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Multifamily Land

Roberta Henry Phase 2
1302 thru 1322 North 32nd Avenue
Phoenix, Arizona 85009

BBG File #0123124522
Client File #PM 1847

Prepared For

Christopher F. Rocca ASA, FRICS, CRE
City of Phoenix Finance Department
251 West Washington Street, 8th Floor
Phoenix, AZ 85003-1611

Report Date

November 24, 2025

Prepared By

BBG, Inc., Phoenix Office
2850 E. Camelback Road, Suite 330
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bbgres.com

November 24, 2025

Christopher F. Rocca ASA, FRICS, CRE
City of Phoenix Finance Department
251 West Washington Street, 8th Floor
Phoenix, AZ 85003-1611

Re: Appraisal of Real Property
11 Vacant Land Parcels - Roberta Henry Phase 2
1302 thru 1322 North 32nd Avenue
Phoenix, Arizona 85009
BBG File #0123124522
Client File #PM 1847

Dear Mr. Rocca:

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

The subject is Lots 1 thru 11 Roberta Henry Phase 2. Lots ranging in size from 9,193 to 9,394 square feet for a total of 102,166 square feet. There are two rows of parcels. Specifically, Lots 1 thru 6 face 32nd Avenue and Lots 7 thru 11 face 33rd Avenue. As of the valuation date of this report, the owner of record is the City of Phoenix. The subject is not currently listed for sale, nor is it under a sales contract.

There was a Zoning Hearing in August 2025 regarding Case No: Z-85-25-4 in which the City of Phoenix wanted to change the current R1-6 zoning to Walkable Urban Code T5:3 characterized by small main street scale commercial areas, adaptive reuse of single-family residential developments to retail, office uses and dining establishments plus mixed-use residential developments incorporating a broad mix of frontage types, averaging 30 feet to 48 feet in height. The zoning change was approved in September 2025.

As a result of this pending zoning change, the client requested the multi-parcel subject be valued as one 2.35 net acre site (parcels will be developed as a single unified site, rather than as individual parcels) under the pending Walkable Urban Code T5:3 zoning.

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

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

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

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

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

EXTRAORDINARY ASSUMPTION(S) AND HYPOTHETICAL CONDITION(S)

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

Extraordinary Assumption(s)

- No soils or subsoils report was provided. This appraisal assumes no adverse soil or subsoil conditions.
- There are no environmental risks or hazardous conditions found on the parcels.
- There is no geological significance on the parcels.
- There is no archaeological significance on the parcels.

Hypothetical Condition(s)

- The opinion of value is subject to the hypothetical condition that the subject's zoning is different than the current zoning. The application of this hypothetical condition might result in a greater value than the Market Value As Is.

Based on the analysis undertaken, the following value opinion has been developed.

MARKET VALUE CONCLUSION			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value - As Is - Land Value	Fee Simple	November 6, 2025	\$920,000

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

This letter must remain attached to the report, which should be transmitted in its entirety, in order for the value opinion(s) set forth above to be relied upon by the intended user(s).

¹Arizona State Legislature., AZLEG.gov

Mr. Rocca
November 24, 2025
Page 3

BBG, Inc. appreciates the opportunity to have performed this appraisal assignment on your behalf. If we may be of further service, please contact the Client Manager.

Sincerely,



Justin Getelman, MAI
AZ Certified General Appraiser
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SUBJECT PROPERTY



Looking S along 33rd Avenue – subject on left



Looking E across Subject from 33rd Avenue at Subject's northern property line



Looking N along 33rd Avenue – Subject on right



Looking N along Subject's eastern boundary along 32nd Avenue from Bellevue Street



Looking W across 32nd Avenue towards Subject



Looking W across Subject from 32nd Avenue at Subject's northern property line – adjacent Phoenix Fire Station

SUMMARY OF SALIENT FACTS

APPRAISAL INFORMATION

Client	City of Phoenix Finance Department 251 West Washington Street, 8th Floor Phoenix, AZ 85003-1611
Intended User(s)	This appraisal report may only be relied upon by the client and intended user(s) named herein City of Phoenix Finance Department.
Intended Use	This appraisal is to be used for estimating market value for decision making purposes.
Property Rights Appraised	As Is Market Value - Fee Simple
Date of Inspection	November 6, 2025
Marketing Time (Months)	6
Exposure Time (Months)	6
Owner of Record	City of Phoenix
Most Probable Purchaser	Developer
Highest and Best Use	
As Vacant	Multi-Family Residential Development

PROPERTY DATA

Property Name	Residential Land
Address	1302 thru 1322 North 32nd Avenue Phoenix, Arizona 85009
Location	South of McDowell Road between 32nd and 33rd avenues
Property Description	Land (Residential) Roberta Henry Phase 2
County	Maricopa County
Parcel Number	109-09-051; -052; -053; -054; -055; -056; -057; -058; -059; -060; -061
Census Tract No.	1127.00
Legal Description	Lots 1 thru 11 Roberta Henry Phase 2 MCR 099221
Site Area	102,166 square feet (2.35 acres)
Zoning - Current	R1-6; Single Family Residential
Zoning - Pending	Walkable Urban (WU) Code T5:3
Flood Zone/Map Number/Date	Zone X (Unshaded) 04013C2185L October 16, 2013

VALUE INDICATION

1) As Is as of November 6, 2025

Land Value	\$920,000	\$9.00	Per Square Foot of Land
Exposure Time (Months)	6		
Marketing Time (Months)	6		

PROPERTY HISTORY

The parcels have been vacant for an unknown period of time and it is likely they have never been developed. However, according to MLS, APN 109-09-051, 1301 N 33rd Avenue had a triplex that was built in 1955 as recently as July 2000. The subject property has been owned by the City of Phoenix for over three years.

We are unaware of any sale transactions involving the subject within the three-year period immediately preceding the effective date of appraisal, nor are we aware of any listing agreements, purchase offers, and/or option contracts to be outstanding on the property as of the date of this report. Please note; however, that this information is included only to satisfy the requirements of USPAP. It is not intended as a guarantee to the chain of title, and a title search should be performed by a title company should a definitive abstract be desired.

ZONING CHANGE

There was a Zoning Hearing in August 2025 regarding Case No: Z-85-25-4 in which the City of Phoenix wanted to change the current R1-6 zoning to Walkable Urban Code T5:3 characterized by small main street scale commercial areas, adaptive reuse of single-family residential developments to retail, office uses and dining establishments plus mixed-use residential developments incorporating a broad mix of frontage types, averaging 30 feet to 48 feet in height. The zoning change was approved in September 2025.

SCOPE OF WORK

The scope of work best defines the needs of the client(s) and intended user(s) of the report and dictates what factors an appraiser considered during the valuation process. The scope of work summarized below has been deemed acceptable as it meets or exceeds both the expectations of parties who are regularly intended users for similar assignments and what an appraiser’s peers’ actions would be in performing the same or a similar assignment. As such, the scope of work summarized below is deemed appropriate for this assignment based on its parameters and will produce credible assignment results. Additional scope details are included in appropriate sections of this report.

SCOPE OF THE INVESTIGATION															
General and Market Data Analyzed	<ul style="list-style-type: none">Regional economic data and trendsMarket analysis data specific to the subject property typePublished survey dataNeighborhood demographic dataComparable cost, sale, rental, expense, and capitalization rate dataFloodplain statusZoning informationAssessor’s informationInterviewed professionals knowledgeable about the subject’s property type and market														
Inspection Details	The subject was inspected in its entirety on November 6, 2025 by Rockne Taylor.														
Property Specific Data Requested and Received	<table><tr><th colspan="2">PROPERTY DATA RECEIVED</th></tr><tr><td colspan="2">None</td></tr></table>	PROPERTY DATA RECEIVED		None											
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None															
Data Requested, but not Provided	<table><tr><th colspan="2">DATA REQUESTED, BUT NOT PROVIDED</th></tr><tr><td colspan="2">None</td></tr></table>	DATA REQUESTED, BUT NOT PROVIDED		None											
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Data Sources	<table><tr><th colspan="2">DATA SOURCES</th></tr><tr><td>Site Size</td><td>Assessor's Records</td></tr><tr><td>Tax Data</td><td>Treasurer's Records</td></tr><tr><td>Zoning Information</td><td>Planning Dept</td></tr><tr><td>Flood Status</td><td>FEMA</td></tr><tr><td>Demographics Reports</td><td>Spotlight</td></tr><tr><td>Comparable Land Sales</td><td>Brokers, MLS, Public Records</td></tr></table>	DATA SOURCES		Site Size	Assessor's Records	Tax Data	Treasurer's Records	Zoning Information	Planning Dept	Flood Status	FEMA	Demographics Reports	Spotlight	Comparable Land Sales	Brokers, MLS, Public Records
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Zoning Information	Planning Dept														
Flood Status	FEMA														
Demographics Reports	Spotlight														
Comparable Land Sales	Brokers, MLS, Public Records														

• DEFINITIONS

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

Market Value as defined by A.R.S. 12-1122	Value shall be determined by ascertaining the most probable price estimated in terms of cash in United States dollars or comparable market financial arrangements that the property would bring if exposed for sale in the open market, with reasonable time allowed in which to find a purchaser, buying with knowledge of all of the uses and purposes to which it was adapted and for which it was capable.” ²
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.” ³
As Is	A value on the appraisal date means an estimate of the market value of a property in the condition observed upon inspection and as it typically and legally exists without hypothetical conditions, assumptions, or qualifications as of the date the appraisal is prepared. . ⁴
Appraisal	“The act or process of developing an opinion of value; an opinion of value. (adjective) Of or pertaining to appraising and related functions such as appraisal practice or appraisal services.”
Appraiser	“One who is expected to perform valuation services competently and in a manner that is independent, impartial, and objective.”
Extraordinary Assumption	“An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser’s opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.”
Hypothetical Condition	“A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis”, as defined by the Appraisal Foundation.
Price	“The amount paid in exchange for a good or commodity. Price is distinguished from value because price becomes a fact when the transaction is consummated as opposed to value, which is an estimate.” 2. The amount asked, offered, or paid for a property. Comment: Once stated, price is a fact, whether it is publicly disclosed or retained in private. Because of the financial capabilities, motivations, or special interests of a given buyer or seller, the price paid for a property may or may not have any relation to the value that might be ascribed to that property by others. (USPAP, 2022-2023 ed.)”

² Arizona State Legislature., AZLEG.gov

³ The Appraisal of Real Estate, Appraisal Institute, 12th Edition.

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

VALUATION METHODOLOGY

Most Probable Buyer	To apply the most relevant valuation methods and data, the appraiser must first determine the most probable buyer of the subject property. Based on the analyses presented, the most probable buyer of the subject property would be a(n) Developer
Valuation Methods Utilized	This appraisal employs only the Sales Comparison Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that this approach would be considered necessary and applicable for market participants. Since no improvements exist on site, the Cost Approach is not relevant. The property generates no income and is not typically marketed, purchased or sold on the basis of anticipated lease income; thus, the Income Capitalization Approach was precluded.

LEVEL OF REPORTING DETAIL

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

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

• PROPERTY RIGHTS APPRAISED

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

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

⁵ *The Appraisal of Real Estate*, Appraisal Institute, 12th Edition.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Overview

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

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



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

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

Environmental

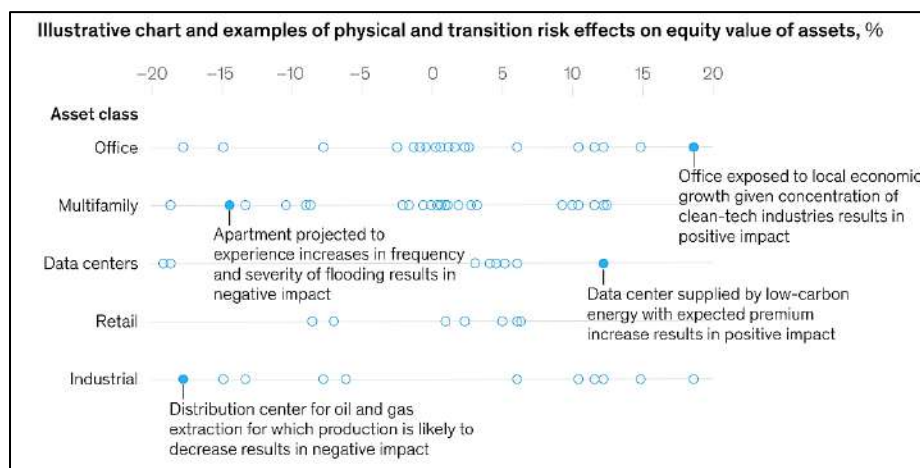
Both physical and transition risks must be analyzed for each property and market. Physical risks are hazards caused by changing climate such as floods, fires, rising temperatures, and rising sea levels. Transition risks involve the responses to climate change by humans and society. An example of transition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

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

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

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

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



Social

According to *ESG Real Estate Insights* by Deloitte,

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

Governance

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

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

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

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

Relevance to Subject Property

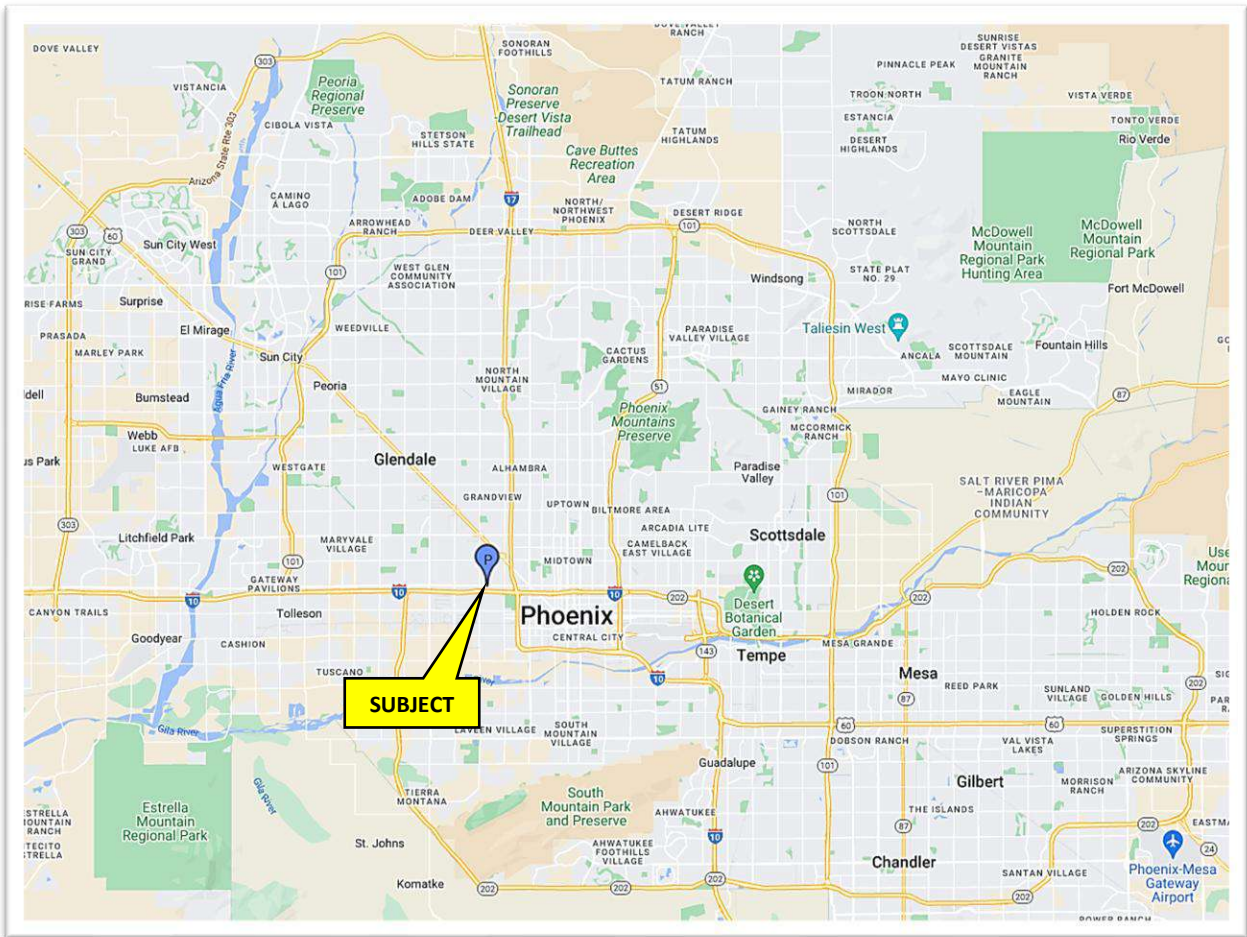
The subject is not significantly affected by ESG factors.

