



APPRAISAL REPORT ON:

**A VACANT DEVELOPABLE COMMERCIAL LAND PROPERTY
(CURRENTLY UTILIZED AS CONDOMINIUM OFFICE BUILDING PARKING LOT)**

**IRVING STREET & CHATHAM STREET
WORCESTER, MASSACHUSETTS**



Prepared For:

Executive Office of Economic Development
City of Worcester
Peter Dunn, Chief Development Officer
455 Main Street
Worcester, MA 01608

Prepared By:

HOWARD S. DONO & ASSOCIATES, INC.
217 West Boylston Street
West Boylston, Massachusetts 01583

As of:

March 19, 2022 (date of inspection)

Howard S. Dono, MRA, IFAS, ASA
President /CEO
Joseph R. Evangelista, RA
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Joseph R. Curley, Jr., MBA, MRA, ASA
Vice President

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March 29, 2022

Executive Office of Economic Development
City of Worcester
Peter Dunn, Chief Development Officer
455 Main Street
Worcester, MA 01608

RE: Appraisal of Irving Street & Chatham Street, Worcester, MA
File No. 22030067A

Dear Mr. Dunn:

We are pleased to submit this appraisal report on the above referenced property. The purpose of this appraisal is to provide a market value opinion of the subject property in its “subject to” condition as a vacant developable commercial zoned site per the client’s request.

The intended user is the Executive Office of Economic Development City of Worcester and its intended use is for potential acquisition / disposition purposes. The legal interest appraised is the fee simple estate in its “subject to” condition as vacant land. The date as of which the value opinion shall apply is March 19, 2022, the date of our inspection of the subject property.

The subject property currently consists of two non-contiguous parcels of land utilized as one economic unit and improved with an office condominium building with 200 combined parking spaces. The property at 484-500 Main Street contains 55,234± square feet (1.27± acres) and contains the six story building improvement. The property at Irving Street and Chatham Street contains 55,225± square feet (1.27± acres) and is utilized as a parking lot for the condominium building. Both parcels appear to be assessed by the City of Worcester as one economic unit utilized as part of an office building condominium project with individual unit assessments. No land assessment was discovered.

The subject property within this “subject to” appraisal is the 55,225± square foot site at Irving Street & Chatham Street currently utilized for condominium parking. Per the request of the client we have considered the parcel as a vacant developable commercial zoned site with no ties to the existing condominium project. No consideration has been given to the 484-500 Main Street parcel containing 55,234± square feet with this appraisal. Said parcel has been appraised separately as a free standing developable vacant commercial zoned site per the request of the client.

March 29, 2022

Letter of Transmittal

Irving Street & Chatham Street, Worcester, MA

Appraised for Executive Office of Economic Development, City of
Worcester



The property is not currently being marketed for sale to the best knowledge of the appraiser.

As vacant developable land; we find that if professionally brokered at the appraised value the subject would compete favorably in the marketplace and would experience a marketing period of less than one year given current market conditions and assuming the availability of financing.

The scope of the appraisal is not limited and therefore includes all steps customarily performed by our peers in the valuation of properties such as the subject. The scope of work is suitable to produce a credible appraisal. A summary description of the property, the sources of information, and the bases of the estimates are contained in the accompanying sections of this report.

This appraisal assignment has been performed and completed in compliance with USPAP, the Code of Professional Ethics, the Massachusetts Board of Real Estate Appraisers, the American Society of Appraisers, and the specific requirements of the client.

Within the past 3 years the firm of Howard S. Dono & Associates, Inc. has performed services related to the subject of this report and the client is aware of this fact.

Statement Relative to the Coronavirus (COVID-19) Pandemic:

While a state of emergency was declared on March 10, 2020 as of April 2021 vaccination of the Massachusetts population was well underway with anticipation of a full re-opening of the economy for the summer of 2021 with the Governor lifting restrictions and the Massachusetts economy being declared "open for business" as of May 29, 2021. However, by September to December we saw the resurgence of the Delta Variant and Omicron Variant once gain impacting the overall population and economy.

Presently as of March 2022 the pandemic has been ongoing for 24 months and nationally and locally the full impact on the real estate market is yet to be determined with individual retail, office, industrial and residential sectors experiencing varying degrees of impact.

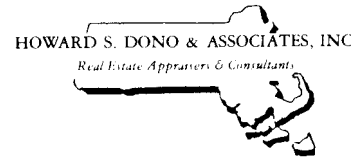
Over the past 24 months substantial turmoil has occurred in financial markets and due to the developing situation; it is not possible at this time to quantify its long-term or short-term effects on real estate markets or on the subject property.

March 29, 2022

Letter of Transmittal

Irving Street & Chatham Street, Worcester, MA

Appraised for Executive Office of Economic Development, City of
Worcester



Subject to all conditions and explanations contained in the accompanying report, our market value opinion of the fee simple interest in the subject property in its "subject to" condition as a vacant developable commercial zoned site, expressed in terms of financial arrangements equivalent to cash, as of March 19, 2022, is:

ONE MILLION FIVE HUNDRED TWENTY FIVE THOUSAND DOLLARS
(\$1,525,000.00)

Extraordinary Assumptions and Hypothetical Conditions: Extraordinary assumptions or hypothetical conditions were required for the completion of the appraisal assignment and we urge the client to read this section of the report.

Reports are delivered electronically as prepared by Howard S. Dono & Associates, Inc. with protected digital signatures and contain all addenda materials. Copies of the report may not represent our actual analyses and conclusion(s) of value, as we have no control over the security of the content once delivered. This report must be considered in its entirety and we assume no liability for the use of this report by anyone other than the intended user, any use other than the intended use, and partial or fraudulent versions of our reports. The accompanying prospective financial analyses are based on estimates and assumptions developed in connection with the appraisal. Some assumptions, however, inevitably may not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analyses may vary from estimates, and the variations may be material. Further, we have not been engaged to evaluate the effectiveness of management, and we are not responsible for future marketing efforts and other management actions upon which actual results will depend.

Respectfully Submitted,

HOWARD S. DONO & ASSOCIATES, INC.

Joseph R. Curley, Jr., MBA, MRA, ASA

Massachusetts Certified General Real Estate Appraiser #811

As review/supervising appraiser, I certify that I have reviewed the content, analysis and conclusion expressed in this report and concur with the final value estimate.

Howard S. Dono, MRA, IFAS, ASA

Supervising / Review Appraiser

Massachusetts Certified General Real Estate Appraiser #1204

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EXECUTIVE SUMMARY

Property Information

Address:	Irving Street & Chatham Street Worcester, Massachusetts
Property Type:	Vacant developable commercial land "Subject to" condition per client request
Occupancy:	Assumed to be vacant land
Proposed Use:	Potential commercial development
Owner of Record:	See summary ownership to follow
Owner's Representative:	N/A, exterior only inspection completed

Building Characteristics (Assumed to be vacant land)

Number of Buildings:	N/A
Number of Units:	N/A
Number of Stories:	N/A
Gross Building Area:	N/A
Percent Occupied:	N/A
Year Built / Condition:	N/A
Substantial Deferred Maintenance:	N/A
Conforming:	N/A

Site Characteristics

Land Area:	55,225± square feet (1.27± acres)
Zoning Designation:	BG-6.0
Flood Hazard Zone:	Apparently no
Conforming:	Yes

Highest and Best Use

As if Vacant:	Commercial development
As Improved:	N/A, assumed to be vacant land
User:	Owner / Investor (developer)
Excess / Surplus Land:	None considered as vacant parcel

EXECUTIVE SUMMARY

Valuation Information

Property Interest Appraised:	“Subject to” condition as vacant land Fee simple estate interest appraised
Effective Date of Appraisal:	March 19, 2022, date of value
Listing Price:	N/A
Pending Sale Price:	N/A
Exposure Time / Marketing Period:	Less than 12 months

Market Value Opinion Indications (as vacant land)

Cost Approach:	Not Developed
Sales Comparison Approach:	\$1,525,000.00
Income Capitalization Approach:	Not Developed

Market Value Opinion Conclusion (as vacant land)

Real Estate:	\$1,525,000.00
Allocation (furniture, fixtures):	Not Applicable

Extraordinary Assumptions and Hypothetical Conditions:

Extraordinary assumptions or hypothetical conditions were required for the completion of the appraisal assignment and we urge the client to read this section of the report.

SUBJECT PHOTOGRAPHS

REPRESENTATIVE VIEW OF SUBJECT PROPERTY



SUBJECT PHOTOGRAPHS

REPRESENTATIVE SUBJECT PHOTOGRAPH



SUBJECT PHOTOGRAPHS

REPRESENTATIVE SUBJECT PHOTOGRAPH

VIEW IRVING STREET



VIEW CHATHAM STREET



SUBJECT PHOTOGRAPHS

REPRESENTATIVE SUBJECT PHOTOGRAPH



SCOPE OF WORK

Prior to accepting this appraisal assignment, the appraiser was fully aware of the type of property to be appraised, the geographical and market area in which the subject property is located, and the nature of the appraisal problem. The appraiser has broad experience in appraising commercial real estate in the subject region. Compliance with the competency provision, as described in the Uniform Standards of Professional Appraisal Practice, is understood. The scope of work is intended to be in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics, the Massachusetts Board of Real Estate Appraisers, the American Society of Appraisers, and the specific requirements of the client.

It is the intent of this report to communicate a market value appraisal, in narrative fashion, based upon gathering, presenting, and analyzing various pertinent market data. The depth and extent of the scope of this report reflect the prior agreement of the client and appraiser. This appraisal conforms to Standards 2 of USPAP; as such, it contains discussions of the data, reasoning and analyses involved in the appraisal process while supporting documentation is retained in our work file.

The scope of the appraisal includes all steps customarily performed by our peers in the preparation of the appraisal report for a property such as the subject. These steps include, but are not limited to, the following:

- Inspection of the property to be appraised. An inspection is made to sufficiently describe the subject for valuation purposes. The level of inspection is dictated by the nature of the real estate and the degree of access granted by ownership and/or occupants. The level of inspection was sufficient for a credible appraisal. *That being said per USPAP, the appraiser personal inspection is defined as a physical observation performed to assist in identifying relevant property characteristics in a valuation service. An appraiser's inspection is typically limited to those things readily observable without the use of special testing or equipment.* As the subject has been considered as vacant land an exterior only inspection has been completed.
- Land area calculations are based upon the assessment records and recorded plans. The site at Irving Street & Chatham Street contains 55,225± square feet (1.27± acres).

SCOPE OF WORK

- Discussions with ownership and review of operating income and expense statements, schedule of recent or intended capital improvements, leases, listings, and purchase and sales agreements, if applicable. For leased properties we have requested copies of leases, income/expense summary and/or tax returns. For the purpose of this appraisal the subject property has been appraised in its “subject to” condition as vacant developable commercial zoned land. As such no consideration has been given to the current parking lot use associated with the condominium building at 484-500 Main Street. Presently the subject is not being marketed for sale to the best knowledge of the appraiser. That being said the purpose of the appraisal is for potential acquisition purposes.
- Analysis of highest and best use by analyzing the subject’s physical and geographic characteristics in light of the subject’s existing development. Again, we have appraised the property as a vacant developable commercial site. The highest and best use is considered to be for future commercial development as a vacant site.
- Research and analysis of market data; historic, current and proposed, within the City of Worcester. Research and analysis of same data regionally through Baystate Multiple Listing Service (MLS), Banker & Tradesman, Costar.com, Loopnet.com, and extensive in-house files. Our research, unless otherwise noted, covered a period of 3 years.
- Development of opinion(s) of value through consideration of the three approaches to value and development of all approaches applicable to valuing a property with the subject’s characteristics. An explanation of the exclusion of any approaches must be stated.
- Writing an appraisal report in compliance with the standards of our profession and the specific requirements of the client.
- For the purpose of this analysis no consideration has been given to the “on-going” business concern, equipment, furnishings and/or goodwill of the business operations associated with the subject property. The value estimate herein is for the real estate only. As such this analysis required no allocation to the value estimate for FF&E (furnishings, fixtures and equipment) or and allocation to an “on-going” business concern.
- Software utilized is Microsoft Excel and maintained by Joseph Curley, Jr., MBA, MRA, ASA.

CERTIFICATION

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

1. To the best of our knowledge and belief, the estimates of fact contained in this appraisal report, upon which the analyses, opinions, and conclusions expressed herein are based, are true and correct.
2. Joseph R. Curley, Jr., MBA, MRA, ASA made a personal inspection of the property that is the subject of this report. Howard S. Dono, MRA, IFAS, ASA has inspected the subject property in conjunction with the review appraisal function. Details of the extent of inspection have been incorporated in the body of this report.
3. The reported analyses, opinions, and conclusions are limited only by the reported contingent and limiting conditions, and are my personal, unbiased professional analyses, opinions and conclusions.
4. 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.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Neither this appraisal assignment nor my compensation is contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
7. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with and is subject to the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Massachusetts Board of Real Estate Appraisers and the American Society of Appraisers, and conforms to the Uniform Standards of Professional Appraisal Practice (U.S.P.A.P.).
8. No one other than the undersigned provided significant professional assistance to the persons signing this report.
9. The appraisal assignment was not based on a minimum valuation, a specific valuation, or the approval of a loan.

CERTIFICATION

10. The appraiser certifies that he/she is competent to complete the appraisal report in accordance with the competency provision of the Uniform Standards of Professional Appraisal Practice.
11. Disclosure of the contents of this appraisal report is governed by the bylaws and regulations of the Massachusetts Board of Real Estate Appraisers and the American Society of Appraisers relating to review by its duly authorized representatives.
12. Within the past 3 years the firm of Howard S. Dono & Associates, Inc. has performed services related to the subject of this report and the client is aware of this fact.
13. The property herein described and defined, which is the subject of this appraisal report, was valued as of March 19, 2022 at \$1,525,000.00 for its fee simple title in the subject property "subject to" condition as a vacant developable commercial zoned site.

Extraordinary Assumptions and Hypothetical Conditions:

Extraordinary assumptions or hypothetical conditions were required for the completion of the appraisal assignment and we urge the client to read this section of the report.



Joseph R. Curley, Jr., MBA, MRA, ASA
Massachusetts Certified General Real Estate Appraiser #811

As review/supervising appraiser, I certify that I have reviewed the content, analysis and conclusion expressed in this report and concur with the final value estimate.



Howard S. Dono, MRA, IFAS, ASA
Supervising / Review Appraiser
Massachusetts Certified General Real Estate Appraiser #1204

**EXTRAORDINARY ASSUMPTIONS AND
HYPOTHETICAL CONDITIONS**

An extraordinary assumption is an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinion or conclusions. A hypothetical condition is a condition that is contrary to what exists but is supposed for the purpose of analysis.

Extraordinary assumptions or hypothetical conditions were required for the completion of the appraisal assignment and we urge the client to read this section of the report.

The subject property currently consists of two non-contiguous parcels of land utilized as one economic unit and improved with an office condominium building. The property at 484-500 Main Street contains 55,234± square feet and contains the six story building improvement. The property at Irving Street and Chatham Street contains 55,225± square feet and is utilized as a parking lot in-conjunction with the condo building.

The subject property within this “subject to” appraisal is the 55,225± square foot site at Irving Street & Chatham Street. Per the request of the client we have considered the parcel as a vacant developable commercial zoned site with no ties to the existing condominium project.

We assume development of the site is feasible within this analysis.

No consideration has been given to the 484-500 Main Street parcel containing 55,225± square feet with this appraisal. Said parcel has been appraised separately as a free standing developable vacant commercial zoned site per the request of the client.

The subject is utilized for parking with the 484-500 Main Street office condominium building. We have considered the subject to be vacant land with no consideration to the existing improvements or associated condominium use (parking), multiple ownership or leases considered within this analysis. As such the fee simple interest has been appraised.

GENERAL CONTINGENT AND LIMITING CONDITIONS

This appraisal report, the Letter of Transmittal and the Certification of Value are made expressly subject to the following assumptions and limiting conditions contained in the report which are incorporated herein by reference.

1. No responsibility is assumed for matters legal in nature, nor is any opinion rendered as to title, which is assumed to be marketable. The legal description contained in this report is assumed to be correct.
2. The Appraisers have made no survey of the property and no responsibility is assumed in connection with such matters. The sketches contained in this report were not completed by an engineer and are included only to assist the reader in visualizing the property.
3. No title search was completed in connection with this appraisal report. Therefore, no responsibility is assumed for matters of a legal nature affecting title to the property nor is an opinion of title rendered in this report. The title is assumed to be good and marketable.
4. Information furnished by others is assumed to be true, factually correct and reliable. A reasonable effort has been made to verify such information but the Appraisers assume no responsibility for its accuracy.
5. All mortgages, liens, encumbrances, leases and solitudes have been disregarded unless so specified within this report. The property is appraised as though under responsible ownership and competent management.
6. It is assumed in this report that there are no hidden or unapparent conditions of the property, subsoil, or structures that would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover them.
7. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless non-compliance is stated, defined and considered in the appraisal report.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with unless non-conformity has been stated, defined and considered in the appraisal report.

GENERAL CONTINGENT AND LIMITING CONDITIONS

9. It is assumed that all required licenses, consents or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. It is assumed that the utilization of the land and the improvements is within the boundaries or property lines of the property described and there is no encroachment or trespassing unless noted within this report.
11. In this appraisal report, the existence of potentially hazardous material used in the construction or maintenance of any existing buildings, such as the presence of urea-formaldehyde foam insulation and/or the existence of toxic waste, was not observed by the appraiser. The appraisers, however, are not qualified to detect such substances. The existence of urea-formaldehyde insulation or other potentially hazardous waste material may have an effect on the value of the property. The appraiser urges the client to retain an expert in the field, if desired. Please note the information supplied in the Site Description - Hazardous Substances Section.
12. In this appraisal, compliance with the Americans with Disabilities Act (ADA) accessibility requirements has been considered. Unless otherwise noted in this report, no information was obtained to indicate compliance or lack thereof to ADA accessibility requirements. The appraiser is not qualified to conduct an ADA accessibility assessment and urges the client to retain an expert in this field if desired.
13. The appraiser will not be required to give testimony or appear in court because of having made this appraisal, with reference to the property in question, unless arrangements have been previously made prior to the completion of this assignment.
14. Possession of this report, or a copy thereof, does not carry within the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser.
15. The distribution of the total valuation in this report between land and improvements applies only under the reported highest and best use of the property. The allocation of land and improvements in value must not be used in conjunction with any other appraisal and/or is invalid if so used.

