3548 PIERCE STREET
SAN FRANCISCO, CA 94123

OFFERING MEMORANDUM

Marcus & Millichap

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Marcus & Millichap

3548
PIERCE STREET

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01 EXECUTIVE SUMMARY

OFFERING SUMMARY

Welcome to 3548 Pierce Street, an impeccably maintained and newly renovated multifamily building nestled in the heart of San Francisco. This property boasts six units, including two spacious 1-bedroom, 1-bathroom units and four luxurious 2-bedroom, 2-bathroom units, all freshly upgraded to condo-quality standards. In addition to the 6 units, the garage spaces have been cleared out and there is potential for an ADU.

Each 2-bedroom unit offers a modern and stylish living space with premium finishes, perfect for discerning tenants. This property presents a unique opportunity for investors or those seeking multigenerational living in an unbeatable location.

Recent updates include a brand-new heating system, a state-of-the-art intercom system, and a completely renovated lobby that offers a warm welcome to residents and guests. Additionally, new water heaters have been installed, ensuring comfort and convenience throughout the building.

Situated in a walker's paradise with a phenomenal 97 Walk Score, this property is mere steps from vibrant shopping, dining, and entertainment options. 3548 Pierce Street is a rare gem that combines pristine condition, contemporary upgrades, and an outstanding location – a perfect addition to any portfolio or a wonderful place to call home.

PROPERTY HIGHLIGHTS

SIX (6) UNITS WITH LARGE FUNCTIONAL FLOOR PLANS
TWO (2) ONE-BEDROOM ONE-BATH
FOUR(4) TWO-BEDROOM TWO-BATH

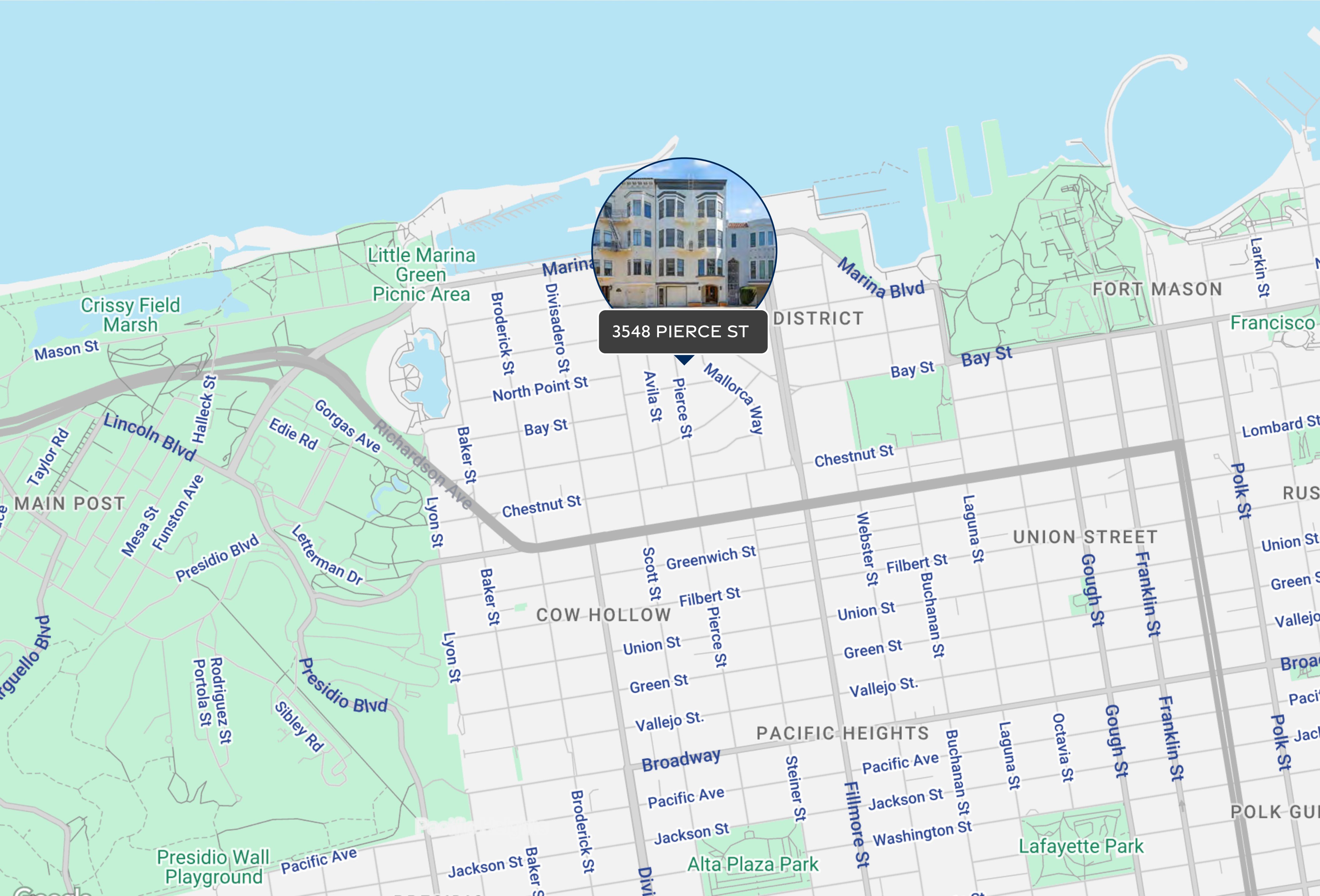
TWO-BEDROOM UNITS HAVE BEEN RENOVATED WITH PREMIUM FINISHES AND IN-UNIT WASHER/DRYERS

