



550 Berry Ave, Hayward, CA

The Palms Apartments

Offering Memorandum

Don Sung

Senior Vice President

+1 650 380 5188

don.sung@colliers.com

CA License No. 01935797



Accelerating success.

Offering Information



Investment Summary

Price	\$12,056,000
Year Built	1960
Units	44
Price/Unit	\$274,000
RSF	31,006
Price/RSF	\$388.83
Lot Size	61,000 sf
Floors	1
APN	444-54-50-2
Cap Rate	6.0%
Market Cap Rate	7.41%
GRM	10.58
Market GRM	9.17

Financing Summary

Loan 1 (Fixed)	\$8,433,040
Initial Equity	\$3,622,960
Interest Rate	5.875%
Term	30 years
Monthly Payment	\$49,885
DCR	1.21

Unit Mix & Annual Scheduled Income

Type	Units	Actual	Total	Market	Total
1 Bedroom / 1 Bath	26	\$23,067	\$599,745	\$27,000	\$702,000
2 Bedroom / 1 Bath	18	\$26,789	\$482,201	\$30,096	\$541,728
Totals	44		\$1,081,946		\$1,243,728

Annualized Income

Description	Actual	Market
Gross Potential Rent	\$1,081,946	\$1,243,728
- Less: Vacancy	(\$32,458)	(\$37,312)
+ Misc. Income	\$57,800	\$71,048
Effective Gross Income	\$1,107,288	\$1,277,464
- Less: Expenses	(\$383,672)	(\$383,672)
Net Operating Income	\$723,615	\$893,792
- Debt Service	(\$598,615)	(\$598,615)
Net Cash Flow after Debt Service	\$125,000	\$295,177
+ Principal Reduction	\$105,998	\$105,998
Total Return	\$230,998	\$401,175

Annualized Expenses

Description	Actual	Market
Property Tax	\$145,806	\$145,806
Insurance	\$24,533	\$24,533
Property Management	\$43,527	\$43,527
Onsite Manager	\$36,000	\$36,000
Legal & Professional	\$6,000	\$6,000
Utilities	\$45,236	\$45,236
Taxes & Licenses	\$5,000	\$5,000
Cleaning & Maintenance	\$15,372	\$15,372
Landscaping	\$3,000	\$3,000
Administration	\$12,726	\$12,726
Occupancy Permits	\$5,913	\$5,913
Telephone	\$960	\$960
Repairs & Maintenance	\$22,000	\$22,000
Reserves & Replacements	\$17,600	\$17,600
Total Expenses	\$383,672	\$383,672
Expenses Per RSF	\$12.37	\$12.37
Expenses Per Unit	\$8,720	\$8,720

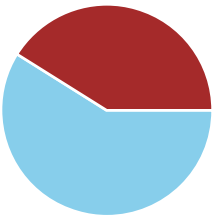
Offering Information



Unit Mix

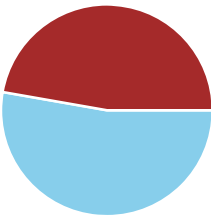
Units	Type	Approx. SF	Avg. Rents	Monthly	Market	Monthly
26	1 Bedroom / 1 Bath	579	\$1,922	\$49,979	\$2,250	\$58,500
18	2 Bedroom / 1 Bath	731	\$2,232	\$40,183	\$2,508	\$45,144
44		28,212		\$90,162		\$103,644

UNIT MIX



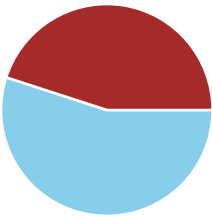
- 1 Bedroom / 1 Bath
- 2 Bedroom / 1 Bath

UNIT MIX SQUARE FEET



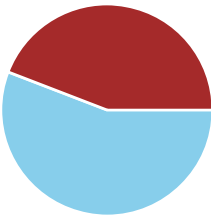
- 1 Bedroom / 1 Bath
- 2 Bedroom / 1 Bath

UNIT MIX INCOME



- 1 Bedroom / 1 Bath
- 2 Bedroom / 1 Bath

UNIT MIX MARKET INCOME



- 1 Bedroom / 1 Bath
- 2 Bedroom / 1 Bath

Offering Information



Rent Roll

Unit	Description	Approx. SF	Current Rent	Pro Forma Rent	Comments
1	2 Bedroom / 1 Bath	731	\$1,785	\$1,785	Onsite Manager
2	2 Bedroom / 1 Bath	731	\$2,261	\$2,550	
3	2 Bedroom / 1 Bath	731	\$2,293	\$2,550	
4	2 Bedroom / 1 Bath	731	\$2,255	\$2,550	
5	2 Bedroom / 1 Bath	731	\$2,151	\$2,550	
6	2 Bedroom / 1 Bath	731	\$2,236	\$2,550	
7	2 Bedroom / 1 Bath	731	\$2,283	\$2,550	
8	2 Bedroom / 1 Bath	731	\$2,350	\$2,550	
9	2 Bedroom / 1 Bath	731	\$2,282	\$2,550	
10	1 Bedroom / 1 Bath	579	\$1,950	\$2,250	
11	1 Bedroom / 1 Bath	579	\$1,895	\$2,250	
12	1 Bedroom / 1 Bath	579	\$1,960	\$2,250	
12A	1 Bedroom / 1 Bath	579	\$1,961	\$2,250	
14	1 Bedroom / 1 Bath	579	\$1,943	\$2,250	
15	1 Bedroom / 1 Bath	579	\$2,004	\$2,250	
16	1 Bedroom / 1 Bath	579	\$2,004	\$2,250	Vacant
17	1 Bedroom / 1 Bath	579	\$2,004	\$2,250	Vacant
18	1 Bedroom / 1 Bath	579	\$1,915	\$2,250	
19	1 Bedroom / 1 Bath	579	\$2,004	\$2,250	
20	1 Bedroom / 1 Bath	579	\$2,004	\$2,250	
21	1 Bedroom / 1 Bath	579	\$1,981	\$2,250	
22	1 Bedroom / 1 Bath	579	\$1,900	\$2,250	

