



## BROKER OPINION OF VALUE

2633 TELEGRAPH AVENUE, OAKLAND, CA

**TELEGRAPH LOFTS**

**CBRE**  
CB RICHARD ELLIS

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**PRIVATE CLIENT GROUP**

**SAN FRANCISCO BAY AREA | MULTI-HOUSING**

**CB Richard Ellis | Broker Lic. 00409987**

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### TODD VITZTHUM

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Originally from the Midwest, Todd began his real estate career as an investor, where he focused on the acquisition and rehabilitation of multi-family properties. By applying his experience as a successful principal Todd brings both a unique insight and a comprehensive approach to helping his clients meet their investment goals. Prior to joining CBRE Todd helped to open and manage an office in Southern California for a national commercial real estate firm and most recently worked as a co-owner in his own commercial real estate company. Todd has received national recognition for his accomplishments in brokerage and has been quoted and interviewed as a market expert in several commercial real estate publications.

Todd is a member of the CB Richard Ellis Private Client Group, acting as a multi housing investment specialist throughout the San Francisco Bay Area. As a member of the Private Client Group, Todd is part of a national team of investment specialists dedicated to serving the needs of private investors. With over 75 teams and representation in more than 45 markets, the Private Client Group has created a national shared database with information on more than 100,000 investors and 30,000 brokers. As a result, Todd is able to proactively and directly market his listings to the largest base of qualified investors in the industry. Todd's approach to brokerage consistently exceeds expectations by achieving maximum value in a shortened timeframe.



### JEREMY CLINE

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Jeremy Cline serves as a Vice President of the CB Richard Ellis East Bay Multi-housing Private Client Group. Prior to joining CBRE, Jeremy owned and managed the Sperry Van Ness Danville office of Sperry Van Ness International. Throughout his career, Jeremy has consistently proven himself a highly effective leader, manager, trainer, and top producer. His career has been notably on a "fast-track" to success ever since being recognized as the "Top Producing Rookie" his first year in commercial brokerage. Year to year, Jeremy has driven his career at a remarkable pace. Jeremy has been engaged and recognized in the top of his class from formerly being honored as the "Top Producer" at the SVN Equity Commercial office in Pleasanton, California, to standing out as the youngest Managing Director to have been awarded an affiliation franchise with SVN in 2004.

With a wide range in assignments throughout his career, Jeremy's experience and practice has included business enterprise sales, out of state commercial property sale transactions, lot assemblage sales, and many various large commercial leasing transactions throughout the Bay Area. Jeremy was recognized in his second year in the business when he exclusively represented the Sutter Health Organization in one of San Francisco's top ten office deals of 2001.

## WHY CB RICHARD ELLIS

- #1 Commercial Real Estate Firm in the World
- Fortune 500 Company
- Business Week's 50 Best-in-Class Companies
- "Most Powerful Brokerage Firm" – CPN
- 300 + Worldwide Offices

