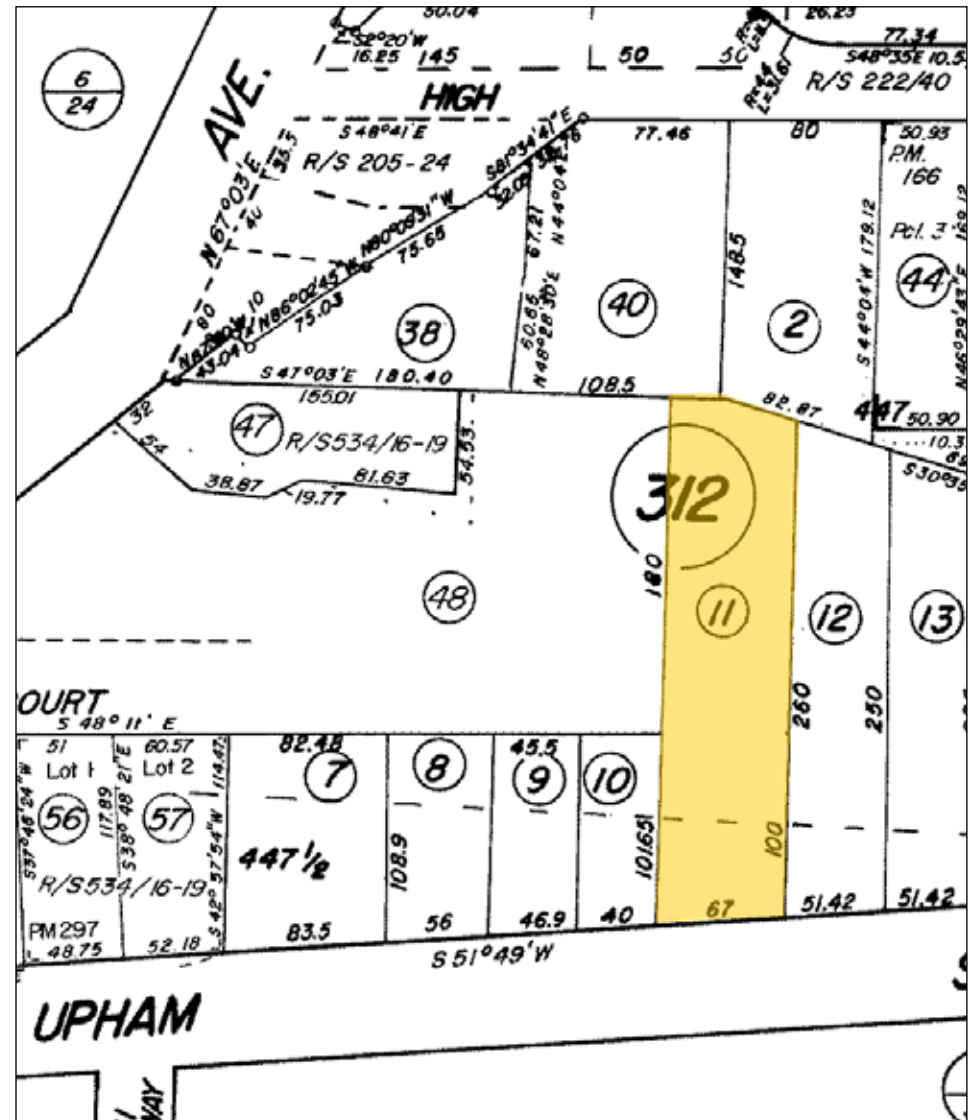


SITE SURVEY

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Address:	418-422 Upham St, Petaluma, CA
Parcel Number(s):	006-312-011
Parcel(s) Size:	17,420 SF
Year Built:	1986
Building Size:	6,600 Est. SF
Buildings:	3 - 2 story
Parking:	6 garages, 6 open
Construction Style:	Woodframe, Wood siding
Roof(s):	Pitch Comp Shingle
Foundation:	Perimeter
Heating/Cooling:	Gas Forced Air *A/C in 1 unit
Hot Water:	Individual-40 Gallon
Plumbing:	Copper
Electrical:	Circuit Breakers
Laundry:	In-Unit washer/dryer
Kitchen:	Gas Range, Dishwasher
Windows:	Dual-pane
Utilities (owner):	Water & Sewer - Bill back to tenants
Utilities (tenant):	Trash, PG&E
Amenities:	Garages, Private Patios, Laundry, Storage



LOCATION OVERVIEW

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PETALUMA - The Gateway to the Wine Country

Located approximately 40 miles north of the Golden Gate Bridge, the vibrant city of Petaluma has a population of approx. 60,000 and is the southern most city in Sonoma County bordering Marin County. The city boasts a diverse economy with key sectors in agriculture, tech, and manufacturing, complemented by a thriving downtown with renowned food & shopping scene highlighting local produce and artisans.