Offering Information



Rent Roll

25	2 Bedroom / 1 Bath	731	\$2,029	\$2,550	
26	2 Bedroom / 1 Bath	731	\$2,315	\$2,550	
27	2 Bedroom / 1 Bath	731	\$2,267	\$2,550	
28	2 Bedroom / 1 Bath	731	\$2,195	\$2,550	
29	2 Bedroom / 1 Bath	731	\$2,342	\$2,550	
30	2 Bedroom / 1 Bath	731	\$2,195	\$2,550	
31	2 Bedroom / 1 Bath	731	\$2,245	\$2,550	
32	1 Bedroom / 1 Bath	579	\$1,679	\$2,250	
33	1 Bedroom / 1 Bath	579	\$1,998	\$2,250	
34	1 Bedroom / 1 Bath	579	\$1,782	\$2,250	
35	1 Bedroom / 1 Bath	579	\$2,004	\$2,250	Vacant
36	1 Bedroom / 1 Bath	579	\$1,360	\$2,250	
37	1 Bedroom / 1 Bath	579	\$2,002	\$2,250	
38	1 Bedroom / 1 Bath	579	\$1,849	\$2,250	
39	1 Bedroom / 1 Bath	579	\$1,848	\$2,250	
40	1 Bedroom / 1 Bath	579	\$1,998	\$2,250	
41	1 Bedroom / 1 Bath	579	\$2,079	\$2,250	
42	1 Bedroom / 1 Bath	579	\$2,015	\$2,250	
43	1 Bedroom / 1 Bath	579	\$1,825	\$2,250	
44	1 Bedroom / 1 Bath	579	\$2,015	\$2,250	

Property Description

Property Highlights

Location: 550 Berry Ave, Hayward, CA

- **Prime Location:**

- Rarely Available 44-Unit Multifamily Asset in the Desirable **Jackson Triangle Submarket/Neighborhood**
- Property Commands Superior Rents and Higher Occupancy Due to its Desirable Location
- Peaceful, Quiet Setting in a Residential Neighborhood Amongst Single Family Homes and Multifamily Properties
- Excellent Location with Minimal Thoroughfare Traffic - Offering Desirable Rental With Upside in Pro-Forma Rents

- **Pride of Ownership Property:**

- Well-Maintained, Pride-of-Ownership Property w/ Excellent Curb Appeal
- Fully Secured Building w/ Remote-Controlled Main Entry Gate
- Gated-Community Offers Park-Like Setting, and Secured Perimeter Appeal to Couples or Families With Children

- **Desirable Property Features & Nice Curb Appeal:**

- Excellent Unit Mix: 26 Spacious 1 Bedroom/1 Bath (+/- 663 SF), and 18 Spacious 2 Bedroom/1 Bath (+/- 765 SF) Units

- Current Property Amenities Include: Onsite Laundry Center, Fenced Swimming Pool, Open, and Secured Court-Yard
- Excellent Curb-Appeal With Well-Manicured Landscaping and Tastefully-Designed Decorative Wood Paneling on Stucco

- **Current and Future Opportunities:**

- Low Historic Vacancy and Low Tenant Turnover Building Offers Durable Rents and Stable Cashflow
- Potential to Add Dishwasher, Recessed Lighting, Flooring Upgrades to Achieve Higher Rents
- Capital Improvements Include: Dual-Pane Windows, Water Heaters, Landscape Lighting, Exterior Painting, and More

- **Excellent Connectivity & Access to Major Employers:**

- **Public Transit:** Located 1.8 Miles From the Hayward BART Station (a 9-Minute Bike Ride or 12 Minutes by Bus).
- **Commuting:** Easy Access to Major Freeways (Highways 92, 880, and 84).
- **Major Employers:** Short Commute to Major Peninsula Employers, Including Visa (19 mins), Meta (20 mins), and Google (31 mins).



Financial Analysis

***PRIVILEGED & CONFIDENTIAL*:**

CURRENT VS. POTENTIAL RETURN-ON-EQUITY & 1031 TAX-DEFERRED EXCHANGE ANALYSIS:

Prepared by Don Sung (Colliers International)

