

APPRAISAL REPORT



ASSIGNMENT:	Estimate Market Value of the Fee Simple Interest
PROJECT:	NSD – Four Parcels 16 th Street, Wood Street and Broadway Road; CC 8850110000
ASSESSOR'S PARCEL NOS.:	122-39-001B, 012B, 012C, 022A
OWNER:	City of Phoenix
ADDRESS:	1610-1614 East Broadway Road, Phoenix, Arizona
TYPE:	Multi-family Residential Land
EFFECTIVE DATE OF THE APPRAISAL:	November 7, 2025
CLIENT:	Mr. Christopher F. Rocca, Sr. Review Appraiser Finance Department Real Estate Division 251 West Washington Street, 8 th Floor Phoenix, Arizona 85003
APPRAISER:	Dennis L. Lopez, MAI, SRA <i>Dennis L. Lopez & Associates, LLC</i>
OUR FILE No.:	250170



DENNIS L. LOPEZ & ASSOCIATES, LLC
REAL ESTATE APPRAISERS AND CONSULTANTS

November 19, 2025

Mr. Christopher F. Rocca, Sr.
Review Appraiser
Real Estate Division
Finance Department
251 West Washington Street, 8th Floor
Phoenix, Arizona 85003

Re: Assignment: Estimate Market Value of the Fee Simple Interest
Project: NSD – Four Parcels 16th Street, Wood Street and Broadway Road;
CC 8850110000
APNs: 122-39-001B, 012B, 012C 022A
Owner: City of Phoenix
Property Type: Multi-family Residential Land
Location: 1610-1614 East Broadway Road, Phoenix, Arizona
Our File No.: 250170

Dear Mr. Rocca:

Per to your request, I have inspected the above-referenced property for the purpose of estimating the market value of the fee simple interest, as of the effective date of the appraisal (date of valuation), November 7, 2025, subject to subject to C-1, Neighborhood Retail zoning but with R-5, Multifamily Residence development standards. The intended use of the appraisal and report will be for internal decisions. I expect that the intended user of the appraisal and report will be you and the City of Phoenix (the client).

My opinion of market value assumed a cash transaction or one involving financing at market terms after a reasonable exposure time as of the effective date of the appraisal. The opinion expressed was subject to the underlying assumptions and limiting conditions, definitions and certification set forth in the body of the accompanying appraisal report. The appraisal and report were prepared in conformity with the appraisal guidelines of the City of Phoenix, the Uniform Standards of Professional Appraisal Practice, 2024 (USPAP) and the Uniform Relocation Assistance & Real Property Acquisition Policies Act ("Uniform Act") (49 CFR Part 24) and amendments and the Arizona Department of Transportation Infrastructure Delivery and Operations Division's Right-of-way Procedures Manual, Federal Highway Administration (FHWA)-certified, July 16, 2018. Please note that the ADOT manual is a complete set of appraisal requirements that was certified by FHWA for Uniform Act compliance. The ADOT appraisal requirements have long represented the most complete compilation and documentation of requirements for compliance.

Mr. Christopher F. Rocca, Sr.
November 19, 2025
Page 2

During the course of the appraisal and analysis, I became thoroughly familiar with the subject property and its location. Documented market data from the applicable market segment to which the subject belongs were analyzed and I spoke with well-informed persons familiar with current real estate values, all for the purpose of estimating the market value of this property.

Based on the information found in my investigation and by my professional analysis as presented in the accompanying appraisal report, my opinion of the market value of the fee simple interest as of the effective date of the appraisal (date of valuation), November 7, 2025, subject to subject to C-1, Neighborhood Retail zoning but with R-5, Multifamily Residence development standards was:

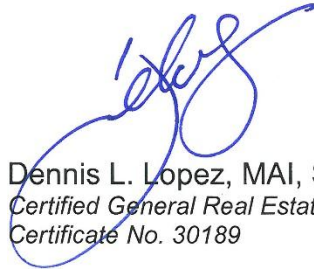
SEVEN HUNDRED FIFTY THOUSAND DOLLARS

(\$750,000 or \$9.00/s.f. of net site area)

My appraisal was subject to a special limiting condition stated on page 13 of the accompanying report.

The opportunity to assist you has been appreciated.

Respectfully submitted,



Dennis L. Lopez, MAI, SRA
Certified General Real Estate Appraiser - State of Arizona
Certificate No. 30189

DLL:dll

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UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS

1. This report is the confidential and private property of the client and the appraiser. Neither all nor any part of the contents of this report shall be conveyed to any person or entity, other than the appraiser's or firm's client, through advertising, solicitation materials, public relations, news, sales, or other media without the written consent and approval of the authors, particularly as to valuation conclusions, the identity of the appraiser or firm with which the appraiser is connected, or any reference to the Appraisal Institute or the MAI and SRA designations. Further, the appraiser or firm assumes no obligation, liability, or accountability to any third party. If this report is placed in the hands of anyone but the client, client shall make such party aware of all the assumptions and limiting conditions of the assignment.
2. Neither this report, nor any of its contents, may be used for the sale of shares or similar units of ownership in the nature of securities, without specific prior approval of the appraiser. No part of this appraisal may be reproduced in any promotional materials without the permission of the appraiser.
3. The information furnished by the property owner, agent, management or the client is assumed to be correct as received.
4. The appraiser is not responsible for the accuracy of the opinions furnished by others and contained in this report, nor is he responsible for the reliability of government data utilized in the report.
5. The title to the property is assumed to be marketable and free and clear of all liens.
6. The property is appraised as if owned in fee simple title without encumbrances, unless otherwise mentioned in this report.
7. The fee simple estate in the property contains the sum of all fractional interests which may exist.
8. The legal description obtained by the appraiser was assumed correct and descriptive of the subject property. No responsibility is assumed for the legal description provided or for matters including legal or title considerations. A survey and title report should be obtained to verify its accuracy.
9. No site survey was provided to the appraiser unless otherwise noted. It is assumed that the sources for dimensions and size relied upon are correct.

10. The utilization of the land by the improvements is assumed to be within the boundaries or property lines described and that no encroachments exist unless otherwise noted in the report.
11. No hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable were assumed to exist. No responsibility is assumed for such conditions or arranging engineering studies that may be required for their discovery.
12. Subsurface rights (mineral, oil, etc.) and their potential impact upon value were not considered in this appraisal, unless stated otherwise.
13. This appraisal assumes the subject property, as vacant or as improved, has no historical or archeological significance. The value estimate is predicated on the assumption that no such condition exists. Should the client have a concern over the subject's status, he or she is urged to retain the services of a qualified independent specialist to determine the extent of either significance, if any, and the cost to study the condition or the benefit or detriment such a condition brings to the property. The cost of inspection and study must be borne by the client or owner of the property. Should the development of the property be restricted or enhanced in any way, the appraiser reserves the right to modify the opinion of value indicated by the market.
14. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined and considered in the appraisal report.
15. This appraisal assumes the subject property complies with the requirements under the *ADA, Americans With Disabilities Act*. The appraisers are not qualified to detect each and every item of compliance or lack thereof. The value estimate is predicated on the assumption that there is no lack of compliance that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.

Should the client have a concern over the subject's state of compliance, he or she is urged to retain the services of a qualified independent ADA specialist to determine the extent of compliance and the cost to bring the property into compliance if needed. The cost of inspection, study and compliance must be borne by the client or owner of the property. The cost could be deducted from the estimate of market value of the subject property if indicated by the market.

16. The subject property is assumed not to be in violation of any government regulations or laws pertaining to the environment.
17. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser.

The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances as asbestos, PCB transformers, urea-formaldehyde foam insulation, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (containing hazardous materials). Mold may be present in areas the appraiser cannot see. The value estimate is predicated on the assumption that there is no such material or growth on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.

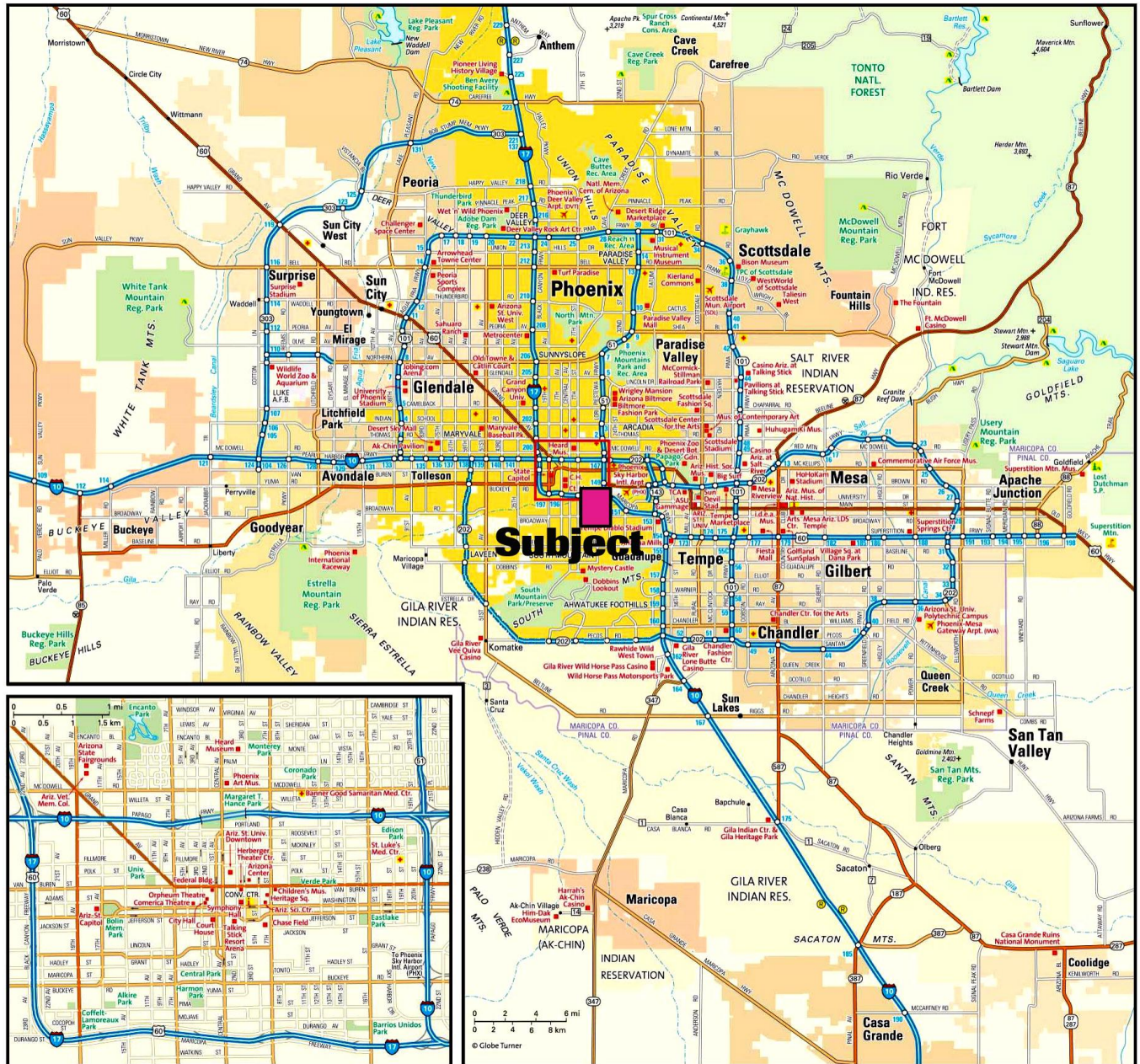
Should the client have a concern over the existence of such substances, he or she is urged to retain the services of a qualified independent environmental specialist to determine the extent of the contamination, if any, and the cost of treatment or removal. The cost of detection, treatment or removal and permanent storage must be borne by the client or owner of the property. This cost can be deducted from the estimate of market value of the subject property if requested by the client.

18. Responsible ownership and competent management are assumed to exist for the subject property.
19. The values assigned to the improvements, if shown in this report, are in proportion to the contribution they make to the value of the property as a whole. The separate estimates of value for the land and building must not be used in conjunction with any other appraisal and are invalid if so used, or if used separately.
20. All furnishings and equipment (or other personal property), except those specifically indicated and/or typically considered as a part of real property (under common accepted definitions) have been disregarded in this valuation. Only the real estate, as permanently affixed to the subject site, has been valued herein.
21. This report is not considered a legal document and the appraiser assumes no responsibility for matters of a legal nature except for his obligations under the contract to provide the appraisal and report.
22. The appraiser is not required to testify regarding this report in deposition or in court unless arrangements were previously made.
23. The appraiser cannot predict or evaluate the possible effects of future wage or price control actions of the government upon rental income or financing of the subject property; hence, it is assumed that no controls will apply which would nullify contractual agreements, thereby changing property values.

24. The appraiser did not base a conclusion or opinion of value on the following:
- a. Racial, ethnic, or religious homogeneity of the inhabitants of an area or of a property
 - b. Racial, religious, and ethnic factors as predictors of value trends or price variance
 - c. Neighborhood trends analyzed upon stereotyped or biased presumptions relating to race, color, religion, sex, or national origin, or upon unsupported presumptions relating to the effective age or remaining life of the property being appraised or the life expectancy of the neighborhood in which it is located.

REGIONAL MAP

North ↑



ASSESSOR'S AERIAL PHOTOGRAPH

↑
North



SUMMARY OF IMPORTANT FACTS AND OPINIONS

ASSIGNMENT:	Estimate market value of the fee simple interest
PROJECT:	NSD – Four Parcels 16 th Street, Wood Street and Broadway Road; CC 8850110000
ASSESSOR’S PARCEL NOS.:	122-39-001B, 012B, 012C, 022A
OWNER:	City of Phoenix
ADDRESS:	1610–1614 East Broadway Road, Phoenix, Arizona
TYPE:	Multi-family residential land
OWNER CONTACT AND PROPERTY INSPECTION:	The owner was the client. The property was inspected unaccompanied on November 7, 2025.
PURPOSE AND INTENDED USE AND USER:	The purpose of this assignment was to estimate the market value of the fee simple interest in the subject property as of the effective date of the appraisal, November 7, 2025, subject to C-1, Neighborhood Retail zoning but with R-5, Multifamily Residence development standards. The intended use of the appraisal will be for internal decisions. I expect that the intended user of this appraisal and report will be you and the City of Phoenix (the client).
SITE AREA:	83,338 square feet or 1.913 net acres (Assessor)
ZONING:	
Subject to Rezoning:	C-1, Neighborhood Retail with R-5, Multifamily Residence development standards
As Is:	13% C-3, General Commercial 18% C-2, Intermediate Commercial 69% R-5, Multifamily Residence

IMPROVEMENTS:	None
HIGHEST AND BEST USE:	Speculative investment for appreciation upon resale or future multi-family residential development
INDICATIONS OF MARKET VALUE OF THE FEE SIMPLE INTEREST:	
Cost Approach	Not applicable
Sales Comparison Approach	
Subject to Rezoning	\$750,000 or \$9.00 per square foot of net site area
Income Approach	Not applicable
FINAL OPINION OF MARKET VALUE OF THE FEE SIMPLE INTEREST:	\$750,000 or \$9.00 per square foot of net site area
	My appraisal was subject to a special limiting condition stated on page 13 of the report.
EXPOSURE TIME:	6 months
TYPE OF REPORT:	Appraisal Report (per USPAP 2024)
DATE OF INSPECTION:	November 7, 2025
EFFECTIVE DATE OF THE APPRAISAL:	November 7, 2025 (date of valuation)
DATE OF THE REPORT:	November 19, 2025 (date of transmittal)
APPRAISER:	Dennis L. Lopez, MAI, SRA <i>Dennis L. Lopez & Associates, LLC</i> 8631 South Priest Drive, Suite 103 Tempe, Arizona 85284 480-838-7332 office 602-620-6298 cell dennis@lopezappraisal.com

SUBJECT PROPERTY PHOTOGRAPHS

(November 7, 2025)



West and East Non-contiguous Portions of the Subject Looking North from Broadway Road



Broadway Road Looking West and East - Subject Corner on Right and Left



16th Street Looking North and South – Subject on Right and Left



East Portion of the Subject Looking South from Wood Street



Wood Street Looking East and West - Subject on Right and Left



Alley Making the Subject Non-contiguous Looking North from Broadway Road

INTRODUCTION

Scope of Work

Scope of work is defined by USPAP as follows:

The type and extent of research and analyses in an appraisal or appraisal review assignment.

This written appraisal report leads the reader through two appraisals of a parcel of real property in Phoenix, Arizona. I provided an "Appraisal Report" which provides all the introduction, description, data, analysis and conclusions that the reader requires to understand the opinion of market value. The appraisal and report were prepared in conformity with the appraisal guidelines of the City of Phoenix and the Uniform Standards of Professional Appraisal Practice, 2024 (USPAP) and the Uniform Relocation Assistance & Real Property Acquisition Policies Act ("Uniform Act") (49 CFR Part 24) and amendments. This appraisal report has an accompanying workfile. A workfile is defined by USPAP as:

Documentation necessary to support an appraiser's analyses, opinions and conclusions

Thus, where my description, data, analysis and conclusions are summarized in the report, my workfile contains supporting documentation.

The scope of work included an analysis of the physical and legal characteristics of the subject property, the influences of the surrounding region and neighborhood on the property, and supply and demand in the subject's market segment which led to my opinion of highest and best use. Once my opinion of highest and best use was established, I studied recent sales and current listings of comparable parcels of land and I spoke with knowledgeable market participants who are familiar with properties like the subject. How the market viewed the subject was critical to my supported opinions of market value and a reasonable exposure time. Their comments also helped provide further support for quantitative and qualitative sales adjustments.

The appraisal documented in this report supported a final opinion of market value by the Sales Comparison Approach. Sufficient data were contained within this report for an adequate understanding of the data considered, as well as the methodology and reasoning utilized to reach my opinion of market value.

Assumptions and limiting conditions plus my certification set forth the boundaries in which my opinion of market value was contained.

Special Limiting Conditions

Extraordinary Assumptions

According to USPAP 2024, an extraordinary assumption is defined as follows:

An assignment specific assumption as of the effective date regarding uncertain information used in an analysis, which 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. My opinion of market value was not subject to any extraordinary assumptions.

Hypothetical Conditions

According to USPAP 2024, a hypothetical condition is defined as follows:

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.

Hypothetical conditions assume conditions *contrary to known facts* 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. My opinion of market value was subject to the following hypothetical condition:

Subject to Rezoning – At the client's direction, I have assumed the subject property has been rezoned subject to C-1, Neighborhood Retail with R-5, Multifamily Residence development standards.

Property Identification

The property appraised was a non-contiguous 83,338 net square foot, or 1.913-net acre, parcel of vacant land located at 1610–1614 East Broadway Road in Phoenix Arizona. The property was referred to as the "subject property" in the body of the report.

Legal Description

A legal description for the subject property was not available. My narrative and exhibits in this report are assumed to provide a reliable description of the property for the purpose of this appraisal. Obtaining a survey and title report is recommended.

Ostensible Owner

According to the information provided by the client, the subject property was owned by the City of Phoenix.

Ownership and Marketing History

The City of Phoenix has owned the property for over 10 years. There have been no listings of the property for sale or lease in the last five years.

Owner Contact and Property Inspection

The owner was the client. The property was inspected unaccompanied on November 7, 2025.

Leasehold Interest

The property was not leased.

Purpose of the Appraisal

The purpose of this assignment was to estimate the value of the fee simple interest in the subject property as of the effective date of the appraisal (date of valuation), November 7, 2025, subject to subject to C-1, Neighborhood Retail zoning but with R-5, Multifamily Residence development standards.

Intended Use, Client, and Intended Users of the Appraisal

The intended use of the appraisals and report will be for internal decisions. I expect that the intended user of this appraisal and report will be you and the City of Phoenix (the client).

Definitions

Market Value

"Market Value" means 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.¹

¹ Arizona Revised Statutes 12-1122(C)

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.²

Exposure Time

The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal (Comment: a retrospective estimate based on an analysis of past events assuming a competitive and open market.)³

Date of Inspection

November 7, 2025

Effective Date of the Appraisal

November 7, 2025 (date of valuation)

Date of the Report

November 19, 2025 (date of transmittal)

² Appraisal Institute, The Dictionary of Real Estate Appraisal, Seventh Edition, (Chicago, Illinois: Appraisal Institute, 2022), page 73.

³ Uniform Standards of Appraisal Practice 2024, Appraisal Standards Board, Definitions, page 4.

REGIONAL ANALYSIS

As real estate is fixed in location, it is important to analyze the external forces which affect its highest and best use and market value. This section introduces the four interrelated forces that have both a direct and indirect effect upon the marketability of real estate in metropolitan Phoenix:

- *Environmental Forces*: This category of market forces includes an analysis of topography, climate, land-use patterns, water availability, transportation and street patterns as well as constraints on future growth and development potential.
- *Economic Forces*: This category includes an analysis of population and employment trends, wage levels, local market trends (including supply/demand characteristics of major market segments), availability of financing, and the availability of goods and services.
- *Governmental Forces*: This category includes an analysis of local/regional governmental attitudes and policies regarding growth, development, provision of services, taxation, city planning and incentives to commerce, industry and real estate development.
- *Social Forces*: This category includes an analysis and discussion of the demographic composition of the population and its demand for real estate. Consideration is also given to attitudes of the population regarding education, growth, development and lifestyle options.

Environmental Forces

Physical factors including land area, topography, climate, availability of water, and surrounding land uses have a direct impact the general desirability of a city or town.

The subject is located in Phoenix, Arizona, one of 23 incorporated cities in the Phoenix metropolitan area. Phoenix is located in a river valley within the desert that covers the southwest portion of the state. The metropolitan area covers an area of approximately 2,500 square miles. The incorporated area of Phoenix covers about 517 square miles. Maricopa County is 9,222 square miles in size with 29% privately-held.

Topography

The metropolitan area is located in a river valley and on highlands within the desert that covers the southwest portion of the state. Development comes easily to Phoenix and other cities in the area as the mostly-level topography allows for construction without costly site preparation. With the relatively unobstructed terrain, street patterns have taken on a north/south, east/west grid orientation. Along nearly every section line is a major arterial criss-crossing the valley. These major arterials carry the bulk of everyday traffic.

Climate

Climate alone attracts thousands of people to the state annually as residents or as visitors. This in turn creates great increases in demand for goods, services and housing, thereby bolstering the local economy and contributing to the growth cycle. Located at an elevation of 1,117 feet, Phoenix enjoys a dry subtropical climate with an average yearly precipitation of 6.74 inches, an average maximum temperature of 84.9 degrees and an average minimum temperature of 55.3 degrees. The sun shines on approximately 300 days of the year.

