

ANNUAL LAND VALUATION APPRAISAL REPORT

VALUATION OF

The Average per Acre Land Value of High-Density Residential, Medium-Density Residential, Low-Density Residential, Very Low-Density Residential, Commercial, & Industrial Properties Located in Three Zip Codes (95050, 95051, and 95054)

City of Santa Clara, California
Santa Clara County

PREPARED FOR

Mr. Damon Sparacino, Director of Parks and Recreation
City of Santa Clara
1500 Warburton Avenue
Santa Clara, CA 95050

PREPARED BY

Frank E. Schmidt, MAI, SRA

Frank Schmidt & Associates

EFFECTIVE DATE OF VALUE OPINION

December 31, 2024

March 1, 2025

Mr. Damon Sparacino, Director of Parks and Recreation
City of Santa Clara
1500 Warburton Avenue
Santa Clara, CA 95050

Re: Annual Land Valuation Appraisal Report
Average Value of Three Hypothetical 1-Acre Lots,
One for Each Zip Code Comprising 95050, 95051, and 95054
Santa Clara, California, U.S.A.

Mr. Damon Sparacino:

Pursuant to your request, I have completed the annual land valuation appraisal to aid the City of Santa Clara in establishing park impact fees. Following this letter of transmittal is my appraisal and analysis opining the value of a hypothetical 1-acre lot in each of the City's three zip codes.

In June 2016 the City of Santa Clara City Council approved Supplemental Instructions for the Appraisal of the Fair Market Value of land used in the Parkland Dedication In-Lieu Fee. These supplemental instructions and guidelines for the Appraisal are displayed in the Addenda. One of the supplemental instructions was that the valuation date occurs each year on December 31. Since the date of my opinion of value, December 31, 2024 precedes the date I wrote and transmitted this appraisal by about 2 months, this is considered a retrospective appraisal as defined by the Uniform Standards of Professional Appraisal Practice. Since this is a retrospective value, it is important to note that I only considered data that was available and/or public as of the date of value. The exception to this was the 2024 land area data provided by Old Republic Title Company which was not available until February 2025, and some brokerage reports published in January and February 2025, but containing 2024 data.

I have appraised the subject of this appraisal numerous times since 2014, and most recently with a date of opinion of December 31, 2024. Based on land area, in 2021, approximately 42% of all transactions sold were industrial and commercial, while 58% were categorized as residential. In 2022, commercial/industrial sales accounted for about 27.06% of the total while residential sales accounted for about 72.94% of the total. In 2023, approximately 50% of all transactions sold were industrial and commercial, while the remaining 50% were categorized as residential. In 2024, commercial/industrial sales accounted for 56.86% of the total while residential sales accounted for

43.14% of the total. Data provided by Old Republic Title Company shows 448 single family home sales in 2024 compared to 386 single family home sales in 2023. However, the median improved residential selling price in 2024 in the city of Santa Clara had generally only increased slightly throughout the year with some major price oscillation noted in the last three quarters. This resulted in similar residential unit values for very low-density land, low density land, and medium density land in 2024. However, high density land declined slightly from 2023. Commercial land values were unchanged in both 2023 and 2024. Industrial land values declined slightly from 2023. In 2024, the combination of higher interest rates, the 2024 elections, and expected slower economic growth has impacted the market. All these factors resulted in only slight downward changes to the 2024 values for the hypothetical one-acre lots for each zip code compared to 2023.

To complete this appraisal, I conducted an investigation, gathered data, and made the analyses necessary to enable me to fulfill the purpose of this assignment, which was to estimate the fair market value of a hypothetical 1-acre lot comprising components of high-density residential, medium-density residential, low-density residential, very low-density residential, commercial, and industrial, to form and report the average value per acre of land in the three existing Zip Codes in the City of Santa Clara consisting of 95050, 95051, and 95054. The average value was established using the weighted average of these different property types, based on the percentage of total land area associated with the different property types that sold in the City of Santa Clara in the 12 months prior to the date of value and based on land area data provided by Old Republic Title Company.

I understand that this Appraisal Report is intended for use by the Client, the City of Santa Clara, for assistance in determining park impact fees.

Hypothetical Conditions, Extraordinary Assumptions, and Contingencies

Hypothetical Condition is defined as “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.”¹ I supposed the following hypothetical conditions:

- The fair market value was estimated based on different land value components applied to a hypothetical lot. It was a hypothetical condition of this appraisal that the subject lot was a finished lot and rated average in all other physical, locational, and legal aspects.

- Since the hypothetical lot will be comprised of different land value components and it is unlikely the City’s land use ordinances would allow the different property types on the same lot, it was necessary to apply a hypothetical condition that each of the following uses

¹2024-2025 Uniform Standards of Professional Appraisal Practice (USA, The Appraisal Foundation, 2024)

would be permitted on the subject lot: high-density residential, medium-density residential, low and very low-density residential, commercial, and industrial.

Extraordinary Assumption is defined as “an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.”²

- In this appraisal, land areas provided by Old Republic Title Company were used to estimate the weighted average of all the sale transactions that occurred in the City of Santa Clara in 2024. It was an extraordinary assumption of this appraisal that the land areas provided by Old Republic Title Company were accurate.

The use of these hypothetical conditions and extraordinary assumption might have affected the assignment results.

There are general assumptions and limiting conditions set forth in this report.

Based on the investigation and analyses undertaken, I formed the opinion that the average value per acre on December 31, 2024, the effective date of opinion, for each zip code was:

| Zip Code | 2024 Average Value per Acre |
|----------|-----------------------------|
| 95050 | \$5,180,000 |
| 95051 | \$5,340,000 |
| 95054 | \$5,000,000 |

Sincerely,



Frank E. Schmidt, MAI, SRA

²2020-2021 Uniform Standards of Professional Appraisal Practice (USA, The Appraisal Foundation, 2020)

TABLE OF CONTENTS

| | |
|---|----|
| EXECUTIVE SUMMARY | 5 |
| GENERAL ASSUMPTIONS AND LIMITING CONDITIONS | 6 |
| CERTIFICATION | 8 |
| SCOPE OF THE ASSIGNMENT | 9 |
| DEFINITIONS | 11 |
| REAL PROPERTY, REAL ESTATE, AND PERSONAL PROPERTY APPRAISED | 12 |
| PREVIOUS APPRAISALS | 13 |
| REGION & CITY DESCRIPTION | 13 |
| MARKET CONDITIONS | 17 |
| LAND USE ORDINANCES | 35 |
| HIGHEST AND BEST USE | 35 |
| APPRAISAL PROCESS | 36 |
| AVERAGE VALUE ESTIMATE IN 95050 ZIP CODE | 37 |
| AVERAGE VALUE ESTIMATE IN 95051 ZIP CODE | 62 |
| AVERAGE VALUE ESTIMATE IN 95054 ZIP CODE | 65 |
| RECONCILIATION AND OPINION OF AVERAGE VALUES | 68 |
| ADDENDA | 70 |

EXECUTIVE SUMMARY

CLIENT : City of Santa Clara

LOCATION : City of Santa Clara, California

PROPERTY TYPES : Very Low-Density Residential, Low-Density Residential, Medium-Density Residential, High-Density Residential, Commercial, and Industrial Land

SITE AREA : Each Hypothetical Lot is One Acre

FLOOD HAZARD STATUS : Zone X; the hypothetical lots are outside any flood zones

EARTHQUAKE FAULT ZONE : The hypothetical lots are not located in an Earthquake Fault Zone as designated under the Alquist-Priolo Earthquake Fault Zoning Act.

GENERAL PLAN, & HIGHEST AND BEST USE :

| Use of Hypothetical Lot | General Plan | Highest & Best Use |
|------------------------------|---|---|
| Very Low Density Residential | Very Low Density Residential (up to 10 DU/AC) | Very Low Density Residential (10 DU/AC) |
| Low Density Residential | Low Density Residential (8 to 19 DU/AC) | Low Density Residential (13 DU/AC) |
| Medium Density Residential | Medium Density Residential (20 to 36 DU/AC) | Medium Density Residential (30 DU/AC) |
| High Density Residential | High Density Residential (37 to 50 DU/AC) | High Density Residential (45 DU/AC) |
| Commercial | Regional Commercial | Hold for Development of a Commercial Building |
| Industrial | Light Industrial | Industrial Building |

EFFECTIVE DATE OF VALUE : December 31, 2024

PROPERTY RIGHTS APPRAISED : Fee Simple Estate

AVERAGE VALUE CONCLUSIONS :

| Zip Code | 2024 Average Value per Acre |
|----------|-----------------------------|
| 95050 | \$5,180,000 |
| 95051 | \$5,340,000 |
| 95054 | \$5,000,000 |

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal and report were made applying these **general assumptions**:

1. No responsibility was assumed for the legal description or for matters including legal or title considerations. Title to the hypothetical properties was assumed to be good and marketable and free and clear of all liens, encumbrances, easements, and restrictions except those specifically addressed in this report;
3. Responsible ownership and competent property management were assumed;
4. The information furnished by the Client and others was believed to be reliable. However, no warranty is given for its accuracy;
5. All engineering was assumed correct. Plot plans or any other illustrative material in this report were included only to assist the reader in visualizing the property;
6. It was assumed that there are no hidden or unapparent conditions in the hypothetical properties that render them more or less marketable or valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them;
7. Unless otherwise stated in this report, the existence of hazardous material, toxic waste, and/or other environmental impairments which may or may not be present on or in the hypothetical properties, was not investigated by this consultant.

As real estate consultants, we are not qualified to properly investigate this property for any discharge, spillage, uncontrolled loss, seepage, filtration, or storage of hazardous substances which may adversely affect the value of this property. Neither are we qualified to detect the presence of substances such as asbestos, urea-formaldehyde foam insulation, nor other materials that could create an environmental impairment to the subject property or to other property caused by conditions present at the subject property. Our opinion(s) were predicated on the assumption that there is no such material on or in the property that would affect market value. No responsibility was assumed for any such conditions or for any expertise or engineering knowledge required to discover and/or correct them;

8. It was assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless non-compliance is stated, defined, and considered in the report;

9. It was assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal and reported in the report; and
10. It was assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate or other opinion contained in this report are based;

This report has been made with the following **limiting conditions**:

1. Possession of the report, or a copy thereof, does not carry with it the right of publication or use. It may not be used for any purpose by any person other than the Client(s), for the Intended Use specified in the engagement agreement and/or report;
2. The consultant is not required to give further consultation, testimony, or attend court for matters involving the subject property unless arrangements have been previously made; and
3. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the Consultant, or the firm with which the Consultant is connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the Consultant.

Reader Note:

There may be other appropriate and more specific limitations on our opinions or conclusions identified in the cover letter or report as *Hypothetical Conditions, Extraordinary Assumptions, or Contingencies*.

CERTIFICATION

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 the property that is the subject of this report and no personal interest with respect to the parties involved.
4. I previously appraised the subject of this report for the same Client on several occasions, most recently in an appraisal report transmitted March 1, 2024 and having a date of value of December 31, 2023.
5. I have no bias with respect to the property that is 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 the 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* (USPAP).
9. I have not inspected the property that is the subject of this report since the subject lots are hypothetical.
10. Under my direction, Mr. Dennis Moredock verified the comparable data, performed analysis, and wrote the first draft of the appraisal report.
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 & Standards of Professional 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, I have completed the continuing education program for Designated Members of the Appraisal Institute.



Frank E. Schmidt, MAI, SRA

March 1, 2025
Date

SCOPE OF THE ASSIGNMENT

Information Provided to the Appraisers

The Client provided excerpts from the Parks and Recreation Facilities Fee Study completed by Willdan Financial Services. Old Republic Title Company provided Santa Clara sales statistics of land areas to assist us in estimating the weighted land average of all the sale transactions that occurred in the City of Santa Clara in the 12 months preceding the date of value. We were also provided the “Supplemental Instructions for Appraisal” approved by Santa Clara City Council on June 7, 2016, which are displayed in the Addenda. Lastly, in previous appraisals, City Parks provided us with the Park Impact Fee Ordinance (No. 1928).

Extent of Research into Physical Factors

We drove several streets throughout Santa Clara over the past several years including various times in 2016, 2017, 2020, 2021, 2022, 2023, and 2024. We note changes that are occurring or have occurred, particularly regarding new developments. We gathered data about land use ordinances for each hypothetical lot and the comparables from the websites of the appropriate municipalities.

Extent of Research into Economic Factors

We gathered, analyzed, and applied macro-economic information gleaned from many sources, including:

- The Wall Street Journal
- 12th District Beige Book
- GlobeSt.com
- CoStar News
- The Kiplinger Letter
- DQ News/CoreLogic

We gathered, analyzed, and applied data about market conditions and other micro-economic information from:

- Websites of Commercial Brokerages
- Commercial and/or residential multiple listing services
- Silicon Valley Business Journal
- San Jose Mercury News
- Discussions with agents active in the subject market

We talked to the buyers, sellers, and agents whose names we discovered on signage in the neighborhood and during comparable verification. We learned about additional market data from these people.

Extent of Comparable Data Research

We used a variety of sources and subscription services to gather comparable data, including:

- Verified Data Files from Other Appraisals
- CoStar Group
- DataTree
- MLSlistings.com
- LoopNet
- Commercial Real Estate Brokerage Websites

Verification

The most appropriate data that we discovered was verified with a party to the transaction. When that was not possible, we discuss and/or state the verification source(s), using public record data, subscription services, MLS, etc. in the Analysis section.

Among the comparables selected we studied copies of the assessor's parcel maps, public record summary, aerial maps, records of survey, and other data such as structural, geological, or environmental reports, subdivision maps, title reports, etc. We also reviewed planning proposals/approvals and permit histories where appropriate.

Type and Extent of Analysis Applied

The data is summarized on spreadsheets displayed in the Analysis sections following. The analysis was comparative, iterative, qualitative, and quantitative.

Compliance

It was the intent of this appraisal to comply with the requirements of:

- The Uniform Standards of Professional Appraisal Practice (USPAP) including the Ethics and Competency Provisions as promulgated by the Appraisal Standards Board of the Appraisal Foundation.

- The Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.
- The City of Santa Clara’s “Supplemental Instructions for Appraisal”

DEFINITIONS

According to the California Code of Civil Procedure, Section 1263.320 defines **Fair Market Value** as:

“(a) the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing, and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available.

(b) The fair market value of property taken for which there is no relevant, comparable market is its value on the date of valuation as determined by any method of valuation that is just and equitable.”

Revised federal definitions in the Uniform Act identify the definitions of “market value” and “fair market value” as one and the same. These terms are used interchangeably in this report.

Weighted Average means an average resulting from the multiplication of each component by a factor reflecting its importance or contribution.

Average Value means a value that is calculated by adding values together and then dividing the total by the number of values.

Fee Simple Estate means 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.”³

³ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed., (Chicago: Appraisal Institute, 2015)

REAL PROPERTY, REAL ESTATE, AND PERSONAL PROPERTY APPRAISED

Real Property is defined as all of the interests, benefits, and rights in the ownership of the physical real estate, that is, the bundle of rights with which the ownership of the real estate is endowed. Real estate is defined as physical land and appurtenances attached to the land.

Real Property Rights Appraised

The subject properties are hypothetical unimproved lots and the fee simple estate is appraised.

Real Estate Appraised

It is an assumption of this appraisal that the subject's hypothetical finished lot is graded and level, all utilities and services are stubbed to the site, is ready for building improvement, and defined as follows:

- Area** : One acre
- Shape & Frontage** : Shape is rectangular with typical frontage along one street.
- Topography** : Level, at street grade
- Drainage** : Adequate
- Utilities & Services** : The municipality provides water, electrical, and sewer services. A private contractor provides garbage service. Local utility companies provide telephone and cable. All utilities are piped and wired onto the hypothetical lot.
- Easements** : Typical public utility easements along frontage presumed.
- Soil Conditions** : It is a general assumption of this appraisal that the hypothetical site is suitable for any legally permissible and physically possible use.
- Environmental Impairment Issues** : It is a general assumption of this appraisal that there are no environmental issues that affect the market value of the hypothetical lots.

- Off-Site Improvements** : Street is fully improved and maintained by the City; it is asphalt paved with streetlights, curbs, gutters, and sidewalks.
- Street Access** : Rates average in comparison to competing properties.
- Exposure/Visibility** : Rates average in comparison to competing properties for each hypothetical use.
- Flood Hazard Status** : Hypothetical lot is presumed to be within Zone X, which denotes areas of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level.
- Earthquake Fault Zone** : The hypothetical lot is not located in an Earthquake Fault Zone as designated under the Alquist-Priolo Earthquake Fault Zoning Act.
- Improvements** : None

Personal Property Appraised

We did not appraise any personal property.

PREVIOUS APPRAISALS

The author previously appraised the subject(s) of this report for the City of Santa Clara on several occasions, most recently in an Appraisal Report transmitted March 1, 2024 with an effective date of opinion of December 31, 2023. The next most recent appraisal of the subject was transmitted March 1, 2023 with an effective date of opinion of December 31, 2022. The intended use of all appraisals was the same: to assist the City in determining park impact fees.

REGION & CITY DESCRIPTION

The County of Santa Clara is located at the southern end of San Francisco Bay. It encompasses about 1,304 square miles of land with 15 incorporated cities and towns. According to the California Department of Finance (CDF) Population and Housing Estimates (E-1) last released May 2024, on January 1, 2024, the county had a population of 1,903,198, a change of less than 1.0 percent from the January 2023 estimate. Over the past several years, Santa Clara County had been experiencing strong employment conditions. Prior to the COVID-19 pandemic, unemployment was at historical lows and essentially reflected full employment conditions. According to statistics published by the State of California Employment Development Department (EDD), the Santa

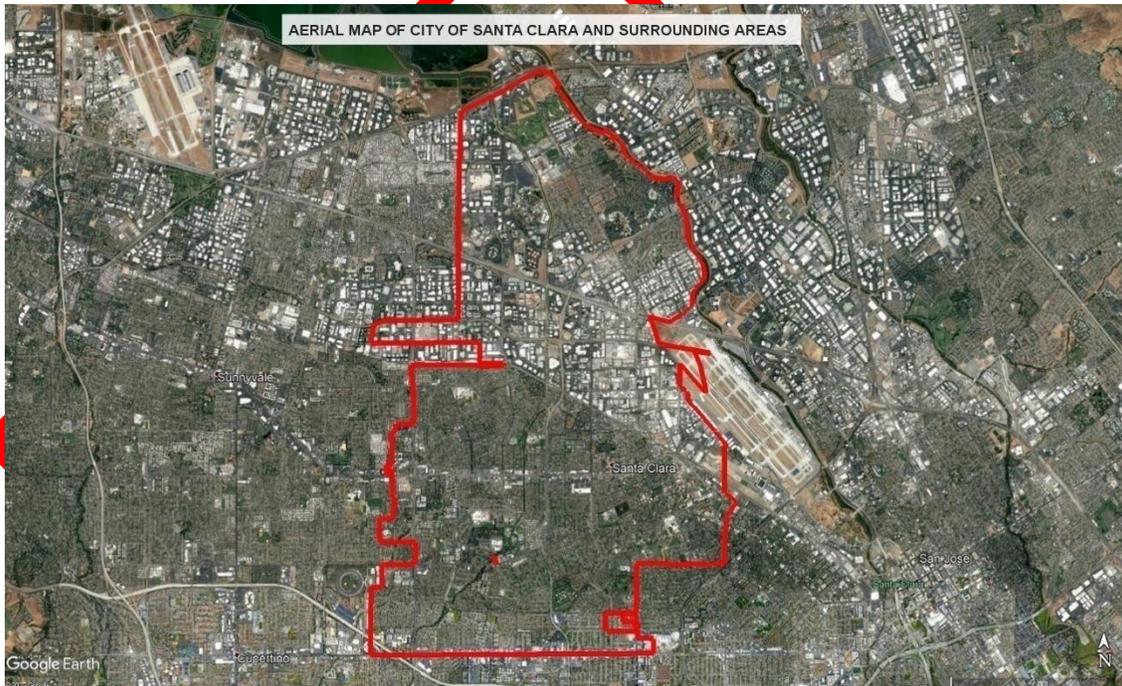
Real Estate Appraised: Three Hypothetical One-Acre Lots, One for Each Zip Code, Santa Clara, CA

Clara County unemployment rate was 3.8% in December 2024, based on a labor force of 1,029,400. This is an increase from the March 2020 unemployment rate of 3.4%, prior to COVID-19. It is slightly lower compared with the one-year prior unemployment rate (December 2023) of 3.9%, based on a labor force of 1,046,800 jobs.

Santa Clara County, which makes up the bulk of Silicon Valley, is highly dependent on technology employment, including Adobe, Apple, Applied Materials, Cisco, eBay, Flextronics, Google (Alphabet), HP, Intel, Intuitive Surgical, Lockheed Martin Space Systems, Microsoft, Netapp, Oracle, PayPal, and Tesla.

The City of Santa Clara covers about 18.4 square miles and is surrounded by San Jose on the north, east, and south, and is adjacent to Sunnyvale and Cupertino on the west. The City of Santa Clara's population estimate was 132,048 as of January 1, 2024 (released May 2024), according to the CDF, about 0.3% lower than 12 months earlier. Employment conditions in the City of Santa Clara followed a similar trend as seen in Santa Clara County. Unemployment, according to the EDD, was reported at a rate of 3.3% in the city of Santa Clara as of December 2024, based on a labor force of 72,800. The unemployment rate has generally followed a downward trend since peaking in April 2020 at 9.5%. Still, the current rate is above the rate of 2.1% reported in December 2022.

An aerial of the City of Santa Clara (outlined in red) and surrounding areas is shown below:



The two largest employers in the City of Santa Clara are Intel and Applied Materials. Other high-tech companies, such as AMD, Nvidia, Oracle, Ericsson, Palo Alto Networks, Sun Microsystems, ServiceNow, and Agilent Technologies have offices in the city. Other large employers include

California's Great America Theme Park, Levi's Stadium, Santa Clara City Hall, Kaiser Foundation Health Plan, Mission College and Santa Clara University. The City of Santa Clara is the supplier for the City's water and electric power, which it claims can save small industries almost 50% on their utility costs.

Levi's Stadium, the home of the San Francisco 49ers, opened over the summer of 2014 in the northern portion of the city, adjacent to Great America Theme Park and the existing 49ers practice facility. The Santa Clara Convention Center is also nearby and offers about 302,000 square feet of meeting space.

The opening of Levi's Stadium spurred an increase in demand for nearby properties. Currently there are fourteen projects under construction and another fourteen projects pending review. As of June 2024, the City of Santa Clara reported that "More than \$3 billion in new development projects are on the horizon for Santa Clara in the next few years, with the likelihood of more to come." There are several projects under construction throughout the city and several proposals in progress that are anticipated to add thousands of square feet of new retail, office and residential. The largest proposal is from Related California and is named Related Santa Clara (5155 Stars & Stripes Drive). The project is a 240-acre mixed use development located across from the street from Levi's Stadium. It would include 9.16 million gross SF of office, residential units, retail and entertainment facilities, hotel rooms, and surface and structured parking facilities. The first development phase was approved and was slated to open to the public in 2023 but was delayed by the pandemic. Currently there is an application to amend the Master Community Plan (MCP) to accommodate a new alternative development scheme with a different mix of land uses.

A 190-room hotel on a 1.96 acre site is currently under construction at 2900 Lakeside Drive (Cambria Hotel project). Gateway Crossings (Hunter/Storm) at 1205 Coleman Avenue is the construction of a phased, mixed-use development on 23.8 acres consisting of 1,565 residential units, a 152,000 square foot, 225 room, full-service hotel, 45,000 square feet of supporting retail, a 2.1-acre park, and structured parking facilities. Laguna Clara II Development Project (Equity) at 3131 Homestead Road is a residential development involving the demolition of three two-story apartment buildings and one-half of a two-story apartment building (removing 42 dwelling units and retaining 222 dwelling units), two accessory buildings (central boiler room and a clubroom/leasing office) and four carport structures to construct a four-story apartment building with 225 units over a partially subgrade parking garage for a total of 447 dwelling units on the site.

1530-1540 Pomeroy Avenue is currently under construction to build six 3-story townhomes and two detached, 2-story single-family homes with a condominium map on two contiguous residential lots with a total lot area of 0.48 acres with 19 parking spaces. The project involves demolition of two existing one-story single-family homes. 3155 El Camino Real is currently under construction to build a 60-unit, three-story townhome development. 3625 Peterson Way is two new, eight-story

office buildings connected by bridges at two levels, a four-level parking structure with attached amenity building that includes a roof deck, surface parking, and site landscaping. The total building area is 695,435 square feet and the project includes demolition of existing structures. 88 Saratoga Avenue is a development of 200 affordable rental apartments and 8,625 square feet of commercial development on a 1.98-acre parcel. Other proposed residential and commercial projects are currently pending review. Additional development in the city includes both smaller residential and commercial developments and continued residential build-out of the Tasman East and Lawrence Station areas.

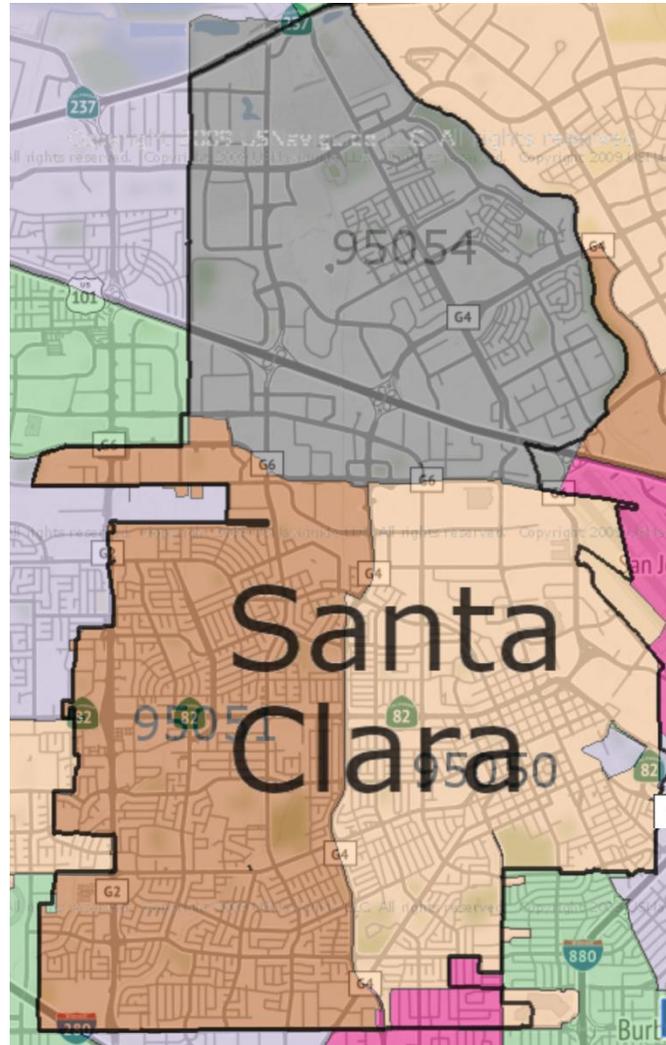
The City’s median household income was estimated by the U.S. Census Bureau at \$173,670 in 2023 (2019-2023) and the per capita income was about \$84,533. The United States Census Quick Facts for 2019-2023 indicated the following demographics in Santa Clara:

| | |
|---|--------|
| Total Households | 48,601 |
| Owner Occupied Housing Unit Rate | 41.2% |
| Average Household Size | 2.57 |
| Bachelor’s Degree or Higher | 65.3% |
| In Civilian Labor Force | 71.7% |

The City is home to Santa Clara University, Mission College, a public community college, and Golden State Baptist College. The City is primarily served by Santa Clara Unified School District, which includes 19 schools spanning transitional kindergarten through high school. The southwest corner of the City is served by Cupertino schools.

The City of Santa Clara and Santa Clara County benefit from a number of freeways, arterials, and expressways that provide access to most areas of the region, including three interstate highways, I-280, I-880, and I-680 in addition to several federal and state highways, US-101, CA-85, CA-87, CA-17, and CA-237. Caltrain, Amtrak, and ACE rail transportation, light rail, and VTA bus services provide mass transit for the city, connecting Santa Clara to the greater Bay Area. Located adjacent the City’s eastern border is the Norman Y Mineta San Jose International Airport, with service to about 30 destinations.

There are three primary zip codes within the city, which are shown on the following map as the color-coded areas within the black-outlined city limit boundaries. Note that the 95053 zip code applies to Santa Clara University, which is located within the Santa Clara city limits, but was not included as part of this appraisal.



Source: zipmap.net

Conclusion

All locations within Santa Clara are proximate to nearby job centers, retail, housing, and linkages, contributing to the long-term demand for sites within the city.

MARKET CONDITIONS

The *Winter 2025 Allen Matkins/UCLA Anderson Forecast California Commercial Real Estate Survey*, “taken after the November election, shows how developers and stakeholders of office, retail, industrial and multifamily spaces view the future and by implication, how they will invest. It also reflects how the nation, and by extension, California, has been anticipating potential changes in federal policies from the new presidential administration.”

In the following narrative we present some statistics and comments regarding the market conditions for each land use we are appraising. Land market conditions for each of these uses are not typically tracked by any firms that we are aware of; it has been my experience and historically as reported by market participants that the land market for these uses typically trend with the improved properties, oftentimes leading. We report on the sale, rental, and construction trends of the respective markets, in estimating the appropriate market conditions adjustments used in our following analysis.

Regional Economic Conditions

Integra Realty Resources (IRR) reported in their 2025 Viewpoint, “Through a tumultuous 2023, with inflation the United States hadn’t experienced since the 1980’s, and up through September 2024 when the Federal Reserve made its first rate cut, the real estate players kept biting their nails and praying for the multiple rate cuts they had anticipated twelve months earlier. The September rate cut fell flat as the country grappled with a Presidential election battle. The 25-basis point cut in December came with a Fed warning that the target rate still considered inflation risks “somewhat elevated,” cautioning not to expect aggressive rate cuts in 2025.”

Commercial Market Conditions

Commercial properties typically include office and retail uses. We discovered that office properties are generally being built in the central business districts and in light industrial locations. Research and development (R&D) properties have historically been a subcategory of industrial. However, R&D can rival office space in terms of finishes and quality and we have elected to include a discussion of the R&D submarket as part of the commercial market. Many of the traditional retail corridors in this region, El Camino Real in particular, have land use ordinances that allow for residential mixed-uses.

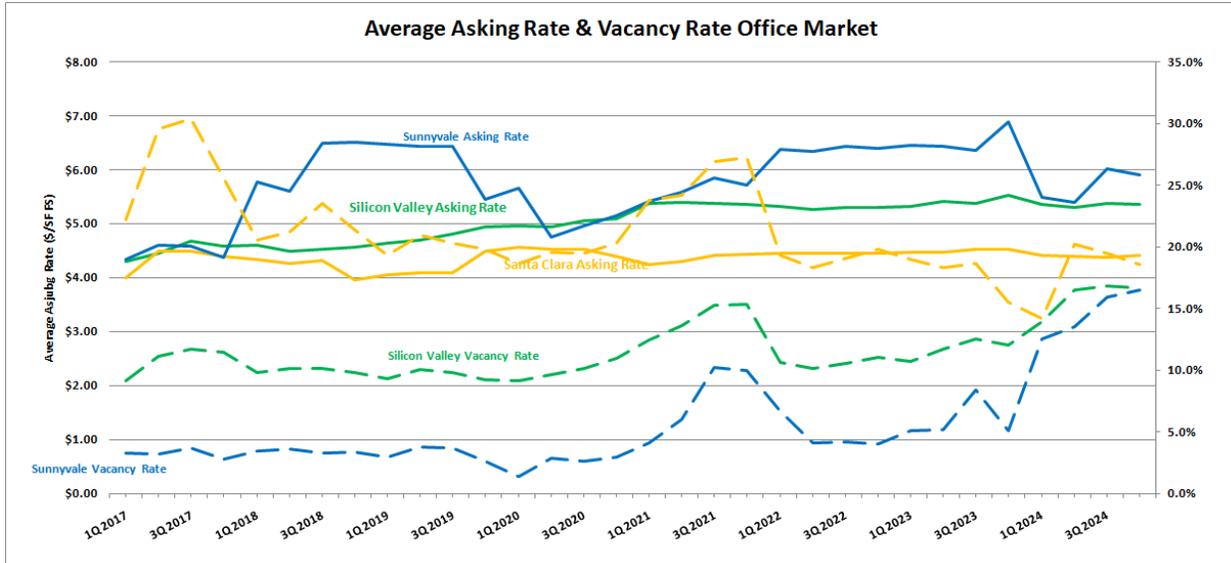
In this market, real estate brokerages track office and retail statistics by city or submarket; they are not broken out by zip code. Following we present the relevant statistics pertaining to the Santa Clara market and provide comments from market participants regarding the perceived differences in each of the Santa Clara zip codes that the three hypothetical lots being appraised are located.

