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MOUNT LASSEN DRIVE

SAN RAFAEL
CALIFORNIA

Rare Marin County Purchase/Redevelopment Opportunity

Exceptionally well-located, multi-tenant offices on ± 2.35 -acre site with potential for future medium-density residential development.



NEWMARK

GRAHAM STREET REALTY
REAL ESTATE INVESTMENTS

executive summary

Newmark, as exclusive listing agent, is pleased to present the opportunity to purchase the fee simple interest in the property located at 7 Mount Lassen Drive, San Rafael, California.

7 Mount Lassen Drive is an attractive, ±32,551 square foot Class B, multi-tenant office in unincorporated San Rafael, California. Built in 1979 and comprising of four, two-story buildings on a 2.35-acre site, the Property features mature trees and natural elements amidst the backdrop of scenic rolling hills, yet is only a 5-6 minute drive from Highway 101 providing access to abundant jobs in Marin and adjacent San Francisco and Sonoma Counties.



the opportunity

7 Mount Lassen represents a unique opportunity via redevelopment to help address Marin County's extreme and chronic shortage of multifamily housing. While attractive as an office investment, the Property's current low-density office use is a clear economic under-utilization of the site, especially given its superb location. The County of Marin agrees with this assessment, as described below.

The Property's underlying "Planning Commercial" zoning (unincorporated Marin County) and General Plan designation

("GC") with a Housing Overlay Designation ("HOD") combining district allows for redevelopment of the ±2.35-acre site with multifamily housing.

Importantly, redevelopment of 7 Mount Lassen to a multifamily residential use is now encouraged by the County of Marin: In its 2023-2031 Housing Element, the county earmarked 7 Mount Lassen as a "housing opportunity site" to help meet the county's state mandated RHNA (Regional Housing Needs Assessment) requirements. The Property was selected by

the county because it is "significantly underutilized" and "ripe for private redevelopment" within the planning period (2023-2031) and estimated its realistic redevelopment capacity at 58 units (25 units per acre).

It is important to note that none of the Property's approximate 50 tenants' current lease terms extend for more than 24 months. This allows a new owner-developer to receive operating cash flow from the office investment yet flexibility to control the timing of the Property's redevelopment.



property overview



APN#: 164-481-10



Municipality:
County of Marin



Zoning:
CP-HOD (Planned Commercial,
Housing Overlay Designation
Combining District)



Land Size:
±102,366 SF (±2.35 Acres)



Rentable Building Area:
±32,551 RSF



Current Occupancy:
62% (approximately 50 tenants)



