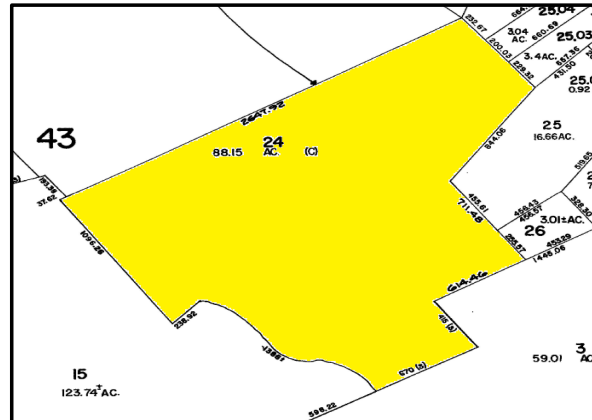


# Appendix 3: August 2017 Starmark Appraisals LLC Appraisal Report



## APPRAISAL REPORT REAL ESTATE APPRAISAL Of ROUTE 539



Block 43 Lot 24  
Route 539, Upper Freehold  
Monmouth County NJ, 08501

As of  
August 3, 2017

**Owner:** Rudolph A Jr & John R Socey

**Total Area:** 88.15 acres

**Intended use**  
determination of market value for a possible full taking by a state  
agency

**Prepared For**

Ms. Fawn Z. McGee  
DEP Green Acres  
501 East State Street  
Trenton, NJ, 08625

**Prepared by**

STARMARK APPRAISALS LLC  
Samuel Levi, MAI, NJ-42RG00222500  
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Office: 732-886-8895  
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sam@starmarkappraisals.com

**File #9036**

## STARMARK APPRAISALS LLC

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Lakewood, NJ, 08701

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sam@starmarkappraisals.com  
www.starmarkappraisals.com

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August 23, 2017

Ms. Fawn Z. McGee  
DEP Green Acres  
501 East State Street  
Trenton, NJ  
08625

Re: Appraisal Report  
Route 539  
Upper Freehold,  
Monmouth County, NJ, 08501

GA Reference #A-3733  
File #9036

Dear Ms. McGee:

At your request, we have prepared an appraisal for the above referenced property, which may be briefly described as follows:

The subject is an 88.15 acre possibly land-locked parcel of land situated just north-west of the Allentown Davis Station/ Route 539 and Walnford Road intersection in Upper Freehold, New Jersey. The subject is fully wet and is undevelopable. This property is of high interest for Fish & Wildlife as it contains critical wetlands and stream/pond habitats directly adjacent to the subject on Pleasant Run WMA. The site is currently leased to a hunting club as hunting grounds; the lease is set to expire in March of 2018 and will be null and void if the subject sells prior to the expiration of the lease.

The client requested the valuation of the subject considering two scenarios: its current status as a land-locked parcel and the hypothetical situation that it has deeded access through a neighboring parcel.

Please reference page 12 of this report for important information regarding the scope of research and analysis for this appraisal, including property identification, inspection, highest and best use analysis, and valuation methodology.

We certify that we have no present or contemplated future interest in the property beyond this estimate of value. The appraiser has not performed any prior services regarding the subject within the previous three years of the appraisal date.

Your attention is directed to the Limiting Conditions and Assumptions section of this report (page 7). Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, we note the following:

**Hypothetical Conditions:**

- The subject appears to be landlocked with no access to the site. The client requested a value for the subject based on its current status, i.e. as a landlocked parcel, as well as a value based on the hypothetical condition that the subject is not landlocked, i.e. it is accessible through deeded access from a neighboring site. There are no other hypothetical conditions for this appraisal.

**Extraordinary Assumptions:**

- There are no Extraordinary Assumptions for this appraisal.

Based on the appraisal described in the accompanying report, subject to the Limiting Conditions and Assumptions, Extraordinary Assumptions and Hypothetical Conditions (if any), we have made the following value conclusion(s):

**Current As Is Market Value; hypothetical deeded access:**

The "As Is" market value of the Fee Simple estate of the property, as of August 3, 2017, is

**Two Hundred Forty Thousand Dollars (\$240,000)**

**Subject's Per Acre Value: \$2,700**

**Current As Is Market Value; current status as a land-locked parcel:**

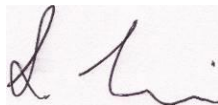
The "As Is" market value of the Fee Simple estate of the property, as of August 3, 2017, is

**One Hundred Eighty Thousand Dollars (\$180,000)**

**Subject's Per Acre Value: \$2,050**

The market exposure time preceding August 3, 2017 would have been 6-12 months and the estimated marketing period as of August 3, 2017 is 6-12 months.

Respectfully submitted,



Samuel Levi, MAI  
NJ-42RG00222500  
Starmark Appraisals LLC

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## Summary of Salient Facts and Conclusions

### GENERAL

**Subject:** Route 539,  
Upper Freehold,  
Monmouth County, NJ, 08501

The subject is an 88.15 acre possibly land-locked parcel of land situated just north-west of the Allentown Davis Station/ Route 539 and Walnford Road intersection in Upper Freehold, New Jersey. The subject is fully wet and is undevelopable. This property is of high interest for Fish & Wildlife as it contains critical wetlands and stream/pond habitats directly adjacent to the subject on Pleasant Run WMA. The site is currently leased to a hunting club as hunting grounds; the lease is set to expire in March of 2018 and will be null and void if the subject sells prior to the expiration of the lease.

**Owner:** Rudolph A Jr & John R Socey

**Legal Description:** Block 43 Lot 24

**Date of Report:** August 23, 2017

**Intended User(s):** Client

**Intended Use:** The intended use is for determination of market value for a possible full taking by a state agency.

**Client:** State of NJ Department of Environmental Protection,  
Green Acres Program

**Interest Being Appraised:** Fee Simple

### Assessment:

Real Estate Assessment and Taxes					
Tax ID	Land	Improvements	Total	City Rate	Taxes
Block 43 Lot 24	\$105,800	\$0	\$105,800	\$2.401	\$2,540

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**Block 43 Lot 24; Route 539, Upper Freehold, Monmouth NJ**

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**Property History:** The subject was previously improved with a farmhouse. The improvements reportedly burnt down in the 1950's. The site is currently used as a hunting site. The property has remained in the same family since the 1930's.

**Sale History:** The subject has not sold within the last ten years.

**Land:**

Land Summary						
Parcel ID	Gross Land Area (Acres)	Gross Land Area (Sq Ft)	Usable Land Area (Acres)	Usable Land Area (Sq Ft)	Topography	Shape
Block 43 Lot 24	88.15	3,839,814	0.00	0	Level	Irregular

**Zoning:** AR

**Highest and Best Use of the Site:** the use of the site as hunting grounds, as the site is fully wet and is undevelopable

**Type of Value:** Market Value

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**VALUE INDICATIONS**

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**Sales Comparison**

**Approach:** \$240,000

Reconciled Value(s):	As Is Value: deeded access	As Is Value: land-locked
Value Conclusion(s)	\$240,000	\$180,000
Effective Date (s)	August 3, 2017	August 3, 2017
Property Rights	Fee Simple	Fee Simple
	<b>Per Acre</b>	<b>Per Acre</b>
	<b>Value: \$2,700</b>	<b>Value: \$2,050</b>

## **Definition of Marketing Time and Exposure:**

### **Exposure time**

Under Paragraph 3 of the Definition of Market Value, the value opinion presumes that "A reasonable time is allowed for exposure in the open market". Exposure time is defined as the length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at the market value on the effective date of the appraisal. Exposure time is presumed to precede the effective date of the appraisal.

The reasonable exposure period is a function of price, time and use. It is not an isolated opinion of time alone. Exposure time is different for various types of real estate and under various market conditions. As noted above, exposure time is always presumed to precede the effective date of appraisal. It is the length of time the property would have been offered prior to a hypothetical market value sale on the effective date of appraisal. It is a retrospective opinion based on an analysis of recent past events, assuming a competitive and open market. It assumes not only adequate, sufficient and reasonable time but adequate, sufficient and a reasonable marketing effort. Exposure time and conclusion of value are therefore interrelated. Based on discussions with market participants and information gathered during the sales verification process, a reasonable exposure time for the subject property at the value concluded within this report would have been approximately 6-12 months. This assumes an active and professional marketing plan would have been employed by the current owner.

### **Marketing time**

Marketing time is an opinion of the time that might be required to sell a real property interest at the appraised value. Marketing time is presumed to start on the effective date of the appraisal. (Marketing time is subsequent to the effective date of the appraisal and exposure time is presumed to precede the effective date of the appraisal). The opinion of marketing time uses some of the same data analyzed in the process of estimating reasonable exposure time and it is not intended to be a prediction of a date of sale.

We believe, based on the assumptions employed in our analysis, as well as our selection of investment parameters for the subject, that our value conclusion represents a price achievable within 6-12 months.

## **Definition of market value**

Market value means 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
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. 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.

## **Limiting Conditions and Assumptions**

Acceptance of and/or use of this report constitutes acceptance of the following limiting conditions and assumptions; these can only be modified by written documents executed by both parties.

This appraisal is to be used only for the purpose stated herein. While distribution of this appraisal in its entirety is at the discretion of the client, individual sections shall not be distributed; this report is intended to be used in whole and not in part.

No part of this appraisal, its value estimates or the identity of the firm or the appraiser(s) may be communicated to the public through advertising, public relations, media sales, or other media.

All files, work papers and documents developed in connection with this assignment are the property of Starmark Appraisals LLC. Information, estimates and opinions are verified where possible, but cannot be guaranteed. Plans provided are intended to assist the client in visualizing the property; no other use of these plans is intended or permitted.

No hidden or unapparent conditions of the property, subsoil or structure, which would make the property more or less valuable, were discovered by the appraiser(s) or made known to the appraiser(s). No responsibility is assumed for such conditions or engineering necessary to discover them. Unless otherwise stated, this appraisal assumes there is no existence of hazardous materials or conditions, in any form, on or near the subject property.

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, was not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test for such substances. The presence of such hazardous substances may affect the value of the property. The value opinion developed herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto, which would cause a loss in value. No responsibility is assumed for any such hazardous substances, nor for any expertise or knowledge required to discover them.

Unless stated herein, the property is assumed to be outside of areas where flood hazard insurance is mandatory. Maps used by public and private agencies to determine these areas are limited with respect to accuracy. Due diligence has been exercised in interpreting these maps, but no responsibility is assumed for misinterpretation.

Good title, free of liens, encumbrances and special assessments is assumed. No responsibility is assumed for matters of a legal nature.

Necessary licenses, permits, consents, legislative or administrative authority from any local, state or Federal government or private entity are assumed to be in place or reasonably obtainable.

It is assumed there are no zoning violations, encroachments, easements or other restrictions which would affect the subject property, unless otherwise stated.

