

Leatherman Real Estate Services

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Frank D. Leatherman, Jr., MAI, CCIM



September 14, 2016

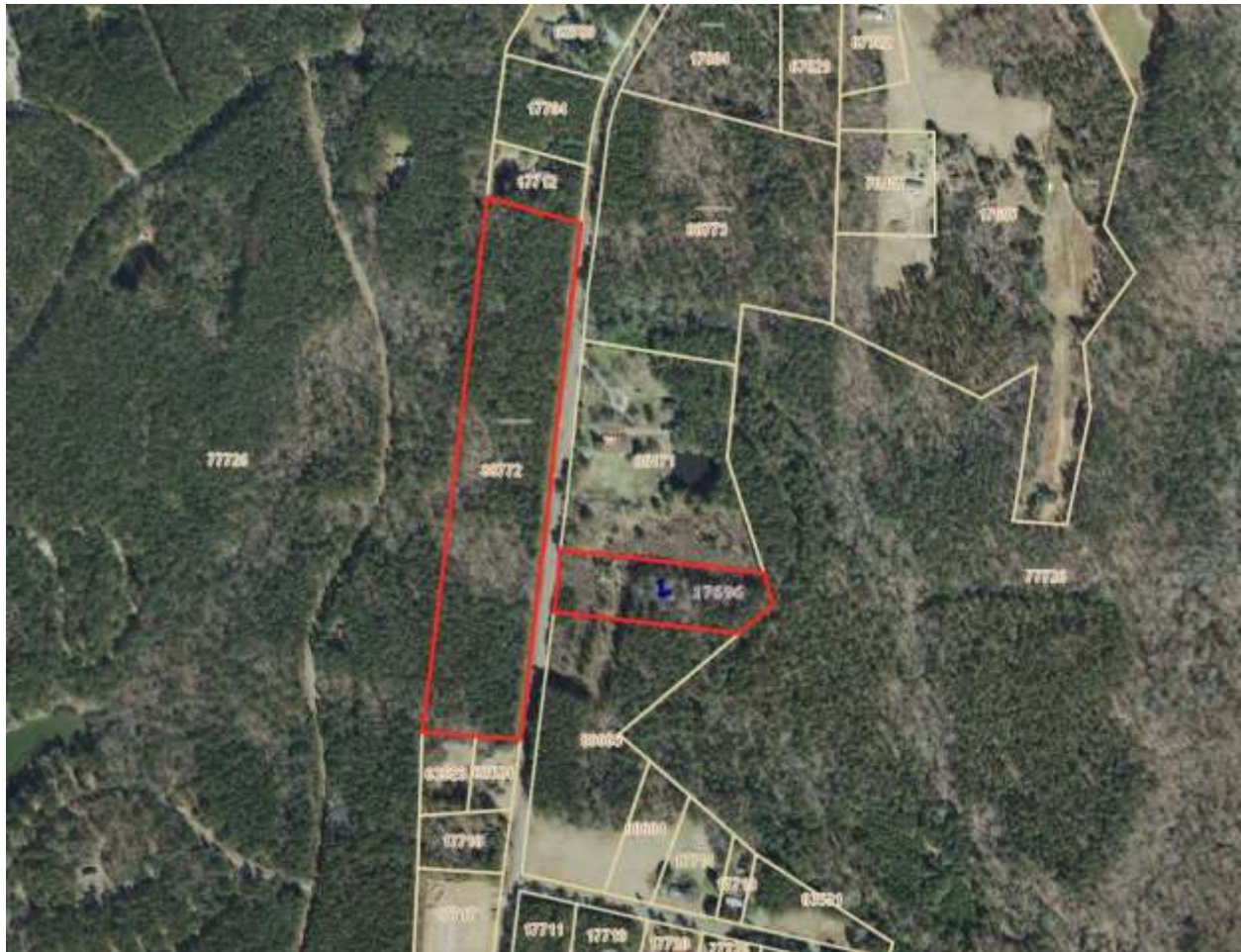
Walt Lewis
The Extra Garage
25 Bob Horton Road
Apex, NC 27523

RE: 20.545 acres of residential land to be improved with a proposed 202-unit boat and recreational vehicle storage facility located on the east and west sides of Beaver Creek Road; north of Tody Goodwin Road in Apex, North Carolina 27502

Dear Mr. Lewis:

Per your request, I have investigated the market in and around the prospective site on Beaver Creek Road proposed to be developed for a boat storage facility. This investigation was to determine whether the proposed development ***“will substantially injure the value of the adjoining property.”*** Following is a summary of my findings and conclusions regarding the proposed development.

1. A consideration is whether the proposed use (boat/RV storage facility) is consistent with the surrounding area and other existing uses. The proposed use conforms to, and will be consistent with other similar uses along Beaver Creek Road and the other uses in the area which include Boat/RV storage facilities.



