



Offering Memorandum

18-22 Sanchez Street | San Francisco, CA



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SHOWING SCHEDULE

Tuesday March 6, 2018 from 12:00 to 1:30 pm
Thursday March 8, 2018 from 12:00 to 1:00 pm
Tuesday March 13, 2018 from 12:30 to 2:00 pm
Thursday March 15, 2018 from 12:00 to 1:00 pm

Colliers International

JAMES DEVINCENTI
1 415 288 7848
j.d@colliers.com
Lic. 00951916

BRAD LAGOMARSINO
1 415 288 7847
brad.lago@colliers.com
Lic. 01963487

DUSTIN DOLBY
1 415 288 7869
dustin.dolby@colliers.com
Lic.:1372042

www.theDLTeam.com

Offering Summary

Colliers International is pleased to present 18-22 Sanchez Street, San Francisco, CA for purchase. This historic Edwardian property has been managed and maintained by the same San Franciscan family for over 50 Years. The subject property is a six (6) unit apartment building centrally located in the Duboce Triangle of San Francisco. The unit mix in the building consists of five (5) three bedrooms and one (1) two bedroom apartments with 2 car parking.

Prime Duboce Triangle location near Duboce Park, 18-22 Sanchez provides residents with easy access to coffee shops, local restaurants and the public transportation of Market Street. For the investor, this is a great opportunity to purchase a property with tremendous upside in rents located in a vibrant and convenient location.

Property Information:

Address: 18-22 Sanchez
District: Duboce Triangle
Property Sub Type: Apartment building
APN: 3838-005
Building Square Feet: 8,040
Lot Size: 5,022
Floors: 3 Floors over garage
Constructed: 1905
Zoning: RH3

Building Systems:

Foundation: Concrete foundation
Structure: Wood-frame building
Façade: Stucco
Roof Composition & Age: Modified bitumen (15 years old)
Electrical Service: 200 Amp (individually metered)
Gas Service: Individually metered
Fire Protection System: Hard-wired smoke detectors in units
Sprinkler System: In basement and storage units
Heat Source: Gas wall heaters
Hot Water: Individual water heaters for each unit (size ranges from 66-119 Gal)
Plumbing: Mostly copper
Circuit Breakers: Circuits at main service (fuses in units)

Common Areas:

Door Entry System: Key pad telephone system
Portico: Carpeted
Lobby: Marble
Lobby Lighting: Decorative lighting
Landing Areas: Carpeted
Skylight: Stain glassed skylight
Garbage: In tradesman hallway
Laundry: Hook ups in each unit

Building Composition:

Unit Mix: One (1) two bedroom/1 bath unit,
Five (5) 3 bedroom/1 bath units

Parking: Two (2) tandem parking spaces in the same garage

*Kitchens: White metal cabinets (ample storage) *(in Apt. 20 Only)*
Metal kitchen counters *(in Apt. 20 Only)*
Linoleum flooring *(in Apt. 20 Only)*
Double door refrigerator *(in Apt. 20 Only)*
Large cast iron basin sinks
Split bathrooms
*(*Finishes vary per unit)*

Bathrooms: Formica counters
Tiled floors
Built in counter / sink
Tub-shower Combination

Bedrooms: Hardwood floors
Large sized bedroom areas
Small walk-in closets

Living Room Area: Hardwood floors (gum wood paneling)
Ample electrical outlets

Soft-story: Building is not currently in compliance with the soft-story ordinance. But permit application has been filed with the city, as required for tier 3 buildings. Completion of soft story work not required until September 15, 2019.

