

# 425 Hyde Street

Tenderloin | San Francisco, CA

Investment Opportunity | Offering Memorandum



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Showings by Appointment

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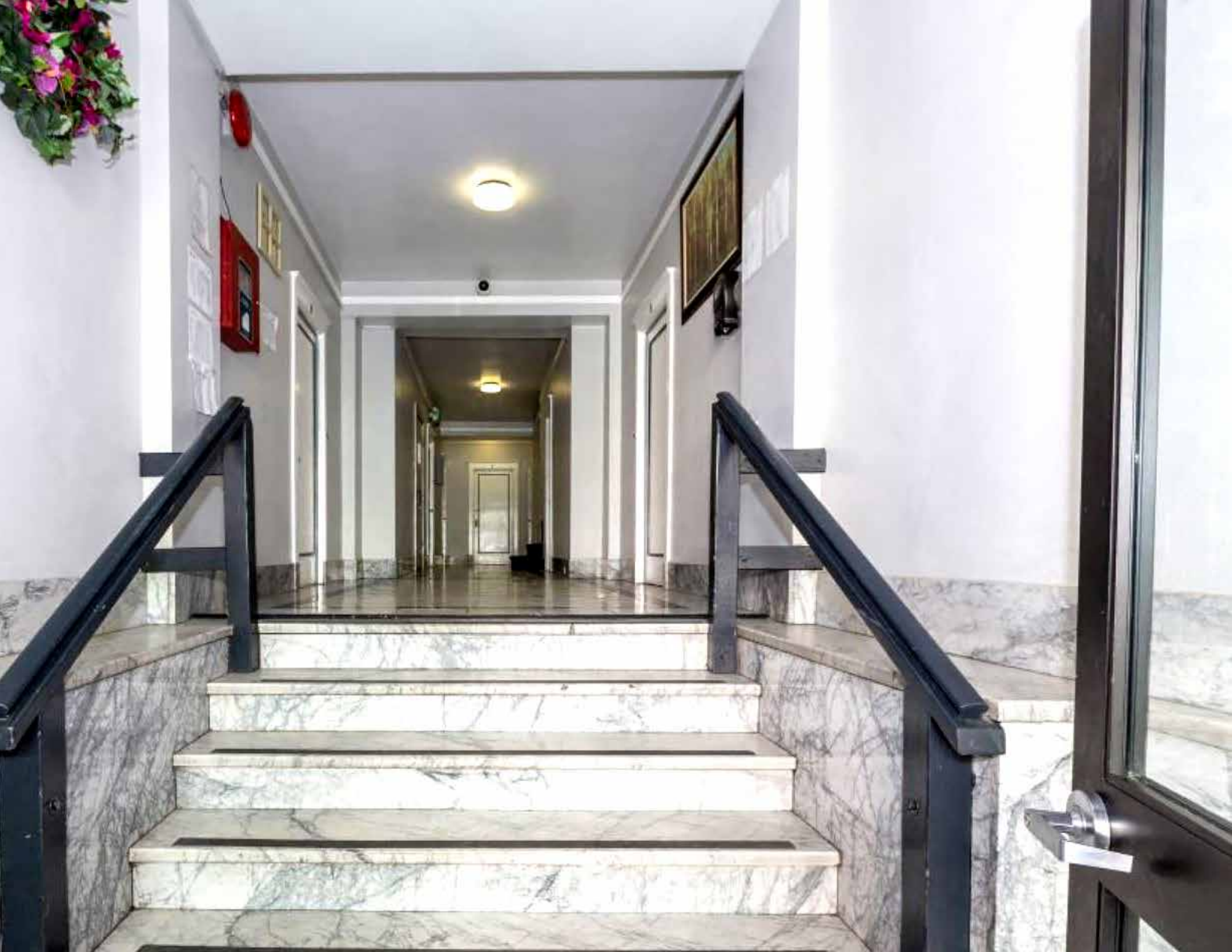
# Offering Summary

Built in 1923, 425 Hyde Street is a 25 unit 18,750 square foot building constructed of masonry with a concrete foundation. The building occupies a mid-block lot between O'Farrell and Ellis Street in the Tenderloin neighborhood of San Francisco. The property is a short distance to Union Square and a brief walk to 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. Transit is a breeze, with easy access to Civic Center BART and several Muni bus lines.

The unit mix in the building consists of 11-studios, 14-one bedrooms with 11-car parking. The updated studios and 1-bedroom apartments boast classic detail which include crown molding, hardwood floors, generous closets in the bedrooms and bay windows which bring in plenty of natural light. Other features include well-appointed kitchens and baths with granite counters, sleek cabinets and stainless steel appliances including microwaves and dishwashers. There is an elevator and a laundry facility for the convenience of the tenants.

