

OFFERING MEMORANDUM

Louis Bank of Commerce

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SAN DIEGO, CA 92101

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CAST
CAPITAL PARTNERS

Executive Summary

Cast Capital Partners is pleased to present the Louis Bank of Commerce, one of San Diego's most architecturally significant commercial properties. Built in 1888, this four-story Baroque Revival landmark is known as The Queen of the Gaslamp, featuring intricate Victorian detailing, soaring towers, and a rich history that reflects the evolution of the city. Over the years, it has housed a range of tenants, from Madame Cora's Golden Poppy Hotel brothel to creative offices and renowned restaurants. Today, the property offers fully restored interiors with original hardwood floors, high ceilings, and exposed brick walls, seamlessly blending historic character with modern functionality.

Situated in the heart of the Gaslamp Quarter, the property is surrounded by top dining, entertainment, and hospitality destinations, ensuring strong year-round demand. Currently home to a diverse tenant mix, it presents an opportunity for investors to reposition the asset for long-term value. Turnkey, fully furnished office suites are available with private elevator access, efficient layouts, and abundant natural light, making it an attractive offering for professional and creative users alike. Additionally, the property holds significant upside potential for redevelopment, with the opportunity to transform it into a high-end boutique hotel that merges historic charm with contemporary luxury. This is a rare chance to acquire a landmark property in one of San Diego's most vibrant and culturally rich districts.

OPPORTUNITY

4-story office and retail building in the heart of the historic Gaslamp Neighborhood, offering a unique opportunity for a boutique hotel conversion.

Boutique Hotel Conversion Opportunity in Prime Downtown San Diego Location.

OFFERING SUMMARY

Address:	**835-837 5th Ave**
Sale Price:	**~~$9,000,000~~**
	$6,900,000
Occupancy:	**38% as of 8/12/26**
Floors:	**4 Total Floors**
	Floors 1-3: see Rent Roll
	Floor 4: Vacant
Year Built/Renovated:	**1888 / 1999**
Gross Building Area:	**22,580 SF**
Land Area:	**4,792 SF**

$6,900,000
ASKING PRICE

$354
$/SF

36
ROOM COUNT

$2,019,512.58
PROJECTED NOI

13.54%
POTENTIAL YIELD ON COST


A-1888-D



Hotel Performance

DOWNTOWN SD 2024

OCCUPANCY RATE

- Downtown San Diego: 76% occupancy (3rd highest among U.S. markets, behind Oahu (79.8%) and New York (84.3%)
- San Market Metro (Overall): 74.3% occupancy - highest among Western U.S. markets, reflecting strong regional demand

ROOM NIGHTS BOOKED

- 4.1 Million room nights sold in Downtown San Diego (↑ 4.8% YoY) - indicating robust demand growth and healthy recovery/expansion in travel activity

AVERAGE DAILY RATE:

- $213 ADR (Average Daily Rate) in Downtown (Gaslamp Quarter hotels average ~ $210-$215), highlighting the market's strong pricing power
- Underwriting uses a $235 ADR (3 - star), suggesting significant upside as actual market rates are notably higher and continue to grow.

