

OFFERING MEMORANDUM

525 Hamilton Avenue

525 Hamilton Avenue
Palo Alto, CA 94301

\$3.20M | **3.44%** | **\$109.97K**
PRICE | CAP RATE | NOI

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525 Hamilton Avenue

525 Hamilton Avenue
Palo Alto, CA 94301

PRICE
\$3,198,000

CAP RATE
3.44%

NOI
\$109,974

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Executive Summary

525 Hamilton Avenue
Palo Alto, CA 94301



\$3,198,000

ASKING PRICE



\$109,974

NOI



3.44%

CAP RATE



\$1172.29

PRICE/SF



\$533,000

PRICE/UNIT



100%

OCCUPANCY



\$187K

BASE RENT



\$190K

EGI

PROPERTY DATA

Building SqFt	2,728
Year Built	1898
Lot Size (Acres)	0.133
Parcel ID	120-03-065
County	Santa Clara
Levels	2
Units	6
Construction	WOOD
Subdivision	PALO ALTO
Lot Size (SF)	5,775
Zoning	COMMERCIAL
Frontage	55
Lot Depth	105

525 Hamilton Avenue presents a rare opportunity to acquire a character-rich, well-located multifamily asset in the heart of Palo Alto, one of the most supply-constrained and high-demand rental markets in the United States. This 6-unit property totals approximately 2,728 square feet on a 0.133-acre parcel and offers a compelling blend of in-place cash flow with meaningful upside potential.

Originally constructed in 1898, the property consists of a diversified unit mix including three one-bedroom/one-bath units, two studio units with full baths, and one professional office space (converted from a one-bedroom unit), along with a community laundry facility. The asset also features on-site parking, including three garages, two carport spaces, and two uncovered spaces, an increasingly valuable amenity in this urban infill location.

The property is fully occupied and offers stable in-place income, with rents currently below market levels, presenting a clear path for revenue growth through natural turnover, targeted interior upgrades, and operational efficiencies.

With its irreplaceable location, strong occupancy history, and clear value-add pieces, 525 Hamilton Avenue represents an attractive acquisition for investors.

Investment Highlights

525 Hamilton Avenue is a 6-unit multifamily community comprising 2,728 total square feet on a 5,775 square foot lot in Palo Alto, CA.

Community amenities include on-site laundry, dedicated parking, and attractively landscaped grounds that enhance resident appeal.

The neighborhood offers a walkable, amenity-rich environment with grocery, dining, fitness, and entertainment options that today's renters demand.


The 94301 zip code has experienced consistent year-over-year rent growth, outperforming the broader metro average and demonstrating strong submarket fundamentals.

The 6-unit scale provides operational efficiency while remaining below the institutional investor threshold, reducing competition from larger capital sources.


A balanced unit mix of studio, one-bedroom, and office floor plans appeals to a broad renter demographic in the Palo Alto market.

Proximity to major employers and transit ensures a deep renter pool, with the majority of residents employed in recession-resistant industries such as healthcare and education.

This acquisition represents a compelling risk-adjusted return, combining stable in-place cash flow with a proven value-add upside.


