



# Offering Memorandum

1801 Leavenworth Street | San Francisco, CA





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## SHOWING SCHEDULE

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Friday March 16, 2018 from 2:00 to 3:00 pm  
Tuesday March 20, 2018 from 9:00 to 10:30 am  
Thursday March 22, 2018 from 9:00 to 10:00 am  
Tuesday March 27, 2018 from 9:30 to 11:00 am  
Thursday March 29, 2018 from 9:00 to 10:00 am

## CALL FOR OFFERS

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Friday March 30, 2018 by 12:00 pm PDT

## Colliers International

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# Offering Summary

The subject property is a Fourteen (14) unit apartment building located at the corner of Leavenworth & Vallejo Street in Russian Hill. This well maintained property has been owned by the same family for over Sixty-Eight (68) years. The building has Fourteen (14) one bedroom / one bath units and Four (4) enclosed parking spaces.

The spacious units feature abundant light and city views. Most of the units have hardwood floors, walk-in closets and varying degrees of upgrades. The tar & gravel roof was replaced approximately Ten (10) years ago, and the exterior was painted around the same time. Most of the windows have been replaced with vinyl double pane windows. The interior lobby and hallways were painted between 2016-2017 and the common area carpets were replaced during the same renovation period.

The building is separately metered for gas and electric, and most of the units have steam heat radiators, except for units A & B, which have gas wall heaters. The boiler and hot water heater were replaced in the early half of 2017.

The building is of wood frame construction with a stucco exterior over a concrete foundation. The property is centrally located between Russian Hill and Nob Hill, two of the most prestigious neighborhoods in San Francisco. Restaurants and shopping are located a few blocks away on Polk Street and Downtown San Francisco's Financial District is a 10-minute drive from the building.

1801 Leavenworth Street offers investors an excellent opportunity to purchase a well-maintained apartment in a prime Russian Hill location with excellent upside potential in the rents via renovations and pass-throughs.

## Property Information:

Address: 1801 Leavenworth Street

District: Russian Hill

Property Type: Apartment building

APN: 0125-005C

Estimated Gross Square Feet: 11,700 (2,925 x 4 floors net of garage areas)

Lot Size: 3,249

Constructed: 1923

Zoning: RH3

## Building Systems:

Foundation: Concrete

Structure: Woodframe

Façade: Stucco exterior

Roof Composition & Age: Tar & Gravel (approximately 10 yrs)

Electrical Service: Separately metered

Gas Service: Separately Metered

Fire Protection System: Fire sprinklers and hardwired smoke detectors in hallways

Heat Source: Steam heat radiators (gas wall heaters in units A & B)

Hot Water: Peerless Boiler (200 Gallons)

Boiler & Water Heater age: Replaced in 2016

Plumbing: Mix of copper and galvanized

Common Area Lights: Decorative light fixtures

Circuit Breakers: In tradesmen alley (main has bus fuses)

## Common Areas:

Door Entry System: Carpeted

Front Landing: Mircom Intercom System

Portico: Marble

Lobby: Carpeted

Lobby Lighting: Decorative light fixtures

Landing Areas: Carpeted

Garbage: Garbage shoots

Laundry: None

Storage: Building

## Building Composition:

Unit Mix: Fourteen (14) one bedroom/1 bath units,

Parking: Four (4) parking spaces in 3 separate enclosed garages

\*Kitchens: Formica/granite counters  
Stainless steel appliances  
Tile floors  
Wood cabinetry  
Freezer on top refrigerators  
Gas stove/oven  
Single aluminum sinks

Bathrooms: Marble tile flooring  
Vanities/cabinet sinks w/ceramic counters  
Tub shower combinations  
Blinds/curtains  
Closets

Bedrooms: Blinds/curtains  
Hardwood floors (except for Unit A & B)  
Large walk-in closets  
French doors

Living Room Area: Hardwood floors  
No fireplace

**Note:** All units have been updated except units (A, 1, 2, 6, 7 & 10). Building is not on the soft story list.

# Financial Overview

**LOCATION:** 1801 Leavenworth Street San Francisco, CA 94109

## FINANCIAL SUMMARY

Sale Price	\$9,000,000
Down Payment	\$4,950,000
Number of Units	14
Price/Unit	\$642,857
Gross Square Feet	11,700
Price/Square Foot	\$769
CAP Rate-Current	2.79%
CAP Rate-Pro Forma	4.11%
GRM-Current	20.25
GRM-Pro Forma	15.69
Year Built	1923
Lot Size	3,249

