

EVERGREEN APPRAISAL

28 Lebel Road, Rowley, Massachusetts 01969

Tel 617 513 1647

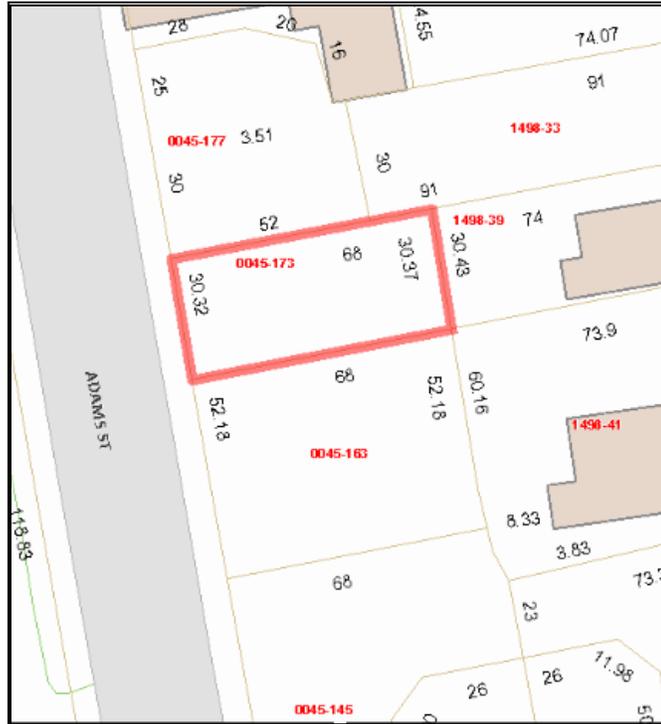
Email rmalesie@gmail.com

APPRAISAL REPORT

Vacant Land

Located at

173 Adams Street, Lowell, Massachusetts



Prepared For

Mr. Joseph Giniewicz, Urban Renewal Manager
Department of Planning and Development
375 Merrimack St.
Lowell, MA 01852

Authorized by:

Mr. Joseph Giniewicz, Urban Renewal Manager

Prepared by:

Richard Mario A. Leslie, MAI
Evergreen Appraisals

Date of Value

February 21, 2017

Date of Report:

February 24, 2017

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Mr. Joseph Giniewicz, Urban Renewal Manager
Department of Planning and Development
375 Merrimack St.
Lowell, MA 01852

February 24, 2017

RE: 173 Adams Street, Lowell, Massachusetts

Dear Mr. Giniewicz

In accordance with your request, I respectfully submit herewith an appraisal of the property located at 173 Adams Street in Lowell, Massachusetts. The purpose of this appraisal is to estimate the market value of the fee simple estate of the subject property at its highest and best use. The date of value is February 21, 2017. The intended use is for disposition purposes.

The narrative appraisal report that follows presents the identification of the property, the assumptions and limiting conditions, pertinent facts about the market area and the subject property, comparable data and the results of my analysis leading to my conclusions.

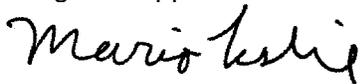
My report, including the accompanying analysis, is based on estimates, assumptions and other information developed from my research of the market, knowledge of the industry and information provided to us by individuals or groups identified in the report. The sources of information and basis of the estimates and assumptions are stated in the body of this report. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur, therefore, actual results achieved will vary from those described in the report. I have no responsibility to update my reports for events and circumstances occurring after the date of my report. It is noted that critical the assumptions with and respect to my value estimate are stated within the body of the report.

After inspecting the property and analyzing the data I believe that the highest and best use of the subject is for open space, assemblage or parking. I estimate fee simple market value of the subject property, "as is" as of February 21, 2017 to be:

\$1,200

My value estimate, subsequent appraisal report and the associated financial analyses are intended for the information of the client and any duly authorized agents. The report may not be referred to or quoted in any agreement or document without my written consent.

Respectfully submitted,
Evergreen Appraisals



Richard Mario A. Leslie, MAI
Massachusetts General Certificate No. 631

TABLE OF CONTENTS

Summary of Salient Facts 4
Certification 8
Standard Assumptions and Limiting Conditions 9
Extraordinary Assumptions and Hypothetical Conditions 11
Scope of Work necessary to Complete the Assignment 11
Extent of Data Collection and Analysis 12
The Objective, Purpose and Use of the Appraisal 12
Competency of the Appraiser 13
The Date of the Value Estimate, Report, and Property Inspection 13
Identification of the Client and Other Intended Users of the Appraisal 13
Property Rights Appraised 13
Definition of Market Value 13
Market Exposure Time 14
Summary of the Appraisal Problem 14
Property Identification And History 15
Area Analysis 16
Neighborhood 19
Property Description 21
Site Data 21
Site Plan 23
Assessors Map 24
Flood Map - FIRM Map 25
Zoning 26
Zoning Map 27
Real Property Taxes and Assessments 28
Highest and Best Use 29
Sale Comparison Approach 31
Addenda Items
 Appraiser Qualifications
 Engagement Letter
 Subject Property Deeds and legal description
 Comparable Data Sheets

SUMMARY OF SALIENT FACTS

Purpose of the Appraisal:	The purpose of the appraisal is to determine the highest and best use of the subject and to estimate the market value of the property for disposition purposes.
Scope of the Appraisal:	The scope of the appraisal is to determine the Highest and Best Use of the subject and to determine the full and fair market value of the property.
Use of the Appraisal:	The use of this appraisal is to assist the client the disposition of the property by furnishing an opinion of the highest and best use and market value of the property.
Client and Other Intended Users:	The client for this appraisal assignment is the City of Lowell, Department of Planning and Development (Client). The use of the appraisal is only intended for the Client and the client's representatives. The use of this appraisal is not intended for any other party or parties.
Owner of Record:	City of Lowell.
Intended Use of the Appraisal:	Disposition.
Property Identification:	
Address	173 Adams Street, Lowell, Massachusetts
Assessor's Parcel No.	Map 138, Block 45, Lot 173
Site Area	1,596 square feet (Deed, Plan)
Frontage	23.5 feet
Zoning	UMF - Urban Neighborhood Multi-Family District
Flood Zone, Restriction	None.
Improvements	None.
Highest and Best Use:	Open Space, Assemblage, Parking.
Date of Value:	February 21, 2017
Interest Appraised:	Fee simple
Intended Use of the Appraisal:	Disposition
Owner of Record:	City of Lowell
Property Assessment/Tax	Subject is assessed for \$39,400, The property is Tax Exempt (2017).
Sales Approach	
Valuation Estimate	\$1,197, Rounded to \$1,200

INTRODUCTION

All Photographs Taken on February 21, 2017
Looking Over Adams Street at Subject



Looking South from Abutter At Subject



Looking North on Adams Street

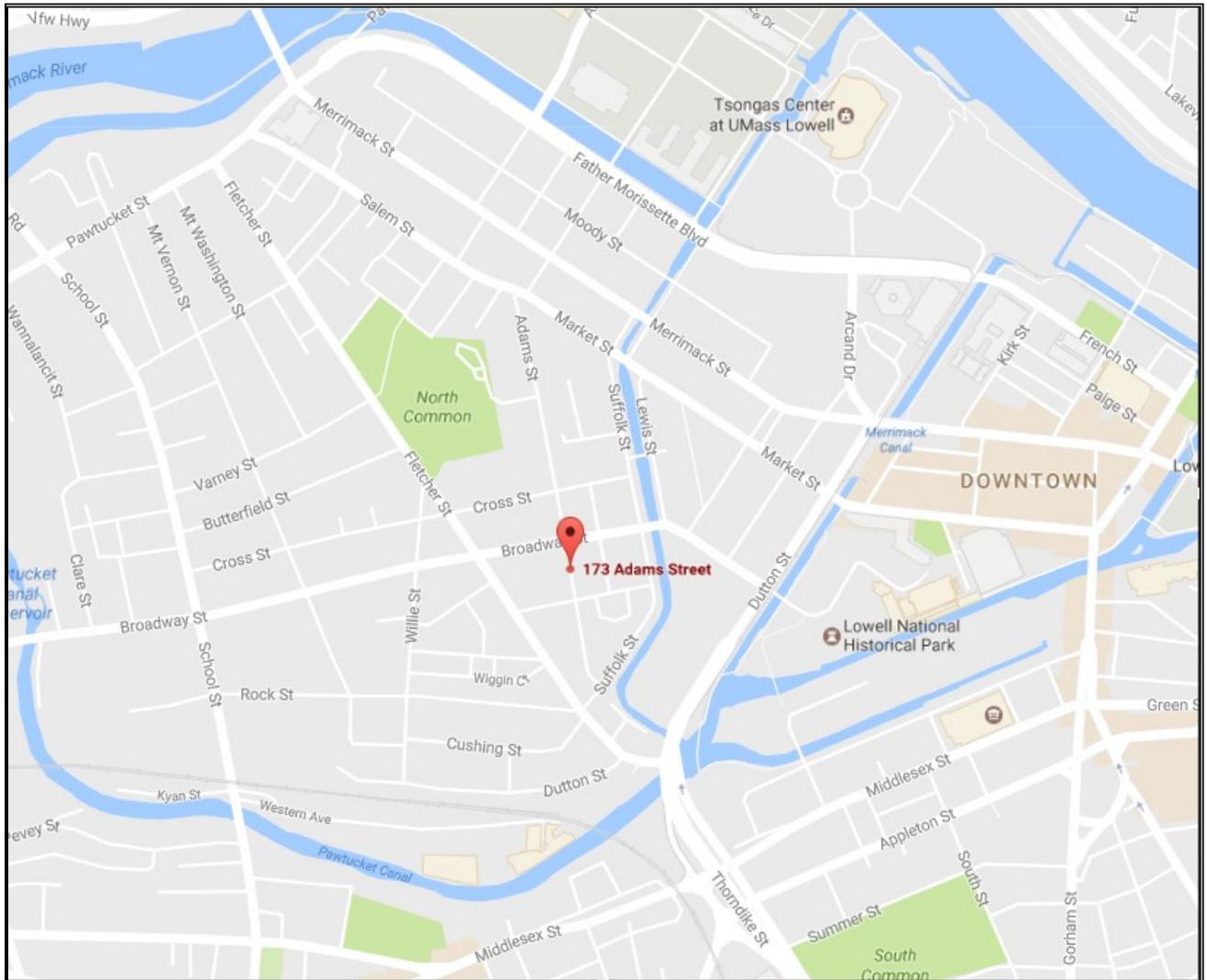


Looking South on Adams Street



INTRODUCTION

City Location Map

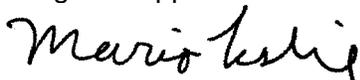


CERTIFICATION

I certify that, to the best of my knowledge and belief:

1. - The statements of fact contained in this report are true and correct.
2. - The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
3. - This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
4. - I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. - My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
6. - My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. - My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
8. - Richard Mario A. Leslie, MAI inspected the subject property on February 21, 2017.
9. - 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.
10. - No one provided significant professional assistance to the person signing this report except as identified in the report.
11. - The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
12. - My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice. I have made a personal inspection of the property that is the subject of this report.
13. - As of the date of this report, Richard Mario Leslie, MAI has completed the requirements of the continuing education program of the Appraisal Institute and the Commonwealth of Massachusetts Licensing Board.
13. - I do not authorize the out-of-context quoting from or partial reprinting of this appraisal report.
14. - Further, neither all nor any part of the appraisal report shall be disseminated to the general public by the use of media for public communication without the prior written consent of the appraisers signing this appraisal report.
15. - The "Scope of Work" involved sufficient research and inspection to render a credible opinion of value for the intended user and intended purpose of the assignment.
16. - I have performed no other services, as an appraiser or in any other capacity, regarding the property that is the subject of the work under review within the three-year period immediately preceding acceptance of this assignment.

Evergreen Appraisal



Richard Mario A. Leslie, MAI, Appraiser
Massachusetts General Certification 631

STANDARD ASSUMPTIONS AND LIMITING CONDITIONS

The appraisal report has been made subject to the following assumptions and limiting conditions:

General Assumptions

- No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
- The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated.
- Responsible ownership and competent property management are assumed.
- The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
- All engineering studies are assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
- It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
- It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.
- It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a nonconformity has been identified, described, and considered in this appraisal report.
- It is assumed that all required licenses, certificates of occupancy, consents, and 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 opinion of value contained in this report is based.
- Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraiser also has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for such conditions, or for any expertise or engineering knowledge required to discover them. The intended user is urged to retain an expert in this field, if desired.

- It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass, unless noted in the report.

General Limiting Conditions

- Any allocation of the total value estimated in this report between land and improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
- Possession of this report, or a copy thereof, does not carry with it the right of publication.
- The appraiser, by reason of this appraisal, is not required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.
- 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 the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.

Additional Assumptions and Limiting Conditions

- Any opinions of value provided in the report apply to the entire property, and any proration or division of the total into fractional interests will invalidate the opinion of value, unless such proration or division of interest has been set forth in the report.
- Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.
- The forecasts, projections, or operating estimates contained herein are based on current market conditions anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are therefore, subject to change which future conditions.
- The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey or analysis of the property to determine whether or not it is in conformity with the various detailed requirements of ADA. It is possible that a compliance survey of the property and detailed analysis of the requirements of the ADA would reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative impact upon the value of the property. Since the appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.

