

4740 Balboa Street

Outer Richmond | San Francisco, CA

Investment Opportunity | Offering Memorandum



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A nighttime photograph of a city skyline, featuring the Transamerica Pyramid in San Francisco. The buildings are illuminated with warm lights, and the sky is a deep blue. Bare tree branches are visible in the upper left corner.

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Offering Summary

The subject property is located at 4740 Balboa Street between 48th Avenue & La Playa Street in the Outer Richmond District of San Francisco, CA. It is close to the Cliff House, Ocean Beach, the Great Highway & Golden Gate Park. The building is also close to convenient shopping and a Safeway grocery store at the corner of La Playa & Cabrillo.

4740 Balboa Street was built in 1928 and is a six-story wood-frame structure over a concrete foundation. The building has 35 units. The unit mix in the building consists of 9 junior studios, 20 studios, 5 junior 1 bedrooms and 1 one bedroom. Over 50% of the units have unobstructed ocean views. The living areas have carpeting or hardwood floors while the kitchens have vinyl or tile flooring. The studio units have eat in kitchens with built-in cabinets, gas stoves and double door refrigerators. Each unit has its own full bathroom with tile counters, vanity sinks and shower/bathtub combinations. Twenty-one (21) of the thirty-five (35) units have been renovated.

Over the past five (5) years the building has undergone a substantial renovation which includes a newly sealed rubber roof with a fifteen (15) year roof warranty, exterior paint, new fire escapes (front & back), roof walkways, replacement of any faulty exterior stairs, new framing & stucco of the front of the building, new hardy plank siding on the entire west wall of the building, numerous new windows and decks, a complete common area renovation, new security cameras & intercom system, a new laundry room, 2 new steam heat boilers, new separately metered electrical system, a full soft story seismic upgrade, eighteen (18) remodeled units, a new side walk, planter boxes, tree and entryway. The cost for this work was nearly \$3 million dollars, leaving very little common area work for a new owner other than remodeling the remaining seventeen (17) low rent units as they become available.

This is an excellent opportunity for a Buyer to purchase a recently renovated apartment building in the Outer Richmond District of San Francisco with excellent water views and one (1) block from Ocean Beach. Attractively priced at \$285,571 per unit, with minimal work for a new owner to do, this property will provide both cash flow and upside potential on the remaining 40% of the units as they turn, offering a double digit cash on cash return in the future.





4740

NO SMOKING



The Property

Property Information

Address: 4740 Balboa Street, San Francisco (between 48th Ave & La Playa)

District: Outer Richmond

Property Type: Apartment building

Apartments: 35 apartment units

Stories: 5 stories above lobby

Parking: None, street parking only

APN: 1591-005J

Building Square Feet: 15,659 square feet

Lot Size: 5,009 square feet

Constructed: 1928

Zoning: RM-1

Building Systems

Foundation: Concrete foundation

Structure: Wood-frame

Façade: Stucco & Hardy plank siding

Windows: Wood-frame or vinyl

Rear of Building: Stucco & vinyl siding

Roof Composition: Modified bitumen

Elevator: Yes - 1

Electrical Service: Separately metered

Gas Service: Separately metered

Fire Protection System: Centralized panel monitored 24/7 by SF Fire Protection

Fire Escapes: North & south sides of building

Heat Source: Electric baseboard or steam heat radiators

Hot Water: Two 119-gallon hot water storage tank (split tank system)

Plumbing: Mixture of copper & galvanized

Common Area Lights: Timing system

Circuit Breakers: Circuit breakers at main service

Surveillance: 12-camera monitoring system

Door Entry System: Keypad entry system

Mailboxes: In lobby

Front Landing/Lobby: Slate tile

Lighting: Decorative lighting and wall sconces

Lobby Flooring: Carpeted

Landing Areas: Carpeted

Laundry: Common area laundry (3 washers & 4 dryers)

Garbage: Sunset Scavenger (trash cans located in laundry room)

Building Information

Unit Mix: 9 Jr studios, 20 studios, 5 Jr one bedrooms and 1 one bedroom apartment

Kitchens: Gas ranges with oven

Over-under refrigerator

Original wood cabinets with tile counters

Tile and linoleum flooring

Eat-in kitchens in larger studios

Dishwashers (in most renovated units)

Bathrooms: Hexagon tile floors

Pedestal sinks

Low flow toilets

Storage mirrors

Tub shower combinations

Window ventilation

Bedrooms: Hardwood floors

Walk-in closets

Recessed lighting in renovated units

Woodframe or vinyl windows

Ample natural light

Notes

The subject property is compliant with the San Francisco Soft Story Ordinance.