RevPAR

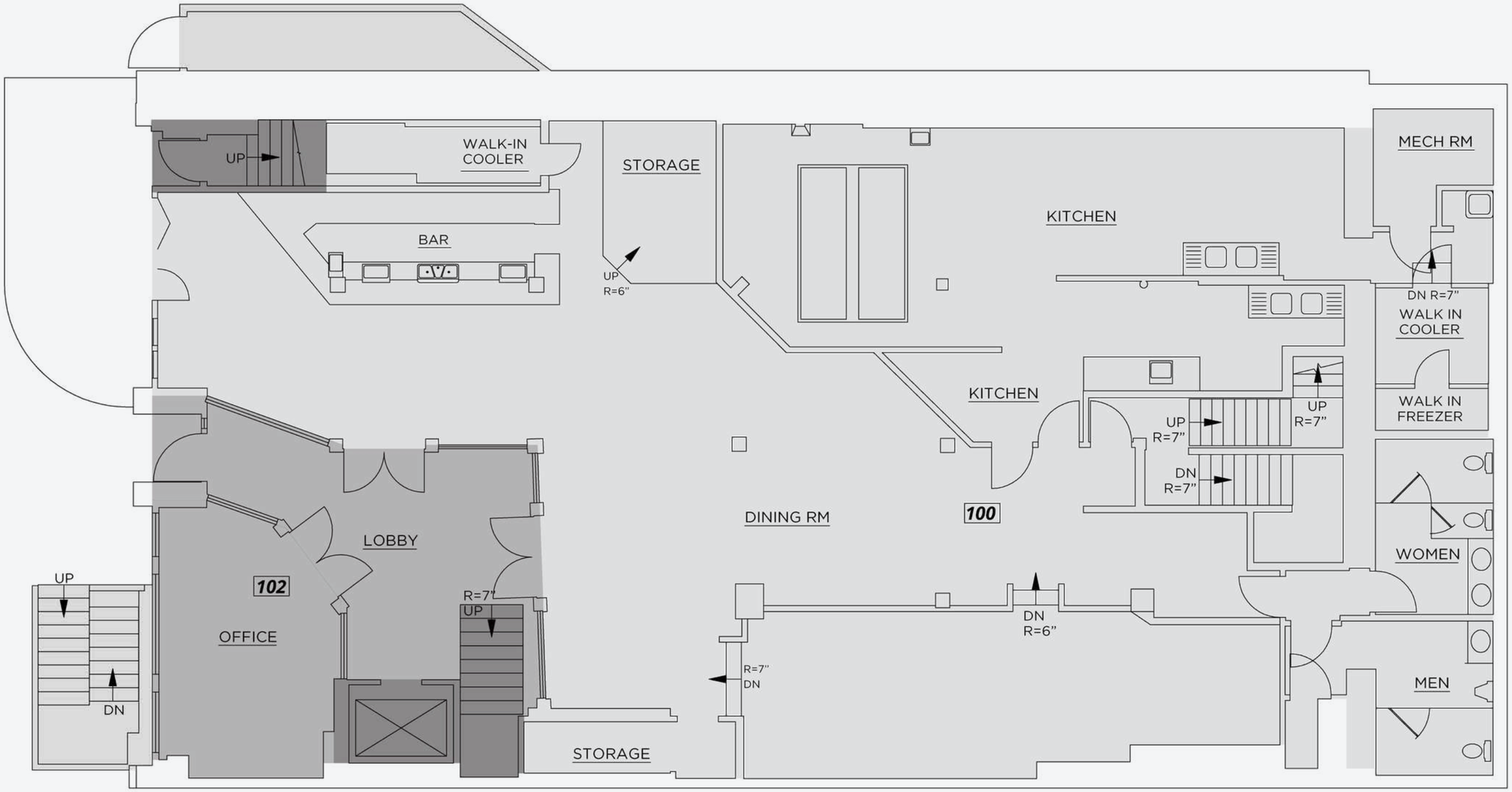
- New Supply & Developments: Limited new hotel openings in 2024 - supply growth remains modest. Demand growth outpaced new supply

