2263
UNIVERSITY AVENUE
East Palo Alto, CA

OFFERING MEMORANDUM

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COMPASS COMMERCIAL

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EXECUTIVE SUMMARY

Located in the heart of East Palo Alto, 2263 University Ave. offers a rare investment opportunity on a sprawling 23,760 sq. ft. lot. This versatile property consists of seven units, including two one-bedroom, one-bathroom units, four two-bedroom, one-bathroom units, and a detached one-bedroom, one-bathroom cottage. Each unit provides comfortable living spaces, with a mix of cozy one-bedroom options and spacious two-bedroom layouts. The expansive lot allows for flexibility and future development potential, offering an attractive proposition for both investors and developers alike.

The property is ideally situated just 2 miles from Stanford University, 1.5 miles from Meta headquarters, and 4 miles from Google's global headquarters, making it a prime location for tenants working in the booming tech industry. Its proximity to downtown Palo Alto and easy access to Highway 101 further enhance its appeal, offering residents convenience to major employment hubs, shopping, dining, and recreational amenities. With strong rental demand in this rapidly growing area, the property presents excellent cash flow potential

In addition to the existing apartment units, the property includes ample parking, with covered parking for seven vehicles and additional uncovered spaces to accommodate many more. Whether you're an investor seeking steady rental income or looking to add value through future development, 2263 University Ave provides an exceptional opportunity to capitalize on a highly sought-after location in Silicon Valley.

Listed for $2,135,000

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ASSET OVERVIEW

PROPERTY OVERVIEW

DETAILS

Address:	2263 University Ave
City, State:	East Palo Alto, CA 94303
County:	San Mateo County
APN:	063-302-210
Zoning	MUC-1
County Use:	Mixed-Use Commercial

ATTRIBUTES

Units:	7
Gross Building SF:	3,772
Gross SF/Unit:	539
Land Area (SF):	23,760
Buildings:	3 Separate Structures
Year Built:	1931
Parking:	10 Spots: (3) Open Tandem & (7) Covered Tandem

CONSTRUCTION

Foundation:	Concrete Slab
Exterior Walls:	Stucco
Roof:	Rolled
Patio/Balcony:	None
Electrical Panels - Subs, In-Unit:	Cooper Industries
Windows:	Mostly Updated to Double-Pane

