



OFFERING MEMORANDUM

Downtown SLO Retail Building with
Value-Add or Redevelopment Potential

NEW PRICE
Motivated Seller



A RARE OPPORTUNITY

On the market for the first time in over 50 years, 867 Higuera St is perfectly placed in the heart of downtown San Luis Obispo and near Cal Poly, a top-flight public university. The 7,000 square foot retail building is situated on 7,000 square feet of Downtown Commercial (C-D-H) zoned land within the Historic Overlay. The property will be delivered vacant at the close of escrow which, combined with the premier Main & Main location, presents an outstanding opportunity for either an owner-user buyer or an investor/developer looking for significant redevelopment potential. The parcel size and zoning could allow 17 to 23 apartment units. Significant development is underway in the immediate area—including new residential units, high-end commercial and mixed-use projects—further enhancing the potential upside of this prime location.

The building was previously occupied by Charles Shoes, a successful family-owned shoe store in the area since 1966. The property benefits from 50 feet of frontage along Higuera Street and unique signage for prominent visibility. Traffic counts exceed 10,900 vehicles per day, promoting engagement with the property. The building's glass façade creates a strong and memorable presence while bringing natural light to the interior. The flat roof also offers the potential to add a rooftop deck.

This opportunity will be free and clear of existing debt and is being offered on a best offer basis for fee simple interest in the building and land there-under.

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\$4,200,000

List Price

7,000 SF

Rentable
Area

.16 AC

Lot Size

C-D-H

Commercial Downtown Historic

Zoning

1+

Tenancy

0%

Occupancy

10,400

Traffic Count

50'

Frontage

1950

Year Built



Charles SHOES

867

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HIGHLIGHTS



Rare Generational Asset

Generational asset in the heart of Downtown San Luis Obispo on Higuera Street, a thriving commercial artery. The premier coastal California location is one of the most rapidly appreciating markets in the country with perpetual rent growth. High barriers to entry and challenging development standards make 867 Higuera an ideal location for secure capital preservation and a hedge against inflation.



One of "America's Best Main Streets"

The 800 Block of Higuera is known as one of the most sought-after blocks in the country, Higuera offers a flagship location on one of the hottest thoroughfares in the U.S. Higuera epitomizes the strongest trends driving contemporary real estate fundamentals - art and culture, world-famous farmers market, neighboring tech and agricultural industry leaders, and phenomenal demographics.



Thriving Coastal California Market

California's Central Coast is a place where you and your business can thrive. The Central Coast is building a 22nd-century economy as a clean energy hot spot, a leading frontier in the new Space Age, and a vibrant hub of technology, biotech, precision manufacturing and ag-tech, from start-ups to industry leaders. The Central Coast is now known for its Trailblazing startups, robust growth ecosystem, and its rapidly growing capital markets.



Future Redevelopment Opportunity

The property is 7,000 SF (.16 AC) of Land and is zoned C-D-H (Commercial Downtown: Historic Overlay). Under current zoning, a multifamily redevelopment could have 17 units by right with a Floor Area Ratio of 3.0 or 23 units by right with a Floor Area Ratio of 4.0. That number of units could be further increased under the State's Density Bonus Law. The property enjoys 50 linear ft of frontage on Higuera St with a 98 Walk Score and a 92 Bike Score. Buyer to verify permitted with City of San Luis Obispo.

HIGUERA STREET
10,400 VPD

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PROPERTY INFO



Building

7,000 SF concrete block building with 2nd story office/storage mezzanine; front of building is retail storefront and the rear is storage; can be divided into two adjoining retail spaces



Site (APN 002-427-002)

Building sits on a 7,000 SF parcel of land



Zoning

C-D-H, Downtown Commercial, Historic Overlay



Location

Located in the heart of Downtown San Luis Obispo on the prime and highly trafficked Higuera Street among popular retail brands



