



Union Street Retail/Office

2266 Union Street | San Francisco, CA 94123

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- Union Street Mixed Use
- Strong Demographics
- 6,207 +/- Gross square Feet
- 15.77 x Gross Scheduled Income
- Offered at \$4,100,000



NRT

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2266 Union Street is a unique Retail/Office building located on the north side of Union Street. The property consist of two buildings on a 3,437 square foot lot with bay views from the top floor.

The front building is currently occupied by 1 retail street level tenant with the upper floors being utilized as single room office space. The building was originally built for residential use and could very well be renovated to residential occupancy once again or simply remain executive office rentals.



In the city's strong apartment rental and TIC market the potential of conversion back to residential may be attractive to the investor.

Two offices may be delivered vacant with the remainder of the offices on month to month leases with upside in rents.

The rear building is a single story concrete structure occupied by one retail tenant.

The property has excellent visibility and foot traffic. The surrounding properties consist of upscale shops, restaurants and the property is near some of the most expensive residential real estate in San Francisco and the entire Bay.

Offered at \$4,100,000

For Detailed information and additional photos:
www.2266union.com

Photo Gallery



Office



Common Area



Office



Retail Lovely's



Retail Lovely's



Common area window

ACQUISITION COSTS

Purchase Price, Points and Closing Costs	\$4,122,875
Investment - Cash	\$1,947,875
First Loan	\$2,175,000

INVESTMENT INFORMATION

Purchase Price	\$4,100,000
Price per Tenant	\$455,556
Price per Sq. Ft.	\$660.54

INCOME, EXPENSES & CASH FLOW

Gross Scheduled Income	\$259,923
Total Vacancy and Credits	(\$7,798)
Operating Expenses	(\$98,473)
Net Operating Income	\$153,652
Debt Service	(\$132,245)
Capital Expenses and Costs	(\$19,246)
Expended Reserves	\$2,500
Cash Flow Before Taxes	\$4,661
Total Interest (Debt Service)	(\$97,157)
Depreciation and Amortization	(\$76,752)
Taxable Income (Loss)	(\$20,258)
Tax Savings (Costs)	\$10,514
Cash Flow After Taxes	\$15,175

FINANCIAL INDICATORS

Cash on Cash Return Before Taxes	0.24%
Internal Rate of Return	N/A
Debt Coverage Ratio	1.16
Capitalization Rate	3.75%
Gross Income / Square Feet	\$41.88
Gross Expenses / Square Feet	(\$15.86)
Operating Expense Ratio	39.06%

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Pro Forma Summary

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INVESTMENT SUMMARY

Price:	\$4,100,000
Year Built:	1904
Tenants:	9
RSF:	6,207
Price/RSF:	\$660.54
Lot Size:	3,438 sf
Floors:	4
Parking Spaces:	0
APN:	0534-017
Cap Rate:	3.71%
Market Cap Rate:	4.11%

FINANCING SUMMARY

Loan Amount:	\$2,175,000
Down Payment:	\$1,925,000
Loan Type:	Fixed
Interest Rate:	4.5%
Term:	30 years
Monthly Payment:	\$11,020
DCR:	1.15

TENANT ANNUAL SCHEDULED INCOME

Tenant	Actual	Market
Lovely Bride	\$80,340	\$89,400
Two Sisters Salon	\$61,200	\$61,200
Office-Projected	\$15,288	\$15,288
Office	\$12,600	\$13,800
Office	\$10,620	\$11,520
Office	\$13,975	\$16,440
Office-Projected	\$22,722	\$22,722
Office	\$10,200	\$13,200
Office	\$11,700	\$13,020
TOTALS	\$238,645	\$256,590

ANNUALIZED INCOME

	Actual	Market
Gross Potential Rent	\$238,645	\$256,590
Less: Vacancy	(\$7,798)	(\$7,698)
Reimbursements	\$19,872	\$19,600
Effective Gross Income	\$250,719	\$268,492
Less: Expenses	(\$98,473)	(\$99,780)
Net Operating Income	\$152,246	\$168,713
Debt Service	(\$132,245)	(\$132,245)
Net Cash Flow after Debt Service	\$20,001	\$36,468
Principal Reduction	\$35,088	\$35,088
Total Return	\$55,089	\$71,556