AERIAL VIEW

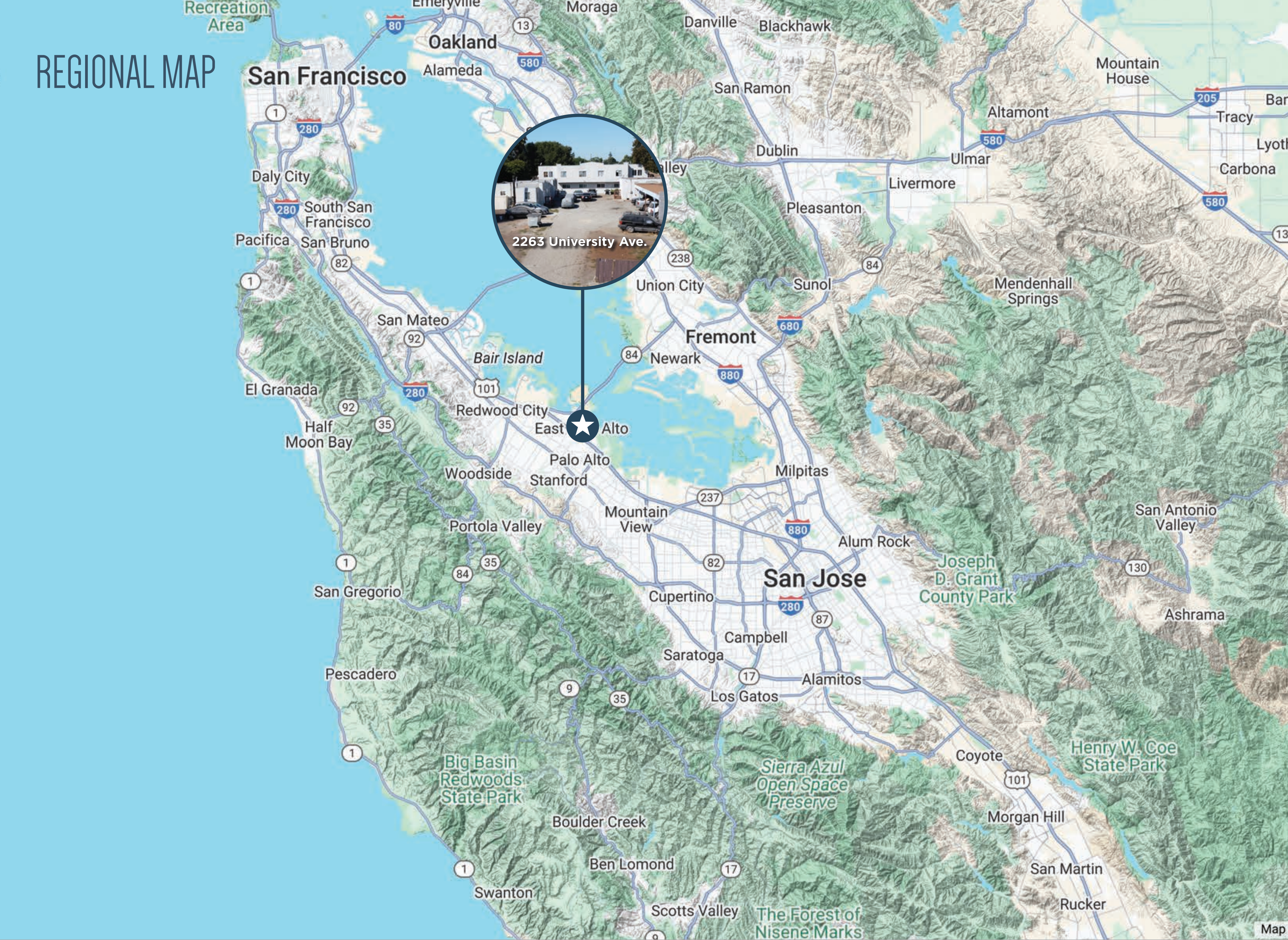
TRANSPORTATION MAP

3 MINUTES (0.9 MILES) TO US 101
10 MINUTES (2.5 MILES) TO CALTRAIN

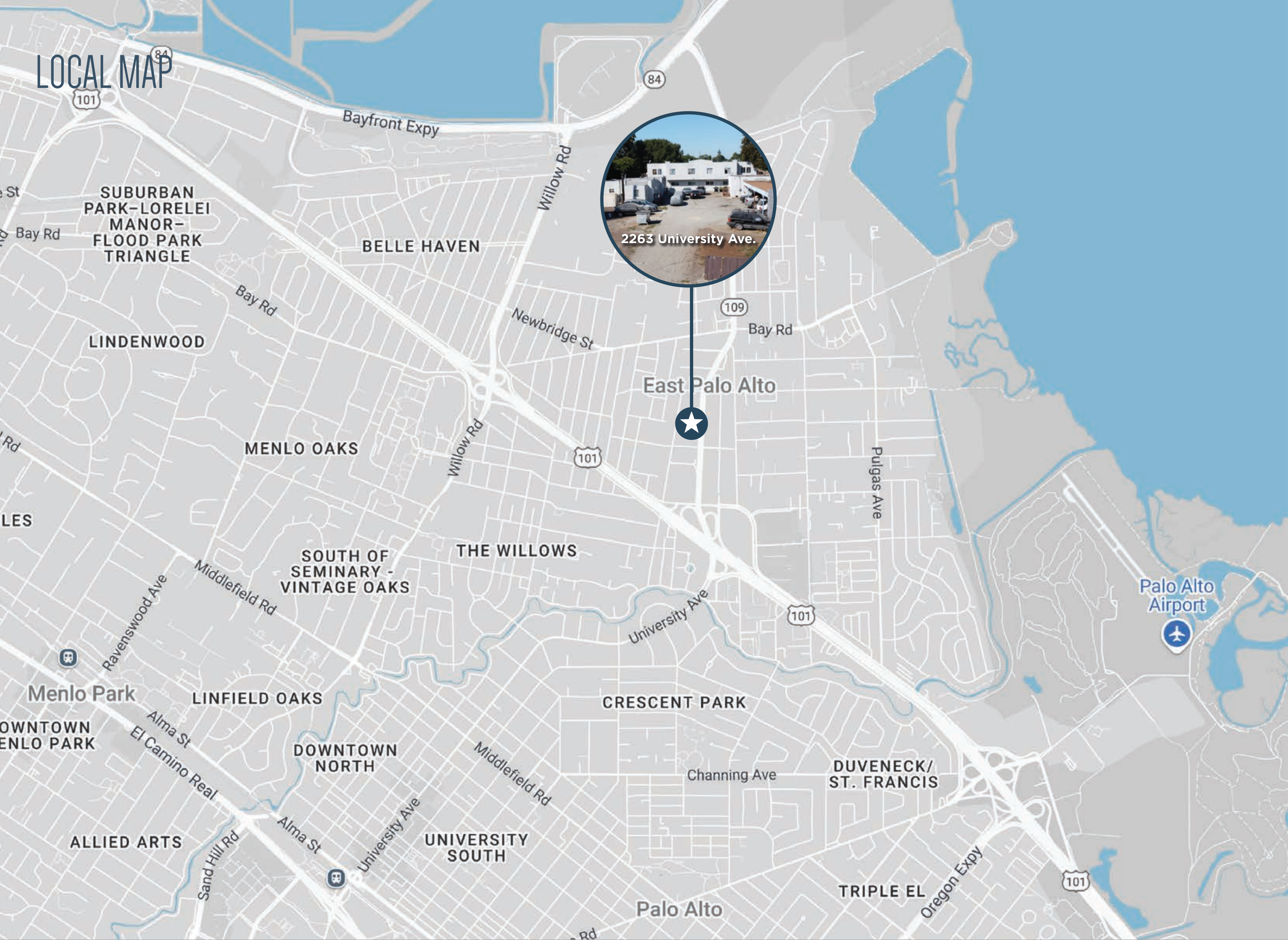
DESTINATION	DISTANCE	TRANSIT TIME
San Francisco	31 Miles	33 Minutes
SF International Airport	18 Miles	20 Minutes
Oakland	31 Miles	34 Minutes
San Jose	18 Miles	23 Minutes

