



THIRD STREET

SF, CA



Colliers

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OFFERING MEMORANDUM



428
THIRD STREET
SF, CA

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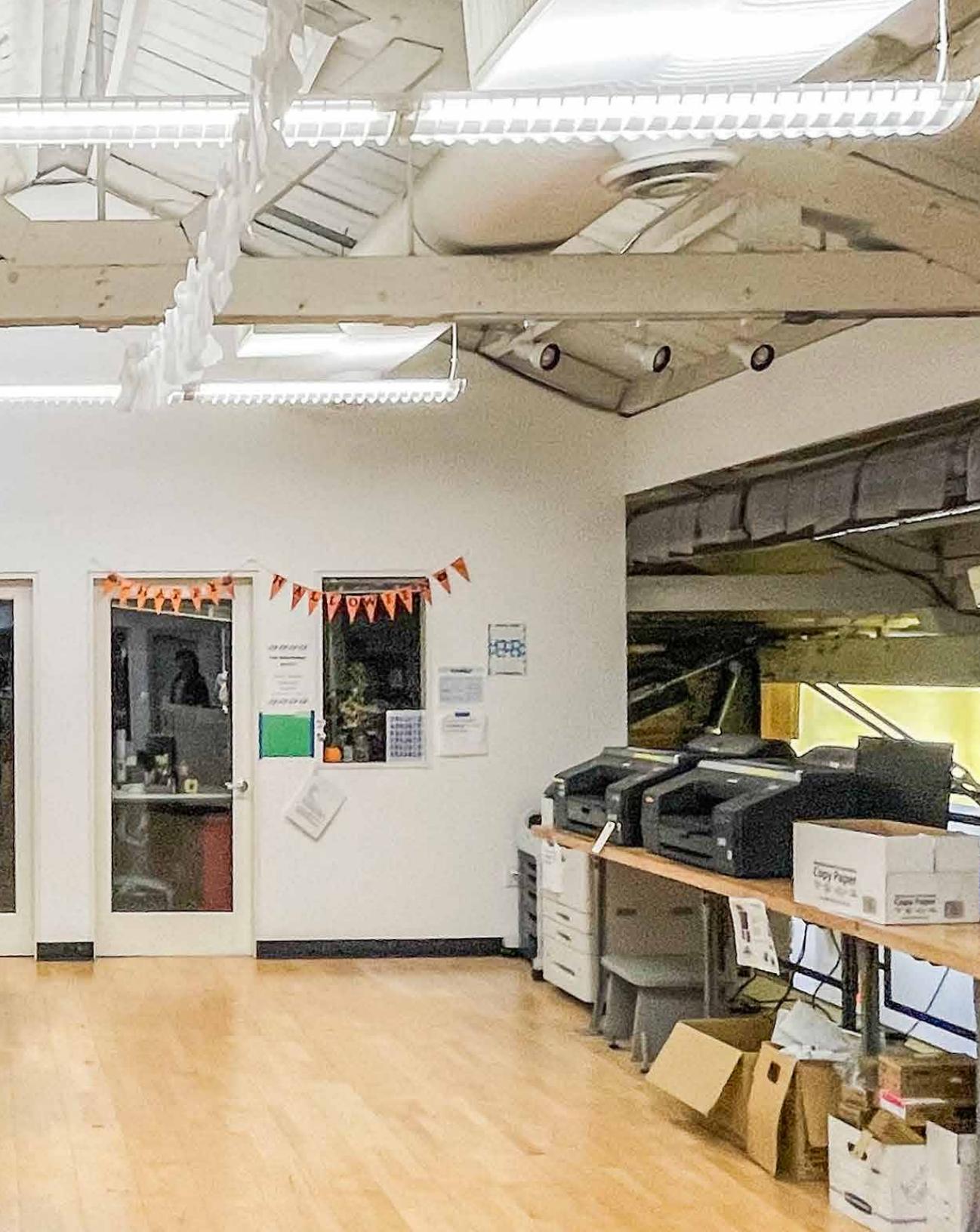
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EXECUTIVE SUMMARY





