

...T-Mobile...



3501  
GEARY

CONFIDENTIAL OFFERING MEMORANDUM



Jones Lang LaSalle Americas, Inc.  
("JLL"), Real Estate License #01223413

**SINGLE-TENANT NNN RETAIL CONDO INVESTMENT  
OPPORTUNITY IN THE HEART OF SAN FRANCISCO**





# EXECUTIVE SUMMARY

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## INVESTMENT HIGHLIGHTS



Fortress Central San Francisco Location



Unparalleled Geary Boulevard  
Retail Corridor



Highly Affluent Customer Base



New Construction



Part of a Class-A, Mixed-Use  
Condo Development



9+ Years Lease Term Remaining



Strong Cash Flow Growth  
in Rental Increases



NNN Lease with Limited Landlord  
Responsibilities



Established &  
Growing Franchisee



Generational Trophy Asset



# THE OFFERING

JLL is pleased to offer for sale 3501 Geary Boulevard, a 1,866-square-foot, single-tenant ground-floor retail condo unit (the "Property") located in the heart of San Francisco at Geary & Stanyan. The Property is part of 1 Stanyan, a greater mixed-use condo building that also includes 13 luxury residential units and an additional retail unit long-term leased to Rooster & Rice.

Recently built in 2018, the Property, is 100% NNN leased to T-Mobile, the third largest mobile carrier in the United States. This store is operated by a highly established franchisee with more than 120 locations in 7 states. The NNN lease notably features more than 9 years of primary term remaining.

3501 Geary's central San Francisco location sets this offering apart. The Property holds a prime position on Geary Boulevard and in one of the City's most dense and affluent neighborhoods.

*This T-Mobile offering presents an investor the unique opportunity to acquire a strong and growing cash flow in a fortress San Francisco location.*

## ANNUAL YIELDS OVER REMAINING LEASE YEARS

START	END	BASE RENT	% INC.	YIELD
6/1/2021	5/31/2022	\$149,685	0.00%	4.50%
6/1/2022	5/31/2023	\$153,380	2.47%	4.61%
6/1/2023	5/31/2024	\$157,075	2.41%	4.72%
6/1/2024	5/31/2025	\$157,075	0.00%	4.72%
6/1/2025	5/31/2026	\$164,907	4.99%	4.96%
6/1/2026	5/31/2027	\$164,907	0.00%	4.96%
6/1/2027	5/31/2028	\$169,059	2.52%	5.08%
6/1/2028	5/31/2029	\$173,210	2.46%	5.21%
6/1/2029	5/31/2030	\$173,210	0.00%	5.21%
<b>AVERAGE</b>		<b>\$162,501</b>	<b>1.85%</b>	<b>4.89%</b>

**OFFERING: \$3,326,000**  
Price

**4.50%**  
Cap Rate

**4.89%** Avg Cap Rate  
Over Remaining Lease Years

## PROPERTY & LEASE OVERVIEW

<b>Address</b>	3501 Geary Boulevard, San Francisco, California 94118
<b>Building Size</b>	1,866 SF
<b>Ownership Interest</b>	Condominium
<b>Year Built</b>	2018
<b>Tenant</b>	T-Mobile (Mobile One, LLC)
<b>Lease Commencement</b>	June 1, 2020
<b>Lease Expiration</b>	May 31, 2030
<b>Lease Term</b>	10 Years (9.4 Years Remain)
<b>Renewal Options</b>	2 x 5-Year Options at 100% Fair Market Value
<b>Lease Type</b>	NNN
<b>Annual Base Rent</b>	\$149,685
<b>Base Rent Escalations</b>	5% increases in months 31, 61 and 91
<b>Security</b>	Letter of Credit for life of the lease: \$208,428
<b>ROFO</b>	None

*\*All lease provisions should be independently verified by buyer during Due Diligence.*

## RENTAL SCHEDULE

Lease Months	Start	End	Annual Rent	Monthly Rent	Increase
1 – 30	6/1/2020	11/30/2022	\$149,685.24	\$12,473.77	-
31 – 60	12/1/2022	5/31/2025	\$157,074.60	\$13,089.55	5%
61 – 90	6/15/2021	11/30/2027	\$164,907.36	\$13,742.28	5%
91 – 120	12/1/2027	5/31/2030	\$173,210.04	\$14,434.17	5%









# INVESTMENT HIGHLIGHTS

## Fortress Central San Francisco Location

- San Francisco is one of the most desirable gateway cities in the United States, with **more than 26 Million Annual Visitors** bringing about **\$8.5 Billion in spending** each year.
- Positioned at the convergence of three classic SF neighborhoods: Lone Mountain, Laurel Heights and Jordan Park, 3501 Geary boasts unbeatable proximity to countless amenities and demand drivers.