Caltrain
BART

REGIONAL MAP



LOCAL MAP


2263 University Ave.
East Palo Alto
Menlo Park
Palo Alto
Palo Alto Airport
SUBURBAN PARK–LORELEI MANOR–FLOOD PARK TRIANGLE
BELLE HAVEN
LINDENWOOD
MENLO OAKS
THE WILLOWS
SOUTH OF SEMINARY - VINTAGE OAKS
LINFIELD OAKS
DOWNTOWN NORTH
CRESCENT PARK
DUVENECK/ ST. FRANCIS
UNIVERSITY SOUTH
ALLIED ARTS
TRIPLE EL
Bayfront Expy
Willow Rd
Newbridge St
Bay Rd
Middlefield Rd
Ravenswood Ave
University Ave
Channing Ave
Pulgas Ave
Alma St
El Camino Real
Sand Hill Rd
Oregon Expy
101
84
109

PARCEL MAP

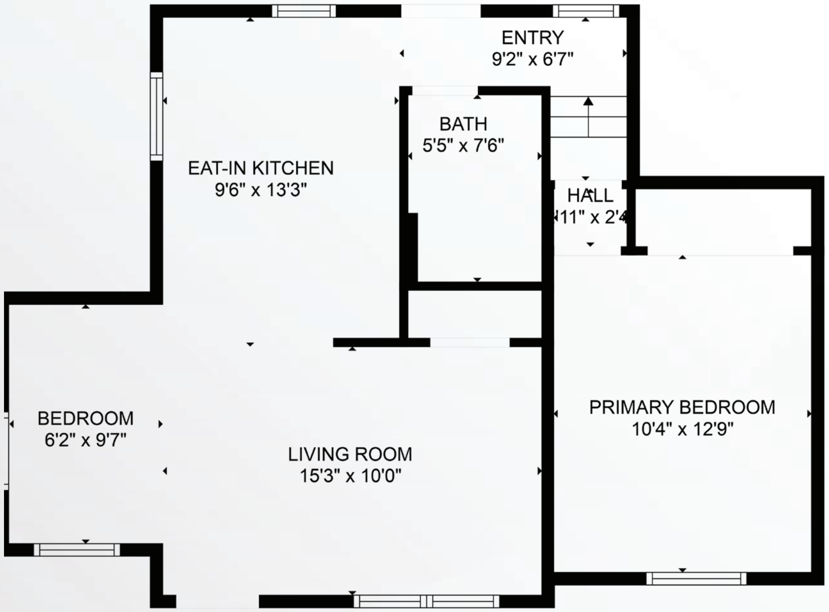

63-30
1" = 100'
N
2263 University Ave.
UNIVERSITY
AVE.
EUCLID
AVE.
RUNNYMEDE
ST.
(BIZZELL)
BELL
ST.
(DOYLE)
OAKDALE
AVE.
GARDEN
ST.
PAR. A
PAR. B
20' EASE.
301
PARCEL MAP VOL. 49/32
WOODLAND PLACE SUB. NO. 1 OF RAVENSWOOD RSM 7/24
GL
ASSESSOR'S MAP COUNTY OF SAN MATEO, CALIF.
5/1/1981

