

A photograph of an OfficeMax retail store building. The building is a single-story structure with a light-colored facade and a brown roofline. The 'OfficeMax' logo is prominently displayed in red and black on the left side of the building. A blue SUV is parked in the foreground on the left. A bare tree stands on the right side of the building. The sky is blue with scattered white clouds. A dark blue semi-transparent banner is overlaid across the middle of the image, containing white text. The address '1400' is visible on the upper right corner of the building.

OFFERING
MEMORANDUM

2.94 ACRE(S) NNN OPPORTUNITY

OFFICE MAX

LIVERMORE, CA

Marcus & Millichap

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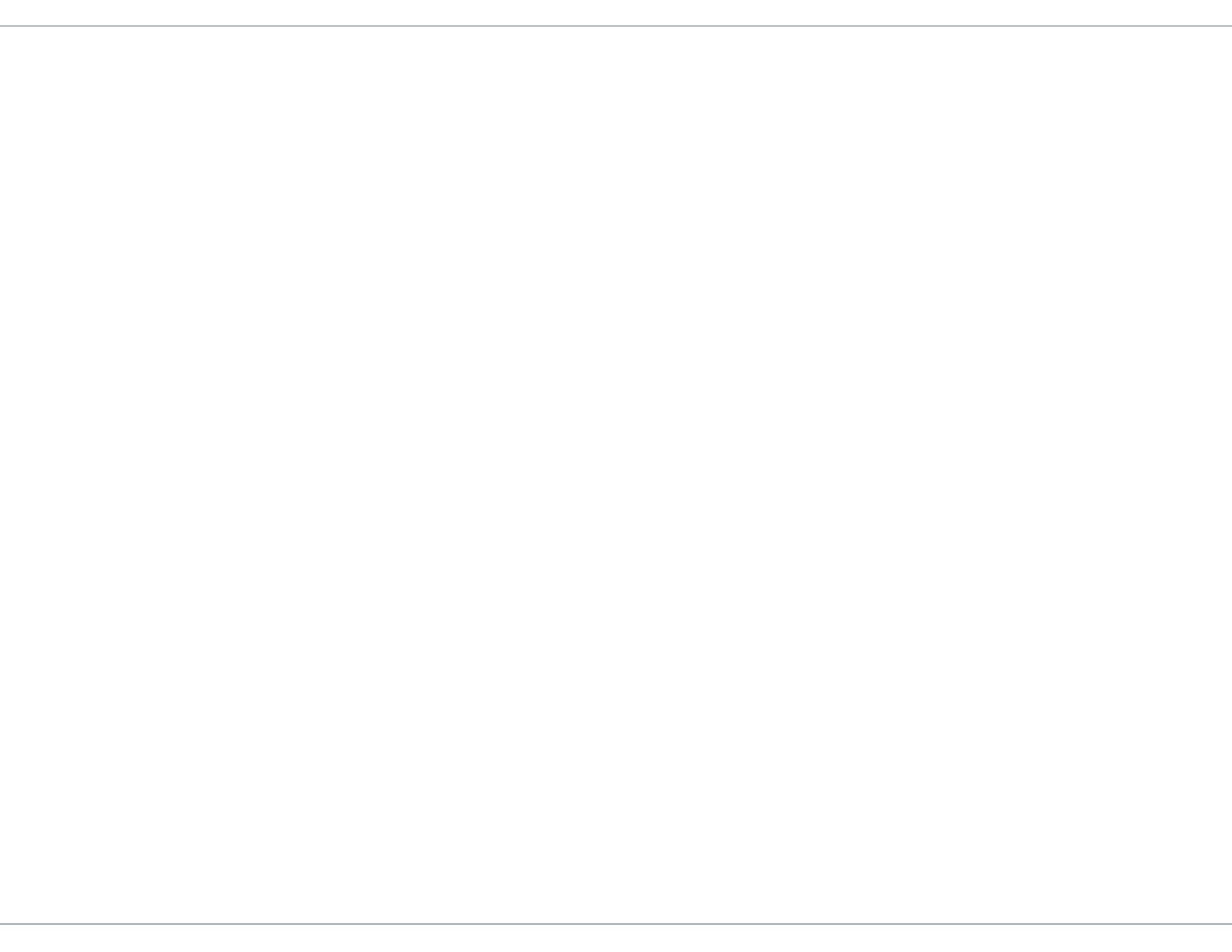


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section 1 Investment Overview



executive summary

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investment overview

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regional/local map


.....

aerial photo

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EXECUTIVE SUMMARY

OFFICE DEPOT

 Total Price \$8,350,000	
Down Payment	\$8,350,000
Number of Suites	4
Price Per SqFt	\$278.33
Gross Leasable Area (GLA)	30,000 SF
Lot Size	2.94 Acres
Year Built/Renovated	2000
Occupancy	93.36%

