

725 Van Ness Avenue

Van Ness/Civic Center | San Francisco, CA

Investment Opportunity | Offering Memorandum



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Tour Schedule

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Offering Summary

725 Van Ness Avenue is a six-story, mixed-use, corner apartment building located in the Van Ness Ave/Civic Center district of San Francisco. City Hall, the War Memorial Opera House, Herbst Theatre, Davis Symphony Hall, Orpheum Theatre, Brooks Hall, the Civic Auditorium and the new California Pacific Medical Center (CPMC) are within blocks of the subject property. The neighborhood is defined by high-rise luxury condos, upscale apartment buildings, live/work lofts, independent cinemas, bookstores, coffee shops and cafes which throng the main corridor of Van Ness Avenue. For commuters, the building sits adjacent to the new Van Ness Bus Rapid Transit corridor – a 1.96-mile line, running between Mission Street and Lombard Street, with dedicated center bus lanes and nine bus stations.

725 Van Ness Avenue is comprised of 31 residential apartments and a commercial space. The studios and 1-bedroom dwellings boast classic detail from the era of construction which include hardwood floors, generous closets in the bedrooms and large windows which provide generous natural light. There is an elevator which services the 6-floors of the building.

This is an excellent opportunity to purchase a centrally located, well-maintained mixed-use apartment property with excellent income upside potential realized through unit turnover & renovation.







The Property

Property Information

Address	725 Van Ness Avenue San Francisco, CA 94102
District	Van Ness/Civic Center
Property Type	Mixed-use
Building Composition	32 units (1 commercial & 31 residential)
Stories	6
APN	0743-002
Building Square Feet	23,520 Square Feet
Lot Size	4,386 Square Feet
Constructed	1925
Zoning	RC-4

Building Systems

Foundation	Concrete foundation
Structure	Steel & concrete
Façade	Concrete
Plumbing	Mix of copper & galvanized
Windows	Aluminum/woodframe
Roof Composition	Modified bitumen
Electrical Service	Separately Metered (200 amps for apartments & 400 Amp 3-phase power for retail)
Gas Service	Separately Metered
Fire Protection System	Hardwired 1526 fire alarm system, basement sprinklered & retail office sprinklered
Circuit Breakers	Murray circuit breakers (closets) / fuses at main service
Fire Escapes	North, east & west side of building
Heat Source	Ideal boiler system / steam heat radiators/some electric baseboard
Water Heater	Two storage tanks 119 gallons each (Laars Bradford White)
Apartment Access	Central elevator & primary & secondary staircases
Door Entry System	Gated entry, buzzer system
Front Landing	Marble landing
Lobby Area	Checkerboard vinyl flooring, period detail, carpeted staircase, drop ceiling
Lobby Lighting	Sconce lighting
Mailboxes	In lobby area
Elevator	DC direct current elevator system
Laundry	2 washers, 2 dryers - leased (Speed Queen)
Garbage	In rear of property
Storage	Large store room, owner controlled

Building Information

Unit Mix	26 - studios
	5 - one bedrooms
	1 - commercial
Kitchens	Gas stove/ovens with exhaust hoods
	Dishwasher
	Wood cabinets
	Ceramic/laminate counters
	Vinyl floors
	Stainless steel/ceramic sinks
Bathrooms	Wall-hung & vanity cabinet sinks
	Hexagon tile flooring
	Mirrored medicine cabinets
	Tub/shower combinations
	Window ventilation
	Flushometer toilets
Bedroom	Hardwood floors
	Large bay windows
	Ample natural light
	Overhead center-mount lighting
	Large closets
Dining / Living Room Area	Hardwood floors
	Large bay windows
	Ample natural light
	Dome lights/decorative ceiling fan lighting
	Hardwood flooring

