

INVESTMENT OFFERING

3035-3045 McKee Road
San Jose, California



 **PRIME COMMERCIAL**
INCORPORATED

1543 Lafayette Street, Suite C
Santa Clara, 95050
Office 408.879.4000
www.primecommercialinc.com

DOUG FERRARI
CA BRE 01032363
408.879.4002

DIXIE DIVINE
CA BRE 00926251 & 01481181
408.879.4001

dferrari@primecommercialinc.com ddivine@primecommercialinc.com

Prime Commercial, Inc. has obtained the information contained herein from sources we deem reliable. However, we have not verified its accuracy and make no guarantee, warranty or representation about it. It is subject to errors, modification, omission, change of price and/or terms, prior lease sale or financing, or withdraw without notice. It may include projections, opinions, or assumptions or estimated for example only, and they may represent current or future performance of the property. You and your tax and legal advisors should conduct your own of the property and transaction. The information provided in this brochure are estimates only, not representations, and are not intended to be relied upon for any purpose. All demographic information contained in this brochure is obtained from STDB.

CONFIDENTIALITY & DISCLAIMER

Prime Commercial, Inc. has been retained on an exclusive right to sell basis to market 3035-3045 McKee Road. The information herein distributed by Prime Commercial, Inc. is intended to be viewed only by the parties specifically targeted by Prime Commercial, Inc. The investment package should not be made available to any other parties unless first verified, in writing, by Prime Commercial, Inc. This Investment offering has been prepared to provide a summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Prime Commercial, Inc. has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this investment offering has been obtained from sources Prime Commercial, Inc., deems reliable; however, Prime Commercial, Inc. has not verified and will not verify any of the information contained herein, nor has Prime Commercial, Inc. conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take the appropriate measures to verify all of the information set forth herein.

The Seller expressly reserves the right, at its sole discretion, to withdraw the Property from the market. Seller and Prime Commercial, Inc. reserves the right, expressed or implied, to reject any offer to purchase the property and to terminate discussions with any person or entity reviewing this offering memorandum until and unless the seller executes and delivers a signed purchase agreement with terms acceptable to the Seller.

INVESTMENT OFFERING
3035-3045 MCKEE ROAD
SAN JOSE, CALIFORNIA

DOUG FERRARI
CA BRE 01032363
408.879.4002
dferrari@primecommercialinc.com

DIXIE DIVINE
CA BRE 00926251 & 01481181
408.879.4001
ddivine@primecommercialinc.com

TABLE OF CONTENTS

Investment Summary.....	3
Investment Offering & Highlights.....	3
Property Overview.....	4
Land & Trade Area.....	5
Santa Clara County.....	5
Rent Roll.....	6
Operating Expenses & Financial Overview..	6
Area Map.....	7
Aerial Map.....	8
Plat Map	9

INVESTMENT SUMMARY

Offering Price	\$2,450,000
Capitalization Rate	3.72%
Potential Net Operating Income	\$91,112.21
Expense Service	NNN
Building Area	4,800 SF Gross
Land Area	0.34 Acres



INVESTMENT OFFERING
3035-3045 MCKEE ROAD
SAN JOSE, CALIFORNIA

DOUG FERRARI
CA BRE 01032363
408.879.4002
dferrari@primecommercialinc.com

DIXIE DIVINE
CA BRE 00926251 & 01481181
408.879.4001
ddivine@primecommercialinc.com

INVESTMENT OFFERING

Prime Commercial, Inc. is pleased to offer 3035-3045 McKee Road for sale in San Jose, California. This four-unit strip retail building is 100% occupied. The center has enjoyed a stable occupancy over many years; however, all of the leases have below market rent and present an opportunity for upside potential. The property lies near the northwest intersection of McKee and White Roads within a neighborhood shopping center that will eventually be revitalized with new anchor tenants. 3035-3045 McKee Road provides the investor a solid in-fill location within east San Jose, a well-maintained building with ease of management and investment growth by increasing cash flow by bringing actual rents to market level.

