

# 343-347 Pierce Street

Hayes Valley

Investment Opportunity | Offering Memorandum



Colliers

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# Offering Summary

Colliers International is pleased to present 343-347 Pierce Street (between Oak Street and Page Street) in the revitalized and vibrant neighborhood of Hayes Valley in San Francisco.

This well-maintained apartment building has been professionally managed and consists of three (3) two-bedroom/one-bath apartments. The units feature hardwood floors, coved ceilings and decorative moulding, renovated kitchens and bathrooms, stainless steel appliances, dishwashers, in-unit washers & dryers, updated interior finishes, and spacious units with plenty of natural light.

The building is a short walk to the Divisadero Street corridor dotted with chic restaurants, hip bars, cafes, and a variety of shopping and entertainment. The neighborhood sits within easy access to some of San Francisco's most revered green spaces including nearby Alamo Square Park, Buena Vista Park and the sprawling Golden Gate Park. With a walkability index of 97 and a variety of public transit options, this central location makes getting around quick, easy and very convenient.

This is an ideal opportunity for an investor to purchase a well-maintained asset in a prime Hayes Valley location with upside through unit turnover & renovation.

# The Property

## Property Information

|                      |   |
|----------------------|---|
| Address              | 343-347 Pierce Street San Francisco, CA 94117 |
| District             | Hayes Valley                                  |
| Property Type        | Apartment building                            |
| APN                  | 0845-002                                      |
| Building Square Feet | 4,755 square feet (per tax records)           |
| Units                | 3   |
| Lot Size             | 2,656 square feet (per tax records)           |
| Constructed          | 1900  |
| Zoning               | RH-3  |

## Building Systems

|                        |  |
|------------------------|--|
| Foundation             | Concrete foundation  |
| Structure              | Wood frame building  |
| Façade                 | Stone façade   |
| Rear of Building       | Wood shingle   |
| Roof Composition       | Modified bitumen   |
| Electrical Service     | Separately metered, 125-amp service*                                     |
| Gas Service            | Separately metered   |
| Fire Protection System | Local fire alarm system  |
| Windows                | Predominantly single-paned aluminum                                      |
| Heat Source            | Forced air (Rheem systems in-unit)                                       |
| Hot Water              | 40-gallon Bradford White Eco-Defender / Richmond hot water tanks in-unit |
| Plumbing               | Mixture of copper & galvanized steel                                     |
| Door Entry System      | Lock & key   |
| Front entryway         | Terrazzo entryway and stairs   |
| Mailboxes              | Mail slots on unit doors   |
| Lobby/Common Areas     | N/A ( <i>no lobby or common areas</i> )                                  |
| Skylight               | No   |
| Garbage                | Enclosed, next to front staircase  |
| Apartment Access       | Walk-up  |
| Laundry                | Washer & dryer in-unit   |
| Storage                | No   |
| Parking                | No parking   |

\* electrical service to be confirmed upon inspection

## Building Information

|                         |   |
|-------------------------|---|
| Unit Mix                | 3 - two bedroom/one bath flats  |
| Kitchens                | Gas stoves/ovens<br>Wood cabinetry<br>Dishwashers<br>Tile & laminate flooring<br>Granite & formica countertops<br>Dual-basin aluminum sinks<br>Freezer over refrigerator<br>Ample natural light, blinds for windows |
| Bathrooms               | Tub/shower combinations<br>Tile flooring, tile surrounds<br>Mirrored podium & vanity sinks<br>Fan ventilation<br>Recessed lighting  |
| Bedrooms                | Predominantly hardwood flooring<br>Window blinds<br>Decoratively hung lighting<br>Ample natural light<br>Non-working fireplaces with mantle<br>Coved ceilings   |
| Dining/Living Room Area | Predominantly hardwood flooring<br>Tremendous natural light<br>Den off the back of units leads to 2nd form of egress  |
| Notes                   | The building is not on the San Francisco Soft-Story List<br><br>The building is not in compliance with the San Francisco Fire Horn Ordinance  |

