|  |
| --- |
| Reconciliation |

Summary of Value Indications

The reconciliation of value indications is the final step in the appraisal process and involves the reviewing and weighing of the individual valuation techniques in relationship to their substantiation by market data, and the reliability and applicability of each valuation technique to the subject project. The reconciliation criteria are appropriateness, accuracy, and quantity of evidence.

Only the Sales Comparison and Income Capitalization Approaches to value were utilized in this assignment, each involving separate and distinct techniques. The Cost Approach was omitted due to its inapplicability in this assignment. Based on the two selected methods of appraisal, the estimated **stabilized market values** of the fee simple interest in the **subject property** are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **Valuation Approach** |  |  | **Value Conclusion** |
| **COST APPROACH** |  |  | **Not Applicable** |
| **SALES COMPARISON APPROACH** |  |  | **$\_\_\_\_\_\_\_\_\_\_\_** |
| **INCOME APPROACH** |  |  | **$\_\_\_\_\_\_\_\_\_\_\_** |

Concluded As Is Market Value

Primary emphasis is placed on the Sales Comparison Approach due to the subject’s strong owner-user appeal, and the reasonable support provided by the improved sales data (all of which sold to owner-users). Overall, the rent comparables, vacancy statistics, and cap rate data were also considered reasonably reliable, though it is evident that owner-users clearly are willing to pay a large premium over investors for similar properties at this time. Hence, only weak secondary emphasis is placed on the Income Approach.

Based on the research, analyses and conclusions contained within this report, it is the appraiser’s opinion that the **concluded as is market value** of the fee simple interest in the **subject property**, as of ${eff\_date\_value}, is as follows:

|  |  |
| --- | --- |
|  |  |
| **Concluded As Is Market Value** | **$\_\_\_\_\_\_\_\_\_** |

Extraordinary Assumptions:

* None.

Hypothetical Conditions:

* None.

Exposure Time and Marketing Periods

Based on statistical information about days on market, escrow length, and marketing times gathered through national investor surveys, sales verification, and interviews of market participants, marketing and exposure time estimates of +12 months, respectively, are considered reasonable and appropriate for the subject property.

SWOT ANALYSIS

Strengths:

* Newer, good quality construction in good condition (less repair and maintenance expenses).
* Good, nearby highway access and retail proximity location within an established, newer industrial park.
* High demand, smaller warehouse bays ideal for a variety of small light manufacturing or wholesale warehouses uses.
* Smaller project site, is attractive to a wide pool of potential purchasers – including both investors and small, likely partial owner-users.
* Current leases are longer term agreements with national tenants, with investor purchasers being attracted to the stability of the project cash flow.

Weaknesses:

* None.

Opportunities:

* Good long-term potential for a sale to an owner that may pay a premium for the property upon roll-over of the tenant leases.

Threats:

* Current COVID-19 crisis has shaken the market and may have unforeseen consequences (please refer to the Market Overview discussion).
* Mortgages of all kinds continue may be more difficult to obtain due to the pandemic, and by extension, investor required rates of return have to rise in correspondence with this added financing risk, as well as the greater economic risk.