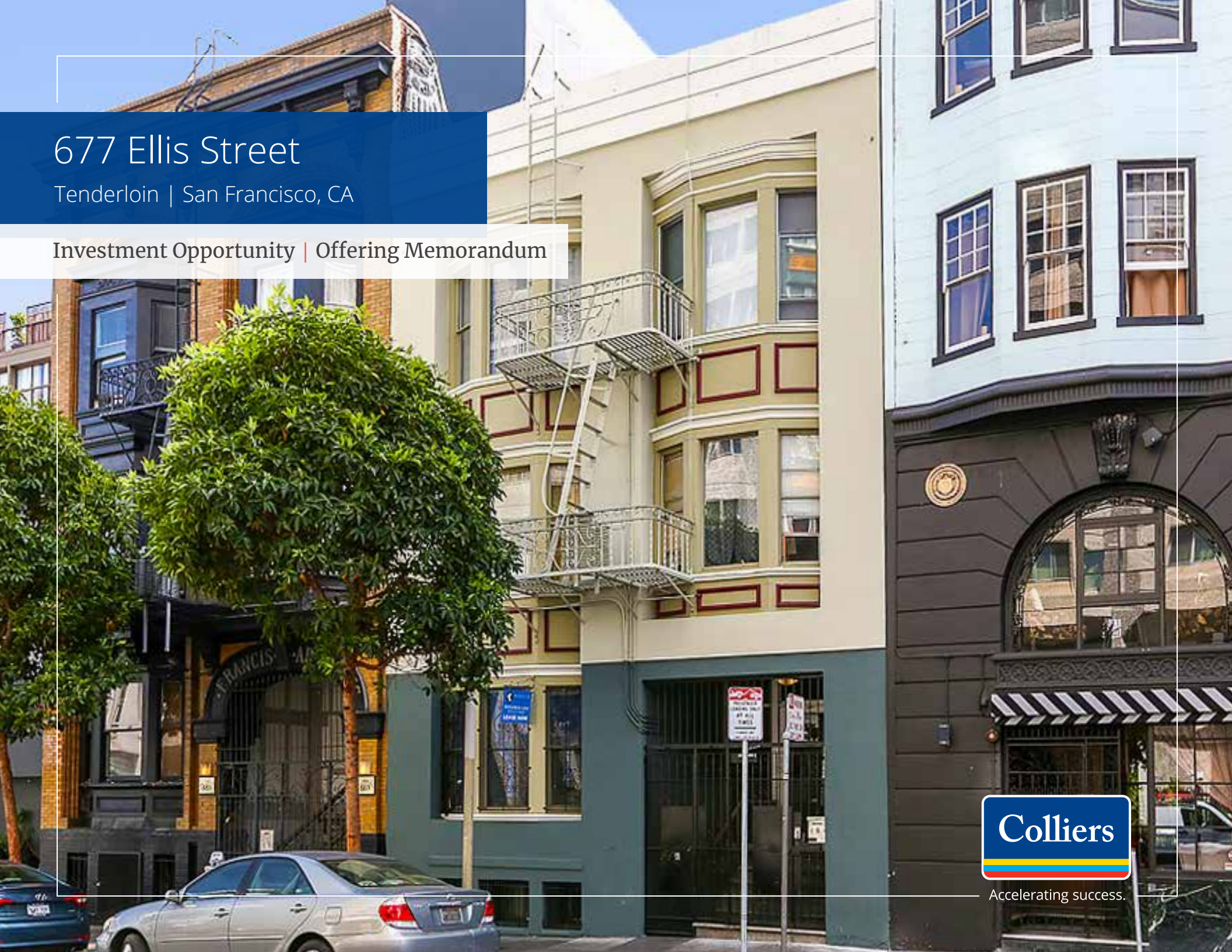


677 Ellis Street

Tenderloin | San Francisco, CA

Investment Opportunity | Offering Memorandum



Accelerating success.