GENERAL CONTINGENT AND LIMITING CONDITIONS

16. Neither all nor any part of the contents of this report or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales or any other media without the written consent and approval of the Appraisers nor shall the Appraisers, firm or professional organization of which the Appraisers are members or candidates be identified without written consent of the Appraisers.
17. The gross building area and/or land area of the sales considered in the direct sales comparison approach were verified with public records from the Board of Assessors, the real estate brokers, the grantor and the grantees. However, the appraisers have not conducted field measurements of the comparable sale properties.
18. The term “inspection”, or any variation thereof, is commonly used by our peers to mean our visual observation of the accessible areas of the property as real property appraisers and is not intended to represent inspection by a trade professional unless specifically noted. We have not been hired to, nor are qualified to, perform such inspections.
19. Our conclusions of highest and best use are based on the complexity of the assignment, the purpose of the appraisal, and the intended use and user. A full analysis of highest and best use concludes with the identification of the ideal improvement both “as if vacant” and “as currently improved”. Such analyses typically require professionally prepared site plans, architectural renderings, and cost quotes. When such documentation is not provided it is assumed that the client has agreed to a limited analysis of highest and best use.
20. For the purpose of this analysis no consideration has been given to the “on-going” business concern, equipment, furnishings and/or goodwill of the business operations associated with the subject property. The value estimate herein is for the real estate only. As such this analysis required no allocation to the value estimate for FF&E (furnishings, fixtures and equipment) or an allocation to an “on-going” business concern.
21. This is an "Appraisal Report" per USPAP and has been prepared at the format request of the client. The requested reporting format appears appropriate for the intended use and user.

PURPOSE OF THE APPRAISAL

The purpose of the appraisal is to provide a market value opinion of the fee simple interest in the subject property in its “subject to” condition as a vacant developable commercial zoned site.

INTENDED USE AND USER

The intended use of this appraisal report is for potential acquisition purposes.

The intended user of this report is the Executive Office of Economic Development City of Worcester. Any other use or user is unintended and Howard S. Dono & Associates, Inc. assumes no liability for its use by anyone other than the client or for any use other than the intended use.

EFFECTIVE DATE OF VALUATION

The property was physically inspected on March 19, 2022, which is the date of our market research. Therefore the effective date of valuation is March 19, 2022.

LEGAL INTEREST APPRAISED

The subject property has been considered as vacant developable commercial land unencumbered by any lease agreements. As such the fee simple interest has been appraised.

The legal interest appraised herein is the fee simple estate in the land and improvements. A fee simple estate is defined as follows:

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. (*Appraisal Institute, Dictionary of Real Estate Appraisal, 6th edition, 2015, p. 90.*)

DEFINITION OF MARKET VALUE

As indicated previously, the purpose of this appraisal is to estimate the market value of the subject property. The definition of market value is:

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 is 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 U.S. dollars or in terms of financial arrangements comparable thereto;
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.¹

¹ 12 C.F.R. Part 54.42(g); 55 Federal Register 34696, , August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994.

IDENTIFICATION AND HISTORY OF SUBJECT PROPERTY

The subject property is identified as Irving Street & Chatham Street, Worcester, MA. Within this analysis we have appraised the property in its “subject to” condition as a vacant developable commercial zoned site per the request of the client.

No consideration to the 484-500 Main Street parcel has been considered within this appraisal.

Property Overview

The subject is known as the Denholm Building with direct access from Main Street and High Street to the building improvement and with the associated parking at Irving Street and Chatham Street. The property was constructed circa 1900 and converted to condominium use per the Master Deed recorded on 1/10/1983. The assessment records appear to value the existing units with no land assessments and with the Main Street and Chatham Street lot considered as one economic unit.

The property site currently consists of two non-contiguous parcels contains a total land area of 110,489± square feet.

The property at 484-500 Main Street contains 55,234± square feet and contains the six story building improvement.

The property at Irving Street and Chatham Street contains 55,225± square feet and is utilized as a parking lot.

Per the Master Deed and Assessment records contained in the analyst work file the building contains a total of 200,000± square feet of which 151,786± square feet (75.89%) is unit space and 48,214± square feet (24.11%) is common area.

There are a total of 36 units on six levels per the 2021 assessment records.

Again for the purpose of this analysis we have considered the subject property as a vacant developable commercial zoned site with no consideration to the existing condominium usage (parking).

This appraisal considers only the site at Irving Street & Chatham Street as a freestanding vacant developable commercial site.

IDENTIFICATION AND HISTORY OF SUBJECT PROPERTY

Sales History / Legal Description

The following is a summary of the current 36 units per the assessment records and will serve as our legal description. The Master Deed, Assessment Property Record Cards and Unit Deeds are contained in the analyst work file. The association is for both the Main Street and Chatham Street parcels with no land assessment noted.

# Units	Unit Number	Unit Size SF	Assessment	Unit Owner	Legal Description WDRD Book/Page	Sale Date	Consideration	Comment
1	10	10,083	\$218,200.00	Denholm Condo Trust	16309-367	5/24/1994	\$120,000.00	Multiple units
2	50	7,938	\$216,500.00	Denholm Condo Trust	16309-367	5/24/1994	\$120,000.00	Multiple units
3	100	4,280	\$166,000.00	PPMV Partnership	16699-228	11/10/1994	\$265,000.00	
4	105	1,743	\$90,300.00	Denholm Condo Trust	16309-367	5/24/1994	\$120,000.00	Multiple units
5	110	1,144	\$44,400.00	Denholm Condo Trust	16309-367	5/24/1994	\$120,000.00	Multiple units
6	120	959	\$37,200.00	Sideris Angelou	12305-341	8/30/1989	\$90,000.00	
7	150	3,530	\$128,200.00	Denholm Condo Trust	43014-236	6/25/2008	\$100.00	
8	170	1,189	\$66,400.00	SE Asian Coalition	59106-162	7/16/2018	\$100.00	
9	180	1,439	\$53,100.00	Choice 1 Realty LLC	61830-31	1/31/2020	\$45,000.00	
10	200	9,251	\$354,900.00	Worc Comm Action	16444-148	7/19/1994	\$0.00	Multiple units
11	250	3,047	\$121,600.00	Worc Comm Action	16444-148	7/19/1994	\$0.00	Multiple units
12	280	4,100	\$157,300.00	Worc Comm Action	16444-148	7/19/1994	\$0.00	Multiple units
13	300	10,996	\$421,800.00	United Way Central MA	7896-289	8/31/1983	\$0.00	Multiple units
14	320	3,601	\$130,800.00	Denholm Condo Trust	44296-395	5/24/1994	\$120,000.00	Multiple Units
15	330	2,754	\$124,600.00	Robert Marhefka	8939-378	9/18/1985	\$92,500.00	
16	340	1,976	\$78,800.00	Center for Living & Working	12977-123	8/31/1990	\$100,000.00	
17	345	3,682	\$146,900.00	Center for Living & Working	11050-372	12/31/1987	\$187,500.00	
18	350	2,627	\$120,600.00	Denholm Condo Trust	16309-367	5/24/1994	\$120,000.00	Multiple units
19	360	3,204	\$127,800.00	Big Brother Big Sister CM	13632-105	9/11/1991	\$60,000.00	
20	400	7,854	\$313,400.00	United Way Central MA	10115-193	12/31/1986	\$0.00	
21	420	3,044	\$118,000.00	Zechariah Cook	65974-43	9/1/2021	\$95,000.00	
22	430	11,609	\$463,200.00	Faith Fellowship Ministries	52748-126	8/29/2014	\$290,000.00	
23	450	2,612	\$104,200.00	Colleges of Worcester	40340-386	12/14/2006	\$1.00	
24	460	2,845	\$110,300.00	Center for Living & Working	51418-92	8/28/2013	\$50.00	
25	480	4,158	\$151,100.00	Center for Living & Working	51418-103	8/28/2013	\$50.00	
26	500	5,592	\$223,100.00	Colleges of Worcester	19682-244	3/6/1998	\$180,000.00	
27	510	1,580	\$61,300.00	Randy Feldman	15063-331	4/2/1993	\$65,000.00	
28	515	1,132	\$45,200.00	Colleges of Worcester	19682-249	3/6/1998	\$37,500.00	
29	520	1,627	\$63,100.00	David Cataldo	63402-174	10/1/2020	\$100.00	
30	530	2,746	\$106,500.00	David Cataldo	63402-176	10/1/2020	\$100.00	
31	535	2,740	\$106,300.00	Choice 1 Realty LLC	59582-126	10/23/2018	\$25,000.00	
32	540	2,648	\$105,600.00	Faith Fellowship Ministries	59033-259	6/29/2018	\$100.00	Multiple units
33	560	2,937	\$117,200.00	Faith Fellowship Ministries	59033-259	6/29/2018	\$100.00	Multiple units
34	570	2,090	\$81,000.00	Vangella Real Estate LLC	65901-261	8/24/2021	\$55,000.00	
35	580	2,167	\$84,000.00	Joseph Lostracco	64459-373	10/9/2020	\$30,000.00	
36	600	16,862	\$672,700.00	Easter Seal Society Mass	8490-375	12/14/1984	\$0.00	
		151,786	\$5,731,600.00					

IDENTIFICATION AND HISTORY OF SUBJECT PROPERTY

Listing History

The subject property is not currently being marketed for sale nor has it been marketed for sale within the past five years to the best knowledge of the appraiser as a vacant developable commercial zoned parcel of land.

Occupancy History

Current occupancy within the building is detailed on the legal description and tax summary on the previous page. Unit owners currently have parking rights associated with the subject parcel. We have considered the subject as a vacant land parcel.

Tax and Assessment Data

Current unit assessments have been detailed on the previous page legal description and tax summary. Of note is that as a condominium property no land assessments were discovered for the subject parking parcel.

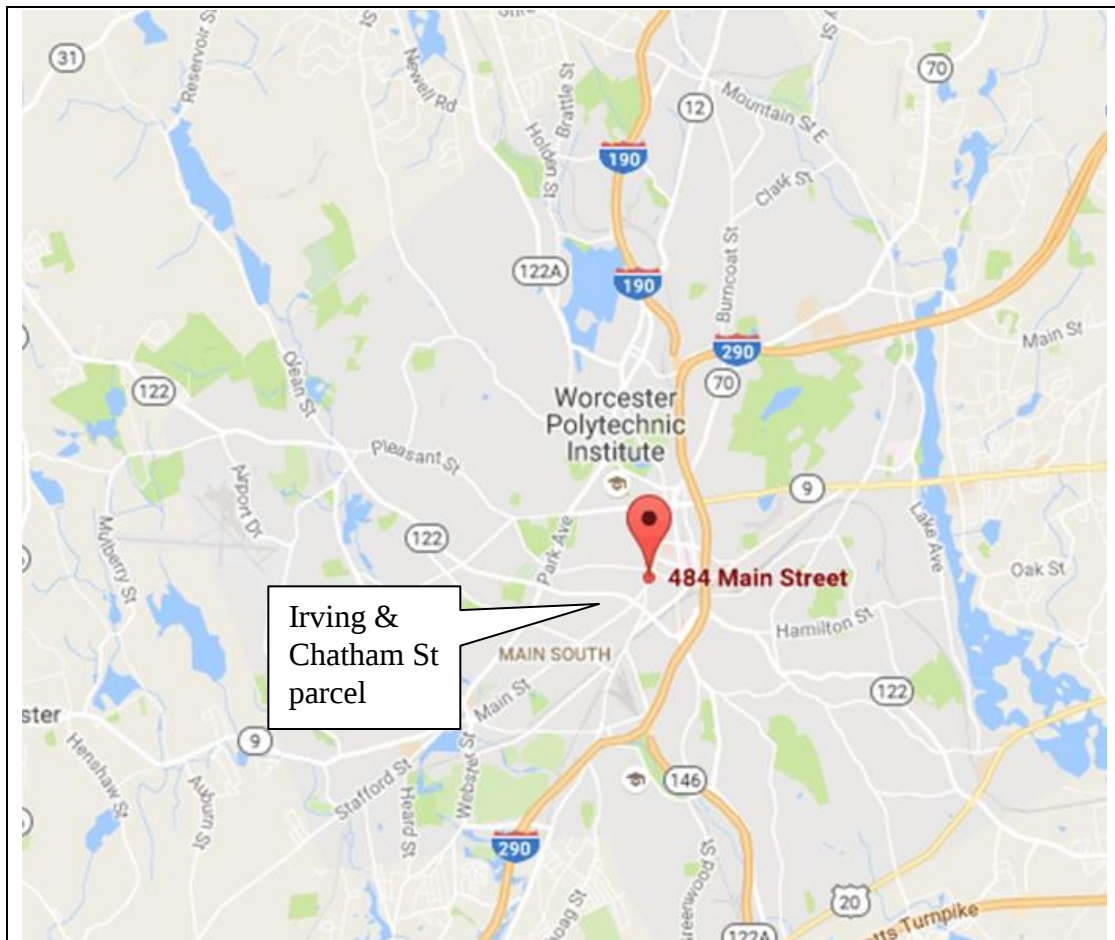
REGIONAL, ECONOMIC AND LOCATION ANALYSIS

The region, economy, and specific location of the subject property are described for the purpose of understanding the influence of these factors on highest and best use and value.

Regional Location

The subject is located in the City of Worcester, Worcester County, Massachusetts.

The subject is located regionally below:



The City of Boston is the 20th most populous city in the United States. Worcester is the second largest city in New England – behind only Boston – and is the 74th largest city in America. Nearly 46% of the 13± million people in New England live in Massachusetts.

REGIONAL, ECONOMIC AND LOCATION ANALYSIS

General Characteristics / Trends of the Region

Based on 2015-2019 statistics Massachusetts's median household income is \$81,215 compared to the 2014-2018 median of \$77,378. Massachusetts' prosperity radiates from east to west and along its interstate highway system. The greater Boston area is the wealthiest area of the state and its real estate is generally the most sought after and costly. There is very little developable land remaining east of Interstate 495 as the sprawl of the 1980s and again in the late 1990s resulted in furious land development. Prior to the current housing correction, single-family residential development gave way to condominium development as the favored development option. Interstate 495 remains the strongest corridor in terms of new development both residentially and commercially. Interstate 495 communities considered part of the subject region are located in Middlesex and Worcester Counties.

More recent data from 2010 thru 2020 reflects the following trends for the 14 counties in Massachusetts.

	<u>Massachusetts</u>	<u>Essex</u>	<u>Suffolk</u>	<u>Middlesex</u>	<u>Norfolk</u>	<u>Bristol</u>	<u>Worcester</u>	<u>Hampden</u>
2020 Population	6,984,723	809,829	797,936	1,632,002	725,981	579,200	862,111	465,825
2010 Population	6,547,629	743,167	722,023	1,503,085	670,726	548,285	798,548	463,490
% Change Population 2010-2020	6.68%	8.97%	10.51%	8.58%	8.24%	5.64%	7.96%	0.50%
Land Area (square miles)	7,840	493	58	817	396	553	1,510	618
Density (persons per square mile)	891	1,643	13,722	1,998	1,833	1,047	571	753
Building Permits (2020)	17,025	1,359	3,696	4,443	1,924	694	1,681	320
Building Permits (2019)	17,365	1,134	3,169	5,569	2,078	648	1,774	258
% Change Building Permits (19-20)	-1.96%	19.84%	16.63%	-20.22%	-7.41%	7.10%	-5.24%	24.03%
Median Income (2015-2019)	\$81,215	\$79,263	\$69,669	\$102,603	\$103,291	\$69,095	\$74,679	\$55,429
Median Income (2014-2018)	\$77,378	\$75,878	\$64,580	\$97,012	\$99,511	\$66,157	\$71,895	\$53,403
% Change Median Inc. (2018-2019)	4.96%	4.46%	7.88%	5.76%	3.80%	4.44%	3.87%	3.79%
Source: U.S. Census Bureau								
	<u>Massachusetts</u>	<u>Barnstable</u>	<u>Plymouth</u>	<u>Hampshire</u>	<u>Franklin</u>	<u>Berkshire</u>	<u>Nantucket</u>	<u>Dukes</u>
2020 Population	6,984,723	228,996	530,919	162,308	71,029	129,026	14,225	20,600
2010 Population	6,547,629	215,888	494,921	158,080	71,372	131,219	10,172	16,535
% Change Population 2010-2020	6.68%	6.07%	7.27%	2.67%	-0.48%	-1.67%	39.84%	24.58%
Land Area (square miles)	7,840	394	659	527	699	926	45	103
Density (persons per square mile)	891	581	806	308	102	139	316	200
Building Permits (2020)	17,025	592	1,343	349	91	211	198	124
Building Permits (2019)	17,365	513	1,114	451	85	276	156	140
% Change Building Permits (19-20)	-1.96%	15.40%	20.56%	-22.62%	7.06%	-23.55%	26.92%	-11.43%
Median Income (2015-2019)	\$81,215	\$74,336	\$89,484	\$70,876	\$60,950	\$59,230	\$107,717	\$71,811
Median Income (2014-2018)	\$77,378	\$70,621	\$85,654	\$67,044	\$59,522	\$56,674	\$105,171	\$71,224
% Change Median Inc. (2018-2019)	4.96%	5.26%	4.47%	5.72%	2.40%	4.51%	2.42%	0.82%
Source: U.S. Census Bureau								

REGIONAL, ECONOMIC AND LOCATION ANALYSIS

All counties, except Franklin and Berkshire, experienced population gains from 2010 to 2020.

Overall building permit activity in the state decreased 1.96% from 2019 to 2020.

Counties showing an increase in building permit activity include: Essex County, Suffolk County, Bristol County, Barnstable County, Plymouth County, Franklin County and Nantucket County from 2019 to 2020. Counties mirroring this decrease in building permit activity include: Middlesex County, Norfolk County, Worcester County, Hampden County, Hampshire County, Berkshire County and Dukes County from 2019 to 2020.

Median income from 2018 to 2019 increased in the state by 4.96% statewide. All counties experienced an increase in median income from 2018 to 2019.

General Health of the U.S. and Regional Economy in Terms of Real Estate as an Investment

Over the past several years 2019 to 2022 market conditions have been steadily improving as will be detailed further within this section with the inclusion of Banker & Tradesman median sales price statistics. Unemployment is currently 3.8% nationally and 4.6% locally down from 2015 numbers of 5.7% (national) and 5.1% (state). That being said it should be noted that during the Covid-19 Pandemic unemployment numbers spiked during the first year of the pandemic and have returned to normalcy around the January 2020 numbers of 3.6% (national) and 2.8% (state) numbers.

The following are unemployment rates are provided by the United States Department of Labor.