425 Hyde Street presents a rare opportunity for an investor to acquire a stabilized asset at a 6.82% cap rate and \$240 per square foot. Income upside will be realized as the economy improves and demand for residential apartments is restored.





# Financial Analysis

Financial Summary		Annual Gross Income	Current	Proforma
Price	\$4,500,000	Gross Potential Income	\$599,600	\$708,697
Down Payment	\$2,250,000	Vacancy (3.5%)	\$29,980	\$35,435
Number of Units	25	AGI	\$569,620	\$673,262
Price/Unit	\$180,000	Expenses	\$262,762	\$269,308
Gross Square Feet	18,750	<b>NOI</b>	<b>\$306,859</b>	<b>\$403,955</b>
Price/Square Foot	\$240			
CAP Rate - Current	6.82%			
CAP Rate - Proforma	8.98%			
GRM - Current	7.50			
GRM - Pro Forma	6.35			
Year Built	1923			
Lot Size	6,875			

Financing		Cash Flow After Debt Service	Current	Proforma
Loan Amount	\$2,250,000	Less Debt Service	\$167,123	\$167,123
Loan Type	Proposed New	Cash Flow	\$139,736	\$236,832
Interest Rate	6.30%	Cash on Cash Return	6.21%	10.53%
Program	5/30 Year Fixed	Expenses as % Of Gross	44%	38%
Loan to Value	50%	Expenses per Unit	\$10,510	\$10,772

*Loan Quote: Estimated at 50% LTV at 6.30% 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>	\$53,087	\$2,123	20%	\$53,087	\$2,123	20%
Special Assessment Tax	<i>2022 SF Tax Portal</i>	\$6,368	\$255	2%	\$6,368	\$255	2%
Insurance	<i>2022 Owner's Statement</i>	\$27,493	\$1,100	10%	\$27,493	\$1,100	10%
Property Management	<i>Estimated at 6% of Gross Income</i>	\$35,976	\$1,439	14%	\$42,522	\$1,701	16%
Repairs & Maintenance	<i>Estimated at \$750/unit</i>	\$18,750	\$750	7%	\$18,750	\$750	7%
RM Payroll	<i>12-months of free rent</i>	\$27,900	\$1,116	11%	\$27,900	\$1,116	10%
Maintenance Payroll-Janitorial	<i>2022 Owner's Statement</i>	\$13,061	\$522	5%	\$13,061	\$522	5%
Telephone	<i>2022 Owner's Statement</i>	\$684	\$27	0%	\$684	\$27	0%
Gas	<i>2022 Owner's Statement</i>	\$8,418	\$337	3%	\$8,418	\$337	3%
Electricity	<i>2022 Owner's Statement</i>	\$8,219	\$329	3%	\$8,219	\$329	3%
Utility Recovery	<i>2022 Owner's Statement</i>	\$764	\$31	0%	\$764	\$31	0%
Water	<i>2022 Owner's Statement</i>	\$13,187	\$527	5%	\$13,187	\$527	5%
Sewer	<i>2022 Owner's Statement</i>	\$19,344	\$774	7%	\$19,344	\$774	7%
Garbage Disposal	<i>2022 Owner's Statement</i>	\$13,651	\$546	5%	\$13,651	\$546	5%
Garbage Disposal - Internal	<i>2022 Owner's Statement</i>	\$665	\$27	0%	\$665	\$27	0%
Permits & Licenses	<i>2022 Owner's Statement</i>	\$737	\$29	0%	\$737	\$29	0%
Life Safety Service	<i>2022 Owner's Statement</i>	\$3,805	\$152	1%	\$3,805	\$152	1%
Pest Control	<i>2022 Owner's Statement</i>	\$2,441	\$98	1%	\$2,441	\$98	1%
Elevator Service	<i>2022 Owner's Statement</i>	\$8,214	\$329	3%	\$8,214	\$329	3%
<b>Total Operating Expenses</b>		<b>\$262,762</b>	<b>\$10,510</b>	<b>100%</b>	<b>\$269,308</b>	<b>\$10,772</b>	<b>100%</b>
<b>Gross Potential Income</b>		<b>\$599,600</b>			<b>\$708,697</b>		
Vacancy (5%)		\$29,980			\$35,435		
AGI		\$569,620			\$673,262		
Expenses		\$262,762			\$269,308		
<b>NOI</b>		<b>\$306,859</b>			<b>\$403,955</b>		
Expenses as % of Gross Income		44%			38%		
Expense per Unit		\$10,510			\$10,772		

