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## **Bulk Appraisal for Seven (7) Properties**

415, 425, 429 & 501 East Puget Avenue  
Phoenix, Arizona 85020

BBG File #0123122700

Client File #PM-1830

### **Prepared For**

Mr. Burton Byars  
City of Phoenix Finance Department  
251 West Washington Street, 8th Floor  
Phoenix, AZ 85003-1611

### **Report Date**

December 6, 2023

### **Prepared By**

BBG, Inc., Phoenix Office  
2850 E. Camelback Road, Suite 330  
Phoenix, AZ 85016  
602-648-8600

Client Manager: Albert Nava, MAI, SGA  
anava@bbgres.com

### **BBG Website**

[bbgres.com](https://bbgres.com)



December 6, 2023

Mr. Burton Byars  
Review Appraiser  
City of Phoenix Finance Department  
251 West Washington Street, 8th Floor  
Phoenix, AZ 85003-1611

Re: Appraisal of Real Property  
**Bulk Appraisal for Seven (7) Properties**  
415, 425, 429 & 501 East Puget Avenue  
Phoenix, Arizona 85020  
**BBG File No. 0123122700**  
**Client File #PM-1830**

Dear Mr. Byars:

In accordance with your authorization (per the engagement letter found in the *Addenda* of this report), an Appraisal Report of the above-referenced property has been prepared.

The subject property comprises a 1.48-acre land parcel located in north Phoenix that is zoned R-5, Multifamily Residential.

This Appraisal Report was prepared to conform with the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP), Qualifications RFQ 16-003, the terms and conditions specified in the City Contract 21-38 and the City of Phoenix Finance Department appraisal guidelines and the *Uniform Act* (49 CFR Part 24). This report has been written in accordance with the Code of Ethics and the Standards of Professional Practice of the Appraisal Institute. In addition, this report is intended to be in compliance with additional requirements of City of Phoenix Finance Department (client).

- The *purpose* of the appraisal is to establish the market value of the parcel for potential sale as of the effective date of the report. The *intended use* of the appraisal report is to estimate market value for decision making.
- The *client* and *intended user* is the City of Phoenix Finance Department.

**Market Value as defined by A.R.S. 12-1122:**

*Value shall be determined by ascertaining the most probable price estimated in terms of cash in United States dollars or comparable market financial arrangements that the property would bring if exposed for sale in the open market, with reasonable time allowed in which to find a purchaser, buying with knowledge of all of the uses and purposes to which it was adapted and for which it was capable.”<sup>1</sup>*

<sup>1</sup>Arizona State Legislature., AZLEG.gov

**Note:** Our opinion of market value is subject to the following Extraordinary Assumptions and/or Hypothetical Conditions:

**EXTRAORDINARY ASSUMPTION(S) AND HYPOTHETICAL CONDITION(S)**

The values presented within this appraisal report are subject to the extraordinary assumptions and hypothetical conditions listed below. Pursuant to the requirement within Uniform Standards of Professional Appraisal Practice Standards, it is stated here that the use of any extraordinary assumptions and/or hypothetical conditions might have affected the assignment results.

<b>Extraordinary Assumption(s)</b>	<ul style="list-style-type: none"><li>- There is no archaeological significance on the parcel.</li><li>- There is no geological significance on the parcel.</li><li>- There are no environmental risks or hazardous conditions found on the parcel.</li><li>- No soils or subsoils report was provided. This appraisal assumes no adverse soil or subsoil conditions.</li></ul>
<b>Hypothetical Condition(s)</b>	This appraisal employs no hypothetical conditions.

Based on our inspection of the property and the investigation and the analysis undertaken, we have developed the following value opinion.

MARKET VALUE CONCLUSION(S)			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value - As Is - Land Value	Fee Simple	October 23, 2023	\$625,000

Your attention is directed to the accompanying report and to its Certification, Assumptions and Limiting Conditions sections. Acceptance of and/or use of this appraisal report constitutes acceptance of these conditions. This appraisal has been performed in accordance with the reporting requirements as set forth by the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice (USPAP) as provided by the Appraisal Foundation. This appraisal report is intended to be an Appraisal Report prepared in conformance with USPAP Standard 2-2(a), the City of Phoenix's Appraisal Guidelines.

Our firm appreciates the opportunity to have performed this appraisal assignment on your behalf. If we may be of further service, please contact us.

Sincerely,  
**BBG, Inc.**



Albert Nava, MAI, SGA  
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## SUBJECT PROPERTY



Puget Avenue looking east – subject on right



Subject looking southeast from northwest corner of site



Puget Avenue looking west – subject on left



Looking south along east edge of subject



Looking west along north edge of subject



4<sup>th</sup> Street looking south, subject on left



## AERIAL PHOTOGRAPH



## SUMMARY OF SALIENT FACTS

PROPERTY DATA			
Property Name	Bulk Appraisal for Seven (7) Properties		
Address	415, 425, 429 & 501 East Puget Avenue Phoenix, Arizona 85020		
Location	SEC Puget Avenue & 4th Street		
Property Description	Vacant Land		
Parcel Number	160-49-006B, 160-49-005, 160-49-004, 160-49-003, 160-49-002A, 160-49-001, and 160-49-112C.		
Census Tract No.	1053.00		
Legal Description	Lengthy - see exhibits		
Site Area	64,639 square feet (1.48 acres)		
Zoning	R-5; Multifamily Residential		
Flood Zone/Map Number/Date	Zone X (Shaded)	04013C1730L	October 16, 2013

VALUE INDICATIONS			
As Is - Land Value as of October 23, 2023			
Land Value	\$625,000	\$9.67	Per Square Foot of Land
Exposure Time (Months)	12		
Marketing Time (Months)	12		

## PROPERTY HISTORY

The subject site was previously improved with a 50-unit multifamily project constructed in 1953. The property was demolished in approximately 2010. The subject property has been owned by the City of Phoenix since 2010.

To the best of our knowledge the subject is not currently under contract or listed for sale and we are unaware of any transactions involving the subject property within the last 3 years.

# SCOPE OF WORK

## APPRAISAL INFORMATION

<b>Client</b>	City of Phoenix Finance Department 251 West Washington Street, 8th Floor Phoenix, AZ 85003-1611
<b>Intended User(s)</b>	City of Phoenix Finance Department
<b>Intended Use</b>	This appraisal is to be used to estimate market value for decision making purposes
<b>Premise Summary</b>	As Is - Land Value Market Value - October 23, 2023
<b>Date of Inspection</b>	October 23, 2023
<b>Marketing Time (Months)</b>	12
<b>Exposure Time (Months)</b>	12
<b>Owner of Record</b>	City of Phoenix
<b>Highest and Best Use</b>	
<b>As Vacant</b>	Multifamily development

## PROPERTY IDENTIFICATION

<b>Property Name</b>	Bulk Appraisal for Seven (7) Properties
<b>Address</b>	415, 425, 429 & 501 East Puget Avenue Phoenix, Arizona 85020
<b>Location</b>	SEC Puget Avenue & 4th Street
<b>Property Description</b>	Vacant Land
<b>Parcel Number</b>	160-49-006B, 160-49-005, 160-49-004, 160-49-003, 160-49-002A, 160-49-001, and 160-49-112C.
<b>Census Tract No.</b>	1053.00
<b>Legal Description</b>	Lengthy - see exhibits



SCOPE OF THE INVESTIGATION															
<b>General and Market Data Analyzed</b>	<ul style="list-style-type: none"> <li>Regional economic data and trends</li> <li>Market analysis data specific to the subject property type</li> <li>Published survey data</li> <li>Neighborhood demographic data</li> <li>Comparable cost, sale, rental, expense, and capitalization rate data</li> <li>Floodplain status</li> <li>Zoning information</li> <li>Assessor's information</li> <li>Interviewed professionals knowledgeable about the subject's property type and market</li> </ul>														
<b>Inspection Details</b>	The subject site was inspected on October 23, 2023 by John L. Wyatt, MAI.														
<b>Property Specific Data Requested and Received</b>	<table> <tr> <th colspan="2">PROPERTY DATA RECEIVED</th></tr> <tr> <td colspan="2">None</td></tr> </table>	PROPERTY DATA RECEIVED		None											
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None															
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<b>Data Sources</b>	<table> <tr> <th colspan="2">DATA SOURCES</th></tr> <tr> <td>Site Size</td><td>Assessor</td></tr> <tr> <td>Tax Data</td><td>Assessor/Treasurer</td></tr> <tr> <td>Zoning Information</td><td>Planning Dept</td></tr> <tr> <td>Flood Status</td><td>FEMA</td></tr> <tr> <td>Demographics Reports</td><td>Spotlight</td></tr> <tr> <td>Comparable Land Sales</td><td>Brokers/MLS/CoStar</td></tr> </table>	DATA SOURCES		Site Size	Assessor	Tax Data	Assessor/Treasurer	Zoning Information	Planning Dept	Flood Status	FEMA	Demographics Reports	Spotlight	Comparable Land Sales	Brokers/MLS/CoStar
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Comparable Land Sales	Brokers/MLS/CoStar														
VALUATION METHODOLOGY															
<b>Most Probable Purchaser</b>	<p>To apply the most relevant valuation methods and data, the appraiser must first determine the most probable purchaser of the subject property.</p> <p>The most probable purchaser of the subject property "As Is" is a developer or speculator.</p>														
<b>Valuation Methods Utilized</b>	<p>This appraisal employs only the Sales Comparison Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that this approach would be considered necessary and applicable for market participants. Since no improvements exist on site, the Cost Approach is not relevant. The property generates no income and is not typically marketed, purchased or sold on the basis of anticipated lease income; thus, the Income Capitalization Approach was excluded; this exclusion does not affect the credibility of the assignment results herein.</p>														

## DEFINITIONS

Pertinent definitions, including the definition of market value is as follows:

- |  |   |
|--|---|
| <b>Market Value as defined by A.R.S. 12-1122</b> | <ul style="list-style-type: none"> <li>Value shall be determined by ascertaining the most probable price estimated in terms of cash in United States dollars or comparable market financial arrangements that the property would bring if exposed for sale in the open market, with reasonable time allowed in which to find a purchaser, buying with knowledge of all of the uses and purposes to which it was adapted and for which it was capable.”<sup>2</sup></li> </ul> |
| <b>Fee Simple Interest</b>                       | <ul style="list-style-type: none"> <li>“Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”<sup>3</sup></li> </ul>   |
| <b>As Is</b>                                     | <ul style="list-style-type: none"> <li>A value on the appraisal date means an estimate of the market value of a property in the condition observed upon inspection and as it typically and legally exists without hypothetical conditions, assumptions, or qualifications as of the date the appraisal is prepared.<sup>4</sup></li> </ul>  |

<sup>2</sup> Arizona State Legislature., AZLEG.gov

<sup>3</sup> The Appraisal of Real Estate, Appraisal Institute, 12<sup>th</sup> Edition.

<sup>4</sup> Appraisal Policies and Practices of Insured Institutions and Service Corporations, Federal Home Loan Bank Board, “Final Rule,” 12 CFR Parts 563 and 571, December 21, 1987

<b>Appraisal</b>	<ul style="list-style-type: none"> <li>“(noun) The act or process of developing an opinion of value; an opinion of value. (adjective) Of or pertaining to appraising and related functions such as appraisal practice or appraisal services.”</li> </ul>
<b>Appraiser</b>	<ul style="list-style-type: none"> <li>“One who is expected to perform valuation services competently and in a manner that is independent, impartial, and objective.”</li> </ul>
<b>Extraordinary Assumption</b>	<ul style="list-style-type: none"> <li>“An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser’s opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.”</li> </ul>
<b>Hypothetical Condition</b>	<ul style="list-style-type: none"> <li>“A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis”, as defined by the Appraisal Foundation.</li> </ul>
<b>Price</b>	<ul style="list-style-type: none"> <li>“The amount paid in exchange for a good or commodity. Price is distinguished from value because price becomes a fact when the transaction is consummated as opposed to value, which is an estimate.” 2. The amount asked, offered, or paid for a property. Comment: Once stated, price is a fact, whether it is publicly disclosed or retained in private. Because of the financial capabilities, motivations, or special interests of a given buyer or seller, the price paid for a property may or may not have any relation to the value that might be ascribed to that property by others. (USPAP, 2022-2023 ed.)”</li> </ul>

#### LEVEL OF REPORTING DETAIL

Standards Rule 2-2 (Real Property Appraisal, Reporting) contained in USPAP requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report.

This report is prepared as an **Appraisal Report**. An Appraisal Report must at a minimum summarize the appraiser’s analysis and the rationale for the conclusions.

#### PROPERTY RIGHTS APPRAISED

The real estate interest appraised is that of ownership in *Fee Simple Interest*. Fee Simple is defined as follows:

*Fee Simple Interest* - “Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”<sup>5</sup>

<sup>5</sup> *The Appraisal of Real Estate*, Appraisal Institute, 12<sup>th</sup> Edition.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE

## Overview

Environmental, Social and Governance (ESG) has become a standard criterion in the global real estate sector, excepting the United States. The European Union has adopted specific, conduct-based directives on ESG. In the US, while there has been a scattering of ESG regulations within specific markets there has been no industry wide or politically enacted regulations. Nevertheless, market participants are increasingly concerned with environmental risks, sustainable construction, carbon neutrality, social responsibilities, and governance of their companies, partners, and vendors.

Principles for Responsible Investment provides the following summary of approaches to responsible investment for direct and indirect real estate investors.



Furthermore, PRI provides examples of how these issues may affect property valuations.

ADDITIONAL CAPITAL EXPENDITURES	Equipment upgrades to improve energy performance
INCREASED COSTS	Higher insurance premiums due to physical risk factors
FUTURE INCOME UNCERTAINTY	Tenant and leasing disruption due to extreme weatherevents
OBSOLESCENCE RISK	Buildings that do not meet minimum energy performancestandards set by legislation

## Environmental

Both physical and transition risks must be analyzed for each property and market. Physical risks are hazards caused by changing climate such as floods, fires, rising temperatures, and rising sea levels. Transition risks involve the responses to climate change by humans and society. An example of transition risk is New York's Local Law 97 which requires most buildings over 25,000 square feet to meet energy and greenhouse gas emissions by 2024 with additional requirements in 2030. Transition risks are regulatory, economic and social changes that could affect asset values.

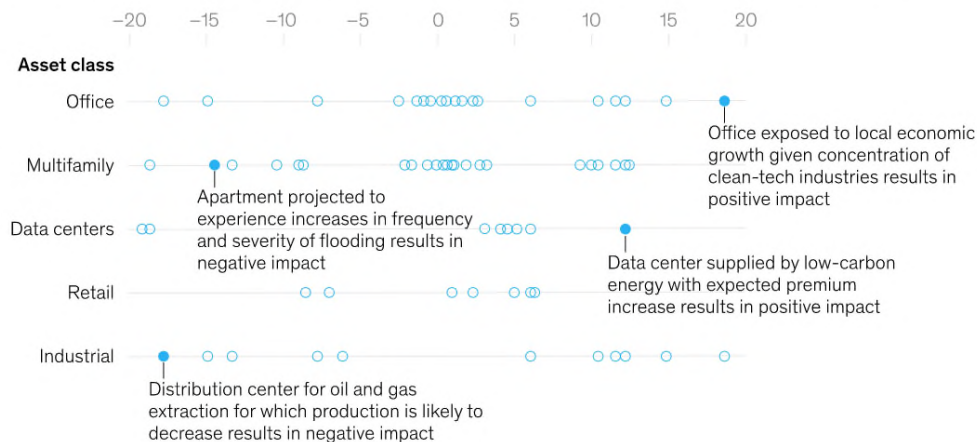
According to *Climate Risk and the Opportunity for Real Estate* by McKinsey & Company,

The combination of this economic transition and the physical risks of climate change has created a significant risk of mispricing real estate across markets and asset classes. For example, a major North American bank conducted analysis that found dozens of assets in its real-estate portfolio that would likely be exposed to significant devaluations within the next ten years due to factors including increased rates of flooding and job losses due to the climate transition. Additionally, a study of a diversified equity portfolio found that, absent mitigating actions, climate risks could reduce annual returns toward the end of the decade by as much as 40 percent. Leading real-estate players will figure out which of their assets are mispriced and in what direction and use this insight to inform their investment, asset management, and disposition choices. They will also decarbonize their assets, attracting the trillions of dollars of capital that has been committed to net zero and the thousands of tenants that have made similar commitments. They will then create new revenue sources related to the climate transition.

Building climate intelligence is central to value creation and strategic differentiation in the real-estate industry. But the reverse is also true: real estate is central to global climate change mitigation efforts. Real estate drives approximately 39 percent of total global emissions. Approximately 11 percent of these emissions are generated by manufacturing materials used in buildings (including steel and cement), while the rest is emitted from buildings themselves and by generating the energy that powers buildings. Real-estate owners and investors will need to improve their climate intelligence to understand the potential impact of revenue, operating costs, capital costs, and capitalization rate on assets. This includes developing the analytical capabilities to consistently assess both physical and transition risks. Analyses should encompass both direct effects on assets and indirect effects on the markets, systems, and societies with which assets interact.

The following chart from McKinsey & Co. shows examples of physical and transition risks, and their potential effects on value.

Illustrative chart and examples of physical and transition risk effects on equity value of assets, %





## Social

According to *ESG Real Estate Insights* by Deloitte,

Recently, the “S” in ESG has received growing attention as the COVID-19 pandemic put greater emphasis on the social factor. Since real estate companies have a significant social impact, they should consider the “S” as a value driver. Social aspects in real estate include, for example, participation in the rehabilitation of public spaces, affordable housing, social housing or care centers as well as ensuring security in buildings and assuring human rights. From an internal perspective, social elements may also comprise ensuring workplace safety, fostering high standards in labor practices, responsible marketing, and promoting diversity across the company. Incorporating social considerations can increase companies’ ability to attract talent – especially among millennials. The risk of neglecting social elements can lead to a lack of reputation, lost work, higher employee turnover, increased operating costs, and may threaten the ability to operate.

## Governance

The “G” in ESG and how it pertains to commercial real estate is convoluted. Governance in commercial real estate has little to do with individual assets or portfolios, and more to do with how a commercial real estate company is structured, led, and how decisions are made. Governance concerns itself with how an ESG focused entity approaches risk management and longer-term planning. It may also concern itself with how individuals who manage properties make decisions to build tenant and community trust.

From a bigger picture, the “G” truly focuses on the boardroom and according to *ESG Real Estate Insights* by Deloitte,

Regarding the “G” in ESG, governance scrutiny is central to companies’ ability to continue business operations. While promoting corporate governance can present an opportunity for real estate companies in order to drive long-term value, not addressing governance considerations carries high risks – reaching from penalties and fines to a loss of reputation and market penetration.

Governance elements include, among others, compliance with governance rules and guidelines, ensuring adequate and transparent remuneration, promoting transparent disclosure of governance issues, taking action against corruption, fostering diversity in management and governing bodies, as well as establishing and communicating organizational values. A corporate culture of ethics, compliance, and integrity is the foundation to create a positive long-term impact.

## Relevance to Subject Property

The subject is not significantly affected by ESG factors.

# REGIONAL ANALYSIS

## AREA OVERVIEW

The subject is located within the city limits of Phoenix, Arizona in the northern portion of the Phoenix-Mesa-Scottsdale metropolitan statistical area (MSA).

