

MIXED-USE INVESTMENT PROPERTY · DOWNTOWN SAN CARLOS

5 Unit Mixed-Use Asset

577 Laurel Street · San Carlos, CA 94070

Rosaia's Fine Jewelers
WE REPAIR WE BUY GOLD
Jewelry & Watches Jewelry & Coins



ASKING PRICE

\$4,900,000

TOTAL UNITS

5

PRO FORMA NOI

\$224,700

VALUE-ADD PATHS

3

EXCLUSIVELY OFFERED BY
MKD Group

BROKERED BY COMPASS · DRE# 01527235
mkgdgrouprealty.net

EXECUTIVE SUMMARY

A value-add mixed-use opportunity with multiple paths to NOI growth.

MKD Group, brokered by Compass, is pleased to exclusively present 577 Laurel Street — a 2003-built mixed-use asset in one of the Peninsula's most coveted downtown corridors, offered as a true **value-add play** with long-term appreciation potential. In-place residential rents sit materially below market, the ground-floor retail can be repositioned at COE to capture downtown Laurel Street rents, and **architectural drawings for a sixth unit — a top-floor penthouse expansion — are already in hand**. With a clean basis, modern construction, and a clear path to NOI growth, the asset is well-suited as a **1031 exchange replacement** for investors seeking durable Peninsula income with built-in upside.

PENTHOUSE EXPANSION OPPORTUNITY

Driving Majority of NOI Growth.

PLAN STATUS

Drawings
In Hand

ADDED UNIT

2BD
2BA

SHARE OF NOI
GROWTH

~72%

THREE PATHS TO VALUE CREATION

- **1 · Residential Mark-to-Market.** In-place 2BD/2BA rents range \$3,800–\$4,000 vs. market comps at **\$4,200** for comparable downtown San Carlos product — an immediate ~5–10% upside on natural turnover.
- **2 · Retail Repositioning.** Ground-floor ~450 SF retail delivered **vacant or lease-back at COE**, allowing a buyer to reset to market rents on Laurel Street, one of the Peninsula's most active retail corridors.
- **3 · Penthouse Expansion.** Architectural drawings for a **sixth unit** on the top floor — a rare value-add path in a supply-constrained downtown submarket.

OFFERING SNAPSHOT

ASKING PRICE	\$4,900,000	YEAR BUILT	2003
EXISTING UNITS	5 (4 Residential + 1 Retail)	PLUS PENTHOUSE	+1 Unit (Plans In Hand)
BUILDING SF	5,554 RSF	LOT SIZE	3,900 SF
RETAIL SPACE	~450 SF · Vacant or Lease-Back	PARKING	Carport Included
IN-PLACE NOI	\$147,000	PRO FORMA NOI (STABILIZED)	\$168,600
PRO FORMA NOI (W/ PENTHOUSE)	\$224,700	PRO FORMA CAP RATE	4.59% (w/ Penthouse)

In-place cap rate of 3.00% reflects below-market rents and a vacant-deliverable retail space. See Value-Add Opportunity & Pro Forma for full underwriting and assumptions.

PENTHOUSE EXPANSION OPPORTUNITY

Penthouse Expansion

Driving Majority of NOI Growth.

A fully-designed sixth unit — the single largest lever in the value-add thesis.

Architectural drawings are **already in hand** for an additional top-floor 2BD/2BA penthouse unit at 577 Laurel Street. The drawings are designed and ready to advance through the City of San Carlos planning process — converting the asset from 5 to 6 income-producing units and re-rating the property's basis on completion. In a downtown submarket where new mixed-use supply is virtually nonexistent, an additional unit is a rare and outsized lever.