# Rent Roll

Unit No.	Unit Type	Rents	Bonds	Market Rent	Sq Ft	Move in Date	Notes
01	1bed/1bath	\$1,821.41	\$19.11	\$2,365	839	12/1/2004	
02	1bed/1bath	\$1,200.00		\$2,365	726	4/1/1996	
03	studio	\$1,508.93	\$13.61	\$1,850	556	4/17/2021	
04	1bed/1bath	\$2,095.00		\$2,130	509	12/17/2022	
05	studio	\$1,739.10	\$13.61	\$1,850	584	5/20/2020	
21	1bed/1bath	\$1,798.92	\$13.05	\$2,365	842	7/1/2005	
22	1bed/1bath	\$1,439.34	\$19.11	\$2,365	841	2/4/2005	
23	studio	\$1,396.26	\$19.38	\$1,850	561	2/1/2003	
24	studio	\$749.17	\$19.38	\$1,850	510	8/1/1986	
25	studio	\$1,687.95	\$13.61	\$1,850	579	9/30/2021	
31	1bed/1bath	\$1,832.45	\$19.11	\$2,365	842	10/1/2006	
32	1bed/1bath	\$1,979.83	\$19.11	\$2,365	841	3/1/2008	
33	studio	\$2,450.69	\$13.05	\$1,850	556	8/22/2015	
<b>34</b>	<b>1bed/1bath</b>	<b>\$2,130.00</b>		<b>\$2,130</b>	<b>512</b>	<b>Vacant</b>	
35	studio	\$1,631.69	\$13.61	\$1,850	579	6/29/2021	
41	1bed/1bath	\$2,369.00	\$13.56	\$2,365	842	10/15/2020	
42 (MGR)	1bed/1bath	\$2,325.00		\$2,365	842	11/1/2022	
43	studio	\$1,795.00		\$1,850	559	4/23/2023	
44	1bed/1bath	\$2,095.00		\$2,130	513	5/29/2023	Renovated
45	studio	\$1,531.46	\$13.61	\$1,850	579	2/26/2021	Renovated

## Units

Studio - 11

1 Bedroom - 14

Parking - 11

## Notes

Market rents provided by property manager

Parking market rents provided by property manager

Laundry projected at \$15 per unit/month

Unit No.	Unit Type	Rents	Bonds	Pet Rent	Market Rent	Sq Ft	Move in Date	Notes
51	1bed/1bath	\$2,040.89	\$13.61		\$2,365	842	5/28/2021	
52	1bed/1bath	\$2,150.00			\$2,365	842	10/19/2022	Renovated
53	studio	\$832.58	\$19.69		\$1,850	563	6/1/1987	
<b>54</b>	<b>1bed/1bath</b>	<b>\$2,130.00</b>			<b>\$2,130</b>	<b>509</b>	<b>Vacant</b>	<b>Renovated</b>
55	studio	\$1,683.50	\$13.61	\$50.00	\$1,850	579	2/14/2022	Renovated
<b>Monthly Income</b>		<b>\$44,413.17</b>	<b>\$269.82</b>	<b>\$50.00</b>	<b>\$52,520</b>			
Bond Measure PT		\$234.80			\$235			
Water Bond PT		\$42.01			\$42			
Pet Rent		\$50.00			\$50			
RUBS Program		\$2,136.30			\$2,136			
Laundry		\$290.42			\$375			
<b>Parking</b>								
01		\$375.00			\$375		6/1/2014	Outside Tenant
02		\$0.00			\$375		6/1/2014	Outside Tenant
<b>03</b>		\$350.00			\$375		3/10/2023	
04		\$350.00			\$375		11/5/2022	Outside Tenant
<b>05</b>		\$300.00			\$375		1/15/2023	
06		\$150.00			\$150		11/17/2022	Outside Tenant
<b>07</b>		<b>\$150.00</b>			<b>\$150</b>		<b>Vacant</b>	
<b>08</b>		\$350.00			\$375		6/1/2023	
09		\$0.00			\$375		8/23/2013	Unit 21
<b>10</b>		<b>\$375.00</b>			<b>\$375</b>		<b>Vacant</b>	
11		\$400.00			\$400		11/1/2022	Unit 42 (Mgr)
<b>Total Monthly Income</b>		<b>\$49,966.70</b>			<b>\$59,058</b>			
<b>Annual Income</b>		<b>\$599,600</b>			<b>\$708,697</b>	<b>Upside 18%</b>		



