

# 280

E. O'KEEFE STREET  
East Palo Alto, CA



## OFFERING MEMORANDUM

COMPASS  
COMMERCIAL

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# EXECUTIVE SUMMARY

Welcome to 280 E. O'Keefe, a rare investment opportunity perfectly situated west of Highway 101 and north of University Avenue. This sixteen-unit apartment building offers exclusively large two-bedroom, one-bathroom units, each thoughtfully designed for comfortable living. With spacious layouts, there is excellent potential to easily convert existing dining rooms into additional bedrooms, further increasing rental income and maximizing the building's value.

The property sits on a sizable lot that includes approximately 6,000 square feet of vacant land, offering the opportunity to build additional Accessory Dwelling Units (ADUs) and dramatically enhance the income potential. Ideally located just 1.5 miles from vibrant downtown Palo Alto, 2 miles from the prestigious Stanford University campus, 3 miles to Meta's global headquarters, and 4 miles to Google's headquarters, this property is at the center of Silicon Valley's most dynamic employment and innovation hubs.

With strong existing fundamentals and a clear path for significant value-add through unit reconfigurations and land development, 280 E. O'Keefe presents an incredible opportunity for investors seeking immediate upside and long-term growth. The combination of prime location, large unit sizes, and multiple expansion strategies make this a standout asset in today's competitive market.

## INVESTMENT HIGHLIGHTS:

- 16 large two bedroom, one bathroom units
- West of 101 and north of University Ave.
- ±6,000 SF of vacant land with ADU potential
- Newroof on one building and new electric subpanels in all units
- Tremendous upside in income 9.0% CAP / 7.51 GRM on market
- ±\$224 SF well below replacement cost of ±\$750 SF

**Listed for \$4,650,000**





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# 01

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## ASSET OVERVIEW

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# PROPERTY OVERVIEW

## DETAILS

<b>Address:</b>	280 E O'Keefe Street
<b>City, State:</b>	East Palo Alto, CA
<b>County:</b>	San Mateo
<b>APN:</b>	063-441-150
<b>Zoning</b>	Multi Family
<b>County Use:</b>	Mixed-Use Commercial

## ATTRIBUTES

<b>Units:</b>	16
<b>Gross Building SF:</b>	20,774
<b>Gross SF/Unit:</b>	1,298
<b>Land Area (SF):</b>	17,955
<b>Year Built:</b>	1962
<b>Parking:</b>	Tuck Under Parking 22

## CONSTRUCTION

<b>Foundation:</b>	Concrete
<b>Exterior Walls:</b>	Stucco
<b>Roof:</b>	New Torch Down Membrane Roof on N. building
<b>Patio/Balcony:</b>	Balcony UP / Patio Down
<b>Laundry Facilities:</b>	Lease in Rear of Carport
<b>Pool/Spa:</b>	None



