



Offering Memo | Professional Office Building
Multi-Tenant / Owner-User Opportunity

Downtown San Luis Obispo Office Building

1026 Palm St. | San Luis Obispo, CA

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City Hall
San Luis Obispo

Osos Street - ± 5,580 AADT

Subject Property
1026 Palm Street



County Courthouse
San Luis Obispo

Palm Street - ± 2,680 AADT

Alley Access to Osos St. & Hwy 1

Santa Rosa St. - ± 20,278 AADT



Santa Rosa St. - ± 20,278 AADT

Court St. Center

SLO Library

SLO Courthouse

Property Type
2-Story Office

Building Area
± 5,038 SF

Land Area
± .24 Acres
± 10,498 SF

Parking
Onsite Private Lot
1 space / 300 Ft.
City Code

Zoning
O (Office)

Parcel No.
002-323-031

Asking Price
\$2,475,000.00

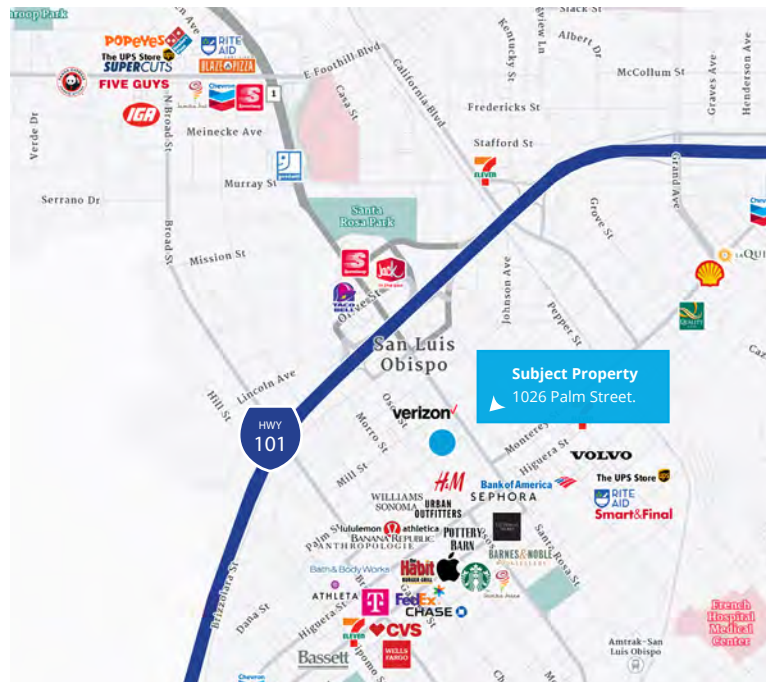
Asking Price PSF
\$491.26 PSF

1026 Palm Street,
Downtown Submarket
San Luis Obispo, CA

Property Profile

Presenting a unique investment opportunity in the heart of San Luis Obispo, **1026 Palm Street** is a multi-tenant office building ideally situated just steps away from the San Luis Obispo Downtown core. The property is defined by its exceptional location directly across the street from the county courthouse, making it an ideal hub for legal professionals and businesses seeking close proximity to the legal epicenter for the county.

The property's current configuration as a multi-tenant space offers versatility, while allowing for easy conversion into a single-tenant building to accommodate a wide range of business needs. With a Mediterranean-style design and stucco exterior, the site exudes timeless charm and character, while also boasting considerable onsite parking and access off Highway 1/Santa Rosa Street.



1026 Palm Street is home to an array of professional tenants, including attorneys, a California State Senator's Office, and several therapist offices. With an impressive Walk Score® of 98 this property offers unparalleled accessibility in a thriving downtown setting-- arguably one of the best locations for an office building in the County!



