



# 501 Hayes Street

Hayes Valley | San Francisco, CA

Investment Opportunity | Offering Memorandum







**Dustin Dolby**

Executive Vice President

+1 415 288 7869

dustin.dolby@colliers.com

**Brad Lagomarsino**

Executive Vice President

+1 415 288 7847

brad.lago@colliers.com

Showings by Appointment

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Multifamily Investment Services Group

[www.thedlteam.com](http://www.thedlteam.com)

101 Second Street | Suite 1100 | San Francisco, CA







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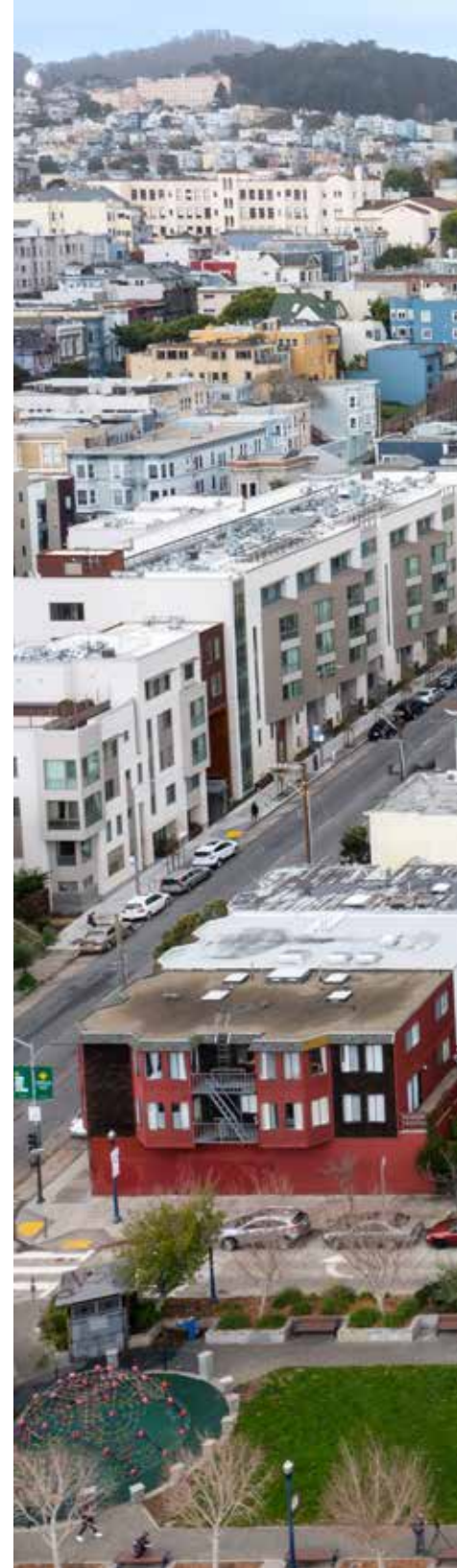
# Offering Summary

Colliers International is pleased to present 501 Hayes Street located adjacent to Patricia's Green, a popular public space spanning Octavia Boulevard between Hayes & Fell Street in the Hayes Valley neighborhood of San Francisco. 501 Hayes is in the epicenter of Hayes Valley, one of the trendier sections of town, with an eclectic mix of Boutiques, high-end restaurants, shopping and nightlife. The neighborhood's proximity to fine-arts venues such as Davies Symphony Hall and the War Memorial Opera Plaza makes it the City's cultural hub. For commuters, easy freeway access and proximity to several Muni bus lines makes Hayes Valley an even more desirable location.

This pride of ownership 18-unit mixed-use corner apartment building consists of four (4) studios, twelve (12) one-bedrooms, and two (2) commercial units currently occupied by Hazie's, a popular contemporary bar & restaurant and Miette Patisserie & Confiserie, a critically acclaimed high quality French pastry shop with locations around the Bay Area.

The property has recently undergone a series of upgrades including a seismic retrofit, exterior paint, new electrical service and ADA access compliance for the commercial tenants.

This is an excellent opportunity for an investor to purchase an exceptionally well located-mixed-use asset with tremendous income upside potential through future rent increases & unit turnover, (*Hazie's restaurant to see a 25% increase in rent to \$25,000 per month in 2024, followed by annual increases of 3-4% - in addition there is a percentage of gross sales clause in the lease*).