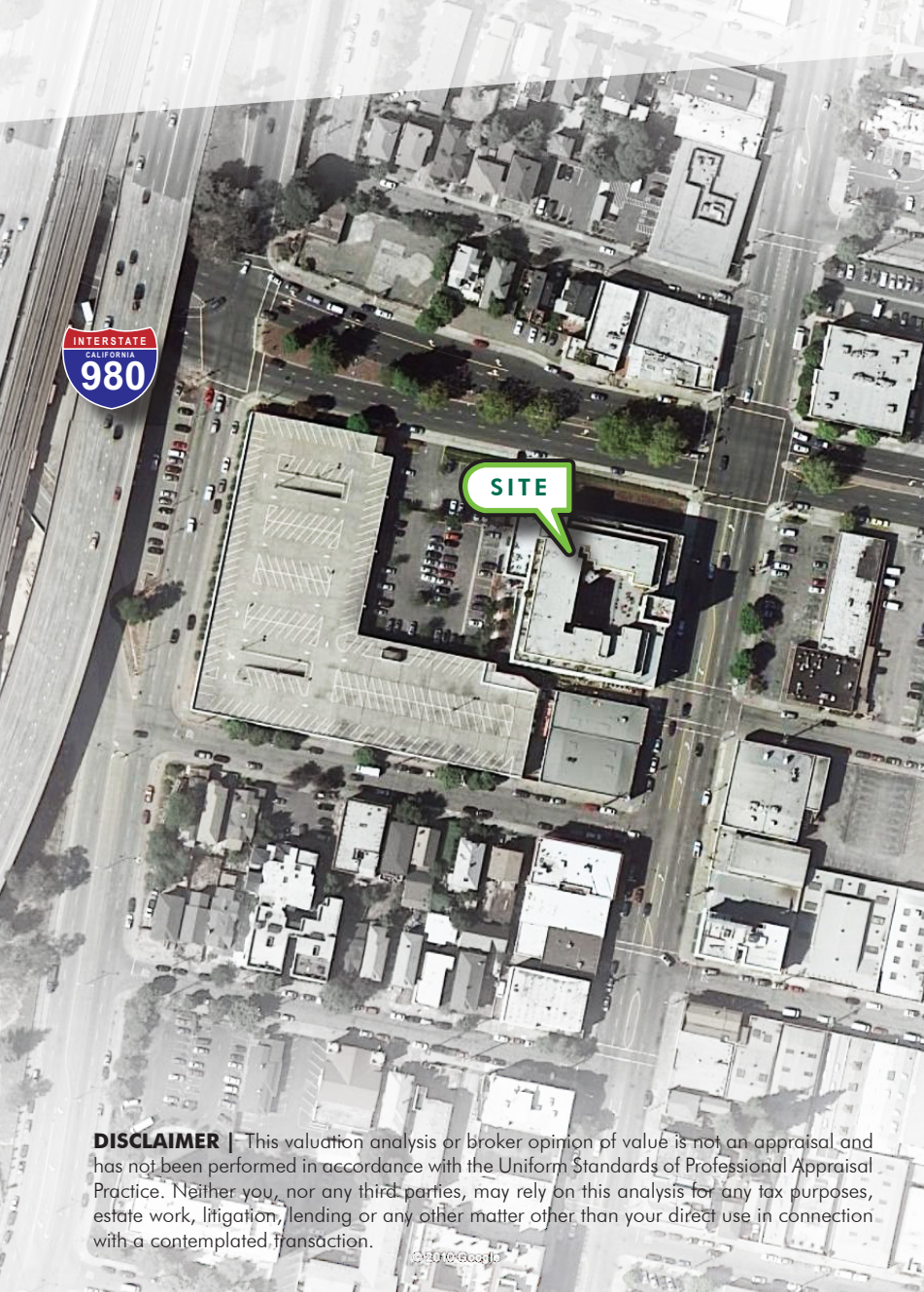
Established in 1906, CB Richard Ellis Group, Inc. (CBRE) (NYSE:CBG), is the world's largest real estate services provider, with a preeminent leadership position in virtually all key business centers globally. As a Fortune 500 and S&P 500 company headquartered in Los Angeles, we are the world's largest commercial real estate services firm (in terms of 2008 revenue). The Company has more than 30,000 employees (excluding affiliates), and serves real estate owners and occupiers through more than 300 offices (excluding affiliates) worldwide. CBRE offers strategic advice and execution for property sales and leasing; corporate services; property, facilities and project management; mortgage banking; appraisal and valuation; development, services; investment management; and research and consulting. In Late 2006, CBRE merged with Trammell Crow Company, enhancing the depth, breadth and quality of services the firm offers to its clients.

**Our mission is to deliver superior results for stakeholders by:**

- Putting the client first – Always
- Collaborating across markets and service lines
- Thinking innovatively, but acting practically
- Providing a rewarding work environment

**Whether it is a local, national or global assignment, CBRE applies insight, experience, intelligence, and resources to help clients make informed real estate decisions. CBRE's strengths, which are applied to every transaction towards client relationships, include:**

- An intimate knowledge of virtually every major market in the world
- Intellectual capital and technology resources that develop and deliver superior analytical, research and client services tools to its professionals
- A proven track record of meeting diverse client needs
- Leadership positions in all service lines
- An organizational structure that harnesses the firm's collective expertise



THE OFFERING

PRICE	\$14,000,000.00	RETAIL UNITS	7
CAP RATE	6.7%	SELF STORAGE UNITS	198
GRM	8.43	SELF STORAGE SF	±17,170 SF
PRICE/RENTABLE SF	\$151.95	TOTAL SF	±144,000 SF
YEAR BUILT/RENOV	1929/1963	TOTAL RENTABLE SF	±92,134 SF
LOFT UNITS	54	LOT SIZE	±1.55 AC
LOFT SF	±66,030 SF	APN	009-0682-001-02
RETAIL SF	±8,934 SF		