The appraiser(s) are not required to give testimony in Court in connection with this appraisal. If the appraisers are subpoenaed pursuant to a court order, the client agrees to pay the appraiser(s) Starmark Appraisals LLC's regular per diem rate plus expenses.

Appraisals are based on the data available at the time the assignment is completed. Amendments/modifications to appraisals based on new information made available after the appraisal was completed will be made, as soon as reasonably possible, for an additional fee.

## Scope of Work

Project Reference Number: 9036

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s). Therefore, the appraiser must identify and consider:

- the client and intended users;
- the intended use of the report;
- the type and definition of value;
- the effective date of value;
- assignment conditions;
- typical client expectations; and
- typical appraisal work by peers for similar assignments.

This appraisal is prepared for Ms. Fawn Z. McGee, DEP Green Acres. The problem to be solved is to estimate the 'as is' market value of the subject property. The intended use is for determination of market value for a possible full taking by a state agency. This appraisal is intended for the use by the State of NJ Department of Environmental Protection, Green Acres Program.

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### SCOPE OF WORK

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Report Type:	This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary or description of the appraisal process, subject and market data and valuation analyses.
Property Identification:	The subject has been identified by the legal description and the assessors' parcel number, as well as documentation contained in the addendum and contained in our files. The subject is identified as Block 43 Lot 24 located in Upper Freehold Township, Monmouth County New Jersey.
Inspection:	Samuel Levi, MAI, ASA visited the site on August 3, 2017 and performed an inspection of Route 539 (Block 43 Lot 24) located in Upper Freehold Township, New Jersey. The appraiser walked a portion of the site and took photographs of the premises and neighboring improvements. Site measurements and flood and wetlands information

were gotten from public records, FEMA, and NJDEP, respectively.

In addition, easement information, flood zones, and wetland information was gotten from tax records, FEMA, and NJDEP, respectively. The appraiser was provided with a copy of the approval resolution, the subdivision plan, cost estimates and various engineering sketches.

**Market Area and Analysis of  
Market Conditions:**

A complete analysis of market conditions has been made. The appraiser maintains and has access to comprehensive databases for this market area and has reviewed the market for sales and listings relevant to this analysis.

Samuel Levi, accompanied by Chuck Heenan, member of the hunting club that leases the subject, and a friend of the owner, inspected the site of the subject. Starmark Appraisal staff interviewed the property owner via telephone communication. A certified receipt letter was sent out to the property owner, as well. A copy is included in the addendum.

A thorough investigation of the required information was conducted by Samuel Levi, MAI, who was assisted by his office staff. Relevant parties were contacted in order to verify pertinent information. Comparables were researched on the local MLS through other means. The comparables were confirmed by numerous reputable sources, such as assessors, brokers, grantors, grantees and presiding attorneys. Analysis of the subject, its competitive sets, and the market area was done by Samuel Levi, MAI and the Starmark Appraisals office staff. Adjustments and value allocation was conducted by Samuel Levi, MAI, ASA.

**Highest and Best Use Analysis:**

A complete as vacant highest and best use analysis for the subject has been made. Physically possible, legally permissible and financially feasible uses were considered, and the maximally productive use was concluded.

**Type of Value:**

**Market Value**

Valuation Analyses

Cost Approach:

A cost approach was not applied as the subject is vacant land with no improvements.

Sales Comparison Approach:

A sales approach was applied as there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.

Income Approach:

An income approach was not applied as the subject is not an income producing property and this approach does not reflect market behavior for this property type.

Hypothetical Conditions:

- The subject appears to be landlocked with no access to the site. The client requested a value for the subject based on its current status, i.e. as a landlocked parcel, as well as a value based on the hypothetical condition that the subject is not landlocked, i.e. it is accessible through deeded access from a neighboring site. There are no other hypothetical conditions for this appraisal.

Extraordinary Assumptions:

- There are no Extraordinary Assumptions for this appraisal.

Property History:

The subject was previously improved with a farmhouse. The improvements reportedly burnt down in the 1950's. The site is currently used as a hunting site. The property has remained in the same family since the 1930's.

Sale History:

The subject transferred to its current ownership in October of 2000 (Book-Page: 05987-00724). It has not sold since.

## Location Map



S (subject)

## ***Regional/ Municipality Overview***

### **New York PMSA Regional Overview<sup>1</sup>**

The subject is located in Upper Freehold and is part of the New York PMSA (Primary Metropolitan Statistical Area) (Second District in Beige Book). The New York Metropolitan area includes the most populous city in the United States, New York City, Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, and Westchester Counties in New York; Bergen, Essex, Hudson, Hunterdon, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, Sussex, and Union Counties in New Jersey; and Pike County in Pennsylvania.

As per the 2015 United States Census Bureau estimates, the New York metropolitan area remains, by a significant margin, the most populous in the United States, as defined by both the Metropolitan Statistical Area (20.2 million residents) and the Combined Statistical Area (23.7 million residents); it is also one of the most populous urban agglomerations in the world, and the single largest in North America. The New York metropolitan area continues to be the premier gateway for legal immigration to the United States, with the largest foreign-born population of any metropolitan region in the world. The MSA covers 6,720 square miles, while the CSA area is 13,318 square miles, encompassing an ethnically and geographically diverse region. The New York metropolitan area's population is larger than that of the state of New York.

As a center of many industries, including finance, international trade, new and traditional media, real estate, education, fashion and entertainment, tourism, biotechnology, and manufacturing, the New York City metropolitan region is one of the most important economic regions in the world; in 2015, the MSA produced a gross metropolitan product (GMP) of nearly US\$1.60 trillion, while in 2015, the CSA had a GMP of over US\$1.83 trillion, both ranking first nationally by a wide margin and behind the GDP of only nine nations and seven nations, respectively. In 2012, the New York metropolitan area was also home to seven of the 25 wealthiest counties in the United States by median household income, according to the American Community Survey.

Economic activity in the New York PMSA has been essentially flat since April 2017, while labor markets have remained tight. Input price pressures have persisted, while selling prices have been steady to up modestly. Manufacturers indicated that business activity has flattened out, while service-sector contacts have continued to report steady to modestly expanding activity. Consumer spending has been flat since the last report, while consumer confidence has retreated from a multi-year high. Housing markets were mixed but, on balance, steady since the last report. Commercial real estate markets were also mixed: office markets were mostly steady, industrial markets were steady to slightly stronger, while retail markets weakened further. New construction activity has been sluggish across

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<sup>1</sup> Federal Reserve May 2017



most of the District, on both commercial and residential structures. Banks reported that loan demand was steady to stronger, while delinquency rates declined.

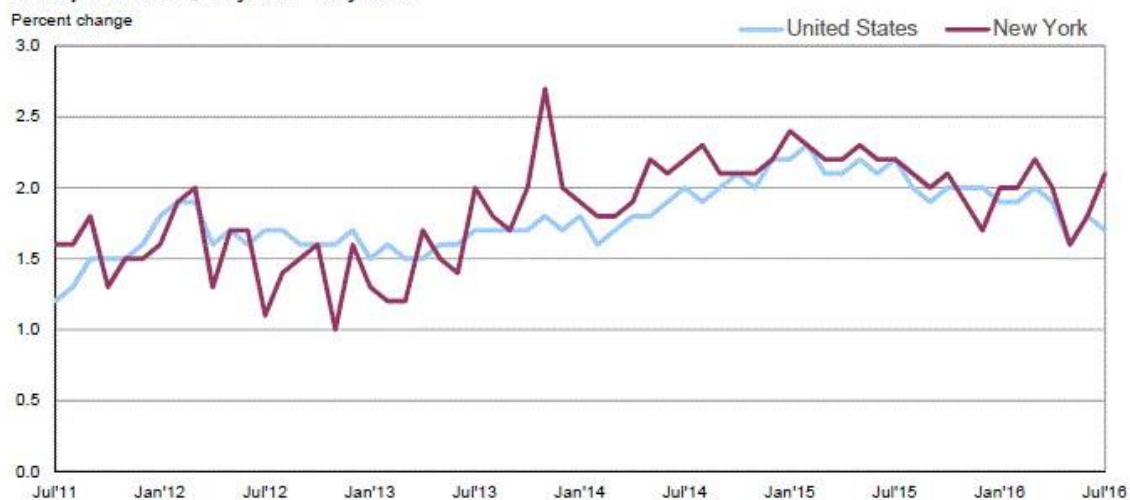
### Population:

Historical population		
Census	Pop.	%±
1990	19,710,239	—
2000	21,361,797	8.4%
2010	23,076,664	8.0%
Est. 2015	23,723,696	2.8%
[e]		

As of the 2010 Census, the metropolitan area had a population of 23,076,664. The population density was 1,865 per square mile. The median age was 37.9. 25.5% were under 18, 9.5% were 18 to 24 years, 28% were 25 to 44 years of age, 26.6% were 45 to 64 years old, and 13.2% were over the age of 65. Males composed 48.3% of the population while females were 51.7% of the population. The estimated population in 2015 is 23,723,696, a 2.8% increase from the 2010 census.

### Employment:

Chart 1. Total nonfarm employment, over-the-year percent change in the United States and the New York metropolitan area, July 2011–July 2016



Source: U.S. Bureau of Labor Statistics.

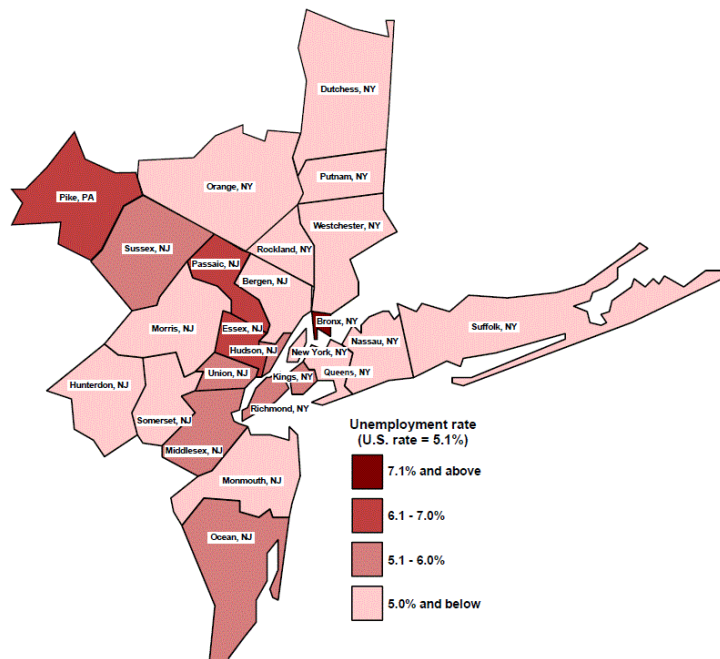
The labor market has remained tight. Contacts at employment agencies characterized the job market as steady and fairly tight—especially for engineers and other tech workers, but also for skilled workers more generally. Two major New York City agencies characterized hiring as steady at a moderate level, while an up-state agency notes some pickup in the second quarter.