Courthouse Adjacent



Downtown Location



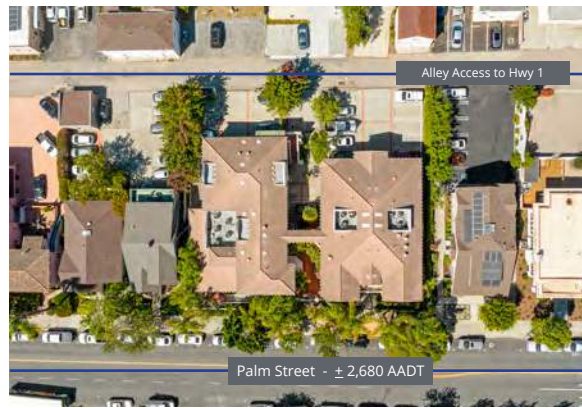
Onsite Parking



Hwy 1 & 101 Access

Investors will appreciate the submarket's positive rental trends, with average rents increasing by 1.6% over the past year, with a cumulative 9.2% increase over the past three years, indicating a robust and growing rental market. The Downtown San Luis Obispo office submarket exhibits a low vacancy rate of 3.4%, highlighting the property's desirability and stability within the local commercial real estate market. Great for owner-user, investment, or 1031 exchange, flexible properties like this are rare to market. Don't miss this opportunity to own truly exceptional real estate!





Clockwise from top

Southern view of property alongside Cerro San Luis and Palm thoroughfare. Lush street-side frontage with gated entry. Rear view of property with private, on-site parking area. Sidewalk frontage with monument signage and additional metered street parking. Overhead/rooftop view. Oblique aerial with county courthouse across Palm Ave. Alley access to parking in rear which connects to Highway 1.



amazon
Bank of America

Fremont Theatre

Marsh St. Parking Structure

Court St. Retail to Higuera

San Luis Obispo Downtown Core

HOTEL SAN LUIS OBISPO

Morro Parking Structure

SLO Public Library

SLO Dept. of Planning



City Hall
San Luis Obispo



County Courthouse
San Luis Obispo

SLO County Clerk Recorder

Palm Street - ± 2,680 AADT

Hwy 1
Santa Rosa St - ± 20,278 AADT

Alley Access to Osos St. & Hwy 1

Subject Property





Subject Property



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Property Rent Roll



Presentation Rent Roll & Current Term Tenant Summary | As of September-23 for 3,690 Square Feet

Suite Number	Availability	Square Footage	Prorata Share	Lease Term	Comm. Date	Expiration Date	Monthly Base Rent	Annual Base Rent	Rent PSF (MG)	Next Rent Adjustment	Security Deposit	Options & Lease Notes
Suite 105	Vacant	857 SF	23.22%	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Suite 200	Leased	596 SF	16.15%	3 Years & 10 Months	5/1/2021	2/28/2025	\$1,453.79	\$17,445.48	\$2.44	05/01/24 \$1,565.56	None	None
Suite 210	Leased	247 SF	6.70%	1 Year	3/1/2019	2/29/2024	\$700.00	\$8,400.00	\$2.83	3/1/2024 CPI	\$600.00	Lease to extend for 3 months following expiration unless given 2 months notice to terminate.
Suite 211	Vacant	154 SF	4.17%	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Suite 100, Suite 212 & Suite 213	Leased	1,036 SF	28.08%	1 Year	10/1/2019	9/30/2020 (Month to Month, 60 Day Notice)"	\$3,194.81	\$38,337.72	\$3.08	10/1/23 3% Increase	None	Lease to extend for 3 months following expiration unless given 2 months notice to terminate.
Suite 214	Leased	162 SF	4.40%	1 Year	11/1/2019	10/31/2024	\$700.00	\$8,400.00	\$4.32	11/1/2023 CPI	\$700.00	Lease to extend for 3 months following expiration unless given 2 months notice to terminate.
Suite 215	Leased	241 SF	6.53%	1 Year	4/1/2023	3/31/26	\$900.00	\$10,800.00	\$3.73	04/01/2024 CPI	\$900.00	1, 2 Year (needs to give 90 day notice) - Lease to extend for 3 months following expiration unless given 2 months notice to terminate.
Suite 216	Leased	151 SF	4.09%	Month-to-Month	Month-to-Month	N/A	\$500.00	\$6,000.00	\$3.31	N/A	N/A	N/A
Suite 217	Leased	246 SF	6.67%	1 Year	10/1/2022	9/30/2023 60 Day Notice	\$800.00	\$9,600.00	\$3.25	10/1/2023 CPI	\$800.00	2, 2 Year (missed option notice window) - Lease to extend for 3 months following expiration unless given 2 months notice to terminate.
Totals		± 3,690 SF	100%				\$8,248.60	\$98,983.20	\$22.96		\$3,000.00	