Office Market

The Silicon Valley office market from early 2017 through 4Q-2024 was generally characterized by increasing vacancy rates, negative net absorption, and overall flat to slightly decreasing average asking rental rates. The next table displays data from the Colliers International’s 4Q-2024 Silicon Valley R&D Market Snapshot and its predecessor reports. The table includes statistics from the

Silicon Valley market, the subject's submarket (Santa Clara), and the adjacent Sunnyvale submarket.

OFFICE STATISTICS



Sources: Colliers Market Reports

The data indicates that the office vacancy rate in Santa Clara generally increased slightly from Q1-2024 through Q4-2024. The Silicon Valley market has been more stable overall with vacancy reported at 16.6% for Q4-2024, slightly down from the 16.8% rate in the third quarter 2024. The region's availability represents approximately 20.6 million square feet of vacancy in 4Q-2024 for Silicon Valley.

Cushman & Wakefield reported key 2024 lease transactions in the City of Santa Clara included the San Francisco 49ers new lease of 52,050 square feet at 4655 Great America Parkway, KPMG's new lease of 51,314 square feet at 2755 Augustine Drive, Verb Surgical's lease renewal of 229,626 square feet at 5490 Great America Parkway, Siemens new lease of 61,634 square feet at 5455 Great America Parkway, Amazon's new lease of 181,562 square feet at 2795 Augustine Drive, and Ericsson's lease renewal of 53,548 square feet at 2755 Augustine Drive.

The average office asking rent in 4Q-2024 for the City of Santa Clara was \$4.41/SF/Month on a Full-Service expense basis, whereby taxes, insurance, maintenance, utilities, and janitorial expenses are bundled into the base rent. This is slightly less than the \$4.53/SF/Month asking rate from one year ago.

Cushman & Wakefield's 4Q-2024 Silicon Valley Marketbeat Office Report shows that in the Silicon Valley area, which includes Santa Clara, office vacancy increased from 4Q-2023, but began stabilizing in 2024.

Cushman & Wakefield reported the following trends in the Silicon Valley area:

SPACE DEMAND / DELIVERIES



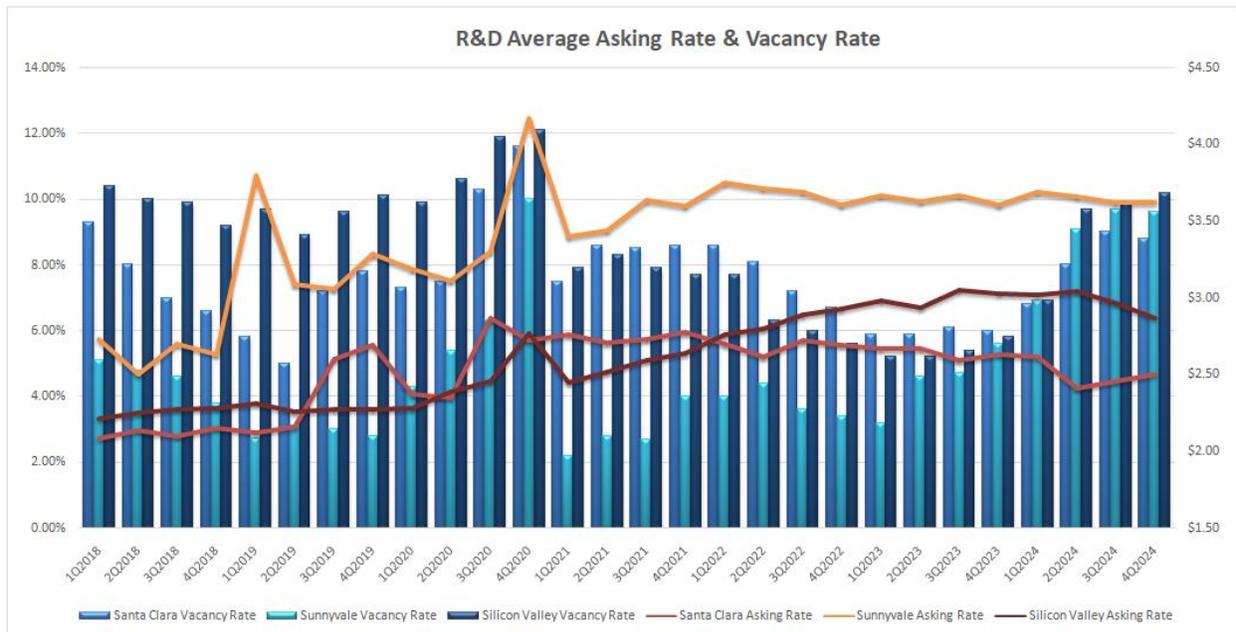
OVERALL VACANCY & ASKING RENT



There are several office developments under construction in Silicon Valley and the City of Santa Clara. Notable developments in the City of Santa Clara were previously discussed.

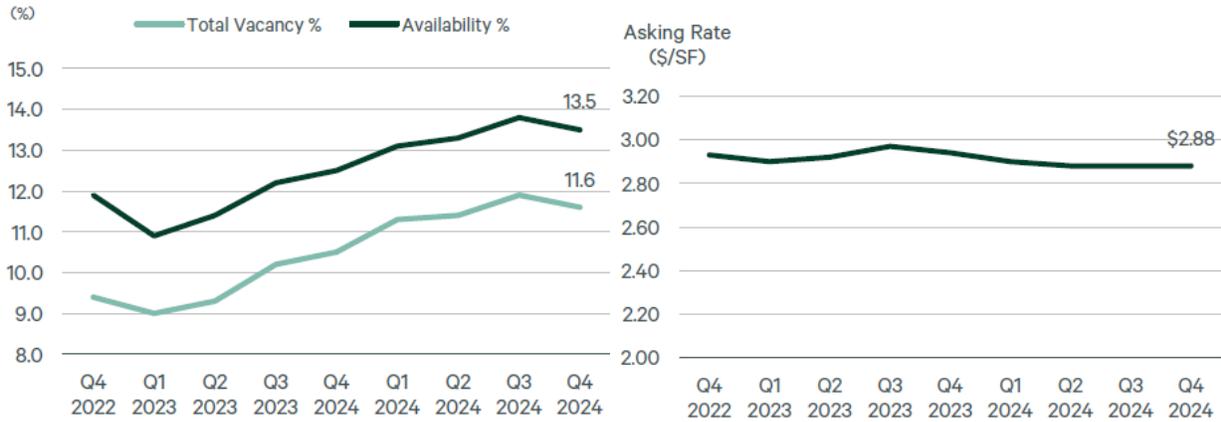
Research and Development (R&D) Market

The next table displays data from Colliers International’s 4Q-2024 Silicon Valley R&D Market Snapshot and its predecessor reports. The table includes statistics from the Silicon Valley market, the subject’s submarket (Santa Clara), and the adjacent Sunnyvale submarket.



Source: Colliers Market Reports

The next tables display data from CBRE’s 4Q-2024 Silicon Valley R&D Market:



Source: CBRE

As shown above, Silicon Valley’s R&D market experienced an overall increasing vacancy rate in 4Q-2024. Meanwhile, asking rents in Santa Clara have declined from \$2.62/SF/month in 1Q-2024 to \$2.50/SF/month in 4Q-2024 on a NNN expense basis. A NNN expense basis in this market means the landlord is only paying for management of the account and reserves for replacement, while the tenant typically pays all other operating expenses.

Retail Market

Cushman & Wakefield is a brokerage firm that publishes quarterly reports for the retail market in the Silicon Valley. They reported in their Q4-2024 *Marketbeat Silicon Valley Retail* that: The unemployment rate in Silicon Valley increased to 4.2% at the close of 2024. Despite this rise, the region saw job growth. Silicon Valley also maintained its top position in median household income nationwide at approximately \$165,200. The population also showed a steady growth rate at 0.6%.

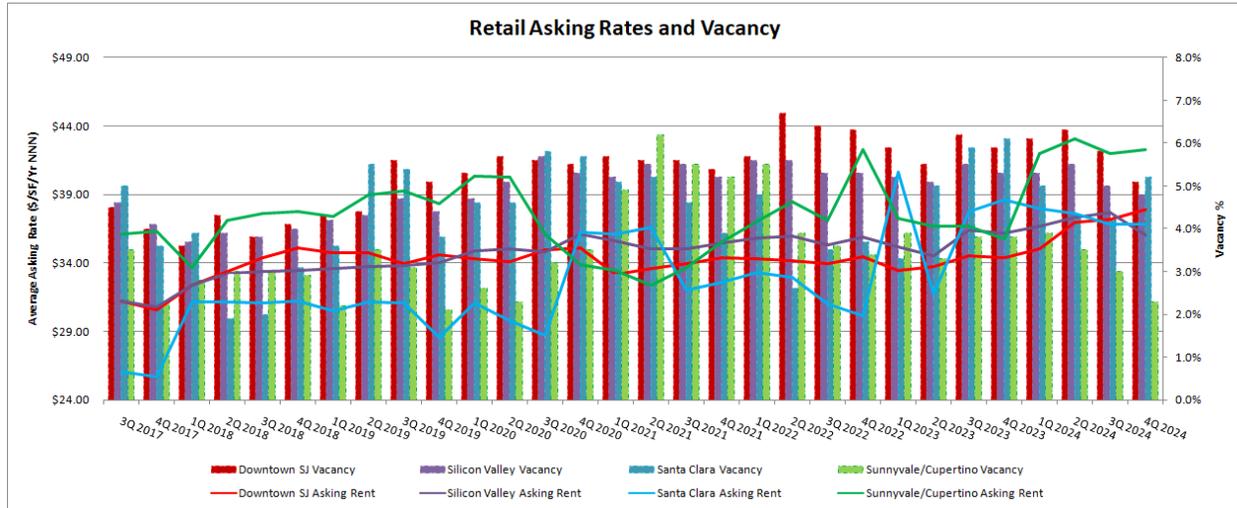
Spending Patterns

General market conditions for the retail real estate segment can be indicated by taxable retail sales. Typically, a market where taxable retail sales are increasing would be supportive of additional retail development as existing retailers are willing to expand and new retailers are interested in entering the market. The converse is true when taxable retail sales are declining.

Average Asking Retail Rental Rates and Vacancy Rates

The Cushman & Wakefield Q4-2024 *Marketbeat Silicon Valley Retail* reported that: The Silicon Valley retail market demonstrated significant recovery in 2024, achieving its lowest vacancy rate in six years. At the close of 2024, the vacancy rate dropped to 4.8%, marking the first time it has fallen below 5.0% since late 2018.

The chart below displays the average asking rental rate and vacancy for the Santa Clara submarket, Sunnyvale/Cupertino submarket, Downtown San Jose submarket and Santa Clara County (Silicon Valley Total) taken from Cushman Wakefield and its predecessor retail reports from 3Q-2017 onwards:



As indicated in the table above, the Santa Clara County retail market had an average asking rent of \$3.00/SF/Mo NNN in 4Q-2024 which is a slight decrease compared to \$3.01/SF/Mo NNN in 4Q-2023. Neighborhood and community centers account for most of the vacancies in the market. In 4Q-2024 asking rents averaged \$3.07/SF/Mo NNN in the subject’s Santa Clara submarket which is a decrease compared to \$3.17/SF/Mo NNN in 1Q-2024. In 4Q-2024 the retail vacancy rate in Santa Clara was reported at 5.02%. As discussed previously, several new projects in the city of Santa Clara include new supporting retail development. Subject’s Santa Clara retail submarket inventory decreased slightly from 2,563,191sq.ft. in 1Q-2024 to 2,540,133sq.ft. in 4Q-2024. Key lease transactions in 2024 include a new lease of 10,900sq.ft. at 901 Laurelwood Road and a new lease of 24,500sq.ft. at 1351 Coleman Avenue (Coleman Crossroads Shopping Center).

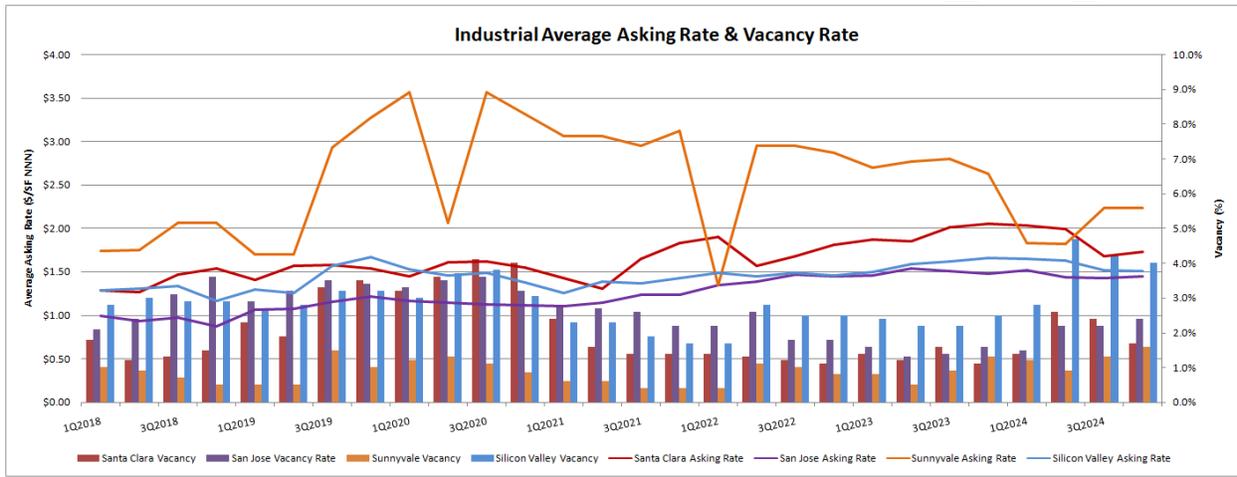
According to Marcus & Millichap’s Hospitality Report for Midyear 2024 - *San Francisco Metro Area (which includes Santa Clara)*, “San Francisco’s elongated recovery faces additional roadblocks. The metro’s hospitality sector is enduring a unique set of challenges amid record-high office vacancy, a slow return of international travelers from Asia, concerns over safety in the city, and recent tech industry headwinds. This combination has stunted the post-pandemic momentum that other locations across the country have benefited from recently.”

Industrial Market Conditions

We referenced industrial (manufacturing) and warehouse market data from brokerages Cushman & Wakefield and Colliers International; we also interviewed local market participants for this

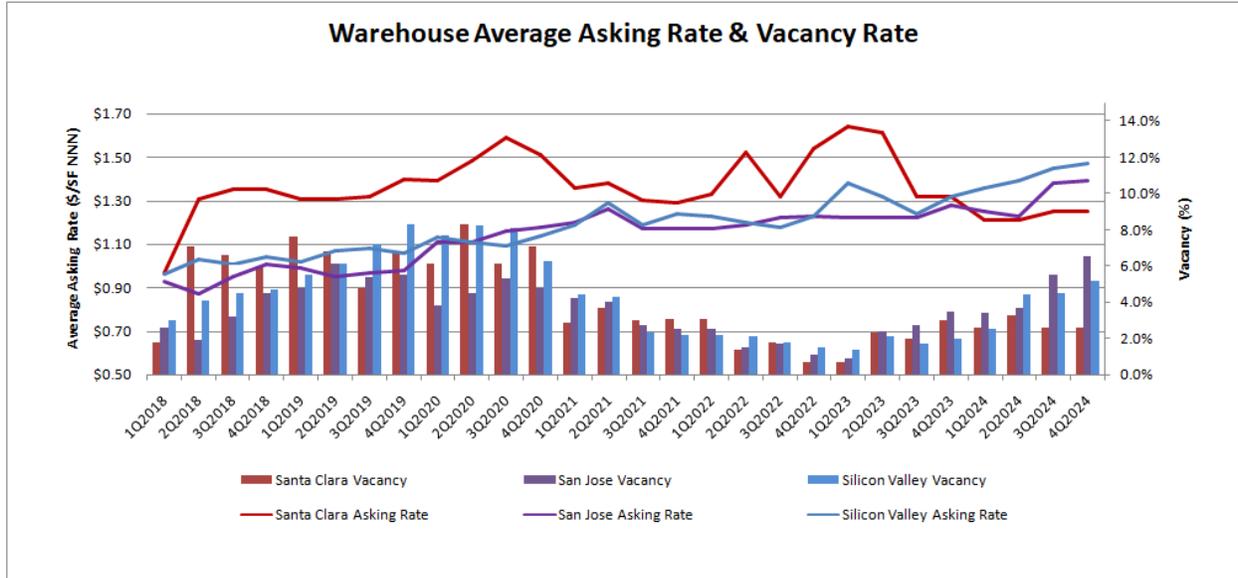
report. Cushman & Wakefield reported in its *Marketbeat Silicon Valley Industrial Q4-2024*, that “Despite continuing economic uncertainty, industrial vacancy is expected to remain low due in large part to persistent demand from e-commerce, last mile delivery, and a long-term growing need from the life science sector for advanced manufacturing and distribution.”

The next chart shows industrial rental rate and vacancy trends since 1Q-2018 based on data from Colliers International. The chart shows generally increasing vacancy rates and slightly decreasing asking rental rates in the City of Santa Clara in 2024.



Vacancy rates for manufacturing were generally increasing in Silicon Valley in 2024. A similar trend has played out in other submarkets with some fluctuation. Manufacturing rental rates in Santa Clara continue to decrease; the asking rental rate fell from \$2.05/SF/month NNN in 4Q-2023 to \$1.73/SF/month in 4Q-2024. Within Silicon Valley, the average asking rate for warehouse space was \$1.51/SF/month in 4Q-2024 compared to last year’s rate of \$1.66/SF/month.

Warehouse data collected from Colliers International’s *Silicon Valley Research & Forecast Report Q4 2024* and its predecessor reports are displayed in the next chart:



Warehouse vacancy rates in Silicon Valley have been fluctuating for several years with an increasing vacancy rate of 5.2% in the 4Q-2024 compared to 2.0% in Q4-2023. Warehouse rental rates in Santa Clara are reported to have decreased; the asking rental rate decreased from \$1.32/SF/month in 4Q-2023 to \$1.25/SF/month in 4Q-2024. Within Silicon Valley, the average asking rate for warehouse generally increased to \$1.47/SF/month in 4Q-2024 compared to last year's rate of \$1.32/SF/month.

Data centers are one of the largest industrial occupancy groups in Santa Clara, due mostly to Silicon Valley Power, which has lower rates than elsewhere in the Bay Area. The rise of remote working reinforced the need and demand for data centers. We discovered several expansion plans and construction occurring on existing sites. There have been several land sales in recent years in Santa Clara that are proposed for new data centers. Market participants report that data center operators will pay a premium for a larger site in Santa Clara. Two (data center) sites in Santa Clara were sold in 2021 (see Industrial Land Comparables I-1 and I-2, these are the most recent data center land sales that we uncovered and confirmed). One additional transaction at 2315 Mission College Boulevard in Santa Clara (not included in the sales grid) is also a data center land sale that was reported to have been purchased by Amazon Data Services Inc. The 7.04-acre site reportedly sold for \$51,817,500 or \$168.97/sq.ft. of land area. This sale could not be fully confirmed but was reported to have closed escrow on January 4, 2022.

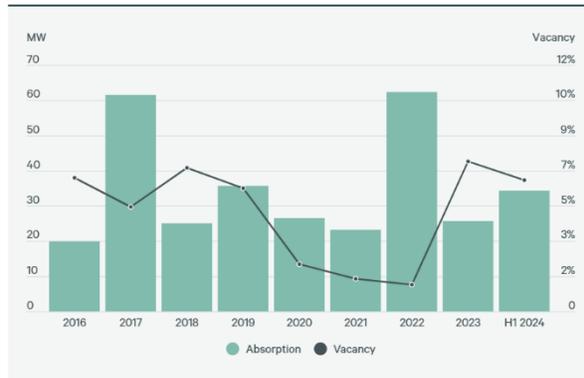
CBRE's U.S. Data Center Trends report for the 1H 2024 (September 2024) indicated the following market changes in Silicon Valley's data center market:

Figure 1: Historical Market Information



Source: CBRE Research, CBRE Data Center Solutions, H1 2024.

Figure 2: Historical Supply and Demand



Source: CBRE Research, CBRE Data Center Solutions, H1 2024.

Limited land and ability to deliver power has caused some providers to explore options beyond Santa Clara in neighboring markets like San Jose and the East Bay Area. The city of Santa Clara is power constrained. Developers have been land-banking available sites while waiting for power delivery. Some of the current projects under construction in the city of Santa Clara include the following: A new data center on a 3.8-acre project site is under construction at 2905 Stender Way. The project includes demolition of the existing single-story buildings, and construction of a four-story, 246,660 square-foot data center building. A second new data center is under construction at 3060 Raymond Street. The construction will convert an existing 24,422 square foot, two-story industrial building to a 9-megawatt data center.

Residential Market Conditions

The National Association of Home Builders, reported; “Fueled by solid demand, single-family construction moved higher in December despite several headwinds facing the industry, including high mortgage rates, elevated financing costs for builders and a lack of buildable lots.

Overall housing starts increased 15.8% in December to a seasonally adjusted annual rate of 1.50 million units, according to a report from the U.S. Department of Housing and Urban Development and the U.S. Census Bureau. This is the highest rate since February 2024.”

The California Association of Realtors (C.A.R.) published their December Home Sales and Price Report in mid-January 2025. The report notes that “Closed escrow sales of existing, single-family detached homes in California totaled a seasonally adjusted annualized rate of 268,180 in December, according to information collected by C.A.R. from more than 90 local REALTOR associations and MLSs statewide. The statewide annualized sales figure represents what would be the total number of homes sold during 2024 if sales maintained the December pace throughout the year. It is adjusted to account for seasonal factors that typically influence home sales.”

“Despite a double-digit annual growth rate, sales of existing single-family homes remained below the pre-Covid norm of 400,000 units (seasonally adjusted and annualized). The strong year-over-year gain observed in December was largely due to low-base effects once again, as home sales in December 2023 dropped to their lowest level since late 2007. Nonetheless, the increases from the prior year and the prior month were encouraging, lifting sales of the entire year modestly above 2023’s level. Sales of existing single-family homes in 2024 totaled 269,030, a 4.3 percent improvement from the year prior, marking the first gain in three years.”

“As projected, both sales and price activity were up modestly in 2024 as California wrapped up the year with a double-digit sales gain over last December,” said C.A.R. Senior Vice President and Chief Economist Jordan Levine. “While the housing market is expected to improve further in 2025, stickier-than-expected inflation, the ongoing insurance crisis, and policy changes under the new White House administration are some of the hurdles that could present challenges for the market in the upcoming year.”

Regional Housing Market

The Standard & Poor/Case-Shiller Home Price Index measures the average change in value of residential real estate given a constant level of quality and reflects single-family housing. It is sometimes referred to as a repeat sale index. The next chart indicates that the index for the subject’s San Francisco Metropolitan Area increased slightly from 352.425 in November 2023 to 359.360 in November 2024, echoing the builder sentiment evident in the Housing Market Index.



Source: S&P Dow Jones Indices LLC

The State of California Department of Finance (DOF) compiles statistics on total housing units in both the cities and counties of California. Based on DOF statistics, Santa Clara County had a total

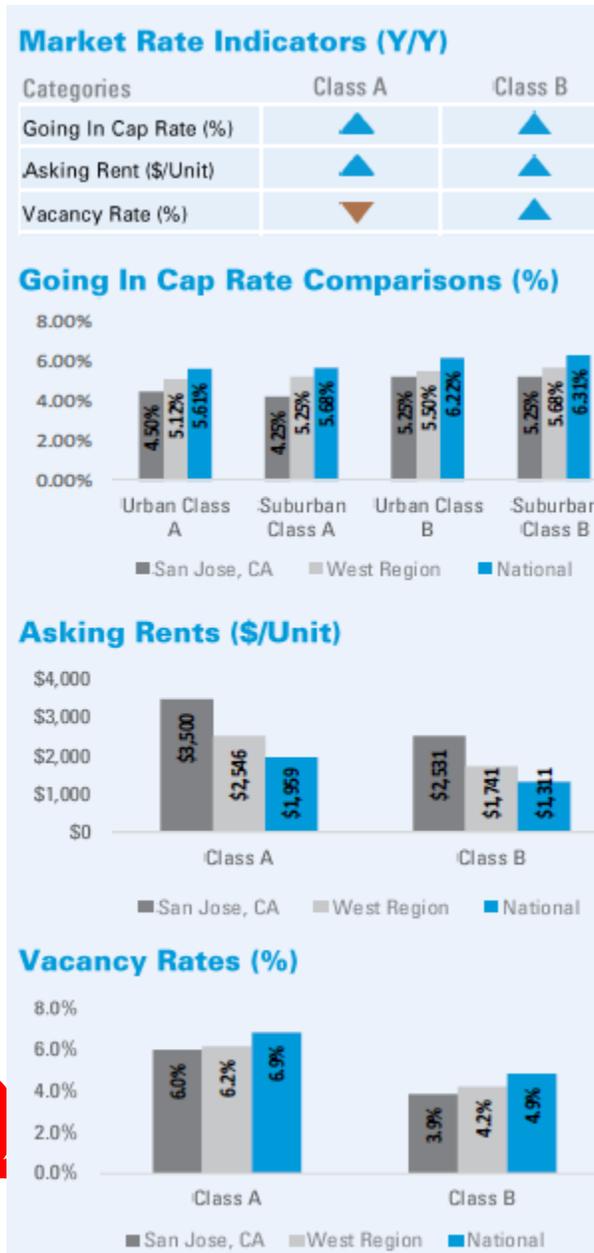
housing supply of 705,646 units as of January 1, 2024. This represents an increase (0.6%) of housing units over the 701,539 units as of January 1, 2023.

In the City of Santa Clara, the DOF reported a total of 53,519 housing units as of January 2024. This represents an increase (0.3%) of housing units from the 53,370 housing units as of January 2023.

Local Multifamily Market

According to Integra Realty Resources Viewpoint 2025 San Jose Multifamily Annual Report, “The Silicon Valley apartment market benefits from strong demographics and a prominent information technology industry presence, which continue to fuel demand for apartments, albeit at a more moderate pace over the past year. Market conditions have improved from the downturn brought about by the pandemic. The region experienced population loss during that time as the opportunity to work remote prompted renters to relocate to more affordable markets. Vacancy increased and rental rate growth declined, particularly in the high-priced submarkets.” “Over the past year, the market has been fairly stable. Demand is lower than the peak in 2021, but still outpaced deliveries, maintaining low vacancy levels and low-to-moderate rent growth. The construction pipeline remains strong, but developers are slowing new project starts amidst costly financing and tight lending requirements. New development is most active in Santa Clara, Sunnyvale and Mountain View/Los Altos.”

Integra Realty Resources Viewpoint 2025 San Jose Multifamily Annual Report summary is displayed in the following charts:



Source: Integra Realty Resources Viewpoint 2025 San Jose Multifamily Annual Report

According to a CoStar report on the local multifamily market, “In Santa Clara, strong demand has reduced the stabilized vacancy rate to under 4%.” “Santa Clara has the second highest number of deliveries in the metro area this year and the highest number of units under construction. Annual absorption of 330 units is also among the metro area's highest. Santa Clara has the second highest number of deliveries in the metro area this year and the highest number of units under construction. Annual absorption of 330 units is also among the metro area's highest.”

“Two communities that opened in the southern part of the submarket in 2023 demonstrate that renters have a good appetite for new apartments. Hanover Winchester, a 5 Star, 366-unit

community located near Santana Row in San Jose, opened in July and is around 84% leased, with average rents of \$4,400/month. Nearby, Agrihood is a 366-unit community that comprises senior, affordable, and market-rate units. The property opened in August 2023 and quickly attracted tenants.

Additional deliveries will occur in the next two years as several projects that are currently under construction are completed. This period will test the strength of demand for apartments in Santa Clara and may result in higher vacancies in the short term.”

Local Single-Family Market

According to the City of Santa Clara General Plan, an estimated 28,500 new jobs will be created and the population will grow by 32,135 people in the City between 2010 and 2035. The General Plan forecasts that 13,222 new housing units will be needed during that same period, based on an estimated household size of 2.5 people. The General Plan also states that household growth in the City has been much slower than the rest of Santa Clara County due to the lack of vacant residential land. Therefore, in order to meet future housing needs, construction of new housing will primarily occur through the redevelopment of existing sites.

Among the 53,519 housing units (January 2024) in the City of Santa Clara, as reported by the DOF, the single-family (attached and detached) market represents about 24,820 or about 46% of the total housing units in the City of Santa Clara.

CoreLogic is a national real estate, mortgage, consumer, and specialized business data provider. DQ News has in the past tracked the annual median home price for all homes (single-family, condo, and townhouse), including new construction, in the City’s three ZIP code areas through 2021. As the DQ News reports are no longer available, all of 2022, 2023, and 2024 year end summary data was obtained from MLS Listings and does not include all new construction.

