



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

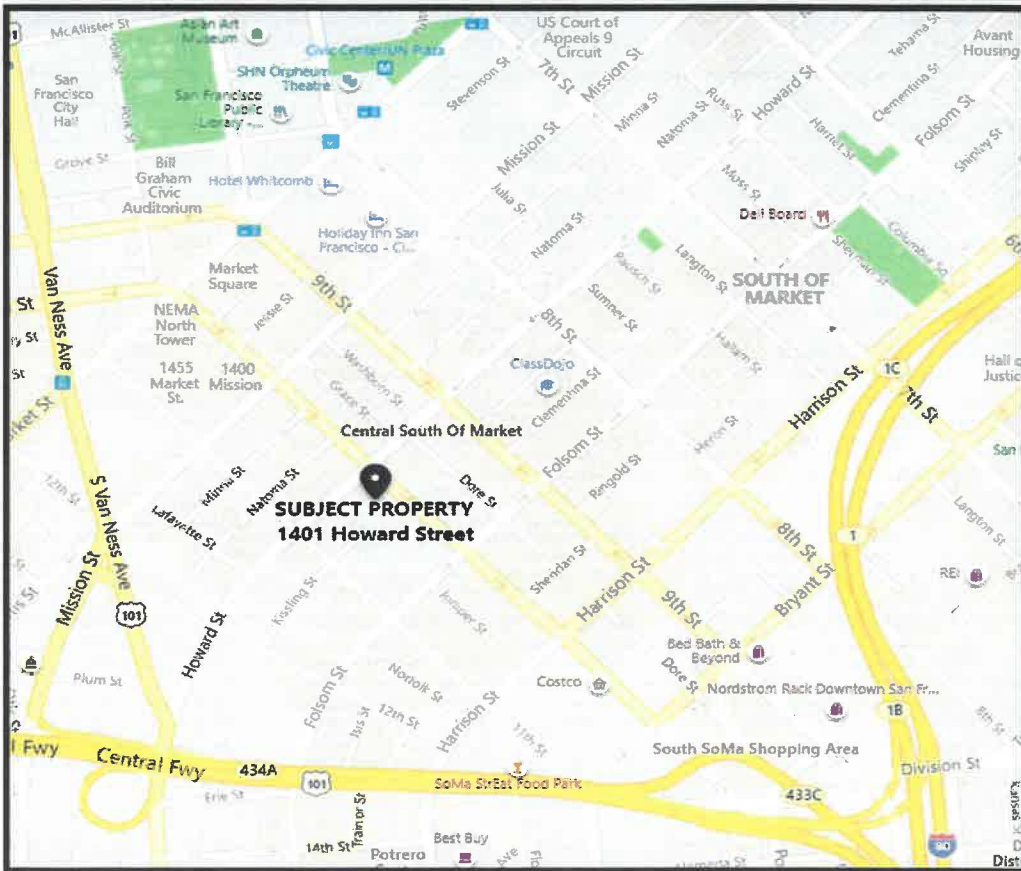


1401 Howard Street

SUBJECT PHOTOGRAPH AND LOCATOR MAP

Address: 1401 Howard Street

APN: 3517-035



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

APN:	3517-035	Lien Date:	7/1/2019
Address:	1401 Howard Street	Application Date:	5/24/2019
SF Landmark No.:	4/29/1900	Application Term:	10 years
Applicant's Name:	1401 Howard LLC	Last Sale Date:	3/26/2008
Agt./Tax Rep./Atty:	Unknown	Last Sale Price:	\$500,000
Fee Appraisal Provided:	No		(Assessment Appeals Board Value)

FACTORED BASE YEAR (Roll) VALUE		INCOME CAPITALIZATION APPROACH		SALES COMPARISON APPROACH	
Land	\$553,421	Land	\$7,620,000	Land	\$8,220,000
Imps.	\$17,905,319	Imps.	\$5,080,000	Imps.	\$5,480,000
Personal Prop	\$0	Personal Prop	\$0	Personal Prop	\$0
Total	\$18,458,740	Total	\$12,700,000	Total	\$ 13,700,000

