



DISCUSSION CALENDAR

Agenda Item # 9

AGENDA REPORT SUMMARY

Meeting Date: January 8, 2019

Subject: Park in-Lieu Fee Update

Prepared by: Christopher Lamm, Interim Engineering Services Director

Approved by: Chris Jordan, City Manager

Attachment(s):

1. Resolution No. 2019-04
2. Appraisal Consulting Report

Initiated by:

Staff

Previous Council Consideration:

April 8, 2014; April 22, 2014; May 27, 2014

Fiscal Impact:

Increasing the Park in-Lieu fees could result in the collection of up to an additional \$5.72M over the next four years based on current and anticipated development projects.

Environmental Review:

This action is exempt from environmental review pursuant to Section 15273(a)(4) of the State Guidelines implementing the California Environmental Quality Act of 1970, as amended, because it consists of modifying existing fees that are for the purpose of obtaining funds for capital projects, park and recreational improvements, necessary to maintain service within existing service areas.

Policy Question(s) for Council Consideration:

- Does the Council wish to increase Park in-Lieu Fees to reflect current fair market value of land available for park purchase?

Summary:

- As a condition of approval of a final subdivision or parcel map, the subdivider shall dedicate land, pay a fee in lieu thereof, or a combination of both at the option of the City, for park or recreational purposes
- The fair market value of lands available for park purchase can be used to establish in-Lieu fees, by formula, for both new single family and multi-family projects
- Each fiscal year, the Engineering Services Director makes a determination on the City's current fee and if it is commensurate with the fair market value of the lands available for park purchase or existing park lands



Subject: Park in-Lieu Fee Update

Staff Recommendation:

Adopt Resolution No. 2019-04, modifying Park in-Lieu Fee on the FY 2018/19 Fee Schedule for the City of Los Altos



Subject: Park in-Lieu Fee Update

Purpose

To increase Park in-Lieu Fees to reflect current fair market value of land to ensure that the fees will continue to generate sufficient funds to acquire land and construct the park and recreational facilities needed to serve new development.

Background

Park in-Lieu fees are authorized by the Quimby Act and allow cities to charge new development for community parkland. The parkland valuation calculation is based on state law parameters and formulas of three acres of parkland per 1,000 residents, the value of real estate in Los Altos and the number of residents per household. Park in-Lieu fees are calculated based on the following formulas for additional units on a subject property as set forth in Los Altos Municipal Code, Section 13.24.010(D):

Single Family/Detached:

3 acres/1,000 residents = .003 acres per resident
.003 × 2.7 residents per household = .0081
.0081 × one acre of land, or value thereof

Multiple Family/Attached:

3 acres/1,000 residents = .003 acres per resident
.003 × 1.7 residents per household = .0051
.0051 × one acre of land, or value thereof

The City's Park in-Lieu fees were last updated in 2014 based on a fair market value of \$6.96M per acre of land available for purchase, resulting in fees of \$56.5K for Single Family/Detached homes and \$35.5K for Multi-Family/Attached homes.

Discussion/Analysis

Pursuant to the City of Los Altos Municipal Code, Chapter 13.24 - Park Land Dedications, the Engineering Services Director shall make a determination of the fair market value of the lands available for park purchase or existing park lands.

Based on an independent real estate appraisal commissioned by the City (Attachment 2), the current fair market value of an acre of land available for purchase in the City of Los Altos is \$9.58M (\$220 per square foot). Based on this current land valuation, Park in-Lieu fees could be increased from their current levels of \$56,500 for new single-family units and \$35,500 for new multiple-family units up to \$77,500 and \$48,800, respectively.



Subject: Park in-Lieu Fee Update

Revised Park in-Lieu Fee calculations are as follows:

Single Family/Detached

3 acres/1,000 residents = .003 acres per resident

.003 x 2.7 residents per household = .0081

.0081 x \$9.58M = \$77.5K

Multiple Family/Attached

3 acres/1,000 residents = .003 acres per resident

.003 x 1.7 residents per household = .0051

.0051 x \$9.58M = \$48.8K

For reference and comparison, parkland dedication/in-Lieu fees of some nearby local agencies are as follows:

	Single-Family	Multiple-Family
Sunnyvale	\$77,863	\$50,965
Santa Clara	\$64,791	\$50,046
Palo Alto	\$62,584	\$43,137
Mountain View¹	\$60,000	\$20,000
Saratoga	\$20,775	\$20,775
Campbell	\$18,696	\$7,528
Los Gatos²	\$0	\$0

In addition to the Park in-Lieu fee, new residential development in the City is also required to pay a Traffic Impact fee (LAMC Chapter 3.48), an Affordable Housing Impact fee (LAMC Chapter 3.49) and a Public Art Funding fee (LAMC Chapter 3.52).

Fiscal Impact

Based on current and anticipated development proposals, the City could see the development of up to 430 new dwelling units, primarily multiple-family, over the next three to four years. Based on this projection, an increase in the Park in-Lieu fees could result in the payment of up to an additional \$5.72M into the City’s in-Lieu Park Fund. If the fee increase is adopted, it would go into effect

¹ Mountain View calculates Park in-Lieu fees on a project by project basis, typically resulting in fees established in the range of \$20,000-\$60,000 per unit.

² Los Gatos does not charge a parkland dedication fee to new development because the Town already has more parkland than is required under the Quimby Act.



Subject: Park in-Lieu Fee Update

immediately and all subsequent residential development projects would be subject to the updated Park in-Lieu fee

Options

- 1) Adopt Resolution No. 2019-04, modifying the FY 2018/19 Fee Schedule for the City of Los Altos to increase the City's Park in-Lieu fees

Advantages: Park in-Lieu Fees will be updated to reflect the current value of land available for purchase in the City of Los Altos

Disadvantages: Park in-Lieu Fees will increase 37% as a result of no increases being performed for the past 4.5 years

- 2) Do not increase Park in-Lieu Fees

Advantages: Maintains user fees at current levels

Disadvantages: Fees are not reflective of current land values in Los Altos and will generate less revenue which may be used for parkland purchase or improvements

Recommendation

The staff recommends Option 1.

RESOLUTION NO. 2019-04

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS
UPDATING PARK IN-LIEU FEES**

WHEREAS, Chapter 13.24 of the Los Altos Municipal Code requires as a condition of approval of a final subdivision or parcel map, the subdivider shall dedicate land or pay a fee in lieu thereof; and

WHEREAS, Los Altos Municipal Code, Section 13.24.010, subdivision (F), provides that each fiscal year the Director of Engineering Services shall make a determination of the fair market value of the lands available for park purchase to be used in calculating a Park in-Lieu fee to be paid; and

WHEREAS, the Director of Engineering Services has made a determination of the fair market value of lands available for park purchase is \$9.58 million per acre, resulting in Park in-Lieu Fees of \$77,500 for Single Family Residential Units and \$48,800 for Multiple Family Residential Units; and

WHEREAS, the City Council desires to increase the Park in-Lieu fee to ensure that the fees will continue to generate sufficient funds to acquire land and construct the park and recreational facilities needed to serve new development.

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Los Altos hereby approves the Park in-Lieu Fee in the amounts of \$77,500 per Single Family/Detached Residential Unit and \$48,800 per Multiple Family/Attached Residential Unit and these fees shall become effective immediately upon adoption of this Resolution. The City Clerk is hereby directed to update the FY 2018/19 Fee Schedule for the City that was originally approved by Resolution 2018-14, to reflect the Park in-Lieu Fees as modified herein.

I HEREBY CERTIFY that the foregoing is a true and correct copy of a Resolution passed and adopted by the City Council of the City of Los Altos at a meeting thereof on the ____ day of ____, 2019 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Lynette Lee Eng, MAYOR

Attest:

Jon Maginot, CMC, CITY CLERK



Valbridge
PROPERTY ADVISORS

Appraisal Consulting Report

Unencumbered Residential Land

Los Altos, Santa Clara County, California 94022

Report Date: November 28, 2018



FOR:

City of Los Altos
Ms. Susanna Chan
1 North San Antonio Road
Los Altos CA 94022

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November 28, 2018

Maria Aji, PhD
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Ms. Susanna Chan
City of Los Altos
1 North San Antonio Road
Los Altos, CA 94022

RE: Appraisal Consulting Assignment
Unencumbered Residential Land
Los Altos, Santa Clara County, California 94022

Dear Ms. Chan:

In accordance with your request, we have provided appraisal consulting services regarding the range of current land values for unentitled land purchased in Los Altos for residential development. Our research and analysis is presented in this appraisal report. The attached report sets forth the most pertinent data gathered and our analysis.

We developed our analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; and the requirements of our client as we understand them.

The client in this assignment is Susanna Chan from the City of Los Altos and the intended user of this report is the City of Los Altos and no others. The intended use is for setting a park-in-lieu fee. The value opinions reported herein are subject to the definitions, assumptions and limiting conditions, and certification contained in this report.

The purpose of this appraisal assignment is to develop an opinion of the market value of residential land in Los Altos. The land value range is provided in a per square foot value of the land. We are providing a range of values; the values are based on a site that is physically vacant and ready for development.

Unentitled residential land values are dependent on a variety of factors and are specific to individual properties. The range of values reported in this report are not specific to any single piece of property in Los Altos but rather reflect a range of values expected for land purchased in Los Altos that has residential development potential. The actual value for any specific property is dependent on factors such as the ease in which entitlements can be obtained, its location, school district, size, likely development density, etc. The values reported herein bracket a variety of these factors, as reflected in the current market.

The acceptance of this consulting assignment and the completion of the report submitted herewith are subject to the General Assumptions and Limiting Conditions contained in the report. The findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions which might have affected the assignment results:

Extraordinary Assumptions:

- None

Hypothetical Conditions:

- None

Based on the analysis contained in the following report, the range of current land values for unentitled land purchased in Los Altos for residential development is summarized as follows:

Value Conclusions

Component	
Value Type	Range of Market Values
Property Rights Appraised	Fee Simple
Effective Date of Value	November 1, 2018
Land Value Range Conclusion	\$190-\$250 psf

The above range reflects the value of most vacant, unentitled residential land sites within Los Altos. Most land purchased in Los Altos is for condominium and mixed-use development. The adjusted range for such land is between \$224 to \$247 while for single family residential land is \$174 and \$199 per square foot of site area.

Respectfully submitted,
Valbridge Property Advisors



Maria Aji, PhD
Senior Appraiser
California Certified License #AG027130



Yvonne J. Broszus, MAI
Director
California Certified License #AG019587

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Introduction

Client and Intended Users of the Appraisal

The client in this assignment is Susanna Chan with the City of Los Altos, and the intended user of this report is the City of Los Altos and no others.

Intended Use of the Appraisal

The intended use of this report is for setting a park-in-lieu fee.

Type and Definition of Value

Market Value," as used in this appraisal, is defined as "The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress."¹ Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- *Buyer and seller are typically motivated.*
- *Both parties are well informed or well advised, each acting in what they consider their own best interests;*
- *A reasonable time is allowed for exposure in the open market;*
- *Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
- *The price represents the normal consideration for the property sold unaffected by special or creative financing or sale concessions granted by anyone associated with the sale."*

The "as is" value is the value of the property in its present condition under market conditions prevalent on the date of the appraisal.

Please refer to the Glossary in the Addenda section for additional definitions of terms used in this report.

Date of Report

The date of this report is November 28, 2018, which is the same as the date of the letter of transmittal.

¹ *The Dictionary of Real Estate Appraisal*, Sixth Edition, (Appraisal Institute, 2015), 141

Special Note

Unentitled residential land values are dependent on a variety of factors and are specific to individual properties. The range of values reported in this report are not specific to any single piece of property in Los Altos but rather reflect a range of values expected for land purchased in Los Altos that has residential development potential. The actual value for any specific property is dependent on factors such as the ease in which entitlements can be obtained, its location, school district, size, likely development density, etc. The values reported herein bracket a variety of these factors, as reflected in the current market.

List of Items Requested but Not Provided

- None

Assumptions and Conditions of the Appraisal

The acceptance of this appraisal assignment and the completion of the appraisal report submitted herewith are subject to the General Assumptions and Limiting Conditions contained in the report. The findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions which might have affected the assignment results:

Extraordinary Assumptions

- None

Hypothetical Conditions

- None

Scope of Work

The elements addressed in the Scope of Work are (1) the extent to which the subject property is identified, (2) the type and extent of data researched, (3) the type and extent of analysis applied, and (4) the type of appraisal report prepared. These items are discussed as below.

Type and Extent of Data Researched

In preparation for this report, we reviewed the residential zoning designations in the city of Los Altos, as well as the application of the park in-lieu fee. We researched and analyzed regional and local economic trends, and analyzed and reported market trends relevant to Los Altos. Land sales that were purchased for residential development, located in and around Los Altos, were researched and analyzed. Adjustments were made to these sales to reflect factors such as entitlements and current market conditions, so that a current range of values for unentitled land could be concluded. These sales formed the basis for the opinions concluded in this report. The scope of work also included preparation of this report.

Appraisal Conformity and Report Type

We developed our analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; and the requirements of our client as we understand them. This is an Appraisal Report as defined by the Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2a.

Population

Santa Clara County is the most populous of the nine counties comprising the San Francisco Bay Region, with an estimated 1,956,598 residents as of January 1, 2018 according to the State of California Department of Finance. This was an increase of 1.0% over the previous year. San Jose is the largest city in the county and the third largest in California, surpassing San Francisco.

According to the Site to Do Business projections, presented below, the county's population is expected to increase 1.1% between 2018 and 2023, while Los Altos will increase approximately 0.9% over the same period.

Population

Area	2000	2010	Annual % Change 2000 - 10	Estimated 2018	Projected 2023	Annual % Change 2018 - 23
United States	281,421,906	308,745,538	1.0%	330,088,686	343,954,683	0.8%
California	33,871,648	37,253,956	1.0%	39,806,791	41,456,909	0.8%
Santa Clara County	1,682,585	1,781,642	0.6%	1,959,999	2,066,393	1.1%
Los Altos	28,111	28,973	0.3%	31,262	32,640	0.9%

Source: Site-to-Do-Business (STDB Online)

Transportation

Excellent transportation routes and linkages to all major cities within the region and throughout the state are primary reasons for the advancement of business activity in the Bay Area, including Santa Clara County.



Air service in the area is provided by Norman Y. Mineta San Jose International Airport, which accommodated almost 12.5 million passengers in 2017. San Francisco and Oakland airports are also within an hour's drive from most portions of the county. In 2010, San Jose International Airport completed the first phase of a two-phase expansion with the goal of increasing service to 17.3 million travelers a year, at a cost of \$1.3 billion. Planning for the second phase, nine additional gates and a new concourse extension at the south end of Terminal B, began early in 2018.

The area has a well-developed freeway system although traffic congestion is unquestionably one of the negative aspects. The county's transportation network also includes a number of expressways, which provide streamlined access to most interior locations. Lawrence Expressway, San Tomas Expressway and Foothill Expressway run north-south, while Central Expressway and Montague Expressway run roughly east-west.

Employment

High-technology employment and a skilled workforce translate into relatively high-income levels, and Santa Clara County is one of the most affluent metropolitan regions in the nation. Silicon Valley's economy is stable, although its narrow range of driving industries has kept recent growth very slow.

Significant employment sectors within Santa Clara County include manufacturing; professional, scientific, and technical services; health care; retail; and educational services. Some of the largest employers are associated with the computer industry such as Adobe, Apple, AMD, and Hewlett-Packard; hospitals such as the VA Medical Center, Kaiser Permanente, and the San Jose Medical Center; space and aerotech including NASA and Lockheed Martin; and educational facilities such as San Jose State University and Stanford University School of Medicine.

Employment by Industry - Santa Clara County

Industry	2018 Estimate	Percent of Employment
Agriculture/Mining	5,961	0.6%
Construction	52,653	5.3%
Manufacturing	171,869	17.3%
Wholesale trade	20,863	2.1%
Retail trade	89,412	9.0%
Transportation/Utilities	28,810	2.9%
Information	37,752	3.8%
Finance/Insurance/Real Estate Services	46,693	4.7%
Services	516,600	52.0%
Public Administration	22,850	2.3%
Total	993,462	100.0%

Source: Site-to-Do-Business (STDB Online)

Unemployment

The unemployment rate in Santa Clara County is currently less than the rates of the state and nation. The County unemployment rate was 2.6% as of September 2018 (most recent available). The State of California was at 3.9% while the Nation was at 3.8% for the same time period. Unemployment rates locally and nationwide have been on a decreasing trend over the last several years, as shown in the table below.

Unemployment Rates

Area	YE 2011	YE 2012	YE 2013	YE 2014	YE 2015	YE 2016	YE 2017	2018 YTD
United States	8.5%	7.9%	6.7%	5.6%	5.0%	4.7%	4.1%	3.8%
California	11.0%	9.6%	8.0%	6.6%	5.6%	5.1%	4.2%	3.9%
Santa Clara County	8.4%	7.0%	5.5%	4.3%	3.7%	3.5%	2.7%	2.6%

Source: Bureau of Labor Statistics - Year End - National & State Seasonally Adjusted

The information on the following page was obtained from the "UCLA Anderson Forecast for the Nation: September 2018 Report," presented by the UCLA Anderson School of Management.

National Economic Overview

The current year finds the national economy shifting from sluggish growth with low inflation into one of accelerating growth and modest inflation. Monetary policy is also transitioning, with three Federal Funds Rate increases in the year thus far. The national budget is expected to move from a moderate deficit to one with a trillion-dollar deficit, which included \$1.5 trillion in tax cuts, and a call for a substantial increase in defense spending.

Real GDP growth is on track to continue its 3% pace, established in the second quarter of 2017. A growth rate of 3.1% is expected for 2018, but will slow to 2.0% in 2019 and to 1.0% in 2020. The slowdown is forecast because the economy is already operating at full-employment levels, along with a waning of stimulus policies. Job growth, however, is expected to continue, with an unemployment rate forecast at 3.5% in early 2019. Inflation is expected to rise to a median 2.1% in 2019.

Business investments are expected to increase by 7.5% in 2018, and into 2019, before slowing in 2020. This is anticipated to be one of the driving forces in the national economy, largely in response to the reduction in corporate tax rates, and to an allowance to write off 100% of equipment costs during the first year of purchase.

Although housing activity will continue to expand through 2019, but it will be far from a boom, largely because of higher interest rates, which exact a toll on housing prices. After recording 1.2 million housing starts in 2017, the Forecast anticipates 1.3 million units by year end 2018 and 1.35 million units in 2019.

The greatest threats to the current forecast of the U.S. economy stems from an ongoing trade war with China, including a decision to impose tariffs on \$200bn of Chinese imports, and from looming monetary crisis in a few developing economies, i.e., Turkish lira and Argentine peso.

Federal Funds Rate

In an effort to maximize employment and stabilize inflation the Federal Reserve Bank raised the federal funds rate eight times since 2015, when interest rates were almost zero. Already in 2018 the fed has raised the rate thrice; the most recent increase was on September 26, 2018, at 2.25 percent.

The table to the right summarizes the previous nine rate hikes occurring over the past three years. The fed has consistently been increasing by 25 basis points. The rate was raised twice in 2015, once in 2016, three times in 2017, and thrice to date in 2018. The federal funds rate is expected to be over 3.00% by the end of 2019.