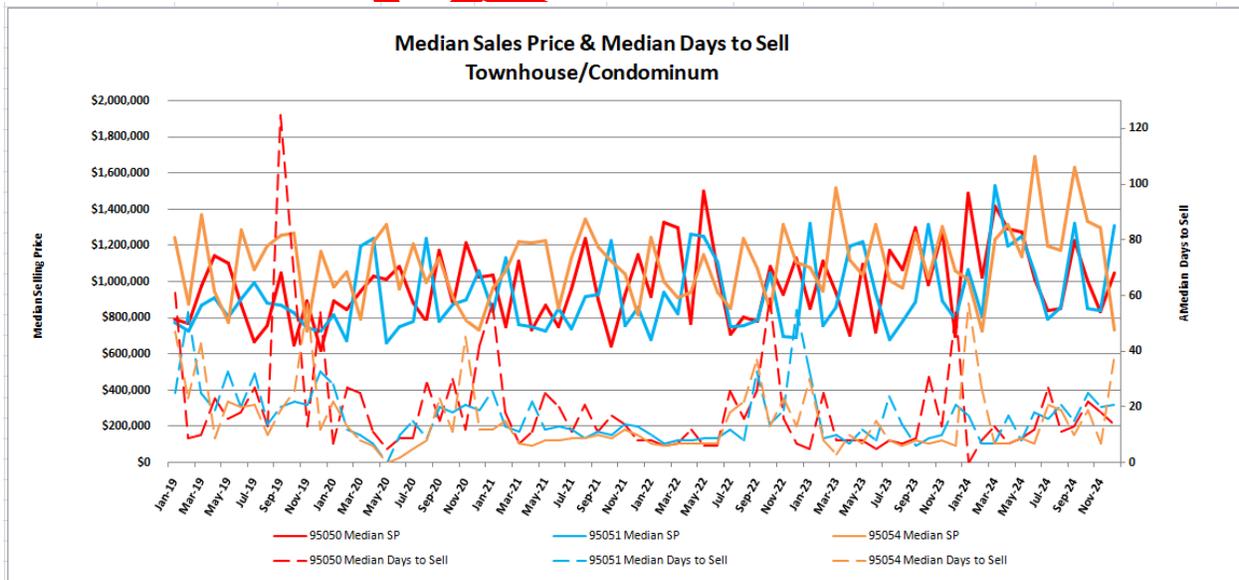
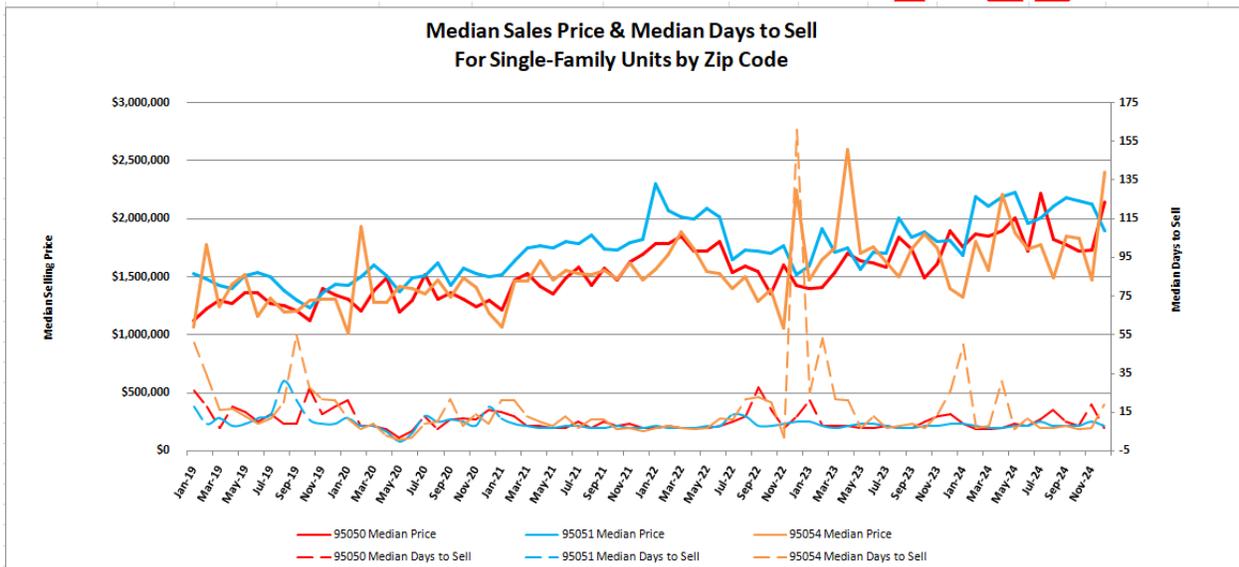
Real Estate Appraised: Three Hypothetical One-Acre Lots, One for Each Zip Code, Santa Clara, CA

| 2018 Year End Summary Sales | | | | | | | | |
|-----------------------------|-------|-------|--------|--------------|-------|-------------|---------|-------|
| Community | Zip | Sales | % Chg | Median Price | % Chg | High Price | \$/SqFt | % Chg |
| Santa Clara | 95050 | 380 | -0.5% | \$1,184,500 | 24.4% | \$2,609,000 | \$887 | 25.0% |
| Santa Clara | 95051 | 484 | -16.6% | \$1,358,000 | 17.0% | \$2,800,000 | \$934 | 14.7% |
| Santa Clara | 95054 | 185 | -25.4% | \$1,250,000 | 23.3% | \$2,400,000 | \$799 | 13.9% |
| 2019 Year End Summary Sales | | | | | | | | |
| Community | Zip | Sales | % Chg | Median Price | % Chg | High Price | \$/SqFt | % Chg |
| Santa Clara | 95050 | 332 | -12.6% | \$1,200,000 | 1.3% | \$2,350,000 | \$837 | -5.6% |
| Santa Clara | 95051 | 461 | -4.8% | \$1,300,000 | -4.3% | \$2,400,000 | \$860 | -7.9% |
| Santa Clara | 95054 | 162 | -12.4% | \$1,140,000 | -8.8% | \$2,450,000 | \$748 | -6.3% |
| 2020 Year End Summary Sales | | | | | | | | |
| Community | Zip | Sales | % Chg | Median Price | % Chg | High Price | \$/SqFt | % Chg |
| Santa Clara | 95050 | 301 | -9.3% | \$1,200,000 | 0.0% | \$2,780,000 | \$834 | -0.4% |
| Santa Clara | 95051 | 614 | 33.2% | \$1,400,000 | 7.7% | \$2,200,000 | \$869 | 1.0% |
| Santa Clara | 95054 | 160 | -1.2% | \$1,175,000 | 3.1% | \$2,090,000 | \$774 | 3.5% |
| 2021 Year End Summary Sales | | | | | | | | |
| Community | Zip | Sales | % Chg | Median Price | % Chg | High Price | \$/SqFt | % Chg |
| Santa Clara | 95050 | 441 | 46.5% | \$1,289,500 | 7.5% | \$3,218,500 | \$858 | 2.9% |
| Santa Clara | 95051 | 855 | 39.3% | \$1,490,000 | 6.4% | \$3,180,000 | \$912 | 5.0% |
| Santa Clara | 95054 | 242 | 51.3% | \$1,255,000 | 6.8% | \$2,900,000 | \$794 | 2.6% |
| 2022 Year End Summary Sales | | | | | | | | |
| Community | Zip | Sales | % Chg | Median Price | % Chg | High Price | \$/SqFt | % Chg |
| Santa Clara | 95050 | 258 | -41.5% | \$1,472,500 | 14.2% | \$3,650,000 | \$1,024 | 19.4% |
| Santa Clara | 95051 | 483 | -43.5% | \$1,630,000 | 9.4% | \$3,500,000 | \$1,118 | 22.6% |
| Santa Clara | 95054 | 138 | -43.0% | \$1,278,044 | 1.8% | \$3,330,000 | \$887 | 11.7% |
| 2023 Year End Summary Sales | | | | | | | | |
| Community | Zip | Sales | % Chg | Median Price | % Chg | High Price | \$/SqFt | % Chg |
| Santa Clara | 95050 | 204 | -20.9% | \$1,472,500 | 0.0% | \$3,600,000 | \$1,007 | -1.7% |
| Santa Clara | 95051 | 299 | -38.1% | \$1,600,000 | -1.8% | \$3,030,000 | \$1,102 | -1.4% |
| Santa Clara | 95054 | 94 | -31.9% | \$1,377,500 | 7.8% | \$3,180,000 | \$888 | 0.1% |
| 2024 Year End Summary Sales | | | | | | | | |
| Community | Zip | Sales | % Chg | Median Price | % Chg | High Price | \$/SqFt | % Chg |
| Santa Clara | 95050 | 219 | 7.4% | \$1,550,000 | 5.3% | \$4,300,000 | \$1,084 | 7.6% |
| Santa Clara | 95051 | 376 | 25.8% | \$1,827,500 | 14.2% | \$3,420,000 | \$1,230 | 11.6% |
| Santa Clara | 95054 | 104 | 10.6% | \$1,473,000 | 6.9% | \$3,010,000 | \$952 | 7.2% |

The data above indicates that zip code 95051 consistently has the highest median price among Santa Clara's zip codes. Zip code 95050 had the second highest median in most years. The \$/SF indicator shows that 95051 has higher prices than 95050, which both have higher prices than 95054. The data indicates that median prices were increasing in 2018, stabilizing in 2019 and 2020, increasing in both 2021 and 2022, relatively stable to slightly increasing in 2023, and increasing in 2024. By the end of 2024, compared to the previous year, median prices had increased about 5.3% in 95050, increased about 14.2% in 95051 and increased about 6.9% in 95054.

The \$/SF indicators showed an overall increasing trend from 2020 to 2024. The total number of sales indicator showed an overall decreasing rate from 2022 to 2023 and an overall increasing rate in 2024 in all three zip codes.

The following tables depict the median price trend by zip code over the 72 months ending December 2024 for single family homes and common interest developments (townhouse/condos) in the three zip codes of the City of Santa Clara using closed sale data obtained by MLSlistings.com:



As shown above, market data derived from the local MLS shows that prices were oscillating up and down over the 72 months ending December 2024. However, prices for single family homes

Real Estate Appraised: Three Hypothetical One-Acre Lots, One for Each Zip Code, Santa Clara, CA

were generally relatively stable to slightly increasing in 2024. In addition, the median days to sell generally decreased in the last half of 2024.

We note that DQ News/CoreLogic data includes resales and new construction, while MLS typically does not include all new construction. This is because builders often do not use MLS to market their homes, using their in-house marketing efforts instead. The following tables show the annual and 2-year change for all housing types over the last three Decembers, according to the MLS:

| Median Sales Price | | | | | | |
|-------------------------|----------|-------------|-------------|-------------|-----------------------------------|---------------------------------|
| Housing Type | Zip Code | 2022 | 2023 | 2024 | % Change per Month Last 12 Months | % Change per Month Last 2 Years |
| SFR, Condo, & Townhouse | 95050 | \$1,472,500 | \$1,472,500 | \$1,550,000 | 0.44% | 0.22% |
| | 95051 | \$1,650,000 | \$1,600,000 | \$1,827,500 | 1.18% | 0.45% |
| | 95054 | \$1,278,044 | \$1,377,500 | \$1,473,000 | 0.58% | 0.64% |
| Source: Local MLS | | | | | | |

The data in the above table supports the opinion that 95050 and 95054 generally rate inferior to 95051. The data also indicates that median selling prices are higher in all three zip codes compared to 2022 and 2023.

The next table using MLS statistics shows the monthly median change in selling prices in Santa Clara, adjacent Sunnyvale, and the larger Santa Clara County market since the start of 2020:



As the table above indicates, median selling prices increased sharply in the early part of 2020 through the spring of 2020. Prices were generally stable over remainder of 2020 in Santa Clara and Santa Clara County but declined in Sunnyvale. The median selling prices for each of these three areas generally increased throughout 2021 and the first half of 2022. Prices were generally trending downwards in the last half of 2023, as a result of higher interest rates. In 2024, prices

were oscillating up and down due in part to the combination of higher interest rates, the 2024 elections, and the expected slower economic growth.

Conclusions

The *Winter 2024 Allen Matkins/UCLA Anderson Forecast California Commercial Real Estate Survey* reports “For developers in the office sector, the rationalization of existing office space and a return-to-the-office are going to be key elements in deciding where and when to invest.” “The forecast is for at least three more years of declining rents and occupancy rates.”

Commercial (retail and office) properties exhibited mixed indications due to the pandemic in 2021. Some retail is doing fine, but the hospitality/leisure/entertainment industries remain depressed. Office demand appears in limbo as many employees may or may not fully return to offices, particularly among tech companies. In 2024, the combination of higher interest rates, the 2024 elections, and expected slower economic growth has impacted the market. Based on discussions with market participants, general market conditions and the sales data we analyzed, we applied a market conditions rate of change to the commercial land sale comparables used of negative 0.75% per month from the start of 1Q-2020 through 4Q-2021. For the year 2022, and 2023 prices were more stable for commercial and did not warrant adjustment. Because commercial rental rates in the City of Santa Clara declined in 2024, we applied a negative 0.20% per month adjustment from the start of 1Q-2024 through 4Q-2024.

In prior years, industrial (and warehouse) market statistics indicated that rental rates had been trending upwards, while vacancy rates generally stabilized near 5%. Market participants opined that selling prices were also increasing, especially for large sites suitable for data centers. The increase in industrial value for this period is supported by an improved paired sale at 3600 Peterson Way in Santa Clara that sold in October 2016 for \$30 million and again in June 2019 for \$37 million, which indicates a straight-line increase of about 0.72% per month for this 75,800 square foot building on an approximate 5.42-acre site. 1623 S 10th Street in San Jose sold for \$3,000,000 in August 2018 and again for \$3,801,000 in October 2020, indicating a straight-line increase of about 1.0% per month. Based on changing rents and prices, we concluded that competing industrial land prices were increasing at the rate of about 0.75% per month from the date of sale of the comparables through Q4-2020, with no additional adjustment in 2021, 2022 or 2023 warranted. Industrial rental rates in the City of Santa Clara declined in 2024 and we applied a negative 1.00% per month adjustment from the start of 1Q-2024 through 4Q-2024.

Santa Clara (and the Bay Area in general) is an undersupplied housing market. Demand for housing is expected to continue in the long-term, with increased demand for higher density housing options, a result of the scarcity of developable land and the more affordable nature for prospective buyers/renters.

Market data and market participants report that residential prices declined in the latter part of 2018 and were stable overall during 2019. In 2020, the residential market showed different trends depending on property type. The residential market generally saw greater demand for detached residential over the course of 2020 and 2021 as buyers looked to have more indoor/outdoor space since they began spending a greater proportion of time at home. Meanwhile, condominiums and apartments experienced a slower market during 2021. Comparing just the December 2022 city of Santa Clara overall median residential sales price to the December 2021 overall median residential sales price, MLS Listings shows a decline of 4.83% year or a decreasing rate of change of about .40% per month. However, comparing just the December 2023 city of Santa Clara overall median residential sales price (\$1,400,000) to the November 2022 overall median residential sales price (\$1,400,000) indicates that no adjustment is necessary for 2023. Based on the market reports cited above, sales data analyzed, and market participant interviews, for the very low-density, low-density, and medium-density residential land sales used in the following analysis we applied an increasing rate of change of 0.25% per month from the start of 2020 through the fourth quarter 2020, an increasing rate of change of 1.00% per month from the start of 2021 through the fourth quarter 2021, and an decreasing rate of change of 0.40% per month from the start of 2022 through the fourth quarter 2022. We conclude no market change is warranted during 2023 for these property types. Because the 2024 data indicates that median selling prices are higher in all three zip codes compared to 2023, a 0.50% per month adjustment from the start of 1Q-2024 through 4Q-2024 was used for these property types.

For the high-density land sales, median sale prices oscillated somewhat, and multifamily rents stagnated or declined during 2021. This property type includes both for sale and for rent proposed developments. Rent growth picked back up in the first half of 2022. However, CoStar's Santa Clara Multi-Family report showed stagnating rent growth in the second half of 2022. CoStar reported; "Challenging economic conditions over the past 12 months, including high inflation, rising interest rates, and layoff concerns, have dampened tenant demand." "While expensive in comparison to most other areas of the country, many renters in San Jose have few alternative options for housing. Median home prices have more than doubled over the past decade, and with mortgage rates at around 7%, the monthly cost of homeownership is substantially more expensive than renting. As the metro area is geographically constrained, commutes to areas with lower-priced homes are time consuming and arduous. As a result, many Silicon Valley workers are willing to pay high rental rates for lower grade multifamily units near suburban office campuses." Over the longer term, rent growth in Santa Clara has averaged 3.6% annually over the past decade. We conclude no market change is warranted during 2019, 2020 and 2021. A 3.6% annual market change is applied during 2022. We conclude no market change is warranted during 2023 for this property type. CoStar reported that "In Santa Clara, strong demand has reduced the stabilized vacancy rate to under 4%." "As of the first quarter, year-over-year rent growth is positive by 3.9%." This is higher than the 2.9% San Jose average. In addition, the 2024 data indicates that median selling prices for residential properties are higher in all three zip codes compared to 2023.

Based on these factors, a 0.50% per month adjustment from the start of 1Q-2024 through 4Q-2024 was used for this property type.

LAND USE ORDINANCES

Since we are analyzing hypothetical lots, we supposed that each use would be based on its appropriate General Plan designation. The appropriate zoning category for each hypothetical use was not a critical factor as the General Plan is the long-term planning tool used by the City. Furthermore, comparable land sale transactions typically sell based on their intended use, which is supported by the General Plan in almost all cases. The City’s Phase II Land Use map is in effect and is intended to guide land uses for the years 2015-2025. Compared to Phase I, it expands the areas within the city where mixed-uses and higher-density residential is allowed. We supposed the following General Plan designations for each hypothetical use:

| Use of Hypothetical Lot | General Plan |
|-------------------------------------|------------------------------|
| Very Low Density Residential | Very Low Density Residential |
| Low Density Residential | Low Density Residential |
| Medium Density Residential | Medium Density Residential |
| High Density Residential | High Density Residential |
| Commercial | Regional Commercial |
| Industrial | Light Industrial |

HIGHEST AND BEST USE

We studied the legally permissible, physically possible, financially feasible, and maximally productive uses of each hypothetical lot. We considered prevailing market conditions and recent development trends. As indicated in the market conditions section, except for retail/hospitality/office, each product type is generally experiencing increasing or stable prices and stabilizing vacancy rates. These are indications that the highest and best use is to construct the legally permissible product for each respective property type. However, for the commercial use, since many retail and office projects are on hold, construction would not likely be undertaken until the market improves, unless preleased or a build-to-suit is procured. Therefore, the highest and best use for the hypothetical commercial use would be to hold for future development of a commercial building until the market improves, unless preleased or a build-to-suit. We concluded to the following components of property uses for the highest and best use of the hypothetical lot based on the overall market and the instruction of the Client:

| Use of Hypothetical Lot | General Plan | Highest & Best Use |
|------------------------------|---|---|
| Very Low Density Residential | Very Low Density Residential (up to 10 DU/AC) | Very Low Density Residential (10 DU/AC) |
| Low Density Residential | Low Density Residential (8 to 19 DU/AC) | Low Density Residential (13 DU/AC) |
| Medium Density Residential | Medium Density Residential (20 to 36 DU/AC) | Medium Density Residential (30 DU/AC) |
| High Density Residential | High Density Residential (37 to 50 DU/AC) | High Density Residential (45 DU/AC) |
| Commercial | Regional Commercial | Hold for Development of a Commercial Building |
| Industrial | Light Industrial | Industrial Building |

We applied a hypothetical condition that each of these uses was allowed on the hypothetical subject lot.

For this analysis and based on the market and the City’s General Plan, we concluded the most reasonable density to support the residential uses was about the midpoint or nearer the high end of the allowed density ranges (based on ever-increasing density proposals/approvals):

- 10 dwelling units per gross acre (DU/AC) for Very Low-Density Residential;
- 13 dwelling units per gross acre (DU/AC) for Low-Density Residential;
- 30 DU/AC for Medium-Density Residential; and
- 45 DU/AC for High-Density Residential.

For Very Low-Density Residential, which allows up to 10 DU/AC, we concluded that the most likely subdivision for a hypothetical one acre of land would support a subdivision at the high of this range, or 10 DU/AC. This is because the scarcity of land requires ever increasing densities to make projects financially feasible.

The likely commercial use would be an office building, but only if preleased or a build-to-suit. The likely industrial use would be a data center, flex, light industrial building or some type of interim contractor storage yard with minimal building improvements.

APPRAISAL PROCESS

The appraisal profession has generally relied upon three traditional approaches in estimating the market value of real property. These are the *Income Capitalization Approach*, the *Sales Comparison Approach*, and the *Cost Approach*. While all three approaches are always considered in a valuation assignment, all three are not always applied. The quantity and quality of available data and the applicability of each approach relative to the value being sought are important factors in reconciling to an opinion of value.

Market value was estimated using the sales comparison approach. The income capitalization approach is seldom used when valuing land. The cost approach did not offer substantial insight into this estimate of market value since there are no building improvements. Sellers, buyers, and our peers in this market rarely rely on the cost and income capitalization approaches when offering, purchasing, or valuing properties similar to the hypothetical subject lots. Therefore, we did not undertake a cost or income capitalization approach.

Following we estimated the value of a hypothetical one-acre lot under each use scenario described above, as if located within the 95050 zip code, since the most data was discovered in this zip code. Next, we applied the weighted average of the highest and best land use component, based on the percentage of total land area associated with the different property types (as described above) that sold in the City of Santa Clara in the 12 months prior to the date of value (as reported by Old Republic Title Company). Lastly, we applied any necessary locational differences from the 95050 zip code conclusion to arrive at the appropriate average lot value in the 95051 and 95054 zip codes.

AVERAGE VALUE ESTIMATE IN 95050 ZIP CODE

Very Low-Density Land Value

The writers examined data that was discovered by: talking to brokers, agents, property owners, and market participants from within the subject market; reviewing DataTree.com, MLSlistings.com, and CoStar.com databases for recent sales; and searching Loopnet.com and broker databases for current listings. We also reviewed development reports provided by the planning departments of Santa Clara and other nearby cities.

As stated above, for the very low-density value component, we assumed a density of 10 dwelling units per acre, at the high end of the allowed range under the Very Low-Density General Plan designation, which allows up to 10 dwelling units per acre. We searched for competing sales and listings of properties throughout Santa Clara and adjacent competing cities which were intended for development with residential densities less than 25 dwelling units per acre and that closed escrow over the last three years, when possible. If there was a lack of comparable data we used sales that were older than 3 years, adjusting for changing market conditions.

We first analyze the subject hypothetical one-acre site located in zip code 95050 since more appropriate sales from this zip code were discovered. The sales we found most comparable are displayed on the following adjustment grid. The adjustment grid serves two purposes. First, it presents data, analysis, and conclusions about the subject and comparables in a way that facilitates comparison. Second, it presents the data in a format whereby the reader can follow the writers' adjustment process.

A parcel map for each comparable sale is displayed in the Addenda. Selling prices were verified using our summary transcript of the public record and conversations with selling and listing brokers/agents, sellers, and/or buyers when possible. A map showing the location of these comparables is displayed in the Addenda.

DRAFT WIP

Real Estate Appraised: Three Hypothetical One-Acre Lots, One for Each Zip Code, Santa Clara, CA

| VERY LOW DENSITY LAND COMPARABLE SALES | | | | | | |
|---|-------------------------------|-------------------------------------|--|-----------------------------------|----------------------------------|----------------------------------|
| ELEMENT OF ADJUSTMENT | SUBJECT | COMPARABLE VLD-1 | COMPARABLE VLD-2 | COMPARABLE VLD-3 | COMPARABLE VLD-4 | LISTING VLD-5 |
| ADDRESS | Average Street Santa Clara | 159 Brookside Avenue Santa Clara | 3159 Butte Street Santa Clara | 20860 McClellan Road Cupertino | Hanson Avenue San Jose | 640 Lakehaven Drive Sunnyvale |
| APN | | 303-22-028 | 290-04-044 | 359-20-030 | 303-41-018 | 110-16-040 |
| SELLER | | Domingo 1992 Revocable Trust | Wallis 1983 Family Trust | District McClellan LLC | RROCA LLC | Gaj & 2 LLC |
| BUYER | | Ranjan Trust, et al | Cheng C & Tsai L Chen | Alphamcclellan LLC | Bakhtiari Family Trust | Listing |
| DOCUMENT NUMBER | | 24597855 | 24420940 | 25525850 | 25326305 | Listing |
| VERIFICATION SOURCE | | Broker, MLS, Public Record | Broker, MLS, Public Record | Broker, MLS, Public Record | Broker, MLS, Public Record | Broker, MLS, Public Record |
| ASSESSMENT BONDS | | None | None | None | None | None |
| NUMBER OF UNITS | 10 | 2 | 2 | 6 | 4 | 6 |
| SALE / LISTING PRICE | | \$1,325,000 | \$1,600,000 | \$9,300,000 | \$1,800,000 | \$5,800,000 |
| SALE / OFFERING PRICE PER SF | | \$96.72 | \$110.92 | \$168.11 | \$119.05 | \$133.15 |
| TRANSACTIONAL ADJUSTMENTS | | | | | | |
| REAL PROPERTY RIGHTS CONVEYED | Fee Simple | Fee Simple | Fee Simple | Fee Simple | Fee Simple | Fee Simple |
| ADJUSTMENT | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| FINANCING TERMS | | Conventional | All Cash | All Cash | All Cash | Listing |
| ADJUSTMENT | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| CONDITIONS OF SALE | | Arm's-Length | Arm's-Length/Improvement Value | Arm's-Length | Arm's-Length | Listing |
| ADJUSTMENT | | 0.00% | -9.38% | 0.00% | 0.00% | -10.00% |
| EXPENDITURES AFTER SALE | | Demolition Offset | None | None | None | None |
| ADJUSTMENT | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| CLOSE OF ESCROW | | September 2, 2020 | March 4, 2020 | September 1, 2023 | June 27, 2022 | Listing |
| TIME OF SALE / MARKET CONDITION | December 31, 2024 | August 2020 | February 2020 | April 2023 | June 2022 | December 2024 |
| MONTHS FROM START 1Q-2020 THROUGH 4Q-2020 | | 4 | 10 | 0 | 0 | 0 |
| ADJUSTMENT @ % PER MONTH | 0.25% | 1.00% | 2.50% | 0.00% | 0.00% | 0.00% |
| MONTHS FROM START 1Q-2021 THROUGH 4Q-2021 | | 12 | 12 | 0 | 0 | 0 |
| ADJUSTMENT @ % PER MONTH | 1.00% | 12.00% | 12.00% | 0.00% | 0.00% | 0.00% |
| MONTHS FROM START 1Q-2022 THROUGH 4Q-2022 | | 12 | 12 | 0 | 6 | 0 |
| ADJUSTMENT @ % PER MONTH | -0.40% | -4.80% | -4.80% | 0.00% | -2.40% | 0.00% |
| MONTHS FROM START Q1-2023 THROUGH 4Q-2023 | | 12 | 12 | 8 | 12 | 0 |
| ADJUSTMENT @ % PER MONTH | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| MONTHS FROM START Q1-2024 THROUGH 4Q-2024 | | 12 | 12 | 12 | 12 | 0 |
| ADJUSTMENT @ % PER MONTH | 0.50% | 6.00% | 6.00% | 6.00% | 6.00% | 0.00% |
| ADJ PRICE PER SF AFTER TRANSACTIONAL ADJS | | \$110.40 | \$116.45 | \$178.20 | \$123.16 | \$119.83 |
| LOCATIONAL ADJUSTMENTS | | | | | | |
| EXPOSURE / VISIBILITY | Average | Similar | Similar | Similar | Similar | Similar |
| ACCESS | Average | Similar | Similar | Similar | Similar | Similar |
| APPEAL/SITE INFLUENCES | Average | Inferior/Park & San Tomas Expy | Similar | Similar | Similar | Inferior - Bayshore Freeway |
| ZIP CODE | 95050 | 95050 | 95051 | 95014 | 95117 | 94089 |
| OVERALL LOCATIONAL RATING | Average | Inferior | Similar | Superior | Similar | Inferior |
| PHYSICAL ADJUSTMENTS | | | | | | |
| SITE SIZE (ACRES) | 1.00 | 0.31 | 0.33 | 1.27 | 0.35 | 1.00 |
| SITE SIZE (SF) | 43,560 | 13,700 | 14,425 | 55,321 | 15,120 | 43,560 |
| UTILITY/TOPOGRAPHY | Rectangular / 1 Street Front | Rectangular / 1 Street Front | Inferior / SI Irregular / 1 Street Front | Rectangular / 1 Street Front | SI Irregular / 1 Street Front | SI Irregular / 1 Street Front |
| USE/ZONING ADJUSTMENTS | | | | | | |
| ZONING | | R1-8L | R1-6L | R1-10 | R1-8 | RO- Low Density Residential |
| GENERAL PLAN | Very Low Density Res | Very Low Density Res | Very Low Density Res | Residential Low Density | Residential Neighborhood | RLO - Low Density Residential |
| ALLOWED DENSITY (dwelling units per acre) | up to 10 | up to 10 | up to 10 | up to 5 | up to 10 | up to 7 |
| NUMBER OF UNITS | 10 | 2.0 | 2.0 | 6.0 | 4.0 | 6.0 |
| ESTIMATED / PROPOSED DU/ACRE | 10.0 | 6.4 | 6.0 | 4.7 | 11.5 | 6.0 |
| INTENDED USE | Residential | SFD + ADU | Residential + ADU | 6 Residential Units | 4 Residential Units | 6 Residential Units |
| ENTITLEMENT STATUS | Has Zoning & GP | Had Zoning and GP | Had Zoning and GP | Had Zoning and GP-With Approvals | Had Zoning and GP - No Approvals | Had Zoning and GP-With Approvals |
| OVERALL PHYSICAL & USE/ZONING RATING | | Inferior | Similar | Superior | Similar | Inferior |
| OVERALL RATING-SUBJECT SHOULD SELL FOR | | More | Similar | Less | Similar | More |

Adjustment Process

Transactional adjustments were made sequentially for property rights conveyed, financing terms, conditions of sale/motivation of participants, expenditures incurred by the buyer after the sale, i.e. demolition costs, and market conditions since the sale date. Market conditions adjustments are applied from the start of the first quarter 2020 through December 2024, based on trending sales data and our observations.

Comparable Sale VLD-1 is the sale of residential lot improved with an older home. The buyer of Comparable VLD-1 intends to demolish the home and construct a new two-story dwelling and add a 748 square foot detached additional dwelling unit (ADU). This comparable will not pay park impact fees since it already had a home improved on it and ADU's are exempt under the Santa Clara City Code (17.35.090).

Comparable Sale VLD-2 was the sale of an improved lot that could support two lots or a SFD and an ADU. The listing broker opined that the existing improvements needed a lot of work, but the buyer intended to move into the home, which dated from the 1940s. Based on the expected utilization of the improvements, we concluded that a downward adjustment was warranted for their contributory value. The amount of adjustment was estimated based on our observations, input from the listing broker, and a good fit for the data. A downward adjustment of \$150,000 for this element of comparison was applied to the comparable on the Conditions of Sale line.

Comparable Sale VLD-3 is the sale of a 1.27-acre parcel with an approved tentative map and a plan to build six single-family homes with ADU's. This was an all-cash sale. The buyer is reported to be a developer. The older single-family home and garage are to be demolished by the buyer. This Cupertino location is considered to be superior, based on higher median prices and generally superior schools.

Comparable Sale VLD-4 was the sale of a vacant lot that could support a reported 4-unit development. No pending approvals at the time of sale. The buyer was not sure if they will develop the lot for single family or multi-family use. The comparable had only one offer and it was an all cash-sale.

Comparable Listing VLD-5 is a current listing (as of December 31, 2024) of a newly approved project for six new single-family homes. The one-acre site is located in Sunnyvale and backs to the Bayshore Freeway.

The seller of Comparable Sale VLD-1 was given some time to lease back following close of escrow; again, we concluded that the cost of demolition would be offset by the interim rental income.

Locational adjustments were broken into elements that reflect the property’s identity to potential tenants or buyers (exposure, visibility), access (to freeways and amenities), and overall desirability of the location based on neighborhood factors such as age and condition of nearby properties, proximity to enhancing or detrimental factors, or an identifiable valuation element relating to address (locational appeal, zip code). As will be discussed in the following material, residential land values in the 95050 zip code rated superior to the 95054 zip code but inferior to the 95051 zip code; thus, the 95054 comparable located in 95054 is adjusted upward and the comparable located in 95051 is adjusted downward.

Locational adjustments were warranted for the elements of comparison as summarized on the grid. Although Comparable VLD-1 backs to a public park, beyond the park is San Tomas Expressway, which is within about 200 feet of this comparable and is not separated by a sound wall, rating inferior to the subject; an overall upward adjustment is concluded for this element of comparison.

Physical and Use/Zoning adjustments were broken into elements that reflect property size, utility/topography, allowed land uses and density, intended use/development density, affordable housing component, and entitlement status.

Comparable VLD-2 is located at the elbow of two streets and thus has an irregular pie-slice shape; an upward adjustment is concluded for inferior utility. For this analysis, upward adjustments were warranted for the lower densities of Comparables VLD-1, VLD-2, VLD-3, and VLD-5 rating inferior for this element of comparison.

As discussed in the preceding material, market conditions adjustments are applied from the start of the first quarter 2020 through the end of the fourth quarter 2024.

Conclusion

Following adjustment for the elements summarized on the grid, we concluded to the overall ratings displayed at the bottom of the sales grid. Bracketed by the comparable ratings, giving most weight to the sale comparables located in Santa Clara, we concluded to the following unit value of unentitled very low-density residential land in the 95050 zip code:

| Unit \$/SF | x | Land Area (SF) | = | Indicated Value |
|------------|---|----------------|---|-----------------|
| \$120 | x | 43,560 | = | \$5,227,200 |

**Estimated Market Value of a 1-Acre
Very Low-Density Residential Lot in 95050 Zip Code: \$5,227,200**

Low Density Land Value

Similar to the preceding very low-density land search, we searched data sources for low and medium-high density residential land transactions and examined data that was discovered by talking to brokers, agents, property owners, and market participants from within the subject market. We also reviewed development reports provided by the planning departments of Santa Clara and other nearby cities.

As stated above, for the low-density value component, the City's land use classification cites a low-density range of 8-19 dwelling units/acre (DU/Acre), which is greater than the maximum 10 DU/Acre allowed in the very low-density classification. We assumed a density of 13 DU/Acre, about the mid-point of the density range. The sales we found most comparable are displayed on the next grid. A map showing the location of these comparables is displayed in the Addenda. A parcel map for each comparable sale is also displayed in the Addenda. Selling prices were verified using our summary transcript of the public record and conversations with selling and listing brokers/agents, sellers, and buyers.

A parcel map for each comparable sale is displayed in the Addenda. Selling prices were verified using our summary transcript of the public record and conversations with selling and listing brokers/agents, sellers, and/or buyers when possible. A map showing the location of these comparables is displayed in the Addenda.