Parking

Street; parking structure 1 block over



Frontage

50 Ft of frontage on Higuera Street

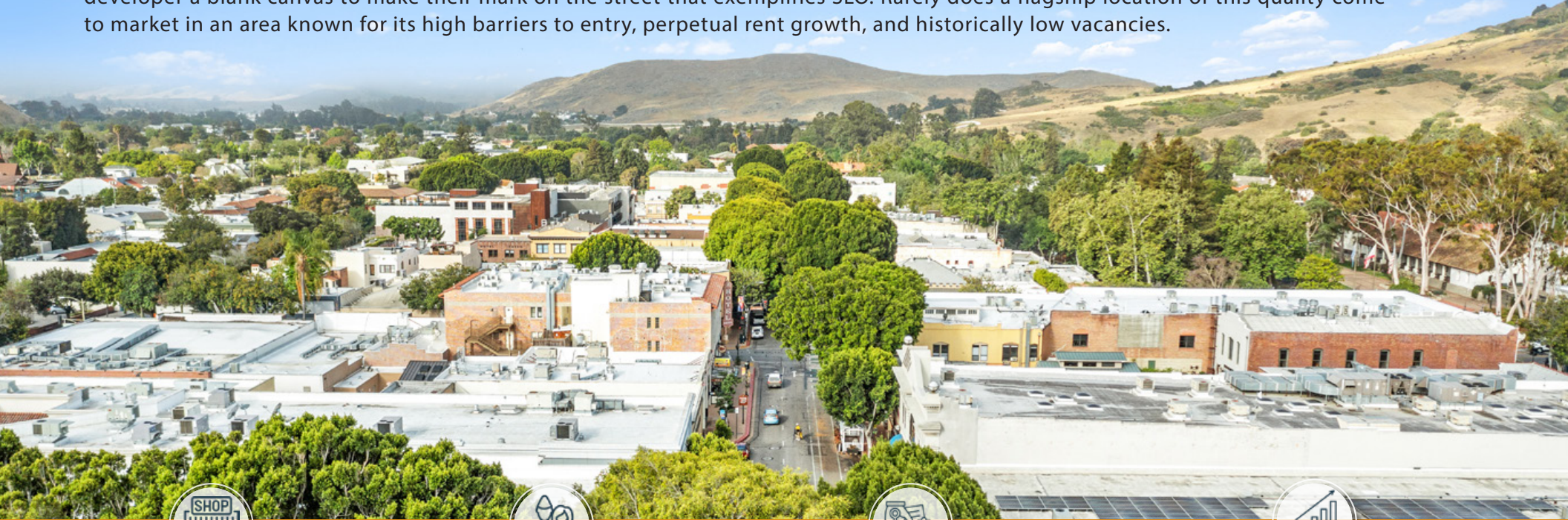
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How Rare? First time on the market in over 50 years.

The most desirable block on the most sought after street in San Luis Obispo County. 867 Higuera St offers a creative owner-user or developer a blank canvas to make their mark on the street that exemplifies SLO. Rarely does a flagship location of this quality come to market in an area known for its high barriers to entry, perpetual rent growth, and historically low vacancies.



Main & Main

Located on arguably the best block on one of "Americas Best Main Streets". The intersection of Higuera & Chorro is the epicenter of SLO's eclectic shops, hip eateries, dynamic nightlife, museums, and a world-famous weekly farmers market.



Generational Asset

867 Higuera is in one of the fastest appreciating markets in the country with perpetual rent growth. High barriers to entry and lack of inventory make an ideal location to preserve capital and hedge against inflation.



Post Covid Retail Revival

Since the downturn in 2020, consumer spending has seen a reopening-driven resurgence. Total retail sales are up more than 19 percent from pre-pandemic levels as low unemployment and ascending home prices bolster households' bank accounts.



Future Redevelopment

Owner-user or investor can occupy or lease the property while securing entitlements for a mixed-use multifamily redevelopment. Zoning indicates up to 17 units with a Floor Area Ratio of 3.0 or 23 units with a Floor Area Ratio of 4.0. The number of units may be further increased under the State's Density Bonus Law.

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MAIN & MAIN



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Redevelopment Potential

The building will be delivered vacant, allowing a new owner to occupy or lease the property while securing entitlements for a mixed-use multifamily redevelopment. Zoning indicates up to 36 units per net acre. The number of units can be further increased under the State's Density Bonus Law.

Zoning

C-D-H; Downtown Commercial Historic Overlay

Maximum Units

36/Net Acre

Maximum Height

50 FT, Maximum height may be increased up to 75 FT with the provision of defined community benefits, as set forth in Section 17.32.030(E) (Maximum Building Height in C-D Zone)

Maximum Floor Area Ratio

- 3.0 maximum allowed for buildings up to 50 FT in height
- 3.75 maximum allowed for buildings approved greater than 50 FT in height
- 4.0 maximum allowed for approved buildings over 50 FT in height with transfer of development credits for open space protection or historic preservation allowed

Setback

No setback required unless adjacent to zone with minimum setback requirement, in which case the adjoining setback shall be as provided in the zone of adjacent lot. Lots separated by streets or other rights-of-way are not considered adjacent. If more than one zone is adjacent, the largest setback shall be required.

