

# OFFERING MEMORANDUM.



## 25th Avenue Professional Building San Mateo, CA | SF Bay Area Peninsula

TheMaffiaTeam



**\$3,500,000**

**3.75% CAP Rate**

**6.65% CAP Rate in Year 3**

- ◆ Value-Add Office Building on San Francisco's Peninsula
- ◆ Located in Dense Infill Commercial Corridor
  - ◆ The City Plans to Improve the Utilities Infrastructure & Update Hardscaping along 25th Avenue
- ◆ Excellent Visibility & Access
  - ◆ South El Camino Real (46,000 AADT)
  - ◆ Walking Distance from Hillsdale Caltrain Station
- ◆ Situated Near Bay Meadows
  - ◆ Significant Bay Area Redevelopment Encompassing 83 Acres
- ◆ Robust Regional Demographics within Five Mile Radius
  - ◆ Population: 224,752
  - ◆ Average Household Income: \$140,444

**Newmark  
Cornish & Carey**  
Leased Investment Group

[www.maffiateam.com](http://www.maffiateam.com)



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The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

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# Property Overview

## The Investment

The 25th Avenue Professional Building property offers the unique opportunity for an investor to acquire a value-add investment office building in a dense infill location on the San Francisco Peninsula. The site is easily accessible via major Highways 92, 101 and the South El Camino Real arterial. This investment is situated within an amenity rich area in a rapidly growing region of San Mateo County. Furthermore, the property is located near the expansive Bay Meadows development which began in 2002. At completion, Bay Meadows will encompass 83 acres of development that includes over 2.4 million square feet of office and commercial space, 1,800 residential units, and 18 acres of parks. Due to the significant barriers to entry, investors will be able to own a rare investment opportunity that carries the potential of significant value appreciation.

## Property Highlights

- ◆ Value-Add Office Building in San Francisco's Peninsula
- ◆ Located in Dense Infill Commercial Corridor
  - ◆ Numerous Retailers & Restaurants in Close Proximity
- ◆ Excellent Visibility & Access
  - ◆ South El Camino Real (46,000 AADT)
  - ◆ Walking Distance from Hillsdale Caltrain Station
- ◆ Situated Near Bay Meadows
  - ◆ Significant Bay Area Redevelopment Encompassing 83 Acres
- ◆ Robust Regional Demographics within Five Mile Radius
  - ◆ Population: 224,752
  - ◆ Average Household Income: \$140,444

## Location

The property is located at 161 West 25th Avenue in San Mateo, California.

## Lot Size

Approximately 0.14 acres, or 6,242 square feet.

## Improvements

An approximately 11,265 square foot two-story office building demised into 24 office suites.

## Parking

Approximately 65 parking spaces available in a public parking garage located behind the property. There is also parking available at First Presbyterian Church one block west of the property on Mondays, Wednesdays, Thursdays, and Fridays.

## Zoning

C 1-2

## Ingress/Egress

There are two points of ingress/egress along Roosevelt Avenue.

## Financing

The property will be delivered free and clear of permanent financing.



# Financial Analysis | Pricing

## Projected Gross Revenue

	Year 1	Year 3	Year 6
Base Rental Revenue	\$321,660	\$385,579	\$427,642
Absorption & Turnover Vacancy	<\$63,551>	-	-
Scheduled Base Rental Revenue	\$258,109	\$385,579	\$427,642
Total Potential Gross Revenue	\$258,109	\$385,579	\$427,642
General Vacancy	-	<\$19,279>	<\$21,382>
Effective Gross Revenue	\$258,109	\$366,300	\$406,260

## Annual Expenses

CAM	\$71,766	\$76,135	\$83,197
Insurance	\$2,003	\$2,125	\$2,322
Taxes	\$38,500	\$40,055	\$42,507
Management	\$14,417	\$15,295	\$16,714
Total Operating Expenses	<\$126,686>	<\$133,610>	<\$144,740>

## Net Operating Income

	\$131,423	\$232,690	\$261,521
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## CAP Rate

	3.75%	6.65%	7.47%
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## Leasing & Capital Costs

	<\$53,170>	-	-
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## Net Cash Flow

	\$78,253	\$232,690	\$261,521
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**Price: \$3,500,000 (3.75% CAP Rate)**

## Note

The net income is an estimate and does not provide for all potential costs and expenses (i.e. maintenance, repair, etc.) that may be required of the owner. Any reserves set forth herein are merely estimates and not based on any experience, physical inspection, or prior knowledge. All prospective purchasers are strongly advised to make an independent investigation to determine their estimate of costs and expenses prior to entering into an agreement to purchase.



