

BROKER OPINION OF VALUE

3820 W. VINEYARD RD.
PHOENIX, AZ

MARCH 23, 2017

PREPARED FOR:

TAX LIEN INVESTMENTS



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I. Parcel Overview & Analysis

Parcel Overview & Analysis

Parcel Information:

| | | | |
|---------------------|-------------|--------|------|
| Parcel Number | 105-89-004F | Zoning | S-1 |
| Parcel Size (Acres) | 3.33 | Type | Land |

PROPERTY OVERVIEW: The subject property is a 3.33 acre parcel located on the north side of Vineyard Rd. The adjacent parcels are currently planned for single family development. Additional residential and retail development is planned for the immediate area. To the west along 59th Ave. the Loop 202 extensions is planned which is helping to increase development activity in the area.

Strengths:

- Near other active residential sites.
- Growing residential base and increasing home prices
- Near major amenities
- New freeway system will help commute

Weaknesses:

- Size limits potential options
- Middle block location
- Distance from freeways
- Lot of other available parcels

II. Market Overview

RESIDENTIAL LAND MARKET OVERVIEW:

2016 LOOK BACK:

The Phoenix residential market demonstrated strong underlying fundamentals. There is a strong trend of increasing home prices for the past several years. In 2016 alone, home prices increased approximately 10% while the number of properties closed on were up almost 30% over the previous year. With the latest pricing increases, home prices for the Valley have effectively doubled since 2011. ASU market experts state that new jobs in the market along with a growing younger population helped drive demand in the market.

2017 FORECASE:

Major outlets are projecting full market recovery for 2017. New home construction is projected to increase 13% over 2016. ASU predicts that lending factors and limited supply will keep the market stable as the pricing returns to normal for Metro Phoenix. Strong demand and limited inventory is projected to drive up land prices as well as average home prices. The projected limiting factor for new construction is expected to be labor supply rather than available sites.

IMMEDIATE AREA OVERVIEW:

Planned and new home construction is very active with several home builders active in the area. Prices homes for the area are steadily increasing with many new home prices in the high 200's which is well above Metro Phoenix average of \$244,000. Much of the residential activity is focused on larger lots with 10.0 AC sites being considered on the smaller side. The area is expected to experience a pick-up in development activity as it drafts off the freeway extension just to the west which is expected to be completed in 2018. The strong industrial market immediately to the north along the I-10 is expected to continue to grow and attract further investment to the area as well.

III. Sales Comparables

ESTIMATE OF VALUE - SALES COMPARABLES:

| Location | Sale Date | (\$/SF) | Sale Price | Parcel SF |
|--|------------|---------------|-------------|-----------|
| SE 19 th Ave & South Mountain Ave | 8/17/2016 | \$2.73 | \$1,150,000 | 421,200 |
| 10219 S 47 th Ave | 7/155/2016 | \$1.87 | \$1,500,000 | 801,504 |
| SE Baseline Rd & 35 Ave | 3/2/2016 | \$2.22 | \$1,509,365 | 678,665 |
| SW Southern Ave & 23 rd Ave | 11/19/2015 | \$1.65 | \$1,000,000 | 607,361 |
| Average: | | \$2.06 | | |

The above mentioned sales comparables illustrate the sales taking place in the market among parcel properties in the market. Property sales ranged from \$1.65/SF to \$2.73/SF. While higher quality locations are getting bid up by developers, there are a very limited number of small parcels sold. These comps were not included here because of age, proposed use or distance from the site. Based on these factors we estimate valuation should range from \$1.75/SF to \$2.00/SF.

