

# North Carolina Department of Transportation-Right of Way Unit REVIEW CERTIFICATION

TIP/Parcel No.: EB-5514/NA      WBS Element: 50030.3.1      County: Durham

Owner(s): Michelle Anne Ripple      FedAid Project: ?

I HEREBY CERTIFY THAT, to the best of my knowledge and belief the facts and data reported by me and used in the review process are true and correct.

I understand that this estimate of value is to be used in connection with a highway project and/or NCDOT Real Estate transaction.

The analyses, opinions, and conclusions in this **Review Report** are limited only by the critical assumptions and limiting conditions stated in this **Review Report** and are my personal, unbiased professional analyses, opinions, and conclusions.

I have no direct or indirect, present or prospective interest in the subject property or in any benefit from the acquisition of the subject property and I have no personal interests or bias with respect to the parties involved.

I have , have not , performed \_\_\_\_\_ appraisal and \_\_\_\_\_ other services as an appraiser or any other capacity, regarding the property that is the subject of this appraisal within the three year period immediately preceding acceptance of this assignment.

My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this **Review Report**.

My estimate of the value of all items which are Compensable under State law but not eligible for Federal Aid reimbursement is \$ 0

I personally inspected the subject parcel. I did  did not  personally inspect all sales/rentals considered to be comparable to the subject parcel.

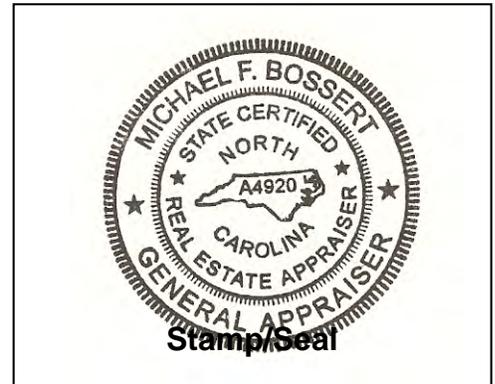
My analyses, opinions, and conclusions were developed and this **Review Report** was prepared in compliance with **NCDOT Real Estate Appraisal Standards and Legal Principles** and the **Uniform Standards of Professional Appraisal Practice**. The appraisals in this assignment are to be made in accordance with all of the requirements set out in the **NCDOT Real Estate Appraisal Standards and Legal Principles** and the **Uniform Standards of Professional Appraisal Practice** and shall also comply with all applicable **Local, State, and Federal** laws, ordinances, regulations, restrictions and/or requirements; and any additions, revisions and/or supplements thereto. No one provided me with significant professional assistance with this **Review Report**.

My opinion of the difference, if any, in the "Market Value" of the entire tract **Before the Acquisition** and the "Market Value" of the remaining property immediately **After the Acquisition** is \$ 3,700, as allocated:

### Allocation

Right Of Way	\$	<u>2,800</u>
Permanent Easements	\$	<u>0</u>
Temporary Easements	\$	<u>900</u>

Total Value of Land Acquired	\$	<u>3,700</u>
Value of Improvements Acquired	\$	<u>0</u>
Damage to Remainder	\$	<u>0</u>
Benefits to Remainder	\$	<u>0</u>
<b>DIFFERENCE</b>	\$	<u>3,700</u>



*M F Bossert*

\_\_\_\_\_  
May 20, 2015  
DATE OF CERTIFICATION

\_\_\_\_\_  
**REVIEW APPRAISER**  
\_\_\_\_\_

Un-Economic Remnant to the Owner is a Factor  Yes  No  
Area                                      Amount      \$

### Administrative Approval

\_\_\_\_\_  
*M F Bossert*  
APPROVED BY:

\_\_\_\_\_  
May 20, 2015  
DATE:

# Certification Addendum

- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal 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.
- As of the date of this report, I have completed the continuing education program for Designated Members of the Appraisal Institute.

BEFORE AND AFTER APPRAISAL OF

A CONVERTED DWELLING

LOCATED AT

3033 UNIVERSITY DRIVE  
DURHAM, NORTH CAROLINA

AS OF

APRIL 29, 2015

FOR

AMY SEARS  
REAL ESTATE OFFICER  
CITY OF DURHAM  
2011 FAY STREET  
DURHAM, NC 27704

BY

DAVID A. SMITH, MAI, SRA  
POST OFFICE BOX 51597  
DURHAM, NORTH CAROLINA 27717-1597

## **PART ONE - INTRODUCTION**



# DAVID A. SMITH, MAI, SRA

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PHONE (919) 493-1534  
smithappraiser@frontier.com



April 30, 2015

Amy Sears  
Real Estate Officer  
City Of Durham  
2011 Fay Street  
Durham, NC 27704

Ms. Sears:

As requested, I have inspected and appraised a parcel of real estate located at 3033 University Drive in Durham, North Carolina. At time of inspection, the property was a 0.231 acre parcel improved with a 1,700 square foot converted dwelling and related on-site improvements

The purpose of the appraisal is to develop an opinion of the market value, as defined, of the fee simple estate of the property if placed for sale on the open market both before and after part of the property is acquired by the City of Durham for a sidewalk. The intended use of the appraisal is to assist in negotiations for purchase of part of the property. The intended users of this report are officers and employees of the City of Durham.

As requested, a standard appraisal report has been prepared.

The property was inspected on April 29, 2015 and this is the effective date of this appraisal. The effective date of this report is April 30, 2015. I made all necessary investigations and analyses. Based on an inspection of the property, an analysis of data gathered and facts and conclusions as contained in the following report of 48 pages, and subject to the assumptions and limiting conditions as stated, it is my opinion that the market values of the property as of April 29, 2015 are:

Value Before Acquisition	\$115,200
Value After Acquisition	\$111,500
Difference	\$ 3,700

This value does not include any personal, non-real property or equipment. It also does not include the business value of any operations that may be associated with the property.

I certify that I have personally inspected the property. I further certify that I have no interest either present or contemplated in the property and that neither the employment to make the appraisal nor the compensation is contingent upon the amount of valuation reported.

Respectfully submitted,

*David A. Smith*

David A. Smith, MAI, SRA  
NC State-Certified General Real Estate Appraiser #A281



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**CERTIFICATION OF VALUE**

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, impartial, and unbiased professional analyses, opinions, and conclusions.

I 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.

I have performed no services, as an appraiser or in other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

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 *Uniform Standards of Professional Appraisal Practice*.

I have made a personal inspection of the property that is the subject of this report.

No one provided significant real property appraisal assistance to the person signing this certification.

The reported analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and the Standards of Professional Appraisal 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.

As of the date of the report, I have completed the continuing education program of the Appraisal Institute.

This appraisal assignment was not made, nor was the appraisal rendered on the basis of a requested minimum valuation, specific valuation, or an amount, which would result in approval of a credit transaction.



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David A. Smith, MAI, SRA

**SUMMARY OF IMPORTANT CONCLUSIONS**

Location: 3033 University Drive  
Durham, North Carolina

Report type: Standard appraisal report

Extraordinary assumptions or hypothetical conditions: That the sidewalk is in place

Date of the report: April 30, 2015

Effective date of the appraisal: April 29, 2015

Type property: Commercial Dwelling

Property ownership: Michelle Anne Ripple

Purpose of the appraisal: To develop an opinion of the market value, as defined, of the fee simple estate of the property if placed for sale on the open market both before and after part of the property is acquired by the City of Durham

Land Area: 0.231 acre

Building Area: 1,700 Square Feet

Year Built: 1940

Tax Parcel Reference Number: 123184

Zoning: CN(D) – Commercial Neighborhood with development plan

Highest and best use as though vacant: Commercial

Highest and best use as improved: As improved, Commercial

**OPINIONS OF VALUE:**

Value Before Acquisition	\$115,200
Value After Acquisition	\$111,500
Difference	\$ 3,700

## **SCOPE OF WORK**

Scope of work is the most critical decision in an appraisal assignment. Appraisal assignments are really about finding a solution to a particular problem. They answer a question usually involving an opinion of value. Scope of work is divided into three major steps: identify the problem to be solved, determine the solution and perform the scope of work necessary to develop credible assignment results and disclose the scope of work in the report. Following is the disclosure of the scope of work.

Identify the problem involves six key elements as follows:

- 1) Client and any other intended users
- 2) Intended use of the appraiser's opinion and conclusions
- 3) Type and definition of value
- 4) Effective date of the appraiser's opinion and conclusions
- 5) Subject of the assignment and its relevant characteristics
- 6) Assignment conditions

For the subject, the client, The City of Durham, is the intended user. The intended use is to assist in negotiations for sale of part of the property for a sidewalk and the value requested is the fee simple estate. The effective date of this appraisal is April 29, 2015 and the date of the report is April 30, 2015. The subject of the assignment is a former dwelling converted to commercial use located at 3033 University Drive in Durham, North Carolina. There are no atypical assignment conditions. This information was from the client.

To determine the solution and perform the scope of work necessary to develop credible assignment results, I gathered information about the property and the real estate market. Information about the property was provided by the owner, Michelle Ripple, and the City of Durham. I inspected the property on April 29, 2015 alone. Public records were researched for tax, deed, plat, zoning, topographical, floodplain information and an aerial view of the site. Area

and neighborhood information was gathered from a variety of sources including the chamber of commerce, visitor's center and city and county websites.

Information about the real estate market was gathered from local and national multiple listings services, and surveys, public records and information from appraisers, brokers, property managers, buyers, seller and other associated with real estate. From the information gathered, a highest and best use is selected and appropriate valuation techniques selected. The highest and best use of the property before the acquisition is for continued use as commercial. An opinion of the fee simple value is developed using two of the three standard approaches to value. From these values, a final opinion of value is selected. The highest and best use after the acquisition is for continued use as commercial. This value is developed using the cost approach. From these indications, the effect on value can be determined.

**PART TWO – PREMISES OF THE APPRAISAL**

## STATEMENT OF COMPETENCE

I have completed all of the requirements to become a state certified-general appraiser for the State of North Carolina and all of the requirements for the MAI designation. In addition I have successfully completed USPAP courses and continuing education seminars for over thirty years. More detailed information about these courses and seminars are in the qualifications section of this report. I have appraised a variety of properties including those of a similar type to the subject and feel competent to appraise the subject property.

## IDENTIFICATION OF TYPE OF APPRAISAL AND TYPE OF REPORT

The client requested a standard appraisal report. The most recent *Uniform Standards of Professional Appraisal Practice* (USPAP) is for 2014 - 2015. This allows for two types of written appraisal reports: appraisal report and restricted appraisal report.

Generally appraisal reports are used. A restricted appraisal report is prepared when the intended user does not need the level of information required in an appraisal report and when the client is the only intended user.

## EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

An extraordinary assumption is 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. A hypothetical condition is 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 the analysis. Either of these may affect value. One value assumes that the sidewalk is in place. No other extraordinary assumptions or hypothetical conditions are made.

**GENERAL ASSUMPTIONS AND LIMITING CONDITIONS**

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

1. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
5. All engineering studies are assumed to be correct. The plot plans and illustrative material in this report are included only to help the reader visualize the property.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
7. It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described and considered in the appraisal report.
8. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a non-conformity has been identified, described, and considered in the appraisal report.

9. It is assumed that all required licenses, certificates of occupancy, consents and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in this report is based.

10. It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

11. It is assumed that there are no structural problems with the buildings and that all of the systems (HVAC, electric, plumbing, etc.) are in good working order unless otherwise stated.

12. Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on or in the property, were not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, lead paint, mold, and other potentially hazardous materials may affect the value of the property. The opinion of value is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

13. I have researched the property for zoning, zoning overlays and other restrictions from the state and local authorities. This appraisal assumes that all of these restrictions have been considered in the valuation of this report. If any additional restrictions are discovered, the value may need to be adjusted.

14. The subject property may also be subject to tree protection and tree coverage, stream buffers, reservoir buffers, steep slopes buffers, wetland protection, Neuse or Cape Fear River basin regulations or inventory of natural areas and rare species. For purposes of this appraisal, none of these items affect the value of the property unless otherwise stated.

15. The land description is based on a survey referred to in the deed. This survey is entitled "Property of S. L. Hunt" and is dated February, 1941. This is assumed to be the correct description of the property and a copy of the survey is in the land description section.