AERIAL VIEW



280 E. O'Keefe St.



E Okeefe St

E Okeefe St

E Okeefe St

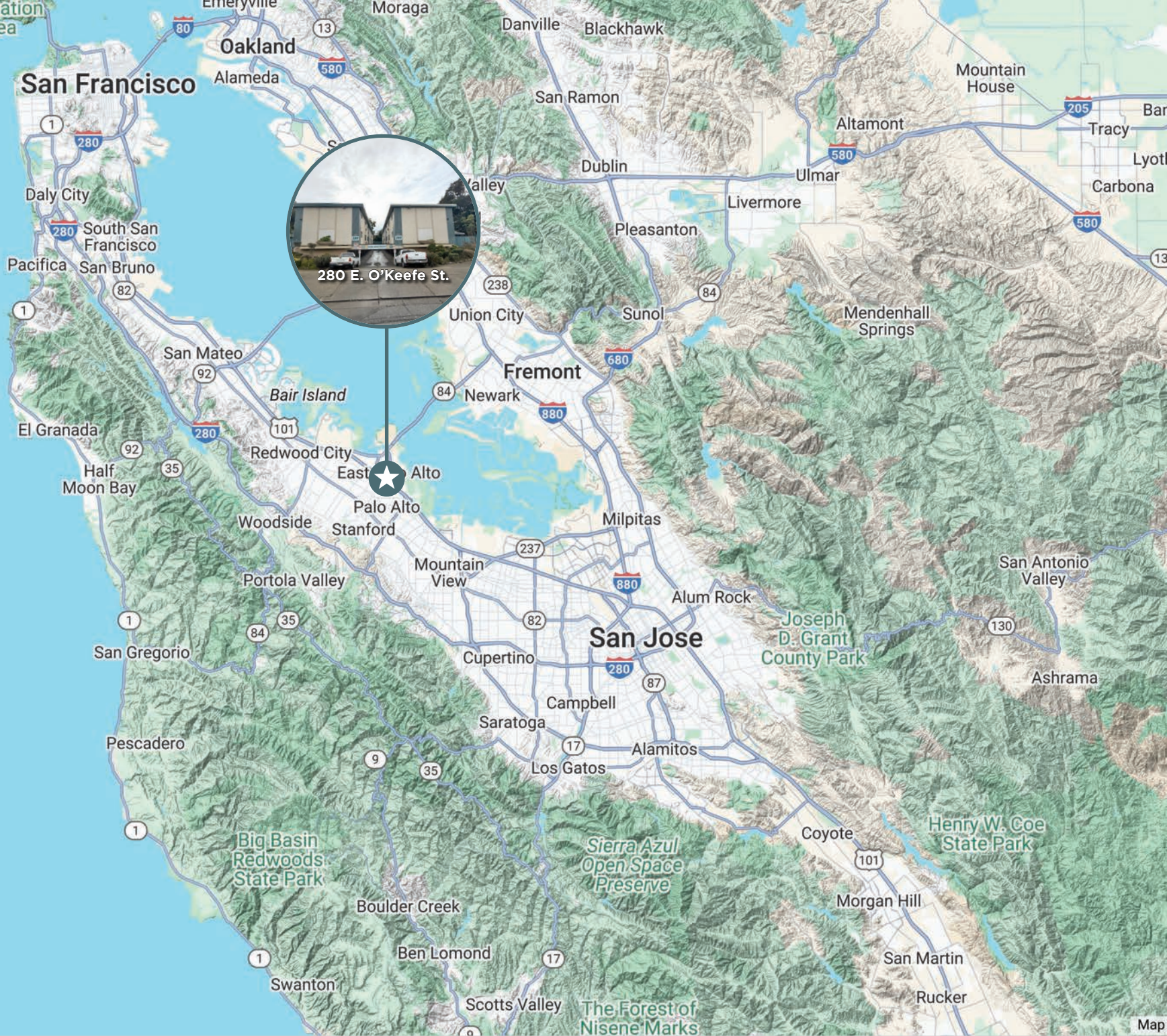
# TRANSPORTATION MAP

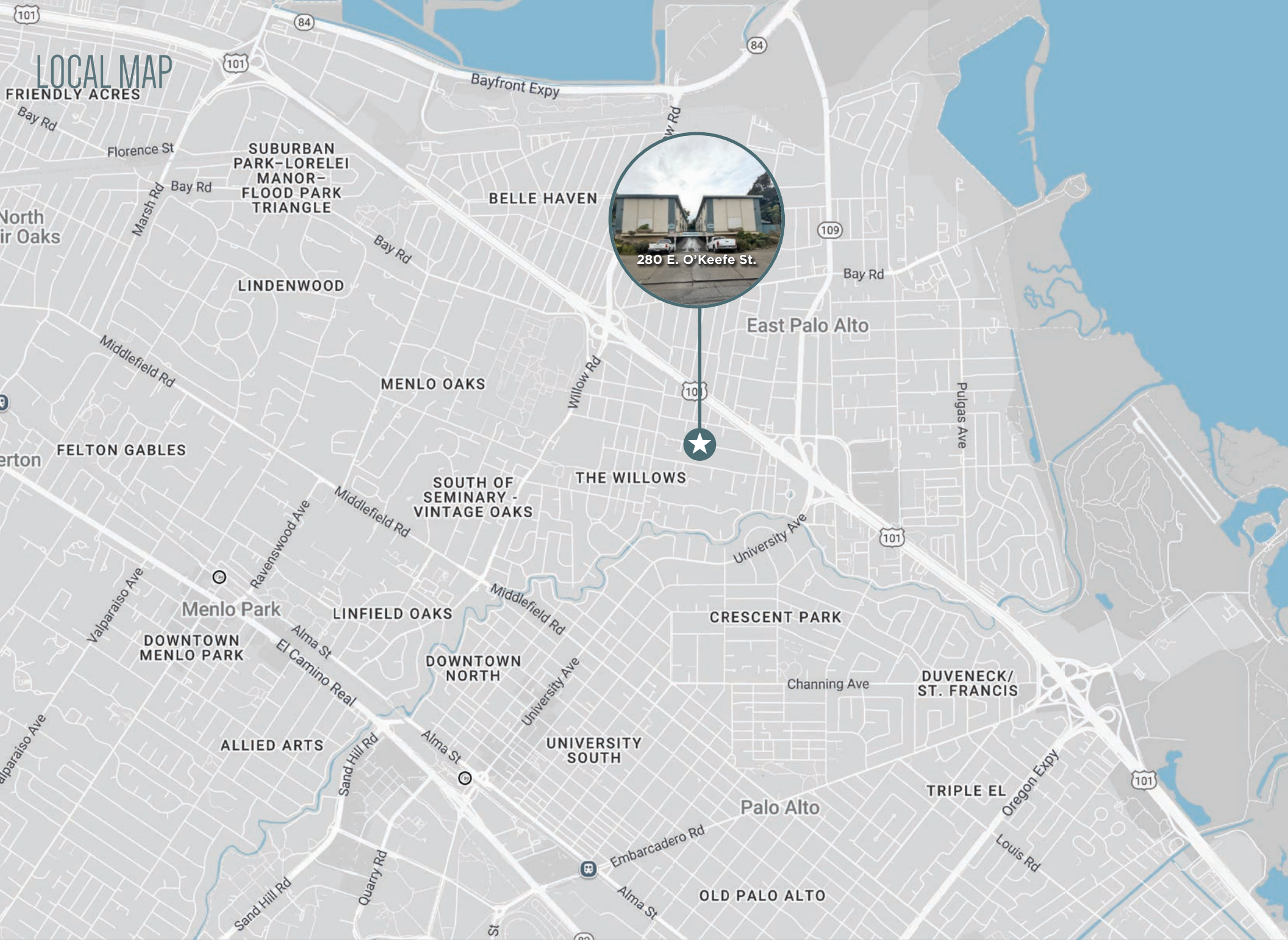
3 MINUTES (0.9 MILES) TO US 101  
 10 MINUTES (2.5 MILES) TO CALTRAIN

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



# REGIONAL MAP





**LOCAL MAP**  
FRIENDLY ACRES



280 E. O'Keefe St.

# PARCEL MAP

63-44

1" = 100'



- ▲ 12 PARCEL MAP VOL. 85/23-24
- ▲ 11 PARCEL MAP VOL. 80/63-64
- ▲ 10 PARCEL MAP VOL. 77/3-4
- ▲ 9 PARCEL MAP VOL. 76/45-46
- ▲ 8 PARCEL MAP VOL. 58/58
- ▲ 7 PARCEL MAP VOL. 54/39
- ▲ 6 TRACT NO. 898 PALO ALTO PINES RSM 109/86-87
- ▲ 5 PARCEL MAP VOL. 35/43
- ▲ 4 PARCEL MAP VOL. 34/3
- ▲ 3 PARCEL MAP VOL. 29/20
- ▲ 2 PARCEL MAP VOL. 24/20
- ▲ 1 CHARLES WEEKS POULTRY COLONY FOURTH ADDITION RUNNYMEDE RSM 10/28

ASSESSOR'S MAP COUNTY OF SAN MATEO, CALIF.

3/1/1977

# PROPERTY PHOTOS



# PROPERTY PHOTOS





02

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ASSET UNDERWRITING

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# RENT ROLL

UNIT	TYPE	SQ. FT.	JAN. 25 RENT	\$/SF	2.0% RENT INCREASE 2025	\$/SF	MARKET RENT	\$/SQ FT	MARKET RUBS	LAST RENT INCREASE
A	2 Bedroom 1 Bath	1,000	1,783.00	\$1.78	\$1,818.66	\$1.82	\$3,200	\$3.20	\$100.00	1/1/25
B	2 Bedroom 1 Bath	1,000	1,604.00	\$1.60	\$1,636.08	\$1.64	\$3,200	\$3.20	\$100.00	6/1/24