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Showings by Appointment

Please Call Listing Agent

Multifamily Investment Services Group

www.thedlteam.com

101 Second Street | Suite 1100 | San Francisco, CA







Table of Contents

06

Offering Summary

07

Property Information

08

Financial Overview

11

Property Photographs

22

Amenities

24

Public Transportation

25

Tech Corridor

26

Aerial Photo

Offering Summary

Built in 1908, 677 Ellis Street is a historic 14 unit 6,486 square foot building constructed of masonry with a concrete foundation. The building occupies a mid-block lot between Hyde and Larkin Street in the Tenderloin/Little Saigon 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 some of 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 (38 Geary/O'Farrell, 49 Van Ness & 27 Bryant).

The unit mix in the building consists of 14 studio apartments. The updated units consist of durable engineered hardwood floors, generous closets in the bedrooms and large windows which bring in plenty of natural light. Other features include well-appointed kitchens and baths with granite counters, sleek cabinets and efficient appliances including microwaves, dishwashers and disposals. The building is separately metered for gas & electricity. There is an on-site laundry facility for the convenience of the tenants.

677 Ellis Street presents a rare opportunity for an investor to acquire a stabilized asset at a 6.05% cap rate and \$160,714 per unit. Income upside will be realized as the economy improves and demand for residential apartments is restored.

The Property

Property Information

Address: 677 Ellis Street, San Francisco, CA 94109

District: Tenderloin

Property Type: Apartment Building

APN: 0335-018

Building Square Feet: 6,486 square feet

Units: 14

Lot Size: 2,284 square feet (per tax records)

Constructed: 1908

Zoning: RC-4

Building Systems

Foundation: Concrete foundation

Structure: Masonry / stucco

Façade: Stucco

Rear of Building: Metal sheathed siding

Windows: Wood-frame/single painted aluminum/vinyl

Roof Composition & Age: EPDM (ethylene propylene diene terpolymer)

Electrical Service: 400 amps - separately metered

Gas Service: Separately metered

Fire Protection System: United Technology – Edwards 10. Fire extinguishers, hard-wired smoke detectors in hallways, sprinklers in basement area of the building

Fire Escapes: North and south side of building

Heat Source: Electric wall heaters

Hot Water: AO Smith – 95/100 Gallon, Mighty Therm water heater

Plumbing: Copper and galvanized

Common Area Lights: Modern common area lighting

Skylight: Yes – hallway

Door Entry System: DKS entry system

Front entryway: Terrazzo entryway

Mailboxes: In lobby

Apartment Access: Carpeted lobby and staircase

Laundry: 1 washer & 1 dryer

Garbage: Inside gated area off basement level

Elevator: None

Security: Camera security system / gated entry

Building Information

Unit Mix: 14 - Studio

Kitchens: Engineered wood flooring

Electric stoves and ovens

Wood cabinetry

Quartz/tile counters

Single basin sinks

Freezer over refrigerator

Dishwashers (renovated units)

Ample natural light, flush-mount lighting

Bathrooms: Tile flooring

Wood cabinet sinks

Mirrored vanities

Tub shower combinations

Fan systems

Bedrooms/Living Area: Engineered hardwood flooring / carpet

Engineered wood flooring

Sliding mirrored closets

Large windows

Notes: SF fire alarm horn upgrade has been completed (horns in sleeping rooms)

The building is not on the San Francisco soft story list

Financial Analysis

Financial Summary		Annual Gross Income	Current	Proforma
Price	\$2,250,000	Gross Potential Income	\$252,602	\$314,426
Down Payment	\$945,000	Vacancy (5%)	\$12,630	\$15,721
Number of Units	14	AGI	\$239,972	\$298,704
Price/Unit	\$160,714	Expenses	\$103,924	\$107,015
Gross Square Feet	6,486	NOI	\$136,048	\$191,690
Price/Square Foot	\$347			
CAP Rate - Current	6.05%			
CAP Rate - Proforma	8.52%			
GRM - Current	8.91			
GRM - Pro Forma	7.16			
Year Built	1908			
Lot Size	2,284			

Financing		Cash Flow After Debt Service	Current	Proforma
Loan Amount	\$1,305,000	Less Debt Service	\$104,924	\$104,924
Loan Type	Proposed New	Cash Flow	\$31,125	\$86,766
Interest Rate	7.07%	Cash on Cash Return	3.29%	9.18%
Program	5/30 Year Fixed	Expenses as % Of Gross	41%	34%
Loan to Value	58%	Expenses per Unit	\$7,423	\$7,644

