

BROKER PRICE OPINION

October 7, 2018

Award-winning, 3-story, 1,900/SF+/- property at
40 Iron Horse Lane, Walnut Creek, CA 94597

APN#148500035

Located in Iron Horse Lofts Subdivision
Land Use: 1004 CONDOS, COOPERATIVES
County Use: 29 CONDOS, COOPERATIVES
Built 2001 by Holliday Development

ALERT: *Inaccurate* Public Record *understates* number of stories *and* square footage for this 3-story, 1,900/SF condo holding 3 bedrooms, 3 baths, *plus* den and 2-car attached garage. Because Public Record erroneously cites *only* 2 stories, Public Record fails to include *total* square footage for *all* 3 stories. Home Depot Measurement Services/Real Estate Division February 26, 2018 "MEASURE" (attached) documented 1,909.08/SF for *all* 3 stories and confirmed understated inaccuracy of Public Record number of stories and square footage.

**Fair Market Value as of October 7, 2018 is stated on Page 4 of this
Broker Price Opinion following Aug-Oct 2018 SOLD comps**

(Based on Home Depot Real Estate Services February 2018 MEASURED 1,900/SF and
AVERAGE SOLD Price Per Square Foot (PPSF) of Downtown Walnut Creek Residential
Condos that recently closed escrow from August 2018 thru October 7, 2018)

Three-story, Self-contained End-unit LOFT at 40 Iron Horse Lane:

- 3 Bedrooms, 3 Baths plus EXTRA Den spread out over 3-stories
- Dramatic Three (3) Story, END-UNIT Loft adjacent to Walnut Creek Contra Costa Centre BART, I-680 & Hwy 24 and 32 miles of Iron Horse Regional Trail
- LARGEST Floor Plan (Approx. 1,900/SF) w/ 1st Floor (Ground Floor) 3rd Bedroom/Bath & Attached 2-car tandem GARAGE
- 2nd Story Main Front Entry *plus* Private Separate Additional Level-in Entry at 1st Story to Ground Floor 3rd Bed/Bath for Au-Pair/In-Law/Teen seeking PRIVACY
- TOP 3rd Story holds Bedroom & Bath *PLUS* Master Suite Bath w/Double Sink/Shower
- High-end, Light-drenched Award-winning Architecture with Towering VOLUME Ceilings & SAWTOOTH Skylights on TOP 3rd Floor
- Safe QUIET community near Contra Costa Centre BART, 32 miles of Iron Horse Regional Trails, John Muir, Top Private Schools/Day Care, Shopping and Dining

Rare 3 bed/3 bath END-UNIT with extra DEN and ATTACHED 2-car tandem GARAGE. Home Depot 2018 measure (approximately 1,900/SF) confirms that this three-story loft figures as one of its community's largest floor plan with only five others of similar size. Street-level, stair-free third bedroom enjoys its own separate, private "second" entry and also boasts ATTACHED private full bath – perfect for au-pair, in-law or teen seeking quiet study surroundings.

Commanding a prime location at the coveted center of its small HOA, 40 Iron Horse Lane further is surrounded by a quiet, safe neighborhood, towering redwoods and 32 miles of the Iron Horse Regional Trail. The loft boasts inviting southern exposure and filtered views of the neighboring community pool. Free HOA guest parking is plentiful.

The three-story loft sports granite counter tops, stainless steel finishes, towering volume ceilings, soaring screened floor to ceiling dual-pane windows covered by cutting-edge, custom *Hunter-Douglas Modern Precious Metals* "stainless steel" two-inch horizontal aluminum slat blinds. The loft's light-drenched top, third story roofline is finished with dramatic "saw tooth" skylights NOT found on all neighboring lofts. Unlike smaller loft models, 40 Iron Horse Lane has been upgraded with mirrored sliding closet doors that further reflect natural light. The attached two-car tandem garage is finished with generous custom *California Closet* built-in storage.