Seasonally Unadjusted Unemployment Rate (Source: Bureau of Labor Statistics)												
	Thru	%	Thru	%	Thru	%	Thru	%	Thru	%	Thru	%
National	Jan-15	5.7%	Jan-16	4.9%	Jan-17	4.8%	Jan-18	4.1%	Jan-19	4.0%	Jan-20	3.6%
Statewide	Jan-15	5.1%	Jan-16	4.7%	Jan-17	3.2%	Jan-18	3.5%	Jan-19	3.1%	Jan-21	7.8%
											Dec-21	3.9%
											Jan-22	4.0%
											Feb-22	3.8%
											Dec-21	4.6%

We do not include the above information in order to provide the most recent economic data but rather to provide a benchmark for evaluating how the region compares to the state and nation. It appears that the state and region mirrors the nation with declining overall rates from 2015 to 2022.

The economy from 2015-2019 was doing well prior to the Covid-19 Pandemic at the start of 2020 and so were investments in real property.

REGIONAL, ECONOMIC AND LOCATION ANALYSIS

That being said everyone is watching interest rates.

The key rates to consider are the prime interest rate, the Federal Funds Rate and the 30-year mortgage rate.

Per the Wall Street Journal the prime rate as of 3/1/2022 is 3.25%.

The federal funds rate, like the prime rate is .08% as of February 2022 (Macrotrends.net).

The 30-year mortgage rate is 3.89% as of February 2022 (Macrotrends.net).

PRIME RATE, FED FUNDS RATE, MORTGAGE RATES						
	Thru	%	Thru	%	Thru	%
Prime Rate	Jan-20	4.75%	Jan-21	3.25%	Jan-22	3.25%
Fed Funds Rate	Jan-20	1.54%	Jan-21	0.09%	Jan-22	0.08%
Mortgage Rates	Jan-20	3.51%	Jan-21	2.73%	Jan-22	3.55%
					Feb-22	3.89%

Of particular interest to investors is how the interest rates are affecting capitalization rates.

Per PwC overall cap rates declined in 20 of 35 markets nationally, increased in 5 of 35 markets nationally and held steady in 10 of 35 markets nationally.

Overall 91% of the markets are lower now than one year ago with 24 of the markets posting double digit decreases.

The following cap rate data is from the PwC 1st Quarter 2022 Statistics.



REGIONAL, ECONOMIC AND LOCATION ANALYSIS

PwC 1st Quarter 2022 Statistics

Exhibit 1

OVERALL CAPITALIZATION RATE ANALYSIS

First Quarter 2022

	OVERALL CAP RATES		BASIS-POINT CHANGE		EXPECTED SHIFT (IN SIX MONTHS)*		
	Range	Average	Quarterly	Year Ago	Increase	Decrease	Hold Steady
National Markets							
Regional Mall	4.50% – 12.50%	7.23%	0	– 12	0%	0%	100%
Power Center	5.50% – 8.00%	6.53%	– 10	– 15	25%	25%	50%
Strip Shopping Center	5.00% – 10.00%	7.15%	– 2	– 20	33%	17%	50%
CBD Office	4.25% – 8.50%	5.64%	– 16	– 6	40%	0%	60%
Suburban Office	4.50% – 9.00%	6.13%	– 6	11	0%	40%	60%
Net Lease	5.00% – 7.50%	5.95%	– 27	– 21	50%	0%	50%
Medical Office Buildings	4.00% – 10.00%	6.36%	0	– 10	0%	40%	60%
Secondary Office	6.00% – 9.25%	7.49%	– 3	– 6	43%	14%	43%
Warehouse Markets							
National	2.60% – 6.50%	4.22%	– 9	– 58	0%	40%	60%
East Coast Region	3.00% – 5.50%	4.20%	– 11	n/a	0%	33%	67%
East North Central Region	3.25% – 5.50%	4.40%	– 13	– 58	20%	20%	60%
Pacific Region	3.00% – 4.00%	3.53%	– 10	– 58	0%	20%	80%
Apartment Markets							
National	3.00% – 7.00%	4.40%	– 2	– 64	18%	27%	55%
Mid-Atlantic Region	3.75% – 6.50%	4.55%	– 3	– 50	0%	20%	80%
Pacific Region	3.00% – 4.50%	3.85%	5	– 65	20%	20%	60%
Southeast Region	3.25% – 5.00%	4.25%	– 3	– 53	0%	20%	80%
Individual Office Markets							
Atlanta	4.50% – 8.25%	6.48%	– 1	– 21	0%	33%	67%
Austin	4.70% – 8.00%	5.95%	– 12	– 6	20%	20%	60%
Boston	4.35% – 9.50%	6.03%	0	– 3	20%	20%	60%
Charlotte	4.50% – 7.50%	6.16%	0	– 23	0%	20%	80%
Chicago	4.50% – 10.00%	7.45%	0	– 16	75%	0%	25%
Dallas	5.00% – 8.50%	6.52%	13	– 4	20%	20%	60%
Denver	4.75% – 8.50%	6.56%	0	– 18	0%	33%	67%
Houston	5.50% – 10.00%	7.19%	– 5	– 25	17%	0%	83%
Los Angeles	4.50% – 9.00%	6.25%	0	– 4	33%	0%	67%
Manhattan	4.00% – 6.25%	5.05%	0	– 5	40%	0%	60%
Northern Virginia	5.00% – 7.50%	6.03%	– 10	– 42	20%	0%	80%
Pacific Northwest	4.00% – 7.75%	5.76%	1	– 13	20%	10%	70%
Philadelphia	5.00% – 8.50%	6.94%	– 10	– 14	0%	0%	100%
Phoenix	5.00% – 8.50%	6.50%	– 11	– 18	0%	0%	100%
San Diego	5.25% – 7.75%	6.21%	0	– 15	0%	0%	100%
San Francisco	4.00% – 9.00%	6.07%	18	33	40%	0%	60%
Seattle	4.00% – 7.00%	5.55%	3	– 38	20%	20%	60%
Southeast Florida	4.00% – 9.50%	6.47%	– 32	– 32	20%	0%	80%
Washington, DC	4.50% – 7.00%	5.33%	0	– 7	0%	20%	80%

* Percentage of participants that foresee the following directional shift in cap rates

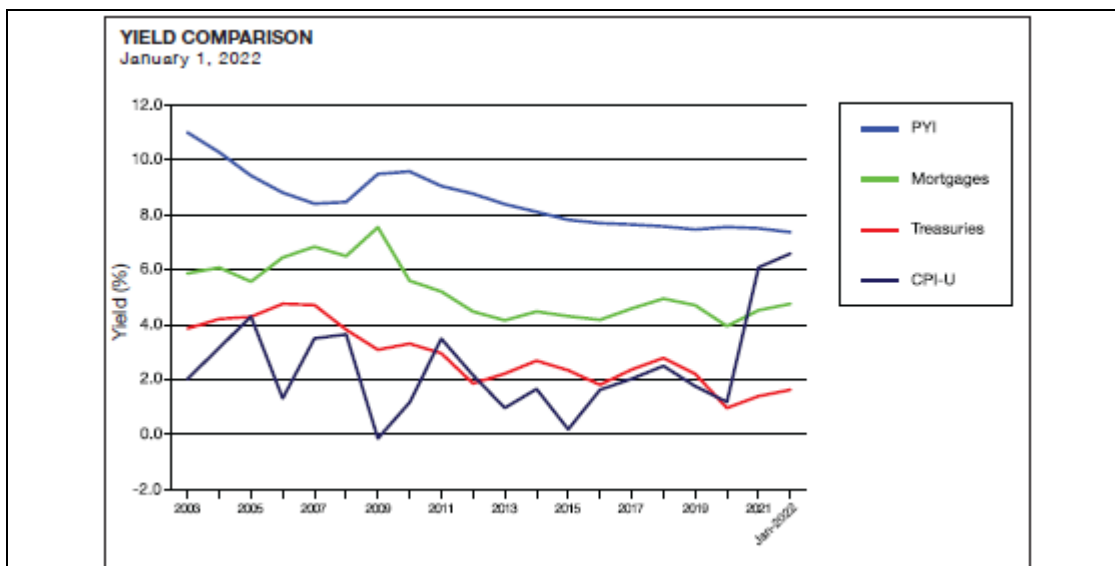
Source: PwC Real Estate Investor Survey

REGIONAL, ECONOMIC AND LOCATION ANALYSIS

The economy is doing well and so are investments in real property. PwC (1st Quarter, 2022 provides the following yield comparisons from real property (PYI) and related investments:

YIELD COMPARISON January 1, 2022						
	2017 AVERAGE	2018 AVERAGE	2019 AVERAGE	2020 AVERAGE	2021 AVERAGE	2022 JANUARY
PwC Yield Indicator (PYI) ^a	7.05%	7.58%	7.47%	7.56%	7.51%	7.37%
Long-Term Mortgages ^b	4.59%	4.95%	4.71%	3.95%	4.53%	4.76%
10-Year Treasuries ^c	2.37%	2.79%	2.21%	0.97%	1.40%	1.63%
Consumer Price Index Change ^d	2.03%	2.50%	1.76%	1.19%	6.09%	6.59%
SPREAD TO PYI (Basis Points)						
Long-Term Mortgages	306	263	276	361	298	261
10-Year Treasuries	528	479	526	659	611	574
Consumer Price Index Change	562	508	571	755	142	78

^a A composite IRR average of all markets surveyed (including hotels, development land, self storage, and student housing).
^b Source: Survey; Select Commercial Funding; Commercial Loan Direct; conventional funding, 80% to 90% LTV loans; fixed rates; 6- to 30-year terms.
^c Source: Federal Reserve; the annual average change in the mean of the four corresponding quarters.
^d Source: U.S. Department of Labor; quarterly changes are annualized based on the index change from the prior quarter; the annual average change is the mean of the four corresponding quarters.



REGIONAL, ECONOMIC AND LOCATION ANALYSIS

Price Waterhouse Cooper (PwC) is a survey many of our peer's reference in their valuation and represents a cross section of major institutional equity real estate investors. The 1st Quarter 2022 Survey entitled "Few Buyers Plan to Alter Investment Strategies" states that since the Pandemic began two years ago the commercial real estate market is demonstrating resurgence after being hit hard by tenant move outs and closures. Investors state that goals are the same as last year but with more selectivity and caution. Overall the office market is considered to be in recession, the retail market in recovery and the industrial and apartment segments are in expansion.

National Highlights

Few Buyers Plan to Alter Investment Strategies

Two years from the onset of the pandemic, much of the U.S. commercial real estate (CRE) industry is demonstrating a resurgence after being hit hard by tenant move outs and closures, lease renegotiations, and diminished tenant demand. Certain property sectors and niche property types, like warehouse, medical office buildings, and self-storage, never seemed negatively impacted by the pandemic and continue to post solid impressive performances. In turn, many investors are continuing to pursue buying opportunities as they have since the start of the pandemic – with discipline, caution, and careful underwriting. "Our investment objectives haven't changed over the past year," remarks an investor, currently buying office assets. "Our goals are the same as last year – buy selectively and be cautious," says another.

Given the vast number of office metros expected to be in the recession phase of the real estate cycle by year-end 2022, buyers are understandably adopting a restrained approach as new leasing trends evolve and the work-from-home movement endures. The PwC Real Estate Barometer forecasts that 65.0% of the 57 office cities analyzed will be in recession by year-end 2022. The good news, however, is that 2022 is projected to be the bottom of the current cycle for the office sector. In 2023, most office metros will be in either recovery (58.0%) or expansion (35.0%). In contrast, 2022 is expected to be another banner year for the industrial sector with 76.0% of the 55 metros analyzed projected to be in expansion. This percentage declines only slightly in 2023 (64.0%), continuing a favorable environment for sellers.

For buyers, the stability demonstrated by the apartment sector throughout the pandemic remains enticing. "The ongoing pandemic is obviously challenging, but we are actively monitoring the situation and have no immediate plans to change our long-term investment strategy," comments an investor. By year-end 2022, the PwC Real Estate Barometer forecasts that 54.0% of the 82 cities analyzed will be in the expansion phase of the cycle, including Detroit, Buffalo, Providence, Fort Worth, and Tacoma.

While the portion of U.S. retail metros in expansion for 2022 is much lower than the other three CRE sectors, the outlook for the retail sector is one of the most positive in years as more consumers shop in stores and the buy-online-pick-up-in-store purchasing pattern continues to revitalize many physical retail locations. As such, 49.0% of the 80 retail metros analyzed are forecasted to be in recovery by year-end 2022, including Cleveland, Central New Jersey, and Las Vegas. It remains to be seen if a true retail renaissance is emerging, but when combined with the positive trends occurring elsewhere in the industry, it's understandable why many investors remain committed to acquiring CRE assets during such a transformative time.

Dominant Real Estate Cycle Position by Sector for 2022*

Office	Retail	Industrial	Apartment
Recession	Recovery	Expansion	Expansion
65%	49%	76%	54%

* % represents the largest portion of the metros analyzed in each sector [57, 80, 55, and 82, respectively]

REGIONAL, ECONOMIC AND LOCATION ANALYSIS

The PWC Summary & Definitions per 1st Quarter 2022 Report Nationally

PwC Real Estate Barometer

Real estate cycles vary across markets and geographic areas, as well as within markets and geographic locations based on property type – office, retail, industrial, and multifamily. This observation means that national cycles differ for the same property type across individual markets. It also means that within a specific location, the cycle for each property type can be in a different phase at any given time.

An in-depth analysis of historical and forecast stock data provided by CBRE Economic Advisors and Reis allows us to gauge each sector's likely shifts over the near term. The results of our research are shown in Charts REB-1 through REB-4. The charts represent the cumulative number of U.S. metros analyzed for each property type and the aggregate positions in our barometer analysis. Individual barometer readings for U.S. regions, as well as various metros, are shown for each sector in Forecast-1 through Forecast-4.

Office

While fundamentals for the U.S. office sector continued to decline in 2021 with occupancy rates ending the year higher in 43 of the metros included in our analysis, 2022 is projected to be the bottom of the current cycle. Until the bottom is reached, however, occupancy is expected to continue to decline while rent change will also be negative over the year. In 2023, about 56.0% of the office metros analyzed will be in recovery and roughly 35.0% will be in expansion (see Chart REB-1).

Retail

The U.S. retail sector overcame huge challenges in 2021 and was able to adapt to a difficult environment much better than anticipated a year ago. The resurgence in the retail sector is being driven by strong brick-and-mortar sales growth. While the recession phase of the cycle is still present over the next four years, recovery starts to dominate this sector by year-end 2023 (see Chart REB-2).

Industrial

A perfect storm of extraordinary tenant demand, low vacancy rates, and a temporary deceleration in supply combined to boost the U.S. industrial sector in 2021. Such trends should continue over the near term, keeping much of the sector in expansion through 2023 (see Chart REB-3). Even though accelerating new supply could lead to an undesirable shift in fundamentals, they should remain healthy since vacancy is near all-time lows in many industrial metros.

Apartments

The U.S. apartment sector's fundamentals gained considerable momentum in 2021, ending the year with 52 metros (83.0%) in expansion. Even though new supply and the U.S. homeownership rate are on an upswing, sector trends are expected to remain positive with most metros forecasted in either expansion or contraction in the near term (see Chart REB-4). Metros rooted in expansion over the next four years include Charleston, Fort Worth, and Indianapolis.

DEFINITIONS

Contraction: The phase following the market peak, characterized by softening market conditions and a shift in the supply/demand balance leading to increasing vacancy rates, slowing rental growth, and rising overall cap rates.

Expansion: The phase following recovery, characterized by strong demand and increasingly tight market conditions leading to low vacancy rates, robust rental growth, and decreasing overall cap rates.

Recession: The phase following contraction, characterized by very low demand and high levels of supply that were added during the previous two phases. Typically involves high vacancies, negative rental growth, and high overall cap rates.

Recovery: The phase following the market bottom, characterized by tightening market conditions and a shift in supply/demand balance leading to reduced vacancy rates, more balanced rental growth, and a stabilization of overall cap rates.

Stock: The total inventory of space, in square feet or units, in a given market.

REGIONAL, ECONOMIC AND LOCATION ANALYSIS

Economic feasibility of additions (land development) to the Massachusetts commercial sectors

New institutional grade construction is generally contraindicated when the major sectors are in either the recession or contraction cycle as are all of the market sectors. This said, new development is occurring. We note that the hottest regional sector appears to be in the life sciences subsector in the greater Boston area and is inching its way toward Central Massachusetts. Well-positioned sites throughout the region are experiencing non-institutional development in all sectors.

Relative Health of the Residential Sector Regionally and Specific to the Subject Community

The trends in the market activity and value of the single-family and residential condominium sector are a good barometer of the health of all sectors of the regional and local real estate markets. Our residential analysis serves as a logical transition to the community and market area analysis.

The following grids have been reproduced from the most recent on-line statistical grids per Banker & Tradesman.

REGIONAL, ECONOMIC AND LOCATION ANALYSIS

Worcester County Median (January 2021 to December 2021)

Sales Price Single Family (\$375,000) and All Properties (\$358,000)

WORCESTER County, MA - Median Sales Price - Calendar Year				
Year	Period	1-Fam	Condo	All
2022	Jan - Jan	\$375,000	\$293,000	\$370,000
2021	Jan - Dec	\$375,000	\$275,000	\$358,000
2020	Jan - Dec	\$325,000	\$246,500	\$311,000
2019	Jan - Dec	\$290,000	\$221,000	\$278,900

The Worcester County median price for all properties rose from \$310,000 in 2020 to \$358,000 in 2021. Properties values have risen consistently from 2019 to 2021.

Worcester Median (January 2021 to December 2021)

Sales Price Single Family (\$335,750) and All Properties (\$347,500)

Worcester, MA - Median Sales Price - Calendar Year				
Year	Period	1-Fam	Condo	All
2022	Jan - Jan	\$342,000	\$192,500	\$375,000
2021	Jan - Dec	\$335,750	\$206,000	\$347,500
2020	Jan - Dec	\$285,000	\$188,000	\$290,000
2019	Jan - Dec	\$255,000	\$180,000	\$260,000

The Worcester median price for all properties rose from \$290,000 in 2020 to \$347,500 in 2021. Properties values have risen consistently from 2019 to 2021.

REGIONAL, ECONOMIC AND LOCATION ANALYSIS

Strength of Worcester when Compared to the Region Residentially

Again, the performance of the residential market is a good barometer of how owner-occupants and investors will respond when comparing Worcester real estate with alternative investments in competing communities.