VITAL DATA

	YEAR 1	YEAR 2
CAP Rate	6.46%	6.98%
Net Operating Income	\$539,147	\$582,907
Net Cash Flow After Debt Service	6.46% / \$539,147	6.98% / \$582,907
Total Return	6.46% / \$539,147	6.98% / \$582,907

MAJOR TENANTS

TENANT	GLA	LEASE EXPIRATION	LEASE TYPE
Office Max	23,500	4/30/2025	NNN

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MAJOR EMPLOYERS

EMPLOYER	# OF EMPLOYEES
Lawrence Livermore Nat Lab	5,149
Lawrence Livermore Fire Dept	2,917
Fabco Holdings Inc	2,635
Energy Livermore Off US Dept	1,453
Wine Group Inc	1,001
Valleycare Health System	1,000
Davey Tree Surgery Company	873
Gillig LLC	777
Johnson Controls	530
US Foods Inc	500
Costco Wholesale Corporation	415
Target	402

DEMOGRAPHICS

	1-Miles	3-Miles	5-Miles
2018 Estimate Pop	10,976	77,388	107,260
2010 Census Pop	10,417	70,581	94,661
2018 Estimate HH	4,031	28,714	38,565
2010 Census HH	3,792	25,828	33,710
Median HH Income	\$94,731	\$113,218	\$123,248
Per Capita Income	\$47,309	\$55,455	\$60,069
Average HH Income	\$128,399	\$149,140	\$166,782



OFFICE MAX

LIVERMORE, CA

Marcus & Millichap is pleased to present the OfficeMax center at Arroyo Plaza in Livermore. The property consists of a 30,000 Sq. ft. multi-tenant retail building, built in 2000, of which OfficeMax occupies 78%. It has been well maintained, with a stucco exterior, flat roof, and mature landscaping. There is ample parking, with approximately 170 spaces on the parcel the property is located on, or 5.67 per 1,000 Sq. ft. of gross rentable area.

OfficeMax has been a tenant at the property since its construction in 2000 and demonstrated its commitment to the location with a second 5-year extension in the summer of 2019. The other tenants include a Verizon Wireless store, which has also been at the property for the last 19 years and which extended for another 3 years earlier in 2019. The third current tenant is the Blue Cave shop, which in 2017 exercised its 5-year option to extend its lease term. All the tenants are at below market rent leases, lowering the risk and creating an upside opportunity to a future owner. In addition, there are 1,993 Sq. ft. of currently vacant space, representing a value-add opportunity.

The property benefits from a great Bay Area retail location. It is situated directly on the N Livermore Avenue exit from Highway 580 and has unobstructed visibility from Highway 580 as well. It is adjacent to Home Depot and Walmart in Arroyo Plaza, and other major retail in the area includes Kohl's, Target, Ross, TJ Maxx, Joann's, BevMo, Safeway, Lucky, Lowe's and other national retailers. The city of Livermore is growing rapidly and is currently the largest city in the Tri Valley area.