Property Description

Property Type:	Commercial	Year Built:	1913 / 2017	Neighborhood:	Soma
Type of Use:	Interior Design Firm	(Total) Rentable Area:	21,943	Land Area:	26,811
Owner-Occupied:	No	Stories:	4	Zoning:	RCD - Regional Commercial
Unit Types:	Commercial	Parking Spaces:	Surface / 6		

Total No. of Units: 1

Special Conditions (Where Applicable)

Conclusions and Recommendations

	Per Unit	Per SF	Total
Factored Base Year Roll	\$18,458,740	\$841	\$ 18,458,740
Income Approach - Direct Capitalization	\$12,700,000	\$579	\$ 12,700,000
Sales Comparison Approach	\$13,700,000	\$624	\$ 13,700,000
Recommended Value Estimate	\$ 12,700,000	\$ 579	\$ 12,700,000

Appraiser: Jody Scott Reichel

Principal Appraiser: Orla Fahy

Hearing Date: Unknown

INCOME APPROACH

Address: 1401 Howard Street

Lien Date: 7/1/2019

	<u>Sq. Ft.</u>		<u>Annual Rent/SF</u>		<u>Comments</u>
Potential Gross Income	21,943	x	\$61.06	\$1,339,800	Based on actual lease amount
Less: Vacancy & Collection Loss			3%	<u>(\$40,194)</u>	
Effective Gross Income				\$1,299,606	
Less: Anticipated Operating Expenses (Pre-Property Tax)*			3%	<u>(\$38,988)</u>	
Net Operating Income (Pre-Property Tax)				\$1,260,618	

Restricted Capitalization Rate

2019 interest rate per State Board of Equalization			4.7500%		
Risk rate (4% owner occupied / 2% all other property types)			2.0000%		
2019 property tax rate *			1.1630%		
Amortization rate for improvements only					
Remaining economic life (in years)	30	0.0333	<u>2.0000%</u>		
Improvements constitute % of total property value		<u>60%</u>		9.9130%	

RESTRICTED VALUE ESTIMATE

\$12,716,815
\$12,700,000 RD

* The 2019 property tax rate will be determined in September 2019. Rate utilized is from 2018.

