

# 1745 Market Street

Mission Dolores | San Francisco, CA

Investment Opportunity | Offering Memorandum



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# Table of Contents

06

Offering Summary

08

Financial Overview

11

Property Photographs

16

Tech Corridor

17

Public Transport

18

Aerial

# Offering Summary

1745 Market Street (at Valencia) is a 56-unit, mixed-use (residential over retail), corner building, comprised of +/-57,448 square feet. The building is centrally located and surrounded by Hayes Valley, the Lower Haight, Civic Center and the Mission District. This pedestrian friendly area around is in close proximity to phenomenal restaurants and upscale-boutiques. The building is minutes from "world-class" culture & entertainment, including Opera Plaza, Davies Symphony Hall, The Warfield, and the Asian Art Museum. Commuting is made easy from the subject property with superior access to the Central Freeway, Muni, BART and CalTrain.

The property consists of 48 residential units and 8 commercial spaces. The residential portion of the building consists of 10 sleeping rooms/single room occupancy units (SRO's), 13 studio apartments, 22 one bedrooms and 3 two bedrooms. The renovated units feature modern upgrades, including laminate flooring and state-of-the-art, kitchen appliances, that maximize the smaller living spaces. The 8- ground floor retail spaces combined measure approximately 11,000 square feet. There are two- billboards on the property and a cell antenna that contribute to the income for the asset. Extensive capital improvements, include seismic work, exterior paint, common area carpet (and paint), a new entry gate/intercom system and security cameras. There is an on-site laundry facility for the convenience of the tenants.

The purchase of 1745 Market Street is a rare opportunity for an investor to acquire a well-located, corner, mixed-use asset, that has been significantly renovated. Income upside will be realized as the economy improves and demand for residential and retail space is restored.









# Financial Analysis

Financial Summary		Annual Gross Income	Current	Proforma
Price	\$13,000,000	Gross Potential Income	\$1,610,323	\$1,899,616
Down Payment	\$6,500,000	Vacancy (5.0%)	\$80,516	\$94,981
Number of Units	56	AGI	\$1,529,807	\$1,804,635
Price/Unit	\$232,143	Expenses	\$566,755	\$581,220
Gross Square Feet	57,448	NOI	\$963,052	\$1,223,415
Price/Square Foot	\$226			
CAP Rate - Current	7.41%			
CAP Rate - Proforma	9.41%			
GRM - Current	8.07			
GRM - Pro Forma	6.84			
Year Built	1909			
Lot Size	13,422			

Financing		Cash Flow After Debt Service	Current	Proforma
Loan Amount	\$6,500,000	Less Debt Service	\$508,502	\$508,502
Loan Type	Proposed New	Cash Flow	\$454,550	\$714,913
Interest Rate	6.80%	Cash on Cash Return	6.99%	11.00%
Program	5/30 Year Fixed	Expenses as % Of Gross	35%	31%
Loan to Value	50%	Expenses per Unit	\$10,121	\$10,379

*Loan Quote: Estimated at 50% LTV at 6.80% 5/30 Fixed  
(Loan information is time sensitive & subject to change)*