\$3,198,000

ASKING PRICE


\$109,974

NOI


3.44%


CAP RATE


\$1172.29

PRICE/SF


\$533,000

PRICE/UNIT


100%

OCCUPANCY


\$187K

BASE RENT


\$190K

EGI


16.82

GRM

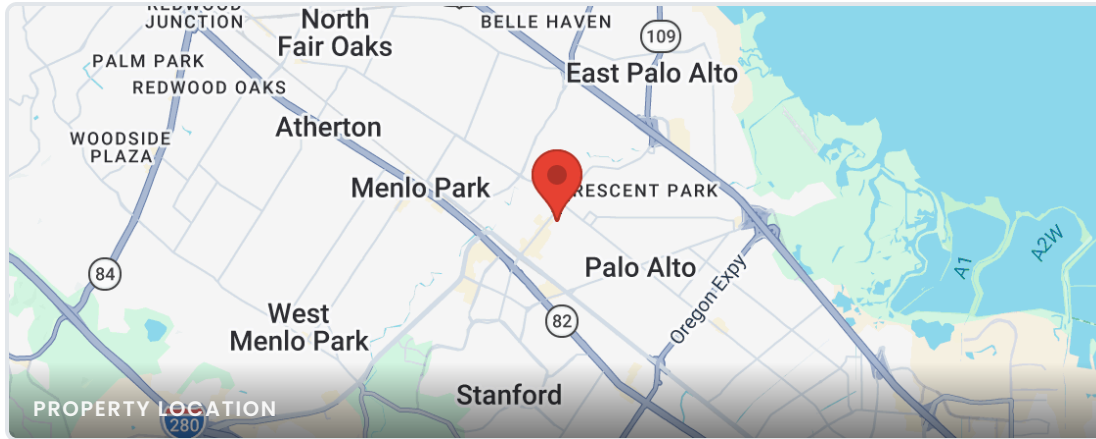

2,728

BUILDING SF


1898

YEAR BUILT

Location Highlights



LOCATION

Address	525 Hamilton Avenue
City	Palo Alto
State	California
Zip Code	94301
County	Santa Clara
APN / Parcel #	120-03-065
Coordinates	37.448112,-122.157743

The 6-unit community is situated in a walkable, amenity-rich area of Palo Alto that consistently ranks among the top renter-preferred neighborhoods. 525 Hamilton Avenue provides residents with immediate access to major employment centers, reducing average commute times and enhancing quality of life. The community's location at the nexus of multiple thriving Palo Alto neighborhoods gives residents unmatched convenience and connectivity. With [Parking] covered and surface parking spaces, the property provides ample on-site parking for residents and their guests. Multifamily vacancy in the Palo Alto submarket is among the lowest in the metropolitan area, reflecting strong absorption and limited competing supply. Full-service grocery stores, farmers' markets, and everyday retail are located within minutes of the community, supporting a convenient lifestyle. Palo Alto ranks among the nation's fastest-growing metropolitan areas, with population and job growth projections supporting continued multifamily demand.

TRANSIT

On Quarry Road Across From Psychiatry Bldg	1.0 mi
500 Pasteur Drive	1.5 mi
University Ave & Middlefield Rd	0.2 mi

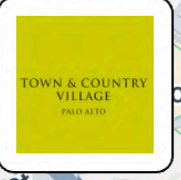
AIRPORTS

San Francisco International Airport	17.0 mi
San Jose Mineta International Airport	13.9 mi
Palo Alto Airport	2.6 mi