PROPERTY PHOTOS

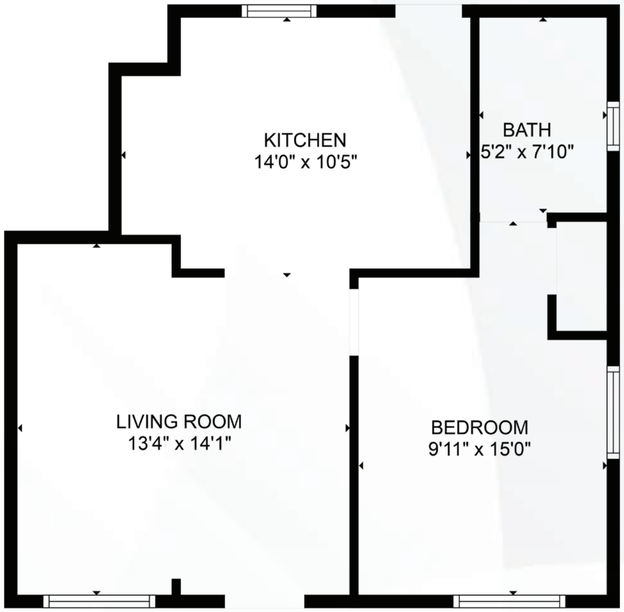
PROPERTY PHOTOS

FLOOR PLANS

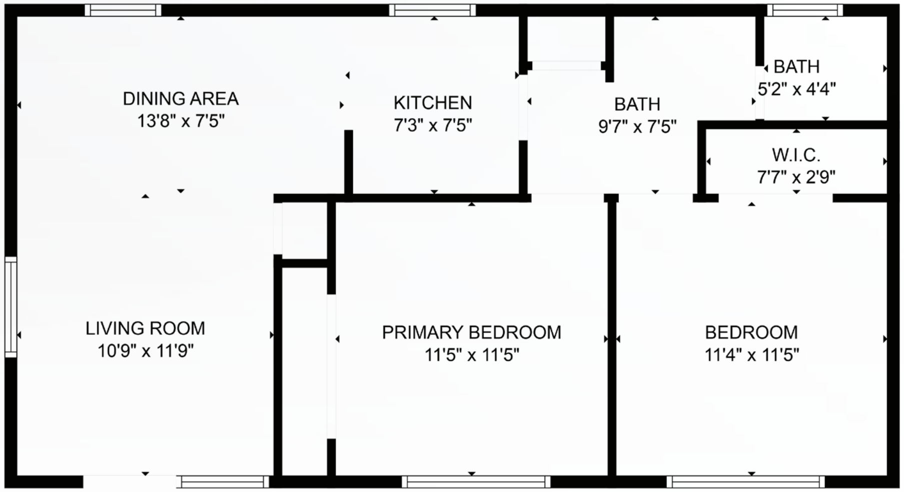
UNIT #1



UNIT #2



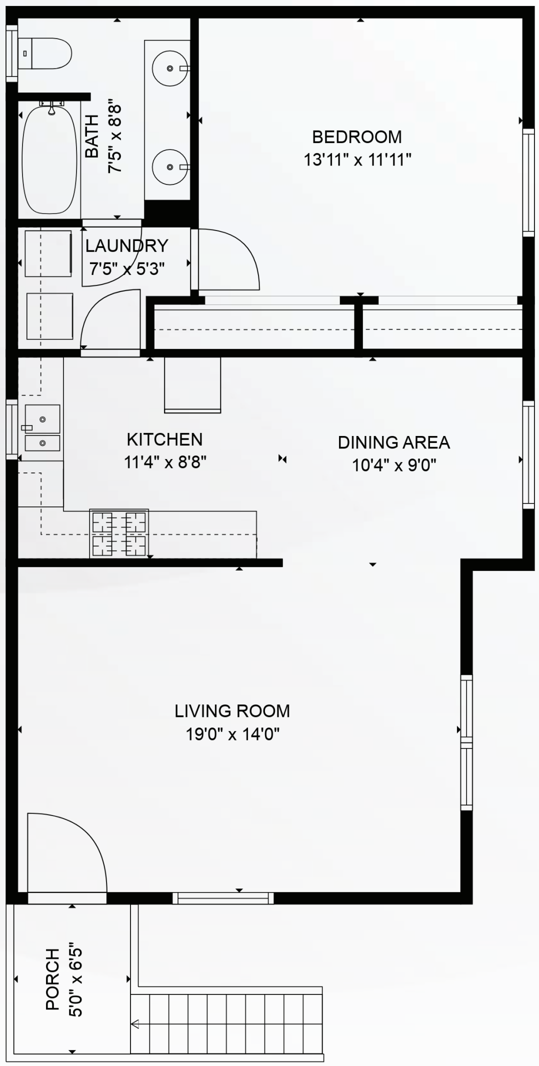
UNIT #3



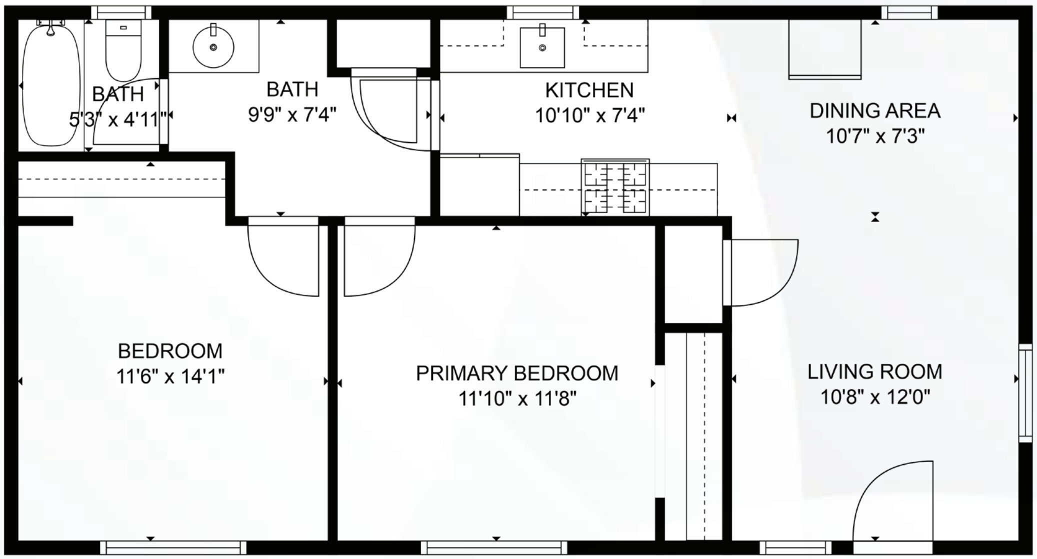
FLOOR PLANS CREATED BY CUBICASA APP. MEASUREMENTS DEEMBED HIGHLY RELIABLE BY NOT GUARANTEED

