



COMPARATIVE MARKET ANALYSIS | CONFIDENTIAL | MAY 21, 2026

3811 PORTOLA DRIVE

Santa Cruz, California 95062 | APN: 032-051-33
21,562 SF | C-2 Zoning | 1.5 FAR | Pleasure Point Commercial Corridor

ASKING PRICE \$3,500,000	ASKING PRICE PSF \$162.32 / SF	BEST COMP PSF (3501 Portola) \$91.34 / SF — IN CONTRACT	COMP-INDICATED VALUE \$1,969,000 – \$2,534,000
PRICE PREMIUM TO BEST COMP +78% Above Market	COMP AVG PSF (8 SALES) \$117.56 / SF	OWN ANALYSIS FMV \$2,534,812	PRICE GAP (VS. FMV) \$965,000 – \$1,531,000

Bottom Line

The \$3,500,000 asking price for 3811 Portola Drive represents \$162.32/SF — a 78% premium over the most comparable and current transaction in this market: 3501 Portola Drive, currently in contract at \$91.34/SF.

Applying the full range of 8 C-2 sales comps from this corridor produces an indicated value range of \$1,969,000 to \$2,534,000. The seller's own development land residual analysis confirms market value at approximately \$2,534,812 — more than \$965,000 below the asking price.

From a developer's underwriting standpoint, \$3,500,000 for land that supports only 14–16 realistic units (as established in the accompanying feasibility analysis) produces a deeply negative return before a single dollar of construction is spent.

TROY HINDS

831.706.6224 | REALTOR® | DRE 01803325 | troy@collectiverealestate.com
Collective Real Estate at David Lyng Real Estate | 8x President's Club Elite | 2023 #1 Top Individual Agent

PRIMARY COMPARABLE

Key Comp: 3501 Portola Drive — Currently In Contract

The single most relevant data point in this analysis is the property directly on Portola Drive that is currently under contract. Same street, same C-2 zoning, same 1.5 FAR, same Pleasure Point Commercial Corridor. This is the market speaking in real time.

	3501 Portola Dr (KEY COMP)	3811 Portola Dr (Subject)
Status	IN CONTRACT — May 2026	Active Listing
Position	Corner	Interior
Zoning / FAR	C-2 / 1.5	C-2 / 1.5
Lot Size	75,541 SF (3.51× larger)	21,562 SF
Sale / Asking Price	\$6,900,000	\$3,500,000
Price Per SF (Land)	\$91.34 / SF	\$162.32 / SF
Price Per FAR SF	\$59.57 / FAR SF	\$108.22 / FAR SF
Implied Value for 3811 at 3501's PSF	\$91.34 × 21,562 SF	= \$1,969,000

Note: 3501 Portola is a corner parcel (generally commanding a slight premium over interior lots). 3811 Portola is an interior parcel. Applying 3501's corner-premium PSF to the subject's interior lot further supports a discount, not a premium, to the comp.

COMPARABLE SALES

Portola Corridor — C-2 Comparable Sales (2013–2026)

Property	Date	Type	Sale Price	Lot SF	\$/SF Land	\$/FAR SF	Bldg SF
3501 Portola Dr ★ KEY COMP	May-26	Corner	\$6,900,000	75,541	\$91.34	\$59.57	5,796
3800 Portola Dr	Apr-20	Corner	\$4,300,000	35,371	\$121.57	\$81.05	13,455
38th & Portola (Corner)	Aug-20	Corner	\$1,200,000	9,322	\$128.73	\$85.82	2,004
826 38th Ave	Oct-18	Interior	\$775,000	5,794	\$133.76	\$89.17	846
816 38th Ave	Aug-20	Interior	\$408,000	3,136	\$130.10	\$86.73	600
3801 Portola Dr	Aug-20	Corner	\$792,000	6,186	\$128.03	\$85.35	1,404
3650 Portola Dr	Jan-20	Interior	\$800,000	8,886	\$90.03	\$60.02	411
21245 E Cliff Dr	Feb-16	Corner	\$1,804,000	15,430	\$116.92	\$77.94	3,955
3700 Portola Dr (last sale)	Mar-13	Corner	\$535,000	6,578	\$81.33	N/A	2,479
Average (all comps)				36,678	\$117.56	\$70.76	3,144
3811 Portola Dr (SUBJECT ASKING)	Active	Interior	\$3,500,000	21,562	\$162.32	\$108.22	2,366

Interior lots (3811 is interior) typically trade at a discount to corner lots due to reduced visibility and access. The majority of comps above are corner properties — applying their PSF to 3811 without a discount overstates indicated value.

