

Miller Appraisals

●Residential

●Industrial

●Commercial



APPRAISAL OF THE PROPERTY LOCATED AT

***433 CHAPEL STREET, 56 WALLACE STREET AND 64 WALLACE STREET
NEW HAVEN, CT 06511***

APPRAISAL REPORT

**RETROSPECTIVE EFFECTIVE DATE OF APPRAISAL
*MARCH 1, 2019***

APPRAISED FOR:
CURRAN ANTONELLI, LLP
ATTN; PETER ANTONELLI, ESQ.

69 Cedar Hill Road ● Milford, CT 06461

rellim129@aol.com ● Telephone (203) 530-4546 ● Fax (475) 549-9220

Miller Appraisals

●Residential

●Industrial

●Commercial

July 29, 2023

Curran Antonelli, LLP
Attn: Peter Antonelli, Esq.

Re: 433 Chapel Street, 56 Wallace Street, and 64 Wallace Street
New Haven, CT 06511

Dear Attorney Antonelli:

Per your request, I have examined the above referenced property for the purpose of estimating its fee simple market value. The retrospective effective date of the appraisal is March 1, 2019, and the date of my most recent property inspection is June 20, 2023. The intended use of the appraisal is to estimate market value for litigation purposes. The litigation details are contained in the addendum of this report. The civil action filed #3:22-cv-406 names La Saraghina LLC and Peter L. Chapman as plaintiffs versus city of New Haven, Michael Piscatelli, and Serena Neal-Sanjuro as defendants. The action against the defendants relates to their failure in refusal to permit development of property owned by La Saraghina LLC located at 433 Chapel Street, 56 Wallace Street And 64 Wallace Street, New Haven, CT.

Per Exhibit A of the Land Disposition Agreement dated January 4, 2002, between the City of New Haven and Peter L Chapman is an agreement to convey the property and what could be built on that property. This agreement was amended and modified per Exhibit B on February 20, 2008. The Board of Zoning Appeals approved a plan in February 2019, allowing Mr. Chapman to build 25 apartment units and one commercial space which is the basis of this appraisal (attached is the variance approval).

In the period between February to March of 2019, Mr. Chapman offered to allocate 6 apartment units as affordable housing as restricted 80% of area median income (AMI). This offer was negotiated, however never finalized. The emails referring to these negotiations are attached.

The subject properties are located in the Wooster Square neighborhood in the eastern portion of the City of New Haven. The neighborhood consists of multi-family residential, light industrial and commercial properties.

The subject consists of 3 parcels: 433 Chapel Street, 56 Wallace Street and 64 Wallace Street. The total acreage of the 3 parcels is 0.59 acres. The properties are zoned IL and have level topography. The site is not located in a flood zone as identified by applicable FEMA flood hazard zone map. The sites are located within the *New Haven Federal Empowerment Zones and Developable Areas*.

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The parcel at 433 Chapel Street is currently improved with a 5-story industrial/commercial building built in 1870 per town records containing 30,278 gross building square feet and 9,380 gross square feet of living area. The Highest and Best Use is concluded to be a conversion to apartments in conformance with applicable building codes. The condition of the improvements is rated fair. The building was called the M. Armstrong and Company Carriage Factory. The building was listed on the National Register of Historic Places on August 31, 2011 as a historic carriage factory (see documentation of approval included in the report). It is one of a small number of surviving 19th-century carriage factories in a city that once had more than 50 such businesses.

The 2 additional parcels located at 56 Wallace Street and 64 Wallace Street were parking lots utilized for parking for occupants of 433 Chapel Street.

The Scope of Work for this appraisal consists of for 4 market values.

- 1) “As-Is” Market Value as an industrial/commercial building including 433 Chapel Street, 56 Wallace and 64 Wallace Street.
- 2) “As Is” Market Value with residential approvals for 25 apartments and 1 commercial unit only including 433 Chapel Street and 56 Wallace Street.
- 3) “Perspective” Market Value with development of 25 apartments and 1 commercial unit only including 433 Chapel Street and 56 Wallace Street.
- 4) “Perspective” Market Value with approvals needed for 17 apartments for 64 Wallace Street.

A “Hypothetical Condition” is being utilized in determining the values assuming the building has been developed and converted beginning in 2019. A Hypothetical Condition is defined as a condition directly related to a specific assignment which is contrary to what is known by the appraiser to exist on the retrospective effective date of the assignment results but is used for the purpose of analysis. Hypothetical Conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

In valuing the subject, the Income Capitalization Approach, Sales Comparison Approach and Cost Approach were all considered to determine market values. The Sales Comparison Approach and Income Capitalization Approach were concluded to be the most applicable approaches and therefore developed to determine the necessary market values above. Factors of the Cost Approach were utilized in determining the Sales Comparison Approach for sale #3 “Perspective” Market Value above.

This appraisal assignment is an appraisal and was developed under **USPAP STANDARD RULE #1 – “REAL PROPERTY APPRAISAL DEVELOPMENT.”**

The report contained herein has been prepared in accordance with **USPAP STANDARD RULE # 2 – “REAL PROPERTY APPRAISAL REPORTING”**.

The reference to USPAP is the 2020-2021 Edition of Uniform Standards of Professional Appraisal Practice issued by **THE APPRAISAL STANDARDS BOARD OF THE APPRAISAL FOUNDATION**. The current edition of the Uniform Standards of Professional Appraisal Practice has been extended through December 31, 2023.

Based upon information in the following Appraisal Report and an interior and exterior inspection of the property, it is my opinion that the retrospective fee simple market value as of March 1, 2019, is:

“As-Is” Market Value as an industrial/commercial building includes
433 Chapel Street, 56 Wallace Street and 64 Wallace Street \$375,000.

“As Is” Market Value with residential approvals for 25 apartments
and 1 commercial unit for 433 Chapel Street and 56 Wallace Street \$1,040,000.

(A) “Perspective” Market Value with development of 25 apartments
and 1 commercial unit for 433 Chapel Street and 56 Wallace Street \$7,300,000.

(B) “Perspective” Market Value with AMI at 80% for 18 years
with development of 25 apartments and 1 commercial for
433 Chapel Street and 56 Wallace Street \$7,100,000.

“Perspective” Market Value with approvals needed for 17
apartments for 64 Wallace Street \$867,000.

(A) Based upon the market valuation with no adjustments for AMI which is \$7,300,000 and the total cost factor for rehabilitation and renovation of \$5,600,000 the net value or equity equals \$1,700,000 exclusive of any debt incurred.

(B) Based upon the market valuation utilizing 80% adjustment of AMI which is \$7,100,000 and the total cost factor for rehabilitation and renovation of \$5,600,000 the net value or equity equals \$1,500,000 exclusive of any debt incurred.

Respectfully submitted,



Raymond R. Miller, Sr.
CT. Certified General Appraiser
License #RCG.0000992
Expiration date: 04/30/2024



BOARD OF ZONING
APPEALS
ROOM 501
HALL OF RECORDS
200 Orange Street
New Haven, Connecticut
06510

CITY OF NEW
New Haven, Connecticut
www.cityofnewhaven.com

Receipt # 159074
Instr # 2019-03826

VOL 9846 PG 301
05/02/2019 11:44:49 AM
2 Pages
NOTICE

Michael B. Smart City Clerk



Toni N. Harp
Mayor

Certified Return Receipt # 7018 0680 0000 7673 8164

February 21, 2019

Miguel A. Almodovar
91 William Street, PO Box 1952
New Haven, CT 06509

RE: 433 Chapel Street, 56 Wallace Street
Appeal: 19-02-V
Owner/Applicant: Saraghina LLC

Dear Attorney Almodovar:

Your appeal seeking a variance to permit residential conversion in an existing building with a gross floor area of 30,500sf where a minimum existing size of 50,000sf gross floor area is required in an IL District was considered by the Board of Zoning Appeals on February 19, 2019. The appeal was considered in accordance with Section 63 of the New Haven Zoning Ordinance. Permission is hereby granted with the following condition:

- A maximum of 25 dwelling units is permitted.

Permission granted by the Board will become null and void one year after the effective date of this decision, unless:

1. **The grant of relief has been recorded on the Land Records of the City of New Haven within 120-days of the date of publication of approval; and,**
2. **A valid permit has been issued and construction diligently pursued; or**
3. **A Certificate of Occupancy has been issued; or**
4. **The appeal is renewed.**

The effective date is considered the date of publication of the decision in a newspaper having substantial circulation in the municipality. Publication is scheduled for February 22, 2019. An appeal by any person aggrieved by the decision must be taken to **Superior Court Judicial District of New Haven** within fifteen (15) days after the date of publication.

433 Chapel Street, 56 Wallace Street
Appeal: 19-02-V
Page 2 of 2

A copy of the Board's decision is required to be recorded on the Land Records at your expense. Enclosed are two copies of this decision letter, one to be recorded on the Land Records in the Office of City-Town Clerk (2nd floor, 200 Orange Street), and one to be returned to this office showing proof of recording.

An application for renewal must be made in writing not less than 30 days and not more than 60 days prior to the lapse of the original approval. Only one extension of the original approval, for a period of not more than one year, may be granted.

Please be advised that the request granted is to be exercised in strict accordance with the relief sought and the plans submitted in support thereof. Any deviation from this approval required additional approval from the Board. A permit from the City of New Haven Building Department, at 200 Orange Street, Room 502, is required before commencing any work. **Please bring a copy of this decision letter showing the volume, page number, and when it was recorded on the Land Records with you when applying for a building permit. No Building permit can be issued without proof of zoning and recording.**

Sincerely yours,

BOARD OF ZONING APPEALS

Mildred Melendez, Secretary

05/02/2019 11:44:49 AM
Michael B. Smart City Clerk
City of New Haven

From: Michael Piscitelli mpiscite@newhavenct.gov

Subject: RE: Affordable apartments

Date: February 15, 2019 at 9:00 AM

To: PETER CHAPMAN peterchapman1@me.com, Mayor Harp MayorHarp@newhavenct.gov, Serena Neal-Sanjurjo SNealSanjurjo@newhavenct.gov, John Ward JWard@newhavenct.gov, Frank D'Amore fdamore@newhavenct.gov, Alison Lanoue ALanoue@newhavenct.gov

Cc: Mendel Paris mp@parisrealtygroup.com, Sim Levenhartz simlev8@gmail.com



Peter: please work through LCI to resolve outstanding issues. Thanks all. Mike.

-----Original Message-----

From: PETER CHAPMAN [mailto:peterchapman1@me.com]

Sent: Thursday, February 14, 2019 2:16 PM

To: Mayor Harp <MayorHarp@newhavenct.gov>; Serena Neal-Sanjurjo <SNealSanjurjo@newhavenct.gov>; John Ward <JWard@newhavenct.gov>; Frank D'Amore <fdamore@newhavenct.gov>; Alison Lanoue <ALanoue@newhavenct.gov>; Michael Piscitelli <mpiscite@newhavenct.gov>

Cc: Mendel Paris <mp@parisrealtygroup.com>; Sim Levenhartz <simlev8@gmail.com>

Subject: Affordable apartments

To All,

Recognizing the City does not have either a current policy, definition, or requirement for developers regarding the desirable idea of affordable apartments in development, despite that and in keeping with this desirable hope, we're offering these three choices of benefits to the community.

Assuming twenty (22) residential units, we are willing to give the community;

A.) One(1) two(2) bedroom unit, and one(1) one(1) bedroom unit restricted for twenty(20) years at eighty(80) percent of AMI.

B.) Six(6) one(1) bedroom units restricted for fourteen(14) years at eighty (80) percent of AMI.

C.) Six(6) one bedrooms units restricted for eighteen(18) years at eighty(80) percent of AMI, conditional on the successful granting of our current zoning appeal by the BZA, in the rescheduled, or as yet to be rescheduled February 12, 2019 BZA hearing, for twenty five(25) residential units. If option C is the City's choice, we're prepared to amend our current BZA application to include this additional hardship for potential approval in the rescheduled, or as yet to be rescheduled February 12, 2019 BZA hearing.

For the purpose of monetizing the opportunity-cost-foregone (rents conferred to the community) here are the numbers.

Option A is equal to - \$101,760.00 one bedroom's have a \$192 monthly reduction, two bedroom's have a \$232 monthly reduction.

Option B is equal to - \$193,536.00 one bedroom's have a \$192 monthly reduction.

Option C is equal to - \$248,832.00 one bedroom's have a \$192 monthly reduction.

Certified hard copies to follow.

Best,

Peter Chapman
Sim Levenhartz
Mendel Paris

From: Serena Neal-Sanjurjo SNealSanjurjo@newhavenct.gov

Subject: RE: Affordable apartments

Date: March 19, 2019 at 4:38 PM

To: PETER CHAPMAN peterchapman1@me.com, Mendel Paris mp@parisrealtygroup.com

Cc: Sim Levenhartz simlev8@gmail.com, Frank D'Amore fdamore@newhavenct.gov, Michael Piscitelli mpiscite@newhavenct.gov, Alison Lanoue ALanoue@newhavenct.gov, John Ward JWard@newhavenct.gov

SN

Mr. Chapman,

We have reviewed your latest offer to amend the defaulted LDA with the City of new Haven. We appreciate the efforts made to provide a development project consistent with the City's goal for affordable units and as we discussed at all of our previous meetings, we have made every attempt to provide the city's Boards and Commissions with a project to ensure continuity with the city guidelines for development. With respect to your offer to amend the LDA, the city will seek approval for amendment from LCI Board of Directors and subsequent approval from the Board of Alders for the following:

- * Six total affordable units at eighty (80) percent of AMI
 - Three (3) one bedroom units;
 - Three (3) two bedroom units

* Based on current market rate appraisal, with a credit of \$152K for the original acquisition price, the City will be seeking an additional \$350K.

* A complete Development Budget at a per unit cost breakdown that includes Sources of Funds.

Please forward a written response to these elements so we can move forward in seeking an approval for an amended LDA. Please let me know if you have any questions.

Thank you,

Serena Neal-Sanjurjo
Executive Director
City of New Haven-Livable City Initiative
203-946-8436 (Phone)
203-946-4899 (Fax)
snealsanjurjo@newhavenct.gov

-----Original Message-----

From: PETER CHAPMAN [mailto:peterchapman1@me.com]

Sent: Thursday, February 14, 2019 2:16 PM

To: Mayor Harp <MayorHarp@newhavenct.gov>; Serena Neal-Sanjurjo <SNealSanjurjo@newhavenct.gov>; John Ward <JWard@newhavenct.gov>; Frank D'Amore <fdamore@newhavenct.gov>; Alison Lanoue <ALanoue@newhavenct.gov>; Michael Piscitelli <mpiscite@newhavenct.gov>

Cc: Mendel Paris <mp@parisrealtygroup.com>; Sim Levenhartz <simlev8@gmail.com>

Subject: Affordable apartments

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Option C is equal to - \$248,832.00 one bedroom's have a \$192 monthly reduction.

PC00140

Certified hard copies to follow.

Best,

Peter Chapman
Sim Levenhartz
Mendel Paris

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SUMMARY OF SALIENT FACTS

Property Addresses:	433 Chapel Street, New Haven, CT 06511 56 Wallace Street, New Haven, CT 06511 64 Wallace Street, New Haven, CT 06511
Owner of Record:	La Saraghina LLC
Deed Reference:	Volume 6746 Pages 0103-0104
Ownership History:	Current owners took ownership by Quit Deed on 03/31/2004. Purchase price was \$0.
Purpose of the Appraisal:	Determine market value for litigation purposes
Appraisal Reporting Option:	Appraisal Report
Property Rights Appraised:	Fee Simple
Retrospective Effective Date of Appraisal:	03/01/2019
Estimated Market Time / Exposure time:	6 - 12 months / 6 - 12 months
Type of Properties:	Light Industrial building & parking lots
Zoning:	IL - Industrial
Flood Zone:	Map 09009 C0441J dated 07/08/2013 Zone X is not considered a designated flood hazard zone.

433 Chapel Street

Assessors Reference:	Map 202 Block 554 Lot 00500
Land Area:	0.34 Acres
Gross Building Area:	30,278 Square feet
Living Area:	9,380 Square feet
Present Use:	Vacant
Highest & Best Use:	Conversion to apartments with on-site parking

SUMMARY OF SALIENT FACTS

56 Wallace Street

Assessors Reference:	Map 202 Block 554 Lot 0301
Land Area:	0.13 Acres
Gross Building Area:	Not applicable
Present Use:	Vacant – parking lot
Highest & Best Use:	Parking for 433 Chapel Street

64 Wallace Street

Assessors Reference:	Map 202 Block 554 Lot 0300
Land Area:	0.11 Acres
Gross Building Area:	Not applicable
Present Use:	Vacant – parking lot
Highest & Best Use:	Conversion to apartments with parking

SUMMARY OF SALIENT FACTS

VALUATIONS

COST APPROACH

Part of the Cost Approach factors were utilized in developing the Sales Approach for #3 the “Perspective” Market Value below. The Cost Approach was not applicable in determining market value for #1, #2 and #5 listed below.

SALES COMPARISON APPROACH **\$ 375,000**

- 1) “As-Is” Market Value as an industrial/commercial building
For 433 Chapel Street, 56 Wallace Street and 64 Wallace Street

SALES COMPARISON APPROACH **\$1,040,000**

- 2) “As Is” Market Value with residential approvals for 25 apartments
and 1 commercial unit for 433 Chapel Street and 56 Wallace Street

SALES COMPARISON APPROACH **\$7,100,000**

- 3) “Perspective” Market Value with development of 25 apartments
and 1 commercial unit for 433 Chapel Street and 56 Wallace Street

INCOME CAPITALIZATION APPROACH

- 4) “Perspective” Market Value with development of 25 apartments **\$7,500,000**
and 1 commercial unit for 433 Chapel Street and 56 Wallace Street

“Perspective” Market Value with Owner’s Offer AMI at 80% for **\$7,100,000**
18 years with development of 25 apartments and 1 commercial unit
for 433 Chapel Street and 56 Wallace Street

“Perspective” Market Value with City of New Haven Offer AMI **\$7,100,000**
at 80% for 18 years with development of 25 apartments and 1
commercial unit for 433 Chapel Street and 56 Wallace Street

SALES COMPARISON APPROACH **\$867,000**

- 5) “Perspective” Market Value with approvals needed for 17
apartments only for 64 Wallace Street

SUMMARY OF SALIENT FACTS

FINAL VALUATIONS

FINAL VALUATION	\$ 375,000
“As-Is” Market Value as an industrial/commercial building includes 433 Chapel Street, 56 Wallace Street and 64 Wallace Street	
FINAL VALUATION	\$1,040,000
“As Is” Market Value with residential approvals for 25 apartments and 1 commercial unit for 433 Chapel Street and 56 Wallace Street	
FINAL VALUATION	
“Perspective” Market Value with development of 25 apartments and 1 commercial unit for 433 Chapel Street and 56 Wallace Street	\$7,300,000
“Perspective” Market Value with AMI at 80% for 18 years with development of 25 apartments and 1 commercial unit for 433 Chapel Street and 56 Wallace Street	\$7,100,000
FINAL VALUATION	\$867,000
“Perspective” Market Value with approvals needed for 17 apartments only includes 64 Wallace Street	

EXTERIOR PICTURES



EXTERIOR PICTURES



STREET VIEWS



INTERIOR PICTURES



INTERIOR PICTURES



CERTIFICATION OF APPRAISER

The undersigned hereby certify that to the best of our knowledge and belief:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions as set forth in the appraisal, and are my personal, impartial and unbiased professional analyses, opinions, and conclusions.

I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.

My compensation is not 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 or a subsequent event directly related to the intended use of this appraisal.

That my opinion of the market value is based upon my independent appraisal and the exercise of my professional judgment without collaboration or direction as to said value.

This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

I have made a personal inspection of the property that is the subject of this report. An interior and exterior inspection was made on June 20, 2023.

No one provided significant professional assistance to the individual signing this report.

The appraiser has both the knowledge and experience necessary to complete this appraisal assignment competently. Please refer to the Qualifications section for the educational and professional background and certification status of the appraiser.

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

The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).

The use of this report is subject to the requirements of the Appraisal Institute relating by its duly authorized representatives.

Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser or the firm with which he is connected, or any reference to the National Association of Realtors Appraisal Section, or to the GAA designations) shall be disseminated to the public through advertising media, public relations media, news media or any other public means of communication without the prior written consent and approval of the undersigned.

CERTIFICATION OF APPRAISER - CONTINUED

The sources utilized for comparable properties were obtained from the applicable Connecticut Multiple Listing Service and Conn-Comp Sales Data, a statewide Connecticut transaction service for commercial properties.

To the best of the appraiser's knowledge, the appraiser has not appraised the subject property within the past 3 years and has not performed any other services on the property in the past 3 years.

As of the retrospective effective date of this appraisal report, March 1, 2019, the Fee Simple Market Values of the subject property are estimated to be:

FINAL VALUATION **\$ 375,000**

"As-Is" Market Value as an industrial/commercial building includes
433 Chapel Street, 56 Wallace Street and 64 Wallace Street

FINAL VALUATION **\$1,040,000**

"As Is" Market Value with residential approvals for 25 apartments
and 1 commercial unit for 433 Chapel Street and 56 Wallace Street

FINAL VALUATION

"Perspective" Market Value with development of 25 apartments **\$7,300,000**
and 1 commercial unit for 433 Chapel Street and 56 Wallace Street

"Perspective" Market Value with AMI at 80% for 18 years **\$7,100,000**
with development of 25 apartments and 1 commercial unit for
433 Chapel Street and 56 Wallace Street

FINAL VALUATION **\$867,000**

"Perspective" Market Value with approvals needed for 17 apartments
only for 64 Wallace Street



Raymond R. Miller, Sr.
CT. Certified General Appraiser
License #RCG.0000992
Expiration date: 04/30/2024

HISTORY OF THE SUBJECT PROPERTY

The City of New Haven took ownership of 433 Chapel Street, 56 Wallace Street and 64 Wallace Street, New Haven, CT, 06511 on December 21, 2000, for \$0 recorded in the City of New Haven Land Records in Volume 5779 Page 0342. The City of New Haven sold the property to Peter L. Chapman on January 7, 2002, for \$152,000 recorded in the City of New Haven Land Records in Volume 6017 Pages 0057-0075. The sale included a Land Disposition Agreement recorded in the City of New Haven Land Records Volume 6057 Pages 0076-0080. Peter L. Chapman transferred the property to La Saraghina LLC for \$0 consideration which was recorded in the City of New Haven Land Records Volume 6746 Page 0103.

The current owner of record is La Saraghina LLC. The legal description is contained in a deed located in the City of New Haven Land Records in Volume 6746 Pages 0103-0104. There has been no change in the ownership of the properties since March 31, 2004. The current owners have owned the subject property for over 15 years.

PROPERTY RIGHTS APPRAISED

The Fee Simple interest is the property right being appraised. The term is used in this appraisal based upon its definition herein.

RETROSPECTIVE EFFECTIVE DATE OF APPRAISAL / EXPOSURE TIME

The retrospective effective date of this appraisal is March 1, 2019. The subject property was most recently inspected on June 20, 2023, by Raymond R. Miller, Sr. The exposure time necessary to consummate a sale of the subject property is estimated to be within the 6 - 12 months prior to the retrospective effective date of the appraisal at the estimated value herein.

PURPOSE AND FUNCTION OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the Fee Simple interest in the subject with a retrospective effective date of March 1, 2019. "Market Value" and "Fee Simple" are defined herein.

The function of this appraisal is to assist the client in determining retrospective market values as of March 1, 2019, for litigation purposes. The client is Curran Antonelli, LLP, Attn: Peter Antonelli, Esq.

SCOPE OF THE APPRAISAL

The scope of this appraisal consists of the following:

An appraisal made in conformance with USPAP.

An interior and exterior inspection was made on June 20, 2023.

Research and analysis of public record data relative to the subject property and comparable sales.

An analysis of comparable sales, market conditions, actual and projected income and expenses, if applicable, a review of appropriate industry sources and all factors which, in my opinion, affect market value.

A reconciliation of all pertinent data and a final valuation which is concluded to be market reflective and appropriately supported by the applicable approaches to value developed herein.

The Scope of Work for this appraisal consists of for 4 market values.

- 1) “As-Is” Market Value as an industrial/commercial building including 433 Chapel Street, 56 Wallace and 64 Wallace Street.
- 2) “As Is” Market Value with residential approvals for 25 apartments and 1 commercial unit only including 433 Chapel Street and 56 Wallace Street.
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The litigation details are contained in the addendum of this report. The civil action filed #3:22-cv-406 names La Saraghina LLC and Peter L. Chapman as plaintiffs versus city of New Haven, Michael Piscatelli, and Serena Neal-Sanjuro as defendants. The action against the defendants relates to their failure in refusal to permit development of property owned by La Saraghina LLC located at 433 Chapel Street, 56 Wallace Street And 64 Wallace Street, New Haven, CT.

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In the period between February to March of 2019, Mr. Chapman offered to allocate 6 apartment units as affordable housing restricted at 80% of area median income (AMI). This offer was negotiated, however never finalized.

DEFINITION OF TERMS

MARKET VALUE¹

Market value is defined as the most probable price which a property should bring in a competitive and open market under all condition's requisite to a fair sale with the buyer and seller each acting prudently and knowledgeable 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 passing of title from seller to buyer under conditions whereby:

- a. The buyer and seller are typically motivated.
- b. Both parties are well informed or well advised and each act in what he considers his own best interest.
- c. A reasonable time is allowed for exposure in the open market.
- d. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto.
- e. The price represents the normal consideration for property sold, unaffected by special or creative consideration or financing, or sales concessions granted by anyone associated with the sale.

FEE SIMPLE ESTATE OF INTEREST

Fee Simple Estate is the absolute ownership unencumbered by any other interest or estate subject only to the limitations of eminent domain, escheat, police power and taxation.

LEASE FEE ESTATE OF INTEREST

This is simply the fee simple interest encumbered by a lease. If the lease is at market rent, then the leased fee value and the fee simple value are equal. However, if the tenant pays more or less than the market, the residual owned by the leased fee holder, plus the market value of the tenancy, may be more or less than the fee simple value.

MOST PROBABLE SELLING PRICE

The price at which a property would most probably sell if exposed on the market for a reasonable time, under the market conditions prevailing on the date of the appraisal.

EXTRAORDINARY ASSUMPTION

An assumption directly related to a specific assignment, as of the retrospective effective date of the assignment results, which if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external

¹ Department of the Treasury, Office of the Comptroller of the Currency. 12 CFR Part 34, dated Aug. 24, 1990 (Section 34.42 – Definitions)

to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

HYPOTHETICAL CONDITION

A condition directly related to a specific assignment which is contrary to what is known by the appraiser to exist on the retrospective effective date of the assignment results but is used for the purpose of analysis. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

MARKETING TIME

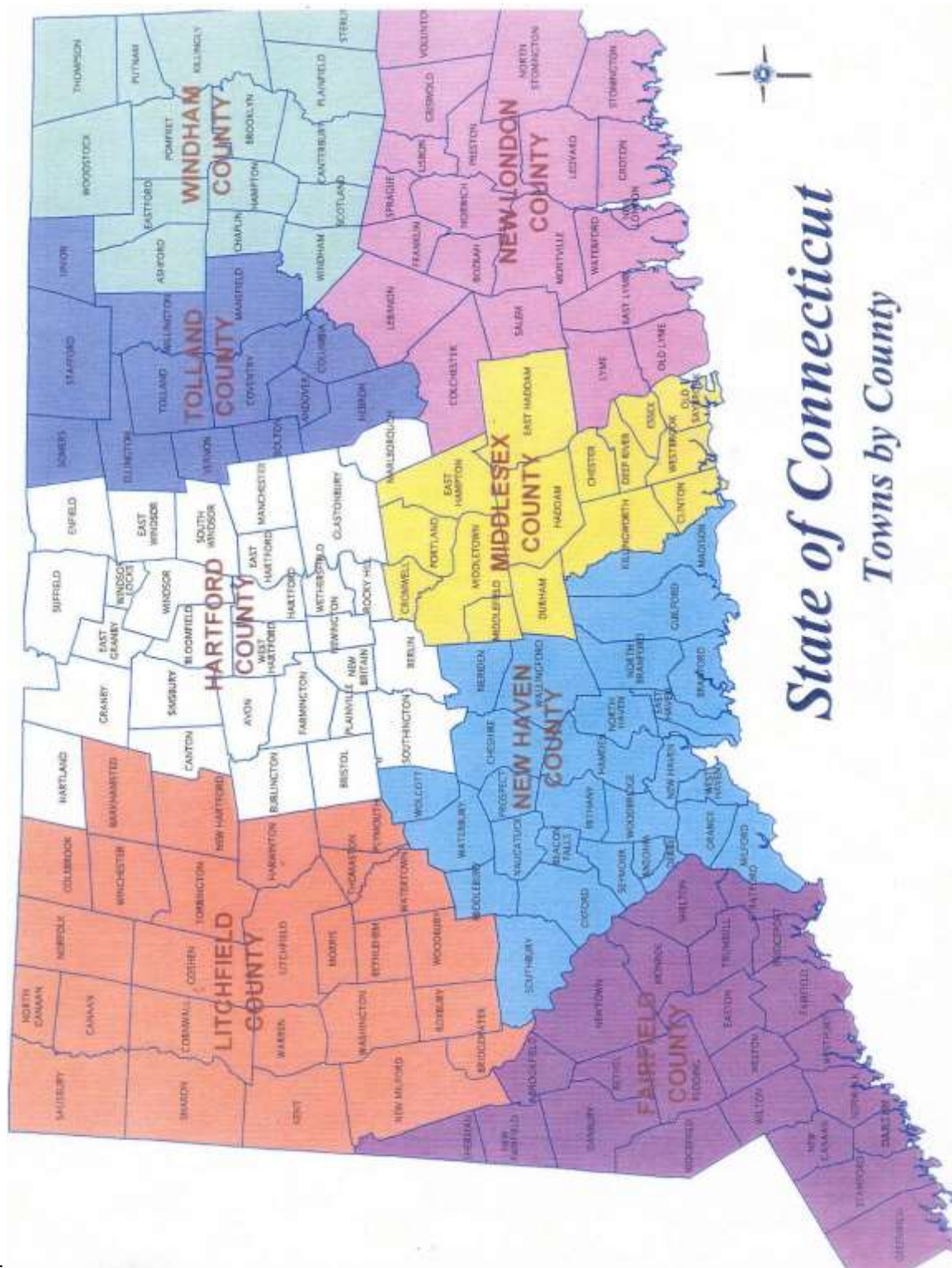
Marketing time is defined as the fair amount of time necessary to expose a property to the open market and achieve a sale. Based upon information from local realtors, sellers, and historical sales data, it is estimated that the subject could be sold within 6 - 12 months at the estimated value herein under market conditions existing as of the retrospective effective date of the appraisal.

EXPOSURE TIME

The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the retrospective effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. Exposure time is always presumed to occur prior to the retrospective effective date of the appraisal. Exposure time was estimated at 6 - 12 months.

Source: The Dictionary of Real Estate Appraisal
Fourth Edition, 2002

MAP OF CONNECTICUT



COMMUNITY, ECONOMIC & DEMOGRAPHIC AND NEIGHBORHOOD DATA

New Haven is located on New Haven Harbor on the northern shore of Long Island Sound in New Haven County, Connecticut, which in turn comprises the outer limits of the New York metropolitan area. It is the second-largest city in Connecticut (after Bridgeport), with a population of 129,779 people as of the 2010 United States Census. According to a census of 1 July 2012, by the Census Bureau, the city had a population of 130,741.

New Haven was founded in 1638 by English Puritans, and a year later eight streets were laid out in a four-by-four grid, creating what is now commonly known as the "Nine Square Plan" now recognized by the American Institute of Certified Planners as a National Planning Landmark. The central common block is New Haven Green, a 16-acre square, now a National Historic Landmark and the center of Downtown New Haven.

New Haven is the home of Yale University. The university is an integral part of the city's economy, being New Haven's biggest taxpayer and employer. Health care (hospitals and biotechnology), professional services (legal, architectural, marketing, and engineering), financial services, and retail trade also help to form an economic base for the city.

The city served as co-capital of Connecticut from 1701 until 1873, when sole governance was transferred to the more centrally located city of Hartford. New Haven has since billed itself as the "Cultural Capital of Connecticut" for its supply of established theaters, museums, and music venues.

New Haven had the first public tree planting program in America, producing a canopy of mature trees (including some large elms) that gave New Haven the nickname "The Elm City".

Late 20th century



The historic New Haven Green, ca. 1919

New Haven's expansion continued during the two World Wars, with most new inhabitants being African Americans from the American South and Puerto Ricans. The city reached its peak population after World War II. The area of New Haven is only 17 square miles, encouraging further development of new housing after 1950 in adjacent, suburban towns. Moreover, as in other U.S. cities in the 1950s, New Haven began to suffer from an exodus of middle-class workers.

In 1954, then-mayor Richard C. Lee began some of the earliest major urban renewal projects in the United States. Certain sections of downtown New Haven were redeveloped to include museums, new office towers, a hotel, and large shopping complexes.¹ Other parts of the city were affected by the construction of Interstate 95 along the Long Wharf section, Interstate 91, and the Oak Street Connector. The Oak Street Connector (Route 34), running between Interstate 95, downtown, and The Hill neighborhood, was originally intended as a highway to the city's

western suburbs but was only completed as a highway to the downtown area, with the area to the west becoming a boulevard (See "Redevelopment" below).

In 1970, a series of criminal prosecutions against various members of the Black Panther Party took place in New Haven, inciting mass protests on the New Haven Green involving twelve thousand demonstrators and many well-known New Left political activists.

From the 1960s through the late 1990s, central areas of New Haven continued to decline both economically and in terms of population despite attempts to resurrect certain neighborhoods through renewal projects. In conjunction with its declining population, New Haven experienced a steep rise in its crime rate. In 2010, New Haven ranked as the 18th most dangerous city in America, albeit with crime rating under the significant safety benchmark of 200.00

Urban redevelopment



The Connecticut Financial Center, completed in 1990, is the tallest building in New Haven

Since approximately 2000, many parts of downtown New Haven have been revitalized, with new restaurants, nightlife, and small retail stores. In particular, the area surrounding the New Haven Green has experienced an influx of apartments and condominiums. In recent years, downtown retail options have increased with the opening of new stores such as Urban Outfitters, J Crew, Origins, American Apparel, Gant Clothing, and an Apple Store, joining older stores such as Barnes & Noble, Cutlers Records, and Raggs Clothing. In addition, downtown's growing residential population will be served by two new supermarkets, a Stop & Shop just outside downtown and Elm City Market located one block from the Green. The recent turnaround of downtown New Haven has received positive press from various periodicals.

Major projects include the current construction of a new campus for Gateway Community College downtown, and also a 32-story, 500-unit apartment/retail building called 360 State Street. The 360 State Street project is now occupied and is the largest residential building in Connecticut. A new boathouse and dock is planned for New Haven Harbor, and the linear park Farmington Canal Trail is set to extend into downtown New Haven within the coming year. Additionally, foundation and ramp work to widen I-95 to create a new harbor crossing for New Haven, with an extra dosed bridge to replace the 1950s-era Q Bridge, has begun. The city still hopes to redevelop the site of the New Haven Coliseum, which was demolished in 2007.

Geography

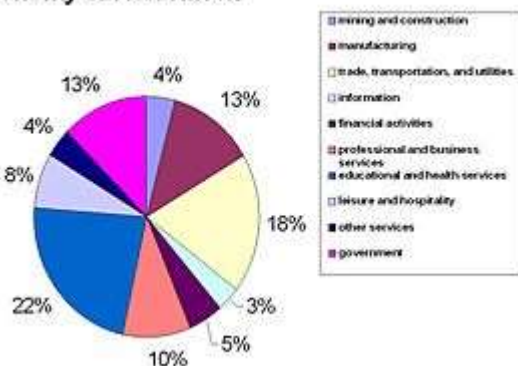
According to the United States Census Bureau, the city has a total area of 20.1 square miles, of which 18.7 square miles is land and 1.4 square miles is water.

New Haven's best-known geographic features are its large deep harbor, and two reddish basalt trap rock ridges which rise to the northeast and northwest of the city core. These trap rocks are known respectively as East Rock and West Rock, and both serve as extensive parks. West Rock has been tunneled through to make way for the east-west passage of the Wilbur Cross Parkway (the only highway tunnel through a natural obstacle in Connecticut), and once served as the hideout of the "Regicides" (see: Regicides Trail). Most New Haveners refer to these men as "The Three Judges". East Rock features the prominent Soldiers and Sailors war monument on its peak as well as the "Great/Giant Steps" which run up the rock's cliffside.

The city is drained by three rivers; the West, Mill, and Quinnipiac, named in order from west to east. The West River discharges into West Haven Harbor, while the Mill and Quinnipiac rivers discharge into New Haven Harbor. Both harbors are embayments of Long Island Sound. In addition, several smaller streams flow through the city's neighborhoods, including Wintergreen Brook, the Beaver Ponds Outlet, Wilmot Brook, Belden Brook, and Prospect Creek. Not all of these small streams have continuous flow year-round.

Economy

Economy of New Haven



Data from City-Data.com

New Haven's economy originally was based in manufacturing, but the postwar period brought rapid industrial decline; the entire Northeast was affected, and medium-sized cities with large working-class populations, like New Haven, were hit particularly hard. Simultaneously, the growth and expansion of Yale University further affected the economic shift. Today, over half (56%) of the city's economy is now made up of services, in particular education and health care; Yale is the city's largest employer, followed by Yale – New Haven Hospital. Other large employers include St. Raphael Hospital, Smilow Cancer Hospital, Southern Connecticut State University, Assa Abloy Manufacturing, the Knights of Columbus headquarters, Higher One, Alexion Pharmaceuticals, Covidien and United Illuminating. Yale and Yale-New Haven are also among the largest employers in the state, and provide more \$100,000+-salaried positions than any other employer in Connecticut.

Industry sectors: Agriculture (.6%), Construction and Mining (4.9%), Manufacturing (2.9%), Transportation and Utilities (2.9%), Trade (21.7%), Finance and Real Estate (7.1%), Services (55.9%), Government (4.0%)

Headquarters

The Knights of Columbus, the world's largest Catholic fraternal service organization and a Fortune 1000 company is headquartered in New Haven. Two more Fortune 1000 companies are

based in Greater New Haven: the electrical equipment producers Hubbell, based in Orange and Amphenol, based in Wallingford. Eight Courant 100 companies are based in Greater New Haven, with four headquartered in New Haven proper. New Haven-based companies traded on stock exchanges include NewAlliance Bank, the second largest bank in Connecticut and fourth-largest in New England (NYSE: NAL), Higher One Holdings (NYSE: ONE), a financial services firm United Illuminating, the electricity distributor for southern Connecticut (NYSE: UIL), Achillion Pharmaceuticals (NASDAQ: ACHN), Alexion Pharmaceuticals (NasdaqGS: ALXN), and Transpro Inc. (AMEX: TPR). Vion Pharmaceuticals is traded OTC (OTC BB: VIONQ.OB). Other notable companies based in the city include the Peter Paul Candy Manufacturing Company (the candy-making division of the Hershey Company), the American division of Assa Abloy (one of the world's leading manufacturers of locks), Yale University Press, and the Russell Trust Association (the business arm of the Skull and Bones Society). The Southern New England Telephone Company (SNET) began operations in the city as the District Telephone Company of New Haven in 1878; the company remains headquartered in New Haven as a subsidiary of AT&T Inc., now doing business as AT&T Connecticut, and provides telephone service for all but two municipalities in Connecticut.

Demographics

The U.S. Census Bureau reports a 2010 population of 129,779, with 47,094 households and 25,854 families within the city of New Haven. The population density is 6,859.8 people per square mile. There are 52,941 housing units at an fair density of 2,808.5 per square mile. The racial makeup of the city is 42.6% White, 35.4% African American, 0.5% Native American, 4.6% Asian, 0.1% Pacific Islander, 12.9% from other races, and 3.9% from two or more races. Hispanic or Latino residents of any race were 27.4% of the population. Non-Hispanic Whites were 31.8% of the population in 2010, down from 69.6% in 1970. The city's demography is shifting rapidly: New Haven has always been a city of immigrants and currently the Latino population is growing rapidly. Previous influxes among ethnic groups have been African-Americans in the postwar era, and Irish, Italian and (to a lesser degree) Slavic peoples in the prewar period.

As of the 2010 census, of the 47,094 households, 29.3% have children under the age of 18 living with them, 27.5% include married couples living together, 22.9% have a female householder with no husband present, and 45.1% are non-families. 36.1% of all households are made up of individuals and 10.5% have someone living alone who is 65 years of age or older. The fair household size is 2.40 and the fair family size 3.19.

The ages of New Haven's residents are 25.4% under the age of 18, 16.4% from 18 to 24, 31.2% from 25 to 44, 16.7% from 45 to 64, and 10.2% who were 65 years of age or older. The median age is 29 years, which is significantly lower than the national fair. There are 91.8 males per 100 females. For every 100 females age 18 and over, there are 87.6 males.

The median income for a household in the city is \$29,604, and the median income for a family is \$35,950. Median income for males is \$33,605, compared with \$28,424 for females. The per capita income for the city is \$16,393. About 20.5% of families and 24.4% of the population live below the poverty line, including 32.2% of those under age 18 and 17.9% of those age 65 or over.

Source: *Wikipedia*

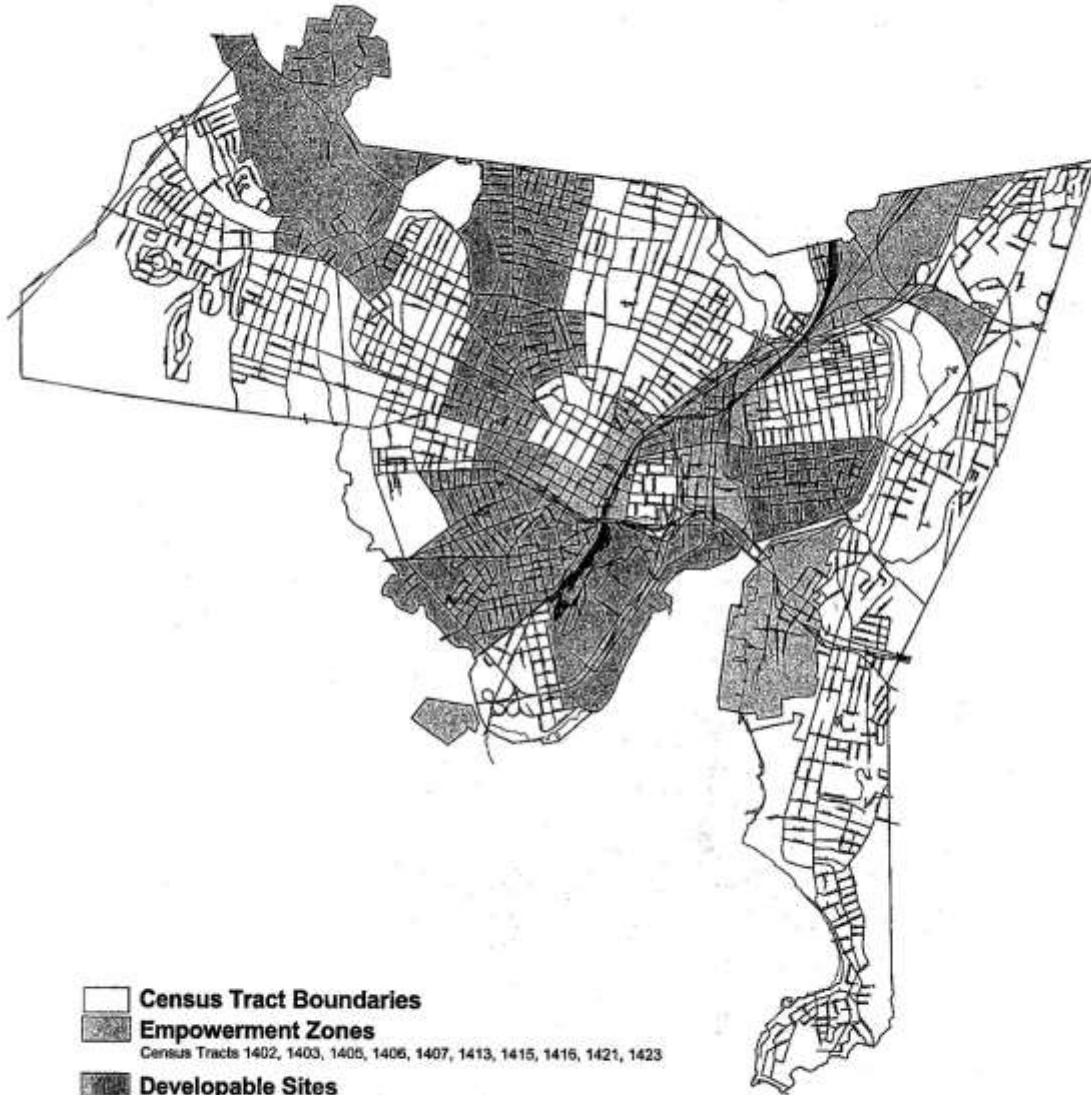
Neighborhood

The subject property is located in close proximity to the interchange of I-95 and I-91 in New Haven, CT in the Wooster Square neighborhood on the fringe of the downtown area. This neighborhood is well known locally and nationally for the Italian restaurants.

Wooster Square is an older, mature neighborhood with a mixture of multi-family residential, light industrial and commercial buildings. The neighborhood has been undergoing changes with former industrial buildings converting to office and apartment buildings.

The subject is located within the New Haven Federal Empowerment Zone and Developable Area as outlined on the following pages. The Federal Act concerning the zone is attached for reference.

NEW HAVEN FEDERAL EMPOWERMENT ZONES AND DEVELOPABLE AREAS



AN ACT CONCERNING CERTAIN EMPOWERMENT ZONES

SUMMARY: This act allows municipalities designated as urban empowerment zones under federal law to issue revenue bonds to provide funding for enterprise zone businesses with qualified zone property. Regardless of the municipality's regular bond issuing requirements, empowerment zone bonds must be authorized by a resolution adopted by the municipality's legislative body. Federal law exempts such bonds from federal taxation.

The bonds may be payable solely from, and secured solely by, income, proceeds, and revenue from borrowers who use bond proceeds to finance zone facilities or lenders who borrow bond proceeds in order to re-lend them for such financing. They are not (1) considered municipal general obligations, (2) chargeable against municipal property, or (3) included in municipal debt calculations or limits. No bondholder can compel the municipality to levy a tax to repay them.

The act also allows municipalities to issue taxable bonds to pay issuance or other costs related to providing tax-exempt bond financing to enterprise zone businesses. The municipal board, officer, or agency charged with issuing the bonds must find they are in the municipality's best interest and that they further the act's purposes. The act states that the municipal powers it confers benefit the public health, safety, welfare, and security and that, in exercising them, a municipality performs an essential government function. It also allows government agencies, banks, insurance and investment companies, and all fiduciaries to invest in empowerment zone bonds; allows state and municipal public bodies to receive and deposit them as security; and, once registered, makes them negotiable instruments under the Uniform Commercial Code.

EFFECTIVE DATE: Upon passage

MUNICIPAL ISSUING AUTHORITY

Under the act, the municipal legislative body or the board, officer, or agency to which the legislative body delegates authority for issuing the tax-exempt bonds must decide (1) how the bonds will be issued and sold; (2) their interest rate and when interest will be paid; (3) their term, which may be no more than 30 years; (4) whether and under what terms bonds may be purchased or redeemed; and (5) all other issuing conditions.

BOND ISSUANCE PROCEEDINGS

Bond issuance proceedings may contain provisions:

1. concerning custody of bond proceeds, including requirements that they be held separately from other municipal funds;
2. for investing proceeds until they are used for project costs and for disposing of excess proceeds and investment earnings;
3. for executing agreements in connection with credit facilities;
4. for collecting, holding, investing, reinvesting, and using revenue pledged to repay the bonds;
5. regarding reserves and sinking or other funds and accounts;
6. for agreements regarding establishing and maintaining facilities and property;
7. for issuing additional bonds that have parity with earlier ones; and
8. regarding rights and remedies available to bondholders in case of default.

The bond issuance proceedings may also contain other provisions and agreements consistent with the act that the municipality considers necessary or desirable to better secure the bonds and make them more marketable, or that are in the municipality's best interest.

The bond issuance proceeding provisions may be replicated in any trust indenture that secures the bonds.

TRUST INDENTURE

The act allows a municipality to enter into a trust indenture with a trustee such as a bank. (A trust indenture sets out the terms and conditions governing a trustee's conduct and a trust beneficiary's rights.) The indenture may contain reasonable provisions for protecting and enforcing bond owners' rights. It may include agreements

concerning the municipality's duties and the custody, safety, and application of funds. The municipality may agree as part of the indenture to pay to the trustee or to some other depository all revenue pledged for the bonds. The indenture may also include a method for disbursing the revenue, with safeguards and conditions. The expenses of carrying out any such indenture must be treated as part of the project cost.

BACKGROUND

Empowerment Zones

The Department of Housing and Urban Development establishes empowerment zones to create jobs and expand business opportunities in low-income communities. Empowerment zones receive preferences for federal grants. Businesses located in these communities are entitled to tax-exempt bond financing for renovations and expansions, and tax credits for employing workers who live in the zone. In Connecticut, part of New Haven has been designated as an empowerment zone.

New Haven, Connecticut

CERC Town Profile 2019 Produced by Connecticut Data Collaborative

City Hall
165 Church Street
New Haven, CT 06510
(203) 946-8200

Belongs To
New Haven County
LMA New Haven
South Central Planning Area



Incorporated in 1638

Demographics

Population

	Town	County	State
2000	123,626	824,008	3,405,565
2010	129,779	862,477	3,574,097
2013-2017	130,884	862,127	3,594,478
2020	135,379	898,514	3,604,591
'17 - '20 Growth / Yr	1.1%	1.3%	0.1%

	Town	County	State
Land Area (sq. miles)	19	605	4,842
Pop./Sq. Mile (2013-2017)	7,007	1,426	742
Median Age (2013-2017)	31	40	41
Households (2013-2017)	49,987	327,402	1,361,755
Med. HH Inc. (2013-2017)	\$39,191	\$64,872	\$73,781

	Town	State
Veterans (2013-2017)	3,518	180,111

Age Distribution (2013-2017)

	0-4	5-14	15-24	25-44	45-64	65+	Total
Town	8,111 6%	16,283 12%	25,443 19%	41,488 32%	25,876 20%	13,683 10%	130,884 100%
County	45,072 5%	100,549 12%	120,727 14%	216,208 25%	240,037 28%	139,534 16%	862,127 100%
State	186,188 5%	432,367 12%	495,626 14%	872,640 24%	1,031,900 29%	575,757 16%	3,594,478 100%

Race/Ethnicity (2013-2017)

	Town	County	State
White Non-Hisp	39,705	553,000	2,446,049
Black Non-Hisp	41,287	105,661	350,820
Asian Non-Hisp	6,036	33,678	154,910
Native American Non-Hisp	311	783	5,201
Other/Multi-Race Non-Hisp	3,755	20,471	84,940
Hispanic or Latino	39,790	148,446	551,916

Poverty Rate (2013-2017)

	Town	County	State
Poverty Rate (2013-2017)	25.6%	12.1%	10.1%

Educational Attainment (2013-2017)

	Town		State	
High School Graduate	25,376	31%	673,582	27%
Associates Degree	3,625	4%	188,481	8%
Bachelors or Higher	27,505	34%	953,199	38%

Economics

Business Profile (2018)

Sector	Units	Employment
Total - All Industries	3,579	83,424
23 - Construction	159	1,232
31-33 - Manufacturing	84	2,117
44-45 - Retail Trade	362	3,835
61 - Educational Services	90	18,238
62 - Health Care and Social Assistance	444	21,889
Total Government	81	11,502

Top Five Grand List (2018)

	Amount
United Illuminating Co.	-\$9,999
Winstanley Enterprises	-\$9,999
Yale University	-\$9,999
Fusco Corporation	-\$9,999
PSEG Corporation	-\$9,999
Net Grand List (SFY 2016-2017)	\$6,078,126,767

Major Employers (2018)

Yale University	Yale-New Haven Health
Yale Medical Group	Southern Connecticut State University
New England Home Care Inc.	

Education

2018-2019 School Year

	Grades	Enrollment
New Haven School District	PK-12	21264

Smarter Balanced Test Percent Above Goal (2017-2018)

	Grade 3		Grade 4		Grade 8	
	Town	State	Town	State	Town	State
Math	28.6%	53.8%	22.2%	51.3%	18.1%	43.0%
ELA	30.4%	53.1%	33.2%	54.9%	33.9%	56.1%

Pre-K Enrollment (PSIS)

	2018-2019
New Haven School District	1575

4-Year Cohort Graduation Rate (2017-2018)

	All	Female	Male
Connecticut	88.3%	91.8%	85.1%
New Haven School District	78.9%	82.1%	75.7%

Rate of Chronic Absenteeism (2017-2018)

	All
Connecticut	10.7%
New Haven School District	19.9%

Public vs Private Enrollment (2013-2017)

	Town	County	State
Public	91.5%	88.2%	86.8%
Private	8.5%	11.8%	13.2%

New Haven, Connecticut

CERC Town Profile 2019



Connecticut
Economic
Resource Center

Government

Government Form: Mayor - Council

Total Revenue (2017)	\$582,957,198	Total Expenditures (2017)	\$598,960,970	Annual Debt Service (2017)	\$83,736,016
Tax Revenue	\$252,389,650	Education	\$246,051,060	As % of Expenditures	14.0%
Non-tax Revenue	\$330,567,548	Other	\$352,909,910	Eq. Net Grand List (2017)	\$10,248,531,793
Intergovernmental	\$282,531,510	Total Indebtedness (2017)	\$583,315,501	Per Capita	\$78,225
Per Capita Tax (2017)	\$1,920	As % of Expenditures	97.4%	As % of State Average	51.8%
As % of State Average	65.5%	Per Capita	\$4,452	Moody's Bond Rating (2017)	Baa1
		As % of State Average	177.1%	Actual Mill Rate (2017)	41.55
				Equalized Mill Rate (2017)	24.54
				% of Net Grand List Com/Ind (2017)	28.7%

Housing/Real Estate

Housing Stock (2013-2017)

	Town	County	State
Total Units	56,423	365,546	1,507,711
% Single Unit (2013-2017)	19.2%	53.6%	59.2%
New Permits Auth (2017)	24	750	4,547
As % Existing Units	0.0%	0.2%	0.3%
Demolitions (2017)	32	202	1,403
Home Sales (2017)	262	4,763	21,880
Median Price	\$189,400	\$244,400	\$270,100
Built Pre-1950 share	56.7%	33.2%	29.3%
Owner Occupied Dwellings	13,913	204,037	906,798
As % Total Dwellings	27.8%	62.3%	66.6%
Subsidized Housing (2018)	17,523	46,013	167,879

Distribution of House Sales (2017)

	Town	County	State
Less than \$100,000	7	106	536
\$100,000-\$199,999	114	1,232	5,237
\$200,000-\$299,999	88	1,785	6,681
\$300,000-\$399,999	24	888	3,863
\$400,000 or More	29	752	5,563

Rental (2013-2017)

	Town	County	State
Median Rent	\$1,137	\$1,100	\$1,123
Cost-burdened Renters	59.2%	54.5%	52.3%

Labor Force

	Town	County	State
Residents Employed	61,492	438,576	1,827,070
Residents Unemployed	3,281	20,171	78,242
Unemployment Rate	5.1%	4.4%	4.1%
Self-Employed Rate	4.8%	8.5%	10.0%
Total Employers	3,579	24,958	122,067
Total Employed	83,424	366,848	1,673,867

Connecticut Commuters (2015)

Commuters Into Town From:		Town Residents Commuting To:	
New Haven, CT	20,338	New Haven, CT	20,338
Hamden, CT	8,022	Hamden, CT	2,431
West Haven, CT	4,767	West Haven, CT	1,958
East Haven, CT	3,618	North Haven, CT	1,940
Branford, CT	3,296	Milford, CT	1,621
North Haven, CT	2,679	Branford, CT	1,333
Milford, CT	2,473	Orange, CT	1,114

Quality of Life

Crime Rates (per 100,000 residents) (2017)	Town	State
Property	2,502	1,777
Violent	359	228
Disengaged Youth (2013-2017)	Town	State
Female	5.5%	4.2%
Male	8.9%	5.6%
Library circulation per capita	Town	State
	2.77	

Distance to Major Cities

	Miles
Hartford	34
New York City	69
Providence	85
Boston	121
Montreal	295

Residential Utilities

Electric Provider	The United Illuminating Co. (800) 257-0141
Gas Provider	Southern Connecticut Gas Company (800) 659-8299
Water Provider	South Central CT Regional Water Auth. (203) 562-4020
Cable Provider	Comcast New Haven (800) 266-2278

New Haven, Connecticut

130,331

General

ACS, 2015–2019

	New Haven	State
Land Area ^{mi} ²	19	4,842
Population Density ^{people per mi} ²	6,977	738
Number of Households	49,177	1,370,746
Median Age	30.8	41.0
Median Household Income	\$42,222	\$78,444
Poverty Rate	27%	10%

Economy

Top Industries

CT Department of Labor, 2019

	Employment	Employers	Av. Wages
1 Health Care & Social Assistance	22,399	446	\$66,332
2 Educational Services	18,681	96	\$103,665
3 Local Government	6,002	22	\$61,068
4 Accommodation & Food Services	5,302	410	\$25,525
5 Admin. & Support & Waste Mgmt	5,078	153	\$72,963
All Industries	84,205	3,685	\$73,693

SOTS Business Registrations

Secretary of the State, June 2021

Total Active Businesses 14,003

New Business Registrations by Year

2001	542	2006	709	2011	750	2016	863
2002	600	2007	698	2012	792	2017	885
2003	600	2008	642	2013	778	2018	1,003
2004	672	2009	643	2014	786	2019	1,102
2005	681	2010	666	2015	775	2020	1,242

Key Employers

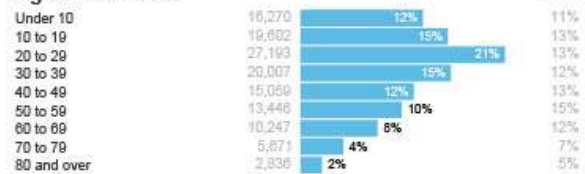
Data from municipalities, 2021

- 1 Yale University
- 2 Yale-New Haven Health
- 3 Assa Abloy Inc
- 4 Southern Connecticut State University
- 5 Chubb Group of Insurance Co

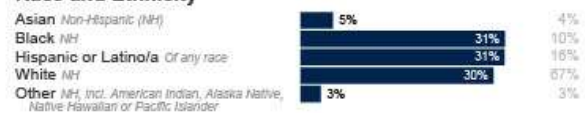
Demographics

ACS, 2015–2019

Age Distribution



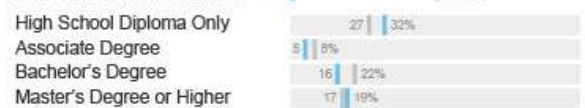
Race and Ethnicity



Language Spoken at Home



Educational Attainment



Housing

ACS, 2015–2019

	New Haven	State
Median Home Value	\$199,000	\$275,400
Median Rent	\$1,196	\$1,180
Housing Units	55,682	1,516,629



Schools

CT Department of Education, 2020-21

School Districts

	Available Grades	Total Enrollment	Pre-K Enrollment	4-Year Grad Rate (2018-19)
Amistad Academy District	1-12	1,134	0	81%
Booker T. Washington Academy	1-7	480	0	
Common Ground High School District	9-12	236	0	92%
Elm City College Preparatory School	1-12	774	0	73%
Elm City Montessori School	PK-8	259	83	
Highville Charter School District	PK-12	447	78	*
New Haven School District	PK-12	20,051	1,139	81%
Statewide	-	513,079	15,300	88%

Smarter Balanced Assessments

Met or exceeded expectations, 2018/19

	Math	ELA
Amistad Academy District	50%	55%
Booker T. Washington Academy	47%	50%
Common Ground High School District		
Elm City College Preparatory School	54%	59%
Elm City Montessori School	22%	36%
Highville Charter School District	14%	36%
New Haven School District	22%	34%
Statewide	48%	56%

New Haven, Connecticut

130,331

Labor Force

CT Department of Labor, 2020

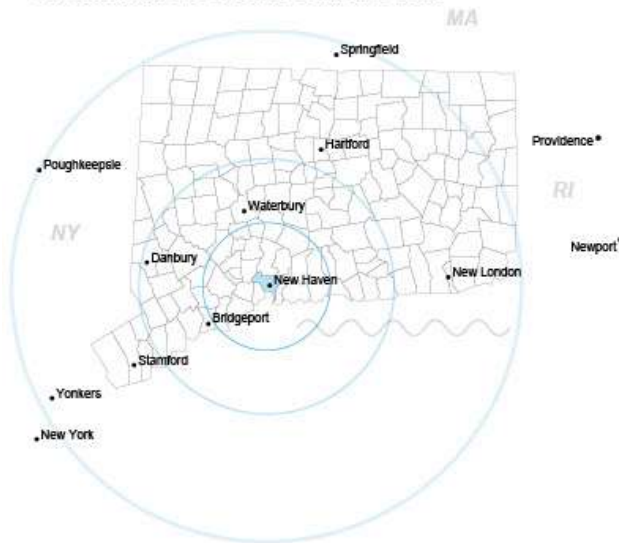
	New Haven	State
Employed	59,892	1,724,621
Unemployed	5,757	148,010

Unemployment Rate
Self-Employment Rate*



*ACS, 2015-2019

Catchment Areas of 15mi, 30mi, and 60mi



Access

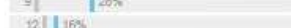
ACS, 2015-2019

Mean Commute Time *Pre-Covid* 23 min 26 min

No Access to a Car

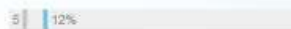


No Internet Access

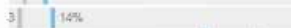


Commute Mode

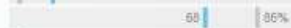
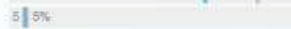
Public Transport



Walking or Cycling



Driving

Working From Home *Pre-Covid*

Public Transit

CTtransit Service

Other Public Bus Operations

Train Service

Local

-
Amtrak, Metro-North, Hartford Line, Shore Line East

Fiscal Indicators

CT Office of Policy and Management, SFY 2017-18

Municipal Revenue

Total Revenue	\$607,787,354
Property Tax Revenue	\$253,562,833
per capita	\$1,938
per capita, as % of state av.	64%
Intergovernmental Revenue	\$299,089,386
Revenue to Expenditure Ratio	100%

Boston*

Municipal Expenditure

Total Expenditure	\$605,765,016
Educational	\$260,920,722
Other	\$344,844,294

Grand List

Equalized Net Grand List	\$9,408,561,904
per capita	\$72,142
per capita, as % of state av.	47%
Comm./Indust. Share of Net Grand List	32%

Actual Mill Rate	38.68
Equalized Mill Rate	26.87

Municipal Debt

Moody's Rating	Baa1
Total Indebtness	\$612,962,784
per capita	\$4,700
per capita, as % of state av.	182%
as percent of expenditures	101%

Annual Debt Service	\$41,581,266
as % of expenditures	7%



Search AdvanceCT's SiteFinder, Connecticut's most comprehensive online database of available commercial properties.
ctdata.org/sitefinder

About Town Profiles

The Connecticut Town Profiles are two-page reports of demographic and economic information for each of Connecticut's 169 municipalities. Reports for 2016-2019 are available from profiles.ctdata.org.

Feedback is welcome, and should be directed to info@ctdata.org.

These Profiles can be used free of charge by external organizations, as long as AdvanceCT and CTData Collaborative are cited. No representation or warranties, expressed or implied, are given regarding the accuracy of this information.

SUBJECT'S AERIAL LOCATION MAP



SITE DATA – 433 CHAPEL STREET

The following site data is based on a personal inspection, data in the City of New Haven's public records and site map included in this report.

Assessors Reference:	Map 202 Block 554 Lot 00500
Shape:	Rectangular
Dimensions/Acreage:	152' * 100' * 148' * 100' = 0.34 acres
Frontage:	Approximately 100 feet on Chapel Street
Nearest Intersection:	The subject is located near Chapel Street and Wallace Street.
Street Improvements:	Chapel Street and Wallace Street are two lane asphalt paved roadways with streetlights, sidewalks, curbs, storm drains and sanitary sewers.
Topography:	Level at street grade
Utilities:	Municipal telephone, electricity, water, and gas
Easements & Encroachments:	No adverse easements or encroachments that would affect the marketability of the subject
Access to Major Highways:	The subject is in close proximity to Interstate 95, Interstate 91 interchange, Route 34, and Route 1.
Parking:	43 Parking spaces (currently includes all 3 parcels)
Landscaping:	Typical
Flood Zone:	Map 09009 C0441J dated 07/08/2013 Zone X is not considered a designated flood hazard zone. Reference flood map included in report.
Soil and Subsoil Conditions:	Site inspection did not indicate any adverse soil and subsoil conditions or any apparent site contamination. If engineering tests were to be made and disclosed an adverse soil condition requiring correction, it would be necessary to revise this report to reflect this condition.

SITE DATA – 56 WALLACE STREET

The following site data is based on a personal inspection, data in the City of New Haven's public records and site map included in this report.

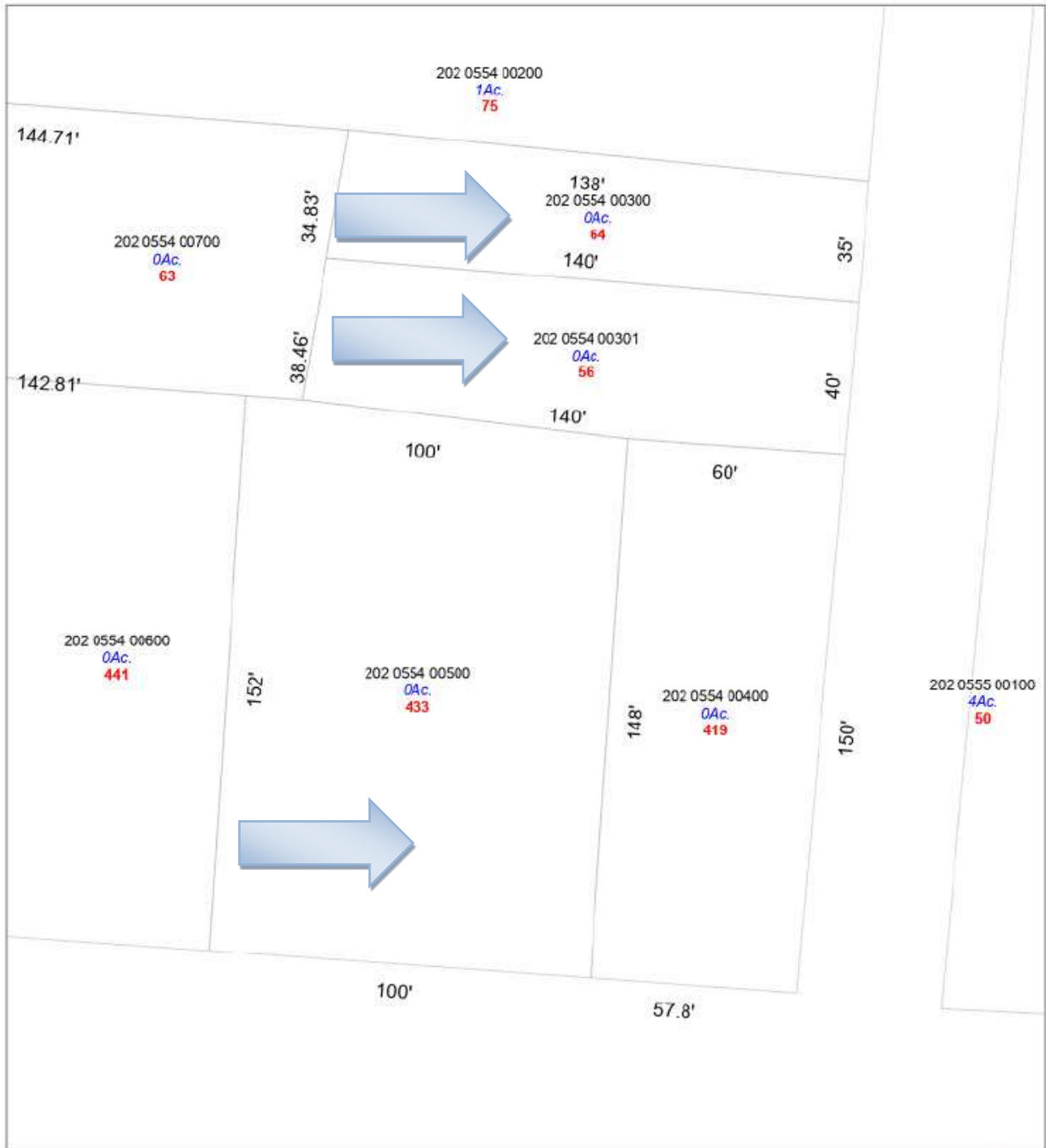
Assessors Reference:	Map 202 Block 554 Lot 00301
Shape:	Rectangular
Dimensions/Acreage:	140' * 40' * 140' * 38.46' = 0.13 acres
Frontage:	Approximately 40 feet on Wallace Street
Nearest Intersection:	The subject is located on Wallace Street near Chapel Street.
Street Improvements:	Chapel Street and Wallace Street are two lane asphalt paved roadways with streetlights, sidewalks, curbs, storm drains and sanitary sewers.
Topography:	Level at street grade
Utilities:	Municipal telephone, electricity, water, and gas
Easements & Encroachments:	No adverse easements or encroachments that would affect the marketability of the subject
Access to Major Highways:	The subject is in close proximity to Interstate 95, Interstate 91 interchange, Route 34, and Route 1.
Parking:	26 Parking spaces on completion of renovations (includes 433 Chapel Street)
Landscaping:	Typical
Flood Zone:	Map 09009 C0441J dated 07/08/2013 Zone X is not considered a designated flood hazard zone. Reference flood map included in report.
Soil and Subsoil Conditions:	Site inspection did not indicate any adverse soil and subsoil conditions or any apparent site contamination. If engineering tests were to be made and disclosed an adverse soil condition requiring correction, it would be necessary to revise this report to reflect this condition.

SITE DATA – 64 WALLACE STREET

The following site data is based on a personal inspection, data in the City of New Haven's public records and site map included in this report.

Assessors Reference:	Map 202 Block 554 Lot 00300
Shape:	Rectangular
Dimensions/Acreage:	140' * 35' * 138' * 34.83' = 0.11 acres
Frontage:	Approximately 35 feet on Wallace Street
Nearest Intersection:	The subject is located on Wallace Street near Chapel Street.
Street Improvements:	Chapel Street and Wallace Street are two lane asphalt paved roadways with streetlights, sidewalks, curbs, storm drains and sanitary sewers.
Topography:	Level at street grade
Utilities:	Municipal telephone, electricity, water, and gas
Easements & Encroachments:	No adverse easements or encroachments that would affect the marketability of the subject
Access to Major Highways:	The subject is in close proximity to Interstate 95, Interstate 91 interchange, Route 34, and Route 1.
Parking:	Approximately 12 Parking spaces on completion of buildout of units
Landscaping:	Typical
Flood Zone:	Map 09009 C0441J dated 07/08/2013 Zone X is not considered a designated flood hazard zone. Reference flood map included in report.
Soil and Subsoil Conditions:	Site inspection did not indicate any adverse soil and subsoil conditions or any apparent site contamination. If engineering tests were to be made and disclosed an adverse soil condition requiring correction, it would be necessary to revise this report to reflect this condition.

PLAT MAP



Legend

☐ New Haven Parcels

NEW HAVEN PARCEL INFO

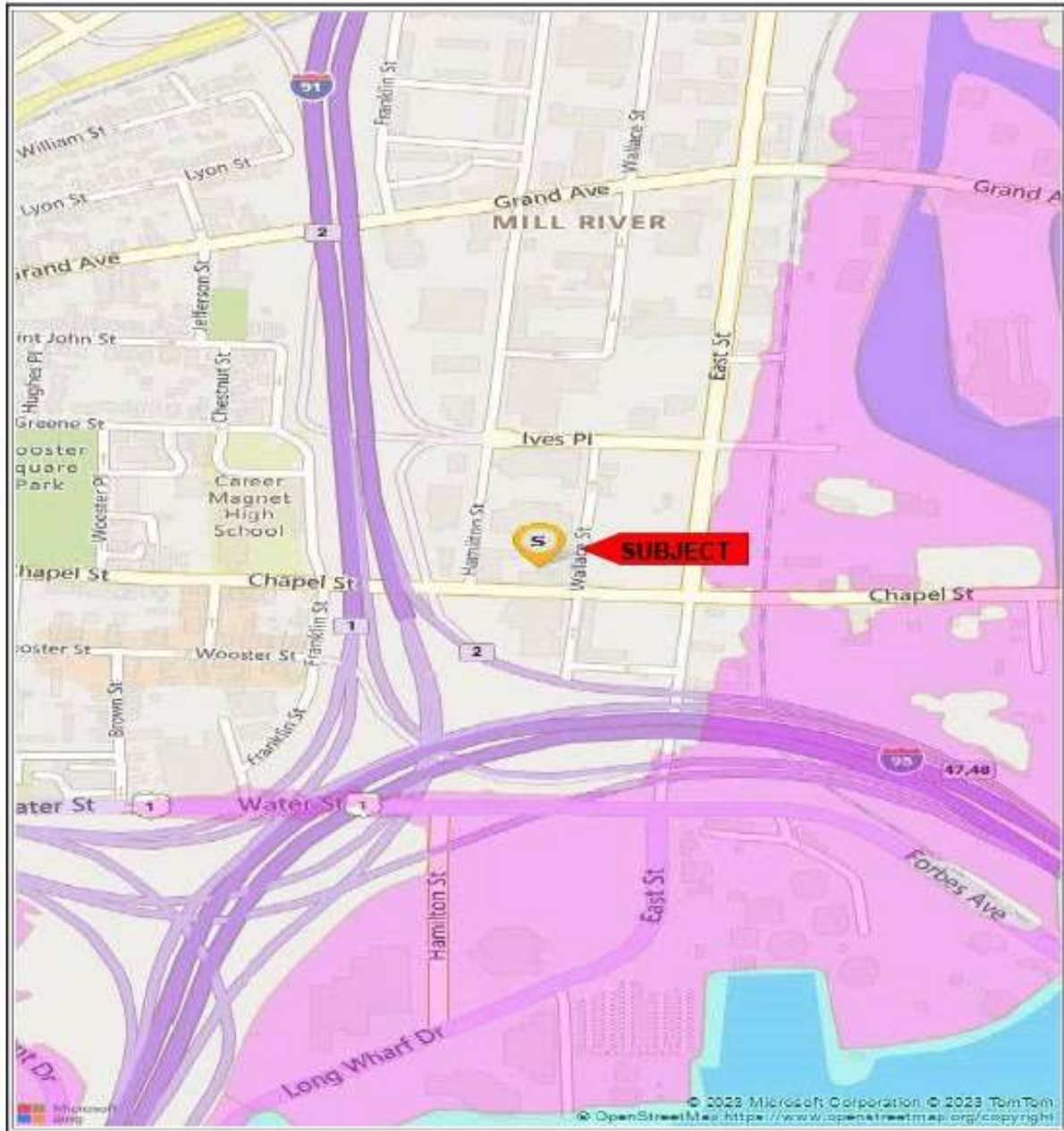
This map is for reference purposes only. It is not for legal description or conveyances. All information is subject to verification by any user. The City of New Haven assumes no legal responsibility for the information contained herein.



Date: 7/6/2023

0 0.0035 0.007 0.014 mi

FLOOD MAP



Flood Map Legends

Flood Zones

- Areas inundated by 100-year flooding
- Areas inundated by 500-year flooding
- Areas of undetermined but possible flood hazards
- Floodway areas with velocity hazard
- Floodway areas
- COBRA zone

Flood Zone Determination

In Special Flood Hazard Area (Flood Zone): Out

Within 250 ft. of multiple flood zones? Not within 250 feet

Community: 090084

Community Name: NEW HAVEN, CITY OF

Map Number: 09009C0441J

Zone: X Panel: 0441J Panel Date: 07/08/2013

FIPS Code: 09009 Census Tract: 1422.00

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DESCRIPTION OF THE IMPROVEMENTS – 433 CHAPEL STREET

General Description:	5 Story commercial/industrial building with a finished lower level
Construction:	Masonry & wood
Gross Building Area:	30,278 square feet
Living Area:	9,380 square feet
Basement (Lower Level):	2,261 finished square feet 391 unfinished square feet 2,652 total square footage in basement
Effective Age:	45 years
Foundation:	Concrete
Exterior Walls:	Brick
Roof:	Tar and gravel composition / rubber and asphalt shingles
Interior Walls:	Drywall, plaster, and masonry
Ceilings:	Drop ceilings and open ceilings
Floors:	Concrete and wood
Lighting:	Fluorescent
Insulation:	Unknown
Electrical:	3 phase - 600AMP circuit breaker
Plumbing:	2 - Bathrooms on lower level
Heating/Cooling:	Gas fired – forced hot air with central air
Elevator:	Freight – not currently functioning
Sprinkler System:	Yes
Deferred Maintenance:	Yes
Functional/External Obsolescence:	Yes/None

Comments:

The building appears to be in fair condition. There are many broken windows, boarded up windows, and graffiti mainly on the front exterior of the building. Various water leaks have caused the floors in the interior of the building to buckle. The structure of the building appears to be fairly solid with large wood beams which were prominent in the 1800s. The tax assessors field card states a wall height of 12 feet although it appears that there are various wall heights throughout the finished area. The building has a freight elevator that is not functionable at the time of the inspection per the owner.

REAL ESTATE TAXES - 433 CHAPEL STREET AS OF 03/01/2019

	<u>70% VALUE</u>	<u>100% VALUE</u>
Assessment: Land:	\$ 59,640	\$ 85,200
Building:	\$ 202,020	\$ 288,600
Other:	\$ _____	\$ _____
TOTAL ASSESSMENT:	<u>\$ 261,660</u>	<u>\$ 373,800</u>
Basis:	70% of Market Value	
Grand List for 2017		
Mill Rate for 2018-2019:	\$.04298	
Last Revaluation:	10/01/2016	
Actual Annual Taxes:	<u>\$ 11,246.16</u>	

The 2017 Tax Year is based upon the Grand List October 1, 2017, for July 1, 2018- June 30, 2019.

REAL ESTATE TAXES – 56 WALLACE STREET AS OF 03/01/2019

	<u>70% VALUE</u>	<u>100% VALUE</u>
Assessment: Land:	\$ 27,020	\$ 38,600
Building:	\$ 0	\$ 0
Other:	<u>\$ 4,690</u>	<u>\$ 6,700</u>
TOTAL ASSESSMENT:	<u>\$ 31,710</u>	<u>\$ 45,300</u>

Basis: 70% of Market Value

Grand List for 2017

Mill Rate for 2018-2019: \$.04298

Last Revaluation: 10/01/2016

Actual Annual Taxes: \$ 1,362.90

The 2017 Tax Year is based upon the Grand List October 1, 2017, for July 1, 2018- June 30, 2019.

REAL ESTATE TAXES – 64 WALLACE STREET AS OF 03/01/2019

	<u>70% VALUE</u>	<u>100% VALUE</u>
Assessment: Land:	\$ 23,870	\$ 34,100
Building:	\$ 0	\$ 0
Other:	<u>\$ 4,200</u>	<u>\$ 6,000</u>
TOTAL ASSESSMENT:	<u>\$ 28,070</u>	<u>\$ 40,100</u>

Basis: 70% of Market Value

Grand List for 2017

Mill Rate for 2018-2019: \$.04298

Last Revaluation: 10/01/2016

Actual Annual Taxes: \$ 1,206.46

The 2017 Tax Year is based upon the Grand List October 1, 2017, for July 1, 2018- June 30, 2019.

ZONING REQUIREMENTS

The subject is located in IL - Industrial. The bulk requirements on the following page of said zone are taken from the City of New Haven's Zoning Regulations. It is noted that the site is a conforming parcel, and the current use is a permitted use.

See following page the City of New Haven's Bulk Standards for IL.

ZONING REQUIREMENTS

Table 2

NEW HAVEN ZONING ORDINANCE

TABLE 2. SUMMARY OF DENSITY, BULK, PARKING AND LOADING REGULATIONS

Note—This Summary Schedule is for convenience in use of the ordinance. In case of conflict, the District Regulations shall prevail. Terms in boldface italics are defined in Section 1 of this Ordinance.

MINIMUM STANDARDS	Residential Districts						Business & Industrial Districts										
	RS1	RS2	RM1	RM2	RH1	RH2	RO	BA	BB	BC	BD	BD-1	BE	IL	IR		
Lot Area (Square Feet)	7500	7500	8000	8400	7500	8400	7500	None	None	None	None	None	None	None	None		
Lot Area per Dwelling Unit	Standard	7500	3500	3000	NA	NA	NA	2000	2000	3500	NA	NA	NA	X	X		
Efficiency (Square Feet)	NA	NA	2800	1400	NA	NA	NA	1400	1400	2000	NA	NA	X	X	X		
Elderly	NA	NA	1750	1000	NA	NA	NA	1000	1000	1750	NA	NA	X	X	X		
Yards (In Feet)	Front	25	25	20	17	25	17	25 See Section 43.						
Rear	25	25	25	25	25	25	25	25 See Section 43.						
Side	8.12	8.12	8.12	8.10	10.10	8.10	10.10	10.10 See Section 43.						
Corner	8	8	8	8	10	8	10	10 See Section 43.						
Usable Open Space per Dwelling Unit (Square Feet)	X	X	X	X	250	250	250	250	X	X	X	X	X	X	X		
Average Lot Width (In Feet) ³	60	60	50	50	50	50	60	60	X	X	X	X	X	X	X		
MAXIMUM STANDARDS																	
Total Building Coverage (%)	30	30	30	30	25 ⁴	25 ⁴	25 ⁴	NA	NA	NA	NA	NA	NA	NA	NA		
..... All buildings..... Principal Buildings																	
Building height, Lesser of: Number of Stories	3	3	3	4	No Direct Limit	No Direct Limit	No Direct Limit No Direct Limit							
Average Height (In Feet)	35	35	35	35	No Direct Limit	No Direct Limit	No Direct Limit No Direct Limit							
Floor Area Ratio (FAR)	NA	NA	NA	NA	5-	5-	5-	2.0	2.0	2.0	6.0	6.0	6.0	3.0	4.0		
	1.7	1.7	1.7	1.7	1.7	1.7	1.7	2.0	2.0	2.0	6.0	6.0	6.0	3.0	4.0		
PARKING AND LOADING																	
Per Dwelling Unit:	Elderly	NA	NA	NA	NA	NA	NA	NA	NA	NA	0	NA	NA	NA	NA		
Standard or Efficiency	.....	.....	.....	.....	See note 5, below	.....	.....	1	1	1	1	0	NA	NA	NA
For Commercial or Industrial Use:																	
General Office, Per 600 N.S.F.	NA	NA	NA	NA	1	1	1	1	1	1	0	0	1	1	1		
Retail, Per 200 N.S.F. Sales/Service Area	NA	NA	NA	NA	1	1	NA	1	1	1	0	0	1	1	1		
Per Medical Practitioner	NA	NA	NA	NA	NA	NA	3	3	X	X	0	0	X	X	X		
Other Uses	See § 45 Zoning Ordinance Text For Other Uses Not Listed Here																
Commercial or Industrial Use Loading	See § 45(a)(1)(b) Ordinances Text - Depends On Whether Use Is Concerned With Handling Of Goods																

Key: NA-Not Applicable; X-Not Permitted.

Notes:

¹See Ordinance text for standard for developed blockfronts with lesser setbacks.

²Corner lot: Any yard facing a street is a front yard. Rear and side yards are by owner choice.

³Variable. Lower building coverage permits a higher floor area ratio (FAR), which is a ratio of gross building area to land area.

⁴Garden apartment buildings meeting section 22 requirements are permitted 30 percent total building coverage.

TAX ASSESSOR'S FIELD CARD

433 CHAPEL STREET - PAGE 1

433 CHAPEL ST

Location 433 CHAPEL ST

Mblu 202/ 0554/ 00500/ /

Acct# 202 0554 00500

Owner LA SARAGHINA LLC

Assessment \$331,310

Appraisal \$473,300

PID 10607

Building Count 1

Current Value

Appraisal			
Valuation Year	Improvements	Land	Total
2022	\$362,500	\$110,800	\$473,300
Assessment			
Valuation Year	Improvements	Land	Total
2022	\$253,750	\$77,560	\$331,310

Owner of Record

Owner LA SARAGHINA LLC
Co-Owner
Address 433 CHAPEL ST
 NEW HAVEN, CT 06511

Sale Price \$0
Certificate
Book & Page 6746/0103
Sale Date 03/31/2004
Instrument

Ownership History

Ownership History					
Owner	Sale Price	Certificate	Book & Page	Instrument	Sale Date
LA SARAGHINA LLC	\$0		6746/0103		03/31/2004
CHAPMAN PETER L	\$152,000		6017/0076	15	01/07/2002
CITY OF NEW HAVEN	\$0		5779/0342	1	12/21/2000
GOLIA PRODUCT DEVELOPMENT CONSULTANTS IN	\$600,000		4079/0147		04/27/1989
UNKNOWN	\$850,000		4079/0144	UNKQ	04/27/1989

Building Information

Building 1 : Section 1

TAX ASSESSOR'S FIELD CARD

433 CHAPEL STREET - PAGE 2

Year Built: 1870
Living Area: 9,380
Replacement Cost: \$1,251,589
Building Percent Good: 25
Replacement Cost Less Depreciation: \$312,900

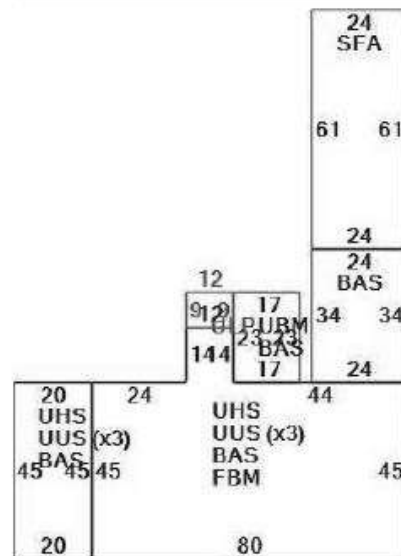
Building Attributes	
Field	Description
Style:	Industrial
Model	Ind/Lg Com
Grade	Average
Stories:	4.5
Occupancy	1.00
Exterior Wall 1	Brick
Exterior Wall 2	
Roof Structure	Gable/Hip
Roof Cover	T&G/Rubber
Interior Wall 1	Minim/Masonry
Interior Wall 2	Drywall/Plaste
Interior Floor 1	Concr-Finished
Interior Floor 2	Pine/Soft Wood
Heating Fuel	Oil/Gas
Heating Type	Hot Water
AC Type	None
Struct Class	
Bldg Use	IND WHSES MDL-96
Total Rooms	
Total Bedrms	00
Total Baths	0
NBHD Code	
1st Floor Use:	4010
Heat/AC	NONE
Frame Type	MASONRY
Baths/Plumbing	AVERAGE
Ceiling/Wall	CEIL & MIN WL
Rooms/Prtns	AVERAGE
Wall Height	12.00
% Conn Wall	

Building Photo



(<https://images.vgsi.com/photos/NewHavenCTPhotos/000044886.JPG>)

Building Layout



([ParcelSketch.ashx?pid=10607&bid=18969](#))

Building Sub-Areas (sq ft)			Legend
Code	Description	Gross Area	Living Area
BAS	First Floor	5,875	5,875
FBM	Finished Basement	3,768	2,261
SFA	Semi Fin Area	1,464	1,244
UBM	Unfinished Basement	391	0
UHS	Unfin Half Story	4,668	0
ULP	Uncovered Loading Platform	108	0
UUS	Unfin Upper Story	14,004	0
		30,278	9,380

TOWN TAX ASSESSOR'S FIELD CARD

433 CHAPEL STREET - PAGE 3

Extra Features

Extra Features					Legend
Code	Description	Size	Value	Assessed Value	Bldg #
ELV1	FREIGHT ELEV	5.00 STOPS	\$21,300	\$14,910	1
SPR1	SPRINKLERS-WET	31240.00 S.F.	\$20,300	\$14,210	1

Land

Land Use		Land Line Valuation	
Use Code	4010	Size (Acres)	0.34
Description	IND WHSES MDL-96	Frontage	0
Zone	IL	Depth	0
Neighborhood	CHP5	Assessed Value	\$77,560
Alt Land Appr Category	No	Appraised Value	\$110,800

Outbuildings

Outbuildings							Legend
Code	Description	Sub Code	Sub Description	Size	Value	Assessed Value	Bldg #
PAV1	PAVING-ASPHALT			6500.00 S.F.	\$8,000	\$5,600	1

Valuation History

Appraisal			
Valuation Year	Improvements	Land	Total
2022	\$362,500	\$110,800	\$473,300
2021	\$362,500	\$110,800	\$473,300
2020	\$288,600	\$85,200	\$373,800

Assessment			
Valuation Year	Improvements	Land	Total
2022	\$253,750	\$77,560	\$331,310
2021	\$253,750	\$77,560	\$331,310
2020	\$202,020	\$59,640	\$261,660

TOWN TAX ASSESSOR'S FIELD CARD

56 WALLACE STREET - PAGE 1

56 WALLACE ST

Location 56 WALLACE ST

Mblu 202/ 0554/ 00301/ /

Acct# 202 0554 00301

Owner LA SARQGHINA LLC

Assessment \$31,710

Appraisal \$45,300

PID 10605

Building Count 1

Current Value

Appraisal			
Valuation Year	Improvements	Land	Total
2022	\$6,700	\$38,600	\$45,300
Assessment			
Valuation Year	Improvements	Land	Total
2022	\$4,690	\$27,020	\$31,710

Owner of Record

Owner LA SARQGHINA LLC
Co-Owner
Address 433 CHAPEL STREET
 NEW HAVEN, CT 06511

Sale Price \$0
Certificate
Book & Page 6746/0103
Sale Date 03/31/2004
Instrument 00

Ownership History

Ownership History					
Owner	Sale Price	Certificate	Book & Page	Instrument	Sale Date
LA SARQGHINA LLC	\$0		6746/0103	00	03/31/2004
CHAPMAN PETER L	\$152,000		6017/0076	15	01/07/2002
CITY OF NEW HAVEN	\$0		5775/0316	1	12/15/2000
GOLIA PRODUCT DEVELOPMENT CONSULTANTS IN	\$850,000		4079/0147		04/27/1989

Building Information

Building 1 : Section 1

Year Built:

TOWN TAX ASSESSOR'S FIELD CARD

56 WALLACE STREET - PAGE 2

Living Area: 0
 Replacement Cost: \$0
 Building Percent Good:
 Replacement Cost
 Less Depreciation: \$0

Building Attributes	
Field	Description
Style:	Outbuildings
Model	
Grade:	
Stories:	
Occupancy	
Exterior Wall 1	
Exterior Wall 2	
Roof Structure:	
Roof Cover	
Interior Wall 1	
Interior Wall 2	
Interior Flr 1	
Interior Flr 2	
Heat Fuel	
Heat Type:	
AC Type:	
Total Bedrooms:	
Total Bthrms:	
Total Half Baths:	
Total Xtra Fixtrs:	
Total Rooms:	
Bath Style:	
Kitchen Style:	
Num Kitchens	
Cndtn	
Interior Condition	
Fin Bsmnt Area	
Fin Bsmnt Qual	
Num Park	
Fireplaces	
NBHD Code	
Fndtn Cndtn	
Basement	

Building Photo



(<https://images.vgsi.com/photos/NewHavenCTPhotos/I0004178/28.JPG>)

Building Layout

Building Layout (ParcelSketch.ashx?pid=10605&bid=26342)

Building Sub-Areas (sq ft)	Legend
No Data for Building Sub-Areas	

TOWN TAX ASSESSOR'S FIELD CARD

56 WALLACE STREET - PAGE 3

Extra Features

Extra Features	Legend
No Data for Extra Features	

Land

Land Use	Land Line Valuation
Use Code 3370	Size (Acres) 0.13
Description PARK LOT	Frontage 0
Zone IL	Depth 0
Neighborhood IND5	Assessed Value \$27,020
Alt Land Appr No	Appraised Value \$38,600
Category	

Outbuildings

Outbuildings							Legend
Code	Description	Sub Code	Sub Description	Size	Value	Assessed Value	Bldg #
PAV1	PAVING-ASPHALT			5000.00 S.F.	\$6,200	\$4,340	1
FN3	FENCE-6' CHAIN			80.00 L.F.	\$500	\$350	1

Valuation History

Appraisal			
Valuation Year	Improvements	Land	Total
2022	\$6,700	\$38,600	\$45,300
2021	\$6,700	\$38,600	\$45,300
2020	\$6,700	\$38,600	\$45,300

Assessment			
Valuation Year	Improvements	Land	Total
2022	\$4,690	\$27,020	\$31,710
2021	\$4,690	\$27,020	\$31,710
2020	\$4,690	\$27,020	\$31,710

TOWN TAX ASSESSOR'S FIELD CARD

64 WALLACE STREET - PAGE 1

64 WALLACE ST

Location 64 WALLACE ST

Mblu 202/ 0554/ 00300/ /

Acct# 202 0554 00300

Owner LA SARQGHINA

Assessment \$28,070

Appraisal \$40,100

PID 10604

Building Count 1

Current Value

Appraisal			
Valuation Year	Improvements	Land	Total
2022	\$6,000	\$34,100	\$40,100
Assessment			
Valuation Year	Improvements	Land	Total
2022	\$4,200	\$23,870	\$28,070

Owner of Record

Owner LA SARQGHINA
Co-Owner
Address 64 WALLACE ST
 NEW HAVEN, CT 06511

Sale Price \$0
Certificate
Book & Page 6746/0103
Sale Date 03/31/2004
Instrument 00

Ownership History

Ownership History					
Owner	Sale Price	Certificate	Book & Page	Instrument	Sale Date
LA SARQGHINA	\$0		6746/0103	00	03/31/2004
CHAPMAN PETER L	\$152,000		6017/0076	15	01/07/2002
CITY OF NEW HAVEN	\$0		5779/0339	1	12/21/2000
GOLIA PRODUCT DEVELOPMENT CONSULTANTS IN	\$0		4079/0147		04/27/1989

Building Information

Building 1 : Section 1

Year Built:

TOWN TAX ASSESSOR'S FIELD CARD

64 WALLACE STREET - PAGE 2

Living Area: 0
 Replacement Cost: \$0
 Building Percent Good:
 Replacement Cost
 Less Depreciation: \$0

Building Attributes	
Field	Description
Style:	Outbuildings
Model	
Grade:	
Stories:	
Occupancy	
Exterior Wall 1	
Exterior Wall 2	
Roof Structure:	
Roof Cover	
Interior Wall 1	
Interior Wall 2	
Interior Flr 1	
Interior Flr 2	
Heat Fuel	
Heat Type:	
AC Type:	
Total Bedrooms:	
Total Bthrms:	
Total Half Baths:	
Total Xtra Fixtrs:	
Total Rooms:	
Bath Style:	
Kitchen Style:	
Num Kitchens	
Cndtn	
Interior Condition	
Fin Bsmnt Area	
Fin Bsmnt Qual	
Num Park	
Fireplaces	
NBHD Code	
Fndtn Cndtn	
Basement	

Building Photo



(<https://images.vgsi.com/photos/NewHavenCTPhotos/100047827.JPG>)

Building Layout

 Building Layout (ParcelSketch.ashx?pid=10604&bid=26341)

Building Sub-Areas (sq ft)	Legend
No Data for Building Sub-Areas	

TOWN TAX ASSESSOR'S FIELD CARD

64 WALLACE STREET - PAGE 3

Extra Features

Extra Features	Legend
No Data for Extra Features	

Land

Land Use	Land Line Valuation
Use Code 3370	Size (Acres) 0.11
Description PARK LOT	Frontage 0
Zone IL	Depth 0
Neighborhood IND5	Assessed Value \$23,870
Alt Land Appr No	Appraised Value \$34,100
Category	

Outbuildings

Outbuildings							Legend
Code	Description	Sub Code	Sub Description	Size	Value	Assessed Value	Bldg #
FN3	FENCE-6' CHAIN			80.00 L.F.	\$500	\$350	1
PAV1	PAVING-ASPHALT			4500.00 S.F.	\$5,500	\$3,850	1

Valuation History

Appraisal			
Valuation Year	Improvements	Land	Total
2022	\$6,000	\$34,100	\$40,100
2021	\$6,000	\$34,100	\$40,100
2020	\$6,000	\$34,100	\$40,100

Assessment			
Valuation Year	Improvements	Land	Total
2022	\$4,200	\$23,870	\$28,070
2021	\$4,200	\$23,870	\$28,070
2020	\$4,200	\$23,870	\$28,070

DEED

Y06746 #E103

QUIT CLAIM DEED

TO ALL PEOPLE TO WHOM THESE PRESENTS SHALL COME, GREETING:

KNOW YE, that PETER L. CHAPMAN of New Haven, Connecticut herein designated as the Releasor, for the consideration of love and affection received in Releasee's full satisfaction from LA SARAGHINA, LLC a Limited Liability Company of Connecticut with an office located at 433 Chapel Street, New Haven, Connecticut herein designated as the Releasee, does by these presents remise, release and forever Quit Claim unto LA SARAGHINA, LLC the said Releasee and to the Releasee's heirs, successors and assigns forever, all of our HIGH, full, interest, claim and demand whatsoever of the said Releasee have or ought to have in or to property described as follows:

SEE ATTACHED SCHEDULE A

(433 Chapel Street, New Haven, Connecticut)

(56 Wallace Street, New Haven, Connecticut)

(64 Wallace Street, New Haven, Connecticut)

To Have and to hold the premises hereby remise, released and quit-claimed with all the appurtenances unto the said Releasee and to the Releasee's heirs, successors and assigns forever, so that neither the Releasor nor the Releasee's heirs, successors and assigns nor any other person claiming under or through the Releasor shall hereafter have any claim, right or title in or to the premises or any part thereof, but therefrom the Releasor and he is by these presents, forever barred and excluded.

In all references herein to any parties, entities or corporations, the use of any particular gender or the plural or singular number is intended to include the appropriate gender or number as the text of the within instrument may require.

IN WITNESS WHEREOF, the Releasor have signed and sealed this instrument to be hereto affixed, this 22 day of March, 2004.

Signed, Sealed and Delivered in the presence of

Witness

Witness Corinne L. Abbott

STATE OF CONNECTICUT

COUNTY OF NEW HAVEN

at West Haven

March 22, 2004

On this the 22 day of March, 2004, before me, personally appeared PETER L. CHAPMAN, and acknowledged the same to be his free act and deed.

Commissioner of the Superior Court

Notary Public

My Commission Expires

DEED

SCHEDULE A

W66746 PAGE 04

PARCEL ONE

All that certain piece or parcel of land, with the buildings and all other improvements thereon, situated in the Town of New Haven, County of New Haven and State of Connecticut, described as follows:

Known as No. 433 Chapel Street, and bounded:

SOUTHERLY: by Chapel Street, 100 feet, more or less.
WESTERLY: by land formerly of Peter C. Durham and Charles W. Wadsworth, more lately of subject Wallace, incorporated, 150 feet, more or less.
NORTHERLY: in part by land formerly of Lydia A. Brady, more lately of subject Malabar, incorporated, 150 feet, more or less, and in part by land now or formerly of K. A. O. Brady, 100 feet, more or less, and
EASTERLY: by land formerly of George W. Peck, of all messuages of Malabar, incorporated, 150 feet, more or less.

PARCEL TWO

All that certain piece or parcel of land, with the buildings and all other improvements thereon, situated in the Town of New Haven, County of New Haven and State of Connecticut, described as follows:

Known as 56 Wallace Street, and bounded:

EASTERLY: by Wallace Street, 41 feet, more or less.
SOUTHERLY: in part by land formerly of George W. Peck, of all, more lately of Malabar, Incorporated, and in part by land now or formerly of K. A. O. Brady, 145 feet, more or less.
WESTERLY: by land now or formerly of Pasquale Malabar and Consuela Malabar, 40 feet, more or less, and
NORTHERLY: by land formerly of Giuseppe Liada and Consuela Liada, 145 feet, more or less.

PARCEL THREE

All that certain piece or parcel of land, with the buildings and all other improvements thereon, situated in the Town of New Haven, County of New Haven and State of Connecticut, described as follows:

Known as 64 Wallace Street, and bounded:

EASTERLY: by Wallace Street, 35 feet, more or less.
SOUTHERLY: by land formerly of John A. Hughes, 141 feet, more or less.
WESTERLY: by land now or formerly of William J. Hughes, 141 feet, more or less, and
NORTHERLY: by land formerly belonging to The John F. Smith Company, 141 feet, more or less.

DEED

BK: 9899 PG: 149 08/27/2019 ASSIGNMENT Image: 3 of 3

SCHEDULE A

PARCEL ONE

All that certain piece or parcel of land, with the buildings and all other improvements thereon, situated in the Town of New Haven, County of New Haven and State of Connecticut, described as follows:

Known as No. 433 Chapel Street, and bounded:

SOUTHERLY: by Chapel Street 100 feet more or less;
WESTERLY: by land formerly of Peter C. Durham and Charles B. Wooster, more lately of Indes Viable, incorporated, 150 feet more or less;
NORTHERLY: in part by land formerly of Lydia A. Brooks, more lately of Frederick Machinery and Corcoran Malcorra, and in part by land now or formerly of K & O Realty, 100 feet more or less; and
EASTERLY: by land formerly of George W. Peck, or his more lately of Machinery Dealers, incorporated 130 feet more or less.

PARCEL TWO

All that certain piece or parcel of land with the buildings and all other improvements thereon, situated in the Town of New Haven, County of New Haven and State of Connecticut, described as follows:

Known as 36 Wallace Street, and bounded:

EASTERLY: by Wallace Street, 43 feet more or less;
SOUTHERLY: in part by land formerly of George W. Peck, or his, more lately of Machinery Dealers, incorporated, and in part by land now or formerly of K & O Realty, 143 feet more or less;
WESTERLY: by land now or formerly of Pasquale Malcorra and Consuela Malcorra, 40 feet more or less; and
NORTHERLY: by land formerly of Giuseppe Licia and Carmela Licia, 145 feet more or less.

PARCEL THREE

All that certain piece or parcel of land with the buildings and all other improvements thereon, situated in the Town of New Haven, County of New Haven and State of Connecticut, described as follows:

Known as 64 Wallace Street, and bounded:

EASTERLY: by Wallace Street, 35 feet more or less;
SOUTHERLY: by land now or formerly of John A. Hughes, 142 feet more or less;
WESTERLY: by land now or formerly of William Johnston, 35 feet more or less.
NORTHERLY: by land formerly belonging to the John P. Smith Company, 142 feet, more or less.

08/27/2019 03:08:07 PM
Michael B. Smart City Clerk
City of New Haven

BK: 9899 PG: 151

HIGHEST AND BEST USE

The Highest & Best Use is that use which would provide the greatest net return over a given period of time.

Highest & Best Use is defined as follows:

“The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible and results in the highest value. The four criteria the Highest & Best Use must meet are legal permissibility, physical possibility, financial feasibility and maximum profitability.”

Source: The Dictionary of Real Estate Appraisal

The Second Edition, 1989
American Institute of Real Estate Appraisers

A Highest & Best Use analysis requires an application of the four criteria cited within the above definition to the site as vacant and to the site as improved.

HIGHEST & BEST USE - AS VACANT

LEGALLY PERMISSIBLE

Legally permissible uses of land must consider zoning and building codes, governmental and deed restrictions and environmental factors which may preclude certain uses. The legally permissible uses to which this site may be developed are subject to applicable IL – Industrial zoning and the New Haven building codes. There are no known deeds, governmental or environmental restrictions.

PHYSICALLY POSSIBLE

Physically possible uses of land must consider the size, shape, soil and topography availability of utilities and subsoil conditions of the site. The utility of the use of the site depends upon these characteristics.

The total of the subject’s 3 parcels is approximately 0.59 acres. The parcels are rectangular shaped parcels with level topography with access to public utilities. Subsoil conditions are unknown. There does not appear to be any site characteristics that would prevent site development on the parcels.

FINANCIALLY FEASIBLE

After the legally permissible and physically possible uses are determined that use which generates an income equal to or greater than that necessary to amortize debt and pay operating expenses is concluded to be financially feasible.

The maximally productive use of the sites are that financially feasible use which will provide the greatest net return over a given period of time.

HIGHEST & BEST USE “AS VACANT” CONCLUSION

The Highest & Best Use of the subject’s land as vacant is concluded to be for commercial and residential (apartment) development subject to applicable IL - industrial zoning requirements.

HIGHEST & BEST USE AS IMPROVED CONCLUSION

The same four criteria are applied in determining the Highest & Best Use of the subject properties as improved. In my opinion, the Highest & Best Use is for commercial and residential (apartment) development. It is legally permissible relative to the City of New Haven’s IL - Industrial zoning, physically possible because it exists, financially feasible because of availability of funds, and maximally productive considering the size and location of the site.

HIGHEST & BEST USE

A property’s highest and best use is the foundation upon which the entire valuation rests. A study of the highest and best use identifies that property use which is the most profitable for which the property can be put, at a certain point in time. Highest and best use, as used in this report is defined as: “The reasonably probable and legal use of vacant land or an improved property, that is physically possible, appropriately supported, and financially feasible and that results in the highest value. “(a)

(a) The Appraisal Institute: The Appraisal of Real Estate, 13th Edition, 2008, page 277

APPROACHES TO VALUE DEFINITIONS

There are three traditionally accepted approaches to the valuation of real estate. These approaches are defined as follows:

COST APPROACH - Approach through which an appraiser derives a value indication of the fee simple interest in a property by estimating the current cost to construct a reproduction of or replacement for the existing structure, deducting for all evidence of accrued depreciation from the cost new of the reproduction or replacement structure, and adding the estimated land value plus an entrepreneurial profit. Adjustments may be made to the indicated fee simple value of the subject property to reflect the value indication of the property interest being appraised.

DIRECT SALES COMPARISON APPROACH - Approach through which an appraiser derives a value indication by comparing the property being appraised to similar properties that have been sold recently, applying appropriate units of comparison, and making adjustments based on the elements of comparison to the sale price of the comparables.

INCOME CAPITALIZATION APPROACH - Approach through which an appraiser derives a value indication for income-producing property by converting anticipated benefits, i.e., cash flows and reversions, into property value. This conversion can be accomplished in two ways: One year's income expectancy or an annual fair of several years' income expectancies may be capitalized at a market-derived capitalization rate or a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment; secondly, the annual cash flows may be discounted for the holding period and the reversion at a specified yield rate.

From: **THE DICTIONARY OF REAL ESTATE APPRAISAL**, second edition American Institute of Real Estate Appraisers.

APPROACH ANALYSIS

COST APPROACH

The Cost Approach is partially applicable to this assignment. The Cost Approach is a good indicator of value for a new property and is seldom utilized for older buildings. The subject property was improved and originally constructed in 1870. Any attempt to measure accrued depreciation would be purely theoretical and not substantiated. Part of the Cost Approach factors were utilized in developing the Sales Approach for #3 the "Perspective" Market Value below. The Cost Approach was not applicable in determining market value for #1, #2 and #4 listed below.

SALES COMPARISON APPROACH

As of the retrospective valuation date, March 1, 2019, the subject property was an improved commercial/industrial building in fair condition. There are 4 Sales Comparison Approaches used for this appraisal and the properties associates with each value:

- 1) "As-Is" Market Value as an industrial/commercial building including 433 Chapel Street, 56 and 64 Wallace Street.
- 2) "As Is" Market Value with residential approvals for 25 apartments and 1 commercial unit only including 433 Chapel Street and 56 Wallace Street.
- 3) "Perspective" Market Value with residential development of 25 apartments and 1 commercial unit only including 433 Chapel Street and 56 Wallace Street.
- 4) "Perspective" Market Value with residential approvals needed for 17 apartments only including 64 Wallace Street.

The Sales Comparison Approach was concluded to be an applicable approach, therefore was developed to determine market value for 4 market values.

INCOME CAPITALIZATION APPROACH

A review of the subject properties at the time of the retrospective valuation date, March 1, 2019, indicated that the subject was vacant. The owner had been preparing the building to convert the space to apartments and 1 commercial unit. Therefore, the Income Approach was concluded to be an applicable approach and therefore developed only to determine market value for development as 25 apartments and 1 commercial unit for 433 Chapel Street and 56 Wallace Street.

SALES COMPARISON APPROACH TO VALUE

Methodology

The Sales Comparison Approach produces an estimate of value by comparing recent sales of similar properties in the surrounding or competing area to the subject property. Inherent in this approach is the principle of substitution which holds that “when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution.”

By analyzing sales, which qualify as arms-length transactions between willing, knowledgeable buyers and sellers with reasonable market exposure, one can identify price trends from which value parameters may be extracted. Comparability in physical, locational, and economic characteristics is an important criterion in evaluating the sales in relation to the subject property. The basic steps involved in the development of this approach are as follows:

- (1) Researching recent relevant property sales throughout the competitive area.
- (2) Analyzing the selected comparable sale properties concerning time of sale and any change in economic conditions which may have occurred to the date of value; locational factors such as ease of access and proximity to public transportation and highways; age; condition; physical, functional and economic characteristics and any other relevant factors of comparison.
- (3) Reducing the sale price to common units of comparison (i.e., price per square foot of building area).
- (4) Making estimated adjustments to the comparable properties as they compare to the subject property.
- (5) Interpreting the adjusted sales data and reaching a market reflective conclusion.

Analysis and Conclusions

In my research and analysis of the market for improved properties with characteristics similar to those of the subject, I have attempted to gather what I consider relevant data so that reasonable comparisons could be made.

PART I

**SALES COMPARISON
APPROACH**

**“AS-IS” MARKET VALUE AS AN
INDUSTRIAL/COMMERCIAL BUILDING**

**433 CHAPEL STREET
56 WALLACE STREET
64 WALLACE STREET**

**COMPARABLE SALE #1
206 WALLACE STREET
NEW HAVEN, CT 06511**

Sale Price:	\$1,600,000.
Sale Date:	07/31/2019
Deed Reference:	Volume 9887 Page 257
Assessor Reference:	Map 200 Block 587 Lot 1
Grantor:	Rakaj Kliton
Grantee:	206-220 Wallace Street LLC
Year Built:	1964
Data Source:	Town Land Records
Land Area:	1.94 Acres
Building Area:	42,995 Square Feet
Zone:	IL
Sale Price per Square Foot:	\$37.21

Comments: This comparable sale is located on the same street as the subject property. The building is being utilized as an industrial warehouse and appears in average condition.

The property was conveyed by a Warranty Deed and there was mortgage financing provided by Guilford Savings Bank in the amount of \$1,200,000.



**COMPARABLE SALE #2
419 CHAPEL STREET
NEW HAVEN, CT 06511**

Sale Price:	\$300,000.
Sale Date:	06/15/2018
Deed Reference:	Volume 9688 Page 203
Assessor Reference:	Map 202 Block 554 Lot 4
Grantor:	Evelyn Riccio
Grantee:	Carriage house LLC
Year Built:	1920
Data Source:	Town Land Records
Land Area:	0.20 Acres
Building Area:	8,382 Square Feet
Zone:	IL
Sale Price per Square Foot:	\$35.79

Comments: This comparable sale is located adjacent to the subject property. The building appears to be in approximately the same condition as the subject property.

The property was conveyed by a Warranty Deed and there was no financing noted at the time of sale.



**COMPARABLE SALE #3
293 & 295 EAST STREET
NEW HAVEN, CT 06511**

Sale Price:	\$205,000.
Sale Date:	10/05/2017
Deed Reference:	Volume 9629 Page 286
Assessor Reference:	Map 179 Block 567 Lots 2&3
Grantor:	ADF Properties LLC
Grantee:	Greater New Haven WPCA
Year Built:	1910
Data Source:	Town Land Records
Land Area:	0.26 Acres
Building Area:	5,986 Square Feet
Zone:	IL
Sale Price per Square Foot:	\$34.25

Comments: This comparable sale is located within a few blocks of this subject property. The building appears to be in the same condition as the subject property.

The property was conveyed by a Warranty Deed and there was no financing noted at the time of sale.



SALES COMPARISON GRID

	SUBJECT	COMPARABLE SALE #1	COMPARABLE SALE #2	COMPARABLE SALE #3
ADDRESS	433 Chapel Street 56 & 64 Wallace Street New Haven, CT	206 Wallace New Haven, CT	419 Chapel Street New Haven, CT	293 & 295 East Street New Haven, CT
SALE PRICE	N/A	\$1,600,000	\$300,000	\$205,000
SALE DATE (a)	Retrospective Date of 03/01/2019	07/31/2019	06/15/2018	10/05/2017
LOCATION	Average	Average	Average	Average
BUILDING AREA	9,380 SF	42,995 SF	8,382 SF	5,986 SF
NUMBER OF FLOORS	5 plus lower level	1	2	1
YEAR BUILT	1870	1964	1920	1910
CONDITION	Fair	Average	Fair	Fair
LAND AREA	0.59 Acres	1.94 Acres	0.20 Acres	0.26 Acres
LAND/BUILDING RATIO	2.74:1	1.97:1	1.04:1	1.89:1
ZONE	IL	IL	IL	IL
USE	Previous commercial & industrial/currently vacant	Industrial/warehouse	Industrial/warehouse	Industrial/offices
SALE PRICE/SQUARE FOOT	N/A	\$37.21	\$35.79	\$34.25
COMMENTS		This property has been on the market since 2016	Adjacent to subject property	

Note (a) The Subject has a sale date which is not a sale date but the effective Retrospective Appraisal date of the report.

LAND ONLY - SALES ADJUSTMENTS

	SALE #1	SALE #2	SALE #3
ADDRESS	206 Wallace New Haven, CT	419 Chapel Street New Haven, CT	293 & 295 East Street New Haven, CT
SALES PRICE PER ACRE	\$37.21	\$35.79	\$34.25
MARKET CONDITIONS	0%	0%	0%
ADJUSTED SALES PRICE/SQUARE FOOT	\$37.21	\$35.79	\$34.25
LOCATION	0%	0%	0%
BUILDING AREA	+15%	0%	0%
CONDITION/AGE	+20%	0%	0%
LAND/BUILDING RATIO	0%	0%	0%
ADJUSTED SALES PRICE/SQUARE FOOT	\$50.23	\$35.79	\$34.25

AVERAGE ADJUSTED SALES PRICE PER SQUARE FOOT = \$40.09 or ROUNDED TO \$40.00

EXPLANATION OF ADJUSTMENTS

Market Conditions: The market has appeared stable since July 31, 2019. No adjustments were considered necessary.

Location: No adjustments were considered necessary.

Building Area: Adjustments reflect inverse relationship between sale price and sale price per square foot. Sales with less building area than the subject property require negative (minus) adjustments to the sale price per square foot; sales with more building area require positive (plus) adjustments. An upward adjustment was made to sale #1 due to its size.

Condition/Age: Sale #1 was adjusted for age and condition based upon a visual exterior inspection and research by the Appraiser.

Land/Building Ratio: This ratio reflects the amount of land per building square footage area. The higher ratio represents larger sites which can generally produce more on-site parking if conditions allow. The lower ratio often indicates less potential parking. No adjustments were considered necessary.

SALES COMPARISON APPROACH CONCLUSION/VALUE

The quality and quantity of the comparable sales data is rated average. All sales have been analyzed as they compare to the subject property and all elements of comparison have been considered. The estimated adjustment to the sales data resulted in an adjusted sales price per square foot ranging between \$34.25 and \$50.23 with an average sales price per square foot of \$40.09. Upon careful consideration, it is my opinion that the subject property has a supportable per square foot value of \$40.00.

Therefore:

$$9,380 \text{ square feet} \times \$40.00 = \$375,200$$

or rounded to \$375,000

ESTIMATED VALUE VIA THE SALES COMPARISON APPROACH

THREE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS

\$375,000.

PART II

**SALES COMPARISON
APPROACH**

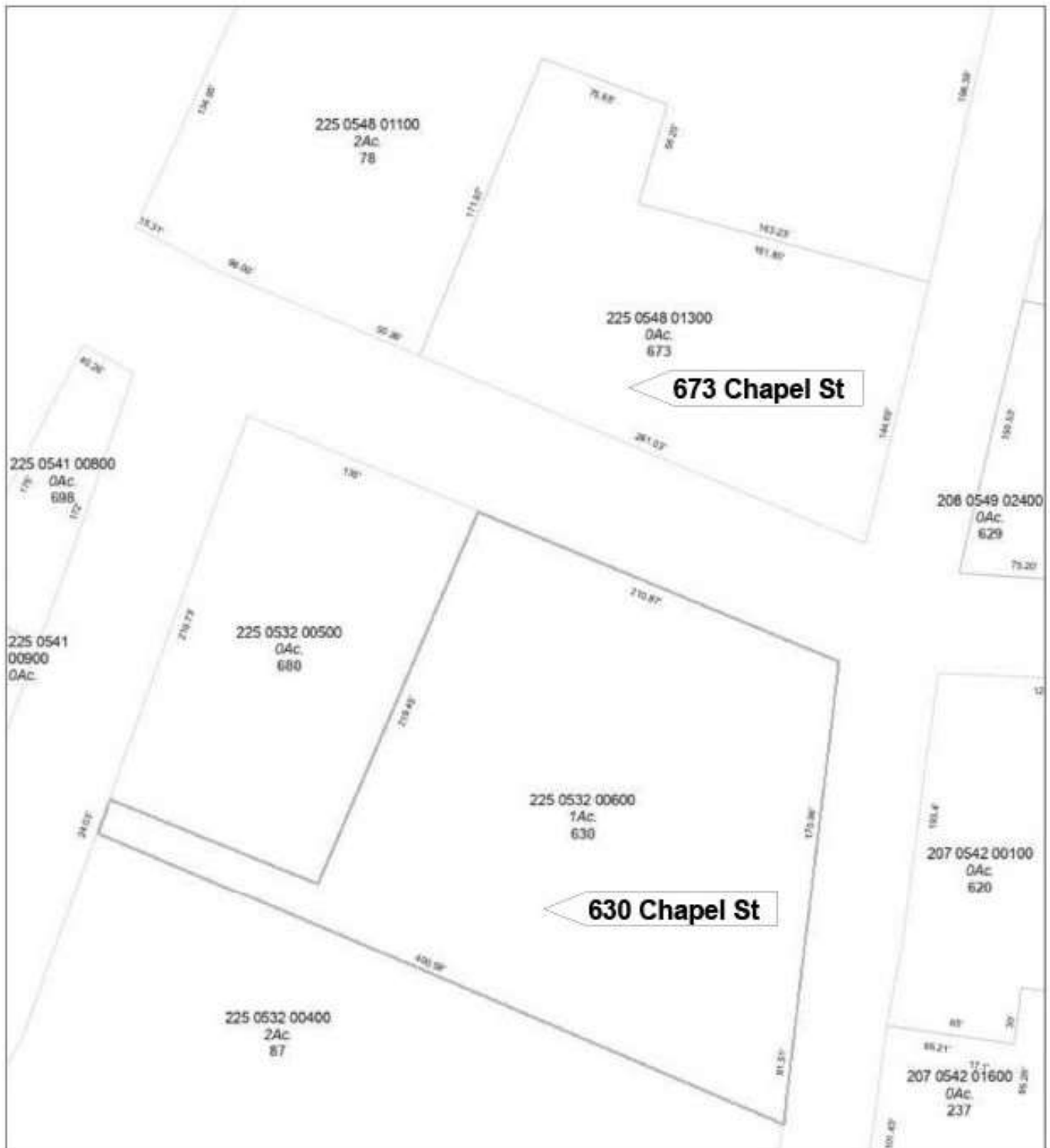
**“AS IS” MARKET VALUE WITH RESIDENTIAL
APPROVALS TO BUILD 25 APARTMENTS AND 1
COMMERCIAL UNIT ON**

**433 CHAPEL STREET
56 WALLACE STREET**

**COMPARABLE SALE #1
630 & 673 CHAPEL STREET
NEW HAVEN, CT 06511**

Sale Price:	\$14,600,000.
Sale Date:	11/12/2019
Deed Reference:	Volume 9933 Pages 65 & 69
Assessor Reference:	Map 225 Blocks 532 & 548 Lots 6 & 13
Grantor:	Spinnaker Residential LLC
Grantee:	Chapel Street Residences Owner LLC
Year Built:	N/A - to Raze Buildings
Data Source:	Town Land Records
Land Area:	2.27 Acres
Building Area:	Razing Existing Buildings
Number of Units to Be Built:	230 Units
Zone:	BA
Sale Price per Unit:	\$63,500 per Unit

Comments: 230 Apartment units built in 2022

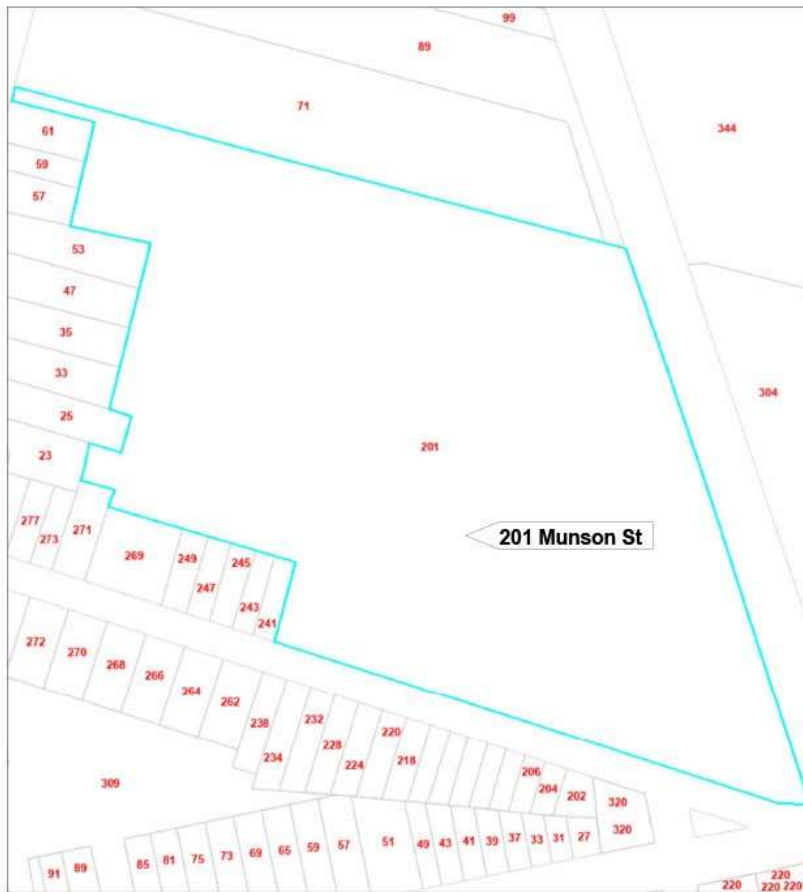


COMPARABLE SALE #2
201 MUNSON STREET & 23 SHELTON AVENUE
NEW HAVEN, CT 06511

Sale Price:	\$6,000,000.
Sale Date:	04/02/2019
Deed Reference:	Volume 9835 Page 13
Assessor Reference:	Map 284 Block 392 Lots 1 & 17
Grantor:	Resight Holdings LLC
Grantee:	GFT New Haven LLC
Year Built:	N/A - to Raze Buildings
Data Source:	Town Land Records
Land Area:	12.74 Acres
Building Area:	Razing Existing Buildings
Number of Units to Be Built:	398 Units
Zone:	IH
Sale Price per Unit:	\$15,000 per Unit

Comments:

Currently under construction as of the date of inspection on June 20, 2023.



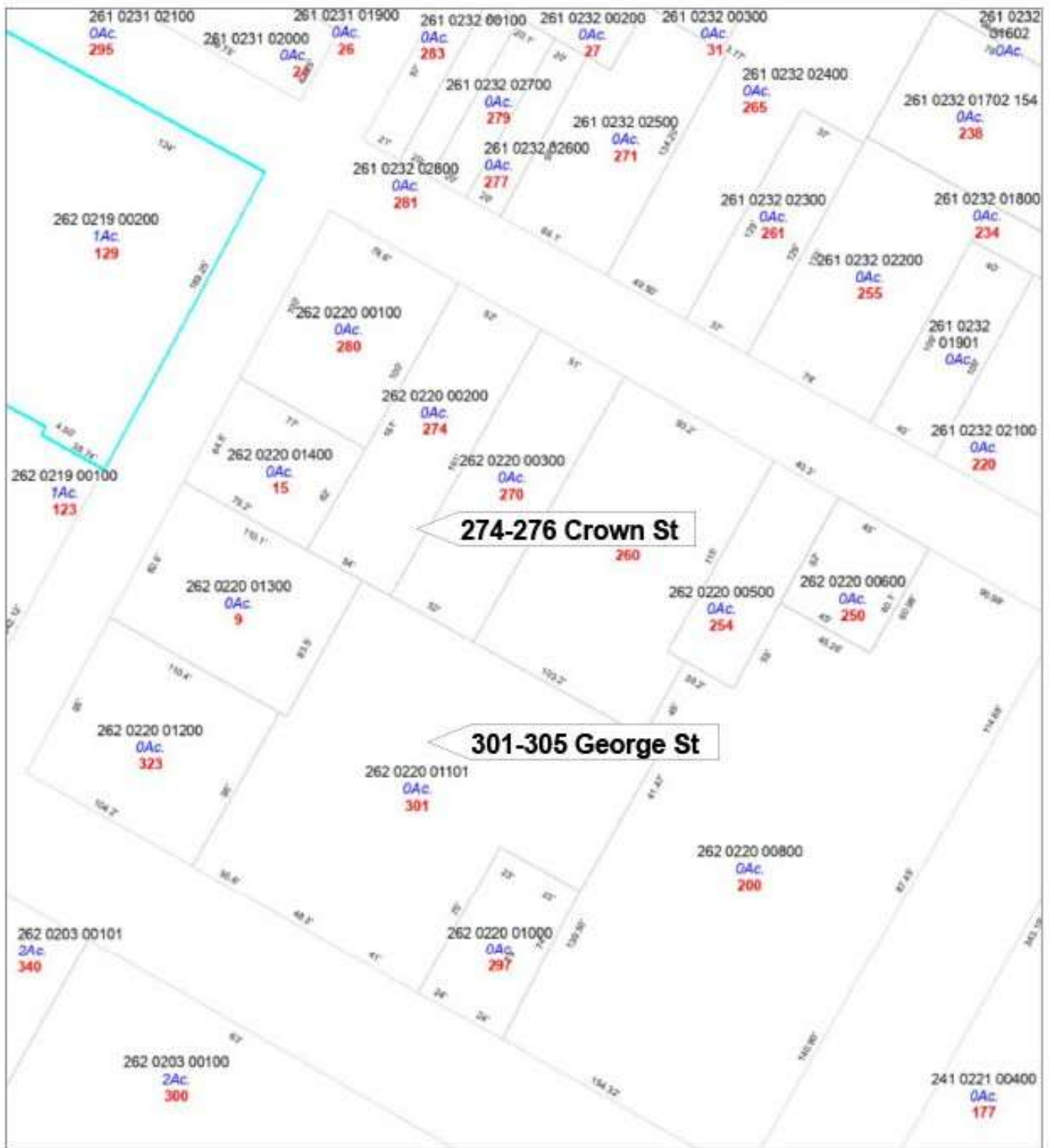
**COMPARABLE SALE #3
301-305 GEORGE STREET
(INCLUDES 307 & 311 GEORGE PARCELS)
274-276 CROWN STREET
NEW HAVEN, CT 06511**

Sale Price:	\$5,050,000.
Sale Date:	11/03/2015
Deed Reference:	Volume 9343 Page 202
Assessor Reference:	Map 262 Block 220 Lots 00200 & 01101
Grantor:	Salvation Army Incorporated
Grantee:	Smith Construction Company Inc Towering Oaks II LLC Stone Investment Properties LLC
Year Built:	1900 – 301 George Street All other buildings to be razed
Data Source:	Town Land Records
Land Area:	.862 Acres
Building Area:	4,820 square feet in 1 building to remain All other buildings will be razed & new buildings built
Number of Units to Be Built:	74 Units
Zone:	BD
Sale Price per Unit:	\$57,432 per Unit

Sale Price per Unit Calculation:

\$ 5,050,000
- \$800,000 (remaining 4 apartments at \$200,000 each)
\$ 4,250,000 ÷ 74 Units = \$57,432 per Unit

Comments: This particular land sale includes one building with four apartments that will remain on the property. The remaining buildings will be razed and new structures will be built over the next few years after the sale. The building with four apartments remaining has 4820 square feet with 4-3 room apartments. Due to the existing remaining apartment's location and condition, it is estimated that the units are valued at \$200,000 each. The average value of the new apartments is



based upon 74 units with the sales price of \$4,250,000 or \$57,432 per unit. Units were built in 2017-2018.

SALES COMPARISON GRID

	SUBJECT	COMPARABLE SALE #1	COMPARABLE SALE #2	COMPARABLE SALE #3
ADDRESS	433 Chapel Street 56 Wallace Street New Haven, CT	630 Chapel Street 673 Chapel Street New Haven, CT	201 Munson Street 23 Shelton Avenue New Haven, CT	301-305 George Street 274-276 Crown Street New Haven, CT
SALE PRICE	N/A	\$14,600,000	\$6,000,000	\$5,050,000
SALE DATE (a)	Retrospective Date of 03/01/2019	11/12/2019	04/02/2019	11/03/2015
LOCATION	Average Plus for Apartments	Good	Average	Very Good
BUILDING AREA	30,278 SF	To Raze	To Raze	Raze buildings & leave 1 Building w/4,820 SF consisting of 4 apartments
YEAR BUILT	1870	N/A	N/A	1900
CONDITION	Renovate & build 25-apartments & 1-commercial unit	To Raze	To Raze	Remaining building – good / others to raze
LAND AREA	0.48 Acres	2.2 Acres	13.05 Acres	0.86 Acres
NUMBER OF UNITS TO BUILD	26 Units	230 Units	398 Units	74 Units
ZONE	IL	BA	IH	BD
USE	Renovate & build 25-apartments & 1-commercial unit	Build 230 apartments	Build 398 apartments	Build 74 apartments
SALE PRICE / PER UNIT	N/A	\$63,500	\$15,000	\$57,432
COMMENTS		Built 230 units in 2022	Currently under construction as of inspection date of 06/20/2023	Built 74 units starting in 2017 and 2018. Value \$4,250,000 for new apartments

Note (a) The Subject has a sale date which is not a sale date but the effective Retrospective Appraisal date of the report.

LAND ONLY - SALES ADJUSTMENTS

	SALE #1	SALE #2	SALE #3
ADDRESS	630 Chapel Street 673 Chapel Street New Haven, CT	201 Munson Street 23 Shelton Avenue New Haven, CT	301-305 George Street 274-276 Crown Street New Haven, CT
SALES PRICE PER UNIT	\$63,500	\$15,000	\$57,432
MARKET CONDITIONS	0%	0%	+15%
ADJUSTED SALES PRICE PER UNIT	\$63,500	\$15,000	\$66,047
LOCATION	-15%	+50%	-15%
BUILDING AREA	0%	0%	0%
CONDITION/AGE	0%	0%	0%
LAND/BUILDING RATIO	0%	0%	0%
ADJUSTED SALES PRICE PER UNIT	\$53,975	\$22,500	\$56,140

AVERAGE ADJUSTED SALES PRICE PER UNIT = \$44,205

EXPLANATION OF ADJUSTMENTS

Market Conditions: The market has appeared stable since November 3, 2015. An upward adjustment made sale #3 to reflect an increasing real estate market for apartments.

Location: Adjustments were made to sales #1 and #3 for their superior location as compared to the subject. An adjustment was made to sale #2 for its inferior location as compared to the subject.

SALES COMPARISON APPROACH CONCLUSION/VALUE

The quality and quantity of the comparable sales data is rated average. All sales have been analyzed as they compare to the subject property and all elements of comparison have been considered. The estimated adjustment to the sales data resulted in an adjusted sales price per unit ranging between \$22,500 and \$56,140 with an average sales price per unit of \$44,205. Upon careful consideration, it is my opinion that the subject property has a supportable per unit value of \$40,000 as more weight was given to sales #1 and #3 due to their location. Sale #1 is on the same street and approximately 2 blocks from the subject.

Therefore:

Estimated Market Value with Approval to build 25 apartment units and 1 commercial unit:

$$26 \text{ units} \times \$40,000 = \$1,040,000$$

ESTIMATED VALUE VIA THE SALES COMPARISON APPROACH

ONE MILLION FORTY THOUSAND DOLLARS

\$1,040,000.

PART III

A. SALES COMPARISON APPROACH

and

B. INCOME CAPITALIZATION APPROACH

**“PERSPECTIVE” MARKET VALUES WITH
DEVELOPMENT OF 25 APARTMENTS
AND 1 COMMERCIAL UNIT**

**433 CHAPEL STREET
56 WALLACE STREET**

PART III RECAP

1. The estimated total cost to renovate and build out 25 apartments and 1 commercial unit for 433 Chapel Street and 56 Wallace Street.
2. Sales Comparison Approach of resale of apartment units and 1 commercial unit (office/retail).
3. Income Capitalization Approach of completely new and renovated 25 apartments and 1 commercial unit for 433 Chapel Street and 56 Wallace Street.
4. Total market value of 25 apartments and 1 commercial unit after rehabilitation and renovation for 433 Chapel Street and 56 Wallace Street.

NOTE: The Board Of Zoning Appeals approval was recorded in the City of New Haven Land Records Volume 9846 Pages 301-302.

PLANS AND ESTIMATES

TO RENOVATE & BUILD OUT 25 APARTMENTS AND 1 COMMERCIAL UNIT 433 CHAPEL STREET & 56 WALLACE STREET

Lot Size	20,472 Square feet or 0.47 acres
Gross Area	32,953 square feet
Gross Living Area	30,500 square feet
Parking	26 vehicles

Dwelling Units

Lower Level & 1 st Floor	4 2-bedroom duplex
First Floor	1 1-bedroom flat
First Floor	1 1-studio
Second Floor	4 2-bedroom flats
Second Floor	1 1-bedroom flat
Third Floor	7 1-bedroom flats
4 2-bedroom duplex	
Fourth Floor	1 1-bedroom flat
Fourth Floor	<u>6</u> 3-bedroom duplex
Total Apartment Units	25
1 Commercial Unit	1 unit
Total Units	26

Plans attached on following pages



433 Chapel Street
Conversion to Residential
433 Chapel Street, Near Silver, Connolly

SEEDn'h
89 Mulberry Hill Street

These documents have been prepared especially for this project. Preparation for other use of these documents is prohibited without the express approval of the body concerned.

CONCLUSIONS

REASON:		DATE	DESCRIPTION
1	DISASTER		DISAPPLICATION

Source of title:

CODE SHEET

DATE:	12-1-12
DESCRIPTION:	3/25-278
	PROJECT NO: 18011
	DRAWING BY: TP
	RECALC BY: TP
	DATE NO:
	A-0.00
	SHEET NO.

ZONING IL (LIGHT INDUSTRIAL)

REQUIRED	EXISTING	PROPOSED
LOT AREA : MIN.	No Limit	433 CHAPEL ST LOT : 436 WALLACE ST LOT :
FAR :	3	2
LOT COVERAGE :	No Limit	40 %
GROSS AREA :	No Limit	30,778 sqf
LIVING AREA :	No Limit	9,380 sqf
MAX. HEIGHT :	No Limit	60 ft
FRONT YARD :	0 ft	HEIGHT :
REAR YARD :	MIN. 10 ft	FRONT YARD :
SIDE SETBACK :	MIN. 0 ft	REAR YARD :
SIDE SETBACK :	MIN. 0 ft	HEIGHT :
OPEN SPACE :	25 sqf/unit	FRONT YARD :
COMMON SPACE :	25 sqf/unit	REAR YARD :
PARKING : ONE CAR/ Residence	10 CARS	SIDE SETBACK :
		SIDE SETBACK :
		OPEN SPACE :
		COMMON SPACE :
		PARKING : 26 CARS

NOTES

[illegible]

DRAWING LIST

- A-0.00 - Code Sheet
- A-0.01 - Site Plan
- A-0.03 - Photos
- A-1.00 - Lower Level Floor Plan
- A-1.01 - First Floor Plan
- A-1.02 - Second Floor Plan
- A-1.03 - Third Floor Plan
- A-1.04 - Fourth Floor Plan
- A-1.05 - Fifth Floor Plan
- A-2.00 - Front Elevation
- A-2.01 - North Elevation
- A-2.02 - Sections

Dwelling Units Count

Lower Level & First Floor	4	2 bedroom duplex
First Floor	1	1 bedroom flat
First Floor	1	efficiency
Second Floor	4	2 bedroom flats
Second Floor	1	1 bedroom flat
Second Floor	7	1 bedroom flats
Third Floor	1	1 bedroom flat
Fourth Floor	6	3 bedroom duplex
Fourth & Fifth Floors	25	
Total Dwellings		
First Floor	1	Store

CODE INFORMATION

PROJECT SCOPE 1. PROJECT LOCATION: [Blank] 2. PROJECT DESCRIPTION: [Blank] 3. PROJECT OBJECTIVES: [Blank]		CLIENT INFORMATION 1. CLIENT NAME: [Blank] 2. CLIENT ADDRESS: [Blank] 3. CLIENT PHONE: [Blank]		PROJECT SCOPE 1. PROJECT LOCATION: [Blank] 2. PROJECT DESCRIPTION: [Blank] 3. PROJECT OBJECTIVES: [Blank]		CLIENT INFORMATION 1. CLIENT NAME: [Blank] 2. CLIENT ADDRESS: [Blank] 3. CLIENT PHONE: [Blank]	
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PROJECT SCOPE 1. PROJECT LOCATION: [Blank] 2. PROJECT DESCRIPTION: [Blank] 3. PROJECT OBJECTIVES: [Blank]		CLIENT INFORMATION 1. CLIENT NAME: [Blank] 2. CLIENT ADDRESS: [Blank] 3. CLIENT PHONE: [Blank]		PROJECT SCOPE 1. PROJECT LOCATION: [Blank] 2. PROJECT DESCRIPTION: [Blank] 3. PROJECT OBJECTIVES: [Blank]		CLIENT INFORMATION 1. CLIENT NAME: [Blank] 2. CLIENT ADDRESS: [Blank] 3. CLIENT PHONE: [Blank]	

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LOCATION

① ZONING IL

CONSULTANT:

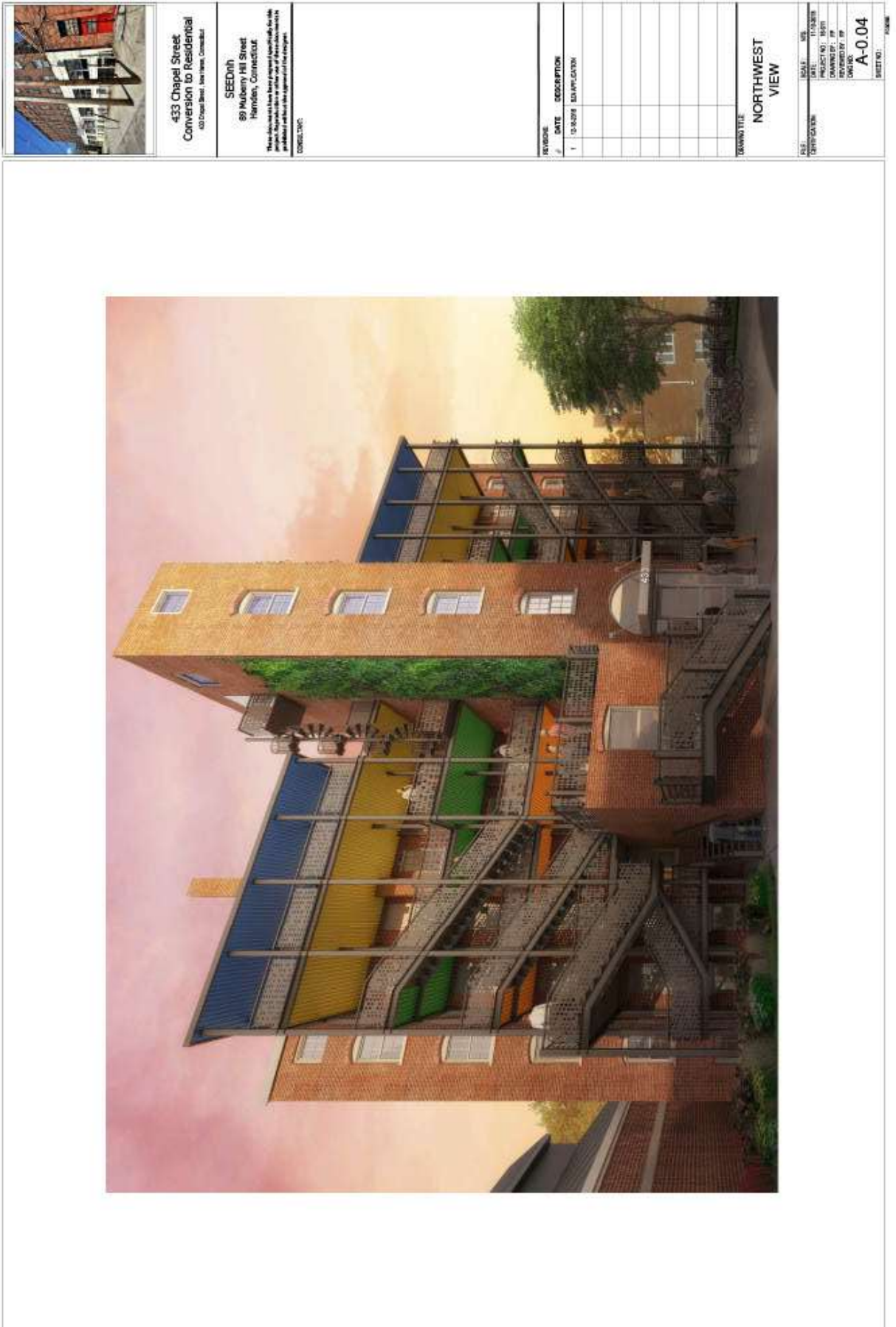
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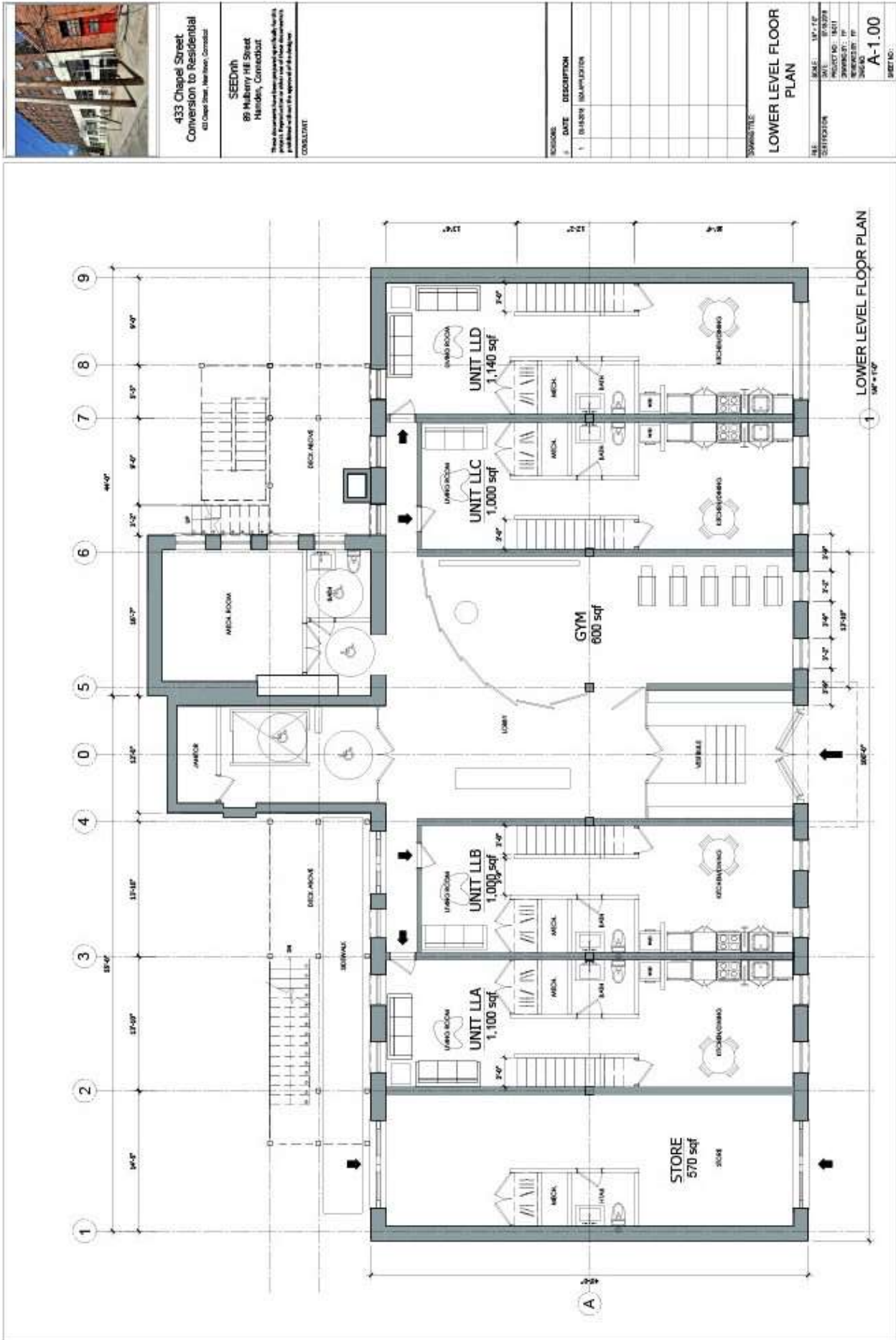
PHOTOS

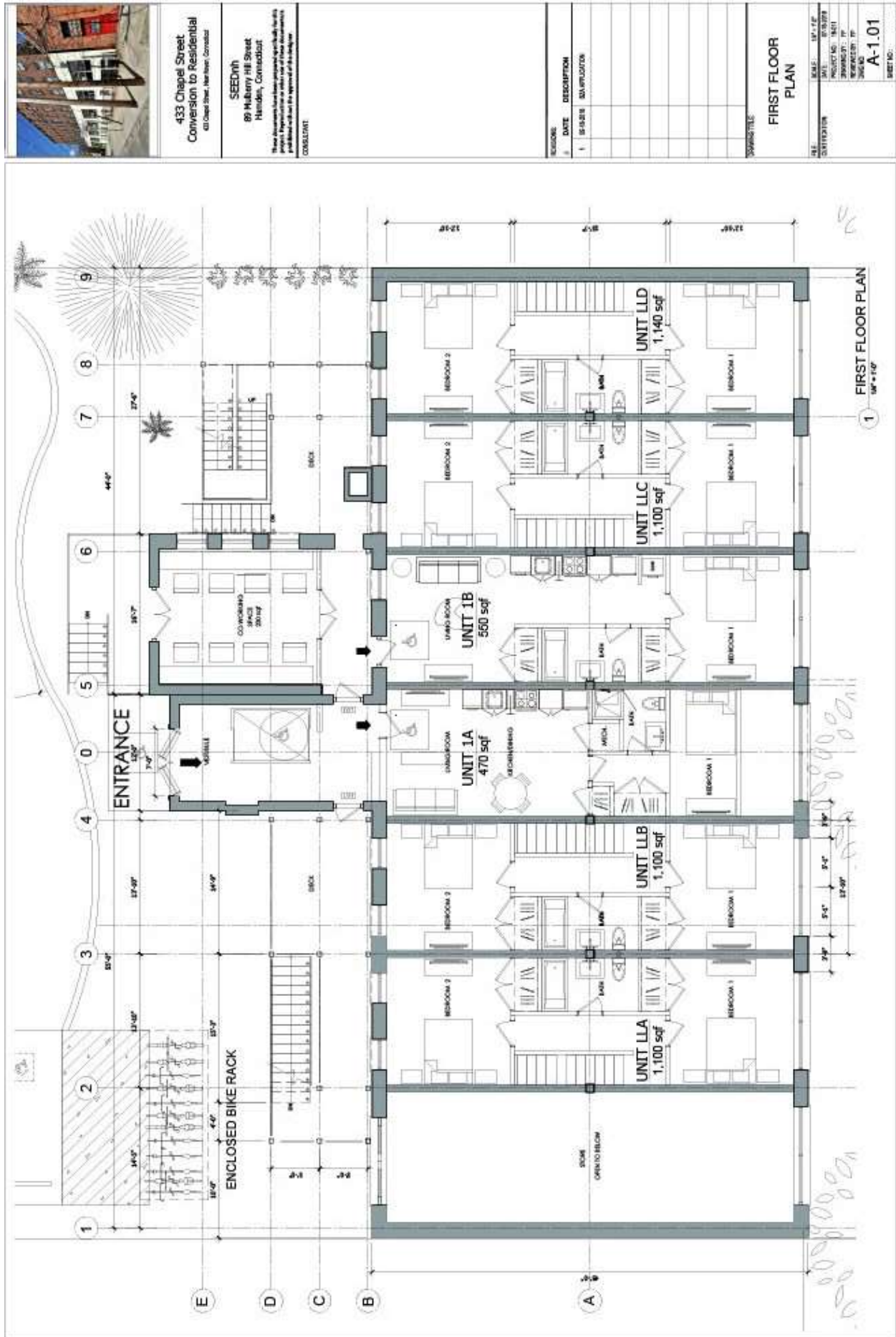
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DESCRIPTION	
DATE	12/18/2012
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DRAWING BY	PP
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DATE	
A-0.02	
SHEET NO.	

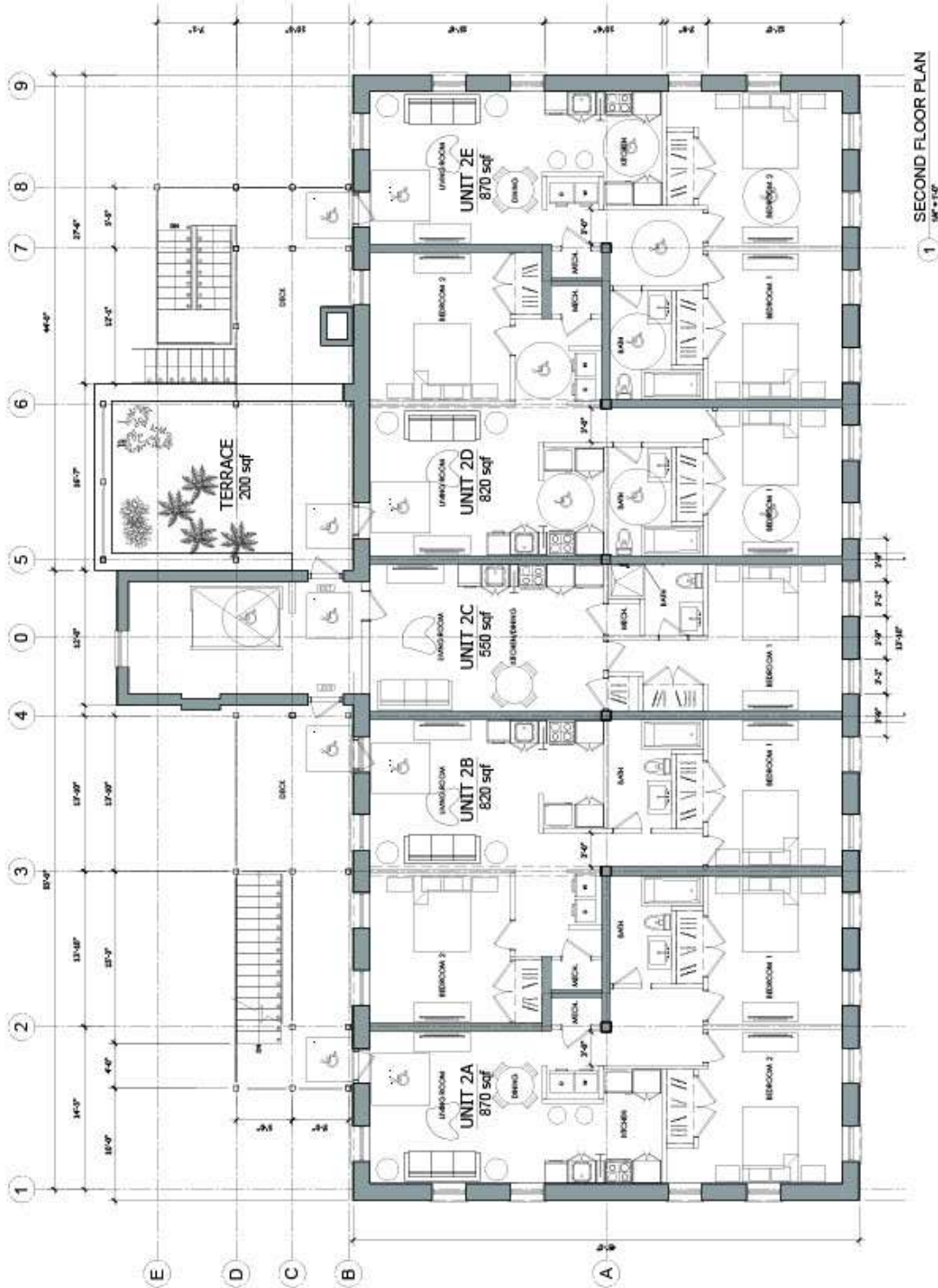


PHOTOS













433 Chapel Street
Conversion to Residential

SEEDYN

89 Muberry Hill Street
Haverhill, Connecticut

These documents have been prepared specifically for this project. Reproduction or other use of these documents without the prior written approval of the design firm is prohibited.

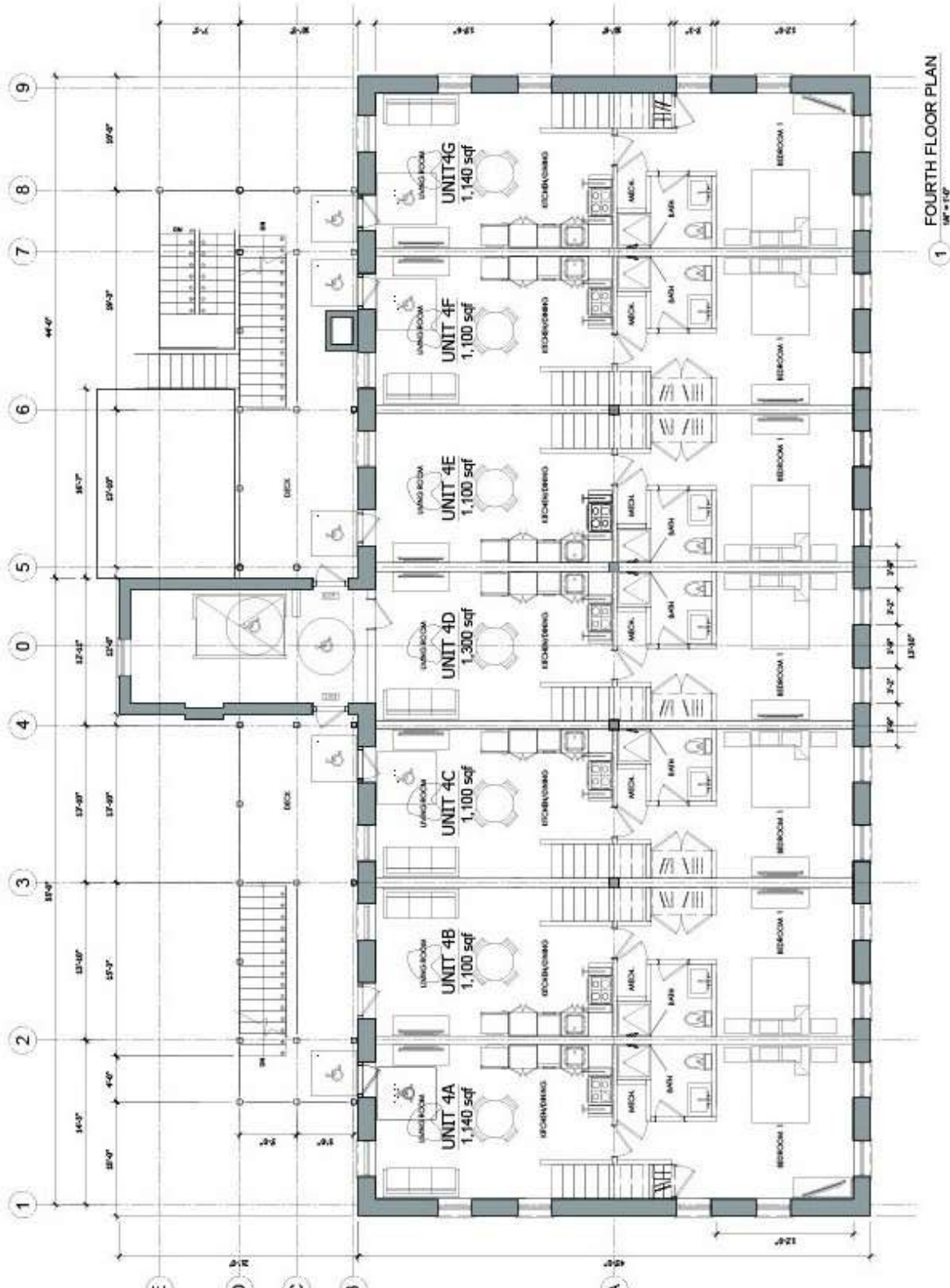
CONSULTANT

REVISION	DATE	DESCRIPTION
1	10-10-2018	ISSUANCE

FOURTH FLOOR PLAN

SCALE	1/4" = 1'-0"
DATE	10-10-2018
PROJECT NO.	18-011
DESIGNED BY	TP
CHECKED BY	TP
DATE	10-10-2018

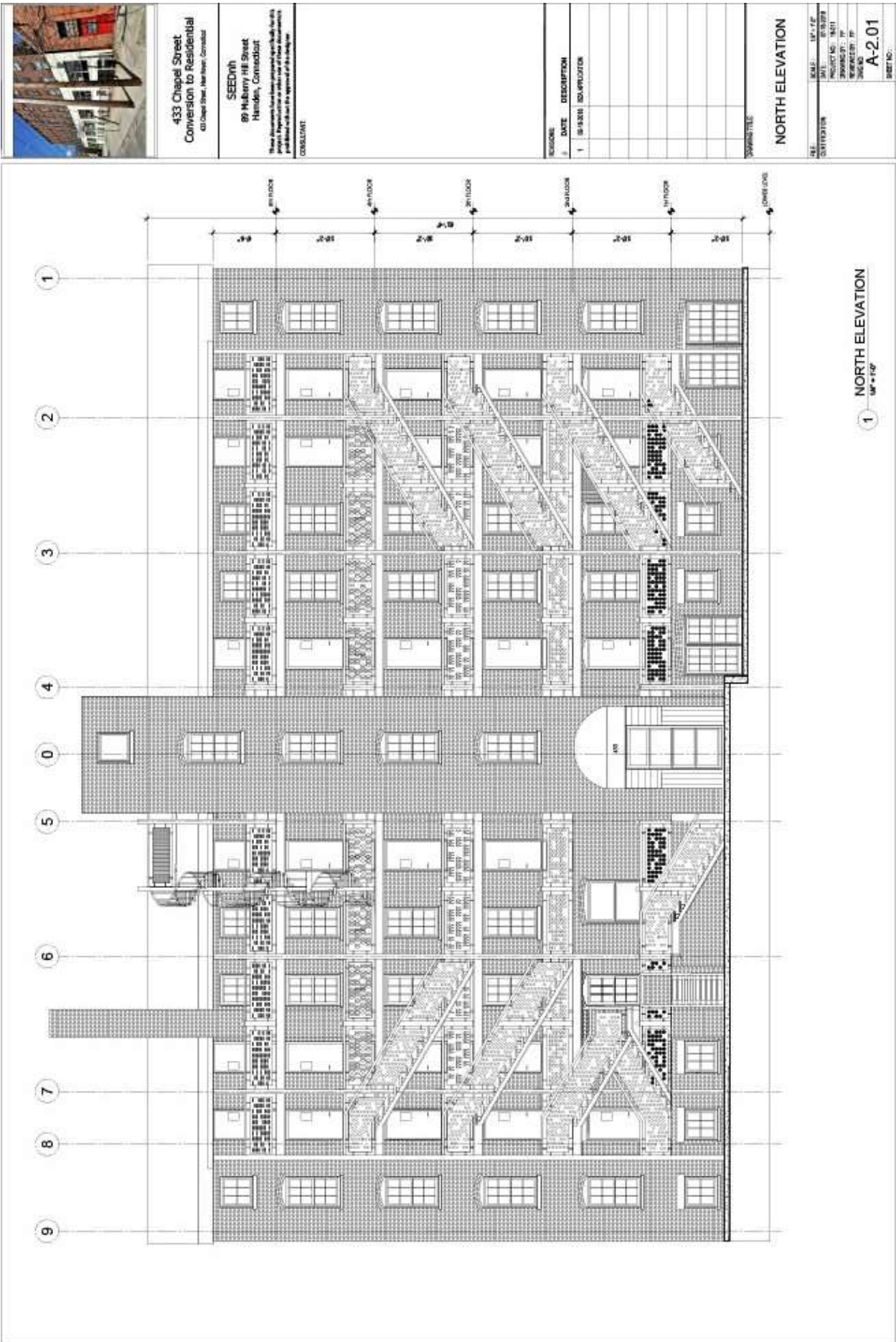
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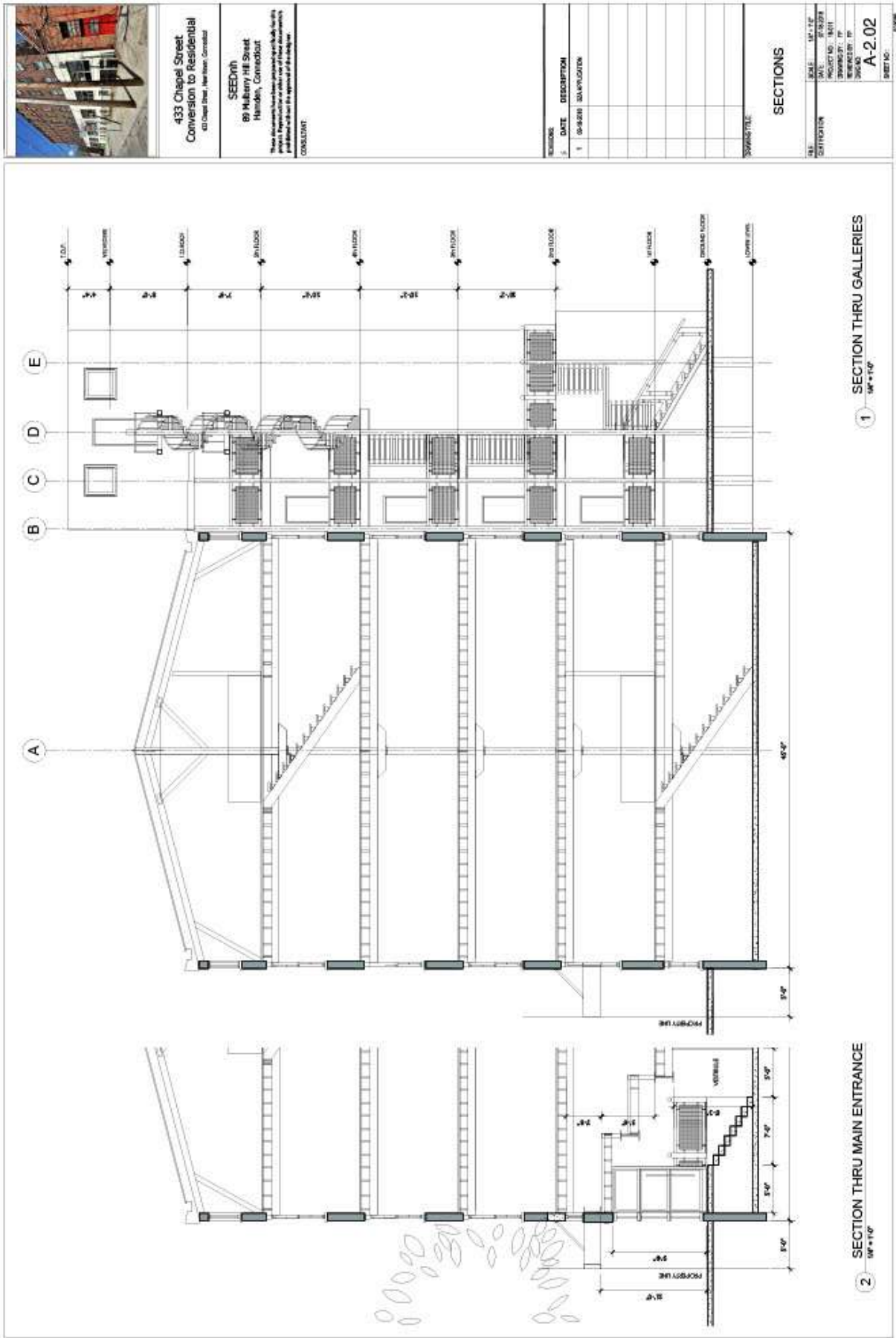


FOURTH FLOOR PLAN
1 1/4" = 1'-0"









Connecticut Housing Finance Authority (CHFA)

Construction Guidelines

Costs for 2019

Page 6 Section 2.d. Building Rehabilitation Definitions:

“Gut Rehabilitation”: construction alterations and renovations to existing buildings, consisting of complete removal, replacement or configuration of; interior partitions and walls; ceiling and floor finishes; replacement of all interior doors and frames; replacement of building mechanical and electrical systems; modifications to existing structure and exterior wall systems including window and exterior door replacements and new building insulation; replacement of existing roof systems; replacement of all interior kitchen cabinets and bathroom vanities; painting of all rooms in each apartment and common areas, etc.

Page 5 Section 4.c. “Gut Rehabilitation” existing single/multiple 19th /early 20th century mill buildings, gut rehabilitation is \$169.00 per square foot.

The subject’s total square footage of rehabilitation is 32,953 square feet per the CHFA:

$$32,953 \text{ square feet} \times \$169.00 \text{ per square foot} = \$5,569,057 \text{ estimated cost}$$

The estimated value of the cost of renovations:

Rehabilitation And Renovations \$5,569,057 or rounded to \$5,600,000

Connecticut Housing Finance Authority (CHFA)

Construction Guidelines

Attached



CONNECTICUT
HOUSING FINANCE
AUTHORITY

The Key to Affordable Housing

Connecticut Housing Finance Authority

Construction Guidelines:
Construction Costs

2019 (Revised 08/31/19)

These Guidelines are effective September 1, 2019

CHFA Construction Guidelines: Construction Costs
September 2019

I. Construction Cost Evaluation

Cost efficiency and effectiveness are strongly encouraged, as the objective is to maximize the overall cost effectiveness of developments, including but not limited to, construction costs for applications submitted. The "Construction Guidelines: Construction Costs" document outlines the CHFA construction cost review process.

CHFA recognizes all construction projects as unique and understands there may be verifiable, significant Square Foot (SF) cost differences between the guideline costs and a general contractor's cost submission.

CHFA derives a final cost per SF for each project by evaluating architectural drawings and specifications from the design development stage to 100% complete drawings and specifications, environmental and geotechnical reports, and the method of construction (wood stick-frame, panelized, modular, masonry, steel, etc.) that is specified. CHFA's historical construction cost database is also accessed and used to determine construction cost effectiveness over time. When a construction project's final SF cost is determined, the SF cost, and all relevant material, is reviewed and discussed with the CHFA underwriter and technical services staff.

CHFA invites all applicants to contact the CHFA Technical Services Department to discuss conditions which may significantly increase or decrease SF costs. Any line item costs, square footage costs or total unit costs exceeding a range of reasonableness may be disallowed solely at the discretion of CHFA. Additional information and documentation (verified by CHFA and/or a CHFA designee) may be required to substantiate the reasonableness of the cost inclusive of information regarding proposed costs which significantly exceed CHFA minimum design quality standards. CHFA encourages submission of three competitive bids to aid in ascertaining cost reasonableness and effectiveness.

The Project Cost Summary (PCS) and Exploded Trade Payment Breakdown (ETPB) shall be completed and signed by the architect or general contractor, or a cost estimation consultant included as part of the Development Team in the Consolidated Application. All hard costs to be detailed on a line item basis using costs per unit as applicable (LF, SF, CY, each, etc.) and the corresponding quantity take-offs for each of the categories noted in the Exploded Trade Payment Breakdown. This must be supported by the information provided on the document set. Since the Exploded Trade Payment Breakdown form is somewhat limited, please feel free to send us the unit pricing and quantities in a spreadsheet format that will provide the necessary data.

If a general contractor has not been procured and the architect or a cost estimation estimator has provided the construction cost estimate, points for hard cost effectiveness shall not be awarded in any competitive funding round.

II. Extraordinary Construction Costs

All applicants are encouraged to provide a breakdown of extraordinary construction costs for specified materials, fabrications, equipment and systems that exceed the requirements of the CHFA Multifamily Design, Construction and Sustainability Standards and Guidelines. Provide a spreadsheet that identifies and references the ETPB division, trade item, total cost, extraordinary cost amount and extraordinary condition. Recognition of these extraordinary costs may result in an upward adjustment to the guideline SF cost; however, CHFA will only recognize the portion of the extraordinary costs presented by the development team that CHFA considers reasonable, based on design and construction industry research/reporting and historic data. Extraordinary costs commonly considered by CHFA upon receiving detailed back-up information include:

CHFA Construction Guidelines: Construction Costs

September 2019

- Environmental site clean-up: contaminated soils, contaminated water, hazardous vapors, underground/above-ground storage tanks, etc.
- Environmental building remediation: hazardous material abatement, i.e. lead-based paint, lead-in-water, asbestos, PCBs, radon, mold, etc.
- Sitework exceeding 20% of the total construction cost
- Demolition
- Masonry
- Metals (non-structural/decorative)
- Siding upgrades
- Special Construction
- Elevators
- Energy efficiency upgrades, i.e. Passive House, High Performance Building Envelope, passive/active alternative energy systems, etc.
- CT Prevailing Wages/Davis Bacon Wages
- NPS/SHPO historic restoration/renovation/adaptive use requirements
- Others as may be identified and considered reasonable and acceptable to CHFA

III. Prevailing Wages/Davis-Bacon Wages

Prevailing Wages and/or Davis-Bacon Wage Rates may be required. It is the responsibility of the applicant to determine if such requirements apply to their project. Please contact the necessary authorities to determine the applicability of prevailing wages and/or Davis-Bacon wage rates. When Prevailing Wage Rates are required by the Connecticut Department of Labor, and/or Davis-Bacon Wage Rates are required by the U.S. Department of Labor, provide a summary analysis of the various labor categories and the hard cost increase in the labor rate over standard labor rates. The data provided by the applicant must be supported by the State of CT prevailing wage sheets or Davis-Bacon wage rates for each labor type and category. Labor rates for standard labor must be included for each of the various labor categories so a comparison can be performed.

IV. Sales and Use Taxes

Housing Authorities, Non-Profit Entities and Municipalities may be sales and use tax exempt for goods and services used in connection with creating and maintaining low and moderate income housing. All ETPB and PCS construction cost exhibits must include sales and use tax at the time of funding application, except as indicated below:

1. If the development entity has already been determined to be tax exempt, the CT DRS determination letter and CERT-126 "Certificate for Exempt Purchases of Tangible Personal Property for Low and Moderate Income Housing Facilities" form must be provided with the funding application.
2. If the Applicant/Owner and Co-sponsor are individually tax exempt, and a determination by CT DRS is pending, or an application to CT DRS has not yet been made, IRS 501(c)(3) letters for both the Applicant/Owner and Co-sponsor, and a signed written statement that the proposed development entity will assume responsibility for any additional costs arising out of a subsequent denial of tax exempt status by CT DRS, must be provided with the funding application. Note that a CT DRS determination letter and a CERT-126 form must be provided prior to finalizing the ETPB & PCS for initial closing, or the issuance of a 42M letter by CHFA.

V. Builders Overhead/Builders Profit and General Requirements

Costs for builders overhead and builders profit-GMP fees cover a General Contractor's time and expenses on a project and is calculated as a percentage of the total cost of a job. Builders overhead and builders profit-GMP fees are two different types of costs, and are usually stated as two separate

CHFA Construction Guidelines: Construction Costs

September 2019

numbers. Builders overhead costs are operating expenses for necessary equipment and facilities. Builders profit-GMP fees is what allows the GC to earn their living.

CHFA Procedures allow for a maximum of 2% of the total hard costs for builders overhead costs, and a maximum of 6% of the total hard costs for builders profit-GMP fees. These costs are calculated exclusive of the bonding and permitting fees.

General requirements, also known as general conditions, are the costs incurred during a project that generally do not involve the construction work itself. These costs are expenses such as site supervision and administration salaries, temporary power, lighting, heat, trailer and dumpster costs, project fencing and security, OSHA measures, etc.

CHFA Procedures allow for a maximum of 6% of the total hard costs for general requirements. The fee limits for builders overhead and builders profit-GMP fees and general requirements are noted in the CHFA Procedures. These limits apply to applications submitted for CHFA funding or tax credits.

If awarded funding or credits, staff will verify that the amounts carried by the Contractor in the Consolidated Application are the same percentages used in the GC contract with the Owner. Please be aware that these percentages will be verified at the end of the project when the General Contractor submits their Cost Certification.

If the GC Cost Certification uncovers additional builders profit or expenses and these percentages are higher than the original or over the fee limits established in the Procedures, CHFA will only recognize the lower percentages and the associated cost amounts. Accurate pricing at application is crucial and excessive fees and expenses or those stated in the original application will not be allowed.

The maximum percentages may be adjusted slightly at CHFA's discretion depending on the specific project such as scattered sites, however, the combined total shall not exceed 14% for builders overhead, builders profit-GMP fees and general requirements.

Identity of Interest: For applications where there is a stated Identity of Interest between a Developer and General Contractor, or a Contractor and Architect, i.e. they are related entities; the following limits would apply for builders overhead, builders profit-GMP fees and general requirements:

- Builders Overhead and Builders Profit-GMP Fees (combined) - 6 percent of construction costs;
- General Requirements - 5 percent of construction costs.

VI. Construction Contingency

For new construction projects, construction contingency should be approximately 5% of the total hard costs, but no more than 8%. For rehabilitation projects where environmental remediation and hazardous materials abatement is part of the scope of work, the hard cost contingency may be as high as 10% depending on the amount of abatement required. The construction contingency should be used for unforeseen conditions only, and shall not be used for errors and omissions in the Contract Documents.

VII. Project Building Types and Guideline Costs

Note that references to "single" and "multiple" buildings pertain to the number of buildings on the site, not buildings of different sizes, configuration, number of stories, etc. The guideline cost for dissimilar buildings will be analyzed on the type, size and scope of the construction work specified. These guideline costs are for residential portion of the development. Costs for parking areas and commercial areas are evaluated separately depending upon the scope of work for those areas.

CHFA Construction Guidelines: Construction Costs
September 2019

1. Minor Rehabilitation
 - a. Single building, multiple story minor rehabilitation: \$37 per SF
 - b. Multiple buildings, multiple story minor rehabilitation: \$31 per SF
2. Moderate Rehabilitation
 - a. Existing single building, multiple story moderate rehabilitation: \$80 per SF
 - b. Existing multiple buildings, multiple story moderate rehabilitation: \$75 per SF
3. Substantial Rehabilitation
 - a. Existing single building, multiple story substantial rehabilitation: \$116 per SF
 - b. Existing multiple buildings, multiple story substantial rehabilitation: \$111 per SF
4. Gut Rehabilitation
 - a. Existing single building, multiple story gut rehabilitation: \$142 per SF
 - b. Existing multiple buildings, multiple story gut rehabilitation: \$136 per SF
 - c. Existing single/multiple 19th/early 20th century mill buildings, gut rehabilitation: \$169 per SF
5. New Construction
 - a. Single building, multiple story (wood frame, vinyl siding): \$160 per SF
 - b. Multiple buildings, multiple story (wood frame, vinyl siding): \$154 per SF
 - c. Single/multiple buildings, multiple story (steel frame): \$212 per SF

Example: A new construction project with multiple buildings, multiple story wood framing and vinyl siding has a guideline SF cost of \$154. With the inclusion of extreme site and environmental conditions, and an upgrade from vinyl siding to brick veneer, upward adjustments may result in a new, increased SF cost. In this type of example, the applicant should contact CHFA prior to submitting an application.

VII. Definitions

Total Project Square Foot (GSF): Gross Square Footage is calculated using a building's first level footprint square footage, and adding the square footage of other levels (except basements and attics) to determine total square footage, including steel-framed first floor structures, parking garages, etc. Portions of basements, attics, and cantilevered sections used for living space shall be included (attic living areas are measured from knee wall to knee wall and gable end to gable end, where applicable).

Square foot (SF) cost is determined by dividing the total construction cost by the total project's SF. For application construction cost review, the source document of the total project SF is the square footage table found on the architect's drawings per Consolidated Application requirements.

1. **Total Construction Cost:** Total Construction Cost is defined as all construction costs, inclusive of CSI Masterformat 1995 Construction Divisions 2 through 16, contractor's general requirements, builders overhead & builders profit, building permits and fees, and bond premium. Total Construction Cost does not include contingency reserve.
2. **Building Rehabilitation Definitions:** (based on the International Existing Building Code)
 - a. **Minor Rehabilitation:** Construction renovations to existing buildings, consisting of items such as: kitchen cabinet replacement; bathroom vanity replacement; new wall, ceiling and floor finishes in kitchens and bathrooms; A/C unit and sleeve replacement, etc.

CHFA Construction Guidelines: Construction Costs

September 2019

- b. **Moderate Rehabilitation:** Construction renovations to existing buildings, consisting of items such as: kitchen cabinet replacement; bathroom vanity replacement; new wall, ceiling and floor finishes in kitchens, bathrooms and various other rooms in each apartment; exterior door replacement; exterior window replacement; roof replacement; exterior siding repair or replacement; new hot water heaters; hot water boilers; A/C unit and sleeve replacement; electrical service upgrade, etc.
 - c. **Substantial Rehabilitation:** Construction renovations to existing buildings, consisting of all items listed for moderate rehabilitation above, and the inclusion of up to 50% of the items listed for gut rehabilitation below.
 - d. **Gut Rehabilitation:** Construction alterations and renovations to existing buildings, consisting of complete removal, replacement or reconfiguration of: interior partitions and walls; ceiling and floor finishes; replacement of all interior doors and frames; replacement of building mechanical and electrical systems; modifications to existing structure and exterior wall systems, including window and exterior door replacements and new building insulation; replacement of existing roof system(s); replacement of all interior kitchen cabinets and bathroom vanities; painting of all rooms in each apartment and common areas, etc.
3. **Commercial space:**
- a. CHFA will not pay for the subdivision or fit-out of any commercial tenant space.
 - b. CHFA will only accept the cost for the portion of the building structure, exterior doors and windows, exterior walls, etc., that pertain to the building envelope where the commercial space is included.
 - c. CHFA will accept the cost for Mechanical and Electrical provisions to be put in place, such as heating/cooling equipment on the roof with the ductwork running down through the building, but capped off once it reaches the tenant space. Ductwork within the space is the responsibility of the tenant. Cost for providing electrical sub-panels for the tenant to connect to would also be accepted.

Building materials, components, fabrications, assemblies and equipment for all proposed development projects (rehabilitations and new construction) should comply with the applicable sections of the current "Multifamily Design, Construction and Sustainability Standards-CHFA" (the Standards). The "Construction Guidelines: Project Planning & Technical Services Review" and the Standards define the design process and the specific recommendations for multifamily housing financed through CHFA. All applications should strive to meet the Standards, and must comply with CHFA Procedures and the requirements of the CHFA/DOH Consolidated Application.

PART III A

**SALES COMPARISON
APPROACH**

**“PERSPECTIVE” MARKET VALUES WITH
DEVELOPMENT OF 25 APARTMENTS AND
1 COMMERCIAL UNIT**

**433 CHAPEL STREET
56 WALLACE STREET**

**COMPARABLE SALE #1
550 WHITNEY AVENUE
NEW HAVEN, CT 06511**

Sale Price:	\$2,350,000.
Sale Date:	03/27/2019
Deed Reference:	Volume 9831 Page 2019
Assessor Reference:	Map 219 Block 0460 Lot 02700
Grantor:	550 Whitney LLC
Grantee:	550 Whitney Avenue LLC
Year Built:	1960
Data Source:	Town Land Records
Land Area:	0.55 Acres
Building Area:	8,269 Square Feet
Floors:	3 & lower level
Number of Units:	16
Zone:	RH1
Sale Price per Square Foot:	\$284.19
Sale Price per Unit:	\$146,875

Comments: This comparable sale is located in close proximity to Yale University in New Haven, CT.

The building is a three story structure with units in the lower level. The building appears to be in average condition and adequately maintained.

The property was conveyed by a Warranty Deed and there was mortgage financing provided by Arbor Commercial Funding in the amount of \$1,770,000.

550 Whitney Avenue



**COMPARABLE SALE #2
420 WHITNEY AVENUE
431 WHITNEY AVENUE
NEW HAVEN, CT 06511**

Sale Price:	\$6,600,000.
Sale Date:	02/19/2019
Deed Reference:	Volume 9817 Pages 142 & 144
Assessor Reference:	Map 220 Block 0410 Lot 02700 Map 214 Block 0417 Lot 012000
Grantor:	Chad Enterprises Etal
Grantee:	420 Whitney LLC Etal
Year Built:	1920 & 1925
Data Source:	Town Land Records
Land Area:	1.21 Acres
Building Area:	39,263 Square Feet
Floors:	2 ½ & lower level
Number of Units:	34
Zone:	RH1
Sale Price per Square Foot:	\$168.10
Sale Price per Unit:	\$194,118

Comments: This comparable sale is located in close proximity to Yale University in New Haven, CT.

The buildings are 2 1/2 story structures with a unit in the lower level. The buildings appear to be in average condition and adequately maintained.

The properties were conveyed by a Warranty Deed and there was mortgage financing provided by Bancorpsouth Bank in the amount of \$6,230,000.

420 Whitney Avenue



431 Whitney Avenue



**COMPARABLE SALE #3
197 WOOSTER STREET
2 LYON STREET
209 GREENE STREET
275 SAINT JOHN STREET
NEW HAVEN, CT 06511**

Sale Price:	\$6,066,415.
Sale Date:	08/31/2018
Deed Reference:	Volume 9759 Pages 67-75
Assessor Reference:	Map 207 Block 0542 Lot 01100 Map 209 Block 0580 Lot 01100 Map 208 Block 0563 Lot 00400 Map 209 Block 0568 Lot 03500
Grantor:	NHRG VIII LLC
Grantee:	Atwater Wooster LLC
Year Built:	1860, 1900, 1900 & 1910
Data Source:	Town Land Records
Land Area:	0.13Acres, 0.09Acres, 0.11Acres, 0.09Acres = 0.42 acres total
Building Area:	7,992 Square Feet, 11,696 Square Feet, 6,095 Square Feet, 3,190 Square Feet = 28,955 Square Feet
Floors:	3, 4, 3, 2
Number of Units:	37
Zone:	RM2
Sale Price per Square Foot:	\$209.51
Sale Price per Unit:	\$163,957

Comments: This sale consists of 4 buildings. These buildings are located in the Wooster Square area of New Haven, CT.

The buildings range from 2-4 stories, and they appeared to be in better than average condition and adequately maintained.

The property was conveyed by a Warranty Deed and there was no mortgage financing noted at the time of sale.

197 Wooster Street



2 Lyon Street



209 Greene Street



275 Saint John Street



**COMPARABLE SALE #4
441 CHAPEL STREET
63 HAMILTON STREET
NEW HAVEN, CT 06511**

Sale Price:	\$3,900,000.
Sale Date:	03/26/2015
Deed Reference:	Volume 9260 Page 54
Assessor Reference:	Map 202 Block 0554 Lot 00600 Map 202 Block 0554 Lot 00700
Grantor:	441 Chapel LLC
Grantee:	441 Chapel Associates LLC
Year Built:	1900
Data Source:	Town Land Records
Land Area:	0.44 & 0.24 Acres = 0.68
Building Area:	25,586 Square Feet
Floors:	4 & lower level
Number of Units:	16
Zone:	IL
Sale Price per Square Foot:	\$152.43
Sale Price per Unit:	\$243,750

Comments: This comparable sale is adjacent to the subject property and was very similar in all characteristics to the subject.

The building was originally a former carriage/industrial building and part had been converted for commercial use similar to the subject's. Beginning in 2009, permits were granted to construct 13 apartments. By 2015, there were 16 apartment units and approvals for an additional 7 units to be constructed. In 2015 the gross square footage of the building was 36,089 square feet and 30,336 square feet of gross living area. The current City of New Haven's tax assessors field card indicates that there are four stories and a finished lower level with occupancy of 23. Therefore, due to these facts, most weight was given to this sale.

The property was conveyed by a Warranty Deed and there was mortgage financing provided by Darien Rowayton Bank in the amount of \$3,400,000.

441 Chapel Street



SALES COMPARISON GRID

	SUBJECT	COMPARABLE SALE #1	COMPARABLE SALE #2	COMPARABLE SALE #3	COMPARABLE SALE #4
ADDRESS	433 Chapel Street 56 Wallace Street New Haven, CT	550 Whitney Avenue New Haven, CT	420 Whitney Avenue 431 Whitney Avenue New Haven, CT	197 Wooster Street 2 Lyon Street 204 Greene Street 275 Sain John Street New Haven, CT	441 Chapel Street 63 Hamilton Street New Haven, CT
SALE PRICE	N/A	\$2,350,000	\$6,600,000	\$6,066,415	\$3,900,000
RETROSPECTIVE SALE DATE (a)	3/1/2019	3/27/2019	2/19/2019	8/31/2018	3/26/2015
LOCATION FOR APARTMENTS	Average Plus	Very Good	Very Good	Average Plus	Average Plus
BUILDING AREA	30,278 SF	8,269 SF	39,263 SF	28,955 SF	25,586 SF
NUMBER OF FLOORS	5 + Lower Level	3 + Lower Level	2 1/2 + Lower Level	3, 4, 3, 2	4 + Lower Level
YEAR BUILT	1870	1960	1920 & 1925	1890, 1900, 1900, 1910	1900
NUMBER OF UNITS	25	16	34	37	16
CONDITION	To Be Renovated	Average	Average	Average Plus	Renovated
LAND AREA	0.47 Acres	0.55 Acres	1.21 Acres	0.42 Acres	0.67 Acres
LAND/BUILDING RATIO	0.69:1	2.90:1	1.34:1	0.63:1	1.14:1
USE	To renovate and build 25 apartments				
ZONE	IL	RH1	RH1	RM2	IL
SALE PRICE/SQUARE FOOT	N/A	\$284.19	\$168.10	\$209.51	\$152.43
SALE PRICE/UNIT	N/A	\$146,875	\$194,118	\$163,957	\$243,750
COMMENTS	N/A				Adjacent to the subject

Note: (a) The Subject has a sale date which is not a sales date but the Retrospective Effective Appraisal date of this report 3/1/2019

LAND & BUILDING - SALES ADJUSTMENTS

	SALE #1	SALE #2	SALE #3	SALE #4
ADDRESS	550 Whitney Avenue New Haven, CT	420 Whitney Avenue 431 Whitney Avenue New Haven, CT	197 Wooster Street 2 Lyon Street 204 Greene Street 275 Sain John Street New Haven, CT	441 Chapel Street 63 Hamilton Street New Haven, CT
SALES PRICE/UNIT	\$146,875	\$194,118	\$163,957	\$243,750
MARKET CONDITIONS	0%	0%	0%	+15%
ADJUSTED SALES PRICE/UNIT	\$146,875	\$194,118	\$163,957	\$280,313
LOCATION	-20%	-20%	0%	0%
BUILDING AREA	+25%	0%	0%	0%
AGE/CONDITION	+35%	+35%	+25%	0%
LAND/BUILDING RATIO	0%	0%	0%	0%
ADJUSTED SALES PRICE/UNIT	\$205,625	\$223,236	\$204,946	\$280,313
COMMENTS				
AVERAGE ADJUSTED SALES PRICE PER UNIT =	\$228,530 or Rounded to			\$229,000

EXPLANATION OF ADJUSTMENTS

Market Conditions: The market has appeared stable since March 27, 2019. An upward adjustment was made to sale #4 to reflect a slightly increasing market value for apartments.

Location: A downward adjustment was made to sales #1 and #2 for their superior location as compared to the subject.

Building Area: Adjustments reflect inverse relationship between sale price and sale price per square foot. Sales with less building area than the subject property require negative (minus) adjustments to the sale price per square foot; sales with more building area require positive (plus) adjustments. An upward adjustment was made to sale #1 due to its size.

Condition/Age: Sales #1, #2 & #3 were adjusted for age and condition based upon a visual exterior inspection and research by the Appraiser.

Land/Building Ratio: This ratio reflects the amount of land per building square footage area. The higher ratio represents larger sites which can generally produce more on-site parking if conditions allow. The lower ratio often indicates less potential parking. No adjustments were considered necessary.

SALES COMPARISON APPROACH CONCLUSION/VALUE

The quality and quantity of the comparable sales data is rated average. All sales have been analyzed as they compare to the subject property and all elements of comparison have been considered. The estimated adjustment to the sales data resulted in an adjusted sales price per unit ranging between \$204,946 and \$280,313 with an average sales price per unit of \$229,000. Upon careful consideration, it is my opinion that the subject property has a supportable per unit value of \$280,000 as most weight was given to sale #4 since it is adjacent to the subject property. It is also approximately the same size, same design, structure, and has similar characteristics as the subject and the subject would be all *NEW* apartments.

Therefore, the perspective # of units:

$$25 \text{ apartment units} \times \$280,000 = \$7,000,000$$

$$1 - 470 \text{ sq ft commercial units} = \underline{\$56,400}$$

$$\$7,056,400$$

Rounded to \$7,100,000

ESTIMATED VALUE VIA THE SALES COMPARISON APPROACH

SEVEN MILLION ONE HUNDRED THOUSAND DOLLARS

\$7,100,000.

Note: Retail/office space market value sold at an average per square foot in 2018-2019 of approximately \$120 per square foot.

Therefore,

$$1 \text{ commercial unit at } \$120 \text{ per square foot} \times 470 \text{ square feet} = \$56,400.$$

PART III B

**INCOME
CAPITALIZATION
APPROACH**

**“PERSPECTIVE” MARKET VALUES WITH
DEVELOPMENT OF 25 APARTMENTS AND
1 COMMERCIAL UNIT AT**

**433 CHAPEL STREET
56 WALLACE STREET**

AREA MEDIAN INCOME “AMI”

Area Median Income “AMI” is a key metric in affordable housing. Area median income is defined as the midpoint of a specific area’s income distribution and is calculated on an annual basis by the Department of Housing and Urban Development. HUD refers to the figure as MFI, or median family income, based on a four-person household.

Why Is AMI important?

This metric is important because many of HUD’s housing programs are based on the value for a metropolitan statistical area or MSA, impacting renter eligibility determinations among other uses. Because the HUD figure is tied to a four-person household, these values are not absolute and can be adjusted depending on the size of a household. For an affordable housing community which reserves units for households earning 50% of AMI, a two-person household would have a lower threshold than a five-person household, for example.

What Is AMI Used For?

Using AMI benchmarks for renter eligibility is typically a requirement if your property benefits under the Low-Income Housing Tax Credits, or LIHTC, program. For these programs, generally eligibility is set at a percentage of AMI, usually less than 100%.

This term is used throughout the report and is for the area known as New Haven – Meridan, CT. The properties are located in the HUD Metro FMR area. FMR – Fair Market Rent for lower income families. The following pages are the “AMI” for the New Haven-Meridan, CT HUD area with income levels.



FY 2019 INCOME LIMITS DOCUMENTATION SYSTEM

[HUD.gov](#) [HUD User Home](#) [Data Sets](#) [Fair Market Rents](#) [Section 8 Income Limits](#) [MTSP Income Limits](#) [HUD LIHTC Database](#)

FY 2019 Income Limits Summary

Selecting any of the buttons labeled "Explanation" will display detailed calculation steps for each of the various parameters.

FY 2019 Income Limit Area	Median Family Income <input type="button" value="Explanation"/>	FY 2019 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
New Haven- Meriden, CT HUD Metro FMR Area	\$92,800	Very Low (50%) Income Limits (\$) <input type="button" value="Explanation"/>	35,350	40,400	45,450	50,450	54,500	58,550	62,600	66,600
		Extremely Low Income Limits (\$)* <input type="button" value="Explanation"/>	21,200	24,200	27,250	30,250	32,700	35,100	39,010	43,430
		Low (80%) Income Limits (\$) <input type="button" value="Explanation"/>	52,850	60,400	67,950	75,500	81,550	87,600	93,650	99,700

NOTE: HUD generally uses the Office of Management and Budget (OMB) area definitions in the calculation of income limit program parameters. However, to ensure that program parameters do not vary significantly due to area definition changes, HUD has used custom geographic definitions for the **New Haven-Meriden, CT HUD Metro FMR Area**.

The **New Haven-Meriden, CT HUD Metro FMR Area** contains the following areas:

NEW HAVEN COUNTY, CT TOWNS OF Bethany town, CT; Branford town, CT; Cheshire town, CT; East Haven town, CT; Guilford town, CT; Hamden town, CT; Madison town, CT; Meriden town, CT; New Haven town, CT; North Branford town, CT; North Haven town, CT; Orange town, CT; Wallingford town, CT; West Haven town, CT; Woodbridge town, CT; and Woodbridge town, CT.

* The FY 2014 Consolidated Appropriations Act changed the definition of extremely low-income to be the greater of 30/50ths (60 percent) of the Section 8 very low-income limit or the poverty guideline as established by the Department of Health and Human Services (HHS), provided that this amount is not

greater than the Section 8 50% very low-income limit. Consequently, the extremely low income limits may equal the very low (50%) income limits.

Income Limit areas are based on FY 2019 Fair Market Rent (FMR) areas. For information on FMRs, please see our associated FY 2019 [Fair Market Rent documentation system](#).

For last year's Median Family Income and Income Limits, please see here:

[FY2018 Median Family Income and Income Limits for New Haven-Meriden, CT HUD Metro FMR Area](#)

Select another FY 2019 HMFA Income Limit area that is a part of the **New Haven-Milford, CT MSA**

[Milford-Ansonia-Seymour, CT HUD Metro FMR Area](#) ▼

[Select HMFA Income Limits Area](#)

Select any FY2019 HUD Metropolitan FMR Area's Income Limits:

[New Haven-Meriden, CT HUD Metro FMR Area](#) ▼

[Select HMFA Income Limits Area](#)

Or press below to start over and select a different state:

[Select a new state](#)

[Update URL For bookmarking or E-Mailing](#)

Prepared by the [Program Parameters and Research Division](#), HUD.



FY 2019 INCOME LIMITS DOCUMENTATION SYSTEM

[HUD.gov](#) [HUD User Home](#) [Data Sets](#) [Fair Market Rents](#) [Section 8 Income Limits](#) [MTSP Income Limits](#) [HUD LIHTC Database](#)

FY 2019 Low-Income Income Limits Calculation

In general, most 4-person low-income limits are the higher of 80 percent of the area median family income or 80 percent of the State non-metropolitan median family level. However, calculating low-income limits as 80 percent of the area median family income may produce anomalies inconsistent with statutory intent because the very low-income limits are not always based on 50 percent of the median (e.g., very-low income limits could be higher than low-income limits).

The calculation normally used, therefore, is to set the 4-person low-income limit at 1.6 (i.e. 80%/50%) times the relevant 4-person very low income limit. The only exception is that the resulting income limit may not exceed the U.S. median family income level (\$75,500 for FY 2019) except when justified by high housing costs. Use of very low-income limits as a starting point for calculating other income limits tied to Section (3)(b)(2) of the U.S. Housing Act of 1937 has the effect of adjusting low-income limits in areas where the very low-income limits have been adjusted because of unusually high or low housing-cost-to-income relationships.

The first step of calculating low-income limits is to establish the preliminary 4-person income limit. This is derived by multiplying the 4-person very low-income limit by 1.6 (80%/50%) and rounding the product to the nearest 50.

2.	Area	4-Person Very Low-Income Limit	Preliminary 4- Person Low-Income Limit
	New Haven-Meriden, CT HUD Metro FMR Area	\$50,450	\$80,700

Next, a comparison is made to ensure that the preliminary 4-Person low-income limit is not greater than the U.S. median family income level:

Area	US Median Family Income	Comparison	Result
New Haven-Meriden, CT HUD Metro FMR Area	\$75,500	Is \$80,700 > \$75,500? Yes	Capped By US Median 4 Person LIL = \$75,500

Next, a check is made to see if the area qualifies as a high housing cost area. This is similar to the high housing cost adjustment made for very low-income limits. An area's income limit is adjusted due to high housing costs if 85% of the area's annual 2 bedroom FMR is greater than 35% of the US median income. As we are deriving the low-income limit, the 85% of the annual 2-BR FMR is augmented by 1.6:

Area	2BR FMR	Annual 2BR FMR	Annual 2BR FMR* 1.6*85%	35% of US Median Income	Comparison	Result
New Haven-Meriden, CT HUD Metro FMR Area	\$1,403	\$16,836	\$22,897	\$26,425	Is \$22,897 > \$26,425? No	No Adjustment 4-Person LIL = \$75,500

4. Subsequent to the comparisons above, low-income limits are calculated for each person size family between 1 and 8 persons. As is done with the very low-income limits, the 1-person limit is calculated by multiplying the 4-person limit by 70%, the 2-person is obtained by multiplying the 4-person limit by 80%, the 3-person by multiplying the 4-person by 90%, the 5-person by multiplying the 4-person by 108%, the 6-person by multiplying the 4-person limit by 116%, the 7-person by multiplying the 4-person limit by 124%, and the 8-person by multiplying the 4-person limit by 132%. The low-income limits for these family size are then rounded up to the nearest \$50.

New Haven-Meriden, CT HUD Metro FMR Area								
Income Limit	1-person	2-person	3-person	4-person	5-person	6-person	7-person	8-person
FY2019 Low-Income Limits	\$52,850	\$60,400	\$67,950	\$75,500	\$81,550	\$87,600	\$93,650	\$99,700

Low-Income Limit Calculation For Families With More Than 8 People

Select family size ▼

Calculate

WITHOUT ANY ADJUSTMENTS FOR AMI PURPOSES

443 CHAPEL STREET PROJECTED INCOME

Style of Unit	Number of Units	Monthly Rent	Annual Income
Commercial Unit	1	\$800	\$9,600
Studio Apartment	1	\$1,200	\$14,400
1 Bedroom Apartment	10	\$1,500	\$180,000
2 Bedroom Apartment	8	\$1,800	\$172,800
3 Bedroom Apartment	6	\$2,600	\$187,200
	26		\$564,000
Estimated Projected Annual Income as of 2019			\$564,000

**WITH ADJUSTMENTS FOR AMI
OWNER'S (PETER CHAPMAN) OFFER
443 CHAPEL STREET PROJECTED INCOME**

Style of Unit	Number of Units	Monthly Rent	AMI Rate	AMI Monthly	Annual Income
Commercial Unit	1	\$800			\$9,600
Studio Apartment	1	\$1,200			\$14,400
1 Bedroom Apartment	4	\$1,500			\$72,000
1 Bedroom Apartment	6	\$1,500 x	80%	\$1,200	\$86,400
2 Bedroom Apartment	8	\$1,800			\$172,800
3 Bedroom Apartment	6	\$2,600			\$187,200
	26				\$542,400
Estimated Projected Annual Income as of 2019					\$542,400

1 Bedrooms

4 units x \$1,500 x 12 months =

\$72,000

6 units x \$1,200 x 80% x 12 months =

\$86,400

\$ 158,400 loss of \$21,600

**WITH ADJUSTMENTS FOR AMI
CITY OF NEW HAVEN'S COUNTER OFFER
443 CHAPEL STREET PROJECTED INCOME**

Style of Unit	Number of Units	Monthly Rent	AMI Rate	AMI Monthly	Annual Income
Commercial Unit	1	\$800			\$9,600
Studio Apartment	1	\$1,200			\$14,400
1 Bedroom Apartment	7	\$1,500			\$126,000
1 Bedroom Apartment	3	\$1,500 x	80%	\$1,200	\$43,200
2 Bedroom Apartment	5	\$1,800			\$108,000
2 Bedroom Apartment	3	\$1,800 x	80%	\$1,440	\$51,840
3 Bedroom Apartment	6	\$2,600			\$187,200
	26				\$540,240
Estimated Projected Annual Income as of 2019					\$540,240

Based upon a counter adjustment offered by the City of New Haven to have 3 - 1 bedroom units and 3 - 2 bedrooms units for utilizing AMI at 80% for 18 years.

1 Bedroom

7 units x \$1,500 x 12 months =	\$126,000
3 units x \$1,200 x 80% x 12 months =	\$43,200
	<u>\$169,200</u>

2 Bedrooms

5 units x \$1,800 x 12 months =	\$108,000
3 units x \$1,440 x 80% x 12 months =	\$51,840
	<u>\$159,840</u>
	loss of \$23,760

INCOME APPROACH - APARTMENT RENTAL GRID

STUDIOS

Address	Square Foot	# of Rooms	Monthly Rent	Term	Days on Market	Comments
441 Chapel Street G-5	1132	3	\$1,350	Gross - Leased 4/15/2019	13 DOM	Gated parking
67 Warren Street	480	1	\$1,200	Gross - Leased 6/1/2018	20 DOM	Parking lot
67 Warren Street	550	1	\$1,100	Gross - Leased 8/18/2017	44 DOM	Parking lot
512 Chapel Street	500	2	\$900	Gross - Leased 12/1/2017	12 DOM	No on-site parking

* All Comparables are located in New Haven, CT

Source: MLS

The indicated rental rate for the subject is \$1,200 per unit for a studio apartment.

INCOME APPROACH - APARTMENT RENTAL GRID

1 BEDROOM APARTMENTS

Address	Square Foot	# of Rooms	Monthly Rent	Term	Days on Market	Comments
585 Chapel St #1R	900	3	\$1,625	Gross - Leased 3/28/2019	80 DOM	Parking lot
212 Wooster St #3	900	4	\$1,700	Gross - Leased 3/21/2019	23 DOM	No on-site parking
488 Chapel St	950	3	\$1,425	Gross - Leased 2/1/2019	50 DOM	Parking lot
585 Chapel St #1R	900	3	\$1,500	Gross - Leased 11/4/2018	10 DOM	Parking lot
441 Chapel St #1B	849	4	\$1,395	Gross - Leased 10/27/2018	18 DOM	Gated parking lot
441 Chapel St #1	900	4	\$1,350	Gross - Leased 8/1/2018	64 DOM	Gated parking lot

* All Comparables are located in New Haven, CT

Source: MLS

The indicated rental rate for the subject is \$1,500 per unit for a 1 bedroom apartment.

INCOME APPROACH - APARTMENT RENTAL GRID

2 BEDROOM APARTMENTS

Address	Square Foot	# of Rooms	Monthly Rent	Term	Days on Market	Comments
441 Chapel St #1D	1,280	4	\$1,585	Gross - Leased 1/10/2019	104 DOM	Gated parking lot
488 Chapel St #2	1,100	4	\$1,800	Gross - Leased 11/20/2018	136 DOM	Parking lot
441 Chapel St #G4	1,040	4	\$1,500	Gross - Leased 10/1/2018	32 DOM	Gated parking lot
441 Chapel St #1H	1,293	4	\$1,795	Gross - Leased 7/15/2018	51 DOM	Gated parking lot
629 Chapel St #5A	934	4	\$2,100	Gross - Leased 7/5/2018	15 DOM	Gated parking lot
441 Chapel St #G2	1,150	4	\$1,500	Gross - Leased 7/1/2018	70 DOM	Gated parking lot
441 Chapel St #G1	1,100	4	\$1,650	Gross - Leased 6/10/2018	23 DOM	Gated parking lot
441 Chapel St #G3	1,310	4	\$1,795	Gross - Leased 5/15/2018	29 DOM	Gated parking lot
585 Chapel St #2	900	4	\$2,000	Gross - Leased 5/9/2018	5 DOM	No on-site parking

* All Comparables are located in New Haven, CT

Source: MLS

The indicated rental rate for the subject is \$1,800 per unit for 2 bedroom apartments.

INCOME APPROACH - APARTMENT RENTAL GRID

3 BEDROOM APARTMENTS

Address	Square Foot	# of Rooms	Monthly Rent	Term	Days on Market	Comments
325 Saint John St #F	1,000	6	\$2,500	Gross - Leased 3/6/2019	55 DOM	No on-site parking
235 Wooster St	1,500	6	\$2,600	Gross - Leased 7/10/2018	54 DOM	No on-site parking
504 Chapel St	1,150	5	\$2,100	Gross - Leased 7/21/2018	49 DOM	Parking lot
502 Chapel St #1	850	6	\$2,600	Gross - Leased 7/21/2018	53 DOM	Parking lot
441 Chapel St #1F	2,030	6	\$2,595	Gross - Leased 6/27/2017	34 DOM	Gated parking lot

* All Comparables are located in New Haven, CT

Source: MLS

The indicated rental rate for the subject is \$2,600 per unit for 3 bedroom apartments.

INCOME APPROACH - COMMERCIAL RENTAL GRID

Address	Square Foot	Base Rent	Terms	DOM	List Date	Lease Date
		Lease Rate Per Month				
#1 770 Chapel Street	200	\$11.25	Gross	162	1/3/2019	6/17/2019
#2 506 Blake Street	700	\$12.86	Gross	26	8/10/2017	9/13/2017
#3 110 Whitney Avenue	674	\$23.15	Gross	79	3/27/2018	6/14/2018
#4 260 State Street	1,450	\$18.11	Gross	119	7/11/2018	11/15/2018

** All comparable rentals above are located in New Haven, CT

The indicated rental rate for the subject is \$16.37 per square foot on a gross basis.

The subject's rental rate of \$800 per month or \$16.84 per square foot seems reasonable for 570 square feet of commercial space.

\$800 per month x 12 months = \$9,600 annually on a gross basis

INCOME CAPITALIZATION APPROACH

The technique utilized in this appraisal is Direct Capitalization. Direct Capitalization converts an estimate or actual of a single year or multiple years' expectancy into an indication of value via a market derived capitalization rate.

The estimate of market value via this approach includes an analysis of market rentals of apartment locations having comparable characteristics. The market rentals on the previous page indicate average market rent on a monthly per unit basis for studios at \$1,200, 1-bedroom apartments at \$1,500, 2-bedroom apartments at \$1,800 and 3-bedrooms apartments at \$2,600. The commercial indicates a rental of \$800 per month.

The concluded monthly market rents on a per unit basis are studios \$1,200, 1-bedroom apartments \$1,500, 2-bedroom apartments \$1,800 and 3-bedrooms apartments \$2,600. The commercial indicates a rental of \$800 per month. As such, Landlord is responsible for operating expenses including management, reserves for replacements, exterior and interior building maintenance, insurance, and real estate taxes. Tenants are responsible for their own utilities (electric, heat and cable).

DIRECT CAPITALIZATION **1ST YEAR STABILIZED INCOME**

After analyzing the comparable rents on the preceding pages, it is my opinion that a market reflective economic rent for the subject property are studios \$1,200, 1-bedroom apartments \$1,500, 2-bedroom apartments \$1,800 and 3-bedrooms apartments \$2,600 on a per unit monthly gross basis and the commercial indicates a rental of \$800 per month on a gross basis.

Note: Any adjustments for the units that could possibly be made for AMI (Area Median Income) are noted on the following pages.

WITHOUT ANY ADJUSTMENTS FOR AMI PURPOSES

GROSS ANNUAL ECONOMIC RENT

Estimated Annual Rental Income (on Projected Income)	\$	564,000
Estimated vacancy and credit loss factor 6%	\$	<u>(33,840)</u>
Effective Gross Income (EGI)	\$	530,160

ESTIMATED EXPENSE

Management Fee 4%	\$	21,206
Insurance	\$	12,500
Real Estate Taxes	\$	48,694
Water/Sewer	\$	12,500
Interior & Exterior Maintenance	\$	27,500
Reserves for Replacement 2.5%	\$	<u>13,254</u>
Total Estimated Expenses	\$	<u>135,654</u>
NET OPERATING INCOME (NOI)	\$	<u>394,506</u>

Notes:

- 1) All expenses are estimated
- 2) Real Estate Taxes are based on 441 Chapel Street (similar property adjacent to subject)

**WITH ADJUSTMENTS FOR AMI
OWNER'S (PETER CHAPMAN) OFFER**

GROSS ANNUAL ECONOMIC RENT

Estimated Annual Rental Income (on Projected Income)	\$	542,400
Estimated vacancy and credit loss factor 6%	\$	<u>(32,544)</u>
Effective Gross Income (EGI)	\$	509,856

ESTIMATED EXPENSE

Management Fee 4%	\$	20,394
Insurance	\$	12,500
Real Estate Taxes	\$	48,694
Water/Sewer	\$	12,500
Interior & Exterior Maintenance	\$	27,500
Reserves for Replacement 2.5%	\$	<u>12,746</u>
Total Estimated Expenses	\$	<u>134,334</u>
NET OPERATING INCOME (NOI)	\$	<u>375,522</u>

Notes:

- 1) All expenses are estimated
- 2) Real Estate Taxes are based on 441 Chapel Street (similar property adjacent to subject)

1 Bedrooms - using AMI	
4 units x \$1,500 x 12 months =	\$72,000
6 units x \$1,200 x 80% x 12 months =	<u>\$86,400</u>
	\$158,400

**WITH ADJUSTMENTS FOR AMI
CITY OF NEW HAVEN'S COUNTER OFFER**

GROSS ANNUAL ECONOMIC RENT

Estimated Annual Rental Income (on Projected Income)	\$ 540,240
Estimated vacancy and credit loss factor 6%	<u>\$ (32,414)</u>
Effective Gross Income (EGI)	\$ 507,826

ESTIMATED EXPENSE

Management Fee 4%	\$ 20,313
Insurance	\$ 12,500
Real Estate Taxes	\$ 48,694
Water/Sewer	\$ 12,500
Interior & Exterior Maintenance	\$ 27,500
Reserves for Replacement 2.5%	<u>\$ 12,696</u>
Total Estimated Expenses	<u>\$ 134,203</u>
NET OPERATING INCOME (NOI)	<u>\$ 373,623</u>

Notes:

- 1) All expenses are estimated
- 2) Real Estate Taxes are based on 441 Chapel Street (similar property adjacent to subject)

Based upon a counter adjustment offered by the City of New Haven to have 3 - 1 bedroom units and 3 - 2 bedrooms units for utilizing AMI at 80% for 18 years.

1 Bedroom	
7 units x \$1,500 x 12 months =	\$126,000
3 units x \$1,200 x 80% x 12 mont	<u>\$43,200</u>
	\$169,200

2 Bedrooms	
5 units x \$1,800 x 12 months =	\$108,000
3 units x \$1,440 x 80% x 12 mont	<u>\$51,840</u>
	\$159,840

**INCOME CAPITALIZATION APPROACH
CONSTRUCTION OF OVERALL CAPITALIZATION RATE
BAND OF INVESTMENT TECHNIQUE**

In converting the estimated net operating income stream into a present value, a built up mortgage/equity band of investment capitalization rate is developed utilizing the following criteria:

Mortgage Contribution to Debt	75%	Equity Contribution to Debt	25%
Mortgage Rate/Term	5% & 25 years	Equity Yield Rate	10%
Mortgage Constant	0.0702	Holding Period	5 years
Percent Mortgage paid off after 5 years = 0.1353			
Sinking Fund Factor 10% for 5 years = 0.1638			
Estimated change in property value over holding period + 1% per year			

Therefore, the overall capitalization rate is developed as follows:

Mortgage	.75	x	0.0702	=	0.0527
Equity	.25	x	0.10	=	<u>0.0250</u>
Weighted Average					0.0777 (a)

Credit for equity build-up over the holding period

$$(.75) \times .1638 \times .1353 = \underline{(0.0166)} \text{ (b)}$$

$$\text{BASIC RATE} \quad 0.0611 \text{ (a-b)}$$

Estimated change in property value over holding period

$$.05 \times .1638 = \underline{(0.0082)} \text{ (c)}$$

$$\text{Overall Capitalization Rate} = .0529 \text{ (a-b-c) or rounded to } 5.3\%$$

NO AMI ADJUSTMENTS

INCOME CAPITALIZATION APPROACH CAPITALIZATION OF INCOME

FINAL VALUE

NOI	\$	394,506.
AVERAGE CAP RATE IN 2019:		5.3%
NOI/ CAP RATE = INDICATED VALUE	\$	7,443,509.
ROUNDED TO:	\$	7,500,000.

ESTIMATED VALUE VIA INCOME CAPITALIZATION APPROACH WITHOUT ANY ADJUSTMENTS FOR AMI

SEVEN MILLION AND FIVE HUNDRED THOUSAND DOLLARS

\$7,500,000.

Notes:

Wealthmanagement.com July 16, 2019 (see attached) - capitalization rates for apartments range between 5.20% - 5.49% with an average of 5.3%

CBRE February 28, 2020, for Yearend 2019 (see attached) - capitalization rates for apartments range between 5.19% - 5.48% with an average of 5.3%

It seems reasonable that a 5.3% capitalization rate for the subject property would be appropriate.

The **2019 Commercial Lending Report** from the National Association of Realtors outlines the commercial lending environment in 2019. Attached are various pages from the article.

Note that the following year after the retrospective date of this appraisal, March 1, 2019, was the beginning of the COVID-19 which led to even lower rates over the next 3 years.

**WITH ADJUSTMENTS FOR 80% AMI FOR 18 YEARS
OWNER'S (PETER CHAPMAN) OFFER**

**INCOME CAPITALIZATION APPROACH
CAPITALIZATION OF INCOME**

FINAL VALUE

NOI	\$	375,522.
AVERAGE CAP RATE IN 2019:		5.3%
NOI/ CAP RATE = INDICATED VALUE	\$	7,085,321.
ROUNDED TO:	\$	7,100,000.

ESTIMATED VALUE VIA INCOME CAPITALIZATION APPROACH

SEVEN MILLION AND ONE HUNDRED THOUSAND DOLLARS

\$7,100,000.

Notes:

Wealthmanagement.com July 16, 2019 (see attached) - capitalization rates for apartments range between 5.20% - 5.49% with an average of 5.3%

CBRE February 28, 2020, for Yearend 2019 (see attached) - capitalization rates for apartments range between 5.19% - 5.48% with an average of 5.3%

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**WITH ADJUSTMENTS FOR 80% AMI FOR 18 YEARS
CITY OF NEW HAVEN'S COUNTER OFFER**

**INCOME CAPITALIZATION APPROACH
CAPITALIZATION OF INCOME**

FINAL VALUE

NOI	\$	373,623.
AVERAGE CAP RATE IN 2019:		5.3%
NOI/ CAP RATE = INDICATED VALUE	\$	7,049,491.
ROUNDED TO:	\$	7,100,000.

ESTIMATED VALUE VIA INCOME CAPITALIZATION APPROACH

SEVEN MILLION AND ONE HUNDRED THOUSAND DOLLARS

\$7,100,000.

Notes:

Wealthmanagement.com July 16, 2019 (see attached) - capitalization rates for apartments range between 5.20% - 5.49% with an average of 5.3%

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PROPERTY TYPES > MULTIFAMILY

Cap Rates on Apartment Acquisitions Take a Slight Dip in the First Half of 2019

Multifamily investors are still eager to buy apartment properties, pushing cap rates even lower.

Bendix Anderson | Jul 16, 2019

For years, apartment experts predicted that yields on investments in apartment rental properties would rise. Years passed, but cap rates in the sector remain historically low, and are getting lower.

“Cap rates have not risen in the last five years,” says Chris Espenshade, managing director with real estate services firm JLL. “Why should we expect they would rise in the next five?”

New investors keep finding reasons to buy apartment properties, and prices for these assets keep rising. That strong demand from buyers seems likely to keep cap rates low.

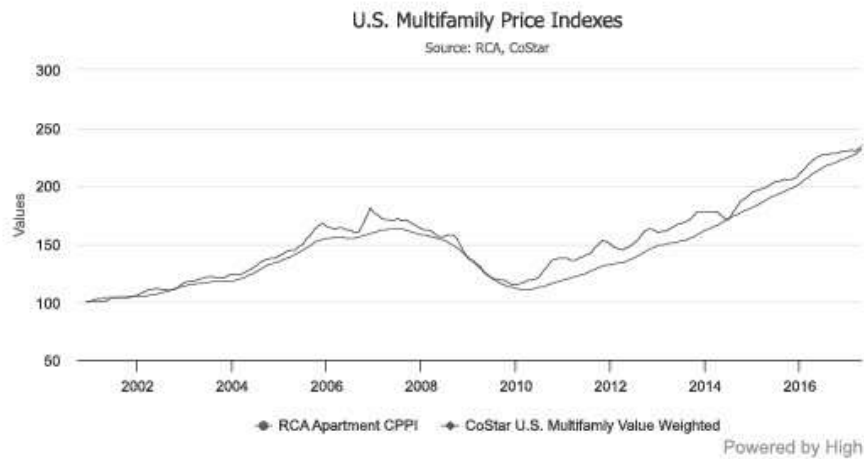
“New investors are coming in at a rate that I have never seen before,” says Brian McAuliffe, president of CBRE Capital Markets. “The multifamily investment market continues to be very active.”

Favorable rates

Investors continue to pay higher and higher prices for apartment properties, though prices are not growing as quickly as they once did.

“Prices are still increasing... just at a slower pace,” says Will Mathews, managing director and platform leader of the east region multifamily advisory group with real estate services firm Colliers International.

Prices for apartment properties grew by 8.8 percent over the 12 months that ended in May 2019, according to the Commercial Property Price Index (CPPI) tracked by real estate research firm Real Capital Analytics (RCA). That’s a lot faster than inflation. It’s also faster than the 7.2 percent rate of growth for commercial properties overall over the same period. But it’s below the 12.8 percent rate of growth recorded for apartment properties over the same period the year before.



On average, prices are rising relative to the income from apartments properties, pushing low investment yields even lower. Cap rates are dropping again, according to experts interviewed for this story.

Cap rates on infill apartment properties averaged 5.20 percent in the first half of 2019, according to CBRE. That’s down five basis points from the second half of 2018. Cap rates for suburban properties averaged 5.49 percent, down six basis points compared to the same period a year ago.

“Cap rates, as compared to last year, have compressed moderately,” notes Matthews.

Low interest rates have helped push prices higher, and cap rates lower. The yield on 10-year Treasury bonds has dropped by more than 100 basis points since the fourth quarter of 2018. “The decline in interest rates, that has been a real accelerant for property sales,” says McAuliffe.

Investors make fewer deals

Even though prices are rising, so far this year, the volume of investment sales of apartment rental properties is about 5.0 percent below the same period in 2018 , according to market-watchers like JLL.

"We are seeing a little bit of a slowdown," says Espenshade. "There are plenty of deals to go around, though not as many deals as this time last year."

That's partly because sellers have not offered as many large portfolios for sale so far in 2019. Those who put up apartment portfolios for sale in 2018 did not earn much higher prices than sellers that sold properties one at a time.

"They put portfolios on the market looking for a portfolio premium—and they did not get it," says Espenshade.

Also, many investors, including private equity funds, are now in the part of their usual five-year cycle in which they buy and hold properties, rather than sell. "We don't have as many of those funds that are maturing," notes McAuliffe.

Investors look to secondary markets and suburban submarkets

Investors are also looking at new markets to buy apartment properties. "We are seeing more volume in the Sunbelt," says Espenshade. "There are more jobs there and properties are less expensive."

"We have seen the growth of secondary and tertiary markets and declining cap rates," says McAuliffe.

At the same time, investors are buying fewer properties in core markets like New York City , where the competition between newly completed projects has forced many landlords to offer deep concessions to attract renters. "The hardest place to buy and sell is in core real estate markets [like New York]," says Espenshade. "If you buy a new, beautiful building, someone is going to build right next door."

Instead, a growing number of investors is drawn to suburban areas, where the barriers to new development are higher, according to Espenshade. The yields that investors can earn by buying stabilized apartment properties also tend to be higher, with cap rates often averaging in the 5.0 percent range.

As investors become more comfortable with shopping for suburban apartment assets, they are looking at a different set of metrics to identify the best geographic locations. The quality of the local school district now matters more than how many shops and services are within walking distance of the property, Espenshade says.

"Investors are looking at greatschools.org," he notes. "Now we put the schools and their rating on page one of our marketing materials. A property's WalkScore still matters, but we put it in the back of our marketing materials for suburban properties."

Source URL: <https://www.wealthmanagement.com/multifamily/cap-rates-apartment-acquisitions-take-slight-dip-first-half-2019>

2.20.20: CBRE REPORTS ON CAP RATES AT YEAREND 2019

February 28, 2020 By VXoffice

Summary of Cap Rates – 12/31/19 vs 6/30/19

Property Type	Sector	Cap Rate 12/31/19	Cap Rate 6/30/19
Office	CBD	6.65%	6.67%
	Suburban	7.80%	7.91%
Industrial	All	6.13%	6.27%
Retail	Neighborhood	7.47%	7.47%
	Power	8.54%	8.46%
	High Street	4.78%	4.76%
Multifamily	Infill	5.11%	5.19%
	Suburban	5.37%	5.48%
Hotel	CBD	7.99%	8.01%
	Suburban	8.55%	8.55%

Source: CBRE

CBRE notes that capitalization rates (cap rates) were broadly stable in the second half of 2019 and relatively stable for full-year 2019 in its

recently published survey for income producing commercial real estate (retail, office, industrial, multifamily and hotel) as of December 31, 2019.

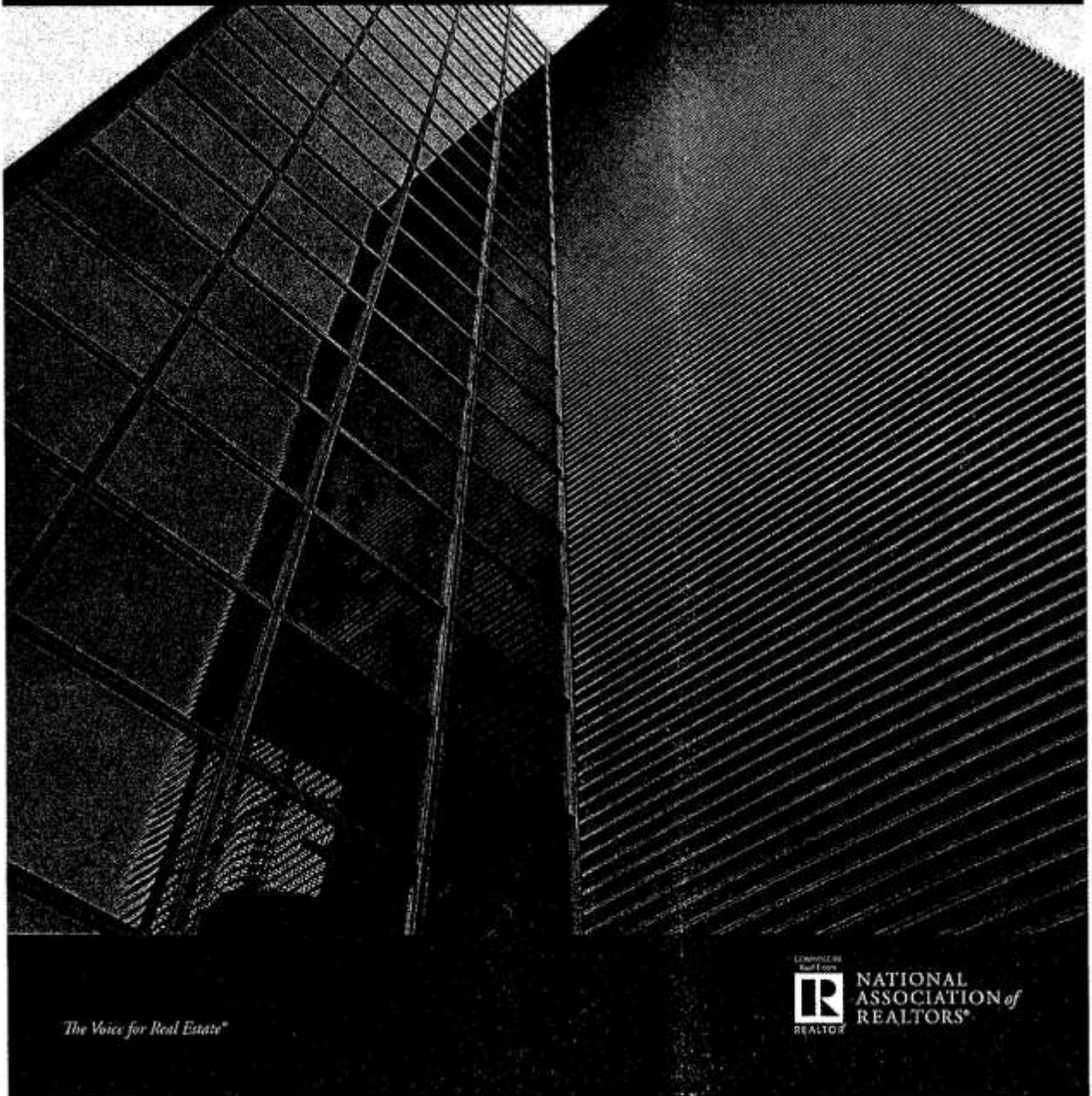
Within the retail sector, CBRE noted that tertiary markets and Class C properties attracted increased investment activity among private buyers due to higher risk tolerance and opportunities for redevelopment. Grocery-anchored neighborhood/community centers remained the favorite retail asset class because of perceived resilience to e-commerce. Retail cap rates for neighborhood and community shopping centers were unchanged, while cap rates for power centers edged up 8 basis points (bp) and high-street retail declined 2 bp. Recent store closures and bankruptcies are negatively impacting retail sentiment, particularly in the power center segment.

Suburban multifamily cap rates tightened most across lower-quality properties and declined 11 bp overall. Cap rates between Class A and Class C assets and primary versus tertiary markets continued to tighten, indicating better opportunities in lower quality assets and smaller markets. Infill multifamily cap rates decreased 9 bp. Industrial cap rates also compressed 13 bp, on top of a 5 bp decline in the first half of 2019. Office cap rates compressed 11 bp. Hotel cap rates were unchanged.

CBRE projects continued cap rate stability for the first half of 2020 across property types, segments, and market tiers, except for a slight increase in the hotel sector.

<https://www.valuexpress.com/2-20-20-cbre-reports-on-cap-rates-at-yearend-2019/>

2019 COMMERCIAL LENDING REPORT



The Voice for Real Estate®



NATIONAL
ASSOCIATION of
REALTORS®

ECONOMIC ENVIRONMENT

The U.S. economy continued to expand at a strong pace of 2.9 percent in 2018 from 2.2 percent in 2017 as private consumption, investment spending, net exports, and government spending all rose at a faster pace.

The unemployment rate continued to trend down to 3.9 percent, while inflation mildly rose to 2.4 percent.

Amid the solid economic growth and job creation and the slight uptick in inflation, the U.S. Federal Operations Market Committee raised the benchmark federal funds rate target four times in 2018 by a total of 1 percentage point, to a range of 2.25 to 2.5 percent at the end of 2018. The average bank prime loan rate rose to 4.9 percent in 2018, from 4.1 percent in 2017.

The 2019 survey on commercial lending takes place in this economic environment marked by slightly higher interest rates and a lower level of bank reserves held by depository institutions that underpin the level of lending.

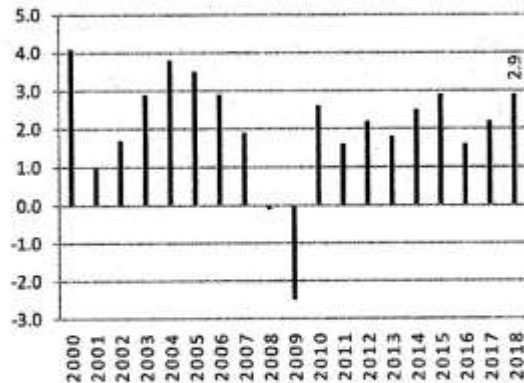
GEORGE RATIU

gratiu@realtors.org

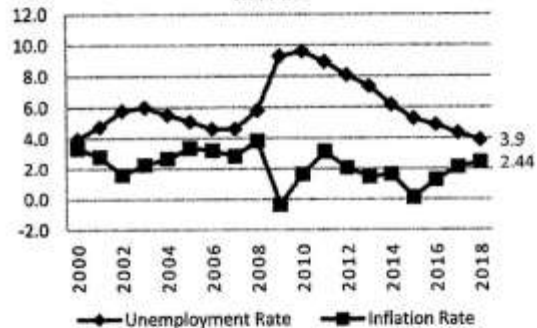
GAY CORORATON

scororaton@realtors.org

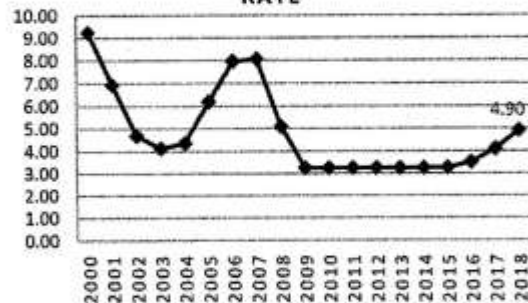
GDP GROWTH



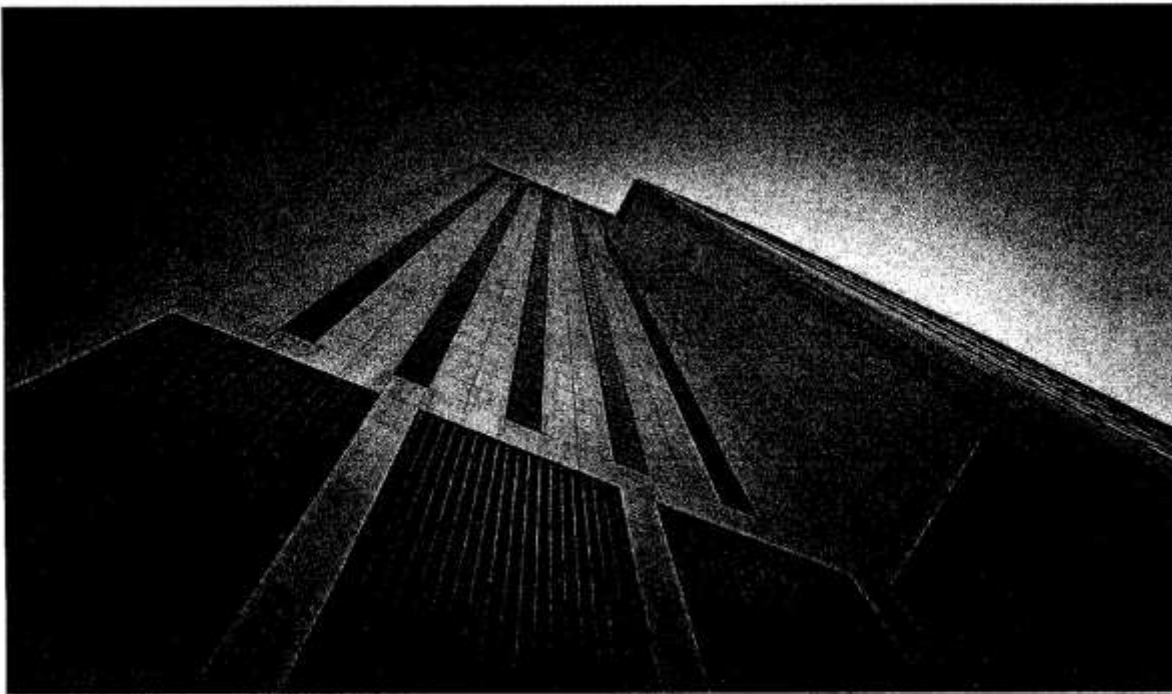
UNEMPLOYMENT AND INFLATION RATES



AVERAGE BANK PRIME LOAN RATE



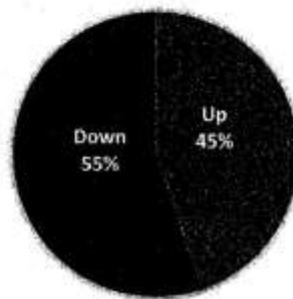
- **56%** of respondents reported an increase in net operating income in 2018, a decrease from 65 percent in the previous year's survey.
- **38%** of respondents reported tighter lending conditions in 2018, up from 35 percent in 2017, with a higher fraction for retail stores.
- **65%** of respondents reported the client used debt financing to purchase a property, with higher reliance on debt financing for suburban offices and retail malls.
- **5% to 7%** was the average interest rate on loans.
- **10 years** was the median loan term, except for loans by life insurance companies, at 15 years, and the Small Business Administration, at 20 years.
- **75 to 80** loan-to-value ratios were common, especially for suburban offices, multi-family properties, and industrial properties.
- **1.25** was the median debt service coverage ratio, with higher DSCR for retail malls.
- **54%** of respondents cited local/community banks and regional banks as the most active sources of financing in commercial deals.



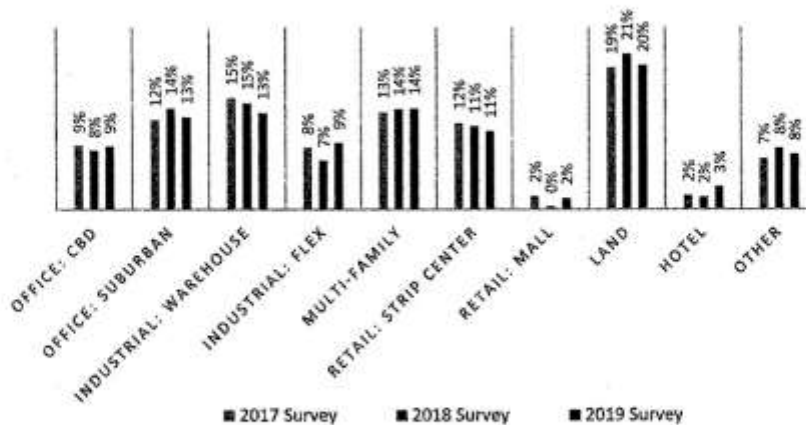
Sales in the Past 12 Months

- 55 percent of respondents reported a decrease in their for sale or for lease inventory in 2018 compared to 2017.
- Land made up 20 percent of properties clients bought or sold, followed by multi-family (14 percent), suburban offices (13 percent) and industrial warehouses (13 percent). Hotels and retail malls made up the lowest share at two percent each.

FOR SALE OR FOR LEASE INVENTORY IN 2018 COMPARED WITH 2017



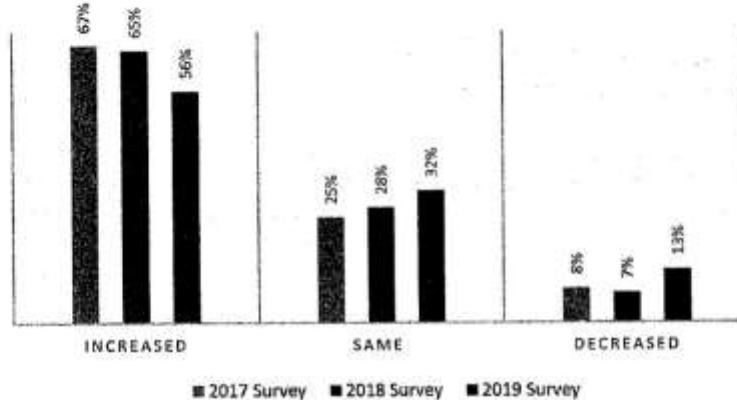
COMMERCIAL PROPERTY TYPES CLIENTS BOUGHT OR SOLD



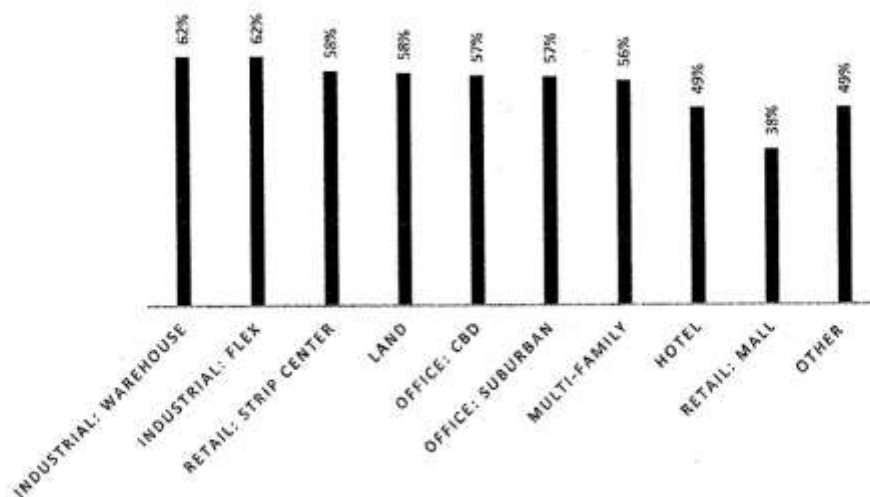
Net Operating Income

- 56 percent of respondents reported an increase in net operating income (NOI) in 2018 from the level in 2017, a decrease from 65 percent of respondents who reported an increase in NOI in 2017 compared to 2016.
- By type of property, industrial properties had the highest fraction of respondents who reported an increase in NOI, while hotel and retail mall transactions had the lowest fraction of respondents who reported an increase in NOI.

CHANGE IN NET OPERATING INCOME



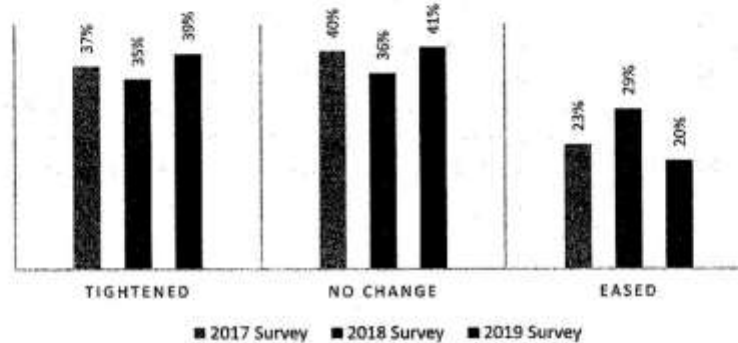
PERCENT OF RESPONDENTS REPORTING AN INCREASE IN NET OPERATING INCOME



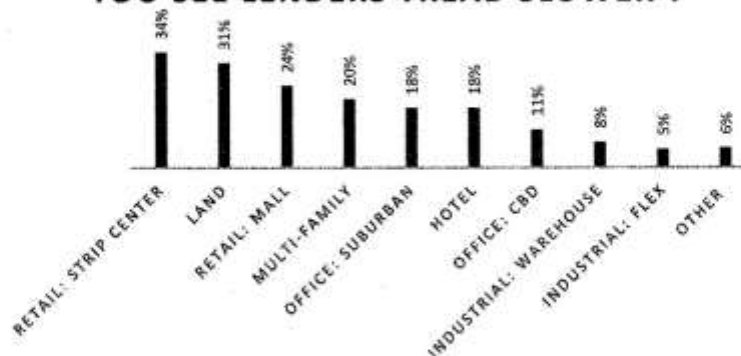
Lending Conditions

- 38 percent of respondents reported tighter lending conditions in 2018, up from 35 percent in 2017.
- 58 percent of respondents reported that lending conditions tightened for retail stores (34 percent for retail strip centers; 24 percent for retail malls). Industrial property had the smallest share of respondents that reported tighter lending conditions, at 13 percent (8 percent, warehouse; 5, percent flex). The survey findings are indicative of the challenges faced by the retail sector and the strong demand for industrial properties on account of the robust expansion of e-commerce sales.

LENDING CONDITIONS IN PAST 12 MONTHS



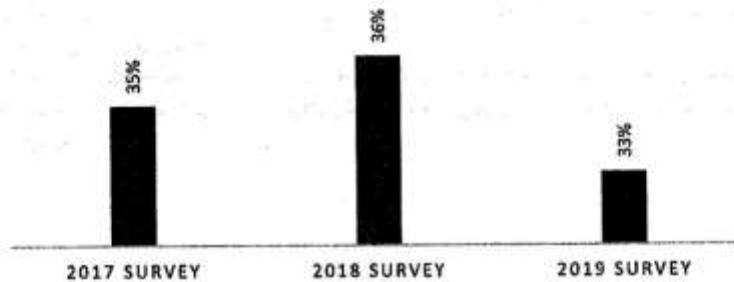
WHAT PROPERTY TYPES (IF ANY) DID YOU SEE LENDERS TREAD SLOWER ?



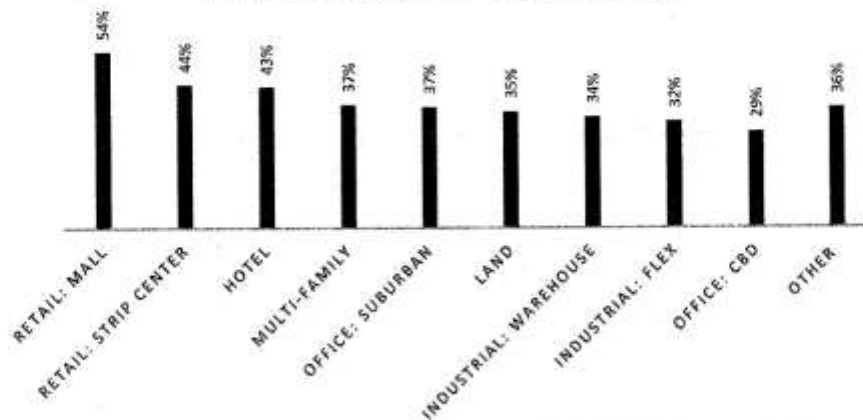
Lending Conditions

- 33 percent of respondents reported they had a failed transaction due to lack of financing.
- 54 percent of those who reported a failed sale transaction reported retail mall transactions, and 44 percent reported retail strip center transactions. The smallest fraction of reported failed sales transactions were CBD offices, at 29 percent. Multiple responses are allowed so the shares won't sum up to 100 percent.
- Loan/underwriting requirements was cited by 54 percent of the respondents as the reason for the failure, followed by financing availability (18 percent), appraisal (15 percent), and other reasons (10 percent).

PERCENT OF RESPONDENTS WITH A FAILED SALES TRANSACTION DUE TO LACK OF FINANCING

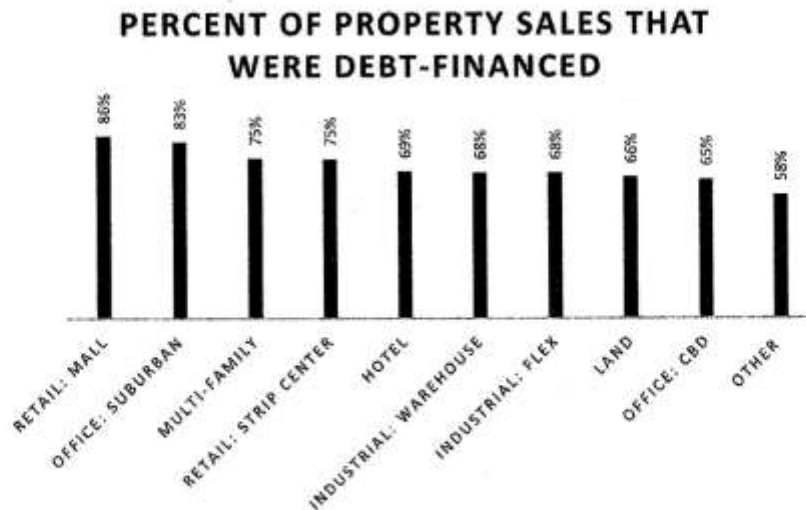
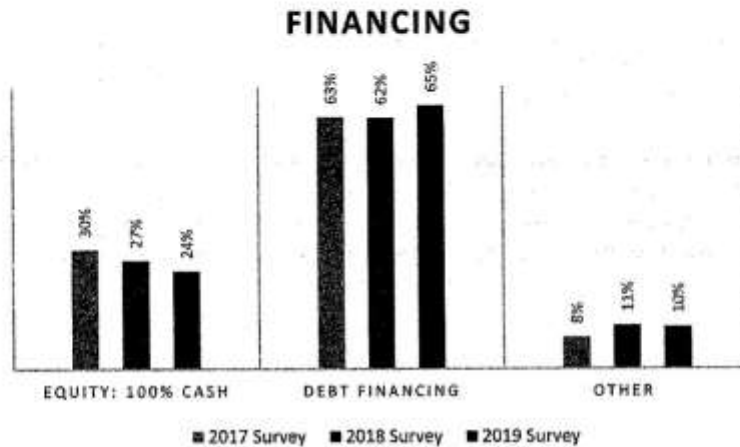


PERCENT OF RESPONDENTS WHO REPORTED A FAILED SALE TRANSACTION DUE TO LACK OF FINANCING



Type of Financing

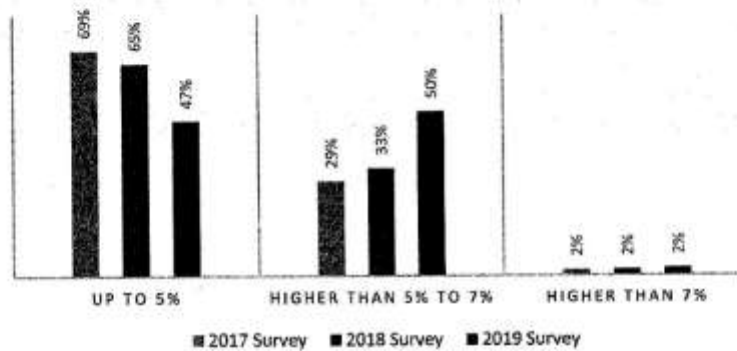
- 65 percent of respondents reported the client used debt financing to purchase a property.
- By property type, over 80 percent of retail malls and suburban office transactions were debt-financed, while only about two-thirds of hotels, industrial properties, land, and CBD offices transactions were debt-financed, with equity (cash) accounting for a larger portion of the financing.



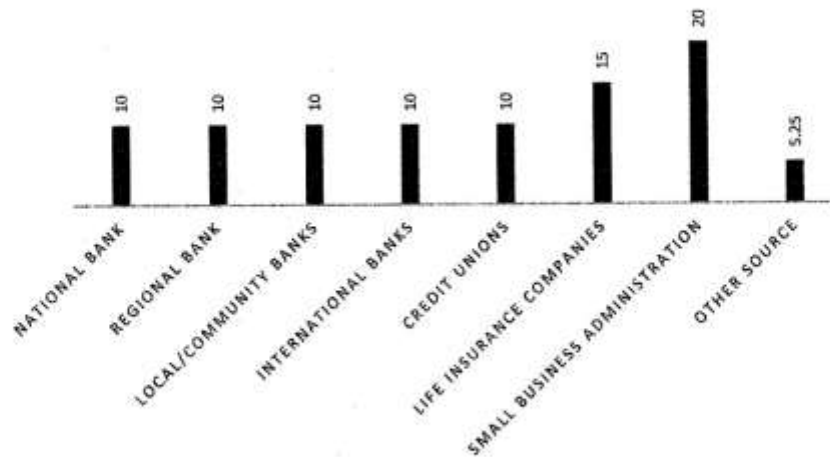
Interest Rate and Loan Term In Years

- 50 percent of debt-financed sales in 2018 had an average interest rate of five to seven percent, up from 33 percent in 2017. This result is consistent with the rising interest rate environment in 2018.
- Respondents reported that the median loan term among lenders was 10 years, except for life insurance companies, 15 years, and the Small Business Administration, 20 years.

AVERAGE INTEREST RATES CHARGED FOR DEBT FINANCING



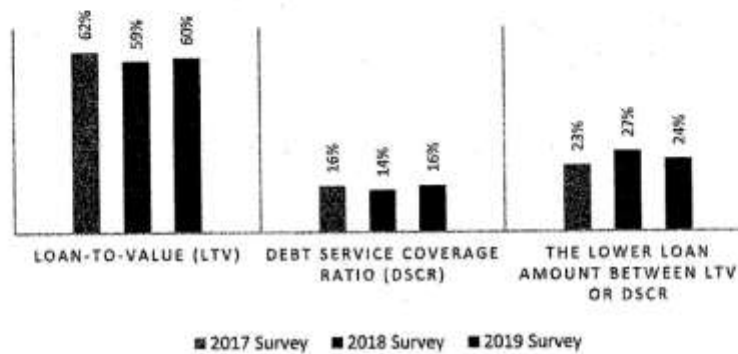
MEDIAN LOAN TERMS IN YEARS



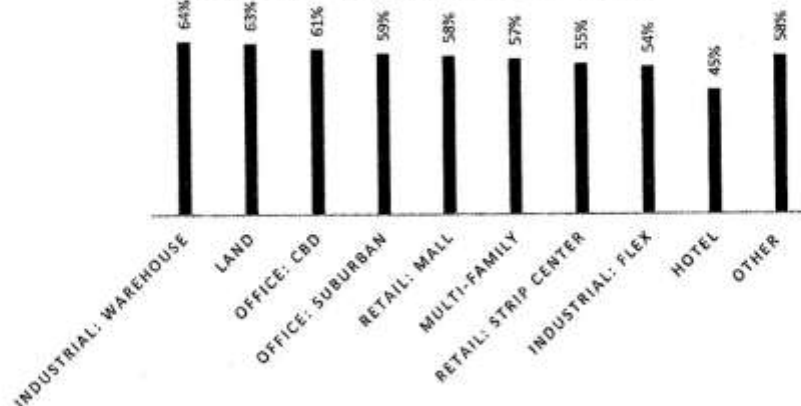
Loan-to-Value Ratio

- 60 percent of respondents reported that lenders used the loan-to-value (LTV) ratio as the criteria for determining the loan amount; the rest used the debt service coverage (DSC) ratio or the smaller of the loan amount using the DSCR or the LTV
- By property type, a higher fraction of loan amounts for industrial warehouses, land, and offices were determined using the LTV criteria compared to other property types

LENDERS' LOAN CRITERIA USED TO DETERMINE LOAN AMOUNT

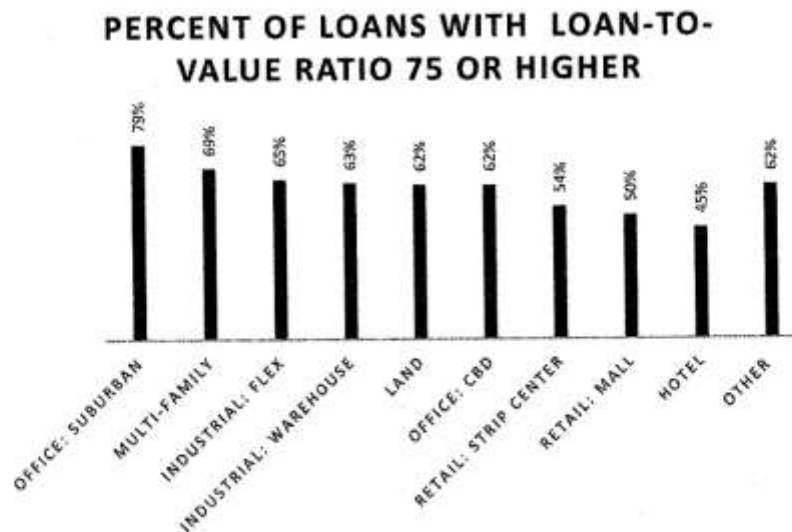
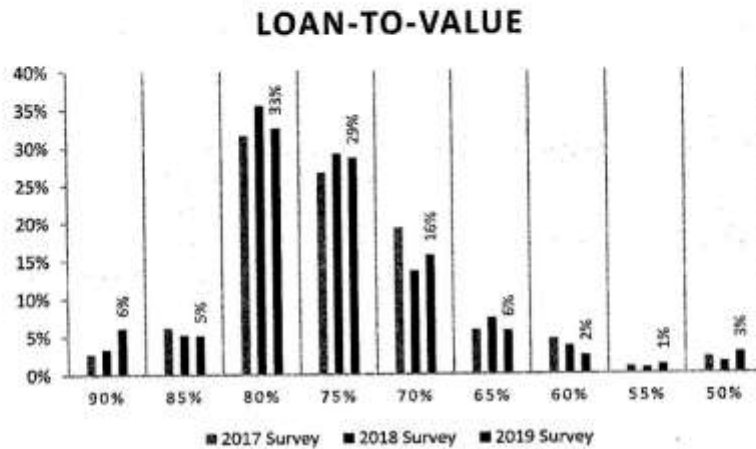


SHARE OF LOANS THAT USED LTV CRITERIA TO DETERMINE LOAN AMOUNT BY PROPERTY TYPE



Loan-to-Value Ratio

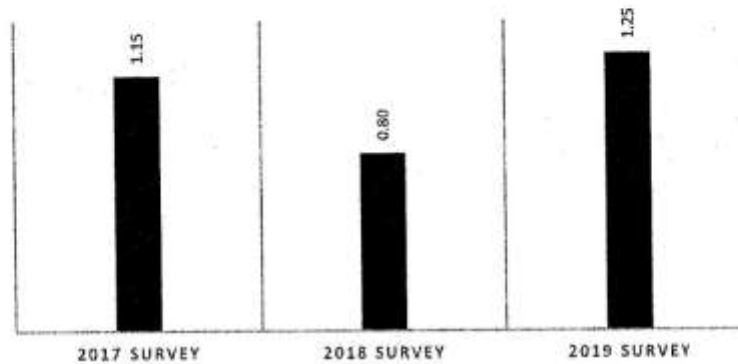
- Of the reported transactions where the loan amounts were determined using the LTV ratio, 62 percent had LTV ratios of 75 percent or 80 percent.
- By property type, suburban office, multi-family, and industrial properties had the highest fraction of loans with LTV ratio of 75 or higher, while at most half of retail stores and hotel loan amounts had an LTV ratio of 75 or higher.



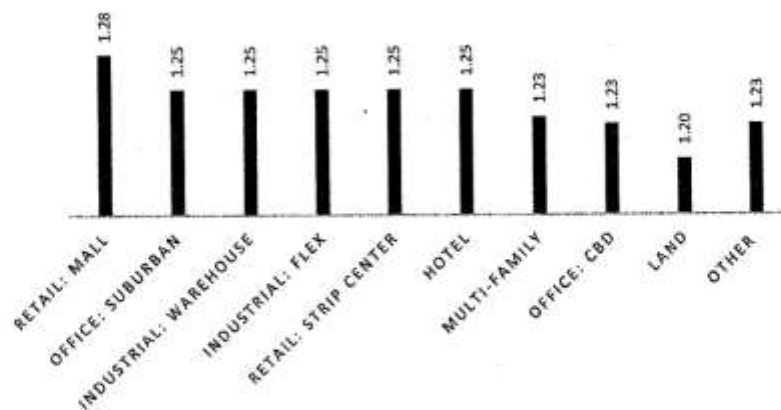
Debt Service Coverage Ratio

- The median debt service coverage ratio was 1.25.
- By property type, retail malls appeared to have a slightly higher debt service coverage ratio compared to other properties, while land transactions had the lowest debt service coverage ratio.

MEDIAN DEBT SERVICE COVERAGE RATIO



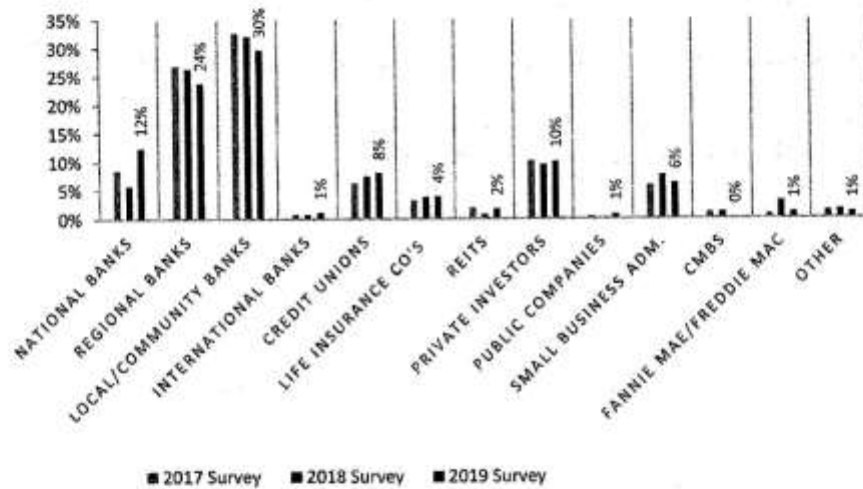
MEDIAN DEBT SERVICE COVERAGE RATIOS



Lenders

- Local/community banks comprised the biggest source of lending, at 30 percent, followed by regional banks, at 24 percent in the 2019 survey (2018 reference year).
- National banks accounted for 12 percent, although the share increased from six percent in the 2018 survey (2017 reference year).
- Private investors made up 10 percent, and credit unions eight percent.
- The Small Business Administration accounted for six percent of reported transactions.

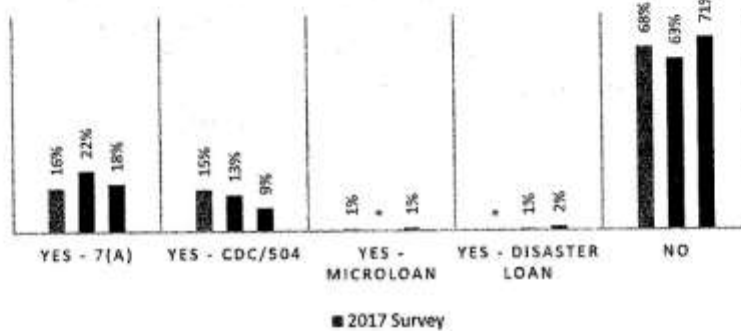
SOURCES OF FINANCING



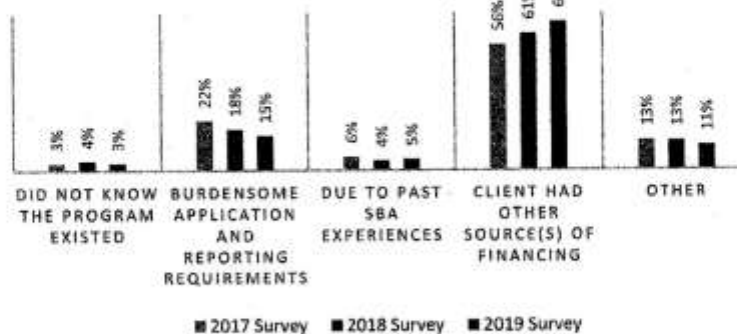
SBA Lending

- 19 percent of respondents reported a client who had used an SBA lending program in 2018: 18 percent, 7(A); 9 percent CDC/504; and 1 percent, microloan
- Among those who reported they did not have a client who used an SBA lending program, 66 percent reported that the client had other sources of financing. Three percent reported the client did not know the SBA program existed.

DISTRIBUTION OF CLIENTS WHO USED SBA LENDING PROGRAMS



REASONS CLIENT DID NOT USE SBA LENDING PROGRAMS



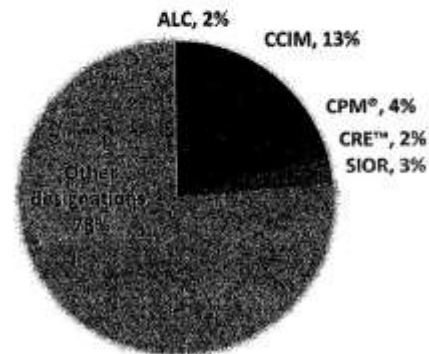
ABOUT THE SURVEY

In March of 2019, NAR sent out the online survey to nearly 70,000 REALTORS® with an interest in commercial real estate. The objective of the survey was to gather information about their commercial transactions with international clients during the period January–December 2018. A total of 1,009 responses were received for an overall response rate of 1.4 percent.

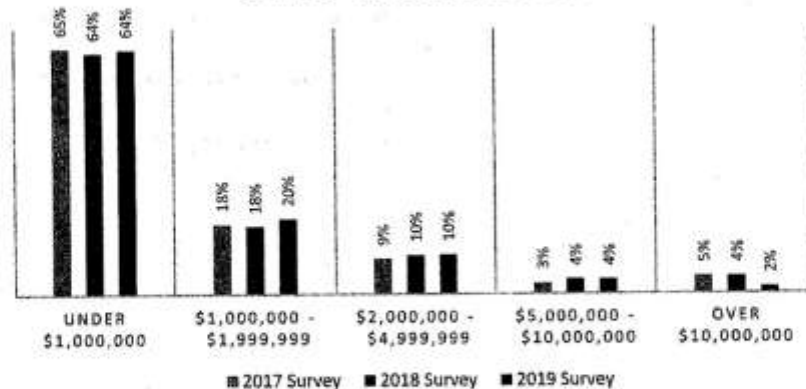
Of the 1,009 respondents, 573 or 57 percent had a sale and were asked questions about their transactions. Respondents had a median of four transactions during the year. The average sales transactions value was less than \$ 1 million.

Based on the 573 respondents, the margin of error for estimating proportions (using 50 percent sample estimate) at the 95 percent level of confidence is 4 percent. The margin of error for sub-groups estimates (property types) will be higher.

DESIGNATIONS OF RESPONDENTS IN THE 2019 COMMERCIAL LENDING SURVEY



DISTRIBUTION OF AVERAGE VALUE OF SALES TRANSACTION



PART IV

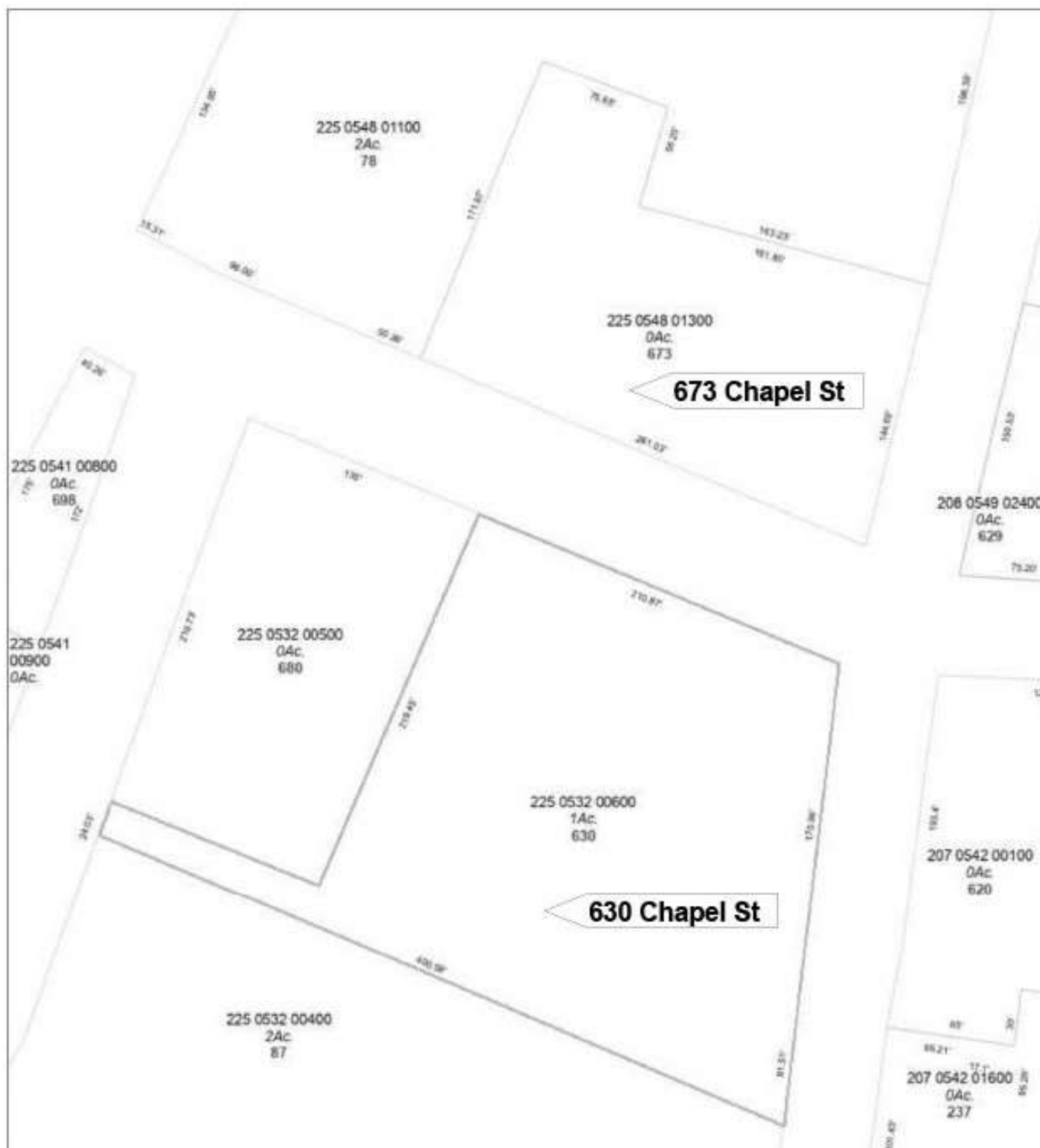
**SALES COMPARISON
APPROACH**

**“PERSPECTIVE” MARKET VALUES
WITH APPROVALS NEEDED FOR 17
APARTMENTS FOR
64 WALLACE STREET**

**COMPARABLE SALE #1
630 & 673 CHAPEL STREET
NEW HAVEN, CT 06511**

Sale Price:	\$14,600,000.
Sale Date:	11/12/2019
Deed Reference:	Volume 9933 Pages 65 & 69
Assessor Reference:	Map 225 Blocks 532 & 548 Lots 6 & 13
Grantor:	Spinnaker Residential LLC
Grantee:	Chapel Street Residences Owner LLC
Year Built:	N/A - to Raze Buildings
Data Source:	Town Land Records
Land Area:	2.27 Acres
Building Area:	Razing Existing Buildings
Number of Units to Be Built:	230 Units
Zone:	BA
Sale Price per Unit:	\$63,500 per Unit

Comments: 230 Apartment units built in 2022



COMPARABLE SALE #2
201 MUNSON STREET & 23 SHELTON AVENUE
NEW HAVEN, CT 06511

Sale Price:	\$6,000,000.
Sale Date:	04/02/2019
Deed Reference:	Volume 9835 Page 13
Assessor Reference:	Map 284 Block 392 Lots 1 & 17
Grantor:	Resight Holdings LLC
Grantee:	GFT New Haven LLC
Year Built:	N/A - to Raze Buildings
Data Source:	Town Land Records
Land Area:	12.74 Acres
Building Area:	Razing Existing Buildings
Number of Units to Be Built:	398 Units
Zone:	IH
Sale Price per Unit:	\$15,000 per Unit

Comments:

Currently under construction as of the date of inspection on June 20, 2023.

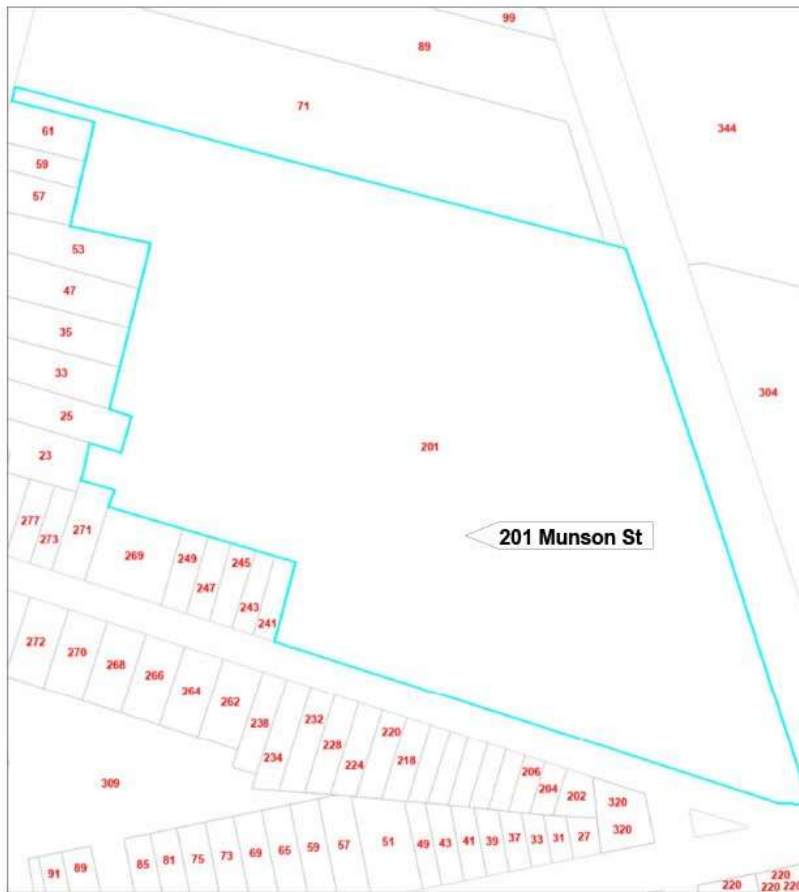


COMPARABLE SALE #2
201 MUNSON STREET & 23 SHELTON AVENUE
NEW HAVEN, CT 06511

Sale Price:	\$6,000,000.
Sale Date:	04/02/2019
Deed Reference:	Volume 9835 Page 13
Assessor Reference:	Map 284 Block 392 Lots 1 & 17
Grantor:	Resight Holdings LLC
Grantee:	GFT New Haven LLC
Year Built:	N/A - to Raze Buildings
Data Source:	Town Land Records
Land Area:	12.74 Acres
Building Area:	Razing Existing Buildings
Number of Units to Be Built:	398 Units
Zone:	IH
Sale Price per Unit:	\$15,000 per Unit

Comments:

Currently under construction as of the date of inspection on June 20, 2023.



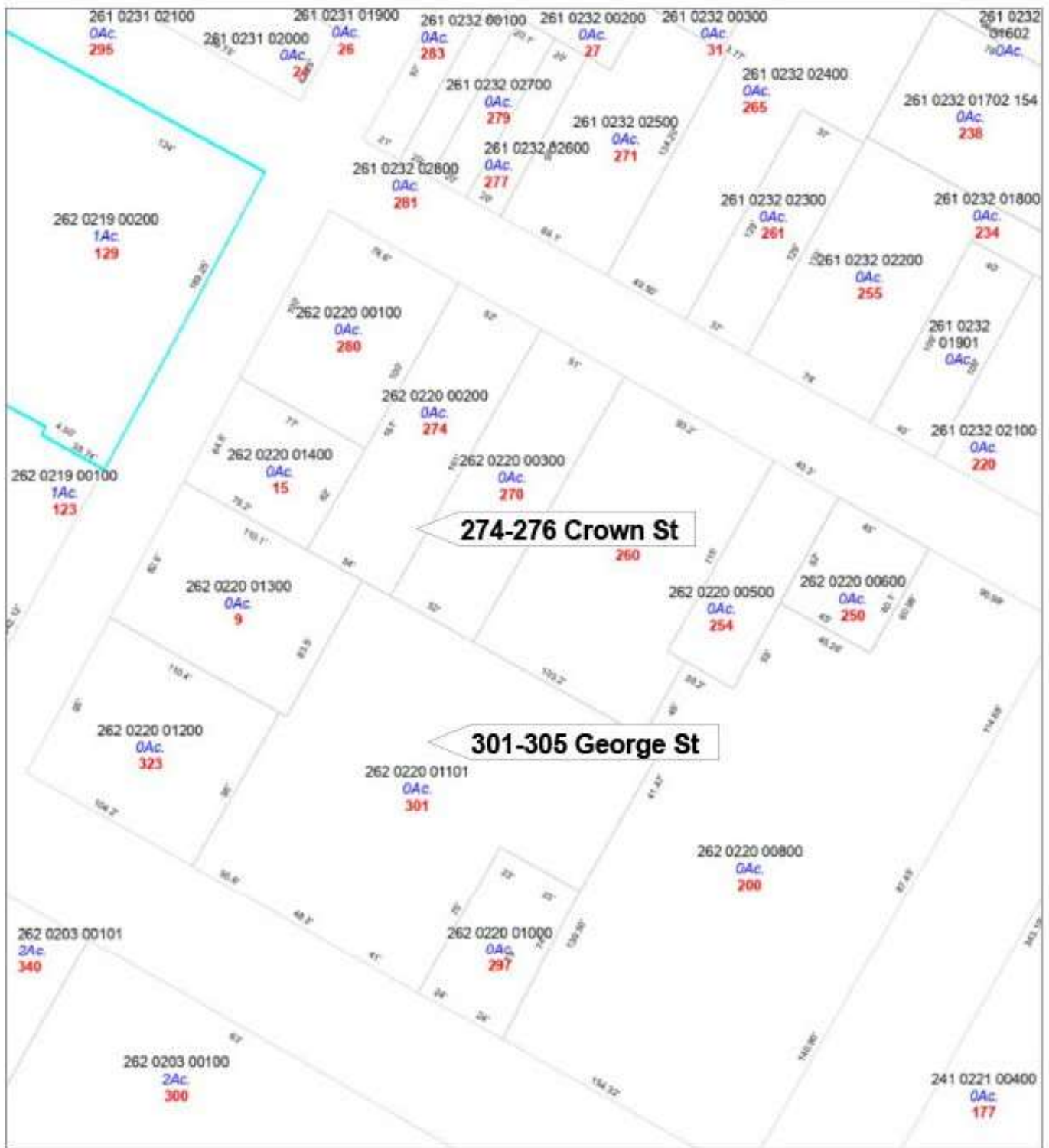
**COMPARABLE SALE #3
301-305 GEORGE STREET
(INCLUDES 307 & 311 GEORGE PARCELS)
274-276 CROWN STREET
NEW HAVEN, CT 06511**

Sale Price:	\$5,050,000.
Sale Date:	11/03/2015
Deed Reference:	Volume 9343 Page 202
Assessor Reference:	Map 262 Block 220 Lots 00200 & 01101
Grantor:	Salvation Army Incorporated
Grantee:	Smith Construction Company Inc Towering Oaks II LLC Stone Investment Properties LLC
Year Built:	1900 – 301 George Street All other buildings to be razed
Data Source:	Town Land Records
Land Area:	.862 Acres
Building Area:	4,820 square feet in 1 building to remain All other buildings will be razed & new buildings built
Number of Units to Be Built:	74 Units
Zone:	BD
Sale Price per Unit:	\$57,432 per Unit

Sale Price per Unit Calculation:

\$ 5,050,000
- \$800,000 (remaining 4 apartments at \$200,000 each)
\$ 4,250,000 ÷ 74 Units = \$57,432 per Unit

Comments: This particular land sale includes one building with four apartments that will remain on the property. The remaining buildings will be razed and new structures will be built over the next few years after the sale. The building with four apartments remaining has 4820 square feet with 4-3 room apartments. Due to the existing remaining apartment's location and condition, it is estimated that the units are valued at \$200,000 each. The average value of the new apartments is



based upon 74 units with the sales price of \$4,250,000 or \$57,432 per unit. Units were built in 2017-2018.

SALES COMPARISON GRID

	SUBJECT	COMPARABLE SALE #1	COMPARABLE SALE #2	COMPARABLE SALE #3
ADDRESS	64 Wallace Street New Haven, CT	630 Chapel Street 673 Chapel Street New Haven, CT	201 Munson Street 23 Shelton Avenue New Haven, CT	301-305 George Street 274-276 Crown Street New Haven, CT
SALE PRICE	N/A	\$14,600,000	\$6,000,000	\$5,050,000
SALE DATE (a)	Retrospective Date of 03/01/2019	11/12/2019	04/02/2019	11/03/2015
LOCATION	Average Plus for Apartments	Good	Average	Very Good
BUILDING AREA	To be determined	To raze	To raze	Raze buildings & leave 1 Building w/4,820 SF consisting of 4 apartments
YEAR BUILT	To Be Built	N/A	N/A	1900
CONDITION	Approvals needed for 17 apartments	To raze	To raze	Remaining building – good / others to raze
LAND AREA	0.11 Acres	2.2 Acres	13.05 Acres	0.86 Acres
NUMBER OF UNITS TO BUILD	17 Units	230 Units	398 Units	74 Units
ZONE	IL	BA	IH	BD
USE	Approvals needed for 17 apartments	Build 230 apartments	Build 398 apartments	Build 64 apartments
SALE PRICE / PER UNIT	N/A	\$63,500	\$15,000	\$57,432
COMMENTS		Built 230 units in 2022	Currently under construction as of inspection date of 06/20/2023	Built 74 units starting in 2017 and 2018. Value \$4,250,000 for new apartments

Note (a) The Subject has a sale date which is not a sale date but the effective Retrospective Appraisal date of the report.

LAND ONLY - SALES ADJUSTMENTS

	SALE #1	SALE #2	SALE #3
ADDRESS	630 Chapel Street 673 Chapel Street New Haven, CT	201 Munson Street 23 Shelton Avenue New Haven, CT	301-305 George Street 274-276 Crown Street New Haven, CT
SALES PRICE PER UNIT	\$63,500	\$15,000	\$57,432
MARKET CONDITIONS	0%	0%	+15%
ADJUSTED SALES PRICE PER UNIT	\$63,500	\$15,000	\$66,047
LOCATION	-15%	+50%	-15%
BUILDING AREA	0%	0%	0%
CONDITION/AGE	0%	0%	0%
LAND/BUILDING RATIO	0%	0%	0%
ADJUSTED SALES PRICE PER UNIT	\$53,975	\$22,500	\$56,140

AVERAGE ADJUSTED SALES PRICE PER UNIT = \$44,205

EXPLANATION OF ADJUSTMENTS

Market Conditions: The market has appeared stable since November 3, 2015. An upward adjustment made sale #3 to reflect an increasing real estate market for apartments.

Location: Adjustments were made to sales #1 and #3 for their superior location as compared to the subject. An adjustment was made to sale #2 for its inferior location as compared to the subject.

SALES COMPARISON APPROACH CONCLUSION/VALUE

The quality and quantity of the comparable sales data is rated average. All sales have been analyzed as they compare to the subject property and all elements of comparison have been considered. The estimated adjustment to the sales data resulted in an adjusted sales price per unit ranging between \$22,500 and \$56,140 with an average sales price per unit of \$44,205. Upon careful consideration, it is my opinion that the subject property has a supportable per unit value of \$51,000 as most weight was given to sales #1 and #3 due to their location. Sale #1 is on the same street and approximately 2 blocks from the subject.

Therefore, based upon the fact that this would be new construction, the estimated Market Value with approvals needed for 17 apartment units:

$$17 \text{ units} \times \$51,000 = \$867,000$$

ESTIMATED VALUE VIA THE SALES COMPARISON APPROACH

EIGHT HUNDRED SIXTY-SEVEN THOUSAND DOLLARS

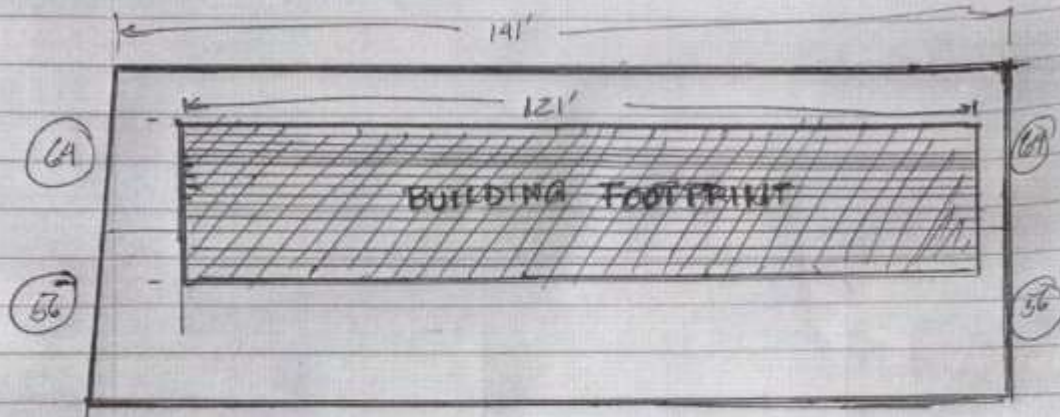
\$867,000.

Note: The following pages are noted for the “Perspective” Market Value for the approvals needed for 17 apartments:

- The 2 sketches were drawn by the owner.
- The sketch includes a 5-story building consistent with the other owner’s building at 433 Chapel Street to include 17 apartments, an elevator, and parking.
- A survey of the existing conditions for 433 Chapel Street, 56 Wallace Street, and 64 Wallace Street and their adjoining properties.

The additional items needed from the City of New Haven are:

- An easement from the adjoining Lot 56 on Wallace Street.
- Parking exception.
- A variance from zoning.



$$121 \text{ ft} \times 20 \text{ ft} = 2420 \text{ sq/ft PER FLOOR - GROSS}$$

WITH 4 FLOORS - $4 \text{ floors} \times 2420 = 9680 \text{ sq/ft TOTAL}$

- $6 \text{ floor} \times 2420 = 14,520 \text{ sq/ft TOTAL}$

- $5 \text{ floor} \times 2420 = 12,100 \text{ sq/ft TOTAL}$

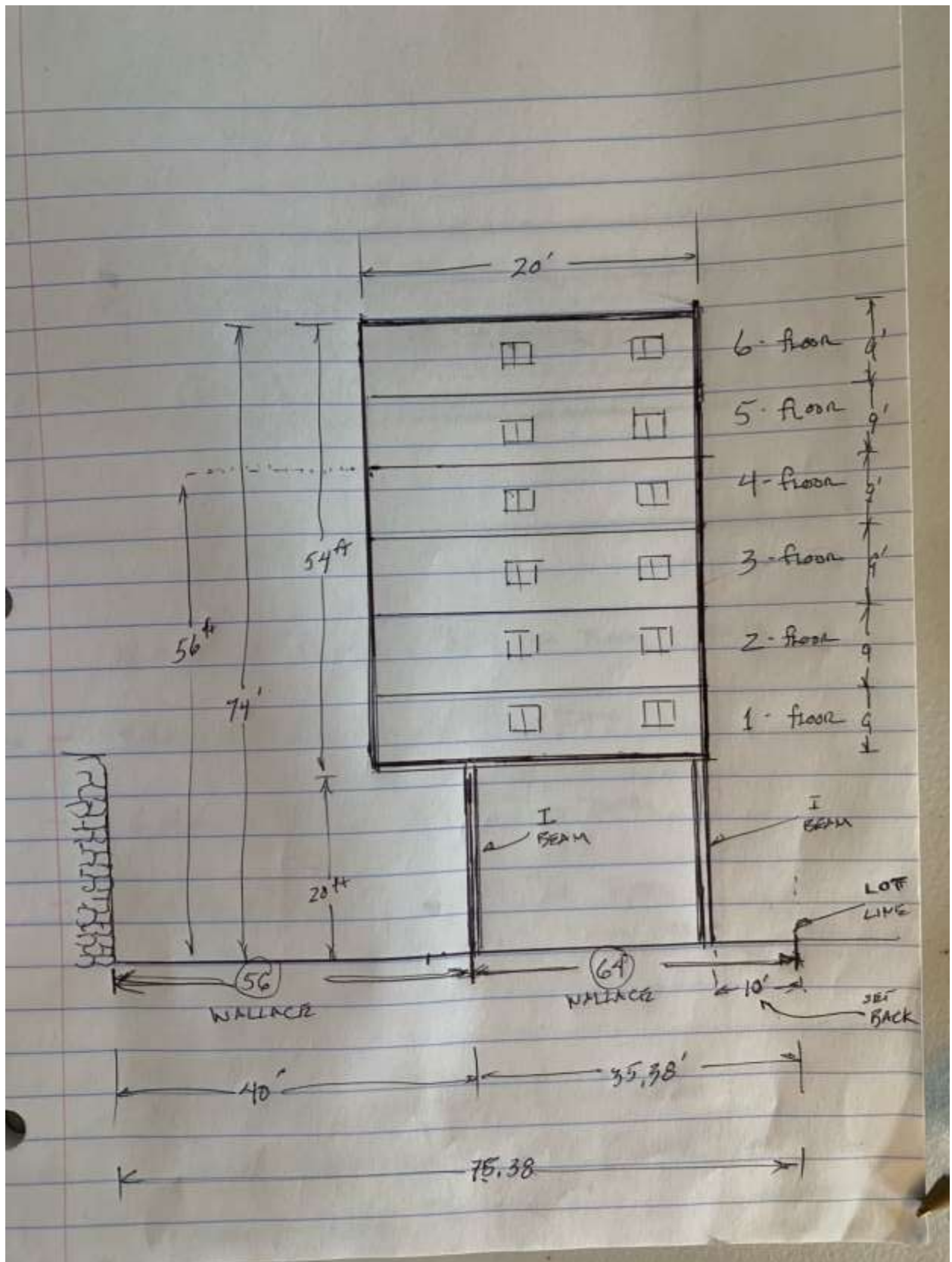
5 floors will be 65' TOTAL HEIGHT (SALIZ HGT AS 435 CMR)

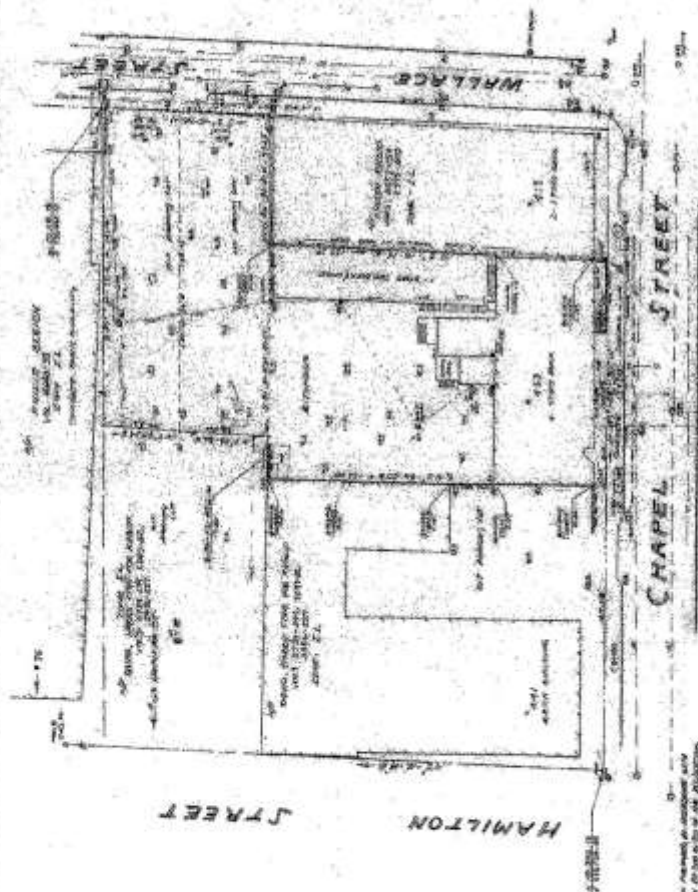
$2420 \text{ sq/ft} - \text{GROSS}$

- 890 sq/ft FOR 2 STAIRWAYS + ELEVATOR SHAFT

1530 sq/ft USEABLE FOR APT SPACE PER FLOOR

5 floors = $7,650 \text{ sq/ft} \div 450 \text{ sq/ft} = 17 \text{ APTS (1 Bedroom)}$





GRAPHIC SCALE 1000'

[illegible]

the American dream, as it were, that



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1-10-1918

© 1997 by Blackwell Science Ltd

- [illegible]

Signature: _____

- [illegible]

CORRELATION AND FINAL VALUE CONCLUSION

COST APPROACH

Part of the Cost Approach factors were utilized in developing the Sales Approach for #3 the “Perspective” Market Value below. The Cost Approach was not applicable in determining market value for #1, #2 and #5 listed below.

SALES COMPARISON APPROACH **\$ 375,000**

1) “As-Is” Market Value as an industrial building includes
433 Chapel Street, 56 Wallace Street and 64 Wallace Street

SALES COMPARISON APPROACH **\$1,040,000**

2) “As Is” Market Value with residential approvals for 25 apartments
and 1 commercial unit for 433 Chapel Street and 56 Wallace Street

SALES COMPARISON APPROACH **\$7,100,000**

3) “Perspective” Market Value with development of 25 apartments
and 1 commercial unit for 433 Chapel Street and 56 Wallace Street

INCOME CAPITALIZATION APPROACH

4) “Perspective” Market Value with development of 25 apartments **\$7,500,000**
and 1 commercial unit for 433 Chapel Street and 56 Wallace Street

“Perspective” Market Value with Owner’s Offer AMI at 80% for **\$7,100,000**
18 years with development of 25 apartments and 1 commercial
unit for 433 Chapel Street and 56 Wallace Street

“Perspective” Market Value with City of New Haven Offer AMI **\$7,100,000**
at 80% for 18 years with development of 25 apartments and 1
commercial unit for 433 Chapel Street and 56 Wallace Street

SALES COMPARISON APPROACH **\$867,000**

5) “Perspective” Market Value with approvals needed for 17
apartments only for 64 Wallace Street

CORRELATION AND FINAL VALUE CONCLUSION

FINAL VALUATION	\$ 375,000
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“As-Is” Market Value as an industrial/commercial building includes
433 Chapel Street, 56 Wallace Street and 64 Wallace Street

FINAL VALUATION	\$1,040,000
------------------------	--------------------

“As Is” Market Value with residential approvals for 25 apartments
and 1 commercial unit for 433 Chapel Street and 56 Wallace Street

FINAL VALUATION

(A) “Perspective” Market Value with development of 25 apartments and 1 commercial unit for 433 Chapel Street and 56 Wallace Street	\$7,300,000
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(B) “Perspective” Market Value with AMI at 80% for 18 years with development of 25 apartments and 1 commercial unit for 433 Chapel Street and 56 Wallace Street	\$7,100,000
---	--------------------

FINAL VALUATION	\$867,000
------------------------	------------------

“Perspective” Market Value with approvals needed for 17
apartments only for 64 Wallace Street

(A) Based upon the market valuation with no adjustments for AMI which is \$7,300,000 and the total cost factor for rehabilitation and renovation of \$5,600,000 the net value or equity equals \$1,700,000 exclusive of any debt incurred.

(B) Based upon the market valuation utilizing 80% adjustment of AMI which is \$7,100,000 and the total cost factor for rehabilitation and renovation of \$5,600,000 the net value or equity equals \$1,500,000 exclusive of any debt incurred.

The *Cost Approach* was considered but was concluded to be only partially applicable. Part of the Cost Approach factors were utilized in developing the Sales Approach for #3 the “Perspective” Market Value below. The Cost Approach was not applicable in determining market value for #1, #2 and #4 listed as stated above.

The *Direct Sales Comparison Approach* was developed in this report. This approach reflects the action of buyers and sellers in the marketplace and is considered to be a reliable method for this Appraisal. This approach is most reliable when comparable sales data exists.

The *Income Approach* is considered to be a reliable and realistic method of valuation inasmuch as it directly reflects the individual income producing capabilities of the subject.

CORRELATION AND FINAL VALUE CONCLUSION

Predicated upon information set forth in this appraisal, together with my judgment and experience, it is my opinion that the subject property has an indicated retrospective fee simple market value as of March 1, 2019, of:

“As-Is” Market Value as an industrial/commercial building includes 433 Chapel Street, 56 Wallace Street and 64 Wallace Street	\$375,000.
“As Is” Market Value with residential approvals for 25 apartments and 1 commercial unit for 433 Chapel Street and 56 Wallace Street	\$1,040,000.
“Perspective” Market Value with development of 25 apartments and 1 commercial unit for 433 Chapel Street and 56 Wallace Street	\$7,300,000
“Perspective” Market Value with AMI at 80% for 18 years with development of 25 apartments and 1 commercial for 433 Chapel Street and 56 Wallace Street	\$7,100,000
“Perspective” Market Value with approvals needed for 17 apartments only includes 64 Wallace Street	\$867,000



Raymond R. Miller, Sr.
CT Certified General Appraiser
License #RCG.0000992
Expiration date: 04/30/2024

CONTINGENT AND LIMITING CONDITIONS

The certification of the appraiser appearing in the appraisal report is subject to the following limiting conditions.

1. The appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership. All existing liens and encumbrances have been disregarded and the property is appraised as though free and clear, unless otherwise specified.
2. The maps, plats, and exhibits included in this report are for illustration only to help the reader visualize the property. They should not be considered as surveys or relied upon for any other purpose. No appraiser responsibility is assumed in connection therewith.
3. It is assumed, unless specifically disclosed, that there are no structural defects hidden by floor or wall coverings or any other hidden or unapparent conditions of the property; that all mechanical equipment and appliances are in good working condition; and that all electrical components and the roofing are in good condition. If the client has any questions regarding these items, it is the client's responsibility to order the appropriate inspections. The appraiser does not have the skill or expertise needed to make such inspections. The appraiser assumes no responsibility for these items.
4. No soil borings or analysis has been made of the subject. It is assumed that soil conditions are adequate to support standard construction consistent with the highest and best use as stated in this report.
5. It is assumed that all required licenses, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the noncompliance is stated and considered in this report.
6. When the Discounted Cash Flow Analysis is utilized, it is prepared on the basis of information and assumptions stipulated in this report. The achievement of any financial projections will be affected by fluctuating economic conditions and is dependent upon the occurrence of other future events that cannot be assured. Therefore, the actual results achieved may well vary from the projections and such variations may be material.
7. The appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made therefore.
8. Any distribution of the valuation in the report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.
9. Information, estimates, and opinions furnished to the appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct.

CONTINGENT AND LIMITED CONDITIONS - CONTINUED

10. Disclosure of the contents of the appraisal report is governed by the Bylaws and Regulations of the professional appraisal organization with which the appraiser is affiliated.
11. Neither all, nor any part of the report, or copy thereof (including conclusions as to the property value, the identity of the appraiser, professional designations, reference to any professional appraisal organizations, or the firm with which the appraiser is connected), shall be used for any purposes by anyone but the client specified in the report, the borrower if appraisal fee paid by the same, the mortgagee or its successors and assigns, mortgage insurers, consultants, professional appraisal organizations, any state or federally approved financial institution, any department, agency, or instrumentality of the United States or any state or the District of Columbia, without the previous written consent and approval of the appraiser.
12. On all appraisals of property under construction or renovation, the appraisal report and value conclusion are contingent upon satisfactory completion of the improvements in a workmanlike manner.
13. The individual values estimated for the various components of the subject property are valid only when taken in the context of this report and are invalid if considered individually or as components in connection with any other appraisal.
14. The date of value to which the opinions expressed in this report is set forth in a letter of transmittal. The appraiser assumes no responsibility for economic or physical factors occurring at some later date that may affect the opinions herein stated.
15. If this report is used within a credit sale-leaseback-type transaction, or the offering structure of a syndicate or syndication partnership, joint venture, or association, it is to be noted that the market value estimate rendered is restricted exclusively to the underlying real property rights defined in this report. No consideration whatsoever is given to the value of any partnership units or interest(s), broker or dealer selling commissions, general partners' acquisition fees, operating deficit reserves, offering expenses, atypical financing, and other similar considerations.
16. My value estimate presumes that all benefits, terms, and conditions have been disclosed in any lease agreements, and we have been fully informed of any additional considerations (i.e., front-end cash payments, additional leasehold improvement contributions, space buybacks, free rent, equity options).
17. This appraisal was prepared for the confidential use of the client for the purpose specified and must not be used in any other manner without the written consent of the appraiser. The report and the data herein contained, except that provided by the client, remain the exclusive property of Miller Appraisals.
18. This appraisal report includes sufficient information to indicate that the appraiser complies with the requirements of Standards Rule 1 of USPAP, including the requirements governing any permitted departures from the appraisal guidelines.

CRITICAL ASSUMPTIONS AND LIMITING CONDITIONS

The value estimate in this appraisal report is subject to the following critical assumption(s) and limiting condition(s), in addition to the standard Assumptions and Limiting Conditions herein.

This appraisal is predicated on the assumption that hazardous substances do not exist at the subject property. Hazardous substances cover any material within, around, or near a property that may have a negative effect on its value, including without limitation, hazards that may be contained within the property, such as friable asbestos, and external hazards, such as toxic waste or contaminated ground water. No apparent evidence of contamination or potentially hazardous materials was observed on the date of inspection. The appraiser is not qualified to determine the existence of or make any certification as to the presence of or the absence of any hazardous substances. The Appraiser is not an expert in this field and assumes no responsibility for any such conditions.

ADA: I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the Americans with Disabilities Act (ADA), nor have I considered possible compliance with the requirements of ADA in estimating the value of the property.

RAYMOND R. MILLER, SR.
MILLER APPRAISALS
69 CEDAR HILL ROAD
MILFORD, CT 06460

APPRAISER'S QUALIFICATIONS:

Connecticut Certified General Appraiser

License #RCG.0000992

Professional Experience:

My professional portfolio over the past 25 years includes completing over 2,500 actual assignments to include various lawyers, lending institutions and professional businesses. These assignments include but are not limited to before and after analysis, subdivision analysis and development, conservation assignments, impact of rights on value, partial damages, divorce mediation, valuation of partial interest, taking of development rights and valuation of contaminated properties. The types of properties include commercial, residential, and industrial. The assignments have been shopping centers, office building, office condominiums, residential condominiums, convenience stores, mixed use, gasoline service stations, motels, hotels, seasonal property, waterfront property, schools, storage facilities, warehouses, fast food restaurants, day care facilities, auto repairs, multi-families, health clubs, theaters, apartment complexes, mill buildings, truck terminals, and commercial, industrial, and residential land.

My professional experience has also involved unique properties to include churches, fraternal clubs, large industrial buildings, proposed and existing condominium complexes, nursing and convalescent homes and self-storage units. Unique assignments have included partial interests, condemnation work, tax appeals and fire related cases of partial and complete destruction of buildings.

My real estate experience expands outside appraisal into real estate investment and development. My experience has been in investing and developing various properties to include industrial, apartments, office condominiums, residential and land development. Overseen the remodeling of over 200 residential, commercial, and industrial properties.

Court Experience:

Appeared as an expert appraisal witness throughout Superior Courts in Connecticut in various cases.

Appeared as an expert appraisal witness in the Federal Bankruptcy Court in Connecticut.

Education and Military Service:

Sacred Heart University

Attended: Masters of Education

Fairfield University

Bachelors of Science in Business Management

USAR - Honorable Discharge in 1968: Service from 1960 to 1968

Raymond R. Miller, Sr. has been an appraiser for 25 years and is qualified to appraise residential and commercial properties in Connecticut. This appraiser is a Connecticut Certified General Appraiser and meets the requirements set forth by the State of Connecticut, Certification #RCG.0000992.

Raymond R. Miller, Sr. has taken numerous appraisal courses sponsored by the Appraisal Institute and other companies that specialize in appraisal courses throughout my career.

Miller Appraisals consists of Raymond R. Miller, Sr. as principal.

RAYMOND R. MILLER, SR.

***69 CEDAR HILL ROAD
MILFORD, CT 06461
203-530-4546***

EXPERIENCE

2003 to Present

***Miller Appraisals
Milford, CT***

Certified Licensed General Real Estate Appraiser

Expert Witness in Various CT State Superior Courts

Expert Witness in Federal Bankruptcy Court in CT

1998 to 2003

Provisional Real Estate Appraiser

1981 to Present

Real Estate Investor

1961 to 1986

***Mechanics & Farmers Savings Bank
Bridgeport, CT***

Chief Operating Officer & Executive Vice President

EDUCATION

Sacred Heart University

Attended: Masters of Education

Fairfield University

Bachelors of Science in Business Management

Continuing Education

Numerous appraisal courses sponsored by the Appraisal Institute and other companies that specialize in appraisal

APPRAISER'S E & O INSURANCE – PAGE 1



301 E. Fourth Street, Cincinnati, OH 45202

DECLARATIONS for REAL ESTATE APPRAISERS ERRORS & OMISSIONS INSURANCE POLICY

THIS IS BOTH A CLAIMS MADE AND REPORTED INSURANCE POLICY.

**THIS POLICY APPLIES TO THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED
AND REPORTED IN WRITING TO THE COMPANY DURING THE POLICY PERIOD.**

Insurance is afforded by the company indicated below: (A capital stock corporation)

☒ Great American Assurance Company

Note: The Insurance Company selected above shall herein be referred to as the **Company**.

Policy Number: **RAP3367619-22**

Renewal of: **RAP3367619-21**

Program Administrator: **Herbert H. Landy Insurance Agency Inc.
100 River Ridge Drive, Suite 301 Norwood, MA 02062**

Item 1. Named Insured: **Raymond R. Miller, Sr.**

Item 2. Address: **69 Cedar Hill Road**
City, State, Zip Code: **Milford, CT 06461**

Item 3. Policy Period: From **09/24/2022** To **09/24/2023**
(Month, Day, Year) (Month, Day, Year)
(Both dates at 12:01 a.m. Standard Time at the address of the Named Insured as stated in Item 2.)

Item 4. Limits of Liability:

- A. \$ **1,000,000** Damages Limit of Liability – Each Claim
- B. \$ **1,000,000** Claim Expenses Limit of Liability – Each Claim
- C. \$ **1,000,000** Damages Limit of Liability – Policy Aggregate
- D. \$ **1,000,000** Claim Expenses Limit of Liability – Policy Aggregate

Item 5. Deductible (Inclusive of Claim Expenses):

- A. \$ **0.00** Each Claim
- B. \$ **0.00** Aggregate

Item 6. Premium: \$ **704.00**

Item 7. Retroactive Date (if applicable): **09/24/2012**

Item 8. Forms, Notices and Endorsements attached:

D42100 (03/15) D42300 CT (07/14) IL7324 (07/21)
D42402 (05/13) D42408 (05/13) D42412 (03/17) D42413 (06/17)
D42414 (08/19)

Reed A. Reguerra
Authorized Representative

D42100 (03/15)

Page 1 of 1

APPRAISER'S E & O INSURANCE – PAGE 2



Real Estate Appraisers
Errors & Omissions Insurance Policy

ADDITIONAL INSURED ENDORSEMENT

In consideration of the premium charged, it is agreed the person or entity designated below is insured under this Policy solely for vicarious liability arising from **Appraisal Services** performed by the **Named Insured**. Nothing contained in this endorsement will serve to increase the **Company's** limit of liability.

Name of person or entity:

**Miller Appraisals
Miller Associates**

Other than as stated above, nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the Policy to which this endorsement is attached.

Insured:	Raymond R. Miller, Sr.	MILR83-5
Policy Period:	09/24/2022 - 09/24/2023	Policy Number: RAP3367619-22
Endorsement Effective Date:	09/24/2022	Endorsement: 1

APPRAISER'S LICENSE