Loan Quote: Chase Commercial Lending at 58% LTV at 7.07% 5/30 Fixed (Loan information is time sensitive & subject to change)

Operating Expenses

Annual Operating Expenses		Current	Exp/Unit	% /Exp	Market	Exp/Unit	% /Exp
Property Taxes	<i>1.1777% of Sales Price</i>	\$26,498	\$1,893	25%	\$26,498	\$1,893	25%
Special Assessment Tax	<i>From 2021 Tax Bill</i>	\$2,616	\$187	3%	\$2,616	\$187	2%
Insurance	<i>From Owner's 2022-23 Income Statement</i>	\$10,159	\$726	10%	\$10,159	\$726	9%
Property Management	<i>Estimated at 5% of Gross Income</i>	\$12,630	\$902	12%	\$15,721	\$1,123	15%
Repairs & Maintenance	<i>Estimated at \$750/unit</i>	\$10,500	\$750	10%	\$10,500	\$750	10%
Payroll Expenses	<i>From Owner's 2022-23 Income Statement</i>	\$11,698	\$836	11%	\$11,698	\$836	11%
Marketing Expenses	<i>From Owner's 2022-23 Income Statement</i>	\$3,182	\$227	3%	\$3,182	\$227	3%
Contract Services	<i>From Owner's 2022-23 Income Statement</i>	\$1,776	\$127	2%	\$1,776	\$127	2%
Turnover Expenses	<i>From Owner's 2022-23 Income Statement</i>	\$1,519	\$108	1%	\$1,519	\$108	1%
Utilities	<i>From Owner's 2022-23 Income Statement</i>	\$23,344	\$1,667	22%	\$23,344	\$1,667	22%
Total Operating Expenses		\$103,924	\$7,423	100%	\$107,015	\$7,644	100%
Gross Potential Income		\$252,602			\$314,426		
Vacancy (5%)		\$12,630			\$15,721		
AGI		\$239,972			\$298,704		
Expenses		\$103,924			\$107,015		
NOI		\$136,048			\$191,690		
Expenses as % of Gross Income		41%			34%		
Expense per Unit		\$7,423			\$7,644		

Rent Roll

Unit No.	Unit Type	Rents	Market Rent	Move in Date	Sq Ft	Notes
1	Studio	\$1,462.00	\$1,795	7/10/2014	362	
2	Studio	\$572.00	\$1,795	8/1/2006	300	
3	Studio	\$1,161.89	\$1,795	11/1/2010	303	
4	Studio	\$1,201.28	\$1,795	8/1/2009	308	
5	Studio	\$1,836.29	\$1,795	10/31/2021	310	
6	Studio	\$1,600.62	\$1,795	9/30/2022	300	
7	Studio	\$1,076.73	\$1,795	7/1/2007	303	
8	Studio	\$1,795.00	\$1,795	9/30/2023	315	
9	Studio	\$1,425.00	\$1,795	3/31/2021	309	In eviction process
10	Studio	\$1,584.45	\$1,795	8/1/2021	304	
11	Studio	\$1,695.00	\$1,795	9/7/2023	300	
12A	Studio	\$1,377.78	\$1,795	3/26/2021	268	
12B	Studio	\$1,595.00	\$1,795	11/9/2023	231	
12C	Studio	\$1,595.00	\$1,795	6/13/2023	300	
Monthly Income		\$19,978.04	\$25,130			
Laundry		\$79.07	\$79			
RUBS		\$790.02	\$790			
Bond Passthrough		\$71.17	\$71			
Other Income		\$131.88	\$132			
Total Monthly Income		\$21,050.18	\$26,202			
Annual Income		\$252,602	\$314,426			Upside: 23%

Units

Studio - 12
ADU - 2

Notes

Market rents estimated using Rentometer.com
Laundry, RUBS, Bond Passthrough and Other Income from Owner's 2022-23 Income Statement