We rate Worcester regionally as follows:

<i>Competitive position of Worcester within the region</i>			
Rating Category	Below Avg.	Avg.	Above Avg.
Values		X	
Sales Activity Trends		X	
Value Trends		X	

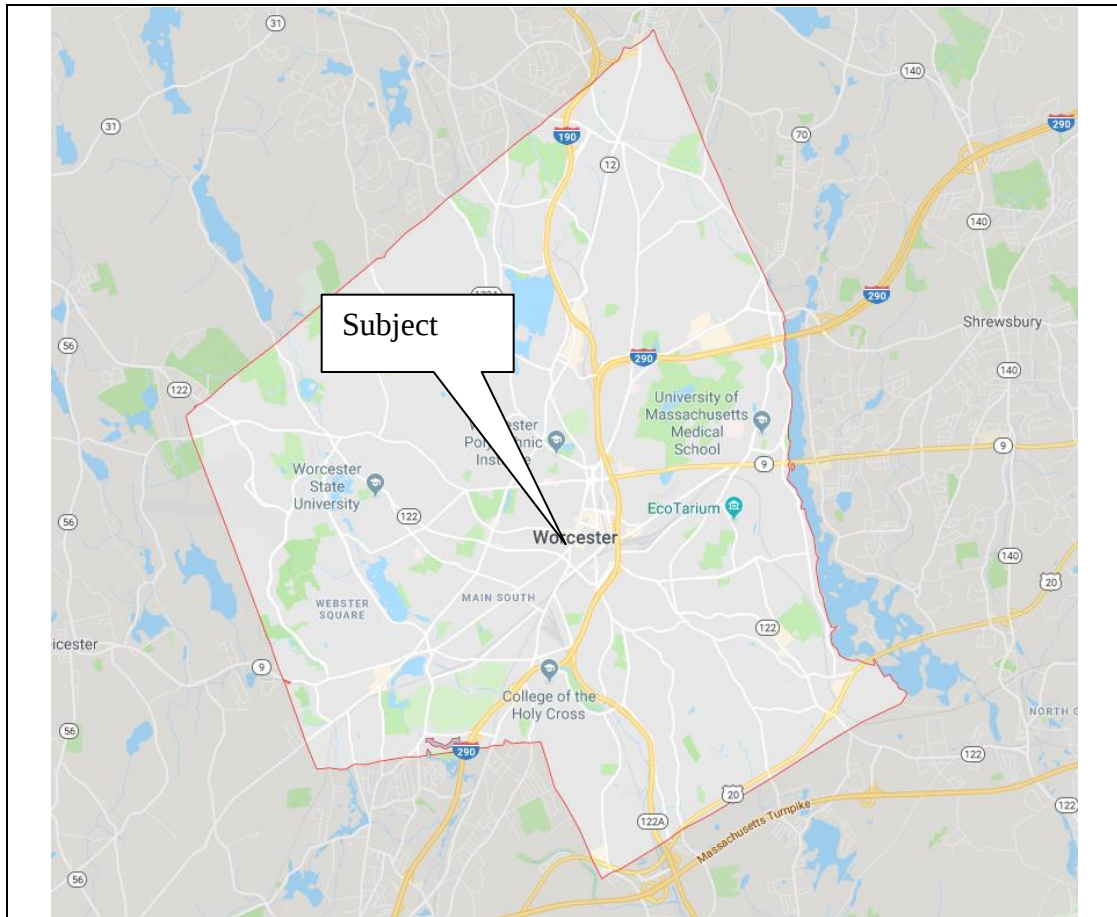
The median income in Worcester, MA for 2015-2019 is \$48,139 as compared to the median income for Worcester County from 2015-2019 at \$74,679.

All Topics	Worcester city, Massachusetts	Worcester County, Massachusetts	Massachusetts
Population estimates, July 1, 2019, (V2019)	185,428	830,622	6,892,503
PEOPLE			
Population			
Population estimates, July 1, 2019, (V2019)	185,428	830,622	6,892,503
Population estimates base, April 1, 2010, (V2019)	180,891	798,383	6,547,785
Population, percent change - April 1, 2010 (estimates base) to July 1, 2019, (V2019)	2.5%	4.0%	5.3%
Population, Census, April 1, 2010	181,045	798,552	6,547,629
Income & Poverty			
Median household income (in 2019 dollars), 2015-2019	\$48,139	\$74,679	\$81,215

REGIONAL, ECONOMIC AND LOCATION ANALYSIS

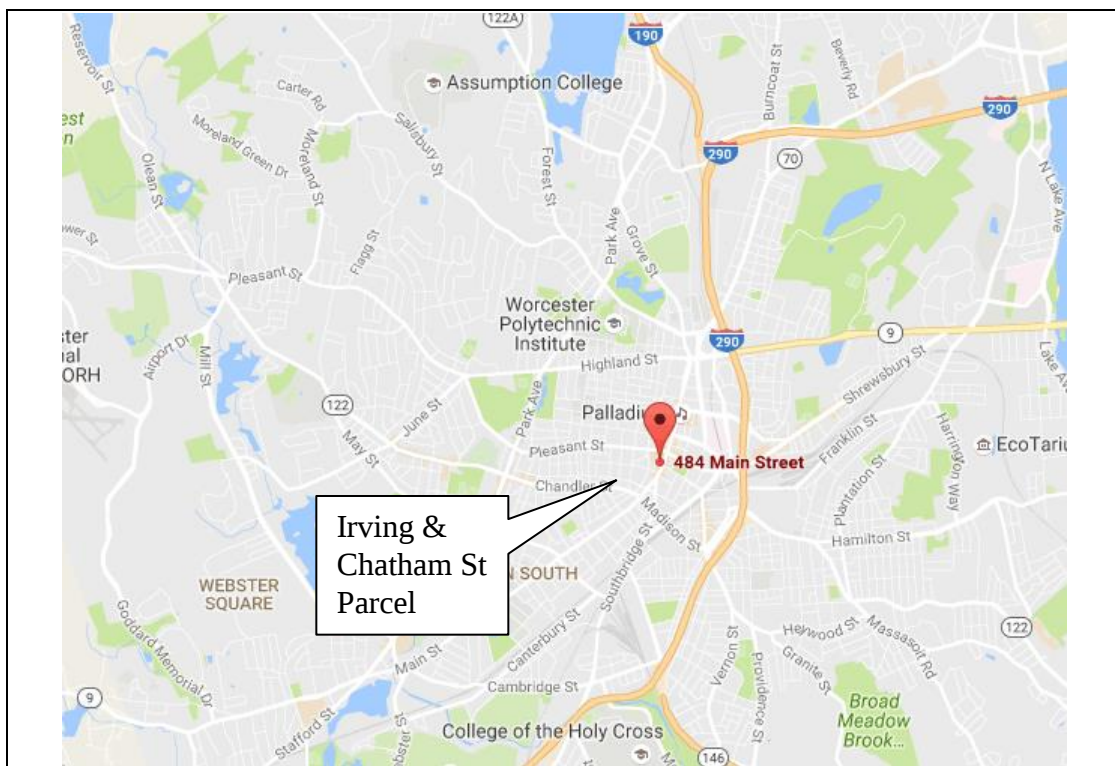
Community Description

Community Mapping



REGIONAL, ECONOMIC AND LOCATION ANALYSIS

The City of Worcester is the geographical, political and economic center of the region previously identified as Central Massachusetts. Worcester is located approximately 13 miles west of the intersection of Interstate 495 (I-495) and Boston Turnpike Road (MA Route 9). Worcester is bordered on the east by Shrewsbury; on the south by Auburn and Millbury; on the west by Worcester and Leicester; and on the north by West Boylston and Boylston. Worcester is strategically located in Central Massachusetts. Metropolitan Worcester benefits from direct access to Interstates 290, 495 and 90 (Mass Turnpike). The city of Worcester is the heart of the central Massachusetts region described earlier in this report.



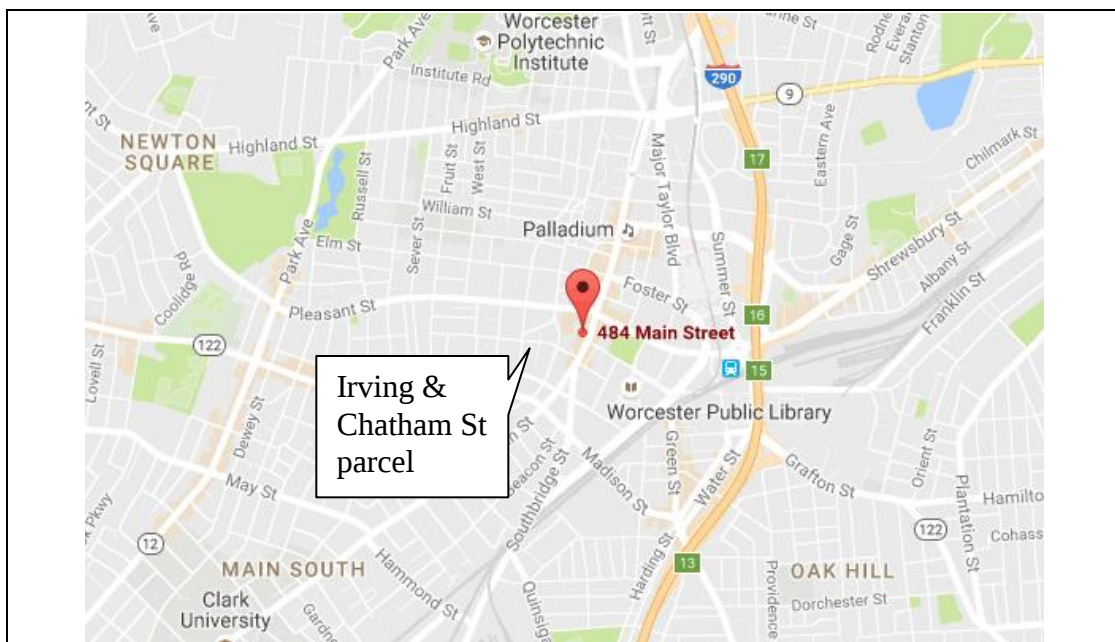
Population and Land Area:

The 2010 population is reported at 181,045 persons. The 2019 population is reported at 185,428 persons for an increase of 4,383 persons.

The land area for Worcester is 37.56 square miles with a current density of 4,937 persons per square mile.

REGIONAL, ECONOMIC AND LOCATION ANALYSIS

Access and Transportation: Interstate I-190 and Interstate I-290 converge to provide swift access from the north, south and east. Interstates I-90 and I-495 are the primary Interstates serving Massachusetts. I-495 is easily accessible via I-290. Direct access to Interstate 90 (the state's primary east / west connector) via Massachusetts Route 146, on the southeast corner of Worcester was recently completed. Widening of Route 146 to a four-lane highway is currently underway. This is anticipated to generate a boon for the local economy, as current I-90 accesses in neighboring Auburn and Millbury are inconvenient for those unacquainted with the area. Massachusetts Routes 9, 20, 12, 122 and 146 also service the Worcester Metropolitan area and are among the mostly prized of commercial locations due to traffic counts.



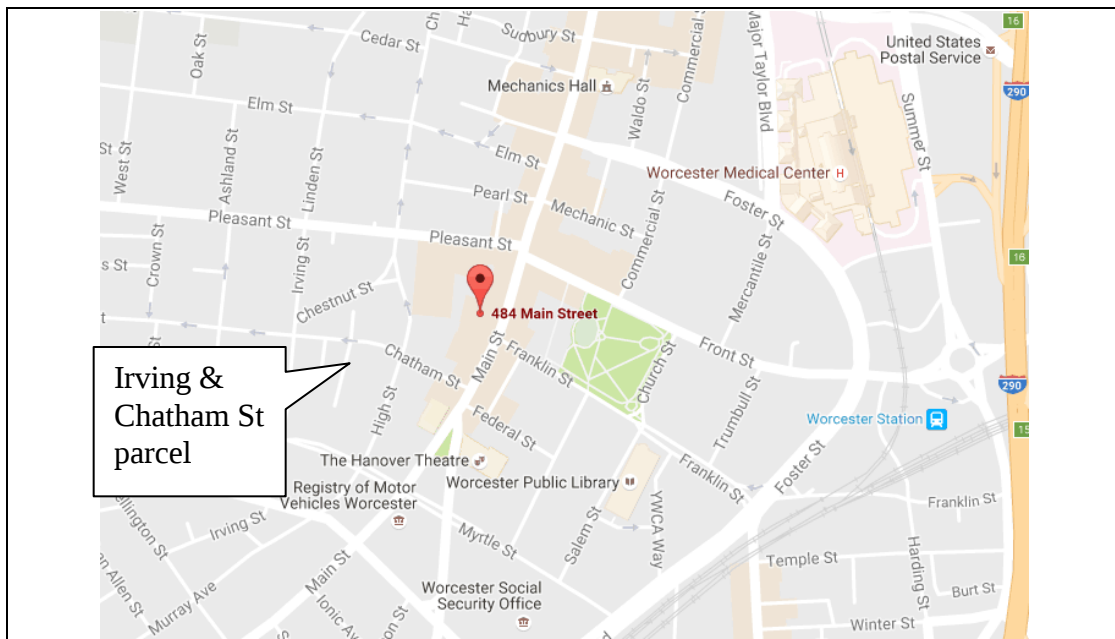
Community Services: Except that the subject does not enjoy commuter rail access, it enjoys (or has ease of access to) all of the community services desired by residential and non-residential end-users and investors, including an average school system.

Community Governmental and Financial Influence: The community, like most, periodically experiences disagreement between the municipality and taxpayers related to policies and spending. But the community's tax base is broad and its income and expenses appear stabilized. No atypical changes are expected that will influence the community's value as a residential or commercial location.

REGIONAL, ECONOMIC AND LOCATION ANALYSIS

Non-Residential Property Supply and Demand: Our review of secondary sources (Multiple Listing Service, Loopnet.com) and our personal observation of the subject and competing commercially zoned neighborhoods, shows very few vacancies (virtually none) and few listings of properties for sale or lease. Lease terms generally increase at the rate of the consumer price index. Worcester has a bustling and diverse retail and office market.

Neighborhood description



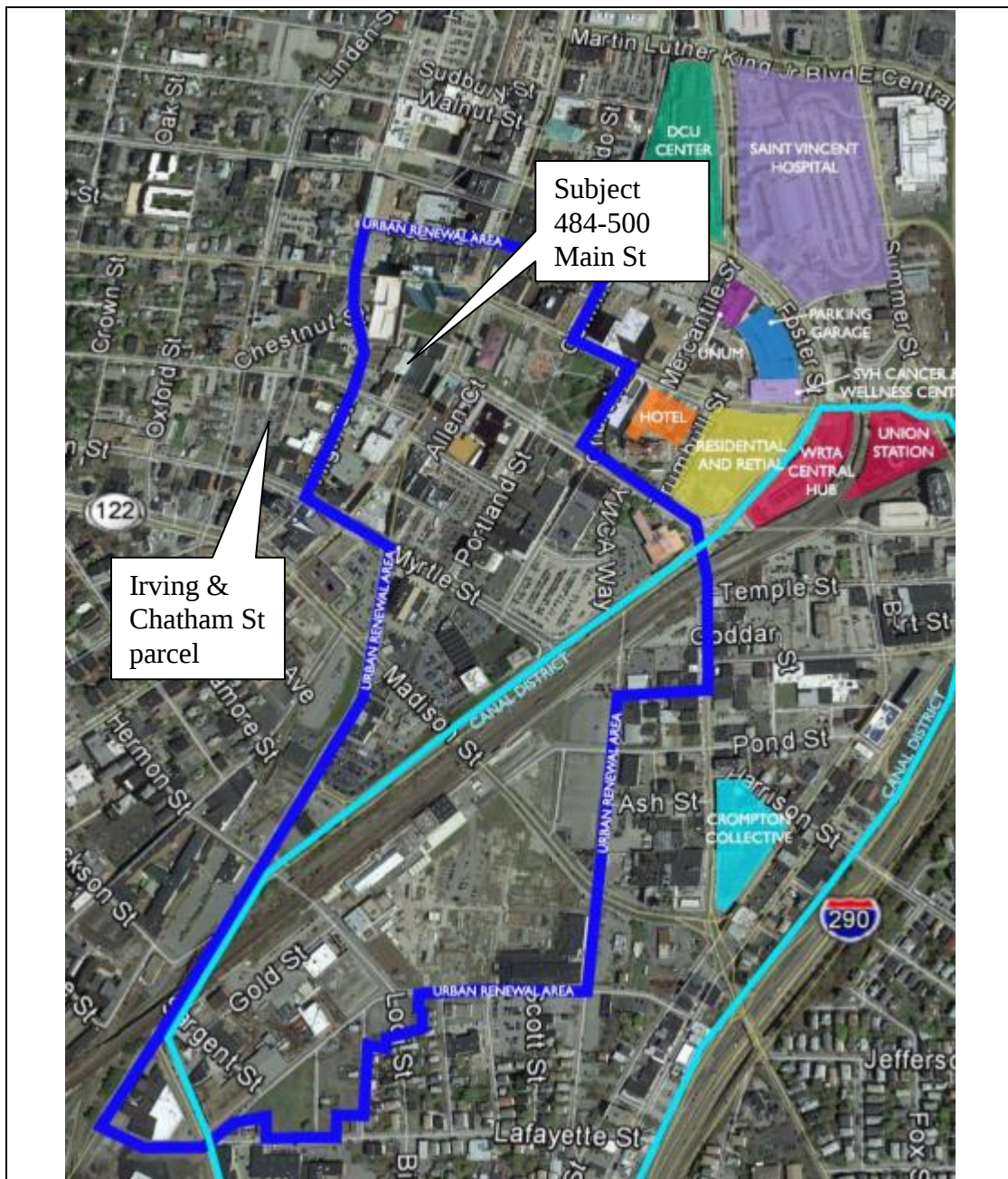
The subject property is located just north of the downtown central district of Worcester, MA along Chatham Street and Irving Street.

The immediate area is developed largely commercially with some residential apartments. Nearby uses include offices, retail, restaurants and banks. Within close proximity are the Worcester City Hall, the Hanover Theater, the DCU Center, Medical City, the Worcester Superior Courthouse and the Federal Court House. Of note is that the former Worcester Galleria Mall was recently redeveloped with a mix-use commercial / residential project. Lastly, a major owner occupant / developer is the Mass College of Pharmacy, which has been purchasing properties and expanding their downtown campus over the past several years.

The overall area supports commercial development of the site “as vacant”. That being said the subject property is situated just outside the Urban Revitalization Area for the Worcester Redevelopment Authority.