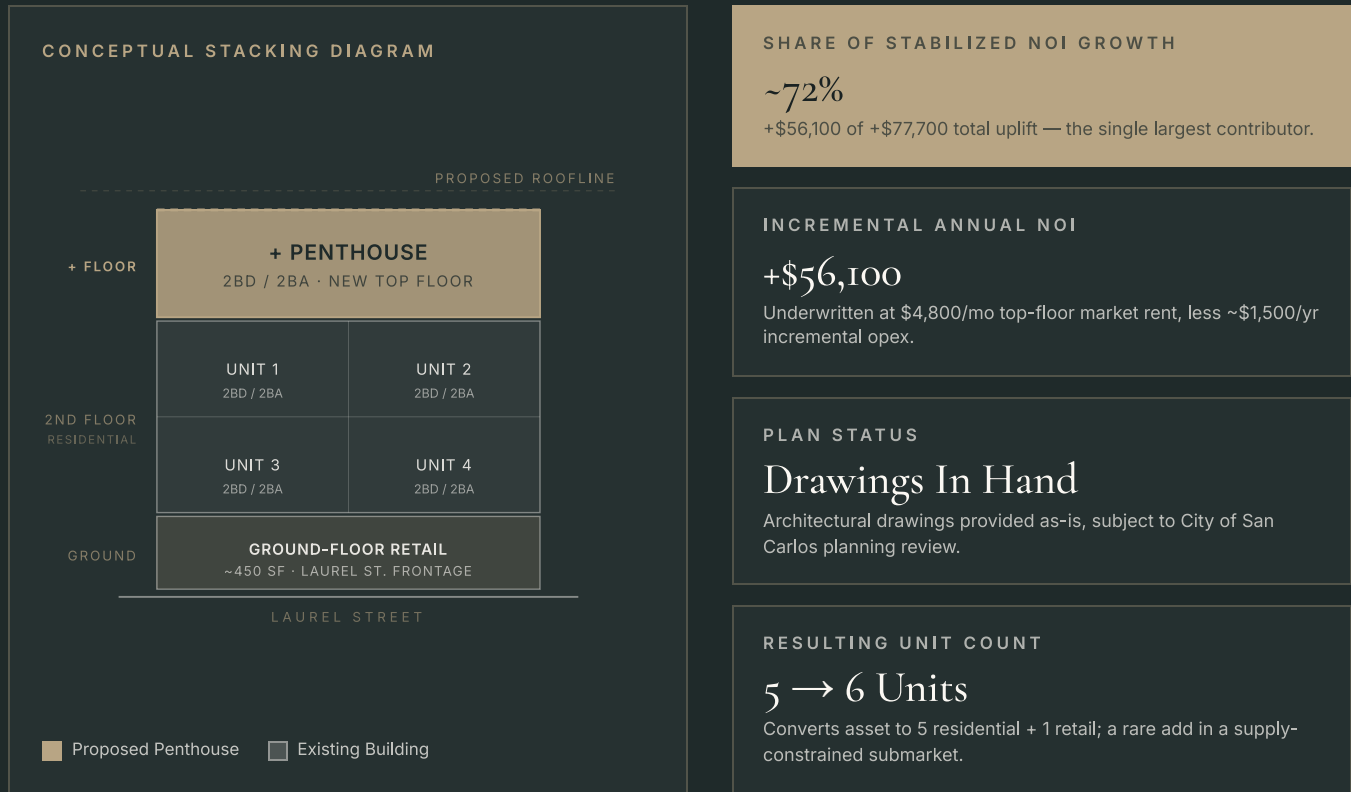


Diagram is conceptual and illustrative only. Final unit configuration, dimensions, setbacks, and roofline subject to architectural drawings on file and City of San Carlos planning review. Construction costs, permitting, and carry not modeled — buyer to underwrite project budget independently.

THE PROPERTY

577 Laurel Street is a **two-story mixed-use building** totaling approximately 5,554 rentable square feet on a 3,900 SF lot in the heart of Downtown San Carlos. The four residential apartments are generously sized 2BD/2BA layouts with modern finishes, in-unit laundry, private balconies, secure building access, and carport parking.

The ground floor retail space (~450 SF) — formerly Rosaia Fine Jewelers — can be delivered **vacant at close of escrow** or retained as a lease-back arrangement, offering the buyer full flexibility on day-one income strategy.

