

BROKER'S OPINION OF VALUE



3774 GROVE ST | LEMON GROVE, CA

3774 Grove Streer is a Flex building totaling approximately 12,000 square feet situated on 16,592 square feet of land and is located in the Lemon Grove which belongs to the La Mesa/Spring Valley industrial submarket. The submarket sits in San Diego's East County area just southeast of San Diego State University. The property has immediate access to I-94 and I-125.

The Industrial submarket of Spring Valley /Lemon Grove is comprised of over 3.4 million square feet of Office and Flex space, with a vacancy rate of 5.0%. The dynamics of the market are relatively strong with the average rental rate of approximately \$2.00 per square foot NNN.

There are several factors that lead me to believe that the rental rate an investor could get will likely

be \$1.75 per square foot NNN. These reasons include the limited parking of 2.57/1,000 square feet which is low for its primary Flex use, which is usually 4/1,000 square feet. Another is the location regarding a main street which is typically sought after for office use.

Based on the Low vacancy rate and the need not only for executive office but also the Unique HC zoning we believe that the best way to generate the highest sale price is to target the owner/user buyer pool. Owner/User pricing for 3774 Grove Street is \$3,400,000 or \$283.3 per square foot. We believe that the best strategy is to list the property at \$3,550,000 (+/- \$295.83psf) to have room to negotiate while trying to generate the highest price for the asset.

INVESTMENT

	CONSERVATIVE	HIGHEST ACHIEVABLE
Price	\$2,700,000	\$3,000,000
Price/SF	\$225	\$250

OWNER USER

	CONSERVATIVE	MID-RANGE	TARGET PRICE
Price	\$3,250,000	\$3,400,000	\$3,550,000
Price/SF	\$270	\$283	\$295



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