Wells Fargo Bank Anchored Investment

Fremont, CA





Offering Memorandum

40982 - 40988 Fremont Blvd Fremont, CA

Financial summary



Cap Rate **5.25%**

Executive Summary

Avison Young's U.S. Capital Markets Group, the exclusive advisor to the Owner, is pleased to present the opportunity to acquire 40985 Fremont Blvd, Fremont, CA (the "Property"). The property is 100% Fee Simple Net investment in the quickly growing, dynamic City of Fremont.

This property presents a qualified investor the opportunity to own a property tenanted by high quality, creditworthy tenants.

The future for 40982 - 40988 Fremont Blvd is extremely bright following the passing of restrictions. Coming from all of the new, nearby developments, the local economy will receive an injection of young, affluent owners & renters who will become a significant source of demand for this micro market's retail economy.



Tenant	Wells Fargo
Current Rent	\$165,161,52
Current Rent/SF	\$3.82
Lease Commencement	11/1/2006
Lease Expiration	1/31/2022
Options	Option 1: 2/1/2022 - 7/31/2024: \$3.82/SF Option 2: 2/1/2027 - 7/31/2029: \$4.32/SF Option 3: 2/1/2032 - 7/31/2034: \$4.87/SF
Lease Type	NNN
Landlord Manages	Tenant Reimburses
GLA	3,603 SF



Tenant	Elite Performance LLC		
Current Rent	\$48,864.00		
Current Rent/SF	\$2.15		
Lease Commencement	7/31/2020		
Lease Expiration	12/31/2025		
Options	N/A		
Lease Type	NNN		
Landlord Manages	Tenant Reimburses		
GLA	1,894 SF		



Tenant	Namaste Pizza
Current Rent	\$37,191
Current Rent/SF	\$2.45
Lease Commencement	12/1/2020
Lease Expiration	3/30/2031
Options	2-5 yrs /Mkt
Lease Type	NNN
Landlord Manages	Tenant Reimburses
GLA	1,265 SF

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Tenant overview







Wells Fargo Bank

Wells Fargo & Company is a American multinational financial services company with corporate headquarters in San Francisco, operational headquarters in Manhattan and managerial offices throughout the United states and overseas. WFC (NYSE)

Wells Fargo is ranked number 30 on the 2020 Fortune 500 rankings of the workd's largest corporations by total revenue.



Founded

1852



Revenue

\$17.93B



Employees

232,982



Locations

7,200



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Tenant overview





Namaste Pizza

Namaste Pizza first opened in 2015, and was founded on the basic principles of the word; respect, kindness and hospitality. Since opening their doors to the public, Namaste's Indian Fusion Pizzas and breads have been made to order, ensuring the freshest and most flavorful cuisine. Their doughs and sauces are made daily, using the highest quality organic tomatoes and greens. They provide vegan, vegetarian or gluten-free options to cater to all clientele.

A family-owned and run business, Namaste is community-minded and always interested in supporting local health based initiatives. Namaste Pizza currently operates three locations throughout the Bay Area, in Oakland, Pleasanton, and Fremont.



Founded

2015



3 Locations

Oakland, Pleasanton, Fremont



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Tenant overview





Elite Performance

Kevin Guevara & Elizabeth Ruvalcaba opened up the Elite Performance on Febuary 24th 2018. Both have a very strong passion for fitness, helping people and are ecstatic of living their dream of opening up their own gym to push people to their Elite Level.

Elite Performance moved to the center after rapidly outgrowing their previous location. They have continued to thrive through the pandemic by offering online and outdoor fitness services.



Founded

2018



1 Location

Fremont



Property photos

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Growing customer base

40982 - 40988 Fremont Blvd Fremont, CA

Several New Residential Developments are approved nearby - 1,031 Units

Combined with a notable shortage of supply of housing, Fremont's central location within the San Francisco Bay Area has made it a prime location for substantial multi-family development, with 1,031 units (as well as over 30,000 Sq Ft of commercial space) approved or under review within 1.0 mile of the subject property.