SIGNIFICANT CAPITAL IMPROVEMENTS INCLUDING A RENOVATED LOBBY, NEW HEATING SYSTEM, STATE OF THE ART INTERCOM SYSTEM AND NEW TANKLESS WATER HEATERS AND UPGRADED ELECTRICAL

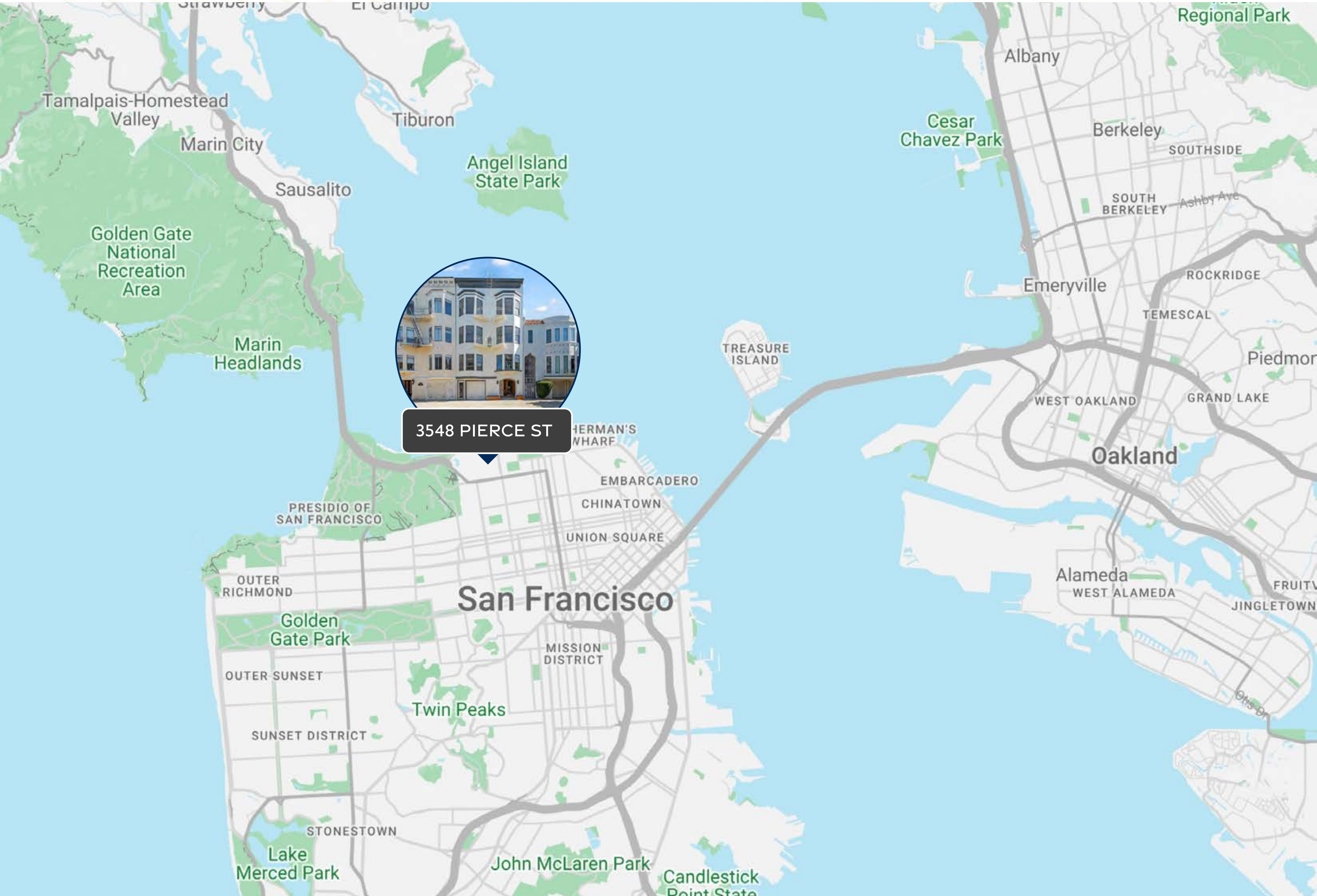
GARAGE AREA HAS BEEN CLEARED OUT AND HAS ADU POTENTIAL

97 WALK SCORE

LOCAL MAP


3548 PIERCE ST
Little Marina Green Picnic Area
Crissy Field Marsh
Mason St
Marina Blvd
DISTRICT
FORT MASON
Francisco
Larkin St
Broderick St
Divisadero St
North Point St
Bay St
Avila St
Pierce St
Mallorca Way
Chestnut St
Lombard St
Polk St
Baker St
Lyon St
Richardson Ave
Gorgas Ave
Edie Rd
Lincoln Blvd
Halleck St
Taylor Rd
MAIN POST
Mesa St
Funston Ave
Presidio Blvd
Letterman Dr
Scott St
Greenwich St
Webster St
Filbert St
Laguna St
UNION STREET
Gough St
Franklin St
Union St
Green St
Vallejo St.
Buchanan St
COW HOLLOW
Arguello Blvd
Portola St
Rodriguez St
Sibley Rd
PACIFIC HEIGHTS
Broadway
Pacific Ave
Jackson St
Washington St
Steiner St
Fillmore St
Octavia St
POLK GU
Lafayette Park
Alta Plaza Park
Presidio Wall Playground