Federal Funds Rate		
Date	Rate	Basis Point Increase
Jul-15	0.25	----
Dec-15	0.50	25
Dec-16	0.75	25
Mar-17	1.00	25
Jun-17	1.25	25
Dec-17	1.50	25
Mar-18	1.75	25
Jun-18	2.00	25
Sep-18	2.25	25

The California Forecast

California continued to be a leader in the nation in job growth, hitting all-time high employment in Q3-2018. The Bay Area economy also rocketed to big gains during the same time, adding 11,000 new jobs, primarily in Santa Clara, San Mateo, and Alameda Counties. The job increases marked the 12th consecutive month of job gains. It was recently reported that the Bay Area's annual employment

growth rate of 4.3% over the past three years was nearly double that the entire country as a whole; the regional GDP was at \$748 billion, behind only 18 countries.

California continues to be the center of high-technology and innovation worldwide, with large work forces in Los Angeles (446,000 jobs), Silicon Valley (346,000) and San Francisco (268,000), as of July 2018. Tech jobs are forecast to grow in between 2.0% to 3.0% during 2019 in many of the state's metropolitan areas (Silicon Valley, San Francisco, East Bay, Los Angeles, Orange County, and San Diego). Startup activities have also been accelerating throughout the state.

The forecast for (end of) 2018, 2019 and 2020 total employment growth in California is at 1.7%, 1.8% and 0.8%, respectively. Payrolls will grow at about the same rate over the forecast horizon. Real personal income growth is forecast to be 2.5%, 3.6% and 2.9% in 2018 (end of August), 2019 and 2020, respectively.

Median Household Income

In Santa Clara County, San Jose, the county seat, ranks first out of the entire nation in terms of median household income for major metropolitan areas. San Francisco, about 50 miles to the north of San Jose, also ranked as one of the wealthiest cities in the nation: it holds the number two spot with a median household income of about 9% less than San Jose.

Total median household income for the region is presented in the following table. Overall, the subject compares favorably to the state and the country.

Median Household Income

Area	Estimated 2018	Projected 2023	Annual % Change 2018 - 23
United States	\$58,100	\$65,727	2.6%
California	\$69,051	\$81,023	3.5%
Santa Clara County	\$104,053	\$118,227	2.7%
Los Altos	\$180,937	\$200,001	2.1%

Source: Site-to-Do-Business (STDB Online)

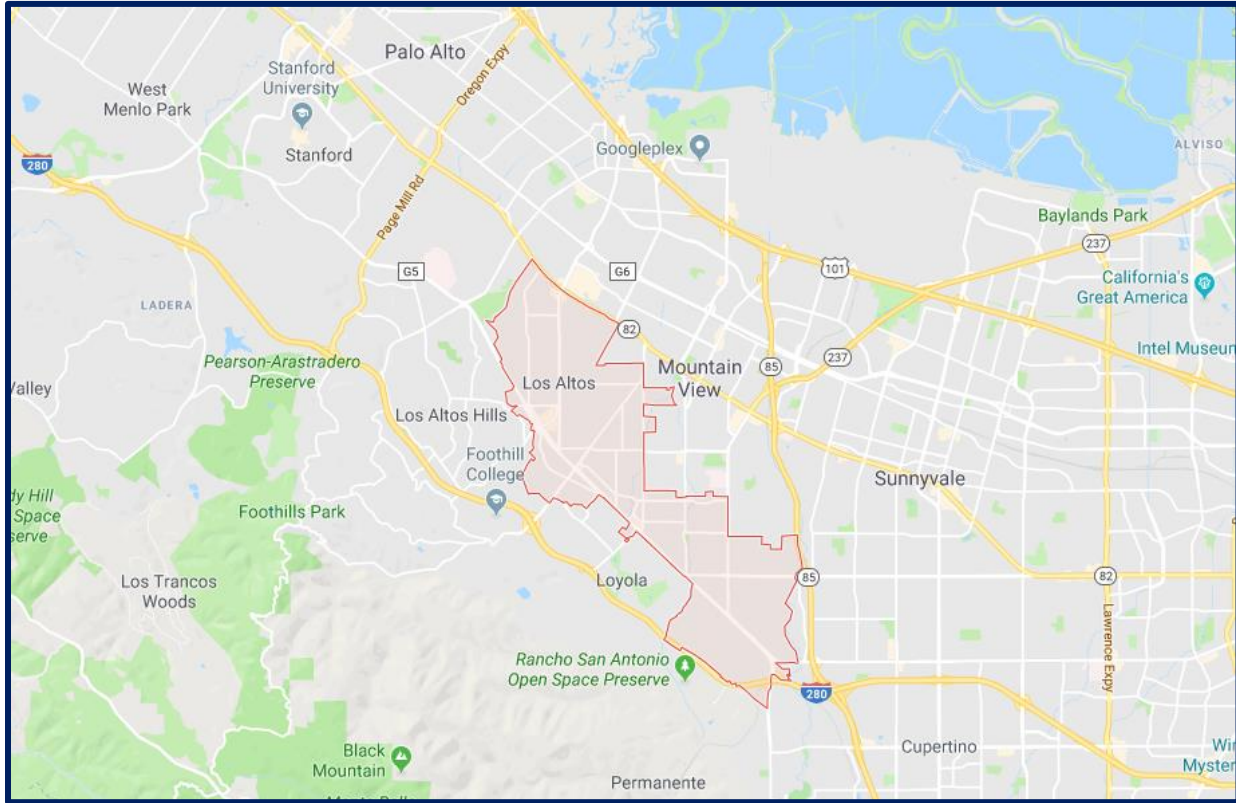
Conclusions

Historically, the Santa Clara County region has been considered a desirable place to both live and work. Physical features and a strong local economy attract both businesses and residents. It is a worldwide leader in technology and a regional employment center, with an increasingly diversified economy. While traffic congestion will continue to be a problem, residents remain among the most affluent in the country.

The election of Donald Trump signaled a major change in economic policy. In the short run that will bring with it more real growth and inflation along with higher interest rates. However, because the economy is operating at or close to full employment, the growth spurt is expected to be short-lived. It is cautioned that because there are so many moving parts with the new administration's proposed policies, there is a rather high degree of uncertainty in the long-term economic forecast. Nevertheless, the remainder of 2018 is expected to be prosperous as we continue to say goodbye to the effects of the financial crisis.

City and Neighborhood Analysis

NEIGHBORHOOD MAP



City Overview

Incorporated in December 1952, the City of Los Altos is a relatively small, suburban community located 37 miles south of San Francisco and 16 miles northwest of San Jose. The city encompasses seven square miles and is bordered by Los Altos Hills, Palo Alto, Mountain View, Sunnyvale, and Cupertino. Los Altos is a desirable upscale community with tree-lined streets and high quality public schools.

Situated in the western portion of Santa Clara County, Los Altos has excellent access to local and regional transportation networks. It is home to numerous recreational and shopping opportunities. Annual events include Los Altos Kiwanis Club Pet Parade, Los Altos Rotary Club Fine Art Show, Downtown Los Altos Arts and Wine Festival, Los Altos Fall Festival, and the Festival of Lights Parade.

The city is known for its exceptional schools. As ranked by California's Academic Performance Index, all eight schools, six elementary and two junior high, in the Los Altos School District are among the top 1% of schools in the state. The vast majority of kindergarten through eighth grade students in Los Altos and Los Altos Hills are served by the Los Altos School District. Serving students in grades nine through twelve from Los Altos, Los Altos Hills, and Mountain View is the Mountain View-Los Altos Union High School District. Students residing in the most southern portion of Los Altos attend an elementary and junior high school located in the highly desirable Cupertino Union School District.

These students also attend one of the five top ranking high schools in the highly desirable Fremont Union High School District. With Foothill College located in nearby Los Altos Hills, Los Altos is within a short distance of numerous colleges and universities including De Anza as well as Mission Colleges along with San Jose State, Santa Clara, and Stanford Universities.

Major travel and commuter routes within Los Altos include Foothill Expressway, El Monte Road, El Camino Real, and San Antonio Road, along with Highway 280.

A flurry of activity was noted in the downtown area over the past several years, and there are still several projects underway in various stages in Los Altos, as discussed. The subject location will likely outperform the overall market.

Residential Market Overview

The residential market is currently very strong. This is true for both the for-sale housing market as well as the rental market. Property values and rents have increased dramatically over the past several years. This is a result of the improving economy, strengthening of the job market, low interest rates, and pent-up demand. Overall consumer confidence is higher than it has been in several years, causing both buyers and renters to seek new housing opportunities.

The strength in for-sale and rental housing is also fueling an increase in demand for land suitable for residential development. Land values have increased significantly over the past few years, as higher sale prices and rents make development both feasible and profitable. An overview of the various residential markets is provided below and on the following pages.

Santa Clara County and Los Altos For-Sale Market

Santa Clara County is well on its way to a full housing recovery. Residential construction is booming and buyer incomes continue to rise at a much quicker pace than the rest of the state. However, annual home sales volume has remained level since 2010, marking the end of the housing tax credit stimulus.

Santa Clara's success is due to its successful jobs market, particularly in the Silicon Valley area. However, the region's high cost of living, reflected in steeply rising home prices, is a heavy drag on demand, reducing home sales volume and turnover rates.

As stated, the Bay Area marketplace has historically been characterized as among the most expensive housing markets in the nation. The following table highlights median prices for both detached and attached housing within the City of Los Altos and Santa Clara County, as reported by the local Multiple Listing Service.

Historical Median Single Family & Condominium Housing Prices

		City of Los Altos & Santa Clara County				2015-2016	2016-2017	2017-2018
		2015	2016	2017	2018 (YTD)	% Change	% Change	% Change
SFR	Los Altos	\$2,745,500	\$2,710,000	\$3,018,631	\$3,400,000	-1.3%	11.4%	12.6%
	County	\$950,000	\$1,015,000	\$1,710,000	\$1,350,000	6.8%	68.5%	-21.1%
Condo	Los Altos	\$1,320,000	\$1,470,000	\$1,465,000	\$1,635,000	11.4%	-0.3%	11.6%
	County	\$530,000	\$580,000	\$635,000	\$770,000	9.4%	9.5%	21.3%
Town Home	Los Altos	\$1,475,000	\$1,410,500	\$1,862,000	\$1,980,000	-4.4%	32.0%	6.3%
	County	\$725,000	\$795,000	\$900,000	\$1,102,500	9.7%	13.2%	22.5%

The preceding table generally supports price increases in single-family homes, townhomes and condominiums over the past three years in both the City of Los Altos and the County as a whole. In the single-family residential market, however, a 12.6% increase in median prices is reported in Los Altos while a 21.1% decrease is reported in the County between January 2018 and November 2018. In the townhome market, a 6.3% increase in median prices is reported in Los Altos while a 22.5% increase is reported in the County. In the condominium market, an 11.6% increase in median prices is reported in Los Altos while a 21.5% increase is reported in the County for the same time period.

Los Altos Multi-family Overview

Below is the Third Quarter 2018 Multifamily Research Market Report published by CoStar Analytics.

With some of the metro's largest employers—Google, LinkedIn, and Intuit—calling Mountain View/Los Altos home, multifamily developers continue to bring much-needed supply to the area. Since 2013, almost 1,300 units have delivered here, after a decade in which almost no units were built. Despite the supply additions, vacancy lies below submarket's historical 10-year average. Proximity to major employers in Silicon Valley has driven demand, allowing for strong rent growth. While most large higher-end assets are held longer-term owners, lower-quality assets are trading as value-add deals, and pricing continues to rise.

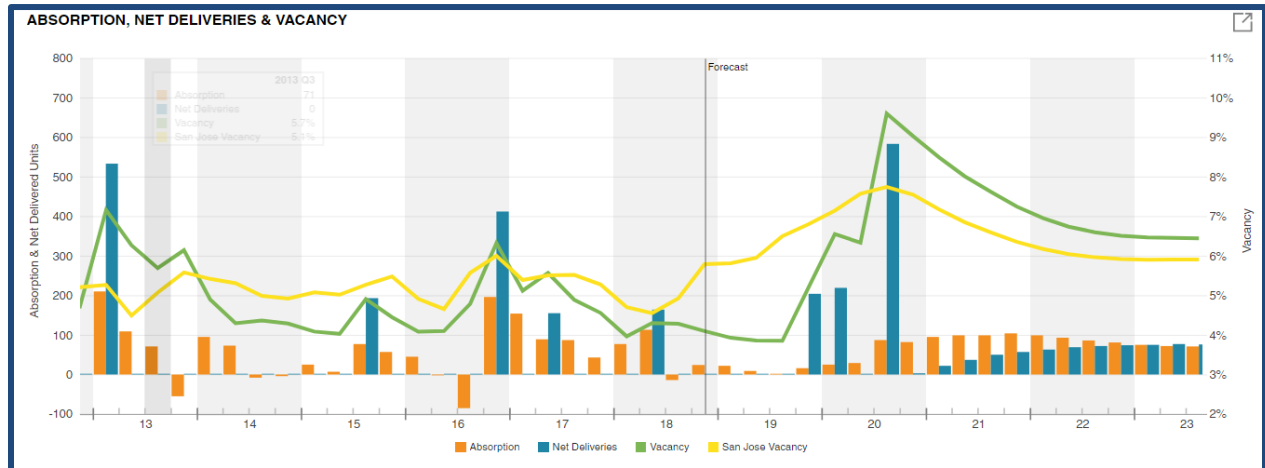
Key Metrics		
LEASING		
	SUBMARKET	MARKET
Vacant Units	561 ↓	7.5 K ↓
Vacancy Rate	4.3% ↓	5.2% ↓
12 Month Absorption Units	193	2,925
RENTS		
	SUBMARKET	MARKET
Market Rent/Unit	\$2,934 ↓	\$2,678 ↓
Studio Market Rent	\$2,118 ↓	\$2,013 ↓
1 Bedroom Market Rent	\$2,731 ↓	\$2,408 ↓
2 Bedroom Market Rent	\$3,383 ↓	\$2,951 ↓
3 Bedroom Market Rent	\$4,128 ↓	\$3,669 ↓
INVENTORY		
	SUBMARKET	MARKET
Inventory Units	13,052 ↓	143,280 ↓
12 Month Construction Starts Units	423 ↓	4,483 ↓
Average Building Units	29 ↓	38 ↓
Under Construction Units	1,006 ↓	9,269 ↓
12 Month Delivered Units	164 ↓	2,857 ↓
SALES		
	SUBMARKET	MARKET
12 Month Properties Sold	21 ↓	200 ↓
Market Sale Price/Unit	\$518 K ↓	\$470 K ↓
Average Market Sale Price	\$16.1 M ↓	\$18.7 M ↓
12 Month Sales Volume	\$83.8 M ↓	\$1.1 B ↓
Market Cap Rate	4.0% ↓	3.9% ↓

Vacancy

Mountain View/Los Altos is a desirable submarket at the center of one of the world's hottest economies. Construction has surged since the start of 2013. Seven major developments with an average of more than 200 units each have been completed since then. Demand for the new apartment stock has been robust, and submarket vacancy is already down to 4.3% despite the supply additions. The metro's major employers—Google with around 1,700 employees and LinkedIn with around 1,200 employees in the area, among others—pay top dollar to attract the most talented programmers in the world, and local residents are extremely affluent as a result. The submarket's median income outpaces all but that of Cupertino and Palo Alto, whose residents earn only slightly more. The rosy employment prospects are also drawing new residents—around 10,000 since 2010—amounting to growth of nearly 10%.

These three wealthy Silicon Valley submarkets, Mountain View/Los Altos, Cupertino, and Palo Alto, also feature median home prices exceeding \$1 million. With single family home prices in Mountain View/Los Altos among the highest in the metro, even highly paid tech employees will find it challenging to buy a home. As a result, the lure of homeownership should not be a significant drag on near-term apartment demand.

The city of Mountain View recently finalized a plan for the North Bayshore, where nearly 10,000 homes and apartments, and 3.6 million square feet of office space are slated for development through 2030. The new neighborhoods in the North Bayshore will be dense - apartment buildings will rise up to 15 stories, and the city has targeted 70 percent of the units for studio or one-bedroom apartments. Google owns slightly more than half of the land slated for residential development and a project timeline has not yet been set.



Rent

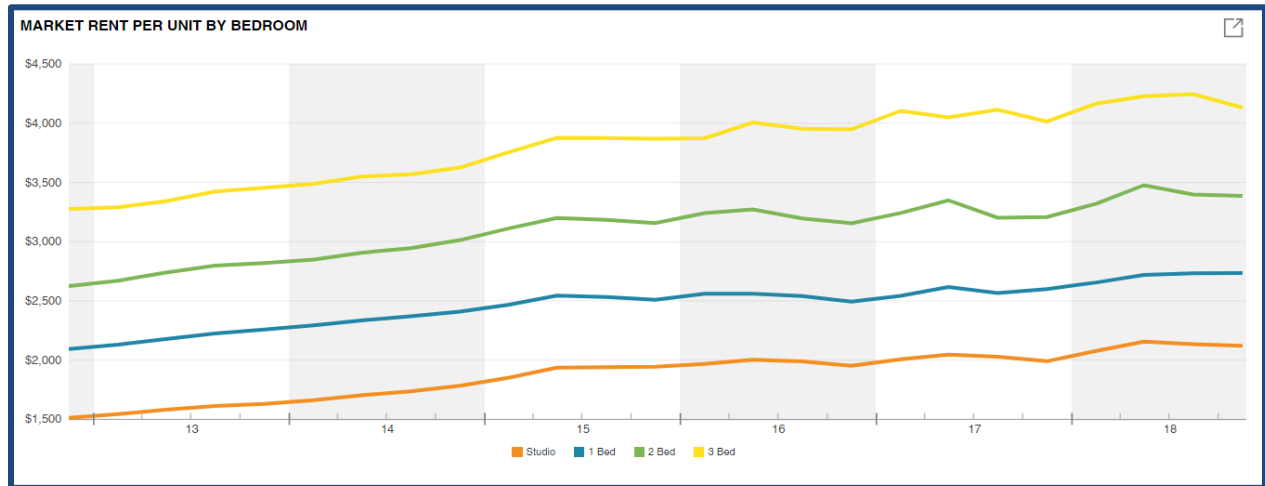
Apartment rents in Mountain View come at a premium due to the submarket's central location in Silicon Valley and close proximity to the office headquarters of leading technology firms. Apartment rents average \$2,930/unit, approximately 9% above the San Jose market average.

It's evident that demand is strong in Mountain View, as apartments in the submarket command high rents, despite being of older and lower quality. Only 17% of the submarket's apartment stock is rated 4 & 5 star quality, compared to 30% in the broader market. This may explain why average rent levels are lower in Mountain View than in neighboring Cupertino, where around a quarter of units are 4 & 5 Star.

Units in 4 & 5 Star buildings rent for a lofty premium over 1 & 2 Star units. For newly constructed buildings, rents are especially high—average asking rents in buildings delivered since 2013 range from \$4,000 to \$5,000/month.

Busy tech workers may need only a place to sleep in the few hours they are not typing code, which might explain why studios make up a larger share of units than the metro average—about 15%, versus about 10% for the metro. Or this may be because developers like to build studios for the premiums they command—they rent for about 15% per SF more than one-bedroom apartments in the submarket.