428
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— SF, CA —

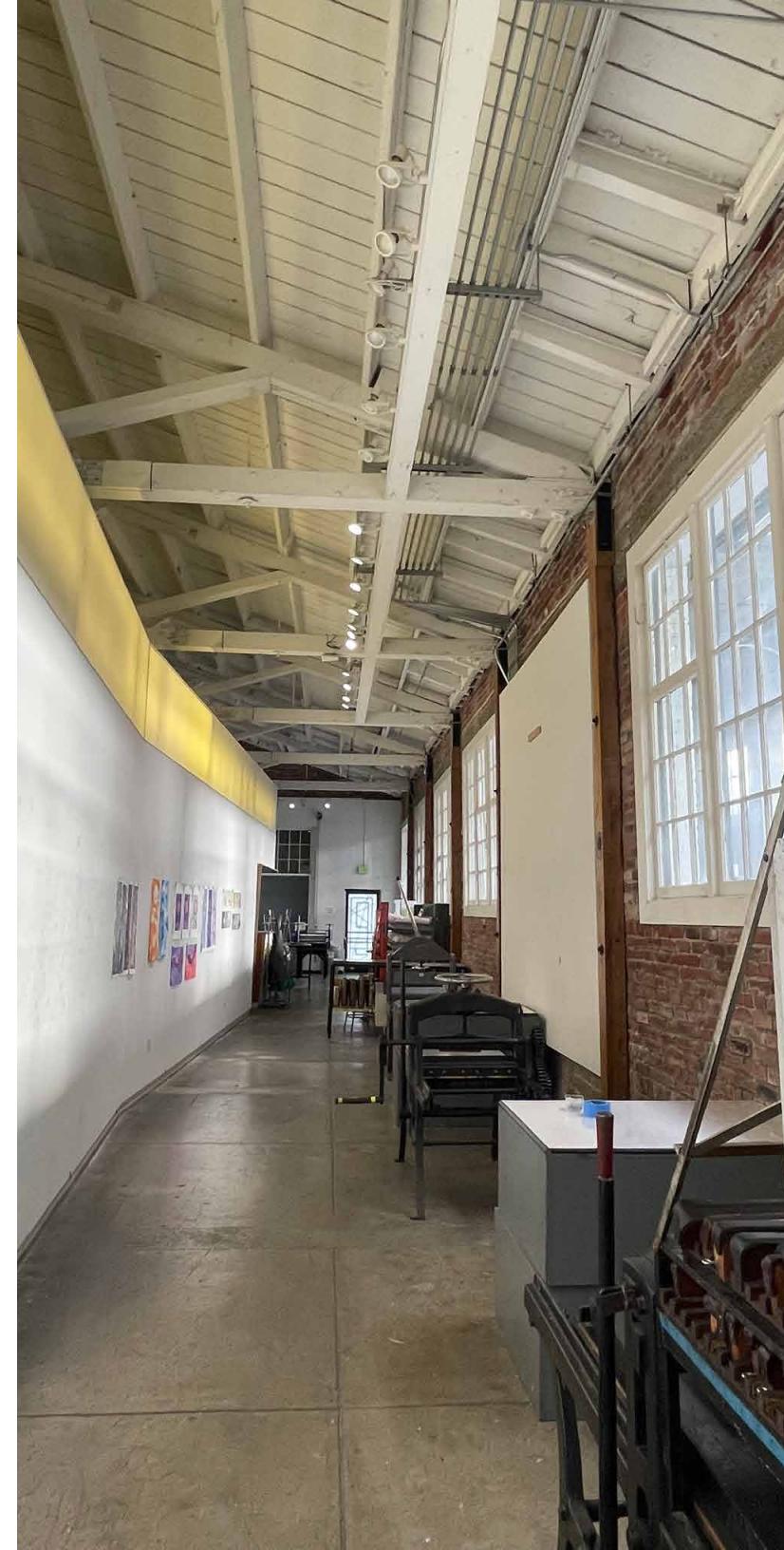
Investment Highlights

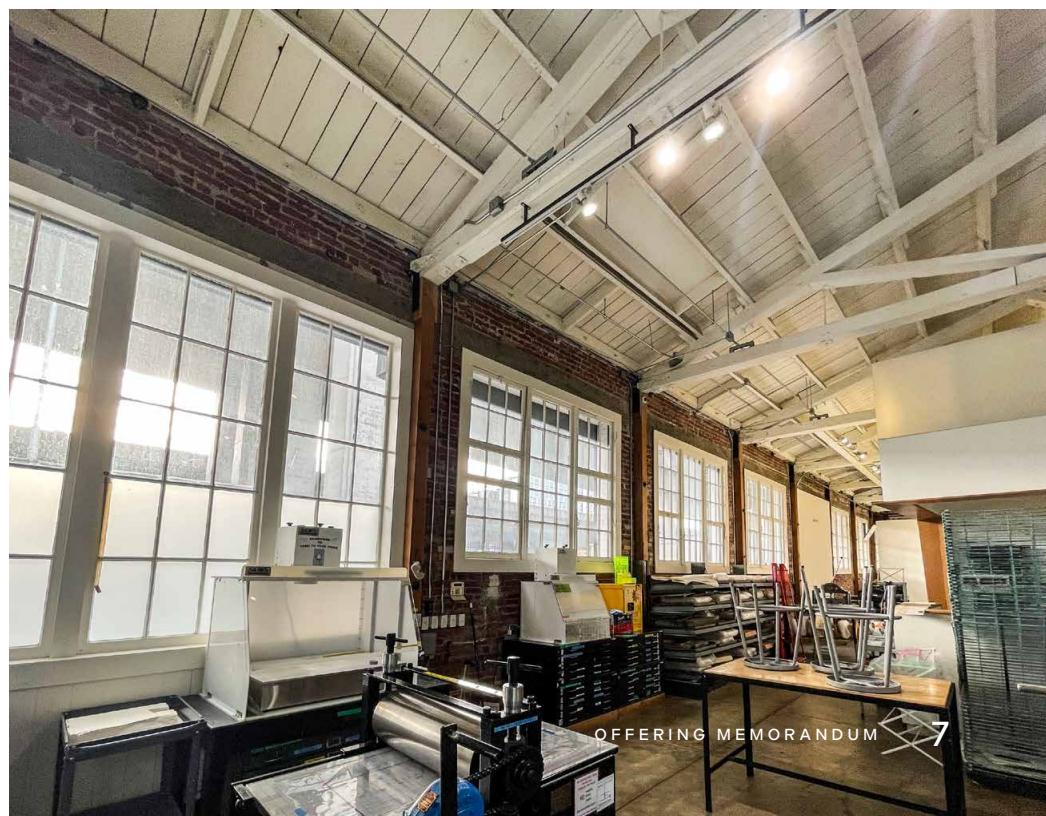
428 3rd Street, situated in the San Francisco's vibrant South of Market (SoMa) district, offers an exceptional office/retail space with a bright and airy atmosphere. This brick-and-timber building appeals to creative space users, features an open floor plan, high ceilings, and a modern yet timeless aesthetic with exposed wood timbers, brick, and steel.

