

THE
PIONEER
BUILDING

100% LEASED SINGLE TENANT
CREATIVE OFFICE BUILDING
IN THE MISSION DISTRICT
WITH PRIVATE PARKING LOT



3180 18TH STREET, SAN FRANCISCO, CA

CBRE

INVESTMENT OPPORTUNITY

THE OFFERING

CBRE Capital Markets, as exclusive advisor, is pleased to present the opportunity to acquire The Pioneer Building (the "Property"), a 37,104 rentable square foot office building with a secure private parking lot located in San Francisco's Mission District. The three-story creative office building is fully leased through August 31, 2026 to OpenAI, an artificial intelligence research venture with strong credit and backed by a financially viable guarantor. Built in 1902, the Property was originally a luggage factory, also known as the Pioneer Trunk Building and was eventually converted to office use in the 1980s. The Property underwent substantial renovation over the last seven years including an ongoing facade restoration, and recently modernized interiors and major system upgrades that distinguish the Property as the premier creative office building in the Mission District, one of San Francisco's most vibrant and desirable submarkets.



- ▶ Fully leased through August 31, 2026 to OpenAI, an artificial intelligence venture
- ▶ Substantial recent full building renovation to Class A creative standards
- ▶ High-yielding asset that serves as an ideal headquarters property with secure onsite parking lot
- ▶ Rare, sought-after Mission District office located an 8-minute walk from 16th Street Mission BART station



PROPERTY PROFILE	
Building Address	3180 18th Street, San Francisco, CA
APN	Block 3573, Lot 003
Site Area	20,163 SF
Contract Rentable Area	37,104 RSF
% Leased	100%
Term Remaining	Approximately 6 years
Stories	Three, plus lower level
Parking	22 striped stalls
Frontages	18th and Folsom Streets
Submarket	Mission District

