

340-344 Castro Street / 1-7 States Street

Corona Heights | San Francisco, CA

Investment Opportunity | Offering Memorandum



Colliers





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Offering Summary

340-344 Castro Street/1-7 States Street is a seven (7) unit corner apartment building located in the quiet neighborhood of Corona Heights. The property is located very close to the CPMC Davies Campus and Duboce Park, a very popular recreational urban park for families and dogs. For residents, shopping, dining and entertainment are easily accessible in the busy commercial area centering around Market & 17th Streets. For commuters, the N-Judah metro line runs through Duboce Avenue along with several local bus routes to various parts of the city.

The building's unit mix consists of four (4) one bedrooms, one (1) two bedroom, two (2) three bedroom apartments, and a large parking space for one car. The building is separately metered for gas and electricity (400 amp main service). Heating is provided by gas wall heat. The basement level accommodates storage and individual water heaters for each unit.

This is an excellent opportunity for an owner/user or investor to purchase a very well maintained asset in a great location with significant income upside potential through unit turnover and renovation.







The Property

Property Information

Address: 340-344 Castro Street/1-7 States Street San Francisco, CA 94114

District: Corona Heights

Property Type: Apartment Building

APN: 2623-001

Building Square Feet: 5,376 square feet (per appraisal)

Units: 7

Lot Size: 2,848 square feet (per tax records)

Constructed: 1908

Zoning: RM-1

Building Systems

Foundation: Concrete foundation

Structure: Wood frame

Façade: Wood exterior

Rear of Building: Wood siding

Windows: Mix of wood frame & aluminum windows

Roof Composition & Age: Tar & gravel

Electrical Service: Separately metered (400 amp service)

Gas Service: Separately metered

Fire Protection System: Extinguishers in common areas

Heat Source: Gas wall heat

Hot Water: Separate 40 gallon storage water heaters (Rheem & Bradford & White)

Plumbing: Mostly copper

Common Area Lights: Dome lighting throughout

Door Entry System: Lock & key (individual unit entrances)

Front entryway: Wood & marble staircases

Mail boxes: Mail slots in unit doors

Garbage: No chute system

Apartment Access: Individual unit stairs

Laundry: Washer & dryer in some units

Storage: Some storage

Parking: Garage with 1 car parking

Backyard: Access for units 5 & 7 only

Seismic Retrofit: Yes (work completed)

Building Information

Unit Mix: 4 - one bedroom, 1 bath
1 - two bedroom, 1 bath
2 - three bedroom, 1 bath

Parking: One (1) car parking

Kitchens: Gas stoves/ovens
Wood cabinetry
Tile & marble counters
Stainless steel sinks
Tile flooring
Over-under refrigerators
Dishwashers (in some units)
Ample natural light
Microwaves (in some units)
Large pantrys

Bathrooms: Hexagon tile flooring
Tub shower combinations with tile surrounds
Mirrored vanities
Wall hung sinks
Dome & sconce lighting
Window & ceiling ventilation

Bedrooms: Hardwood floors
Window blinds
Wood frame single-pane sliding windows
Ample natural light
Large walk-in closets
Dome lighting

Dining/Living Room: Hardwood floors
Tremendous natural light from large windows
Dome lighting

Notes

The building has been seismically upgraded and is in compliance with the soft-story ordinance

Financial Summary

Financial Summary		Annual Gross Income	Current	Proforma
Price	\$3,350,000	Gross Potential Income	\$241,314	\$291,780
Down Payment	\$1,675,000	Vacancy (3.5%)	\$8,446	\$10,212
Number of Units	7	AGI	\$232,868	\$281,568
Price/Unit	\$478,571	Expenses	\$93,385	\$95,403
Gross Square Feet	5,376	NOI	\$139,484	\$186,165
Price/Square Foot	\$623			
CAP Rate - Current	4.16%			
CAP Rate - Proforma	5.56%			
GRM - Current	13.88			
GRM - Pro Forma	11.48			
Year Built	1908			
Lot Size	2,848			

Financing		Cash Flow After Debt Service	Current	Proforma
Loan Amount	\$1,675,000	Less Debt Service	\$83,750	\$83,750
Loan Type	Proposed New	Cash Flow	\$55,734	\$102,415
Interest Rate	5.00%	Cash on Cash Return	3.33%	6.11%
Program	5 Year Interest Only	Expenses as % Of Gross	39%	33%
Loan to Value	50%	Expenses per Unit	\$13,341	\$13,629