The main concern for landlords is that renters can find better deals elsewhere. Average rents are only slightly higher than in the rest of the metro. However, luxury properties are much more expensive here. A renter looking a 4 or 5 Star apartment complex could expect to pay nearly \$4,200 in Mountain View, compared to roughly \$3,200 in Central or North San Jose.



Construction

With housing so tight in Mountain View/Los Altos, developers have responded to strong demand. Nearly 1,500 units have delivered since 2013, and more will come online over the next few years as roughly 1,000 units are currently under construction. Although Mountain View/Los Altos trails larger submarkets like Sunnyvale and Central San Jose in number of units being developed, it's outpacing its wealthy neighbor Palo Alto.

Current construction is primarily taking place in Mountain View (population 80,000), rather than in its smaller neighbor Los Altos (population 30,000). Los Altos is mostly zoned residential, with the few commercial zones along the major arteries El Camino Real and Foothill Expressway. The city has added just 325 units since 2009, the most recent being Colonnade, a 167-unit 4 Star building at 4740–4758 El Camino Real. Colonnade is a unique story that shows the difficulty that employers may face in retaining their workforces in the face of the area's housing crunch. To secure housing, Stanford University has preleased the entire complex and plans to rent the apartments to faculty. Facebook is pursuing a similar strategy in nearby Menlo Park.

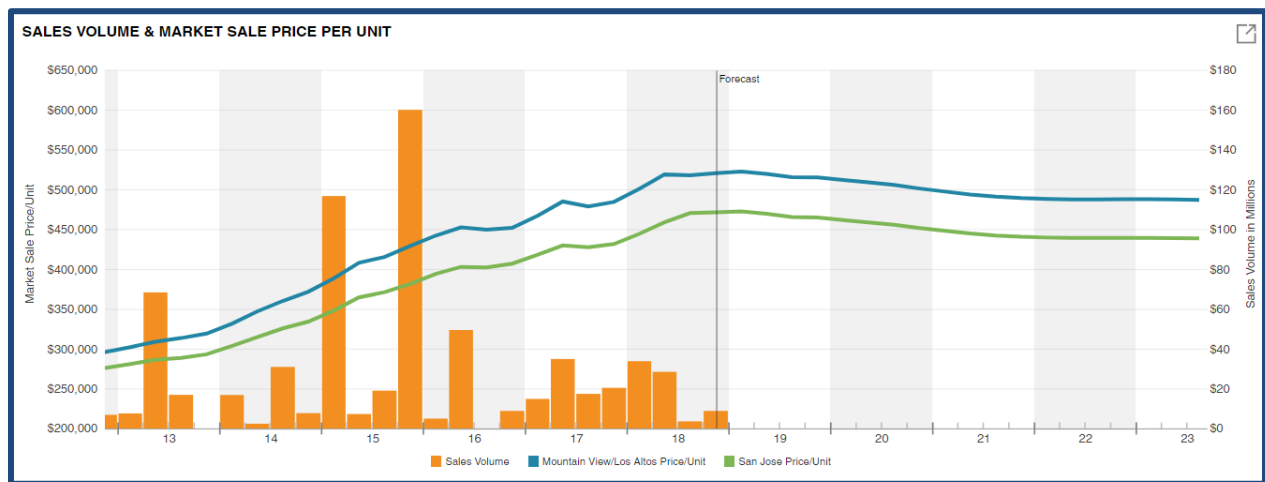
Sales

High rents and relatively steady rent growth due to strong demand have resulted in some of the highest pricing in the metro. Mountain View/Los Altos average submarket sale price per unit is roughly \$390,000, which trails only a few San Jose submarkets, such as Palo Alto.

In December 2015, Village Green in Mountain View traded in one of the largest deals to ever take place in the submarket. A joint venture between Colony Capital and Fortbay acquired the 3 Star 208-unit asset for \$145 million (\$697,115/unit). The community consists of a mix of one- and two-bedroom units, which rented for an average of about \$2,350/month when the property changed hands. More recently, Spieker Companies acquired the 3 Star 42-unit Los Altos Court. The property traded in June 2016 for about \$32.4 million (\$771,964/unit). Another recent trade was when Stanford University acquired the Colonnade for \$130 million (\$781,000/unit) in April 2017. The project was developed by Sares-Regis Group and completed in 2015 after it had been preleased by the university, for faculty and staff members use.

Lower-end properties have traded more commonly in the past few years, as owners have held luxury complexes. Because inventory is older than the metro average, a few investors have executed value-add strategies. In 2012, Boston-based Rockpoint Group purchased Highland Gardens at 222-234 Escuela Ave. in Mountain View for \$29.8 million (\$234,000/unit). Rockpoint Group renovated the property while adding 60 units, raising rents by about 40%, which is about twice the metro's average rent growth in the same period. Rockpoint Group resold the property in early 2015 for \$86 million (\$460,000/unit).

A few of Mountain View's most recent apartment sales, Middlefield Manor in March 2018, and 2434 Rock St in December 2017, exemplify the submarket's pricing strength. Each property sold for more than \$500,000/unit.



Neighborhood Rent Survey

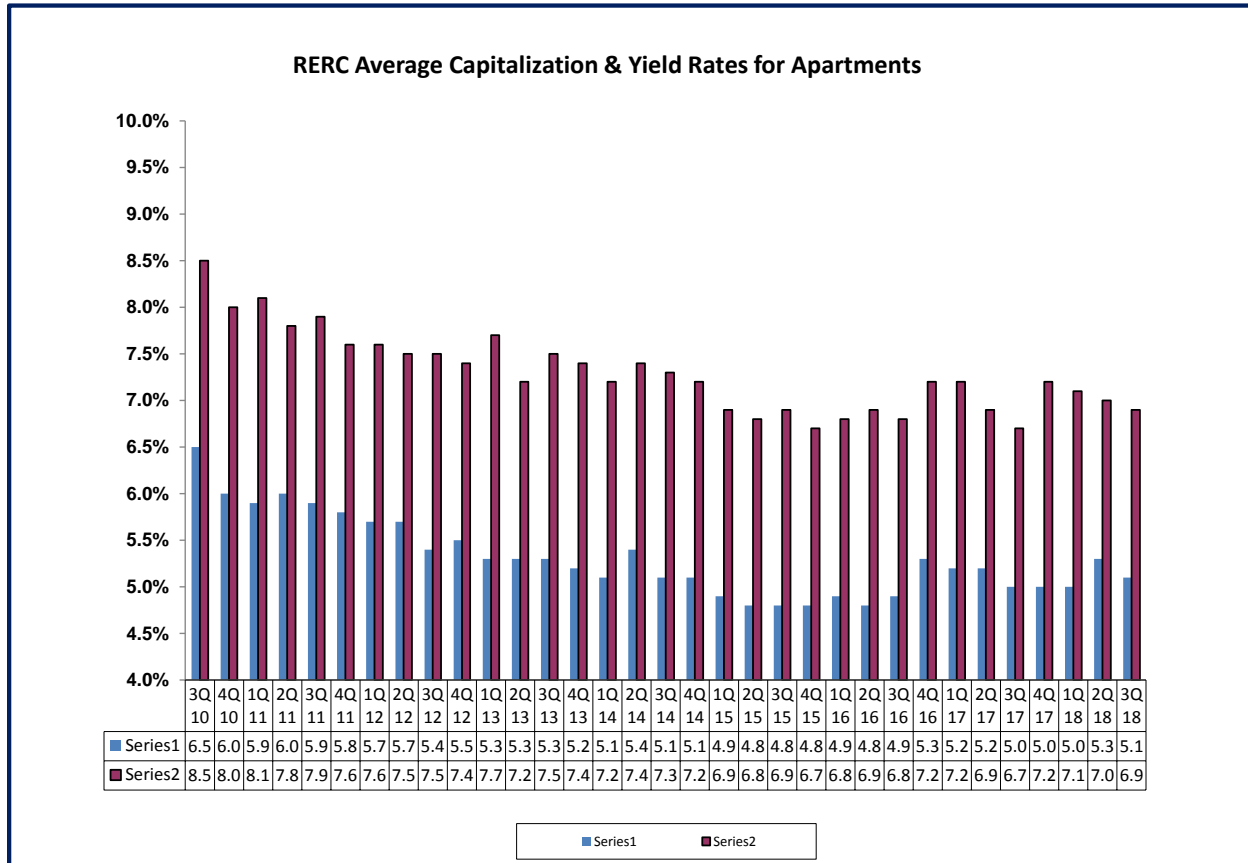
In addition to the CoStar report information discussed above, we have completed a rent survey of competing apartment complexes within the subject's immediate market area. Our rent survey includes three apartment projects in the subject's market area. The rental rates were reflective of asking rates in November-2018.

The rental rates for 2-bedroom/1-bathroom and 2-bedroom/2-bathroom apartments surveyed in the subject's neighborhood ranges from a low of \$5,250 to a high of \$5,700. Unit sizes of these apartments range from 730 to 1,907 square feet. Rental rate differences are attributed to unit size, community amenities, how recently the unit has been renovated/remodeled, unit upgrades, and whether or not the unit has a washer and dryer.

There were very few three bedroom units available in the Los Altos marketplace. Given the lack of supply we had to include a few single family residences to bracket the subject. The rental rates for 3-bedroom/2-bathroom apartments surveyed in the subject's neighborhood ranges from a low of \$6,100 to a high of \$8,000. Unit sizes of these apartments range from 1,740 to 2,366 square feet. Rental rate differences are attributed to unit size, community amenities, how recently the unit has been renovated/remodeled, unit upgrades, and whether or not the unit has a washer and dryer.

Capitalization & Yield Rate Trends

We have also considered the historical average capitalization and yield rates for apartment properties over the last five years, as reported by the Real Estate Research Corp. ("RERC") and CoStar Analytics. The historical rates are illustrated in the following table noted below.



Rates have been falling, albeit not consistently, since 2009. In the beginning of 2009, the average cap rate was about 7.3% and the average yield rate was about 9.0%. Since then, rates have decreased significantly. Recently rates recently have increased from the first to the second quarter 2018. The average cap rate as of the Third Quarter of 2018 was 5.3% and the average yield rate was 7.0%.

Land Market Overview

Residential land values are directly tied to supply and demand of current housing product. Land values vary depending on location, size, permitted uses, and allowable density. Unfortunately, there are no meaningful statistics for residential land values in Santa Clara County and the subject's submarket of Los Altos. However, with the prices of homes going up, land prices have also experienced a notable upward trend over the past years. The Bay Area and Santa Clara County are both experiencing growth, in large part due to the various tech companies located in the area, and, thus, these areas command some of the highest home prices in the region. While home prices appear to be stabilizing at present, they are expected to continue to increase over the next year, which puts upward pressure on land values.

Residential land is typically purchased contingent on project approval or with entitlements (tentative or final map) in place. When contingent upon approvals, the risk to a developer is significantly reduced, putting upward pressure on the price. Prices for land purchased without this contingency are typically lower than for land purchased on a contingency. The price differential is especially large as the risk increases. We note that citizen participation in planning activities is very high in certain municipalities; thus, the approval process for residential projects can become political, long and arduous. It is not uncommon for new projects to take three to four years for development approval.

The Bay Area and Santa Clara County residential land market has been very active over the past two years. Several land transactions took place, many of which had short escrows without a tentative map approval contingency. The real estate brokers we spoke with indicated that marketing periods for these sales were short, and some properties had multiple offers, which resulted in contract prices that were at or above the asking rate. However, most of the sales that are currently taking place are sales of subdivision land suitable for medium- and high-density residential development.

We note that the Los Altos residential market is not very active and appears to be slowing down, as there has been only a couple of recent sales in Los Altos for the past year. Most sales in the area are for mixed-use development, along the El Camino Real corridor. Thus, we were unable to find new sales to base our value conclusions and we have expanded our research to other nearby cities.

Buyer types range from the individual developer to the large scale national housing developer, depending on the size of the site. Well-located, small sites are still in demand from small local buyers, while national builders are very actively seeking land sites that are over three acres in size. If a property has easy access, no topographic or geologic issues, and has infrastructure available, the property will be in higher demand. In addition, higher density land for affordable developments is exhibiting equal demand than for-sale housing at this time.

Residential land in Santa Clara County sells in the \$60-to-\$400+-per-square-foot range. The upper end of the range is indicated by urban markets such as downtown San Jose or in markets with major high-technology employers such as Menlo Park (headquarters of Facebook), Cupertino (headquarters of Apple), and Mountain View (headquarters of Google). These markets, easily accessible and usually fronting more than one major freeway benefit from excellent access and are proximate to both demand as well as employment generators.

Oftentimes, residential land is valued on the basis of price per unit as opposed to price per square foot, particularly for entitled sites. High-density residential land throughout the Bay Area currently ranges between \$50,000 up to \$350,000 per unit. The higher end of this range, \$250,000 to \$350,000 per unit, is indicative of primary markets or "A" locations within Santa Clara and San Mateo County. The "B" locations, which are usually proximate to employment centers, in San Jose, Santa Clara, Milpitas, generally range from \$70,000 to over \$150,000 per unit.

According to our survey of market participants, Los Altos is considered to be an "A" type location given its proximity to employment centers, natural setting and the reputation of the school district.

Market Summary/Conclusions

In summary, the residential market is very strong, with value increases evident in the for-sale, rental and land markets. Cupertino, Los Altos and Mountain View are more expensive locations as compared to Sunnyvale; Santa Clara and San Jose are generally less expensive. All else being equal, land values track home values and rents although not necessarily in the same proportion. Land values of sites with entitlements are higher than those without entitlements due to the level of risk involved in obtaining entitlements. Many times, a buyer will agree to purchase a site contingent on receiving entitlements, then proceed to obtaining the entitlements, and finally close escrow only after the entitlements are secured. Again, this reduces risk to a developer/buyer and puts upward pressure on the purchase price. These factors are considered in our analysis.

Park in Lieu Fee

According to Section 13.24.010 of the Los Altos Municipal Code, as a condition of approval of a final subdivision or parcel map, the subdivider shall dedicate land, pay a fee in lieu thereof, or a combination of both at the option of the city, for park or recreational purposes. The planning commission shall, upon approving a tentative map, recommend the conditions necessary to comply with the requirements for park land dedication or fees in lieu thereof as set forth in this section, and such conditions shall be attached as conditions of approval of the map. Table B-44, reproduced below, presents the current Park Land Dedication in-Lieu Fees.

Table B-44

Park Land Dedication In-Lieu Fees

Single Family Residential Unit	\$56,500.00
Multiple Family Residential Unit	\$35,500.00

Source: City of Los Altos 2014

Since the fee for both subdivisions and multifamily rental housing is based on the fair market value of the land that otherwise would have been required, the fee is based on the value of land that is purchased for residential development, not for commercial or industrial development. As this report will be used to establish the park in-lieu fee, the most appropriate land sales to research and analyze, therefore, are those for residential development.

We note, however, that most of the projects that are currently approved are for mixed use projects that contain a retail component alongside the residential component. This element will be considered in our analysis.

Land Valuation

Introduction

The estimation of market value involves a systematic process in which the problem is defined and the data required is gathered, analyzed, and interpreted into an estimate of value. The best way to estimate the value required for this report is to research and analyze actual sales of residential land, both land for low density as well as higher density projects. These sales can then provide a range of value for residential land in Los Altos. This method is known as the Sales Comparison Approach.

Sales Comparison Approach

The most common way of valuing land is the Sales Comparison Approach, in which recent sales or offerings of vacant land are gathered and analyzed. Typically, the values indicated by the comparable transactions are reduced to a unit of comparison, such as sale price per square foot of land area. This is the most common unit of analysis for unentitled land, where the number of units to be constructed on a site is unknown.

In a typical appraisal, each comparable sale is adjusted to the subject for differences in market conditions, sale conditions, location, physical characteristics, zoning, or other significant differences. For this assignment, however, there is no single subject property. The purpose of this assignment is to provide a range of values for unentitled, residential land in Los Altos. The values reported herein, therefore, bracket a variety of the factors mentioned above, as reflected in the current market.

Analysis of Los Altos Residential Land Sales

An investigation was made of recent sales of unentitled, residential land located in Los Altos. As noted earlier, however, residential land is typically sold contingent on project entitlements. Sites sold with this contingency sell at higher prices than land that is sold "as is," without this contingency.

Another challenge we were presented with in our search for comparable residential land sales is that it was very difficult to find "pure" residential land sales. Most cities currently require a retail component on the ground floor of high density residential projects, especially those located along main thoroughfares or within downtown areas.

Given that we were unable to find sufficient pure residential land sales without contingencies, we included sales of sites that sold with contingencies or entitlements, but made adjustments for this factor so as to provide an appropriate range of value for unentitled land. We similarly adjusted mixed-use land sales for the ground floor commercial component, if appropriate.

The most recent sales that we were able to research and confirm are summarized in the table on the following page. We note that the Los Altos residential market appears to be slowing down, as there has been only one new sale in Los Altos in the past year. We are aware of one additional offer for residential land in Los Altos. This sale is pending close of escrow, or being negotiated currently. We have not included this transaction in the table as we were unable to confirm the terms of the transaction.