VALUATION

Three Approaches — Consistent Conclusion

This Comparative Market Analysis is based on publicly available MLS and county records. All figures are estimates. This does not constitute an appraisal or legal advice. Prepared by Troy Hinds | Collective Real Estate at David Lyng Real Estate | DRE# 01803325 | May 21, 2026.

Approach 1 Best Comp (3501 Portola)	Approach 2 8-Sale Comp Average	Approach 3 Seller's Own Analysis
$\$91.34/\text{SF} \times 21,562 \text{ SF}$ <i>Most current. Same street, same zoning. In contract today.</i> = \$1,969,000	$\$117.56/\text{SF} \times 21,562 \text{ SF}$ <i>Broader sample. Largely reflects 2018–2020 pricing — higher than current market.</i> = \$2,534,000	Development Land Residual FMV <i>The seller's own spreadsheet analysis produces a market value figure that aligns with the comp average.</i> = \$2,534,812

All three independent valuation approaches — the best current comp, the 8-sale average, and the seller's own development land residual model — converge in a range of \$1,969,000 to \$2,534,000.

The \$3,500,000 asking price sits \$965,000 to \$1,531,000 above every methodology, including the seller's own numbers.

DEVELOPER UNDERWRITING

Why No Developer Can Underwrite \$3,500,000 for This Land

The accompanying feasibility analysis establishes that 3811 Portola Drive supports a maximum of 14–16 realistic residential units under parking-constrained development scenarios. Working backward from achievable values produces the following land residuals:

Scenario	Units	As-Complete Value	Est. Construction	Max Land Residual
Option 2 — Realistic (14–16 units)	14 units	\$8,400,000	(\$7,000,000)	\$1,400,000
Option 2 — High end (16 units)	16 units	\$9,600,000	(\$7,000,000)	\$2,600,000
Option 1 — Theoretical max (28 units, unrealistic)	28 units	\$16,800,000	(\$14,400,000)	\$2,400,000
Asking Price Land Cost	—	—	—	\$3,500,000

As-complete values based on \$600,000/unit market assumption. Construction costs based on Option 2: ~\$350–400/SF $\times$ 17,400 SF = \$6.1M–\$7.0M; Option 1: \$350–400/SF $\times$ 36,000 SF = \$12.6M–\$14.4M. Land residual = As-Complete Value less Construction. No developer profit, entitlement costs, carry, or fees included.

The Underwriting Reality

Even under the most optimistic theoretical scenario (28 units, which parking constraints make unrealistic), the maximum supportable land cost is approximately \$2,400,000.

Under the realistic 14–16 unit scenario, the land supports a maximum of \$1,400,000–\$2,600,000 — and that is before any developer profit margin, entitlement costs, carry costs, or transaction fees.

At \$3,500,000, a developer would lose money on this deal under every realistic scenario. No institutional buyer or experienced developer can underwrite this land at the asking price.

CURRENT INCOME

Current Income Profile — Not an Income-Justified Price

The subject property currently generates \$14,300/year in gross rental income with a mortgage balance of \$343,162 (Wells Fargo, due December 2026). There are no operating expenses documented, suggesting break-even or negligible cash flow.

This Comparative Market Analysis is based on publicly available MLS and county records. All figures are estimates. This does not constitute an appraisal or legal advice. Prepared by Troy Hinds | Collective Real Estate at David Lyng Real Estate | DRE# 01803325 | May 21, 2026.

Income Metric	Current	At \$3.5M Price / 6% Cap
Gross Rental Income	\$14,300 / yr	Would require \$210,000/yr
Implied Cap Rate at Asking Price	0.41%	Market cap: 4.5–6.5%
GRM at Asking Price	244.8×	Market GRM: 14–20×

No income-based underwriting model supports a \$3,500,000 valuation on \$14,300/year in gross income. This asset is priced purely on its land development potential — and as demonstrated above, the development potential does not support the asking price either.

CONCLUSION

Conclusion — Supported Value Range

Valuation Method	Indicated Value	vs. Asking Price
Best Comp: 3501 Portola (in contract, \$91.34/SF)	\$1,969,000	–44% below asking
8-Sale Comp Average (\$117.56/SF)	\$2,534,000	–28% below asking
Seller’s Own Land Residual Analysis	\$2,534,812	–28% below asking
Developer Land Residual (16-unit high end)	\$2,600,000	–26% below asking
Supported Market Value Range	\$1,969,000 – \$2,534,000	\$966K–\$1,531K above range

TROY HINDS

831.706.6224 | troy@collectiverealestate.com
REALTOR® | DRE 01803325 | 8x President’s Club Elite | 2023 #1 Top Individual Agent
Collective Real Estate at David Lyng Real Estate