

Office Reuse Opportunity / Hindu Temple

30,000 Sq. Ft. Office
Religious/Welfare Use
Investor / Owner User

25 Corning Avenue, Milpitas

www.iLiveInTheBayArea.com



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INVESTMENT HIGHLIGHTS

Existing Conditional Use Permit (CUP)

A new religious or welfare related use would be able to utilize the CUP.

Transportation Access

The property sits between the 880, 680 and 237 freeways and the soon to open Milpitas BART Station.

Owner User / Investor

The tight rental market makes this an ideal opportunity for both an owner user or investor.

Development Opportunity

Potential for redevelopment under Mixed Use (MXD) zoning with the city expressing interest in more density.



PROPERTY SUMMARY

Address:	25 Corning Ave (390 S Abel St) Milpitas, CA 95035
Size:	30,000 Sq. Ft.
Year Built/Renovated:	1984
Parking:	100 surface
Stories:	2
Typical Floor Size:	15,000 Sq. Ft.
Lot Size:	1.49 Acres 64,786 Sq. Ft.
APNs:	083-06-015 + 016

Cap Rate - Pro Forma	6.24%
Return w Principle Reduction (Year 1)	8.18%

THE OPPORTUNITY

Davide F. Pio of BCRE with assistance from Sumii Jhington are proud to present an office reuse opportunity currently being used as a Hindu temple, an asset with a prominent religious presence in the East Bay and Silicon Valley with a variety of applications depending on the purchaser.

Milpitas tends to draw on a workforce from the East Bay in addition to San Jose, and the asset sits 1.6 miles from the soon to open Milpitas BART station in late 2019.

The asset has been a religious organization for over a decade. Although city permits would still be required, another religious or welfare related use would be able to occupy the space without going through the time-consuming process of a conditional use permit (CUP).

Additionally, the 30,000 Sq. Ft. building could be used by an incoming owner user purchaser or likewise by an investor who could lease the project out in an ever-tightening vacancy and increasing rents.

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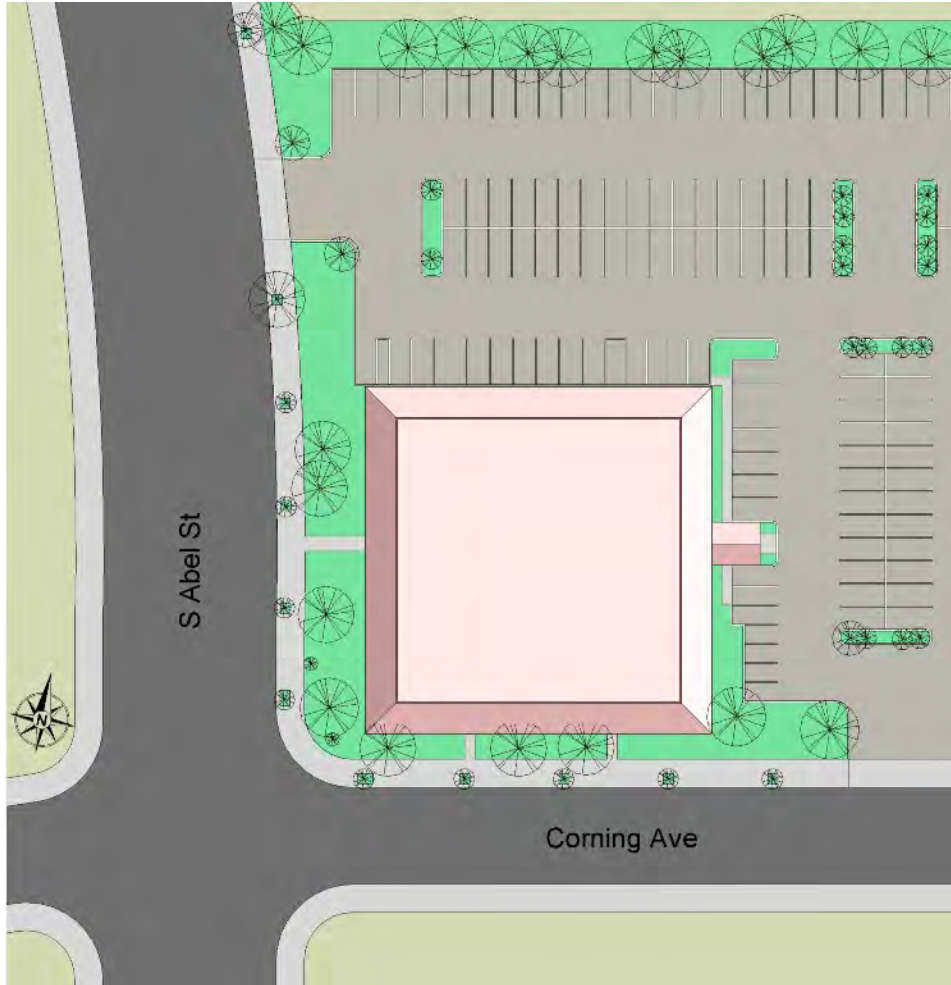
Investment
Overview