The projects encompass a diverse set of housing opportunities, including market-rate housing for sale and lease as well as affordable and senior housing.

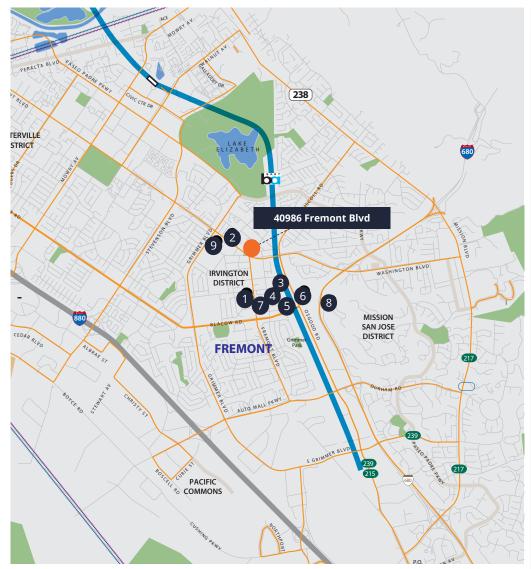
The closest project, Boulevard Heights, a 67 unit, market-rate townhome project that have sold for as much as \$919,160 (\$639 per sq ft). With an existing Walk Score of 85, the subject property is primed for increases in both foot and vehicle traffic as the projects continue to complete construction and more residents begin to populate the immediate surrounding areas.





Nearby developments

40982 - 40988 Fremont Blvd Fremont, CA



	Project	Project Description	Status
1	Irvington Senior Housing 4038 Irvington	To consider a Ministerial Design Review Permit for a three-story and four-story building, consisting of ninety supportive senior housing units, a community room with kitchen, exercise room, laundry room, and services office located at 4038 Irvington Ave in the Irvington Community Plan Area.	Approved
2	Boulevard Heights 40744 Fremont Blvd	To consider a Ministerial Design Review Permit for a 67-unit multi-family townhome project located at 40744 Fremont Blvd in the Irvington Community Plan Area.	Under Construction
3	Osgood Apartments 41829 Osgood Road	To consider a Discretionary Design Review Permit for a new 175- unit affordable housing project located at 41829 Osgood Rd in the Irvington Community Plan Area.	Open for public comment
4	Osgood II Residence 41829 Osgood Road	To consider a Discretionary Design Review Permit and Tentative Tract Map for a new multifamily development consisting of 122 condominium units and 162 - 166 apartment units located at 42021 Osgood Rd in the Irvington Community Plan Area.	Open for public comment
5	Osgood Residence 42111 Osgood Road	To consider a Discretionary Design Review Permit and Tentative Tract Map for a new multifamily development consisting of 122 condominium units and 162 - 166 apartment units located at 42021 Osgood Rd in the Irvington Community Plan Area.	Under Construction
6	Osgood Road Homes 41868 Osgood Road	To consider a Discretionary Design Review Permit and Tentative Tract Map for a new multifamily development consisting of 122 condominium units and 162 - 166 apartment units located at 42021 Osgood Rd in the Irvington Community Plan Area.	Open for public comment
7	Roberts Townhomes 41354 Roberts Ave	To consider a Tentative Map and Discretionary Design Review Permit for a 36-unit multifamily residential development located at 41354 Roberts Ave in the Irvington Community Plan Area.	Approved
8	Serra Apartments by St. Anton 42000 Osgood Road	To consider a Discretionary Design Review Permit, Vesting Tentative Parcel Map No. 10631, and a Preliminary Grading Plan for the demolition of an existing 2,736 sq. ft. commercial building and the construction of a new six-story, 179-unit apartment building on a 2.7-acre parcel in the Irvington Community Plan Area.	Approved
9	District at Irvington 40587 Fremont Blvd	To consider a Vesting Tentative Tract Map, Historic Architectural Review, Private Street, and Discretionary Design Review Permit for a mixed-use development consisting of 194 residential units (74 condominiums, 120 apartments) and approximately 27,300 sq. ft. of commercial leasing space on a 6.23-acre site on the southwest corner of Fremont Blvd and Grimmer Blvd in the Irvington Community Plan Area.	Open to public comments

Fremont, CA

Location overview





Population

1.67 million



Rental homes

56.4%



Bachelor's degree

47.4%



Avg. hh income

\$102,125

Alameda County

Alameda County is home to nearly 1.7 million residents and is located amongst the 9 counties that make up the San Francisco Bay Area.