Financial Analysis

Financial Summary		Annual Gross Income	Current	Proforma
Price	\$9,995,000	Gross Potential Income	\$729,705	\$1,062,120
Down Payment	\$3,495,000	Vacancy (3%)	\$21,891	\$31,864
Number of Units	35	AGI	\$707,814	\$1,030,256
Price/Unit	\$285,571	Expenses	\$287,552	\$287,552
Gross Square Feet	15,659	NOI	\$420,262	\$742,705
Price/Square Foot	\$638			
CAP Rate - Current	4.20%			
CAP Rate - Proforma	7.43%			
GRM - Current	13.70			
GRM - Pro Forma	9.41			
Year Built	1928			
Lot Size	5,009			

Financing		Cash Flow After Debt Service	Current	Proforma
Loan Amount	\$6,500,000	Less Debt Service	\$250,250	\$250,250
Loan Type	Existing Loan	Cash Flow	\$170,012	\$492,455
Interest Rate	3.85%	Cash on Cash Return	4.86%	14.09%
Program	5 Year Interest Only	Expenses as % Of Gross	39%	27%
Loan to Value	65%	Expenses per Unit	\$8,216	\$8,216

Loan Quote: Existing loan at 3.85% 5 year Interest Only

Operating Expenses

Annual Operating Expenses	Current	Exp/Unit	% /Exp	Market	Exp/Unit	% /Exp
Property Taxes	\$118,191	\$3,377	41%	\$118,191	\$3,377	41%
Special Assessment Tax	\$1,773	\$51	1%	\$1,773	\$51	1%
Insurance	\$12,304	\$352	4%	\$12,304	\$352	4%
Intercom + Phone Service	\$4,723	\$135	2%	\$4,723	\$135	2%
Repairs & Maintenance	\$26,250	\$750	9%	\$26,250	\$750	9%
Janitorial	\$5,940	\$170	2%	\$5,940	\$170	2%
Supplies	\$524	\$15	0%	\$524	\$15	0%
Management Fee	\$26,623	\$761	9%	\$26,623	\$761	9%
PG&E	\$44,565	\$1,273	15%	\$44,565	\$1,273	15%
Water	\$17,244	\$493	6%	\$17,244	\$493	6%
Garbage	\$13,410	\$383	5%	\$13,410	\$383	5%
Pest Control	\$2,160	\$62	1%	\$2,160	\$62	1%
Fire Protection Services	\$1,425	\$41	0%	\$1,425	\$41	0%
Government Fees	\$3,064	\$88	1%	\$3,064	\$88	1%
Elevator Maintenance	\$1,140	\$33	0%	\$1,140	\$33	0%
On-Site Manager	\$5,060	\$145	2%	\$5,060	\$145	2%
Landscaping	\$1,485	\$42	1%	\$1,485	\$42	1%
Professional Service Fees	\$1,390	\$40	0%	\$1,390	\$40	0%
Security Deposit Interest	\$281	\$8	0%	\$281	\$8	0%
Total Operating Expenses	\$287,552	\$8,216	100%	\$287,552	\$8,216	100%
Gross Potential Income	\$729,705			\$1,062,120		
Vacancy (3.5%)	\$21,891			\$31,864		
AGI	\$707,814			\$1,030,256		
Expenses	\$287,552			\$287,552		
NOI	\$420,262			\$742,705		
Expenses as % of Gross Income	39%			27%		
Expense per Unit	\$8,216			\$8,216		