# Financial Analysis | Cash Flow Projection

Year:	1	2	3	4	5	6	7	8	9	10
Begins:	Sep-2016	Sep-2017	Sep-2018	Sep-2019	Sep-2020	Sep-2021	Sep-2022	Sep-2023	Sep-2024	Sep-2025
Ends:	Aug-2017	Aug-2018	Aug-2019	Aug-2020	Aug-2021	Aug-2022	Aug-2023	Aug-2024	Aug-2025	Aug-2026
<b>STATISTICS</b>										
Net Rentable Area in SF	11,265	-	-	-	-	-	-	-	-	-
Avg Base Rental Revenue PSF/mo.	\$2.38	\$2.76	\$2.85	\$2.94	\$3.07	\$3.16	\$3.26	\$3.36	\$3.45	\$3.55
Total Operating Expenses PSF/yr.	\$11.25	\$11.55	\$11.86	\$12.18	\$12.51	\$12.85	\$13.20	\$13.55	\$13.92	\$14.30
<b>Potential Gross Revenue</b>										
Base Rental Revenue	\$321,660	\$373,420	\$385,579	\$397,145	\$415,530	\$427,642	\$440,471	\$453,545	\$466,431	\$480,423
Absorption & Turnover Vacancy	(63,551)	(3,337)		(22,505)	(11,687)		(13,718)	(23,968)		(14,177)
Scheduled Base Rental Revenue	258,109	370,083	385,579	374,640	403,843	427,642	426,753	429,577	466,431	466,246
Total Potential Gross Revenue	258,109	370,083	385,579	374,640	403,843	427,642	426,753	429,577	466,431	466,246
General Vacancy		(15,334)	(19,279)		(9,090)	(21,382)	(8,306)		(23,322)	(9,844)
Effective Gross Revenue	258,109	354,749	366,300	374,640	394,753	406,260	418,447	429,577	443,109	456,402
<b>Operating Expenses</b>										
Property Taxes	38,500	39,270	40,055	40,857	41,674	42,507	43,357	44,224	45,109	46,011
Insurance	2,003	2,063	2,125	2,189	2,254	2,322	2,392	2,463	2,537	2,613
Electricity	12,596	12,974	13,363	13,764	14,177	14,602	15,040	15,492	15,956	16,435
Gas	1,340	1,380	1,422	1,465	1,508	1,554	1,600	1,648	1,698	1,749
Water/Sewer	873	899	926	953	982	1,012	1,042	1,073	1,105	1,138
Doors - Interior	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305
Doors - Exterior	250	257	265	273	281	290	299	307	317	326
Electrical	12,792	13,176	13,571	13,979	14,398	14,830	15,275	15,733	16,205	16,691
Fire Sprinklers	4,370	4,501	4,636	4,775	4,919	5,066	5,218	5,375	5,536	5,702
General Maintenance	1,361	1,401	1,443	1,487	1,531	1,577	1,625	1,673	1,723	1,775
HVAC	15,438	15,901	16,378	16,869	17,376	17,897	18,434	18,987	19,556	20,143
Janitorial - Contract	6,825	7,030	7,241	7,458	7,682	7,912	8,149	8,394	8,646	8,905
Janitorial - Supplies	1,345	1,385	1,426	1,469	1,513	1,559	1,606	1,654	1,703	1,754
Janitorial - Extra Services	145	149	154	158	163	168	173	178	183	189
Landscaping	2,165	2,230	2,297	2,366	2,437	2,510	2,585	2,663	2,743	2,825
Lighting	1,225	1,262	1,300	1,339	1,379	1,420	1,463	1,507	1,552	1,599
Plumbing - fixtures	200	206	212	219	225	232	239	246	253	261
Roof	2,109	2,172	2,237	2,305	2,374	2,445	2,518	2,594	2,672	2,752
Signs - interior	833	857	883	910	937	965	994	1,024	1,055	1,086
Trash	6,249	6,437	6,630	6,829	7,034	7,245	7,462	7,686	7,917	8,154
Window	650	669	690	710	732	754	776	799	823	848
Management Fees	14,202	14,628	15,067	15,519	15,985	16,464	16,958	17,467	17,991	18,531
Other Management Costs	215	222	228	235	242	250	257	265	273	281
Total Operating Expenses	126,686	130,099	133,610	137,221	140,929	144,740	148,656	152,682	156,820	161,073
<b>NET OPERATING INCOME</b>	<b>131,423</b>	<b>224,650</b>	<b>232,690</b>	<b>237,419</b>	<b>253,824</b>	<b>261,521</b>	<b>269,791</b>	<b>276,895</b>	<b>286,289</b>	<b>295,329</b>
<b>Leasing &amp; Capital Costs</b>										
Tenant Improvements	50,924	15,780		31,046	54,238		32,080	61,166		29,199
Leasing Commissions	2,246	696		1,371	2,393		1,415	2,699		1,289
Total Leasing & Capital Costs	53,170	16,476		32,417	56,631		33,495	63,865		30,488
<b>CASH FLOW BEFORE DEBT SERVICE &amp; TAXES</b>	<b>\$78,253</b>	<b>\$208,174</b>	<b>\$232,690</b>	<b>\$205,002</b>	<b>\$197,193</b>	<b>\$261,521</b>	<b>\$236,296</b>	<b>\$213,030</b>	<b>\$286,289</b>	<b>\$264,841</b>

\*For purposes of this analysis, we assume the below tenants will continue to pay their existing rent amount for an additional year on a month to month basis after their lease expiration. Thereafter, the below suites will roll over to the MLA market rental rate of \$2.75 PSF. In regards to Suite 102A, whose lease expired in 4/30/2015, the tenant is currently paying rent on a month to month basis and the analysis assumes the tenant will continue to do so until 4/30/2017.

Tenants: Suite 201 - Paul the Tutor's - Peninsula; Suite 202 - Tom Werbe; Suite 206 & 207 - Questiny Engineering Group, Inc.; Suite 102A - James Phillips, CPA; Suite 102B - Marvel Market-ers; Suite 102D - Sandra Schuster; Suite 201A - Questiny Engineering Group, Inc.

# Financial Analysis | Assumptions

## General & Market Leasing Assumptions

General Assumptions	
Analysis Date	Sep-16
Total Rentable Area	11,265
General Inflation per Annum	3.00%
General Expense Growth per Annum	3.00%
Real Estate Tax Growth per Annum	2.00%
Management Fee	See Mgmt. Fees & Other Mgmt. Costs Line Items on Cash Flow Projection (Pg. 3)
General Vacancy Loss	5.00%

Market Leasing Assumptions	
Market Rent SF/Month	\$2.75 PSF
Market Rent Growth Rate	3.00% Annual
Renewal Probability	85% for All Tenants
Type of Lease	Full Service
Speculative Lease Term	3 Years
Escalations within Lease Term	3.00% Annual
Months Down Time	6 Months
TI Allowance	\$8.00 PSF
Leasing Commission	\$2.00 PSF for New Tenant None for Renewing Tenant
Vacant Lease Up Timeline	12 Months