## 3501 GEARY STREET BOASTS A 91 WALK SCORE

PROXIMITY TO MAJOR AMENITIES	0.4 Miles	→	USF
	0.5 Miles	→	Golden Gate Park
	0.8 Miles	→	Richmond District
	0.8 Mile	→	Presidio of San Francisco
	1.0 Mile	→	Kaiser Permanente SF Medical Center
	1.1 Miles	→	UCSF Medical Campuses (Parnassus & Mt Zion)
	1.3 Miles	→	Lower Pac Heights
	2.5 Miles	→	Land's End Lookout Trail

## Unparalleled Geary Boulevard Retail Corridor

- The Property benefits from its irreplaceable positioning with and corner intersection location and more than 70 linear feet of frontage on Geary Boulevard, one of San Francisco's most well-known and arterial thoroughfares (58,000 Cars Per Day).
- Lined with national retailers, Geary is home to a significant portion of the city's retail development. All in immediate proximity to the Property on Geary are a hub co-tenants.



## Highly Dense & Affluent Customer Base

- With its SF area code and direct proximity to high-paying employers, 3501 Geary immediately benefits from some of the most affluent demographics in the country with median home values in the immediate area over \$1.6M.
- The Property boasts a local customer base with an average household Income of almost \$180k, more than triple that of the United States.

### DEMOGRAPHIC PROFILE WITHIN 5-MIN DRIVE TIME

**39,790**  
Households

**\$179,404** Average  
HH Income | Almost **7%**  
Higher than SF

**\$1,642,671** Median  
Home Value | Almost **30%**  
Higher than SF

Highly Dense  
Population of  
**86,701**

# INVESTMENT...T...Mobile... HIGHLIGHTS

## Part of Brand New, Class-A, Mixed-Use Condo Building

- 1 Stanyan is a highly attractive and exciting new mixed-use development with modern build & sleek design that will continue to attract residents, customers & tenants, alike.
- The total development includes 13 luxury residences plus an additional retail condo unit that is long-term leased to a popular Rooster & Rice restaurant, providing built-in demand drivers for T-Mobile and 3501 Geary.

## Significant Cash Flow Growth in Annual Rent Increases

- T-Mobile's lease calls for 5% increases every 2.5 years providing a strong hedge against inflation.
- With the rental increases, investors will benefit from a growing cash flow that includes an average yield of 4.9% over the remainder of the lease term.

## Highly Established & Growing Franchisee

- Mobile One, LLC is one of the nation's largest and most established franchisees of T-Mobile stores with a portfolio of 120 stores in seven U.S. states. The operator has almost 15 years of successful operating history and more than 600 employees.
- The Franchisee's lease includes a very attractive layer of security in a more than \$200K Letter of Credit provided to Landlord.

## NNN Lease with Limited Landlord Responsibilities

- Investors will have very minimal landlord responsibility in owning and operating the Property, given its size and NNN nature of the lease where Tenant is responsible for operating expenses and HOA fees - perfect for the out of town investor.

