



— 556 —
NORTH 1ST
SAN JOSE, CA

Owner-User/Investment | Potential Re-Development Opportunity
Office Building in downtown San Jose, CA 95112

ASKING PRICE \$3,250,000 | 8,350 SF OFFICE BUILDING | 9,822 SF LOT



SIGNIFICANT CAPITAL IMPROVEMENTS IN 2020

== 556 ==
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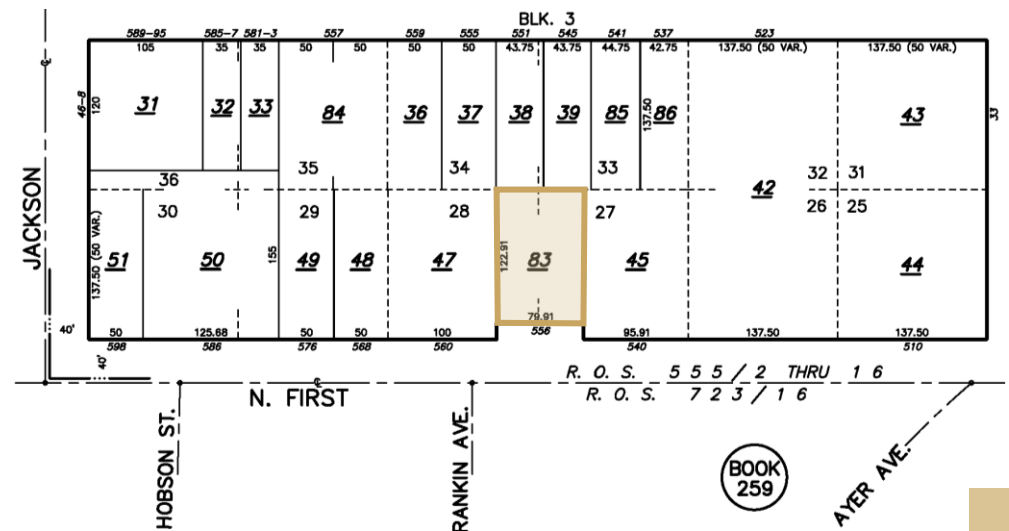
EXECUTIVE SUMMARY

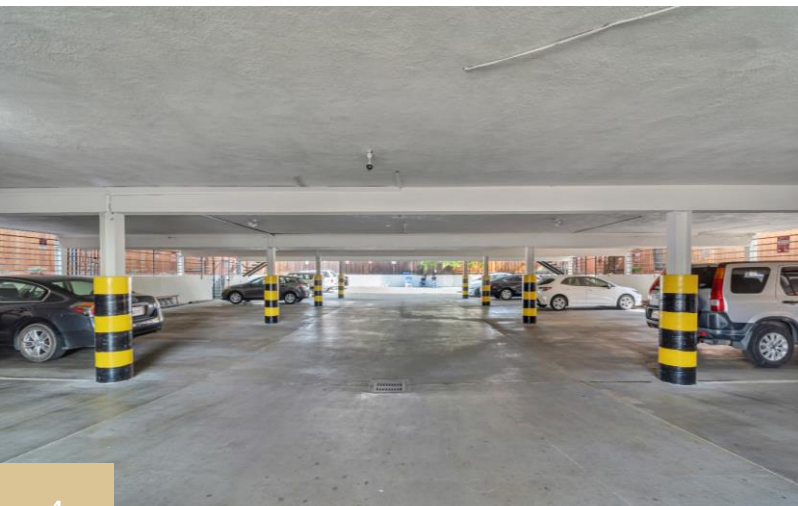




556 N. 1ST STREET ■ SAN JOSE, CA 95112

▪ PRICE	\$3,250,000
▪ TYPE	4 Unit Office
▪ GROSS SF	8,350 SF
▪ LOT SF	9,822 SF
▪ YEAR BUILT	1961 (2020 Renovated)
▪ ZONING	CO







Investment

OVERVIEW

HAYLEN Real Estate is proud to present this unique investment and/or owner user opportunity for this 8,350sf office building, situated on a 9,822 sf lot, with 20 parking spaces and one handicap parking spot in the gated parking lot under the building.

THE ASSET

The building has undergone significant improvements in 2020, and consists of 4 units with ADA compliant en-suite restrooms for each. Previously used as a medical office building, with 2 units designed and built as dental offices. One unit is currently occupied and is used as a dental laboratory. All units are individually metered and the first floor can now be built to suit for medical use. High visibility structure off one of the main corridors near downtown.

THE LOCATION

Located right by the Japantown and Hensley Historic District, this property is not only just 5 mins from Mineta San Jose international airport, with convenient access to 87 and 101 freeway, but it is also right across from the VTA light rail station. Most importantly, this building is surrounded by some of the largest development projects in Silicon Valley.



