Introduction & Methodology
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The Gensler team was retained by SPUR to evaluate the compatibility of up to 25 underutilized office buildings in San Francisco Downtown area, in order to evaluate the potential viability of commercial to residential conversion of these properties. This was done by utilizing a conversion compatibility assessment (Conversion Tool) program developed by Gensler to assess existing office buildings and provide an indication of their potential conversion compatibility.

Buildings included in the dataset for analysis were selected by Gensler. Buildings were reviewed at a summary level with data points including size, floorplates, vacancy, rental rates and the like. The 25 buildings were then analyzed on a more detailed level using Gensler’s residential conversion compatibility assessment program. Using this program, buildings are evaluated and ranked on key criteria including floor plates and depth, building size and form, facades, context and servicing.

An office to residential conversion compatibility score, as a percentage, is assigned to each property and categorized in the following ranges:

- **Category 1** - Properties that score above 80% are good candidates for conversion and will likely succeed. These require further study on an individual basis to validate.
- **Category 2** - Properties that score between 70% and 80% can possibly succeed but will likely require some compromises. These require further study on an individual basis to validate.
- **Category 3** - Properties that score under 70% are unlikely to succeed. If good qualitative reasons to pursue a conversion are present, it is likely that substantial compromises will be required for a successful conversion. Further study on an individual basis will be required.
Executive Summary
Executive Summary

High level analysis of the identified buildings generated the following key takeaways:

- Of the 25 properties selected, a relatively large number of properties meet the preliminary threshold for conversion based on the scoring, and merit greater analysis and due diligence.
- For comparison purposes, of the 391 properties Gensler has analyzed across North America to date, approximately 20% fall into Category 1 and another 20% fall into Category 2.
- 10 properties have initially been identified as good candidates for conversion, falling into category 1 (scoring over 80%). This accounts for 40% of the properties analyzed.
- An additional 11 meet the threshold for possible conversion candidates falling into category 2 (scoring over 70%). This accounts for 44% of the properties analyzed.
- Note: Other properties not reviewed and scored as part of this exercise may similarly be feasible for conversion – this analysis was not comprehensive or exhaustive.
- Lack of dedicated parking was a consistent drawback for most properties, however, given the urban context, nearby parking, and likely unit mix and typology this is an obstacle that can be overcome if needed. While parking is a drawback, it does not have a major impact on the results, affecting properties by only a few percentage points.
Executive Summary - continued

Additional key considerations and assumptions from the analysis are listed below:

- **Age**: There was very little correlation between age and compatibility rating.

- **Unit Typology**: The targeted average unit size is 650sf, weighted more heavily toward 1-bedroom units, with some larger 2- and 3-bedroom units, and depending on the building, may also offer unique historical features and environs.

- **Zoning**: All properties studied are designated as either C-3-R, C-3-O or C-3-O(SD), all of which allows residential as-of-right. The only concern at this stage is related to the C-3-O(SD) zone, of which portions fall under the Transbay Redevelopment Area. Current information indicates that there is a total residential development limit set at 3,800 dwelling units, and that as of June 2021, 69% of the allocation has been used, and that the remaining 31% is in predevelopment. Open space requirements will also need to be addressed within buildings or a variance/dispensation will be required.

- **Façade**: Subject to relevant due diligence studies, the expectation is that many of the properties will require window or façade replacement in order to provide operable windows and improve thermal performance to acceptable energy performance standards.

- **Hazardous Material**: No reviews were conducted to determine the need for hazardous material abatement in any of the properties assessed.

- **Conservation**: Some properties may reside within historic districts. This did not figure into ranking or consideration for conversion.
Property selection & Area of study
Property selection

The selection of properties was a multi-step review, wherein a sequence of criteria were applied to a broader data set before the narrowing of final candidates was produced. Altogether, 108 buildings located throughout San Francisco were considered. Data was provided by CoStar.

1. Initial Selection 108 Buildings:
The first round of candidates were generated out of CoStar based on the following criteria:
   - Office Buildings: Type A, B, C
   - Minimum 30.0% Vacancy Rate (as of latest available data)
   - Minimum 20,000gsf (measured as Rentable Buildable Area (RBA))

Given the proliferation and variety of available rentable commercial spaces through San Francisco, all classes of office spaces were considered for this exercise. Although the distinctions between Class A, B, and C-type office spaces can vary significantly in design, building construction, and available square footages, each class features unique conditions that could represent a unique opportunity for accommodating residential conversion.