Notes

The building is not compliant with the fire alarm decibel upgrade ordinance

Financial Analysis

Financial Summary		Annual Gross Income	Current	Proforma
Price	\$6,000,000	Gross Potential Income	\$668,736	\$807,600
Down Payment	\$2,580,000	Vacancy (5%)	\$33,437	\$40,380
Number of Units	32	AGI	\$635,299	\$767,220
Price/Unit	\$187,500	Expenses	\$292,464	\$299,407
Gross Square Feet	23,520	NOI	\$342,835	\$467,813
Price/Square Foot	\$255			
CAP Rate - Current	5.71%			
CAP Rate - Proforma	7.80%			
GRM - Current	8.97			
GRM - Pro Forma	7.43			
Year Built	1925			
Lot Size	4,386			

Financing		Cash Flow After Debt Service	Current	Proforma
Loan Amount	\$3,420,000	Less Debt Service	\$254,026	\$254,026
Loan Type	Proposed New	Cash Flow	\$88,809	\$213,786
Interest Rate	6.30%	Cash on Cash Return	3.44%	8.29%
Program	5/30 Year Fixed			
Loan to Value	57%			

Loan Quote: Estimated at 57% LTV at 6.30% 5/30 Fixed (Loan information is time sensitive & subject to change)

Operating Expenses

Expense Categories		Current	Exp/Unit	%/Exp	Market	Exp/Unit	%/Exp
Property Taxes	<i>1.1797% of Sales Price</i>	\$70,782	\$2,212	24%	\$70,782	\$2,212	24%
Special Assessment Tax	<i>Estimated at 1.5% of Property Tax</i>	\$1,062	\$33	0%	\$1,062	\$33	0%
Insurance	<i>Owner's Statement (2023)</i>	\$34,800	\$1,088	12%	\$34,800	\$1,088	12%
Property Management	<i>Estimated at 5% of Gross Income</i>	\$33,437	\$1,045	11%	\$40,380	\$1,262	13%
On-Site Manager	<i>Compensated Unit at \$1,200 per month</i>	\$14,400	\$450	5%	\$14,400	\$450	5%
Repairs & Maintenance	<i>Estimated at \$1,500/unit</i>	\$48,000	\$1,500	16%	\$48,000	\$1,500	16%
Misc	<i>Owner's Statement (2022)</i>	\$3,973	\$124	1%	\$3,973	\$124	1%
Legal Fees	<i>Owner's Statement (2022)</i>	\$735	\$23	0%	\$735	\$23	0%
Accounting	<i>Owner's Statement (2022)</i>	\$1,450	\$45	0%	\$1,450	\$45	0%
Gas & Electric	<i>Owner's Statement (2022)</i>	\$20,012	\$625	7%	\$20,012	\$625	7%
Water	<i>Owner's Statement (2022)</i>	\$15,997	\$500	5%	\$15,997	\$500	5%
Scavanger	<i>Owner's Statement (2022)</i>	\$14,723	\$460	5%	\$14,723	\$460	5%
Supplies	<i>Owner's Statement (2022)</i>	\$452	\$14	0%	\$452	\$14	0%
Taxes - Other	<i>Owner's Statement (2022)</i>	\$641	\$20	0%	\$641	\$20	0%
Reserves	<i>Estimated at \$1,000/unit</i>	\$32,000	\$1,000	11%	\$32,000	\$1,000	11%
Total Operating Expenses		\$292,464	\$9,139	100%	\$299,407	\$9,356	100%

Annual Gross Income			
Gross Potential Income	\$668,736		\$807,600
Vacancy (5%)	\$33,437		\$40,380
AGI	\$635,299		\$767,220
Expenses	\$292,464		\$299,407
NOI	\$342,835		\$467,813
Expenses as % of Gross Income	44%		37%
Expense per Unit	\$9,139		\$9,356