Nestled within a cutting-edge SoMa neighborhood, 428 3rd Street attracts innovative design and technology firms. This dynamic location provides convenient access to parks, diverse restaurants and cafes, as well as quality grocery markets, including the popular Whole Foods Market. The property benefits from abundant parking stalls nearby, excellent proximity to Muni bus lines, and the convenience of the Montgomery BART station.

Noteworthy features of 428 3rd Street include its prime location at the intersection of SoMa, the South Financial District, Yerba Buena, and the South Beach neighborhoods. The classic brick and timber design exudes charm, while the spacious open floor plan with high, exposed ceilings offers a flexible and inviting workspace.

428 3rd Street demonstrates its appeal and popularity among businesses seeking a premier location in the creative SoMa district. Its combination of exceptional amenities, prime location, and attractive design elements make it a coveted destination for companies seeking a vibrant and inspiring work environment in the heart of San Francisco's innovative landscape.







LOCATION OVERVIEW





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Creative & Disruptive Culture

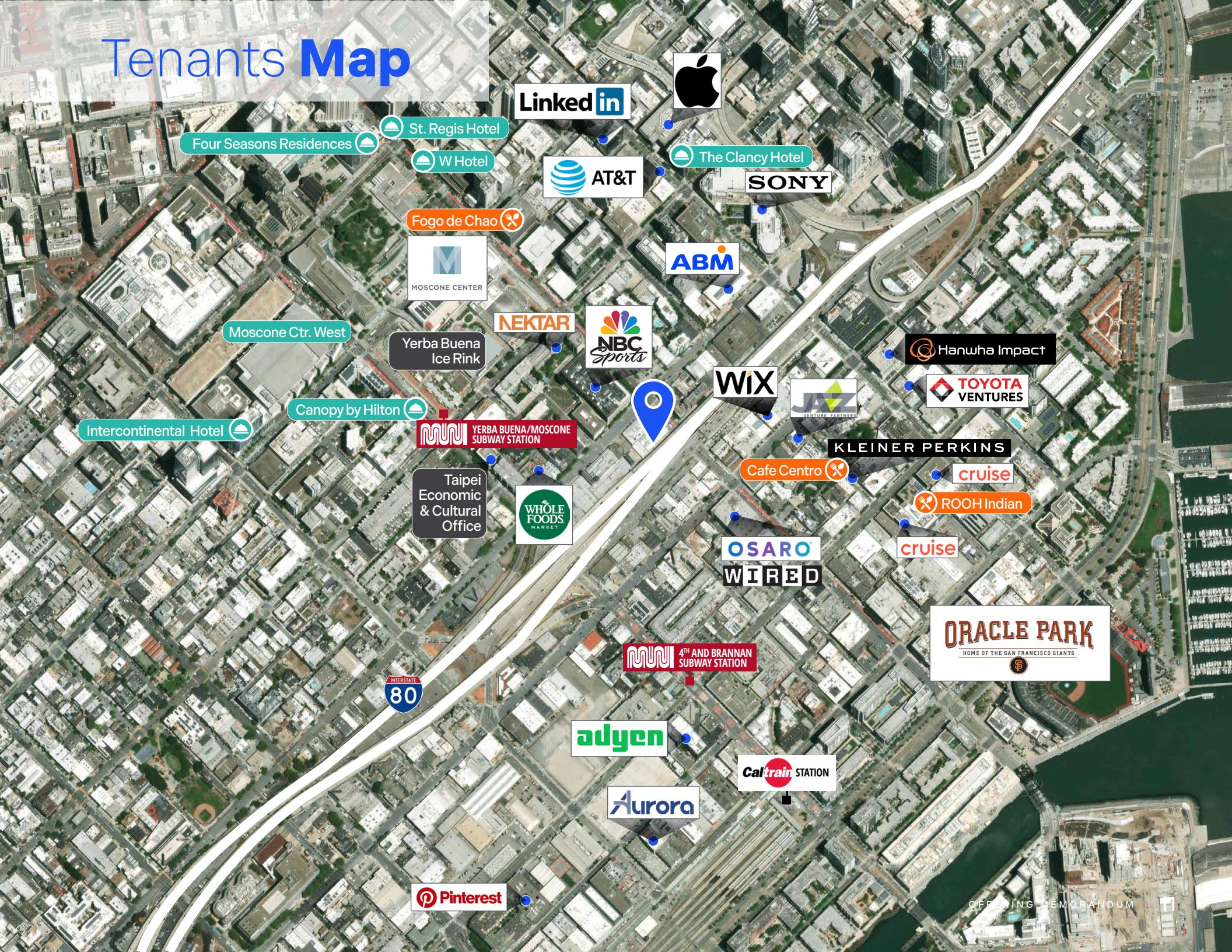
Now known as Area AI, the area around 428 3rd Street is located in the vibrant South of Market (SoMa) neighborhood of San Francisco, is an area that has been the city's hub of technological innovation and advancement. This area has gained recognition as the epicenter of cutting-edge tech companies and disruptive startups. In contrast to San Francisco's sky-scraper-dense Financial District, SoMa has become an attractive destination teeming with character and creativity, housing numerous prominent tenants and attractions in close proximity to 428 3rd Street, including AI juggernaut OpenAI.