Land Use

Phoenix and its incorporated satellite cities were once separated by open land, however explosive growth over the past 80 years has caused their borders to become blurred. Although largely surrounded, Phoenix itself has sufficient room to grow, especially to the north. Incorporated portions of the region are estimated to be only 70 percent developed. Given the large supply of undeveloped infill and outlying land, Phoenix does not appear overly restricted in terms of increasing its tax base, and funding existing and new growth.

Water Availability

As metropolitan Phoenix is within the Sonoran desert, water and its continued availability are a concern to the continued growth of the area and quality of life. The sources of the area's water supply are estimated to be groundwater (50%) and surface water (50%).

Groundwater is pumped from basins located beneath the surface of Maricopa County. The metropolitan area had been consuming nearly 500,000 acre-feet more than was being replenished. In response to this overdraft, the Arizona State Legislature enacted the 1980 Groundwater Management Code to safeguard groundwater supplies. According to the code, the goal is to reach "safe yield" by the year 2025, which assumes that there will be no more groundwater withdrawn than is recharged. State and local municipal governments coordinate efforts to ensure an adequate water supply will meet forecasted demand/growth in this century.

Local surface water supplies come from reservoirs located on the Salt, Verde, and Agua Fria Rivers and are delivered by canal systems. The area also receives allocations of Colorado River water through the Central Arizona Project (CAP).

Although the present water supply appears adequate for the needs of the region, the rapid population growth has raised concern among planners as to the future capacity of the area to absorb population. Also, a prolonged drought has brought additional concerns regarding future water supply and management. For these reasons, water conservation and apportionment of water rights have become two major issues facing residents of the region and impacting the potential for growth.

Transportation

Highways and Freeways - The metropolitan area is served by Interstates-10 and -17, U.S. Highways 60 and 93, together with State Routes 51, 74, 85, 87, 101, 143, 202, and 303. Personal vehicles and trucks have been, and will continue to be, the primary means of transportation in the metropolitan area.

Major Streets - Major section-line arterials still carry the bulk of everyday traffic given the development sprawl. Most are improved with four or six lanes and carry traffic at speeds from 35 to 45 m.p.h.

Airports - The largest airport in the Phoenix metropolitan area is Sky Harbor International Airport. It is one of the ten busiest in the country for passenger traffic. FAA records show the airport had 52,325,266 commercial passenger boardings (enplanements and deplanements) in 2024. In 2020, the number was 21,928,708 commercial passenger boardings (enplanements and deplanements). The effect of the COVID-19 pandemic on air travel was evident. In fiscal year 2024, the airport handled 339,149 tons of cargo. In fiscal year 2021-22, the airport handled 269,763 tons of cargo. There are 22 domestic and international airlines operating at the airport serving 100 cities in the U.S. and 16 cities internationally. In addition to Sky Harbor, there are eight smaller satellite airports in the metropolitan area.

Railroads - The area is served by two railroad companies--*Union Pacific Railroad* and *BNSF Railway Company*. Commerce and industry depend little on rail transportation although large areas of industrial development are served by the rail system. None of the rail lines are used for mass transit.

Mass Transit - The Phoenix metropolitan area lacks a mass transit system serving all of the metropolitan area. However, the *Valley Metro* bus lines serve a large portion of the metropolitan area. The cities of Phoenix, Tempe and Mesa have built *Metro*, a 23-mile mass transit light rail line serving central Phoenix and linking the downtown areas of Phoenix and Tempe and Mesa. It became operational in late 2008 and has met with good acceptance by the public.

Economic Forces

Population and Growth Statistics

Strong gains in population are due to an upturn in net in-migration. Net in-migration currently accounts for two thirds of the change in the population. Strong net in-migration is expected to continue as Arizona is an attractive destination due to climate, lifestyle, affordable housing and job availability. The Maricopa County Association of Governments (MAG) provided the following population and growth statistics for cities and towns in Maricopa County along with Pinal County data (most recent):

MAG Planning Area Total: 4,974,380 (July 1, 2024 Estimate)			
Jurisdiction	Population Estimate July 1, 2023	Population Estimate July 1, 2024	Population Growth (2023-2024)
Apache Junction	39,488	41,643	5.5%
Avondale	94,821	96,803	2.1%
Buckeye	109,591	113,349	3.4%
Carefree	3,726	3,738	0.3%
Cave Creek	5,233	5,259	0.5%
Chandler	285,171	286,342	0.4%
El Mirage	36,514	36,958	1.2%
Florence	23,880	24,175	1.2%
Fort McDowell	1,152	1,152	0.0%
Fountain Hills	24,061	24,163	0.4%
Gila Bend	1,892	1,894	0.1%
Gila River	14,053	14,053	0.0%
Gilbert	289,453	292,116	0.9%
Glendale	257,784	260,878	1.2%
Goodyear	112,540	116,694	3.7%
Guadalupe	5,327	5,327	0.0%
Litchfield Park	7,016	7,016	0.0%
Maricopa	69,258	73,300	5.8%
Mesa	520,579	524,892	0.8%
Paradise Valley	12,740	12,781	0.3%
Peoria	201,947	203,065	0.6%
Phoenix	1,679,464	1,697,696	1.1%
Queen Creek	77,291	81,778	5.8%
Salt River	6,383	6,411	0.4%
Scottsdale	248,207	249,935	0.7%
Surprise	160,176	165,916	3.6%

Tempe	192,988	193,336	0.2%
Tolleson	7,316	8,627	17.9%
Wickenburg	8,280	8,450	2.1%
Youngtown	7,086	7,161	1.1%
Unincorporated Maricopa County	323,015	325,858	0.9%
Unincorporated Pinal County*	153,025	154,332	0.9%
Maricopa County	4,669,740	4,726,247	1.2%
Pinal County	468,304	483,944	3.3%





























































The following table summarizes past and projected population growth of municipal planning areas in Maricopa County:

Maricopa Association of Governments Table 1: Total Population by Municipal Planning Area July 1, 2015 and Projections July 1, 2020 to July 1, 2050					
Municipal Planning Area	Total Population				
	2015	2020	2030	2040	2050
Apache Junction	55,100	58,100	68,500	95,900	125,400
Avondale	80,500	86,800	95,600	112,400	126,300
Buckeye	72,900	87,700	147,600	310,800	488,000
Carefree	3,500	4,100	5,000	5,300	5,500
Cave Creek	5,600	6,400	7,400	8,800	9,800
Chandler	263,100	286,000	312,300	327,700	338,700
El Mirage	33,300	35,300	35,700	38,200	41,800
Florence	71,200	82,300	106,000	134,300	164,500
Fort McDowell	1,000	1,000	1,000	1,100	1,100
Fountain Hills	23,300	26,000	28,300	30,400	32,600
Gila Bend	2,400	2,900	3,500	4,900	6,600
Gila River	11,900	12,100	12,200	12,200	12,200
Gilbert	246,300	260,800	286,200	299,800	304,100
Glendale	262,600	282,800	305,600	323,900	343,800
Goodyear	80,200	98,600	154,200	207,400	293,100
Guadalupe	6,100	6,500	6,700	6,800	6,800
Litchfield Park	12,600	14,000	14,200	15,000	15,600
Maricopa	56,500	74,800	102,600	127,600	161,100
Maricopa County Areas	96,200	105,100	115,000	141,800	208,900
Mesa	505,200	555,000	620,100	661,200	684,300
Paradise Valley	13,700	14,200	14,900	15,100	15,500
Peoria	177,400	200,900	271,200	309,700	342,600
Phoenix	1,579,700	1,731,300	1,988,800	2,160,200	2,277,700
Pinal County Areas	96,000	101,900	119,600	149,600	181,800
Queen Creek	45,500	57,500	83,000	92,700	98,200
Salt River-Pima	6,600	6,800	7,100	7,600	8,000
Scottsdale	231,300	255,000	290,800	308,700	312,000
Surprise	136,400	148,000	239,000	362,200	452,300
Tempe	172,100	188,100	222,800	255,500	264,500
Tolleson	6,800	7,600	10,800	14,000	14,800
Wickenburg	8,000	9,700	14,100	14,600	14,800
Youngtown	6,500	6,800	7,500	8,100	8,400

The 2000 resident population in Arizona was 5,130,632 which indicated a 40% gain over the number in 1990. By July 1, 2023, the number was estimated to be 7,365,684 or a gain of 43.56 percent according to the US Census Bureau. As of July 1, 2023, Maricopa County had an estimated population of 4,665,020 or 63.34% of the state's population.

Demographics

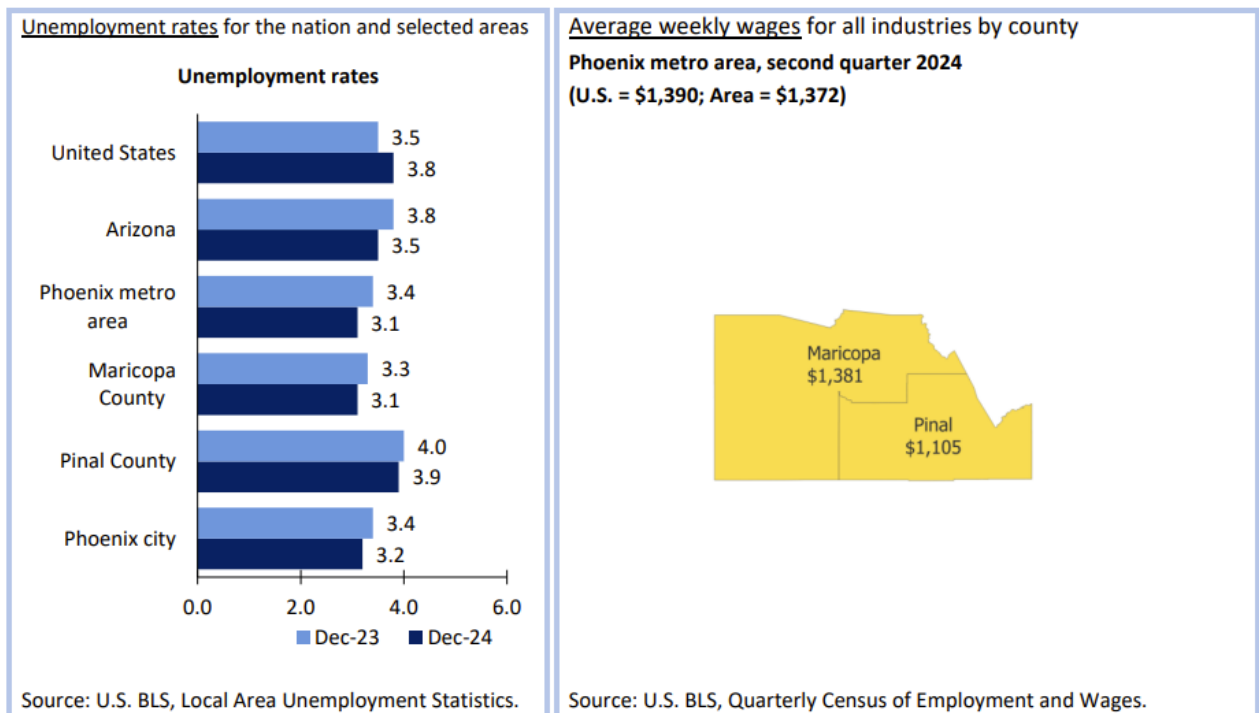
The following July 1, 2024 (most recent) statistics for Maricopa County, Arizona and Phoenix are from the US Bureau of the Census:

	Maricopa Co.	Arizona	Phoenix
 Population estimates, July 1, 2024, (V2024)	 4,673,096	 7,582,384	 NA
 PEOPLE			
Population			
 Population estimates, July 1, 2024, (V2024)	 4,673,096	 7,582,384	 NA
 Population estimates, July 1, 2023, (V2023)	 4,585,871	 7,431,344	 1,650,070
 Population estimates base, April 1, 2020, (V2024)	 4,425,315	 7,158,110	 NA
 Population estimates base, April 1, 2020, (V2023)	 4,425,102	 7,157,902	 1,608,215
 Population, percent change - April 1, 2020 (estimates base) to July 1, 2024, (V2024)	 5.6%	 5.9%	 NA
 Population, percent change - April 1, 2020 (estimates base) to July 1, 2023, (V2023)	 3.6%	 3.8%	 2.6%
 Population, Census, April 1, 2020	4,420,568	7,151,502	1,608,139
 Population, Census, April 1, 2010	3,817,117	6,392,017	1,445,632
Age and Sex			
 Persons under 5 years, percent	 5.5%	 5.3%	 6.1%
 Persons under 18 years, percent	 22.1%	 21.3%	 24.1%
 Persons 65 years and over, percent	 16.6%	 19.3%	 11.9%
 Female persons, percent	 50.3%	 50.1%	 49.8%
Housing			
 Housing Units, July 1, 2023, (V2023)	1,913,901	3,239,581	X
 Owner-occupied housing unit rate, 2019-2023	65.0%	67.0%	57.1%
 Median value of owner-occupied housing units, 2019-2023	\$414,700	\$358,900	\$381,900
 Median selected monthly owner costs - with a mortgage, 2019-2023	\$1,870	\$1,739	\$1,772
 Median selected monthly owner costs -without a mortgage, 2019-2023	\$550	\$500	\$538
 Median gross rent, 2019-2023	\$1,587	\$1,431	\$1,458
 Building Permits, 2023	38,292	58,433	X
Families & Living Arrangements			
 Households, 2019-2023	1,697,342	2,796,790	601,397
 Persons per household, 2019-2023	2.61	2.54	2.66
 Living in the same house 1 year ago, percent of persons age 1 year+ , 2019-2023	85.3%	85.1%	85.3%
 Language other than English spoken at home, percent of persons age 5 years+, 2019-2023	25.8%	25.7%	35.9%
Computer and Internet Use			
 Households with a computer, percent, 2019-2023	96.9%	95.9%	96.3%
 Households with a broadband Internet subscription, percent, 2019-2023	92.1%	90.4%	89.8%

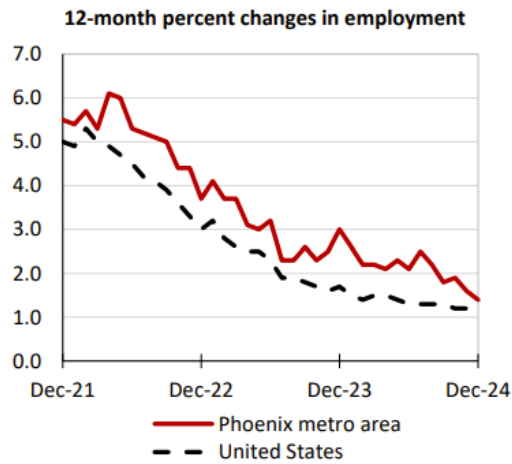
	Maricopa Co.	Arizona	Phoenix
Economy			
📌 In civilian labor force, total, percent of population age 16 years+, 2019-2023	64.7%	60.1%	67.9%
📌 In civilian labor force, female, percent of population age 16 years+, 2019-2023	59.1%	55.6%	62.8%
📌 Total accommodation and food services sales, 2022 (\$1,000) (c)	18,797,471	27,613,720	6,420,972
📌 Total health care and social assistance receipts/revenue, 2022 (\$1,000) (c)	46,171,475	66,572,509	21,532,515
📌 Total transportation and warehousing receipts/revenue, 2022 (\$1,000) (c)	17,948,170	21,696,444	11,691,560
📌 Total retail sales, 2022 (\$1,000) (c)	111,556,823	157,466,082	37,904,957
📌 Total retail sales per capita, 2022 (c)	\$24,487	\$21,378	\$23,058
Geography			
📌 Population per square mile, 2020	480.4	62.9	3,104.5
📌 Population per square mile, 2010	414.9	56.3	2,797.8
📌 Land area in square miles, 2020	9,201.79	113,653.42	518.00
📌 Land area in square miles, 2010	9,200.14	113,594.08	516.70

Employment

Arizona, as well as the Phoenix metropolitan area, has enjoyed strong economic job growth and job gains in the long term. The metropolitan area possesses a diversified economic base. The following information is from the US Bureau of Labor Statistics, Regions, West Summary as of December, 2024, and 2nd Quarter, 2024:



Employment on nonfarm payrolls and employment by major industry sector, over-the-year changes



Phoenix metro area employment (number in thousands)	Dec. 2024	Change from Dec. 2023 to Dec. 2024	
		Number	Percent
Total nonfarm	2,503.4	33.5	1.4
Mining and logging	4.0	0.3	8.1
Construction	169.1	-5.1	-2.9
Manufacturing	147.2	-2.6	-1.7
Trade, transportation, and utilities	499.6	9.3	1.9
Information	40.9	-1.2	-2.9
Financial activities	215.8	0.3	0.1
Professional and business services	398.2	0.9	0.2
Education and health services	434.7	24.0	5.8
Leisure and hospitality	251.3	-0.4	-0.2
Other services	78.9	0.8	1.0
Government	263.7	7.2	2.8

Source: U.S. BLS, Current Employment Statistics.

Phoenix-Mesa-Scottsdale Employment

Data Series	Back Data	Sept 2024	Oct 2024	Nov 2024	Dec 2024
Labor Force Data					
Civilian Labor Force ⁽¹⁾		(2) 2,707.6	(2) 2,698.8	(2) 2,706.1	(2) 2,699.3
Employment ⁽¹⁾		(2) 2,615.8	(2) 2,607.5	(2) 2,615.8	(2) 2,614.9
Unemployment ⁽¹⁾		(2) 91.8	(2) 91.3	(2) 90.2	(2) 84.4
Unemployment Rate ⁽³⁾		(2) 3.4	(2) 3.4	(2) 3.3	(2) 3.1

2. in thousands

Economy

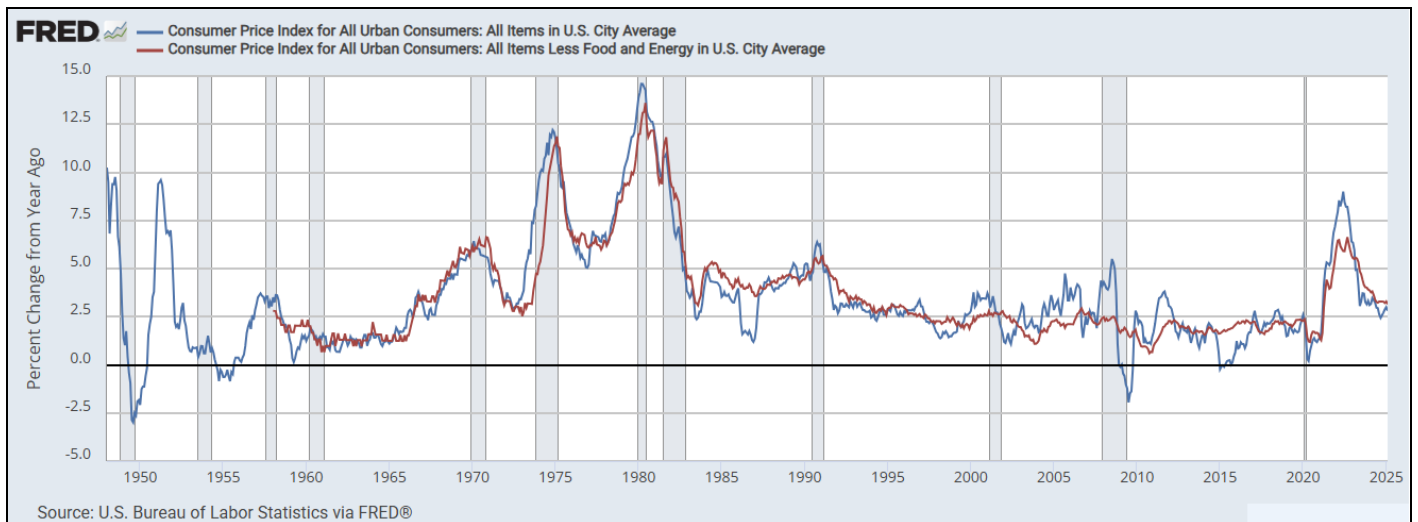
Arizona has ranked among the leading states in three important economic indices of growth for more than a decade--growth in personal income; growth in population; and growth in non-farm wage and salary employment. Among all Arizona counties, Maricopa County has the largest and most diverse economic base. Construction, manufacturing, service and trade, government, and agriculture are all important factors contributing to a diverse economy. The following is from the US Census 2022 (most recent):

BUSINESSES

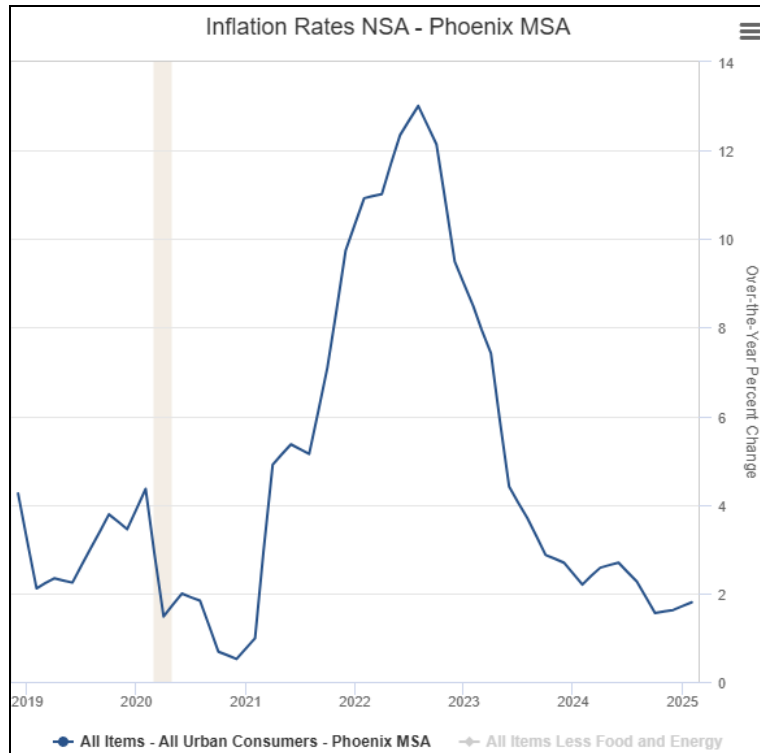
Businesses

Total employer establishments, 2022	107,648	159,857	X
Total employment, 2022	1,940,767	2,787,701	X
Total annual payroll, 2022 (\$1,000)	119,706,554	162,647,099	X
Total employment, percent change, 2021-2022	7.8%	7.2%	X
Total nonemployer establishments, 2022	391,119	585,251	X
All employer firms, Reference year 2022	80,655	116,651	29,356
Men-owned employer firms, Reference year 2022	45,155	64,372	16,810
Women-owned employer firms, Reference year 2022	17,677	25,786	5,825
Minority-owned employer firms, Reference year 2022	14,769	22,370	5,577
Nonminority-owned employer firms, Reference year 2022	59,106	84,545	20,507
Veteran-owned employer firms, Reference year 2022	3,992	5,876	1,341
Nonveteran-owned employer firms, Reference year 2022	70,295	101,623	24,821

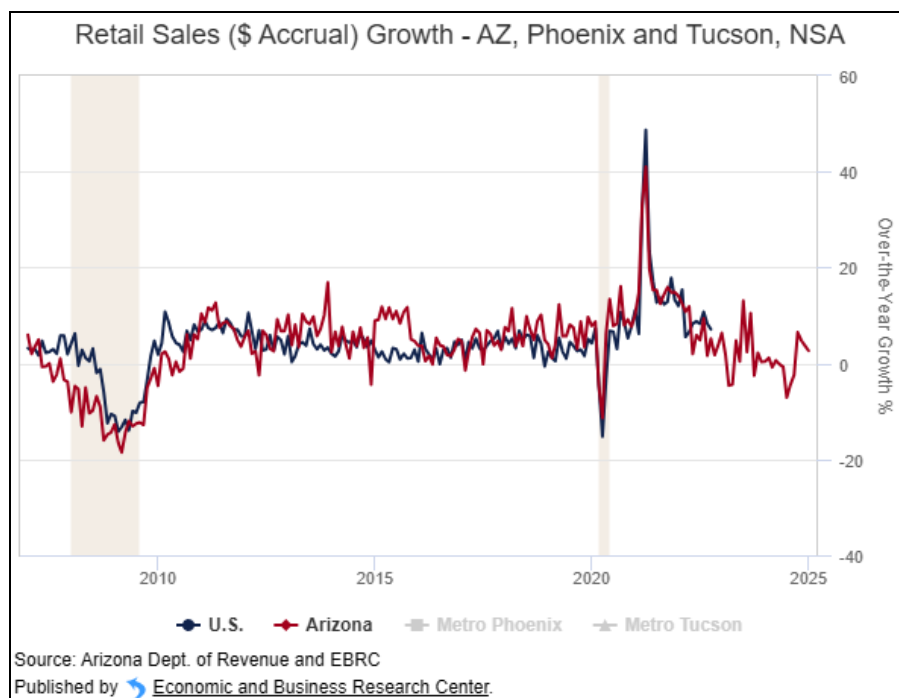
The change in the Consumer Price Index for All Urban Consumers (all items in US City Average) from 1950 to 2024 is shown in the chart below:



The chart on the next page from University of Arizona Economic and Business Research Center. The graph shows historical rates of inflation in the Phoenix MSA from 2019 to 2025:



The following is from the Arizona Department of Revenue and University of Arizona which shows improvement in retail sales in the United States and Arizona from 2008 to 2025. Shown is the decline during the depths of the recession from 2008 through 2010 and a sharp spike downward due the COVID-19 pandemic with a dramatic increase thereafter:



Construction

The construction industry was one of the primary strengths of the Phoenix economy. However, the construction activity in the single-family market segment took a significant downturn from 2008 until 2012. With a severe decline in demand for new homes, single-family residential construction activity came to a near standstill. However, improvement over the last thirteen years has been noted in nearly all Phoenix metropolitan areas due to very low interest rates and continued population growth. But with high interest rates, construction has receded in all sectors.

