

October 12, 2015

Mark Tiernan
SCS Development
404 Saratoga Avenue, # 100
Santa Clara, CA 95050

RE : 10,602 square foot parcel located on the south side of 3186 Madsen Street, Hayward

Mark,

Per your request, I looked up the above referenced parcel of land located in Hayward to see if it would be a good location for a new commercial/retail use. In my opinion, the answer is no. I also ran the site by a couple of other agents in our office and received the same no answer. I then contacted Paul Mader of MTC Commercial Real Estate and asked him for his opinion on the site. He and his partner, Mike Tanzillo, both have 30 + years of commercial real estate experience in Hayward, Castro Valley and San Leandro. They work these areas exclusively. Paul said the site is a terrible location for commercial retail. Commercial retail might even downgrade the area. The best use for the property would be new homes.

In a nut shell, the site is a poor location for a commercial/retail development. The number one rule for a successful commercial/retail site is location, location, location. There are exceptions to this rule, but very few. Having a good location will greatly increase your odds of success. To be considered a good location, you need high traffic counts, high visibility, great signage, great access, lots of parking and good demographics. This site has none. The best use for this site in my opinion would be a residential use. I looked up the zoning on the property and it is zoned Planned Development SD4. Part of the Cannery Plan. The site is General Planned Medium Density Residential (8.7-17.4 units/net acre).

Sincerely,



Guy Warren

Lee & Associates Commercial Real Estate