# Financial Analysis

Annual Operating Expenses		Current	Exp/Unit	% /Exp	Market	Exp/Unit	% /Exp
Property Taxes	<i>1.1797% of Sales Price</i>	\$153,361	\$2,739	27%	\$153,361	\$2,739	26%
Special Assessment Tax	<i>Estimated at 1.5% of Property Tax</i>	\$2,300	\$41	0%	\$2,300	\$41	0%
Insurance	<i>Owner's Statement</i>	\$56,783	\$1,014	10%	\$56,783	\$1,014	10%
Property Management	<i>Estimated at 5% of Gross Income</i>	\$80,516	\$1,438	14%	\$94,981	\$1,696	16%
On-Site Management	<i>Covered by property management</i>	\$-	\$-	0%	\$-	\$-	0%
Maintenance Fee (Management)	<i>Owner's Statement</i>	\$43,200	\$771	8%	\$43,200	\$771	7%
Repairs & Maintenance	<i>Estimated at \$750/unit</i>	\$42,000	\$750	7%	\$42,000	\$750	7%
Telephone	<i>Owner's Statement</i>	\$3,096	\$55	1%	\$3,096	\$55	1%
Gas	<i>Owner's Statement</i>	\$45,655	\$815	8%	\$45,655	\$815	8%
Electricity	<i>Owner's Statement</i>	\$10,086	\$180	2%	\$10,086	\$180	2%
Utility Recovery	<i>Owner's Statement</i>	\$688	\$12	0%	\$688	\$12	0%
Water	<i>Owner's Statement</i>	\$25,299	\$452	4%	\$25,299	\$452	4%
Sewer	<i>Owner's Statement</i>	\$36,363	\$649	6%	\$36,363	\$649	6%
Garbage Disposal	<i>Owner's Statement</i>	\$29,204	\$522	5%	\$29,204	\$522	5%
Permits & Licenses	<i>Owner's Statement</i>	\$3,073	\$55	1%	\$3,073	\$55	1%
Janitorial	<i>Owner's Statement</i>	\$32,199	\$575	6%	\$32,199	\$575	6%
Pest Control	<i>Owner's Statement</i>	\$2,670	\$48	0%	\$2,670	\$48	0%
Lighting Supplies	<i>Owner's Statement</i>	\$262	\$5	0%	\$262	\$5	0%
<b>Total Operating Expenses</b>		<b>\$566,755</b>	<b>\$10,121</b>	<b>100%</b>	<b>\$581,220</b>	<b>\$10,379</b>	<b>100%</b>
<b>Gross Potential Income</b>		<b>\$1,610,323</b>			<b>\$1,899,616</b>		
Vacancy (5.0%)		\$80,516			\$94,981		
AGI		\$1,529,807			\$1,804,635		
Expenses		\$566,755			\$581,220		
<b>NOI</b>		<b>\$963,052</b>			<b>\$1,223,415</b>		
Expenses as % of Gross Income		35%			31%		
Expense per Unit		\$10,121			\$10,379		



# Rent Roll

Unit No.	Unit Type	Rents	Bonds	Water Bond	Market Rent	Sq Ft	Move in Date
1	1 Bed, 1 Bath	\$2,256.83	\$28.69	\$10.99	\$2,675	725	7/1/2011
2	1 Bed, 1 Bath	\$2,166.47		\$10.99	\$2,675	775	1/1/2008
3	SRO	\$915.07	\$28.69	\$10.99	\$1,445	273	11/19/2011
4	2 Bed, 1 Bath*	\$2,895.62			\$2,995	793	11/7/2022
5	1 Bed, 1 Bath	\$1,687.95	\$28.69	\$10.99	\$2,995	761	7/8/2006
6	Studio	\$1,755.67	\$28.69	\$10.99	\$2,250	451	4/18/2012
7	1 Bed, 1 Bath	\$1,580.08	\$28.69	\$10.99	\$3,295	744	1/1/1997
8	1 Bed, 1 Bath*	\$2,740.82			\$3,295	852	1/4/2023
9	1 Bed, 1 Bath	\$1,166.27	\$28.69	\$10.99	\$3,295	0	8/9/2013
10	Studio*	\$2,207.32			\$2,250	465	6/8/2022
14	SRO	\$896.65	\$28.69	\$10.99	\$1,205	179	12/13/2008
15	SRO*	\$1,205.00			\$1,205	160	Vacant
16	SRO	\$731.09	\$28.69	\$10.99	\$1,205	241	1/19/2013
17	SRO	\$744.48	\$28.69	\$10.99	\$1,205	272	7/1/2004
18	SRO*	\$650.05	\$28.69		\$1,205	0	9/30/2020
21	1 Bed, 1 Bath	\$1,476.02	\$28.69	\$10.99	\$2,995	776	1/1/1997
22	1 Bed, 1 Bath	\$1,956.27	\$28.69	\$10.99	\$2,995	775	4/3/2003
24	1 Bed, 1 Bath	\$2,037.81	\$28.69	\$10.99	\$2,995	793	2/2/2007
25	1 Bed, 1 Bath	\$2,630.70	\$28.69		\$2,695	761	5/23/2014
26	Studio*	\$2,250.00			\$2,250	451	Vacant
27	1 Bed, 1 Bath	\$1,247.76	\$28.69	\$10.99	\$2,995	744	5/1/2006
28	1 Bed, 1 Bath*	\$2,695.00	\$30.10		\$3,295	852	6/3/2024
29	1 Bed, 1 Bath	\$1,208.86	\$28.69	\$10.99	\$2,995	794	1/1/1980
30	Studio*	\$2,150.00			\$2,150	457	Vacant
31	Studio	\$2,150.00			\$2,150	480	Vacant
32	Studio	\$1,799.56	\$28.69	\$10.99	\$2,250	489	2/2/2007
33	SRO*	\$895.31	\$28.69		\$1,295	153	7/8/2020
34	1 Bed, 1 Bath*	\$2,150.00			\$2,150	437	9/30/2025
35	Studio	\$2,250.00		\$10.99	\$2,250	446	Vacant