## T-Mobile: A Top Mobile Retailer & Global Brand

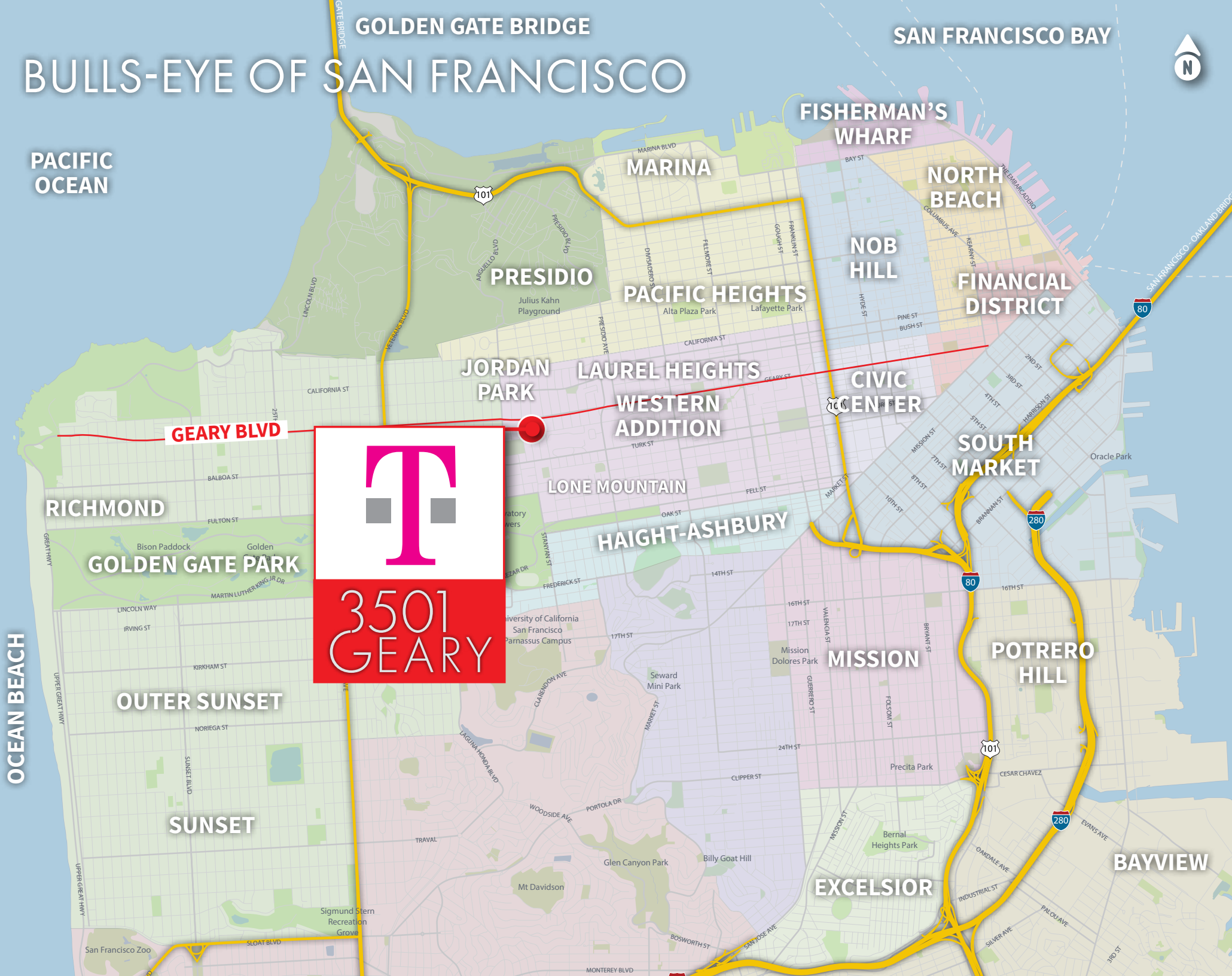
- T-Mobile is a leader in global communications with over 20,100 retail locations, 86 million customers worldwide and operations in 19 countries around the globe.
- T-Mobile is the 3rd largest carrier in the U.S., with a strong market position as T-Mobile & Sprint recently merged and the combined company is using the T-Mobile name and brand.
- T-Mobile ranked as one of Fortune's "100 Best Companies to Work For" in 2020.

## Generational Trophy Asset

- Significant amount of lease term remaining 9+ Years.
- Excellent preservation of capital given core nature of the STNL investment as well as location.
- Rare opportunity to acquire prime San Francisco Class A Retail and hold for generations.



# BULLS-EYE OF SAN FRANCISCO



GOLDEN GATE BRIDGE

SAN FRANCISCO BAY

PACIFIC OCEAN



FISHERMAN'S WHARF

MARINA

NORTH BEACH

NOB HILL

FINANCIAL DISTRICT

PRESIDIO

PACIFIC HEIGHTS

JORDAN PARK

LAUREL HEIGHTS  
WESTERN ADDITION

CIVIC CENTER

SOUTH MARKET

GEARY BLVD



RICHMOND

GOLDEN GATE PARK

LONE MOUNTAIN

HAIGHT-ASHBURY

MISSION

POTRERO HILL

OUTER SUNSET

SUNSET

EXCELSIOR

BAYVIEW

OCEAN BEACH

# TENANT OVERVIEW

<b>Company Name</b>	T-Mobile
<b>Ownership Status</b>	Public (NASDAQ: TMUS)
<b>S&amp;P Credit Rating</b>	BB (Investment Grade)
<b>Revenue</b>	\$25BN (2019)
<b>Founded</b>	1994
<b>Headquarters</b>	Bellevue, WA (USA)
<b>Locations:</b>	10
<b>Website:</b>	<a href="http://www.tmobile.com">www.tmobile.com</a>



T-Mobile U.S. Inc. (NASDAQ: TMUS) is the third largest carrier in the U.S. It is America's supercharged Un-carrier, delivering an advanced 4G LTE and transformative nationwide 5G network that will offer reliable connectivity for all. T-Mobile's customers benefit from its unmatched combination of value and quality, unwavering obsession with offering them the best possible service experience and indisputable drive for disruption that creates competition and innovation in wireless and beyond. Based in Bellevue, Wash., T-Mobile provides services through its subsidiaries and operates its flagship brands, T-Mobile, Metro by T-Mobile and Sprint.

