

INVESTMENT OFFERING

3035-3045 McKee Road
San Jose, California



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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



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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 Resurfaced Parking Lot
- Established In-Fill Location with over 478,000 Residents in a 5-Mile Radius

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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).



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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.

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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.

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

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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)

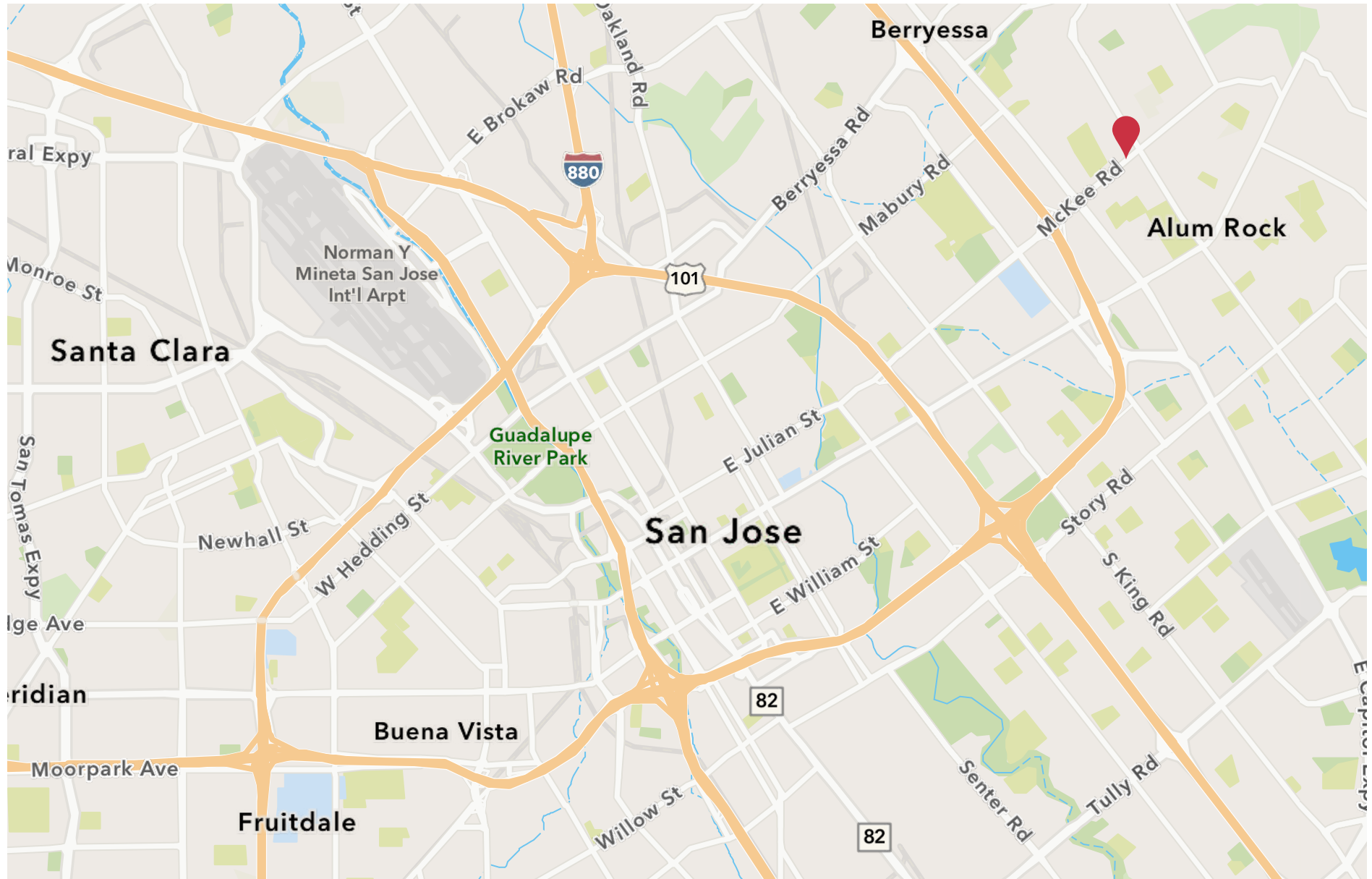
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AREA MAP



