



**COLDWELL BANKER
COMMERCIAL
REALTY**

FOR SALE



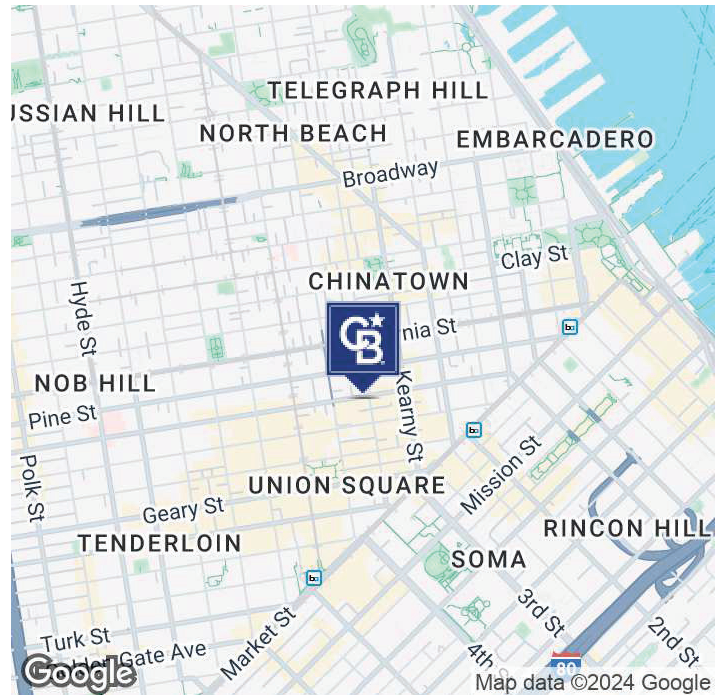
507 BUSH STREET/347-363 GRANT AVENUE
TROPHY CORNER PROPERTY | PRIME UNION SQUARE
EXCELLENT CAP RATE!!

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DANIEL MCGUE
(415) 310-5787 | dan@danmcgue.com
COLDWELL BANKER COMMERCIAL REALTY
1560 Van Ness Ave Fl 2, San Francisco, CA 94109

SALE MIXED USE TROPHY CORNER BUILDING | UNION SQUARE

507 Bush Street/347-363 Grant Ave. San Francisco, CA 94108



PROPERTY HIGHLIGHTS

- Fantastic Cap Rate!!
- Excellent Union Square Location!
- Across Street from Famous Dragon Gate (Entry to Chinatown) & Cafe De La Presse
- One Half Block from Le Central Bistro
- Two Blocks from Center of The Financial District
- Architecturally Appealing Mixed Use Commercial Building
- Located on the Corner of Bush Street & Grant Avenue
- 2.5 Blocks From Union Square Shopping
- High Volume Corner Starbucks with Long Term Lease - Approx. 1,119 SF
- High End Retail Space with 3 Yr. Rent Guarantee - Approx. 7,033 SF
- 55 Room Hotel Delivered with 10 Year Master Lease with an Experienced Hotel Operator -Approx. 11,800 SF
- Number of Total Rooms as Originally Constructed: 58
- Number of Total Rooms as Currently Configured: 55 (3 have been temporarily taken out of service)
- Number of Rooms Approved for Tourist Occupancy as Originally Constructed: 18
- Number of Rooms Approved for Tourist Occupancy as Currently Configured: 15
- Number of SRO Rooms as Originally Constructed/Currently Configured: 40***
- Abundant Use Possibilities
- Seismic Retrofit Completed
- 600 AMPs Electrical Service

*Per Owner

**Per Realist Tax Records

*** The existing zoning allows collection of rents/renting rooms/unit for less than 30-days. There is a zoning ordinance revision, 36.23, that would limit the non-tourist units to be rented for periods of 31 days or longer which could commence as early as April 2025. However, DBI allows owners to apply for extensions which the Sellers have done. Responses/decisions by the committee should be issued before year end according to a member of the DBI team.

