

1240  
KAY 50  
CARD  
COURT  
1240

# EXECUTIVE SUMMARY

# THE OFFERING

CBRE has been retained by the Seller as the exclusive marketing advisor for 1240, 1250, 1260 Yard Ct. San Jose, CA (the “Property”), a 66,000 sq. ft. fully leased multi-tenant warehouse project on approximately 4.83 acres of land. The Property is located near the interchange of US Route 101 and Interstate 880 and in proximity to the new Transit Oriented (new BART Station), Mixed Use, Urban Village redevelopment of the Berryessa Flea Market. The offering represents the opportunity for an investor to acquire a highly stable industrial asset in-place short/medium term leases, below market rents and the potential to create additional value (through suite size optimization) in a core industrial location which seems destined to transition to a higher and better use in the years to come.



## OFFERING SUMMARY

Address	1240, 1250, 1260 Yard Ct.   San Jose, CA
Total Rentable Square Footage	66,000 SF (per rent roll)
Year Built	1950 (1250 Yard Court)   1987 (1240, 1260 Yard Court)
Total Land Size	4.83 acres (3.75 improved)
Percentage Leased	100%
Number of Tenants	24
Number of Buildings	3
Parking	84 stalls (1.27/1000)



# INVESTMENT HIGHLIGHTS

**Highly Stable Investment:** Due to the product type (warehouse) and the size of the suites (2,000–3,000 in most cases) this asset has shown itself to be highly stable in recent years including the recession of 2008–2010. During the past three years the asset has remained virtually 100% leased.

**Low Retenancing Cost:** The current ownership has retenanted several spaces over the years with little to no tenant improvements necessary and rarely paying a tenant broker due to the low maintenance nature of the tenant profile and the simplicity of the space.

**Potential to Increase Rents:** The short-medium term leases in place allow a new owner to roll rents up in the near future. Based on Econometric Advisor's analysis, Silicon Valley warehouse market rents are estimated to increase over the next six years by 11.2%, 11.2%, 9.3%, 6.4%, 3.7%, and 1.9% respectively. This represents a total increase of nearly 52%, radically increasing NOI over that period.

**Highly Functional Product:** The buildings offered for sale are highly functional and usable for a broad cross section of the tenant base. Not only are the majority of the units in an excellent size range but they have optimal clear height, office percentage, parking, and in some cases even exclusive yard space (a unique feature which is highly desirable). Much of the space in the market is functionally obsolete and artificially increases the vacancy rate (approximately 6%).

**Path of Growth:** The site is located in proximity to the new San Jose BART Station at Berryessa and the Transit Oriented Mixed Use development which is built around it. San Jose's plan is to build around the Urban Village model and sites like this are clearly in that long-term growth path.



**New Transportation Infrastructure:** In addition to the new BART project there are planned infrastructure upgrades scheduled for the arterial roads (Mabury and Oakland) connecting this neighborhood to US Route 101. This will dramatically improve freeway access in the near future.

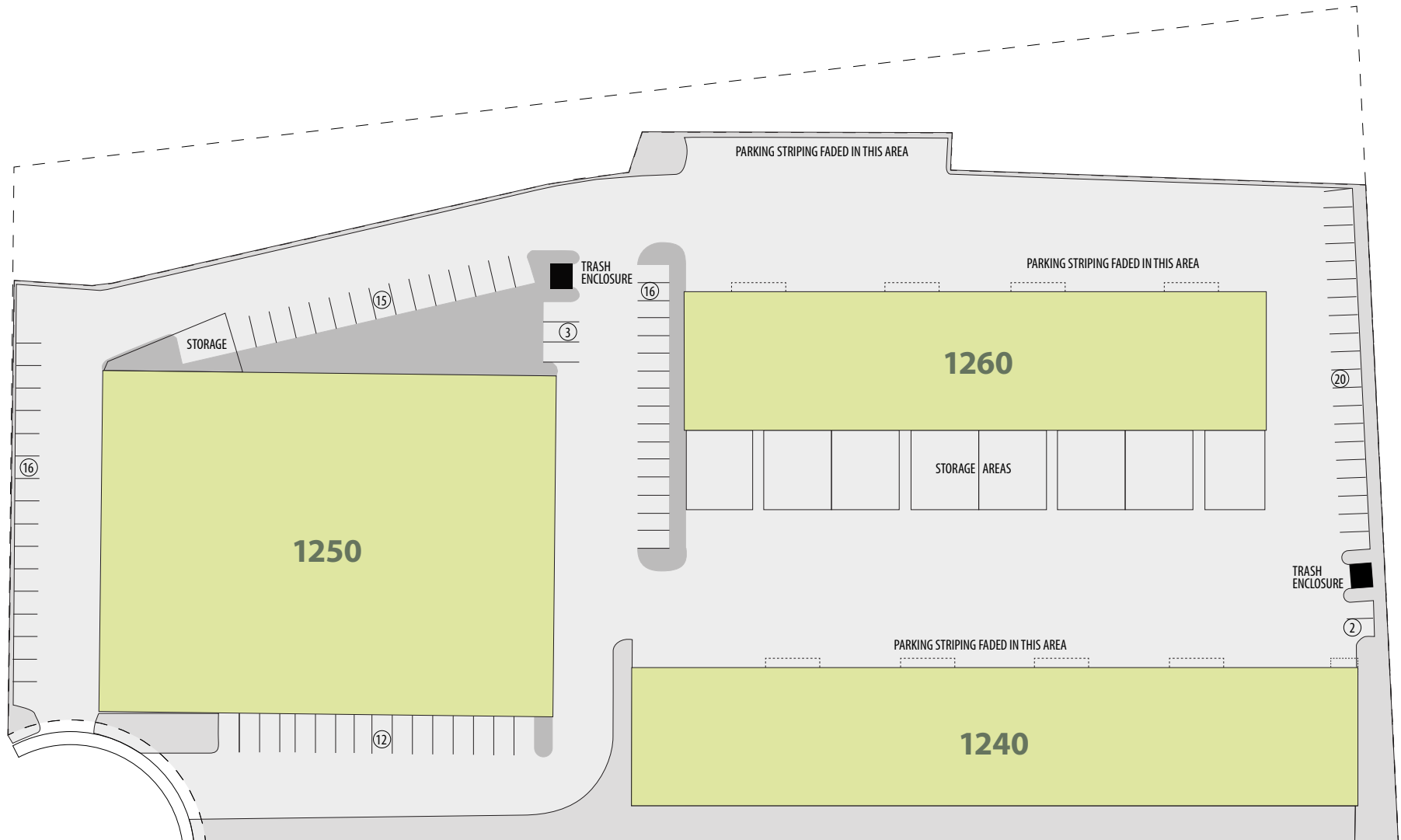
**Diminishing Product Type:** The industrial base in San Jose continues to erode year over year as higher and better uses displace industrial buildings. San Jose has seen a nearly 5% loss in industrial space over this most recent economic expansion.

