



OFFERING MEMORANDUM

278 STATES



278 States St, San Francisco, CA 94114

Marcus & Millichap

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OFFERING SUMMARY

278 STATES ST



Listing Price
\$4,300,000



Cap Rate
5.30%



of Units
8

FINANCIAL

Listing Price	\$4,300,000
Down Payment	42% / \$1,800,000
NOI	\$228,009
Cap Rate	5.30%
Total Return	4.46%
Price/SF	\$591.63
Rent/SF (Monthly)	\$4.35
Rent/SF (Annually)	\$52.17
Price/Unit	\$537,500

OPERATIONAL

Gross SF	7,268 SF
# of Units	8
Lot Size	0.08 Acres (3,484 SF)
Occupancy	97%
Year Built	1960



278 STATES

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INVESTMENT OVERVIEW

278 States Street presents a rare opportunity to acquire a well-maintained, multi-structure asset situated at the crest of the highly coveted Corona Heights neighborhood. This unique property consists of two distinct buildings on a single lot, providing dual street access from both States Street and Roosevelt Way.

Building Composition & Features

Originally constructed in 1960, the property comprises nine total residential units (eight residential units plus one occupied, unwarranted studio). The primary unit mix consists of spacious two-bedroom, one-bathroom floor plans, designed to maximize natural light and capture the expansive city views characteristic of this elevated location.

Infrastructure: The buildings are set on a sturdy concrete foundation with a seismic retrofit completed in 2018.

Utilities: Electrical service is robust at 400 amps, and units are separately metered for gas and electricity, keeping operational expenses efficient.

Parking & Amenities: Ample parking is provided via a four-car garage on States Street and three tuck-under spaces on Roosevelt Way. Residents also enjoy a shared laundry facility and a large communal deck connecting the two structures.

Value-Add & Asset Details

The Roosevelt Way building houses two apartments, a large storage room, the laundry facility, and a rooftop studio. This studio features a private deck and stunning panoramic views, offering a new owner the potential to pursue legalization and further solidify the property's income stream. With well-maintained systems and a considerable gap between current and market rates, the asset offers substantial rental upside.

Prime Corona Heights Location

Corona Heights remains one of San Francisco's most desirable residential enclaves, offering a central location with seamless access to:

Shopping & Dining: Walking distance to the vibrant Castro and Haight Street districts.

Recreation: Proximity to Corona Heights Park, Buena Vista Park, and the Twin Peaks recreation areas.

