

680-682 HAIGHT STREET

MIXED-USE BUILDING | HAYES VALLEY | OFFERING MEMORANDUM



Colliers
INTERNATIONAL

PURCHASE PRICE:
\$3,088,000

NOI:
\$112,994

IN PLACE CAP RATE:
3.72%

PROFORMA CAP RATE:
5.58%

SQ. FT:
5,795

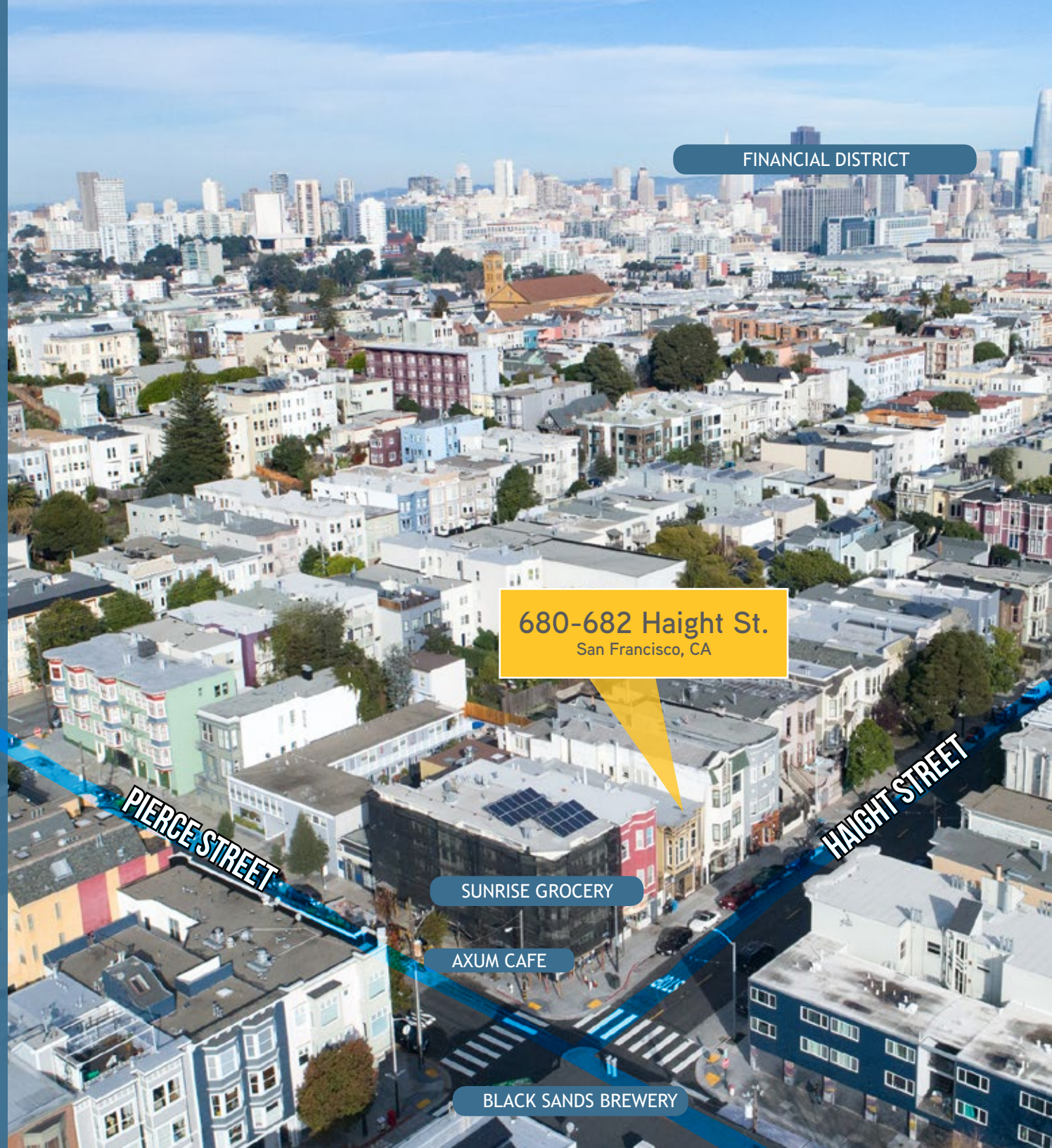
PRICE PER SQ. FT.
\$533

OCCUPANCY:
100%

UPSIDE:

73% upside in gross income
by 2020.

Ground floor tenant is paying
50% below market rent.



FINANCIAL DISTRICT

680-682 Haight St.
San Francisco, CA

PIERCE STREET

HAIGHT STREET

SUNRISE GROCERY

AXUM CAFE

BLACK SANDS BREWERY

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#7 Haight/Noriega

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EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

Colliers International, as Exclusive Advisor to the Seller, is pleased to present the opportunity to acquire the 100% fee simple interest to **680-682 Haight Street**, San Francisco, CA, (the "Property"), a well maintained, 5,795 square foot, mixed-use building on iconic Haight Street.

The subject property consists of two units - a ground floor restaurant and an upper residential unit. The ground floor restaurant space is currently occupied by Sushi Raw, a local Japanese restaurant and sushi bar with two other San Francisco locations. The residential unit consists of 6 bedrooms, 2 bathrooms, a full kitchen, and living spaces.

This is an excellent opportunity for an investor or owner/user to increase value by restructuring current leases, offering enormous potential in a highly desirable neighborhood.

HIGHLIGHTS

ADDRESS



680-682 Haight St.
San Francisco, CA

BUILDING SIZE



±5,795 sq. ft.

PARKING



On Street

LAND SQ. FT.