Basement - Trailer Park After Dark - 5,000 SF

5,000 SF Night Club

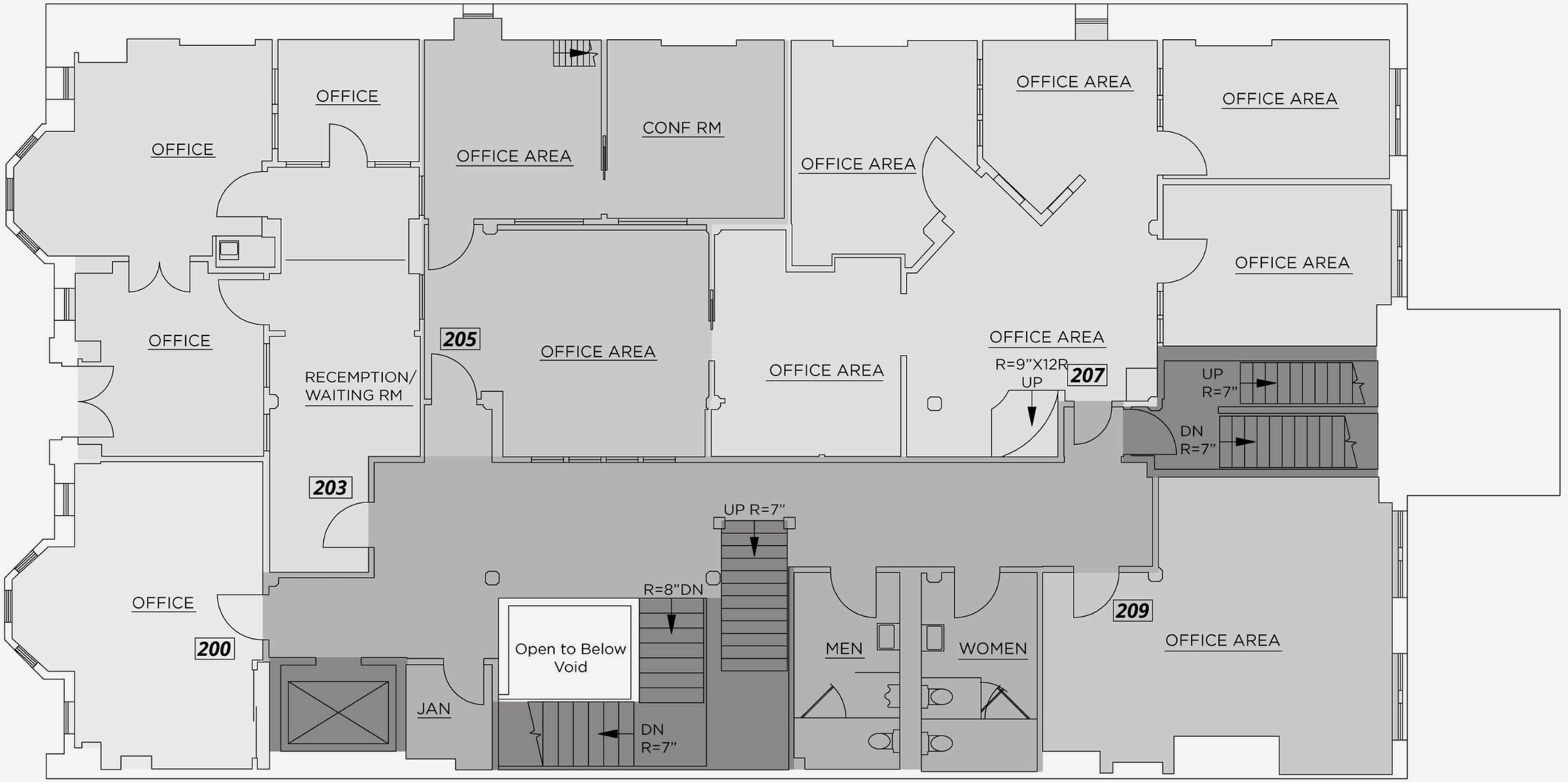


Ground Floor - 4,232 SF Retail Space



*Retail space is currently shell condition. This layout is representative of a possible configuration.