Rent Roll

Unit No.	Unit Type	Base Rent	Rubs Income	CIP 2 Income	CIP 1 Income	Market Rent	Move in Date	Water Views	Notes	Unit Status
1	jr 1bedroom	\$2,595.00	\$100.00			\$2,950	6/14/2022	Yes		renovated
2	jr 1bedroom	\$2,395.00	\$100.00			\$2,950	Vacant			renovated
101	studio	\$1,995.00	\$114.45			\$2,395	7/5/2021	Yes		renovated
102	(mgr) studio	\$1,250.22		\$34.42	\$84.39	\$2,950	10/1/2010	Partial		
103	studio	\$1,963.65	\$99.74	\$34.42		\$2,395	2/1/2021	Yes		renovated
104	jr 1bedroom	\$1,973.37				\$2,950	4/1/2021			renovated
105	jr studio	\$1,695.00	\$100.00			\$1,995	8/6/2022	Yes		renovated
106	jr studio	\$717.81		\$34.42	\$84.39	\$1,995	10/1/2010			
201	studio	\$1,470.34		\$34.42	\$84.39	\$2,395	1/14/2011	Yes		
202	studio	\$1,264.93		\$34.42	\$84.39	\$2,395	4/1/2011	Partial		
203	studio	\$1,304.38		\$34.42	\$84.39	\$2,395	6/1/2008	Yes		
204	studio	\$1,795.00	\$100.57			\$2,395	12/13/2021			
205	jr studio	\$1,763.21	\$114.45	\$34.42		\$1,995	12/7/2017	Yes		renovated
206	jr studio	\$327.87		\$34.42		\$1,995	1/15/1979			
210	jr 1bedroom	\$2,395.00	\$132.75			\$2,950	9/1/2021	Yes	Yes	renovated
211	studio	\$1,695.00	\$100.00			\$2,395	3/1/2022	Yes		renovated
212	1 bedroom	\$2,008.96	\$115.69			\$3,150	11/21/2020			renovated
301	studio	\$1,498.28		\$34.42	\$84.39	\$2,395	11/1/2007			
302	studio	\$2,395.00	\$100.00			\$2,395	7/30/2022	Partial		renovated
303	studio	\$2,311.06	\$99.74			\$2,395	12/20/2019	Yes		renovated
304	studio	\$1,895.00	\$100.00			\$2,395	6/18/2022			renovated
305	jr studio	\$1,495.00	\$99.74			\$1,995	11/23/2021	Yes		renovated
306	jr studio	\$1,258.75	\$118.21			\$1,995	11/22/2020			renovated
307	jr studio	\$1,549.48	\$85.17	\$34.42		\$1,995	2/1/2018	Yes		renovated
308	studio	\$1,606.16	\$102.49			\$2,395	1/18/2021			renovated

Rent Roll

Unit No.	Unit Type	Base Rent	Rubs Income	CIP 2 Income	CIP 1 Income	Market Rent	Move in Date	Water Views	Notes	Unit Status
309	studio	\$2,347.78	\$96.69			\$2,395	5/5/2021	Yes	Yes	renovated
310	studio	\$1,304.01		\$34.42	\$84.39	\$2,395	7/1/2011			
401	jr studio	\$296.16		\$34.42	\$57.09	\$1,995	8/1/1981	Yes		
402	studio	\$2,095.00	\$100.00			\$2,395	6/23/2022			renovated
403	studio	\$562.66		\$34.42	\$84.39	\$2,395	11/1/1979	Yes		
404	studio	\$1,719.70		\$34.42	\$84.39	\$2,395	4/1/2012			
501	jr studio	\$307.79		\$34.42	\$58.15	\$1,995	4/1/1980	Yes		
502	studio	\$1,243.42		\$34.42	\$84.39	\$2,395	8/1/2009			
503	jr 1bedroom	\$2,750.00	\$105.52			\$2,950	5/1/2020	Yes		renovated
504	studio	\$1,149.89		\$34.42	\$84.39	\$2,395	11/1/2006			
Monthly Rent		\$56,394.88	\$2,085.21	\$585.14	\$1,043.53	\$84,310				
Laundry		\$700.00				\$700				
Utility Income		\$2,085.21				\$3,500				
CIP Income 1		\$585.14				\$0				
CIP Income 2		\$1,043.53				\$0				
Monthly Income		\$60,808.76				\$88,510.00				
Annual Income		\$729,705				\$1,062,120	Upside : 46%			

Units

Jr studio - 9
 studio - 20
 jr 1 bedroom - 5
 1 bedroom - 1
 Total - 35

Notes

Market rents estimated using Rentometer.com
 Laundry projected at \$20 per unit per month
 New tenant utility income projected at \$100 per month
 CIP income includes existing and pending passthrough petition at SF Rent Board
 Longer term (10+ years) tenants