Located in dense San Jose MSA, with central access to 4 major freeways

Close to major developments in Downtown San Jose

Mins to San Jose Mineta Airport

Within the Urban Village Development Corridor

Adjacent to Japantown and Hensley District

Across from VTA station

Significant Capital Improvements in 2020:



▶ Sewer Line



▶ Electrical



▶ Plumbing



▶ Interior Wall AC Units



▶ Repaired Roof



▶ Fully Plumbed Dental Treatment Rooms



▶ 6 Fully Equipped Dental Treatment Rooms



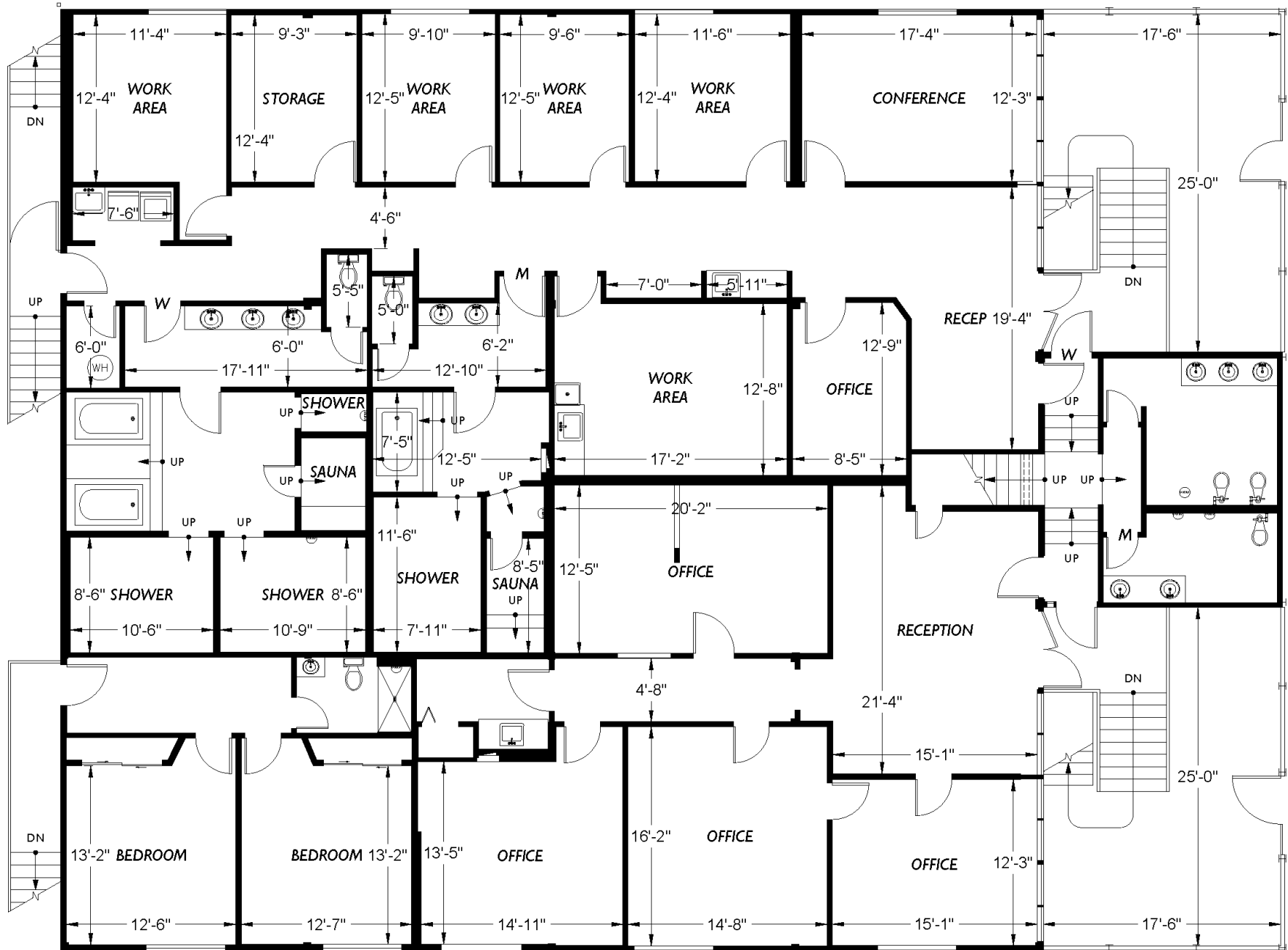
▶ 5 Partially Equipped Dental Treatment Rooms