Dan McGue
(415)310-5787
CalDRE #00656579

OFFERING SUMMARY

OFFERED AT: \$15,000,000

Cap Rate:	7.7%
Cap Rate (Hotel Only):	8%
Cap Rate (Retail Only):	7%
Number of Hotel Rooms:	55
Rentable Residential Space:	Approx. 11,800 SF*
Rentable Retail Space:	Approx. 8,152 SF*
Common Area:	Approx. 932 SF*
Total Building Size:	Approx. 20,845 SF**
Lot Size:	Approx. 4,220 SF**
Lot Dimensions:	Approx. 67' x 68'**
Year Built:	1907**
Land Use:	Hotel**
Zoning:	C-3-R**
APN:	0286-001**



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PROPERTY DESCRIPTION

507 Bush/347-359-363 Grant Ave is an architecturally attractive mixed-use trophy corner building located in the heart of San Francisco's Union Square/Financial District. It houses The Urban Hotel, a three-story property with 55 rooms. The Urban offers budget-friendly accommodations with shared facilities, including a variety of room types like economy doubles and singles, all with shared bathrooms. It caters to travelers looking for affordable lodging in a top location. The Urban Hotel is in excellent condition and very well operated by Engage Hospitality LLC, a talented and experienced operator with a 10 year master lease. They have been managing 100% of the daily residential operations since 2017. The first floor offers over 8,000 square feet of prime retail space along Grant Avenue, making it ideal for retail businesses seeking high visibility in a superb A+ location. The corner space (359 Grant Avenue) is currently occupied by a high-volume Starbucks store with a recently negotiated long term lease extension. There is also a beautiful two level retail space located at 363 Grant Avenue, ideal for luxury retail shops, which was most recently occupied by Serge Sorokko Gallery and previously by American Apparel and West Coast Leather. This space is currently vacant, however the property is being sold with a 3 year NNN rent guarantee in place. The building is flexible and well suited for a variety of buyers, such as legacy investors, exchangers, syndicators, developers, hotel operators, and retail owner/users. The building has been seismically retrofitted. See attached Lease Summary.



LOCATION DESCRIPTION

Located in the Union Square Commercial neighborhood in the heart of downtown San Francisco's Financial District, 507 Bush Street/347-359-363 Grant Ave. is near major landmarks like Chinatown, Union Square, and the TransAmerica Pyramid. It boasts an AAA location directly across Bush Street from the famed "Dragon Gate", one the most popular tourist photo opportunities in San Francisco. The area is known for its significant foot traffic, surrounded by retail shops, restaurants, and public transport options, enhancing its appeal for potential tenants. Bush Street is a major arterial from the western part of the City to Downtown, the Financial District, Chinatown, Union Square and the Embarcadero with one of the highest vehicle traffic counts in San Francisco. Grant Avenue has amazing foot traffic with shoppers and tourists traveling between Union Square shops, Chinatown and North Beach. Public transportation via Muni and BART is nearby, which gives good access to all parts of the City. Freeway entrances and exits are also nearby, giving easy access to and from the Peninsula and East Bay.



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PROPERTY IMPROVEMENTS

Shortly after completing the acquisition of the subject property in December of 2001, a comprehensive renovation/restoration was undertaken. The property's birthday may be 1907, but one would be hard-pressed to find another comparable asset recently sold or on-market with the top-to-bottom refurbishment performed at 507 Bush Street / 347-363 Grant Avenue. The improvements listed below were performed during the period 2002 – 2008, and additional work was performed on or about 2014. Many of San Francisco and the Bay Area's most prominent engineering & architecture firms, general contractors, and subcontractors were engaged to perform the renovation/restoration; a partial list of improvements is below:

- Flat, Built-Up Roof
- Complete Exterior Repaint
- Replacement of All Exterior Windows
- Roof to Sublevel Seismic Retrofit
- New Retail Storefronts
- New 3-Stop Passenger Elevator for Retail Space
- ADA Handicap Lift for First Floor Residential
- New ADA-compliant Restrooms/showers
- New Sheetrock and Dropped Ceilings - Residential
- All new copper plumbing – Residential
- All new Vanities & Sinks – Residential
- New Hydronic Baseboard Heating – Residential
- Grand Stair Installation – Retail
- All New Fire/Life-Safety w/Monitoring
- All New Paint & Interior Finishes – Residential
- Two New Boilers for Hydronic Heating & Domestic Hot Water
- New Split-System HVAC – Retail
- New Laundry Facilities - Residential
- Hardwiring of Coax Cabling and Telephone hardwired to each Residential Room
- Fabricated and Installation of Custom Closet/Storage Units - Residential