Second Floor: Existing Office - 4,204 SF



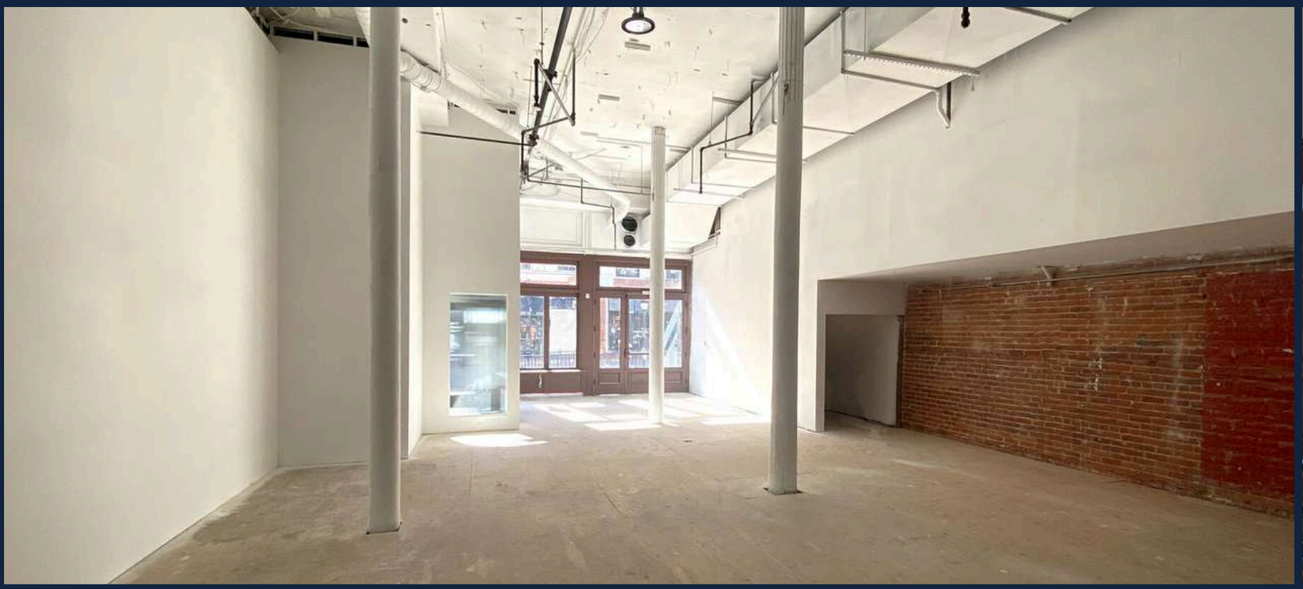
Third Floor: Existing Office - 4,455 SF



Fourth Floor: Vacant – 4,421 SF



Ground Floor



2nd Floor



3rd Floor



4th Floor



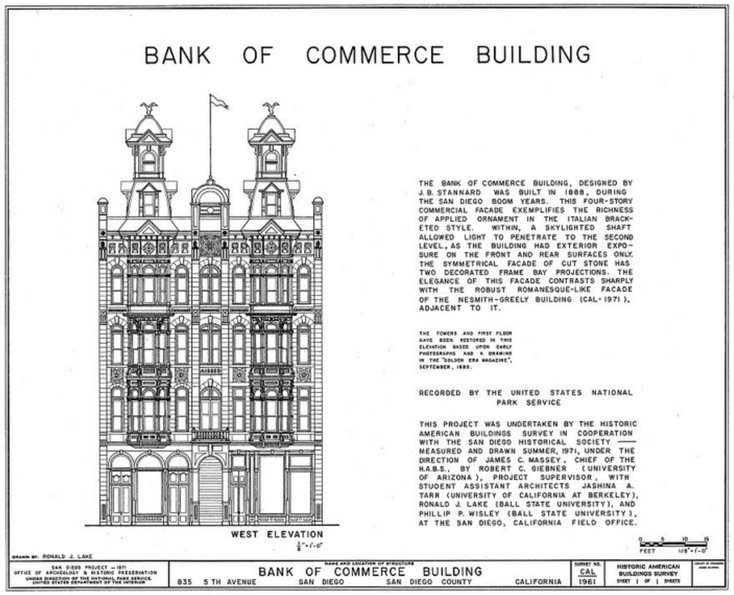
Historical Significance & ARCHITECTURAL PRESTIGE

The Louis Bank of Commerce, built in 1888, is one of San Diego's most iconic landmarks and the most photographed building in the Gaslamp Quarter. Designed by architects Clemment and Stannard in the Baroque Revival style, this four-story structure was originally developed by Isadore Louis, a Prussian-born entrepreneur who transformed his cobbler business into a real estate empire.

Initially home to the Bank of Commerce, the building later housed Maison Doree, an upscale oyster bar and ice cream parlor, frequented by Wyatt Earp and San Diego's elite. The upper floors were rented as office and lodging spaces before becoming the Golden Poppy Hotel, an infamous brothel operated by Madame Cora, known for her ingenious color-coded system catering to foreign sailors.

Over the years, the building housed Ratner's Electric, earning it the nickname "House of 1,000 Lights", as well as various businesses, restaurants, and creative offices. Architecturally, it boasts intricate bay windows, a granite façade, exposed brick walls, high ceilings, and an elaborate skylight. Though its original twin towers were lost in a 1904 fire, they were later restored using the original molds.

The Louis Bank of Commerce remains a storied investment opportunity, blending rich history, architectural grandeur, and prime location in the heart of the Gaslamp Quarter.