INVESTMENT HIGHLIGHTS

- Rarely Available For Sale – Four Unit Strip Retail Center
- High Traffic Location near on McKee Road near White Road (47,300 ADT)
- Value Add Opportunity – Below Market Rents!
- Well Maintained Building with New Roof and Resurfaced Parking Lot
- Established In-Fill Location with over 478,000 Residents in a 5-Mile Radius

PROPERTY OVERVIEW

LOCATION

3035-3045 McKee Road
San Jose, California 95127

SITE

The subject is located near the northeast corner of McKee Road and Francis Drive
APN 592-16-007

LAND AREA

Rectangular parcel totalling 14,810 Square Feet.

BUILDING AREA

3035-3045 McKee Road is a single-story, retail strip center that is currently divided into four units. The building sits at the west end of a neighborhood shopping center that has two anchor spaces which are at the moment vacant. The building was constructed in 1972 with a concrete slab foundation, concrete block walls, anodized aluminum store-fronts and a flat tar and gravel roof, with wood shake mansard-style fronting the parking lot. The building is 4,800 square feet and has four units each with individual store-front, restroom, and HVAC. The building is in good condition with the roof having been replaced about one year ago and the parking lot being resurfaced near the same time.

PARKING

Shared parking (361 spaces)

TRAFFIC COUNTS

McKee Road	34,206 ADT
White Road	15,847 ADT

ZONING

Per the city of San Jose the subject site is currently zoned as CP (Commercial Pedestrian).



INVESTMENT OFFERING
3035-3045 MCKEE ROAD
SAN JOSE, CALIFORNIA

DOUG FERRARI
CA BRE 01032363
408.879.4002
dferrari@primecommercialinc.com

DIXIE DIVINE
CA BRE 00926251 & 01481181
408.879.4001
ddivine@primecommercialinc.com

PRIME COMMERCIAL
INCORPORATED

LAND & TRADE AREA

3035-3045 McKee Road is located in East San Jose approximately 4 miles northeast of Downtown San Jose and approximately 5 miles east of Minetta International Airport. San Jose is the largest city in Northern California with an estimated population of 1,021,795 and is the third largest city in California behind Los Angeles and San Diego and the tenth largest city in the United States. San Jose is more commonly referred to as “the Capital of Silicon Valley” with its booming high-tech industries that make up the economic engine for the region. The immediate neighborhood along McKee Road is primarily developed with retail strip shopping centers, quick service restaurants, low rise office buildings, and garden-style walk up apartment complexes. The neighborhood is very established with approximately 37,027 residents residing in a one-mile radius with an impressive average household income of \$102,445 (source ESRI).

The subject is part of a larger neighborhood shopping center that has approximately 68,466 square feet of retail stores and restaurants. At the moment, two of the larger anchor stores are vacant. One was occupied by Rite Aid for many years, and the grocery anchor was occupied by Albertsons. It is rumored that the grocery anchor is under contract for sale and will be eventually occupied by another grocery store. Two blocks to the west of the subject at the corner of McKee and Capitol Avenue is Capitol Square Mall a 356,000 square foot community center anchored by Target, Mi Pueblo Foods, and Ross.

The immediate area to the north of the subject is fully developed with a single-family neighborhood of detached homes that were constructed in the mid to late 1960's. The average price for a single-family residence in this neighborhood is now surpassing \$1.0 million dollars and are highly sought after by families desiring convenience to employers, schools, shopping, and entertainment.

INVESTMENT OFFERING
3035-3045 MCKEE ROAD
SAN JOSE, CALIFORNIA

DOUG FERRARI
CA BRE 01032363
408.879.4002
dferrari@primecommercialinc.com

DIXIE DIVINE
CA BRE 00926251 & 01481181
408.879.4001
ddivine@primecommercialinc.com

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.

