

381 Turk Street

Tenderloin | San Francisco, CA

Investment Opportunity | Offering Memorandum



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Showings by Appointment

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101 Second Street | Suite 1100 | San Francisco, CA







Table of Contents

06

Offering Summary

09

Property Details

10

Financial Overview

13

Property Photographs

18

Floor Plans

22

Tech Corridor

23

Public Transport

24

Aerial

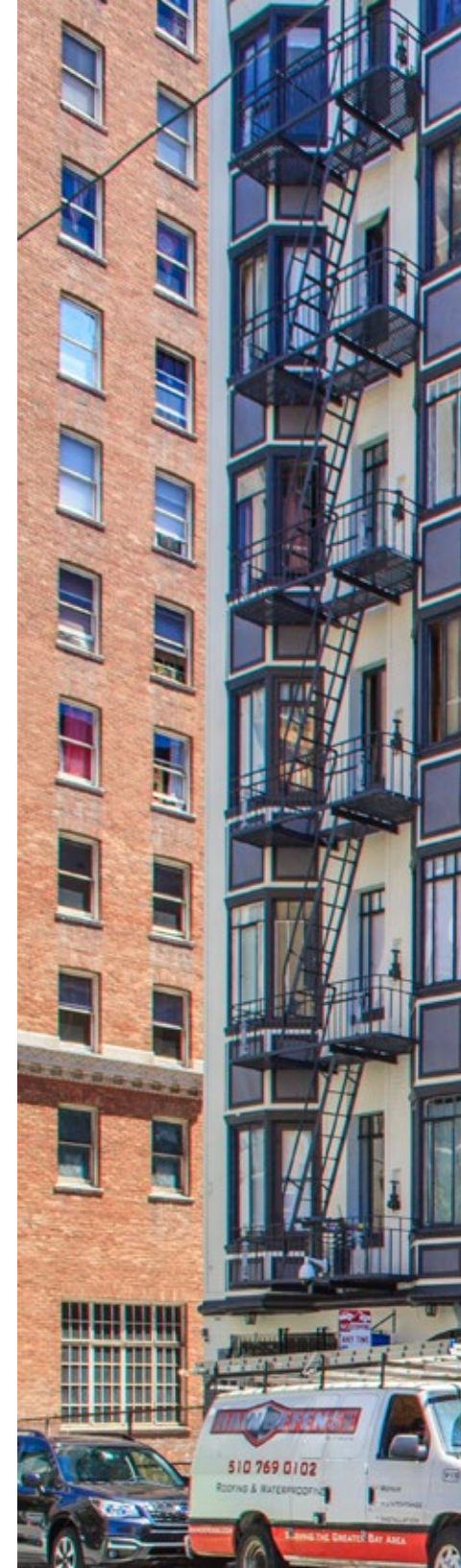
Offering Summary

Built in 1915, 381 Turk Street is a 13,957 square foot building constructed of masonry with a concrete foundation. The building occupies a mid-block lot between Hyde and Leavenworth Street in the Tenderloin neighborhood of San Francisco.

The property is walking distance to Union Square and the “Central Business District”. The City’s architectural history has been well preserved and is on display in this area, as it is home to San Francisco’s most appealing architecture. Restaurant and shopping options are abundant in the areas of Union Square, Polk Street, Civic Center, Market Street, Van Ness Avenue, and the Central Business District. A variety of public transit systems (Bart & Muni) are easily accessible at Powell Street and Civic Center/UN Plaza station.

The property has undergone significant capital improvements, which include: interior painting, carpeting, lobby renovation and mailboxes, interior light fixtures, front gate, intercom system, elevator cab rehab, roof repair, new security cameras and a new common area laundry room. A complete retrofit by the prior ownership complies with the current soft story ordinance. The 32-unit property consists of 29-studios and 3-one bedroom units of which 7 of these units have been remodeled.

381 Turk Street presents a rare opportunity to acquire a stabilized asset at 6.49% cap rate and a significant discount to replacement cost.







BANTON
EXTERIOR SERVICES
973 214-2050
1000 10th St. N. #100
Charlotte, NC 28206

NO PARKING
EXCEPT
FOR THE USE
OF THE
BUS

A person wearing a red hat and dark clothing is walking on the sidewalk to the right of the building.