Manufacturers have continued to add jobs in recent weeks, and employment is also reported to be on the rise among businesses in education & health services, transportation, and finance. Businesses in other service industries report steady employment levels. Looking ahead, firms in manufacturing and most service industries indicated that they expect employment to rise, on balance, in the months ahead.

Contacts across all service industries reported moderate wage growth and expect comparable increases to continue in the months ahead. Employment agency contacts in New York City noted a bit more upward pressure on wages and salaries—employers were said to be increasingly negotiable on pay, but mainly for highly sought-after, skilled, and specialized workers. An upstate New York agency indicated that wages have held steady.

## Unemployment:

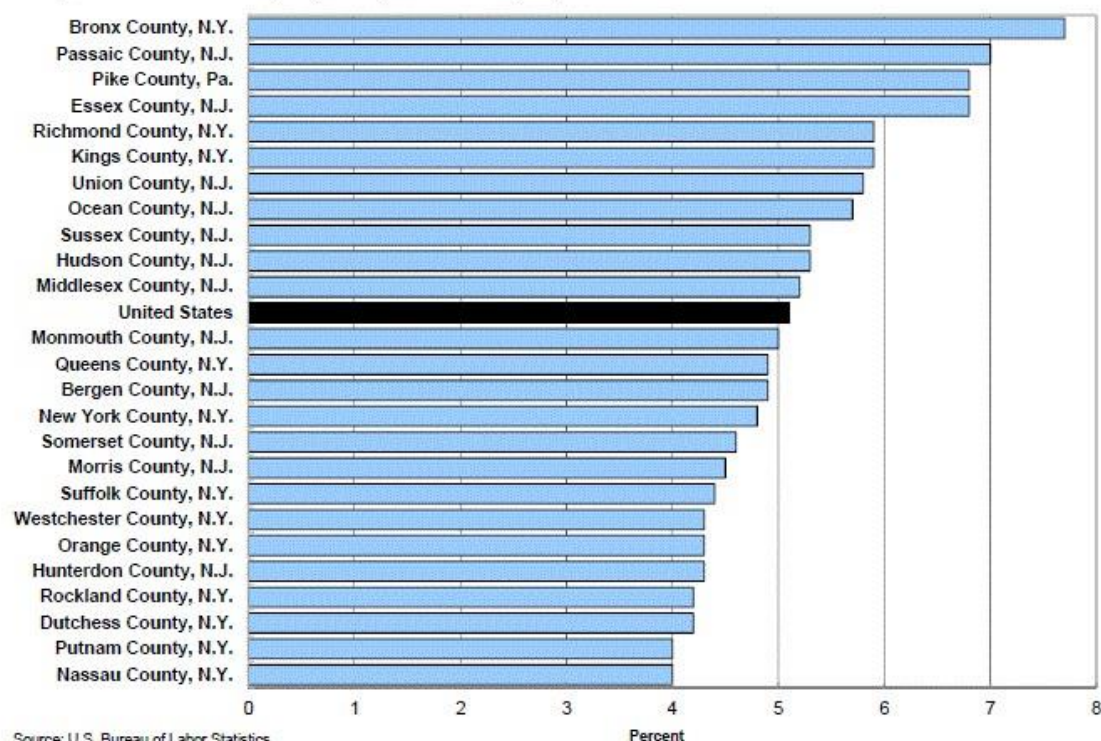
Chart 2. Unemployment rates for counties in the New York-Newark-Jersey City, NY-NJ-PA Metropolitan Statistical Area, not seasonally adjusted, July 2016



Source: U.S. Bureau of Labor Statistics.

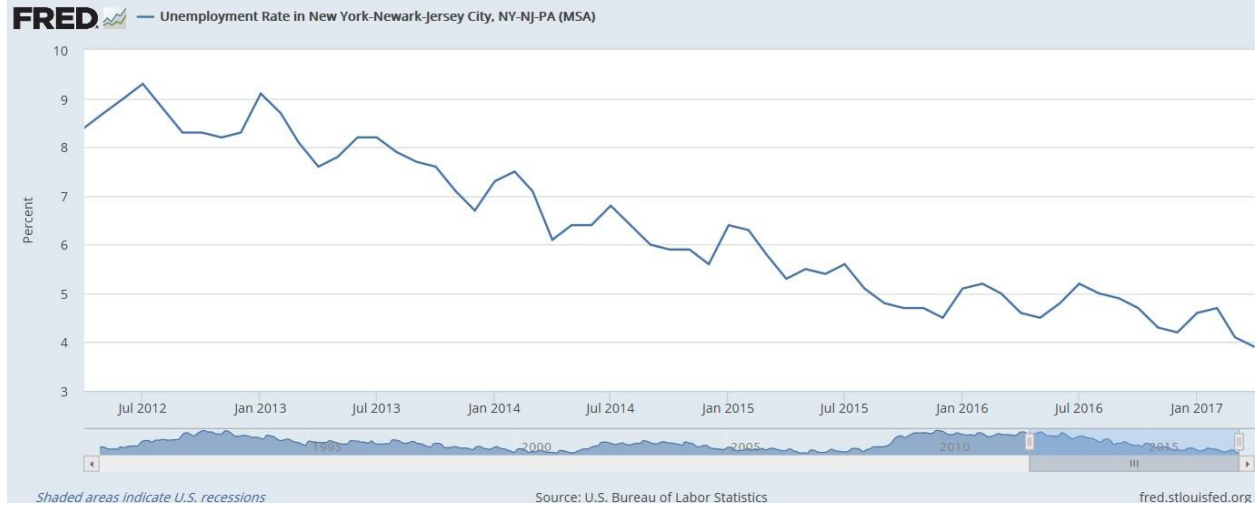
In July, Nassau and Putnam Counties in N.Y. both had the lowest unemployment rate in the New York-Newark-Jersey City, N.Y.-N.J.-Pa. Metropolitan Statistical Area at 4.0 percent, the U.S. Bureau of Labor Statistics reported today. Chief Regional Economist Martin Kohli noted that 14 of the 25 counties that make up the metropolitan area had lower jobless rates than the U.S. average of 5.1 percent and 11 had higher rates. Bronx County, N.Y. had the highest rate (7.7 percent).

**Chart 1. Unemployment rates for the United States and counties in the New York-Newark-Jersey City, N.Y.-N.J.-Pa. Metropolitan Statistical Area, July 2016, not seasonally adjusted**



Twenty of the 25 counties in the New York area had lower unemployment rates in July 2016 than one year earlier. The largest declines were in Orange and Rockland Counties in N.Y., down 0.7 percentage point each. Only Pike County, Pa., had an unemployment rate that was higher than a year ago, up 0.1 percent. Four counties' jobless rates remained the same since last July (Bronx, Kings, New York, and Queens, all in New York City). The U.S. unemployment rate decreased 0.5 percentage point over the year. Fourteen area counties had declines within 0.2 percentage point of the U.S. decrease.

## Unemployment



Unemployment rates in all 25 New York-area counties were lower in July 2016 than in July 2014. Bronx County, N.Y., had the largest jobless rate decrease at 2.2 percentage points, while Morris County, N.J., had the smallest decrease at 0.9 point. Over the last 2 years, 11 area counties had decreases larger than the national decline of 1.4 percentage points, while 11 had smaller decreases.

The July 2016 unemployment rates for the four metropolitan divisions in the New York-Newark-Jersey City metropolitan area were 4.1 percent in the Dutchess County-Putnam County, N.Y. division; 4.2 percent in the Nassau County-Suffolk County, N.Y. division; 5.4 percent in the New York-Jersey City-White Plains, N.Y.-N.J. division; and 5.6 percent in the Newark, N.J.-Pa. division. Since July 2015, the Dutchess and Nassau divisions had unemployment rate decreases of 0.6 percentage point each. The Newark division had a rate decline of 0.3 percentage point, and the New York division had a decline of 0.2 point.

## Changing Compensation and Wages

Total compensation costs for private industry workers increased 2.9 percent in the New York-Newark-Bridgeport, N.Y.-N.J.-Conn.-Pa. metropolitan area for the year ended March 2017, the U.S. Bureau of Labor Statistics reported today. Chief Regional Economist Martin Kohli noted that one year ago, New York experienced an annual gain of 1.6 percent in compensation costs. Locally, wages and salaries, the largest component of compensation costs, advanced at a 3.2-percent pace for the 12-month period ended March 2017. Nationwide, total compensation costs increased 2.3 percent and wages and salaries rose 2.6 percent from March 2016 to March 2017.

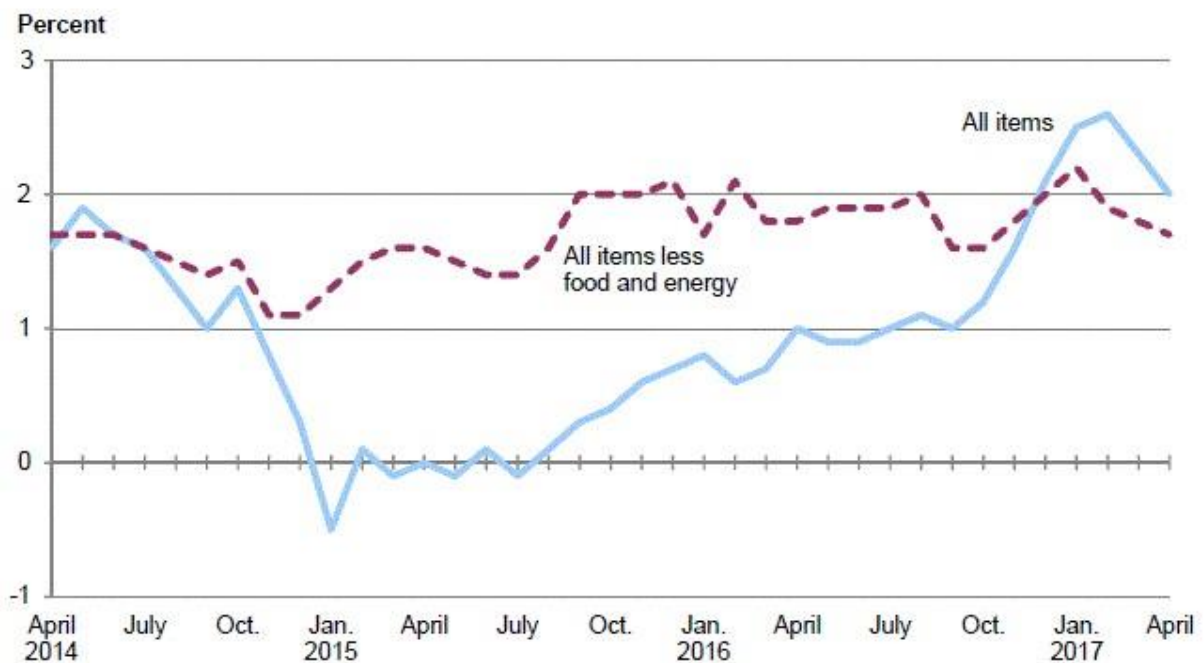
The annual increase in compensation costs in New York was 2.9 percent in March 2017, compared to advances of 2.6 percent in Boston and 3.0 percent in Philadelphia, the other two metropolitan areas in the Northeast. New York's 3.2-percent gain in wages and salaries over this 12-month period compared to gains of 3.0 percent in both Boston and Philadelphia.