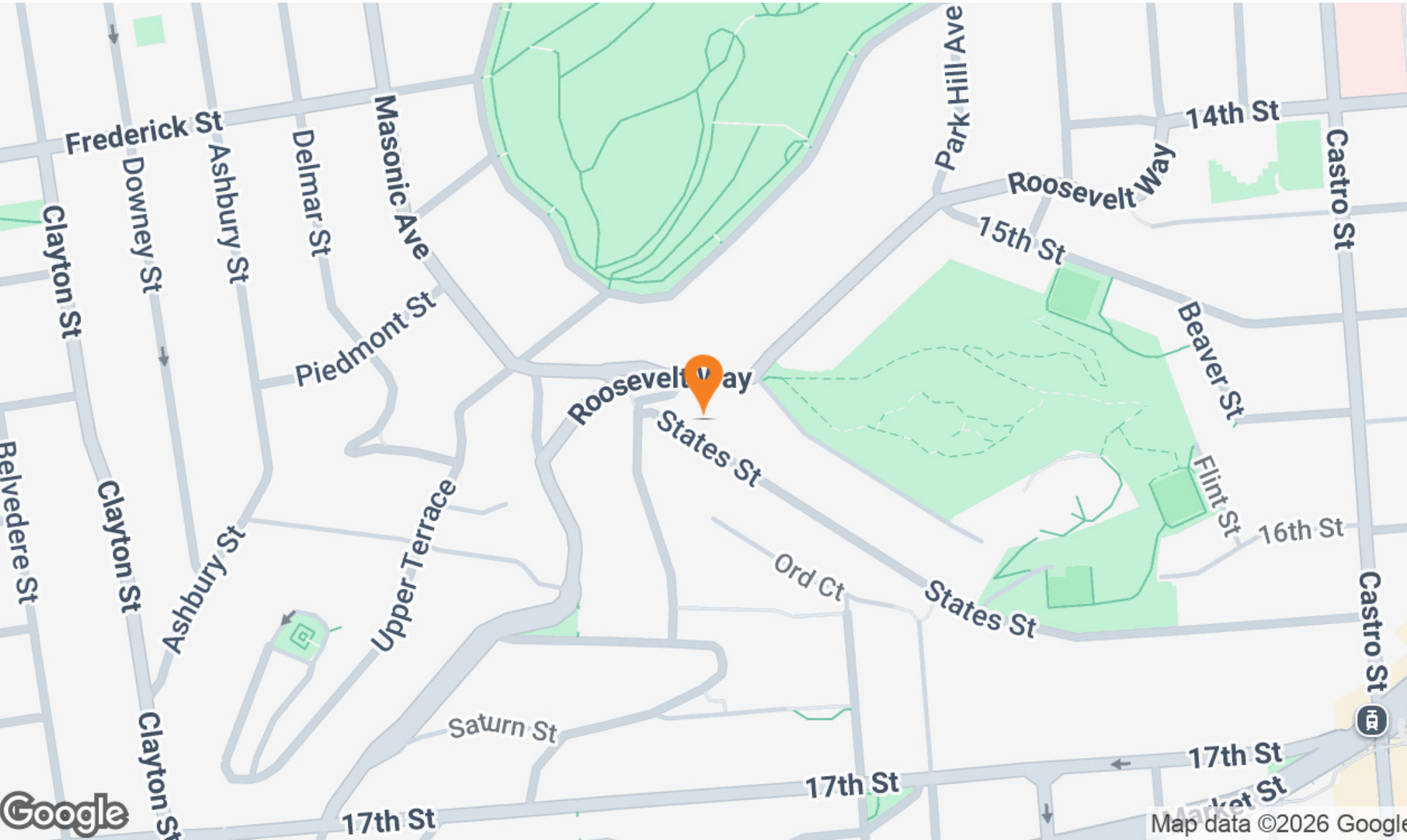
Major Employers: Ideally located just blocks from world-class medical institutions, including UCSF Parnassus and CPMC Davies Campus.

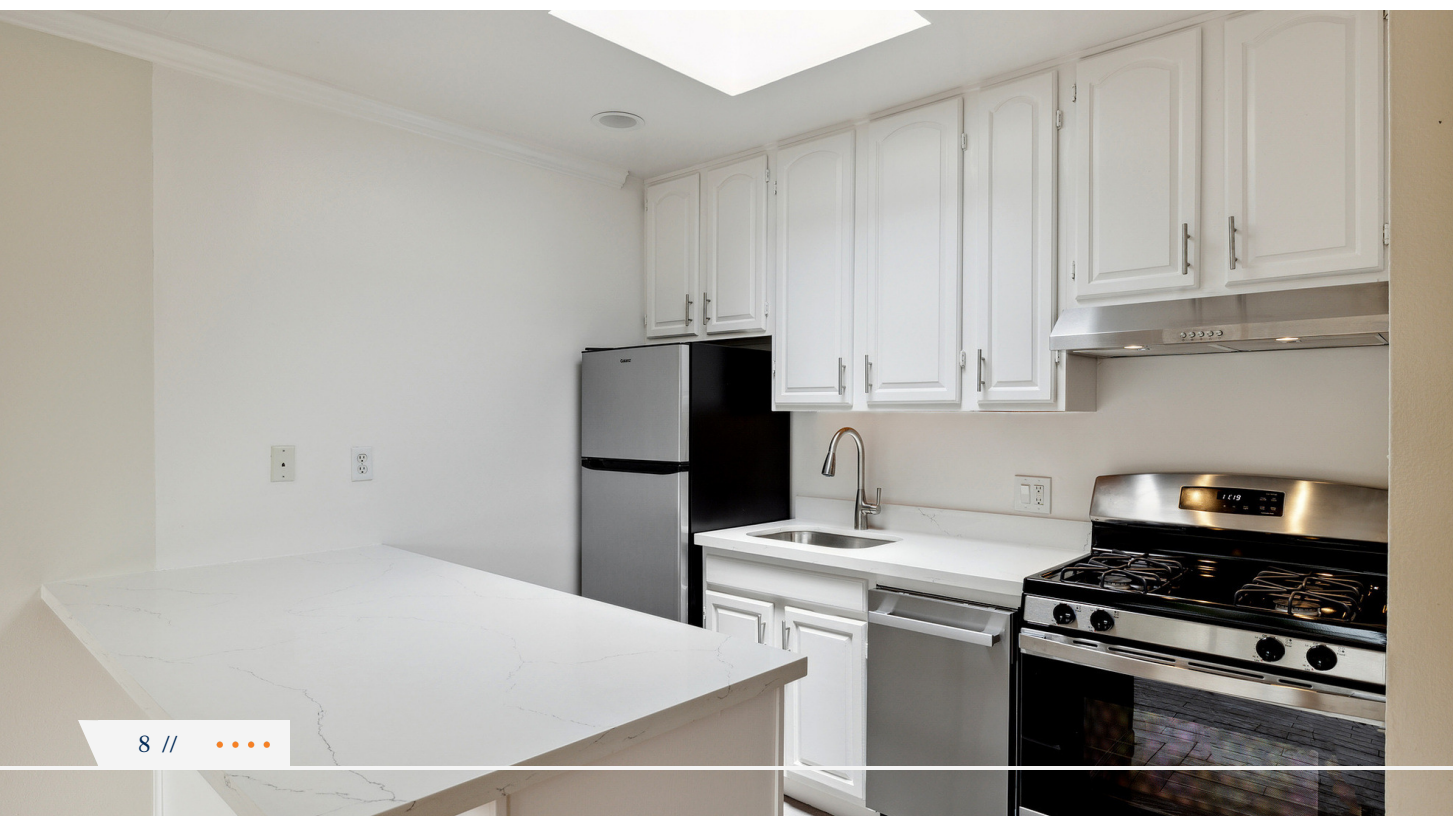
Transit: Easy access to downtown via public transportation and a quick connection to the Peninsula via nearby highway arterials.