## REGIONAL MAP

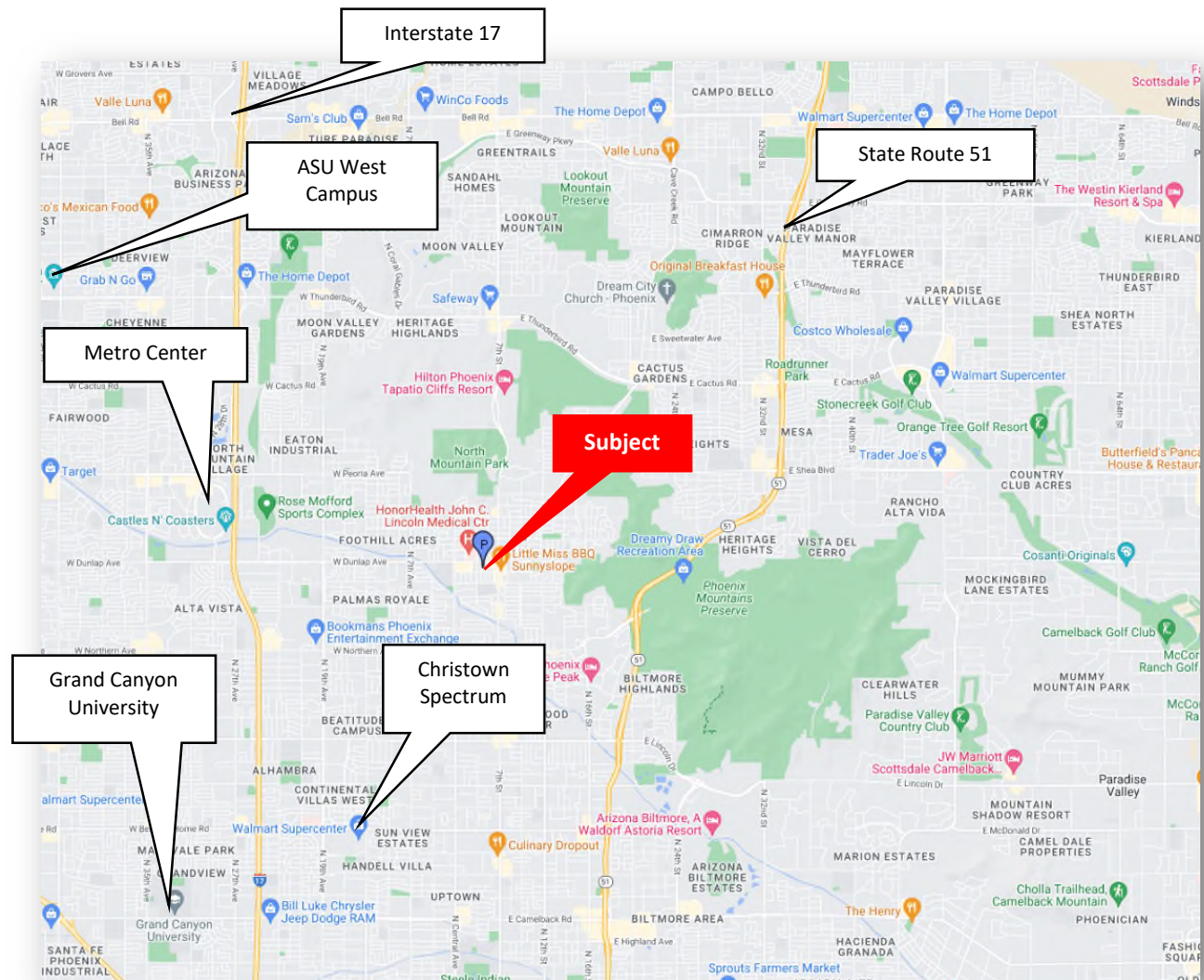


## ECONOMIC & DEMOGRAPHIC PROFILE

The following profile of the Phoenix-Mesa-Scottsdale MSA was provided by Economy.com, a leading provider of economic, financial, and industry information. A full detailed report can be found as an addendum to this report.

“Phoenix-Mesa-Scottsdale will outperform the fast-growing Mountain West. The key finance industry as well as population-dependent industries such as healthcare, leisure/hospitality and personal services will drive job additions. ***Longer term, a favorable business atmosphere and strong demographics will make Phoenix-Mesa-Scottsdale a perpetual outperformer, though rising temperatures add downside risk.***”

# PRIMARY MARKET AREA ANALYSIS



## GENERAL DESCRIPTION

The subject is located in the north portion of Central Phoenix, Arizona, a suburban area within the Phoenix Metro Area. The city of Phoenix is situated in Maricopa County, with the subject neighborhood approximately 8 miles north of the Phoenix Central Business District. The subject is situated with good linkages to Interstate 17, and other major arterials.

## LAND USE AND SUPPORTIVE DEVELOPMENT

The immediate area is primarily commercial uses; the subject area includes office, retail, and medical uses along Dunlap Avenue. The adjacent area to the south is dominated by residential uses. Other retail uses throughout the neighborhood are focused on major arterial intersections. Vacant land makes up less than 5% of the total land use.

## NEIGHBORHOOD LAND USE

**Christown Spectrum** is the oldest operating mall in Phoenix, Arizona and was the third shopping mall built in the city. Today it exists as an enclosed shopping mall, although the enclosed portion of the mall was greatly reduced when redevelopment changed the configuration closer to a power center. Christown Spectrum's anchor stores are Super Target and Walmart Supercenter. There are two empty anchors formerly occupied by Costco and JCPenney. Christown Spectrum also has Big 5 Sporting Goods, Dollar Tree, PetSmart, Ross Dress for Less, Walgreens and Harkins Theatres.

**Metro Center Mall**, once the largest mall in the Southwest, closed on June 30, 2020. According to the Phoenix Business Journal in an article dated December 10, 2021, Florida-based Concord Wilshire Capital and Florida-based TLG Investment Partners announced Thursday they are under contract to buy the property and plan to work with Hines on a \$750 million redevelopment of the massive mall.

**Grand Canyon University** Grand Canyon University has been accredited by the Higher Learning Commission (HLC) since 1968. GCU is also authorized in Arizona by the Arizona State Board for Private Postsecondary Education. GCU is a private for-profit Christian university in Phoenix, Arizona. Based on student enrollment, Grand Canyon University is one of the largest Christian universities in the world, with 20,000 attending students on campus and 70,000 online.

**Arizona State University West Campus** - Although outside the area of observation is one of six university campuses that comprise Arizona State University (ASU). The West campus was established by the Arizona Legislature in 1984, and is located in northwest Phoenix, bordering the city of Glendale on 278 acres. ASU's campuses are unified as a single institution, and so the West campus shares students, faculty, administration, and accreditation with the other campuses. The campus is approximately six miles northwest of the subject location.

## MULTIFAMILY SUPPORTING USES

The subject property is in proximity to several retail and office employment centers with daytime employment reported, average median income within a 3-mile radius is \$64,065. Most of the jobs are office/administrative support. The subject is also located near major local streets which have multiple bus stops, connecting to routes throughout Phoenix and the market area.

## LIFE STAGES AND TRENDS

A search of Costar of the three-mile radius surrounding the subject indicated that over the last 5 years over 1,000 multifamily units have been delivered. The next most significant property type added to the market is self-storage with four large projects completed. Additionally, several fast-food restaurants were completed.

## PUBLIC TRANSPORTATION & ACCESS

### *Vehicle*

The automobile remains the most dominant mode of transportation in the neighborhood with an average travel time to work reported to be approximately 26 minutes, according to Nielsen. Access to the area is provided by Interstate 10 from the south, State Route 51 from the east and Interstate 17 from the west. These freeways in turn provide access to the entire MSA and surrounding communities.

### *Public Transportation*

The subject is adjacent to the 26-mile Metro Light Rail which runs from north Phoenix, through downtown Phoenix and Tempe, to Mesa in the east. The nearest station is the McDowell/Central Avenue station, directly in front of the subject property and the trains run every 12-15 minutes.



Additionally, Phoenix's bus service, Valley Metro, has an extensive footprint throughout the MSA and the subject is located across within 0.5 miles of the nearest bus stops along Dunlap Avenue and 7<sup>th</sup> Street.

### **Airport**

The MSA is serviced by Sky Harbor International Airport, which sits approximately 11 miles southeast from the property. It is the busiest airport in Arizona, and in 2022, Sky Harbor served over 44 million passengers, making it the 11th busiest airport in the U.S. and the 22nd busiest airport in the world.

## **DEMOGRAPHICS**

Selected neighborhood demographics in 1-, 3-, and 5-mile radii from the subject are shown in the following table:

COMPARATIVE DEMOGRAPHIC ANALYSIS FOR PRIMARY TRADE AREA			
	415 E Puget Avenue - 1 mi.	415 E Puget Avenue - 3 mi.	415 E Puget Avenue - 5 mi.
Description	Totals	Totals	Totals
<b>Population</b>			
2028 Projection	18,219	122,487	376,616
2023 Estimate	17,940	119,835	368,193
2020 Census	17,658	117,500	360,631
2010 Census	17,197	109,327	330,120
2023 Est. Median Age	40.29	40.45	39.26
2023 Est. Average Age	40.50	41.00	40.10
<b>2023 Est. Average Household Size</b>	<b>2.30</b>	<b>2.30</b>	<b>2.40</b>
<b>2023 Est. Households by Household Income (%)</b>			
Household Income < \$15,000	8.6	10.0	9.1
Household Income \$15,000 - \$24,999	8.2	8.4	8.3
Household Income \$25,000 - \$34,999	8.9	8.9	8.7
Household Income \$35,000 - \$49,999	11.1	12.5	13.1
Household Income \$50,000 - \$74,999	<b>18.6</b>	<b>16.8</b>	<b>17.5</b>
Household Income \$75,000 - \$99,999	12.9	11.6	12.1
Household Income \$100,000 - \$124,999	9.8	8.4	9.1
Household Income \$125,000 - \$149,999	7.1	6.2	6.4
Household Income \$150,000 - \$199,999	6.3	6.5	6.1
Household Income \$200,000 - \$249,999	4.1	3.9	3.5
Household Income \$250,000 - \$499,999	2.9	4.0	3.7
Household Income \$500,000+	1.4	2.7	2.5
<b>2023 Est. Average Household Income</b>	<b>\$91,657</b>	<b>\$97,916</b>	<b>\$96,083</b>
<b>2023 Est. Median Household Income</b>	<b>\$67,099</b>	<b>\$64,065</b>	<b>\$64,571</b>
<b>2023 Est. Tenure of Occupied Housing Units (%)</b>			
Owner Occupied	50.5	47.9	52.3
Renter Occupied	49.5	52.1	47.7
<b>2023 Est. Median All Owner-Occupied Housing Value</b>	<b>\$435,576</b>	<b>\$493,494</b>	<b>\$390,400</b>

Source: 2023 Claritas, Inc.



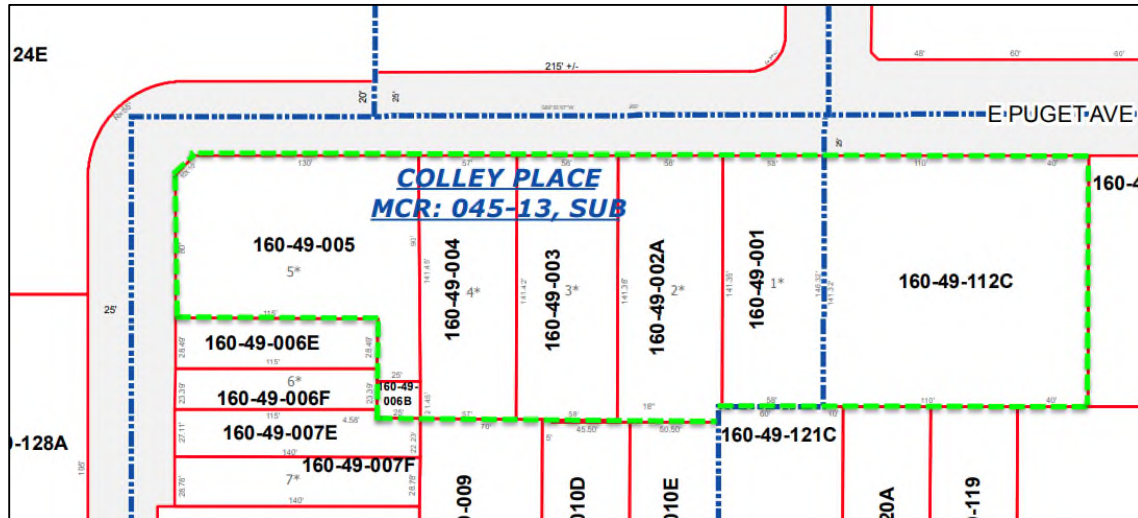
Population growth in a three mile-radius of the subject increased 7.5% from 2010 to 2020, 2.0% from 2020 to 2023, and is projected to decrease by 2.2% over the coming 5-year period.

## **CONCLUSION**

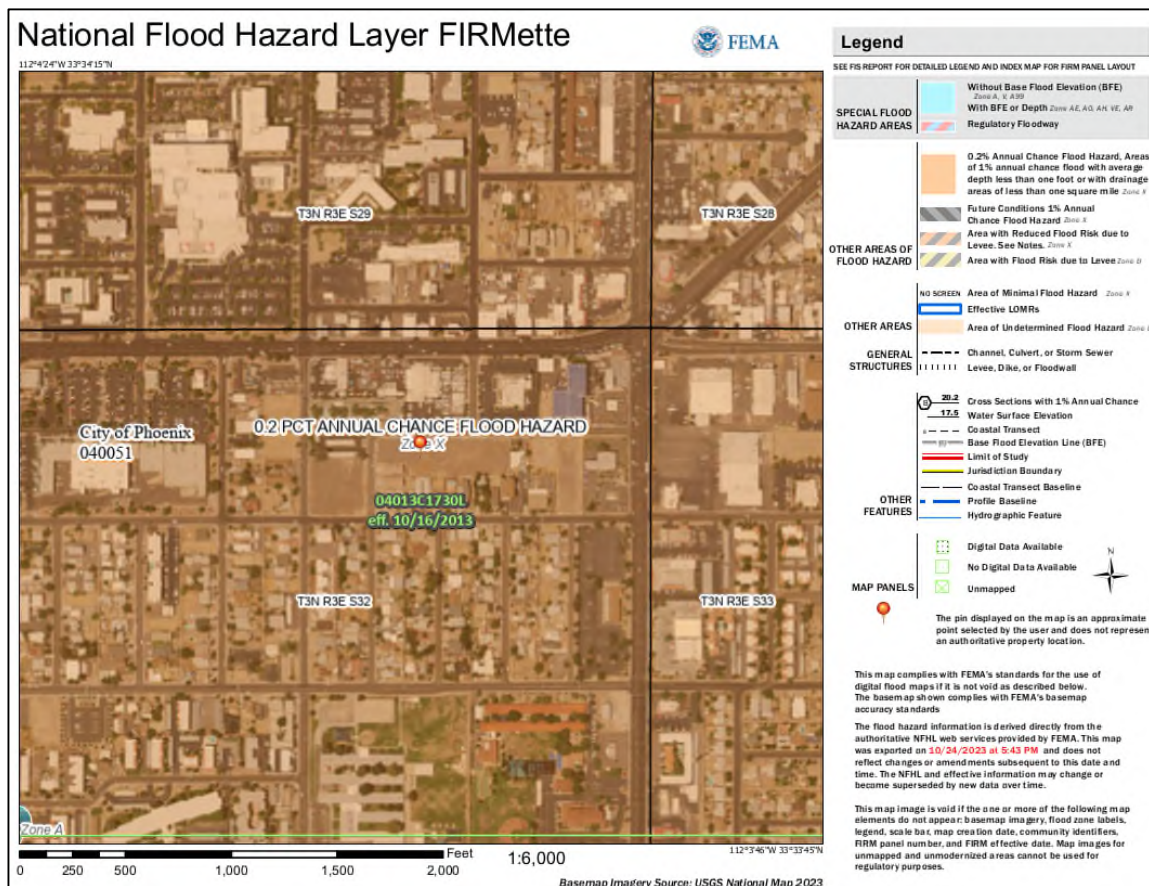
The local area associated with the subject property includes good linkages to the freeway system and retail centers. The area has experienced reasonable growth with over 1,000 multifamily units added within the last 5 years. The economic outlook for the subject's local area is good.

# SITE DESCRIPTION

## ASSESSOR'S MAP



## FLOOD MAP



GENERAL SITE DESCRIPTION OVERVIEW			
Location	SEC Puget Avenue & 4th Street		
Parcel Number	160-49-006B, 160-49-005, 160-49-004, 160-49-003, 160-49-002A, 160-49-001, and 160-49-112C.		
Legal Description	Lengthy		
Census Tract No.	1053.00		
Latitude, Longitude	33.566586, -112.068077		
Site Area	64,639 square feet	(1.48 acres)	
Configuration	Generally Rectangular		
Topography	Generally level		
Drainage	Appears adequate		
Utilities/Municipal Services	Typical utilities and municipal services available to site.		
Flood Zone(s)	<u>Zone</u>	<u>Map</u>	<u>Date</u>
	Zone X (Shaded)	04013C1730L	October 16, 2013
	Zone X (Shaded) is a Non-Special Flood Hazard Area (NSFHA) of moderate flood hazard, usually the area between the limits of the 100-year and 500-year floods. Are also used to designate base floodplains of lesser hazards, such as areas protected by levees from 100-year flood, or shallow flooding areas with average depths of less than one foot or drainage areas less than 1 square mile. This is an area in a low to moderate risk flood zone that is not in any immediate danger from flooding caused by overflowing rivers or hard rains. In communities that participate in the National Flood Insurance Program (NFIP), flood insurance is available to all property owners and renters in this zone.		
Soil/Subsoil Conditions	We did not receive nor review a soil report. However, we assume that the soil's load-bearing capacity is sufficient to support any proposed structure(s). We did not observe any evidence to the contrary during our physical inspection of the property.		
Environmental Concerns	The inspecting appraiser did not observe any environmental issues and for the purpose of this appraisal, it is specifically assumed that none exist. No independent environmental studies were provided. This appraisal assignment was engaged to determine the market value of the property, independent of any potential environmental issues. In the event the property is determined to be impacted by environmental concerns, it could affect our appraisal conclusions.		
Off-Site Improvements	Completed		
Easements/Restrictions	There are no known detrimental easements, encroachments or other restrictions that would adversely affect the site's use or marketability.		
Hazards/Nuisances	None noted		
Frontage	+/- 523 ' on Puget Avenue & 94' on 4th Street		
Access	Frontage to two collector streets		
Visibility	Average		
Surrounding Land Uses	North - retail along Dunlap Avenue, West - ministorage/vacant land, East/South - SFR		
Traffic Counts	Minimal		
Transportation Facilities	Valley Metro bus service available at arterial intersection just northeast of the subject		



# REAL PROPERTY TAXES AND ASSESSMENT

## PROPERTY ASSESSMENT AND TAX DATA

The subject property is owned by the City of Phoenix; thus, is exempt from taxation.

