

# 1001-1005 Market Street

SOMA | San Francisco, CA

Investment Opportunity | Offering Memorandum











**Dustin Dolby**  
Executive Vice President  
+1 415 288 7869  
dustin.dolby@colliers.com

**Brad Lagomarsino**  
Vice Chair  
+1 415 288 7847  
brad.lago@colliers.com

**James Devinenti**  
Vice Chair  
+1 415 288 7848  
j.d@colliers.com

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101 Second Street | Suite 1100 | San Francisco, CA







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MARKET





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# Offering Summary

1001-1005 Market Street (at 6th Street) is a 53-unit, mixed-use (residential over retail), corner building comprised of +/-29,473 square feet. Centrally located on the southwest corner of Market and 6th Streets, the building is directly across from the Golden Gate Theater, the new Ikea store, and one block from the San Francisco Center (Nordstrom's), the Civic Center, and the new 5M Project - a mixed-use development encompassing luxury residences, office buildings, a public park and outdoor event space. For commuters this prominent Market Street location is minutes from the Powell Street cable cars and steps from Bart and Muni.

The property consists of 45 residential units and 8 commercial spaces. The private units feature high ceilings and are comprised of a loft and a kitchenette with mini refrigerators. The bathrooms are shared (3 toilets on each floor and 2 shower stalls on the 2nd floor). Water and garbage are included in the rent. There is a washer & dryer on each floor for the convenience of the tenants. Combined, the 8-ground floor retail spaces measure approximately 10,305 square feet. There are 4 storage spaces on the property that contribute to the income of the asset. The Property is 92% leased with average in-place residential rents that are 20% below market, allowing investors the opportunity to increase net income as leases turn over.

The purchase of 1001-1005 Market Street is an opportunity for an investor to acquire a well-located, corner, mixed-use asset, with tremendous income upside potential as the economy improves and demand for residential and retail space is further restored.











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# Property Details

## Property Information

Address: 1001-1005 Market Street, San Francisco, CA 94103  
 District: SOMA  
 Property Type: Mixed-Use  
 APN: 3703-001  
 Building Square Feet : 29,473 (per tax record)  
 Units: 53  
 Lot Size: 6,124 (per tax record)  
 Constructed: 1908  
 Zoning: C-3-G Downtown General

## Building Systems

Foundation: Concrete foundation  
 Structure: Structural steel, fireproofed  
 Façade: Cement  
 Roof Composition & Age: Modified bitumen  
 Electrical Service: Separately metered - meters on each floor and submeters in basement  
 Gas Service: Separately metered  
 Fire Protection System: Fire-Lite alarm system, sprinklered throughout  
 Heat Source: Steam heat radiators  
 Hot Water: Boiler system 2X Bradford & White water heaters, 75 and 100-gallon  
 Plumbing: Mix of copper & galvanized  
 Circuit Breakers: At main service  
 Door Entry System: Trigon Miniguard II, lock & key walk-up  
 Front Landing: Terrazzo at entry  
 Mailboxes: On each floor  
 Lobby: Marble tile  
 Apartment Access: Central stairwell and/or elevator  
 Elevator: Basement drum DC elevator  
 Common Area Lighting: Dome pendant lighting, commercial recessed lighting  
 Landing Areas: Terrazzo  
 Skylight: Over staircase  
 Garbage: Garbage chute on each floor  
 Laundry: 1 washer, 1 dryer on each floor  
 Fire escapes: No fire escapes  
 Windows: Single pane wood-frame sliding windows

## Building Information

Unit Mix: 45 - Live/work lofts  
 8 - Commercial

Kitchenette: Wood cabinets  
 Granite counter with built-in single basin stainless steel sinks  
 Mini refrigerators

Common Bathrooms: Toilets with tile flooring & tile surrounds  
 Recessed lighting  
 Exhaust & window ventilation  
 Shower stalls with tile floors & tile surrounds

Live/Work Lofts: Blinds/curtains  
 Vinyl laminate flooring  
 Ceiling fans with lights

**Notes:** The building is not on the soft-story list

Owner has completed the seismic work to the building and is in compliance with the soft-story ordinance

SF fire alarm upgrade has not been completed (horns in sleeping rooms)



# Financial Analysis

Financial Summary		Annual Gross Income	Current	Proforma
Price	\$8,300,000	Gross Potential Income	\$993,062	\$1,165,119
Down Payment	\$2,905,000	Vacancy (3.5%)	\$34,757	\$40,779
Number of Units	53	AGI	\$958,305	\$1,124,339
Price/Unit	\$156,604	Expenses	\$330,684	\$327,636
Gross Square Feet	29,473	<b>NOI</b>	<b>\$627,621</b>	<b>\$796,704</b>
Price/Square Foot	\$282			
CAP Rate - Current	7.56%			
CAP Rate - Proforma	9.60%			
GRM - Current	8.36			
GRM - Pro Forma	7.12			
Year Built	1908			
Lot Size	6,124			