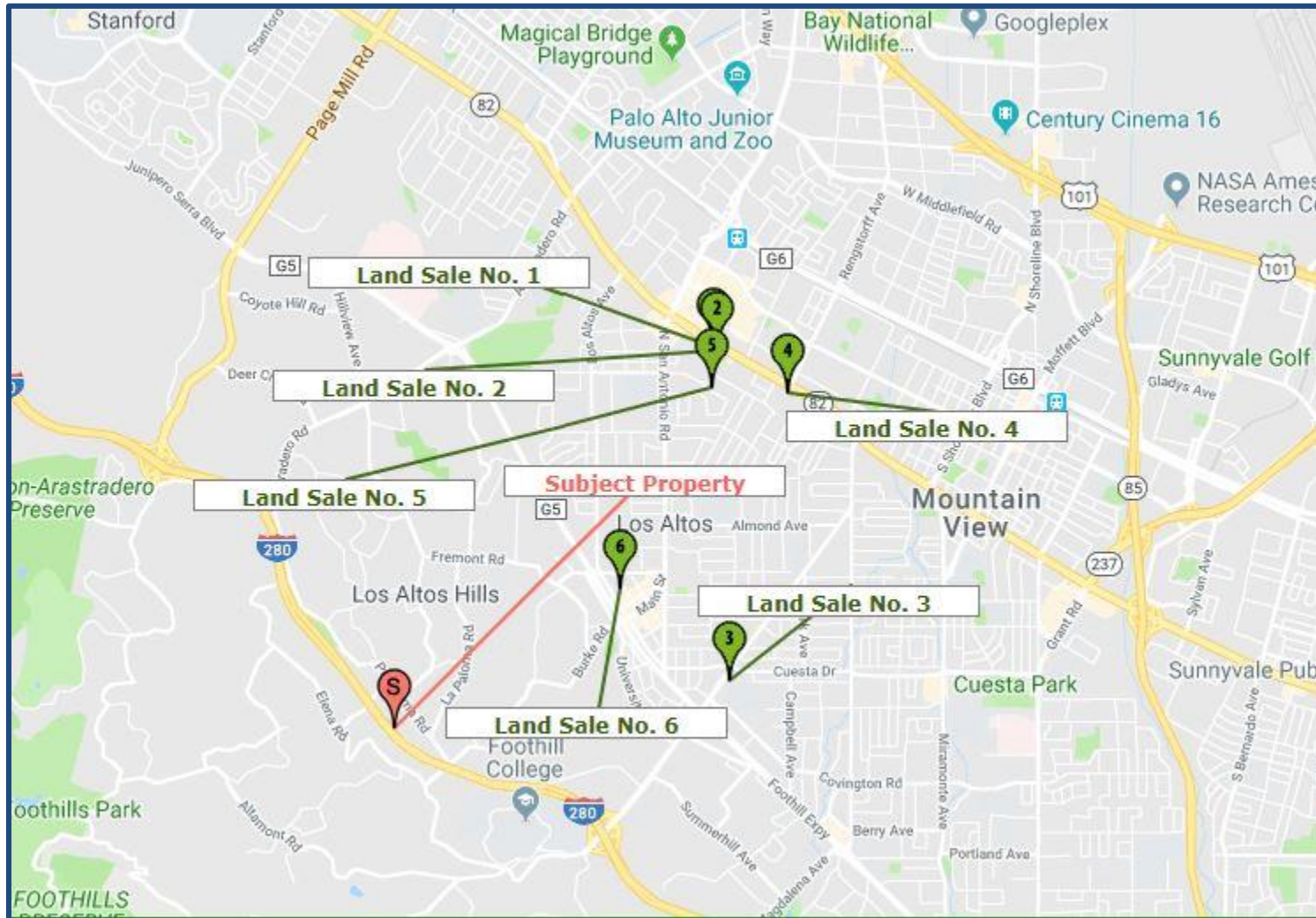
We have supplemented the sales located in Los Altos with additional sales located in the areas surrounding Los Altos, namely Mountain View, Sunnyvale, Santa Clara and Cupertino. After adjusting these sales for their general locations relative to Los Altos, these additional sales support the land value range indicated by the Los Altos sales. The locational adjustments are considered based on the medium home price and rental rates within each city, as reported earlier in the Residential Market Overview section of this report.

First, the sales located in Los Altos are summarized in the table on the next page, followed by a Location Map. The Los Altos sales range in size from 0.160 to 3.796 acres and before adjustment, range in price from \$127.15 to \$436.62 per square foot of land area. They represent a broad range of residential land values in Los Altos. Details of each sale follow the Location Map. Later in the report we also present and analyze additional sales from the surrounding area.

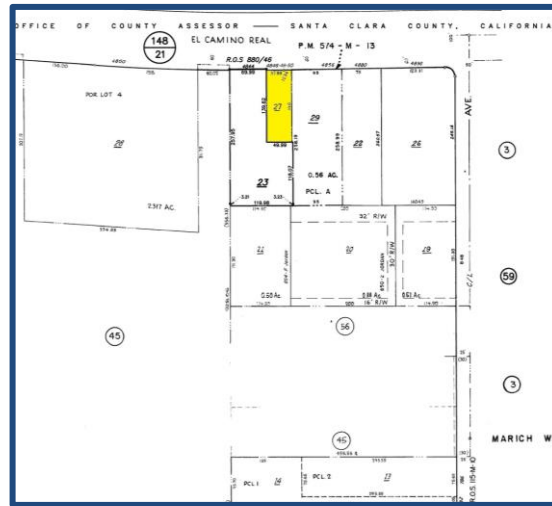
Land Sales Summary

Comp. No.	Date of Sale	Usable Acres	Location		Zoning	Sales Price Actual	Per Sq. Ft.
1	August-16	0.160	4846 El Camino Real	Los Altos, California	CT	\$2,000,000	\$286.12
2	September-15	0.447	4880 El Camino Real	Los Altos, California	CT	\$4,000,100	\$205.30
3	September-17	0.650	555 S El Monte	Los Altos, California	R2-1	\$3,600,000	\$127.15
4	April-18	3.796	5150 El Camino Real	Los Altos, California	CT	\$48,000,000	\$290.26
5	November-16	0.550	209 Portola Court	Los Altos, California	R1-10	\$4,500,200	\$187.84
6	October-15	0.163	110 2nd Street	Los Altos, California	R3-1	\$3,100,000	\$436.62

LOS ALTOS COMPARABLE SALES MAP



COMPARABLE LAND SALE 1



Property Identification

Property/Sale ID	127881/434237
Property Type	Multi-Family
Address	4846 El Camino Real
City, State Zip	Los Altos, California 94022
County	Santa Clara
Latitude/Longitude	37.398790/-122.109475
Tax ID	170-02-027

Transaction Data

Sale Date	Aug-2016	Grantee	Luxone, LLC
Sale Status	Recorded	Recording Number	23394631
Grantor	Christine Hoover Sorensen	Sale Price	\$2,000,000

Property Description

Gross SF	6,990	Zoning Jurisdiction	City of Los Altos
Corner/Interior	Interior	Zoning Code	CT
Use Designation	Thoroughfare Commercial	Zoning Description	Commercial Thoroughfare

Indicators

\$/Gross SF	\$286.12
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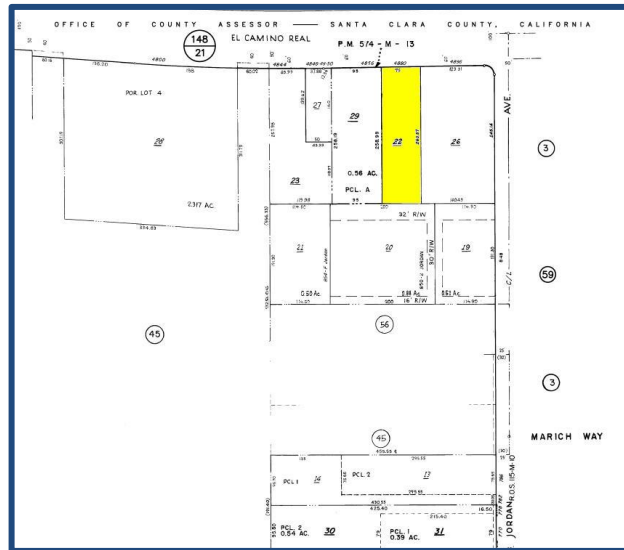
Remarks

This property consists of a single parcel improved with a freestanding retail building located along the south side of El Camino Real in Los Altos. The site has a rectangular shape and an interior lot configuration one parcel east of Los Altos Square. The site has approximately 50 feet of frontage along El Camino Real (with one curb cut) and a depth of 140 feet. The property is across El Camino Real from the San Antonio Shopping Center.

The underlying site contains 6,990 gross square feet or 0.16 gross acres. The improvements contain approximately 2,480 square feet and were constructed circa 1948. The property is zoned Commercial Thoroughfare and the General Plan land use designation is Thoroughfare Commercial. The value was in the land.

Luxone, LLC purchased this property in August 2016 from Christine Hoover Sorensen. The sale price was \$2,000,000 or \$57,143 per proposed unit or \$286.12 per square foot of land. The buyer intends to assemble this parcel with an adjacent parcel and redevelop with 35 condominium units. More specifically, the assembled 0.72 acre site is proposed to be developed with 35 units, including five below market units, or a density of 48.61 du/ac.

COMPARABLE LAND SALE 2



Property Identification

Property/Sale ID	24001/430469
Property Type	Planned Development (PUD)
Address	4880 El Camino Real
City, State Zip	Los Altos, California 94022
County	Santa Clara
Latitude/Longitude	37.398490/-122.109070
Tax ID	170-02-022

Transaction Data

Sale Date	Sept-2015	Grantee	Lola, LLC
Sale Status	Recorded	Recording Number	23078256
Grantor	Yuans Brothers Corporation	Sale Price	\$4,000,100

Property Description

Gross SF	19,484	Zoning Jurisdiction	City of Los Altos
Corner/Interior	Interior	Zoning Code	CT
Use Designation	Thoroughfare Commercial	Zoning Description	Commercial Thoroughfare

Indicators

\$/Gross SF	\$205.30
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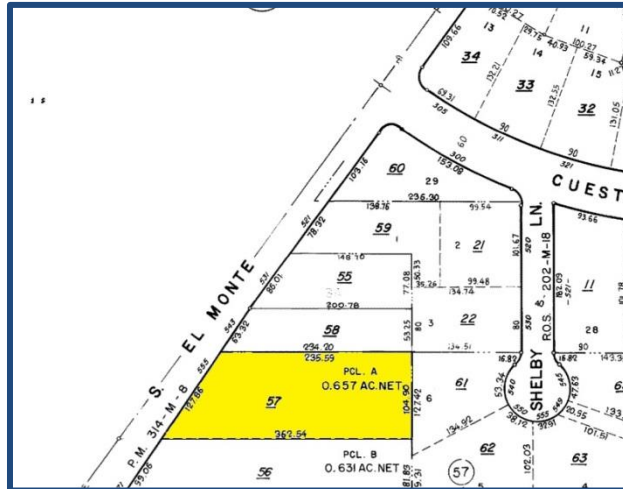
Remarks

This property consists of a single parcel improved with an older retail building located along the south side of El Camino Real in Los Altos. The site has a rectangular shape and an interior lot configuration one parcel west of Jordan Avenue. The site has approximately 75 feet of frontage along El Camino Real (with one curb cut) and a depth of 260 feet. The property has good access to regional transportation corridors and benefits from its proximity to nearby commercial amenities and the San Antonio Center.

The underlying site contains 19,484 gross square feet or 0.44 gross acres. The improvements were constructed circa 1938 and contain 1,980 square feet. This property is zoned 'CT, Commercial Thoroughfare,' with a compatible General Plan Land Use designation of 'Thoroughfare Commercial.' This zoning and General Plan Land Use designation allow for a wide variety of land uses, including both commercial and high density residential land uses.

Lola, LLC purchased this property in September 2015 from Yuans Brothers Corporation. The sale price was \$4,000,100 or \$205.30 per square foot of land or \$190,481 per proposed unit. Although improved at the time of sale, the property was purchased for its land value. At the time of sale, there was a 21-unit residential condominium project proposed for this site; if approved, the project would have a residential density of 47.73 dwelling units per acre.

COMPARABLE LAND SALE 3



Property Identification

Property/Sale ID	133143/437224
Property Type	Subdivision-Residential
Address	555 S El Monte Avenue
City, State Zip	Los Altos, California 94022
County	Santa Clara
Latitude/Longitude	37.373055/-122.107909
Tax ID	189-51-057

Transaction Data

Sale Date	Sept-2017	Grantee	Bauhaus LLC
Sale Status	Recorded	Recording Number	0023766123
Grantor	Padori Trust	Sale Price	\$3,600,000

Property Description

Gross SF	28,314	Corner/Interior	Interior
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Indicators

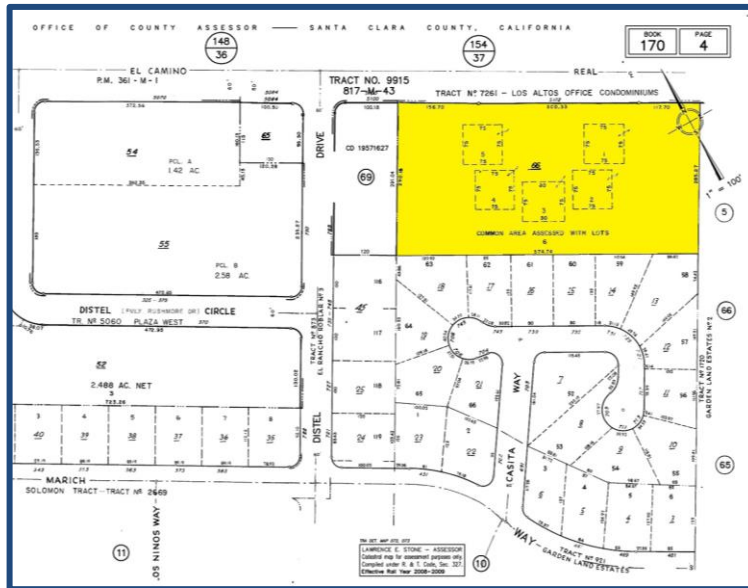
\$/Gross SF	\$127.15
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Remarks

This is a 0.65 acre site consisting of two legal lots. The site has an interior lot location. The property was improved with an older single family residence of little to no value. The value was in the land for subdivision and redevelopment.

Padori Trust purchased this property from Bauhaus LLC in September 2017. The property was listed for a week and sold above the asking price of \$3,250,000.

COMPARABLE LAND SALE 4



Property Identification

Property/Sale ID	131693/436401
Property Type	Mixed Use Land
Address	5150 El Camino Real
City, State Zip	Los Altos, California 94022
County	Santa Clara
Latitude/Longitude	37.395271/-122.102275
Tax ID	170-04-066

Transaction Data

Sale Date	Apr-2018	Grantee	Dutchints Development
Sale Status	Recorded		(5150 ECR Group LLC)
Grantor	Realty Associates Fund X LP	Sale Price	\$48,000,000

Property Description

Gross SF	165,367	Zoning Jurisdiction	City of Mountain View
Corner/Interior	Interior	Zoning Code	CT
Use Designation	Thoroughfare Commercial	Zoning Description	Commercial Thoroughfare

Indicators

\$/Gross SF	\$290.26
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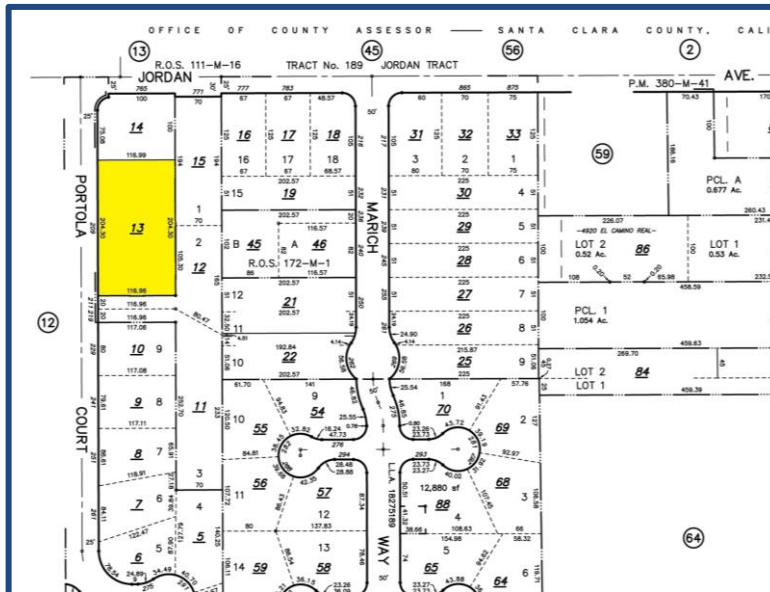
Remarks

This property consists of a single parcel improved with a three-story, multi-tenant, office building located along the south side of West El Camino Real in Los Altos. The site has a rectangular shape and a T-intersection lot configuration at the signalized intersection of West El Camino Real and South Rengstorff Avenue. The site has approximately 575 feet of frontage along West El Camino Real and an average depth of 290 feet. The property has visibility along a commercial thoroughfare and direct access from a signalized intersection.

The underlying site contains 165,367 gross square feet or 3.80 gross acres. The existing improvements contain 76,525 square feet and were constructed circa 1982. The floor area ratio is 46%. The property zoning is Commercial Thoroughfare and the General Plan land use designation is Thoroughfare Commercial. The land use designation allows mixed-use development up to 1.5 FAR along the El Camino Real Corridor.

Dutchints Development purchased this property in April 2018 from Realty Associates Fund X LP. The sale price was \$48,000,000 or \$290.26 per square foot of land. The property was reportedly 94% occupied at the time of sale, with the improvements generating interim income. Although the asking and sale price was based on the existing NOI, the buyer is a home-builder who sees future high-density residential redevelopment for the site.

COMPARABLE LAND SALE 5



Property Identification

Property/Sale ID	127819/434200
Property Type	Subdivision-Residential
Address	209 Portola Court
City, State Zip	Los Altos, California 94022
County	Santa Clara
Latitude/Longitude	37.395607/-122.109524
Tax ID	170-03-013

Transaction Data

Sale Date	Nov-2016	Bourgan Family Trust
Sale Status	Recorded	Recording Number 23538288
Grantor	Emerich Barbara Trust	Sale Price \$4,500,200
Grantee	HAQQ Family Trust	

Property Description

Gross SF	23,958	Zoning Jurisdiction	City of Los Altos
Corner/Interior	Interior	Zoning Code	R1-10
Use Designation	Single Family, Small Lot (4 du/ac)	Zoning Description	Single-Family Residential

Indicators

\$/Gross SF	\$187.84
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Remarks

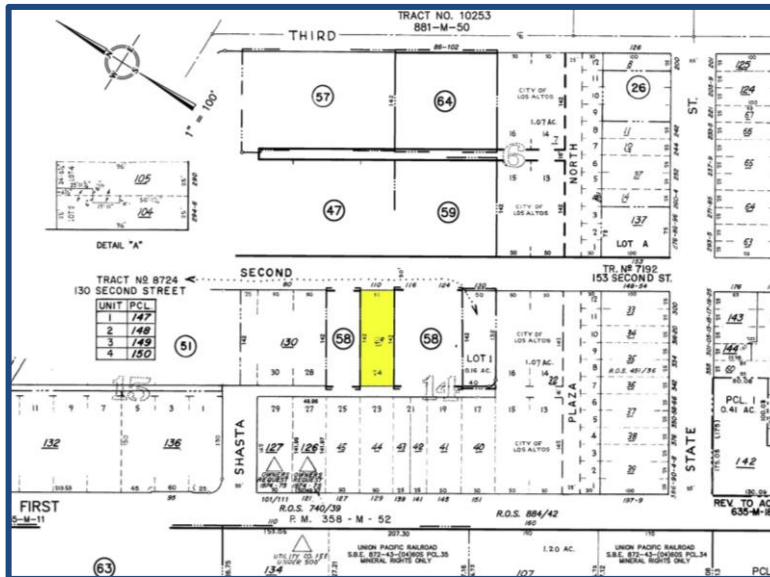
This property consists of a single parcel improved with an older single family residence located along the north side of Portola Court in Los Altos. The site has a rectangular shape and an interior lot configuration one parcel east of Jordan Avenue. The site has approximately 205 feet of frontage along Portola Court and a depth of 120 feet.

The underlying site contains approximately 23,958 gross square feet or 0.55 gross acres. The improvements contain approximately 2,510 square feet and were original constructed in the early 1900s. The property zoning and General Plan land use designation are Single Family Residential. The land has subdivision potential for up to two lots.

The property was marketed for land value at \$3,988,000 and received four offers. It sold to the highest bidder. The listing agent stated that the Thanksgiving holiday and the aftermath of the presidential election were influential to the sale of the property, as people were discovering belatedly that the property was on the market, and developers were having trouble rounding up investors. The property could be subdivided into two lots and the buyer of the property intends to use one of the two lots and sell the other. Financing involved/ not a cash sale.

At the time of sale the house was occupied; there was a 4-month free rent back period for family members who were living there. Since the time of the sale the property has been subdivided into two parcels, which was the maximum allowed by the city.

