



McPhaul
APPRAISAL

land
home
estates

April 19, 2024

Mr. Adam Zinn
Parker Louis, LLC
301 Montclair Way
Chapel Hill, NC 27516
919-422-6477

Mr. Zinn.

Per your request I have considered the likely impact of the proposed Newberry subdivision to be developed with a cluster development of 38 single family homes as well as duplex townhomes. The property is situated on the north side of Homestead Road, Chapel Hill, 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 Parker Louis LLC and represented to me by Adam Zinn. The intended use is to assist in the application process with the town of Carrboro. The effective date of this consultation is April 11th 2024.

In my opinion after reviewing the impact of this subdivision that it will have no negative impact on the nearby property values.

Thanks

John A. McPhaul, III
McPhaul Appraisal Inc.
2 Bolin Heights, Ste A
Chapel Hill, NC 27514

Property Description

The subject property is an assemblage of 3 parcels that create a 9.7 acre development site north of Homestead Rd west of Claremont S/D and Winmore Public Open Space to the north as well as three single family homes on two adjacent lots to the west/northwest of the subject on @8.74 acres with addresses of 806, 810 & 818 Homestead Rd. The property is in JPA or Joint Planning Area:

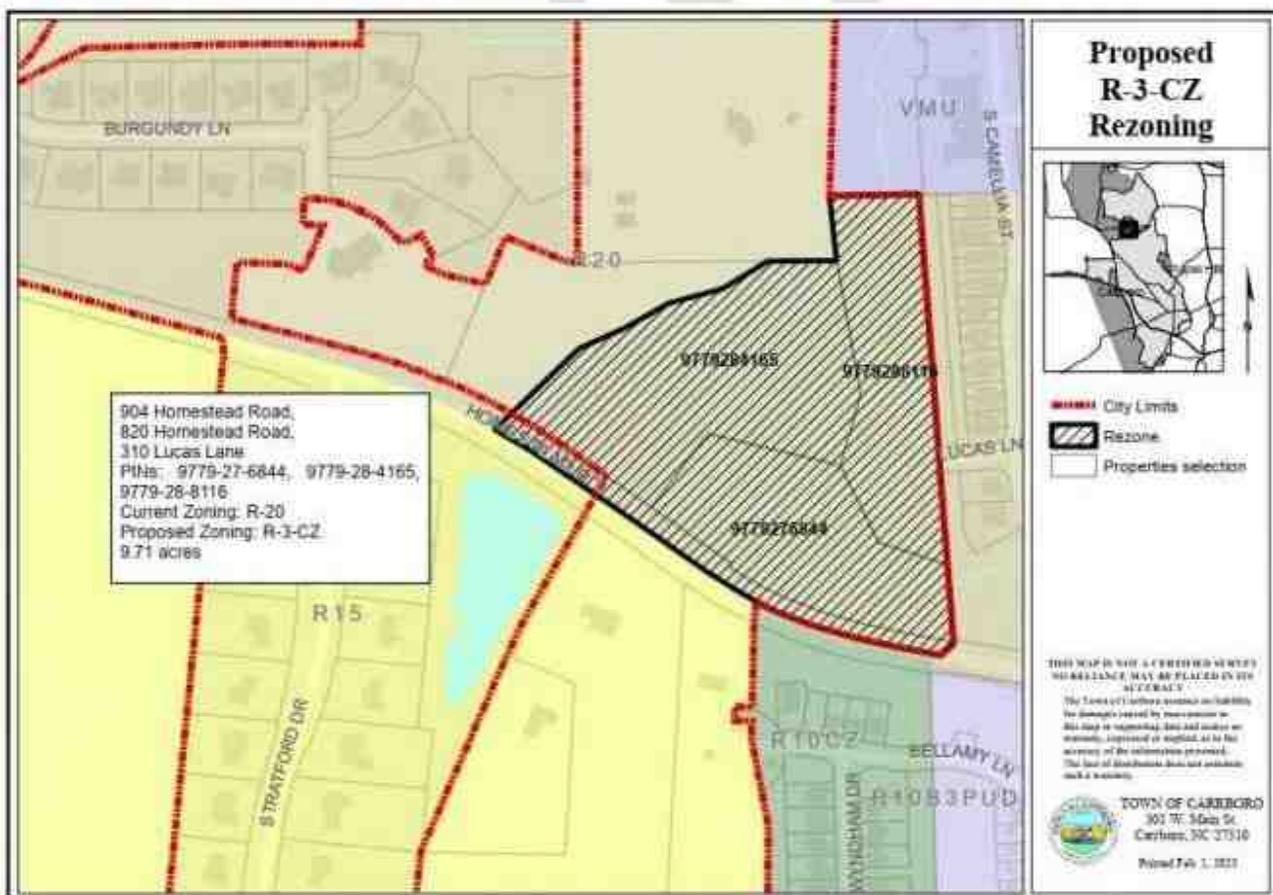
JPA - JPA Carrboro Transition Area 1

The Joint Planning Area (JPA) are areas of the County where development authority has been ceded to the Town's of Chapel Hill and/or Carrboro. The permitting and enforcement of development restrictions (i.e. zoning) are handled by each individual community. The County has joint land use involvement but no permit or enforcement authority, from a planning/zoning standpoint, in these areas.

The existing Zoning is R-20 however was ammended by the town of Carrboro in a draft dated 6-21-2023 to R-3-CZ zoning.

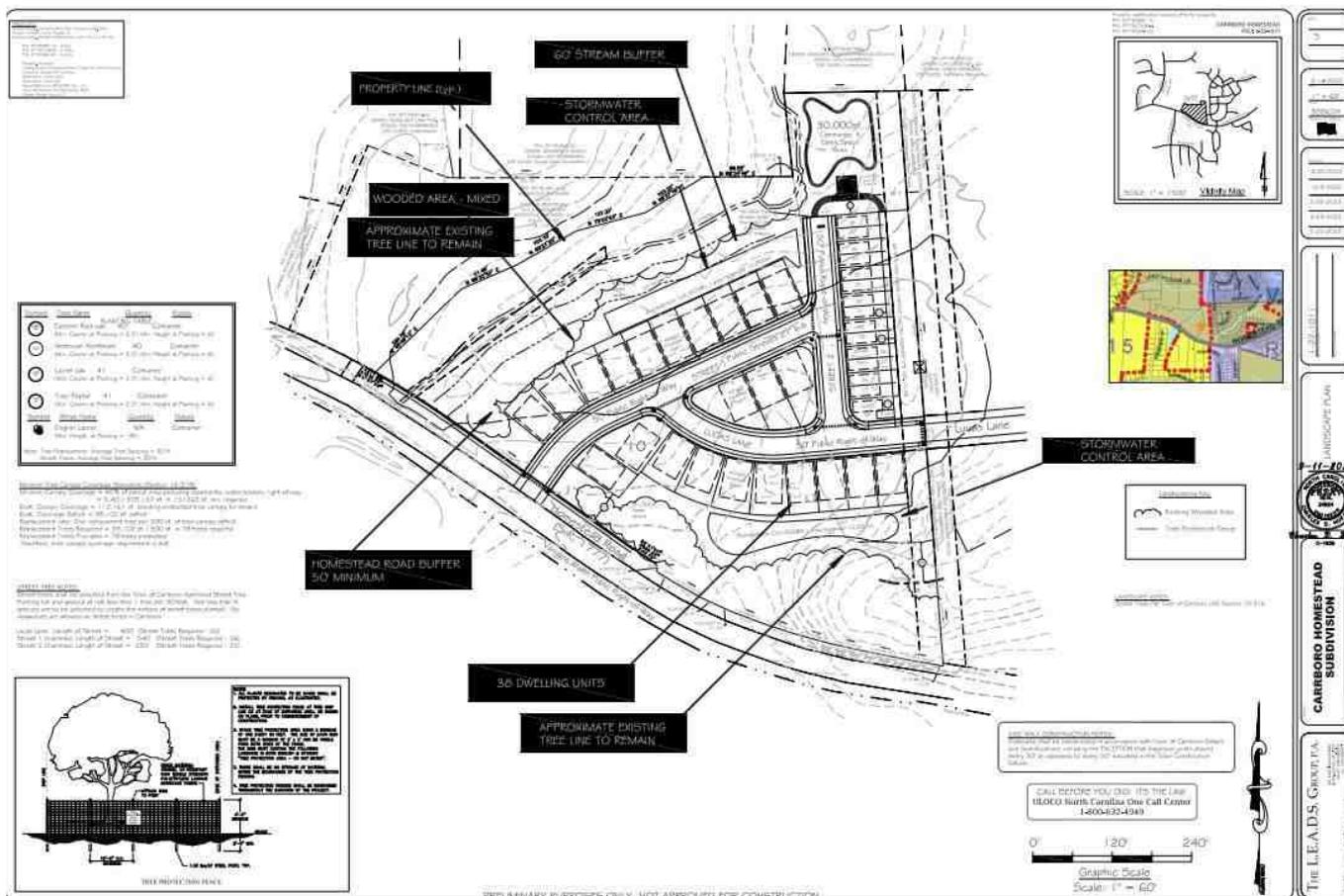
R-3-CZ Zoning Allows:

The development shall contain between 36 to 56 dwelling units. This includes a maximum of 44 primary dwelling units consisting of a combination of use classifications 1.111 (single-family detached, one dwelling unit per lot, site built/modular), 1.232 (duplex, no bedroom limit), 1.242 (two family apartment, no bedroom limit), 1.322 (multi-family townhomes, no bedroom limits), and 1.332 (multifamily apartments with no bedroom limits), and up to 12 accessory dwelling units, 1.220 (detached or accessory apartments).