REGIONAL MAP



RETAILER MAP

SUBJECT PROPERTY

RESTAURANTS

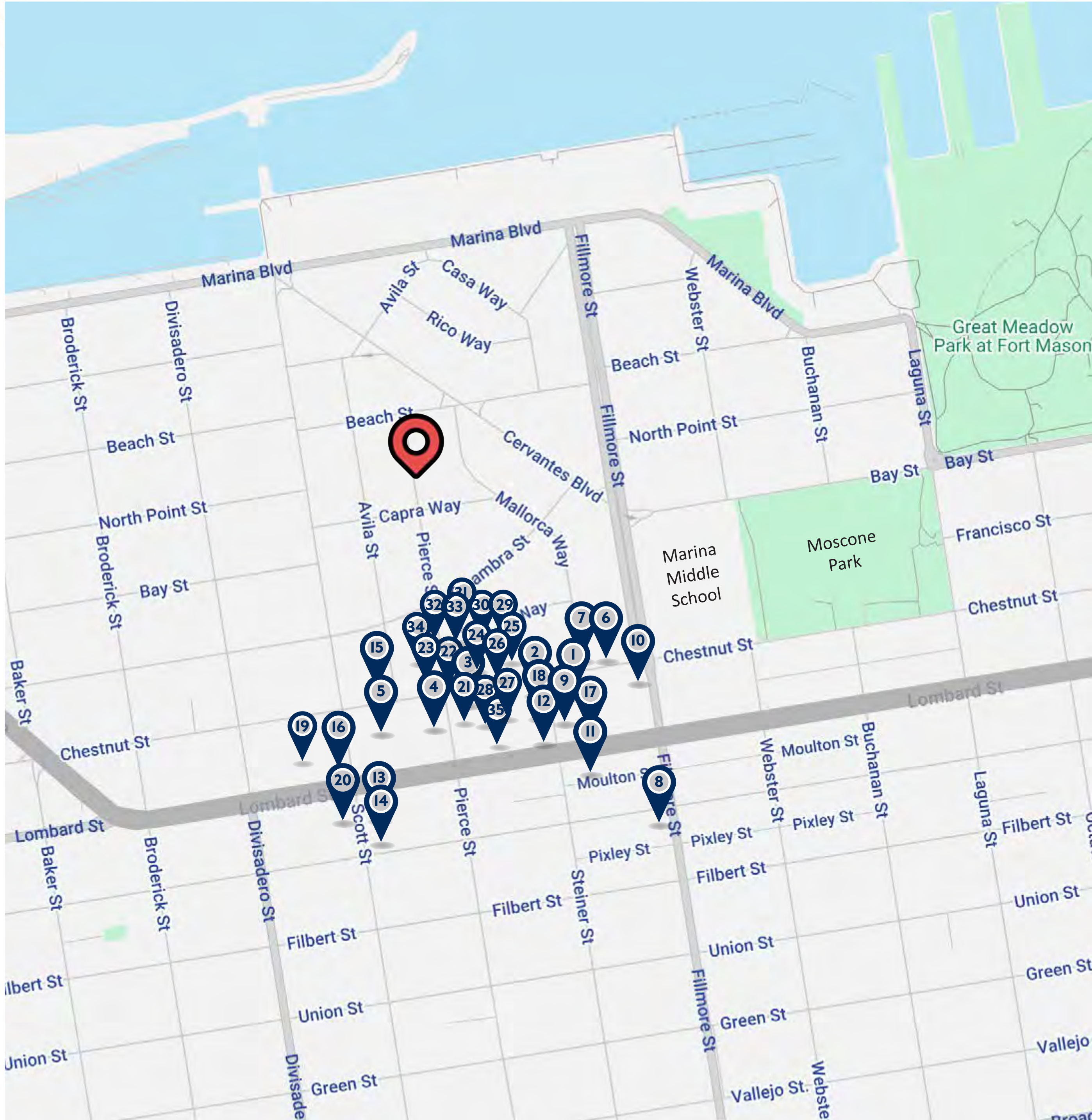
1. NOAH'S NY BAGELS
2. ACE WASABI
3. DELAROSA
4. SUPER DUPER BURGERS
5. THE TIPSY PIG
6. HORSESHOE TAVERN
7. SWEETGREENS
8. BALBOA CAFE
9. ISA RESTAURANT
10. NIPPON CURRY SAN FRANCISCO
11. MEL'S DRIVE-IN
12. AMICI'S EAST COAST PIZZERIA
13. ROMA ANTICA
14. THE PATIO
15. SOUVLA
16. RISTOBAR
17. HOME PLATE
18. MONTESACRO
19. CAUSWELLS
20. MAMANOKO
21. STARBUCKS RESERVE
22. BLACKWOOD
23. TACOLICIOUS
24. STARBUCKS
25. PEET'S COFFEE