Manufacturing

Manufacturing in Arizona is represented by the categories of electronics, transportation equipment, industrial machinery, scientific instruments, fabricated metals, rubber and plastics, primary metals, chemicals, paper food, “green” products, solar energy and miscellaneous.

Tourism

Tourism is one of the leading industries in the state and in the metropolitan area. Arizona's warm weather and natural beauty made tourism the number one export industry in Arizona. According to the University of Arizona Economic Business and Research Center, the following statistics represent the recent state of travel and tourism in Arizona:

Arizona - Travel and Tourism	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025
<i>Employment, Thousands, 12-Month Moving Averages*, BLS</i>					
Leisure and Hospitality	362.2	362.7	363.3	363.7	364.1
% Chg from Year Ago	2.4%	2.3%	2.2%	2.0%	1.7%
Accommodation	45.5	45.7	45.9	46.0	46.1
% Chg from Year Ago	2.1%	2.6%	2.9%	3.1%	3.0%
<i>Sales, \$ Thousands, Accrual, 12-Month Moving Average*, ADOR</i>					
Hotel/Motel	379,098.8	381,635.9	383,389.2	385,023.5	385,182.6
% Chg from Year Ago	-0.7%	-0.2%	0.3%	0.8%	1.4%

Government

Government agencies fulfill an enormous economic role in Arizona and the Phoenix metropolitan economy. According to the Bureau of Labor Statistics, governmental agencies employed 434,300 people in the state in 2025. In the Phoenix metropolitan area, 259,400 people worked directly for government in 2025. Governments not only employ many thousands of people, but they also are users of many professional services.

Agriculture

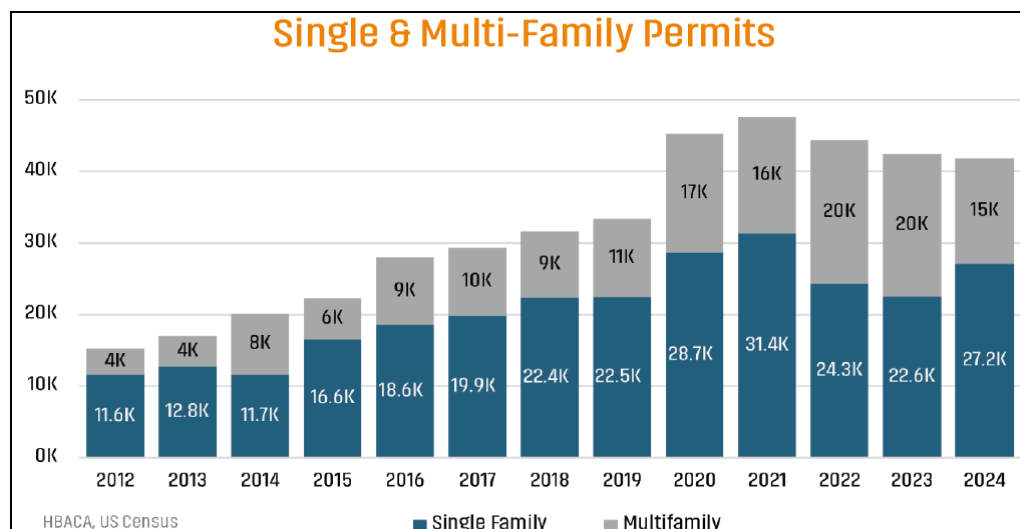
As of 2022 there were 26.1 million acres of land in agriculture in Arizona. Maricopa County is the largest agricultural county in the State of Arizona which has about 502,029 acres, or 1.9% of the total crop acreage in Arizona. The industry added \$30.9 billion to the state's economy in 2024. Major commodities produced in Maricopa County include hay, cotton, grains, vegetables and fruits. The supply is shrinking, though, given the unprecedented growth the county continues to experience. Given the most recent statistics from 2017, the industry supported 138,000 full time and seasonal workers and 162,000 workers in related businesses.

Real Estate Development, Supply, and Demand

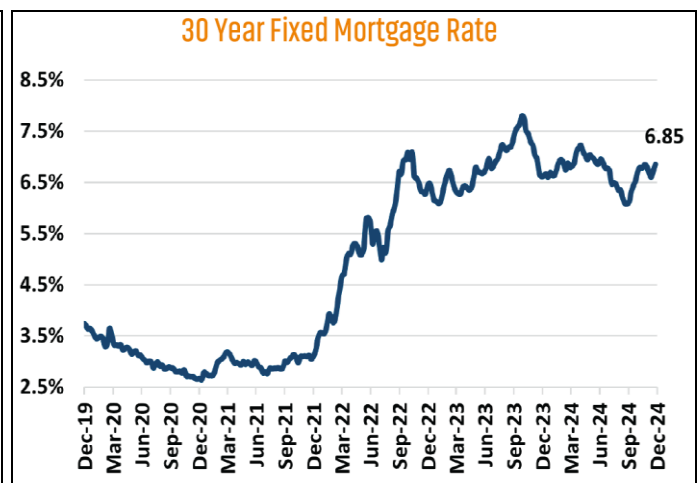
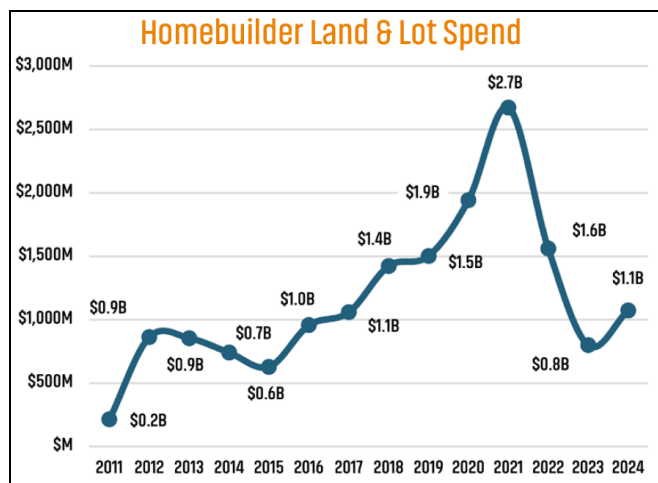
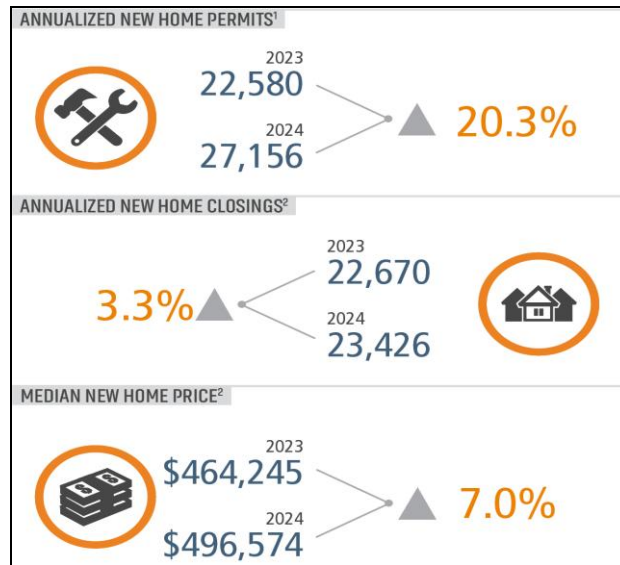
Single-family Residential Detached Housing – Residential development still appears in planned subdivisions, generally 10 acres to 160 acres in size. Some developers still prefer to build within appealing masterplanned communities of 100 to 1,000 ± acres which include a variety of land uses and attractive common amenities and recreational features, but many are looking for smaller developments. The majority of large builders are now interested in building out parcels from 10 to 100 acres in size.

For 2019, the Homebuilders Association of Central Arizona reported 24,476 new single-family housing permits. 2020 experienced the largest increase in new home permits in over ten years, increasing 17.6 percent to 27,891 permits.

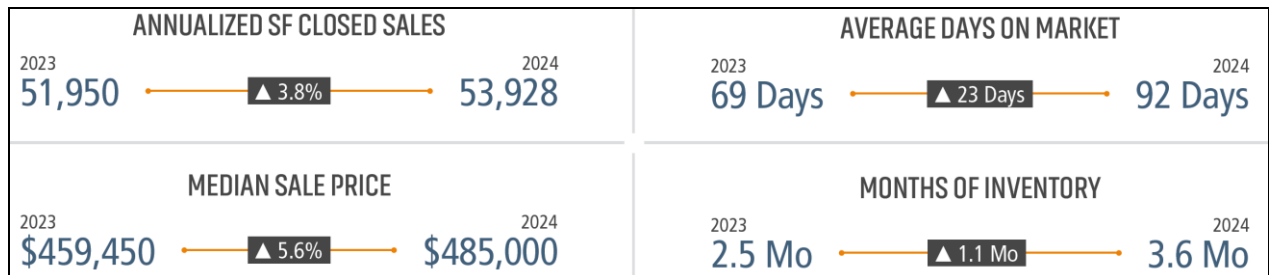
The following information regarding housing permits was provided by Zillow, HBACA, US Census, Home Builders Association of Central Arizona, RL Brown and the Cromford Report through Land Advisors Organization 4th Quarter 2024. The study indicated about 27,156 housing permits were issued in Maricopa County in 2024 up from 22,580 permits in 2023.



The group also provided the following statistics regarding the new home market:



Existing home market:

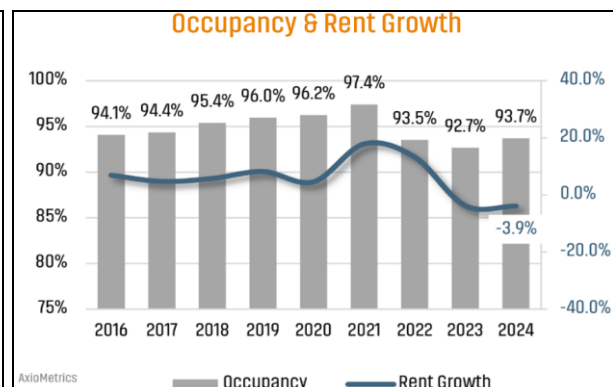
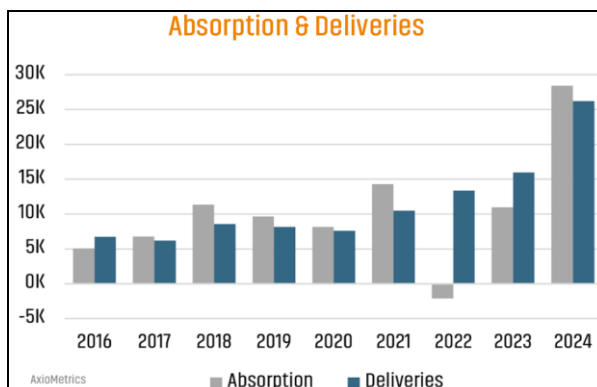


As can be seen, despite higher interest rates, the single-family residential market is has improved as shown by a number of measures.

The information in the chart below, assimilated by Elliot Pollack for 4th Quarter 2024, shows estimates and predictions of homebuilding, both single- and multi-family in the Phoenix metropolitan area. As can be seen, permitting will remain sluggish in the foreseeable future as interest rates are expected to remain high.

GREATER PHOENIX BLUE CHIP: RESIDENTIAL												
	2024				2025				2026			
	Single Family Permits	Multi-Family Permits	Apt. Vacancy (Q4 %)	Apt. Absorp.	Single Family Permits	Multi-Family Permits	Apt. Vacancy (Q4 %)	Apt. Absorp.	Single Family Permits	Multi-Family Permits	Apt. Vacancy (Q4 %)	Apt. Absorp.
CBRE	30,580	17,150	7.0%	N/A	36,530	15,300	5.7%	N/A	38,940	15,390	5.6%	N/A
Elliott D. Pollack & Co.	25,000	13,000	9.5%	14,000	28,000	10,000	10.0%	15,000	29,000	14,000	9.5%	16,000
Griffin Consulting	26,750	12,250	6.9%	20,000	27,750	13,000	7.1%	19,500	28,750	14,500	7.0%	21,000
Land Advisors	27,000	9,000	8.0%	18,000	28,000	7,000	6.0%	19,000	29,000	9,000	5.0%	19,000
Nathan & Associates	24,400	18,000	N/A	N/A	26,500	8,000	N/A	N/A	26,500	N/A	N/A	N/A
Southwest Growth Partners	27,500	9,800	8.2%	10,400	28,000	10,000	9.0%	8,000	26,000	8,000	9.2%	6,000
Univ. of Arizona Eller College	33,032	14,730	N/A	N/A	32,783	12,538	N/A	N/A	30,845	11,963	N/A	N/A
CONSENSUS	27,752	13,419	7.9%	15,600	29,652	10,834	7.6%	15,375	29,862	12,142	7.3%	15,500

Multi-family Residential - Multi-family residential development generally follows new single-family residential, commercial and employment development and the extension of freeways. Class A and B apartment development typically occurs on parcels of land ranging from 5 to 15 acres in size. New projects typically contain between 150 and 400 units with densities of 17 to 23 units per gross acre to allow for a balance between income and expense. Land Advisors and Colliers International provided the following 2016-2024 statistics for this market segment:



According to CoStar, a real estate data service, the following statistics apply for the Phoenix metropolitan area of 1st Quarter 2025:

Phoenix - AZ USA \$117B Asset Value			
Inventory Units	414,119 ↑	Market Asking Rent/Unit	\$1,594 ↓
Under Constr Units	24,754 ↓	Annual Rent Growth	-1.8% ↓
12 Mo Absorp Units	20,375	Market Sale Price/Unit	\$267K ↑
Vacancy Rate	11.7% ↑	12 Mo Sales Vol	\$3.8B ↑

AVAILABILITY	MARKET	NATIONAL INDEX	DEMAND	MARKET	NATIONAL INDEX
Vacancy Rate	11.7% ↑	8.1% ↑	12 Mo Absorption Units	20,375	552,577
Vacant Units	48.3K ↑	1.6M ↑	12 Mo Absorption % of Inv	5.0%	2.7%
Market Asking Rent/Unit	\$1,594 ↓	\$1,751 ↑	Median Household Income	\$89,811	\$80,367
Market Effective Rent/Unit	\$1,564 ↓	\$1,733 ↑	Population Growth 5 Yrs	10.4%	2.8%
Concession Rate	1.8% ↑	1.1% ↓	Pop Growth 5 Yrs 20-29	4.8%	-0.4%
Studio Asking Rent	\$1,190 ↓	\$1,574 ↑	Pop Growth 5 Yrs 30-39	7.6%	-0.1%
1 Bedroom Asking Rent	\$1,421 ↓	\$1,575 ↑	Pop Growth 5 Yrs 40-54	12.8%	3.8%
2 Bedroom Asking Rent	\$1,697 ↓	\$1,835 ↑	Pop Growth 5 Yrs 55+	15.6%	7.2%
3 Bedroom Asking Rent	\$2,217 ↓	\$2,249 ↑			

INVENTORY	MARKET	NATIONAL INDEX	SALES	MARKET	NATIONAL INDEX
Inventory Units	414,119 ↑	20,411,666 ↑	Market Sale Price/Unit	\$267K ↑	\$228K ↑
Existing Buildings	4,323 ↑	426,597 ↑	12 Mo Asking Sale Price/Unit	\$205K ↑	\$186K ↓
Avg Units Per Bldg	96 ↑	48 ↑	12 Mo Sale to Asking Price Diff	-8.8% ↓	-8.2% ↓
12 Mo Demolished Units	19 ↑	3,443 ↑	Market Cap Rate	4.8% ↑	6.1% ↑
12 Mo Occupancy % At Delivery	22.0% ↑	24.9% ↓	12 Mo Sales Volume	\$3.8B ↑	\$106B ↑
Under Construction Units	24,754 ↓	676,817 ↓	12 Mo Transactions	148 ↑	14,532 ↑
12 Mo Construction Starts Units	11,333 ↓	305,674 ↓	Months To Sale Past Year	4.4 ↓	5.4 ↓
12 Mo Delivered Units	27,313 ↑	655,676 ↑	For Sale Listings	103 ↑	7,853 ↑
12 Mo Avg Delivered Units	220 ↑	167 ↑	For Sale Units	2,721 ↑	121,643 ↑

As can be seen by these statistics, the market is weakening with an increase in vacancy, a decrease in average rent, increasing inventory and an increasing overall capitalization rate. The weakening can be attributed to overbuilding and higher interest rates.

Industrial – CoStar provided the following statistics for this market segment for 1st Quarter 2025:

Phoenix - AZ USA \$91.9B Asset Value			
Inventory SF	499M ↑	Market Asking Rent/SF	\$13.72 ↑
Under Constr SF	16.9M ↓	Market Asking Rent Growth	3.2% ↑
12 Mo Net Absorp SF	18.7M	Market Sale Price/SF	\$178 ↑
Vacancy Rate	12.2% ↑	12 Mo Sales Vol	\$4.3B ↑

AVAILABILITY	MARKET	NATIONAL INDEX
Market Asking Rent/SF	\$13.72 ↑	\$12.14 ↑
Vacancy Rate	12.2% ↑	7.0% ↑
Vacant SF	61.1M ↑	1.3B ↑
Availability Rate	14.7% ↑	9.4% ↑
Available SF Direct	67.6M ↑	1.6B ↑
Available SF Sublet	8.3M ↑	215M ↑
Available SF Total	75.7M ↑	1.8B ↑
Months on Market	4.7	6.8

DEMAND	MARKET	NATIONAL INDEX
12 Mo Net Absorption SF	18.7M ↑	140M ↑
12 Mo Leased SF	23.8M ↓	763M ↓
6 Mo Leasing Probability	53.4%	45.9%

INVENTORY	MARKET	NATIONAL INDEX
Existing Buildings	11,989 ↑	487,665 ↑
Inventory SF	499M ↑	19.4B ↑
Average Building SF	41.6K ↑	39.7K ↑
Under Construction SF	16.9M ↓	295M ↓
12 Mo Delivered SF	37.1M ↓	350M ↓

SALES	MARKET	NATIONAL INDEX
12 Mo Transactions	658 ↑	18,694 ↑
Market Sale Price/SF	\$178 ↑	\$153 ↑
Average Market Sale Price	\$7.6M ↑	\$6.2M ↑
12 Mo Sales Volume	\$4.3B ↑	\$67.5B ↑
Market Cap Rate	6.6% ↑	7.3% ↑

As can be seen by these statistics, the market is still positive with only weakness with rising vacancy.

Commercial/Retail – CoStar provided the following statistics for this market segment for 1st Quarter 2025:

Phoenix - AZ USA \$62.5B Asset Value			
Inventory SF	247M ↑	Market Asking Rent/SF	\$25.39 ↑
Under Constr SF	2.2M ↓	Market Asking Rent Growth	3.3% ↑
12 Mo Net Absorp SF	379K	Market Sale Price/SF	\$251 ↑
Vacancy Rate	4.8% ↑	12 Mo Sales Vol	\$1.8B ↑

AVAILABILITY	MARKET	NATIONAL INDEX
Market Asking Rent/SF	\$25.39 ↑	\$25.52 ↑
Vacancy Rate	4.8% ↑	4.2% ↑
Vacant SF	12M ↑	509M ↑
Availability Rate	5.0% ↑	4.8% ↑
Available SF Direct	12.1M ↑	566M ↑
Available SF Sublet	374K ↑	19.1M ↑
Available SF Total	12.5M ↑	584M ↑
Months on Market	10.0	10.7

INVENTORY	MARKET	NATIONAL INDEX
Existing Buildings	16,889 ↑	1,094,558 ↑
Inventory SF	247M ↑	12.2B ↑
Average Building SF	14.6K ↓	11.2K ↓
Under Construction SF	2.2M ↓	44.7M ↓
12 Mo Delivered SF	2.1M ↑	41.8M ↓

SALES	MARKET	NATIONAL INDEX
12 Mo Transactions	624 ↓	39,902 ↓
Market Sale Price/SF	\$251 ↑	\$247 ↑
Average Market Sale Price	\$3.7M ↑	\$2.8M ↑
12 Mo Sales Volume	\$1.8B ↑	\$57.6B ↑
Market Cap Rate	6.8% ↑	7.1% ↑

DEMAND	MARKET	NATIONAL INDEX
12 Mo Net Absorption SF	379K ↓	12.5M ↓
12 Mo Leased SF	6.3M ↓	196M ↓
6 Mo Leasing Probability	30.0%	33.7%

As can be seen by these statistics, the market is strong with rising rents, low vacancy, an increase in price per square foot but a rising average overall capitalization rate.

