

Discount For Quick Sale

CASA MAGNA- GREAT DEAL!

61 Like New Apartments

~~\$14,335,000~~ **\$11,501,000**

Brand New Apartment Complex 2014

2555-2567 Foothill Blvd.

Oakland, CA 94601

Attention Non-Profits, Developers, Investors and Brokers!



RECESSION PROOF INVESTMENT-TRUE HEDGE AGAINST INFLATION

Brand new Apartment complex 2014 gutted to the studs. Foundation to the roof is new

31% Upside in the Rents

Nostalgic building in great Fruitvale area of Oakland, near Lake Merritt

Existing Cap **7%**, Market Cap **11.4%**

Existing Cash on Cash Return **6%** Market Cash on Cash Return **20%**

Existing Gross Rent Multiplier **9.7** Market Gross Rent Multiplier **6.9**

High growth city and area influencing great appreciation potential

No deferred maintenance - Easy Management

Strong Rent Upside. Trouble free income and management

Opportunity Zone

Offers immediate scale in a supply constrained market.

Tremendous access to major employers- Drafting off of eastward migration.

Resilient growth market fundamentals in post-COVID recovery

Major Discount to homeownership as Oakland median home prices rise: 63% discount.

**For more information about this fabulous opportunity and a complete disclosure package
please call Fred Lewis at office 209-522-9999 cell 209-604-9993**

OR

Contact via Email: info@hotdealsoakland.com





Casa Magna
2555-2567 Foothill Blvd, Oakland, California 94601

Price: \$11,501,000

Down Payment: \$3,748,000

Existing Capitalization Rate: 7%

Market Cap: 11.4%

Price per Square Foot: \$383

Cost Per Residential Unit: \$188,540

Existing Gross Rent Multiplier: 9.8

Market Gross Rent Multiplier: 6.9

Existing Cash on Cash Return: 6%

Market Cash on Cash Return: 20%

Great time to buy in Oakland- "Be greedy when others are fearful and fearful when others are greedy"

Warren Buffet

Complex Description 61 Garden Apartments

Assessor's Parcel Number: 25-734-30

Recession Proof investment. True hedge against inflation.

This very nostalgic 61-unit property is located at 2555-2567 Foothill Blvd in Oakland, California: conveniently located in the Fruitvale District, situated right in the heart of Oakland's central business district and close to Lake Merritt. Casa Magna Apartments is a gated three-story apartment complex consisting of two separate structures offering a total of 30,012 square feet of living space on a .79-acre lot. This building was substantially renovated in 2014. This freshly renovated expansive property is well-maintained, beautifully, and professionally landscaped. There is a large laundry room generating substantial monthly income. With 31% upside in rents, this building allows the next owner to increase returns and leverage investment in the hot Oakland market.

Casa Magna Apartments has a grand total of sixty-one units with 31% upside in the rents. The mixture of units on the property has: (22) 2 bedroom / 1 bath, (21) studio units / 1 bath, (18) 1 bedroom / 1 bath. Various apartment units have a balcony or patio. In addition, there is a convenient on-site laundry and a secured gated entrance. There is ample covered carport parking for cars, and off-street parking. You will find multiple security features to give you peace of mind including monitoring cameras and gated entry. The owners pay for the water and waste management services. The tenants pay for electricity and gas when it is separately metered. The heat to the apartments is supplied by electric wall units. The entire building was gutted down to the studs and renovated. Everything from the foundation to the roof is new.

Building improvements at the property consist of a three-story apartment building totaling approximately 30,112 rentable square feet. Construction is typical wood framing with concrete foundation walls, grade foundation on the northern portion. The flat roof contains built up covering. Units are heated by electric wall heaters. Domestic hot water is provided by a central gas fired boiler. Domestic water lines are copper, and the vanity lines are copper. Electrical wiring is copper. The interior finishes of the units contain carpet and wood flooring in living and bedroom areas, tiled flooring at kitchen and bathrooms areas, painted drywall walls and ceilings. Kitchens contain granite countertops and wood cabinetry. Bathrooms contain wood cabinets with cultured stone sinks and baked enamel tubs with fiberglass and ceramic tile shower surrounds.

You will appreciate the neighborhood amenities near Casa Magna Apartment. This part of Oakland is bike friendly, so you get around town easily. You can go for a walk in one of the neighborhood parks. If you like to walk, you will find streets lined with trees and sidewalks that are well-lit at night. Residents in this neighborhood consider the area to be walkable with stores, public transportation, and shops nearby. The complex is close to the Fruitvale Transit Village and Bart Station.

The property at 2555 Foothill Boulevard in Oakland, CA has strong investment potential due to its proximity to major employers, transportation routes, shopping centers, dining venues, and entertainment options. It is an attractive option for renters seeking convenience and accessibility. The combination of a robust economy and desirable location make this property a promising investment opportunity in the Oakland real estate market.

<p>The above income and expenses are only estimates because of occupancy changes and renovation. Although the information contained herein is deemed reliable, no representations of any kind, expressed or implied are being made as to the accuracy of such information. All the data in this prospectus are estimates and approximations to include square footage. Any prospective purchaser and their tax and legal advisor should carefully verify all information contained herein and conduct an independent investigation to include engaging contractors and engineers to complete inspections. Seller bears no liability of any errors, inaccuracies, or omissions.</p>
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Overview Casa Magna Apartments:

We are pleased to present the Ownership with this disposition analysis for the fee simple interest in the Casa Magna Apartments, an 61 unit, Class C garden-style apartment community located in Oakland, CA in the East Bay area of the Greater San Francisco Metropolitan Area.

Our analysis considers the historic financial performance of the Property; current asking rents and occupancy of similar apartment communities within close proximity of the Property; sales of similar properties throughout the Oakland, Piedmont and Berkeley multifamily sub-market; and current trends in the multifamily capital markets.

Overall, we believe the Casa Magna will attract significant investor interest in the current capital market environment if priced correctly. Oakland is one of the most highly desired core apartment markets in the Bay Area. Investors are drawn to Oakland because of the limited inventory, future projections of rent prices, historic value, commuting options, proximity to major employment centers, increase in single family housing prices, access to diverse restaurants, retailers, parks and recreation areas all contributing to high quality of life for tenants. The property has a great location within walking distance of BART, schools, and high end restaurants and retailers that populate its downtown area. Casa Magna features a desirable unit mix of Studios, One, two bedroom units with quality unit amenities and value-add potential through a cosmetic upgrade program of the units and implementation of RUBS program.

Renovation Upside - A New owner will have the opportunity to implement a custom interior renovation program across the unrenovated units with an estimated average rent upside of 34% per unit.

Strong Market Fundamentals - Per CoStar average rents in Oakland are almost \$2,365/month, around \$705 above the National average. Landlords in Oakland are able to achieve a premium in average rental rates, even with the inventory of units consisting almost entirely of older 1 & 2 Star product.

Assumable Loan - Investors can take advantage of the assumable loan with an interest rate lower than is attainable in the current money markets.

Rare opportunity – Casa Magna represents a rare opportunity to purchase a quality multifamily asset in a high barrier to entry market. Sales comparables of similar properties in the area show that this deal is heavily discounted due to the current money market environment. In the long run, the rate of return is unmatched. This is the first time this property has been available in many years.

Irreplaceable Location – Casa Magna is conveniently situated within easy distance to BART and downtown Oakland providing residents with a transit-oriented, pedestrian-friendly community. Additionally Interstate 580 on and off ramps are under 1 mile away.

Abundant Local Retail - Access to numerous local restaurants, retail centers and grocers. A short 7 minute drive to a myriad of high-end retailers and restaurants in Downtown Oakland which over the past decade has emerged alone of the premier dining and shopping destinations in the Bay Area.

High Interest Rates - Interest rates have doubled and in some cases even since the historic lows experienced during Covid. Additionally, lenders have increased their lending requirements with the minimum down payments starting as 50%. Due to the sticker shock of the capital markets, many investors are opting to sit on the sidelines and wait until rates improve. Not only do new owners have the unique opportunity to assume a loan worth 2/3rds of the price at a low 3.6% interest rate, but the Fed announce this week that it intends to lower interest rates in three different occasions in 2024. That being said, investors have the unique opportunity to purchase the property now at an attractive price they may not be able to find later when interest rates pull back and multifamily pricing increases. Once interest rates drop they will have the opportunity to refinance and lessen their debt service, thus increasing their overall return.

Weak Demographics & Crime - Low median income. Oakland continues to have one of the highest average rental rates in the country, and with neighboring submarkets like Emeryville and Berkeley being 40% more expensive, more and more workers will choose to live in Oakland as inflation rises and budgets constrain. Especially considering Oakland boasts shorter commute times to job centers compared to more costly submarkets. Additionally, Oakland's median home prices are rising quickly so that currently renting offers a 63% discount owning a home. Residents' tightening budgets to battle historically high inflation is causing more working class citizens to rent. That being said, the increasing supply of tenants means better applicants to choose from. The property has a history of high occupancy and no late or non-paying tenants which is true today, despite the covid moratorium. On top of this, new owners will enjoy the guaranteed income from government assistance, giving them reassurance they will hit their bottom line.

Class A Opportunities in the Same Area - Over 19,000 units have been added on a net basis over the past five years in the East Bay, equating to a percentage change of 10.9%. another 4,100 units are underway as of the fourth quarter of 2023. The current pipeline will expand the metro's inventory by 2.2%, with friendlier live/work/play environments near public transportation. Nonetheless, 4 & 5 Star quality new construction will see the most pressure of the down economy in coming quarters, as around 80% of the units in the pipeline are un luxury communities. Already, trailing 12-month rent growth in this category is 2.6%, which paces well behind 3 Star and 1 & 2 Star growth of 0.0% and 0.1%, respectively. Furthermore, population demographics also play a role in submarkets. Higher net worth individuals will opt to live in more desirable submarkets such as Dublin/Pleasanton/ Livermore and Walnut Creek/San Ramon. These submarkets lie in the eastern portion of the metro but consist of populations with higher median incomes and boast desirable lifestyle and community amenities, as well as public transportation access. These factors support rental rates above the metro average, thus, investors who are wanting to save on maintenance cost are better of purchasing Casa Magna which has little to no deferred maintenance than spend a top dollar on newer construction that will not perform as well.

The property Casa Magna in Oakland, CA has strong investment potential due to its proximity to major employers, transportation routes, shopping centers, dining venues, and entertainment options. It is an attractive option for renters seeking convenience and accessibility. The combination of a robust economy and desirable location make this property a promising investment opportunity in the Oakland real estate market. It is a great central business district location. It is in the heart of middle east Oakland neighborhood. Residents enjoy the convenience of the subject property's location, only one block from the Eastmont Mall Shopping Center with its retail shops, restaurants, and grocery stores.

Commission-Brokers-Owner is a principal and not a broker. A negotiated selling commission and the amount paid for the procurement and actual consummation of the transaction will be determined. If a buyer is procured and the sale is not consummated for any reason a commission will not be due payable.

One of the Hottest Apartment Markets in the Country-Oakland continues to be one of the leaders in the nation's apartment market in rent growth.

The Fruitvale Village is a successful national model for livable communities created by the Unity Council in the early 1990s. initially conceived as a multi-phase revitalization development project, the Fruitvale Village expanded successfully beyond the initial goals of coordination of public transportation and land use planning between a low-income, inner city community, transit agency and local municipality. Combing the older Fruitvale with the new Village produced a distinctive urban space for daily visitors to experience an opportunity to shop, eat and rest in a safe and pleasant setting.

Fruitvale Village Phase One was developed by the Fruitvale development Corporation, a support corporation of the Unity Council, and offers a unique retail opportunity because of the range of employees and daily visitors utilizing the services and transit facilities that are available at the site. The Fruitvale Village retail plaza is located at the entrance to the Fruitvale BART station, East Bay's 4th busiest station and ninth most widely traveled station in BART's 31 station system. Additionally, the Village is also adjacent to the bustling Fruitvale commercial district that has experienced a dramatic transformation over the past 10 years and has been recognized as one of the leading neighborhoods in the national Main Street Program.

Fruitvale Village Phase two is the continuation of the Unity Council's revitalization plan for Fruitvale. This plan will bring new residents and homeowners to the Village and foster 24-hour, 7-day vibrancy and sense of community that will further strengthen the commercial and retail components located at the Village retail plaza. The guiding principles for the Phase Two development will be to provide for mix-income homeownership residential units; to incorporate state of the art green building & energy saving systems; to build the maximum number of dwelling units; and that it be an award-winning architectural product.

Location Description: Oakland is a vibrant and diverse city located in the heart of the San Francisco Bay Area, known for its unique cultural mix. It has a thriving arts scene, a bustling downtown district, and several major sports teams. The city's housing market is highly competitive, with a mix of historic and modern properties that cater to a wide range of renters. The cost of living in Oakland is more affordable than other Bay Area cities, making it an attractive option for those seeking an urban lifestyle without breaking the bank. In terms of location, some of the most desirable neighborhoods for multifamily real estate in Oakland include Temescal, Rockridge, and Montclair

Additionally, the proximity to major employers, such as the tech companies in Silicon Valley and the healthcare industry in Oakland itself, makes these neighborhoods highly sought after by renters. Overall, Oakland's diverse neighborhoods, thriving culture, and growing economy make it an ideal location for multifamily real estate investments.

According to the California Department of Finance, the population in Alameda County was 1,510,303 in 2006, which is a 0.7% increase from the 2006 population of 1,500,228. Population for the county is anticipated to continue growing at a similar rate in the foreseeable future. Its growth and popularity can be attributed to its mild climate, close proximity to the coast, varied job opportunities and suburban residential communities. The estimated unemployment rate for Alameda County for July 2007 was 4.0%. this compares with an unadjusted unemployment rate 5.5% of California and 4.9% for the United States. In summary, Alameda County is experiencing steady growth in all areas due to its location, influx of major business opportunities, and overall economic stability. This trend is anticipated to continue into the near future.

