

OFFERING

MEMORANDUM

JAG PATEL

Senior Associate

E: jpatel@lee-associates.com

C: (415) 517-9856

LIC: 01365355

643-647 Clay St, San Francisco, CA 94111

NON-ENDORSEMENT



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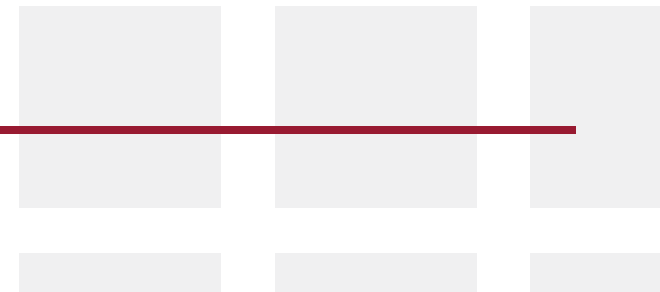
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PROPERTY HIGHLIGHTS



- Desirable Location
- Stabilized Building
- Soft Story Work Complete
- New Plumbing
- New Electrical
- Fire System Upgrade
- Roof in Good Condition
- Electric Wall Heaters in all units
- Successful Commercial Operators

Price	\$2,300,000
Price/SF	\$323
Building Size	7,112 SF (Public Records)
Parcel Size	1,991 SF
Parcel Number	0227-044
Year Built	1912
Zoning	CCB
No. of Residential Units	22
No. of Commercial Units	2

	Current	Pro-Forma
GRM	9.53	6.50
Cap Rate	5.78	10.16

PROPERTY SUMMARY

643-647 Clay St is a well maintained 22-unit mixed-use building located at the intersection of the Financial District and the Historical Chinatown, near North Beach and the Transamerica Pyramid, with excellent access to public transportation. This is a high foot traffic area that draws both local San Franciscans, out-of-state and international visitors.

The property is 7,112 square feet building sitting on a 1,991 square foot lot. Additionally, the building has a full basement that is mostly used by the 2 tenants on the ground floor.

The ground floor is occupied by two strong commercial tenants.

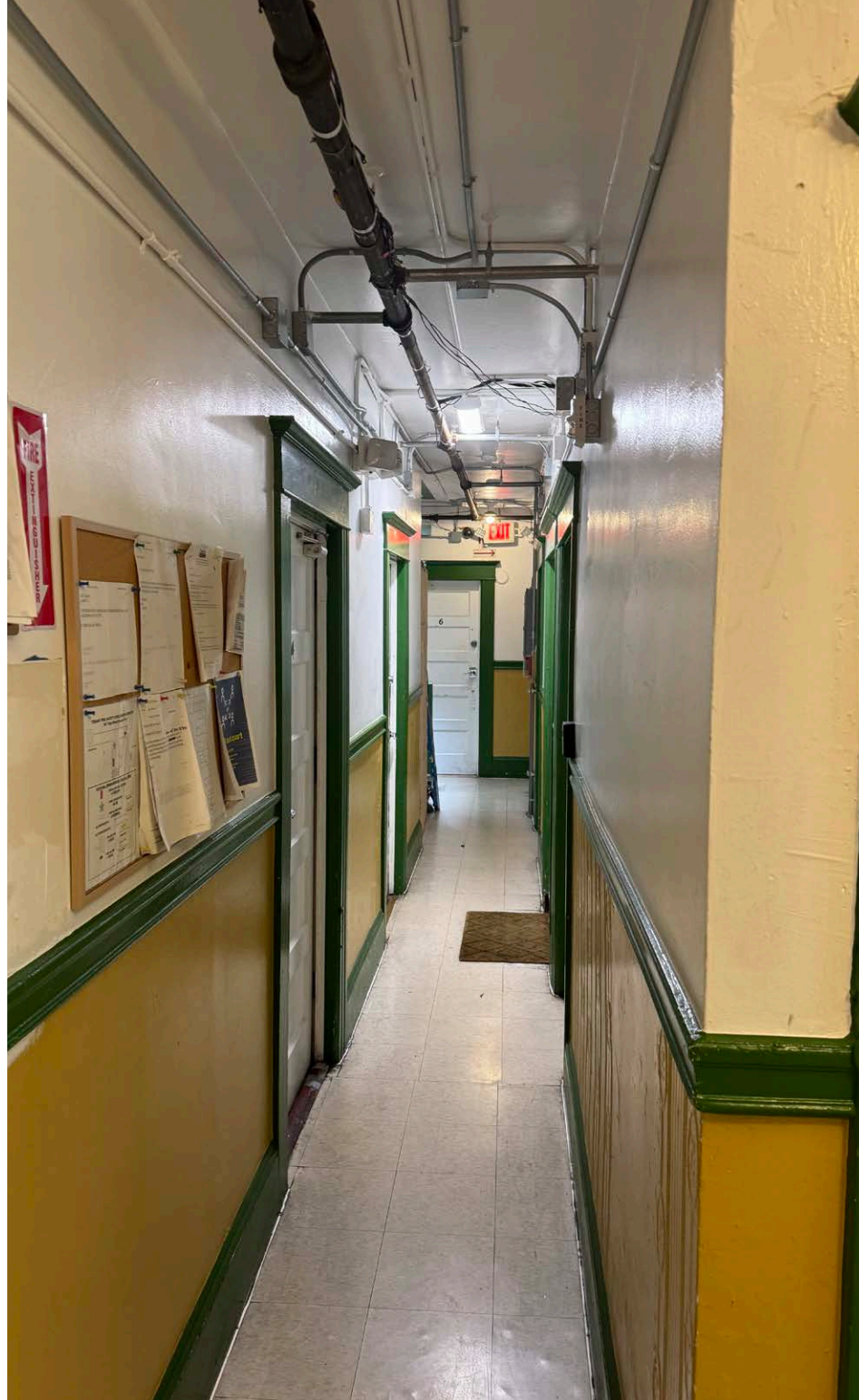
643 Clay has been occupied by a pizza restaurant since June 1st, 2024, and has a 10-year lease in place. They have another location on Larkin Street that was opened in 2020 at the height of the pandemic. Rent will increase by 3% per year from year 2 onwards.