PROPERTY ADDRESS: 550 Berry Ave, Hayward, CA 94544																		
RENT ROLL: INCOME																		
CURRENT																		
UNIT TYPE	UNIT	MONTHLY	SIZE	COST/SF	MOVE-IN DATE	PRO-FORMA		NOTES	SIZE	COST/SF	%DIFF	TENANT						
1 2 Bedroom / 1 Bath	1	\$ 1,785.00	731	\$ 2.44	08/24/18	\$ 1,785.00		Onsite Manager	731	\$ 3.49	43%							
2 2 Bedroom / 1 Bath	2	\$ 2,260.85	731	\$ 3.09	04/23/25	\$ 2,550.00			731	\$ 3.49	13%							
3 2 Bedroom / 1 Bath	3	\$ 2,293.00	731	\$ 3.14	05/08/23	\$ 2,550.00			731	\$ 3.49	11%							
4 2 Bedroom / 1 Bath	4	\$ 2,255.00	731	\$ 3.08	02/01/24	\$ 2,550.00			731	\$ 3.49	13%							
5 2 Bedroom / 1 Bath	5	\$ 2,151.00	731	\$ 2.94	11/01/25	\$ 2,550.00			731	\$ 3.49	19%							
6 2 Bedroom / 1 Bath	6	\$ 2,236.00	731	\$ 3.06	06/03/24	\$ 2,550.00			731	\$ 3.49	14%							
7 2 Bedroom / 1 Bath	7	\$ 2,282.80	731	\$ 3.12	01/20/25	\$ 2,550.00			731	\$ 3.49	12%							
8 2 Bedroom / 1 Bath	8	\$ 2,350.00	731	\$ 3.21	05/08/26	\$ 2,550.00			731	\$ 3.49	9%							
9 2 Bedroom / 1 Bath	9	\$ 2,282.18	731	\$ 3.12	03/25/24	\$ 2,550.00			731	\$ 3.49	12%							
10 1 Bedroom / 1 Bath	10	\$ 1,950.00	579	\$ 3.37	05/26/21	\$ 2,250.00			579	\$ 3.89	15%							
11 1 Bedroom / 1 Bath	11	\$ 1,895.00	579	\$ 3.27	04/14/25	\$ 2,250.00			579	\$ 3.89	19%							
12 1 Bedroom / 1 Bath	12	\$ 1,960.40	579	\$ 3.39	01/01/23	\$ 2,250.00			579	\$ 3.89	15%							
13 1 Bedroom / 1 Bath	12A	\$ 1,961.33	579	\$ 3.39	12/06/24	\$ 2,250.00			579	\$ 3.89	15%							
14 1 Bedroom / 1 Bath	14	\$ 1,942.50	579	\$ 3.35	06/17/24	\$ 2,250.00			579	\$ 3.89	16%							
15 1 Bedroom / 1 Bath	15	\$ 2,004.00	579	\$ 3.46	12/15/19	\$ 2,250.00			579	\$ 3.89	12%							
16 1 Bedroom / 1 Bath	16	\$ 2,004.00	579	\$ 3.46	05/01/17	\$ 2,250.00		Vacant	579	\$ 3.89	12%							
17 1 Bedroom / 1 Bath	17	\$ 2,004.00	579	\$ 3.46	08/01/25	\$ 2,250.00		Vacant	579	\$ 3.89	12%							
18 1 Bedroom / 1 Bath	18	\$ 1,914.75	579	\$ 3.31	06/15/24	\$ 2,250.00			579	\$ 3.89	18%							
19 1 Bedroom / 1 Bath	19	\$ 2,004.00	579	\$ 3.46	06/01/26	\$ 2,250.00			579	\$ 3.89	12%							
20 1 Bedroom / 1 Bath	20	\$ 2,004.00	579	\$ 3.46	02/21/26	\$ 2,250.00			579	\$ 3.89	12%							
21 1 Bedroom / 1 Bath	21	\$ 1,981.20	579	\$ 3.42	12/01/22	\$ 2,250.00			579	\$ 3.89	14%							
22 1 Bedroom / 1 Bath	22	\$ 1,900.00	579	\$ 3.28	10/11/25	\$ 2,250.00			579	\$ 3.89	18%							
23 2 Bedroom / 1 Bath	23	\$ 2,350.00	731	\$ 3.21	06/15/26	\$ 2,550.00			731	\$ 3.49	9%							
24 2 Bedroom / 1 Bath	24	\$ 2,350.00	731	\$ 3.21	05/16/26	\$ 2,550.00			731	\$ 3.49	9%							

