

**DRAFT MILLS ACT VALUATION PROVIDED BY
THE ASSESSOR-RECORDER'S OFFICE**



**Office of the Assessor / Recorder - City and County of San Francisco
2016 Mills Act Valuation**



101-105 Steiner Street

**OFFICE OF THE ASSESSOR-RECORDER - CITY & COUNTY OF SAN FRANCISCO
MILLS ACT VALUATION**

APN:	0866 009	Lien Date:	7/1/2016
Address:	101-105 Steiner Street	Application Date:	4/29/2016
SF Landmark No.:	N/A	Valuation Date	7/1/2016
Applicant's Name:	Jason Monberg & Karli Sager	Valuation Term	12 Months
Agt./Tax Rep./Atty:	None	Last Sale Date:	12/9/2015
Fee Appraisal Provided:	No	Last Sale Price:	\$2,700,000

FACTORED BASE YEAR (Roll) VALUE		INCOME CAPITALIZATION APPROACH		SALES COMPARISON APPROACH	
Land	\$1,620,000	Land	\$918,000	Land	\$1,695,000
Imps.	\$1,134,608	Imps.	\$612,000	Imps.	\$1,130,000
Personal Prop	\$0	Personal Prop	\$0	Personal Prop	\$0
Total	\$2,754,608	Total	\$1,530,000	Total	\$2,825,000

Property Description

Property Type:	Multi-Family	Year Built:	1900	Neighborhood:	Hayes Valley
Type of Use:	Multi-Family	(Total) Rentable Area:	6726	Land Area:	2,735
Owner-Occupied:	Yes	Stories:	3	Zoning:	RH-3
Unit Type:	Residential	Parking Spaces:	3 Car Garage		

Total No. of Units: 3

Special Conditions (Where Applicable)

Unit #105 was identified as owner-occupied per the Mills Act Historical Property Contract Application.

Conclusions and Recommendations

	Per Unit	Per SF	Total
Factored Base Year Roll	\$918,203	\$410	\$ 2,754,608
Income Approach - Direct Capitalization	\$510,000	\$227	\$ 1,530,000
Sales Comparison Approach	\$941,667	\$420	\$ 2,825,000
Recommended Value Estimate	\$ 510,000	\$ 227	\$ 1,530,000

Appraiser: Bryan Bibby

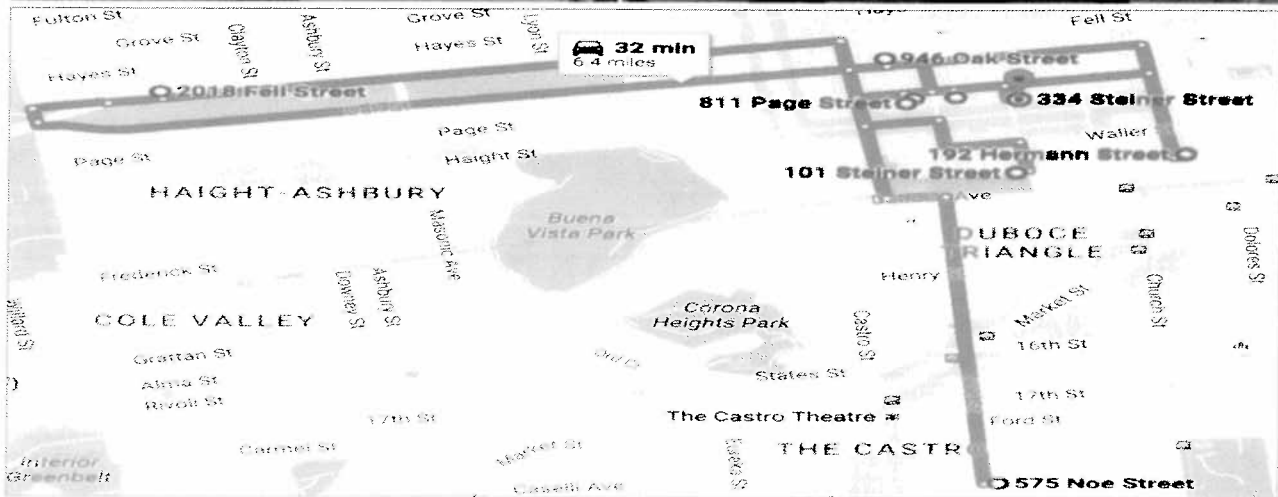
Principal Appraiser: Greg Wong

Date of Report: 8/9/2016

SUBJECT PHOTOGRAPHS AND LOCATOR MAP

Address: 101-105 Steiner Street

APN: 0866 009



INCOME APPROACH

Address: 101-105 Steiner Street
Lien Date: 7/1/2016

Potential Gross Income	<u>Monthly Rent</u> \$13,780	x	<u>Annualized</u> 12	\$165,355
Less: Vacancy & Collection Loss			3%	<u>(\$4,961)</u>
Effective Gross Income				\$160,395
Less: Anticipated Operating Expenses (Pre-Property Tax)*			15%	<u>(\$24,059)</u>
Net Operating Income (Pre-Property Tax)				\$136,335