COMPARABLE LAND SALE 6



Property Identification

Property/Sale ID	130770/435885
Property Type	Planned Development (PUD)
Address	110 2nd Street
City, State Zip	Los Altos, California 94022
County	Santa Clara
Latitude/Longitude	37.380119/-122.118470
Tax ID	167-39-028

Transaction Data

Sale Date	Oct-2015	Grantee	110 Second Street LLC
Sale Status	Recorded	Recording Number	0023102147
Grantor	Crosby Trust	Sale Price	\$3,100,000

Property Description

Gross SF	7,100	Family	Family
Corner/Interior	Interior	Zoning Code	R3-1
Use Designation	Medium Density Multi	Zoning Description	Multiple Family

Indicators

\$/Gross SF	\$436.62
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Remarks

This property consists of a single parcel located along 2nd Street in Los Altos. The site has a rectangular shape and interior lot configuration. The underlying site contains 7,100 square feet. It is zoned R3 per the City of Los Altos.

Crosby Trust LLC purchased this property from 110 Second Street LLC in October 2015. At the time of sale, the site was improved with a single family residence in original condition. The buyer is a developer who intends to develop more intensively in the future. The zoning is R3 and permits multiple units. An adjacent property with the same size has been improved with 4 condos at a density of 24 du/ac. There were no entitlements at time of sale.

Summary of Los Altos Residential Land Values

The residential land sales presented above bracket a variety of locations within Los Altos, densities, sizes, project types and other physical characteristics. Overall, they bracket current residential land values in Los Altos well.

The purpose of this assignment is to provide a range of values for vacant, unentitled, residential land in Los Altos. While the Los Altos market is fairly quiet, with only a handful of sales from which to draw conclusions, these sales bracket current residential land values in Los Altos. We have adjusted the sales for interim income and other factors that affect the sale price, so that the final range concluded represents current, unentitled land values.

Comparable 1 was downward adjusted for being an assemblage. The price paid was believed to be slightly above market. On the other hand Comparable 3 was considered a below market sale and an upward adjustment was made.

As noted earlier, market conditions started to stabilize over the past year for the residential market. In Los Altos, home prices continue to increase. Not all the price increases seen in the home and rental markets, however, can be attributed to the land. So, an adjustment for current market conditions is based on an approximately annual increase of 3% per year. Each of the sales was adjusted accordingly, to reflect current market conditions.

All of the comparables were purchased for residential development. While some of the comparable sales were located along major commercial thoroughfares, and within zoning districts that encouraged mixed-use development, the buyers' intentions were to develop the sites residentially. Thus, no adjustment for the mixed use zoning of some of the comparable sales was warranted.

All of the comparable sales were unentitled land sales and no adjustments were warranted in this category. However, partial entitlements were in place for Comparable 1, and as such it required a small downward adjustment in this category.

Comparables 4 and 6 had improvements that were either attributed some value or contributed interim income; this interim income could carry the properties through the entitlements process. A downward adjustment was made to these comparables. Comparable 3 is a larger lot but consists of two legal parcels. It is uncertain, however, as to whether the site is subdividable and an upward adjustment is warranted for this inferior condition.

No other adjustments were made to the sales. After these adjustments, the sales reflect a broad range of current, unentitled land values in Los Altos.

The adjustments made to the sales are summarized in the adjustment grid on the following page. We note that the adjustment grid is not intended to be a scientific method in adjusting the land sales. It is merely presented as an explanation to help the reader follow the appraiser's judgment and the adjustment process. While the amount of individual adjustments can be argued, they do help provide an order of magnitude and an adjustment direction based on the market data presented.

Land Sales Adjustment Grid

	Subject	Sale # 1	Sale # 2	Sale # 3	Sale # 4	Sale # 5	Sale # 6
Sale ID		434237	430469	437224	436401	434200	435885
Date of Value & Sale	November-18	August-16	September-15	September-17	April-18	November-16	October-15
Unadjusted Sales Price		\$2,000,000	\$4,000,100	\$3,600,000	\$48,000,000	\$4,500,200	\$3,100,000
Usable Acres	0.000	0.160	0.447	0.650	3.796	0.550	0.163
Unadjusted Sales Price per Usable Sq. Ft.		\$286.12	\$205.30	\$127.15	\$290.26	\$187.84	\$436.62
Transactional Adjustments							
Property Rights Conveyed	<i>Fee Simple</i>	<i>Leased Fee</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Leased Fee</i>	<i>Fee Simple</i>	<i>Fee Simple</i>
Adjustment		-	-	-	-	-	-
Adjusted Sales Price		\$286.12	\$205.30	\$127.15	\$290.26	\$187.84	\$436.62
Financing Terms	<i>Cash to Seller</i>	<i>Cash to Seller</i>	<i>Conventional</i>	<i>Cash</i>	<i>Conventional</i>	<i>Conventional</i>	<i>Cash</i>
Adjustment		-	-	-	-	-	-
Adjusted Sales Price		\$286.12	\$205.30	\$127.15	\$290.26	\$187.84	\$436.62
Conditions of Sale							
	<i>Typical</i>	<i>Assemblage</i>	<i>Typical</i>	<i>Believed below market sale</i>	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>
Adjustment		-10.0%	-	10.0%	-	-	-
Adjusted Sales Price		\$257.51	\$205.30	\$139.86	\$290.26	\$187.84	\$436.62
Expenditures after Sale							
Adjustment		-	-	-	-	-	-
Adjusted Sales Price		\$257.51	\$205.30	\$139.86	\$290.26	\$187.84	\$436.62
Market Conditions Adjustments							
Elapsed Time from Date of Value		<i>2.23 years</i>	<i>3.15 years</i>	<i>1.11 years</i>	<i>0.55 years</i>	<i>1.92 years</i>	<i>3.07 years</i>
Market Trend Through	November-18	6.7%	9.5%	3.3%	1.6%	5.8%	9.2%
Analyzed Sales Price		\$274.74	\$224.71	\$144.52	\$295.01	\$198.66	\$476.81
Physical Adjustments							
Location	<i>City of Los Altos</i>	<i>4846 El Camino Real</i>	<i>4880 El Camino Real</i>	<i>555 S El Monte</i>	<i>5150 El Camino Real</i>	<i>209 Portola Court</i>	<i>110 2nd Street</i>
	<i>Los Altos, California</i>	<i>Los Altos, California</i>	<i>Los Altos, California</i>	<i>Los Altos, California</i>	<i>Los Altos, California</i>	<i>Los Altos, California</i>	<i>Los Altos, California</i>
Adjustment		-	-	-	-	-	-
Size	<i>0.000 acres</i>	<i>0.160 acres</i>	<i>0.447 acres</i>	<i>0.650 acres</i>	<i>3.796 acres</i>	<i>0.550 acres</i>	<i>0.163 acres</i>
Adjustment		-	-	-	-	-	-
Shape/Depth	<i>0</i>	<i>Rectangular</i>	<i>Rectangular</i>		<i>Rectangular</i>	<i>Rectangular</i>	<i>Rectangular</i>
Adjustment		-	-	-	-	-	-
Zoning	<i>Residential</i>	<i>CT</i>	<i>CT</i>	<i>R1</i>	<i>CT</i>	<i>R1-10</i>	<i>R3-1</i>
Adjustment		-	-	-	-	-	-
Entitlements	<i>No</i>	<i>Partial</i>	<i>No</i>	<i>No</i>	<i>No</i>	<i>No</i>	<i>No</i>
Adjustment		-10.0%	-	-	-	-	-
Other	<i>None</i>			<i>Perhaps not subdividable</i>	<i>Interim Income</i>		<i>Interim Value of Improvements</i>
Adjustment		-	-	20.0%	-20.0%	-	-20.0%
Net Physical Adjustment		-10.0%	-	20.0%	-20.0%	-	-20.0%
Adjusted Sales Price per Usable Square Foot		\$247.27	\$224.71	\$173.42	\$236.01	\$198.66	\$381.45

After adjustment, the sales indicate a range from \$173.42 to \$381.45, which is a very wide range. This wide range reflects a variety of other factors, such as the underlying zoning, specific location within Los Altos, etc. The average of the six comparables is \$244 per square foot and the median is \$230 per square foot.

Land Sale Statistics

Metric	Unadjusted	Adjusted
Minimum Sales Price per Usable Square Foot	\$127.15	\$173.42
Maximum Sales Price per Usable Square Foot	\$436.62	\$381.45
Median Sales Price per Usable Square Foot	\$245.71	\$230.36
Mean Sales Price per Usable Square Foot	\$255.55	\$243.58

The low price paid for Comparable Sale 3 reflects the uncertainty with regard to subdivision and the much lower density, single family residential designation of the site. At the upper end of the range, Comparable 6 is drawn from the prestigious downtown Los Altos area. Some value was also attributed to the improvements. Sales 3 and 5 had much lower densities, mostly for single family residential development; they form a tighter range of \$173 to 199 per square foot.

Sales 1, 2, 4 and 6 were purchased for higher density development, such as townhomes and condo development. This is a very desirable density range for most developers. These properties represent a range of value, between \$225 and \$382 per square foot. Excluding Comparable 6, an outlier, the three remaining sales had a very tight adjusted range of \$224 to \$247 per square foot of land area.

In summary, the Los Altos sales surveyed indicate a range of \$173 to \$381 per square foot, which reflects the value of most vacant, unentitled residential land sites within Los Altos. Most land purchased in Los Altos is for townhome or apartment development. The value for this type of land most commonly ranges between **\$224 and \$247** per square foot. The value for low density residential land is in the **\$173 to \$199** per square foot range.

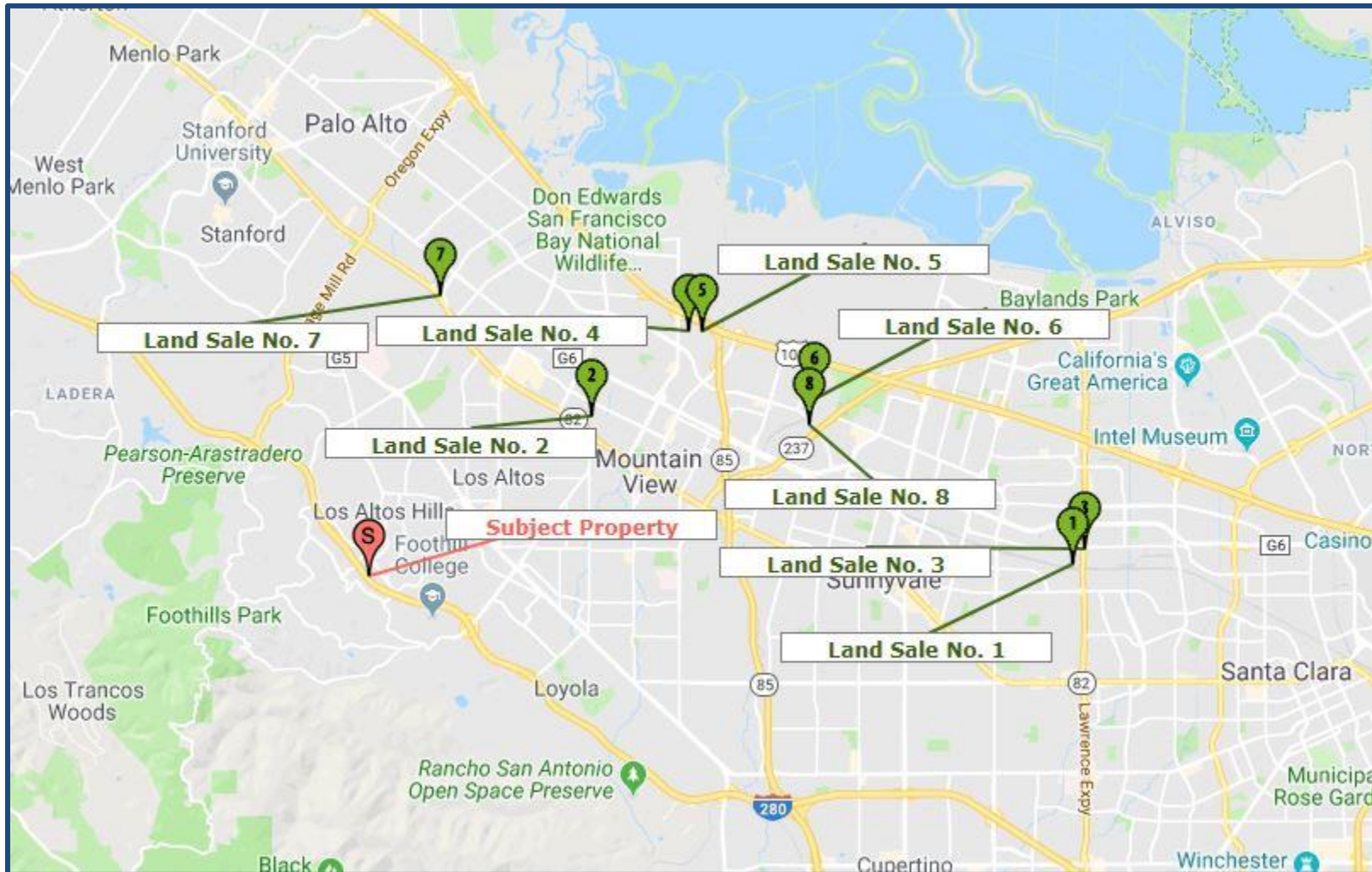
Analysis of Additional Residential Land Sales

As noted previously, we have also researched and analyzed additional land sales located in the communities surrounding Los Altos, in an effort to provide additional support for the land value ranges concluded above. These sales are summarized in the table on the next page. A location map follows. Prior to adjustment, the sales range between \$188 and \$290 per square foot. As with the sales located in Los Altos, they reflect a variety of physical characteristics, densities and development potential.

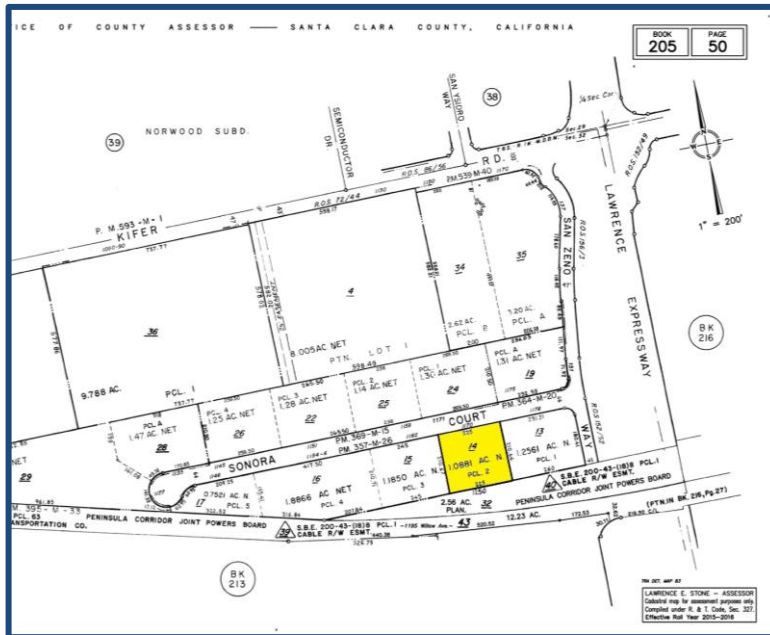
Land Sales Summary

Comp. No.	Date of Sale	Gross Acres	Gross Sq. Ft.	Location	Location	Zoning	Sales Price Actual	Per Sq. Ft.
1	May-18	1.088	47,398	1170 Sonora Court	Sunnyvale, California	MXD-I	\$8,900,000	\$187.77
2	May-17	0.550	23,958	574 Escuela Avenue	Mountain View, California	R3-1	\$4,700,000	\$196.18
3	August-17	8.005	348,698	1120-1130 Kifer Road	Sunnyvale, California	MXD-I	\$68,230,500	\$195.67
4	March-17	0.616	26,820	1110 Terra Bella Avenue	Mountain View, California	MM	\$7,650,000	\$285.23
5	June-17	0.470	20,473	1020 Terra Bella Avenue	Mountain View, California	MM	\$5,350,000	\$261.32
6	August-17	2.550	111,078	400 Logue Avenue	Mountain View, California	ML	\$31,000,000	\$279.08
7	November-16	0.360	15,700	4115 El Camino Real	Palo Alto, California	CN	\$4,550,000	\$289.81
8	September-17	10.580	460,865	675-685 E. Middlefield Road	Mountain View, California	ML-T	\$132,500,000	\$287.50

SURROUNDING AREA COMPARABLE SALES MAP



COMPARABLE LAND SALE 1



Property Identification

Property/Sale ID	129876/437142
Property Type	Multi-Family
Address	1170 Sonora Court
City, State Zip	Sunnyvale, California 94086
County	Santa Clara
Latitude/Longitude	37.371184/-121.998308
Tax ID	205-50-014

Transaction Data

Sale Date	May-2018	Grantee	A & E Properties LLC
Sale Status	Recorded	Recording Number	23940567
Grantor	Quail Meadow Creek Props LLC	Sale Price	\$8,900,000

Property Description

Gross SF	47,398	Zoning Jurisdiction	City of Sunnyvale
Corner/Interior	Interior	Zoning Code	MXD-I
Use Designation	Transit Mixed Use	Zoning Description	Flexible Mixed Use I

Indicators

\$/Gross SF	\$187.77
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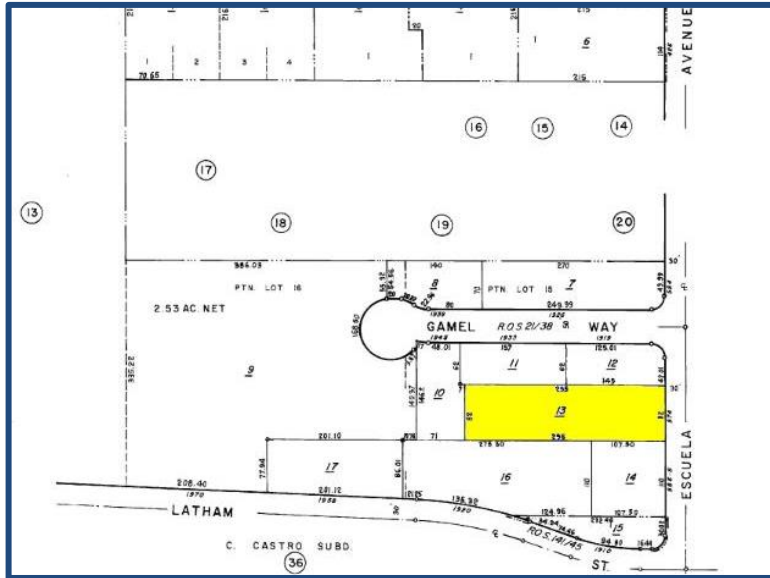
Remarks

This is a 47,398-square-foot rectangular site located along the south side of Sonora Court in Sunnyvale near the border with the City of Santa Clara. The property has a commercial location, one block west of Lawrence Expressway and benefits from its location within walking distance to the Lawrence Caltrain Station. The zoning, under the Lawrence Station Area Plan, is Flexible Mixed Use I. The General Plan designation is Transit Mixed Use. The property has redevelopment potential at a density of up to 68 units per acre or a total of 73 residential units.

