



SoMa Studios

38 Harriet Street | San Francisco, CA

Private Capital Group

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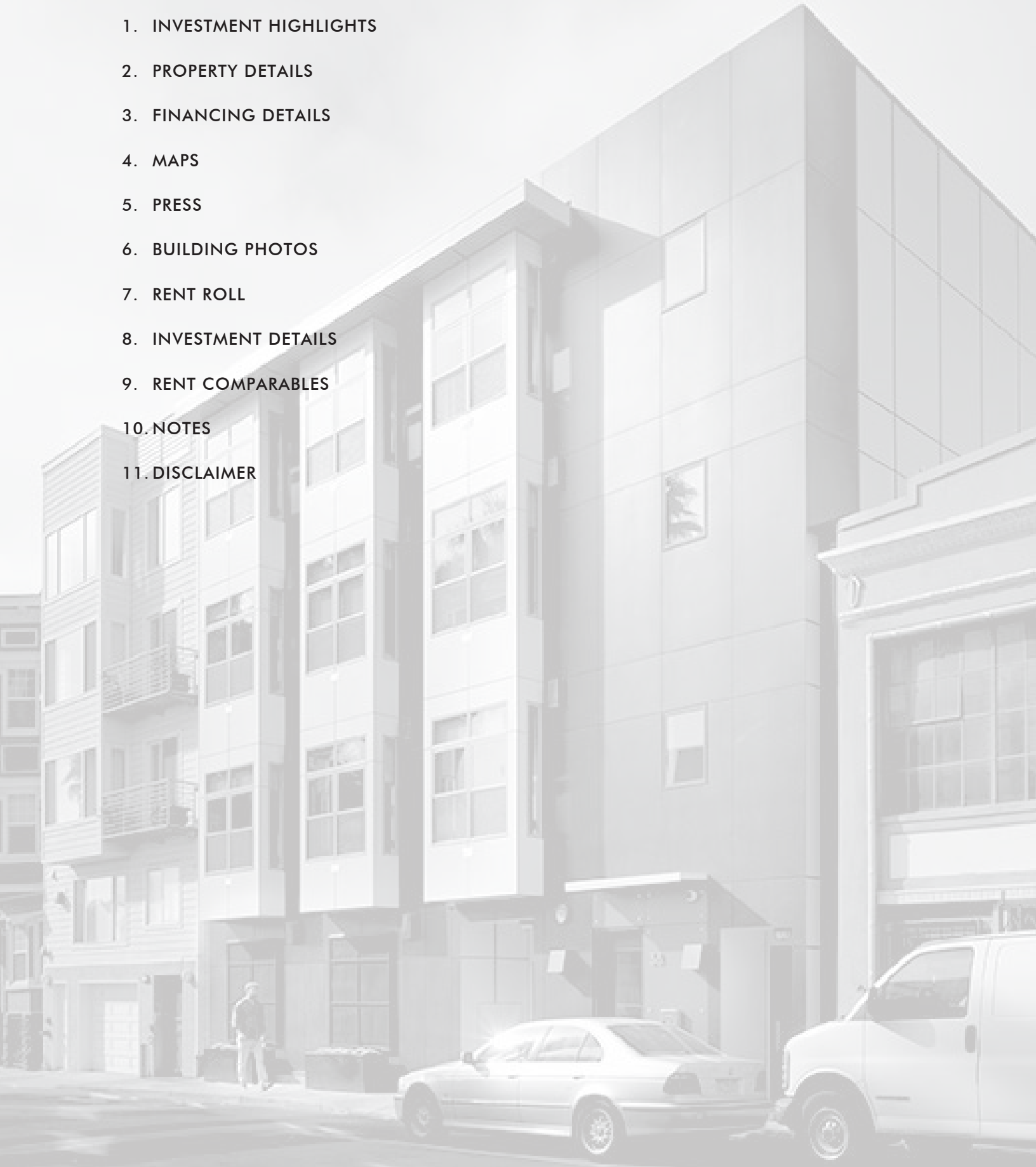
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CBRE

