



TEMESCAL APARTMENTS

522-526 40TH ST

OAKLAND, CA 94609

INTERACTIVE OFFERING MEMORANDUM

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PROPERTY OVERVIEW

Matthews Real Estate Investment Services is delighted to present 522-526 40th St, an 8-unit apartment building situated in the Temescal neighborhood of Oakland, CA. Constructed in 1955, the building spans 5,272 square feet on a .16-acre lot.

Comprising (4) 3-bedroom, 2-bathroom units, and (4) 1-bedroom, 1-bathroom units, this property offers a diverse range of living spaces. Recent renovations to bathrooms and kitchens ensure that the building is up-to-date, providing amenities for residents.

PROPERTY HIGHLIGHTS

- Two Buildings Parceled individually with 4 units each, well-maintained with bathrooms and kitchens renovated
- Centrally located near restaurants, grocery stores, coffee shops, etc.
- Located right across the street from MacArthur BART Station,
- Close to schools and has access to Hwy 24 & I-580



POWELL STREET PLAZA
SHOPPING CENTER

TRADER JOE'S
OLD NAVY
ROSS DRESS FOR LESS
BANANA REPUBLIC
Marshalls.
BETHUNE BUNDT CAKES
T Mobile
BevMo! LENS CRAFTERS

ACE WORKSPACE
ERG

WHOLE FOODS MARKET
Walgreens
ROUND TABLE PIZZA ROYALTY

GROVE SHRAFTER ± 139,000 VPD



BAY STREET EMERYVILLE
SHOPPING MALL

BARNES & NOBLE
H&M
Bath & Body Works
Foot Locker
ALDO
URBAN EXPRESS
west elm
OUTFITTERS
MAC
LUSH

+ UCSF CHILDREN'S HOSPITAL
346 BEDS

CLAREMONT COUNTRY CLUB

🎓 EMERSON ELEMENTARY
317 STUDENTS

🎓 OAKLAND INTERNATIONAL HIGH
274 STUDENTS

SAFeway
Great Clips
Starbucks

PIXAR

McDonald's

🎓 OAKLAND TECH HIGH
1,880 STUDENTS

Chick-fil & Michaels

🎓 OAKLAND MILITARY INSTITUTE
627 STUDENTS

SUBJECT PROPERTY

CVS pharmacy
WELLS FARGO
Peet's Coffee
UPS

IKEA

40TH ST

INTERSTATE 580

± 207,000 VPD

target

THE HOME DEPOT

+ KAISER PERMANENTE MEDICAL CENTER
346 BEDS

BEST BUY

NORDSTROM rack

W

HONDA
Mercedes-Benz

PACIFIC PIPE
AMERICAN STEEL STUDIOS
COMPLEX OAKLAND

SPROUTS FARMERS MARKET
enterprise
GROCERY OUTLET Bargain Market

FINANCIAL OVERVIEW

Address	522-526 40th St
City, State	Oakland, CA
County	Alameda
Number of Units	8
Year Built	1955
APN	12-1012-7, -8
Building SF	±5,272 SF
Average S.F. Per Unit	±825 SF
Lot Size (Acres)	±0.16 AC
Occupancy	87%
Unit Types	Apartments
Density	50

INVESTMENT SUMMARY

LIST PRICE	PRICE/UNIT	PRICE/FOOT	PRO FORMA		MARKET	
			CAP RATE	GRM	CAP RATE	GRM
\$1,800,000	\$225,000	\$341.43	6.48%	10.03	8.47%	8.15

UNIT MIX & SCHEDULED INCOME

TOTAL UNITS	UNIT MIX	AVG. SQUARE FEET	PROFORMA AVG. RENT P.S.F	PROFORMA AVG RENT	MARKET AVG RENT	MARKET RENT P.S.F.	TOTAL PROFORMA MONTHLY RENT	MARKET MONTHLY RENT
4	1+1	550	\$2.61	\$1,434	\$1,900	\$3.45	\$5,735	\$7,600
4	3+2	1,100	\$2.10	\$2,306	\$2,700	\$2.45	\$9,222	\$10,800
8	Average	825	\$2.35	\$1,870	\$2,300	\$2.95	\$14,957	\$18,400
	Total	6,600	\$18.81	\$14,957	\$10,612		\$179,486	\$220,800