RETAILERS

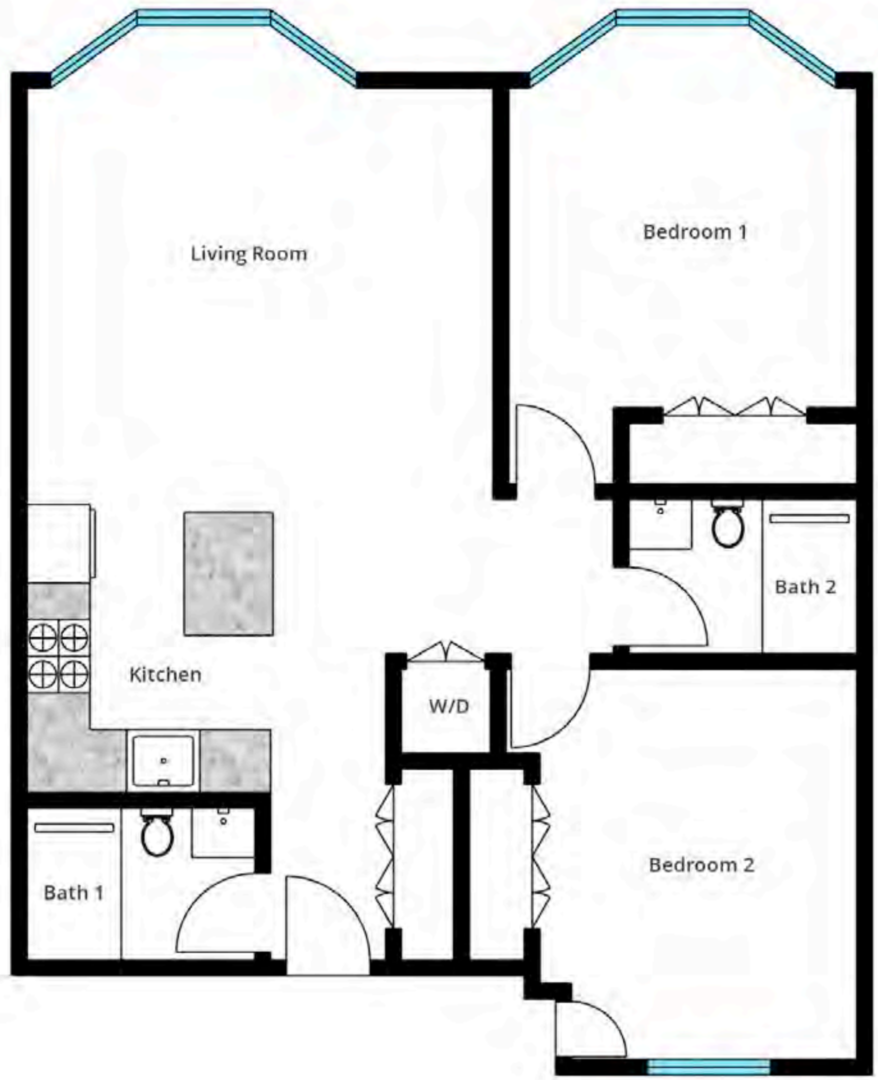
26. APPLE CHESTNUT STORE
27. WALGREENS
28. GAP
29. VANS
30. MADEWELL

BANKS

31. WELLS FARGO
32. CITI BANK
33. CHASE BANK
34. BANK OF AMERICA
35. WESTERN UNION



FLOOR PLAN










FIRE


DoorBird
1. Press arrow to select
2. Press bell to ring
Name directory
Access code
ABC 2
DEF 3
MNO
PQRS
TUV
WXYZ


NAVIEN

02 FINANCIAL ANALYSIS

RENT ROLL

UNIT	UNIT TYPE	SQUARE FEET	SCHEDULED RENT/MONTH	SCHEDULED RENT/SF/MONTH	POTENTIAL RENT/MONTH	POTENTIAL RENT/SF/MONTH	MOVE-IN DATE
1	2BD/2BA	1,000	$5,400	$5.40	$5,700	$5.70	01/15/2025
2	2BD/2BA	1,000	$5,845	$5.85	$5,845	$5.85	12/01/2024
3	1BD/1BA	1,000	$2,492	$2.49	$3,500	$3.50	April 2008
4	2BD/2BA	1,000	$5,495	$5.50	$5,700	$5.70	12/01/2024
5	1BD/1BA	1,000	$1,702	$1.70	$3,500	$3.50	December 1989
6	2BD/2BA	1,000	$5,695	$5.70	$5,700	$5.70	12/14/2024
Total		**6,000**	**$26,629**	**$4.44**	**$29,945**	**$4.99**	**-**

OPERATING STATEMENT

INCOME	CURRENT		PRO FORMA		PER UNIT	PER SF	NOTES
Rental Income							[6]
Gross Potential Rent	359,340		359,340		59,890	59.89	
Loss / Gain to Lease	(39,792)	11.1%	0		0	0.00	
Gross Scheduled Rent	319,548		359,340		59,890	59.89	
Physical Vacancy	(9,586)	3.0%	(10,780)	3.0%	(1,797)	(1.80)	
TOTAL VACANCY	($9,586)	3.0%	($10,780)	3.0%	($1,797)	($2)	
EFFECTIVE GROSS INCOME	309,962		348,560		58,093	58.09	
Other Income							
Other Income	14,400		14,400		2,400	2.40	[7]
TOTAL OTHER INCOME	$14,400		$14,400		$2,400	$2.40	
EFFECTIVE GROSS INCOME	$324,362		$362,960		$60,493	$60.49	

EXPENSES	CURRENT		PRO FORMA		PER SF	PER SF	NOTES
Real Estate Taxes	56,053		56,053		9,342	9.34	[1]
Insurance	10,000		10,000		1,667	1.67	[3]
Utilities - PG&E	5,500		5,500		917	0.92	[4]
Utilities - Water & Sewer	10,000		10,000		1,667	1.67	[4]
Trash Removal	5,500		5,500		917	0.92	[5]
Repairs & Maintenance	3,000		3,000		500	0.50	[2]
Janitorial Service	2,400		2,400		400	0.40	
Building Compliance	1,034		1,034		172	0.17	
Management Fee	9,731	3.0%	10,889	3.0%	1,815	1.81	
TOTAL EXPENSES	$103,218		$104,376		$17,396	$17.40	
EXPENSES AS % OF EGI	31.8%		28.8%				
NET OPERATING INCOME	$221,144		$258,584		$43,097	$43.10	