645 Clay has been occupied by a Korean restaurant since 2016 and had renewed their lease in 2021. Their lease is up for renewal on January 1st of 2027 at which time there is a possibility to renegotiate a rent increase.

This building is licensed for 22 SRO units but also has two extra units, one of which is occupied by a resident manager and the other is vacant space.

APN is 0227-044. Zoning is CCB.

The subject property presents a stable financial investment opportunity with potential for greater future returns.



FINANCIAL ANALYSIS

INCOME + EXPENSE

INCOME SUMMARY	CURRENT	PROFORMA YEAR 1
SRO HOTEL	\$145,300.56	\$258,000
OUTTA SIGHT PIZZA	\$48,000	\$49,440
KING BOB	\$48,000	\$48,000
INCOME TOTAL	\$241,300.56	\$355,440
EXPENSE SUMMARY		
TAXES & LICENSES	\$1,720	\$1,867
PROPERTY TAXES	28,910	\$29,900
INSURANCE	\$18,500	\$19,500
GARBAGE	\$5,152	\$6,500
UTILITIES	\$29,949	\$32,000
PAYROLL EXPENSES	\$14,345	\$16,000
MAINTENANCE	\$4,700	\$6,000
SUPPLIES	\$1,500	\$2,500
PEST CONTROL	\$2,000	\$3,000
MISCELLANEOUS	\$1,500	\$4,500
TOTAL EXPENSES	\$108,276	\$121,767
NET OPERATING INCOME	\$133,024	\$233,673
CAP RATE	5.80%	10.16%