ANNUALIZED EXPENSES

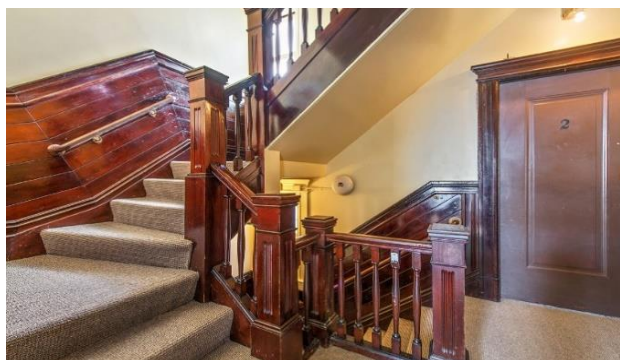
	Actual	Market
Property Management Fee	\$12,996	\$12,830
Replacement Reserves	\$2,500	\$2,500
Taxes - Real Estate	\$48,710	\$49,500
Est. Maintenance	\$16,834	\$17,000
Est. Building Insurance	\$5,125	\$5,500
Est. Trash Removal	\$4,916	\$5,000
Est. Repairs	\$2,700	\$2,700
Est. Utilities-Water/Sewer	\$2,470	\$2,500
Est. Utility - PG&E	\$1,322	\$1,350
General Supplies	\$650	\$650
Misc.	\$250	\$250
Total Expenses	\$98,473	\$99,780
Expenses Per RSF	\$15.86	\$16.08