Alameda county, with a median household income of \$102,125, is one of the wealthiest counties in the U.S., as are the neighboring Contra Costa and Santa Clara Counties.

Alameda County as well as the greater San Francisco Bay Area are home to dozens of Fortune 500 Companies including non-tech companies like Chevron, McKesson, and Clorox as well as tech companies like Alphabet (Google), Apple, and Facebook. With top tier Universities like University of California Berkeley and Stanford, the Bay Area continues to be a landing spot for the brightest minds from around the world to attend university and begin their careers.

Location overview

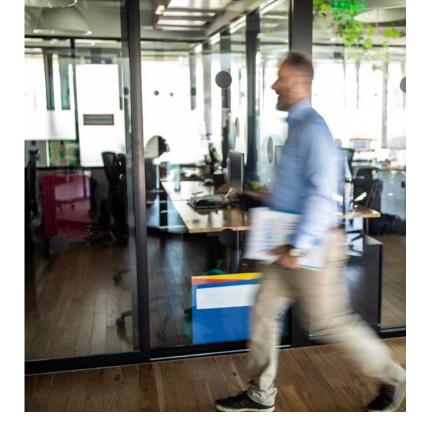
Fremont: A place to work and call home

Fremont is home to over 226,618 residents and is strategically located between the East Bay, South Bay and Peninsula regions of the San Francisco Bay Area. While home to two Fortune 500 Companies,

Fremont is within mere miles of the largest and most influential companies in Silicon Valley like Apple, Google, Facebook, and countless others. Fremont is also in the middle of all three of the Bay Area's international Airports (SJC, OAK, & SFO).

In a survey conducted by WalletHub comparing 182 of the largest cities in the U.S., Fremont was named the "Happiest City In America." Some of the most notable indicators in this study showed that Fremont had the lowest rate of depression and was ranked 46th in income. Neighboring San Jose was also rated as the fifth (5th) happiest city as well.

Strong, local, consumer demographics within a 1-mile radius, top-tier retailers are attracted to Fremont's average household income of \$159,341 and total population of nearly 226,618.





Population (5-Miles)

226,618



Bachelor's degree 45%



Avg. hh income (5-Miles)

\$159,341

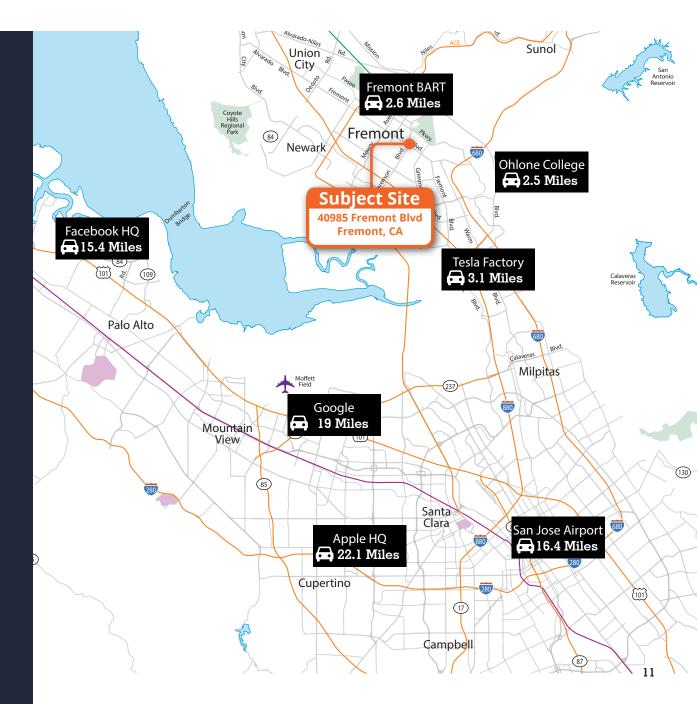
Location overview

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Regionally connected

Located along both the I-680 and I-880 freeways, and with multiple BART stations, Fremont is in a prime location for commuters to reach any major metropolitan area within the San Francisco Bay Area