A Bay Area commuter's dream location at I-680/Treat Blvd. in Walnut Creek, convenient to John Muir Medical Center, John Muir Urgent Care, John Muir Corporate Headquarters, near East Bay's most highly-rated private schools (Palmer, Carondelet and De La Salle), day-care centers, Whole Foods and Trader Joe's, flanking 32 miles of the Iron Horse Regional Trail and only one block from Contra Costa Centre BART – offering a 30-minute commute to San Francisco and direct access to both SFO and Oakland International airports. Major businesses and corporate headquarters are located at Contra Costa Centre, only steps from this loft.

Centrally located within San Francisco East Bay's Contra Costa County, Walnut Creek is connected to the rest of the Bay Area by BART (Bay Area Rapid Transit), I-680 which travels north to south, and Highway 24 which heads west to Oakland and San Francisco, making commuting simple and convenient. Downtown Walnut Creek boasts upscale shops, such as Neiman-Marcus and Tiffany's, fine restaurants and the Dean Leshner Center for the Arts.

Only six of these largest floor plans were built, and none of these six largest floor plans has been on the public market since 2004.

For income investors, this largest, most scarce 3 bed/3 bath END-UNIT could be leased at \$6,500-\$7,000/month due to its unusually large size, coveted 2-car attached garage and proximity to BART. (Please see below nearby Avalon Communities rental information for smaller 3 bd/2 ba apartments.)*

***Contra Costa Centre BART Avalon Walnut Creek Apartment Rentals** Nationwide apartment rental firm, Avalon Communities, sits directly across from Iron Horse Lofts and also adjacent to Contra Costa Centre BART. Avalon rents studio, one, two and three bedroom apartments (the latter with only two baths) and ranging from \$3,675-\$5,570/month. As of October 7, 2018, 3 bed/2 bath apartments offered square footage ranging from 1,305/SF-1,433/SF and included only one permitted underground parking space per apartment. No three bedroom Avalon apartment offers square footage comparable to the approximate 1,900 square feet offered by 40 Iron Horse Lane. <https://www.avaloncommunities.com/california/walnut-creek-apartments/avalon-walnut-creek/floor-plans>

SB 2923 Governor Brown signed SB 2923 into law on September 30, 2018, enabling BART to build new rental housing on BART property. With many East Bay residents commuting daily to San Francisco and Silicon Valley, SB 2923 will allow any buyer/investor who acquires this award-winning loft to benefit from owning (NOT renting) an award-winning home. And, if the new owner chooses to lease the loft, strong rental income is guaranteed. Because of the San Francisco Bay Area's growing housing shortage, escalating cost of housing and increasing traffic congestion, any new owner of the loft at 40 Iron Horse Lane is guaranteed future real estate appreciation.

Recently-SOLD Downtown Walnut Creek Residential Condo COMPS:
August 2018 thru October 7, 2018

As of October 7, 2018, REALTOR.COM (link below) confirmed that NO 3 bed/3 bath end-unit condo with attached 2-car garage was either on the market or sold during 2018. Unlike the

currently offered self-contained end-unit loft, all 8 recently-SOLD condos noted below were located in multi-story apartment buildings providing owners/occupants with no direct egress to the exterior (street), and none of these SOLD condos were conveniently adjacent to or located near BART. https://www.realtor.com/soldhomeprices/Downtown-Walnut-Creek_Walnut-Creek_CA

PPSF = Price Per Square Foot

SOLD October 2, 2018: \$580,000 (\$655/SOLD PPSF)

(1315 Alma, #435: 1 bd/1 ba [885/SF], NOT end-unit, NO attached garage, NOT near BART);

SOLD September 17, 2018: \$810,000 (\$695/SOLD PPSF)

(555 Ygnacio Valley Blvd, #227: 2 bd/2 ba [1,165/SF], NOT end-unit, NO attached garage, NOT adjacent to BART);

SOLD August 31, 2018: \$780,000 (\$772/SOLD PPSF)