Office Market - CoStar provided the following statistics for this market segment for 1st Quarter 2025:

Phoenix - AZ USA \$39.5B Asset Value			
Inventory SF	196M ↑	Market Asking Rent/SF	\$29.37 ↑
Under Constr SF	577K ↓	Market Asking Rent Growth	1.6% ↑
12 Mo Net Absorp SF	(851K)	Market Sale Price/SF	\$201 ↓
Vacancy Rate	16.6% ↑	12 Mo Sales Vol	\$1.9B ↑

AVAILABILITY	MARKET	NATIONAL INDEX
Market Asking Rent/SF	\$29.37 ↑	\$35.95 ↑
Vacancy Rate	16.6% ↑	13.9% ↑
Vacant SF	32.5M ↑	1.2B ↑
Availability Rate	18.0% ↓	16.1% ↓
Available SF Direct	28.9M ↓	1.2B ↓
Available SF Sublet	6.7M ↓	174M ↓
Available SF Total	35.4M ↓	1.4B ↓
Months on Market	10.5	14.2

DEMAND	MARKET	NATIONAL INDEX
12 Mo Net Absorption SF	(851K) ↑	(3M) ↑
12 Mo Leased SF	8.9M ↓	333M ↓
6 Mo Leasing Probability	34.4%	35.0%

INVENTORY	MARKET	NATIONAL INDEX	SALES	MARKET	NATIONAL INDEX
Existing Buildings	9,069 ↑	352,406 ↑	12 Mo Transactions	606 ↑	15,573 ↑
Inventory SF	196M ↑	8.5B ↑	Market Sale Price/SF	\$201 ↓	\$258 ↓
Average Building SF	21.6K ↑	24.1K ↑	Average Market Sale Price	\$4.4M ↓	\$6.3M ↓
Under Construction SF	577K ↓	69.5M ↓	12 Mo Sales Volume	\$1.9B ↑	\$44.9B ↑
12 Mo Delivered SF	547K ↓	42.1M ↓	Market Cap Rate	8.8% ↑	9.0% ↑

As can be seen by these statistics, the market is positive with increasing rents and decreased construction, but negative with high vacancy, a decrease in price per square foot and rising average overall capitalization rate.

Lodging

The Arizona Department of Tourism provides statistics for the lodging industry nationwide, regionally, statewide and locally in the major markets in Arizona tabulated by Smith Travel Research. The following charts indicate a lodging industry continuing recovery after the damage done by the effects of COVID-19 pandemic given a significant decrease in tourism and business travel in Arizona. The statistics for Arizona, Maricopa County and Phoenix appear good and indicating a healthy market.

January 2025

Arizona Office of Tourism

Monthly Lodging Report



Statewide Lodging Performance										
Market	Current Month-January					January Year-to-Date				
	Occupancy	ADR	RevPAR	Demand	Supply	Occupancy	ADR	RevPAR	Demand	Supply
State of Arizona										
2025	61.4%	\$167.51	\$102.87	2,392,920	3,896,452	61.4%	\$167.51	\$102.87	2,392,920	3,896,452
% Ch January 2025 vs. 2024	-0.9%	1.5%	0.5%	0.3%	1.3%	-0.9%	1.5%	0.5%	0.3%	1.3%

Statewide Lodging Performance by County Fourth Quarter 2024 (October, November, December)										
County	Occupancy		ADR (\$)		RevPAR (\$)		Demand		Supply	
	2024	% Ch Q4 2024 vs 2023	2024	% Ch Q4 2024 vs 2023	2024	% Ch Q4 2024 vs 2023	2024	% Ch Q4 2024 vs 2023	2024	% Ch Q4 2024 vs 2023
Apache	52.1%	2.6%	125.71	0.0%	65.55	2.5%	48,502	-0.5%	93,012	-3.0%
Cochise	54.1%	1.3%	99.51	1.7%	53.79	3.0%	134,566	0.8%	248,952	-0.4%
Coconino	64.6%	0.6%	145.73	1.6%	94.17	2.2%	791,829	0.9%	1,225,369	0.2%
Gila	53.0%	2.2%	115.07	6.6%	60.94	9.0%	58,325	2.1%	110,124	0.0%
Graham	62.8%	9.8%	120.85	9.1%	75.95	19.9%	36,079	9.4%	57,408	0.0%
Greenlee	N/A		N/A		N/A		N/A		N/A	
La Paz	59.3%	4.9%	104.17	1.3%	61.76	6.3%	39,328	5.1%	66,332	0.0%
Maricopa	67.6%	-0.1%	172.90	2.6%	116.83	2.5%	4,282,534	1.6%	6,338,060	1.5%
Mohave	57.1%	-2.8%	104.09	-3.6%	59.42	-6.3%	237,750	-1.0%	416,484	1.7%
Navajo	55.1%	-0.2%	101.41	4.2%	55.85	4.0%	171,811	0.8%	311,972	1.0%
Pima	60.5%	0.6%	149.39	4.8%	90.38	5.6%	922,857	2.3%	1,525,456	1.6%
Pinal	63.1%	-5.3%	102.07	-4.0%	64.41	-9.1%	138,403	-7.7%	219,328	-2.6%
Santa Cruz	54.3%	-1.6%	99.01	-1.1%	53.77	-2.7%	46,166	-1.6%	85,008	0.0%
Yavapai	64.2%	1.3%	215.03	1.8%	138.14	3.1%	306,812	1.3%	477,599	0.0%
Yuma	61.6%	4.9%	108.52	-7.3%	66.86	-2.7%	205,236	4.4%	333,132	-0.7%

Statewide Lodging Performance Fourth Quarter 2024 (October, November, December)					
Market Year	Occupancy	ADR	RevPAR	Demand	Supply
United States					
2023	59.0%	\$155.46	\$91.65	303,580,136	514,938,573
2024	60.0%	\$158.50	\$95.05	310,424,943	517,648,863
% change Q4	1.7%	2.0%	3.7%	2.3%	0.5%
Mountain Region					
2023	62.1%	\$168.03	\$104.27	36,802,244	59,309,688
2024	60.8%	\$166.24	\$101.03	36,200,978	59,569,895
% change Q4	-2.1%	-1.1%	-3.1%	-1.6%	0.4%
State of Arizona					
2023	64.3%	\$154.89	\$99.55	7,324,001	11,395,664
2024	64.5%	\$158.66	\$102.29	7,423,761	11,514,676
% change Q4	0.3%	2.4%	2.8%	1.4%	1.0%
Metro Phoenix					
2023	67.5%	\$166.32	\$112.28	4,366,899	6,468,931
2024	67.4%	\$170.69	\$115.08	4,420,937	6,557,388
% change Q4	-0.1%	2.6%	2.5%	1.2%	1.4%
Metro Tucson					
2023	60.1%	\$142.31	\$85.50	901,824	1,501,072
2024	60.5%	\$149.40	\$90.38	922,857	1,525,456
% change Q4	0.7%	5.0%	5.7%	2.3%	1.6%
Flagstaff AZ					
2023	68.3%	\$122.35	\$83.57	347,851	509,249
2024	68.7%	\$121.35	\$83.41	348,811	507,472
% change Q4	0.6%	-0.8%	-0.2%	0.3%	-0.3%
AZ Northeast & Holbrook					
2023	54.2%	\$103.44	\$56.05	220,296	406,576
2024	54.4%	\$106.61	\$58.01	221,368	406,824
% change Q4	0.4%	3.1%	3.5%	0.5%	0.1%
AZ Southeast & Sierra Vista					
2023	53.8%	\$101.91	\$54.81	242,266	450,484
2024	55.2%	\$104.15	\$57.51	248,142	449,420
% change Q4	2.7%	2.2%	4.9%	2.4%	-0.2%
Non-metro AZ					
2023	59.9%	\$134.70	\$80.71	2,184,625	3,645,909
2024	60.3%	\$135.51	\$81.70	2,208,318	3,662,840
% change Q4	0.6%	0.6%	1.2%	1.1%	0.5%

Financial and Lending Industry

Interest rates are high resulting in a somewhat subdued real estate market but financing remains widely available.

Governmental Forces

There are basically three levels of government servicing metropolitan Phoenix: state, county and municipal (city) levels. Additionally, other special districts, such as school systems and irrigation districts, levy taxes and provide services. Primary revenue sources utilized by state government include a personal state income tax and a sales tax on retail items purchased in the state. Property taxes and a retail sales tax are the primary funding for the lower levels of government.

It appears that the factors of government and regulation do not unfairly burden real estate development. Local governments are generally well-staffed, organized and funded to support most community services and facilities. They are fairly liberal regarding change in land use. The cities and counties restrict commercial and industrial development more than before with strong requirements for attractive design, open space, sign size and type, parking, and compatibility with surrounding residential areas. Although their requirements may drive up developers' costs, the end product has proven to be more appealing and marketable.

Education/Schools

The Phoenix metropolitan area is served by 55 school districts with 353 ± elementary schools and 60 ± high schools. Additionally, there are roughly 200 parochial and private schools in the area. As of 2024, 183,000 students attended Arizona State University on five campuses, online and in person, and 88,920 students attend Maricopa County Community Colleges at 10 campuses for credit courses in person and digitally. A significant number of these students are from outside the Phoenix metropolitan area. University of Arizona Colleges of Medicine and Pharmacy and Northern Arizona University College of Health and Human Services also have branch campuses in downtown Phoenix.

Grand Canyon University is located on the west side of Phoenix at 3300 West Camelback Road and has an enrollment of over 48,000 students on seven campuses including Albuquerque and Tucson.

Utilities

Water, electricity, and gas availability has not generally been a problem in the Phoenix area, but utility companies can affect the demand for real estate. The Phoenix area has had the least problems with water supply as it is well protected by acquired water rights and deep untainted wells. The metropolitan area is primarily served by Salt River Project and Arizona Public Service, the two principal suppliers of electricity in the metropolitan

area. Sewer service is provided by each city and gas is primarily distributed by Southwest Gas and the City of Mesa. Overall, utility costs in the neighborhood are average when compared with similar large metropolitan areas. Lumen Technologies, Inc. (CenturyLink) and Cox provide telephone, cable and internet services.

Real Estate Taxes

Taxes are another operating expense incurred in the operation of real estate. Commercial and industrial properties top the scale with a 25 percent assessment of current value. Residential properties are assessed at 10 percent of current value; 10 percent for residential rentals; and 16 percent for vacant land. Developers and investors indicate that the tax burden is not generally repressive to the operation of real property and an effective tax appeal system allows for adjustment.

Social Factors

Recreation

A full range of recreational amenities are available in the Phoenix metropolitan area including more than 100 golf courses, two water parks, and several major and minor league sports teams. Spring training is a major attraction and significant contributor to the economy.

Mortgage Matchup (formerly Footprint Arena), a 19,100-seat arena, was built in June, 1992, in downtown Phoenix. It is host to the Phoenix Suns, Mercury, and Rattlers. The Phoenix Coyotes occupied a temporary facility after a long tenure at the Gila River Arena in Glendale, now the Desert Diamond Arena. But the Coyotes have left Phoenix for Salt Lake City.

In 1994, Arizona was awarded a baseball expansion franchise. To accommodate the *Diamondbacks*, a new 48,500-seat stadium, Chase Field was built on a 24.84-acre site at the southwest corner of Jefferson and 7th Street in March, 1998. The facility hosted the World Series in 2001.

In January, 1996, the nation's largest sporting event, Superbowl XXX, was hosted in Tempe at Sun Devil Stadium, an open-air facility. Superbowl XLII was held in February, 2008, at the State Farm Stadium, a domed stadium completed in 2006 for the Arizona Cardinals in Glendale, Arizona, next door to Desert Diamond Arena. The championship game returned in 2015 and then in 2023.

Conclusion and Outlook

The real estate market, economic and real estate growth will be stronger than the country's average in the long run given the appealing location, climate, available buildable land, educated and young work force and history of in-migration of commerce, industry and people.

NEIGHBORHOOD ANALYSIS

Neighborhood Boundaries

The subject property is located in south Phoenix at the northeast corner of Broadway Road and 16th Street. The neighborhood boundaries can be described as follows:

North	- Salt River and Maricopa Freeway
South	- South Mountain Park
East	- 48 th Street
West	- 19 th Avenue

The neighborhood boundaries define a portion of "South Phoenix" that has changed rapidly as a result of residential construction both north and south of Baseline Road. Historically, south Phoenix was an urban area often identified with depressed demographics, slow growth, older housing, heavy industrial areas and stunted market appeal. North Phoenix was perceived as affluent and south Phoenix has been viewed as the opposite. Growth and development in south Phoenix had been sporadic and small-scale. The condition of many properties, both residential, commercial and industrial was fair. Much of south Phoenix consisted of vacant or under-utilized land. However, new infill and redevelopment over the last twenty-five years have been changing the appeal and appearance of the neighborhood for the better, especially in the Baseline Road corridor.

48th Street, the east neighborhood boundary, is also the political boundary between Phoenix and Tempe. It sets apart the developing residential neighborhoods of south Phoenix and land improved with modern industrial parks, commercial/retail development and older residential subdivisions to the east.

The area west of 19th Avenue is generally referred to as Laveen. The Laveen area is known for its custom home and ranchette properties scattered over the area in established subdivisions or on fractured acreage. Although it too is experiencing rapid suburban development, it is generally considered more rural in character than the subject neighborhood.

South Mountain is an effective natural neighborhood boundary separating the more affluent neighborhood of Ahwatukee-Foothills to the south of the subject neighborhood.

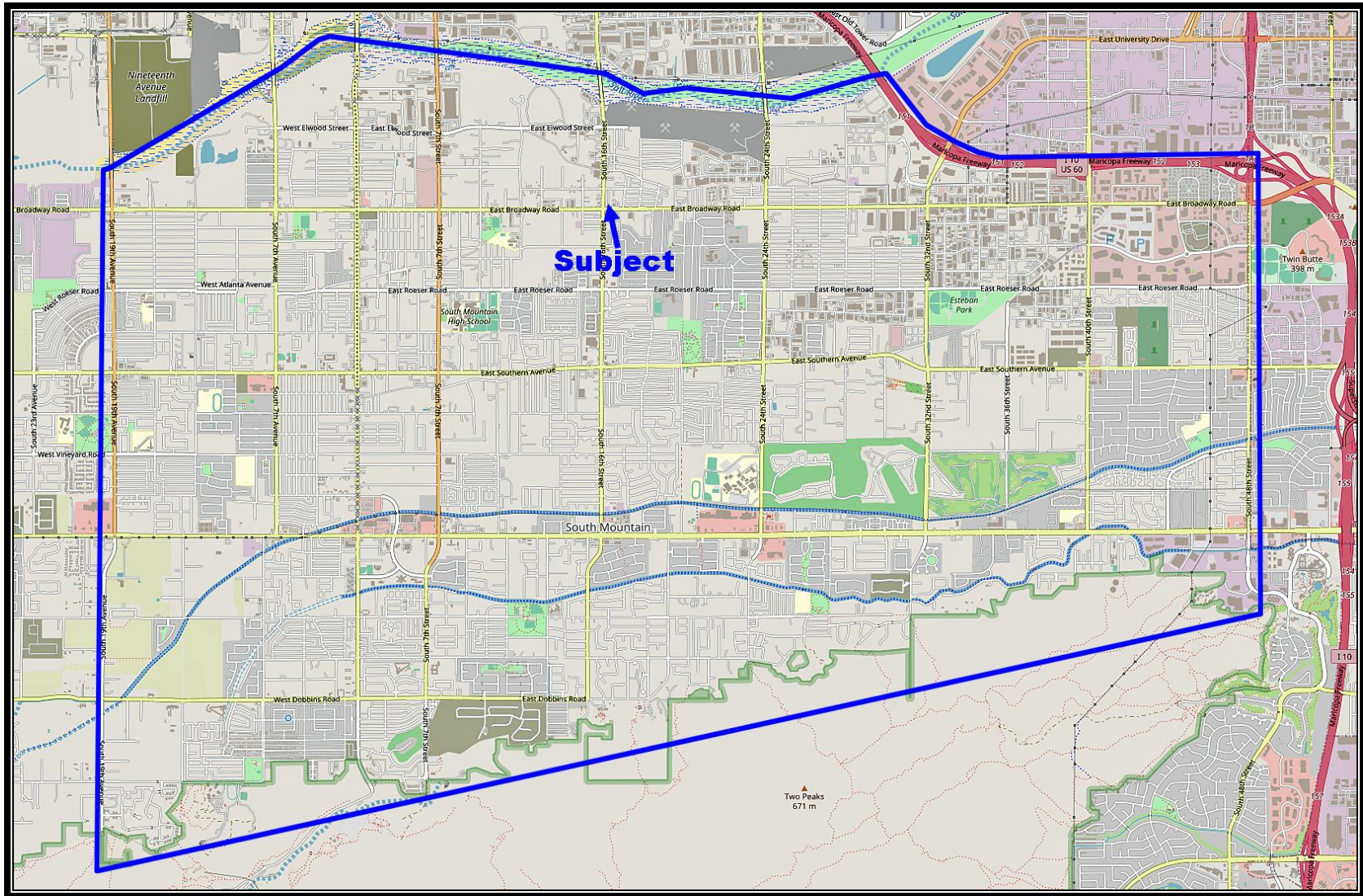
Transportation Corridors

Arterial Streets

Major arterials follow section lines within the area. Broadway Road, Southern Avenue and Baseline Road are the three major east/west roadways serving the neighborhood. All three are heavy traveled arterials.

NEIGHBORHOOD MAP

↑
North



19th Avenue, 7th Avenue, Central Avenue, 7th Street, 16th Street, 24th Street and 48th Street are major north/south roadways connecting the subject neighborhood with central Phoenix to the north. 32nd Street and 40th Street extend north from Baseline Road and end in the industrial areas south of Sky Harbor International Airport and along the south bank of the Salt River. Because South Mountain forms a natural obstacle, only 48th Street continues south of the subject neighborhood into Ahwatukee.

Freeways

Interstate-10 cross through Phoenix between 1 and 2.5 miles north of the neighborhood. As it crosses the Salt River, it forms the northern border of the neighborhood. It turns south 0.50 mile east of the neighborhood. The freeway serves southeast, downtown and southwest Phoenix well.

Public Transportation

Valley Metro bus lines serve the area but most people rely on private transportation. Metro (light rail), has been recently extended south from downtown Phoenix to Baseline Road in Central Avenue. As seen along the light rail corridors in Phoenix, Tempe and Mesa, the enhanced transportation spurs new high-density residential development and associated commercial/retail space.

Land Uses and Neighborhood Characteristics

The City of Phoenix has included the subject neighborhood in the South Mountain Village Planning Area. The South Mountain Village is bounded by 27th Avenue, 48th Street, the Salt River and South Mountain Park.

The village offers many different living environments. Although containing rural, suburban urban neighborhoods, much area is newer and developing. The core is in the vicinity of Central Avenue, between Roeser and Broadway Roads.

Residential Development

About 25 percent of the neighborhood was improved with modest residential uses as of the date of valuation. Most of the supply was built from 1945 until 1975. These older subdivisions featured typical tract-style homes ranging in size from 1,000 to 1,600 square feet. New subdivision development was almost non-existent from 1975 until 1995. Land continued to be dominated by citrus groves, plant nurseries and flower gardens. Isolated clusters of custom homes in low-density subdivisions or horse properties on fractured acreage were common.

As land prices escalated in more appealing suburban locations, developers returned to the subject neighborhood. Today, this modern suburban residential development is found on 5,000 to 7,000 square foot lots and priced from \$350,000 to \$800,000 for the most part.

One of the most desirable portions of the neighborhood is the elevated high ground at the foot of South Mountain. South Mountain forms a scenic backdrop for the Salt River Valley and the City of Phoenix. Most of the mountain and steeper slopes are contained within the boundaries of a 17,000-acre park and desert preserve. The land bordering the preserve has excellent views of the valley below. An increasing number of people are building custom homes on acre or larger parcels to take advantage of the view and desert environment.

Multiple-family residential development has followed the new growth. Luxury development is uncommon. Newer projects appeal to middle demographics and subsidized housing has become common.

Commercial and Retail Development

Shopping centers with supermarkets and associated retail shops that serve south Phoenix are located on Southern Avenue and Baseline Road. Central Avenue was once the major commercial arterial for south Phoenix. Along its frontage are neighborhood shopping centers, bank branches, fast food outlets, offices buildings, service stations, churches, restaurants and strip retail. But with new growth farther south and both west and east of Central Avenue, new commercial/retail space has left the Central Avenue corridor less vibrant and occupied.

Nearest the subject property is a *Safeway*-anchored shopping center at Southern Avenue and 16th Street. *Fry's*, *Target* and *Walmart Neighborhood* are on opposite corners of Baseline Road and 24th Street. Secondary anchors and pads are occupied by more well-known and popular users. Another *Fry's* is at 7th Street and Baseline Road. *Food City* is just north of the intersection of Central Avenue and Baseline Road. Another *Food City* is at 7th Avenue and Southern Avenue.

Industrial Development

Industrial development is a significant component of the neighborhood from Broadway Road north to the Salt River. Much is modest in condition and quality but new growth is changing quality for the better. Newer industrial parks are found east of 32nd Street from Southern Avenue north. The Cotton Center at the southeast corner of Broadway Road and 48th Street is a premier industrial park with a mix of office/industrial and distribution facilities.

Office Development

Office development is scarce in the neighborhood. Larger back office uses and flex buildings are found in the Cotton Center at the northeast corner of the neighborhood. Other office development is limited to a few older 1 to 10-tenant buildings along Central Avenue and Southern Avenue, either freestanding or in-line shopping center space.

Other

Employment - No significant employment centers are found in the neighborhood. Most of the employable population must travel north of the Salt River to business, office and industrial districts in the more developed areas of Phoenix or east into Tempe.