The subject is part of the Fruitvale District in Oakland. This neighborhood is bounded by 14th Ave and I-580 to the north, High St to the southeast and I-880 to the southwest. Fruitvale has a BART Station at San Leandro St and 35th Ave. Access to I-880 is at Fruitvale Ave, 29th Ave and 23rd Ave. access to I-880 is better in the southern end of the neighborhood. Access to I-580 is at 14th Ave, Fruitvale Ave, 35th St and High St. Access to I-580 is closest to the north side of the neighborhood.

The neighborhood is largely residential with commercial uses scattered along the major boulevards and industrial uses scattered within the area. Most of the apartments in the area were developed from 1930 to 1970 and are typically two to four stories in height. Apartment building conditions range from fair to good, apartments in very good condition are uncommon in the area. Older apartments lack on-site parking. Foothill Boulevard runs from 1st Ave at Lake Merritt south to High St, where Foothill turns to the southeast and heads on to MacArthur Boulevard.

Oakland-The subject property is in the city of Oakland, which is the largest city in Alameda County and offers the largest selection of priced commercial and properties in the Bay Area, with 5.4 million square feet of Class A office space under construction. Other amenities in Oakland include The Port of Oakland, an independent agency of the City of Oakland and the third-largest containership port on the West Coast. The Port of Oakland is the fourth-largest

seaport in the nation and manages 99 percent of all the containerized cargo that passes through Northern California. Downtown Oakland is the commercial and cultural heart of San Francisco's East Bay. The revitalized 350-block Commercial district is home to shops, restaurants, cafes, entertainment venues and art galleries, as well as major corporations and local businesses.

The Port of Oakland also operates the Oakland Metropolitan International Airport, which covers an area of approximately 2,580 acres. The airport has a 10,000-foot fully instrumented main runway that can be extended to 12,500 feet, and a large terminal complex, capable of servicing up to 2,500 passenger arrivals and departures per hour and is located nine miles from downtown Oakland.

Downtown Oakland is the commercial and cultural heart of San Francisco's East Bay. The revitalized 350-block Commercial district is home to shops, restaurants, cafes, entertainment venues and art galleries, as well as major corporations and local businesses.

In recent years, scores of new businesses and residents have moved downtown and the 75,000-person daily workforce continues to expand. The Lindauer Index ranked Oakland the #1 office market in the nation. Major new features include 555 City Center, Shorenstein's spectacular 21-story office tower and thousands of market-rate housing units spurred by Mayor Jerry Brown's drive to attract 10,000 new downtown residents.

The standard definition of the San Francisco Bay Area is the nine-county region that encompasses the waters of greater San Francisco Bay, which has shaped the region's history and continues to shape its economy. The nine counties—San Francisco, Marin, Solano, Sonoma, Napa, Contra Costa, Alameda, Santa Clara, and San Mateo—are home to a population of approximately seven million in a 7,000-square-mile area. The Bay Area is the fifth largest metropolitan area in the country, after New York, Los Angeles, Chicago, and Washington D.C. It is the 36th largest metropolitan life in the world, ranking between Lahore and Johannesburg. The Bay Area is a region of world-class cities and small towns with distinct personalities.

Although the area's cities and suburbs once stood apart, separated by farmland, today urban and suburban development has melded them together. But this physical unity is deceptive. The governmental system includes five regional agencies, one hundred cities, 162 school districts, and 1,000 special districts. Three cities stand out: San Jose, with more than 926,000 people, is the country's 11th largest; San Francisco is the 13th; and Oakland the 42nd.

Location—The subject is in Oakland, which is in the East Bay section of the San Francisco Bay Area. The East Bay extends from Richmond and Berkeley in the north to Fremont in the south and Livermore. The Bay Area's population is focused in a narrow plain between the Bay and the East Bay Hills. The area north of Hayward is highly urbanized and includes older residential and industrial areas. South of Hayward remains substantial buildable land, but this area is urbanizing rapidly. Fremont is a rapidly expanding center for Silicon Valley high-tech firms. East of the East Bay Hills is the Livermore Valley area, which has been suburban or rural in character but is also urbanizing at a fast rate.

San Francisco is the capital of culture, with the largest number of well-established cultural institutions. They include ballet, classical music, art, and the San Francisco Opera, regarded as one of the top ten opera houses in the world. The city is also the news media center for all Northern California and has been the West Coast's financial hub for 150 years. San Francisco's centrality is fading as other parts of the Bay Area grow. The city's population is moving into the suburbs and the suburbs of former suburbs—and Silicon Valley is spreading and transforming into other nearby parts of the Bay Area.

The East Bay possesses a diverse economic base featuring a wide range of manufacturing industries (transportation equipment, computer, food processing, fabricated metal products, non-electrical machinery, and stone-clay-glass products). In fact, East Bay has the most diversified manufacturing sector in Northern California. The fastest growing sector in the area is services, but manufacturing continues to grow. The Port of Oakland, the third largest containership port on the West Coast, is a major economic engine in the East Bay as well as the Bay Area as a whole.

Far less congested than San Francisco International, and more centrally located for the East Bay, Oakland International is becoming the people's choice for air travel. Oakland international is a West Coast distribution center for Federal Express, UPS, Airborne Express, Burlington Air Express, and Emery Worldwide, eleven commercial airlines provided more than 1,400, non-stop, direct or connecting flights weekly to destinations in the United States, Canada, Europe, and Mexico.

The growth of the Bay Area trucking industry has grown due to the distribution needs of the region's industry and agriculture. Due to the high volume of ship container traffic from the Port of Oakland and the widespread use of advanced management techniques, every major trucking firm in the nation has at least one terminal in the Bay area. In fact, there are over 1,000 registered trucking carriers in the East Bay making overnight delivery service to major California cities.

The East Bay has become one of the leading biotechnology research centers in the country with the research activities at the University of California Berkeley, Lawrence Berkeley National Laboratory, Lawrence Livermore National Laboratory, and private Biotechnology firms, which have located near the Universities and Labs.

Between the year 2010 and the year 2021 Alameda County population has increased each year. The population has increased 9% from 1,500,000 in 2010 to 1,600,000 in 2021. The California population grew by 5.1% and the US population by 7.3%. Alameda County's population is outpacing the state and US.

EAST BAY POPULATION

County/Year (PMSA)	1980	1990	2000	Incr/1990	2010	Incr/1990	2021
Alameda (Oak)	1,105,379	1,304,684	1,443,741	10.66%	1,500,000	19.31%	1,600,000

The East Bay is a mixture of heavy industry (oil refineries, Oakland's container port); knowledge industries (software, biotech) developed around universities and scientific laboratories; and suburban offices, housing, and service industries. A bioscience cluster has developed around the University of California, Berkeley.

Transportation-The East Bay's transportation network has fostered the growth of all types of real estate. The Port of Oakland, an international airport, rail service by four carriers, and a network of interstate and state highways have played important roles in the development of the area. Five principal highways connect the East Bay with adjacent counties. Interstate 80 leads west to San Francisco via the Bay Bridge and east to Sacramento. Interstate 580 connects the East Bay to the Central Valley and Southern California, via Interstate 5. Interstate 680 serves the area in a north-south direction. Interstate 880 accommodates north-south traffic circulation on the east shore of San Francisco Bay. Highway 24 links Oakland with eastern Contra Costa County, passing through the Caldecott Tunnel.

Transbay bridges include the San Francisco-Oakland Bay Bridge, which extends interstate 80 into San Francisco; the Richmond-San Rafael Bridge, leading into Marin County and northern areas; and the Hayward-San Mateo and Dumbarton Bridges connecting East points with San Mateo and Palo Alto on the San Francisco Peninsula.

The Southern Pacific and Union Pacific Railroads, recently merged, operate rail terminal facilities in Oakland. Atcheson Topeka, and Santa Fe Railway serves the East Bay from its Richmond switching yards, Amtrak provides service through its Oakland and Emeryville stations to Southern California, Sacramento, and other destinations.

Local motor coach transportation is provided by AC Transit, which serves East Bay cities and continues into San Francisco via Bay Bridge. Other bus services are available through the Central Contra Costa transit District, the Livermore Transit Corporation and Greyhound bus lines. San Mateo County transit district provides bus service between Hayward and the San Francisco Peninsula across the Hayward-San Mateo Bridge. Oakland and Alameda County are also served by the Bay Area Rapid transit District (BART), a high-speed rail transit servicing the counties of Alameda, Contra Costa, and San Francisco.

Sea and Air Cargo-The Port of Oakland, an independent agency of the City of Oakland, is the third largest container-ship port on the West Coast and ranks among the top four in the nation and twenty in the world in terms of annual container traffic. The Port has approximately 759.3 acres of developed terminal area, served by thirty-five container cranes, including twenty-nine of the post-Panamax type, and twenty deep-water berths with a total of more than 20,000 linear feet of berthing length. The fourth largest seaport in the nation, the Port of Oakland manages 99% of all containerized cargo that passes through Northern California ports. Located at the terminus of three transcontinental railroads and four interstate highways, the Port of Oakland is a Key West Coast intermodal connection and the hub of Northern California's distribution system. The Port managed the equivalent of 1,923,104 twenty-foot containers.

The Port of Oakland also operates the Oakland metropolitan International Airport, which covers an area of approximately 3,000 acres, and is located nine miles from downtown Oakland. The airport serves more than 9.8 million passengers and manages more than 1.4 billion pounds of cargo annually. Oakland Metropolitan International Airport has 10,000-foot fully instrumented main runway that can be extended to 12,500 feet and a large terminal complex, capable of servicing up to 2,500 passenger arrivals and departures per hour. A separate International Arrivals Building has customs inspection and baggage claim facilities for handling five hundred passengers per hour. The runways, taxiways and plane positions at both cargo and passenger terminals have jumbo jets capacities. Primarily general aviation aircraft also use three other runways. Operations of these general aviation runways are controlled from a separate tower.

Education-The Bay Area has a wealth of top-flight universities and colleges, including the two top-ranked graduate schools in the country, as well as one of the nation's top ranked medical schools. The Bay area is home to excellent institutions of learning.

Opportunities range from extending formal education to acquiring new skills or to simply taking courses of interest. Given the changing technologies driving and sustaining every American industry, business can ill afford to ignore the educational background and enrichment of their workforce., Bay Area companies continually tap into the University of California at Berkeley's extraordinary Resource Can expertise in technology, medicine, business, and public policy. In fact, fancy high-tech. and biotech companies have spun off research originally conducted at Berkeley. Nearby, there are other top public and private colleges, such as Oakland's Mills College California State University, Hayward; Holy Names College; California College of Arts and Crafts; University of California, San Francisco And Davis; and Stanford University.

Educators in the East Bay are forging innovative programs to build a better-educated workforce for the future, A variety of learning sites provide alternative educational opportunities, which are meant to bridge the gap between school and work. Programs that have effectively been doing this include, Partnership Academies, which integrate academic and vocational education; Technical Preparation (or linking high schools with community colleges; and Regional Occupational centers providing students and adults with career development and technical training.

Research and Development-The East Bay operates programs that make institutional research available for practical application by the private. Sector. This is a key factor in the region's global competitiveness. With world-class research universities and eminent national laboratories, Alameda County is a leading force in technology transfer; Lawrence Livermore and Sandia National Laboratories, in collaboration with Ernest O. Lawrence Berkeley National Laboratory, seek opportunities to work with large and small companies to actively share their expertise.

Annual Property Operating Data

Name: Casa Magna	Price: \$11,501,000
Location: 2555-2567 Foothill Blvd	Down Payment: \$3,748,000
Type of Property: 61 Apartments	Loan: \$8,225,000

ASSESSED APPRAISED VALUES

Land:	\$ 4,200,000
Improvements:	\$10,035,000
Personal Property:	\$ 100,000
Total:	\$14,335,000

1st LOAN	\$8,225,000	30 years	5.5%	\$46,700 monthly
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Annual Income/ Expense	EXISTING	MARKET
Rental Income	\$1,155,431	\$1,660,200
Parking & Storage Income	\$ 11,400	\$ 11,400
Laundry Income	\$ 21,600	\$ 21,600
Total Income	\$1,188,431	\$1,639,200
Expense		
Vacancy	\$ 31,000	\$ 31,000
Security & Fire Expenses	\$ 4,000	\$ 4,000
Maintenance and Reserve	\$ 18,000	\$ 18,000
Marketing	\$ 1,200	\$ 1,200
Property Insurance	\$ 21,480	\$ 21,480
Management Services	\$ 31,000	\$ 31,000
Utilities		
Electric and Gas	\$ 13,593	\$ 13,593
Water & Sewer	\$ 32,818	\$ 32,818
Garbage	\$ 41,279	\$ 41,279
Taxes		
City of Oakland- Business Taxes	\$ 14,346	\$ 14,346
City of Oakland- RAP Taxes	\$ 6,161	\$ 6,161
Property Taxes	\$ 168,425	\$ 168,425
Total Operating Expenses	\$ 383,302	\$ 383,302
Net Operating Income	\$ 805,129	\$ 1,309,898
Less Debt Service	\$ 588,336	\$ 588,336
Cash Flow	\$ 216,793	\$ 721,562

The above income and expenses are only estimates because of occupancy changes and renovation. Although the information contained herein is deemed reliable, no representations of any kind, expressed or implied are being made as to the accuracy of such information. All the data in this prospectus are estimates and approximations to include square footage. Any prospective purchaser and their tax and legal advisor should carefully verify all information contained herein and conduct an independent investigation to include engaging contractors and engineers to complete inspections. Seller bears no liability of any errors, inaccuracies, or omissions.