**Pricing:**

Business contacts continued to note rising input costs but only modest increases in selling prices. Those in the retail, wholesale, transportation, and leisure & hospitality industries reported modest increases in selling prices, on balance, while businesses in other sectors indicated little changed in prices received.

General merchandise retailers reported that prices have been flat, and New York City hotels indicated that room rates have held steady. Broadway theaters, in contrast, reported that average ticket prices have picked up noticeably in recent weeks and have been running roughly 15 percent above comparable 2016 levels.

**Chart 1. Over-the-year percent change in CPI-U, New York-Northern New Jersey-Long Island, April 2014–April 2017**



Source: U.S. Bureau of Labor Statistics.

Prices in the New York-Northern New Jersey-Long Island area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), ticked up 0.1 percent in April after no change in March, the U.S. Bureau of Labor Statistics reported today. Chief Regional Economist Martin Kohli attributed the index movement to higher prices for food



and energy. (Data in this report are not seasonally adjusted. Accordingly, month-to-month changes may reflect the impact of seasonal influences.)

Over the year, the CPI-U rose 2.0 percent. The index for all items less food and energy increased 1.7 percent. Higher prices for shelter drove the 12-month change in both indexes.

### **Consumer Spending**

Retailers reported that sales were steady to down moderately. Retailers in upstate New York reported that sales have been essentially flat in April and early May. A major retail chain noted that same-store sales fell below plan and were down from a year earlier in April but have picked up somewhat in May. Sales in New York City slightly lagged the region overall. Inventories were generally said to be at desired levels. Retail contacts have become somewhat less optimistic about the near-term sales outlook.

Auto dealers in upstate New York reported that sales of new and used vehicles softened in April and were lower than a year earlier—a trend seen continuing into early May. One contact noted that inventories of some new, mainly domestic, vehicles makes have swelled some-what, though inventories generally remain at or near desired levels. Retail and wholesale credit conditions were reported to be in good shape, though there has been further tightening for sub-prime auto loans.

Consumer confidence in the Middle Atlantic states (NY, NJ, PA) retreated in April after reaching a 16-year high in March.

### **Manufacturing and Distribution:**

Manufacturers reported that business activity has leveled off thus far in the second quarter, following brisk growth in the first three months of the year. Businesses in the wholesale trade and transportation industries also reported a pause in growth. Looking ahead, however, manufacturers remain widely optimistic about the near-term outlook, while those in transportation and wholesale trade remain somewhat upbeat.

### **Services**

Businesses in most service industries noted little change in general business activity, while contacts in education & health services continued to indicate steady, moderate growth. Looking ahead, however, businesses in education & health were generally the least sanguine about the outlook, while contacts in the information, professional & business services, and leisure & hospitality industries were fairly optimistic.

Tourism has picked up somewhat in New York City. Broadway theaters reported that business improved noticeably in April and the first half of May, with attendance running roughly 10 percent ahead of 2016 levels and revenues up more than 25 percent.

## **Construction and Real Estate**

Housing markets across the District have been mixed but, on balance, steady since the last report. New York City's rental market has remained mostly steady, though increased landlord concessions have further lowered effective rents and spurred some pickup in leasing, especially at the high end. In contrast, rents continued to rise across northern New Jersey, the Lower Hudson Valley, southwestern Connecticut and upstate New York.

The sales market for homes has strengthened in north-ern New Jersey and across upstate New York but has been essentially flat in New York City. Home resale activity across downstate New York, and especially in New York City, has slowed to more normal levels, following an unusually brisk first quarter. Prices of New York City co-ops and condos have remained mixed, rising at the low end, falling at the high end, and holding steady in the middle. Inventories have continued to edge up in Manhattan but have fallen to exceptionally low levels elsewhere—mostly notably in upstate New York and northern New Jersey.

Commercial real estate markets have been mixed in recent weeks. The market for office space has generally been steady, as both availability rates and asking rents have not changed significantly. The industrial market, which had been strengthening steadily over the past year, has lost some momentum in recent weeks but has continued to tighten. While availability rates have largely leveled off, rents have continued to climb, running 8-12 percent ahead of a year earlier. In contrast, the market for retail space has softened further: vacancy rates reached multi-year highs throughout the District, while asking rents were little changed.

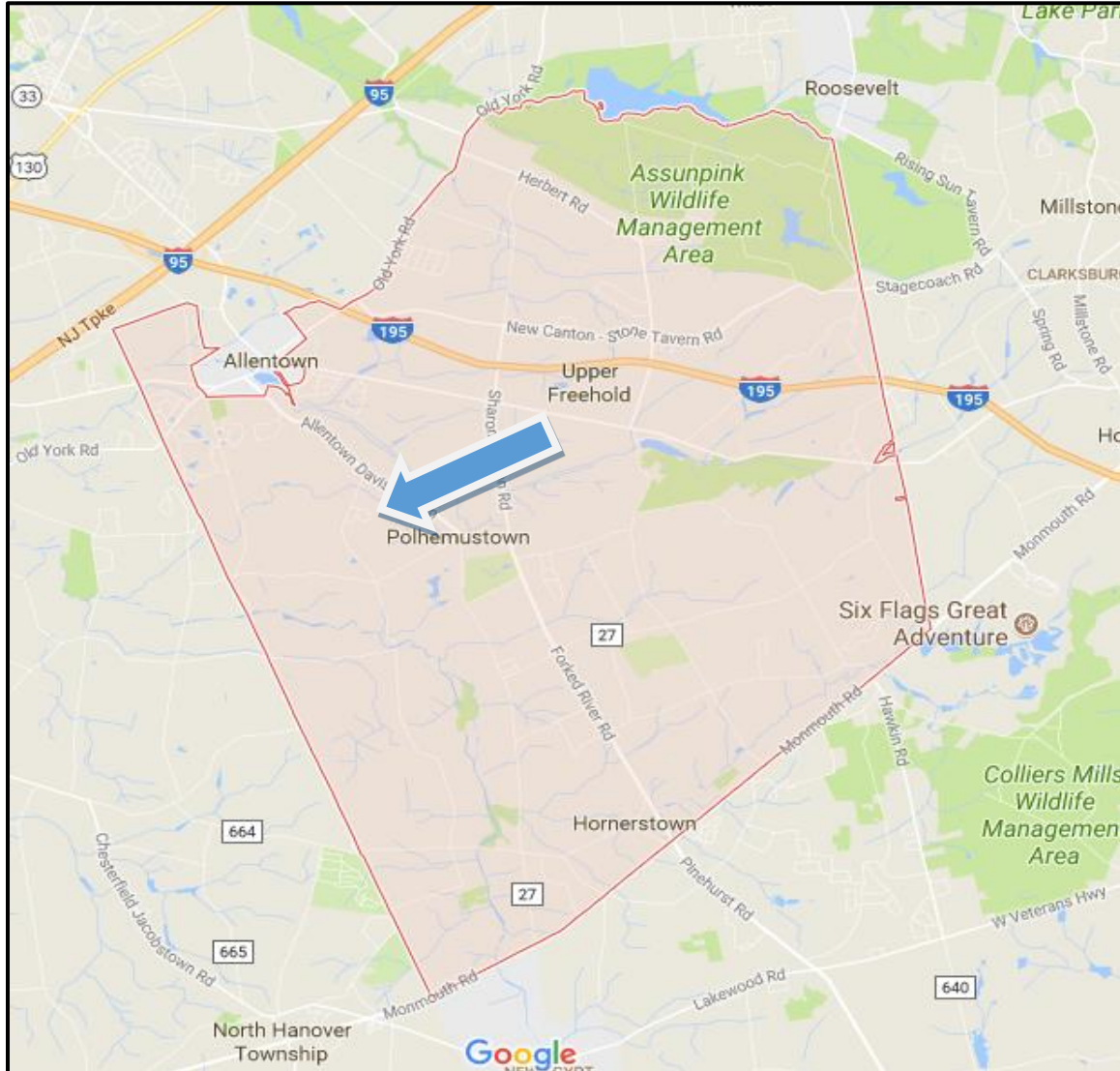
Finally, both residential and commercial construction have remained sluggish overall. New starts of single-family homes have remained subdued, while new multi-family construction has slowed substantially. On the commercial side, although there is a good deal of office construction in progress—especially in New York City—there has been very little new office development, except in northern New Jersey.

## **Financial Developments**

Bankers reported stronger demand for consumer loans and residential mortgages but no change in demand for commercial loans or mortgages. Bankers also indicated that refinancing activity decreased for all types of loans. Credit standards were reported to be unchanged across all loan categories. Banks noted wider spreads of loan rates over cost of funds for consumer loans but no change in spreads for other loan categories. Contacts also reported an increase in the average deposit rate, on net. Delinquency rates were said to be lower across all loan categories—particularly residential mortgages.

## Upper Freehold Township<sup>2</sup>:

Upper Freehold Township is located in the south section of Monmouth County, New Jersey. The township is located in the central portion of New Jersey and is bordered by East Windsor Township, Hamilton Township and Robbinsville Township in Mercer County to the north, the Jackson Township and Plumsted Township in Ocean County to the south, Allentown, Millstone Township and Roosevelt in Monmouth County to the east and the North Hanover Township in Burlington County to the west.



Subject location indicated by the blue arrow on the municipal map above.

<sup>2</sup> The following information is taken from numerous sources, such as Costar, Areavibe, Wikipedia, city-data, and government statistical data websites.

