

OFFERING MEMORANDUM



Multifamily or Mixed-Use
Development Opportunity

1525 Monte Vista Ave
Turlock, CA 95382



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This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this offering memorandum has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY

PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS

An aerial photograph of a large, undeveloped lot. The lot is mostly bare earth with some scattered trees and a small cluster of trees in the center. A road runs along the bottom right of the lot. In the background, there is a residential area with houses and trees. The text "EXECUTIVE SUMMARY" is overlaid in the top right corner.

EXECUTIVE SUMMARY

Marcus & Millichap is pleased to present this Multifamily or Mixed-Use Development Opportunity, a 11.95-acre lot situated across the street from California State University Stanislaus. The subject property is located off California Highway 99. It is also located in a strong demographic area, with an immediate population upwards of 68,283 people within a three-mile radius. The 2016 average household income was \$85,697 within a one-mile radius.

INVESTMENT SUMMARY



Stanislaus County Development Opportunities

- ~ Stanislaus County Council has expressed a housing shortage concern
- ~ Located at the signalized intersection of Walnut Rd and Monte Vista Ave
- ~ High density demographics show a population of more than 65,889 people within three miles
- ~ Opportunity for a developer to take advantage of almost 10,000 students enrolled at university and population of 72,796 people living in Turlock

Premium Location on a High Traffic Intersection

- ~ Surrounding Schools include: CSU Stanislaus, Brown Elementary, Turlock Jr High, Walton Elementary, and Pitman High.
- ~ Surrounding Retailers include: Target, Home Depot, Costco, Lowe's, McDonald's, Raley's, Walmart, Big Lots, Safeway, and more.
- ~ Surrounding Multifamily include: The Vista Student Housing, Park Place, Paramount Senior Living, Parkwood, Boardwalk, and more.

Excellent Real Estate Fundamentals

- ~ Positioned on Hard Corner - Maximum Exposure Along Monte Vista Corridor
- ~ Rectangular Configuration Positioned on a Hard Corner Presents More Options for Potential Development



Property Details

Address	1525 W Monte Vista Ave Turlock, CA 95382
Parcel Number	071-004-009
List Price	\$4,500,000
Lot Size	11.95 Acres (520,542 SF)
Lot Price Per Acre	\$376,569
Lot Price Per Foot	\$8.64
Ownership	Fee Simple
Current Use	Vacant Land
Current Zoning(s)	RH (High Density Residential) 15-30 Units Per Acre

AERIAL OVERVIEW



DEVELOPMENT OVERVIEW



THE VISTA - STUDENT HOUSING

200-unit apartment complex, located directly across from CSU Stanislaus. The gated community offered students a safe and upgraded apartment lifestyle - the project was completed May 2017, and occupancy began October 2017.

www.VistaTurlock.com



MERIDIAN
BUILDING FOR LIFE

MERIDIAN VENTURES - 2.9 ACRE MEDICAL

Two Story, 36,000 SQFT Medical Office Building, will serve as a clinic facility with focus on Family Medicine, Women's Health Care, and Oncology.

www.mpcca.com

FITZPATRICK DEVELOPMENT ±101 SINGLE FAMILY HOMES

Construction Began January 2018, Local Developer beginning two track communities located 2.8 mi southeast of subject property.



www.fitzpatrickhomes.com

‘TURLOCK SEES RETURN OF NEW HOUSING DEVELOPMENT’

Construction is expected to begin soon on the Fairbanks Ranch subdivision, which will bring 129 new homes to a 40.6-acre site on Tuolumne Road east of Quincy Road. Over **200 single-family** homes are currently under construction, or soon will be, in northeast Turlock, bringing a resurgence in new housing development for the city.

The Turlock Planning Commission approved a time extension last week for two developments within the East Tuolumne Master Plan Area — Fairbanks Ranch and Les Chateaux — that will see a total of 189 new single-family homes built within the next three years; and construction is well underway by Fitzpatrick Homes on a 20-home development on the southeast corner of North Johnson and East Tuolumne roads. These projects are the biggest new housing development Turlock has had since the Great Recession.

“There does seem to be an uptick in interest in residential development,” said Turlock Interim Principal Planner Katie Quintero.