*Webby Award-winning home and lifestyle blog Apartment Therapy recently released its list of the "15 Vibiest Towns in America." Petaluma made it on the list as its only featured town in Northern California.**

With a strong sense of community, excellent schools, and abundant recreational opportunities, Petaluma offers a high quality of life. A combination of a robust local economy and constrained housing supply make Petaluma well-positioned for continued growth and increasing property values, and a stable and desirable place to invest.

STRONG RENTAL MARKET

In a Spring 2024 apartment rent survey of 12,391 units, Petaluma's vacancy factor of 3.8% compares favorably with US rental vacancy factor of 5.8%. In other words, there are more renters than apartments in Petaluma. In the same rent survey, Petaluma's rent growth of 5.50% between April 2023 and April 2024 further demonstrates the strength of the demand for rental housing in Petaluma.

A historically strong rental market, since the late 1980's Petaluma's housing stock has not kept up with population growth. The second largest city in Sonoma County has seen multiple periods of near double digit annual rent growth for successive years and coming out of a four year rent freeze, the City and County are again poised for strong rent growth.

*Excerpt and photos from article in Sonoma Magazine Aug 2024



PETALUMA ECONOMIC INDICATORS



\$108,527

Average Household Income



\$922,667

Median Home Sale Price



OPERATING INFORMATION

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UNIT#	BD x BA	EST. SF	CURRENT	MARKET
418A	2x1.5 TH	1,100	\$3,400	\$3,600
418B	2x1.5 TH	1,100	\$3,300	\$3,500
420A	2x1.5 TH	1,100	\$3,500	\$3,500
420B	2x1.5 TH	1,100	\$3,500	\$3,500
422A	2x1.5 TH	1,100	\$3,400	\$3,600
422B	2x1.5 TH	1,100	\$3,400	\$3,600
Total	6	6,600	\$20,500	\$21,300
Utility Reimbursement			\$650	\$650
Other			\$150	\$150
Monthly Scheduled Gross Income			\$21,300	\$22,100
Annual Scheduled Gross Income			\$255,600	\$265,200
Vacancy (3%)			\$7,668	\$7,956
GROSS ANNUAL INCOME			\$247,932	\$257,244
ANNUAL EXPENSES			CURRENT	MARKET
Taxes (New Rate)			\$39,144	\$39,144
Insurance (Est.)			\$4,110	\$4,110
Water & Sewer (Est.)			\$6,042	\$6,042
Gas & Electric			\$0	\$0
Trash			\$0	\$0
Onsite/Janitorial			\$3,600	\$3,600
Maintenance/Repair (Est.)			\$5,000	\$5,000
Pest & Landscaping			\$4,585	\$4,585
Misc.			\$1,500	\$1,500
TOTAL EXPENSES (25.03%)			\$63,981	\$63,981
NET OPERATING INCOME			\$183,951	\$193,263

FINANCIAL SUMMARY

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PRICING SUMMARY			
Price	\$3,495,000	APN	006-312-011
Down Payment	\$1,747,500	Approx. Age	1986
Number of Units	6	Approx. Lot Size	17,420 SF
Cost per Unit	\$582,500	Est. Net RSF	6,600
Current GRM	13.67	Cost per Net RSF	\$545.45
Market GRM	13.18		
Current CAP	5.26%		
Market CAP	5.53%		