Rent Roll

Unit No.	Unit Type	Rent	Market Rents	Sq Ft	Move in Date	Note
101	studio	\$824	\$2,000	470	7/1/1996	
102	1 bedroom	\$2,195	\$2,500	935	8/1/2022	
103	studio	\$2,000	\$2,000	470	Vacant	
104	studio	\$1,188	\$2,000	470	2/1/2004	
105	studio	\$1,495	\$2,000	470	1/1/2021	
106	studio	\$698	\$2,000	470	6/1/1992	
201	studio	\$2,000	\$2,000	470	Vacant	
202	1 bedroom	\$2,500	\$2,500	935	Vacant	
203	studio	\$2,000	\$2,000	470	Vacant	
204	studio	\$1,595	\$2,000	470	5/1/2022	
205	studio	\$1,195	\$2,000	470	6/1/2006	
206	studio	\$1,595	\$2,000	470	7/1/2021	
301	studio	\$1,577	\$2,000	470	10/1/2012	
302	1 bedroom	\$2,250	\$2,500	935	8/1/2022	
303	studio	\$1,595	\$2,000	470	1/1/2023	
304	studio	\$1,595	\$2,000	470	4/1/2023	
305	studio	\$2,000	\$2,000	470	Vacant	
306	studio	\$2,000	\$2,000	470	Vacant	
401	studio	\$2,000	\$2,000	470	Vacant	
402	1 bedroom	\$2,104	\$2,500	935	5/1/2008	
403	studio	\$1,795	\$2,000	470	5/1/2023	
404	studio	\$1,298	\$2,000	470	10/1/2007	
405	studio	\$1,795	\$2,000	470	1/1/2016	
406	studio	\$1,795	\$2,000	470	4/1/2023	
501	studio	\$594	\$2,000	470	10/1/1984	
502	1 bedroom	\$2,500	\$2,500	935	Vacant	
503	studio	\$2,000	\$2,000	470	Vacant	
504	studio	\$1,950	\$2,000	470	4/1/2019	
505	studio	\$2,000	\$2,000	470	Vacant	
506	studio	\$1,200	\$2,000	470	8/1/2016	Manager
B	studio	\$1,595	\$2,000	470	7/1/2022	
727*	Commercial	\$2,800	\$2,800	2,800	Vacant	
Monthly Income		\$55,728	\$67,300			
Total Monthly Income		\$55,728	\$67,300			
Annual Income		\$668,736	\$807,600	Upside: 21%		