# Financial Summary

| Financial Summary   |             |
|---------------------|-------------|
| Price               | \$2,500,000 |
| Down Payment        | \$1,375,000 |
| Number of Units     | 3           |
| Price/Unit          | \$833,333   |
| Gross Square Feet   | 5,357       |
| Price/Square Foot   | \$467       |
| CAP Rate - Current  | 4.99%       |
| CAP Rate - Proforma | 7.02%       |
| GRM - Current       | 13.38       |
| GRM - Pro Forma     | 10.28       |
| Year Built          | 1900        |
| Lot Size            | 2,656       |

| Cash Flow After debt Service | Current  | Proforma |
|------------------------------|----------|----------|
| Less Debt Service            | \$88,685 | \$88,685 |
| Cash Flow                    | \$36,048 | \$86,759 |
| Cash on Cash Return          | 2.62%    | 6.31%    |
| Expenses as % of Gross       | 28%      | 23%      |
| Expenses per Unit            | \$17,593 | \$18,532 |

| Financing     |                 |
|---------------|-----------------|
| Loan Amount   | \$1,125,000     |
| Loan Type     | Proposed New    |
| Interest Rate | 6.875%          |
| Program       | 5/30 Year Fixed |
| Loan to Value | 45%             |

Quote: Loan information is time sensitive and subject to change.

| Annual Operating Expenses       |                                   | Current         | Exp/Unit        | % /Exp      | Market          | Exp/Unit        | % /Exp      |
|---------------------------------|-----------------------------------|-----------------|-----------------|-------------|-----------------|-----------------|-------------|
| Property Taxes                  | 1.1797% of Sales Price            | \$29,493        | \$9,831         | 56%         | \$29,493        | \$9,831         | 53%         |
| Special Assessment Tax          | Estimated at 1.5% of Property Tax | \$442           | \$147           | 1%          | \$442           | \$147           | 1%          |
| Insurance                       | From Owner's T-12                 | \$5,239         | \$1,746         | 10%         | \$5,239         | \$1,746         | 9%          |
| Property Management             | Estimated at 5% of Gross Income   | \$9,343         | \$3,114         | 18%         | \$12,160        | \$4,053         | 22%         |
| Repairs & Maintenance           | Estimated at \$750/unit           | \$2,250         | \$750           | 4%          | \$2,250         | \$750           | 4%          |
| Pest Control                    | From Owner's T-12                 | \$520           | \$173           | 1%          | \$520           | \$173           | 1%          |
| Contract Services               | From Owner's T-12                 | \$246           | \$82            | 0%          | \$246           | \$82            | 0%          |
| Telephone                       | From Owner's T-12                 | \$145           | \$48            | 0%          | \$145           | \$48            | 0%          |
| PG&E                            | From Owner's T-12                 | \$48            | \$16            | 0%          | \$48            | \$16            | 0%          |
| Utility Recovery                | From Owner's T-12                 | \$72            | \$24            | 0%          | \$72            | \$24            | 0%          |
| Water                           | From Owner's T-12                 | \$1,456         | \$485           | 3%          | \$1,456         | \$485           | 3%          |
| Sewer                           | From Owner's T-12                 | \$2,073         | \$691           | 4%          | \$2,073         | \$691           | 4%          |
| Garbage                         | From Owner's T-12                 | \$1,452         | \$484           | 3%          | \$1,452         | \$484           | 3%          |
| <b>Total Operating Expenses</b> |                                   | <b>\$52,779</b> | <b>\$17,593</b> | <b>100%</b> | <b>\$55,596</b> | <b>\$18,532</b> | <b>100%</b> |

| Annual Gross Income    |                  |
|------------------------|------------------|
| Gross Potential Income | \$186,855        |
| Vacancy (5%)           | \$9,343          |
| AGI                    | \$177,512        |
| Expenses               | \$52,779         |
| <b>NOI</b>             | <b>\$124,733</b> |

|                               |          |          |
|-------------------------------|----------|----------|
| Expenses as % of Gross Income | 28%      | 23%      |
| Expense per Unit              | \$17,593 | \$18,532 |

