



Offering Memorandum

400 Fillmore Street | San Francisco, CA

Colliers
INTERNATIONAL

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SHOWING SCHEDULE

- Tuesday February 13, 2018 from 11:00 - 12:30 pm
- Thursday February 15, 2018 from 11:00 - 12:00 pm
- Tuesday February 20, 2018 from 11:30 - 1:00 pm
- Thursday February 22, 2018 from 11:00 - 12:00 pm

Offer Date

- Friday February 23, 2018 by 12:00 pm PDT

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Offering Summary

Colliers International is pleased to present 400 Fillmore St, San Francisco, CA for purchase. This 18-unit, corner, mixed-use building is located in the historic Hayes Valley neighborhood of San Francisco and occupies an end block lot on the corner of Fillmore Street and Page Street. The building is walking distance to iconic Haight Street. It's casual restaurants, unique shops and convenient public transportation options on Divisadero Street all add to the allure of the area.

For the the investor this well-maintained property provides excellent conversion opportunity with tremendous upside in rents.

(400 Fillmore may allow for a unique opportunity to take advantage of San Francisco's approved Accessory Dwelling Unit (ADUs) legislation enacted as of 2016. Converting the commercial space to two (2) residential units allows for a significant increase in revenue potential as outlined in the rent roll. For all questions regarding the legislative measure we highly recommend you speak with a ADU consultant.)

Property Information:

Address: 400 Fillmore Street, San Francisco
District: Hayes Valley
Property: Eighteen (18) unit, mixed-use building
APN: 0842-019
Building Square Feet: 7,790 Sq Ft (per tax records)
Lot Size: 2,483
Constructed: 1925
Zoning: RM1

Building Systems:

Foundation: Concrete foundation
Structure: Woodframe
Façade: Brick/Stucco
Rear of Building: Wood
Roof Composition & Age: Tar & Gravel (2009)
Electrical Service: Separately metered
Circuit Breakers: 200 amp electrical service with circuit breakers in tradesman area
Gas Service: Separately metered
Fire Protection System: In-unit detectors and common area hallways/local fire alarm system
Fire Escapes: On Fillmore side & rear of building
Heat Source: Peerless boiler system
Hot Water: AO Smith water heater / State self-insulated tank
Plumbing: Mixture of copper and galvanized

Common Areas:

Door Entry System: Buzzer system
Entrance: Marble tiling
Lobby Lighting: Decorative light fixtures
Lobby & Common Areas: Carpet
Garbage: Off tradesman's entrance plus chute system
Laundry: 1 washer, 1 dryer (leased)
Parking: 3 individual spaces

Building Composition:

Unit Mix: Fifteen (15) studio apartments & two (2) one bedroom units (after ADU conversion)

Parking: Three (3) parking spaces

Kitchens: Gas ranges with ovens
Over-under refrigerator
Vinyl flooring / wood laminate
Wood cabinetry with ample storage & counter space
Granite countertops in renovated units

Bathrooms: Tiled floors
Wall hung/cabinet sinks
Storage mirror
Tub/shower combinations
Wood & tile counters

Bedrooms: Generous sized living spaces
Hardwood floors
Large windows allowing for excellent natural light
Large closet space in many of the units

Note: - Seismic upgrade has been completed and building has been removed from the soft story list
- All commercial tenants are month to month

Financial Overview

LOCATION: 400 FILLMORE STREET, SAN FRANCISCO, CA 94117

FINANCIAL SUMMARY

Sale Price	\$5,350,000
Down Payment	\$3,000,000
Number of Units	17
Price/Unit	\$314,706
*Gross Square Feet	7,790
Price/Square Foot	\$687
CAP Rate-Current	3.53%
CAP Rate-Pro Forma	6.93%
GRM-Current	16.84
GRM-Pro Forma	10.40
Year Built	1925
Lot Size	2,483

**GRM and Cap Rate at the suggested price are reflective of the forecasted income based on post conversion rents ie. the commercial units converted to studios and a one bedroom unit.*

FINANCING

Loan Amount	\$2,942,500
Loan Type	Proposed New
Interest Rate	4.26%
Program	3 Year Interest Only
DCR	1.51
Loan to Value	55%

Quote: Based on commercial units being converted to Studios & a one bedroom. (loan information is time sensitive & subject to change)

ANNUAL GROSS INCOME

	Current	Market
Gross Potential Income	\$317,664	\$514,200
Vacancy (3.5%)	\$11,118	\$17,997
AGI	\$306,546	\$496,203
Expenses	\$117,815	\$125,676
NOI	\$188,731	\$370,527

