

663 Natoma Street

SOMA | San Francisco, CA

Investment Opportunity | Offering Memorandum



Accelerating success.

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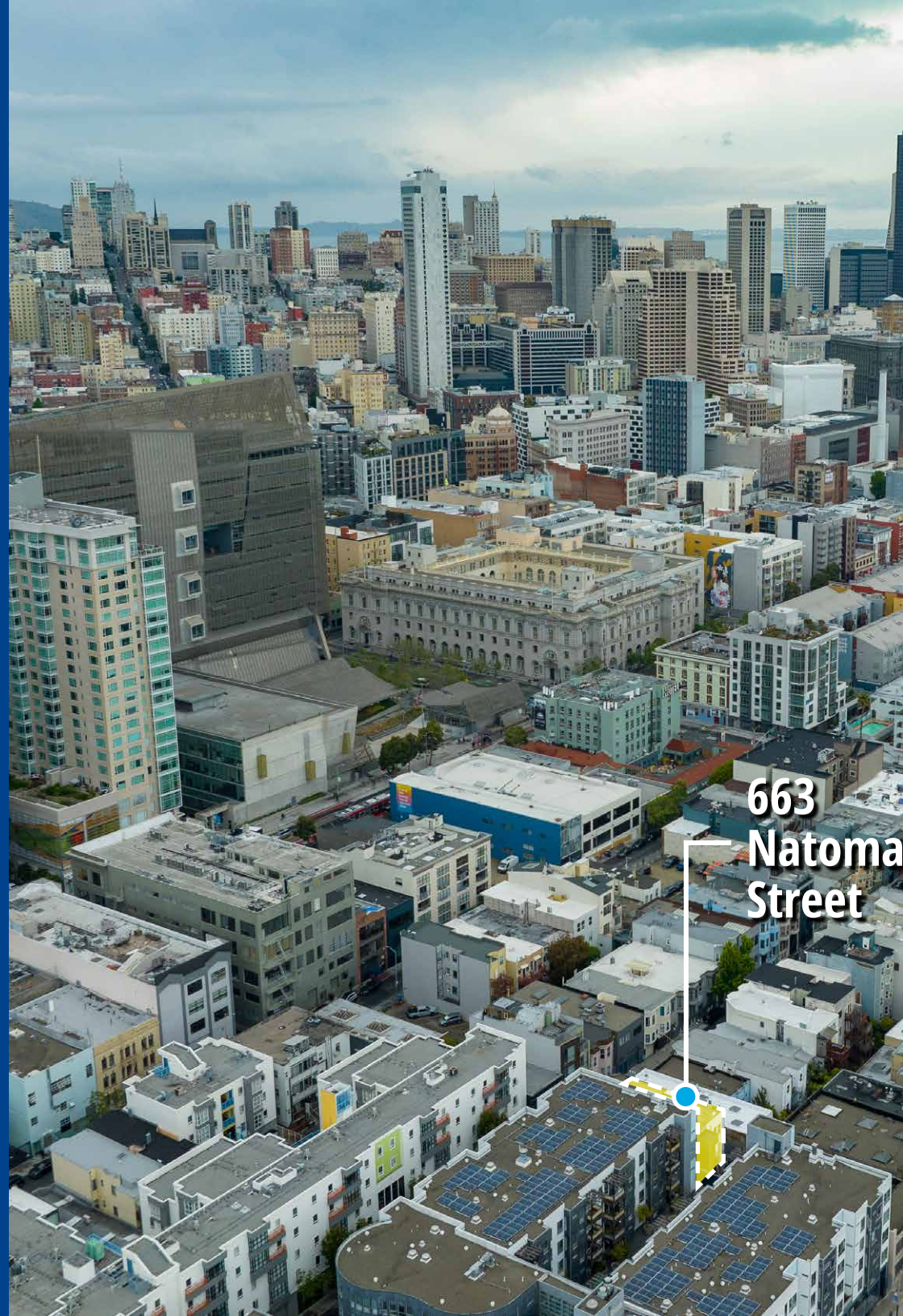
Tour Schedule