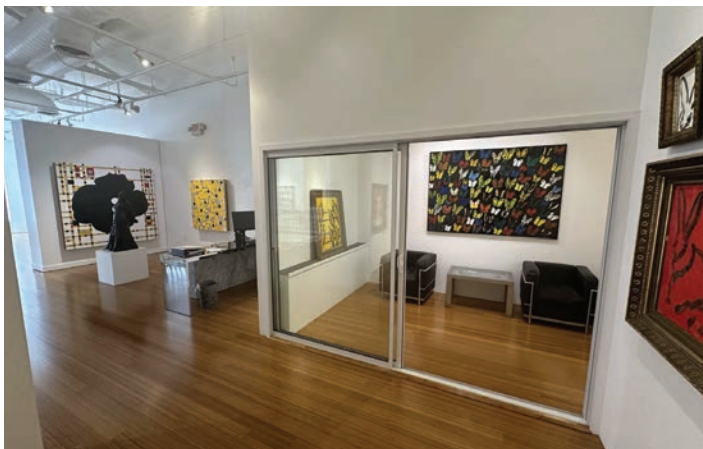
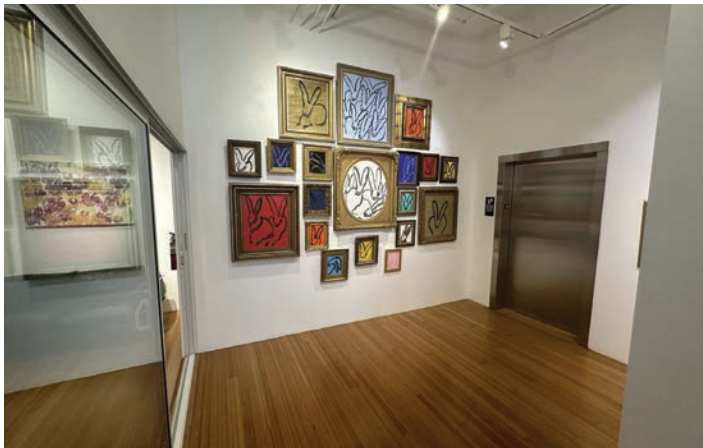
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PROPERTY SPECIFICATIONS

Type:	Mixed Use Retail/Residential
Residential Use:	55 Units/Licensed for 18 Tourist Hotel Units/SRO Type
Residential Restroom/ Shower Detail:	First Flr: Toilet & Sink: 3/ Shower Only: 3 2nd Flr: Toilet & Sink: 3/ Shower Only: 3 3rd Flr: Toilet & Sink: 3/ Shower Only: 3
Total Gross Square Footage:	Approx. 20,845 Square Feet
Residential Gross Rentable SF:	Approx. 11,800 Square Feet
Retail Gross Rentable SF:	Approx. 8,152 Square Feet
Common Area:	Approx. 932 Square Feet
Parcel Size:	Approx. 4,220 Square Feet
Year Built:	1907/Refurbished 2002-2007-2014
Number of Buildings:	One
Stories:	Four (plus leasable, income producing sub-level)
Construction Type:	Masonry Structural Walls/Wood & Steel Frame/Seismically Reinforced in 2005
Exterior Wall Finish:	Plaster & Stucco
Interior Walls:	Sheetrock
Ceiling:	Hard-lid Sheetrock/Suspended Ceiling
Heating:	Residential – Split System/Gas Fired Hyrdonic Baseboard Units Retail - Split System HVAC Roof Mounted Chillers/Space Mounted Air Movers/Heat Gas Fired
Roof:	Flat/Built-Up Type – Approx. 2000
Vertical Transportation:	Residential – One ADA Compliant Wheelchair Lift /No Elevator Retail – One ADA Compliant Three Stop Hydraulic Elevator
Power:	600 AMP/Three Phase
Fire/Life Safety:	Fully Sprinkled/Hardwired Smoke Detectors/Strobes & Horns
Parking:	Metered On-Street Parking/Sutter Stockton Garage within 40 ft.