REGIONAL, ECONOMIC AND LOCATION ANALYSIS

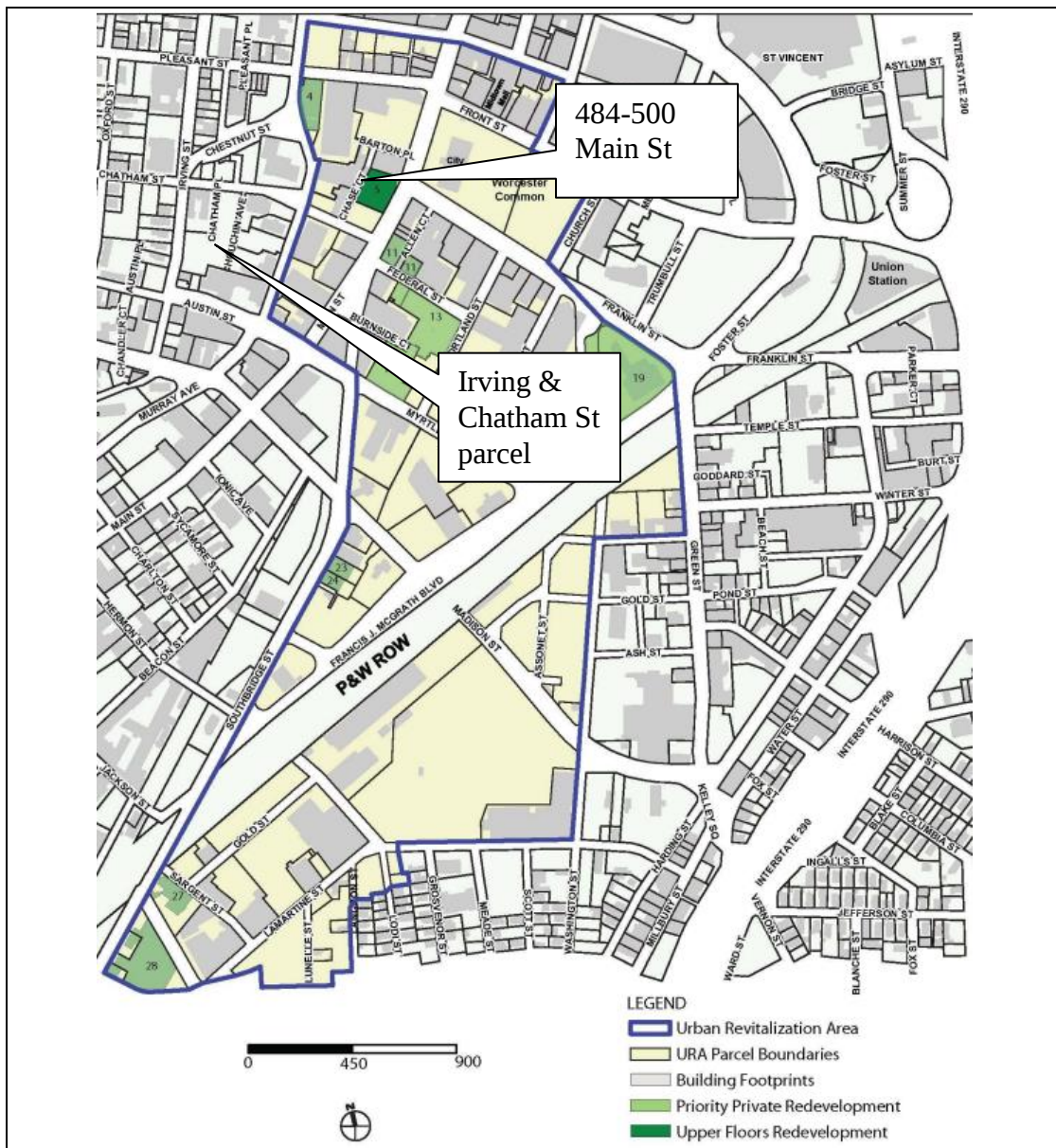
WRA Urban Revitalization Area Downtown Mapping



WRA Urban Revitalization Area Downtown Mapping

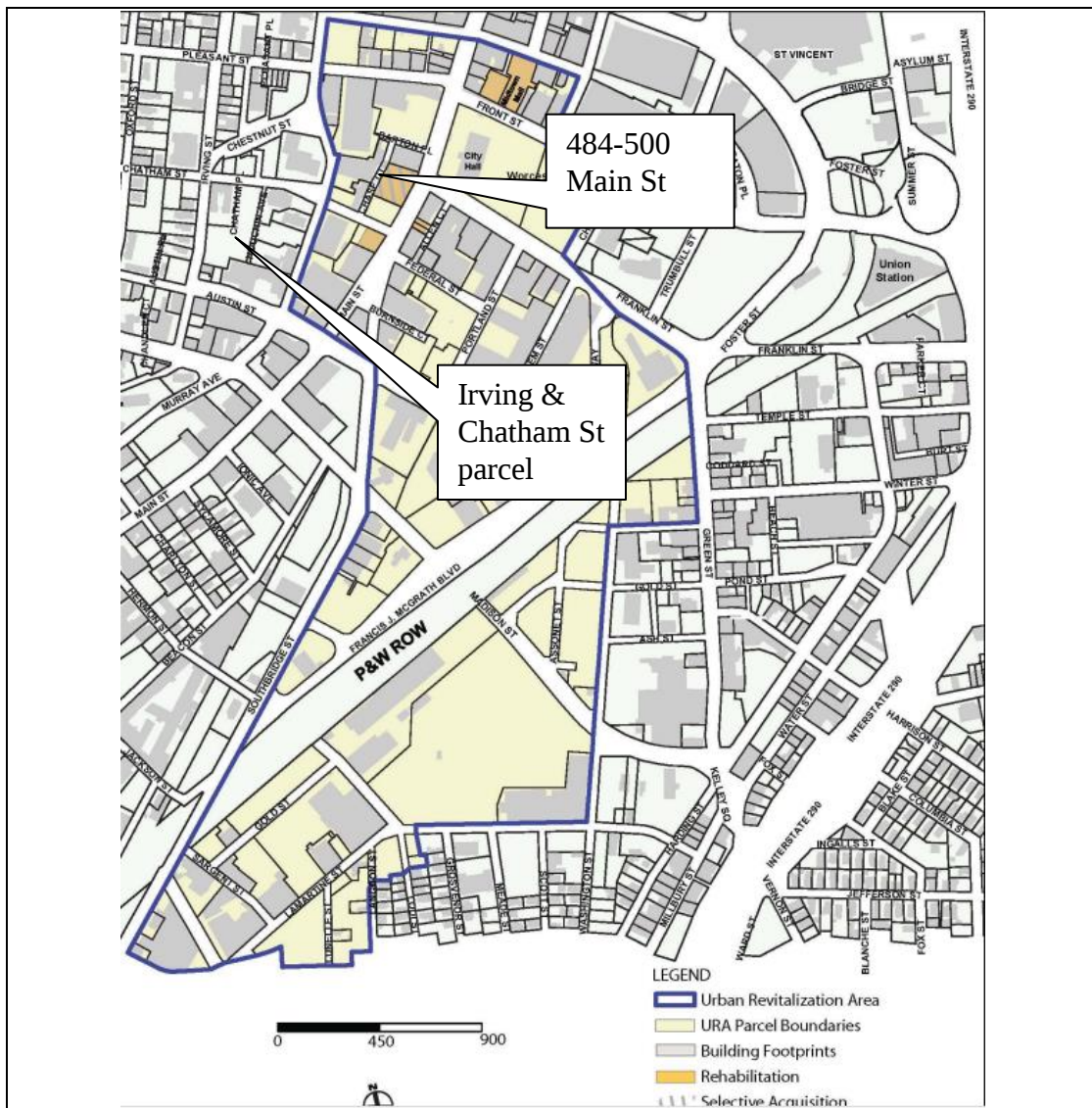


WRA Urban Revitalization Area Downtown Mapping



REGIONAL, ECONOMIC AND LOCATION ANALYSIS

WRA Urban Revitalization Area Downtown Mapping



REGIONAL, ECONOMIC AND LOCATION ANALYSISConclusion

It appears that all of the investment grade sectors are either in expansion or recession.

Sector	Expansion	Contraction	Recession	Recovery
Office			X-2022	
Retail				X-2022
Industrial	X-2022			
Multifamily	X-2022			

The subject is not an investment grade property. The analyst rates the subject's regional and neighborhood location for its developable commercial land use as follows:

<i>Competitive position of Worcester within the region</i>			
Rating Category	Below Avg.	Avg.	Above Avg.
Values		X	
Sales Activity Trends		X	
Value Trends		X	

<i>Competitive position of the neighborhood within Worcester</i>			
Rating Category	Below Average	Average	Above Average
Commuter access		X	
Community access		X	
Compatibility of proximate uses		X	
Age / Condition of proximate uses		X	
Status of supply & demand		X	
Room for additions to market		X	
Desirability of location for use			X
<i>Overall inferred marketability of the subject asset to a potential purchaser</i>			
Rating Category	Below Average	Average	Above Average
Marketability rating			X

We noted stabilized market area occupancy, no evidence of distressed properties, and no signs of new additions to the subject's competition. As the investment grade sectors are neither in the recovery or expansion phases, based on our inferred analysis the subject should have average marketability for its developable commercial land use at an appropriately appraised value.

SITE ANALYSIS

Location

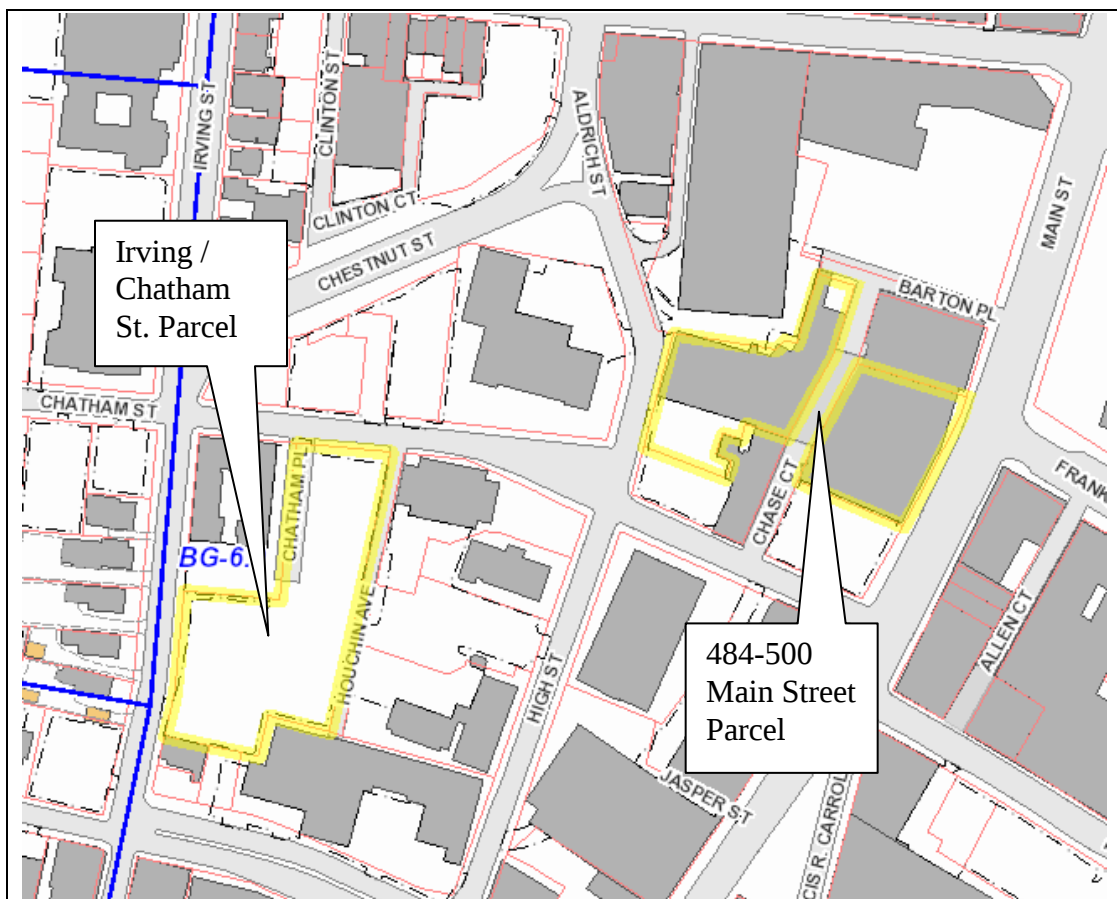
The property site currently consists of two non-contiguous parcels of land with a total area of 110,489± square feet (combined).

The property at 484-500 Main Street contains 55,234± square feet and contains the six story building improvement.

The property at Irving Street and Chatham Street contains 55,225± square feet and is utilized as a parking lot.

The subject property within this appraisal is the site situated at Irving Street and Chatham Street.

Assessment Map

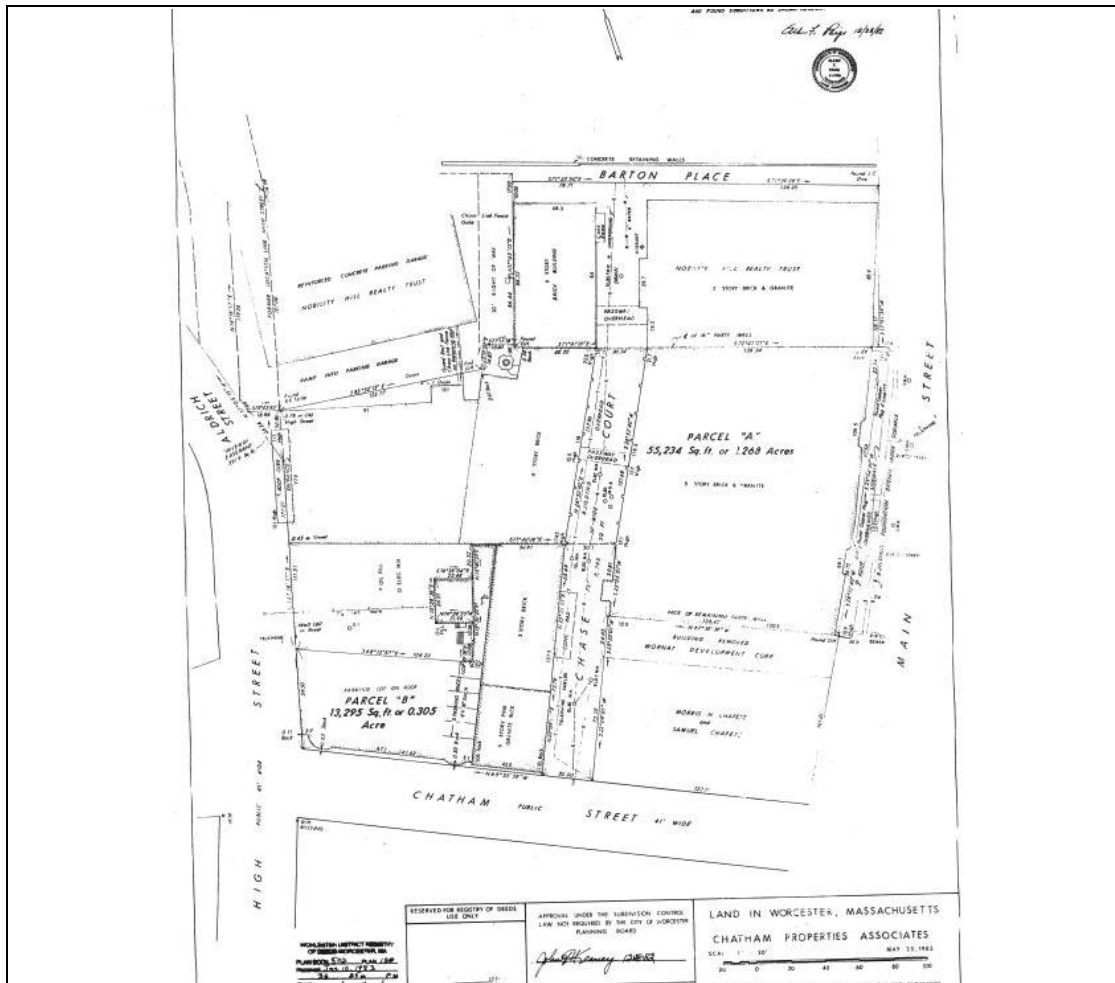




SITE ANALYSIS

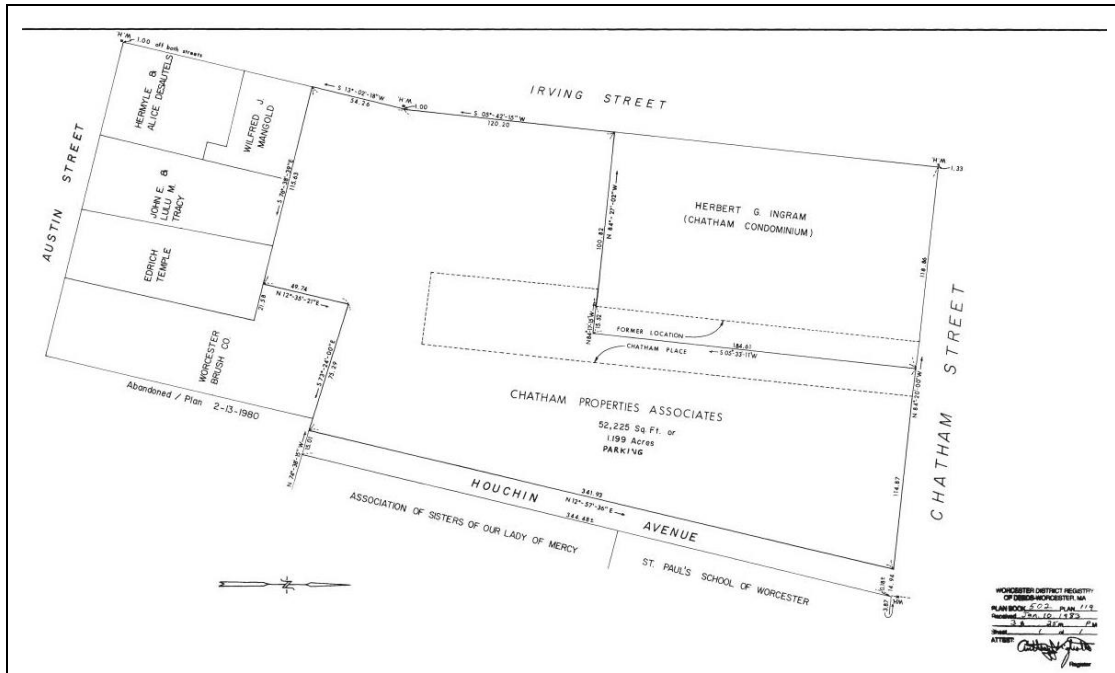
WDRD Plan Book 502, Plan 120

484-500 Main Street Site



SITE ANALYSIS

WDRD Plan Book 502, Plan 119
Irving Street and Chatham Street Parcel



Site Conditions and Improvements

The site is dry and level with multiple curb cuts.