## FINANCING

Loan Amount	\$4,050,000
Loan Type	Proposed New
Interest Rate	4.35%
Program	3 Year Interest Only
DCR	1.42
Loan to Value	45%

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

## ANNUAL GROSS INCOME

	Current	Market
Gross Potential Income	\$444,396	\$573,600
Vacancy (3.5%)	\$15,554	\$20,076
AGI	\$428,842	\$553,524
Expenses	\$178,065	\$183,234
NOI	\$250,777	\$370,290

## ANNUAL OPERATING EXPENSES

*Expense Categories	Current	Exp/Unit	% /Exp	Market	Exp/Unit	% /Exp
Property Taxes	\$105,507	\$7,536	59%	\$105,507	\$7,536	58%
Special Assessment Tax	\$1,583	\$113	1%	\$1,583	\$113	1%
Insurance	\$9,100	\$650	5%	\$9,100	\$650	5%
Repairs & Maintenance	\$10,500	\$750	6%	\$10,500	\$750	6%
PG&E	\$10,920	\$780	6%	\$10,920	\$780	6%
Trash	\$10,080	\$720	6%	\$10,080	\$720	6%
Water	\$12,600	\$900	7%	\$12,600	\$900	7%
Property Management	\$17,776	\$1,270	10%	\$22,944	\$1,639	13%
Total Operating Expenses	\$178,065	\$12,719	100%	\$183,234	\$13,088	100%

*\*All Expenses are estimated*

## CASH FLOW AFTER DEBT SERVICE

	Current	Market
Less Debt Service	\$176,175	\$176,175
Cash Flow	\$74,602	\$194,115
Cash on Cash Return	1.51%	3.92%
Expenses as % of Gross	40%	32%
Expenses per Unit	\$12,719	\$13,088

## SCHEDULED INCOME

Unit Type	# of Units	Current Rents	Monthly Income	Market Rents	Monthly Income
1 Bedroom/1 Bath	14	\$1,206 - \$3,300	\$35,373	\$3,000 - \$3,300	\$45,600
Total	14	Total Monthly Income for Units	\$35,373		\$45,600

# Financial Overview

## RENT ROLL

Unit No.	Unit Type	Base Rent	Parking	Market Rents	Move In Date	Notes
A	1 Bedroom/1 Bath	\$1,620	Included	\$3,000	4/1/2010	1 Parking Included
<b>B</b>	<b>1 Bedroom/1 Bath</b>	<b>\$3,000</b>		<b>\$3,000</b>	<b>Vacant</b>	<b>Vacating by March 23, 2018</b>
1	1 Bedroom/1 Bath	\$1,769		\$3,300	9/1/2004	
2	1 Bedroom/1 Bath	\$2,207		\$3,300	3/21/2012	
3	1 Bedroom/1 Bath	\$3,080		\$3,300	9/1/2016	
4	1 Bedroom/1 Bath	\$3,250		\$3,300	7/1/2017	
5	1 Bedroom/1 Bath	\$3,250		\$3,300	1/11/2016	
6	1 Bedroom/1 Bath	\$1,844		\$3,300	2/4/2012	
7	1 Bedroom/1 Bath	\$1,206		\$3,300	7/1/1997	
8	1 Bedroom/1 Bath	\$2,650		\$3,300	11/10/2016	
9	1 Bedroom/1 Bath	\$3,300		\$3,300	7/16/2017	
10	1 Bedroom/1 Bath	\$1,947	\$310	\$3,300	10/18/2010	
<b>11</b>	<b>1 Bedroom/1 Bath</b>	<b>\$3,300</b>		<b>\$3,300</b>	<b>Vacant</b>	
12	1 Bedroom/1 Bath	\$2,950		\$3,300	12/1/2014	
<b>Monthly Rent</b>		<b>\$35,373</b>		<b>\$45,600</b>		
*Parking		\$1,035		\$1,700		
**Storage		\$500		\$500		Projected
**Laundry		\$350		\$350		Projected
<b>Total Monthly Income</b>		<b>\$36,908</b>		<b>\$47,800</b>		
<b>Annual Income</b>		<b>\$442,896</b>		<b>\$573,600</b>		<b>Upside 30%</b>

## UNITS NOTES

1 Bedroom - 14	**Current parking includes 1 non-tenant parking spot at \$425. 1 parking space will be delivered vacant at \$425
Parking - 4	**Laundry and storage needs to be built out to realize projected income