C	2 Bedroom 1 Bath	1,000	2,496.00	\$2.50	\$2,545.92	\$2.55	\$3,200	\$3.20	\$100.00	5/12/24
D	2 Bedroom 1 Bath	1,000	2,900.00	\$2.90	\$2,955.10	\$2.96	\$3,200	\$3.20	\$100.00	4/1/25
E	2 Bedroom 1 Bath	1,000	2,547.00	\$2.55	\$2,597.94	\$2.60	\$3,200	\$3.20	\$100.00	4/1/24
F	2 Bedroom 1 Bath	1,000	2,496.00	\$2.50	\$2,545.92	\$2.55	\$3,200	\$3.20	\$100.00	3/1/24
G	2 Bedroom 1 Bath	1,000	2,216.00	\$2.22	\$2,260.32	\$2.26	\$3,200	\$3.20	\$100.00	9/16/24
H	2 Bedroom 1 Bath	1,000	2,547.00	\$2.55	\$2,597.94	\$2.60	\$3,200	\$3.20	\$100.00	7/1/24
J	2 Bedroom 1 Bath	1,000	1,616.00	\$0.00	\$1,648.32	\$1.65	\$3,200	\$3.20	\$100.00	5/1/24
K	2 Bedroom 1 Bath	1,000	1,578.00	\$1.58	\$1,609.56	\$1.61	\$3,200	\$3.20	\$100.00	6/1/24
L	2 Bedroom 1 Bath	1,000	1,755.00	\$1.76	\$1,790.10	\$1.79	\$3,200	\$3.20	\$100.00	12/1/24
M	2 Bedroom 1 Bath	1,000	2,019.00	\$2.02	\$2,059.38	\$2.06	\$3,200	\$3.20	\$100.00	8/24/24
N	2 Bedroom 1 Bath	1,000	2,343.00	\$2.34	\$2,389.86	\$2.39	\$3,200	\$3.20	\$100.00	2/1/24
O Vacant	2 Bedroom 1 Bath	1,000	3,250.00	\$3.25	\$3,315.00	\$3.32	\$3,200	\$3.20	\$100.00	
P	2 Bedroom 1 Bath	1,000	1,547.00	\$1.55	\$1,577.94	\$1.58	\$3,200	\$3.20	\$100.00	10/1/24
Q	2 Bedroom 1 Bath	1,000	1,425.00	\$1.43	\$1,453.50	\$1.45	\$3,200	\$3.20	\$100.00	1/1/25
<b>Total</b>		<b>16,000</b>	<b>\$34,122</b>	<b>\$2.13</b>	<b>\$34,801.54</b>	<b>\$1.74</b>	<b>\$51,200.00</b>	<b>\$2.56</b>	<b>\$1,600.00</b>	

