

Investment Opportunity | Offering Memorandum



Accelerating success.

1201 Leavenworth Street

Nob Hill | San Francisco, CA





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Showings by Appointment

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Offering Summary

1201 Leavenworth Street is a sixteen (16) unit apartment building with separate entrances on the corner of Sacramento Street & Leavenworth Street in the heart of Nob Hill, one of San Francisco's most desirable neighborhoods. After owning the building for 75 years and four generations of family living in it the time has come to sell. This excellent central location places residents within easy walking distance to incredible dining, retail and entertainment options around nearby Polk Street and Van Ness Avenue. The Van Ness commercial corridor and the newly constructed CPMC Van Ness Campus Hospital and St Francis Memorial Hospital will all benefit from the Van Ness Improvement Project - bus rapid transit service along Van Ness Avenue between Mission and Lombard streets are scheduled to begin in early 2022. With a walk score of ninety-nine (99) and transit score of one hundred (100) 1201 Leavenworth Street is a renter's paradise.

The building was originally built in 1908 and is well maintained. The unit mix in the building consists of one (1) one bedroom one bath, eleven (11) two bedroom one bath, and four (4) three bedroom 1 bath apartments. This wood frame building is constructed over a concrete foundation and has a stucco and wood façade. Some of the character in the apartments are box beam ceilings, wains coating and working fireplaces in all units (except unit 102). Upgrades to some of the renovated units include shaker kitchen cabinets, new vinyl flooring, and appliance upgrades in the kitchens. The building is separately metered for gas and for electric. Heating is provided by steam heat radiators and two (2) 35 gallon & fourteen (14) 28-gallon storage tanks provide hot water to the building. The modified bitumen roof appears to be in good condition. There are fourteen (14) storage spaces in the building.

1201 Leavenworth Street offers investors the opportunity to acquire an apartment building in a prime Nob Hill location featuring large units with separate entrances at **\$410 per square foot**. This is ideal for an owner occupier, a TIC converter, or an investor who would like to hold long term with upside and development conversion potential.

Property Details

Property Information

Address:	1201 Leavenworth Street (on the corner of Sacramento & Leavenworth Streets)
District:	Nob Hill
Property Type:	Apartment building
Apartments:	Sixteen (16) Apartment Units
Stories:	3 floors
APN:	0219-004
Building Square Feet:	22,828 Square feet (per tax records)
Lot Size:	7,700 Square feet
Constructed:	1908
Zoning:	RM-3

Building Systems

Foundation:	Concrete foundation
Structure:	Wood-frame
Façade:	Wood siding
Rear of Building:	Wood siding
Roof Composition:	Modified bitumen
Electrical Service:	Separately metered
Gas Service:	Separately metered
Fire Protection System:	Hardwired smoke detectors in hallway / sprinklers in basement & storage areas, and smoke detectors in each bedroom and in all rear exit stairways
Fire Escapes:	No
Heat Source:	Steam heat radiators
Water Heater:	Peerles boiler / Rheem & GE - two 35 gallon tanks & fourteen 28 gallon tanks
Plumbing:	Copper
Common Area Lighting:	Timing system/sensor
Circuit Breakers:	Circuit breakers in apartments and in the basement
Elevator:	No
Stairwell:	Terazzo
Windows:	Wood frame

Common Areas

Door Entry System:	Key & lock
Entrance:	Individual door entryways
Mailboxes:	In entryways
Entryway Flooring:	Marble/Terrazo/Mosaic
Dwelling Access:	Stairs (Ingress and Egress)
Storage:	Fourteen (14) storage

Building Composition

Units:	One - 1 bedroom, 1 bath Eleven - 2 bedroom, 1 bath Four - 3 bedroom, 1 bath
Kitchens:	Mix of quartz counter tops with tile surrounds in renovated units and composition counter tops Mix of shaker cabinets in renovated units and original cabinets Gas ranges with oven Over-under refrigerator Mix of laminate, tile & vinyl flooring
Bathrooms:	Linoleum and tile floors Tile surrounds Vanity sinks Vanity lighting Center mount lighting Tub-shower combinations, regular & claw foot bath tubs
Bedrooms:	Generous size bedrooms Hardwood floors Ample natural light
Living Rooms:	Hardwood floors Working Fire places (<i>except unit 102 at Kimball Place</i>) Overhead pendant lighting Box beam ceilings, wainscoating
Dining Rooms:	Hardwood floors Built-in Cabinetry with glass

