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March 17, 2017

Joseph M. Tanner, Jr.
Director of Administrative Services
City of Desert Hot Springs
65950 Pierson Boulevard
Desert Hot Springs, CA 92240

Dear Mr. Tanner, Jr;

We are pleased to provide to the Successor Agency our updated Broker Opinion of Value for Parcel 10, as of March 17, 2017.

Based on our assessment of the subject site location and market characteristics substantiated by historical comparable sales in the area we value the property at \$1,425,000.

Our Opinion of Value is attached.

Respectfully,

Lynn F. Coker

Lynn F. Coker

Dr. Richard Maguire, Broker
BRE NO: 00851580

Attached: Broker Opinion of Value Parcel 10

Opinion of Value

Retail Disposition > Market Milestone > Establish Broker Opinion of Value Task

COMPANY: City of Desert Hot Springs parcel # 10 Successor Agency for: NAI Capital, Lynn Coker and Richard Maguire
 PHONE #: (760) 346-1566
 Please rate the following:

LOCATION CHARACTERISTICS	EXCELLENT	GOOD	FAIR	POOR
Accessibility:	☐	☐	☒	☐
Exterior Appearance:	☐	☒	☐	☐
Highway Visibility:	☐	☐	☐	☒
Building Condition:	☐	☐	☐	☒
Parking	☐	☐	☒	☐
Site Size:	☐	☐	☒	☐
Building Age:	☐	☐	☒	☐
Utilities:	☐	☐	☒	☐
Zoning:	☐	☒	☐	☐

LOCATION CHARACTERISTICS:

- ☒ Commercial Corridor ☐ Highway/Interstate ☐ Remote/Rural ☐ Residential/Rural
☒ Downtown ☐ Suburban Business Park ☐ Retail Pad

Describe:	Multi-Store frontage on both Palm Drive and Pierson Blvd. (SW corner)		
Neighboring uses:	Commercial		
Potential alternate uses:	Commercial		
Market conditions & trends:	Lower income, surrounded by blighted residential neighborhoods, economically stressed area		
Amenities/Advantages:	Inner city access, Public Transportation		
Problems:	Vacancies		
What can be done to enhance the marketability of property?	Place strong retail tenants. Ideal for brand eateries.		
Estimated area vacancy rate for this type of property?		11 %	
Estimated downtime for this type of property?		36 Months	

Estimated market value for this property?

X For Sale: **\$1,425,000** For Lease: **NA**

Recommended offering price for this property?

X For Sale: **\$1,425,000** For Lease: **NA**

*Please attach recent comparable sale information to support the estimate of value.

SALE COMPARABLES – COMPLETED TRANSACTIONS

Attach copies of listing summary sheet/data flyers if available.

	SUBJECT	COMPARABLE #1	COMPARABLE #2	COMPARABLE #3
Address	Palm & Pierson 12021 Palm, et al.	13070-13146 Palm Drive	12520-12560 Palm Drive	13525 Palm Drive
Owner Name	LRPMP #10			
Year Built				
Condition (1)	Poor	Equal	Equal	Equal
Area (SF)	19,200	23,833	11,275	7,975
Rental Rate (\$/SF)		N/A	N/A	N/A
Rate Adjustments				
Over Lease Terms				
Expense Terms (2)				
Location (1)	Superior	Equal < 1 mile	Equal <1 mile	Equal < 1 mile
Quality (1)	Average	Average	Average	Average
Date Sold		Feb 2015	June 2015	June 2015
Sale Price		\$2,496,317	1,450,000	1,176,000
Price PSF		104.74	\$128.60	147.46

Comment Subject:	Improved commercial frontage. 40% occupancy, Vacancy at 60%, roof, mold,
Comp. #1:	Similar
Comp. #2:	Similar
Comp. #3:	Similar

(1) - Similar/Inferior/Superior to subject

(2) - Net/gross/Industrial gross



Photo #1

Photo #2

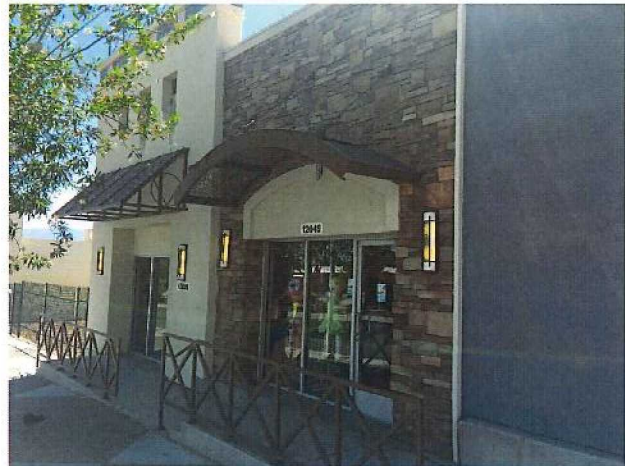


Photo #3