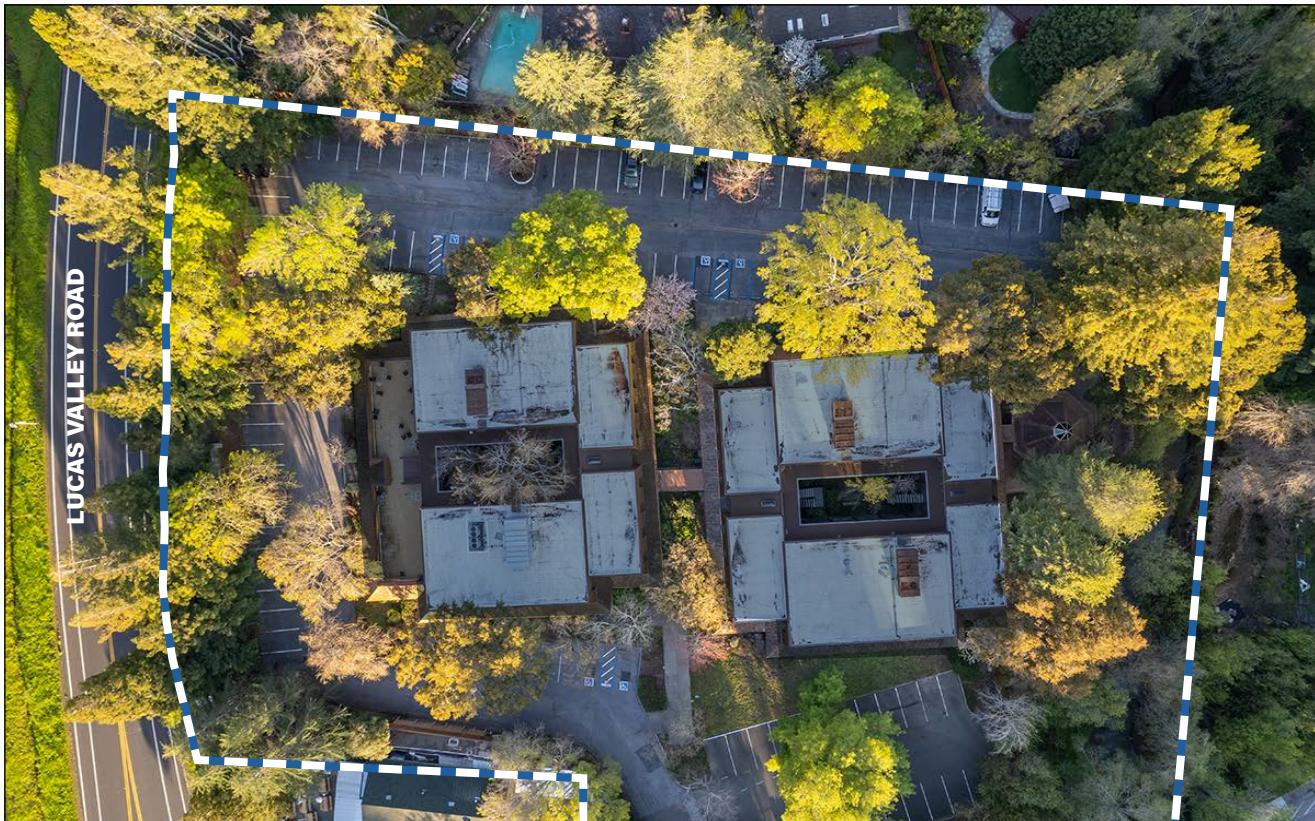
Year Built:
±1979



Building Height:
Two-Stories



Parking: ±116 Spaces
±3.56/1,000 RSF)



property overview - existing building

7 Mount Lassen Drive is a Class B, multi-tenant, garden-style office complex in the quiet suburban submarket of North San Rafael. Located within Marin County, California, the four two-story buildings in the complex total $\pm 32,551$ rentable square feet, originally constructed in 1979.

The property sits on a ± 2.35 -acre site with a parking lot that currently accommodates parking for ± 116 vehicles. Approaching the property you are welcomed by a natural setting featuring courtyard areas between the four buildings, creating natural enclaves shielded from outside of the complex. The property currently caters to an array of small office tenants who lease suites in the range of ± 200 to $\pm 1,000$ square feet.

Major employers in the area include the County of Marin, Kaiser Permanente, BioMarin, MarinHealth and Guide Dogs for the Blind.

The property is within a short distance to multiple elementary and middle schools, which brings vehicular and pedestrian traffic to the area throughout the day.



investmenthighlights

Strong Local Demographics – With a median household income of roughly \$156,913 Marin County remains one of the wealthiest counties in the United States (per Oxford Economics). Within a 1-mile radius of the Property, the median household income is \$171,091.

High Local Home Prices - Single-family homes just north of the Property in this “Upper Lucas Valley” neighborhood, consist predominately of three-, four- and five-bedroom ranch style homes built in the early 1960’s by renowned developer Eichler are highly sought after and typically sell for \$1.8M to \$2.6M (+\$1,000-\$1,100 per square foot). Pricing for new townhomes in San Rafael are well over \$1M.