Real Estate Appraised: Three Hypothetical One-Acre Lots, One for Each Zip Code, Santa Clara, CA

| LOW DENSITY LAND COMPARABLE SALES | | | | | | | | |
|---|-------------------------------|------------------------------------|--|--|----------------------------------|--|--|--|
| ELEMENT OF ADJUSTMENT | SUBJECT | COMPARABLE LD-1 | COMPARABLE LD-2 | COMPARABLE LD-3 | COMPARABLE LD-4 | COMPARABLE LD-5 | COMPARABLE LD-6 | LISTING LD-7 |
| ADDRESS | Average Street Santa Clara | 2303 Gianera Street Santa Clara | Fillmore Street Santa Clara | 4249 Chaeney Street Santa Clara | Hanson Avenue San Jose | 781 S. Wolfe Road Sunnyvale | 4503 Cheeney Street Santa Clara | 640 Lakehaven Drive Sunnyvale |
| APN | | 104-06-037 | 104-10-077 | 104-12-025 & 026 | 303-41-018 | 211-05-009 | 104-09-034 | 110-16-040 |
| SELLER | | Jose Trinidad Nuno | Manisha Kamal Sitlani | Marlene Munson Rebello | RROCA LLC | Yamaoka | Esperanca | Gaj & 2 LLC |
| BUYER | | Gianeral ST Estate LLC | Vnus Investment Group LLC | Maruti Builders LLC | Bakhtiar Family Trust | 781 S. Wolfe Road, L.P. | Cheeney Homes LLC | Listing |
| DOCUMENT NUMBER | | 25354706 | 25490941 | 25297169 | 25326305 | 25662912 | 25504928 | Listing |
| VERIFICATION SOURCE | | Broker, MLS, Public Record | Broker, MLS, Public Record | Broker, Subscription Svcs, Public Record | Broker, MLS, Public Record | Broker, Subscription Svcs, Public Record | Broker, MLS, Public Record | Broker, MLS, Public Record |
| ASSESSMENT BONDS | | None | None | None | None | None | None | None |
| NUMBER OF UNITS | 13 | 4 | 4 | 8 | 4 | 8 | 6 | 6 |
| SALE / LISTING PRICE | | \$2,443,000 | \$1,190,000 | \$2,650,500 | \$1,800,000 | \$4,500,000 | \$2,100,000 | \$5,800,000 |
| SALE / OFFERING PRICE PER SF | | \$145.42 | \$126.93 | \$119.31 | \$119.05 | \$150.75 | \$109.72 | \$133.15 |
| TRANSACTIONAL ADJUSTMENTS | | | | | | | | |
| REAL PROPERTY RIGHTS CONVEYED | Fee Simple | Fee Simple | Fee Simple | Fee Simple | Fee Simple | Fee Simple | Fee Simple | Fee Simple |
| ADJUSTMENT | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| FINANCING TERMS | Conventional | All Cash | All Cash | All Cash | All Cash | Conventional | Conventional | Listing |
| ADJUSTMENT | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| CONDITIONS OF SALE | Arm's-Length | Arm's-Length | Arm's-Length | Arm's-Length | Arm's-Length | Arm's-Length | Arm's-Length | Listing |
| ADJUSTMENT | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | -10.00% |
| EXPENDITURES AFTER SALE | Demolition Offset | None | None | None | None | Demolition Offset | Demolition Offset | None |
| ADJUSTMENT | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| CLOSE OF ESCROW | December 31, 2024 | August 8, 2022 | June 21, 2023 | May 5, 2022 | June 27, 2022 | July 12, 2024 | July 24, 2023 | Listing |
| TIME OF SALE / MARKET CONDITION | | June 2022 | June 2023 | April 2022 | June 2022 | March 2024 | June 2023 | December 2024 |
| MONTHS FROM START 1Q-2022 THROUGH 4Q-2022 | | 6 | 0 | 8 | 6 | 0 | 0 | 0 |
| ADJUSTMENT @ % PER MONTH | -0.40% | -2.40% | 0.00% | -3.20% | -2.40% | 0.00% | 0.00% | 0.00% |
| MONTHS FROM START Q1-2023 THROUGH 4Q-2023 | | 12 | 6 | 12 | 12 | 0 | 6 | 0 |
| ADJUSTMENT @ % PER MONTH | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| MONTHS FROM START Q1-2024 THROUGH 4Q-2024 | | 12 | 12 | 12 | 12 | 0 | 12 | 0 |
| ADJUSTMENT @ % PER MONTH | 0.50% | 6.00% | 6.00% | 6.00% | 6.00% | 0.00% | 6.00% | 0.00% |
| ADJ PRICE PER SF AFTER TRANSACTIONAL ADJS | | \$150.44 | \$134.55 | \$122.42 | \$123.16 | \$150.75 | \$116.30 | \$119.83 |
| LOCATIONAL ADJUSTMENTS | | | | | | | | |
| EXPOSURE / VISIBILITY | Average | Similar | Similar | Similar | Similar | Similar | Similar | Similar |
| ACCESS | Average | Similar | Similar | Similar | Similar | Similar | Similar | Similar |
| APPEAL/SITE INFLUENCES | Average | Inferior | Inferior | Inferior | Similar | Similar | Inferior | Inferior - Bayshore Freeway |
| ZIP CODE | 95050 | 95054 | 95054 | 95054 | 95117 | 94086 | 95054 | 94089 |
| OVERALL LOCATIONAL RATING | Average | Inferior | Inferior | Inferior | Similar | Similar | Inferior | Inferior |
| PHYSICAL ADJUSTMENTS | | | | | | | | |
| SITE SIZE (ACRES) | 1.00 | 0.386 | 0.22 | 0.51 | 0.35 | 0.69 | 0.44 | 1.00 |
| SITE SIZE (SF) | 43,560 | 16,800 | 9,375 | 22,216 | 15,120 | 29,850 | 19,140 | 43,560 |
| UTILITY/TOPOGRAPHY | Rectangular / 1 Street Front | Rectangular / 1 Street Front | Irregular Rectangular Corner / 2 Frontages | Rectangular / 1 Street Front | SI Irregular / 1 Street Front | Rectangular / 2 Street Frontages | Rectangular Corner / 2 Frontages | SI Irregular / 1 Street Front |
| USE/ZONING ADJUSTMENTS | | | | | | | | |
| ZONING | Low Density Res | R1-6L Low Density Res | R1-6L Very Low Density Res | R1-6L Very Low Density Res | R1-8 Residential Neighborhood | RO- Low Density Residential RLO - Low Density Residential | R2- Low Density Residential Low Density Residential | RO- Low Density Residential RLO - Low Density Residential |
| GENERAL PLAN | Low Density Res | Low Density Res | Very Low Density Res | Very Low Density Res | Residential Neighborhood | up to 7 Low Density, 7 to 14 Low-Medium Density | 8 to 19 | up to 7 |
| ALLOWED DENSITY (dwelling units per acre) | 8 to 19 | 8 to 19 | up to 10 | up to 10 | up to 8 | 8.0 | 6.0 | 6.0 |
| NUMBER OF UNITS | 13 | 6 | 4.0 | 8.0 | 4.0 | 8.0 | 6.0 | 6.0 |
| ESTIMATED / PROPOSED DU/ACRE | 13 | 15.6 | 18.6 | 15.7 | 11.5 | 11.7 | 13.7 | 6.0 |
| INTENDED USE | Residential | 4 Residential Units | 4 Residential Units Using SB 9 | 8 or 9 units | 4 Residential Units Using SB 9 | 8 Residential Units | 6 Residential Units | 6 Residential Units |
| ENTITLEMENT STATUS | Has Zoning & GP | Has Zoning & GP | Had Zoning and GP - No Approvals | Had Zoning and GP - No Approvals | Had Zoning and GP - No Approvals | May 16, 2024 Application to Change Zoning to Low-Medium Density Residential and Change GP to Low-Medium Density Residential - No | Had Zoning and GP | Had Zoning and GP-With Approvals |
| OVERALL PHYSICAL & USE/ZONING RATING | | Superior | Inferior | Inferior | Similar | Superior | Inferior | Inferior |
| OVERALL RATING-SUBJECT SHOULD SELL FOR | | Less | Slightly More | Slightly More | Similar | Less | More | More |

Adjustment Process

Transactional adjustments were made sequentially for property rights conveyed, financing terms, conditions of sale/motivation of participants, expenditures incurred by the buyer after the sale, i.e. demolition costs, and market conditions since the sale date. Market conditions adjustments are applied from the start of the first quarter 2022 through December 2024, based on trending sales data and our observations.

Comparable Sale LD-1 is the sale of single-family lot improved with an older home. The buyer of Comparable LD-1 is an investor and intends to demolish the existing home and improvements. The lot was reported to have been approved for six single family units in the past, however that transaction never consummated. Although the lot was most recently marketed with the potential of being subdivided to provide four multiple guaranteed units without city approval, we depicted 6 units on the sales grid due to its reported pre-approval. The property was reported to have been owner occupied at the time of sale. This sale has a R1-6L zoning and a low density residential general plan that allows 8 to 19 dwelling units per gross acre equal to subject's low density residential general plan.

Comparable Sale LD-2 was the sale of a vacant corner parcel. This property was originally listed for \$1,498,900 in July 2022. The listing price was reduced in September 2022 to \$1,398,900. The price was again reduced in October 2022 to \$1,298,900. The lot was marketed as having the potential for a duplex or fourplex.

Comparable Sale LD-3 was the sale of two vacant lots that could support a reported 8 or 9 unit development. The seller had previously applied for a tentative map to allow for an 8-unit townhouse development. The proposed development was not approved, and the lots currently do not have any pending approvals. The lots were not listed on the MLS but were reported to have been actively marketed for six months. The property was listed at \$2,700,000 and was reported to have had four offers. This was an all cash-sale.

Comparable Sale LD-4 was the sale of a vacant lot that could support a reported 4-unit development. No pending approvals at the time of sale. The buyer was not sure if they will develop the lot for single family or multi-family use. The comparable had only one offer and it was an all cash-sale.

Comparable Sale LD-5 is the sale of a 0.688-acre lot improved with an older home. S. Wolfe Road is a busy four lane road. The buyer plans to develop the property with eight new single-family homes. This comparable reportedly had five offers.

Comparable Sale LD-6 is the sale of single-family lot improved with an older home. This lot is on the corner of Cheeney Street and 3rd Street. After purchase, the buyer obtained approvals to build six new single family detached homes.

Comparable Listing LD-7 is a current listing (as of December 31, 2024) of a newly approved project for six new single-family homes. The one-acre site is located in Sunnyvale and backs to the Bayshore Freeway.

Comparable Sale LD-1 was reported to have been owner occupied at the time of sale and could be rented. The cost of demolition was offset by the rents that could potentially be received.

Locational adjustments were broken into elements that reflect the property's identity to potential tenants or buyers (exposure, visibility), access (to freeways and amenities), and overall desirability of the location based on neighborhood factors such as age and condition of nearby properties, proximity to enhancing or detrimental factors, or an identifiable valuation element relating to address (locational appeal, zip code). As will be discussed in the following material, residential land values in the 95050 zip code rated superior to the 95054 zip code but inferior to the 95051 zip code; thus, the 95054 comparable located in 95054 is adjusted upward and the comparable located in 95051 is adjusted downward. Locational adjustments were warranted for the elements of comparison as summarized on the grid.

Physical and Use/Zoning adjustments were broken into elements that reflect property size, utility/topography, allowed land uses and density, intended use/development density, affordable housing component, and entitlement status.

As discussed in the preceding material, market conditions adjustments are applied from the start of the first quarter 2022 through the end of the fourth quarter 2024.

In the market, the primary value difference between very low, low-density, and medium density land relates to density. The density adjustment was plotted based on the relationship between price per SF and density, as evidenced by the comparables. In the chart below, we plotted the preceding very-low, low, and medium-high density residential land transactions.



As shown in the chart above, the price per square foot of land increases with increasing density. This is congruent with our observations in the market that as density increases, price per SF of land typically increases. The difference in pricing for changing densities is clear when comparing the lowest to the higher densities. Similarly, the price/SF difference is less when compared to the median or higher densities. We concluded that there is a difference in value/SF between the preceding very low density and the low-density residential which has a higher density. The trendline in the chart above indicates that the appropriate unit value based on a density of 13 dwelling units per acre would be about \$125 per square foot. Historically, there has been a 5% to 10% price difference between the preceding very low density and low-density residential. Based on the comparable data, with a density of 13 dwelling units per acre for the low-density residential land use, we concluded to **\$125/SF**.

Conclusion

We concluded to the following Low-Density residential value in the 95050 zip code for 1-acre of land:

| Unit \$/SF | x | Land Area (SF) | = | Indicated Value |
|------------|---|----------------|---|-----------------|
| \$125 | x | 43,560 | = | \$5,445,000 |

Estimated Market Value of a 1-Acre

Low-Density Residential Lot in 95050 Zip Code: \$5,445,000

Real Estate Appraised: Three Hypothetical One-Acre Lots, One for Each Zip Code, Santa Clara, CA

| MEDIUM DENSITY LAND COMPARABLE SALES | | | | | |
|---|-------------------------------|--|--|---|--|
| ELEMENT OF ADJUSTMENT | SUBJECT | COMPARABLE MD-1 | COMPARABLE MD-2 | COMPARABLE MD-3 | COMPARABLE MD-4 |
| ADDRESS | Average Street Santa Clara | 479 Boynton Avenue San Jose | 320 Virginia Ave Campbell | 2891 Homestead Road Santa Clara (Unincorporated) | 3075-3155 El Camino Real Santa Clara |
| APN | | 303-48-020 | 404-07-033 | 290-39-080 | 220-32-057 & 058 |
| SELLER | | Morales | Vop Ref Virginia LLC | Apex Fund LLC | Bowers Plaza GP |
| BUYER | | Dreamhouse5 Investment LLC | KB Home South Bay Inc | Xfortune Homestead Estate LLC | Toll West Coast LLC |
| DOCUMENT NUMBER | | 25710271 | 25714034 | In Escrow | 25436710 |
| VERIFICATION SOURCE | | Broker, Subscription Svcs, Public Record | Broker, Subscription Svcs, Public Record | Broker, Subscription Svcs, Public Record | Broker, Subscription Svcs, Public Record |
| ASSESSMENT BONDS | | None | None | None | None |
| NUMBER OF UNITS | 30 | 8 | 40 | 12 | 60 |
| SALE / LISTING PRICE | | \$1,999,998 | \$19,385,000 | \$3,500,000 | \$16,500,000 |
| SALE / OFFERING PRICE PER SF | | \$125.00 | \$213.95 | \$167.06 | \$155.24 |
| TRANSACTIONAL ADJUSTMENTS | | | | | |
| REAL PROPERTY RIGHTS CONVEYED | Fee Simple | Fee Simple | Fee Simple | Fee Simple | Fee Simple |
| ADJUSTMENT | | 0.00% | 0.00% | 0.00% | 0.00% |
| FINANCING TERMS | | Conventional | Conventional | Conventional | Conventional |
| ADJUSTMENT | | 0.00% | 0.00% | 0.00% | 0.00% |
| CONDITIONS OF SALE | | Arm's-Length | Arm's-Length | Arm's-Length | Arm's-Length |
| ADJUSTMENT | | 0.00% | 0.00% | 0.00% | 0.00% |
| EXPENDITURES AFTER SALE | | Demolition Offset | None | Demolition Offset | Demolition Offset |
| ADJUSTMENT | | 0.00% | 0.00% | 0.00% | 0.00% |
| CLOSE OF ESCROW | | October 10, 2024 | October 18, 2024 | January 23, 2025 | February 14, 2023 |
| TIME OF SALE / MARKET CONDITION | December 31, 2024 | September 10, 2024 | Not Disclosed | December 2024 | Unknown |
| MONTHS FROM START Q1-2023 THROUGH 4Q-2023 | | 0 | 0 | 0 | 8 |
| ADJUSTMENT @ % PER MONTH | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| MONTHS FROM START Q1-2024 THROUGH 4Q-2024 | | 3 | 2 | 0 | 12 |
| ADJUSTMENT @ % PER MONTH | 0.50% | 1.50% | 1.00% | 0.00% | 6.00% |
| ADJ PRICE PER SF AFTER TRANSACTIONAL ADJS | | \$126.87 | \$216.09 | \$167.06 | \$164.56 |
| LOCATIONAL ADJUSTMENTS | | | | | |
| EXPOSURE / VISIBILITY | Average | Similar | Similar | Similar | Similar |
| ACCESS | Average | Similar | Similar | Similar | Similar |
| APPEAL/SITE INFLUENCES | Average | Inferior | Superior | Inferior | Inferior |
| ZIP CODE | 95050 | 95117 | 95008 | 95051 | 95051 |
| OVERALL LOCATIONAL RATING | Average | Inferior | Superior | Inferior | Inferior |
| PHYSICAL ADJUSTMENTS | | | | | |
| SITE SIZE (ACRES) | 1.00 | 0.367 | 2.080 | 0.481 | 2.440 |
| SITE SIZE (SF) | 43,560 | 16,000 | 90,605 | 20,950 | 106,286 |
| UTILITY/TOPOGRAPHY | Rectangular / 1 Street Front | Rectangular / 1 Street Front | SI Irregular / 1 Street Front | SI Irregular Narrow Lot / 1 Street Front | Mostly Rectangular Corner/2 Frontages |
| USE/ZONING ADJUSTMENTS | | | | | |
| ZONING | | Mixed Use Neighborhood | Medium Density Res | Medium Density Res | Mixed Use Community Commercial |
| GENERAL PLAN | Medium Density Res | Mixed Use Neighborhood | Medium Density Res | Medium Density Res | Community Mixed Use |
| ALLOWED DENSITY (dwelling units per acre) | 20 to 36 | 30 | 18 to 25 | 20 to 36 | 20 to 36 |
| NUMBER OF UNITS | 30 | 8 | 40 | 12 | 60 |
| ESTIMATED / PROPOSED DU/ACRE | 30.0 | 21.8 | 19.2 | 25.0 | 24.6 |
| INTENDED USE | Residential | Residential | Residential | Residential | Residential |
| ENTITLEMENT STATUS | Has Zoning & GP | Has Zoning & GP | Has Zoning & GP | Has Zoning & GP | Has Zoning & GP, Entitled |
| OVERALL PHYSICAL & USE/ZONING RATING | | Inferior | Superior | Similar | Superior |
| OVERALL RATING-SUBJECT SHOULD SELL FOR | | More | Less | Similar | Less |

Medium Density Land Value

Similar to the preceding very low-density and low-density land search, we searched data sources for low, medium, and high-density residential land transactions and examined data that was discovered by talking to brokers, agents, property owners, and market participants from within the subject market. We also reviewed development reports provided by the planning departments of Santa Clara and other nearby cities.

As stated above, for the medium-density value component, a density of 30 dwelling units per acre is assumed, slightly above the midpoint of the allowed range under the Medium Density General Plan designation, which allows 20-36 dwelling units per acre. In the market, the primary difference between the medium-density land value and high-density land value relates to density. The sales we found most comparable are displayed on the next grid. A map showing the location of these comparables is displayed in the Addenda. A parcel map for each comparable sale is also displayed in the Addenda. Selling prices were verified using our summary transcript of the public record and conversations with selling and listing brokers/agents, sellers, and buyers.

A parcel map for each comparable sale is displayed in the Addenda. Selling prices were verified using our summary transcript of the public record and conversations with selling and listing brokers/agents, sellers, and/or buyers when possible. A map showing the location of these comparables is displayed in the Addenda.

Adjustment Process

Transactional adjustments were made sequentially for property rights conveyed, financing terms, conditions of sale/motivation of participants, expenditures incurred by the buyer after the sale, i.e. demolition costs, and market conditions since the sale date. Market conditions adjustments are applied from the start of the first quarter 2023 through December 2024, based on trending sales data and our observations.

Comparable Sale MD-1 is the sale of residential lot improved with an older home. The lot is zoned Mixed Use Neighborhood. This 16,000sq.ft. lot was listed as residential development land. The buyer plans to develop the property with eight new three-story townhomes. The property was listed at \$1,950,000 and sold for \$1,999,998.

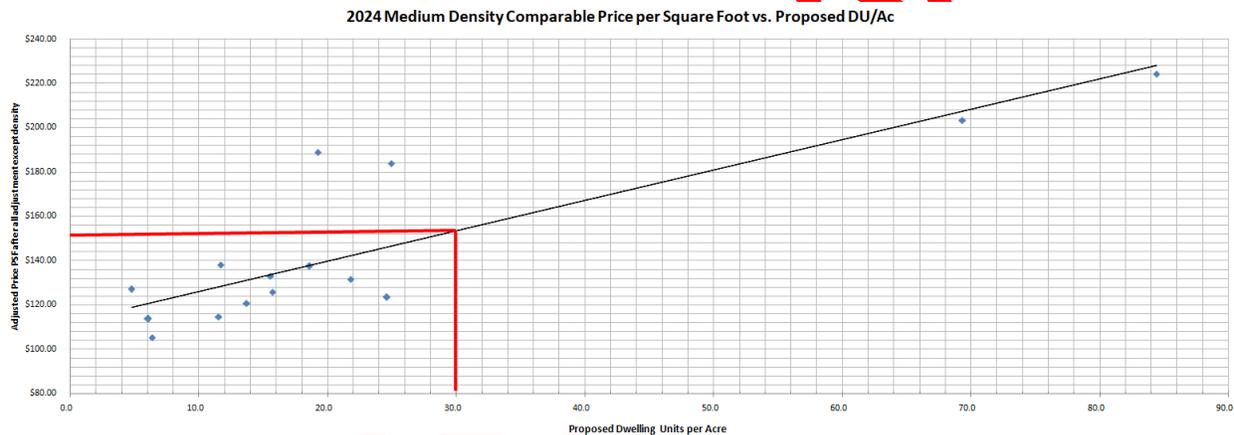
Comparable Sale MD-2 is the sale of a 2.08-acre vacant site. The buyer plans to build 40 townhome style condominium units with a central common open space area. The site is in Campbell and backs to San Tomas Aquino Creek and is close to San Tomas Expressway.

Comparable Sale MD-3 is the sale of a residential site improved with an older single-family home. The proposed plans include the construction of twelve new four-story townhouses and the

demolition of the existing single-family house. The site is narrow and has 51.54 feet of frontage. The property was originally listed on the MLS for \$3,888,888 before being canceled in April of 2024. The property later sold off market with the original listing broker.

Comparable Sale MD-4 is the sale of the Bowers Plaza site, a former neighborhood retail center. The property sold entitled for redevelopment with a 60-unit, three-story townhome development. The buyers will demolish the existing structures.

As stated above, the primary value difference between very low, low-density, and medium density land relates to density. The density adjustment was plotted based on the relationship between price per SF and density, as evidenced by the comparables. In the chart below, we plotted the preceding very-low, low, and medium-high density residential land transactions. We have also included high-density comparables that were less than 90 DU/acre.



The difference in pricing for changing densities is clear when comparing the lowest to the higher densities. The chart above indicates that at a density of 30 dwelling units per acre, the indicated price per square foot is about \$150. Historically, there has been a 10% to 20% difference between the medium density residential and high density residential. Based on the comparable data, with a density of 30 DU/acre for the medium-density land use, a unit value of **\$150/SF** is concluded.

Conclusion

We concluded to the following medium-density value in the 95050-zip code for 1-acre of land:

| Unit \$/SF | X | Land Area (SF) | = | Indicated Value |
|------------|---|----------------|---|-----------------|
| \$150 | x | 43,560 | = | \$6,534,000 |

Estimated Market Value of a 1-Acre

Medium -Density Residential Lot in 95050 Zip Code:

\$6,534,000

High Density Land Value

Similar to the preceding very low-density land search, we searched data sources for high and medium-high density residential land transactions and examined data that was discovered by talking to brokers, agents, property owners, and market participants from within the subject market. We also reviewed development reports provided by the planning departments of Santa Clara and other nearby cities.

As stated above, for the high-density value component, we assumed a density of 45 dwelling units per acre, about the midpoint of the allowed range under the High-Density General Plan designation, which allows 37-50 dwelling units per acre. The sales we found most comparable are displayed on the next grid.

A map showing the location of these comparables is displayed in the Addenda. A parcel map for each comparable sale is also displayed in the Addenda. Selling prices were verified using our summary transcript of the public record and conversations with selling and listing brokers/agents, sellers, and buyers.

We were unable to confirm the details of Comparable HD-2 with a party to the transaction. When we were unable to confirm with a party to the transaction, we relied on published data, city records, subscription service data, news articles, and information available from a summary transcript of the public record for transaction details regarding these comparables.

Real Estate Appraised: Three Hypothetical One-Acre Lots, One for Each Zip Code, Santa Clara, CA

| HIGH DENSITY LAND COMPARABLE SALES | | | | | | | | |
|---|------------------------------|---------------------------------|--------------------------------------|----------------------------------|----------------------------------|--|--|--|
| ELEMENT OF ADJUSTMENT | SUBJECT | COMPARABLE HD-1 | COMPARABLE HD-2 | COMPARABLE HD-3 | COMPARABLE HD-4 | COMPARABLE HD-5 | COMPARABLE HD-6 | COMPARABLE HD-7 |
| ADDRESS | Average Street | 950 Monroe St | 1601 Civic Center Drive | 3941 Stevens Creek Blvd. | 2303-2319 Calle Del Mundo | 2221-2251 Calle De Luna 2232-2246 Calle Del Mundo | 998 S. De Anza Blvd | 2891 Homestead Road |
| APN | Santa Clara | Santa Clara 269-20-086 | Santa Clara 224-49-006 | Santa Clara 294-39-010 | Santa Clara 097-05-060 & 061 | Santa Clara 097-46-020 & 027 | San Jose 372-26-019 | Santa Clara (Unincorporated) 290-39-080 |
| SELLER | | Von Raesfeld Family Partnership | K & K Outdoor Advertising LLC | MB Exclusively Properties LLC | Beta & Properties LLC | Laison LLC/2232 Calle Del Mundo LLC | Baram LLC | 290-39-080 |
| BUYER | | Lamb Partners LLC | CIVIC Center LP | CRP The Meridian LP | 2263 Calle Del Mundo LLC | G8 Tasman East Subsidiary, LLC | De Anza Blvd LP | Xfortune Homestead Estate LLC |
| DOCUMENT NUMBER | | 24395084 | 24380714 | 25233709 | 24840021 | 25062330/25062315 | 25637486 | In Escrow |
| VERIFICATION SOURCE | | Broker, Public Record | Subscription Svcs, Public Record | Subscription Svcs, Public Record | Subscription Svcs, Public Record | Subscription Svcs, Public Record | Broker, Subscription Svcs, Public Record | Broker, Subscription Svcs, Public Record |
| EXPOSURE TO MARKET | | 12 Months | 12 Months | 12 Months | 12 Months | 12 Months | Not Disclosed | None |
| NUMBER OF UNITS | 45 | 36 (Pro Rata) | 124 | 27 | 27 | 27 | 50 | 12 |
| SALE / LISTING PRICE | | \$4,700,000 | \$12,100,000 | \$5,075,000 | \$8,000,000 | \$21,995,000 | \$5,510,000 | \$3,500,000 |
| SALE / OFFERING PRICE PER SF | | \$207.73 | \$197.03 | \$197.47 | \$181.83 | \$235.95 | \$122.81 | \$167.06 |
| TRANSACTIONAL ADJUSTMENTS | | | | | | | | |
| REAL PROPERTY RIGHTS CONVEYED | Fee Simple | Fee Simple (Short Term Leases) | Fee Simple | Fee Simple | Fee Simple | Fee Simple | Fee Simple | Fee Simple |
| ADJUSTMENT | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| FINANCING TERMS | Conventional | Conventional | Conventional | Conventional | Conventional | Conventional | Conventional | Conventional |
| ADJUSTMENT | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| CONDITIONS OF SALE | Assemblage | Arm's-Length | Arm's-Length | Arm's-Length | Assemblage | Assemblage | Arm's-Length | Arm's-Length |
| ADJUSTMENT | | -5.00% | 0.00% | 0.00% | -5.00% | -5.00% | 0.00% | 0.00% |
| EXPENDITURES AFTER SALE | | Demolition Offset | Demolition of 30k SF Office Building | Demolition Offset | Demolition Offset | Demolition Offset | None | Demolition Offset |
| ADJUSTMENT | | 0.00% | 1.65% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| CLOSE OF ESCROW | | February 3, 2020 | January 15, 2020 | February 03, 2022 | February 19, 2021 | August 11, 2021 | May 16, 2024 | January 23, 2025 |
| TIME OF SALE / MARKET CONDITION | December 31, 2024 | December 2018 | Est. Sept 2019 | April 2021 | Est. April 2019 | Est. Feb. 2020 | May 2023 | December 2024 |
| MONTHS FROM START 1Q-2019 THROUGH 4Q-2019 | | 12 | 3 | 0 | 8 | 0 | 0 | 0 |
| ADJUSTMENT @ % PER MONTH | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| MONTHS FROM START 1Q-2020 THROUGH 4Q-2020 | | 12 | 12 | 0 | 12 | 10 | 0 | 0 |
| ADJUSTMENT @ % PER MONTH | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| MONTHS FROM START 1Q-2021 THROUGH 4Q-2021 | | 12 | 12 | 8 | 12 | 12 | 0 | 0 |
| ADJUSTMENT @ % PER MONTH | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| MONTHS FROM START Q1-2022 THROUGH 4Q-2022 | | 12 | 12 | 12 | 12 | 12 | 0 | 0 |
| ADJUSTMENT @ % PER MONTH | 0.30% | 3.60% | 3.60% | 3.60% | 3.60% | 3.60% | 0.00% | 0.00% |
| MONTHS FROM START Q1-2023 THROUGH 4Q-2023 | | 12 | 12 | 12 | 12 | 12 | 7 | 0 |
| ADJUSTMENT @ % PER MONTH | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 2.10% | 0.00% |
| MONTHS FROM START Q1-2024 THROUGH 4Q-2024 | | 12 | 12 | 12 | 12 | 12 | 12 | 0 |
| ADJUSTMENT @ % PER MONTH | 0.50% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 0.00% |
| ADJ PRICE/SF AFTER TRANSACTIONAL ADJS | | \$216.72 | \$219.95 | \$216.85 | \$189.70 | \$246.16 | \$132.91 | \$167.06 |
| LOCATIONAL ADJUSTMENTS | | | | | | | | |
| EXPOSURE / VISIBILITY | Average | Similar/Corner | Similar | Similar | Similar | Similar | Similar | Similar |
| ACCESS | Average | Similar | Similar | Similar | Similar | Similar | Similar | Similar |
| APPEAL/SITE INFLUENCES | Average | Similar | Similar | Similar | Similar | Similar | Inferior | Inferior |
| ZIP CODE | 95050 | 95050 | 95050 | 95051 | 95054 | 95054 | 95129 | 95051 |
| OVERALL LOCATIONAL RATING | | Similar | Similar | Superior | Similar | Similar | Inferior | Inferior |
| PHYSICAL ADJUSTMENTS | | | | | | | | |
| SITE SIZE (ACRES) | 1.00 | 0.52 | 1.41 | 0.59 | 1.01 | 2.14 | 1.03 | 0.481 |
| SITE SIZE (SF) | 43,560 | 22,625 | 61,411 | 25,700 | 43,996 | 93,218 | 44,866 | 20,950 |
| UTILITY/TOPOGRAPHY | Rectangular / 1 Street Front | Mostly Rectangular/2 Frontages | Mostly Rectangular/Deed Rest | Rectangular / 2 Street Fronts | Rectangular / 1 Street Front | Mostly Rectangular / 3 Street Fronts | Rectangular / 1 Street Front / 2 Ingress & Egress Easements for Rear Parcel | SI Irregular Narrow Lot / 1 Street Front |
| USE/ZONING ADJUSTMENTS | | | | | | | | |
| ZONING | High Density Residential | CC (Community Commercial) | OG | CT | TN (Transit Neighborhood) | TN (Transit Neighborhood) | Commercial Pedestrian | Medium Density Res |
| GENERAL PLAN | High Density Residential | Community Mixed Use | Community Commercial | Community Mixed Use | Transit Neighborhood | Transit Neighborhood | Neighborhood / Community Commercial | Medium Density Res |
| ALLOWED DENSITY (dwelling units per acre) | 37-50 | N/A | N/A | 20-36 | Minimum 100, Up to 350 du/acre | Minimum 100, Up to 350 du/acre | 50 to 55 Estimated | 20 to 36 |
| NUMBER OF UNITS | 45 | 36 (Pro Rata) | 119 | 59 | 303 | 371 | 50 | 12 |
| ESTIMATED / PROPOSED DU/ACRE | 45.0 | 69.3 | 84.4 | 100.0 | 156.0 | 173.4 | 48.5 | 25.0 |
| INTENDED USE | Residential | Mixed-Use Condos and Retail | Affordable Housing | Affordable Housing | Residential | Residential | Residential | Residential |
| AFFORDABLE HOUSING COMPONENT | 10% or in-lieu | 10% or in-lieu | Yes / 100% | Yes / 100% | In-lieu Fee | In-lieu Fee | Yes / 100% | No |
| ENTITLEMENT STATUS | Has Zoning & GP | Had General Plan | Needs Zoning and General Plan | Had General Plan | Has Zoning & GP | Has Zoning & GP | Has Zoning & GP (100% Deed /Restricted Affordable Housing Developments Allowed Using General Plan H-2.9) | Has Zoning & GP |
| OVERALL PHYSICAL & USE/ZONING RATING | | Superior | Superior | Superior | Inferior | Slightly Superior | Slightly Inferior | Inferior |
| OVERALL RATING - SUBJECT SHOULD SELL FOR | | LESS | LESS | LESS | MORE | LESS | MORE | MORE |

Adjustment Process

Transactional adjustments were made sequentially for property rights conveyed, financing terms, conditions of sale/motivation of participants, expenditures incurred by the buyer after the sale, i.e. demolition costs, and market conditions since the sale date.