16. The improvements description is based on a personal inspection of the property, public records and information supplied by the owner. I was unable to make an interior inspection of the building and this appraisal assumes that the interior is in fair to poor condition similar to the exterior. I assume that the area of the building is 1,700 square feet. For purposes of this appraisal, this is assumed to be correct.

This appraisal has been made with the following general limiting conditions:

1. Any allocation of the total opinion of value in this report between the land and improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication.
3. The appraiser by reason of this appraisal is not required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.
4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales or other media without the prior written consent and approval of the appraiser.
5. In estimating the value of the subject property, a computer was used to calculate some of the value indications. For display purposes, these calculations are generally rounded off to the nearest dollar or the nearest 100th of a percent on the calculation pages. The computer, however,

retains considerably more significant digits and the result is that some of the calculations appear to be off by small amounts. These amounts are, however, more accurate since they reflect more precise amounts internal to the computer. These amounts are not rounded off at each stage since doing so could result in a significant rounding error at the end of all the calculations.

6. Definitions used in this report have been taken from *The Dictionary of Real Estate Appraisal*, 4th ed., published by the Appraisal Institute, copyright 2002.

7. Any opinions of value provided in the report apply to the entire property, and any proration or division of the total into fractional interests will invalidate the value reported, unless such proration or division of interests has been set forth in the report.

8. 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.

9. The Americans with 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.

10. Unless otherwise stated in this report, the value reported is not a fractional interest, physical segment or partial holding.

## **PURPOSE, INTENDED USE AND INTENDED USERS OF THE APPRAISAL**

The purpose of the appraisal is to develop an opinion of the market value, as defined, of the fee simple estate of the property if placed for sale on the open market both before and after part of the property is acquired by the City of Durham. The intended use of the appraisal is to assist in negotiations for the sales of part of the property. The intended users of the report are officers and employees of The City of Durham.

## **DEFINITION OF VALUE**

The opinion of value in this appraisal is the market value. The definition of market value is that used by federally regulated financial institutions. I found this definition on page A-105 of the *2014-2015 Uniform Standards of Professional Appraisal Practice (USPAP)*. This definition is as follows:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;

4. payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. 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.

#### **DATE OF THE REPORT AND OPINIONS OF VALUE**

The effective date of the opinion of value is April 29, 2015. The date of the report is April 30, 2015.

#### **PROPERTY RIGHTS APPRAISED**

The ownership interest appraised is that of Michelle Anne Ripple who owns the property according to public records. The property is leased to a tenant on a short term basis and the property rights of Ms. Ripple is essentially the fee simple interest. The definition of fee simple as used in this report is:

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.

## **PART THREE – PRESENTATION OF DATA**

### **IDENTIFICATION OF THE PROPERTY**

The subject is identified as a dwelling converted to commercial use located at 3033 University Drive in Durham, North Carolina. According to public records, it is owned by Michelle Anne Ripple. The tax parcel number for the property is 123814.

### **IDENTIFICATION OF ANY PERSONAL OR NON-REALTY PROPERTY**

The value reported does not include any personal or non-realty property. It also does not include the business value of any operations that may be associated with the property.

### **HISTORY OF THE PROPERTY**

According to public records, the property is owned by Michelle Anne Ripple. She received the property in on January 7, 1994 according to a deed recorded in deed book 1937, page 826. This deed was from Pamela Sue Ripple and there were no revenue stamps on the deed.

I am not aware of any more recent transfers of the property and it is not for sale on the open market.

### **AREA DESCRIPTION**

There are four basic forces that influence value: environmental, economic, governmental, and social. Since these forces are broader than the property or neighborhood itself, they must be considered on a regional and citywide basis.

**Environmental Forces:** The subject is located in the City of Durham in Durham County, North Carolina. Durham County is located in the Piedmont area of the state approximately equal distance from the Appalachian Mountains and the Atlantic Ocean. The county is also in the northern area of

the Piedmont with only one county between it and the Virginia State line. A location map of the area is on the following page.

The city is the only municipality in the county and is the county seat. Durham County has a population of 284,587 of which 244,704 live in the city. Durham is the fourth-largest city in the state, and the 85th-largest in the United States by population. Durham is part of the four-county Durham-Chapel Hill Metropolitan Area which has a population of 522,826 as of U.S. Census 2012 Population Estimates. The US Office of Management and Budget also includes Durham as a part of the Raleigh-Durham-Chapel Hill Combined Statistical Area, which has a population of 1,998,808 as of U.S. Census 2012 Population Estimates. Population in Durham has been increasing at a rate of about 2.5% per year. This trend is expected to continue.

Durham is classified as a subtropical climate with warm and humid summers, cool winters, and mild spring and autumn. The average high temperature is 70 degrees and the average low is 48. Durham receives an average of 48 inches of precipitation per year including an average of 6.8 inches of snow which usually melts within a few days.

Major routes of access through the county are Interstates 85 and 40. I-85 crosses east to west through the center of the county and passes through the northern portion of the city. It continues northward to Petersburg, Virginia and points north and westward to Greensborough, Charlotte, and points south. I-40 enters the county from the southwest near Chapel Hill and continues southeast to the Research Triangle Park, the Raleigh-Durham International Airport, and Raleigh before terminating at Wilmington on the coast. To the west it leads to Greensborough, Winston-Salem, and points west.

Also passing through the county are US Highways 15, 501, and 70. US 15 and 501 together enter the county at the southeast near Chapel Hill. About three miles into the county, they split into business and bypass. Business continues to downtown Durham and the Bypass leads northward where it connects with I-85. US 15/501 Business is one of the busiest commercial areas in Durham.



US 501 separates from I-85 at Roxboro Road and continues to that town. US 15 continues with I-85 northward out of the county.

US 70 enters the county from the west near I-85. US 70 Bypass joins with I-85 about three miles from the county line and continues with this interstate through most of the city. Near the city limits on the east side it separates and continues eastward to Raleigh. The business portion of US 70 leads through downtown before joining up with the bypass east of town. Together, I-85, US 15/501 Bypass, and US 70 Bypass form a controlled access loop around the northern three quarters of the city.

There are also five North Carolina highways passing through the county. NC 147 is controlled access and connects I-85 and US 15/501 Bypass with I-40 in the Research Triangle Park. This highway also provides a direct link to downtown from I-85, I-40, and the Research Triangle Park. NC 98 leads eastward from downtown, NC 55 and NC 751 lead southward from downtown and NC 157 leads northward. NC 54 crosses the southern portion of the county roughly parallel to I-40.

Land development to the southeast is restricted by the Research Triangle Park (RTP) which, by state law, cannot be annexed by a municipality. To the south, there is limited expansion potential due to the B. Everett Jordan Lake. To the southwest, Chapel Hill and Durham are already contiguous at several points and the remaining land is rapidly developing. To the northeast is another Corps of Engineers lake, Falls of the Neuse Lake and its watershed is protected as a drinking source for Wake County. However, there is potential for growth to the east and north with large amounts of undeveloped land available.

**Economic Forces:** The city of Durham began as an industrial center for tobacco and textiles in the early 1900's. It is now the fourth largest city in North Carolina. The major employer in the county according to the Greater Durham Chamber of Commerce is Duke University and Medical Center which employs 33,750.

Of the other top 15 employers in the county, seven are located in the Research Triangle Park (IBM with 10,000, GlaxoSmithKline with 4,500, Research Triangle Institute with 2,200, Cree with 2,000, Quintiles with 1,500, National Institute of Environmental Health Sciences with 1,400 and the U.S.

Environmental Protection Agency with 1,400, three are governmental (Durham Public Schools with 5,440, Durham City Government with 2,336, and Durham County Government with 1,700) and two are health related (Blue Cross/Blue Shield with 2,43768, and the Veteran Administration Medical Center with 2,162). The others are Fidelity Investments with 1,800 and North Carolina Central University with 1,435. This clearly shows how Durham has moved away from manufacturing and has developed into what is called a "white smock" economy.

Durham promotes itself as "The City of Medicine" since health care is the county's largest employment cluster. Over 30% of the work force is engaged in health related occupations. The physician to population ratio is almost 4.5 times the national average and the bed to population ratio is twice the national average.

There are six hospitals in the county and patients come from all over the country and world to be treated at these centers. Duke University Hospital and Medical Center is the best known and most highly regarded. It is considered one of the top ten hospitals in the country and has a medical school and various research programs in addition to its hospital. The Veterans Administration Medical Center, located near Duke provides general medical and surgical services to veterans from a four state area. Duke Regional Hospital a general-services hospital that is was previously a county owned facility is now part of the Duke University Health System. Duke Children's Hospital & Health Center is a hospital providing healthcare for children from birth through young adulthood. North Carolina Specialty Hospital is a private eye, ear, nose, and throat hospital, and Lenox Baker Children's Hospital provides medical treatment and rehabilitation for children with special problems from around the state.

The Research Triangle Park contains almost 7,000 acres mostly in Durham County. It is home to more than 170 companies which employ 39,000 full time workers and 10,000 contract workers in a variety of industries. It currently has more than 22.5 million square feet of developed space and is home to many of the major employers in the area.

"The Park" as it is also known is limited to organizations engaged in research, development, and scientifically oriented production. The Park is designed to encourage these industries, but also

places strict requirements on development. Each site must be at least eight acres in size. Much of the site cannot be improved and must be left natural. The result has been highly successful and many corporations and government agencies have facilities in the Park.

Education also plays an important economic role in Durham. As stated, Duke University is the leading employer in Durham. Also in Durham is North Carolina Central University (NCCU) and Durham Technical College. Duke has an annual student enrollment of about 6,495 undergraduate and 8,105 graduate and professional students. NCCU was the first state supported liberal arts college in the nation for African American. Enrollment is about 8,359 students. Durham Technical Community College offers vocational and technical career programs for the community. It is one of the most highly regarded community colleges in the state with an enrollment of about 8,124 students.

Durham is also home to the North Carolina School of Science and Mathematics. This school was set up to help gifted junior and senior high school students from across the state who show strong interest and potential in the areas of science and mathematics. There are currently 680 students who live at the school and attend classes. The result has been tremendous with a greater percentage of students becoming National Merit Scholar semifinalists than any other high school in the country.

The area is served by an international airport, Raleigh-Durham International Airport (RDU). The airport is located in southwestern Wake County near the Durham County line. The airport serves about 4.5 million passengers annually which makes it the 37<sup>th</sup> busiest airport in the country. The airport handles on average about 352 arrivals and departures daily from 8 major carriers.

According to the North Carolina Department of Commerce, the per median household income in Durham County is about \$46,440.

The stability of the universities, the hospitals, and the Research Triangle Park contribute to a stable economy for the area in general and Durham in particular. Unemployment has consistently been below the state and the nation and is currently about 7.5%.

**Governmental Forces:** Durham City and County most directly influence real estate values by way of real estate taxes and zoning. Taxes are moderate and should not have an adverse effect on values. Zoning is also moderate with the government allowing zoning provided it meets what it considers to be its best interest. Neighborhood groups are well organized and have a significant effect on rezoning, but as long as they do not perceive a threat to the neighborhood, they do not oppose changes.

The city is committed to expanding water and sewer and to increasing capacity at existing sewer plants. Natural resources are well protected in Durham with significant restrictions placed on developments in the watershed.

The city and county have also been active in encouraging development in the downtown area. In addition to the performing arts center, a new baseball stadium was constructed for the Durham Bulls AAA team, a downtown hotel/civic center complex was developed to provide a central area for conventions and other community-wide functions, an old historical theater, the Carolina Theater, was renovated and is used for the performing arts. In addition, the city and county also provide incentives to developers willing to build in downtown. The most notable examples are West Village and the American Tobacco complex. Other development is current in the planning stages.

**Social Forces:** Durham has also become a cultural center for the area. The most recent example of this is the Durham Performing Arts Center. This city supported facility is the largest performing arts center in the Carolinas with a seating capacity of 2,712. It hosts over 200 performances a year including touring Broadway productions, high-profile concert and comedy events, family shows and the American Dance Festival. DPAC has the third highest attendance of any theater in the country and the tenth highest in the world. The Carolina Theater is a smaller venue with more specialized performances. It has two movie theaters as well as the renovated stage area with seating for 1,014. It is also one of the top 100 most attended theaters in the country.

Durham also has an arts council, which is housed in the old city hall. The arts council was established to promote excellence of the arts in order to improve the quality of life in the community. It serves as an advocate for the arts to stimulate a variety of cultural opportunities

accessible to the community. This council also produces several events in the area, the most well know is Centerfest, an outside arts festival held annually in the downtown area.