This is an exceptional opportunity to own a turnkey, seismically updated asset with clear paths for continued appreciation and revenue growth in a supply-constrained market.

278 STATES

LOCAL MAP





278 STATES

RENT ROLL

UNIT	UNIT TYPE	Current Rent/Month	Capex Passthroughs expires 2027 & 2039	2nd Capex Passthrough expires 2046	Parking	Total Monthly Payment	Lease From	Security Deposit
1	2 Bed/1 Bath - States	\$2,392	\$178.78	\$40.99	\$0.00	\$2,612	11/01/2003	\$2,542
2	2 Bed/1 Bath - States	\$1,382	\$178.78	\$40.99	\$0.00	\$1,602	10/01/1991	\$875
3	2 Bed/1 Bath - States	\$3,443	\$0.00	\$0.00	\$0.00	\$3,443	05/10/2024	\$0
4	2 Bed/1 Bath - States	\$3,395	\$0.00	\$0.00	\$100.00	\$3,495	02/22/2025	\$3,395
5	2 Bed/1 Bath - States	\$3,795	\$0.00	\$0.00	\$300.00	\$4,095	05/26/2025	\$3,895
6	2 Bed/1 Bath - States	\$2,735	\$178.78	\$40.99	\$0.00	\$2,955	11/28/2011	\$2,000
7	2 Bed/1 Bath - Roosevelt	\$3,123	\$0.00	\$40.99	\$0.00	\$3,164	07/24/2021	\$4,350
8	2 Bed/1 Bath - Roosevelt	\$3,383	\$0.00	\$40.99	\$200.00	\$3,624	08/24/2014	\$5,100
9	Studio	\$2,733	\$0.00	\$0.00	\$0.00	\$2,733	08/12/2024	\$2,695
Total		\$26,380	\$536	\$205	\$600	\$27,722		\$24,852
Annual		\$316,563	\$6,436	\$2,459	\$7,200	\$332,658		