INTRODUCTION

Extraordinary Assumptions and Hypothetical Conditions

An extraordinary assumption as defined and used in this report is:

“An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser’s opinions or conclusions.”¹

USPAP explains further by stating an “extraordinary assumptions presume as fact otherwise uncertain information 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”.

- There are no known abutters that are interested in acquiring the subject. Therefore I have not assumed any abutter interest in the market value conclusions of this report.

A hypothetical condition as defined and used in this report is:

"That which is contrary to what exists but is supposed for the purposes of analysis.”²

USPAP explains further by stating “hypothetical conditions assume conditions 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”.

- There are no hypothetical conditions for this assignment.

Scope of Work Necessary to Complete the Assignment:

A complete appraisal of the subject property was performed. That included consideration of the known and verifiable, physical, functional and economic characteristics and conditions that affect the subject's value estimate as of the date of valuation. In an effort to arrive at an opinion of value, the following tasks were performed:

- An inspection of the subject property and identification of the subject market area.
- An inventory and analysis of the subject property's physical characteristics.
- A study of the influences and factors that affect and create value within the market area. The market area was determined to be the City of Lowell and abutting communities in Middlesex County in the Commonwealth of Massachusetts.
- An analysis to determine the highest and best use of the property. An analysis of the market to determine the comparability of sales due to market conditions. Market conditions for similar use land have been slowly appreciating or stable.
- The collection and analysis of the data necessary to arrive at a reasonable value indication.
- The reconciliation of the value indications into a final value estimate.
- The development of the cost and sales approaches to value as part of the assignment with the client.

¹ Appraisal Foundation, Uniform Standards of Professional Appraisal Practice .

² Appraisal Foundation, Uniform Standards of Professional Appraisal Practice

INTRODUCTION

The data collected for the subject relied on one the approach to value, the sales approach. The income approach was considered to be less reliable due to the lack of land leases in the market area. The cost approach is not useable approach to value for vacant land.

Data used in the valuation of the subject was verified by either a party to the transaction or a party having intimate knowledge of the agreement, unless specified within the report. It is important to note that the reader of this report should be aware of the Assumptions and Limiting Conditions and in particular the Extraordinary Assumptions and Hypothetical Conditions. In arriving at my final value estimate, I have relied on the sales approaches as the most reliable methodology due to the vacant status and highest and best use of the subject.

The data, reasoning, and analysis utilized to arrive at the value opinion are presented in this appraisal report. This appraisal is intended to conform to the Uniform Standards of Professional Practice (USPAP) promulgated by the Appraisal Standards Board of the Appraisal Foundation and the Code of Ethics and Standards of Professional Practice of the Appraisal Institute.

Appraisal Assignment

The appraisal assignment is to determine the highest and best use of the subject and to estimate the market value for disposition purposes. The assignment does not include any speculation as to any assemblage value to an abutter.

Extent of Data Collection and Analysis

In undertaking this appraisal assignment I have inspected the subject site and reviewed the property's legal description. I have investigated market area trends by undertaking surveys of similar use properties in the subject's market area. In addition, my investigation involved discussions with owners of similar properties, developers, brokers, and appraisers. Information gathered from this investigation was used as a basis for understanding the achievable prices on relevant units of comparison for similar use properties. Research was conducted in order to establish levels of market demand, and ultimately, the highest and best use of the subject property. The reader should be aware, that data used in reaching conclusions included in this report may not be shown, in these cases, the data is contained in my files.

The following documents (not necessarily limited to those shown) were relied on for arriving at a conclusion of highest and best use and the opinion of value.

- Zoning Bylaw, City of Lowell
- Town Offices, City of Lowell.
- Deeds and legal data from the Registry of Deeds in Middlesex County and the City of Lowell.
- Costar, MLS, Banker & Tradesman and other real estate data bases, brokers, owners and attorneys involved in leasing and sales transactions.

The Objective, Purpose and Use of the Appraisal

The objective and purpose of this assignment is to perform an appraisal to determine the market value of the fee simple estate of the property at its highest and best use as of the date of value, February 21, 2017. The function of this appraisal is to provide information to the client with respect to the subject's market value and to assist in forming asset management decisions regarding the disposition of the property. All real property associated with the property rights appraised are included in this valuation.

Competency of the Appraiser

The appraiser for this assignment is Richard Mario Leslie, MAI. The professional qualifications of the appraisers are located in the addenda.

The Date of the Value Estimate, Report, and Property Inspection

The date of the value estimate is February 21, 2017. The property was originally inspected on and subsequent exterior inspections have been made between the date of inspection on February 21, 2017 and the final date of this report.

Identification of the Client and Other Intended Users of the Appraisal

The client is the party or parties who have engaged the appraiser for this appraisal assignment. The client for this appraisal assignment is the City of Lowell, Department of Planning and Development (Client). The intended users of the appraisal are parties identified by the appraiser on the basis of communication with the client at the time of the assignment. The use of the appraisal is only intended for the Client. The use of this appraisal is not intended for any other party or parties.

Property Rights Appraised

Real estate is not only comprised of physical components such as land and improvements. It is also comprised of rights and interests in the property. Fee Simple as defined and utilized in this report is:

"Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."³

Eminent domain is the right of government to take private property for public use upon the payment of just compensation. Police power is the right of government to regulate property and includes: zoning ordinances, use restrictions, building codes and other public regulations. Escheat is the right that provides for the reversion of property to the government when an owner dies without leaving a will or heirs.

The fee simple estate can also be limited by the existence of easements or other private restrictions. Issues regarding the property's taxation, zoning, easements and other private restrictions (if any) are discussed in subsequent sections of this report.

Definition of Market Value, Commonwealth of Massachusetts

The value conclusion arrived at in this appraisal is market value. Market value or fair market value, as it is sometimes referred to, has been defined in many different ways. The courts in the Commonwealth of Massachusetts have defined fair market value as:

"The highest price which a hypothetical willing purchaser would pay to a hypothetical willing vendor in an assumed free and open market."⁴

The market value estimate represents cash equivalent value.

³ Appraisal Institute, *The Dictionary of Real Estate Appraisal, Electronic Edition*

⁴ *Epstein v. Boston Housing Authority*, 317 Mass. 297 (1945).

INTRODUCTION

USPAP

A current economic definition agreed upon by agencies that regulate federal financial institutions in the United States of America and provided as an example in USPAP is:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, 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 the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."⁵

Market Exposure Time

Reasonable Exposure Time is defined as:

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 effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market. This is a retrospective opinion based on an analysis of past events assuming a competitive and open market.

Based on my study of the marketplace, this appraisal assumes a market exposure time of six to twelve months prior to the date of the appraisal. Exposure time differs from marketing time which, according to USPAP, is defined as: "an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal." If offered for sale, the forecast marketing time is six to twelve months, if priced relative to my market value opinion.

SUMMARY OF APPRAISAL PROBLEM

The subject property consists of one vacant parcel of land containing 1,596 square feet of land that is unimproved. The subject was taken in lieu of back taxes along with an abutting parcel and is the remainder portion of the original site after assemblage of a portion to the abutting City owned parcel. The subject property is the remainder parcel as shown on page 23 containing 1,596 square feet of land area and is a non conforming and undevelopable parcel due to the lot size, frontage and configuration.

The subject has a highest and best for open space, assemblage or parking. The purpose of this appraisal is to estimate the market value of the subject property for disposition purposes. There are no known abutters interested in acquiring the subject property.

⁵ Appraisal Foundation, Uniform Standards of Professional Appraisal Practice.

INTRODUCTION

Property Ownership, Identification And History:

The subject property is the property located at 173 Adams Street, Lowell, Massachusetts. The Assessor's office in Lowell identifies the property as being Map 138, Block 45, Lot 173. The subject as it exists contains a total 1,596 square feet of land area that is unimproved. The property is located in the UMF - Urban Neighborhood Multi-Family Zoning district. The legal description for this property is contained in the deeds that are located in the addendum to this report and the new plan shown on page 23. The grantor, title abstract and utilities information is summarized as follows:

173 Adams Street

Assessors ID	Map 138, Block 45, Lot 173
Registry & District:	Middlesex North County Registry of Deeds
Title Reference:	Book 9429, Page 120
Grantor:	154-216 Adams St Realty Tr.
Grantee:	City of Lowell
Date of Transfer:	March 20, 1990
Consideration:	Tax Taking
Sales History	No other arms length sale within the last 5 years.
Utilities Available:	
Water	Public
Sewer	Public
Electricity	Yes
Telephone	Yes
Gas	Yes
Frontage	23.5 feet.
Total Land Area	1,596 square feet as shown on the plans provided.
Encumbrances & Easements	None known
Use History:	The subject is vacant land unimproved land.

AREA ANALYSIS

The objective of the market area analysis is to study all the forces and factors that influence and create value in real property. The basic forces that influence value are social trends, economic conditions, governmental controls and regulations, and environmental conditions.

The subject property is located in the City of Lowell in Middlesex County, Massachusetts, twenty miles north of downtown Boston. With an estimated population of 109,945, Lowell is the fourth-largest city in Massachusetts, after Boston, Worcester, and Springfield, and the second-largest in Boston's metropolitan area.

The Greater Boston market area consists of approximately 100 cities and towns shaped in a half-moon that radiate from Boston in an approximate 35-mile arc, bounded more or less by Route 495. The City of Boston is the capital of Massachusetts and is the largest municipality in New England. The Greater Boston market area is the epicenter of economic activity in New England, accounting for more than one-half the output and employment of the entire five-state region.

Regional Economic Outlook – First District (Boston and New England)

Excerpted from The Beige Book, Federal Reserve January 2017

Summary of Economic Activity

Business activity continued to expand in the First District at the close of 2016. Both retailers and manufacturers cited modest to moderate increases in revenues in recent weeks compared with a year earlier. Software and information services firms reported strong order increases in the fourth quarter. Commercial real estate markets were mostly steady in the region; in the Boston area office rents increased and sales prices for commercial properties were stable. Residential real estate markets across the region continued to experience increases in both sales and prices. Although none sought substantial additions to headcount, a number of firms reported difficulty finding workers to fill openings. Prices were largely stable. Most responding firms cited a positive outlook, expecting end-of-year growth rates to continue in 2017.

Employment and Wages

Contacts in multiple sectors mentioned tightening labor markets. For example, one retailer reported that their firm's labor costs went up 5 percent in 2016 because they had to pay more to attract workers and they faced state-mandated minimum wage increases. A majority of manufacturing contacts reported that they were actively recruiting and half indicated that they were struggling to find workers. Manufacturers' mentions of hiring difficulty extended across both skilled and unskilled workers and appeared to be an issue all across the region, including western Massachusetts, central Connecticut, and Rhode Island, as well as the Boston area. Software and IT services respondents kept headcounts relatively stable this past quarter and raised wages by mid-single digit percentages.

Prices

Retailers reported that input and selling prices remained generally steady. Manufacturing contacts similarly did not report exceptional pricing pressure from either customers or suppliers. A global supply glut of selected chemicals reduced prices of both those chemicals and products made with them. A supplier to the auto industry expressed concern that high levels of inventory in the auto business would lead to discounting and, in turn, price-cutting pressure on suppliers as occurred in the mid-2000s.

Retail and Tourism

Retail contacts consulted for this round reported that sales growth was generally good between mid-November and early January. In one case, this more positive recent trend made up for lower-than-expected sales earlier in 2016, which were partly driven by weather. Apparel sales were up, but demand for hardware items was reported to be down. Two respondents concluding their fiscal years on December 31 reported 2016 sales increases ranging from 1 percent to just over 3 percent. Another contact cited preliminary 2016 sales increases in the mid-single digit range. Continued modest sales growth is expected for 2017. A contact in the restaurant industry reported that sales in December were generally good, which he indicated serves as a positive predictor for the next couple of months, as customers spend gift cards purchased during the holiday season. Locally owned restaurants were said to be doing better than the larger publicly-traded chain outlets. This respondent expected that overall restaurant sales will be up 1 to 2 percent for 2016. Looking forward, there was concern that a tight labor market combined with increases required by minimum wage laws will stifle restaurant expansion and job growth over the next few years, and some sense that this trend has already started. Restaurant expansion may also be limited by rising real estate costs.

Manufacturing and Related Services

All eight manufacturers contacted this cycle reported higher sales versus the same period a year earlier. A sporting goods manufacturer reported robust year-over-year sales increases in the fall but does not expect that pace to continue. A manufacturer and retailer of furniture reported that sales slowed in mid-November but recovered in the balance of the year and were up slightly versus the year-earlier period. A toy maker reported exceptionally strong sales in the fourth quarter. A manufacturer of components for capital goods said that the second half of 2016 was better than the first half. Most respondents reported higher capital expenditures but none reported major revisions to spending plans. Information technology remained a major area of capital expenditure for several firms. A manufacturer of components for capital goods said that new technologies were allowing firms to get more out of existing equipment and that this was depressing capital expenditures. All the contacted manufacturers cited a positive outlook notwithstanding some uncertainty about the impact of possible policy changes by the new administration.

