

Investment Opportunity | Offering Memorandum

# 1495 7th Avenue

Inner Sunset | San Francisco, CA

Colliers

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Showings by Appointment

*Please Call Listing Agent*

Offer date to be determined

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**Colliers**  
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# Offering Summary

1495 7th Avenue is a handsome Marina Style apartment building located on the corner of 7th Avenue and Kirkham Street in the Inner Sunset District of San Francisco. Built in 1925, the subject property is a four (4) story property with three (3) floors of residential units sitting atop a ten (10) car parking garage. The building is wood frame construction with a stucco and brick façade and a reinforced concrete foundation with steel moment frames.

Owned by the same family for over 50 years, 1495 7th Avenue has been exceptionally well maintained. The property recently underwent several capital improvements including the seismic retrofit, painting of the two rear exterior walls, a new lobby, a new rear wood fence and a new boiler & hot water system. The electrical system is on circuit breakers and is separately metered for electricity and gas with ample power to service the building.

The structure consists of twenty-one (21) residences varying between 1-bedroom units (9) and studio units (12). The unit's feature a mix of hardwood floors & walk-in closets. The kitchens have hardwood or linoleum floors, wood cabinets, tiled or formica counter tops, gas stoves, microwaves and double door refrigerators. The bathrooms have tile floors and tub/shower combinations and stand-alone vanity or cabinet sinks.

This property offers an investor the opportunity to purchase a well-maintained trophy apartment building with tremendous income upside potential through ADU's (accessory dwelling units) and unit conversions.

Please find a list of our favorite local establishments below:

#### Restaurants & Bars:

Pacific Catch  
Jenny's Burger  
Ebisu Restaurant  
Marnee Thai  
Pluto's  
Crepevine Restaurant  
Hahn's Hibachi  
Fireside Bar  
Santung  
You See Sushi

#### Bakeries/Coffee Shops:

The Beanery  
Starbucks  
Arizmendi Bakery  
Sunset Bakery  
Snowbird Coffee  
Martha & Brothers Coffee  
Peet's Coffee  
Cafe La Flore Irving  
San Francisco Tea & Coffee

#### Outdoor:

Golden Gate Park  
Grandview Park  
Golden Gate Heights Park  
Huntington Falls  
Elk Glen Picnic Area  
East Meadow  
Garden for the Environment  
White Crane Springs  
Mt Sutro Open Space Reserve  
East Ridge Trailhead

# Property Details

## Property Information

Address:	1495 7th Avenue, San Francisco, CA (cross street: Kirkham Street & Judah)
District:	Inner Sunset
Property Type:	Apartment building
Apartments & Parking:	21 apartment units; 12-studio apartments, 9- 1-bedroom apartments (7-apartments per floor)
Garage:	10-car enclosed parking
Stories:	3 stories above garage & lobby
APN:	1846-019
Building Square Feet:	14,391 square feet (per tax record)
Lot Size:	5,749 square feet (per tax record)
Constructed:	1925
Zoning:	RH-1

## Building Systems

Foundation:	Concrete
Structure:	Wood-frame
Façade:	Stucco & brick
Windows:	Wood-frame windows
Roof System:	Tar & gravel
Electrical Service:	Separately metered, circuit breakers, 200 amp service
Gas Service:	Separately metered
Fire Protection System:	Smoke detectors in units with fire sprinklers in the hallways (all floors)
Fire Escape:	North side of building, 2nd form of egress back stairway
Heat Source:	Peerless Boiler steam heating system (2018)
Hot Water:	2 - 119 Gallon Bradford & White (2018)
Plumbing:	Mostly copper some galvanized
Common Area Lights:	Timing system
Circuit Breakers:	In remodeled units & tradesman alley
Entrance:	Tile & marble flooring
Lobby Area:	Tile (remodeled in 2020)
Door Entry System:	Mircom keypad
Common Areas:	Carpeted with decorative lighting
Lobby:	Overhead dome lighting with mirrored wall
Lobby Lighting:	Dome lighting
Landing Areas:	Carpeted with wood railings
Garbage:	Located to the rear of the building on Kirkham Street
Laundry:	2 washers & 2 dryers (owned)
Storage:	Used by current owner and manager
Windows:	Mix of original wood windows and new vinyl windows