STRONG TENANCY WITH HIGH YIELDS

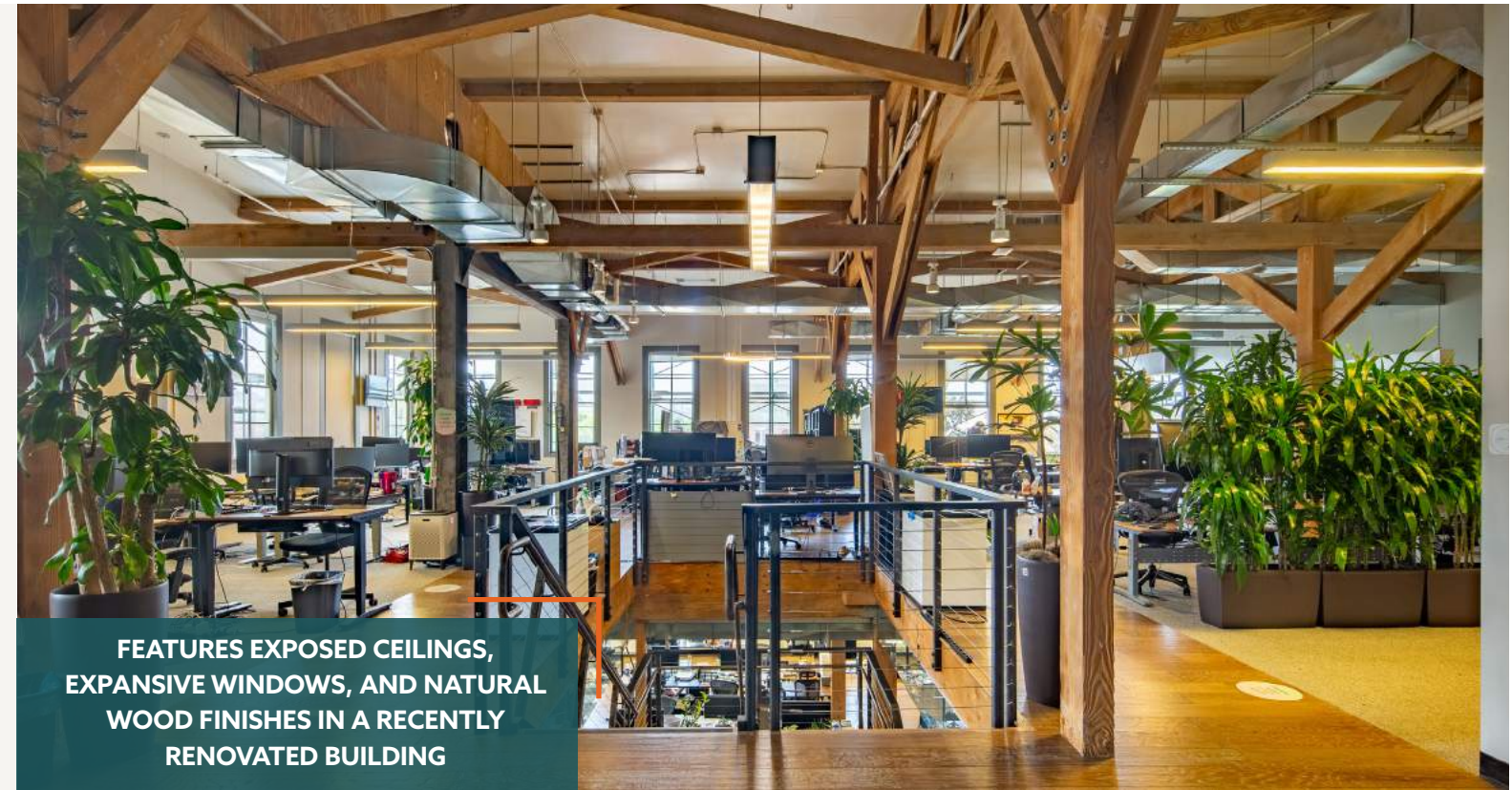
HIGH PROFILE TENANCY

OpenAI, a technology company at the forefront of artificial intelligence development, fully leases the Pioneer Building with approximately six years of term remaining on the lease.

- ▶ Founded in 2015 by Elon Musk and Sam Altman, OpenAI's mission is to develop artificial intelligence for the benefit of society. The company is engaged in dozens of projects with applications of their prototypes ranging from language to robotics.
- ▶ The company was originally founded with \$1 billion in funding from Elon Musk, Sam Altman and others such as Peter Thiel and Reid Hoffman and recently received another \$1 billion commitment from Microsoft in 2019.

STRONG IN-PLACE YIELDS

The Pioneer Building benefits from substantial cash flow through the duration of its lease with OpenAI. Due to the remaining term on the lease, there are almost no tenant improvements or leasing costs expected to be incurred by ownership in the near future. Additionally, the single tenant nature of the Property allows for an easy management situation for a new owner.



FEATURES EXPOSED CEILINGS, EXPANSIVE WINDOWS, AND NATURAL WOOD FINISHES IN A RECENTLY RENOVATED BUILDING

RECENTLY RENOVATED CREATIVE OFFICE

RECENT CAPITAL INVESTMENT

Since 2013, a substantial amount of capital has been invested to transform the Pioneer Building into the premier creative office property in the Mission District. Capital improvements include modernized interiors with state-of-the-art finishes, ADA improvements, upgraded fire & life safety systems, roof replacement (2019), and landscaping improvements. Ownership is currently completing a facade restoration and major window work that will have a significant impact on the appearance of the Property.



ONGOING FACADE RENOVATION

PREMIER CLASS A CREATIVE PROPERTY WITH PARKING

With unique features that showcase the building's historic charm including abundant natural light, exposed ceilings framed by wood columns and beams, wood floors, a modern interior staircase, and outdoor patio, the Pioneer Building distinguishes itself as a best-in-class office property. The Pioneer Building also benefits from a secure private parking lot with 22 parking spaces, a rare amenity in San Francisco.

COVID-19-ERA ADVANTAGE

As a standalone, self-contained building, the Property appeals to tenants seeking better control over the workplace for the well-being of their employees in a post-COVID-environment. The Pioneer Building features a low-rise design consisting of three stories and a partial lower level and at 37,141 RSF, is ideally suited for a mid-sized company to fully occupy the Property. In addition, the windows are operable and can allow fresh air in from the outside.



FULLY LEASED TO OPENAI WITH APPROXIMATELY 6 YEARS OF REMAINING TERM

DYNAMIC MISSION DISTRICT LOCATION

RARE OPPORTUNITY IN THE MISSION

The Pioneer Building presents a rare opportunity to acquire an office property in the Mission District which has very limited office inventory. Recognized for its diverse culture and distinctive charm, the Mission District is one of the most sought-after neighborhoods in San Francisco by office and residential tenants alike. The Mission boasts trendy boutiques and top-rated restaurants along Valencia Street interspersed with local retailers and art throughout the neighborhood.

ADJACENT TO SOMA

The Pioneer Building is adjacent to SoMa, which is widely recognized as ground zero for some of the most well-known tech startups in the world (e.g. Airbnb, Pinterest, Lyft). The Property is just to the south of Mid-Market which is also home to many notable tech companies such as Twitter, Uber, and Square.

UNMATCHED TRANSPORTATION ACCESS

The Property is just an 8-minute walk from the 16th St. Mission BART station which provides easy access to San Francisco's Financial District, Oakland, and the East Bay. More than a dozen bus lines also stop within blocks of the Property.



BAY AREA COMPANIES HAVE PERFORMED EXCEEDINGLY WELL POST-COVID-19

WELL POSITIONED IN THE MISSION DISTRICT, SAN FRANCISCO'S MOST VIBRANT AND TRENDY NEIGHBORHOOD



EVERLANE



MISSION CHEESE

RESILIENT HISTORIC MARKET FUNDAMENTALS

SAN FRANCISCO'S RESILIENT ECONOMY

The tech-heavy NASDAQ, which has traditionally been highly correlated with San Francisco's commercial real estate market, has reached historic highs in 2020. Publicly traded companies with significant footprints in San Francisco and the Bay Area have performed extraordinarily well post-COVID-19. On average, major tech tenants based in the Bay Area have seen a 65% increase in their stock prices between March 2, 2020 and now.