There are several museums and historical sites in Durham. Most notable are the Nasher Museum of Art at Duke University, the North Carolina Museum of Life and Science, the NC Central University Art Museum, Duke Homestead, Bennett Place, Stagville Preservation Center, and West Point on the Eno.

Durham has numerous parks and recreational facilities. There are 57 parks with approximately 1,800 acres in area as well as access to Jordan and Falls lakes which are large enough for most types of water sports. Durham has eight golf courses (4 public and 4 private), and a total of 147 tennis courts (72 public and 75 private).

Duke and NCCU are both active in college athletics and draw large crowds to their basketball and football games. Nearby, the University of North Carolina at Chapel Hill and North Carolina State University in Raleigh have major college athletic programs. These two along with Duke are members of the Atlantic Coast Conference and the rivalries between the three are intense. Durham is also home to the Durham Bulls, a class AAA farm club of the Tampa Devil Rays.

Durham has been identified nationally by many surveys. To name few recent ones it was recognized (along with Raleigh) as part of "10 Up and Coming Cities for Entrepreneurs". The Durham and Chapel Hill MSA was listed at #22 on the "25 Best U.S. Cities for Tech Startups." Durham was recognized as #10 on the "Best Places for Business and Careers 2013." Durham was named 6th out of "America's Top 10 Cities for Small Business" The City of Durham was globally recognized for its economic potential, ranking #2 in the Top 10 Small American Cities of the Future. The Durham-Chapel Hill metro area came in at No. 6 in the nation among the top markets for health and wealth. The area has long been popular due to its climate, relatively low cost of living and high quality of life.

**Summary:** Durham and the Durham MSA have a pleasant climate and more than adequate transportation by way of an extensive road system and airports. It is a major metropolitan area that

attracts national clients. The economy is based on stable industries such as education, medical facilities, and research institutions. The local government is active in trying to protect the community and increase the quality of life. Socially, Durham is a cultural, recreation and sports center for the central part of the state. All of these make Durham an attractive place to live as evidenced by the various surveys.

### **NEIGHBORHOOD DESCRIPTION**

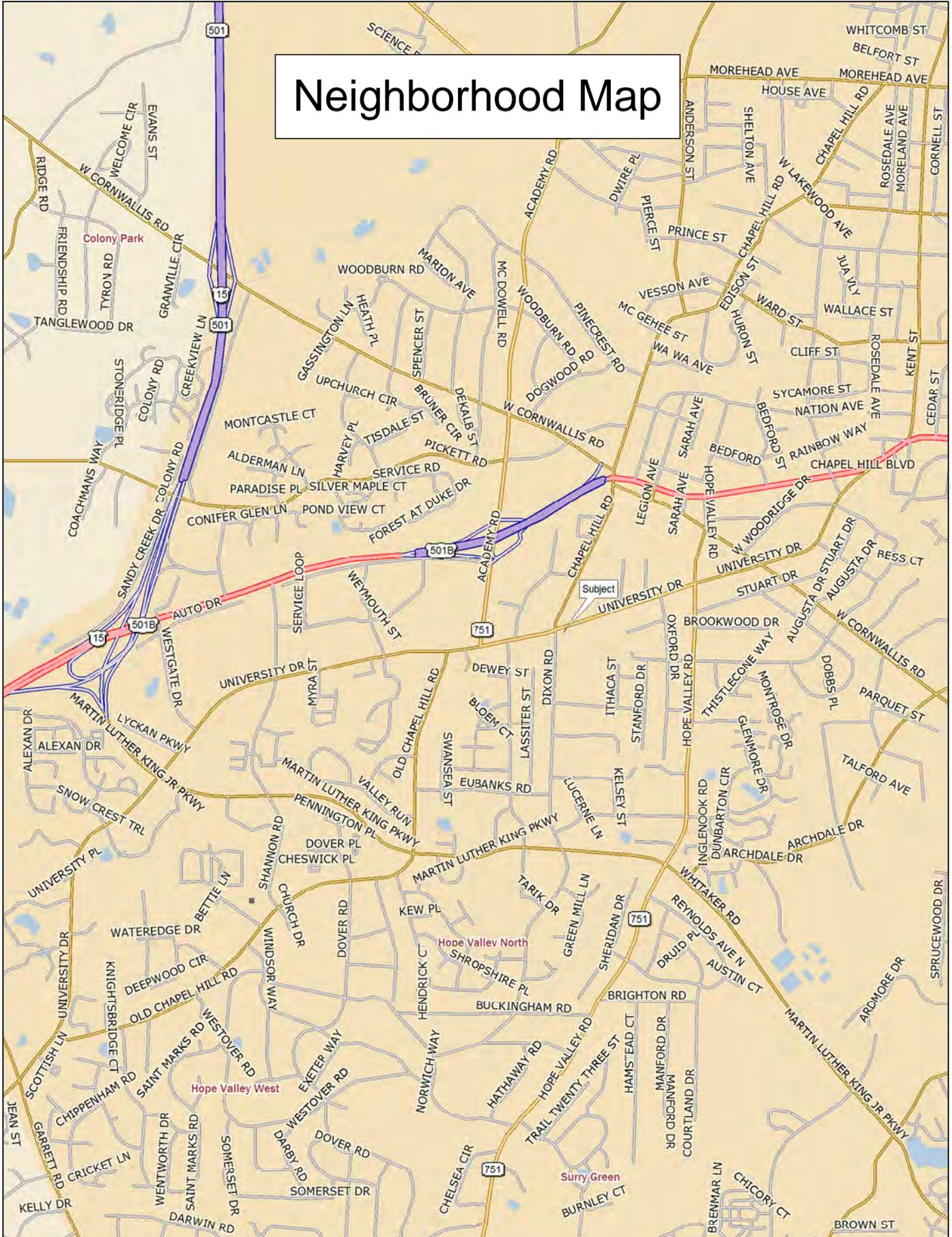
The subject is located within the city limits of Durham, North Carolina about 4 miles southwest of the downtown central business district in an area generally known as South Square. The area is generally bounded by Pickett Road on the north, University Drive and Chapel Hill Road on the south, Academy Road (NC 751) on the east and Garrett Road on the west. A location map for the subject neighborhood is on the following page.

The neighborhood is primarily commercial in nature and is one of the largest concentrations of commercial and office uses outside of the central business district. The primary influence in the neighborhood is South Square. The primary tenants are a Sam's Club and a Target in addition to smaller new retail and restaurants. The total amount of leasable space is 435,486 square feet located in 12 stores.

South Square is surrounded by several other smaller centers, Parkway Plaza, South Square Plaza and Westgate. Together these centers have about 519,000 square feet of area and about 72 stores. Also in the neighborhood are Oakcreek Village on Garrett Road with 112,115 square feet of area in 27 stores and Willow Park Mall with 32,000 square feet of area in a number of stores. In addition to these centers, there are various individual commercial uses along Chapel Hill Boulevard including most of the automobile dealerships in Durham.

There are significant office uses in the neighborhood, the most prominent of which is University Tower. This building is 17 stories in height and has 116,194 square feet of net leasable area. Other large buildings and complexes in the area are Valley View with 54,000 square feet of

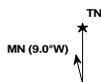
# Neighborhood Map



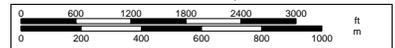
Data use subject to license.

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www.delorme.com



Scale 1 : 25,000



1" = 2,083.3 ft

Data Zoom 13-0

leasable area, South Court with 147,000 square feet, South Park Office Center with 58,494 square feet, One University Place with 45,000 square feet, South Square Corporate Centers I & II with 109,465 square feet, Westgate Plaza with 90,000 square feet, BB&T Plaza with 21,094 square feet of area and Cedar Terrace with 34,350 square feet of area.

The neighborhood is served by the local bus system, but the primary mode of transportation is automobile for which there is ample parking. Pedestrian traffic is light. The area is about 75% built up and development has been taking place at a steady pace. Since the neighborhood is in the city limits, all city utilities are available.

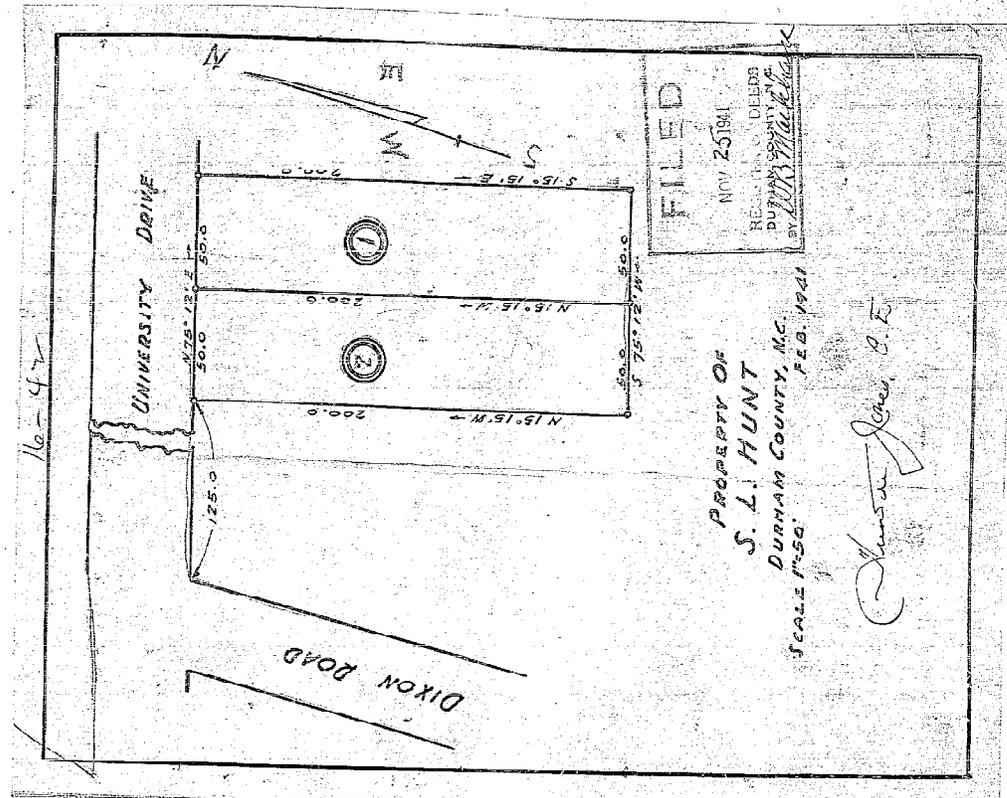
As seen, there are considerable retail, office, and multi-family uses in the area. The neighborhood enjoys a good reputation and is one of the most popular locations in the city. North and south of the neighborhood the uses are primarily upper income residential. To the east are more commercial and residential uses and to the west the area is largely undeveloped.

In conclusion, the neighborhood is one of the most popular locations in Durham. It is a convenient place to live and work since it has the largest concentration of commercial and office uses outside of the central business district. Access to other parts of Durham is good and Duke University is nearby. For these reasons, the neighborhood should remain strong and property values should modestly increase.

### **LAND DESCRIPTION**

The land description is based on a survey referred to in the deed. This survey is entitled "Property of S. L. Hunt" and is dated February, 1941. This is assumed to be the correct description of the property and a copy of the survey is on the following page.

