

**\$3,130,000**



**1586 FOLSOM STREET**

MIXED-USE APARTMENT BUILDING  
10 APARTMENTS | 1 RESTAURANT & BAR

SOUTH OF MARKET | SAN FRANCISCO

**OFFERING MEMORANDUM**

**maven**  
COMMERCIAL

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## CONTACT

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1586 FOLSOM ST

## EXECUTIVE SUMMARY

1586 FOLSOM STREET | SAN FRANCISCO

<b>Listing Price</b>	\$3,130,000		
<b>Price / Sq Ft</b>	\$337		
<b>Price / Unit</b>	\$284,545		
	<b>Current</b>	<b>Banked</b>	<b>Proforma</b>
<b>GRM</b>	10.11	9.52	6.85
<b>Cap Rate</b>	6.28%	6.85%	10.82%
<b>Building Size</b>	9,300 Sq. Ft.		
<b>Parcel Size</b>	3,397 Sq. Ft.		
<b>Parcel Number</b>	3516-018		
<b>Year Built</b>	1916		
<b>Zoning</b>	WMUG		



## 1586 FOLSOM ST

### HIGHLIGHTS

- Corner Mixed-Use Property in SOMA
- Large Bar & Restaurant; 1 Year On Lease
- 6 One-Bedrooms & 4 Studios
- Most Residential Units Renovated
- Significant Frontage along Folsom/12th Streets
- Huge Banked Rents
- Passthrough Opportunities
- Seismic Completed

### LEASE DETAILS

Long-Term Restaurant Tenant Since 2008

Lease Expires March, 2027. No Renewal Options

Annual Rent Increases of 2-5% according to CPI

### INCOME BREAKDOWN

Residential: 60.15%

Commercial: 39.85%

### DETAILS

UNITS	11
COMMERCIAL *	1
RESIDENTIAL	10
STUDIOS	4
1 BEDROOMS	6
FLOORS	3
FOUNDATION	Concrete
STRUCTURE	Wood Frame
FAÇADE	Wood Shiplap
ROOF	Touch Down Bitumen
WINDOWS	Wood Sash
PLUMBING	Copper / Galvanized
ELECTRICAL	Seperately Metered
HEAT	Gas Wall
HOT WATER	Tankless Water Heater
SEISMIC	Completed
LIQUIFACTION	Not Present
FLOOD RISK	Not Present

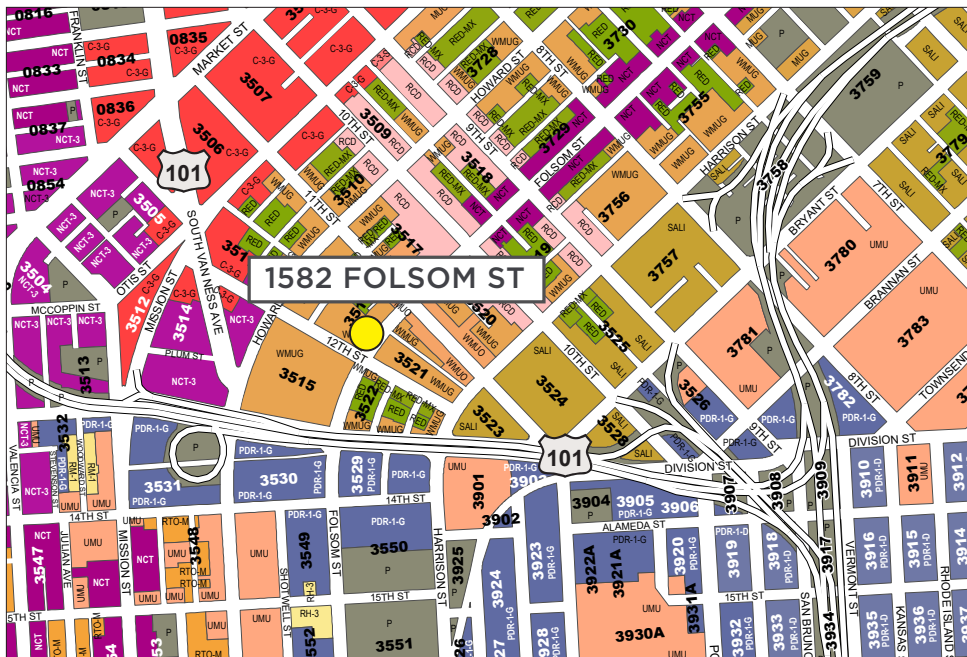
\* Assessor records show 4 commercial units