Property Photos



APARTMENTS
For Sale
by Jeremy Williams
781.352.0946
exp

677

NO PARKING
EXCEPT FOR
LOADING AND
UNLOADING
MAY 15 2011



Property Photos



Property Photos



Property Photos



Property Photos



Property Photos



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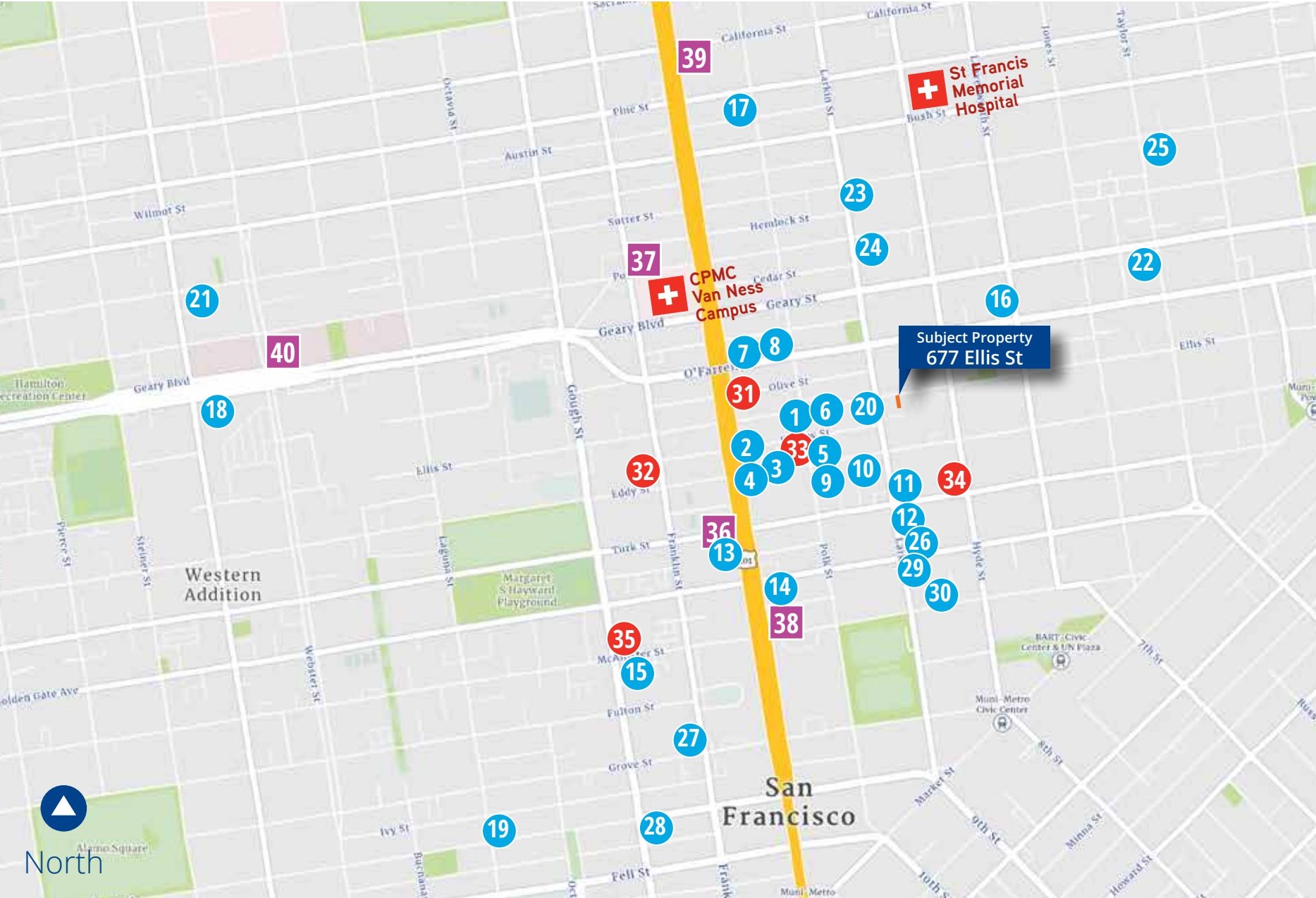
Property Photos