Financing		Cash Flow After Debt Service	Current	Proforma
Loan Amount	\$5,395,000	Less Debt Service	\$397,560	\$397,560
Loan Type	Proposed New	Cash Flow	\$230,061	\$399,144
Interest Rate	5.85%	Cash on Cash Return	7.92%	13.74%
Program	10/25 Year Fixed	Expenses as % Of Gross	33%	28%
Loan to Value	65%	Expenses per Unit	\$6,239	\$6,182

*Slatt Capital Loan Quote: 4/12/2023 - 5.50% 10/25 Year Term Recourse Loan at 60% LTV. Rate assumes 95% occupancy (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>	\$97,915	\$1,847	30%	\$97,915	\$1,847	30%
Special Assessment Tax	<i>Estimated at 1.5% of Property Tax</i>	\$1,469	\$28	0%	\$1,469	\$28	0%
Insurance	<i>Commercial Coverage Indication</i>	\$31,358	\$592	9%	\$31,358	\$592	10%
Off-Site Manager	<i>Estimated at 5% of Gross Income</i>	\$49,653	\$937	15%	\$46,605	\$879	14%
On-Site Manager	<i>Compensated Unit</i>	\$14,400	\$272	4%	\$14,400	\$272	4%
Repairs & Maintenance	<i>Estimated at \$750/unit</i>	\$39,750	\$750	12%	\$39,750	\$750	12%
Elevator Maintenance	<i>Owner's Statement</i>	\$7,428	\$140	2%	\$7,428	\$140	2%
Elevator Service	<i>Owner's Statement</i>	\$1,192	\$22	0%	\$1,192	\$22	0%
Inspection Fees	<i>Owner's Statement</i>	\$675	\$13	0%	\$675	\$13	0%
Fire Alarm Monitoring	<i>Owner's Statement</i>	\$2,708	\$51	1%	\$2,708	\$51	1%
Janitorial Supplies	<i>Owner's Statement</i>	\$2,644	\$50	1%	\$2,644	\$50	1%
Janitorial Labor	<i>Owner's Statement</i>	\$25,456	\$480	8%	\$25,456	\$480	8%
Pest control	<i>Owner's Statement</i>	\$1,320	\$25	0%	\$1,320	\$25	0%
Garbage	<i>Owner's Statement</i>	\$12,316	\$232	4%	\$12,316	\$232	4%
Electric	<i>Owner's Statement</i>	\$22,600	\$426	7%	\$22,600	\$426	7%
Gas	<i>Owner's Statement</i>	\$3,472	\$66	1%	\$3,472	\$66	1%
Telephone	<i>Owner's Statement</i>	\$1,097	\$21	0%	\$1,097	\$21	0%
Water	<i>Owner's Statement</i>	\$15,231	\$287	5%	\$15,231	\$287	5%
<b>Total Operating Expenses</b>		<b>\$330,684</b>	<b>\$6,239</b>	<b>100%</b>	<b>\$327,636</b>	<b>\$6,182</b>	<b>100%</b>
<b>Gross Potential Income</b>		<b>\$993,062</b>			<b>\$1,165,119</b>		
Vacancy (3.5%)		\$34,757			\$40,779		
AGI		\$958,305			\$1,124,339		
Expenses		\$330,684			\$327,636		
<b>NOI</b>		<b>\$627,621</b>			<b>\$796,704</b>		
Expenses as % of Gross Income		33%			28%		
Expense per Unit		\$6,239			\$6,182		



# Rent Roll

Unit No.	Unit Type	Rents	Market Rent	Sq Ft	Move in Date
201	live/work loft	\$1,368	\$1,700	358	7/22/2015
<b>202</b>	<b>live/work loft</b>	<b>\$1,950</b>	<b>\$1,950</b>	<b>490</b>	<b>Vacant</b>
203	live/work loft	\$1,290	\$1,290	258	11/1/2022
204	live/work loft	\$866	\$1,230	258	7/1/2009
<b>205</b>	<b>live/work loft</b>	<b>\$1,290</b>	<b>\$1,290</b>	<b>175</b>	<b>Vacant</b>
206	live/work loft	\$1,270	\$1,230	258	4/1/2020
207	live/work loft	\$538	\$1,290	165	6/2/1995
208	live/work loft	\$1,290	\$1,290	258	1/1/2023
209	live/work loft	\$603	\$1,290	170	11/1/2006
210	live/work loft	\$1,217	\$1,230	258	12/1/2021
211	live/work loft	\$875	\$1,290	179	12/20/2004
212	live/work loft	\$1,002	\$1,760	370	2/1/2004
213	live/work loft	\$870	\$1,290	193	9/1/2021
214	live/work loft	\$1,250	\$1,250	184	9/1/2022
215	live/work loft	\$990	\$1,290	109	2/1/2023
301	live/work loft	\$1,217	\$1,700	358	9/9/2021
302	live/work loft	\$1,590	\$2,330	490	10/15/2022
303	live/work loft	\$1,217	\$1,230	258	9/9/2017
304	live/work loft	\$1,300	\$1,300	258	7/12/2016
305	live/work loft	\$707	\$1,290	175	8/15/2009
306	live/work loft	\$914	\$1,230	258	3/15/2009
307	live/work loft	\$647	\$1,290	165	7/1/2002
308	live/work loft	\$1,115	\$1,230	258	11/1/2021
309	live/work loft	\$1,190	\$1,290	170	2/10/2023