Notes

-The building has been seismically upgraded and is in compliance with the City's soft-story ordinance

Financial Overview

Financial Summary	
Sale Price	\$9,350,000
Down Payment	\$4,207,500
Number of Units	16
Price/Unit	\$584,375
Gross Square Feet	22,828
Price/Square Foot	\$410
CAP Rate-Current	3.77%
CAP Rate-Pro Forma	6.37%
GRM-Current	16.46
GRM-Pro Forma	11.25
Year Built	1908
Lot Size	7,700

Annual Gross Income	Current	Proforma
Gross Potential Income	\$567,964	\$831,124
Vacancy (3.5%)	\$19,879	\$29,089
AGI	\$548,085	\$802,035
Expenses	\$196,033	\$206,559
NOI	\$352,053	\$595,475

Annual Operating Expenses		Current	Exp/Unit	% /Exp	Market	Exp/Unit	% /Exp
Property Taxes	<i>Based on 1.1984% of Price</i>	\$112,050	\$7,003	57%	\$112,050	\$7,003	54%
Special Assessment Tax	<i>City & County of San Francisco</i>	\$1,681	\$105	1%	\$1,681	\$105	1%
Insurance	<i>Commercial Coverage Quote</i>	\$16,569	\$1,036	8%	\$16,569	\$1,036	8%
Utilities	<i>2020 Form 8825</i>	\$25,767	\$1,610	13%	\$25,767	\$1,610	12%
Pest Control	<i>2020 Form 8825</i>	\$682	\$43	0%	\$682	\$43	0%
Repairs & Maintenance	<i>2020 Form 8825</i>	\$9,965	\$623	5%	\$9,965	\$623	5%
Janitorial	<i>Estimated at \$50/month</i>	\$600	\$38	0%	\$600	\$38	0%
Resident Manager	<i>Estimated at \$500/month</i>	\$6,000	\$375	3%	\$6,000	\$375	3%
Property Management	<i>Estimated at 4% Gross Income</i>	\$22,719	\$1,420	12%	\$33,245	\$2,078	16%
Total Operating Expenses		\$196,033	\$12,252	100%	\$206,559	\$12,910	100%

Financing	
Loan Amount	\$5,142,500
Loan Type	Proposed New
Interest Rate	3.05%
Program	5 Year Interest Only
Loan to Value	55%

Cash Flow after Debt Service	Current	Proforma
Less Debt Service	\$156,846	\$156,846
Cash Flow	\$195,206	\$438,629
Cash on Cash Return	4.64%	10.42%
Expenses as % of Gross	35%	25%
Expenses per Unit	\$12,252	\$12,910

Quote: First Republic Bank (Borrower to have banking relations or wealth management with First Republic Bank) - Loan information is time sensitive and subject to change.
- 6/25/2021

Financial Overview

Rent Roll

Unit No.	Unit Type	Rents	Water Bond Passthroughs	Seismic & Other Passthroughs	Market Rents	Move In Date	Notes
1201	2 bedroom, 1 bath	\$3,795.00			\$3,795	Vacant	
1203	2 bedroom, 1 bath	\$3,795.00			\$3,795	COE	Tenant moved from 1402
1205	2 bedroom, 1 bath	\$2,712.23	\$12.04	\$103.00	\$3,795	8/20/2005	
1207	2 bedroom, 1 bath	\$3,795.00			\$3,795	7/1/2019	Vacating end of July
1209	2 bedroom, 1 bath	\$1,096.62	\$12.04	\$103.00	\$3,795	6/1/1981	
1211	2 bedroom, 1 bath	\$1,306.86	\$12.04	\$103.00	\$3,795	11/1/1994	
1215	2 bedroom, 1 bath	\$2,589.02	\$12.04	\$103.00	\$3,795	3/1/2004	
1217	2 bedroom, 1 bath	\$1,451.12	\$12.04	\$103.00	\$3,795	9/1/1995	
1219	2 bedroom, 1 bath	\$3,795.00			\$3,795	8/1/2019	Vacating end of July
1400	2 bedroom, 1 bath	\$1,177.43	\$12.04	\$103.00	\$3,795	4/1/1994	
1402	3 bedroom, 1 bath	\$5,500.00			\$5,500	Vacant	Vacant @ COE
1404	3 bedroom, 1 bath	\$4,650.00			\$5,500	6/1/2019	
1406	3 bedroom, 1 bath	\$5,500.00			\$5,500	Vacant	Vacant @ COE
1408	3 bedroom, 1 bath	\$948.76	\$12.04	\$103.00	\$5,500	5/1/1984	
1410	2 bedroom, 1 bath	\$1,297.99	\$12.04	\$103.00	\$3,795	5/1/1994	
102	1 bedroom, 1 bath	\$1,600.00			\$3,195	6/1/2021	
Monthly Income		\$45,010.03	\$96.32	\$824.00	\$66,940		
Water Bond Passthrough		\$96.32			\$96		
Storage		\$1,400.00			\$1,400		
Seismic & Other Passthroughs		\$824.00			\$824		
Total Monthly Income		\$47,330			\$69,260		
Annual Income		\$567,964			\$831,124		Upside 46%

