

1645-1649 MISSION STREET

SAN FRANCISCO, CA 94103



OFFERING
MEMORANDUM

Marcus & Millichap

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ACTIVITY ID #

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INVESTMENT OVERVIEW

This commercial condominium offers a turnkey ownership opportunity at the intersection of Van Ness and Mission Street in San Francisco. The single-story unit totals 3,889 rentable square feet of highly improved office/creative space, originally built in 2002 and renovated in 2017 with more than \$400,000 in owner upgrades, including bespoke Italian marble finishes, Title 24 motion-controlled LED lighting, and Hunter Douglas window shades. A 750 square foot mezzanine level with hardwood flooring and acoustic ceiling tiles adds functional area above the 19-foot ceiling main floor. Crucially, the property offers **secure, covered parking** is available for monthly rental.

At an estimated acquisition price of \$1,500,000 (approximately \$386 per square foot), the property is being evaluated as an owner-user or investment purchase. Three dedicated Mission Street entrances allow the unit to be delivered as a single-tenant space or divided for multi-tenant leasing, giving a buyer flexibility to occupy, lease up, or blend both strategies.

The unit sits one block from San Francisco's new consolidated Permit Center (DBI) and is surrounded by hundreds of new residential units approved, under construction or recently delivered, highlighting the area's growth and redevelopment. With Walk Score 96, Bike Score 99, and Transit Score 100, the location is well suited to architecture, design, engineering, technology, startup, retail, or professional-services users seeking a highly visible, transit-rich address in a supply-constrained SoMa/Mission submarket.

INVESTMENT HIGHLIGHTS



Second generation, fully improved office and/or retail space. High-end finishes and light fixtures.



Nearby Civic Center BART Station, multiple Muni bus and light rail lines – accessibility to all parts of the city.



Proximity to Interstate 80 and Highway 101 make it accessible to owner-operator staff and clientele/customer base.



Secure, covered parking available with monthly charge.



Opportunity for owner-users to occupy the ground floor office/retail space. SBA financing structures allow for as low as 10% down payment.



PROPERTY SUMMARY

OFFERING PRICE
\$1,500,000

ASSESSOR'S PARCEL NUMBER

3514-048

OWNERSHIP OFFERED

FEE SIMPLE

GROSS LEASABLE AREA

3,889 SF

YEAR BUILT

2002

PRICE/SQUARE FOOT

\$385.85

ASSOCIATION FEES

\$501.59 / MO.