## Units

Live/work Loft - 45  
Commercial - 8  
Storage - 4

## Notes

Residential market rents projected at max of \$4.75/sqft & \$1,290  
Commercial & storage market rents projected at current rates  
Laundry projected at \$15 per unit/month  
Rent increase in November 2023 for unit 1001\*  
\$40 Cam charge is included in rent for unit 1005\*  
Units 210\* & 312\* currently being used as owner's office

Unit No.	Unit Type	Rents	Market Rent	Sq Ft	Move in Date	Lease Exp
<b>310*</b>	<b>live/work loft</b>	<b>\$1,230</b>	<b>\$1,230</b>	<b>258</b>	<b>Vacant</b>	<b>Owner's Office</b>
311	live/work loft	\$1,090	\$1,290	179	12/1/2022	
<b>312*</b>	<b>live/work loft</b>	<b>\$1,900</b>	<b>\$1,900</b>	<b>370</b>	<b>Vacant</b>	<b>Owner's Office</b>
313	live/work loft	\$719	\$1,290	193	5/15/2009	
314	live/work loft	\$812	\$1,290	110	4/23/2011	
315	live/work loft	\$705	\$1,290	135	5/1/2010	
401	live/work loft	\$1,030	\$1,700	358	1/22/2002	
402	live/work loft	\$1,500	\$2,330	490	5/1/2023	
403	live/work loft	\$1,236	\$1,236	258	Vacant	
404	live/work loft	\$835	\$1,230	258	11/15/2003	
<b>405</b>	<b>live/work loft</b>	<b>\$1,290</b>	<b>\$1,290</b>	<b>175</b>	<b>Vacant</b>	
406	live/work loft	\$886	\$1,230	258	10/10/2006	
407	live/work loft	\$616	\$1,290	165	11/1/2004	
408	live/work loft	\$1,390	\$1,390	258	8/1/2022	
409	live/work loft	\$1,060	\$1,290	170	8/1/2020	
410	live/work loft	\$1,115	\$1,230	258	10/1/2021	
411	live/work loft	\$587	\$1,290	179	3/18/2005	
412	live/work loft	\$1,390	\$1,760	370	7/15/2022	
413	live/work loft	\$1,013	\$1,290	193	11/15/2021	
414	live/work loft	\$1,173	\$1,290	170	6/1/2020	
415	live/work loft	\$506	\$1,290	117	10/7/2004	
6	Donut King	\$4,228	\$4,228	1,000	11/1/2021	Nov-26
8	Tu Lan Restaurant	\$5,237	\$5,237	1,410	2/1/2003	Sep-24
10	Rumpus Room	\$6,253	\$6,253	1,700	9/1/2017	Aug-23
1001*	Gai Chicken & Rice	\$6,000	\$6,000	1,770	9/15/2021	Dec-29
1003	Cancun Taqueria	\$5,168	\$5,168	500	3/1/2002	2028
1005*	EyeBrow Threading	\$1,240	\$1,240	125	9/1/2022	Dec-24
217C	Bay Area Smach	\$2,150	\$2,150	1,900	9/15/2021	Oct-23
C317	Recording Studio	\$1,500	\$1,500	1,900	11/1/2022	Month to Month
<b>Monthly Income</b>		<b>\$80,424</b>	<b>\$94,762</b>			
B	storage	\$330	\$330		6/1/2018	
D	storage	\$210	\$210		10/1/2011	
H	storage	\$451	\$451		8/1/2017	
I	storage	\$695	\$695		11/1/2013	
Laundry		\$645	\$645			
<b>Total Monthly Income</b>		<b>\$82,755</b>	<b>\$97,093</b>			
<b>Annual Income</b>		<b>\$993,062</b>	<b>\$1,165,119</b>	<b>Upside 17%</b>		





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EAT, DRINK  
SHOP!  
we open  
at breakfast