Units

1 bedroom, 1 bath - 1
 2 bedroom, 1 bath - 11
 3 bedroom, 1 bath - 4
 Storage - 14

Notes

Projected rents based on Rentometer Rent Analysis
 Storage projected at \$100 per space (currently 12 spaces are vacant)
 Owner currently occupies 2 storage spaces at \$100 per month per space
 (to be negotiated upon sale of property)









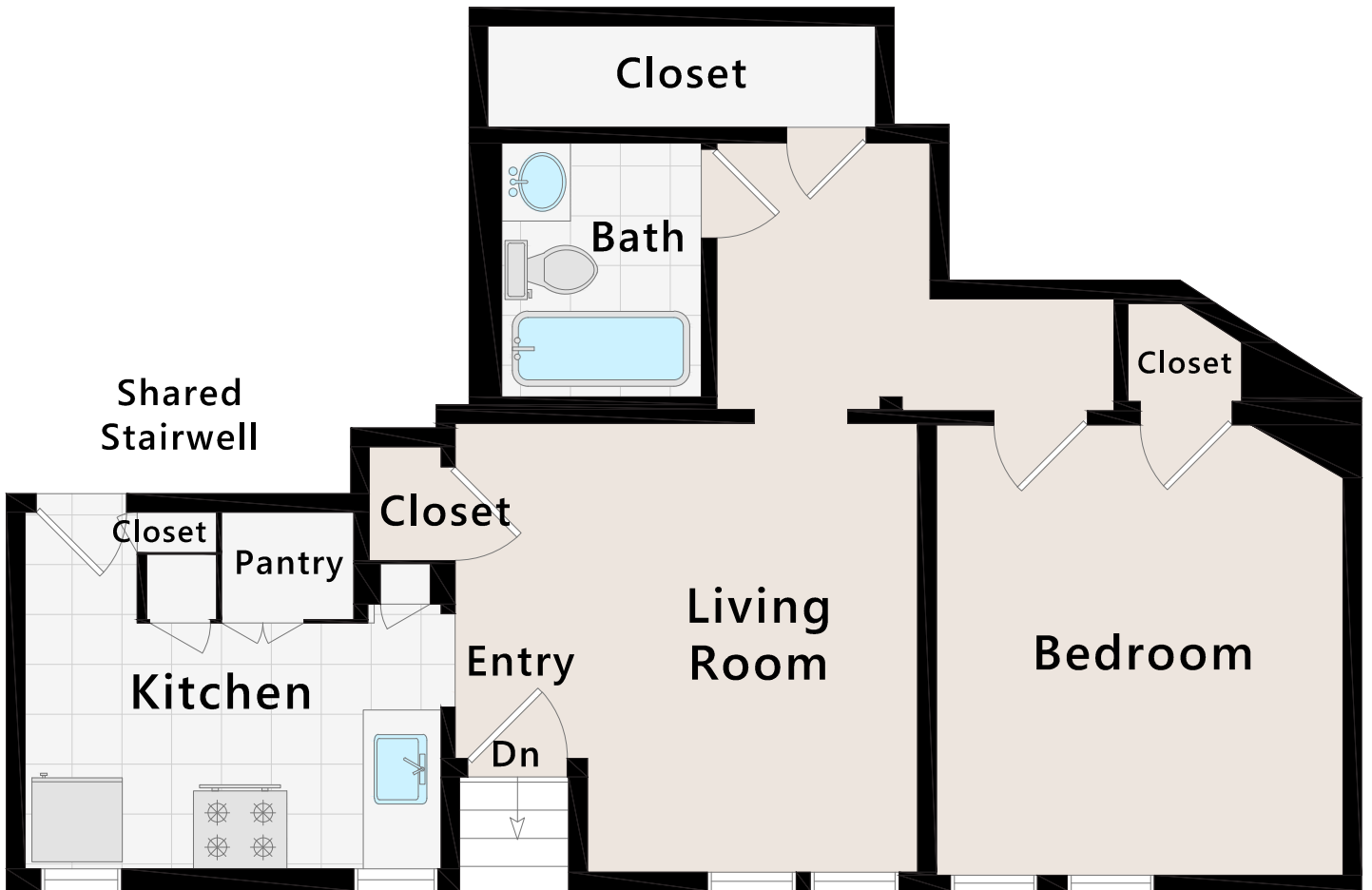