Comparable HD-1 was purchased as part of an assemblage. The buyer had recently purchased two adjacent properties. Similarly, Comparables HD-4, and HD-5 were also purchased as part of an assemblage. Based on the data, a downward adjustment is warranted for motivation on the part of the buyer due to the assemblage.

Comparable HD-2 is a closed transaction of an infill site improved with a vacant 30,000 square foot office building. This building will require demolition prior to redevelopment, estimated at \$200,000, based on our observation and cost data. This element of comparison is shown as an upward adjustment on the Expenditures After Sale line.

Comparable Sale HD-6 is a vacant one-acre parcel located on South De Anza Boulevard. The site was previously improved with a restaurant building that was completely destroyed by a fire. The seller completed all demolition work. The site has two ingress/egress easements that provide access to the rear parcel. Buyer plans to construct a 50-unit affordable housing project.

Comparable Sale HD-7 is the sale of a residential site improved with an older single-family home. The proposed plans include the construction of twelve new four-story townhouses and the demolition of the existing single-family house. The site is narrow and has 51.54 feet of frontage. The property was originally listed on the MLS for \$3,888,888 before being canceled in April of 2024. The property later sold off market with the original listing broker.

Comparables HD-1, HD-3, HD-4, HD-5 and HD-7 required the demolition of existing improvements before their new, intended use could be realized. We concluded this expense was offset by the interim income from the improvements. So, no additional adjustment was warranted for this element of comparison.

Locational adjustments were broken into elements that reflect the property's identity to potential tenants or buyers (exposure, visibility), access (to freeways and amenities), and overall desirability of the location based on neighborhood factors such as age and condition of nearby properties, proximity to enhancing or detrimental factors, or an identifiable valuation element relating to address (locational appeal, zip code). Locational adjustments were warranted for the elements of comparison summarized on the grid.

Physical and Use/Zoning adjustments were broken into elements that reflect property size, utility/topography, allowed land uses and density, intended use/development density, affordable housing component, park fees, and entitlement status. Physical and use/zoning adjustments were warranted as summarized on the grid.

Comparable HD-1 and HD-3 both had two street frontages, allowing for greater design flexibility, rating superior utility, and warranting downward adjustment. Comparables HD-4, and HD-5 are zoned Transit Neighborhood and have a minimum density of 100 dwelling units per acre. Comparable HD-3 will have 100% affordable housing and was given a 15% credit on the park fees. Comparable HD-4 has been given a credit of \$1,290,000 for park fees in exchange for 14,000 square feet of dedicated park space and private amenities. The comparables proposed building densities/acre bracket the subject; the highest densities warrant downward adjustment and the lower densities warrant an upward adjustment. Comparables HD-1 and HD-2 will require a zoning change or general plan amendment to allow for residential and an upward adjustment is warranted for this element of comparison. The comparables with approved entitlements rated superior to the subject's unentitled status and are adjusted downward. Park impact fees varied somewhat based upon the use and timing of the fee.

Conclusion

Following adjustment for the elements summarized on the grid, we concluded to the overall ratings displayed at the bottom of the grid. The comparables were analyzed based on a price per square foot and a price per unit units of comparison. The range of adjusted values is more consistent on a price/SF basis rather than a price/density unit basis; therefore, the price/SF is utilized as the primary comparison of value. Bracketed by the comparable ratings, the following value of unentitled high-density 45 DU/Acre residential land in the 95050 zip code is concluded:

| | | | | |
|-------------------|----------|-----------------------|----------|------------------------|
| Unit \$/SF | x | Land Area (SF) | = | Indicated Value |
| \$180 | x | 43,560 | = | \$7,840,800 |

Estimated Market Value of a 1-Acre

High-Density Residential Lot in 95050 Zip Code:

\$7,840,800

Commercial Land Value

Like the search for residential land sales data, we searched similar data sources and examined data that was discovered by talking to brokers, agents, property owners, and market participants from within the subject market. We searched for recent sales of competing retail and office properties throughout Santa Clara and nearby cities. Those we found most comparable are displayed on the grid on a following page. A map showing the location of these comparables is displayed in the Addenda.

DRAFT/IN PROGRESS

Real Estate Appraised: Three Hypothetical One-Acre Lots, One for Each Zip Code, Santa Clara, CA

| COMMERCIAL LAND COMPARABLE SALES | | | | | | | | |
|--|-------------------------------|------------------------------------|------------------------------------|---|-----------------------------------|---------------------------------|---|------------------------------------|
| ELEMENT OF ADJUSTMENT | SUBJECT | COMPARABLE C-1 | COMPARABLE C-2 | COMPARABLE C-3 | COMPARABLE C-4 | COMPARABLE C-5 | COMPARABLE C-6 | LISTING C-7 |
| ADDRESS | Average Street Santa Clara | 3375 El Camino Real Santa Clara | 3378 El Camino Real Santa Clara | 2035 White Oak Lane Santa Clara | 855 E Homestead Road Sunnyvale | 1220 Oakmead Pkwy. Sunnyvale | 1601 Technology Drive San Jose | 955 & 995 Oakland Road San Jose |
| APN | | 220-02-049 | 290-02-102 | 213-30-053 | 309-51-005 | 216-44-048 | 230-29-117 | 235-16-011 & 012 |
| SELLER | | Norma E Rice, Trustee | An S Shin | Sordello Family Trust | Sundby Living Trust | Princeton Garden Properties LLC | Hudson Skyport Plaza Land | BW Oakland RD San Jose LLC |
| BUYER | | 3375 Camino City Square LLC | Veguard USA LLC | Shell Oil Products US | SST Investments LLC | BPR Properties UCSC LLC | Kaiser Foundation Health Plan | Listing |
| SALE PRICE / LISTING PRICE | | \$9,925,000 | \$5,340,000 | \$3,700,000 | \$6,400,000 | \$4,450,000 | \$43,500,000 | \$5,400,000 |
| PARCEL SIZE (Acres) | 1.00 | 1.630 | 0.877 | 0.716 | 1.130 | 0.970 | 5.468 | 1.659 |
| PARCEL SIZE (SF) | 43,560 | 71,003 | 38,211 | 31,173 | 49,223 | 42,240 | 238,186 | 72,260 |
| SALES PRICE/SQUARE FOOT | | \$139.78 | \$139.75 | \$118.69 | \$130.02 | \$105.35 | \$182.63 | \$74.73 |
| DOCUMENT NUMBER | | 24595053 | 24569843 | 25575802 | 24998730 | 25091522 | 25564498 | Listing |
| EXPOSURE TIME | | 2 Months | Off Market (6 Months in 2019) | 103 Days | 2 Months | 1 Month | Not Disclosed | Not Disclosed |
| TRANSACTIONAL ADJUSTMENTS | | | | | | | | |
| REAL PROP. RIGHTS CONVEYED | Fee Simple | F. Simple (Short-term Leases) | F. Simple (Short-term Leases) | Fee Simple | Fee Simple | Fee Simple | Fee Simple | Fee Simple |
| FINANCING TERMS \$ | | All Cash | All Cash | All Cash | All Cash | Conventional | All Cash | Listing |
| CONDITIONS OF SALE | | Arm's-Length/Improved | Arm's-Length/Improved | Motivated Buyer | Arm's-Length/Improved | Arm's-Length/Improved | Motivated Buyer | Listing |
| ADJUSTMENT | | -15.0% | -11.0% | -10.0% | 0.0% | 0.0% | -20.0% | -10.0% |
| EXPENDITURES AFTER PURCHASE | | None | None | None | Demolition Offset by Income | Demolition Offset by Income | None | None |
| ADJUSTMENT | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| CONTRACT DATE / MKT CONDITIONS | December 31, 2024 | July 2020 | June 2020 | November 2023 | March 2021 | August 2021 | Unknown | December 2024 |
| RECORDING DATE | | August 31, 2020 | August 10, 2020 | December 15, 2023 | June 17, 2021 | September 08, 2021 | November 21, 2023 | Listing |
| MONTHS FROM END 1Q-20 THROUGH 4Q-21 | | 17 | 18 | 0 | 9 | 3 | 0 | 0 |
| ADJUSTMENT @ % PER MONTH | -0.75% | -12.75% | -13.50% | 0.00% | -6.75% | -2.25% | 0.00% | 0.00% |
| MONTHS FROM START 1Q-2022 THROUGH 4Q-2022 | | 12 | 12 | 0 | 12 | 12 | 0 | 0 |
| ADJUSTMENT @ % PER MONTH | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| MONTHS FROM START Q1-2023 THROUGH 4Q-2023 | | 12 | 12 | 1 | 12 | 12 | 0 | 0 |
| ADJUSTMENT @ % PER MONTH | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| MONTHS FROM START Q1-2024 THROUGH 4Q-2024 | | 12 | 12 | 12 | 12 | 12 | 12 | 0 |
| ADJUSTMENT @ % PER MONTH | -0.20% | -2.40% | -2.40% | -2.40% | -2.40% | -2.40% | -2.40% | 0.00% |
| ADJ. PRICE/SF WITH TRANS. ADJ. | | \$101.18 | \$105.00 | \$104.26 | \$118.33 | \$100.51 | \$142.60 | \$67.26 |
| LOCATIONAL ADJUSTMENTS | | | | | | | | |
| EXPOSURE | Average | Superior/Corner | Similar | Superior | Similar | Similar | Similar | Similar |
| APPEAL/SITE INFLUENCES/ACCESS | Average | Superior | Superior | Similar | Similar | Similar | Similar | Inferior |
| ZIP CODE | 95050 | 95051 | 95051 | 95051 | 94087 | 94085 | 95110 | 95112 |
| LOCATIONAL COMPARISON | | Superior | Superior | Superior | Similar | Similar | Similar | Similar |
| PHYSICAL & USE/ZONING ADJUSTMENTS | | | | | | | | |
| PARCEL SIZE (Acres) | 1.00 | 1.63 | 0.88 | 0.72 | 1.13 | 0.97 | 5.47 | 1.66 |
| UTILITY | Average | Similar | Similar | Similar | Similar | Similar | Similar | Similar |
| OFF-SITE IMPROVEMENTS | Finished Lot | Similar | Similar | Similar | Similar | Similar | Similar | Similar |
| ZONING/GENERAL PLAN | CT / Regional Commercial | CT / Community Mixed-Use | CT / Community Mixed-Use | Neighborhood Commercial / Neighborhood Commercial | O/PD / Commercial | MS / Industrial | A(PD) / Industrial Park | Combined Industrial/Commercial |
| PROPOSED USE(S) | Commercial | Retail in Near-Term | Retail in Near-Term | Charging Stations | Office or Preschool | Hotel | Offices. Prior Approval of 350,000 s.f. | Listing |
| PHYSICAL & USE/ZONING COMPARISON | | Superior | Superior | Superior | Superior | Superior | Superior | Inferior |
| SUBJECT SHOULD SELL FOR: | | Less | Less | Less | Less | Less | Less | More |

DK

Adjustment Process

The adjustment methodology was similar as above for the residential land sales.

Transactional adjustments were warranted. As described above, due to a lack of commercial land sales, some improved sales were utilized. As described below, the improvements located on C-1 and C-2 had value, while C-4 and C-5 improvements had minimal contribution towards value.

Comparable C-1 was marketed as a development site; the eventual buyer planned to continue the retail uses. Based on a discussion with the listing broker, our observations, and the age and condition of these improvements, which comprised about 25,150 SF, the contributory value was estimated at about \$60 per square foot of building area, or about 15% of the selling price as shown on the adjustment grid. This is shown as a conditions of sale downward adjustment.

Similarly, the sale of Comparable C-2 included about 7,800 square feet of improvements dating from the late 1950s; which contributed to the overall selling prices. Based on our observations and discussions with the broker, the contributory value for the building was estimated at about \$75 per square foot of building area, or about 11% of the selling price as shown on the adjustment grid. This is shown as a conditions of sale downward adjustment.

Comparable C-3 was previously improved with an older retail center that was completely destroyed by fire prior to the listing. The 0.716-acre site was reported to be vacant at the time of sale with only old asphalt paving remaining. The buyer will reportedly develop the property and install charging stations.

Comparable C-4 included a 6,295 square foot restaurant building originally constructed in 1972. This site was being sold for land value and the restaurant was leased month-to-month. We concluded that the cost of demolition would be offset by rental income.

Comparable C-5 included a 5,515 square foot restaurant building. The building was vacant at the time of sale, but could have been leased on a month-to-month basis. We concluded that the cost of demolition would be offset by rental income.

Comparable C-6 is the sale of a vacant commercial site located next to an existing Kaiser facility and was purchased by Kaiser for the expansion of their healthcare services. The seller, Hudson Pacific Properties had originally purchased the site to build a nine-story 350,000sq.ft. office building, but resold the property as the office market softened.

Comparable Listing C-7 is a current listing of a vacant corner site that was advertised as a development opportunity. The 1.66-acre property is about one-block from the 101 freeway. All

improvements have been demolished. The general plan allows a mixture of compatible commercial and industrial uses.

Market conditions adjustments were applied from the contract date through the date of opinion using the degree of adjustment(s) discussed in the Market Conditions section.

Locational adjustments were broken into elements that reflect the hypothetical property's identity to potential tenants, buyers, or occupants (exposure, visibility), access (to freeways and amenities), and overall desirability of the location based on neighborhood factors such as age and condition of nearby properties, proximity to enhancing or detrimental factors, or an identifiable valuation element relating to address (locational appeal). Locational adjustments were warranted as summarized on the grid.

Physical and Use/Zoning adjustments were considered for size, utility, off-site improvements, zoning/General Plan, and planning/entitlement status. Within the range of the comparables, larger Comparable C-6 warranted an upward adjustment per square foot of land area. Among the differences in land use ordinances, those of Comparables C-1 and C-2 were more favorable, rating superior and warranted a downward adjustment.

Conclusion

Bracketed by the comparables, we concluded to the following for commercial land in zip code 95050:

| Unit \$/SF | x | Land Area (SF) | = | Indicated Value |
|-------------------|----------|-----------------------|----------|------------------------|
| \$95 | | 43,560 | | \$4,138,200 |

**Estimated Market Value of a 1-Acre
Commercial Lot in Zip Code 95050:**

\$4,138,200

Industrial Land Value

We searched the same databases listed above and reviewed other data discovered by talking to brokers, agents, property owners, and market participants from within the industrial market. We searched for recent sales of competing industrial properties throughout Santa Clara and nearby competing cities with similar industrial markets. We also searched for recent improved sales with improvements that were nearing the end of their economic lives or that contributed minimally to the overall sale price. Those we found most comparable are displayed on the following grid. A map showing the location of these comparables is displayed in the Addenda.

Real Estate Appraised: Three Hypothetical One-Acre Lots, One for Each Zip Code, Santa Clara, CA

| INDUSTRIAL LAND COMPARABLE SALES | | | | | | | |
|---|-------------------------------|--------------------------------|--------------------------------|--|---------------------------------|--|---|
| ELEMENT OF ADJUSTMENT | SUBJECT | COMPARABLE I-1 | COMPARABLE I-2 | COMPARABLE I-3 | COMPARABLE I-4 | COMPARABLE I-5 | LISTING I-6 |
| ADDRESS | Average Street Santa Clara | 2225 Martin Ave Santa Clara | 2175 Martin Ave Santa Clara | 1535 & 1575 Industrial Ave San Jose | 365 Reed St Santa Clara | Doyle Road & Lawrence Expressway San Jose | 415 Aldo Ave & 420 Nelo Street Santa Clara |
| APN | | 224-10-119 | 224-10-115 | 237-30-020 & 025 | 230-47-105 | 381-19-015 | 101-15-040 & 043 |
| SELLER | | Project 38 LLC | LVP Martin Ave Assoc LLC | Frank J. & Leslie A. Mangione | Reed Street Associates | Vop Ref Doyle LLC | Demg Properties LLC |
| BUYER | | 2225 Martin Property LLC | 2175 Martin Property LLC | LBA RVI Company XLIV LLC | Prosperous Corgi Holdings 1 LLC | Harker School | Listing |
| SALE PRICE | | \$28,250,000 | \$13,900,000 | \$12,800,000 | \$5,358,000 | \$5,100,000 | \$13,000,000 |
| DOCUMENT NUMBER | | 25195861 | 25020411 | 24902328 | 24721853 | 25577414 | In Escrow |
| BONDS ASSUMED / SF | | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| TOTAL COST TO BUYER / SF | | \$157.03 | \$189.94 | \$81.17 | \$104.70 | \$114.38 | \$123.99 |
| TRANSACTIONAL ADJUSTMENTS | | | | | | | |
| REAL PROPERTY RIGHTS CONVEYED | Fee Simple | Fee Simple | Fee Simple | Fee Simple | Fee Simple | Fee Simple | Fee Simple |
| ADJUSTMENT | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| FINANCING TERMS | | Conventional | All Cash | Conventional | All Cash | All Cash | In Escrow |
| ADJUSTMENT | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | -10.00% |
| CONDITIONS OF SALE | | Arm's-Length | Arm's-Length | Arm's-Length | Arm's-Length | Arm's-Length | Arm's-Length |
| ADJUSTMENT | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| ADDITIONAL COSTS TO BUYER | | Demolition Offset | Demolition Offset | Demolition Offset | None | None | Demolition Offset |
| ADJUSTMENT | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| CONTRIBUTORY VALUE OF IMPROVEMENTS | | None | None | None | Yes/24,145 SF | None | None |
| ADJUSTMENT | | 0.00% | 0.00% | 0.00% | -22.53% | 0.00% | 0.00% |
| CLOSE OF ESCROW | | 12/15/2021 | 7/7/2021 | 4/1/2021 | 11/24/2020 | 12/20/2023 | In Escrow |
| TIME OF SALE / MARKET CONDITION | December 31, 2024 | Unknown | June 2021 | September 2020 | September 2020 | Unknown | January 2025 |
| MO'S FROM SALE THROUGH Dec. 31, 2020 | | 0 | 0 | 3 | 3 | 0 | 0 |
| ADJUSTMENT @ % PER MONTH | 0.75% | 0.00% | 0.00% | 2.25% | 2.25% | 0.00% | 0.00% |
| MONTHS FROM START 1Q-2021 THROUGH 4Q-2021 | | 0 | 6 | 12 | 12 | 0 | 0 |
| ADJUSTMENT @ % PER MONTH | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| MONTHS FROM START 1Q-2022 THROUGH 4Q-2022 | | 12 | 12 | 12 | 12 | 0 | 0 |
| ADJUSTMENT @ % PER MONTH | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| MONTHS FROM START Q1-2023 THROUGH 4Q-2023 | | 12 | 12 | 12 | 12 | 0 | 0 |
| ADJUSTMENT @ % PER MONTH | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| MONTHS FROM START Q1-2024 THROUGH 4Q-2024 | | 12 | 12 | 12 | 12 | 12 | 0 |
| ADJUSTMENT @ % PER MONTH | -1.00% | -12.00% | -12.00% | -12.00% | -12.00% | -12.00% | 0.00% |
| ADJUSTED PRICE / SF | | \$138.19 | \$167.15 | \$73.04 | \$72.98 | \$100.65 | \$111.59 |
| LOCATIONAL ADJUSTMENTS | | | | | | | |
| EXPOSURE/VISIBILITY | Average | Similar | Similar | Sup/Fwy | Similar | Similar | Similar |
| ACCESS | Average | Similar | Similar | Similar | Similar | Similar | Similar |
| NEIGHBORHOOD APPEAL | Average | Similar | Similar | Inferior | Similar | Inferior | Similar |
| ZIP CODE | 95050 | 95050 | 95050 | 95112 | 95050 | 95129 | 95054 |
| LOCATIONAL COMPARISON | | Similar | Similar | Inferior | Similar | Inferior | Inferior |
| PHYSICAL & USE/ZONING ADJUSTMENTS | | | | | | | |
| PARCEL SIZE (ACRES) | 1.00 | 4.13 | 1.68 | 3.62 | 1.17 | 1.02 | 2.41 |
| PARCEL SIZE (SF) | 43,560 | 179,903 | 73,181 | 157,687 | 51,174 | 44,590 | 104,850 |
| UTILITY | Average | Similar | Similar | Similar | Similar | Similar | Similar |
| OFF-SITES | Finished Lot | Superior Power | Superior Power | Similar | Similar | Similar | Similar |
| INTENDED USE | | Industrial | Industrial | Industrial | Industrial | Parking for School Vehicles | Industrial |
| ZONING | Heavy Industrial | Light Industrial | Light Industrial | Heavy Industrial | Light Industrial | Light Industrial | Heavy Industrial |
| GENERAL PLAN | Light Industrial | Low Intensity Office/R&D | Low Intensity Office/R&D | Heavy Industrial | Light Industrial | Light Industrial | Heavy Industrial |
| OVERALL PHYSICAL & USE/ZONING RATING | | Superior | Superior | Inferior | Superior | Inferior | Inferior |
| OVERALL RATING-SUBJECT SHOULD SELL FOR | | LESS | LESS | MORE | MORE | MORE | MORE |

Adjustment Process

Adjustments were considered for and applied in a similar manner as above for the commercial sales. Because there are few industrial land sales in this market, we used one sale that was improved with a building that contributed value to the selling price, Comparable I-4. To estimate the residual land value of this transaction, we estimated and deducted the contributory value of the building improvements based on our observations, feedback from the verifying broker(s), and the adjustment that was a good fit for the data.

Most of the recent industrial land transactions we uncovered were intended for data centers (see Industrial Land Comparables I-1 and I-2). A transaction at 2315 Mission College Boulevard in Santa Clara (not included in the sales grid) is also a data center land sale that was reported to have been purchased by Amazon Data Services Inc. The 7.04-acre site reportedly sold for \$51,817,500 or \$168.97/sq.ft. of land area (unadjusted), which is high and out of the pattern. This sale could not be fully confirmed but was reported to have closed escrow on January 4, 2022. According to the grant deed, this is part of a larger sale comprising several APN's, totally about 68 acres.

Market conditions adjustments were applied at the rate concluded to in the Market Conditions section. Like the commercial sales grid, locational adjustments were considered for exposure, visibility, access (to freeways and amenities), and overall desirability of the location, including zip code. Locational adjustments are warranted as summarized on the grid. Sale I-3 was adjusted upward for its inferior San Jose location. Listing I-6 is reported to have gone into escrow in January 2025 at an undisclosed price.

Physical and use/zoning adjustments were considered for size, utility, intended use, zoning, general plan land use designation, and off-site improvements. Both I-1 and I-2 were purchased by Prime Data Centers. Comparable's I-1 buyer plans to develop a 207,000 square foot data center with a 32MW capacity. Comparable's I-2 the buyer plans to develop a three story 80,000 square foot data center with a reported 9MW capacity. The selling agent reported that the property sold entitled and has a "will serve letter" from Silicon Valley Power. These sales warranted downward adjustments for their entitlements. Any other warranted adjustments are summarized on the grid.

Conclusion

Following the adjustments discussed above and considering the overall rating comparison for each comparable, the comparable unit values suggested a land value in the \$115 per square foot range.

We concluded to the following for industrial land in the 95050 zip code:

| Unit \$/SF | x | Land Area (SF) | = | Indicated Value |
|------------|---|----------------|---|-----------------|
| \$115 | | 43,560 | | \$5,009,400 |

**Estimated Market Value of a 1-Acre
Industrial Lot in Zip Code 95050:**

\$5,009,400

Average Value Estimate in 95050 Zip Code

The average value was estimated by applying a weighted average based on the land area of the total sales in Santa Clara in 2024 by property type. This information was obtained from Old Republic Title Company (ORTC). *It was an extraordinary assumption of this appraisal that the land areas provided by Old Republic Title Company were accurate.*

ORTC reported a total of 886 sale transactions in the city of Santa Clara in the calendar year 2024. The 2024 sales included 16 commercial sales, 22 industrial sales, 448 residential single-family sales, 23 2-4 residential unit sales, 3 vacant land sales, and 374 medium to high-density residential sales which comprised residential unit sales greater than 5 units, condominiums, and townhomes. The 2024 sales volume shows an increase when compared to the 686 total sale transactions in 2023, however, the 2024 sales volume shows a decline when compared to just the 1,064 total sale transactions in 2022, and the 1,442 total sale transactions in 2021.

Residential transactions included single family, townhomes, and condominiums, 2 to 4 units, and residential units greater than 5 units. Historically, the total residential sales component comprised the majority of the land area sold. However, as shown in the next table the commercial and industrial sales increased comprising over half of the total land area sold in the city in 2024. This is due primarily to the purchase of a commercial property at 2962 Bunker Hill Lane that is on a 18.994-acre site and is improved with an office complex. In addition, three large properties classified by ORTC as industrial properties sold in 2024. 3833 Kifer Road on 27.254 acres, 2880 Scott Boulevard on 14.35 acres, and 2220 Central Expressway on 14.35 acres.

The 2024 data indicated that residential values, except high density, were similar in all three zip codes compared to 2023, High density residential values in 2024 however declined slightly from the previous year.

Real Estate Appraised: Three Hypothetical One-Acre Lots, One for Each Zip Code, Santa Clara, CA

Commercial land values were unchanged in 2022, 2023 and 2024. Industrial land values were unchanged in both 2022 and 2023, but did decline slightly in 2024 due to the increase in the vacancy rates and a decline in rental rates.

In 2024, the combination of higher interest rates, the 2024 elections, and expected slower economic growth has impacted the market. Additionally, more commercial and industrial land area transacted, which has a lower unit value than residential land, in 2024 compared to 2023. All these factors resulted in slightly lower 2024 values for the hypothetical one-acre lots for each zip code compared to 2023. This is congruent with overall market trends over the last year.

The total number of land square feet (SF) sales (broken out by property type) is reflected in the next table:

| 2024 City of Santa Clara Sales | | |
|---------------------------------|------------------|----------------|
| Sale Type | Land SF | Total Percent |
| Commercial | 1,307,554 | 14.34% |
| Industrial | 3,875,467 | 42.52% |
| Very Low Density Residential | 2,813,195 | 30.86% |
| Low Density Residential | 196,865 | 2.16% |
| Medium to High Density Resident | 922,380 | 10.12% |
| Total | 9,115,461 | 100.00% |

Source: Old Republic Title Company

Old Republic Title Company provided the data depicted in the preceding 2024 City of Santa Clara Sales table, segregated by property type. Their single-family sales were grouped into very low density, 2-4 residential sales were grouped into low-density, the townhome and condominium data was grouped into the medium to high-density residential, retail and office was grouped into commercial, and industrial, R&D, and manufacturing was designated industrial. As shown in the table, within the city limits of Santa Clara, commercial/industrial sales accounted for a larger 56.86% of the total compared to about 50% in 2023, while residential sales accounted for about 43.14% of the total.

Conclusion

The Total Percent in the previous table was applied to the appropriate categories for each property type. Since the data provided by the title company did not segregate medium and high-density residential, we split the total percentage evenly between the two densities (10.12% /2 = 5.06% to each). As shown in the next table, the appropriate weighted values are summed to produce the average value of a hypothetical 1-acre lot in the 95050 zip code:

| 95050 ZIP CODE SUMMARY | | | | | |
|---|--------------|----------------|---|------------------|--------------------|
| 2024 LAND USE VALUES & AVERAGE VALUE PER ACRE | | | | | |
| Land Use | Price per SF | Price per Acre | x | Weighted Average | = Weighted Value |
| Very Low Density Residential | \$120.00 | \$5,227,200 | x | 30.86% | = \$1,613,208 |
| Low Density Residential | \$125.00 | \$5,445,000 | x | 2.16% | = \$117,595 |
| Medium Density Residential | \$150.00 | \$6,534,000 | x | 5.06% | = \$330,583 |
| High Density Residential | \$180.00 | \$7,840,800 | x | 5.06% | = \$396,699 |
| Commercial | \$95.00 | \$4,138,200 | x | 14.34% | = \$593,598 |
| Industrial | \$115.00 | \$5,009,400 | x | 42.52% | = \$2,129,762 |
| TOTAL AVERAGE VALUE PER ACRE | | | | | \$5,181,445 |

**Average Value of a Hypothetical 1-Acre
Lot in the 95050 Zip Code:**

\$5,180,000 (Rounded)

AVERAGE VALUE ESTIMATE IN 95051 ZIP CODE

We estimated the value of 1 acre of land for zip code 95050 above. Following we apply any differences in value between the 95051 and 95050 zip codes to estimate the average value of one acre of land in 95051.

Estimating Differences Between Zip Codes

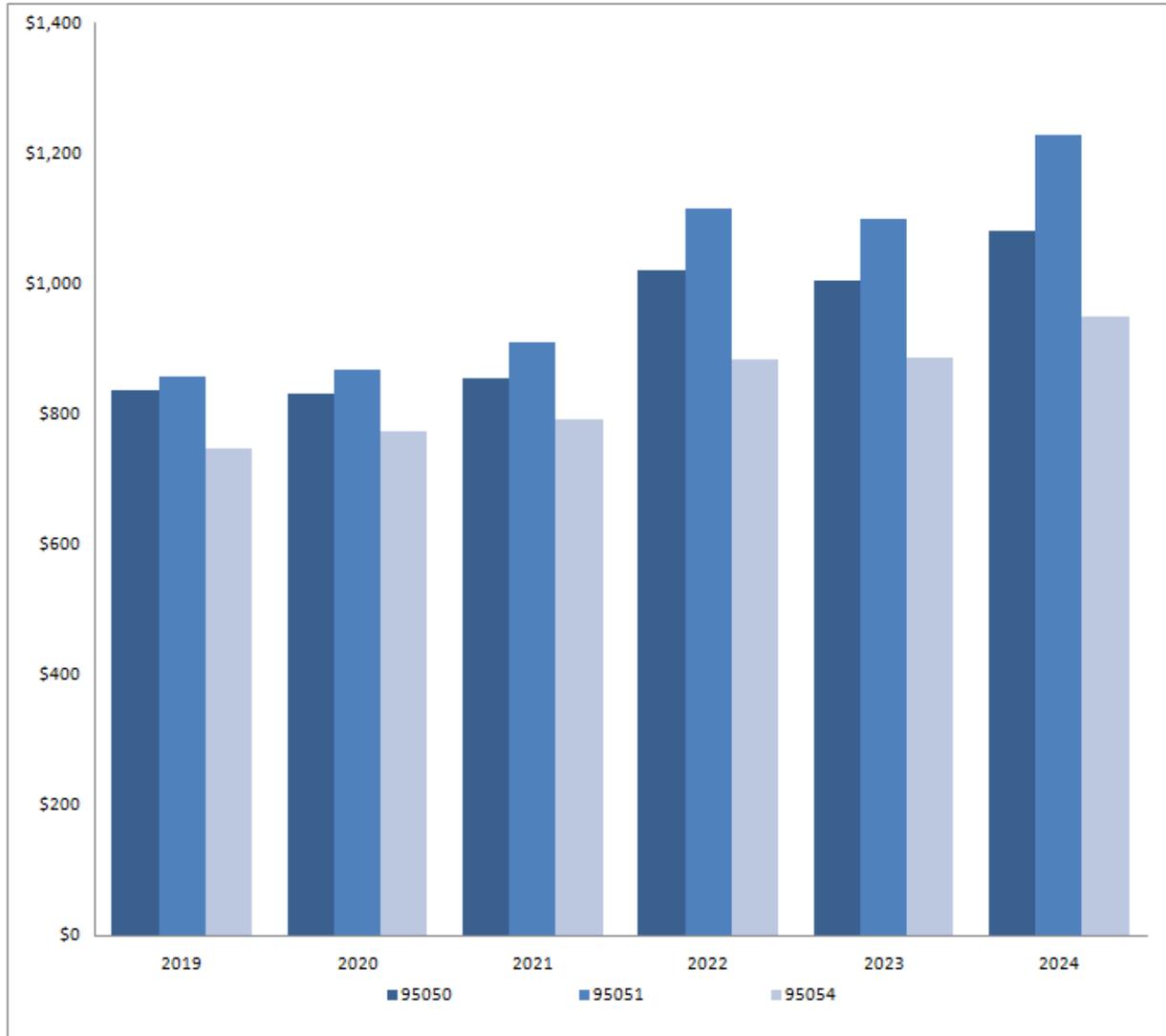
Differences between the 95050 and 95051 zip code for each use was based upon market feedback and anecdotal information. We also considered differences in values/rents for the commercial and industrial uses, and compared median selling prices and rents for the residential uses.