REAL ESTATE ASSESSMENT AND TAXES		
	2023	2024 Prelim
Limited Property Value	\$194,432	\$204,151
Assessed Value @15%	\$29,165	\$30,623
Effective Tax Rate (per \$100)	-	-
<b>Property Taxes</b>	<b>\$0</b>	<b>\$0</b>

*\* The subject is owned by the City of Phoenix and is exempt from taxation.*



# MARKET ANALYSIS -NORTH PHOENIX MULTI-FAMILY MARKET

## OVERVIEW

Fundamentals in the North Phoenix Submarket have **downshifted**. The robust pace of demand and rent growth seen in the quarters following the onset of the pandemic has given way to a significant moderation. Rental demand began pulling back starting in mid-2021 and **eight consecutive quarters of negative net absorption** drove the vacancy rate up to 8.2%.

The North Phoenix Submarket is more insulated than supply-heavy areas of Phoenix, such as Tempe, Downtown Phoenix, and the West Valley submarkets. The constrained development pipeline has helped mitigate the risk of further supply and demand imbalances. Moving forward, the submarket will be tested in the coming years as the submarket receives its first major supply addition since the pandemic. **CoStar's Base Case forecast calls for higher vacancy and further declines in annual rent growth in the near term as new developments hit the market.**

Several high-profile investment projects support the submarket's long-term outlook, including the \$40 billion semiconductor manufacturing facility by TSMC, Nationwide Realty's \$1 billion Cavasson mixed-use development, the extension of Valley Metro Light Rail, and the redevelopment of PV and Metrocenter malls. **These projects will have a broad range of positive economic effects that will benefit the submarket and metro for years to come.**

From an investment standpoint, North Phoenix has been one of the most liquid submarkets in the metro as value-add investors aggressively pursued the submarket's deep inventory of older vintage, lower-quality complexes. **Recently, however, higher interest rates have stymied deal flow** and about \$366 million of apartments traded hands in the past 12 months, down considerably from 2021 and 2022 when over \$1.5 billion traded. **Additionally, pricing has peaked and has been declining for several quarters** with estimates indicating additional moderation in 2023. Moving forward, **the higher cost of capital is expected to place additional upward pressure on cap rates** and keep transaction volume slow over the near term.

## KEY INDICATORS AT A GLANCE

	PRIOR QUARTER	CURRENT QUARTER	COMPARISON
Vacancy (%)	6.98%	7.62%	increased 64 Basis Points
Absorption (Units)	-189	-277	decreased 88 Units
Quoted Rental Rates (\$/Unit/Month)	\$1,411	\$1,392	decreased \$19 Per Unit
Inventory (Units)	43,241	43,241	no change Units
Net Deliveries (Units)	0	0	no change Units
Under Construction (Units)	1,740	1,740	no change Units
Overall Comparison	Vacancy rates increased following negative net absorption. Rental rates decreased slightly. With the continued increase in interest rates, many market participants anticipate limited future construction. On a positive note, should inflation get under control, construction costs could decrease to a level making development financially feasible, despite the higher interest rates.		

## NORTH PHOENIX MULTI-FAMILY MARKET STATISTICS

PERIOD	EXISTING INVENTORY (UNITS)	VACANCY %	NET ABSORPTION (UNITS)	NET COMPLETIONS (UNITS)	UNDER CONST. (UNITS)	QUOTED RATES (\$/UNIT/MONTH)
2023 Q2	43,241	7.62%	-277	0	1,740	\$1,392
2023 Q1	43,241	6.98%	-189	0	1,740	\$1,411
2022 Q4	43,241	6.54%	-139	70	1,536	\$1,396
2022 Q3	43,171	6.07%	-136	15	938	\$1,417
2022	43,241	6.54%	-621	157	1,536	\$1,396
2021	43,084	4.76%	551	17	424	\$1,387
2020	43,067	6.00%	1,068	362	89	\$1,135
2019	42,705	7.70%	410	680	362	\$1,079
2018	42,025	7.18%	485	931	672	\$1,011
2017	41,094	6.26%	305	0	943	\$948
2016	41,094	7.01%	773	278	24	\$900
2015	40,816	8.27%	884	969	278	\$857
2014	39,847	8.26%	680	570	881	\$803

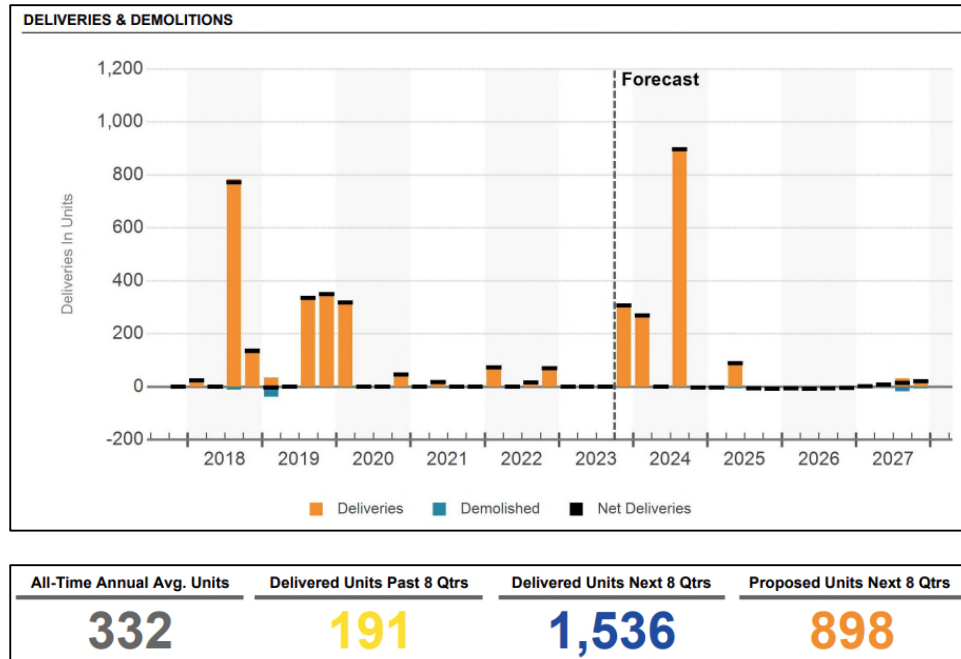
**Summary** - The North Phoenix Multi-Family market ended the second quarter with a vacancy rate of 7.62%. The vacancy rate increased over the previous quarter, with net absorption totaling -277 units in the second quarter. Rental rates decreased compared to the previous quarter, ending second quarter at \$1,392. No new units were delivered to the market, with 1,740 units still under construction at the end of the quarter.

## INVENTORY & CONSTRUCTION

No new units were delivered in the last and previous quarters, a total of 70 units were completed in the fourth quarter 2022, and 15 units were completed in the third quarter 2022.

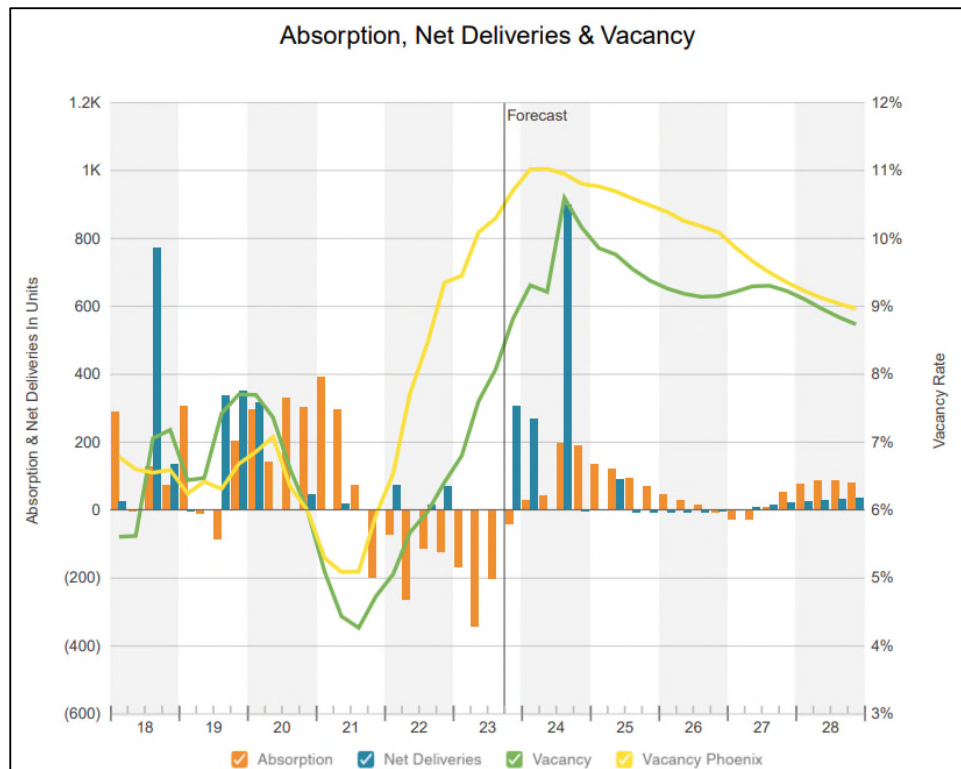
There were 1,740 units of Multi-Family space under construction at the end of the second quarter 2023.

SUBTYPE	EXISTING INVENTORY (UNITS)	NET DELIVERIES (12 MONTHS)	UNDER CONSTRUCTION (UNITS)
Class A (4 & 5 Star)	13,238	0	744
Class B (3 Star)	18,937	20	996
Class C (1 & 2 Star)	11,066	65	0
<b>Total</b>	<b>43,241</b>	<b>85</b>	<b>1,740</b>



Deliveries slowed considerably in the years following the onset of the pandemic as developers adopted a wait-and-see approach in the submarket. Even during the pre-COVID period, North Phoenix was not a particularly active construction market, with builders more focused on urban submarkets that command higher rents or high-growth areas in the West and East Valley that have more available land. Just 81 units delivered over the past 12 months and about 240 units were completed over the past three years. Recently, however, several large multifamily projects have broken ground as developers begin to re-engage with the submarket. Roughly 1,500 units are currently under construction, which will grow the submarket's inventory by 3.5% once completed. Despite the recent uptick, the pipeline remains thin compared to the metro overall which currently has 8.6% of inventory underway. The most high-profile project under construction is the redevelopment of PV Mall. Now rebranded as simply PV, the site is undergoing a massive transformation into a 100-plus-acre mixed-use development. The first phase will include a Whole Foods, a movie theater, new restaurants, and residential space. The housing component is a 400-unit luxury apartment development by StreetLights Residential, which is expected to be completed in summer 2024. Near Metrocenter Mall, which itself is receiving an \$850-million redevelopment, several projects have been proposed including Metro Lofts (204 units). After nearly a decade of minimal activity, progress has resumed on another major mixed-use development in the submarket, City North. Located near Desert Ridge Marketplace, City North broke ground on 272 units of low-rise apartments at a development known as Sunela. Residents of the new complex will have access to the development's first phase, High Street, a massive urban neighborhood center with a variety of bars, restaurants, beauty and fitness space, and other retail. Upon full build-out, the master plan calls for 2 million SF of office space, thousands of additional multifamily units, and an upscale hotel.

## VACANCY

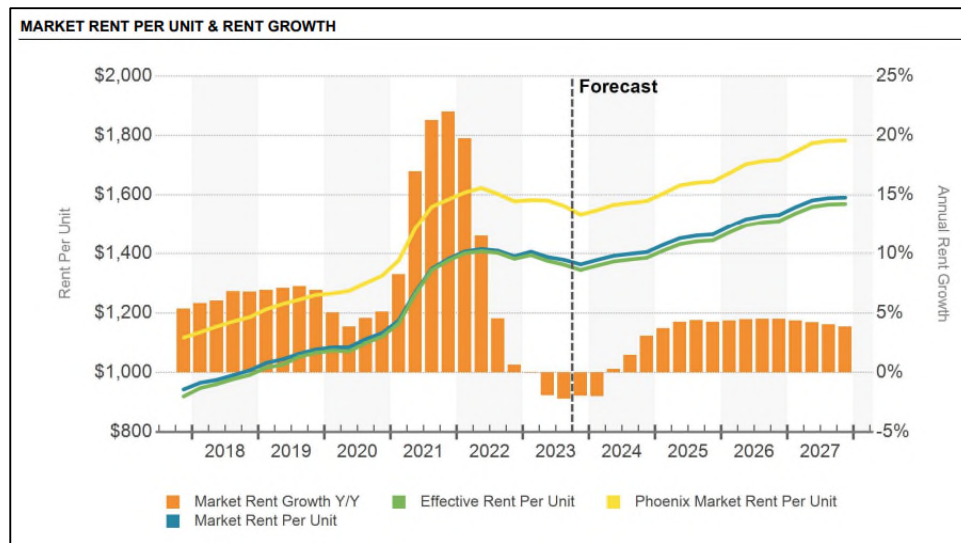


Rental demand has evaporated over the past 24 months with 23Q3 marking the eighth consecutive quarter with more apartment move-outs than move-ins. North Phoenix saw -830 units of net absorption in the past year, the worst performance in the Valley. As a result, the vacancy rate has climbed from 4.3% in summer 2021 to 8.2% today and is poised to rise further with forward-looking estimates anticipating tepid demand for the next few quarters. The near-total lack of new construction during that time prevented a more rapid rate of increase as seen in other more development-heavy submarkets, which has kept vacancy comparatively low. Incomes vary widely in this geographically large submarket. The area has become synonymous with call centers, and companies related to healthcare and education have large customer service operations here. Incomes are lower in the southern and western portion of the submarket but rise traveling north near the Loop 101 freeway. Higher-wage positions are poised to expand over the next few years here. Just outside the submarket, near Loop 303 and Interstate 17, construction is underway on Taiwan Semiconductor Manufacturing Company's \$40 billion chip manufacturing plant. The factory will create 10,000 high-tech jobs and estimates from city economic development officials suggest that the deal could attract more than 45 new companies to the market that supply and support the facility. Additionally, in 2021, work finished on a pair of new offices at Cavasson along Loop 101 and Hayden Road. Nationwide Mutual Insurance anchors one office, and Choice Hotels anchors the other with a third building that will house Meritage Homes also underway. These companies will bring hundreds of quality jobs to the area. Upon full build-out, Cavasson is expected to consist of 1.8 million SF of office space and could accommodate between 8,000 and 9,000 employees.

Currently, two-bedroom units have the lowest vacancy rate.

Vacancy rates are expected to peak near 10.5% in 2024 then drop closer to 9% in 2028.

## RENT



During the two years following the onset of the pandemic, the lack of new supply together with an upswing in rental demand gave landlords the leverage to achieve substantial rent growth, with annual gains peaking at 22.0% in late 2021. The recent pullback in housing demand, however, has caused asking rents to decline over the past few quarters, and average asking rent growth is now negative at -2.0% on a year-over-year basis. The North Phoenix Submarket offers some of the most affordable rents in the Valley, partially due to the composition of the submarket's inventory. The area received the bulk of its supply during the construction boom of the 1980s, and a lack of substantial development in the last decade has left much of the existing stock older compared to other areas. Approximately 80% of the submarket's multifamily units were built before 2000, compared to 60% for the market overall. Rents can vary widely in this geographically sprawling submarket. Near Desert Ridge, the average market rent is above \$2,000/month with newer luxury properties commanding a healthy premium. For example, Montreux Apartments, a 335-unit 4 Star mid-rise built in 2019, has two-bedroom units advertised at about \$2,500/month. Whereas within a two-mile radius of Metrocenter Mall, two-bedroom floorplans average closer to \$1,300/month. As a result, North Phoenix is attractive to renters who have been priced out of neighboring areas. Residents can find apartments that rent for an average of about \$1,380/month here, compared to the Phoenix average of \$1,530/month. The discrepancy is even more pronounced in nearby North Scottsdale, where average rents are above \$2,100/month.

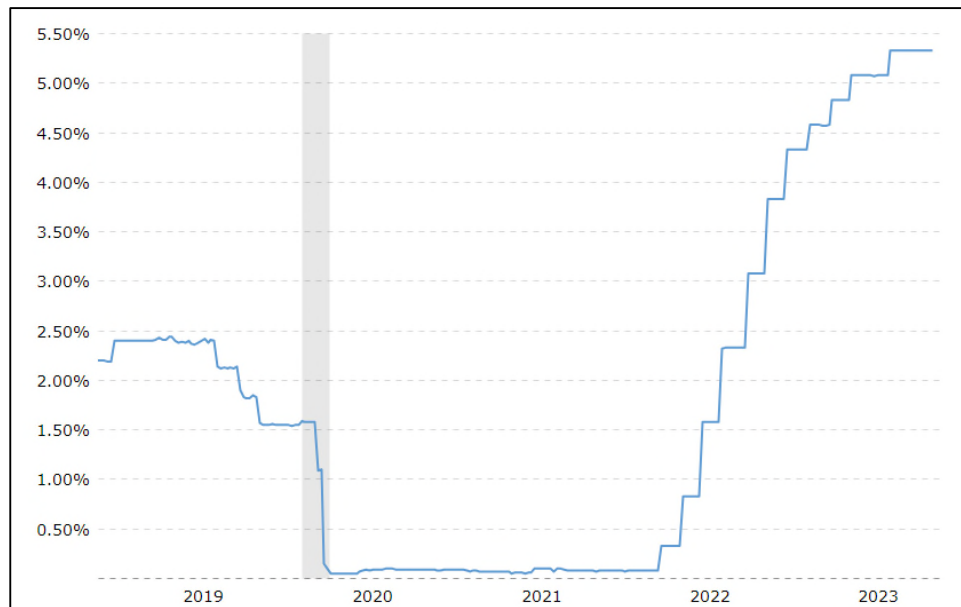
Rent growth is expected to increase closer to historical norms on 4-5% in 2025.



## INTEREST RATE HIKES

The Federal Reserve expressed concerns regarding increases in inflation. The Federal Reserve began raising interest rates in March 2022. Interest rates had been at all-time lows for an extended period of time; therefore, an increase in all types of interest rates has begun and they are expected to continue until inflation decreases. This has a direct impact on mortgage interest rates, which has increased the cost of borrowing. The rise in mortgage interest rates combined, with the increased cost of construction could begin to slow the demand for all types of housing. The rate at which the Federal Reserve raises interest rates will have a substantial impact on the ability of the economy to absorb these increases.

The graph below is published by Macrotrends.net and shows the Federal Funds Rate since 2017. The grey bar represents the recession caused by the CoVid-19 pandemic and the subsequent sharp rate drop that occurred at that time. The Federal Reserve has increased rates by over 500 basis points and interest rates are now considerably higher than what they were at the peak in 2018 through 2019.



We have had several conversations with market participants who indicate capitalization rates on contracts negotiated since the interest rate hikes are over 100 basis points higher than those negotiated prior to the interest rate increase. Brokers active in the multi-family market indicate the rates have increased from the 3.0% to 4.0% range to the 5.0% to 6.0% range. Some multi-family investors remain optimistic and have continued their multi-family investment as the interest rate increases are pricing home buyers out of the housing market, forcing them to remain renters longer than they had anticipated.

## SUMMARY

Vacancy rates are expected to peak near 10.5% in 2024 then drop closer to 9% in 2028. Rent growth (currently negative) is expected to increase closer to historical norms of 4-5% in 2025.

The current high costs of financing are expected to decrease new construction over the next few years allowing absorption of the existing units in the supply pipeline. Although current market conditions are currently depressed, the outlook is positive over the next five years.

