

SUPPLEMENTAL APPRAISAL REPORT
APPRAISAL OF THE DIGI, LLC PROPERTIES
DATED 8/9/2021

PROPERTY

Parcel 2B Upland Road
406 Old Marlboro Road
Concord, MA

ORIGINAL DATE OF VALUATION

August 9, 2021

DATE OF SUPPLEMENTAL VALUATION

November 1, 2021

PREPARED FOR

Marcia Rasmussen, Director of Planning and Land Management
Town of Concord
141 Keyes Road – 1st Floor
Concord, MA 01742

PROPERTY OWNER

DIGI, LLC

PREPARED BY

Avery Associates
282 Central Street
Post Office Box 834
Acton, Massachusetts 01720
TEL: 978-263-5002
FILE NO. UPD21083/2021125

Avery Associates

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November 1, 2021

Marcia Rasmussen, Director of Planning and Land Management
Town of Concord
141 Keyes Road – 1st Floor
Concord, MA 01742

Re: Parcel 2B Upland Road
406 Old Marlboro Road
Concord, MA

Dear Ms. Rasmussen,

In response to your request, I am pleased to transmit this report presenting the supplemental appraisal of the market value of the properties above referenced and owned by GIGI, LLC. This supplemental appraisal has been completed in accordance with the *Uniform Standards for Professional Appraisal Practice* (USPAP 2020-2021) and the Appraisal Standards and Code of Professional Ethics of the Appraisal Institute.

This supplemental analysis incorporates by reference the August 9, 2021 narrative Appraisal Report of the above referenced property completed by the undersigned of Avery Associates. Reference to this report is necessary in order for the opinion set forth in this Supplemental Appraisal Report (SAR) to be fully understood. The reader is referred to important assumptions, limiting conditions, and certifications included in this appraisal report which also apply to this supplement.

The property which is the subject of this appraisal is comprised of two adjacent parcels of land located on Upland Road and Old Marlboro Road identified as follows:

Lot 2B Upland Road (Parcel 2731). This is a parcel of vacant residential land approximately 5.22 acres in size. It includes an estimated 50 ft of frontage on the northerly side of Upland Road west of the intersection with Old Marlboro Road. This property includes frontage along the easterly shore of the Assabet River and has a common boundary with the Freeman Recreational Rail Trail. The property also includes a small amount of frontage on the westerly side of Old Marlboro Road.

Page 2

November 1, 2021

Marcia Rasmussen, Director of Planning and Land Management
Town of Concord

This property appears to be suitable for a low density subdivision based upon construction of a cul-de-sac roadway. A limit on the property's development potential includes the 200 ft riverfront setback in the Rivers Protection Act. The property is of varying terrain but generally level, sloping down to the west and the riverfront.

406 Old Marlboro Road. This is an adjacent 16,775 sf parcel of residential land which is improved with a 2 story, 2 family dwelling reported to have been constructed in 1896. The home is configured with a 746 sf apartment on the first floor and a 520 sf apartment on the second floor. There is a full unfinished basement. This parcel would likely be slightly reconfigured as a conforming lot to incorporate the required minimum lot area in the Residential B Zone with the required minimum frontage on a newly constructed roadway on the adjacent parcel.

The purpose of this appraisal is to provide an estimate of the market value of the parcels described above, as combined, as the town considers negotiations with the property owner for acquisition.

As a result of the earlier analysis, it was concluded that the market value of the subject property as of August 9, 2021, subject to the definitions, assumptions, limiting conditions and certifications set forth in the original appraisal report was as follows:

Estimated Value of the Property	\$2,200,000
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As a result of this supplemental analysis of the revised Concept Development Plan dated September 30, 2021, it is now concluded that the market value of the subject property as of November 1, 2021, subject to the definitions, assumptions, limiting conditions and certifications set forth in the attached supplemental report are as follows:

Revised Estimated Value of the Property	\$3,200,000
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Respectfully submitted;



Jonathan H. Avery, MAI, CRE
Massachusetts Certified General
Real Estate Appraiser #26