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1. INVESTMENT HIGHLIGHTS

The SoMa Studios are the first new micro-apartments in the booming SoMa neighborhood, home to Twitter, Square, and hundreds of other tech companies, cafes, restaurants and clubs. The building represents the culmination of four years of research in hyper efficient and super green development. It reflects fastidious attention to detail and the highest quality construction. Select building features:

- Fully leased
- State-of-the-art seismic and fire safety
- In-house 100 mbs internet connection
- Extra-heavy solid core doors
- Enhanced, engineered soundproofing
- Built-in window seats and tables
- Wood and porcelain tile floors
- Elfa shelving and storage systems
- GE Profile Dishwashers
- LG all-in-one Washer/Dryer in each unit
- Every unit furnished with beds, chairs and flat screen TVs
- Extra tall 9 foot ceilings
- Abundant natural light
- Ventilating rain screen façade
- Energy reflective membrane roof
- Solar hot water system
- Drought tolerant landscaped courtyard with secure bike storage
- LEED Platinum (pending certification)

Price: \$7,395,000

Units: 23

Price/Unit: \$321,522

Price/SqFt: \$628

Actual Cap Rate: 4.84%

Pro Forma Cap Rate: 4.84%

**Actual GIM (Gross
Income Multiplier):** 16.8

Pro Forma GIM: 13.6



2. PROPERTY DETAILS

Address: 38 Harriet St, San Francisco

Year Built: 2013

Building Square Footage: 11,775

Lot Square Footage: 3,749

Water Meter: Sub-metered

Electric Meters: Separate

Gas Meters: One Meter (Hot Water)