With an ability to attract a thriving creative culture, Area AI is primed to accommodate the artificial intelligence sector with innovation and design. Its residents and tenants benefit from a diverse range of amenities within walking distance, including picturesque parks, upscale restaurants, trendy cafes, and well-stocked supermarkets. Additionally, many of the CEOs and tenants in Area AI reside in the nearby South Beach, SOMA, Potrero Hill and Mission districts, facilitating an easy commute on foot or by bike.

Area AI Tenants

AI Related Company	AREA AI Address	Funding (Millions)		
		March 2024	July 2023	% Increase over 9 Months
Open AI	3180 18th St	\$13,000	\$11,300	15.00%
Open AI	575 Florida St	\$13,000	\$11,300	-
Open AI	1455 3rd St	\$13,000	\$11,300	-
Open AI	1515 3rd St	\$13,000	\$11,300	-
Tempus	635 Brannan St	\$1,325	\$1,300	1.90%
Zoox	1300 Bryant St	\$1,300	\$1,000	30.00%
Irythmn Tech	650 Townsend St	\$1,200	\$468.2	156.30%
Pager Duty	600 Townsend St	\$523	\$173.6	201.20%
Adept	350 Rhode Island St	\$450	\$450	-
VIZ AI	555 DeHaro St	\$291	\$291	-
Humane	969 Folsom St	\$241	\$100	141%
Primer	3131 20th St	\$237	\$237	-
Together	251 Rhode Island St	\$228.5	\$20	1042.50%
Replit	767 Bryant St	\$97.4	\$97.4	-
Osaro	1245 Folsom St	\$96.3	\$96	0.30%
Label Box	500 Treat Avenue	\$79	\$10	690%
Kindred AI	721 Brannan St	\$79	\$79	-
Fyusion	555 DeHaro St	\$71.4	\$71.4	-
Pano	3130 20th St	\$45	\$20	125%
Profluent Bio	2122 Bryant St	\$44	\$9.0	388.80%
SINAI	2180 Bryant St	\$37	\$37	-
Remix	1128 Howard St	\$27	\$27	-
Numberate	1501 Mariposa St	\$19.4	\$19.4	-
Datatron	350 Townsend St	\$12.1	\$12.1	-
Simblr AI	450 Townsend St	\$8	\$8	-
Overall Totals		\$19,411	\$15,826	22.6%

Tenants Map



Nearby Developments



1

ONE VASSAR

400 2nd and 645-657 Harrison

One Vassar is an integrated mixed-use project containing a 35-story residential mixed-use building, 15-story hotel addition over an historic office, PDR and retail mixed-use building, and a 27-story office mixed-use building.



2

777 HARRISON

Fifteen-story mixed-use project with over three-quarters million square feet of office space and 144 affordable housing units. The project is led by Boston Properties, the same developers behind the Salesforce Tower.



3

FLOWER MARKET

640 Brannan St

Vibrant retail and pedestrian-oriented experience space that also features a series of LEED Platinum-certified creative office buildings connected by sky bridges.