Restricted Capitalization Rate

2016 interest rate per State Board of Equalization	4.2500%
Risk rate (4% owner occupied / 2% all other property types)	2.6667%
2015 property tax rate **	1.1826%
Amortization rate for improvements only	
Remaining economic life (Years) 50 0.0200	<u>0.8000%</u>
Improvements constitute % of total property value 40%	8.8993%

RESTRICTED VALUE ESTIMATE **\$1,531,984**

ROUNDED TO **\$1,530,000**

Rent Roll as of 1/1/2016

Unit #	Bdrm/Ba	SF	Move In Date	Monthly Contract Rent	Annual Rent	Annual Rent / Foot
101	3/2	2,242	Established	\$2,480	\$29,755	\$13.27
103	4/2	2,242	Vacant/Market	\$5,650	\$67,800	\$30.24
105	3/2	<u>2,242</u>	Vacant/Market	<u>\$5,650</u>	<u>\$67,800</u>	<u>\$30.24</u>
Total:		6,726		\$13,780	\$165,355	\$24.58

Unit #	SF	Occupancy	Weight	Risk Factor		Overall
101	2,242	Tenant	33.33%		2.00%	0.667%
103	2,242	Tenant	33.33%		2.00%	0.667%
105	<u>2,242</u>	Owner	<u>33.33%</u>		4.00%	<u>1.33%</u>
	6,726		100.00%			2.667%

Notes:

*Annual Operating Expenses include water service, refuse collection, insurance, maintenance and property management, typically estimated at 15% of effective gross income.

Based on taxpayer's report detail of condition items from the Mills Act Historical Property Contract Application, remaining economic life concluded to be 50 years. A 2.00% annual amortization rate is applied.

The Mills Act Application included a 2016 rent summary report. Unit #101 reported rental income as noted above. Units #103 & 105 were reported as vacant with no rental income as of the 7/1/16 event date. Monthly rent for these 2 units were projected using rental comp data. Annual market rent ranged from \$30/sf to \$36.50/sf. Rental Comp #4 was weighted more than the others due to its similar GBA range, similar total rooms count & multiple baths count to the subject. Market rents for both of the subject's vacant units were concluded to be between \$30/sf to \$31/sf (annual) and equated to a monthly rent of \$5,650 for each unit. The market rents for both of these units were concluded to be the same due to the offsets from the additional bedroom and bath counts for Unit #103 compared to the superior condition and floor location for Unit #105. The projected market rent amount includes one garage parking space per unit.

The subject's GBA was based on the assessor's historical data. The unit square footage listed on the Mills Act Application Report appears to have included the enclosed rear porches. It is unknown if this area is permitted for use by DBI so it was excluded from the GBA total.

Rent Comparables

Address: 101-105 Steiner Street
 Lien Date: 7/1/2016

Rental Comp #1



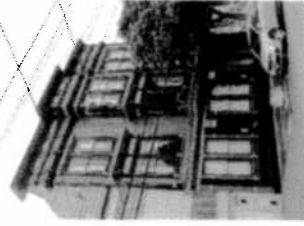
Property Rental Type:
Listing Agent: Paragon Coml. Brokerage
Address: 769-773 Page Street
Cross Streets: Pierce Street
SF: 3,825
Layout: 3 units: 3/2/1, 3 car parking
Monthly Rent: \$9,945
Rent/Foot/Mo: \$2.60
Annual Rent/Foot: \$31.20

Rental Comp #2



3 Unit Entire Building
 Pacific Union International Inc.
 2018-2022 Fell Street
 Cole Street
 4,350
 3 units: 3/4/1, 2 car parking
 \$13,225
\$3.04
\$36.48

Rental Comp #3



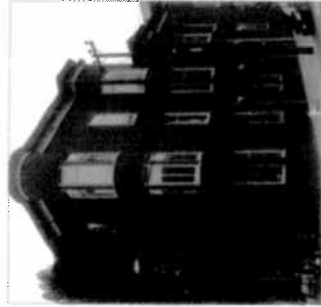
3 Unit Entire Building
 JODI Group
 803-807 Page Street
 Pierce Street
 4,500
 3 units: 2/3/1, 1/2/1, no car parking
 \$12,556
\$2.79
\$33.48

Rental Comp #4



3 Unit Entire Building
 Vanguard Properties
 946-950 Oak Street
 Scott Street
 6,375
 3 units: 3/3/1.5, 5 car parking
 \$16,000
\$2.51
\$30.12