The Property

Property Information

Address: 381 Turk Street, San Francisco, CA 94109

District: Tenderloin

Property Type: Apartment Building

APN: 0345-012C

Stories: 3 floors

Building Square Feet: 13,957 square feet (per architectural drawings)

Units: 32

Lot Size: 6,150 square feet (per tax records)

Constructed: 1915

Zoning: RC-4

Building Systems

Foundation: Concrete foundation

Structure: Masonry building

Façade: Brick fascia

Windows: Wood-frame windows

Roof System: Rolled Composite System

Electrical Service: 200 Amp/individually metered

Gas Service: Separately metered

Circuit Breakers: Circuit breakers are located at main service and in renovated units

Water Service: Single meter

Fire Protection System: In-unit detectors / sprinkler system in basement and common area hallways/local fire alarm system Fire-lite MS-2 (Byington Electric)

Heat Source: Steam heat

Hot Water Heater: Raypak Hi/Delta system

Hot Water Tank: 200 gallon AO smith holding tank

Steam Heat: Peerless boiler

Plumbing: Mixture of copper & galvanized

Common Area Lights: Timer system

Fire Escapes: North and south side of building

Door Entry System: Linear Intercom system

Security: Gated entry

Front Landing: Hexagon tiles/marble walls & wood flooring in lobby and main stairs

Lobby Lighting: Decorative modern lighting

Mailboxes: Lobby (east wall/south wall)

Unit Access: Walk-up building / elevator access

Elevator: DC elevator system

Landing Areas/Hallways: Carpeted flooring system

Garbage: In basement area (active chute system)

Laundry: 2-washers/2-dryers (laundry room in basement)

Building Information

Unit Mix: Twenty nine (29) studios

Three (3) one-bedrooms

Kitchens: Gas ranges with oven

Freezer over refrigerator

Large ceramic tile flooring

Decorative back-splash

Wood cabinetry (Ample Cabinets /Counters/ Drawers plus Storage)

Quartz countertops

Dome flush mount lighting

Bathrooms: Large ceramic tiled floors and surrounds

Cabinet sinks / modern fixtures

Storage Mirror

Tub-shower Combinations & shower only

Window ventilation

Flush mount lighting

Bedrooms: Ample size bedroom areas

Laminate / hardwood wood -floors

Large windows

Ample closet space

Flush mount lighting

*Note: *Apartment descriptions depict renovated units*

Notes

UMB retrofit completed

Communal barbecue and bench sitting in rear yard

Unimproved basement area (south half of building)

Financial Analysis

Financial Summary		Annual Gross Income	Current	Proforma
Price	\$4,900,000	Gross Potential Income	\$626,872	\$686,230
Down Payment	\$2,450,000	Vacancy (3.5%)	\$21,941	\$24,018
Number of Units	32	AGI	\$604,932	\$662,212
Price/Unit	\$153,125	Expenses	\$205,847	\$208,222
Gross Square Feet	13,957	NOI	\$399,085	\$453,990
Price/Square Foot	\$351			
CAP Rate - Current	8.14%			
CAP Rate - Proforma	9.27%			
GRM - Current	7.82			
GRM - Pro Forma	7.14			
Year Built	1915			
Lot Size	6,150			

Financing		Cash Flow After Debt Service	Current	Proforma
Loan Amount	\$2,450,000	Less Debt Service	\$190,688	\$190,688
Loan Type	Proposed New	Cash Flow	\$208,397	\$263,302
Interest Rate	6.75%	Cash on Cash Return	8.51%	10.75%
Program	5/30 year Fixed	Expenses as % Of Gross	33%	30%
Loan to Value	50%	Expenses per Unit	\$6,433	\$6,507

Quote: First Republic Bank - (Loan information is time sensitive and subject to change).