RENT ROLL

Property	Tenant Name	Unit	Unit Type	Rent Charges	Market Rent
2555-2567 Foothill/Casa Magna		2555-100	2/1.0	2,729.00	2,729
2555-2567 Foothill/Casa Magna		2555-102	2/1.0	1,199.23	2,729
2555-2567 Foothill/Casa Magna		2555-104	studio	1,532.38	1,846
2555-2567 Foothill/Casa Magna		2555-106	1/1.0	979.63	2,225
2555-2567 Foothill/Casa Magna		2555-110	studio	1,329.22	1,846
2555-2567 Foothill/Casa Magna		2555-112	1/1.0	1,595.00	2,225
2555-2567 Foothill/Casa Magna		2555-114	2/1.0	1,942.38	2,729
2555-2567 Foothill/Casa Magna		2555-116	2/1.0	1,995.00	2,729
2555-2567 Foothill/Casa Magna		2555-200	2/1.0	2,028.09	2,729
2555-2567 Foothill/Casa Magna		2555-202	2/1.0	1,895.00	2,729
2555-2567 Foothill/Casa Magna		2555-204	* 1/1.0	1,642.00	2,225
2555-2567 Foothill/Casa Magna		2555-206	studio	1,532.38	1,846
2555-2567 Foothill/Casa Magna		2555-208	2/1.0	1,215.67	2,729
2555-2567 Foothill/Casa Magna		2555-210	studio	806.92	1,846
2555-2567 Foothill/Casa Magna		2555-212	studio	1,345.00	1,846
2555-2567 Foothill/Casa Magna		2555-214	1/1.0	1,408.85	2,225
2555-2567 Foothill/Casa Magna		2555-216	studio	1,995.00	1,846
2555-2567 Foothill/Casa Magna		2555-300	2/1.0	1,252.95	2,729
2555-2567 Foothill/Casa Magna		2555-302	* 1/1.0	1,859.00	2,225
2555-2567 Foothill/Casa Magna		2555-304	1/1.0	1,634.88	2,225
2555-2567 Foothill/Casa Magna		2555-306	studio	1,395.00	1,846
2555-2567 Foothill/Casa Magna		2555-308	* 2/1.0	2,360.00	2,729
2555-2567 Foothill/Casa Magna		2555-310	1/1.0	958.18	2,225
2555-2567 Foothill/Casa Magna		2555-312	studio	1,395.00	1,846
2555-2567 Foothill/Casa Magna		2555-314	2/1.0	1,995.00	2,729
2555-2567 Foothill/Casa Magna		2555-316	2/1.0	1,995.00	2,729
2555-2567 Foothill/Casa Magna		2567-101	studio	1,472.77	1,846
2555-2567 Foothill/Casa Magna		2567-103	1/1.0	1,595.00	2,225
2555-2567 Foothill/Casa Magna		2567-105	studio	892.97	1,846
2555-2567 Foothill/Casa Magna		2567-107	2/1.0	1,345.00	2,729
2555-2567 Foothill/Casa Magna		2567-109	1/1.0	1,995.00	2,225
2555-2567 Foothill/Casa Magna		2567-111	2/1.0	2,147.38	2,729
2555-2567 Foothill/Casa Magna		2567-117	2/1.0	1,252.32	2,729
2555-2567 Foothill/Casa Magna		2567-119	1/1.0	1,408.85	2,225
2555-2567 Foothill/Casa Magna		2567-121	studio	869.27	1,846
2555-2567 Foothill/Casa Magna		2567-123	studio	1,327.38	1,846
2555-2567 Foothill/Casa Magna		2567-125	1/1.0	1,013.15	2,225
2555-2567 Foothill/Casa Magna		2567-201	studio	1,345.00	1,846
2555-2567 Foothill/Casa Magna		2567-203	studio	837.65	1,846
2555-2567 Foothill/Casa Magna		2567-205	1/1.0	1,634.88	2,225
2555-2567 Foothill/Casa Magna		2567-207	studio	1,495.00	1,846
2555-2567 Foothill/Casa Magna		2567-209	2/1.0	1,942.38	2,729
2555-2567 Foothill/Casa Magna		2567-211	2/1.0	2,249.88	2,729
2555-2567 Foothill/Casa Magna		2567-215	1/1.0	1,557.88	2,225
2555-2567 Foothill/Casa Magna		2567-217	2/1.0	1,781.21	2,729

2555-2567 Foothill/Casa Magna	2567-219		1/1.0	1,595.00	2,225
2555-2567 Foothill/Casa Magna	2567-221		studio	1,532.38	1,846
2555-2567 Foothill/Casa Magna	2567-223		studio	837.65	1,846
2555-2567 Foothill/Casa Magna	2567-225	*	1/1.0	1,950.00	2,225
2555-2567 Foothill/Casa Magna	2567-301		studio	1,120.02	1,846
2555-2567 Foothill/Casa Magna	2567-303		1/1.0	1,361.21	2,225
2555-2567 Foothill/Casa Magna	2567-305		studio	1,367.20	1,846
2555-2567 Foothill/Casa Magna	2567-307		1/1.0	986.92	2,225
2555-2567 Foothill/Casa Magna	2567-309		2/1.0	2,044.88	2,729
2555-2567 Foothill/Casa Magna	2567-311		2/1.0	2,147.38	2,729
2555-2567 Foothill/Casa Magna	2567-315		2/1.0	1,942.38	2,729
2555-2567 Foothill/Casa Magna	2567-317		2/1.0	2,147.38	2,729
2555-2567 Foothill/Casa Magna	2567-319		studio	893.25	1,846
2555-2567 Foothill/Casa Magna	2567-321		1/1.0	1,595.00	2,225
2555-2567 Foothill/Casa Magna	2567-323		studio	885.79	1,846
2555-2567 Foothill/Casa Magna	2567-325		1/1.0	1,683.92	2,225
Parking Income				950	950
Laundry Income				1,800	1,800
				<u>\$97,019.09</u>	<u>\$141,100</u>

SALES COMPARABLES FOR APARTMENT BULDINGS

Subject Property:	# Of Units	Unit Mix	Sales Price	Cost Per Unit	Price Per Foot	Cap Rate	Close of Escrow
255 Foothill Boulevard	61	21 studios 19 (1) bdrm 21 (2) bdrm	\$11,501,000	\$188,540	\$383	7%	For Sale
221-225 41 st St	77	5 Studios 72 (1) bdrm	\$35,500,000	\$461,038	\$609.50		08/27/2021
491 Crescent St	27	3 studios 20 (1) bdrm	\$10,550,000	\$390,471	\$226.71		03/31/2022
77 Glen Ave	30	25 studios 13 (1) bdrm	\$11,350,000	\$378,333	\$460.71		08/05/2022
1924 9th Ave	30	30 studios	\$11,063,175	\$368,772	\$622.79		05/03/2022
378 Van Buren Ave	41	1 studio 20 1/1 20 2/1	\$13,575,000	\$331,098	\$255		05/10/2022
1130 E 3 rd Ave	178	35 1/1 143 2/1	\$55,5000.00	\$311,798	\$327.32		08/23/2022
1529 Alice St	35	27 studios 2 (1) bdrm 8 (2) bdrm 1 (3) bdrm	\$10,600,000	\$311,765	\$413.06		01/01/2022
100 Monte Cresta Ave	31	20 (1) bdrm 11 (2) bdrm	\$9,525,000	\$307,258	\$227.07		09/29/2020
257 Vernon St	88	20 Studios 53 (1) bdrm 15 (2) bdrm	\$26,800,000	\$304,545	\$366.62		06/10/2021
671 Vernon St	31	3 Studios 17 1/1	\$9,275,000	\$299,194	\$459.50		11/02/2021

SALES COMPARABLES FOR APARTMENT BULDINGS

Subject Property:	# Of Units	Unit Mix	Sales Price	Cost Per Unit	Price Per Foot	Cap Rate	Close of Escrow
255 Foothill Boulevard	61	21 studios 19 (1) bdrm 21 (2) bdrm	\$11,501,000	\$188,540	\$393	7%	For Sale
2701 64 th Ave	54	8 (1) bdrm 46 (2) bdrm	\$15,477,811	\$297,073	\$218.52		05/03/2022
1425 Harrison St	61	29 Studios 32 1/1	\$17,867,000	\$293,000	\$438		10/01/2021
2727 E 17th Ave	13	13 (2) bdrm	\$2,975,000	\$292,000	\$309.00		01/01/2021
1125 E 18th St	44	20 Studios 22 (1) bdrm 2 (2) bdrm	\$12,776,067	\$290,365	\$612.24		05/28/2021
2333 Humboldt Ave	5	1 1/1 3 2/1 1 3/2	\$1,445,000	\$289,000			On Market
3801 Lincoln Ave	5	1 1/1 3 2/1 1 3/2	\$1,395,000	\$279,000			On Market
276 Adams St	27	13 (1) bdrm 14 (2) bdrm	\$7,200,000	\$266,667	\$372.36		07/29/2022
444 28th St	34	3 studios 29 (1) bdrm 2 (2) bdrm	\$9,039,172	\$265,858	\$438.88		10/01/2020
1720 12th Ave	48	4 Studios 22 (1) bdrm 14 (2) bdrm 8 (3) bdrm	\$12,000,000	\$250,000	\$313.33		04/09/2020

Rent Comparable in The Same Zip Code: 94601

<u>Subject Property:</u>	Studios	1 Bedroom	2 Bedrooms
2555 Foothill Blvd	\$817-\$2,095	\$934-\$2,000	\$1,169-\$2,729
2656 38 th Ave		\$2,200	
3020 E 18 th St	\$1,845	\$2,150	\$2,450
1921 26 th Ave	\$1,745	\$1,895	
5470 Campden St		\$1,995	\$2,400
3757 39 th Ave			\$2,425
2041 36 th Ave		\$2,100	
1757 26 th Ave	\$1,595		
1242 50 th Ave			\$3,000
226 Athol Ave		\$1,995	
8025 Ney Ave			\$2,335
425 E 18 th St	\$1,825	\$1,950	
825 6 th Ave	\$1,595		
2656 38 th Ave		\$2,200	

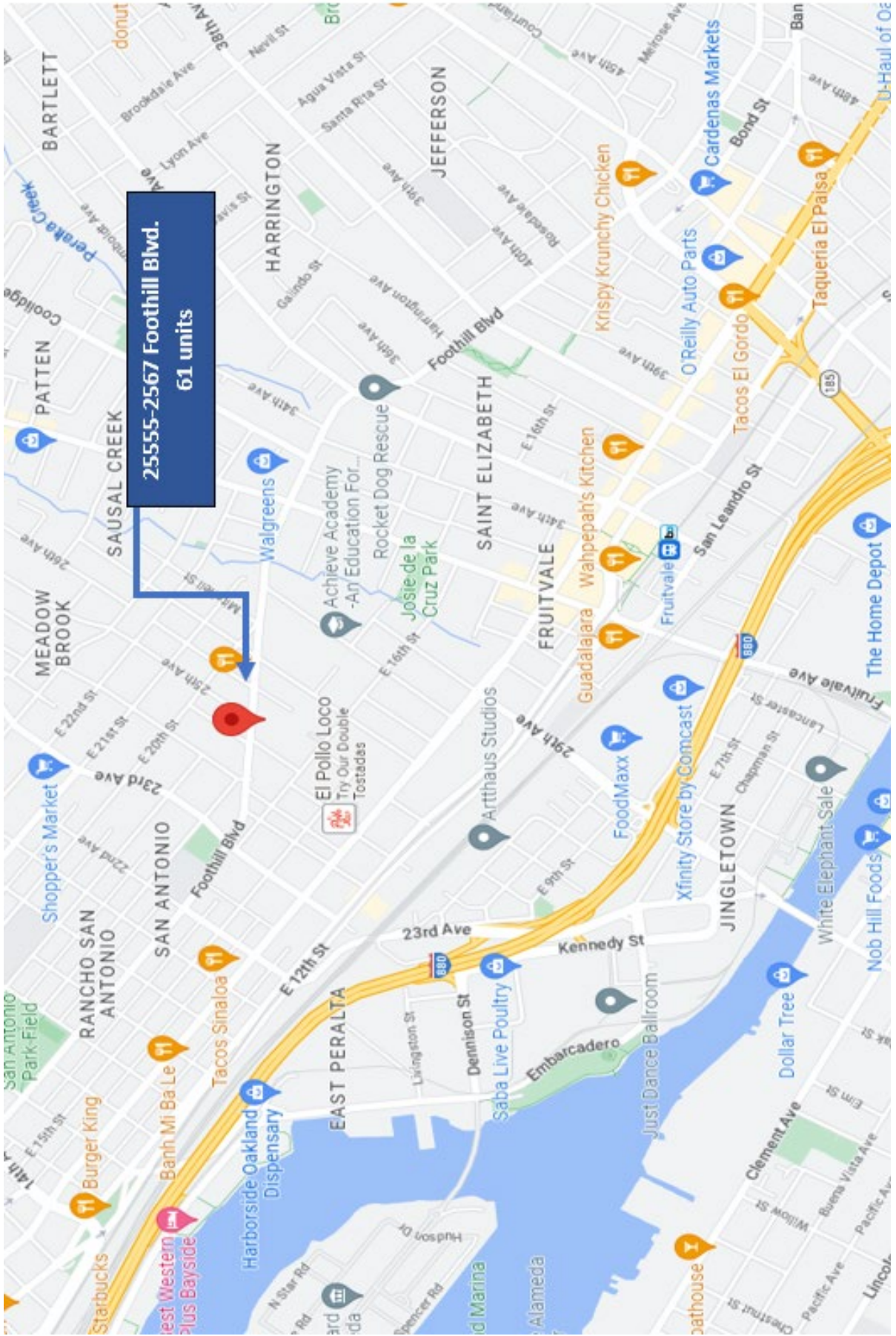


Oakland Housing
Authority

VOUCHER PAYMENT STANDARDS – 2022

Effective July 1, 2022

Bedroom Size	2022 HUD Fair Market Rents	2022 OHA Payment Standard 120% of HUD Fair Market Rents
0	\$1,538	\$1,846
1	\$1,854	\$2,225
2	\$2,274	\$2,729
3	\$3,006	\$3,607
4	\$3,578	\$4,294
5	\$4,115	\$4,938
6	\$4,732	\$5,678



25555-2567 Foothill Blvd.
61 units

Revised Map of the
Oak Tree Farm Tract.
Scale: 1 in = 40 ft.