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# HIGHEST AND BEST USE

## HIGHEST AND BEST USE AS VACANT

### LEGALLY PERMISSIBLE

Legal restrictions include deed restrictions, CC&R's, lease encumbrances, zoning requirements, building codes, historic district controls and environmental regulations, and were previously analyzed to determine legally permitted uses. Legally, the subject is zoned R-5, Multifamily Residential. Allowable uses include single and multifamily residential uses. No other legal restrictions have been identified that would limit development of the property beyond the development standards stipulated by municipal code.

### PHYSICALLY POSSIBLE

Size, shape, topography, soil condition, availability of utilities, transportation access, surrounding uses, and locational characteristics were previously analyzed to determine which legal land uses are physically possible and which are best to conform to the physical and locational aspects of the site and its setting with respect to the neighborhood and community. Overall, the physical site attributes result in adequate utility, and the property could be developed with a variety of legally-conforming uses. Given the surrounding uses and location, the site is best suited for multifamily development.

### FINANCIALLY FEASIBLE

Financial feasibility is determined by the relationship of supply and demand for the legally probable land uses versus the cost to create them. The market analysis section reveals that multifamily in the subject's market are generally stabilized. Recent and planned developments in the market area serve as direct evidence that new development is financially feasible; however, the recent increases in interest rates and high construction costs have stymied much of the new development. Comparisons of rental rates, operating expenses and construction costs indicate that the feasibility of a new development could be questionable in the current market. Given the legal and physical attributes of the site, coupled with the underlying land values and planned inventory, immediate development of the site would not be considered financially feasible.

### MAXIMALLY PRODUCTIVE

The final test of highest and best use of the site as vacant is that the use be maximally productive, yielding the highest return to the land. In order to determine the maximally productive use, a comparison of rental rates, occupancy, operating expenses, and rates of return for the financially feasible uses have been made. Again, based on this analysis, multifamily renders the highest residual land value, representing the maximally productive use of the site.

### CONCLUSION – AS VACANT

Based upon the above analysis, it is our opinion *the Highest and Best Use of the subject, as vacant, is to hold for future multifamily development.*

# LAND VALUATION

## METHODOLOGY

The Sales Comparison Approach is employed to develop an opinion of land value. In the Sales Comparison Approach, we developed an opinion of value by comparing similar, recently sold sites in the surrounding or competing area to the subject property. In order to determine the value of the subject property, these comparable sales and/or listings are then evaluated and adjusted based on their differences when compared to the subject property. Inherent in this approach is the principle of substitution, which states that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution.

The Sales Comparison Approach to value requires the following sequential steps:

<b>Unit of Comparison</b>	A unit of comparison (i.e. price per square foot, price per acre, price per dwelling unit) must be selected for comparable analysis of the sales and the subject. The selected unit of comparison must be consistent with market behavior.
<b>Search for Sales</b>	Research must be done to locate comparable sales, listings and contracts of sites that are similar to the subject. Similarities may include size, utility, zoning, physical characteristics, location and the date of the sale.
<b>Confirmation</b>	All sales must be confirmed to verify that the data used is accurate, and that all of the sales, listings or contracts represent arm's-length transactions.
<b>Comparison</b>	Each of the sales that is chosen for this valuation is considered generally similar to the subject. Therefore, each difference between the comparables and the subject must be identified, and then adjusted for the various differences. All adjustments are made to the comparables as they relate to the subject property.
<b>Reconciliation</b>	Once the comparables have been adjusted, a value must be concluded based on the indications produced from the analysis of the comparables.

## UNITS OF COMPARISON

The sales are compared to the subject property on the basis of price per ***square foot of net site area***. The unit of comparison is adjusted to the subject property for various differences and then applied to the subject's land area to arrive at an estimate of value.

## COMPARABLE LAND SALES

Two comparables in the subject's general market area and two in a similar area are employed to conclude an opinion of value for the subject site. These sales emphasized locations which are most comparable to the subject. The comparables range in size from 0.96 to 3.51 acres. Recorded dates are between July 2021 and May 2023. Following is a summary map followed by a summary table providing pertinent details of the respective sales. Full sale write-ups can be found in the addendum of the report.

## COMPARABLE LAND SALES MAP



SUMMARY OF LAND SALES									
No.	Property / Location	Date of Sale / Status	Property Rights	Site Size (Net Acres)	Zoning	Density (Units/Ac)	Price per Acre (Net)	Price per SF (Net)	Price per Unit
1	10610-10612 N 15th Ln 10610 North 15th Lane Phoenix, AZ	May-23 Closed	Fee Simple	1.10	R-3A; Multifamily Residential	11.8	\$363,819	\$8.35	\$30,769
2	5939 W. Missouri Ave. 5939 West Missouri Avenue Glendale, AZ	Jul-22 Closed	Fee Simple	2.33	R-4; Multifamily Residential	14.2	\$236,039	\$5.42	\$16,667
3	1309 E Peoria Ave 1309 East Peoria Avenue Phoenix, AZ	Jan-22 Closed	Fee Simple	0.96	R-5; Multifamily Residential	16.7	\$416,663	\$9.57	\$25,000
4	Multifamily Land 5812 North 59th Avenue Glendale, AZ	Jul-21 Closed	Fee Simple	3.51	R-4; Multifamily Residential	15.7	\$228,076	\$5.24	\$14,545
Subj.	415, 425, 429 & 501 East Puget Avenue Phoenix, Arizona	---	---	1.48	R-5, Multifamily Residential	---	---	---	---

## COMPARABLE LAND SALES ADJUSTMENT GRID

LAND SALE ADJUSTMENT GRID – per Square Foot					
	Subject	Sale 1	Sale 2	Sale 3	Sale 4
Property / Location	415, 425, 429 & 501 East Puget Avenue Phoenix, Arizona	10610-10612 N 15th Ln 10610 North 15th Lane Phoenix, AZ	5939 W. Missouri Ave. 5939 West Missouri Avenue Glendale, AZ	1309 E Peoria Ave 1309 East Peoria Avenue Phoenix, AZ	Multifamily Land 5812 North 59th Avenue Glendale, AZ
Date of Sale / Status	---	May-23 Closed	Jul-22 Closed	Jan-22 Closed	Jul-21 Closed
Unadjusted Price per SF		\$8.35	\$5.42	\$9.57	\$5.24
Transactional Adjustments					
Property Rights Conveyed	<i>Fee Simple</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
Financing Terms	<i>Cash/Market</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
Conditions of Sale	<i>Arm's Length</i>	<i>Motivated Seller</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
Adjustment		5%	0%	0%	0%
Expenditures Immed After Sale	<i>None</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
Market Conditions	<i>Oct-23</i>	<i>May-23</i>	<i>Jul-22</i>	<i>Jan-22</i>	<i>Jul-21</i>
Adjustment		0%	0%	3%	8%
Total Transactional Adjustments		5%	0%	3%	8%
Adjusted Price per SF		\$8.77	\$5.42	\$9.85	\$5.65
Property Adjustments					
	<i>Sunnyslope/collector</i>	<i>Similar</i>	<i>Inferior</i>	<i>Similar</i>	<i>Inferior</i>
Location		0%	10%	0%	10%
	<i>1.48</i>	<i>1.10</i>	<i>2.33</i>	<i>0.96</i>	<i>3.51</i>
Net Site Size (Ac)		0%	10%	0%	15%
	<i>R-5</i>	<i>R-3A</i>	<i>R-4</i>	<i>R-5</i>	<i>R-4</i>
Zoning / Density		5%	5%	0%	5%
	<i>Generally rectangular</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
Shape / Configuration		0%	0%	0%	0%
	<i>All available to site</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
Utilities/Infrastructure		0%	0%	0%	0%
	<i>Zone X (Shaded)</i>	<i>Zone X (Unshaded)</i>	<i>Zone X (Unshaded)</i>	<i>Zone X (Shaded)</i>	<i>Zone X (Shaded)</i>
Flood Zone		0%	0%	0%	0%
Total Property Adjustments		5%	25%	0%	30%
Indication for Subject per SF		\$9.21	\$6.77	\$9.85	\$7.35



## **DISCUSSION OF ADJUSTMENTS**

### **PROPERTY RIGHTS CONVEYED**

This adjustment accounts for any impact that the property rights transferred to the buyer may have on sale price. For leased fee properties, the length of leases in place and the relationship of market to contract rent could impact value. Some properties may have stronger appeal to an owner-user or an investor, resulting in a premium or discount associated with fee simple property rights. The subject property is being valued as if owned in Fee Simple Interest.

All of the comparables were sales of the Fee Simple Interest as well, and no adjustments were required.

### **FINANCIAL TERMS**

This category accounts for differences in financing terms associated with the transaction. Financing arrangements that may require an adjustment include mortgage assumptions (at favorable interest rates), seller financing, installment sales, wrap-around loans, or any other atypical financing arrangements that do not represent cash-equivalent terms.

The comparables were reported to be cash to the seller, therefore, no adjustments were necessary for cash equivalency.

### **CONDITIONS OF SALE**

Adjustments for conditions of sale typically reflect various motivations of the buyer and/or seller. This may include such factors as seller distress (short sale, REO, auction) or buyer motivation (assemblage, etc.). In some situations, the conditions of sale may significantly affect transaction prices. Properties that are listed for sale may require adjustments herein to account for any disparity between asking prices and the achievable sale price anticipated.

Sales 2, 3 & 4 represented arm's-length transactions, consistent with the definition of market value. Therefore, no adjustments will be applied for this factor.

Sale 1 included a motivated seller and is adjusted upward.

### **EXPENDITURES IMMEDIATELY AFTER SALE**

In order to arrive at the effective sale price, the actual sale price of each comparable is adjusted to account for any unusual expenditures planned by the buyer immediately after sale, such as unusual site work.

No unusual expenditures were reported for the comparables; therefore, no adjustments have been made for this factor.

### **MARKET CONDITIONS**

The sales included in this analysis date between July 2021 and May 2023.

Land brokers indicate that values increased substantially over the past five years, with the development of several apartment projects. With nearly the doubling of interest rates in the past 12 months, there have been only a few new land deals in 2023. The market peaked in March 2022, just prior to the beginning of interest rate increases. Therefore, for the purpose of this analysis, an upward 1.0% per month (roughly 12% annually) adjustment has been employed through March 2022, with no adjustment after that date.

**LOCATION**

The subject is located in the Sunnyslope area of Phoenix and includes visibility to two collector streets.

Sales 1 & 3 are located in the same general area as the subject and are located on collector streets, similar to the subject. Overall, Sales 1 & 3 include very similar locations to the subject.

Sales 2 & 4 are located in an inferior area with regards to demographics and lower median incomes and rental rates. The sales are both located on collector streets, similar to the subject. Sales 2 & 4 are both adjusted upward for inferior location.

**SIZE**

Size and pricing typically have an inverse relationship, whereby larger sites tend to achieve lower pricing on a per-square-foot basis. This is attributable to economies of scale, as well as the narrower pool of prospective buyers for a larger property. However, in the case of redevelopment or infill areas, larger property can often garner a high price per square due to the assemblage value and the ability to create a greater economies of scale.

The subject is at mid-range of the sales in terms of size.

Sales 1 & 3 are overall similar in size and are not adjusted.

Sales 2 & 4 are larger and are adjusted upward.

**ZONING/DENSITY**

The value of vacant land is largely contingent upon its potential use. This factor considers the uses permitted by the applicable development standards, per the subject's zoning designation. The maximum density to which a property can be developed typically impacts total value positively.

The subject zoning allows for higher density of zoning compared to Sales 1, 2 & 4 and these sales are adjusted upward.

Sale 3 has the same zoning and is not adjusted.

**SHAPE**

The configuration, shape, dimensions and depth of a site determine its developability and overall utility. These factors can impact development costs, usable area of the site, and thereby, achievable pricing.

The subject is generally rectangular, similar to the sales, and no adjustments are required.

Sale 3 includes a wash that extends across the site, which did not significantly affect the use/marketability of the site.

**UTILITIES/INFRASTRUCTURE**

Infrastructure adjustments may reflect differences in utility availability/capacity, developmental plans or other outside influences.

All the sales have the necessary utilities and infrastructure available for development; thus required no adjustment.

## FLOOD ZONE

The prices of properties located within flood prone areas tend to be proportionately less than otherwise similar parcels not adversely affected by flood plain locations. This is due to the increased development costs associated with alleviating the problem as well as the fact that portions of the site may not be able to be developed or higher expenses related to insurance for buildings located in flood prone areas.

The subject and all four comparable are located within Zone X (shaded/unshaded); thus, requiring no adjustment.

## CONCLUSION OF LAND VALUE

SALES SUMMARY	UNADJUSTED	ADJUSTED
Minimum	\$5.24	\$6.77
Maximum	\$9.57	\$9.85
Average	\$7.14	\$8.30

Sales 1 & 3 included the least gross adjustment and adjusted sale prices toward the upper end of the range and are given most weight.

LAND VALUE CONCLUSION	
Concluded Value	\$9.50
Land Area (SF)	64,639
Indicated Value	\$614,071
<b>Rounded to nearest \$25,000</b>	<b>\$625,000</b>

## MARKETING TIME AND EXPOSURE TIME

We believe the concluded market value for the subject property is consistent with an anticipated marketing time and exposure time of 12 months. Our opinion of value is consistent with recent sales and the return parameters are considered adequate to generate investor interest in the property. Our estimate is reasonably consistent with historic exposure times, and is considered a reasonable estimate of the exposure time for the subject. Additionally, a time of 12 months is typically quoted as an adequate marketing time by area brokers, given proper pricing and an adequate commitment to marketing. Furthermore, market conditions are not expected to change dramatically in the short term, so a marketing time equal to the historic exposure time is considered a reasonable expectation. Based on these factors, our conclusion of 12 months for an adequate marketing time and exposure time is considered reasonable.

# CERTIFICATION

We certify that, to the best of our knowledge and belief:

- 1 The statements of fact contained in this report are true and correct.
- 2 The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- 3 We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved with this assignment.
- 4 We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- 5 Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 6 Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- 7 This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
- 8 Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the state of Arizona.
- 9 The reported analyses, opinions, and Value Indications were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics, the Standards of Professional Practice of the Appraisal Institute.
- 10 The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- 11 As of the date of this report, Albert Nava, MAI, SGA has and John Wyatt, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.
- 12 Albert Nava, MAI, SGA has not and John Wyatt, MAI has made a personal inspection of the property that is the subject of this report.
- 13 No one provided significant real property appraisal assistance to the person(s) signing this certification.
- 14 Albert Nava, MAI, SGA has not and John Wyatt, MAI has not provided services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.



Albert Nava, MAI, SGA  
AZ Certified General Appraiser  
License #: CGA 30806  
602-648-8600  
anava@bbgres.com



John Wyatt, MAI  
AZ Certified General Appraiser  
License #: 31632  
602-648-8600  
jwyatt@bbgres.com

# STANDARD ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following general assumptions:

- 1) Notwithstanding that Appraiser may comment on, analyze or assume certain conditions in the appraisal, BBG, Inc. shall have no monetary liability or responsibility for alleged claims or damages pertaining to: (a) title defects, liens or encumbrances affecting the property; (b) the property's compliance with local, state or federal zoning, planning, building, disability access and environmental laws, regulations and standards; (c) building permits and planning approvals for improvements on the property; (d) structural or mechanical soundness or safety; (e) contamination, mold, pollution, storage tanks, animal infestations or other hazardous conditions affecting the property; and (f) other conditions and matters for which licensed real estate appraisers are not customarily deemed to have professional expertise. Accordingly:
  - a) The Appraiser has not conducted any engineering or architectural surveys in connection with this appraisal assignment. Information reported pertaining to dimensions, sizes, and areas is either based on measurements taken by the Appraiser or the Appraiser's staff or was obtained or taken from referenced sources and is considered reliable. The Appraiser and BBG, Inc. shall not be monetarily liable or responsible for or assume the costs of preparation or arrangement of geotechnical engineering, architectural, or other types of studies, surveys, or inspections that require the expertise of a qualified professional.
  - b) Unless otherwise stated in the report, only the real property is considered, so no consideration is given to the value of personal property or equipment located on the premises or the costs of moving or relocating such personal property or equipment. Further, unless otherwise stated, it is assumed that there are no subsurface oil, gas or other mineral deposits or subsurface rights of value involved in this appraisal, whether they are gas, liquid, or solid. Further, unless otherwise stated, it is assumed that there are no rights associated with extraction or exploration of such elements considered. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
  - c) Any legal description or plats reported in the appraisal are assumed to be accurate. Any sketches, surveys, plats, photographs, drawings or other exhibits are included only to assist the intended user to better understand and visualize the subject property, the environs, and the competitive data. BBG, Inc. has made no survey of the property and assumes no monetary liability or responsibility in connection with such matters.
  - d) Title is assumed to be good and marketable, and in fee simple, unless otherwise stated in the report. The property is considered to be free and clear of existing liens, easements, restrictions, and encumbrances, except as stated. Further, BBG, Inc. assumes there are no private deed restrictions affecting the property which would limit the use of the subject property in any way.
  - e) The appraisal report is based on the premise that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in the appraisal report; additionally, that all applicable zoning, building, and use regulations and restrictions of all types have been complied with unless otherwise stated in the appraisal report. Further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value opinion. Moreover, unless otherwise stated herein, it is assumed that there are no encroachments or violations of any zoning or other regulations affecting the subject property, that the utilization of the land and improvements is within the boundaries or property lines of the property described, and that there are no trespasses or encroachments.



- f) The American Disabilities Act (ADA) became effective January 26, 1992. The Appraiser has not made a specific compliance survey or analysis of the property to determine whether or not it is in conformity with the various detailed requirements of ADA. It is possible that a compliance survey of the property and a detailed analysis of the requirements of the ADA would reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative impact upon the value of the property. Since the Appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.
  - g) No monetary liability or responsibility is assumed for conformity to specific governmental requirements, such as fire, building, safety, earthquake, or occupancy codes, except where specific professional or governmental inspections have been completed and reported in the appraisal report.
  - h) It is assumed the subject property is not adversely affected by the potential of floods; unless otherwise stated herein. Further, it is assumed all water and sewer facilities (existing and proposed) are or will be in good working order and are or will be of sufficient size to adequately serve any proposed buildings.
  - i) Unless otherwise stated within the appraisal report, the depiction of the physical condition of the improvements described therein is based on visual inspection. No monetary liability or responsibility is assumed for (a) the soundness of structural members since no engineering tests were conducted; (b) the condition of mechanical equipment, plumbing, or electrical components, as complete tests were not made; and (c) hidden, unapparent or masked property conditions or characteristics that were not clearly apparent during the Appraiser's inspection.
  - j) If building improvements are present on the site, it is assumed that no significant evidence of termite damage or infestation was observed during physical inspection, unless so stated in the appraisal report. Further, unless so stated in the appraisal report, no termite inspection report was available. No monetary liability or responsibility is assumed for hidden damages or infestation.
  - k) Unless subsoil opinions based upon engineering core borings were furnished, it is assumed there are no subsoil defects present, which would impair development of the land to its maximum permitted use or would render it more or less valuable. No monetary liability or responsibility is assumed for such conditions or for engineering which may be required to discover them.
  - l) BBG, Inc., excepting employees of BBG Assessment, Inc., and the appraiser(s) are not experts in determining the presence or absence of hazardous substances toxic materials, wastes, pollutants or contaminants (including, but not limited to, asbestos, PCB, UFFI, or other raw materials or chemicals) used in construction or otherwise present on the property. BBG, Inc. and the appraiser(s) assume no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such substances or for loss as a result of the presence of such substances. The Client is free to retain an expert on such matters in this field; however, Client retains such expert at Client's own discretion, and any costs and/or expenses associated with such retention are the responsibility of Client.
  - m) BBG, Inc. is not an expert in determining the habitat for protected or endangered species, including, but not limited to, animal or plant life (such as bald eagles, gophers, tortoises, etc.) that may be present on the property. BBG, Inc. assumes no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such species or for loss as a result of the presence of such species. The Appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions contained within the appraisal report based upon any subsequent endangered species impact studies, research, and investigation that may be provided. However, it is assumed that no environmental impact studies were either requested or made in conjunction with this analysis, unless otherwise stated within the appraisal report.
- 2) If the Client instructions to the Appraiser were to inspect only the exterior of the improvements in the appraisal process, the physical attributes of the property were observed from the street(s) as of the

inspection date of the appraisal. Physical characteristics of the property were obtained from tax assessment records, available plans, if any, descriptive information, and interviewing the client and other knowledgeable persons. It is assumed the interior of the subject property is consistent with the exterior conditions as observed and that other information relied upon is accurate.