Heating: Radiant Wall Heaters

Foundation: Concrete Slab

Exterior: Parklex & Hardie Panels

Flooring: Plyboo HW/Porcelain Tile

Roof: Cool-roof Membrane

APN: 3731-243

Unit Mix: 23-Studios



3. FINANCING DETAILS

Down Payment: \$2,395,000

Loan Amount
(65% LTV): \$5,000,000

Interest Rate: 3.75%

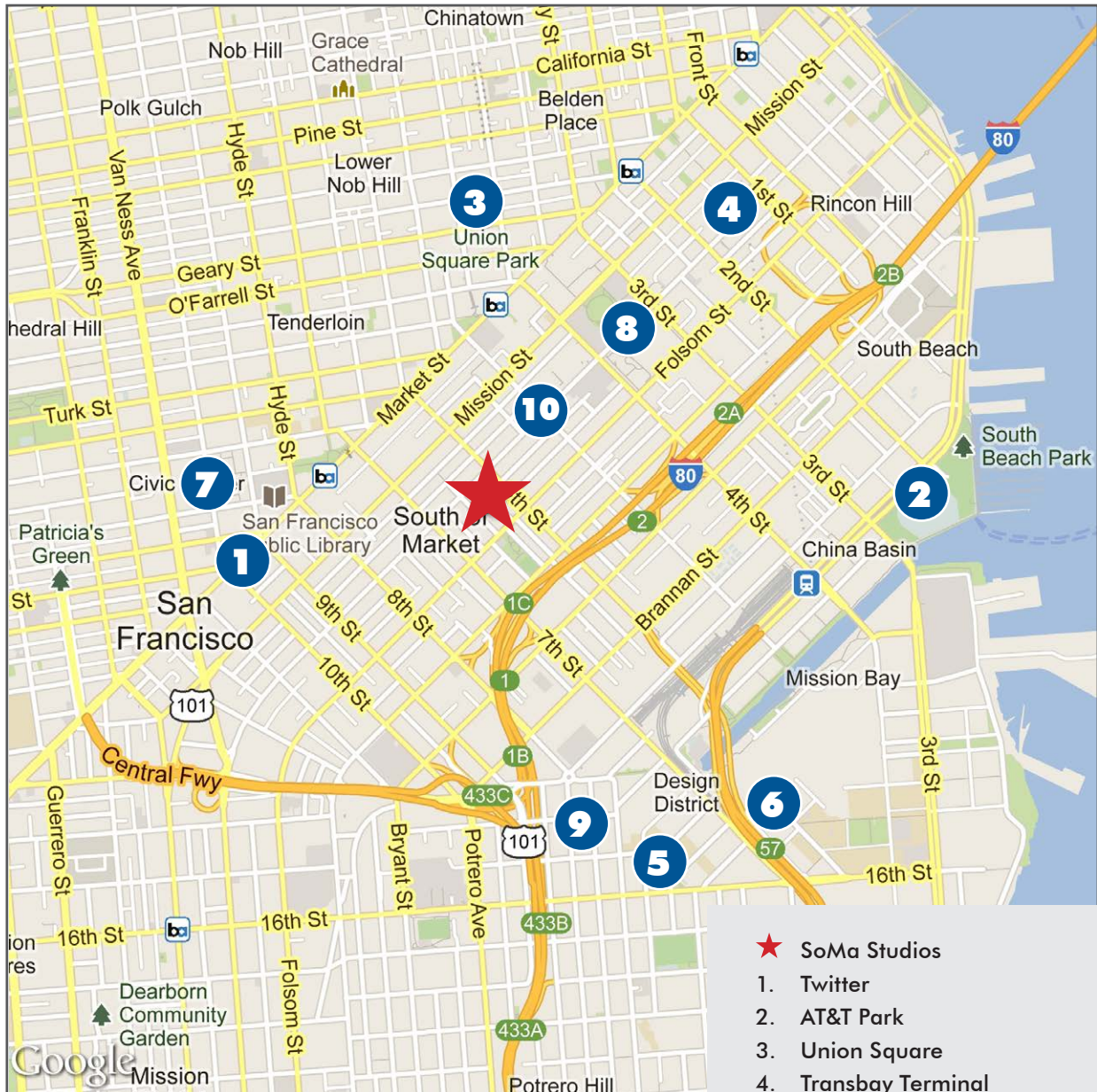
Fixed Rate Term: 5 Years

Loan Details: Provided by CBRE