## ZONING WSoMA MIXED USE-GENERAL

<b>Residential Density</b>	Permitted up to two units per lot
<b>Height Limit</b>	40 X
<b>Historic Resource</b>	B - Unknown - Age Eligible
<b>Parcel Width &amp; Depth</b>	45 x 75 x 43 Sq. Ft.
<b>Building Size</b>	9,300 Sq. Ft.
<b>Parcel Size</b>	3,397 Sq. Ft.

### WMUG - The WSoMa Mixed Use-General (WMUG)

The District is largely comprised of the low-scale, production, distribution, and repair uses mixed with housing and small-scale retail. The WMUG is designed to maintain and facilitate the growth and expansion of small-scale light manufacturing, wholesale distribution, arts production and performance/exhibition activities, general commercial and neighborhood-serving retail and personal service activities while protecting existing housing and encouraging the development of housing at a scale and density compatible with the existing neighborhood.



Housing is encouraged over ground floor commercial and production, distribution, and repair uses. New residential or mixed use developments are encouraged to provide as much mixed-income family housing as possible. Existing group housing and dwelling units will be protected from demolition or conversion to nonresidential use by requiring conditional use review. Accessory Dwelling Units are permitted within the district pursuant to subsection 207(c)(4) of this Code.

Hotels, nighttime entertainment, movie theaters, adult entertainment and heavy manufacturing uses are not permitted. Office use is restricted to customer-based services on the ground floor.