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

ADDRESS: Parcel 2B Upland Road
406 Old Marlboro Road
Concord, MA

CLIENT: Town of Concord

OWNER OF RECORD: DIGI, LLC

DATE OF ORIGINAL VALUE ESTIMATE: August 9, 2021

DATE OF SUPPLEMENTAL VALUE ESTIMATE: November 1, 2021

INTEREST APPRAISED: Fee Simple

LAND AREA: Assessors Parcel Maps
2B Upland Road – 5.22 Acres
406 Old Marlboro Road – 16,775 sf
Review of deeds indicates total of 5.61 Acres

IMPROVEMENTS: Parcel 2B Upland Road – none
406 Old Marlboro Road – 2 story, 2 family
residence c. 1896 with basement

ZONING: Residence B

HIGHEST AND BEST USE: Residential development based on construction of a
cul de sac road. Initial valuation based on a 4 lot
development potential. Supplemental valuation
based on revised Concept Plan with 6 lot potential.

INITIAL ESTIMATE OF VALUE: **\$2,200,000**

REVISED ESTIMATE OF VALUE: **\$3,200,000**

APPRAISED BY: Jonathan H. Avery, MAI, CRE
Avery Associates
Post Office Box 834
282 Central Street
Acton, MA 01720

ORIGINAL APPRAISAL

The original appraisal, with a date of valuation of August 9, 2021 concluded with the following estimate of value:

Estimated Value of the Property	\$2,200,000
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CHANGES – REASONS FOR THE SUPPLEMENT APPRAISAL REPORT

The primary reason for preparing this revised value estimate is the revised analysis of the development potential of the subject property as combined. The *Concept Plan dated September 30, 2021 has been prepared by Hurley Associates, Inc.* a local professional planning firm showing a potential for six standard subdivision lots.

The original appraisal was predicated on a more conservative analysis based on GIS data. This public information is less detailed and specific to the property than the more detailed property specific basis on which the subsequent *Concept Plan* is based.

Both development schemes include a 600 foot subdivision road which would be constructed and both incorporate the existing 2 unit residence at 406 Old Marlboro Road on a newly configured lot with frontage on the new road. The major differences between the two development concepts are an increase in the number of lots from four to six and from one riverfront lot to two riverfront lots.

One concern with respect to the Hurley *Concept Plan* is the impact of the setbacks in the Rivers Protection Act. The initial 100' setback prevents any development. Within the second setback of 100', relief has been granted in many instances. In this particular case, it has been confirmed by the Concord Natural Resources Director that Lot 5 on the *Concept Plan* is likely a developable lot with impact on the Riverfront area limited to 5,000 sf. This appears to be viable with care taken to design of the site and improvement. **Therefore, this revised valuation is based on the extraordinary assumption that all five newly developed lots can meet all local and state requirements for development of a single family residence with at least four bedrooms.**

Further it is assumed that the Hurley *Concept Plan* can meet all requirements of the Subdivision Control Bylaw without unexpected delay. **Should either of these assumptions subsequently be disproven, the value reported may be subject to change.**

As noted in the Summary of Facts above, there are several indications of the total land area of the parcels. The assessors parcel maps suggest a total of 5.22 acres at Parcel 2B Upland and 0.39 acres at 406 Old Marlboro Road for a total of 5.61 acres. This amount is confirmed (+/-) in the deeds. The Concord GIS measures the total at approximately 6.2 acres. For the purpose of confirming the likely viability of the *Concept Plan*, 5.61 acres is used.

Based on this assumption, a slight revision of the plan is made. The area of Lots 4 and 5 is to be approximately 59,000 sf (1.36 acres). The other lot areas remain unchanged. **Should subsequent survey/engineering prove this assumption incorrect, this revised value may be subject to change.**

REVISED ESTIMATE OF VALUE

The revised estimate of value relies to a great extent on data and portions of the analysis in the original report which is incorporated by reference. The subject property remains the same. Economic and market conditions have remained relatively stable during the intervening period with the local market for building lots and small multifamily properties remaining strong.

The technique for valuation continues to be a combination of the Sales Comparison Approach and Development Analysis Approach.

The inputs, data relied on and analysis of small multifamily properties applicable to 460 Old Marlboro Road remains a constant. Again, the conclusion is that the market value of this residence on a reconfigured lot is \$700,000.

There are several significant changes in application of the Development Analysis Approach. These changes relate to the expanded development potential resulting from the *Concept Plan* and related costs.