A Strategic Jobs-Focused Location – There are an abundance of high-paying life-science, technology and government jobs located in Marin County within 5 to 15 minutes of the Property including Kaiser Permanente, BioMarin Pharmaceutical, Ultragenyx and the County of Marin, headquartered at the

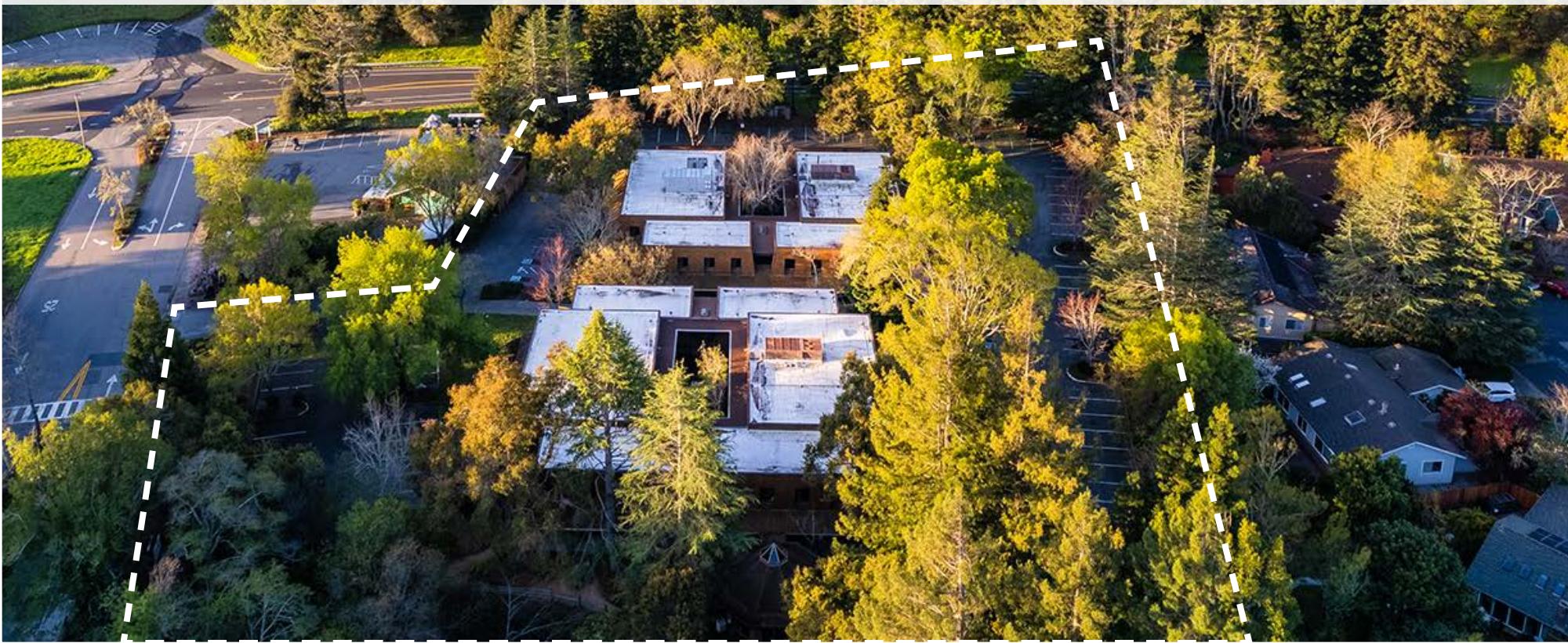
iconic Frank Lloyd Wright-designed Marin County Civic Center. There are also numerous retail and service jobs surrounding nearby Northgate Mall. Additionally, the Property is only 17 miles north of San Francisco – a typical morning commute via the Golden Gate Bridge is only 20-25 minutes. Jobs in the North Bay, Berkeley and Emeryville are easily accessible via “reverse commutes” along Highway 101, Highway 37 and Interstate 580. The Sonoma-Marin Area Rail Transit (SMART) light rail initiated service in 2017, and provides access to Sonoma County as well as to San Francisco via the Larkspur Ferry. There are two SMART rail stations within a ten-minute drive of 7 Mount Lassen Drive.