FLOOR PLANS

UNIT #4



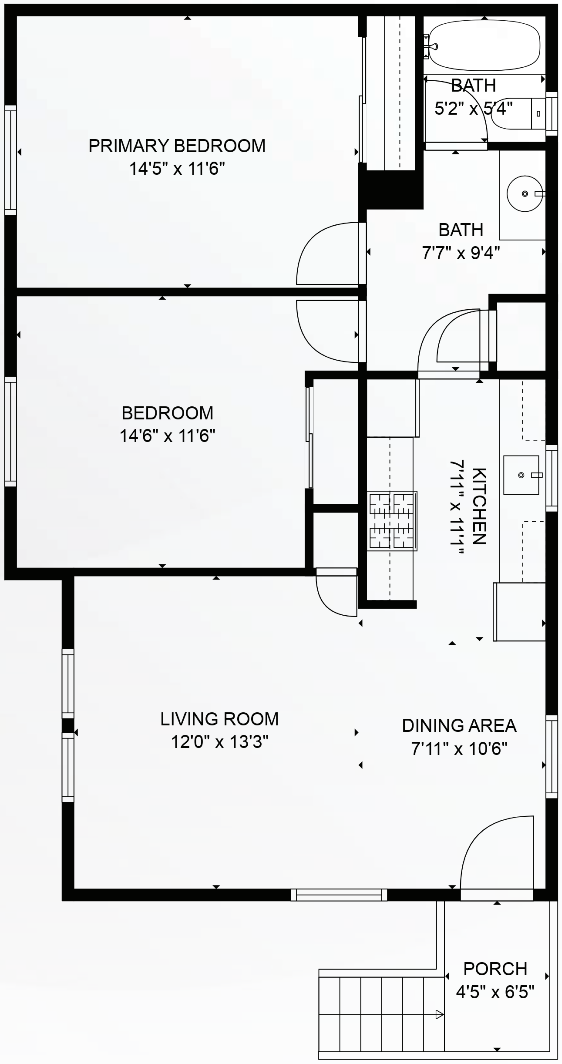
UNIT #5



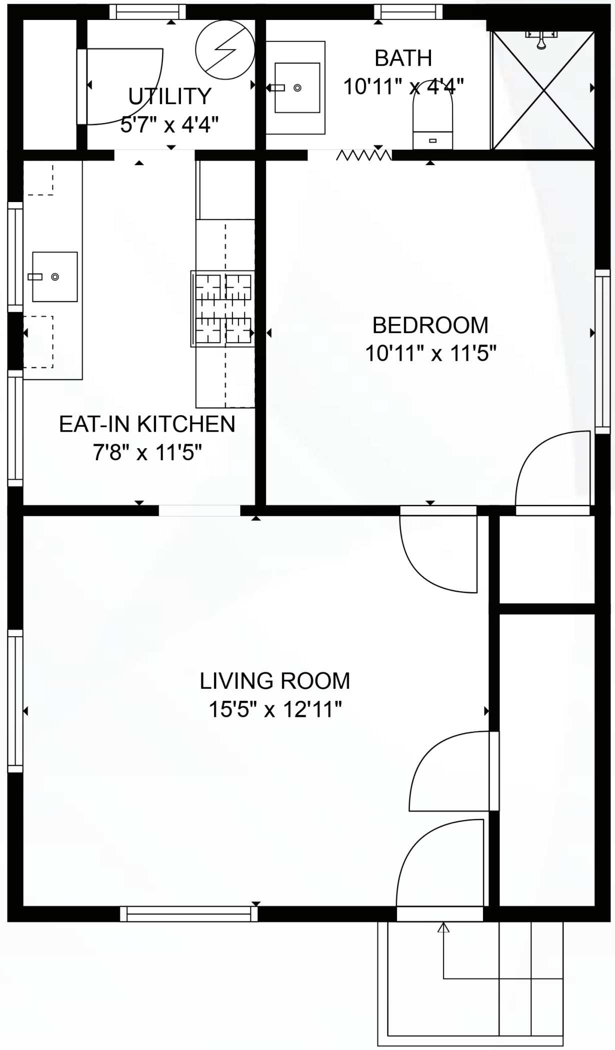
FLOOR PLANS CREATED BY CUBICASA APP. MEASUREMENTS DEEMBED HIGHLY RELIABLE BY NOT GUARANTEED