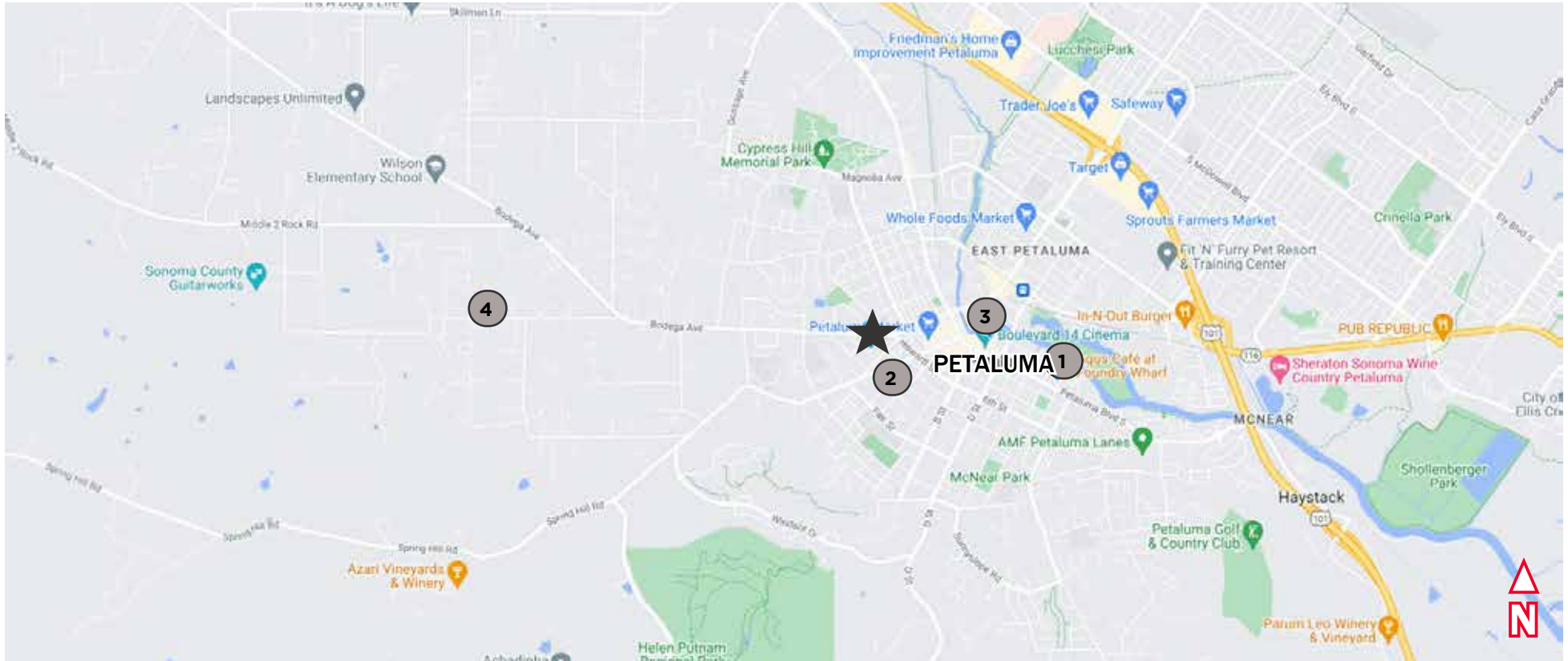
PROPOSED FINANCING			
First Loan Amount	\$1,747,500	New, 3 year Fixed	
Amortization	30 years		
Rate	5.95%		
Monthly Payment	\$10,421		
DCR	1.47		

RETURN	CURRENT		MARKET	
Net Operating Income	\$183,951		\$193,263	
Less Loan Payments	\$125,052		\$125,052	
Pre-Tax Cash Flow	\$58,899	3.37%*	\$68,211	3.90%*
Plus Principal Reduction	\$21,661		\$21,661	
Total Return Before Taxes	\$80,559	4.61%*	\$89,871	5.14%*