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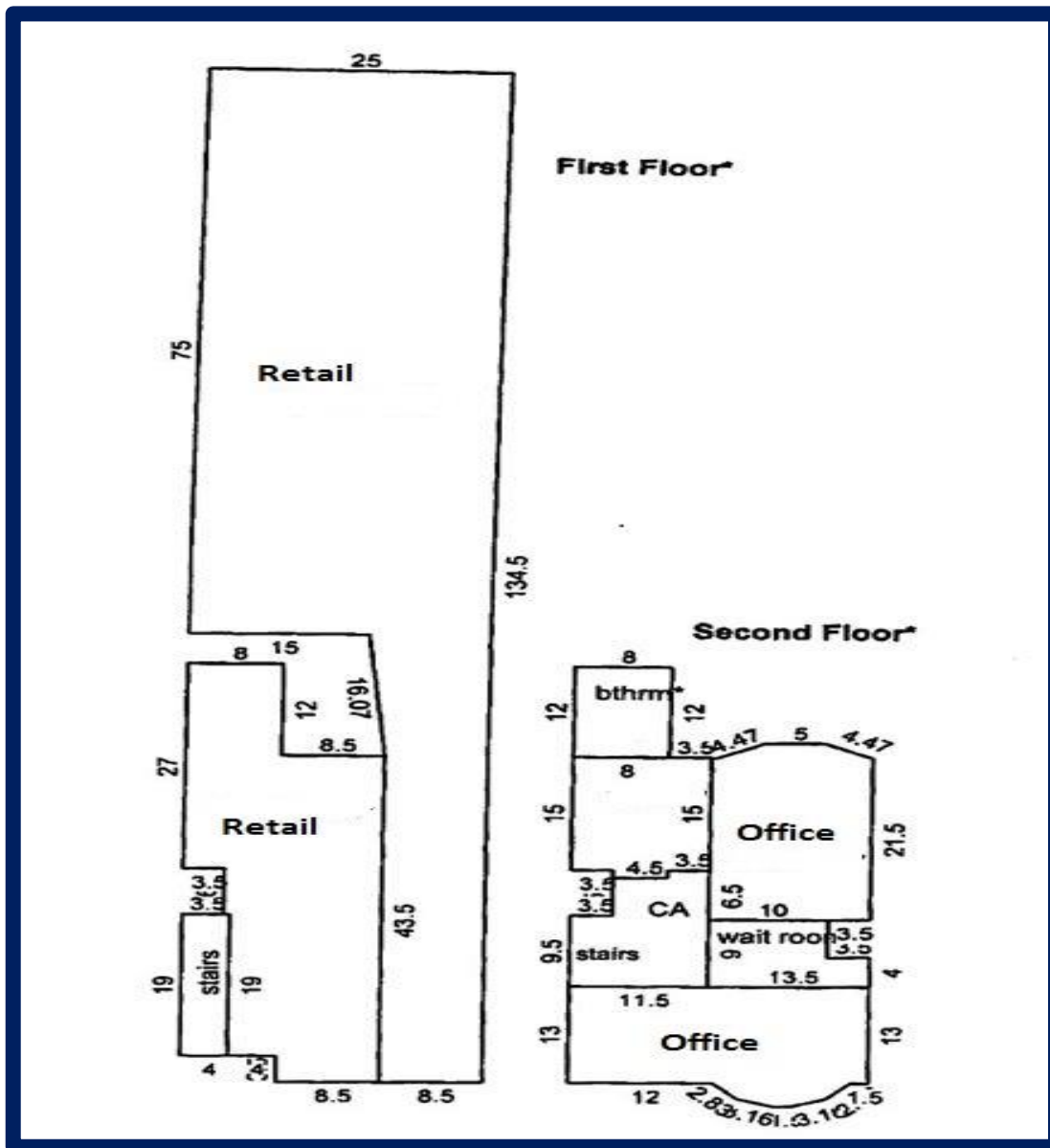
<u>Suite</u>	<u>Tenant</u>	<u>Start Date</u>	<u>Expiration</u>	<u>Net RSF</u>	<u>\$/RSF</u>	<u>Monthly Rent</u>	<u>Notes</u>
Retail	LovelyBride	6/1/2014	5/31/2019	2,489	\$2.69	\$6,695.00	Annual Increases; 1 x 5 Years (FMV) Reimburses 20% Taxes/Utilities/Insurance
Retail	2 Sisters Salon	11/1/2006	2/18/2017	688	\$7.41	\$5,100.00	Reimburses prorata share of Taxes
2nd Floor	Office	N/a	Monthly	364	\$3.50	\$1,274.00	Delivered Vacant. Projected. Full Service
2nd Floor	Office	N/a	Monthly	323	\$3.25	\$1,050.00	Full Service
2nd Floor	Office	N/a	Monthly	192	\$4.61	\$885.00	Full Service
3rd Floor	Office	N/a	Monthly	392	\$2.97	\$1,164.58	Full Service
3rd Floor	Office	N/a	Monthly	541	\$3.50	\$1,893.50	Delivered Vacant. Projected. Full Service
4th Floor	Office	N/a	Monthly	315	\$2.70	\$850.00	Full Service
<u>4th Floor</u>	Office	<u>N/a</u>	<u>Monthly</u>	<u>217</u>	<u>\$4.49</u>	<u>\$975.00</u>	<u>Full Service</u>
Totals				5,521	\$ 3.90	\$ 19,887.08	



