

# FOR SALE

Prime Santa Clara Multi-Tenant Medical/Dental Building  
545 Saratoga & 2790 Newhall Street  
Santa Clara, California



 **PRIME COMMERCIAL**  
INCORPORATED

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## INVESTMENT SUMMARY

Offering Price	\$4,400,000.00
Capitalization Rate	4.60%
Potential Net Operating Income	\$202,350
Expense Service	Industrial Gross
Building Area	
545 Saratoga Ave	6,347 SF
2790 Newhall St	2,916 SF
Land Area	0.78 Acres



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## INVESTMENT OFFERING

Prime Commercial, Inc., is pleased to offer for sale 545 Saratoga Avenue & 2790 Newhall Street in Santa Clara California. This two building medical/dental complex is 86% occupied and is comprised of seven office suites mainly occupied by dentists that have had long term tenancy. Most of the leases are at below market rent and present upside potential. The property has a highly visible location at the southwest corner of busy Saratoga Avenue and Newhall Street in Santa Clara. There are two surface parking lots with a total of 31 parking spaces situated on 0.78 acres. The asset provides the investor an excellent corner location, well maintained medical complex and the opportunity to increase cash flow by bringing rents to market level.

## INVESTMENT HIGHLIGHTS

- Rare medical/dental leased fee investment for sale
- Upside potential with below market leases in a tight medical office market
- High identity corner location
- Large lot- 0.78 acre
- Well maintained buildings and parking lots
- Stable rental history with long term tenants

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## PROPERTY OVERVIEW

### LOCATION

545 Saratoga Avenue & 2790 Newhall Street  
Santa Clara, California 95050

### SITE

Northwest corner of Saratoga Avenue & Newhall Street  
APN 303-08-082

### LAND AREA

Irregular shape parcel totaling 0.78 acres.

### BUILDING AREA

545 Saratoga Avenue is a single-story, freestanding medical/dental building that was built in 1974. The structure is 6,347 square feet and is divided into five self-contained office suites. The building is wood frame construction with concrete slab foundation and a combination flat and mansard style roof. The interior of each suite is improved with operatories, offices, and reception areas. All suites have HVAC and private restrooms. 2790 Newhall Street is a separate office building and is of similar construction quality and interior build-out to the larger building. 2970 Newhall Street is single-story with 2,916 Square feet and is divided into two suites. The improvements have been well maintained and show pride of ownership.

### PARKING

Two paved and striped parking lots. Lot 1 is accessed via a curb cut off of west bound Saratoga Avenue and has 24 spaces. Lot 2 has 7 spaces and has one curb cut off of northbound Newhall Street. Both parking lots were resurfaced in 2018.

### TRAFFIC COUNTS

Saratoga Avenue	12,287 ADT
Newhall Street	12,137 ADT

### ZONING

Per the City of Santa Clara the property is zoned OA (Professional and Administrative Office). The General Plan is designated Neighborhood Commercial.



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## SANTA CLARA COUNTY

Santa Clara County is the most populous of the nine counties that make up the San Francisco Bay Region. The population of this metroplex is approximately 7,650,000 with approximately 1,781,642 residents residing in Santa Clara County. Over the past half century, Santa Clara County has been internationally referred to as “Silicon Valley” with a constant evolution of computers and high technologies being created in the region. The county has a highly affluent and educated workforce that provides the talent for these established and emerging high technology companies. Some of Santa Clara County’s largest employers include Apple Computer, Google, Advanced Micro Devices, Adobe, Netflix, and Hewlett Packard.

When compared to the twenty most populated counties in the United States, Santa Clara County ranks sixth in retail sales per capita, eighth in restaurant sales per capita, and first nationally in household income at over \$112,000. The area has some of the top institutions of higher learning which include Stanford University, Santa Clara University, and San Jose State. Santa Clara County has the third highest percentage of adults with bachelor’s or higher degrees compared to other counties nationally. In a recent study by ABAG, Santa Clara County is projected to have more than 1.4 million jobs by 2035 with its population swelling to 2.4 million residents.

## THE CITY OF SANTA CLARA

The subject property is located in the city of Santa Clara at the northwest corner of Saratoga Avenue and Newhall Street. Santa Clara is one of thirteen incorporated cities that make up Santa Clara County. The population of Santa Clara is 129,488 with an average age of 34.2 years. Santa Clara is highly affluent with an average household income of \$127,425 which is exceedingly high compared to other cities in the state of California. In addition to strong purchasing power, its residents are highly educated with over 61.5% of the population having a bachelor’s or graduate degree. With such a highly educated and talented population, it is no wonder that some of the region’s largest high technology employers are located in Santa Clara. Access to Santa Clara is convenient, with US Highway 101, US Highway 880, El Camino Real (State Highway 82), and San Tomas as well as Lawrence expressways all providing points of entry. Santa Clara is also home to Santa Clara University, the oldest institution of higher learning in the state; Levi’s Stadium, home to the San Francisco 49ers; and California’s Great America amusement park.

