

Appraisal Report for:

103 Stenner Street

San Luis Obispo, California 93405

A 4,391 square foot multi-unit apartment property featuring nine bedrooms and
nine bathrooms

Effective Appraisal Date:

June 1, 2025

Prepared for:

Todd O. Murphy, MAI, ARA

Department of Agribusiness

California Polytechnic State University

San Luis Obispo, CA 93407

Prepared by:

Daniel Almond

LETTER OF TRANSMITTAL
AGB 376 Rural Property Appraisal Team
1 Grand Ave, San Luis Obispo, CA 93407

Subject: Appraisal Report

Property Type: Residential Income Property – Apartment House (5+ Units)

Property Address: 103 Stenner Street, San Luis Obispo, CA 93405

APN: 052-192-008

Legal Description: A portion of Lot 3, located within the Lowe Estates subdivision, situated in the City of San Luis Obispo, County of San Luis Obispo, State of California.

Zoning: General – R-3 | Specific – R-3

Lot Size: 7,875 sqft (approx. 0.18 acres)

Mr. Murphy,

As outlined in my appraisal proposal dated May 5, 2025, I am pleased to submit this appraisal report, which presents my opinion of the market value for the fee simple interest of the subject property. This property consists of a multi-unit residential building in an R-3 zoned neighborhood within the City of San Luis Obispo.

103 Stenner Street is located in a highly student-populated area adjacent to California Polytechnic State University. The property is a two-story, nine-bedroom, nine-bathroom apartment house with off-street parking. Its location near Foothill Boulevard and Santa Rosa Street provides easy access to campus, retail, downtown San Luis Obispo, and Highway 101. The surrounding neighborhood features walkable streets, a blend of rental and owner-occupied housing, and student-focused services.

There were no extraordinary assumptions or limiting conditions found that would materially affect the value conclusion in this appraisal.

Based on my on-site inspection, market analysis, and familiarity with the local real estate environment, I have developed a value opinion that is subject to the assumptions, definitions, and limiting conditions stated in the attached report.

Date of Valuation Estimate: May 1, 2025

Date of Report Preparation: May 31, 2025

Final Opinion of Market Value: \$2,040,000

This report was prepared and the property was inspected by Daniel Almond listed below:

Prepared and Submitted by:

Daniel Almond

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Image 1 – Summary of Salient Facts

- **Property Address:** *103 Stenner Street, San Luis Obispo, CA 93405*
- **Assessor Parcel Number (APN):** *052-192-008*
- **Land Area:** *7,875 sq. ft. (approx. 0.18 acres)*
- **Gross Living Area:** *4,391 sq. ft.*
- **Structure Details:** *Constructed in 1968, the property contains nine bedrooms and nine bathrooms. It includes a side patio and rear alley access with off-street parking.*
- **Zoning Classification:** *R-3 – Multi-Family Residential*
- **Flood Zone Designation:** *Zone X – Area of Minimal Flood Hazard Property*
- **2024 Property Taxes:** *\$23,071 Property*

- **Soil Characteristics:**

- **Component** – Cropley clay, 2 to 9 percent slopes; Grade 3 – fair
 - **Factor A** – degree of soil profile development: 60

Well-developed profile with distinct horizons; more than 80" deep

- **Factor B** – texture of surface layer: 100

Topsoil is clay, which gets full score for fine texture

- **Factor C** – steepness of slope: 80

Slope is 2–9%; assign 80 since it's gentler than the 5-9% benchmark for 90

- **Factor X** – limitation in drainage & fertility: 60

Moderately well drained, high available water, slightly saline in spots, moderately low infiltration.

- **Highest and Best Use:** *Continued use as a multi-family residential property*

- **Interest Appraised:** *Fee Simple, subject to subsurface mineral rights below 500 feet*
-

Valuation Approaches:

- *Cost Approach:* \$2,166,000
- *Income Approach:* \$3,952,000
- *Sales Comparison Approach:* \$2,100,000
- *Final "As-Is" Market Value Estimate:* \$2,100,000
- *Effective Date of Valuation:* May 1, 2025
- *Report Preparation Date:* May 30, 2025

Note: The Income Approach relies on high assumed rents and may overstate value. Greater weight is given to the Cost and Sales Comparison Approaches.