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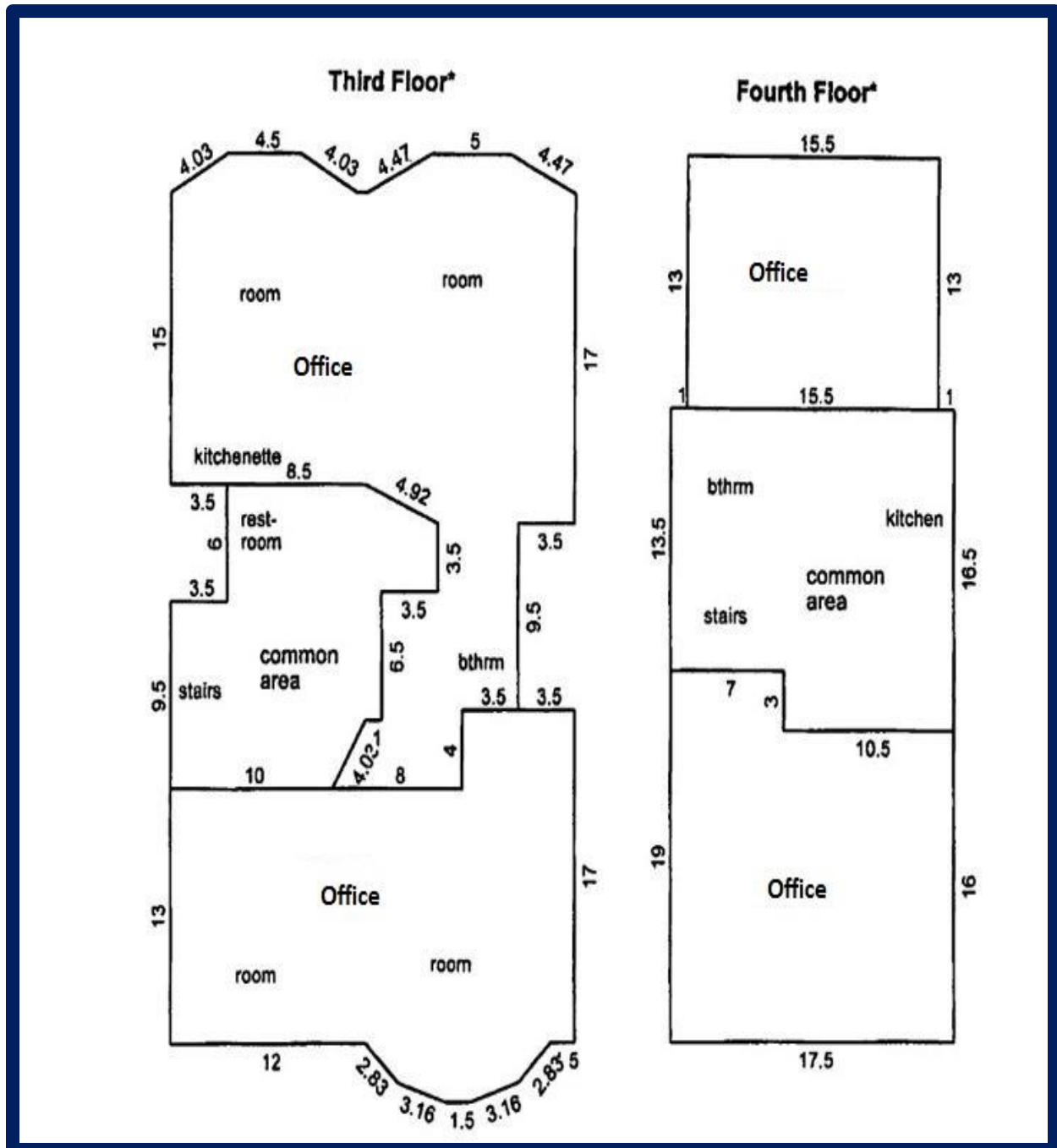
Existing Floor Plan



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General Building Information:

General:

- The subject property consists of 2 separate buildings. The front structure consists of a wood framed structure with 4 floors of occupancy.
- The ground floor is occupied by a commercial space.
- The upper 3 floors consist of light duty office spaces with bathrooms and kitchen facilities.
- The separate rear building is a poured in place concrete walled structure with a single commercial space accessed by the service breezeway/walkway.

Foundation:

- The front structure foundation consists of the brick masonry along the front, west and rear perimeters. The foundation along the east perimeter consists of concrete.
- The rear structure is a poured in place concrete structure with a wood framed roof diaphragm.

Electrical:

- The electrical service and distribution system has been partially upgraded with modern circuit breaker panels and some additional circuits and outlets. Both buildings are served by a common 200 amp main service with separate breaker panels with capacities of between 30 amp and 100 amps.

Plumbing:

- Some copper water lines. Cast iron and galvanized drain/waste lines.
- 2 water heaters under the rear extension serve the ground floor commercial space and the 1st level of offices.