The Fairbanks Ranch and Les Chateaux subdivisions were originally approved by the Planning Commission in March 2015. Fairbanks Ranch is a 40.6-acre site located north of Tuolumne Road. It will be bounded on the east by the Les Chateaux subdivision, being built by the same developers. Fairbanks Ranch will include 129 single-family homes on residential lots ranging in size from 7,855 square feet to 17,030 square feet. The project also includes a 2.33-acre storm basin. To address concerns raised by Stanislaus County, the developer will be required to widen and resurface Quincy Road from Tuolumne Road to Monte Vista Avenue. Les Chateaux is a 19.7-acre site located north of Tuolumne Road, west of Waring Road and is bounded by the west by the Fairbanks Ranch subdivision. The project includes 60 single-family homes on residential lots ranging in size from 7,103 square feet to 21,196 square feet.

www.TurlockJournal.com
April 10, 2018

‘COUNTY SEES SLIGHT INCREASE IN EMPLOYMENT’

The unemployment rate in March (2018) was at 7.1 percent, down from the revised rate of 7.4 percent for February and below the year-ago estimate of 8.8 percent. Every sector in Stanislaus County either posted job gains or remained steady in the month of March, according to the EDD data.

The Government sector added the most jobs for the month, with an estimated 500 new positions, the majority of which were in various school districts. Farming and manufacturing added approximately 400 jobs in March, though both sectors are behind in jobs when compared to last year, according to the EDD. Farming was down by an estimated 400 positions, while manufacturing was behind the year ago rate by approximately 300 jobs. The other sectors posting job growth in March were: Construction, Leisure and Hospitality, and Trade, Transportation, and Utilities, which all added about 200 jobs each. Professional and Business Services added an estimated 300 positions for the month. These sectors also have recorded job growth that is above the year ago estimates, according to the EDD.

The unemployment rate in California was at 4.2percent, while the nation was at 4.1 percent for the same time period. Turlock’s unemployment rate dropped to 5 percent in March, down from 5.3 percent in February.

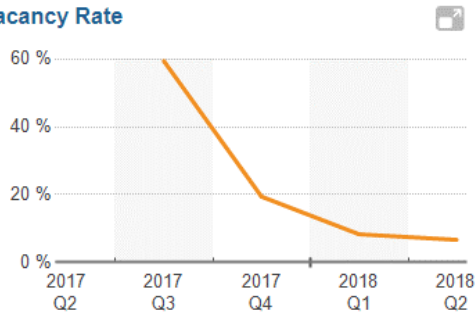
The 10 companies that posted the most help wanted ads for March in Stanislaus County were: Tenet Healthcare Corporation – 177; Ceres Unified School District – 135; Sutter Health – 75; Modesto City Schools –71; E&J Gallo – 68; Turlock Unified School District – 67; Kaiser Permanente – 59; Robert Half International – 58; Autozone, Inc. – 53; and California State University System - 43.