2. Next, I considered what, if any, impact the proposed development would have on the surrounding uses and vacant properties. The proposed use may or may not increase the total number of vehicle trips on Beaver Creek Road; however, it will probably reduce overall traffic in the area as the storage reduces the travel time and distance of the tenants significantly and the property is much closer to the boat ramps and public grounds than where they would traditionally be stored at home.
3. Another consideration for an appraiser to evaluate is whether the proposed development (boat and RV storage facility) would constitute a legal use of the property. Based on my conversations with the planning department, the intended use would be a legal use of the property upon a change to CD-NB zoning similar to the Extra Garage located south along Beaver Creek Road. Similar properties in immediate area have been zoned for a similar use in the recent past and I consider there to be a reasonable probability this site can be zoned as well.
4. Finally, an appraiser is required to evaluate the physical possibility that the property can be developed as proposed. Based on a review of the preliminary plan submitted to the County, and inconsideration of other similar sites in the County, the property can be developed as proposed on the preliminary plan. The preliminary plan utilizes the site to its

greatest potential. The utilization of the site includes all traffic, turn arounds, parking, buffering, setbacks etc. that will minimize the impact on the adjoining uses. There will also be visual screening and planting to mitigate the view of the operations or of the property from the street or adjoining properties.

Values of Properties Adjoining or Near Other Boat/RV Storage Facilities

To further analyze whether the proposed development will substantially injure the value of adjoining property, I have studied sales of properties abutting or near Extra Garage facilities located in the area. I address each of these below:

A. 1298 Beaver Creek Rd:



Residential area was defined using a rectangle from 64 south over to the county line and then a 5 mile ring as follows.

Rectangular study

Sales in last 12 months

| | HIGH | LOW | AVERAGE | MEDIAN | TOTAL PRICE |
|-------------|-------------|-----------|-----------|-----------|-------------|
| LIST PRICE: | \$1,132,318 | \$449,000 | \$691,743 | \$474,900 | \$3,458,718 |
| SOLD PRICE: | \$1,192,989 | \$425,000 | \$683,197 | \$453,000 | \$3,415,989 |

Days on Market last 12 months

| | TOTAL | | HIGH | LOW | AVG | MED |
|----------------|-------|-----------------|------|-----|-----|-----|
| LISTING COUNT: | 5 | DAYS ON MARKET: | 119 | 0 | 43 | 22 |

Sales 12 to 24 months

| | HIGH | LOW | AVERAGE | MEDIAN | TOTAL PRICE |
|-------------|-----------|-----------|-----------|-----------|-------------|
| LIST PRICE: | \$130,000 | \$130,000 | \$130,000 | \$130,000 | \$130,000 |
| SOLD PRICE: | \$125,000 | \$125,000 | \$125,000 | \$125,000 | \$125,000 |

DOM 12 to 24 months

| | TOTAL | | HIGH | LOW | AVG | MED |
|----------------|-------|-----------------|------|-----|-----|-----|
| LISTING COUNT: | 1 | DAYS ON MARKET: | 0 | 0 | 0 | 0 |

Sales 24 to 36 months

| | HIGH | LOW | AVERAGE | MEDIAN | TOTAL PRICE |
|-------------|-----------|-----------|-----------|-----------|-------------|
| LIST PRICE: | \$219,000 | \$219,000 | \$219,000 | \$219,000 | \$219,000 |
| SOLD PRICE: | \$258,500 | \$258,500 | \$258,500 | \$258,500 | \$258,500 |

DOM 24 to 36 months

| | TOTAL | | HIGH | LOW | AVG | MED |
|----------------|-------|-----------------|------|-----|-----|-----|
| LISTING COUNT: | 1 | DAYS ON MARKET: | 31 | 31 | 31 | 31 |

Sales 36 to 48 months

| | HIGH | LOW | AVERAGE | MEDIAN | TOTAL PRICE |
|-------------|-----------|-----------|-----------|-----------|-------------|
| LIST PRICE: | \$650,000 | \$382,600 | \$529,150 | \$542,000 | \$2,116,600 |
| SOLD PRICE: | \$635,600 | \$363,000 | \$515,650 | \$532,000 | \$2,062,600 |

DOM 36 to 48 months

| | TOTAL | | HIGH | LOW | AVG | MED |
|----------------|-------|-----------------|------|-----|-----|-----|
| LISTING COUNT: | 4 | DAYS ON MARKET: | 180 | 26 | 78 | 53 |

Sales 48 to 60 months

| | HIGH | LOW | AVERAGE | MEDIAN | TOTAL PRICE |
|-------------|-----------|-----------|-----------|-----------|-------------|
| LIST PRICE: | \$375,000 | \$375,000 | \$375,000 | \$375,000 | \$375,000 |
| SOLD PRICE: | \$311,500 | \$311,500 | \$311,500 | \$311,500 | \$311,500 |

DOM 48 to 60 months

| | TOTAL | | HIGH | LOW | AVG | MED |
|----------------|-------|-----------------|------|-----|-----|-----|
| LISTING COUNT: | 1 | DAYS ON MARKET: | 101 | 101 | 101 | 101 |

Due to the limited sales activity in the relatively small area I have also included a 5 mile ring to see if there were any impacts to the neighborhood area as a whole.