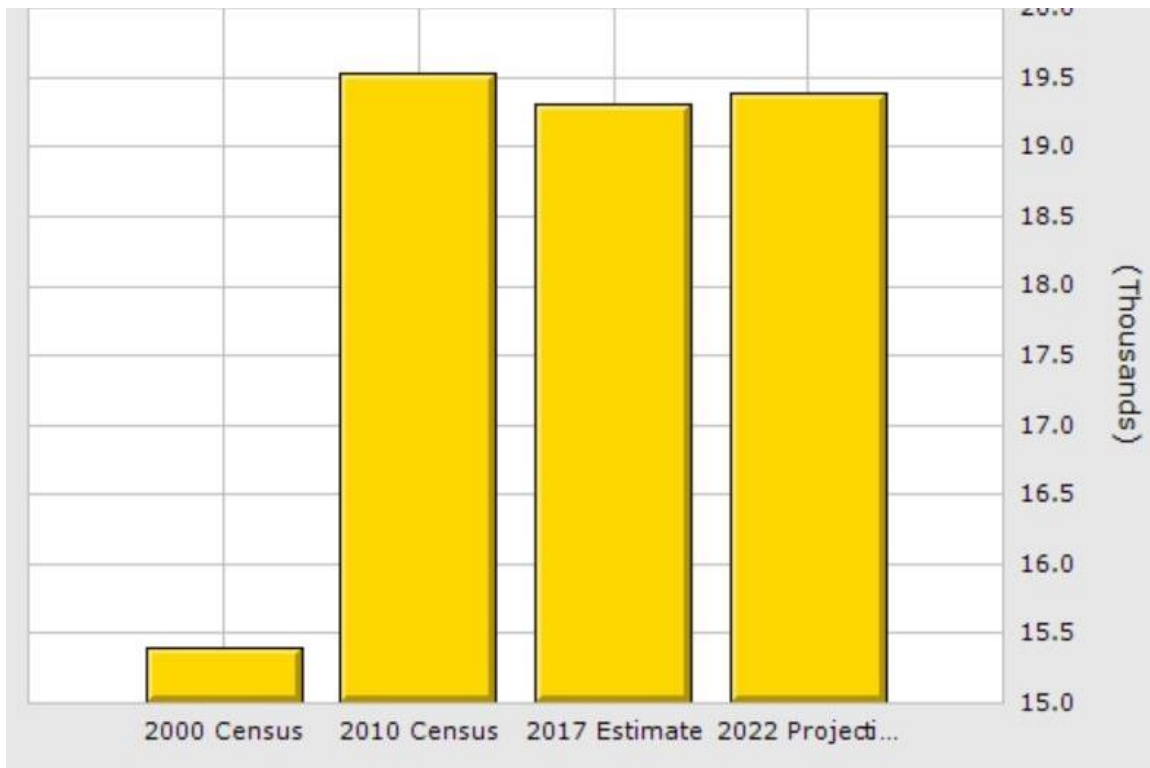


Upper Freehold Township is 47.235 square miles in size, of which 0.816 square miles is water.

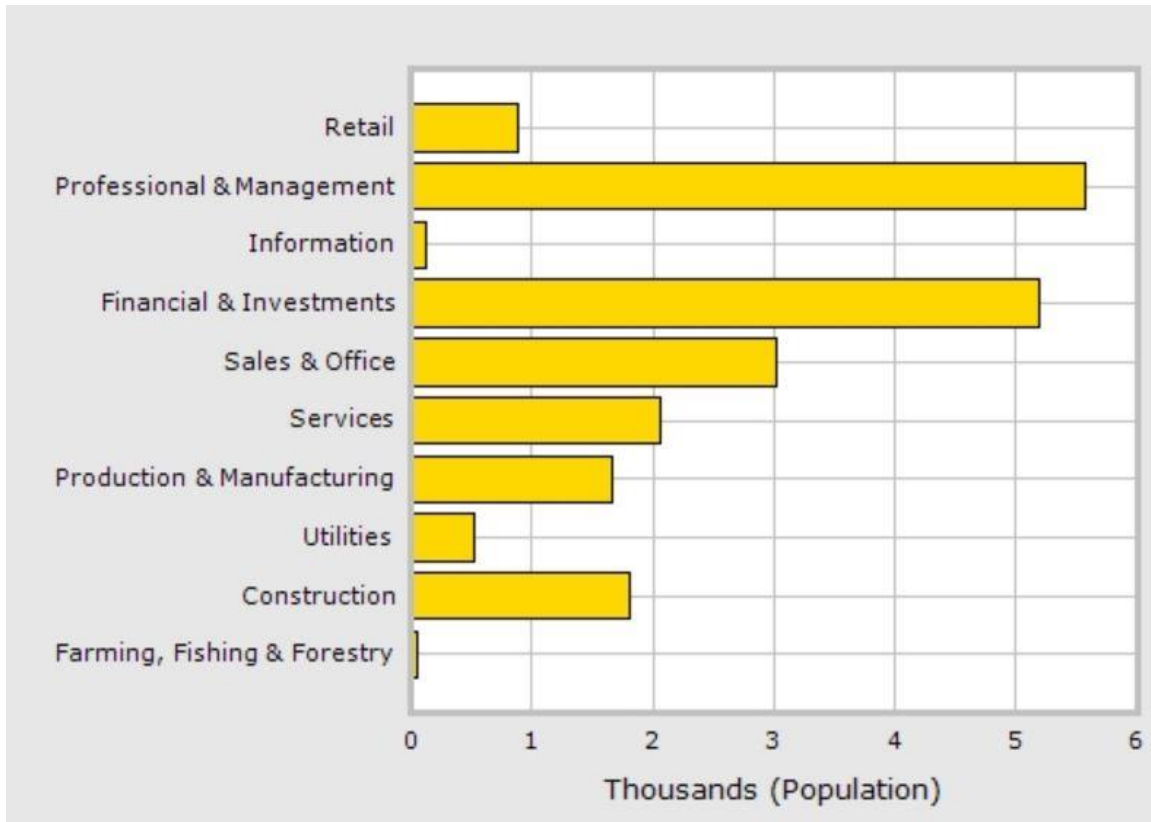
**Population:**

As of 2010, Upper Freehold's population is 6,902 people. Since 2000, it has had a population increase of approximately 60% (estimated at 6,881 in 2016, a 0.3% increase from 2010).

Population:				
2022 Projection	644	4,338	19,384	
2017 Estimate	644	4,317	19,316	
2010 Census	644	4,323	19,526	
Growth 2017-2022	0.00%	0.49%	0.35%	
Growth 2010-2017	0.00%	(0.14%)	(1.08%)	

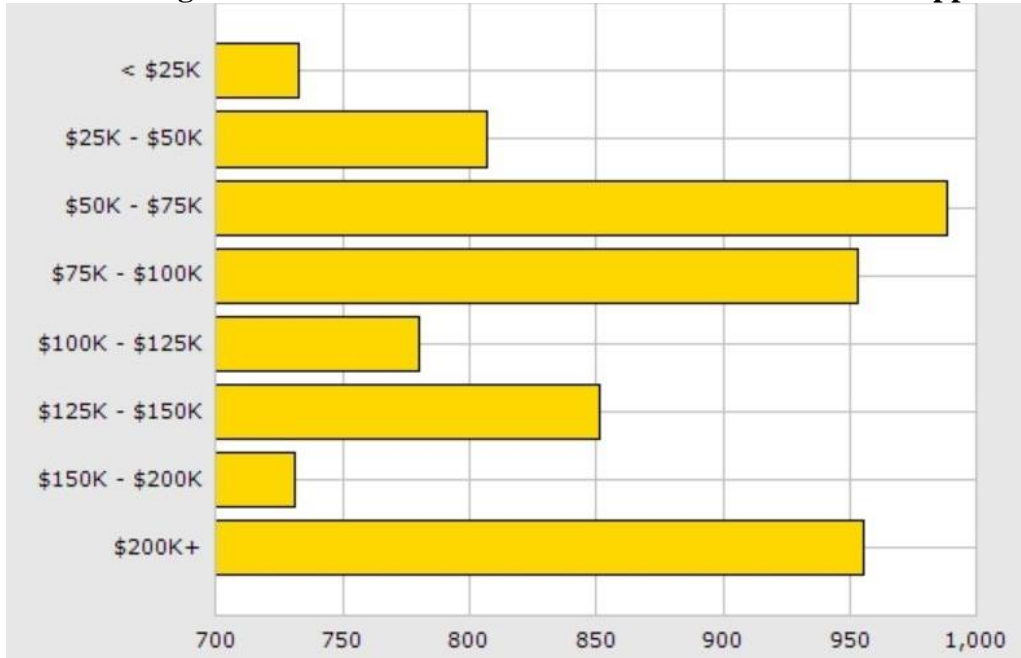


**Businesses:**



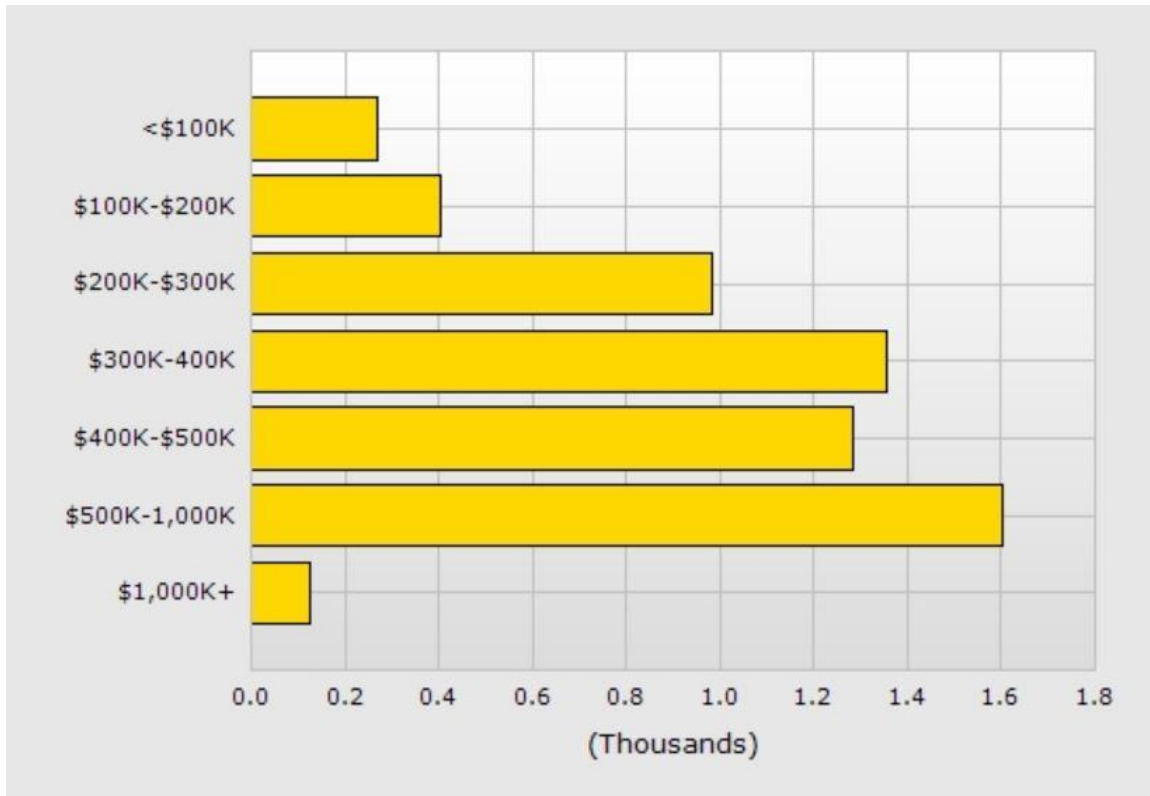
The majority of people in Upper Freehold Township are employed in professional and management positions. There are a number of financial and investment positions, as well.