# Rent Roll

Suite	Tenant	Sq. Ft.	Monthly Rent PSF	Annual Rent PSF	Annual Rent	Term	Lease Commenc. Date	Lease Expiration Date	Rental Increase Date(s)	Rental Increase Amount	Options	Renewal Probability & Market Rent Assumptions
103	<b>Body Work by KZ</b>	298	\$2.25	\$27.02	\$8,052	1 yr.	10/12/2015	10/31/2016	n/a	n/a	n/a	85%; MLA: \$2.75 PSF
104	<b>Vallejo Investments</b>	417	\$2.30	\$27.63	\$11,520	3.5 yrs.	7/1/2013	12/31/2016	n/a	n/a	n/a	85%; MLA: \$2.75 PSF
105	<b>VACANT</b>	528	\$2.75	\$33.00	\$17,424	3 yrs.	9/1/2017	8/31/2020	9/1/2018 9/1/2019	\$17,947 \$18,485	n/a	85%; MLA: \$2.75 PSF; Leased in Year 2
106/107	<b>Assista Health-care Partners<sup>1</sup></b>	713	\$2.25	\$27.00	\$19,248	1 yr.	11/16/2015	11/30/2016	n/a	n/a	n/a	85%; MLA: \$2.75 PSF
108	<b>Home Care Referral Agency<sup>1</sup></b>	354	\$2.25	\$27.02	\$9,564	1 yr.	11/16/2015	11/30/2016	n/a	n/a	n/a	85%; MLA: \$2.75 PSF
109	<b>Padgett Business Services<sup>2</sup></b>	518	\$2.41	\$28.91	\$14,976	3 yrs.	5/1/2014	4/30/2017	n/a	n/a	n/a	85%; MLA: \$2.75 PSF
110	<b>Comfort Keepers</b>	706	\$2.32	\$27.81	\$19,634	3 yrs.	1/1/2015	12/31/2017	1/1/2017	\$20,223	n/a	85%; MLA: \$2.75 PSF
200	<b>Michelle Papp Insurance Agency</b>	1,075	\$1.99	\$23.85	\$25,644	3 yrs.	8/1/2014	7/31/2017	8/1/2016	\$26,412	n/a	85%; MLA: \$2.75 PSF
201	<b>Paul the Tutor's - Peninsula</b>	357	\$2.00	\$24.03	\$8,580	3.67 yrs.	11/1/2012	6/30/2016	n/a	n/a	n/a	85%; MLA: \$2.75 PSF
202	<b>Tom Werbe</b>	328	\$2.25	\$27.00	\$8,856	3 yrs.	7/1/2013	6/30/2016	n/a	n/a	n/a	85%; MLA: \$2.75 PSF
203	<b>VACANT</b>	684	\$2.75	\$33.00	\$22,572	3 yrs.	9/1/2017	8/31/2020	9/1/2018 9/1/2019	\$23,249 \$23,947	n/a	85%; MLA: \$2.75 PSF; Leased in Year 2
203A/204	<b>James Phillips, CPA</b>	1,142	\$1.95	\$23.40	\$26,724	8 yrs.	7/1/2009	6/30/2017	n/a	n/a	n/a	85%; MLA: \$2.75 PSF



# Rent Roll

Suite	Tenant	Sq. Ft.	Monthly Rent PSF	Annual Rent PSF	Annual Rent	Term	Lease Commenc. Date	Lease Expiration Date	Rental Increase Date(s)	Rental Increase Amount	Options	Renewal Probability & Market Rent Assumptions
205	<b>Eco Center for Education and Wellness<sup>3</sup></b>	229	\$2.40	\$28.82	\$6,600	1 yr.	1/10/2016	1/31/2017	n/a	n/a	n/a	85%; MLA: \$2.75 PSF
206	<b>Questiny Engineering Group Inc.</b>	439	\$2.25	\$27.01	\$11,856	1 yr.	7/1/2015	6/30/2016	n/a	n/a	n/a	85%; MLA: \$2.75 PSF
207	<b>Questiny Engineering Group Inc.</b>	257	\$2.06	\$24.75	\$6,360	1.58 yrs.	11/21/2014	6/30/2016	n/a	n/a	n/a	85%; MLA: \$2.75 PSF
101A	<b>Reta Coolin</b>	194	\$1.95	\$23.37	\$4,534	3 yrs.	2/1/2014	1/31/2017	n/a	n/a	n/a	85%; MLA: \$2.75 PSF
101B	<b>Anthony T. Siacotos</b>	248	\$1.95	\$23.36	\$5,793	3 yrs.	2/1/2014	1/31/2017	n/a	n/a	n/a	85%; MLA: \$2.75 PSF
101C	<b>Kathleen Terry</b>	313	\$1.94	\$23.34	\$7,305	3 yrs.	2/1/2014	1/31/2017	n/a	n/a	n/a	85%; MLA: \$2.75 PSF
101D	<b>Merle Saber</b>	323	\$1.95	\$23.39	\$7,556	3 yrs.	2/1/2014	1/31/2017	n/a	n/a	n/a	85%; MLA: \$2.75 PSF
102A	<b>James Phillips, CPA</b>	142	\$2.50	\$30.00	\$4,260	3 yrs.	5/1/2012	4/30/2015 [Currently Month-to-Month]	n/a	n/a	n/a	85%; MLA: \$2.75 PSF
102B	<b>Marvel Marketers</b>	472	\$2.25	\$27.03	\$12,756	1 yr.	9/1/2015	8/31/2016	n/a	n/a	n/a	85%; MLA: \$2.75 PSF
102D	<b>Sandra Schuster</b>	308	\$2.05	\$24.62	\$7,584	4.17 yrs.	5/1/2012	6/30/2016	n/a	n/a	n/a	85%; MLA: \$2.75 PSF
201A	<b>Questiny Engineering Group Inc.</b>	480	\$2.06	\$24.73	\$11,868	3 yrs.	7/1/2013	6/30/2016	n/a	n/a	n/a	85%; MLA: \$2.75 PSF