SAN JOSE DEMOGRAPHICS

Estimated Population 2020	1,021,795
Median Age	36.8
Total Households	323,940
Average People per Household	3.09
Average Household Income	\$150,864
Median Household Income	\$112,399

RENT ROLL

ADDRESS	TENANT	SQ. FT.	LEASE COMMENCEMENT	LEASE EXPIRATION	MONTHLY RENT	RENT/SF	SERVICE	ESCALATION	SECURITY DEPOSIT	OPTIONS
3035 McKee Road	Crystal Clear Cleaners	1,200	5/1/2018	4/30/2023	\$2,010.00	\$1.68	NNN	5% Annual	\$2,300.00	1-5 year FMV
3037 McKee Road	Impressions Hair Salon	1,200	9/1/2015	Month-to-Month	\$1,520.00	\$1.27	NNN	N/A	\$2,200.00	None
3041 McKee Road	G&A Color Nail Salon	1,500	11/1/2019	10/31/2024	\$2,596.00	\$1.73	NNN	3% Annual	\$2,900.00	1-3 year FMV
3045 McKee Road	La Salle Street Investments	900	11/1/2019	10/31/2022	\$1,557.00	\$1.73	NNN	3% Annual	\$1,700.00	None
Total		4,800			\$7,683.00				\$9,100.00	
Potential Annual Income					\$92,196.00					

OPERATION EXPENSES

Taxes (1.27760%)	\$31,301.20
Special Assessments	\$4,171.00
Insurance	\$2,947.33
CAM	\$8,494.17
HVAC Maintenance	\$690.00
Utilities (Water)	\$4,326.69
Management	\$5,811.29
Total	\$57,741.68

REIMBURSEMENTS

Taxes	\$31,301.20
Special Assessments	\$4,171.00
Insurance	\$2,947.33
CAM	\$8,494.17
HVAC Maintenance	\$690.00
Utilities (Water)	\$4,326.69
Management	\$4,727.50
Total	\$56,657.89

FINANCIAL OVERVIEW

Gross Potential Rent	\$92,196.00
Expense Reimbursements	\$56,657.89
Total Potential Gross Revenue	\$148,853.89
Less Operating Expenses	\$57,741.68
Net Operating Income	\$91,112.21

PRICE PER SQUARE FOOT \$510.42
PRICE \$2,450,000 (3.72% CAP)