The immediate neighborhood surrounding the subject is established with single family homes and garden-style apartment buildings. Single family homes in the area continue to be in demand with an average price of \$1,200,000. There are a number of garden style apartment buildings located to the rear of the subject. Occupancy percentages among these buildings are in the high 90’s and rents are high. Along Scott Boulevard (just north of the subject), there are several single-story medical office complex all of which have occupancies of 90% or more. Westfield Valley Fair shopping center, a 1.6 million square foot indoor shopping mall is approximately 1 mile to the southeast as well as Santana Row shopping center that has over 700,000 square feet of retail shops and restaurants.

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## RENT ROLL

Address	Unit	Tenant	Square Feet	Lease Commencement	Lease Expiration	Projected Monthly Rent	Rent/ Square Foot	Expense Service	Escalation	Options
545 Saratoga	A	Andrew Day, DDS	1,512	2/1/1996	11/1/2023	\$3,901	\$2.58	IG	3% annual	3-5 year at FMV
	B	Rujvi Bhatt, DDS	1,366	2/1/1995	8/4/2024	\$3,100	\$2.27	IG	CPI annual 3% min / 8% max	1-7 year at FMV
	C	US Dental Lab	1,077	mo.-to-mo.	mo.-to-mo.	\$2,090	\$1.94	IG	3% annual	None
	D	Michael Pierce, DC	1,150	4/1/1997	4/1/2022	\$3,000	\$2.61	IG	3% annual	1-4 year at FMV
	E	Sorana Munteneau, DDS	1,242	11/1/1997	9/1/2022	\$3,355	\$2.70	IG	CPI annual % min / 8% max	1-7 year at FMV
2790 Newhall St	A	Vacant	1,296	N/A	N/A	\$3,888	\$3.00	IG	N/A	N/A
	B	Wayne Hane, DDS	1,620	1/1/1996	4/1/2024	\$4,183	\$2.58	IG	Biennial CPI	1-7 year at FMV
Total			9,263			\$23,517				
Potential Annual Income						\$282,204				

## CASH FLOW ANALYSIS

	2018	2019	2020 Projected
Gross Potential Income	\$267,653	\$248,126	\$282,500
Vacancy (2%)	\$5,353	\$4,963	\$5,650
Effective Gross Income	\$262,300	\$243,164	\$276,850
Less Operating Expenses	\$141,578	\$70,671	\$74,500
Net Operating Income	\$120,721	\$172,492	\$202,350

## EXPENSES

Property Tax	\$58,888
Direct Assessment	\$682
Insurance	\$3,091
Repair/Maintenance	\$1,700
Roof Repairs	\$600
Landscape	\$4,600
Water/Sewer/Trash	\$10,939