## Building Composition

Unit Mix:	21 Apartments; 12-studios, 9-1 bedroom apartments
Kitchens:	Stainless steel appliances (in some) Maple/Cherry wood cabinets Tile or granite countertops Microwaves Gas stove/oven White double door refrigerators Stainless steel sink
Bathrooms:	Hexagon tile floors and tile surrounds Pedestal sinks Storage mirror Tub shower combinations Window ventilation Dome lighting
Bedrooms:	Hardwood floors Walk-in closets
Living & Dining Rooms:	Hardwood floors Large walk-in closets Bay windows Curtains / mini blinds

## Notes

- Seismic retrofit completed (2020)
- Compliant with fire alarm "sleep apnea requirements" upgrade

# Financial Overview

Financial Summary	
Sale Price	\$8,888,888
Down Payment	\$4,088,888
Number of Units	21
Price/Unit	\$423,280
Gross Square Feet	14,391
Price/Square Foot	\$618
CAP Rate - Current	4.16%
CAP Rate - Pro Forma	5.00%
GRM - Current	14.72
GRM - Pro Forma	12.99
Year Built	1925
Lot Size	5,749

Annual Gross Income	Current	Proforma
Gross Rental Income	\$603,717	\$684,523
Vacancy (3%)	\$18,112	\$20,536
AGI	\$585,605	\$663,987
Expenses	\$215,878	\$219,110
NOI	\$369,727	\$444,877

Annual Operating Expenses		Current	Exp/Unit	% /Exp	Market	Exp/Unit	% /Exp
Property Taxes	<i>Based on 1.1825% of Price</i>	\$105,111	\$5,005	49%	\$105,111	\$5,005	48%
Special Assessment Tax	<i>1.5% of Property Tax</i>	\$1,577	\$75	1%	\$1,577	\$75	1%
Insurance	<i>2021 Statement</i>	\$13,330	\$635	6%	\$13,330	\$635	6%
Cleaning	<i>Annualized 2021 Statement</i>	\$5,483	\$261	3%	\$5,483	\$261	3%
Dues	<i>Annualized 2021 Statement</i>	\$668	\$32	0%	\$668	\$32	0%
License & Permits	<i>Annualized 2021 Statement</i>	\$684	\$33	0%	\$684	\$33	0%
Professional Fees	<i>Annualized 2021 Statement</i>	\$4,291	\$204	2%	\$4,291	\$204	2%
Property Management	<i>Estimated at 4% of Gross income</i>	\$24,149	\$1,150	11%	\$27,381	\$1,304	12%
Repairs & Maintenance	<i>Estimated at \$750 per Unit</i>	\$15,750	\$750	7%	\$15,750	\$750	7%
Supplies	<i>Annualized 2021 Statement</i>	\$2,767	\$132	1%	\$2,767	\$132	1%
Utilities	<i>Annualized 2021 Statement</i>	\$42,069	\$2,003	19%	\$42,069	\$2,003	19%
<b>Total Operating Expenses</b>		<b>\$215,878</b>	<b>\$10,280</b>	<b>100%</b>	<b>\$219,110</b>	<b>\$10,434</b>	<b>100%</b>

Financing	
Loan Amount	\$4,800,000
Loan Type	Proposed New
Interest Rate	3.20%
Program	3 Year Interest Only
Loan to Value	54%

Cash Flow after Debt Service	Current	Proforma
Less Debt Service	\$153,600	\$153,600
Cash Flow	\$216,127	\$291,277
Cash on Cash Return	5.29%	7.12%
Expenses as % of Gross	36%	32%
Expenses per Unit	\$10,280	\$10,434

Quote: First Republic Bank (TBD). (Loan information is time sensitive & subject to change - Borrower to have banking relations with FRB)