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LOCATION

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LOCATION



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Additional
Photos



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Site Data	
Building Size	30,000 Sq. Ft.
Year Built	1984
Number of Buildings	1
Number of Floors	2
Lot Size	±1.49 acres (±64,786 Sq. Ft.)
Frontage	S Abel St 278 Feet Corning Ave: 219Feet
Access/Egress	Access to the property is offered through both S. Abel St and Corning Ave.
Parking	100 spaces total including 3 handicapped
Parking Ratio	3.3/1,000 Sq. Ft.
Site Coverage Ratio	0.23
Floor Area Ratio (FAR)	0.46
Flood Zone	Zone "X"
Zoning Designation	MXD – Mixed Use with Midtown Specific Plan Overlay
Topography and Drainage	Generally level and at street grade
Easements, Encroachments & Restrictions	No easements or encroachments known: TBD upon preliminary report CC&R's from 1955

Building Systems	
HVAC	HVAC 10 package units and one split system on roof.
Elevators	None
Electrical	1600 amps, 208/120 volts
Plumbing	Copper
Fire/Safety	General fire suppression system for building. Specific fire suppression system for commercial kitchen. Fire extinguishers distributed throughout building. Fire hydrant at right rear near street. Various egress lighting at doors with battery backup.
Hot Water	(1) 98 gallon tank in industrial kitchen and (1) 50 gallon tank near seating hall.
ADA Compliance	Bathrooms not completely compliant.
Foundation	Concrete Slab
Exterior Walls	The exterior wall structure is painted stucco siding.
Roof Construction	Plywood over wood beams and laminate wood beams. Modified bitumen.
Building Construction	Concrete Tilt Up
Amenities	Heated tile lobby (not currently functioning)

Utility Providers	
Water	City of Milpitas - Milpitas Public Works
Sewer	City of Milpitas - Milpitas Public Works
Garbage / Refuse	City of Milpitas - Milpitas Sanitation
Electricity & Gas	Pacific Gas & Electric

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Property Description

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Property
Description

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LOCATION

Interior Building Information

Walls	Drywall interior walls
Windows	Various metal framed windows.
Restrooms	Three (3) common area men's and women's rooms with multiple stalls and showers. Three (3) private restrooms including on in the space used for on-site residence.
Roll Up Door	11 ft. 9 inches on North side of the building
Commercial Kitchen	Kitchen contains Type I hood, floor drains throughout, walk in freezer and multiple sinks.
Ceiling	Predominantly drop tile ceilings.



Income	Pro Forma
Price	\$8,000,000
Building Sq. Ft.	30,000
Price/Sq. Ft.	\$267

Rates of Return

Cap Rate - Pro Forma	6.24%
Return w Principle Reduction (Year 1)	8.18%

Estimated Rental Rate (Annual):	\$24 / Sq. Ft.
Lease Type:	Modified Gross

Proposed Debt Financing (Pro Forma)

Principal Amount	\$5,200,000
Loan to Value (LTV)	65%
Interest Rate	5.25%
Amortization (Years)	30
Term	5 Year Fixed
Debt Coverage Ratio (DCR)	1.45
Annual Debt Service	\$344,575
Details	(IF ANY)
Assumption Fee	1.00%
Recourse Loan	YES

Income	Market	Notes
Rental Revenue	\$720,000	\$24/psf/yr
Vacancy / Loss (10.0%)	\$72,000	8% Vacancy
Net Rental Income	\$648,000	
Total Operating Revenue	\$648,000	

Expense		
Real Estate Taxes	\$91,840	1.148% of purchase price
Special Assessments	\$899	2018-2019
Insurance	\$16,500	Est. at \$0.55/psf
Utilities		
PG&E	\$0	Reimbursed by Tenant
Water & Sewer	\$0	Reimbursed by Tenant
Garbage	\$0	Reimbursed by Tenant
Property Management		
Off-Site	\$32,400	5% of Gross Income
Repairs & Maintenance	\$0	Reimbursed by Tenant
Capital Reserves	\$6,000	\$0.20/psf
Total Operating Expenses	\$147,639	
Expense Ratio	22.78%	
Net Operating Income	\$500,361	

Debt Service	\$344,575
Cash Flow After Debt	\$155,786

Principle Reduction	\$73,323	Year 1 Principle Paid
Return with Principle Reduction	\$229,109	