HIGHWAYS

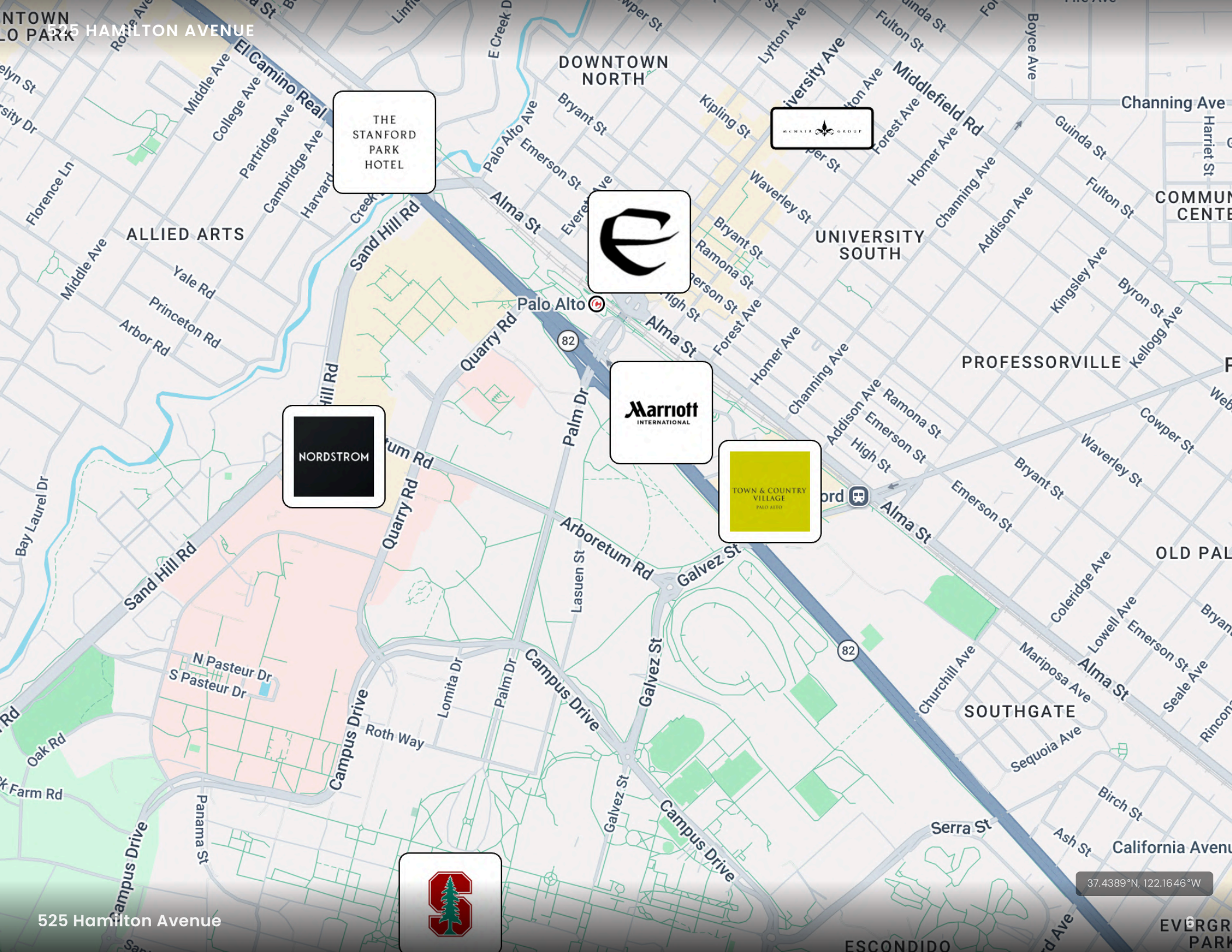
Bayshore Freeway	1.2 mi
Bayfront Expressway	2.3 mi
Marsh Road	2.7 mi
CA 84	2.8 mi
280	2.5 mi

DOWNTOWN
525 HAMILTON AVENUE



37.4389°N, 122.1646°W

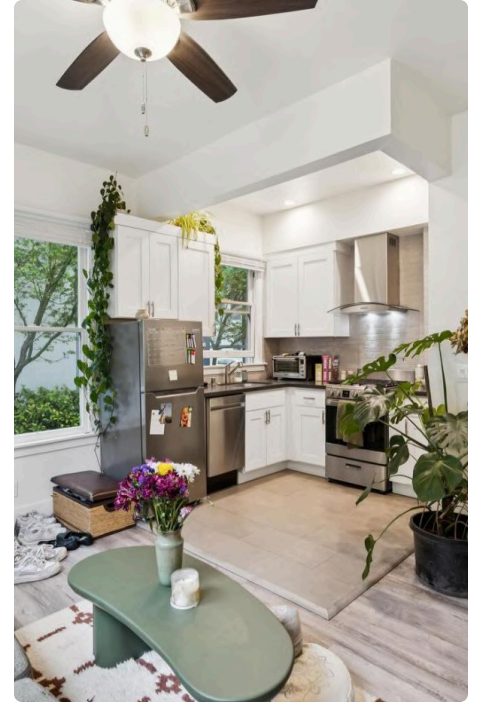
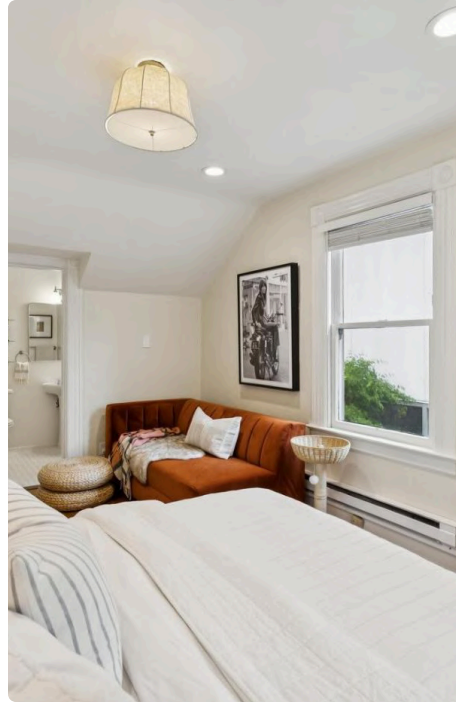
525 Hamilton Avenue