INVESTMENT SUMMARY

CB Richard Ellis and the Bay Area PCG Multi Housing Team are pleased to present investors with the unique opportunity to purchase the landmark “Telegraph Lofts” building in Oakland, CA. Built in 1929 as Oakland’s original Sears and Roebuck store, this well known art deco building remained occupied by Sears until 1993. In an effort to modernize the façade and increase the structural stability, the property was remodeled in 1963. The ±144,000 SF structure remained vacant prior to the live/work loft conversion which after much anticipation and to high acclaim began leasing in 2002.

This marquis Oakland property now contains 54 live/work units comprising ±64,446 SF, as well as ±11,000 SF of retail space and ±28,000 SF of self-storage. During the conversion a new penthouse level was also added to the center of the old Sears building which creates a beautiful open air atrium and now serves as the centerpiece of this truly amazing property.

Now being offered for the first time since its conversion, Telegraph Lofts provides investors with the opportunity to own a piece of history in one of the most sought after apartment markets in the country.

**DISCLAIMER** | This valuation analysis or broker opinion of value is not an appraisal and has not been performed in accordance with the Uniform Standards of Professional Appraisal Practice. Neither you, nor any third parties, may rely on this analysis for any tax purposes, estate work, litigation, lending or any other matter other than your direct use in connection with a contemplated transaction.

## UNIT MIX

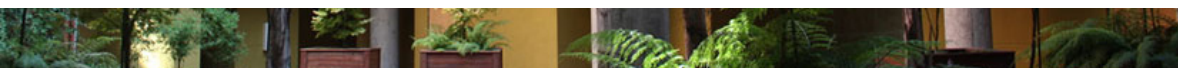
RESIDENTIAL UNIT MIX	TOTAL	SF	RENT MIN	RENT MAX
	4	±900 SF	\$1,650.00	\$1,700.00
	38	±1,118 SF	\$1,675.00	\$1,750.00
	3	±1,300 SF	\$2,000.00	\$2,300.00
	4	±1,500 SF	\$2,400.00	\$2,700.00
	4	±2,000 SF	\$2,600.00	\$3,000.00
Tower Penthouse	1	±1,500 SF	\$2,400.00	
<b>NUMBER OF UNITS</b>	<b>54</b>			

RETAIL SF	TOTAL	SF	RENT MIN	RENT MAX
	7	±1,200 SF- ±1,300 SF	\$2,500.00	\$2,800.00

COMMERCIAL SF	TOTAL	SF	RENT
Devon Self-Storage	186	5x5	\$65.00
		5x8	\$75.00
		5x10	\$95.00
		8x10	\$118.00
		10x10	\$140.00
		10x15	\$165.00
		10x20	\$300.00

\*Additional sizes are available, and prices subject to change.





## PROPERTY FEATURES

- Diversified income producing product type
- Historically significant, marquis Oakland property
- High demand apartment market
- Modifications made to original structure to enhance structural integrity
- Beautiful open air atrium
- First time on market
- Vibrant Oakland location, offering easy access to several popular restaurants
- Close proximity to Oakland's 19th St. Bart Station as well as Downtown and Uptown Oakland
- Consistently high ratings from tenants as great place to live
- Available for new debt

**AREA DESCRIPTION**

Oakland is the eighth most populous city in California, and the 44th most populous city in the United States with an estimated population of 404,155. Today, Oakland is heralded as one of the nation’s most ethnically integrated cities and has one of the largest and most dynamic visual and performing arts scenes on the West Coast from acclaimed theatres, to museums, and art galleries. The city is filled with cultures to experience, neighborhoods to explore and offers an extraordinary big city experience.

A city on the move, Oakland has emerged as a major economic force in the region. The Port of Oakland is vital to our economy’s domestic and international trade and is the nation’s fourth busiest container port in the United States; behind Long Beach, Los Angeles, and Newark. The Oakland International Airport located south of downtown Oakland, is served by 12 major domestic and international airlines.

Oakland is served by several major highways including Interstate 80 (Eastshore Freeway), Interstate 580 (MacArthur Freeway), Interstate 880 (Nimitz Freeway), Interstate 980 (Williams Freeway). The metropolitan area is served by Bay Area Rapid Transit (BART) from eight stations in Oakland. The system has headquarters in Oakland, with major transfer hubs at MacArthur and Oakland City Center/12th Street stations.