Please Call Listing Agent

Multifamily Investment Services Group

www.thedlteam.com

101 Second Street | Suite 1100 | San Francisco, CA



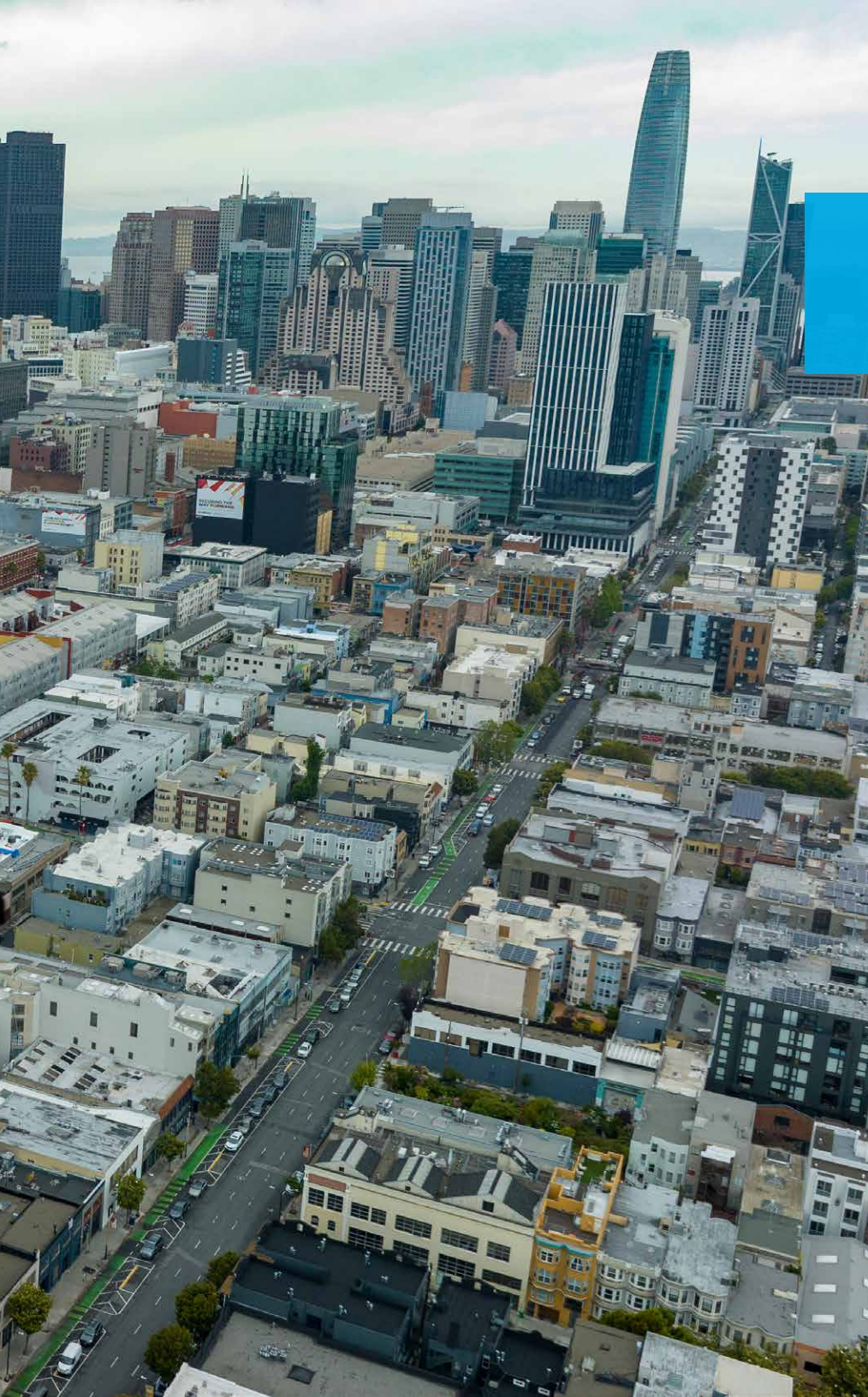


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Offering Summary

663 Natoma Street is a 4,390 square foot multi-family property on a 1,873 square foot lot in the dynamic and vibrant South of Market neighborhood of San Francisco. The property is comprised of three (3) four bedroom/one bath apartments. The units are individually metered for gas & electricity.