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1001

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# Tech Corridor

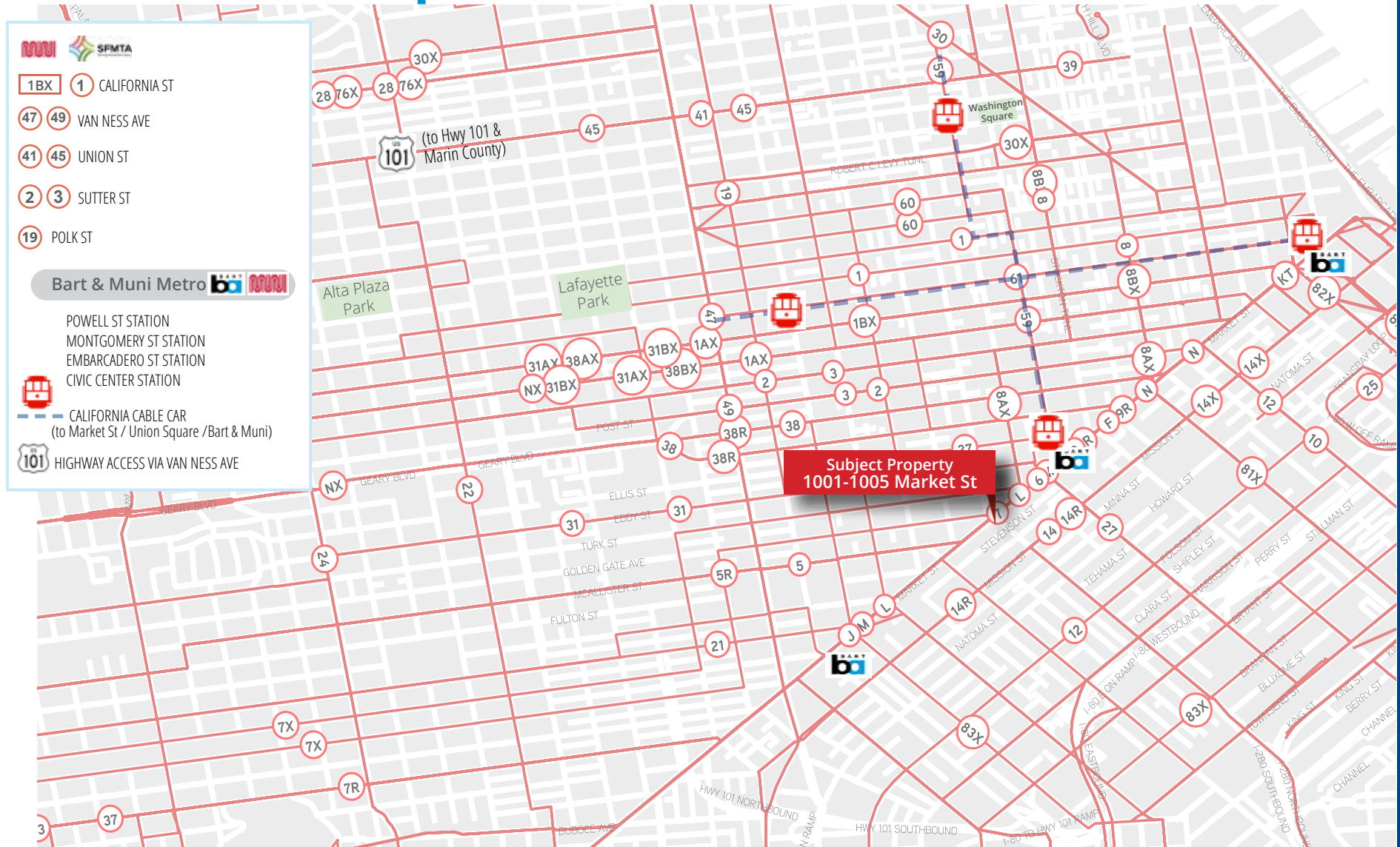


**1001-1005 Market Street  
Located in San Francisco's  
New Technology Economy.**

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 1001-1005 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. 1001-1005 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.



An aerial photograph of San Francisco, California, showing the city's dense urban landscape. The Golden Gate Bridge is visible in the upper left, spanning the Golden Gate Strait. The city's grid pattern is prominent, with numerous skyscrapers and residential buildings. A red dot is placed on Market Street, with a white bracket and text indicating the location of 1001-1005 Market Street. The text is white with a black outline, making it stand out against the city's colors.

1001-1005  
Market  
Street











# Confidentiality & Disclaimer Statement

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By acknowledging your receipt of this Offering Memorandum from 1001-1005 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 1001-1005 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.

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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.

**Dustin Dolby**

Executive Vice President  
+1 415 288 7869  
dustin.dolby@colliers.com

**Brad Lagomarsino**

Vice Chair  
+1 415 288 7847  
brad.lago@colliers.com

**James Devinenti**

Vice Chair  
+1 415 288 7848  
j.d@colliers.com

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