Total \$74,500

PRICE \$4,400,000 (4.60% CAP Rate)  
PRICE PER SQUARE FOOT \$475.01

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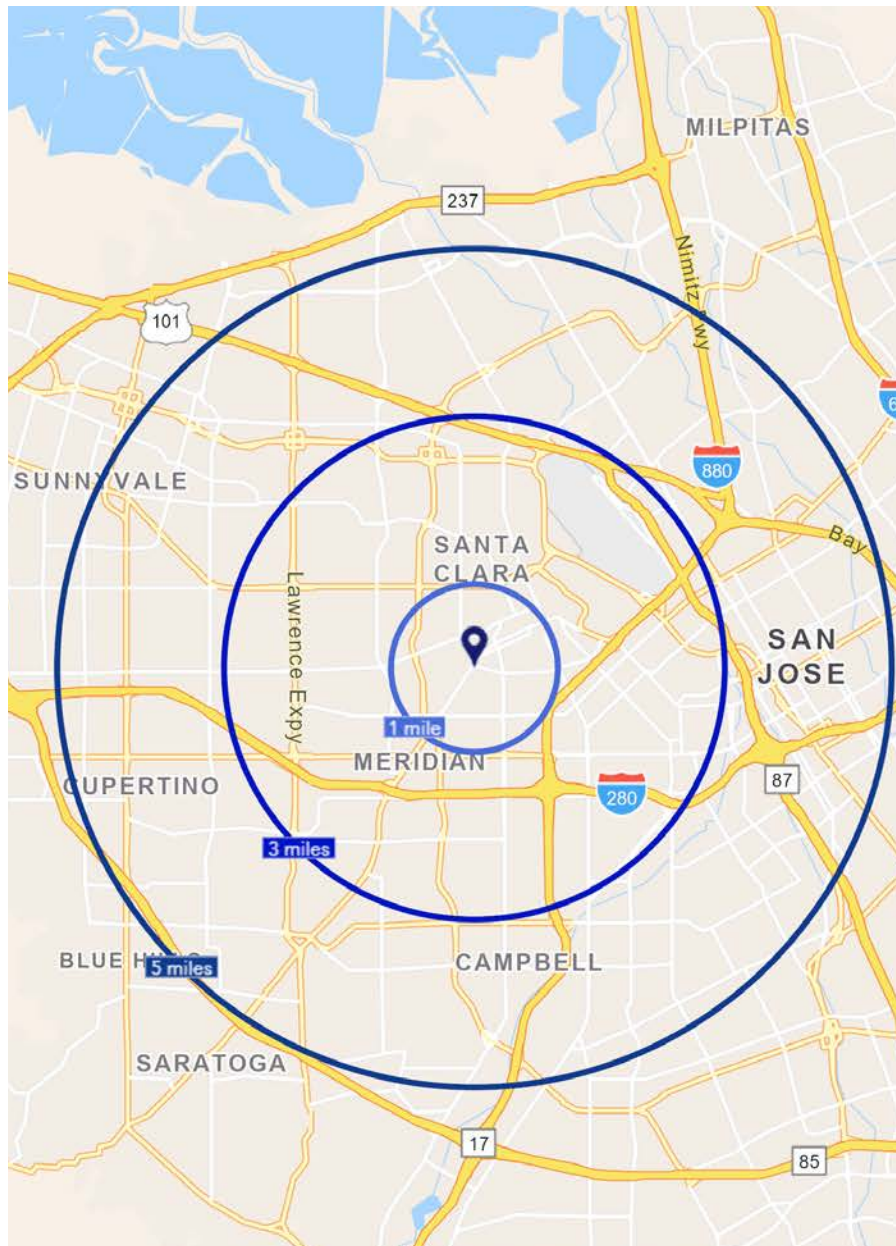
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## AREA MAP