Software and Information Technology Services

Contacts in software and IT services—with a very limited number of respondents—reported mixed revenue results near the end of 2016, but strong demand in Q4. A healthcare software firm reported a slight decline in 2016 revenue from 2015, though they attributed this to accounting changes more than a real decline in business. They experienced a “huge” Q4 for new orders, and thus were gearing up for a strong 2017. The contact identified uncertainty surrounding the future of the Affordable Care Act as a possible headwind for their hospital clients. An IT firm selling to manufacturers summed up 2016 as “a stable year after a rocky 2015.” They reported high single-digit growth in bookings in Q4 over last year. The contact was hopeful that manufacturing will continue to recover in the coming year, possibly including tailwinds from the incoming administration. However, they expressed concern about a resurging U.S. dollar.

AREA ANALYSIS

Commercial Real Estate

Conditions in commercial real estate markets across the First District were stable in recent weeks. Office leasing activity was steady or modestly slower in the region's major metro areas. Investment sales activity and sales prices for prime commercial properties in Boston were also stable, as foreign investors were undeterred by higher interest rates and a stronger dollar. One contact estimated that office rents in greater Boston increased 10 percent on average in 2016. Apartment construction activity slowed in recent months in both Boston and Portland, while office construction was stable at a slow pace in Boston and minimal in the rest of the region. The outlook among contacts was cautiously optimistic, with significant uncertainty related to domestic politics. Contacts across the District expected capitalization rates to increase in 2017 to keep pace with rising interest rates, noting that such increases imply that rents will have to increase and/or valuations will have to decrease. On balance, contacts anticipated that property values will remain flat in 2017. Apartment construction activity was expected to slow further in coming months as borrowing costs continue to rise and lending terms continue to tighten, but prospects for new office construction appeared brighter for 2017 in light of rising office rents and low office vacancy rates around the region.

Residential Real Estate

Continuing recent trends, residential real estate markets in the First District showed robust increases in sales and prices relative to last year. Closed sales for single-family homes and condos increased in all six First District states as well as in the Boston metro area (five of the six First District states and Boston reported changes from November 2015 to November 2016; Maine reported on October 2015 to October 2016). Massachusetts recorded the most closed sales on record for the month of November. As usual, many contacts cited falling inventories as an issue: inventories decreased year-over-year in every reporting region. A contact in Massachusetts reported that "with such little inventory, buyers needed to be quick with their best offers from the start." Home prices also rose year-over-year. For single-family homes, the median sales price increased in every reporting region. The same was true for condos, except in Vermont where prices decreased slightly. Overall, contacts were optimistic about the outlook for the end of the year and into 2017. Many said rising interest rates would stimulate buyers to make offers at the end of 2016, but they did not expect further moderate increases in interest rates to restrain the region's consistently strong buyer demand.

Lowell, MA - Median Sales Price - Calendar Year				
Year	Period	1-Fam	Condo	All
2016	Jan - Dec	\$252,400	\$160,000	\$230,000
2015	Jan - Dec	\$244,000	\$160,000	\$220,000
2014	Jan - Dec	\$227,000	\$158,000	\$209,500
2013	Jan - Dec	\$220,000	\$145,950	\$197,900
2012	Jan - Dec	\$185,050	\$120,647	\$167,950
2011	Jan - Dec	\$182,500	\$115,000	\$165,000
2010	Jan - Dec	\$190,000	\$130,925	\$173,125

Lowell, MA - % Change Median Sales Price - Calendar Year				
Year	Period	1-Fam % Change Prior Year	Condo % Change Prior Year	All % Change Prior Year
2016	Jan - Dec	3.44%	0.00%	4.55%
2015	Jan - Dec	7.49%	1.27%	5.01%
2014	Jan - Dec	3.18%	8.26%	5.86%
2013	Jan - Dec	18.89%	20.97%	17.83%
2012	Jan - Dec	1.40%	4.91%	1.79%
2011	Jan - Dec	-3.95%	-12.16%	-4.69%

Lowell

Lowell is located at the confluence of the Merrimack and Concord rivers. The bordering towns (clockwise from north) are Dracut, Tewksbury, Billerica, Chelmsford, and Tyngsborough. The border with Billerica is a point in the middle of the Concord River where Lowell and Billerica meet Tewksbury and Chelmsford. The ten communities designated part of the Lowell Metropolitan area by the 2000 US Census are Billerica, Chelmsford, Dracut, Dunstable, Groton, Lowell, Pepperell, Tewksbury, Tyngsborough, and Westford, and Pelham, NH.

Transportation

Lowell has good access to Interstate 495, U.S. Route 3, the Lowell Connector, and Massachusetts Routes 3A, 38, 110, 113, and 133, all of which run through the city, Route 133 begins at the spot where Routes 110 and 38 branch off just south of the Merrimack River. There are six bridges crossing the Merrimack River in Lowell, and four crossing the Concord River (not including the two for I-495).

For public transit, Lowell is served by the Lowell Regional Transit Authority, which provides fixed route bus services and transit services to the city and surrounding area. These connect at the Gallagher Transit Terminal to the Lowell Line of the MBTA commuter rail system, which connects Lowell to Boston. The terminal is also served by several intercity bus lines.

The Lowell National Historical Park provides a free streetcar shuttle between its various sites in the city center, using track formerly used to provide freight access to the city's mills. An expansion is currently being planned to expand the system to 6.9 miles. The system might be turned over to the Lowell Regional Transit Authority after the extension is built.

Demographics:

According to the 2010 Census, the population was 106,519 with a density of 7,842.1 people per square mile. There were 41,431 housing units at an average density of 2,865.5 per square mile. The median income for a household in the city was \$51,714, according to the American Community Survey 5-year estimate ending in 2012. The median income for a family was \$55,852. The per capita income for the city was \$22,730.

Subject Neighborhood Boundaries

The subject neighborhood life cycle might be described as being in general stability. The subject neighborhood is considered to be old downtown residential area of Lowell. This residential area is centered around the former industrial neighborhoods and mill buildings and along Dutton Street just south of the subject. This is an older mixed use neighborhood improved with a variety of uses including small retail, residential and garage shop uses. Access to the subject neighborhood is good with the residential location and zoning considered to be average location within the downtown Lowell market.

Character of Development and Density

This is an older industrial mixed use neighborhood in Lowell with all of the abutting and adjacent properties being residential uses or mixed institutional use properties. Opposite the subject are some older style buildings now in institutional use. The development in the neighborhood is primarily residential with some retail mixed uses on main arteries. This is largely due to the location in the UMF Residential zoning for the neighborhood.

Lowell and Neighborhood Real Estate Market

A review of market transactions and discussions with brokers marketing property in the area indicated that there is a demand for undevelopable vacant land for open space, assemblage or parking in the local market in Lowell. There have been some recent sales of similar undevelopable land in residential zoned areas of Lowell. The sale price in this market is dependent on the utility and area of the sites, any existing improvements, location and site amenities. Other variations in selling prices are primarily due to the differences in size, location, visibility, access and utility of the properties. The lower cost properties typically are located in secondary locations or include wetlands and other topographical / legal restrictions to development.

Trends

Neighborhoods are described as having a life cycle that traditionally evolves through four stages. The first stage, known as growth, is a period during which the neighborhood gains public favor and acceptance. The second stage, known as stability, is a period of equilibrium without market gains or losses. The third stage, called decline, is a period of diminishing demand. The fourth and final stage is revitalization, a period of renewal, modernization and increasing demand. The neighborhood appears to be in a stage of stability with supply and demand in balance but at slightly appreciating prices.

Conclusion

In summary, the neighborhood is a residential and multi family location in the City of Lowell and where values are now appreciating and seem well supported with a slowly appreciating and active market.

PROPERTY DESCRIPTION

Site Data

Location -- The subject's street address is 173 Adams Street, Lowell, Massachusetts. This location is in an older and well developed residential mixed use neighborhood.

General Description -- The subject site consists of one lot that contains a total of 1,596 square feet according to the plan shown on page 23. The subject is a regular shaped parcel with 23.5 feet of frontage on Adams Street. The subject site is not a legal building lot and due to its size is an undevelopable vacant land parcel that could be improved for open space, assemblage or parking. The site is level, well drained and fully useable as residential open space, parking or for assemblage with an abutter for development.

Topography and Drainage -- The topography of the subject site is generally level and not located in any flood zones. The site appears to be well drained.

Flood Hazard -- The subject site is not located in a flood hazard zone as shown on FIRM Map 25017C0139F, Dated July 7, 2014. See Firm Map on the page 25.

Soil and Subsoil -- Soils tests and analysis are beyond the scope of this valuation analysis. I assume that the soil bearing capacity of the site is such that it is capable of supporting most types of residential and multi family structures without requiring special engineering or soil preparation.

Environmental Hazards -- I have requested a copy of the most recent environmental site assessment in conjunction with Massachusetts General Laws, Chapter 21E from the owner. No report was available and none was reviewed. The subject property was not found on the Commonwealth list of sites published by the Department of Environmental Protection. My valuation assumes that the subject is in compliance with MGL Chapter 21E with respect to hazardous waste. Any costs to comply with current regulations are not considered in this appraisal and are unknown to the appraiser.

Utilities -- The site has access to all municipal services.

Easements, Encroachments -- The subject has no known easements or encroachments on the site.

Site Improvements -- None.

Summary Comments -- The site is level and there no apparent drainage problems. The site has good access and visibility from Adams Street. The site is located within the well developed residential neighborhood in Lowell.