Capital Markets Team

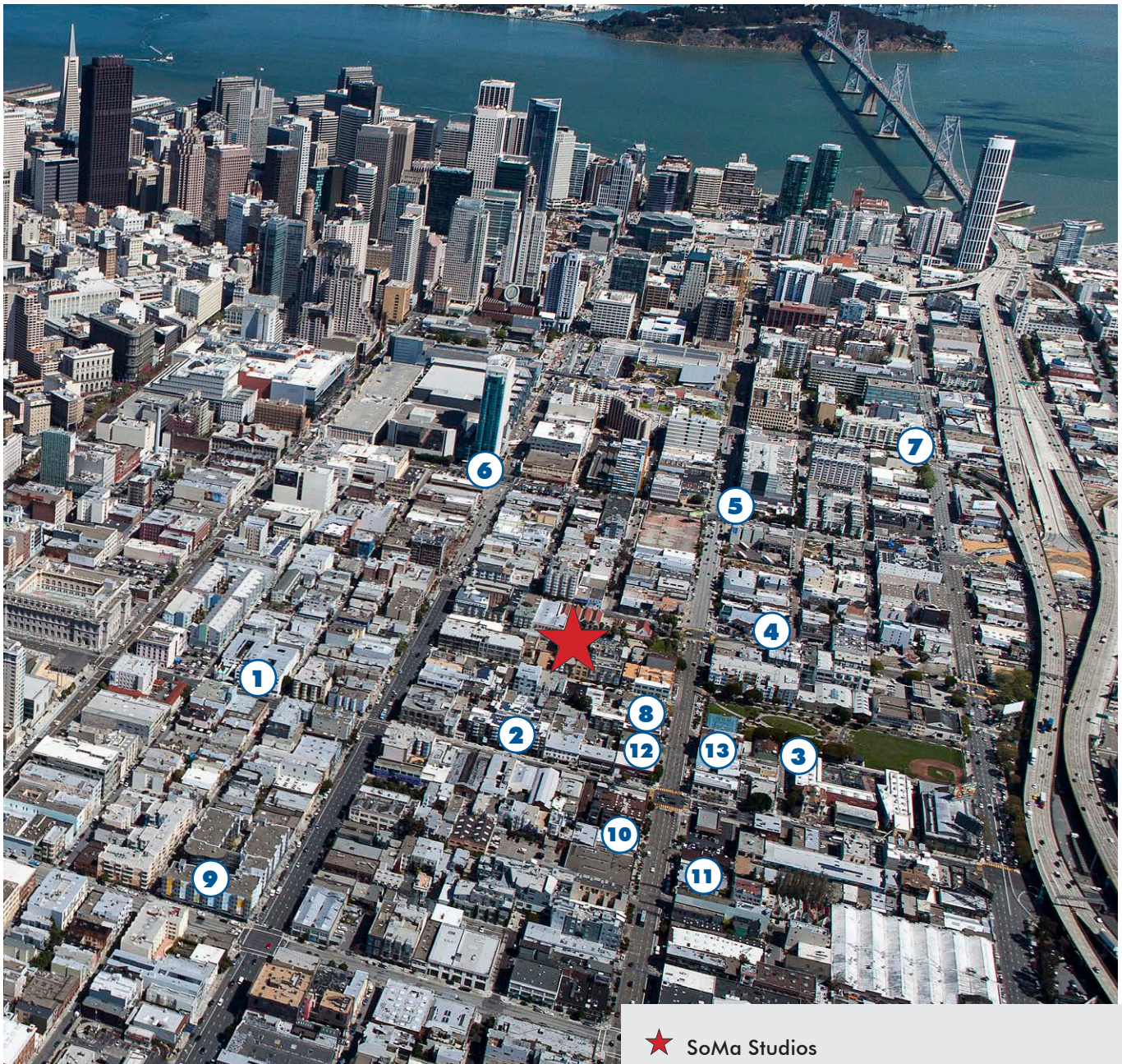
Contact: Andrew Behrens
415.772.0123



4. MAPS



4. MAPS | NEIGHBORHOOD AMENITIES



- ★ SoMa Studios
- 1. Custom Burger
- 2. Sightglass Coffee
- 3. Bessie Carmichael Park
- 4. ZipCar
- 5. Bus to Marin/Sonoma
- 6. The Chieftain
- 7. Whole Foods
- 8. Fondue Cowboy
- 9. Harvest Market
- 10. Brainwash Cafe
- 11. Rocco's
- 12. Deli Board
- 13. Ace Hardware