The site does not appear to be encumbered by wetlands. The subject soil appears well drained and we know of no subsurface soil conditions that would pose physical barriers to development if vacant.

SITE ANALYSIS

Mass. Dept. Environmental Protection Wetlands Mapping



The site does not appear to be encumbered by wetlands.

Excess or Surplus Land

Excess land is defined as land not necessary for the current schedule of use and possessing a separate highest and best use; meaning that it can be subdivided. Surplus land cannot be subdivided and may or may not add value to the current use. There appears to be neither excess nor surplus land to its existing development. As a potential developable commercial site no excess or surplus land has been considered.

SITE ANALYSIS

Access and Visibility

As previously detailed the subject's community access is average. Located on a secondary within close proximity to downtown, the subject's visibility is average as compared to other properties in the area.

Hazardous Materials

The appraiser made a visual inspection of the site and the exterior of improvements. No evidence of distressed vegetation, no bare, non-vegetative areas, no oily film on standing water, no discolored soils, and no unusual odors. The appraiser does not know if a 21E environmental site assessment has been performed. The appraiser knows of no buried tanks on the subject property. However, the appraiser is not qualified to detect such substances and urges the client to retain an expert in this field if desired.

The analyst searched the Massachusetts Department of Environmental Protection website list of contaminated sites and did not find any listing for the subject property.

Easements, Encroachments and Deed Restrictions

No adverse easements or encroachments believed to affect the marketability, enjoyment, usage or value of the subject property was noted by the appraiser. Howard S. Dono & Associates, Inc. did not undertake a study of deed restrictions. Deed restrictions are a legal matter and only a title examination by an attorney or title company would normally uncover such restrictive covenants.

Utilities

All utilities typical to the community are present: water, sewer, gas, electricity and telephone.

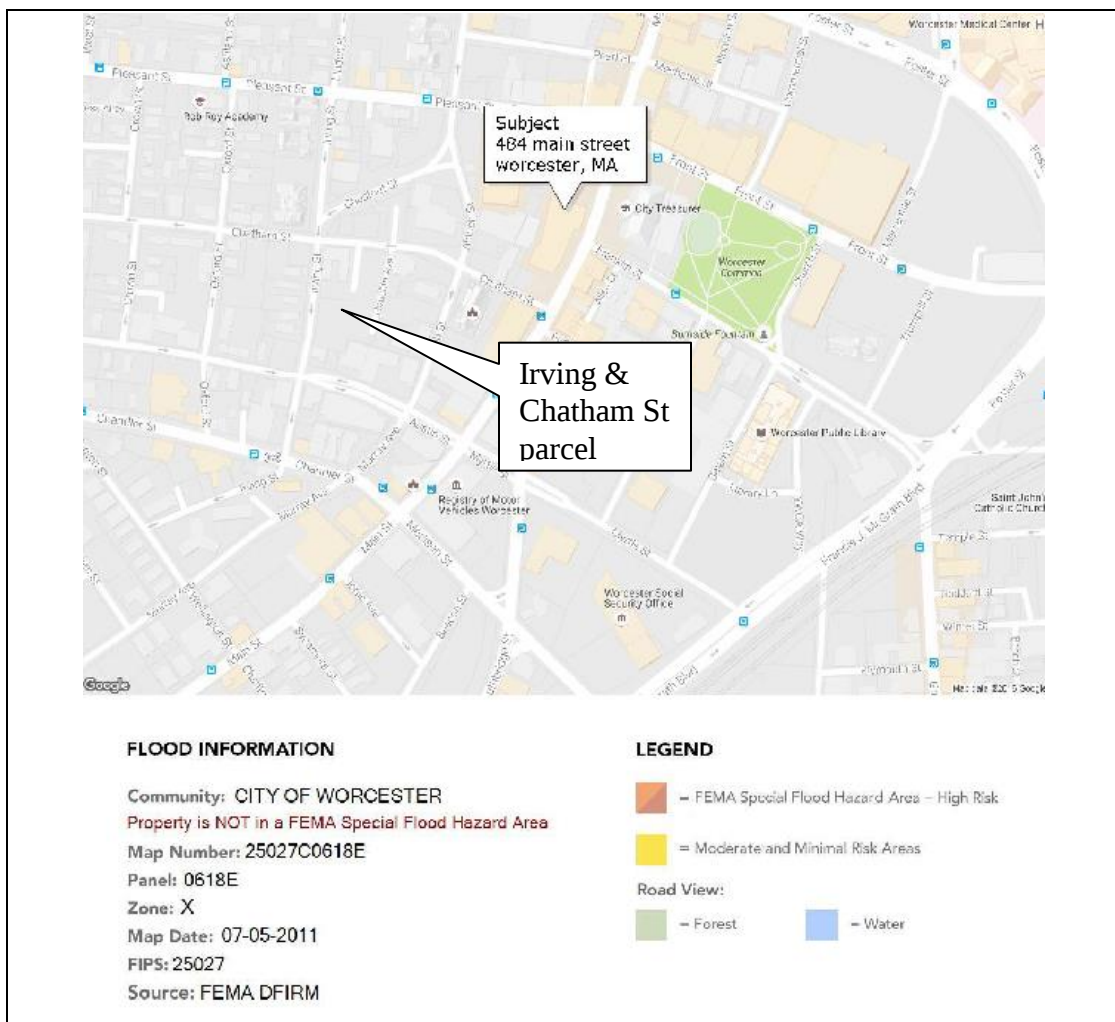
SITE ANALYSIS

Flood Hazard Data

The subject property is indicated on Flood Insurance Rate Map Community Panel Number 250270618E B, dated July 5, 2011.

As such, it appears that the subject property is located in Zone X. However, the appraiser is not qualified to detect such districts and urges the client to retain an expert in this field if desired.

Flood Map



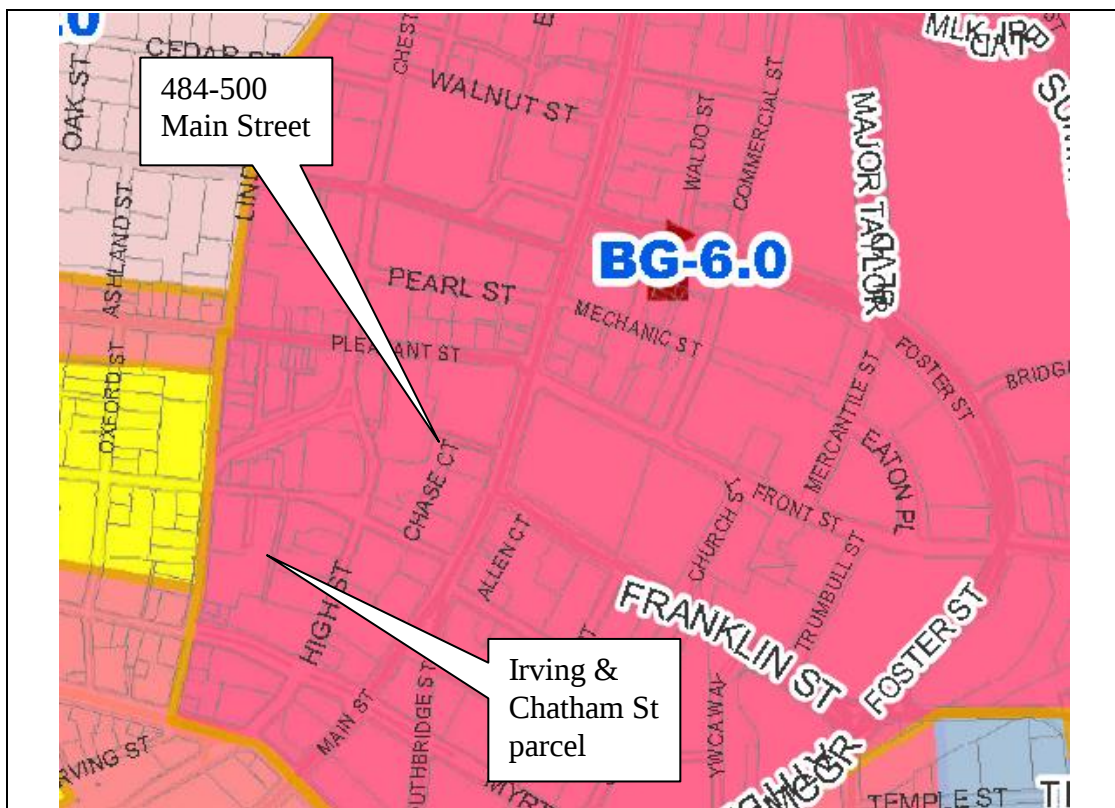
SITE ANALYSIS

Zoning

The subject property is situated in the BG-6.0 zoning district.

There is no minimum area requirement or minimum frontage requirement. As such the subject is a considered a legal, conforming parcel.

Zoning Map





SITE ANALYSIS

Zoning Dimensions

PERMITTED DIMENSIONS BY DISTRICT									
TABLE 4.2 - Continued									
DISTRICT	USE	LOT		YARD SETBACKS			HEIGHT		FLOOR TO AREA RATIO (Maximum)
				FRONT	SIDE ¹	REAR			
		AREA (Minimum SF)	FRONTAGE (Minimum linear ft.)	Minimum depth (linear ft.)			Maximum in stories ²	Maximum in ft.	
RG-5 Cont.	Limited Residential Hospice House	15,000	50	20	10	10	3+	50	NA
	Other residential permitted	5,000	50	15		15		45	
	Other non-residential	5,000	50			1 to 1			
BO-1.0	Residential ³ - Non-residential	5,000 NA	40 per du ⁴ NA	15	10	10	3+	40	1 to 1
BO-2.0									2 to 1
BL-1.0	Residential ³ - Non-residential	5,000 NA	40 per du ⁴ NA	10	10	20	3+	40	1 to 1
BG-2.0	Residential ³ - Non-residential	5,000 NA	40 per du ⁴ NA	NA	NA	15	NA	50	2 to 1
BG-3.0						100		3 to 1	
BG-4.0						150		4 to 1	
BG-6.0						NA		6 to 1	
1 Not applicable to that portion of a semi-detached or attached single-family dwelling, where permitted, that shares a party wall or a double wall on or along a common side lot line with an adjacent unit.									
2 These designations indicate a height in stories plus an attic, as herein defined. The designation 2+ indicates a maximum of 2 habitable stories with a non-habitable attic and garage underneath, if provided. The story containing the garage is not considered habitable if the garage area occupies 50% or more of the entire story.									
3 In BO, BL, BG - 2 and BG - 3 Districts, for brand new residential uses, at least 10% of the lot area must be set aside for recreational purposes, excluding the required five foot buffer.									
4 But not more than two hundred (200) feet.									

SITE ANALYSIS

Zoning Uses per WRA Urban Revitalization Report

Use ¹	Zoning District ²				
	RG-5	BG-3	BG-4	BG-6	MG-2
Office (Professional)	SP	Y	Y	Y	Y
Bank/Credit Union (Without Drive-thru)	N	Y	Y	Y	Y
Bank/Credit Union (With Drive-thru)	N	SP	SP	SP	SP
Food Service (With and Without Consumption/Sale of Alcoholic Beverages)	N	Y	Y	Y	Y
Food Service (with Drive-thru)	N	SP	SP	SP	SP
Wholesale Businesses or Storage Conducted Entirely Within an Enclosed Structure	N	Y	Y	Y	Y
Retail Food Sales	N	Y	Y	Y	Y
Retail Sales, Including Retail with Incidental Fabrication Assembly	N	Y	Y	Y	SP
Service Shop/Personal Services	SP	Y	Y	Y	SP
Indoor Recreation, Health Club (Private)	N	Y	Y	Y	Y
Non Residential Parking Facility (Non-accessory)	N	Y	Y	Y	Y
Residential Single-family (Attached, Detached, or Semi-detached),	Y	Y	Y	N	N
Residential Two-family Detached	Y	Y	Y	Y	N
Residential Three-family Detached	Y	Y	Y	Y	N
Residential Multi-family dwelling (High Rise, Low Rise)	Y	Y	Y	Y	N
Loft, Creative Entrepreneur	N	Y	Y	Y	N

HIGHEST AND BEST USE

Real estate is valued in terms of its highest and best use. Highest and best use may be defined as the most probable, possible and permissible use for which the property may be used and is capable of being used. The Appraisal Institute defines highest and best use as follows:

The reasonably probable and legal use of vacant land or an improved property that 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 profitability. Alternatively, the probable use of land or improved property – specific with respect to the user and timing of use – that is adequately supported and results in the highest present value.²

HIGHEST AND BEST USE, AS THOUGH VACANT

In estimating highest and best use, the appraiser goes through essentially four stages of analysis, which are described as follows:

Legally Permissible: The current BG-6 zoning permits use of the subject within the guidelines of the zoning ordinance. Permitted uses under this zoning classification include a wide variety of commercial uses.

Physically Possible: As detailed in the *site analysis* section of this report, the subject's shape, dimensions and land area make development of the subject property physically possible. The subject conforms to the zoning minimum requirements for land area and frontage.

Economically Feasible: Commercial development is economically feasible in the present economic climate.

Maximum Profitability: The maximum profitability of the subject property, if vacant, would be for sale for immediate commercial development with the confines of zoning.

² Appraisal Institute, *The Appraisal of Real Estate*, 14th edition, 2013, p. 333.

HIGHEST AND BEST USE

HIGHEST AND BEST USE, AS IMPROVED.

Within this analysis we have appraised the subject property in it's "subject to" condition as a vacant developable commercial parcel with no consideration to the existing associated use (parking) with the office condominium improvements.

As such, the "as improved" analysis is not applicable.

Highest and Best Use Conclusion:

As vacant land, the subject property would appear to be a legal, conforming parcel.

As vacant land, the highest and best use would be for immediate commercial development being situated within the BG-6 zoning district.

VALUATION RATIONALE AND METHODOLOGY

The appraisal process attempts to replicate the actions and motivations of the most likely purchaser of the subject property. Therefore, in order to identify the appropriate approach to valuing the subject, it is necessary to identify its most probable purchaser.

The subject property appraised at Irving Street & Chatham Street consists of a 55,225± square foot site considered as vacant developable commercial land.

Based on the subject's characteristics, the subject could be purchased by either an owner-occupant or an investor (developer).

The following summarizes the applicability of the three approaches to value and states what approaches were developed in this appraisal:

Cost Approach	Inapplicable	Not Developed
Sales Comparison Approach	Applicable	Developed
Income Capitalization Approach	Applicable	Developed

The Cost Approach and Income Approach are inapplicable to this appraisal problem as the subject property has been considered as vacant developable commercial land

Neither our appraisal peers nor market participants give consideration to the cost approach or income approach in evaluating vacant land properties.

As such sole consideration has been given to the sales approach to value.

VALUATION RATIONALE AND METHODOLOGY

EXPOSURE TIME / MARKETING TIME

The subject is not now listed for sale, nor has it been marketed for sale over the last five years as a vacant developable commercial site, and an analysis of its actual exposure time of the subject to the market is not applicable.

Our value estimates are based on an exposure time of less than 12 months, which reflects the actual marketing time of sales and our forecast for current listings, since we so see no trends implying that marketing times should increase over trailing data indications; this said, our value presumes that the subject would have been marketed for less than 12 months in order to garner the appraised value.

In order to estimate the marketing time of the subject property, the appraiser analyzed the marketing time of sales and listings of properties similar to the subject. Factors affecting the lengths of listings were analyzed.

Commercial land properties regionally sell well within one year once the sales prices are in line with market conditions. The brokers involved indicate that interest increases when the asking price becomes equitable with value. Properties that have sold typically sell in less than nine months but we project a conservative 12-month marketing time. The appraiser notes that a realistic listing price, good location and average condition of the improvements are all significant factors in the marketability of these properties. Properties that do not meet all or most of these criteria have significant marketing periods, and often go off market before sale.

Although marketing times are variable, the appraiser concludes the subject would sell in less than one year. This estimated marketing time is contingent on reasonable pricing and aggressive marketing of the subject property.

SALES COMPARISON APPROACH

Scope of Data Research

We performed an intensive search to find comparable sales for which pertinent data was available. We concentrated on sales within the past 3 years, beginning with Worcester itself, expanding to abutting communities, and then regionally. Our first source of information was the sales reports generated by the Board of Assessors and also the online reports of Banker & Tradesman. Multiple Listing Service (MLS), Costar.com and our extensive in-house files were also used.

Quantity and Quality of Data

The commercial real estate market generally lags behind the economy so identifying recent sales is now, more than ever, critical to a credible development of this approach. Finding very recent sales that mirror both the subject's physical and geographic characteristics is difficult and proved to be the greatest challenge and weakness of any valuation. Still, we believe we located a sufficient number of verified sales to provide a credible opinion by this approach.

Comparable Sales Selection

Ultimately, we selected the most recent and comparable regional sales with which we had the greatest familiarity.

Detail sheets of these sales considered in the valuation of the subject property are as follows:

SALES COMPARISON APPROACH

Comparable Sale #1

Property Location:	393-397 Shrewsbury Street, Worcester, MA
Property Type:	Commercial Land
Date of Sale:	12/7/2021
Sales Price:	\$447,500 / 393-395 Shrewsbury Street \$447,500 / 397 Shrewsbury Street \$895,000 (combined price)
Sales Price Per SF:	\$55.93 per square foot \$2,436,310 per acre
Land Area:	16,002± square feet / .37 acre
Assessed Value:	\$437,500 (FY 2022)
Zoning:	MG-2.0
Utilities:	All
Grantor:	Tommaso Digioia II and Tommaso Digioia K&T Realty Trust
Grantee:	318 Park LLC
Deed Reference:	WDRD Book 66694, Page 340 & 343
Financing:	None reported
Sales History	None in prior five years
Data Source:	MLS, Broker, Assessment, Deed, Co-Star

COMMENTS: The property consists of three contiguous parcels purchased for redevelopment into 36 residential apartments per the listing broker James Kalogeropoulos. Per the broker the property transferred under two deeds for family distribution of funds. However, the ultimate goal in marketing the property was as a package deal per the broker. This property was marketed for sale within MLS \$550,000 for the vacant parking lots at 393-395 Shrewsbury Street and \$550,000 for the 3-family dwelling at 397 Shrewsbury Street.