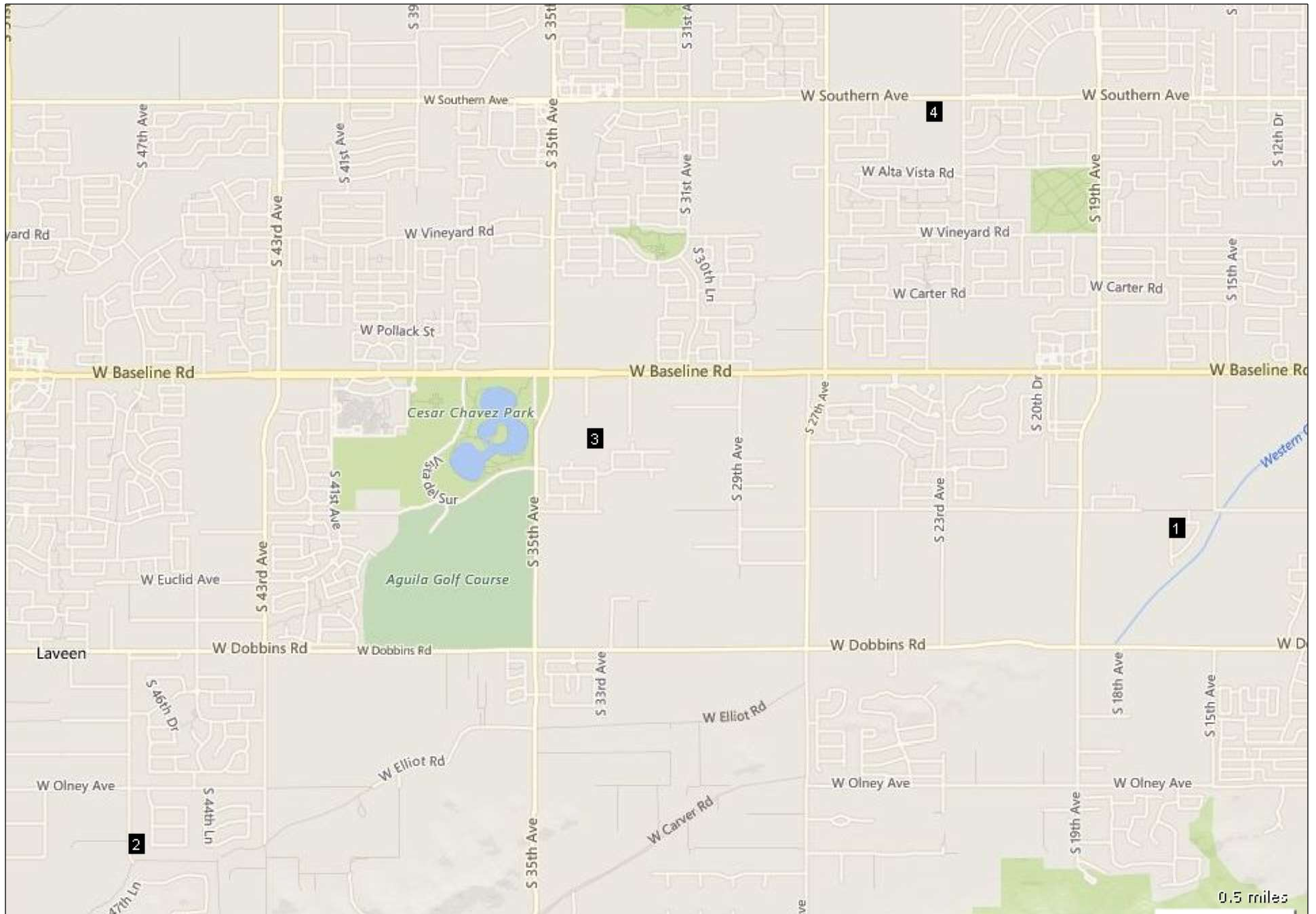
Summary:

Sales Comparable Approach:

Using this method we value the parcel at **\$253,837 - \$290,110**

This price is based on:

- Time slotted for zoning process
- Quality credit buyer



SE 19th Ave & South Mountain Ave

36 SFR Lots - Commons at South Mountain
Phoenix, AZ 85041

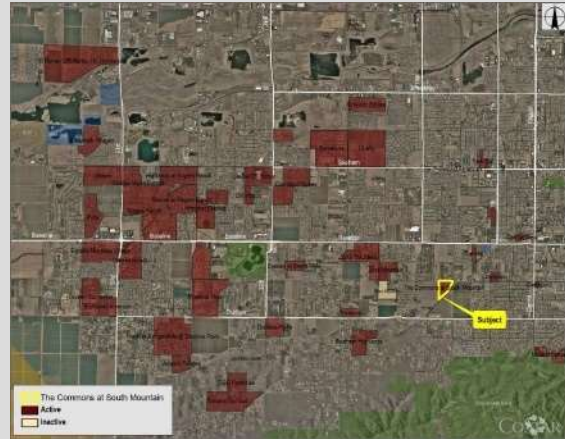
**Residential Land of 9.67 AC Sold on 8/17/2016 for \$1,150,000 -
Research Complete**

buyer

Providence Development, Inc.
6628 E Baseline Rd
Mesa, AZ 85206
(480) 649-0543

seller

Sabal Financial Group, LP
4675 MacArthur Ct
Newport Beach, CA 92660
(877) 900-6272



vital data

| | | | |
|------------------|---|------------------|--|
| Sale Date: | 8/17/2016 | Sale Price: | \$1,150,000 |
| Escrow/Contract: | - | Status: | Confirmed |
| Days on Market: | - | Down Pmnt: | \$1,150,000 |
| Exchange: | No | Pct Down: | 100.0% |
| Conditions: | - | Doc No: | 0589780 |
| Density: | - | Trans Tax: | - |
| Max No of Units: | 36 | Corner: | No |
| Price/Unit: | \$31,944.44 | Topography: | Level |
| Lot Dimensions: | 90x130 - Irregular | Improvements: | 36 SFR Lots |
| Frontage: | 997 feet on W South Mountain Ave | Off-Site Improv: | Cable, Curb/Gutter/Sidewalk, Electricity, P.A.D |
| Comp ID: | 3681400 | Zoning: | Southwest Phoenix |
| | | Submarket: | - |
| | | Map Page: | - |
| | | Parcel No: | 300-49-009 [Partial List] |
| | | Property Type: | Land |
| | | Proposed Use: | Single Family Development |

income expense data

| | | |
|---------------------------------|-----------------------|--------------|
| Expenses | - Taxes | \$187 |
| | - Operating Expenses | |
| | Total Expenses | \$187 |
| Gross | Net | |
| Acres: 9.67 AC | 9.67 AC | |
| Price/Acre: \$118,931.89 | \$118,936.81 | |
| SF: 421,200 SF | 421,200 SF | |
| Price/SF: \$2.73 | \$2.73 | |

Listing Broker

City to City Commercial
7201 E Camelback Rd
Scottsdale, AZ 85251
(480) 355-2222
Kent Baker, Rick Jellies, Ryan Becker

Buyer Broker

The Hogan Group LLC
7114 E Stetson Dr
Scottsdale, AZ 85251
(602) 553-4117
James Hotis

financing

10219 S 47th Ave24 Lots - Coplen Farms Estates
Laveen, AZ 85339**Residential Land of 18.40 AC Sold on 7/15/2016 for \$1,500,000 -
Research Complete**

buyer

Richmond American Homes of Arizona, Inc.
16427 N Scottsdale Rd
Scottsdale, AZ 85254
(480) 624-0244