2,750

POWER



300 Amp - Ground Fl
120 Amp - Upper Fl

YEAR BUILT



1890

TWO STORIES



Residential
over
Retail

OCCUPANCY

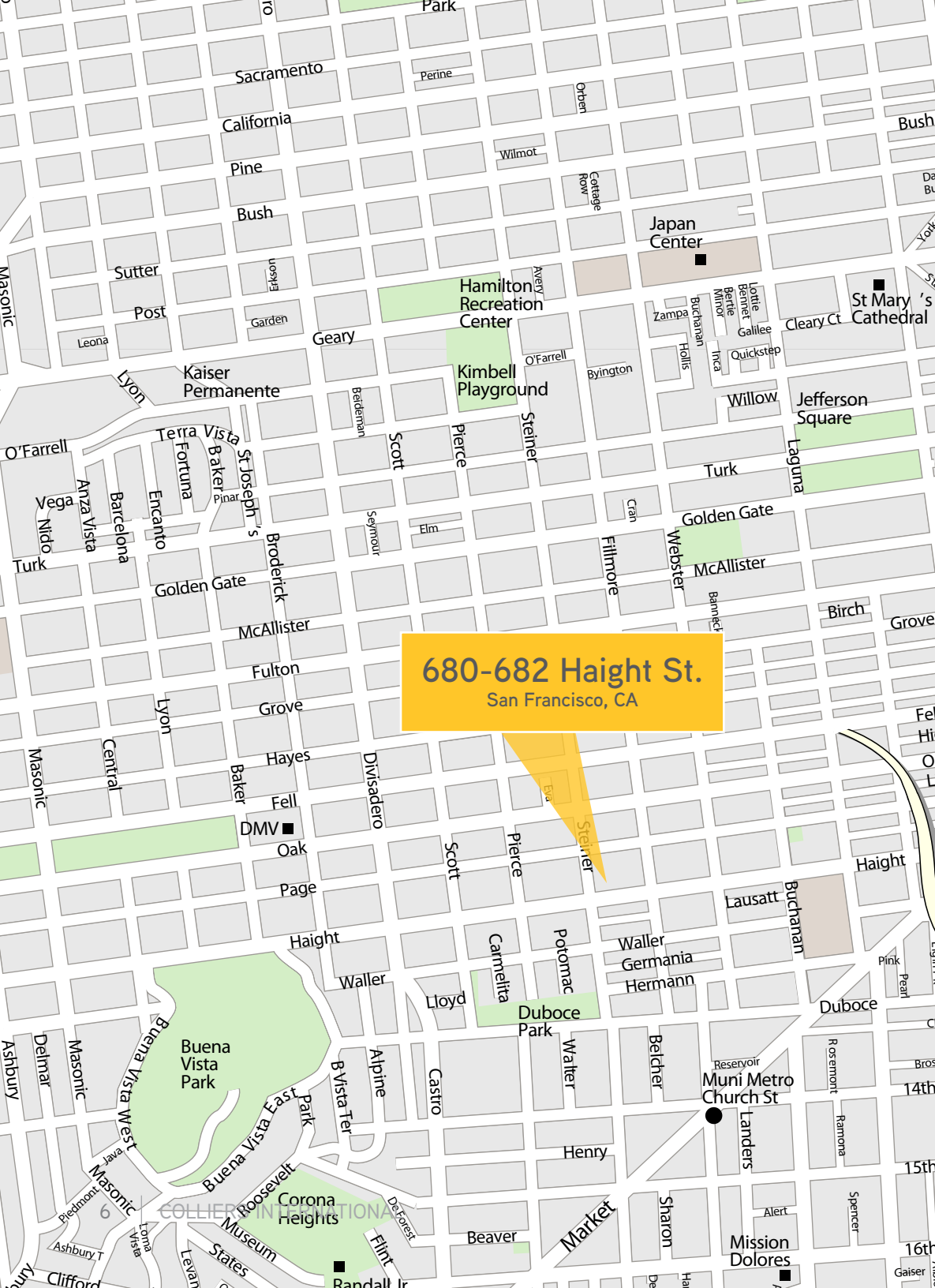


100%

RECENT UPGRADES



Garage converted to
restaurant in 2007.
Seismic upgrade
completed.



PROPERTY DETAILS

680-682 Haight Street is a two-story mixed-use Edwardian-style property located in the Lower Haight district of San Francisco. The property consists of 5,795 rentable square feet situated on a 2,750 square foot parcel.

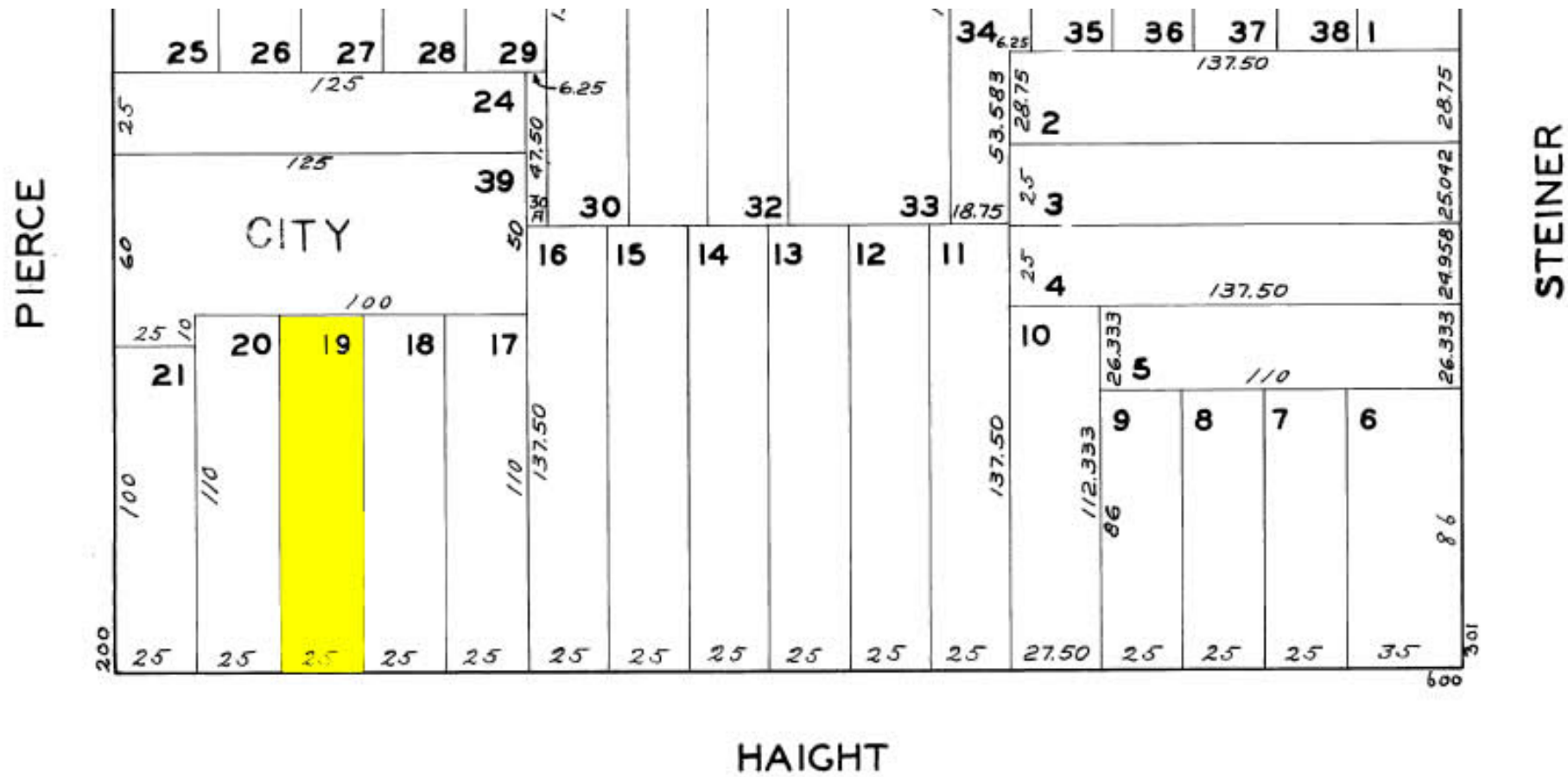
The residential unit (2,995 sq. ft.) is spacious with high ceilings, hardwood floors and period details. The full-service restaurant tenant on the ground floor space (2,800 sq. ft. GLA) is currently paying below market rent,