Financial Analysis

25	2 Bedroom / 1 Bath	25	\$	2,028.60	731	\$	2.78	11/30/16	\$	2,550.00	731	\$	3.49	26%
26	2 Bedroom / 1 Bath	26	\$	2,315.25	731	\$	3.17	09/10/21	\$	2,550.00	731	\$	3.49	10%
27	2 Bedroom / 1 Bath	27	\$	2,267.20	731	\$	3.10	11/25/23	\$	2,550.00	731	\$	3.49	12%
28	2 Bedroom / 1 Bath	28	\$	2,195.00	731	\$	3.00	08/01/25	\$	2,550.00	731	\$	3.49	16%
29	2 Bedroom / 1 Bath	29	\$	2,341.50	731	\$	3.20	10/29/22	\$	2,550.00	731	\$	3.49	9%
30	2 Bedroom / 1 Bath	30	\$	2,195.00	731	\$	3.00	07/26/24	\$	2,550.00	731	\$	3.49	16%
31	2 Bedroom / 1 Bath	31	\$	2,245.00	731	\$	3.07	09/28/24	\$	2,550.00	731	\$	3.49	14%
32	1 Bedroom / 1 Bath	32	\$	1,678.90	579	\$	2.90	05/01/15	\$	2,250.00	579	\$	3.89	34%
33	1 Bedroom / 1 Bath	33	\$	1,998.20	579	\$	3.45	05/25/20	\$	2,250.00	579	\$	3.89	13%
34	1 Bedroom / 1 Bath	34	\$	1,781.90	579	\$	3.08	10/10/13	\$	2,250.00	579	\$	3.89	26%
35	1 Bedroom / 1 Bath	35	\$	2,004.00	579	\$	3.46	07/23/21	\$	2,250.00	579	\$	3.89	12%
36	1 Bedroom / 1 Bath	36	\$	1,360.00	579	\$	2.35	11/01/93	\$	2,250.00	579	\$	3.89	65%
37	1 Bedroom / 1 Bath	37	\$	2,002.00	579	\$	3.46	11/12/24	\$	2,250.00	579	\$	3.89	12%
38	1 Bedroom / 1 Bath	38	\$	1,849.00	579	\$	3.19	05/01/25	\$	2,250.00	579	\$	3.89	22%
39	1 Bedroom / 1 Bath	39	\$	1,848.00	579	\$	3.19	11/01/22	\$	2,250.00	579	\$	3.89	22%
40	1 Bedroom / 1 Bath	40	\$	1,997.55	579	\$	3.45	06/02/20	\$	2,250.00	579	\$	3.89	13%
41	1 Bedroom / 1 Bath	41	\$	2,079.00	579	\$	3.59	01/17/25	\$	2,250.00	579	\$	3.89	8%
42	1 Bedroom / 1 Bath	42	\$	2,015.00	579	\$	3.48	04/07/19	\$	2,250.00	579	\$	3.89	12%
43	1 Bedroom / 1 Bath	43	\$	1,825.00	579	\$	3.15	08/10/24	\$	2,250.00	579	\$	3.89	23%
44	1 Bedroom / 1 Bath	44	\$	2,015.00	579	\$	3.48	06/15/26	\$	2,250.00	579	\$	3.89	12%
Sub Total			\$	90,162.11	28,212	\$	3.21		\$	103,635.00	28,212	\$	3.49	9%
Vacancy (3%)			\$	(2,704.86)	31,006				\$	(3,109.05)				
Laundry Income			\$	897.14	\$	9.15			\$	897.14				
Other Income			\$	343.55	\$	3.51			\$	343.55				
6 Additional Parking Rentals (\$125/Mo)			\$	750.00					\$	750.00				
Current RUBS (1 BR - \$54/Mo) x 26 Units			\$	1,404.00	Pro-Forma RUBS (1 BR - \$75/Month) x 26 Units				\$	1,950.00				
Current RUBS (2 BR - \$79/Mo) x 18 Units			\$	1,422.00	Pro-Forma RUBS (2 BR - \$110/Month) x 18 Units				\$	1,980.00				
TOTAL w/ Vacancy			\$	92,273.93				\$ 1,107,287.15	\$	106,446.63				

Financial Analysis

OPERATING EXPENSES:

APN NUMBER:	444-54-50-2			
EXPENSES:				
CATEGORY	MONTHLY	ANNUAL		
Property Tax		\$ 145,805.92	1.17240%	
Property Tax - Current			\$ 151,838.76	
Property Insurance	\$ 557.56	\$ 24,532.72	\$ 2,044.39	\$ 557.56
Property Management	\$ 3,627.23	\$ 43,526.70	3.50%	Fee
Onsite Manager	\$ 3,000.00	\$ 36,000.00	\$ 68.18	Per Unit/Month
Legal & Professional	\$ 500.00	\$ 6,000.00		
Utilities	\$ 3,769.63	\$ 45,235.58	\$ 85.67	Per Unit/Month
			\$ -	Per Unit/Month
			\$ -	Per Unit/Month
Taxes & Licenses	\$ 416.67	\$ 5,000.00		
Cleaning & Maintenance	\$ 1,281.03	\$ 15,372.30		
Landscaping	\$ 250.00	\$ 3,000.00		
Administration	\$ 1,060.49	\$ 12,725.91		
Occupancy Permits	\$ 492.78	\$ 5,913.30		
Telephone	\$ 80.00	\$ 960.00		
Answering Service	\$ -	\$ -		
Repairs & Maintenance	\$500/Unit	\$ 22,000.00		
Reserves & Replacements	\$400/Unit	\$ 17,600.00		

TOTAL EXPENSE (PRO-FORMA)	\$ 383,672.43
EXPENSE RATIO (PRO-FORMA)	30%

TOTAL EXPENSE (CURRENT)	\$ 391,749.66
EXPENSE RATIO (CURRENT)	35%

Net Income/Cashflow	\$ 723,614.72
Monthly Cashflow	\$ 60,301.23

NOI Analysis:

NOI (Net Operating Income)	
Current	Pro-Forma
\$ 723,614.72	\$ 893,687.16
Monthly	
\$ 60,301.23	\$ 74,473.93