Residential Difference

Market participants and selling prices provided support that residential prices in the 95051 zip code are generally higher compared to the 95050 zip code. Some brokers believed that the 95050 area was slightly better due to Santa Clara University and a larger upper-middle class. Others pointed to the fact that the 95051 includes an area of the city close to Apple's headquarters and also within the Cupertino Union School District, a higher rated school district, which commands residential price premiums. Several brokers reported that some of the nicest neighborhoods in the

Real Estate Appraised: Three Hypothetical One-Acre Lots, One for Each Zip Code, Santa Clara, CA

City are in and around San Tomas Expressway, which bisects 95050 and 95051. Recent residential yearly-summary median prices/SF and Year End 2024 median prices/SF between the 95050 and 95051 zip codes, as reported by DQ News /CoreLogic and MLS Listings, indicated the following:



Source DQNews

The chart above indicates that the median selling price/SF has historically been higher in zip code 95051, corroborating the general consensus among market participants. This data supports the opinions of market participants that 95050 rates inferior to 95051.

In the next table, based on data reported by the MLS the median price in 95051 has historically been about 10% higher than zip code 95050. In the most recent year the 2024 median price for 95051 was about 18% higher than 95050. However, unlike DQ News/CoreLogic which reports all recorded sales transaction, MLS only reports listings marketed on MLS, which often does not

include all new construction. This is because builders, in the current market environment, often market their product in-house without using MLS, which is probably more cost effective and garners more marketing control to the builder.

| Median Sales Price | | | | | | |
|-------------------------|----------|-------------|-------------|-------------|-----------------------------------|---------------------------------|
| Housing Type | Zip Code | 2022 | 2023 | 2024 | % Change per Month Last 12 Months | % Change per Month Last 2 Years |
| SFR, Condo, & Townhouse | 95050 | \$1,472,500 | \$1,472,500 | \$1,550,000 | 0.44% | 0.22% |
| | 95051 | \$1,650,000 | \$1,600,000 | \$1,827,500 | 1.18% | 0.45% |
| | 95054 | \$1,278,044 | \$1,377,500 | \$1,473,000 | 0.58% | 0.64% |
| Source: Local MLS | | | | | | |

Based on market feedback, historical norms, and giving more weight to the historic MLS data, supported by historic DQ News/CoreLogic data, we concluded 2024 residential prices in zip code 95051 were about 10.0% higher than zip code 95050.

Commercial Difference

We discovered that commercial land values are generally similar among commercial uses located along El Camino Real and Stevens Creek Blvd. within the 95050 and 95051 zip codes, which are the primary commercial corridors in Santa Clara. CoStar reported that the 4Q 2023 average asking rents for retail between these zip codes were \$2.43/SF/Month in 95050 vs. \$3.14/SF/Month in 95051. The 4Q 2024 average asking rents for retail between these zip codes were \$2.41/SF/Month in 95050 vs. \$3.16SF/Month in 95051. CoStar reported that the 4Q 2023 average asking rents for office properties was \$4.44/SF/Month in 95050 vs. \$3.87/SF/Month in 95051. The 4Q 2024 average rents for office only between these zip codes were approximately \$4.50/SF/Month in 95050 vs. approximately \$3.75/SF/Month in 95051. Based on market data, rental rates differences, historic selling price differences, and vacancy rate differences we concluded that overall commercial land values in 95051 rated 15% inferior to 95050.

Industrial Difference

Among industrial properties, much of the product in the 95051 zip code is built as, or allows for R&D and higher intensity office uses, and greater floor area ratios, rating superior to 95050. A comparison of the average rental rate per SF, as compiled by CoStar, showed that the average rental rates were equal in 95051 during 2022 (\$2.33/SF in 95050 vs. \$2.33/SF in 95051), about equal and relatively unchanged in 2023 (\$2.27/SF in 95050 vs. \$2.31/SF in 95051), and were equal in 95051 during 2024 (\$2.25/SF in 95050 vs. \$2.25/SF in 95051). After consideration for differences in asking rents, historic selling price differences, and the opinions of the market, we concluded that industrial land prices rated about equal in the 95051 zip code compared to 95050.

Conclusion of Value in 95051 Zip Code

Based on the above, we concluded residential uses in zip code 95051 rated 10.0% superior, while commercial values rated 15% inferior, and industrial values rated similar. In the next table, the adjusted price per acre for each land use in the 95051 zip code was adjusted and the appropriate weighted values are summed to produce the average value of a hypothetical 1-acre lot in the 95051 zip code:

| 95051 ZIP CODE SUMMARY | | | | |
|---|---------------|---|--------------|--------------------|
| 2024 LAND USE VALUES & AVERAGE VALUE PER ACRE | | | | |
| Land Use | 95050 Average | x | Adjustment = | 95051 Average |
| Very Low Density Residential | \$1,613,208 | x | 110.0% | = \$1,774,529 |
| Low Density Residential | \$117,595 | x | 110.0% | = \$129,355 |
| Medium Density Residential | \$330,583 | x | 110.0% | = \$363,641 |
| High Density Residential | \$396,699 | x | 110.0% | = \$436,369 |
| Commercial | \$593,598 | x | 85.0% | = \$504,558 |
| Industrial | \$2,129,762 | x | 100.0% | = \$2,129,762 |
| TOTAL AVERAGE VALUE PER ACRE | | | | \$5,338,214 |

Average Value of Hypothetical 1-Acre Lot in the 95051 Zip Code: **\$5,340,000 (Rounded)**

AVERAGE VALUE ESTIMATE IN 95054 ZIP CODE

We utilize the same weighted land values from zip code 95050 and apply any differences in value between the 95054 and 95050 zip codes.

Estimating Differences Between Zip Codes

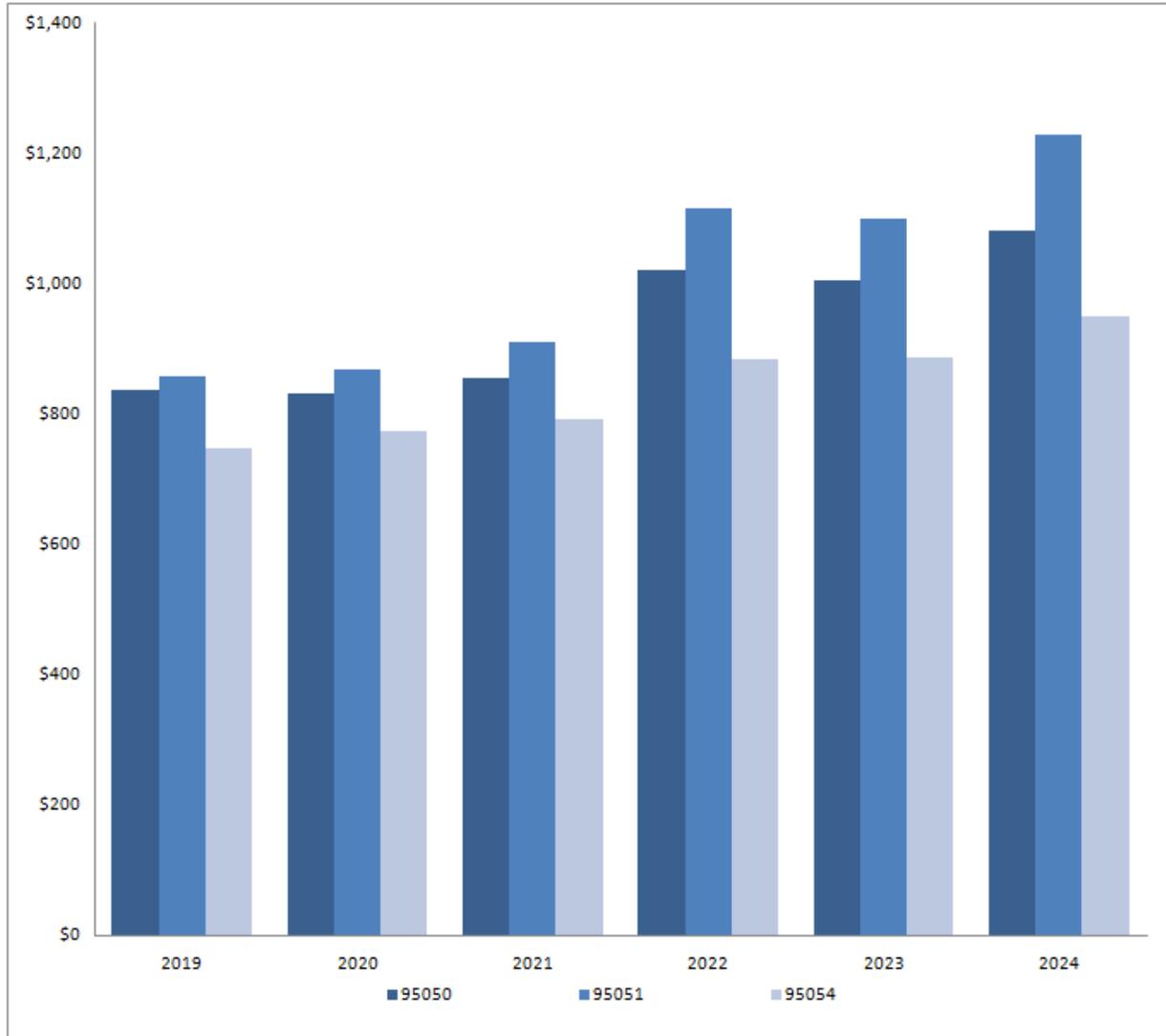
For 95054 value conclusions, we applied the same methodology used above to estimate the value differences between the 95050 and 95051 zip codes.

Residential Difference

Median and average selling prices provided support that the residential prices in the 95054 zip code were generally inferior when compared to the 95050 zip code. Brokers active in the market reported a range of opinions, that generally these two zip codes are not much different, but that 95054 tends to rate a little inferior. The 95054 zip code is affected by airport noise and has a higher

Real Estate Appraised: Three Hypothetical One-Acre Lots, One for Each Zip Code, Santa Clara, CA

concentration of higher-density housing units; there is less detached single-family selection and therefore fewer traditional residential neighborhoods with detached units. Recent yearly-summary median prices/SF for the 95050 and 95054 zip codes, as reported by DQ News /CoreLogic and MLS Listings, indicated the following:



Source DQNews



The median selling prices/SF has been historically higher in the 95050 zip code. The historic DQ News/CoreLogic data indicated that the aggregate median price in 95054 was 5.0% *lower* in 2019 and about 2.1% *lower* in 2020. In 2021 the difference was about 2.7% *lower*. In 2022 the difference was about 15% *lower*. In 2023 the 95054 zip code was about 7% *lower*. In 2024 the 95054 zip code was about 5% *lower*. This data supports the opinions of market participants that 95054 generally rates inferior to 95050.

The next table is the same MLS data displayed above in the previous section.

| Median Sales Price | | | | | | |
|----------------------------|----------|-------------|-------------|-------------|--------------------------------------|------------------------------------|
| Housing Type | Zip Code | 2022 | 2023 | 2024 | % Change per Month Last 12 Months | % Change per Month Last 2 Years |
| SFR, Condo, & Townhouse | 95050 | \$1,472,500 | \$1,472,500 | \$1,550,000 | 0.44% | 0.22% |
| | 95051 | \$1,650,000 | \$1,600,000 | \$1,827,500 | 1.18% | 0.45% |
| | 95054 | \$1,278,044 | \$1,377,500 | \$1,473,000 | 0.58% | 0.64% |
| Source: Local MLS | | | | | | |

Based on market data, historical norms, the opinions of market participants, and giving more weight to the the most recent MLS data, we concluded that residential land prices in zip code 95054 were historically lower than zip code 95050, on the order of 5%.

Commercial Difference

Most of the new commercial planned or proposed for the 95054 zip code comprises office and hotel uses, however, there are several mixed-use projects in process, notably Related Santa Clara. This area of Silicon Valley includes the Golden Triangle and has historically supported higher intensity uses and properties offering freeway visibility (U.S. 101 and CA-237). The addition of Levi's Stadium and the draw of Great America theme park and the Santa Clara Convention Center create additional synergies for this zip code. The greatest concentration of Class A office is located within this zip code and more is planned. As noted above, there are several mixed-use projects in process, which if built-out, will add both retail and new residential customers.

A comparison of the historic 3-year average rental rate (2018-2020) compiled by CoStar, revealed that the average rents between these zip codes was slightly lower in 95054, \$4.33/SF vs. \$4.53/SF in 95050, a difference of about 4.4% based on office and retail uses. The 4Q 2022 average rents for office only between these zip codes were lower in 95054, \$4.25/SF vs. \$4.75/SF in 95050. This pattern was repeated in the 4Q 2023 with the average rents for office only between these zip codes being about 7% lower in 95054, \$4.13/SF vs. \$4.44/SF in 95050. The 4Q 2024 average rents for office only between these zip codes being about 10% lower in 95054, approximately \$4.08/SF vs. approximately \$4.50/SF in 95050. The 95050 rental rate is influenced by newer retail construction which typically commands higher rental rates. Based on the data, including broker estimates and rental rate differences in each zip code, and considering that there is a greater proportion of office uses compared to retail uses, we concluded that commercial land value in 95054 rated about 10% inferior to 95050.

Industrial Difference

Among industrial properties, much of the product in the 95054 zip code is built as, or allows for R&D and higher intensity office uses, rating superior to 95050. This also allows for greater floor area ratios in 95054. Most market participants reported higher prices in 95054 due primarily to superior freeway access and fewer heavy-industrial uses. A comparison of the average rental rate per SF, as compiled by CoStar, showed that the average rental rates were equal in 95054 during 2022 (\$2.33/SF in 95050 vs. \$2.33/SF in 95054), only slightly different in 2023 (\$2.27/SF in 95050 vs. \$2.19/SF in 95054), and only slightly different in 2024 (\$2.25/SF in 95050 vs. \$2.16/SF in 95054). After consideration for differences in asking rents, historic selling price differences, and the opinions of the market, we concluded that industrial land prices rated about equal to the 95054 zip code compared to 95050.

Conclusion of Value in 95054 Zip Code

Based on the above data and analysis, the adjusted price per acre for each land use in the 95054 zip code was adjusted and the appropriate weighted values are summed to produce the average value of a hypothetical 1-acre lot in the 95054 zip code:

| 95054 ZIP CODE SUMMARY | | | | |
|---|---------------|---|--------------|--------------------|
| 2024 LAND USE VALUES & AVERAGE VALUE PER ACRE | | | | |
| Land Use | 95050 Average | x | Adjustment = | 95054 Average |
| Very Low Density Residential | \$1,613,208 | x | 95.0% | = \$1,532,548 |
| Low Density Residential | \$117,595 | x | 95.0% | = \$111,715 |
| Medium Density Residential | \$330,583 | x | 95.0% | = \$314,054 |
| High Density Residential | \$396,699 | x | 95.0% | = \$376,864 |
| Commercial | \$593,598 | x | 90.0% | = \$534,238 |
| Industrial | \$2,129,762 | x | 100.0% | = \$2,129,762 |
| TOTAL AVERAGE VALUE PER ACRE | | | | \$4,999,181 |

Average Value of a Hypothetical 1-Acre

Lot in the 95054 Zip Code:

\$5,000,000 (Rounded)

RECONCILIATION AND OPINION OF AVERAGE VALUES

The sales comparison approach was the appropriate value approach for each land use. Total sales statistics in 2024 revealed that commercial/industrial sales accounted for about 56.86% of the total while residential sales accounted for about 43.14% of the total. This represents a greater percentage of commercial and industrial transactions by land area than in prior years. Data provided by Old Republic Title Company shows 448 single family home sales in 2024 compared to 386 single

family home sales in 2023. However, the median improved residential selling price in 2024 in the city of Santa Clara had generally only increased slightly throughout the year with some major price oscillation noted in the last three quarters. This resulted in similar residential unit values for very low-density land, low density land, and medium density land in 2024. However, high density land declined slightly from 2023. Commercial land values were unchanged in both 2023 and 2024. Industrial land values declined from 2023. In 2024, the combination of higher interest rates, the 2024 elections, and expected slower economic growth has impacted the market. Additionally, more lower valued commercial and industrial land transacted in 2024 compared to 2023. All these factors resulted in only slightly lower 2024 values for the hypothetical one-acre lots for each zip code compared to 2023.

We concluded to the following average value for each zip code on December 31, 2024, the effective date of value opinion:

**Opinion of Average Value of a
Hypothetical 1-Acre Lot in the 95050 Zip Code: \$5,180,000 (Rounded)**
(Five Million One Hundred Eighty Thousand Dollars)

**Opinion of Average Value of a
Hypothetical 1-Acre Lot in the 95051 Zip Code: \$5,340,000 (Rounded)**
(Five Million Three Hundred Forty Thousand Dollars)

**Opinion of Average Value of a
Hypothetical 1-Acre Lot in the 95054 Zip Code: \$5,000,000 (Rounded)**
(Five Million Dollars)

| Zip Code | 2024 Average Value per Acre |
|-----------------|------------------------------------|
| 95050 | \$5,180,000 |
| 95051 | \$5,340,000 |
| 95054 | \$5,000,000 |

ADDENDA

- Old Republic Title Company 2024 Sales data in City of Santa Clara (on file)
- City of Santa Clara Supplemental Instructions for the Appraisal of the Fair Market Value of Land
- Maps of the Sale Comparables
- Land Sale Comparable Parcel Maps
- Brokerage Reports (on file)
- Qualifications of Appraiser

DRAFT WIP

**Attachment A
Supplemental Instructions
for the Appraisal of the Fair Market Value of Land**

The following information and instructions will be used by the City when setting the land value used in the formula for determining the impact fees due in lieu of park and recreational land dedication pursuant to Santa Clara City Code 17.35. (*Approved by Santa Clara City Council—June 7, 2016*)

Background.

On July 15, 2014, Council added Chapter 17.35 “Park and Recreational Land” to the Santa Clara City Code to ensure that new residential development provides adequate community and neighborhood park land for active recreational uses and/or pays a fee in-lieu of parkland dedication to mitigate the impacts of the new growth pursuant to the California Quimby Act and/or Mitigation Fee Act.

17.35.040 Formula for calculation of fee in lieu of land dedication.

(a) When a fee is required to be paid in lieu of parkland dedication, the maximum amount of such fee shall be determined by the fair market value of the amount of land that would otherwise be required to be dedicated pursuant to SCCC 17.35.030, as set forth below. The date of valuation of the property for in-lieu fee purposes shall be the date that the City determines that the developer’s application for a parcel map or tentative subdivision map, or application for projects not involving a subdivision, is complete.

(b) Fair Market Value.

(1) The City shall determine the fair market value of the property by using the average per acre land value for property in the City of Santa Clara, based upon a survey of land values and sale records in the City. The City Council shall set a minimum of three such average values, one for each of the three existing Zip Codes in the City (95050, 95051, 95054). The City Council may, at its discretion, set average values for additional subregions of the City. The City Council shall review the fair market values not less than annually and set the values in a Council resolution.

(2) If the developer objects to this determination of fair market value, the developer may elect to have the value established by appraisal. If the developer chooses this option, the developer shall deposit with the City an amount sufficient to cover the cost of an appraisal, which the City shall conduct. The appraisal shall be completed prior to approval of the tentative or parcel map or, for developments not involving a subdivision, prior to the issuance of a building permit.

(c) Based on the determination of fair market value set forth in subsection (b)(1) of this section, for each of the dwelling unit categories, the City Council shall set the amount of fees to be paid in lieu of parkland dedication in a Council resolution, which the Council shall review annually. (Ord. 1928 § 3, 7-15-14).

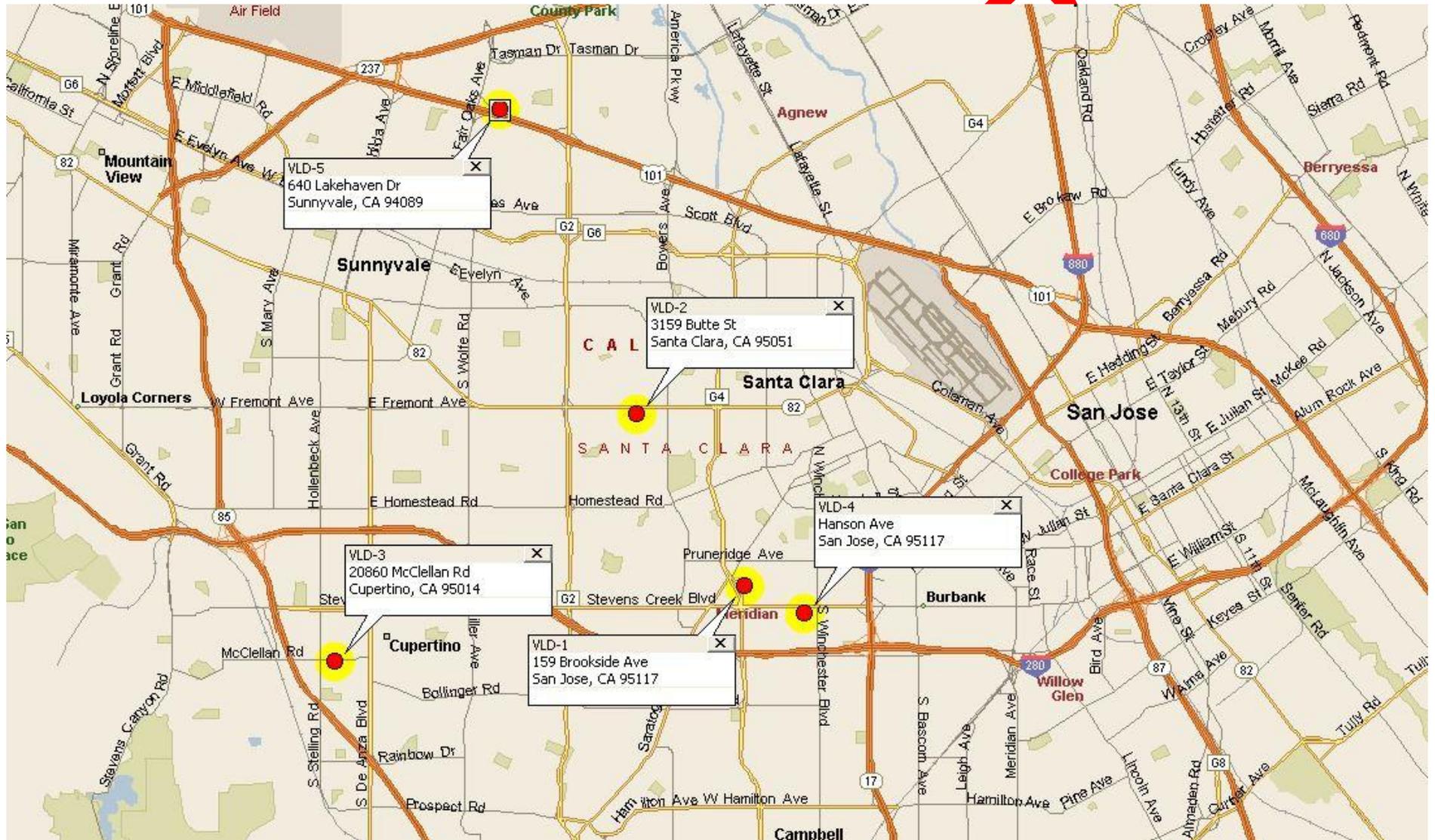
Guidelines for Appraiser:

- a. *Appraiser is to provide a “Fair Market Value” for an average acre of land (hypothetical, rectangular, useable site) for property in each of the three existing City of Santa Clara Zip Codes 95050, 95051, 95054. The opinion will conform to Uniform Standards of Professional Appraisal Practice.*
- b. **Valuation Date:** *December 31 of each year.*
- c. **Location & Property Sales Data Set Boundaries:** *Data set will begin with sales data from within Santa Clara City limits.*
- d. **Data Set Date Range:** *Use data from January 1st to December 31st of each year. Example: January 1, 2015 to December 31, 2015 for “December 31, 2015 Valuation Date.” See contingencies below.*
- e. **Property Types:** *Use all of the following property types: Single Family (low and very low density), High Density Residential, Medium Density Residential, Commercial, Industrial, Lots and Land.*
- f. **Contingencies for Limited Data Set of each Property Type:** *If there are insufficient, credible data points or sales of a particular property type, then appraiser will explore and use comparable sales from the local competitive market area, adjacent to City of Santa Clara. A fixed distance from City of Santa Clara city limit is not given, however a compelling, rational basis for the selection of the competitive market area must be given by the appraiser in the report. Preference is for closer, more recent, and comparable; discretion is given to the appraiser.*
- g. **Sales Transactions Data not to be used:** *Do not use transactions if they are not an arms-length transaction, have encumbered/clouded title, are environmentally impaired site, or are more than three (3) years old.*
- h. **Inflation factors for Comparable between 1 and 3 years:** *An inflation factor will be computed and applied to comparable sales over one year based on reasonable and rational considerations such as sales and rental trends or other appropriate methods.*
- i. **Sales Transactions Data that may be included:** *May use real estate sales transactions by the City of Santa Clara for additional neighborhood or community parkland.*
- j. **Data Values excluded:** *No values or set of values at the high or low end of the data set are to be excluded from consideration in the average values on the sole basis of being relatively high or low; however, a check for consistency among comparable values will be done, and a rational basis should be provided for credible comparable transactions if not used.*

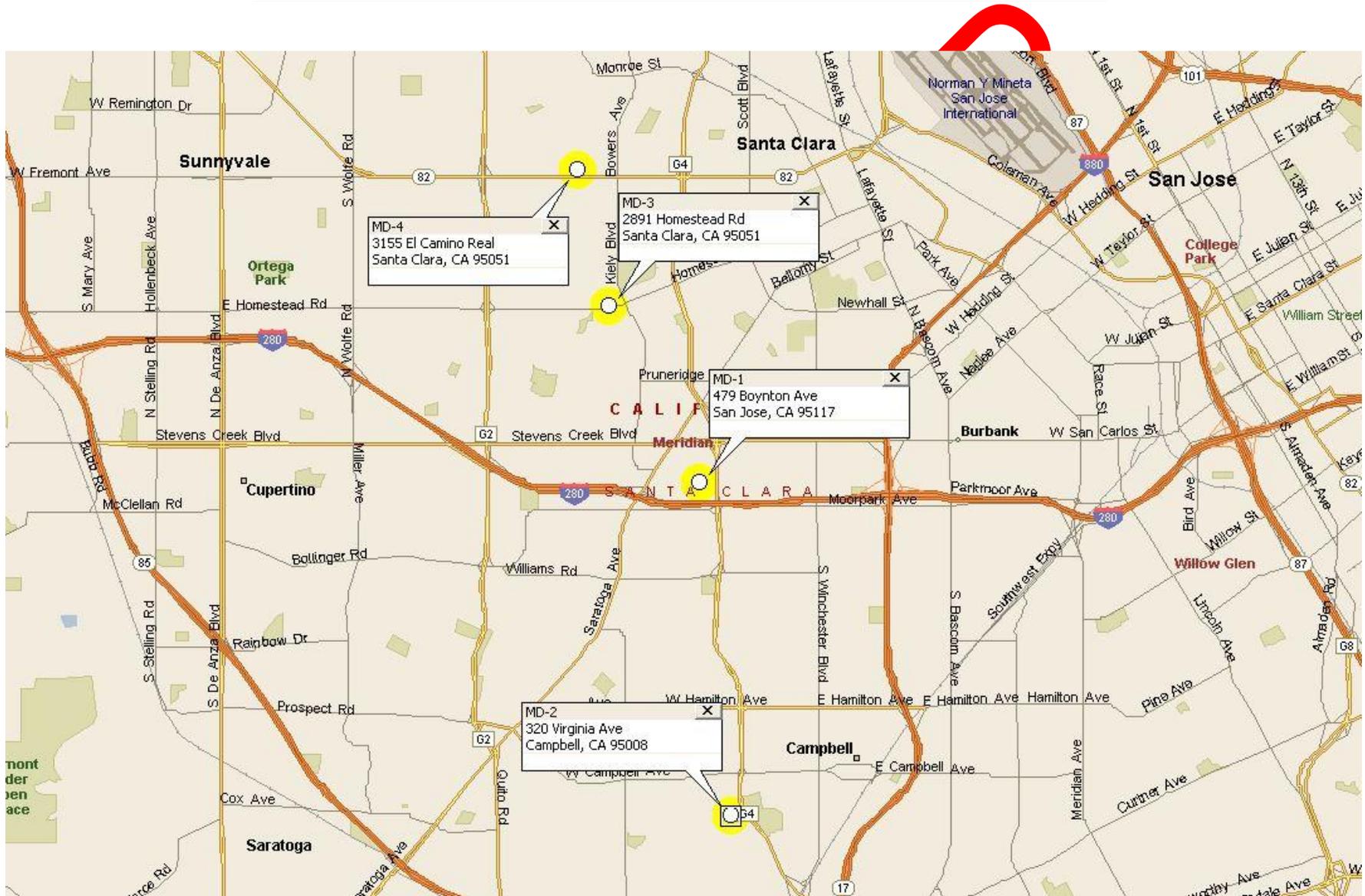
- k. **Research Factors to be considered for Comparable sales:** The factors to be used to compare property values include, but are not limited to physical factors, economic factors, market conditions verification to parcel maps, public records, CoStar data bank. Additional factors may be used provided there is a rational basis for doing so.*
- l. **Reconciliation of value differences:** The approach will be comparative, iterative, qualitative and quantitative, and will be made at the appraiser's discretion.*
- m. **Weight to be applied to Property Types:** The weighted average of each property type will be based on the percentage of land area in the sales transactions, for example, if 25% of total acreage is high density residential, then the relative weight of that property type will be 25%. (The weight will not be done by the quantity of sales of each type or the percent of value of sales of each type).*
- n. **Reporting:** A draft valuation report will be generated by March 15. City will provide for a two week circulation and comment period. The valuations included the final valuation report will be used in the calculation formula for fees prepared by staff to be reviewed by Council as part of the annual City budget process and Municipal Fee Schedule adoption by June 30. Fees will be implemented on or after July 1 depending upon Quimby Act or Mitigation Fee Act provisions of the Council resolution.*

Attachment A-Supplemental Instructions for Parkland Dedication In Lieu Fee Process and Schedule 2016

