

BROKER OPINION OF VALUE

6601 – 6605 S 39TH AVE .
PHOENIX, AZ

MARCH 30, 2017

PREPARED FOR:

TAX LIEN INVESTMENTS



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I. Parcel Overview & Analysis

Parcel Overview & Analysis

Parcel Information:

Parcel Numbers	105-89-004Q	Zoning	S-1
	105-89-004H		
Parcel Size (Acres)	6.05	Type	Land

PROPERTY OVERVIEW: The subject property is a 6.05 acre parcel located on the north east corner of 39th Ave and Vineyard Rd. The adjacent parcels to the north 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
- Easements of adjacent parcel limit density
- Distance from freeways
- Many 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 FORECAST:

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 AC
1031 W Baseline Rd	6/10/16	\$1.59	\$650,000	9.39
941 W Broadway	8/2015	\$1.14	\$230,000	4.62
Southern Ave @ 35 th Ave	1/1/2015	\$1.01	\$654,726	14.83
3939 W Southern Ave	10/14/2016	\$1.53	\$90,000	1.35
SW Southern Ave & 23 rd Ave	11/19/2015	\$1.65	\$1,000,000	13.94
Weighted Average:				

The above mentioned sales comparables illustrate the sales taking place in the market among parcel properties in the market. Property sales ranged from \$1.01/SF to \$1.65/SF. While higher quality locations are getting bid up by developers, there are a very limited number of small parcels sold. Several of 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 \$1.35/SF to \$1.65/SF.

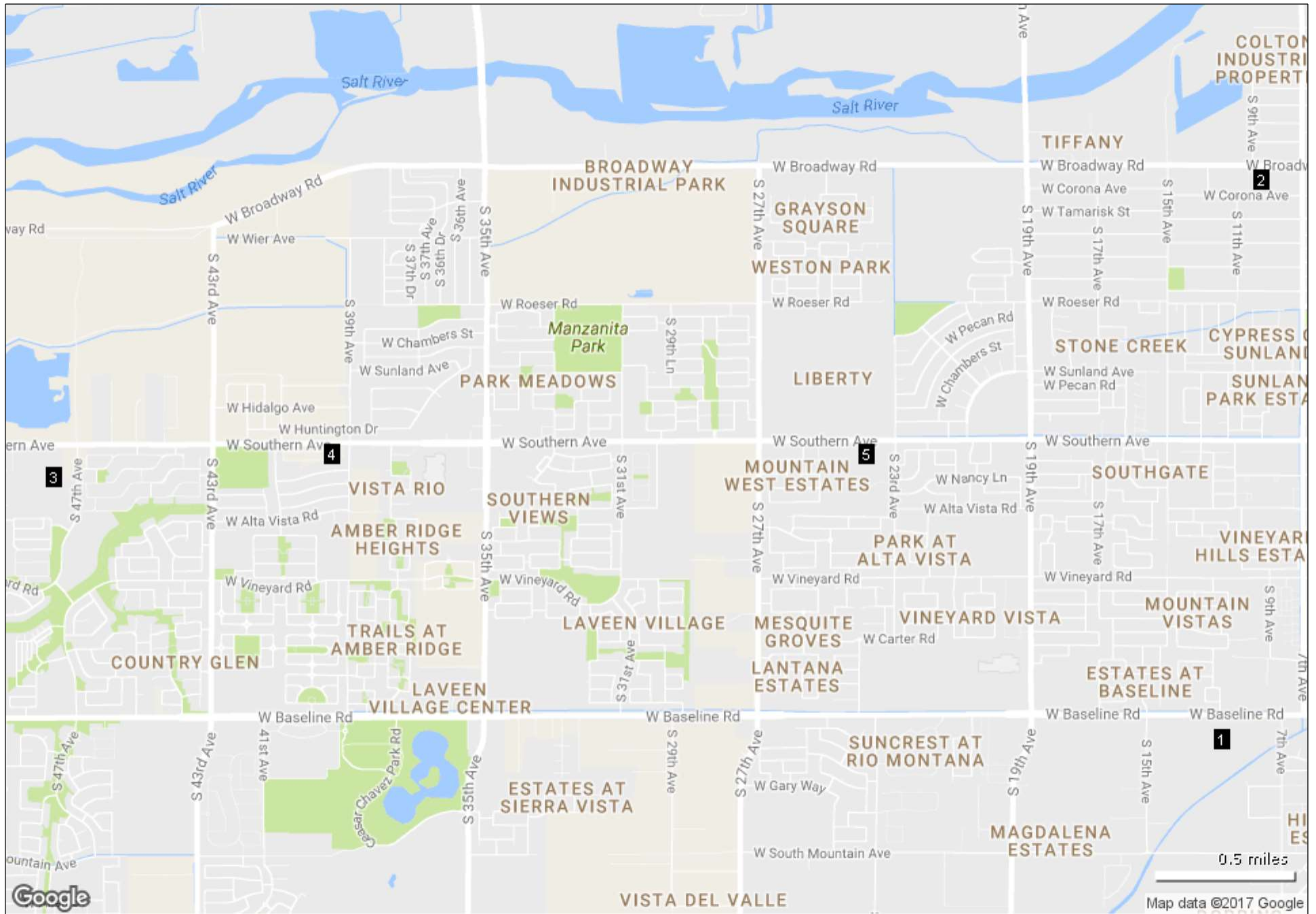
Summary:

Sales Comparable Approach:

Using this method we value the parcel at **\$355,750 - \$434,900**

This price is based on:

- Time slotted for zoning process
- Quality credit buyer
- Accounting for easement



1031 W Baseline Rd

Phoenix, AZ 85041

**Residential Land of 9.39 AC Sold on 6/10/2016 for \$650,000 -
Research Complete**

buyer

Vega Group Investment LLC
24904 N 80th Ln
Peoria, AZ 85383

seller

Dennis L Watanabe
PO Box 11491
Tempe, AZ 85284

vital data

Sale Date:	6/10/2016	Sale Price:	\$650,000
Escrow/Contract:	-	Status:	Affidavit
Days on Market:	-	Down Pmnt:	-
Exchange:	No	Pct Down:	-
Conditions:	-	Doc No:	0406130
Density:	-	Trans Tax:	-
Max No of Units:	-	Corner:	No
Price/Unit:	-	Topography:	Level
Lot Dimensions:	-	Improvements:	-
Frontage	332 feet on W Baseline Rd	Off-Site Improv:	Cable, Curb/Gutter/Sidewalk, Electricity, S:1
Comp ID:	3625499	Zoning:	S:1
		Submarket:	Southwest Phoenix
		Map Page:	-
		Parcel No:	300-48-010A
		Property Type:	Land
		Proposed Use:	-

income expense data

Expenses	- Taxes	\$17,429
	- Operating Expenses	
	Total Expenses	\$17,429
Gross	Net	
Acres: 9.39 AC	-	
Price/Acre: \$69,222.58	-	
SF: 409,028 SF	-	
Price/SF: \$1.59	-	

Listing Broker

Buyer Broker

financing

941 W Broadway Rd

Phoenix, AZ 85041

Residential Land of 4.62 AC Sold on 8/24/2015 for \$230,000 - Public Record

buyer

Coroua Townhomes Llc
6501 Crown Blvd
San Jose, CA 95120

seller

Res-az Five Llc

vital data

Sale Date: **8/24/2015**
 Escrow/Contract: -
 Days on Market: -
 Exchange: **No**
 Conditions: -
 Density: -
 Max No of Units: -
 Price/Unit: -
 Lot Dimensions: -
 Frontage: **396 feet on Broadway**
 Comp ID: **3375320**

Sale Price: **\$230,000**
 Status: -
 Down Pmnt: -
 Pct Down: -
 Doc No: **0612812**
 Trans Tax: -
 Corner: **No**
 Topography: **Level**
 Improvements: -
 Off-Site Improv: **Sewer, Water**
 Zoning: **R-5**
 Submarket: **Southwest Phoenix**
 Map Page: -
 Parcel No: **105-57-043**
 Property Type: **Land**
 Proposed Use: **MultiFamily**

income expense data

Expenses	- Taxes	\$5,056
	- Operating Expenses	
	Total Expenses	\$5,056
Gross	Net	
Acres: 4.62 AC	-	
Price/Acre: \$49,738.33	-	
SF: 201,429 SF	-	
Price/SF: \$1.14	-	

Listing Broker

Buyer Broker

financing

Southern Ave @ 35th Ave

Laveen, AZ 85339

**Residential Land of 14.83 AC Sold on 1/1/2015 for \$653,726 -
Research Complete**

buyer

Peterson Group**(604) 688-4885**

seller

Townline Laveen Llc

vital data

Sale Date: **1/1/2015**
 Escrow/Contract: -
 Days on Market: -
 Exchange: **No**
 Conditions: -
 Density: -
 Max No of Units: -
 Price/Unit: -
 Lot Dimensions: -
 Frontage: -
 Comp ID: **3200362**