Financial Analysis

Annual Operating Expenses		Current	Exp/Unit	% /Exp	Market	Exp/Unit	% /Exp
Property Taxes	<i>1.17769% of Sales Price</i>	\$67,128	\$2,098	31%	\$67,128	\$2,098	31%
Special Assessment Tax	<i>Estimated at 1.5% of Property Tax</i>	\$1,007	\$31	0%	\$1,007	\$31	0%
Insurance	<i>Commercial Coverage Indicator</i>	\$17,089	\$534	8%	\$17,089	\$534	8%
Off-Site Management	<i>Estimated at 4% of Gross Income</i>	\$25,075	\$784	12%	\$27,449	\$858	13%
On-Site Management	<i>Estimated at \$1,000/month</i>	\$12,000	\$375	6%	\$12,000	\$375	6%
Repairs & Maintenance	<i>Estimated at \$750/unit</i>	\$24,000	\$750	11%	\$24,000	\$750	11%
Maintenance Payroll-Janitorial	<i>2022 Owner's Statement</i>	\$6,180	\$193	3%	\$6,180	\$193	3%
Telephone	<i>2022 Owner's Statement</i>	\$691	\$22	0%	\$691	\$22	0%
Gas	<i>2022 Owner's Statement</i>	\$14,400	\$450	7%	\$14,400	\$450	7%
Electricity	<i>2022 Owner's Statement</i>	\$4,228	\$132	2%	\$4,228	\$132	2%
Utility Recovery	<i>2022 Owner's Statement</i>	\$1,066	\$33	0%	\$1,066	\$33	0%
Water	<i>2022 Owner's Statement</i>	\$4,800	\$150	2%	\$4,800	\$150	2%
Sewer	<i>2022 Owner's Statement</i>	\$9,600	\$300	4%	\$9,600	\$300	4%
Garbage Disposal	<i>2022 Owner's Statement</i>	\$12,000	\$375	6%	\$12,000	\$375	6%
Garbage Disposal - Internal	<i>2022 Owner's Statement</i>	\$1,159	\$36	1%	\$1,159	\$36	1%
Life Safety Service	<i>2022 Owner's Statement</i>	\$1,928	\$60	1%	\$1,928	\$60	1%
Lighting Supplies	<i>2022 Owner's Statement</i>	\$1,270	\$40	1%	\$1,270	\$40	1%
Professional Fees	<i>2022 Owner's Statement</i>	\$1,206	\$38	1%	\$1,206	\$38	1%
Licenses or Dues	<i>2022 Owner's Statement</i>	\$624	\$20	0%	\$624	\$20	0%
Outside Service-Security	<i>2022 Owner's Statement</i>	\$7,788	\$243	4%	\$7,788	\$243	4%
Elevator Service	<i>2022 Owner's Statement</i>	\$1,821	\$57	1%	\$1,821	\$57	1%
Unit Turnover	<i>2022 Owner's Statement</i>	\$350	\$11	0%	\$350	\$11	0%
Total Operating Expenses		\$215,410	\$6,732	100%	\$217,784	\$6,806	100%
Gross Potential Income		\$626,872			\$686,230		
Vacancy (3%)		\$21,941			\$24,018		
AGI		\$604,932			\$662,212		
Expenses		\$205,847			\$208,222		
NOI		\$399,085			\$453,990		
Expenses as % of Gross Income		33%			30%		
Expense per Unit		\$6,433			\$6,507		

Rent Roll

Unit No.	Unit Type	Rents	Market Rent	Sq Ft	Move in Date	Notes
100	1Bed/1Bath	\$1,915.41	\$2,045	493	10/29/2020	
101	Studio	\$1,545.00	\$1,625	296	10/31/2023	
102	Studio	\$1,595.00	\$1,625	328	5/30/2024	Renovated
103	Studio	\$1,625.00	\$1,625	297	2/17/2024	Renovated
104	Studio	\$1,625.00	\$1,625	296	Vacant	Renovated
105	Studio	\$1,595.00	\$1,625	342	6/13/2024	
106	Studio	\$1,266.90	\$1,625	268	7/1/2006	
107	Studio	\$1,625.00	\$1,625	274	Vacant	Renovated
108	Studio	\$1,625.00	\$1,625	339	Vacant	
109	Studio	\$1,469.79	\$1,625	270	2/27/2022	
200	1Bed/1Bath	\$1,695.00	\$1,695	506	Vacant	Renovated
201	Studio	\$1,622.12	\$1,695	269	5/31/2023	Renovated
202	Studio	\$1,678.05	\$1,695	328	3/30/2023	Renovated
203	Studio	\$1,194.89	\$1,695	297	9/1/2010	
204	Studio	\$1,600.62	\$1,695	296	10/4/2022	
205	Studio	\$1,629.91	\$1,695	342	8/29/2013	
206	Studio	\$1,527.74	\$1,695	268	6/30/2022	
207	Studio	\$1,545.00	\$1,695	274	10/27/2023	Renovated