The property is located on the south side of University Drive about 125 feet east of the intersection of Dixon Road. The frontage along University Drive is 50.0 feet and the rear

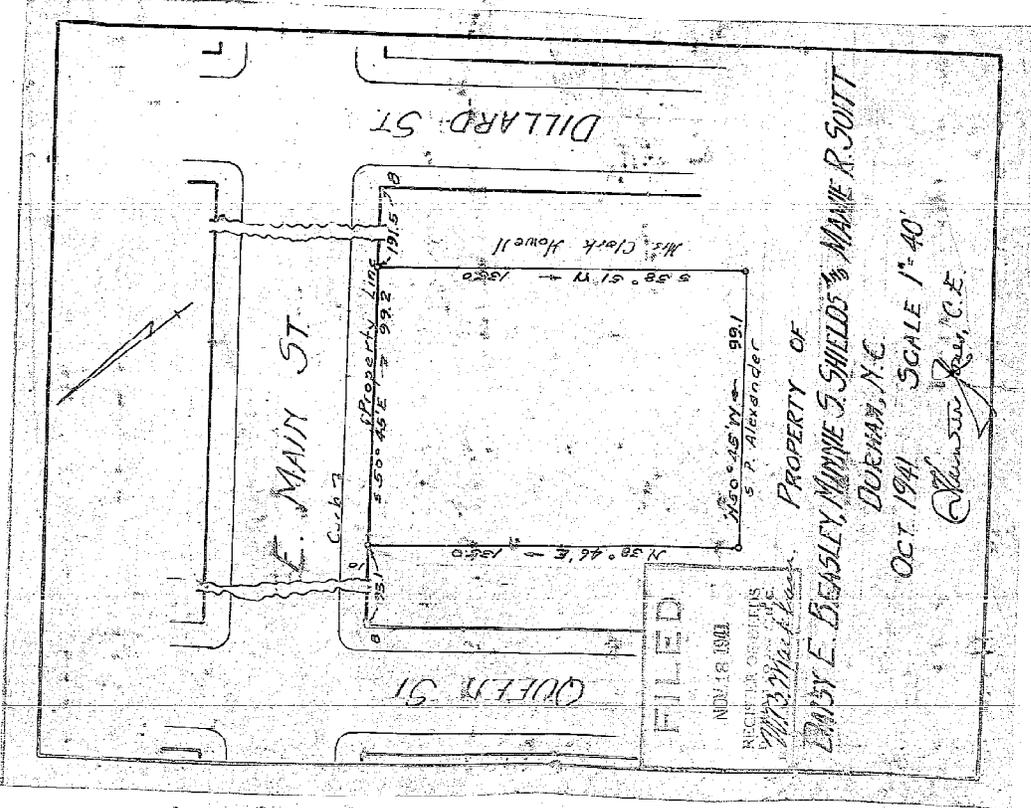


FILED  
 NOV 25 1941  
 REGISTERED DEEDS  
 DURHAM COUNTY, N.C.  
 BY *W. M. Mack*

PROPERTY OF  
**S. L. HUNT**  
 DURHAM COUNTY, N.C.  
 SCALE 1"=50'

*Clayton Jones, C.E.*

16-47



FILED  
 NOV 18 1941  
 REGISTERED DEEDS  
 DURHAM COUNTY, N.C.  
 BY *W. M. Mack*

PROPERTY OF  
**EMILY E. BEASLEY, MINNIE S. SHIELDS & MANIE R. SUTT**  
 DURHAM, N.C.  
 OCT. 1941 SCALE 1"=40'

*Clayton Jones, C.E.*

BK 16

boundary is also 50 feet. The eastern and western boundaries are both 200.00 feet. The area of the site is reported to be 0.231 acre.

The topography of the site is mostly level but is above the grade of University Drive. None of the site is low or in the floodplain. A copy of the GIS map showing the topography and flood plain information is in the addenda.

University Drive at this point is a two lane asphalt surface public street. All public utilities are available.

To my knowledge, there are no easements or encroachments on the site. There are no known adverse soil or sub-soil conditions, nuisances or hazards environmental or otherwise located on the site. If any adverse site conditions exist that I am not aware of, the value as reported may need to be adjusted.

In summary, from a physical standpoint, the site is functional and buildable and suffers from no significant physical attributes that would restrict improvement. It has access to a public street and all municipal utilities are available. There are no known easements or encroachments located on the site.

### **IMPROVEMENTS DESCRIPTION**

The improvements description is based on a personal inspection of the property, public records and information supplied by the owner. I was unable to make an interior inspection of the building and this appraisal assumes that the interior is in fair to poor condition similar to the exterior. For purposes of this appraisal, this is assumed to be correct.

With the exception of some paving, the improvements area unaffected by the acquisition. I measured the first floor of the building and the front porch. I assume that the upper level is

finished and roughly half the size of the lower level. I estimate that the building is 1,700 square feet in size. It has a brick foundation, wood siding walls and asphalt shingle roof cover. The windows are wood double hung with storm windows over. The front door is tinted glass in an aluminum frame. There is a heat pump behind the building.

The building was built in 1940 and is in poor condition. The exterior needs painting and some of the wood siding has deteriorated and needs replacing. The floor of the front porch also needs repair or replacement. Some of the storm windows need reattachment. The roof cover and heat pump appear to be functioning.

To my knowledge, there are no underground fuel tanks, asbestos, lead paint or other hazardous materials on the site or in the improvements. If any such hazards are found, the value as appraised may need to be adjusted. The property has had an environmental study performed and no hazardous materials were reported to be present.

### **TAXES AND ASSESSMENT DATA**

The tax parcel reference number, tax values, tax rate, tax burden and land size from the tax records for the subject are on a chart as follows. Copies of the property tax card is on the following page. The last tax valuation was in 2008 and the next is scheduled for 2016. The tax values and burdens appear to be in line.

Tax Parcel Reference Number	Land Value	Improvement Value	Total	Tax Rate	Tax Burden	Land Size
123814	\$70,374	\$44,135	\$114,509	1.3843	\$1,585.15	0.231

The City of Durham has a storm water utility ordinance that was created “to develop and operate the storm water management program.” Every property in Durham is assessed based on the amount of impervious surface on the property. Non-residential uses must pay \$4.50 per month per 2,400 square feet of impervious surface. Single family residential uses with less than 2,000 square feet of

Durham County, NC  
Assessor of Property

Property Record Card

Owner Name

RIPPLE MICHELLE ANNE

Owner Address

3039 UNIVERSITY DR  
DURHAM , NC  
27707

Location Address

3033 UNIVERSITY DR

GENERAL PROPERTY INFORMATION

Parcel Ref No: 123184  
PIN: 0810-12-77-9285  
Account No: 41640  
Tax District: CNTY-DRHM/CITY-DRHM  
Land Use Code: 483  
Land Use Desc: COM/ CONVERTED RESIDENCE  
Subdiv Code: 0000  
Subdiv Desc: N/A - NO SUBDIVISION  
Neighborhood: 080BH

Legal Description: PROP-HUNT S L/LT#02  
Deed Book & Page: 1937 / 826  
Plat Book & Page: 000016 /  
Last Sale Date:  
Last Sale Price: \$-  
Current Appraised Value: \$114,509 \*

\* The appraised value is the estimated value as of the last general reappraisal, effective January 1, 2008



Year Built: 1940  
Built Use / Style: CONVENTIONAL  
Current Use: RESIDENTIAL  
\*Percent Complete: 100%  
Heated Area (S/F): 1,110  
\*\* Bathroom(s): 1 Full Bath(s) 0 Half Bath(s)  
\*\* Bedroom(s): 3  
Fireplace (Y/N): Y  
Basement (Y/N): N  
Attached Garage (Y/N): N  
Multiple Improvements: 1

Land Market Value: \$70,374  
Land Present Use Value: \$70,374  
Land Total Assessed Value: \$70,374  
Building Value: \$44,135  
Map Acres: 0.231

Appraised Improvement Values

---

**\$44,135**  
Appraised Value as of January 1, 2014

\* Note - As of January 1  
\* \* Note - Bathroom(s), Bedroom(s), shown for description only

Data Disclaimer: All data shown here is from other primary data sources and is public information. Users of the data are hereby notified that the aforementioned public information sources should be consulted for verification of the information contained on this website. While efforts have been made to use the most current and accurate data, Durham County, NC and data providers assume no legal responsibility for the use of the data contained herein.

Please direct any questions or comments about the data displayed here to [tax\\_assessor@dconc.gov](mailto:tax_assessor@dconc.gov) (mailto:tax\_assessor@dconc.gov)

impervious surface pay \$2.17 per month and those with more than 2,000 square feet pay \$4.50 per month. I am not aware of any current or future assessments.

### ZONING AND OTHER LEGAL RESTRICTIONS

According to the Zoning Atlas for the property, it is located in a Commercial Neighborhood (CN) district. It is also located in the Suburban Tier. According to the Unified Development Ordinance (UDO),

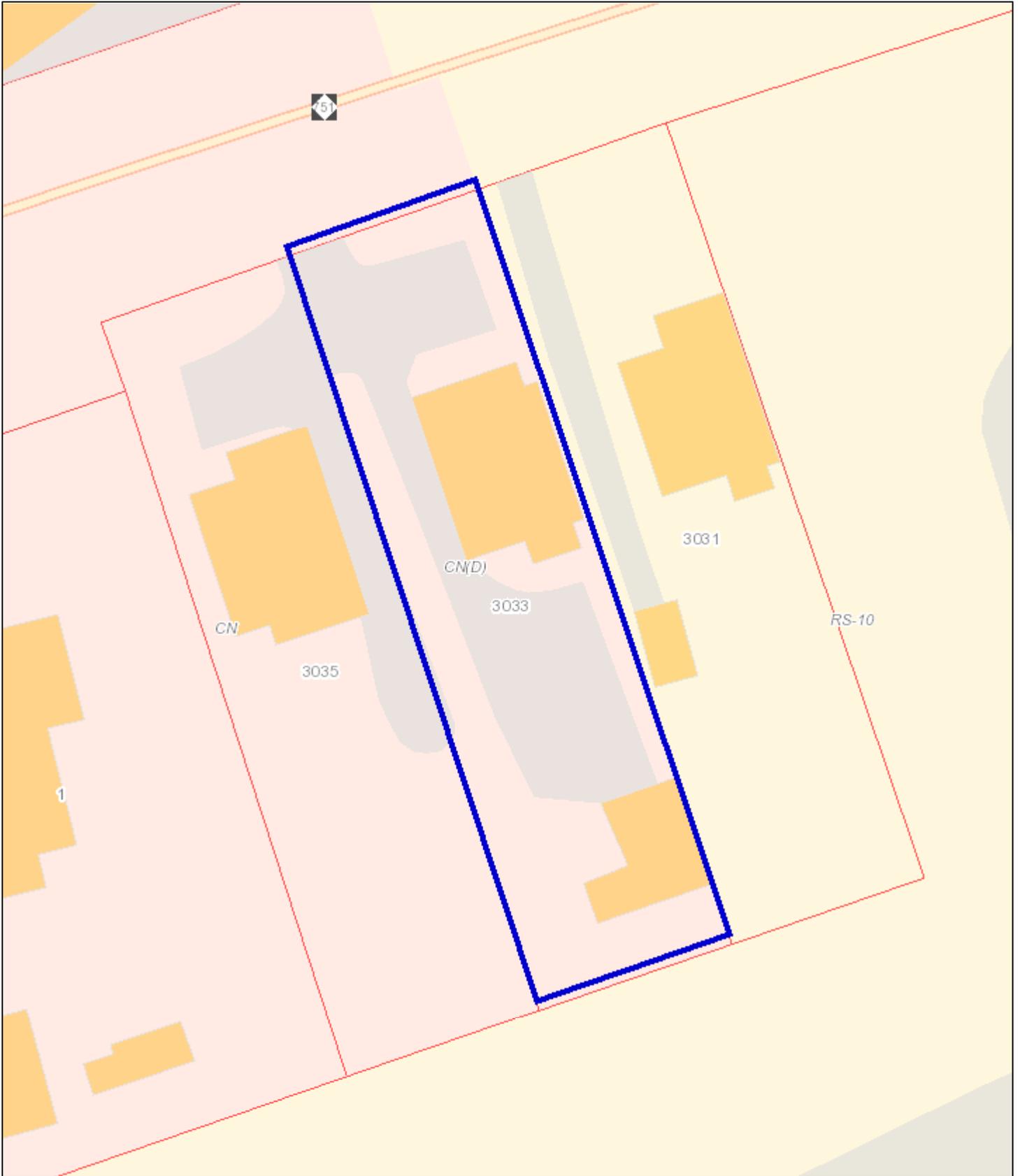
The CN District is established to provide for modest-scale commercial centers (as defined in Article 6) in close proximity to residential areas that offer limited commercial uses to satisfy the needs of the surrounding neighborhood. Compatibility is facilitated through design standards and buffering that provide for walkable, pedestrian-oriented development that complements nearby residential neighborhoods. The district is not intended for use by major or large-scale commercial sales, service or automotive-oriented activities. The CN District is only appropriate in locations that have direct access to residential neighborhoods. The CN District is used to implement the Comprehensive Plan within those areas shown as the Rural, Suburban, Urban or Compact Neighborhood Tiers.