BANK OF COMMERCE BUILDING

WEST ELEVATION

THE BANK OF COMMERCE BUILDING, DESIGNED BY J.B. STANNARD WAS BUILT IN 1886, DURING THE SAN DIEGO BOOM YEARS. THIS FOUR-STORY COMMERCIAL FACADE EXEMPLIFIES THE RICHNESS OF APPLIED ORNAMENT IN THE ITALIAN BRACKETED STYLE. WITHIN, A SKYLIGHTED SHAFT ALLOWED LIGHT TO PENETRATE TO THE SECOND LEVEL, AS THE BUILDING HAD EXTERIOR EXPOSURE ON THE FRONT AND REAR SURFACES ONLY. THE SYMMETRICAL FACADE OF CUT STONE HAS TWO DECORATED FRAME BAY PROJECTIONS. THE ELEGANCE OF THIS FACADE CONTRASTS SHARPLY WITH THE ROBUST ROMANESQUE-LIKE FACADE OF THE NESMITH-GREELY BUILDING (CAL-1971), ADJACENT TO IT.

THE TOWERS AND FIRST FLOOR HAVE BEEN RESTORED IN THIS ELEVATION BASED UPON EARLY PHOTOGRAPHS AND A DRAWING IN THE "GOLDEN ERA MAGAZINE", SEPTEMBER, 1893.

RECORDED BY THE UNITED STATES NATIONAL PARK SERVICE

THIS PROJECT WAS UNDERTAKEN BY THE HISTORIC AMERICAN BUILDINGS SURVEY IN COOPERATION WITH THE SAN DIEGO HISTORICAL SOCIETY — MEASURED AND DRAWN SUMMER, 1971, UNDER THE DIRECTION OF JAMES C. MASSEY, CHIEF OF THE H.A.B.S., BY ROBERT C. GIEBNER (UNIVERSITY OF ARIZONA), PROJECT SUPERVISOR, WITH STUDENT ASSISTANT ARCHITECTS JASHNA A. TARR (UNIVERSITY OF CALIFORNIA AT BERKELEY), RONALD J. LAKE (BALL STATE UNIVERSITY), AND PHILLIP P. WISLEY (BALL STATE UNIVERSITY), AT THE SAN DIEGO, CALIFORNIA FIELD OFFICE.

DRAWN BY: RONALD J. LAKE

SAN DIEGO PROJECT — 1971
OFFICE OF ARCHEOLOGY & HISTORIC PRESERVATION
UNDER DIRECTION OF THE NATIONAL PARK SERVICE
UNITED STATES DEPARTMENT OF THE INTERIOR

NAME AND LOCATION OF STRUCTURE
BANK OF COMMERCE BUILDING
835 5TH AVENUE SAN DIEGO SAN DIEGO COUNTY CALIFORNIA

SURVEY NO. CAL 1967

HISTORIC AMERICAN BUILDINGS SURVEY
SHEET 1 OF 1 SHEETS

FEET

LOUIS BANK OF COMMERCE QUALIFIES FOR SIGNIFICANT TAX SAVINGS UNDER THE MILLS TAX SAVINGS ACT DUE TO ITS DESIGNATION ON THE HISTORIC REGISTRY

Mills Tax Savings Act

Scenario	Standard Property Tax	New Property Tax	Total Savings
40% Reduction	$84,735	$50,841	$33,894
50% Reduction	$84,735	$42,367	$42,367
60% Reduction	**$84,735**	**$33,894**	**$50,841**



Market Overview

PRIME LOCATION & MARKET STRENGTH

Located in the heart of San Diego's historic Gaslamp Quarter, the Louis Bank of Commerce benefits from a high-foot-traffic, amenity-rich environment. The Gaslamp is San Diego's premier entertainment district, home to over 200 restaurants, bars, shops, hotels, and offices, making it a top destination for both tourists and locals. The area's walkability, vibrant nightlife, and historic charm ensure consistent demand for hospitality, office, and mixed-use spaces.