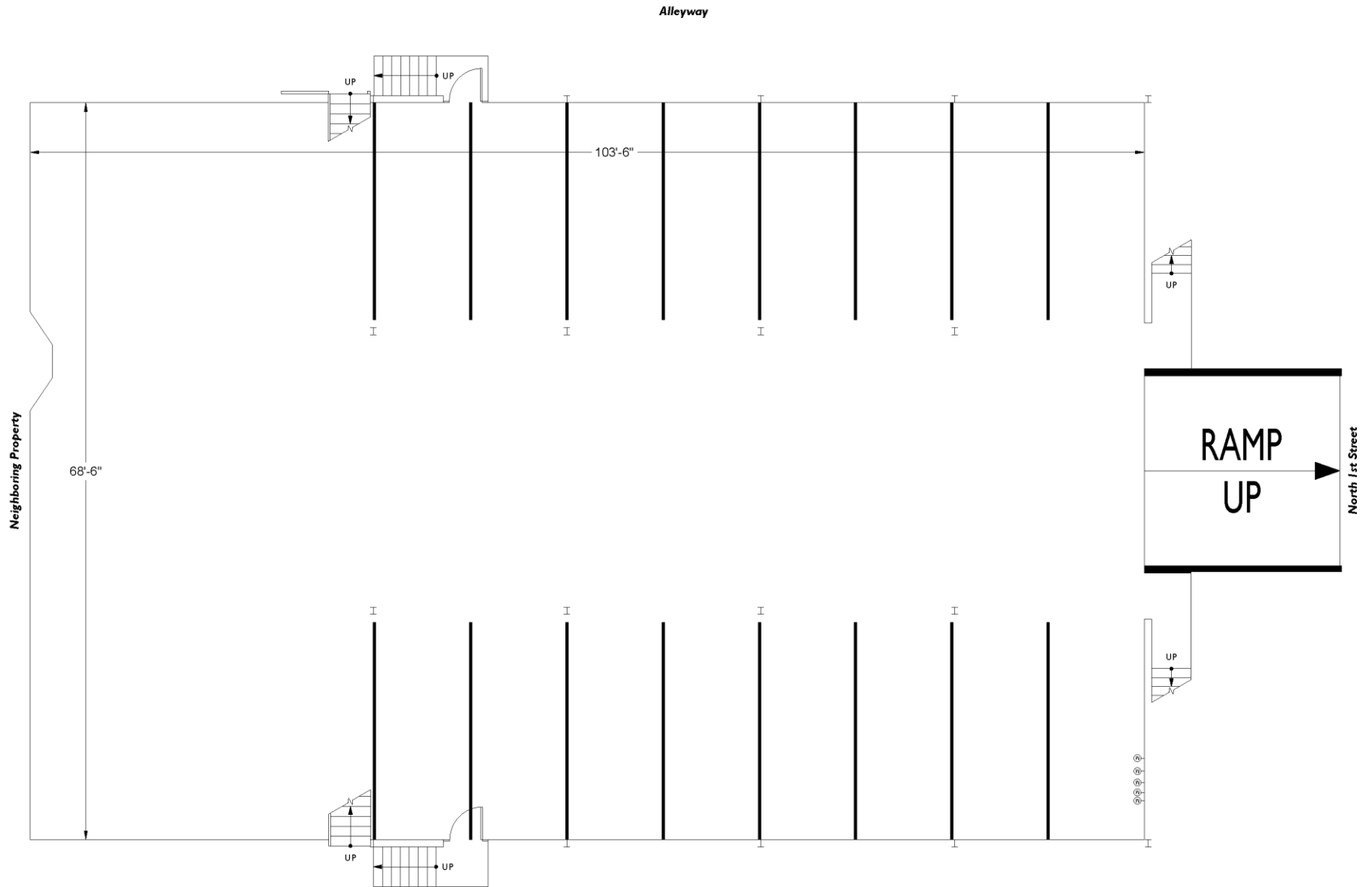
▶ ADA Compliant Restrooms in Each Unit



1st Floor - Floorplan



Parking - Floorplan





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FINANCIAL ANALYSIS



Rent Roll

Unit #	Business Name	Type	Approx. SF	Proforma Monthly Rent	\$/SF	Lease Start Date	Lease End Date	NNN	Option	Annual Increase	Security Deposit
101	VACANT	Dental Office	2,350	\$6,932.50	\$35.40						
102	VACANT	Dental Office	1,100	\$3,245.00	\$35.40						
103	Sunnyvale Dental Lab., Inc.	Dental Lab	1,250	\$4,375.00	\$42.00	7/1/2021	6/30/2026	None	None	3%	\$13,500
201	VACANT	Office	2,700	\$6,750.00	\$30.00						
TOTAL USEABLE SF			7,400								
TOTAL POTENTIAL MONTHLY RENT				\$21,302.50							
TOTAL POTENTIAL ANNUAL RENT				\$255,630.00							

Income & Expenses

ALL FIGURES ARE ANNUAL	12 Months	
Months		
POTENTIAL RENTAL INCOME		\$255,630.00
EFFECTIVE RENTAL INCOME		\$255,630.00
GROSS OPERATING INCOME		\$255,630.00
OPERATING EXPENSES:		
Real Estate Taxes	\$40,625	
Personal Property Taxes	\$0.00	
Property Insurance	\$3,360.00	
Off Site Management	\$0.00	
Payroll	\$2,842.29	
Expenses/Benefits	\$8,167.89	
Taxes/Worker's Compensation	\$2,454.52	
Repairs and Maintenance	\$2,927.90	
Water, Sewer, Storm	\$1,440.00	
Trash Service	\$2,400.00	
PG&E	\$14,400.00	
Accounting and Legal	\$500.00	
Licenses/Permits	\$6.67	
Advertising	\$228.34	
Supplies	\$29.16	
On site manager	\$0.00	
TOTAL OPERATING EXPENSES		\$79,381.77
NET OPERATING INCOME		\$176,248.23
PROFORMA CAP RATE		5.18%