# The Property

## Property Information

Address: 501 Hayes Street San Francisco, CA 94102

District: Hayes Valley

Property Type: Mixed-Use Apartment Building

APN: 0818-001

Building Square Feet: 15,692 square feet (per tax records)

Units: 18

Lot Size: 4,795 square feet (per tax records)

Constructed: 1900

Zoning: NCT

## Building Systems

Foundation: Concrete

Structure: Wood-Frame

Facade: Stucco with Ornate Period Detailing

Rear of Building: Wood Lap Siding

Roof Composition & Age: Modified-Bitumen (10 years old)

Electrical Service: 400 AMPs (commercial), 400 amps (residential)  
(separately metered)

Gas Service: 16 Gas Meters (Units 16 & 17 share a meter)

Fire Protection System: Fire-Lite MS-SUP (Honeywell)

Windows: Vinyl Double Paned

Heat Source: Forced air (commercial) electric baseboard (residential)

Hot Water: Bradford & White (Commercial) / Takagi TankLess  
(Residential)

Plumbing: Mostly Copper

Door Entry System: Linear Entry system

Front entryway: Gated ntry

Mailboxes: In Lobby Area

Lobby/Common Areas: Wood / Carpeted

Garbage: In Tradesman Alley

Apartment Access: Central Staircase Access

## Building Information

Unit Mix: 4 - Studios, 1 Bath  
12 - One Bedroom / One Bath  
2 - Commercial

Kitchens: Granite Counter Tops  
Double Basin Stainless Steel Sink  
Gas Range w/ Hood  
Microwave  
Modern Overhead Lighting (w/ Ceiling Fan)  
Window Ventilation

Bathrooms: Granite Counter Tops  
Tub Shower Combo with Tile Surrounds  
LED Vanity Lighting  
Overhead Venting System  
Window Ventilation  
Cabinet Vanity

Bedrooms: Hardwood Floors  
Chandelier Lighting  
Bay Windows w/ Ample Light  
Large Closets  
Faux Wood Blinds  
Double Pane Vinyl Windows  
Park Views (In Some Units)

Dining/Living Room Area: Fireplace  
Chandelier Lighting  
Hardwood Floors  
Large Windows w/ Ample Light  
Park Views (In Some Units)

## Notes

Both commercial tenants are ADA compliant

Both commercial tenants have access to additional basement storage space in addition to their ground floor footprint

The property has been seismically retrofitted in accordance with SF law

# Financial Summary

Financial Summary		Annual Gross Income		Current	Proforma
Price	\$11,000,000	Gross Potential Income	\$937,110		\$1,029,651
Down Payment	\$4,950,000	Vacancy (5.0%)	\$46,855		\$51,483
Number of Units	18	AGI	\$890,254		\$978,168
Price/Unit	\$611,111	Expenses	\$237,676		\$242,303
Gross Square Feet	15,692	NOI	\$652,579		\$735,866
Price/Square Foot	\$701				
CAP Rate - Current	5.93%				
CAP Rate - Proforma	6.69%				
GRM - Current	11.74				
GRM - Pro Forma	10.68				
Year Built	1900				
Lot Size	4,795				

Financing		Cash Flow After Debt Service	Current	Proforma
Loan Amount	\$6,050,000	Less Debt Service	\$449,374	\$449,374
Loan Type	Proposed New	Cash Flow	\$203,204	\$286,492
Interest Rate	6.30%	Cash on Cash Return	4.11%	5.79%
Program	5/30 Year Fixed	Expenses as % Of Gross	25%	24%
Loan to Value	55%	Expenses per Unit	\$13,204	\$13,461

*Loan Quote: Estimated at 55% LTV at 6.30% 5/30 Year Fixed  
(Loan information is time sensitive & subject to change)*