Within the district, most types of single family, multi-family, office and lighter commercial uses are allowed. Not allowed are heavy commercial and industrial uses. Also allowed are special uses such as schools, places of worship and daycare centers.

Dimensional requirements in the Suburban tier are as follows:

Minimum site area:	5,000 square feet
Minimum lot width:	50 feet
Minimum street yard setback:	25 feet
Minimum side yard setback:	15 feet
Minimum rear yard setback:	25 feet

# Zoning Map



April 21, 2015

e9f23132c06248f5b6ab80fc1403f4d7

Override 1

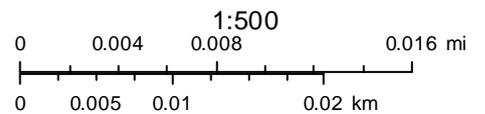
—+ Railroads

City of Durham

Neighboring Counties

City-County Labels

House Numbers



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri Japan, METI, Esri China (Hong Kong), Esri (Thailand), TomTom, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community

Maximum building coverage 60.00%

Maximum building height

35 feet

Off-street parking is required, but is dependent upon use. However for retail establishments dealing frequently with the public, one space is required for every 200 square feet of gross floor area.

In addition to the basic zoning district regulations, the subject is further restricted by a development plan designation "D". Any type of property may have a "D" added. This restricts the property to a certain development plan that may not be altered without going through a rezoning process.

The site as improved appears to conform to the current zoning requirements with the exception of setback requirements. However, since the improvements predate the zoning this is allowed as a legal nonconforming use. To my knowledge, the subject is not located in any overlay districts and there are no other known restrictions of any kind. It is not likely that the site could be rezoned.

## **PART FOUR – ANALYSIS OF DATA AND CONCLUSIONS**

## **HIGHEST AND BEST USE**

Highest and best use is defined as follows:

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

To estimate the highest and best use of a property, two conditions are considered, as though vacant and as improved. As stated in the definition, under both of these conditions, a property is analyzed on four criteria. A use must pass one criteria in order be considered for the next one. A discussion of each criterion and the uses that do and do not pass it follows.

### **HIGHEST AND BEST USE OF THE LAND AS THOUGH VACANT**

**Legal Permissibility** - Legal restrictions to the site are those from the Durham Planning Department. As more thoroughly discussed in the zoning section, the property is located in a CN (Commercial Neighborhood) zoning district for the city of Durham. Within the district, most types of single family, multi-family, office and lighter commercial uses are allowed. Not allowed are heavy commercial and industrial uses. Also allowed are special uses such as schools, places of worship and daycare centers.

**Physical Possibility** - As discussed in the Land Data section, the property has access to a publicly maintained street and all city utilities. There is no evidence of any easements or encroachments that would significantly restrict improvement. Therefore, all of the uses that are legally permissible are physically possible.

**Financial Feasibility** - The test of financial feasibility is whether a use would produce a positive return to the land. It is not feasible to improve the property with the special uses. While they can be built on the site, the demand for these type uses is small and they can be built in virtually any zone. Multi-family residential, office and light commercial uses are feasible.

**Maximum Profitability** - The use that produces the highest return to the land is the use with the maximum profitability. In this area of Durham, commercial land typically sells for more per square foot than office or multi-family residential land. For this reason, the most profitable use of the land is for commercial use.

### **HIGHEST AND BEST USE - AS IMPROVED**

In this analysis, the same four criteria will be considered, but the improvements are included.

**Legal Permissibility** - The site as improved appears to conform to the requirements of the zoning ordinance and is therefore, legally permissible.

**Physical Possibility** – Since the improvements have already been built, the use of the site as improved is physically possible.

**Financial Feasibility** - In order to be financially feasible, a property must produce a positive return to the land. The property if properly rented would produce enough income to pay all expenses and provide a positive return.

**Maximum Profitability** - The maximally productive use is that use that would result in the highest possible return to the land. As stated in the as though vacant section, the most profitable use would be for some type of commercial use.

To be the most profitable use of the property, three possible scenarios for the improvements need to be considered. Would the most likely buyer: 1) keep using the improvements the way they exist, 2) Make modifications to what exists or 3) demolish the existing improvements to obtain a vacant site.

The current improvements add substantial value to the site and it would not make economic sense to demolish them to obtain a vacant site. The value of the property as improved is higher than the land value if vacant. The current improvements do not fully utilize the site and there is room for additional improvement. However, to fully utilize the site, the existing improvements would need to be removed and new ones constructed. At some point in the future, the land value will exceed the value with the improvements and the property should be redeveloped.

**Summary** - The highest and best use of the site as though vacant is for improvement with some type of commercial use. The highest and best use as improved is for continued use as improved, commercial with eventual removal and redevelopment.

## **OPINIONS OF VALUE – BEFORE THE ACQUISITION**

To develop an opinion of the fee simple value of this section of the property, I will use two of the three standard approaches to value, cost sales comparison and sales comparison. Also an opinion of the value of the land is developed for use in the cost approach.

## **LAND VALUE – BEFORE THE ACQUISITION**

In order to develop an opinion of land value, I will use the sales comparison approach defined as:

A set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, applying appropriate units of comparison, and making adjustments to the sale prices of the comparables based on the elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant; it is the most common and preferred method of land valuation when comparables sales data are available.

As stated, the highest and best use of the site as though vacant is for some type of commercial use. In order to develop an opinion of value of the subject land, I researched the area for recent sales and listings of land with a similar highest and best use. Of those found, the most comparable are analyzed on an analysis and adjustment chart on the following page. Further information about the comparables is in the addenda.

Adjustments are considered for any significant differences, however, for appraisal purposes they are grouped into 10 categories. These categories are considered in a specific order. A discussion of the categories and the order in which they are adjusted follows the chart.

**DAVID A. SMITH, MAI, SRA**

ANALYSIS AND ADJUSTMENT CHART OF VACANT COMMERCIAL LAND SALES				
Comparable		1	2	3
Reference #		2014-131	2013-196	2013-11
Location	University	Knox	Roxboro	Garrett
Tax Ref		103821	172078	140006
Zoning	CN	CG	CC(D)	CN(D)
Date		8/19/2014	9/30/2013	2/25/2013
Sales Price		\$55,000	\$350,000	\$110,000
Size (Acres)	0.231	0.219	1.062	0.520
Property Conveyed	Rights	Fee Simple	Fee Simple	Fee Simple
Financing Terms		Cash to Seller	Cash to Seller	Cash to Seller
Conditions of Sale		Arm's Length	Arm's Length	Arm's Length
Expenditures		\$0	\$0	\$0
Including Expenditures		\$55,000	\$350,000	\$110,000
Market Adjustment	Condition	0.00%	0.00%	0.00%
Adjusted for Market Condition		\$55,000	\$350,000	\$110,000
Adjusted for				
Location		10.00%	0.00%	0.00%
Size		0.00%	8.00%	3.00%
Shape		0.00%	0.00%	25.00%
Access		0.00%	0.00%	0.00%
Utilities		0.00%	0.00%	0.00%
Topography		0.00%	0.00%	0.00%
Net Adjustment		10.00%	8.00%	28.00%
Adjusted Value		\$60,500	\$378,000	\$140,800
Economic Characteristics		Similar	Similar	Similar
Use		Similar	Similar	Similar
Non-Realty Items		None	None	None
		\$6.34	\$8.17	\$6.22

**Real property rights conveyed** - All of the comparables are fee simple transfers and no adjustments are made for this factor.

**Financing terms** - All of the comparables are cash to seller and financing had no affect on the sales prices.

**Conditions of sale** – All of the comparables are arms length transactions and no adjustments are needed.

**Expenditures made immediately after purchase** – No expenditures were made on any of the comparables and no adjustments are necessary.

**Market Conditions (Time)** – No adjustments are made for market conditions since market conditions are similar for vacant land.

**Location** – One of the comparables has a less desirable location and an upward adjustment is made. The other comparables have similar locations and no adjustments are made.

**Physical Characteristics** - For the subject, four physical characteristics are significant.

**Size** –Two of the comparables are significantly larger and upward adjustments are made. The other comparable is similar in size.

**Shape** – The subject and two of the comparables have regular shapes that would not adversely affect value. The other has an irregular shape and an upward adjustment is made.

**Access** – The subject and comparables have access to paved roads and no adjustments are needed.

**Utilities** – The subject and all of the comparables have access to all expected public utilities and no adjustments are necessary.

**Topography** – The subject and comparables have topographies that would not significantly affect value and no adjustments are needed.

**Economic characteristics** – The subject and comparables have similar economic characteristics and no adjustments are needed for this factor.

**Use** – All of the comparables were purchased for similar uses and no adjustments are needed.

**Non-realty components of value** – No non-realty components transferred with any of the comparable properties or the subject and no adjustments are made.

The comparables give indicated values of \$6.34, \$8.17 and \$6.22 per square foot after adjusting. Based on the indications, the per square foot value of the subject land is selected at \$7.00. My opinion of the land value of the subject land is therefore:

$$10,062 \text{ Sq Ft (0.231 acre) @ } \$7.00 \text{ per Sq Ft} = \$70,434$$

Rounded \$70,400

### **COST APPROACH – BEFORE THE ACQUISITION**

The cost approach is defined as follows:

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.

**DAVID A. SMITH, MAI, SRA**

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In order to develop an opinion of the cost new of the property, I considered a national cost survey, Marshall Valuation Service. This survey gives detailed costs of construction for a wide variety of properties. I frequently compare the costs from this survey with actual local costs and have found it to be consistently accurate. The cost new selected is the "replacement" cost as opposed to "reproduction" cost since the intent is for similar improvements with equivalent utility rather than exact reproductions. This cost is for appraisal purposes only and should not be used for insurance or other purposes.

The cost for the building was selected from section 12, page 25 (Single Family Residence) as average quality class D construction. Costs of other items are selected from appropriate sections of the survey.

After estimating the per square foot costs, current and local multipliers are applied to these costs. The current multiplier brings the costs up to date and the local multiplier adjusts the costs for local conditions. These multipliers are also selected from the Marshall Survey. These costs include most costs and are reported to be the final cost to the owner. Included in these costs are engineering fees, plans, building permits, survey costs, interest on building funds, sales tax, normal site preparation, utilities to the lot line, contractor's overhead and profit, insurance, equipment, architect's fee and security. Not included in these costs is the developer's profit, which is selected at 16.00% of the other costs. A chart showing the cost new follows:

ESTIMATE REPLACEMENT COST NEW				
Dwelling	1,700	Sq Ft @	\$87.00	\$147,900
Porch	192	Sq Ft @	\$32.69	\$6,276
Landscaping and Other On-Site Improvements				\$7,395
Total				\$161,571
Multipliers		Current	Local	
	\$161,571	1.04	0.92	\$154,592
Developer's Profit	16.00%	of	\$154,592	\$24,735
TOTAL ESTIMATED REPLACEMENT COST NEW				\$179,326

## DEPRECIATION

Depreciation is defined as "a loss in value from any cause" and will be measured using the breakdown method. In this method, depreciation is divided into three categories: physical deterioration, functional obsolescence, and external obsolescence.

**Physical deterioration** is wear and tear from regular use, the impact of the elements, or damage. This depreciation is based on the effective age-life method. The building was built in 1940 and is therefore 75 years old. Based on an exterior inspection it is in poor condition. It likely has had some repairs since construction but at a minimum the exterior siding and the front porch needs to be repaired or replaced and the entire building repainted. An effective age of 45 years is selected.

Buildings of this type will last virtually forever if they are properly maintained, but components will become obsolete and there will be a time when the improvements have been renovated to the point where they have been essentially replaced. The life selected for the subject building is the economic life which is defined as "The period over which improvements to real property contribute to property value (without significant renovation)." For the subject improvements, this is selected at 60 years.

**Functional obsolescence curable and incurable** - Functional obsolescence is defined as "An element of accrued depreciation resulting from deficiency or superadequacies in the structure" of a building. The difference between curable and incurable is that it is economically feasible to correct the curable while it is not for the incurable. It does not appear that the subject does not suffer from any significant functional obsolescence.

**External Obsolescence** - External obsolescence is defined as "an element of accrued depreciation; a defect, usually incurable, caused by negative influences outside a site and generally incurable on the part of the owner, landlord, or tenant." There are no adverse influences in the area of the subject that would adversely affect the improvements and they do not suffer from any significant external obsolescence.