Situated just south of Market Street, SoMa is home to many of the city's museums, art galleries and headquarters of several major software and internet companies. The area is packed with trending bars, boutique shopping, museums, art galleries, and fine restaurants. Easy access to public transportation is a must and SoMa is surrounded by several Muni lines, from the Metro Rail to historical streetcars. This neighborhood has everything you need just a short walk or ride away.

This is an ideal opportunity for an investor looking for an affordable acquisition based on a per-square foot basis with substantial upside potential, in one of the top real estate markets in the U.S. In addition this property has tremendous development potential based on RED zoning per San Francisco Planning Code and eligibility for local and California State bonuses.

Below, please find a list of establishments to eat, drink and shop in the area:

Restaurants:

Montesacro San Francisco
54 Mint Ristorante Italiano
The Melt
Mel's Drive-in
Lemonade
Delarosa
Super Duper Burgers
The Grove - Yerba Buena
The Bird

Bars:

The Rumpus Room
Hot Spot
Shovel's Bar
Cinna Bar
Jonell's Cocktail Lounge
Swig
Rye Cocktail Bar
Cadillac Bar & Grill
Cellar Maker Brewing Co.

To Do:

Gene Friend Recreation Center
Victoria Manalo Draves Park
Field Entertainment Inc
Warfield
The San Francisco Mint
Brick & Mortar Music Hall
Soma West Skate Park
Civic Center Plaza

The Property

Property Information

Address:	663 Natoma Street
District:	South of Market (SOMA)
Property Type:	Multifamily
APN:	3727-027
Building Square Feet:	4,390
Units:	3
Lot Size:	1,873
Constructed:	1907
Zoning:	RED - Residential Enclave Mixed

Building Systems

Foundation:	Concrete
Structure:	Wood frame
Façade:	Wood siding
Rear of Building:	Wood siding
Roof Composition & Age:	Modified-bitumen
Electrical Service:	100 amp (separately metered)
Gas Service:	Separately metered (meters on side of building)
Fire Protection System:	Hardwired smoke detectors in-unit
Windows:	Sliding windows
Heat Source:	Gas fireplace heaters
Hot Water:	Bradford 119-gallon storage tank
Plumbing:	Mixture of copper & galvanized
Door Entry System:	Buzzer system & door knobs with lock & key
Mailboxes	Door slots
Garbage:	In tradesman alley
Apartment Access:	Individual front doors
Laundry:	In basement (1 washer/dryer)

Building Information

Unit Mix:	3 - four bedroom/1 bath
Kitchens:	Formica/vinyl counter tops Single stainless steel sinks Gas stove/ovens Wood & melamine cabinetry Formica flooring Over/under refrigerators Microwaves
Bathrooms:	Tub shower combinations with showers curtains Pedestal/vanity sinks Window ventilation
Bedrooms:	Hardwood floors

Notes

Financial Analysis

663 Natoma Street

Financial Summary	
Price	\$1,600,000
Down Payment	\$560,000
Number of Units	3
Price/Unit	\$533,333
Gross Square Feet	4,390
Price/Square Foot	\$364
CAP Rate - Current	5.72%
CAP Rate - Proforma	10.66%
GRM - Current	12.19
GRM - Pro Forma	7.38
Year Built	1907
Lot Size	1,873

Annual Gross Income	Current	Proforma
Gross Potential Income	\$131,304	\$216,720
Vacancy (3.5%)	\$4,596	\$7,585
AGI	\$126,708	\$209,135
Expenses	\$35,118	\$38,534
NOI	\$91,591	\$170,600
Expense per Gross Income	27%	18%
Expense per Unit	\$11,706	\$12,845