FINANCIAL Investment Summary

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LOCATION

ASSET Rental Rate & Absorption Analysis

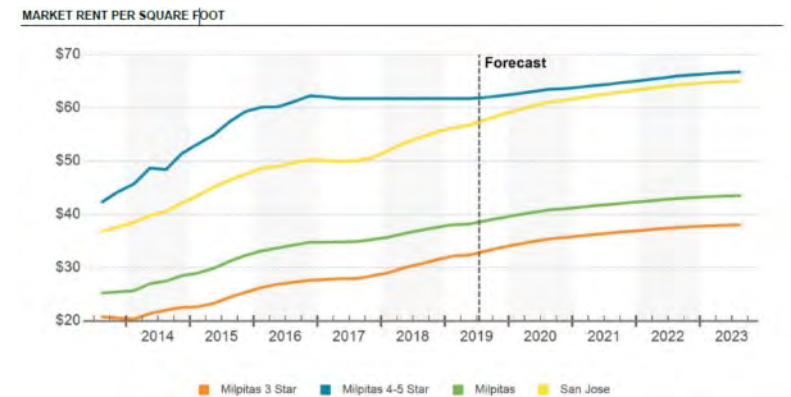
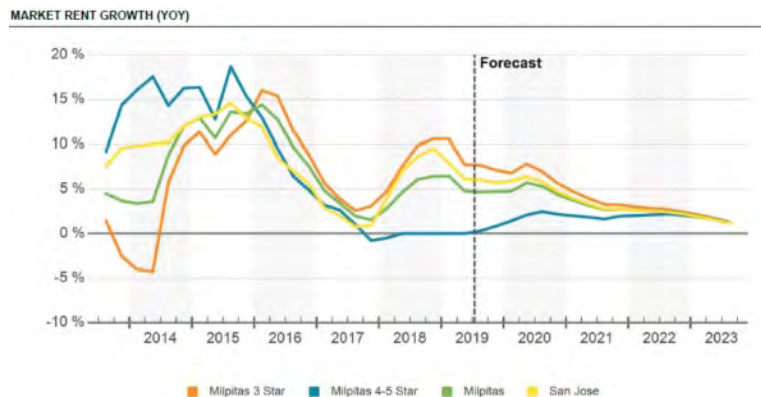
	Inventory & Net Absorption			Vacancy & Market Rent		
	Inventory	SF Growth	Absorption	Vacancy	FSG Ask Rent	% Growth
Projected Asking Rents:						
2023	4,774,111	6,003	-21,629	9.2%	\$43.59	1.00%
2022	4,768,108	5,881	-22,758	8.7%	\$43.17	2.30%
2021	4,762,227	4,215	6,622	8.1%	\$42.20	2.80%
2020	4,758,012	239	34,060	8.1%	\$41.07	4.40%
2019	4,757,773	-169	-127,284	8.8%	\$39.35	4.70%

	Inventory & Net Absorption			Vacancy & Market Rent		
	Inventory	Absorption	Absorption	Vacancy	FSG Ask Rent	Change - Rent
2018	4,757,942	0	114,071	6.2%	\$37.58	6.40%
2017	4,757,942	0	341,849	8.6%	\$35.31	1.60%
2016	4,757,942	0	-186,485	15.8%	\$34.77	7.60%
2015	4,757,942	2,580	-27,186	11.9%	\$32.31	13.40%
2014	4,755,362	0	172,831	11.2%	\$28.50	12.00%
2013	4,755,362	0	-71,374	14.9%	\$25.45	3.70%
2012	4,755,362	0	-4,621	13.4%	\$24.55	6.30%
2011	4,755,362	0	2,465	13.3%	\$23.09	8.90%
2010	4,755,362	0	18,900	13.3%	\$21.21	-7.60%
2009	4,755,362	0	-59,236	13.7%	\$22.96	-19.30%
2008	4,755,362	12,189	11,073	12.5%	\$28.46	-0.60%
2007	4,743,173	54,562	182,481	12.5%	\$28.62	21.60%
Averages =		5,778	41,231	12.3%	\$28.57	4.50%

Average Rental Rate Increase During Expansion Years and Vacancy is 13.5% or less=