Schools – As of the effective date of the appraisal, the neighborhood was divided into the Roosevelt Elementary School District, a large district which encompasses most of south Phoenix and the Tempe Elementary School District. South Mountain High School serves the majority of the neighborhood from its location at 7th Street, just north of Southern Avenue. High school students attend schools in the Phoenix Union or Tempe Union High School Districts.

South Mountain Community College occupies a 60-acre site 0.25 mile north of Baseline Road on 24th Street. The nearest four-year university is ASU, four miles northeast of the neighborhood.

Parks and Recreation – Of the 25 full or partial sections of land that make up the defined neighborhood, about half are served by a public park. The Raven and The Legacy at South Mountain Golf Courses are located south of Vineyard Road on either side of 32nd Street. South Mountain Park, 17,000-acre desert park forms the south boundary of the neighborhood.

Medical Facilities – On the south side of Baseline Road between Central Avenue and 7th Street is Mountain Park Health Center and associated medical office space. Those in need must travel to Phoenix north of the Salt River and east into Tempe and Mesa for major health care.

Conclusions and Outlook

The neighborhood has not reached the point of becoming self-sufficient in most forms of support facilities such as employment, shopping and commercial, medical, and municipal services (recreation, schools). However, with the advent of suburban residential development to a density of three to five dwelling units per acre, each housing two to four residents, commercial, office and employment growth will increase.

Although the neighborhood has lost its semi-rural appeal, the increased development and proximity to downtown Phoenix has enhanced its appeal to a broader market segment. The subject's marketability is expected to be good.

SITE ANALYSIS

ADDRESS: 1610-1612 East Broadway Road, Phoenix, Arizona

ASSESSOR'S PARCEL NOS.: 122-39-001B, 012B, 012C, 022A

SITE AREA: 83,338 square feet or 1.913 net acres (Assessor)

SHAPE/DIMENSIONS: Odd long and narrow shape

An 8-foot-wide alley separates the corner parcel from the remainder of the site. Upon development abandonment of the alley is probable with each adjoining property owner getting its share. Complicating the abandonment is a utility easement within the alley right-of-way. Despite the probable abandonment, the alley rendered the two parcels non-contiguous which negatively affects marketability.

The odd shape and very small corner exposure eliminate commercial/retail potential.

TOPOGRAPHY: Level

DRAINAGE: No drainage study was provided for my review. I assumed no adverse drainage conditions.

FLOOD ZONE: According to FEMA flood map number 04013C2220M, effective September 18, 2020, the subject property is within Flood Zone X where flooding is not expected, insurance is not required by lenders for improved properties and the land requires no special grading to elevate building pads out of flooding danger.

SOIL: No soils study was provided for my review. I assumed no adverse soil conditions which would make development of the site more difficult.

CONTAMINATION: No environmental study was provided for my review. I assumed no contamination.

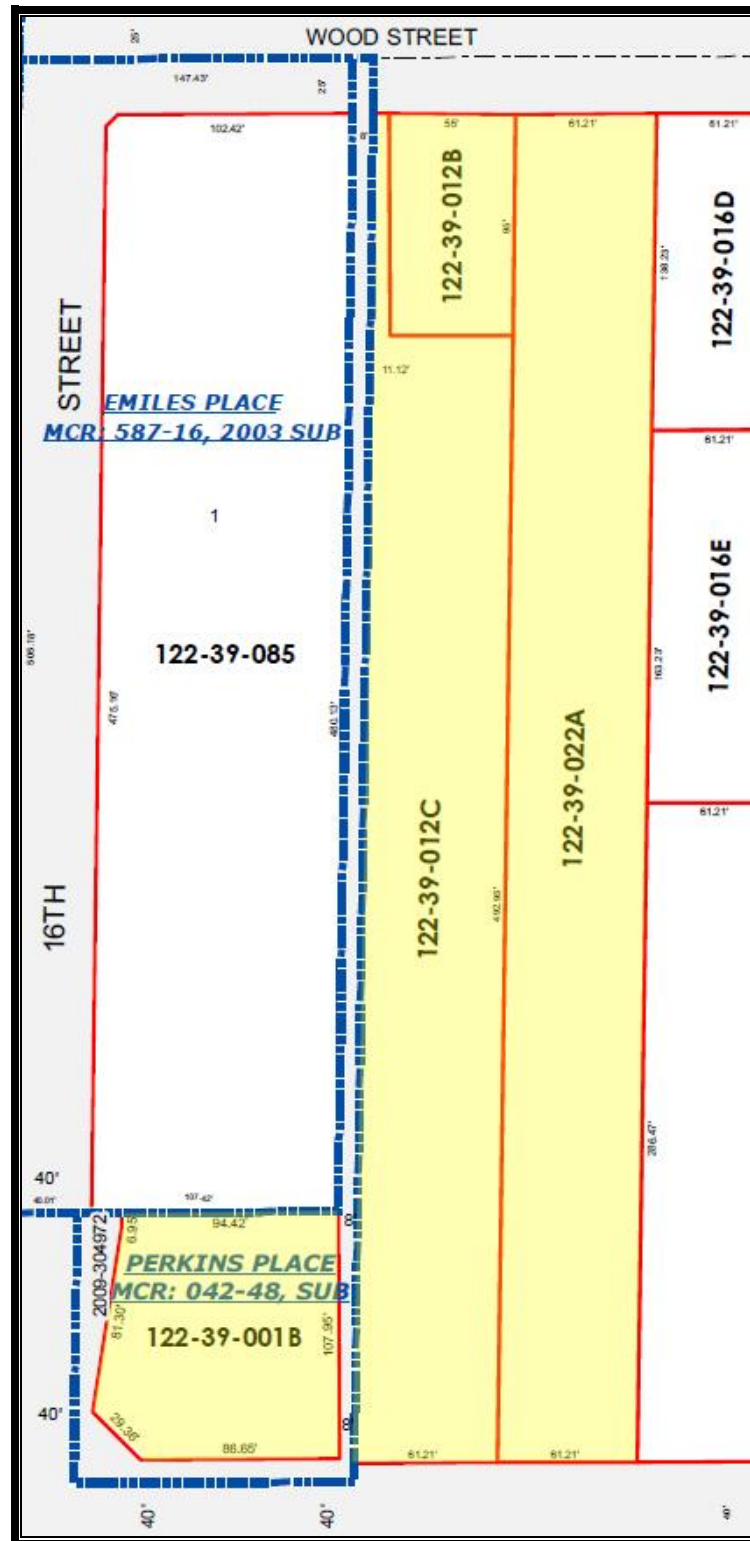
↑
North



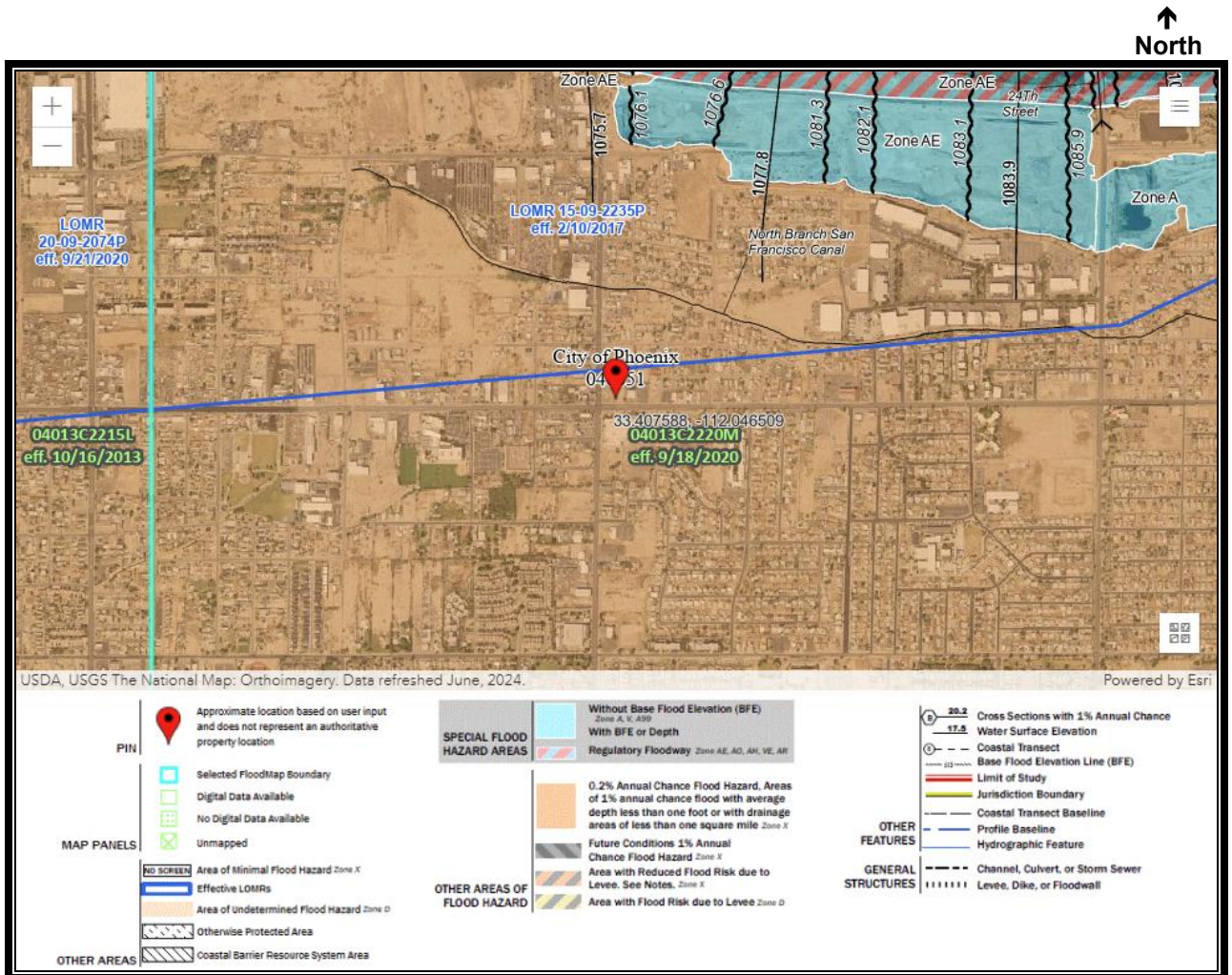
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North



North



FEMA FLOOD ZONE MAP



ARCHEOLOGICAL: No archeological study was provided for my review. I assumed no ruins, burials, or artifacts that would result in study/removal costs and construction delays.

FRONTAGE/ACCESS: 224 ± feet on the north side of Broadway Road, an east/west section-line arterial; 96 ± feet on the east side of 16th Street, a north/south section-line arterial; 122 ± feet on the south side of Wood Street, a minor street

STREET IMPROVEMENTS:	<u>Broadway Road</u>	<u>16th Street</u>
Right-of-Way	40 feet to centerline	25 feet to centerline
Traffic Lanes	3 east/2 west	2 north/3 south
Median	Painted	Painted
Surface	Asphalt	Asphalt
Curb/gutter	Yes	Yes
Sidewalk	Yes	Yes
Streetlights	Yes	Yes
Storm Sewer	No	No
Speed Limit	40 m.p.h.	40 m.p.h.
Curbside Parking	No	No
Signalization	Yes	

	<u>Wood Street</u>
Right-of-Way	25 feet to centerline
Traffic Lanes	1 east/1 west
Median	None
Surface	Asphalt
Curb/gutter	Yes
Sidewalk	No
Streetlights	Yes
Storm Sewer	No
Speed Limit	25 m.p.h.
Curbside Parking	Yes

Unpaved alley access from Broadway Road to Wood Street

TRAFFIC COUNT: Broadway Road – 25,255 vehicles per day (2016)
16th Street – 32,277 vehicles per day (2021)
Wood Street – Light, unmeasured

FUTURE ROW REQUIREMENTS: As the roadways have been widened and improved to municipal standards, no additional right-of-way dedications or acquisitions appear necessary.

EASEMENTS: No title report was provided for my review. No easements which would positively or negatively impact the subject property were noted or assumed.

UTILITIES:

Gas	Southwest Gas
Water	City of Phoenix
Electric	Arizona Public Service
Sanitary Sewer	City of Phoenix
Telephone	Lumen Technologies, Inc.

ADJACENT LAND USES:

North	Small office buildings and single-family residences
East	Single-family residence and American Legion building
South	Office/industrial building
West	Vacant commercial land and <i>Circle K</i> store

ENCROACHMENTS: None noted

EXTERNAL INFLUENCES: None adverse or beneficial noted

MARKETABILITY: Physical features which enhanced marketability:

- Publicly-dedicated and -maintained frontage and access
- All utilities available
- No sub-soil problems known
- Level topography
- Nearly complete offsites
- FEMA Flood Zone X

Physical features that limited marketability:

- Non-contiguous
- Odd long and narrow shape

ZONING AND LEGAL RESTRICTIONS ANALYSIS

General Plan

The City of Phoenix General Plan designates the subject for “higher density residential” development. This category provides for townhomes, condominiums and apartments with proximity to employment, entertainment and pedestrian activities to encourage interaction and to create an urban environment. Small lot or small-scale business sites that demonstrate a residential scale and character may be appropriated as well. It allows densities of 10-15 dwelling units per acre.

Current Zoning Classifications

The northeast corner of Broadway Road and 16th Street, 13 ± percent of the site, is zoned C-3, General Commercial by the City of Phoenix. The district is designed to provide for the intensive commercial uses necessary to the proper development of the community. It is the city’s most diverse commercial and allows most commercial uses including the storage of raw material and finished products. It also allows lesser density C-2 and C-1 commercial uses and R-3 multi-family residential uses.

The Broadway Road frontage east of the corner, 18 ± percent of the site, is zoned C-2, Intermediate Commercial, to a depth of 120 ± feet. This is a district of commercial uses of medium intensity designed to be compatible with each other and to provide for a wide range of types of commercial activity within the district. It allows all a variety of commercial uses which can be conducted entirely within a closed building. It also allows uses permitted in R-3 and C-1 districts at a conventional density of 14.5 dwelling units per acre.

The remainder of the site, 69 ± percent with frontage on Wood Street, is zoned R-5, Multifamily Residence. The purpose of the multi-family residence districts is to provide for alternate living styles including rental, condominiums and single ownership of land with multiple units thereon or single or attached townhomes. It allows a conventional density of 43.5 units per gross acre.

Rezoning Potential

At the client’s direction, I have assumed the subject property has been rezoned to C-1, Neighborhood Retail zoning but with R-5, Multifamily Residence development standards.

C-1 is a district of light neighborhood type retail and customer service uses designed to be compatible with each other and nearby residential districts. However, multi-family residential development is allowed to a density of 14.5 du/ac. Given the R-5 standards assumed, a conventional density up to 43.5 du/ac. is allowed.

Entitlements

The subject had no entitlements beyond zoning.

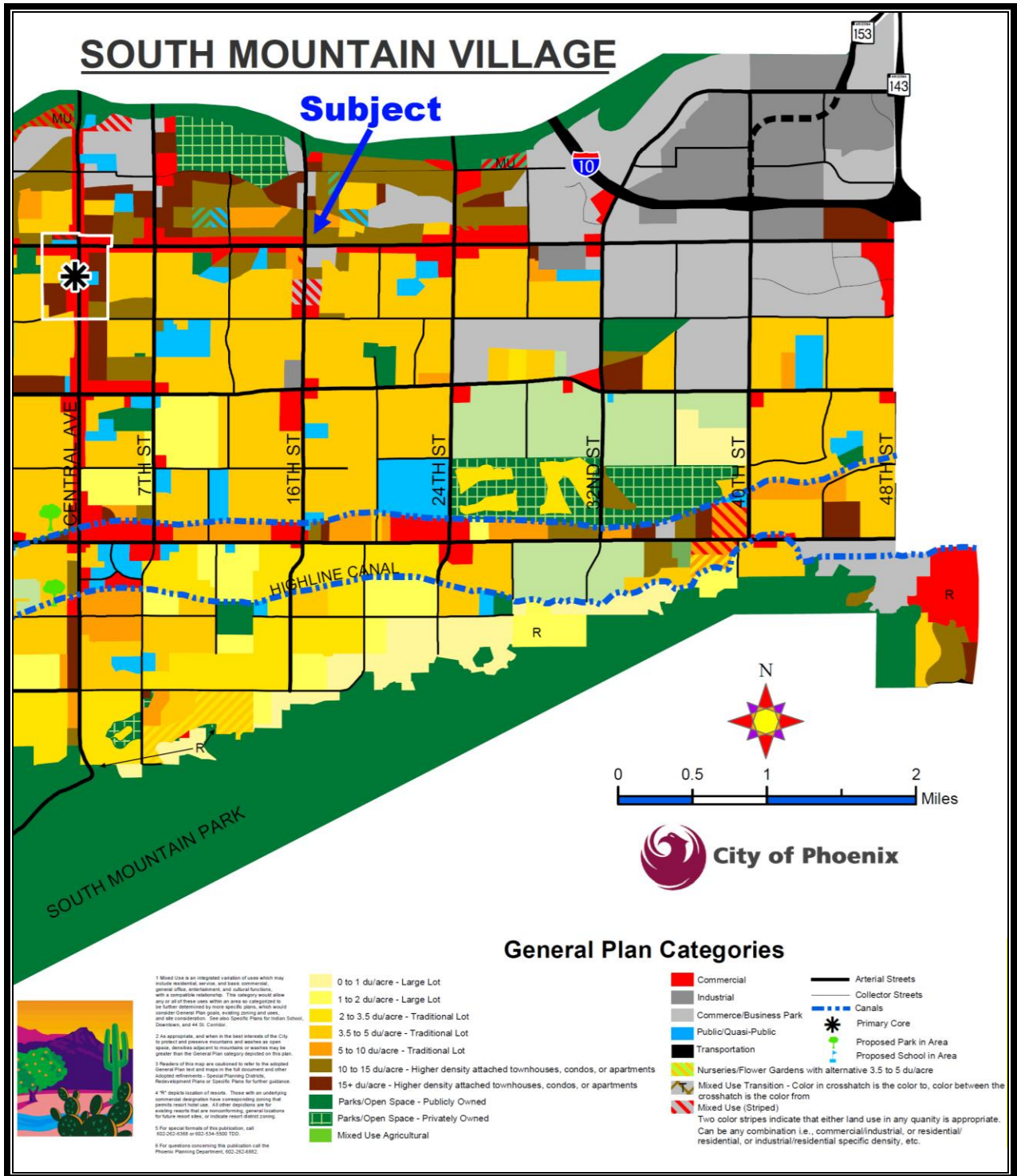
Private Restrictions

No title report was provided for my review. I assumed no adverse deed or private restrictions that would prevent the highest and best use of the land.

Off-Title Restrictions

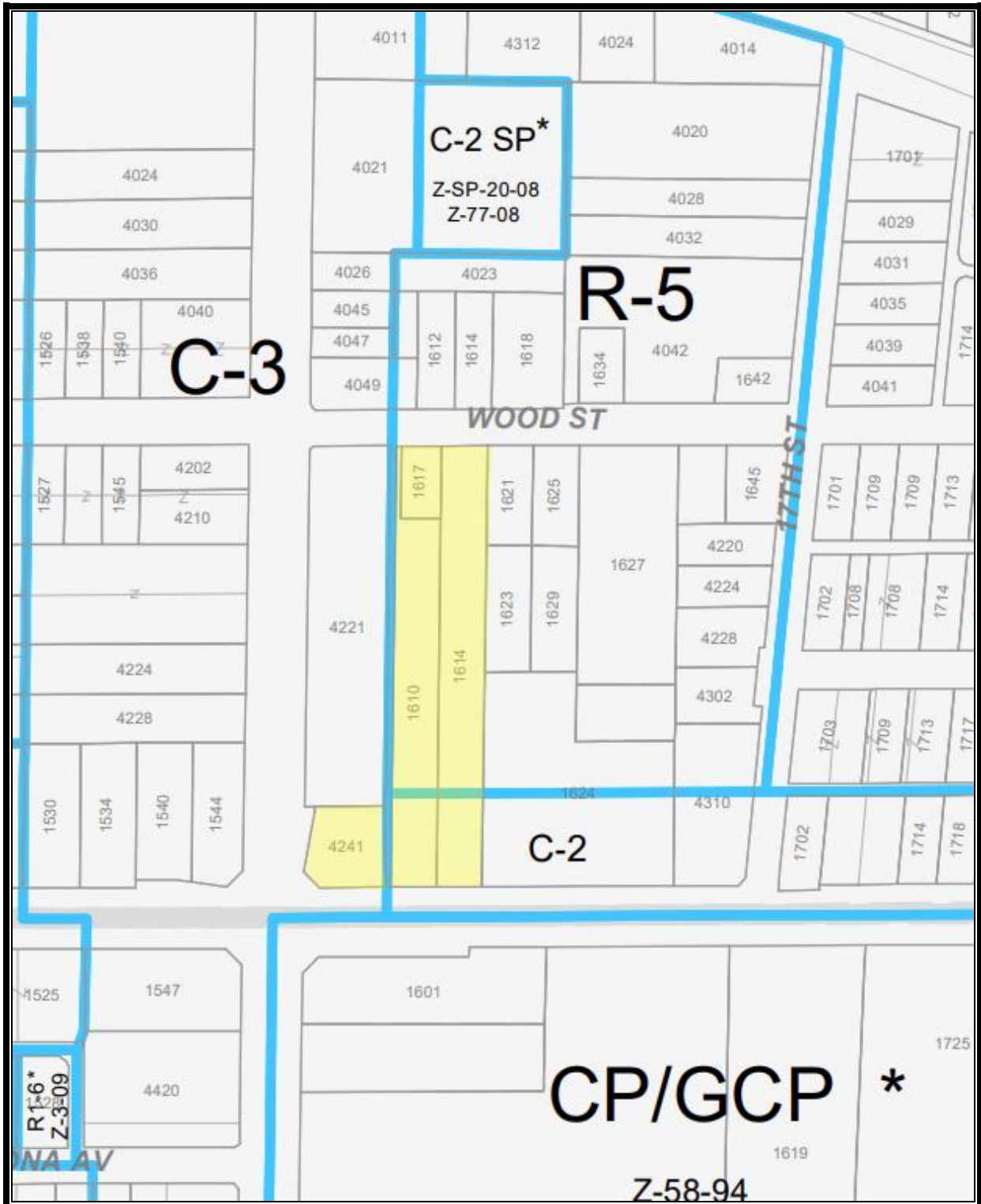
At times, a property can be restricted by agreements with adjoining property owners, customary use, encroachments, adverse possession, trespass, etc. In this case, there appeared to have been none.

GENERAL PLAN MAP



EXISTING ZONING MAP

↑
North



REAL ESTATE TAX AND ASSESSMENT ANALYSIS

Introduction

Most real property in the county is assessed by the Assessor and the tax liability is collected by the Treasurer. Assessed values are typically established in November or December of each year, with tax rates in the following September. Taxes are paid in equal bi-annual installments, due October 1 of the current tax year and March 1 of the following year.