Annual Operating Expenses		Current	Exp/Unit	% /Exp	Market	Exp/Unit	% /Exp
Property Taxes	<i>1.1797% of Sales Price</i>	\$18,875	\$6,292	54%	\$18,875	\$6,292	49%
Special Assessment Tax	<i>Estimated at 1.5% of Property Tax</i>	\$283	\$94	1%	\$283	\$94	1%
Insurance	<i>Commercial Coverage Indicator</i>	\$4,759	\$1,586	14%	\$4,759	\$1,586	12%
Property Management	<i>Estimated at 4% of Gross Income</i>	\$5,252	\$1,751	15%	\$8,669	\$2,890	22%
Repairs & Maintenance	<i>Estimated at \$750/unit</i>	\$2,250	\$750	6%	\$2,250	\$750	6%
Utilities	<i>Owner's Statement (T-12)</i>	\$3,521	\$1,174	10%	\$3,521	\$1,174	9%
Licenses, Fees and Permits	<i>Owner's Statement (T-12)</i>	\$177	\$59	1%	\$177	\$59	0%
Total Operating Expenses		\$35,118	\$11,706	100%	\$38,534	\$12,845	100%

Financing		Cash Flow After Debt Service	Current	Proforma
Loan Amount	\$1,040,000	Less Debt Service	\$62,400	\$62,400
Loan Type	Proposed New	Cash Flow	\$29,191	\$108,200
Interest Rate	6.00%	Cash on Cash Return	5.21%	19.32%
Program	5 Year Interest Only	Expenses as % of Gross	27%	18%
Loan to Value	65%	Expenses per Unit	\$11,706	\$12,845

(Loan information is time sensitive and subject to change)

Rent Roll

663 Natoma Street

Unit No.	Unit Type	Rents	Market Rent	Move In Date	Notes
663	4 bed, 1 bath	\$2,465	\$6,000		
665	4 bed, 1 bath	\$2,417	\$6,000		
667	4 bed, 1 bath	\$6,000	\$6,000	Vacant	
Monthly Income		\$10,882	\$18,000		
Laundry		\$60	\$60		
Total Monthly Income		\$10,942	\$18,060.00		
Total Annual Income		\$131,304	\$216,720		Upside: 65%