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

Operating Expenses

Annual Operating Expenses		Current	Exp/Unit	% /Exp	Market	Exp/Unit	% /Exp
Property Taxes	<i>1.1825% of Sales Price</i>	\$39,614	\$5,659	42%	\$39,614	\$5,659	42%
Special Assessment Tax	<i>Estimated at 1.5% of Property Tax</i>	\$594	\$85	1%	\$594	\$85	1%
Insurance	<i>2021 Owner's Statement</i>	\$12,115	\$1,514	13%	\$12,115	\$1,514	13%
Property Management	<i>Estimated at 4% of Gross Income</i>	\$9,653	\$1,207	10%	\$11,671	\$1,459	12%
Repairs & Maintenance	<i>Estimated at \$750/unit</i>	\$9,000	\$1,125	10%	\$9,000	\$1,125	9%
Locksmith / Keys	<i>2021 Owner's Statement</i>	\$23	\$3	0%	\$23	\$3	0%
Electrical Repairs	<i>2021 Owner's Statement</i>	\$1,349	\$193	1%	\$1,349	\$193	1%
Plumbing Repairs	<i>2021 Owner's Statement</i>	\$1,527	\$218	2%	\$1,527	\$218	2%
Painting	<i>2021 Owner's Statement</i>	\$245	\$35	0%	\$245	\$35	0%
Cleaning / Hauling	<i>2021 Owner's Statement</i>	\$560	\$80	1%	\$560	\$80	1%
Janitorial Services	<i>2021 Owner's Statement</i>	\$3,345	\$478	4%	\$3,345	\$478	4%
Pest Control	<i>2021 Owner's Statement</i>	\$2,753	\$393	3%	\$2,753	\$393	3%
Gas & Electric	<i>2021 Owner's Statement</i>	\$127	\$18	0%	\$127	\$18	0%
Water & Sewer	<i>2021 Owner's Statement</i>	\$7,414	\$1,059	8%	\$7,414	\$1,059	8%
Scavenger	<i>2021 Owner's Statement</i>	\$4,765	\$681	5%	\$4,765	\$681	5%
Business / Other Taxes	<i>2021 Owner's Statement</i>	\$301	\$43	0%	\$301	\$43	0%
Total Operating Expenses		\$93,385	\$12,791	100%	\$95,403	\$13,044	100%
Gross Potential Income		\$241,314			\$291,780		
Vacancy (3.5%)		\$8,446			\$10,212		
AGI		\$232,868			\$281,568		
Expenses		\$93,385			\$95,403		
NOI		\$139,484			\$186,165		
Expenses as % of Gross Income		39%			33%		
Expense per Unit		\$13,341			\$13,629		

Rent Roll

Unit No.	Unit Type	Rents	Parking	Cap Imp	Market Rent	Move in Date	Units
1	1 Bed, 1 Bath	\$2,552.38		\$123.00	\$2,795	8/30/2021	
3	1 Bed, 1 Bath	\$2,595.00		\$123.00	\$2,795	4/1/2022	
5	1 Bed, 1 Bath	\$471.36			\$2,795	10/1/1984	
7	1 Bed, 1 Bath	\$2,000.79			\$2,795	7/23/2005	
340	2 Bed, 1 Bath	\$3,450.00	\$250.00		\$3,795	5/23/2022	Large Flat
342	3 Bed, 1 Bath	\$4,295.00			\$4,495	9/9/2022	Large Flat
344	3 Bed, 1 Bath	\$4,495.00			\$4,495	Vacant	Large Flat with view
Monthly Income		\$19,859.53	\$250.00	\$246.00	\$23,965		
Occupied Parking (1)		\$250.00			\$350		
Total Monthly Income		\$20,109.53			\$24,315.00		
Annual Income		\$241,314			\$291,780	Upside 21%	

Units

1 Bed, 1 Bath - 4
 2 Bed, 1 Bath - 1
 3 Bed, 1 Bath - 2
 Parking - 1

Notes

Market rents estimated using Rentometer.com
 Parking projected at \$350 per space/month