FLOOR PLANS

UNIT #6



UNIT #7



FLOOR PLANS CREATED BY CUBICASA APP. MEASUREMENTS DEEMBED HIGHLY RELIABLE BY NOT GUARANTEED

02 ASSET UNDERWRITING

RENT ROLL

UNIT	TYPE	SQ. FT.	CURRENT RENT	$/SF	RUBS	MARKET RENT	$/SQ FT
Unit 1	1 Bed / 1 Bath	400	$2,050	$5.13	$160	$2,400	$6.00
Unit 2*	1 Bed / 1 Bath*	400	$2,240	$5.60	$0	$2,818	$7.05
Unit 3	2 Bed / 1 Bath	600	$2,450	$4.08	$200	$2,800	$4.67
Unit 4*	2 Bed / 1 Bath*	600	$1,755	$2.93	$0	$3,359	$5.60
Unit 5	2 Bed / 1 Bath	600	$2,400	$4.00	$150	$2,800	$4.67
Unit 6	2 Bed / 1 Bath	600	$2,290	$3.82	$160	$2,800	$4.67
Unit 7	1 Bed/1 Bath - Cottage	540	$2,700	$5.00	$150	$2,700	$5.00
Total		**3,740**	**$15,885**	**$4.25**	**$820**	**$19,677**	**$5.26**

*Occupied by Section 8 voucher recepients; therefore, Market Rent assumptions are based on Fair Market Rate for San Mateo County established by HUD.
Unit 4 occupied by an on-site manager. The rate of this unit is roughly 34% below the average rate of all other units. On-site management not required at this property.
Units 2 & 4 market rent assumptions based off HUD Fair Market Rent (FMR) max. allowable rent

OPERATIONS SUMMARY

OFFERING DETAILS

Address:	2263 University Ave
City, State:	East Palo Alto, CA 94303
Price	$2,135,000
Down Payment	$1,067,500
Units	7
Price/Unit	$305,000
Rentable Square Feet	3,772
Price/Sq Ft	$566.01
Year Built	1931
Land Area (Acres)	23,760
Current Cap Rate	5.09%
Market Cap Rate	6.94%
Current GRM	11.20
Market GRM	9.04

FINANCING

Loan Amount:	$1,067,500
Interest Rate:	6.75%
Amortization:	30
Monthly Payment:	$83,085
Details:	

OPERATIONS STATEMENT

OPERATIONS STATEMENT		CURRENT		MARKET
Scheduled Gross Rent		$190,620		$236,124
Vacancy	3.00%	($5,719)	5.00%	($11,806)
Effective Gross Rent		$184,901		$224,318
RUBS		$9,840		$9,840
Laundry Income		$0		$0
Total Income		$194,741		$234,158
Repairs & Maintenance ($1,000/unit)		$7,000		$7,000
Landscaping		$2,400		$2,400
PG&E		$14,409		$14,409
Water		$10,833		$10,833
Sewer		Special Assessment		Special Assessment
Trash		$7,931		$7,931
East Palo Alto Rent Cert Fee ($234/ Non-Exempt Unit)		$1,170		$1,170
EPA Business License		$500		$500
EPA Gross Receipt Tax (2.5%)		$4,869		$4,869
Operating Expenses		**$49,112**		**$49,112**
Real Estate Taxes	1.11940%	$23,899		$23,899
Special Assessments		$5,006		$5,006
Insurance ($1,000/unit)		$7,000		$7,000
Non-Operating Expenses		**$35,905**		**$35,905**
Reserves ($150 / Unit)		$1,050		$1,050
Total Expenses		$86,067		$86,067
% Scheduled Gross Rent		45.15%		36.45%
Expenses/Unit		$12,295		$12,295
Expeses/Sq Ft		$22.82		$22.82
Net Operating Income		$108,674		$148,090

Units 2 & 4 do not reimburse utilities. All other units reimburse an average of $164/mo in utility reimbursements.
PG&E, Water, and Trash were estimated based on average monthly in-place expenses
Real Estate Taxes calculated based off new assessed value of property at the time of sale
New Insurance quote estimated at $1,000/unit

03 INVESTMENT MARKET

SALE COMPARABLES

#1 - East O'Keefe Street Portfolio, East Palo Alto

Price:	$15,600,000	Cap Rate (Current):	4.41%
Units:	62	Cap Rate (Market):	7.51%
$/Unit:	$251,613	GRM (Current):	12.48
SF:	64,690	GRM (Market):	9.03
$/SF:	$241	COE:	Active
Unit Mix:	-		

Comments: Listed with Compass Commercial. Three (3) property portfolio.

#2 - 1650 Bay Road, East Palo Alto

Price:	$1,750,000	Cap Rate (Current):	4.22%
Units:	5	Cap Rate (Market):	5.41%
$/Unit:	$350,000	GRM (Current):	14.20
SF:	3,680	GRM (Market):	11.09
$/SF:	$476	COE:	Active
Unit Mix:	(2) Studio, (3) 1x1		

Comments: Five units, three of them updated, been on and off the market for the past two years. Current rents way below market, Current DOM 166

#3 - 2109 Dumbarton Ave, East Palo Alto

Price:	$1,700,000	Cap Rate (Current):	4.90%
Units:	9	Cap Rate (Market):	7.04%
$/Unit:	$188,889	GRM (Current):	12.22
SF:	7,078	GRM (Market):	8.51
$/SF:	$240	COE:	Oct-24
Unit Mix:	(8) 1x1, (1) Studio		

Comments: Been on and off the market for the past two years, originaly listed for $1,998,000, reduced 200k forty five days ago, closed for $1,700,000 in October 2024