REGIONAL ANALYSIS

AREA OVERVIEW

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

REGIONAL MAP

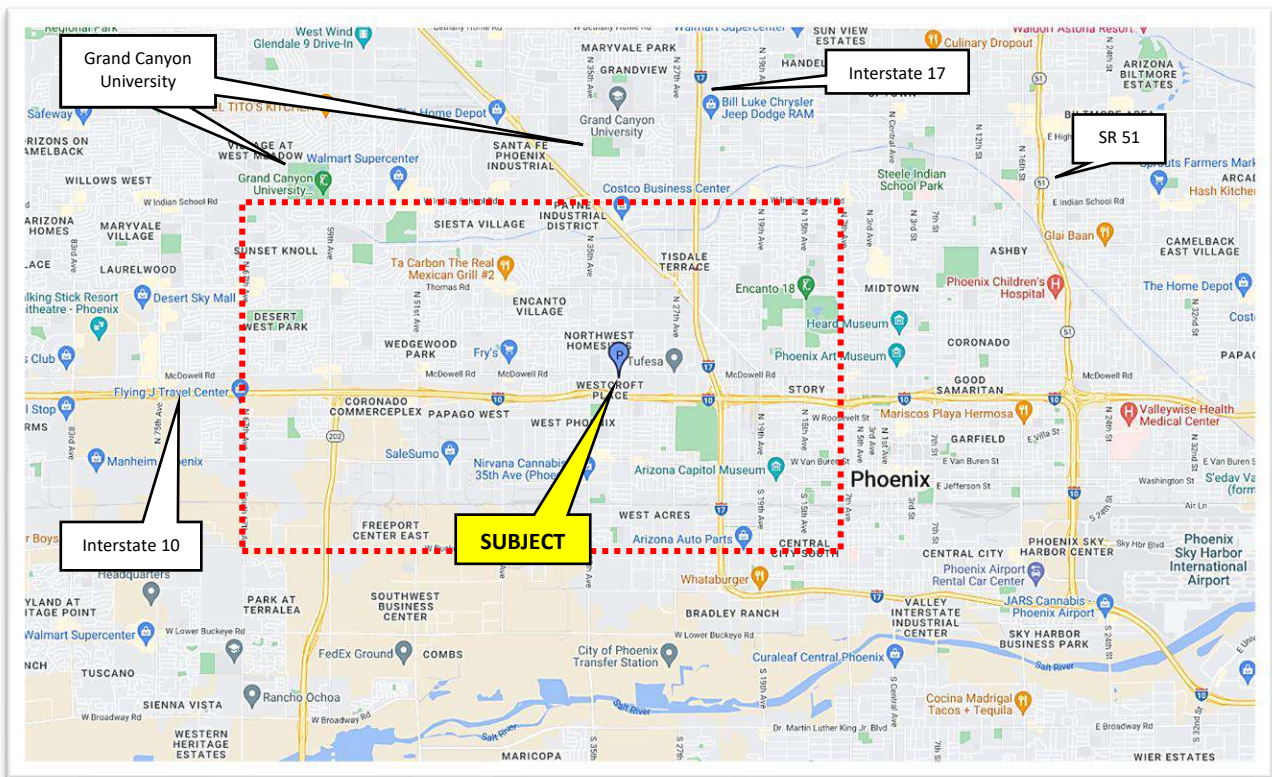


ECONOMIC & DEMOGRAPHIC PROFILE

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

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

PRIMARY MARKET AREA ANALYSIS



GENERAL DESCRIPTION

The subject is located in central Phoenix, west of downtown. Neighborhood boundaries are defined because properties within them exhibit similar and complementary characteristics insofar as land use, physical characteristics, price and desirability are concerned. The neighborhood encompasses approximately twelve square miles.

Neighborhood boundaries are identified as:

- Indian School Road to the north
- 7th Avenue to the east
- Buckeye Road to the south
- 67th Avenue to the west

MAJOR ROADWAYS/ACCESS

Access to the area is good, with all of the four boundary roads being major arterials. In addition, other north/south arterials within the neighborhood include 7th, 19th, 27th, 35th and 43rd Avenues. Other east-west arterials include McDowell Road and Van Buren Street. These arterials are all one mile section line major arterials. There are also numerous minor roadways and collector streets and all neighborhood streets within the area are paved and generally in average to good condition.

Grand Avenue, (State Route 60), begins at the intersection of 7th Avenue and Jefferson Street in the neighborhood and then runs northwest towards Wickenburg. It is a 6-lane, divided arterial that carries a significant traffic flow.

Interstate 10, the main interstate between Phoenix and Los Angeles, runs east-west through the center of the neighborhood. Interstate 17, which runs north from Phoenix to Flagstaff and Interstate 40 in northern Arizona, runs through the central portion of the neighborhood as well, and has an interchange with I-10. These freeways have interchanges with most area arterials.

There is a line of the Burlington Northern and Santa Fe Railroad that runs northwest through the center of the neighborhood, following the Grand Avenue alignment from downtown Phoenix. It provides heavy material transportation to many industrial properties in the area and connects to a main cross-country line in northern Arizona at Williams. As a result, there is a strong heavy industrial property character along this line and following the Grand Avenue corridor to the northwestern boundary of Phoenix. There is another rail line in the southern portion of the neighborhood running east-west between Van Buren Street and Buckeye Road that provides rail service to the west to California.

NEIGHBORHOOD LAND USE

The area is located just west of the Phoenix Downtown central business district, and is a mix of older residential, commercial and industrial properties that is formally known as the Central City Village. The subject is located in the western portion of the Central City Village. It is mature and is one of the oldest developed neighborhoods in Phoenix. Several homes in the immediate area were built generally between the 1920's and 1930's. Single-family homes are found throughout the neighborhood and are generally older, fair to average in condition and under \$200,000 in value. Multifamily properties are generally smaller apartments, under 50 units and up to 50 years in age. Some newer projects are found in the eastern portion of the neighborhood close to the central business district.

Commercial and industrial properties are also generally older, with some redevelopment having occurred in recent years. Commercial uses are typically found along area arterials and at the major intersections and generally consist of strip retail centers and small older freestanding commercial properties.

The southeast corner of the market area includes the State of Arizona offices along Jefferson and Washington Streets, and surrounding office buildings.

Industrial land uses prevail in the western half of the area, especially along the Interstates 10 and 17 corridors. These are typically older, 15-plus years in age and range from smaller, under 50,000 square foot industrial properties to larger distribution warehouses over 100,000 square feet, with the latter found mostly in the western portions of the area along the I-10 corridor. The presence of Interstate 10 and the rail lines along the Grand Avenue corridor has driven the demand for larger, distribution warehouses over 200,000 square feet to serve the Phoenix metro area, as well as the Southern California market to the west. This appears to be the strongest trend for new development in the western and central portions of the area.

PUBLIC SERVICES/AMENITIES

The market area is fully within the City of Phoenix and public utilities and services in the neighborhood are generally provided by Phoenix and local utility providers.

DEMOGRAPHIC DATA

The following data summarizes the primary trade area demographics for the 1-, 3-, and 5-mile radii from the address of the subject along with the Phoenix MSA demographics as provided by Claritas, Inc. Population in the one mile surrounding the subject has grown by roughly 8% since 2010 and is projected to increase by less than 1% over the next five years. Both median household incomes and median home values within the one-mile radius of the subject are noticeably lower than the metro average.

COMPARATIVE DEMOGRAPHIC ANALYSIS FOR PRIMARY TRADE AREA				
	Subject - 1 mi. radius	Subject - 3 mi. radius	Subject - 5 mi. radius	Phoenix-Mesa- Scottsdale, AZ Metro
Description	Totals	Totals	Totals	Totals
Population				
2030 Projection	17,113	141,677	414,571	5,424,806
2025 Estimate	17,127	139,939	404,258	5,168,926
2020 Census	17,328	138,698	392,647	4,845,832
2010 Census	17,460	135,871	367,462	4,192,902
2025 Est. Median Age	30.80	32.91	32.46	38.49
2025 Est. Average Age	33.47	34.83	34.74	39.90
Households				
2030 Projection	4,658	45,247	140,298	2,015,328
2025 Estimate	4,624	44,064	134,707	1,913,727
2020 Census	4,618	43,066	128,506	1,790,242
2010 Census	4,254	37,336	111,800	1,537,166
2025 Est. Average Household Size	3.70	3.01	2.85	2.65
2025 Est. Average Household Income	\$74,747	\$75,541	\$80,735	\$118,753
2025 Est. Median Household Income	\$61,528	\$55,221	\$58,735	\$87,162
2025 Est. Tenure of Occupied Housing Units (%)				
Owner Occupied	49.7	41.5	41.3	64.8
Renter Occupied	50.3	58.5	58.7	35.2
2025 Est. Median All Owner-Occupied Housing Value	\$241,248	\$279,880	\$314,081	\$490,080
Source: 2025 Claritas, Inc.				

POPULATION AND HOUSEHOLD CHANGES				
	Subject - 1 mi. radius	Subject - 3 mi. radius	Subject - 5 mi. radius	Phoenix-Mesa- Scottsdale, AZ Metro
Projected Population Change (2023 - 2028)	-0.1%	1.2%	5.0%	5.0%
Estimated Population Change (2020 - 2023)	-1.2%	0.9%	6.7%	6.7%
Actual Population Change (2010 - 2020)	-0.8%	2.1%	15.6%	15.6%
Projected Households Change (2023 - 2028)	0.7%	2.7%	5.3%	5.3%
Estimated Households Change (2020 - 2023)	0.1%	2.3%	6.9%	6.9%
Actual Households Change (2010 - 2020)	8.6%	15.3%	16.5%	16.5%
Source: 2023 Claritas, Inc.				

PRIMARY MARKET AREA SUMMARY

The subject neighborhood is a mature area that is approximately 95% developed overall. There is a mix of older residential, commercial and light industrial uses. The population is younger than the metro area and has a substantially lower average income level. Area trends are for no significant change in characteristics for the foreseeable future. The growth that is taking place, or will be occurring, is mostly through redevelopment.

SITE DESCRIPTION

GENERAL SITE DESCRIPTION OVERVIEW			
Location	South of McDowell Road between 32nd and 33rd avenues		
Parcel Number	109-09-051; -052; -053; -054; -055; -056; -057; -058; -059; -060; -061		
Legal Description	Lots 1 thru 11 Roberta Henry Phase 2 MCR 099221		
Latitude, Longitude	33.463846, -112.127555		
Site Area	102,166 square feet		
Configuration	Generally Rectangular		
Topography	Generally level		
Drainage	At street grade		
Utilities/Municipal Services	All available to site.		
Off-Site Improvements	Completed		
Flood Zone(s)	<u>Zone</u>	<u>Map</u>	<u>Date</u>
	Zone X (Unshaded)	04013C2185L	October 16, 2013
	Zone X Unshaded (Outside 500Y) is a Non-Special Flood Hazard Area (NSFHA) of minimal flood hazard, usually depicted on Flood Insurance Rate Maps (FIRM) as above the 500-year flood level. This is an area in a low to moderate risk flood zone that is not in any immediate danger from flooding caused by overflowing rivers or hard rains. In communities that participate in the National Flood Insurance Program (NFIP), flood insurance is available to all property owners and renters in this zone.		
Census Tract No.	1127.00		
Soil/Subsoil Conditions	We did not receive nor review a soil report. However, we assume that the soil's load-bearing capacity is sufficient to support existing and/or proposed structure(s). We did not observe any evidence to the contrary during our physical inspection of the property.		
Environmental Concerns	The inspecting appraiser did not observe any environmental issues and for the purpose of this appraisal, it is specifically assumed that none exist. No independent environmental studies were provided. This appraisal assignment was engaged to determine the market value of the property, independent of any potential environmental issues. In the event the property is determined to be impacted by environmental concerns, it could affect our appraisal conclusions.		
Easements, Encroachments and Deed Restrictions	None detrimental known		
Hazards Nuisances	None noted		
Frontage	310 feet along 32nd Avenue and 265 feet along 33rd Avenue		
Access	Residential roadways		
Visibility	Average		
Surrounding Land Uses	Single family residential to the west and north along with a City of Phoenix Fire Station to the north, Interstate 10 to the south and single family residential plus a multifamily project to the east		
Opportunity Zone	No		
Traffic Counts	Not recorded at this location		
Transportation Facilities	Along major arterials		
Site Utility	Average		
Comments	Lots 1 thru 11 Roberta Henry Phase 2. Lots ranging in size from 9,193 to 9,394 square feet for a total of 102,166 square feet. There are two rows of parcels. Specifically, Lots 1 thru 6 face 32nd Avenue and Lots 7 thru 11 face 33rd Avenue.		

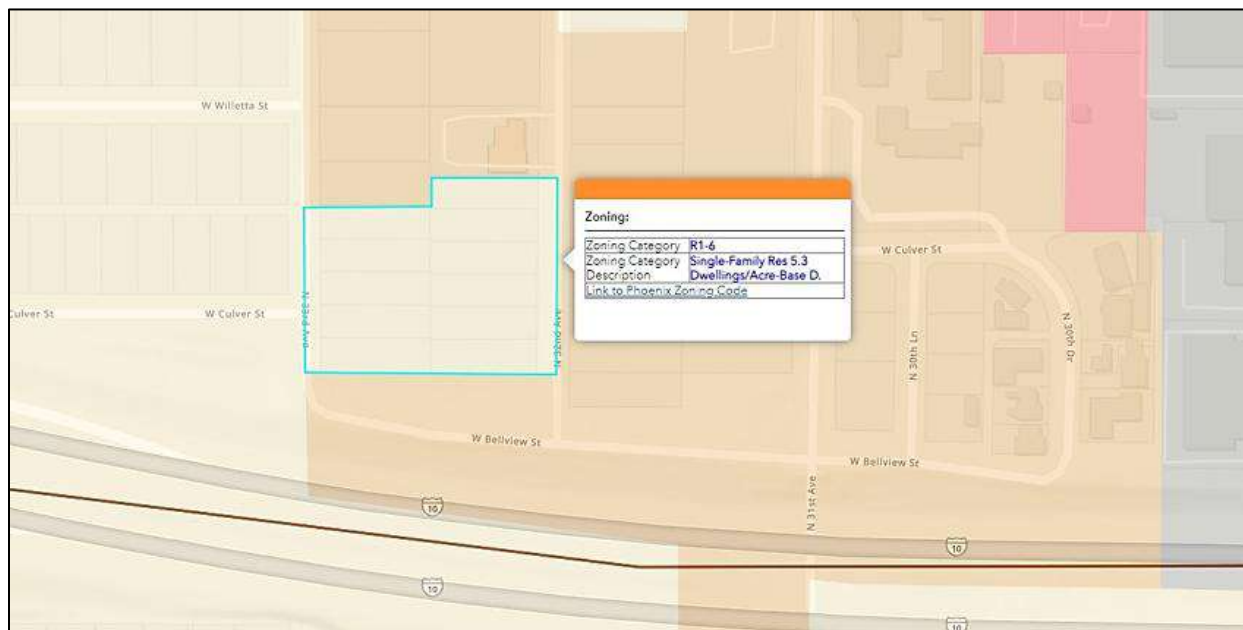
CURRENT ZONING

ZONING	
Designation	R1-6
Description	Single Family Residential
Zoning Intent	A basic purpose of this regulation is to foster the creation of living areas which can assist the establishment of stable, functional neighborhoods. An established pattern of living in this metropolitan area reflects a tradition of single-family occupied dwellings which also emphasize outdoor living. Many of these dwellings are thereby located on relatively large urban or suburban lots. These regulations provide standards for dwellings built at low and moderate densities. While the predominant housing type is expected to be single-family dwelling, provisions are made for alternative housing types within the same density limits.
ZONING REQUIREMENTS	
Permitted Uses	Single family detached or duplex
Minimum Lot Width	55 feet
Front (min. ft.)	15 feet
Rear, alley/no alley (min. ft.)	15 feet - one-story; 20 feet - two story
Side (min. ft.) interior	10 feet - one-story; 15 feet - two story
Maximum Density	5 dwelling units per gross acre
Maximum Height	Two stories or 30 feet

The above data is based on available information or has been reasonably estimated by the appraiser. We are not experts in the interpretation of complex zoning and/or development ordinances. Determination of actual conformity is beyond the scope of this assignment. Detailed zoning studies are typically performed by a zoning or land use expert, including attorneys, land use planners, or architects. We recommend a zoning report by a qualified professional, such as BBG Zoning, be obtained if concerns persist.