Unit No.	Unit Type	Rents	Market Rent	Sq Ft	Move in Date	Notes
208	Studio	\$404.00	\$1,695	342	6/1/2018	
209	Studio	\$1,450.00	\$1,695	296	7/28/2022	
210	Studio	\$1,695.00	\$1,695	304	8/29/2022	
300	1Bed/1Bath	\$2,045.00	\$2,045	506	3/31/2024	Renovated
301	Studio	\$1,650.00	\$1,695	296	8/9/2023	
302	Studio	\$1,263.64	\$1,695	328	6/1/2006	
303	Studio	\$1,545.00	\$1,695	297	10/27/2023	
304	Studio	\$1,579.90	\$1,695	296	8/31/2022	
305	Studio	\$1,595.00	\$1,695	342	2/13/2024	Renovated
306	Studio	\$1,528.10	\$1,695	268	9/7/2022	
307	Studio	\$1,280.50	\$1,695	274	11/30/2020	Renovated
308	Studio	\$1,695.00	\$1,695	342	Vacant	Renovated
309 (MGR)	Studio	\$1,695.00	\$1,695	296	4/1/2024	
310	Studio	\$1,678.05	\$1,695	304	5/24/2023	
Monthly Income		\$49,484.62	\$54,310			
Pet Rent		\$100.00	\$100			
Laundry Income		\$358.92	\$480			
Rent Board Fee		\$55.00	\$55			
Capital Imp Passthrough		\$64.00	\$64			
Water Bond Passthrough		\$14.00	\$14			
Bond Passthrough		\$103.00	\$103			
RUBS Program		\$2,059.83	\$2,060			
Total Monthly Income		\$52,239.37	\$57,186			
Annual Income		\$626,872	\$686,230	Upside 9%		

Units

Studio - 29
1 Bedroom - 3

Notes

Market rents based on Rentometer rent analysis and provided by property manager
Laundry projected at \$15 per unit/month

