

LIONBLDG

2525 16TH STREET &
321 FLORIDA STREET



GENERATIONAL REPOSITIONING OPPORTUNITY IN SAN FRANCISCO'S MISSION DISTRICT

OFFICE | PDR | RESIDENTIAL

CBRE

The Offering

CBRE, as exclusive advisor, is proud to offer to qualified investors the opportunity to acquire a fee simple interest in 2525 16th Street (the “Building”) and 321 Florida Street (the “Site”), a truly unique high-profile mixed-use redevelopment project located in the heart of the Mission District, San Francisco’s most vibrant neighborhood. The properties are being made available separately or together for the first time in over 40 years.



2525 16TH STREET - THE LION BUILDING

Trophy Redevelopment Opportunity

2525 16th Street, known today as the Lion Building, was originally built in 1924 to house the manufacturing operations of a local syrup maker Lyons-Magnus, which continued on-site through the early 1970s. Current ownership purchased the building in 1974, converting the building to light industrial-related office, warehouse and manufacturing uses.

Today the Building is optimally positioned for a revitalization as the **Mission District's premier mixed-use development**. With nearly 80% of the ±149,033 rentable square feet of space vacant by early 2018, the Lion Building presents owner-users, institutional investors, foreign investment groups, private investors and developers the exceptionally rare opportunity to immediately redevelop one of the largest and most prominent assets in the Mission District.



321 FLORIDA STREET

Premier Residential or Mixed-Use Development Site

Located directly across Florida Street from the Lion Building and currently used as a 60-stall private surface parking lot, 321 Florida represents a prime unentitled development site. With 19,998 square feet of vacant land offering the potential for up to **110 residential units** under current zoning, the Site is a rare opportunity to capitalize on the overwhelming demand for housing in San Francisco.

321 Florida is strategically positioned along the 16th Street corridor in the heart of the extremely supply-constrained Mission District, adjacent to Showplace Square and Mission Bay, home to many of the City's most prominent tenants including UCSF, Airbnb, Dropbox, Adobe, and Uber. In addition to residential development, the Site is also suitable for development of a new **± 75K square foot advanced manufacturing / office hub** or continued use as a parking lot to support the Lion Building and surrounding neighborhood.



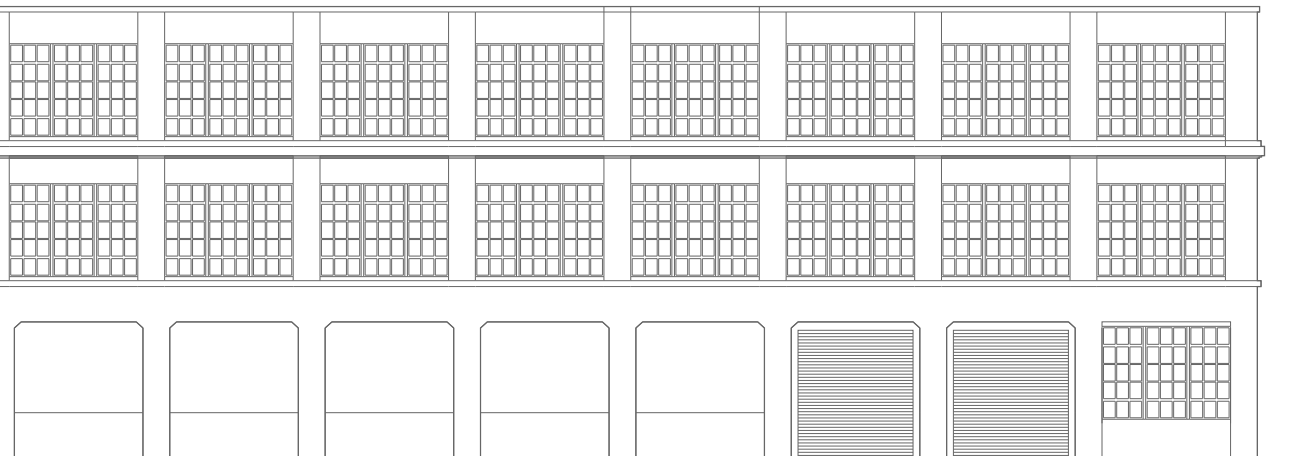
2525 16th STREET INVESTMENT HIGHLIGHTS

TRANSFORMATIVE VALUE-ADD MIXED-USE REDEVELOPMENT OPPORTUNITY

Property Address	2525 16th Street
APN	3966-001
Year Built	1924
TOTAL RENTABLE AREA	149,033 SF
<i>Legitimized Office</i>	43,569 gross SF
<i>Advanced Manufacturing (PDR)</i>	105,464 SF
Overall Building Vacancy (as of 05/01/18)	77.43%
Zoning	PDR-1-G – Production Distribution and Repair - General
Land Area	+/- 41,818 square feet (0.96 acres)



Ability to Add 20K SF Penthouse and Roof Deck with Sweeping 360-degree City Views



One of the Last Remaining Large-Scale Renovation Opportunities in San Francisco



Project Size Provides Scale for Developers



Significant Vacancy = Opportunity

- » *Extreme Scarcity of Large Blocks of Creative Space in San Francisco*
- » *Capture Today's Market by Delivering Space in 2018*