*Quote provided by Niko Tsiplakos, Slatt Capital*

# Operating Expenses

Annual Operating Expenses		Current	Exp/Unit	% /Exp	Market	Exp/Unit	% /Exp
Property Taxes	<i>1.17769% of Sales Price</i>	\$129,546	\$7,197	55%	\$129,546	\$7,197	53%
Special Assessment Tax	<i>From Owner's 2023 Tax Bill</i>	\$1,327	\$74	1%	\$1,327	\$74	1%
Insurance	<i>2023 Owner's Statement</i>	\$16,261	\$903	7%	\$16,261	\$903	7%
Property Management	<i>Estimated at 5% of Gross Income</i>	\$46,855	\$2,603	20%	\$51,483	\$2,860	21%
Repairs & Maintenance	<i>Estimated at \$1,000/unit</i>	\$18,000	\$1,000	8%	\$18,000	\$1,000	7%
Gas & Electric	<i>2023 Owner's Statement</i>	\$8,482	\$471	4%	\$8,482	\$471	4%
Water	<i>2023 Owner's Statement</i>	\$9,761	\$542	4%	\$9,761	\$542	4%
Garbage	<i>2022 Owner's Statement</i>	\$4,530	\$252	2%	\$4,530	\$252	2%
Janitorial	<i>2023 Owner's Statement</i>	\$2,470	\$137	1%	\$2,470	\$137	1%
Telephone/Intercom	<i>2023 Owner's Statement</i>	\$443	\$25	0%	\$443	\$25	0%
<b>Total Operating Expenses</b>		<b>\$237,676</b>	<b>\$13,204</b>	<b>100%</b>	<b>\$242,303</b>	<b>\$13,461</b>	<b>100%</b>
<b>Gross Potential Income</b>		<b>\$937,110</b>			<b>\$1,029,651</b>		
Vacancy (5%)		\$46,855			\$51,483		
AGI		\$890,254			\$978,168		
Expenses		\$237,676			\$242,303		
<b>NOI</b>		<b>\$652,579</b>			<b>\$735,866</b>		
Expenses as % of Gross Income		25%			24%		
Expense per Unit		\$13,204			\$13,461		

# Rent Roll

Unit No.	Unit Type	Rents	Market Rent	Move in Date	Sq Ft	Notes
1	1 Bed, 1 Bath	\$3,290.00	\$3,290	3/1/2023		
2	1 Bed, 1 Bath	\$704.76	\$3,290	4/1/1983		
3	1 Bed, 1 Bath	\$3,190.00	\$3,290	5/1/2023		
4	1 Bed, 1 Bath	\$3,290.00	\$3,290	9/10/2022		
5	1 Bed, 1 Bath	\$2,890.00	\$3,290	9/1/2023		
6	1 Bed, 1 Bath	\$2,490.00	\$3,290	6/1/2022		
7	1 Bed, 1 Bath	\$2,956.47	\$3,290	8/14/2021		
8	1 Bed, 1 Bath	\$3,090.00	\$3,290	12/15/2023		
9	1 Bed, 1 Bath	\$3,097.00	\$3,290	3/15/2022		
10	1 Bed, 1 Bath	\$2,690.00	\$3,290	1/1/2024		
11	1 Bed, 1 Bath	\$3,190.00	\$3,290	8/1/2023		
12	1 Bed, 1 Bath	\$2,990.00	\$3,290	7/1/2023		
14	Studio	\$1,950.00	\$2,000	New Lease		
15	Studio	\$1,490.00	\$2,000	9/1/2023		
16	Studio	\$1,490.00	\$2,000	New Lease		
17	Studio	\$1,690.00	\$2,000	New Lease		
449	Miette Patisserie	\$9,950.00	\$9,950	6/1/2006	2,000	Exp. 1/31/29
501	Hazies	\$20,000.00	\$25,000	5/1/2021	3,000	*Increasing May 2024
<b>Monthly Income</b>		<b>\$70,438.23</b>	<b>\$82,430</b>			
1	Commercial Rent Increase	\$5,000.00	\$0			
2	Basement Storage A	\$0.00	\$500		400	Hazies
3	Basement Storage B	\$1,620.00	\$1,620	5/1/2014	498	Souvla Office
<b>4</b>	<b>Basement Storage C</b>	<b>\$100.00</b>	<b>\$100</b>	<b>Vacant</b>	<b>39</b>	
5	Basement Storage D	\$0.00	\$100	5/1/2015	38	Part of B
6	Basement Storage E	\$0.00	\$120		50	Hazies
<b>7</b>	<b>Basement Storage F</b>	<b>\$200.00</b>	<b>\$200</b>	<b>5/1/2015</b>	<b>200</b>	<b>Owner Occupied</b>
8	Commercial Utility Reimbursement	\$734.25	\$734			
<b>Total Monthly Income</b>		<b>\$78,092.48</b>	<b>\$85,804.25</b>			
<b>Annual Income</b>		<b>\$937,110</b>	<b>\$1,029,651</b>			<b>Upside: 10%</b>