Unit No.	Unit Type	Rents	Bonds	Water Bond	Market Rent	Sq Ft	Move in Date
36	Studio*	\$2,250.00			\$2,250	471	Vacant
37	SRO*	\$1,295.00			\$1,295	244	9/15/2023
41	1 Bed, 1 Bath	\$1,912.42	\$28.69	\$10.99	\$2,675	776	12/1/2012
42	2 Bed, 1 Bath*	\$3,147.62			\$2,995	775	7/28/2023
44	1 Bed, 1 Bath*	\$2,625.00			\$2,675	793	1/19/2024
45	1 Bed, 1 Bath	\$1,022.02	\$28.69	\$10.99	\$2,995	761	4/16/2000
46	Studio*	\$2,175.00			\$2,150	451	5/14/2024
47	2 Bed, 1 Bath*	\$3,695.00			\$2,995	744	5/24/2024
48	1 Bed, 1 Bath	\$2,995.00			\$2,995	852	Vacant
49	1 Bed, 1 Bath	\$2,461.35	\$28.69		\$2,675	794	6/20/2011
50	Studio	\$2,250.00			\$2,250	457	Vacant
51	Studio*	\$2,175.00			\$2,250	480	1/31/2024
52	1 Bed, 1 Bath*	\$2,295.00			\$2,250	489	6/1/2024
53	SRO	\$921.29	\$28.69		\$1,295	154	5/17/2017
54	Studio	\$1,476.82	\$28.69		\$2,250	437	7/1/2011
55	Studio	\$871.56	\$28.69	\$10.99	\$2,150	447	7/23/2002
56 (MGR)	1 Bed, 1 Bath*	\$2,250.00			\$2,250	468	Vacant
57	SRO	\$786.28	\$28.69	\$10.99	\$1,295	244	9/18/2008
62	1 Bed, 1 Bath	\$2,131.27	\$28.91		\$2,995	820	3/6/2013
4 Valencia	Martuni's Martuni's	\$7,627.15			\$7,627	1,590	3/1/1996
6 Valencia	Comm	\$1,290.00			\$1,290	516	Vacant
8 Valencia	Laundry and Café	\$3,281.81			\$3,282	1,567	6/1/2018
10 Valencia	Lost & Found	\$1,477.46			\$1,477	303	9/1/2011
12 Valencia	Comm	\$7,107.00			\$7,107	2,843	Vacant
14 Valencia	Ketami Cannibas	\$1,747.50			\$1,748	699	Vacant
16 Valencia	Supermarket	\$5,500.00			\$5,500	2,053	6/19/2015
1755 Market St	Regina Estrada	\$3,713.15			\$3,713	664	1/15/2019
<b>Monthly Income</b>		<b>\$120,976.36</b>	<b>\$863.74</b>	<b>\$256</b>	<b>\$145,084</b>		
1745 Market St	ATT Cell Tower	\$5,375.67			\$5,376		4/9/2014
Billboard A	Dish Wireless	\$2,472.00			\$2,472		9/28/2021
Billboard B	Branded Cities SF	\$2,678.06			\$2,678		4/1/2021
Bond PT		\$863.74			\$864		
Water Bond PT		\$256.27			\$256		
RUBS Program		\$1,496.49			\$1,496		
Pet Rent		\$75.00			\$75		Unit 42
<b>Total Monthly Income</b>		<b>\$134,193.59</b>			<b>\$158,301.30</b>		
<b>Annual Income</b>		<b>\$1,610,323</b>			<b>\$1,899,616</b>		<b>Upside: 18%</b>