Assessment and Full Cash Value

The Assessor identified the subject with numbers 122-39-001B, 012B, 012C and 022A. The Assessor's preliminary 2025 opinion of full cash value for the entire property was \$856,700 or \$10.28 per square foot of net site area.

Real Estate Tax Liability

The property is tax exempt given its ownership. However, I have assumed a typical tax liability for my estimation of market value.

Delinquent Tax Liability

None

Special Assessment

No unusual special assessment was reported.

HIGHEST AND BEST USE ANALYSIS

Highest and best use reflects a basic assumption about real estate market behavior--that the price a buyer will pay for a property is based on his or her conclusions about the most profitable use of the land or property. The determination of a property's highest and best use may or may not conform to the existing use. The determination of highest and best use must be based upon careful consideration of prevailing market conditions, trends affecting market participation and change, and the existing use of the subject property.

Highest and best use may be defined as:

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. ⁴

Because the use of land can be limited by the presence of improvements, highest and best use is determined separately for the land as though vacant and available to be put to its highest and best use, and then for the property as it is currently improved.

The first determination reflects the fact that land value is derived from potential land use. Land has limited value or no value unless there is a present or anticipated use for it. The amount of value depends on the nature of the land's anticipated use according to the concept of surplus productivity. Among all reasonable alternative uses, the use that yields the highest present value, after payments are made for labor, capital, and coordination, is generally regarded as the highest and best use of the land as though vacant.

The highest and best use of a property as improved refers to the optimal uses that could be made of the property including all existing structures. The implication is that the existing improvements should be retained "as is" so long as they continue to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing them and the construction of the new improvement.

The highest and best use of both as though vacant and property as improved must meet four criteria. The highest and best use must be:

1. Physically possible,
2. Legally permissible,
3. Financially feasible, and
4. Maximally productive.

⁴ Appraisal Institute, The Dictionary of Real Estate Appraisal, Seventh Edition, (Chicago, Illinois: Appraisal Institute, 2022), page 88.

These four criteria are considered in reference to the subject property in the following analysis.

Highest and Best Use, Subject to Rezoning

Physically Possible

The subject property is 83,338 square feet, or 1.913 acres, of vacant land located at 1610–1614 East Broadway Road in Phoenix, Arizona. Physical features which enhanced marketability:

- Publicly-dedicated and -maintained frontage and access
- All utilities available
- No sub-soil problems known
- Level topography
- Nearly complete offsites
- FEMA Flood Zone X

Physical features that limited marketability:

- Non-contiguous
- Odd long and narrow shape

The subject's location and trends of development in the area indicate that the subject was most suitable for multi-family residential development. The odd shape and very small corner exposure eliminate commercial/retail development potential.

Legally Permissible

Public Restrictions – The City of Phoenix General Plan designates the subject for higher-density residential development. This category provides for townhomes, condominiums and apartments with proximity to employment, entertainment and pedestrian activities to encourage interaction and to create an urban environment. Small lot or small-scale business sites that demonstrate a residential scale and character may be appropriated as well. It allows densities of 10-15 dwelling units per acre.

Thirteen ± percent of the site is zoned C-3, General Commercial, by the City of Phoenix. The district is designed to provide for the intensive commercial uses necessary to the proper development of the community.

Eighteen ± percent of the site is zoned C-2, Intermediate Commercial, to a depth of 120 ± feet. This is a district of commercial uses of medium intensity designed to be compatible with each other and to provide for a wide range of types of commercial activity within the district at a conventional density of 14.5 dwelling units per acre.

Sixty-nine ± percent of the site with frontage on Wood Street, is zoned R-5, Multifamily Residence. The purpose of the multi-family residence districts is to provide for alternate living styles including rental, condominiums and single ownership of land with multiple units thereon or single or attached townhomes.

Rezoning Potential - At the client's direction, I have assumed the subject has been rezoned to C-1, Neighborhood Retail zoning but with R-5, Multifamily Residence development standards.

Entitlements – The subject had no entitlements beyond zoning.

Private Restrictions – No title report was provided for my review. I assumed no adverse deed or private restrictions that would prevent the highest and best use of the land.

Off-Title Information - At times, a property can be restricted by agreements with adjoining property owners, by customary use or by adverse possession. In this case, there appeared to have been none.

Financially Feasible

Given the physical and legal restrictions, the most likely use of the subject property would be for multi-family residential development especially in concert with the land to the west.

Multiple-family Residential Market – The metropolitan area's multi-family residential housing market continues to be somewhat weak given high interest rates. CoStar, a real estate data service, provides current supply and demand statistics for this market segment on a metropolitan-wide basis and a more localized view. For 4th Quarter 2025, Costar provided the following statistics for the Phoenix metropolitan area:

Phoenix - AZ USA \$121B Asset Value						
Inventory Units	426,270	↑	Market Asking Rent/Unit	\$1,557	↓	
Under Constr Units	23,091	↓	Annual Rent Growth	-3.4%	↓	
12 Mo Absorp Units	16,641		Market Sale Price/Unit	\$269K	↑	
Vacancy Rate	12.4%	↑	12 Mo Sales Vol	\$4.5B	↑	

AVAILABILITY	MARKET	NATIONAL
Vacancy Rate	12.4% ↑	8.3% ↑
Vacant Units	52.8K ↑	1.7M ↑
Market Asking Rent/Unit	\$1,557 ↓	\$1,758 ↑
Market Effective Rent/Unit	\$1,523 ↓	\$1,737 ↑
Concession Rate	2.2% ↑	1.2% ↑
Studio Asking Rent	\$1,159 ↓	\$1,589 ↑
1 Bedroom Asking Rent	\$1,384 ↓	\$1,579 ↑
2 Bedroom Asking Rent	\$1,655 ↓	\$1,839 ↑
3 Bedroom Asking Rent	\$2,175 ↓	\$2,272 ↑

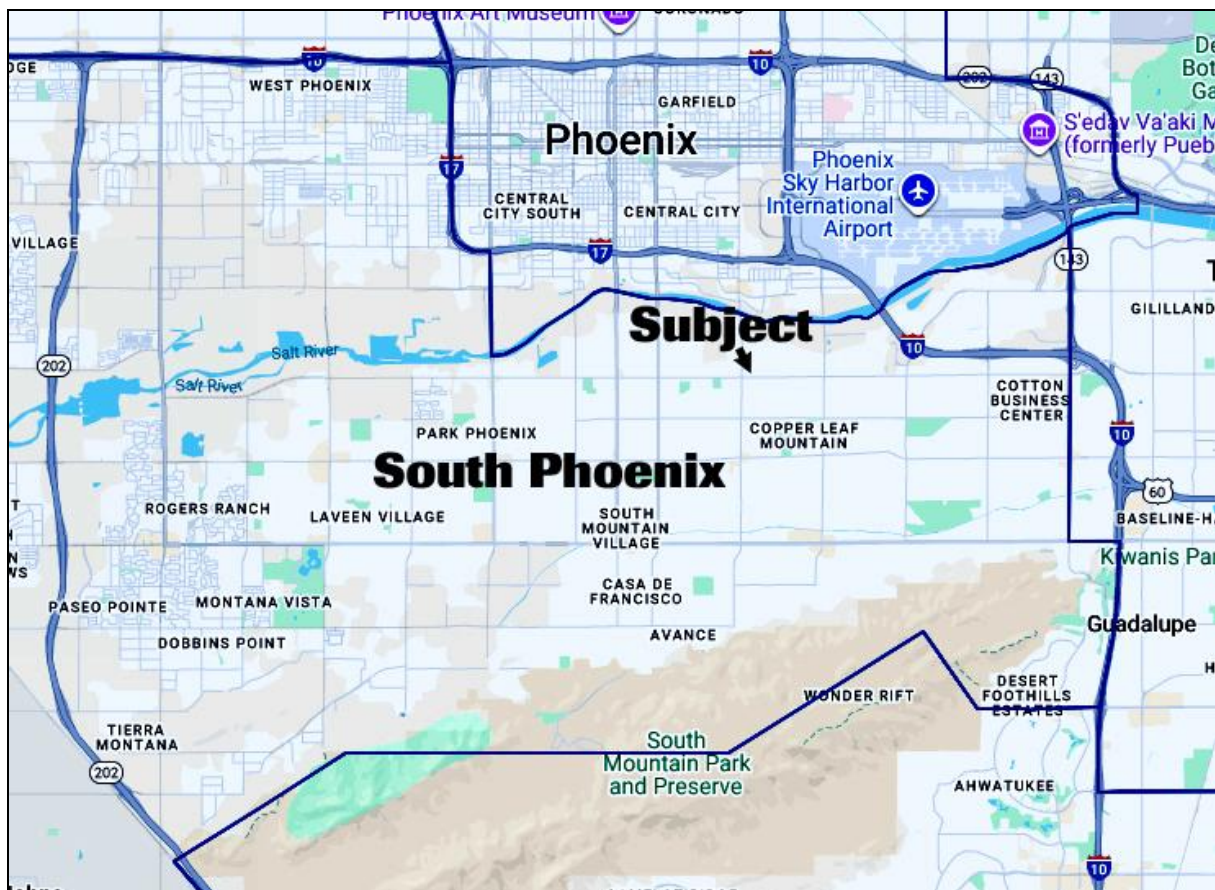
SALES	MARKET	NATIONAL
Market Sale Price/Unit	\$269K ↑	\$233K ↑
12 Mo Asking Sale Price/Unit	\$216K ↓	\$241K ↑
12 Mo Sale to Asking Price Diff	-7.3% ↓	-7.2% ↑
Market Cap Rate	4.9% ↑	6.1% ↓
12 Mo Sales Volume	\$4.5B ↑	\$120B ↑
12 Mo Transactions	187 ↑	16,828 ↑
Months To Sale Past Year	4.6 ↓	5.5 ↓
For Sale Listings	106 ↑	8,749 ↑
For Sale Units	2,846 ↑	217,426 ↑

INVENTORY	MARKET	NATIONAL
Inventory Units	426,270 ↑	20,750,209 ↑
Existing Buildings	4,381 ↑	432,732 ↑
Avg Units Per Bldg	97 ↑	48 ↑
12 Mo Demolished Units	182 ↑	5,155 ↑
12 Mo Occupancy % At Delivery	13.9% ↓	20.8% ↓
Under Construction Units	23,091 ↓	543,519 ↓
12 Mo Construction Starts Units	11,735 ↓	291,479 ↓
12 Mo Delivered Units	22,829 ↓	557,946 ↓
12 Mo Avg Delivered Units	229 ↑	164 ↑

DEMAND	MARKET	NATIONAL
12 Mo Absorption Units	16,641	485,134
12 Mo Absorption % of Inv	4.0%	2.4%
Median Household Income	\$91,132	\$83,335
Population Growth 5 Yrs	10.4%	2.8%
Pop Growth 5 Yrs 20-29	4.8%	-0.4%
Pop Growth 5 Yrs 30-39	7.6%	-0.1%
Pop Growth 5 Yrs 40-54	12.8%	3.8%
Pop Growth 5 Yrs 55+	15.6%	7.2%

Conclusion – Metropolitan Phoenix – The market appears weak given rising inventory, increasing vacancy rate, falling rents and higher overall capitalization rates. Strength is seen with increasing price per unit and fewer units being permitted and built.

CoStar places the subject, in the *South Phoenix* subject market. For 4th Quarter 2025, CoStar provided the statistics on the next page. The South Phoenix submarket is shown on the map below:



South Phoenix

Phoenix - AZ USA

\$3.9B Asset Value

Inventory Units	13,214	Market Asking Rent/Unit	\$1,602
Under Constr Units	648	Annual Rent Growth	-1.9%
12 Mo Absorp Units	1,438	Market Sale Price/Unit	\$281K
Vacancy Rate	15.1%	12 Mo Sales Vol	\$56.7M

AVAILABILITY	SUBMARKET	MARKET
Vacancy Rate	15.1% ↓	12.4% ↑
Vacant Units	2K ↓	52.8K ↑
Market Asking Rent/Unit	\$1,602 ↓	\$1,557 ↓
Market Effective Rent/Unit	\$1,571 ↓	\$1,523 ↓
Concession Rate	1.9% ↓	2.2% ↑
Studio Asking Rent	\$894 ↑	\$1,159 ↓
1 Bedroom Asking Rent	\$1,385 ↓	\$1,384 ↓
2 Bedroom Asking Rent	\$1,602 ↓	\$1,655 ↓
3 Bedroom Asking Rent	\$2,084 ↓	\$2,175 ↓

SALES	SUBMARKET	MARKET
Market Sale Price/Unit	\$281K ↓	\$269K ↑
12 Mo Asking Sale Price/Unit	\$172K ↑	\$216K ↓
12 Mo Sale to Asking Price Diff	-13.0% ↓	-7.3% ↓
Market Cap Rate	4.8% ↑	4.9% ↑
12 Mo Sales Volume	\$56.7M ↓	\$4.5B ↑
12 Mo Transactions	5 ↓	187 ↑
Months To Sale Past Year	2.5 ↑	4.6 ↓
For Sale Listings	4 ↑	106 ↑
For Sale Units	82 ↑	2,846 ↑

INVENTORY	SUBMARKET	MARKET
Inventory Units	13,214 ↑	426,270 ↑
Existing Buildings	175 ↑	4,381 ↑
Avg Units Per Bldg	76 ↑	97 ↑
12 Mo Demolished Units	0 ↓	182 ↑
12 Mo Occupancy % At Delivery	20.1% ↑	13.9% ↓
Under Construction Units	648 ↓	23,091 ↓
12 Mo Construction Starts Units	68 ↓	11,735 ↓
12 Mo Delivered Units	1,169 ↓	22,829 ↓
12 Mo Avg Delivered Units	153 ↓	229 ↑

DEMAND	SUBMARKET	MARKET
12 Mo Absorption Units	1,438	16,641
12 Mo Absorption % of Inv	11.2%	4.0%
Population Growth 5 Yrs	8.4%	10.4%
Pop Growth 5 Yrs 20-29	6.8%	4.8%
Pop Growth 5 Yrs 30-39	5.4%	7.6%
Pop Growth 5 Yrs 40-54	12.3%	12.8%
Pop Growth 5 Yrs 55+	20.8%	15.6%

Conclusion – South Phoenix – The market appears weak given rising inventory, decreasing price per unit, falling rents and higher overall capitalization rates. Strength is seen with decreasing vacancy rate, fewer rent concessions, and fewer units being permitted and built. The statistics do not indicate financial feasibility for new development at this time.

Maximally Productive

Market indicators show a somewhat weak market. Coupled with high interest rates and lenders' reluctance to finance new construction, the subject is unlikely to be developed in the near term. Its development will likely hinge on assemblage with adjoining land to the west to allow typical and efficient use. However, this appraisal is not subject to assemblage. As such, the subject property was maximally productive as a speculative investment anticipating appreciation upon resale or assemblage with adjoining land for future multi-family residential development at a density of 18-22 dwelling units per acre. Although R-5 zoning allows greater density, tenants prefer lighter density.

Conclusion

Therefore, after considering the physical, legal and financial limitations of the site, it was my opinion that the highest and best use of the would be speculative investment or assemblage with adjoining land for future multi-family residential development.

VALUATION PROCESS

The use of the Cost, Sales Comparison, and Income Approaches to Value depend on the type of property, the use of the appraisal, and the quality and quantity of data available for analysis. They are defined as follows:

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. The contributory value of any site improvements that have not already been considered in the total cost can be added on a depreciated-cost basis. 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.*⁵

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.*⁶

Income 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.*⁷

Reconciliation: *A phase of a valuation assignment in which two or more value indications are processed into a value opinion derived from market data are resolved into a final value opinion, which may be a range of value, a single point estimate, or a reference to a benchmark value.*⁸

All three approaches to value are based upon the Principle of Substitution. This is a valuation principle that states a prudent purchaser would pay no more for real property than the cost of acquiring an equally desirable substitute on the open market. The principle presumes that the purchaser will consider the alternatives available to him or her, that the buyer will act rationally and prudently on the basis of the information available about these alternatives, and that time is not a significant factor. Substitution may assume the form of the purchase of an existing property with the same utility and income potential or the acquisition of vacant land and the construction of a structure upon the land having the same general utility as the subject property.

⁵ Appraisal Institute, The Dictionary of Real Estate Appraisal, Seventh Edition, (Chicago, Illinois: Appraisal Institute, 2022), page 43.

⁶ Ibid., page 170.

⁷ Ibid., page 94.

⁸ Ibid., page 157

Applied Method

Because the subject property was vacant land, the Cost Approach was not considered applicable. The Income Approach was not utilized as I found no rented comparable properties with which to estimate market rent and no properties that were rented at the time sale that would provide capitalization rates with which to capitalize net income into an indication of land value. Therefore, in the following analysis, only the Sales Comparison Approach was applied in the estimation of the subject property's market value.

SALES COMPARISON APPROACH

Theory

This approach calls for the typical buyer or appraiser to compare the subject property with similar properties which have either recently sold or is currently listed for sale. The comparables are compared and adjusted to the subject property on the basis of physical, legal, and economic factors that affect value. Superior differences in the comparables indicate downward adjustments to their sales prices. Inferior differences result in upward adjustments to their sales prices. After adjustment, the range of adjusted prices indicates a range of market value for the subject. Typically, the most important unit of measure in estimating the value of land in this market segment is price per square foot.

This approach gives an excellent indication of current market prices when sales data are plentiful and easily confirmed. Recent sales and listings show where the market has been and where it may be going. The data reveal the trends not only in price, but in the trends of investment and development as well as current seller and buyer behavior.

Data

My search of the market was conducted by reviewing sales compiled by the county recorder's office, subscription data services, and obtaining sales in escrow and listings from real estate agents, brokers and other market participants. Of numerous sales and listings discovered, the following comparables were documented and discussed which represented the most current and comparable data for the estimation of market value. Other comparable sales and listings, in addition to those documented and analyzed here, were also considered and influenced my opinion of value as part of my workfile.

My data were arranged from newest to oldest to emphasize those sales which best reflect current market conditions. If listings were used, they were presented last. Please note that "Date of Sale" as shown in the documentation of the comparables on the following pages, reflects the date the price was agreed upon by buyer and seller, the contract signed and placed in escrow. Even though the sales closed later, sometimes months or even years afterward, the date of sale is important to understand market conditions and for judging and adjusting for appreciation and depreciation.

LAND COMPARABLE NO. 1

Type: Vacant Multi-family Residential-oriented Land
Location: 4221 South 16th Street, Phoenix, Arizona

Sale Data

Grantor: Saral Invespro, Inc.
Grantee: Darren Chapman and Jarvis Reddick

Date of Sale: May, 2025
Recorded Date: September 22, 2025

Instrument: Warranty Deed
Instrument No.: 25-05462600

Sales Price: \$790,000 (included \$25,000 in escrow extension fees)

Terms: Cash

Unit Price: **\$15.32** per square foot

Site Data

Assessor's Parcel No.: 122-39-085

Legal Description: Lot 1, EMILE'S PLACE

Site Area: 51,555 square feet or 1.184 net acres

Shape/Dimensions: Rectangular; 107.42' x 480.13', less corner bevel

Zoning/Entitlements: C-3, General Commercial; none

Frontage/Access: 475.16 feet on 16th Street, a major arterial street;
102.42 feet on Wood Street, a minor street

Offsites: 16th Street - Asphalt-paved for two lanes northbound
and three lanes southbound, painted median, curb,
gutter, sidewalk and streetlights

Traffic Count:	16 th Street - 32,277 v.p.d. (2021) Wood Street – Light, unmeasured
Topography/Soil:	Level; typical
Utilities:	Water, sewer, electricity
Flood Zone:	X
Improvements/Other:	None

History:

The confirming sources indicated that the buyers overpaid for the property as the buyer was reluctant to sell and asked for a price higher than market value. Also, escrow extensions increased the price paid by \$25,000. No other sales or listings were noted in the past five years.

Intended Use:

The buyers felt that they could profit by selling this land to City of Phoenix or its eventual buyer so development of the land adjacent to the east could be enhanced by larger size and broader dimensions. In the interim, they would use the land for an urban garden related to a veteran charity.

Confirmation:

Public records; Andrew Seidenberg, selling broker, ViaWest Group, 602-885-6150, November 4, 2025; Don Mortensen, listing broker, LRA Real Estate Group, LLC, 602-451-3684, November 4, 2025

Comments:

Vacant land is to the east, commercial/retail to the north, a *Circle K* to the west and an industrial building to the south.

LAND COMPARABLE NO. 1



LAND COMPARABLE NO. 2

Type: Vacant Multi-family Residential Land
Location: 6419 South 7th Street, Phoenix, Arizona

Sale Data

Grantor: 6419 South 7th, LLC
Grantee: Francisca Diaz Tampa
Date of Sale: March, 2025
Recorded Date: April 4, 2025
Instrument: Warranty Deed
Instrument No.: 25-0501888
Sales Price: \$823,000
Terms: \$293,000 downpayment with assumption of existing seller-carryback of \$530,000 for a short term at 10% interest
Cash Equivalency Adj.: No adjustment was necessary given the large downpayment and short term of the carryback.
Cash Equivalent Price: \$823,000
Unit Price: **\$10.29** per square foot

Site Data

Assessor's Parcel No.: 114-25-016
Legal Description: Part of Lot 6, ESTRELLA RANCHO.
Site Area: 80,000 square feet or 1.837 net acres
Shape/Dimensions: Rectangular; 200.00' x 400.00'
Zoning/Entitlements: R-3, Multiple Residence; none
Frontage/Access: 200.00 feet on 7th Street, a section-line arterial

Offsites:	Asphalt-paved for two lanes in each direction, painted median, curb, gutter, sidewalk and streetlights
Traffic Count:	18,177 v.p.d. (2015)
Topography/Soil:	Level; typical
Utilities:	Water, sewer, electricity
Flood Zone:	X
Improvements/Other:	Chain link fence and concrete slabs with no contributory market value

History: The property sold in October, 2024, for \$600,000 or \$7.50 per square foot. It was purchased by a buyer intending multi-family residential development. The sale documented in this transaction was a private sale. No other sales or listings were noted in the past five years.

Intended Use: One custom single-family residence

Confirmation: Public records; Colin Kreagor, continuing broker for the buyer in this transaction, ABI Multifamily, 602-714-1353; Daniel Saucedo, previous listing agent with knowledge of this sale, NextHome Locations, 602-332-0435, November 4, 2025

Comments: Old and modest single- and multi-family residential development is in all directions.