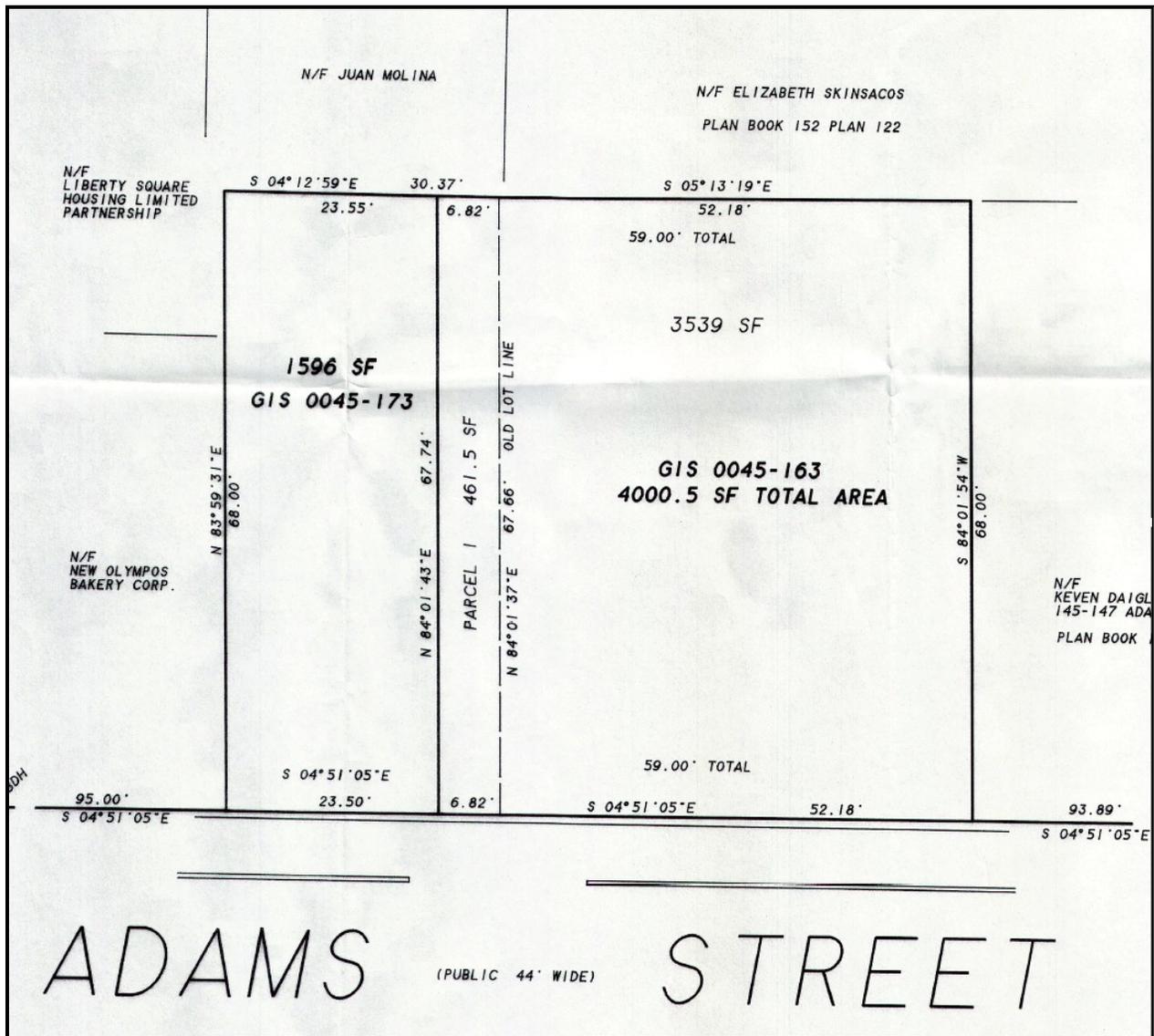
PROPERTY DESCRIPTION

ARIEL VIEW, GOOGLE EARTH



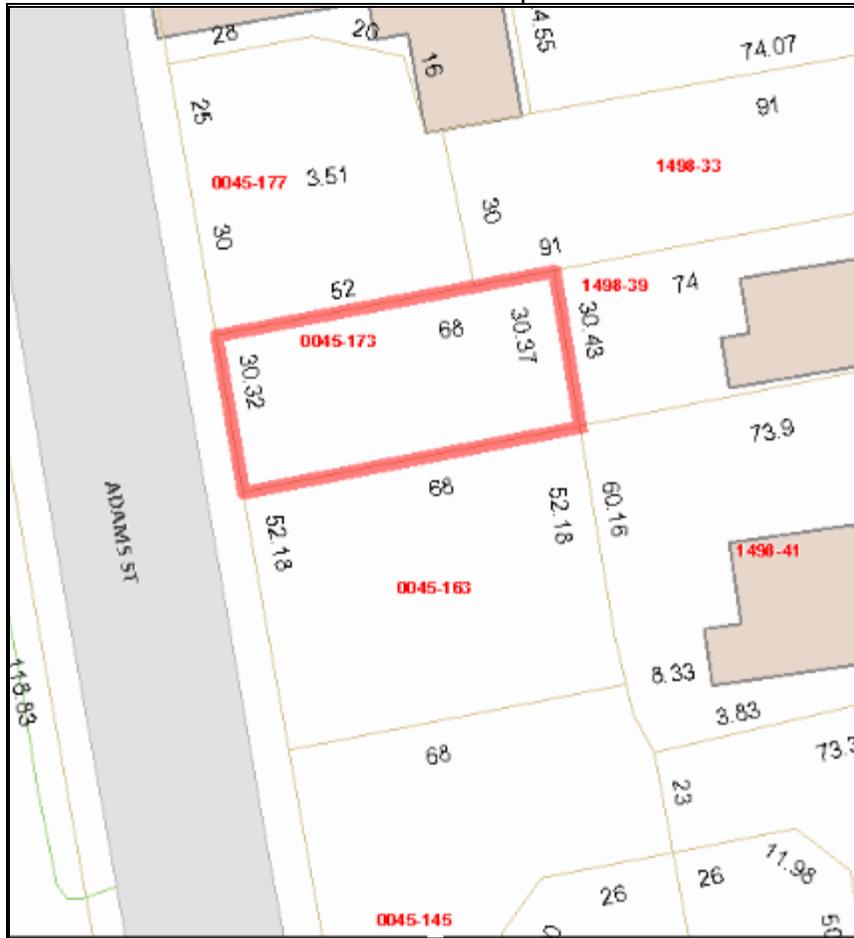
PROPERTY DESCRIPTION

Site Plan



PROPERTY DESCRIPTION

Assessors Map

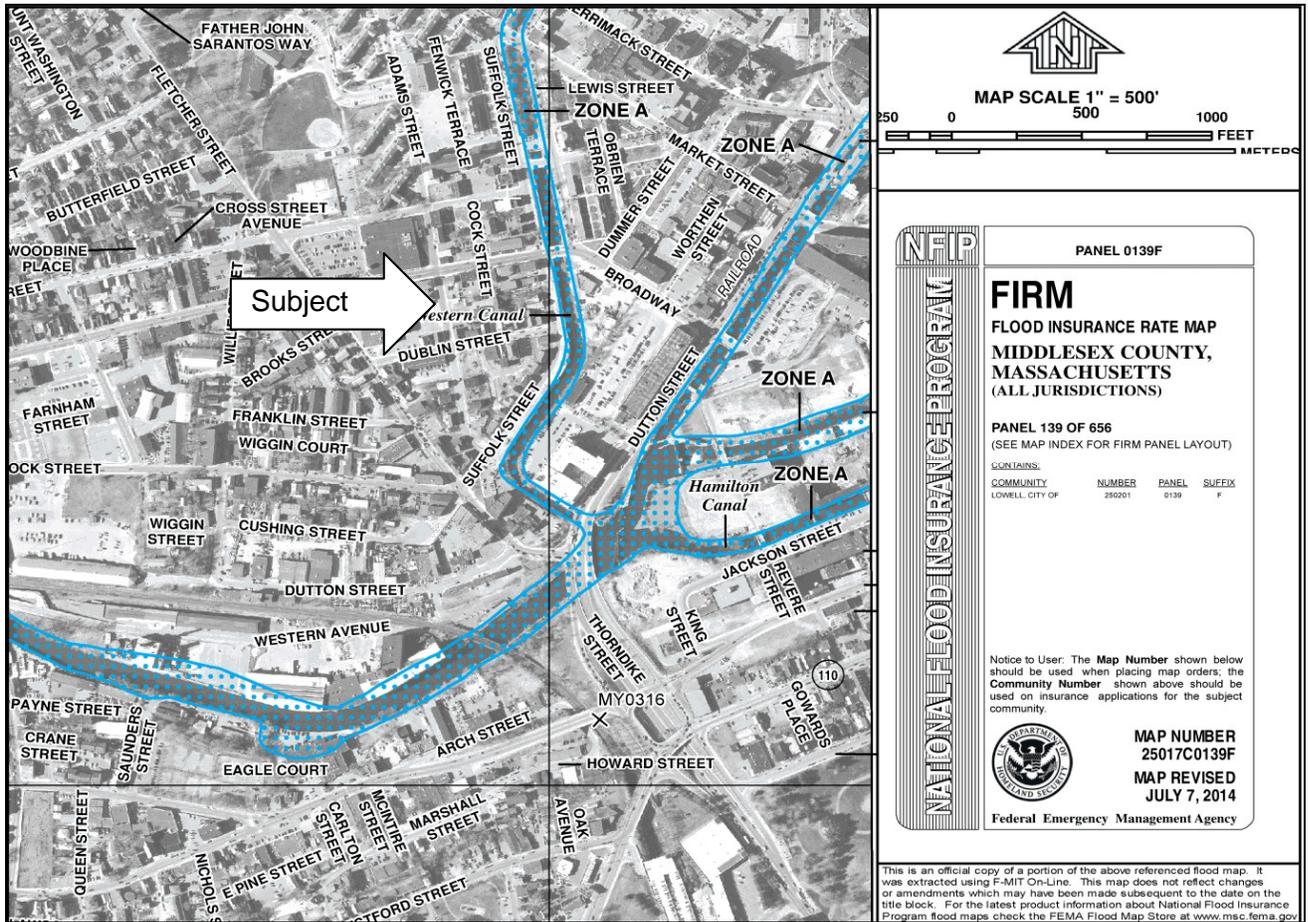


Account: 210461	
GIS ID	0045-173
Parcel ID	0138 0045 0173 0000
Legal Address	173 ADAMS ST
Legal Owner	CITY OF LOWELL TAX POSSESSION
Legal Area	2062 sq ft
Book/Page	9429/ 120
Access Deed Info	Click here
Property Record Card	Click Here
Owner Info	
Owner Address	375 MERRIMACK ST
City, State, Zip	LOWELL, MA, 01852
Assessing Info	
Land Value	39400
Building Value	0
Total Value	39400
Year Built	0
Land Zone	UMF
Land Use Description	City of Lowell V

Note - The subject of this report is a portion of the lot shown on the Assessors Map, a portion of the subject has been added to the abutting parcel for disposition of that parcel as a buildable conforming lot.

PROPERTY DESCRIPTION

Flood Map - FIRM Map #, DATED J




MAP SCALE 1" = 500'
 0 500 1000
 FEET METERS

NFP
NATIONAL FLOOD INSURANCE PROGRAM
 PANEL 0139F

FIRM
FLOOD INSURANCE RATE MAP
MIDDLESEX COUNTY,
MASSACHUSETTS
(ALL JURISDICTIONS)

PANEL 139 OF 656
 (SEE MAP INDEX FOR FIRM PANEL LAYOUT)

CONTAINS:	COMMUNITY	NUMBER	PANEL	SUFFIX
	LOWELL CITY OF	25001	0139	F

Notice to User: The **Map Number** shown below should be used when placing map orders, the **Community Number** shown above should be used on insurance applications for the subject community.

MAP NUMBER
25017C0139F
MAP REVISED
JULY 7, 2014
 Federal Emergency Management Agency

This is an official copy of a portion of the above referenced flood map. It was extracted using F-MIT On-Line. This map does not reflect changes or amendments which may have been made subsequent to the date on the title block. For the latest product information about National Flood Insurance Program flood maps check the FEMA Flood Map Store at www.msc.fema.gov

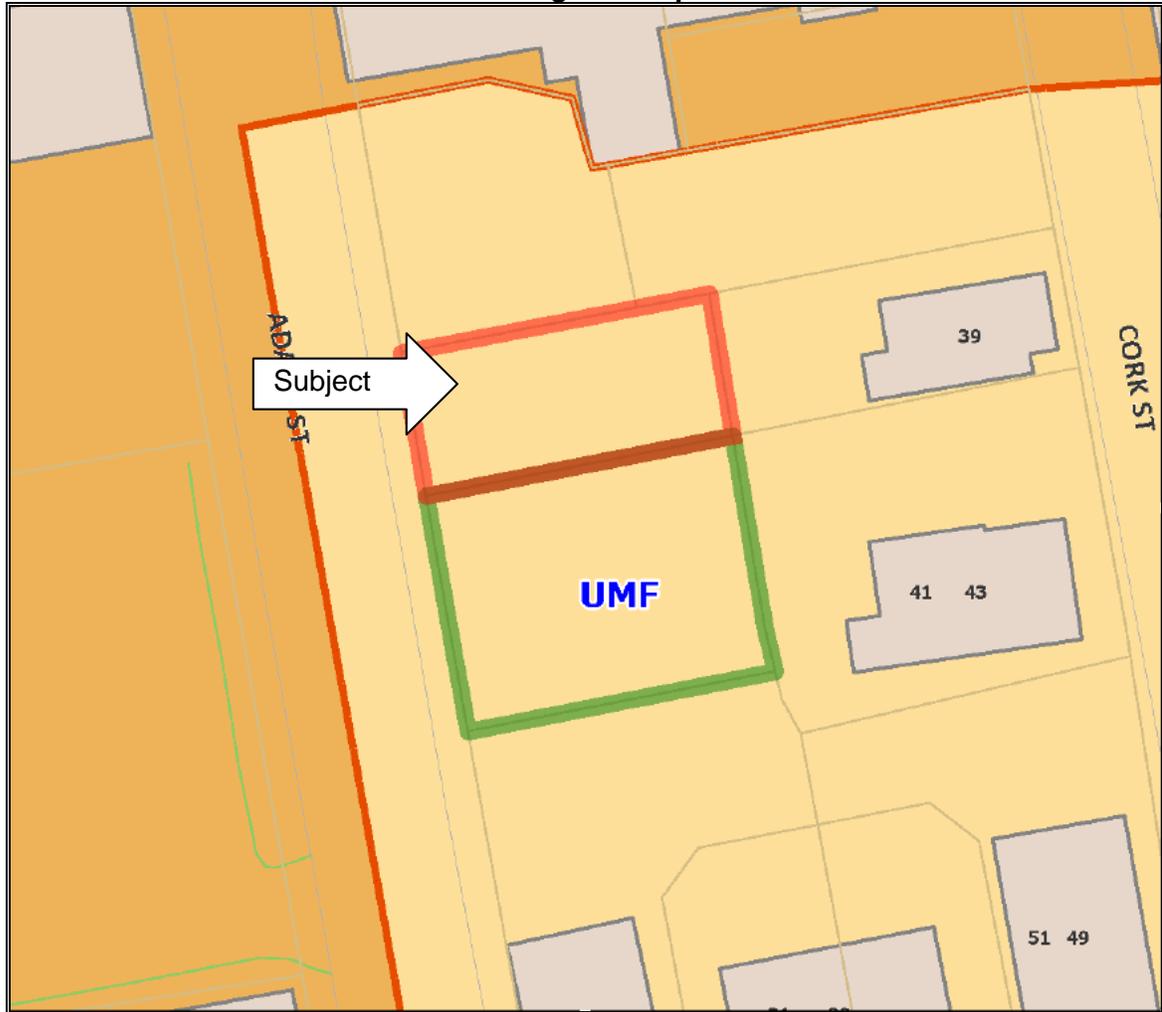
LEGEND

- 
SPECIAL FLOOD HAZARD AREAS SUBJECT TO INUNDATION BY THE 1% ANNUAL CHANCE FLOOD
 The 1% annual flood (100-year flood), also known as the base flood, is the flood that has a 1% chance of being equaled or exceeded in any given year. The Special Flood Hazard Area is the area subject to flooding by the 1% annual chance flood. Areas of Special Flood Hazard include Zones A, AE, AH, AO, AR, A99, V, and VE. The Base Flood Elevation is the water-surface elevation of the 1% annual chance flood.
- | | |
|-----------------|--|
| ZONE A | No Base Flood Elevations determined. |
| ZONE AE | Base Flood Elevations determined. |
| ZONE AH | Flood depths of 1 to 3 feet (usually areas of ponding); Base Flood Elevations determined. |
| ZONE AO | Flood depths of 1 to 3 feet (usually sheet flow on sloping terrain); average depths determined. For areas of alluvial fan flooding, velocities also determined. |
| ZONE AR | Special Flood Hazard Area formerly protected from the 1% annual chance flood by a flood control system that was subsequently decertified. Zone AR indicates that the former flood control system is being restored to provide protection from the 1% annual chance or greater flood. |
| ZONE A99 | Area to be protected from 1% annual chance flood by a Federal flood protection system under construction; no Base Flood Elevations determined. |
| ZONE V | Coastal flood zone with velocity hazard (wave action); no Base Flood Elevations determined. |
| ZONE VE | Coastal flood zone with velocity hazard (wave action); Base Flood Elevations determined. |
- 
FLOODWAY AREAS IN ZONE AE
 The floodway is the channel of a stream plus any adjacent floodplain areas that must be kept free of encroachment so that the 1% annual chance flood can be carried without substantial increases in flood heights.
- 
OTHER FLOOD AREAS

ZONE X	Areas of 0.2% annual chance flood; areas of 1% annual chance flood with average depths of less than 1 foot or with drainage areas less than 1 square mile; and areas protected by levees from 1% annual chance flood.
---------------	---
- 
OTHER AREAS

ZONE X	Areas determined to be outside the 0.2% annual chance floodplain.
---------------	---

Zoning GIS Map



- Zoning
- USF
 - HCD
 - INST
 - NB
 - RR
 - LI
 - GI
 - OP
 - HRC
 - SMU
 - UMU
 - PDMI
 - PDMU
 - SSF
 - TSF
 - SMF
 - TTF
 - TMF
 - UMF
 - DMU
 - TMU

PROPERTY DESCRIPTION

REAL PROPERTY TAXES AND ASSESSMENTS

Fiscal Year 2017 assessments for the subject are listed by the Assessors in Lowell.