Note:

Financial Overview

LOCATION: 18-22 SANCHEZ STREET, SAN FRANCISCO, CA 94114

FINANCIAL SUMMARY

Sale Price	\$3,825,000
Down Payment	\$2,225,000
Number of Units	6
Price/Unit	\$637,500
Gross Square Feet	8,040
Price/Square Foot	\$476
CAP Rate-Current	3.03%
CAP Rate-Pro Forma	8.31%
GRM-Current	19.64
GRM-Pro Forma	9.47
Year Built	1905
Lot Size	5,022

FINANCING

Loan Amount	\$1,600,000
Loan Type	Proposed New
Interest Rate	4.41%
DCR	1.64
Program	5/30 Year Interest Only
Loan to Value	42%

Quote: First Foundation Bank: (loan information is time sensitive & subject to change)

ANNUAL GROSS INCOME

	Current	Market
Gross Potential Income	\$194,765	\$404,100
Vacancy (3.5%)	\$6,817	\$14,144
AGI	\$187,948	\$389,957
Expenses	\$71,954	\$71,954
NOI	\$115,994	\$318,002

ANNUAL OPERATING EXPENSES

Expense Categories	Current	Exp/Unit	% /Exp	Market	Exp/Unit	% /Exp
Property Taxes	\$44,840	\$7,473	62%	\$44,840	\$7,473	62%
*Special Assessment Tax	\$673	\$112	1%	\$673	\$112	1%
Insurance	\$8,263	\$1,377	11%	\$8,263	\$1,377	11%
*Repairs & Maintenance	\$6,000	\$1,000	8%	\$6,000	\$1,000	8%
*PG&E	\$4,320	\$720	6%	\$4,320	\$720	6%
Garbage	\$3,156	\$526	4%	\$3,156	\$526	4%
Water/Sewer	\$3,737	\$623	5%	\$3,737	\$623	5%
Pest Control	\$820	\$137	1%	\$820	\$137	1%
Miscellaneous	\$146	\$24	0%	\$146	\$24	0%
Total Operating Expenses	\$71,954	\$11,992	100%	\$71,954	\$11,992	100%

**Expenses are estimated (special tax assessment based on 1.50% of property taxes / repairs & maintenance estimated at \$1000 per unit / PG&E estimated at \$60 a unit x 12 months)*

CASH FLOW AFTER DEBT SERVICE

	Current	Market
Less Debt Service	\$70,560	\$70,560
Cash Flow	\$45,434	\$247,442
Cash on Cash Return	2.04%	11.12%
Expenses as % of Gross	37%	18%
Expenses per Unit	\$11,992	\$11,992

SCHEDULED INCOME

Unit Type	# of Units	Post Conversion Rents	Monthly Income	Market Rents	Monthly Income
2 Bedroom/1 Bath	1	\$478	\$478	\$4,700	\$4,700
3 Bedroom/1 Bath	5	\$573 - \$5,795	\$15,252	\$5,795	\$28,975
Total	6	Total Monthly Income for Units	\$15,730		\$33,675

Financial Overview

RENT ROLL

Unit No.	Unit Type	Base Rent	Parking	Market Rents	Move In Date
18	3 Bedroom/1 Bath	\$1,848.95		\$5,795	11/1/1993
18A	3 Bedroom/1 Bath	\$5,416.60		\$5,795	11/1/2016
20	3 Bedroom/1 Bath	\$1,619.01		\$5,795	3/26/2001
20A	3 Bedroom/1 Bath	\$5,795.00		\$5,795	Vacant
22	3 Bedroom/1 Bath	\$572.78		\$5,795	Early 1960's
22A	2 Bedroom/1 Bath	\$478.08		\$4,700	1/1/1967
Monthly Rent		\$15,730.42		\$33,675	
Parking		\$500		\$500	Vacant
Monthly Income		\$16,230		\$34,175	
Annual Income		\$194,765		\$404,100	Upside 107%