Rare Large Block of Legal Office in the Mission District

URBAN CAMPUS HEADQUARTERS OPPORTUNITY

- **Ability to Deliver Up to +/-250,000 SF for Tenants or Users**
2525 16th (\pm 150K SF existing) + penthouse/mezzanine additions (\pm 20-30K SF)
+ 321 Florida mixed-use development (\pm 75K SF)
- **Nearby urban campus HQs include Airbnb, Adobe, Dropbox, U*** and Stripe**

PROMINENT MISSION DISTRICT LOCATION

OVER-SIZED OPERABLE WINDOWS
ON ALL FOUR SIDES PROVIDE
EXCELLENT NATURAL LIGHT

SOARING 14' - 17' CEILING HEIGHTS

POTENTIAL MEZZANINE
ADDITIONS TO INCREASE RSF

EXPOSED CONCRETE THROUGHOUT

40K SF FLOORPLATES



LI^oNBLDG



8 Minute Walk to BART



8 minute ride to Mission Bay / Chase Center
7 minute ride to Mid-Market

Walk Score: 96 "Walker's Paradise"
Bike Score: 98 "Biker's Paradise"
Transit Score: 88 "Excellent"

VALENCIA STREET
RESTAURANT ROW



Starbucks



THE MISSION DISTRICT: *Hip, vibrant, abundant amenities and rich with culture*



Robust demand from tenants with executives living in the Mission who want to walk or bike to work



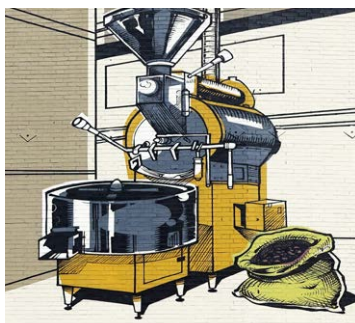
Direct Access to Highway 101 and Interstate 280, the main connection to the Peninsula and Silicon Valley



Insatiable Demand for Mission District Housing



Outstanding Public Transportation Options – Two BART stations, 10 Different Bus Lines



The City's Best Weather and Food Scene



321 FLORIDA STREET INVESTMENT HIGHLIGHTS

Property Address	309-367 Florida Street, aka 321 Florida Street
APN	3965-022
Land Area	19,998 square feet (0.46 acres)
Current Use	60-stall surface private parking lot
Land Area	UMU – Urban Mixed Use
Height Limit	68'
Residential Development Potential	± 110 residences
Mixed-Use Commercial Development Potential	± 75K square feet

Rare Large Undeveloped
Mission District Parcel -
Nearly 1/2 Acre





Extremely Supply Constrained Submarket with Significant Barriers to Entry



Interim Cash Flow from Enhanced Parking Operations During Entitlements



Prominent Mission District location with close proximity to Showplace Square and Mission Bay – UCSF Campus, San Francisco headquarters for Uber, Airbnb, Stripe, Dropbox, Adobe and many others



Excellent Access to Public Transportation



Close proximity to outstanding area amenities including the Potrero Center retail complex only one block away



PREMIUM PDR MARKET

- A new asset class has emerged in San Francisco, driven by technological advancements, venture capital funding and the high demand from premium PDR tenants seeking quality creative workspaces to recruit and retain employees
- 2525 16th Street offers the rare opportunity to deliver over 100,000 SF of best-in-class creative space catering to the modern industrial workforce and advanced manufacturers – autonomous cars, virtual reality, robotics, wearables, etc
- CBRE's proprietary PDR database defines the Premium PDR Market as 35 buildings totaling nearly 3.5M square feet, with average annual asking rents between \$55 - \$65 PSF Industrial Gross
- Premium PDR rents remain 15% - 20% below high-end creative office rents, providing a significant savings for qualifying VC-funded technology companies
- San Francisco Premium PDR employment grew over 70% from 2010-2015, and is anticipated to grow another 30% from 2015-2020
- Major Premium PDR tenants in the marketplace include Cruise (GM), Otto (Uber), Hampton Creek, Planet Labs and Invitae

Mid-Market Tenants



Mission/Showplace Square Tenants



Mission Bay Tenants



PDR Tenants



TROPHY OFFICE MARKET

San Francisco's market fundamentals continue to be among the strongest in the nation:

- Large tech leasing continues to dominate the marketplace – over ten 100K+ SF tech deals done in 2017, including Dribbble's recent 736K SF lease in Mission Bay, the largest lease ever signed in San Francisco history
- Average direct office vacancy rates across San Francisco remain below 6.5%. Average asking rental rates have remained at all-time highs across all products types
- The City has experienced positive net absorption of office space in 25 of the previous 27 quarters, with nearly 9.5M SF of total positive net absorption since Q1 2011
- The San Francisco Bay Area remains at the top of investors' wish-list as a premier global gateway market, with continued robust demand from international capital

THE MISSION OFFICE MARKET

- With a direct vacancy rate of 2.8%, the Mission is the City's 2nd tightest submarket, behind only Mission Bay/China Basin
- No Blocks of Creative Office Space over 40,000 Square Feet Currently Available in the Mission District
- Multiple leases signed over the past 12 months with annual rental rates over \$70 PSF Industrial Gross
- Extremely supply constrained submarket – Restrictive zoning precludes new office development, creating significant barriers to entry



THE LION BUILDING



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