# OPERATIONS SUMMARY

## OFFERING DETAILS

<b>Address:</b>	280 E. O'Keefe St
<b>City, State:</b>	East Palo Alto, CA 94303
<b>Price</b>	\$4,650,000
<b>Down Payment</b>	\$2,325,000
<b>Units</b>	16
<b>Price/Unit</b>	\$290,625
<b>Rentable Square Feet</b>	20,774
<b>Price/Sq Ft</b>	\$223.84
<b>Year Built</b>	1962
<b>Land Area (Acres)</b>	17,955
<b>Current Cap Rate</b>	4.86%
<b>Market Cap Rate</b>	9.05%
<b>Current GRM</b>	11.25
<b>Market GRM</b>	7.51

## FINANCING

<b>Loan Amount:</b>	\$2,325,000
<b>Interest Rate:</b>	6.10%
<b>Amortization:</b>	30
<b>Monthly Payment:</b>	\$14,089
<b>Details:</b>	Fixed for 5 years

## OPERATIONS STATEMENT

		<b>CURRENT</b>	<b>2.0% INCREASE 2025</b>	<b>MARKET</b>
Scheduled Gross Rent		\$409,464	\$417,618	\$614,400
Vacancy	3.00%	(\$12,284)	\$12,529	\$30,720
Effective Gross Rent		\$397,180	\$405,090	\$583,680
Other income (Laundry \$25 per unit)		\$3,840	\$3,840	\$5,000
Utility bill back RUBS		\$0	\$0	\$19,200
Carport Revenue (6)		\$2,160	\$3,600	\$3,600
<b>Total Income</b>		<b>\$403,180</b>	<b>\$412,530</b>	<b>\$611,480</b>
Repairs & Maintenance \$750 EST		\$12,000	\$12,000	\$12,000
Gas & Electricity		\$3,228	\$3,228	\$3,228
Water & Trash		\$31,042	\$31,042	\$31,042
Legal & Accounting		\$2,500	\$2,500	\$2,500
Sewer (Special Assessment)		\$0	\$0	\$0
Landscape / Clean EST		\$7,620	\$7,620	\$5,000
East Palo Alto Rent Cert Fee \$234		\$3,744	\$3,744	\$3,744
East Palo Alto Business License		\$500	\$500	\$643
On & Offsite Management 6% EST		\$23,831	\$24,305	\$35,021
EPA Gross Receipts Tax 2.5%		\$9,930	\$10,127	\$14,592
<b>Operating Expenses</b>		<b>\$94,394</b>	<b>\$95,067</b>	<b>\$107,770</b>
Real Estate Taxes		\$52,052	\$52,052	\$52,052
Special Assessments		\$10,950	\$10,950	\$10,950
Insurance (Est)		\$20,000	\$20,000	\$20,000
<b>Non-Operating Expenses</b>		<b>\$83,002</b>	<b>\$83,002</b>	<b>\$83,002</b>
Total Expenses		\$177,396	\$178,069	\$190,772
% Scheduled Gross Rent		43.32%	42.64%	31.05%
Expenses/Unit		\$11,087	\$11,129	\$11,923
Expenses/Sq. Ft		\$8.54	\$8.57	\$9.18
<b>Net Operating Income</b>		<b>\$225,784</b>	<b>\$234,461</b>	<b>\$420,708</b>



03

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INVESTMENT MARKET

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# SALE COMPARABLES



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

Price:	\$14,880,000	Cap Rate (Current):	5.11%
Units:	62	Cap Rate (Market):	8.23%
\$/Unit:	\$240,000	GRM (Current):	11.14
SF:	60,179	GRM (Market):	7.98
\$/SF:	\$247	COE:	Apr-25
Unit Mix:	10:2x1, 48:1x1, 4:Studio		

Comments: Sixty Two units in Three buildings, 48 1+1, 10:2+1 and 4 Studios.