Property Photos





Property Photos





Property Photos





Property Photos

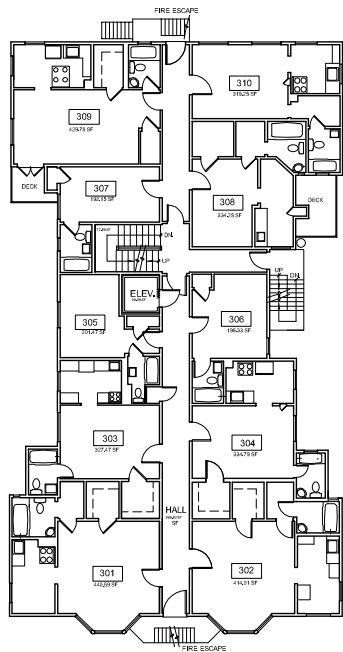




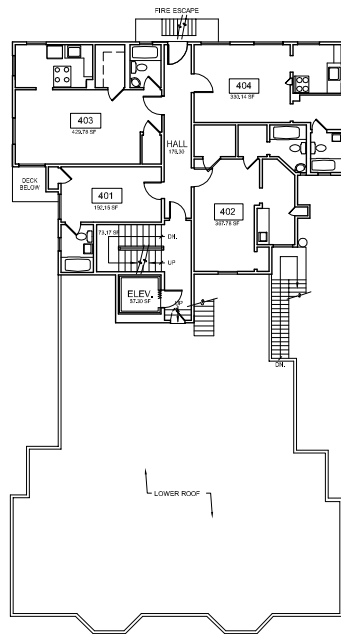
Property Photos



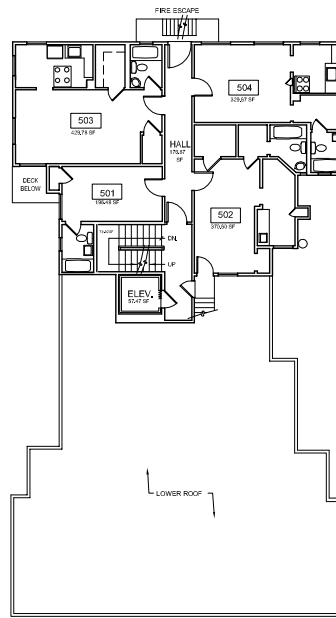




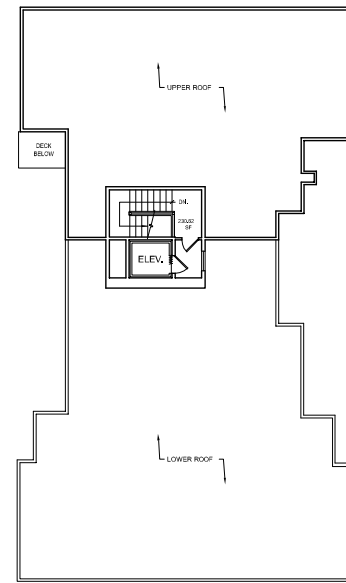
THIRD FLOOR PLAN
 SCALE: 1/16" = 1'-0"
 3733 SF



