



MIXED-USE INVESTMENT PROPERTY · DOWNTOWN SAN CARLOS

Rosaia's Fine Jewelers

577

5 Unit Mixed-Use Asset

577 Laurel Street · San Carlos, CA 94070



ASKING PRICE
\$4,900,000

TOTAL UNITS
5

PRO FORMA NOI
\$168,600

VALUE-ADD PATHS
2

EXCLUSIVELY OFFERED BY
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BROKERED BY COMPASS · DRE# 01527235
mkgdgrouprealty.net

EXECUTIVE SUMMARY

A value-add mixed-use opportunity with multiple paths to NOI growth.

MKD Group, brokered by Compass, is pleased to exclusively present 577 Laurel Street — a 2003-built, 5-unit mixed-use asset in one of the Peninsula's most coveted downtown corridors, offered as a true **value-add play** with long-term appreciation potential. In-place residential rents sit materially below market, and the ground-floor retail can be repositioned at COE to capture downtown Laurel Street rents. With a clean basis, modern construction, eight covered parking spots, and a clear path to NOI growth, the asset is well-suited as a **1031 exchange replacement** for investors seeking durable Peninsula income with built-in upside.

TWO PATHS TO VALUE CREATION

- **1 · Residential Mark-to-Market.** In-place 2BD/2BA rents range \$3,800–\$4,000 vs. market comps at **\$4,200** for comparable downtown San Carlos product — an immediate ~5–10% upside on natural turnover.
- **2 · Retail Repositioning.** Ground-floor ~450 SF retail delivered **vacant or lease-back at COE**, allowing a buyer to reset to market rents on Laurel Street, one of the Peninsula's most active retail corridors.

Future optionality: architectural drawings for a top-floor penthouse expansion are available to a buyer pursuing additional density — not underwritten in this offering.

OFFERING SNAPSHOT

| | | | |
|----------------------------|--------------------------------|--------------------|------------------------------|
| ASKING PRICE | \$4,900,000 | YEAR BUILT | 2003 |
| TOTAL UNITS | 5 (4 Residential + 1 Retail) | BUILDING SF | 5,554 RSF |
| LOT SIZE | 3,900 SF | PARKING | 8 Covered Spots · 2 Per Unit |
| RETAIL SPACE | ~450 SF · Vacant or Lease-Back | IN-PLACE NOI | \$147,000 |
| PRO FORMA NOI (STABILIZED) | \$168,600 | PRO FORMA CAP RATE | 3.44% (Stabilized) |

In-place cap rate of 3.00% reflects below-market rents and a vacant-deliverable retail space. See Value-Add Opportunity & Pro Forma for full underwriting and assumptions.

THE PROPERTY

577 Laurel Street is a **two-story mixed-use building** totaling approximately 5,554 rentable square feet on a 3,900 SF lot in the heart of Downtown San Carlos. The four residential apartments are generously sized 2BD/2BA layouts with modern finishes, in-unit laundry, private balconies, secure building access, and **two designated covered parking spots per unit** — eight covered spaces in total, a meaningful amenity in walkable downtown San Carlos.

The ground floor retail space (~450 SF) — formerly Rosaia Fine Jewelers — can be delivered **vacant at close of escrow** or retained as a lease-back arrangement, offering the buyer full flexibility on day-one income strategy.