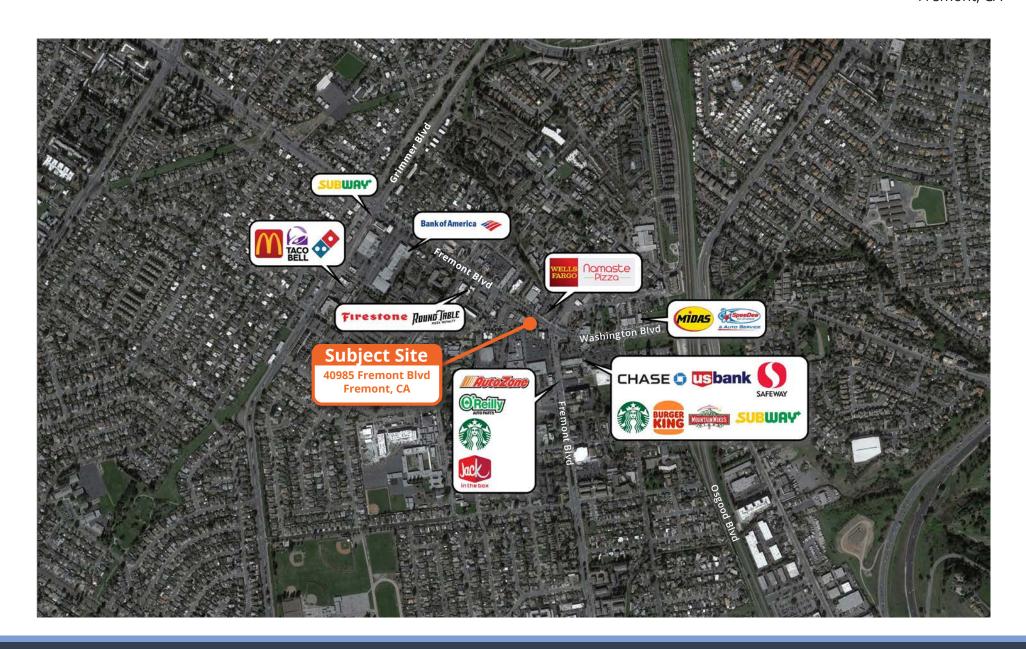
Commuter friendly	miles
I-680 Freeway	1.2
I-880 Freeway	2.1
Ohlone College	2.5
Fremont BART	2.6
Warm Springs Bart	2.9
Tesla Factory	3.1
Facebook HQ	15.4
Apple HQ	22.1
Google	19.0
San Jose Int Airport	16.4
Oakland Int Airport	21.5



Offering Memorandum

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Retail map





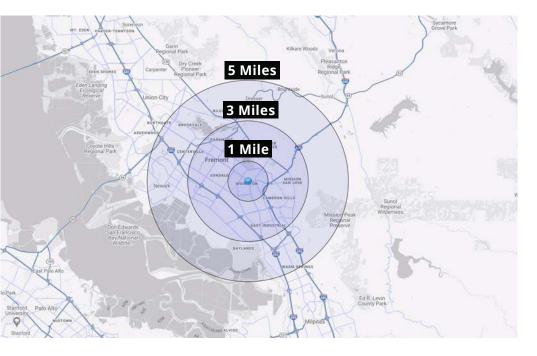






Demographics

40982 - 40988 Fremont Blvd Fremont, CA



Fremont, CA

Located on the southeast side of the San Francisco Bay, Fremont is a city of over 226,618 people with an area of 90-square miles, making it the fourth most populous city in the Bay Area and California's 15th largest city. Fremont is located within Alameda County.