ANNUAL OPERATING EXPENSES

Expense Categories	Current	Exp/Unit	% of Exp	Market	Exp/Unit	% of Exp
Property Taxes	\$62,718	\$3,689	53%	\$62,718	\$3,689	50%
*Special Assessment Tax	\$900	\$53	1%	\$900	\$53	1%
*Insurance	\$4,250	\$250	4%	\$4,250	\$250	3%
*Repairs & Maintenance	\$8,500	\$500	7%	\$8,500	\$500	7%
*Janitorial	\$1,200	\$71	1%	\$1,200	\$71	1%
*PG&E	\$10,200	\$600	9%	\$10,200	\$600	8%
*Trash	\$8,160	\$480	7%	\$8,160	\$480	6%
*Water	\$9,180	\$540	8%	\$9,180	\$540	7%
*Property Management	\$12,707	\$747	11%	\$20,568	\$1,210	16%
Total Operating Expenses	\$117,815	\$6,930	100%	\$125,676	\$7,393	100%

**Expenses are estimated*

CASH FLOW AFTER DEBT SERVICE

	Current	Market
Less Debt Service	\$125,351	\$125,351
Cash Flow	\$63,381	\$245,176
Cash on Cash Return	2.11%	8.17%
Expenses as % of Gross	37%	24%
Expenses per Unit	\$6,930	\$7,393

SCHEDULED INCOME

Unit Type	# of Units	Post Conversion Rents	Monthly Income	Market Rents	Monthly Income
Studio/1 Bath	15	\$604 - \$2,345	\$20,222	\$2,400	\$36,000
1 Bedroom/1 Bath	2	\$2,200 - \$3,750	\$5,950	\$2,200 - \$3,750	\$5,950
Total	17	Total Monthly Income for Units	\$26,172		\$41,950

Financial Overview

RENT ROLL

Unit No.	Unit Type	Pre Conversion Rent	*Post Conversion Rent	Market Rents	Move In Date
1	Studio	\$852	\$852	\$2,400	7/1/1994
2	Studio	\$1,227	\$1,227	\$2,400	9/5/2009
3	Studio	\$1,023	\$1,023	\$2,400	9/1/2003
4	Studio	\$1,010	\$1,010	\$2,400	3/1/2010
5	Studio	\$1,228	\$1,228	\$2,400	1/1/2011
6	Studio	\$1,387	\$1,387	\$2,400	7/20/2011
7	Studio	\$2,095	\$2,095	\$2,400	2/17/2017
8	Studio	\$1,326	\$1,326	\$2,400	5/1/2011
9	Studio	\$2,025	\$2,025	\$2,400	6/12/2015
10	Studio	\$2,095	\$2,095	\$2,400	1/15/2017
11	Studio	\$604	\$604	\$2,400	5/21/1984
12	Studio	\$745	\$745	\$2,400	3/15/1996
14	Studio	\$2,345	\$2,345	\$2,400	1/15/2017
15	Studio	\$1,005	\$1,005	\$2,400	3/1/2005
16	Studio	\$1,255	\$1,255	\$2,400	3/5/2009
*400F	Commercial/1 Bedroom	\$550	\$3,750	\$3,750	Month-Month
*402F	Commercial/1 Bedroom	\$345	\$2,200	\$2,200	Month-Month
**404F	Commercial	\$340			Month-Month
Monthly Rent		\$21,457	\$26,172	\$41,950	
Non Resident Parking		\$300	\$300	\$900	
Total Monthly Income		\$21,757	\$26,472	\$42,850	
Annual Income		\$261,084	\$317,664	\$514,200	Upside 97%

UNITS

Studio - 15

One Bedroom - 2

Total - 17

Parking - 3

NOTES

*Rents for units 400F & 402F are based on post conversion rents (converting the commercial spaces to 1 bedrooms). The upside is based on post conversion rents.