# Property Photographs

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# Property Photographs

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# Property Photographs

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# Property Photographs

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# Amenities Map



## NEIGHBORHOOD AMENITIES

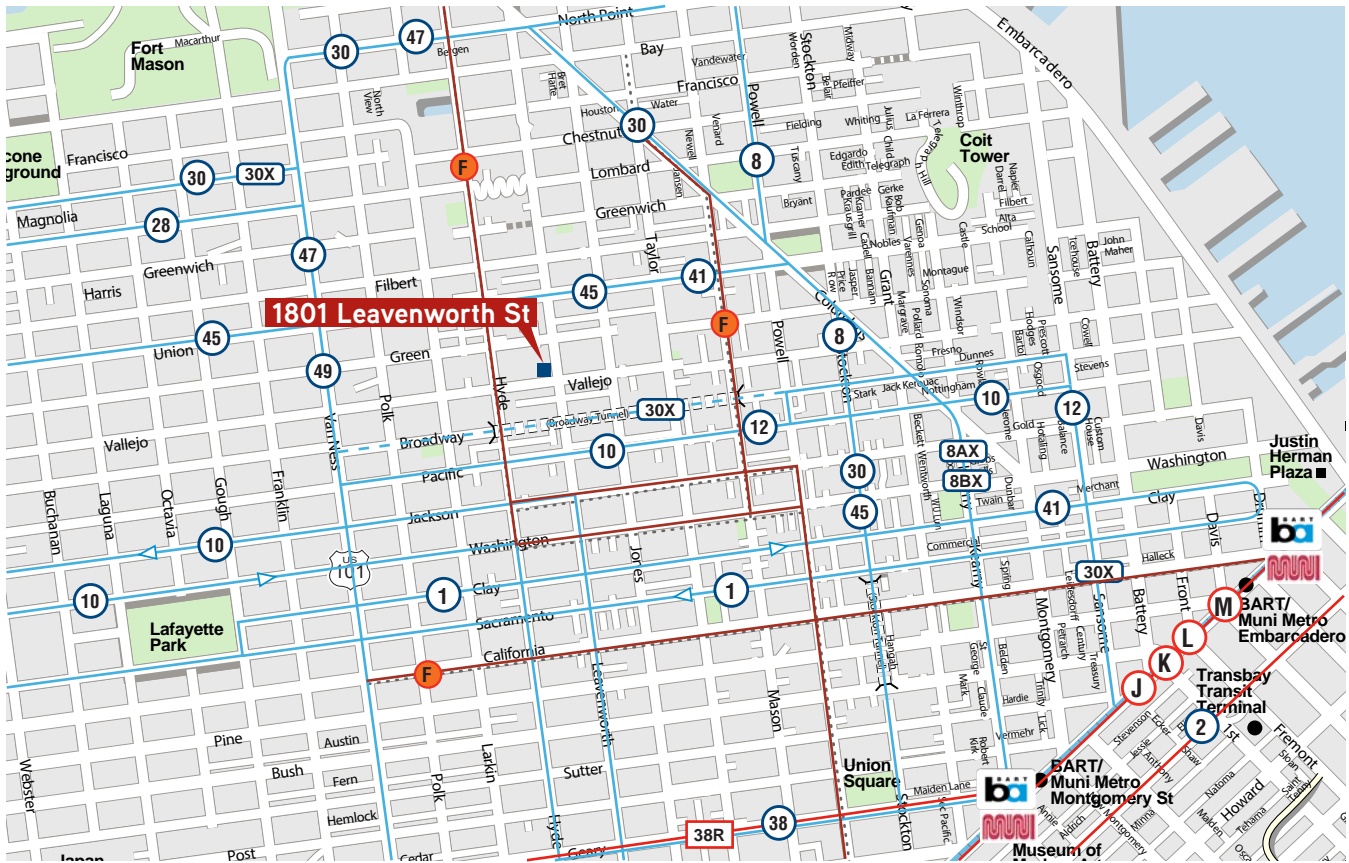
- 1 Stones Throw
- 2 Frascati
- 3 Leopold's
- 4 La Folie
- 5 Blue Barn Polk Street
- 6 Bullitt
- 7 Nick's Crispy Tacos
- 8 Harris' The San Francisco Steak House

- 9 Seven Hills
- 10 Lai Hong Lounge
- 11 Trattoria Contadina
- 12 Rogue Ales Public House
- 13 House of Prime Rib
- 14 Helmand Palace
- 15 Wasabi & Ginger
- 16 Zarzuela

- 17 New Russian Hill Market
- 18 J & H Grocery
- 19 Search Light Market
- 20 Real Food Company
- 21 Chase Bank
- 22 First Republic Bank
- 23 US Bank
- 24 Bank of America