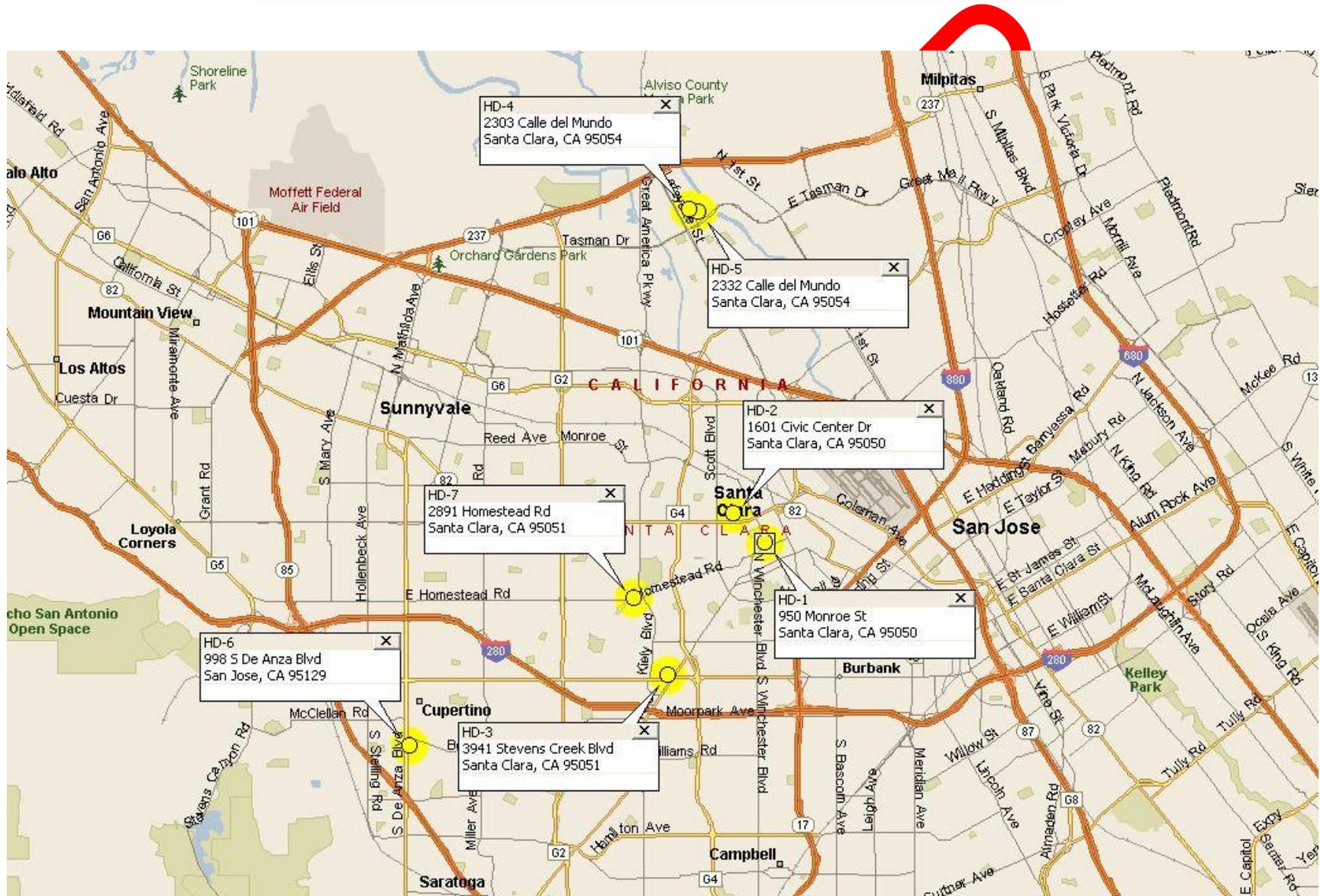
VERY LOW-DENSITY RESIDENTIAL SALE COMPARABLE LOCATION MAP



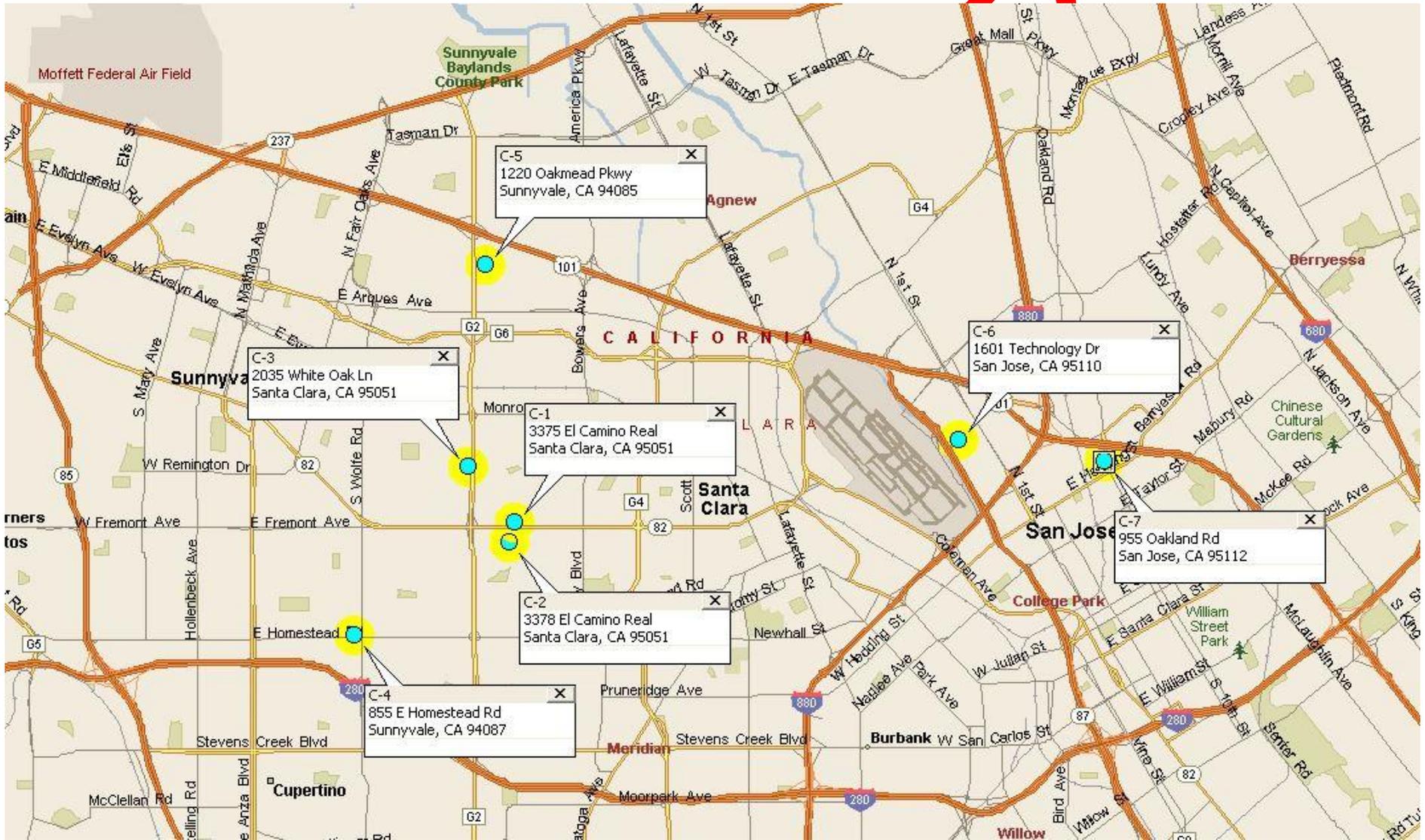
MEDIUM-DENSITY RESIDENTIAL SALE COMPARABLE LOCATION MAP



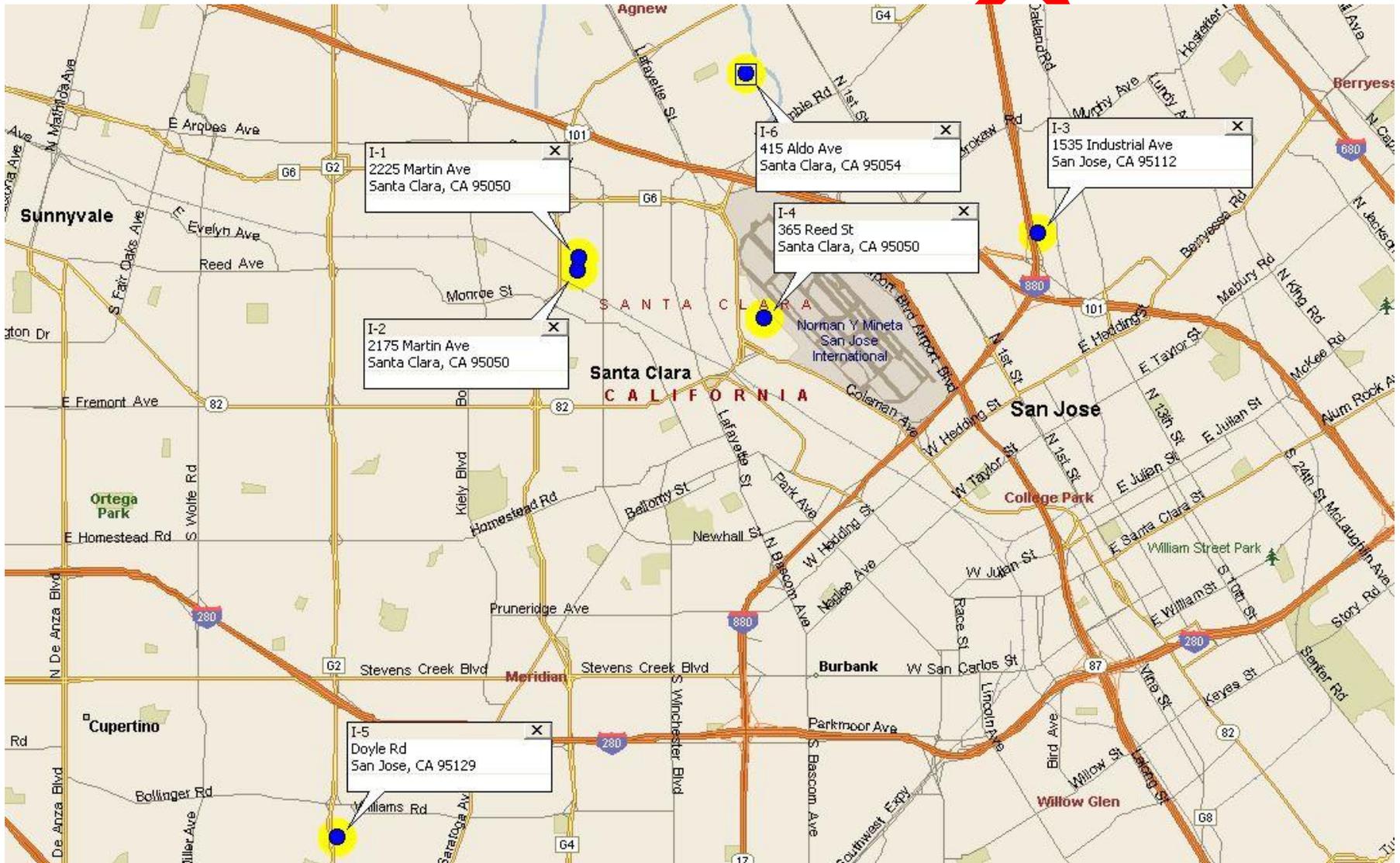
HIGH-DENSITY RESIDENTIAL SALE COMPARABLE LOCATION MAP



COMMERCIAL SALE COMPARABLE LOCATION MAP



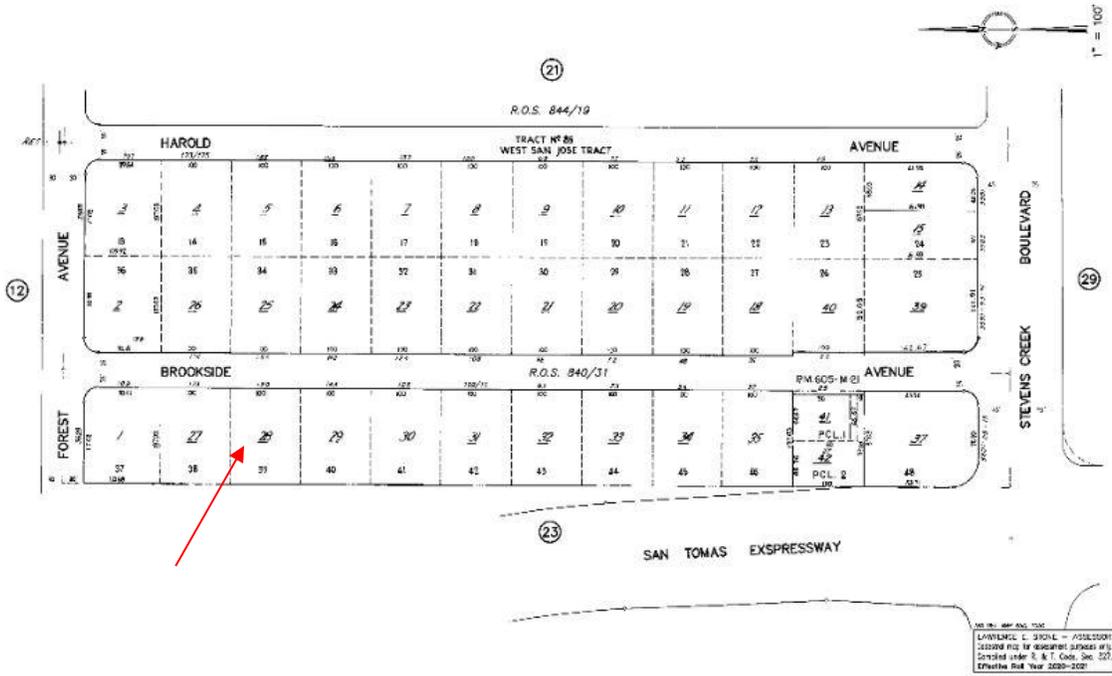
INDUSTRIAL SALE COMPARABLE LOCATION MAP



COMPARABLE LAND SALE PARCEL MAPS

OFFICE OF COUNTY ASSESSOR — SANTA CLARA COUNTY, CALIFORNIA

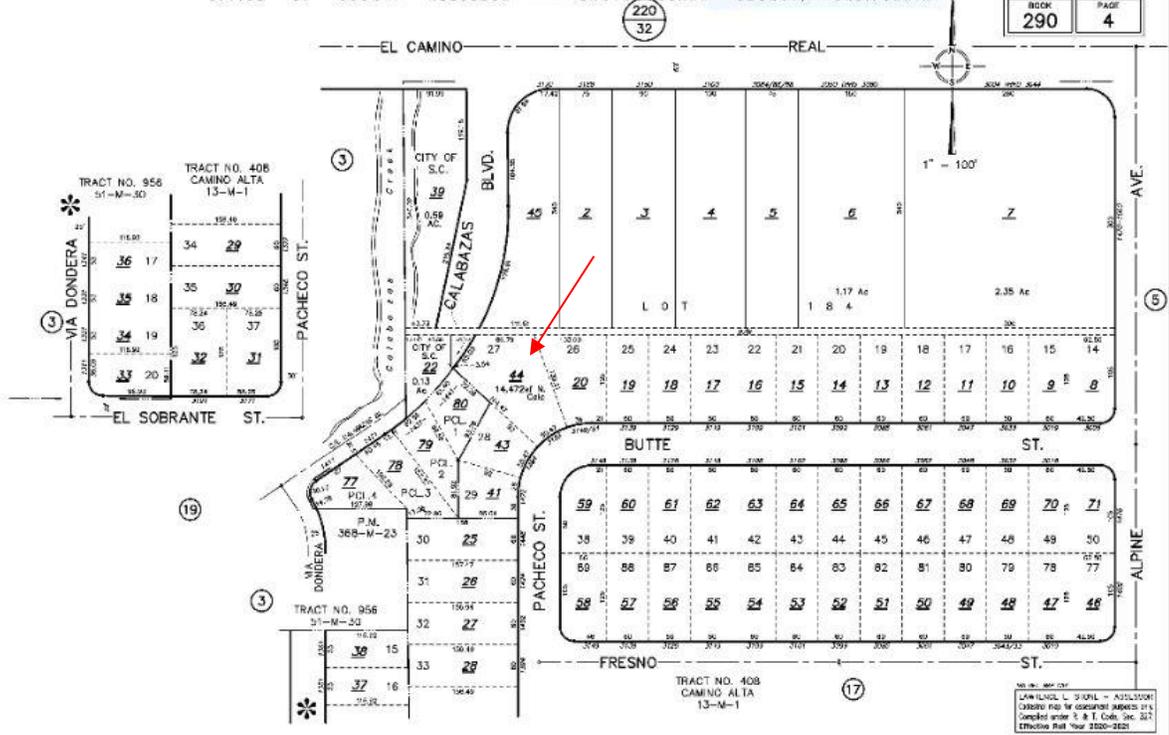
BOOK 303 PAGE 22



Very Low-Density Land Comparable Sale VLD 1

OFFICE OF COUNTY ASSESSOR — SANTA CLARA COUNTY, CALIFORNIA

BOOK 290 PAGE 4

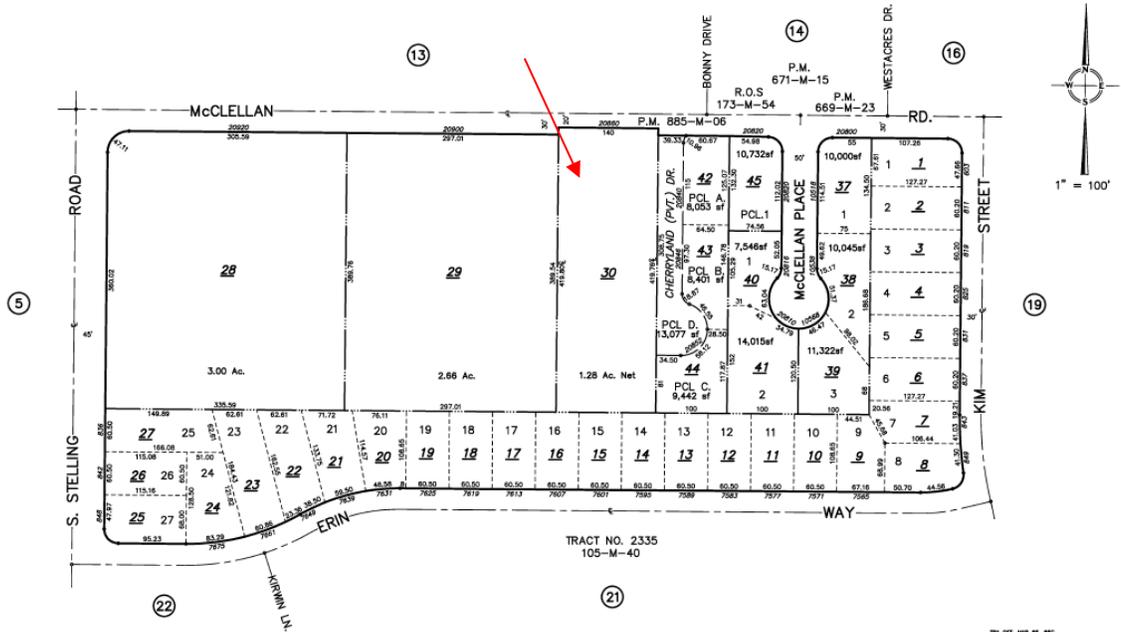


Very Low-Density Land Comparable Sale VLD 2

COMPARABLE LAND SALE PARCEL MAPS

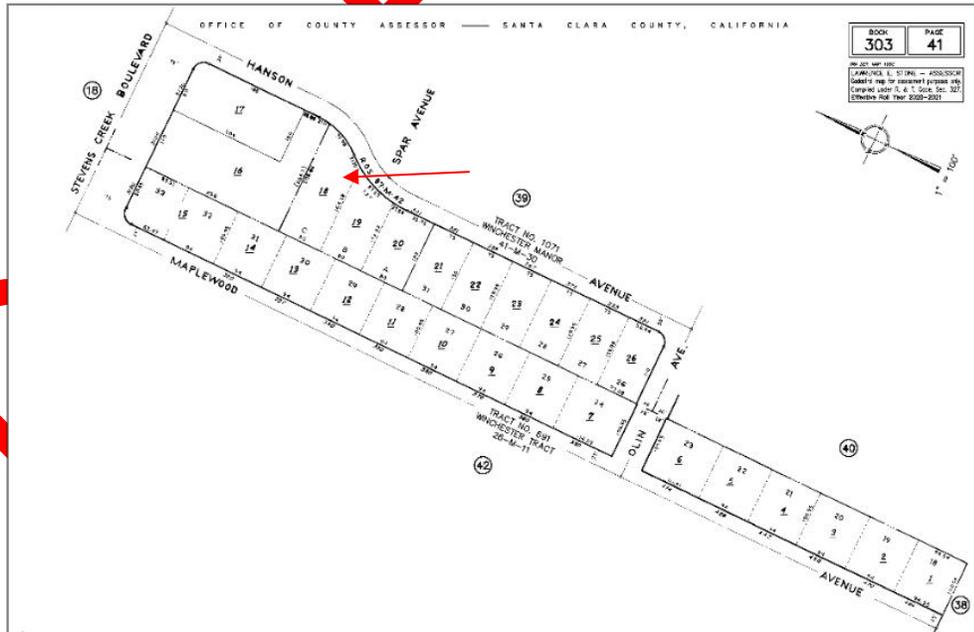
OFFICE OF COUNTY ASSESSOR — SANTA CLARA COUNTY, CALIFORNIA

BOOK 359 PAGE 20



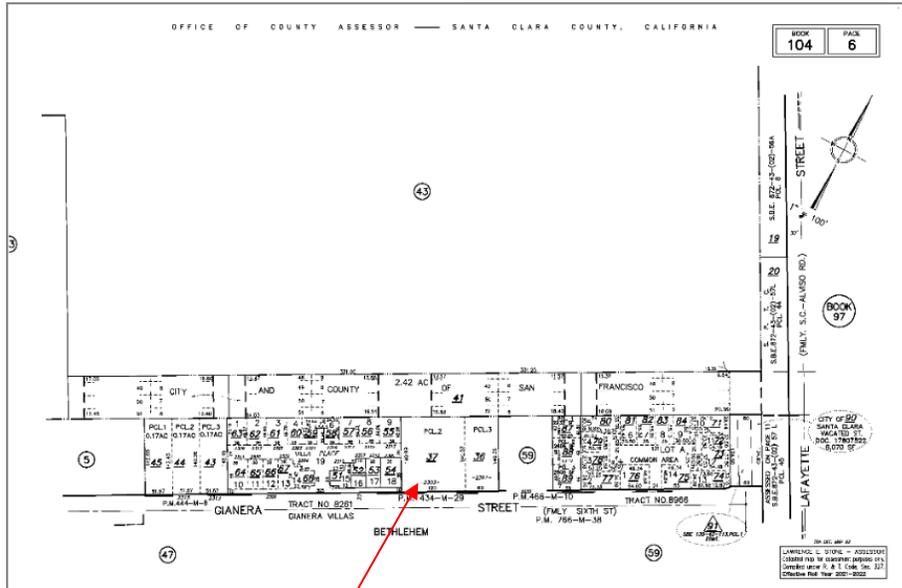
PER SET MAP AS ASS
LAWRENCE E. STONE — ASSESSOR
Controlled map for assessment purposes only
Compiled under S. & T. Code, Sec. 327
Effective Roll Year 2022-2023

Very Low-Density Land Comparable Sale VLD 3

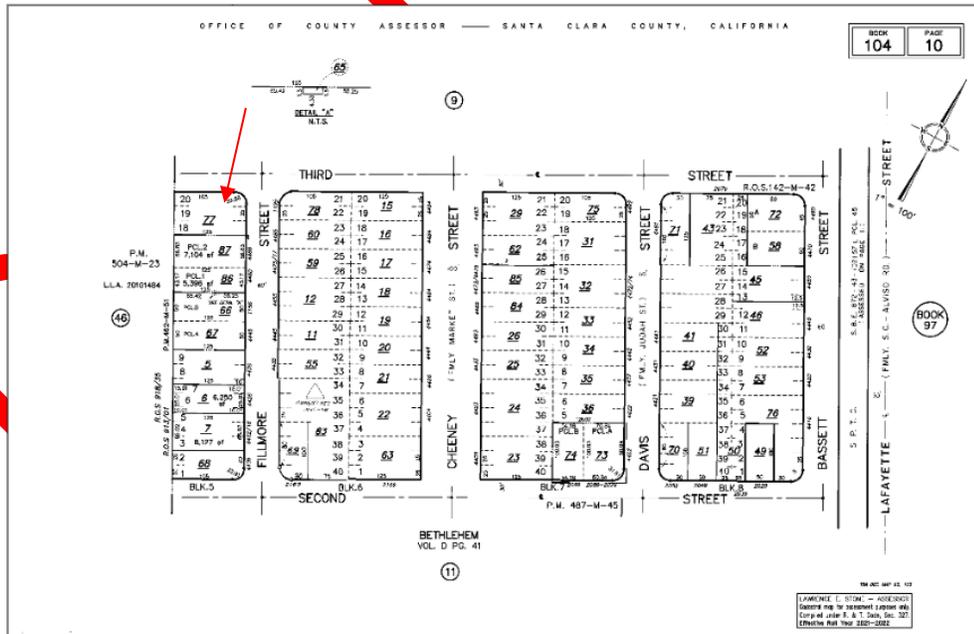


Very Low-Density Land Comparable Sale VLD 4

COMPARABLE LAND SALE PARCEL MAPS

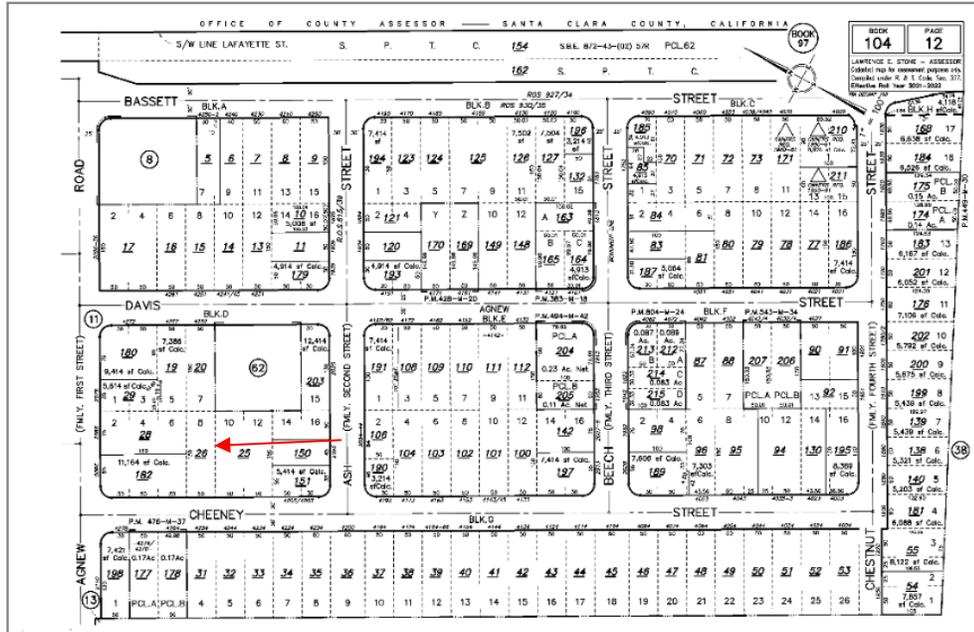


Low Density Land Comparable Sale LD 1

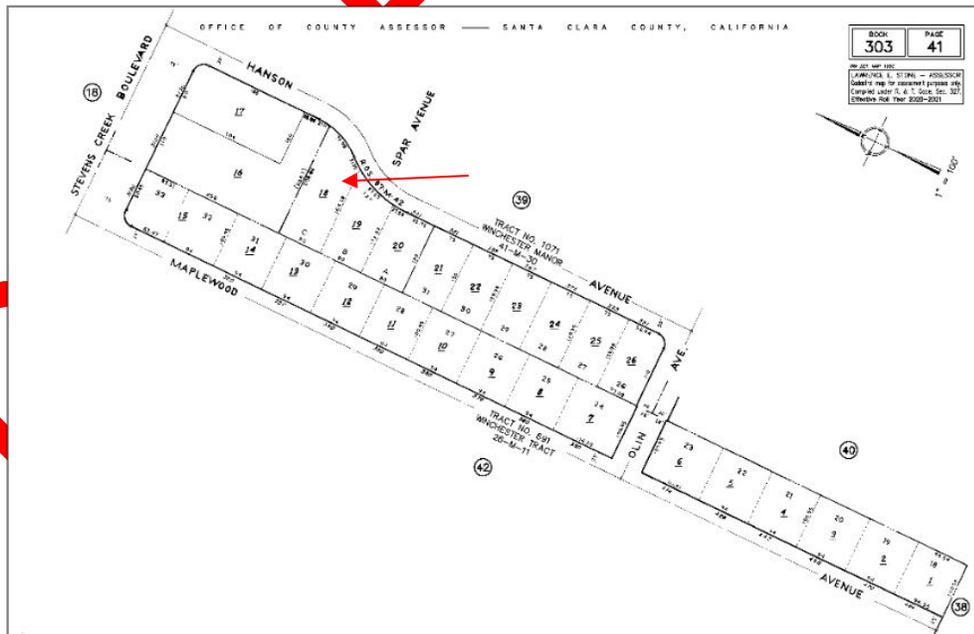


Low Density Land Comparable Sale LD 2

COMPARABLE LAND SALE PARCEL MAPS

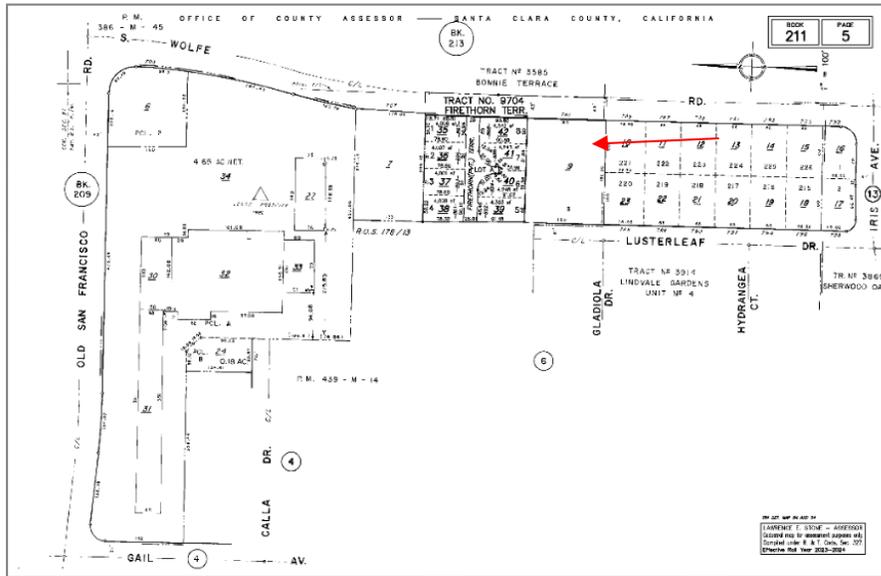


Low Density Land Comparable Sale LD 3

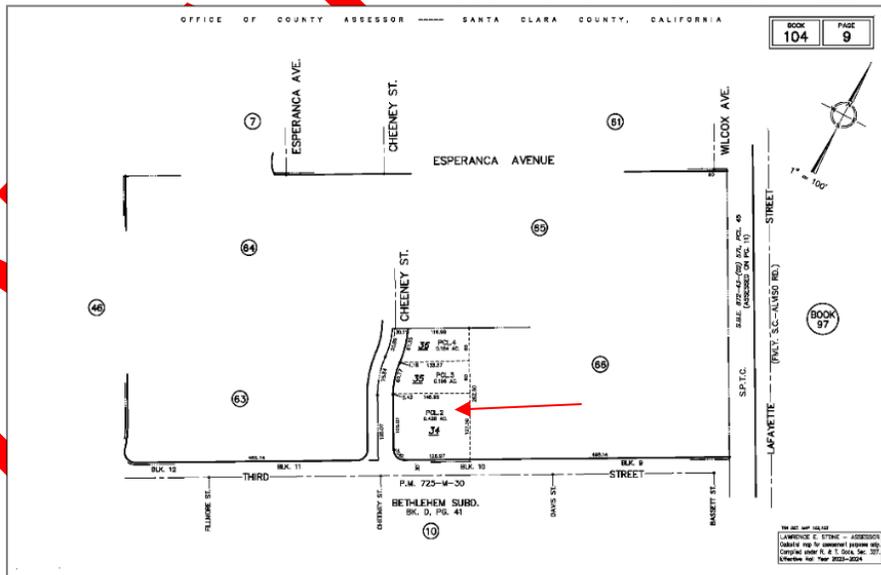


Low Density Land Comparable Sale LD 4

COMPARABLE LAND SALE PARCEL MAPS

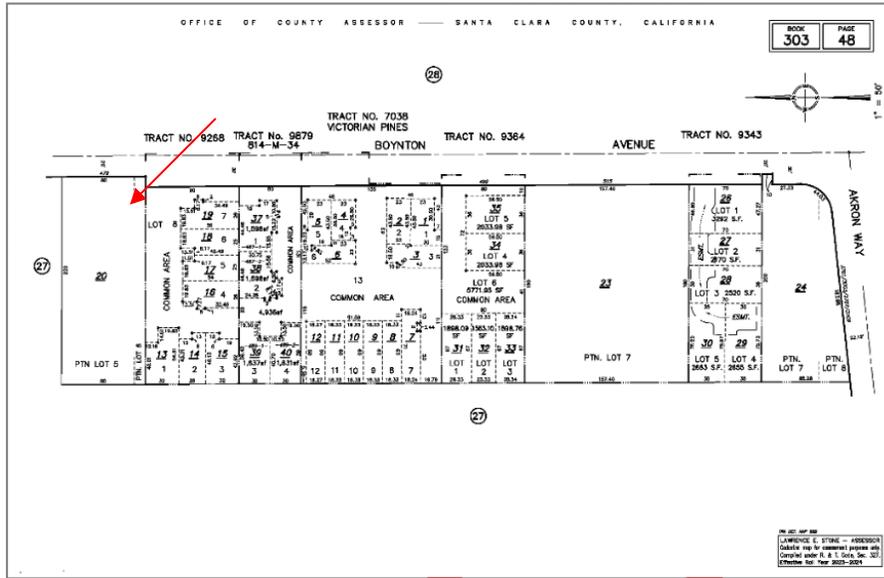


Low Density Land Comparable Sale LD 5

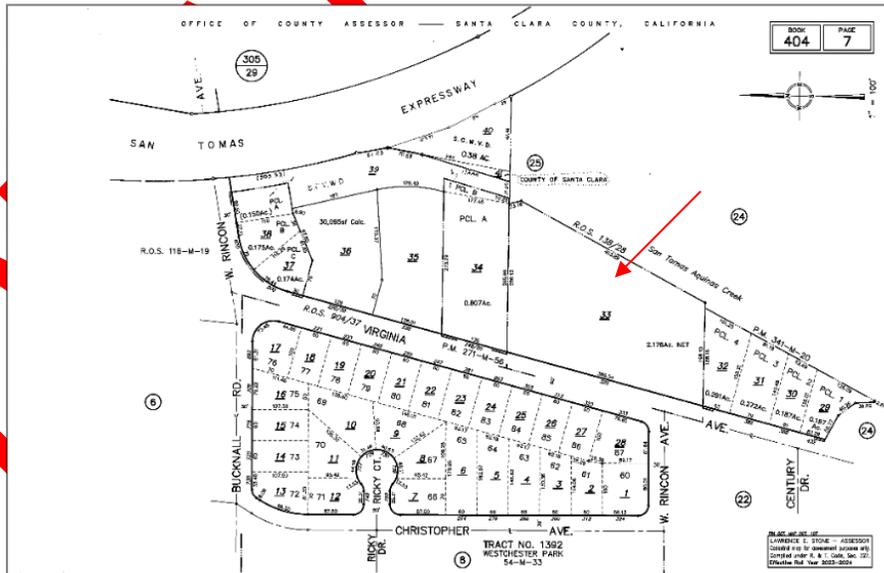


Low Density Land Comparable Sale LD 6

COMPARABLE LAND SALE PARCEL MAPS



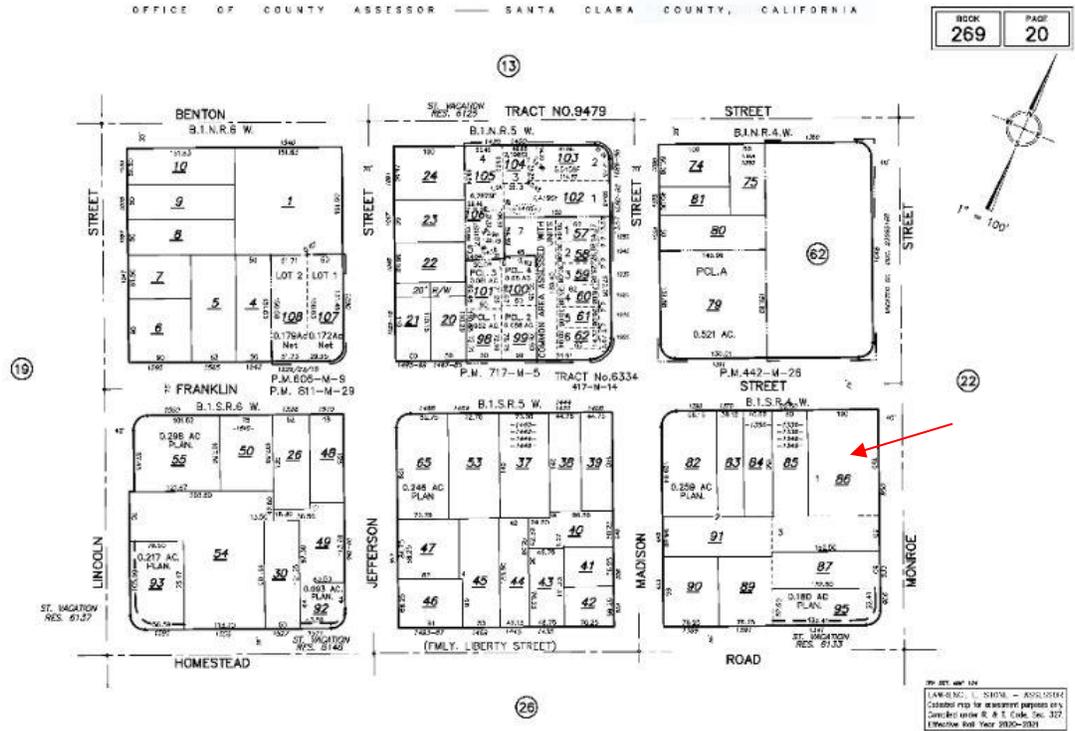
Medium Density Land Comparable Sale MD 1