Units

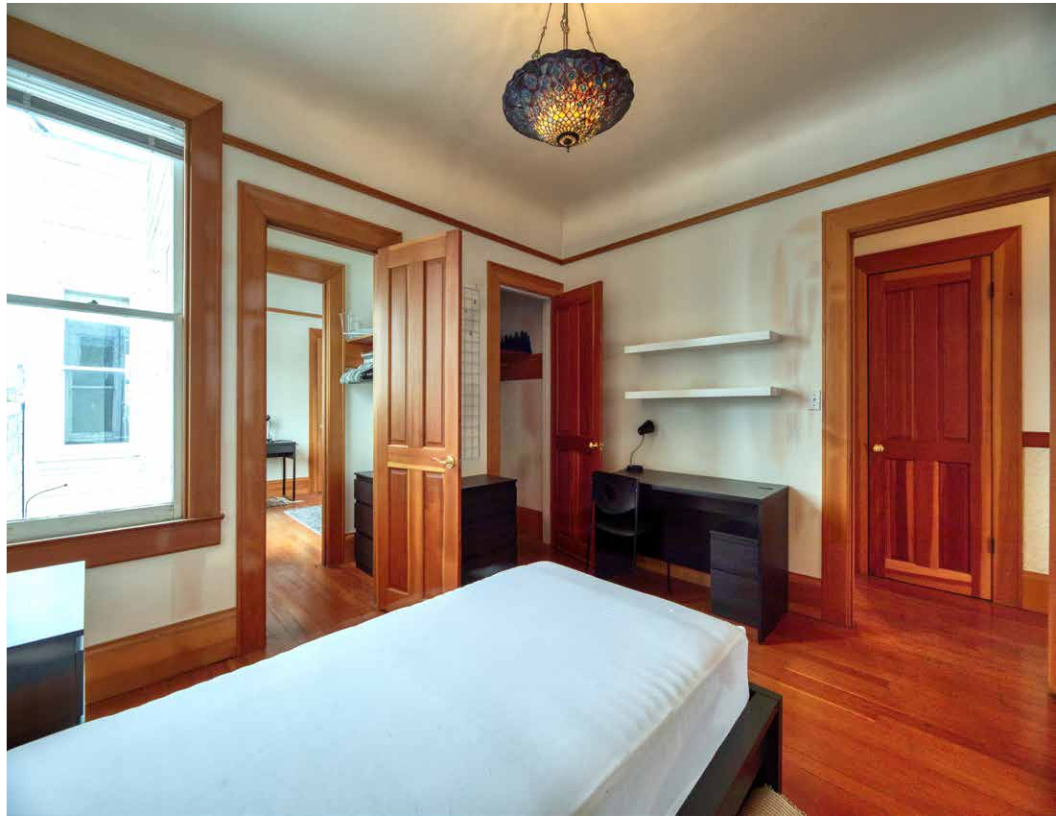
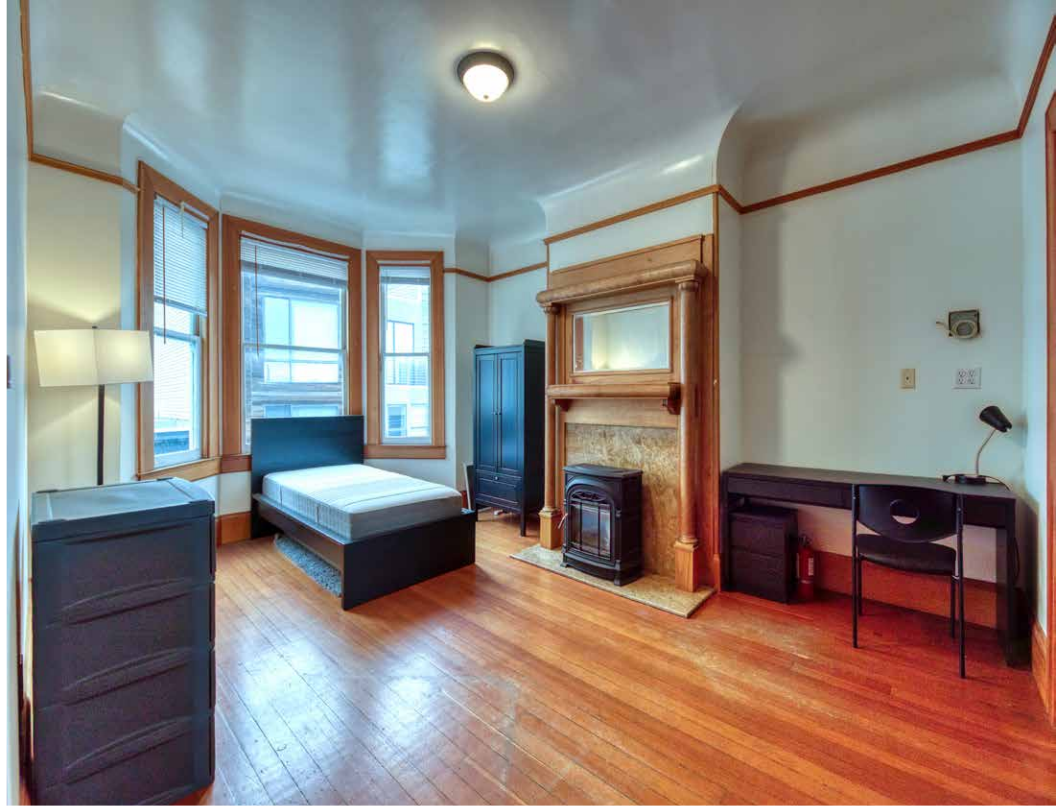
4 bedroom, 1 bath - 4