## Units

SRO - 10

Studio - 13

1 Bed, 1 Bath - 22

2 Bed, 1 Bath - 3

Comm - 8

Comm other - 3

## Notes

Market rents provided by property manager

Commercial unit 6 estimated at \$4.50/sqft

Commercial unit 12 estimated at \$2.50/sqft

Renovated Units\*



Property Photos







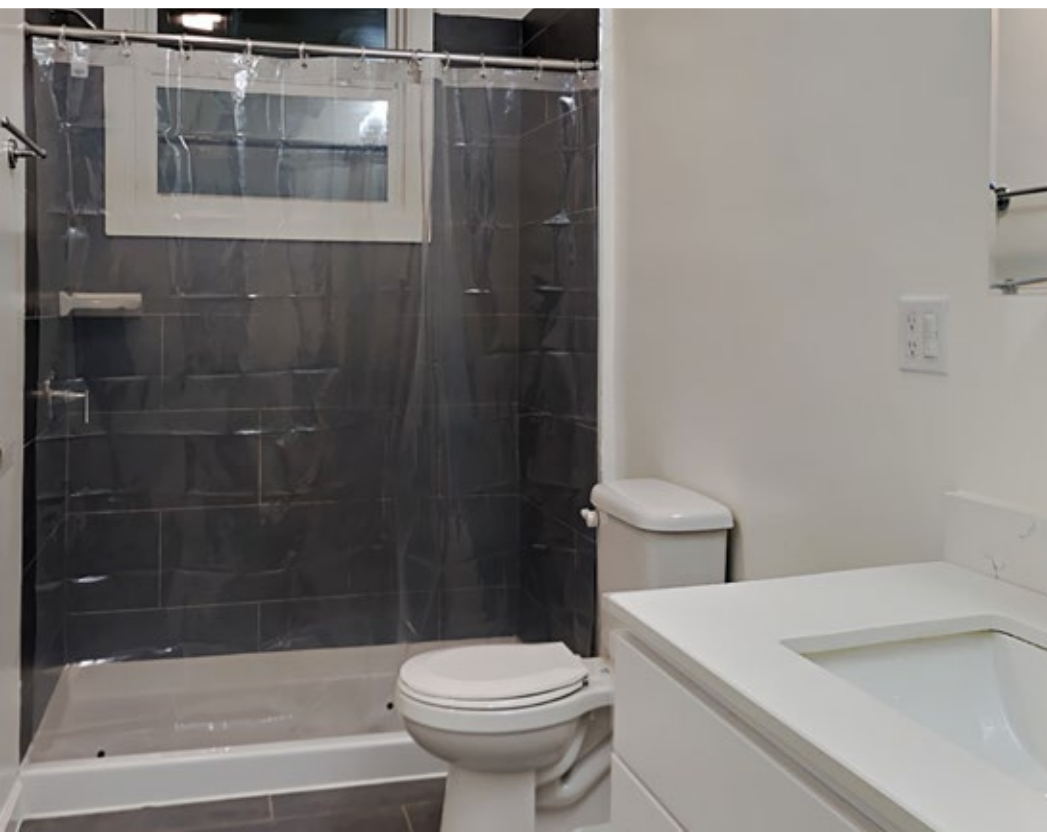














# Tech Corridor

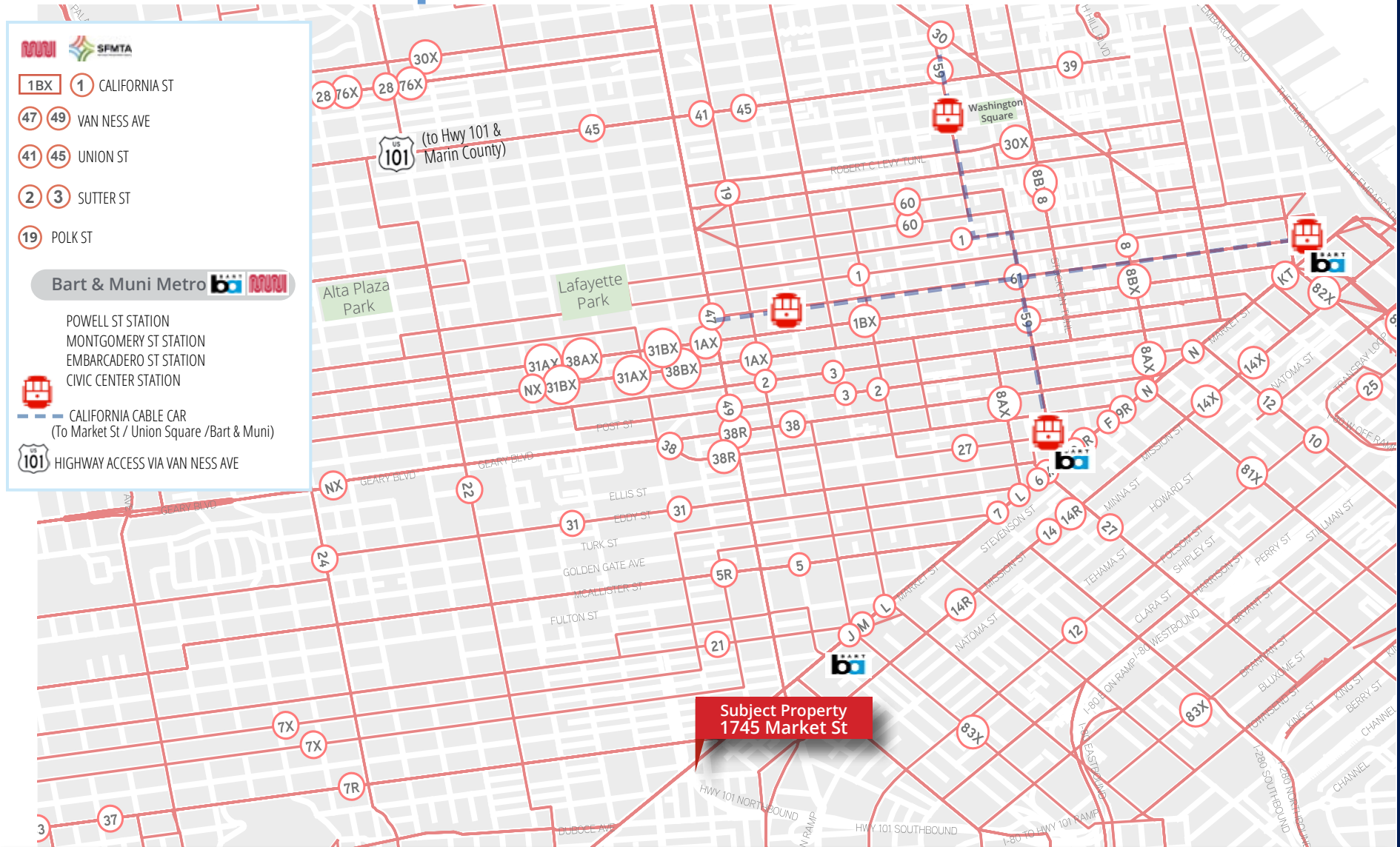


**1745 Market Street**  
Located near San Francisco's New Technology Economy.

Leaders in the technology economy paved the way for the urban renaissance of San Francisco's Mid-Market district. Driven by a new wave of entrepreneurial spirit and an incredible appetite for large blocks of creative office space, Twitter, Uber, Square, and others are remaking the Mid-Market district. Consequently, the sub market has experienced strong rental demand from the growing labor base of young professionals and students who desire to live within walking distance to their offices.



# Public Transportation



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

The area around 1745 Market Street offers an extensive transportation network which ensures superior regional access throughout San Francisco and the surrounding Bay Area. *Access Across America - Transit 2022* 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. 1745 Market Street is within walking distance of a variety of public transit systems, including the Civic Center/UN Plaza Bay Area Rapid Transit System (BART) station, the underground MUNI, and street-level rail—all in addition to a variety of San Francisco's caravan of 'Tech Shuttles' transporting employees to companies such as Google, Genentech, Facebook, and Apple employees from their homes in San Francisco to their job centers in Silicon Valley.









1745  
Market  
Street







Stunning  
*Steens Mountain*  
of Oregon

TRAVEL OREGON

door CAL DOT #DOJ-0201 32'x25' 69094

Octavia

LATEST ROUTES  
I-5 I-805 SR-99

NO RIGHT TURN

ONE WAY

USE RED SIGNAL

OLD LEAF INN



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This Offering Memorandum contains select information pertaining to the business and affairs of the Property at 1745 Market Street San Francisco, CA 94103. 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 1745 Market Street 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 1745 Market Street 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 1745 Market Street 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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