4

BRANNAN SQUARE

498 Brannan St

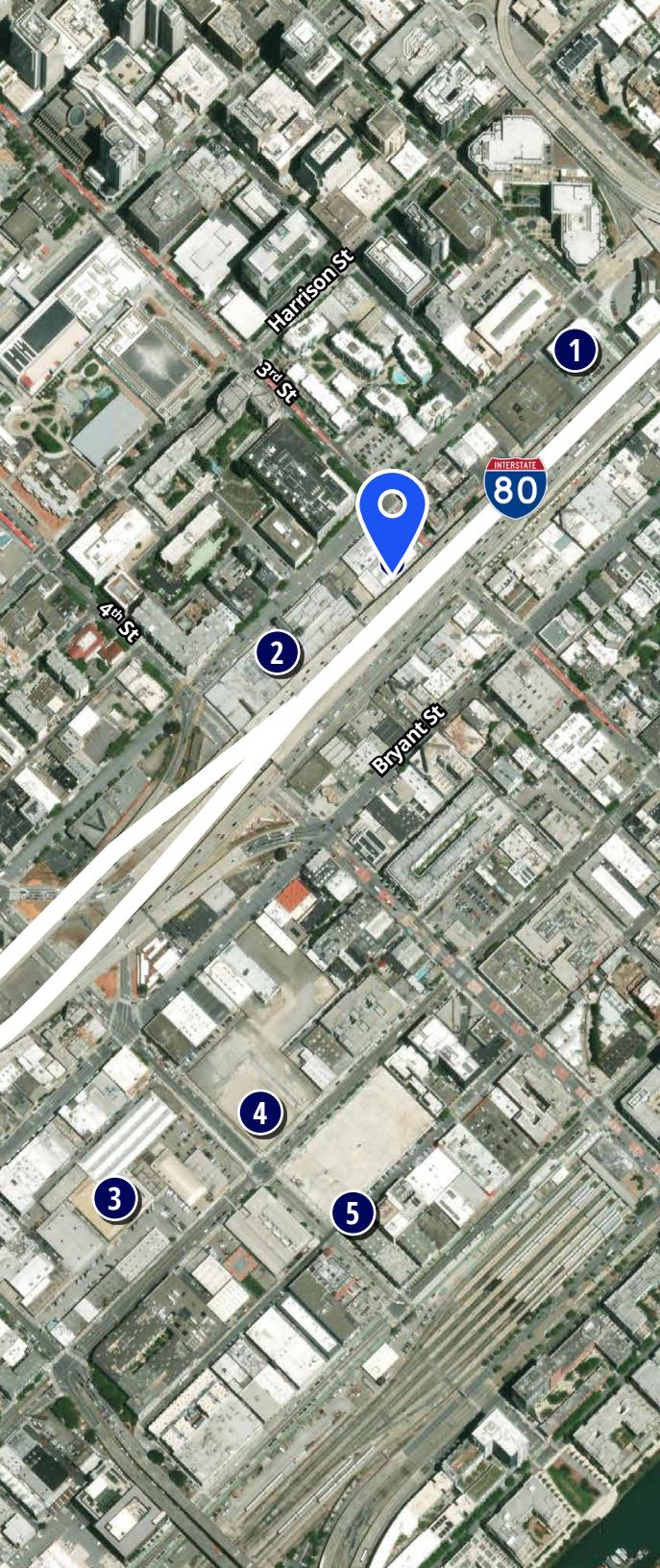
Three new buildings combined 923,000 SF of new office space, 60,000 SF of ground-floor retail and/or Production Distribution and Repair (PDR) space, a 5,500 SF Child care center, basement garages for 200 cars and 587 bikes.



5

88 BLUXOME

2 high rise office buildings constructed over ground floor retail and PDR uses. 12 indoor tennis courts below ground as a replacement for the San Francisco Tennis Club.



Local Restaurants



Caffe Centro
102 SOUTH PARK



Rooh
333 BRANNAN



Alexander's Steakhouse
448 BRANNAN



Marlowe
500 BRANNAN



Hakashi Sushi
474 3RD STREET



Fogo de Chao
201 3RD STREET

PROPERTY DESCRIPTION



Site Description

Location/ Address	428 3rd Street is located on the corners of 3rd Street and Perry Street in San Francisco. 428 3rd Street - San Francisco, CA 94107.						
Year Completed	1917						
Year Renovated	2004-2005						
Parcel Number	Block 3762, Lot 003						
Lot Size	9,596 square feet. L-shaped site.						
Building Size	11,511 square feet						
Floors	One story plus mezzanine.						
Floor by Floor Breakdown	<table><thead><tr><th>Floor</th><th>Square Feet</th></tr></thead><tbody><tr><td>1st Floor</td><td>±9,596 SF</td></tr><tr><td>Mezzanine</td><td>±1,915 SF</td></tr></tbody></table>	Floor	Square Feet	1st Floor	±9,596 SF	Mezzanine	±1,915 SF
Floor	Square Feet						
1st Floor	±9,596 SF						
Mezzanine	±1,915 SF						
Floor Area Ratio (FAR)	0.99						
Height Limit	130 feet						
Zoning	CMUO-Central SOMA Mixed Use Office District Controls						
Parking	428 3rd Street benefits from ample neighborhood public parking and lies within close proximity to parking lots and parking garages.						
Access	The main entrance to the office floor and lobby is located on 3rd Street. An additional entrance exists along Perry Street.						
Planning Area	Central SOMA						