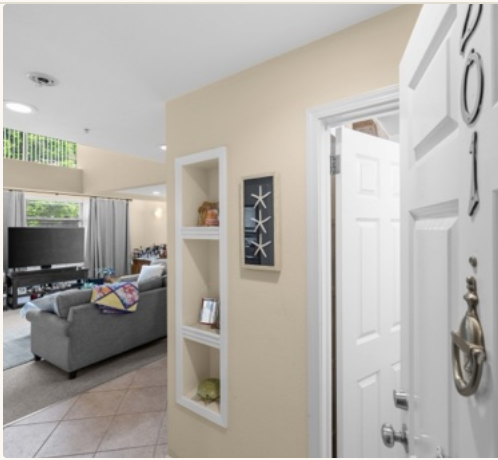
PROPERTY DETAILS

| | | | |
|-----------------|---|---------------|--|
| ADDRESS | 577 Laurel Street, San Carlos, CA 94070 | ASSET TYPE | Mixed-Use |
| COUNTY | San Mateo | BUILDING SF | 5,554 RSF |
| SUBMARKET | Downtown San Carlos | LOT SIZE | 3,900 SF |
| TOTAL UNITS | 5 (4 Residential + 1 Retail) | STORIES | 2 |
| YEAR BUILT | 2003 | PARKING | 8 Covered Spots · 2 Per Residential Unit |
| ELECTRICAL | 400 Amp / 6 PG&E Meters | WATER METERS | 2 (1 Retail, 1 Residential) |
| HVAC | Central Heating · A/C in Each Unit | WATER HEATERS | Individual Per Unit |
| IN-UNIT LAUNDRY | Washer / Dryer in Each Unit | ROOF | ~25 Years Old |
| TENANT PAYS | PG&E (Individual Meters) | RETAIL SPACE | ~450 SF · Vacant or Lease-Back |

PROPERTY FEATURES

- **Generously sized 2BD/2BA residential apartments** (approx. 1,000–1,100 SF each) with modern finishes throughout.
- **Fresh paint and new carpet** in all residential units, plus in-unit washer/dryer.
- **Private balconies** and secure controlled-access building entry across all four units.
- **Eight covered parking spaces** — two designated spots per residential unit, a rare premium amenity in walkable downtown San Carlos.
- **Central heating with A/C** and individual water heaters in each unit.

Year built, square footage, APN, and zoning designations are approximate and should be independently verified by the buyer during due diligence. Tax and title information available upon execution of Confidentiality Agreement.



01 ENTRY — UNIT 201



02 RESIDENTIAL — LIVING, UNIT 201



03 RESIDENTIAL — LIVING, UNIT 201



04 TWO-STORY LIVING + LOFT



05 KITCHEN



06 BEDROOM

06



07 PRIVATE BALCONY



08 GROUND-FLOOR RETAIL



09 COVERED PARKING — 2 PER UNIT

09



THE SETTING · DOWNTOWN SAN CARLOS

Steps from Caltrain. Walking distance to the Bay.

577 Laurel sits in the heart of downtown San Carlos — one block from the Caltrain station, surrounded by the city's most active retail, dining, and residential corridors, with open Bay views to the east.

1 block

SAN CARLOS

CALTRAIN STATION

3 min

WALK TO

LAUREL STREET RETAIL

25 min

CALTRAIN TO

SAN FRANCISCO / SJC

RENT ROLL & UNIT MIX

Current rent roll as reflected in Seller's records. The retail space can be delivered **vacant at COE** for fresh market lease-up, or retained as a lease-back arrangement — buyer's choice. All four residential units are occupied with in-unit laundry, balconies, and individual PG&E meters.

LAUREL STREET RETAIL CORRIDOR

A Premier Downtown San Carlos Retail Address.

Laurel Street is the Peninsula's most coveted boutique retail corridor — high foot traffic, limited supply, and strong demand from independent operators, cafes, and service tenants. Delivering the ground floor **vacant at COE** allows a buyer to mark this space to true Laurel Street market rents on a fresh lease, capturing the corridor's pricing power on day one.

FRONTAGE
Laurel St.
DELIVERY
Vacant at COE
APPROX. RSF
~450 SF

| UNIT | TYPE | STATUS | APPROX. SF | MONTHLY RENT | ANNUAL RENT |
|--|-------------------------|----------------------|------------------|-----------------|------------------|
| Retail | Ground Floor Commercial | Vacant or Lease-Back | ~450 | \$2,400 | \$28,800 |
| 1 | 2BD / 2BA | Tenant in Place | ~1,000-1,100 | \$4,000 | \$48,000 |
| 2 | 2BD / 2BA | Tenant in Place | ~1,000-1,100 | \$4,000 | \$48,000 |
| 3 | 2BD / 2BA | Tenant in Place | ~1,000-1,100 | \$3,800 | \$45,600 |
| 4 | 2BD / 2BA | Tenant in Place | ~1,000-1,100 | \$4,000 | \$48,000 |
| TOTALS · 5 UNITS · 4 RESIDENTIAL + 1 RETAIL | | | 5,554 RSF | \$18,200 | \$218,400 |

Detailed unit-level rent and lease information is available upon execution of a Confidentiality Agreement. All four residential apartments are 2BD/2BA layouts with in-unit washer/dryer, private balconies, central heating, and A/C. Tenants pay PG&E on individual meters.