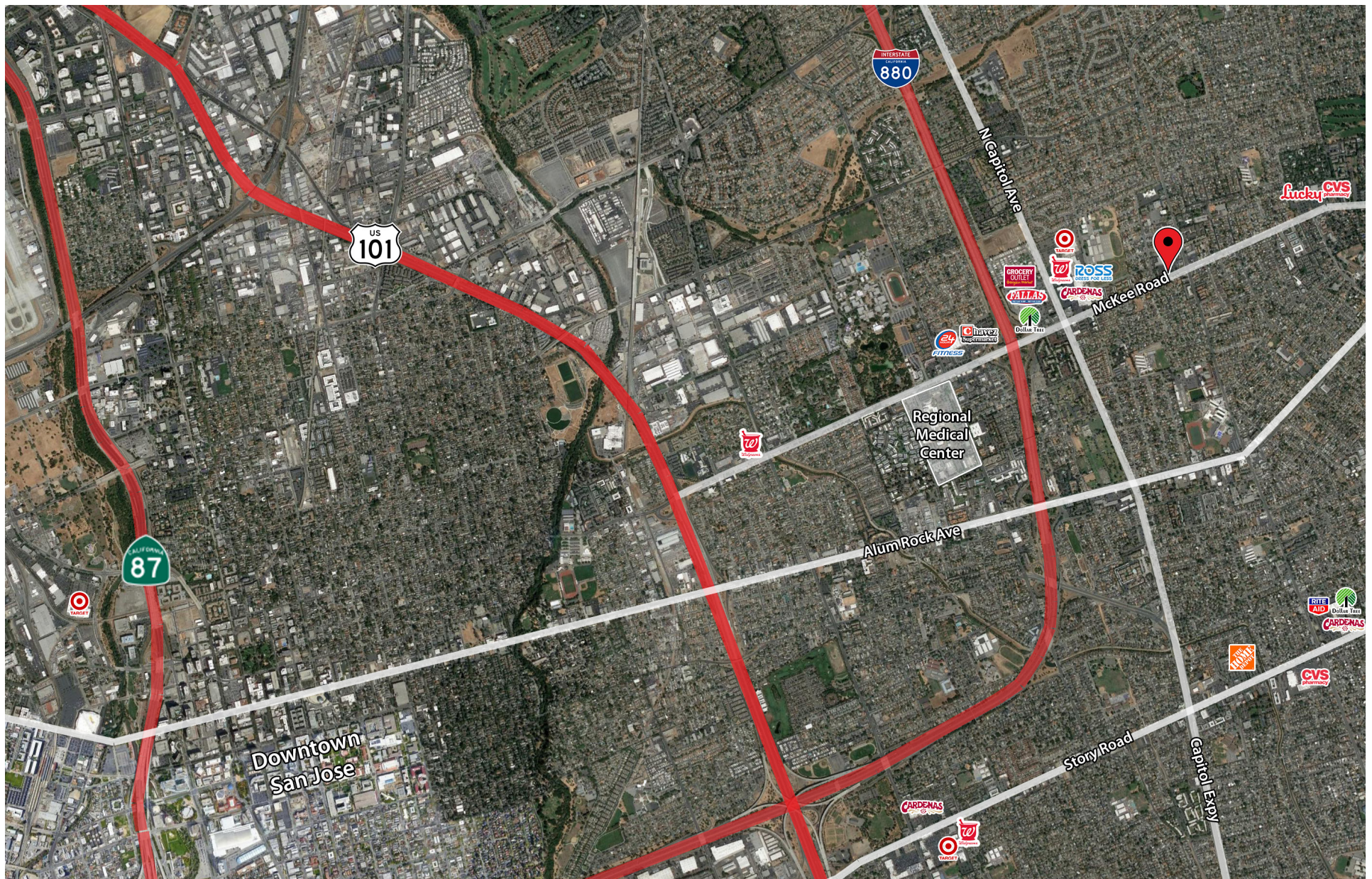
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AERIAL MAP