HVAC:

- Heat to the rear, detached commercial space is provided by a gas fired forced air furnace.
- The ground floor commercial space at the front structure is heated by a gas fired floor heater.
- All of the office spaces at the front structure do not have a source of heat with the exception of the top floor which is heated by electric heaters.
- 2 gas fired wall heaters on the 2nd and 3rd levels are not being used.

Roof:

- Front Building-composition shingle
- Lightwell-Modified bitumen
- Rear Building- Tar & Gravel

San Francisco has the highest population density in the state, and second in the nation to New York City. The city population is approximately 852,469. It is currently one of the most popular destinations for tech companies nationwide and one of the most expensive rental markets in the entire USA.



Within San Francisco are many diverse neighborhoods and **2266 Union Street** is found within the confines of the Cow Hollow District. The property is well located between Pacific Heights, Marina, and the Cow Hollow neighborhoods. It has become a destination for the high income and educated millennials. Cow Hollow was named for its original use by Dairy Farmers around what was a large lagoon up until the late 1800s. Many of the original buildings survived the earthquake and fire of 1906 leaving the neighborhood with much of its prized Victorian style architecture.

Since the 1950's, Union Street has been one of San Francisco's Top visitor destinations - because of its wonderful mix of specialty shops, services and restaurants in an "only in S.F." historic Victorian setting, it attracts not only locals but also visitors from around the world.

Today's Union Street and its surrounding Cow Hollow neighborhood was named among the top 5 best neighborhoods in the nation for young adults to live, also caters to the younger generation with gyms, cycle shops, yoga and spas and an abundance of beauty, health and fitness venues, boutiques, sports bars and coffee shops.