**The following is a breakdown of household incomes for citizens of Upper Freehold:**



**Housing:**

The following graph portrays the home value for Upper Freehold Township's residential market as of 2017.



The majority of homes are valued between \$500,000 and \$1,000,000.

**Education:**

Students in public school for pre-kindergarten through twelfth grade attend the Upper Freehold Regional School District, which serves students from Allentown Borough and Upper Freehold Township. As of the 2014-15 school year, the district and its three schools had an enrollment of 1,724 students and 191.9 classroom teachers (on an FTE basis), for a student-teacher ratio of 9.0:1. Schools in the district (with 2014-15 enrollment data from the National Center for Education Statistics) are Newell Elementary School (524 students in pre-Kindergarten through 4th grade), Stone Bridge Middle School (with 540 students in grades 5 - 8) and Allentown High School (with an enrollment of 1,283 students in grades 9 - 12). Millstone Township sends students to the district's high school as part of a sending/receiving relationship with the Millstone Township Schools. Students in public school for pre-kindergarten through twelfth grade attend the Upper Freehold Regional School District, which serves students from Allentown Borough and Upper Freehold Township. As of the 2014-15 school year, the district and its three schools had an enrollment of 1,724 students and 191.9 classroom teachers (on an FTE basis), for a student-teacher ratio of 9.0:1. Schools in the district (with 2014-15 enrollment data from the

National Center for Education Statistics) are Newell Elementary School (524 students in pre-Kindergarten through 4th grade), Stone Bridge Middle School (with 540 students in grades 5 - 8) and Allentown High School (with an enrollment of 1,283 students in grades 9 - 12). Millstone Township sends students to the district's high school as part of a sending/receiving relationship with the Millstone Township Schools.

## **Roads and highways**

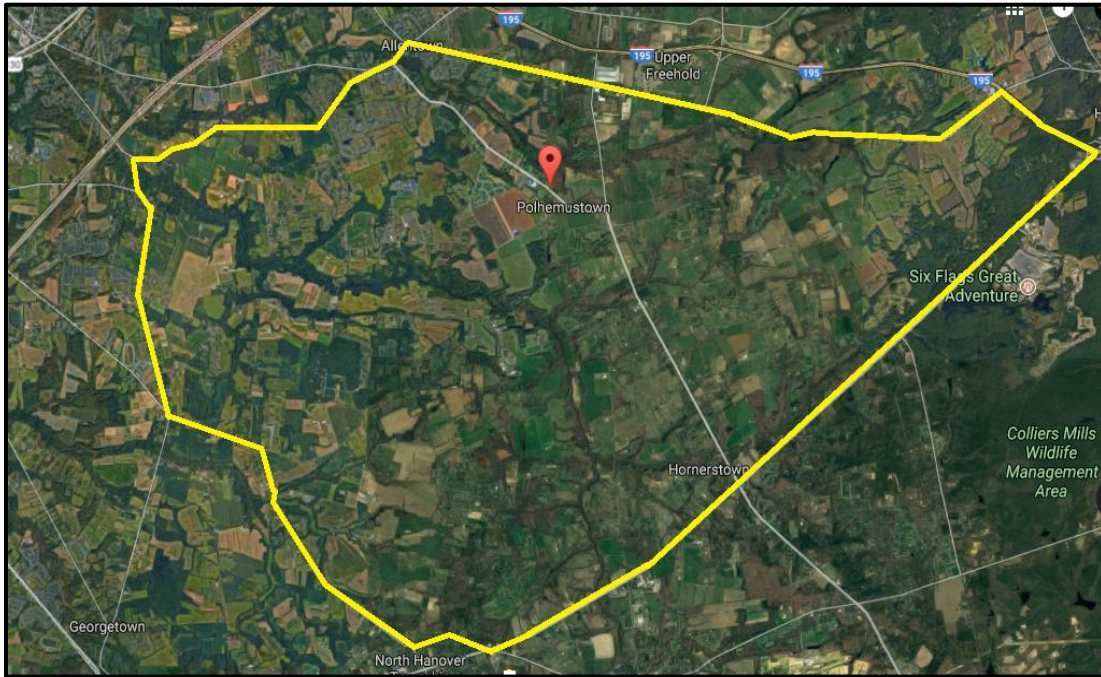
As of May 2010, the township had a total of 116.01 miles of roadways, of which 82.01 miles were maintained by the municipality, 28.28 miles by Monmouth County and 5.72 miles by the New Jersey Department of Transportation.

A 5.7-mile portion of the Central Jersey Expressway (Interstate 195) goes through Upper Freehold, making it an important artery for residents of the township. Exit 11 leads to the Horse Park of New Jersey. Exit 8 leads to County Route 539 (Hornerstown Road / Trenton-Forked River Road / Davis-Allentown Road) to Hightstown, or towards the Garden State Parkway south to Atlantic City. County Route 524 (called Yardville-Allentown Road / South Main Street where it enters Allentown / Stage Coach Road) heads across the township, mostly to the north of Interstate 195, from Hamilton Township in Mercer County to the east and Millstone Township to the west. County Route 526 (Walker Avenue) heads from Allentown in the east to Millstone Township in the west, paralleling Interstate 195 to the north. County Route 537 (Monmouth Road) runs for 6.5 miles (10.5 km) along the township's southern borders with the Ocean County municipalities of Plumsted Township and Jackson Township.

In addition, Interstate 95 (the New Jersey Turnpike) is minutes away along I-195 in neighboring Robbinsville Township (Exit 7A) and not too far also in bordering East Windsor (Exit 8).

### ***Immediate Neighborhood***

The subject is located along Allentown Davis Station in the northern section of Upper Freehold Township. The subject's immediate neighborhood is bound by Chesterfield Jacobstown Road to the south, Allentown Lakewood Road to the north, Crosswicks Chesterfield Road & Old York Road to the west and Monmouth Road to the east.



The area is rural and predominantly vacant and farmland and residential dwellings. The subject's immediate area has some residential single-family homes and large areas of vacant preserved lands.

The subject's frontage road is a two-way thruway with one lane in each direction. Sharon Station Road, Monmouth Road/ Route 537 and Allentown Lakewood Road traverse the area. Highway 195 runs north of the area. The area's proximity to these thruways connects the neighborhood to neighboring municipalities and the broader Tristate area.

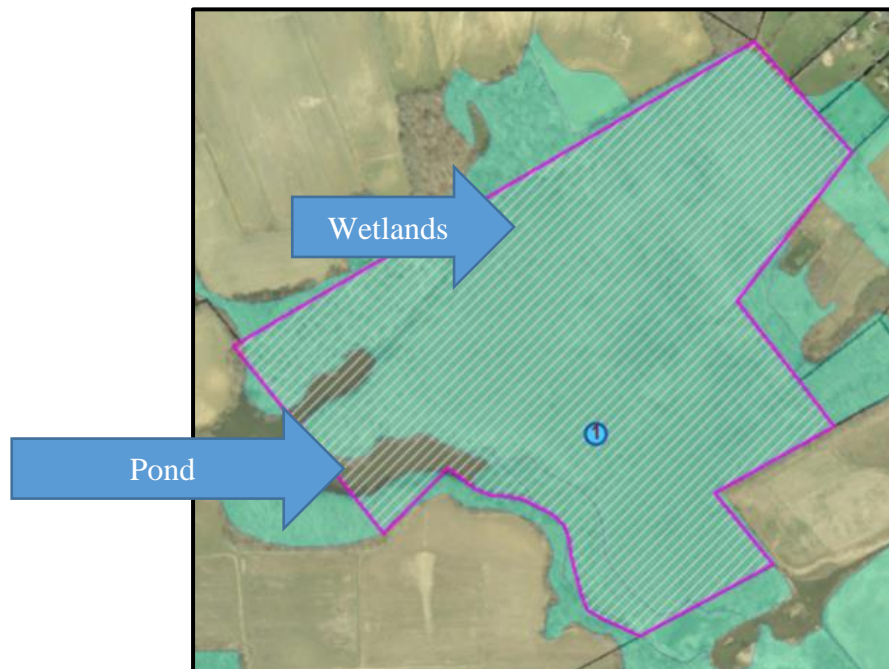


## Property Description

The subject is an 88.15 acre possibly land-locked parcel of land situated just north-west of the Allentown Davis Station/ Route 539 and Walnford Road intersection in Upper Freehold, New Jersey. The subject is fully wet and is undevelopable. This property is of high interest for Fish & Wildlife as it contains critical wetlands and stream/pond habitats directly adjacent to the subject on Pleasant Run WMA. The site is currently leased to a hunting club as hunting grounds; the lease is set to expire in March of 2018 and will be null and void if the subject sells prior to the expiration of the lease.

### SITE

Location:	The subject property located on the west-bound side of Allentown Davis Station/ Route 539. The subject is just 2.7 miles south of Highway 195 and less than five miles east of the New Jersey Turnpike. The property's proximity to these thruways is ideal, as it allows for easy-access to areas in and around Upper Freehold and connects the subject site to the broader Tristate area.
Land-use Restrictions/ Wetlands & Watersheds:	The subject is fully wet and is, therefore an undevelopable parcel of land. Please reference Limiting Conditions and Assumptions



Flood Zone:	The subject is located in an area mapped by the Federal Emergency Management Agency (FEMA). The subject is
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located in FEMA flood zone X, which is classified as a flood hazard area.



Subject location is indicated by the yellow star on the flood map above.