FOURTH FLOOR PLAN
 SCALE: 1/16" = 1'-0"
 1633 SF



FIFTH FLOOR PLAN
 SCALE: 1/16" = 1'-0"
 1635 SF



ROOF PLAN
 SCALE: 1/16" = 1'-0"
 231 SF



REVISIONS	
10/7/11	LX

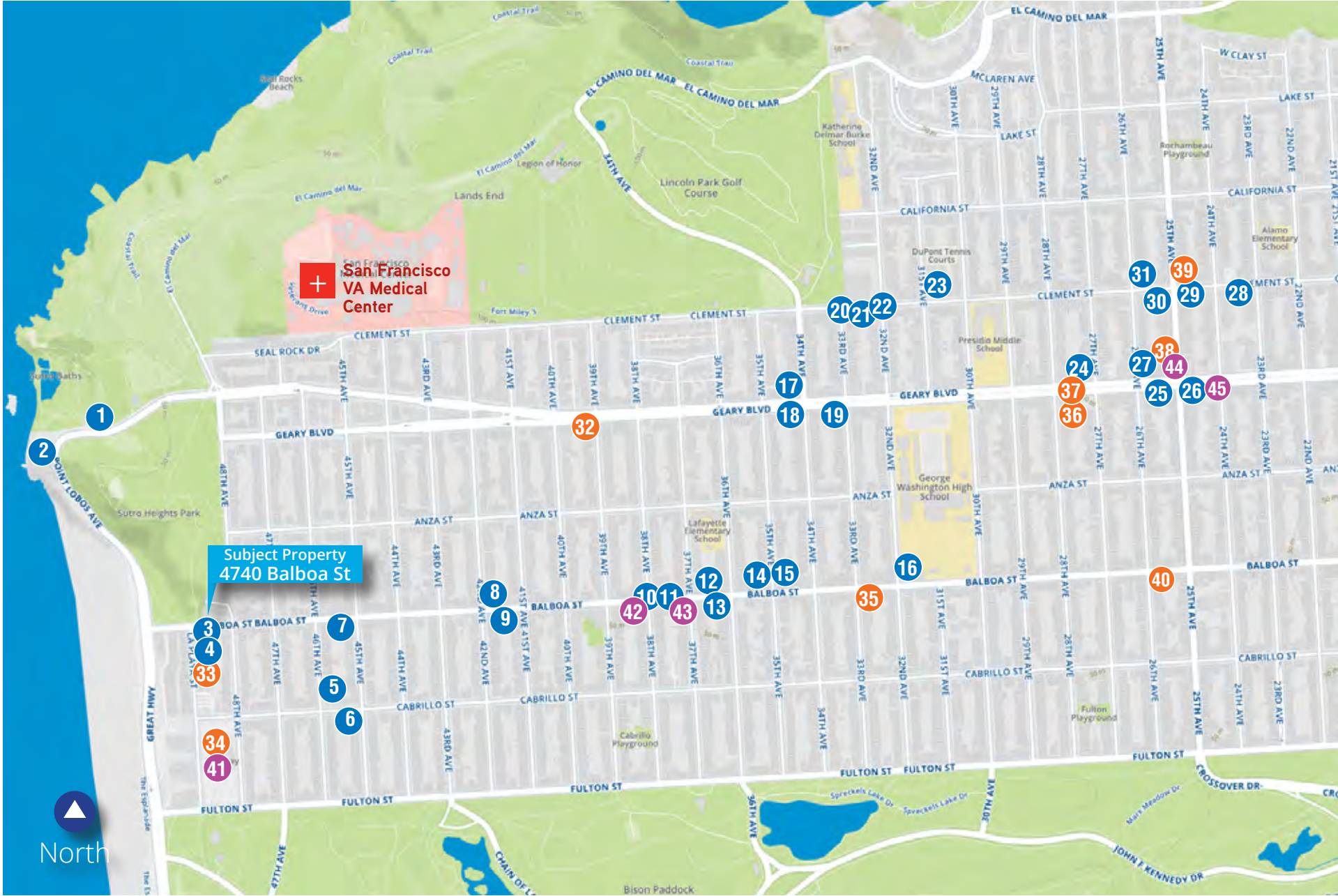
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APARTMENT BUILDING
 4740 BALBOA STREET, SAN FRANCISCO, CA

DATE: 08/13/08
 DRAWN BY: JD
 JOB: 0219
 FILE NO: 0219A3_R1
 SHEET:

A2

Amenities Map



● Restaurants & Bars

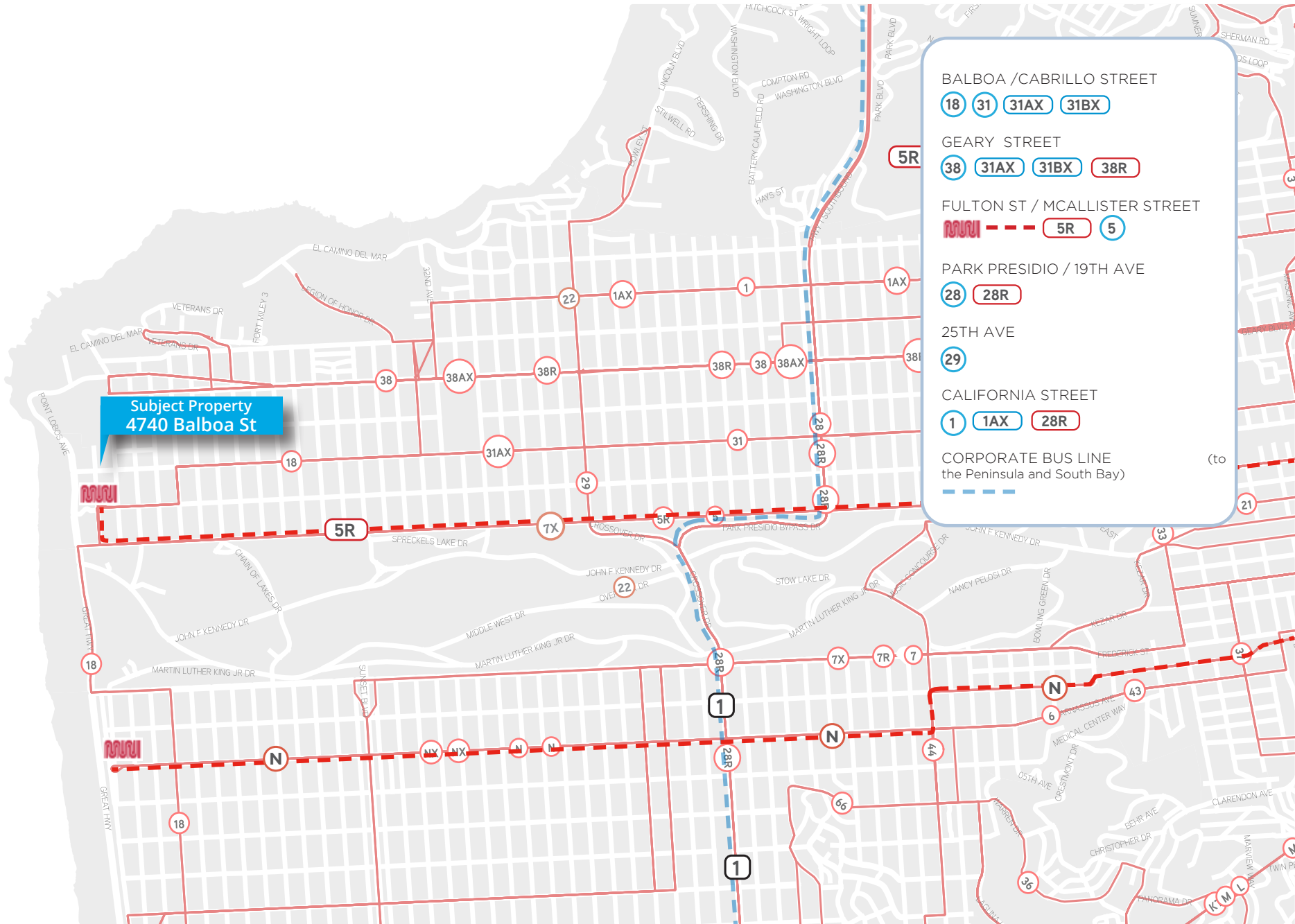
● Convenience & Grocery Stores

● Banks & ATM's

Neighborhood Amenities

- | | | | |
|-----------------------|-----------------------------|----------------------------------|----------------------------------|
| 1 Louise' | 13 Cassava | 25 Great India Restaurant | 37 Geary SF CA |
| 2 Cliff House | 14 Chinos Taqueria | 26 Tommy's Mexican | 38 Hollywood Food Center |
| 3 Tj Cafe | 15 Village House Restaurant | 27 Trad'r Sam | 39 25th & Clement Produce Market |
| 4 Kawika's Ocean Deli | 16 Pizza Joint | 28 Red Tavern | 40 Balboa Bi-Rite |
| 5 Hunan Cafe #2 | 17 Pacific Cafe | 29 Firella Clement | 41 Wells Fargo Bank ATM |
| 6 Hakka | 18 Kufu Ya | 30 Samila Thai Restaurant | 42 Bank of America |
| 7 Feng Ze Yuan | 19 Sugarcane SF | 31 Daigo Sushi | 43 East West Bank |
| 8 Empero Taste | 20 Pagan Restaurant | 32 Ocean View Market & Deli | 44 Citi Bank |
| 9 Al-Masri Egyptian | 21 New Oyaji Restaurant | 33 Europa Express | 45 First Republic Bank |
| 10 Miki | 22 El Mansour | 34 Safeway | |
| 11 Mr Banh Mi | 23 The Art Bistro | 35 Better Food Market | |
| 12 Eat Americana | 24 Jang Soo BBQ | 36 Grocery Outlet bargain Market | |

Public Transportation



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

The area around 4740 Balboa 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 2021" 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. 4740 Balboa Street is within walking distance of a variety of public transit systems, including the Geary, California and Fulton Street Transit Muni bus lines—all 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.





4740 Ball Street





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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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