525 Hamilton Avenue

Photo Gallery



Rent Roll

Unit	Unit Type	SF	Monthly	Annual Rent	Pro-Forma / Mo	Pro-Forma / Yr
A	Office (converted from 1-bed, 1-bath)	505	\$2,599.00	\$31,188.00	\$3,200.00	\$38,400.00
B	Studio	350	\$2,100.00	\$25,200.00	\$2,500.00	\$30,000.00
C	1-bed, 1-bath	515	\$3,100.00	\$37,200.00	\$3,200.00	\$38,400.00
D	1-bed, 1-bath	445	\$2,436.00	\$29,232.00	\$3,100.00	\$37,200.00
E	Studio	350	\$2,500.00	\$30,000.00	\$2,500.00	\$30,000.00
F	1-bed, 1-bath	485	\$2,700.00	\$32,400.00	\$3,100.00	\$37,200.00
Garage A	Parking	0	\$150.00	\$1,800.00	\$200.00	\$2,400.00
Garage C	Parking	0	\$0.00	\$0.00	\$200.00	\$2,400.00
Garage D	Parking	0	\$0.00	\$0.00	\$200.00	\$2,400.00
Total		2,650	\$15,585.00	\$187,020.00	\$18,200.00	\$218,400.00

TOTAL SF **2,650**

OCCUPANCY **100.0%**

AVG RENT/UNIT **\$20,780.00**

UNITS **9**

Notes

Tenants pay ~90% of utilities Two garages were used by owner but could be leased out or included as an amenity Two additional carport spots and two uncovered spots

Suite A – Month-to-Month 1-bed, 1-bath unit that is being used as a professional office. It can be easily converted back to a 1-bed, 1-bath residential unit.

Suite B – Month-to-Month Potential to remodel

Suite C – Lease: 10.19.2025-10.18.2026

Suite D – Month-to-Month

Suite E – Lease: 8/13/2025 - 8/12/2026

Suite F – Lease: 2/8/2026 - 2/7/2027

Valuation Summary

KEY METRICS

ASKING PRICE	\$3,198,000	
	IN-PLACE	PRO FORMA
NOI	\$109,974	\$150,341
Cap Rate	3.44%	4.70%
Occupancy	100.0%	100.0%
Price/Unit	\$533,000	\$533,000
Price/SF	\$1172.29	\$1172.29
GRM	16.82	14.44

INCOME/UNIT
\$31170.00

EGI/UNIT
\$31686.93

EXPENSES/UNIT
\$13357.93

NOI/UNIT
\$18329.00

INCOME

	IN-PLACE	PRO FORMA
Base Rental Income	\$187,020	\$218,400
Utilities Paid by Tenants	\$3,102	\$3,102
Effective Gross Income	\$190,122	\$221,502

EXPENSES

	IN-PLACE	PRO FORMA
Property Tax	\$39,415	\$39,415
Insurance	\$8,037	\$8,037
Management Fee	\$12,396	\$13,080
GENERAL EXPENSES		
Landscaping	\$4,425	\$2,700
Utilities	\$4,188	\$4,188
Maintenance	\$10,449	\$2,500
Cleaning Common Area	\$700	\$700
Supplies	\$290	\$290
Miscellaneous	\$247	\$250
Total General Expenses	\$20,299	\$10,628