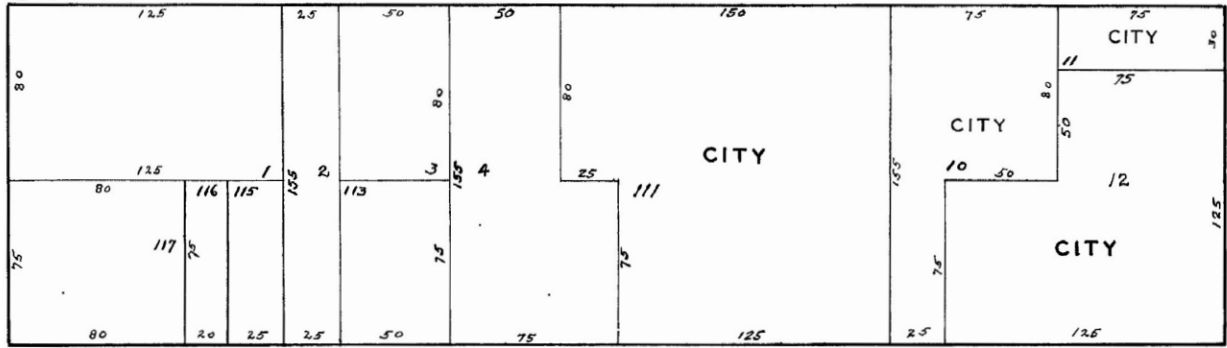
4. MAPS | NEIGHBORHOOD TECH EMPLOYERS



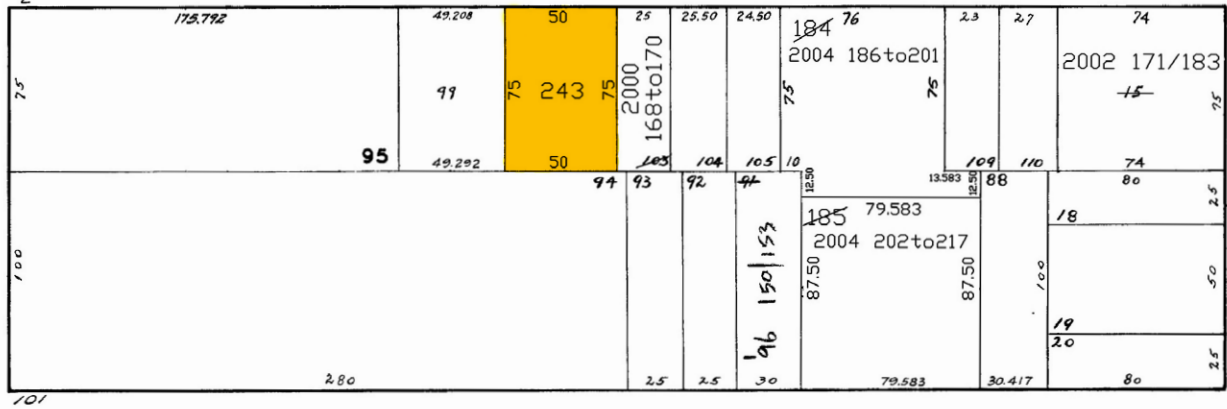
The large tech users shown occupy a total of 4.2 million square feet in the SoMa submarket.

4. MAPS

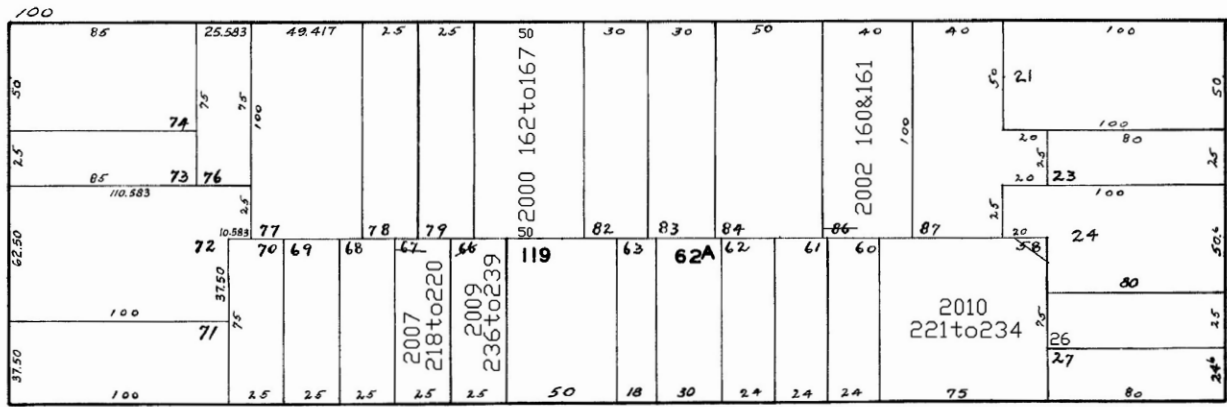
6TH STREET



HARRIET



RUSS



MOSS

HOWARD

FOLSOM

5. PRESS



A Look Inside San Francisco's Micro-Apartments

April 10, 2013

"Just off Mission Street at 38 Harriet sits a sleek new building with 23 units, 'smart spaces' that are small, but comfortable."