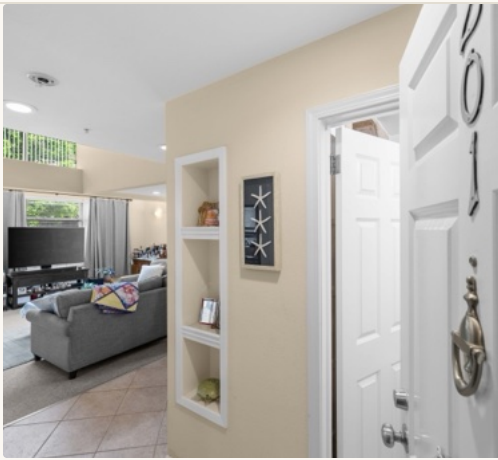
PROPERTY DETAILS

ADDRESS	577 Laurel Street, San Carlos, CA 94070	ASSET TYPE	Mixed-Use
COUNTY	San Mateo	BUILDING SF	5,554 RSF
SUBMARKET	Downtown San Carlos	LOT SIZE	3,900 SF
TOTAL UNITS	5 (4 Residential + 1 Retail)	STORIES	2
YEAR BUILT	2003	PARKING	Carport Included
ELECTRICAL	400 Amp / 6 PG&E Meters	WATER METERS	2 (1 Retail, 1 Residential)
HVAC	Central Heating · A/C in Each Unit	WATER HEATERS	Individual Per Unit
IN-UNIT LAUNDRY	Washer / Dryer in Each Unit	ROOF	~25 Years Old
TENANT PAYS	PG&E (Individual Meters)	RETAIL SPACE	~450 SF · Vacant or Lease-Back

PROPERTY FEATURES

- **Generously sized 2BD/2BA residential apartments** (approx. 1,000–1,100 SF each) with modern finishes throughout.
- **Fresh paint and new carpet** in all residential units, plus in-unit washer/dryer.
- **Private balconies** and secure controlled-access building entry across all four units.
- **Carport parking** — a premium amenity in walkable downtown San Carlos.
- **Central heating with A/C** and individual water heaters in each unit.

Year built, square footage, APN, and zoning designations are approximate and should be independently verified by the buyer during due diligence. Tax and title information available upon execution of Confidentiality Agreement.



01 ENTRY — UNIT 201



02 RESIDENTIAL — LIVING, UNIT 201



03 RESIDENTIAL — LIVING, UNIT 201



04 TWO-STORY LIVING + LOFT



05 KITCHEN



06 BEDROOM



07 PRIVATE BALCONY



08 GROUND-FLOOR RETAIL



09 COVERED CARPORT



THE SETTING · DOWNTOWN SAN CARLOS

Steps from Caltrain. Walking distance to the Bay.

577 Laurel sits in the heart of downtown San Carlos — one block from the Caltrain station, surrounded by the city's most active retail, dining, and residential corridors, with open Bay views to the east.

1 block

SAN CARLOS

CALTRAIN STATION

3 min

WALK TO

LAUREL STREET RETAIL

25 min

CALTRAIN TO

SAN FRANCISCO / SJC

RENT ROLL & UNIT MIX

Current rent roll as reflected in Seller's records. The retail space can be delivered **vacant at COE** for fresh market lease-up, or retained as a lease-back arrangement — buyer's choice. All four residential units are occupied with in-unit laundry, balconies, and individual PG&E meters.

LAUREL STREET RETAIL CORRIDOR

A Premier Downtown San Carlos Retail Address.

Laurel Street is the Peninsula's most coveted boutique retail corridor — high foot traffic, limited supply, and strong demand from independent operators, cafes, and service tenants. Delivering the ground floor **vacant at COE** allows a buyer to mark this space to true Laurel Street market rents on a fresh lease, capturing the corridor's pricing power on day one.

FRONTAGE
Laurel St.
DELIVERY
Vacant at COE
APPROX. RSF
~450 SF

UNIT	TYPE	STATUS	APPROX. SF	MONTHLY RENT	ANNUAL RENT
Retail	Ground Floor Commercial	Vacant or Lease-Back	~450	\$2,400	\$28,800
1	2BD / 2BA	Tenant in Place	~1,000-1,100	\$4,000	\$48,000
2	2BD / 2BA	Tenant in Place	~1,000-1,100	\$4,000	\$48,000
3	2BD / 2BA	Tenant in Place	~1,000-1,100	\$3,800	\$45,600
4	2BD / 2BA	Tenant in Place	~1,000-1,100	\$4,000	\$48,000
TOTALS · 5 UNITS · 4 RESIDENTIAL + 1 RETAIL			5,554 RSF	\$18,200	\$218,400

Detailed unit-level rent and lease information is available upon execution of a Confidentiality Agreement. All four residential apartments are 2BD/2BA layouts with in-unit washer/dryer, private balconies, central heating, and A/C. Tenants pay PG&E on individual meters.