## #4 - 650 South 8th Street, San Jose

Price:	\$4,700,000	Cap Rate (Current):	5.22%
Units:	17	Cap Rate (Market):	5.79%
\$/Unit:	\$276,471	GRM (Current):	11.48
SF:	9,769	GRM (Market):	10.66
\$/SF:	\$481	COE:	Jun-24
Unit Mix:	15:1+1, 2:2+1		

Comments: San Jose is a rent controlled market. This building is three blocks from SJSU, 15 of 17 updated in the past seven years. DOM 31 Sold 485K below asking.



## #2 - 1047 Rich Avenue, Mountain View

Price:	\$4,620,000	Cap Rate (Current):	4.37%
Units:	14	Cap Rate (Market):	5.45%
\$/Unit:	\$330,000	GRM (Current):	13.73
SF:	7,096	GRM (Market):	11.00
\$/SF:	\$651	COE:	Pending
Unit Mix:	1:Stu, 12:1+1, 1:2+1		

Comments: Mountain View is rent controlled market, West of ECR location, 20k lot, clean building with some updates, strong historical occupancy. DOM 94 Anticipated to COE 1/28/2025.



## #5 - 256 La Pala Drive, San Jose

Price:	\$12,750,000	Cap Rate (Current):	5.08%
Units:	38	Cap Rate (Market):	5.18%
\$/Unit:	\$335,526	GRM (Current):	11.81
SF:	32,000	GRM (Market):	11.59
\$/SF:	\$398	COE:	Active
Unit Mix:	15:1+1, 2:2+1		

Comments: San Jose is a rent controlled market. East San Jose, working class area, strong in place income, DOM 84, units have newer 300k in new solar, as well as updated copper plumbing and new roof.



## #3 - 1445-1455 Kerley Drive, San Jose

Price:	\$5,650,000	Cap Rate (Current):	5.04%
Units:	20	Cap Rate (Market):	5.68%
\$/Unit:	\$282,500	GRM (Current):	11.88
SF:	12,480	GRM (Market):	10.56
\$/SF:	\$453	COE:	Nov-24
Unit Mix:	12:1+1, 8:2+1		

Comments: San Jose is rent controlled market, building was rehabbed about ten years ago with new everything, two APN's shared driveway, No onsite needed, walk to light rail. DOM 21 Sold 175k below asking.



## #6 - 220 E. O'Keefe Street, East Palo Alto

Price:	\$5,496,500	Cap Rate (Current):	4.21%
Units:	20	Cap Rate (Market):	6.24%
\$/Unit:	\$274,825	GRM (Current):	13.06
SF:	14,476	GRM (Market):	8.80
\$/SF:	\$380	COE:	May-20
Unit Mix:	16:1+1, 4:2+1		

Comments: Last building to sell on subject street, comparable unit mix and condition. Listed for \$5,975,000 Sold 478K below ask DOM 11, 200K loss to lease. New DP windows, new roof, downspouts, exterior paint, balconies, 8 units fully remodeled in past three years.

# SALE COMPARABLES



## #6 - 450 Redwood Ave, Redwood City

Price:	\$7,850,000	Cap Rate (Current):	5.41%
Units:	27	Cap Rate (Market):	6.00%
\$/Unit:	\$290,741	GRM (Current):	14.58
SF:	19,675	GRM (Market):	10.00
\$/SF:	\$399	COE:	Apr-24
Unit Mix:	1:2+1, 26:1+1		

Comments: Redwood city does not have local rent control, dated building, in need of updating inside and out. Rents below market, DOM 19 Sold 630k below asking.



## #8 - 565 Saratoga Ave, Santa Clara

Price:	\$5,200,000	Cap Rate (Current):	4.20%
Units:	16	Cap Rate (Market):	4.41%
\$/Unit:	\$325,000	GRM (Current):	14.28
SF:	11,084	GRM (Market):	13.60
\$/SF:	\$469	COE:	Pending
Unit Mix:	14:1+1, 2:2+1		

Comments: Santa Clara does not have local rent control, close proximity to high paying jobs, and Santa Clara University, DOM 36 Scheduled to close 2/17/25



## #9 - 1577 Pomeroy Ave, Santa Clara

Price:	\$6,650,000	Cap Rate (Current):	4.53%
Units:	20	Cap Rate (Market):	5.67%
\$/Unit:	\$332,500	GRM (Current):	13.24
SF:	16,960	GRM (Market):	10.58
\$/SF:	\$392	COE:	Dec-24
Unit Mix:	20:2+1		

Comments: Santa Clara does not have local rent control, all 2x1 floorplans, Santa Clara, Sunnyvale boarder, in unit AC, DW, DOM 65