Sales last 12 months

| | HIGH | LOW | AVERAGE | MEDIAN | TOTAL PRICE |
|-------------|-------------|-----------|-----------|-----------|--------------|
| LIST PRICE: | \$1,175,000 | \$159,900 | \$453,722 | \$442,500 | \$91,651,901 |
| SOLD PRICE: | \$1,200,000 | \$160,000 | \$450,864 | \$438,915 | \$91,074,541 |

DOM last 12 months

| | TOTAL | | HIGH | LOW | AVG | MED |
|----------------|-------|-----------------|------|-----|-----|-----|
| LISTING COUNT: | 202 | DAYS ON MARKET: | 530 | 0 | 56 | 15 |

Sales 12 to 24 months

| | HIGH | LOW | AVERAGE | MEDIAN | TOTAL PRICE |
|-------------|-------------|-----------|-----------|-----------|--------------|
| LIST PRICE: | \$1,199,000 | \$121,600 | \$393,787 | \$349,900 | \$54,342,655 |
| SOLD PRICE: | \$1,090,000 | \$95,000 | \$388,561 | \$348,700 | \$53,621,501 |

DOM 12 to 24 months

| | TOTAL | | HIGH | LOW | AVG | MED |
|----------------|-------|-----------------|------|-----|-----|-----|
| LISTING COUNT: | 138 | DAYS ON MARKET: | 456 | 0 | 40 | 10 |

Sales 24 to 36 months

| | HIGH | LOW | AVERAGE | MEDIAN | TOTAL PRICE |
|-------------|-----------|-----------|-----------|-----------|--------------|
| LIST PRICE: | \$824,900 | \$144,000 | \$374,398 | \$337,450 | \$49,420,571 |
| SOLD PRICE: | \$770,000 | \$138,000 | \$367,354 | \$334,150 | \$48,490,771 |

DOM 24 to 36 months

| | TOTAL | | HIGH | LOW | AVG | MED |
|----------------|-------|-----------------|------|-----|-----|-----|
| LISTING COUNT: | 132 | DAYS ON MARKET: | 276 | 0 | 47 | 21 |

Sales 36 to 48 months

| | HIGH | LOW | AVERAGE | MEDIAN | TOTAL PRICE |
|-------------|-------------|-----------|-----------|-----------|--------------|
| LIST PRICE: | \$1,300,000 | \$105,400 | \$391,520 | \$352,388 | \$49,331,608 |
| SOLD PRICE: | \$1,200,000 | \$65,000 | \$381,027 | \$346,097 | \$48,009,505 |

DOM 36 to 48 months

| | TOTAL | | HIGH | LOW | AVG | MED |
|----------------|-------|-----------------|------|-----|-----|-----|
| LISTING COUNT: | 126 | DAYS ON MARKET: | 822 | 0 | 73 | 42 |

Sales 48 to 60 months

| | HIGH | LOW | AVERAGE | MEDIAN | TOTAL PRICE |
|-------------|-----------|-----------|-----------|-----------|--------------|
| LIST PRICE: | \$850,000 | \$145,900 | \$375,805 | \$328,396 | \$46,599,908 |
| SOLD PRICE: | \$805,000 | \$137,500 | \$363,752 | \$310,745 | \$45,105,289 |

DOM 48 to 60 months

| | TOTAL | HIGH | LOW | AVG | MED |
|-----------------|-------|------|-----|-----|-----|
| LISTING COUNT: | 1 | | | | |
| DAYS ON MARKET: | 101 | 101 | 101 | 101 | 101 |

The statistics show increasing pricing levels over the term with increased activity in the last 12 months which is very reflective of the overall market. From the above information there appears to be an increase of housing values. Overall there does not appear to be any reduction in value resulting from the opening or construction of the facility. I did not locate any sales data or other pertinent market information that would indicate the value of the adjoining properties were impacted by the facility.

Based on the studies above of sales of properties abutting or near these facilities, I've identified no data or market trends that would indicate similar facilities had a measurable negative impact on adjoining or surrounding property values. I could find no evidence of "damages" or substantial injury for industrial users that adjoin or are in close proximity to the facility during my research. The proposed development is similar in design, size and capacity to other facilities in the area and utilizes the site to its highest potential. The site and improvements appear to be of a modern and functional design with screening to mitigate the view of the improvements and operations from the public right of way maximizing the utilization of the site and access points along Beaver Creek Road.

The proposed use is physically possible, financially feasible and maximally productive use of the site. In my professional opinion as a licensed North Carolina appraiser, and based on the research performed and data collected concerning other facilities, the proposed facility on Beaver Creek Road ***"will not substantially injure the value of the adjoining property."***

Please advise if you have any questions or comments.

Sincerely,



Frank D. Leatherman, Jr., MAI, CCIM
Certified General Real Estate Appraiser