- 3) If provided, the estimated insurable value is included at the request of the Client and has not been performed by a qualified insurance agent or risk management underwriter. This cost estimate should not be solely relied upon for insurable value purposes. The Appraiser is not familiar with the definition of insurable value from the insurance provider, the local governmental underwriting regulations, or the types of insurance coverage available. These factors can impact cost estimates and are beyond the scope of the intended use of this appraisal. The Appraiser is not a cost expert in cost estimating for insurance purposes.
- 4) The dollar amount of any value opinion herein rendered is based upon the purchasing power and price of the United States Dollar as of the effective date of value. This appraisal is based on market conditions existing as of the date of this appraisal.
- 5) The value opinions reported herein apply to the entire property. Any proration or division of the total into fractional interests will invalidate the value opinions, unless such proration or division of interests is set forth in the report. Any division of the land and improvement values stated herein is applicable only under the program of utilization shown. These separate valuations are invalidated by any other application.
- 6) Any projections of income and expenses, including the reversion at time of resale, are not predictions of the future. Rather, they are BBG, Inc.'s best estimate of current market thinking of what future trends will be. No warranty or representation is made that such projections will materialize. The real estate market is constantly fluctuating and changing. It is not the task of an appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future in terms of expectations of growth in rental rates, expenses, and supply and demand. The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.
- 7) The Appraiser assumes no monetary liability or responsibility for any changes in economic or physical conditions which occur following the effective date of value within this report that would influence or potentially affect the analyses, opinions, or conclusions in the report. Any subsequent changes are beyond the scope of the report.
- 8) Any proposed or incomplete improvements included in the appraisal report are assumed to be satisfactorily completed in a workmanlike manner or will be thus completed within a reasonable length of time according to plans and specifications submitted.
- 9) If the appraisal report has been prepared in a so-called "public non-disclosure" state, real estate sales prices and other data, such as rents, prices, and financing, are not a matter of public record. If this is such a "non-disclosure" state, although extensive effort has been expended to verify pertinent data with buyers, sellers, brokers, lenders, lessors, lessees, and other sources considered reliable, it has not always been possible to independently verify all significant facts. In these instances, the Appraiser may have relied on verification obtained and reported by appraisers outside of our office. Also, as necessary, assumptions and adjustments have been made based on comparisons and analyses using data in the report and on interviews with market participants. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
- 10) Although the Appraiser has made, insofar as is practical, every effort to verify as factual and true all information and data set forth in this report, no responsibility is assumed for the accuracy of any information furnished the Appraiser either by the Client or others. If for any reason, future investigations should prove any data to be in substantial variance with that presented in this report, the Appraiser reserves the right to alter or change any or all analyses, opinions, or conclusions and/or opinions of value.

- 11) The right is reserved by the Appraiser to make adjustments to the analyses, opinions, and conclusions set forth in the appraisal report as may be required by consideration of additional or more reliable data that may become available. No change of this report shall be made by anyone other than the Appraiser. The Appraiser shall have no monetary liability or responsibility for any unauthorized change(s) to the report.
- 12) The submission of the appraisal report constitutes completion of the services authorized and agreed upon. Such appraisal report is submitted on the condition the Client will provide reasonable notice and customary compensation, including expert witness fees, relating to any subsequent required attendance at conferences, depositions, or judicial or administrative proceedings. In the event the Appraiser is subpoenaed for either an appearance or a request to produce documents, a best effort will be made to notify the Client immediately. The Client has the sole responsibility for obtaining a protective order, providing legal instruction not to appear with the appraisal report and related work files, and will answer all questions pertaining to the assignment, the preparation of the report, and the reasoning used to formulate the opinion of value. Unless paid in whole or in part by the party issuing the subpoena or by another party of interest in the matter, the Client is responsible for all unpaid fees resulting from the appearance or production of documents regardless of who orders the work.
- 13) Client shall not disseminate, distribute, make available or otherwise provide any Appraisal Report prepared hereunder to any third party (including without limitation, incorporating or referencing the Appraisal Report, in whole or in part, in any offering or other material intended for review by other parties) except to (a) any third party expressly acknowledged in a signed writing by Appraiser as an "Intended User" of the Appraisal Report provided that either Appraiser has received an acceptable release from such third party with respect to such Appraisal Report or Client provides acceptable indemnity protections to Appraiser against any claims resulting from the distribution of the Appraisal Report to such third party, (b) any third party service provider (including rating agencies and auditors) using the Appraisal Report in the course of providing services for the sole benefit of an Intended User, or (c) as required by statute, government regulation, legal process, or judicial decree. In the event Appraiser consents, in writing, to Client incorporating or referencing the Appraisal Report in any offering or other materials intended for review by other parties, Client shall not distribute, file, or otherwise make such materials available to any such parties unless and until Client has provided Appraiser with complete copies of such materials and Appraiser has approved all such materials in writing. Client shall not modify any such materials once approved by Appraiser. In the absence of satisfying the conditions of this paragraph with respect to a party who is not designated as an Intended User, the receipt of an Appraisal Report by such party shall not confer any right upon such party to use or rely upon such report, and Appraiser shall have no liability for such unauthorized use or reliance upon such report. In the event Client breaches the provisions of this paragraph, Client shall indemnify, defend and hold Appraiser, and its affiliates and their officers, directors, employees, contractors, agents and other representatives (Appraiser and each of the foregoing an "Indemnified Party" and collectively the "Indemnified Parties"), fully harmless from and against all losses, liabilities, damages and expenses (collectively, "Damages") claimed against, sustained or incurred by any Indemnified Party arising out of or in connection with such breach, regardless of any negligence on the part of any Indemnified Party in preparing the Appraisal Report.

## Company Overview

### BBG OVERVIEW

BBG is one of the nation's largest real estate services firms with more than 45 offices across the country serving more than 4,500 clients. We deliver best-in-class valuation, advisory and assessment services with a singular focus of meeting our clients' needs.

Our professional team offers broad industry expertise and deep market knowledge to help clients meet their objectives throughout the real estate life cycle.

BBG clients include commercial real estate professionals, investors, lenders, attorneys, accountants and corporations.

### THE BBG DIFFERENCE

**National Footprint.** BBG is one of only two national firms offering in-house valuation and environmental and property condition assessment services for all commercial property types.

**Customer-focused Growth.** BBG is one of the largest national due diligence firms because we deliver best-in-class work product and provide excellent customer care.

**Qualified Team.** Over 50 percent of BBG appraisers are MAI designated and offer deep industry expertise gained through real-world experience.

**Unbiased Independence.** By focusing exclusively on due diligence services, BBG guarantees an independent perspective free from potential conflicts of interest.

**Innovative Technology.** BBG has made significant analytics and IT investments to continually improve our data and report quality.

For more information, please visit [www.bbgres.com](http://www.bbgres.com)

### SERVICES

#### Valuation

- + Single Asset Valuation
- + Portfolio Valuation
- + Institutional Asset Valuation
- + Appraisal Review
- + Appraisal Management
- + Lease and Cost Analysis
- + Insurance Valuation
- + Arbitration & Consulting
- + Feasibility Studies
- + Highest and Best Use Studies
- + Evaluation
- + Investment analysis
- + Tax appeals
- + Litigation Support
- + Manufactured Housing and Campgrounds

#### Advisory

- + ASC 805 Business combinations
- + ASC 840 Leases
- + Purchase Price Allocations
- + Portfolio Valuations for reporting net asset values (NAV)
- + Public and non-traded REIT valuations
- + Valuations for litigation and litigation support
- + Sale-leaseback valuation analysis
- + Valuations for bankruptcy/fresh start accounting
- + Cost segregation analysis

#### Assessment

- + Environmental due diligence
- + Building Services
- + Construction Risk Management
- + HUD
- + Energy Efficiency Services
- + Land Surveying
- + Zoning

# ADDENDA

Appraiser Qualifications .....	A
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Metropolitan Area Description .....	D
Legal Description .....	E
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## APPRAISER QUALIFICATIONS

## Profile

Albert Nava, MAI, SGA is a valuation director at BBG working out of the Phoenix office. Mr. Nava has been involved in the appraisal of commercial real estate throughout the United States since 1976 and has been a member of the Appraisal Institute since 1986. He is also a member of the Society of Golf Appraisers. With more than 45 years of experience, his scope of competency and experience includes the appraisal of and consultation on a broad range of real estate.

Mr. Nava began his appraisal career in El Paso, Texas before moving to Houston, Texas in 1981 and furthering his career with both a local firm and a national firm. He moved to the Phoenix area in 1995 as a partner in the firm of Ralph J. Brekan & Co. which later became the Brekan Nava Group.

In addition to the appraisal of land, subdivisions, retail, industrial and office properties, Mr. Nava specializes in the valuation of golf courses and country clubs, multifamily properties with a specialization in affordable housing, and marinas. Prior to joining BBG, his company was involved in the valuation and consultation of some 1,000 golf courses in more than 20 states around the country, both proposed and existing. His experience with affordable housing includes the appraisal of more than 100 LIHTC properties throughout Arizona and the southwestern United States, court testimony, and the preparation and presentation of seminars for local taxing authorities concerning LIHTC valuation. Mr. Nava also has substantial experience in the preparation of appraisals and consultation for litigation support with extensive court testimony experience.

Mr. Nava is a registered certified general real estate appraiser in the states of Arizona, Nevada and California. Given his long-time experience, Mr. Nava has served a variety of clients, both on a national and local level

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## Professional Affiliations

Appraisal Institute  
Member MAI

Society of Golf Appraisers  
Member SGA

General Certified Appraiser:  
State of Arizona – Certified General Appraiser No. 30806  
State of Nevada - Certified General Appraiser No. A.0206866-CG  
State of California - Certified General Appraiser No. 3004725

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## Education

BBA (accounting) - University of Texas at El Paso

# Department of Insurance and Financial Institutions

## State of Arizona

**CGA - 30806**

This document is evidence that:

has complied with the provisions of

Arizona Revised Statutes, relating to the establishment and operation of a:

**Certified General Real Estate Appraiser**

and that the Deputy Director of Financial Institutions of the State of Arizona has granted this license to transact the business of a:

**Certified General Real Estate Appraiser**

**ALBERT NAVA**

This license is subject to the laws of Arizona and will remain in full force and effect until expired, surrendered, revoked or suspended as provided by law.

Expiration Date : **May 31, 2025**



**John L. Wyatt, MAI**  
Senior Appraiser  
Phoenix, Arizona  
Cell: 602.670-1365  
[jwyatt@bbgres.com](mailto:jwyatt@bbgres.com)

## Profile

John Wyatt is currently a Senior Appraiser at BBG in the Phoenix office and specializes in apartment appraisals and market studies. Prior to joining BBG, Mr. Wyatt was an appraiser with Kalinowski & Associates from 2006 to 2017, where he worked on a wide range of commercial properties in Arizona.

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## Professional Affiliations

Appraisal Institute  
MAI Designation

Phoenix Chapter Appraisal Institute  
President (2021-2022)  
Co-Chairman Education Committee (2016-2020)  
Candidate Guidance Committee (2016-2019)  
Regional Representative (2016-Present)

General Certified Appraiser:  
State of Arizona (License No. 31632)  
State of New Mexico (License No. 03574G)  
State of California (License No. AG3004998)  
State of Nevada (License No. A.0208178-CG)  
State of Colorado (License No. CG.200003141)

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## Education

Bachelor of Science in Mathematics, University of Manchester, United Kingdom, 1988

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## Advanced Coursework

Advanced Income Capitalization  
Advanced Market Analysis & Highest and Best Use  
Advanced Sales Comparison and Cost Approaches  
Advanced Concepts and Case Studies  
General Appraiser Report Writing and Case Studies

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# Department of Insurance and Financial Institutions

## State of Arizona

CGA - 31632

**JOHN L WYATT**

This document is evidence that:

has complied with the provisions of

Arizona Revised Statutes, relating to the establishment and operation of a:

**Certified General Real Estate Appraiser**

and that the Deputy Director of Financial Institutions of the State of Arizona has granted this license to transact the business of a:

**Certified General Real Estate Appraiser**

**JOHN L WYATT**

This license is subject to the laws of Arizona and will remain in full force and effect until expired, surrendered, revoked or suspended as provided by law.

Expiration Date : **May 31, 2024**

## GLOSSARY



**Appraisal:** (noun) the act or process of developing an opinion of value; an opinion of value. (adjective) of or pertaining to appraising and related functions such as appraisal practice or appraisal services.<sup>7</sup>

**Appraisal Practice:** valuation services performed by an individual acting as an appraiser, including but not limited to appraisal and appraisal review.<sup>7</sup>

**Appraisal Review:** (noun) the act or process of developing an opinion about the quality of another appraiser's work (i.e., a report, part of a report, a workfile, or some combination of these), that was performed as part of an appraisal or appraisal review assignment, (adjective) of or pertaining to an opinion about the quality of another appraiser's work that was performed as part of an appraisal or appraisal review assignment.<sup>7</sup>

**Appraiser:** one who is expected to perform valuation services competently and in a manner that is independent, impartial and objective.<sup>7</sup>

**Appraiser's Peers:** other appraisers who have expertise and competency in a similar type of assignment.<sup>7</sup>

**Assessed Value:** The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value.<sup>1</sup>

**Asset:**

1. Any item, the rights to which may have economic value, including financial assets (cash or bonds), business interests, intangible assets (copyrights and trademarks), and physical assets (real estate and personal property).
2. In general business usage, something owned by a business and reflected in the owner's business sheet.

**Asset:** A resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity.<sup>2</sup>

**Assignment:** a valuation service that is provided by an appraiser as a consequence of an agreement with a client.<sup>7</sup>

**Assignment Conditions:** Assumptions, extraordinary assumptions, hypothetical conditions, laws and regulation, jurisdictional exceptions, and other conditions that affect the scope of work.<sup>7</sup>

**Assignment Elements:** Specific information needed to identify the appraisal or appraisal review problem: client and any other intended users, intended use of the appraiser's opinions and conclusions, type and definition of value; effective date of the appraiser's opinions and conclusions; subject of the assignment and its relevant characteristics; and assignment conditions.<sup>7</sup>

**Assignment Results:** An appraiser's opinions or conclusions, not limited to value, that were developed when performing an appraisal assignment, an appraisal review assignment, or a valuation service other than an appraisal or appraisal review.<sup>7</sup>

**Bias:** a preference or inclination that precludes an appraiser's impartiality, independence, or objectivity in an assignment.<sup>7</sup>

**Business Enterprise:** an entity pursuing an economic activity.<sup>7</sup>

**Business Equity:** the interests, benefits, and rights inherent in the ownership of a business enterprise or a part thereof in any form (including, but not necessarily limited to, capital stock, partnership interests, cooperatives, sole proprietorships, options, and warrants).<sup>7</sup>

**Capital Expenditure:** Investments of cash (or the creation of liability) to acquire or improve an asset, e.g., land, buildings, building additions, site improvements, machinery, equipment; as distinguished from cash outflows for expense items that are normally considered part of the current period's operations. Also referred to as Cap Ex.<sup>1</sup>

**Cash Equivalency Analysis:** An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash or its equivalent.<sup>1</sup>

**Client:** the party or parties (i.e., individual, group or entity) who engage an appraiser by employment or contract in a specific assignment, whether directly or through an agent.<sup>7</sup>

**Condominium Ownership:** A form of fee ownership of separate units or portions of multiunit buildings that provides for formal filing and recording of a divided interest in real estate.<sup>1</sup>

**Confidential Information:**

1: information that is either:

- Identified by the client as confidential when providing it to a valuer and that is not available from any other source, or
- Classified as confidential or private by applicable law or regulation.