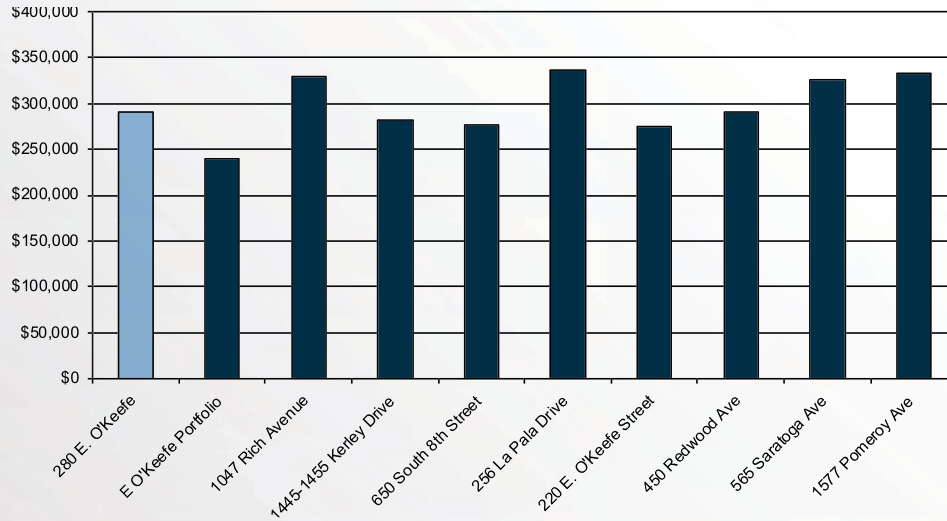


# SALE COMPARABLES SUMMARY

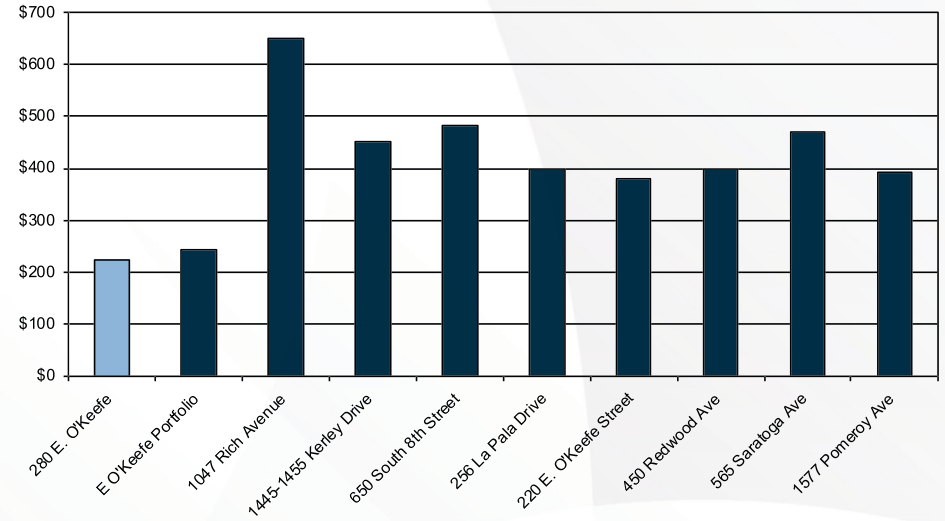
#	ADDRESS	PRICE	UNITS	\$/UNIT	SQ FT	\$/SQ FT	CAP RATE	GRM	COE
★	280 E. O'Keefe	\$4,650,000	16	\$290,625	20,774	\$224	4.86%	11.25	Active
①	E O'Keefe Portfolio	\$14,880,000	62	\$240,000	61,179	\$243	5.11%	11.14	Apr-25
②	1047 Rich Avenue	\$4,620,000	14	\$330,000	7,096	\$651	4.37%	13.73	Pending
③	1445-1455 Kerley Drive	\$5,650,000	20	\$282,500	12,480	\$453	5.04%	11.88	Nov-24
④	650 South 8th Street	\$4,700,000	17	\$276,471	9,769	\$481	5.22%	11.48	Jun-24
⑤	256 La Pala Drive	\$12,750,000	38	\$335,526	32,000	\$398	5.08%	11.81	Active
⑥	220 E. O'Keefe Street	\$5,496,500	20	\$274,825	14,476	\$380	4.21%	13.06	May-20
⑦	450 Redwood Ave	\$7,850,000	27	\$290,741	19,675	\$399	5.41%	14.58	Apr-24
⑧	565 Saratoga Ave	\$5,200,000	16	\$325,000	11,084	\$469	4.20%	14.28	Pending
⑨	1577 Pomeroy Ave	\$6,650,000	20	\$332,500	16,960	\$392	4.53%	13.24	Dec-24