Image 2 – Assumptions and Limiting Conditions

1. This appraisal report has been prepared exclusively for the use of the intended client, Professor Todd Murphy, and should not be relied upon for any other purpose or by any other party.
2. The data and materials used in this analysis, including property characteristics, tax records, ownership information, and public listings, were gathered from sources such as the San Luis Obispo County Assessor's Office, the property owner, tenants, and publicly available online databases. These sources are assumed to be reliable; however, no warranty is made as to their absolute accuracy. I am not responsible for discrepancies that may arise from incorrect or incomplete information.
3. This valuation reflects the collective opinion of four student appraisers who are currently enrolled in the AGB 376 course at California Polytechnic State University. The appraisers are not state-certified and have conducted this work under the academic supervision of Professor Murphy.
4. All square footage measurements and land area figures are based on public records obtained through the county assessor and are accepted as accurate for the purposes of this report.
5. No homeowner's association is associated with this property. Thus, there are no HOA restrictions considered in this analysis, and no extraordinary assumptions regarding governing documents apply.
6. The last physical inspection of the property was conducted on May 31, 2025, and this valuation is based on the property's observed condition as of that date. The appraisers assume no liability for any modifications, damages, or improvements made to the property after the date of inspection that may alter its market value.
7. The value conclusion presented in this report is based on standard market assumptions and conditions at the time of the appraisal. Any significant change in market dynamics or property condition may affect the validity of this value estimate.

FACTUAL DATA

I. Property Identification

- This property is located at **103 Stenner Street, San Luis Obispo, California**, situated on the Central Coast approximately 10 miles inland from the Pacific Ocean.
 - San Luis Obispo lies roughly 231 miles south of San Francisco and 190 miles north of Los Angeles, making it a centrally positioned community along California's scenic coastline.
 - The subject parcel comprises 7,875 square feet of land with a 4,391 square foot residential structure.
 - The Assessor's Parcel Number is **052-192-008**.
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II. Legal Description

- **Lot 2 of Parcel Map No. 192**, in the City of San Luis Obispo, County of San Luis Obispo, State of California, according to the map recorded in Book 52, Page 19 of Parcel Maps, in the Office of the County Recorder of said county.
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III. Appraisal Objective

- Purpose of the Appraisal
The primary purpose of this report is to develop an opinion of the Market Value of the subject property located at 103 Stenner Street, San Luis Obispo, CA.
- Intended Use of the Appraisal
This appraisal has been prepared to fulfill academic requirements for the course AGB 326 – Rural Property Valuation at California Polytechnic State University.

- Intended User of the Appraisal

The sole intended user of this report is Professor Todd Murphy. Any other use or distribution of this appraisal requires the express written consent of the student appraisal team.

IV. Definition of Market Value

“Market value is the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of specified date and the passing of title from seller to buyer under conditions whereby:”

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

V. Scope of Work

I conducted an on-site inspection of the subject property located at 103 Stenner Street, San Luis Obispo, CA, and have collected relevant data to support the development of a credible opinion of market value. This includes gathering information from the San Luis Obispo County Assessor's Office, comparable market data, public records, and online databases, as well as through direct observation during the site visit.

The scope of work involved identifying and analyzing physical characteristics of the property, including building size, layout, age, and overall condition—as well as neighborhood context, land use, and zoning. In addition, local market trends, recent comparable sales, rental rates, and replacement costs were examined in support of the three standard valuation approaches.

Variables influencing the valuation include the property's proximity to California Polytechnic State University, its zoning designation (R-3), current use as a multi-unit rental property, and the surrounding mix of owner-occupied and tenant-occupied properties. Physical attributes such as

the number of bedrooms and bathrooms, off-street parking availability, and the overall state of maintenance were also key considerations.

This appraisal was completed in accordance with the academic guidelines of AGB 326 and under the supervision of Professor Todd Murphy. The scope does not include an engineering, environmental, or geotechnical analysis, and no warranties are made regarding structural integrity or code compliance.

VI. Property Rights Appraised

The interest being appraised in this report is the fee simple estate, which represents absolute ownership of the property, subject only to the standard governmental powers of Eminent Domain, Escheat, Police Power, and Taxation.

The subject property is encumbered by subsurface mineral rights (specifically oil, gas, and minerals) retained below a depth of 500 feet. These rights do not materially impact the current use or marketability of the property as a residential income-producing asset.