734
2

ASSESSOR'S MAP 25

Rev 12-6-60 A.Y.
1-22-61/6
1-22-61/6
1-22-61/6
1-22-61/6

BK. 20

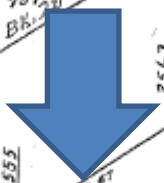
(BK. 11, B. 1)

204

Boulevard

Foothill

Code Area No. 17-045



P.M. 4158 103/10

7

734

PIQ

6

8

734

Dow and Thomas Tract

734

B

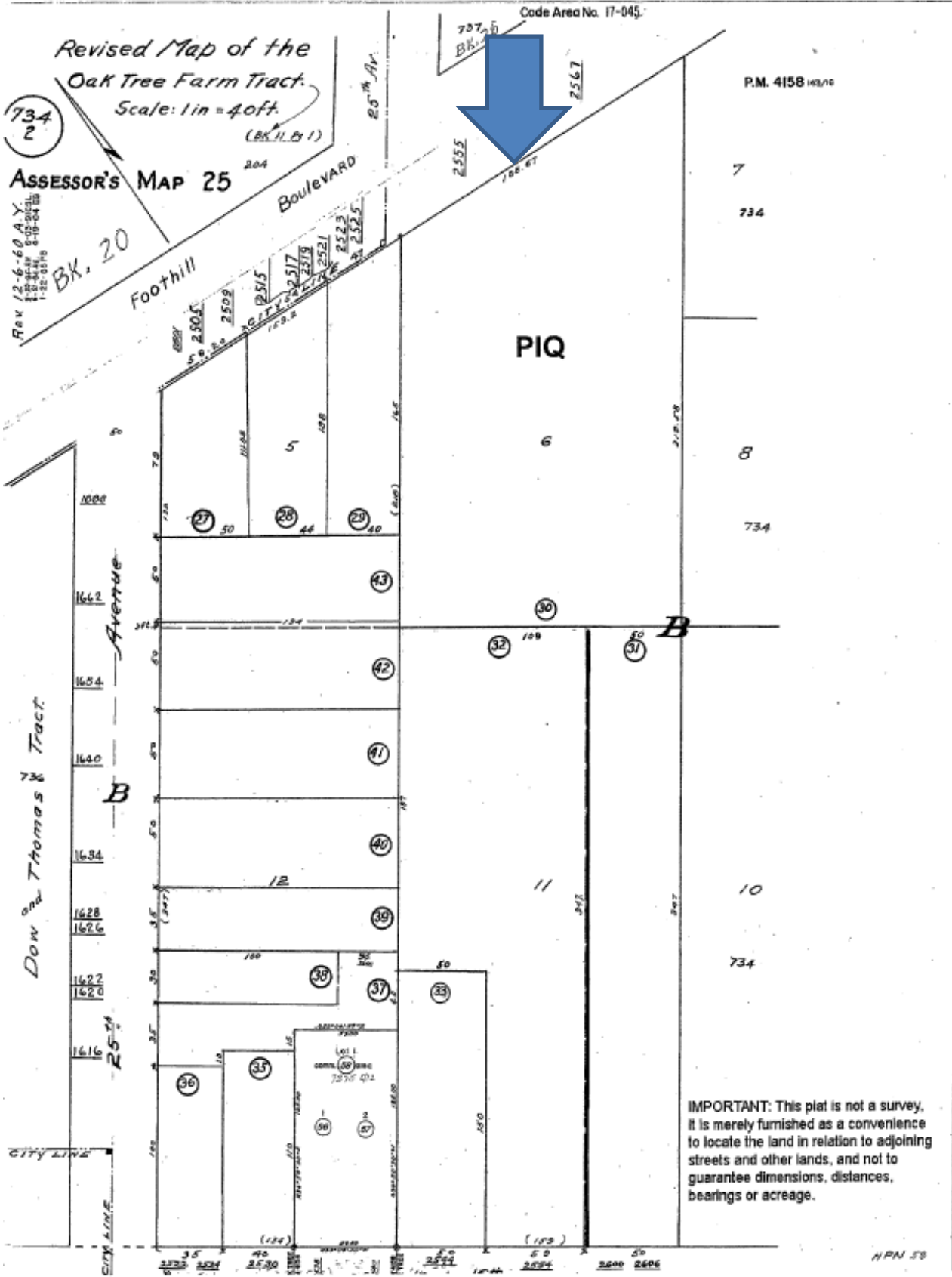
B

10

734

IMPORTANT: This plat is not a survey.
It is merely furnished as a convenience
to locate the land in relation to adjoining
streets and other lands, and not to
guarantee dimensions, distances,
bearings or acreage.

HPN 58





CITY OF OAKLAND

Planning and Building Department
250 Frank Ogawa Plaza, 2nd Floor
Oakland, CA 94612

Petition for Exemption

Oakland Municipal Code Section 15.27.050

This petition form is provided for owners of buildings that might be subject to Oakland Municipal Code (OMC) Chapter 15.27: Mandatory Seismic Evaluation and Retrofit of Certain Multi-Unit Residential Buildings. The form is authorized by Section 15.27.050, Bureau of Building staff are authorized to require additional information as needed.

Instructions

- Submit this form:
 - As a pdf attachment, by email to MandatorySoftStoryRetrofit@oaklandca.gov, with "Petition for Exemption form submittal" in the subject line, or
 - As a hardcopy by U.S. mail or in person to:
Mandatory Soft Story Retrofit Program
250 Frank H. Ogawa Plaza Suite 2340
Oakland, CA 94612
- To request a later Compliance Tier, do not use this form. Use the separate "Petition for Change of Compliance Tier" form.
- This form might require the certification of a California licensed design professional (architect, civil engineer, or structural engineer). When required, it is the building owner's responsibility to engage a qualified design professional.
- Terms shown in **bold, italic font** are defined in OMC Section 15.27.150. The definitions are provided after Part 2 below.
- Additional line-by-line explanations and examples are provided in a separate document, *Petition-for-Exemption-Instructions*, available at <https://www.oaklandca.gov/topics/SSRetrofit>.

PARCEL NUMBER 025 073403000

PROPERTY ADDRESS 2555 FOOTHILL BLVD OAKLAND 94601

OWNER(S) CALIFORNIA AFFORDABLE HOUSING GROUP LLC

Does this petition replace or supplement a previously submitted petition for the same building? Yes No

PART 1 – CONTACT INFORMATION

2094522-9999 dealmaker@charter.net
 Owner telephone Owner email

P O BOX 577374 MODESTO CA 95357
 Owner mailing address

 Authorized agent (optional) Agent telephone Agent email

 Agent mailing address

CONDOMINIUM OWNERS: Submit only one form with one set of contact information for each building. List all parcel numbers comprising the building here:

PARCEL NUMBER 025 073409000

PART 2 – WORKSHEET

- | | | |
|---|-------------------------------------|--------------------------|
| | <u>Yes</u> | <u>No</u> |
| 1. Was the building originally constructed or permitted for construction before January 1, 1991, or designed based on an adopted version of the 1985 or earlier edition of the Uniform Building Code? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Notes: _____

If Yes: Continue to Question 2.

If No: The building is tentatively exempt from OMC Chapter 15.27.

- Skip Questions 2 and 3.
- Complete the Owner/Agent portion of Part 3.
- Submit this petition form. Bureau of Building staff are authorized to require additional information as needed. If approved, the Bureau of Building will confirm the exemption in writing.

- | | | |
|---|-------------------------------------|--------------------------|
| | <u>Yes</u> | <u>No</u> |
| 2. Does the building contain five or more <i>Dwelling Units</i> ? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Notes: _____

If Yes: Continue to Question 3.

If No: The building is tentatively exempt from OMC Chapter 15.27.

- Skip Question 3.
- Complete the Owner/Agent portion of Part 3.
- Submit this petition form. Bureau of Building staff are authorized to require additional information as needed. If approved, the Bureau of Building will confirm the exemption in writing.

Question 3 requires the input of a California licensed design professional (architect, civil engineer, or structural engineer). It is the building owner's responsibility to engage a qualified design professional.

- | | | |
|--|--------------------------|-------------------------------------|
| | <u>Yes</u> | <u>No</u> |
| 3. Does the building have a <i>Wood Frame Target Story</i> ? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

If No, indicate also which of these conditions is true:

- The building has no *Target Stories*.
- The building has one or more *Target Stories* but none is a *Wood Frame Target Story*.

Design Professional's Notes: The following is the reason for exemption:

Building has no target story, because 1st floor is sitting on concrete slab on grade and has no crawl space.

Please see attached Pictures for more information.

If Yes: The building is subject to OMC Chapter 15.27. Do not submit this petition form.

If No: The building is tentatively exempt from OMC Chapter 15.27.

- Complete all of Part 3.
- Submit this petition form. Bureau of Building staff are authorized to require additional information as needed. If approved, the Bureau of Building will confirm the exemption in writing.

DEFINITIONS (OMC Section 15.27.150)

Dwelling Unit. A Dwelling Unit shall include any individual residential unit in a building with R-1 or R-2 occupancy, as well as any guest room, with or without a kitchen, in either a tourist or residential hotel or motel but shall not include a housekeeping room. Any unit occupied as a Dwelling Unit, whether approved or not approved for such use, shall be counted as a Dwelling Unit.

Target Story. A Target Story shall mean either (1) a basement story or underfloor area that extends above grade at any point or (2) any story above grade, where the wall configuration of such basement, underfloor area, or story is substantially more vulnerable to earthquake damage than the wall configuration of the story above, except that a story is not a target story if it is the topmost story or if the difference in vulnerability is primarily due to the story above being a penthouse or an attic with a pitched roof.

Wood Frame Target Story. A Wood Frame Target Story means a Target Story in which a significant portion of lateral or torsional story strength or story stiffness is provided by wood frame walls.

PARCEL NUMBER 025 073403000

PART 3 – DESIGN PROFESSIONAL & OWNER AFFIDAVIT

DESIGN PROFESSIONAL

Under penalty of perjury, I certify that the information provided in Part 2 of this petition is based on information provided by the Owner/Agent identified below, on my personal review of the building and its records, or on review by others acting under my direct supervision, and is correct to the best of my knowledge.

Date stamped and signed
Javed Tharani

Name
Nabi Construction and Engineering

Firm name (optional)
(415)552-2215 Reza@nablconstruction.com

Telephone Email



OWNER / AGENT

Under penalty of perjury, I certify that the information provided in Part 1 of this petition is correct to the best of my knowledge.

Javed Tharani 4/4/22 Owner
Signature Date Agent

FOR BUREAU OF BUILDING USE ONLY

Form appears incomplete, or more information is needed regarding:	The form appears complete and is assumed correct based on
PART 2 – Worksheet	Design Professional and Owner/Agent Affidavits. <input type="checkbox"/>
Pre-1991 or pre-1985 UBC <input type="checkbox"/>	Building is subject to OMC Chapter 15.27. <input type="checkbox"/>
Dwelling Units <input type="checkbox"/>	Building is exempt from OMC Chapter 15.27. <input checked="" type="checkbox"/>
Wood Frame Target Story <input type="checkbox"/>	BOB Reviewer: <u>Alain Placido</u>
PART 3 – Design Professional & Owner/Agent Affidavits <input type="checkbox"/>	Date: <u>Apr 25, 2022</u>

Finalist: Casa Magna Apartments

The Casa Magna Apartment complex is back.

The 61-unit facility in the heart of Oakland's Fruitvale district is now filled with tenants and has a waiting list. The city and county have been repaid what they were owed. And the building is no longer receiving health and safety code violations.

It's a complete turnaround from August 2009, when all 200 of the apartment residents were evacuated and taken to shelters.

Claudia Burgos remembers it well. Burgos, who has been the aide for City Council District Five for the past decade, remembers when the property was infested with rats and roaches. She remembers the gas leaks, caved-in floors and inoperable plumbing.

"It was a mess," she recalled.

The building sat there for two years while the city held \$320,000 in liens and Alameda County waited for the property owners to pay \$411,000 in back property taxes.

In stepped Fred Lewis, the owner of California Affordable Housing Group LLC. Lewis purchased the complex. He proudly remembers paying the city and county what they were owed and using \$1.2 million of his own money to renovate the property.

Lewis hired a crew of eight people, all of whom lived within five blocks of the complex. He used only Oakland contractors.

Last fall, tenants began to move back in. Many of them were people evicted three years ago. Lewis said the monthly payments are now within 10 percent of the 2009 rents, ranging from \$650 for a



FINALIST

Location: 2555-2567 Foothill Blvd., Oakland.

Size: 61 apartments.

Cost: \$2.3 million.

Developer: Fred Lewis dba California Affordable Housing Group LLC.

studio to \$995 for a two-bedroom apartment.

"I just had a vision that this dilapidated building could be brought back to a beautiful building," said Lewis. "Now what we have is a little village."

Burgos says the apartment complex and the neighborhood have been completely transformed.

"It's like night and day," she said.

—Dave Mills ■

Multifamily Is Most Attractive Asset Class, Survey Finds

Its mid-year report looks at where interest rates were thought to be, and where they are now.

By Richard Berger | September 21, 2023 at 07:40 AM

Apartments are the place to be, according to investors polled in CBRE's Global Investor Intentions Survey.

Its "Midyear Pulse Check: U.S. Multifamily Market" report laid out the most common concerns in commercial real estate overall – interest rates, credit availability, state of the economy – but for the first time, the survey taken in late 2022 said that they would target multifamily properties more than any other property type.

Nearly 70% of those operating in the Americas said they expected to keep their allocation to real estate about the same in 2023. Another 20% said they expected it to increase.

The Sunbelt and several Midwest and Northeast markets, including Indianapolis and Boston, were a focus.

Those markets "provide near-term rent growth potential since they did not have a glut of new construction," according to the report, and "offer significant cost savings relative to other areas of the country."

The four primary concerns they expressed – rising interest rates, credit availability, fear of a recession, and persistent inflation – played out, but mostly not to as dramatic a level as some anticipated.