RENT ROLL

643-647 Clay St	Room#	Move in Date	Actual Rent	Proforma Projection Year 1	Percentage Increase
645 Kingbob		1/1/2016	\$4,000.00	3% increase annually from Year 3	3% Anually
643 Outta Sight Pizza		6/1/2024	\$4,000.00	\$4,120.00	3% Anually
Jaluel	1	11/17/2022	\$850.00	\$950.00	11.76%
Storage	1B	-	-	-	-
Michell	2	5/1/2024	\$900.00	\$950.00	5.50%
Smith	3	6/1/2024	\$800.00	\$950.00	18.75%
Liu Ying	4	4/18/1980	\$226.21	\$950.00	319.96%
Chriss	4B	1/6/2020	\$915.30	\$950.00	3.80%
Vacant	5	-	\$0.00	\$950.00	950%
Mei Qiao	6	7/13/1998	\$475.05	\$1,100.00	131.55%
Marcelino	7	1/1/2020	\$808.28	\$950.00	17.50%
Clarance	7B	12/1/2018	\$771.69	\$950.00	23.12%
Quintin	8	6/7/2021	\$842.07	\$950.00	12.82%
Fernando B	9	7/1/2021	\$842.07	\$950.00	12.82%
Vacant	10	-	-	\$950.00	950%
Chung Zhang	11	4/19/1980	\$226.21	\$950.00	319.96%
Tan Quan	12	1/11/1999	\$463.74	\$1,100.00	137.20%
Chao Huang	14	4/1/2019	\$447.90	\$1,100.00	145.59%
Angela Yang	15	1/1/2022	\$610.20	\$950.00	55.69%
Ming Chu	15B	1/1/1975	\$122.72	\$950.00	674%
Angela Yang	16	1/2/2022	\$610.20	\$950.00	55.69%
Ralf P	17	6/14/2022	\$711.90	\$950.00	33.44%
Ralf P	17B	6/14/2022	\$711.90	\$950.00	33.44%
Hong Cai	18	11/1/1999	\$407.74	\$950.00	132.99%
Chung Zhang	19	4/18/1980	\$365.20	\$1,100.00	201%
Income Monthly			\$20,108.38	\$29,620.00	
Income Annually			\$241,300.56	\$355,440.00	

10 YEAR PROJECTIONS

	NOI Projection Under Current Operations	Cap Rate at Asking Price	NOI Projection Based On Market Rents	Cap Rate at Asking Price
Year 1	\$133,024.04	5.78%	\$233,673.24	10.16%
Year 2	\$134,464.04	5.85%	\$235,113.24	10.22%
Year 3	\$137,387.24	5.97%	\$238,036.44	10.35%
Year 4	\$140,398.14	6.10%	\$240,410.54	10.45%
Year 5	\$143,499.37	6.20%	\$244,148.57	10.61%
Year 6	\$146,693.63	6.38%	\$247,342.83	10.75%
Year 7	\$149,983.71	6.52%	\$250,632.91	10.90%
Year 8	\$153,372.49	6.67%	\$254,021.69	11.04%
Year 9	\$156,862.94	6.82%	\$257,512.14	11.20%
Year 10	\$160,458.11	6.98%	\$261,107.31	11.35%

Note:

NOI Current Calculations are based on Korean Restaurant Rents brought to market at year 3 with zero SRO unit rental increase.

Proforma Calculations are based on Korean Restaurant Rents brought to market at year 3 and SRO units brought to market rents.

PROPERTY LATEST NEWS

What is happening at
643-647 Clay St?

EATER
SAN FRANCISCO

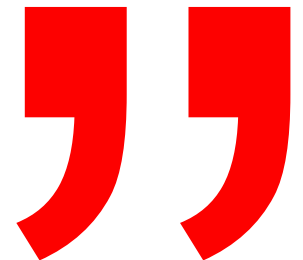


One of the city's buzziest pizza parlors is doubling its footprint. Chef Eric Ehler of **Outta Sight Pizza** announced through Instagram that he and his team have signed a lease at 643 Clay Street in Chinatown. There is no opening date for the restaurant yet. It's a homecoming of sorts for Ehler, who previously worked as a sous chef at Michelin-starred Chinese restaurant **Mister Jiu's**. "This will be a Chinatown pizza shop through and through," the post reads in part.