ZONING CODE

NCT - 3

YEAR LAST RENOVATED

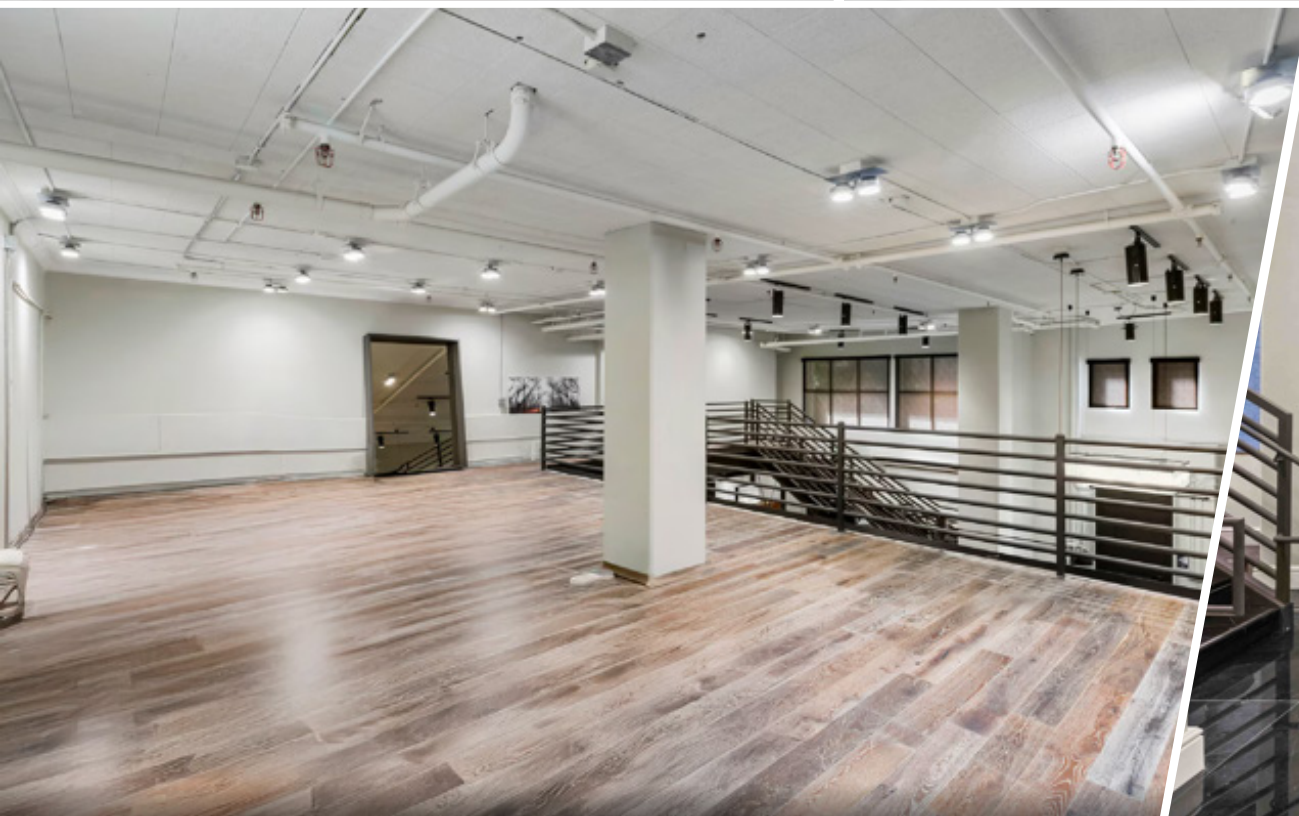
2017

WALK / TRANSIT / BIKE SCORE

96 / 100 / 99

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PHOTOS

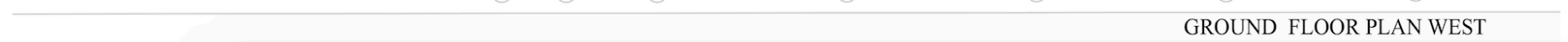


PHOTOS





FLOORPLAN



USER FINANCIAL MODEL

ACQUISITION SUMMARY

PURCHASE PRICE

\$1,500,000

\$385.70 / SF

TI / CAPITAL IMPROVEMENT BUDGET

\$58,335

\$15.00 / SF

TOTAL ACQUISITION COST

\$1,558,335

\$400.70 / SF

YEAR ONE OPERATING EXPENSES

■ Taxes/bonds \$17,567 ■ Insurance \$17,000 ■ Utilities \$11,325

Total year one OpEx: **\$45,892** (\$11.80/SF), escalating ~2–3%/yr.

10-YR EQUITY BUILD-UP

Cumulative principal paydown via first and second loan amortization:

\$515,731

by end of year 10, plus 39.5-yr depreciation shelter of \$121,519 cumulative through year 10.

FINANCING STRUCTURE — SBA-504

SOURCE	AMOUNT	RATE	TERM	LTV	MONTHLY P&I	ANNUAL P&I
Equity / cash down payment	\$155,834	—	—	10%	—	—
SBA-504 first loan	\$779,168	5.94%	25 yr	50%	\$4,992	\$59,900
SBA-504 second loan	\$623,334	6.17%	25 yr	40%	\$4,081	\$48,974
Total capitalization	\$1,558,335	—	—	90%	\$9,073	\$108,874

OWN VS. LEASE — COST PER SF / MONTH

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
Market lease rate	\$3.50	\$3.61	\$3.71	\$3.82	\$3.94	\$4.06	\$4.18	\$4.30	\$4.43	\$4.57
Owner debt-service equiv.	\$3.03	\$3.03	\$3.03	\$3.03	\$3.03	\$3.03	\$3.03	\$3.03	\$3.03	\$3.03

Ownership cost stays at or below the prevailing market lease rate in every year of the hold period, while the owner simultaneously accrues **\$515,731** in principal equity build-up through year 10 — capital a tenant paying market rent would forgo entirely.

Contact **Ash Patel, MMCC** for more information · **(415) 625-2169**

This analysis is based on assumptions provided and is not a guarantee of future performance.

ZONING

SEC. 752. MODERATE-SCALE NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT.

NCT-3 Districts are walkable and transit-oriented moderate- to high-density mixed-use neighborhoods of varying scale concentrated near transit services. The NCT-3 Districts are mixed use districts that support neighborhood-serving Commercial Uses on lower floors and housing above. These districts are well-served by public transit and aim to maximize residential and commercial opportunities on or near major transit services. The district's form can be either linear along transit-priority corridors, concentric around transit stations, or broader areas where transit services criss-cross the neighborhood. Housing density is limited not by lot area, but by the regulations on the built envelope of buildings, including height, bulk, setbacks, and lot coverage, and standards for Residential Uses, including open space and exposure, and urban design guidelines. Residential parking is not required and generally limited. Commercial establishments are discouraged or prohibited from building accessory off-street parking in order to preserve the pedestrian-oriented character of the district and prevent attracting auto traffic. There are prohibitions on access (i.e. driveways, garage entries) to off-street parking and loading on critical stretches of NC and transit streets to preserve and enhance the pedestrian-oriented character and transit function.

NCT-3 Districts are intended in most cases to offer a wide variety of comparison and specialty goods and services to a population greater than the immediate neighborhood, additionally providing convenience goods and services to the surrounding neighborhoods. NCT-3 Districts include some of the longest linear commercial streets in the City, some of which have continuous retail development for many blocks. Large-scale lots and buildings and wide streets distinguish the districts from smaller-scaled commercial streets, although the districts may include small as well as moderately scaled lots. Buildings may range in height, with height limits varying from four to eight stories.

NCT-3 building standards permit moderately large Commercial Uses and buildings. Rear yards are protected at residential levels.

A diversified commercial environment is encouraged for the NCT-3 District, and a wide variety of uses are permitted with special emphasis on neighborhood-serving businesses. Financial service uses generally are permitted with certain limitations at the first and second stories. Auto-oriented uses are somewhat restricted. Other retail businesses, personal services and offices are permitted at all stories of new buildings. Limited storage and administrative service activities are permitted with some restrictions.

Housing development in new buildings is encouraged above the second story. Accessory Dwelling Units are permitted.

[LINK TO ZONING CONTROL TABLE](#)

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