# Rent Roll

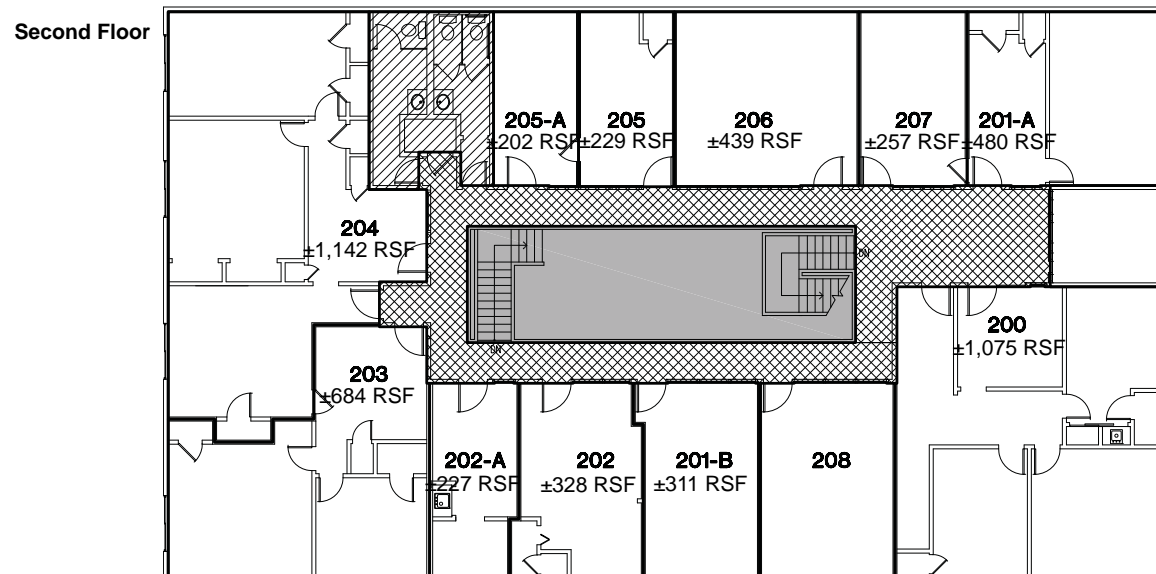
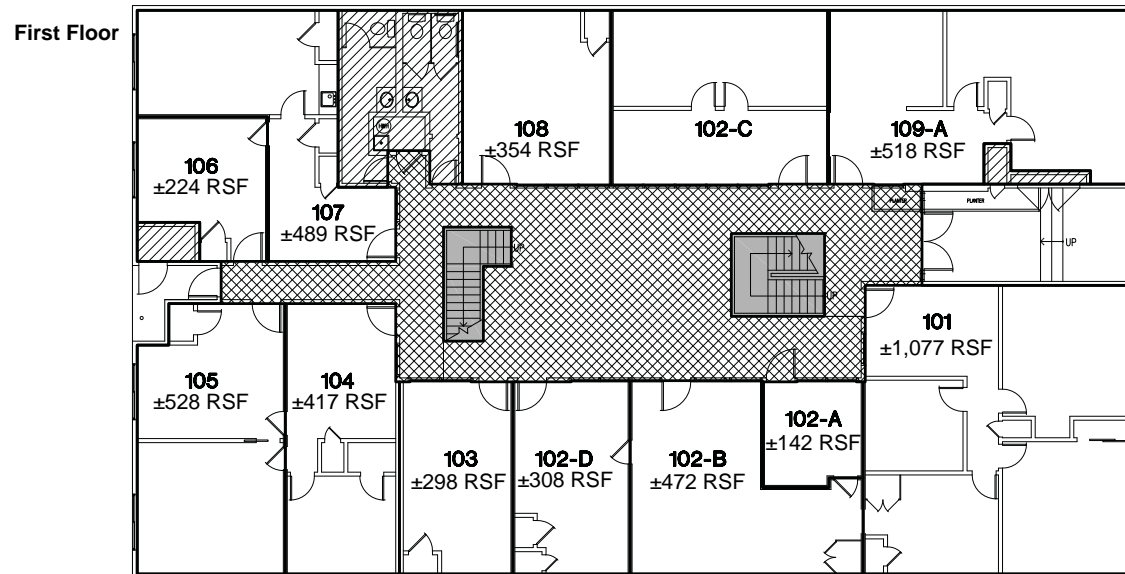
Suite	Tenant	Sq. Ft.	Monthly Rent PSF	Annual Rent PSF	Annual Rent	Term	Lease Commenc. Date	Lease Expiration Date	Rental Increase Date(s)	Rental Increase Amount	Options	Renewal Probability & Market Rent Assumptions
201B	<b>AJA Investments</b>	311	\$2.15	\$25.80	\$8,024	10 yrs.	9/1/2010	8/31/2020	9/1/2016 9/1/2017 9/1/2018 9/1/2019	\$8,265 \$8,513 \$8,768 \$9,031	n/a	85%; MLA: \$2.75 PSF
202A	<b>Julie Bonomo</b>	227	\$1.96	\$23.48	\$5,331	5 yrs.	6/1/2012	5/31/2017	n/a	n/a	n/a	85%; MLA: \$2.75 PSF
205A	<b>E. Berns Consulting, LLC</b>	202	\$2.17	\$26.02	\$5,256	3 yrs.	9/18/2013	9/30/2016	n/a	n/a	n/a	85%; MLA: \$2.75 PSF
	Leased	10,053	89.24%									
	Proforma - Vacant	1,212	10.76%									
	<b>TOTAL</b>	<b>11,265</b>	<b>100%</b>									

<sup>1</sup>The lease is guaranteed by Assista Healthcare Professionals, LLC.