seller

Taylor Morrison, Inc.
4900 N Scottsdale Rd
Scottsdale, AZ 85251
(480) 840-8100

vital data

| | | | |
|------------------|------------------|------------------|---|
| Sale Date: | 7/15/2016 | Sale Price: | \$1,500,000 |
| Escrow/Contract: | - | Status: | Affidavit |
| Days on Market: | - | Down Pmnt: | \$1,500,000 |
| Exchange: | No | Pct Down: | 100.0% |
| Conditions: | - | Doc No: | 0499524 |
| Density: | - | Trans Tax: | - |
| Max No of Units: | - | Corner: | No |
| Price/Unit: | - | Topography: | Level |
| Lot Dimensions: | 106x170 | Improvements: | - |
| Frontage: | - | Off-Site Improv: | Cable, Curb/Gutter/Sidewalk, Electricity, R:18 |
| Comp ID: | 3652336 | Zoning: | R:18 |
| | | Submarket: | Southwest Phoenix |
| | | Map Page: | - |
| | | Parcel No: | 300-11-691 [Partial List] |
| | | Property Type: | Land |
| | | Proposed Use: | Single Family Development |

income expense data

Listing Broker

| | | |
|-----------------|-----------------------|----------------|
| Expenses | - Taxes | \$4,337 |
| | - Operating Expenses | |
| | Total Expenses | \$4,337 |

| | |
|-------|-----|
| Gross | Net |
|-------|-----|

Acres: **18.40 AC**Price/Acre: **\$81,521.74**SF: **801,504 SF**Price/SF: **\$1.87**

Buyer Broker

financing

SE Baseline Rd & 35th Ave

Laveen, AZ 85339

**Residential Land of 15.58 AC Sold on 3/2/2016 for \$1,509,365 -
Research Complete (Part of Multi-Property)**

buyer

**Hillstone Homes
9014 N 23rd Ave
Phoenix, AZ 85021
(602) 595-5120**

seller

**Terrazona
8188 E Del Barquero Dr
Scottsdale, AZ 85258
(480) 609-1100**

vital data

Sale Date: **3/2/2016**
 Escrow/Contract: -
 Days on Market: -
 Exchange: **No**
 Conditions: -
 Density: -
 Max No of Units: -
 Price/Unit: -
 Lot Dimensions: -
 Frontage: -
 Comp ID: **3532454**

Sale Price: **\$1,509,365**
 Status: **Allocated**
 Down Pmnt: -
 Pct Down: -
 Doc No: **0136959**
 Trans Tax: -
 Corner: **No**
 Topography: **Level**
 Improvements: -
 Off-Site Improv: **Cable, Curb/Gutter/Sidewalk, Electricity,
R1-10, Phoenix**
 Zoning: -
 Submarket: **Southwest Phoenix**
 Map Page: **Wide World of Maps, Inc. 164-161MA**
 Parcel No: -
 Property Type: **Land**
 Proposed Use: **Single Family Development**

income expense data

| | | |
|-----------------|-----------------------|----------------|
| Expenses | - Taxes | \$7,454 |
| | - Operating Expenses | |
| | Total Expenses | \$7,454 |

| | |
|-------|-----|
| Gross | Net |
|-------|-----|

Acres: **15.58 AC**
 Price/Acre: **\$96,878.37**
 SF: **678,665 SF**
 Price/SF: **\$2.22**