## RENT ROLL

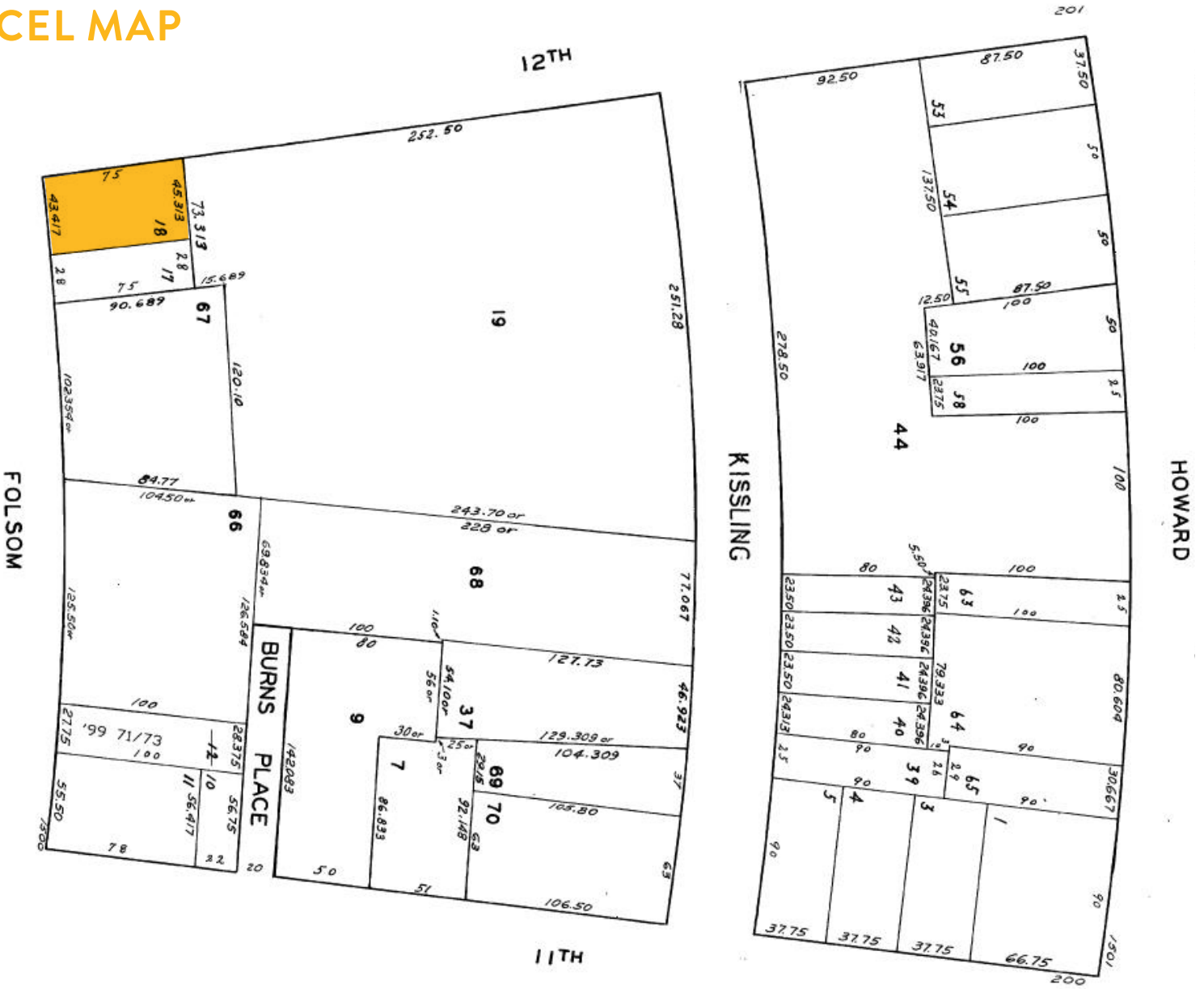
UNIT	TYPE	MOVE-IN	CURRENT	BANKED <sup>†</sup>	RENT & BANKED	MARKET	UPSIDE		
1	Studio	Aug-20	\$1,700	\$172	\$1,872	\$2,400	78%		
2	Studio	Jul-19	\$1,900	\$219	\$2,119	\$2,400	88%		
3	1 Bdrm*	Jan-21	\$1,600	\$155	\$1,755	\$2,850	62%		
4	1 Bdrm	Dec-20	\$1,800	\$175	\$1,975	\$2,850	69%		
5	1 Bdrm	Mar-21	\$1,600	\$170	\$1,770	\$2,850	62%		
6	Studio	Jun-93	\$749	\$62	\$811	\$2,400	34%		
7	Studio	Mar-06	\$1,176	\$98	\$1,274	\$2,400	53%		
8	1 Bdrm	Jan-04	\$1,444	\$189	\$1,633	\$2,850	57%		
9	1 Bdrm	May-09	\$1,545	\$202	\$1,747	\$2,850	61%		
10	1 Bdrm	Mar-22	\$2,000	\$166	\$2,166	\$2,850	76%		
<b>INCOME [RESIDENTIAL]</b>			-	-	<b>\$15,514</b>	<b>\$1,607</b>	<b>\$17,121</b>	<b>\$26,700</b>	<b>64%</b>
<b>INCOME [COMMERCIAL]</b>			Restaurant/Bar	Mar-13	\$8,883	-	\$8,883	\$10,000	89%
			CAM Reimbursement	-	\$1,396	-	\$1,396	\$1,396	-
<b>INCOME [MONTHLY]</b>					<b>\$25,793</b>		<b>\$328,799</b>	<b>\$457,152</b>	
<b>INCOME   ANNUAL</b>					<b>\$309,516</b>		<b>\$328,799</b>	<b>\$457,152</b>	