All figures are Pro Forma based on max occupancy



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MARKET COMPARABLES



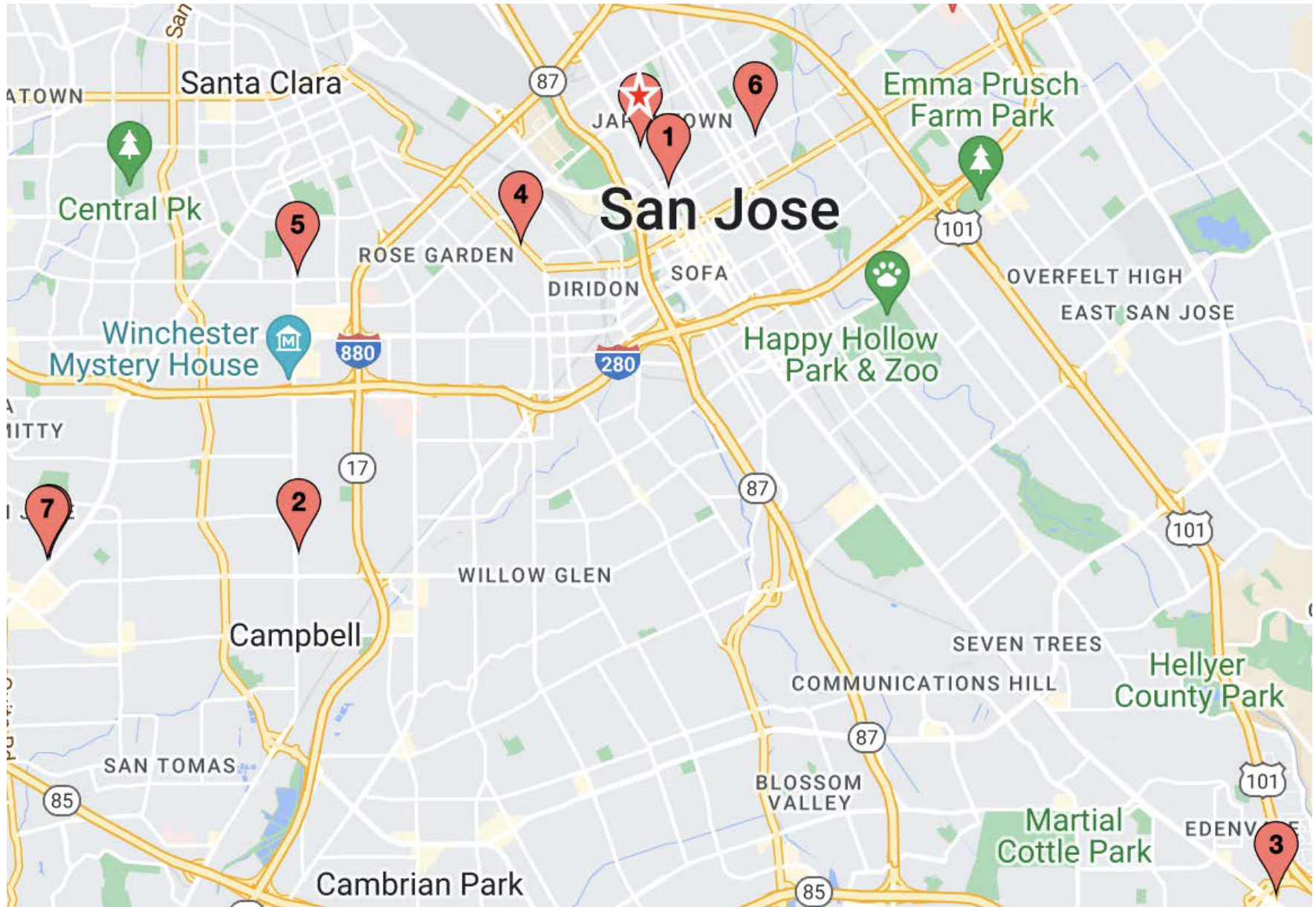
Active Comparables

	Address	Year Built	Bldg SF	List Price	Price / SF	Status	Percent Leased
1	15-25 Post St San Jose, CA 95133	1925	9,460	\$4,500,000	\$476	Active	22%
2	150 Barack Obama Blvd San Jose, CA 95110	1973	12,000	\$15,000,000	\$1,250	Active	100%
3	660 E Santa Clara St San Jose, CA 95112	1945	6,825	\$3,895,000	\$571	Active	100%
4	320 S 3rd St San Jose, CA 95112	1950	5,080	\$2,500,000	\$492	Active	0%
5	1769 Park Ave San Jose, CA 95126	1988	7,451	\$2,750,000	\$369	Active	67%
6	602 E Santa Clara St San Jose, CA 95112	1990	6,945	\$4,500,000	\$648	Active	100%
7	1650 The Alameda San Jose, CA 95126	1910	6,070	\$3,700,000	\$610	Active	100%
Average			7,690	\$5,263,571	\$631		
	Subject Property: 556 N 1st St San Jose, CA 95112	1961	8,350	\$3,250,000	\$389	Active	17%

Sales Comparables

	Address	Year Built	Bldg SF	List Price	Sale Price	Price / SF	Sale Date	Status	Percent Leased
1	45 E Julian St San Jose, CA 95112	1900	5,095		\$2,325,000	\$456	3/22/2024	Sold	0%
2	1510 S Winchester Blvd San Jose, CA 95128	1970	7,617		\$3,450,000	\$453	12/29/2023	Sold	0%
3	5504 Monterey Rd San Jose, CA 95138 (Part of a 8 Prop Sale)	1990	8,012		\$1,398,975	\$175	12/18/2023	Sold	100%
4	1501 The Alameda San Jose, CA 95126	1962	6,989		\$4,200,000	\$601	12/4/2023	Sold	0%
5	826 N Winchester Blvd San Jose, CA 95128	1958	11,742		\$6,540,000	\$557	9/21/2023	Sold	0%
6	303 N 15th St San Jose, CA 95112	1958	5,235		\$3,600,000	\$688	6/30/2023	Sold	100%
7	1485 Saratoga Ave San Jose, CA 95129 (Part of a 2 Prop Sale)	1987	9,163		\$2,792,394	\$305	6/30/2023	Sold	100%
8	1479 Saratoga Ave San Jose, CA 95129 (Part of a 2 Prop Sale)	1987	6,192		\$1,807,606	\$292	6/30/2023	Sold	100%
Average			7,506		\$3,264,247	\$441			
Subject Property:									
	556 N 1st St San Jose, CA 95112	1961	8,350	\$3,250,000		\$389		Active	17%