Listing Broker

Buyer Broker

financing

prior sale

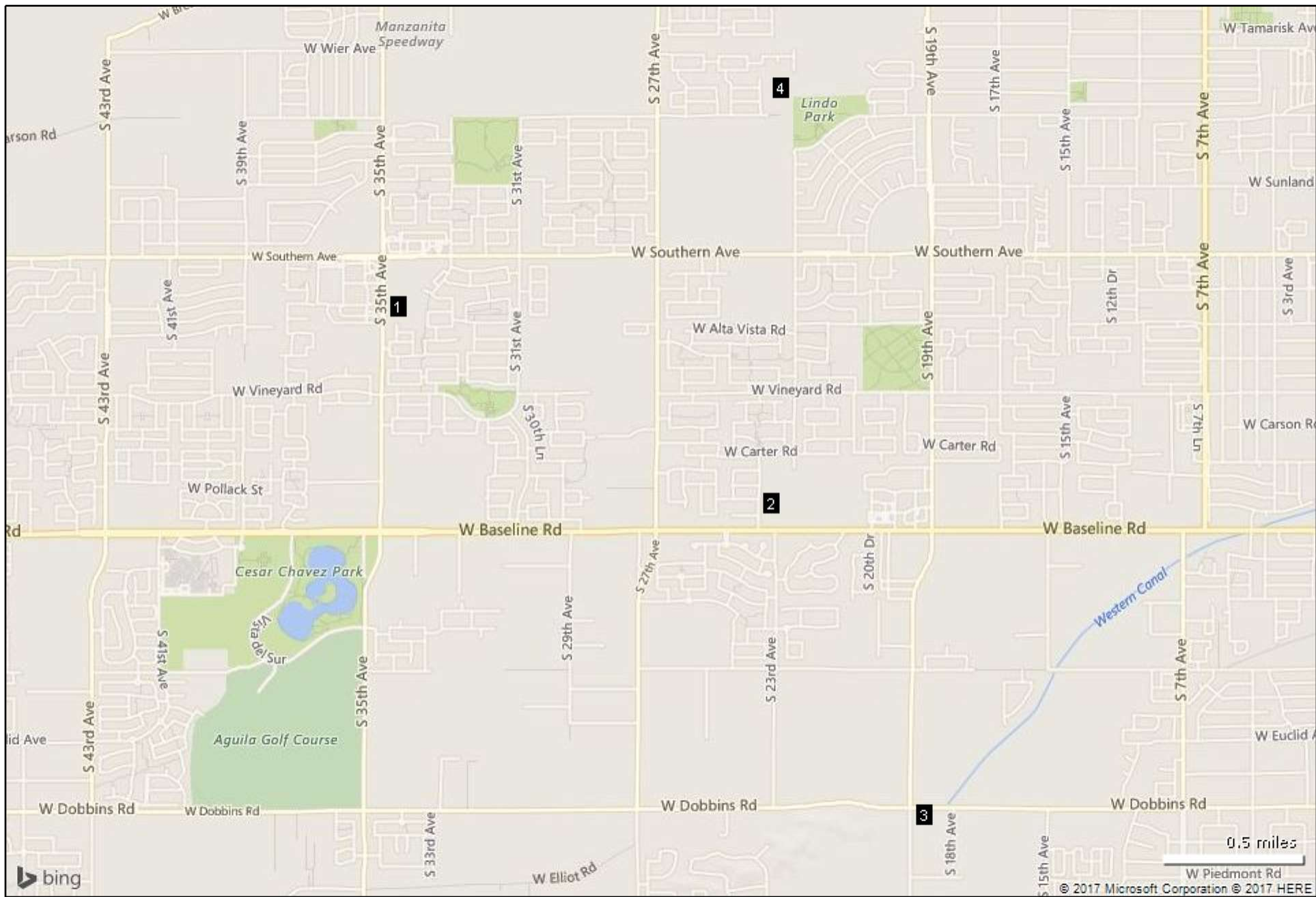
Date/Doc No: **8/1/2013**
 Sale Price: **\$800,000**
 CompID: **2808511**

IV. Currently Listed Competitive Sites

CURRENTLY LISTED COMPETITIVE SITES

| Location | Time on Market | (\$/SF) | Sale Price | Parcel SF |
|---------------------------------------|-----------------------|----------------|-------------------|------------------|
| 6155 S 35 th Ave | 1 Yr + | \$2.75 | \$1,200,000 | 435,600 |
| SW Baseline Rd & 24 th Ave | 1 Yr + | \$3.50 | \$875,000 | 249,600 |
| SE Dobbins Rd & 19 th Ave | 8 days | Make Offer | Make Offer | 93,650 |
| 2320 W Roeser Rd | 6 Month + | \$1.50 | \$592,500 | 395,000 |
| Average: | | | | |

The above mentioned available properties demonstrate the wider range of actively marketed available land sites in the immediate area. There are other sites in the area that are not being actively marketed at this time. 6155 S 35th Ave while it does have a higher price, it is reasonably priced due to the fact that the owner has put some work into the site as well as in addition to the locations and size of the property. The second property SW Baseline is arguably priced well above market. SE Dobbins Rd is very recently put on the market and are simply looking to see what sort of offers they may receive. 2320 W Roeser Rd suffers from its location as the properties immediately to the east are heavy commercial.