Property Report

December 13, 2024

Structure

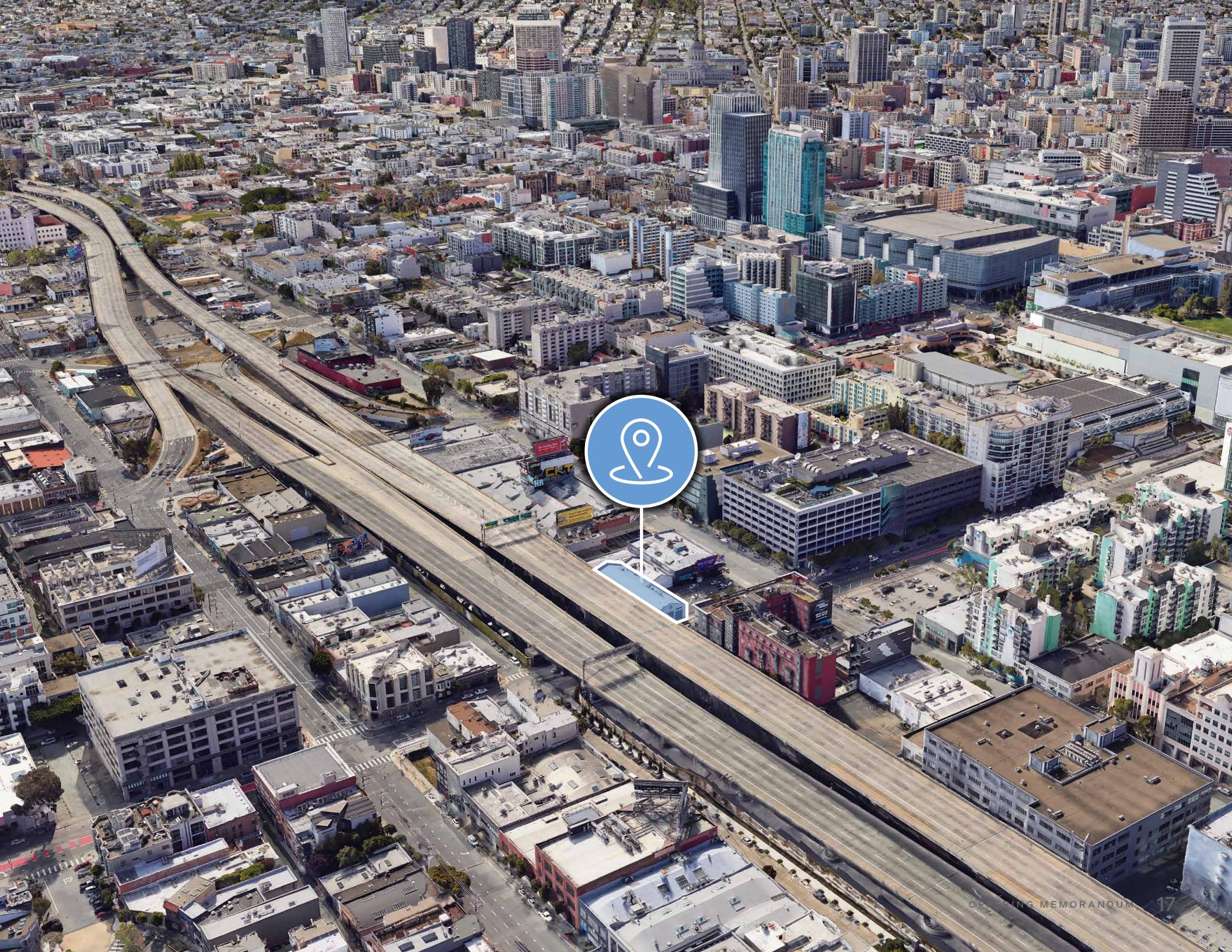
Structure	Consists of the original Brick perimeter walls with a wood framed ceiling. Majority of Structure is one story. The primary floor is concrete slab on grade. Original ceiling is a timber and wood frame truss. There is a second story at the rear of the property that extends partially over the first floor.
Structural Upgrades	Building has been structurally strengthened. Strengthening includes secondary column support and strengthened connections.
Framing	Wood framed ceiling. Perimeter walls are brick.
Exterior Walls	Brick or masonry walls.
Roof	Owner to provide information on year of roof.