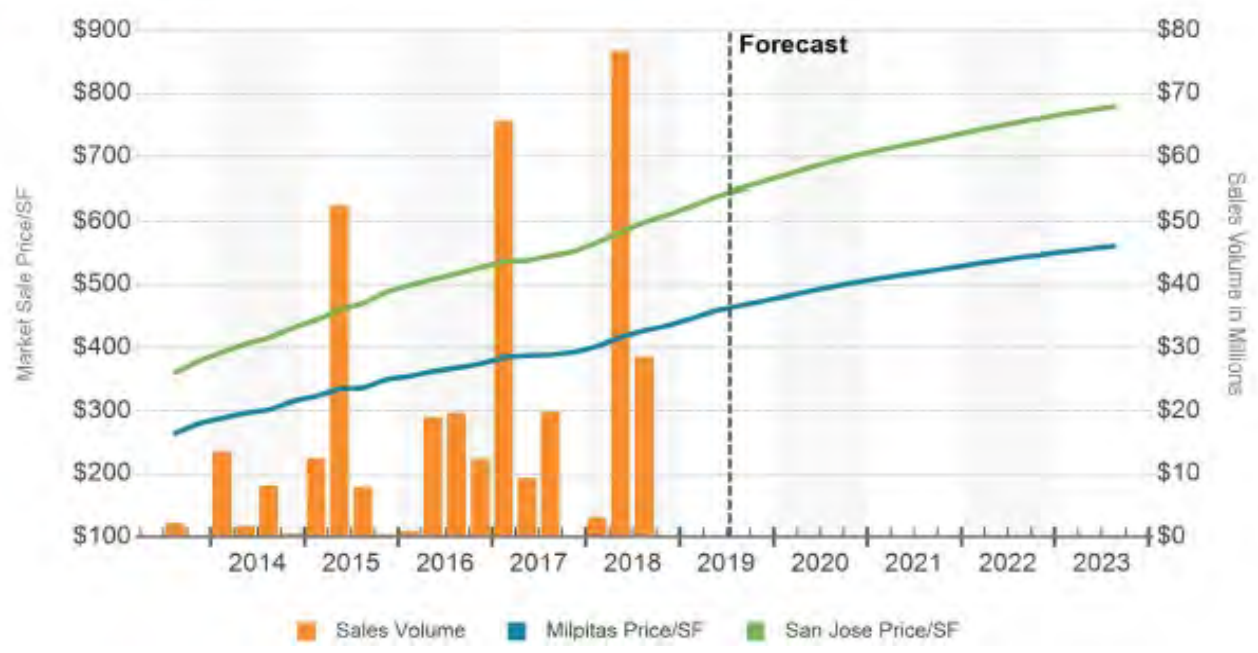
5.81%

Historical Source Data: CoStar

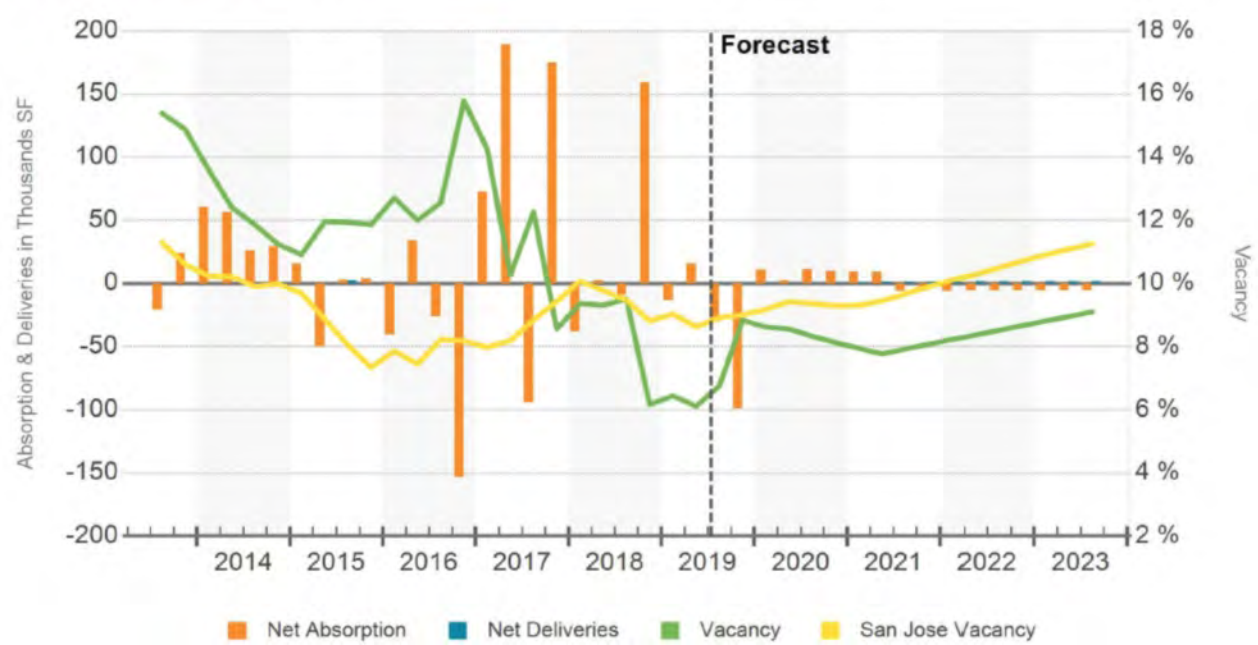


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SALES VOLUME & MARKET SALE PRICE PER SF