www.TurlockJournal.com
April 24, 2018

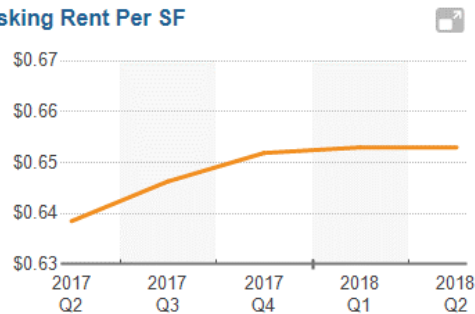
DEVELOPMENT OPPORTUNITY

THE VISTA MULTI FAMILY - LEASE-UP Q2/2017 - Q2/2018

Vacancy Rate



Asking Rent Per SF



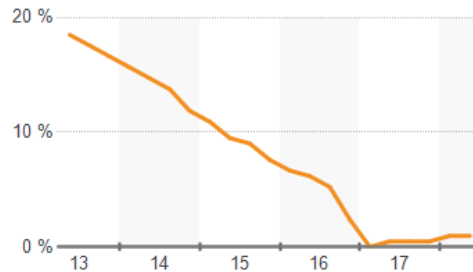
Multi-Family	The Vista	Outer Turlock 3-5 Star	Outer Turlock	Modesto
Total Units	180	2,591	5,212	23,981
Studios/One Bedrooms	12	655	2,062	11,487
Two Bedrooms	32	1,544	2,642	10,642
Three+ Bedrooms	136	392	508	1,852
Avg Unit SF	1,269	940	857	816
Under Construction Units	-	-	-	-
Rents				
Asking Rent Per Unit	\$829	\$1,074	\$974	\$1,050
Effective Rent Per Unit	\$817	\$1,072	\$971	\$1,044
Concessions	1.4%	0.2%	0.3%	0.6%
12 Mo. Absorption Units	171	171	168	176
Sales Past Year				
Properties	-	3	12	65
Sales Volume (Mil.)	-	\$1.5	\$8.0	\$213

The above case-study displays The Vista multi family project, located near the subject property, in comparison to market area. The Vista is a new student housing development completed in 2017, to accomidate CSUStanislaus student body. This property is rented 'per room' rather than 'per unit,' showcasing the value and demand of student housing.

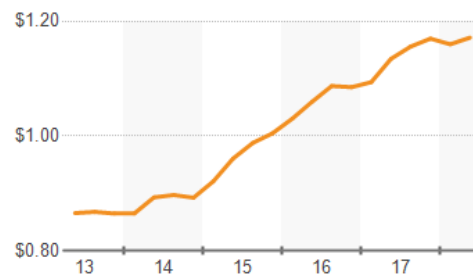
DEVELOPMENT OPPORTUNITY

STABILIZED MULTIFAMILY TURLOCK, CA (2013 - 2018)

Vacancy Rate



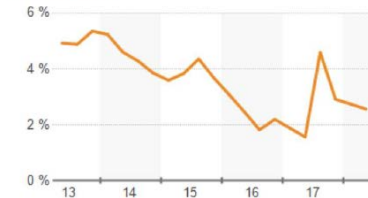
Asking Rent Per SF



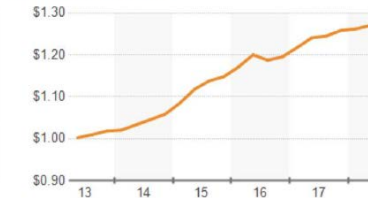
Multi-Family	Sierra Oaks	Outer Turlock 3-5 Star	Outer Turlock	Modesto
Total Units	211	2,591	5,212	23,981
Studios/One Bedrooms	50	655	2,062	11,487
Two Bedrooms	161	1,544	2,642	10,642
Three+ Bedrooms	-	392	508	1,852
Avg Unit SF	1,313	940	857	816
Under Construction Units	-	-	-	-
Rents				
Asking Rent Per Unit	\$1,537	\$1,074	\$974	\$1,050
Effective Rent Per Unit	\$1,532	\$1,072	\$971	\$1,044
Concessions	0.3%	0.2%	0.3%	0.6%
12 Mo. Absorption Units	-2	171	168	176
Sales Past Year				
Properties	-	3	12	65
Sales Volume (Mil.)	-	\$1.5	\$8.0	\$213

The above case-study displays the Sierra Oaks apartment community, located near the subject property, in comparison to market area. The community was completed in 2008, to accomidate CSUStanislaus student body. This property is fully leased, with a waiting list due to the demand.