There are more than 50 distinct neighborhoods many of which are not “official” enough to be named on a map. Historic neighborhoods are filled with Victorian buildings reminiscent of early nineteenth century architecture, unique shops and restaurants owned by local business owners.

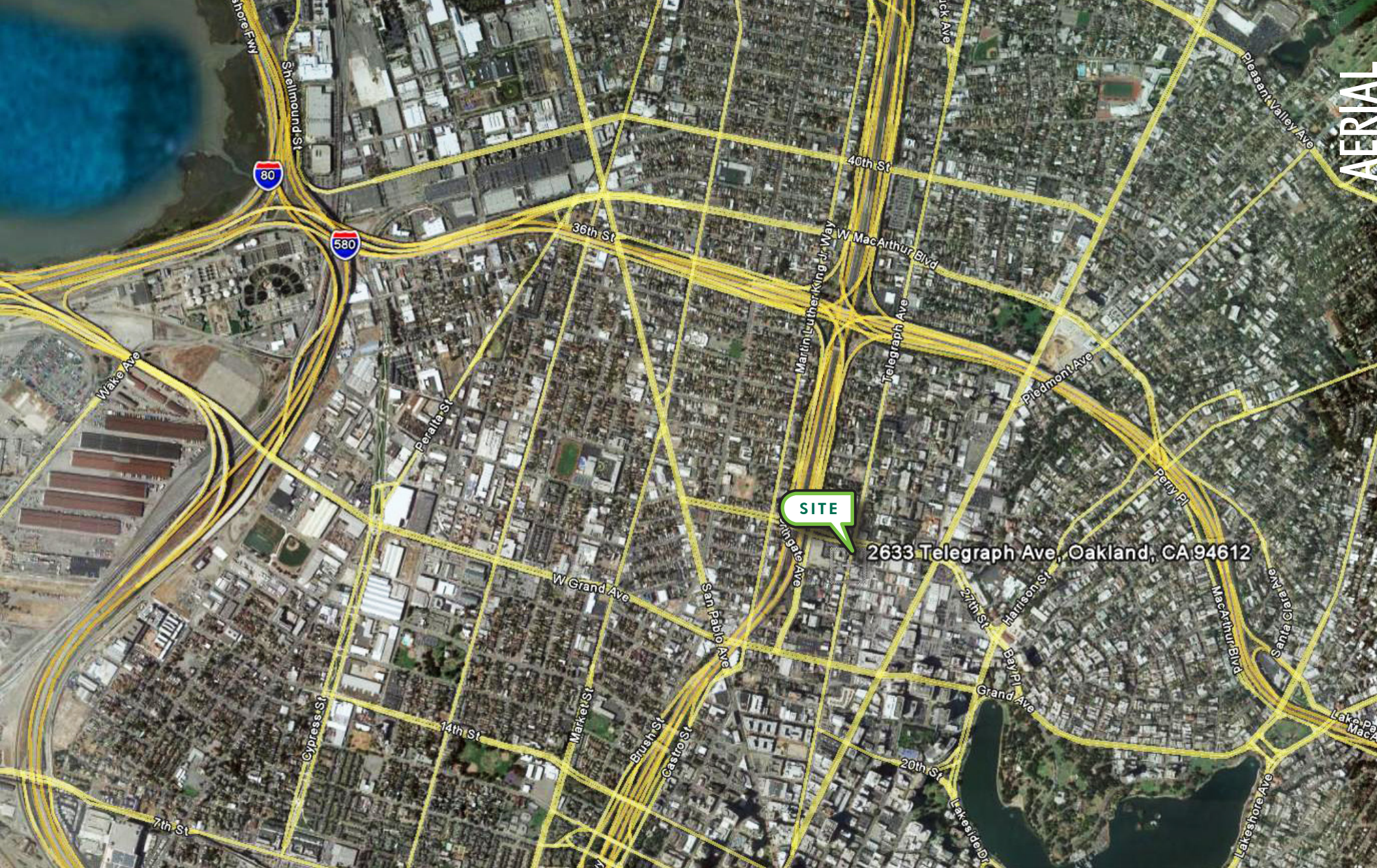
The common large neighborhood divisions in the city are downtown Oakland and its greater Central Business District, East Oakland, North Oakland, and West Oakland. East Oakland actually encompasses more than half of Oakland’s area, stretching from Lakeshore Drive on the east shore of Lake Merritt southeast to San Leandro. North Oakland encompasses the neighborhoods between downtown and Berkeley and Emeryville. West Oakland is the area

between downtown and the Bay, partially surrounded by the Oakland Point, and encompassing the Port of Oakland.