Sales Comparables



Rent Comparables

	Address	Year Built/Renovated	Bldg SF	Max Contiguous Available SF	Property Type	Lease Rate	Lease Type
1	325 S 1st St San Jose, CA 95113	1928/1999	35,270	6,524	Office	\$41.40	Gross
2	251-275 N 4th St San Jose, CA 95112	1954	9,166	5,865	Office	\$27.00	NNN
3	200 N Almaden Blvd San Jose, CA 95110	2008	17,411	7,406	Office	\$35.40	Full Service
4	15-25 Post St San Jose, CA 95113	1925	9,460	7,386	Office	\$24.00	NNN
5	31 Post St San Jose, CA 95113	1995	7,785	7,785	Office	\$33.00	NNN
6	701 N 1st St San Jose, CA 95110	1957	8,185	8,185	Office	\$28.20	Gross
7	800 N 1st St San Jose, CA 95112	1957/2006	6,560	6,080	Office	\$28.80	NNN
8	990 N 1st St San Jose, CA 95112	1964	21,244	21,244	Office	\$24.00	Gross
9	320 S 3rd St San Jose, CA 95112	1950	5,080	5,080	Office	\$24.00	Full Service
Average			13,351			\$30	

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LOCATION OVERVIEW



SAN JOSE CALIFORNIA

San Jose is the economic, cultural, and political center of Silicon Valley and the largest city in Northern California (both by population and area). With an estimated 2018 population of 1,030,119, it is the third-most populous city in California (after Los Angeles and San Diego) and the tenth-most populous in United States. Located in the center of the Santa Clara Valley, on the southern shore of San Francisco Bay, San Jose covers an area of 179.97 square miles (466.1 km²). San Jose is the county seat of Santa Clara County, the most affluent county in California and one of the most affluent counties in the United States.

San Jose's location within the booming high-tech industry, as a cultural, political, and economic center has earned the city the nickname "Capital of Silicon Valley". San Jose is one of the wealthiest major cities in the United States and the world, and has the third highest GDP per capita in the world (after Zürich, Switzerland and Oslo, Norway), according to the Brookings Institution. The San Jose Metropolitan Area has the most millionaires and the most billionaires in the United States per capita.





CITY OF
SAN JOSE
CAPITAL OF SILICON VALLEY

The San Jose MSA is located near the southern coast of the San Francisco Bay, 45 miles southeast of San Francisco. San Jose is located in the heart of Silicon Valley with nearby tech employers including Google, Amazon, Facebook and Intel. The city's growing affluence is reflected in its rising average household income: between 2010 and 2019, the average household income increased from \$109,889 to \$170,233. During that same period, population increased from 116,433 to 128,821.



\$1,700,000

MEDIAN HOME VALUE



\$133,835

MEDIAN HH INCOME



48%

BACHELOR DEGREE +



12,553

HOUSEHOLDS



44,831

WORKFORCE



70%

WHITE COLLAR JOBS

DOWNTOWN

HISTORIC URBAN CORE OF SILICON VALLEY

Collaboration. Creative collisions. Highly amenitized workspaces. In Downtown San José and its regional transit hubs, those aren't just buzzwords. They're just how Silicon Valley's historic urban core rolls. Hang around a while, and one is bound to run into a street festival, farmers' market, or colleagues at a sidewalk café - maybe even popup table tennis. It's why Downtown San José is not just the historic center and commercial hub of the Northern California's largest city (1 million residents strong and counting). It's also a lifestyle centerpiece where Silicon Valley comes together for sports, art and culture.

Known for its cluster of accounting, design, real estate and banking businesses, DTSJ is also home to a growing tech portfolio. Why are companies like Okta, Zoom, Adobe, WeWork and ThreatMetrix growing downtown? Credit downtown's unique existing buildings, strong development capacity accessible regional transit (with BART on the way), and new high-rise housing popping up. Not to mention more affordable office rents than other Bay Area downtowns.

DEVELOPMENT REINASSANCE

Downtown offers tremendous possibilities for growth, facilitated by a city development policy that allows capacity for millions of square feet of commercial capacity. It's all possible on a number of parking lots and underused commercial buildings ripe for reinvention.





JAPANTOWN NEIGHBORHOOD

San Jose's historic Japantown is known for its dining scene with unpretentious restaurants serving regional Japanese fare, as well as Chinese, Hawaiian, Mexican, and fast-food cuisine.

Contemporary clothing and gift shops mix with art galleries, a karaoke bar, and salons. The Japanese American Museum highlights stories of immigration and WWII internment, while peace can be found at the San Jose Buddhist Church Betsuin hondo and Wesley Methodist Church sanctuary.

HENSLEY HISTORIC DISTRICT

Located in the National Register-listed Hensley Historic District, the neighborhood is home to the highest concentration of Victorian era homes in the city.

The central downtown location places this home close to Japantown, San Pedro Square, Google's planned transit village, new mixed-use projects, San Jose Diridon Station and the SAP Center.