NOTES

[1] Property Taxes based on Sales Price x Tax Rate(1.17143563%) + Special Assessments ($1,387.62)
[2] Repairs and Maintenance estimated at $500/unit
[3] Insurance is based off of current owners P&L
[4] Utilities are estimated based off market comps
[5] Trash Removal is estimated based off market comps
[6] Unit 2 Rent includes a garage parking spot
[7] "Other Income" includes estimated RUBS for 4 units ($300/unit/month)

PRICING DETAILS

SUMMARY	
Price	$4,785,000
Down Payment	(100%) $4,785,000
Number of Units	6
Price Per Unit	$797,500
Price Per SqFt	$797.50
Gross SqFt	6,000
Lot Size	0.06 Acres
Approx. Year Built	1927/2022

RETURNS	CURRENT	PRO FORMA
CAP Rate	4.62%	5.40%
GRM	14.97	13.32
Cash-on-Cash	4.62%	5.40%

# OF UNITS	UNIT TYPE	SQFT/ UNIT	SCHEDULED RENTS	MARKET RENTS
2	1BD/1BA	1,000	$2,097	$3,500
4	2BD/2BA	1,000	$5,609	$5,736

INCOME		CURRENT		PRO FORMA
Gross Scheduled Rent		$319,548		$359,340
Less: Vacancy/Deductions	3.0%	$9,586	3.0%	$10,780
Total Effective Rental Income		$309,962		$348,560
Other Income		$14,400		$14,400
Effective Gross Income		$324,362		$362,960
Less: Expenses	31.8%	$103,218	28.8%	$104,376
Net Operating Income		$221,144		$258,584
Cash Flow		$221,144		$258,584
Debt Service		$0		$0
Net Cash Flow After Debt Service	4.62%	$221,144	5.40%	$258,584
Principal Reduction		$0		$0
TOTAL RETURN	4.62%	$221,144	5.40%	$258,584

EXPENSES	CURRENT	PRO FORMA
Real Estate Taxes	$56,053	$56,053
Insurance	$10,000	$10,000
Utilities - PGE	$5,500	$5,500
Utilities - Water & Sewer	$10,000	$10,000
Trash Removal	$5,500	$5,500
Repairs & Maintenance	$3,000	$3,000
Janitorial Service	$2,400	$2,400
Building Compliance	$1,034	$1,034
Management Fee	$9,731	$10,889
TOTAL EXPENSES	$103,218	$104,376
Expenses/Unit	$17,203	$17,396
Expenses/SF	$17.20	$17.40