Parking

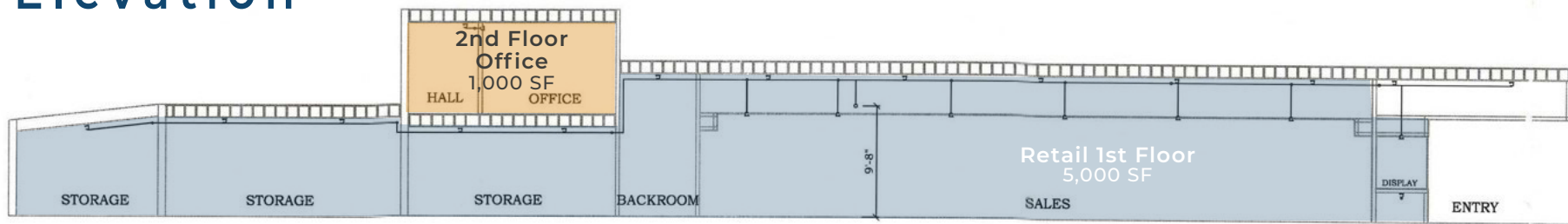
Parking space requirement may be met with Parking In-Lieu fee program

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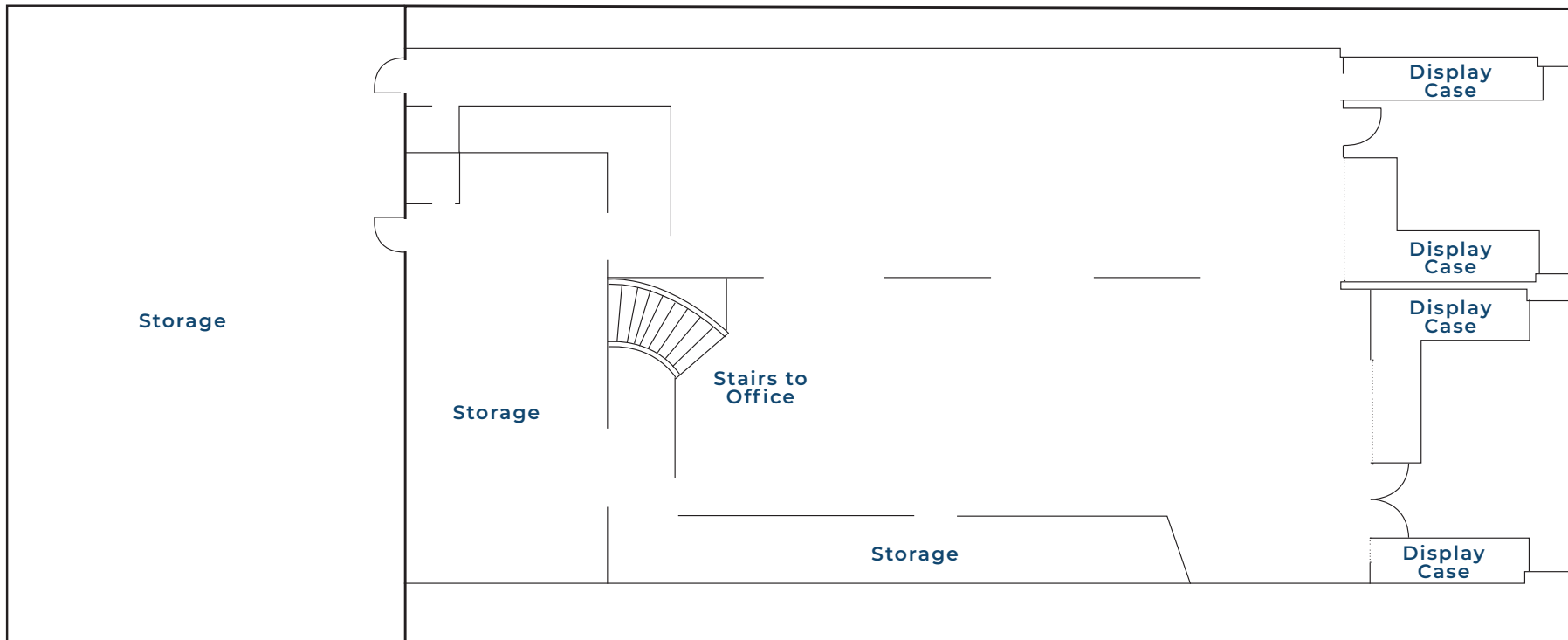
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Elevation



Floor Plan



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SAN LUIS OBISPO



San Luis Obispo is located on California's Central Coast, midway between Los Angeles and San Francisco. Downtown SLO is a humming, pedestrian friendly zone of shops, restaurants and galleries in turn-of-the-20th century buildings. Cost of living is lower than the Bay Area and Southern California, and the population is highly educated, with 60% of residents having a college degree or higher. Tech is a major industry in San Luis Obispo, attracted by the large student base at Cal Poly and coastal lifestyle. Major employers include Mindbody, Amazon, and Rosetta.