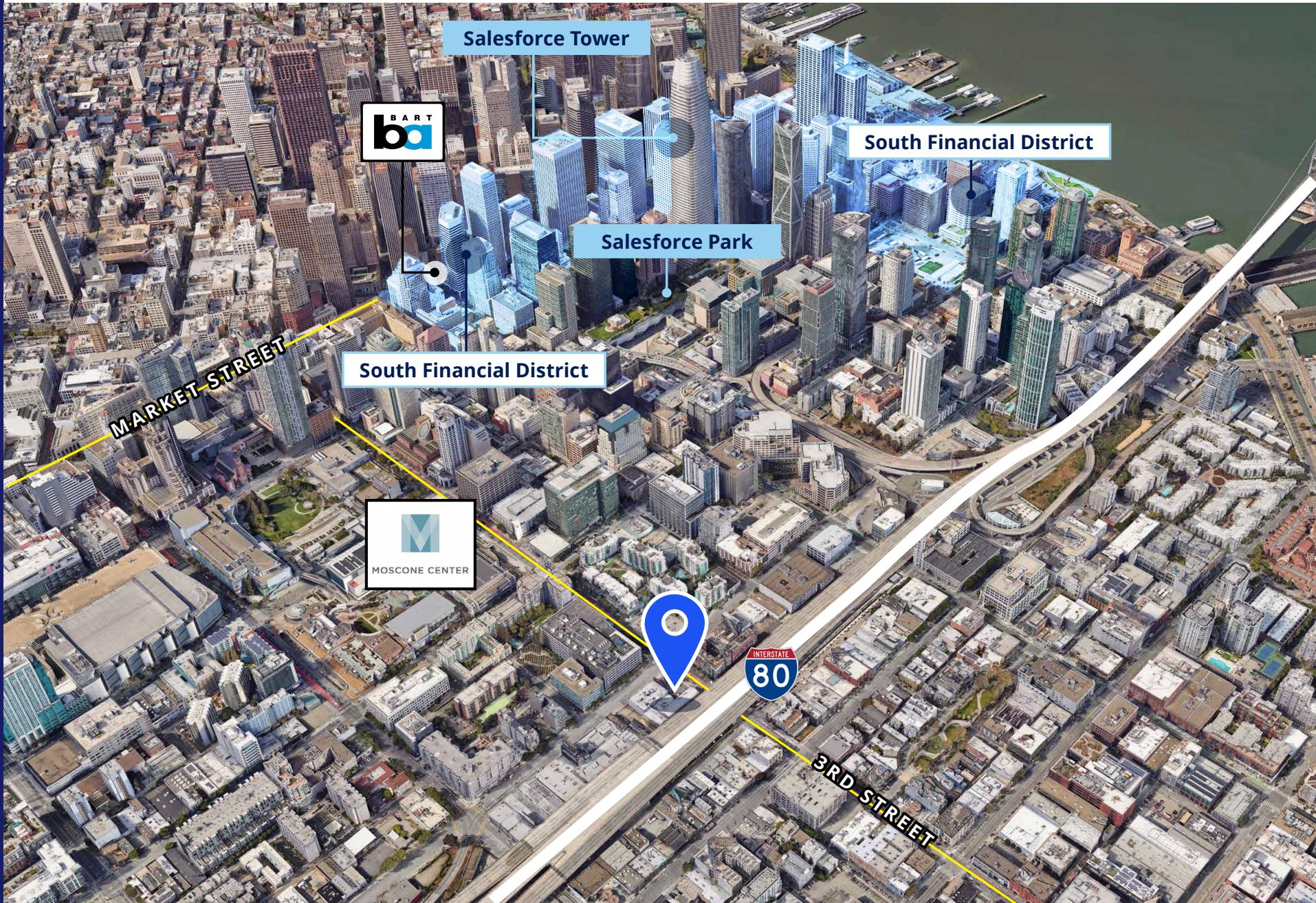
Interior

Floors	Main floor is concrete slab on grade
Interior Stairs	Structural steel stair to access 2nd floor
Interior Walls	Interior partitions are of various heights
Ceilings	Mostly open to structure
Restrooms	Multifixture restrooms at rear of space under 2nd level office space.

Mechanical

HVAC	Roof top heaters for main space. Roof top HVAC for 2nd story office space.
Electrical System	400 amp, 3 phase, 240/120 volt.
Elevators	One story lift elevator to access 2nd story at rear of space.



Northern **Aerial**

Southern Aerial

Bay Bridge



FINANCIAL ANALYSIS





Comparable Sales **Owner User Sales**



1155 Mission Street

Sale Date	10.4.2022
Sale Price	\$9,500,000
Price PSF	\$605.94
Property Type	Office
Year Built	1914
Zoning	MUO
Occupancy	100%
Buyer	IFPTE Local 21



1155 Mission Street

Sale Date	8.4.2022
Sale Price	\$12,050,000
Price PSF	\$879.82
Property Type	Office
Year Built	1924
Zoning	CMUO
Occupancy	100%
Buyer	Epic Church



431 Jessie Street

Sale Date	10.24.2022
Sale Price	\$4,368,000
Price PSF	\$1,158.01
Property Type	Office
Year Built	1912
Zoning	C-3-G
Occupancy	100%
Buyer	SC Builders Inc.