Property Photos



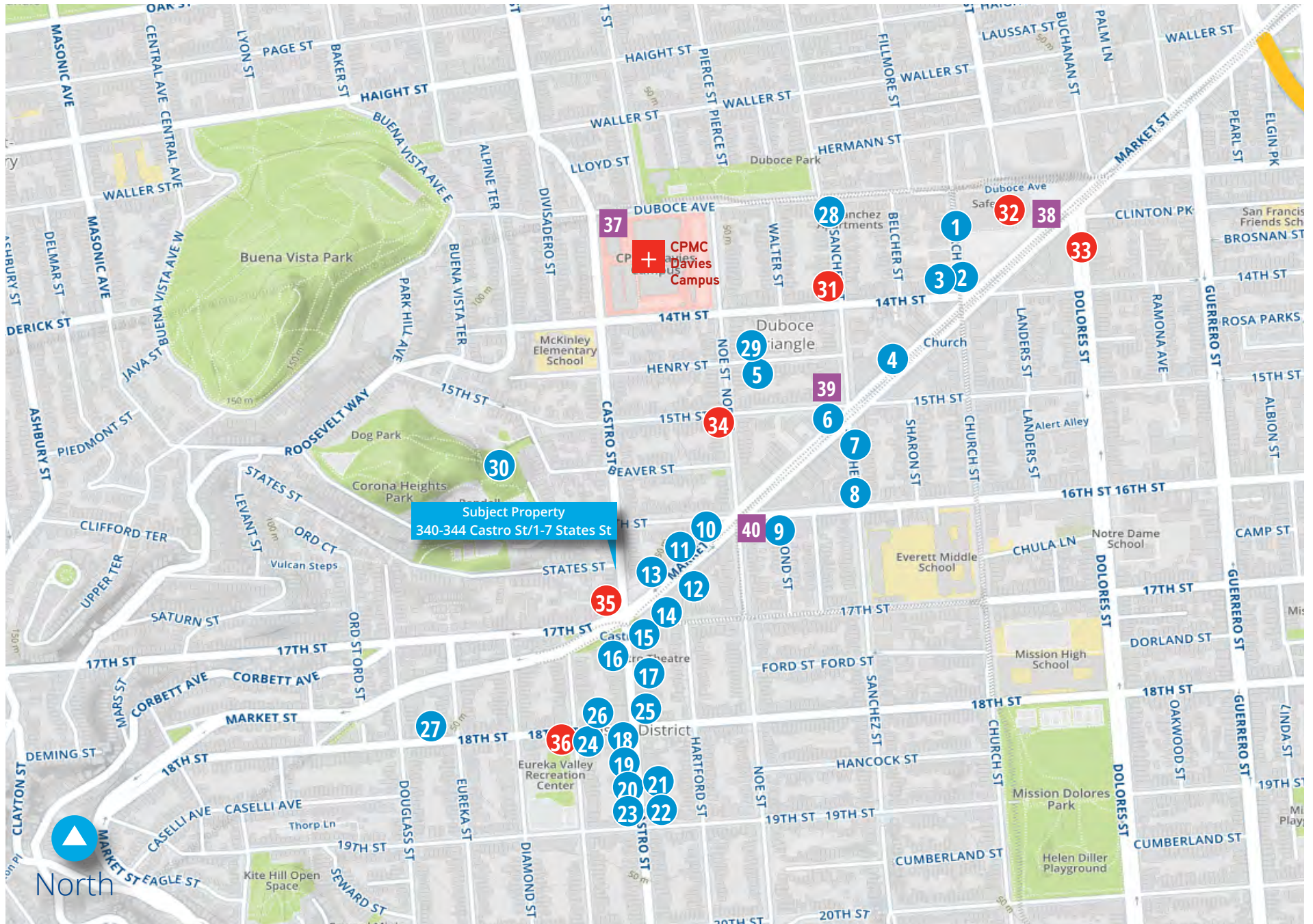








Amenities Map

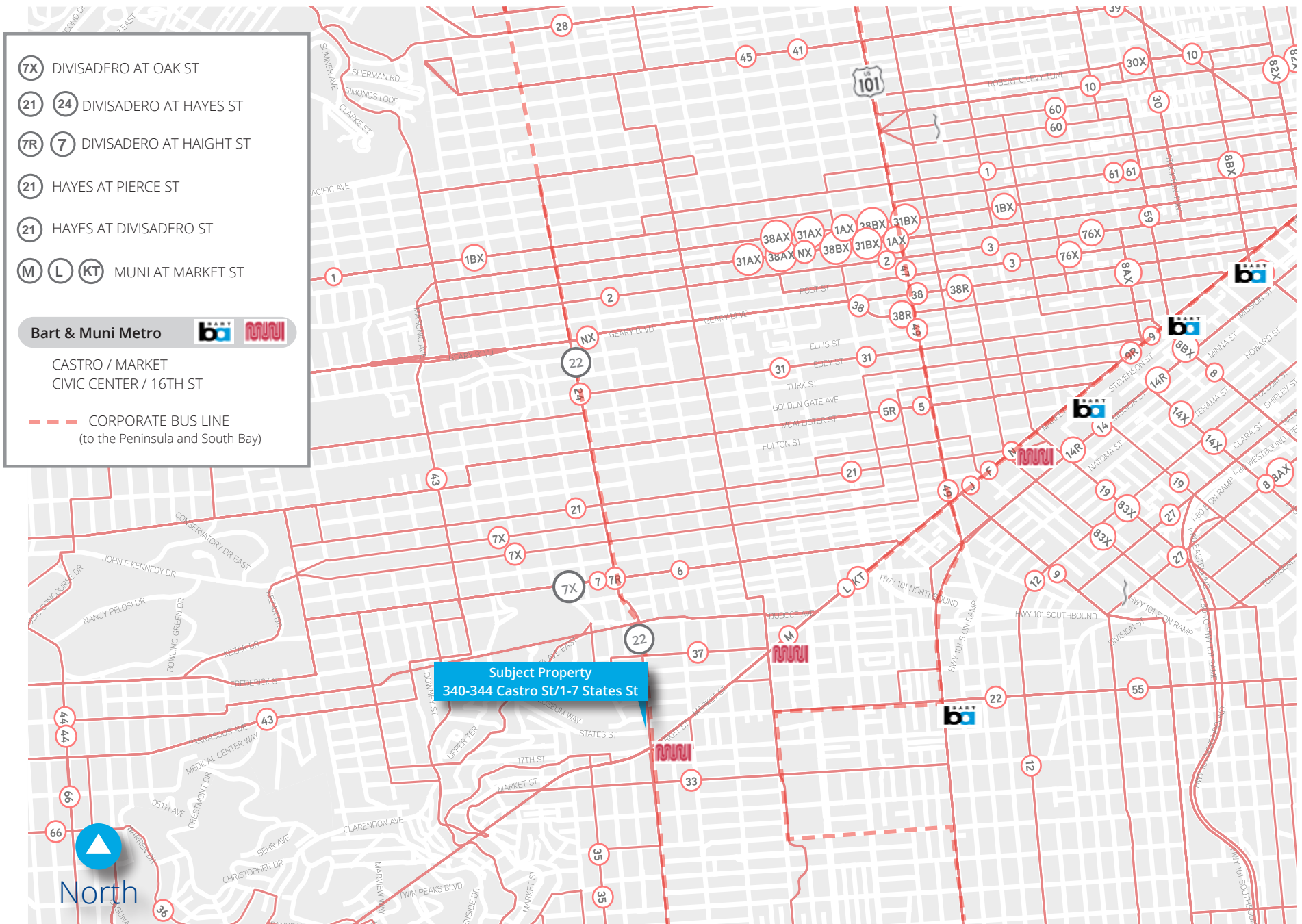


- Restaurants & Bars
- Convenience & Grocery Stores
- Banks & ATM's
- + Hospitals

Neighborhood Amenities

1 El Castillito	11 Beaux	21 Anchor Oyster Bar	31 98 1/2 Liqueure store & Grocery
2 Jasmine Garden	12 Taco Orgasmico	22 Thai House Cafe	32 Safeway
3 Cathay Express Restaurant	13 Catch	23 Heroic Italian San Francisco	33 Whole Foods
4 Wooden Spoon	14 Me & Tasty	24 The Edge	34 Noe Grocery
5 L'Ardoise	15 Cafe de Casa	25 Toad Hall	35 KD's Grog N' Grocery
6 The Detour	16 Marcello's Pizza	26 Lobby Bar	36 Mollie Stone's Market
7 Tara Indian Cuisine	17 Park Gyro's Castro	27 Mama Ji's	37 Bank of America ATM
8 Makli Chinese Cuisine	18 Harvey's	28 Duboce Park Cafe	38 Wells Fargo
9 Star Belly	19 Wasabi Bistro	29 Amasia Hide's Sushi	39 Chase Bank
10 Super Duper Burgers	20 Fable	30 Cafe Josephine	40 Bank of the West ATM

Public Transportation



With Immediate Access to **One of the Nation's Best Public Transit Systems**

The area around 340-344 Castro Street/1-7 States Street 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 New York 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. The subject property is within walking distance of a variety of public transit systems on Turk Street, Divisadero Street & McAllister Street, in addition to a variety of San Francisco's caravan of 'Tech Shuttles' moving busloads of Google, Genentech, Facebook, and Apple employees from their homes in San Francisco to their job centers in Silicon Valley via Divisadero Street and Van Ness Avenue.





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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.

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