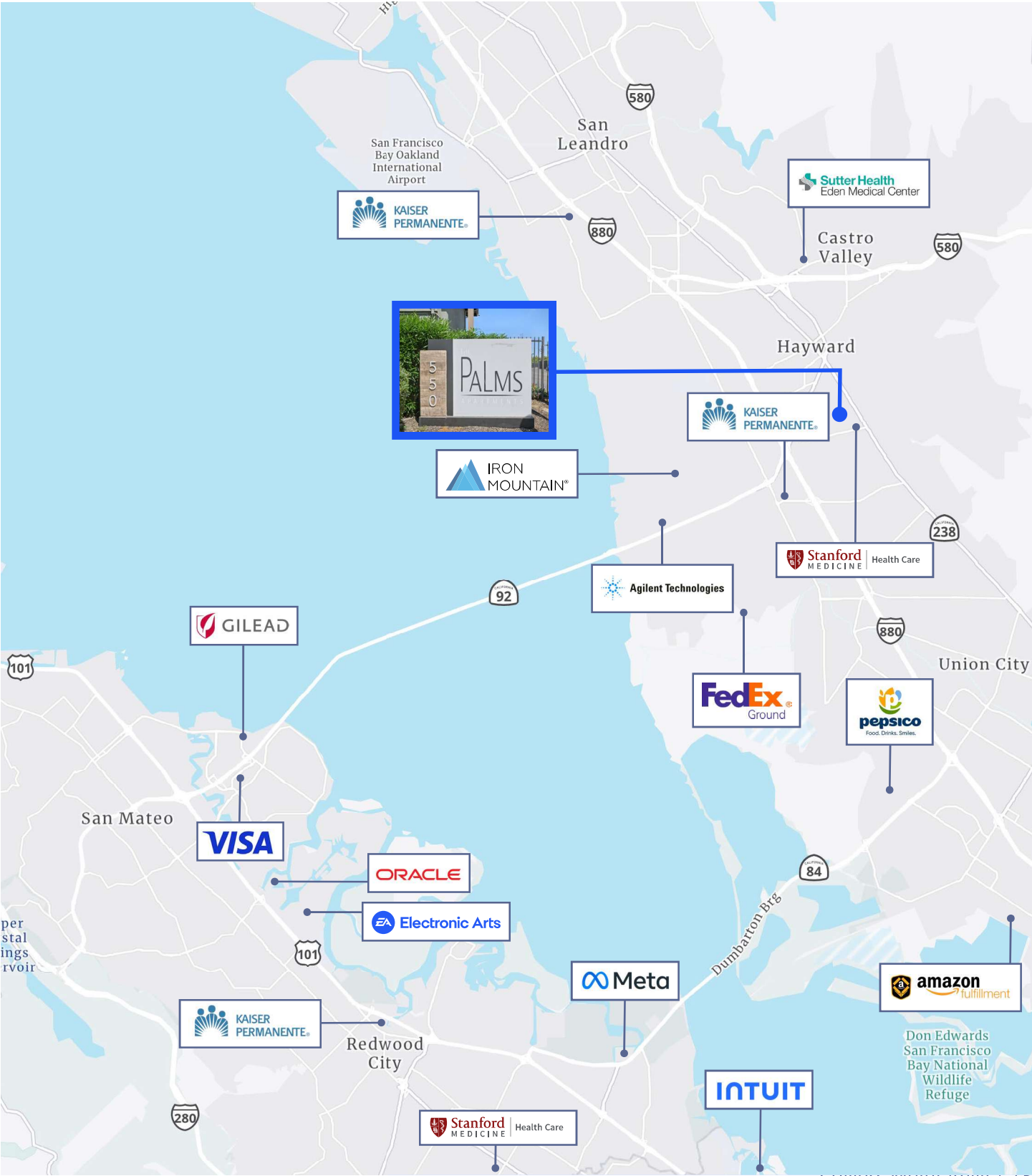
UNIT MIX:	# OF UNITS	% OF UNITS	# VACANT	% VACANT	AVG. RENT	ASKING RENT NEW TENANTS
1 Bedroom / 1 Bath	26	59%	2	7.69%	\$ 1,924.14	\$ 2,004.00
2 Bedroom / 1 Bath	18	41%	0	0.00%	\$ 2,228.52	\$ 2,395.00
TOTAL UNITS	44	100%	2	7.69%	\$ 2,076.33	\$ 2,199.50

Financial Analysis

PRICING ANALYSIS: CURRENT RENTS					PRICING ANALYSIS: PRO-FORMA RENTS				
List Price	\$	12,056,000.00	\$	274,000.00	List Price	\$	12,056,000.00		
List Price + Renovation	\$	12,056,000.00	\$	123,020.41	\$	388.83	List Price + Renovation	\$	12,056,000.00
Renovation - Interior	\$	-					Renovation - Interior	\$	440,000.00
Renovation - Exterior	\$	-					Renovation - Exterior	\$	-
Cap Rate (Incl. Renovation)		6.00%					Cap Rate (Incl. Renovation)		7.15%
GRM (Incl. Renovation)		10.89					GRM (Incl. Renovation)		9.78
Cost Per Unit	\$	274,000.00					Cost Per Unit	\$	274,000.00
Cap Rate (No Renovation)		6.00%					Cap Rate (No Renovation)		7.41%
GRM (No Renovation)		10.89					GRM (No Renovation)		9.44
Down Payment	\$	4,219,600.00	35%				Down Payment	\$	4,219,600.00
Financed / LTV	\$	7,836,400.00	65%				Financed / LTV	\$	7,836,400.00
Interest Rate		5.875%					Interest Rate		5.88%
Monthly Payment	\$	46,355.27					Monthly Payment	\$	46,355.27
Net Monthly Income	\$	13,945.96					Net Monthly Income	\$	28,118.66
Annual Payment	\$	556,263.18					Annual Payment	\$	556,263.18
Net Cashflow (NOI-Debt Svc)	\$	167,351.53					Net Cashflow (NOI-Debt Svc)	\$	337,423.97
Cash-on-Cash Return		3.97%					Cash-on-Cash Return		8.00%
Year Built		1960					Year Built		1960
Cost Per Unit	\$	274,000.00					Cost Per Unit	\$	274,000.00
Rentable Area (per County)		31,006					Rentable Area (per County)		31,006
Cost Per SF	\$	388.83	461	Cost/Land Foot	Cost/Acre		Cost Per SF	\$	388.83
Lot Size		61,000	1.40	\$	197.64	\$ 8,609,169.84	Lot Size		61,000
Aggregate SF Per Unit		705	Acres				Aggregate SF Per Unit		316
Purchase Date		8/1/2019					Purchase Price	\$	11,500,000.00