Property Photos





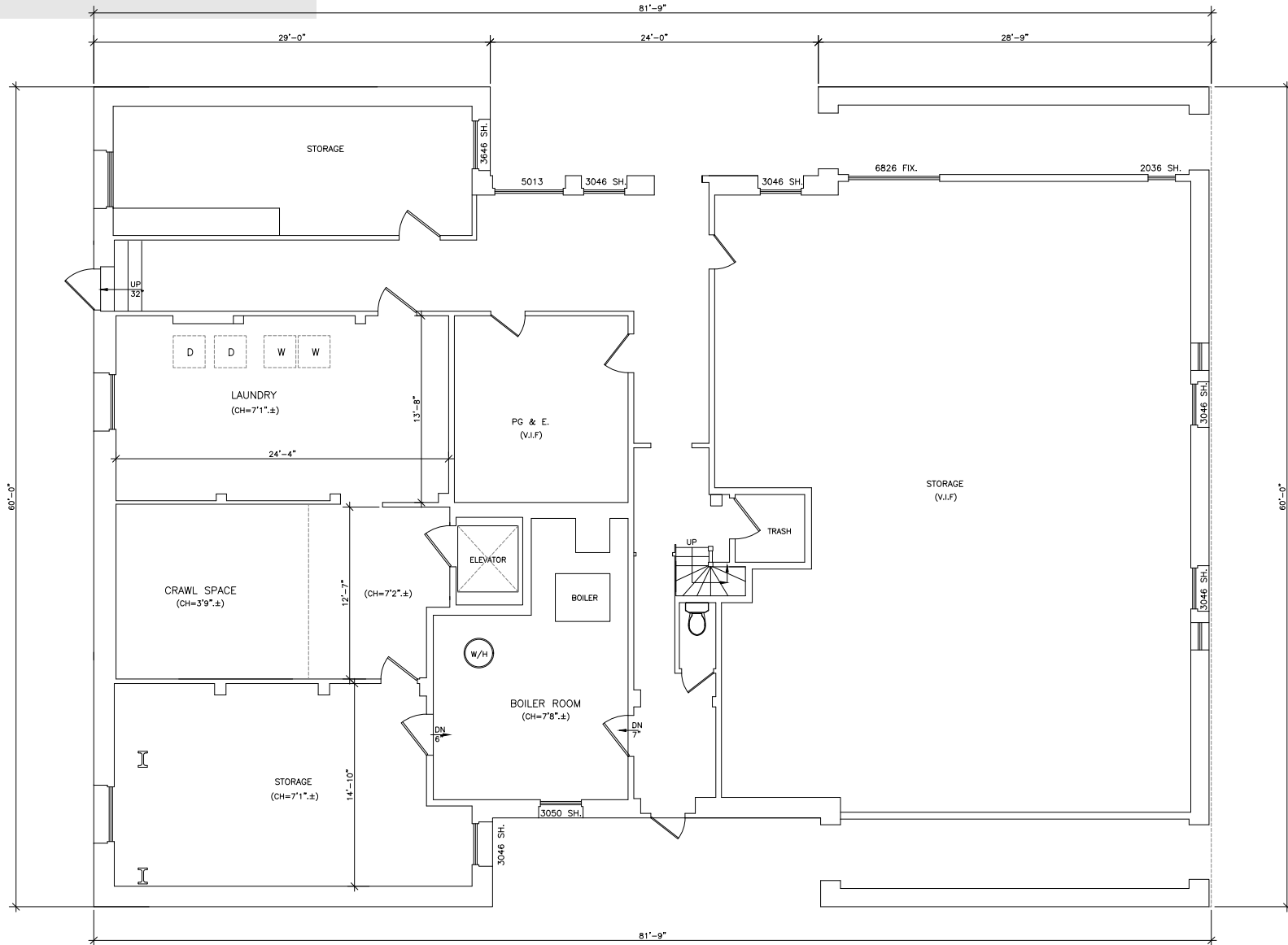






Floor Plans

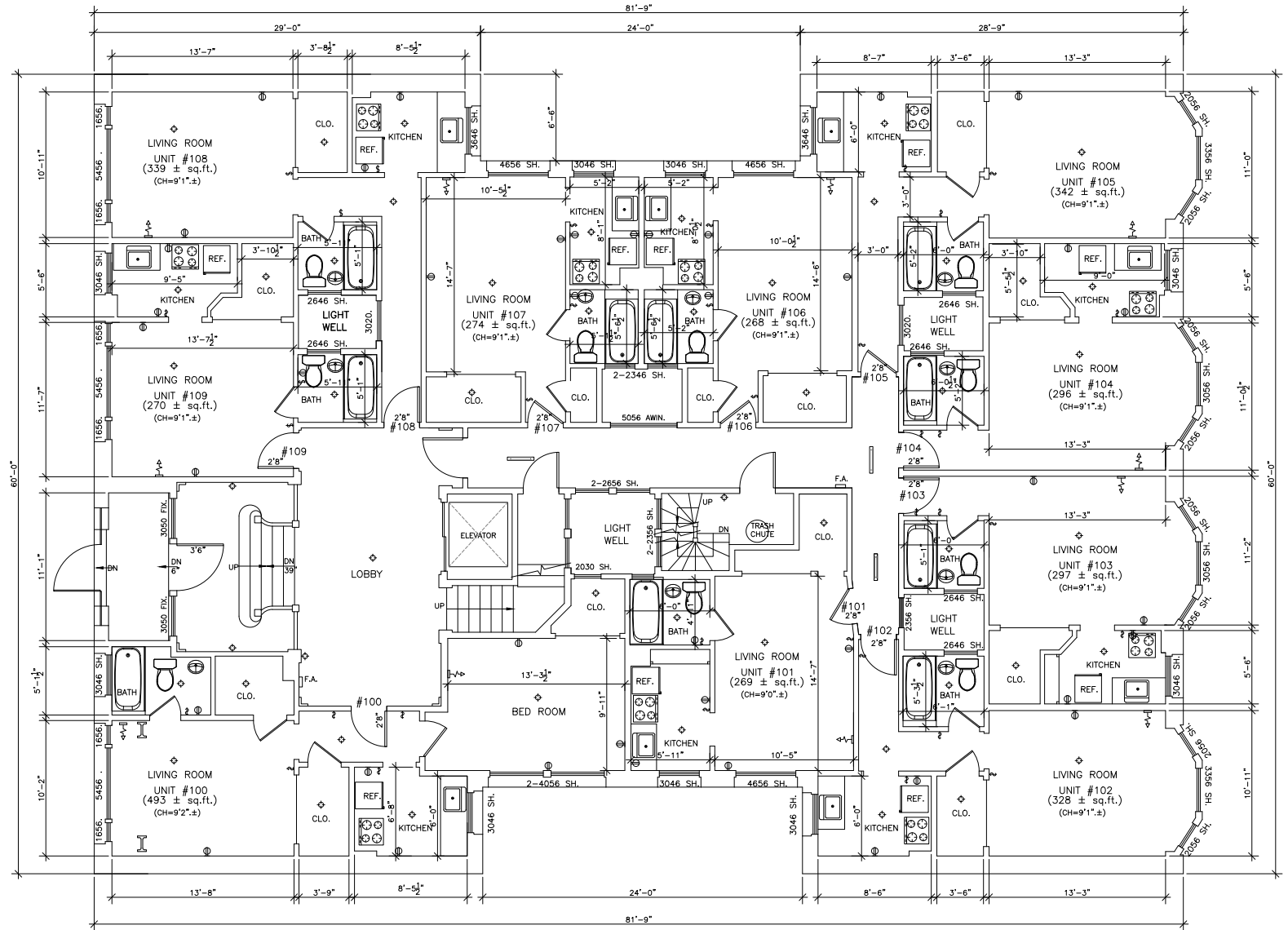
EXISTING GROUND. FLOOR PLAN



381 TURK ST.
 EXISTING GROUND. FLOOR PLAN (AREA = 4,583 ± sq.ft.)
 SCALE: 1/4"=1'-0"



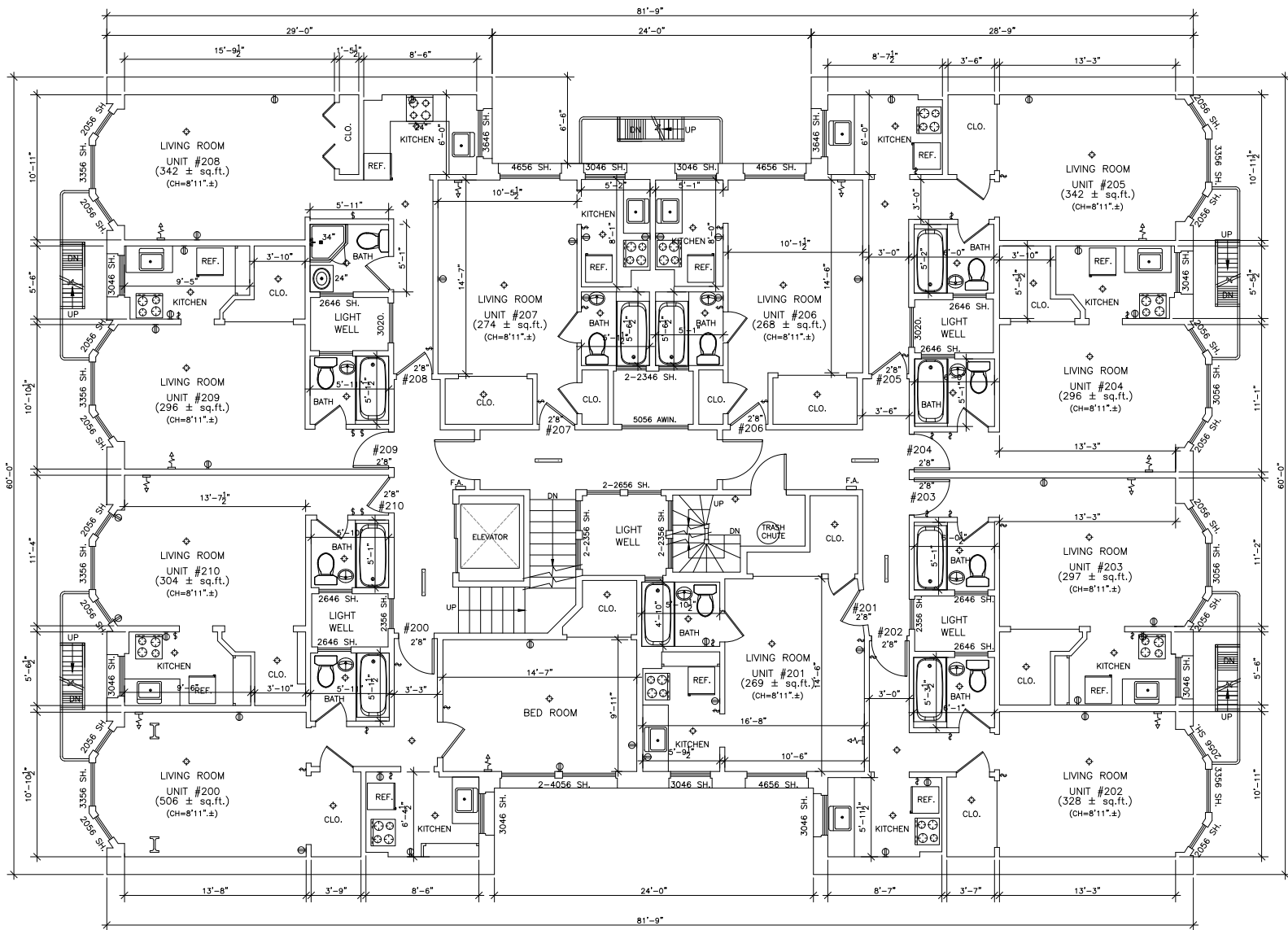
EXISTING 1ST. FLOOR PLAN



381 TURK ST.