SAN JOSE MSA

San Jose is notable as a center of innovation, for its affluence, Mediterranean climate, and extremely high cost of living. As of June 2021, the San Jose metropolitan area has the highest percentage of million-dollar (or more) homes in the United States

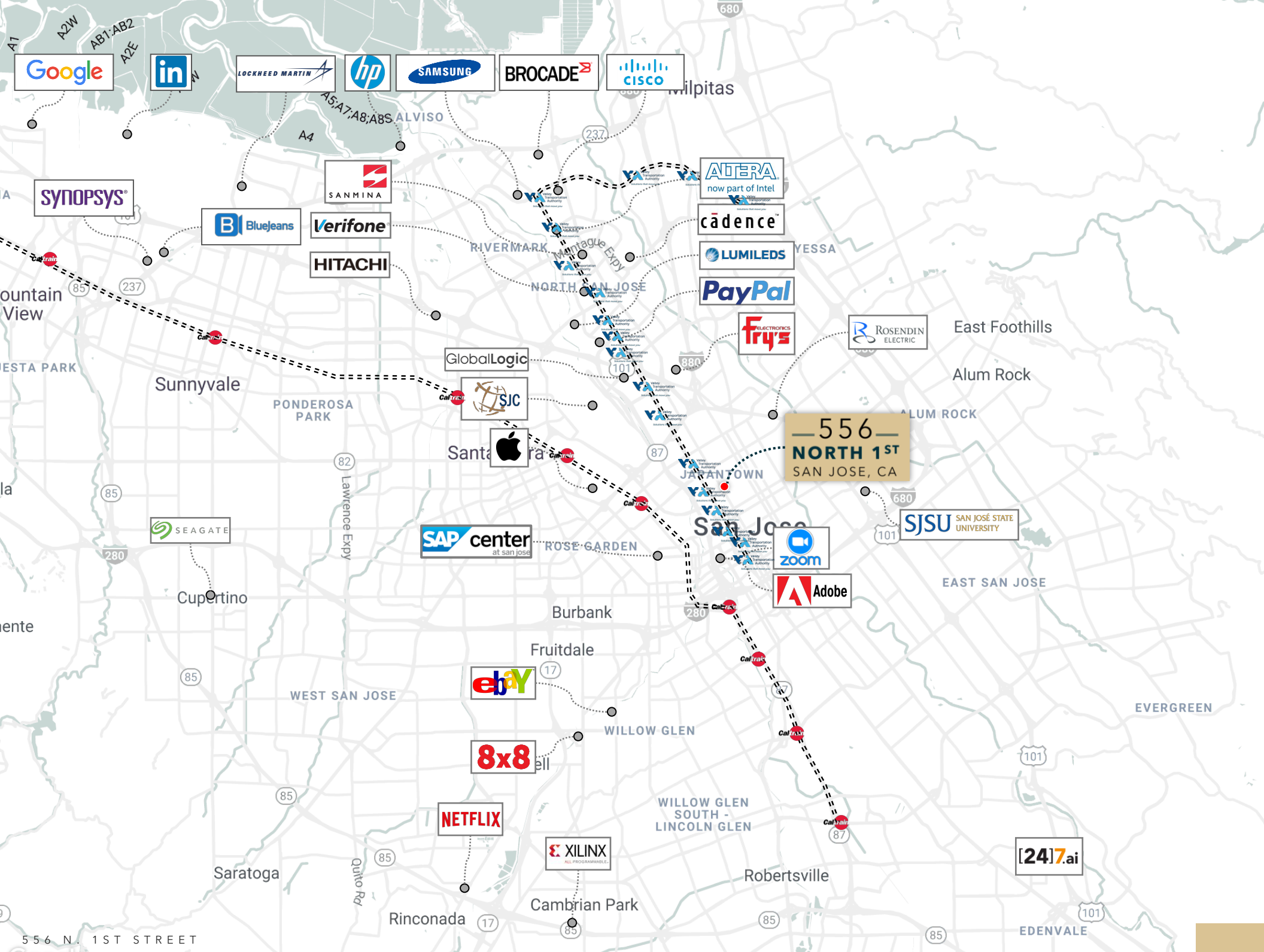
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Silicon Valley Synergy

San Jose lists many companies with 1,000 employees or more, including the headquarters of Adobe, Altera, Brocade Communications Systems, Cadence Design Systems, Cisco Systems, eBay, Zoom Inc., Lumileds, PayPal, Rosendin Electric, Sanmina-SCI, and Xilinx, as well as major facilities for Becton Dickinson, Ericsson, Hewlett-Packard, Hitachi, IBM, Kaiser Permanente, KLA Tencor, Lockheed Martin, Nippon Sheet Glass, Qualcomm, and AF Media Group. The North American headquarters of Samsung Semiconductor are located in San Jose. Approximately 2000 employees will work at the new Samsung campus which opened in 2015.

The area's largest employers concentrate in the technology, health care and education sectors. The area is home to world-renowned tech giants like Apple, Google, Tesla and Cisco Systems, totaling 76,683 employees. Healthcare employment is led by Stanford Healthcare and Kaiser Permanente Northern California, with 26,643 employees. Education is anchored by Stanford University and its 15,576 employees.





556 N. 1ST STREET

San Jose International Airport

675 N. 1ST ST.

244 apartments, nearly 61,000 square feet of office space, 5,560 square feet of retail.

447 NORTH 1ST ST

Six-story building with 115 units, 89 of which would be affordable.