2: Information that is either

- Identified by the client as confidential when providing it to an appraiser and that is not available from any other source; or
- Classified as confidential or private by applicable law or regulation \*
- NOTICE: For example, pursuant to the passage of the Gramm-Leach-Bliley Act in November 1999, some public agencies have adopted privacy regulations that affect appraisers. The Federal Trade Commission (FTC) issued two rules. The first rule (16 CFR 313) focuses on the protection of "non-public personal information" provided by consumers to those involved in financial activities "found to be closely related to banking or usual in connection with the transaction of banking." These activities include "appraising real or personal property." The second rule (16 CFR 314) requires appraisers to safeguard customer non-public personal information. Significant liability exists for appraisers should they fail to comply with these FTC rules.<sup>7</sup>

**Cost:** the actual or estimated amount required to create, reproduce, replace or obtain a property.<sup>7</sup>

**Cost Approach:** A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised.<sup>1</sup>

**Credible:** worthy of belief.<sup>7</sup>

**Deferred Maintenance:** Items of wear and tear on a property that should be fixed now to protect the value or income-producing ability of the property, such as a broken window, a dead tree, a leak in the roof, or a faulty roof that must be completely replaced. These items are almost always curable.<sup>1</sup>

**Disposition Value:** The most probable price that a specified interest in real property should bring under the following conditions: 1) Consummation of a sale within a specific time, which is short than the typical exposure time for such a property in that market. 2) The property is subjected to market conditions prevailing as of the date of valuation. 3) Both the buyer and seller are acting prudently and knowledgeably. 4) The seller is under compulsion to sell. 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) An adequate marketing effort will be made during the exposure time. 8) Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) The price represents the normal consideration of the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. This definition can also be modified to provide for valuation with specified financing terms.<sup>1</sup>

**Economic Life:** The period over which improvements to real estate contribute to property value.<sup>1</sup>

**Effective Date:** the date to which the appraiser's analysis, opinions and conclusions apply, also referred to as date of value.<sup>7</sup>

**Effective Gross Income Multiplier (EGIM):** The ratio between the sale price (or value) of a property and its effective gross income.<sup>1</sup>

**Effective Rent:** Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions, the rent that is effectively paid by a tenant net of financial concessions provided by a landlord.<sup>1</sup>

**Exposure Time:** an opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at the market value on the effect date of the appraisal.<sup>7</sup>

**Extraordinary Assumption:** an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.<sup>7</sup>

**Fair Market Value:**

1. In nontechnical usage, a term that is equivalent to the contemporary usage of market value.
2. As used in condemnation, litigation, income tax, and property tax situations, a term that is similar in concept to market value but may be defined explicitly by the relevant agency. For example, one definition of *fair market value* provided by the Internal Revenue Service for certain purposes is as follows: The price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts. The fair market value of a particular item of property includible in the decedent's gross estate is not to be determined by a forced sale price. Nor is the fair market value of an item of property to be determined by the sale price of the item in a market other than that in which such item is most commonly sold to the public, taking into account the location of the item wherever appropriate. (IRS Regulation §20.2031-1)<sup>1</sup>

**Fair Share:**

1. A share of a fund or deposit that is divided or distributed proportionately.
2. A share of a burden or obligation that is divided proportionately; e.g., a tenant in a multitenant building or development may be required to pay a pro rata share of the building's operating expenses based on the number of square feet the tenant occupies. In a shopping center, the tenant's share of operating costs is often stated as a fraction, with the gross leasable area of the tenant's premises as the numerator and the gross leasable area or gross leased area of the entire shopping center as the denominator.
3. The share of a trade area that a retail facility is likely to capture; assumes that capture is a function of property size as a proportion of the overall inventory of competitive space in the trade area, i.e., that the facility captures a "fair share" of the trade area.<sup>1</sup>

**Fair Value:**

1. The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (FASB)
2. The estimated price for the transfer of an asset or liability between identified knowledgeable and willing parties that reflects the respective interests of those parties. (This does not apply to valuations for financial reporting.) (IVS).<sup>1</sup>
3. The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.<sup>2</sup>

**Feasibility Analysis:** a study of the cost benefit relationship of an economic endeavor.<sup>1</sup>

**Fee Simple Estate:** Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.<sup>1</sup>

**Floor Area Ratio (FAR):** The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.<sup>1</sup>

**Going Concern:**

1. An established and operating business having an indefinite future life.
2. An organization with an indefinite life that is sufficiently long that, over time, all currently incomplete transformations [transforming resources from one form to a different, more valuable form] will be completed.<sup>1</sup>

**Gross Building Area (GBA):**

1. Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved.
2. Gross leasable area plus all common areas.
3. For residential space, the total area of all floor levels measured from the exterior of the walls and including the super structure and substructure basement; typically does not include garage space.<sup>1</sup>

**Highest and Best Use:**

1. The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS).
3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions)<sup>1</sup>

**Hypothetical Condition:** a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.<sup>7</sup>

**Income Capitalization Approach:** Specific appraisal techniques applied to develop a value indication for a property based on its earning capability and calculated by the capitalization of property income.<sup>1</sup>

**Inspection:** Personal observation of the exterior or interior of the real estate that is the subject of an assignment performed to identify the property characteristics that are relevant to the assignment, such as amenities, general physical condition, and functional utility. Note that this is not the inspection process performed by a licensed or certified building inspector.<sup>1</sup>

**Insurable Value:** A type of value for insurance purposes.<sup>1</sup>

**Intangible Property (intangible Assets):** Nonphysical assets, including but not limited to franchises, trademarks, patents, copyrights, goodwill, equities, securities, and contracts as distinguished from physical assets such as facilities and equipment.<sup>7</sup>

**Intended Use:** the user(s) of an appraiser's reported appraisal or appraisal review assignment results, as identified by the appraiser based on communication with the client at the time of the assignment.<sup>7</sup>

**Intended User:** the client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser, based on communication with the client at the time of the assignment.<sup>7</sup>

**Internal Rate of Return ("IRR"):** The annualized yield rate or rate of return on capital that is generated or capable of being generalized within an investment of portfolio over a period of ownership. Alternatively, the indicated return of capital associated with a projected or pro forma income stream. The discount rate that equates the present value of the net cash flows of a project with the present value of the capital investment. It is the rate at which the Net Present Value (NPV) equals zero. The IRR reflects both the return on invested capital and the return of the original investment, which are basic considerations of potential investors. Therefore, deriving the IRR from analysis of market transactions of similar properties having comparable income patterns is a proper method for developing market discount rates for use in valuations to arrive at Market Value. Used in discounted cash flow analysis to find the implied or expected rate of return of the project, the IRR is the rate of return which gives a zero net present value (NPV). See also equity yield rate (YE); financial management rate of return (FMRR); modified internal rate of return (MIRR); yield rate (Y).<sup>1</sup>

**Investment Value:** 1) The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. 2) The value of an asset to the owner or a prospective owner for individual investment or operational objectives. (IVS)<sup>1</sup>

**Jurisdictional Exception:** an assignment condition established by applicable law or regulation, which precludes an appraiser from complying with a part of USPAP.<sup>7</sup>

**Leasehold Interest:** The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.<sup>1</sup>

**Leased Fee Interest:** The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.<sup>1</sup>

**Liquidation Value:** The most probable price that a specified interest in real

property should bring under the following conditions: 1) Consummation of a sale within a short time period; 2) The property is subjected to market conditions prevailing as of the date of valuation; 3) Both the buyer and seller are acting prudently and knowledgeably; 4) The seller is under extreme compulsion to sell; 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) A normal marketing effort is not possible due to the brief exposure time 8) Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto. 9) 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. This definition can also be modified to provide for valuation with specified financing terms.<sup>1</sup>

**Load Factor:** A measure of the relationship of common area to useable area and therefore the quality and efficiency of building area layout, with higher load factors indicating a higher percentage of common area to overall rentable space than lower load factors; calculated by subtracting the amount of useable area from the rentable area and then dividing the difference by the useable area:<sup>1</sup>

Load Factor =

$$\frac{(\text{Rentable Area} - \text{Useable Area})}{\text{Useable Area}}$$

**Market Value:** a type of value stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the value definition that is identified by the appraiser as applicable in an appraisal.<sup>7</sup>

**Market Value "As If Complete" On The Appraisal Date:** Market value as if complete on the effective date of the appraisal is an estimate of the market value of a property with all construction, conversion, or rehabilitation hypothetically completed, or under other specified hypothetical conditions as of the date of the appraisal. With regard to properties wherein anticipated market conditions indicate that stabilized occupancy is not likely as of the date of completion, this estimate of value should reflect the market value of the property as if complete and prepared for occupancy by tenants.

**Market Value "As Is" On The Appraisal Date:** Value As Is -The value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning. See also effective date; prospective value opinion.

**Market Value of the Total Assets of the Business:** The market value of the total assets of the business is the market value of all of the tangible and intangible assets of a business as if sold in aggregate as a going concern. This assumes that the business is expected to continue operations well into the future.<sup>4</sup>

**Marketing Time:** An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property Market Value Opinions" address the determination of reasonable exposure and marketing time.).<sup>3</sup>

**Mass Appraisal:** the process of valuing a universe of properties as of a given date using standard methodology, employing common data and allowing for statistical testing.<sup>7</sup>

**Mass Appraisal Model:** a mathematical expression of how supply and demand factors interact in a market.<sup>7</sup>

**Misleading:** intentionally or unintentionally misrepresenting, misstating or concealing relevant facts or conclusions.<sup>7</sup>

**Net Lease:** A lease in which the landlord passes on all expenses to the tenant. See also lease.<sup>1</sup>

**Net Rentable Area (NRA):** 1) The area on which rent is computed. 2) The

Rentable Area of a floor shall be computed by measuring to the inside finished surface of the dominant portion of the permanent outer building walls, excluding any major vertical penetrations of the floor. No deductions shall be made for columns and projections necessary to the building. Include space such as mechanical room, janitorial room, restrooms, and lobby of the floor.<sup>5</sup>

**Penetration Ratio (Rate):** The rate at which stores obtain sales from within a trade area or sector relative to the number of potential sales generated; usually applied to existing facilities. Also called: penetration factor.<sup>1</sup>

**Personal Inspection:** a physical observation performed to assist in identifying relevant property characteristics in a valuation service.<sup>7</sup>

**Personal Property:** any tangible or intangible article that is subject to ownership and not classified as real property, including identifiable tangible objects that are considered by the general public as being "personal", such as furnishings, artwork, antiques, gems and jewelry, collectibles, machinery and equipment, and intangible property that is created and stored electronically such as plans for installation art, choreography, emails or designs for digital tokens.<sup>7</sup>

**Physical Characteristics:** attributes of a property that are observable or measurable as a matter of fact, as distinguished from opinions and conclusions, which are the result of some level of analysis or judgement.<sup>7</sup>

**Price:** the amount asked, offered or paid for a property.<sup>7</sup>

**Prospective opinion of value.** A value opinion effective as of a specified future date. The term does not define a type of value. Instead it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.<sup>1</sup>

**Real Estate:** an identified parcel or tract of land, including improvements, if any.<sup>7</sup>

**Real Property:** the interests, benefits and rights inherent in the ownership of real estate.<sup>7</sup>

**Reconciliation:** A phase of a valuation assignment in which two or more value indications are processed into a value opinion, which may be a range of value, a single point estimate, or a reference to a benchmark value.<sup>1</sup>

**Relevant Characteristics:** features that may affect a property's value or marketability such as legal, economic or physical characteristics.<sup>7</sup>

**Reliable Measurement:** [The IAS/IFRS framework requires that] neither an asset nor a liability is recognized in the financial statements unless it has a cost or value that can be measured reliably.<sup>2</sup>

**Remaining Economic Life:** The estimated period over which existing improvements are expected to contribute economically to a property; an estimate of the number of years remaining in the economic life of a structure or structural components as of the effective date of the appraisal; used in the economic age-life method of estimating depreciation.<sup>1</sup>

**Replacement Cost:** The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout.<sup>1</sup>

**Report:** any communication, written or oral, of an appraisal or appraisal review that is transmitted to the client or a party authorized by the client upon completion of an assignment.<sup>7</sup>

**Retrospective Value Opinion:** A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion."<sup>1</sup>

**Sales Comparison Approach:** The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant when an adequate supply of comparable sales is available.<sup>1</sup>

**Scope of Work:** the type and extent of research and analyses in an appraisal or appraisal review assignment.<sup>7</sup>

**Signature:** personalized evidence indicating authentication of the work performed by the appraiser and the acceptance of the responsibility for content, analyses and the conclusions in the report.<sup>7</sup>

**Stabilized value:** A value opinion that excludes from consideration any abnormal relationship between supply and demand such as is experienced in boom periods when cost and sale price may exceed the long-term value, or during periods of depression, when cost and sale price may fall short of long-term value. It is also a value opinion that excludes from consideration any transitory condition that may cause excessive construction costs, e.g., a premium paid due to a temporary shortage of supply.

**Substitution:** The principle of substitution states that when several similar or commensurate commodities, goods, services are available, the one with the lowest price will attract the greatest demand and widest distribution. This is the primary principle upon which the cost and sales comparison approaches are based.<sup>3</sup>

**Total Assets of a Business:** Total assets of a business is defined by the Appraisal Institute as “the tangible property (real property and personal property, including inventory and furniture, fixtures and equipment) and intangible property (cash, workforce, contracts, name, patents, copyrights, and other residual intangible assets, to include capitalized economic profit).”

**Use Value:**

The value of a property assuming a specific use, which may or may not be the property’s highest and best use on the effective date of the appraisal. Use value may or may not be equal to market value but is different conceptually.<sup>1</sup>

**Valuation Service:** a service pertaining to an aspect of property value, regardless of the type of service and whether it is performed by appraisers or by others.<sup>7</sup>

**Value:** the monetary relationship between properties and those who buy and sell, or use those properties, expressed as an opinion of the worth of a property at a given time.<sup>7</sup>

**Workfile:** data, information and documentation necessary to support the appraiser’s opinions and conclusions and to show compliance with USPAP.<sup>7</sup>

<sup>1</sup> Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute 2010). <sup>2</sup> Appraisal Institute, *International Financial Reporting Standards for Real Property Appraiser*, IFRS Website, [www.ifrs-ebooks.com/index.html](http://www.ifrs-ebooks.com/index.html). <sup>3</sup> Appraisal Institute, *The Appraisal of Real Estate*, 13th ed. (Chicago: Appraisal Institute 2008). <sup>4</sup> This definition is taken from “Allocation of Business Assets Into Tangible and Intangible Components: A New Lexicon,” *Journal of Real Estate Appraisal*, January 2002, Volume LXX, Number 1. This terminology is to replace former phrases such as: value of the going concern. <sup>5</sup> Financial Publishing Company, *The Real Estate Dictionary*, 7 ed. <sup>6</sup> U.S. Treasury Regulations. <sup>7</sup> USPAP 2020-2021

## LETTER OF ENGAGEMENT



October 18, 2023

Albert Nava, MAI - Director Valuation  
BBG, Inc.  
8300 Douglas Avenue, Suite 600  
Dallas, TX 75225

**SUBJECT: One Appraisal – of seven vacant land parcels located as described below:**

Address	APN	Lot No.	Zoning	Size (SF)
415 E Puget Ave	160-49-006B	6	R-5	536
415 E Puget Ave	160-49-005	5	R-5	9,504
415 E Puget Ave	160-49-004	4	R-5	8,062
419 E Puget Ave	160-49-003	3	R-5	8,491
425 E Puget Ave	160-49-002A	2	R-5	8,679
429 E Puget Ave	160-49-001	1	R-5	8,197
501 E Puget Ave	160-49-112C	N/A	R-5	21,170

**CC: 8850110000; APN: 160-50-079; PM 1830; Project: NSD: Housing Phoenix – Potential Dispositions**

Dear Mr. Nava:

This letter is your authorization to appraise the above referenced properties. You are to develop an opinion of the market value of the properties as per the documentation provided to you. Your appraisal report must comply with the current edition of the Uniform Standards of Professional Appraisal Practice. The Intended Use of the appraisal is to assist the City of Phoenix – Neighborhood Services Department with internal planning decisions and possible disposition. Please ensure the appraisal incorporates the Arizona definition of market value cited in ARS 28-7091. The appraisal must be developed with the understanding that these parcels are subject to the Housing Phoenix - Affordable Housing Program.

Your stated fee for this work is \$2,500. Please submit one electronic copy of your appraisal no later than November 1, 2023. The City of Phoenix may request up to three (3) hard copies at a later date. If the reports are not delivered to the City's Appraisal Section on or before the contractual due date and no written extension has been agreed upon by both parties at least three days prior to the deadline, \$300 per day may be deducted as a late delivery penalty.

By reference, this agreement incorporates all the terms and conditions specified in the City Contract 21-038 and the City of Phoenix Appraisal Requirements (Rev. 01/2020) which have been provided to you previously.



Albert Nava  
October 18, 2023  
Page 2 of 2

If you agree with the above, please sign below and return a copy of this letter.

Sincerely,

*Burton Byars*

Burton Byars  
Review Appraiser  
City of Phoenix

APPROVED:



Albert Nava, MAI  
Certified General Real Estate Appraiser No. 30806  
Vendor # 3550328 / Clerk # 154072 / SRM # 4701007996

## Lindsey Crocker

---

**From:** Christopher F Rocca <christopher.rocca@phoenix.gov>  
**Sent:** Wednesday, October 18, 2023 2:19 PM  
**To:** Albert Nava; Burton Byars  
**Cc:** Lindsey Crocker  
**Subject:** RE: No. 2 - Village Center Neighborhood Imitative Area

**Follow Up Flag:** Flag for follow up  
**Flag Status:** Flagged

---

### CAUTION: EXTERNAL EMAIL

Mr. Nava:

Please view this email as our acceptance of your proposal and proceed with the assignment. A Letter of Engagement will follow under separate cover.

Kind Regards,  
Chris

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**From:** Albert Nava <anava@bbgres.com>  
**Sent:** Friday, October 6, 2023 1:17 PM  
**To:** Christopher F Rocca <christopher.rocca@phoenix.gov>; Burton Byars <burton.byars@phoenix.gov>  
**Cc:** Lindsey Crocker <lcrocker@bbgres.com>  
**Subject:** RE: No. 2 - Village Center Neighborhood Imitative Area

Chris/Burton,

We can do this one for \$2,500 and 2 week delivery. Thanks.

Al



---

**Albert Nava, MAI, SGA**  
**Director**

**Valuation**

2850 E. Camelback Road Suite 330, Phoenix, AZ 85016

**P** [480-867-7442](tel:480-867-7442) **C** [602-909-7262](tel:602-909-7262)

**E** [anava@bbgres.com](mailto:anava@bbgres.com) [editor-usc.codetwo.com]

**Valuation + Assessment**



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[\[twitter.com\]](#)

[\[linkedin.com\]](#)

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**From:** Christopher F Rocca <[christopher.rocca@phoenix.gov](mailto:christopher.rocca@phoenix.gov)>

**Sent:** Friday, October 6, 2023 10:41 AM

**To:** Burton Byars <[burton.byars@phoenix.gov](mailto:burton.byars@phoenix.gov)>

**Subject:** No. 2 - Village Center Neighborhood Imitative Area

**CAUTION: EXTERNAL EMAIL**

Good Morning:

Attached for your consideration is a request for appraisal of seven (7) vacant residential land parcels (Zoned R-5) as listed below:

1. 415 East Puget Avenue, Phoenix (APN: 160-49-006B),
2. 415 East Puget Avenue, Phoenix (APN 160-49-005),
3. 415 East Puget Avenue, Phoenix (APN 160-49-004),
4. 415 East Puget Avenue, Phoenix (APN 160-49-003),
5. 425 East Puget Avenue, Phoenix (APN 160-49-002A),
6. 429 East Puget Avenue, Phoenix (APN 160-49-001) and
7. 501 East Puget Avenue, Phoenix (APN 160-49-112C).

We are requesting one (1) appraisal in bulk for all seven (7) properties. Your appraisal must comply with the current edition of the Uniform Standards of Professional Appraisal Practice the City of Phoenix Appraisal Requirements (01/2020). The purpose of the appraisal is for use by the City of Phoenix – Neighborhood Services Department for internal planning. Please ensure the appraisal incorporates the Arizona definition of market value cited in ARS 28-7091. Additionally, your appraisal must be prepared in consideration of the affordable housing criteria as outlined in the City of Phoenix - Housing Phoenix (Attached).

Please provide us with your fee and turnaround time. Please include both Burton and myself on your response.

Kind Regards,  
Chris

Christopher F. Rocca, Sr., ASA, FRICS, CRE  
Property Specialist  
City of Phoenix Finance Department  
Real Estate Division  
251 West Washington Street, 8th Floor  
Phoenix, AZ 85003  
602-495-5397 Office  
267-456-6032 Cell

## **METROPOLITAN AREA DESCRIPTION**

## ECONOMIC DRIVERS



## EMPLOYMENT GROWTH RANK

2022-2024  
**98**  
2nd quintile2022-2027  
**40**  
1st quintile

Best=1, Worst=410

## RELATIVE COSTS

LIVING  
**112%**BUSINESS  
**102%**

U.S.=100%

## VITALITY

RELATIVE  
**0.83**  
Rank: 18

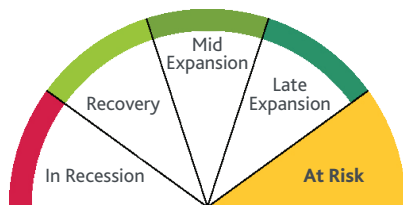
Best=1, Worst=403

## QUALITY

OF LIFE  
**67**

Best=1, Worst=378

## BUSINESS CYCLE STATUS



## ANALYSIS

**Recent Performance.** Phoenix-Mesa-Scottsdale is at cruising altitude. Employment continues to expand, with monthly growth tracking with that of the Mountain West and U.S. Leisure/hospitality and government have been the top performers, while financial services have recently weakened and construction has gone sideways. The jobless rate has drifted downward this year as hiring outstrips labor force growth. House prices have begun to rise again on a monthly basis, but gains lag those of the state. The impact on housing construction has been mixed as single-family permits are rebounding, while multifamily permits have recently fallen.