NET ABSORPTION, NET DELIVERIES & VACANCY



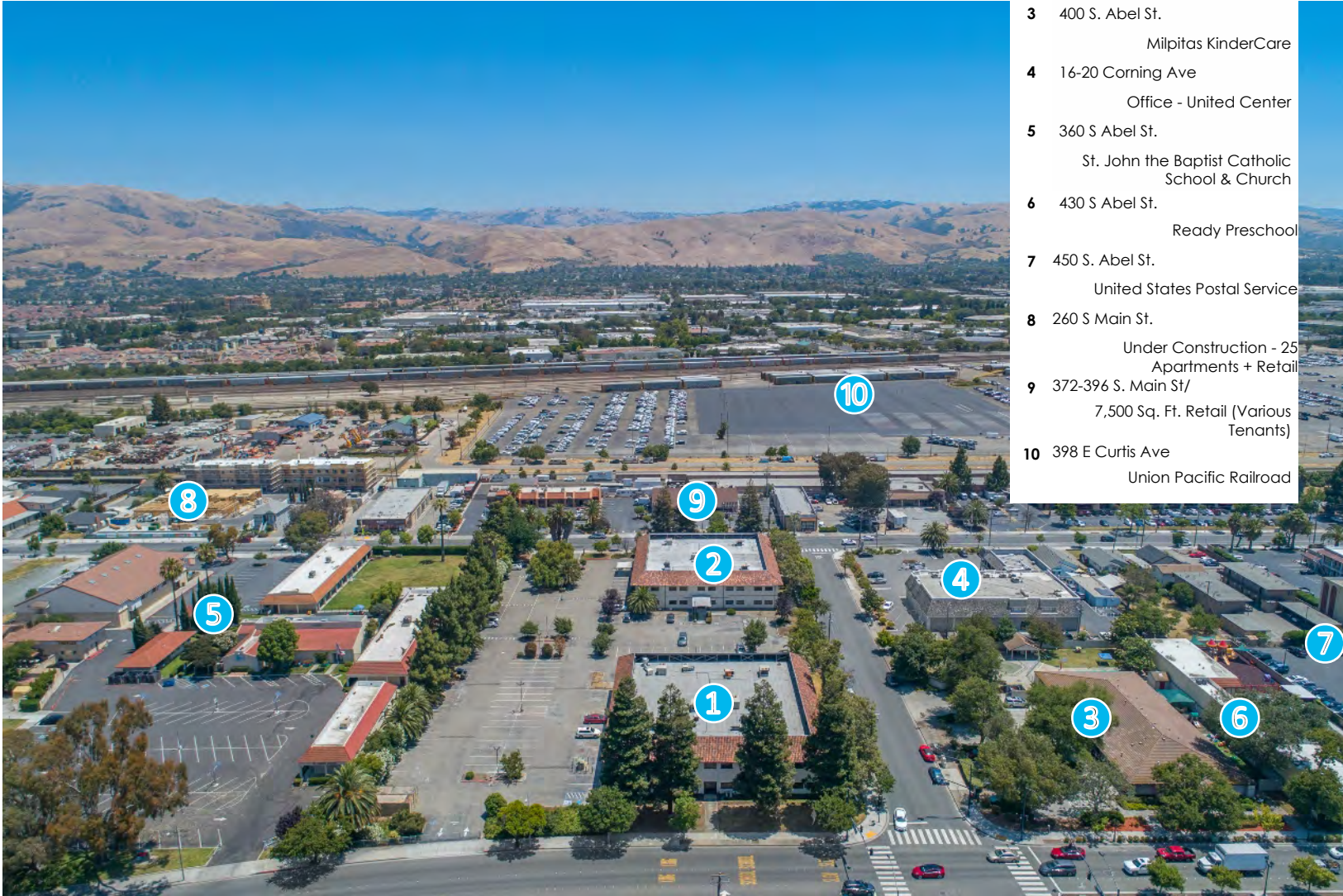
LOCATION
Sales PSF &
Net Delivery
Analysis

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LOCATION

LOCATION
Parcel Map

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Legend

- 1 Subject Property**
- 2** 399 S Main St.
Chinese Church in Christ
- 3** 400 S. Abel St.
Milpitas KinderCare
- 4** 16-20 Corning Ave
Office - United Center
- 5** 360 S Abel St.
St. John the Baptist Catholic
School & Church
- 6** 430 S Abel St.
Ready Preschool
- 7** 450 S. Abel St.
United States Postal Service
- 8** 260 S Main St.
Under Construction - 25
Apartments + Retail
- 9** 372-396 S. Main St/
7,500 Sq. Ft. Retail (Various
Tenants)
- 10** 398 E Curtis Ave
Union Pacific Railroad