VALUE-ADD OPPORTUNITY & PRO FORMA

577 Laurel Street offers **two distinct, executable paths to NOI growth** — a residential mark-to-market on natural turnover and a retail repositioning at COE. The underwriting below bridges in-place income to a stabilized scenario at the existing 5-unit configuration.

| | |
|---|--|
| <p><i>01</i></p> <p>Residential Mark-to-Market</p> <p>In-place 2BD/2BA rents of \$3,800–\$4,000 vs. \$4,200 market comps for comparable downtown San Carlos product. Capture on natural turnover.</p> <hr/> <p>ANNUAL INCOME +\$12,000</p> | <p><i>02</i></p> <p>Retail Repositioning</p> <p>Ground-floor ~450 SF delivered vacant or lease-back at COE. Reset to Laurel Street market rents at ~\$7/SF gross.</p> <hr/> <p>ANNUAL INCOME +\$9,600</p> |
|---|--|

MARKET RENT ASSUMPTIONS

| UNIT | TYPE | IN-PLACE / MO | MARKET / MO | MARKET ANNUAL | BASIS |
|---------------------------------------|------------------------|-----------------|-----------------|------------------|-----------------------|
| 1 | 2BD / 2BA | \$4,000 | \$4,200 | \$50,400 | Comp set |
| 2 | 2BD / 2BA | \$4,000 | \$4,200 | \$50,400 | Comp set |
| 3 | 2BD / 2BA | \$3,800 | \$4,200 | \$50,400 | Comp set |
| 4 | 2BD / 2BA | \$4,000 | \$4,200 | \$50,400 | Comp set |
| Residential Subtotal · 4 Units | | \$15,800 | \$16,800 | \$201,600 | +\$12,000 / yr |
| Retail | Ground Floor (~450 SF) | \$2,400 | \$3,200 | \$38,400 | ~\$7/SF gross |
| STABILIZED GSI · 5 TOTAL UNITS | | \$18,200 | \$20,000 | \$240,000 | +\$21,600 / YR |

PRO FORMA SUMMARY — IN-PLACE TO STABILIZED

| LINE | IN-PLACE | STABILIZED |
|-------------------------------------|------------------|------------------|
| INCOME | | |
| Residential GSI (4 units) | \$189,600 | \$201,600 |
| Retail GSI | \$28,800 | \$38,400 |
| Gross Scheduled Income | \$218,400 | \$240,000 |
| NET OPERATING INCOME | | |
| NOI | \$147,000 | \$168,600 |
| NOI Growth vs. In-Place | — | +\$21,600 |
| RETURNS @ \$4,900,000 ASKING | | |
| Cap Rate | 3.00% | 3.44% |
| Gross Rent Multiplier | 22.44× | 20.42× |

Underwriting reflects the existing 5-unit configuration (4 residential + 1 retail). Market rent assumptions based on MKD Group's review of comparable 2BD/2BA leases in downtown San Carlos within the past 12 months; retail rent assumes ~\$7/SF gross on a fresh Laurel Street lease. Operating expenses held flat to the in-place financial summary. Architectural drawings for a top-floor penthouse expansion are available as future optionality and are not included in the underwriting. See Financial Summary for in-place expense detail.