ZONING MAP

Note: the subject is outlined in blue



PENDING ZONING

There was a Zoning Hearing in August 2025 regarding Case No: Z-85-25-4 in which the City of Phoenix wanted to change the current R1-6 zoning to Walkable Urban Code T5:3 characterized by small main street scale commercial areas, adaptive reuse of single-family residential developments to retail, office uses and dining establishments plus mixed-use residential developments incorporating a broad mix of frontage types, averaging 30 feet to 48 feet in height. The zoning change was approved in September 2025.

TRANSIT ORIENTED COMMUNITIES (TOC)

Transit Oriented Communities (TOC) are broadly defined as compact, pedestrian-scaled, mixed use development strategically located within a short walk of high capacity transit. TOC provides opportunities for residential, business, and recreation spaces within walking distance of public transit such as the light rail line. This close proximity reduces commute times and the loss of productivity associated with traffic congestion. The intent of TOC is to make walking, bicycling and using transit convenient, safe and enjoyable for daily life.

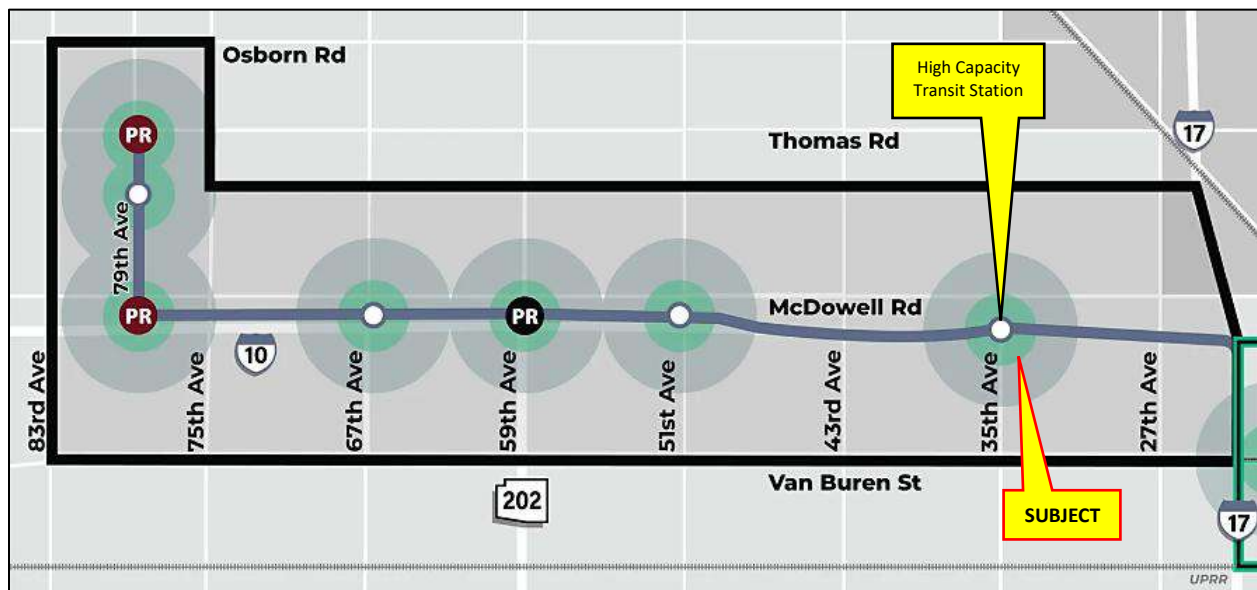
Walkable Urban Code

As part of the Reinvent PHX project, a new urban and transit-oriented zoning code, the Walkable Urban (WU) Code, was adopted by City Council on July 1, 2015 (Ordinance G-6047). The Walkable Urban (WU) Code is Chapter 13 of the City of Phoenix Zoning Ordinance. The code regulates development in proximity to light rail stations and is envisioned to replace existing zoning for properties within the Interim Transit-Oriented Zoning Overlay.

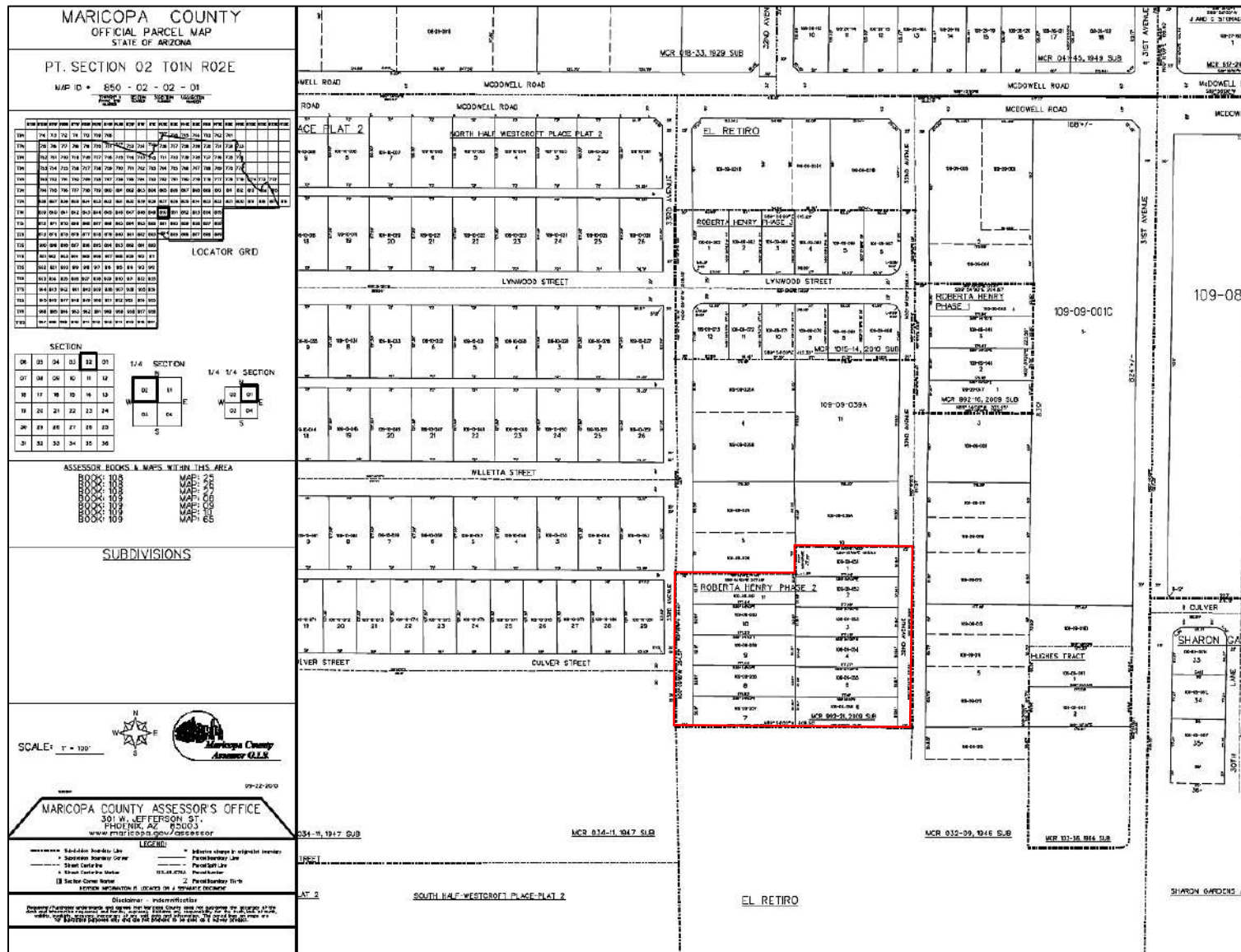
I-10 Extension Transit Oriented Community – Project Overview

In 2021, the City of Phoenix was awarded a federal grant to engage the community and support local businesses within the Capitol and I-10 West Study Areas. The product of this grant will be two living documents (one for the Capitol Study Area and one for the I-10 West Study Area). These plans will be created with the local community and implemented with the local community. These planning initiatives will act in concert with future business assistance programs deployed by Valley Metro to help local businesses during the construction of the light rail extension.

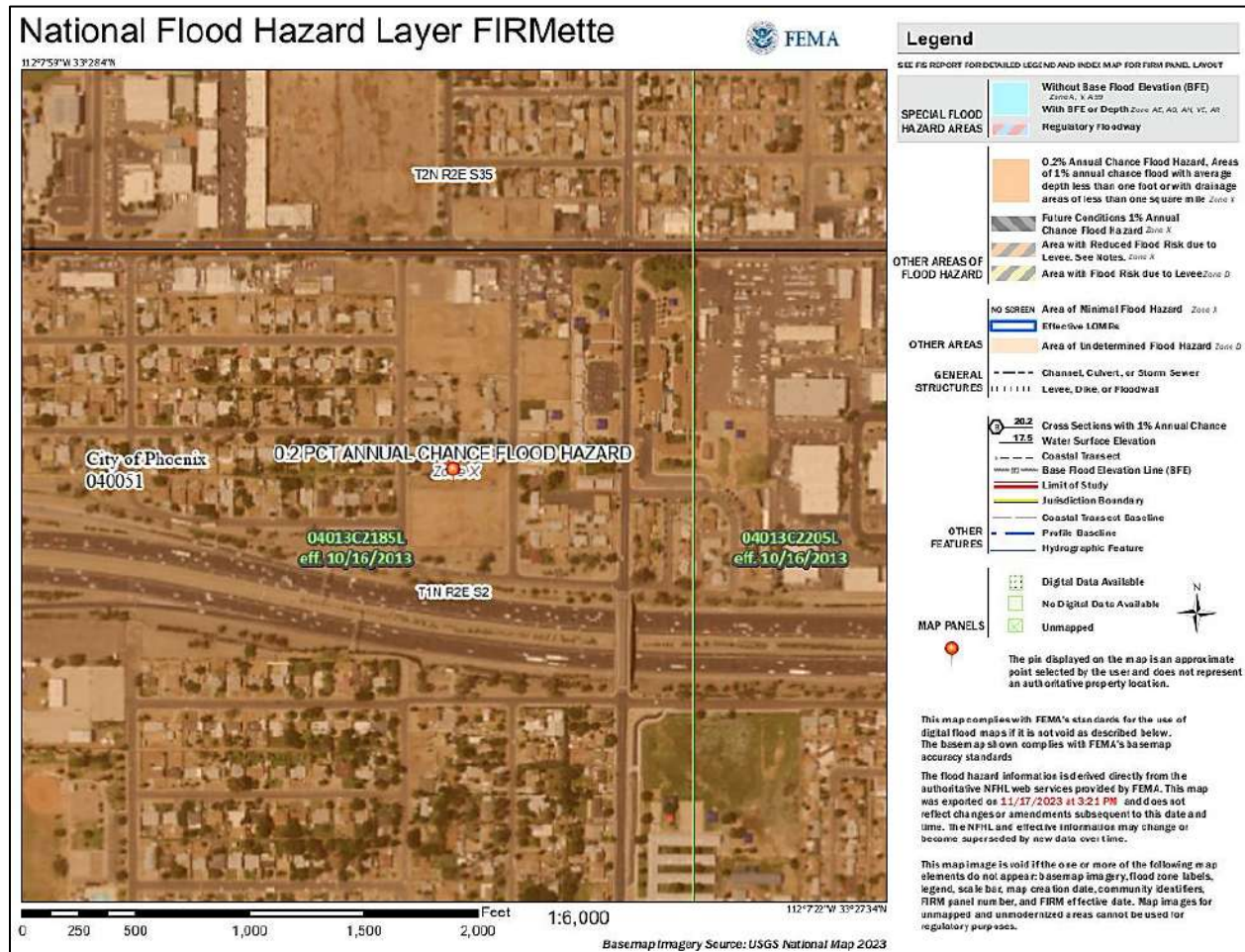
The I-10 West TOC Study Area is defined broadly by Interstate 17 on the east, 83rd Avenue on the west, Van Buren Avenue on the south, Encanto Boulevard on the north, and extending to Osborn Road between 75th Avenue and 83rd Avenue as shown in the following map. A High Capacity Transit Station is proposed on 35th Avenue just south of McDowell Road near the subject.



MARICOPA COUNTY ASSESSOR PLAT



FLOOD MAP



PROPERTY ASSESSMENT AND TAX ANALYSIS

PROPERTY ASSESSMENT AND TAX DATA

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

REAL ESTATE ASSESSMENT AND TAXES			
	2023	2024	2025
Full Cash Value	\$612,500	\$910,500	\$935,400
Assessed Value @ 15%	\$91,875	\$136,575	\$140,310
Property Taxes *	\$0	\$0	\$0

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

MARKET ANALYSIS

PHOENIX MULTIFAMILY MARKET

According to the latest CoStar data YTD Q4 2025, the Phoenix multifamily market includes an inventory of more than 425K units.

“A persistent mismatch between supply and demand continues to hamper the Phoenix apartment market. A multidecade high wave of construction is overshadowing a resilient demand picture, keeping vacancies elevated and rent growth negative. The Valley recorded 17,000 units of net absorption over the past 12 months, outpacing the pre-COVID five-year annual average of 7,200 units. That figure ranks Phoenix as a top 10 market in the nation for demand formation. Although demand has improved, the surge in construction remains a formidable headwind. Builders completed 24,000 net new units over the past 12 months, more than triple the average annual completion amount from 2015 to 2019. As a result, overall vacancy, which includes newly built properties in lease-up and stabilized communities, has risen to 12.2% and could remain elevated throughout the year as more supply comes online.

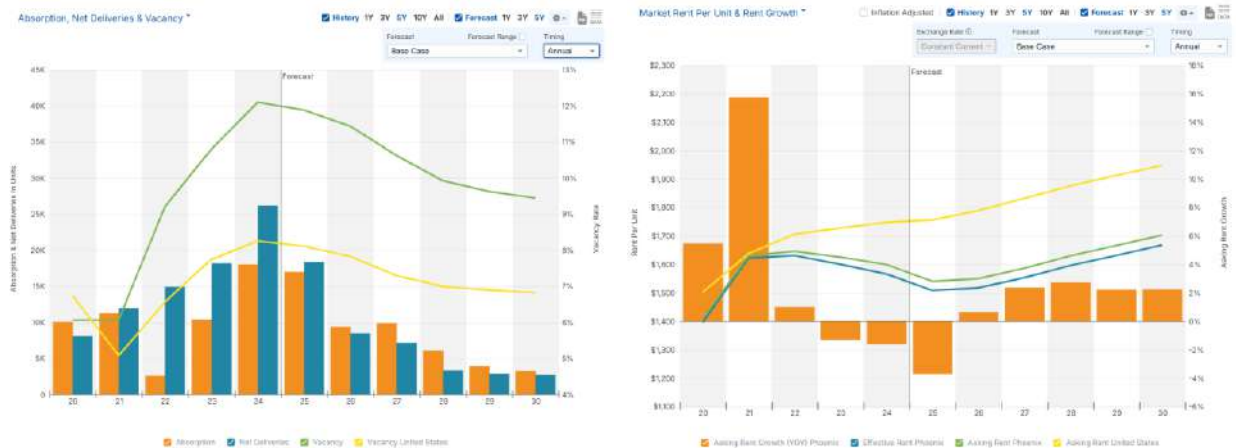
Another 21,000 units are under construction, representing 5.0% of existing inventory. That share ranks Phoenix as the nation's sixth most aggressively built apartment market. Empty units are most likely to accumulate in high-growth areas like Downtown Phoenix and Tempe, as well as the South West Valley. Elevated vacancy and the onslaught of construction have intensified competition. Annual rent growth has been negative since early 2023, and concessions have ramped up. Over the past 12 months, the average asking rent fell 3.3%, and more than 50% of communities offer some form of discount. Prospective renters can expect six to eight weeks of free rent at properties in lease-up, though some have extended beyond that, and concession usage is expected to be widespread throughout the year.