1 6155 S 35th Ave

S. of W. Southern Ave.
S. of W. Southern Ave. - Phoenix, AZ 85041 - Southwest Phoenix Submarket
Land of 10 AC is for sale at an undisclosed price

Investment Information

Sale Price: **For Sale**
Price/AC: -
Sale Status: **Active**
Sale Conditions: -
Days On Market: **1,127**



Investment Notes

59 Recorded, Final Platted and Engineered lots in a fantastic high traffic, high profile location with excellent model windows. Lots are 50' wide and a variety of depths from 76' to 100'. Perimeter improvements largely completed, making future development a snap. Seller will consider allowing a qualified buyer time to modify plat and lot depths.

35th Avenue South of Southern Avenue and directly across from a newer Super Walmart center.

Land Information

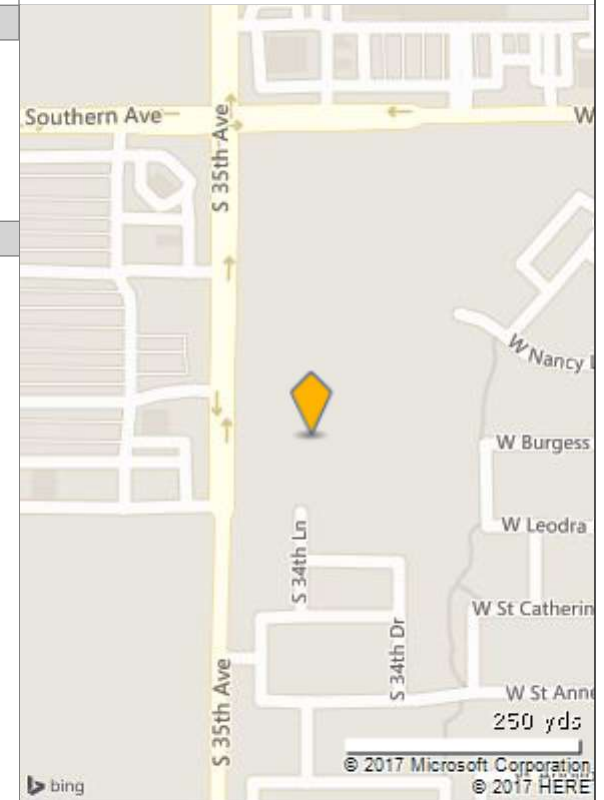
| | |
|---------------------------|--|
| Zoning: M-L | Proposed Use: Single Family Development |
| Density: - | Parcel Size: 10 AC Lot Dimensions: - |
| Number Of Lots: 59 | On-Site Improv: Rough graded |
| Improvements: None | |

Parcel Number: **105-91-920, 105-91-930, 105-91-935, 105-91-944, 105-91-953, 105-91-960, 105-91-961, 105-91-965, 105-91-968**

Topography: **Level**

Off-Site Improv: **Cable, Curb/Gutter/Sidewalk, Electricity, Gas, Irrigation, Sewer, Streets, Telephone, Water**

Street Frontage: **603 feet on S. 35th Ave.**



2 SW Baseline Rd & 24th Ave

SWC 24th & Baseline Rd
SWC 24th & Baseline Rd - Phoenix, AZ 85041 - Southwest Phoenix Submarket
Land of 5.73 AC is for sale at \$875,000 (\$152,705.06/AC)