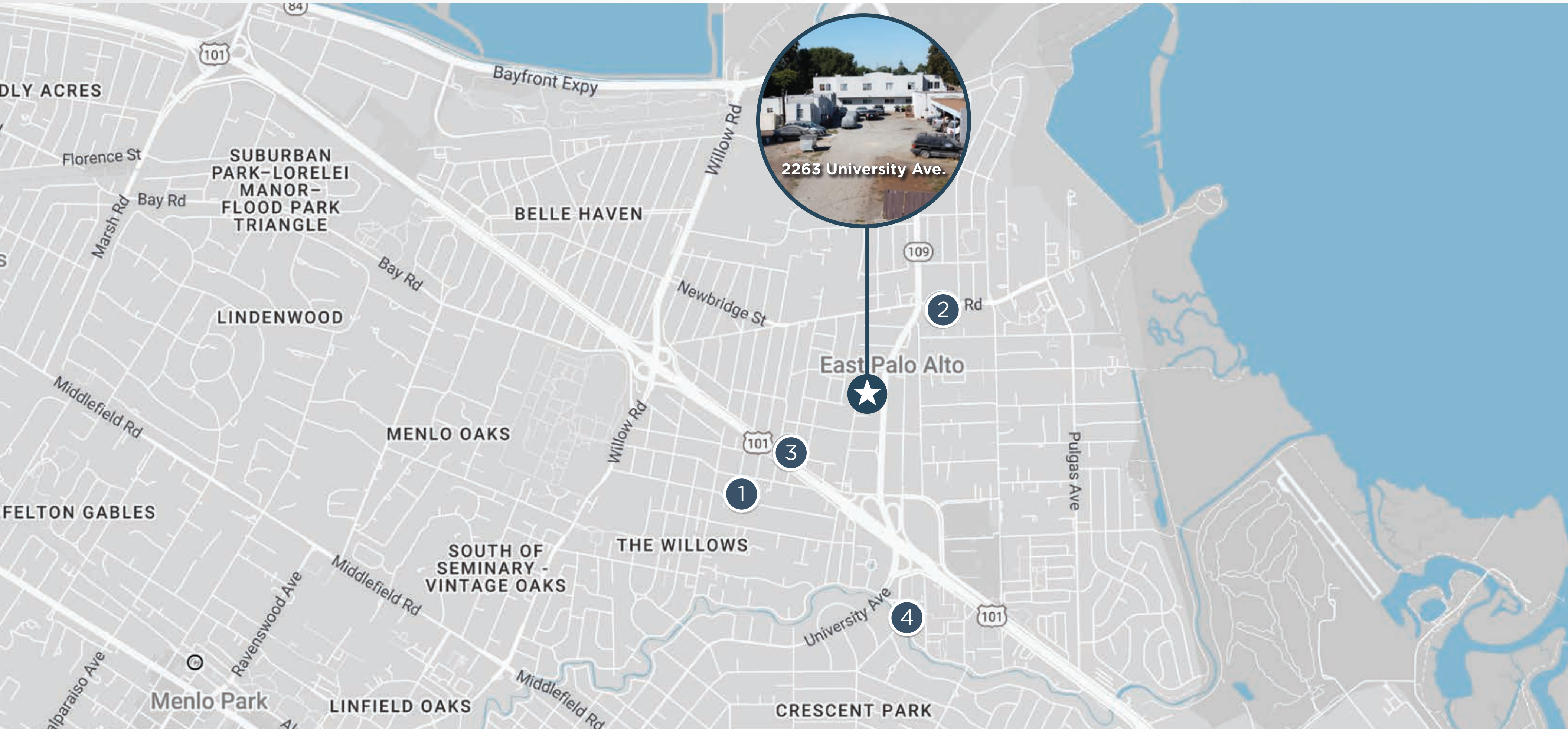
#4 - 1637 Woodland Ave, East Palo Alto

Price:	$1,650,000	Cap Rate (Current):	6.25%
Units:	6	Cap Rate (Market):	6.57%
$/Unit:	$275,000	GRM (Current):	10.07
SF:	4,150	GRM (Market):	10.66
$/SF:	$398	COE:	Nov-22
Unit Mix:	(6) 1x1		

Comments: West of 101 location. 1-Bedroom detached cottage. Units in original condition with deferred maintenance.