TOP VENTURE CAPITAL MARKET

The San Francisco Bay Area continues to be the top recipient of venture capital funds. In Q2 2020, venture capital invested \$26.8 billion, with 44% going to Bay Area companies. In the past four quarters, more than \$46.2 billion has been invested in Bay Area companies, totaling 43% of all funds, which continues to fuel the growth of many San Francisco-based companies. Venture capital investment totaled \$110 billion for 2019, the third highest year on record.

PROPOSITIONS M & E CURBS DEVELOPMENT

Proposition E, which was passed by San Francisco voters in March 2020 further curbs office development by tying the amount of development allocation available from Proposition M to the affordable housing goals of the City. According to CBRE projections, the new restrictions will permanently reduce the Proposition M availability and prevent nearly all new large development projects from being approved until 2030 or beyond. The lack of projected availability will further enhance the value of existing product, such as the Pioneer Building.



DOG EARED BOOKS



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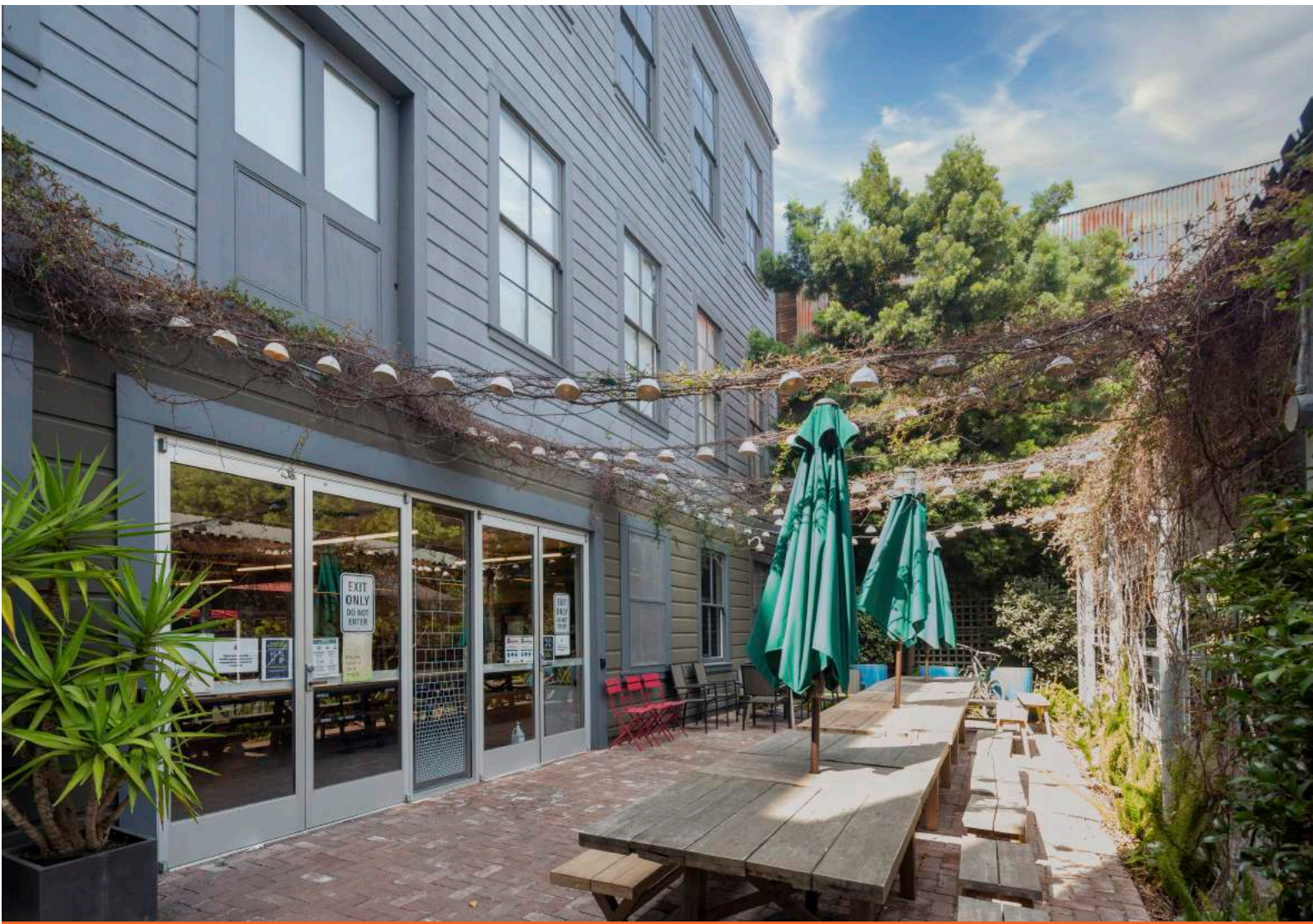
FLOUR + WATER



MISSION WORKSHOP



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