A chart showing the accrued depreciation follows:

ESTIMATE OF ACCRUED DEPRECIATION					
Physical Depreciation					
	Replacement Cost	Effective Age	Total Life	Percent Depreciation	
Office - Shell	\$179,326	45	60	75.00%	\$134,495
Functional Obsolescence Curable					\$0
Functional Obsolescence Incurable					\$0
External Obsolescence					\$0
<b>TOTAL ACCRUED DEPRECIATION</b>					<b>\$134,495</b>

LAND VALUE

The land value developed in the land section was \$70,400.

Summary of the Cost Approach	
Cost New	\$179,326
Depreciation	\$134,495
Depreciated Cost New	\$44,831
Rounded	\$44,800
Land Value	\$70,400
Final Value	\$115,200

## SALES COMPARISON APPROACH – BEFORE THE ACQUISITION

The sales comparison approach is a direct measure of comparable properties and can use a number of different units of comparison. The sales comparison approach is defined as:

A set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, then applying appropriate units of comparison and making adjustments to the sale prices of the comparables based on the elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant; it is the most common and preferred method of land valuation when an adequate supply of comparable sales are available.

To develop an opinion of value of the property by the sales comparison approach, I located sales of properties comparable to the subject. As with the land sales, the comparables are adjusted for comparison to the subject. Again, adjustments are grouped into 10 categories. The order and a brief discussion of each of these categories follow. An analysis and adjustment chart of the comparables is on the following page. More information about the comparables is in the addenda.

**Real property rights conveyed** – The property rights appraised for the subject is the fee simple estate. The property rights sold for all of the comparables was either the fee simple estate or the leased fee estate with rates close to market. Since the rates were at or near market rates, the property rights transferred were substantially the same as fee simple. No adjustments are made.

**Financing terms** - All of the comparables are cash to seller and financing had no effect on the sales prices. For this reason, no adjustments are made.

**Conditions of sale** - All of the comparables are arm's length transactions with no undue stimulus and no adjustments are made.

**DAVID A. SMITH, MAI, SRA**

ANALYSIS AND ADJUSTMENT CHART OF CONVERTED DWELLINGS SALES				
Comparable	Subject	1	2	3
Reference Number		2013-170	2013-162	2013-148
Location	University	Chapel Hill	Guess	Howard
Tax Reference		108486	100920	108774
Date		12/6/2013	10/11/2013	10/15/2013
Sales Price		\$182,500	\$57,000	\$129,000
Land Size (Acres)	0.231	0.227	0.166	0.25
Size	1,700	3,031	885	1,695
Land/Bld	5.92	3.26	8.17	6.42
Year Bld	1940	1938	1955	1930
Property Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing Terms	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller
Conditions of Sale	Arm's Length	Arm's Length	Arm's Length	Arm's Length
Expenditures		\$0	\$0	\$0
Adjusted for Expenditures		\$182,500	\$57,000	\$129,000
Market Condition Adjustment		6.00%	6.00%	6.00%
Adjusted for Market Condition		\$193,450	\$60,420	\$136,740
Adjusted for				
Location		10.00%	20.00%	10.00%
Building Size		5.00%	-3.00%	0.00%
Land Size		3.00%	-2.00%	-1.00%
Quality		0.00%	0.00%	0.00%
Age & Condition		-25.00%	-25.00%	-25.00%
Net Adjustment		-7.00%	-10.00%	-16.00%
Adjusted Sales Price		\$179,909	\$54,378	\$114,862
Economic Characteristics		Similar	Similar	Similar
Use		Similar	Similar	Similar
Non-Realty Components		None	None	None
Adjusted Sales Price		\$179,909	\$54,378	\$114,862
<b>INDICATED PER SQUARE FOOT VALUE OF THE SUBJECT</b>				
		\$59.36	\$61.44	\$67.76

**Market conditions (time)** – Property values have been increasing and upward adjustments are made on the comparables.

**Location** – The comparables have less desirable locations compared to the subject and upward adjustments are made.

**Physical characteristics** – Four physical characteristics are significant as follows:

**Building Size** – One of the comparables is significantly larger and an upward adjustment is made since smaller buildings will typically sell for more on a per square foot basis. Another is significantly smaller and a downward adjustment is made. The other is similar in size.

**Land Size** – This adjustment is based on the land to building ratio. Since this analysis is based on the square footage of the building, those properties with less land per square feet of building are adjusted upward and those with more are adjusted downward.

**Quality** – All of the comparables are of similar quality and no adjustments are made.

**Age and Condition** – All of the comparables are in better condition than the subject and downward adjustments are made.

**Economic characteristics** – The economic characteristics of the comparables and the subject are similar and no adjustments are needed.

**Use** – The subject and comparables are all similar type uses and no adjustment is made.

**Non-realty components of value** – None of the comparables sold with any non-realty items and no adjustment is necessary.

The comparables are analyzed on a price per square foot basis. In this method, the adjusted sales price of the comparable is divided by the finished square footage of the comparable. The comparables give indications of \$59.36, \$61.44 and \$67.76 per square foot after adjusting. Based on this, the per square foot value is selected at \$65.00. The final indicated value is therefore:

$$1,700 \text{ square feet @ } \$65.00 \text{ per square foot} = \$110,500$$

**RECONCILIATION AND FINAL OPINION OF VALUE – BEFORE THE ACQUISITION**

Cost Approach	\$115,200
Sales Comparison Approach	\$110,500

The two approaches give similar values. The cost approach is better able to show changes in the property and since this is a before and after appraisal, the value from this approach I selected. It is well supported by the sales comparison approach. It is my opinion that the market value of the fee simple estate of the property before the acquisition is:

**ONE HUNDRED FIFTEEN THOUSAND AND TWO HUNDRED DOLLARS  
( \$115,200 )**

**DESCRIPTION OF THE ACQUISITION**

The acquisition is along University Drive. It consists of two types of taking, fee and a temporary construction easement. The area of the fee taking is 400 square feet and the temporary construction easement is 1,342 square feet. The only improvements in the taking is a portion of a shared paved drive. Also in the acquisition is a sign but it is assumed that this can be moved.

**OPINION OF VALUE AFTER THE ACQUISITION**

The highest and best use of the property after the acquisition would be the same, commercial, but the land size would be smaller and part would be subject to a temporary construction easement. The land outside of the acquisition would be unaffected and the per square foot value, \$7.00, would be the same. The area in the fee acquisition would be owned by the city and would have no value to the owner. The area in the easement will revert to the owner after construction, but could not be used during construction. This would be similar to renting this land. Land leases





are typically based on 10.00% of the value of the land per year. It is estimated that it will take one year to complete the sidewalk indicating a loss in value of 10.00% or the value of the land in the easement is \$6.30 (\$7.00 X 90.00%). The indicated value of the land after the acquisition is therefore:

Unaffected Land	8,320	\$7.00	\$58,240
Land in Fee	400	\$0.00	\$0
Land in Temporary Construction Easement	1,342	\$6.30	\$8,455
Total			\$66,695
		Rounded	\$66,700

**VALUE OF THE PROPERTY AFTER THE ACQUISITION**

Since the improvements are unaffected by the acquisition, the depreciated cost new from the cost approach, \$44,800 is used. When this is combined with the land value after the acquisition, the resulting value is:

**ONE HUNDRED ELEVEN THOUSAND AND FIVE HUNDRED DOLLARS**

**\$111,500**

**SUMMARY OF THE APPRAISAL**

Value Before Acquisition	\$115,200
Value After Acquisition	\$111,500
Difference	\$ 3,700

## EXPOSURE TIME AND MARKETING TIME

The definition of exposure time as used in this report is that as defined by the Appraisal Foundation and found in a publication entitled, *Uniform Standards of Professional Appraisal Practice*, 2014-2015 Ed. This definition is:

Exposure Time: estimated 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 market value on the effective date of the appraisal.

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.

Exposure time occurs before the effective date of the appraisal, whereas marketing time occurs after the effective date. Exposure time answers the question, “If the property sold on the effective date of the appraisal, how long was it on the market?” Marketing time answers the question, “How long will it take the property to sell if placed for sale on the market as of the effective date of the appraisal?”

The average time on the market for properties in the Triangle area is about twelve months according to statistics from the commercial listing service and from discussions with local market participants. Based on this historical data, the exposure time of the subject is selected at twelve months. Marketing time is more difficult to estimate since it is a projection into the future. However, the general economy appears to be improving. Days on the market in the future should be the same or less than in the recent past and the marketing time, if the property is correctly priced and actively marketed is also selected at twelve months.



## DAVID A. SMITH, MAI, SRA

DAVID A SMITH & ASSOCIATES, INC.  
P.O. BOX 51597  
DURHAM, NORTH CAROLINA 27717-1597  
PHONE (919) 493-1534  
[smithappraiser@frontier.com](mailto:smithappraiser@frontier.com)



### QUALIFICATIONS OF DAVID A. SMITH, MAI, SRA

The appraiser, David A. Smith, has been involved in the appraisal of real estate for over thirty years. He worked with his father, Charles W. Smith, from 1976 to 2003. After the retirement of Charles W. Smith in 2003 he formed Smith & Whitfield, Inc. and later David A. Smith & Associates. In 1988 he was awarded the RM designation. With the merger of the American Institute of Real Estate Appraisers and the Society of Real Estate Appraisers in January of 1991, the RM designation was changed to the SRA designation. In 1991 he was awarded the MAI designation of the Appraisal Institute. He became a state-certified real estate appraiser in 1991 the year the state first began licensing real estate appraisers and his certification number is A281.

He has also trained and supervised several appraisers and has prepared all types of appraisal reports. His primary focus is Durham County and the adjoining counties of Orange, Person, Granville and Chatham.

EDUCATION: Graduate Episcopal High School, Alexandria, VA, 1976  
A.B., Duke University, Durham, NC, 1981

#### APPRAISAL INSTITUTE COURSES:

Real Estate Appraisal Principles (Exam 1A-1/8-1), University of North Carolina, 1981  
Residential Valuation (Exam 8-2), University of North Carolina, 1981  
Basic Valuation Procedures (Exam 1A-2), University of North Carolina, 1983  
Standards of Professional Practice (Exam SPP), University of North Carolina, 1983  
Capitalization Theory & Techniques, A (Exam 1B-A), University of Colorado, 1984  
Capitalization Theory & Techniques, B (Exam 1B-B), University of Colorado, 1984  
Valuation Analysis and Report Writing (Exam 2-2), University of North Carolina, 1987  
Case Studies in Real Estate Valuation (Exam 2-1), University of North Carolina, 1987  
Advanced Sales Comparison & Cost Approaches, Atlanta, Georgia, 2002  
General Appraiser Market Analysis and Highest and Best Use, Atlanta, Georgia, 2007  
Online Business Practices and Ethics, Chicago, Illinois, 2007  
Appraisal Curriculum Overview, 2009  
Condemnation Appraising: Principles & Applications, Greensborough, NC, 2011

## APPRAISAL INSTITUTE SEMINARS:

Highest and Best Use, 1988  
Industrial Valuation, 1988  
Rates, Ratios and Reasonableness, 1988  
Valuation of Leased Fee Interests, 1989  
Current Problems in Industrial Valuation, 1989  
Methods of Subdivision Analysis, 1989  
Expert Witness in Litigation, 1989  
Discounted Cash Flow, 1990  
RTC Appraisal Standards, 1990  
Preparation and Use of the UCIAR Form, 1990  
Standards of Professional Practice Update, 1990  
Commercial Construction Overview, 1991  
Appraising Troubled Properties, 1991  
Appraisal Regulations of the Federal Banking Agency, 1992  
Real Estate Law for Appraisals, 1992  
Appraising Apartments, 1993  
Discounted Cash Flow Analysis, 1994  
Appraiser's Legal Liabilities, 1994  
Understanding Limited Appraisals, 1994  
Analysis Operating Expenses, 1995  
Future of Appraisals, 1996  
Highest and Best Use Applications, 1996  
Standards of Professional Practice, Parts A & B, 1997  
Litigation Skills for the Appraiser, 1997  
Eminent Domain & Condemnation Appraising, 1998  
Matched Pairs/Highest & Best Use/Revisiting Report Options, 1998  
Valuation of Detrimental Conditions, 1998  
Appraisal of Nonconforming Uses, 2000  
How GIS Can Help Appraisers Keep Pace with Changes in R E Industry, 2001  
Feasibility Analysis, Market Value and Investment Timing, 2002  
Analyzing Commercial Lease Clauses, 2002  
Standards of Professional Appraisal Practice, 2002  
Effective Appraisal Writing, 2003  
Supporting Capitalization Rates, 2004  
National USPAP Update, 2004  
Rates and Ratios: Making Sense of GIMs, OARs, and DCFs, 2005  
The Road Less Traveled: Special Purpose Properties, 2005  
National USPAP Update, 2006  
Appraisal Consulting: A Solutions Approach for Professionals, 2006  
What Clients Would Like Their Appraisers to Know, 2007  
Valuation of Detrimental Conditions, 2007  
Business Practice and Ethics, 2007  
Office Building Valuation: A Contemporary Perspective, 2008  
Subdivision Valuation, 2008  
National USPAP Update, 2009  
Effective Appraisal Writing, 2009  
Appraisal Curriculum Overview, 2009  
Discounted Cash Flow Model: Concepts, Issues and Apps., 2010