Constructed in 1890, the building was originally a single-family residence and converted into a mixed-use Residential over Retail in the mid 2000's by converting the garage into a retail space. The ground floor space is zoned NC-1, which allows for a variety of retail uses, and was seismically retrofitted in 2007.

INVESTMENT HIGHLIGHTS

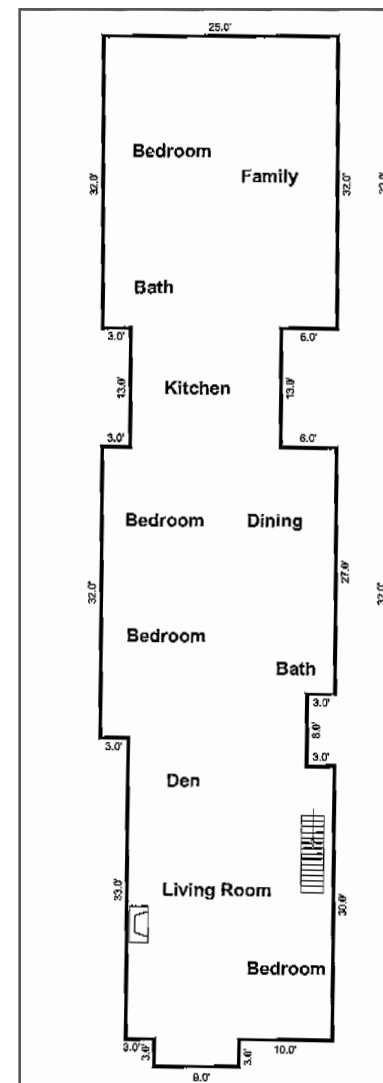
| | |
|------------------------|-------------------------------|
| ADDRESS | 680-682 Haight Street |
| CITY, STATE, ZIP | San Francisco, CA 94117 |
| ASKING PRICE | \$3,088,000 |
| TYPE | Mixed-Use |
| YEAR BUILT / RENOVATED | 1890 / 2007 |
| PARCEL SIZE | 2,750 sq. ft. |
| OWNERSHIP | Fee Simple |
| RENTABLE SF | 5,795 sq. ft. |
| PARCEL NUMBER | 0847-019 |
| ZONING | NC-1 |
| PARKING | Street |
| CONSTRUCTION | Wood Frame / Brick Foundation |

PARCEL MAP





FLOOR PLAN - 680 Haight - Residential Unit



PROPERTY HIGHLIGHTS



Tenant: Sushi Raw



Sushi Raw has humble beginnings starting in the San Francisco Bay Area 15 years ago. They provides excellent sushi throughout San Francisco, with three locations in San Francisco proper, and one in San Bruno. Sushi Raw serves authentic Japanese entrees along with a wide assortment of sushi roll options, and strive to provide their customers with a unique cultural experience, serving unique dishes and flavor combinations. Online ordering is available, and delivery is available during dinner hours at all locations.

TENANT SUMMARY

| | | | |
|---------------------------|------------------------------|----------------------|----------------------|
| Tenant Name | Sushi Raw | Roof & Structure | Landlord Responsible |
| Premises | 682 Haight St, San Francisco | HVAC | Tenant Responsible |
| Term | 5 years | Trash Removal | Tenant Responsible |
| Option(s) | One (1) 5-year | Pest Control | Tenant Responsible |
| Option Notice Requirement | 6 months prior | Insurance | Landlord Responsible |
| Security Deposit | \$10,000 | Utilities | Tenant Responsible |
| Option Rent | FMV | Property Taxes | Landlord Responsible |
| | | Other Property Taxes | Tenant Responsible |

| RENT PERIOD | RENT |
|-----------------------|-----------------------------|
| 1/1/2018 - 12/31/2018 | \$6,749.18 per month |
| 1/1/2019 - 12/31/2019 | 104% = \$7,019.15 per month |

Facing North

ST. IGNATIUS CHURCH / USF

ST. MARY'S MEDICAL CENTER

THE PANHANDLE

HAIGHT STREET

680-682 Haight St.
San Francisco, CA

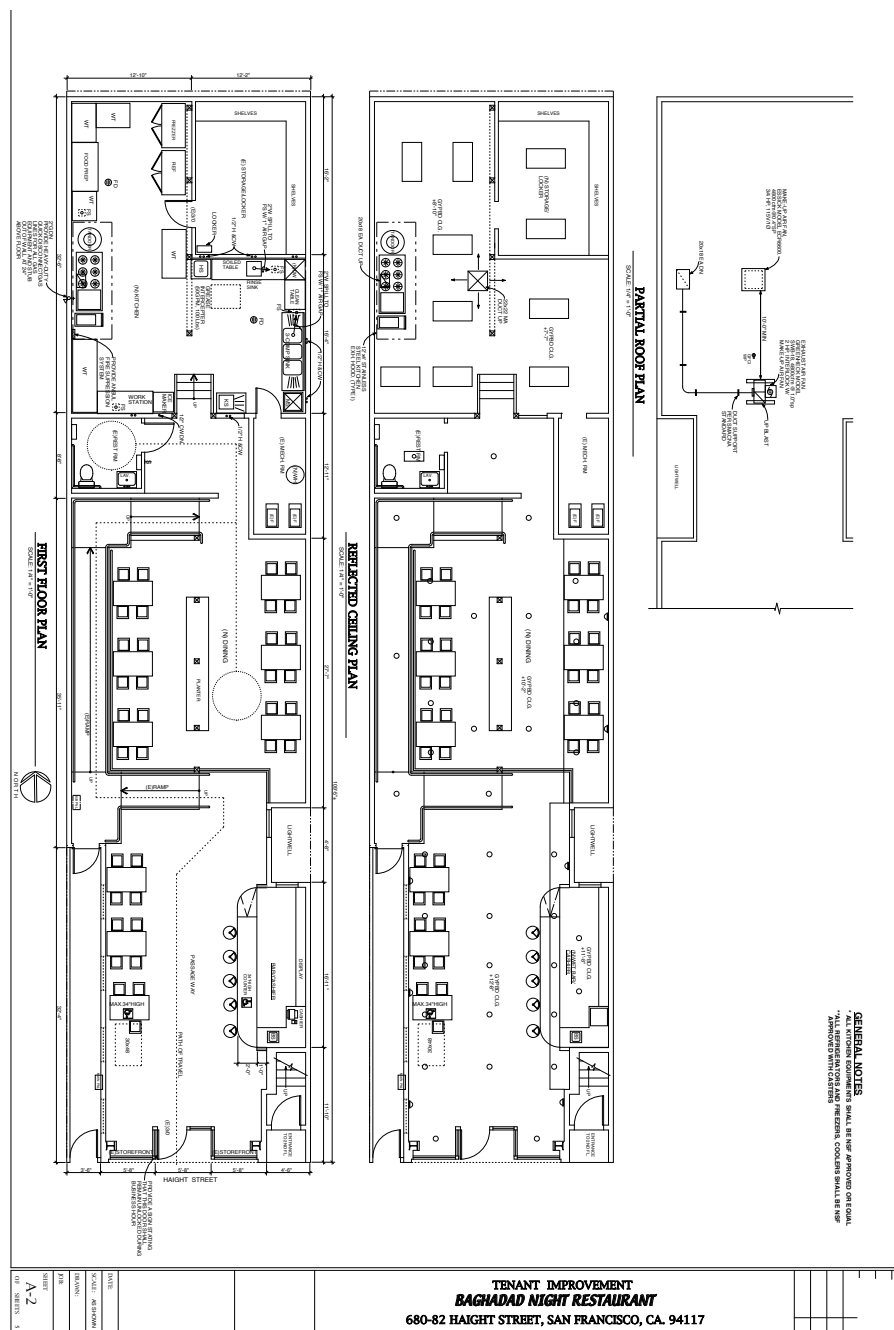
BLACK SANDS BREWERY



GOLDEN GATE BRIDGE

PIERCE STREET

Ground Floor Retail



FINANCIAL OVERVIEW



| CURRENT | | | | 2018 INCOME | PROFORMA INCOME (2020) |
|--|--------------|-----------------|---------------|------------------|------------------------|
| Annual Income | SF | \$/MO | \$/SF/MO | Annual Rent | \$/SF/MO |
| Residential | 2,995 | \$7,000.00 | \$2.34 | \$84,000 | \$91,020 |
| Sushi Raw | 2,800 | \$6,749.00 | \$2.41 | \$80,988 | \$134,400 |
| Gross Rental Income | 5,795 | \$13,749 | \$2.37 | \$164,988 | \$225,420 |
| Vacancy Factor (2%) | | | | -3,300 | -4,508 |
| CAM Reimbursment (Sushi Raw) | | | | | Upside in Gross Income |
| Effective Gross Income | | | | \$161,688 | \$220,912 |
| | | | | | 73% |
| Operating Expenses | | | | Actual Amount | |
| Repairs & Maintenance | | | | \$0.30 | \$1,750 |
| Management (3%) | | | | \$0.85 | \$4,950 |
| Insurance | | | | \$0.55 | \$3,200 |
| Property Taxes (1.1792%) +482 SA | | | | \$6.37 | \$36,895 |
| Total Operating Expenses | | | | \$8.08 | \$46,795 |
| Existing NOI | | | | \$114,894 | \$172,415 |
| Current Cap Rate/Proforma | | | | 3.72% | 5.58% |
| Asking Price | | | | \$533 | \$3,088,000 |
| Down Payment (50%) | | | | \$1,438,000 | \$1,438,000 |
| Interest Rate | | | | 4.60% | 4.60% |
| Loan Amount | | | | \$1,650,000 | \$1,650,000 |
| Annual Debt Payment @ 25 Yr Amort | | | | \$111,182 | \$111,182 |
| Principal Paydown | | | | \$36,035 | \$36,035 |
| Pre-Tax Cash Flow after debt service | | | | \$3,712 | \$61,233 |
| Cash on Cash Return Before Principal Reduction | | | | 0.22% | 3.71% |
| Cash on Cash Return After Principal Reduction | | | | 2.4% | 5.9% |

RENT ROLL

| NUMBER | TENANT | SQ. FT. | LEASE START DATE | EXPIRATION | MO. BASE RENT |
|-----------------|-------------------------|---------|------------------|------------|---------------|
| 680 Haight St* | Residential - 6bd, 2 ba | 2,995 | 12/1/17 | 5/31/18 | \$7,000 |
| 682 Haight St** | Sushi Raw | 2,800 | 1/1/15 | 12/31/20 | \$6,749.00 |
| | | | | 2018-2019 | \$6,749.00 |
| | | | | 2019-2020 | \$7,019.00 |
| | | | | FMV | \$11,200.00 |
| Leased SF: | 5,795 | 100% | | | Monthly Rent |
| Available SF: | 0 | 0.00% | | | \$13,749.00 |
| Total SF: | 5,795 | 100% | | | |

* LL pays taxes, insurance, water, repairs, and maintenance. Tenant pays utilities. Tenant is willing to sign a new one year lease at \$7,400/mo.

