OFFERING MEMORANDUM · MIXED-USE INVESTMENT

1260 Broadway

Sonoma, California

A fully leased ten-unit mixed-use asset on Sonoma's primary gateway corridor, offering diversified in-place income and long-term stability in one of Northern California's premier wine-country markets.

SOTHEBY'S
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The Opportunity

1260 Broadway is a ±8,810 SF mixed-use property positioned at the gateway to Sonoma, approximately one mile from Sonoma Plaza along State Route 12.

The asset is fully leased and configured across six commercial suites and four residential units, producing diversified income from a single parcel. Its frontage on Broadway places it within one of the valley's most heavily trafficked corridors, with daily counts of roughly 14,000 vehicles and consistent pedestrian activity generated by the surrounding hospitality, dining, and tourism district.

In place rents generate **$298,884** in gross scheduled income, producing a **5.51% cap rate** on the asking price of $4,195,000. A diversified tenant mix and an expansive ±27,000 SF lot with roughly 30 on-site parking spaces support both income stability and long-term value. The combination of immediate cash flow, low operational complexity, and an irreplaceable location makes 1260 Broadway well suited to a 1031 exchange or a long-term income investor.

$4.195M	5.51%	10	100%
OFFERING PRICE	CAP RATE	UNITS · 6 CRE / 4 RES	LEASED

Why 1260 Broadway

01 **Fully leased, diversified income.** Ten tenancies across commercial and residential uses reduce single-tenant risk and smooth cash flow.

02 **Contractual rent growth.** All six commercial leases escalate annually, with the anchor fixed at 4%, building NOI without re-leasing.

03 **Gateway location.** Broadway frontage at the entrance to downtown Sonoma, ~1 mile from Sonoma Plaza.

04 **High visibility.** Approximately 14,000 vehicles per day along State Route 12.

05 **Tourism-driven demand.** Surrounded by hotels, tasting rooms, dining, and retail in a year-round destination market.

06 **Scarce on-site parking.** ~30 surface spaces on a ±27,000 SF lot, an increasingly rare amenity in the district.

07 **Recent capital investment.** New roof and exterior paint (2020), refreshed interiors, and updated systems limit near-term capex.

08 **1031 exchange ready.** Stable, growing income suits exchange and long-hold buyers.

$476	$419.5K	14.0	$298,884	5.51%
PRICE / SF	PRICE / UNIT	GRM	GROSS INCOME	CAP RATE

Income & Returns

RENT ROLL — IN-PLACE SCHEDULED RENT

UNIT	TYPE	MONTHLY	ANNUAL
1260	Commercial	$1,849	$22,188
1260B	Commercial	$1,600	$19,200
1262	Commercial	$1,473	$17,676
1264–1266	Commercial (combined suite)	$8,540	$102,480
1270	Commercial	$3,150	$37,800
Commercial subtotal		**$16,612**	**$199,344**
1272	Residential · 1 BD / 1 BA	$2,250	$27,000
1274	Residential · 1 BD / 1 BA	$1,995	$23,940
1276	Residential · 1 BD / 1 BA	$2,150	$25,800
1278	Residential · 1 BD / 1 BA	$1,900	$22,800
Residential subtotal		**$8,295**	**$99,540**
Gross Scheduled Income		**$24,907**	**$298,884**

OPERATING STATEMENT

ITEM	ANNUAL
Gross Scheduled Income	$298,884
Property Taxes (est. at new basis)	($52,438)
Insurance	($7,416)
Water *	($1,757)
Common-Area Electric	($960)
Garbage	($4,351)
Fire / Sprinkler Monitoring	($1,020)
Net Operating Income	**$230,943**
Potential Management Fee (6%)	($17,933)
NOI net of Management	**$213,010**

KEY METRICS

CAP RATE	5.51%
CAP RATE, NET MGMT	5.08%
GRM	14.0
PRICE / SF	$476
PRICE / UNIT	$419.5K

* Water reflects ownership's net cost; tenant 1264–1266 reimburses 50% of the water bill. Operating expenses are seller-provided estimates; buyer to verify.

Current Tenancy

All ten units are occupied, producing $24,907 in monthly scheduled rent. The roll below reflects in-place tenants, deposits held, and lease terms as of the offering date.