LOCATION
Adjacent
Owners

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ASSET Demographics

KEY FACTS

1,260,570

Population



Average Household Size

36.5

Median Age

\$111,375

Median Household Income

EDUCATION

13%

No High School Diploma



17%

High School Graduate



21%

Some College



49%

Bachelor's/Grad/Prof Degree

BUSINESS



56,821

Total Businesses



770,027

Total Employees

EMPLOYMENT



70%

White Collar



15%

Blue Collar



15%

Services

4.5%

Unemployment Rate

INCOME



\$111,375

Median Household Income



\$48,198

Per Capita Income



\$172,901

Median Net Worth

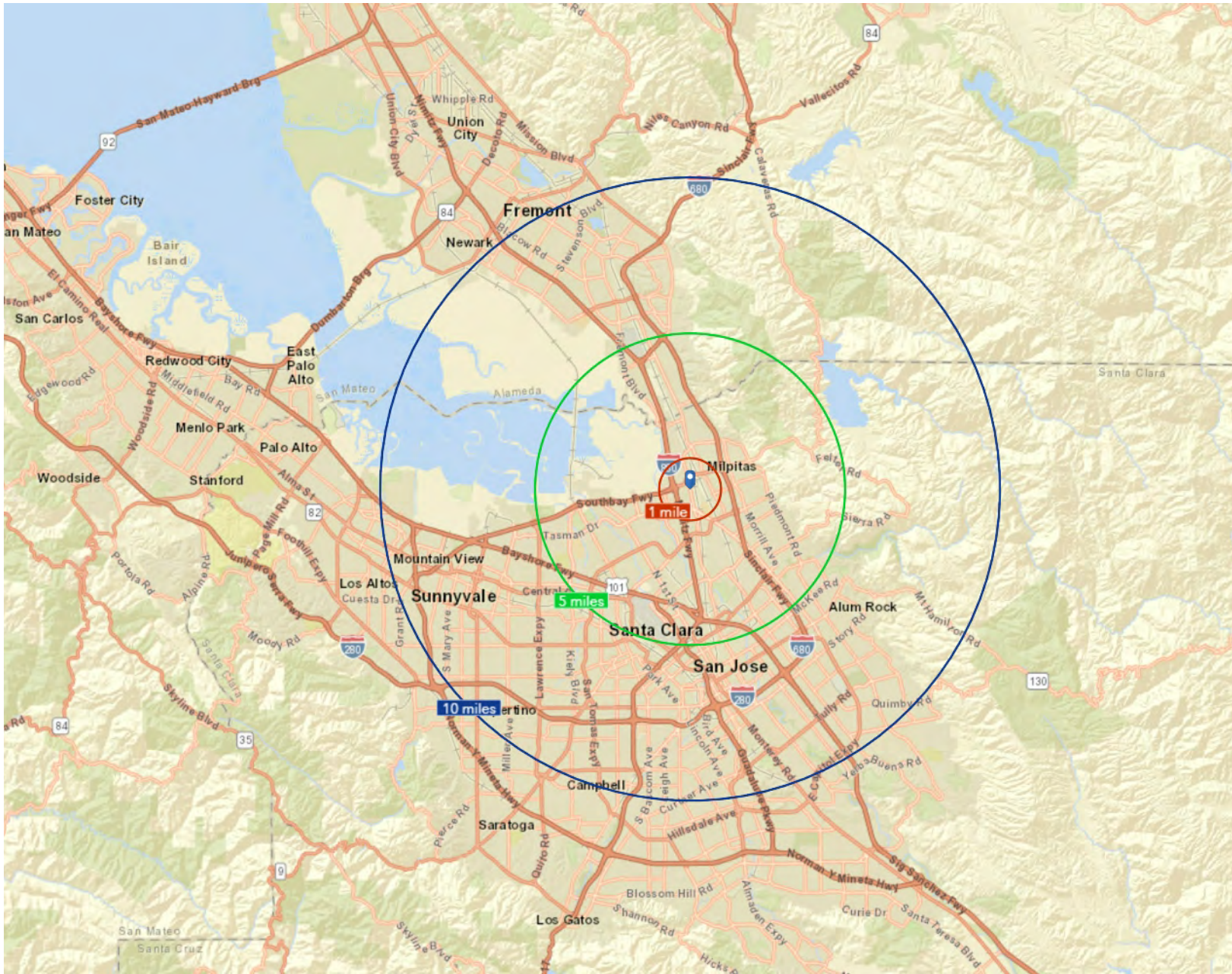
Households By Income

The largest group: \$200,000+ (22.8%)

The smallest group: \$15,000 - \$24,999 (4.5%)

Indicator	Value	Difference	
<\$15,000	6.1%	-0.9%	█
\$15,000 - \$24,999	4.5%	-1.1%	█
\$25,000 - \$34,999	4.6%	-0.9%	█
\$35,000 - \$49,999	6.9%	-0.7%	█
\$50,000 - \$74,999	11.0%	-1.7%	█
\$75,000 - \$99,999	11.0%	-0.5%	█
\$100,000 - \$149,999	19.2%	+0.1%	█
\$150,000 - \$199,999	13.9%	+1.5%	█
\$200,000+	22.8%	+4.1%	█

Bars show deviation from Alameda County



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Demographics

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Aerial Views



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Aerial Views



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Transportation
Map

Heart of Silicon Valley & the East Bay

Milpitas BART Station

Slated for a late 2019 opening, the much anticipated Milpitas BART station lies only 1.6 miles south of the property. Alternatively, the Warm Springs/South Fremont BART station is seven (7) miles to the north.