**Financial center.** Finance will outperform in the year ahead, though risks remain elevated. PHO's concentration of finance employment is among the highest in the country, leaving the metro area uniquely vulnerable to shifts in monetary policy. The Federal Reserve is near the end of its tightening cycle, and so far, the hurdles for PHO's financial services firms have been manageable. However, the yield curve is set to remain inverted into the latter portion of next year. This has yet to dampen performance at JP Morgan and Wells Fargo as aggressive rate hikes have juiced net interest margins and thus profits. The baseline assumes that higher interest margins will enable banks and credit card issuers to add staff in the near term. Nevertheless, a prolonged inversion of the yield curve may prove too much stress on the financial system, leading to further tightening of credit conditions, and potentially job losses. Longer term, moderate business and living costs and a strong labor pool will keep PHO's finance industry a step ahead of the U.S.

**Housing.** PHO's housing market is at an inflection point, but the path forward is anything but clear. Because PHO has an outsize share of

housing-related employment, the housing market's performance is particularly important to the broader economy. The forecast is for house prices to fall over the next few years, though there are two key factors that will determine performance; the mortgage lock-in effect and affordability. The lock-in effect results from the rapid surge in interest rates, providing homeowners a strong incentive to stay in their current homes and mortgages. This will buoy prices by constraining supply. From an affordability perspective, prices should soften until they are more consistent with the incomes of potential homebuyers. The baseline forecast assumes that the latter will prevail.

**Climate risk.** Robust in-migration will propel PHO's economy, but persistent droughts and record temperatures add downside risk to long-run demographic prospects. Water rights have been thrust to the fore amid the announcement to restrict homebuilding in cities without sufficient water access. The baseline assumes that in-migration will remain strong despite this policy, boosting industries reliant on local spending. However, there is downside risk that restrictions on new housing supply could erode affordability, discouraging migrants. Second, soaring temperatures may erode the quality of life, persuading some retirees to look elsewhere.

**Phoenix-Mesa-Scottsdale will outperform the fast-growing Mountain West. The key finance industry as well as population-dependent industries such as healthcare, leisure/hospitality and personal services will drive job additions. Longer term, a favorable business atmosphere and strong demographics will make PHO a perpetual outperformer, though rising temperatures add downside risk.**

Shandor Whitcher

August 2023

1-866-275-3266

helpeconomy@moodys.com

## STRENGTHS &amp; WEAKNESSES

## STRENGTHS

- » Robust population growth and in-migration.
- » Hub for expansion and relocation of banks, insurance companies, and business services firms.
- » Lower business costs than in California.

## WEAKNESSES

- » Average wages that are well below those of the West.
- » High cyclical due to dependence on investment and population inflows.

## FORECAST RISKS

## SHORT TERM



## LONG TERM

RISK EXPOSURE  
2023-2028**57**

1st quintile

Most=1  
Least=403

## UPSIDE

- » House prices outperform expectations.
- » Retiree in-migration is more robust than anticipated.

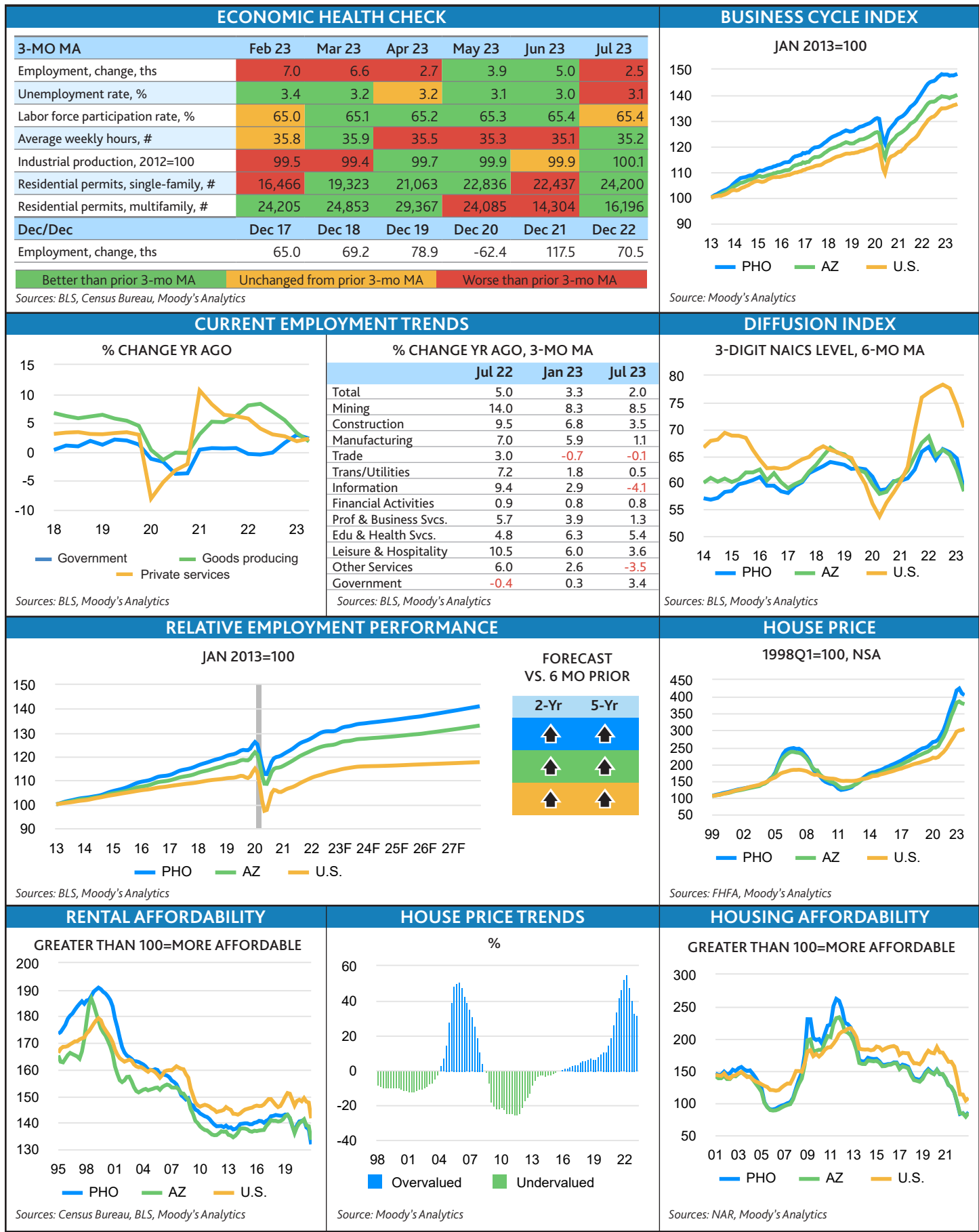
## DOWNSIDE

- » Instability in banking sector weighs on finance more than expected.
- » Water shortages and elevated temperatures weigh on migration.

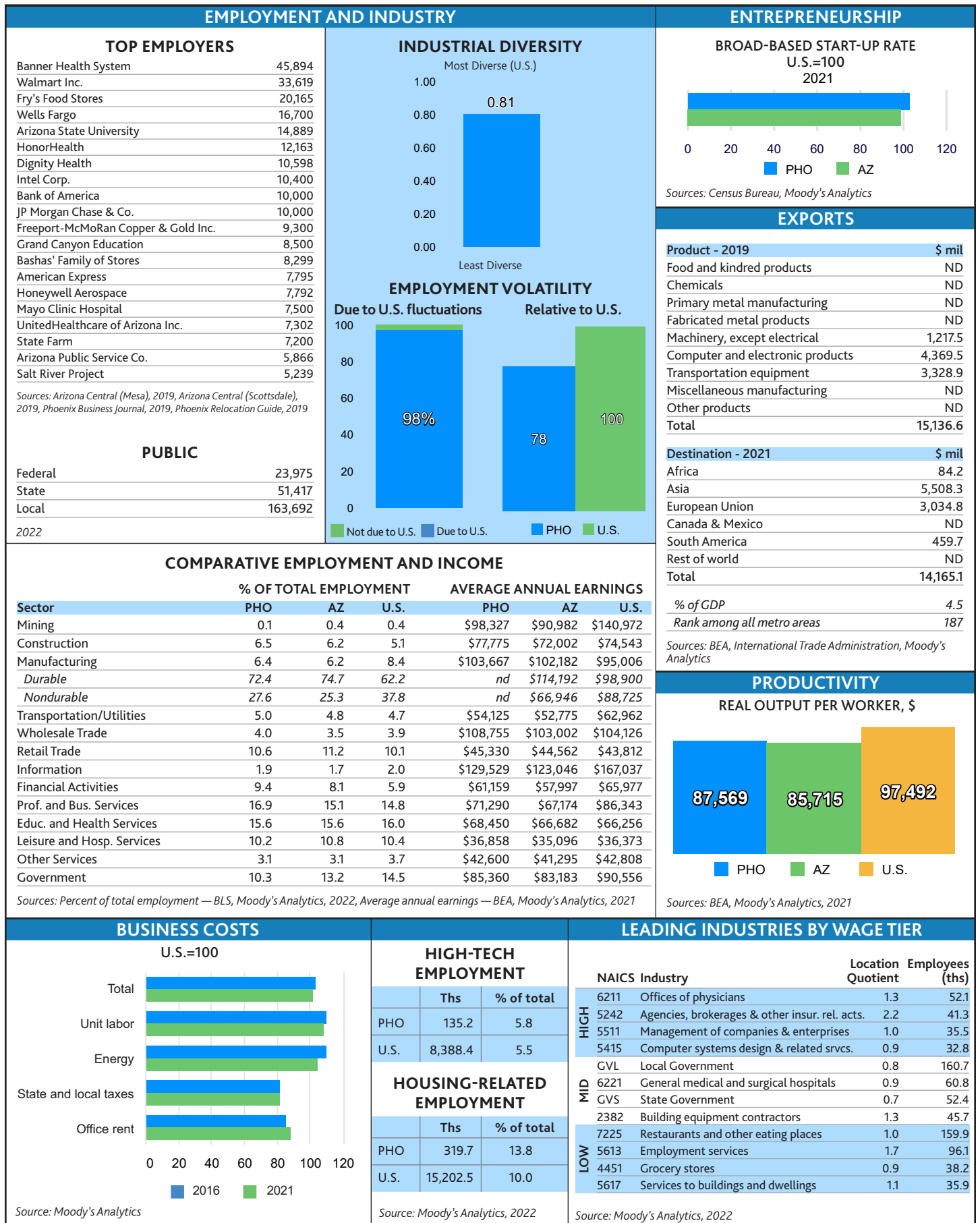
## MOODY'S RATING

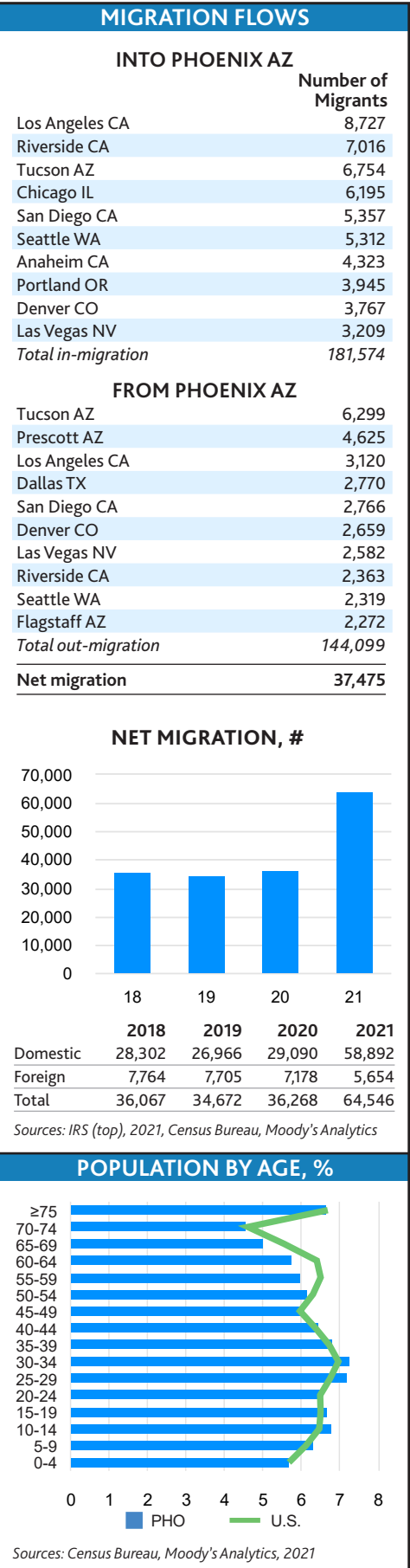
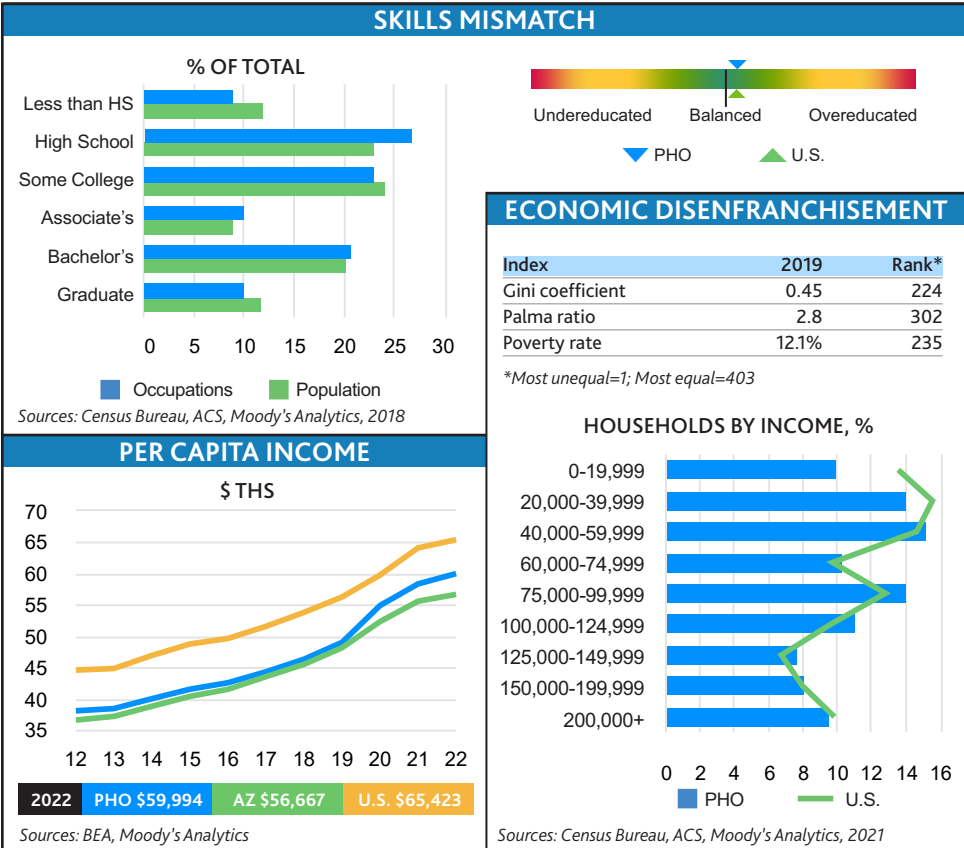
**Aa1**CITY  
AS OF NOV 21, 2022

2017	2018	2019	2020	2021	2022	INDICATORS	2023	2024	2025	2026	2027	2028
223.2	232.7	242.2	243.7	260.1	267.6	Gross metro product (C12\$ bil)	277.0	287.1	300.4	315.5	330.6	345.7
4.6	4.3	4.1	0.6	6.8	2.9	% change	3.5	3.7	4.6	5.0	4.8	4.5
2,040.0	2,109.2	2,180.2	2,122.4	2,220.3	2,320.9	Total employment (ths)	2,376.8	2,407.2	2,434.1	2,466.6	2,502.9	2,541.0
3.0	3.4	3.4	-2.6	4.6	4.5	% change	2.4	1.3	1.1	1.3	1.5	1.5
4.3	4.2	4.2	7.3	4.7	3.4	Unemployment rate (%)	3.3	4.0	4.1	3.9	3.6	3.4
6.0	6.6	8.0	10.2	7.9	4.3	Personal income growth (%)	6.9	5.9	5.2	5.4	5.4	5.3
61.3	64.6	67.9	71.6	75.7	78.2	Median household income (\$ ths)	80.9	83.7	86.2	89.0	91.8	94.7
4,708.8	4,765.9	4,820.6	4,869.3	4,938.4	5,011.0	Population (ths)	5,089.2	5,167.7	5,245.7	5,324.7	5,407.2	5,494.9
1.4	1.2	1.1	1.0	1.4	1.5	% change	1.6	1.5	1.5	1.5	1.5	1.6
40.3	36.1	34.7	36.3	64.6	64.6	Net migration (ths)	64.1	62.2	62.2	63.8	68.1	74.3
20,471	23,526	25,026	31,658	34,347	26,857	Single-family permits (#)	20,389	22,125	27,465	30,877	31,341	30,888
8,841	7,817	10,847	16,561	16,234	20,410	Multifamily permits (#)	13,112	8,735	10,111	11,056	11,150	10,679
7.8	8.2	6.9	8.7	22.8	22.7	FHFA house price index (% change)	-2.5	-5.9	-4.7	-2.0	-0.4	0.2