National USPAP Update, 2010  
Rates and Ratios: Making sense of GIMs, OARs and DCFs, 2011  
National USPAP Update, 2012  
Business Practices and Ethics, 2012  
Marketability Studies: Advanced Considerations & Applications, 2013  
Real Estate Valuation Conference, 2013  
National USPAP Update, 2014

#### OTHER SEMINARS:

Commercial Segregated Cost Seminar, Marshall & Swift, 1988  
Appraisal Guide and Legal Principles, Department of Transportation, 1993  
The Grammar Game, Career Track, 1994

#### MEMBERSHIPS:

Appraisal Institute, MAI #09090  
Appraisal Institute, SRA/RM #2248  
Durham Board of Realtors  
North Carolina Association of Realtors  
National Association of Realtors

#### CERTIFICATION:

State Certified General Real Estate Appraiser for North Carolina, #A281

#### OTHER:

NC Property Tax Commission, 2013 – Present  
Durham Civilian Police Review Board, 2009 - Present, Past Chair  
Durham County Board of Equalization and Review, 2013 – Present  
Durham Public Schools Budget Advisory Committee, 2013 - Present  
City of Durham Audit Oversight Committee, 2002 – 2006  
Durham Board of Adjustment, 1994 - 2002  
Durham City/County Zoning Commission, 1990 – 1995  
John Avery Boys and Girls Club, 1994-2002  
Historical Preservation Society, 1992 - 1995  
Vice President of the Candidates, 1989, NC Chapter 40  
President of the Candidates, 1990, NC Chapter 40  
Candidate of the Year, 1990, NC Chapter 40

RECENT CLIENTS (within the past five years):

LENDING INSTITUTIONS

American National Bank & Trust Company  
AMEX Financial  
BB&T  
Citizens National Bank  
CommunityOne Bank NA  
Fidelity Bank  
First South Bank  
Harrington Bank  
KeySource Commercial Bank  
Live Oak Banking Company  
Mechanics & Farmers Bank  
Pacific International Bank  
PNC Bank  
RBC Bank  
Self-Help  
State Farm Bank  
SunTrust Bank  
Wells Fargo Bank

MUNICIPALITIES AND OTHER GOVERNMENT AGENCIES

Chapel Hill Transit  
City of Durham  
NC Department of Administration  
Durham County  
Durham Public Schools  
Durham Technical Community College  
Housing Authority of the City of Durham  
NCDOT  
Orange County  
Orange Water and Sewer Authority  
Person County  
Town of Chapel Hill

OTHER

Allenton Management  
AND Associates  
Barcosnic  
Builders of Hope  
BCG Properties  
Blanchard, Miller, Lewis & Styers Attorneys at Law  
Blue Cross & Blue Shield of NC  
Boulevard Properties  
Bugg & Wolf Attorneys at Law  
Carolina Land Acquisitions

CRC Health Corporation  
Development Ventures Inc.  
Duke Energy  
Durham Academy  
Durham Rescue Mission  
Durham Technical Community College  
Edward Jones Trust Company  
Farrington Road Baptist Church  
Forest History Society  
GBS Properties of Durham, LLC  
Hayden Stanziale  
Georgia Towers, LLC  
Hawthorne Retail Partners  
Integral  
Investors Title Insurance  
IUKA Development  
Joelepa Associates LP  
John and Mary Hebrank  
LCFCU Financial Partners  
Manor Associates  
McDonald's USA  
Mt. Gilead Baptist Church  
Northgate Realty, LLC  
Property Advisory Services, Inc.  
Rand Enterprises  
Research Triangle Foundation  
Sehed Development Corporation  
Simba Management  
Southwest Durham Partners, LLC  
Stirling Bridge Group, LLC  
Styers, Kemerait & Mitchell, PLLC  
Talbert & Bright Attorneys at Law  
Teer Associates  
Thalle Construction  
The Bogey Group  
TKTK Accountants  
Treyburn Corporate Park, LLC  
Trinity Properties  
UNC Hospitals  
Voyager Academy  
Wilhekan Associates

In addition, Mr. Smith has made appraisals for other lending institutions, municipalities, individuals, corporations, estates and attorneys. Appraisal assignments have been made throughout the Triangle, North Carolina, and South Carolina.

Properties appraised include all types of single family residential, multi-family residential, office, retail, commercial, industrial, churches, schools and other specialty type uses, vacant and improved, existing and proposed.

Appraisal assignments were for a variety of purposes including: mortgage loans, estate planning, condemnation, bankruptcy and equitable distribution.

## **ADDENDA**

PHOTOGRAPHS OF SUBJECT



Front View of Building



Rear of Building

PHOTOGRAPHS OF SUBJECT



Deterioration on Exterior of Building



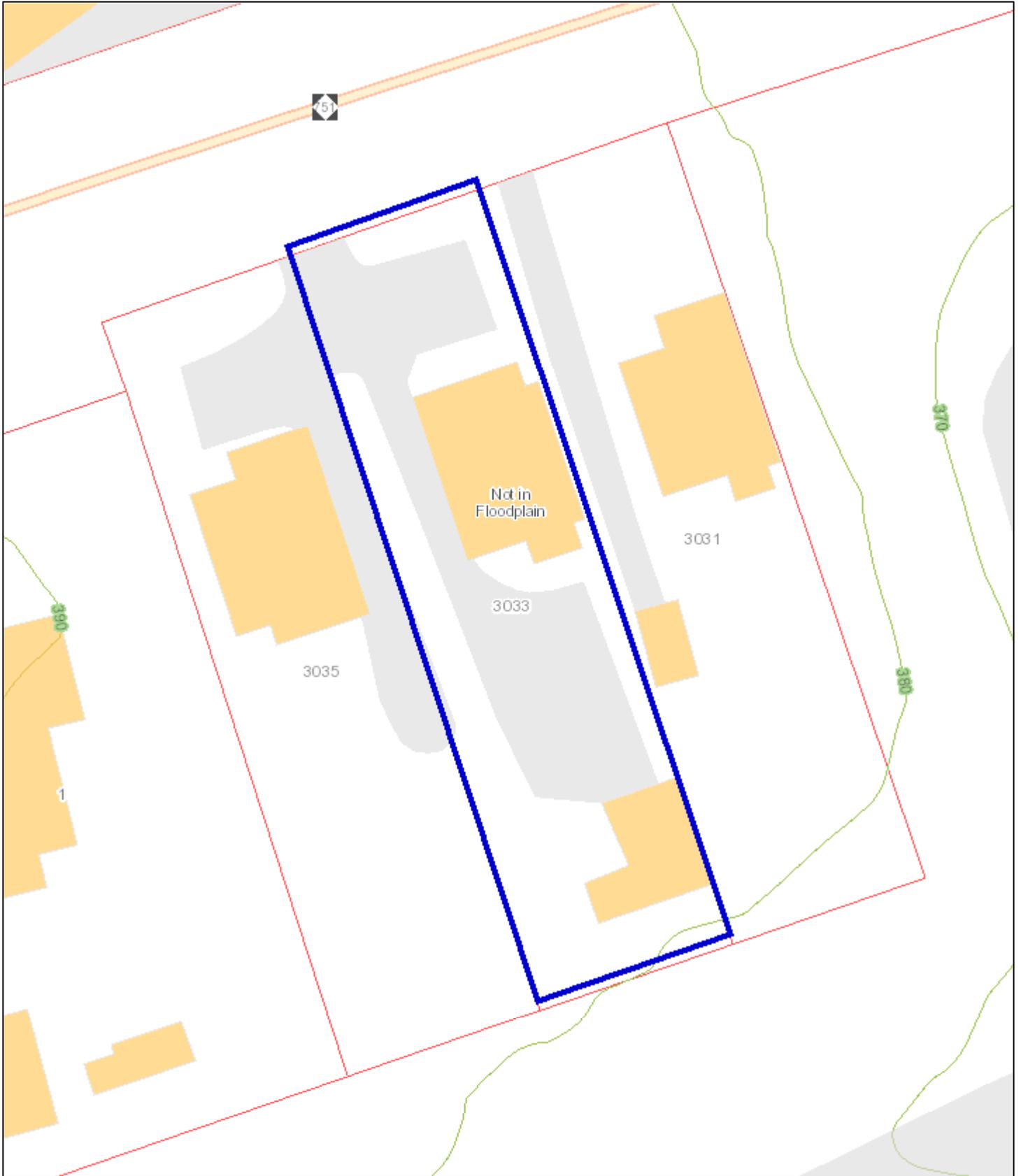
Street Scene

PHOTOGRAPHS OF SUBJECT



Area of Acquisition

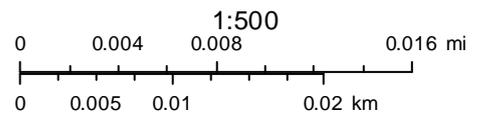
# Flood Topo Map



April 21, 2015

b57d5ae98f6e46429d3647c8cd2d4041

City-County Labels



Override 1

—+ Railroads

⊞ City of Durham

⊞ Neighboring Counties

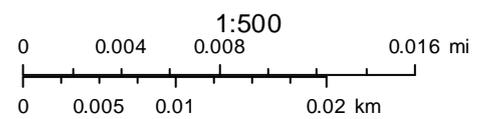
Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri Japan, METI, Esri China (Hong Kong), Esri (Thailand), TomTom, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community

# Aerial Map



April 21, 2015

f5daaf290d364fbfa51727dcfa5f8e87



Override 1

+ Railroads

City of Durham

Neighboring Counties

BOOK 1937 PAGE 826

FILED  
BOOK 1937 PAGE 826-87

'94 JAN 10 PM 2 19

RUTH C. GARRETT  
REGISTER OF DEEDS  
DURHAM COUNTY, N.C.

*No stamps required.  
Lisa Holland Powell*

Excise Tax

Recording Time, Book and Page

Tax Lot No. .... Parcel Identifier No. ....  
Verified by ..... County on the ..... day of ....., 19 .....

Mail after recording to Michelle Ann Ripple  
3033 University Drive, Durham, NC 27707

This instrument was prepared by LISA HOLLAND POWELL, Attorney at Law

Brief description for the Index

### NORTH CAROLINA GENERAL WARRANTY DEED

THIS DEED made this 7th day of January, 19 94, by and between

GRANTOR

GRANTEE

PAMELA SUE RIPPLE (Unmarried)

MICHELLE ANNE RIPPLE (Unmarried)

Enter in appropriate block for each party: name, address, and, if appropriate, character of entity, e.g. corporation or partnership.

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple, all that certain lot or parcel of land situated in the City of Durham, Durham City Durham Township, Durham County, North Carolina and more particularly described as follows:

BEGINNING at a stake in the south line of University Drive, said stake being North 75 degrees 12' East 125 feet from the southeastern intersection of Dixon Road and University Drive; and running thence along and with the south line of University Drive North 75 degrees 12' East 50 feet to a stake; thence South 15 degrees 15' East 200 feet to a stake; thence South 75 degrees 12' West 50 feet to a stake; thence North 15 degrees 15' West 200 feet to a stake on the southern side of University Drive, the point and place of BEGINNING. See deed from L.A. Dixon and wife, dated February 4, 1941, recorded in Deed Book 140, Page 218, Durham County Registry. Being all of Lot 2 of the S. L. Hunt property as per plat and survey of Hunter Jones, Civil Engineer, dated February, 1941 and recorded in Plat Book 16, Page 42, to which reference is hereby made for a more particular description.