The property is improved with a single tenant R&D building constructed in 1974 and in average condition for its age. Interior improvements include approximately 7,000 square feet of Class 1,000 clean room, 3,000 Gallon Nitrogen Tank, back-up emergency generator and chiller with 150 ton air cooling system. The property is improved with 50% office, 100% HVAC, has a shipping and receiving area, 2,000 Amps, 277/480 Volts, 3 Phase power, self-contained chemical storage area and rear equipment pad.

A & E Properties LLC purchased this property from Quail Meadow Creek Props LLC in May 2018. The property sold for \$8,900,000 or \$187.77 per square foot of land area. The buyer purchased the property with the intent of redeveloping.

COMPARABLE LAND SALE 2



Property Identification

Property/Sale ID	67026/435381
Property Type	Multi-Family
Address	574 Escuela Avenue
City, State Zip	Mountain View, California 94040
County	Santa Clara
Latitude/Longitude	37.394951/-122.095495
Tax ID	154-21-013

Transaction Data

Sale Date	May-2017	Grantee	De Nardi Group
Sale Status	Recorded	Recording Number	23807322
Grantor	Eric Sedlar (574 Escuela Terrace LLC)	Sale Price	\$4,700,000

Property Description

Gross SF	23,958	Zoning Jurisdiction	City of Mountain View
Corner/Interior	Interior	Zoning Code	R3-1
Use Designation	Multi-family	Zoning Description	R3

Indicators

\$/Gross SF	\$196.18
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Remarks

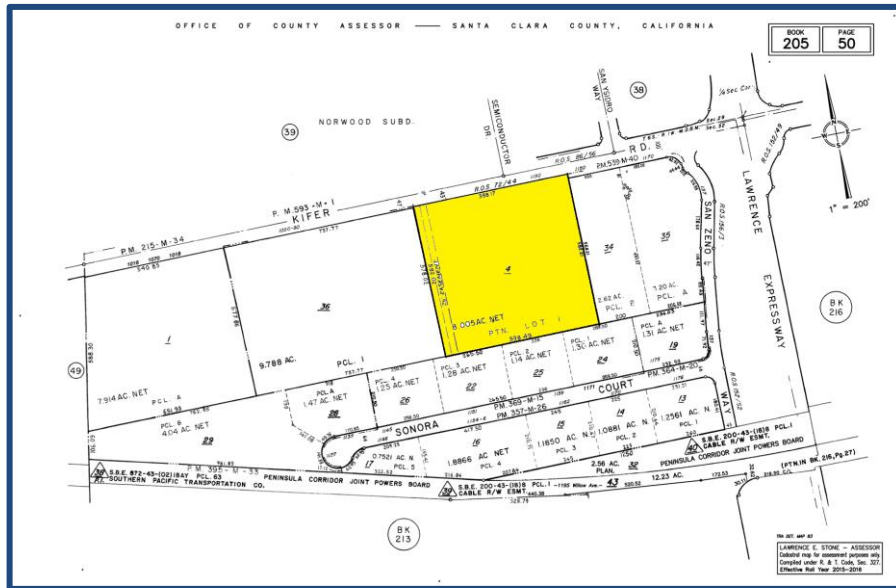
This is a rectangular piece of land located on Escuela Avenue between Latham Street and California Street. The site has an interior lot configuration with 82 feet of frontage along Escuela Avenue and a depth of 295 feet. The site is level and finish grade with all utilities in place.

The underlying site contains 23,958 gross square feet or 0.55 gross acres. The property has an R-3 multi-family residential zoning and General Plan land use designation which permits 14-16 townhomes on the property.

De Nardi Group purchased this property from Eric Sedlar (574 Escuela Terrace LLC) in May 2017. The land sold with more than one offers in place. It was in escrow for almost six months because the buyers wanted to remap the property to build condos instead of the townhouse product permitted by zoning and GP. The property sold as is. While they had started the entitlement process during escrow, as of the date of sale the property was not entitled.

Prior to this sale, the property had fallen out of escrow and was then relisted on the market for sale for \$4,500,000; it sold above the asking price, at \$4,700,000, due to multiple offers.

COMPARABLE LAND SALE 3



Property Identification

Property/Sale ID	129925/435384
Property Type	Mixed Use Land
Address	1120-1130 Kifer Road
City, State Zip	Sunnyvale, California 94086
County	Santa Clara
Latitude/Longitude	37.373800/-121.996000
Tax ID	205-50-004

Transaction Data

Sale Date	Aug-2017	Grantee	CLPF GRP Sunnyvale Kifer LLC
Sale Status	Recorded	Recording Number	23735854
Grantor	1130 Kifer Property Owner LLC	Sale Price	\$68,230,500

Property Description

Gross SF	348,698	Zoning Jurisdiction	City of Sunnyvale
Corner/Interior	Interior	Zoning Code	MXD-I
Use Designation	Transit Mixed Use	Zoning Description	Flexible Mixed Use I

Indicators

\$/Gross SF	\$195.67
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Remarks

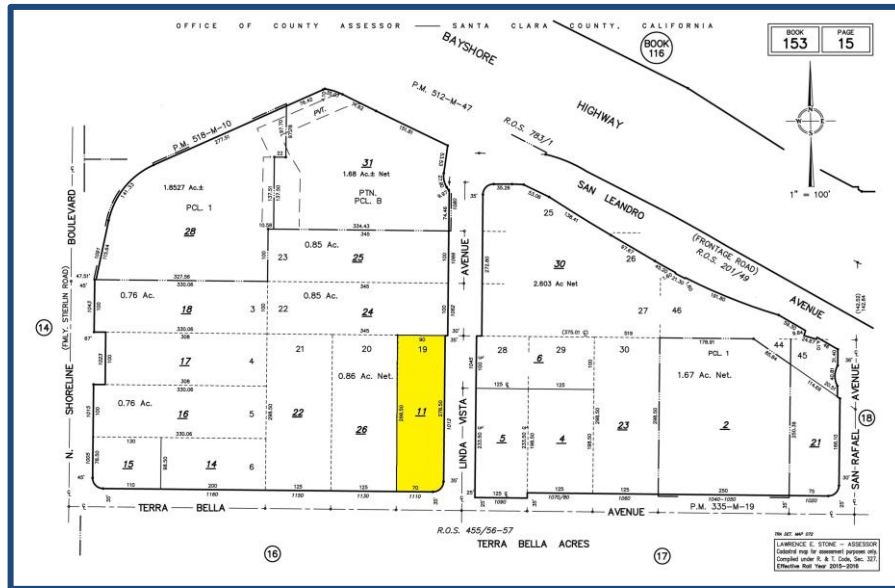
This property consists of a single parcel of land currently improved with a 100,400 square foot industrial R&D building in Sunnyvale. The site is square in shape and has an interior lot parcel configuration two parcels west of Lawrence Expressway. There is approximately 598 feet of frontage along Kifer road and a depth of 582 feet with a 25 foot easement located on the western site of the property. The property is in proximity to the Lawrence CalTrain station.

The underlying site contains approximately 348,480 gross square feet or 8.0 gross acres. The property falls under the Lawrence Station Area Plan. The zoning is Flexible Mixed-Use I and the General Plan land use designation is Transit Mixed Use.

Greystar Real Estate Partners deeded an approximately 8-acre redevelopment site located at 1120 Kifer Road in Sunnyvale, CA to an affiliate of Clarion Partners in August 2017. According to the deed, the real estate was valued at \$68,230,500 or approximately \$196.00 per square foot of land area. The site was transferred with entitlements for a proposed redevelopment project, a mixed use project consisting of 520 apartment units and 7,400 square feet of retail space on a 7.99-acre site.

Greystar will develop this site together with its new partner, Clarion Partners. The two formed a new joint venture, which is the entity that acquired the fully entitled site. Greystar is the managing partner of the new JV as well as the developer. The owners will break ground on this project during the first quarter of 2018. This was considered an arm's length market transaction.

COMPARABLE LAND SALE 4



Property Identification

Property/Sale ID	121123/430543
Property Type	Multi-Family
Address	1110 Terra Bella Avenue
City, State Zip	Mountain View, California 94043
County	Santa Clara
Latitude/Longitude	37.408712/-122.075791
Tax ID	153-15-011

Transaction Data

Sale Date	Mar-2017	Housing Corp)
Sale Status	Recorded	Recording Number 23659484
Grantor	Red Tower Capital	Sale Price \$7,650,000
Grantee	Terra Bella LLC (Palo Alto)	

Property Description

Gross SF	26,820	Zoning Jurisdiction	City of Mountain View
Corner/Interior	Corner	Zoning Code	MM
Use Designation	General Industrial	Zoning Description	General Industrial

Indicators

\$/Gross SF	\$285.24
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Remarks

This property consists of a single parcel located along the north side of Terra Bella Avenue in Mountain View. The site has a rectangular shape and a corner lot configuration at the intersection of Terra Bella Avenue and Linda Vista Avenue. The site has approximately 80 feet of frontage along Terra Bella Avenue and 290 feet of frontage along Linda Vista Avenue (with two curb cuts). The underlying site contains 26,820 gross square feet or 0.62 gross acres.

The property is improved with two buildings but they will be demolished for redevelopment. While both buildings were vacant as of the time of sale, the tenant at 1012 Linda Vista is still pay rent (\$14,000 per month) through August 2018, when the lease expires.

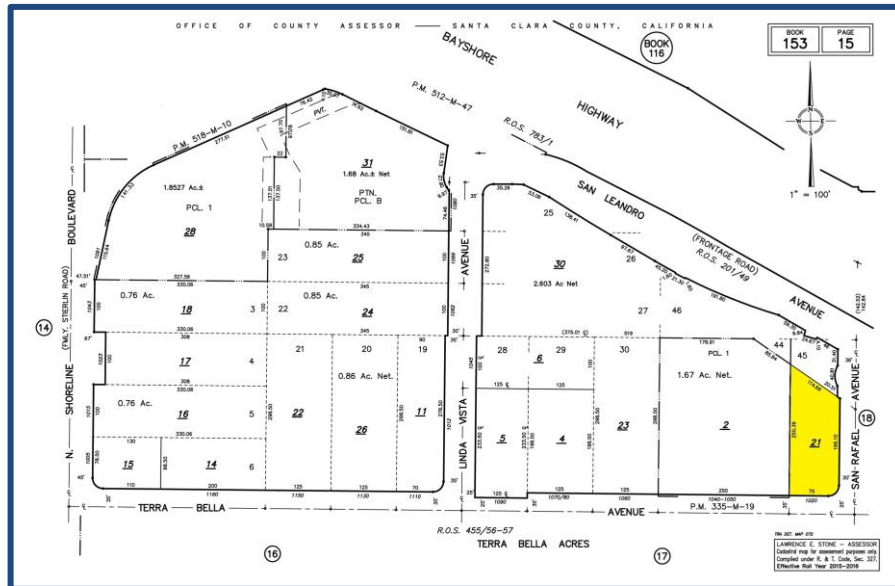
The property is situated in an industrial area that has been seen as a potential change area for larger scale residential conversion. Last year several council members urged the city to study the Terra Bella area for residential zoning, as the city grapples with crushing demand for housing. This idea has gained a lot of support from nearby property owners, including Google who have approached the city with their support for housing. Based on our conversation with the City's Economic Development Director, high density residential development is reasonably likely for the immediate area.

This property sold in a double escrow transaction. More specifically, the property was contracted for sale in March 3, 2017 between Red Tower Capital (buyer) and Mina Yousseff. The property was marketed based on office/ industrial use by Colliers and was listed on the market with no offer price. Colliers was the broker (dual agent for seller/buyer), with the assignment being confidential and the brokers cannot be contacted. The sale price was rumored at \$6M.

Subsequently, an agreement for assignment for purchase was negotiated in March 20, 2017 between Terra Bella LLC and Red Tower Capital. The sale price to Terra Bella LLC is \$7,650,000, or \$285 per square foot of land area. Both escrows will close on the same day (double escrow) which will be sometime in the end of April. The PSA allows for assignment without requiring seller's consent.

The buyer (Palo Alto Housing Corporation) intends to build affordable housing at a very high density of over 100 units per acre. We note, however, that the existing zoning does not permit residential but the city has expressed interest to allow residential development, especially an affordable project. This is an as is sale, without entitlements.

COMPARABLE LAND SALE 5



Property Identification

Property/Sale ID	127486/434018
Property Type	Multi-Family
Address	1020 Terra Bella Avenue
City, State Zip	Mountain View, California 94043
County	Santa Clara
Latitude/Longitude	37.408649/-122.073134
Tax ID	153-15-021

Transaction Data

Sale Date	Jun-2017	Grantee	Palo Alto Housing Corporation
Sale Status	Recorded	Recording Number	23683888
Grantor	Marwood Terra Bella Investors	Sale Price	\$5,350,000

Property Description

Gross SF	20,473	Zoning Jurisdiction	City of Mountain View
Corner/Interior	Corner	Zoning Code	MM
Use Designation	General Industrial	Zoning Description	General Industrial

Indicators

\$/Gross SF	\$261.32
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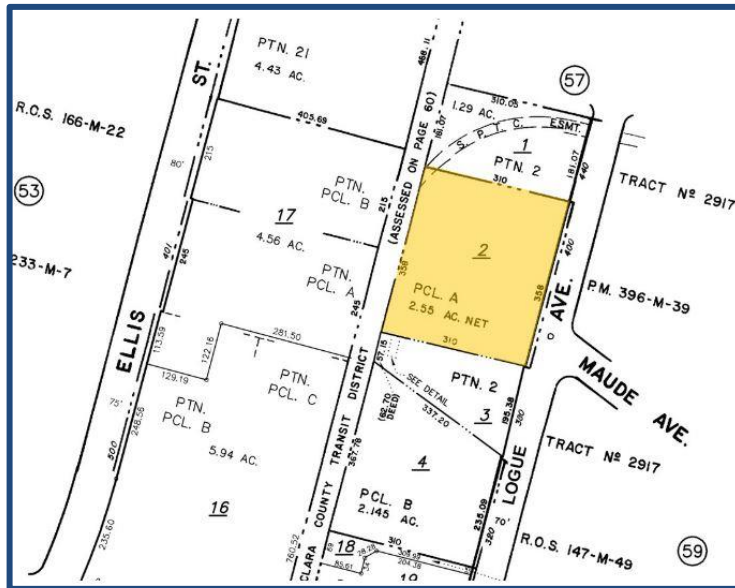
Remarks

This property consists of a single parcel located along the north side of Terra Bella Avenue in Mountain View. The site has an almost rectangular shape and a corner lot configuration at the intersection of Terra Bella Avenue and San Rafael Avenue. The property is improved with two structures, an approximately 1,029 square foot office building and a storage unit.

The property is situated in an industrial area that has been seen as a potential change area for larger scale residential conversion. Last year several council members urged the city to study the Terra Bella area for residential zoning, as the city grapples with crushing demand for housing. This idea has gained a lot of support from nearby property owners, including Google who has approached the city with their support for housing. Based on our conversation with the city's Economic Development Director, high-density residential development is reasonably probable for the immediate area. Alternatively, the site could be developed with a dense office project, at an FAR of approximately 2.5.

This property sold in a double escrow transaction. The property was contracted for sale in February 2017 between 1020 Terra Bella LLC and Marwood Terra Bella Investors for \$3,200,000. The property was marketed by Colliers and was listed on the market with no offer price. Subsequently, an agreement for assignment for purchase was in negotiations circa June 2017 between the buyer (Marwood) and Terra Bella II, LLC (Palo Alto Housing), at \$5,350,000. Palo Alto Housing Corporation plans to develop a high density affordable project on the site. Close of escrow for both sales was on June 26, 2017.

COMPARABLE LAND SALE 6



Property Identification

Property/Sale ID	131725/436436
Property Type	Residential (Single-Family)
Address	400 Logue Avenue
City, State Zip	Mountain View, California 94043
County	Santa Clara
Latitude/Longitude	37.397684/-122.050540
Tax ID	160-58-002

Transaction Data

Sale Date	Aug-2017	Grantee	Mirmar Capital Advisors
Sale Status	Recorded	Recording Number	23727005
Grantor	400 LOGUE LLC	Sale Price	\$31,000,000

Property Description

Gross SF	111,078	Zoning Jurisdiction	City of Mountain View
Corner/Interior	Interior	Zoning Code	ML
Use Designation	East Whisman Precise Plan	Zoning Description	Limited Industrial

Indicators

\$/Gross SF	\$279.08
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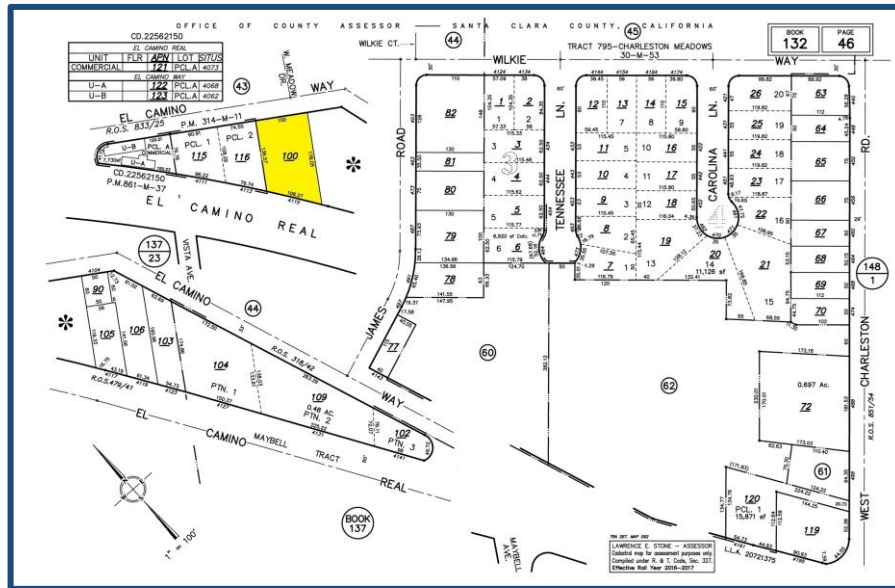
Remarks

The property consists of a single parcel of land located on the Logue Avenue cul-de-sac. The site is a rectangular 111,078 square foot interior site in the East Whisman neighborhood of Mountain View. The site is improved with a 42,210 square foot industrial building that was originally constructed in 1978. The improvements are of concrete tilt-up construction and are in overall average condition. Parking is available at a ratio of 3.9 spaces per 1,000 square feet of building area. The property is well situated between LinkedIn's headquarters and Google's Quad Campus, with good access to Highways 101, 237 and 85. It sits adjacent to the VTA Light Rail.

The current zoning is ML-Limited Industrial and the property is located within the East Whisman Precise Plan. The City Council has directed staff to develop an East Whisman Precise Plan to implement the 2030 General Plan goals and policies for the area and study new residential land uses in the area. The City Council has called for 5,000 housing units to be added in the area. Mountain View intends to finish sketching out a precise plan for the North Bay Shore area by the end of 2018.