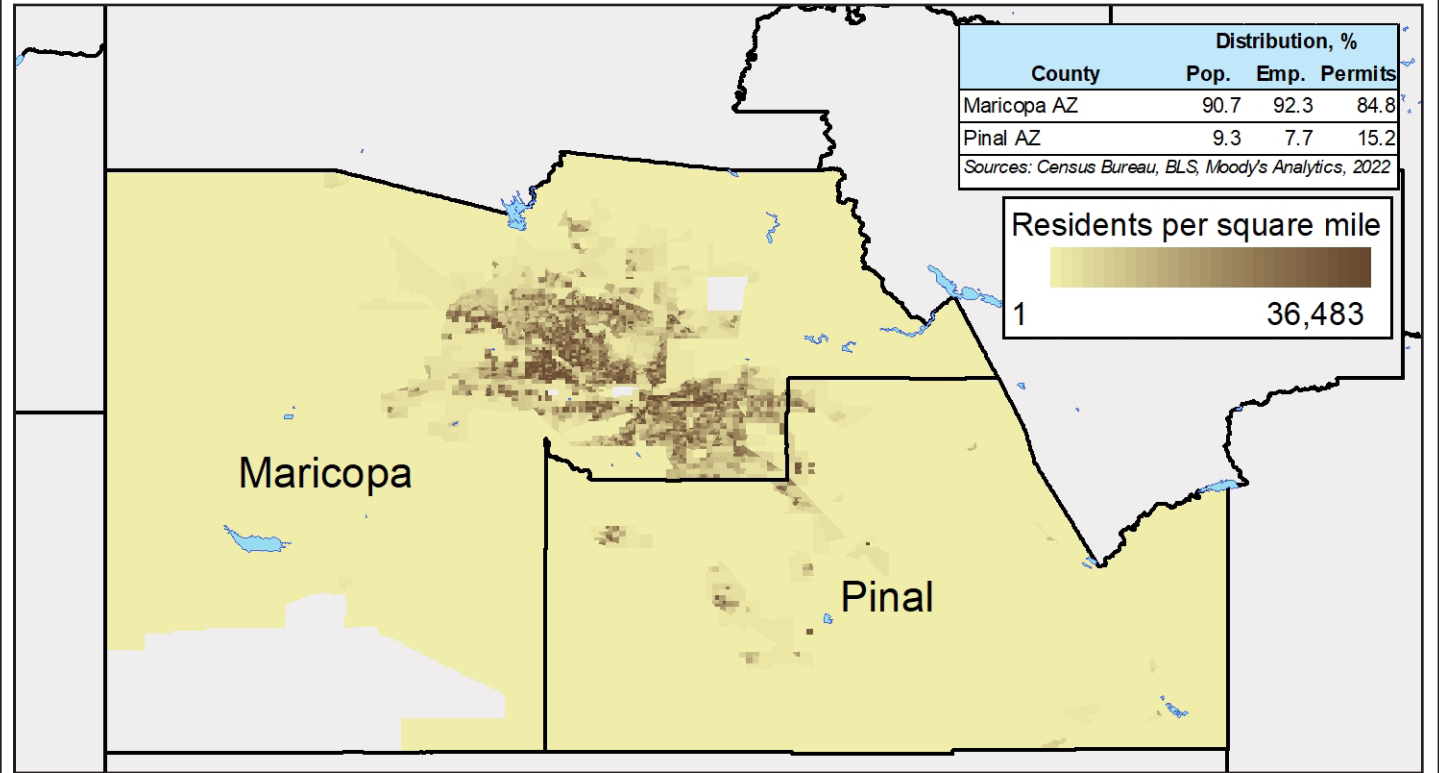




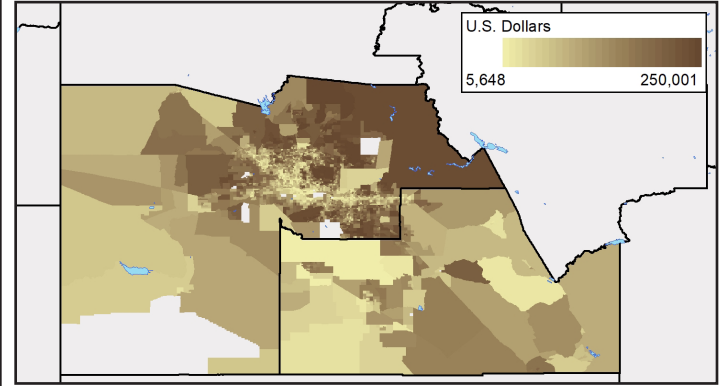


## GEOGRAPHIC PROFILE

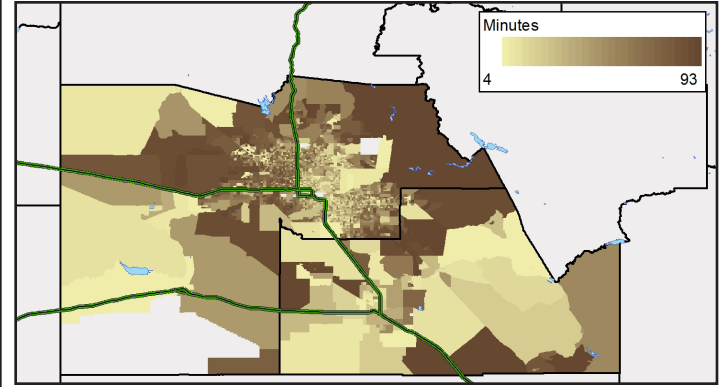
## POPULATION DENSITY



**MEDIAN HOUSEHOLD INCOME**



**MEDIAN COMMUTE TIME**



## POPULATION & HOUSING CHARACTERISTICS

	Units	Value	Rank*
Total area	sq mi	14,598.7	4
Total water area	sq mi	33.5	226
Total land area	sq mi	14,565.8	4
Land area - developable	sq mi	3,806.8	17
Land area - undevelopable	sq mi	10,758.4	5
Population density	pop. to developable land	344.3	110
Total population	ths	5,015.7	8
U.S. citizen at birth	% of population	85.2	324
Naturalized U.S. citizen	% of population	6.2	81
Not a U.S. citizen	% of population	7.2	69
Median age		37.6	262
Total housing units	ths	2,028.3	7
Owner occupied	% of total	61.7	159
Renter occupied	% of total	30.2	180
Vacant	% of total	8.1	221
1-unit; detached	% of total	65.9	225
1-unit; attached	% of total	5.7	138
Multifamily	% of total	24.0	145
Median year built		1993	

\* Areas & pop. density, out of 410 metro areas/divisions, including metros in Puerto Rico; all others, out of 403 metros.

Sources: Census Bureau, Moody's Analytics, 2021 except land area 2010

Sources: ACS, Moody's Analytics

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## LEGAL DESCRIPTION



**Schedule 1**  
**(Legal Description)**

Real property in the City of, County of Maricopa, State of Arizona, described as follows:  
 PARCEL NO. 1:

THAT PART OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION THIRTY-TWO (32), TOWNSHIP THREE (3) NORTH, RANGE THREE (3) EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 32;

THENCE EAST 110.00 FEET;

THENCE SOUTH 165.00 FEET;

THENCE WEST 110.00 FEET;

THENCE NORTH 165.00 FEET TO THE TRUE POINT OF BEGINNING;

EXCEPT THE NORTH 25.00 FEET FOR Unofficial Document EASEMENT AS QUIT CLAIMED TO CITY OF PHOENIX RECORDED IN DOCKET 3517, PAGE 462.

PARCEL NO. 2:

THAT PART OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION THIRTY-TWO (32), TOWNSHIP THREE (3) NORTH, RANGE (3) EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN MARICOPA COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTH LINE OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 32, WHICH IS 110.00 FEET EAST OF THE NORTHWEST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 32;

RUNNING THENCE EAST 110.00 FEET ALONG THE NORTH LINE OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTH EAST QUARTER OF SAID SECTION 32;

THENCE SOUTH 165.00 FEET;

THENCE WEST 110.00 FEET;

THENCE NORTH 165.00 FEET TO BEGINNING;

EXCEPT THE EAST 70.00 FEET THEREOF; AND

EXCEPT THE NORTH 25.00 FEET FOR ROADWAY AS QUIT-CLAIMED TO THE CITY OF PHOENIX RECORDED IN DOCKET 3517, PAGE 470.

PARCEL NO. 3:

LOTS (1), TWO (2), THREE (3) FOUR (4) AND FIVE (5), COLLEY PLACE ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA IN BOOK 45 OF MAPS, PAGE 13;

EXCEPT THE NORTH 5.00 FEET OF LOTS 1, 2, 3, 4 AND EXCEPT THAT PART OF LOT 5, DESCRIBED AS FOLLOWS;

BEGINNING AT THE NORTHEAST CORNER OF LOT 5;

THENCE SOUTH ALONG THE EAST LINE OF LOT 5, A DISTANCE OF 5.00 FEET;

THENCE WEST PARALLEL TO AND 5.00 FEET SOUTH OF THE NORTH LINE OF LOT 5, A DISTANCE OF 130.00 FEET TO A POINT <sup>Unofficial Document</sup> WHICH IS 5.00 FEET SOUTH 20.00 FEET EAST OF THE NORTHWEST CORNER OF LOT 5;

THENCE SOUTHWESTERLY TO A POINT WHICH IS 15.00 FEET SOUTH AND 10.00 FEET EAST OF THE NORTHWEST CORNER OF LOT 5;

THENCE SOUTH PARALLEL TO AND 10.00 FEET EAST OF THE WEST LINE OF LOT 5, A DISTANCE OF 80.00 FEET TO A POINT ON THE SOUTH LINE OF LOT 5;

THENCE WEST ALONG THE SOUTH LINE OF LOT 5, A DISTANCE OF 10.00 FEET TO THE SOUTHWEST CORNER OF LOT 5;

THENCE NORTH ALONG THE WEST LINE OF LOT 5, A DISTANCE OF 95.00 FEET TO THE NORTHWEST CORNER OF LOT 5;

THENCE EAST, ALONG THE NORTH LINE OF LOT 5, A DISTANCE OF 150.00 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 4:

THE NORTH 35.00 FEET OF THE EAST 25.00 FEET OF LOT (6), COLLEY PLACE, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, IN BOOK 45 OF MAPS, PAGE 13.

## PARCEL NO. 5:

THE SOUTH 21.45 FEET OF THE NORTH 56.45 FEET OF THE EAST 25.00 FEET OF LOT SIX (6), COLLEY PLACE, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, IN BOOK 45 OF MAPS, PAGE 13.

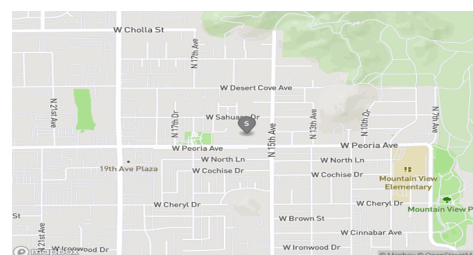
## PARCEL NO. 6:

THE NORTH 18 INCHES OF LOT (9); COLLEY PLACE, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, IN BOOK 45 OF MAPS, PAGE 13.

Unofficial Document

## COMPARABLE LAND SALES

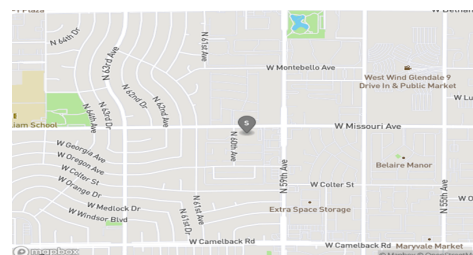
**Sale Comparable #1**  
**10610-10612 N 15th Ln**  
 10610 North 15th Lane  
 Phoenix, AZ 85029  
 Maricopa County  
 BBG Property #801860



Property Data			
Property Type/Use	Land Multifamily	Lat/Long	33.582812 / -112.0927
Parcel ID #	159-14-042A	Census Tract	1036.15
Opportunity Zone	No	Frontage	123' on Peoria Avenue
Gross Land Area	47,892 SF 1.10 Acres	Net Land Area	47,892 SF 1.10 Acres
Flood Designation	Zone X (Unshaded)	Flood Panel	04013C1730L Dated October 16, 2013
Utilities	Typical utilities and municipal services available to site.	Terrain / Topography	Generally level
Easements / Encroachments	There are no known detrimental easements, encroachments or other restrictions that would adversely affect the site's use or marketability.	Zoning	R-3A Multifamily Residential

Sale Transaction Data for BBG Event #938389 on 5/9/2023					Net Area	Gross Area
Transaction Date	5/9/2023	Consideration	\$400,000	Price PSF	\$8.35	\$8.35
Sale Status	Closed	Adjustments	\$0	Price Per Acre	\$363,819	\$363,819
		Cash Equivalent Price	\$400,000			
Property Rights	Fee Simple					
Transaction Component	Real Estate					
Tenancy	Vacant					
Grantor	Anny Draginova					
Grantee	Benjamin & Corina Covaciu					
Comments	<p>R-3A zoned land allows for development density of 12 du/acre with bonus, or up to 13 units, which equates to a price of \$30,769 per unit.</p> <p>According to the broker, "the seller was motivated to sell and lost a little money on the deal, but she just wanted her cash back."</p>					
Verification	<p>10/25/2023</p> <p>Patrick Burch/broker</p>					

**Sale Comparable #2**  
**5939 W. Missouri Ave.**  
 5939 West Missouri Avenue  
 Glendale, AZ 85301  
 Maricopa County  
 BBG Property #682467



#### Property Data

Property Type/Use	Land Residential	Lat/Long	33.516286 / -112.1884
Parcel ID #	144-28-155	Census Tract	0931.06
Opportunity Zone	No	Frontage	Minor arterial, corner
Gross Land Area	101,500 SF 2.33 Acres	Net Land Area	101,500 SF 2.33 Acres
Flood Designation	Zone X (Unshaded)	Flood Panel	04013C1715L Dated October 16, 2013
Utilities	All available to site.	Terrain / Topography	Level
Easements / Encroachments	None detrimental known	Zoning	R-4 Multifamily Residential
Comments	This is a single legal parcel of land with an overall rectangular shape. It is level, at-grade and has all utilities and off-sites in-place. The site is fully buildable and planned for a 33 unit townhouse project.		

Sale Transaction Data for BBG Event #817373 on 7/5/2022					Net Area	Gross Area
Transaction Date	7/5/2022	Consideration	\$550,000	Price PSF	\$5.42	\$5.42
Sale Status	Closed	Adjustments	\$0	Price Per Acre	\$236,039	\$236,039
		Cash Equivalent Price	\$550,000			
Days on Market	90					
Property Rights	Fee Simple					
Grantor	Campbell Professional Building LLC					
Grantee	Pinnacle Real Estate Six LLC					
Record Info	2022-0550607					
Comments	This is the sale of a single legal parcel of land for a near-term development of a 33-unit townhouse project. The buyer completed all entitlements after the sale. There was no other sale in the previous 12 months.					
Verification	2/1/2023	CoStar; Public Records; Carrick Sears, buyer's agent, SVN Desert Commercial				



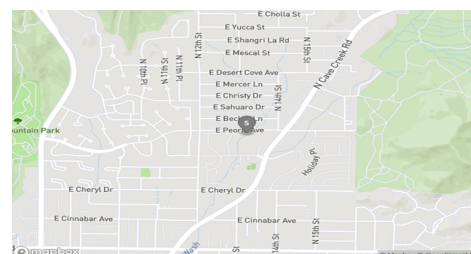
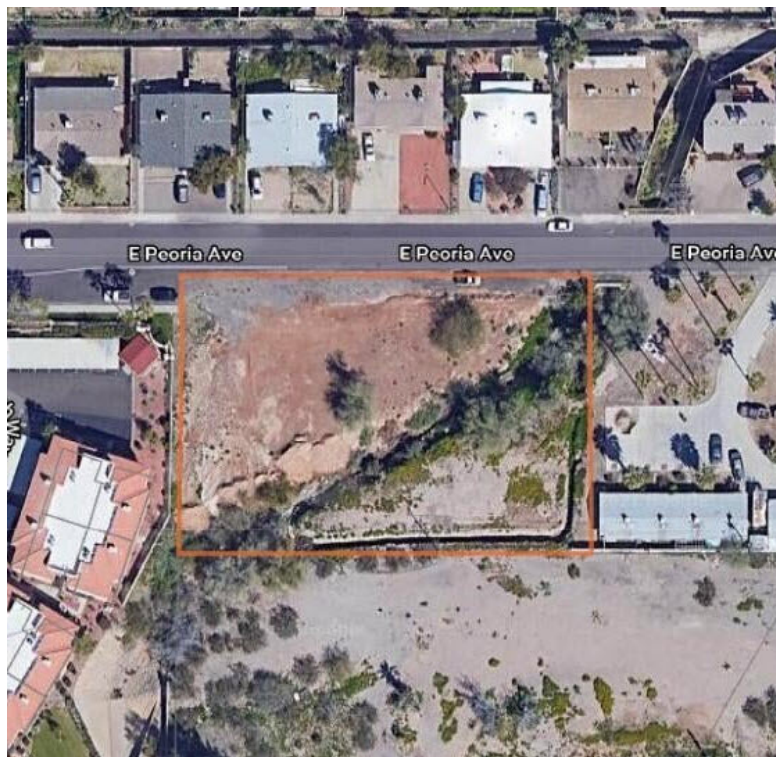
**1309 E Peoria Ave**

Phoenix, AZ 85020

Phoenix, AZ 85020

Maricopa County

BBG Property #801857

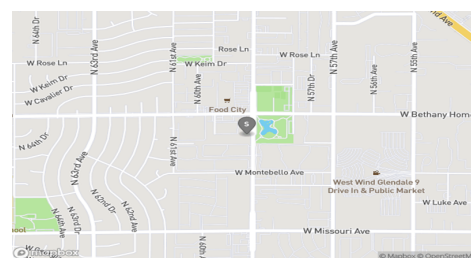


### Property Data

Property Type/Use	Land Multifamily	Lat/Long	33.582039 / -112.0539
Parcel ID #	159-28-005A	Census Tract	1047.01
Opportunity Zone	No	Frontage	Collector
Gross Land Area	41,818 SF 0.96 Acres	Net Land Area	41,818 SF 0.96 Acres
Flood Designation	Zone X (Shaded)	Flood Panel	04013C1735L Dated October 16, 2013
Utilities	Typical utilities and municipal services available to site.	Terrain / Topography	Generally level
Easements / Encroachments	There are no known detrimental easements, encroachments or other restrictions that would adversely affect the site's use or marketability.	Zoning	R-5 Multifamily Residential

Sale Transaction Data for BBG Event #938385 on 1/12/2022					Net Area	Gross Area
Transaction Date	1/12/2022	Consideration	\$400,000	Price PSF	\$9.57	\$9.57
Sale Status	Closed	Adjustments	\$0	Price Per Acre	\$416,663	\$416,663
		Cash Equivalent Price	\$400,000			
Property Rights	Fee Simple					
Transaction Component	Real Estate					
Tenancy	Vacant					
Grantor	DBCS, Inc.					
Grantee	Valle Pointe, LLC					
Comments	<p>According to MLS, preliminary plans were in the works to build 4 buildings with 4 townhome units in each building, all with two car garages.</p> <p>Sales price represents \$25K per unit based on the prelim plans.</p>					
Verification	<p>10/25/2023</p> <p>MLS</p>					

**Sale Comparable #4**  
**Multifamily Land**  
 5812 North 59th Avenue  
 Glendale, AZ 85301-5810  
 Maricopa County  
 BBG Property #515212



#### Property Data

Property Type/Use	Land Multifamily	Lat/Long	33.522717 / -112.1867
Parcel ID #	144-30-001D, 003F, 005D, 008C, 008F	Census Tract	0931.05
Opportunity Zone	No	Frontage	Arterial
Gross Land Area	152,791 SF 3.51 Acres	Net Land Area	152,791 SF 3.51 Acres
Flood Designation	Zone X (Shaded)	Flood Panel	04013C1715L & 04013C1720L Dated October 16, 2013
Utilities	Typical utilities and municipal services Terrain / Topography available to site.		Level
Easements / Encroachments	None detrimental known	Zoning	R-4 Multifamily Residential

Sale Transaction Data for BBG Event #665944 on 7/2/2021				Net Area	Gross Area
Transaction Date	7/2/2021	Consideration	\$800,000	Price PSF	\$5.24
Sale Status	Closed	Adjustments	\$0	Price Per Acre	\$228,076
		Cash Equivalent Price	\$800,000		\$228,076
Property Rights	Fee Simple				
Transaction Component	Real Estate				
Tenancy	Vacant				
Grantor	Bradley & Cynthia Wilson				
Grantee	Legacy Apartments on 59th, LLC				
Comments	This is the sale of a site planned for a 55-unit multifamily community. The site is fully entitled. Sale price represents \$14,545 pe runit.				
Verification	11/22/2021 Carrick Sears/SVN Desert Commercial				