# Public Transportation



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

The area around 1801 Leavenworth 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. 1801 Leavenworth 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



Bart/Muni Metro Embarcadero  
Bart/Muni Montgomery St



### MUNI METRO

Muni Metro Embarcadero & Montgomery St  
Muni Metro Rail **J**



### HISTORIC STREET CAR

Historic Street Car **F**



### MUNI RAPID BUS

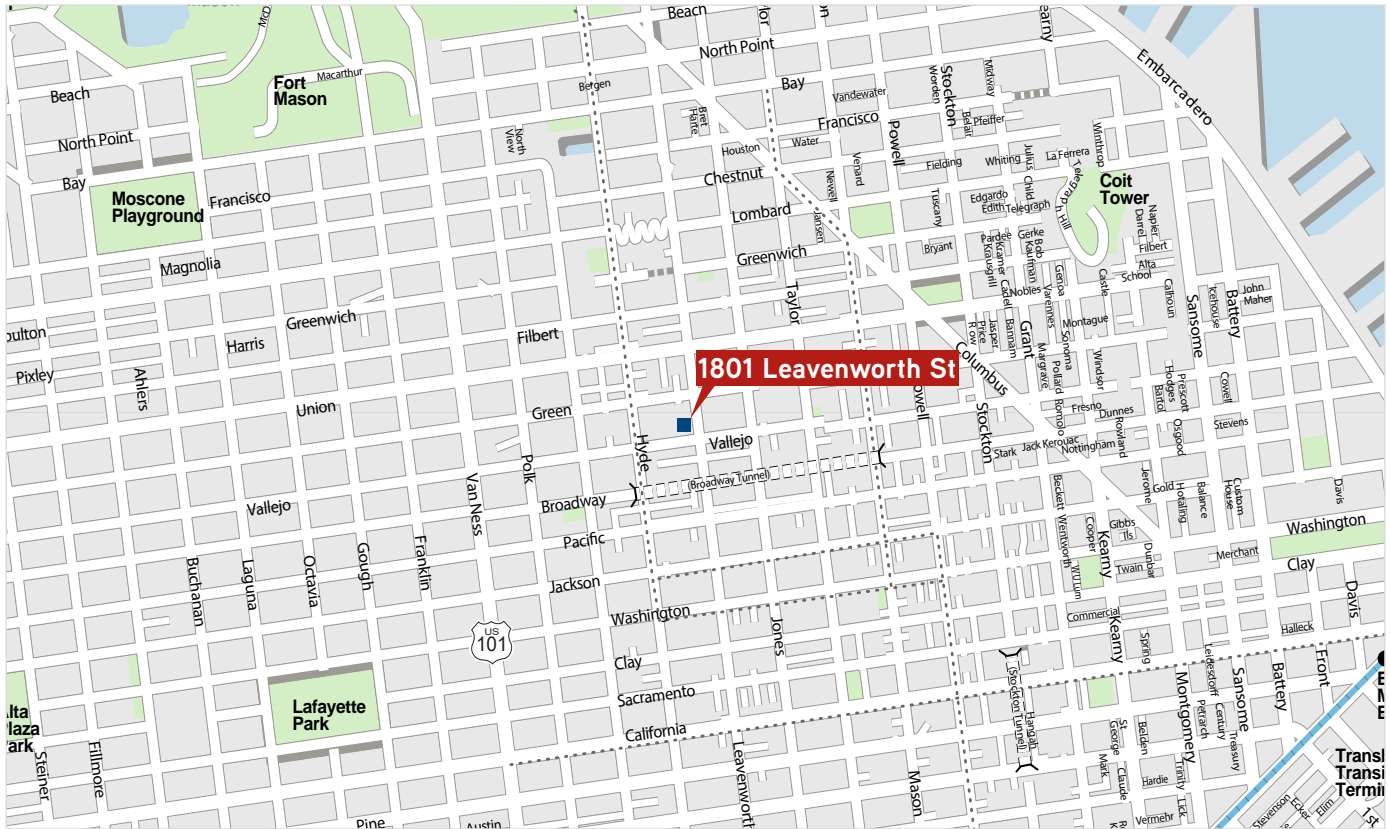
Muni Rapid Bus **38R**

### MUNI BUS

Muni Bus Lines **9** **8AX**



# Location Map





# Aerial Map



## CONFIDENTIALITY & DISCLAIMER STATEMENT

This Offering Memorandum contains select information pertaining to the business and affairs of the Property at 1801 Leavenworth 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 1801 Leavenworth 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 1801 Leavenworth 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 1801 Leavenworth 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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