Total Building SF with Common Areas ± 5,038 SF

* Buyer to verify plan and size/measurements

Site Plan

1026 Palm Street San Luis Obispo, CA

The Subject Property at 1026 Palm Street shares a lot with 1042 Palm Street, an adjacent, multi-tenant office property.

The two buildings are connected via a footbridge for elevator easement and cater to a similar base of professional office users. This easment also applies to shared parking and exterior common area upkeep.

Offering Recap

Property Type 2-Story Office

Building Area ± 5,038 SF

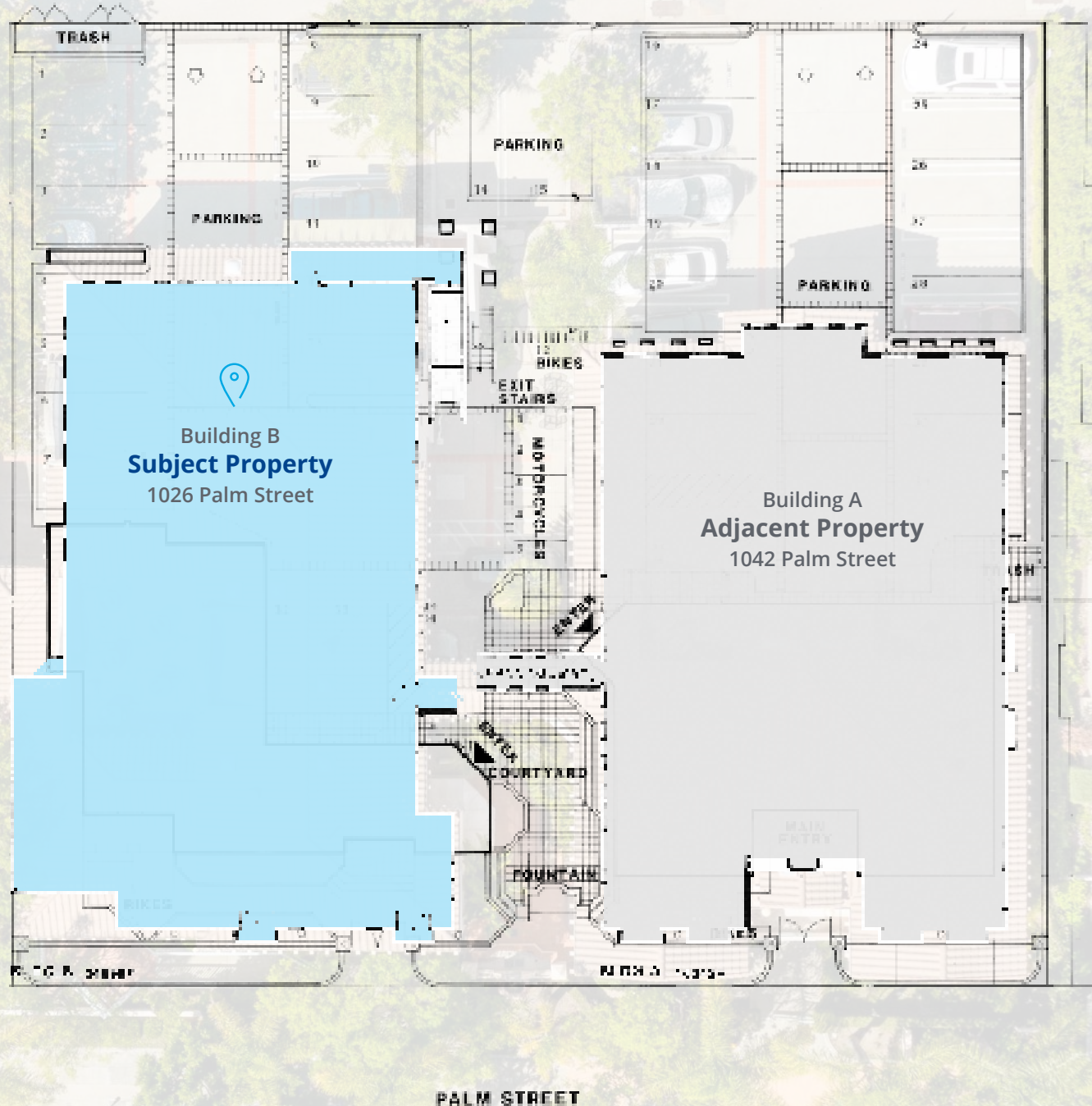
Land Area ± .24 Acres
± 10,498 SF

Parking Onsite Private Lot
1 space per 300 Ft.
City Code

Zoning O (Office)

Parcel No. 002-323-031

Asking Price \$2,475,000.00
\$491.26 PSF



1st Level Floorplan

1026 Palm Street
San Luis Obispo, CA

The first floor of 1026 Palm is currently comprised of two units:

Suite 105 is currently available for lease, offering ± 857 SF of office space available immediately.

Suite 100 is currently leased alongside (212 and 213 on the second level) on a month-to-month tenancy, making the space accessible within the year.

This offers potential users the ability to utilize the entire ground floor as contiguous space within the year.

Tenant Roster & Upcoming Availability:

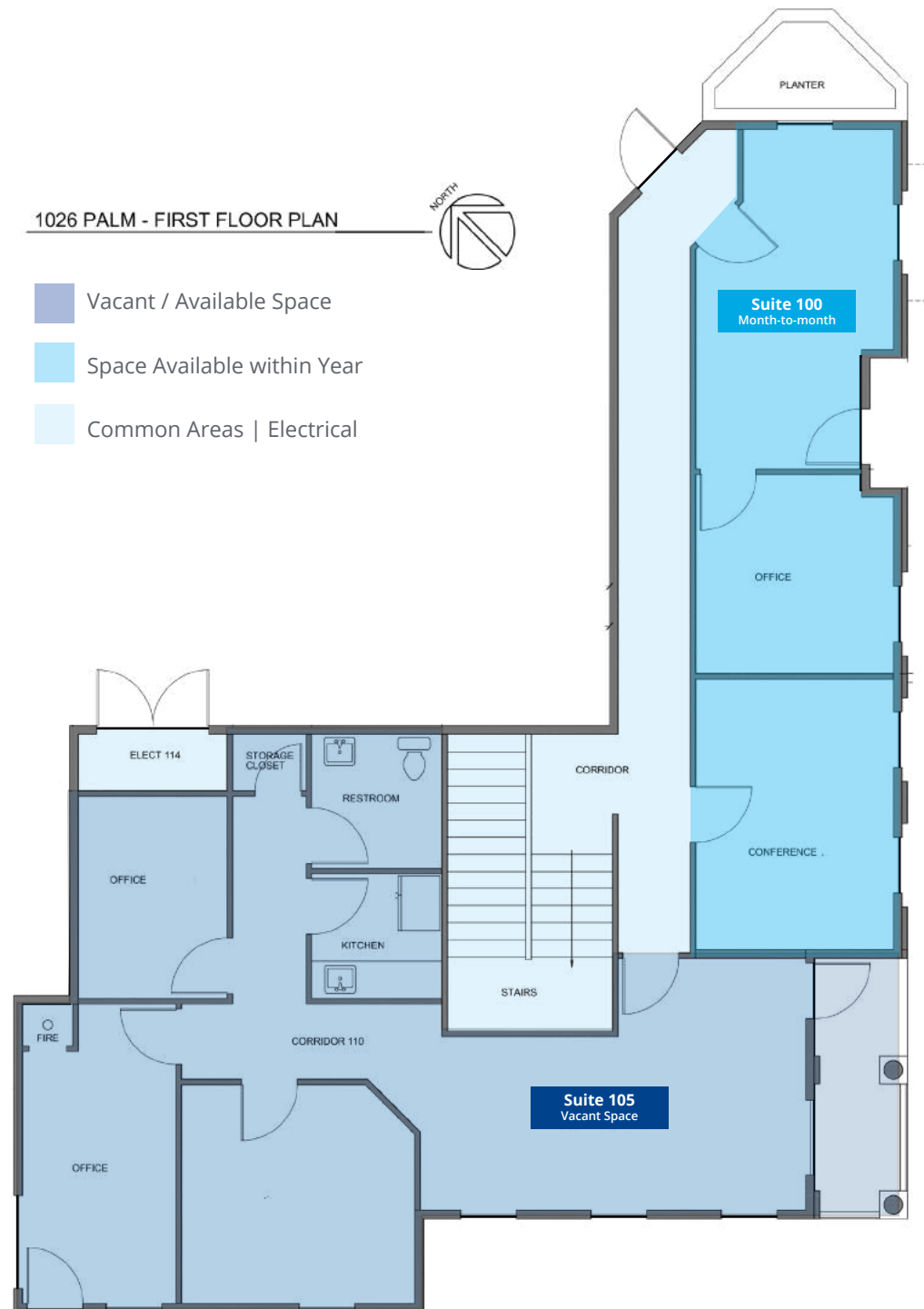
Suite 105	Vacant Now Available	± 857 SF
Suite 100	Month-to-Month Leased with 212 & 213	± 1,036 SF (Total)

* Buyer to verify plan and size/measurements

1026 PALM - FIRST FLOOR PLAN



- Vacant / Available Space
- Space Available within Year
- Common Areas | Electrical



2nd Level Floorplan

1026 Palm Street
San Luis Obispo, CA

The second floor of 1026 Palm is currently comprised of several units:

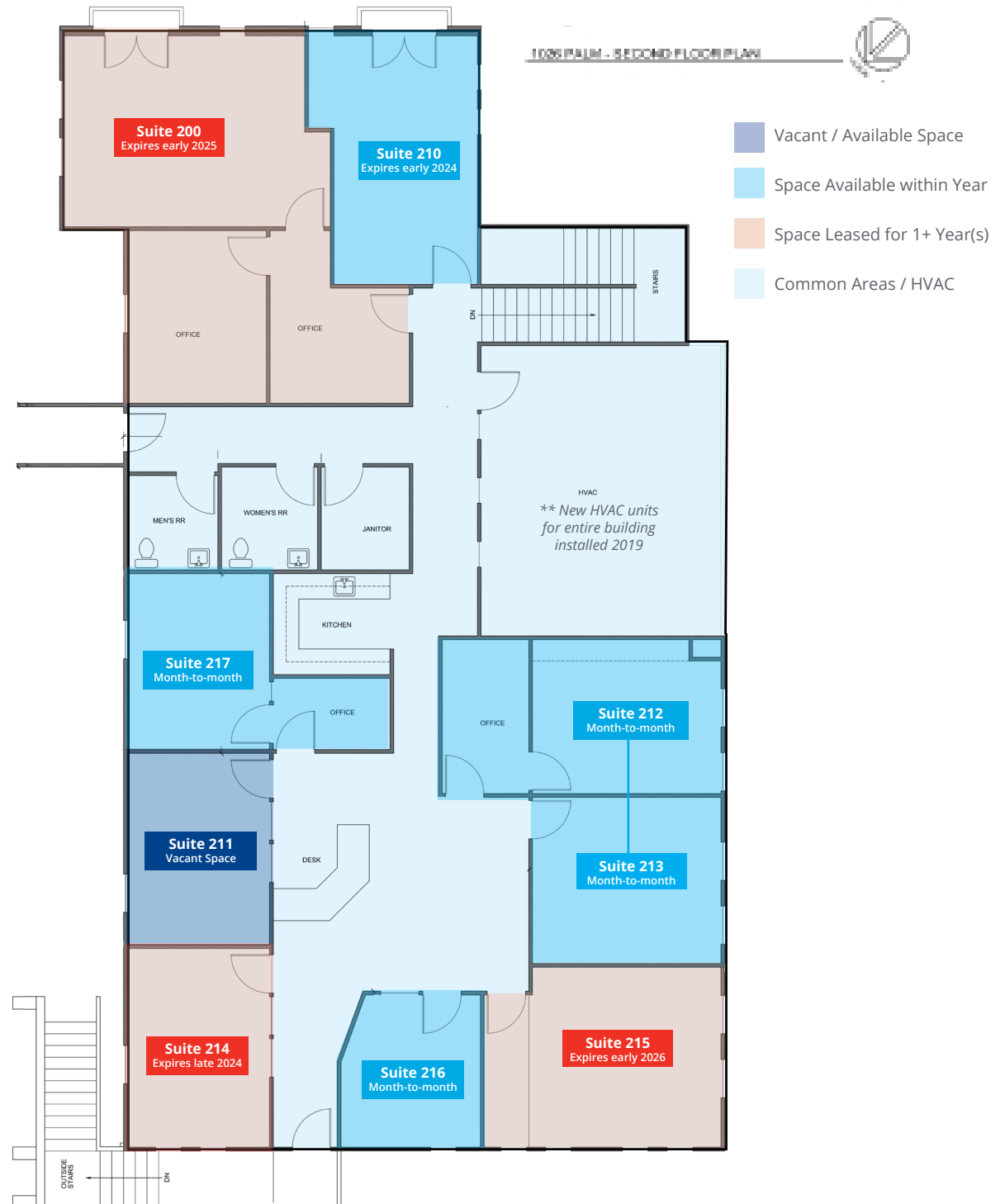
Suite 211 is currently available for lease, offering \pm 154 SF of office space available immediately.

Suites 210, 212, 213, 216 & 217 are leased on month-to-month terms or with an upcoming expiration, making the spaces accessible within the year.

Tenant Roster & Upcoming Availability:

Suite 200	Expires 2/28/2025	\pm 596 SF
Suite 210	Expires 2/29/2024	\pm 247 SF
Suites 212 & 213 Leased w/ 105	Month-to-Month	\pm 1,036 SF (Total)
Suite 215	Expires 3/31/2026	\pm 241 SF
Suite 216	Month-to-month	\pm 151 SF
Suite 214	Expires 10/31/2024	\pm 162 SF
Suite 211	Vacant Now Available	\pm 154 SF
Suite 217	Month-to-Month	\pm 246 SF

* Buyer to verify plan and size/measurements





Downtown San Luis Obispo Office Submarket Trends

Vacancy in the Downtown SLO office submarket is 3.4% and has increased by 0.6% over the past 12 months. Meanwhile, the rate of increase in the broader San Luis Obispo market was 1.0%. During this period, there has been 7,400 SF of negative absorption and no net deliveries. Total availability, which includes sublease space, is 4.7% of all inventory.

Rents are around \$32.00/SF, which is a 1.6% increase from where they were a year ago. In the past three years, rents have increased a cumulative 9.2%. This is also an expensive submarket, relative to San Luis Obispo as a whole, where average rents are \$28.00/SF.