LAND COMPARABLE NO. 2



LAND COMPARABLE NO. 3

Type: Vacant Multi-family Residential Land
Location: 4035 South 9th Street, Phoenix, Arizona

Sale Data

Grantor: Lisa Fong
Grantee: Power Rd Development, LLC

Date of Sale: January 12, 2025
Recorded Date: June 12, 2025

Instrument: Special Warranty Deed
Instrument No.: 25-0338781

Sales Price: \$1,100,000

Terms: Cash

Unit Price: **\$7.36** per square foot

Site Data

Assessor's Parcel No.: 113-21-032, 036

Legal Description: Lot 20 and the South 70 feet of Lot 22, MONTE VISTA ACRES.

Site Area: 149,411 square feet or 3.430 net acres

Shape/Dimensions: Rectangular; 234.81' x 636.31'

Zoning/Entitlements: R-4, Multiple Residence; none

Frontage/Access: 234.81 ± feet on 9th Street, a minor street

Offsites: Asphalt-paved for one lane in each direction, curb, gutter, sidewalk and streetlights; no median

Traffic Count: Light, unmeasured

Topography/Soil:	Level; typical
Utilities:	Water, sewer, electricity
Flood Zone:	X
Improvements/Other:	Four residential structures built in 1936 averaging 633 square feet in size and related site improvements with no contributory market value but negative cost of demolition and removal reduced price paid

History:

The property was offered for sale for a price of \$1,500,000 or \$10.04 per square foot for 24 days. As of November, 2025, the property is listed with Gunnar Sinnett, broker, LevRose, 314-651-0322, for \$1,725,000 or \$11.71 per square foot. No other sales or listings were noted in the past five years.

Intended Use:

Not revealed

Confirmation:

Public records; repeated calls to Daniel Brown, listing agent, My Home Group Real Estate, 480-648-9234, November, 2025

Comments:

Old and modest single- and multi-family residential housing is in all directions.

LAND COMPARABLE NO. 3



LAND COMPARABLE NO. 4

Type: Vacant Multi-family Residential Land
Location: 6636 South 10th Street, Phoenix, Arizona

Sale Data

Grantor: Michael C. Webb
Rigoberto and Guadalupe Murrieta
Grantee: 6628 S 10th St LLC

Date of Sale: March, 2024
Recorded Date: April 30, 2024
May 15, 2024

Instrument: Warranty Deeds
Instrument No.: 24-0227213
24-0258308

Sales Price: \$450,000
\$100,000
\$550,000

Terms: The property sold with two short-term seller carrybacks, one for \$225,000 and the other for \$90,000 with a total of \$235,000 (43%) downpayment. The selling agent indicated the financing did not result in a premium paid above market value given the large downpayment and short carryback.

Cash Equivalent Price: \$550,000

Unit Price: **\$9.55** per square foot

Site Data

Assessor's Parcel Nos.: 114-24-011A, 012C

Legal Description:	Lot 21 and the North 25 feet of Lot 22, ESTRELLA RANCHO NUMERO DOS
	The East 121.40 feet of Lot 22, ESTRELLA RANCHO NUMERO DOS; EXCEPT the North 25 feet thereof
Site Area:	57,606 square feet or 1.322 net acres
Shape/Dimensions:	Notched rectangle; see exhibit
Zoning/Entitlements:	R-3, Multifamily Residence
Frontage/Access:	175.00 feet on 102 th Street, a minor street
Offsites:	Asphalt-paved for one lane in each direction, curb, gutter, and streetlights; no median or sidewalk
Traffic Count:	Light, unmeasured
Topography/Soil:	Level; typical
Utilities:	Water, sewer, electricity
Flood Zone:	X
Improvements/Other:	Two single-family residences and associated site improvements with no contributory market value (no discount for the cost to remove)

History: The property was offered for sale for a price of \$195,000 for two months. The seller reacquired the property via foreclosure. No other sales or listings were noted in the past five years.

Intended Use: Multi-family residential development with 18 dwelling units (13.60 du/ac.)

Confirmation: Public records; Colin Kreagor, selling broker, ABI Multifamily, 602-714-1353, November 4, 2025

Comments: Old and modest single-family and multi-family residential development are on all sides.

LAND COMPARABLE NO. 4



LAND COMPARABLE NO. 5

Type: Vacant Multi-family Residential Land
Location: 4655 South 16th Street, Phoenix, Arizona

Sale Data

Grantor: Elevate Christian Church. Inc.
Grantee: Arroyo Vista Properties, LLC

Date of Sale: January, 2024
Recorded Date: February 26, 2024

Instrument: Special Warranty Deed
Instrument No.: 24-0093471

Sales Price: \$1,700,000

Terms: Cash

Unit Price: **\$15.67** per square foot

Site Data

Assessor's Parcel No.: 122-40-024A

Legal Description: Part of the NW4 of Section 27, T-1N, R-3E of the G&SRB&M, Maricopa County, Arizona

Site Area: 108,508 square feet or 2.491 net acres

Shape/Dimensions: Rectangular; 186.27' \pm x 582.53' \pm (averaged given somewhat irregular shape)

Zoning/Entitlements: R-5, Multifamily Residence; none

Frontage/Access: 169.71 on 16th Street, a section-line arterial; 249.77 \pm feet on Wier Avenue, a minor street

Offsites:	16 th Street - Asphalt-paved for two northbound lanes and three southbound lanes, painted median, curb, gutter, sidewalk and streetlights Wier Avenue - Asphalt-paved for one lane in each direction, curb, gutter, sidewalk and streetlights; no median
Traffic Count:	16 th Street – 22,680 v.p.d. (2016) Wier Avenue - Light, unmeasured
Topography/Soil:	Level; typical
Utilities:	Water, sewer, electricity
Flood Zone:	X
Improvements/Other:	9,392 square foot church built in 1992 with association site improvements on half of the land

The improvements had \$220,000 in contributory market value as the buyer leased part of the building back to the church for \$2,000 per month and leased the rest back to the buyer's business for \$3,500 per month for a total of \$5,500 per month of \$66,000 per year. Assuming 25% in operating expenses, net operating income would be \$49,500. Assuming interim use of five years, a net present value of \$220,000 at a 5% discount rate.

History: No other arm's length sales or listings were noted in the past five years.

Intended Use: The buyer purchased this property with special need. The buyer's business occupied land across the street. For added parking, storage and office space, the buyer appeared to have paid an assemblage/special need premium over market value.

Confirmation: Public records; Patrick Sheehan, buyer's broker, Rein& Grossoehme, 602-312-1117, November 4, 2025

Comments: Modest single-family residences are to the north and east, a new multi-family residential development to the south and a commercial building to the west.

LAND COMPARABLE NO. 5



West and East Halves of the Property



LAND COMPARABLE NO. 6

Type: Vacant Multi-family Residential Land
Location: 4037 South 12th Street, Phoenix, Arizona

Sale Data

Grantor: Aramex Investments, Inc.
Grantee: Rymax Development, LLC

Date of Sale: May 8, 2023
Recorded Date: June 27, 2023

Instrument: Warranty Deed
Instrument No.: 23-0334311

Sales Price: \$610,000

Terms: Cash

Unit Price: **\$11.11** per square foot

Site Data

Assessor's Parcel No.: 113-25-005 (now 073 and others)
Legal Description: Lot 5, CENTERGROVE TRACT
Site Area: 54,885 square feet or 1.260 net acres
Shape/Dimensions: Rectangular; 164.56' x 333.53' (averaged)
Zoning/Entitlements: R-4, Multifamily Residence; approved for 24 units after the sale for a density of 19.05 du/ac.
Frontage/Access: 164.56 feet on 12th Street, a minor street
Offsites: Asphalt-paved for one lane in each direction, curb, gutter, sidewalk and streetlights; no median
Traffic Count: 599 v.p.d. (2016)

Topography/Soil:	Level; typical
Utilities:	Water, sewer, electricity
Flood Zone:	X
Improvements/Other:	None

History: No other sales or listings were noted in the past five years.

Intended Use: 24 "for rent" townhome units

Confirmation: Public records; Richard DeLuca, selling agent, FSR Realty, 602-456-5050, November 4, 2025

Comments: Old and modest single-family residences are to the north, south and west, with multi-family residential to the south and east.

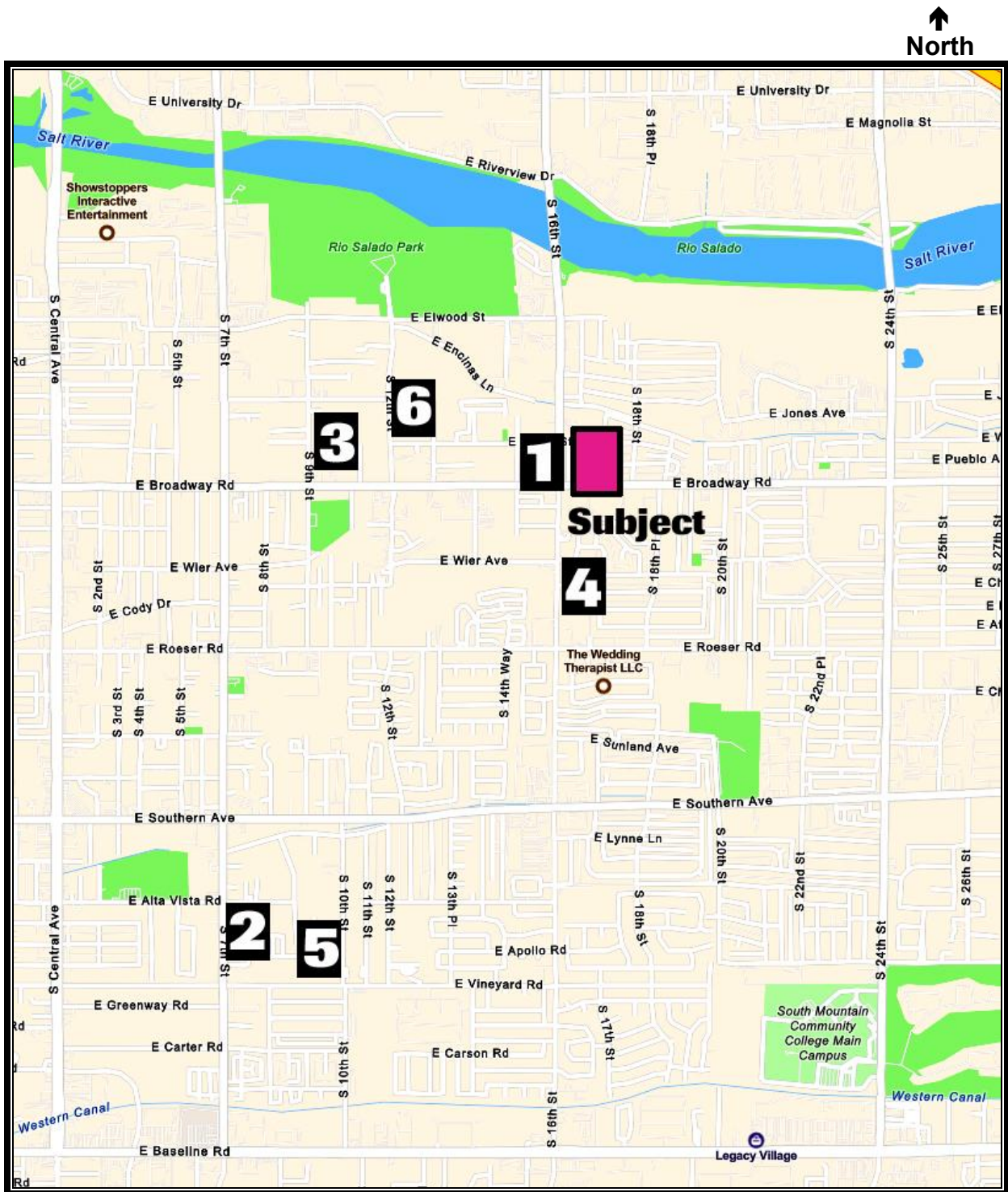
LAND COMPARABLE NO. 6



Plat and Improvements Added After Sale



VACANT LAND COMPARABLES LOCATION MAP



Summary of Vacant Land Comparables

Sale No.	Location/Address	Date	Cash Equiv. Price	Size	Unit Price	Utilities	Zoning
1	4221 S. 16 th St., Phoenix	5-25	\$ 790,000	1.184 ac.	\$15.32/s.f.	Electricity, Water, Sewer	C-3
2	6419 S. 7 th St., Phoenix	3-25	\$ 823,000	1.837 ac.	\$10.29/s.f.	Electricity, Water, Sewer	R-3
3	4035 S. 9 th St., Phoenix	1-25	\$1,100,000	3.430 ac.	\$ 7.36/s.f.	Electricity, Water, Sewer	R-4
4	6636 S. 10 th St., Phoenix	3-24	\$ 550,000	1.322 ac.	\$ 9.55/s.f.	Electricity, Water, Sewer	R-3
5	4655 S. 16 th St., Phoenix	1-24	\$1,700,000	2.491 ac.	\$15.67/s.f.	Electricity, Water, Sewer	R-5
6	4037 S. 12 th St., Phoenix	5-23	\$ 610,000	1.260 ac.	\$11.11/s.f.	Electricity, Water, Sewer	R-4
Subj.	1610-1612 E. Broadway Rd., Phoenix	11-25	----	1.913 ac.	----	Electricity, Water, Sewer	C-1

Factors Affecting Marketability and Discussion of Adjustments

Property Rights Conveyed

The market value of the fee simple interest was estimated for the subject property. As the fee simple rights were conveyed for Comparable Nos. 1, 2, 3, 4, 5 and 6, no adjustments were indicated.

Terms of Sale

The subject property was appraised assuming a cash sale or one with cash equivalent terms. Seller-carried terms generally influence the price paid as they are more generous than terms available for first or second mortgage lenders. The seller receives a premium over market value in order to counter the risk of a carryback. Since market value is estimated for the real estate only, any premium paid for generous terms must be deducted.

As Comparable Nos. 1, 3, 5 and 6 were cash or cash equivalent sales, no adjustments were indicated.

Comparable Nos. 2 and 4 sold with seller-carried financing. But given large downpayments and short terms, the financing did not result in a premium paid above market value. Thus, no adjustments were needed.

Conditions of Sale

The subject property was appraised assuming normal conditions of sale in which a sale is arm's length, the price was not unduly influenced by distress situations or inter-related party transfers and the property had adequate exposure to the market.

As Comparable Nos. 1, 2, 3, 4, 5 and 6 were arm's length transactions selling under normal conditions of sale, no adjustments were indicated.

Market Conditions

The subject was appraised as of the effective date of the appraisal, November 7, 2025. Given the passage of time, market prices generally change given fluctuations in supply and demand. Prices tend to move up or down in stair-step fashion, quickly changing and then stabilizing for a period of time. Thus, adjustments to older sales whether up or down, must be considered.

Comparable Nos. 1, 2, 3, 4, 5 and 6 sold between May, 2023, and May, 2025. As illustrated by the comparables, the subject's submarket has experienced little appreciation over the last two years given high interest rates which has put a damper on new development. As such, no adjustments, up or down, were needed.

Buyer Motivation

A number of factors may affect buyer motivation. The most important in the market segment are user v. speculator, assemblage and special factors. For the subject property, I assumed that the buyer is typically motivated--whether an owner-user or speculator.

User v. Speculator - In many real estate markets, users are often willing to pay a premium over the prices that investors or speculators pay. In general, users are examining the immediate potential or value of a site for a specified use and do not anticipate the holding or marketing costs that are incurred by an investor. The subject property appeals to a speculator or a user anticipating development in the future with adjoining land.

Comparable Nos. 2, 4, 5 and 6 were purchased by users. Comparable Nos. 1 and 3 were purchased by speculators. But by my study and analysis, I did not find a two-tiered market. If investors buy land, they must pay the same prices users pay. Whether the comparables were purchased by a user or speculator, no adjustments were necessary.

Assemblage - When buyers have a need to expand an existing location or if they are assembling land for new development, they usually are forced to pay a premium over market value for their lack of substitution. The subject property was not appraised assuming assemblage.

Comparable Nos. 2, 3, 4, 5 and 6 were not purchased for assemblage. Thus, no adjustments were necessary.

Comparable No. 1 was purchased speculating that the City of Phoenix who owns the land to the east (subject property) or its eventual buyer would need their land to complete a needed assemblage that would bring greater developability to the plottage. As such, they overpaid to a reluctant seller hoping to, one day, be compensated. The reluctant seller also caused escrow extension fees in the amount of \$25,000 which the buyers accepted given \$100,000 in non-refundable earnest money. As the buyers paid over market value, a downward adjustment was needed.

Special Need – Buyers may have a special need that prevents them from choosing a substitute property available on the open market. As such, they may pay a premium over market value for their lack of substitution. The subject parcel was not appraised assuming special need.

As the prices paid for Comparable Nos. 1, 2, 3, 4 and 6 were not affected by special needs, no adjustments were needed.

Comparable No. 5 was purchased given the buyer's special need. The buyer's business occupied land across the street. For added parking, storage and office space, the buyer paid a special need premium over market value. As such, a downward adjustment was needed.

Location

Locational factors which affect land values include general locational attributes and district or specific locational attributes such as the appeal or quality of surrounding development.

General Location – General locational factors include the market's perception of a particular neighborhood or area of the community, support facilities, growth and development potential. The subject property was in a modest area of south-central Phoenix which gave it an "average" location.

As Comparable Nos. 1, 2, 3, 4, 5 and 6 had general locations with similar appeal, no adjustments were indicated.

Specific – Specific locational features relate to setting. For example, land within appealing planned developments with amenities or adjacent to some physical or man-made attraction may sell at a premium. On the other hand, land that is surrounded by less attractive improvements may sell at a reduced price. The subject property is not located in a planned development or themed setting. Thus, its specific location was "average".

Comparable Nos. 1, 2, 3, 4, 5 and 6 had average specific locations as well. Thus, no adjustments were made.

Frontage/Access

Frontage is important to the marketability of land as it generally provides publicly-dedicated and -maintained access. Access can be judged from streets immediate to the subject property or from adjacent or nearby boulevards, expressways or freeways. This grouping includes categories that are closely related but the distinction is important.

Frontage – The subject had publicly-dedicated and –maintained frontage.

As Comparable Nos. 1, 2, 3, 4, 5 and 6 had similar frontages, no adjustments were necessary.

Access - Some buyers prefer a corner property with the potential for dual access. But factors such as added setbacks, street dedications and street improvement costs often offset any advantage. The subject is accessible from both Broadway Road and Wood Street. 16th Street access is unavailable given the short amount of frontage. The alley access did not enhance access. It had “average” access from its frontage.

Comparable Nos. 1, 2, 3, 4, 5 and 6 were similar to the subject property in regards to access. Thus, no adjustments were necessary.

Traffic Count/Visibility

Traffic Count – An accessible traffic count can be beneficial for multiple-family residential use. It can help with marketing, property identification, rental rates and occupancy. The subject property had frontage on two major arterials and a minor neighborhood street. Its 16th Street frontage had a traffic count of 32,277 vehicles per average weekday. Its primary frontage is on Broadway Road frontage with a traffic count of 25,255 vehicles per average weekday.

Comparable Nos. 1, 2, 3, 4, 5 and 6 had traffic counts ranging from “light, unmeasured” to 32,277 vehicles per average weekday. While all are far less than the subject’s combined count, their traffic counts were not inferior to the subject’s count as I found differences in traffic count had no influence on price paid in this market segment.

Visibility – At times, the visibility of a parcel can be blocked by adjoining buildings, terrain or the frontage can be too narrow to take advantage of the traffic count. The subject property had average visibility from its frontage.

Comparable Nos. 1, 2, 3, 4, 5 and 6 also had average visibility from their frontages, no adjustments were needed.

Size

Size usually influences the price paid for vacant land. Larger sites have better appeal. Smaller parcels have limited marketability given the lessened density and height and the limited building pad placement. In this market segment, larger parcels may sell at a higher unit price than smaller parcels. But on the other hand, larger parcels can sell for less on a unit price basis given reduced demand. Typically, buyers do not adjust for every square foot or acre difference so in general, size can differ within a range and the unit price is not affected. But for substantial differences between ranges, unit prices will usually vary given the general rule. The subject property was 1.913 acres, in size which made it a typically-sized parcel of land in this market segment.

Comparable Nos. 1, 2, 3, 4, 5 and 6 ranged from 1.184 to 3.430 acres in size which bracketed the size of the subject well. Given the good comparison, no adjustments were needed for differences in size.

Shape/Contiguity

Shape - The typical buyer prefers a square or rectangularly-shaped parcel with broad dimensions as planning and development is made easier. The subject property had an odd long and narrow shape. The utility of the small corner portion is limited.

As Comparables Nos. 1, 2, 3, 4, 5 and 6 had shapes with superior utility when compared to the subject property's shape, downward adjustments were necessary given a recent sale of a long and narrow parcel I found. The R-3, Multiple Family Residential-zoned parcel is located at 1250 East Roeser Road. It is 4.860 acres in size but with dimensions of 213.43' x 991.90'. It is in escrow for a price of \$1,000,000 or \$4.72 per square foot. Besides a hurried seller, the long and narrow shape was a significant limiting factor in the price paid according to the listing agent.

Contiguity – Buyers generally prefer contiguous parcels of land as the parcel can be developed without interruption in ownership or use. Contiguity makes development planning easier and the finished product cohesive. But many projects are developed in phases or may be mixed-use. Thus, in many cases, non-contiguous holdings lend themselves well to phased or mixed-use. Given the advantage, the negative effects of non-contiguity can be offset. The subject property consists of a small corner parcel which is separated from the majority of the site by an alley. It is likely that the alley can be abandoned, making the subject one contiguous site. However, the costs, delays, a utility easement and uncertainty of abandonment reduce marketability.

Comparable Nos. 1 through 6 were all contiguous parcels. Given their superior utility and market appeal, downward adjustments were made.

Topography/Soil

Topography – If topography is varied and rough to develop, marketability is generally adversely affected. But in every case, land needs site work to one extent or another as part of its development. With its easily buildable topography, the subject had “average” utility for development.

Comparable Nos. 1 through 6 shared similar topography. Thus, no adjustments were needed.

Soil – If soil is difficult to grade and excavate (“hard dig”), then construction costs are greater which lessens the amount that can be paid for the land. Developers in this area appear to find the soil easily developable given the numerous examples of successful development. As such, the subject property was assumed to have typical and buildable soil.

As Comparable Nos. 1, 2, 3, 4, 5 and 6 did not appear to have had a soil problem, no adjustments were indicated.

Offsite Improvements

If the frontage is not widened or improved to modern standards, the county or the city usually requires dedication of street rights-off-way and improvement of the frontage with curb, gutter, sidewalk and streetlights as part of granting development approval. Because of the added costs of development, the buyer expects and receives a discount in the price paid. The subject’s 16th Street and Broadway Road frontages were fully improved to modern standards. Upon development it is likely the Wood Street frontage will need to be improved with a sidewalk.