<sup>†</sup> PLEASE NOTE: BANKED RENTS ARE PROJECTED AND HAVE NOT BEEN IMPOSED; BUYER

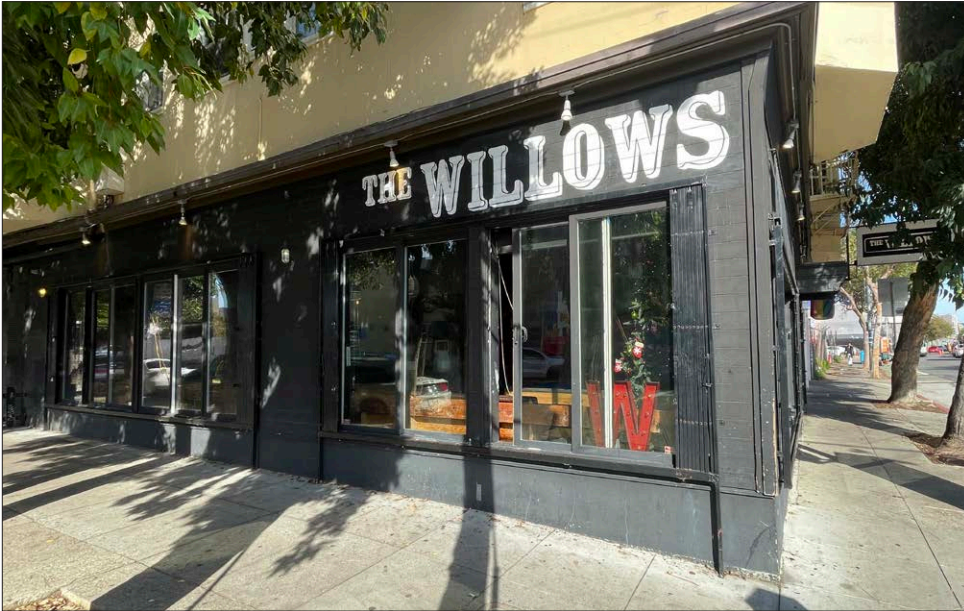
## UNDERWRITING

INCOME - GROSS	CURRENT	BANKED	MARKET	NOTES
RESIDENTIAL INCOME	\$186,168	\$205,451	\$320,400	
VACANCY LOSS	(\$5,585)	(\$6,164)	(\$9,612)	3.0%
COMMERCIAL	\$106,596	\$106,596	\$120,000	
VACANCY LOSS	(\$5,330)	(\$5,330)	(\$6,838)	5.0%
CAM REIMBURSEMENT	\$16,752	\$16,752	\$16,752	
<b>TOTAL INCOME</b>	<b>\$298,601</b>	<b>\$317,306</b>	<b>\$440,702</b>	
<b>PROJECTED EXPENSES</b>				
TAXES	\$37,018	\$37,018	\$37,018	New Value
MANAGEMENT	\$8,843	\$9,759	\$15,219	Estimate
INSURANCE	\$17,969	\$17,969	\$17,969	2025
<b>UTILITIES</b>				
GAS & ELECTRIC	\$8,854	\$8,854	\$8,854	2025
TRASH & RECYCLING	\$8,854	\$8,854	\$8,854	2025
WATER & SEWER	\$8,854	\$8,854	\$8,854	2025
<b>OTHER</b>				
BUSINESS LICENSE & FEES	\$1,000	\$1,000	\$1,000	Estimate
RENT BOARD FEE	\$590	\$590	\$590	Estimate
REPAIRS & MAINTENANCE	\$10,000	\$10,000	\$10,000	[\$1,000   Unit]
<b>TOTAL EXPENSES</b>	<b>\$101,983</b>	<b>\$102,899</b>	<b>\$101,983</b>	
RATIO EXPENSE/INCOME	34%	32%	23%	
<b>NET OPERATING INCOME</b>	<b>\$196,618</b>	<b>\$214,407</b>	<b>\$338,719</b>	

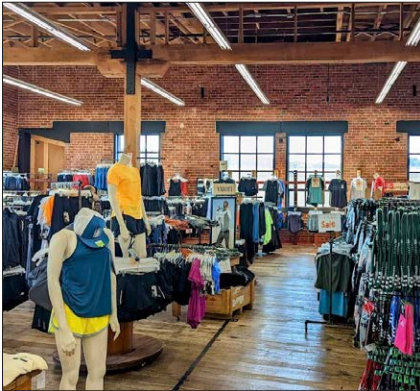
# PARCEL MAP



# PHOTOGRAPHY



# NEIGHBORHOOD



**SPORTS BASEMENT**



**TARTINE MANUFACTORY**



**FLOUR + WATER**



**REI**



**HARDWOOD BAR & SMOKERY**



**TRADER JOE'S**



**ROSEMARY & PINE**



**FARMHOUSE KITCHEN**

**1582 FOLSOM** is located in SOMA with stone throw proximity to Mission Bay, here thrives the Design District. The neighborhood has experienced the development of new residential and commercial spaces, contributing to its evolving character. Here you can find a blend of residential and commercial spaces including modern high-rise apartments, as well as some older buildings with character next to showrooms and design studios. The area is also home to life science buildings and AI startups. Given the easy accessibility to major freeways, Muni and Caltrain the area welcomes people from inside and outside the city.

# NEIGHBORHOOD





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