Revised Lot Prices

First, the estimate of potential revenue from sale of the individual lots has been modified. The forecast of lot sales revenue is again based on the survey of lot sales summarized on page 25 of the original report. The changes in prices are related to a greater density – 6 lots vs. 4 lots and resulting lack of some privacy for the sites. Also, there are now two smaller riverfront sites versus one large lot in the original design. As a result of the revised analysis the prices of the interior lots are estimated to be \$725,000 and the riverfront lots at \$800,000.

Revised Expense Estimates

The cost estimates for Survey/Engineering, Soil Testing/Septic Design and Closing and Legal Expense all increase based on the increased number of lots. Estimated Marketing Expense increases based on the increased revenue projection.

Based on the greater number of lots and related infrastructure costs, the estimated road cost is increased to \$800 per linear foot or \$480,000.

The larger number of lots results in more risk to a potential purchaser in the areas of approval and permitting. Therefore, the allowance for Developers Overhead and profit is increased from 5% of sales revenue to 10%.

Consideration has also been given to the time which may be required to permit and sell the individual lots. The original valuation is based on a one year timeframe to

accomplish this. Given the strength of the market and low supply of available properties, this one year timeline is considered reasonable.

These revisions are detailed on the following Subdivision Development Analysis:

**Subdivision Development Analysis
2B Upland Road & 406 Old Marlboro Road
Concord, MA
As of November 1, 2021**

REVISED VALUATION - 6 Lot Scenario

Revenue			
Lot 1 - 2 Family Residence on 20,200 ± sf			\$ 700,000
Lot 2 - 20,100 ± sf			\$ 725,000
Lot 3 - 20,100 ± sf			\$ 725,000
Lot 4 - 2.13 + Acres - Riverfront			\$ 800,000
Lot 5 - 1.33 + Acres - Riverfront			\$ 800,000
Lot 6 - 28,200 ± sf			\$ 725,000
Total			\$4,475,000
Expenses			
Survey/Engineering, Approvals/lot	6 @	\$10,000	\$ 60,000
Soil Testing, Septic Design	6 @	\$ 5,000	\$ 30,000
Closing & Legal - \$4.56/1000 + \$500	6 @		\$ 23,406
Subdivision Road	600 LF @	\$ 800	\$ 480,000
Real Estate Taxes			\$ 14,230
Marketing	@	5%	\$ 223,750
Developers OH & Profit	@	10%	\$ 447,500
Total Expenses			\$1,278,886
Net Development Proceeds			\$3,196,114
Rounded to			\$3,200,000

Summary and Reconciliation

The changed development potential at the subject property from four lots to six lots results in a greater value. The original report is incorporated by reference in this supplemental analysis and revised value estimate.

Projected revenue from forecast lot sales price potential is combined with the estimated value of the residence at 460 Old Marlboro Road on a reconfigured lot to a total of \$4,475,000.

The expenses which can reasonably be expected to accomplish this development have been revised to reflect the plan revision. The increased risk of the larger development is also reflected.

Based on the preceding analysis, the original appraisal and subject to the assumptions, limiting conditions and certifications, the estimated value of the subject property as combined is revised as of November 1, 2021 to be:

THREE MILLION TWO HUNDRED THOUSAND (\$3,200,000) DOLLARS

CERTIFICATION

I certify that, to the best of my knowledge and belief,...

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved with this assignment.
- I have performed services as an appraiser regarding the property that is the subject of this supplemental analysis within the three-year period immediately preceding acceptance of this assignment, as detailed herein.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Mr. Avery is currently certified under the voluntary continuing education program of the Appraisal Institute.
- I have made a personal inspection of the property that is the subject of this report.
- no one provided significant professional assistance to the persons signing this certification.
- the appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.