SAN DIEGO'S THRIVING HOSPITALITY MARKET

San Diego's hotel industry remains robust, with 14.9 million hotel room nights sold in 2024, reflecting a 1.2% year-over-year increase. The Gaslamp Quarter, in particular, continues to be a high-demand area for both leisure and business travelers. Boutique hotels in prime locations like the Gaslamp have shown exceptional profitability, with strong nightly rates and high occupancy levels, making it an ideal area for hotel development or conversion. The combination of San Diego's thriving tourism industry, its status as a major convention and business hub, and the unique character of the Gaslamp Quarter ensures a steady flow of guests throughout the year. This consistent demand, paired with the potential for a high-end conversion of the Louis Bank of Commerce, offers a significant opportunity for investors looking to capitalize on the growing hospitality sector.

UNPARALLELED MARKET MOMENTUM

San Diego's downtown continues to evolve, attracting a new wave of talent, businesses, and investors. The national trend of walkable urban work environments has positioned downtown as the epicenter of the city's innovation economy. With over 81,000 jobs downtown and 1,500 new residential units in development, the Louis Bank of Commerce presents a rare opportunity to capitalize on San Diego's upward trajectory in the hospitality markets.



Gaslamp Quarter BOUTIQUE HOTELS



THE KEATING HOTEL

The Keating Hotel is a 4-star luxury boutique hotel known for its modern design and personalized service. It offers an upscale experience featuring a rooftop pool, a rejuvenating spa, and a state-of-the-art fitness center, making it an ideal choice for guests seeking both luxury and relaxation in a modern setting.



THE SOFIA

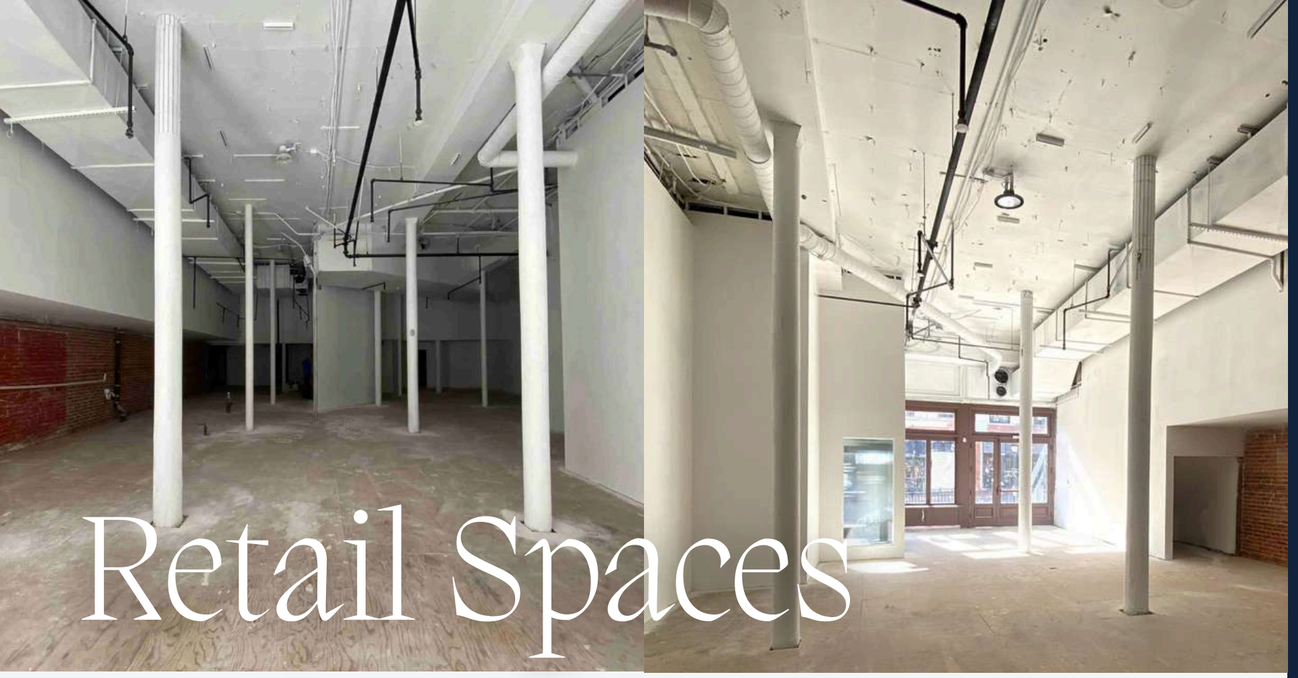
The SOFIA, a 4-star historic boutique hotel, combines classic charm with modern comforts, focusing on wellness and providing a refreshing guest experience. Its prime downtown location offers easy access to attractions, while the wellness center, which includes a yoga studio and a 24-hour fitness center, caters to health-conscious travelers who prioritize well-being during their stay.