Total Expenses

\$80,148

\$71,161

Pro Forma Analysis

Line Item	In-Place	Pro Forma	Change
Base Rental Income	\$187,020	\$218,400	+16.8%
Utilities Paid by Tenants	\$3,102	\$3,102	—
Effective Gross Income	\$190,122	\$221,502	+16.5%
Property Tax	\$39,415	\$39,415	—
Management Fee	\$12,396	\$13,080	+5.5%
Insurance	\$8,037	\$8,037	—
General Expenses	\$20,299	\$10,628	-47.6%
Total Operating Expenses	\$80,148	\$71,161	-11.2%
Net Operating Income (NOI)	\$109,974	\$150,341	+36.7%
Cap Rate	3.44%	4.70%	+1.26 pts

Sales Comparables

405 Kipling

405 Kipling Street, Palo Alto, CA



SALE PRICE
\$3,295,000

PRICE/UNIT
\$549,167

UNITS
6

CAP RATE
2.55%

PRICE/SF
\$1500.46

NOI
\$100,674

OCCUPANCY
100%

YEAR BUILT
1900

SALE DATE
Apr 2025

6 unit property (all studios) sold to Thoits Brothers, Inc for \$3,295,000 (\$549,170/unit). On the market for 141 days, initial list price at \$3,995,000. Deferred maintenance was cited as impacting the final sale price. The in-place net operating income for 2024 was reported to be \$100,674, 2.55% cap

2745 Byron Street

2745 Byron Street, Palo Alto, CA



SALE PRICE
\$2,625,000

PRICE/UNIT
\$525,000

UNITS
5

CAP RATE
2.66%

PRICE/SF
\$413.84

NOI
\$69,825

OCCUPANCY
100%

YEAR BUILT
1951

SALE DATE
Feb 2026

5-unit, 3,263-square-foot multifamily building in Midotwn sold to Wang Family Trust for \$2,625,000 (\$525,000/unit). The property was on the market for 40 days, with an initial asking price of \$2,625,000. The in-place cap rate was reported to be 2.66%.

818 Cowper Street

818 Cowper Street, Palo Alto, CA



SALE PRICE
\$3,485,000

PRICE/UNIT
\$497,857

UNITS
7

CAP RATE
3.74%

PRICE/SF
\$1047.18

NOI
\$130,339

OCCUPANCY
100%

YEAR BUILT
1903

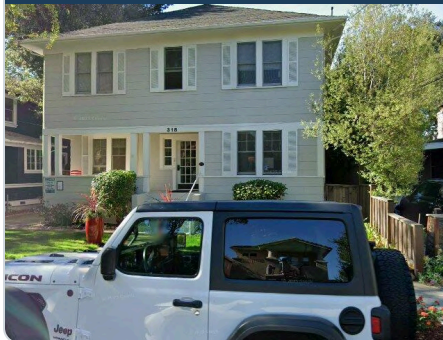
SALE DATE
Nov 2024

Situated on a 6,550 square foot parcel of land, the property was built in 1903, approximately 3,328 square feet, offering its tenants beautifully designed one-bedroom floor plans. It recently underwent extensive interior capital improvements.

Sales Comparables (continued)

318 Emerson Avenue

318 Emerson Avenue, Palo Alto, CA



SALE PRICE
\$3,500,000

PRICE/UNIT
\$875,000

UNITS
4

CAP RATE
3.01%

PRICE/SF
\$1107.59

NOI
\$105,350

OCCUPANCY
75%

YEAR BUILT
1900

SALE DATE
Aug 2024

318 Emerson is right in the heart of Downtown Palo Alto. This four plex offers a unique chance for savvy investors to dive into a prime piece of real estate. The property offered a unit mix of (2) 2 bed 2 bath and (2) 1 bed 1 bath units. 5.650sf lot.

830 Cowper Street

830 Cowper Street, Palo Alto, CA



SALE PRICE
\$3,462,000

PRICE/UNIT
\$577,000

UNITS
6

CAP RATE
3.69%

PRICE/SF
\$1040.26

NOI
\$127,748

OCCUPANCY
100%

YEAR BUILT
1903

SALE DATE
Dec 2024

Situated on a 5,600 square foot parcel of land, the subject property was originally constructed in 1903 and has a gross building area of approximately 3,328 square feet, offering its tenants beautifully designed two-bedroom and one-bedroom floor plans. The subject property has recently renovations.