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LEASE SUMMARY								
Unit #	Unit Type	Monthly Rent	Square Feet	Rent/SF/Annum	Move in Date	Lease Start Date	Lease Expiration Date	Notes
359 Grant Ave. (Starbucks)	Retail	\$7,000	1,119	\$75.07	10/18/2002	03/01/2024	02/28/2034	Credit Tenant on NNN Lease with almost 10 years remaining. "Fourth Extension Term" available commencing 3/1/34 and expiring 2/28/39. Starbucks has two early termination rights on 2/28/25 and 3/1/30. Reimburses 6.71% of Property Tax, Insurance & CAM.
359 Grant Ave. (Starbucks)	Retail	\$2,000			10/18/2002	03/01/2024	02/28/2034	Proforma Percentage Rent based on 2023 Annual Sales as represented by tenant. Starbucks representative confirmed that based on the prior year sales, that would produce an additional \$24,000 in percentage rent. The percentage rent is 8% of the Gross Sales over the "Breakpoint", where Breakpoint is defined as the annual base rent divided by 8%.
363 Grant Ave. (Ground Floor + Lower Level)	Retail	\$29,445	7,033	\$50.24		01/01/2025	12/31/2027	3 Year Rent Guarantee by the Seller secured by a holdback in escrow. Based on \$78.75/SF NNN on the street level & \$28.75/SF NNN on the lower level per annum for a weighted average of \$50.24/SF per annum and/or \$4.18/SF per month on the total square footage. Ground Floor reimburses 15.80% of Property Tax, Insurance & CAM. Lower Level reimburses 20.97% of Property Tax, Insurance & CAM.
507 Bush Street (Engage Hospitality)	Hotel	\$58,348	11,800		06/15/2016	10/18/2024	10/17/2034	Based on NNN 10 Year Master Lease with Engage Hospitality. After Year 5, Rent increases 10% to \$770,189 annually, flat for balance of term. Additional rent in the form of pro rata CAM and property taxes & insurance of \$191,250. One 5 Year Option to extend. Beginning the 42nd month, lessee may terminate with 180 days notice. See attached tenant profile.
Total Monthly		\$96,792	19,952					
Total Annual		\$1,161,510						

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VALUE SUMMARY

Unit Type	Monthly Rent	Annual Rent	Cap Rate	Value
Hotel	\$58,348	\$700,172	8.00%	\$8,752,149
Retail	\$38,445	\$461,338	7.00%	\$6,419,113
Total Value	\$96,792	\$1,161,510	7.57%	\$15,342,691
At Asking Price	\$96,792	\$1,161,510	7.74%	\$15,000,000

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HOTEL OPERATOR COLLATERAL - ENGAGE HOSPITALITY

ENGAGE HOSPITALITY

ENGAGE HOSPITALITY is an innovative hospitality management company based in San Francisco focused on achieving rewarding results and operational success for hotel owners. By encouraging guest loyalty, promoting creative and forward-thinking strategies, and providing a progressive workplace for employees, Engage Hospitality has grown to become one of California's leading hotel operators.

Engage Hospitality currently has 23 hotels in its portfolio serving a diverse range of owners including private owners, REITs, real estate investors, and private equity funds.

Founded by David Chin in 2010, Engage Hospitality has achieved tremendous success in improving RevPAR performance and hotel profitability. The affiliated Personality Hotels Collection has established itself as a leading hospitality brand - opening the first boutique hotel in San Francisco nearly 30 years ago.

Engage Hospitality has achieved tremendous success on behalf of a range of diverse hotel owners in directing and enhancing properties given the companies unique vision and operational team. Engage offers a number of services to hoteliers who seek to enhance their business with customization that will meet the versatile needs of the individual client, from branded hotels to individually owned lifestyle boutique hotels.



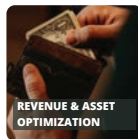
“WE DO EVERYTHING BUT DREAM FOR YOU.”