## Units

Studio - 4

1 Bed, 1 Bath - 12

Commercial - 2

Storage - 6

**Total Units - 18**

## Notes

Market rents estimated at current rates

Storage projected at roughly \$1.00 to \$3.00 per sqft

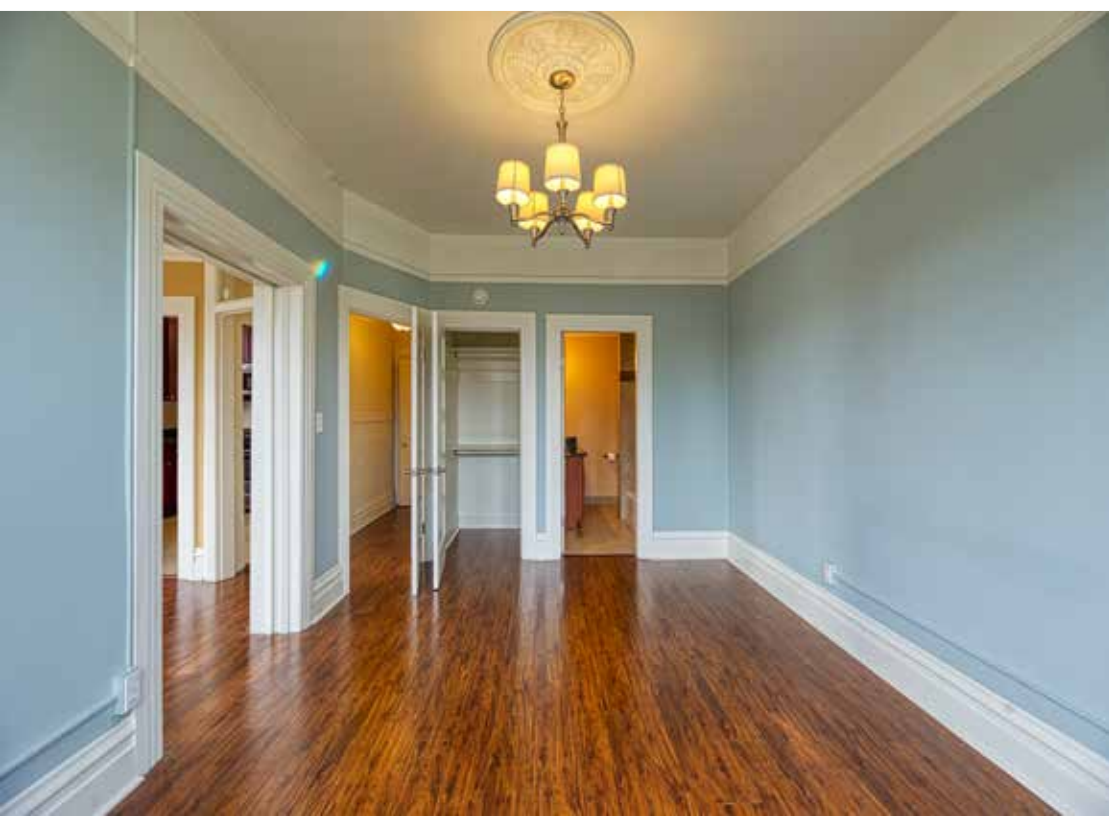
Owner is projecting \$3,290 for vacant rents