813 Cowper St, Palo Alto, Ca 94301

813 Cowper St, Palo Alto, Ca



SALE PRICE
\$5,700,000

PRICE/UNIT
\$712,500

UNITS
8

CAP RATE
4.93%

PRICE/SF
\$907.35

NOI
\$281,020

OCCUPANCY
100%

YEAR BUILT
1956

SALE DATE
Apr 2026

Eight-unit multifamily property located in the heart of Downtown Palo Alto. Built in 1956, the property consists of 3 well maintained buildings with a total of 8 units, including 5 -large 1 bedroom apartments and 3- two bedroom units.

Sales Comparables (continued)

474-480 Matadero Ave, Palo Alto, Ca 94306

474-480 Matadero Ave., Palo Alto, Ca



SALE PRICE

\$2,700,000

PRICE/UNIT

\$675,000

UNITS

4

CAP RATE

2.92%

PRICE/SF

\$847.46

NOI

\$82,213

OCCUPANCY

100%

YEAR BUILT

1950

SALE DATE

May 2025

Meticulously maintained 4-unit multifamily property in the vibrant heart of Palo Alto. Each of the 4 units features a spacious 1-bedroom layout. With a building size of 3,185 sqft and a lot size of 5,397 sqft. Two units have been recently and extensively renovated, offering a contemporary feel.

500 Palo Alto Ave, Palo Alto, Ca 94301

500 Palo Alto Ave, Palo Alto, Ca



SALE PRICE

\$4,750,000

PRICE/UNIT

\$593,750

UNITS

8

CAP RATE

3.98%

PRICE/SF

\$737.35

NOI

\$190,905

OCCUPANCY

100%

YEAR BUILT

1958

SALE DATE

Dec 2025

True trophy asset in irreplaceable downtown Palo Alto location. Excellent Unit Mix: (6) Two-Bedroom / One-Bath & (2) One-Bedroom / One-Bath Units. Numerous recent upgrades including interior updates to at least half of the units with updated kitchen countertops and bathrooms.

Market Overview



POPULATION
58,598

AREA
25.8 sq mi

ELEVATION
98 ft

TIME ZONE
Pacific Time Zone

COUNTY
Santa Clara County

INCORPORATED
January 1, 1894

STATE
California

Market Overview: Palo Alto, CA

Palo Alto (PAL-oh AL-toh; Spanish for 'tall stick') is a charter city in northwestern Santa Clara County, California, United States, in the San Francisco Bay Area, named after a coastal redwood tree known as El Palo Alto.

The city of Palo Alto was incorporated in 1894 by the American industrialist Leland Stanford and his wife, Jane Stanford, when they founded Stanford University in memory of their only child, Leland Stanford Jr. Palo Alto later expanded and now borders East Palo Alto, Mountain View, Los Altos, Los Altos Hills, Stanford, Portola Valley, and Menlo Park. As of the 2020 United States census, the population was 68,572. Palo Alto has one of the highest costs of living in the United States, and its residents are among the most educated in the country. However, it has a youth suicide rate four times higher than the national average, often attributed to academic pressure.

DEMOGRAPHIC SNAPSHOT

1-MILE RADIUS		3-MILE RADIUS		5-MILE RADIUS	
Population	18,833	Population	157,985	Population	288,523
Median HH Income	\$222,425	Median HH Income	\$187,384	Median HH Income	\$176,851
Households	7,854	Households	51,236	Households	98,774