 EXISTING 1ST. FLOOR PLAN (AREA = 4,631 ± sq.ft.)
 SCALE: 1/4"=1'-0" UNIT: #100 TO 109



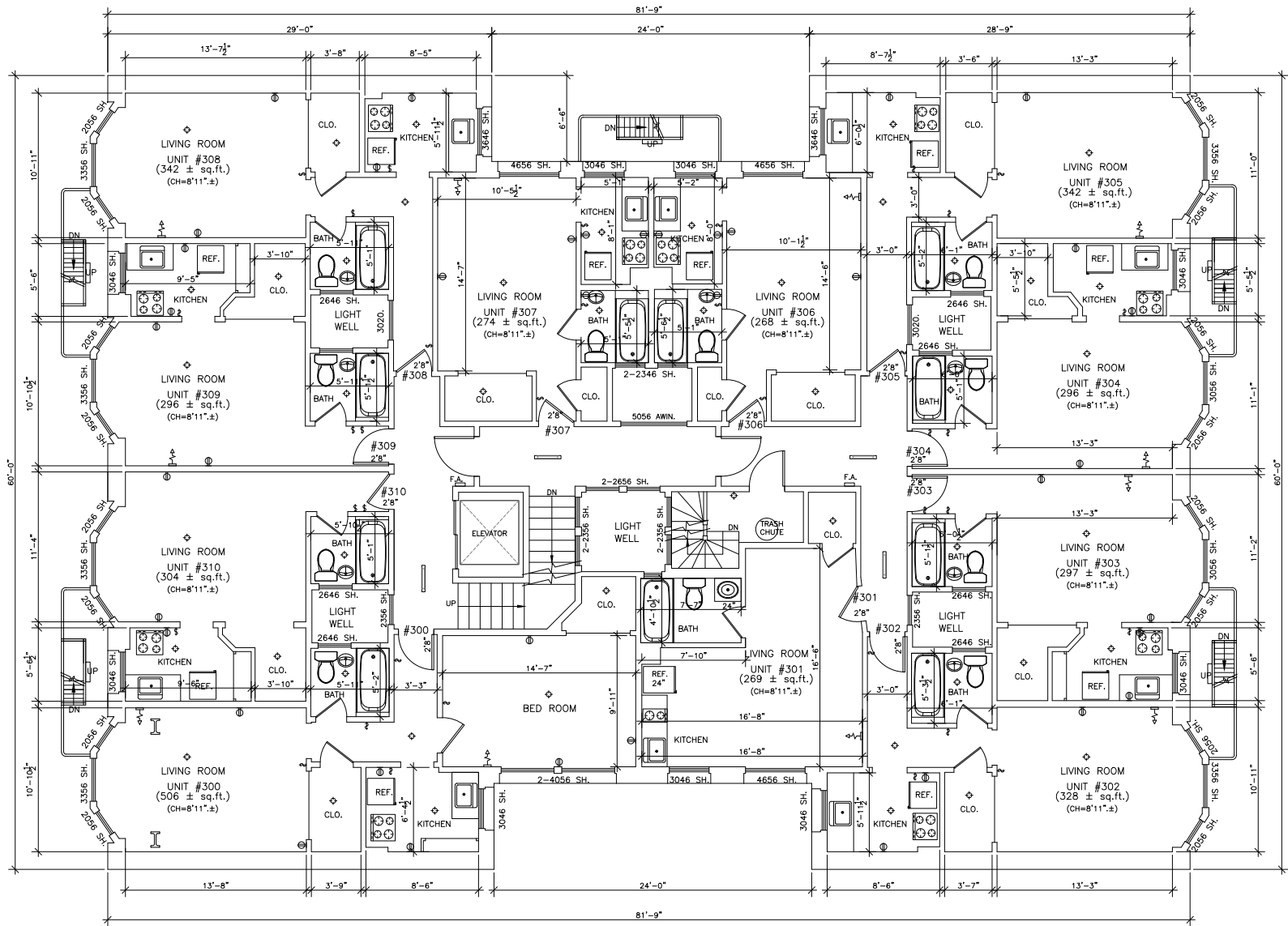
EXISTING 2ND. FLOOR PLAN



381 TURK ST.
 EXISTING 2ND FLOOR PLAN (AREA = 4,663 ± sq.ft.)
 SCALE: 1/4"=1'-0"
 UNIT: #200 TO 210



EXISTING 3RD. FLOOR PLAN



381 TURK ST.