173 Adams Street, Lowell, Massachusetts,

Taxpayer of Record: City of Lowell

Property		
Map ID	Map 138, Block 45, Lot 173	
Address	173 Adams Street	
Assessment		
Fiscal Year	2017	2016
Building		
Yard Items	\$0	\$0
Land	\$39,400	\$39,400
Total	\$39,400	\$39,400
Real Estate Taxes		
Fiscal Year	2017	2016
Tax	\$1,207	\$1,230
Real Estate Tax Information		
Tax Rates	2017	2015
Residential	\$14.92	\$15.16
Com./Ind.	\$30.64	\$31.22
Latest Year Assessment and Tax Analysis		
	Assesment	R. E. Taxes
Per Square Foot Improvements		\$0.000
Land	\$24.69	\$0.756
Calculated on:	Assessor's Land Area	
Assessor's Area	GBA Above Grade	-
	Land Area	1,596

Tax Rate \$14.92 per \$1,000 valuation
 Subject is Tax Exempt

HIGHEST AND BEST USE ANALYSIS

Definitions and Methodology

Highest and best use is defined as:

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

Implied in these definitions is that the determination of highest and best use takes into account the contribution of a specified use to the community and community development goals, as well as the benefits of that use to individual property owners. An additional implication is that the determination of highest and best use results from the appraiser's judgment and analytical skill, that is, the use determined from analysis represents an opinion, not a fact to be found.

Highest and Best Use of Property

Highest and best use of a property as improved pertains to the use that should be made of the property as it presently exists. The critical issues involved relate to the ability of the current improvements to produce an income stream versus the costs of renovation, expansion or of demolishing the existing improvements and redeveloping the site with an entirely new more productive program of improvements.

Physically Possible -- The site is level with good frontage on Adams Street. The site has adequate access and generally rectangular in shape and cleared. The subject size is very small and is more adapted to use as open space, assemblage or parking site. The subject site would accommodate any legally allowed use.

Legally Permissible -- The unimproved site does not meet the size requirements of zoning and is therefore an undevelopable parcel as it exists. The subject site may be improved with open space, assemblage or parking for an abutter or other off site user but is non conforming under zoning.

Financially Feasible – The subject neighborhood is an older and well developed neighborhood located with good access to Adams Street. Due to the small size of the subject and the location it appears that only an open space, assemblage or parking use would be a financially feasible and legal use of the site.

Maximally Productive -- Of the uses that fit the above criteria, the highest and best use as improved will be that program which provides the highest value to the property owner. Due to the legal constraints under zoning, the site size and location in a residential neighborhood, the maximally productive use of the subject is determined to be an undevelopable parcel with a highest and best use as open space, assemblage or parking site.

Methodology:

The three standard approaches to estimate value include the cost approach, the sales comparison (market data) approach, and the income capitalization approach. Each approach is briefly explained below including comments regarding the application of each approach to the subject property and interests appraised.

The cost approach is based on the premise that a prudent purchaser would not pay more for a property than the cost of creating a substitute property with the same utility. Therefore, the value of a property is equal to the vacant property value and the cost of new improvements, less any accrued depreciation. The cost approach is not and cannot be used to value vacant land.

The income capitalization approach derives a value indication for income producing properties by converting anticipated benefits into property value. This conversion is accomplished by: Capitalizing a single years' income expectancy or annual average of several years' income expectancies at a market derived capitalization rate, or capitalization rate that reflects a specific income pattern, return on investment and change in the value of the investment, or discounting the annual cash flows for the holding period and the reversion at a specified yield rate. The subject does not have an independent income potential and therefore this type of property is not typically purchased investors for cash flows to the ownership. Therefore, I have not developed the income approach.

The sales approach is based upon the premise that an informed purchaser would not pay more for a property than the price of acquiring a similar property within a reasonable amount of time. The sales comparison approach is a valuation procedure that derives a value indication by comparing the subject property to similar properties that have sold recently, are listed for sale, and/or are under contract. Applying the appropriate units of comparison derives the value indication by making adjustments based on the elements of comparison to the sales prices of the comparables. The sales comparison approach is applicable to the valuation of the subject. I have used the sales approach to develop a value estimate and an indication of value based on the highest and best use.

**SALES APPROACH
LAND VALUATION METHODOLOGY**

The sales comparison approach is the process of analyzing market data pertaining to similar properties which have sold, are listed for sale, and/or are under contract and comparing them to the subject property. This approach is based upon the premise that a prudent buyer would not pay more for a given property than the price of a substitute property of similar utility and desirability within a reasonable amount of time. The fee simple comparable sales not subject or encumbered by easements in order to determine the fee simple value unencumbered of the subject. The steps in the application of sales approach are as follows:

- Step 1** Research the market and obtain information on sales, listings and offers to purchase or sell.

- Step 2** Confirm the data obtained to be sure it is factually accurate and that the transactions reflect arm's-length market considerations.

- Step 3** Select relevant units of comparison, e.g. dollars per square foot, or per acre.

- Step 4** Compare the subject property and comparable properties using the elements of comparison and adjust the price of each comparable appropriately.

- Step 5** Reconcile the various value indications produced from the analysis of the comparables into a value indication.

The appraiser researched the market area for comparable land sales, listings and offers to purchase or sell properties similar to the subject. A number of comparative properties were located and analyzed. The most comparable of these properties are presented on the following pages.

- 1) Real property rights conveyed
- 2) Financing terms
- 3) Conditions of sale
- 4) Use
- 5) Non-realty components of value
- 6) Market conditions
- 7) Location characteristics
- 8) Physical characteristics
- 9) Economic characteristics
- 10) Other characteristics

The sales comparison approach provides an estimate of the market value of the land by comparing the subject property with recent sales of similar properties. The major premise of this approach is that the market value of a property can be directly related to the prices of comparable, competitive properties. The site has been valued via the sales approach since there are sufficient sales in the market for a reliable indication of value for the subject as vacant. Based on conclusions reached in the highest and best use analysis, I have presented recent sales that I consider most similar to the subject and most relevant for analysis and comparison.

Table of Sales

Comparable Number	Subject	Comparable 1	Comparable 2	Comparable 3
Property	173 Adams Street Lowell, MA	181 Old Middlesex Lowell, MA	141 Cashin Lowell, MA	10 Toupi Lane Lowell, MA
Title Reference:		28774/65	29769/262	29945/56
Assessors ID:				
Seller:		Mary Lallas	Tallage Adams LLC	Tallage Adams LLC
Buyer:		33 Bolt Street LLC	Stephan Kenneway	Antonio Viola
Sale Date	2/21/2017	1/20/2015	1/29/2016	4/11/2016
Sale Price		\$6,000	\$10,000	\$18,000
Rights Conveyed:	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing Terms:	Conventional	Conventional	Conventional	Conventional
Conditions of Sale:	Arms Length	Arms-length	Arms-length	Arms-length
Non-Realty Components:	None	None Known	None Known	None Known
Use:	Residential	Undevelopable	Undevelopable	Undevelopable
Market Conditions:	Stabilized	Stabalized	Stabilized	Stabilized
Location:	Average	Average	Average	Average
Physical Characteristics				
Land Area (Sq. Ft.):	1,596	8,484	66,416	42,497
Frontage	24	-	362	n/a
Topography:	Generally level	Generally level	Generally Level	Generally Level
% Useable Land Area	0%	0%	0%	0%
Useable Land Area (Sq. Ft.)	-	-	-	-
Zoning:	UMF	LI, Indust	SSF, Res	SSF, Res
Utilities:	All Available	None	All Available	All Available
Per Usable SF		\$0.71	\$0.15	\$0.42
On-site Environmental	None Known	None Known	None Known	None Known
Legal Encumbrances:	None Known	None Known	None Known	None Known

Comparable Number	Subject	Comparable 4	Comparable 5	Comparable 6
Property	173 Adams Street Lowell, MA	306 First St Lowell, MA	81 Delaware Ave Lowell, MA	177 Adams St Lowell, MA
Title Reference:		29308/27	30040/211	28630/143
Seller:		Tallage Adams LLC	Tallage Adams LLC	City of Lowell
Buyer:		Kim & Julie Hguyen	Viola	New Olympos Bakery
Sale Date	02/21/17	08/05/15	01/24/17	11/19/2014
Sale Price		\$9,500	\$2,000	\$9,000
Rights Conveyed:	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing Terms:	Conventional	Conventional	Conventional	Conventional
Conditions of Sale:	Arms Length	Arms-length	Arms-length	Arms-length
Non-Realty Components:	None	None Known	None Known	None Known
Use:	Residential	Undevelopable	Undevelopable	Parking Lot
Market Conditions:	Stabilized	Stabilized	Stabilized	Stabilized
Location:	Average	Average	Average	Average
Physical Characteristics				
Land Area (Sq. Ft.):	1,596	19,413	7,200	2,733
Frontage	24	385	80	55
Topography:	Generally level	Generally level	Generally level	Generally level
% Useable Land Area	0%	0%	0%	0%
Useable Land Area (Sq. Ft.)	0	0	0	-
Zoning:	UMF	TSF, Res	SSF	UMF
Utilities:	All Available	All Available	All Available	All Available
Per Usable SF		\$0.49	\$0.28	\$3.29
On-site Environmental	None Known	None Known	None Known	None Known
Legal Encumbrances:	None Known	None Known	None Known	None Known

Land Sale Analysis:

Six comparable land sales are presented. A small time adjustment is made to the sales as these sales took place within the last two years and prices appear generally stable but some appreciation has taken place in the last several years. These sales show a range of values that reflect the location, road frontage, topography and motivation of the buyers. All of the sales are located in varying locations to the subject and all are located within the City of Lowell. I believe that these sales show a range and are good indicators for the subject site with comparables 2, 3, 4 and 6 being the most similar due to size, location and zoning.

The unit of comparison selected for the land sales analysis is the price per square foot of land area. I have used this unit of comparison as market participants will often utilize this to compare to an overall gross site sale price. The subject is the standard by which all the land sales comparables are adjusted. The sales have been adjusted in the following sequence:

Property Rights – None of the sales was leased and all were purchased for assemblage, speculation or open space and represent the fee simple interest.

Financing - Where all are believed to have involved all cash to the seller, no adjustment for this characteristic is warranted.

Conditions of Sale - All sales were confirmed to be arm's length transactions without unusual buyer or seller motivation that affected the sale price. All sales were researched at the registry of deeds, assessors office and contact with owners, brokers or grantee/grantors was attempted. In some cases no phone numbers or contact data was available that was active and confirmation was obtained from appraisers, brokers and other market participants.

Market Conditions - As discussed in earlier sections of this report, market conditions have been appreciating for the last five years but now appear to be stable. While property values have appreciated from 2011 into 2017, over the last 18 months the overall real estate market has seen moderate increases or stabilization. I believe that we are now in a slowly appreciating market for the foreseeable future. The value of vacant lots in the downtown of Lowell has appreciated with the general real estate market and I have used a 3% annual appreciation factor in this analysis.

Lowell, MA - Median Sales Price - Most Recent Month Available				
Year	Period	1-Fam	Condo	All
2016	Dec	\$246,000	\$152,000	\$235,000
2015	Dec	\$250,000	\$148,250	\$230,000
2014	Dec	\$237,500	\$133,250	\$222,900
2013	Dec	\$225,000	\$151,250	\$210,000
2012	Dec	\$195,000	\$108,575	\$177,500
2011	Dec	\$195,000	\$162,500	\$200,000
2010	Dec	\$212,450	\$103,000	\$185,750

Lowell, MA - % Change Median Sales Price - Most Recent Month Available				
Year	Period	1-Fam % Change Prior Year	Condo % Change Prior Year	All % Change Prior Year
2016	Dec	-1.60%	2.53%	2.17%
2015	Dec	5.26%	11.26%	3.19%
2014	Dec	5.56%	-11.90%	6.14%
2013	Dec	15.38%	39.30%	18.31%
2012	Dec	0.00%	-33.18%	-11.25%
2011	Dec	-8.21%	57.77%	7.67%
2010	Dec	0.21%	-17.60%	7.68%

Location - The locational characteristics of the sales are reasonably similar. The subject is located within one of the older sections of Lowell. Some locations are within inferior or superior neighborhoods due to the surrounding development, have superior or inferior traffic counts and visibility or access that could support a open space, assemblage or parking use. All are zoned for similar residential uses.