Rent growth weakness is now extending across the quality spectrum. Previously, lower-tier properties did not face the same level of rent losses and were comparatively insulated from the direct impact of new supply. More recently, however, 1- & 2-Star communities notched negative annual rent growth of 2.2%, which compares to losses of 3.4% at 4- & 5-Star complexes. The extension of rent loss to workforce housing communities coincided with an upward movement in stabilized vacancy over the past few quarters.”

OUTLOOK

“Moving forward, a pullback in construction starts suggests an easing of supply pressure by 2026, which should allow a recovery to form. The increase in vacancy showed signs of leveling off in the first half of the year. Nevertheless, a substantial glut of excess inventory still needs to be worked through, indicating that another year of negative rent growth is likely in store in 2025 and 2026 could underperform too.”

Vacancy is forecast to decrease to 9.5% in 2030. Rent growth is forecast to stabilize near 2.5% in 2027.



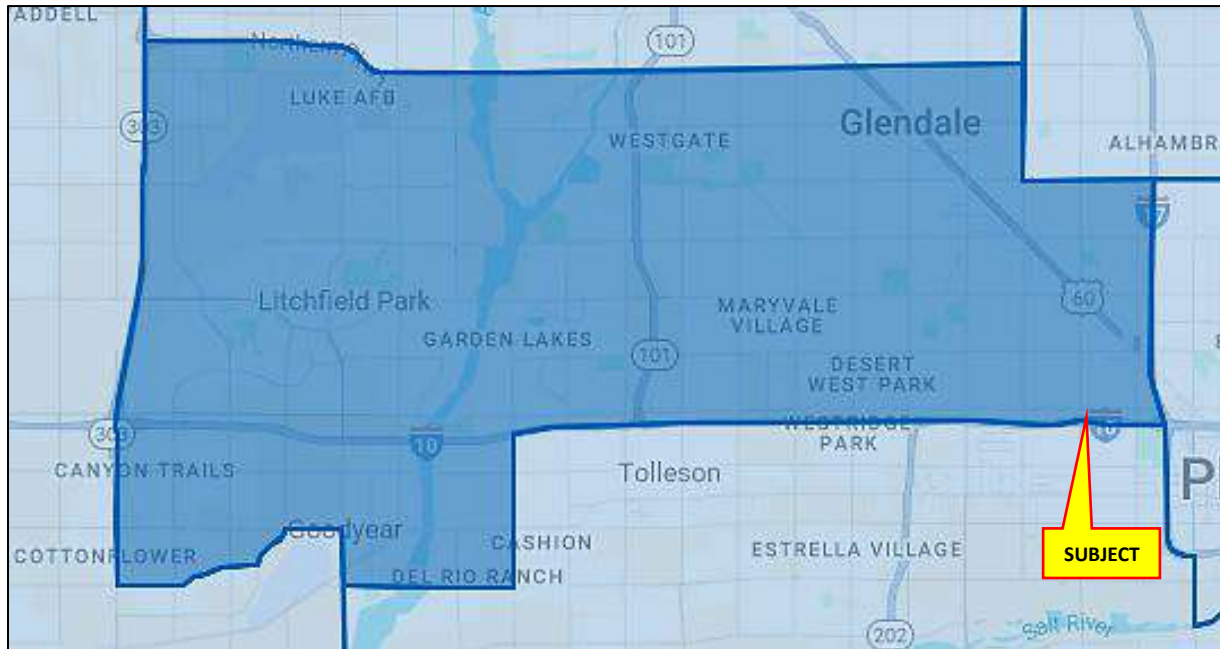
KEY MARKET INDICATORS (LAST 5 YEARS)

(The blue shaded area represents the typical range, within one standard deviation of the mean. Approximately 68% of the data lies within this range)



Sale prices have dropped from a high of \$314,000 in the middle of 2022 to \$268,000 per unit in the middle of 2025, a decrease of approximately 5% per year.

SOUTHWEST PHOENIX MULTIFAMILY SUBMARKET



"Fundamentals in the Southwest Submarket continue to downshift as a wave of new construction activity outpaces steady renter demand. Vacancy and rent growth trends mirror those seen in the overall Phoenix market, but to a more extreme degree, as property performance weakens amid increased competition from new supply. Net deliveries hit the highest level on record in 2023, and 2024 exceeded that completion count. About 2,700 units are underway, representing 4.9% of existing inventory, and most of the new construction is 4 & 5 Star. Moving forward, the forecast indicates vacancy will be elevated, and negative rent growth will persist through at least 2025 and likely most of 2026.

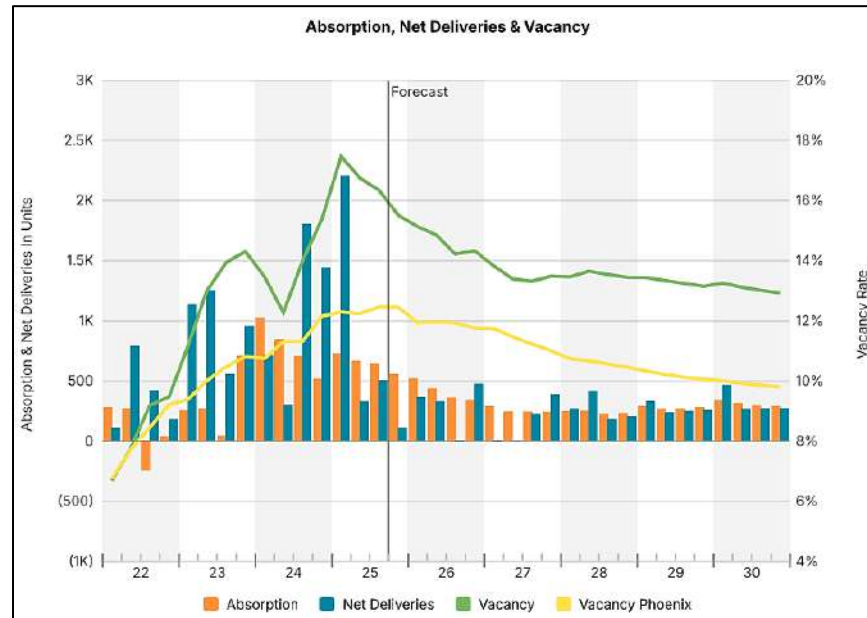
KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	25,902	15.7%	\$1,574	\$1,530	163	0	2,213
3 Star	21,285	16.4%	\$1,307	\$1,265	48	0	510
1 & 2 Star	8,204	15.8%	\$1,133	\$1,117	(6)	0	0
Submarket	55,391	16.0%	\$1,414	\$1,374	205	0	2,723

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy	1.4% (YOY)	9.9%	13.7%	17.5%	2025 Q1	5.0%	2021 Q3
Absorption Units	2,529	872	1,339	3,267	2024 Q3	(281)	2016 Q4
Delivered Units	3,855	1,176	1,138	5,762	2025 Q2	0	2017 Q3
Demolished Units	0	14	18	244	2013 Q1	0	2025 Q3
Asking Rent Growth	-4.5%	2.4%	1.0%	15.1%	2021 Q4	-7.2%	2009 Q4
Effective Rent Growth	-5.3%	2.3%	0.9%	15.5%	2021 Q4	-7.2%	2009 Q4
Sales Volume	\$525M	\$393M	N/A	\$2.4B	2022 Q1	\$7.8M	2009 Q2

VACANCY

Moving forward, elevated vacancy is expected to persist throughout 2026 as the submarket takes time to digest the unprecedented wave of construction.



RENT

With much of the new construction focused on high-end properties, rent growth in the traditional workforce housing segment has held up somewhat better, with rates at 1 & 2 Star facilities changing -3.3% in the past year. These properties are more insulated from supply-side pressure since most new luxury units don't directly compete with them. By comparison, the average asking rent at 4 & 5 Star communities declined -4.8% and mid-priced 3 Star properties fell -4.3% over the past 12 months.

Affordability remains a key factor drawing people to the submarket. Asking rents average around \$1,410/month, which is about 10% below the market average. South West Valley rents account for less than 25% of the metro's median household income.

OUTLOOK

According to CoStar, "The aggressive delivery schedule and still hefty pipeline indicate a recovery could take longer to form in the Southwest Valley than in other parts of metro Phoenix. Local property managers report that competition is especially fierce and concession usage is pervasive. Additionally, skips and evictions have become more common. Over the past 12 months, the average asking rent fell -4.5% in the South West Valley Submarket, compared to losses of -3.3% for Phoenix as a whole. Moving forward, rent growth is expected to remain in firmly negative territory through the remainder of 2025 and at least the first half of 2026."

CONCLUSION

The subject submarket includes 55,391 units with 2,723 units under construction. The 12 month absorption is 2,529 units. The submarket appears to be performing at a level slightly inferior compared to the overall Phoenix market with slightly higher vacancy and somewhat lower rental rates. The outlook for both the market and submarket is improving in 2027-2030.

HIGHEST AND BEST USE

INTRODUCTION

The highest and best use is the reasonable, probable, and legal use of vacant land or an improved property that is physically possible, legally permissible, appropriately supported, financially feasible and that results in the highest value. These criteria are often considered sequentially. The tests of legal permissibility and physical possibility must be applied before the remaining tests of financial feasibility and maximal productivity. A financially feasible use is precluded if it is legally prohibited or physically impossible. If a reasonable possibility exists that one of the prior, unacceptable conditions can be changed, is it appropriate to proceed with the analysis with such an assumption.

SUBJECT SITUATION

There was a Zoning Hearing in August 2025 regarding Case No: Z-85-25-4 in which the City of Phoenix wanted to change the current R1-6 zoning to Walkable Urban Code T5:3 characterized by small main street scale commercial areas, adaptive reuse of single-family residential developments to retail, office uses and dining establishments plus mixed-use residential developments incorporating a broad mix of frontage types, averaging 30 feet to 48 feet in height. The zoning change was approved in September 2025. As a result of this pending zoning change, the client requested the subject be analyzed and valued hypothetically as Walkable Urban Code T5:3.

HIGHEST AND BEST USE - AS VACANT

PHYSICALLY POSSIBLE

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

LEGALLY PERMISSIBLE

Legal restrictions include deed restrictions, CC&Rs, lease encumbrances, zoning requirements, building codes, historic district controls and environmental regulations, and were previously analyzed to determine legally permitted uses. The client requested the subject be legally analyzed and valued hypothetically as Walkable Urban Code T5:3. Allowable uses include small main street scale commercial areas, adaptive reuse of single-family residential developments to retail, office uses and dining establishments plus mixed-use residential developments incorporating a broad mix of frontage types, averaging 30 feet to 48 feet in height. According to a representative with the City of Phoenix Planning and Zoning Department, this pending zoning is similar to Multifamily R-5 which allows for a density up to 43.5 units per acre. No other legal restrictions have been identified that would limit development of the property beyond the development standards stipulated by municipal code.

FINANCIALLY FEASIBLE

Financial feasibility is determined by the relationship of supply and demand for the legally probable land uses versus the cost to create them. The market analysis section reveals that multifamily in the subject's market are generally stabilized. Recent and planned developments in the market area serve as direct evidence that new development is financially feasible; however, the number of units that have been completed and under construction has slowed new development. Comparisons of construction costs and carrying costs indicate that the feasibility of a new project development could be possible in the current market for more affordable units.

Given the legal and physical attributes of the site, coupled with the underlying land values and planned inventory, development of the subject could be considered financially feasible for those projects that are more affordable for

the immediate population such as the La Esperanza Terrace apartments, with 96 units, just to the east of the subject at 3101 W. McDowell Road. La Esperanza Terrace began leasing in 2025 and offers housing for families earning less than 60% of AMI (Area Median Income). It is owned and operated by UMOM New Day Centers.

MAXIMALLY PRODUCTIVE

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

CONCLUSION – AS VACANT

Based upon the above analysis, it is our opinion that the Highest and Best Use of the subject, as vacant, is for multifamily development with a density similar to that which is allowed under the Walkable Urban Code T5:3 ordinance as demand dictates given the surrounding uses and its location along residential roadways at their terminus.

VALUATION PROCESS

Valuation in the appraisal process generally involves three techniques, including the Cost Approach, Sales Comparison Approach and the Income Capitalization Approach. These three valuation methods are defined in the following table:

VALUATION METHODS	DEFINITION
Cost Approach	In this approach, value is based on adding the contributing value of any improvements (after deductions for accrued depreciation) to the value of the land as if it were vacant based on its highest and best use. If the interest appraised is other than fee simple, additional adjustments may be necessary for non-realty interest and/or the impact of existing leases or contracts.
Sales Comparison Approach	In this approach, recent sales of similar properties in the marketplace are compared directly to the subject property. This comparison is typically accomplished by extracting “units of comparison”, for example, price per square foot, and then analyzing these units of comparison for differences between each comparable and the subject. The reliability of an indication found by this method depends on the quality of the comparable data found in the marketplace.
Income Capitalization Approach	In this approach, a property is viewed through the eyes of a typical investor, whose primary objective is to earn a profit on the investment principally through the receipt of expected income generated from operations and the ultimate resale of the property at the end of a holding period.

VALUATION METHODS UTILIZED

This appraisal employs only the Sales Comparison Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that this approach would be considered necessary and applicable for market participants. Since no improvements exist on site, the Cost Approach is not relevant. The property generates no income and is not typically marketed, purchased or sold on the basis of anticipated lease income; thus, the Income Capitalization Approach was precluded.

The valuation process is concluded by analyzing each approach to value used in the appraisal. When more than one approach is used, each approach is judged based on its applicability, reliability, and the quantity and quality of its data. A final value opinion is chosen that either corresponds to one of the approaches to value, or is a correlation of all the approaches used in the appraisal.

LAND VALUATION

METHODOLOGY

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

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

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

SUBJECT SITUATION

There was a Zoning Hearing in August 2025 regarding Case No: Z-85-25-4 in which the City of Phoenix wanted to change the current R1-6 zoning to Walkable Urban Code T5:3 characterized by small main street scale commercial areas, adaptive reuse of single-family residential developments to retail, office uses and dining establishments plus mixed-use residential developments incorporating a broad mix of frontage types, averaging 30 feet to 48 feet in height. The zoning change was approved in September 2025. As a result of this pending zoning change, the client requested the multi-parcel subject be valued as one 2.35 net acre site (parcels will be developed as a single unified site, rather than as individual parcels) under the pending Walkable Urban Code T5:3 zoning.