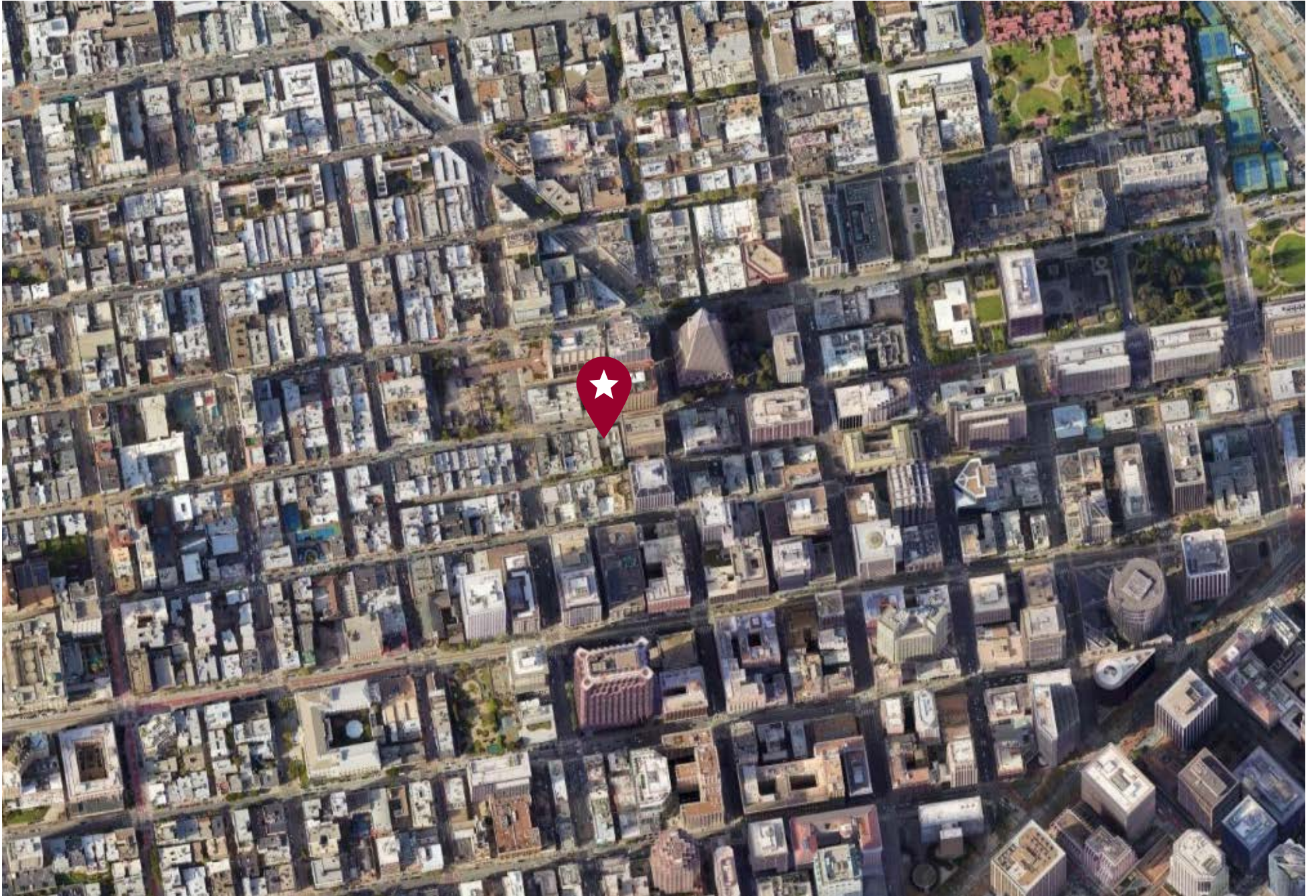
Outta Sight has become shorthand for good pizza in San Francisco. The business opened in 2020 at 422 Larkin Street, quickly earning praise for classics such as a pesto pie and **limited-run pizzas featuring char siu**. The shop is well known for its sandwiches, too, and for running the food and drink menu at the **Great American Music Hall** or popping up at beer haunt Toronado on Mondays. Ehler himself is a major advocate for not just San Francisco but for the Tenderloin specifically, championing his favorite places in the city for donuts, breakfast sandwiches, and braised duck leg in the greater Civic Center area.