Comparable Nos. 1, 2, 3, 4, 5 and 6 fronted roadways with similar offsite improvements. Given their similarity, no adjustments were needed.

Utilities

Without utilities extended to a property, development is made more costly given extension costs. The subject property had electricity, water and sewer service available.

Comparable Nos. 1, 2, 3, 4, 5 and 6 all had electricity, water and sewer available. Given their similarity, no adjustments were necessary.

Zoning/Entitlements

Zoning - The necessary zoning that will allow the buyer’s intended use is an entitlement that has value. The entitlement can be obtained by either the buyer or seller. If the land is already entitled or if the land is entitled during the escrow period, the buyer will pay more for the land. Even if the buyer pays all the costs of entitlement, the seller

has to wait for an extended period before the sale closes. Thus, the seller will receive a premium for the time value of money and the risk in the event that the buyer fails and the property has been unavailable to the market.

At the client's direction, I have assumed the subject property has been rezoned to C-1, Neighborhood Retail zoning but with R-5, Multifamily Residence development standards.

Comparable 1, 2, 3, 4, 5 and 6 had various zoning designations that allowed multi-family residential development to a similar density and highest and best use as the subject. Thus, no adjustments were needed.

Entitlements – The inclusion of specific entitlements (approvals) for immediate development and completed engineering can enhance the marketability of a property resulting in a higher sales price. However, this only occurs when the buyer purchases the property for the use for which it has been entitled and engineered. The subject property had no entitlements beyond zoning.

Comparable Nos. 1, 2, 3, 4, 5 and 6 sold also without approvals and entitlements. Thus, no adjustments were required.

Density

With the zoning assumption, the subject has the potential for 18-22 dwelling units per acre, a popular and desirable density.

Comparable Nos. 1, 2, 3, 4, 5 and 6 had a similar potential for density. As such, no adjustments were needed.

Flood Zone

Inclusion within a designated flood hazard zone can detract from the marketability of a property. Inclusion within a designated floodplain and/or floodway can severely limit the developmental potential of a property. If an owner chooses to build within a floodplain, he or she will generally be required to raise the level of the improvements above the designated flood elevation. Given the potential for flooding, site improvement costs are atypical and flood insurance is usually required by lenders. The subject property was located within FEMA Flood Zone X, an area in which no flooding is anticipated.

Comparable Nos. 1, 2, 3, 4, 5 and 6 were also located in FEMA Flood Zone X, where no flooding is expected. Given their similarity, no adjustments were needed.

Improvements/Other

Improvements - If a property is improved at the time of sale, the improvements have the potential to either enhance or detract from the price paid. If a parcel of land has improvements such as a restorable building, outbuildings, fencing, paving, landscaping,

or some other usable improvement, they may contribute to the marketability of the property. But, with improvements that require demolition, the cost may factor into the price paid depending on the amount and the motivation of the seller and buyer. If the demolition cost is excessive, the price of the land is reduced. The subject was vacant land.

Comparable Nos. 1, 2, 4 and 6 minor improvements or aged structures which did not have contributory market value or allowed the buyer to receive a discount in the price paid. As such, no adjustments were needed.

Comparable No. 3 had old improvements that were removed after the sale at a cost that apparently lessened the price paid. As can be seen, it sold for the lowest price in the sample. Thus, an upward adjustment was needed.

Comparable No. 5 had improvements with \$220,000 in contributory market value, or 13% of the price paid, as the buyer leased part of the building back to the church for \$2,000 per month and leased the rest back to the buyer's business for \$3,500 per month for a total of \$5,500 per month of \$66,000 per year. Assuming 25% in operating expenses, net operating income would be \$49,500. Assuming interim use of five years, a net present value of \$220,000 was calculated with a 5% discount rate.

Other – Other influences include easements, overflights, deed and off-title restrictions, billboard and telecommunication site leases, etc. The subject property had no “Other” factors affecting its marketability.

Comparable Nos. 1, 2, 3, 4, 5 and 6 had no “Other” factors affecting their marketability, no adjustments were necessary.

Summary of Adjustments

The adjustment grid on the next page charted the subject property and the sales and the relevant information about each one. Differences between the subject property and the sales were identified. The sales prices for each were adjusted in accordance with the discussion related above. The adjusted prices indicated a range of estimated market value for the subject property. Following the presentation of the grid is my conclusion and opinion of market value.

SALES COMPARISON APPROACH - SUBJECT TO C-1 ZONING

APNS 122-39-001B, 012B, 012C, 022A (City of Phoenix)
Effective Date of the Appraisal - November 7, 2025

File No. 250170

ADJUSTMENT GRID							
Comparable No.	Subject	1	2	3	4	5	6
Location	1610-1612 E. Broadway Rd., Phoenix	4221 S. 16th St., Phoenix	6419 S. 7th St., Phoenix	4035 S. 9th St., Phoenix	6636 S. 10th St., Phoenix	4655 S. 16th St., Phoenix	4037 S. 12th St., Phoenix
Sales Price	NA	\$790,000	\$823,000	\$1,100,000	\$550,000	\$1,700,000	\$610,000
Unit Price (Price/S.F.)	NA	\$15.32	\$10.29	\$7.36	\$9.55	\$15.67	\$11.11
Property Rights Conveyed <i>Adjustment</i>	Fee Simple	Fee Simple 0%	Fee Simple 0%	Fee Simple 0%	Fee Simple 0%	Fee Simple 0%	Fee Simple 0%
Terms of Sale <i>Adjustment</i>	Cash	Cash 0%	Seller-carryback 0%	Cash 0%	Seller-carryback 0%	Cash 0%	Cash 0%
Conditions of Sale <i>Adjustment</i>	Normal	Normal 0%	Normal 0%	Normal 0%	Normal 0%	Normal 0%	Normal 0%
Market Conditions (Time) <i>Adjustment</i>	Nov-25	May-25 0%	Mar-25 0%	Jan-25 0%	Mar-24 0%	Jan-24 0%	May-23 0%
Buyer Motivation <i>Adjustment</i>	Investor	Investor 0%	User 0%	Investor 0%	User 0%	User 0%	User 0%
Assemblage/Special Need <i>Adjustment</i>	None/None	Assem. Potential/None -30%	None/None 0%	None/None 0%	None/None 0%	None/Special Need -25%	None/None 0%
Adjusted Unit Price (Price/S.F.)		\$10.72	\$10.29	\$7.36	\$9.55	\$11.75	\$11.11
Location - General/Specific <i>Adjustment</i>	Average/Average	Similar/Similar 0%	Similar/Similar 0%	Similar/Similar 0%	Similar/Similar 0%	Similar/Similar 0%	Similar/Similar 0%
Frontage/Access <i>Adjustment</i>	Public/Average	Similar/Similar 0%	Similar/Similar 0%	Similar/Similar 0%	Similar/Similar 0%	Similar/Similar 0%	Similar/Similar 0%
Traffic Count/Visibility <i>Adjustment</i>	54,957 v.p.d./Average	32,277 v.p.d./Similar 0%	18,177 v.p.d./Similar 0%	Light/Similar 0%	22,680 v.p.d./Similar 0%	Light/Similar 0%	599 v.p.d./Similar 0%
Size (Net Acres) <i>Adjustment</i>	1.913	1.184 0%	1.8365 0%	3.430 0%	1.322 0%	2.491 0%	1.260 0%
Shape/Contiguity <i>Adjustment</i>	Fair/Non-contiguous	Similar/Superior -10%	Superior/Superior -20%	Superior/Superior -20%	Superior/Superior -20%	Superior/Superior -20%	Superior/Superior -20%
Topography/Soil <i>Adjustment</i>	Level/Typical	Similar/Similar 0%	Similar/Similar 0%	Similar/Similar 0%	Similar/Similar 0%	Similar/Similar 0%	Similar/Similar 0%
Offsite Improvements <i>Adjustment</i>	Nearly Complete	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Utilities <i>Adjustment</i>	All Necessary	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Zoning/Entitlements <i>Adjustment</i>	C-1/Not Entitled	C-3/Similar 0%	R-3/Similar 0%	R-4/Similar 0%	R-3/Similar 0%	R-5/Similar 0%	R-4/Similar 0%
Density <i>Adjustment</i>	18-22 du/ac.	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Flood Zone <i>Adjustment</i>	Zone X	Zone X 0%	Zone X 0%	Zone X 0%	Zone X 0%	Zone X 0%	Zone X 0%
Improvements/Other <i>Adjustment</i>	None/None	Minor/None 0%	Minor/None 0%	Demolition Cost/None 15%	Minor/None 0%	Contributory Value/None -13%	None/None 0%
Overall Adjustment		-10%	-20%	-5%	-20%	-33%	-20%
Estimated Range of Value (Price/S.F.)		\$9.65	\$8.23	\$6.99	\$7.64	\$7.87	\$8.89

Conclusion to the Analysis – Subject to Rezoning

The sales data represented a comparable and current sample of relevant sales in the subject property's market segment. Unadjusted, the comparables indicated a price range from \$7.36 to \$15.67 per square foot of net site area. Adjusted, they presented a range from \$6.99 to \$9.65 per square foot. Applying the adjusted range to the subject's net site area provided the following range of market value:

$$83,338 \text{ square feet} \times \$6.99/\text{s.f.} = \$582,533$$

- to -

$$83,338 \text{ square feet} \times \$9.65/\text{s.f.} = \$804,212$$

Opinion of Market Value – Subject to Rezoning

Given the predominant range of adjusted prices, a value above, the middle of the range was indicated. Acknowledging that buyers and sellers negotiate to round numbers, my opinion of the market value of the fee simple interest in the subject, as of the effective date of the appraisal, November 7, 2025, was **\$750,000**, or **\$9.00** per square foot ($\$750,000 \div 83,338 \text{ s.f.}$). My appraisal was subject to a special limiting condition stated on page 13 of the report.

Exposure Time

The exposure time for the subject depends on many factors including past and current market conditions, the factors of supply and demand, pricing and professional marketing. From my study of the exposure time in the subject's market segment, my opinion of market value for the subject property assumed that the subject had been exposed to the market for sale for six months, priced at no more than 10 percent above the appraised value.

RECONCILIATION AND FINAL OPINION OF MARKET VALUE

As described in the Valuation Process, there are three approaches of estimating the value of real property: The Cost Approach, the Sales Comparison Approach and the Income Approach. Only the Sales Comparison Approach was applicable for this property as the subject was vacant land.

The Sales Comparison Approach required me to make a comparison between recent vacant comparable sales and the subject property. A typical buyer would have considered them to be good substitution for the subject property given their many similarities. Even so, as each parcel of real estate is unique, some differences between the sales and the subject will exist. Trends in the market were studied as well as reliance placed on the opinions and comments of knowledgeable buyers, sellers and brokers. After comparison, analysis and adjustment, market value was estimated based upon cash or cash equivalent terms and a sale within a reasonable time.

Based on the information found in my investigation and coupled with my professional analysis, my opinion of the market value of the fee simple interest in the subject property, subject to rezoning, as of the effective date of the appraisal, November 7, 2025, was:

SEVEN HUNDRED FIFTY THOUSAND DOLLARS

(\$750,000 or \$9.00/s.f. of net site area)

My appraisal was subject to a special limiting condition stated on page 13 of the report.

CERTIFICATION

Project: NSD – Four Parcels 16th Street, Wood Street and Broadway Road;
CC 8850110000
APN: 122-39-001B, 012B, 012C, 022A
Owner: City of Phoenix

I hereby certify:

That I personally inspected the property herein appraised, and that I have afforded the property owner the opportunity to accompany me at the time of inspection. I also made a personal field inspection of each comparable sale relied upon in making said appraisal. The subject and the comparable sales relied upon in making the appraisal were as represented by the photographs contained in the appraisal.

That I have given consideration to the value of the property the damages and benefits to the remainder, if any; and accept no liability for matters of title or survey. That, to the best of my knowledge and belief, the statements contained in said appraisal are true and the opinions, as expressed therein, are based upon correct information; subject to the limiting conditions therein set forth.

That no hidden or unapparent conditions of the property, subsoil, or structures were found or assumed to exist which would render the subject property more or less valuable; and I assume no responsibility for such conditions, or for engineering which might be required to discover such factors. That, unless otherwise stated in this report, the existence of hazardous material, which may or may not be present in the property, was not observed by myself or acknowledged by the owner. The appraiser, however, is not qualified to detect such substances, the presence of which may affect the value of the property. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.

That my analysis, opinions, and conclusions were developed, and this report has been prepared in conformity with the ADOT ROW Procedures Manual, Chapter 4, Appraisal Standards and Specifications (2018); the Federal Highway Administration (FHWA) Uniform Act, 49 CFR Part 24; and the Uniform Standards of Professional Appraisal Practice (USPAP 2024) guidelines.

That this appraisal has further been made in conformity with the appropriate State and Federal laws, regulations, and policies and procedures applicable to appraisal of right-of-way for such purposes; and that, to the best of my knowledge, no portion of the value assigned to such property consists of items which are non-compensable under the established laws of said State.

I understand this appraisal will not be in connection with the acquisition of right-of-way for a highway to be constructed by the City of Phoenix with the assistance of Federal aid highway funds or other Federal funds.

That neither my employment nor my compensation for making the appraisal and report are in any way contingent upon the values reported herein.

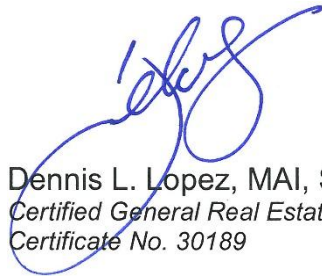
That I have no direct or indirect present or contemplated future personal interest in the property that is the subject of this report, or any benefit from the acquisition of the property appraised herein.

That I have not revealed the findings and results of such appraisal to anyone other than the proper officials of the City of Phoenix or officials of the Federal Highway Administration, and I will not do so unless so authorized by proper city officials, or until I am required to do so by due process of law, or until I am released from this obligation by having publicly testified as to such findings.

I certify that, to the best of my 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 my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I 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.
4. I have performed a service as an appraiser regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My 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.
8. My analyses, opinions, and conclusions were developed, and this report have been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, and the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
9. I have made a personal inspection of the property that is the subject of this report.
10. No one provided significant professional assistance to the person signing this report with inspection, data gathering, description, analysis, and report preparation.
11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
12. As of the date of this report, I have completed the continuing education program of the Appraisal Institute.

My opinion of the market value of the fee simple interest in the subject property, subject to rezoning as of the effective date of the appraisal, November 7, 2025, was **\$750,000** or **\$9.00** per square foot of net site area. My appraisal was subject to a special limiting condition stated on page 13 of the report.



Dennis L. Lopez, MAI, SRA
Certified General Real Estate Appraiser - State of Arizona
Certificate No. 30189

APPENDIX

Qualifications of the Appraiser

QUALIFICATIONS OF DENNIS L. LOPEZ, MAI, SRA

Education

Bachelor of Science Degree, Business Administration, Arizona State University, Magna Cum Laude,
December, 1978

Real Estate Principles, Arizona State University, 1977

Real Estate Law, Arizona State University, 1977

Real Estate Management, Arizona State University, 1978

SREA 101 (Real Estate Appraisal), Arizona State University, 1978

SREA 201 (Real Estate Appraisal), Arizona State University, 1978

Real Estate Land Development, Arizona State University, 1978

Real Estate Investments, Arizona State University, 1978

Urban Planning, Arizona State University, 1978

AIREA Course VIII, "Single Family Residential Appraising," Arizona State University, 1978

SREA "Marketability and Market Analysis", 1979

SREA Seminar "Basic Money Market & Economic Analysis", 1980

SREA "Market Abstractions Seminar", 1981

AIREA "Standards of Professional Practice", 1981

AIREA "Condemnation & Litigation Valuation", 1982

IRWA "Skills of Expert Testimony", 1983

SREA FHLBB Reg. R41(b) Seminar, 1985

AIREA "Valuation Analysis and Report Writing" (Exam 2-2), March, 1986

AIREA "Case Studies in Real Estate Valuation" (Exam 2-1), March, 1986

AIREA "Highest and Best Use Analysis", April, 1986

"Eminent Domain Valuation-Procedures and Case Studies," Robert Helmandollar, Deputy Chief

Right-of-way Agent, Arizona Department of Transportation, November, 1986

"Arizona Condemnation and Zoning", Professional Education Systems, June, 1988

SREA "Environmental Waste As It Applies To Real Estate", December, 1988

SREA "Standards of Professional Practice and Conduct", December, 1988

AIREA "Rates, Ratios and Reasonableness", August, 1989

AIREA "Uniform Standards of Professional Practice", February, 1990

SREA "Income Property Valuation for the 1990s", July, 1990

AI "Reviewing Appraisals", June, 1992

IRWA "Easement Valuation" (Course 403), March, 1993

ADOT "Impact of Highway Construction on Real Estate", April, 1993

AI "Uniform Standards of Professional Appraisal Practice, Part A & B", February, 1994

AI "Advanced Income Capitalization, Course II510, ASU, February, 1995

AI "Fair Lending", October, 1995

AI "Subdivision Analysis", March, 1996

AI "New Industrial Valuation", May, 1998

Ted Whitmer, "Attacking & Defending an Appraisal in Litigation", January, 2000

AI, "710 Condemnation Appraising – Basic Principles and Applications", May, 2000

AI, "720 Condemnation Appraising – Advanced Topics and Applications", May, 2000

AI "Uniform Standards of Professional Appraisal Practice, Part C", October, 2000

AI "Litigation Appraisal: Specialized Topics and Applications, Course 705, March, 2002

IRWA "Reviewing Appraisals in Eminent Domain", May, 2005

AI "Subdivision Analysis", October, 2007

AI "Uniform Appraisal Standards for Federal Land Acquisitions ("Yellow Book")", December, 2009

AI "Fundamentals of Separating Real Property, Personal Property, Intangible Business Assets", May, 2012

AI "Business Practices and Ethics", November, 2020

AI "Complex Litigation Appraisal Case Studies", June, 2022

AI "2024 Uniform Standards of Professional Appraisal Practice (USPAP)", December, 2023

Designations, Memberships, Licenses and Certifications

MAI - Member, Appraisal Institute, May, 1988, Certificate No. 7798
SRA - Senior Residential Appraiser, Appraisal Institute, August, 1980
Certified General Real Estate Appraiser, State of Arizona, Certificate No. 30189

Professional & Civic Activities

Appraisal Institute, Admissions Committee, Experience Review, 1989-1997
Appraisal Institute, Review and Counseling Committee, 1991-2005
Society of Real Estate Appraisers, Phoenix Chapter #68, Chairman, Professional Practice Committee, 1989-1990
Society of Real Estate Appraisers, Phoenix Chapter #68, Chapter President and Supervisory Officer of the Professional Practice Committee, 1987-88
College of Business Administration, Arizona State University, Guest Lecturer, Finance and Real Estate Departments, College of Business
Mesa Community College, Scottsdale Community College, Desert Vista High School, Guest Lecturer, Real Estate Appraisal
CLE International, Guest Lecturer, Eminent Domain Conference, April, 2005
"Condemnation Summit", Eminent Domain and Condemnation Law Conference, Guest Lecturer, April, 2012

Awards

Awarded the "Employer of the Year, 2004", by the Phoenix Chapter 28, International Right-of-way Association, September, 2004
Awarded the "Minority Consultant Firm of the Year", by the City of Phoenix Minority Business Enterprise Affirmative Action Program, October, 1989
Awarded the "Phoenix Board of Realtors Outstanding Real Estate Student of the Year," by the Phoenix Board of Realtors in conjunction with the College of Business Administration, Arizona State University, 1978

Experience

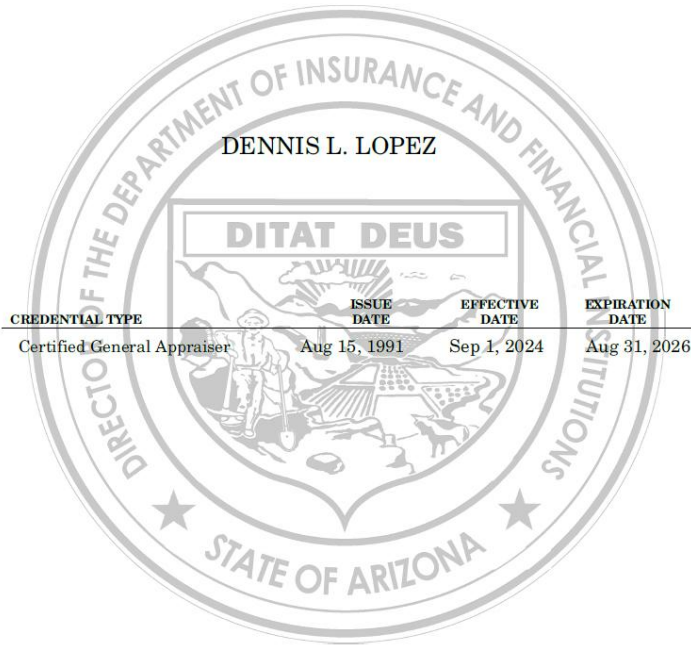
Independent fee appraiser and consultant since June, 1978, with varied experience in appraising and analyzing single-family residences, vacant land, multi-family residential properties, commercial, retail, industrial and special use properties; specialization in eminent domain valuation and expert witness testimony
Qualified as an expert witness in matters of real estate appraisal in Maricopa County, Pima County, Pinal County, Coconino County, Yavapai County, Yuma County, Santa Cruz, and Mohave County Superior Courts, and U.S. Bankruptcy Court
Currently self-employed with *Dennis L. Lopez & Associates, LLC*, Real Estate Appraisers and Consultants, 8631 South Priest Drive, Suite 103, Tempe, Arizona 85284-1912, 480-838-7332, dennis@lopezappraisal.com, www.lopezappraisal.com
Vice President, Commercial Team Leader and Residential Manager with Sell, Huish & Associates, Inc., Real Estate Appraisers and Consultants, Tempe, Arizona, January, 1980 to July, 1988
Independent fee appraiser with Diversified Property Services Limited, Phoenix, Arizona, June, 1978, to June, 1980
Licensed Real Estate Salesperson – State of Arizona, 1981 to 2025

Geographical Area

State of Arizona

ARIZONA FINANCIAL ENTERPRISE CREDENTIAL CERTIFICATE

No: CGA-30189



DENNIS L. LOPEZ

CREDENTIAL TYPE	ISSUE DATE	EFFECTIVE DATE	EXPIRATION DATE
Certified General Appraiser	Aug 15, 1991	Sep 1, 2024	Aug 31, 2026

This certificate was printed on July 10, 2024 and will remain in effect until a change request has been approved by the Department or the credential is surrendered, suspended, revoked or expired.

Arizona Department of Insurance and Financial Institutions
dif.az.gov
100 N 15th Ave, Suite 261
Phoenix, AZ 85007-2630