** LL pays taxes and insurance. Tenant pays garbage, PG&E, roof and structure. Tenant must give 180 days prior written notice

| RENT/SF/MO | ANNUAL BASE RENT | RENT/SF/YR | LEASE TYPE | BLDG PRO RATA | OPTIONS |
|--------------|------------------|------------|------------|---------------|----------|
| \$2.34 | \$84,000 | \$28.05 | MG | 52% | None |
| \$2.41 | \$80,988 | \$27.04 | MG | 48% | 1x5 Year |
| \$2.41 | \$80,988 | \$27.04 | MG | | |
| \$2.51 | \$84,228 | \$28.12 | MG | | |
| \$4.00 | \$134,400 | \$44.87 | NNN | | |
| Average Rent | Annual Income | | | | |
| \$2.37 | \$164,988 | | | | |

LOCATION OVERVIEW

CITY & COUNTY OF SAN FRANCISCO

World renowned for its scenic beauty, unparalleled amenity base and 24 hour “live/work/play” environment, San Francisco been a focal point for business in this region for over a century.

Covering approximately 47.9 square miles, San Francisco has long been recognized as one of the major business centers worldwide, and is both a significant financial headquarters of the Western United States and the primary employment hub for Northern California. San Francisco is the Bay Area’s most densely populated city, with a 2016 census-estimated population of 870,887, that is projected to grow to 1,000,000 residents by the year 2033.

A popular tourist destination, San Francisco is known for its cool summers, fog, steep rolling hills, eclectic mix of architecture, and landmarks, including the Golden Gate Bridge, cable cars, the former Alcatraz Federal Penitentiary, Fisherman’s Wharf, and its Chinatown district. San Francisco is also the headquarters of five major banking institutions and various other companies such as Levi Strauss & Co., Gap Inc., Fitbit, Salesforce.com, Dropbox, Reddit, Square, Inc., Dolby, Airbnb, Weebly, Pacific Gas and Electric Company, Yelp, Pinterest, Twitter, Uber, Lyft, and Mozilla. It is home to number of educational and cultural institutions, such as the University of California, San Francisco (UCSF), the De Young Museum, the San Francisco Museum of Modern Art, and the California Academy of Sciences.

The city enjoys an excellent transportation infrastructure, a myriad of cultural resources, proximity to many of the world’s premier educational and research facilities, internationally recognized retailers, restaurants and hotels, and a reputation as one of America’s most livable urban centers.

THE HAIGHT

The Haight District, also referred to as Haight-Ashbury, generally encompasses the neighborhood surrounding Haight Street, bounded by Stanyan and Golden Gate Park to the West, Oak Street and the Golden Gate Park Panhandle to the North, Baker Street and Buena Vista Park to the East and Frederick Street and Ashbury Heights and Cole Valley neighborhoods to the South.

The Haight-Ashbury district is noted for its role as the center of the 1960s hippie movement. The Summer of Love (1967), the 1960s era as a whole, and much of modern American counterculture have been synonymous with San Francisco and the Haight-Ashbury neighborhood ever since.

In addition to the shops and restaurants along Haight Street, there are several beautiful and colorful Victorian homes along the side streets. The Haight-Ashbury was one of the few districts not hit hard by the 1906 earthquake and fire, making it the neighborhood with the highest concentration of Victorian homes still standing.

Today, the Haight-Ashbury district is still a lively and interesting area of San Francisco. There are funky shops, restaurants and historical sites, and many of the shop owners work hard to keep the flower power and hippie vibe alive in the neighborhood. The annual Haight-Ashbury Street Fair is held on the second Sunday of June attracting thousands of people, during which Haight Street is closed between Stanyan and Masonic to vehicular traffic, with a sound stage at each end. The Fair has earned local, national and international recognition as one of the highly anticipated events during the San Francisco Summer Events Season.