There is nothing under construction, and the submarket is 1,200 SF smaller than it was three years ago. There have been 8 sales over the past year.

Availability Statistics

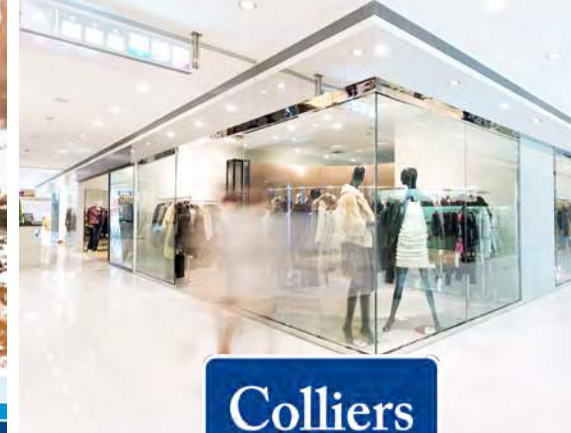
Statistic	Submarket
Market Rent/SF	\$32.06 PSF
Vacancy Rate	3.4%
Vacant SF	40.8K SF
Availability Rate	4.7%
Available SF Direct	55.4K SF
Available SF Sublet	0 SF
Available SF Total	55.4K SF
Months on Market	5.8 Months

Demand Statistics

Statistic	Submarket
12 Mo Net Absorption SF	(7.4 K)
12 Mo Leased SF	33K SF
6 Mo Leasing Probability	43.2%

Inventory Statistics

Statistic	Submarket
Existing Buildings	232 Buildings
Inventory SF	1.2M SF
Average Building SF	5.1K SF
Under Construction SF	0 SF
12 Mo. Delivered SF	0 SF



Local Economy



Demographic Summary

San Luis Obispo County is located between the state's two major population centers along California's Central Coast. The metro overall is highly educated, with 35% of residents having a bachelor's degree or higher. Cost of living is lower than the Bay Area and Southern California.

Pandemic Recovery

The labor market thrived over the past decade, but the pandemic impacted many local businesses. Unemployment spiked to 13.5% at the onset of the pandemic; however, local recovery has been consistent and the unemployment rate has slowly improved to 3.8%. In Oxford Economics' baseline scenario,

national job levels won't return to 20Q1 levels until late 2022, though San Luis Obispo is already well-approaching its recent 2.8% low.

Major Industries

The metro is now one of the largest producers of wine in California, behind only Sonoma and Napa counties. The local wine industry promotes tourism by operating dozens of wine tasting shops but also tours of vineyards and wine-processing facilities. Revenue from tourism had grown into the third-largest contributor to the San Luis Obispo general fund budget prior to the pandemic. The historic Madonna Inn is among the most high profile on the Central Coast with 110 guestrooms in a boutique-style establishment.

NAICS by Industry

Industry	Current Jobs	Current Growth	10 Year Historical	5 Year Forecast
Manufacturing	8.1K	7.95	2.71%	1.28%
Trade, Transport and Utilities	20K	2.86%	0.13%	0.83%
Retail Trade	13K	1.03%	-0.04%	0.89%
Financial Activities	3.7K	0.44%	-0.22%	-0.05%
Government	22K	4.35%	1.14%	1.93%
Resources, Mining and Construction	8.6K	3.66%	4.84%	0.69%
Education and Health Services	17K	3.76%	2.09%	2.05%
Professional and Business Services	11K	6.91%	3.35%	1.53%
Information	1.2K	10.04%	0.63%	1.62%
Leisure and Hospitality	17K	11.19%	1.18%	4.37
Other Services	3.9K	17.36%	1.91%	1.74%
TOTAL EMPLOYMENT	113K	5.76%	1.61%	1.90%

Offering Memorandum | Professional Office Investment or Owner-User Opportunity

Downtown Multi-Tenant Office Building

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