\*Increasing 25% to \$25,000/month in 2024, followed by annual increases of 3-4%

Property Photos









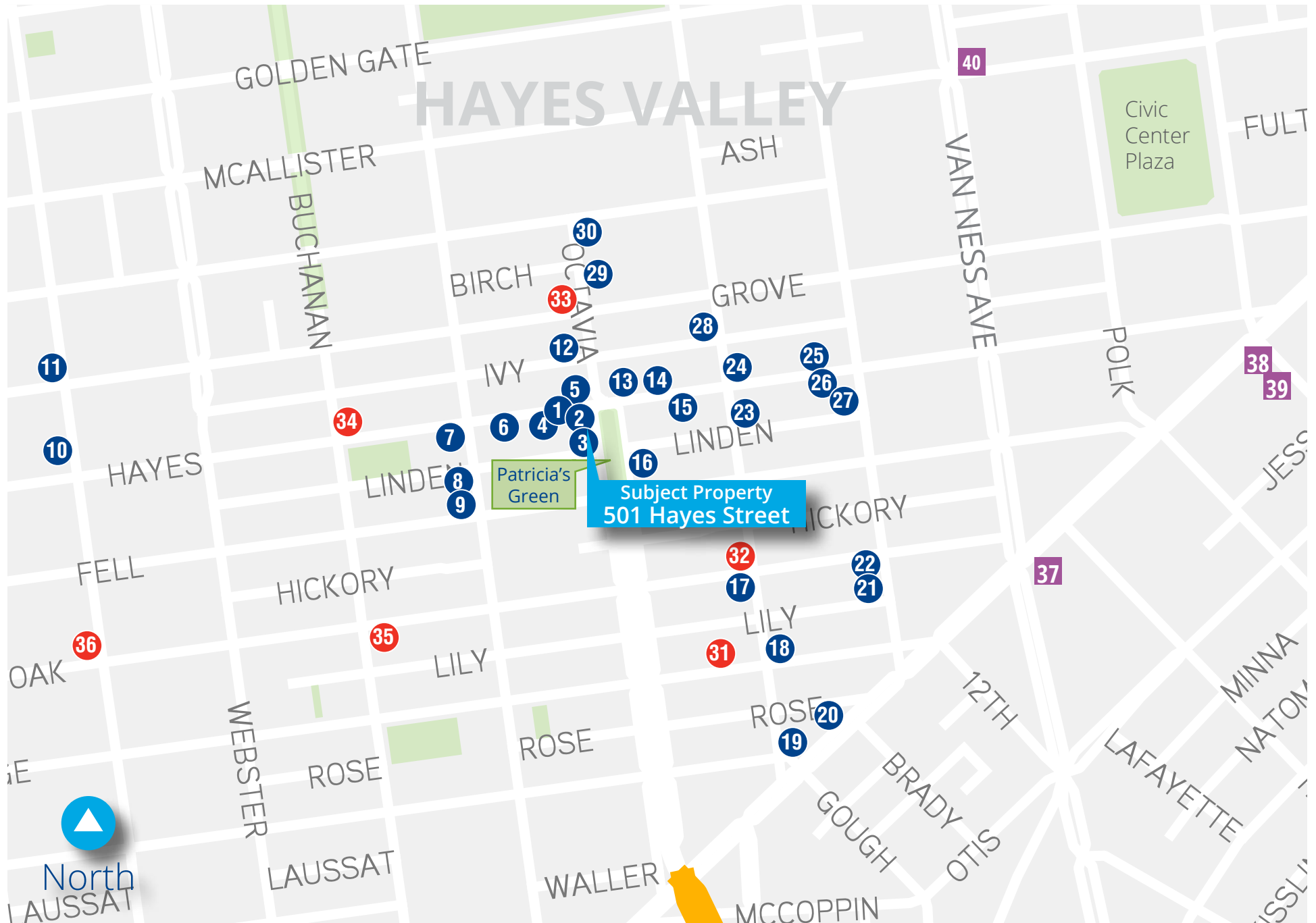








# Amenities Map

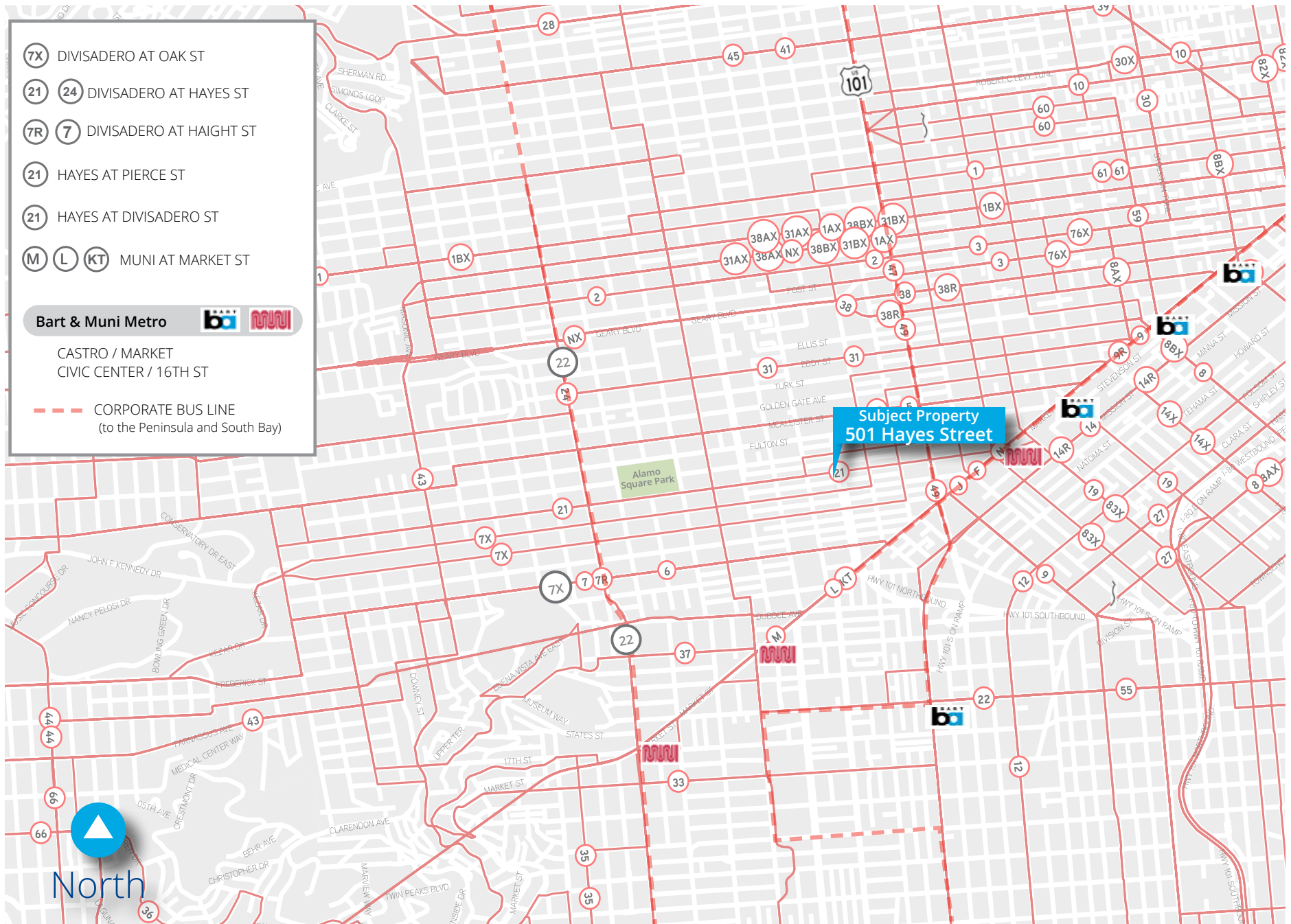


- Restaurants & Bars
- Convenience & Grocery Stores
- Banks & ATM's

## Neighborhood Amenities

<span style="color: blue;">1</span> Patxi's Pizza	<span style="color: blue;">11</span> Alamo Square Grill	<span style="color: blue;">21</span> Nakama Sushi	<span style="color: red;">31</span> Nick's Super Market
<span style="color: blue;">2</span> Hazi's	<span style="color: blue;">12</span> Na Ya Dessert Cafe	<span style="color: blue;">22</span> RT Rotisserie	<span style="color: red;">32</span> Victoria Liquors & Grocery
<span style="color: blue;">3</span> Miette Patisserie	<span style="color: blue;">13</span> Brass Tacks	<span style="color: blue;">23</span> Night Bird	<span style="color: red;">33</span> Grove Street Market
<span style="color: blue;">4</span> Souvla	<span style="color: blue;">14</span> a Mano	<span style="color: blue;">24</span> Absinthe Brasserie & Bar	<span style="color: red;">34</span> Hayes Market & Convenience Store