580 & 680 Freeways

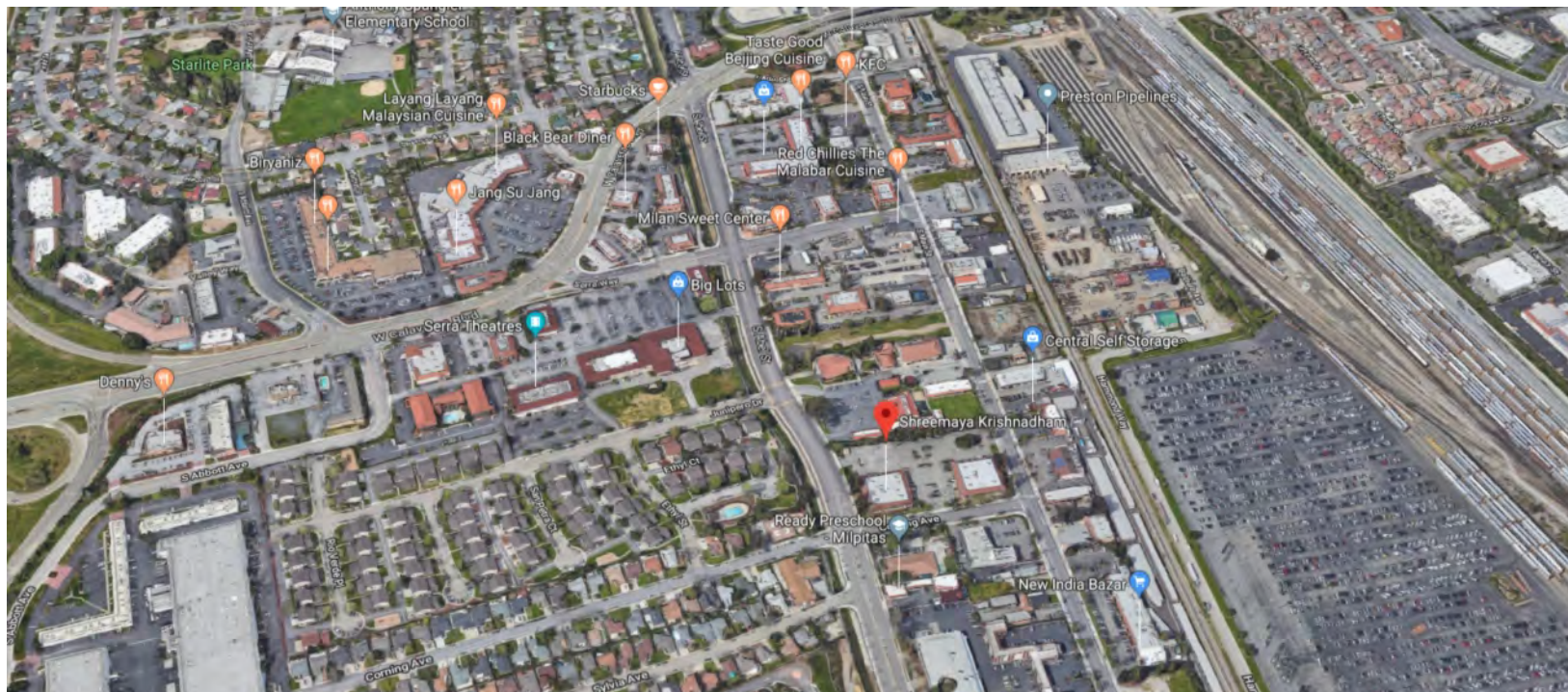
Less than two (2) miles from both the 580 and 880 freeways, the property allows ease of access from any major thoroughfare.