# SALE COMPARABLES SUMMARY

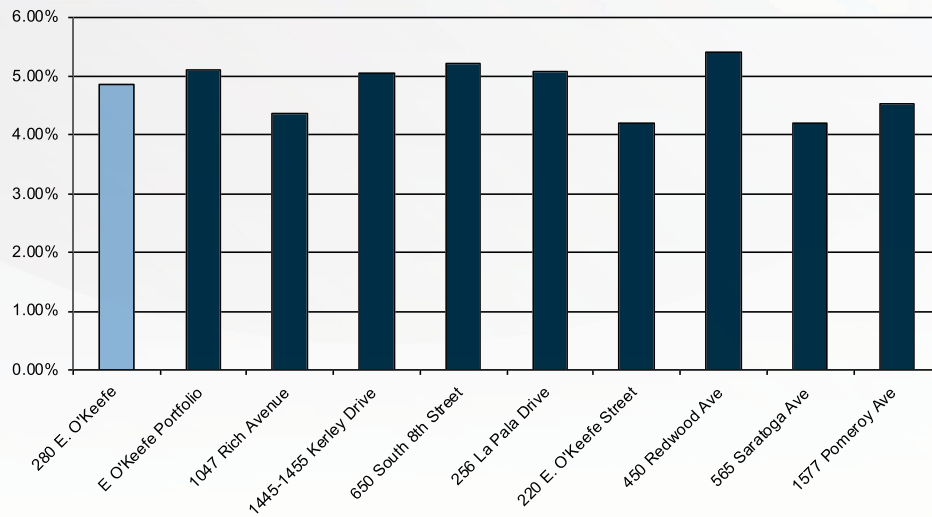
## Comparable Price/Unit



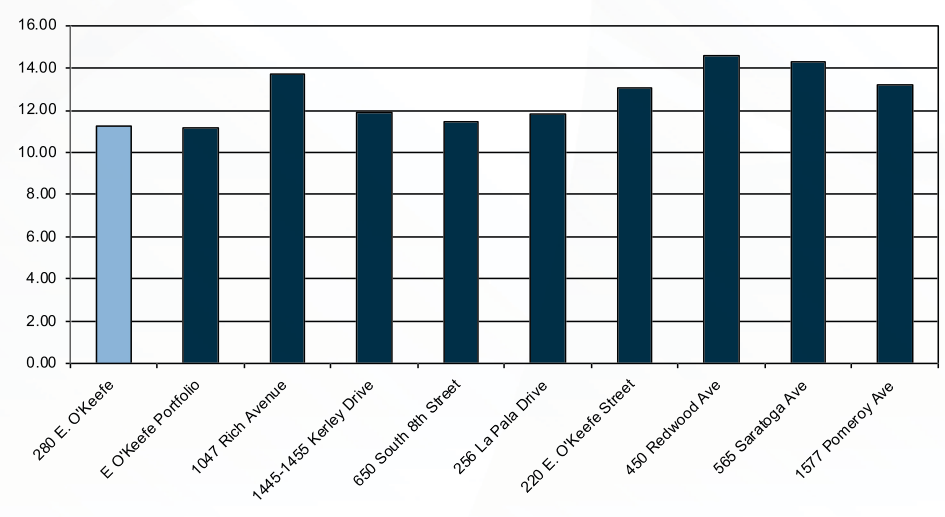
## Comparable Price/SF



## Comparable Cap Rate



## Comparable GRM

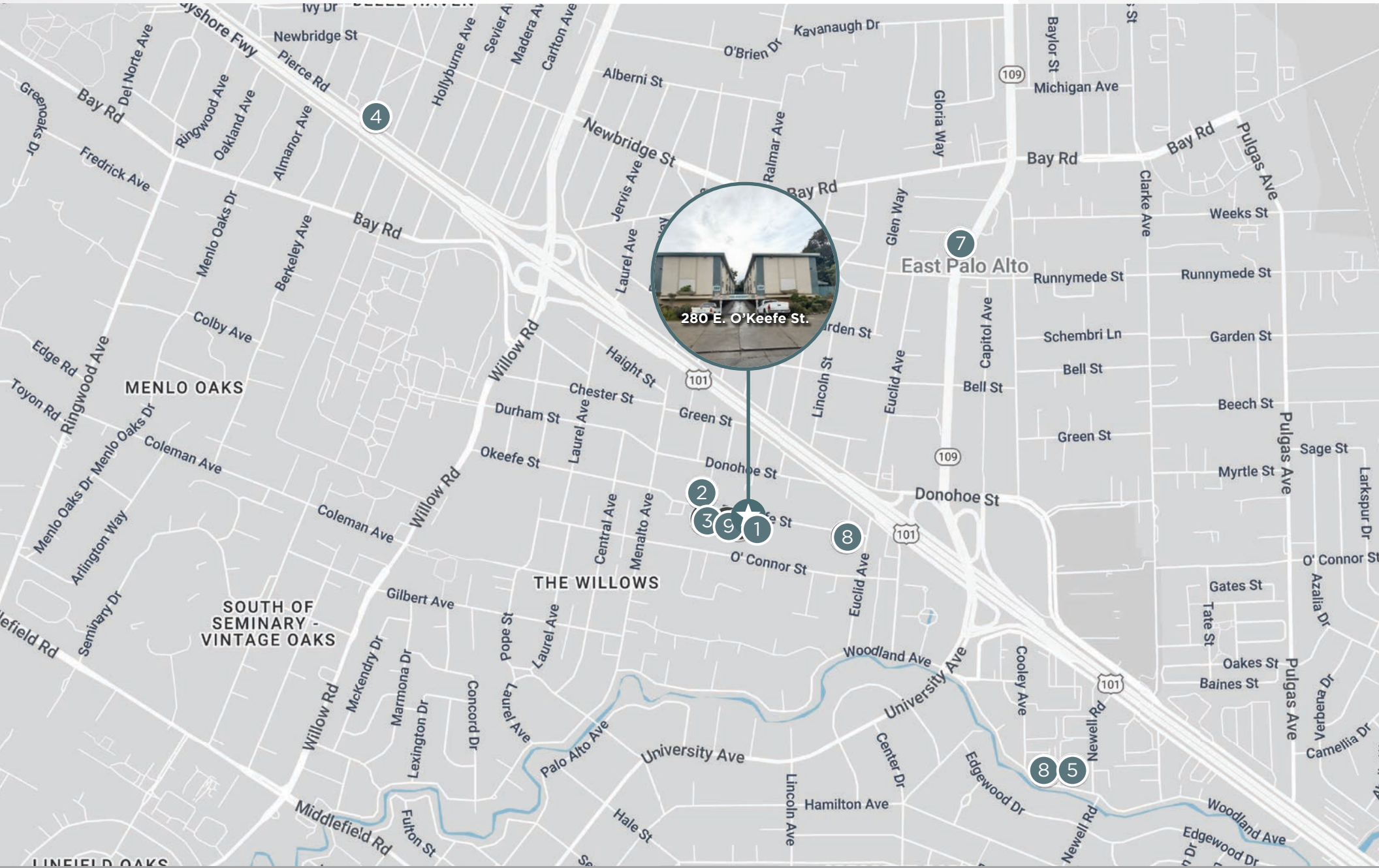




# RENT COMPARABLES

#	ADDRESS	CITY, STATE	UNITS	TYPE	SF	CURRENT RENT	PRICE/SF	COMMENTS
★	280 E O'Keefe Street	East Palo Alto, CA	4 16	1+1 2+1	650 900	\$2,600 \$3,000	\$4.00 \$3.33	\$2800 is highest subject property has achieved on 2x1, due to rental ordinance. Building achieved \$2600 on 7/5/23 or 1x1
1	Woodland Park Portfolio	East Palo Alto, CA	1 1 1	Studio 1+1 2+1	500 650 800	\$1,900 \$2,600 \$3,200	\$3.80 \$4.00 \$4.00	Portfolio manager reports that across similar multi-family buildings with comparable ammentie packages these are the current turnover rents. RUBS on Turn over \$80-110 depending upon unit type.
2	220 E. O'Keefe Ave	East Palo Alto, CA	1	1+1	650	\$2,295	\$3.53	Across the street from subject this was the last re-rent of a similar updated 1x1 unit in June of 2023. Building has 2x1, but has not turned a unit in the past six months. No concession, additional charges for W/S/G.
3	1102 Henderson Ave	East Palo Alto, CA	1	Jr. 1+1	450	\$2,250	\$5.00	Five unit building, hardwood floors, newer kitchen, walk in closet in primary room, tenant pays W/S/G, walking distance to FB as well as local pool and park.