<sup>2</sup>The lease is guaranteed by Christopher M. DeLong.

<sup>3</sup>The lease is guaranteed by Wan Yu Kuo.

# Floor Plan



# Aerial | Close-Up View

St Gregory's  
Catholic School

SLEEP HAVEN BEDDING

O'Reilly

Brookside  
Skilled Nursing

SITE

Fortune  
Star

San Mateo  
Taqueria

San Mateo  
Coffee

Spicy Empire

Caminar  
for Mental Health

Baltica

W 25th Ave

El Camino Real (46,000 AADT)

La Lanterna  
Ristorante

The Noodle  
Shop

Kobeya

Tannourine

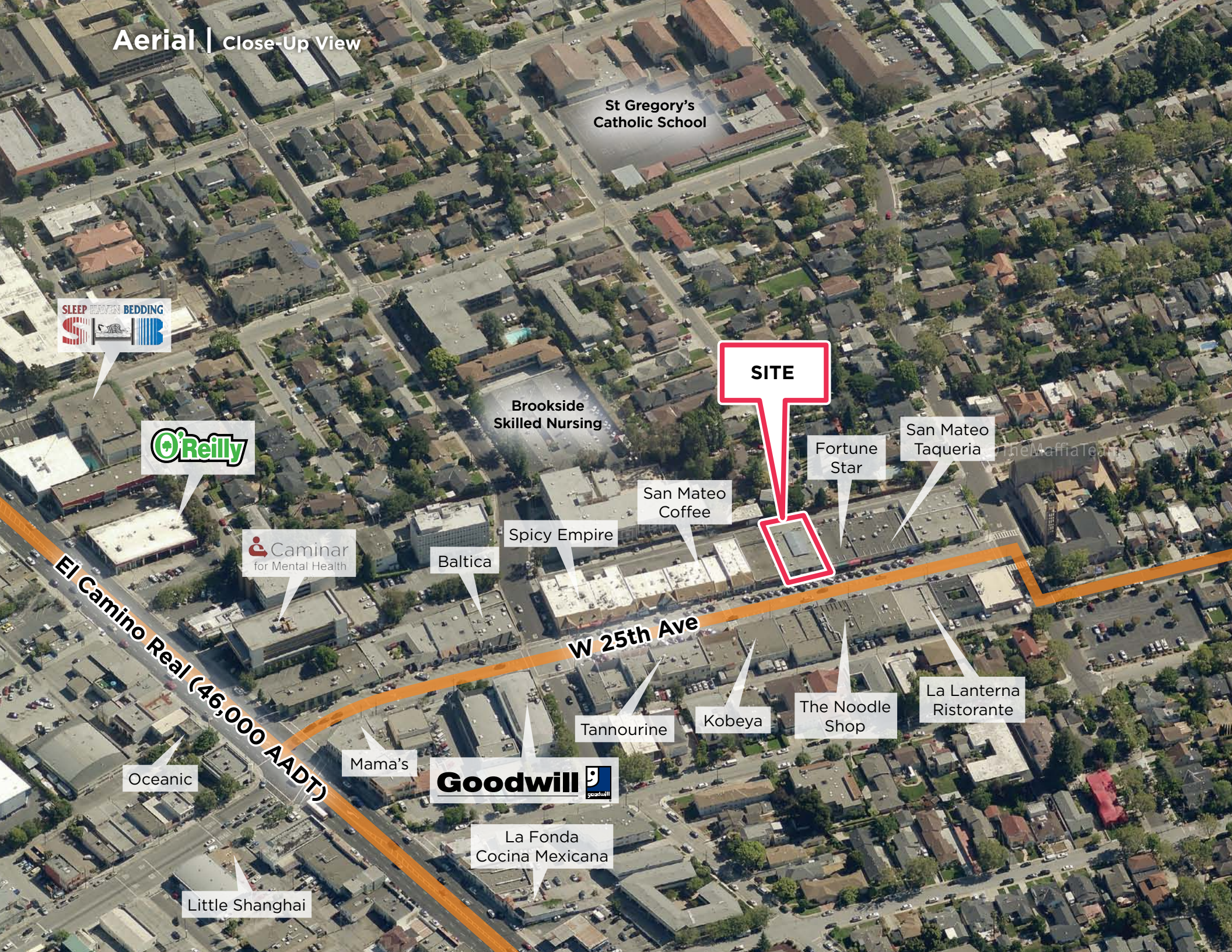
Goodwill

Mama's

Oceanic

La Fonda  
Cocina Mexicana

Little Shanghai



# Aerial | East View

BRIDGEPOINTE SHOPPING CENTER

Target, Marshalls, PETCO, ToysRUs, BABIESRUS, ULTA, STAPLES

Whole Foods Market, Habit Burger Grill, Peets Coffee & Tea, pomodoro

CHASE

Denny's

BevMo!

KAISER PERMANENTE

City of San Mateo Police Department

FRANKLIN TEMPLETON INVESTMENTS

101 / Bayshore Fwy (252,000 AADT)

Smart & Final, Office DEPOT, Round Table Pizza, PET CLUB

Bay Meadows Development

Michaels

The Nueva School Bay Meadows Campus

Fiesta Gardens International School

the Y

TRADER JOE'S, ROSS DRESS FOR LESS, T.J. MAXX

San Mateo County Event Center

EXXON

ARCO

San Mateo Public Works Department

Goodwill

HILLSDALE SHOPPING CENTER, macy's NORDSTROM, Sears, BARNES & NOBLE, Paul Martin's, H&M, BURGER KING, OUTBACK STEAKHOUSE, DSW