San Jose International Airport

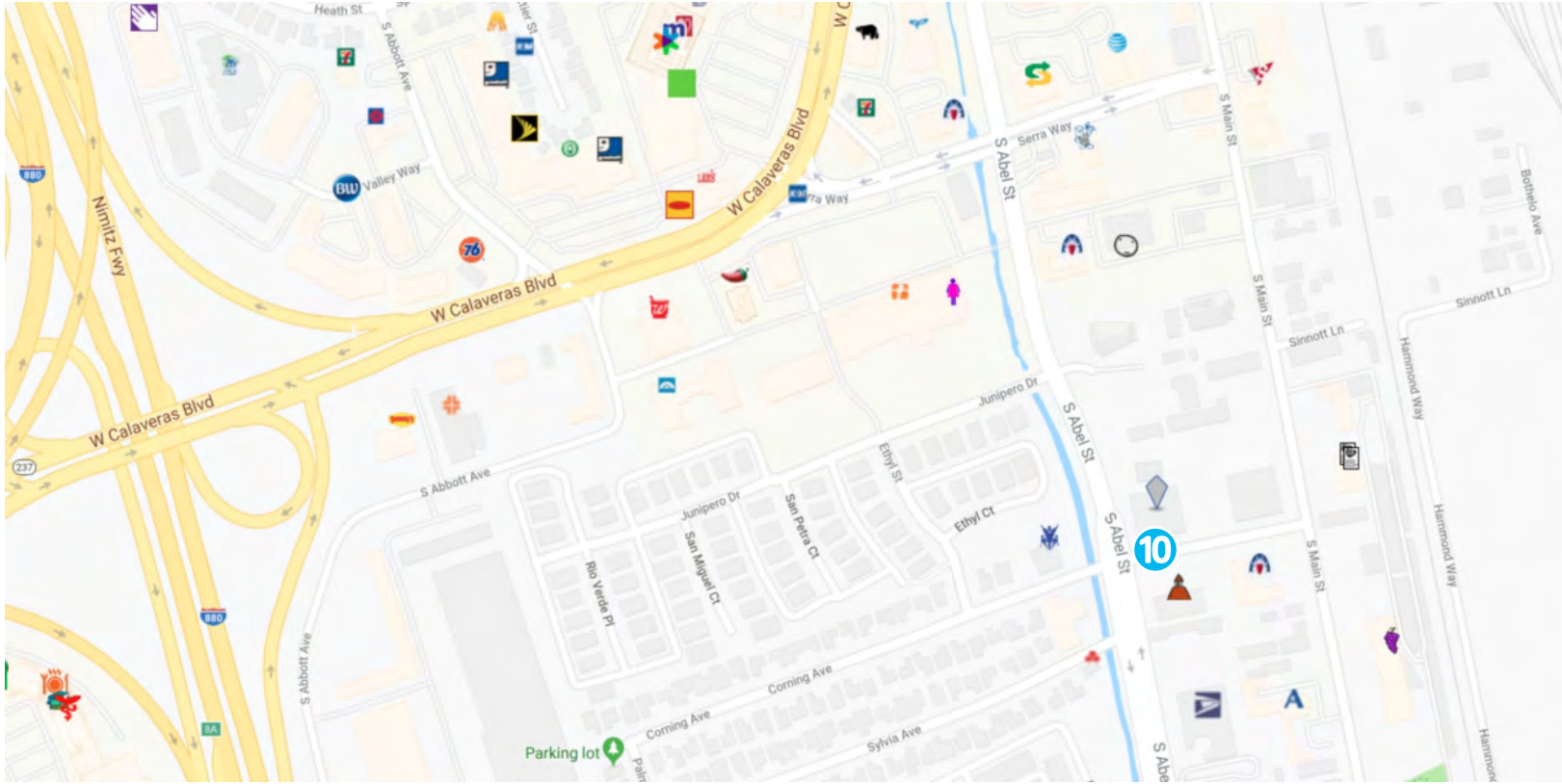
With expanding routes, San Jose International is a short commute away.

Name	Drive Time	Walk Time	Distance
Great Mall/Main Station (Alum Rock)		3 min	0.9 mi
Milpitas BART Station		5 min	1.6 mi
Great America Commuter Rail (Altamont Corridor)		10 min	5.6 mi
Santa Clara Commuter Rail (Caltrain)		13 min	7.9 mi

Name	Drive Time	Walk Time	Distance
Airport - San Jose International	13 min		7.4 mi
Airport - Oakland International	38 min		29.8 mi
Airport - San Francisco International	44 min		33.9 mi



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LOCATION
Amenity Map

Restaurants			
1 Red Lobster	6 Loving Hut	11 El Torito	16 Taco Bell
2 Black Bear Diner	7 Saravanaa Bhavan	12 Falafel Bite	17 Koi Palace
3 Banana Leaf	8 Dishdash Grill	13 Darda Seafood	18 Chili's Grill & Bar
4 Romano's Macaroni Grill	9 Gen Korean BBQ House	14 Mikonos Grill	19 Anjappar Chettinad
5 On The Border	10 Jang Su Jang	15 Gasa Azteca Restaurant	20 Taqueria Los Cunados



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Brokerage
Contact
Information



For a private showing, please contact one of the exclusive listing agents from BCRE.

Daide F. Pio

Broker Associate • CCIM, LEED AP

BCRE | License # 01522969

Cell • 510-815-2000

Email • info@iLiveInTheBayArea.com

Soumendra “Sumii” Jhington

Broker

Realty Experts | License # 01330477

Cell • 510-909-5652

Email • Sumii@SumiiJhington.Realtor