POINTS OF INTEREST



Iconic street sign at the corner of Haight and Ashbury

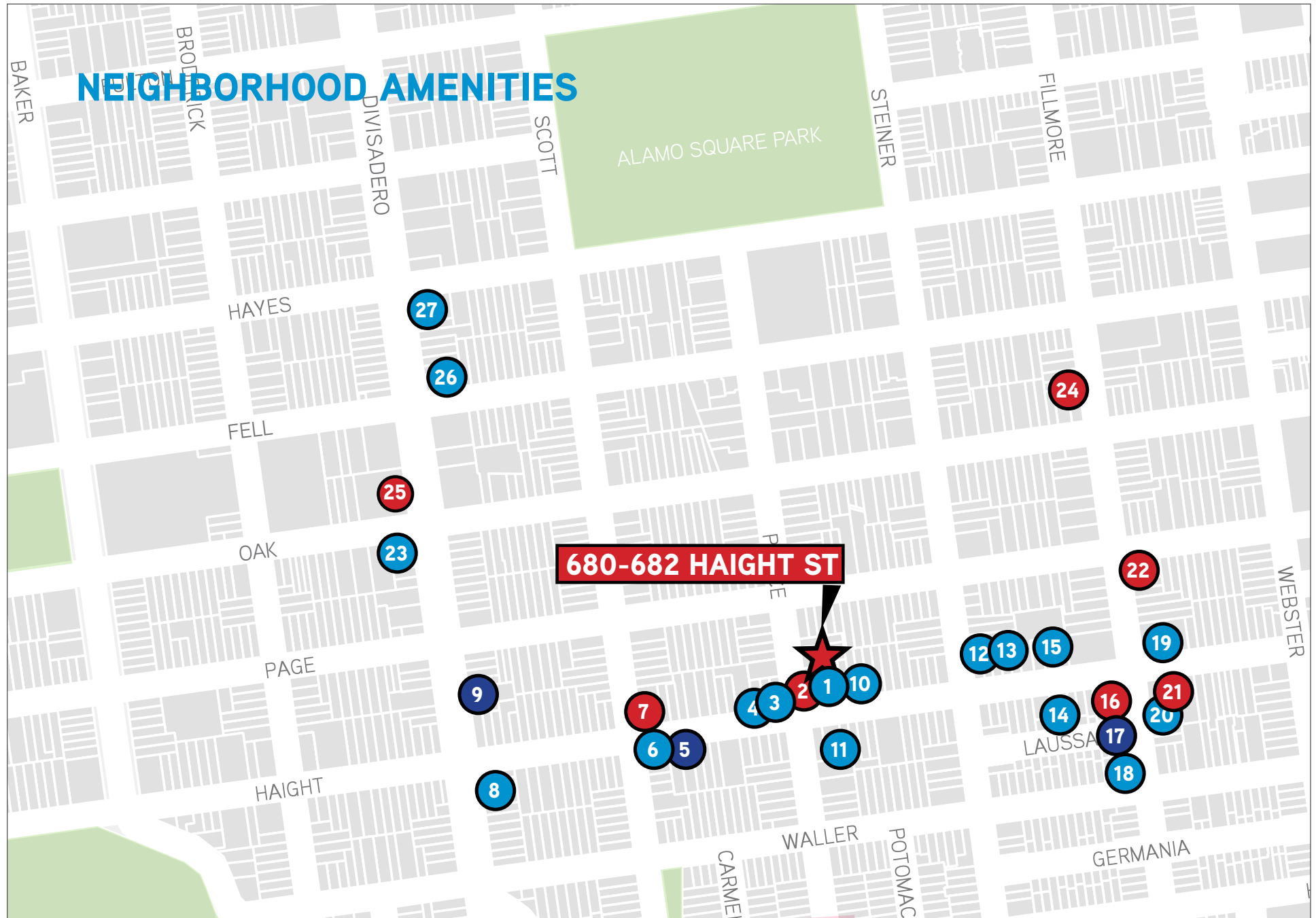


The Painted Ladies



Haight Ashbury Street Fair

NEIGHBORHOOD AMENITIES



LEGEND



RESTAURANT/BAR



COFFEE



SERVICES

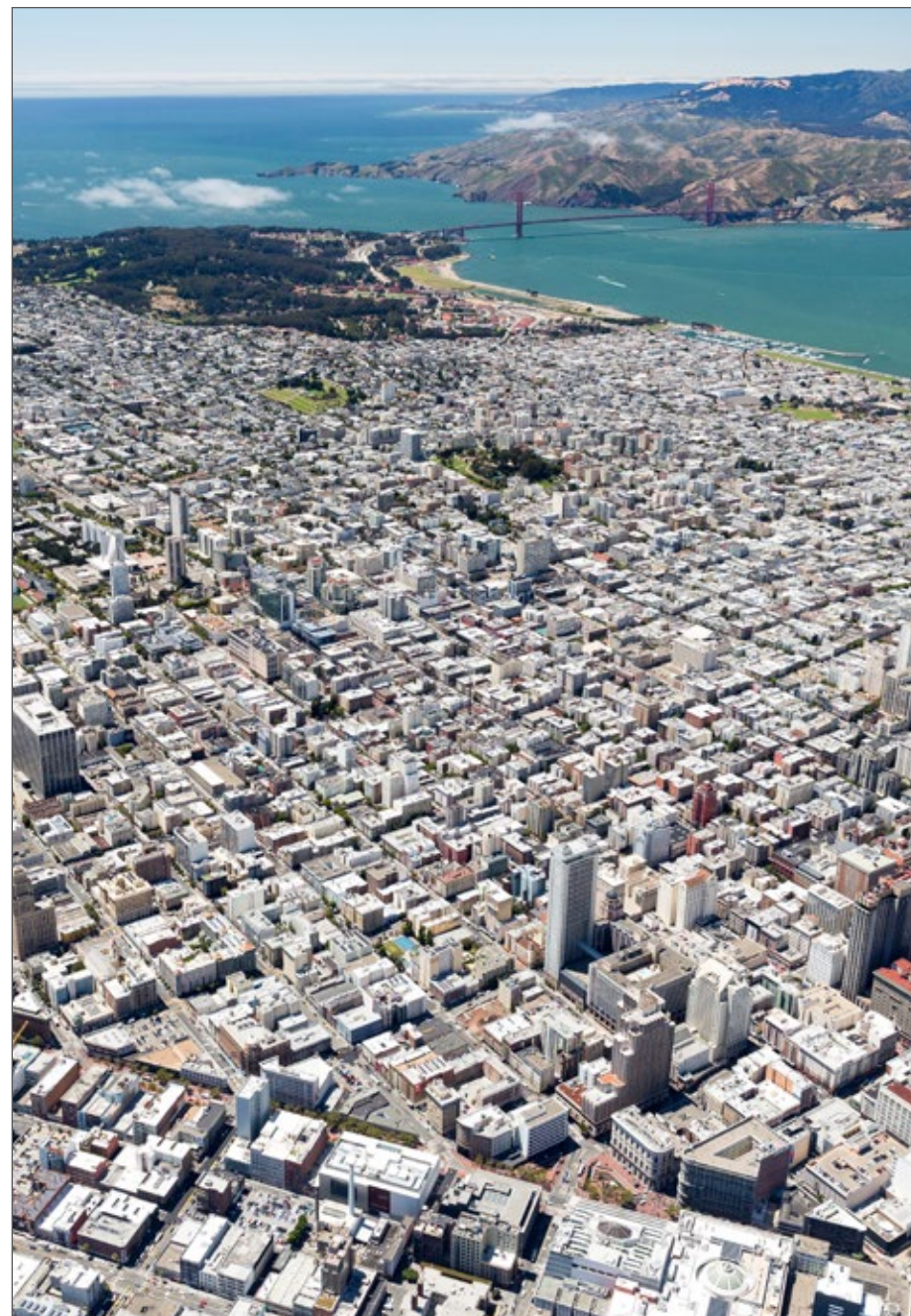
| | | |
|-------------------------------------|------------------------------|---------------------------------|
| 1 Sushi Raw | 10 Danny Coyle's | 19 House of Thai 2 |
| 2 Sunrise Grocery | 11 Nectar Fresh | 20 Three Twins Ice Cream |
| 3 Axum Cafe | 12 Maven | 21 CVS Pharmacy |
| 4 Palmyra | 13 Uva Enoteca | 22 Abe's Market |
| 5 The Grind Cafe | 14 Estrella Taqueria | 23 Vinyl Coffee |
| 6 FK Frozen Custard | 15 Mad Dog in the Fog | 24 Key Food Market |
| 7 Santa Clara Organic Market | 16 Whole Foods | 25 Chase Bank |
| 8 Phuket | 17 Metro Caffè | 26 Madrone Art Bar |
| 9 Repose Coffee | 18 Indian Oven | 27 Nopa |