The Smartest Space in San Francisco

March 27, 2013

"Our hats are off to Panoramic Interests for bringing one of the most innovative housing projects to life."

The Boston Globe

Housing-Starved Cities Seek Relief in Micro-Apartments

March 26, 2013

"To cater to a growing population of young workers, San Francisco is now allowing construction of apartments as small as 220 square feet, putting it at the forefront of a micro housing debate ricocheting across the country."



Sneak Peek of Panoramic Interests' Micro Apartments in San Francisco

November 22, 2013

"As his project nears completion, the concept of compact, sustainable apartment living is closer to becoming a reality. I had the chance to tour the building and the units. As I stepped in, I noticed the natural light streaming in from the unit's sole window and the rich brown of the hardwood floors."

THE WALL STREET JOURNAL.

Tech Boom Hits San Francisco Rental Prices

June 26, 2012

"The latest technology boom is helping to stem a decade long exodus of residents from San Francisco, but the influx of well-paid workers is driving up already-high housing costs and straining public resources."

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6. BUILDING PHOTOS | EXTERIOR



6. BUILDING PHOTOS | INTERIOR



6. BUILDING PHOTOS | PRIVATE COURTYARD



6. BUILDING PHOTOS | STREETScape



6. BUILDING PHOTOS | FLOOR PLAN



7. RENT ROLL

California College of the Arts ("CCA") has master leased the building for 5 years beginning Aug, 2013

UNIT #	BEDS	BATHS	SQUARE FEET	CCA RENT*	RENT/SQ.FT.	MARKET RENT	RENT/SQ.FT
101	Studio	1	295	\$1,600	\$5.42	\$2,000	\$6.78
102	Studio	1	295	\$1,600	\$5.42	\$2,000	\$6.78
103	Studio	1	295	\$1,600	\$5.42	\$2,000	\$6.78
104†	Studio	1	295	\$1,600	\$5.42	\$959	\$3.25
105†	Studio	1	295	\$1,600	\$5.42	\$959	\$3.25
201†	Studio	1	295	\$1,600	\$5.42	\$959	\$3.25
202	Studio	1	295	\$1,600	\$5.42	\$2,200	\$7.46
203	Studio	1	295	\$1,600	\$5.42	\$2,200	\$7.46
204	Studio	1	295	\$1,600	\$5.42	\$2,200	\$7.46
205	Studio	1	295	\$1,600	\$5.42	\$2,200	\$7.46
206	Studio	1	295	\$1,600	\$5.42	\$2,200	\$7.46
301	Studio	1	295	\$1,600	\$5.42	\$2,300	\$7.80
302†-Mgr	Studio	1	295	\$1,600	\$5.42	\$959	\$3.25
303	Studio	1	295	\$1,600	\$5.42	\$2,300	\$7.80
304	Studio	1	295	\$1,600	\$5.42	\$2,300	\$7.80
305	Studio	1	295	\$1,600	\$5.42	\$2,300	\$7.80
306	Studio	1	295	\$1,600	\$5.42	\$2,300	\$7.80
401	Studio	1	295	\$1,600	\$5.42	\$2,400	\$8.14
402	Studio	1	295	\$1,600	\$5.42	\$2,400	\$8.14
403†	Studio	1	295	\$1,600	\$5.42	\$959	\$3.25
404	Studio	1	295	\$1,600	\$5.42	\$2,400	\$8.14
405	Studio	1	295	\$1,600	\$5.42	\$2,400	\$8.14
406	Studio	1	295	\$1,600	\$5.42	\$2,400	\$8.14
Total/Avg			6,785	\$36,800	\$5.42	\$45,295	\$6.68

*Exempt from Property Tax and BMR Requirement, See Notes Section for more details on tax exemption