Tourism is another important industry and the third-largest contributor to the municipality. San Luis Obispo wine country starts five minutes south of downtown, putting two dozen premier wineries within easy reach. The SLO Coast AVA is one of the largest producers of wine in California, behind only Sonoma and Napa Counties.

Boasting 80 miles of Pacific coastline, San Luis Obispo County is a land of picturesque beaches, rolling vineyards, and small-town charm. Popular sites include Hearst Castle, Cambria, Morro Bay, Lake Nacimiento, and Oceano Dunes, just to name a few. SLO averages 315 days of sunshine, providing a year-round destination for adventure, rejuvenation, and quality time. From expansive dunes to turquoise waters and a thriving farm-to-table culinary scene, there are endless possibilities to discover—all within an hour's drive of the city.

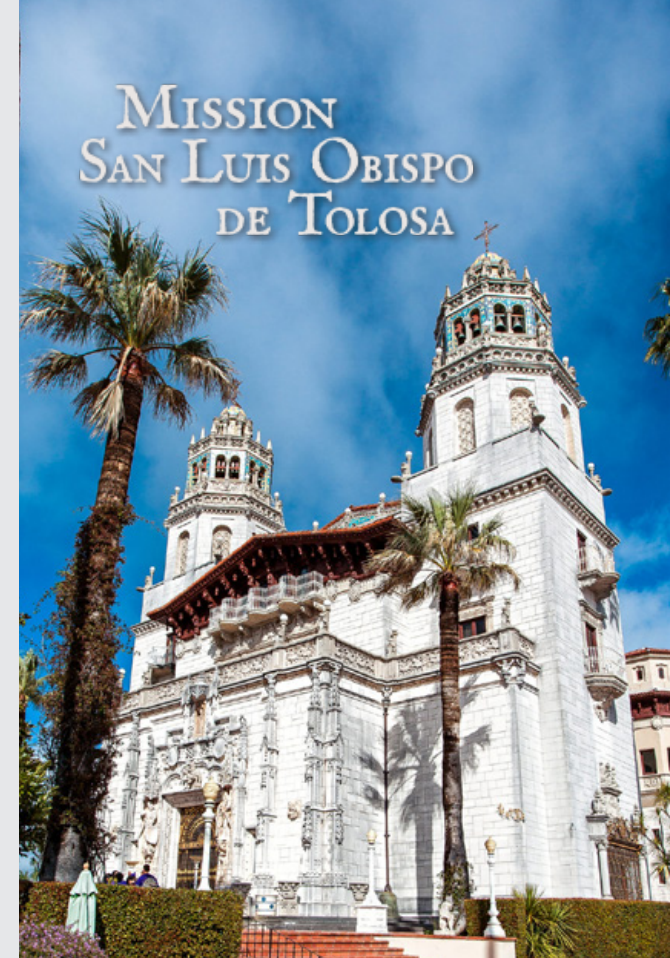


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DOWNTOWN OVERVIEW



Mission San Luis Obispo De Tolosa was founded in 1772. The Mission, which continues to be an active church, lies at the center of Downtown San Luis Obispo on a traffic-free block of Palm Street between Chorro and Broad. Just outside the Mission sits the spacious community park and San Luis Creek, commonly known as Mission Plaza which hosts multiple community events. The San Luis Obispo Mission Plaza has been and continues to be an integral fixture in the SLO community.

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SITE DEMOGRAPHICS

Within 5-Mile Radius of Property



63,800

Population



\$104,540

Average Household
Income



60%

College Educated
Population*



\$523.6M

Total Retail
Expenditures

CAL POLY A TOP-TIER STEM UNIVERSITY

California Polytechnic State University, San Luis Obispo is a public university, organized into six colleges offering 65 bachelor's and 39 master's degrees, and more than 150 undergraduate majors and minors. Undergraduate enrollment is approximately 21,000 students. The programs emphasize hands-on learning and real-world experience in their curriculum. Owning 9,178 acres, Cal Poly has one of the largest college campuses in the US. According to U.S. News & World Report's 2022 "Best Regional Universities West Rankings," Cal Poly is ranked 2nd overall in the western United States out of 127 regional schools whose highest degree is a Master's, first in "Top Public Schools", first in "Best Colleges for Veterans", first in "Most Innovative Schools", third for "Best Undergraduate Teaching".