Units

Studio - 26

1 Bed - 5

Commercial - 1

Notes

Market rents estimated using Rentometer.com

Commercial space projected at \$1.00/sqft

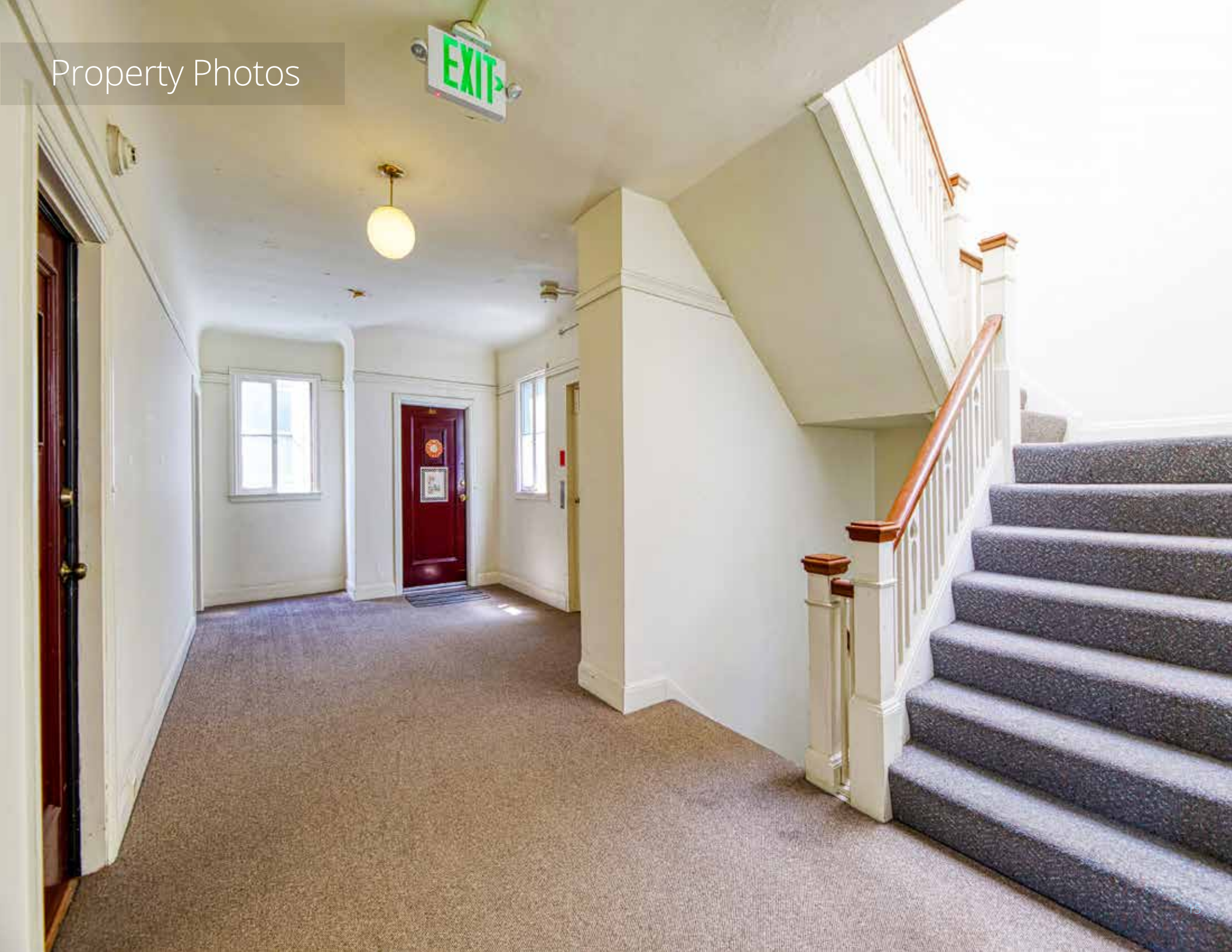