2. Secondary Selection 43 Buildings:
The second round of candidates were drawn from the Initial Selection, and were narrowed down to include just those buildings located in the following areas of San Francisco's central business district:
   - Financial District
   - South Financial District

3. Final Selection 25 Buildings:
The final round of candidates were drawn from the 43 remaining buildings. At this time, Gensler applied four custom metrics to the remaining dataset, in an effort to classify their architectural character and design. These custom metrics include:
   - Façade: based on the existing building condition in 2022.
   - Property Typology: based on the building's design and site orientation.
   - Floor Plate: based on CoStar's RBA figures.
   - Historic Significance: based on the building's inclusion in the National Register of Historic Places, or City of San Francisco Article 10 Landmarks and Historic Districts.

Properties were cross-referenced with Article 10, as well as the San Francisco Property Information Map. The comprehensive list of the SF Landmarks and Historic Districts can be found in Article 10 of the SF Planning Code. Additional information regarding SF Planning's Preservation Programs, including a map of all historic landmarks.

In addition to these custom metrics, Gensler conducted a subsequent quantitative and qualitative analysis to narrow down the total selection down to 25 candidates. The goal of this process was to select a number of distinct building typologies that serve as a representative case study for the breadth of building types found in the city's financial district.
Area of Study | Downtown San Francisco
### Property Typologies

The properties selected were grouped into typologies, using three different primary criteria – Building Type, Floor Plate Size, and Facade, due to these three factors’ relative impact on the overall physical compatibility and relative cost of conversion.

<table>
<thead>
<tr>
<th></th>
<th>Building Type</th>
<th>Floor Plate Size</th>
<th>Facade</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>High Rise</td>
<td>12001 - 20000 sf</td>
<td>Ribbon Windows</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Punched Windows</td>
</tr>
<tr>
<td>2</td>
<td>High Rise</td>
<td>Up to 12000 sf</td>
<td>Curtain Wall</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Ribbon Windows</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Punched Windows</td>
</tr>
<tr>
<td>3</td>
<td>High Rise</td>
<td>over 20000 sf</td>
<td>Curtain Wall</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Punched Windows</td>
</tr>
<tr>
<td>4</td>
<td>Low-Mid Rise</td>
<td>6001 - 20000 sf</td>
<td>Punched Windows</td>
</tr>
<tr>
<td>5</td>
<td>Low-Mid Rise</td>
<td>over 20000 sf</td>
<td>Punched Windows</td>
</tr>
<tr>
<td>6</td>
<td>Low-Mid Rise</td>
<td>Up to 6000 sf</td>
<td>Punched Windows</td>
</tr>
<tr>
<td>7</td>
<td>Urban Infill</td>
<td>Up to 6000 sf</td>
<td>Punched Windows</td>
</tr>
<tr>
<td>8</td>
<td>Urban Infill</td>
<td>12001 - 20000 sf</td>
<td>Punched Windows</td>
</tr>
</tbody>
</table>
Assessment Results - Summary
## Combability Rating by Property Typology

Compatibility ratings of all properties assessed were grouped by typology. The high-rise building type scored the highest on average, while properties with mid-size floorplates scored the highest across all categories. The Façade type had a relatively lower impact on compatibility, compared to floorplate, but in many instances was the factor that made a property either a very good or average candidate for conversion. Average unit size is a targeted value and efficiency is an estimated value, informed by compatibility rating.

### Typology

<table>
<thead>
<tr>
<th>Typology</th>
<th>Assumed Average Unit Size &amp; Efficiency</th>
<th>Building Type</th>
<th>Floorplate Size</th>
<th>Façade</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Building Type</strong></td>
<td><strong>Floorplate Size</strong></td>
<td><strong>Façade</strong></td>
<td><strong>Assumed Average Unit Size &amp; Efficiency</strong></td>
<td><strong>Building Type</strong></td>
</tr>
<tr>
<td>1 High Rise</td>
<td>12001 - 20000 sf</td>
<td>Ribbon Windows</td>
<td>650sf @ 80%</td>
<td>80%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Punched Windows</td>
<td></td>
<td>85%</td>
</tr>
<tr>
<td>2 High Rise</td>
<td>Up to 12000 sf</td>
<td>Curtain Wall</td>
<td>650sf @ 75%</td>
<td>72%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ribbon Windows</td>
<td></td>
<td>62%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Punched Windows</td>
<td></td>
<td>72%</td>
</tr>
<tr>
<td>3 High Rise</td>
<td>over 20000 sf</td>
<td>Curtain Wall</td>
<td>650sf @ 70%</td>
<td>65%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Punched Windows</td>
<td></td>
<td>63%</td>
</tr>
<tr>
<td>4 Low-Mid Rise</td>
<td>6001 - 20000 sf</td>
<td>Punched Windows</td>
<td>650sf @ 80%</td>
<td>80%</td>
</tr>
<tr>
<td>5 Low-Mid Rise</td>
<td>over 20000 sf</td>
<td>Punched Windows</td>
<td></td>
<td>74%</td>
</tr>
<tr>
<td>6 Low-Mid Rise</td>
<td>Up to 6000 sf</td>
<td>Punched Windows</td>
<td></td>
<td>79%</td>
</tr>
<tr>
<td>7 Urban Infill</td>
<td>Up to 6000 sf</td>
<td>Punched Windows</td>
<td>650sf @ 75%</td>
<td>72%</td>
</tr>
<tr>
<td>8 Urban Infill</td>
<td>12001 - 20000 sf</td>
<td>Punched Windows</td>
<td></td>
<td>62%</td>
</tr>
</tbody>
</table>