Physical Characteristics - This element of comparison includes road frontage, shape, topography, size and access/visibility. All of the sales are undevelopable land due to legal restrictions, size, zoning or topography.

Use: - All of the comparables are undevelopable land. However, some sales include assemblage value to an abutter. This factor considers the added value in use of the comparables to a specific user. I have adjusted comparable sale 6 for the assemblage with the abutter.

LAND SALES GRID

COMPARISON	SUBJECT	COMP 1	COMP 2	COMP 3
ADDRESS	173 Adams Street Lowell, MA	181 Old Middlesex Lowell, MA	141 Cashin Lowell, MA	10 Toupi Lane Lowell, MA
SALES PRICE		\$6,000	\$10,000	\$18,000
DATE OF SALE	2/21/2017	20-Jan-15	29-Jan-16	11-Apr-16
LAND AREA	1,596	8,484	66,416	42,497
PRICE PER SF		\$0.71	\$0.15	\$0.42
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple
FINANCING TERMS	Cash Seller	Similar	Similar	Similar
CONDITIONS OF SALE	Arms Length	Arms-length	Arms length	Arms-length
MARKET CONDITIONS	Stable	Adjusted	Adjusted	Adjusted
PERCENT DEVELOPABLE	0%	0%	0%	0%
AREA	0	8,484	66,416	42,497
ADJUSTED PSF		\$0.75	\$0.16	\$0.43
ADJUSTED PER LOT		\$6,376	\$10,320	\$18,467
LOCATION	Average	Average	Similar	Similar
USE	Residential	Similar	Similar	Similar
ZONING	UMF	Similar	Similar	Industrial
UTILITIES	All Available	Similar	Similar	Similar
CONDITION	Average	Similar	Similar	Similar
FRONTAGE, ACCESS	24	Similar	Similar	Similar
EASEMENTS	None	None Known	None Known	None Known
SIZE	Average	Similar	Larger	Larger
FUNCTIONAL UTILITY	Average	Similar	Inferior	Similar
UTILITIES	All Available	None	All Available	All Available
VALUE PER LOT		\$6,376	\$15,480	\$18,467
VALUE PER SQUARE FOOT		\$0.75	\$0.23	\$0.43
COMPARISON	SUBJECT	COMP 4	COMP 5	COMP 6
ADDRESS	173 Adams Street Lowell, MA	306 First St Lowell, MA	81 Delaware Ave Lowell, MA	177 Adams St Lowell, MA
SALES PRICE		\$9,500	\$2,000	\$9,000
DATE OF SALE	21-Feb-17	5-Aug-15	24-Jan-17	19-Nov-14
LAND AREA	1,596	19,413	7,200	2,733
PRICE PER SF		\$0.49	\$0.28	\$3.29
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple
FINANCING TERMS	Cash Seller	Similar	Similar	Similar
CONDITIONS OF SALE	Arms Length	Arms-length	Arms-length	Assemblage
MARKET CONDITIONS	Stable	Adjusted	Adjusted	Adjusted
PERCENT USEABLE	0%	0%	0%	0%
USEABLE AREA	0	19,413	7,200	2,733
ADJUSTED PSF		\$0.51	\$0.28	\$1.76
ADJUSTED PER LOT		\$9,942	\$2,005	\$4,805
LOCATION	Average	Similar	Similar	Similar
USE	Residential	Similar	Similar	Similar
ZONING	UMF	Similar	Similar	Similar
UTILITIES	All Available	Similar	Similar	Similar
CONDITION	Average	Similar	Level	Level
FRONTAGE, ACCESS	24	385	80	55
EASEMENTS	None	None Known	None Known	None Known
SIZE	Average	Similar	Similar	Similar
FUNCTIONAL UTILITY	Average	Similar	Inferior	Similar
UTILITIES	All Available	Similar	Similar	Similar
VALUE PER LOT		\$9,942	\$3,007	\$4,805
VALUE PER SQUARE FOOT		\$0.51	\$0.42	\$1.76

Land Sales Adjustments Description:

The land comparables are all located in the City of Lowell and in varying competitive locations to the subject. All are similarly zoned and undevelopable site with a highest and best use for assemblage and open space with an abutter or open space for public use. All were purchased with allowed uses including open space, assemblage or parking for a speculative attempt at redevelopment

Sale Comparable 1 - This sale is a landlocked parcel purchased in an industrial zone. The broker felt that the buyer was looking to obtain the parcel in an area that would be developed in the future and he would be able demand a premium at some future time.

Sale Comparable 2 is located on Cashin Drive in Lowell and is an undevelopable parcel of wetlands deed restricted to conservation use only.

Sale Comparable 3 is located on Toupi Lane and is an existing parcel with standing water and drainage through the parcel and consisting of all wetlands.

Sale Comparable 4 is a steep slope that is undevelopable but located in a residential area.

Sale Comparable 5 is a parcel of land located abutting a steam and drainage way. The parcel is fully undevelopable due to the flowing water on site and was purchased by the abutter.

Sale comparable 6 is the sale of a property abutting land owned by the City on Adams Street on the same block as the subject. This was a foreclosed property in a tax taking and now resold to an abutter who is using the site as parking. This is a non conforming lot purchased by an abutter for assemblage. This sale is a market transaction but influenced by the special interest of an abutter for assemblage.

Reconciliation:

Verification of the sales has been taken from owners, brokers and from attorneys involved with the conveyance and with others knowledgeable of the sale. The assessor’s records were reviewed and the sales researched in the registry of deeds. These sales are believed to represent arms-length transactions and to represent the market.

The subject is a moderate size parcel of vacant I in the UMF residential zone. The three most similar sales are sales 1 to 5 that show a range of \$0.23 to \$0.75 psf. Comparable 6 is an assemblage parcel with value to an abutter for parking and development potential. After a review of the data it is my opinion that the subject has a fee simple value of \$0.75 per square foot or \$1,197 rounded to \$1,200.

Fee Simple Market Land Value
\$1,200

ADDENDUM

QUALIFICATIONS OF THE APPRAISER

Richard Mario A. Leslie, MAI is the sole proprietor and principal of Evergreen Appraisal, a firm specializing in advisory and appraisal services. Mr. Leslie has been involved in real estate for over twenty five years, providing a variety of services to corporate, private and public clients throughout the country. From 1985 to 2010 Mr. Leslie has been an independent appraiser and member of the Appraisal Institute since 1995. Serving a variety of clients that include state agencies, institutional investors and banking clients. Prior 1984, Mr. Leslie was involved with the development and construction of residential and commercial real estate as an independent contractor.

Appraisal & Valuation Consulting

R. Mario A. Leslie, MAI has been engaged in over 500 valuation assignments, involving all property types. Assignments have included industrial, commercial and residentially improved sites as well as eminent domain takings, both permanent and temporary easements on park land, public land and private holdings. Appraisals have been conducted for financing and tax abatement applications that include all property types from vacant land and subdivisions to commercial retail, office, special use and industrial properties.

Mr. Leslie has completed assignments for the following purposes: property acquisition and sale, portfolio valuation, bankruptcy, condemnation, financing, estate planning, ad valorem and estate taxation, appraisal review and expert opinion.

Mr. Leslie has qualified and presented testimony as a real estate appraiser before the Appellate Tax Board, State Superior Court as well as in Federal Superior Court. Most recent larger multi property projects Include:

Advisory / Consulting Services

Advisory / Consulting services are a comprehensive approach to real estate issues, encompassing all the real estate disciplines. Mr. Leslie's multi-disciplined background provides him with a diversity of insight into today's real estate issues. He has provided sound real estate financial and document specific advice including recommendations concerning environmental issues, legal concerns, local and state considerations, tax implications, as well as property specific matters.

Professional Licenses and Certifications

Certified General Real Estate Appraiser

Commonwealth of Massachusetts - #631

Professional Affiliations

Appraisal Institute – MAI Member Number 10,484

International Right of Way Member 2003

Education

Windham College, Vermont - BA degree in Political Science and Economics, 1972

Boston University - Real Estate Investment Analysis 1984

School For International Training, Post Graduate Work 1980

Real Estate Education - Courses & Seminars Appraisal Institute - MAI Member, #10,484

Uniform Standards for Federal Land Acquisitions	Capitalization Theory & Techniques
Real Estate Appraisal Principles	Case Studies in Real Estate Valuation
Basic Valuation Procedures	Valuation Analysis and Report Writing
Residential Valuation	Valuation of Leasehold Interests
Capitalization Rates and Today's Markets	Direct Capitalization / Discounted Cash Flow
Appraisal of Nonconforming Uses	Appraisal of Local Retail Properties
Eminent Domain and Condemnation Appraising	Appraiser as Expert Witness
Case Studies in Commercial Highest & Best Use	Accrued Depreciation
Considerations Valuing Contaminated Properties	Appraisal of Non Conforming Uses
The Appraisers Complete Review	Appraising Contaminated Properties
Economic Forecasts	Discounted Cash Flow Workshop
USPAP, The Appraisal Standards Board	Reserves for Replacement
The Abatement Process	Business Appraisal of Real Property
Condemnation Appraising	Understanding Ground Leases
Partial Interest Valuation parts A and B	General Applications
Conservation Easements	Standards of Professional Practice
Highest and Best Use (Appraisal Institute)	Hotel/Motel Valuation
Appraisal of Partial Acquisitions (IRWA)	Easement Valuation
Valuation of Conservation Easements	Business Ethics
2009 and 2010 USPAP Updates	Conservation Restrictions
Real Estate Appraisal and Right of Way	Uniform Standards Federal Land Acquisition
Environmental Issues for Appraisers	Land and Site Valuation
Appraisal Review Eminent Domain Appraisal	Attacking & Defending Appraisal in Litigation
USPAP 2016 Update	

I received a **Certificate of Completion** for the Valuation of Conservation Easements certificate program, March 24, 2008, as offered by the American Society of Appraisers, the American Society of Farm Managers and Rural Appraisers and the Appraisal Institute and endorsed by the Land Trust Alliance. This certificate indicates that I have the completed the Valuation of Conservation Easements educational requirements and passed the examination.

International Right of Way Association

401 The Appraisal of Partial Acquisitions

Recent Clients

Lending Institutions

SalemFive	Century Bank	Institute For Savings
BankNorth	NorthShore Bank	Rockland Trust

Public Sector

Commonwealth of Massachusetts	Mass Department of Capital Asset Management
Mass Department of Agriculture	Massachusetts Highway Department (DOT)
State of New Hampshire	NH Dept of Transportation
City of Boston	City of Somerville
City of Lowell	Town of Canton
City of Woburn	City of Lynn
Worcester Regional Transit	US Postal Service
Army Corps of Engineers	General Services Administration
Internal Revenue Service	Town of Westford

Deed

B 0 9 4 2 9 P 1 2 0

(SEAL)

COMMONWEALTH OF MASSACHUSETTS
LAND COURT
DEPARTMENT OF THE TRIAL COURT

Case No. 112589 T.L.

FINAL JUDGMENT IN TAX LIEN CASE
City of Lowell

vs.

Wendy Golenbock, Trustee of 154-216 Adams Street Realty Trust

JUDGMENT

This case came on to be heard and was argued by counsel, and thereupon, upon consideration thereof, it is

ADJUDGED and ORDERED that all rights of redemption are forever foreclosed and barred under the deed
given by the Collector of Taxes for the City
of Lowell in the County of Middlesex
and said Commonwealth, dated March 2, 1990 and duly recorded in
Book 5167 Page 0048

By the Court (Scheier, J.)

Attest:

Charles W. Trombly, Jr.
Recorder

Dated June 3, 1998

dm

A TRUE COPY
ATTEST:

Charles W. Trombly, Jr.
RECORDER

37/17/98 02:30:41 49157 10.00 9

B 0 5 1 6 7 P 0 4 8

(THIS INSTRUMENT NOT VALID UNLESS RECORDED WITHIN 60 DAYS OF THE * DATE OF TAKING)
STATE TAX—FORM 301 INSTRUMENT OF TAKING

THE COMMONWEALTH OF MASSACHUSETTS
Lowell

OFFICE OF THE COLLECTOR OF TAXES

I, James J. Connors, Collector of Taxes for
the City of Lowell, pursuant and subject to the provisions
of General Laws, Chapter 60, Sections 53 and 54, hereby take for said city the following
described land:

DESCRIPTION OF LAND

[The description must be sufficiently accurate to identify the premises and must agree with the notice of taking. In the case of registered land, the Certificate of Title Number and the Registry Volume and Page must be given.]

2,062 sq. ft. of land, more or less, with buildings thereon,
situate 173 ADAMS ST as shown on plan
in office of city engineer.

Said land is taken for non-payment of taxes as defined in Section 43 of said Chapter 60
assessed thereon to.....

.....BRYCE CHARLES H JR ET AL & C/O 154-216 ADAMS ST REALTY TR
for the year 1989, which were not paid within fourteen days after demand therefor made upon
BRYCE CHARLES H JR ET AL &
C/O 154-216 ADAMS ST REALTY TR on MAY 5, 1989, and now
remain unpaid together with interest and incidental expenses and costs to the date of taking in the
amounts hereinafter specified, after notice of intention to take said land given as required by law.