With its moderate climate and its proximity to major universities, shopping areas, recreation and cultural activities, employment centers, major airports, and the Bay Area Rapid Transit system, Fremont captures metropolitan living at its best.

Source - City of Fremont

	1 Mile	3 Miles	5 Miles
Population			
2020 Population	20,312	119,752	352,474
2025 Population	20,647	121,511	361,809
2020 Median Age	39.8	38.4	38.3
Median Household Income			
2020 Median HH Income	\$119,234	\$106,947	\$101,452
2025 Median HH Income	\$125,776	\$112,795	\$107,046
Average Household Income			
2020 Average HH Income	\$148,630	\$136,167	\$133,803
2025 Average HH Income	\$162,215	\$148,988	\$146,387





Silicon Valley highlights

Office tenants in the Silicon Valley spent most of 2020 in a holding pattern with employees working from home. Suburban office has gained increased favor over dense urban cores among tenants and investors as businesses contemplate how to bring employees back safely.

Silicon Valley's office market measured a net occupancy loss of just over one million square feet as tenant demand for new space was essentially nonexistent and offices were largely left vacant as employees shifted to working from home under shelter in place orders. 2020 marks the first year since 2009 that the silicon valley recorded an annual net occupancy loss – ending a 10 year streak of positive net absorption totaling an impressive 30 million square feet. Leasing volume in 2020 was half that measured in 2019 and 70% decline from 2018 totals.

Market fundamentals in the Silicon Valley are unlikely to recover until at least the second half of 2021. Demand and leasing volume will remain subdued until the Bay Area can successfully suppress the spread of the virus and job growth brings unemployment closer to pre-COVID levels. This recovery will be uneven; however, the Silicon Valley has proven to be one of the most resilient markets in the world and is expected to fully rebound.



Population

1,927,852



Median HH Income

\$118,400



Total employees

1,500,000



Total Households

678,496

Market overview - Silicon Valley

Silicon Valley office statistics 2020









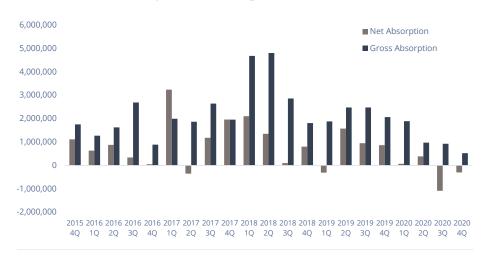








Historical net vs gross absorption



Real estate for real impact

Avison Young is built on the belief that commercial real estate isn't just about the buildings and the square footage and the occupancies. At its best it's about **spaces and places** that improve lives and help businesses thrive for the employees, citizens and communities that make impact matter.



The service breadth to meet any need



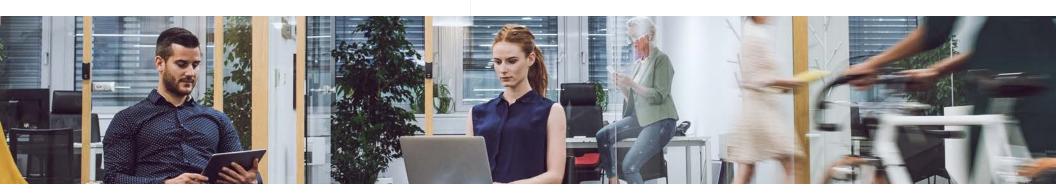
The people to make it happen



The scale to make it count



The values to make it matter



If you would like more information on this offering please get in touch.

Brian Mason 1.408.913.6928 brian.mason@avisonyoung.com License No. 01229363

Ben Damon 1.408.913.6940 ben.damon@avisonyoung.com License No. 02089280

Nick Baldwin 1.408.913.6914 nick.baldwin@avisonyoung.com License No. 01977249

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