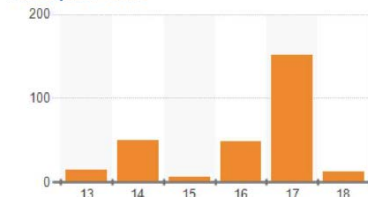
Vacancy Rate



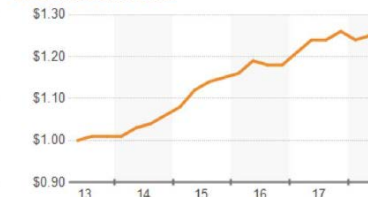
Asking Rent Per SF



Absorption Units



Effective Rent Per SF



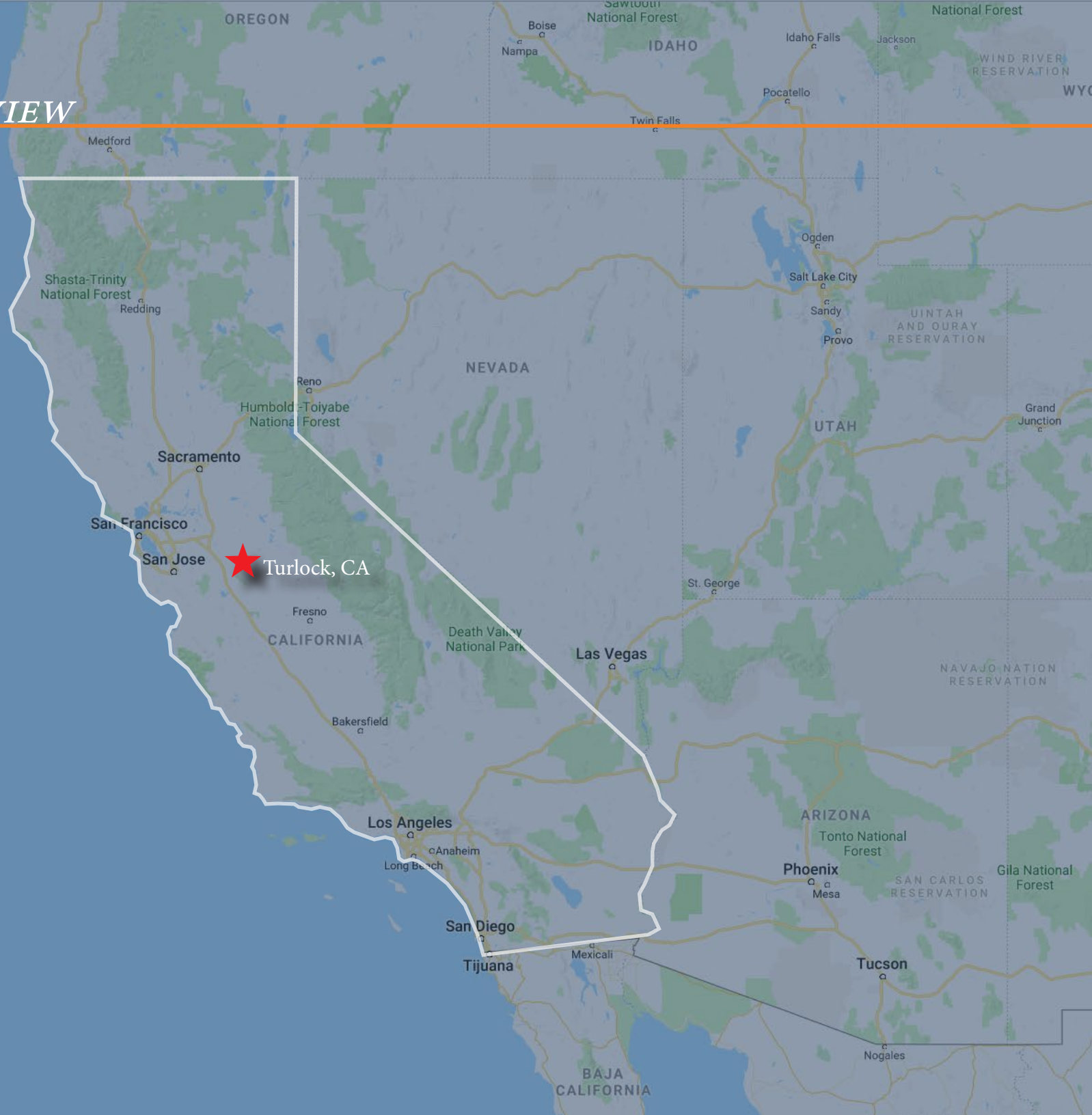
Rents	Survey	5-Year Avg
Studio Asking Rent	\$1,218	\$1,089
1 Bed Asking Rent	\$1,250	\$1,059
2 Bed Asking Rent	\$1,314	\$1,139

-150+ Units, 30 Mile Radius

The vacancy rates, asking rents, effective rents and absorption rates, including the above unit survey is based on multifamily assets within a 30-mile radius from the subject property, with 150 units, or more. This displays a robust growth rate with increasing rental rates and demand with positive absorption statistics to support further development.