19 <u>89</u> TAXES REMAINING UNPAID	\$ <u>1,620.93</u>
INTEREST TO THE DATE OF TAKING	<u>246.47</u>
INCIDENTAL EXPENSES AND COSTS TO THE DATE OF TAKING	<u>30.21</u>
SUM FOR WHICH LAND IS TAKEN	\$ <u>1,897.61</u>

WITNESS my hand and seal this second day of March, 19 90

James J. Connors
Collector of Taxes for the City of Lowell

THE COMMONWEALTH OF MASSACHUSETTS

.....Middlesex..... ss. March 2, 19 90

Then personally appeared the above named James J. Connors
and acknowledged the foregoing instrument to be his free act and deed as Collector of Taxes,

before me, Pauline Gimache
My commission expires June 27, 19 91 Notary Public - Justice of the Peace

....., 19..... at..... o'clock and..... minutes.....
Received and entered with..... Registry of Deeds,
Book....., Page..... Document No....., Certificate of Title No.....

Attest: _____ Register

THIS FORM APPROVED BY THE DEPARTMENT OF REVENUE.
FORM 113A HOBBS & WARREN, INC., PUBLISHERS.

See Notice B 5524 B 323

See B 8462 & 103

03/06/90 03:46:00 8981 10.00 \$5

Land Sale 1

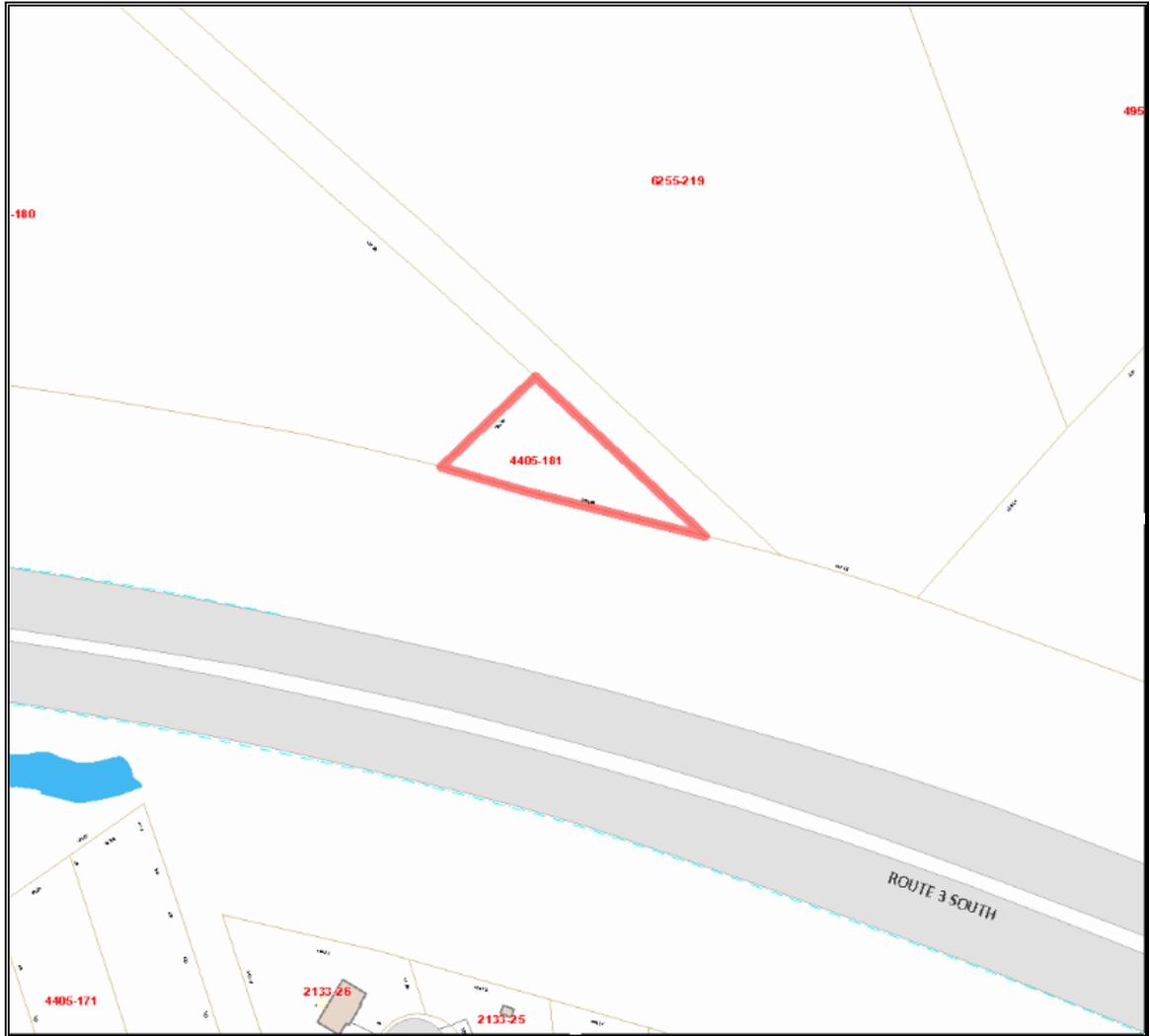


Address	181 Old Middlesex	GBA Improvement:	
Town/City	Lowell, MA	Basement Level	
Title Reference:	28774/65	Market Conditions:	Stabilized
Assessors Reference:	5D-2-1	Location:	Average
Seller:	Mary Lallas	Physical Characteristics	
Buyer:	33 Bolt Street LLC	Land Area (Square Feet):	8,484
Sale Date	January 20, 2015	Frontage (Lineal Feet):	0
Sale Price	\$6,000	Topography:	Generally level
		% Useable Land Area	0%
Sales History	None in last 5 years	Useable Land Area (Sq. Ft.)	0
		Zoning:	LI, Indust
Rights Conveyed:	Fee Simple	Utilities:	None
Financing Terms:	Conventional		
Conditions of Sale:	Arms-length	Land Area/GBA	
Non-Realty Components:	None Known	Environmental Conditions:	None Known
Use:	Undevelopable	Legal Encumbrances:	None Known

Confirmation: MLS Broker Alcina Buckley 978 319 2767

Comments: This is a land locked parcel purchased for future development with the surrounding industrially zoned land.

Assessors Map



Land Sale 2

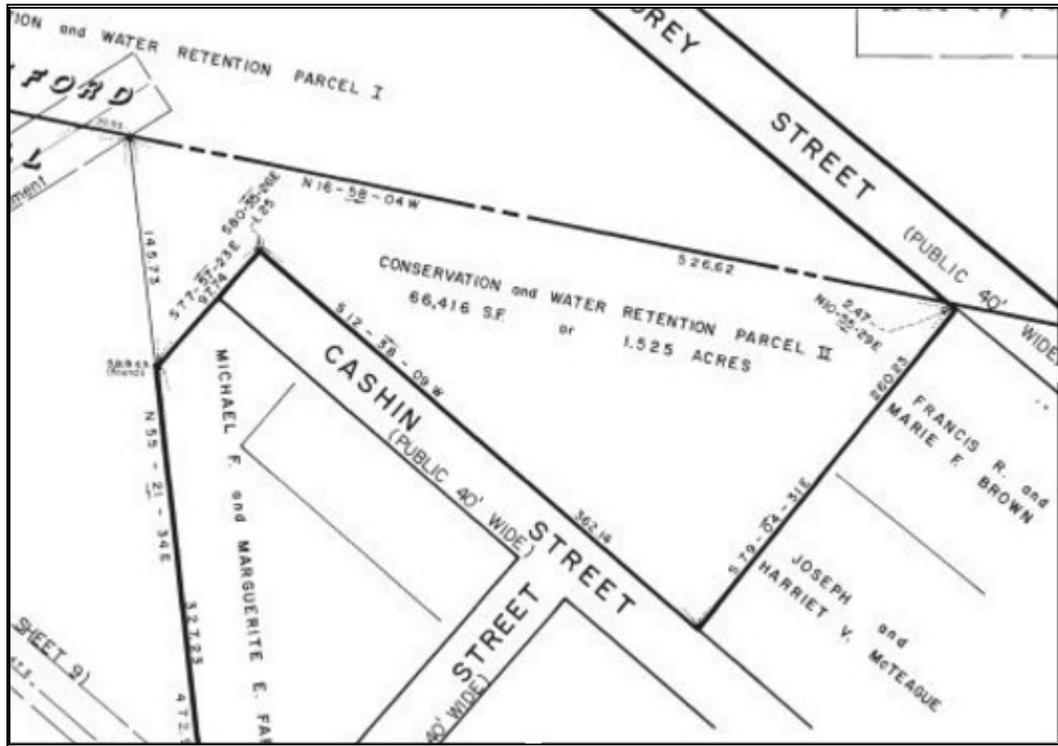


Address	141 Cashin	GBA Improvement:	
Town/City	Lowell, MA	Basement Level	
Title Reference:	29769/262	Market Conditions:	Stablized
Assessors Reference:	Various	Location:	Average
Seller:	Tallage Adams LLC	Physical Characteristics	
Buyer:	Stephan Kenneway	Land Area (Square Feet):	66,416
Sale Date	January 29, 2016	Frontage (Lineal Feet):	362
Sale Price	\$10,000	Topography:	Generally Level
		% Useable Land Area	0%
Sales History	No other sale 5 years	Useable Land Area (Sq. Ft.)	0
		Zoning:	SSF, Res
Rights Conveyed:	Fee Simple	Utilities:	All Available
Financing Terms:	Cash to Seller		
Conditions of Sale:	Arms length	Land Area/GBA	
Non-Realty Components:	None Known	Environmental Conditions:	None Known
Use:	Undevelopable	Legal Encumbrances:	None Known

Confirmation: MLS Broker Jaclyn Painchaud 774 253 9354

Comments: Steep land that is undevelopable. This is deed restricted land to conservation and as a water retention parcel. Purchased from investor who purchased a larger number of properties from the City of Lowell and was selling off the unusable and least desirable portions of the portfolio.

Plan



Assessors Map



Land Sale 3

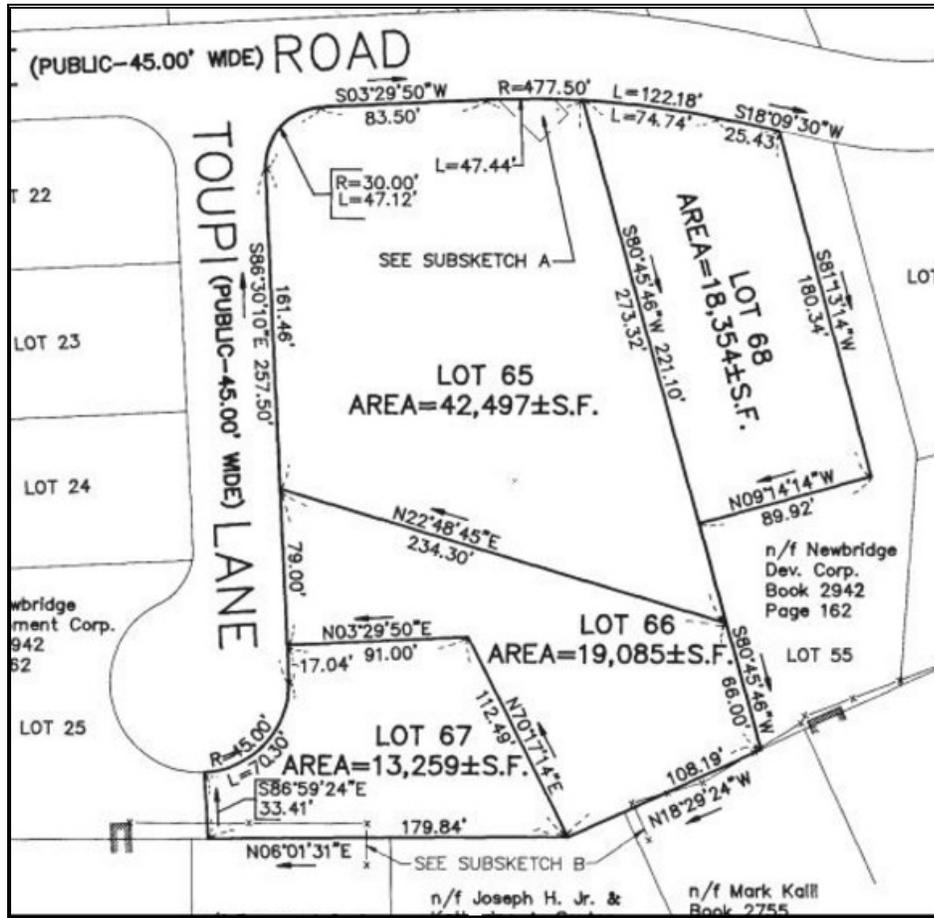


Address	10 Toupi Lane	GBA Improvement:	
Town/City	Lowell, MA	Basement Level	
Title Reference:	29945/56	Market Conditions:	Stabilized
Assessors Reference:	24-21B	Location:	Average
Seller:	Tallage Adams LLC	Physical Characteristics	
Buyer:	Antonio Viola	Land Area (Square Feet):	42,497
Sale Date	April 11, 2016	Frontage (Lineal Feet):	n/a
Sale Price	\$18,000	Topography:	Generally Level
Recorded Date		% Useable Land Area	0%
Sales History	No other sale 5 years	Useable Land Area (Sq. Ft.)	0
		Zoning:	SSF, Res
Rights Conveyed:	Fee Simple	Utilities:	All Available
Financing Terms:	Conventional		
Conditions of Sale:	Arms-length	Land Area/GBA	
Non-Realty Components:	None Known	Environmental Conditions:	None Known
Use:	Undevelopable	Legal Encumbrances:	Easement