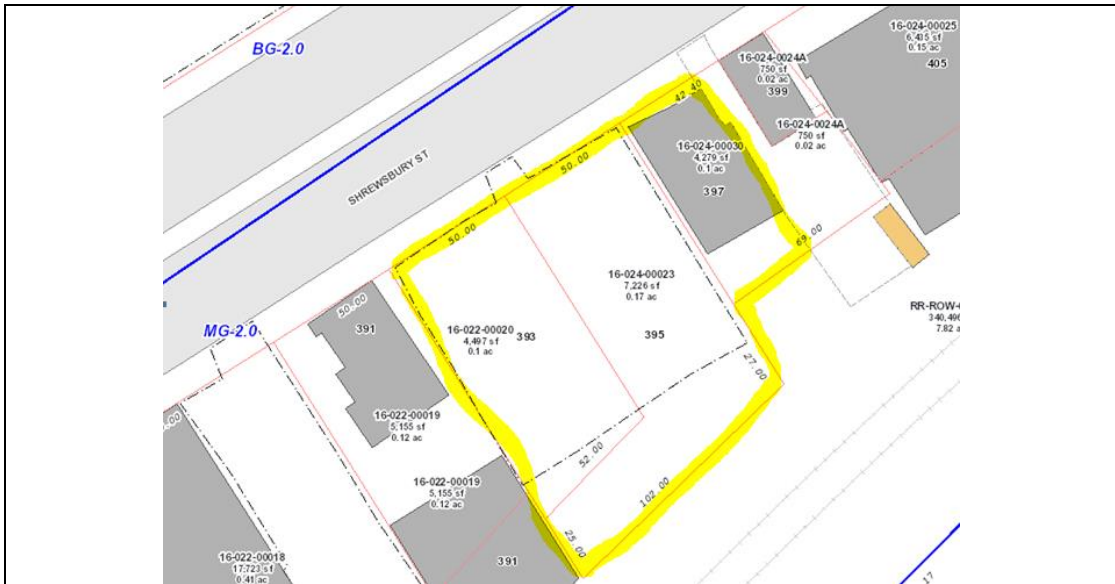
The location along Shrewsbury Street is considered good (superior) to the subject along a high traffic four lane divided roadway.

While zoned MG-2 the sale was included as a developable commercial site despite proposed residential apartments.

The 3 family is to be demolished for site development.

SALES COMPARISON APPROACH

Comparable Photo and Location Map



SALES COMPARISON APPROACH

Comparable Sale #2

Property Location:	520 Park Avenue, Worcester, MA
Property Type:	Commercial Land
Date of Sale:	10/29/2021
Sales Price:	\$6,950,000
Sales Price Per SF:	\$21.75 per square foot \$947,430 per acre
Land Area:	319,598± square feet / 7.33 acres (plan)
Assessed Value:	\$3,328,500 (FY 2022)
Zoning:	BG-3.0
Utilities:	All
Grantor:	Jerak Realty, Inc.
Grantee:	Clark Univeristy
Deed Reference:	WDRD Book 66417, Page 42
Financing:	None reported
Sales History	No arm's length transfers 5 years
Data Source:	Appraised, Assessment, Deed, Co-Star

COMMENTS: This property was appraised by the firm of Howard S. Dono & Associates, Inc. in 2015.

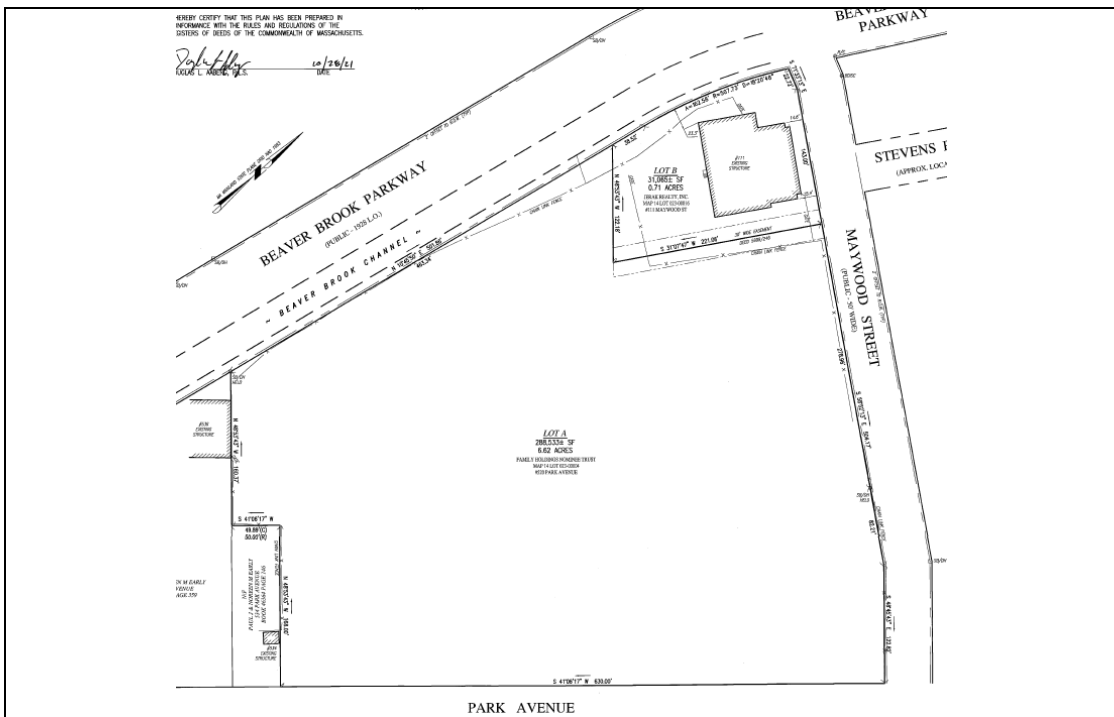
The site contains two contiguous parcels of land at 520 Park Avenue and 111 Maywood Street formerly utilized as an automotive dealership. The property has been vacant and marketing for sale for since 2015.

The location along Park Avenue is considered good (superior) to the subject. The site is a corner lot at a lighted intersection.

The site is level. The main building has been demolished with the secondary building remaining for demo and site development.

SALES COMPARISON APPROACH

Comparable Photo and Location Map



SALES COMPARISON APPROACH

Comparable Sale #3

Property Location:	5 Salem Square, Worcester, MA
Property Type:	Commercial Land
Date of Sale:	Pending Sale
Sales Price:	\$2,400,000 List Price
Sales Price Per SF:	\$32.60 per square foot \$1,420,000 per acre
Land Area:	73,616± square feet / 1.69 acres
Assessed Value:	\$713,2000 (FY 2022)
Zoning:	BG-6.0
Utilities:	All
Grantor:	City Square Dev Co LLC
Grantee:	Withheld
Deed Reference:	To be recorded
Financing:	To be determined
Sales History	None in prior five years
Data Source:	Broker, Assessment, Registry

COMMENTS: This property abuts the new City Square redevelopment project downtown and is currently being marketed for sale by the firm of Kelleher & Sadowsky Associates at \$2,400,000 and reported to be under contract. The purchase price was not disclosed.

While a pending sale the property was included as it is situated in downtown Worcester similar to the subject. The location is considered good (superior) as compared to subject.

The site is a former house of worship property purchased in 2010 as part of the City Square Project. Per the broker the site was marketed with the following stipulations:

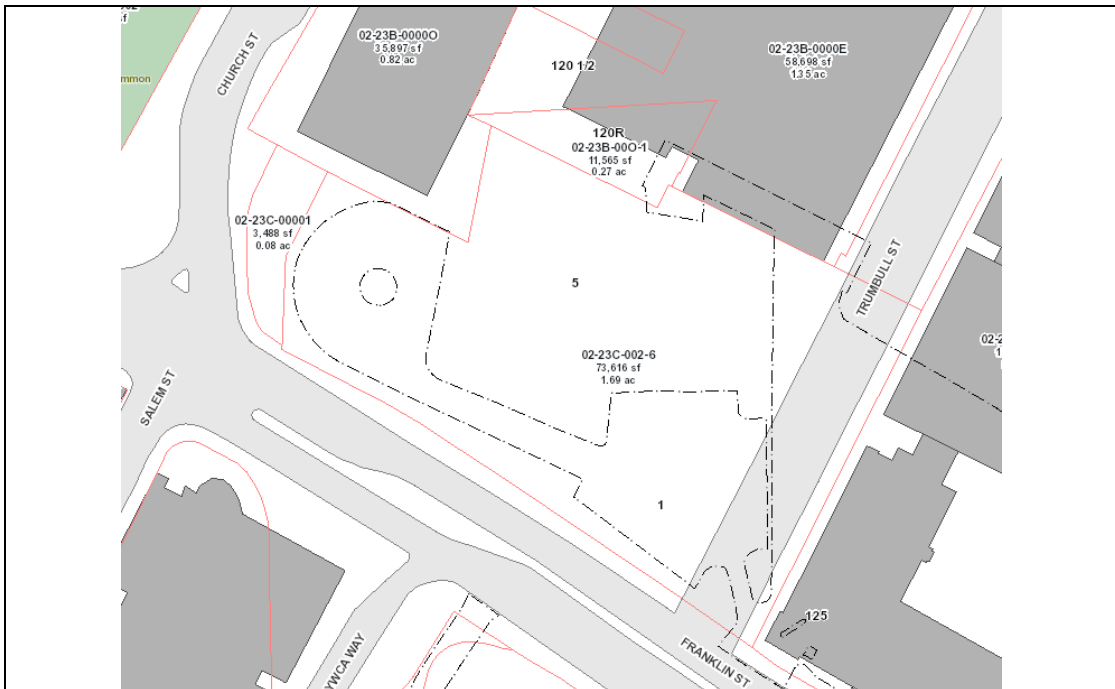
Approval not required under subdivision control law
Priority development site with guaranteed local permitting within 180 days
Housing Development Incentive Program Zone location
The site is not burdened by an Affordable Housing Requirement

The site is a corner lot at a lighted intersection.

All demolition appears to be complete with the site ready for development.

SALES COMPARISON APPROACH

Comparable Photo and Location Map



SALES COMPARISON APPROACH

Comparable Sale #4

Property Location:	22, 24, 28 Mulberry Street, Worcester, MA
Property Type:	Commercial Land
Date of Sale:	Pending Sale
Sales Price:	\$5,300,000
Sales Price Per SF:	\$21.55 per square foot \$938,718 per acre
Land Area:	231,977± square feet / 5.33 acres
Assessed Value:	\$6,869,600 (FY 2022)
Zoning:	BG-4.0
Utilities:	All
Grantor:	Roman Catholic Bishop of Worcester
Grantee:	Withheld
Deed Reference:	To be recorded
Financing:	To be determined
Sales History	None in prior five years
Data Source:	Broker, Assessment, Registry

COMMENTS: This is currently being marketed for sale by the firm of Kelleher & Sadowsky Associates at reported to be under contract at \$1,000,000 per acre. The purchase price was not disclosed.

Proposed development reported in news articles is for 317 residential apartments. The property is reported in Co-Star to have been on the market for 1,249 days.

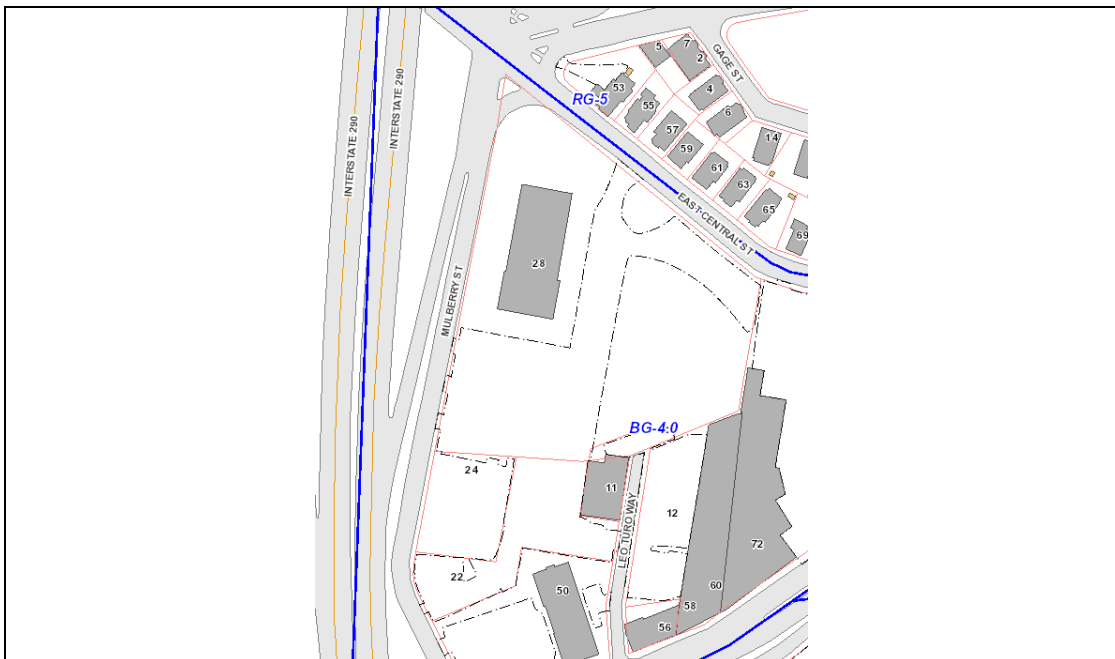
While a pending sale the transfer was included as it is situated in downtown Worcester similar to the subject. The location is considered good (superior) as compared to subject.

The site is a corner lot at a lighted intersection with visibility from Route I-290.

The site while partially vacant with completed demolishing still requires future demo for development.

SALES COMPARISON APPROACH

Comparable Photo and Location Map



SALES COMPARISON APPROACH

These sales are the most recent comparable sales available for which sufficient information was available to apply this approach. The sales prices, terms and motivations for the sales were studied and verified to the best of our ability. These sales are now compared to the subject property for the purpose of identifying and measuring the differences for geographic and physical characteristics.

Properties such as the subject are purchased on a price per acre.

Adjustment Grid

	<i>Subject</i>	<i>Sale #1</i>	<i>Sale #2</i>	<i>Sale #3</i>	<i>Sale #4</i>
	<i>Irving & Chatham St Worcester</i>	<i>393-397 Shrewsbury St Worcester</i>	<i>520 Park Avenue Worcester</i>	<i>5 Salem Square Worcester</i>	<i>28 Mulberry St Worcester</i>
Type of Property	Commercial land	Commercial Land	Commercial Land	Commercial Land	Commercial land
Sale Price		\$895,000	\$6,950,000	\$2,400,000	\$5,300,000
Lump Sum Adjust.		\$0	\$0	\$0	\$0
Interest Transferred		Fee simple	Fee simple	Fee simple	Fee simple
		0%	0%	0%	0%
Financing/Sales		None known	None known	None known	None known
Concessions		0%	0%	0%	0%
Date of Sale	19-Mar-22	07-Dec-21	29-Oct-21	Pending	Pending
		0.00%	0.00%	0.00%	0.00%
Adj. Price/acre		\$2,418,918.92	\$948,158.25	\$1,420,118.34	\$994,371.48
Location	Good	Good (superior)	Good (superior)	Good (superior)	Good (superior)
		-5%	-5%	-5%	-5%
Land Area (acres)	1.27	0.37	7.33	1.69	5.33
		-50%	25%	0%	25%
Corner lot / lighted intersection	No / No	No / No	Yes / Yes	Yes / Yes	Yes / Yes
		0%	-5%	-5%	-5%
Demo required	No	Yes	Yes	No	Yes
		5%	5%	0%	5%
Zoning	BG-6	MG-2	BG-3	BG-6	BG-4
		0%	0%	0%	0%
Developmental constraints	None noted	None noted	None noted	None noted	None noted
		0%	0%	0%	0%
Gross Adjustment		60%	40%	10%	40%
Net Adjustment		-50%	20%	-10%	20%
Adj. Price per acre		\$1,209,459.46	\$1,137,789.90	\$1,278,106.51	\$1,193,245.78

SALES COMPARISON APPROACH

Analysis of Adjustments to Sales

Qualitative adjustments were made to the individual comparable sale properties to account for geographical and physical disparities between the subject and sale properties. Paired sales analyses fall short of providing credible quantitative adjustments due to insufficient sales data. As such, qualitative adjustments were made recognizing the disparity between the subject property and the comparable sales as follows:

Expenses Post-Closing: This category accounts for expense that the buyer incurred in order to overcome site and improvement conditions in order to bring the property to conditions the marketplace segment generally expects, that add cost to the buyer. Typically, this is applied as a lump sum adjustment. No adjustments were made to the comparable sales for post-closing expenses; however a separate category for demolition is noted with applicable adjustments.

Property Rights Appraised: This category generally reflects the difference between the subject property and comparable sales in the bundle of rights transferred. No adjustments were made to the comparable sales.

Conditions of the Sale: All sales were considered arm's length transfers. No adjustments were applied to the comparable sales.

Date of Sale: It appears that market conditions have been steadily improvement from 2019 to 2021 for Worcester County.

WORCESTER County, MA - Median Sales Price - Calendar Year				
Year	Period	1-Fam	Condo	All
2022	Jan - Jan	\$375,000	\$293,000	\$370,000
2021	Jan - Dec	\$375,000	\$275,000	\$358,000
2020	Jan - Dec	\$325,000	\$246,500	\$311,000
2019	Jan - Dec	\$290,000	\$221,000	\$278,900

The overall median price increases are as follows:

2019 to 2021: 28.36% increase
2020 to 2021: 15.11% increase

Ultimately, adjustments within the sales grid to reflect improving market conditions have been made at 25% prior to 2020 and 15% prior to 2021. That being said no sales were adjusted for market conditions.

SALES COMPARISON APPROACH

Location: The location of a property is influenced by various factors including the properties accessibility and visibility from a main or secondary travelled roadway. Differing rent values or land values are typically a good indication that a location adjustment is required. Superior locations tend to be more desirable and command higher prices. Locational adjustments were required for all sales. Additionally, adjustments were completed for corner sites and lighted intersection locales were appropriate.

Gross Land Area: Economy of scale adjustments are applied to account for differences in size as smaller parcels tend to sell at a higher price per square foot and larger parcels tend to sell at a lower price per square foot. That all sales were adjusted for size as compared to the subject.

Zoning: Zoning designations often dictate allowable uses and potential purchasers often consider zoning within purchase decisions; however, many uses may predate zoning and the present uses is allowed to continue into the future. Within this analysis no zoning adjustments were required.

Utilities: Utilities, such as the availability of public water and public sewer become important to potential buyers when considering the expense of a private well or private septic. Within this analysis no utility adjustments were required.

Analysis of Listings

As previously noted, no truly comparable listings are available that would tend to illuminate either the demand for or value of the subject.

That being said the appraiser is aware of the following listing in Worcester.

SALES COMPARISON APPROACH

367 Park Avenue, Worcester, MA: This 30,929 square foot parcel is being marketed for sale at \$750,000 or \$24.25 per square foot. The list price equates to \$1,056,330 per acre.