Additionally, the property includes a leased solar system, which is affixed to the roof. The solar lease does not restrict occupancy or operational use of the property and, as such, has no measurable impact on the appraised value.

VII. Effective Date of Appraisal

The effective date of this appraisal corresponds with the most recent physical inspection of the subject property, which was conducted on May 31, 2025.

VIII. Ownership History of the Property

The subject property, located at 103 Stenner Street, San Luis Obispo, CA, was originally constructed in 1968 and has changed hands multiple times over the course of its history.

According to the San Luis Obispo County Recorder's Office, the Dempsey Family Trust held title to the property from October 1994 until late 2024, when it was transferred via Grant Deed to the Ann Marie Olsen & Allan Olsen Casey Family Trust. The most recent recorded transactions occurred on December 30, 2024, and again on January 23, 2025, both recorded as arms-length trust transfers between trustees. These transfers represent a change in vesting but do not reflect a conventional market sale.

There is no evidence of a recent open-market sale price in connection with the 2024–2025 transfers, as the transactions were between trusts. The long-term ownership under the Dempsey Trust suggests a relatively stable holding period prior to this recent change.

The current owners, Ann Marie Olsen and Allan Olsen Casey, as trustees—are holding the property in a family trust structure, and public records do not indicate that the property is used as a second home or as a primary residence.

There are no foreclosure actions, notices of default, or significant liens on record at the time of this report

IX. Area – Regional and Neighborhood Analysis

Physical Consideration

The subject property is located in the city of San Luis Obispo, within San Luis Obispo County, on California's Central Coast. Geographically, San Luis Obispo lies approximately 230 miles south of San Francisco and 200 miles north of Los Angeles, with U.S. Highway 101 serving as the primary north–south transportation corridor running through the city. Additional east–west connectivity is provided via State Routes 41 and 46, which link the inland communities of Paso Robles and Atascadero to the Central Valley and Interstate 5, a major statewide transportation artery.

San Luis Obispo is positioned roughly 10 miles from the Pacific Ocean, giving it access to cool marine air. This results in frequent coastal fog and a relatively temperate climate. Winters are mild, rarely dipping below freezing, and typically see 3 to 4 inches of precipitation per month, mostly in the form of rainfall. Summers are dry, with average daytime temperatures ranging between 70 and 90 degrees Fahrenheit, contributing to the region's desirability for year-round residential use.

The city has a mix of residential, commercial, and institutional development, with significant areas of agricultural land and open space located at the urban fringe and in nearby communities such as Templeton, Atascadero, Santa Margarita, and Santa Maria. The subject property itself is situated in a high-density residential zone near California Polytechnic State University, an area dominated by student housing, apartment complexes, and small commercial establishments.

Utility services are primarily provided by Pacific Gas and Electric (PG&E) for electricity and gas. Water supply comes from a diverse mix of sources including the Salinas, Whale Rock, and Nacimiento Reservoirs, as well as groundwater wells. The city maintains a complex distribution network of over 150 miles of water infrastructure, including mains, pressure regulators, hydrants, and service lines to ensure both potable water delivery and emergency fire suppression capabilities.

In response to ongoing concerns about water security—especially following the 2015 drought—the city has implemented measures such as conservation pricing and infrastructure assessments. It is also exploring strategies to expand its use of the San Luis Obispo groundwater basin in partnership with hydrology experts.

Social Consideration

San Luis Obispo is home to an estimated 48,000 residents, with a demographic profile that strongly reflects its status as a college-oriented city. Individuals between the ages of 18 and 24 account for nearly 35% of the population, driven largely by enrollment at California Polytechnic State University. Additionally, approximately 12% of the city's residents are over the age of 65, contributing to a diverse age mix that blends a youthful student body with established families and retirees.

The community offers a variety of educational institutions, both public and private. The city is served by the San Luis Coastal Unified School District, which includes 10 elementary schools, 2 middle schools, and 3 public high schools, in addition to several private and parochial schools that provide faith-based and alternative education options.

San Luis Obispo is rich in recreational and cultural amenities. The city is located just minutes from the Edna Valley wine region, known for its high-quality white wine production, and less than an hour's drive from Hearst Castle, a landmark destination along the Central Coast. Avila Beach and Pismo Beach, both less than 12 miles away, offer sandy coastlines, boutique shopping, dining, and ocean-related activities. Residents and visitors also enjoy easy access to numerous hiking trails, including Bishop's Peak, Madonna Mountain, and Avila Ridge, each offering scenic views and outdoor recreation opportunities.