Sale Price: **\$653,726**
 Status: **Affidavit**
 Down Pmnt: **\$653,726**
 Pct Down: **100.0%**
 Doc No: **0858410**
 Trans Tax: -
 Corner: **No**
 Topography: **Level**
 Improvements: -
 Off-Site Improv: **Cable, Curb/Gutter/Sidewalk, Electricity, M-L**
 Zoning: -
 Submarket: **Southwest Phoenix**
 Map Page: -
 Parcel No: **104-78-009 [Partial List]**
 Property Type: **Land**
 Proposed Use: **Single Family Development**

income expense data

	Gross	Net
Acres:	14.83 AC	14.83 AC
Price/Acre:	\$44,096.19	\$44,096.19
SF:	645,777 SF	645,777 SF
Price/SF:	\$1.01	\$1.01

Listing Broker

Buyer Broker

financing

3939 W Southern Ave

Phoenix, AZ 85041

Commercial Land of 1.35 AC Sold on 10/14/2016 for \$90,000 - Public Record

buyer

**Rogelio M Torres
7600 W Olive Ave
Peoria, AZ 85345**

seller

Scottsdale Manufactured Hm

vital data

Sale Date:	10/14/2016	Sale Price:	\$90,000
Escrow/Contract:	-	Status:	-
Days on Market:	-	Down Pmnt:	-
Exchange:	No	Pct Down:	-
Conditions:	-	Doc No:	0756103
Density:	-	Trans Tax:	-
Max No of Units:	-	Corner:	No
Price/Unit:	-	Topography:	-
Lot Dimensions:	-	Improvements:	-
Frontage:	-	Off-Site Improv:	Cable, Curb/Gutter/Sidewalk, Electricity, C:C
Comp ID:	3734173	Zoning:	Southwest Phoenix
		Submarket:	Southwest Phoenix
		Map Page:	-
		Parcel No:	105-90-092D
		Property Type:	Land
		Proposed Use:	-

income expense data

Expenses	- Taxes	\$3,944
	- Operating Expenses	
	Total Expenses	\$3,944
Gross	Net	
Acres: 1.35 AC	1.35 AC	
Price/Acre: \$66,666.67	\$66,666.67	
SF: 58,806 SF	58,806 SF	
Price/SF: \$1.53	\$1.53	

Listing Broker

Buyer Broker

financing

SW Southern Ave & 23rd Ave
 Phoenix, AZ 85041
Residential Land of 13.94 AC Sold on 11/19/2015 for \$1,000,000
- Research Complete

buyer

Venkata Sanjit Tayi
6609 W Brookhart Way
Phoenix, AZ 85083
(623) 266-3146

seller

Cason Tyler Communities
5108 N 40th St
Phoenix, AZ 85018
(602) 957-1799



vital data

Sale Date: 11/19/2015	Sale Price: \$1,000,000
Escrow/Contract: 90 days	Status: Confirmed
Days on Market: -	Down Pmnt: \$250,000
Exchange: No	Pct Down: 25.0%
Conditions: -	Doc No: 0828756
Density: -	Trans Tax: -
Max No of Units: -	Cornet: No
Price/Unit: -	Topography: Level
Lot Dimensions: -	Improvements: R-2 Zoned Acreage
Frontage: -	Off-Site Improv: Cable, Curb/Gutter/Sidewalk, Electricity, R-2, Phoenix
Comp ID: 3443229	Zoning: R-2, Phoenix
	Submarket: Southwest Phoenix
	Map Page: Wide World of Maps, Inc. 147-162LZ
	Parcel No: 105-86-002U [Partial List]
	Property Type: Land
	Proposed Use: MultiFamily

income expense data

Expenses	- Taxes	\$5,655
	- Operating Expenses	
	<u>Total Expenses</u>	\$5,655
Gross	Net	
Acres: 13.94 AC	13.94 AC	
Price/Acre: \$71,720.06	\$71,736.01	
SF: 607,361 SF	607,226 SF	
Price/SF: \$1.65	\$1.65	

Listing Broker

No Listing Broker on Deal

Buyer Broker

No Buyer Broker on Deal

financing

1st Seller
 Bal/Pmt: **\$750,000**

prior sale

Date/Doc No: **3/30/2010**
 Sale Price: **\$382,000**
 CompID: **1898751**