*Not including 1,900 basement sqft





Property Photos

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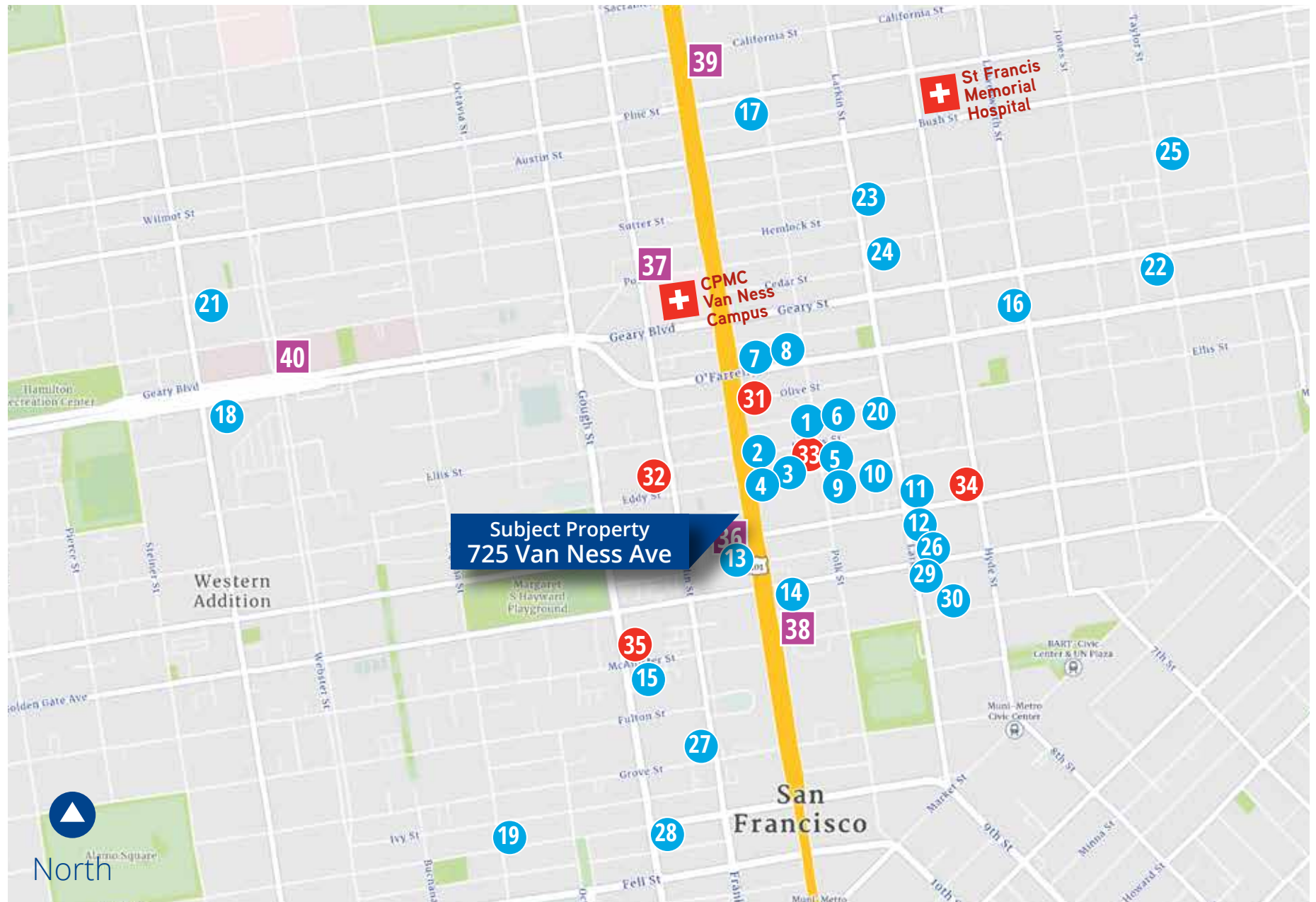
Property Photos