03 MARKET OVERVIEW

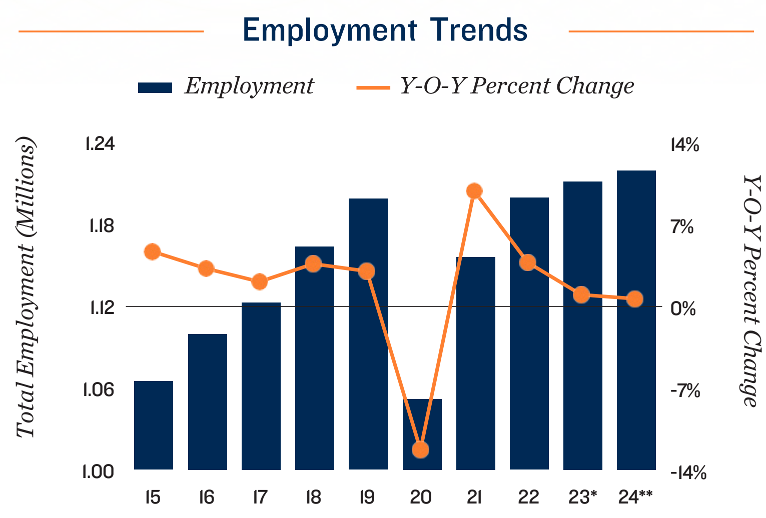
MARKET OVERVIEW

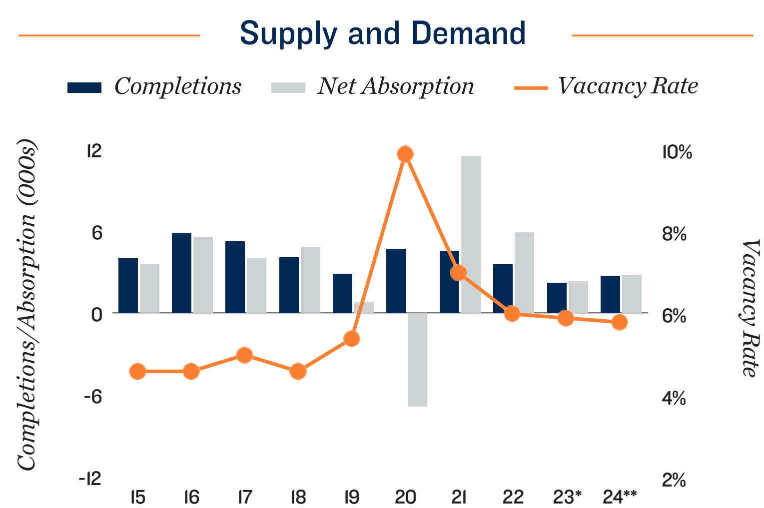
SAN FRANCISCO

MARKET DYNAMICS FAVOR MID-TIER ASSETS; LEGACY INVENTORY DRAWS LOCAL CAPITAL

Incoming supply injection poses little risk to Class B and C performance. The market's broader employment outlook marks a note of positivity, with overall hiring this year to bring the metrowide staffing count 1.7 percent ahead of its year-end 2019 level. Aiding matters, the health and education services sectors have grown roughly 10 percent since the onset of the pandemic, double the national pace. Employers in these categories are dispersed throughout the metro, supporting leasing for mid- and lower-tier units in a wide variety of neighborhoods. With over 90 percent of deliveries this year in San Francisco County located in the Downtown and SoMa submarkets, near-term supply-side pressure will be limited elsewhere. This bodes well for the Marina-Pacific Heights-Presidio area, where vacancy trailed the long-term average of 5.5 percent by 70 basis points in late 2023. Furthermore, in downtown-adjacent zones, a notable afforability gap between unit tiers in areas of rapid supply gains indicates that a largely luxury construction pipeline will have little impact on mid-tier performance. Late last year, the difference in effective monthly rents between Class A and B units in the SoMa district was $723.

Slowing development aids availability. Vintage assets in city's northern reaches attracting nearby investors. With the bulk of San Francisco County's near-term supply additions slated for Downtown and the SoMa district, investors may look to the Marina-Pacific Heights-Presidio submarket. This locale noted the lowest vacancy rate of any area within the city limits in late 2023, and nominal construction should keep operations tight in the near term. A predominantly local buyer pool is targeting early-20th century builds in the sub-$10 million price tranche, with cap rates up to the low-6 percent band noted in these neighborhoods. While deal flow remains well under pre-pandemic norms, the prospect of elevated returns and lower entry costs here, could bring more investorsto the table as this year progresses.





* Estimate; ** Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics; RealPage, Inc.

MARKET OVERVIEW

2024 MARKET FORECAST

+0.7%

EMPLOYMENT

Hiring eases with the addition of just 8,000 positions expected throughout 2024. While declines in white-collar sectors continue, they are tempering relative to last year.

2,700 UNITS

CONSTRUCTION

Completions rise on an annual basis, expanding metrowide inventory by 1.0 percent. Roughly two-thirds of this year's supply is slated for San Mateo County.

-10 BPS

VACANCY

Renters continue to filter back into the metro, bringing vacancy down to 5.8 percent by the end of the year. This level is just 40 basis points above the pre-pandemic measure.

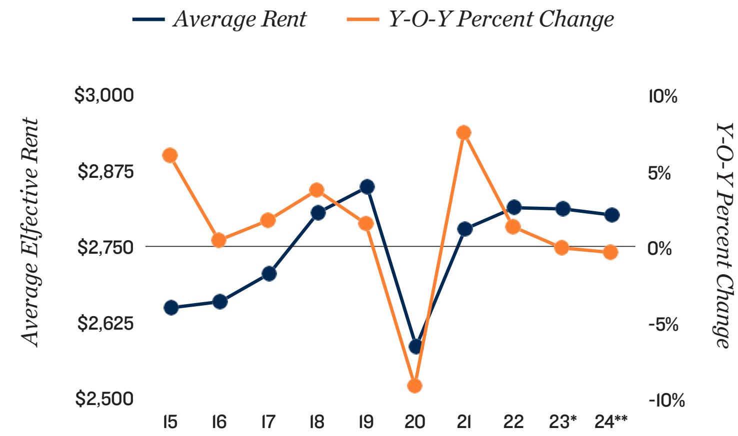
-0.4%

RENT

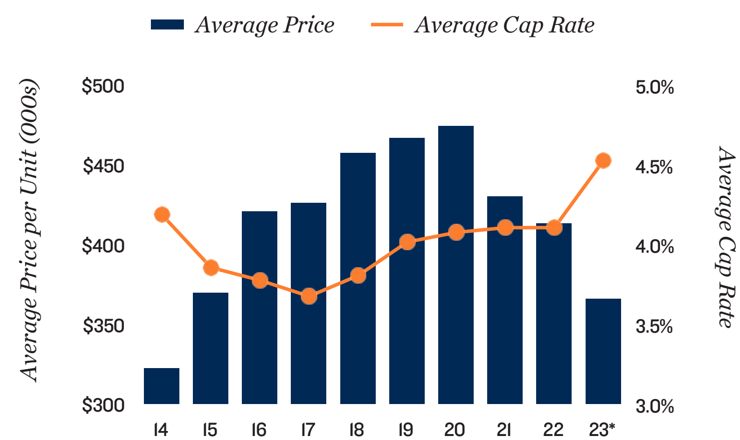
Supply gains in submarkets still recovering from the pandemic will keep concessions on the table for many Class A options, helping drive down the average effective rent to $2,800 per month.

INVESTMENT: *A city-sponsored initiative launched last year encouraging office-to-residential conversions could translate to opportunities for capital placement along prime office corridors in the coming years.*

Rent Trends



Sales Trends



** Estimate; ** Forecast*

Sources: CoStar Group, Inc.; Real Capital Analytics; RealPage, Inc.

DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
2028 Projection			
Total Population	39,699	391,306	677,979
2023 Estimate			
Total Population	38,830	380,381	660,467
2020 Census			
Total Population	40,615	385,725	669,575
2010 Census			
Total Population	36,925	342,352	605,809
Daytime Population			
2023 Estimate	37,776	682,154	950,338

HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2028 Projection			
Total Households	22,846	203,266	324,374
2023 Estimate			
Total Households	22,370	197,309	315,561
Average (Mean) Household Size	1.7	1.8	2.0
2020 Census			
Total Households	22,110	193,914	310,535
2010 Census			
Total Households	21,755	178,555	288,181
Growth 2023-2028	2.1%	3.0%	2.8%

HOUSING UNITS	1 Mile	3 Miles	5 Miles
Occupied Units			
2028 Projection	25,470	227,621	358,351
2023 Estimate	24,928	220,838	348,397
Owner Occupied	6,165	45,396	102,633
Renter Occupied	16,205	151,914	212,928
Vacant	2,558	23,529	32,836
Persons in Units			
2023 Estimate Total Occupied Units	22,370	197,309	315,561
1 Person Units	50.4%	48.4%	42.0%
2 Person Units	34.6%	32.7%	33.8%
3 Person Units	8.8%	10.0%	11.9%
4 Person Units	4.2%	5.9%	7.9%
5 Person Units	1.6%	1.8%	2.6%
6+ Person Units	0.4%	1.1%	1.8%

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
2023 Estimate			
$200,000 or More	43.1%	29.9%	32.7%
$150,000-$199,999	14.5%	10.9%	11.9%
$100,000-$149,999	16.7%	14.4%	15.1%
$75,000-$99,999	6.6%	7.2%	7.4%
$50,000-$74,999	6.8%	8.7%	8.6%
$35,000-$49,999	3.3%	5.7%	5.5%
$25,000-$34,999	2.1%	4.5%	4.0%
$15,000-$24,999	3.2%	6.4%	5.2%
Under $15,000	3.7%	12.4%	9.6%
Average Household Income	$236,881	$177,161	$189,626
Median Household Income	$176,226	$116,651	$130,972
Per Capita Income	$136,585	$92,747	$91,292

POPULATION PROFILE	1 Mile	3 Miles	5 Miles
Population By Age			
2023 Estimate Total Population	38,830	380,381	660,467
Under 20	12.1%	11.6%	13.6%
20 to 34 Years	30.2%	29.0%	26.4%
35 to 39 Years	13.1%	10.4%	10.0%
40 to 49 Years	14.8%	14.1%	14.3%
50 to 64 Years	13.4%	17.4%	18.3%
Age 65+	16.5%	17.5%	17.3%
Median Age	37.8	39.4	40.0
Population 25+ by Education Level			
2023 Estimate Population Age 25+	33,114	319,341	542,263
Elementary (0-8)	0.8%	6.1%	5.5%
Some High School (9-11)	1.0%	4.0%	3.6%
High School Graduate (12)	4.5%	9.8%	9.7%
Some College (13-15)	6.8%	11.3%	11.5%
Associate Degree Only	2.3%	4.0%	4.4%
Bachelor's Degree Only	49.0%	38.3%	37.6%
Graduate Degree	35.4%	26.5%	27.6%
Population by Gender			
2023 Estimate Total Population	38,830	380,381	660,467
Male Population	46.2%	52.1%	51.7%
Female Population	53.8%	47.9%	48.3%

DEMOGRAPHICS

POPULATION

In 2023, the population in your selected geography is 660,467. The population has changed by 9.02 since 2010. It is estimated that the population in your area will be 677,979 five years from now, which represents a change of 2.7 percent from the current year. The current population is 51.7 percent male and 48.3 percent female. The median age of the population in your area is 40.0, compared with the U.S. average, which is 38.7. The population density in your area is 8,401 people per square mile.

HOUSEHOLDS

There are currently 315,561 households in your selected geography. The number of households has changed by 9.50 since 2010. It is estimated that the number of households in your area will be 324,374 five years from now, which represents a change of 2.8 percent from the current year. The average household size in your area is 2.0 people.

INCOME

In 2023, the median household income for your selected geography is $130,972, compared with the U.S. average, which is currently $68,480.The median household income for your area has changed by 80.65 since 2010. It is estimated that the median household income in your area will be $160,179 five years from now, which represents a change of 22.3 percent from the current year.

The current year per capita income in your area is $91,292, compared with the U.S. average, which is $39,249. The current year's average household income in your area is $189,626, compared with the U.S. average, which is $100,106.

EMPLOYMENT

In 2023, 432,769 people in your selected area were employed. The 2010 Census revealed that 77.6 of employees are in whitecollar occupations in this geography, and 6.9 are in blue-collar occupations. In 2023, unemployment in this area was 3.0 percent. In 2010, the average time traveled to work was 31.00 minutes.

HOUSING

The median housing value in your area was $1,000,000 in 2023, compared with the U.S. median of $268,796. In 2010, there were 90,045.00 owner-occupied housing units and 198,135.00 renter occupied housing units in your area.