278 STATES

FINANCIAL DETAILS

INCOME	Current		Pro-Forma	NOTES	PER UNIT	PER SF
Rental Income						
Gross Potential Rent	379,200		379,200		47,400	52.17
Loss / Gain to Lease	(89,283)	23.5%	0		0	0.00
Gross Scheduled Rent	289,917		379,200		47,400	52.17
Physical Vacancy	(8,697)	3.0%	(11,376)	3.0%	(1,422)	(1.57)
TOTAL VACANCY	(\$8,697)	3.0%	(\$11,376)	3.0%	(\$1,422)	(\$2)
Effective Rental Income	281,219		367,824		45,978	50.61
Passthrough Income	8895.48		0	[7]		
unwarranted unit	32,796		32,796		4,100	4.51
Garage & Laundry Rent	8,200		8,200	[1]	1,025	1.13
TOTAL OTHER INCOME	\$49,891		\$40,996		\$5,125	\$5.64
EFFECTIVE GROSS INCOME	\$331,111		\$408,820		\$51,103	\$56.25
EXPENSES	Current		Pro-Forma	NOTES	PER UNIT	PER SF
Real Estate Taxes	50,611		50,611	[2]	6,326	6.96
Insurance	8,916		8,916	[3]	1,115	1.23
PG&E	5,680		5,680	[3]	710	0.78
Utilities - Water & Sewer	7,597		7,597	[3]	950	1.05
Trash Removal	3,142		3,142	[3]	393	0.43
Repairs & Maintenance	4,500		4,500	[5]	563	0.62
Landscaping	600		600	[4]	75	0.08
General & Administrative	2,500		2,500	[6]	313	0.34
Operating Reserves	3,000		3,000	[6]	375	0.41
Management Fee	16,556	5.0%	20,441	5.0%	2,555	2.81
TOTAL EXPENSES	\$103,101		\$106,987		\$13,373	\$14.72
EXPENSES AS % OF EGI	31.1%		26.2%			
NET OPERATING INCOME	\$228,009		\$301,833		\$37,729	\$41.53

Notes and assumptions to the above analysis are below

278 STATES

FINANCIAL DETAILS

NOTES TO OPERATING STATEMENT

- [1] Other income includes parking and laundry
- [2] Property taxes based on 1.182%
- [3] Per Owner's 2025 P&L Statement
- [4] Estimate
- [5] Industry Standard \$500 Per unit
- [6] Industry Standard Assumption
- [7] Units #1, #2 & #3 have passthrough income through 2027 and 2039

278 STATES

FINANCIAL DETAILS

SUMMARY		
Price	\$4,300,000	
Down Payment	\$1,720,000	40%
Number of Units	8	
Price Per Unit	\$537,500	
Price Per SqFt	\$591.63	
Gross SqFt	7,268	
Lot Size	0.08 Acres	
Approx. Year Built	1960	

RETURNS	Current	Pro-Forma
CAP Rate	5.30%	7.02%
GIM	12.65	10.23
Cash-on-Cash	2.58%	6.87%
Debt Coverage Ratio	1.24	1.64

FINANCING	1st Loan
Loan Amount	\$2,580,000
Loan Type	New
Interest Rate	5.90%
Amortization	30 Years
Year Due	2031

Loan information is subject to change. Contact your Marcus & Millichap Capital Corporation representative for more information.

# OF UNITS	UNIT TYPE	SQFT/UNIT	SCHEDULED RENTS	MARKET RENTS
8	2 Bedroom & 1 Bath	790	\$3,020	\$3,950

OPERATING DATA

INCOME		Current		Pro-Forma
Gross Scheduled Rent		\$289,917		\$379,200
Less: Vacancy/Deductions	3.0%	\$8,697	3.0%	\$11,376
Total Effective Rental Income		\$281,219		\$367,824
Other Income		\$49,891		\$40,996
Effective Gross Income		\$331,111		\$408,820
Less: Expenses	31.1%	\$103,101	26.2%	\$106,987
Net Operating Income		\$228,009		\$301,833
Cash Flow		\$228,009		\$301,833
Debt Service		\$183,635		\$183,635
Net Cash Flow After Debt Service	2.58%	\$44,374	6.87%	\$118,198
Principal Reduction		\$32,279		\$34,235
TOTAL RETURN	4.46%	\$76,653	8.86%	\$152,434

EXPENSES	Current	Pro-Forma
Real Estate Taxes	\$50,611	\$50,611
Insurance	\$8,916	\$8,916
PG&E	\$5,680	\$5,680
Utilities - Water & Sewer	\$7,597	\$7,597
Trash Removal	\$3,142	\$3,142
Repairs & Maintenance	\$4,500	\$4,500
Landscaping	\$600	\$600
General & Administrative	\$2,500	\$2,500
Operating Reserves	\$3,000	\$3,000
Management Fee	\$16,556	\$20,441
TOTAL EXPENSES	\$103,101	\$106,987
Expenses/Unit	\$12,888	\$13,373
Expenses/SF	\$14.19	\$14.72

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