FINANCIAL SUMMARY

The summary below reflects in-place actual income and expense as reported by Seller for the 5-unit mixed-use configuration (4 residential + 1 retail). The retail space at ~450 SF can be delivered vacant at close of escrow, providing the buyer flexibility to underwrite at market rate or retain the existing tenant via lease-back.

| METRIC | ACTUAL |
|-----------------------------|-------------|
| INCOME & RETURNS | |
| Asking Price | \$4,900,000 |
| Net Operating Income | \$147,000 |
| Cap Rate | 3.00% |
| Gross Rent Multiplier | 22.44× |
| PER-UNIT / PER-RSF | |
| Price Per Unit | \$980,000 |
| Price Per RSF | \$875.00 |
| Building SF | 5,554 RSF |
| Lot Size | 3,900 SF |
| TOTAL UNITS | 5 |

ANNUAL OPERATING EXPENSES

Tenants pay PG&E on individual unit meters. Owner is responsible only for common-area / exterior PG&E, water (2 meters — 1 retail, 1 residential), garbage, insurance, property taxes, and routine maintenance.

| LINE ITEM | ANNUAL |
|---|-----------------|
| Real Property Taxes (1.2779% of Asking) | \$62,617 |
| Property & Liability Insurance | \$8,500 |
| Water & Sewer (2 meters) | \$6,800 |
| Garbage | \$3,600 |
| Exterior / Common Area PG&E (estimate) | \$1,200 |
| Repairs & Maintenance Reserve | \$6,000 |
| TOTAL OPERATING EXPENSES | \$88,717 |

PRICING SNAPSHOT

| | | | |
|----------------|-------------|------------|-----------|
| ASKING PRICE | \$4,900,000 | ACTUAL NOI | \$147,000 |
| PRICE PER UNIT | \$980,000 | CAP RATE | 3.00% |
| PRICE / RSF | \$875.00 | GRM | 22.44× |

SAN CARLOS MIXED-USE CONTEXT

Downtown San Carlos is one of the Peninsula's most coveted mixed-use corridors, with extremely limited investment inventory and a high-income, highly-educated resident base. Mixed-use trades in this submarket have historically commanded sub-4% cap rates and high-teens to low-20s GRMs given the constrained land supply, direct Caltrain access, and strong retail demand from the award-winning Laurel Street dining corridor.

The subject's 3.00% in-place cap rate reflects this premier location and 2003 construction quality. The retail space's vacant-or-lease-back optionality provides immediate flexibility to reset to market, and residential mark-to-market on natural turnover delivers a clear path to NOI growth. The asset is well-positioned as a **1031 exchange replacement** for owners trading out of higher-cap, lower-quality income for a durable Peninsula hold with built-in NOI growth.

WHY SAN CARLOS

- **Constrained Supply.** Mid-Peninsula geography and downtown zoning limit new mixed-use inventory.
- **Caltrain-Driven Demand.** Caltrain stop is a 2-minute walk — direct express service to SF and Silicon Valley.
- **Major Employer Adjacency.** Oracle, Box, Gilead Sciences, and broader Peninsula tech ecosystem within minutes.
- **Top-Rated Schools.** San Carlos USD ranks among the Peninsula's strongest districts.
- **Walkable Downtown.** Award-winning dining, retail, parks, and cafe culture along Laurel Street.

Comparable transaction data available from Compass and CoStar on request. Buyers should conduct independent due diligence and apply their own underwriting assumptions before submitting an offer.

LOCATION & MARKET — DOWNTOWN SAN CARLOS

San Carlos sits mid-Peninsula between San Mateo and Redwood City, with direct access to both the San Francisco and Silicon Valley employment corridors. Downtown San Carlos has become a premier Peninsula destination for dining, retail, and urban living — anchored by a vibrant, walkable Laurel Street.

The **San Carlos Caltrain station is a 2-minute walk**, and I-101, Hwy 92, and US-280 provide seamless commuter access in every direction. The neighborhood combines top-rated schools, constrained land supply, and consistent rent growth that consistently outperforms broader Bay Area benchmarks.