The downtown core of San Luis Obispo features a vibrant blend of local restaurants, retail shops, and entertainment venues, including an independent cinema and weekly Thursday night Farmers' Market, which is both a social and cultural staple for the community.

San Luis Obispo consistently ranks high for quality of life and well-being. Notably, it was named the "Happiest City in America" in 2010, a reflection of its strong community engagement, walkability, natural beauty, and robust lifestyle offerings.

Economic Consideration

The local economy of San Luis Obispo benefits from a mix of agricultural productivity, institutional employment, and service-oriented industries. The region supports an active

commodity market, with residents having convenient access to several major grocery chains, including Trader Joe's, Vons, Sprouts, and Whole Foods, as well as a variety of neighborhood markets and specialty food stores. In addition, the Downtown Farmers' Market, held every Thursday, draws both residents and tourists, featuring fresh produce and locally made goods sourced from farms throughout San Luis Obispo and neighboring Santa Barbara County, approximately 30 miles to the south.

While agriculture plays a visible role in the county's identity, the city itself is primarily driven by off-farm employment opportunities. A diverse mix of commercial businesses, educational institutions, and government offices contribute to a relatively stable economic base. One of the largest employers in the area is California Polytechnic State University, which employs over 2,600 faculty and staff. Other significant employers include the County of San Luis Obispo, the California Men's Colony (a state correctional facility), Pacific Gas and Electric (PG&E), and the Cal Poly Corporation, which supports university-related enterprises and operations.

The city's temperate climate, abundance of outdoor and recreational amenities, and growing reputation as a desirable place to live and work have contributed to a steady rise in population and housing demand. As a result, the local real estate market has experienced upward pressure on home values and rental rates, particularly in neighborhoods near the university and downtown core. These factors suggest continued long-term growth and support the income potential of multi-unit residential properties such as the subject property.

Governmental Consideration

The City of San Luis Obispo operates under a municipal government that actively manages planning, zoning, and infrastructure development. The sales tax rate within city limits is 7.75%, which is notably higher than the California statewide base rate of 6.00%. This additional revenue supports local public services, including transit, parks, and infrastructure maintenance.

The property tax rate in San Luis Obispo typically falls around 1.07% of assessed value, based on Proposition 13 guidelines. For the subject property, the assessed value for 2024 was \$2,040,000, with property taxes totaling \$23,071, reflecting the combined rate of base tax and local assessments Property Report for 103....

The city enforces a structured zoning framework, which includes approximately 15 distinct zoning designations, regulating land use types ranging from low-density residential to commercial and industrial classifications. The subject property is located within the R-3 (Medium-High Density Residential) zone, which permits multi-family residential developments such as apartments and townhouses, in alignment with the current use of the property Property Report for 103....

In addition to zoning, the City of San Luis Obispo applies policies for urban growth management, inclusionary housing, and historic preservation in certain areas. While the subject property is not located within a historical overlay zone or designated preservation district, it remains subject to all applicable building codes, health and safety regulations, and development standards outlined by the city's Community Development Department.

X. Property Description

The subject property is located at 103 Stenner Street in San Luis Obispo, California, within a medium-density multifamily residential area known for its proximity to California Polytechnic State University (Cal Poly). The property lies just off Foothill Boulevard, near its intersection with Santa Rosa Street, offering direct and convenient access to downtown San Luis Obispo, Cal Poly's campus, and major regional routes such as Highway 101.

This property sits within a student-dominated neighborhood, surrounded by a blend of multifamily apartment buildings and single-family rental conversions. It is less than 0.2 miles from Cal Poly's main entrance—well within walking and biking distance—which makes it highly desirable for student tenants. Public transportation is easily accessible, with a SLO Transit bus stop located approximately 300 feet away on Foothill Boulevard, offering regular service throughout the city.

The building itself is a two-story, 4,391-square-foot apartment house, constructed in 1968, containing nine bedrooms and nine bathrooms. It includes a private side patio, alleyway access, and off-street parking. The lot size is 7,875 square feet (0.18 acres), and the site has been terraced and improved for residential use. The terrain is moderately sloped and classified under Cropley clay, 2 to 9 percent slopes, with a Grade 3 – fair rating, indicating limitations for agricultural use but suitability for developed urban land uses. Refer to Figure 1.5 for topographic representation and Figure 1.7 in the Addenda for a detailed soils map.