VALUE-ADD OPPORTUNITY & PRO FORMA

577 Laurel Street offers **three distinct, executable paths to NOI growth** — a residential mark-to-market on natural turnover, a retail repositioning at COE, and a fully-designed penthouse expansion. The underwriting below bridges in-place income to a stabilized scenario, and a stabilized-plus-penthouse scenario.

<p><i>01</i></p> <p>Residential Mark-to-Market</p> <p>In-place 2BD/2BA rents of \$3,800–\$4,000 vs. \$4,200 market comps for comparable downtown San Carlos product. Capture on natural turnover.</p> <hr/> <p>ANNUAL INCOME +\$12,000</p>	<p><i>02</i></p> <p>Retail Repositioning</p> <p>Ground-floor ~450 SF delivered vacant or lease-back at COE. Reset to Laurel Street market rents at ~\$7/SF gross.</p> <hr/> <p>ANNUAL INCOME +\$9,600</p>	<p><i>03</i></p> <p>Penthouse Expansion</p> <p>Architectural drawings in hand for a top-floor 2BD/2BA penthouse — a sixth income-producing unit at premium top-floor rents.</p> <hr/> <p>ANNUAL INCOME +\$57,600</p>
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MARKET RENT ASSUMPTIONS

UNIT	TYPE	IN-PLACE / MO	MARKET / MO	MARKET ANNUAL	BASIS
1	2BD / 2BA	\$4,000	\$4,200	\$50,400	Comp set
2	2BD / 2BA	\$4,000	\$4,200	\$50,400	Comp set
3	2BD / 2BA	\$3,800	\$4,200	\$50,400	Comp set
4	2BD / 2BA	\$4,000	\$4,200	\$50,400	Comp set
Residential Subtotal · 4 Units		\$15,800	\$16,800	\$201,600	+\$12,000 / yr
Retail	Ground Floor (~450 SF)	\$2,400	\$3,200	\$38,400	~\$7/SF gross
Existing Building Stabilized GSI		\$18,200	\$20,000	\$240,000	+\$21,600 / yr
Penthouse	2BD / 2BA · Top-Floor Add	—	\$4,800	\$57,600	Top-floor premium
WITH PENTHOUSE · 6 TOTAL UNITS		\$18,200	\$24,800	\$297,600	+\$79,200 / YR

PRO FORMA SUMMARY — TWO SCENARIOS

LINE	IN-PLACE	STABILIZED	STABILIZED + PENTHOUSE
INCOME			
Residential GSI (4 units)	\$189,600	\$201,600	\$201,600
Retail GSI	\$28,800	\$38,400	\$38,400
Penthouse GSI (added unit)	—	—	\$57,600
Gross Scheduled Income	\$218,400	\$240,000	\$297,600
NET OPERATING INCOME			
NOI	\$147,000	\$168,600	\$224,700
NOI Growth vs. In-Place	—	+\$21,600	+\$77,700
RETURNS @ \$4,900,000 ASKING			
Cap Rate	3.00%	3.44%	4.59%
Gross Rent Multiplier	22.44×	20.42×	16.46×

Market rent assumptions based on MKD Group's review of comparable 2BD/2BA leases in downtown San Carlos within the past 12 months. Penthouse rent reflects top-floor pricing premium and assumes delivery to current 2003-construction finish standard. Incremental operating expense impact of the penthouse modeled at approximately \$1,500/yr (utilities, insurance, R&M reserve); all other expenses held flat to the in-place financial summary. Construction costs, permitting, and carry not modeled — buyer to underwrite project budget independently. See Financial Summary for in-place expense detail.

FINANCIAL SUMMARY

The summary below reflects in-place actual income and expense as reported by Seller for the 5-unit mixed-use configuration (4 residential + 1 retail). The retail space at ~450 SF can be delivered vacant at close of escrow, providing the buyer flexibility to underwrite at market rate or retain the existing tenant via lease-back.