Notes

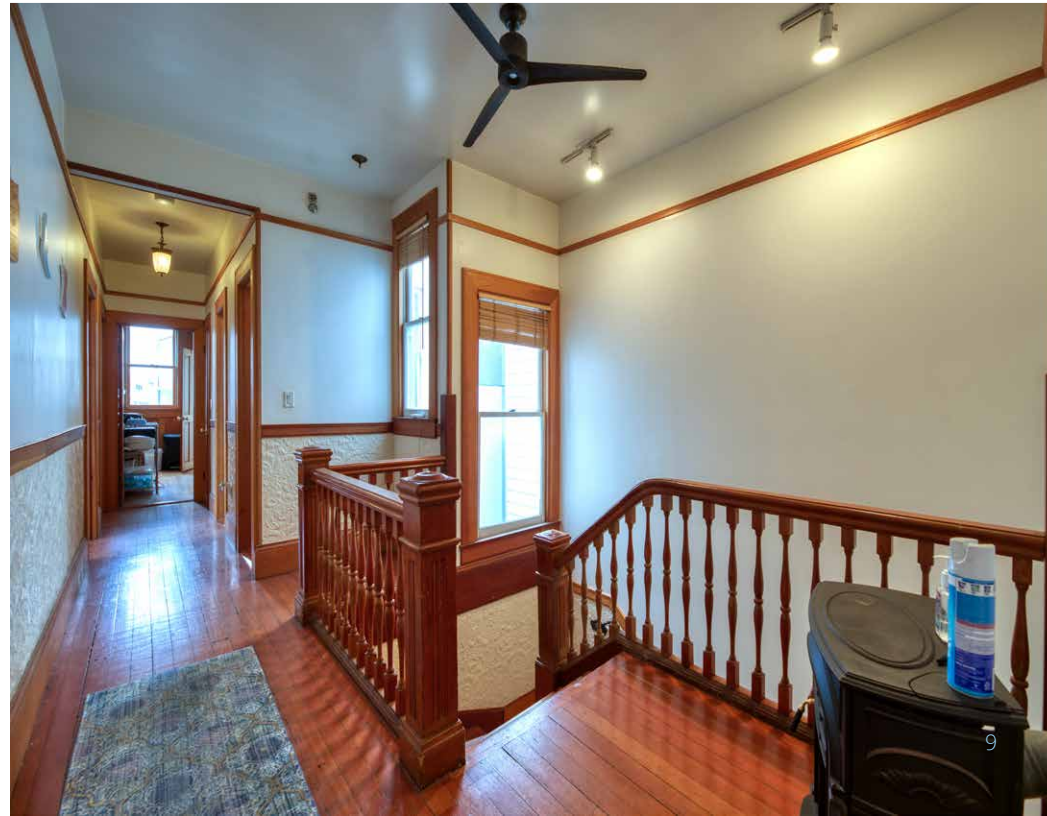
Market rents estimated using Rentometer.com