Comparable Improved Sales Adjustment Grid

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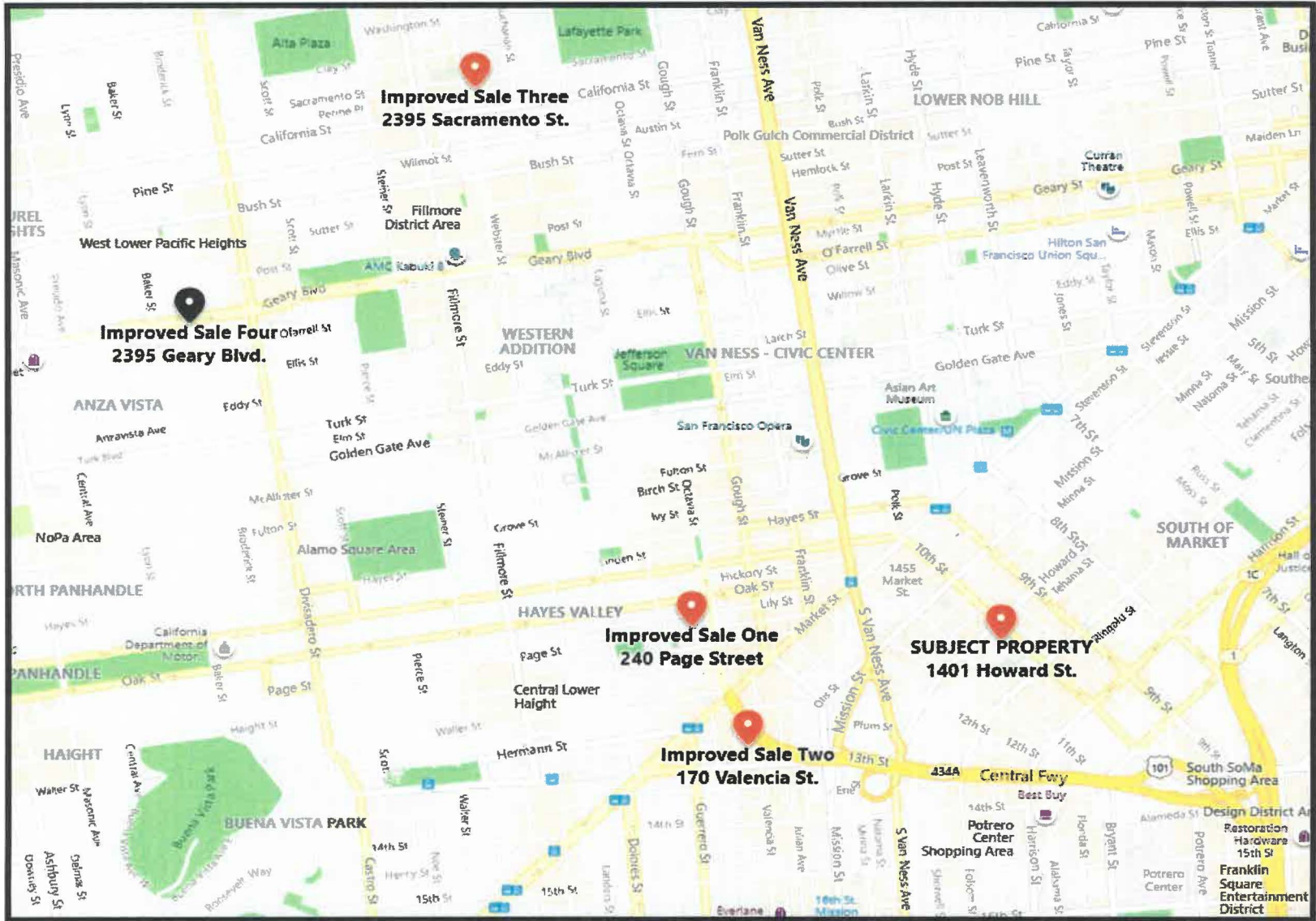
Sale No.	One	Two	Three	Four	SUBJECT
APN:	0839-032	3502-013	0637-015 & -016	1080-035	3517-035
Address	240 Page Street	170 Valencia Street	2395 Sacramento St.	2398 Geary Blvd.	1401 Howard St.
Sale Date	5/6/2019	12/31/2018	12/8/2017	3/11/2016	7/1/2019
Sale Price	\$2,780,000	\$9,600,000	\$9,500,000	\$4,400,000	
Size (SF)	5,495	23,270	20,110	7,937	21,943
Year Built	1909	1931	1912	1906	1913 / 2017
Price/SF	\$506	\$413	\$472	\$554	
Use	Former Church	Former Religious Hall	Former Library	Former Church	Former Church
Site Zoning	RM2	RTO	RM1	RH3	SLR
Site Size (SF)	3,968	8,250	15,105	5,031	26,811
Land: Bldg. Ratio	0.72	0.35	0.75	0.63	1.22
On Site Parking					
Ratio/1,000 SF NRA	0.23	0.00	0.00	0.00	0.00
Mos. Since Effective Date	2	6	19	39	
Time Adjustment	0%	3%	10%	15%	
Size Adjustment (SF)	-5%	0%	0%	-5%	
Location Adj.	5%	5%	5%	5%	
Age / Condition Adj.	10%	20%	10%	20%	
Land: Bldg. Ratio	5%	10%	5%	5%	
Zoning Adj.	5%	5%	5%	5%	
Parking	-3%	0%	0%	0%	
Net Adj. Price/Gross Office SF	17%	43%	35%	45%	
Adjusted Price/SF Site Area	\$592	\$590	\$638	\$804	Concluded Value/SF
Indicated Value/ SF					\$625
Indicated Value/ SF					\$625/SF X 21,943 SF =
ROUNDED					\$13,714,375
					\$13,700,000

The subject property is a former church that had a complete renovation including seismic upgrade. It is now fully leased to an interior design firm. Sales One, Two and Four are also religious facilities and Sale Three is a former library. The subject property was significantly superior in age/condition due to the recent renovation. After adjustment the price per square feet range is \$592 to \$804/SF with \$625/SF considered to be supported by the sales comparables. The subject property is considered to be an investment property given it is fully leased on NNN basis with the tenant paying for expenses. The Income Capitalization Approach is typically the most applicable valuation approach for investment properties. Given the Restricted Capitalization Rate for Mills Act properties the Income Capitalization Approach for the subject property results in the lowest valuation.

Comparable Improved Sales Adjustment Grid

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IMPROVED SALES MAP