UNITS OF COMPARISON

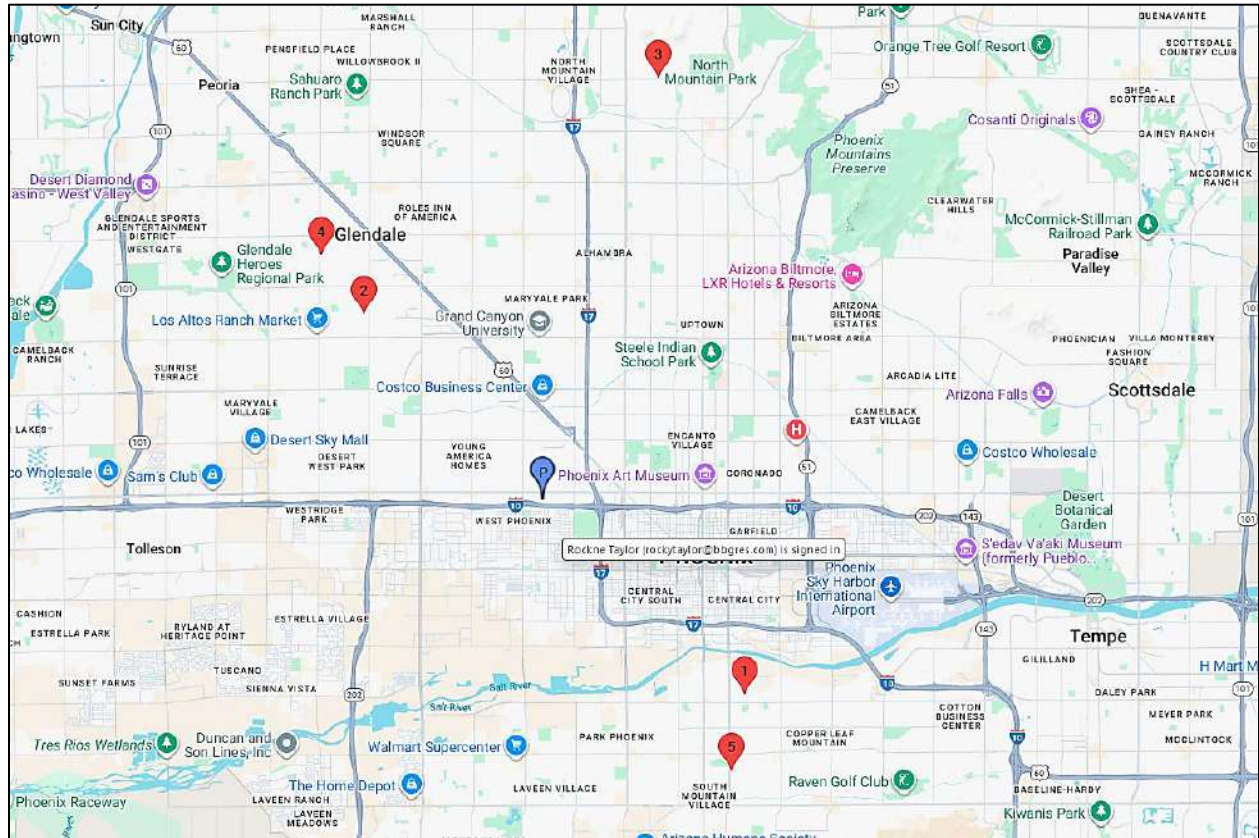
The sales are compared to the subject property on the basis of price per **square foot of net site area**. The unit of comparison is adjusted to the subject property for various differences and then applied to the subject's land area to arrive at an estimate of value.

COMPARABLE LAND SALES

Five comparables with a similar highest and best use (multifamily development) are employed to conclude an opinion of value for the subject site. The sales utilized reflect locations in Phoenix which are most comparable to the subject. The comparables range in size from 41,128 to 149,411, bracketing the subject size of 102,166 square feet. Recorded dates for the five closed sales are between November 2024 and June 2025. Following is a summary map followed

by a summary table providing pertinent details of the respective sales. Full sale write-ups can be found in the addendum of the report.

COMPARABLE LAND SALES MAP AND SUMMARY



SUMMARY OF LAND SALES						
Comp No.	Property / Location	Date of Sale / Status	Site Size (Net Acres)	Site Size (Net SF)	Sale Price	Price per SF (Net)
1	Multi-family Land 4035 South 9th Street Phoenix, AZ	Jun-25 Closed	3.43	149,411	\$1,100,000	\$7.36
2	Multi-family Land 5939 West Missouri Avenue Glendale, AZ	Apr-25 Closed	2.33	101,500	\$1,200,000	\$11.82
3	Multi-family Land 1230 West Peoria Avenue Phoenix, AZ	Mar-25 Closed	0.94	41,128	\$320,000	\$7.78
4	Multi-family Land 6543 North 67th Avenue Glendale, AZ	Dec-24 Closed	1.67	72,917	\$895,000	\$12.27
5	Multi-family Land 6419 South 7th Street Phoenix, AZ	Nov-24 Closed	1.84	80,000	\$600,000	\$7.50
Subj.	Multi-family Land 1302 thru 1322 North 32nd Avenue Phoenix, Arizona	---	2.35	102,166	---	---

COMMENTS	
1 - It is a cash to seller arms length transaction that sold to a developer. The asking price was \$1,500,000 and it went under contract after 24 days on market. The property has five small homes on it with 3,111 SF that were built in 1936. The improvements have no contributed value to the site.	
2 - Arms length cash to seller transaction. Sold entitled and permits are ready to be pulled with city-approved construction documents in hand for 33 unit townhome project. According to the seller, Carrick Sears with SVN it sold for the asking after a short time on the market for the full asking price. The buyer's intent is to develop the project as planned. It previously sold in July 2022 as unentitled vacant land for \$550,000.	
3 - Arms length cash to seller transaction. The asking price was \$450K and it sold after 160 days on market. The listing agent stated the northern roughly one-third of the site is sloping and the city of Phoenix will not allow grading of this portion at this time. The listing agent stated this affected the purchase price somewhat.	
4 - This is the sale of a vacant parcel of land for future multi-family development. The site has a preliminary plan in place for 24 attached dwelling units but no entitlements. The buyer is planning a multi-family project. The asking price was \$850K and it sold after 9 days on market.	
5 - Arms length cash to seller transaction of a vacant site ready for development. The asking price was \$650,000 and it sold after 182 days on market.	

ADJUSTMENT PROCESS

The sales we utilized represent the best available information that could be compared to the subject property. The major elements of comparison for an analysis of this type include the property rights conveyed, the financial terms incorporated into a particular transaction, the conditions or motivations surrounding the sale, changes in market conditions since the sale, the location of the real estate, its physical traits and the economic characteristics of the property.

DISCUSSION OF ADJUSTMENTS

TRANSACTIONAL ADJUSTMENTS

PROPERTY RIGHTS CONVEYED

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

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

FINANCIAL TERMS

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

The comparables were reported to be cash to the seller transactions. Therefore, no adjustments were necessary for this category.

CONDITIONS OF SALE

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

All of the comparables represented arm's-length transactions, consistent with the definition of market value. Therefore, no adjustments will be applied for this factor.

EXPENDITURES IMMEDIATELY AFTER SALE

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

Comparable 1 had five small homes on it with 3,111 SF that were built in 1936 when it sold. The improvements have no contributed value to the site but need to be removed prior to development. Considering the sizes, ages, materials and time involved with the five small homes, a minimal upward adjustment was made. The remaining comparables were vacant land requiring no unusual after sale expenditures. Adjustments were not required for Comparables 2, 3, 4 and 5.

MARKET CONDITIONS

This adjustment category accounts for differences in economic conditions between the effective date of appraisal and the transaction date of the comparable, such as may be caused by changing supply and demand factors, rental rates, vacancy rates and/or capitalization rates.

The sales utilized closed between November 2024 and June 2025. All of the sales occurred within the past year or so under similar marketing conditions; therefore, adjustments for this category were not warranted.

PROPERTY ADJUSTMENTS

LOCATION

The appeal of a property's location to users of and/or investors in a particular property type can influence value significantly. This factor broadly considers the impact of demographics, geographical attributes, access to transportation networks and local land use trends on pricing. Comparisons of location can often be derived, or even quantified, by examining rent, vacancy, capitalization rate, and land value trends in the subject and directly competitive areas. Our location adjustments consider the demographics including average household incomes and median home values within a two-mile radius of the subject and each comparable as reported by CoStar. The following table summarizes the adjustments for location.

Note: the population within a two-mile radius of the subject and the comparables is given for informational purposes only and not for comparison.

LOCATIONAL ADJUSTMENT						
Comp.	2-mile Population	2-mile Avg. HH Income	Adj.	2-mile Median Home Value	Adj.	Total Adj.
1	47,477	\$77,565	-5%	\$342,949	-5%	-10%
2	97,691	\$60,813	0%	\$227,597	0%	0%
3	61,711	\$69,708	0%	\$342,278	-5%	-5%
4	83,124	\$62,837	0%	\$251,499	0%	0%
5	73,278	\$80,332	-5%	\$282,477	-5%	-10%
Subj.	55,431	\$58,256		\$202,863		

SIZE

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

The comparables range in size from 41,128 square feet to 149,411 square feet, bracketing the subject's size of 102,166 square feet. Comparable 1 is larger than the subject and was adjusted upward. Comparables 2, 4 and 5 are reasonably close in size to the subject and were not adjusted. Comparable 3 is much smaller than the subject and was adjusted downward.

ZONING/DENSITY

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

The highest and best use of the subject is for multifamily development. According to the Phoenix Planning Department, the Walkable Urban Code T5:3 is most similar to Multifamily R-5. All of the comparables have lower densities than what is allowed under the subject's pending zoning. As such, the comparables were adjusted upward.

CORNER INFLUENCE

Corner influence is generally regarded as superior over interior land due to the accessibility and exposure from intersecting roadways, as well as development flexibility with respect to ingress/egress.

As a mid-block site, the subject does not have a corner orientation however it does have access from two roadways. This is similar to Comparables 2 and 3 which are corner sites with access from two roadways. Comparables 1, 4 and 5 were upward adjusted for this factor as they are mid-block sites with frontage along a single roadway.

SHAPE

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

The subject is generally rectangular, similar to all the comparables. Therefore, adjustments for this category were not necessary.

UTILITIES/INFRASTRUCTURE

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

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

TOPOGRAPHY

Topography characteristics can influence pricing, as sites with more radical elevation changes typically increase site preparation/development costs when compared to a level site.

Comparables 1, 2, 4 and 5 were level or generally level, and considered similar to the subject and were not adjusted. Comparable 3 is sloped in which the city will not allow development on the northern portion at this time. As such, Comparable 3 was adjusted upward.

FLOOD ZONE

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

The subject and all five comparable are located within Zone X; thus, requiring no adjustment.

ENTITLEMENTS

Properties require entitlements prior to receiving permits and permission from the municipality to construct improvements. The time it takes to get entitlements to build can be lengthy and costly. Brokers report that most market participants expect the value of land to be about 20% higher than land that is unentitled at the time of sale.

The subject and Comparables 1, 3 and 5 do not have entitlements at the time of sale. These three were not adjusted. Comparable 2 sold with entitlements and was adjusted downward. While Comparable 4 did not have entitlements in place it did have plans in place. As such, Comparable 4 was adjusted downward but not as much as would be necessary if it was also entitled.

OPPORTUNITY ZONE

According to the IRS, a Qualified Opportunity Zone (QOZ) is an economically distressed community where new investments, under certain conditions, may be eligible for preferential tax treatment. QOZs are an economic

development tool—that is, they are designed to spur economic development and job creation in distressed communities. This preferential tax treatment can be more attractive to investors than properties that are not in a QOZ. As noted, investors who reinvest capital gains monies in Opportunity Zone funds will receive reductions on capital gains taxes relative to the years of their investment.

The subject is not located in an opportunity zone and neither are any of the comparables but Comparable 1. Comparable 1 is in a opportunity zone and would likely be developed with a property held by an investor long enough to obtain any benefits from the tax incentives. Therefore, a downward adjustment is applied to Comparable 1.

COMPARABLE LAND SALES ADJUSTMENT GRID

COMPARABLE LAND SALE ADJUSTMENTS						
	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Property / Location	Multi-family Land 1302 thru 1322 North 32nd Avenue	Multi-family Land 4035 South 9th Street Phoenix, AZ	Multi-family Land 5939 West Missouri Avenue	Multi-family Land 1230 West Peoria Avenue Phoenix, AZ	Multi-family Land 6543 North 67th Avenue Glendale, AZ	Multi-family Land 6419 South 7th Street Phoenix, AZ
Date of Sale / Status	---	Jun-25 Closed	Apr-25 Closed	Mar-25 Closed	Dec-24 Closed	Nov-24 Closed
Sale Price	----	\$1,100,000	\$1,200,000	\$320,000	\$895,000	\$600,000
Unadjusted Price per SF	-----	\$7.36	\$11.82	\$7.78	\$12.27	\$7.50
Transactional Adjustments						
Property Rights Conveyed		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjustment		0%	0%	0%	0%	0%
Financing Terms						
Adjustment		0%	0%	0%	0%	0%
Conditions of Sale						
Adjustment		0%	0%	0%	0%	0%
Expenditures Immed After Sale						
Adjustment		\$0.20	\$0	\$0	\$0	\$0
Market Conditions	Nov-25	Jun-25	Apr-25	Mar-25	Dec-24	Nov-24
Adjustment		0%	0%	0%	0%	0%
Adjusted Price per SF		\$7.56	\$11.82	\$7.78	\$12.27	\$7.50
Property Adjustments						
Location		Superior -10%	Similar 0%	Superior -5%	Similar 0%	Superior -10%
Net Site Size (SF)	102,166	149,411	101,500	41,128	72,917	80,000
		5%	0%	-5%	0%	0%
Zoning / Intended Use	WU T5:3	R-4	R-4	R-3	R-4	R-3
		5%	5%	5%	5%	5%
Corner Influence		Mid-block	Corner	Corner	Mid-block	Mid-block
		5%	0%	0%	5%	5%
Shape / Configuration		Similar	Similar	Similar	Similar	Similar
		0%	0%	0%	0%	0%
Utilities / Infrastructure	All to site	All to site	All to site	All to site	All to site	All to site
		0%	0%	0%	0%	0%
Topography	Generally level	Generally level	Level	Sloping	Level	Generally level
		0%	0%	10%	0%	0%
Flood Zone	Zone X	Zone X	Zone X	Zone X	Zone X	Zone X
		0%	0%	0%	0%	0%
Entitlements	No	No	Yes	No	Yes	No
		0%	-20%	0%	-5%	0%
Opportunity Zone	No	Yes	No	No	No	No
		-5%	0%	0%	0%	0%
Total Property Adjustments		0%	-15%	5%	5%	0%
Indication for Subject per SF		\$7.56	\$10.05	\$8.17	\$12.89	\$7.50

SALES SUMMARY	UNADJUSTED	ADJUSTED
Minimum	\$7.36	\$7.50
Maximum	\$12.27	\$12.89
Average	\$9.35	\$9.23
Median	\$7.78	\$8.17
Standard Deviation	\$2.21	\$2.05

LAND VALUE CONCLUSION

After adjustments, the comparable land sales reflect a range from \$7.50 to \$12.89 per square foot, with an average of \$9.23 per square foot. It is unknown how much the site restriction due to the sloping of Comparable 3 affected the purchase price. As such, little weight is placed on Comparable 3. All have low percentages of net adjustments. Based on the data and the analyses presented, the indicated value of the land by the Sales Comparison Approach is near the average, say \$9.00 per square foot, calculated in the following table.

LAND VALUE CONCLUSION	
Indicated Value per SF	\$9.00
Land Area (SF)	x 102,166
Indicated Value	\$919,494
Rounded to nearest \$10,000	\$920,000
Per SF (Net)	\$9.00

MARKETING TIME AND EXPOSURE TIME

Four of the five sales report marketing times between 9 and 182 days. We believe the concluded market value for the subject property is consistent with an anticipated marketing time and exposure time of 6 months. Our opinion of value is consistent with recent sales and the return parameters are considered adequate to generate investor interest in the property. Our estimate is reasonably consistent with historic exposure times and is considered a reasonable estimate of the exposure time for the subject. Additionally, a time of 6 months is typically quoted as an adequate marketing time by area brokers, given proper pricing and an adequate commitment to marketing. Furthermore, market conditions are not expected to change dramatically in the short term, so a marketing time equal to the historic exposure time is considered a reasonable expectation. Based on these factors, our conclusion of 6 months for an adequate marketing time and exposure time is considered reasonable.

CERTIFICATION

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

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



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STANDARD ASSUMPTIONS AND LIMITING CONDITIONS

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

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

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

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

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

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



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Who We Are

BBG is a leading independent commercial real estate valuation and assessment firm.

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With a sole focus on real estate services, you can rely on us for objectivity. We deliver conflict-free, unbiased valuations you can trust.

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Our continuous technology investments and central review process enhance accuracy, speed, and efficiency.

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You have one main point of contact for easy vendor management. And, you receive expert guidance to support you every step of the way.