DEMOGRAPHICS

| POPULATION | | 1 MILE | 3 MILE | 5 MILE |
|------------|--------------------------------|---------|---------|---------|
| | 2000 Total Population | 95,356 | 522,968 | 795,617 |
| | 2010 Total Population | 96,706 | 540,267 | 823,727 |
| | 2017 Total Population | 110,093 | 594,850 | 898,673 |
| | 2022 Total Population | 117,688 | 633,201 | 953,770 |
| | Population Change 2000 to 2010 | 1.4% | 3.3% | 3.5% |
| | Population Change 2000 to 2017 | 15.5% | 13.7% | 13.0% |
| | Population Change 2010 to 2022 | 21.7% | 17.2% | 15.8% |
| | Population Change 2017 to 2022 | 6.9% | 6.4% | 6.1% |

| HOUSEHOLDS | | 1 MILE | 3 MILE | 5 MILE |
|------------|-------------------------------|--------|---------|---------|
| | 2000 Households | 46,986 | 249,240 | 334,302 |
| | 2010 Households | 48,216 | 261,926 | 350,606 |
| | 2017 Households | 51,895 | 276,110 | 367,614 |
| | 2022 Households | 54,287 | 287,288 | 382,092 |
| | Household Change 2000 to 2010 | 2.6% | 5.1% | 4.9% |
| | Household Change 2000 to 2017 | 10.4% | 10.8% | 10.0% |
| | Household Change 2010 to 2022 | 12.6% | 9.7% | 9.0% |
| | Household Change 2016 to 2022 | 4.6% | 4.0% | 3.9% |

| INCOME | | 1 MILE | 3 MILE | 5 MILE |
|--------|-----------------------------------|--------|--------|--------|
| | up to \$24,999 | 20.0% | 19.9% | 19.6% |
| | \$25,000 to \$49,999 | 14.1% | 13.3% | 14.1% |
| | \$50,000 to \$74,999 | 12.7% | 12.0% | 13.2% |
| | \$75,000 to \$124,999 | 18.9% | 19.6% | 20.2% |
| | \$125,000 to \$199,999 | 17.4% | 16.8% | 16.5% |
| | \$200,000 or more | 17.0% | 18.3% | 16.3% |
| | Median Income Change 2000 to 2017 | 59.9% | 56.6% | 46.4% |
| | Median Income Change 2010 to 2022 | 23.6% | 23.4% | 19.5% |



LARGEST EMPLOYERS IN SAN FRANCISCO

| RANK | EMPLOYER | # of SF EMPLOYEES | BUSINESS TYPE |
|------|-----------------------------------|-------------------|------------------------------|
| 1 | Wells Fargo & Co | 8,195 | Financial Services |
| 2 | Salesforce | 6,600 | Customer Success Platform |
| 3 | California Pacific Medical Center | 6,000 | Healthcare |
| 4 | PG&E Corp | 4,325 | Energy |
| 5 | Gap Inc | 4,268 | Clothing Retailer |
| 6 | Kaiser Permanente | 4,100 | Healthcare |
| 7 | Uber Technologies | 3,650 | Ridesharing |
| 8 | Dignity Health | 2,540 | Healthcare |
| 9 | Academy of Art University | 2,402 | University |
| 10 | Willilams-Sonoma | 2,204 | Retail |
| 11 | Safeway | 2,053 | Grocer |
| 12 | Accenture | 1,898 | Management Consulting |
| 13 | First Republic Bank | 1,866 | Banking |
| 14 | PricewaterhouseCoopers | 1,834 | Professional Services |
| 15 | Twitter | 1,820 | Information-Sharing Platform |
| 16 | Yelp | 1,650 | Online Review Site |