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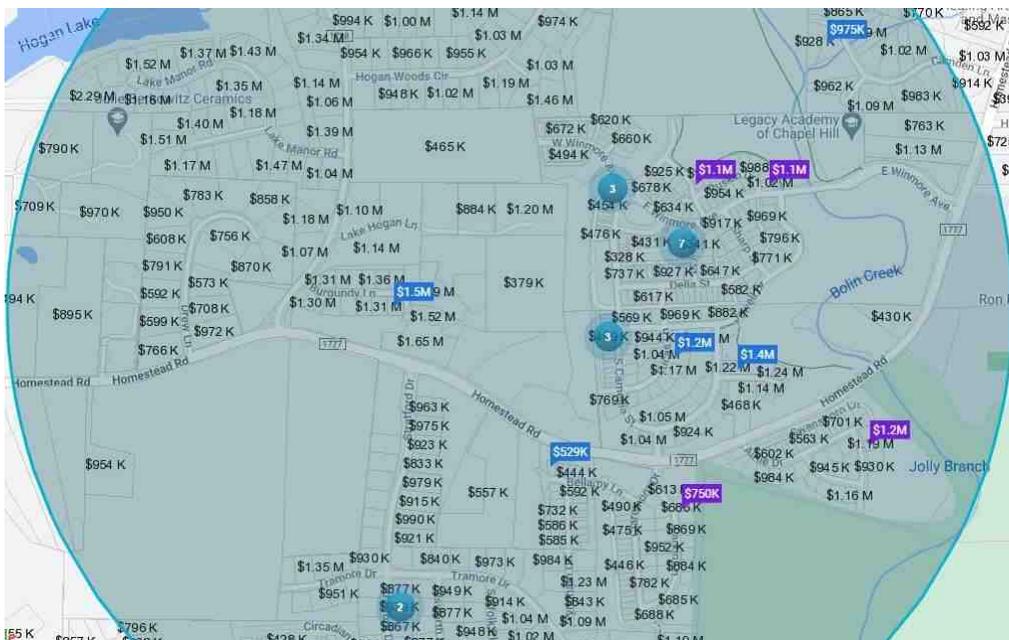
Proposed Newbury Subdivision 38 Units(23 SFR & 15 Duplex Townhomes)

Discussion

While as noted above the subdivision could have a maximum of 44 Units and the plans call for 38 which is less dense than allowed. It should be noted that the eastern border with the subject where the duplex designs will be sited is adjacent to similar duplex design properties of which 10 units are owned by the Community Home Trust a non profit providing affordable housing. The subject use would be very similar with no impact likely. The southern and western lots in the subdivision will be detached single family homes marketed in the \$700-\$850,000 price range and the duplex townhomes in the \$350-\$475,000 range.

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CMA Summary Report

RESIDENTIAL Summary Statistics			
High	Low	Average	Median
LP:\$1,339,000	\$529,000	\$901,662	\$952,450
SP:\$1,458,000	\$529,000	\$928,581	\$930,000

RESIDENTIAL - Active

Number of Properties: 1

Num	MLS #	PropDesc	Address	SubFull	Beds	TotBths	YrBlt	LvngAreaSF	DOM	LP	LP/LvngAreaSF
1	10008717	SF	211 E E Winmore Avenue	Winmore	3	3	2024	2,991	0	\$987,350	\$330.11