OFFERING SUMMARY

Property Type:	Development - build-to-suit opportunity
Lot Size:	30,929 SF
Zoning:	BG-3.0
Utilities:	Town water & sewer
Sale Price:	\$750,000

PROPERTY OVERVIEW

Kelleher & Sadowsky is pleased to be the exclusive sales agent for a 31,000 SF development parcel on Park Ave in Worcester. This property has great visibility and is located close to the corner of Park Avenue and Chandler Street where there is approximately 21,000 ADT. The property has existing utilities in place including town water and sewer. With almost 175' of frontage, this property is well suited for redevelopment of up to 7,500 SF of medical or retail space and is a build-to-suit opportunity.

SALES COMPARISON APPROACH

Conclusion Sales Approach

The adjusted sales prices range from \$1,135,000 to \$1,280,000 per acre (rounded) as detailed on the grid below. The sales data is relative and required considerable opinions and judgments on the part of the analyst, and no listings provide support for either the demand or value of the subject. For these reasons, it is appropriate to gravitate toward the middle of the indicated range with consideration to being just outside of the revitalization district and north of downtown Worcester.

	Unadjusted Sale Price	Adjusted Sale Price
Sale #1	\$2,418,918.92	\$1,209,459.46
Sale #2	\$948,158.25	\$1,137,789.90
Sale #3	\$1,420,118.34	\$1,278,106.51
Sale #4	\$994,371.48	\$1,193,245.78
Average	\$1,445,391.75	\$1,204,650.41
Unadjusted Range	\$938,086 to \$2,418,918	
Adjusted Range	\$1,137,789 to \$2,278,106	
Final Per Acre Value Conclusion		
\$1,200,000.00		
Indicated Value of the Subject Property		
\$1,524,000		

After analysis, the appraiser selected \$1,200,000 per acre as most indicative of market value of the subject. This \$1,200,000 per square foot value was applied to the subject property's 1.27± acres to provide a market value opinion of \$1,524,000; called \$1,525,000.

Given the above value indications, our market value opinion of the fee simple interest in the subject property in its "subject to" condition as a vacant developable commercial zoned site, as indicated by the Sales Comparison Approach, as of March 19, 2022, is:

**ONE MILLION FIVE HUNDRED TWENTY FIVE THOUSAND DOLLARS
(\$1,525,000.00)**

RECONCILIATION AND FINAL OPINION OF VALUE

Reconciliation is the process of analyzing and reviewing the strengths and weakness of all three approaches to value in order to arrive at a final opinion of value.

Sales Comparison Approach:	\$1,525,000.00
Income Capitalization Approach:	Not Developed
Cost Approach:	Not Developed
Concluded Value:	\$1,525,000.00

The strengths and weaknesses of each approach to value are analyzed as follows:

Sales Comparison Approach	
Applicability	Approach reflects actions of the market.
Quantity of Data	The number of sales was adequate.
Quality of Data	Sales were confirmed.
Sensitivity to Analyst's Opinions	Analysis required considerable judgments by the appraiser, but still produces a credible value indication.
Credibility of Value Indication	Strong.
Weighting of Value Indication	Sole consideration has been given to the sales approach within this analysis.

Ultimately, with sole consideration to the sales approach we therefore conclude a final market value opinion of value at \$1,525,000.00 for the subject property in its "subject to" condition as a vacant developable commercial zoned site.

RECONCILIATION AND FINAL OPINION OF VALUE

CONCLUSION: Therefore, based upon the information gathered and the analysis thereof, our market value opinion of the fee simple interest in the subject property in its “subject to” condition as a vacant developable commercial zoned site, expressed in terms of financial arrangements equivalent to cash, as of March 19, 2022, the date of inspection, is:

**ONE MILLION FIVE HUNDRED TWENTY FIVE THOUSAND DOLLARS
(\$1,525,000.00)**

Extraordinary Assumptions and Hypothetical Conditions: Extraordinary assumptions or hypothetical conditions were required for the completion of the appraisal assignment and we urge the client to read this section of the report.


Joseph R. Curley, Jr., MBA, MRA, ASA
Massachusetts Certified General Real Estate Appraiser #811

As review/supervising appraiser, I certify that I have reviewed the content, analysis and conclusion expressed in this report and concur with the final value estimate.


Howard S. Dono, MRA, IFAS, ASA
Supervising / Review Appraiser
Massachusetts Certified General Real Estate Appraiser #1204

ADDENDA

Qualifications of the Appraisers

HOWARD S. DONO & ASSOCIATES, INC.
Real Estate Appraisers & Consultants
217 West Boylston Street, West Boylston, MA 01583
Telephone: (508) 852-1588, Facsimile: (508) 852-1376

QUALIFICATIONS OF HOWARD S. DONO, MRA, IFAS, ASA

EDUCATION:

Bentley College Bachelor of Science, Business Management 1981

Massachusetts Board of Real Estate Appraisers:

Real Estate Appraisal I, Three Approaches to Value, 1984
Real Estate Appraisal IA, Appraising the Single Family, 1985
Real Estate Appraisal II, Capitalization Techniques, 1988
Professional Practice and Conduct I, 1989
Professional Practice and Conduct II, 1991
Real Estate Appraisal IIA, Advanced Income Property, 1992

Appraisal Institute:

Appraisal Principles, I-110, 1993
Appraisal Procedures, I-120, 1993
Standards of Professional Practice - Part A, I-410, 1993
Standards of Professional Practice - Part B, I-420, 1993
Residential Case Study, I-210, 1994
Standards of Professional Practice - Part C, II-430, 1999

Seminars:

USPAP Update Seminar, 1999, 2004, 2005, 2006, 2008, 2010, 2012, 2014, 2016, 2018, 2020 & 2022
Demonstration Report, Residential Properties, 1985
Land Planning and Development, Strategies & Techniques 1988
Small Residential Income Properties Seminar, 1990
State Appraiser Certification Review Seminar, 1991
Demonstration Report, Commercial Property, 1991
Uniform Residential Appraisal Report Seminar, 1993
Appraisal Reporting of Complex Residential Properties, 1993
Valuation of Temporary and Permanent Easements, 1994
Tax Assessments and Tax Abatements, 1994, Site Contamination, 1994
Title V - Update of the New Sanitary Codes, 1995
Contamination 21E - Commercial & Residential Issues, 1995
HUD's Appraisal Regulations, 1995; Fair Lending Seminar, 1996
Understanding and Completing Forms 71A and 71B, 1996
Evaluations and Limited Restricted Reports, Commercial, 1996
Technology and the Appraiser: Making it work, 1997, Making the Most of Windows, 1997
Appraisal Communications, Writing Convincing Reports, 1997
Discounted Cash Flow Seminar, 1999, HUD Appraisal Seminar, 1999
Real Estate Law and the Registry of Deeds, 2001
Unique and Unusual Residential Properties, 2001
Land Development Seminar, 2001; Analyzing Operating Expenses, 2002
Residential Property Construction, 2002; Analyzing Distress Real Estate, 2005
Appraising from Blueprints, and Specifications, 2005
Scope of Work, Expanding Your Range of Services, 2005
Eminent Domain & Condemnation, 2005, Residential Design & Functional Utility, 2005
Overview of Real Estate Appraisal Principles, 2005
A Comprehensive Guide to Valuing Improved Subdivisions, 2006
Twelve Things Commercial Appraisers Should Know, 2008
Appraising in a Foreclosure Market, 2008
Reviewing the Reviewer: Role and Responsibilities of the Review, 2008
Small Hotel/Motel Valuation, 2008, Fannie Mae Form 1004 MC, 2009
New England Appraisers Expo, Residential Program, 2009
Appraising Easements, 2011; Distress Properties Valuation, 2011
Income Approach: An Overview, 2011; Supervising Appraisal Trainees, 2011
Residential Market Analysis, Highest and Best Use, 2013
Residential Sales Comparison and Income Approach, 2013
Financial Institutions Guide to Commercial Appraisal, 2013
Covering All Bases in Residential Reporting, 2013
Appraisal of 2 - 4 Family and Multi - Family Appraisals, 2013
Restaurant Valuation Issues, 2013; Religious Properties Valuation Issues, 2014
Mixed Use Property Valuation, 2016; Investment Analysis and Investment Properties, 2016
Non-stabilized Distressed Properties Valuation Issues 2017
Quantitative Analysis Concepts for Appraisers, 2018
Eminent Domain and Condemnation Appraisal in Massachusetts, 2018
New England Appraisers Expo, Commercial Program, 2018, 2019, 2020 & 2021
An Appraisers Guide to Expert Witness Assignments, 2021



ORGANIZATIONS:

Massachusetts Certified General Real Estate Appraiser, #1204
Massachusetts Board of Real Estate Appraisers, MRA, Designated Member
National Association of Independent Fee Appraisers, IFAS, Designated Member
American Society of Appraisers, ASA, Real Property, All Property Types, Designated Member
Certified by the MBREA, NAIFA and the ASA continuing education program.
Qualified to appraise all types of real estate by the MBREA, NAIFA and ASA.
Massachusetts Continuing Legal Education (MCLE)
Faculty Member, Published, Lecturer, Trying Divorce Cases
Massachusetts Board of Real Estate Appraisers (MBREA)
Co-sponsor USPAP Update Seminar, 2006, 2008, 2010, 2012, 2014, 2016, 2018 & 2020
Co-sponsor Distress Properties Seminar, 2017
Standards and Qualifications Committee
Education Committee
Board of Trustees, Member, Officer, Secretary & Vice President
MassDOT, Community Compliance Division, Appraiser, Review Appraiser
Department of Veterans Affairs, Fee Panel Appraiser
Housing and Urban Development, Fee Panel Appraiser
Employee Relocation Council, Member
Greater Worcester Board of Realtors, Member
Greater Worcester Board of Realtors, Banking Committee
Greater Worcester Board of Realtors, Appraisal Committee
Greater Boston Real Estate Board, Member
Northern Worcester County Board of Realtors, Member
Massachusetts Registered Real Estate Salesman

EXPERIENCE:

HOWARD S. DONO & ASSOCIATES, INC.

President/CEO and Real Estate Appraiser, 1984 – Present.

Duties as chief executive and operations officer include:

- o Management and direction of the region's largest staffs of licensed/certified real estate appraisers and clerical personnel offering a full range of real estate appraisal services.
- o Preparation and review of real estate appraisals for bank financing, asset evaluation, development analysis, real estate tax appeals, estate and probate matters and eminent domain land takings.
- o Provide expert witness testimony for litigation purposes.

Howard S. Dono, MRA, IFAS, ASA has thorough knowledge of the three accepted approaches to value; Direct Sales Comparison Approach, Cost Approach and Income Capitalization Approach (Discounted Cash Flow Analysis and Direct Income Capitalization).

Appraisal experience includes:

- o All types of residential property; single family homes, condominiums, undeveloped land, small income multi-family properties, apartment buildings, co-operative units, planned unit developments, employee relocation appraisals.
- o Commercial and industrial property; warehouse, manufacturing facilities, office and retail properties, residential subdivision, industrial subdivision, and special use properties.
- o Feasibility studies, lease analyses and quality control review appraisals for both residential and commercial properties.
- o Mass DOT, Community Compliance Division of the Right of Way Bureau, reviewed innumerable appraisals for eminent domain purposes throughout the Commonwealth.
- o Qualified as an expert witness for testimony in Massachusetts Superior Court, Land Court, Probate Court, Appellate Tax Board, and Federal Bankruptcy Court.

COMMONWEALTH OF MASSACHUSETTS, APPELLATE TAX BOARD

Assistant Clerk and System Administrator of the Board, 1985 – 1990.

Duties as Assistant Clerk and System Administrator included:

The ATB is the Commonwealth's judicial board that serves as its tax court having jurisdiction over all State and local tax appeals, including real estate property tax appeals. Reviewed all petitions and filing fees. Prepared trial lists of cases to be heard and notified the interested parties. Administered oaths, received and maintained records, exhibits and transcripts. Advised the public of their rights and the procedures of the appeals before the Board. Acted as a liaison between the Board and the public. Managed all data processing functions. Managed the Commonwealth's Payroll, Management and Information System. Established and implemented system controls, system operations, system security and system maintenance. Monitored and improved system performance. Designed and implemented the system hardware and software for the Board's case tracking system. Managed system operators.



QUALIFICATIONS OF APPRAISER

JOSEPH R. CURLEY JR., MBA, MRA, ASA

LICENSE

Massachusetts Certified General Real Estate Appraiser, #811
Massachusetts Licensed Real Estate Broker, #133620

ORGANIZATIONS & DESIGNATIONS

Massachusetts Board of Real Estate Appraisers
MRA - Designated Member
American Society of Appraisers
ASA -Accredited Senior Appraiser

EDUCATION:

Anna Maria College, Paxton, MA
Master Business Administration (MBA), 1987

College of the Holy Cross, Worcester, MA
BA-Economics, 1983

Massachusetts Board of Real Estate Appraisers (MBREA)

USPAP Update: 8/2006, 3/2008, 2/2010, 2/2012, 1/2014, 1/2016,
1/2018, 1/2020 & 1/2022
New England Appraisers Exposition
10/2011, 10/2012, 10/2013, 10/2018, 10/2019, 10/2020 & 10/2021
Quantitative Analysis Concepts for Appraisers, 7/2018
Non-Stabilized Distressed Properties Valuation Issues, 3/2017
Investment Analysis for Income Properties, 12/2016
Mixed Use Properties Valuations, 4/2016
Valuation of Religious Facilities, 1/2014
Restaurant Valuation Issues, 11/2013
Foreclosures, 2/2013
Financial Institutions Guide to Commercial Appraisal, 1/2013
General Site Valuation & Cost Approach, 5/2011
Appraising Easements, 4/2011
Appraising Distress Properties, 4/2011
N.E. Economic & Federal Agency Conference, 4/2011
Appraising in a Foreclosure Market, 5/2008
Reviewing the Reviewer, 4/2008
12 Things Commercial Appraisers Should Know, 3/2008
Income Capitalization Approach Overview, 3/2008
2-4 Family Residential Income Property Appraisal, 3/2002
USPAP, 9/1992



HOWARD S. DONO & ASSOCIATES, INC.

Real Estate Appraisers & Consultants



American Society of Appraisers (ASA)

Appraisals of Full Service Restaurants, 1/2020

Appraisal Institute

Eminent Domain and Condemnation Appraisal Practice in
Massachusetts, 9/2018
Subdivision Analysis, 3/2006
Residential Design & Functional Utility, 3/2005
Overview of Real Estate Principles, 3/2005
General Demonstration Appraisal Report Writing Seminar, 2/2005
Eminent Domain and Condemnation, 1/2005
Cost Approach to Commercial Appraising, 12/2004
Course 400, USPAP Update, 9/2004
Analyzing Distressed Properties, 8/2004
Appraisal of Nursing Facilities, 6/2002
Analyzing of Operating Expenses, 5/2002
Valuation of Detrimental Conditions, 5/2002
Course 201, Principles of Income Property Appraising, 3/1989
Course 102, Applied Residential Property Valuation, 6/1988
Course 101, Introduction of Appraising Real Property, 12/1987

JMB Real Estate Academy

USPAP Update
7/1996, 10/1998, 4/2002, 12/2005
Investment Analysis for Real Estate Appraisers, 4/2002
Advanced Income Property Appraising, 10/1998
Appraising Income Properties, 8/1994

EXPERIENCE:

Howard S. Dono & Associates, Inc. (1996 to present)
Commercial Real Estate Appraiser

William F. Curley, Jr. & Associates: (1986-1995)
Commercial Real Estate Appraiser

Engagement Letter

Appraisal of Irving Street & Chatham Street, Worcester, MA

HOWARD S. DONO & ASSOCIATES, INC.

Real Estate Appraisers & Consultants



HOWARD S. DONO & ASSOCIATES, INC.

Real Estate Appraisers & Consultants



Howard S. Dono, MRA, IFAS, ASA
President / CEO
Joseph R. Evangelista, RA
Senior Partner
Joseph R. Curley, Jr., MBA, MRA, ASA
Vice President

217 West Boylston Street
West Boylston, MA 01583
Telephone (508) 852-1588
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Email: info@howardsdono.com
Website: howardsdono.com

March 15, 2022

Mr. Peter Dunn
Chief Development Officer
Executive Office of Economic Development
City of Worcester
455 Main Street
Worcester, MA 01608

VIA ELECTRONIC MAIL

Re: 484-500 Main Street, Worcester, MA 01608 (55,234 sq. ft., As Vacant and Developable Land Only) -22030067
Chatham/Irving Street, Worcester, MA 01609 (52,225 sq. ft., As Vacant and Developable Land Only)

Dear Mr. Dunn:

Thank you for your interest in Howard S. Dono & Associates, Inc. This letter will act as an engagement letter for Howard S. Dono & Associates, Inc. to perform appraisals on the above referenced properties and prepare the appraisal reports. The reports will descriptively narrate the method of the valuation process. The function of this appraisal is to estimate the market value of the fee simple estate of the subject property, subject to any leases that may be in effect in its "AS IS & AS A VACANT DEVELOPMENTABLE SITE" condition.

The appraisal will be prepared in accordance with the Uniform Standards of Professional Appraisal Practice promulgated by the Appraisal Standards Board and will conform with the code of ethics of the Massachusetts Board of Real Estate Appraisers and the American Society of Appraisers. The reports will be subject to our firm's standard Limiting Conditions, together with any special limiting conditions that may arise during the preparation of the appraisal reports. Should you require a copy of these Limiting Conditions prior to engaging our firm, please call. We will inform you should any special limitations occur.

The appraisals will be presented in a narrative format. The scope of the analysis should include the sales comparison method of valuation. However, the scope of work can only be determined after a physical inspection of the properties. The reports should be completed within 30 days of the acceptance of this agreement. We can only complete the analysis by this date if all relevant information needed and access to the properties is provided in a timely manner. We reserve the right to renegotiate this fee if the properties is significantly different than described after the initial inspection. This proposal is valid for 30 days.

We will forward to you, our client an electronic PDF version to the email address that you specify below. The fee for the professional services stated herein will be \$4,950.00. Full payment is due within thirty days of the delivery of the reports. Additional services, such as litigation support, court testimony, and /or consultation will be billed at the firm's hourly rate.

Please return one signed copy of this engagement letter and we will proceed with the preparation of the appraisal reports.

Thank you for your anticipated cooperation.

Howard S. Dono, MRA, IFAS, ASA
HOWARD S. DONO & ASSOCIATES, INC.
Real Estate Appraisers & Consultants

Accepted by:
Peter Dunn, Chief Development Officer

Date: 3/16/2022

Access Contact:

Telephone:

Clients email address (to deliver reports): dunn@worcesterma.gov

Individual Memberships in the Massachusetts Board of Real Estate Appraisers and the American Society of Appraisers