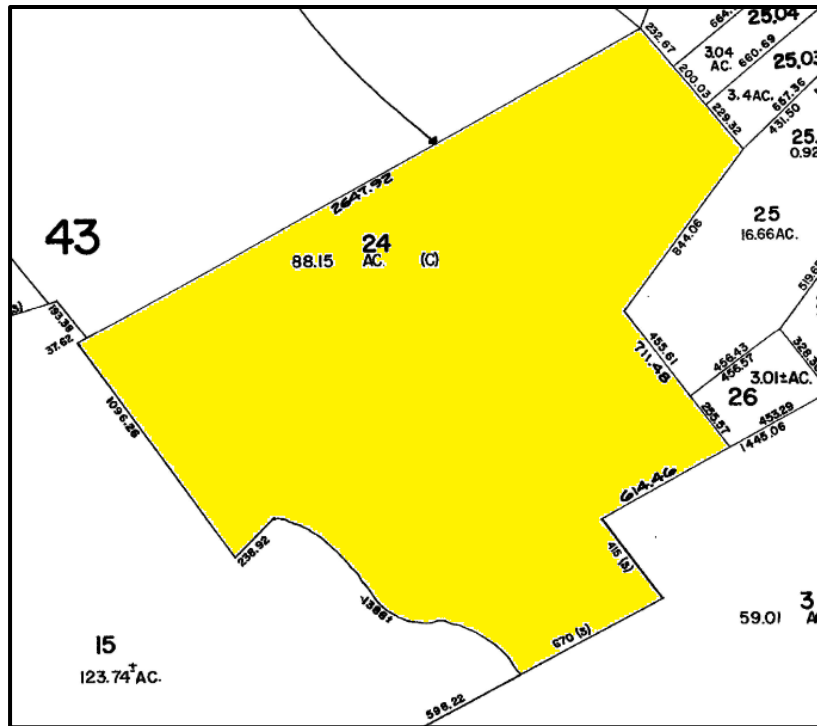
FEMA Map Number: 34025C0240F  
FEMA Map Date: September 25, 2009

The subject appears to be entirely located in flood zone “X”, which is a non-flood hazard area.

Site Size: Total: 88.15 acres; 3,839,814 square feet  
Usable: 0.00 acres; 0 square feet

According to NJDEP Geoweb and the information provided by the client, as well as from verbal conversations with the property owner, the entire subject site is wet and is unfit for development.

Shape: The site has an irregular shape



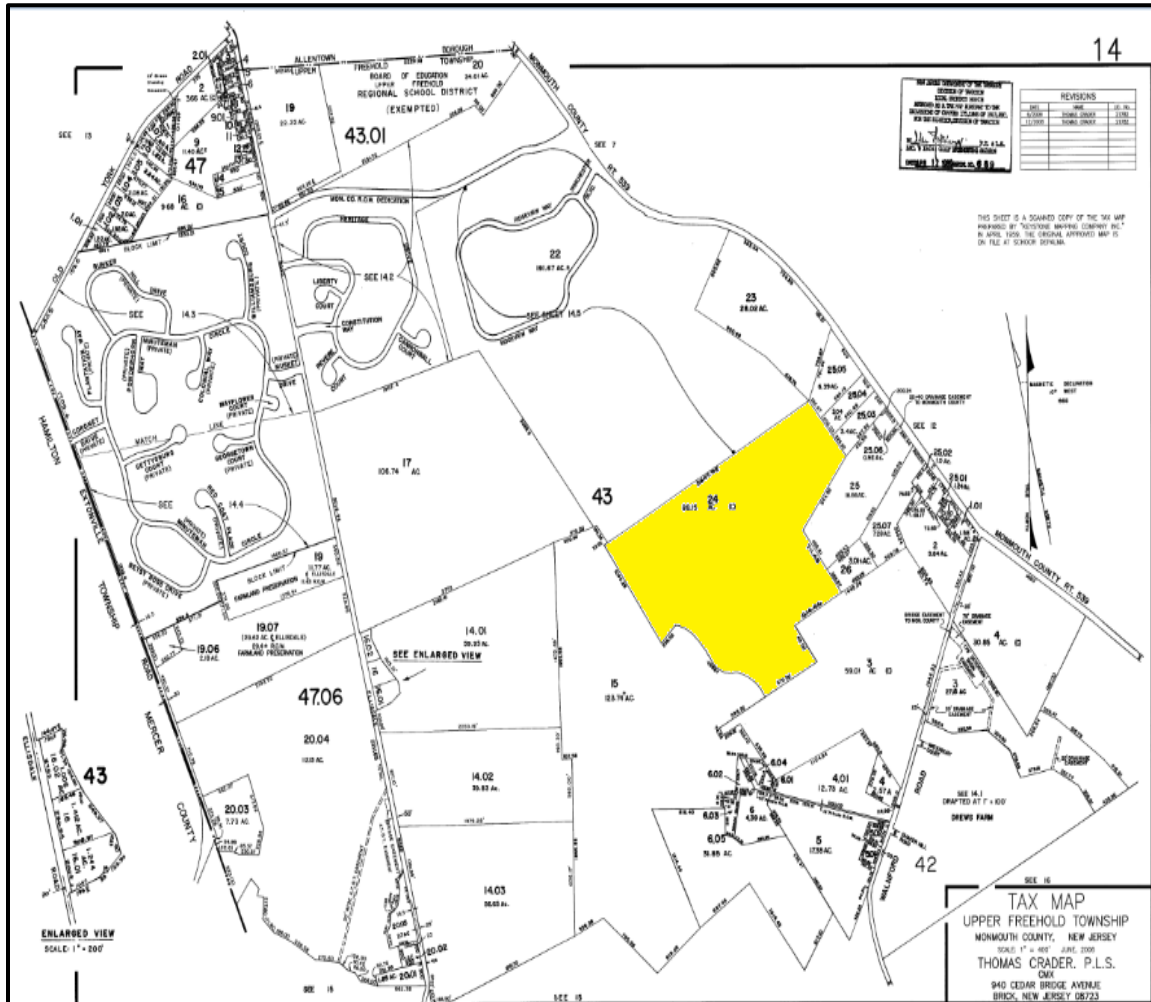
Subject is highlighted in yellow on the tax map above.

Frontage/Access:	The subject is a land-locked parcel and is currently not accessible through a road/ does not have frontage on any existing road. The road is situated 660 feet from the subject site. The property is used as by a hunting club as hunting grounds. According to both the property owner and the hunting club representative, the site is accessed through a dirt road, however, it does not appear to be deeded access, rather an informal agreement between the current property owner and a neighbor.
Topography:	The subject appears to have mostly level topography at grade.
Soil Conditions:	The soil conditions observed at the subject appear to be typical of the region.
Utilities:	The site does not have access to any city utilities. This is somewhat irrelevant, as the subject is landlocked and fully wet and is, therefore, unfit for development.
Surrounding Improvements:	The area has large portions of vacant land and residential dwellings.

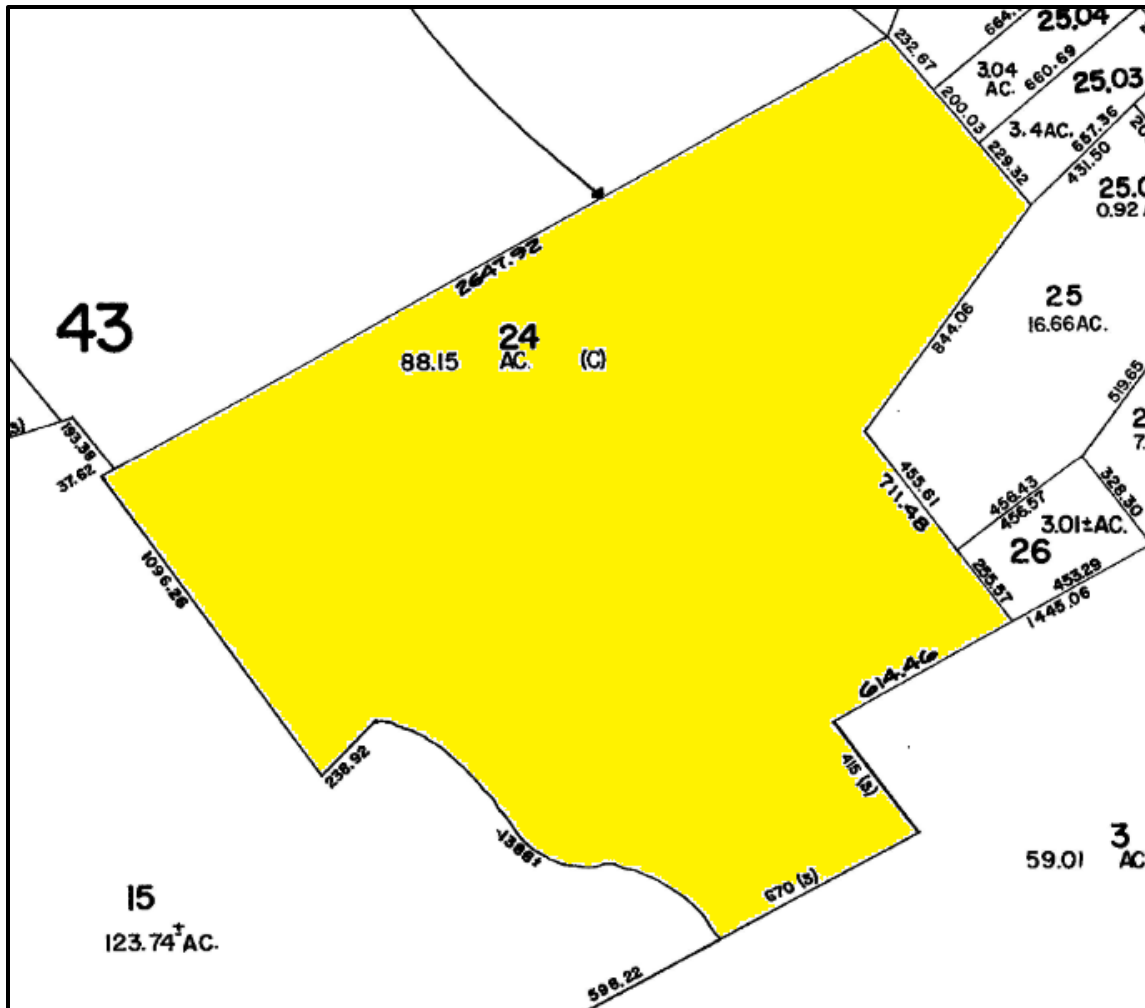




# Tax Map



The subject site is highlighted in yellow on the tax map above.



Close-up of the tax map on the previous page.

## Assessment and Taxes

**Taxing Authority**     Upper Freehold Township

**Assessment Year**     2017

Real Estate Assessment and Taxes					
Tax ID	Land	Improvements	Total	City Rate	Taxes
Block 43 Lot 24	\$105,800	\$0	\$105,800	\$2.401	\$2,540

Real Estate Assessment Analysis					
Tax ID	Per SF	Per Acre	Total	Equalization Ratio	Implied Value
Block 43 Lot 24		\$1,200	\$105,800	100.00%	\$105,800

### Comments

The above assessment is reflective of 2017's land and improvement assessment value. The assessment appears to take into consideration that the subject is land-locked and fully wet.