<span style="color: blue;">5</span> La Boulangerie	<span style="color: blue;">15</span> Papito Hayes	<span style="color: blue;">25</span> Hayes Street Grill	<span style="color: red;">35</span> Oak Gourmet Market
<span style="color: blue;">6</span> Gioia Pizzeria	<span style="color: blue;">16</span> Biergarten	<span style="color: blue;">26</span> Lers Ros Thai	<span style="color: red;">36</span> Key Food Market
<span style="color: blue;">7</span> Suppenkuche	<span style="color: blue;">17</span> Rich Table	<span style="color: blue;">27</span> Nojo Ramen Tavern	<span style="color: purple;">37</span> Bank of America
<span style="color: blue;">8</span> Domo	<span style="color: blue;">18</span> Baiano Pizzeria	<span style="color: blue;">28</span> Monsieur Benjamin	<span style="color: purple;">38</span> Bank of the West
<span style="color: blue;">9</span> Il Borgo	<span style="color: blue;">19</span> Espetud Churrascaria	<span style="color: blue;">29</span> DragonEats	<span style="color: purple;">39</span> First Republic Bank
<span style="color: blue;">10</span> Alamo Square Cafe	<span style="color: blue;">20</span> Zuni Cafe	<span style="color: blue;">30</span> Hayes Valley Bakeworks	<span style="color: purple;">40</span> Chase bank