**Heavy Industrial Multi-Tenant:** The current zoning is ML (light industrial) but the general plan for the site is Heavy Industrial allowing for uses that are very hard to place in the Bay Area. It may be the only multi-tenant park of its caliber (offering small suites) in San Jose with the potential for heavy industrial uses.

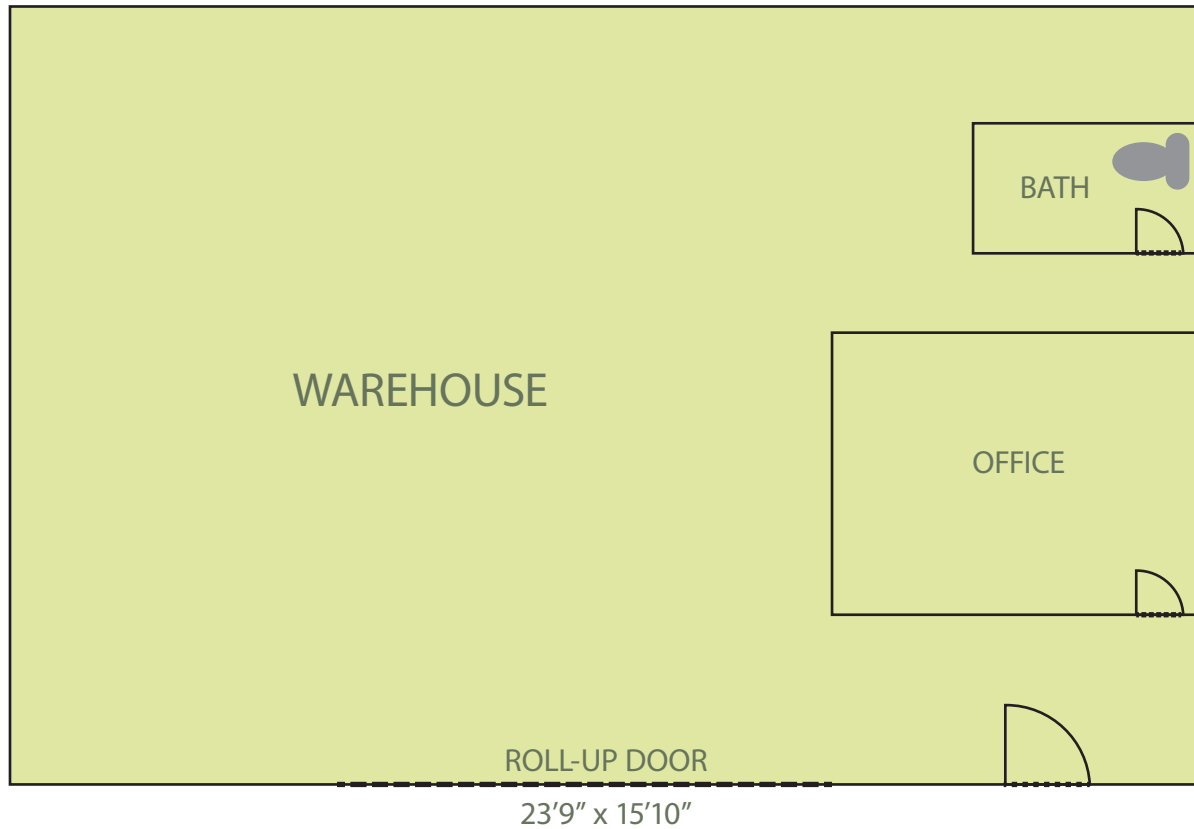
# REGIONAL MAP



# SITE PLAN



# SAMPLE FLOOR PLAN



The sample floor plan is generally representative of the standard unit in the project. The office component is minimal, each unit has a restroom and at least one roll-up door. This layout is generic and its versatility and universal appeal keeps tenant improvements and retenanting costs to a minimum.

# SAN JOSE FLEA MARKET DEVELOPMENT PLAN



# CONTACTS

**CHARLES STROUSS**  
INVESTMENT SALES  
Vice President  
Lic. 01372483  
+1 408.453.7485  
charles.strouss@cbre.com

**PAUL LYLES**  
MARKET SPECIALIST  
First Vice President  
Lic. 01236021  
+1 408.453.7443  
paul.lyles@cbre.com

**TRENT SNARR**  
DEBT AND EQUITY  
Vice President  
Lic. 01947224  
+1 408.453.7472  
trent.snarr@cbre.com

**CBRE** **CBRE, Inc.**  
225 West Santa Clara Street  
10th Floor  
San Jose, CA 95113