Written by: Paolo Bicchieri

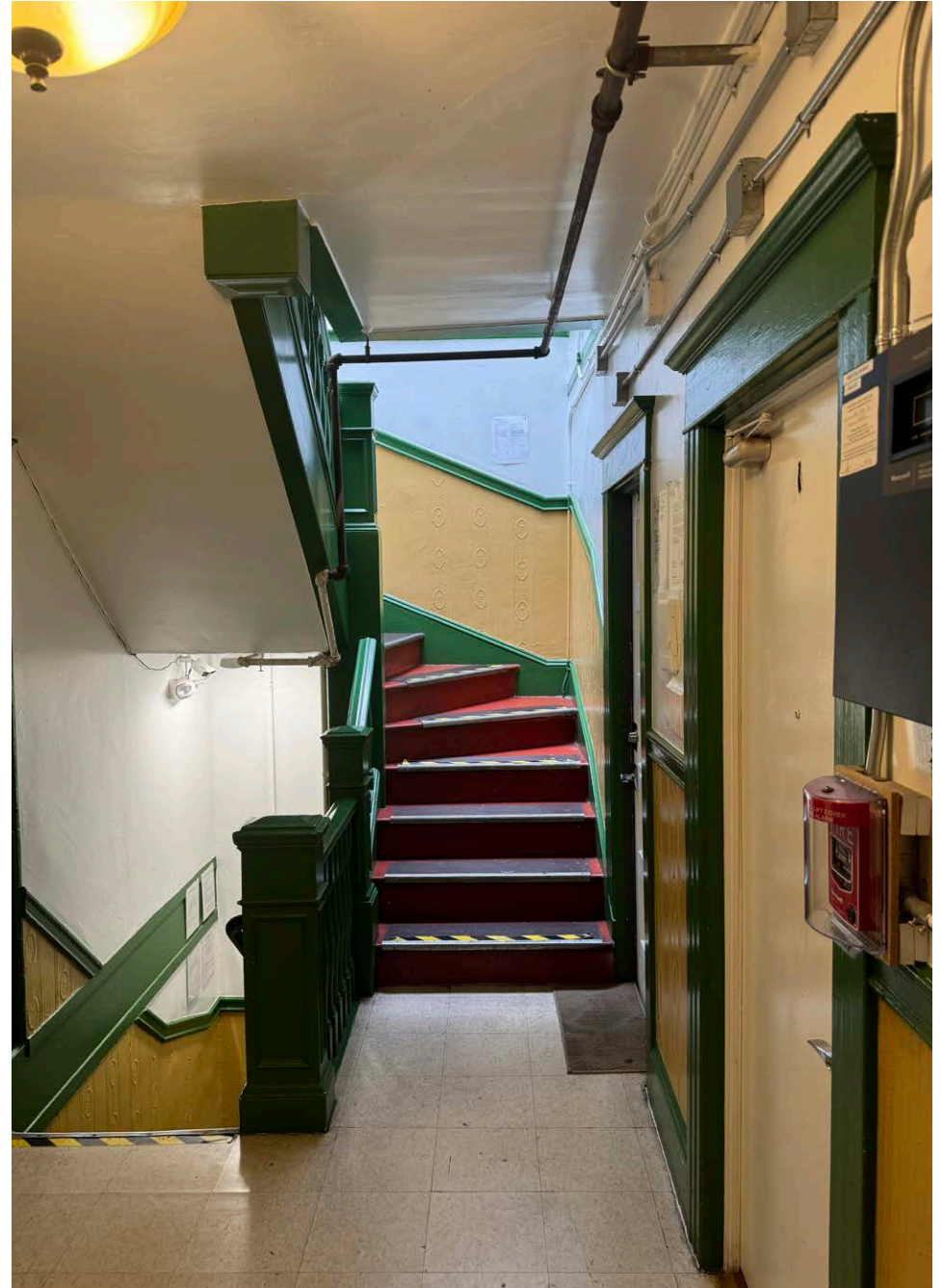
<https://sf.eater.com/2024/5/23/24163288/outta-sight-pizza-chinatown-restaurant-opening>