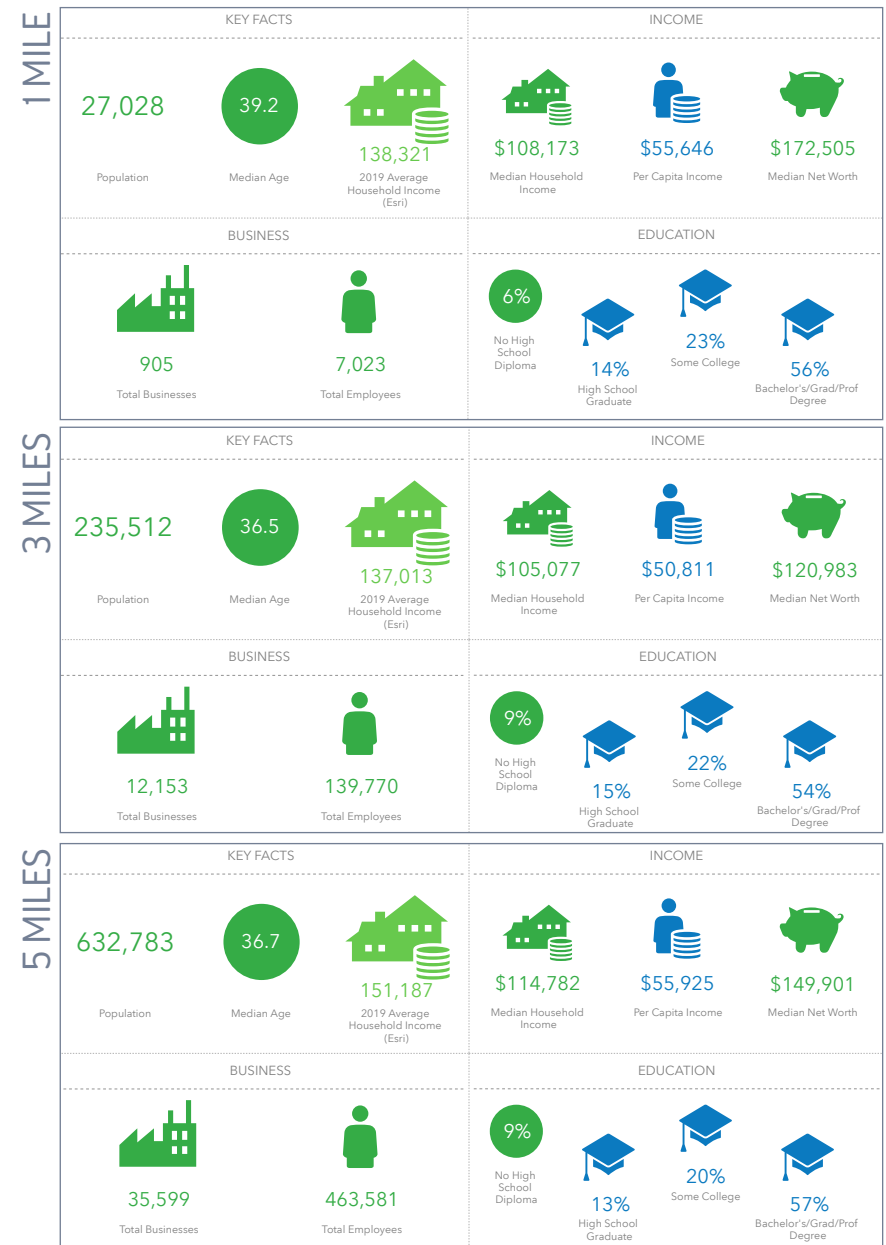


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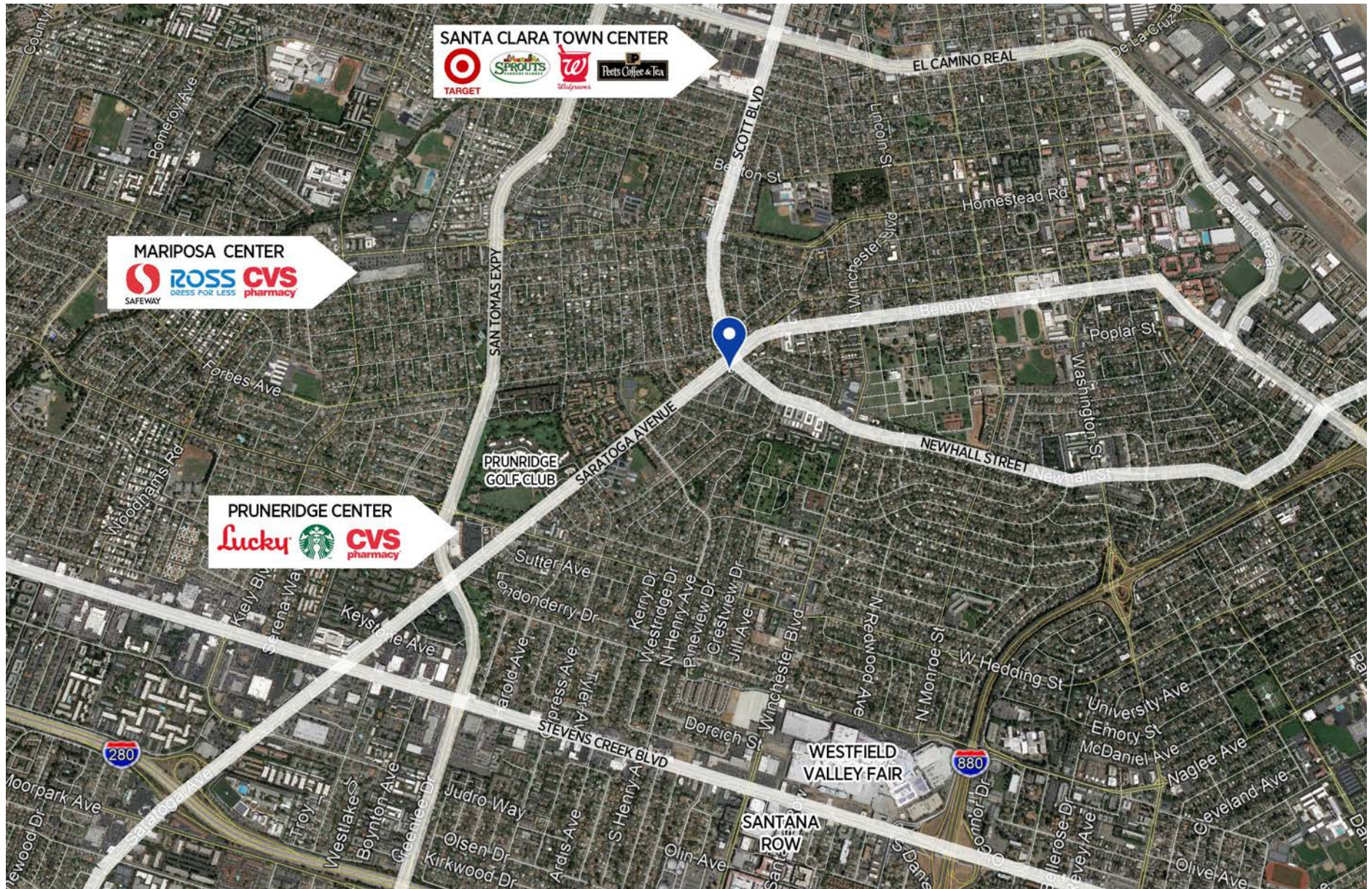
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## DEMOGRAPHICS





# AERIAL MAP



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## AERIAL MAP II



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