RESIDENTIAL - Sold

Number of Properties: 11

Num	MLS #	PropDesc	Address	Subdiv	Beds	TotBths	YrBlt	SPLP	LvngAreaSF	DOM	LP	LP/LvngAreaSF	SP	SP/LvngAreaSF
1	2513955	SF	210 Bellamy Lane	Kentfield	3	3	1932	1.00	1,765	35	\$529,000	\$299.72	\$529,000	\$299.72
2	10013164	SF	113 Della Street	Winmore	3	3	2016	0.98	1,968	27	\$549,900	\$279.42	\$537,500	\$273.12
3	2501624	SF	104 Atterbury Street	Winmore	4	3	2014	1.02	2,509	0	\$649,900	\$259.03	\$665,000	\$265.05
4	10012395	SF	300 Della Street	Winmore	4	3	2008	1.01	2,935	0	\$719,900	\$245.28	\$725,000	\$247.02
5	2502058	SF	318 Sunset Creek Circle	Sunset Creek	4	3	1997	1.00	3,419	8	\$820,000	\$239.84	\$820,000	\$239.84
6	2519015	SF	200 Colfax Drive	Wexford	5	4	2005	1.00	3,666	0	\$930,000	\$253.68	\$930,000	\$253.68
7	2524366	SF	2001 Camden Lane	Camden Place	4	5	1999	1.00	4,363	8	\$974,900	\$223.45	\$974,900	\$223.45
8	10003802	SF	411 S Camellia Street	Claremont	4	4	2014	1.00	3,140	38	\$1,000,000	\$318.47	\$1,000,000	\$318.47
9	2507344	SF	205 Lucas Lane	Claremont	5	4	2009	1.07	3,641	3	\$1,125,000	\$308.98	\$1,200,000	\$329.58
10	2513781	SF	105 Orlando Place	Claremont	6	5	2012	1.15	5,016	3	\$1,195,000	\$238.24	\$1,375,000	\$274.12
11	2512806	SF	128 Burgundy Lane	Burgundy Lane	5	6	2020	1.09	4,659	5	\$1,339,000	\$287.40	\$1,458,000	\$312.94
Avg					4	3	2002	1.03	3371	11	\$893,873	\$268.50	\$928,582	\$276.09
Min					3	3	1932	0.98	1765	0	\$529,000	\$223.45	\$529,000	\$223.45
Max					6	6	2020	1.15	5016	38	\$1,339,000	\$318.47	\$1,458,000	\$329.58
Med					4	4	2009	1.00	3419	5	\$930,000	\$259.03	\$930,000	\$273.12

As can be seen by the values in the subject's immediate area over the last year range from a low of \$529,000 to a high of \$1,458,000. The subject homes will range from \$700-\$850,000 which is in keeping with the surrounding single family values.

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MA Summary Report

RESIDENTIAL Summary Statistics

High	Low	Average	Median
LP:\$499,000	\$325,000	\$430,214	\$450,000
SP:\$570,000	\$317,000	\$448,080	\$460,066

RESIDENTIAL - Sold

Number of Properties:

Num	MLS #	PropDesc	Address	Subdiv	Beds	TotBths	YrBlt	SPLP	LvngAreaSF	DOM	LP	LP/LvngAreaSF	SP	SP/LvngAreaSF
	2528809	TWNHM	106 Kiley Street	Winmore	2	3	2010	0.98	1,288	36	\$325,000	\$252.33	\$317,000	\$246.12
	2521701	TWNHM	130 Kiley Street	Winmore	2	3	2010	1.00	1,299	20	\$335,000	\$257.89	\$335,000	\$257.89
	2498740	TWNHS	105 W Winmore Avenue	Winmore	3	4	2012	1.02	2,029	2	\$450,000	\$221.78	\$460,000	\$226.71
	2508716	TWNHM	150 Philips Square	Winmore	4	4	2018	1.02	1,866	1	\$449,999	\$241.16	\$460,066	\$246.55
	2452537	TWNHM	100 S Camellia Street	Winmore	3	4	2012	1.00	2,548	270	\$462,500	\$181.51	\$462,500	\$181.51
	10013114	TWNHS	414 S Camellia Street	Claremont	3	4	2018	1.09	2,039	3	\$490,000	\$240.31	\$532,000	\$260.91
	2501621	TWNHS	412 Jewell Drive	Claremont	4	4	2009	1.14	2,476	2	\$499,000	\$201.53	\$570,000	\$230.21
avg					3	3	2012	1.04	1935	47	\$430,214	\$228.07	\$448,081	\$235.70
min					2	3	2009	0.98	1288	1	\$325,000	\$181.51	\$317,000	\$181.51
max					4	4	2018	1.14	2548	270	\$499,000	\$257.89	\$570,000	\$260.91
med					3	4	2012	1.02	2029	3	\$450,000	\$240.31	\$460,066	\$246.12

The townhome values ranged from \$317,000 to \$570,000 so the proposed subject mixed use appears to fit in with the existing housing stock. The subject townhomes will rang in value from \$350-\$475,000 which also appears to be in line with the existing townhome housing stock.