Telegraph Lofts is located in the Korea Town-Northgate district which enjoys a lively and diverse business district along Telegraph Avenue between 20th and 35th Streets. There is renewed interest from the local government to revitalize the neighborhood, and several projects are place for long term growth. The City of Oakland has established redevelopment areas to fund new projects that will create a healthier environment for businesses and residents. The city’s redevelopment agency is responsible for these redevelopment areas and works with developers, local businesses, and residents to build new housing, retail, office, parks, streets, and streetscape improvements.

With incredible diversity in people, world class performance arts, and incomparable views of the San Francisco Bay, Oakland offers an enriched and unique big city experience with a variety and environments and lifestyles to choose from.





AERIAL

SITE

2633 Telegraph Ave, Oakland, CA 94612



## INCOME

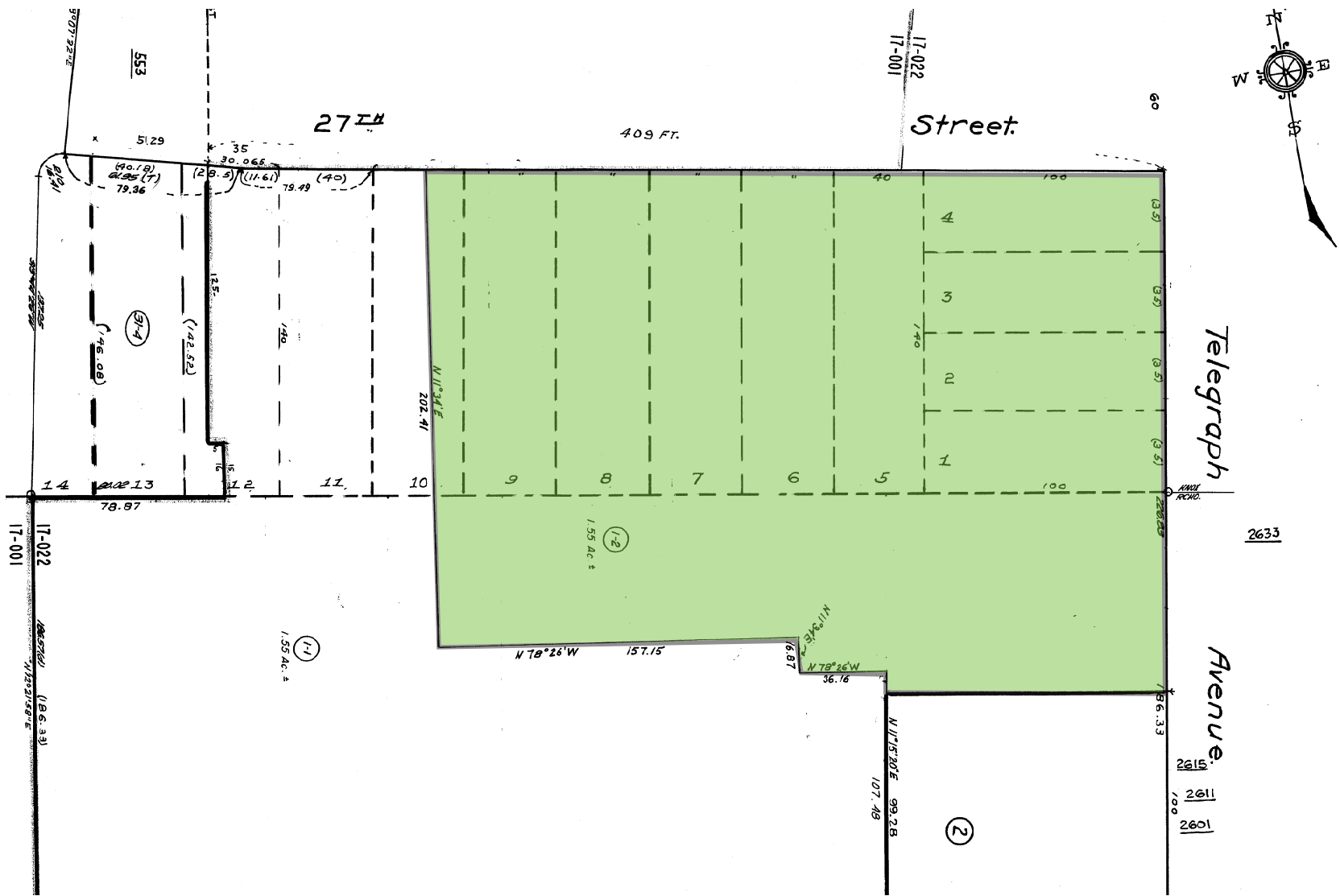
	2010	PER UNIT	NOTE
<b>INCOME</b>			
Stabilized Apartment Income	\$1,205,994.00	\$22,333.22	Stabilized
Vacancy	\$(96,479.52)		8.00%
Retail Income	\$200,971.20		Per Jan 31 RR
Vacancy	\$(20,097.12)		10.00%
Commercial Self Storage Income	\$180,000.00		Per Jan 31 RR
Vacancy	\$(18,000.00)		10.00%
<b>Net Rental Income</b>	<b>\$1,452,388.56</b>		
<b>OTHER INCOME</b>			
Laundry	\$5,950.00	\$110.00	2009
Parking	\$11,615.00	\$215.00	2009
Allowable Other Income	\$6,001.00		2009
CAM Reimbursements	\$49,242.00		2009
<b>Total Other Income</b>	<b>\$234,808.00</b>		
SGI	\$1,659,773.20		
<b>EFFECTIVE GROSS INCOME</b>	<b>\$1,525,196.56</b>		