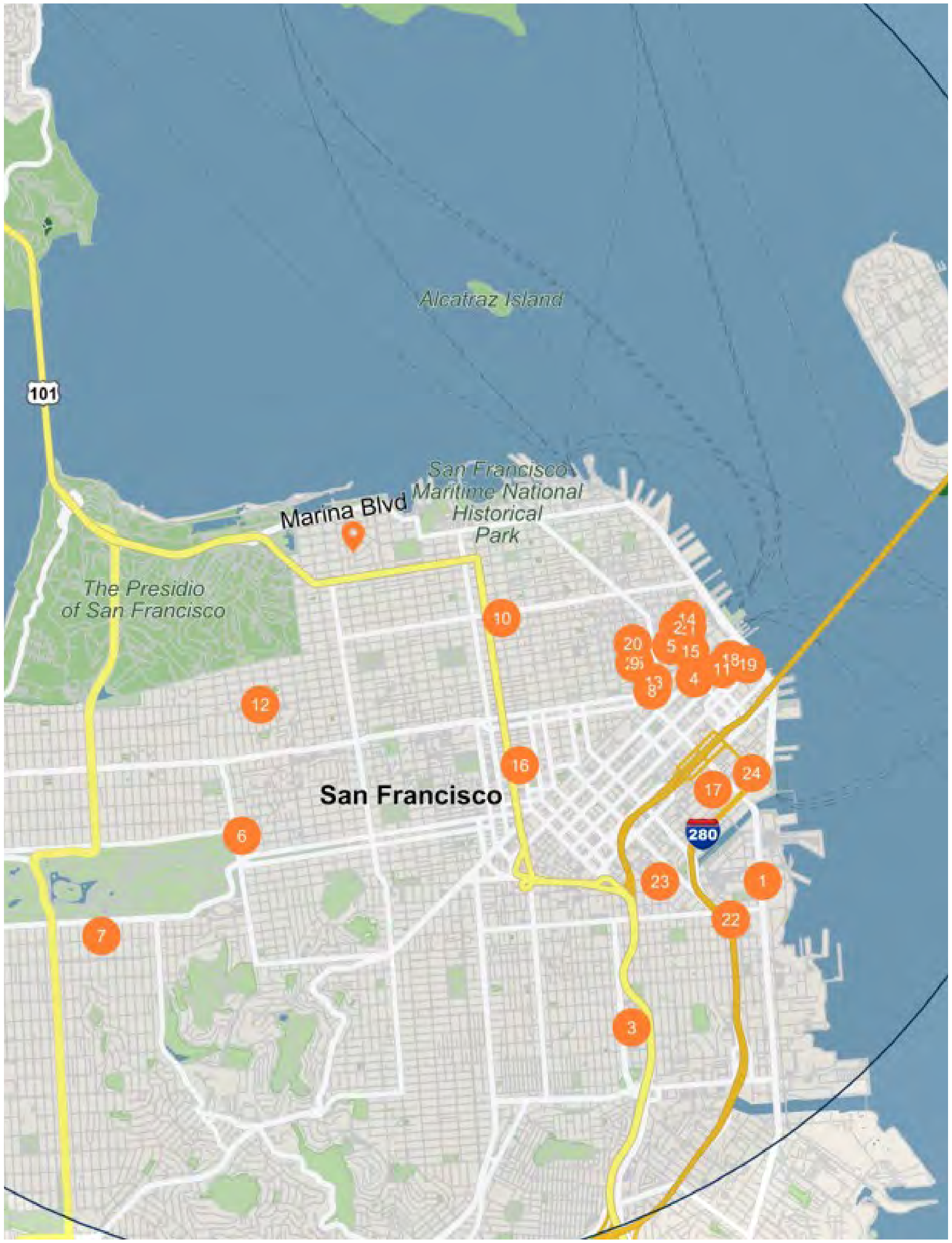
EDUCATION

The selected area in 2023 had a higher level of educational attainment when compared with the U.S averages. 27.6 percent of the selected area's residents had earned a graduate degree compared with the national average of only 12.7 percent, and 37.6 percent completed a bachelor's degree, compared with the national average of 20.2 percent.

The number of area residents with an associate degree was lower than the nation's at 4.4 percent vs. 8.5 percent, respectively.

The area had fewer high-school graduates, 9.7 percent vs. 26.9 percent for the nation. The percentage of residents who completed some college is also lower than the average for the nation, at 11.5 percent in the selected area compared with the 20.1 percent in the U.S.

DEMOGRAPHICS



	MAJOR EMPLOYERS	EMPLOYEES
1	Uber Technologies Inc-Uber	9,000
2	Ggc Administration LLC-Golden Gate Capital	8,590
3	City & County San Francisco-San Francisco General Hospital	8,000
4	Okta Inc-Okta	5,137
5	Tarrant Capital Ip LLC-Tpg Growth	5,040
6	St Marys Medical Center Inc-Surgery Department	5,032
7	Safeway Inc-Safeway	5,021
8	General Wreless Operations Inc-Radioshack	5,003
9	Pacific Bell Telephone Company-AT&T California	4,444
10	Pacific Bell Telephone Company	4,444
11	Facebook Park Tower	4,000
12	1life Healthcare Inc-1 Life Healthcare	3,522
13	Stitch Fix Inc-Stitch Fix	3,281
14	Associated Materials Inc	3,000
15	ISO Services Inc	2,869
16	City & County San Francisco-San Frncsco Pub Utilities Comm	2,700
17	Sutter Bay Hospitals-SUTTER C H S	2,578
18	New Relic Inc	2,527
19	Gap Inc-Gap	2,500
20	Affirm Holdings Inc-Affirm	2,319
21	Millennium Management LLC	2,274
22	Dropbox Inc-Dropbox	2,219
23	Samsara Inc	2,183
24	Cloudflare Inc-Cloudflare	2,082
25	Pacific Bell Telephone Company-Pacbell	2,000

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