The property lies within tax area 003-000, and according to the 2024 assessment, property taxes were \$23,071 Property Report for 103.... All essential public utilities are connected, including city water, natural gas, electricity (via PG&E), telephone, and cable/internet services.

Zoning for the site is R-3 (Medium-High Density Residential), which allows for apartment-style developments such as the subject property. For additional zoning information, refer to the City of San Luis Obispo's municipal code [here](#).

The San Luis Coastal Unified School District serves the area; however, this property functions primarily as an income-producing student rental due to its location. The nearby amenities include Santa Rosa Park (0.5 miles), Downtown SLO (1 mile), and major shopping centers such as Costco, Target, and Madonna Plaza, all within a 2.5-mile radius.

No known easements encumber the property. The site layout, location near transit and amenities, and direct access to Cal Poly contribute positively to its market appeal, especially for investors targeting student housing. The property is maintained in functional condition and consistent with similar properties in the immediate rental market.

XI. Characteristics Overview

The subject property at 103 Stenner Street is a two-story apartment house with nine individual bedrooms and nine bathrooms, designed to support student-oriented, high-density residential use. Built in 1968, the structure sits on a 7,875 sq. ft. lot and includes 4,391 sq. ft. of total living area Property Report for 103....

The building is of wood-frame construction with exterior stucco siding and a composition shingle roof, consistent with mid-century multifamily housing design in San Luis Obispo. The structure rests on a raised perimeter foundation and is oriented to maximize lot coverage while still providing side yard access and off-street parking via an alleyway at the rear.

The unit configuration is designed for individual rental occupancy, with each bedroom having access to its own private or semi-private bathroom—an arrangement ideal for student tenants. Common interior finishes appear to be basic but functional, including vinyl or tile flooring, painted drywall, and standard fixtures. The building includes a shared kitchen and dining area, as well as on-site laundry hookups. No major recent renovations were disclosed during the property inspection; however, the structure appears to be maintained in average condition for its age and use type.

Natural light is available throughout the building, though large shared living spaces are minimal—typical of student apartments. Windows are double-pane, and heating is provided, though there is no central cooling system, which is common in the coastal Central Coast climate.

The surrounding site includes minimal landscaping, with a concrete parking pad at the rear and modest fencing for privacy. No recreational structures, outbuildings, or patios were noted aside from a small side patio used for informal outdoor space.

The property does not fall under HOA governance and therefore lacks shared amenities like on-site management or common recreational areas. However, its walkable location, transit access, and proximity to campus are the primary value drivers in this high-demand rental corridor.

DATA ANALYSIS & CONCLUSIONS

I. Highest and Best Use

The highest and best use analysis considers the subject property both as if vacant and as currently improved, and is based on the four standard tests: physically possible, legally permissible, financially feasible, and maximally productive.

Physically Possible

The subject site consists of 7,875 square feet (0.18 acres) of moderately sloped terrain that has been fully leveled and improved for residential use. All standard utilities, electricity, sewer, water, natural gas, and telecommunications, are readily available. The site is not located in a high-risk flood area and offers alley access for off-street parking. Soil characteristics, classified as Cropley clay, 2–9% slopes (Grade 3 – fair), are generally not suitable for agricultural purposes but pose no constraints for continued residential development. The parcel is large enough to support multi-unit construction consistent with current zoning and development patterns in the area.

Legally Permissible

The property is zoned R-3 (Medium-High Density Residential) under the City of San Luis Obispo's zoning code. This zoning allows for apartment complexes, townhomes, and other multi-family housing developments, either owner-occupied or income-producing. There are no active HOA restrictions, and the property is not located within a special use district or overlay zone that would limit development or modifications. The current use of the property, a 9-bedroom, 9-bathroom apartment house, complies with zoning regulations and does not appear to exceed any density or use limitations.

Financially Feasible

The property is currently operated as an income-producing rental, serving primarily student tenants due to its proximity to Cal Poly (within 0.2 miles). The strong rental demand in this area, combined with the property's large bedroom count and prime location, supports continued financial feasibility. Market conditions indicate that multi-unit properties near campus are highly sought after by both tenants and investors, and rental income provides consistent and competitive returns.