Source: ESRI / ArcGIS Business Analyst

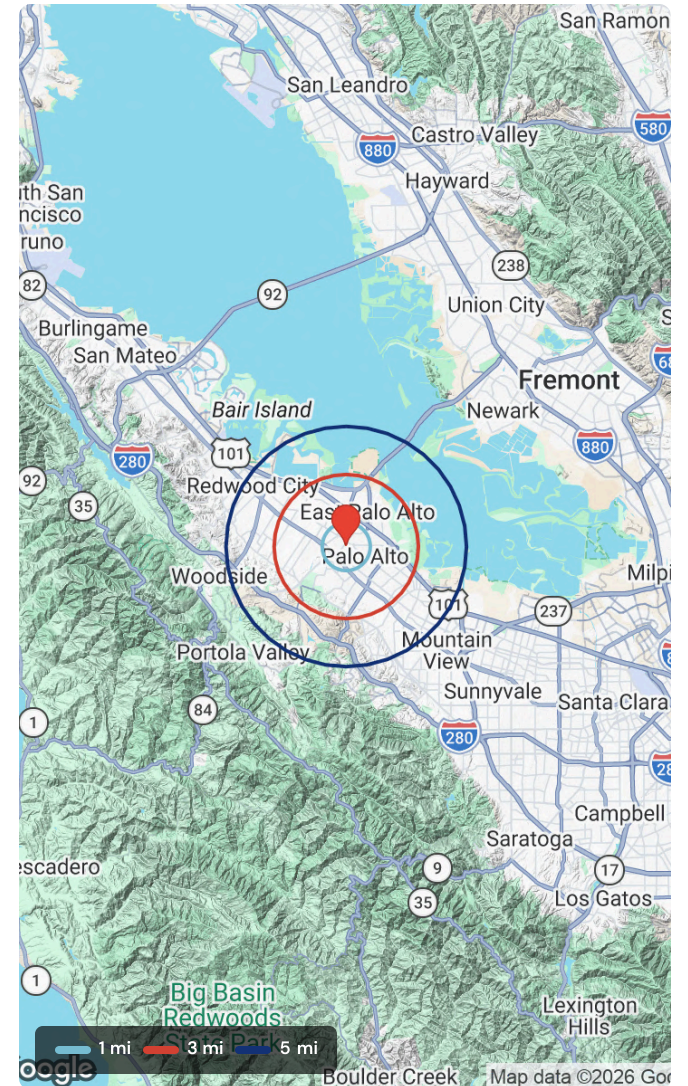
Demographics (Detail)

POPULATION	1 MILE	3 MILE	5 MILE
2000 Population	17,120	135,096	247,875
2010 Population	18,324	139,498	255,172
2025 Population	18,833	157,985	288,523
2030 Population	18,609	159,133	295,674
2025-2030 Growth Rate	-0.24 %	0.14 %	0.49 %
2025 Daytime Population	38,713	206,224	376,788

HOUSEHOLDS	1 MILE	3 MILE	5 MILE
2000 Total Households	8,223	47,855	89,281
2010 Total Households	8,155	49,334	91,389
2025 Total Households	7,854	51,236	98,774
2030 Total Households	7,778	51,484	100,905
2025 Avg. Household Size	2.35	2.76	2.72
2025 Owner Occupied Housing	3,805	24,713	45,101
2030 Owner Occupied Housing	3,832	24,863	45,402
2025 Renter Occupied Housing	4,049	26,523	53,673
2030 Renter Occupied Housing	3,947	26,621	55,503
2025 Vacant Housing	970	4,515	9,043
2025 Total Housing	8,824	55,751	107,817

2025 HOUSEHOLD INCOME	1 MILE	3 MILE	5 MILE
less than \$15,000	371	2,898	4,979
\$15,000-\$24,999	243	1,356	2,667
\$25,000-\$34,999	205	1,272	2,564
\$35,000-\$49,999	392	2,898	5,737
\$50,000-\$74,999	463	4,038	8,007
\$75,000-\$99,999	311	3,295	6,798
\$100,000-\$149,999	853	6,195	12,733
\$150,000-\$199,999	686	4,648	9,896
\$200,000 or greater	4,330	24,634	45,393
Median HH Income	\$222,425	\$187,384	\$176,851
Average HH Income	\$331,106	\$296,085	\$281,554

\$222,425 MEDIAN HH INCOME	\$331,106 AVG HH INCOME
48.4% OWNER OCCUPIED	51.6% RENTER OCCUPIED
11.0% VACANCY RATE	-0.24 % 2025-2030 GROWTH





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