In August 2017 Miramar Capital Advisors purchased this property for \$31,000,000 or \$279 per square foot of land. According to a Silicon Valley Business Journal article, Miramar officially launched in May 2017 and is looking to invest in properties where it can make improvements or re-entitle and redevelop. The property sold fully leased to Quotient Technology with a medium term lease in place that was below market. The proposed plans include two buildings that would be among the City's tallest at seven and eleven stories with 412 rental units. Of the 412 units, 62 units would be below market rate for low and moderate income tenants. According to the planning department, the proposal will involve the purchase of development rights from the Los Altos School District. Sales of those rights will be used to partially finance the construction of a tenth school.

COMPARABLE LAND SALE 7



Property Identification

Property/Sale ID	127882/434238
Property Type	Mixed Use Land
Address	4115 El Camino Real
City, State Zip	Palo Alto, California 94306
County	Santa Clara
Latitude/Longitude	37.414337/-122.126050
Tax ID	132-46-100

Transaction Data

Sale Date	November 18, 2016	Grantee	4115 ECR, LLC
Sale Status	Recorded	Recording Number	23503427
Grantor	Soong Family Limited Partnership	Sale Price	\$4,550,000

Property Description

Gross SF	15,700	Zoning Jurisdiction	City of Palo Alto
Corner/Interior	Through Lot	Zoning Code	CN
Use Designation	Neighborhood Commercial	Zoning Description	Neighborhood Commercial

Indicators

\$/Gross SF	\$289.81
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Remarks

This property consists of a single parcel improved with a retail restaurant building located along the north side of El Camino Real in Palo Alto. The site has a trapezoid shape and a through lot configuration with approximately 110 feet of frontage along El Camino Real (with one curb cut), 100 feet of frontage along El Camino Way (with one curb cut), and an average depth of 160 feet.

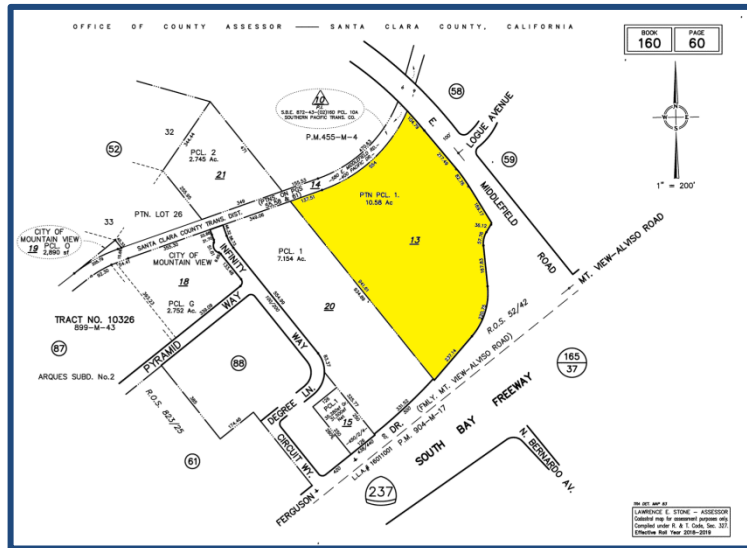
The underlying site contains 15,700 gross square feet or 0.36 gross acres. The improvements contain approximately 4,800 square feet and were originally constructed circa 1965. The property zoning and General Plan land use designation are Neighborhood Commercial.

The site is improved with a 4,800 square foot building. The current tenant, Pizz'a Chicago's lease expires May 31, 2017 with one 5 year option at market rates. The tenant is currently paying \$2.19 NNN which is well below today's market rent of \$3.50-\$4.00 NNN.

4115 ECR, LLC purchased this property in November 2016 from Soong Family Limited Partnership. The sale price was \$4,550,000 or \$289.81 per square foot of land. The property was listed unpriced and it had multiple offers. The original offer fell through for unknown reasons and the property was placed in the market again at a list price of \$4,500,000. It sold for slightly more.

The sale was an as is sale, without any entitlements. The buyer is proposing a three-story mixed use building with ground floor retail and office under seven residential units, plus an underground parking garage. As of July 2017 the proposed project had not yet been approved.

COMPARABLE LAND SALE 8



Property Identification

Property/Sale ID	130464/435720
Property Type	Multi-Family
Address	675-685 E. Middlefield Road
City, State Zip	Mountain View, California 94040
County	Santa Clara
Latitude/Longitude	37.393496/-122.051697
Tax ID	160-60-013

Transaction Data

Sale Date	Sept-2017	Grantee	PREG Middlefield, LP
Sale Status	Recorded	Recording Number	23760665
Grantor	BPP 685 Middlefield LLC	Sale Price	\$132,500,000

Property Description

Gross SF	460,865	Zoning Code	ML-T
Corner/Interior	Corner	Zoning Description	Limited Industrial, with Transit District overlay
Use Designation	High-Intensity Office		
Zoning Jurisdiction	City of Mountain View		

Indicators

\$/Gross SF	\$287.50
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Remarks

This property consists of a single parcel improved with two office buildings located at 675 and 685 E. Middlefield Road, in Mountain View. The site has an irregular shape and a corner lot configuration. The site has approximately 620 feet of frontage along East Middlefield Road and 650 feet of frontage along Ferguson Drive.

The underlying site contains 460,865 gross square feet or 10.58 gross acres. The property is zoned Limited Industrial, with a Transit District overlay and its General Plan land use designation is High-Intensity Office. The site is also within the City of Mountain View's proposed "East Whisman Precise Plan" Change Area, which is envisioned as a "sustainable, transit-oriented employment center with an increased diversity of land uses." The City is reviewing this Plan and is expected to complete any changes in late 2018. The new Plan will likely change this sites zoning to include high density residential uses with 7-8 stories and a maximum 3.5 FAR.

The property was purchased by Prometheus Real Estate Group (PREG Middlefield LP), a prominent developer of multi-family residential projects, in September 2017 from BPP 685 Middlefield LLC. The property sold for \$132,500,000 or \$287.50 per square foot of land.

The property was not entitled at the time of the purchase. The building located at 685 E. Middlefield Road was 100% leased by Siemens Healthcare. The building located at 675 E. Middlefield Road, was vacant, and marketed for sublease by Symantec. Interim income is expected to continue through 2022.

Summary of Nearby Residential Land Values

The residential land sales presented above bracket a variety of locations around Los Altos, densities, sizes, project types and other physical characteristics. Overall, they bracket current residential land values in Los Altos well.

We have adjusted the comparable sales under various categories that affect the sale price, so that the final range concluded represents current, unentitled land values reflective of the Los Altos market.

Land Sales Adjustment Grid

	Subject	Sale # 1	Sale # 2	Sale # 3	Sale # 4	Sale # 5	Sale # 6	Sale # 7	Sale # 8
Sale ID		437142	435381	435384	430543	434018	436436	434238	435720
Date of Value & Sale	November-18	May-18	May-17	August-17	March-17	June-17	August-17	November-16	September-17
Unadjusted Sales Price		\$8,900,000	\$4,700,000	\$68,230,500	\$7,650,000	\$5,350,000	\$31,000,000	\$4,550,000	\$132,500,000
Usable Acres	0.000	1.088	0.550	8.005	0.616	0.470	2.550	0.360	10.580
Unadjusted Sales Price per Usable Sq. Ft.		\$187.77	\$196.18	\$195.67	\$285.23	\$261.32	\$279.08	\$289.81	\$287.50
Transactional Adjustments									
Property Rights Conveyed	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Leased Fee</i>	<i>Leased Fee</i>	<i>Fee Simple</i>
Adjustment		-	-	-	-	-	-	-	-
Adjusted Sales Price		\$187.77	\$196.18	\$195.67	\$285.23	\$261.32	\$279.08	\$289.81	\$287.50
Financing Terms	<i>Cash to Seller</i>	<i>Conventional</i>	<i>Cash</i>	<i>Cash</i>	<i>Conventional</i>	<i>Conventional</i>	<i>Conventional</i>	<i>Conventional</i>	<i>Cash</i>
Adjustment		-	-	-	-	-	-	-	-
Adjusted Sales Price		\$187.77	\$196.18	\$195.67	\$285.23	\$261.32	\$279.08	\$289.81	\$287.50
Conditions of Sale									
	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>
Adjustment		-	-	-	-	-	-	-	-
Adjusted Sales Price		\$187.77	\$196.18	\$195.67	\$285.23	\$261.32	\$279.08	\$289.81	\$287.50
Expenditures after Sale									
Adjustment		-	-	-	-	-	-	-	-
Adjusted Sales Price		\$187.77	\$196.18	\$195.67	\$285.23	\$261.32	\$279.08	\$289.81	\$287.50
Market Conditions Adjustments									
Elapsed Time from Date of Value		<i>0.44 years</i>	<i>1.46 years</i>	<i>1.19 years</i>	<i>1.62 years</i>	<i>1.35 years</i>	<i>1.21 years</i>	<i>1.95 years</i>	<i>1.10 years</i>
Market Trend Through	November-18	1.3%	4.4%	3.6%	4.9%	4.1%	3.6%	5.9%	3.3%
Analyzed Sales Price		\$190.26	\$204.77	\$202.67	\$299.09	\$271.91	\$289.24	\$306.79	\$297.00
Physical Adjustments									
Location	<i>City of Los Altos</i>	<i>1170 Sonora Court</i>	<i>574 Escuela Avenue</i>	<i>1120-1130 Kifer Road</i>	<i>1110 Terra Bella Avenue</i>	<i>1020 Terra Bella Avenue</i>	<i>400 Logue Avenue</i>	<i>4115 El Camino Real</i>	<i>675-685 E Middlefield Road</i>
	<i>Los Altos, California</i>	<i>Sunnyvale, California</i>	<i>Mountain View, California</i>	<i>Sunnyvale, California</i>	<i>Mountain View, California</i>	<i>Mountain View, California</i>	<i>Mountain View, California</i>	<i>Palo Alto, California</i>	<i>Mountain View, California</i>
Adjustment		20.0%	-	20.0%	-	-	-	-	-
Size	<i>0.000 acres</i>	<i>1.088 acres</i>	<i>0.550 acres</i>	<i>8.005 acres</i>	<i>0.616 acres</i>	<i>0.470 acres</i>	<i>2.550 acres</i>	<i>0.360 acres</i>	<i>10.580 acres</i>
Adjustment		-	-	-	-	-	-	-	-
Shape/Depth	<i>0</i>	<i>Rectangular</i>	<i>Rectangular</i>	<i>Square</i>	<i>Rectangular</i>	<i>Trapezoid</i>	<i>Rectangular</i>	<i>Trapezoid</i>	<i>Irregular</i>
Adjustment		-	-	-	-	-	-	-	-
Zoning	<i>0</i>	<i>MXD-I</i>	<i>R3-1</i>	<i>MXD-I</i>	<i>MM</i>	<i>MM</i>	<i>ML</i>	<i>CN</i>	<i>ML-T</i>
Adjustment		-	-	-	-	-	-	-	-
Entitlements	<i>No</i>	<i>No</i>	<i>No</i>	<i>Yes</i>	<i>Partial</i>	<i>Partial</i>	<i>No</i>	<i>No</i>	<i>No</i>
Adjustment		-	-	-20.0%	-10.0%	-10.0%	-	-	-
Other	<i>None</i>	<i>No</i>	<i>No</i>		<i>Minimal Interim Income</i>		<i>Interim Income</i>	<i>Interim Income</i>	<i>Interim Income</i>
Adjustment		-	-	-	-5.0%	-	-10.0%	-10.0%	-10.0%
Net Physical Adjustment		20.0%	-	-	-15.0%	-10.0%	-10.0%	-10.0%	-10.0%
Adjusted Sales Price per Usable Square Foot		\$228.31	\$204.77	\$202.67	\$254.23	\$244.72	\$260.32	\$276.11	\$267.30

Adjustments

All of the comparables were adjusted for time based on a factor of 3% annually. Comparables 1 and 3 were drawn from Sunnyvale, where property values are slightly lower than they are in Los Altos. An upward adjustment for location is warranted to these comparables. The rest of the sales are drawn from either Mountain View or Palo Alto, which are rated as overall similar in appeal and property values and no location adjustment was warranted.

Comparables 3 and 7 were purchased for mixed use development and we considered if an adjustment was necessary for the ground floor retail component/ versus a fully residential project.

Based on previous experience in appraising land, we have seen often the city to require a retail component while the developers try to avoid it, as it is generally not feasible. This is more common for land sales located in outlying areas or in areas where new retail is not feasible. In these cases an upward adjustment for the mixed-use nature of the project may be warranted. However, for properties located along major commercial thoroughfares, near Mountain View and Palo Alto, or in downtown areas, where retail development is currently feasible, an adjustment for the ground floor retail requirements/ mixed use project may not be required. Overall, we did not have strong evidence for one way or another, and thus no adjustment was made to Comparables 3 and 7, mixed-use land sales.

Comparables 4 and 5 were not fully entitled, however, the proposed affordable projects had been blessed by the City and as such the risk for non-approval was lower than that of an unentitled sale. As such, we downward adjusted the comparables as needed. Comparable 3 was downward for entitlements.

In summary, the additional sales surveyed, from the broader market area, suggest an adjusted range of value in the \$203 to \$276 per square foot, which reflects the value of most vacant, unentitled residential land sites within the submarket. These sales drawn from the broader market area provide additional support for the value ranges indicated by the Los Altos land sales.

Value Range Conclusion

Overall, the Los Altos land sales, as well as the land sales in nearby cities, indicate a relatively consistent range of likely residential land value, as shown in the table below.

Land Sale Statistics

Metric	Unadjusted	Adjusted
Minimum Sales Price per Usable Square Foot	\$127.15	\$173.42
Maximum Sales Price per Usable Square Foot	\$436.62	\$381.45
Median Sales Price per Usable Square Foot	\$270.20	\$240.36
Mean Sales Price per Usable Square Foot	\$251.13	\$242.85

Conclusion of Land Value

Based on the research and analysis contained in this report, the range of current land values for vacant, unentitled land purchased in Los Altos for residential development, as of November 1, 2018, is as follows:

Value Conclusions

Component	
Value Type	Range of Market Values
Property Rights Appraised	Fee Simple
Effective Date of Value	November 1, 2018
Land Value Range Conclusion	\$190-\$250 psf

The above range reflects the value of most vacant, unentitled residential land sites within Los Altos. Most land purchased in Los Altos is for condominium and mixed-use development. The value for such land is between \$224 to \$247 per square foot, while for single family residential land in the \$174 and \$199 per square foot. These values are generally supported by land sales drawn from surrounding cities/ broader market area.

We note that current, unentitled residential land values are dependent on a variety of factors and are specific to individual properties. The range of values reported in this report is not specific to any single piece of property in Los Altos but rather reflects a range of values expected for land purchased in Los Altos that has residential development potential. The actual value for any specific property is dependent on factors such as the ease in which entitlements can be obtained, its location, school district, size, likely development density, etc. The values reported herein bracket a variety of these factors, as reflected in the current market.

General Assumptions and Limiting Conditions

This report is subject to the following limiting conditions:

1. Unless otherwise noted, the values reported herein reflect land that is free of contamination.
2. The stamps and/or consideration placed on deeds used to indicate sales are in correct relationship to the actual dollar amount of the transaction.
3. The appraiser is not required to give testimony or attendance in court by reason of this appraisal, unless previous arrangements have been made.
4. Unless expressly specified in the engagement letter, the fee for this appraisal does not include the attendance or giving of testimony by Appraiser at any court, regulatory, or other proceedings, or any conferences or other work in preparation for such proceeding. If any partner or employee of Valbridge Property Advisors | Hulberg and Associates, Inc. is asked or required to appear and/or testify at any deposition, trial, or other proceeding about the preparation, conclusions or any other aspect of this assignment, client shall compensate Appraiser for the time spent by the partner or employee in appearing and/or testifying and in preparing to testify according to the Appraiser's then current hourly rate plus reimbursement of expenses.
5. The dates of value to which the opinions expressed in this report apply are set forth in this report. We assume no responsibility for economic or physical factors occurring at some point at a later date, which may affect the opinions stated herein. The forecasts, projections, or operating estimates contained herein are based on current market conditions and anticipated short-term supply and demand factors and are subject to change with future conditions.
6. The sketches, maps, plats and exhibits in this report are included to assist the reader in visualizing the property. The appraiser has made no survey of the property and assumed no responsibility in connection with such matters.
7. The information, estimates and opinions, which were obtained from sources outside of this office, are considered reliable. However, no liability for them can be assumed by the appraiser.
8. Possession of this report, or a copy thereof, does not carry with it the right of publication. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to property value, the identity of the appraisers, professional designations, reference to any professional appraisal organization or the firm with which the appraisers are connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval.

9. No claim is intended to be expressed for matters of expertise that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers. We claim no expertise in areas such as, but not limited to, legal, survey, structural, environmental, pest control, mechanical, etc.
10. This appraisal was prepared for the sole and exclusive use of the client for the function outlined herein. Any party who is not the client or intended user identified in the appraisal or engagement letter is not entitled to rely upon the contents of the appraisal without express written consent of Valbridge Property Advisors | Hulberg and Associates, Inc. and Client. The Client shall not include partners, affiliates, or relatives of the party addressed herein. The appraiser assumes no obligation, liability or accountability to any third party.
11. Distribution of this report is at the sole discretion of the client, but third-parties not listed as an intended user on the face of the appraisal or the engagement letter may not rely upon the contents of the appraisal. In no event shall client give a third-party a partial copy of the appraisal report. We will make no distribution of the report without the specific direction of the client.
12. This report shall be used only for the function outlined herein, unless expressly authorized by Valbridge Property Advisors | Hulberg and Associates, Inc..
13. This report shall be considered in its entirety. No part thereof shall be used separately or out of context.
14. In the absence of being provided with a detailed land survey, we have used assessment department data to ascertain the physical dimensions and acreage of the sale comparables. Should a survey prove this information to be inaccurate, we reserve the right to amend this appraisal (at additional cost) if substantial differences are discovered.
15. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated, unless specifically stated to the contrary.
16. The data gathered in the course of this assignment (except data furnished by the Client) shall remain the property of the Appraiser. The appraiser will not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential information furnished to the appraiser. Notwithstanding the foregoing, the Appraiser is authorized by the client to disclose all or any portion of the appraisal and related appraisal data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable the appraiser to comply with the Bylaws and Regulations of such Institute now or hereafter in effect.
17. You and Valbridge Property Advisors | Hulberg and Associates, Inc. both agree that any dispute over matters in excess of \$5,000 will be submitted for resolution by arbitration. This includes fee disputes and any claim of malpractice. The arbitrator shall be mutually selected. If Valbridge Property Advisors | Hulberg and Associates, Inc. and the client cannot agree on the arbitrator, the presiding head of the Local County Mediation & Arbitration panel shall select the arbitrator. Such arbitration shall be binding and final. In agreeing to arbitration, we

both acknowledge that, by agreeing to binding arbitration, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury. In the event that the client, or any other party, makes a claim against Hulberg and Associates, Inc. or any of its employees in connections with or in any way relating to this assignment, the maximum damages recoverable by such claimant shall be the amount actually received by Valbridge Property Advisors | Hulberg and Associates, Inc. for this assignment, and under no circumstances shall any claim for consequential damages be made.