-150+ Units, 30 Mile Radius

MARKET OVERVIEW



LOCATION OVERVIEW

TURLOCK, CA



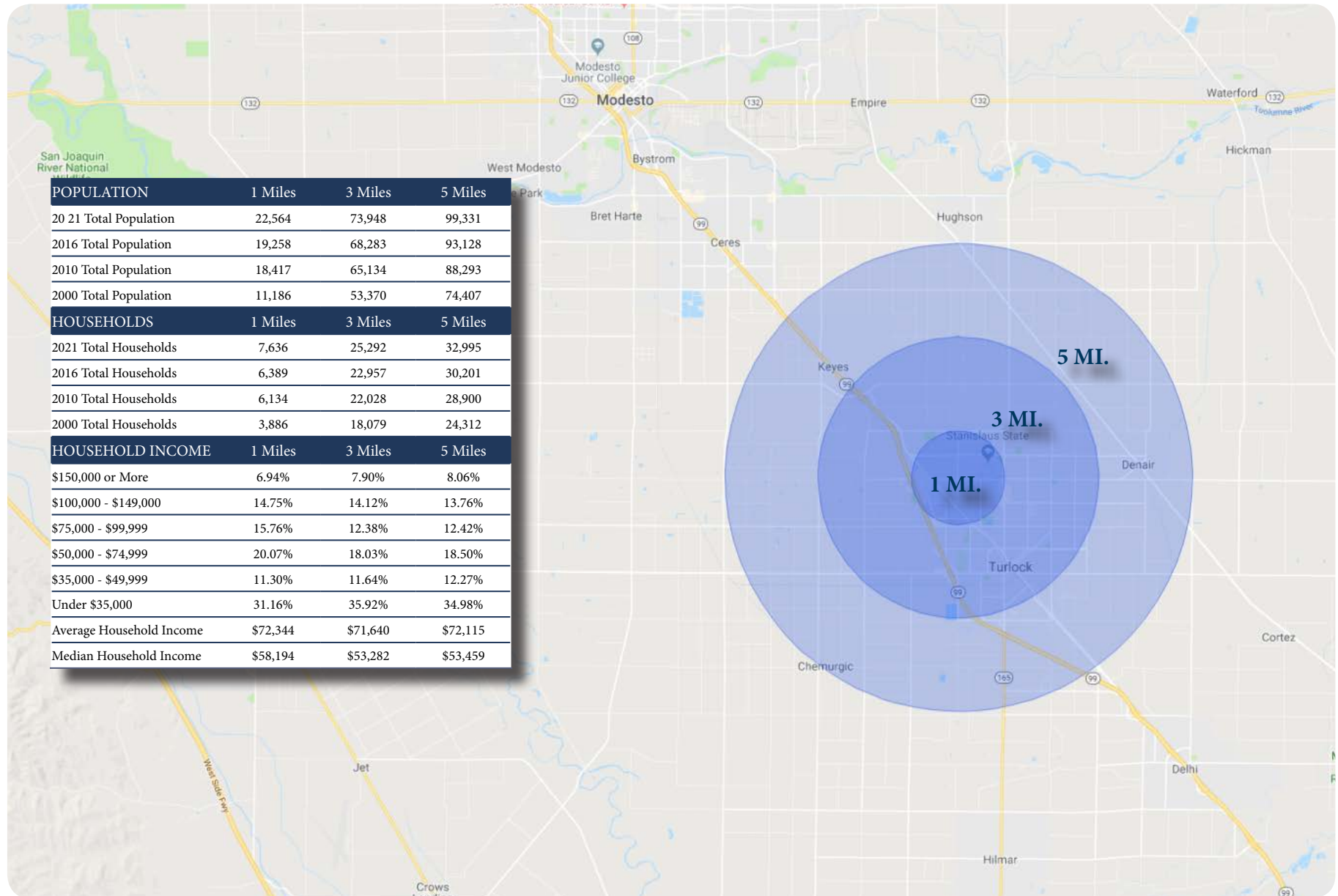
- *Regional and statewide accessibility via California State Route 99*
- *Hub of agricultural manufacturing—Foster Farms, Hilmar Cheese, Blue Diamond Growers*
- *Tenancy Line-up: Costco, Target, Walmart, In-n-Out, Wendy's, Starbucks, Chase Bank, Safeway*
- *Home to California State University, Stanislaus—serves nearly 10,000 students*
- *Regional retail and hotel destination due to California State Route 99 corridor—highlighted by Monte Vista Crossings*
- *Vibrant and historic downtown—provides charming eateries and boutique shops*