Maximally Productive

Of all legally and physically possible uses, continued operation as a multi-unit rental property yields the highest return and utility. The subject's current use maximizes income potential while remaining in full compliance with city planning and zoning requirements. There is no evidence suggesting a more valuable alternative use under current conditions.

II. Appraisal or Valuation Process

For the purposes of this appraisal assignment in AGB 326 – Rural Property Valuation, all three standard approaches to value have been employed to develop a comprehensive opinion of market value:

- Sales Comparison Approach: This method involves comparing the subject property to similar recently sold properties within the same market area, making appropriate adjustments for differences in characteristics such as size, location, and condition. This approach is particularly useful in gauging how the market responds to properties with similar use potential and appeal.
- Income Approach: Given the subject property's function as an income-producing multi-unit rental, the income approach was utilized to estimate value based on the property's ability to generate rental income. This method capitalizes net operating income using a market-derived capitalization rate, making it especially relevant for investor analysis.
- Cost Approach: The cost approach estimates the current cost to replace the improvements (less depreciation), then adds the value of the land as if vacant. While this method is less relied upon for older structures, it is still useful for supporting value conclusions and identifying replacement feasibility.

Each approach was considered, analyzed, and reconciled to arrive at a final opinion of market value for the property. The weighting of each method is discussed in later sections of the report based on the reliability and applicability of the data available.

III. Cost Approach

The Cost Approach to value is based on the principle that a property's value is equal to the cost to reproduce or replace the improvements (less depreciation), plus the value of the land.

1. Estimate Land Value

The subject lot is 7,875 square feet. Based on recent market activity for infill parcels zoned R-3 near California Polytechnic State University, a land value rate of \$120 per square foot is supported. This reflects strong demand for student-oriented multi-family sites.

Land Value Calculation:

$$7,875 \text{ sq. ft.} \times \$120 = \$945,000$$

2. Estimate Current Replacement Cost of Improvements

Rebuilding a mid-sized, multi-unit student apartment complex in San Luis Obispo typically ranges from \$400 to \$500 per square foot, considering prevailing labor and material costs. A base rate of \$400 per square foot is applied.

Replacement Cost of Improvements:

$$4,391 \text{ sq. ft.} \times \$400 = \$1,756,400$$

Additional Site Costs:

Includes utility hookups, grading, paving, fencing, and landscaping: **\$75,000**

Total Replacement Cost (before depreciation):

$$\$1,756,400 + \$75,000 = \$1,831,400$$

3. Estimate and Subtract Depreciation

While the subject property was built in 1968, it has been periodically maintained, supporting an effective age estimate of 20 years. Assuming an economic life of 60 years:

Depreciation Rate: $20 \div 60 = 33.33\%$

Depreciation Amount: $\$1,831,400 \times 0.3333 = \$610,400$

Depreciated Improvement Value:
 $\$1,831,400 - \$610,400 = \$1,221,000$

4. Add Land Value

Land Value: \$945,000
Depreciated Improvements: \$1,221,000

Indicated Value via Cost Approach:
 $\$945,000 + \$1,221,000 = \$2,166,000$

Final Indicated Value via Cost Approach:
\$2,166,000 (Rounded)

IV. Income Approach

The Income Approach is based on the principle that the value of an income-producing property is the present value of future benefits, namely the net operating income (NOI) it can generate. This method is especially applicable to the subject property, which is used as a student rental near California Polytechnic State University.

1. Estimate Gross Income Potential

The property includes nine bedrooms, each likely leased individually. Based on prevailing market rates for student housing near Cal Poly, the monthly rent per bedroom is estimated at \$2,240.

Annual Potential Gross Income:

$9 \text{ bedrooms} \times \$2,240/\text{month} \times 12 \text{ months} = \$241,920$

2. Estimate Vacancy and Rent Loss

A 5% vacancy allowance is applied to account for turnover, leasing gaps, and potential non-payment.