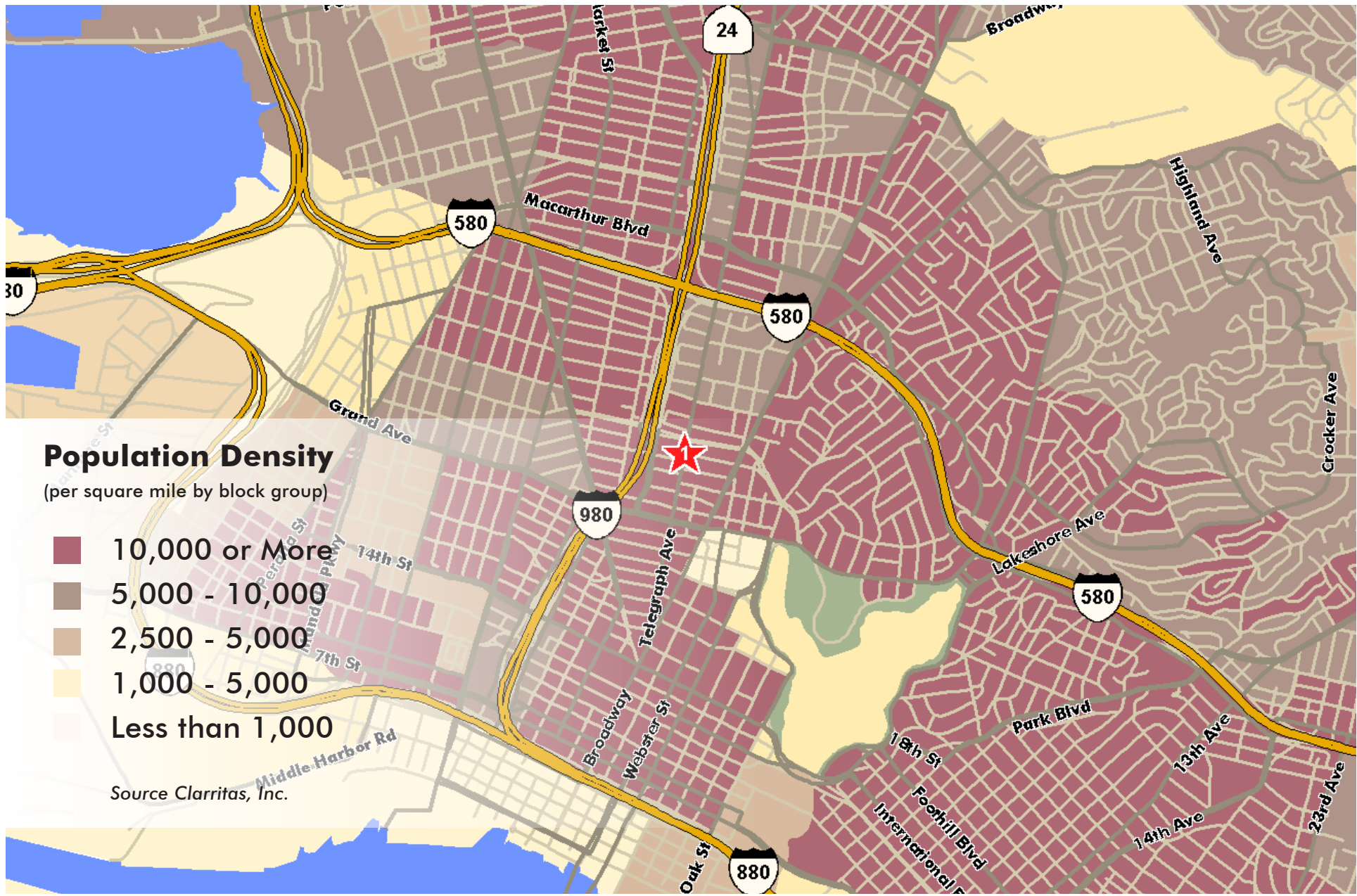
## EXPENSES

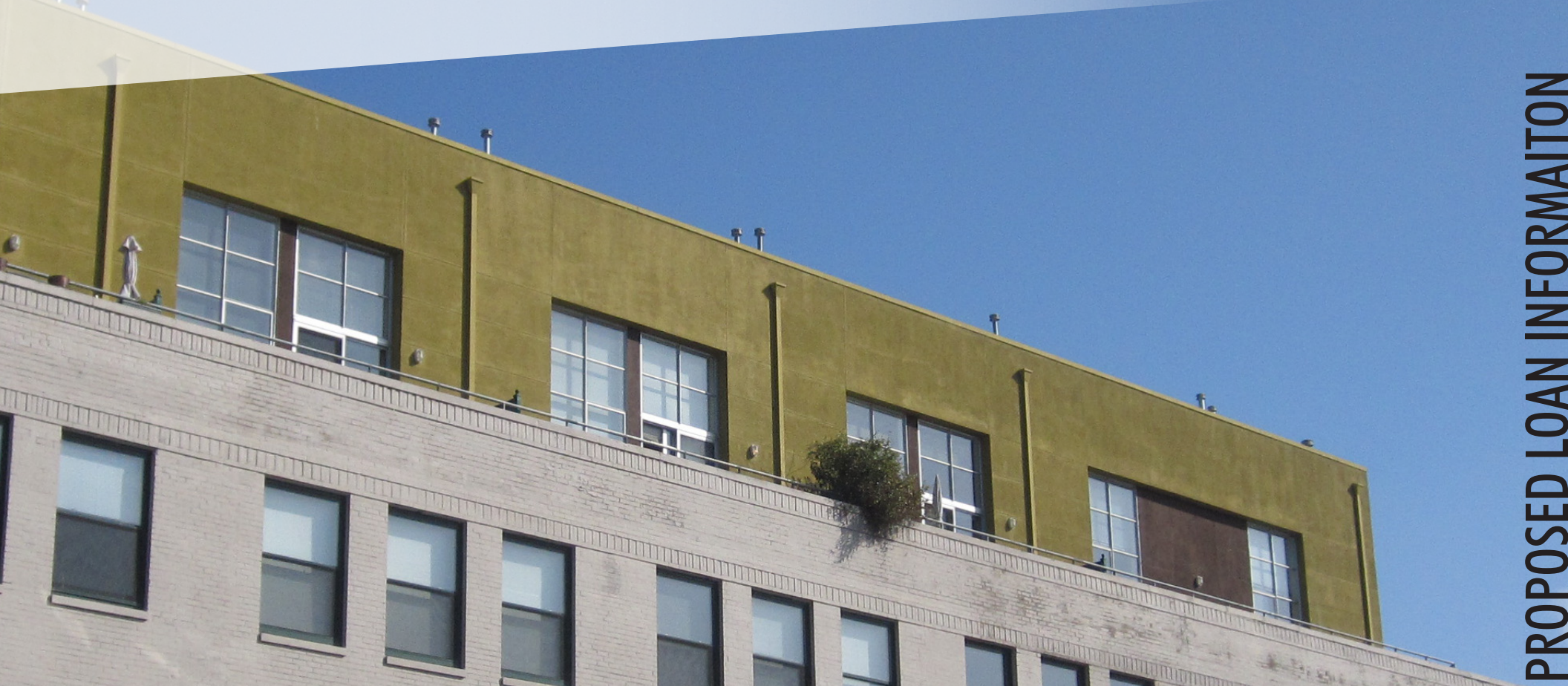
	2010	PER UNIT	NOTE
<b>EXPENSES</b>			
Real Estate Taxes	\$175,000.00	\$3,241.00	1.25%
Insurance	\$19,853.00	\$368.00	2009
<b>UTILITIES</b>			
Utilities (Other)	\$594.00	\$11.00	2009
Gas	\$9,955.00	\$184.00	2009
Electricity	\$26,804.00	\$496.00	2009
Water & Sewer	\$27,963.00	\$518.00	2009
<b>Total Utilities</b>	<b>\$65,316.00</b>	<b>\$1,210.00</b>	
<b>REPAIR &amp; MAINTENANCE</b>			
Trash Removal	\$18,916.00	\$350.00	2009
Pest Control	\$1,000.00	\$19.00	2009
Bldg. Maint. & Repair	\$20,810.00	\$385.00	2009
Cleaning/Turnover	\$27,460.00	\$509.00	2009
Supplies	\$3,512.00	\$65.00	2009
Elevator Maintenance	\$9,613.00	\$178.00	2009
Park'g Maint.	\$997.00	\$18.00	2009
Gardening/Landscape	\$11,121.00	\$206.00	2009
<b>Total Repair &amp; Maintenance</b>	<b>\$93,429.00</b>	<b>\$1,730.17</b>	
<b>MANAGEMENT</b>			
Nonresident Mgmt.	\$76,259.83		5% Forecasted
Payroll	\$98,032.00	\$1,815.00	2009
<b>Total Onsite &amp; Offsite Mgmt.</b>	<b>\$174,291.83</b>	<b>\$3,228.00</b>	
<b>ADMINISTRATIVE EXPENSES</b>			
Advertising, Legal and Other	\$51,836.00	\$960.00	2009
<b>Total Administrative</b>	<b>\$51,836.00</b>	<b>\$960.00</b>	
Replacement Reserves	\$13,500.00	\$250.00	Forecasted
<b>TOTAL EXPENSES</b>	<b>\$593,225.83</b>	<b>\$10,986.00</b>	<b>38.90%</b>
<b>ESTIMATED NOI</b>	<b>\$931,970.73</b>		