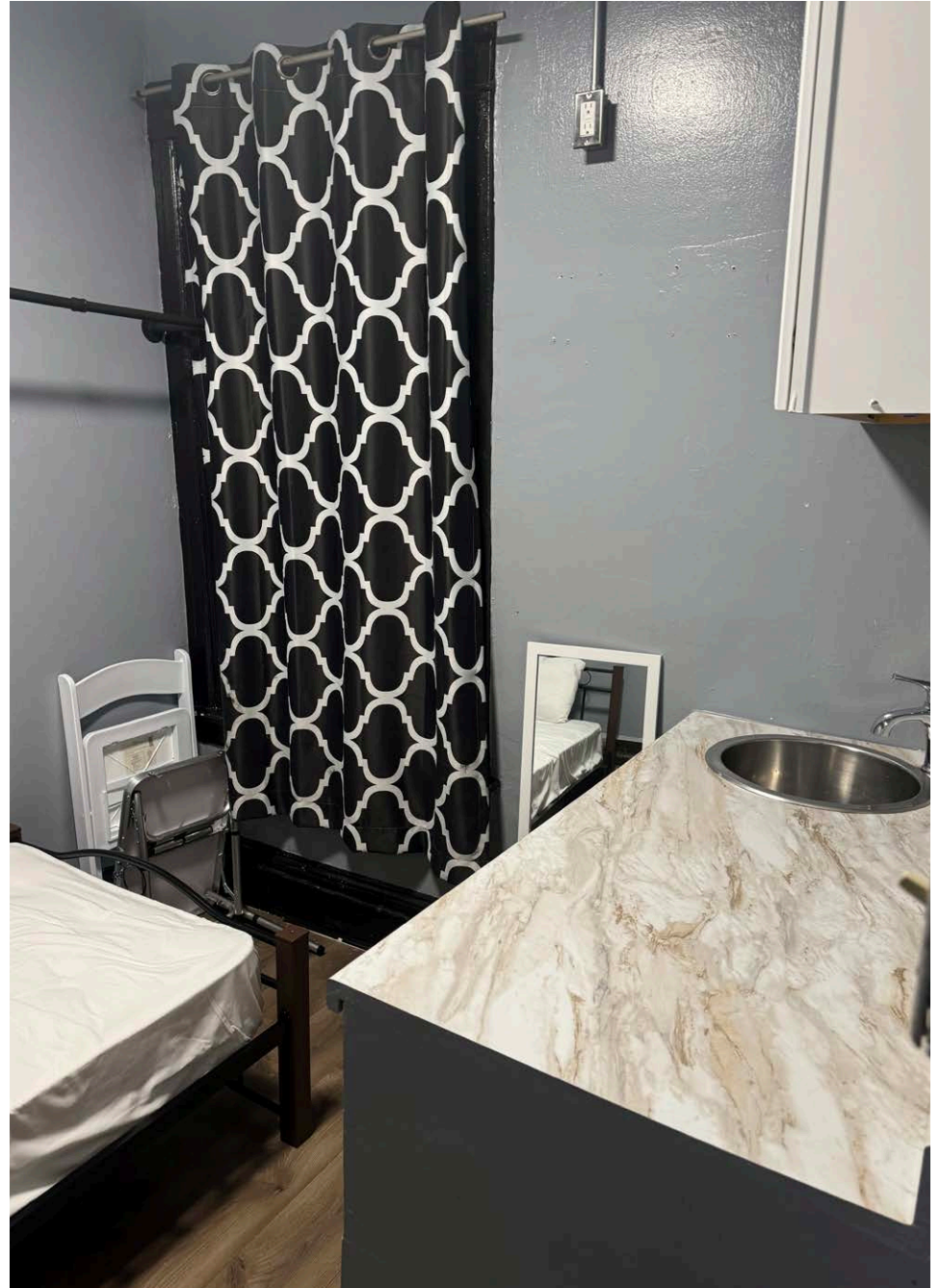
AERIAL VIEW



GALLERY



GALLERY

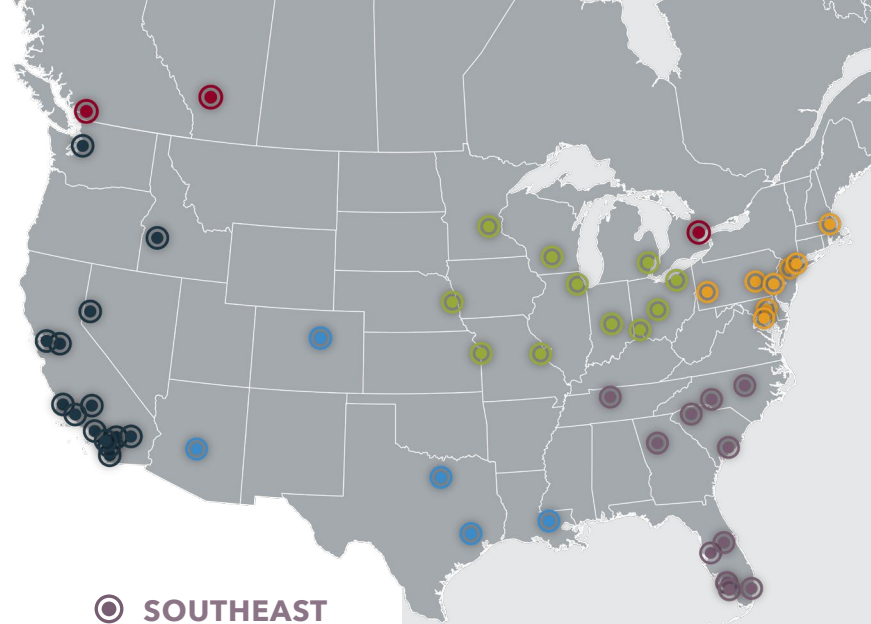


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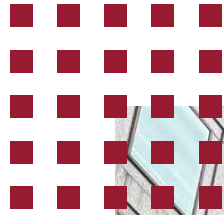
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Senior Associate

E: jpatel@lee-associates.com

C: (415) 517-9856

LIC: 01365355