METRIC	ACTUAL
INCOME & RETURNS	
Asking Price	\$4,900,000
Net Operating Income	\$147,000
Cap Rate	3.00%
Gross Rent Multiplier	22.44×
PER-UNIT / PER-RSF	
Price Per Unit	\$980,000
Price Per RSF	\$875.00
Building SF	5,554 RSF
Lot Size	3,900 SF
TOTAL UNITS	5

ANNUAL OPERATING EXPENSES

Tenants pay PG&E on individual unit meters. Owner is responsible only for common-area / exterior PG&E, water (2 meters — 1 retail, 1 residential), garbage, insurance, property taxes, and routine maintenance.

LINE ITEM	ANNUAL
Real Property Taxes (1.2779% of Asking)	\$62,617
Property & Liability Insurance	\$8,500
Water & Sewer (2 meters)	\$6,800
Garbage	\$3,600
Exterior / Common Area PG&E (estimate)	\$1,200
Repairs & Maintenance Reserve	\$6,000
TOTAL OPERATING EXPENSES	\$88,717

PRICING SNAPSHOT

ASKING PRICE	\$4,900,000	ACTUAL NOI	\$147,000
PRICE PER UNIT	\$980,000	CAP RATE	3.00%
PRICE / RSF	\$875.00	GRM	22.44×

SAN CARLOS MIXED-USE CONTEXT

Downtown San Carlos is one of the Peninsula's most coveted mixed-use corridors, with extremely limited investment inventory and a high-income, highly-educated resident base. Mixed-use trades in this submarket have historically commanded sub-4% cap rates and high-teens to low-20s GRMs given the constrained land supply, direct Caltrain access, and strong retail demand from the award-winning Laurel Street dining corridor.

The subject's 3.00% in-place cap rate reflects this premier location and 2003 construction quality. The retail space's vacant-or-lease-back optionality provides immediate flexibility to reset to market, and the in-hand penthouse expansion drawings deliver a clear path to NOI growth and value creation upon execution. The asset is well-positioned as a **1031 exchange replacement** for owners trading out of higher-cap, lower-quality income for a durable Peninsula hold with built-in NOI growth.

WHY SAN CARLOS

- **Constrained Supply.** Mid-Peninsula geography and downtown zoning limit new mixed-use inventory.
- **Caltrain-Driven Demand.** Caltrain stop is a 2-minute walk — direct express service to SF and Silicon Valley.
- **Major Employer Adjacency.** Oracle, Box, Gilead Sciences, and broader Peninsula tech ecosystem within minutes.
- **Top-Rated Schools.** San Carlos USD ranks among the Peninsula's strongest districts.
- **Walkable Downtown.** Award-winning dining, retail, parks, and cafe culture along Laurel Street.

Comparable transaction data available from Compass and CoStar on request. Buyers should conduct independent due diligence and apply their own underwriting assumptions before submitting an offer.

LOCATION & MARKET — DOWNTOWN SAN CARLOS

San Carlos sits mid-Peninsula between San Mateo and Redwood City, with direct access to both the San Francisco and Silicon Valley employment corridors. Downtown San Carlos has become a premier Peninsula destination for dining, retail, and urban living — anchored by a vibrant, walkable Laurel Street.

The **San Carlos Caltrain station is a 2-minute walk**, and I-101, Hwy 92, and US-280 provide seamless commuter access in every direction. The neighborhood combines top-rated schools, constrained land supply, and consistent rent growth that consistently outperforms broader Bay Area benchmarks.

TRANSIT & COMMUTE

Caltrain Station Express service to SF & Silicon Valley	2 min walk
San Francisco Via Caltrain / 101	~35 min
Millbrae / SFO Caltrain & BART hub	~12 min
Hwy 101 / 92 / 280 Peninsula highway access	Direct

MAJOR EMPLOYERS

Oracle HQ Redwood City	~5 min
Box HQ Redwood City	~5 min
Gilead Sciences Foster City	~10 min
Palo Alto / Stanford Tech & research corridor	~15 min

RETAIL & DINING

Laurel Street Corridor Award-winning dining & retail	Steps
Downtown Cafes & Boutiques Walkable mixed-use district	Steps
Burlingame Avenue Premium retail district	~10 min
Hillsdale Shopping Center Regional retail	~8 min