*NOTE: Average compatibility ratings are based on the 25 properties analyzed only and may vary if number of properties analyzed in the dataset is increased.*
Demising & Yield Studies
SELECTED PROPERTY 1 | DEMISING STUDY

MATRIX & STACKING DIAGRAM

OVERALL MATRIX:
TOTAL GFA: 293,000 SF
RESI GSF: 279,400 SF
RESI NSF: 222,400 SF
EFFICIENCY: 79.6%

UNIT MIX:
STUDIO 84 25%
1 BED 168 50%
2 BED 84 25%
TOTAL 336 UNITS

UNIT SIZES:
STUDIO AVG 493 SF
1 BED AVG 631 SF
2 BED AVG 955 SF

AVG UNIT SIZE 676 SF

*Note: Each study is meant to provide a representation of how a typical property in that typology may perform
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SELECTED PROPERTY 1 | DEMISING STUDY

TYP FLOOR DEMISING DIAGRAM

*Note: Each study is meant to provide a representation of how a typical property in that typology may perform

Typology 1

13600 GSF
10820 NSF
79.6% EFFICIENCY
STUDIO: 4
1 BED: 8
2 BED: 4
SELECTED PROPERTY 2 | DEMISING STUDY

MATRIX & STACKING DIAGRAM

OVERALL MATRIX:
TOTAL GFA: 233,654 SF
RESI GSF: 221,824 SF
RESI NSF: 185,982 SF
EFFICIENCY: 83.8%

UNIT MIX:
STUDIO  70  23%
1 BED   174  57%
2 BED   61  20%
TOTAL  305 UNITS

UNIT SIZES:
STUDIO AVG  416 SF
1 BED AVG   582 SF
2 BED AVG  1032 SF
AVG UNIT SIZE  633 SF

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SELECTED PROPERTY 2 | DEMISING STUDY

TYP FLOOR DEMISING DIAGRAM – LOW ZONE

*Note: Each study is meant to provide a representation of how a typical property in that typology may perform
SELECTED PROPERTY 2 | DEMISING STUDY

TYP FLOOR DEMISING DIAGRAM – HIGH ZONE

*Note: Each study is meant to provide a representation of how a typical property in that typology may perform

Typology 2

7360 GSF
6285 NSF
85.4% EFFICIENCY
STUDIO: 2
1 BED: 6
2 BED: 2
SELECTED PROPERTY 3 | DEMISING STUDY

MATRIX & STACKING DIAGRAM

OVERALL MATRIX:
TOTAL GFA: 31,325 SF
RESI GSF: 23,275 SF
RESI NSF: 20,215 SF
EFFICIENCY: 86.9%

UNIT MIX:
STUDIO 12 43%
1 BED 9 32%
JR 1 BED 4 14%
2 BED 3 11%
TOTAL 28

UNIT SIZES:
STUDIO AVG 571 SF
1 BED AVG 658 SF
JR 1 BED AVG 1658 SF
2 BED AVG 1045 SF
AVG UNIT SIZE 722 SF

*Note: Each study is meant to provide a representation of how a typical property in that typology may perform
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Typology 7

SELECTED PROPERTY 3 | DEMISING STUDY

TYP FLOOR DEMISING DIAGRAM – LOW ZONE

*Note: Each study is meant to provide a representation of how a typical property in that typology may perform
SELECTED PROPERTY 3 | DEMISING STUDY

TYP FLOOR DEMISING DIAGRAM – HIGH ZONE

*Note: Each study is meant to provide a representation of how a typical property in that typology may perform