Property Photos



Amenities Map

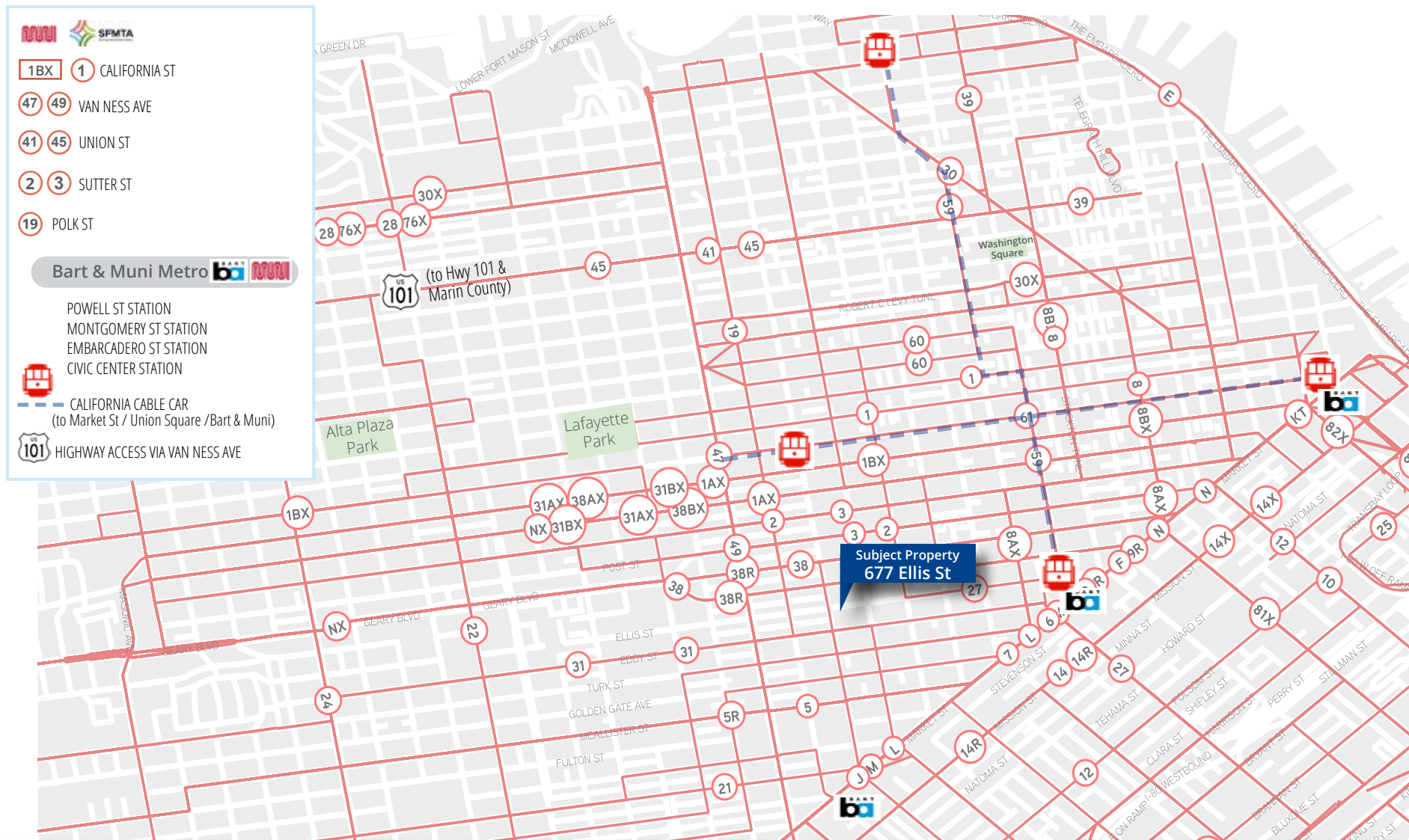


● Restaurants & Bars
 ● Convenience & Grocery Stores
 ■ Banks & ATM's
 + Hospitals

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 Piscao	40 California Bank & Trust

Public Transportation



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

The area around 677 Ellis 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. 677 Ellis 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.