Source: San Francisco Business Times



salesforce.com

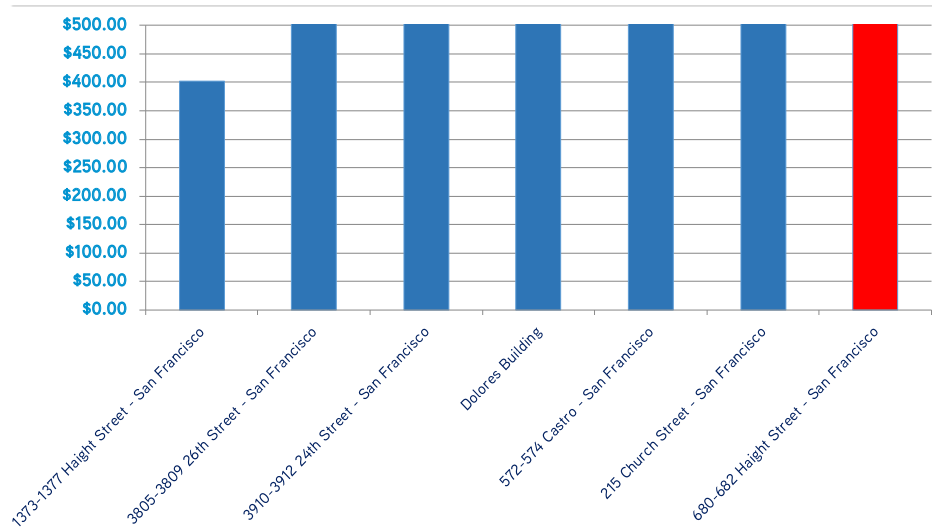


SAFEWAY 

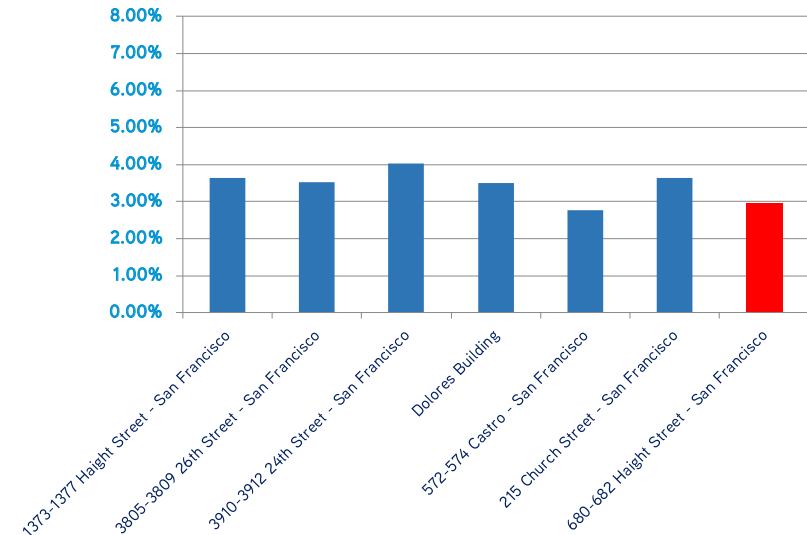
U B E R

SALES COMPARABLES

Sales Comparables - Price Per Square Foot

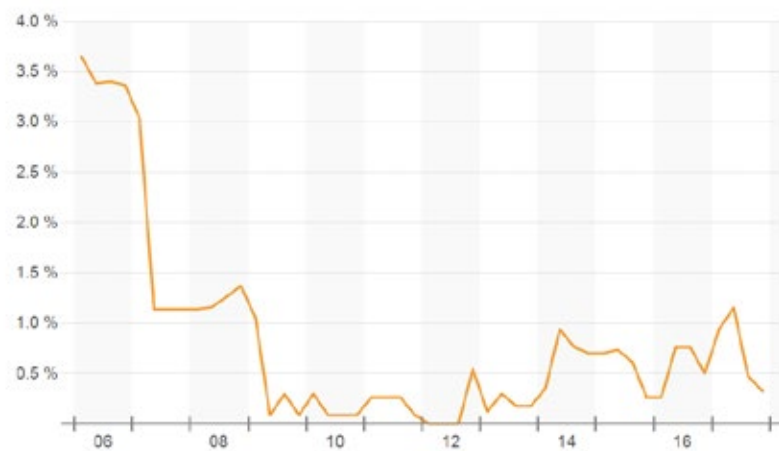


Cap Rate



| NAME | ADDRESS | CITY | BUILT | BLDG SF | COE | LIST PRICE | SALE PRICE | \$/SF | GRM | CAP RATE |
|--------------------------|--------------------------|-----------|-------------|--------------|------------|--------------------|--------------------|----------------|--------------|--------------|
| 1373-1377 Haight Street | 1373 Haight Street | SF | 1902 | 5,620 | 11/14/2017 | \$2,350,000 | \$2,259,000 | \$401.96 | 16.47 | 3.64% |
| 3805-3809 26th Street | 3805-3809 26th Street | SF | 1910 | 3,966 | 10/19/2016 | \$2,580,000 | \$2,700,000 | \$680.79 | 16.99 | 3.53% |
| 3910-3912 24th Street | 3910-3912 24th Street | SF | 1925 | 4,840 | 6/21/2017 | \$3,000,000 | \$2,900,000 | \$599.17 | 14.87 | 4.03% |
| 3979-3981 24th Street | 3979-3981 24th Street | SF | 1904 | 6,018 | 2/5/2016 | \$3,475,000 | \$3,475,000 | \$577.43 | 17.07 | 3.51% |
| 572-574 Castro Street | 572-574 Castro Street | SF | 1900 | 3,092 | 7/19/2017 | \$1,795,000 | \$1,825,000 | \$590.23 | 21.71 | 2.76% |
| 215 Church Street | 215 Church Street | SF | 1905 | 5,285 | 7/14/2016 | \$3,495,000 | \$3,550,000 | \$671.71 | 16.48 | 3.64% |
| AVERAGES | | | 1908 | 4,804 | | \$2,782,500 | \$2,784,833 | \$587 | 17.27 | 3.52% |
| 680-682 HAIGHT ST | 680-682 HAIGHT ST | SF | 1890 | 5,990 | N/A | SUBJECT | \$3,150,000 | \$525.8 | | 2.96% |

Haight Street Vacancy Rate - Mixed Use



Haight Street Asking Rent - Retail



CONFIDENTIALITY AGREEMENT

This Confidential Offering Memorandum (the “Memorandum”) has been prepared and presented to the recipient (the “Recipient”) by Colliers International (“Colliers”) as part of Colliers’ efforts to market for sale the real property located at 680-682 Haight Street, San Francisco, CA (the “Property”). Colliers is the exclusive agent and broker for the owner(s) of the Property (the “Owner”). Colliers is providing this Memorandum and the material contained in it to the Recipient solely to assist the Recipient in determining whether the Recipient is interested in potentially purchasing the Property. Colliers also is providing this Memorandum and the material in it to the Recipient with the understanding that the Recipient will independently investigate those matters that it deems necessary and appropriate to evaluate the Property and that the Recipient will rely only on its own investigation, and not on Colliers, the Owner or this Memorandum, in determining whether to purchase the Property. The Recipient’s use of this Memorandum and the material in it is strictly governed by the terms and conditions of the Registration and Confidentiality Agreement that the Recipient previously executed and delivered to Colliers.

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This Memorandum includes statements and estimates provided by or to Colliers and/or the Owner regarding the Property. Those statements and estimates may or may not be accurate, correct or complete. Nothing contained in this Memorandum should be construed as a representation or warranty about the accuracy, correctness or completeness of such statements and estimates. Further, nothing contained in this Memorandum should be construed as representation or warranty about any aspect of the Property, including, without limitation, the Property’s (1) past, current or future performance, income, uses or occupancy, (2) past, current or prospective tenants, (3) physical condition, (4) compliance or non-compliance with any permit, license, law, regulation, rule, guideline or ordinance, or (5) appropriateness for any particular purpose, investment, use or occupancy. Again, the Recipient is urged not to rely on this Memorandum and the statements and estimates in it and to make an independent investigation regarding the Property and the statements and estimates contained herein.

This Memorandum may include statements regarding, references to, or summaries of, the nature, scope or content of contracts and/or other documents relating to the Property. Those statements, references or summaries may or may not be accurate, correct or complete. Additionally, Colliers may not have referenced or included summaries of each and every contract and/or other document that the Recipient might determine is relevant to its evaluation of the Property. Nothing contained in this Memorandum should be construed as a representation or warranty about the accuracy, correctness or completeness of such statements, representations or summaries. On request and as available, and subject to the Owner’s consent, Colliers will provide the Recipient with copies of all referenced contracts and other documents. Colliers assumes no obligation to supplement or modify the information contained in this Memorandum to reflect events or conditions occurring on or after the date of its preparation of this Memorandum. More detailed information regarding the anticipated terms, conditions and timing of any offering by the Owner relating to the Property will be provided in due course by separate communication. Colliers and/or the Owner reserve the right to engage at any time in discussions or negotiations with one or more recipients of this Memorandum and/or other prospective purchasers of the Property without notice or other obligation to the Recipient.







Accelerating success.



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