The Federal Reserve on Sept. 20 indicated that they will likely have one more interest rate hike in 2023. Putting it above the current range of 5.25% to 5.50%, that is slightly higher than initial investor expectations from the survey.

At the Fed meeting this week, Fed Chair Jerome Powell said 12 Fed officials said they would support one more hike this year and seven said they'd support staying flat.

The Fed noted that the economy has been expanding at a "solid" pace — an update from a "moderate" pace.

CBRE last week said it expects the Fed to begin slashing interest rates in the first half of 2024 with the fed funds rate ending the year between 4.50% and 4.75%.

With credit availability, more than 90% of respondents to CBRE's 2023 U.S. Lender Intentions Survey said their underwriting would be more conservative, and 68% expected lower originations in 2023.

"This is consistent with actual market performance so far this year," CBRE said.

"Near-term recession expectations have become much less certain as the year has progressed. While some economists envision a 'soft landing' for the economy, CBRE expects a moderate recession to begin in early 2024 as the lagged impacts of tight monetary policy more fully take hold."

Inflation has seemingly peaked in 2023, as those polled believed. The Consumer Price Index (CPI) has been steadily falling since peaking at 8.9% in June 2022 and currently stands at 3.7%.

CBRE said it expects annual inflation to end the year at 2.9%, compared with more than half of surveyed investors' earlier expectations of more than 4%, according to that late 2022 poll.

"As inflation and interest rates further stabilize, we expect greater investment activity over the next 18 months. As the favored asset type for investors, multifamily will likely be the first to benefit," it said.

Strong Demand for Multifamily to Continue into 2024

Meanwhile deliveries are roaring ahead with the year expected to surge 51.1%.

By **Barbara Ballinger** | September 13, 2023

Demand continues to remain solid for the multifamily asset class as absorption in this year's first half surged to 98,429 units with an increase of 83,449 units in the second quarter of 2023, according to a new report by Newmark. This number almost quadruples absorption from last year's first half, and demand is expected to accelerate in the second half of 2023 and beyond to the first half of 2024.

So far supply – set to reach a 50-year high this year – is keeping pace. Already in this year's first half, 198,806 units were delivered, a record, and total deliveries for the entire year are projected to surge 51.1% year-over-year. Deliveries are also expected to increase in the second half through 2024.

In the four quarters ended in the 2Q of this year, the median market saw inventory growth by 2%. Ten out of 150 markets experienced growth above 5%. But over the next four quarters, change is coming with this measurement set to grow by 3.2%, including in 28 markets with inventory growth of 5% or more. As most markets reflected more new deliveries and with that expected to continue, some markets may be slower to absorb new inventory. But even if that turns out to be true, absorption in 40 of the top 50 markets is still expected to outpace the 2018-2022 annual average.

Meanwhile, for the first time in three quarters, multifamily had positive effective rent growth quarter-over-quarter in the second quarter of this year. Midwestern markets made up six of the top 10 markets for greatest YoY effective rent growth. However, rent growth continued to slow YoY.

Worth noting is that multifamily expenses increased a significant 8.3% Y-o-Y, mostly due to a 28.6% rise in insurance costs, which along with management and other expenses put a strain on landlords. Also, on the to-be-watched list is how price dislocation and the higher interest rate environment hinder the investment sales market, evidenced by the 71.8% YoY decline to \$28.2 billion in quarterly sales volume.

Cities With the Most and Least Expensive Apartment Rents



New York City tops the list as the most expensive U.S. city to rent a one-bedroom apartment—\$3,260—while Wichita, Kansas ranks as the state with the least expensive on-bedroom rent—\$650, [according to a report](#) by Zumper, a renters assistance organization.

Cities With Most Expensive Rents

Ranking	City	Monthly Price for One Bedroom
1	New York City	\$3,260
2	San Francisco	\$2,910
3	Boston	\$2,660
4	Miami	\$2,500
5	San Jose, California	\$2,420
6	Los Angeles	\$2,300
7	San Diego	\$2,280
8	Washington, D.C.	\$2,230
9	Oakland, California	\$2,070
10	Santa Ana, California	\$1,950

After a year of substantial rent growth, Miami passed San Jose to become the fourth most-expensive rental market, the report says. The shift in the rankings shows how quickly rent has increased in Miami and how slow rent growth in the San Francisco Bay Area continues to be.

Cities With Least Expensive Rents

Ranking	City	Monthly Price for One Bedroom
1	Wichita, Kansas	\$650
2	Akron, Ohio	\$680
3	Lubbock, Texas	\$690
4	Shreveport, Louisiana	\$730
5	Lexington, Kentucky	\$800
6	El Paso, Texas	\$810
7	Laredo, Texas	\$810
8	Baton Rouge, Louisiana	\$820
9	Oklahoma City, Oklahoma	\$830
10	Tucson, Arizona	\$840

Rent in 2022 is rising faster than in 2021, according to the report. In March, the average one-bedroom rent nationally rose to an all-time high of \$1,400, which represents a growth of 2.5% for the calendar year so far. This is higher than the 1.9% rise experienced over the same period last year.

East Bay Establishes Itself As Regional Housing Leader



Emeryville Mayor Dianne Martinez said during a *Bisnow* East Bay State of the Market digital summit on May 27 that the city has been focusing on the twin efforts of increasing housing at all levels of affordability while making the city a friendlier atmosphere for a diverse range of businesses.

The dual approach has been crucial in driving the city to its position as one of the **leading life sciences clusters in the country**, she said. Although the sector hinges on proximity to the University of California, **Berkeley**, a robust supply of **affordable housing** relative to other parts of the region and a strong public transit system help make companies attractive to employees.

Emeryville's rising status isn't without challenges. The city is only 1.25 square miles, putting constraints on development that are familiar to many municipalities in the Bay Area. But this feature also manifests as a quality-of-life bonus, as the small layout simplifies travel for the city's approximately 12,000 residents, Martinez said.

In 2018, Emeryville voters passed a **\$50M affordable housing bond**, and the city recently completed a \$64M expenditure package to increase affordable housing creation, Martinez said.

The East Bay's housing wealth has been at the forefront of change over the past year. **Alameda County**, which includes Emeryville, was second on the list of top destinations for Bay Area residents who decided to move in 2020, gaining a total of 87,230 residents, according to a report from Cushman & Wakefield. A parallel influx of multifamily housing supply has kept the submarket's **rental recovery at bay**.

Emerald Fund principal **Marc Babsin** said that **Oakland's** rental market has offered an important lesson in economic supply and demand. Between 2015 and 2019, Oakland experienced skyrocketing housing rental rates fueling housing construction, much of which began to deliver in 2018 and 2019, Babsin said.

But when the **pandemic** hit, the urban cores of places like San Francisco and Oakland's Uptown neighborhood were similarly hit with double-digit rent declines, which coincided with the delivery of 1,300 housing units and another 1,200 so far in 2021, with 1,400 under construction, leading to a significant supply-demand imbalance, Babsin said.

The imbalance coupled with the **high costs of construction materials** could make future projects harder to pencil if factors don't shift.

"If you're a landlord and you've got a vacant building, every month that the unit isn't occupied, it's gone forever — you've got bills to pay — so you have more and more concessions," he said. "And now you're seeing three months free on a 15-month lease at a number of new buildings in Oakland."

Changes needed to solidify the recovery appear to be underway. According to **BayRock Multifamily** CEO **Stuart Gruendl**, **UC Berkeley's announcement** of in-person classes being held this fall has spurred rent increases in Berkeley. He said this bodes well for his firm's recent housing acquisition in Berkeley and a project under construction in Oakland.

"We're bullish long-term on those markets, and we feel very good about our investments today," he said.

Oakland Real Estate Market Trends & Analysis 2022

The **Oakland real estate market** in California has come a long way in a relatively short period. However, it is worth noting that real estate in Oakland has been the primary beneficiary of significant tailwinds originating from its neighbor across the bay: San Francisco. As one of the hottest markets in the country, its proximity to the Golden Gate City has undoubtedly increased its potential to both residents and local investors. If for nothing else, the activity responsible for making San Francisco the poster child of the latest market recovery has also made it one of the most expensive places to live in the United States and the world. As a result, the Oakland housing market has seen an influx in interest, not the least of which has worked out very well for local investors with the ability to navigate today's new marketplace.

Oakland Real Estate Market 2022 Overview

- **Median Home Value:** \$952,381
- **Median List Price:** \$858,688 (+6.1% year over year)
- **1-Year Appreciation Rate:** 18.2%
- **Weeks Of Supply:** 5.1 (-0.7 year over year)
- **New Listings:** 695.6 (-11.2% year over year)
- **Active Listings:** 3,359 (-9.9% year over year)
- **Homes Sold:** 688.8 (+5.3% year over year)
- **Median Days On Market:** 12 (+1.5 year over year)
- **Median Rent:** \$2,703
- **Price-To-Rent Ratio:** 29.36
- **Unemployment Rate:** 5.4% (latest estimate by the Bureau Of Labor Statistics)
- **Population (Metro):** 433,031 (latest estimate by the U.S. Census Bureau)
- **Median Household Income:** \$73,692 (latest estimate by the U.S. Census Bureau)



Oakland Real Estate Trends 2022

Not unlike every other real estate market across the country, Oakland has enjoyed a relatively prosperous decade. Since the Great Recession tanked the U.S. housing market around the first quarter of 2012, real estate in Oakland has appreciated for more than nine consecutive years. Today, local home values continue to test new highs, which begs the question: Is Oakland real estate a good investment?

Real estate investors participating in the market in 2012 will certainly tell you their local market has been particularly lucrative. With prices appreciating in the wake of what was a foreclosure crisis, rehabbers had a field day. It is worth noting, however, that the market is shifting. Not only did prices continue to appreciate throughout the pandemic, but a distinct lack of inventory also continues to drive prices higher.

While rehabbers still have the opportunity to run a lucrative business in the local real estate market, new and emerging indicators are making long-term exit strategies more appealing. In particular, historically high home values have left little room for profit margins on flips. In response, investors have turned to alternative exit strategies: long-term rental properties.

Three Oakland real estate market trends, in particular, look as if they will cater more to rental property owners than rehabbers for the foreseeable future:

- Interest rates on traditional loans are historically low
- Years of cash flow can easily justify today's higher acquisition costs
- Inventory shortages will increase rental demand

As of October, the average rate on a 30-year fixed-rate loan was 3.07%, according to Freddie Mac. While up year to date, today's interest rates are still historically low and incredibly attractive. Lower borrowing costs have brought down acquisition costs for those looking to add to their passive income portfolio. At their current rate, mortgage rates will save today's buyers thousands of dollars, and real estate investors will be able to pad their bottom line with years of rent checks.

Lower borrowing costs will help absorb today's high prices, but it's the cash flow potential of real estate assets that make the prospect of owning a rental property even more attractive. With a median rent price of \$2,703, it is possible to simultaneously rent out an investment property while having someone else pay down the mortgage. That way, investors could build equity in a physical asset and collect cash flow each month with the right long-term investment.

Perhaps even more importantly, the city looks to be the beneficiary of an exodus of renters from its neighbors: [San Francisco](#) and [San Jose](#). As some of the most expensive cities to live in, San Jose and San Francisco see more people travel to the East Bay in search of slightly lower prices without giving up the Bay Area lifestyle. The exodus has brought about a drop in rental rates for San Jose and San Francisco, making real estate investors the true winners.

Investors are lucky to have several viable exit strategies at their disposal. Still, none appear more attractive than building a proper [rental property portfolio](#) in the wake of the pandemic. Too many important market indicators are pointing towards becoming a buy-and-hold investor to ignore.

Oakland Median Home Prices In 2022

Oakland's median home value is \$952,381, according to Zillow. At its current price point, the median home value is up approximately 197.6% from the first quarter of 2012 (when the Great Recession was at its worst). Therefore, today's median home value is the result of more than nine consecutive years of appreciation.

However, having increased for the better part of a decade, home prices rose at their fastest rate in the last year. Due to the supply and demand constraints facing the whole country and the departure from San Francisco to Oakland, local home values have increased 18.2% in as little as one year.

One of the largest tailwinds boosting home values is the city's proximity to San Francisco and San Jose. The overpriced valuations of its two neighbors, some of the most expensive cities in the country, have forced many people to consider the East Bay home. As a result, real estate has been desired by homeowners from three cities for quite some time. Demand slowly gave way to fierce competition, and the lack of available housing inevitably granted homeowners all of the power. If, for nothing else, there aren't enough homes to satiate demand in the Bay Area, and Oakland home values came out on top.

Summary

The *Oakland real estate market* has enjoyed a great run since the end of the last recession. On its own merits, the local housing sector not only recovered but also thrived. However, the city's proximity to San Francisco took an already good situation for investors and made it a great one. In a pandemic, prices and activity will pull back slightly, but local fundamentals and demand are too strong to keep the city down for any lengthy period. As a result, the obstacles created by the Coronavirus should be viewed as an opportunity for everyone looking to participate in the market: buyers, sellers, and investors.

TREMENDOUS ACCESS TO MAJOR EMPLOYERS



SAN FRANCISCO MARKET OVERVIEW

San Francisco and the greater Bay Area is a world leader in the fields of technology, life sciences/biotech, hardware, software, social media and alternative energy, and is also home to the second largest corporate base of Fortune 500 companies in the United States. The region's robust venture capital community, leading research and academic institutions, and entrepreneurial and innovative spirit have spawned global technology and biotechnology giants including Google, Apple, Facebook, Salesforce, Oracle, Cisco Systems, eBay, Genentech and Gilead. In addition, the region continues to foster a host of next wave companies including Uber, Twitter, Dropbox, Airbnb, Square and Okta that draw upon the Bay Area's exceptional talent and creativity.