Laundry estimated at \$20 per unit/month

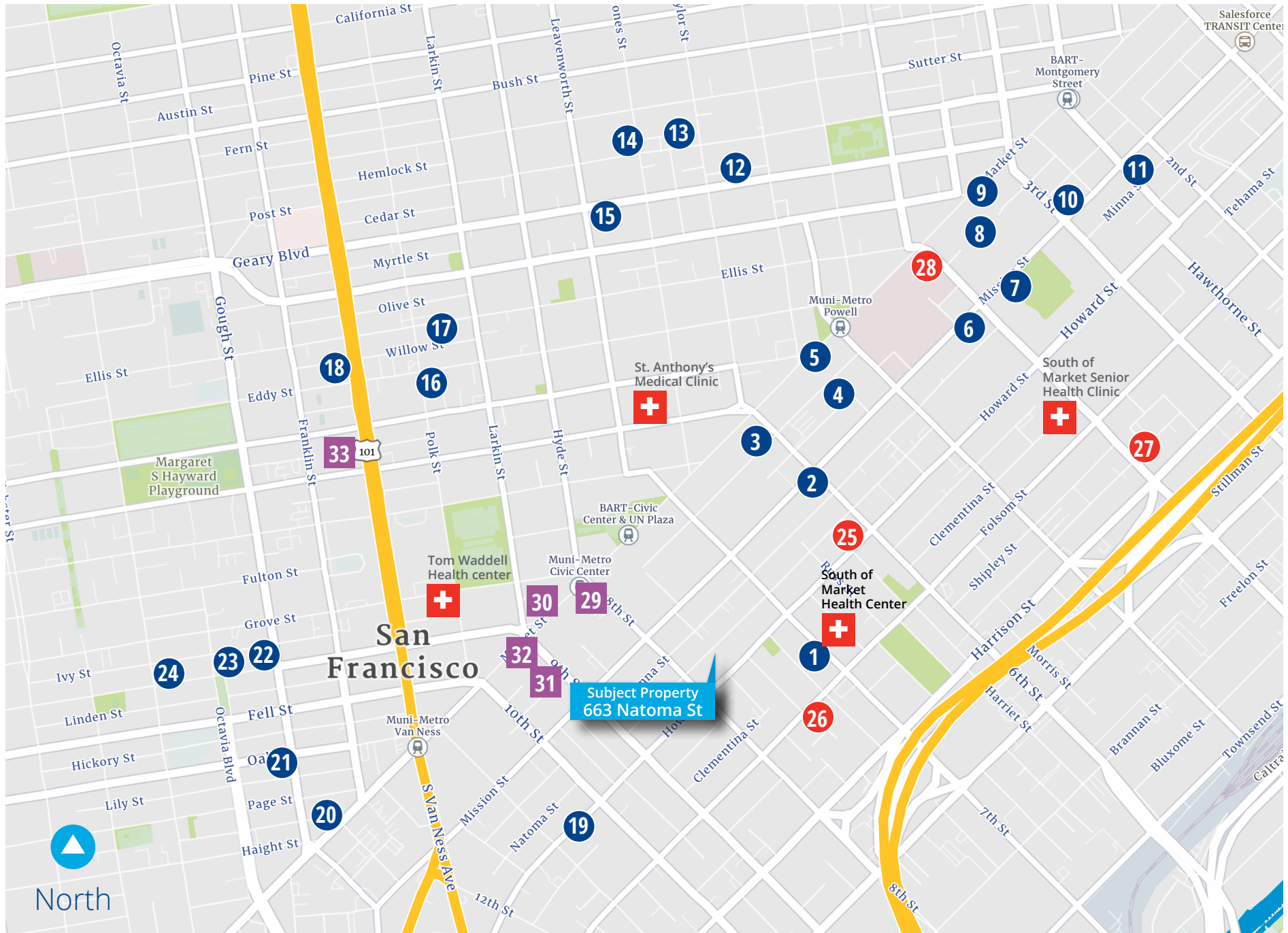
Property Photos



Property Photos



Amenities Map



 Restaurants & Bars

 Convenience & Grocery Stores

 Banks & ATM's

 Clinics & Health Centers

Neighborhood Amenities

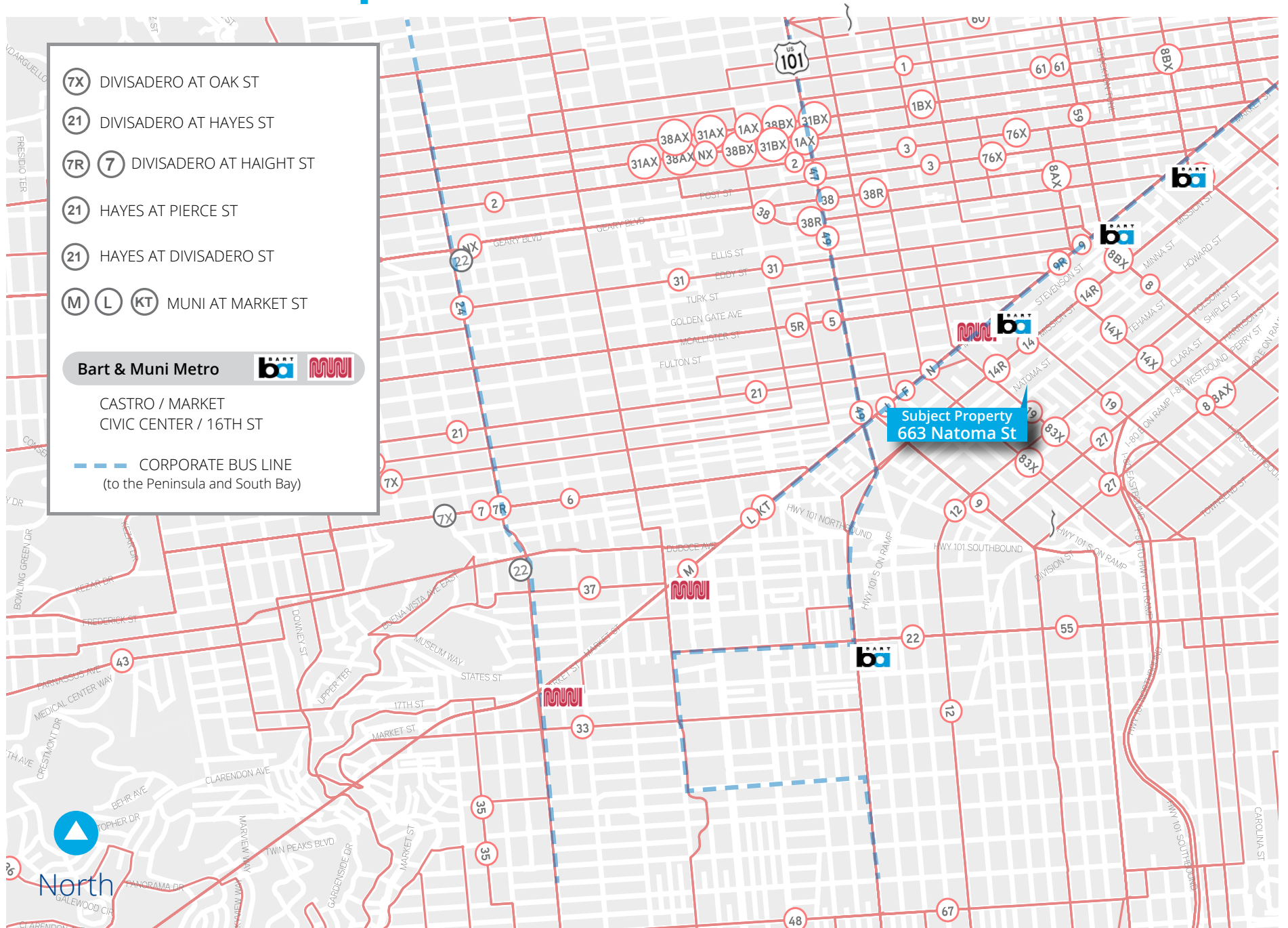
- | | | |
|--------------------------------------|--|--------------------------------|
| 1 Sightglass Coffee | 12 La Marsa | 23 Mano |
| 2 Frena Bakery & Cafe | 13 Fino | 24 Salt & Straw |
| 3 Montesacro San Francisco | 14 Pearl's Deluxe Burgers | 25 Soma Supermarket |
| 4 54 Mint Ristorante Italiano | 15 Bandit | 26 Welcome Supermarket |
| 5 The Melt | 16 Brenda's French Soul Food | 27 Whole Foods Market |
| 6 Mel's Drive-in | 17 Zen Yai | 28 Trader Joe's |
| 7 Lemonade | 18 Burger King | 29 Chase Bank |
| 8 Delarosa | 19 Don Ramon's Mexican Restaurant | 30 Wells Fargo Bank |
| 9 Super Duper Burgers | 20 Zuni Cafe | 31 First Republic Bank |
| 10 The Grove - Yerba Buena | 21 Rich Table | 32 Bank of the West ATM |
| 11 The Bird | 22 Chez Maman West | 33 Bank of America ATM |

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

The area around SoMa 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 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. The subject property is within walking distance of a variety of public transit systems on Market Street, Mission Street & Van Ness Avenue, 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 via Divisadero Street and Van Ness Avenue.



Public Transportation





Confidentiality & Disclaimer Statement

This Offering Memorandum contains select information pertaining to the business and affairs of the Property at 663 Natoma 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 663 Natoma 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 663 Natoma 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 663 Natoma 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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