Rental Comp #5



Property Rental Type:
Listing Agent: Zillow Rental Network
Address: 192 Hermann Street
Cross Streets: Webster Street
SF: 1,200
Layout: 1 apartment unit: 3/1.5 no car parking
Monthly Rent: \$5,995

Rental Comp #6







Individual Apartment Unit
 Azari Property Management
 811 Page Street, Apt 4
 Unknown
 1 apartment unit: 3/1, 1 car parking
\$5,750

Rental Comp #7



Individual Apartment Unit
 Relisto
 334 Steiner Street
 Haight Street
 1,600
 1 apartment unit: 2/1, 1 car parking
\$5,500

RESIDENTIAL INCOME PROPERTY MARKET ANALYSIS

	SUBJECT-A				COMPARABLE SALE 1-B				COMPARABLE SALE 2-C				COMPARABLE SALE 3-D															
APN	0866 009				0826 007				0846 037				3684 037															
																												
Address	101-105 Steiner Street				946-950 Oak Street				803-807 Page Street				575-581 Noe Street															
Sales Price					\$2,850,000				\$2,420,000				\$2,400,000															
\$ / GBA					\$447				\$538				\$510															
\$ / Unit					\$950,000				\$806,667				\$600,000															
Annual Gross Income (PGI)					\$192,000				\$150,672				\$103,368															
GIM					14.8				16.1				23.2															
Avg. Monthly Rent/Unit					\$5,333				\$4,186				\$2,164															
	DESCRIPTION				DESCRIPTION				+(-) \$ADJ.				DESCRIPTION				+(-) \$ADJ.											
Lien Date / Date of Sale	07/01/16				06/16/16								04/08/16				06/27/16											
Neighborhood	Hayes Valley				Hayes Valley/Busy Street				86,000				Hayes Valley				Eureka Valley/Dolores Heights											
Proximity to Subject	-				Within Reasonable Proximity								Within Reasonable Proximity				Within Reasonable Proximity											
Site (sq.ft.)	2,735				3,436				(21,030)				1,475				37,800				5,250				(75,450)			
Year Built	1900				1900								1900				1900											
Condition	Average				Good				(143,000)				Good				(121,000)				Similar To Subject							
Gross Bldg. Area	6,726				6,375				70,200				4,500				445,200				4,708				403,600			
Residential Unit Breakdown	No. of Units	GLA	Room Count			No. of Units	Room Count				No. of Units	Room Count				No. of Units	Room Count											
			Total	Bed	Bath		Total	Bed	Bath			Total	Bed	Bath		Total	Bed	Bath										
	1	2242	6	3	2	1	6	3	1.5	20,000	1	5	3	1	40,000	1	4	2	1	40,000								
	1	2242	7	4	2	1	7	3	1.5	20,000	1	5	3	1	40,000	1	5	3	1	40,000								
	1	2242	7	3	2	1	8	3	1.5	20,000	1	5	2	1	40,000	1	5	3	1	40,000								
Total	3	6726	20	10	6	3	21	9	4.5		3	15	8	3		4	18	10	4	(115,000)								
Parking Spaces	3				5				(80,000)				0				120,000				2				40,000			
Net Adj. (total)									(27,830)								602,000								373,150			
ADJ. SALES PRICE	\$2,826,000				\$2,822,170								\$3,022,000								\$2,773,160							
Adj. \$ Per Foot	\$420				\$420								\$449								\$412							
REMARKS																												
The subject has some deferred maintenance items per the Mills Act Application Report that have been accounted for in the condition rating. Of note, Unit #105 features an altered floor plan with kitchen & baths updates completed in March, 2016. The overall rating was concluded to be average. Building GBA was based on historical tax records. The square footage reported in the Mills Act Application Report appears to include the enclosed rear porches. Due to condition issues and the legality of this added area, it was not included in the overall GBA of the subject. The subject's total rooms count, bedrooms count and baths count were based on the subject's listing history and building plans submitted to DBI.																												
Site size adj. warranted for all comps and was adj. at \$30/sf. GBA adj. warranted on all comps and adj. at \$200/sf. Parking space adj. warranted for all comps and adj. at \$40,000 per space. Condition adj. was warranted for Comps #1 & 2 due to their overall better condition than the subject. Adj. at 5% of the sales price. Bath adj. at \$40,000 each. Half bath adj. at \$20,000 each. Number of units adj. at \$75,000 per unit variance. Traffic adj. was warranted for Comp #1 due to its busy street attributes. Adj. at 3% of the sales price.																												
Although all comparables were given consideration in the final value conclusion, Comp #1 was weighted more than the others due to its recent sale, similar GBA range to the subject and its same neighborhood location as the subject. Comp #2 was located in the same neighborhood as the subject. Comp #3 was a recent sale to the event date analyzed.																												
THE ESTIMATED MARKET VALUE AS OF, _____ 1-Jul-16 _____ IS _____ Land \$1,695,000 Improvements \$1,130,000 TOTAL \$2,825,000																												