550-554 Bryant Street

Sale Date	7.31.2023
Sale Price	\$4,968,000
Price PSF	\$375.79
Property Type	Office
Year Built	1920
Zoning	CMUO
Occupancy	0%
Buyer	Broad Spectrum



275 6th Street

Sale Date	9.17.2024
Sale Price	\$3,000,000
Price PSF	\$555.56
Property Type	Office
Year Built	1941
Zoning	NCT
Occupancy	100%
Buyer	Hands on Bay Area

Comparable Sales **Investor Sales**



420 Bryant Street

Sale Date	7.31.2023
Sale Price	\$4,491,000
Price PSF	\$348.14
Property Type	Office
Year Built	1922
Zoning	M1
Occupancy	0%
Buyer	Urban Land Development



350 Brannan Street

Sale Date	4.25.2022
Sale Price	\$11,590,000
Price PSF	\$641.93
Property Type	Office
Year Built	1929
Zoning	CMUO
Occupancy	100%
Buyer	Global Asset Capital



550 3rd Street

Sale Date	9.9.2022
Sale Price	\$12,500,000
Price PSF	\$500
Property Type	Office
Year Built	1921
Zoning	CMUO
Occupancy	0%
Buyer	StartupHQ LLC

Comparable Sales **Sold Properties**

Owner User Sales

Property Address	Sale Date	Market Time	Sale Price	Price Per SF	Property Type	Year Built	Zoning	Percent Leased	Buyer (True) Company	Submarket Name
1155 Mission St	10/4/2022	326	\$9,500,000	605.94	Office	1914	MUO	100.00%	IFPTE Local 21	MidMarket
414 Brannan St	8/4/2022	161	\$12,050,000	879.82	Office	1924	CMUO	100.00%	Epic Church	South of Market
431 Jessie St	10/24/2022	692	\$4,368,000	1,158.01	Office	1912	C-3-G	100.00%	SC Builders Inc.	MidMarket
550-554 Bryant St	7/1/2023	95	\$4,968,000	375.79	Office	1920	CMUO	0.00%	Broad Spectrum	South of Market
275 6th St	9/17/2024	232	\$3,000,000	555.56	Office	1941	NCT	100.00%	Hands On Bay Area	Yerba Buena

Investor Sales

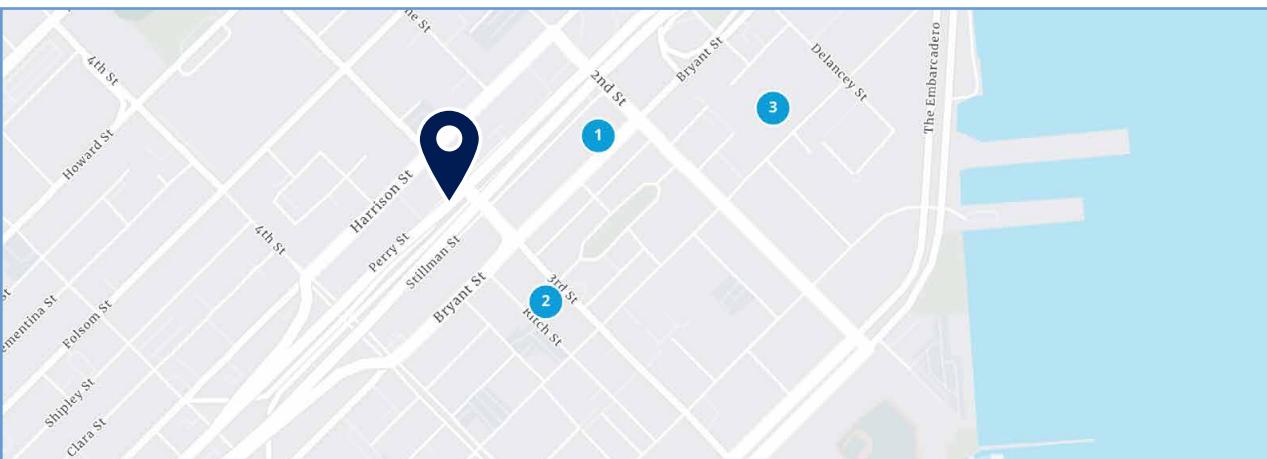
Property Address	Sale Date	Market Time	Sale Price	Price Per SF	Property Type	Year Built	Zoning	Percent Leased	Buyer (True) Company	Submarket Name
420 Bryant St	7/31/2023	138	\$4,491,000	348.14	Office	1922	M1	0.00%	Urban Land Development	Rincon/South Beach
550 3rd St	9/9/2022	156	\$12,500,000	500.00	Office	1921	CMUO	0.00%	StartupHQ LLC	South of Market
350 Brannan St	4/25/2022	179	\$11,590,000	641.93	Office	1929	CMUO	100.00%	Global Asset Capital	Rincon/South Beach

Comparable Sales Map



Owner User Sales

	Property Address	Sale Date	Price Per SF
1	1155 Mission St	10/4/2022	605.94
2	414 Brannan St	8/4/2022	879.82
3	431 Jessie St	10/24/2022	1,158.01
4	550-554 Bryant St	7/1/2023	375.79
5	275 6th St	9/17/2024	555.56



Investor Sales

	Property Address	Sale Date	Price Per SF
1	420 Bryant St	7/31/2023	348.14
2	550 3rd St	9/9/2022	500.00
3	350 Brannan St	4/25/2022	641.93

	Price Per SF
2024 Average	\$307
2023 Average	\$391
2022 Average	\$468



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