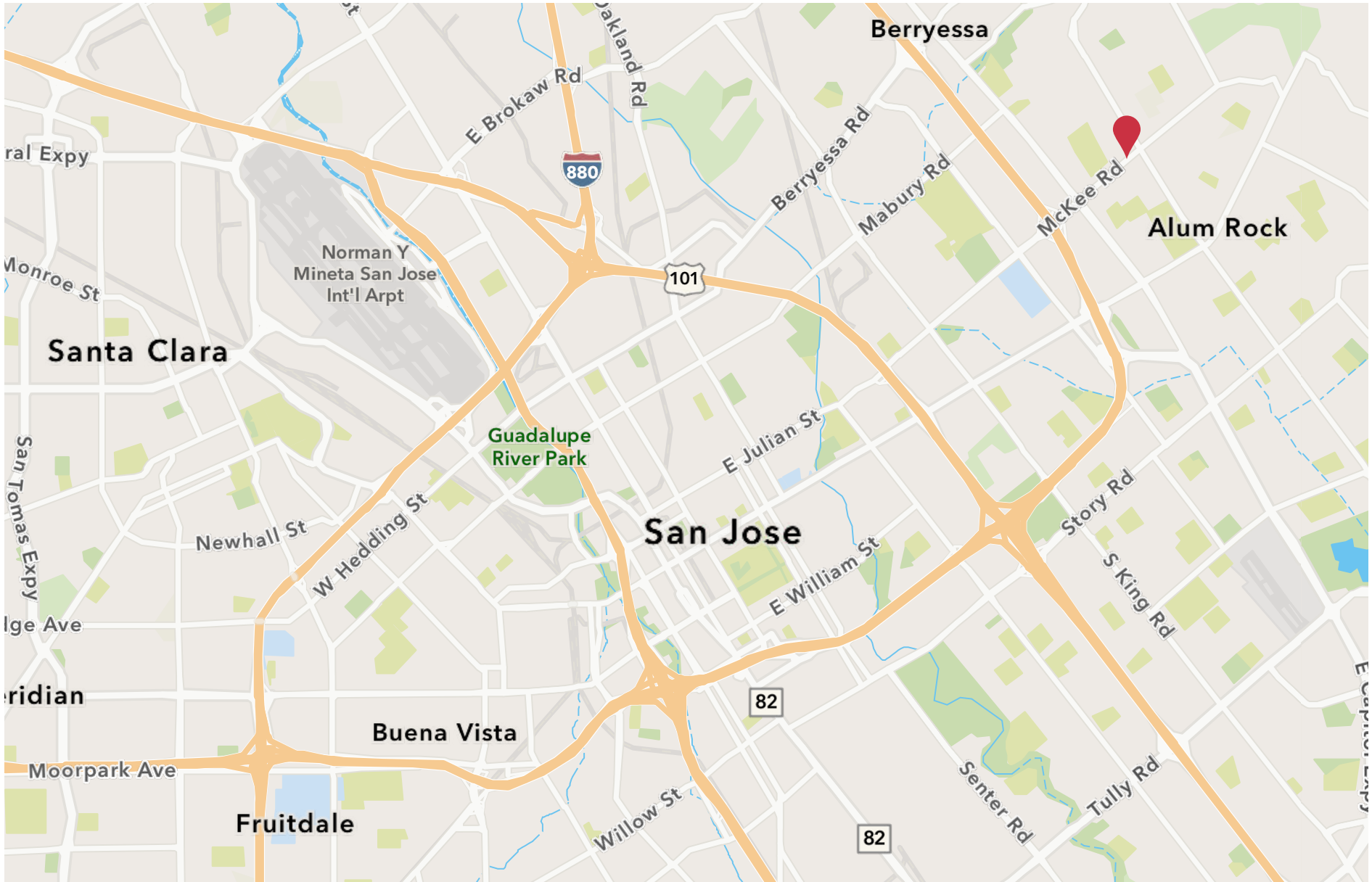
INVESTMENT OFFERING
3035-3045 MCKEE ROAD
SAN JOSE, CALIFORNIA

DOUG FERRARI
CA BRE 01032363
408.879.4002
dferrari@primecommercialinc.com

DIXIE DIVINE
CA BRE 00926251 & 01481181
408.879.4001
ddivine@primecommercialinc.com