UNIT	TENANT	TYPE	MONTHLY	DEPOSIT	COMMENCES	EXPIRES
1260	Mathes	Commercial	$1,849	$3,590	02/01/2025	02/01/2027
1260B	Bryant	Commercial	$1,600	$2,250	08/01/2024	08/01/2027
1262	Hirs by Sola, Inc.	Commercial	$1,473	$1,943	05/01/2023	04/30/2029
1264–1266	Perez & Rubio	Commercial	$8,540	1 mo.	07/01/2021	06/30/2031 †
1270	Lucia Blu Ventures, LLC	Commercial	$3,150	$4,500	02/23/2025	02/23/2030
Commercial subtotal			**$16,612**			
1272	Solomon	Residential	$2,250	$3,413	03/15/2023	12/01/2026
1274	Whitaire	Residential	$1,995	$1,995	05/11/2026	05/10/2027
1276	Davis	Residential	$2,150	$2,150	10/12/2025	10/11/2026
1278	Dusak	Residential	$1,900	$2,813	10/24/2023	03/31/2024 *
Residential subtotal			**$8,295**			
Total Scheduled Rent			**$24,907**			**$298,884 / yr**

*** Holdover.** Leases with expiration dates that have already passed are presumed to be continuing on a month-to-month basis. Copies of any renewals or amendments should be confirmed during buyer due diligence.

† Anchor tenant. The 1264–1266 lease, representing approximately 34% of gross scheduled income, was recently extended for a five-year term through 06/30/2031 with contractual 4% annual rent increases, providing long-term income stability and built-in growth.

Escalations. The remaining commercial suites also carry annual increases: 1270 up to 4%, and 1260, 1260B, and 1262 by cost-of-living (CPI). All six commercial leases escalate annually.

Security deposit for 1264–1266 is stated as one month's rent. Deposits held transfer to buyer at closing subject to verification.

The Asset

Address	1260 Broadway, Sonoma
Building Size	±8,810 SF
Units	6 Commercial / 4 Residential
Year Built	1990
Frontage	Broadway / State Route 12
Property Type	Mixed-Use (Comm. / Res.)
Lot Size	±27,000 SF
Parking	~30 on-site surface spaces
Zoning	Mixed Use
Traffic Count	~14,000 vehicles / day

RECENT IMPROVEMENTS & CAPITAL ITEMS

- ✓ Roof replaced in 2020
- ✓ Entire building exterior repainted in 2020
- ✓ Apartment interiors refreshed with vinyl plank flooring, new paint, and mostly new appliances
- ✓ New air conditioning at suite 1270; recent (~4-year-old) system serving 1264
- ✓ Energy-efficient lighting throughout the property
- ✓ New landscaping and trees around the building
- ✓ On-site storage shed (~4 years old)
- ✓ Parking lot resealed annually

Tenants are responsible for their own in-unit utilities; ownership covers common-area electric, water, refuse, and fire monitoring as reflected in the operating statement. Ongoing capital reinvestment has kept the asset well maintained and limits near-term deferred maintenance.

Commercial Suites & Residences

Commercial suites are built out for active retail, service, and hospitality tenancies, with bright, updated interiors fronting the Broadway corridor. The four residential units are configured as one-bedroom, one-bathroom homes, providing a steady second income stream that is largely insulated from seasonal commercial swings.

Gateway to Sonoma

Sonoma Valley is a 17-mile stretch of wine country roughly 45 miles north of San Francisco, anchored by the historic Sonoma Plaza and home to more than 100 wineries. The area draws year-round visitation through its wineries, acclaimed restaurants, boutique retail, and outdoor recreation, supporting durable demand for both commercial space and housing. 1260 Broadway sits on the principal corridor feeding this district, capturing visitor and resident traffic alike.

NEARBY DEMAND DRIVERS

Sonoma Plaza	~1 mile
The Lodge at Sonoma (Marriott)	Adjacent
Wine tasting rooms	Walkable
Restaurants & boutique retail	Walkable
TrainTown / attractions	Adjacent
Hotels & lodging	Corridor

Position & Frontage

Frontage along Broadway provides direct exposure to one of the valley’s busiest arterials, with the property occupying a corner position and surface parking on multiple sides. The surrounding fabric of hospitality, residential, and recreation uses reinforces the long-term stability of the location.

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