Property Photos



Amenities Map

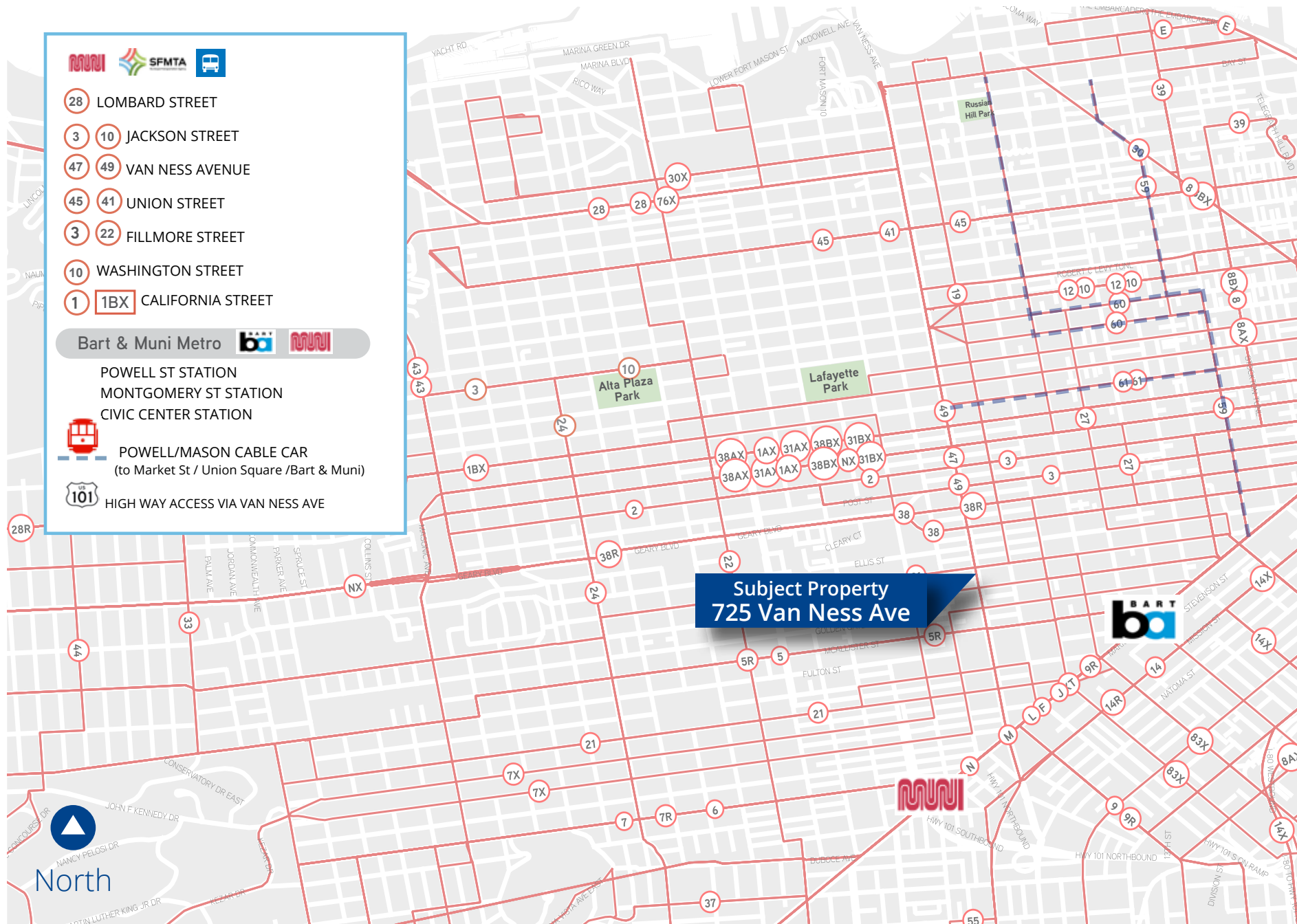


● Restaurants & Bars
 ● Convenience & Grocery Stores
 ■ Banks & ATM's
 + Hospitals

Neighborhood Amenities

1 Sam's Bakery	11 Emperor Norton's Boozeland	21 Gardenias	31 Van Ness Market
2 Van Ness Cafe & Gyros	12 Shovel's Bar & Grill	22 Tratto	32 USA Market
3 Pronto Pizzeria	13 Peet's Coffee	23 Halal Dastarkhan	33 Gladstone Market
4 Hinata Sushi	14 Ella's American Kitchen	24 Aria Korean Street Food	34 Hyde Turk Market
5 Son & Garden	15 Smuggler's Cove	25 Matador	35 Super Sam
6 Zen Yai	16 Tycoon Thai Kitchen	26 Outta Site Pizza	36 Bank of America ATM
7 City Smoke House	17 Grubstake Diner	27 BAIA	37 Bank of the West ATM
8 Ike's Love & Sandwiches	18 Avery Restaurant	28 Doppio Zero	38 Chase Bank
9 Brenda's Soul & Food	19 Salt & Straw	29 Philz Coffee	39 Wells Fargo Bank
10 Chambers eat + drink	20 Pho 2000	30 Chao Pisciao	40 California Bank & Trust

Public Transportation



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

The area around 725 Van Ness Avenue 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 Van Ness Avenue (the new Van Ness Bus Rapid Transit System), Columbus Avenue & Lombard Street, 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.





725
Van Ness
Avenue

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2. You will hold it and treat it in the strictest of confidence; and
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