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Maps and Aerials

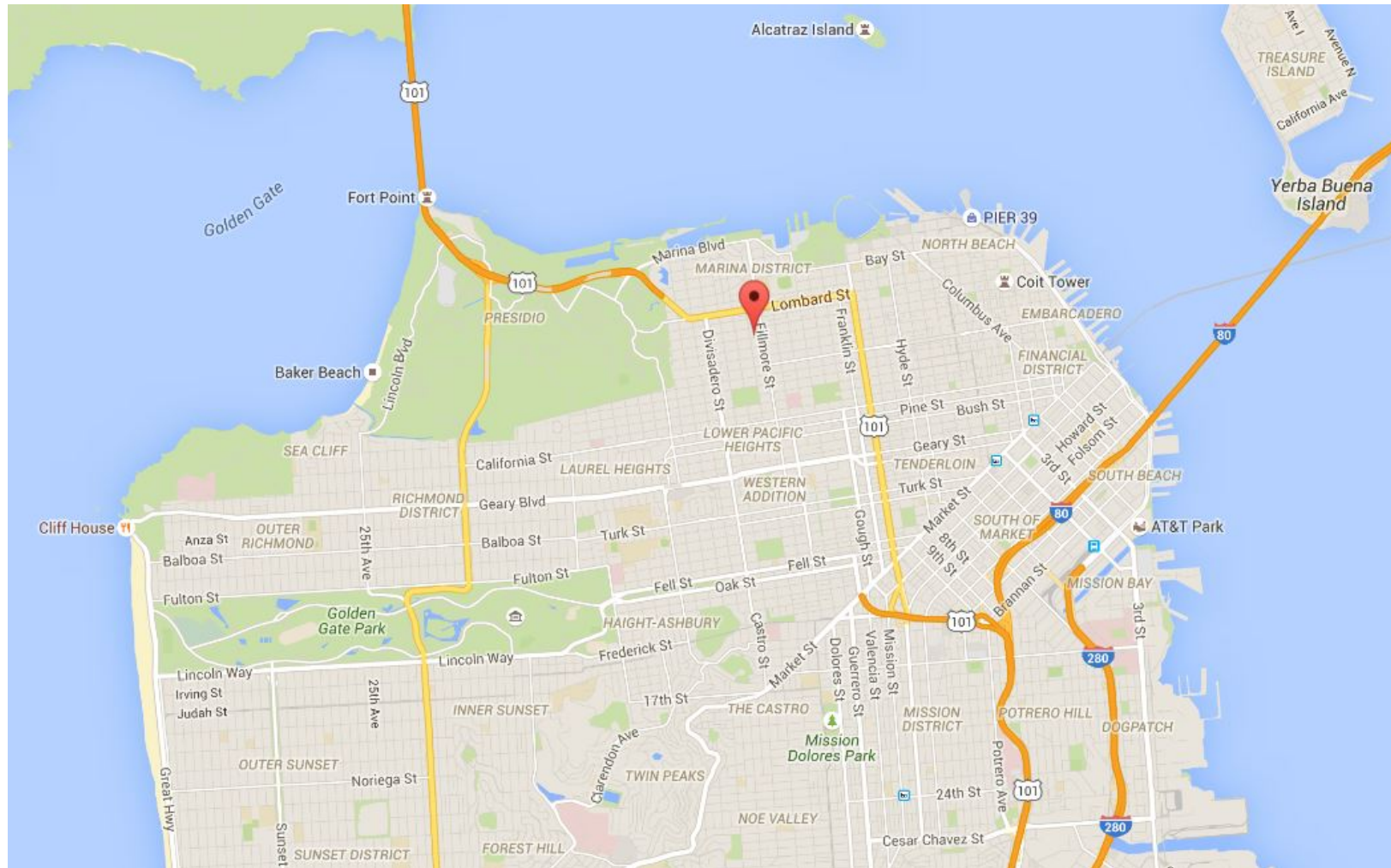


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Area Map Street Map



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Maps and Aerials



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Aerial View