**As a result of the conversion unit 404F will be combined with unit 402F

Parking projected @ \$300 a space

Property Photographs



Property Photographs



Property Photographs



Property Photographs



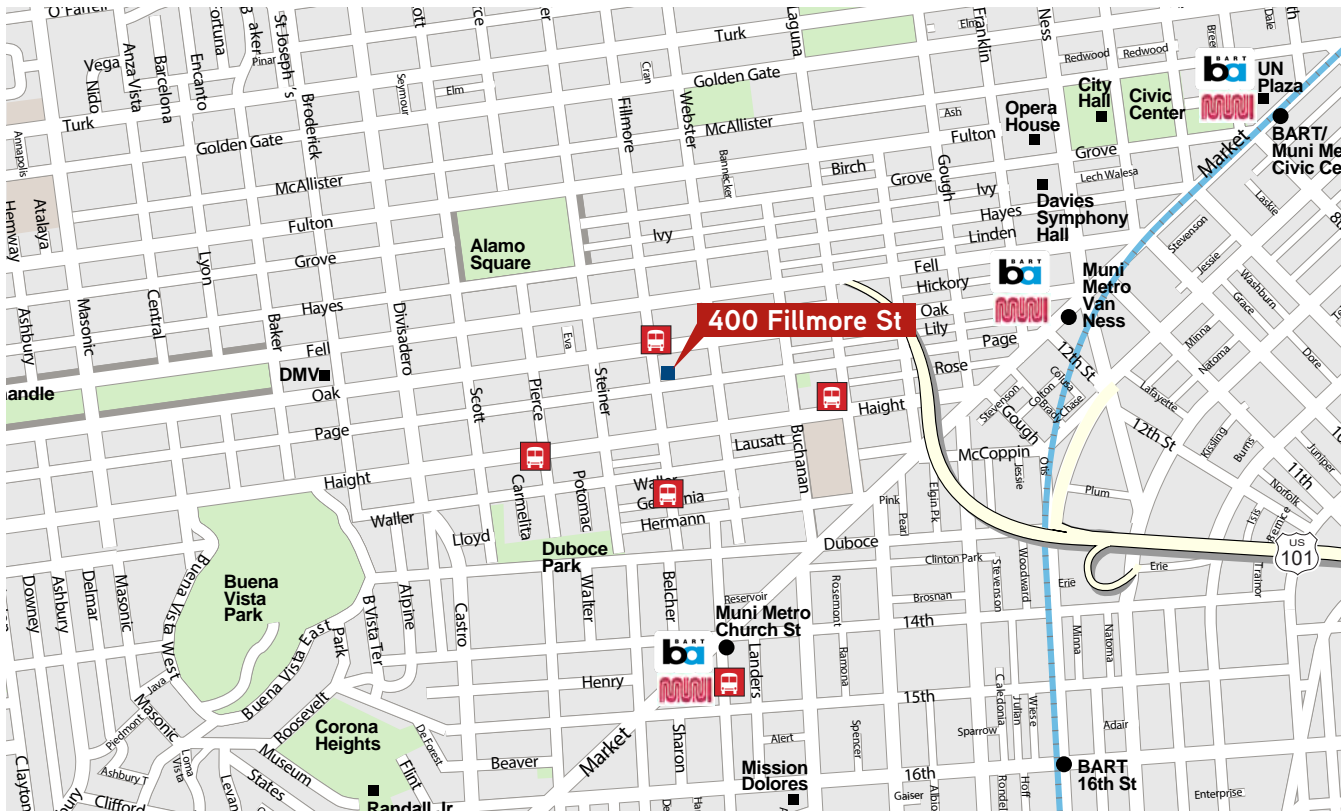
Amenities Map



NEIGHBORHOOD AMENITIES

1	Toronado	9	Nopa	17	Bi-Rite Market
2	Maven	10	Bar Crudo	18	Falletti Foods
3	Iza Ramen Lower haight	11	4505 Burgers & BBQ	19	Safeway
4	Dany Coyle's	12	Jasmine Garden Restaurant	20	Whole Foods Market
5	Black Sands Brewery	13	Cathay Express Restaurant	21	Bank of America
6	Powder Shaved Snow	14	Suppenkuche	22	Wells Fargo
7	Ragazza	15	Miyabi Japanese Restaurant	23	Chase Bank
8	Souvla	16	Straw	24	US Bank

Public Transportation



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

The area around 400 Fillmore 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. 400 Fillmore 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 Powell St Station

Bart/Muni Metro Montgomery St Station



BUS & MUNI LIGHT RAIL

Fillmore St @ Haight St
Fillmore St @ Oak St

22



Haight St @ Pierce St

6

7

N-OWL

BUS & MUNI LIGHT RAIL

Duboce Ave @ Church St



Church St @ Duboce Ave



MUNI LIGHT RAIL

Metro Church Station





Aerial Map



CONFIDENTIALITY & DISCLAIMER STATEMENT

This Offering Memorandum contains select information pertaining to the business and affairs of the Property at 400 Fillmore Street San Francisco, CA 94117. 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 400 Fillmore 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 400 Fillmore 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 400 Fillmore 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.



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