

SELECT SPG CASE STUDIES

\$45M Condo Conversion in San Mateo, California



Exited 2024

Pacific Gardens Townhomes | San Mateo

- 38 3B/2.5B townhomes, each spanning 1,318 SF across 2 floors
- SPG completed the condo conversion in 9 months before purchasing the property in Jan 2022 at a 21% discount from its condo values
- SPG fully exited in Q1 2024 – 24 months after purchase
- As rates rose rapidly, SPG still outperformed with sale prices 10% over projections and repaying the lender within 7 months
- Central Bay Area location, a mile from Downtown San Mateo with convenient access to retail, entertainment and Caltrain

Strong Entry Point

- Structured deal to renovate and pre-sell units before closing, using proceeds from 11 sales as purchasing capital – reduced market risk and offset costs for the remaining 27 units

Cost/Risk Mitigation

- Utilized its in-house construction team, sourced local vendors, and partnered with Redfin's top broker for marketing & sales – achieving superior results at a fraction of the cost

Reliable Exit Strategies

- Employed strategies to secure bulk investors for a portion of sales and collaborated with new condo board to minimize transition risk

PROPERTY HIGHLIGHTS

Address:	25 McAker Ct
Location:	San Mateo, CA
# of Units:	38
Total SF:	50,084 SF
Former Use:	Rental Apartments
Converted Use:	Condo/Townhomes
Unit Description	3B / 2.5B
Avg Unit SF	1,318 sf

Project Costs	\$37M
Effective PSF Basis	\$708 PSF
Effective Unit \$ Basis	\$933K / Unit
Realized Exit Value	\$45.5M
Realized PSF Basis	\$909 PSF
Realized Unit \$	\$1.2M / Unit

HOLD PERIOD 24 MONTHS

REALIZED PROJECT RETURNS

Deal Equity	\$7.55M
Deal Profit	\$6.2M
Deal Level Returns:	50.6% IRR / 1.82x
LP Returns:	36.3% IRR / 1.55x