ANNUAL OPERATING SUMMARY

		PROFORMA		MARKET	
Scheduled Gross Income	<u>Pro Forma Estimates</u>	\$179,486		\$220,800	21% Upside
Less Vacancy	-5%	-\$8,974	-5.0%*	-\$11,040	-5.0%
Gross Operating Income		\$170,512		\$209,760	
Expenses		\$53,879	30.02%*	\$57,249	25.93%*
Net Operating Income		\$116,633		\$152,511	
Pre-Tax Cash Flow:		\$116,633	6.48%	\$152,511	8.47%**
Total Return Before Taxes:		\$116,633	6.48%	\$152,511	8.47%**

* As a Percent of Scheduled Gross Income

** As a percent of Down Payment

PROJECTED PRO FORMA FINANCIAL ANALYSIS

	PRO FORMA ESTIMATES		% OF SGI	PRO FORMA	PER UNIT	MARKET	PER UNIT	% OF SGI
Real Estate Taxes	1.39%	% of Purchase Price	13.98%	\$25,090	\$3,136	\$25,090	\$3,136	11.4%
Oakland Business Tax		x GOI	0.80%	\$1,437	\$180	\$1,437	\$180	0.7%
Insurance	\$500	Per Unit	2.94%	\$5,272	\$659	\$5,272	\$659	2.4%
General and Administrative	\$200	Per Unit	0.80%	\$1,435	\$179	\$1,600	\$200	0.7%
Trash Removal	\$150	Per Unit	0.28%	\$500	\$63	\$700	\$88	0.3%
Landscaping/Grounds	\$100	Per Unit	0.08%	\$150	\$19	\$300	\$38	0.1%
Turnover	\$150	Per Unit	0.00%	\$0	\$0	\$1,200	\$150	0.5%
Repairs & Maintenance	\$350	Per Unit	6.08%	\$10,916	\$1,365	\$12,000	\$1,500	5.4%
Electrical	2%	% Over Actual	0.30%	\$542	\$68	\$650	\$81	0.3%
Water/Sewer	2%	% Over Actual	2.75%	\$4,942	\$618	\$5,200	\$650	2.4%
Trash Removal	2%	% Over Actual	2.00%	\$3,595	\$449	\$3,800	\$475	1.7%
Total Expenses			30.02%	\$53,879	\$6,735	\$57,249	\$7,156	25.9%
				Per Unit	% of SGI			
Non-controllable expenses: Taxes, Ins., Reserves:				\$2,623	11.5%			
Total Expense without Taxes & Reserves				\$3,194	13.96%			

FINANCING OPTIONS

For financing options reach out to:

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curtis.kaufman@matthews.com

RENT ROLL

UNIT MIX	UNIT #	SF	PRO FORMA RENT	PRO FORMA RENT/SF	MARKET RENT	MARKET RENT/SF	OCCUPIED/VACANT
1+1	522 A	550	\$1,600	\$2.91	\$1,900	\$3.45	Occupied
3+2	522 B	1,100	\$2,500	\$2.27	\$2,700	\$2.45	Occupied
1+1	522 C	550	\$733	\$1.33	\$1,900	\$3.45	Occupied
3+2	522 D	1,100	\$2,000	\$1.82	\$2,700	\$2.45	Occupied
1+1	526 A	550	\$1,900	\$3.45	\$1,900	\$3.45	Occupied
3+2	526 B	1,100	\$2,700	\$2.45	\$2,700	\$2.45	Vacant
3+2	526 C	1,100	\$2,022	\$1.84	\$2,700	\$2.45	Occupied
1+1	526 D	550	\$1,502	\$2.73	\$1,900	\$3.45	Occupied
Totals		6,600	\$14,957	\$2.35	\$18,400	\$2.95	
Averages		825	\$1,870	\$2.35	\$2,300	\$2.95	