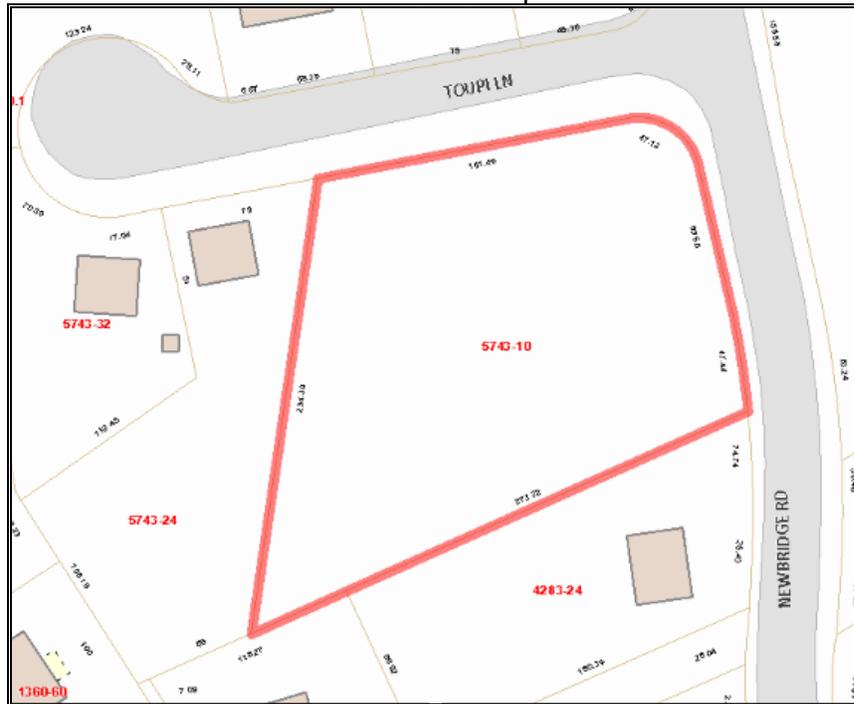
Confirmation: MLS Broker Jaclyn Painchaud 774 253 9354

Comments: Corner lot restricted by wetlands on site. Purchased from investor who purchased a larger number of properties from the City of Lowell and was selling off the unusable and least desirable portions of the portfolio.

Plan



Assessor's Map



Land Sale 4

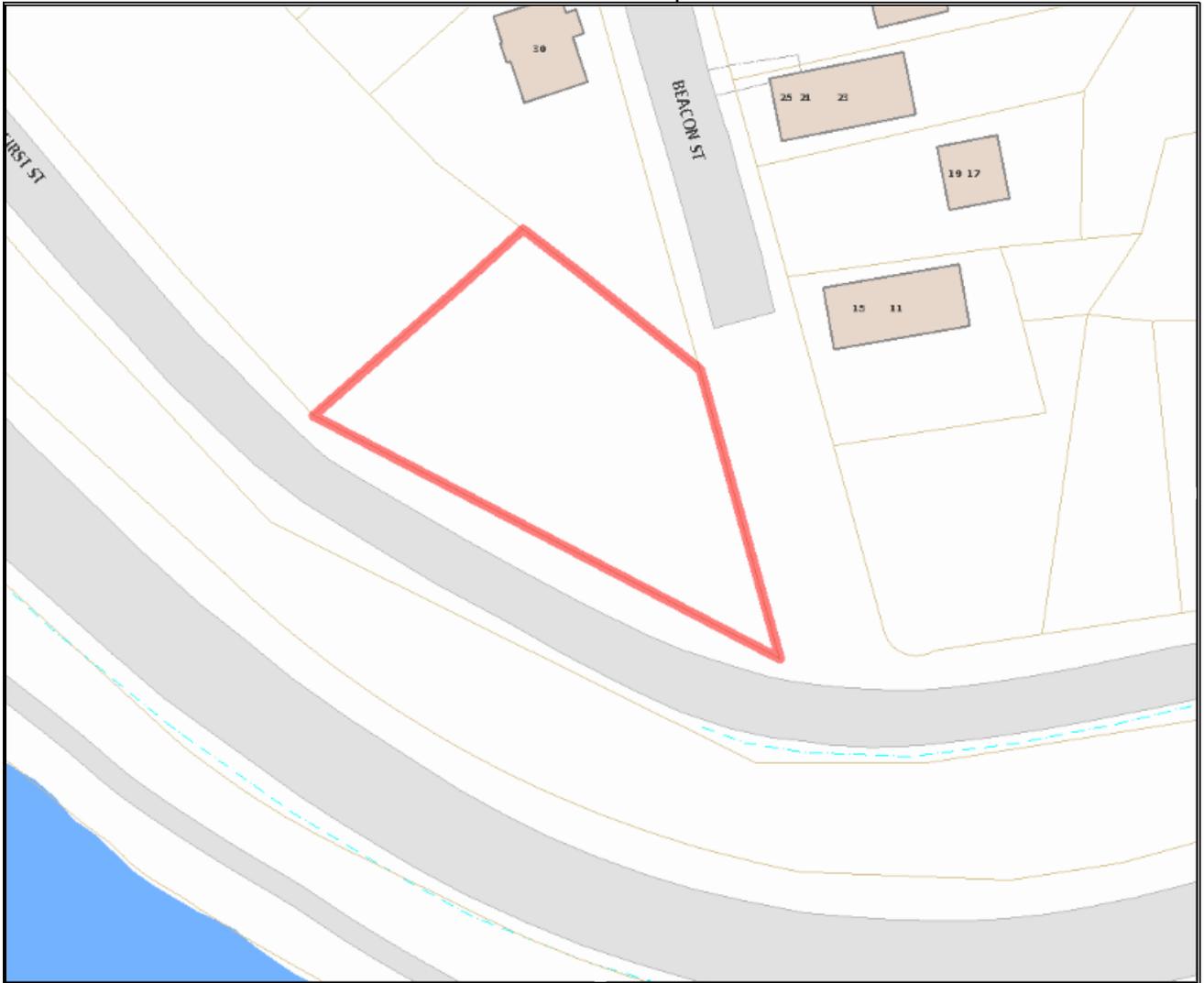


Address	306 First St	GBA Improvement:	
Town/City	Lowell, MA	Item(s)	
Title Reference:	29308/27	Market Conditions:	Stabilized
Assessors Reference:		Location:	Average
Seller:	Tallage Adams LLC	Physical Characteristics	
Buyer:	Kim & Julie Hguyen	Land Area (Square Feet):	19,413
Sale Date	August 5, 2015	Frontage (Lineal Feet):	385
Sale Price	\$9,500	Topography:	Generally level
Recorded Date		% Useable Land Area	0%
Sales History	No other sale 5 years	Useable Land Area (Sq. Ft.)	0
		Zoning:	TSF, Res
		Utilities:	All Available
Rights Conveyed:	Fee Simple		
Financing Terms:	Conventional		
Conditions of Sale:	Arms-length	Land Area/GBA	
Non-Realty Components:	None Known	Environmental Conditions:	None Known
Use:	Undevelopable	Legal Encumbrances:	None Known

Confirmation: MLS Broker Jaclyn Painchaud 774 253 9354

Comments: Steep embankment. Purchased from investor who purchased a larger number of properties from the City of Lowell and was selling off the unusable and least desirable portions of the portfolio.

Assessors Map



Land Sale 5

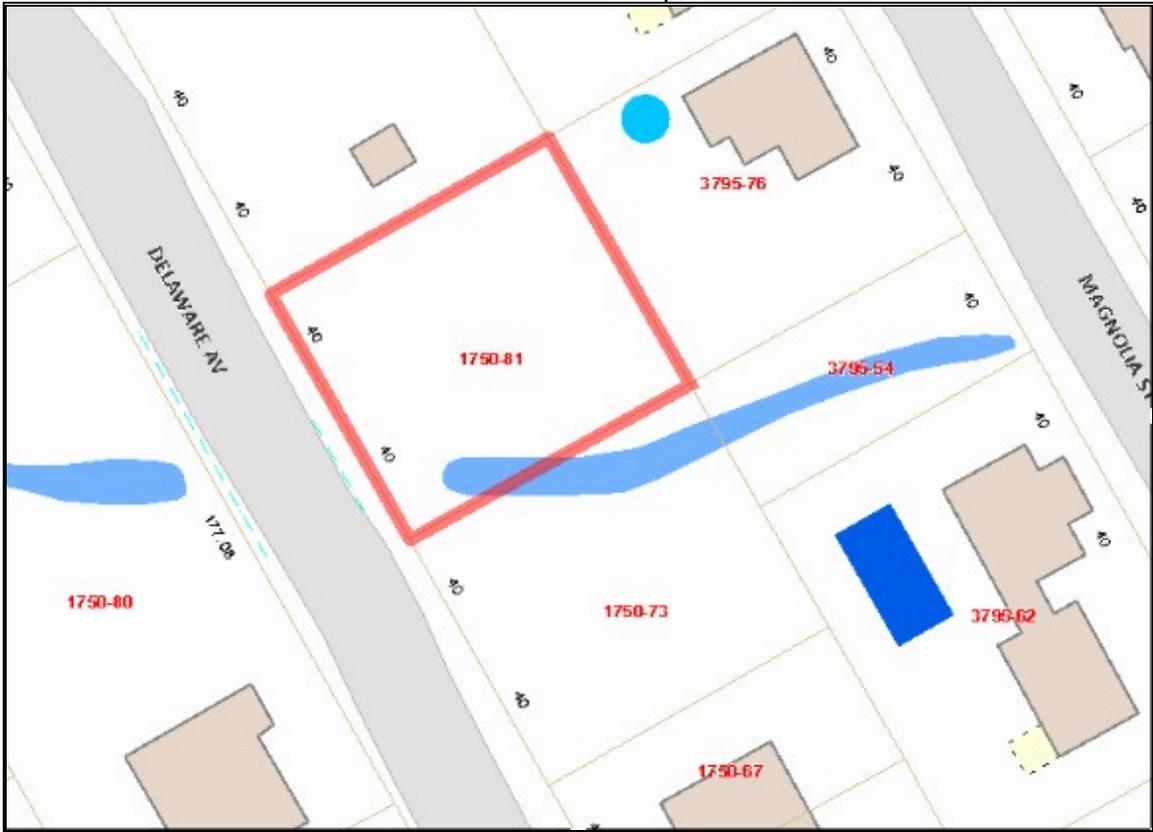


Address	81 Delaware Ave	GBA Improvement:	
Town/City	Lowell, MA	Item(s)	
Title Reference:	30040/211	Market Conditions:	Stabilized
Assessors Reference:	14-12	Location:	Average
Seller:	Tallage Adams LLC	Physical Characteristics	
Buyer:	Viola	Land Area (Square Feet):	7,200
Sale Date	January 24, 2017	Frontage (Lineal Feet):	80
Sale Price	\$2,000	Topography:	Generally level
Recorded Date		% Useable Land Area	0%
Sales History	No other sale 5 years	Useable Land Area (Sq. Ft.)	0
		Zoning:	SSF
Rights Conveyed:	Fee Simple	Utilities:	All Available
Financing Terms:	Conventional		
Conditions of Sale:	Arms-length	Land Area/GBA	
Non-Realty Components:	None Known	Environmental Conditions:	None Known
Use:	Undevelopable	Legal Encumbrances:	AUL 3,695 sf

Confirmation: MLS Broker Jaclyn Palnchauad 774 253 9354, Deeds and public documents

Comments: This is the sale of a property taken in foreclosure and is undevelopable land due to the brook and wetlands. Purchased by the abutter from investor who purchased a larger number of properties from the City of Lowell and was selling off the unusable and least desirable portions of the portfolio. The property sold to an abutter.

Assessors Map



Land Sale 6



Address	177 Adams St	GBA Improvement:	
Town/City	Lowell, MA	Item(s)	
Title Reference:	28630/143	Market Conditions:	Stabilized
Assessors Reference:	9-26	Location:	Average
Seller:	City of Lowell	Physical Characteristics	
Buyer:	New Olympos Bakery	Land Area (Square Feet):	2,733
Sale Date	November 19, 2014	Frontage (Lineal Feet):	55
Sale Price	\$9,000	Topography:	Generally level
Recorded Date		% Useable Land Area	0%
Sales History	No other sale in 5 years	Useable Land Area (Sq. Ft.)	0
		Zoning:	UMF
Rights Conveyed:	Fee Simple	Utilities:	All Available
Financing Terms:	Conventional		
Conditions of Sale:	Arms-length	Land Area/GBA	
Non-Realty Components:	None Known	Environmental Conditions:	None Known
Use:	Parking Lot	Legal Encumbrances:	None Known
Confirmation:	Grantor, Deeds and public documents		
Comments:	This is the sale of a property taken in tax foreclosure and sold to an abutter for parking.		

Comparable Map Land Sales