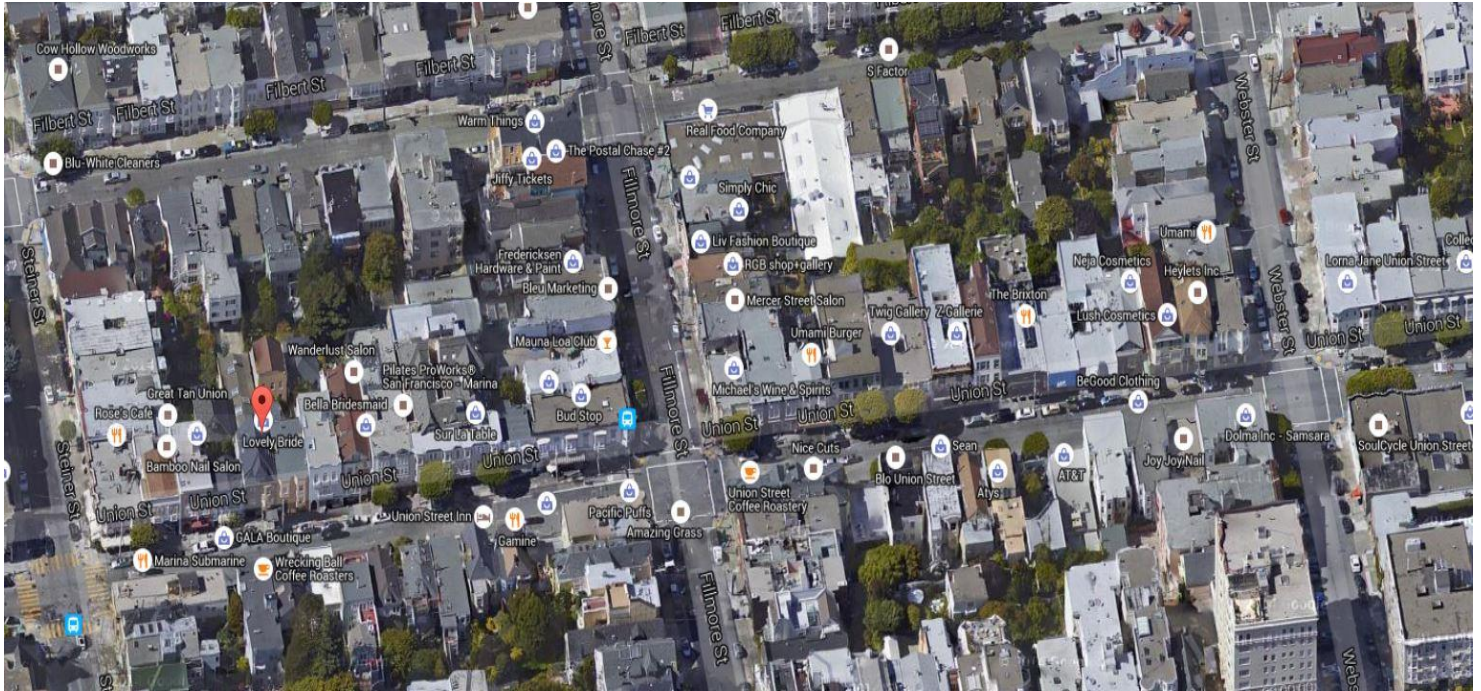


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Aerial Maps

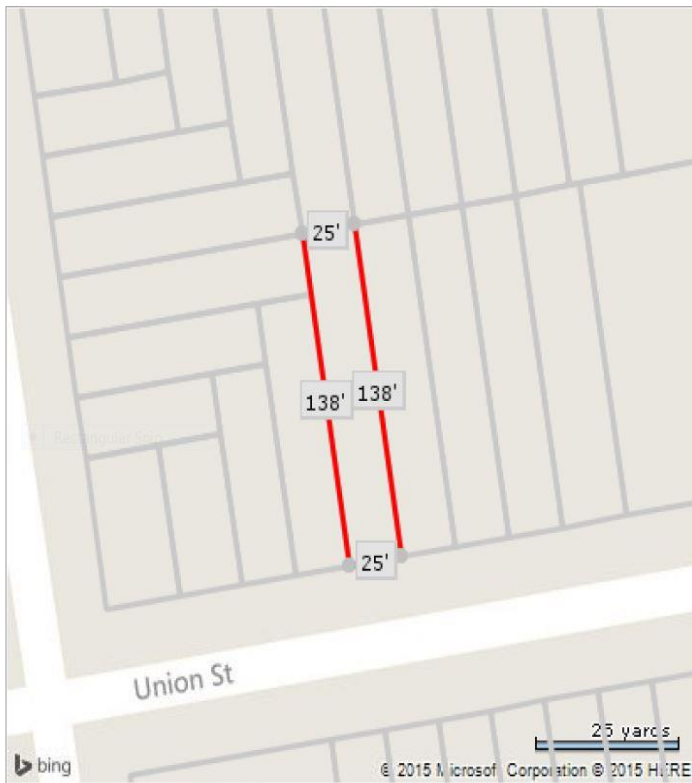


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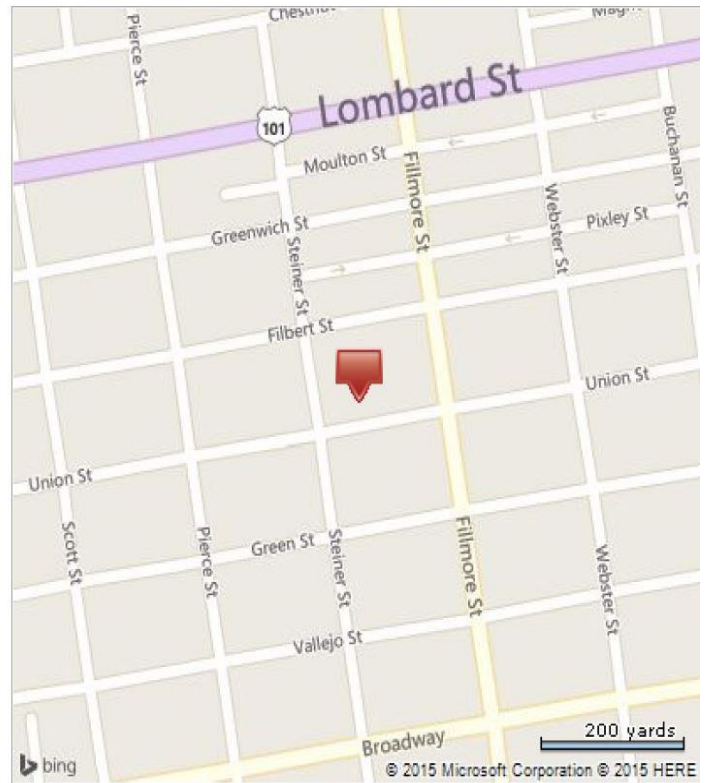
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Property Map



*Lot Dimensions are Estimated



📖 SEC. 725.