18. Valbridge Property Advisors | Hulberg and Associates, Inc. shall have no obligation, liability, or accountability to any third party. Any party who is not the "client" or intended user identified on the face of the appraisal or in the engagement letter is not entitled to rely upon the contents of the appraisal without the express written consent of Valbridge Property Advisors | Hulberg and Associates, Inc.. "Client" shall not include partners, affiliates, or relatives of the party named in the engagement letter. Client shall hold Valbridge Property Advisors | Hulberg and Associates, Inc. and its employees harmless in the event of any lawsuit brought by any third party, lender, partner, or part-owner in any form of ownership or any other party as a result of this assignment. The client also agrees that in case of lawsuit arising from or in any way involving these appraisal services, client will hold Valbridge Property Advisors | Hulberg and Associates, Inc. harmless from and against any liability, loss, cost, or expense incurred or suffered by Valbridge Property Advisors | Hulberg and Associates, Inc. in such action, regardless of its outcome.
19. The Valbridge Property Advisors office responsible for the preparation of this report is independently owned and operated by Hulberg and Associates, Inc.. Neither Valbridge Property Advisors, Inc., nor any of its affiliates has been engaged to provide this report. Valbridge Property Advisors, Inc. does not provide valuation services, and has taken no part in the preparation of this report.
20. If any claim is filed against any of Valbridge Property Advisors, Inc., a Florida Corporation, its affiliates, officers or employees, or the firm providing this report, in connection with, or in any way arising out of, or relating to, this report, or the engagement of the firm providing this report, then (1) under no circumstances shall such claimant be entitled to consequential, special or other damages, except only for direct compensatory damages, and (2) the maximum amount of such compensatory damages recoverable by such claimant shall be the amount actually received by the firm engaged to provide this report.
21. This report and any associated work files may be subject to evaluation by Valbridge Property Advisors, Inc., or its affiliates, for quality control purposes.
22. Acceptance and/or use of this report constitutes acceptance of the foregoing general assumptions and limiting conditions.

Certification – Maria Aji, PhD

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in any property that might be the subject of this report and no personal interest with respect to the parties involved.
4. The undersigned has performed services similar to those provided in this report within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. Maria Aji has personally inspected properties located in the City of Los Altos. No specific property was inspected for this report.
10. No one provided significant real property appraisal assistance to the person signing this certification, unless otherwise noted.
11. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, the undersigned has completed the continuing education program for Designated Members of the Appraisal Institute.




Maria Aji, PhD
Senior Appraiser
California Certified License #AG027130

Certification – Yvonne J. Broszus, MAI

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in any property that might be the subject of this report and no personal interest with respect to the parties involved.
4. The undersigned has performed services similar to those provided in this report within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. Yvonne J. Broszus, MAI has personally inspected properties located in the City of Los Altos. No specific property was inspected for this report.
10. No one provided significant real property appraisal assistance to the person signing this certification, unless otherwise noted.
11. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, the undersigned has completed the continuing education program for Designated Members of the Appraisal Institute.



Yvonne J. Broszus, MAI
Director

California Certified License #AG019587

Addenda

Glossary

Qualifications

- Maria Aji, PhD
- Yvonne J. Broszus, MAI - Director

Information on Valbridge Property Advisors

Office Locations

Glossary

Definitions are taken from The Dictionary of Real Estate Appraisal, 6th Edition (Dictionary), the Uniform Standards of Professional Appraisal Practice (USPAP), and Building Owners and Managers Association International (BOMA).

Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. (Dictionary)

Amortization

The process of retiring a debt or recovering a capital investment, typically through scheduled, systematic repayment of the principal; a program of periodic contributions to a sinking fund or debt retirement fund. (Dictionary)

As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Dictionary)

Base Rent

The minimum rent stipulated in a lease. (Dictionary)

Base Year

The year on which escalation clauses in a lease are based. (Dictionary)

Building Common Area

In office buildings, the areas of the building that provide services to building tenants but which are not included in the office area or store area of any specific tenant. These areas may include, but shall not be limited to, main and auxiliary lobbies, atrium spaces at the level of the finished floor, concierge areas or security desks, conference rooms, lounges or vending areas, food service facilities, health or fitness centers, daycare facilities, locker or shower facilities, mail rooms, fire control rooms, fully enclosed courtyards outside the exterior walls, and building core and service areas such as fully enclosed mechanical or equipment rooms. Specifically excluded from building common area are floor common areas, parking space, portions of loading docks outside the building line, and major vertical penetrations. (BOMA)

Building Rentable Area

The sum of all floor rentable areas. Floor rentable area is the result of subtracting from the gross measured area of a floor the major vertical penetrations on that same floor. It is generally fixed for the life of the building and is rarely affected by changes in corridor size or configuration. (BOMA)

Certificate of Occupancy (COO)

A formal written acknowledgment by an appropriate unit of local government that a new construction or renovation project is at the stage where it meets applicable health and safety codes and is ready for commercial or residential occupancy. (Dictionary)

Common Area Maintenance (CAM)

The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property. (Dictionary)

The amount of money charged to tenants for their shares of maintaining a [shopping] center's common area. The charge that a tenant pays for shared services and facilities such as electricity, security, and maintenance of parking lots. Items charged to common area maintenance may include cleaning services, parking lot sweeping and maintenance, snow removal, security and upkeep. (ICSC – International Council of Shopping Centers, 4th Ed.)

Condominium

A multiunit structure, or a unit within such a structure, with a condominium form of ownership. (Dictionary)

Conservation Easement

An interest in real estate restricting future land use to preservation, conservation, wildlife habitat, or some combination of those uses. A conservation easement may permit farming, timber harvesting, or other uses of a rural nature as well as some types of conservation-oriented development to continue, subject to the easement. (Dictionary)

Contributory Value

A type of value that reflects the amount a property or component of a property contributes to the value of another asset or to the property as a whole.

The change in the value of a property as a whole, whether positive or negative, resulting from the addition or deletion of a property component. Also called deprival value in some countries. (Dictionary)

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service (DCR = NOI/Im), which measures the relative ability of a property to meet its debt service out of net operating income; also called *debt service coverage ratio (DSCR)*. A larger *DCR* typically indicates a greater ability for a property to withstand a reduction of income, providing an improved safety margin for a lender. (Dictionary)

Deed Restriction

A provision written into a deed that limits the use of land. Deed restrictions usually remain in effect when title passes to subsequent owners. (Dictionary)

Depreciation

- 1) In appraisal, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date.
- 2) In accounting, an allocation of the original cost of an asset, amortizing the cost over the asset's life; calculated using a variety of standard techniques. (Dictionary)

Disposition Value

The most probable price that a specified interest in property should bring under the following conditions:

- Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
- The property is subjected to market conditions prevailing as of the date of valuation;
- Both the buyer and seller are acting prudently and knowledgeably;
- The seller is under compulsion to sell;
- The buyer is typically motivated;
- Both parties are acting in what they consider to be their best interests;
- An adequate marketing effort will be made during the exposure time;
- Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Dictionary)

Easement

The right to use another's land for a stated purpose. (Dictionary)

EIFS

Exterior Insulation Finishing System. This is a type of exterior wall cladding system. Sometimes referred to as dry-vit.

Effective Date

- 1) The date on which the appraisal or review opinion applies. (SVP)
- 2) In a lease document, the date upon which the lease goes into effect. (Dictionary)

Effective Gross Income (EGI)

The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income. (Dictionary)

Effective Rent

Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions; the rent that is effectively paid by a tenant net of financial concessions provided by a landlord. (TIs). (Dictionary)

EPDM

Ethylene Propylene Diene Monomer Rubber. A type of synthetic rubber typically used for roof coverings. (Dictionary)

Escalation Clause

A clause in an agreement that provides for the adjustment of a price or rent based on some event or index. e.g., a provision to increase rent if operating expenses increase; also called *escalator clause*, *expense recovery clause* or *stop clause*. (Dictionary)

Estoppel Certificate

A signed statement by a party (such as a tenant or a mortgagee) certifying, for another's benefit, that certain facts are correct, such as that a lease exists, that there are no defaults, and that rent is paid to a certain date. (Black's) In real estate, a buyer of rental property typically requests estoppel certificates from existing tenants. Sometimes referred to as an *estoppel letter*. (Dictionary)

Excess Land

Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. (Dictionary)

Excess Rent

The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties. (Dictionary)

Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying operating expenses above a stated level or amount. (Dictionary)

Exposure Time

- 1) The time a property remains on the market.
- 2) The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; Comment: Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market. (Dictionary)

Extraordinary Assumption

An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2016-2017 ed.)

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. (Dictionary)

Floor Common Area

In an office building, the areas on a floor such as washrooms, janitorial closets, electrical rooms, telephone rooms, mechanical rooms, elevator lobbies, and public corridors which are available primarily for the use of tenants on that floor. (BOMA)

Full Service (Gross) Lease

A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called a *full service lease*. (Dictionary)

Going-Concern Value

An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the *market value of the going concern* or *market value of the total assets of the business*. (Dictionary)

Gross Building Area (GBA)

- 1) Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of

the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved.

- 2) Gross leasable area plus all common areas.
- 3) For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically does not include garage space. (Dictionary)

Gross Measured Area

The total area of a building enclosed by the dominant portion (the portion of the inside finished surface of the permanent outer building wall which is 50% or more of the vertical floor-to-ceiling dimension, at the given point being measured as one moves horizontally along the wall), excluding parking areas and loading docks (or portions of same) outside the building line. It is generally not used for leasing purposes and is calculated on a floor by floor basis. (BOMA)

Gross Up Method

A method of calculating variable operating expenses in income-producing properties when less than 100% occupancy is assumed. Expenses reimbursed based on the amount of occupied space, rather than on the total building area, are described as "grossed up." (Dictionary)

Gross Retail Sellout

The sum of the separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as though sold together in a single transaction; it is simply the total of the individual market value conclusions. Also called the *aggregate of the retail values*, *aggregate retail selling price* or *sum of the retail values*. (Dictionary)

Ground Lease

A lease that grants the right to use and occupy land. Improvements made by the ground lessee typically revert to the ground lessor at the end of the lease term. (Dictionary)

Ground Rent

The rent paid for the right to use and occupy land according to the terms of a ground lease; the portion of the total rent allocated to the underlying land. (Dictionary)

HVAC

Heating, ventilation, air conditioning (HVAC) system. A unit that regulates the temperature and distribution of heat and fresh air throughout a building. (Dictionary)

Highest and Best Use

- 1) The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
- 2) The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS)
- 3) [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions) (Dictionary)

Hypothetical Condition

- 1) A condition that is presumed to be true when it is known to be false. (SVP – Standards of Valuation Practice, effective January 1, 2015)
- 2) A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2016-2017 ed.) (Dictionary)

Industrial Gross Lease

A type of modified gross lease of an industrial property in which the landlord and tenant share expenses. The landlord receives stipulated rent and is obligated to pay certain operating expenses, often structural maintenance, insurance and real property taxes, as specified in the lease. There are significant regional and local differences in the use of this term. (Dictionary)

Insurable Value

A type of value for insurance purposes. (Typically this includes replacement cost less basement excavation, foundation, underground piping and architect's fees). (Dictionary)

Investment Value

The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment

criteria that are not necessarily typical of the market. (Dictionary)

Just Compensation

In condemnation, the amount of loss for which a property owner is compensated when his or her property is taken. Just compensation should put the owner in as good a position pecuniarily as he or she would have been if the property had not been taken. (Dictionary)

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires. (Dictionary)

Leasehold Interest

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease. (Dictionary)

Lessee (Tenant)

One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement. (Dictionary)

Lessor (Landlord)

One who conveys the rights of occupancy and use to others under a lease agreement. (Dictionary)

Liquidation Value

The most probable price that a specified interest in property should bring under the following conditions:

- Consummation of a sale within a short time period.
- The property is subjected to market conditions prevailing as of the date of valuation.
- Both the buyer and seller are acting prudently and knowledgeably.
- The seller is under extreme compulsion to sell.
- The buyer is typically motivated.
- Both parties are acting in what they consider to be their best interests.
- A normal marketing effort is not possible due to the brief exposure time.
- Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
- The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Dictionary)

Loan to Value Ratio (LTV)

The ratio between a mortgage loan and the value of the property pledged as security, usually expressed as a percentage. (Dictionary)

Major Vertical Penetrations

Stairs, elevator shafts, flues, pipe shafts, vertical ducts, and the like, and their enclosing walls. Atria, lightwells and similar penetrations above the finished floor are included in this definition. Not included, however, are vertical penetrations built for the private use of a tenant occupying office areas on more than one floor. Structural columns, openings for vertical electric cable or telephone distribution, and openings for plumbing lines are not considered to be major vertical penetrations. (BOMA)

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations; term, concessions, renewal and purchase options and tenant improvements (TIs). (Dictionary)

Market Value

The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

(Dictionary)

Marketing Time

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of the Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions"

address the determination of reasonable exposure and marketing time.) (Dictionary)

Master Lease

A lease in which the fee owner leases a part or the entire property to a single entity (the master lease) in return for a stipulated rent. The master lessee then leases the property to multiple tenants. (Dictionary)

Modified Gross Lease

A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a *double net lease, net net lease, partial net lease, or semi-gross lease*. (Dictionary)

Operating Expense Ratio

The ratio of total operating expenses to effective gross income (TOE/EGI); the complement of the net income ratio, i.e., $OER = 1 - NIR$ (Dictionary)

Option

A legal contract, typically purchased for a stated consideration, that permits but does not require the holder of the option (known as the *optionee*) to buy, sell, or lease real estate for a stipulated period of time in accordance with specified terms; a unilateral right to exercise a privilege. (Dictionary)

Partial Interest

Divided or undivided rights in real estate that represent less than the whole, i.e., a fractional interest such as a tenancy in common, easement, or life interest. (Dictionary)

Pass Through

A tenant's portion of operating expenses that may be composed of common area maintenance (CAM), real property taxes, property insurance, and any other expenses determined in the lease agreement to be paid by the tenant. (Dictionary)

Potential Gross Income (PGI)

The total income attributable to property at full occupancy before vacancy and operating expenses are deducted. (Dictionary)

Prospective Future Value Upon Completion

A prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project. According to USPAP, an appraisal with a prospective market value reflects an effective date that is subsequent to the date of the appraisal report. ... The prospective market value –as completed- reflects the property's market value as of the time that development is expected to be complete. (Dictionary)

Prospective Future Value Upon Stabilization

A prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project. According to USPAP, an appraisal with a prospective market value reflects an effective date that is subsequent to the date of the appraisal report ...The prospective market value – as stabilized – reflects the property's market value as of the time the property is projected to achieve stabilized occupancy. For an income-producing property, stabilized occupancy is the occupancy level that a property is expected to achieve after the property is exposed to the market for lease over a reasonable period of time and at comparable terms and conditions to other similar properties. (Dictionary)

Replacement Cost

The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout. (Dictionary)

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all of the deficiencies, superadequacies, and obsolescence of the subject building. (Dictionary)

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of

the type of value with this term is appropriate, e.g., "retrospective market value opinion." (Dictionary)

Sandwich Leasehold Estate

The interest held by the sandwich leaseholder when the property is subleased to another party; a type of leasehold estate. (Dictionary)

Sublease

An agreement in which the lessee in a prior lease conveys the right of use and occupancy of a property to another, the sublessee, for a specific period of time, which may or may not be coterminous with the underlying lease term. (Dictionary)

Subordination

A contractual arrangement in which a party with a claim to certain assets agrees to make his or her claim junior, or subordinate, to the claims of another party. (Dictionary)

Surplus Land

Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. (Dictionary)

Triple Net (Net Net Net) Lease

An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management; also called *NNN lease, net net net lease, or fully net lease*. (Dictionary)

(The market definition of a triple net lease varies; in some cases tenants pay for items such as roof repairs, parking lot repairs, and other similar items.)

Usable Area

The measured area of an office area, store area, or building common area on a floor. The total of all the usable areas for a floor shall equal floor usable area of that same floor. (BOMA)

Value-in-Use

The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Value in use may or may not be equal to market value but is different conceptually. (Dictionary)



Qualifications

Qualifications of Maria Aji, PhD Senior Appraiser

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State Certifications

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State of California

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Hulberg & Associates, Inc. (2001-2013)
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The Property Sciences Group, Inc. (1998-2001)
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Grubb & Ellis Company (1993-1994)
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Economic/Planning Consultant

Gruen Gruen & Associates (1992-1993)
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Research Associate

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Appraisal/valuation and consulting assignments include: professional/ medical offices, shopping centers, mixed-use projects, gas stations, oil-changing facilities, vacant land, single family homes, apartments, condominiums, vacant land, light industrial, manufacturing, and research and development buildings, condominiums, warehouses, industrial parks, mini-storage facilities, vacant land, and special purpose properties.

Qualifications of Yvonne J. Broszus, MAI Director

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AI Silicon Valley Subchapter (2006-07)
AI Fall Conference (2004, 2005)

Appraisal Institute & Related Courses

Continuing education courses taken through the Appraisal Institute and other real estate organizations.

Experience

Director
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Vice President
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Appraisal/valuation and consulting assignments include: retail buildings (community, specialty, neighborhood and strip), office buildings (professional and medical/dental), vacant land, agricultural land, warehouses, manufacturing, mini-warehouse, light industrial, research and development, apartments, single-family, condominiums, subdivisions, mobile home parks, auto dealerships, service stations, worship facilities, truck stops, food processing and cold storage facilities, fixed base operators at airports and other types of special purpose properties.

Ms. Broszus has provided valuation services in a wide variety of complex civil litigation cases including real estate. These matters have included condemnation issues, contract disputes, bankruptcy/creditors matters, and environmental lawsuits, among other issues. She also specializes in property tax appeals, having helped clients recover millions of dollars in property tax refunds.

Qualified as an expert witness, Ms. Broszus has testified in state and federal courts, as well as in major arbitrations and at Assessment Appeal Board hearings. She is a highly experienced forensic appraiser.

Company Information on Valbridge Property Advisors

Valbridge is one of the Top 3 national commercial real estate valuation and advisory services firms based on:

- Total number of MAIs (188 on staff)
- Total number of office locations (68 across the U.S.)
- Total number of staff (650+ strong)

Valbridge covers the U.S. from coast to coast.

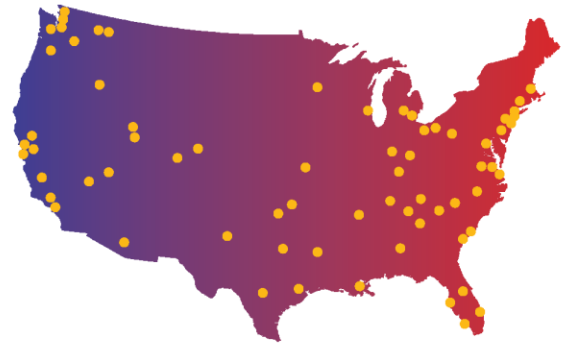
Valbridge services all property types, including special-purpose properties.

Valbridge provides independent valuation services. We are not owned by a brokerage firm or investment company.

Every Valbridge office is led by a senior managing director who holds the MAI designation of the Appraisal Institute.

Valbridge is owned by our local office leaders.

Valbridge welcomes single-property assignments as well as portfolio, multi-market and other bulk-property engagements.





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