THE GRANGER

The Granger is a 3-star property that blends classic charm with contemporary luxury, offering a more intimate and upscale experience. Guests can enjoy a rooftop lounge with panoramic views and indulge in a full-service spa, combining relaxation with the comfort of a refined, boutique atmosphere.

Star Rating	5 - Stars	4 - Stars	3 - Stars	2 - Stars
ADR	$361	$272	$235	$155



Retail Spaces

This 4,232 SF highly desirable retail space, available in shell condition, is located in the highly sought-after Fifth Avenue corridor within the heart of the Gaslamp Quarter. Ideal for restaurant or retail use, the space features a prime ground-level location with an exclusive outdoor patio, offering potential for expanded outdoor dining or additional customer space. The property presents an excellent opportunity for businesses seeking a prime, high-traffic location in one of San Diego's most vibrant neighborhoods.

Pro Forma Lease Up:

Rent = $2.50/SF NNN
Annual Revenue = $126,960 + Reimbursable Expenses
Tenant Improvement Allowance (TIA) = $75/SF = $317,400

BASEMENT LEVEL

The 5,000 SF Basement is occupied by Trailer Park After Dark, an established tenant and popular bar in the vibrant Gaslamp Quarter of San Diego. Embracing the gritty charm of trailer park life, the bar offers nightly specials, entertainment, comfort food, specialty cocktails, and a welcoming vibe that captures the neighborhood's fun spirit. This subterranean dive bar serves American comfort food, ice-cold beer, and features funky, trailer park-themed decor, creating an unforgettable atmosphere that invites guests to relax and enjoy the energetic ambiance. Leased through June 2025 with a 5 year extension option.

Annual Revenue = $91,343 + Reimbursable Expenses



Rent Roll

SUITE ID	UNIT TYPE	AREA (SQ FT)	LEASE FROM	LEASE TO	TERM	MONTHLY RENT	MONTHLY RENT / AREA	ANNUAL RENT
BSMT*	Retail	5,000 SF	2/1/2015	6/30/2035	245 Months	$7,611.95	$1.52	$91,343.40
201	Office	377 SF	7/1/2020	9/30/2026	75 Months	$846.26	$2.24	$10,155.12
203	Office	924 SF	2/1/2021	3/31/2027	74 Months	$2,263.80	$2.45	$27,165.60
209	Office	501 SF	5/1/2024	9/30/2029	65 Months	$1,207.54	$2.41	$14,490.48
302	Office	296 SF	10/1/2024	9/30/2026	24 Months	$577.50	$1.95	$6,930.00
303	Office	266 SF	7/1/2025	6/30/2027	24 Months	$619.78	$2.33	$7,437.36
308	Office	330 SF	2/1/2022	1/31/2027	60 Months	$861.30	$2.61	$10,335.60
309	Office	325 SF	6/1/2022	5/31/2027	60 Months	$856.00	$2.63	$10,272.00
310, 311	Office	504 SF	12/1/2018			$1,248.00	$2.48	$14,976.00
100		4,232 SF						
102		268 SF						
205		769 SF						
207		1,633 SF						
301		339 SF						
304, 305, 306		947 SF						
307		313 SF						
312		501 SF						
313		0 SF						
314		325 SF						
315		309 SF						
400		4,421 SF						
		22,580 SF				$17,955.13		$215,461.56

*5 year extension option on Basement (BSMT) Nightclub tenant “Trailer Park After Dark”

	Total Units	Total Area	Percentage	Monthly Rent	Annual Rent
Occupied	9	8,523	38%	$17,955.13	$215,461.56
Vacant	12	14,057	62%	-	-
Total	21	22,580	100%	$17,955.13	$215,461.56