# Financial Overview

## Rent Roll

Unit No.	Unit Type	Rent	Feb 2022 Allowable Rent Increase	Parking	Market Rents	Move in Date	Note
1	1 Bedroom	\$1,784	\$1,825		\$3,000	9/1/2004	
2	1 Bedroom	\$2,800	\$2,800	Included	\$3,000	1/1/2021	Manager (No rent increase)
<b>3</b>	<b>Studio</b>	<b>\$2,200</b>	<b>\$2,200</b>		<b>\$2,200</b>	<b>Vacant</b>	
4	Studio	\$1,800	\$1,800		\$2,200	5/18//21	
5	Studio	\$2,150	\$2,199		\$2,200	3/1/2020	
6	1 Bedroom	\$2,350	\$2,406	Included	\$3,000	1/1/2021	
7	Studio	\$1,719	\$1,758	Included	\$2,200	1/1/2009	
21	1 Bedroom	\$2,745	\$2,745		\$3,000	5/1/2021	No rent increase allowed
<b>22</b>	<b>1 Bedroom</b>	<b>\$3,000</b>	<b>\$3,000</b>		<b>\$3,000</b>	<b>Vacant</b>	
23	Studio	\$1,800	\$1,841		\$2,200	1/1/2021	
24	Studio	\$1,900	\$1,944		\$2,200	2/1/2018	
<b>25</b>	<b>Studio</b>	<b>\$2,200</b>	<b>\$2,200</b>		<b>\$2,200</b>	<b>Vacant</b>	
26	1 Bedroom	\$2,450	\$2,506		\$3,000	9/1/2019	
27	Studio	\$1,709	\$1,748		\$2,200	12/1/2020	
31	1 Bedroom	\$2,695	\$2,757		\$3,000	4/1/2020	
32	1 Bedroom	\$2,595	\$2,655		\$3,000	1/1/2021	
<b>33</b>	<b>Studio</b>	<b>\$2,200</b>	<b>\$2,200</b>		<b>\$2,200</b>	<b>10/1/2019</b>	<b>Vacating 1/31/2022</b>
34	Studio	\$1,895	\$1,939		\$2,200	12/1/2020	
35	Studio	\$1,895	\$1,939		\$2,200	12/1/2020	
36	1 Bedroom	\$3,322	\$3,398		\$3,000	2/1/2016	
37	Studio	\$1,808	\$1,850		\$2,200	2/1/2021	
<b>Monthly Income</b>		<b>\$47,016</b>	<b>\$47,710</b>		<b>\$53,400</b>		
	6 Occupied Parking	\$1,300			\$1,500		
	1 Vacant Parking	\$300			\$300		
	1 Occupied Storage	\$0			\$150		
	4 Vacant Storage	\$600			\$600		
	Laundry	\$400			\$400		
	Feb 2022 Allowable Rent Increase	\$694			\$694		
<b>Total Monthly Income</b>		<b>\$50,310</b>			<b>\$57,044</b>		
<b>Annual Income</b>		<b>\$603,717</b>			<b>\$684,523</b>		<b>Upside: 12%</b>