OAKLAND MARKET OVERVIEW

Major office occupiers continue to look east to Oakland to be closer to employee bases. JLL reported tenant requirements nearly doubled quarter over quarter in Q4 2021. In 2021, PG&E finalized plans to move operations out of San Francisco to 87,000 SF in Oakland's 300 Lakeside, aiming to fully occupy in 2023, while Twitter finalized its expansion into Oakland's downtown. Oakland has attracted significant Bay Area office tenant attention and there have been over 2.2 million SF in total office migrations and expansions from San Francisco to Oakland over the last decade.



880 CORRIDOR MARKET OVERVIEW

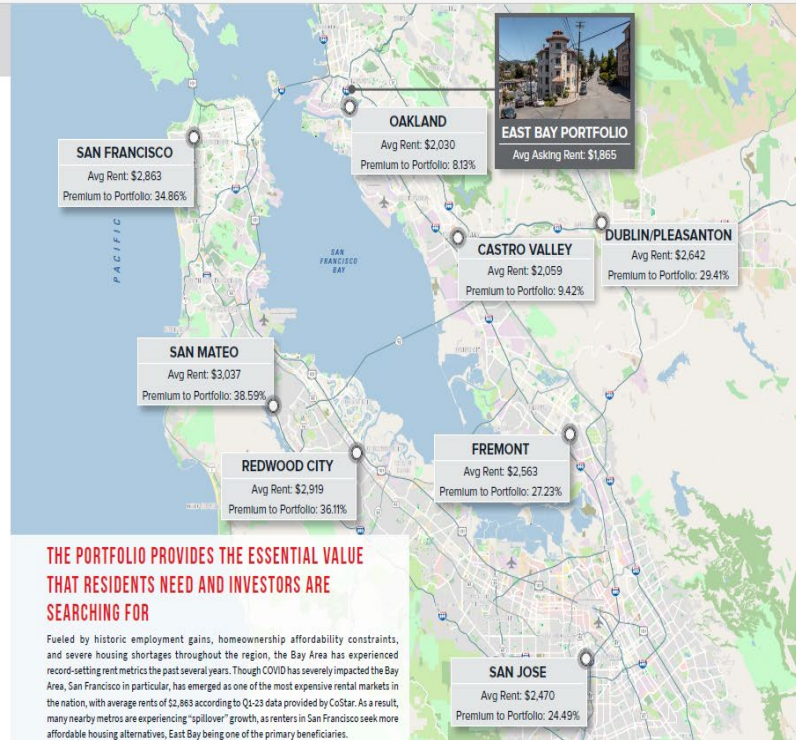
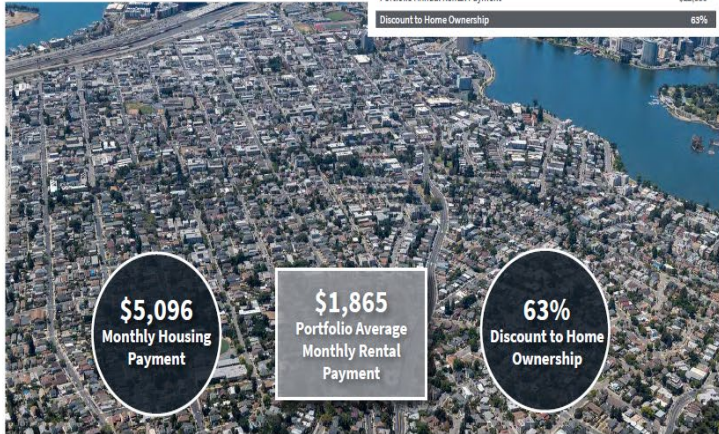
The 880 Corridor is also poised for the most growth in the Inner Bay. From East Oakland to Fremont, this is the last area to "mature," as it has been preceded in development by San Francisco, the Peninsula, and the South Bay/Silicon Valley. The 880 Corridor has formerly been home to workforce housing and industrial land uses, but its cities have been implementing more zoning for housing in recent years. Indeed, one of the characteristics of the most recent cycle has been a new activation of the 880 Corridor. In addition to its relative housing affordability at a discount to the balance of the Inner Bay, employers have been establishing outposts in the Corridor, such as Tesla's Fremont location and Facebook's Ardenwood site in Newark. BART's completed extension into San Jose and its Phase 2 to Santa Clara are further deepening the Corridor's rapid connections to all Bay Area employment hubs.

RELATIVE AFFORDABILITY WITHIN THE BAY AREA

SIGNIFICANT DISCOUNT TO HOME OWNERSHIP

Given the high home values in the area, the ability to put down 20% on a house can be difficult for even high wage earners, which makes renting the more attractive option for people looking to live in the Bay Area. The table to the right displays the difference between renting a unit in the Portfolio and buying a house in Oakland. It is roughly 63% more expensive on a monthly basis to buy versus rent and takes roughly \$172,510 (20%) down to purchase a home in Oakland. This analysis makes the Portfolio an attractive alternative to owning a home, especially for young professionals and families looking for a more affordable option with direct access to employment centers.

DISCOUNT TO HOME OWNERSHIP	
Average Oakland Home Price	\$862,652
Down Payment (20%)	\$172,510
Mortgage Amount	\$690,042
Interest Rate	5.83%
Monthly Principal and Interest	\$4,106
Monthly Tax Payment (\$11,878 / year)	\$990
Total Monthly Housing Payment	\$5,096
Annual Housing Payment	\$61,152
Portfolio Average Projected Asking Rent	\$1,865
Portfolio Annual Rental Payment	\$22,380
Discount to Home Ownership	63%



OAKLAND OVERVIEW

Oakland is the largest city in Alameda County, the third largest city in the San Francisco Bay Area, and the foundation of the East Bay market. The Oakland CBD encompasses over 22 million SF of office space, 3.7 million SF of retail, 68.5K units of multifamily residential, and 1,698 hotel rooms.

Oakland has evolved into one of the most attractive commercial real estate markets in the nation. Over the last 10 years 4.4 million SF of office space, 465,170 SF of retail space, 7.4 thousand multifamily units have been developed in Oakland. Oakland also offers a multitude of transit options including the BART, AC Transit, I-880/980/580, and Oakland International Airport, as well as a vibrant arts and culture scene featuring numerous restaurants, cafes, entertainment options, and other lifestyle amenities.

Oakland has become well known as an alternative Bay Area office hub, due to its central location and easy access to transit within the Bay Area, better value rents, thriving cultural scene, and presence of large tech offices such as Square (356K SF), Callisto Media (78K SF), Fivetran (79K SF), and Pandora Media (124K SF), Blue Shield (277K SF), Credit Karma (170K SF), Exelxits (110K SF), Delta Dental (82KSF) and UCSF/CHO (125K SF). Most recently, Twitter announced that it will be establishing a presence in Oakland and signed a 66K SF lease at 1330 Broadway. Twitter's decision was made despite its announcement to allow employees to permanently work from home and illustrates the desire for high-quality office space, despite hybrid or work from home arrangements. Twitter's choice of Oakland was largely driven by the need to attract and retain talent in the post-COVID world, underscoring the area's strong amenity base and favorable characteristics.

Office and Multifamily developers have responded nimbly to the greater interest in Oakland and have delivered over 1.5 million SF of office space and 3,346 residential units since 2019. Developers rely on their ability to continue attracting young, well-paid workers into Downtown Oakland to fill up new projects. In a city where 60% of households rent, Oakland's population grew by over 10% from 2010 through 2020, one of the fastest rates of any East Bay city.



ROBUST MARKET GROWTH

Oakland has evolved into one of the most attractive commercial real estate markets in the nation. The area has experienced tremendous growth with over 7.0 million SF of commercial space either approved for development or in planning. Additionally, office rents have risen 16% over the past 36 months, driven largely by growth in the technology sector, with FinTech companies taking nearly 50% of newly leased space in the past 12 months.



OAKLAND MULTIFAMILY MARKET OVERVIEW

DEMAND STILL OUTWEIGHS SUPPLY

Oakland's office market has produced over 1.5 million SF in new deliveries and redevelopments since 2019. In addition, there are nine projects in the pipeline totaling 7.0 million SF, with seven of the nine projects (6.1 million SF) located in Uptown Oakland.

NEW OFFICE INVENTORY OUTPACES MULTIFAMILY CONSTRUCTION, FURTHER EXACERBATING THE JOB TO HOUSING IMBALANCE

COMMERCIAL PIPELINE		RESIDENTIAL PIPELINE	
Total SF Under Construction:	7,000,000	# of Units Left to Lease-Up:	1,194
New Employees Generated ¹ :	35,000	# of Units Under Construction:	2,497
# NEW EMPLOYEES IN NEED OF HOUSING ² :	11,667	TOTAL # OF UNITS LEFT TO BE ABSORBED:	3,691

¹ Analysis assumes 200 SF per employee
² Analysis assumes one out of every three new employees will need housing

OAKLAND-OFFICE DELIVERIES AND PIPELINE

BUILDING NAME	ADDRESS	OWNER/DEVELOPER	BUILDING SIZE	FUTURE AVAILABLE	PRE-LEASED (SF)	PRE-LEASED %	TIMING	STATUS	TYPE
BEACON TOWER	326 21st Street	CIM Group	890,000	890,000	0	0%	2023	Approved	New Development
TELEGRAPH TOWER	2301 Valley Street	TMG Partners	875,000	875,000	0	0%	2023	Approved	New Development
EASTLINE	2100 Telegraph Ave	Lane Partners	1,650,000	1,650,000	0	0%	2024	Approved	New Development
KAISER CENTER 2	344 Thomas Berkeley Way	CIM Group	1,200,000	1,200,000	0	0%	2024	Approved	New Development
LAKE MERRITT BART	101 8th Street	Strada Investment Group	500,000	0	0	0%	2026	Approved	New Development
MANDELA STATION	1451 7th Street	Turner Development	382,460	0	0	0%	2026	Approved	Redevelopment
2424 WEBSTER	2424 Webster Street	Signature Development Group	161,000	0	0	0%	2024	Proposed	New Development
415 20TH STREET	415 20th Street	Hiras	900,000	0	0	0%	2026	Proposed	Redevelopment
1919 WEBSTER	1919 Webster Street	Ellis-Partners/Intercontinental Real Estate	520,000	0	0	0%	2024	Proposed	Redevelopment



GROWTH IN OAKLAND OFFICE SECTOR

Major office occupiers continue to look east to Oakland to be closer to employee bases. JLL reported tenant requirements nearly doubled quarter over quarter in Q4 2021. In 2021, PG&E finalized plans to move operations out of San Francisco to 87,000 SF in Oakland's 300 Lakeside, aiming to fully occupy in 2023. Data grant, Fivetran, also signed for and occupied 79,377 SF in Q3 2021 while Twitter finalized its expansion into Oakland's downtown, leasing 66,600 SF in Q3 2021 and occupying Q2 2022. Oakland has attracted significant Bay Area office tenant attention and there have been over 2.2 million SF in total office migrations and expansions from San Francisco to Oakland over the last decade. The high-technology sector has generated a substantial proportion of the growth in the Oakland office sector as tenants discover the higher quality of life, discount to San Francisco rents, and the large population base in the East Bay, which represents 40% of the Bay Area workforce overall. Looking forward, there is over 7 million SF in Oakland's office development pipeline (~75% of which is fully entitled), providing further employment and commercial growth nearby.

NOTABLE TENANT MIGRATIONS

	SF	PREVIOUS MARKET
SQUARE	356,000	San Francisco
BLUE SHIELD	277,093	San Francisco
CREDIT KARMA	170,000	San Francisco
UCSF / CHO	125,000	San Francisco
EXELXLS	110,000	San Francisco
DELTA DENTAL	82,000	San Francisco
WEWORK	82,000	San Francisco
BROWN & TOLAND	59,514	San Francisco
CA STATE DEPARTMENT OF INSURANCE	47,000	San Francisco
WCRI	40,981	San Francisco
SIERRA CLUB	38,776	San Francisco
UNION BANK	37,122	San Francisco
CLOVIS ONCOLOGY	33,000	San Francisco
SUNSET MAGAZINE	32,195	Silicon Valley
TREASURY WINE ESTATES	30,000	Napa
DENTONS LLP	28,396	San Francisco
CHARLES RIVER ASSOCIATES	27,831	San Francisco

OTHER NOTABLE LEASES & EXPANSIONS

	SF	START DATE
TWITTER	66,000	Apr-22
ENGIE	14,060	Jan-22
FIVETRAN	79,377	Dec-21
FABRIC GENOMICS	5,465	Oct-21
DEGENKOLB ENGINEERS	14,060	Sep-21
CALLISTO MEDIA WEST	78,070	Sep-21
CHINOOK THERAPEUTICS	5,281	Jul-21
VERITEXT CORPORATION	9,838	May-21
HARMLESS HARVEST	10,208	Jan-21
DICTIONARY.COM	8,739	Dec-20
ZELLE	6,131	Nov-20
EVERLAW	24,214	Oct-20
ASK MEDIA GROUP	19,801	Sep-20
POLICYLINK	13,350	Sep-20
LAUNCH DARKLY	13,166	Jun-20
COWI, INC	12,944	Jun-20
MARQETA	6,799	Apr-20
RIFFYN	9,131	Apr-20
DEEM	16,545	Apr-20
EKO DEVICES	11,825	Mar-20
PANDORA MEDIA	124,534	Mar-20
EMERPARC, INC	5,857	Feb-20
WEWORK	37,256	Jan-20
GRAVITATIONAL	8,237	Dec-19
CRA INTERNATIONAL	27,831	Oct-19
BIG FISH GAMES	20,755	Oct-19
CODING DOJO	6,997	Aug-19
MYND ANALYTICS	8,240	Jul-19
VSCO	23,158	Jul-19
TEECOM	24,511	Jul-19
TERRAIN	8,057	Apr-19

TWITTER OAKLAND LEASE - THE TIPPING POINT FOR FURTHER OFFICE EXPANSIONS AND GROWTH

Despite switching to a permanent Work from Home model during the Pandemic, Twitter signed a 66,000 SF lease at 1330 Broadway in 2022, located in the heart of Downtown Oakland. The office was designed to be used with a hybrid work model in mind and offers a convenient location for Oakland based commuters. The lease not only demonstrates that there is still a place for a physical office in the post-COVID world, but also underscores Oakland's attractive amenity base, which appeals to younger, high-earning tech employees. The market is poised for tremendous growth as others follow suit.