Superb Apartment Market Fundamentals – Marin County’s multifamily investment fundamentals are consistently strong. Occupancy as of 1st quarter 2023 was 94.8%. Average rent growth during the past ten years averaged 4.2% annually. Forecast rent growth through 2026 is more modest, averaging just above 2.0% (Costar). Marin’s apartment market should

continue to outperform most apartment markets in the longer-term due to its proximity to San Francisco, its high costs of home ownership and its severe supply constraints.

A Severely Supply-Constrained Apartment Market - Marin County is among the most supply-constrained housing markets in California, especially rental housing. Only five multifamily developments of 50+ units have been built in Marin County in the past two decades. Developable multi-family sites in Marin are scarce and expensive. Securing development entitlements in Marin County is typically difficult, expensive and time-consuming, often requiring 4-5 years, if not longer. However, such high barriers-to-entry are falling as new state and regional mandates are placing tremendous pressure on local jurisdictions – including San Rafael and Marin County – to produce more housing.

Access to the Outdoors – Marin County is known for its natural beauty, mild weather and easy access to the outdoors.



townhomemarket

Marin County's proximity to San Francisco, its striking natural beauty, affluent demographic and extreme supply constraints all contribute to high pricing and consistent strong demand for Marin County housing of all types.

According to NorCal MLS, the median home price in Marin County in April 2023 was \$1,667,000 – the second highest price in the nine-county San Francisco Bay Area. The average condominium price (including townhomes and co-ops) was \$722,000, but it should be noted that most condominiums in Marin were built in the mid-1980's or earlier, due to the decades-long scarcity of sites suitable for multifamily residential (medium- to high-density) development, whether "for sale" or "for rent."

While rare, occasionally a new townhome development is approved and completed in Marin. Two recently completed townhome developments in San Rafael offer compelling data points – including starting prices at well over \$1 million:



21 G Street, San Rafael – Completed in 2021, this eight-unit infill development near downtown San Rafael offered ±1,270 square foot three-story two bedroom/2.5 bath units with tuck-under garages and roof decks. Most recent selling price (October 2022): \$1,125,000 per unit (\$886/SF).



Townhomes at the Strand at Loch Lomond, San Rafael – Trumark's new waterfront development in eastern San Rafael offers two-story, ±1,785 square foot 3 bedroom/2.5 bath townhomes (some with bay views) with tuck-under two-car garages, at prices ranging from \$1.365M to \$1.465M (\$764 - \$820/SF).

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The location of 7 Mount Lassen Drive is a short driving distance to U.S. Highway 101 and is accessed via the Smith Ranch Road / Lucas Valley Road exit. There are two SMART commuter rail stations within a 10 minute drive.

2.8 MILE drive to U.S. Hwy-101

10 MINUTE drive to SMART station

14 MINUTE drive to Larkspur Landing Ferry Terminal

14 MINUTE drive to Larkspur Landing Ferry Terminal

25 MINUTE drive to Petaluma

26 MILE bicycle ride to San Francisco



ROUTE LARKSPUR TO SANTA ROSA

nearbyamenities



NORTHGATE I



NORTHGATE MALL



NORTHGATE III



MAJOR NEARBY EMPLOYERS

County of Marin
Kaiser Permanente
BioMarin
MarinHealth
Guide Dogs For The Blind

area demographics



	Population	1 Mile	3 Mile	5 Mile
2027 Population Projection	4,812	45,310	107,036	
2022 Population	4,876	45,785	108,104	
Annual Growth 2010-2022	0%	0.2%	0.2%	
Annual Growth 2022-2027	-0.3%	-0.2%	-0.2%	
	Households			
2022 Households	1,908	19,052	45,058	
2027 Households Projection	1,883	18,860	44,615	
	Income			
Avg Household Income	\$179,439	\$142,452	\$140,315	
Median Household Income	\$156,913	\$109,086	\$106,326	

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