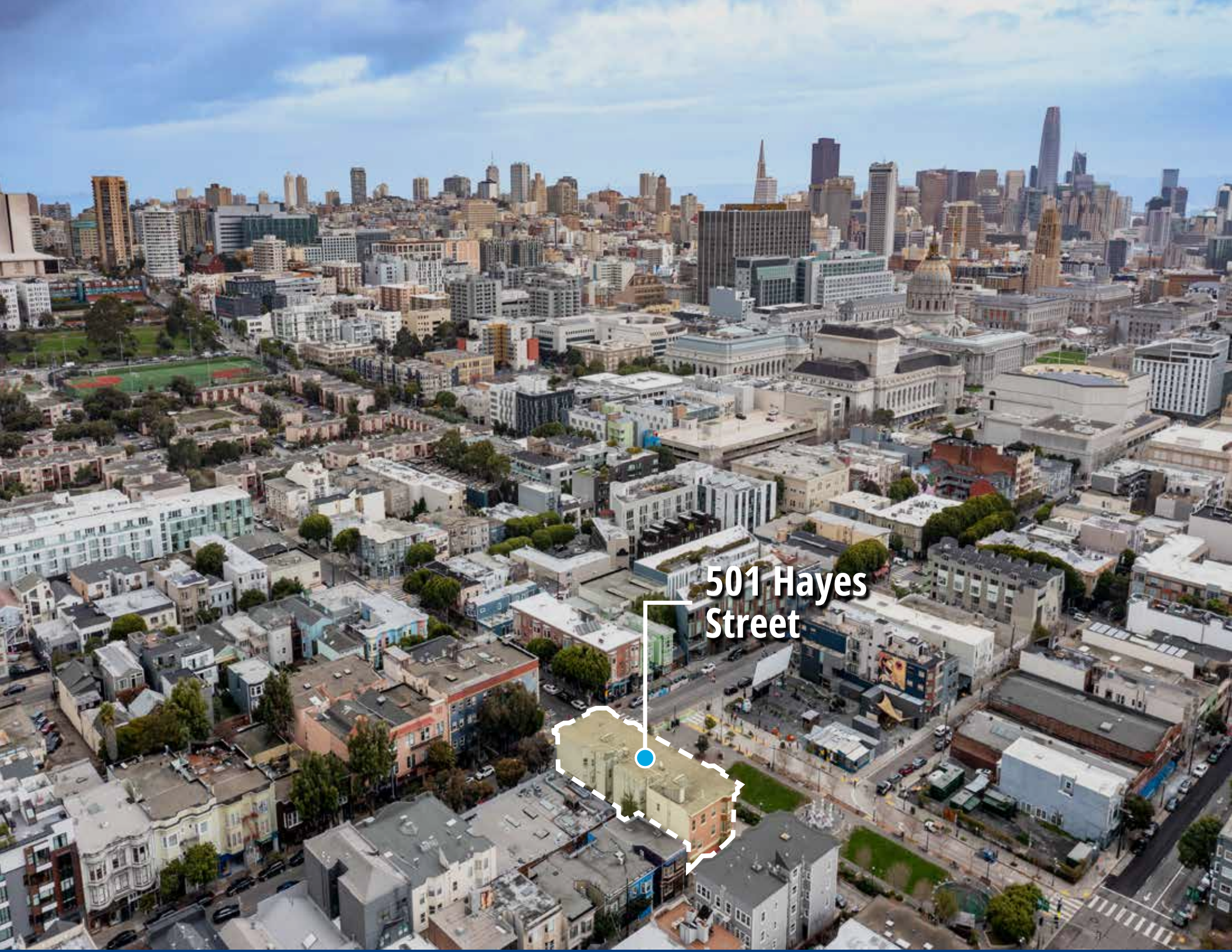
# Public Transportation



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

The area around 501 Hayes 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.





501 Hayes  
Street



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This Offering Memorandum contains select information pertaining to the business and affairs of the Property at 501 Hayes Street San Francisco, CA 94102. 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 501 Hayes 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.

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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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