"The Oakland office market has maintained strong tenant demand from companies both growing their footprint in Oakland and those looking to move to Oakland for its strong workforce, diverse lifestyle, entertainment options, transportation, and ample housing options"

-David Cropper, TMG's Director of Development

Twitter's expansion into Oakland demonstrates that major employers are still drawn to our city's unique cultural amenities and creative energy

-Libby Schaaf, Oakland Mayor



COMPELLING VALUE COMPARED TO SAN FRANCISCO

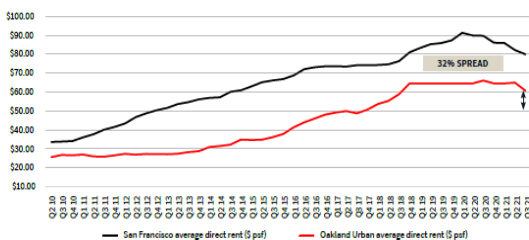
RENTAL SPREAD AND LACK OF AVAILABILITY DRIVING IN-BOUND MIGRATION

With the rental spread between San Francisco and the Oakland CBD currently at 32%, Oakland offers San Francisco users a compelling value proposition to San Francisco's rapidly escalating cost environment. This, in combination with a lack of expansion options, and lack of any significant new San Francisco deliveries is fueling an acceleration of in-bound migration to the Oakland CBD. Since the beginning of 2011, Oakland has seen nearly 2.9 million SF of inbound migration, the vast majority of which has come from San Francisco.

LIMITED LARGE BLOCK AVAILABILITY

The acceleration of this in-migration has only further pressured the supply demand imbalance for office space within the Oakland CBD. The newly proposed office supply in Oakland will be welcomed by prospective tenants.

SAN FRANCISCO VS. OAKLAND URBAN METRO RENTAL RATES



32%
Rental spread to San Francisco

81%
Of in-bound migrations relocated from San Francisco

14
Minutes to Oakland International Airport

12
Minutes to San Francisco on BART

BENEFITS BEYOND THE RENTAL SPREAD

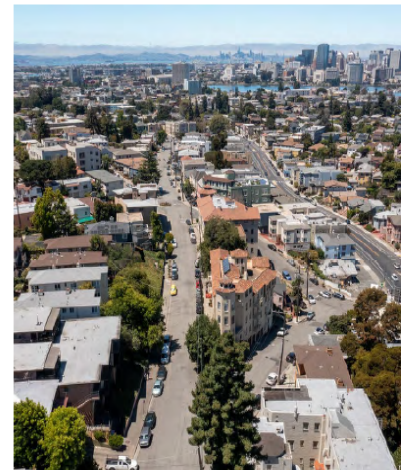
Beyond rental spreads, the Oakland CBD offers users the additional benefit of lower associated operating costs and compelling tax efficiencies. The City of San Francisco has historically charged businesses a payroll tax however, beginning in 2014, the City has begun converting to a gross receipts based tax structure. While the City of Oakland charges a similar gross receipts based tax, the associated rates in Oakland are equivalent to roughly half that of those charged by the city of San Francisco.

RELEVANT BUSINESS TAX CLASSIFICATIONS & RATES

OAKLAND	
CLASSIFICATION	TAX RATE
Commercial / Rental ¹	1.355%
Business / Personal Services	0.16%
Professional / Semi-Professional	0.36%
Administrative Headquarters	0.12%
Media Firms	0.12%
Public Utilities	0.12%
Total	2.28%

SAN FRANCISCO	
CLASSIFICATION	TAX RATE
Total Commercial Gross Receipt Tax ²	3.50%
Information Services	0.125-0.475%
Civic	0.075-0.150%
Utilities, Arts, & Entertainment	0.300-0.400%
Private Education, Health, Administrative	0.525-0.650%
Finance, Insurance, Prof., Scientific, Technical Serv	0.400-0.560%
Total	5.225%-6.045%

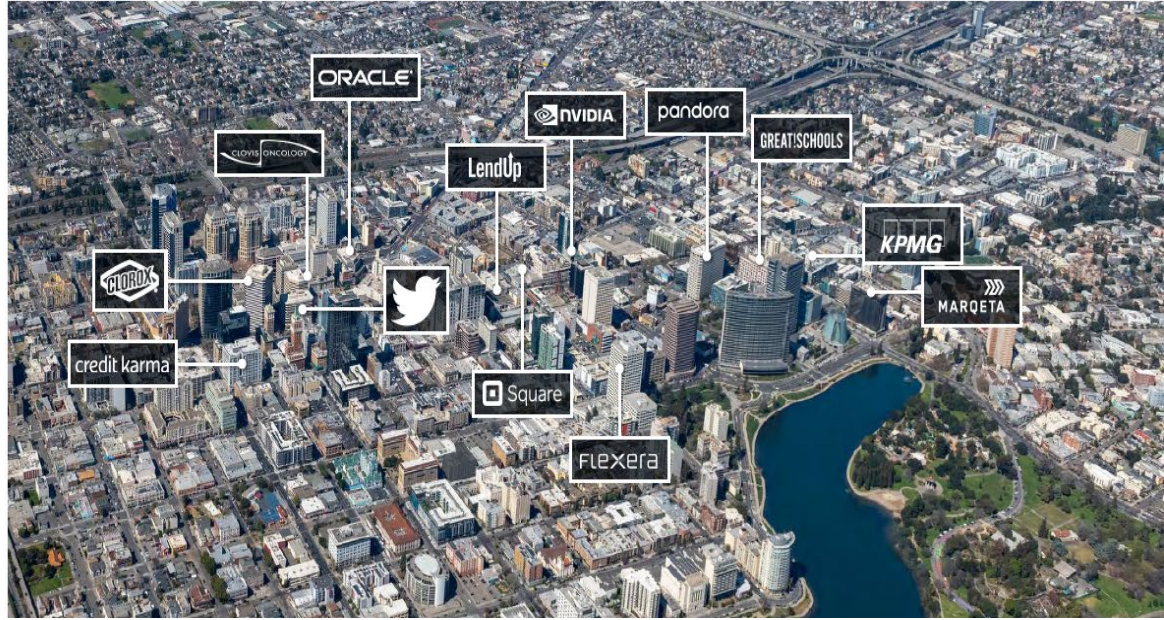
¹ San Francisco Gross Receipt Tax reflects incremental tax range based upon gross revenue.
² Commercial Gross Receipt taxes are generally 100% passed through from Landlord to Tenants.



TOP BAY AREA TENANTS BRING TOP BAY AREA TECH SALARIES TO OAKLAND

As Oakland's expansion progresses, high-profile and high-paying tenants continue to move to the market. With this, the demand for Class-A luxury apartments has never been higher.

COMPANY	WALK TIME	SCOOTER / BIKE TIME	AVERAGE SALARY
Square	7 Minutes	2 Minutes	\$169,867
Nvidia	7 Minutes	2 Minutes	\$147,640
Twitter	7 Minutes	4 Minutes	\$143,800
Pandora	9 Minutes	3 Minutes	\$136,874
Even	8 Minutes	3 Minutes	\$135,000
Oracle	4 Minutes	1 Minute	\$133,824
KPMG	9 Minutes	3 Minutes	\$127,971
GreatSchools	4 Minutes	1 Minute	\$127,907
Marqeta	12 Minutes	3 Minutes	\$125,305
Credit Karma	13 Minutes	4 Minutes	\$125,000
Deloitte	12 Minutes	3 Minutes	\$123,286
Flexera	3 Minutes	1 Minute	\$122,714
Opterra	13 Minutes	4 Minutes	\$122,005
Clorox	11 Minutes	3 Minutes	\$117,134
Clovis Oncology	10 Minutes	3 Minutes	\$114,830
Fluid	6 Minutes	2 Minutes	\$112,536
Accenture	9 Minutes	3 Minutes	\$107,224
Arup	10 Minutes	3 Minutes	\$100,501
Average Tech Salary			\$126,448
Average Oakland Income			\$85,000

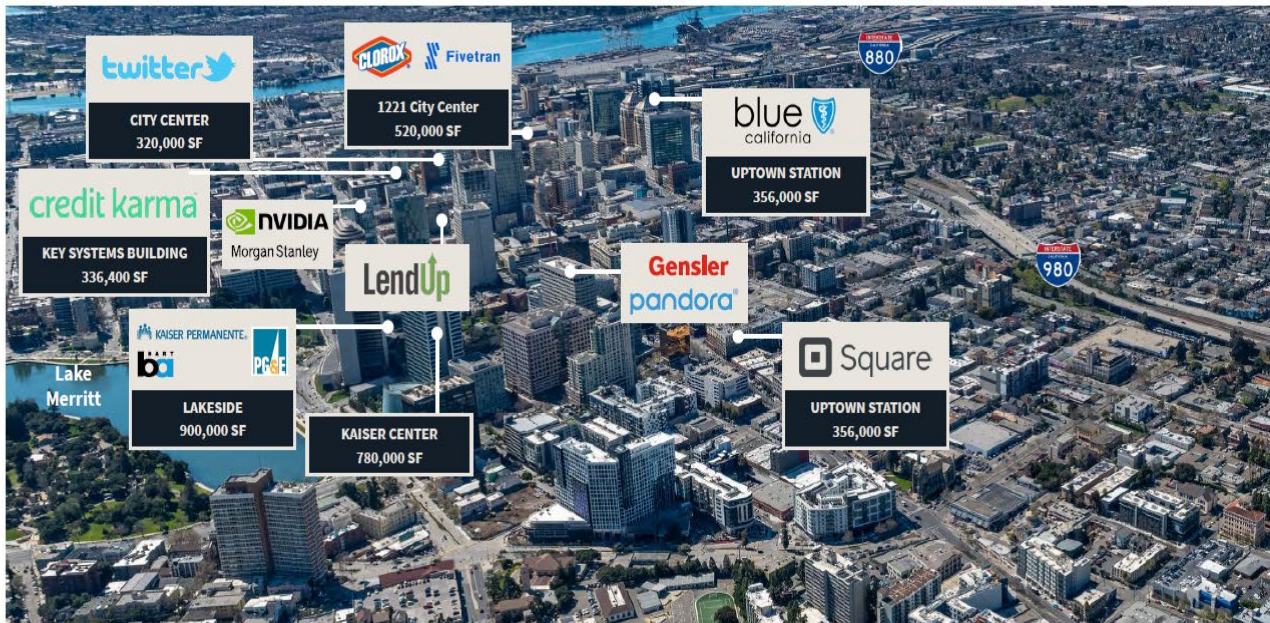


OAKLAND A CENTER OF JOB GROWTH

As Oakland office market continues to expand, it is attracting high profile and high-paying tenants emigrating from San Francisco. As the office, residential and retail infrastructure in Oakland grows, both employers and employees are increasingly selecting Oakland as a strategic alternative to San Francisco. Along with this, companies in San Francisco and the Peninsula are moving across the Bay to accommodate their large base of employees who live in the East Bay.

Recent leases from companies such as Square and Credit Karma are quickly turning Oakland into the Fintech epicenter of the Bay Area, with FinTech companies taking 44% of newly leased space in the past three quarters. Last year, tech unicorn, Fivetran, executed the city's largest lease of the year (80,000 SF) and moved-in late December. More recently, Twitter announced it signed a 66,000 SF lease at 1330 Broadway St., representing not only the ongoing wave of tenant migration from San Francisco, but also that remote work will not stop tech growth & its expansion efforts.

Oakland has over 7M SF of office space in its pipeline, which will begin delivering this year. These newly built and renovated office spaces will continue to drive Oakland's expansion into additional tech and the higher-wage salaries that follow.

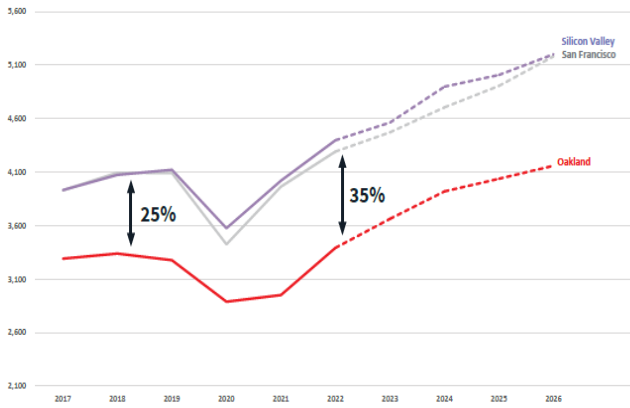


OAKLAND ANTICIPATED TO EXPERIENCE SIGNIFICANT RENT GROWTH AS THE RENTAL GAP NORMALIZES

Oakland is anticipated to experience significant rent growth, bringing the rental gap between Silicon Valley & San Francisco back in-line with its pre-pandemic gap.

The rental gap between Silicon Valley and San Francisco relative to Oakland has grown and been further exacerbated by the pandemic. As the graph below highlights, Oakland rents were on average approximately 25% below Silicon Valley and San Francisco prior to 2020. Today, the rental gap has increased more than 35%, respectively. Moving forward, this suggests a clear "snap-back" of rent growth or tightening of the gap between these respective markets as Oakland continues to experience positive absorption and concession burn-off as the supply demand re-balances.