AREA OVERVIEW



DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2023 Estimate	52,644	324,204	529,618
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2023 Estimate	24,014	135,887	214,427
INCOME	1-MILE	3-MILE	5-MILE
2023 Avg. Household Income	\$114,307	\$126,101	\$128,637

OAKLAND, CA

Sitting directly across the I-80 from San Francisco, Oakland is a thriving city in its own right, and in recent years has become a popular home for more affordable living arrangements without sacrificing the distinctive atmosphere of the bay. With a population close to 445,000, Oakland is the third largest city overall in the San Francisco Bay Area, the eighth most populated city in California, and the 45th most populated city in the United States. While shipping is still a major part of the local economy, Oakland is home to the corporate headquarters from established consumer brands to younger tech businesses. The cultural diversity of the city is vast, with access to find art, food, and people from all different parts of the world. With its vibrant art scene, Oakland fuels many activities, events, and business, especially the popular Art Murrum festivals. Other festivals held annually by the city include Lakefest, Chinatown Street fest, Art & Soul Fest and Oakland International Film Festival. The Mosswood area has an eclectic mix of coffee shops, arts centers, and international restaurants which run all the way up to the UC Berkeley campus. Oakland is also home to famous tourist attractions, including the Oakland Zoo, the Oakland Art Museum, and East Bay regional Park. One of Oakland's most notable features is Lake Merritt near downtown, which drains into the San Francisco Bay.

OAKLAND ECONOMY

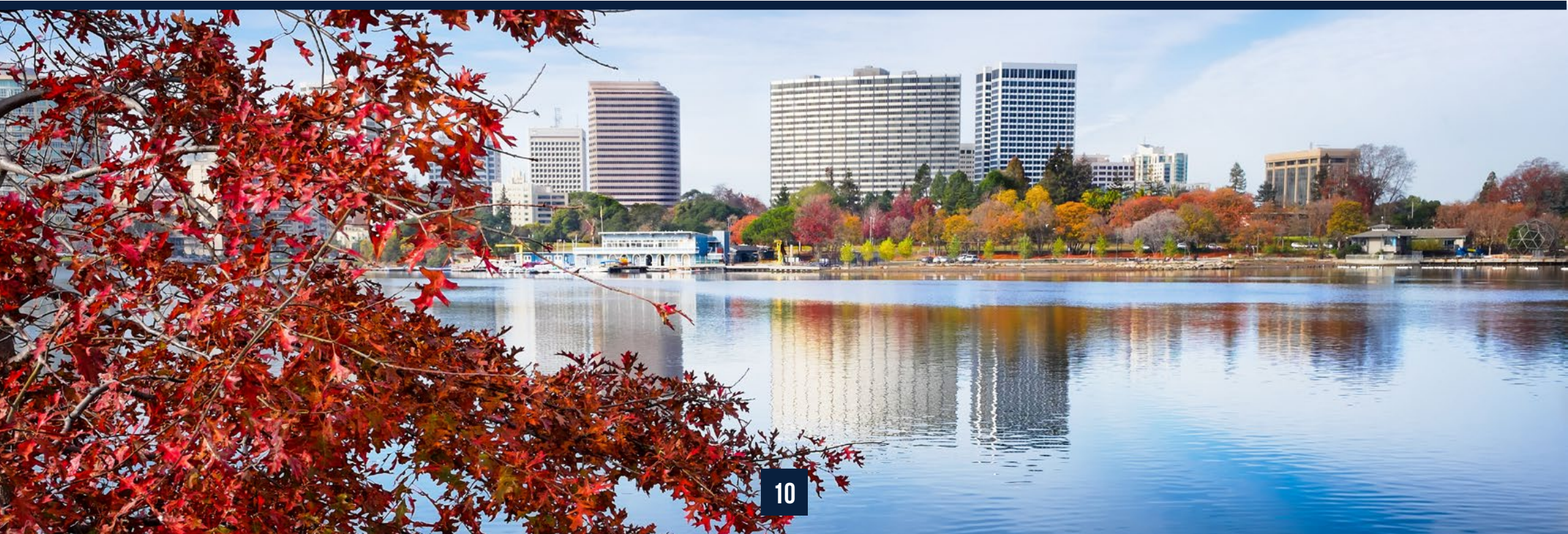
A major West Coast port city, Oakland is the largest city in the East Bay region of the San Francisco Bay Area. It serves as a trade center for the San Francisco Bay Area. Several major companies such as Kaiser Permanente, Clorox, Dreyer's, and Glad Products are headquartered in Oakland. According to Forbes, the Oakland-Hayward-Berkeley metroplex has a gross metro product of \$204.8 billion. Oakland is a major city in the state of California and is one of the largest ports in the United States. It is home to a diverse economy, with significant contributions from industries such as healthcare, education, transportation, and technology.