### Units

Studio - 12

1 Bedrooms - 9

Parking - 10

Storage - 5

### Notes

Market rents projected using data from Rentometer.com

Parking projected at \$300 per space/month

Storage projected at \$150 per space/month

Storage space occupied by manager

Feb 2022 allowable rent increase is 2.3%

# Property Photos







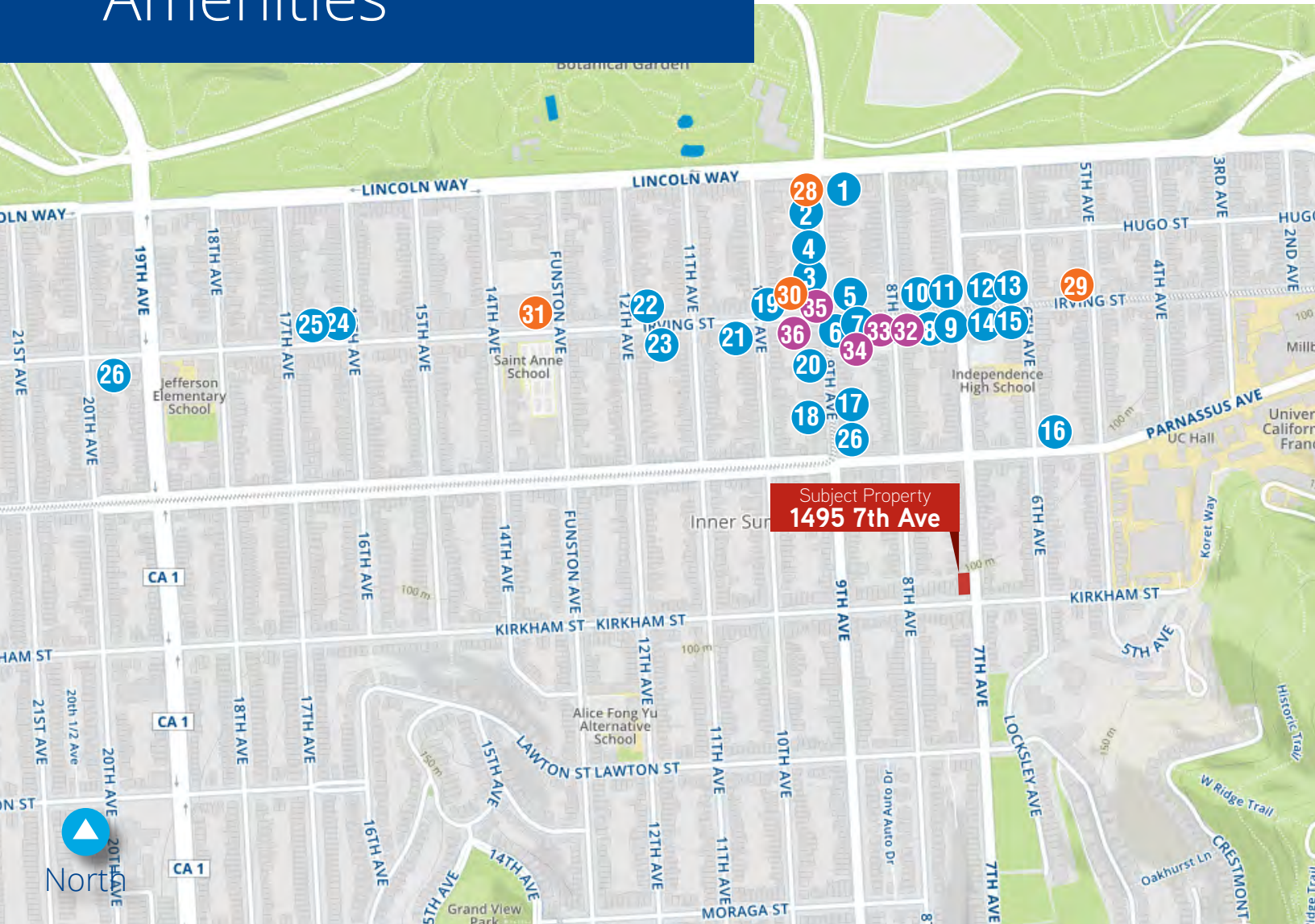








# Amenities

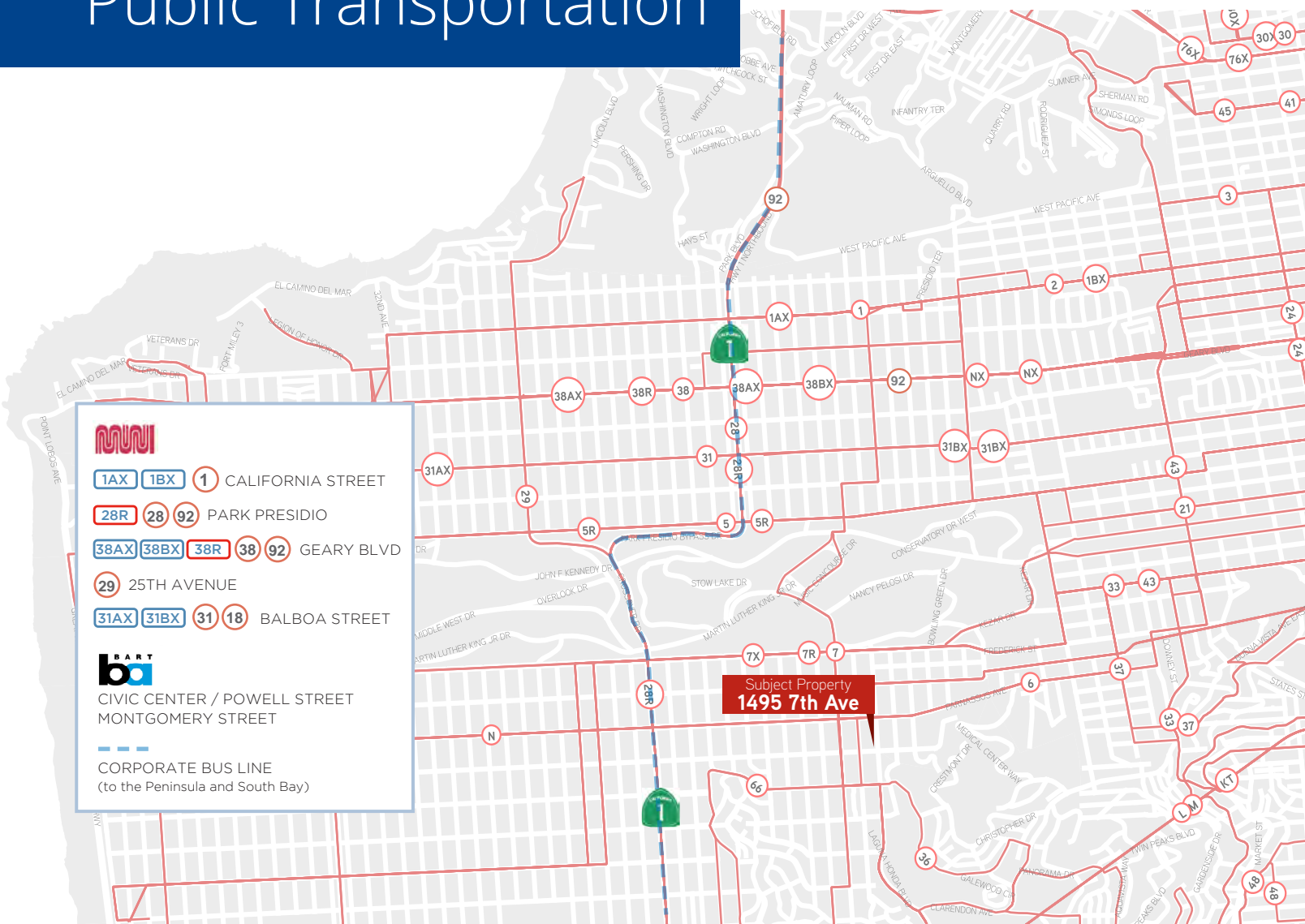


● Restaurants & Bars     
 ● Convenience & Grocery Stores     
 ● Banks & ATM's

## Neighborhood Amenities

1 Pacific Catch	10 Crepevine Restaurant	19 Perilla	28 Queens Korean deli & Market
2 Jenny's Burger	11 The Beanery	20 Arizmendi Bakery	29 KJ Produce Market
3 Ebisu Restaurant	12 Bussaba	21 New Eritrea Restaurant	30 Eight-Twenty-Eight Irving
4 Marnee Thai	13 Loving Hut Vegan Restaurant	22 Irving Subs	31 Andronico's Markets
5 Starbucks	14 Hahn's Hibachi	23 Santung	32 First Republic Bank
6 Art's Cafe	15 Lavash	24 Izakaya Sozai	33 Citi Bank
7 Lale Mediterranean Cafe	16 You See Sushi	25 Sushi Goemon Sake Japanese	34 Wells Fargo Bank
8 Pluto's	17 Sunflower Garden Vietnamese Dosa	26 Kevin & Chris's Noodle House	35 Bank of America
9 Fireside Bar	18 Masala Dosa	27 San Francisco Tea & Coffee	36 Sterling Bank & Trust

# Public Transportation



## With Immediate Access to One of the Nation’s Best Public Transit Systems

The area around 1495 7th Avenue offers an extensive transportation network which ensures superior regional access throughout San Francisco and the surrounding Bay Area. Atlantic Cities’ “Access Across America, Transit 2020” ranked San Francisco second only to Manhattan for public transit efficiency, based on how many jobs a resident can access within a 10 to 30 minute commute during the morning rush hours of 7am to 9am. 1495 7th Avenue is within walking distance of a variety of public transit systems on Clement Street & Geary Blvd, in addition to a variety of San Francisco’s caravan of ‘Tech Shuttles’ on Park Presidio (Hwy 1) moving busloads of Google, Genentech, Facebook, and Apple employees from their homes in San Francisco to their job centers in Silicon Valley via Highway 1 on nearby Park Presidio.

# Aerial Photo



## Confidentiality & Disclaimer Statement

This Offering Memorandum contains select information pertaining to the business and affairs of the Property at 1495 7th Avenue San Francisco, CA 94122. It has been prepared by Colliers International. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Colliers International. The material is based in part upon information supplied by the Seller and in part upon financial information obtained by 1495 7th Avenue from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum from 1495 7th Avenue you agree:

- 1) The Offering Memorandum and its contents are confidential;
- 2) You will hold it and treat it in the strictest of confidence; and
- 3) You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Colliers International expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of 1495 7th Avenue or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Colliers International or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date of this Offering Memorandum.



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