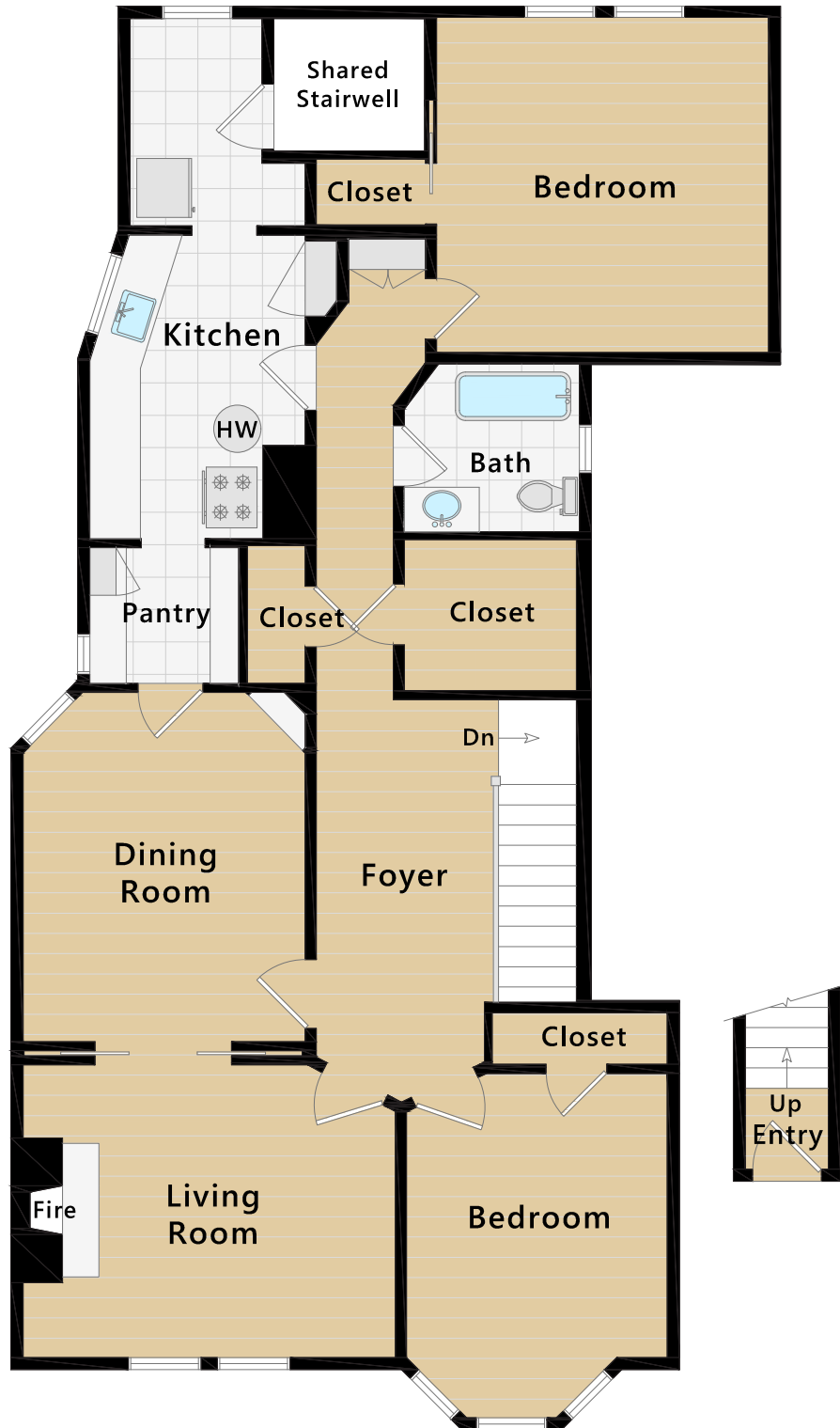




Floor Plan - Unit 102



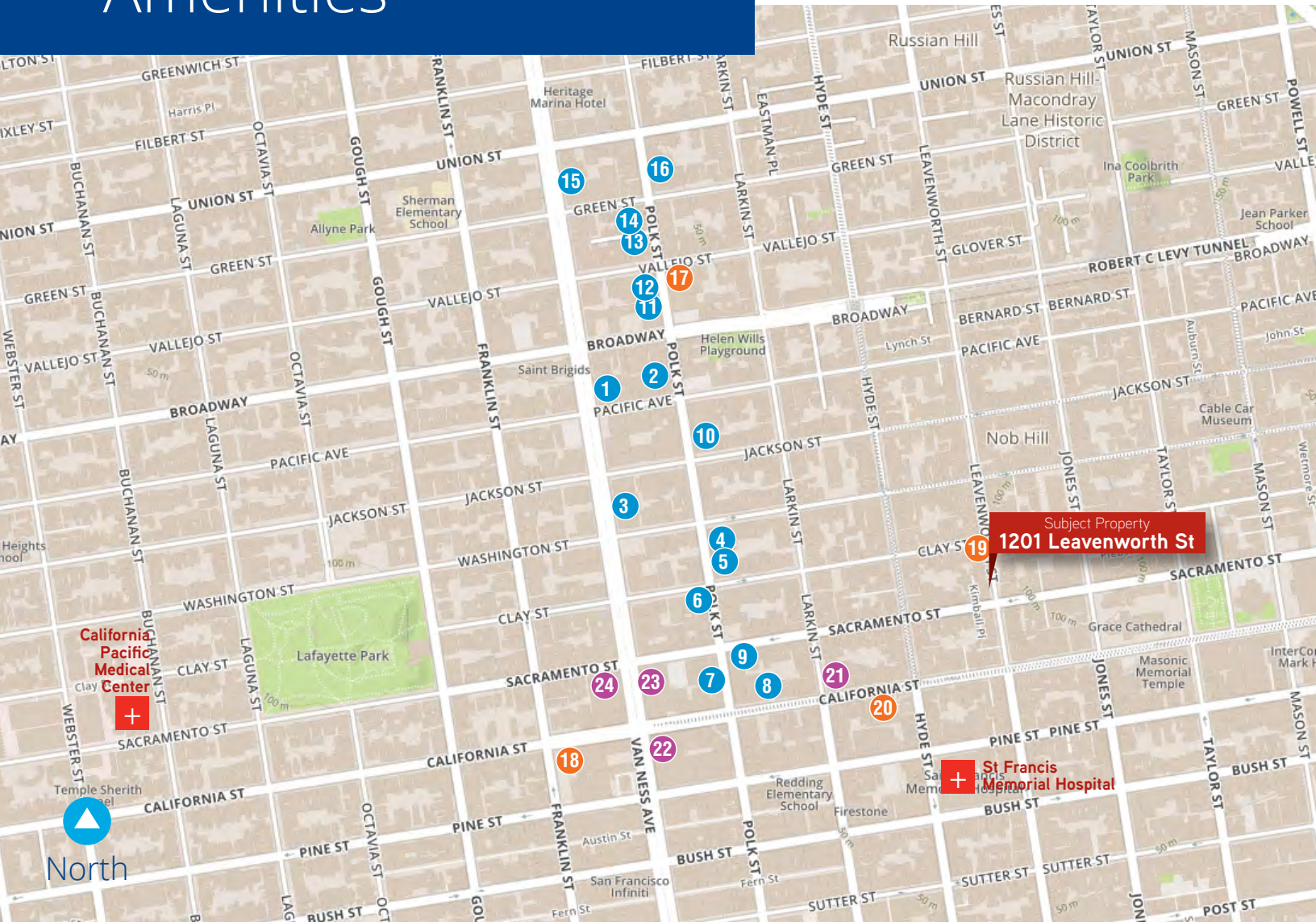
Floor Plan - Unit 1203



Floor Plan - Unit 1402



Amenities

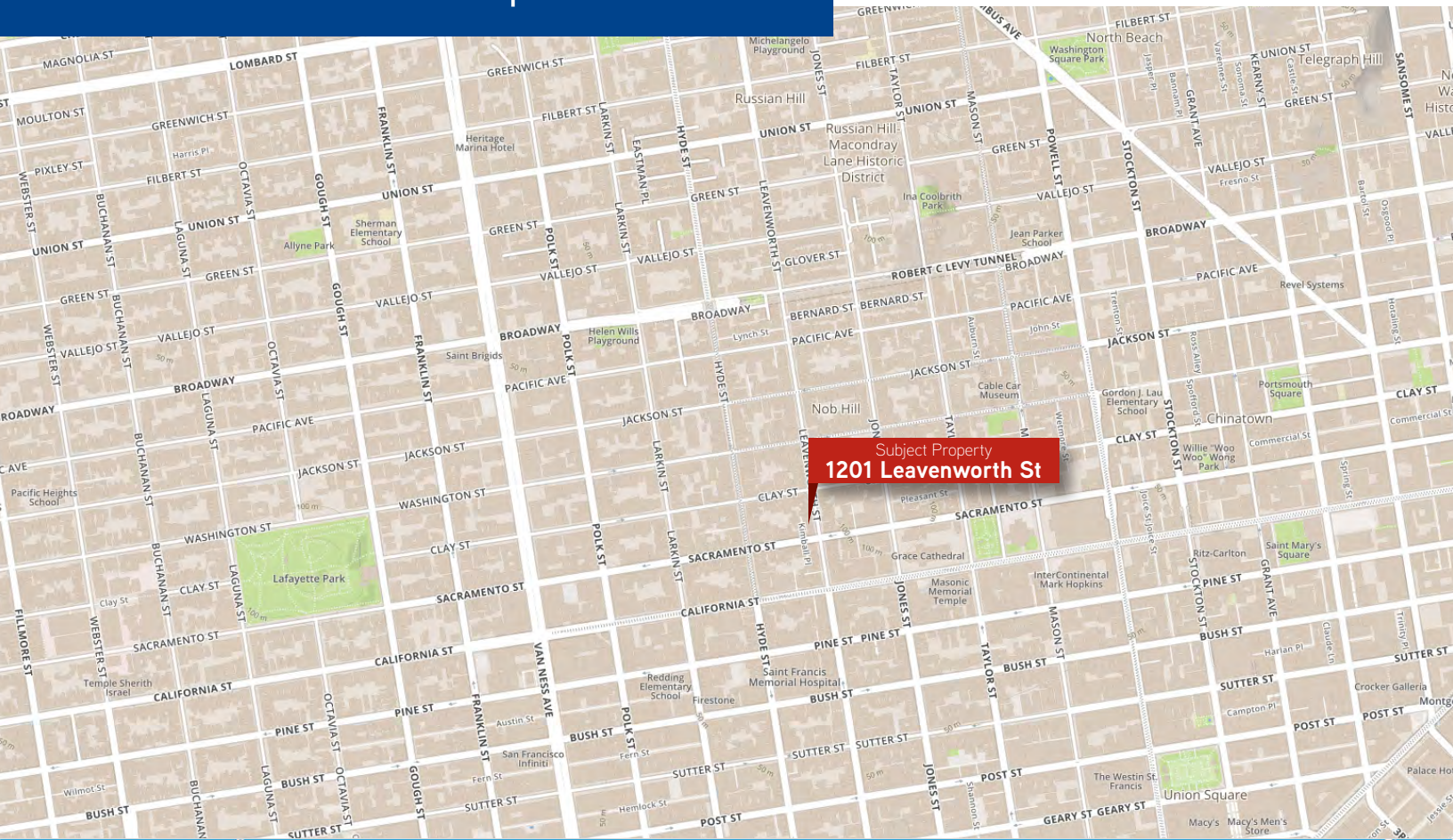


- Restaurants & Bars
- Convenience & Grocery Stores
- Banks & ATM's

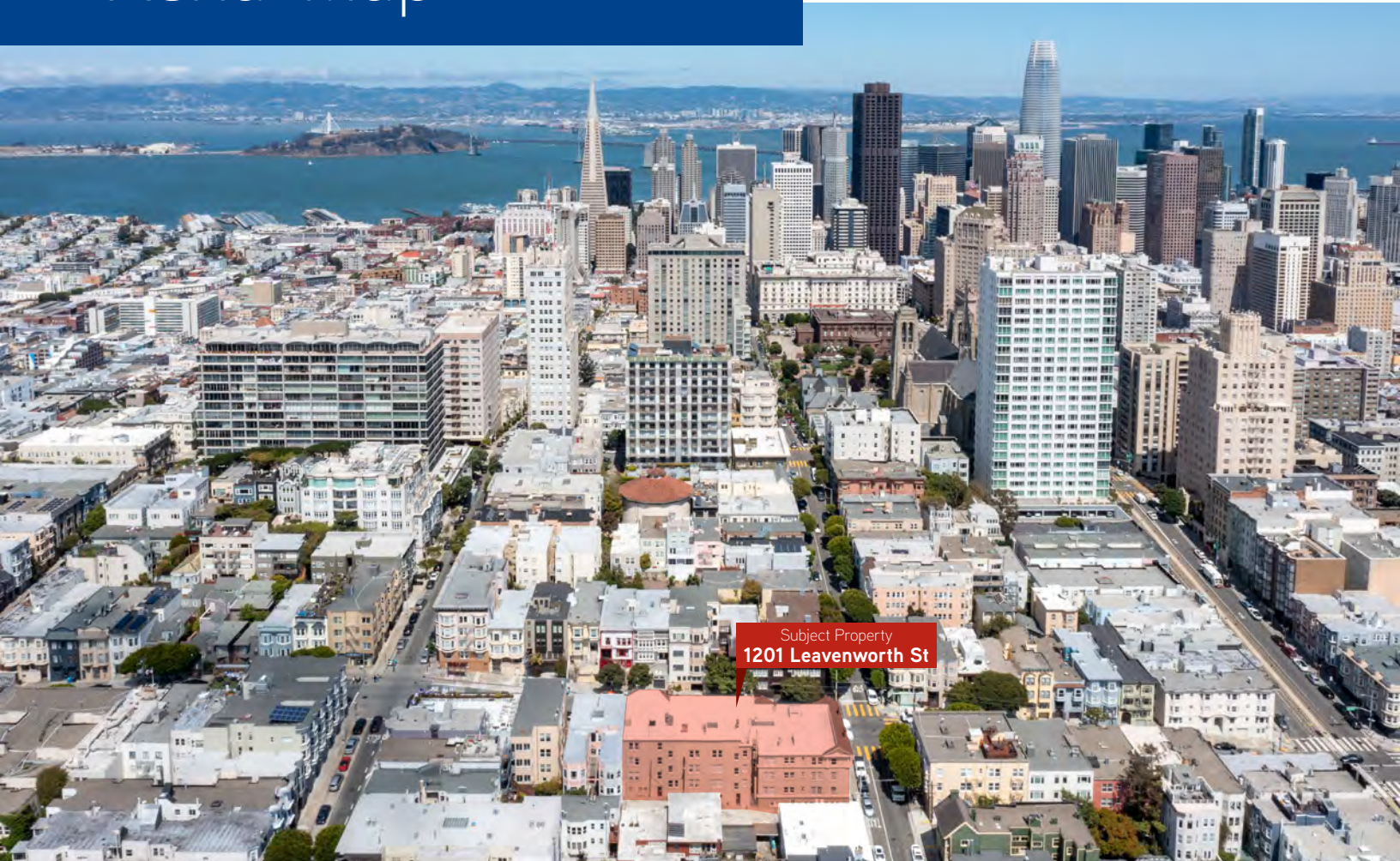
Neighborhood Amenities

- | | | |
|--|---|--|
| <ul style="list-style-type: none"> ● 1 Harris ● 2 New Country Sky ● 3 House of Prime Rib ● 4 Thai Spice Restaurant ● 5 Hahn's Hibachi ● 6 Co Nam ● 7 Swan Oyster Depot ● 8 Cordon Bleu | <ul style="list-style-type: none"> ● 9 Common Sage ● 10 Bell Tower ● 11 Escape From New York Pizza ● 12 AhiPoki ● 13 Bullitt ● 14 Blue Barn Polk Street ● 15 Helmand Palace ● 16 La Folie | <ul style="list-style-type: none"> ● 17 Real Food Company ● 18 Whole Foods ● 19 Le Beau Market ● 20 Trader Joes ● 21 Chase Bank ● 22 Wells Fargo ● 23 Bank of America ● 24 First Republic Bank |
|--|---|--|

Location Map



Aerial Map



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- 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.

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If you wish not to pursue negotiations leading to the acquisition of 1201 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.

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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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