The healthcare industry is one of the largest employers in Oakland, with major hospitals such as Kaiser Permanente and Alta Bates Summit Medical Center providing a significant number of jobs in the city. The education industry is also a major employer, with institutions such as the University of California, Berkeley and California State University, East Bay providing jobs and attracting students from around the world.

Oakland is also home to a thriving transportation industry, with the Port of Oakland being one of the busiest ports in the United States. The port serves as a major gateway for goods coming into and leaving the country, making it an important hub for international trade.

In recent years, Oakland has also become a hub for technology startups and companies, with many firms setting up operations in the city. This has contributed to the growth of a thriving tech industry in Oakland, with companies such as Pandora, Square, and Uber having offices in the city.

Despite these positive aspects of the Oakland economy, the city also faces significant economic challenges, including a high poverty rate and income inequality. However, efforts are underway to address these issues through initiatives such as affordable housing programs and job training programs.



REINHARDT REDWOOD REGIONAL PARK

Reinhardt Redwood Regional Park is a park located in Oakland, California, that offers visitors a beautiful and peaceful escape from the hustle and bustle of city life. The park is home to the largest remaining stand of old-growth redwoods in the East Bay, making it a popular destination for hikers, nature lovers, and outdoor enthusiasts.

The park covers over 1,830 acres and offers over 40 miles of hiking and biking trails that wind through the redwood forest and offer stunning views of the surrounding hills and valleys. Some of the park's most popular trails include the Stream Trail, which follows a beautiful creek through the forest, and the French Trail, which offers challenging terrain and panoramic views of the Bay Area.

In addition to hiking and biking, the park also offers picnic areas, a visitor center, and a campground that is open year-round. The visitor center features exhibits and displays that showcase the natural history and ecology of the park, as well as information about the park's flora and fauna.



OAKLAND MUSEUM OF CALIFORNIA

The Oakland Museum of California is a museum located in Oakland, California that showcases the history, art, and natural sciences of California. It was founded in 1969 and has since become a popular attraction for visitors and locals alike.

The museum's permanent collection includes over 1.9 million objects, including historical artifacts, art, and natural specimens that represent the cultural and natural history of California. The collection is organized into three main galleries: the Gallery of California Art, the Gallery of California History, and the Gallery of California Natural Sciences.

The Gallery of California Art features works by California artists from the 19th century to the present day, including paintings, sculptures, and mixed media pieces. The Gallery of California History explores the state's history from the Native American period to the present day, with exhibits that highlight California's role in the Gold Rush, the Civil Rights Movement, and other significant historical events. The Gallery of California Natural Sciences displays exhibits that showcase the state's unique ecosystems, including its diverse plant and animal life.



CONFIDENTIALITY AGREEMENT & DISCLOSURE

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at **522 40th St & 526 40th St Oakland, CA 94609** (“Property”). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants’ plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Neither owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

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2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner.

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If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser’s sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Owner or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date of this Offering Memorandum.

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