# Rent Roll

| Unit No.                    | Unit Type     | Rents              | Bond           | Water Bond     | Market Rent        | Move In Date | Sq Ft              |
|-----------------------------|---------------|--------------------|----------------|----------------|--------------------|--------------|--------------------|
| 343                         | 2 Bed, 1 Bath | \$2,636.67         | \$31.87        | \$10.46        | \$5,995            | 10/12/1995   | 1,967              |
| 345                         | 2 Bed, 1 Bath | \$5,795.00         |                |                | \$6,840            | 8/8/2023     | 1,692              |
| 347                         | 2 Bed, 1 Bath | \$6,832.42         | \$35.73        |                | \$7,135            | 7/22/2023    | 1,698              |
| <b>Monthly Income</b>       |               | <b>\$15,264.09</b> | <b>\$67.60</b> | <b>\$10.46</b> | <b>\$19,970</b>    |              |                    |
| Bond                        |               | \$67.60            |                |                | \$67.60            |              |                    |
| Water bond                  |               | \$10.46            |                |                | \$0.00             |              |                    |
| RUBS                        |               | \$229.08           |                |                | \$229              |              |                    |
| <b>Total Monthly Income</b> |               | <b>\$15,571.23</b> |                |                | <b>\$20,266.68</b> |              |                    |
| <b>Annual Income</b>        |               | <b>\$186,855</b>   |                |                | <b>\$243,200</b>   |              | <b>Upside: 30%</b> |