SITE

Brookside Skilled Nursing

St Gregory's Catholic School

Tannourine

Kobeya

The Noodle Shop

La Lanterna Ristorante

Fortune Star

San Mateo Taqueria

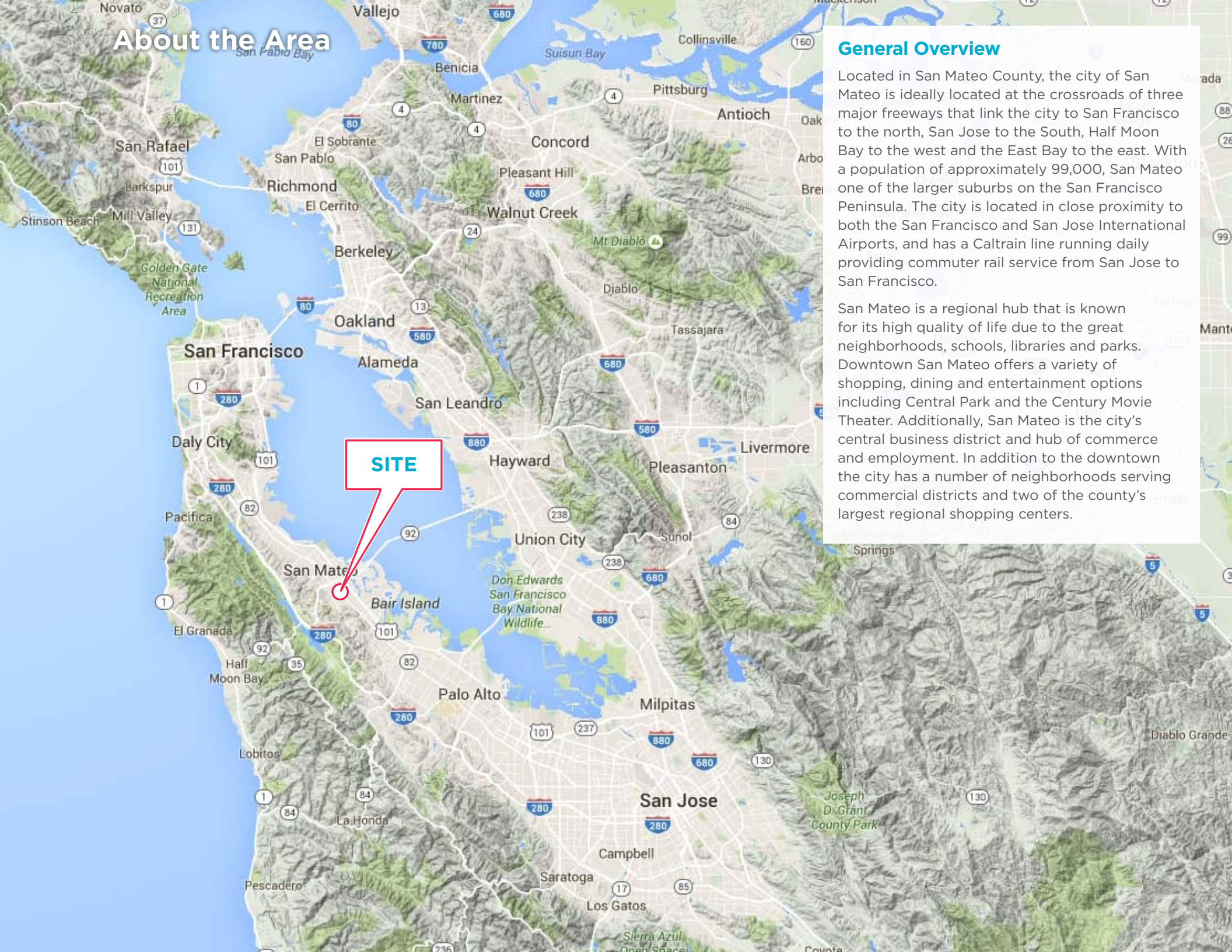
Howard Johnson

92 / (116,000 AADT)

El Camino Real (46,000 AADT)

W 25th Ave

# About the Area



## General Overview

Located in San Mateo County, the city of San Mateo is ideally located at the crossroads of three major freeways that link the city to San Francisco to the north, San Jose to the South, Half Moon Bay to the west and the East Bay to the east. With a population of approximately 99,000, San Mateo is one of the larger suburbs on the San Francisco Peninsula. The city is located in close proximity to both the San Francisco and San Jose International Airports, and has a Caltrain line running daily providing commuter rail service from San Jose to San Francisco.

San Mateo is a regional hub that is known for its high quality of life due to the great neighborhoods, schools, libraries and parks. Downtown San Mateo offers a variety of shopping, dining and entertainment options including Central Park and the Century Movie Theater. Additionally, San Mateo is the city's central business district and hub of commerce and employment. In addition to the downtown the city has a number of neighborhoods serving commercial districts and two of the county's largest regional shopping centers.

# About the Area



**SITE**

**Caltrain**  
HAYWARD PARK STATION

**Caltrain**  
HILLSDALE STATION

## Site Information

The property is located along 25th Avenue (6,410 AADT) near the intersection with South El Camino Real (46,000 AADT) within a dense commercial corridor less than two miles south of downtown San Mateo. The is a dense infill location that benefits from the large number of amenities in proximity, such as restaurants, retailers, public transit, and recreational attractions, making this an ideal setting for an office building. The property is highly visible and easily accessible, as the intersection of California State Route 92 and South El Camino Real is less than half a mile north of the property, while just east of here is the Highway 101 (252,000 AADT) and Highway 92 (116,000 AADT) interchange. Additionally, the Hillsdale Caltrain station is within walking distance from the property. The station is located across from the Hillsdale Shopping Center - one of the first shopping centers of its kind in the U.S. and currently the largest shopping center in San Mateo County with over 1.3 million square feet of retail area.