Medium Density Land Comparable Sale MD 2

COMPARABLE LAND SALE PARCEL MAPS

OFFICE OF COUNTY ASSESSOR — SANTA CLARA COUNTY, CALIFORNIA



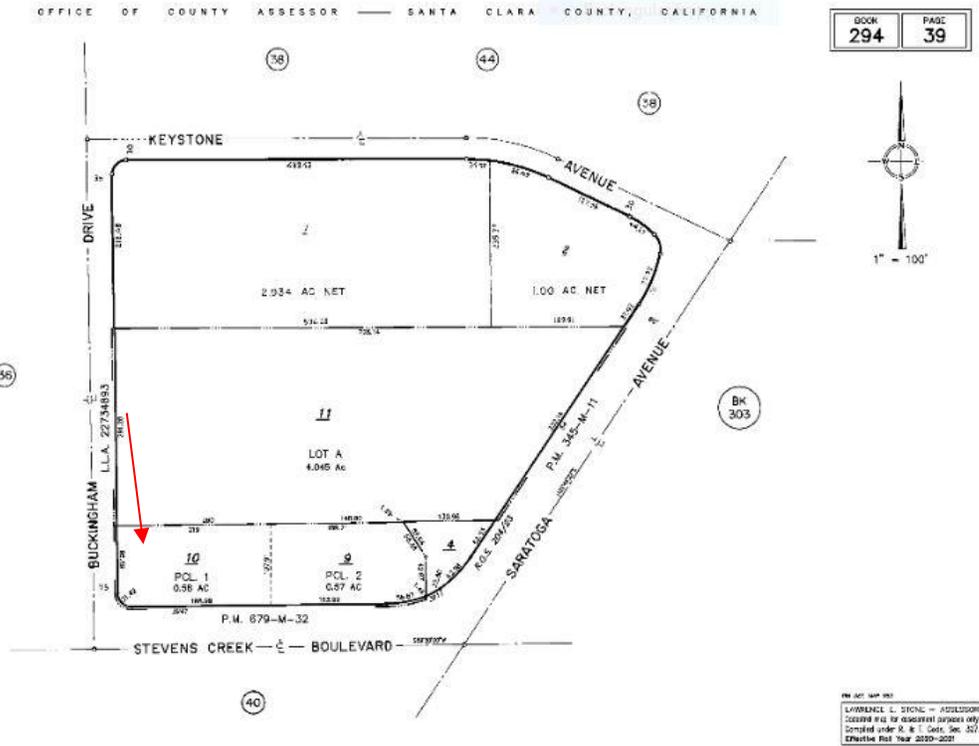
High Density Land Comparable Sale HD 1

OFFICE OF COUNTY ASSESSOR — SANTA CLARA COUNTY, CALIFORNIA

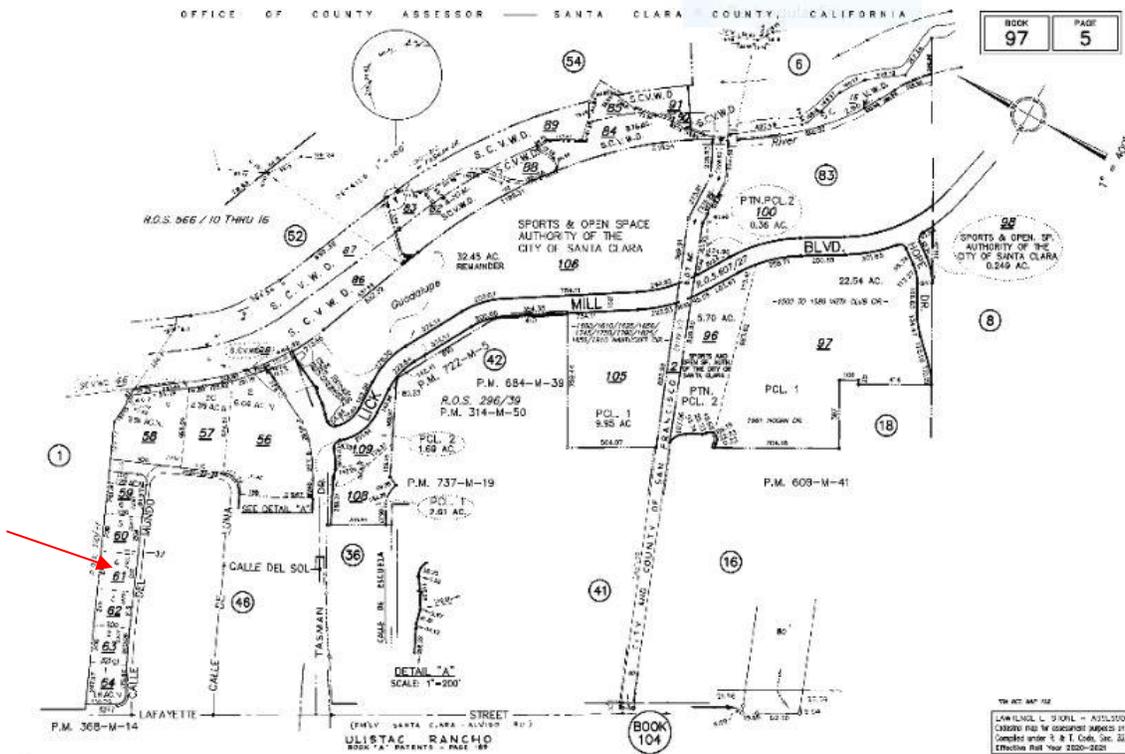


High Density Land Comparable Sale HD 2

COMPARABLE LAND SALE PARCEL MAPS

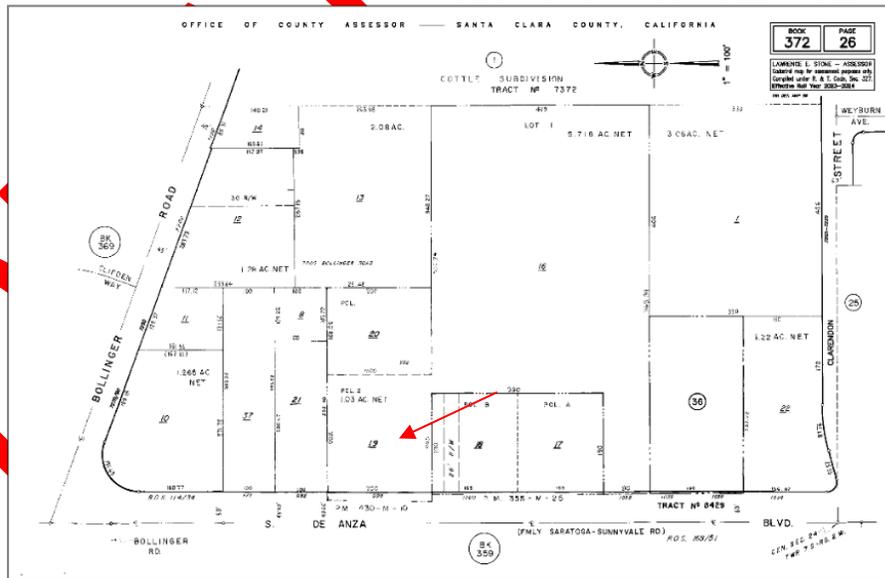
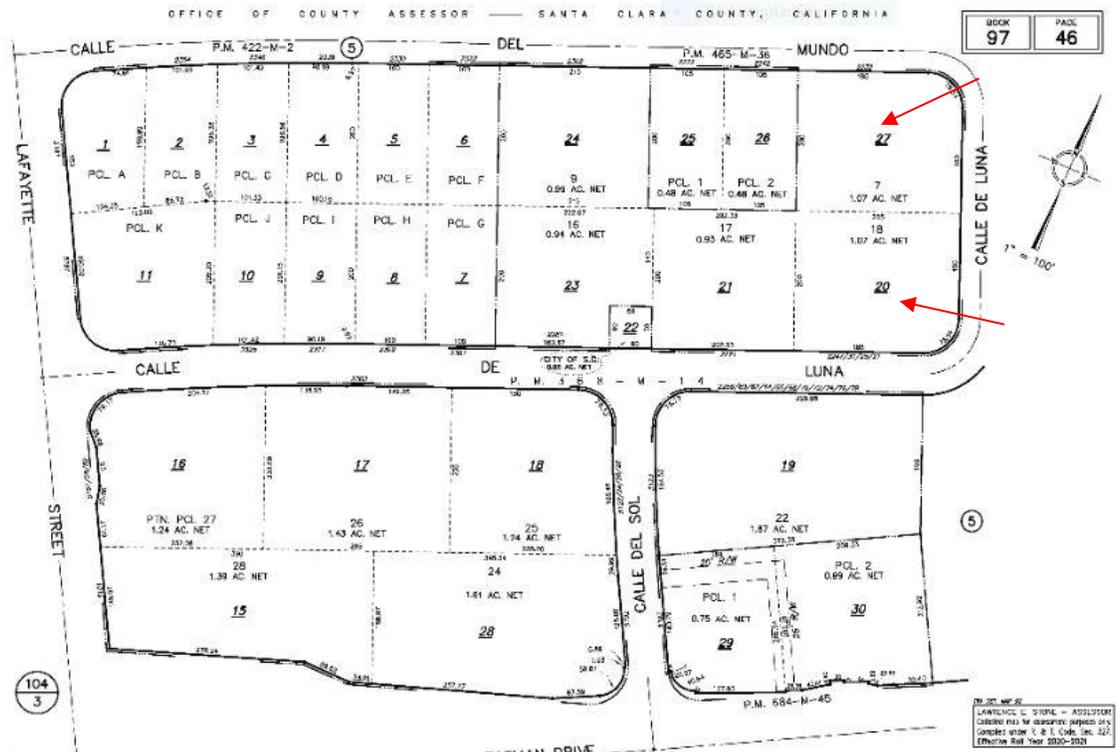


High Density Land Comparable Sale HD 3

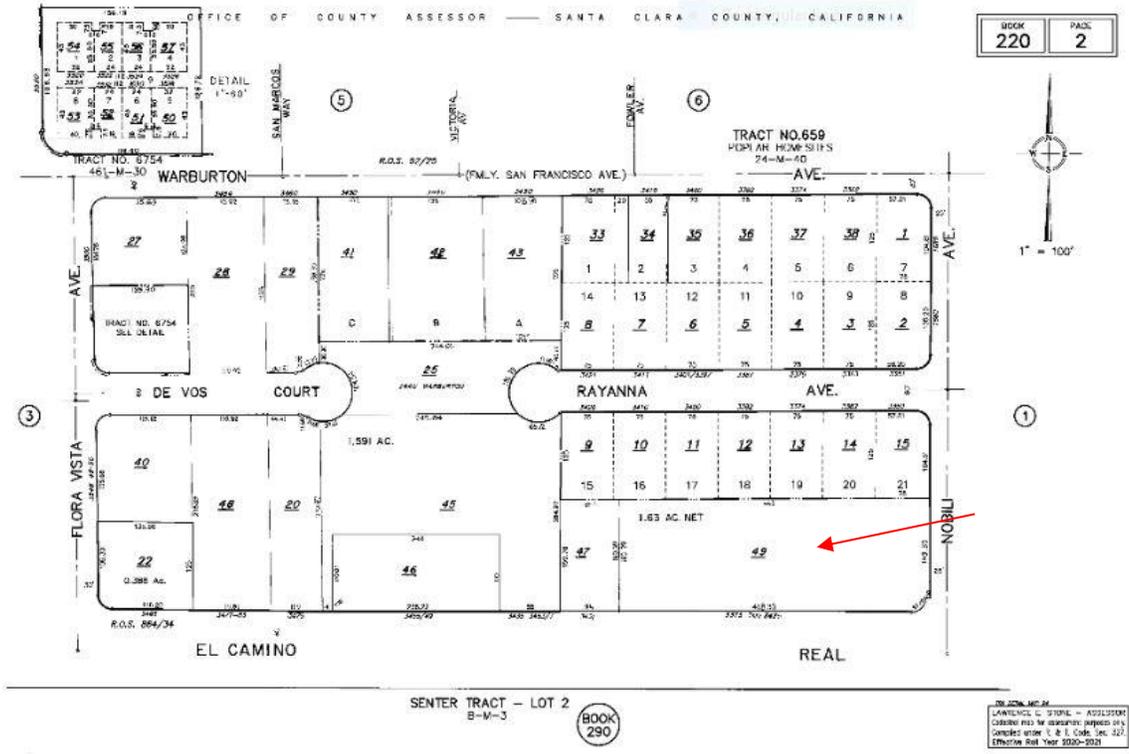


High Density Land Comparable Sale HD 4

COMPARABLE LAND SALE PARCEL MAPS



COMPARABLE LAND SALE PARCEL MAPS



Commercial Land Comparable Sale C 1

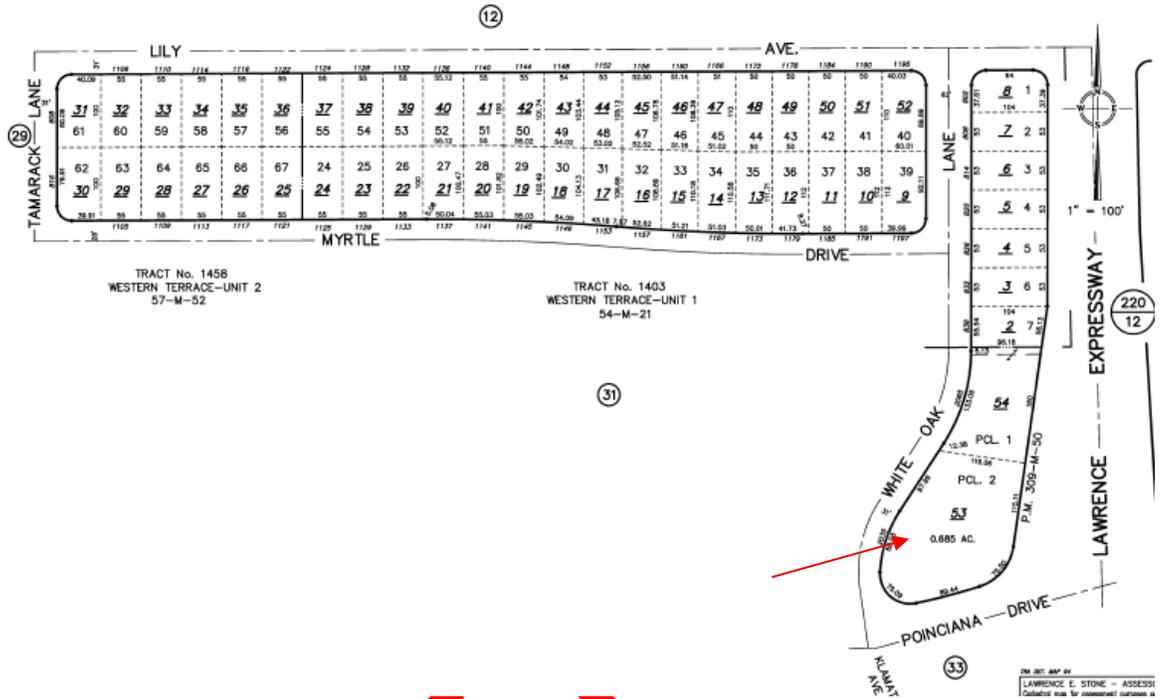


Commercial Land Comparable Sale C 2

COMPARABLE LAND SALE PARCEL MAPS

OFFICE OF COUNTY ASSESSOR — SANTA CLARA COUNTY, CALIFORNIA

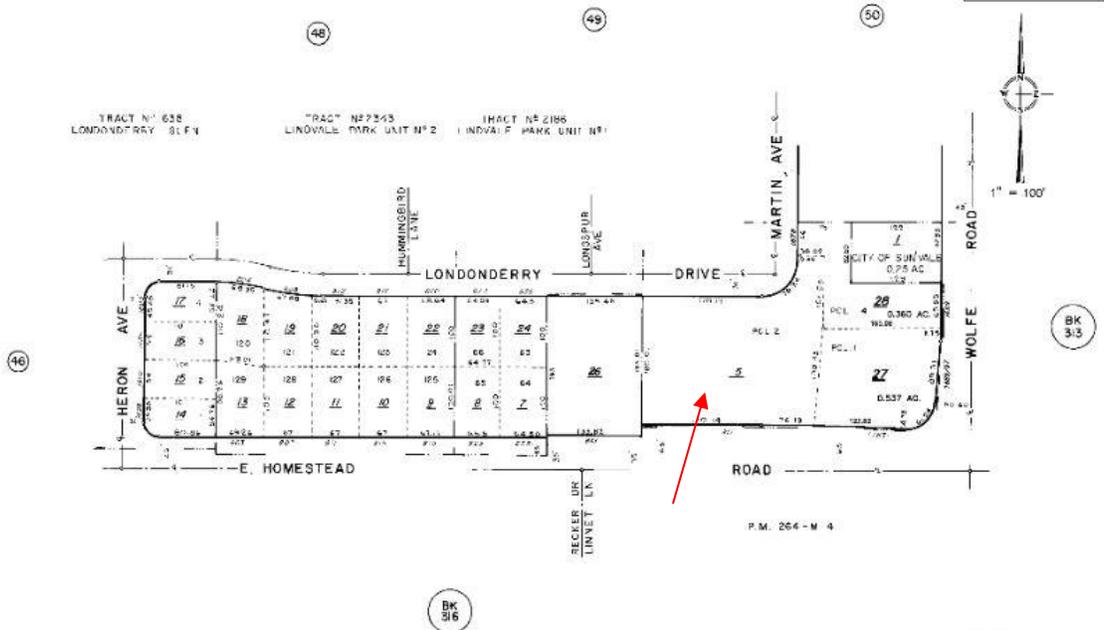
BOOK 213 PAGE 30



Commercial Land Comparable Sale C 3

OFFICE OF COUNTY ASSESSOR — SANTA CLARA COUNTY, CALIFORNIA

BOOK 309 PAGE 51



Commercial Land Comparable Sale C 4

COMPARABLE LAND SALE PARCEL MAPS



Commercial Land Comparable Listing C 7

DRAFT

COMPARABLE LAND SALE PARCEL MAPS

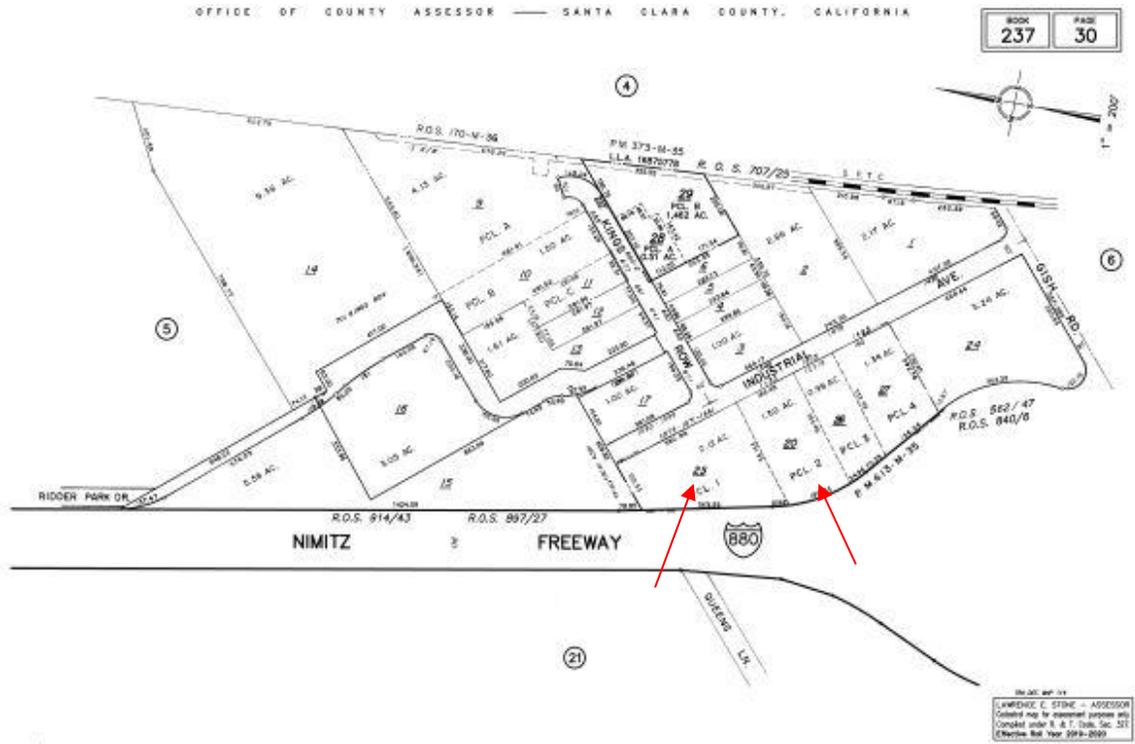


Industrial Land Comparable Sale I 1



Industrial Land Comparable Sale I 2

COMPARABLE LAND SALE PARCEL MAPS

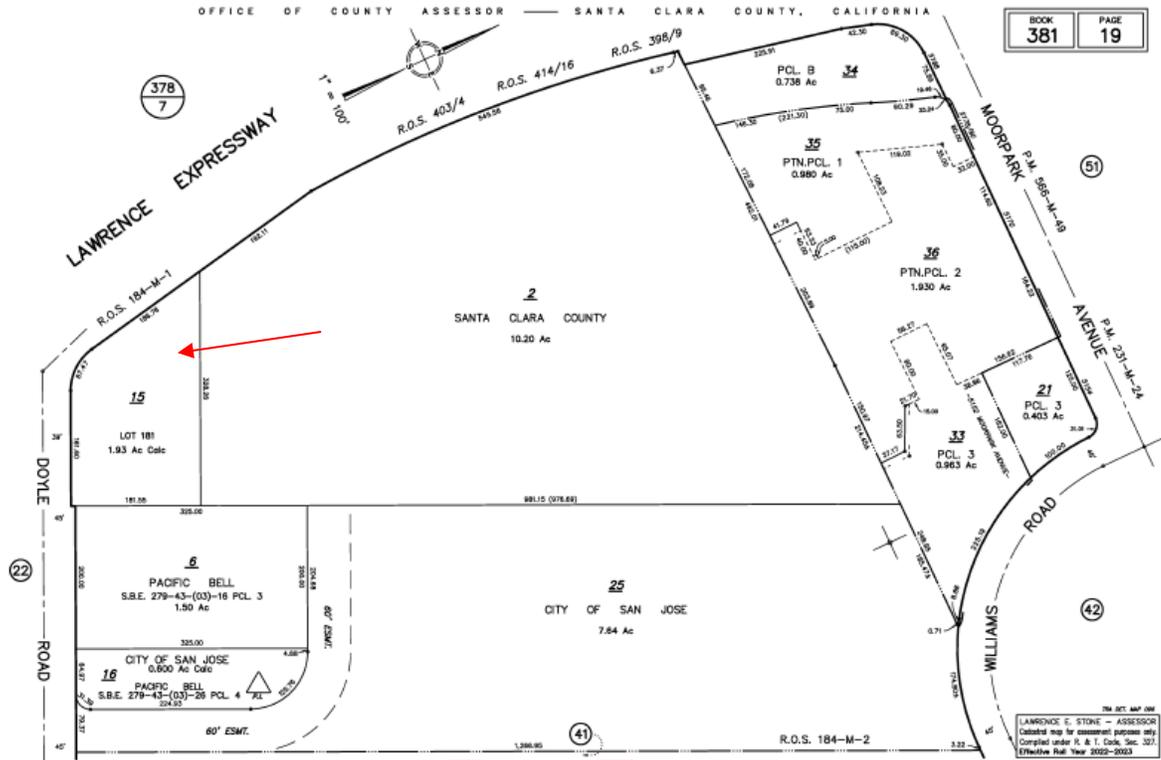


Industrial Land Comparable Sale I 3

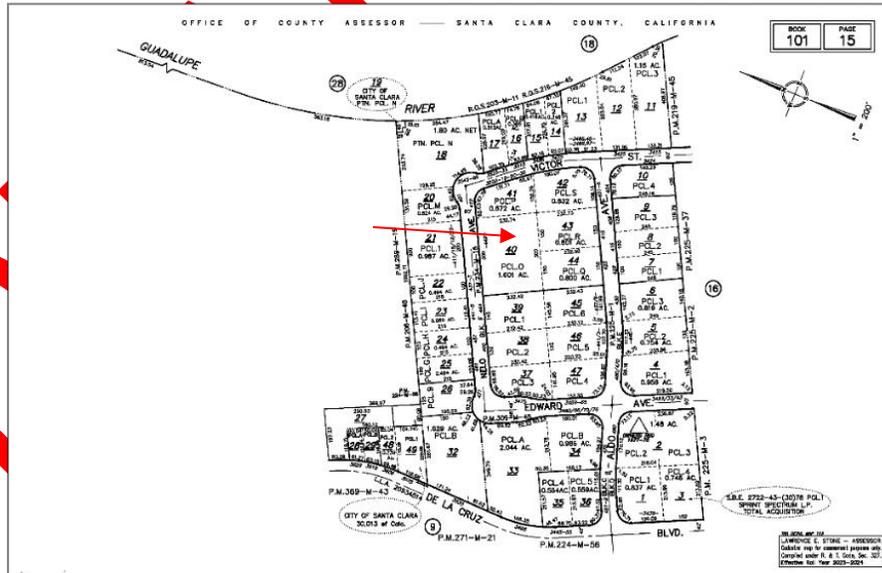


Industrial Land Comparable Sale I 4

COMPARABLE LAND SALE PARCEL MAPS



Industrial Land Comparable Sale I 5



Industrial Land Comparable Listing I 6

FRANK E. SCHMIDT, MAI, SRA
CURRICULUM VITAE, January 2024

Valuation Consulting, Forensic and General Appraisal, Expert Testimony

MAI and SRA MEMBER of the APPRAISAL INSTITUTE, No. 11933

fschmidt@valuationconsultant.net (510) 468-9219

San Francisco Bay Area

For more than four decades, Mr. Schmidt has been a real estate appraiser and consultant with a practice primarily in Northern California and the San Francisco Bay Area. He began his career as a residential appraiser, earning the coveted SRA designation from the Appraisal Institute in 1989, and the prestigious MAI designation in 2002. In 1995, he partnered with Wayne Prescott to form the Schmidt-Prescott Group, a commercial appraisal firm of which he was president until its dissolution in 2017.

During his career, Mr. Schmidt has appraised a wide variety of real estate including residential, commercial, industrial, raw land, and special purpose properties for various property rights. His experience includes litigation support and testifying as an expert witness for both plaintiffs and defendants. Mr. Schmidt's client list includes attorneys, municipalities, private entities, lenders, and publicly traded companies. He was engaged as a diminution in value consultant on PG&E cases involving the destruction of thirty-eight homes in the 2010 San Bruno gas-line rupture fires. Mr. Schmidt was recently retained by the City of Santa Clara as an expert to assist the city's task force in the process of setting Parkland Dedication fees.

Mr. Schmidt has served on several professional committees throughout his career, including the International Right-of-Way Association and the Appraisal Institute. He currently serves on the Santa Clara County Assessment Appeals Board, of which he was elected Chairperson in 2017.

Expert Witness Testimony

U.S. District Court, Santa Clara County Superior Court, San Joaquin County Superior Court, San Francisco County Superior Court, Public Utility Commission of the State of CA, American Arbitration Association, Standard of Care, Eminent Domain

Professional Affiliations

Membership in: Appraisal Institute [MAI (2002) and SRA Member (1989)]

Work Experience

| | |
|--------------------|---|
| 1/2019 to Present: | Frank Schmidt & Associates, President San Francisco Bay Area |
| 2018 | Carneghi-Nakasako, Appraiser Consultant San Jose, CA |
| 2/95 to 12/2017: | The Schmidt-Prescott Group, President San Jose, California |
| 4/78 to 2/95: | Schmidt & Associates, Inc., President San Jose and Fremont, CA |
| 6/76 to 4/78: | Senior Supervising Appraiser, Mercury Savings & Loan Cupertino, CA |
| 1/76 to 6/76: | Staff Appraiser, American Savings & Loan San Jose, CA |
| 2/75 to 12/75: | Real Estate Appraiser and Consultant, B.A. Ericson Appraisal Co., San Jose, CA |

Formal Education

| | |
|---|---------------------------------------|
| B.S. Business Management, 1997 Graduated with Honors | University of Phoenix San Jose, CA |
|---|---------------------------------------|