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Services

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 - + Single Asset & Portfolios
 - + Asset Management
- + Appraisal Review
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- + Lease and Cost Analysis
- + Insurance Valuation
- + Arbitration & Consulting
- + Estate Planning
- + Feasibility Studies
- + Highest and Best Use Studies
- + Evaluation
- + Investment Analysis
- + Tax Appeals
- + Litigation Support
- + ASC 805 Business Combinations
- + ASC 840 Leases
- + Purchase Price Allocations
- + Portfolio Valuations for Reporting
- + Net Asset Values (NAV)
- + Public and Non-traded REIT Valuations
- + Valuations for Litigation & Litigation Support
- + Sale-Leaseback Valuation Analysis
- + Valuations for Bankruptcy/Fresh Start Accounting
- + Cost Segregation Analysis

Assessment

- + Environmental Due Diligence
 - + Phase I/II ESAs
 - + TSA, RSRA, & other streamlined services
- + Property Condition Reports
 - + Debt/Equity
- + Construction Risk Management
- + Survey Services
- + Zoning Services
- + Seismic & Structural Engineering
- + HUD Due Diligence Reporting
- + Energy Consulting
- + Indoor Air Quality Services
 - + IAQ/Radon
 - + ACM/LBP

ADDENDA

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GLOSSARY

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

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

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

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

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

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

Asset:

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

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

Assignment: a valuation service that is provided by an appraiser as a consequence of an agreement with a client.⁷

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

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

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

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

Business Enterprise: an entity pursuing an economic activity.⁷

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

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

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

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

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

Confidential Information:

1: information that is either:

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

2: Information that is either

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

Cost: the actual or estimated amount required to create, reproduce, replace or obtain a property.⁷

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

Credible: worthy of belief.⁷

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

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

Economic Life: The period over which improvements to real estate contribute to property value.¹

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

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

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

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

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

Fair Market Value:

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

Fair Share:

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

Fair Value:

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

Feasibility Analysis: a study of the cost benefit relationship of an economic endeavor.¹

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

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

Going Concern:

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

Gross Building Area (GBA):

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

Highest and Best Use:

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

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

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

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

Insurable Value: A type of value for insurance purposes.¹

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

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

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

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

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

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

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

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

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

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

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

Load Factor =

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

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

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

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

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

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

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

Mass Appraisal Model: a mathematical expression of how supply and demand factors interact in a market.⁷

Misleading: intentionally or unintentionally misrepresenting, misstating or concealing relevant facts or conclusions.⁷

Net Lease: A lease in which the landlord passes on all expenses to the tenant. See also lease.¹

Net Rentable Area (NRA): 1) The area on which rent is computed. 2) The Rentable Area of a floor shall be computed by measuring to the inside finished surface of the dominant portion of the permanent outer building walls, excluding any major vertical penetrations of the floor. No deductions shall be made for columns and projections necessary to the building. Include space such as mechanical room, janitorial room, restrooms, and lobby of the floor.⁵

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

Personal Inspection: a physical observation performed to assist in identifying relevant property characteristics in a valuation service.⁷

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

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

Price: the amount asked, offered or paid for a property.⁷

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

Real Estate: an identified parcel or tract of land, including improvements, if any.⁷

Real Property: the interests, benefits and rights inherent in the ownership of real estate.⁷

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

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

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

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

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

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

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

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.¹

Scope of Work: the type and extent of research and analyses in an appraisal or appraisal review assignment.⁷

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

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

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

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

Use Value:

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

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

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

Workfile: data, information and documentation necessary to support the appraiser's opinions and conclusions and to show compliance with USPAP.⁷

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

METROPOLITAN AREA DESCRIPTION

ECONOMIC DRIVERS



EMPLOYMENT GROWTH RANK

2024-2026
144
2nd quintile

2024-2029
60
1st quintile

Best=1, Worst=417

RELATIVE COSTS

LIVING
114%

BUSINESS
101%

U.S.=100

VITALITY

RELATIVE
0.72
Rank: 27

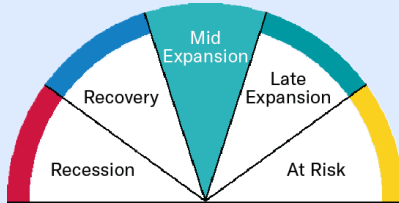
Best=1, Worst=411

QUALITY

OF LIFE
49

Best=1, Worst=407

BUSINESS CYCLE STATUS



STRENGTHS & WEAKNESSES

STRENGTHS

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

WEAKNESSES

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

FORECAST RISKS

SHORT TERM



LONG TERM



RISK EXPOSURE
2025-2030

71 1st quintile

Most=1,
Least=411

UPSIDE

- » Homebuilding outperforms expectations.
- » Retiree in-migration is more robust than expected.

DOWNSIDE

- » Tariff hikes unleash higher inflation, forcing interest rate increases that hurt banks.
- » Water shortages and elevated temperatures weigh on migration.

MOODY'S RATING

Aa1

COUNTY
AS OF JUN 03, 2025

ANALYSIS

Recent Performance. Phoenix-Mesa-Chandler has hit a rough patch. The metro area is shedding jobs at a faster pace than the Mountain West average, though uneven gains in 2024 mean that it is outperforming on a year-ago basis. Declines have been broad-based, with the majority of industries shedding jobs. Financial services and healthcare are among the industries that are still expanding, while consumer services and government are losing ground. The jobless rate, though low by historical standards, has edged higher as labor force growth outpaces household employment gains. Other labor market indicators are mixed: Average weekly hours are plummeting, while average hourly earnings growth is outpacing the nation. Housing remains a weak spot, with house prices tumbling, and both permitting and construction employment are trending lower.

Tech. The Valley of the Sun's tech buildout is already reshaping the economy. Arizona's exports of computer and electronic products have surged over the past year, buoyed by new semiconductor output from TSMC and computer equipment manufacturing. These gains show PHO is garnering the benefits of a diversified tech ecosystem, with spillovers extending beyond fabs into adjacent industries. Capital spending will drive gains over the next decade, as TSMC and Intel expect to channel about \$200 billion into new projects—equal to nearly half of the metro area's nominal output—to construct eight fabrication plants and supporting facilities. These projects will fuel a wave of construction and create thousands of high-paying manufacturing jobs. Suppliers and adjacent industries are following suit: Amkor, a key TSMC supplier, will break ground on a new packaging plant; Quantum Computing Inc. has opened a facility producing advanced chips; Lucid is expanding electric vehicle production in Casa Grande; and firms such as Apex Power

and JelloX Biotech are establishing a foothold in clean energy and life sciences. This influx of investment will entrench a multifaceted tech cluster that sustains high-wage job growth and delivers durable spillovers into downstream industries throughout the forecast horizon.

Financial center. Finance will build on recent gains and outperform in the year ahead. The metro area is home to corporate offices for several major financial firms, making it more reliant on financial services than the nation, with a corresponding outside share of wages. The normalization of the yield curve has supported bank profitability and enabled renewed hiring. Momentum will carry into the year ahead as easing monetary policy supports further steepening in the yield curve. Pittsburgh-based PNC plans to acquire Denver-based FirstBank, expanding its Mountain West presence.

Housing. In contrast to tech and finance, housing will remain under pressure through 2026. With nearly one-in-seven jobs related to housing, the metro area is among the most dependent nationally. Monthly house price declines are in the top decile nationally, which has sent homebuilding into decline. Moreover, the inventory of existing homes for sale has eclipsed 2019 levels by a sizable margin. This will further dampen price appreciation and deter homebuilding in the year ahead. One upside is that softer price appreciation will gradually restore affordability, reducing that post-pandemic drag on in-migration.

Phoenix-Mesa-Chandler will regain traction, pulling ahead of the nation and region in the year ahead. Robust growth in tech and finance will more than offset weakness in housing. Longer term, a favorable business climate and strong demographics will make PHO an outperformer.

Shandor Whitcher
August 2025

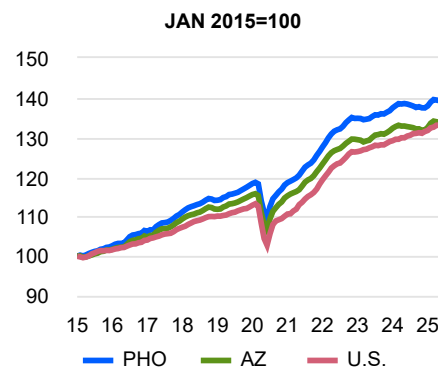
2019	2020	2021	2022	2023	2024	INDICATORS	2025	2026	2027	2028	2029	2030
268.2	272.9	296.3	310.1	320.8	330.9	Gross metro product (C17\$ bil)	336.7	344.9	354.6	366.4	379.5	394.2
4.4	1.7	8.6	4.7	3.4	3.2	% change	1.8	2.4	2.8	3.3	3.6	3.9
2,180.3	2,122.4	2,219.6	2,332.5	2,406.7	2,446.0	Total employment (ths)	2,465.3	2,487.9	2,512.3	2,544.7	2,581.9	2,626.6
3.4	-2.7	4.6	5.1	3.2	1.6	% change	0.8	0.9	1.0	1.3	1.5	1.7
4.1	7.3	4.6	3.3	3.2	3.2	Unemployment rate (%)	3.8	4.4	4.3	3.8	3.5	3.1
7.7	10.8	11.5	5.6	7.1	5.9	Personal income growth (%)	5.7	5.5	5.0	4.5	4.8	5.1
67.8	71.5	76.5	81.4	85.7	87.8	Median household income (\$ ths)	90.5	93.6	96.9	99.7	102.7	106.1
4,777.5	4,875.6	4,949.2	5,029.9	5,102.0	5,187.0	Population (ths)	5,245.7	5,291.4	5,333.6	5,376.6	5,421.6	5,473.6
1.8	2.1	1.5	1.6	1.4	1.7	% change	1.1	0.9	0.8	0.8	0.8	1.0
62.5	85.1	68.7	71.5	59.3	70.2	Net migration (ths)	44.3	31.1	27.7	28.7	30.9	38.1
25,026	31,658	34,347	26,857	24,708	30,277	Single-family permits (#)	27,301	27,131	26,829	26,529	26,279	25,932
10,847	16,561	16,234	20,410	20,908	15,607	Multifamily permits (#)	12,801	10,908	10,450	10,014	9,520	9,126
6.7	8.7	22.8	22.3	0.5	4.7	FHFA house price index (% change)	2.1	0.2	0.8	1.8	2.3	2.6

ECONOMIC HEALTH CHECK

3-MO MA	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Jul 25
Employment, change, ths	4.0	3.7	6.3	1.7	-2.3	-5.5
Unemployment rate, %	3.5	3.5	3.6	3.6	3.6	3.6
Labor force participation rate, %	65.2	65.2	65.2	65.2	65.2	65.2
Average weekly hours, #	35.6	35.5	35.5	35.0	34.9	34.8
Industrial production, 2012=100	101.9	102.6	102.9	103.0	103.4	ND
Residential permits, single-family, #	29,797	31,052	27,670	25,076	23,739	21,877
Residential permits, multifamily, #	5,530	9,361	15,164	18,158	17,042	18,280
Dec/Dec	Dec 19	Dec 20	Dec 21	Dec 22	Dec 23	Dec 24
Employment, change, ths	79.7	-62.8	122.2	85.6	60.9	25.6
<div>Stronger than prior 3-mo MA</div> <div>Unchanged from prior 3-mo MA</div> <div>Weaker than prior 3-mo MA</div>						

Sources: BLS, Census Bureau, Moody's Analytics

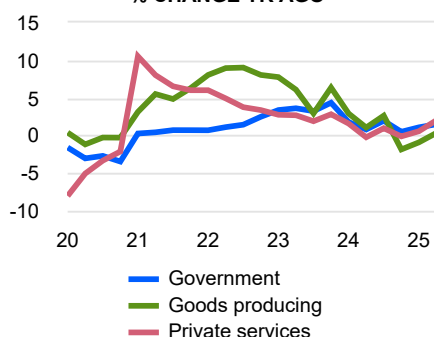
BUSINESS CYCLE INDEX



Source: Moody's Analytics

INDUSTRY EMPLOYMENT

% CHANGE YR AGO



Sources: BLS, Moody's Analytics

CURRENT EMPLOYMENT TRENDS

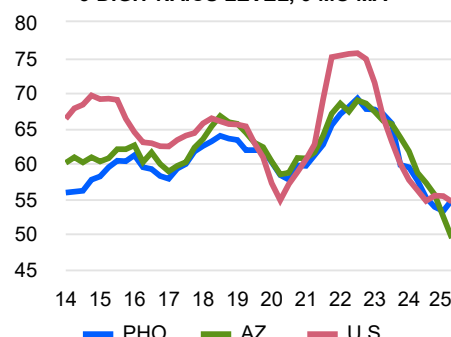
% CHANGE YR AGO, 3-MO MA

	Jul 24	Jan 25	Jul 25
Total	1.1	0.6	0.6
Mining	8.9	3.6	7.2
Construction	4.5	1.7	-0.6
Manufacturing	-0.4	-0.1	-1.8
Trade	-0.0	-0.5	-0.6
Trans/Utilities	1.9	0.4	-2.1
Information	-5.8	-5.7	-4.6
Financial Activities	-1.1	-0.7	0.5
Prof & Business Svcs.	-0.9	-2.8	-0.4
Edu & Health Svcs.	4.4	5.2	4.7
Leisure & Hospitality	2.4	1.9	0.4
Other Services	0.2	-0.1	3.0
Government	0.9	1.4	0.7

Sources: BLS, Moody's Analytics

DIFFUSION INDEX

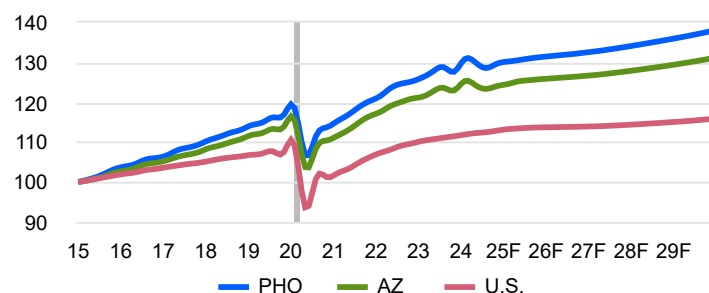
3-DIGIT NAICS LEVEL, 6-MO MA



Sources: BLS, Moody's Analytics

RELATIVE EMPLOYMENT PERFORMANCE

JAN 2015=100



Sources: BLS, Moody's Analytics

RELATIVE EMPLOYMENT FORECAST

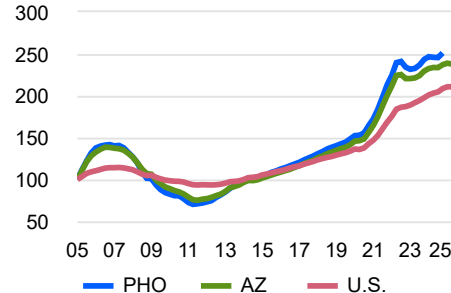
VS. 6 MO PRIOR

2-Yr	5-Yr
↓	↓
↓	↓
↔	↑

Sources: BLS, Moody's Analytics

HOUSE PRICE

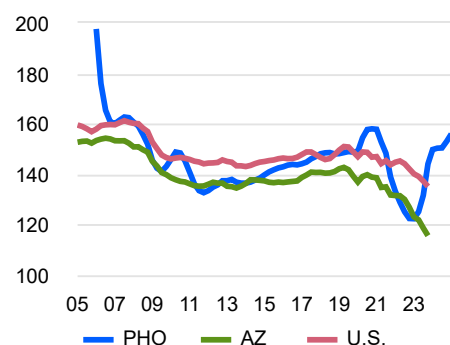
2005Q1=100, NSA



Sources: FHFA, Moody's Analytics

RENTAL AFFORDABILITY

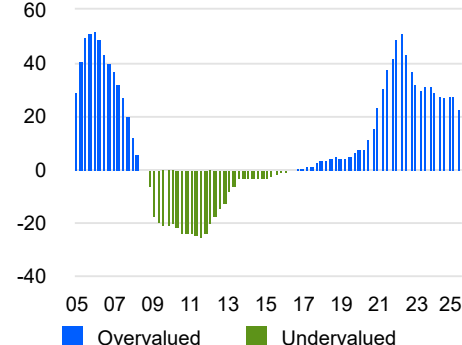
GREATER THAN 100=MORE AFFORDABLE



Sources: Census Bureau, BLS, Moody's Analytics

HOUSE PRICE TRENDS

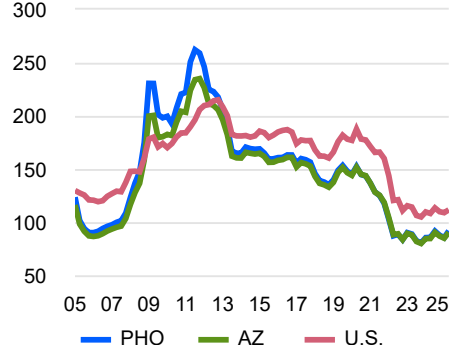
%



Source: Moody's Analytics

HOUSING AFFORDABILITY

GREATER THAN 100=MORE AFFORDABLE



Sources: NAR, Moody's Analytics

TOP EMPLOYERS

Banner Health	46,602
Amazon	40,000
Walmart Inc.	37,648
Arizona State University	37,402
University of Arizona	23,439
Fry's Food Stores	21,000
Wells Fargo Bank N.A.	13,000
Avnet	12,013
Mayo Clinic	11,072
Freeport-McMoRan Copper & Gold Inc.	10,100
Bank of America	9,080
Phoenix Children's Hospital	8,346
JP Morgan Chase & Co.	8,300
Bashas' Family of Stores	8,118
UnitedHealthCare of Arizona	7,695
American Express	7,560
Honeywell Aerospace	7,124
United Parcel Service	6,582
Arizona Public Service Co.	5,845
Boeing Co.	5,208