## Area Development

### 25th Avenue Improvement Initiative

The 25th Avenue Improvement initiative is an engagement program that is to improve the important commercial area of 25th Avenue. The City of San Mateo in partnership with the 25th Avenue business community, the Peninsula Conflict Resolution Center and community partners launched the Improvement Initiative in August 2015. The Improvement Initiative includes the PG&E Undergrounding Project, which will remove the overhead wires from 25th Avenue between El Camino Real and Hacienda. Electrical utilities will be placed in underground vaults and eventually all utilities will be reconfigured to these locations. The PG&E Undergrounding Project is expected for completion during the summer of 2016. Other initiatives to maximize the area's economic vitality and vibrancy include plans to widen the sidewalks and enhance the aesthetics of the hardscape.



# Area Development

## Bay Meadows

Directly east of the property is the in-progress, 83-acre Bay Meadows Phase II, one of the single largest redevelopment sites in the Bay Area. The project will help the demand for housing on the Peninsula, where job and population growth continue at a high rate. The 75-acre Phase I of this project was completed in 2002 and includes a Whole Foods-anchored shopping center, over 700 multifamily housing units and approximately 900,000 square feet of office and commercial space (over a third of which houses Franklin Templeton Investments' Corporate Campus). The goal of Phase II, to be completed within the next three to five years, is to accentuate the benefits of a mixed-used community including walkable grounds and direct access to the Caltrain regional rail line and the 92 and 101 highways. Upon completion, Phase II will add 1,100 residential units, approximately 1.5 million square feet of office space, about 90,000 square feet of retail space, 18 acres of parks and The Nueva School elite high school campus.

Adjacent to Bay Meadows is the San Mateo County Event Center and Fairgrounds and just to the east, the new Kaiser Permanente San Mateo Medical Offices. The Peninsula Golf and Country Club, San Mateo Medical Center and Hillsdale High School are also in the vicinity of the property. Additionally, the property is located just 20 minutes south of downtown San Francisco and 10 minutes south of the San Francisco International Airport.