UNION STREET NEIGHBORHOOD COMMERCIAL DISTRICT.

The Union Street Commercial District is located in northern San Francisco between the Marina and Pacific Heights neighborhoods. The district lies along Union Street between Van Ness Avenue and Steiner, including an arm extending north on Fillmore Street to Lombard.

The shopping area provides limited convenience goods for the residents of sections of the Cow Hollow, Golden Gate Valley, and Pacific Heights neighborhoods immediately surrounding the street. Important aspects of Union Street's business activity are eating and drinking establishments and specialty shops whose clientele comes from a wide trade area. There are also a significant number of professional, realty, and business offices. Many restaurants and bars as well as the district's two movie theaters are open into the evening hours, and on weekends the street's clothing, antique stores and galleries do a vigorous business.

The Union Street District controls are designed to provide sufficient growth opportunities for commercial development that is in keeping with the existing scale and character, promote continuous retail frontage, and protect adjacent residential livability. Small-scale buildings and neighborhood-serving uses are promoted, and rear yards above the ground story and at all residential levels are protected. Most commercial development is permitted at the first two stories of new buildings, while retail service uses are monitored at the third story and above. Controls are necessary to preserve the remaining convenience businesses and to reduce the cumulative impacts which the growth of certain uses have on neighborhood residents. Such controls prohibit additional drinking establishments and limit additional eating establishments, entertainment, and financial service uses. Most automobile and drive-up uses are prohibited in order to maintain continuous retail frontage and minimize further traffic congestion.

Housing development in new buildings is encouraged above the second story. Existing residential units are protected by limitations on demolitions and upper-story conversions.

Generally the zoning allows conversion from commercial to residential at a rate of 1 unit per 600 square feet of lot area, which may allow for 6 residential units with a 40' height limit.

Open space may be required at 80 square feet per unit and 1 parking space is required per unit. It has been common for the city to allow a parking variance to encourage residents to use public transportation and eliminate the number of private vehicles in the city.

DISCLAIMER STATEMENT

This offering has been prepared solely for informational purposes. It is designed to assist a potential investor in determining whether it wishes to proceed with an in-depth investigation of the subject property. While the information contained herein is from sources deemed reliable, it has not been independently verified by the Coldwell Banker Commercial NRT or by the Seller.

The projections contained herein represent best estimates on assumptions considered reasonable under the circumstances. No representations or warranties, expressed or implied, are made that actual results will conform to such projections.

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Interested buyers should be aware that the Seller is selling the Property in its "AS IS" CONDITION WITH ALL FAULTS, WITHOUT REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE. Prior to and/or after contracting to purchase, as appropriate, buyer will be given a reasonable opportunity to inspect and investigate the Property and all improvements thereon, either independently or through agents of the buyer's choosing.

The Seller reserves the right to withdraw the Property being marketed at any time without notice, to reject all offers, and to accept any offer without regard to the relative price and terms of any other offer. Any offer to buy must be: (i) presented in the form of a non-binding letter of intent; (ii) incorporated in a formal written contract of purchase and sale to be prepared by either the Buyer or Seller and executed by both parties; and (iii) approved by seller and such other parties who may have an interest in the Property. Neither the prospective Buyer nor Seller shall be bound until execution of the contract of purchase and sale, which contract shall supersede prior discussions and writings and shall constitute the sole agreement of the parties.

Prospective Buyers shall be responsible for their costs and expenses of investigating the Property and all other expenses, professional or otherwise, incurred by them.



2266 Union Street

Exclusive Listing Agents



For more information, please contact:

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