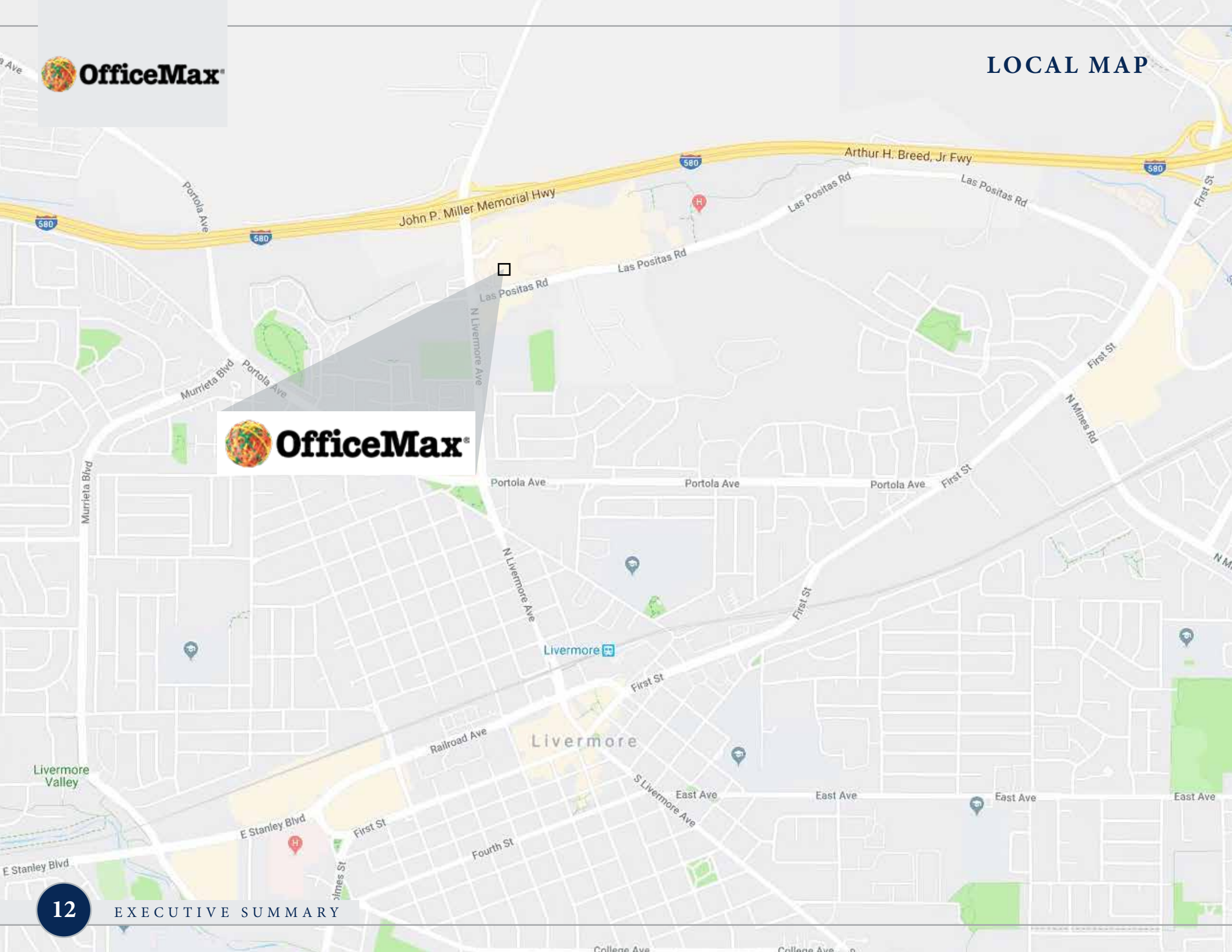
Located only half an hour drive from Oakland and 45 minutes from San Francisco, Livermore is home to multiple research facilities, such as two of the DOE National Laboratories and i-GATE. According to the 2010 census, Livermore is the third highest income midsize city in the nation, behind only Newport Beach and Pleasanton (Livermore's neighbor to the west).

The OfficeMax center is a well-located property with established tenants and significant upside at a great location in one of the most desirable Bay Area markets.

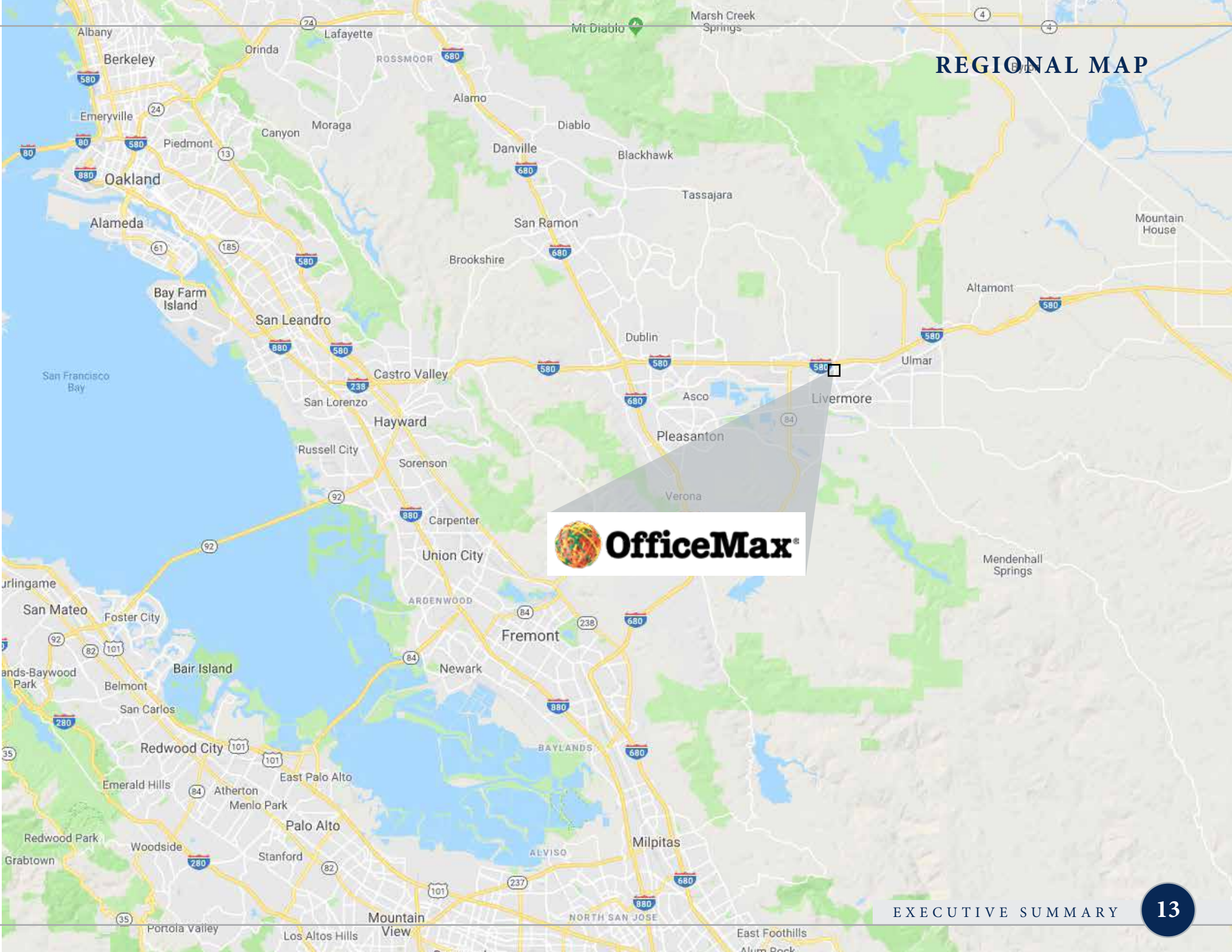
INVESTMENT HIGHLIGHTS

- Great Retail Location Next to Home Depot and Walmart
- Direct Visibility and Access from Highway 580
- Established Tenant at Below Market Rents
- Scheduled Rent Increases in Existing Leases
- Upside Potential





REGIONAL MAP

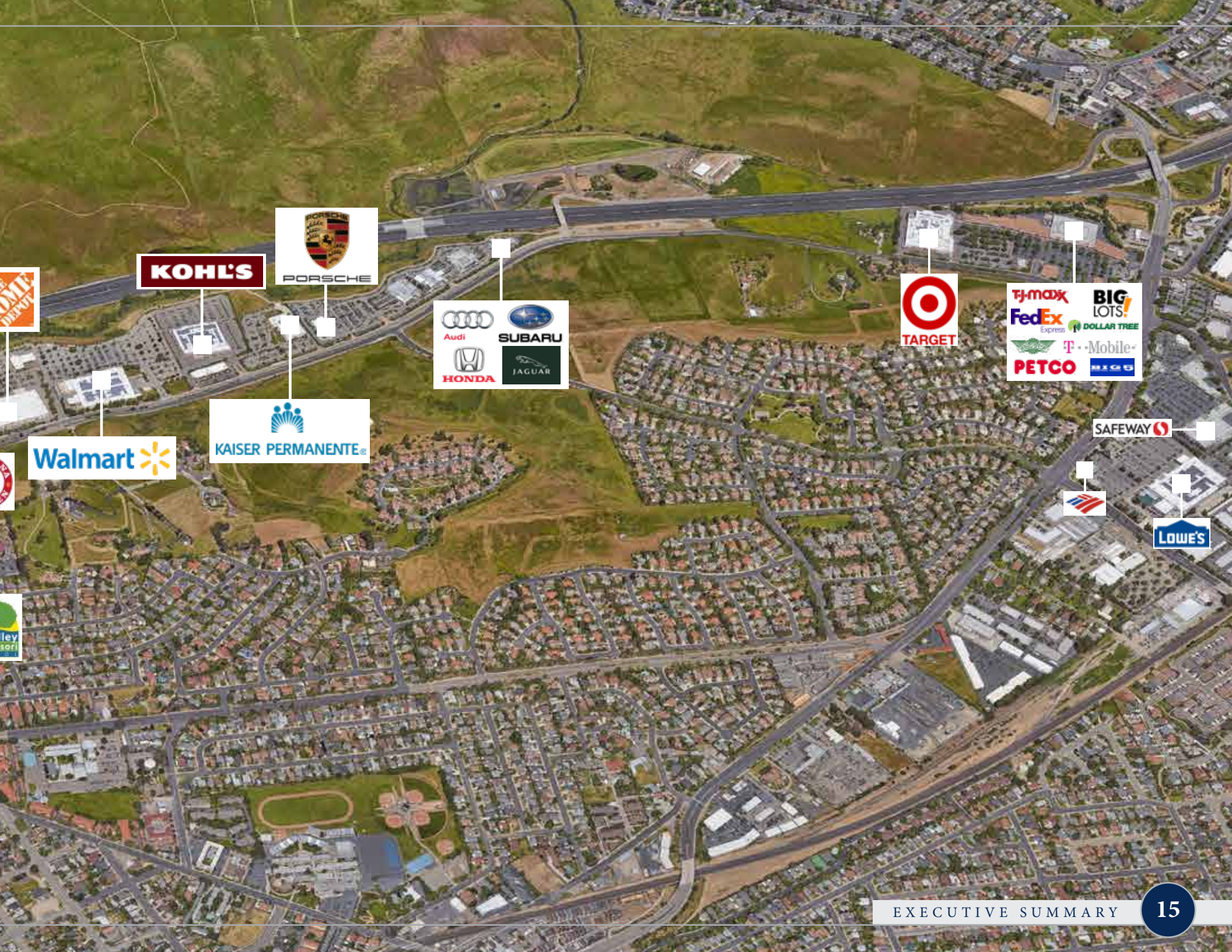


OfficeMax®



OfficeMax is conveniently located right off the 580 interstate and near other national franchises such as Home Depot, Walmart, Kohl's and Target. National fast food restaurants include In-n-Out, Popeye's Louisiana Chicken, Jack in the Box, Starbucks, among others.) There are multiple auto dealers in immediate proximity: Audi, Subaru, Honda, and Jaguar. Office Max is also close by to several schools of the district and a private school (Valley Montessori), as well as the Kaiser Livermore Medical Offices.







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section 2 Financial Analysis



tenant summary



operating statement



pricing detail



tenant profile

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TENANT SUMMARY

TENANT NAME	SUITE	SQ FT	% BUILDING SHARE	LEASE DATES		MONTHLY RENT PER SQ. FT.	TOTAL RENT PER MONTH	TOTAL RENT PER YEAR
				COMM	EXP			
OfficeMax	2400	23,500	78.3%	4/20/00	4/30/25	\$1.42	\$33,292	\$399,500
Verizon	2424	2,275	7.6%	4/1/01	3/31/22	\$3.00	\$6,825	\$81,900
Blue Cave	2428	2,232	7.4%	5/1/12	8/31/22	\$2.90	\$6,470	\$77,641
Projected	0	1,993	6.6%	Projected		\$1.50	\$2,990	\$35,874
Total		30,000				\$1.65	\$49,576	\$594,915
			Occupied Tenants: 3	Unoccupied Tenants: 1		Occupied GLA: 93.40%	Unoccupied GLA: 6.60%	

TENANT NAME	CHANGES ON	CHANGES TO	LEASE TYPE	EXPENSE REIMBURSEMENTS	RENEWAL OPTIONS AND OPTION YEAR INFORMATION
OfficeMax	May-2020	\$32,802.08	NNN	\$112,720	2 5-year options
Verizon	Apr-2020	\$6,995.63	NNN	\$10,912	1 3-year option
Blue Cave	Sep-2020	\$6,664.22	Gross	\$0	None remaining
Projected	N/A	\$1,993.00	NNN	\$0	
Total				\$123,632	

OPERATING STATEMENT

INCOME	YEAR 1	PER SF	YEAR 2	PER SF
Scheduled Base Rental Income	559,041	18.63	593,417	19.78
Expense Reimbursement Income				
CAM	34,580	1.15	37,254	1.24
Insurance	2,648	0.09	2,853	0.10
Real Estate Taxes	84,137	2.80	90,643	3.02
Total Reimbursement Income	\$121,365	85.9%	\$130,750	92.6%
Effective Gross Revenue	\$680,406	\$22.68	\$724,167	\$24.14

EXPENSES	YEAR 1	PER SF	YEAR 2	PER SF
Common Area Maintenance (CAM)				
Utilities	8,933	0.30	8,933	0.30
Trash Removal	1,516	0.05	1,516	0.05
Repairs & Maintenance	229	0.01	229	0.01
Landscaping	5,796	0.19	5,796	0.19
Common Area Maintenance	18,000	0.60	18,000	0.60
Real Estate Taxes - Special Assessments	1,655	0.06	1,655	0.06
Landline (Security)	3,088	0.10	3,088	0.10
Fire Sprinklers Inspection	900	0.03	900	0.03
Backflow Test	132	0.00	132	0.00
Insurance	3,082	0.10	3,082	0.10
Real Estate Taxes	97,929	3.26	97,929	3.26
Total Expenses	\$141,260	\$4.71	\$141,260	\$4.71
Expenses as % of EGR	20.8%		19.5%	
Net Operating Income	\$539,147	\$17.97	\$582,907	\$19.43

NOTES TO OPERATING STATEMENT

- [1] Year 1 rents based on current rents in place.
- [2] Year 2 rents are based on scheduled rent increases in 2020 and assume the vacant space is leased at \$1.50/SF NNN.
- [3] Property taxes are based on the purchase price and the current tax rate.
- [4] Special assessments are based on the current 2018-2019 property tax bill.
- [5] All other expenses are based on current income statement for the property as provided by Seller.

TENANT PROFILE

GENERAL INFORMATION

Tenant Name	OfficeMax
Website	www.officedepot.com
Parent Company	Office Depot
Headquartered	Boca Raton, FL
Rentable Square Feet	23,500 SF
Lease Expiration	4/30/2025
No. of Locations	1,378+

PRICING DETAIL

PRICING DETAILS

Price		\$8,350,000
Down Payment	100%	\$8,350,000
Number of Suites		4
Price Per SqFt		\$278.33
Gross Leasable Area (GLA)		30,000 SF
Lot Size		2.94 Acres
Year Built/Renovated		2000
Occupancy		93.36%

VITAL DATA

	YEAR 1	YEAR 2
CAP Rate	6.46%	6.98%
Cash-on-Cash	6.46%	6.98%

INCOME

		YEAR 1	YEAR 2
Scheduled Base Rental Income		\$559,041	\$593,417
Total Reimbursement Income	21.7%	\$121,365	\$130,750
Potential Gross Revenue		\$680,406	\$724,167
Effective Gross Revenue		\$680,406	\$724,167
Less: Operating Expenses	20.8%	(\$141,260)	(\$141,260)
Net Operating Income		\$539,147	\$582,907
Cash Flow		\$539,147	\$582,907
Net Cash Flow After Debt Service	6.46%	\$539,147	\$582,907
Total Return	6.46%	\$539,147	\$582,907



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section 3
Market Comparables

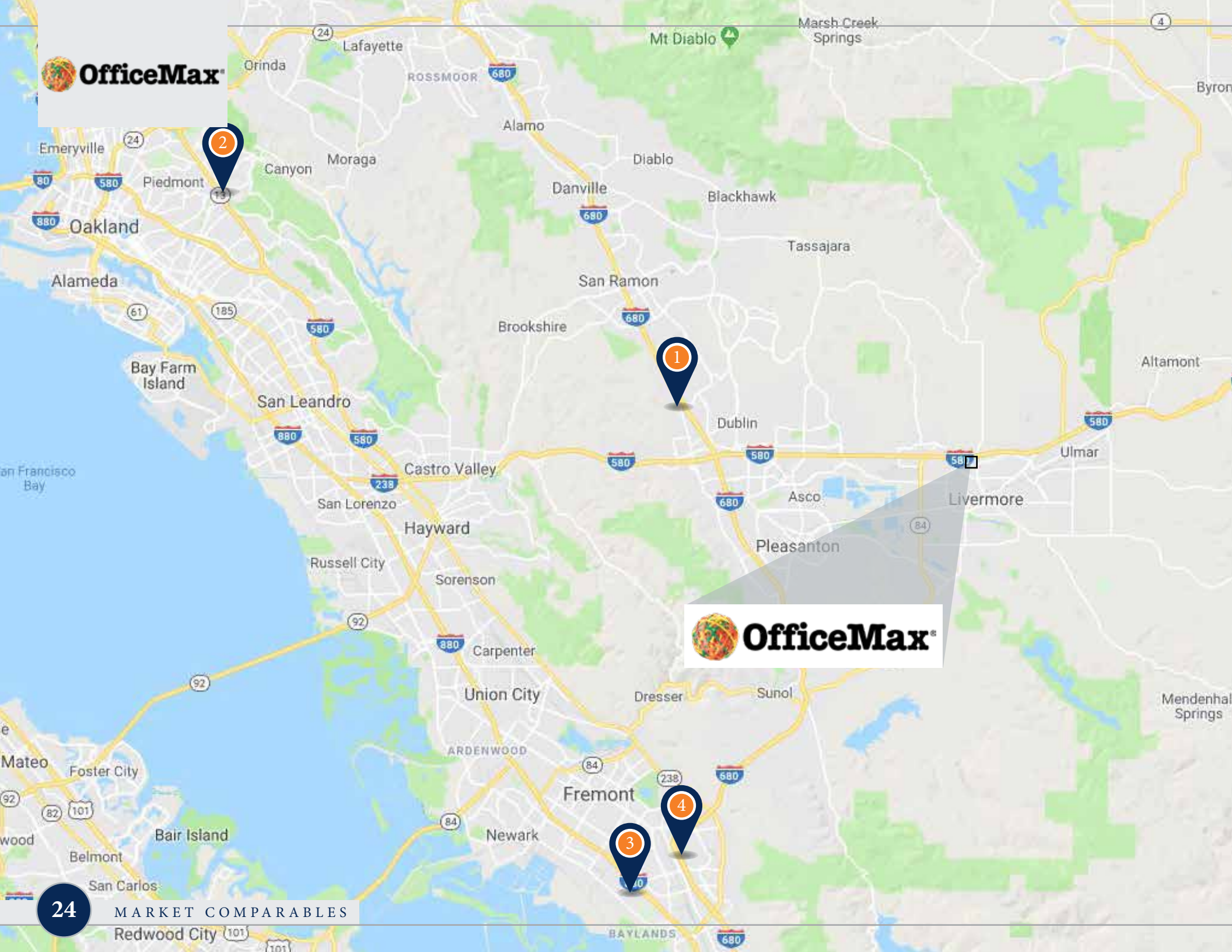


sales comps map



sales comps

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SALE COMPARABLES // *OfficeMax*