†Designated BMR Unit, if not leased to qualified educational institution

8. INVESTMENT DETAILS | LISTING PRICE: \$7,395,000

INCOME

# OF UNITS	UNIT TYPE	SQUARE FEET	CCA RENT (AVG)	CCA RENT/ FT	MARKET RENT (AVG)	MARKET RENT/FT. (AVG)
23	Studio	295	\$1,600	\$5.42	\$1,969	\$6.68
Total/Avg		6,785	\$36,800	\$5.42	\$45,295	\$6.68
Annual Rental Income			\$441,600		\$543,540	
Vacancy	3%		NO VACANCY		\$(16,306)	
Effective Gross Income			\$441,600		\$527,234	

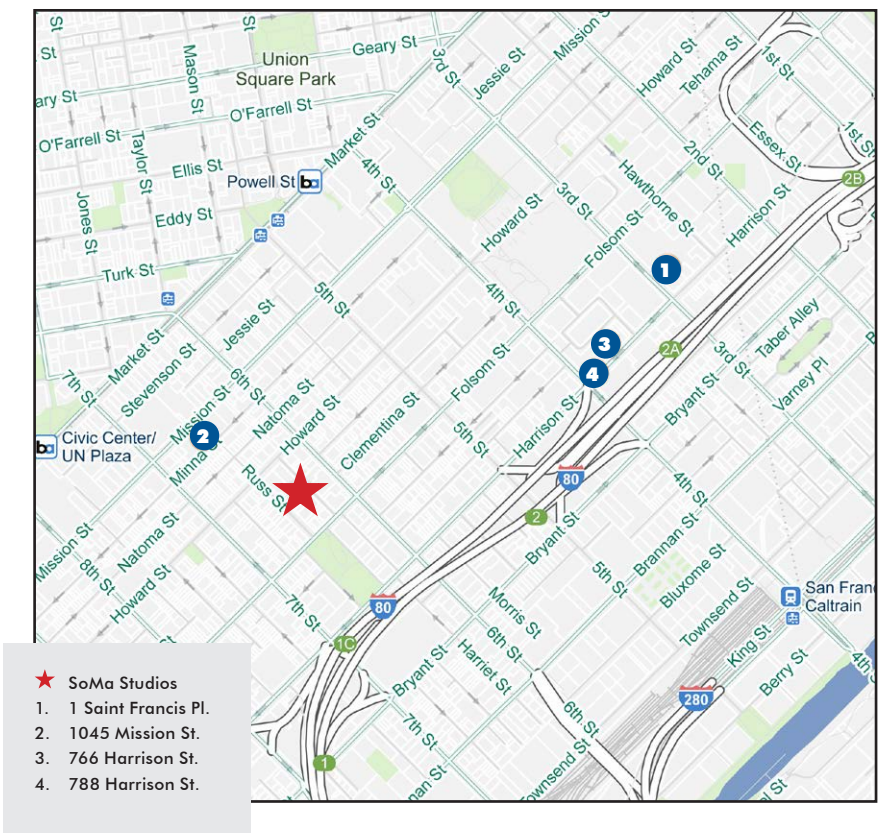
EXPENSES

	CCA	PER UNIT	MARKET	PER UNIT
Property Tax	EXEMPT	EXEMPT	\$86,654	\$3,768
Insurance	\$6,348	\$276	\$6,348	\$276
Off-Site Administration	\$17,664	\$768	\$23,184	\$1,008
Elevator Maintenance	\$4,500	\$196	\$4,500	\$196
Garbage	\$2,975	\$129	\$2,975	\$129
Cleaning and Maintenance	\$12,000	\$522	\$12,000	\$522
Capital Reserves	\$6,000	\$261	\$6,000	\$261
Onsite Manager	\$14,400	\$626	\$7,308	\$318
Water	\$7,590	\$330	\$7,590	\$330
Internet	\$6,600	\$287	\$6,600	\$287
Gas	\$1,800	\$78	\$1,800	\$78
Electric	\$3,000	\$130	\$3,000	\$130
Landscaping	\$600	\$26	\$600	\$26
Total Expenses	\$83,477	\$3,629	\$168,559	\$7,329
Expenses/Sq.Ft.	\$7.09		\$14.32	
Expenses/Unit	\$3,629.43		\$7,328.65	
Expenses/EGI	19%		32%	