Jonathan H. Avery, MAI, CRE
Massachusetts Certified General
Real Estate Appraiser #26

ADDENDA

SUBJECT PROPERTY PHOTOGRAPHS

SUBJECT PROPERTY PHOTOGRAPHS
Parcel 2B Upland Rd. & 406 Old Marlboro Rd.
Concord, MA
Taken August 9, 2021 By Jonathan Avery, MAI



Front View 406 Old Marlboro Road



Rear View 406 Old Marlboro Road

SUBJECT PROPERTY PHOTOGRAPHS
Parcel 2B Upland Rd. & 406 Old Marlboro Rd.
Concord, MA
Taken August 9, 2021 By Jonathan Avery, MAI



Upland Road Frontage

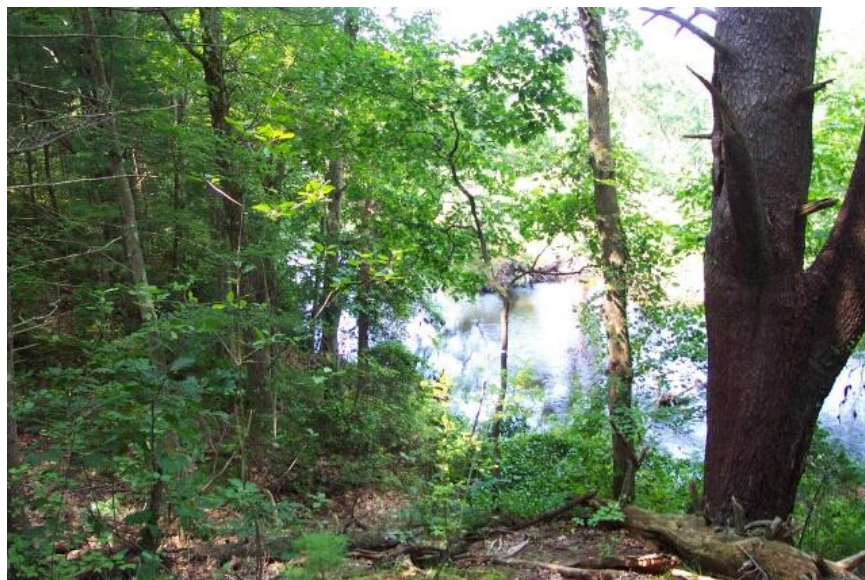


View West on Upland

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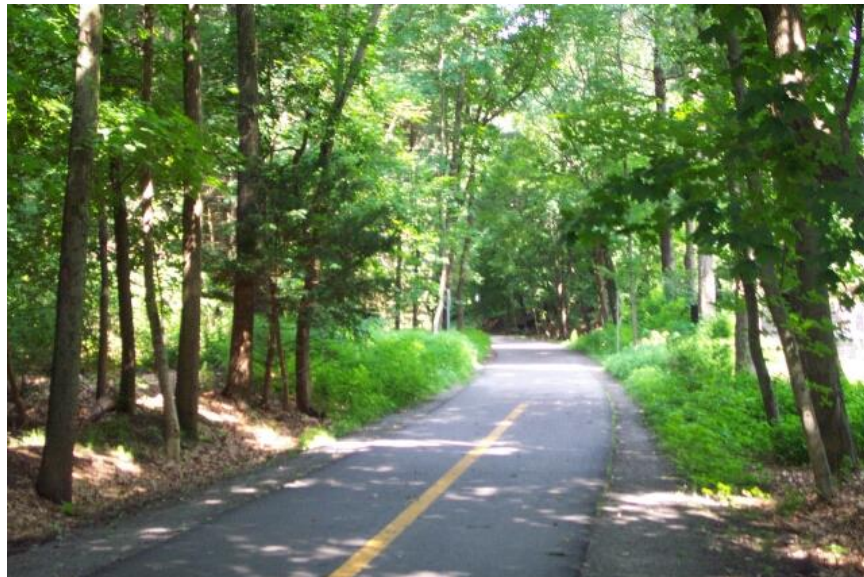


Typical Terrain – Existing Trail



Assabet River Frontage

SUBJECT PROPERTY PHOTOGRAPHS
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Concord, MA
Taken August 9, 2021 By Jonathan Avery, MAI



Looking West on Rail Trail – Subject on Left



View Looking Northerly on Old Marlboro Road – Subject on Right

**ORIGINAL CONCEPT PLAN
INCLUDED IN APPRAISAL
OF AUGUST 24, 2021**

**UPDATED CONCEPT PLAN
PREPARED SEPTEMBER 30, 2021**

**CONCEPT PLAN – Six (6) Lot Standard
Subdivision of Land owned by DIGI LLC**

September 30, 2021