The T-Mobile brand is majority owned by Germany's Deutsche Telekom. The brand operates in parts of Europe, but the U.S. is its largest territory with 81.3 million mobile customers at the end of March 2019. The brand's "Uncarrier" campaign has been a great success since it was introduced in 2013. It allows customers to sign up for T-Mobile without the two-year service contract required by most providers.



*New Merger!*

T-Mobile and Sprint  
Recently Merged  
the Combined  
Company is Using  
the T-Mobile Name



# FRANCHISEE OVERVIEW

Mobile One, LLC is one of the largest franchisees of T-Mobile retail stores in the U.S. The highly established operator was founded in 2008, and has grown exponentially to its current level of operations, which include a portfolio of over 120 T-Mobile stores with 600 employees across 7 different states. Mobile One has strong growth plans in the pipeline, looking to expand significantly in 2021.

Website: [www.mobileonellc.com](http://www.mobileonellc.com)



**Over 120**  
T-Mobile Retail Stores

**7 States:** CA, TX,  
WA, AZ, OR, NM, AR





# MARKET OVERVIEW

## TIGHT LOCAL RETAIL MARKET FUNDAMENTALS

 **2.4%**

Vacancy Rate  
(Geary Retail Corridor)

The retail market remains tight along the Geary Avenue Retail Corridor between Richmond & Pacific Heights (270 basis points inside that of San Francisco).



**0 SF**

Currently Under Construction  
(West of Van Ness Submarket)



**0 SF**

Newly Delivered (Past 12 Months)  
(West of Van Ness Submarket)

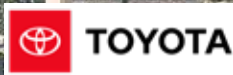
With currently zero new supply in the pipeline, the West of Van Ness submarket is poised to maintain market rents and continue its outperformance of the wider San Francisco retail market.

OCEAN  
BEACH

LAND'S END

SAN FRANCISCO BAY

RICHMOND  
DISTRICT



**GEARY BOULEVARD**  
(58,000 CARS PER DAY)



# COUNTLESS LOCAL DEMAND DRIVERS

Positioned in the very center of San Francisco at the convergence of the Lone Mountain, Jordan Park & Laurel Heights neighborhoods, the local economy surges with its proximity to major Bay Area universities and hospitals and the area's immense affluence is driven by its direct access to nation's top employers. Rich with world-class amenities in a short walking distance, the area benefits from significant visitor counts from both SF residents, as well as travelers around the globe.

SUPERIOR  
ACCESSIBILITY

 **91** Walk  
Score

 **81** Transit Score:  
"Good Transit"

## NEW GEARY RAPID PROJECT



**Project Goal:**

Improve transit efficiency and upgrade safety on one of SF's busiest corridors.



**Timeline:**

Currently underway with expected completion of summer 2021.



**Visit:**

<https://www.sfmta.com/projects/geary-rapid-project>



**TRANSAMERICA  
PYRAMID**

**FINANCIAL  
DISTRICT**

**SALESFORCE  
TOWER**

**TARGET**

**UCSF Health**  
Mount Zion Campus

**KAISER PERMANENTE  
MEDICAL CENTER**

**verizon**

**H&R  
BLOCK**

**GEARY BLVD**

**CHASE**

**BevMo!**  
BEVERAGES & MORE



Drive Time of the Property	5-MIN	10-MIN	15-MIN	CITY OF SAN FRANCISCO
<b>POPULATION</b>				
2010 Population	86,701	329,092	572,652	809,484
2020 Population	87,665	337,877	597,758	881,791
<b>POPULATION GROWTH</b>				
2010 - 2020 Population Growth	1.1%	2.7%	4.4%	8.9%
2010 - 2020 Population: Annual Growth Rate	0.11%	0.26%	0.42%	0.82%
<b>HOUSEHOLDS:</b>				
2020 Total Households	39,730	166,153	282,707	377,346
<b>EDUCATION</b>				
% Attainment Bachelor's Degree+	72%	69%	65%	59%
<b>AFFLUENCE</b>				
2020 Average Household Income	\$179,404	\$171,109	\$170,868	\$168,562
2020 Median Home Value	\$1,642,871	\$1,460,134	\$1,390,630	\$1,277,300

**3X U.S.**  
AVERAGE  
HOUSEHOLD  
INCOMES

**87,665**  
PEOPLE WITHIN  
5 MIN DRIVE





# 3501 GEARY

*PRESENTED BY JONES LANG LASALLE AMERICAS, INC.*

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