|  |
| --- |
| 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.

All three approaches, the Income Capitalization, Sales Comparison and Cost Approaches to value were utilized in this assignment. Based on the three methods of appraisal, the estimated **prospective stabilized market values** of the fee simple interest in the subject project (primary site / building) are summarized as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **Valuation Approach** |  |  | **Value Conclusion** |
| **COST APPROACH** |  |  | **$\_\_\_\_\_\_\_\_\_\_\_** |
| **SALES COMPARISON APPROACH** |  |  | **$\_\_\_\_\_\_\_\_\_\_\_** |
| **INCOME APPROACH** |  |  | **$\_\_\_\_\_\_\_\_\_\_\_** |

**Option 1 – Concluded Prospective Value Overall**

Concluded Prospective Market Value – At Completion

Due to the subject’s much stronger appeal to an owner-user due to its location, size and configuration, as well as the reasonably strong reliability and credibility of the analyzed sale date, primary emphasis is placed on the Sales Comparison Approach, with supportive emphasis provided by the Cost Approach. Recognizing the subject’s much lower appeal to an investor, 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 prospective market value at completion** of the fee simple interest in the **subject project**, as of ${eff\_date\_value}, should be as follows (rounded to the nearest $5,000):

|  |  |
| --- | --- |
|  |  |
| **Concluded Prospective Market Value – At Completion** | **$\_\_\_\_\_\_\_\_** |

**Option 2 – Concluded Prospective Value (Surplus – Excess Land)**

Concluded Prospective Market Value – At Completion

Due to the subject’s much stronger appeal to an owner-user due to its location, size and configuration, as well as the reasonably strong reliability and credibility of the analyzed sale date, primary emphasis is placed on the Sales Comparison Approach, with supportive emphasis provided by the Cost Approach. Recognizing the subject’s much lower appeal to an investor, 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 prospective market value at completion** of the fee simple interest in the **subject project** (primary site / building only), as of ${eff\_date\_value}, should be **$\_\_\_\_\_\_\_\_\_\_**.

Adding the previously concluded surplus land value of $\_\_\_\_\_\_\_\_, the **final** **concluded prospective market value – at completion** of the fee simple interest in the **subject project**, as of ${eff\_date\_value}, should be as follows (rounded to the nearest $5,000):

|  |  |
| --- | --- |
|  |  |
| Prospective Stabilized Market Value – Primary Site / Bldg. | $\_\_\_\_\_\_\_\_ |
| Add: Surplus Land Value | $\_\_\_\_\_\_\_\_ |
| **Final Concluded Prospective Market Value – At Completion (R)** | **$\_\_\_\_\_\_\_\_** |

Concluded As Is Market Value

As of the date of inspection, the subject property consisted of a vacant, residential parcel. Since purchasing the site in September 2018, the owner has spent significant costs ($33,450) in obtaining architectural plans and engineering for the proposed subject project. However, while the subject project is considered functional in terms of the general market for dental / medical office improvements, there is little market evidence to suggest these project entitlements would obtain a premium in the market if marketed for sale along with the current vacant site.

Overall, either a potential buyer would have need for the design / configuration of the subject project, as proposed (100% premium for the costs expended to date), or they would not (no premium). With convincing support for a market premium to recognize the owner’s soft costs expended to date, no additional contribution for plans is accorded in this analysis.

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:

* The prospective market value concluded to in this report is predicated upon the proposed improvements being built as detailed in this report with non-defective building materials and is solely based on the preliminary construction plans, specifications and construction budget provided, as well as conversations with the owner and general contractor. Further, this appraisal assumes the pending street dedication with related lot line adjustment is completed as described in this report. Finally, the prospective completion date based on the owner’s estimate and is not a guarantee that the project will be competed at that time. If these assumptions are later found to be inaccurate, this may impact the assignment results in this appraisal.

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 up to 12 months, respectively, are considered reasonable and appropriate for the subject property.

SWOT ANALYSIS

Strengths:

* New, good quality construction in excellent condition (less repair and maintenance expenses).
* Good, nearby access to greater McMinnville area via NW 2nd Street.
* Smaller project site, is attractive to a wide pool of potential purchasers –likely owner-users.

Weaknesses:

* Location adjacent to a power sub-station which may be off putting to potential buyers or customers.
* Mid-block placement on an atypical street for the pending intended use.

Opportunities:

* Good long-term potential for a sale to an owner-user.

Threats:

* Current COVID-19 crisis has shaken the market and may have unforeseen consequences (please refer to the Market Analysis discussion).