OUR SERVICES

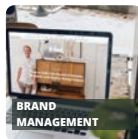
Engage Hospitality provides support at the corporate and hotel level for long-term profitability. From branded hotels to individually owned lifestyle boutique hotels, services are customized to meet the unique needs of our clients.



HOTEL
MANAGEMENT



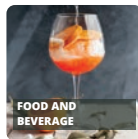
REVENUE & ASSET
OPTIMIZATION



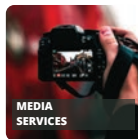
BRAND
MANAGEMENT



NEW HOTEL
DEVELOPMENT



FOOD AND
BEVERAGE



MEDIA
SERVICES



ENGAGE HOSPITALITY

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-  Follow us on Facebook!
-  Follow us on Instagram!

For your complimentary property consultation, contact:

DAVID CHIN

-  stayengaged@engagehospitality.com
-  (415) 202-8700

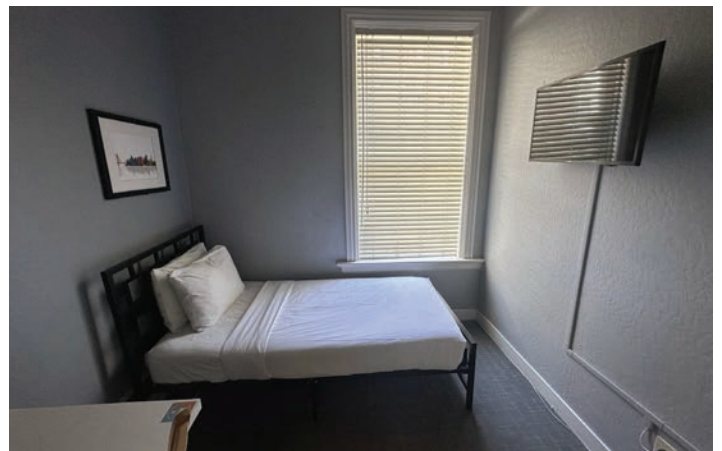
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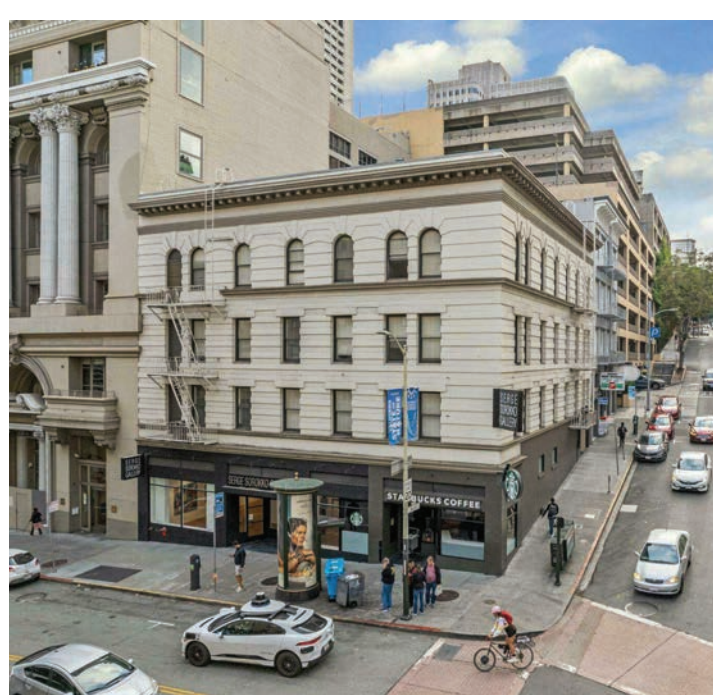
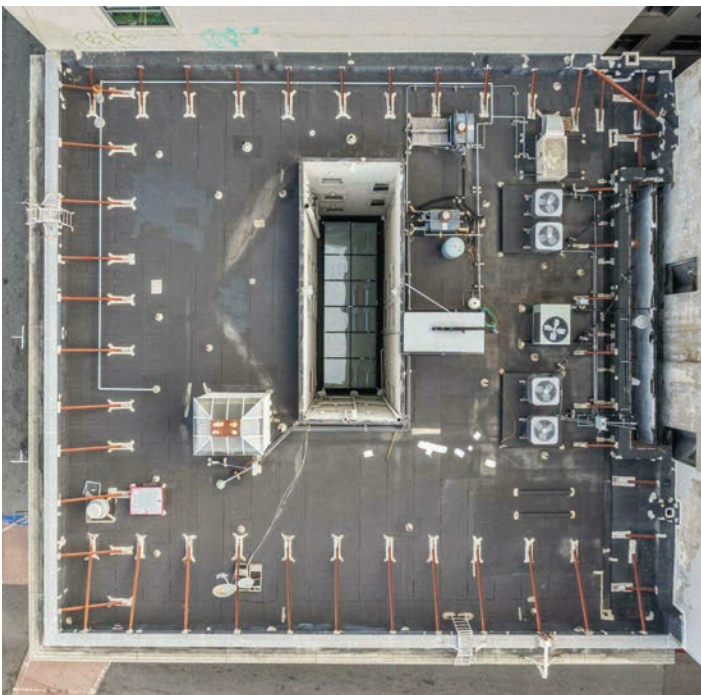
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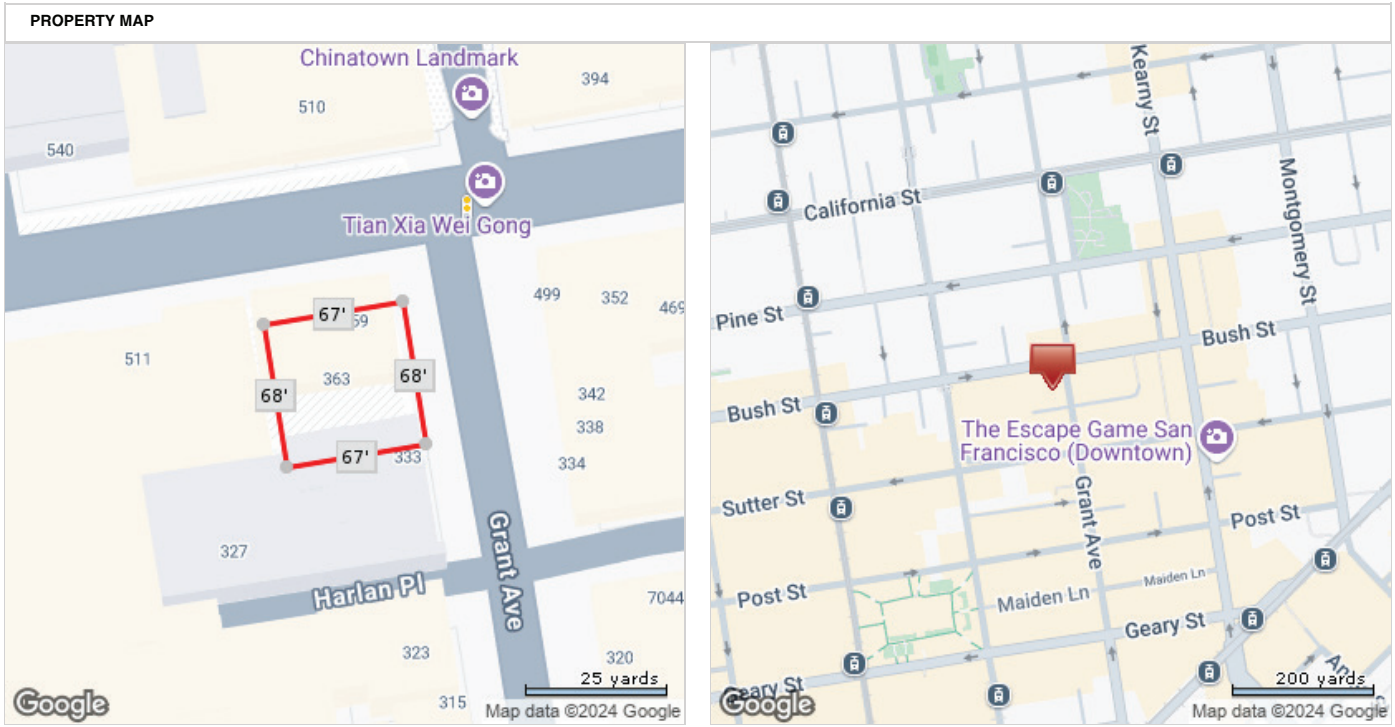