PROPERTIES



OfficeMax // 2400 Las Positas Road, Livermore, CA 94550

1

SAN RAMON VILLAGE PLAZA // 8931 San Ramon Road, Dublin, CA, 94568

2

RITEAID & MONTCLAIR PHYSICAL THERAPY // 1991 Mountain Blvd, Oakland, CA, 94611

3

THE BLOCK AT PACIFIC COMMONS // 5318 Curie Street, Fremont, CA, 94538

4

SKYWAY RETAIL // 44029 Osgood Road, Fremont, CA, 94539

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SALE COMPARABLES // *OfficeMax*



SAN RAMON VILLAGE PLAZA
8931 San Ramon Road, Dublin, CA, 94568

Close Of Escrow:	2/22/2019
Days On Market:	165
Sales Price:	\$7,400,000
Price/SF:	\$522.89
CAP Rate:	5.75%
Year Built:	1999



RITEAID & MONTCLAIR PHYSICAL THERAPY
1991 Mountain Blvd, Oakland, CA, 94611

Close Of Escrow:	9/4/2018
Sales Price:	\$8,300,000
Price/SF:	\$319.97
CAP Rate:	5.11%
Year Built:	1949

SALE COMPARABLES // *OfficeMax*



THE BLOCK AT PACIFIC COMMONS
5318 Curie Street, Fremont, CA, 94538

Close Of Escrow:	5/2/2019
Days On Market:	211
Sales Price:	\$6,500,000
Price/SF:	\$973.05
CAP Rate:	5.10%
Year Built:	2018



SKYWAY RETAIL
44029 Osgood Road, Fremont, CA, 94539

Close Of Escrow:	7/13/2018
Sales Price:	\$10,500,000
Price/SF:	\$980.67
CAP Rate:	4.73%
Year Built:	2017



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section 6 Market Overview



location overview

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market research

.....

demographics

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LIVERMORE

CALIFORNIA

City Of [Livermore]

The Oakland metro is located on the eastern side of the San Francisco Bay and encompasses 1,470 square miles across Alameda and Contra Costa counties. Lower housing costs and quick access across the Bay lure many San Francisco workers to the East Bay. The Port of Oakland is a major economic driver for the area, and roughly 2.5 million TEUs pass through annually. The area is also experiencing a boom in redevelopment, especially in older areas of Oakland and Hayward. These efforts are helping to attract businesses and residents. Blue Shield of California will move its headquarters to Oakland in 2019, bringing 1,200 workers, and tech firm square has leased Uptown Station in downtown Oakland. High-paying jobs in the tech sector are attracting young professionals to the metro.

Major employers come from a wide array of industries: education, healthcare, financial services, telecommunications, retail, technology, manufacturing and transportation. The metro is a transportation hub of the Bay Area, and Oakland International Airport, BART, two major rail lines and the Port of Oakland all play important roles. Oakland is a major tech employment market. High-tech businesses currently employ tens of thousands of workers. The metro boasts an extensive underground fiber-optic cable network and is a regional telecommunications hub.



WORLD-CLASS INSTITUTIONS

Students have access to 15 universities in the Greater Bay Area including two campuses of the University of California.



EDUCATED WORKFORCE

The large base of skilled workers supports the diversification in local industries, drawing additional tech and research employers.



ELEVATED HOUSEHOLD INCOME

The skilled labor pool and increase in higher-paying jobs has produced a median income that is more than \$30,000 above the U.S. level.



Population

In 2018, the population in your selected geography is 10,976. The population has changed by 12.81% since 2000. It is estimated that the population in your area will be 10,924.00 five years from now, which represents a change of -0.47% from the current year. The current population is 51.29% male and 48.71% female. The median age of the population in your area is 35.23, compare this to the US average which is 37.95. The population density in your area is 3,490.55 people per square mile.



Households

There are currently 4,031 households in your selected geography. The number of households has changed by 14.48% since 2000. It is estimated that the number of households in your area will be 4,092 five years from now, which represents a change of 1.51% from the current year. The average household size in your area is 2.72 persons.