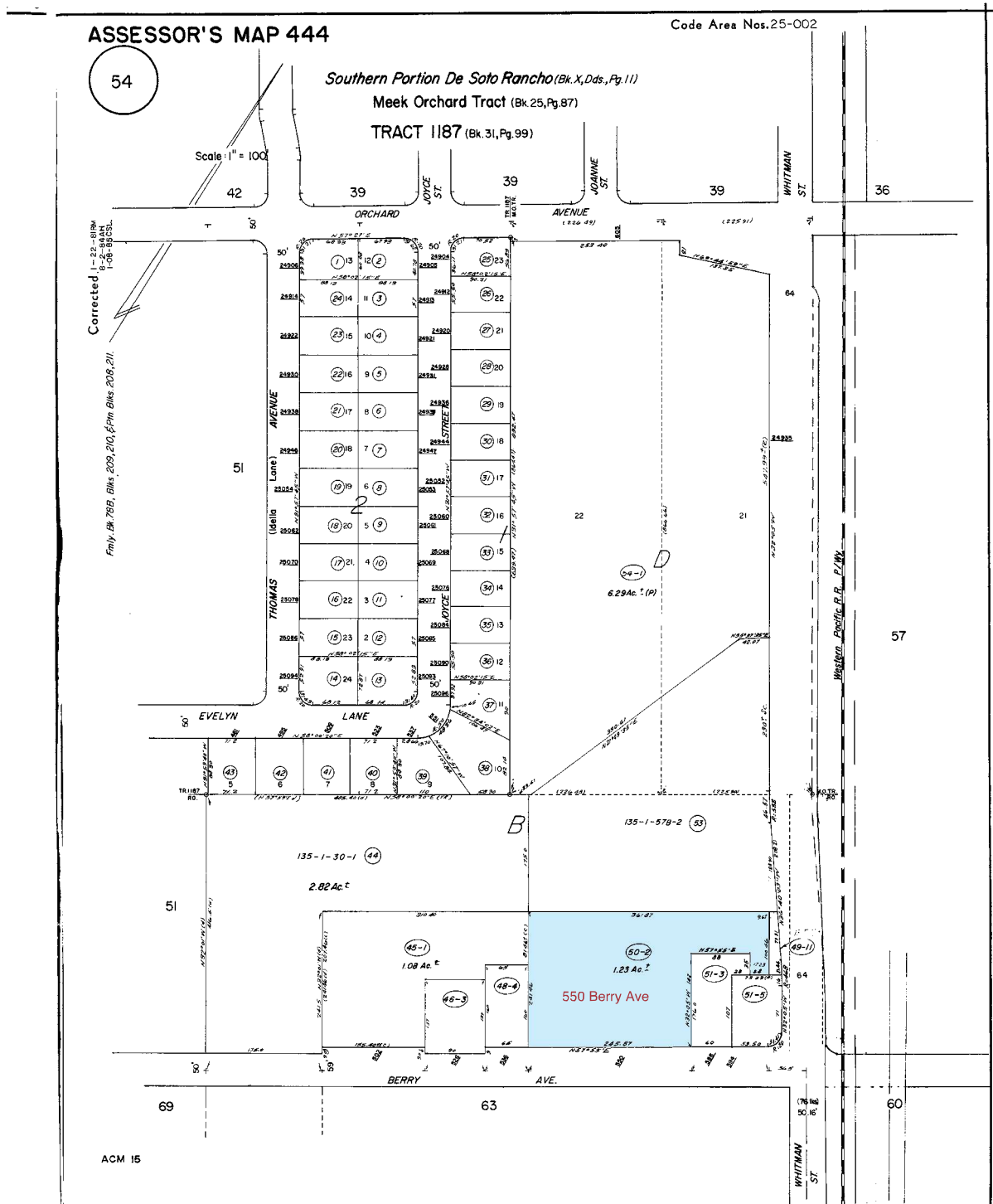
Surrounding Area

Nearby Employers Map

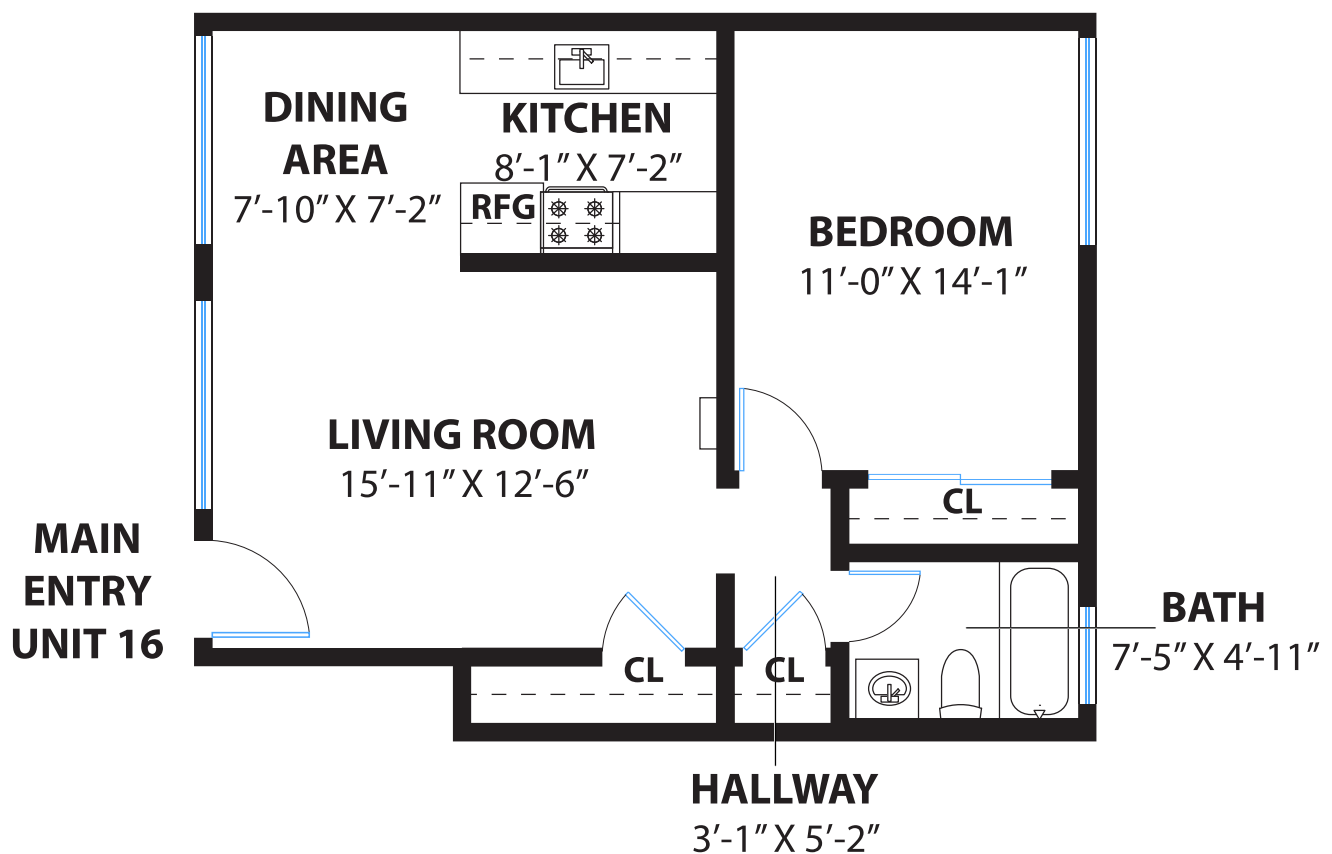


Tax Map

Tax Map



Typical 1 Bedroom / 1 Bath Floor Plan | Units: 1-9, 23-31



Typical 2 Bedroom / 1 Bath Floor Plan | Units: 10-22, 32-44

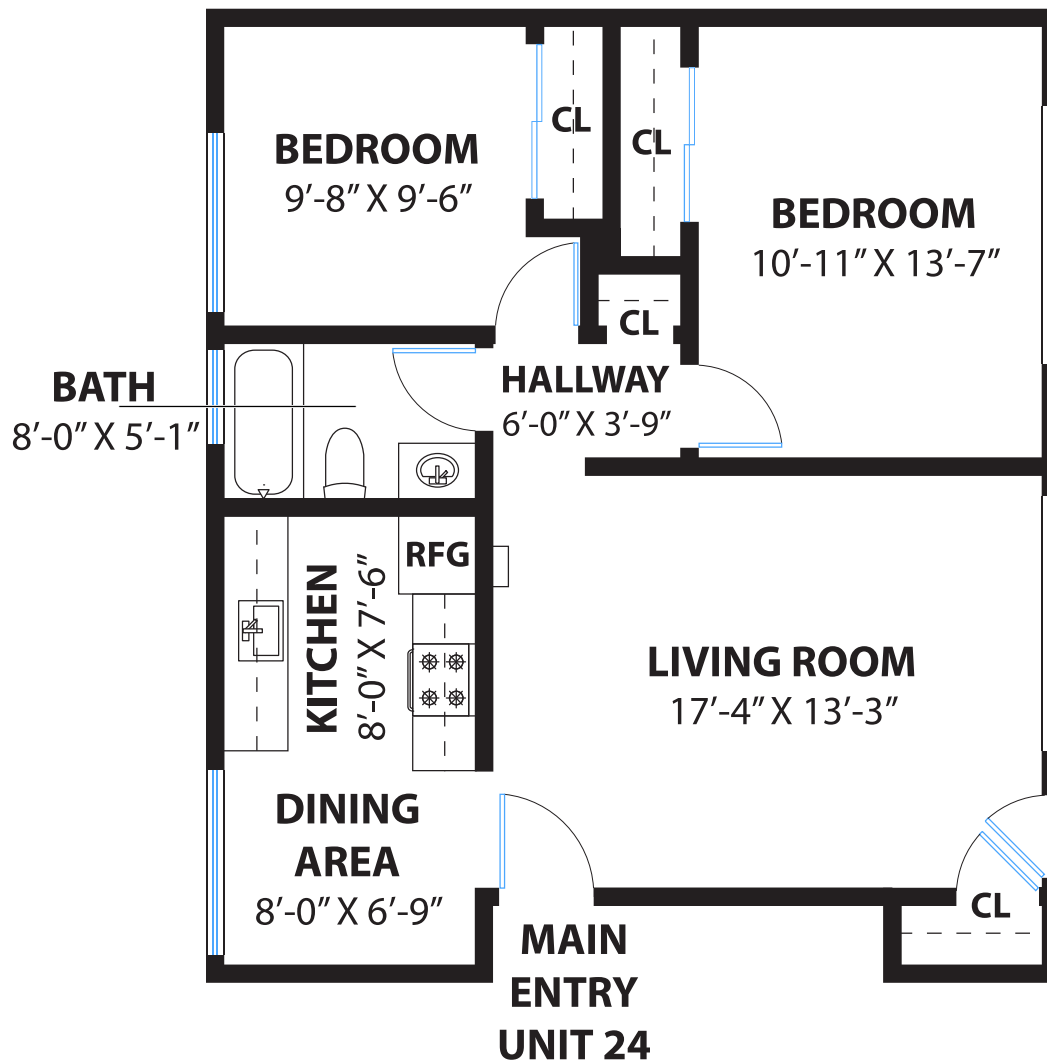


Photo Gallery

Aerial Photos



Photo Gallery

Aerial Photos



Photo Gallery

Exterior Photos



Photo Gallery

Exterior Photos

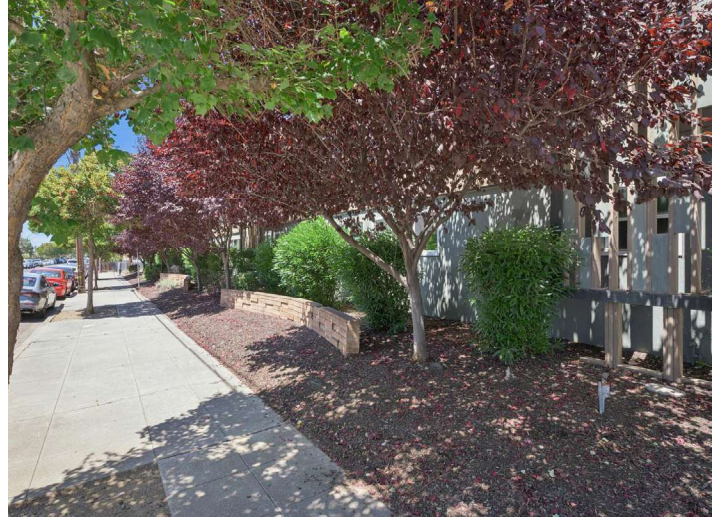


Photo Gallery

Interior Photos



Photo Gallery

Interior Photos



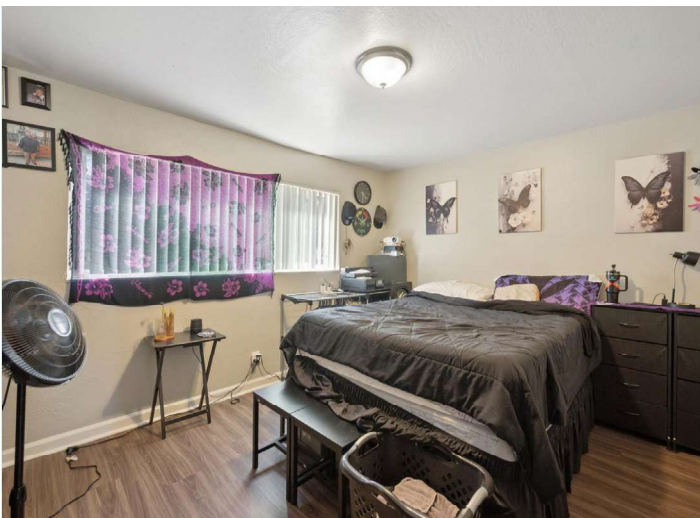