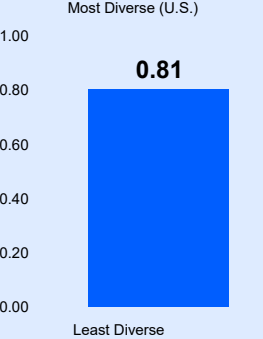
Sources: Maricopa County ACFR, 2024, Phoenix Business Journal, 2024

PUBLIC

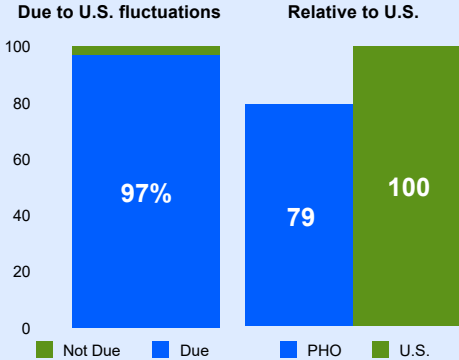
Federal	25,865
State	55,052
Local	173,703

2024

INDUSTRIAL DIVERSITY

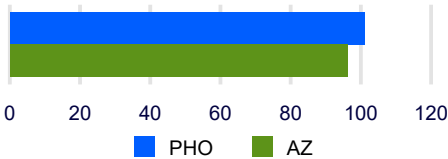


EMPLOYMENT VOLATILITY



ENTREPRENEURSHIP

BROAD-BASED START-UP RATE; U.S.=100



Sources: Census Bureau, Moody's Analytics, 2023

EXPORTS

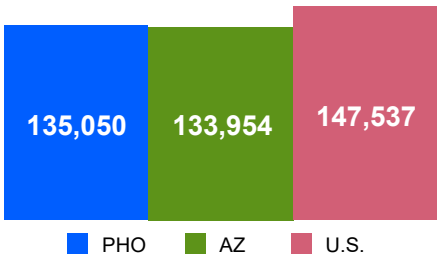
Product - 2023	\$ mil
Food and kindred products	ND
Chemicals	ND
Primary metal manufacturing	ND
Fabricated metal products	884.1
Machinery, except electrical	1,302.4
Computer and electronic products	ND
Transportation equipment	4,101.6
Miscellaneous manufacturing	ND
Other products	4,323.8
Total	17,553.6

Destination - 2023	\$ mil
Africa	168.4
Asia	7,149.4
European Union	3,039.0
Canada & Mexico	ND
South America	724.7
Rest of world	6,472.1
Total	17,553.6
% of GDP	4.4
Rank among all metro areas	162

Sources: BEA, International Trade Administration, Moody's Analytics

PRODUCTIVITY

REAL OUTPUT PER WORKER, \$



Sources: BEA, Moody's Analytics, 2024

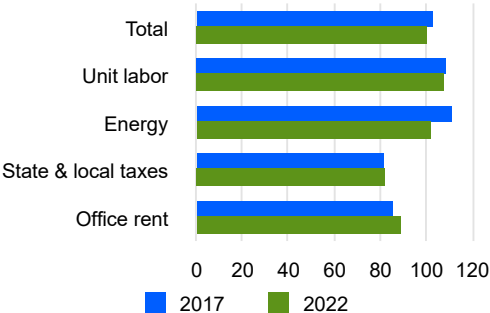
COMPARATIVE EMPLOYMENT AND INCOME

Sector	% OF TOTAL EMPLOYMENT			AVERAGE ANNUAL EARNINGS		
	PHO	AZ	U.S.	PHO	AZ	U.S.
Mining	0.1	0.5	0.4	ND	\$119,073	\$131,906
Construction	7.4	6.9	5.2	\$84,192	\$81,684	\$82,250
Manufacturing	6.1	6.0	8.1	\$103,688	\$99,112	\$86,889
Durable	4.4	4.5	5.0	\$119,076	\$111,097	\$92,803
Nondurable	1.7	1.5	3.1	\$63,702	\$64,182	\$77,181
Transportation/Utilities	5.1	4.8	4.6	\$68,904	\$70,084	\$76,385
Wholesale Trade	4.1	3.7	3.9	\$117,383	\$111,395	\$104,604
Retail Trade	10.2	10.6	9.8	\$48,435	\$46,421	\$43,419
Information	1.6	1.5	1.9	\$121,282	\$120,877	\$170,800
Financial Activities	8.6	7.4	5.8	\$103,389	\$100,553	\$126,450
Prof. and Bus. Services	15.8	14.2	14.3	\$85,094	\$85,452	\$104,768
Educ. and Health Services	16.6	16.6	16.8	\$68,034	\$67,203	\$64,445
Leisure and Hosp. Services	10.8	11.2	10.6	\$43,086	\$41,042	\$38,571
Other Services	3.2	3.2	3.8	\$67,347	\$67,510	\$64,400
Government	10.4	13.4	14.8	\$75,835	\$74,596	\$78,132

Sources: Percent of total employment — BLS, Moody's Analytics, 2024, Average annual earnings — BEA, Moody's Analytics, 2024

BUSINESS COSTS

U.S.=100



Source: Moody's Analytics

EMPLOYMENT

HIGH-TECH

	Ths	% of total
PHO	132.5	5.4
U.S.	8,351.2	5.3

HOUSING-RELATED

	Ths	% of total
PHO	330.9	13.5
U.S.	15,584.6	9.9

Source: Moody's Analytics, 2024

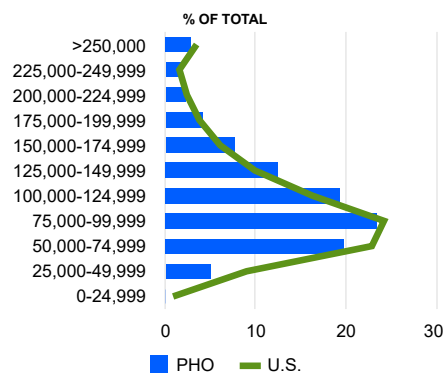
LEADING INDUSTRIES BY WAGE TIER

NAICS	Industry	Location Quotient	Employees (ths)
6211	Offices of physicians	1.3	59.0
5242	Agencies, brokerages & other insur. rel. acts.	1.9	40.9
5511	Management of companies & enterprises	1.0	38.3
5415	Computer systems design & related svcs.	0.9	32.8
GVL	Local Government	0.8	173.7
6221	General medical and surgical hospitals	0.9	68.7
2382	Building equipment contractors	1.4	55.5
GVS	State Government	0.7	55.1
7225	Restaurants and other eating places	1.1	177.2
5613	Employment services	1.9	96.1
6241	Individual and family services	0.8	41.2
4451	Grocery stores	0.9	39.2

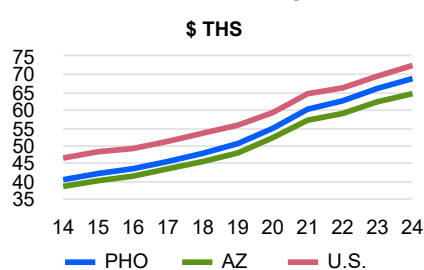
High Mid Low

Source: Moody's Analytics, 2024

BLOCK GROUPS BY INCOME



PER CAPITA INCOME

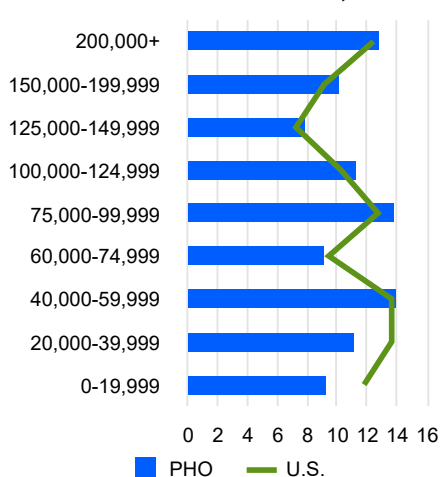


ECONOMIC INEQUALITY

Index	2023	Rank*
Gini coefficient	0.46	226
Block Group Income ratio	0.51	76
Poverty rate	10.9%	284

*Most unequal=1; Most equal=417

HOUSEHOLDS BY INCOME, %



MIGRATION FLOWS

INTO PHOENIX AZ

	Number of Migrants
Los Angeles CA	7,921
Tucson AZ	6,730
Riverside CA	6,241
Chicago IL	5,468
San Diego CA	4,817
Anaheim CA	4,010
Portland OR	3,789
Seattle WA	3,502
Denver CO	3,297
Las Vegas NV	3,088
Total in-migration	170,388

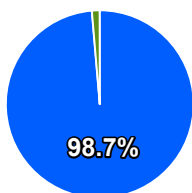
FROM PHOENIX AZ

Tucson AZ	6,249
Prescott Valley AZ	4,716
Los Angeles CA	3,247
Denver CO	3,029
Dallas TX	2,889
San Diego CA	2,790
Riverside CA	2,527
Las Vegas NV	2,420
Chicago IL	2,285
Flagstaff AZ	2,242
Total out-migration	149,496

Net migration 20,892

COMMUTER FLOWS

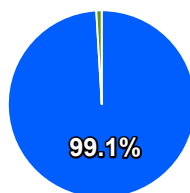
% OF PHO RESIDENTS WORKING IN...



Phoenix AZ	Share
Tucson AZ	0.3
Los Angeles CA	0.1
Prescott Valley AZ	0.1

COMMUTER FLOWS

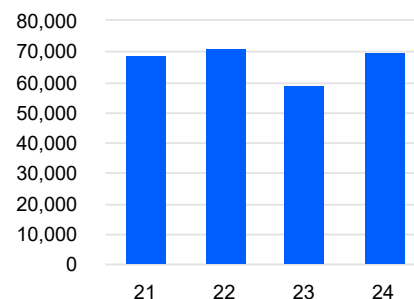
% OF PHO WORKERS LIVING IN...



Phoenix AZ	Share
Tucson AZ	0.2
Prescott Valley AZ	0.1
Flagstaff AZ	0.1

Sources: Census Bureau, Moody's Analytics, avg 2016-2020

NET MIGRATION, #, PHO

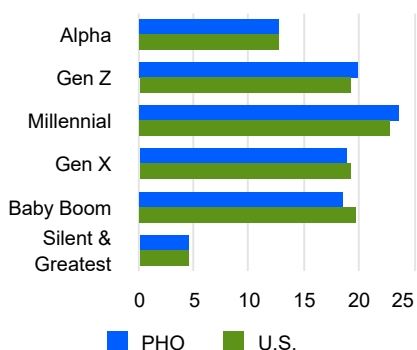


	2021	2022	2023	2024
Domestic	62,811	46,577	19,378	21,364
Foreign	5,855	24,967	39,964	48,833
Total	68,666	71,544	59,342	70,197