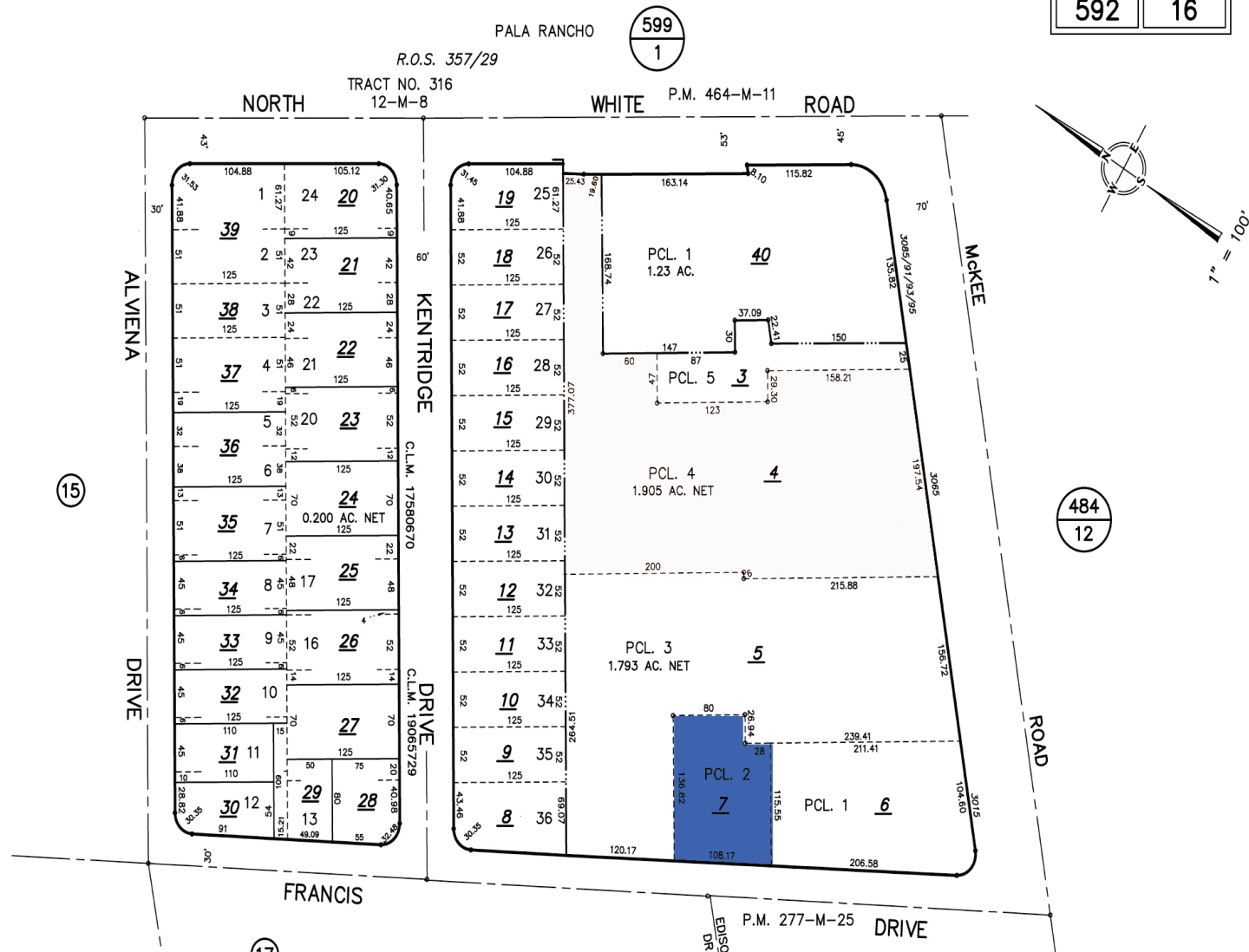
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PLAT MAP

OFFICE OF COUNTY ASSESSOR — SANTA CLARA COUNTY, CALIFORNIA



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