Property Photos

















# Tech Corridor



Subject Property  
425 Hyde Street

UNION  
SQUARE

REDDIT

SPOTIFY

BENCHMARK

WE WORK

ZENDESK

YOTEL

DOLBY

RUNWAY

TWITTER

UBER

SQUARE

SALES FORCE

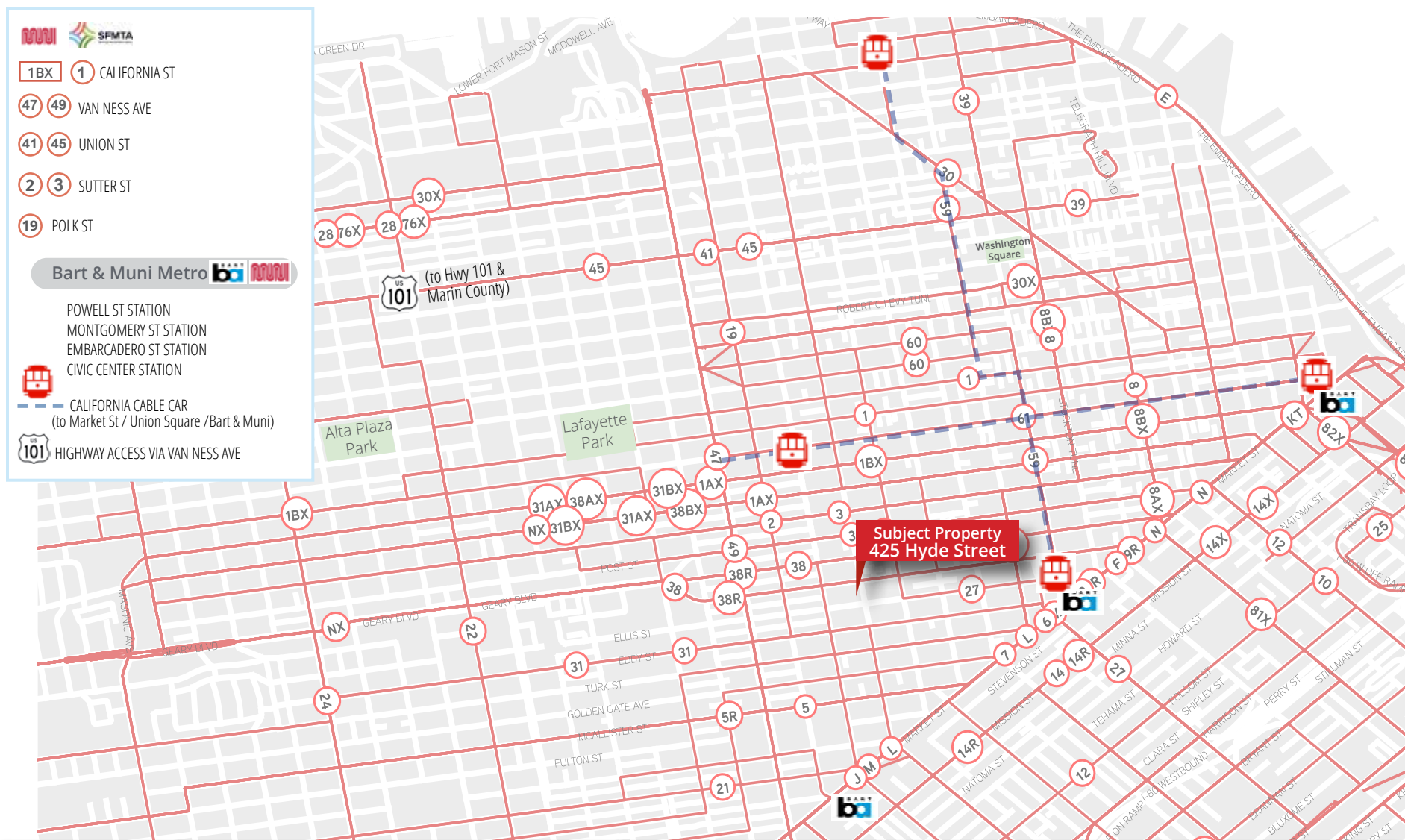
YELP

**425 Hyde 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.



# Public Transportation



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

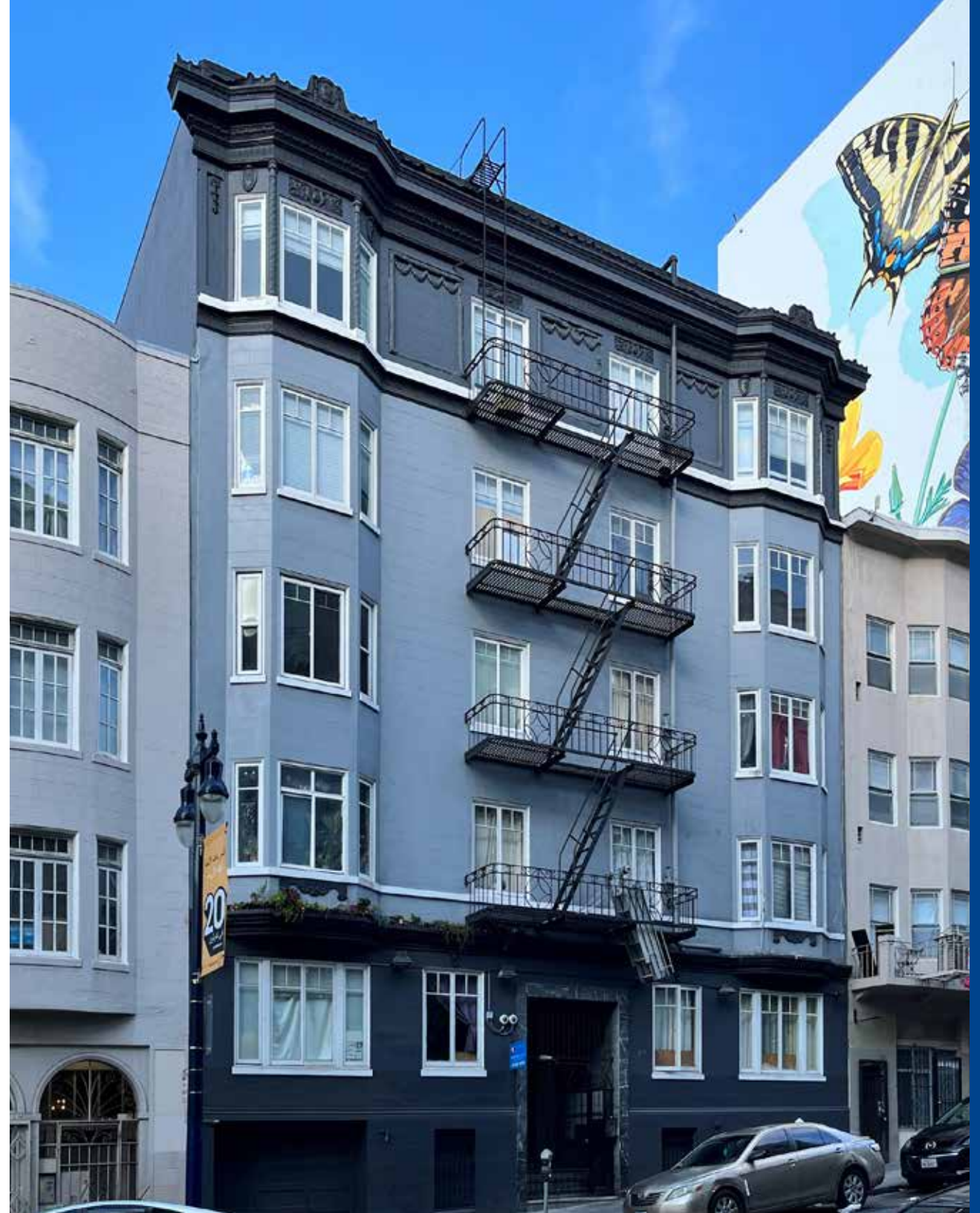
The area around 425 Hyde Street offers an extensive transportation network which ensures superior regional access throughout San Francisco and the surrounding Bay Area. *Access Across America - Transit 2022* ranked San Francisco second only to New York for public transit efficiency, based on how many jobs a resident can access within a 10 to 30 minute commute during the morning rush hours of 7am to 9am. 425 Hyde 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.



An aerial photograph of San Francisco, California, showing a dense urban grid. The city extends from the waterfront in the background to the hills in the foreground. A red dot is placed on a street, with a white line and bracket pointing to the text "425 Hyde Street". The text is in a bold, white, sans-serif font. The background shows the San Francisco Bay, the Golden Gate Bridge, and the city's skyline with various skyscrapers.

425  
Hyde  
Street











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By acknowledging your receipt of this Offering Memorandum from 425 Hyde 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 425 Hyde 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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