Sources: IRS (top), 2022, Census Bureau, Moody's Analytics

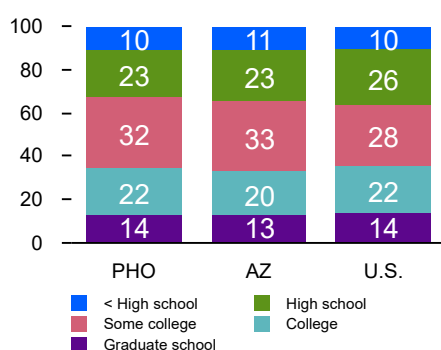
GENERATIONAL BREAKDOWN

POPULATION BY GENERATION, %

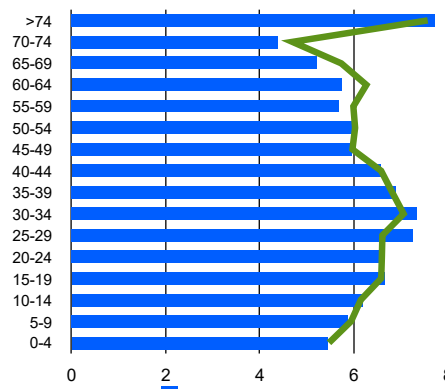


EDUCATIONAL ATTAINMENT

% OF ADULTS 25 AND OLDER

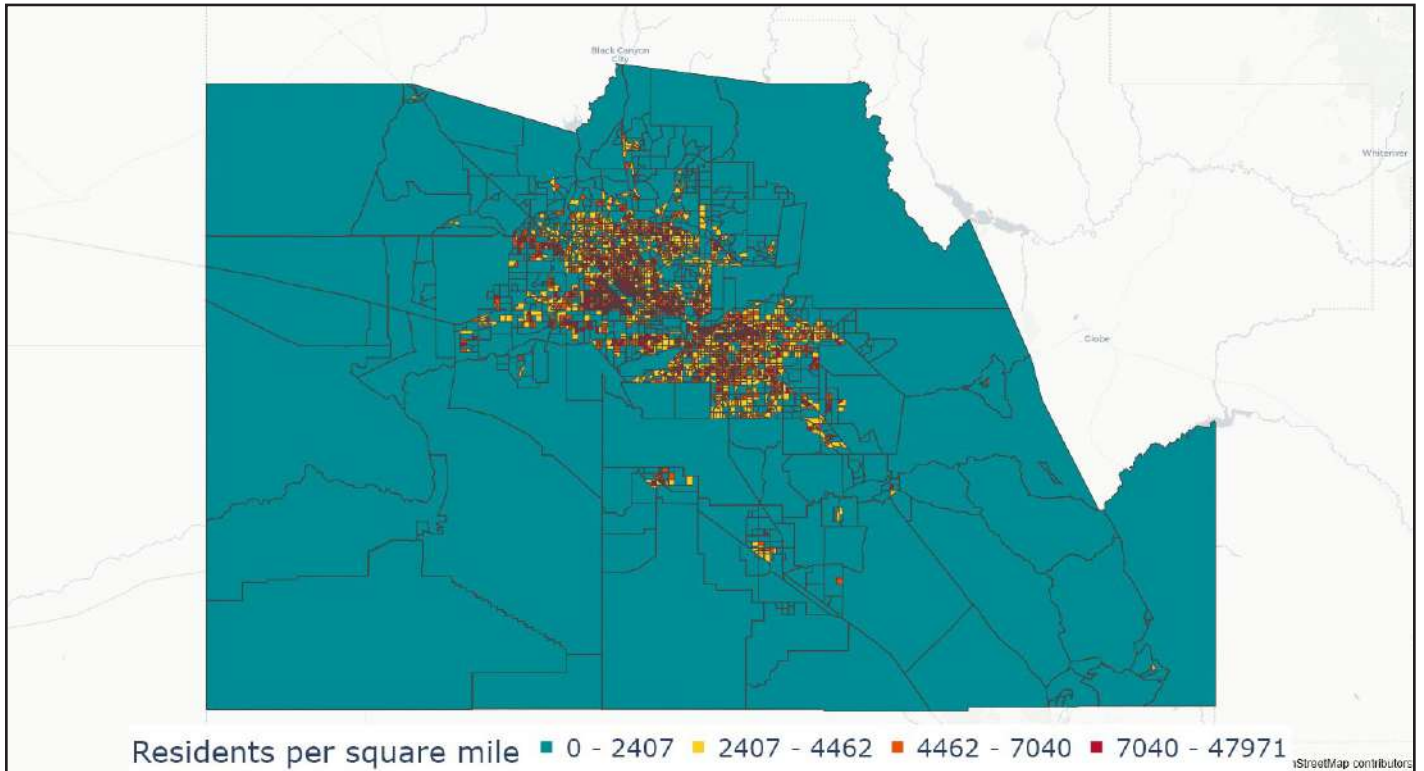


POPULATION BY AGE, %

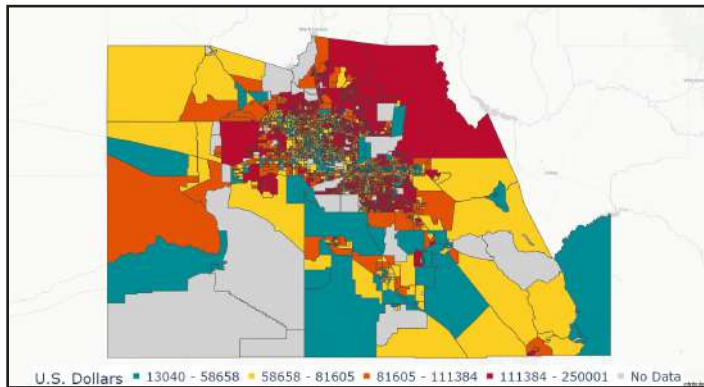


GEOGRAPHIC PROFILE

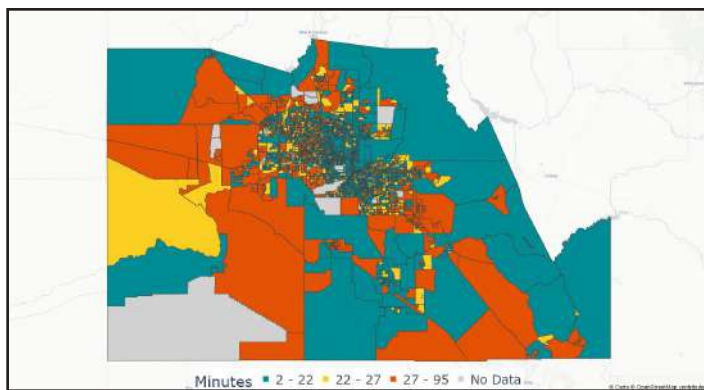
POPULATION DENSITY



MEDIAN HOUSEHOLD INCOME



MEDIAN COMMUTE TIME



POPULATION & HOUSING CHARACTERISTICS

		Units	Value	Rank*
Total area		sq mi	14,598.7	4
Total water area		sq mi	33.5	226
Total land area		sq mi	14,568.7	4
Land area - developable		sq mi	3,656.0	16
Land area - undevelopable		sq mi	10,909.3	5
Population density	pop. to developable land		356.0	90
Total population		ths	5,187.0	6
U.S. citizen at birth		% of population	84.3	326
Naturalized U.S. citizen		% of population	6.7	82
Not a U.S. citizen		% of population	7.5	78
Median age			38.0	274
Total housing units		ths	2,103.7	6
Owner occupied		% of total	61.1	189
Renter occupied		% of total	30.3	188
Vacant		% of total	8.6	193
1-unit; detached		% of total	65.7	220
1-unit; attached		% of total	5.1	168
Multifamily		% of total	23.7	150
Median year built			1995	

* Areas & pop. density, out of 417 metro areas/divisions, including metros in Puerto Rico; all others, out of 411 metros.

Sources: Census Bureau, Moody's Analytics, 2023 except land area 2020

Sources: ACS, Moody's Analytics

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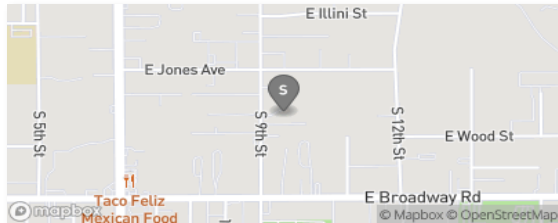
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COMPARABLE LAND SALES

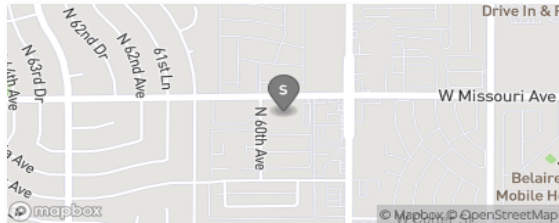
Sale #1
Multi-family Land
 4035 South 9th Street
 Phoenix, AZ 85040-1207
 Maricopa County
 BBG Property #1129356



Property Data			
Property Type/Use	Land Multifamily	Lat/Long	33.409224 / -112.0595
Parcel ID #	113-21-032; -036	Census Tract	1153.00
Opportunity Zone	Yes	Frontage	Residential roadway
Gross Land Area	149,411 SF	Net Land Area	149,411 SF
	3.43 Acres		3.43 Acres
		Flood Designation	Zone X (Unshaded)
Zoning Code	R-4		
Utilities	All available to site.	Terrain / Topography	Generally level
Easements / Encroachments	None detrimental known		

Sale Transaction Data for BBG Event #1305192				Net Area
Transaction Date	6/12/2025	Consideration	\$1,100,000	\$7.36 psf
				\$320,700 per acre
Sale Status	Closed			
Days on Market	24			
Property Rights	Fee Simple			
Transaction Component	Real Estate			
Tenancy	Vacant			
Grantor	Lisa Fong			
Grantee	Power RD Development LLC			
Record Info	2025-0338788			
Comments	It is a cash to seller arms length transaction that sold to a developer. The asking price was \$1,500,000 and it went under contract after 24 days on market. The property has five small homes on it with 3,111 SF that were built in 1936. The improvements have no contributed value to the site.			
Verification	1/25/2025	Daniel Brown with My Home Group RE, Public Records		

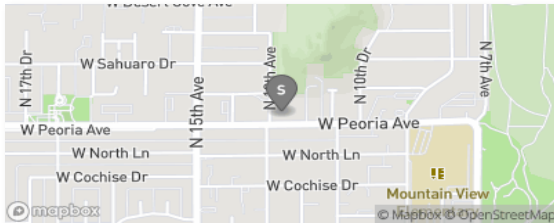
Sale #2
Multi-family Land
 5939 West Missouri Avenue
 Glendale, AZ 85301
 Maricopa County
 BBG Property #682467



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

Sale Transaction Data for BBG Event #1675224				Net Area
Transaction Date	4/30/2025	Consideration	\$1,200,000	\$11.82 psf \$515,021 per acre
Sale Status	Closed			
Property Rights	Fee Simple			
Transaction Component	Real Estate			
Tenancy	Vacant			
Grantor	Pinnacle Real Estate Six LLC			
Grantee	59th Parc LLC			
Record Info	2025-0245994			
Comments	Arms length cash to seller transaction. Sold entitled and permits are ready to be pulled with city-approved construction documents in hand for 33 unit townhome project. According to the seller, Carrick Sears with SVN it sold for the asking after a short time on the market for the full asking price. The buyer's intent is to develop the project as planned. It previously sold in July 2022 as unentitled vacant land for \$550,000.			
Verification	11/10/2025 Carrick Sears with SVN, Public Records			

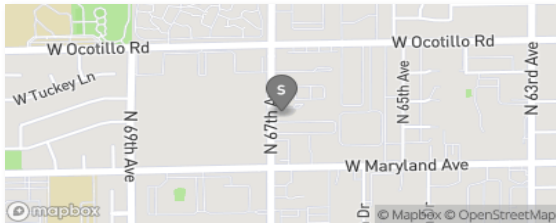
Sale #3
Multi-family Land
 1230 West Peoria Avenue
 Phoenix, AZ 85029-5142
 Maricopa County
 BBG Property #1447601



Property Data			
Property Type/Use	Land Multifamily	Lat/Long	33.582460 / -112.0887
Parcel ID #	159-15-028A	Census Tract	1036.15
Opportunity Zone	No	Frontage	Minor arterial
Gross Land Area	41,128 SF	Net Land Area	41,128 SF
	0.94 Acres		0.94 Acres
		Flood Designation	Zone X (Unshaded)
Zoning Code	R-3		
Utilities	All available to site.	Terrain / Topography	Level
Easements / Encroachments	None detrimental known		

Sale Transaction Data for BBG Event #1675246				Net Area
Transaction Date	3/14/2025	Consideration	\$320,000	\$7.78 psf
				\$340,426 per acre
Sale Status	Closed			
Days on Market	160			
Property Rights	Fee Simple			
Transaction Component	Real Estate			
Tenancy	Vacant			
Grantor	Jesus Villegas			
Grantee	Summer Hill Living LLC			
Record Info	2025-0139498			
Comments	Arms length cash to seller transaction. The asking price was \$450K and it sold after 160 days on market.			
Verification	11/10/2025			
	MLS, Public Records			

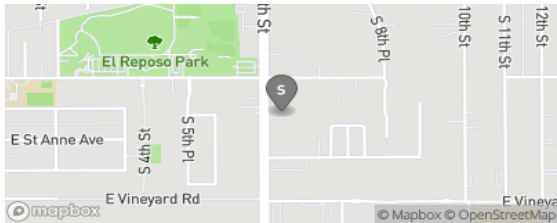
Sale #4
Multi-family Land
 6543 North 67th Avenue
 Glendale, AZ 85301-3709
 Maricopa County
 BBG Property #824621



Property Data			
Property Type/Use	Land Residential	Lat/Long	33.532678 / -112.2028
Parcel ID #	144-14-015A	Census Tract	0928.01
Opportunity Zone	No	Frontage	Arterial
Gross Land Area	72,917 SF 1.67 Acres	Net Land Area	72,917 SF 1.67 Acres
Flood Panel	04013C1715L Dated October 16, 2013	Flood Designation	Zone X (Unshaded)
Zoning Code	R-4	Zoning Description	Multiple Family Residential
Utilities	All available to site.	Terrain / Topography	Level
Easements / Encroachments	None detrimental known		
Comments	The site is a single legal parcel of land with an overall long rectangular shape and frontage on a major arterial. The site is level and has all utilities and off-sites in-place.		

Sale Transaction Data for BBG Event #1295839				Net Area
Transaction Date	12/10/2024	Consideration	\$895,000	\$12.27 psf \$535,928 per acre
Sale Status	Closed			
Days on Market	9			
Property Rights	Fee Simple			
Transaction Component	Real Estate			
Tenancy	Vacant			
Grantor	Darin Nunn			
Grantee	Duarte Realty Sales LLC			
Record Info	2024-0656144			
Comments	This is the sale of a vacant parcel of land for future multi-family development. The site has a preliminary plan in place for 24 attached dwelling units but no entitlements. The buyer is planning a multi-family project. The asking price was \$850K and it sold after 9 days on market.			
Verification	12/17/2024 Jeems Lochridge, listing agent, Public Records, MLS			

Sale #5
Multi-family Land
 6419 South 7th Street
 Phoenix, AZ 85042-4212
 Maricopa County
 BBG Property #1129343


Property Data

Property Type/Use	Land Multifamily	Lat/Long	33.387565 / -112.0641
Parcel ID #	114-25-016	Census Tract	1164.00
Opportunity Zone	No	Frontage	Major Arterial
Gross Land Area	80,000 SF 1.84 Acres	Net Land Area	80,000 SF 1.84 Acres
		Flood Designation	Zone X (Unshaded)
Zoning Code	R-3		
Utilities	All available to site.	Terrain / Topography	Generally level
Easements / Encroachments	None detrimental known		

Sale Transaction Data for BBG Event #1305176				Net Area
Transaction Date	11/26/2024	Consideration	\$600,000	\$7.50 psf \$326,087 per acre
Sale Status	Closed			
Days on Market	182			
Property Rights	Fee Simple			
Transaction Component	Real Estate			
Tenancy	Vacant			
Grantor	Greater All Nation Pentecost Church			
Grantee	6419 S 7th LLC			
Record Info	2024-0633737			
Comments	Arms length cash to seller transaction of a vacant site ready for development. The asking price was \$650,000 and it sold after 182 days on market.			
Verification	1/24/2025 MLS, Public Records			

APPRAISER QUALIFICATIONS AND LICENSES



Justin Getelman, MAI

Director

Office: 602-648-8610

jgetelman@bbgres.com

Profile

Mr. Getelman is a Director at BBG, based in the Phoenix office. He has been actively engaged in real estate valuation since 2004, with experience spanning a wide range of property types and valuation purposes.

His appraisal experience includes industrial, office, retail, vacant land, multifamily, self-storage, airplane hangars and mobile home parks and valuation assignments have been completed for purposes such as financing, asset valuation, litigation support, right-of-way acquisition and estate taxation.

Clients served include financial institutions, government entities, private investors and corporations. Mr. Getelman has worked on projects throughout the Southwestern United States along with other major metros in the South, Central and Northeast Regions as well the Bay Area.

Prior to joining BBG, Mr. Getelman held roles at Integra Realty Resources (IRR) and Burke Hansen, LLC, where he was responsible for litigation support as well as financing related commercial property valuations.

Professional Affiliations

MAI Designation

General Certified Real Estate Appraiser:

State of Arizona (License No. 31545)

State of New Mexico (License No. 03308-G)

Education

B. A. Economics, The University of Texas at Austin, 1993

ARIZONA FINANCIAL ENTERPRISE CREDENTIAL CERTIFICATE

No: CGA-31545

JUSTIN C GETELMAN

The seal of the Arizona Department of Insurance and Financial Institutions is a large, circular emblem. It features a central shield with a landscape scene including a sun, mountains, a river, and a person. Above the shield is a banner with the text "DITAT DEUS". The outer ring of the seal contains the text "DIRECTOR OF THE DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS" at the top and "STATE OF ARIZONA" at the bottom, separated by two stars.

CREDENTIAL TYPE	ISSUE DATE	EFFECTIVE DATE	EXPIRATION DATE
Certified General Appraiser	May 31, 2007	June 1, 2025	May 31, 2027

This certificate was printed on May 1, 2025 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
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100 N 15th Ave, Suite 261
Phoenix, AZ 85007-2630



Rockne Taylor
Senior Appraiser
Office: 480-867-7429
rockytaylor@bbgres.com

Profile

Rockne Taylor is a senior appraiser at BBG, based in the Phoenix office. Mr. Taylor has been actively engaged in real estate valuation since 2005, with experience spanning a wide range of property types and valuation purposes.

His appraisal experience includes office buildings, retail and shopping centers, vacant land, industrial facilities and valuation assignments have been completed for purposes such as financing, asset valuation, right-of-way acquisition, estate, etc.

Clients served include financial institutions, government entities, private investors and corporations. Mr. Taylor has worked on projects mainly in Arizona.

Prior to joining BBG, Mr. Taylor held roles at Brekan Nava Group and National Bank of Arizona where he was a certified general appraiser.

Professional Affiliations

General Certified Real Estate Appraiser:
State of Arizona (License No. 31637)

Education

Bachelor of Science – Real Estate Major, Arizona State University 1984

ARIZONA FINANCIAL ENTERPRISE CREDENTIAL CERTIFICATE

No: CGA-31637

ROCKNE L. TAYLOR

CREDENTIAL TYPE	ISSUE DATE	EFFECTIVE DATE	EXPIRATION DATE
Certified General Appraiser	Jun 5, 2008	Jul 1, 2024	Jun 30, 2026

This certificate was printed on May 23, 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
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