 EXISTING 3RD FLOOR PLAN (AREA = 4,663 ± sq.ft.)
 SCALE: 1/4"=1'-0"
 UNIT: #300 TO 310



Tech Corridor



Subject Property
381 Turk Street

SALES FORCE

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UNION SQUARE

REDDIT

SPOTIFY

BENCHMARK

WE WORK

ZENDESK

YOTEL

DOLBY

RUNWAY

TWITTER

UBER

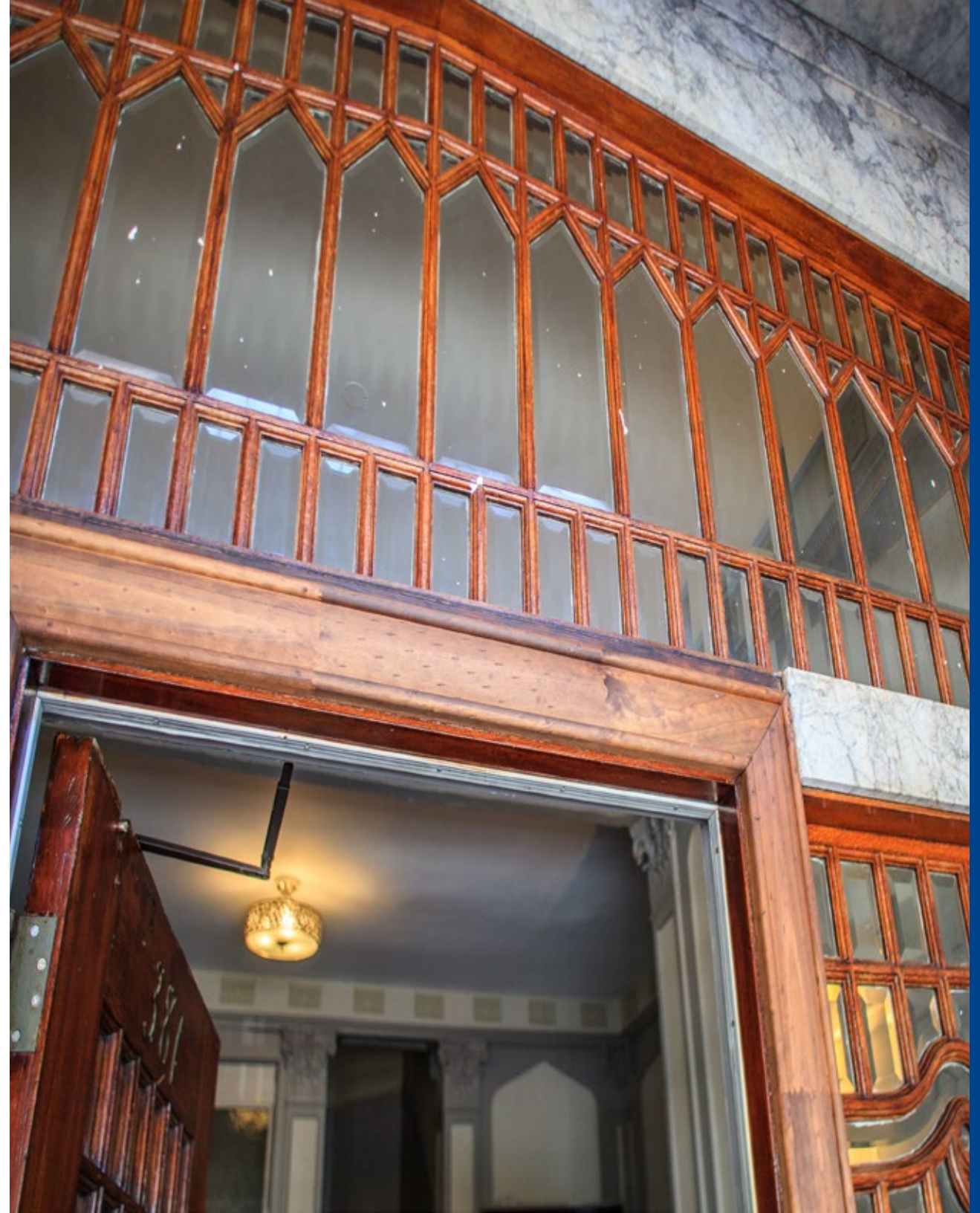
SQUARE

381 Turk 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 submarket 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.



381
Turk
Street





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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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