Photo Gallery

Interior Photos



Photo Gallery

Interior Photos



Demographic Information

Demographic Overview



32,030
Total
Population



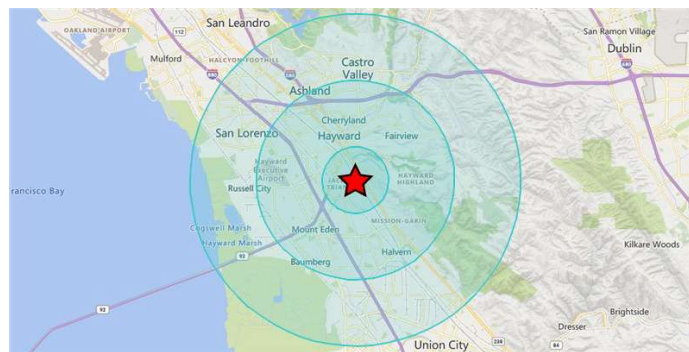
\$86,165
Median HH
Income



2.99
Average
HH Size



36
Median
Age



Area and Density

	1 Mile	3 Miles	5 Miles
Area (Square Miles)	2.93	36.85	117.15
Density(Population Per Square Mile)	10,915	5,526	3,032

General Population Characteristics

	1 Mile	3 Miles	5 Miles
Male	16,670	103,538	177,598
Female	15,360	100,081	177,609
Density	10,915	5,526	3,032
Urban	32,030	203,420	354,596
Rural	--	199	611

Population By Year

	1 Mile	3 Miles	5 Miles
Population (2000)	29,985	185,558	331,615
Population (2010)	30,393	190,807	339,324
Population (2020)	33,458	212,676	370,166
Population (Current)	32,030	203,619	355,207
Population (5 Yr. Forecast)	32,928	209,290	365,172
Percent Growth (Current)			



550 Berry Ave, Hayward, CA

The Palms Apartments

Offering Memorandum

Don Sung

Senior Vice President

+1 650 380 5188

don.sung@colliers.com

CA License No. 01935797

Colliers

1 North B St, Suite 2700

San Mateo, CA, 94401

+1 650 486 2200

colliers.com