556 N. 1ST STREET

VILLAS ON THE PARK

78 Residential units, 10 emergency interim housing beds

PARKVIEW TOWERS

215 units, 5 townhomes, 18k SF ground floor retail

AVIATO

803 co-living residential units, 3.8k SF ground floor retail

Davidson Towers

14-story office building, 512k SF total

JAY PAUL DEVELOPMENT

3.8 Million Rentable sq. ft, 6 interconnected, 19-Story Office Towers

VALLEY TITLE

1.25 million square feet of office, another 50,000 square feet of retail space, and around 332 units of corporate housing

THE GRADUATE

Purpose built student housing project comprising of approximately 260 units and over 1,000 beds

SAP Center

San Jose State University

San Jose Convention Ctr

BoTown Site

Barry Swenson Hospitality

METRO STATION DEVELOPMENT

GARDEN GATE DEVELOPMENT

290 studio, 1 & 2 Bed condos (28 of which will be affordable), 4,840 sf of retail, 232 parking spaces

GATEWAY TOWERS

300 Unit, Luxury High-rise Apartments



Google

PATH TO PROGRESS AREA DEVELOPMENTS

THE ENVISION 2040 GENERAL PLAN

When it comes to mobility, San José is thinking big. The Envision 2040 General Plan calls for shifting 36% of all trips to walking, biking or transit by 2022 (up from 22 percent in 2007). To get there, it is making big investments in bikeways, transportation and public spaces. Also focusing 120,000 its planned housing units in areas serviced by transit and close to jobs and retail. Lastly, improving existing systems, like our 42-mile-long light rail network.

62 STATIONS STRETCHING ACROSS THE COUNTY

While Silicon Valley originally developed in a low-density format, San José is actually well served by transit: The Diridon Station hums along with thousands of daily boardings between Caltrain, VTA light rail and buses, Amtrak's Capitol Corridor, and Altamont Commuter Express rail. Light rail – which began in 1987 with 9 miles of tracks and 12 stations – now includes 62 stations stretching across the county. In 2018, BART opened its first San José station, connecting to San Francisco via the East Bay. By 2026, BART is slated to reach downtown San José, realizing a decades long dream of rail ringing the Bay.

CALIFORNIA HIGH SPEED RAIL

California High Speed Rail (HSR) will also connect at Diridon Station, linking San José to San Francisco, the Central Valley and Los Angeles. The nation's first HSR system — under construction now — is scheduled to begin service through San José in 2029. With its completion, Diridon Station will become the preeminent transit hub of the Western United States.

Transit Profile

CAL TRAIN

San José to San Francisco in about an hour on the 'Baby Bullet'

ACE

San José to Stockton in a little more than 2 hours

BART

San José's Berryessa district to San Francisco in about an hour, via the East Bay

VTA LIGHT RAIL

42 miles of rail stretching from South San José up to Mountain View

BART PHASE 2

Downtown San José to San Francisco planned for 2026

VTA RAPID

A just-completed \$148 million Bus Rapid Transit project connects San José's east side to the downtown transit hub on stylish new buses running every 10 minutes.

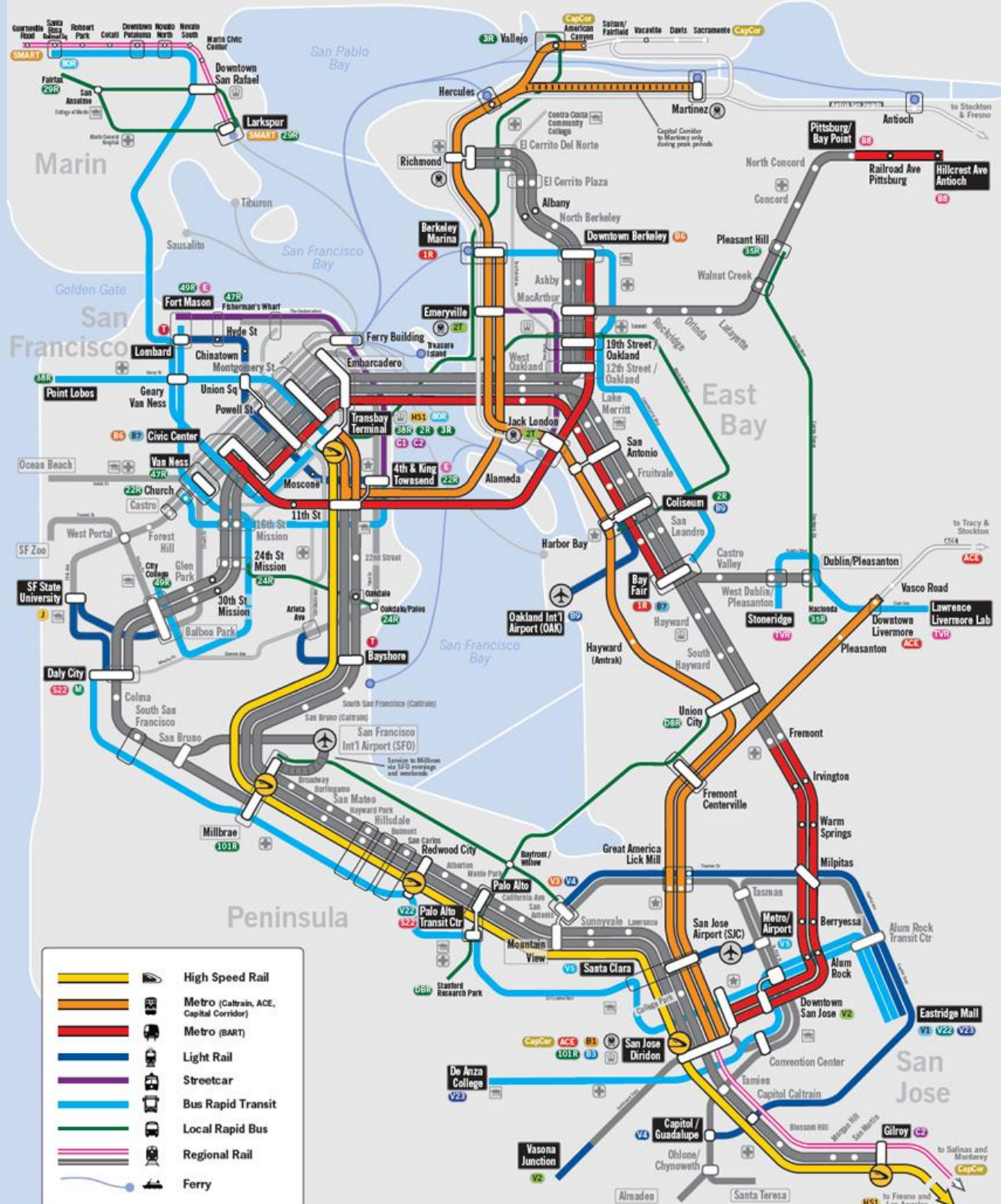
CAPITOL CORRIDOR

San José to Sacramento in about 3 hours

VTA BUS SYSTEM

3,777 stops countywide with 1,236 miles traveled serving 71 total routes, including 18 express and limited lines.

Transit PROFILE



		High Speed Rail
		Metro (Caltrain, ACE, Capital Corridor)
		Metro (BART)
		Light Rail
		Streetcar
		Bus Rapid Transit
		Local Rapid Bus
		Regional Rail
		Ferry

Stations and Transfers

- Metro/Subway Station
- Transfer Station
- Transfer Zone (requires leaving station to transfer)
- Terminal Station - Metro (with metro line number)

New Rail, Service and Extensions

High-Speed Rail

- H51 CAHSR** San Francisco - San Jose - Los Angeles

Metro (BART & Commuter Rail)

- B1 BART** Richmond - San Jose Diridon
- B2 BART** San Jose Diridon - Daly City
- B6 BART Metro** Downtown Berkeley - Civic Center
- B7 BART Metro** Bay Fair - Civic Center
- B8 BART** Pittsburg/Bay Point - Hillcrest/Antioch
- CAF Capital Corridor** San Jose Diridon - American Canyon
- ACE ACE** Downtown Livermore - San Jose Diridon
- C1 Caltrain** Baby Ballet - extend to Transbay Term.
- C2 Caltrain** Local Line - extend to Transbay Term. and East Bay via 2nd Transbay Tube

Light Rail

- J** Meni extended to SF State - Embarcadero
- M** Meni routed to Daly City - Embarcadero
- T** Meni Lombard - Bayshore
- V1 VTA** extended to Eastridge - Santa Teresa
- V2 VTA** extended to Vasona Junction - Downtown
- V3 VTA** realigned: Almaden - Mountain View
- V4 VTA** Capitol/Guadalupe - Mountain View
- V5 VTA** San Jose Airport Connector
- B9 BART** Oakland Airport Connector

Streetcar

- E** Meni Fort Mason - 4th & King
- 21** Meni Jack London Square to Emeryville

Bus Rapid Transit (BRT)

- V22 VTA** Mountain View - Eastridge Mall
- V23 VTA** De Anza College - Eastridge Mall
- S22 SamTrans** El Camino: Palo Alto - Daly City
- TVR Wheels** Tri-Valley BRT: Livermore Lab-Stoneridge
- 62X Golden Gate** Santa Rosa - Transbay Terminal
- 1R AC Transit** Bay Fair - Berkeley Marina
- 22R Meni** 16th Street: 4th & Townsend - Church
- 38R Meni** Geary: Point Lobos - Transbay Terminal
- 47R Meni** Van Ness: Fisherman's Wharf - 4th & King
- 40R Meni** Van Ness: Fort Mason - City College SF

Rapid Bus (Local/Express)

- 2R AC Transit** MacArthur Bld: Coliseum-Transbay Term.
- 3R AC Transit** I-80: Vallejo-Transbay Terminal
- 36R County Connect** San Ramon Valley: Pleasant Hill-Hacienda
- DBR VTA** Dumbarton: Union City-Stanford Res. Prk.
- 101R VTA/SamTrans** San Jose Diridon-Millbrae
- 24R Meni** Oakdale/Palo-24th Street/Mission

Regional Rail

- SMART** SMART Santa Rosa-Larkspur
- CapCor** CapCor Monterey-Sacramento
- ACE** ACE Stockton-San Jose Diridon

- Airport
- Hospital
- Train Station (long distance)
- Universities and Colleges
- Points of Interest
- High Speed Rail Train Station
- Intercity Bus Station (Greyhound)

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HELEN CHONG | License# 01700495
Founder & Broker, CCIM, CIPS, GRI
m 408.800.5478
Helen@HAYLENGroup.com



www.HAYLENCommercial.com



PETER WHANG | License# 01996428
Real Estate Investment Advisor
m 310.701.7484
Peter@HAYLENGroup.com

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