Proposed Hotel Layout

Average Boutique Hotel Room = +/- 350 SF

36 TOTAL HOTEL ROOMS

Floor 2 - 4,204 SF	**12 rooms**	**$235/night**
Floor 3 - 4,455 SF	**12 rooms**	**$235/night**
Floor 4 - 4,421 SF	**12 rooms**	**$235/night**

Average Daily Rate = $235
Average Occupancy = 76%

ANNUAL HOTEL REVENUE = $2,346,804



Hospitality PRO FORMA

Revenue		Total		$ / Key	% of Revenue
Hospitality	$	2,346,804	$	65,189	78.2%
Restaurant	$	177,744	$	4,937	5.9%
Trailer Park Space	$	86,400	$	2,400	2.9%
Food & Beverage	$	275,000	$	7,639	9.2%
Opex Reimbursement	$	114,000	$	3,167	3.8%
Total Revenue	**$**	**2,999,948**	**$**	**83,332**	**100.0%**

Expenses		Total		$/key	% of revenue	Notes
R&M	$	134,998	$	3,750	4.5%	
Maid Service & Laundry	$	151,200	$	4,200	5.0%	*$4,200 /key*
Management Fee	$	449,992	$	12,500	15.0%	
Marketing	$	10,000	$	278	0.3%	
Utilities	$	149,997	$	4,167	5.0%	
Insurance	$	45,000	$	1,250	1.5%	*$1,250 / key (36 rooms)*
Property Taxes	$	84,735			1.2%	*1.228% of purchase price*
Less: Mills Savings Act	$	(50,841)				*Qualified for Historic*
Total Expenses	**$**	**975,081**	**$**	**27,086**	**32.5%**	
NOI	**$**	**2,024,867**	**$**	**56,246**	**67.5%**	

Yield on Cost	13.54%
Market Cap Rate	8.00%
Spread	**5.54%**

Hospitality PRO FORMA

ANALYSIS AT $6.9 MILLION

Hospitality Investor		Total		PSF	% of Total Cost	Notes
Soft Costs						
Architectural & Engineering (A&E)	$	138,000	$	6.11	2.00%	
Construction Managemnt (CM)	$	138,000	$	6.11	2.00%	
Permitting	$	69,000	$	3.06	1.00%	*Flat Cost*
Interior Design / FF&E	$	720,000	$	31.89	3.00%	*$20,000 /unit*
Construction Insurance	$	69,000	$	3.06	1.00%	
Legal	$	34,500	$	1.53	0.50%	
Leasing Commission (Retail Space	$	64,800	$	2.87	0.94%	*Fixed Cost*
Total Soft Costs	**$**	**1,233,300**	**$**	**54.62**	**8.25%**	

		Total		PSF	% of Total Cost	Notes
Hard Costs						
Purchase Price	$	6,900,000	$	305.58	46.13%	
Construction Cost	$	5,000,000	$	221.43	33.43%	*Flat Cost*
General Conditions	$	451,600	$	20.00	3.02%	
General Contractor Fee	$	174,995	$	7.75	1.17%	
Utility Connections	$	203,220	$	9.00	1.36%	
TI (retail)	$	317,400	$	75.00	2.12%	*$75 / ft (4,232 SF space)*
Contingency	$	677,400	$	30.00	4.53%	
Total hard Costs	$	13,724,615	$	607.82	91.75%	
Total	**$**	**14,957,915**	**$**	**662.44**	**100.00%**	
Total Basis / Key	**$**	**415,498**				

RETURNS

Potential Yield on Cost	**13.54%**
Market Cap Rate	**8.00%**
Potential Spread	**5.54%**

ASSUMPTIONS

Room Count	**36**
ADR	**$235**
Occupancy	**76%**
RevPAR	**$178.60**
Restaurant Rent	**$3.50**

REDEFINING SUCCESS IN COMMERCIAL REAL ESTATE

Cast Capital Partners specializes in helping private clients, owners and investors make well-informed decisions regarding their commercial buildings and portfolios. CAST performs investment sales, leasing, management, and acquisition services for commercial real estate, specializing in office, industrial, flex, medical, and retail properties, The brokerage division at CAST utilizes relationship-driven and technology-derived market knowledge and data research. We have a robust software implementation to best meet our client's demands. We believe that relationships always come first and seek to build impactful connections with owners, investors, and partners throughout the industry to help ensure optimum performance on every deal and transaction.

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