MARKET ASKING RENT PER UNIT



OAKLAND: A STRATEGIC ALTERNATIVE TO SAN FRANCISCO TENANTS & RENTERS

The severe Jobs : Housing imbalance will have meaningful impact on San Francisco and Oakland multifamily market;

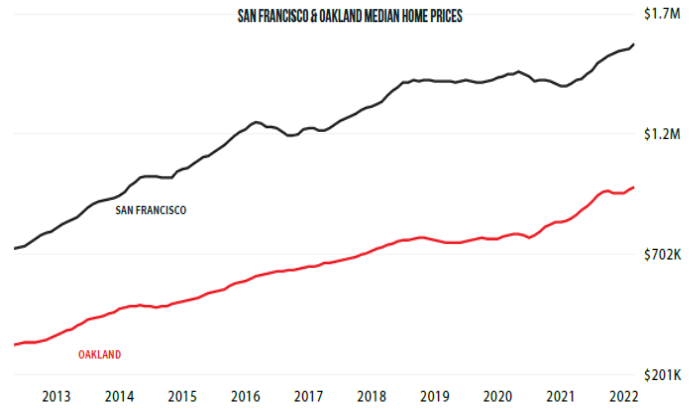
SAN FRANCISCO

- Rents will continue to rise
- Renters will transition to Oakland, seeking rent relief in a metropolitan setting

OAKLAND

- Net absorption will remain high
- Rents will continue to rise
- Concessions will decline

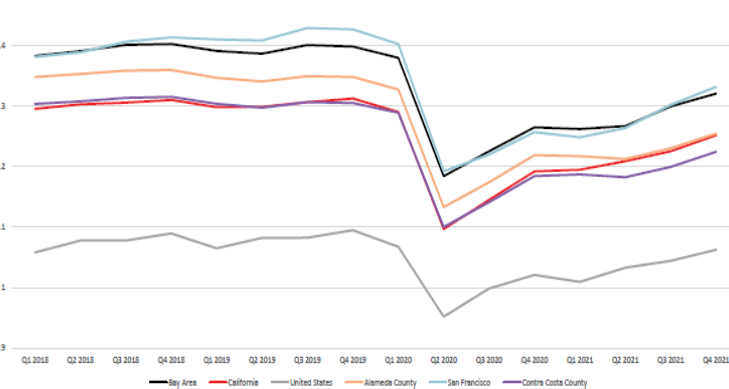
SAN FRANCISCO & OAKLAND MEDIAN HOME PRICES



NOT ENOUGH SAN FRANCISCO BAY AREA HOUSING: THE GREATEST JOBS TO HOUSING IMBALANCE IN THE COUNTRY

Job creation has outpaced the infrastructure available to accommodate the needs of a rapidly growing economy. Housing is the most critical challenge to regional growth. In the past six years, there was one new housing unit built for every 6.9 Bay Area jobs created. This is far behind the national and statewide rates of 2.5 and 5.3 jobs per unit, respectively, and a larger shortfall than that experienced during the late 1990s. Inadequate supply has led to greatly increased prices; a trend that will likely continue.

BAY AREA'S JOBS: HOUSING RATIO CONTINUES TO WEIGH HEAVILY TO EMPLOYMENT, DENOTING THE LACK OF HOUSING UNITS



RIISING HOME COSTS OUTPRICE BUYERS

HOUSEHOLD INCOME VS. MEDIAN SALE PRICE QUALIFICATION

Based on the average household income for Oakland and the larger Alameda market, residents require over 600% more income in order to qualify for the purchase of a home at the median sale price.

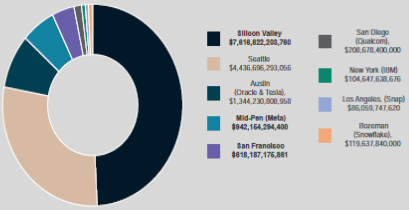
HOMEOWNERSHIP AFFORDABILITY



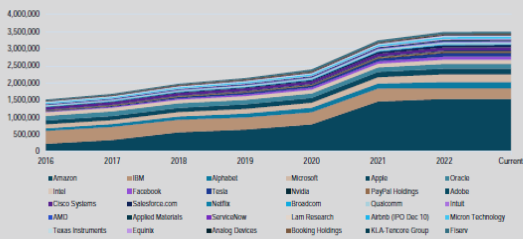
BAY AREA TECH CONTINUES TO GROW

More than 64% of the market cap of the Top 25 technology companies are headquartered in the Bay Area

BIG TECH MARKET CAP BY CORPORATE HEADQUARTERS OFFICE MARKET

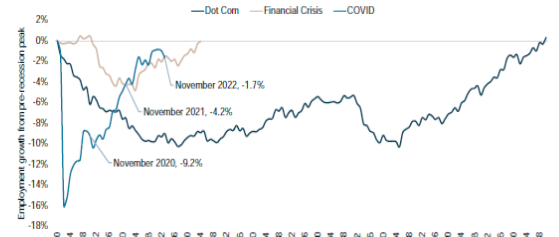


TOP 30 TECHNOLOGY COMPANY EMPLOYEES BY YEAR

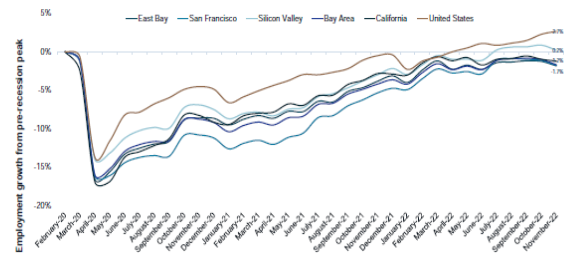


BAY AREA ECONOMIC OUTLOOK

Bay Area employment levels now sit 1.7% below pre-pandemic peak

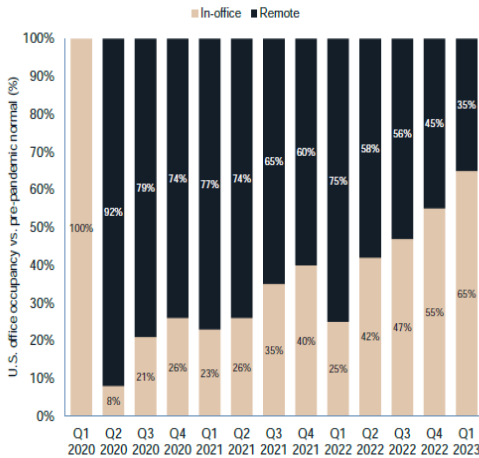


Silicon Valley is still the only Bay Area market to exceed its pre-pandemic employment levels



BAY AREA OFFICE OCCUPANCY

OFFICE RE-ENTRY REACHES POST-PANDEMIC HIGH FOLLOWING LABOR DAY RETURN TO OFFICE MANDATES; FORMER LAGGING GATEWAY MARKETS BENEFIT



Market	Re-entry rate (%)
Austin	60.5%
Houston	57.6%
Dallas	53.8%
Los Angeles	45.0%
Washington, DC	44.4%
Chicago	45.2%
New York	46.6%
Philadelphia	40.8%
San Francisco	39.2%
Silicon Valley	40.4%

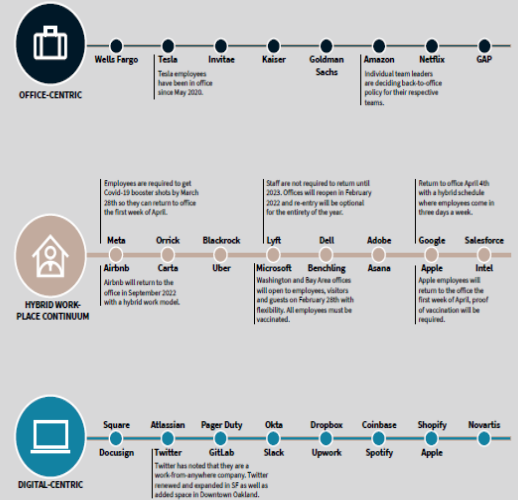
Includes non-desk-using employees, such as janitorial and mail room staff, who reported to the office throughout the pandemic. As of 9/26/22.

TELLING THE RETURN-TO-WORK OFFICE RE-ENTRY STORY

Reductions in COVID cases and relaxation of masking rules has led to a number of recent re-entry announcements. Below is a list of Bay Area companies that have reopened their office. The extent of re-entry remains on a full spectrum with many allowing a flexible in-office work week.

- MARCH**
 - Microsoft
 - Uber
 - Blackrock
 - Wells Fargo
 - Lyft
 - Asana
 - Invitae
 - Orrick
 - Gap
 - Twitter
- APRIL**
 - Benchling
 - Apple
 - Meta
 - Google
 - Carta
- MAY**
 - Salesforce
 - September
 - AirBnB

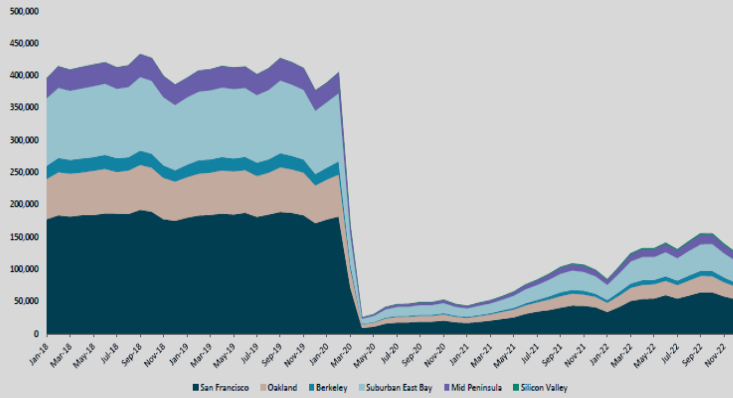
OF THESE BAY AREA TENANTS, OVER 12.5M SF OF LEASED SPACE IN SILICON VALLEY WILL BE RE-ENTERED



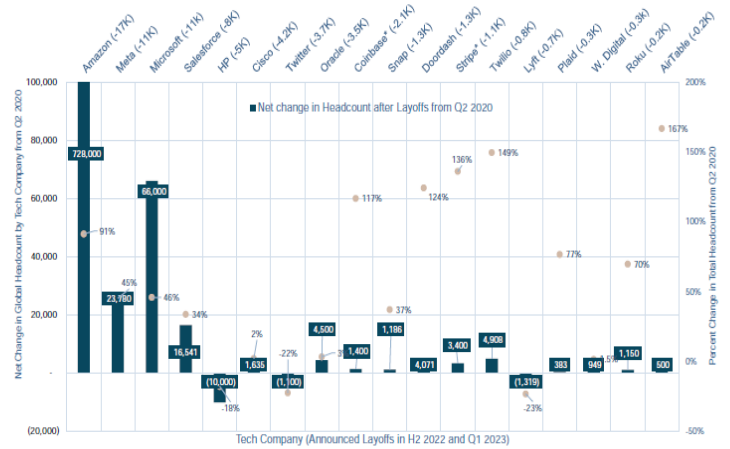
BAY AREA OCCUPANCY RATES & TRANSIT RIDERSHIP

TRANSIT RIDERSHIP IN GATEWAY CITIES HAS RECOVERED TO ~50% IF NORMAL LEVELS ON AVERAGE

BART RIDERSHIP

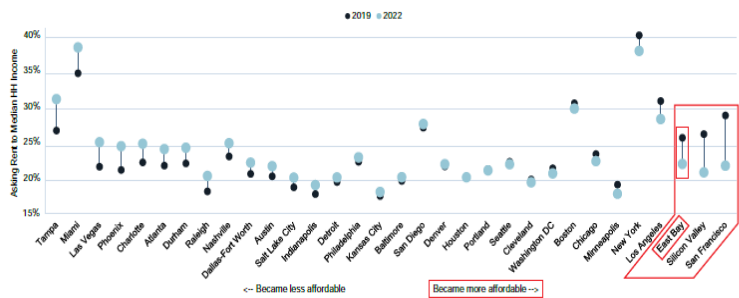


TECH LAYOFFS ARE MAKING HEADLINES - BUT TOTAL HEADCOUNT IS STILL UP 20% SINCE Q2 2020 AMONGST THESE COMPANIES



BAY AREA MARKETS DISPLAYED THE LARGEST SHIFT IN AFFORDABILITY OF ANY MARKET IN THE US THROUGHOUT THE PANDEMIC

INCOMES IN THE EAST BAY HAVE GROWN 12% SINCE ON THE ONSET OF THE PANDEMIC, WHILE EFFECTIVE RENTS HAVE ONLY GROWN 3.6% OVER THE SAME TIME PERIOD. SHIFTING THE PRE-PANDEMIC RENT-TO-INCOME RATIO IN THE EAST BAY FROM 26.4% TO 24.1% TODAY - THIS SUGGESTS THAT BAY AREA MARKETS WILL EXPERIENCE OUT-SIZED RENT GROWTH AS THESE METRICS NORMALIZE



EAST BAY RENTAL RESILIENCE & RECOVERY REINFORCES DEMAND & GROWTH POTENTIAL

EFFECTIVE RENTS IN THE EAST BAY SURPASSED PRE-PANDEMIC LEVELS IN 2021 AND CONTINUE TO TREND IN A POSITIVE DIRECTION IN 2023



IDEAL NEIGHBORHOOD DIVERSIFICATION

OPPORTUNITY TO ACQUIRE SCALE AT THE BASE OF THE EAST BAY'S MOST DESIRABLE NEIGHBORHOODS

GRAND LAKE

Grand Lake offers a Saturday-by-the-lake, relaxed feel in the sunny neighborhood proximate to Lake Merritt. From boutique shopping, restaurants, nightlife and theaters, Grand Lake has it all.

CLEVELAND HEIGHTS

Cleveland Heights attracts residents by offering the numerous conveniences of an urban setting among the comforts of a quieter suburban environment.

ADAMS POINT

Adams Point is best known for being home to Oakland's crown jewel, Lake Merritt, which provides residents and visitors with over three miles of continuous waterfront parks and green spaces.

ROCKRIDGE

At the foot of the Oakland Hills, Rockridge is a suburb-like haven, perfect for those raising families and living the quiet life.

CASTRO VALLEY

Castro Valley is ideally located less than a half hour from some of the finest attractions the Bay Area has to offer. The city offers residents a suburban environment, perfect for families of all sizes.



National Geographic's
28 Best Places
to Visit in the World for 2019

Huffington Post's
Most Exciting City
in America

USA Today's #1
West Coast Food
City of 2015

Forbes Ranked #12
Coolest City
in America of 2014