 PRIME COMMERCIAL
INCORPORATED

AREA MAP

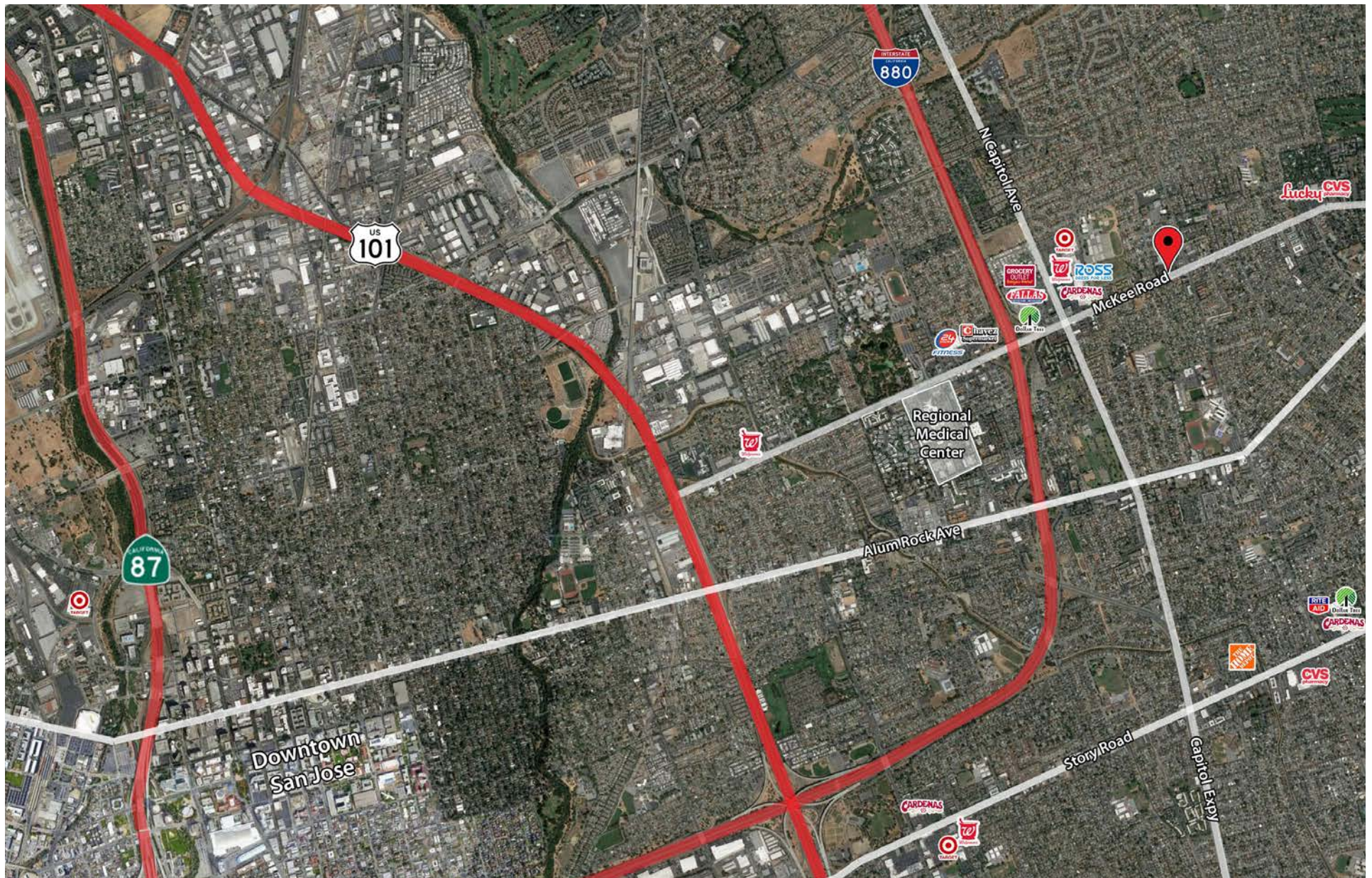


INVESTMENT OFFERING
3035-3045 MCKEE ROAD
SAN JOSE, CALIFORNIA

DOUG FERRARI
CA BRE 01032363
408.879.4002
dferrari@primecommercialinc.com

DIXIE DIVINE
CA BRE 00926251 & 01481181
408.879.4001
ddivine@primecommercialinc.com

AERIAL MAP



INVESTMENT OFFERING
3035-3045 MCKEE ROAD
SAN JOSE, CALIFORNIA

DOUG FERRARI
CA BRE 01032363
408.879.4002
dferrari@primecommercialinc.com

DIXIE DIVINE
CA BRE 00926251 & 01481181
408.879.4001
ddivine@primecommercialinc.com

PLAT MAP

OFFICE OF COUNTY ASSESSOR — SANTA CLARA COUNTY, CALIFORNIA

BOOK 592 PAGE 16



INVESTMENT OFFERING
 3035-3045 MCKEE ROAD
 SAN JOSE, CALIFORNIA

DOUG FERRARI
 CA BRE 01032363
 408.879.4002
 dferrari@primecommercialinc.com

DIXIE DIVINE
 CA BRE 00926251 & 01481181
 408.879.4001
 ddivine@primecommercialinc.com

PRIME COMMERCIAL INCORPORATED