SUMMARY

	CCA	MARKET
Net Operating Income	\$358,123	\$358,156
Less: Debt Service	\$277,869	\$277,869
Projected Net Cash Flow	\$80,254	\$80,287
Cash on Cash Return	3.35%	3.35%
Price per Unit	\$321,522	\$321,522
Price per Square Foot	\$628	\$628
GIM	16.80	13.60
Cap Rate	4.84%	4.84%

9. RENT COMPARABLES



10. NOTES

Building is master-leased by the California College of the Arts.

Lease details:

- Up to two students may live in each apartment
- CCA will lease the entire building, occupying 22 units and leaving one available for the Owner's manager's unit.
- CCA will pay for apartment electricity
- The building owner is responsible for garbage collection, common area PG&E and domestic hot water heating expense
- CCA pays for all water usage above 175 gallons/unit/day
- Rent can increase annually by 2.5% not to exceed CPI
- CCA will be responsible for 60 month lease, irrespective of individual unit vacancy

Founded in 1907, California College of the Arts (CCA) is an institution of national renown, noted for the breadth of its programs. It offers studies in 21 undergraduate and 11 graduate majors in the areas of fine arts, architecture, design, and writing. CCA's San Francisco campus is located between SoMA and Potrero Hill, next to the city's design district and within just blocks of the University of California at San Francisco's Mission Bay research campus. CCA is master leasing SoMa Studios for 5 years.

CCA is a nonprofit 501(c)(3) college. While CCA is the master tenant, SoMa Studios is exempted from local property taxation under state law (California Revenue & Taxation Code Sec. 203(a), California Constitution Article XIII Sec. 3(e)). Legal memorandum on the exemption and its requirements with the SF Assessor's Office can be provided upon request.



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This is a confidential Memorandum intended solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property.

This Memorandum contains selected information pertaining to the Property and does not purport to be a representation of the state of affairs of the Property or the owner of the Property (the "Owner"), to be all-inclusive or to contain all or part of the information which prospective investors may require to evaluate a purchase of real property. All financial projections and information are provided for general reference purposes only and are based on assumptions relating to the general economy, market conditions, competition and other factors beyond the control of the Owner and CBRE, Inc. Therefore, all projections, assumptions and other information provided and made herein are subject to material variation. All references to acreages, square footages, and other measurements are approximations. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective purchasers. In this Memorandum, certain documents, including leases and other materials, are described in summary form. These summaries do not purport to be complete nor necessarily accurate descriptions of the full agreements referenced. Interested parties are expected to review all such summaries and other documents of whatever nature independently and not rely on the contents of this Memorandum in any manner.

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The Owner expressly reserved the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions with any entity at any time with or without notice which may arise as a result of review of this Memorandum. The Owner shall have no legal commitment or obligation to any entity reviewing this Memorandum or making an offer to purchase the Property unless and until written agreement(s) for the purchase of the Property have been fully executed, delivered and approved by the Owner and any conditions to the Owner's obligations therein have been satisfied or waived.

By receipt of this Memorandum, you agree that this Memorandum and its contents are of a confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose this Memorandum or any of its contents to any other entity without the prior written authorization of the Owner or CBRE, Inc. You also agree that you will not use this Memorandum or any of its contents in any manner detrimental to the interest of the Owner or CBRE, Inc.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return this Memorandum to CBRE, Inc.

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FOR MORE INFORMATION, PLEASE CONTACT:

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SHOWING SCHEDULE:

Tuesday, June 11: 2:00-3:30 PM
Thursday, June 13: 10:00-11:30 AM
Tuesday, June 18: 2:30-4:00 PM
Thursday, June 20: 10:00-11:30 AM
Wednesday, June 26: 5:00 PM Offers Due

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