UNITS

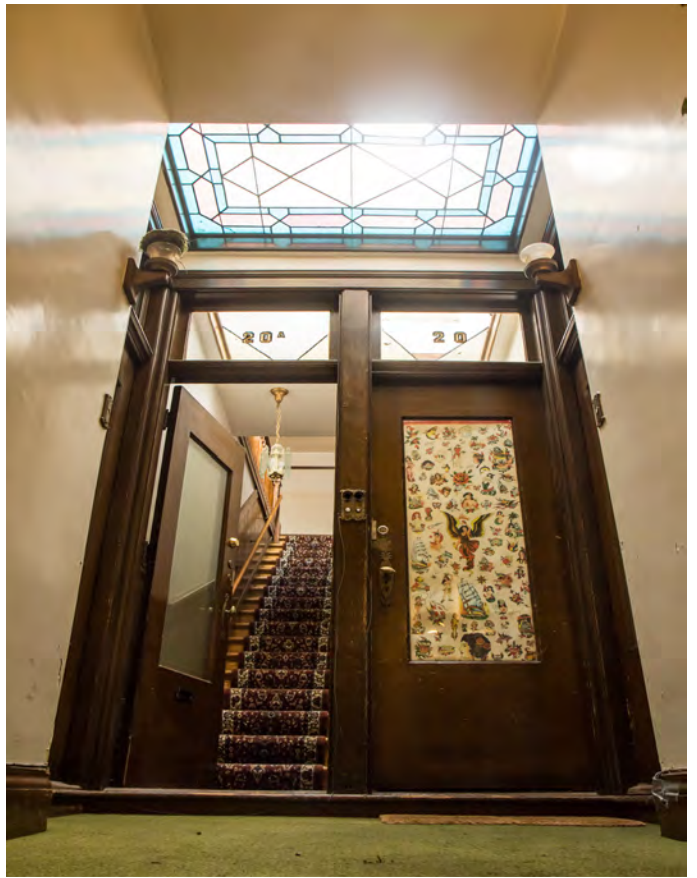
NOTES

2 Bedroom - 1	Projected rents - Rentometer rent analysis
3 Bedroom - 5	(based on rentals seen within 12 months within 0.33 mile radius)
Parking - 2	Garage parking projected at \$250 per space

Property Photographs



Property Photographs



Property Photographs



Property Photographs



Amenities Map



NEIGHBORHOOD AMENITIES

1 Jasmine Garden Restaurant	9 Nopa	17 Safeway
2 Cathay Express Restaurant	10 Club Waziema	18 Whole Foods Market
3 Red jade Restaurant	11 Souvla	19 Noe Grocery
4 Nara Restaurant & Bar	12 Nopalito	20 Bi-Rite Market
5 Clay Oven Indian Restaurant	13 Iiji Sushit	21 Wells Fargo Bank
6 Palmyra Restaurant	14 Petit Crenn	22 Bank of the West
7 Volare Pizza & Restaurant	15 Domo	23 Chase Bank
8 Botellon	16 Zuni Cafe	24 US Bank Branch

Public Transportation



WITH IMMEDIATE ACCESS TO ONE OF THE NATION'S BEST PUBLIC TRANSIT SYSTEMS

The area around 18-22 Sanchez 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 2014" ranked San Francisco second only to Manhattan 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. 18-22 Sanchez 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' moving busloads of Google, Genentech, Facebook, and Apple employees from their homes in San Francisco to their job centers in Silicon Valley.