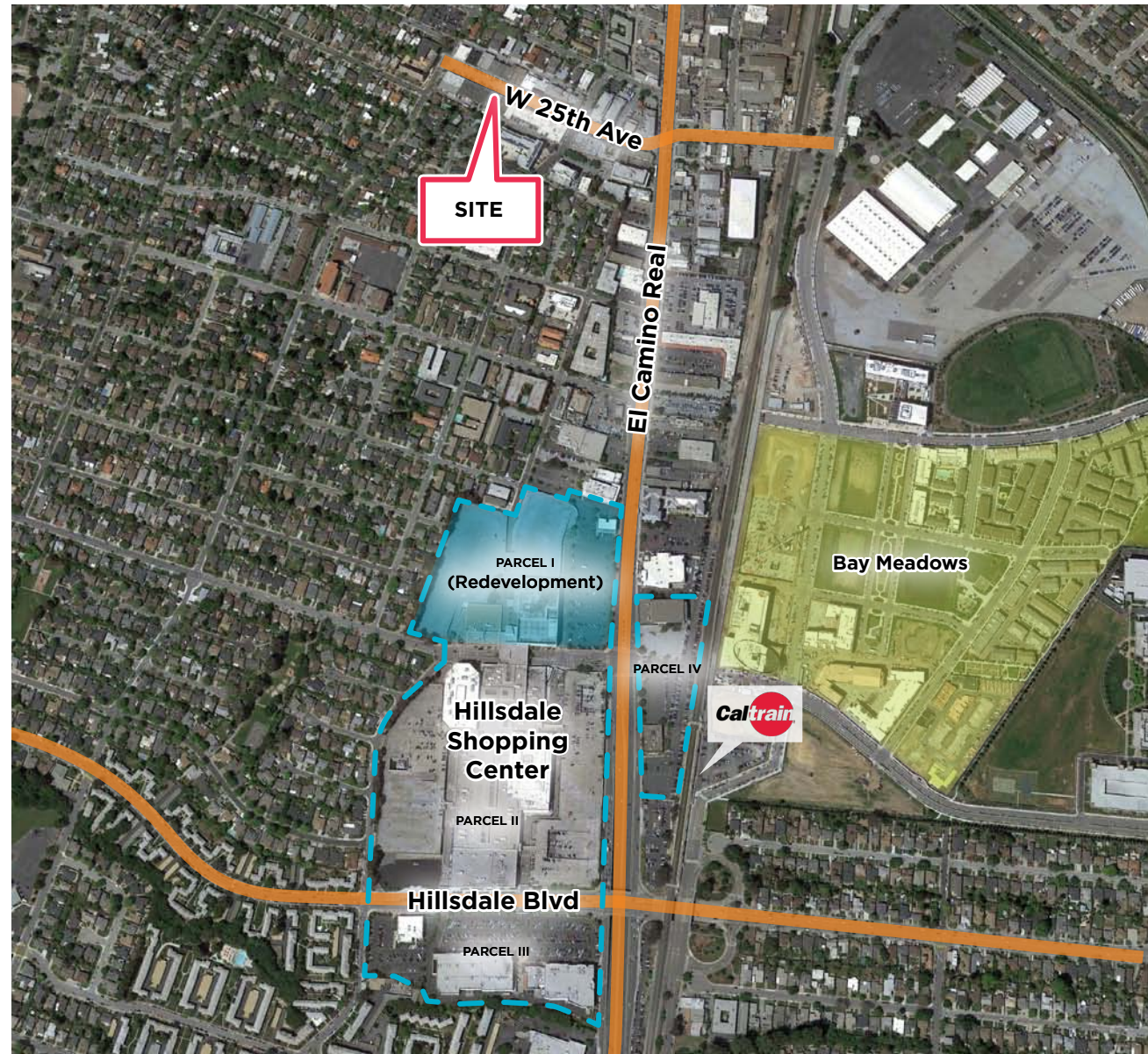




## Area Development

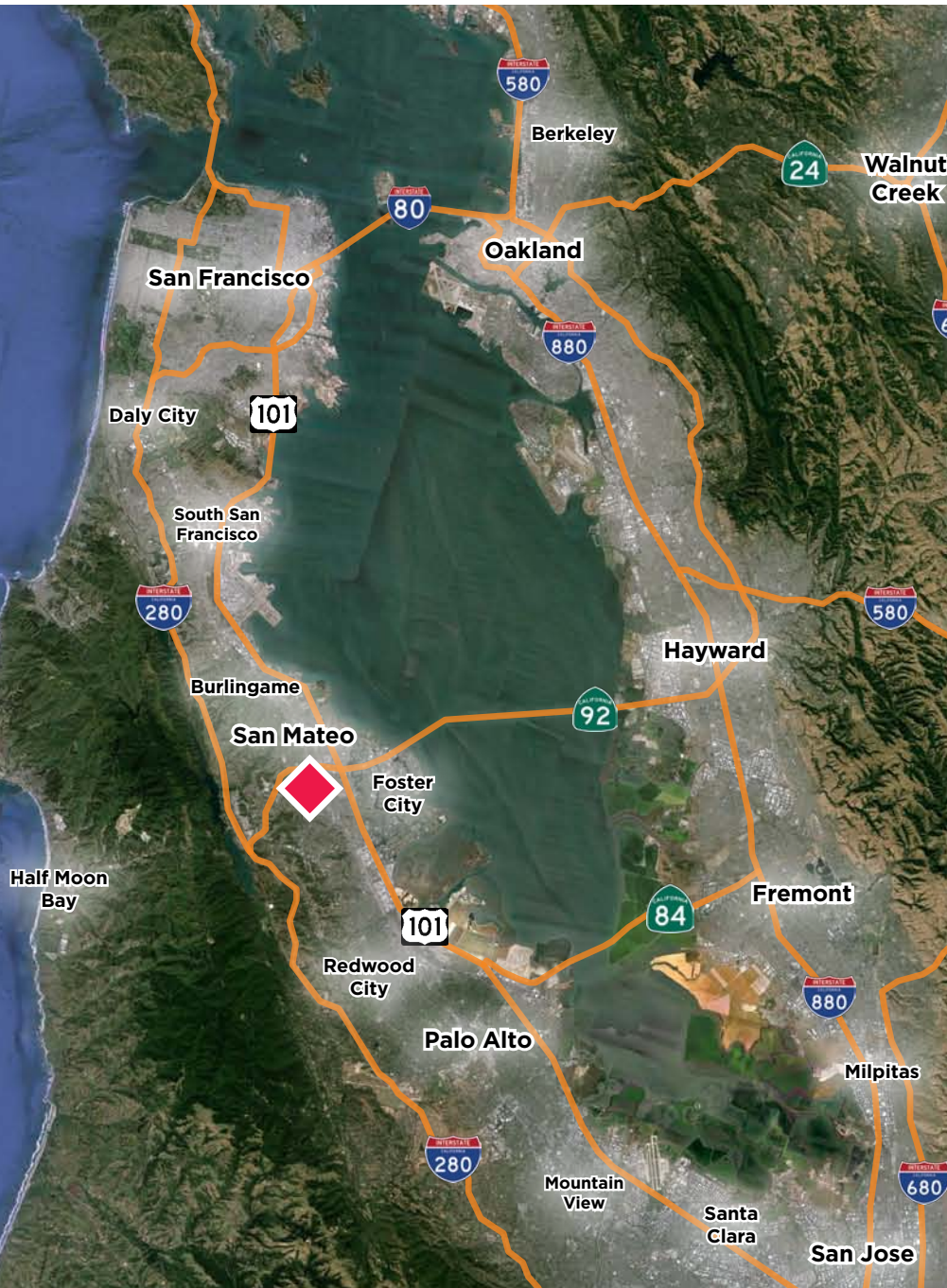
### Redevelopment of Hillsdale Shopping Center

Bohannon Development Company is currently in the planning process for the revitalization of an underutilized portion of The Hillsdale Shopping Center. The renovations will entail the partial demolition and remodel of existing structures to create an open-air lifestyle environment. The plans for the renovation of the 12.5-acre northern portion of the center will ultimately add 291,519 square feet of retail, dining and entertainment that will be centered around an outdoor plaza. In detail, the some of the plans for the redevelopment will contain a Cinèpolis Luxury Cinema, two-story bowling alley lounge and restaurant, an approximately 40,000 square foot underground fitness center, and lifestyle retailers similar to stores found on Burlingame Avenue.





# Demographics



161 W 25th Ave, San Mateo, CA 94403

	1 Mile	3 Miles	5 Miles
<b>Population Summary</b>			
2010 Total Population	20,157	159,506	233,597
2015 Total Population	21,196	164,000	240,553
2020 Total Population	22,974	171,920	251,767
2015-2020 Annual Rate	1.62%	0.95%	0.92%
<b>Average Household Income</b>			
2015	\$114,389	\$133,523	\$140,444
2020	\$131,487	\$152,627	\$160,862
<b>Median Home Value</b>			
2015	\$816,764	\$836,402	\$903,519
2020	\$929,968	\$953,900	\$999,999+
<b>Per Capita Income</b>			
2015	\$46,047	\$52,737	\$56,004
2020	\$52,961	\$60,263	\$64,089

Major Employers in San Mateo	# Employees
County of San Mateo Medical Center	2,598
San Mateo-Foster City School District	1,177
San Mateo County Community College District	1,170
Franklin Templeton Investments	1,103
San Mateo Union High School District	1,000
City of San Mateo	975
San Mateo County Behavioral Health	475
Marketo Inc.	471
Fisher Investments	465
Mills-Peninsula Health Services	451



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