4	1735 Woodland Ave	East Palo Alto, CA	1 1	Studio 1+1	500 600	\$2,100 \$2,550	\$4.20 \$4.25	Move in ready, units in average condition, with average update packages, interior hallways, 80 unit project, tuck under parking.
5	480 E. O'Keefe Ave	East Palo Alto, CA	1 1	2+1 1	900 900	\$2,800 \$3,150	\$3.11 \$3.50	Both units Clean, no pets, move in ready, owner looking for one year lease. Kitchen, bath and flooring in average condition. RUBS range from \$80-\$110
6	2343 University Ave	East Palo Alto, CA	1 1	1+1 1+1	650 650	\$2,150 \$2,200	\$3.31 \$3.38	Upstairs units, dated building on busy University Ave. Move in ready, clean, looking for one year lease. Inferior location and condition to subject.
7	1717 Woodland Ave	East Palo Alto, CA	1	Studio	500	\$2,100	\$4.20	Clean units, partially updated, large patio, new DP windows and slider, all electric kitchen, on-site laundry and pool. One year lease, no pets
8	270 E. O'Keefe Street	East Palo Alto, CA	1	2+1	850	\$3,195	\$3.76	Last re-rent in July for \$3000, currently one vacant unit asking \$3000. Unit clean and updated with newer flooring, cabinets, granite countertops, no pets. Move in ready RUBS range from \$80-\$110

# RENT COMPARABLES MAP





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