EDUCATION & DEMAND

San Carlos USD Top-rated Peninsula district	In-District
San Jose South Bay tech corridor	~45 min
Redwood City Adjacent employment hub	~5 min
San Carlos Parks Parks, trails, family amenities	Walk

EXCLUSIVE REPRESENTATION

577 Laurel Street is being exclusively represented by MKD Group, brokered by Compass, a Bay Area investment brokerage focused on multifamily, mixed-use, and residential investment sales. Inquiries and tour requests should be directed to any team member below.

Mark Chow**FOUNDER & PRESIDENT**

DRE# 01347820

A seasoned real estate professional with over 18 years of experience across all areas of real estate, including product marketing and positioning, property valuation and analysis, and asset acquisitions and dispositions with a focus on minimizing taxation and maximizing revenue. Specializing in the San Francisco Bay Area market, Mark leverages deep connections and an expansive network to provide unparalleled value to his clients.

Marco Barretto**SENIOR INVESTMENT
ADVISOR**

DRE# 02078316

Over six years specializing in multifamily investment properties throughout the Bay Area, with a focus on identifying value and analyzing opportunities from a strategic investment perspective. Marco earned his B.A. in Economics from the University of San Francisco in 2018 and brings discipline and competitive drive to achieve strong results for his clients.

Zach DeRosette**SENIOR INVESTMENT
ADVISOR**

DRE# 02178078

Originally from Cincinnati, Zach has called the Bay Area home since 2009. With a background in psychology and business, he spent several years as a career coach guiding over 250 clients through successful transitions before entering real estate — combining a deep love for the industry with a passion for helping clients achieve long-term goals.

Tabatha Petersen**SENIOR INVESTMENT
ADVISOR**

DRE# 01785796

A passionate, creative, and design-oriented real estate professional with over 13 years of experience in both residential and multifamily real estate spanning sales, digital marketing, PR, strategic marketing, and interior design. Previously served as VP of Marketing at Douglas Elliman and Marketing Director at Trumark Urban in San Francisco.

CONFIDENTIALITY & DISCLAIMER

This Offering Memorandum has been prepared by MKD Group, brokered by Compass ("Broker") and is being furnished to a limited number of qualified prospective purchasers on a strictly confidential basis solely to evaluate the possible acquisition of the real property located at 577 Laurel Street, San Carlos, California (the "Property").

The information contained herein has been obtained from sources deemed to be reliable, including information provided by the Seller, public records, and third-party data providers. While Broker believes such information to be accurate, no representation or warranty, express or implied, is made as to the accuracy or completeness of any of the information contained herein, including but not limited to income and expense figures, rent roll data, square footage, property condition, zoning, or any other matter.

Prospective purchasers are encouraged to perform their own independent investigation, analysis, and verification of all information, including — without limitation — physical condition, title, permits, zoning, environmental matters, operating history, rent regulation status, and applicable laws and regulations. Broker and Seller expressly disclaim any and all liability for representations or warranties, express or implied, contained in or omitted from this Offering Memorandum.

By accepting this Offering Memorandum, the recipient agrees: (i) to hold and treat it in the strictest confidence; (ii) not to disclose this Memorandum or any of its contents to any other entity without the prior written authorization of Broker or Seller; (iii) not to use this Memorandum or any of its contents in any manner detrimental to the interest of Broker or Seller; and (iv) to promptly return this Memorandum to Broker upon request.

The Seller reserves the right, at its sole discretion, to reject any or all offers to purchase the Property, to terminate discussions with any party at any time with or without notice, and to negotiate with any party regarding any matter without notice to any other party.

Verification Notice. Year built, building square footage, retail space configuration, and penthouse expansion entitlements are based on Seller-provided information and are subject to independent verification by the buyer. Architectural drawings for the planned penthouse unit are provided as-is and remain subject to City of San Carlos planning review.

CONTACT FOR TOURS & OFFERS

LISTING BROKERAGE	MKD Group · Compass	WEBSITE	mkdgrouprealty.net
SUBMIT OFFERS VIA	Written LOI to Listing Team		