As demand for single family housing is still high in the area and supply limited it does not appear the proposed development would create any adverse conditions for the surrounding housing stock. Typically newer housing stock actually enhances the value of older housing stock as typically newer homes have a higher price per square foot which enhances the lower price per square foot of more dated properties.

Historical Analysis of Nearby Market

We did a three year search of market data provided by <https://tarreport.com/> and below are the three year stats for zip code 27516 single family residences.

Reporting for Zipcodes: 27516
Property type: Detached
Results filtered by

Inventory Analysis	Current					
	02/23 - 05/23	05/23 - 08/23	08/23 - 11/23	11/23 - 02/24		
Total # of Closed Sales (Settled)	51	85	50	33		
Absorption Rate (Total Sales/Months)	17	28	17	11		
# Listings	22	26	49	37		
Months of Housing Supply Total (Total Listings/Ab.Rate)	1	1	3	3		
Median Sale Price	\$745,000	\$775,000	\$634,000	\$760,000		
Median Sales Price per Sq Ft	\$277	\$306	\$268	\$274		
Median Sales DOM	5	4	12	21		
Median List-to-Sale Price Ratio	101.57%	104.95%	100.00%	98.46%		
	2 Years Ago	1 Year Ago	Current	% Chg Curr. V.		
Inventory Analysis	11/21 - 02/22	11/22 - 02/23	11/23 - 02/24	2 years ago	1 year ago	
Total # of Sales (Settled)	60	38	33	-45%	-13.16%	
Absorption Rate (Total Sales/Months)	20	13	11	-45%	-15.38%	
# Listings	21	25	37	76.19%	48%	
Months of Housing Supply Total (Total Listings/Ab.Rate)	1	2	3	200%	50%	
Median Sale Price	\$629,000	\$665,000	\$760,000	20.83%	14.29%	
Median Sales Price per Sq Ft	\$245	\$243	\$274	11.84%	12.76%	
Median Sales DOM	5	23	21	320%	-8.7%	
Median List-to-Sale Price Ratio	101.20%	100.00%	98.46%	-1.74%	-1.54%	

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Here are the same stats for townhomes in 27516:

Reporting for Zipcodes: 27516
Property type: Townhomes

Inventory Analysis	Current					
	02/23 - 05/23	05/23 - 08/23	08/23 - 11/23	11/23 - 02/24		
Total # of Closed Sales (Settled)	10	10	12	10		
Absorption Rate (Total Sales/Months)	3	3	4	3		
# Listings	4	4	4	1		
Months of Housing Supply Total (Total Listings/Ab.Rate)	1	1	1	0		
Median Sale Price	\$461,250	\$457,533	\$461,788	\$474,605		
Median Sales Price per Sq Ft	\$222	\$252	\$253	\$273		
Median Sales DOM	8	5	29	24		
Median List-to-Sale Price Ratio	100.00%	100.66%	100.00%	100.00%		
	2 Years Ago	1 Year Ago	Current	% Chg Curr. V.		
Inventory Analysis	11/21 - 02/22	11/22 - 02/23	11/23 - 02/24	2 years ago	1 year ago	
Total # of Sales (Settled)	8	8	10	25%	25%	
Absorption Rate (Total Sales/Months)	3	3	3	0%	0%	
# Listings	2	3	1	-50%	-66.67%	
Months of Housing Supply Total (Total Listings/Ab.Rate)	1	1	0	-100%	-100%	
Median Sale Price	\$432,500	\$403,500	\$474,605	9.74%	17.62%	
Median Sales Price per Sq Ft	\$226	\$218	\$273	20.8%	25.23%	
Median Sales DOM	5	5	24	380%	380%	
Median List-to-Sale Price Ratio	106.55%	99.05%	100.00%	-6.15%	0.96%	

As can be readily seen the market has continued to push the median sales price of both single family homes and townhomes higher each year. This is further indication that there does not seem to be any negative impact on nearby values nor marketability.

Conclusion

After reviewing the nearby market and also reviewing the professional analysis provided by the client performed by Kirkland Appraisals, LLC(that I believe the town provided) I concur with those conclusions.

Typically externalities occur when a non-residential use is in conflict with residential uses that this form of depreciation can occur and injur a neighboring residential property. One of the oldest examples is having say a chicken farm operation being sited next to a residential subdivision. Since all the uses are compatible in design and pricing it would be unlikely any diminuation in value would be attributable to the Newbury Subdivision but rather to the condition of the individual property.

The proposed Newbury S/D will not in my opinion injure the value of any adjoining property and will be in harmony with the intensity, scale and character of development existing or planned in the surrounding area.

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Appraisal License