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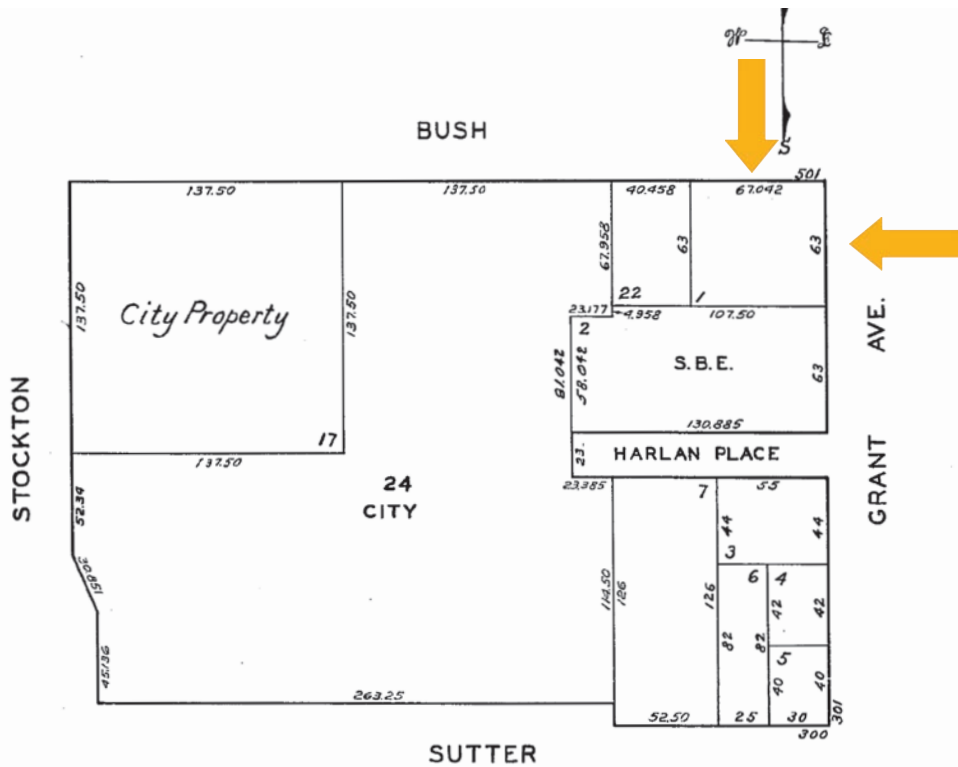
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TAX RECORDS LOT DIMENSIONS & ASSESSOR'S PLAT MAP



*Lot Dimensions are Estimated



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Zoning Overview

Only 244 of San Francisco's buildings are zoned as C3R; of this group, 86 are in the Union Square district and immediately adjacent areas.

The SF Planning Department describes the subject property's zoning as follows:

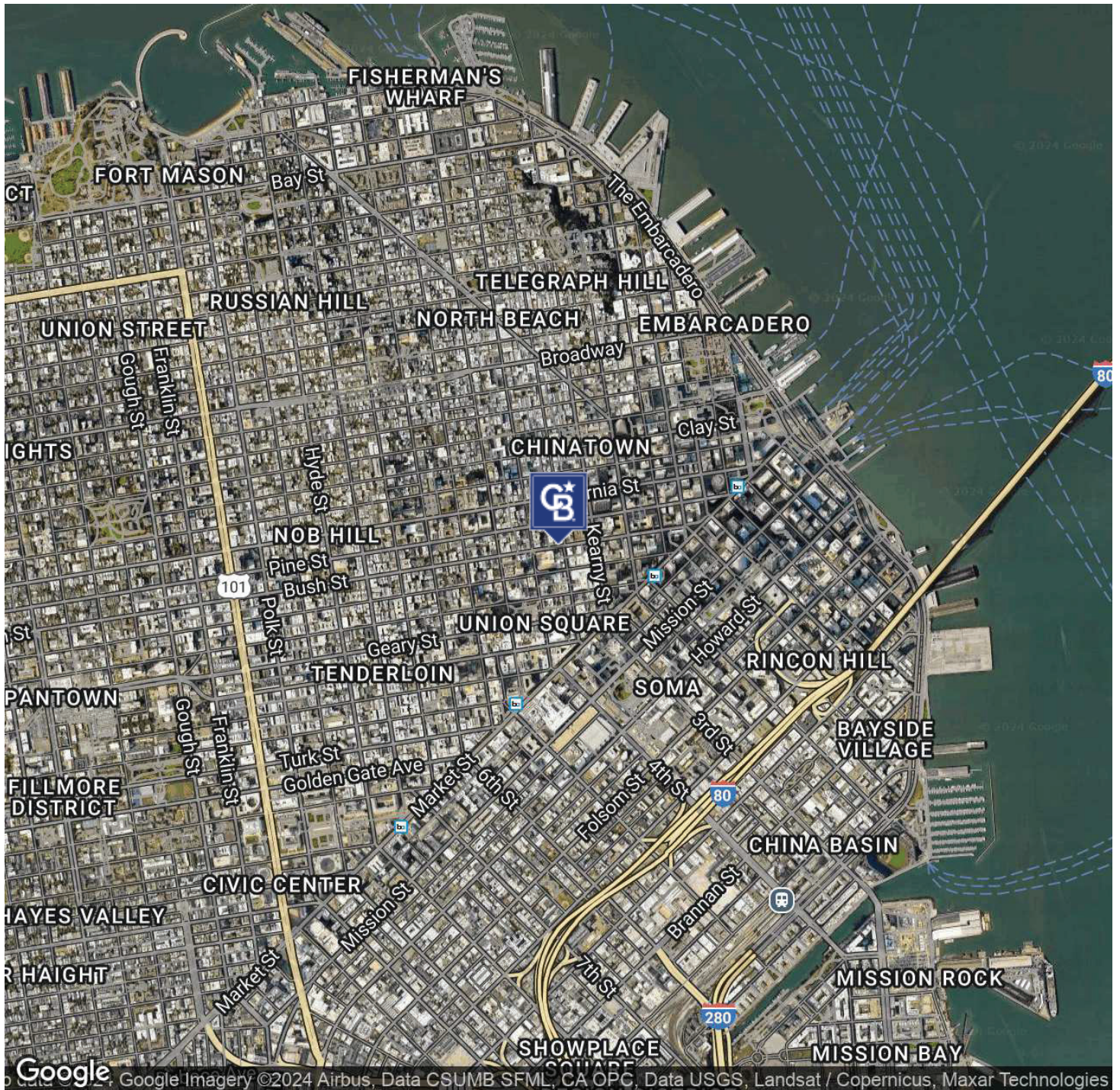
C3R District: Downtown Retail. This District is a regional center for comparison shopping, retailing, and direct consumer services. It covers a compact area with a distinctive urban character, consists of uses with cumulative customer attraction and compatibility, and is easily traversed by foot. Like the adjacent Downtown Office District, this District is well-served by City and regional transit, with automobile parking best located at its periphery. Within the District, continuity of retail and consumer service uses is emphasized, with the encouragement of pedestrian interest and amenities and minimization of conflicts between shoppers and motor vehicles. A further merging of this District with adjacent, related Districts is anticipated, partially through the development of buildings that combine retailing with other functions.

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POPULATION	0.3 MILES	0.5 MILES	1 MILE
Total Population	7,609	25,260	134,224
Average Age	47	46	44
Average Age (Male)	46	46	44
Average Age (Female)	47	47	44
HOUSEHOLDS & INCOME	0.3 MILES	0.5 MILES	1 MILE
Total Households	4,317	13,865	72,074
# of Persons per HH	1.8	1.8	1.9
Average HH Income	\$99,904	\$113,997	\$152,472
Average House Value	\$1,380,363	\$1,274,689	\$1,262,352

Demographics data derived from AlphaMap

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