:: NOT TO SCALE



PARCEL MAP





### PROPOSED LOAN INFORMATION FOR TELEGRAPH LOFTS

Loan Amount: \$8,609,000  
Interest Rate: 5.99%  
Term: 10 years  
Program: Fixed Rate

FOR MORE INFORMATION ON MULTIHOUSING DEBT AND EQUITY FINANCE, PLEASE CONTACT

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This broker opinion of value or broker's price opinion of **Telegraph Lofts**, prepared for **Telegraph Lofts** is based upon information obtained from **Telegraph Lofts** and/or others and is for their use. While we do not doubt its accuracy, we have not verified the information and make no guarantee, warranty or representation about it.

This letter/proposal is intended solely as a preliminary expression of general intentions and is to be used for discussion purposes only. The parties intend that neither shall have any contractual obligations to the other with respect to the matters referred herein unless and until a definitive agreement has been fully executed and delivered by the parties. The parties agree that this letter/proposal is not intended to create any agreement or obligation by either party to negotiate a definitive lease/purchase and sale agreement and imposes no duty whatsoever on either party to continue negotiations, including without limitation any obligation to negotiate in good faith or in any way other than at arm's length. Prior to delivery of a definitive executed agreement, and without any liability to the other party, either party may (1) propose different terms from those summarized herein, (2) enter into negotiations with other parties and/or (3) unilaterally terminate all negotiations with the other party hereto.

**FOR MORE INFORMATION AND TO COORDINATE A TOUR OF THE PROPERTY, PLEASE CONTACT PCG BAY AREA MULTIHOUSING.**

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