## Units

2 Bed, 1 Bath - 3

## Notes

Market rents estimated using Rentometer.com

Bond, Water bond, and RUBS from Owner's T-12

Property Photos





Property Photos



Property Photos



Property Photos



Property Photos



Property Photos

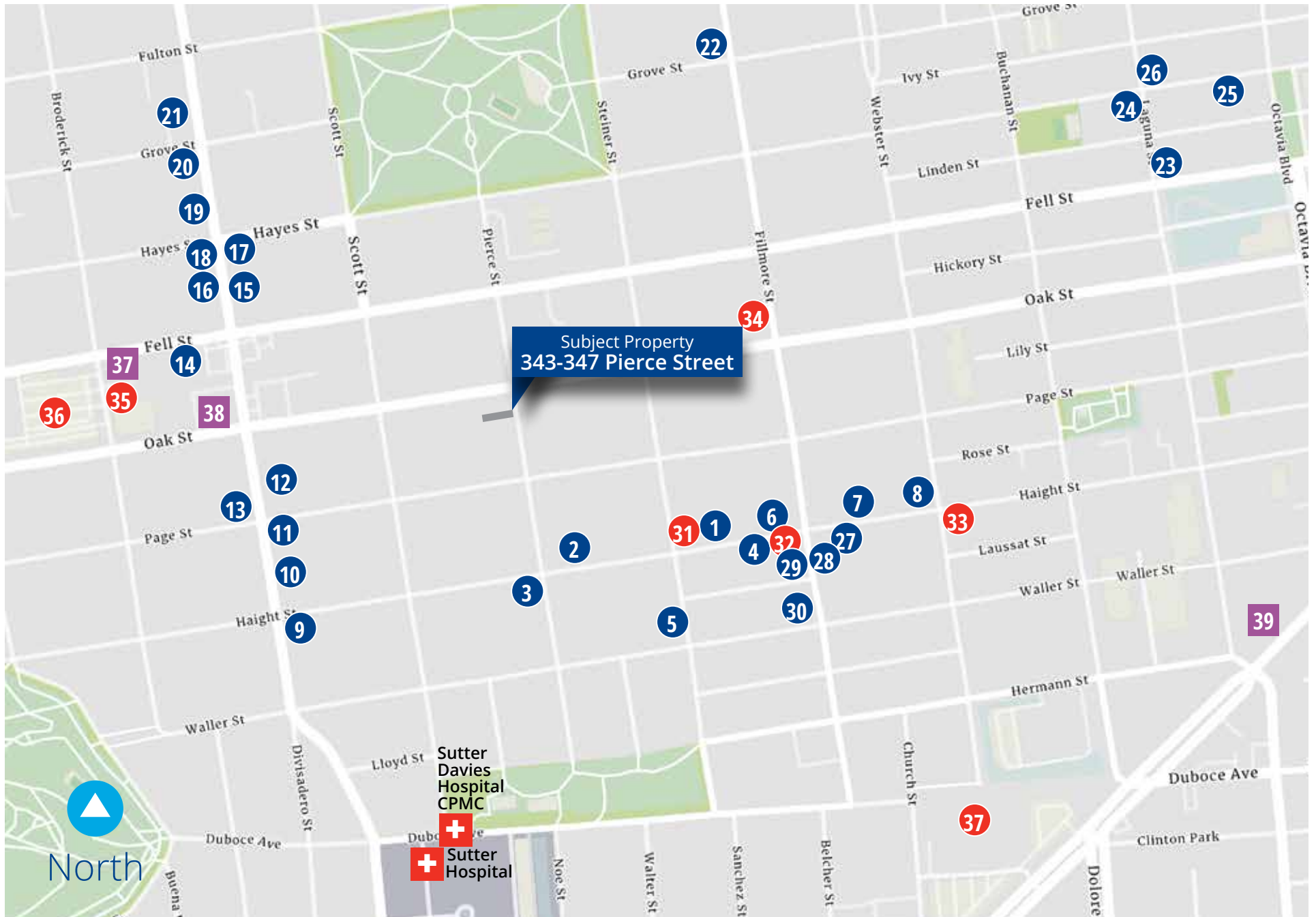


Property Photos





# Amenities Map



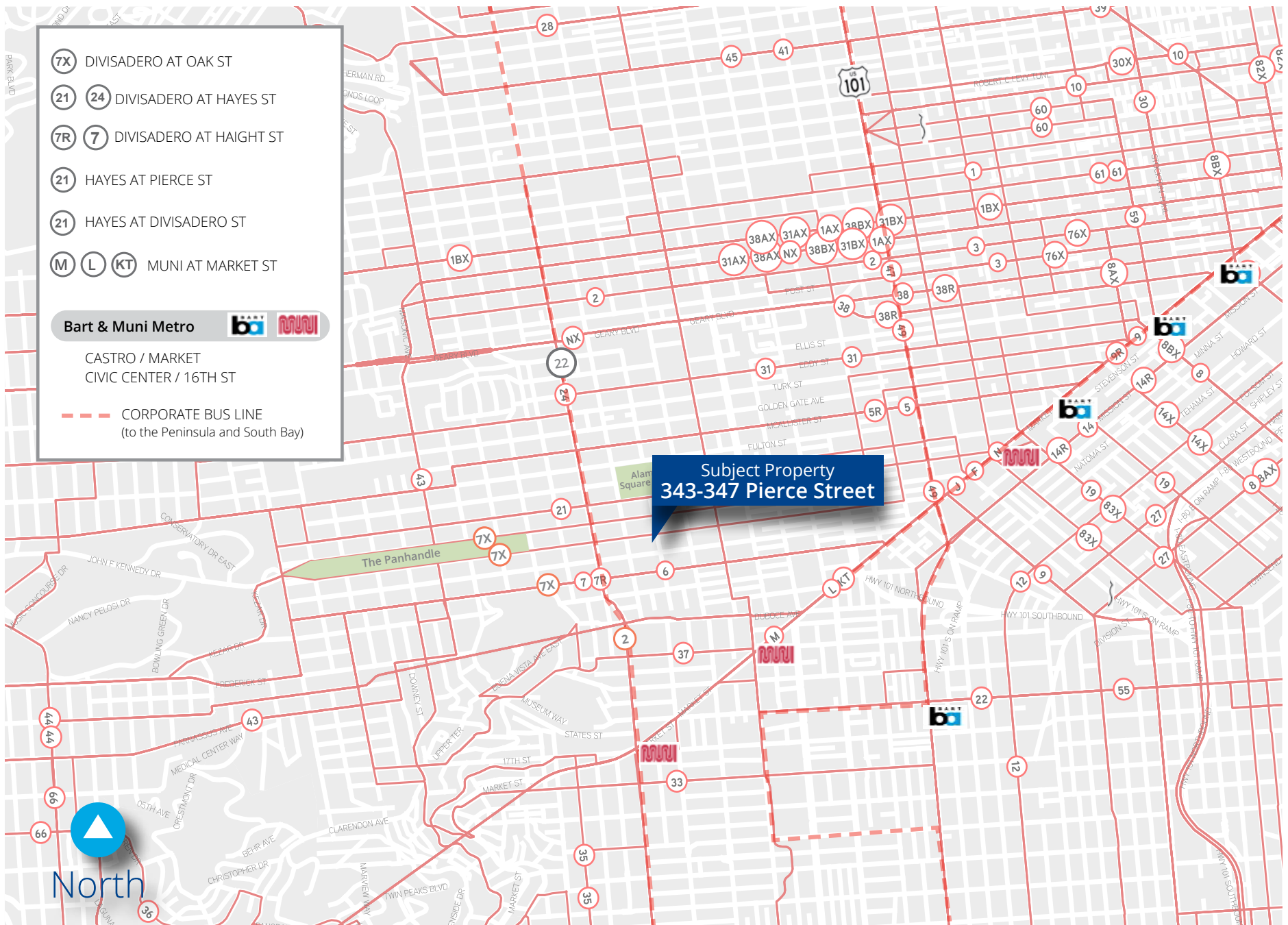


● Restaurants & Bars    
 ● Convenience & Grocery Stores    
 ■ Banks & ATM's    
 + Hospitals

## Neighborhood Amenities

|                                  |                                     |                               |   |
|----------------------------------|-------------------------------------|-------------------------------|---|
| <b>1</b> Uva Enoteca             | <b>11</b> The Page                  | <b>21</b> 4505 Burgers & BBQt | <b>31</b> O'Looney's Market               |
| <b>2</b> Otra                    | <b>12</b> Mangrove Kitchen          | <b>22</b> Alamo Square Grill  | <b>32</b> Haight Fillmore Whole Foods Co. |
| <b>3</b> Fort Point Lower Haight | <b>13</b> Sightglass Coffee         | <b>23</b> Urban Ritual Cafe   | <b>33</b> S & W Market                    |
| <b>4</b> Toronado                | <b>14</b> Hahdough                  | <b>24</b> Suppenkuche         | <b>34</b> Key Food Market                 |
| <b>5</b> Cafe Reveille           | <b>15</b> Horsefeather              | <b>25</b> Souvla              | <b>35</b> Falletti Foods                  |
| <b>6</b> Nara                    | <b>16</b> Souvla                    | <b>26</b> Salt & Straw        | <b>36</b> Farmer's Market                 |
| <b>7</b> Seniore's Pizza         | <b>17</b> Nopa                      | <b>27</b> Kate's Kitchen      | <b>37</b> Safeway                         |
| <b>8</b> Kibatsu                 | <b>18</b> Popeyes Louisiana Kitchen | <b>28</b> Choux               | <b>38</b> Wells Fargo ATM                 |
| <b>9</b> Phuket                  | <b>19</b> Zaytoon                   | <b>29</b> Iza Ramen           | <b>39</b> Bank of America                 |
| <b>10</b> Powder                 | <b>20</b> Beretta Pop-Up            | <b>30</b> Le Cafe du Soliel   | <b>40</b> Bank of America ATM             |

# Public Transportation



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

The area around 343-347 Pierce Street offers an extensive transportation network which ensures superior regional access throughout San Francisco and the surrounding Bay Area. Atlantic Cities' "Access Across America, Transit 2020" 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 Turk Street, Divisadero Street & McAllister 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.





**343-347**  
**Pierce Street**

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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.

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If you wish not to pursue negotiations leading to the acquisition of 343-347 Pierce 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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