Situated about 26 miles northwest of Merced and 14 miles southeast of Modesto, Turlock, California is located in the heart of the fertile San Joaquin Valley in Stanislaus County. The city had an estimated population of 72,879 in 2017 and was the second largest city in the county, trailing only Modesto. Turlock possesses statewide and regional accessibility via California State Route 99.

The city of Turlock exhibits a small-town charm for residents and visitors, highlighted by the city's historic downtown. The downtown area has become a model when it comes to vibrant downtowns in the region due to the variety of casual and formal dining options and an array of boutique and niche stores. Local attractions include Beekman & Beekman (honey and wine tasting), Carnegie Arts Center, and the Turlock Community Theatre. Additionally, the city is home to several annual events that draw people throughout the region, such as the Turlock Swap Meet, Code of the West, the Turlock Gem and Mineral Show, and the Stanislaus County Fair.

Although health care and social assistance is the largest employment sector in Turlock, the city views agricultural manufacturing as the backbone of its economy. A variety of manufacturing companies are located within the city, clustering in the Turlock Regional Industrial Park. The Industrial Park contains more than 1,700 acres of industrially zoned parcels and includes corporations such as US Cold Storage, Blue Diamond Growers, Hilmar Cheese, and Foster Farms (one of Turlock's largest employers). Other major employers in the city are Emmanuel Medical Center, Turlock Unified School District, and California State University, Stanislaus. The university is part of the highly regarded California State University system and serves nearly 10,000 students annually. Additionally, the presence of hotels near California State Route 99 has generated substantial employment in the accommodations and food services sector.

DEMOGRAPHICS MAP



DEMOGRAPHIC SUMMARY

Population

In 2017, the population in your selected geography is 19,258. The population has changed by 72.16% since 2000. It is estimated that the population in your area will be 22,564.00 five years from now, which represents a change of 17.17% from the current year. The median age of the population in your area is 31.29, compare this to the US average which is 37.83. The population density in your area is 6,124.51 people per square mile.

Households

There are currently 6,389 households in your selected geography. The number of households has changed by 64.41% since 2000. It is estimated that the number of households in your area will be 7,636 five years from now, which represents a change of 19.52% from the current year. The average household size in your area is 2.87 persons.

Household Income

In 2017, the median household income for your selected geography is \$58,194, compare this to the US average which is currently \$56,286. The median household income for your area has changed by 42.86% since 2000. It is estimated that the median household income in your area will be \$68,763 five years from now, which represents a change of 18.16% from the current year. The current year per capita income in your area is \$24,564, compare this to the US average, which is \$30,982. The current year average household income in your area is \$72,344, compare this to the US average which is \$81,217.

Race and Ethnicity

The current year racial makeup of your selected area is as follows: 67.98% White, 2.04% Black, 0.55% Native American and 8.92% Asian/Pacific Islander. Compare these to US averages which are: 70.42% White, 12.85% Black, 0.19% Native American and 5.53% Asian/Pacific Islander. People of Hispanic origin are counted independently of race. People of Hispanic origin make up 34.38% of the current year population in your selected area. Compare this to the US average of 17.88%.

Housing

The median housing value in your area was \$252,700 in 2017, compare this to the US average of \$193,953. In 2000, there were 1,964 owner occupied housing units in your area and there were 1,922 renter occupied housing units in your area. The median rent at the time was \$562.

Employment

In 2017, there are 5,748 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 59.01% of employees are employed in white-collar occupations in this geography, and 40.37% are employed in blue-collar occupations. In 2017, unemployment in this area is 4.52%. In 2000, the average time traveled to work was 23.00 minutes.



EXCLUSIVELY LISTED

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