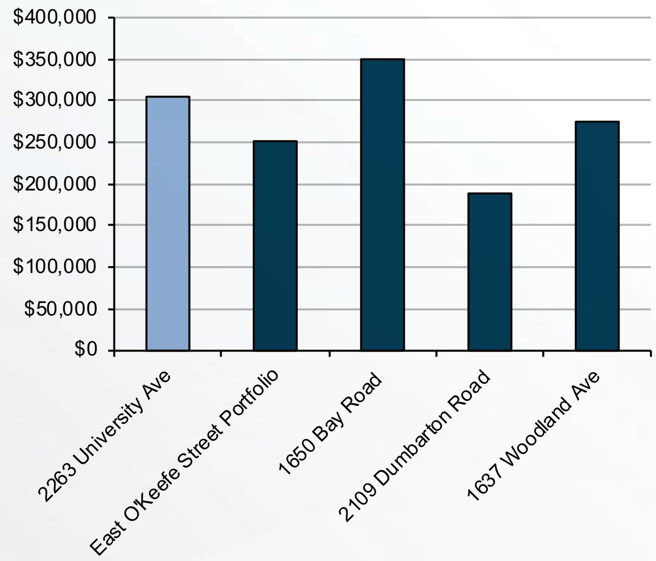
SALE COMPARABLES SUMMARY

#	ADDRESS	CITY	UNITS	SQ FT	$	$/UNIT	$/SQ FT	CURRENT	MARKET	CURRENT	MARKET	COE
1	East O'Keefe Street Portfolio	East Palo Alto	62	64,690	$15,600,000	$251,613	$241	4.41%	7.51%	12.48	9.03	Active
2	650 Bay Road	East Palo Alto	5	3,680	$1,750,000	$350,000	$476	4,22%	5.41%	14.20	11.09	Active
3	2109 Dumbarton Road	East Palo Alto	9	7,078	$1,700,000	$188,889	$240	4.90%	7.04%	12.22	8.51	Oct-24
4	1637 Woodland Ave	East Palo Alto	6	4,150	$1,650,000	$275,000	$398	6.25%	6.57%	10.07	10.66	Nov-22

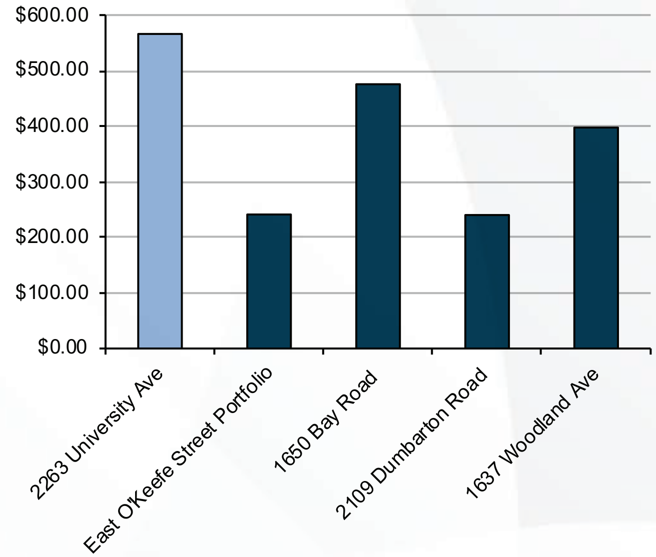


SALE COMPARABLES SUMMARY

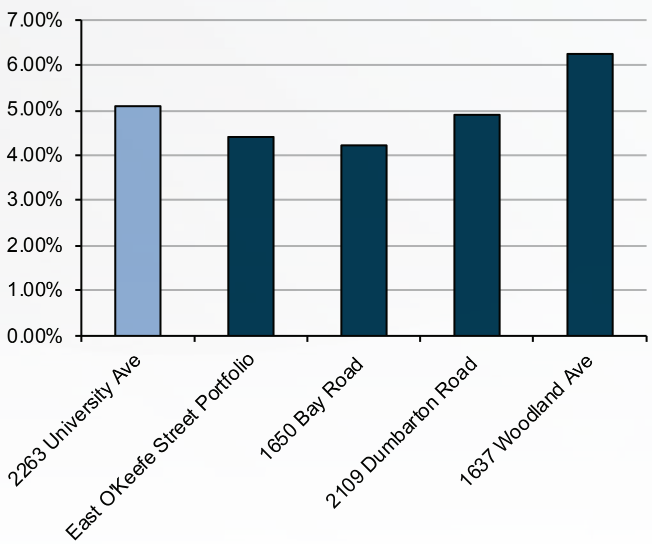
Comparable Price/Unit



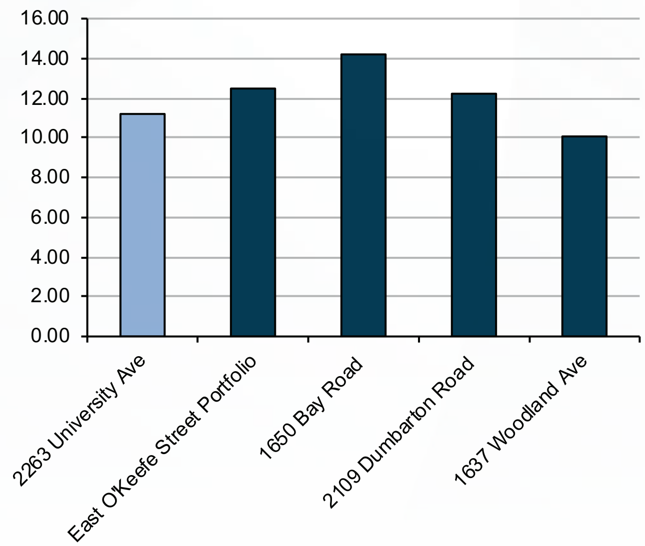
Comparable Price/SF



Comparable Cap Rate



Comparable GRM



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