*as a % of Down Payment

RENT COMPARABLE ANALYSIS

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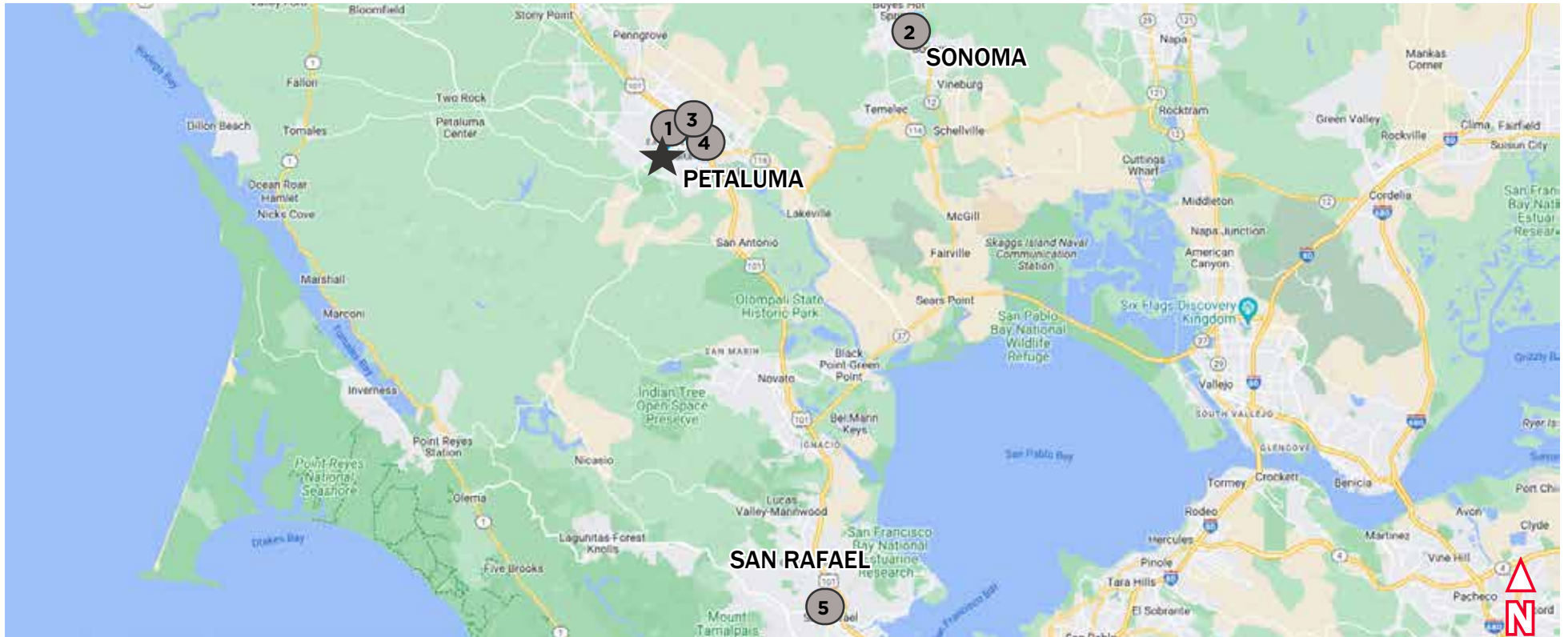


Rent Comps	Units	Type	Rent	Price/SF	Vacancy	Utilities
★ 418-422 Upham St	6	2x1.5 TH	\$3,417*	\$3.11	0	None
① 204 H St	1	2x2	\$3,500	\$3.61	1	T
② 315 Baker St	2	2x2	\$3,250	\$3.25	0	None
③ 101 2nd St	43	2x2	\$3,675	\$3.34	5	None
④ 1083 Eastman Ln	1	2x1	\$3,400	\$3.24	1	None

*average rent

SOLD COMPARABLE ANALYSIS

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Sold Comps	Units	Price	Year	\$/Unit	GRM	Cap	\$/SF	Notes	COE
1 331 Keller St #10, Petaluma	1-2x2.5 Cndo	\$805,000	1930	\$805,000	-	-	\$609	\$578/mo HOA, no garage	10/24
2 750 W Spain St, Sonoma	2-2x2	\$1,505,000	2000	\$752,500	-	-	\$592	Comparable location/amenities	10/24
3 345 Wilson St, Petaluma	6-2x1	\$2,600,000	1970	\$433,333	12.95	5.95%	\$563	Inferior units/amenities	5/23
4 1013 Warren Dr, Petaluma	1-2x2.5 Cndo	\$699,000	1999	\$699,000	-	-	\$700		4/24
5 147 Ross St, San Rafael	2-1x1, 4-2x2	\$3,900,000	1965	\$650,000	17.29	3.90%	\$776	Inferior amenities/units	9/23
Comparable Averages				\$667,967	15.12	4.93%	\$648		
★ 418 Upham St, Petaluma	6-2x1.5 Thse	\$3,495,000	1986	\$582,500	13.67	5.26%	\$530	Garages, laundry, yards	Subject

The information set forth herein has been received by us from sources we believe to be reliable. We do not warrant its accuracy or completeness.



PROPERTY PHOTOS

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