Tech Corridor



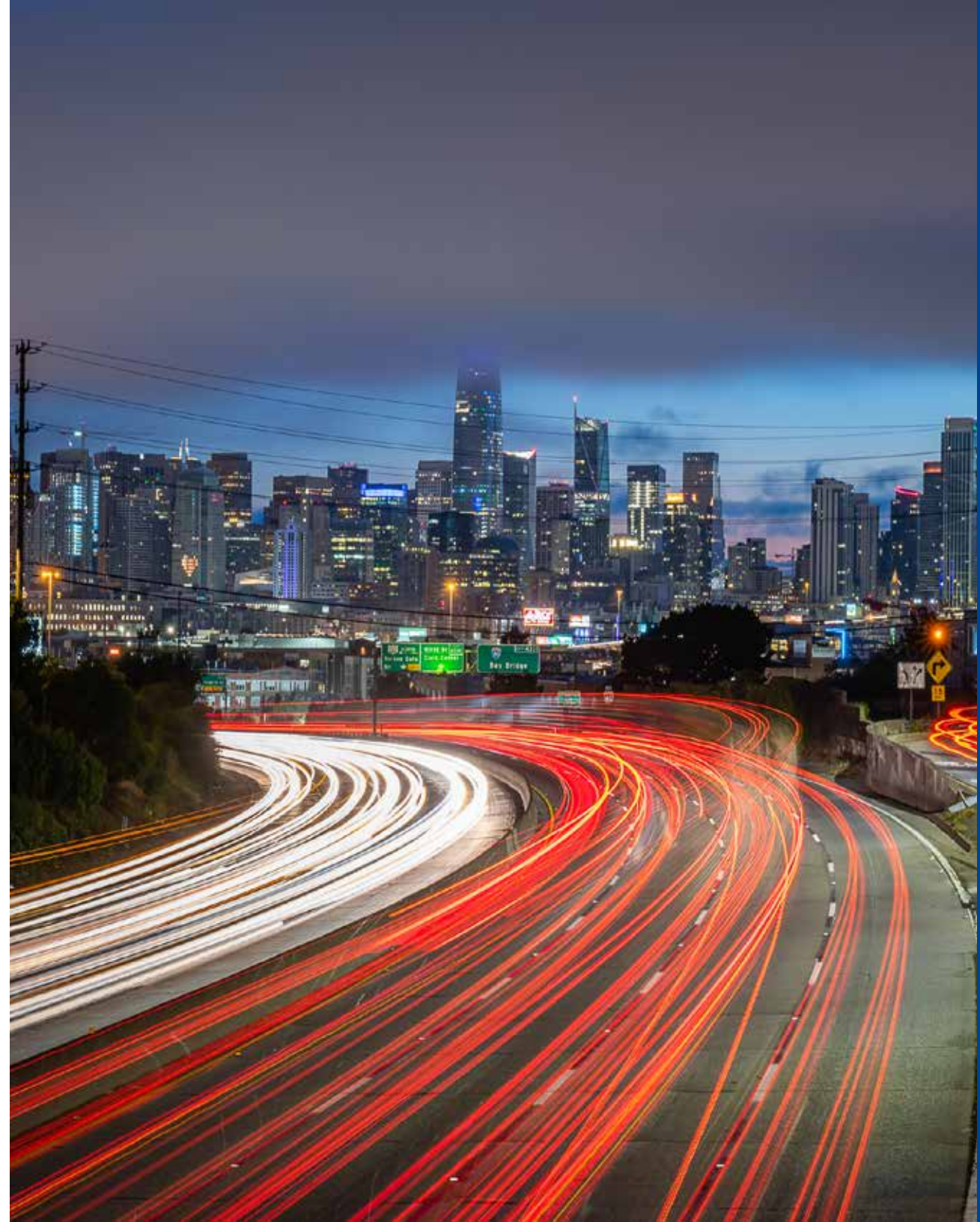
Subject Property
677 Ellis St

677 Ellis 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.

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. The Golden Gate Bridge is visible in the distance. A white line with a circular endpoint points to a specific location in the city, labeled with the address "677 Ellis Street". The text is in a white, sans-serif font. The overall scene is a high-angle, wide-area view of the city's architecture and street layout.

677
Ellis
Street





Confidentiality & Disclaimer Statement

This Offering Memorandum contains select information pertaining to the business and affairs of the Property at 677 Ellis Street San Francisco, CA 94109. 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 677 Ellis 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 677 Ellis 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 677 Ellis 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.

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Tenderloin | San Francisco, CA

Investment Opportunity | Offering Memorandum



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