BART & MUNI METRO

Bart/Muni Metro @ Church St Station
Muni Metro Van Ness Avenue

Bart/Muni Metro 16th Street



MUNI METRO RAIL

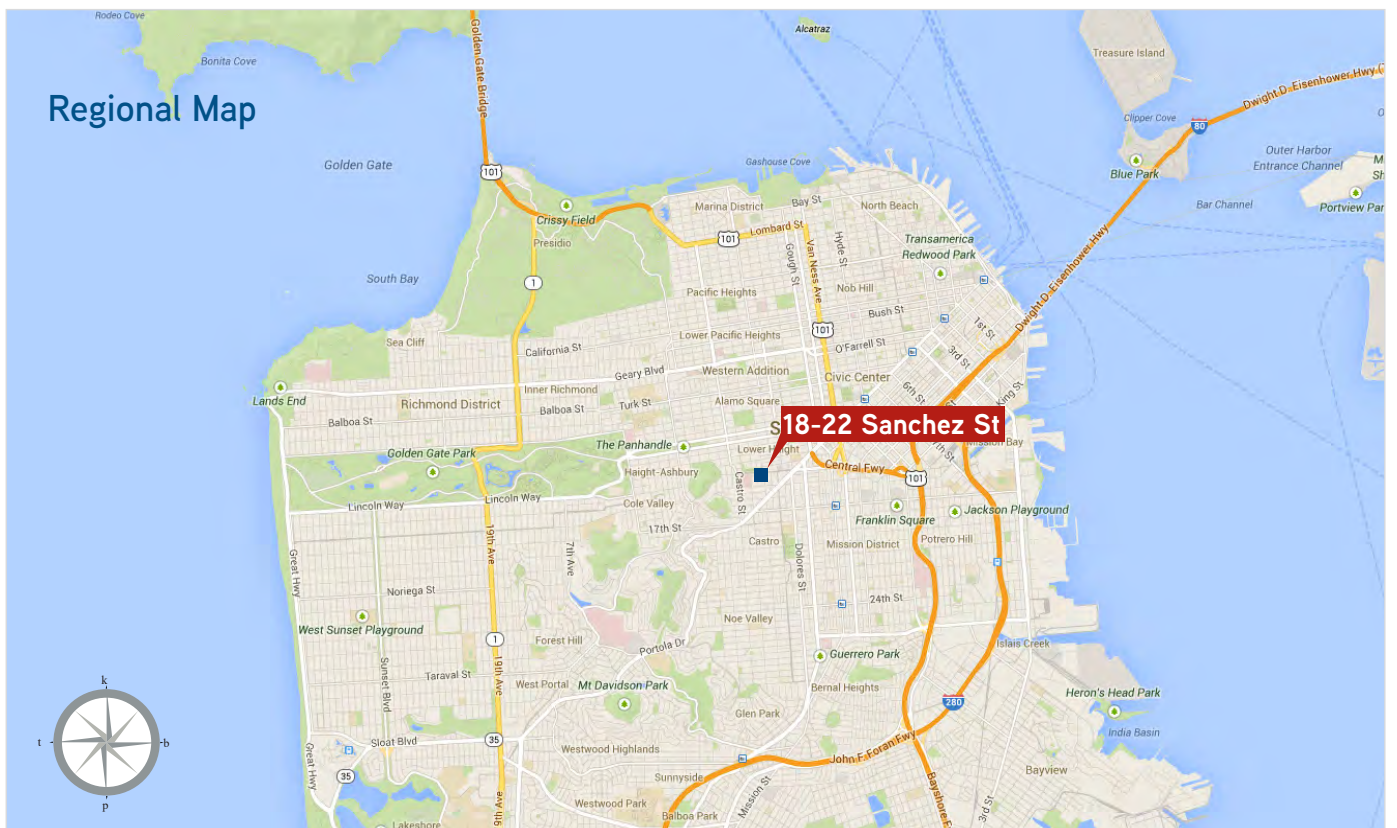
N-Judah on Duboce Ave
Market Street



MUNI BUS LINE

Fillmore Street
Divisadero Street
Haight Street
McAllister Street
Hayes Street

Location Map



Aerial Map



CONFIDENTIALITY & DISCLAIMER STATEMENT

This Offering Memorandum contains select information pertaining to the business and affairs of the Property at 18-22 Sanchez Street San Francisco, CA 94114. 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 18-22 Sanchez 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 18-22 Sanchez 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 18-22 Sanchez Street or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Colliers International or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

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.



101 Second Street, 11th Floor
San Francisco, CA 94105
1 415 788 3100
www.colliers.com

JAMES DEVINCENTI

1 415 288 7848
j.d@colliers.com
Lic. 00951916

BRAD LAGOMARSINO

1 415 288 7847
brad.lago@colliers.com
Lic. 01058500

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