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DOWNTOWN SLO RETAIL TRENDS

Retail vacancy in Downtown SLO has contracted to 3.7% after peaking near 5.5% in mid-2021. However, the rate still sits slightly above the overall market's average. Meanwhile, retail rents have risen by 3.3% in the past 12 months.

Although roughly 40,000 SF of retail space has delivered over the past three years, nothing is currently underway in Downtown SLO.

1.8M SF

Inventory

0 SF

Under Construction

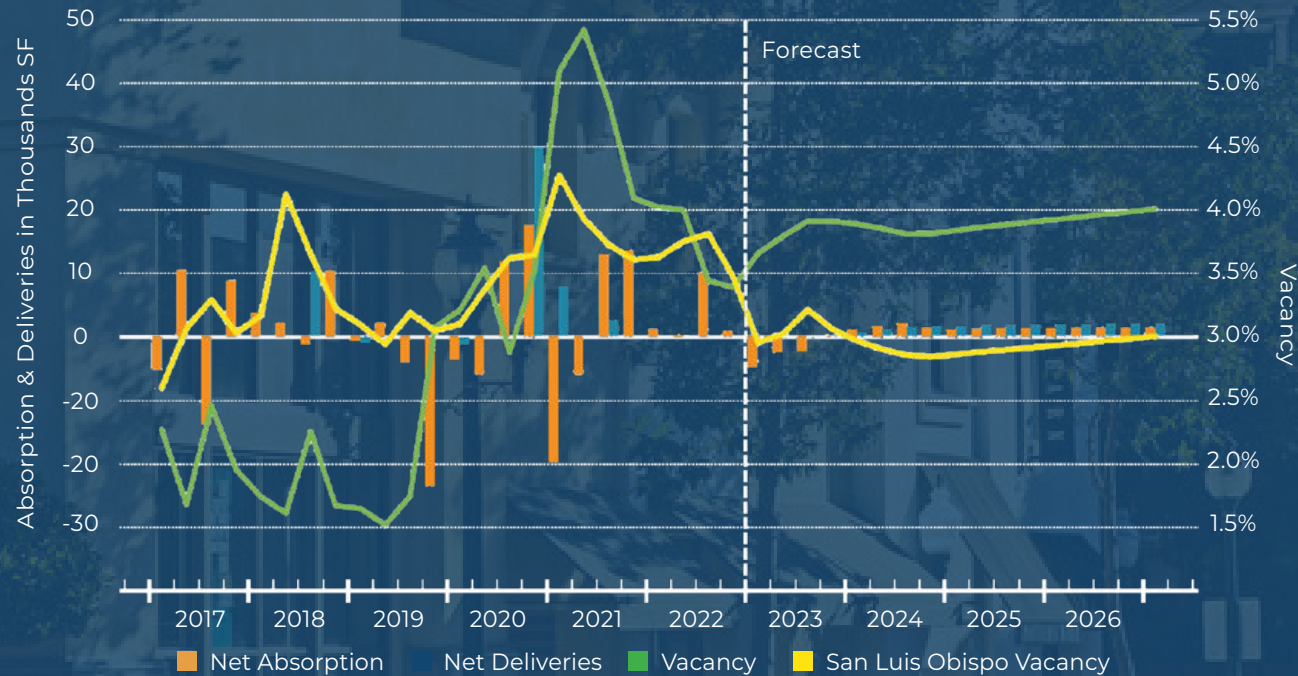
-5.1K SF

12 Month Net Absorption

3.7%

Vacancy Rate

Net Absorption, Net Deliveries & Vacancy



Retail space in the Downtown SLO Submarket commands a high price point, even relative to the structurally pricey San Luis Obispo metro. Asking rents in the submarket run for about \$34.00/SF triple net on average, well above the \$26.00/SF norm metro wide. Rents posted a gain of 3.3% over the past 12 months, which is on par with the healthy annualized average rent growth experienced over the past three years. Over a longer window, retail rent growth in both the Downtown SLO Submarket and the San Luis Obispo metro at large has been solid, if not truly outsized. Retail rents in the submarket are 26.5% higher than they were a decade ago, essentially matching the 10-year metro-wide performance.

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