TRANSIT & COMMUTE

| | |
|---|------------|
| Caltrain Station Express service to SF & Silicon Valley | 2 min walk |
| San Francisco Via Caltrain / 101 | ~35 min |
| Millbrae / SFO Caltrain & BART hub | ~12 min |
| Hwy 101 / 92 / 280 Peninsula highway access | Direct |

RETAIL & DINING

| | |
|--|---------|
| Laurel Street Corridor Award-winning dining & retail | Steps |
| Downtown Cafes & Boutiques Walkable mixed-use district | Steps |
| Burlingame Avenue Premium retail district | ~10 min |
| Hillsdale Shopping Center Regional retail | ~8 min |

MAJOR EMPLOYERS

| | |
|---|---------|
| Oracle HQ Redwood City | ~5 min |
| Box HQ Redwood City | ~5 min |
| Gilead Sciences Foster City | ~10 min |
| Palo Alto / Stanford Tech & research corridor | ~15 min |

EDUCATION & DEMAND

| | |
|--|-------------|
| San Carlos USD Top-rated Peninsula district | In-District |
| San Jose South Bay tech corridor | ~45 min |
| Redwood City Adjacent employment hub | ~5 min |
| San Carlos Parks Parks, trails, family amenities | Walk |

EXCLUSIVE REPRESENTATION

577 Laurel Street is being exclusively represented by MKD Group, brokered by Compass, a Bay Area investment brokerage focused on multifamily, mixed-use, and residential investment sales. Inquiries and tour requests should be directed to any team member below.

Marco Barretto**SENIOR INVESTMENT
ADVISOR**

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Over six years specializing in multifamily investment properties throughout the Bay Area, with a focus on identifying value and analyzing opportunities from a strategic investment perspective. Marco earned his B.A. in Economics from the University of San Francisco in 2018 and brings discipline and competitive drive to achieve strong results for his clients.

Mark Chow**FOUNDER & PRESIDENT**

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A seasoned real estate professional with over 18 years of experience across all areas of real estate, including product marketing and positioning, property valuation and analysis, and asset acquisitions and dispositions with a focus on minimizing taxation and maximizing revenue. Specializing in the San Francisco Bay Area market, Mark leverages deep connections and an expansive network to provide unparalleled value to his clients.

Zach DeRosette**SENIOR INVESTMENT
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Originally from Cincinnati, Zach has called the Bay Area home since 2009. With a background in psychology and business, he spent several years as a career coach guiding over 250 clients through successful transitions before entering real estate — combining a deep love for the industry with a passion for helping clients achieve long-term goals.

CONFIDENTIALITY & DISCLAIMER

This Offering Memorandum has been prepared by MKD Group, brokered by Compass ("Broker") and is being furnished to a limited number of qualified prospective purchasers on a strictly confidential basis solely to evaluate the possible acquisition of the real property located at 577 Laurel Street, San Carlos, California (the "Property").

The information contained herein has been obtained from sources deemed to be reliable, including information provided by the Seller, public records, and third-party data providers. While Broker believes such information to be accurate, no representation or warranty, express or implied, is made as to the accuracy or completeness of any of the information contained herein, including but not limited to income and expense figures, rent roll data, square footage, property condition, zoning, or any other matter.

Prospective purchasers are encouraged to perform their own independent investigation, analysis, and verification of all information, including — without limitation — physical condition, title, permits, zoning, environmental matters, operating history, rent regulation status, and applicable laws and regulations. Broker and Seller expressly disclaim any and all liability for representations or warranties, express or implied, contained in or omitted from this Offering Memorandum.

By accepting this Offering Memorandum, the recipient agrees: (i) to hold and treat it in the strictest confidence; (ii) not to disclose this Memorandum or any of its contents to any other entity without the prior written authorization of Broker or Seller; (iii) not to use this Memorandum or any of its contents in any manner detrimental to the interest of Broker or Seller; and (iv) to promptly return this Memorandum to Broker upon request.

The Seller reserves the right, at its sole discretion, to reject any or all offers to purchase the Property, to terminate discussions with any party at any time with or without notice, and to negotiate with any party regarding any matter without notice to any other party.

Verification Notice. Year built, building square footage, parking, and retail space configuration are based on Seller-provided information and are subject to independent verification by the buyer.

CONTACT FOR TOURS & OFFERS

| | |
|-------------------|--|
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| LISTING BROKERAGE | MKD Group · Compass · mkgdgrouprealty.net |
| SUBMIT OFFERS VIA | Written LOI to Listing Team |