



San Francisco Bay Area/Silicon Valley
55 South Market Street, Suite 1210
San Jose, CA 95113-1207
408-279-1520 phone
408-279-3428 fax

June 2, 2021

Maria Aji, PhD
408-279-1520, ext. 7120
maji@valbridge.com

VIA E-Mail Only

Sherine Nafie
City of Sunnyvale, Department of Public Works
456 W. Olive Avenue
Sunnyvale, CA 94086

Re: Appraisal of A Portion of Block 15, Downtown Sunnyvale
South Mathilda, Santa Clara County, California

Dear Sherine,

In accordance with your request, we have performed additional appraisal services in conjunction with the above referenced property, which we previously appraised for you in 2020. In our previous appraisal (CA02-20-0419) with a date of value of August 13, 2020, we had valued the subject property as entitled, for a multi-family residential project. More specifically, in April of 2020, the site received planning approval by the City of Sunnyvale for an affordable project, containing a total of 90 units (62.7 dwelling units per acre). Our August 13, 2020 opinion of value for the subject reflected these entitlements/ project approvals.

The client has now requested that we provide an opinion of value for the subject property, as unentitled land, under the underlying zoning and general plan designation. This value is provided under the hypothetical condition that there were no project approvals for the site, as of the date of value. This hypothetical opinion of value of the subject property is provided as of the retrospective date of our original appraisal, of August 13, 2020.

This supplemental letter does not constitute a stand-alone, narrative report; the rationale behind the value opinion(s) reported cannot be adequately understood without a review of the original report.

SHERINE NAFIE
JUNE 2, 2021
PAGE 2 OF 3

The unit of comparison in the valuation of land is price per square foot of land area or price per proposed unit. The price per proposed unit is very common for sites selling with entitlements in place (original scenario), where the exact number of units to be constructed on site is known. Since we are valuing the subject property without entitlements, the price per square foot was deemed more appropriate in our current analysis. We have, however, cross-checked our value conclusions by analyzing the subject on a price per unit basis.

In our original appraisal, we had included seven comparable sales which were adjusted based on pertinent elements of comparison. These comparable sales are summarized below. They bracket the subject in terms of development potential and physical characteristics.

Land Sales Summary

Comp. No.	Date of Sale	Gross Sq. Ft.	Proposed Units	Location		Zoning	Proposed Use	Density du/ac	Sales Price Actual	Per Sq. Ft.	Per Unit
1	May-19	31,716	15	582 East Maude Avenue	Sunnyvale, California	R3	Residential Development	20.60	\$4,875,000	\$153.71	\$325,000
2	January-19	28,483	18	1926-1938 Gamel Way	Mountain View, California	R3	Codominium Development	27.53	\$6,830,000	\$239.79	\$379,444
3	August-17	348,698	520	1120-1130 Kifer Road	Sunnyvale, California	MXD-I	Mixed Use	64.96	\$68,230,500	\$195.67	\$131,213
4	February-18	99,317	108	1088 West El Camino Real/Grape Avenue	Sunnyvale, California	C2-ECR	Mixed-Use Development	47.37	\$16,250,000	\$163.62	\$150,463
5	August-18	51,984	53	Gamel Way and Escuela Avenue	Mountain View, California	R4	Condominium Development	44.41	\$11,950,000	\$229.88	\$225,472
6	May-18	43,996	48	788-796 San Antonio Road	Palo Alto, California	CS	Multi-Family Redevelopment	47.52	\$11,550,000	\$262.52	\$240,625
7	October-19	18,590	15	444 Old San Francisco Road	Sunnyvale, California	R4PD	Multifamily development	35.15	\$3,518,000	\$189.24	\$234,533

These sales have been re-adjusted for the subject's hypothetical, unentitled condition. The following table summarizes the unadjusted and adjusted unit prices:

Land Sale Statistics

Metric	Unadjusted	Adjusted
Min. Sales Price per Gross Square Foot	\$153.71	\$163.85
Max. Sales Price per Gross Square Foot	\$262.52	\$242.39
Median Sales Price per Gross Square Foot	\$195.67	\$187.82
Mean Sales Price per Gross Square Foot	\$204.92	\$195.26

The comparables form an adjusted range of \$164 to \$242 per square foot of site area. Comparable 4 is the best comparable for the subject based on its Sunnyvale location and size similarity. Comparables 5 and 6 were both unentitled sales, with density and development potential similar to the subject's. Significant consideration was given to these three comparable sales, which form an adjusted range of \$180 to \$200 per square foot.

Based on the adjusted prices and the best comparable sales, a price of \$200 per square foot, is considered reasonable and appropriate for the subject site, as unentitled. This price is supported by the average of the comparables.

At the concluded value of \$200 per square foot, the value indication of the fee simple value of the subject land, is estimated at **\$12,550,000** (rounded).

The concluded value of \$12,550,000 results to a price per proposed unit of \$139,444, which is well supported by the adjusted comparable range of \$115,000 to \$168,000 per proposed unit.

Based on the analysis contained in our original report, as well as this supplemental letter, our value conclusions for the subject land, as if unentitled (Hypothetical Condition) are summarized as follows:

SHERINE NAFIE
JUNE 2, 2021
PAGE 3 OF 3

Value Conclusion

Component	Hypothetical
Value Type	Market Value (unentitled)
Property Rights Appraised	Fee Simple
Effective Date of Value	August 13, 2020
Value Conclusion	\$12,550,000
	\$200.69 psf

Respectfully submitted,
Valbridge Property Advisors | Northern California



Maria Aji, Ph.D.
Senior Appraiser
California Certified License #AG027130



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