Vacancy Loss:

$$\$241,920 \times 0.05 = \$12,096$$

Effective Gross Income:

$$\$241,920 - \$12,096 = \$229,824$$

3. Estimate Annual Operating Expenses

Typical operating expenses for student rentals in San Luis Obispo include property taxes, insurance, repairs and maintenance, management, utilities (if owner-paid), and reserves. These are estimated as follows:

<i>Category</i>	<i>Amount</i>
<i>Property Taxes</i>	\$23,071
<i>Insurance</i>	\$3,500
<i>Repairs/Maintenance</i>	\$5,500
<i>Property Management</i>	\$6,000
<i>Utilities (partial)</i>	\$2,500
<i>Misc./Reserves</i>	\$1,500
<i>Total Expenses</i>	\$42,071

4. Estimate Net Operating Income (NOI)

NOI = Effective Gross Income – Operating Expenses

$$\$229,824 - \$42,071 = \$187,753$$

5. Select Capitalization Rate

Based on market data for multi-unit student housing properties in San Luis Obispo, a capitalization rate of 4.75% is considered appropriate for this property class and location.

6. Estimate Property Value

Estimated Market Value = NOI ÷ Capitalization Rate

$$\$187,753 \div 0.0475 = \$3,951,642$$

Indicated Value via Income Approach:

\$3,952,000 (Rounded)

Disclaimer: This valuation is based on an assumed monthly rent of \$2,240 per bedroom. I believe this rent estimate is high. The Income Approach likely overstates the actual market value and should be interpreted accordingly.

V. Sales Comparison Approach

The Sales Comparison Approach estimates market value by comparing the subject property to similar properties that have recently sold in the surrounding market. Adjustments are made for differences in features, size, location, and amenities in order to arrive at an indicated value for the subject.

Subject Property: 103 Stenner Street, San Luis Obispo, CA

- Lot Size: 7,875 sq. ft.
- Building Area: 4,391 sq. ft.

- Configuration: 9 bedrooms, 9 bathrooms
- Property Type: Multi-family residential
- Location: One block from Cal Poly, student-oriented corridor
- Amenities: Rear alley access, off-street parking, private patio

Comparable Sales

Comparable Properties

Address	Price	Monthly Estimate	Sq Ft	Beds/Baths	Units	Features
2130 Main St, Morro Bay, CA	\$2,250,000	\$15,192	5,700	8 Beds	4	Back yard and balcony
528-530 E Branch St, Arroyo Grande, CA	\$1,950,000	\$13,167	5,111	6 Beds	5	Patio and open breeze way
1527 Royal Way, San Luis Obispo, CA	\$2,575,000	\$17,387	4,544	8 Beds, 6 Baths	4	Backyard but no balcony

While these properties vary slightly in location and design, they reflect similar characteristics in terms of size, number of units, and function as multi-family residential buildings in high-demand rental markets. The subject property, while slightly smaller in gross area, benefits from its direct proximity to California Polytechnic State University, which commands a premium in the student rental sector.

Adjusting for square footage, bedroom count, and proximity to Cal Poly, the comparable range supports a valuation between \$2.0 million and \$2.6 million, with an average sale price of approximately \$2,258,333.

Given the subject's excellent location, full bedroom-to-bathroom configuration, and alignment with rental demand, an adjusted market value of \$2,100,000 is supported through this approach.

VI. Reconciliation and Final Value Estimate

The three approaches to value—Cost, Income, and Sales Comparison—each offer a different lens for evaluating the subject property. Their results are summarized below:

- **Cost Approach:** \$2,166,000
- **Income Approach:** \$3,952,000
- **Sales Comparison Approach:** \$2,100,000

While the Income Approach typically carries strong weight, it assumes monthly rents of \$2,240 per bedroom, which may be unrealistic. Because of this, I believe the income-based value is overstated.

The Sales Comparison and Cost Approaches better reflect current market conditions, property condition, and achievable rents. These two methods are given the greatest weight in our final estimate.

Final "As-Is" Market Value (as of May 1, 2025): \$2,100,000

The Cost Approach provides a benchmark for replacement feasibility and is considered supportive but somewhat conservative, given construction inflation and limited depreciation accuracy for older structures. The Sales Comparison Approach reflects current market behavior but is limited by a lack of directly comparable student-oriented assets within the immediate Cal Poly rental zone.

The Income Approach is most applicable due to the property's clear function as a stabilized student rental generating predictable cash flow. Given the strength of rental demand and the consistent occupancy associated with student housing, this approach receives the greatest weight in final reconciliation.

However, due consideration is given to the Sales Comparison Approach for its grounding in observed market transactions. The final value conclusion reflects a weighted reconciliation, with primary emphasis on income-generating potential and secondary support from comparable sales.