01130

102

BOOK 1937 PAGE 827

The property hereinabove described was acquired by Grantor by instrument recorded in .....  
Book 1795, Page 438

A map showing the above described property is recorded in Plat Book 16 page 42  
TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee in fee simple.

And the Grantor covenants with the Grantee, that Grantor is seized of the premises in fee simple, has the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, and that Grantor will warrant and defend the title against the lawful claims of all persons whomsoever except for the exceptions hereinafter stated. Title to the property hereinabove described is subject to the following exceptions:

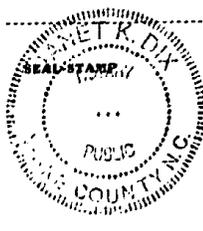
All easements, restrictions and rights-of-way of record and 1994 and subsequent years ad valorem taxes.

IN WITNESS WHEREOF, the Grantor has hereunto set his hand and seal, or if corporate, has caused this instrument to be signed in its corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its Board of Directors, the day and year first above written.

..... (Corporate Name) ..... (SEAL)  
BY: ..... (SEAL)  
..... President ..... (SEAL)  
ATTEST: ..... (SEAL)  
..... Secretary (Corporate Seal) ..... (SEAL)

USE BLACK INK ONLY

*Pamela Sue Ripple*  
PAMELA SUE RIPPLE



NORTH CAROLINA, Wake County.  
I, a Notary Public of the County and State aforesaid, certify that  
Pamela Sue Ripple (Unmarried) Grantor,  
personally appeared before me this day and acknowledged the execution of the foregoing instrument. Witness my  
hand and official stamp or seal, this 7th day of January, 1994.  
My commission expires: 11/19/96 *Janet K. Dix* Notary Public

Use Black Ink

SEAL-STAMP NORTH CAROLINA, ..... County.  
I, a Notary Public of the County and State aforesaid, certify that  
personally came before me this day and acknowledged that ..... he is ..... Secretary of  
..... a North Carolina corporation, and that by authority duly  
given and as the act of the corporation, the foregoing instrument was signed in its name by its  
President, sealed with its corporate seal and attested by ..... as its Secretary.  
Witness my hand and official stamp or seal, this ..... day of ..... 19.....  
My commission expires: ..... Notary Public

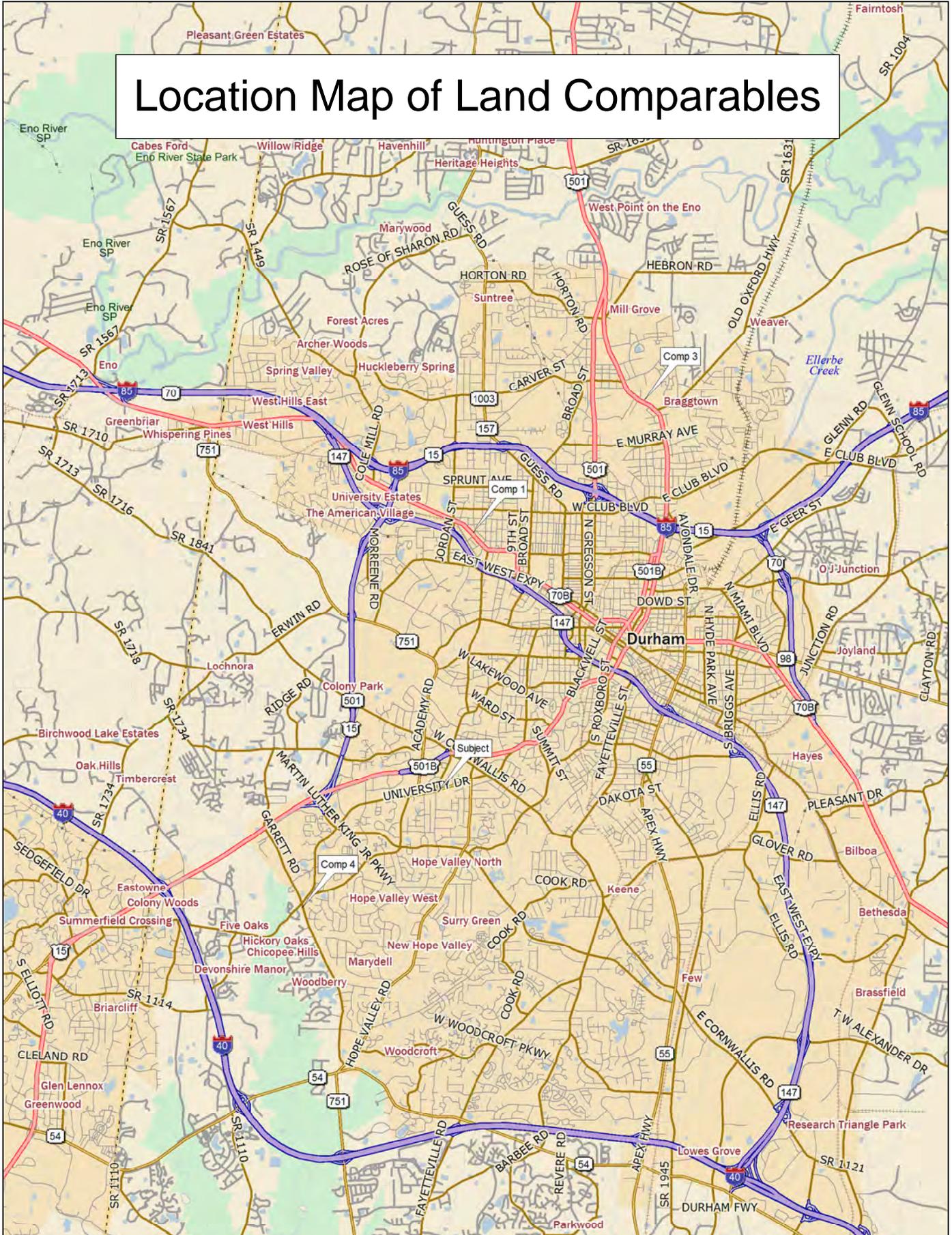
The foregoing Certificate(s) of *Janet K. Dix, W/A Wake Co. Inc*

is/are certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

RUTH C. GARRETT REGISTER OF DEEDS FOR *Wake* COUNTY

By *Joie Baker* Deputy/Assistant Register of Deeds 1-10-94

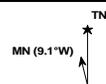
# Location Map of Land Comparables



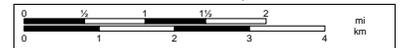
Data use subject to license.

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www.delorme.com



Scale 1 : 100,000



1" = 1.58 mi Data Zoom 11-0

COMPARABLE #1

REFERENCE NUMBER: 2014-131  
TYPE PROPERTY: Vacant Commercial  
COUNTY: Durham  
LOCATION: 2706 W. Knox Street  
TAX REFERENCE: 103821  
ZONING: CG  
GRANTOR: Tamara Tibisay Nieto Taylor  
GRANTEE: Durham County ABC Board  
DATE OF SALE: 08/19/2014  
DEED REFERENCE: 7552/60  
STAMPS: \$110.00  
USE AT PURCHASE: Vacant Commercial  
BEST USE: Commercial  
SALES PRICE: \$55,000  
CONFIRMED BY:  
CONDITION OF SALE: Arm's Length Transaction  
PROPERTY RIGHTS TRANSFERRED: Fee Simple  
FINANCING: Cash to Seller  
LAND AREA: 0.219 acres  
SOURCE: PR  
COMMENTS:



COMPARABLE #2

REFERENCE NUMBER: 2013-196  
TYPE PROPERTY: Vacant Commercial  
COUNTY: Durham  
LOCATION: 3520 N. Roxboro Road  
TAX REFERENCE: 172078  
ZONING: CC(D)  
GRANTOR: DDR Corp.  
GRANTEE: Insite Durham LLC  
DATE OF SALE: 09/30/2013  
DEED REFERENCE: 7373/693  
STAMPS: \$ 700.00  
USE AT PURCHASE: Vacant Commercial  
BEST USE: Commercial  
SALES PRICE: \$ 350,000  
CONFIRMED BY:  
CONDITION OF SALE: Arm's Length Transaction  
PROPERTY RIGHTS TRANSFERRED: Fee Simple  
FINANCING: Cash to Seller  
LAND AREA: 1.062 acres  
SOURCE:  
COMMENTS:



### COMPARABLE #3

REFERENCE NUMBER: 2013-011

TYPE PROPERTY: Vacant Commercial

COUNTY: Durham

LOCATION: 5314 Garrett Road

TAX REFERENCE: 140006

ZONING: CN(D)

GRANTOR: Lorraine Simpson, Carol Simpson Liberty and spouse, Harold Liberty III, James Calton Simpson et al

GRANTEE: Scott S. Smith and spouse, Alanna K. Smith

DATE OF SALE: 02/25/2013

DEED REFERENCE: 7199/998

STAMPS: \$ 220.00

USE AT PURCHASE: Vacant Commercial

BEST USE: Commercial

SALES PRICE: \$110,000

CONFIRMED BY: PR

CONDITION OF SALE: Arm's Length Transaction

PROPERTY RIGHTS TRANSFERRED: Fee Simple

FINANCING: Cash to Seller

LAND AREA: 0.52 acres

SOURCE: LN

COMMENTS:





COMPARABLE #1

REFERENCE NUMBER: 2013-170  
TYPE PROPERTY: Office - Converted Residence  
COUNTY: Durham  
LOCATION: 1812 Chapel Hill Road  
TAX REFERENCE: 108486  
ZONING: OI  
GRANTOR: J. Harold Coclough Associates, Inc.  
GRANTEE: First Category, LLC  
DATE OF SALE: 12/06/2013  
DEED REFERENCE: 7412/517  
STAMPS: \$ 365.00  
USE AT PURCHASE: Office – Converted Residence  
BEST USE: Office  
SALES PRICE: \$ 182,500  
CONFIRMED BY: Mark Micol  
CONDITION OF SALE: Arm's Length Transaction  
PROPERTY RIGHTS TRANSFERRED: Fee Simple  
FINANCING: Cash to Seller  
LAND AREA: 0.227 acres  
BUILDING SIZE: 3,031 SF  
YEAR BUILT: 1938  
SOURCE: MLS# 1883901  
COMMENTS:



COMPARABLE #2

REFERENCE NUMBER: 2013-162  
TYPE PROPERTY: Commercial - Converted Residence  
COUNTY: Durham  
LOCATION: 1906 Guess Road  
TAX REFERENCE: 100920  
ZONING: OI  
GRANTOR: Quality Properties Asset Management Company  
GRANTEE: Alex M. Velez  
DATE OF SALE: 10/11/2013  
DEED REFERENCE: 7379/186  
STAMPS: \$ 114.00  
USE AT PURCHASE: Commercial  
BEST USE: Commercial  
SALES PRICE: \$ 57,000  
CONFIRMED BY: Jeanette Hussey  
CONDITION OF SALE: Arm's Length Transaction  
PROPERTY RIGHTS TRANSFERRED: Fee Simple  
FINANCING: Cash to Seller  
LAND AREA: 0.166 acres  
BUILDING SIZE: 885 SF  
YEAR BUILT: 1955  
SOURCE: MLS# 1908457  
COMMENTS:



COMPARABLE #3

REFERENCE NUMBER: 2013-148  
TYPE PROPERTY: Office  
COUNTY: Durham  
LOCATION: 311 Howard Street  
TAX REFERENCE: 108774  
ZONING: CN  
GRANTOR: Betty C. Duty and husband, Peter J. Duty  
GRANTEE: Diogenes Delossantos  
DATE OF SALE: 10/15/2013  
DEED REFERENCE: 7380/987  
STAMPS: \$ 258.00  
USE AT PURCHASE: Office  
BEST USE: Office  
SALES PRICE: \$ 129,000  
CONFIRMED BY:  
CONDITION OF SALE: Arm's Length Transaction  
PROPERTY RIGHTS TRANSFERRED: Fee Simple  
FINANCING: Cash to Seller  
LAND AREA: 0.25 acres  
BUILDING SIZE: 1,695 SF  
YEAR BUILT: 1930  
SOURCE: CS  
COMMENTS:

