



Kirkland Appraisals, LLC

Attachment A

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May 23, 2023

Mr. George Retschle, PE
Ballentine Associates, PA
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Mr. Retschle

I have considered the likely impact of the proposed Jade Creek Subdivision proposed to be developed with a cluster development of single-family homes on a 36.70-acre tract on Old NC 86, Carrboro, North Carolina.

The scope of this assignment is to address the likely impact this may have on adjoining properties. To this end I have reviewed the site plan and considered the potential impacts on adjoining properties. I have not been asked to assign any value to any specific property.

This letter is a limited report of a real property appraisal consulting assignment. My client is Ballentine Associates, PA, represented to me by Mr. George Retschle. The intended use is to assist in the application. The effective date of this consultation is May 23, 2023.

Property Description

The subject property is approximately 36.70 acres that is located on the east side of Old NC 86 south of Hogan Hills Road. The subject property is currently zoned Residential-20. The current zoning allows for 20,000 s.f. lots. Assuming 15% of the acreage were lost due to subdivision and the vagaries of lot layout, the remaining 31.20 acres would support 68 single family lots.

The proposed development includes 72 homes as part of a cluster development with the northern portion of the property being retained as open space and play field/park. The lots will have a 4,500 s.f. minimum size, or 0.10 acres and are proposed for homes between 1,300 and 2,600 s.f. starting in the low \$500,000s.

Adjoining uses include:

North:	Two improved residential lots: One owned by William Sterling et al and the other owned by Aja Martindale
East:	14 improved residential lots: 12 are along Shadow Ridge Place and 2 are on Dairy Glen Road
South:	Improved residential lot on Lake Manor Road owned by Adam Golden et al. 2 improved residential lots off Stony Hill Road. 2 unimproved residential lots on Old NC 86
West:	Two larger undeveloped tracts across Old NC 86. Smaller strip of land adjoins property on east side of Old NC 86 owned by David Rutter et al.

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The Town of Carrboro Future Land Use Plan calls for Multi-Family Residential, Proposed at this location. According to the Land Use Plan “Multi-Family Residential: properties with three or more attached residential addresses on the same property (e.g. more than a single family residence or duplex, including townhomes, triplexes, quadraplexes, and apartments.”

The proposed future land use would support a higher density of homes on the subject property and a more significant cluster of uses than the proposed subdivision development.

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Uses to the north and east are zoned R-20 and land to the south and west is zoned RR. The Future Land Use Plan identifies land to the south as Multi-Family Residential, Proposed, land to the west as Residential, Proposed, and the land to the north and east as a mix of Residential, Open Space with some nearby Residential Multi-Family to the northeast at Hogan Hill Road.

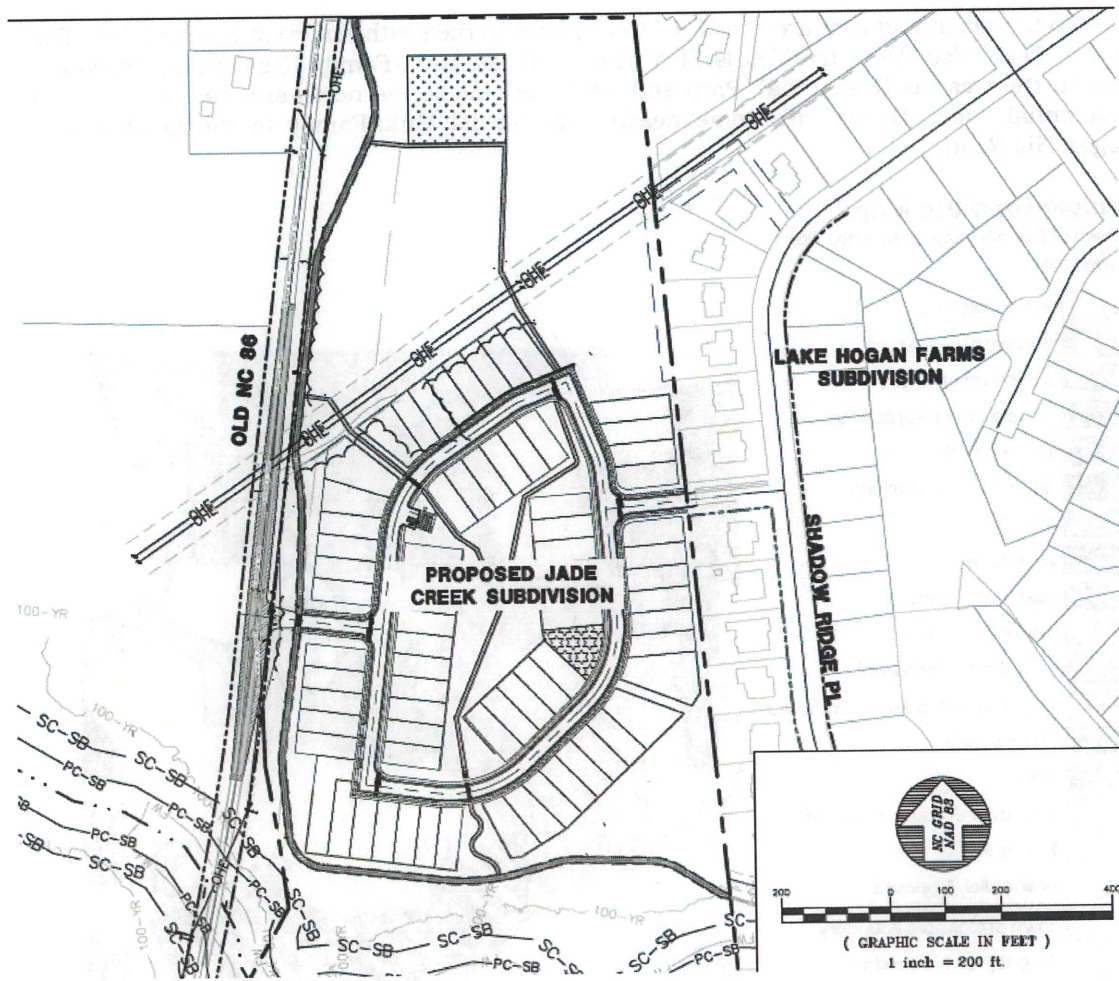
Future Land Use Map

Town of Carrboro Comprehensive Plan
4/28/2022

-  Agricultural Use
-  Business/Commercial
-  Conservation Easement
-  Development Application
-  Government
-  Educational/Institutional
-  Industrial
-  Mixed Use
-  Mixed Use, Proposed
-  Mobile Home Park
-  Multi-Family Residential
-  Multi-Family Residential, Proposed
-  Open Space
-  Park
-  Recreation/Natural Resource
-  Residential
-  Residential, Proposed
-  Town of Carrboro Boundary
-  PJ_and_Town_Boundary



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Discussion

The proposed subdivision development would allow for up to 72 single family units which will not include any attached housing as suggested by the Future Land Use Plan. This amounts to a lower density use of the property than already indicated by that plan. Any consideration of value impacts must consider the fact that homes adjoining this project would have a built-in impact on the possibility of multifamily housing to be developed on this tract in the future. The fact that the proposed use is less than a multifamily housing would therefore have the potential of removing concerns of lower valued and higher density housing adjoining these homes. In other words, this is a less intensive use of the property than was anticipated in the land use plan, which could be a positive for adjoining property owners.

The adjoining homes to the north at Dairy Glen Road and Lategan Lane are well removed from the housing and will have the potential for enhancement due to preserved open space from this project adjoining those homes. The home on Lake Manor Road is 400 feet through the woods just to reach the edge of the existing floodplain. The closest home within the proposed development would be even further from that. The floodplain in that area and the area effectively isolated by that floodplain to the south forms another parklike area that will buffer those areas and potentially provide enhancement to those properties.

The adjoining homes to the south and along Lake Manor Road are well separated from the proposed development by floodplain and the woods that will be retained in those areas.

The land across from Old NC 86 is currently zoned RR, but likely to be upzoned to R-20 based on the Future Land Use Plan and would be sufficiently separated from the project as to not be impacted by it. The impact from Old NC 86 would be more significant than proximity to the proposed homes.

This leaves the homes along Shadow Ridge Place as the only nearby homes that would be in close proximity to the proposed homes at Jade Creek Subdivision. Only 7 of the homes are in close proximity from this set as there will be HOA space separating the uses except in near the interconnection point between the two developments.

The homes in this section of Lake Hogan Farms had 5 home sales since January 1, 2021 and has one active listing. The breakdown shows a range in prices from \$469,900 to \$800,000 as shown on the next page. The home prices were largely from 2021 and there has been significant growth in the local residential market after 2021 as shown on the map by the MLS estimated values on homes. I note that those are not very reliable indicators but they are suggesting increases in value of \$150,000 to \$200,000 in that last two years.

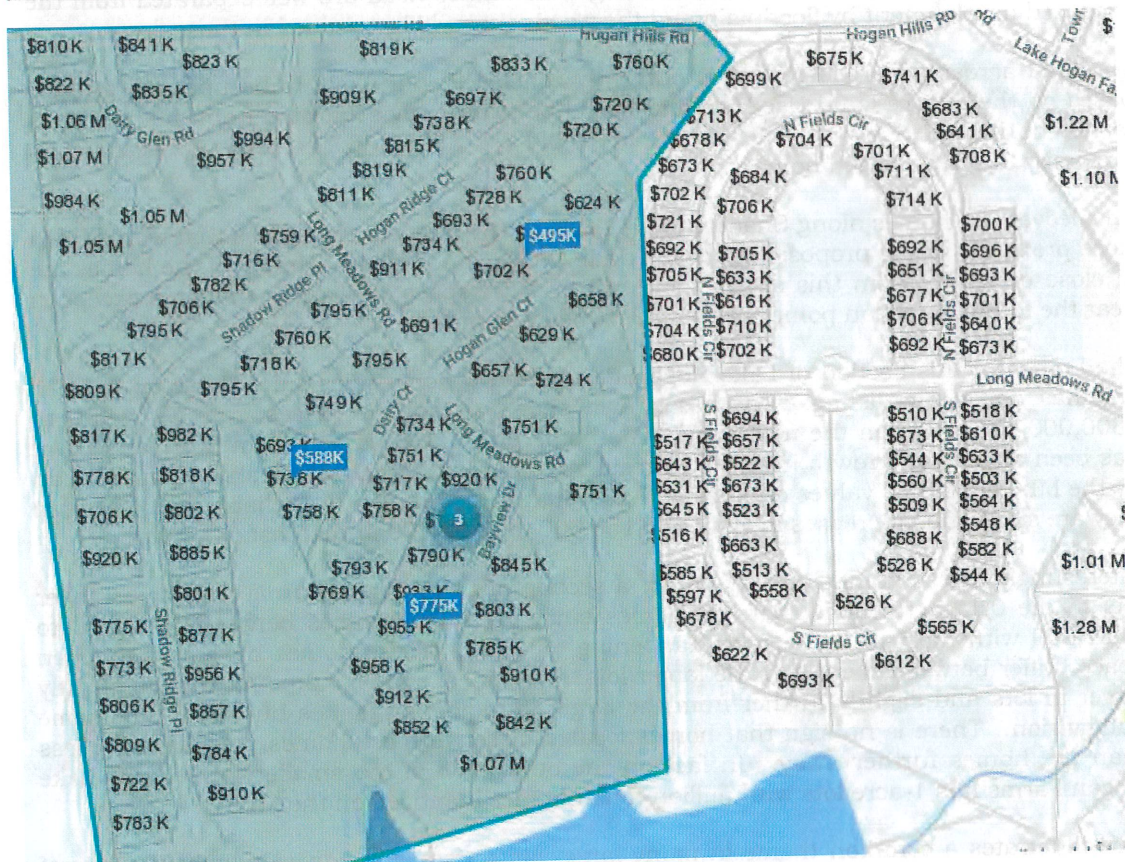
Interestingly, these homes already adjoin a section of Lake Hogan Farms that has smaller lots in the 0.12-acre range that has homes currently selling homes between \$495,000 to \$652,000 with most of those sales happening on 2022. These homes have a small open space buffer between them and the larger lots. So this is a similar product though slightly larger in lots and slightly further from the larger lot adjoining homes but within the same subdivision. There is no sign that homes located closer to these homes are selling for less than the homes further away. In fact on the other side of the smaller lot section, Lake Hogan Farms has 1-acre lots with million-dollar homes identified on the MLS.

This illustrates a common theme in many larger single-family subdivisions where a mix of housing products and home prices are co-located to bring together a larger community. Examples of this are everywhere in the market such as Southern Village, Meadowmont, or Lake Hogan Farms.

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Search Results Summary -6 Listings

	Beds	Baths	SqFt	LP	LP/SqFt	SP	SP/SqFt	SP/LP	DOM
1 Active Listings									
High	4	3	2565	\$780,000	\$304	\$0	\$0	0%	11
Low	4	3	2565	\$780,000	\$304	\$0	\$0	0%	11
Avg	4	3	2565	\$780,000	\$304	\$0	\$0	0%	11
Med	4	3	2565	\$780,000	\$304	\$0	\$0	0%	11
5 Sold Listings									
High	4	4	3500	\$800,000	\$286	\$777,500	\$277	112%	18
Low	4	3	2401	\$469,900	\$185	\$495,000	\$195	97%	1
Avg	4	3.20	2821	\$658,780	\$234	\$682,100	\$242	104%	7
Med	4	3	2800	\$699,000	\$219	\$775,000	\$245	105%	3
6 Total Listings									
High	4	4	3500	\$800,000	\$304	\$777,500	\$277	112%	18
Low	4	3	2401	\$469,900	\$185	\$0	\$0	0%	1
Avg	4	3.17	2779	\$678,983	\$245	\$682,100	\$242	104%	8
Med	4	3	2682	\$739,500	\$249	\$775,000	\$245	105%	7

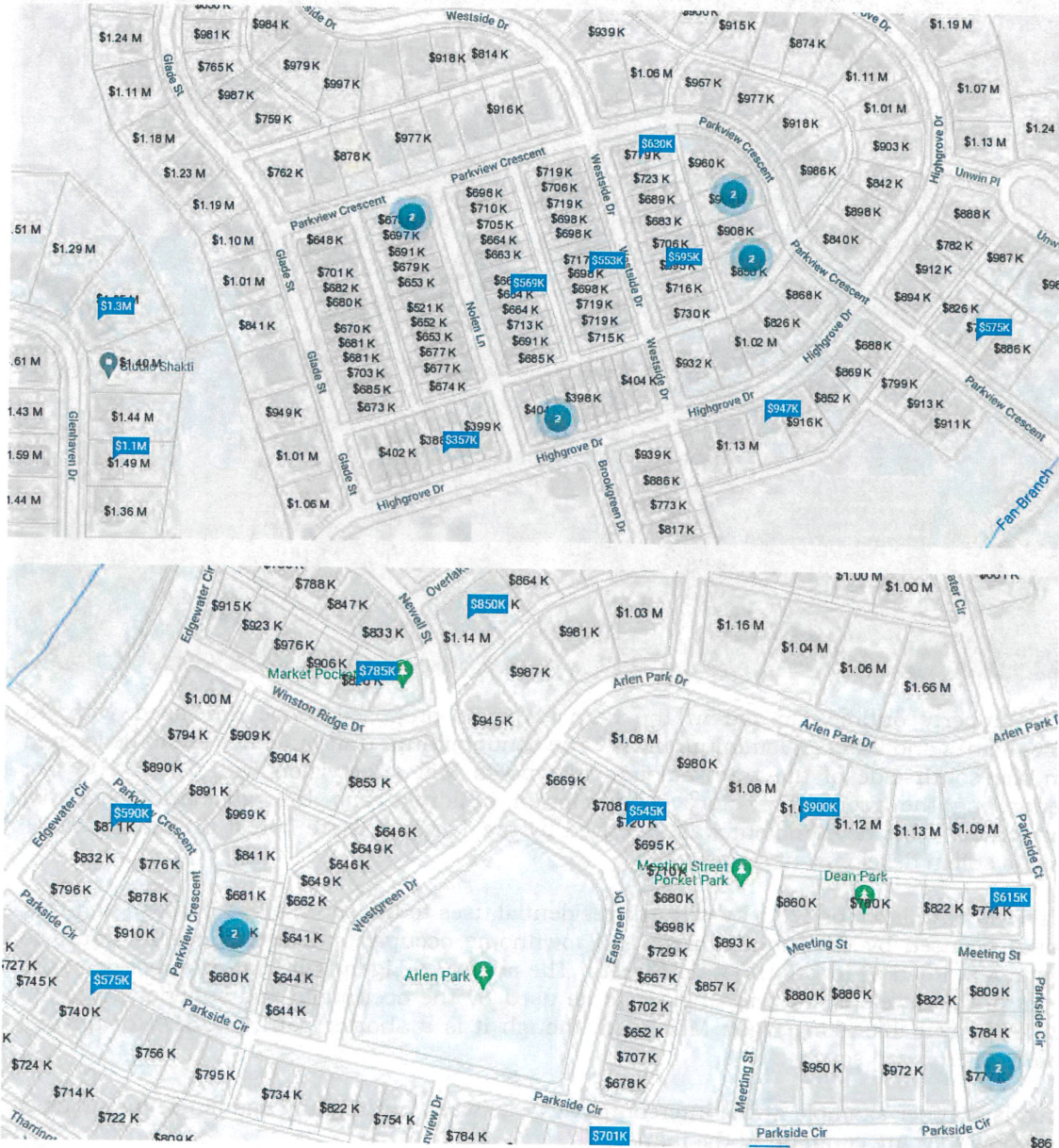


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Market Data

I have considered the proximity of nearby medium density residential uses to nearby lower density homes around the Triangle as shown on the following pages.

Southern Village



Without doing a specific paired sales analysis, I show the above maps from the MLS for two different sections of Southern Village where small lots and some attached housing are in close proximity to higher priced homes within Southern Village. There is no sign that the homes adjoining those are being valued at less than similar homes located further away within this development.

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Grove 98



The property outlined in red in the map above is proposed to be developed with 45 townhomes and 228 condominium units. The condominium unit buildings are to be located on the south side of the tract adjoining Reynolds Mill subdivision with 75 to 100 feet separating the proposed 4-story condominium buildings and the adjoining residential properties. This development was approved by the Town of Wake Forest in January 2021 and is still in development stages.

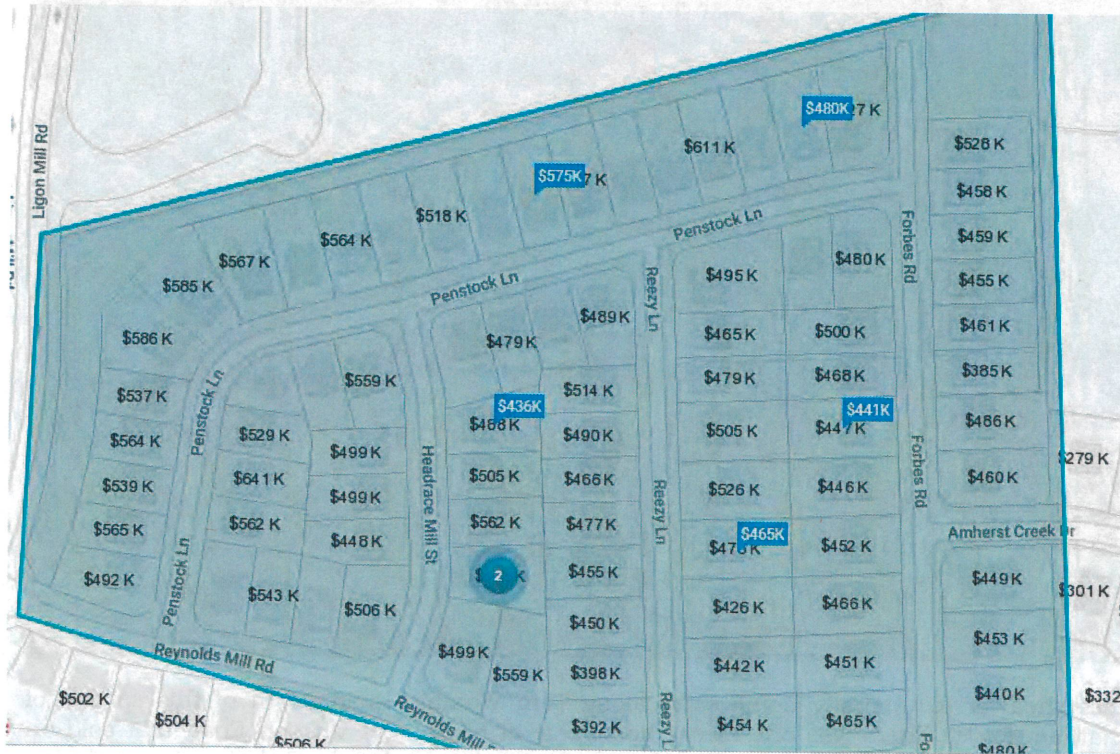
This will have interconnectivity with the residential uses to the south along Forbes Road that could be used by the condominium and townhome occupants as an alternative route to Ligon Mill Road or to US 1A (Main Street). The access to Ligon Mill Road is superior at the front of the development and unlikely to be used by the occupants and superior access to US1A is available along Ligon Mill Road, though it is a shorter path to US1A for anyone intending to head south.

This is another example of the interconnectivity between multifamily and single family uses and how they are common in the market.

On the next page I show the recent sales activity in Reynolds Mill with the most recent home sale being in 2022 for \$575,000 for a home that will directly back up to the townhomes and condominiums that are being developed to the north. This was 1528 Penstock Lane that sold on April 25, 2022 for \$575,000 with a \$400 financing concession for an effective price of \$574,600 for this 3,350 s.f. home, or \$171.52 per s.f.

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Comparing that sale to 312 Headrace Mill Street which sold on October 17, 2022 for \$580,000 with \$13,000 in financing concessions, which works out to a \$567,000 effective purchase price for this 3,541 s.f. home, or \$160.12 per s.f. This actually suggests that the home backing up to the higher density use sold at a premium of \$11 per s.f. due to it backing up to the condominiums. More likely there was some cooling of the market between April and October that speaks to the significant financing concessions. Still, this strongly supports an assertion that there is no sign of a negative impact to property value due to the adjacency to the lower priced medium density units to the north.



Search Results Summary - 7 Listings

	Beds	Baths	SqFt	LP	LP/SqFt	SP	SP/SqFt	SP/LP	DOM
7 Sold Listings									
High	5	4	3541	\$599,000	\$179	\$580,000	\$175	109%	25
Low	4	3	2503	\$380,000	\$146	\$410,000	\$159	96%	4
Avg	4.43	3.14	2909	\$473,200	\$162	\$483,857	\$166	103%	11
Med	4	3	2746	\$449,000	\$162	\$465,000	\$164	104%	9

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Vineyards at Chatham Park Area



I searched for low density home sales along Tom Womble Road north of this section of Chatham Park. There was one recent home sale at 65 Harriet Watson Road that sold on January 26, 2022 for \$260,000. This home was on the market for 3 days prior to closing with an asking price of \$274,000. This is a 1,447 square foot brick ranch with 3 BR and 2 BA, built in 1900 on 1 acre. Given the age it is difficult to do direct comparisons without inspecting the condition of the improvements. The indicated purchase price works out to \$180 per square foot.

Comparing this to the sale of 1411 Hanks Chapel Road that sold on September 30, 2021 for \$285,000 with \$825 financial concessions for an effective purchase price of \$284,175. This is a 1,349 square foot dwelling with an additional 333 square feet of above grade space, built in 1960 with 2 Bedrooms and 1 Bathroom on 1.4 acres. The indicated purchase price is \$211 per square foot. This home is much newer and includes a carport. Adjusting this downward by \$5,000 for the carport and 15% for the difference in age (0.25% per year in age difference), I derive an adjusted price of \$236,548, or \$175 per square foot. This supports a finding of no impact due to the proximity of the medium density residential Chatham Park on this property.

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Hunters Greene Subdivision - Zebulon

I have considered 9000 Hunters Greene Drive which is a single-family home built in 2003 with 1,766 square feet of home that sold for \$241,000 or \$136.47 per square foot on 8/22/2019. This home is in Hunters Green Subdivision and is adjacent to Weavers Pond Subdivision.

The subdivision to the north is Pearces Landing that was approved in 2022 and had no bearing on the test for backing up to the lots to the west.



I compared this home to a number of other homes including another home in Hunters Greene, one in Weavers Pond, and one in Sawyer Creek. After adjusting for minor differences in size, age, and construction, I derived a strong indication of no impact on property value due to the adjacency to a subdivision.

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Subdivision	Address	Sale Date	Sale Price	Year Built	Style	Const	S.F.	\$/S.f.
Hunters	9000 Hunters Greene Dr	8/22/2019	\$241,000	2003	1-Story	Br/Vinyl	1766	\$136.47
Weaver	1716 Almond Willow	7/29/2019	\$222,500	2007	1-Story	Vinyl	1793	\$124.09
Sawyer	1009 Sawyer Creek	11/7/2018	\$206,500	2005	1-Story	Hardi	1695	\$121.83
Hunters	9212 Hunters Greene Dr	9/8/2017	\$220,000	1996	1-Story	Br/Vinyl	1811	\$121.48

Address	Adjustments		Const	SF	Total	Total/SF	% /DIF
	Sold	YB					
9000 Hunters Greene Dr					\$241,000	\$136.47	
1716 Almond Willow	\$439	-\$8,900	\$15,575	-\$3,351	\$226,263	\$128.12	6%
1009 Sawyer Creek	\$4,888	-\$4,130	\$14,455	\$8,650	\$230,363	\$130.44	4%
9212 Hunters Greene Dr	\$12,893	\$15,400		-\$5,467	\$242,826	\$137.50	-1%
			Median	\$230,363	\$130.44	4%	
			Average	\$233,151	\$132.02	3%	
			Impact	\$10,637	\$6.02	4%	

This home sold again on November 10, 2020 for \$282,500 showing ongoing appreciation.

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Conclusion

The proposed use is consistent with the zoning and nearby uses. Similar mixed neighborhoods with multifamily and single-family housing have shown compatibility and harmony between these uses.

I conclude based on the data presented that the proposed subdivision development will not substantially injure the value of adjoining property.

The Town of Carrboro Land Use Plan has this tract identified for future Residential Multifamily use which would suggest a higher density of development than what is proposed for this development. That reduced density as compared to the Future Land Use designation suggests an improvement to the potential impacts on these adjoining properties.

I therefore conclude that the proposed development: will not substantially injure the value of adjoining property and will be in harmony with the intensity, scale, and character of development existing or planned in the surrounding area.

If you have any questions please call me any time.

Sincerely,



Richard C. Kirkland, Jr., MAI
State Certified General Appraiser



Nicholas D. Kirkland
State Certified General Appraiser