Income

In 2018, the median household income for your selected geography is \$94,731, compare this to the US average which is currently \$58,754. The median household income for your area has changed by 49.77% since 2000. It is estimated that the median household income in your area will be \$112,281 five years from now, which represents a change of 18.53% from the current year.

The current year per capita income in your area is \$47,309, compare this to the US average, which is \$32,356. The current year average household income in your area is \$128,399, compare this to the US average which is \$84,609.



Race and Ethnicity

The current year racial makeup of your selected area is as follows: 61.77% White, 2.17% Black, 0.40% Native American and 9.53% Asian/Pacific Islander. Compare these to US averages which are: 70.20% White, 12.89% Black, 0.19% Native American and 5.59% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 37.19% of the current year population in your selected area. Compare this to the US average of 18.01%.



Housing

The median housing value in your area was \$597,963 in 2018, compare this to the US average of \$201,842. In 2000, there were 1,990 owner occupied housing units in your area and there were 1,532 renter occupied housing units in your area. The median rent at the time was \$936.



Employment

In 2018, there are 3,740 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 60.49% of employees are employed in white-collar occupations in this geography, and 38.96% are employed in blue-collar occupations. In 2018, unemployment in this area is 4.95%. In 2000, the average time traveled to work was 32.00 minutes.

POPULATION	1 Mile	3 Miles	5 Miles
2021 Projection			
Total Population	10,924	79,132	114,149
2016 Estimate			
Total Population	10,976	77,388	107,260
2010 Census			
Total Population	10,417	70,581	94,661
2000 Census			
Total Population	9,730	67,002	81,366
Daytime Population			
2016 Estimate	8,141	66,988	105,892
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2021 Projection			
Total Households	4,092	29,831	41,431
2016 Estimate			
Total Households	4,031	28,714	38,565
Average (Mean) Household Size	2.72	2.68	2.76
2010 Census			
Total Households	3,792	25,828	33,710
2000 Census			
Total Households	3,521	24,013	28,930
Growth 2015-2020			
HOUSEHOLD BY INCOME	1 Mile	3 Miles	5 Miles
2018 Estimate			
\$150,000 or More	27.44%	33.97%	39.43%
\$100,000 - \$149,000	19.90%	23.25%	22.68%
\$75,000 - \$99,999	12.95%	12.67%	11.45%
\$50,000 - \$74,999	12.64%	10.07%	8.93%
\$35,000 - \$49,999	8.65%	6.73%	5.82%
Under \$35,000	18.43%	13.31%	11.68%
Average Household Income	\$128,399	\$149,140	\$166,782
Median Household Income	\$94,731	\$113,218	\$123,248
Per Capita Income	\$47,309	\$55,455	\$60,069

HOUSEHOLDS BY EXPENDITURE	1 Mile	3 Miles	5 Miles
Total Average Household Retail Expenditure	\$89,867	\$98,584	\$102,393
Consumer Expenditure Top 10 Categories			
Housing	\$26,736	\$29,226	\$30,245
Shelter	\$17,332	\$18,695	\$19,361
Transportation	\$15,101	\$16,723	\$17,060
Personal Insurance and Pensions	\$10,135	\$11,414	\$12,445
Food	\$9,391	\$10,197	\$10,687
Health Care	\$4,795	\$5,491	\$5,702
Utilities	\$4,136	\$4,566	\$4,708
Entertainment	\$3,748	\$4,249	\$4,371
Household Furnishings and Equipment	\$2,672	\$3,027	\$3,104
Apparel	\$2,588	\$2,812	\$2,926
Per Capita Income	\$19,852	\$21,343	\$22,228
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
Population By Age			
2018 Estimate Total Population	10,976	77,388	107,260
Under 20	24.97%	24.75%	26.17%
20 to 34 Years	24.64%	18.95%	17.34%
35 to 39 Years	8.01%	6.68%	6.66%
40 to 49 Years	14.30%	15.14%	15.76%
50 to 64 Years	17.66%	21.04%	21.10%
Age 65+	10.42%	13.44%	12.96%
Median Age	35.23	39.73	39.88
Population 25+ by Education Level			
2018 Estimate Population Age 25+	7,587	54,269	74,033
Elementary (0-8)	7.31%	3.47%	2.89%
Some High School (9-11)	8.28%	3.93%	3.54%
High School Graduate (12)	20.28%	18.01%	16.03%
Some College (13-15)	21.65%	24.68%	22.33%
Associate Degree Only	7.29%	9.19%	8.89%
Bachelors Degree Only	22.97%	24.47%	27.10%
Graduate Degree	10.88%	15.18%	18.23%
Population by Gender			
2016 Estimate Total Population	8,909	77,267	164,056
Male Population	46.52%	47.34%	47.59%
Female Population	53.48%	52.66%	52.41%



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