(1315 Alma, #461: 2 bd/2 ba [1,011/SF], NOT end-unit, NO attached garage, NOT near BART);

SOLD August 24, 2018: \$590,000 (\$810/SOLD PPSF)

(555 Ygnacio Valley Blvd, #424: 1 bd/1 ba [728/SF], NOT end-unit, NO attached garage, NOT adjacent to BART);

SOLD August 24, 2018: \$1,052,000 (\$643/SOLD PPSF)

(1874 Bonanza St, #2: 2 bd/2 ba [1,635/SF], NOT end-unit, NO attached garage, NOT near BART);

SOLD August 8, 2018: \$1,005,000 (\$700/SOLD PPSF)

(1800 Alma, #201: 3 bd/2 ba [1,436/SF], NOT end-unit, NO attached garage, NOT near BART);

SOLD August 6, 2018: \$470,000 (\$690/SOLD PPSF)

(1315 Alma, #265: 1 bd/1 ba [681/SF], NOT end-unit, NO attached garage, NOT near BART);

SOLD August 2, 2018: \$910,000 (\$760/SOLD PPSF)

(1655 N. California Blvd, #438: 2 bd/2 ba [1,198/SF], NOT end-unit, NO attached garage, NOT near BART).

SOLD PRICE PER SQUARE FOOT (SOLD PPSF) SUMMARY

Appraisers are required to use the most recently sold comps to determine current fair market value of any property.

The now-offered loft at 40 Iron Horse Lane, a 3 bedroom/3 bath end-unit condo with den and 2 separate-level front doors each providing direct egress to the exterior (street) and further including an attached, 2-car garage, is a fully self-contained 3-story property NOT situated within any multi-story apartment-style building. It differs from the above documented, 8 recently SOLD comps that offered *less* square footage, *fewer* beds/baths and no attached garages. All of the recently sold comps were situated in multi-story apartment buildings offering their owners/occupants no immediate direct egress to the exterior. That none of the 8 sold comps offered convenient access to any BART station further underscores the strong fair market value of the currently offered, self-contained 3-story end-unit loft adjacent to Walnut Creek's Contra Costa Centre BART.

AVERAGE SOLD Price Per Square Foot (SOLD PPSF) for the above 8 recently SOLD (August, September and October 2018) Downtown Walnut Creek condos comes in at \$716/SOLD PPSF. The February 26, 2018 Home Depot Real Estate Services Measure #13546527 for 40 Iron Horse Lane documents approximately 1,900/SF for the currently offered self-contained 3-story end-unit loft with 3 beds, 3 baths, den plus attached 2-car tandem garage.

The February 2018 Home Depot Measure also supports Zillow's unmeasured approximation of 1,891/SF published for identical "largest" loft floor plans neighboring 40 Iron Horse Lane.*

***Zillow UNMEASURED Square Footage for Two other Largest Neighboring LOFT Floor Plans**

2 Iron Horse Ln (Identical LARGEST 3-story Floor Plan at HOA outer edge along Las Juntas Way)
Walnut Creek, CA 94597

ZILLOW quotes 1,891 sqft unmeasured (Inaccurate Public Record cites 1,489/SF)

42 Iron Horse Ln (Identical LARGEST Floor Plan also with 3-stories located within HOA center)
Walnut Creek, CA 94597

ZILLOW quotes 1,891 sqft unmeasured (Inaccurate Public Record cites 1,489/SF)

40 Iron Horse Lane: FAIR MARKET VALUE as of October 7, 2018

\$1,360,400 = Fair Market Value

(1900/SF x \$716 / Average SOLD PPSF: August 2018 thru October 7, 2018)

Important ALERT on Square Foot Discrepancy:

The ALERT on Page 1 of this Broker's Price Opinion notes a discrepancy concerning Public Record UNMEASURED building square footage and building square footage MEASURED by Home Depot Real Estate Services on February 26, 2018. Public Record for 40 Iron Horse Lane always has stated "1,489/SF" and "2 story" but the recent February 26, 2018 Home Depot Measure #13546527 confirmed "1,909.08/SF" for the "3 story" property. (Home Depot's Measure further notes: *The interior square footage listed is living space only and is not taxable square footage.*)

At the same time, ZILLOW publishes yet another UNMEASURED square footage figure for the following largest, 3 story (identical to the offered property) condo/loft floor plans:

Zillow UNMEASURED Square Footage for Two other Largest, 3 story LOFT Floor Plans

2 Iron Horse Ln

(Same LARGEST 3-story floor plan but located along HOA outer edge along Las Juntas Way)
Walnut Creek, CA 94597

ZILLOW quotes 1,891/SF (Public Record erroneously cites "2 story" /inaccurate 1,489/SF)

42 Iron Horse Ln

(Same LARGEST 3-story floor plan but located within HOA center)
Walnut Creek, CA 94597

ZILLOW quotes 1,891/SF (Public Record erroneously cites "2 story" / inaccurate 1,489/SF)

In fact, the only MEASURED square footage for the largest, 3 story loft now offered at 40 Iron Horse Lane was completed on February 26, 2018 by The Home Depot Measurement Services Real Estate Division and documented 1909.08/SF.

Important Note on Use of AVERAGE SOLD PPSF to Determine Fair Market Value

Because the self-contained, 3 bed/3 bath *plus* den and 2-car garage end-unit loft at 40 Iron Horse Lane certainly is *NOT AVERAGE*, using *AVERAGE SOLD PPSF* certainly may be questionable. 40 Iron Horse Lane is *ABOVE AVERAGE* in all respects when compared to recently sold Downtown Walnut Creek comps and perhaps should command a higher fair market value based on a higher Price Per Square Foot (PPSF).

*****END of Broker Price Opinion*****

San Francisco Bay Area Real Estate Information For Further Consideration

Palo Alto Weekly, Thu, Sep 20, 2018/

The **median** price of all sold homes in Palo Alto from June to August 2018 was \$2.86 million. Homes listed for under \$3 million were sold for an average of 8 percent over asking.

Trulia, Oct 7, 2018/

San Francisco **Median** Price Per Square Foot: \$1,120/SF;

California Association of Realtors (CAR) August 2018 Report/

San Francisco **Median** SOLD Price: \$1.38, representing a 12% appreciation over 2017;

REALTOR.COM / Select October 2018 SOLD San Francisco Condos

[https://www.realtor.com/soldhomeprices/San-Francisco CA](https://www.realtor.com/soldhomeprices/San-Francisco_CA)

SOLD October 5, 2018: \$1,320,000 (\$1,153/SOLD PPSF)

88 King Street, #304, San Francisco, CA 94107: 2 bed/2 bath [1,145/SF], no attached garage;

SOLD October 5, 2018: \$1,730,000 (\$1,310/SOLD PPSF)

333 Bush Street, #3901, San Francisco, CA 94104: 2 bed/2 bath [1,320/SF], no attached garage;

SOLD October 4, 2018: \$10,900,000 (\$3,399/SOLD PPSF)

188 Minna Street, #38A, San Francisco, CA 94105: 3 bed/4 bath [3,207/SF], no attached garage;

SOLD October 3, 2018: \$1,550,000 (\$1,343/SOLD PPSF)

400 Grove St, #207, San Francisco, CA 94102: 2 bed/2 bath [1,154/SF], no attached garage;

SOLD October 3, 2018: \$1,300,000 (\$1,130/SOLD PPSF)

77 Van Ness Ave, #803, San Francisco, CA 94102: 2 bed/2 bath [1,140/SF], no attached garage;

SOLD October 3, 2018: \$1,280,000 (\$1,695/SOLD PPSF)

425 1st St, #4908, San Francisco, CA 94105: 1 bed/1 bath [755/SF], no attached garage.

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