Investment Information

Sale Price: **\$875,000**
Price/AC: **\$152,705.06**

Sale Status: **Active**
Sale Conditions: -

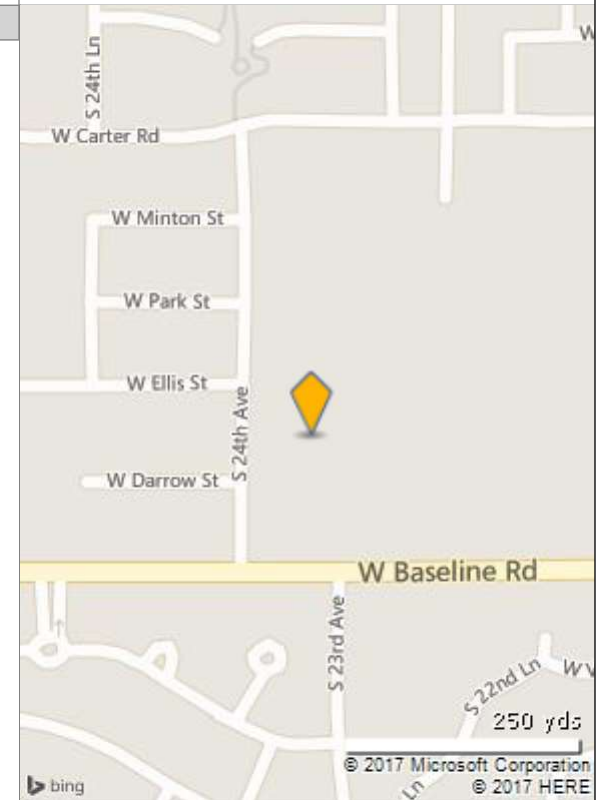
Days On Market: **1,051**



Land Information

Zoning: **R-43AG** Proposed Use: **Single Family Development**
Density: - Parcel Size: **5.73 AC** Lot Dimensions: -
Number Of Lots: - On-Site Improv: **Raw land**
Improvements: -

Parcel Number: **105-86-014F, 105-86-014G**
Topography: **Level**
Street Frontage: **735 feet on 24th Ave**



3 SE Dobbins Rd & 19th Ave

Phoenix, AZ 85041 - Southwest Phoenix Submarket
Land of 2.15 AC is for sale at an undisclosed price

Investment Information

Sale Price: **For Sale**
Price/AC: -
Sale Status: **Active**
Sale Conditions: -
Days On Market: **8**



Land Information

| | | |
|-----------------------------|---|----------------------------------|
| Zoning: C-2, Phoenix | Proposed Use: Commercial, Retail | |
| Density: - | Parcel Size: 2.15 AC | Lot Dimensions: Irregular |
| Number Of Lots: - | On-Site Improv: Raw land | |
| Improvements: - | | |

Parcel Number: **300-52-010**
Topography: **Level**
Off-Site Improv: **Cable, Curb/Gutter/Sidewalk, Electricity, Gas, Irrigation, Sewer, Streets, Telephone, Water**
Street Frontage: **327 feet on Dobbins Road**
377 feet on 19th Avenue



4 2320 W Roeser Rd

NWC Roeser Rd & 23rd
NWC Roeser Rd & 23rd - Phoenix, AZ 85041 - Southwest Phoenix Submarket
Land of 9.07 AC is for sale at \$592,500 (\$65,325.25/AC)

Investment Information

Sale Price: **\$592,500**
Price/AC: **\$65,325.25**

Sale Status: **Active**
Sale Conditions: -

Days On Market: **217**



Land Information

Zoning: **R-6**
Density: -
Number Of Lots: -
Improvements: -

Parcel Number: **105-65-002j**
Topography: **Level**

Proposed Use: **Single Family Development**
Parcel Size: **9.07 AC**
On-Site Improv: **Raw land**
Lot Dimensions: -