VII. Certification

Disclaimer:

This appraisal report was completed to the best of our ability as **undergraduate students** enrolled in the Agribusiness Department at California Polytechnic State University, San Luis Obispo. **I am not a licensed or certified appraiser**, and this report is prepared **solely for academic purposes as part of the requirements for AGB 326**.

Certification Statement:

In accordance with the Uniform Standards of Professional Appraisal Practice (USPAP), I hereby certify that:

- The facts and information stated in this report are true and correct to the best of our knowledge.
- The analyses, opinions, and conclusions expressed in this report are our own, and they are limited only by the stated assumptions and limiting conditions.
- I have no current or anticipated interest in the subject property, nor do I have any personal interest or bias regarding the individuals or entities involved in this assignment.
- Our compensation is not contingent upon the assignment results, including the reporting of a specific value or direction in value, the achievement of a desired outcome, or the occurrence of a particular event related to the use of this appraisal.
- Our work on this report complies with the guidelines and standards set forth in USPAP.
- I personally inspected the subject property as part of the appraisal process.
- I acknowledge the professional support and guidance of Professor Todd Murphy, who provided academic oversight during the preparation of this report.

Prepared and Signed by Daniel Almond:

- _____ Daniel Almond

Property Photo Summary

The following images provide visual documentation of the subject property located at **103 Stenner Street, San Luis Obispo, CA**. Photos were taken during the on-site inspection conducted on **May 31, 2025**. They include exterior views, street frontage, rear alley access, and general site conditions. The photographs support the physical description and condition assessment detailed in this report.



(Parking Lot)



(Side Street View)



(Back Patio)



(Kitchen)



(Bathroom Photo One)



(Bathroom Photo 2)



(Living Room)



(Living Room Photo 2)



(Hallway to Bedroom)

Daniel Almond

(707)-492-2611 • San Luis Obispo, CA • [\[Personal Website\]](#)

EDUCATION

California Polytechnic State University, San Luis Obispo | Graduation: June 2025

• Bachelor in Business Administration, Concentration: Real Estate Finance, Minor: Computer Science.

Santa Rosa Junior College, Santa Rosa CA | Transferred: 2020-2023

• Associates in Business Administration, Economics, and Social and Behavioral Science.

WORK EXPERIENCE

Summit State Bank, Customer Service Representative | December 2022 - July 2023

- Processed transactions, resolved online banking issues, and assisted with account troubleshooting.
- Learned customer tracking, Horizon XE (Software), banking laws, and interdepartmental communication while helping plan events on the Employee Activity Committee.

Real Estate Agent for a Private Broker (Cara Recine) | June 2020 - Present

- Conducted MLS searches and sourced leads via cold/warm calling; participated in real estate transactions (~10) including showings, negotiations, and open houses.
- Navigated Bareis MLS and other realtor software to list properties and assist clients.

Arthur Murray, Ballroom Dance Instructor and Studio Executive | June 2019 - Nov 2022

- Taught 6–8 private lessons daily, led group classes, trained staff, and led team meetings.
- Traveled with clients/staff for events, coordinated logistics, and developed presentation and coaching skills in high-pressure settings.

PROJECTS AND COURSEWORK

Winner – Cal Poly Affordable Housing Real Estate Competition | April 2025

- Led the design and pitch of a 75-unit affordable housing complex in San Luis Obispo.
- Contributed to market research, site design, financial modeling, risk analysis, and more. [\[Link\]](#)

Real Estate Investor | Santa Rosa, CA — June 2021–Present

- Purchased, renovated, and rented out a \$450K single-family home using the BRRRR method.
- Oversaw subcontractors, learned zoning regulations, and worked with city departments for permits.

Week Of Welcome Leader | Cal Poly, CA — September 2024

- Led 35 new students through Cal Poly's Week of Welcome, coordinating daily events and logistics.
- Built leadership and communication skills while creating an environment for new students to connect.

Relevant Coursework

- Real Estate Finance, Real Estate Investment, Case Studies in Real Estate, Property Appraisal.

LICENCES AND SKILLS

- Microsoft Excel, Microsoft Teams, Microsoft Office Google Suite, Davinci Resolve, Adobe Lightroom.
- Programming: Python, JavaScript, HTML/CSS.
- California Real Estate License, FAA Drone License, California Class C & M1 Driver's Licenses.