## Aerial Map

ora



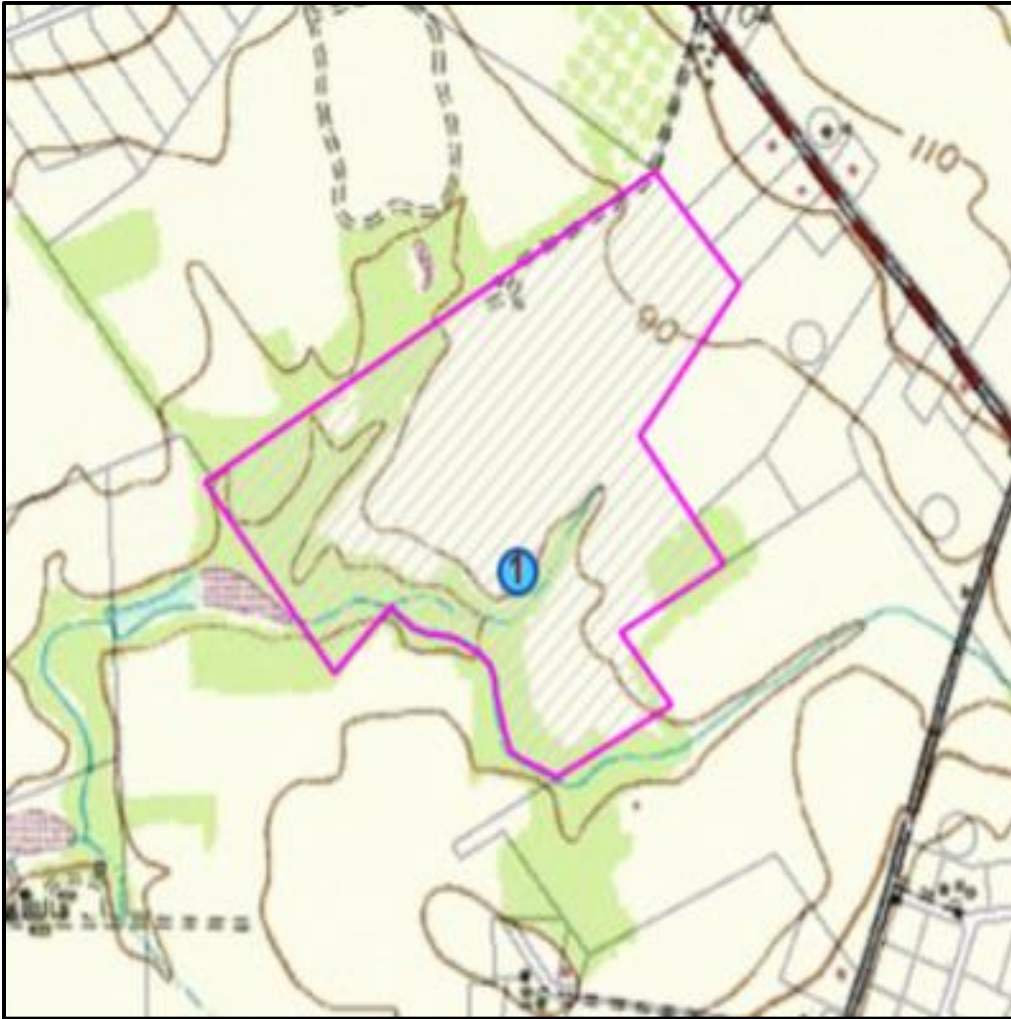
Broader aerial view of the subject. Subject location indicated by orange arrow on the aerial map above.



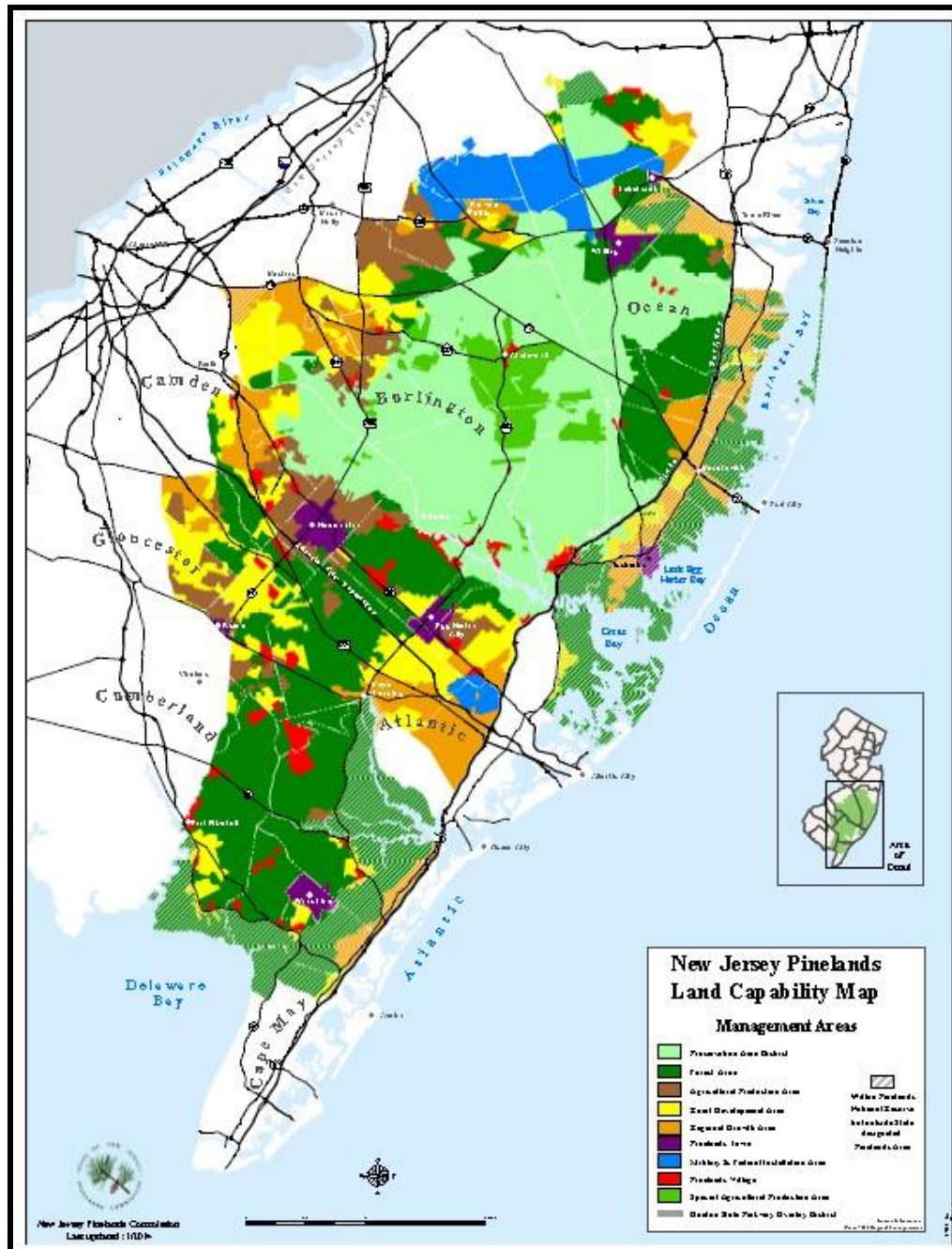


Close-up aerial view of the subject

***Topographical Map***

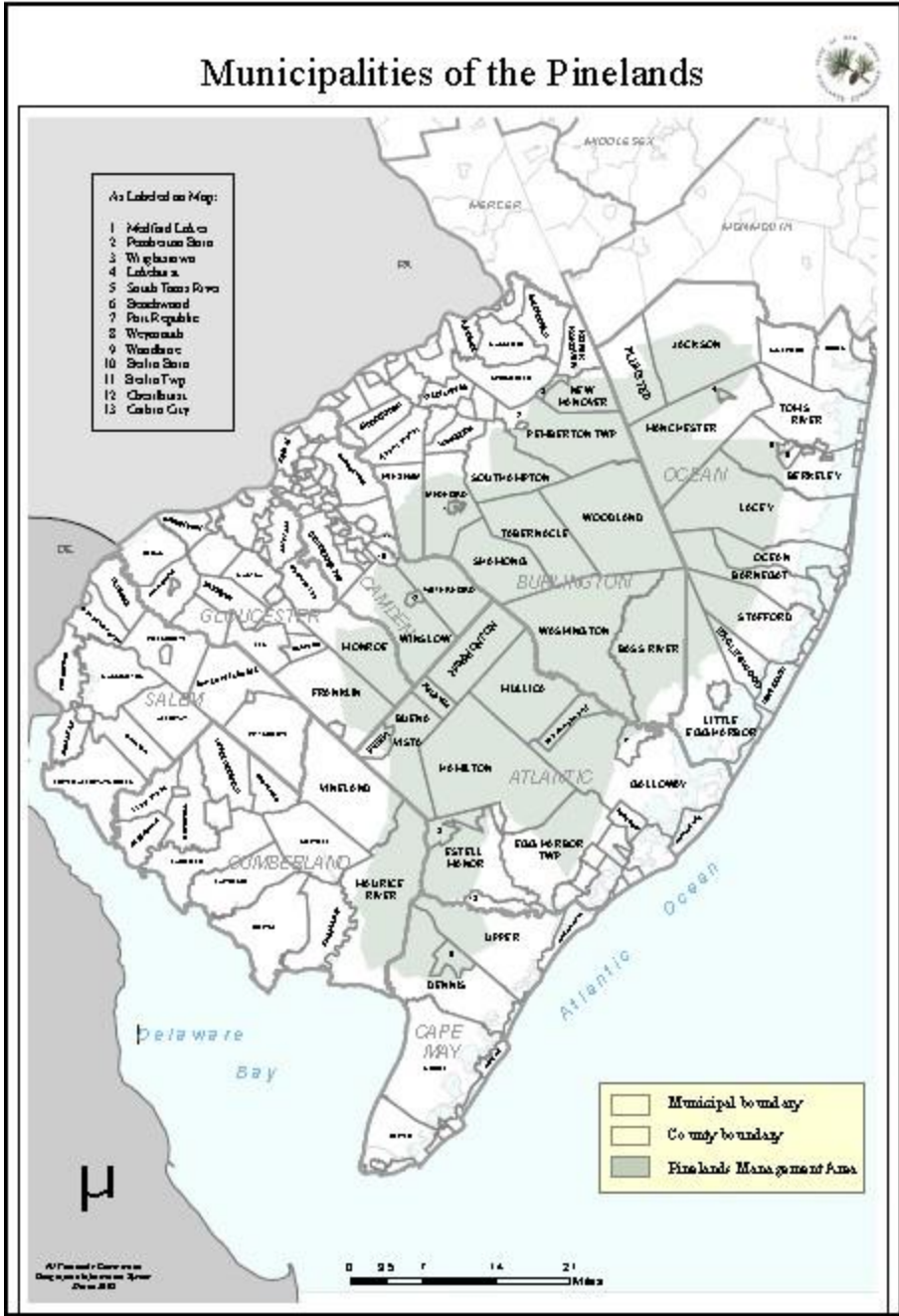


## New Jersey Pineland Map

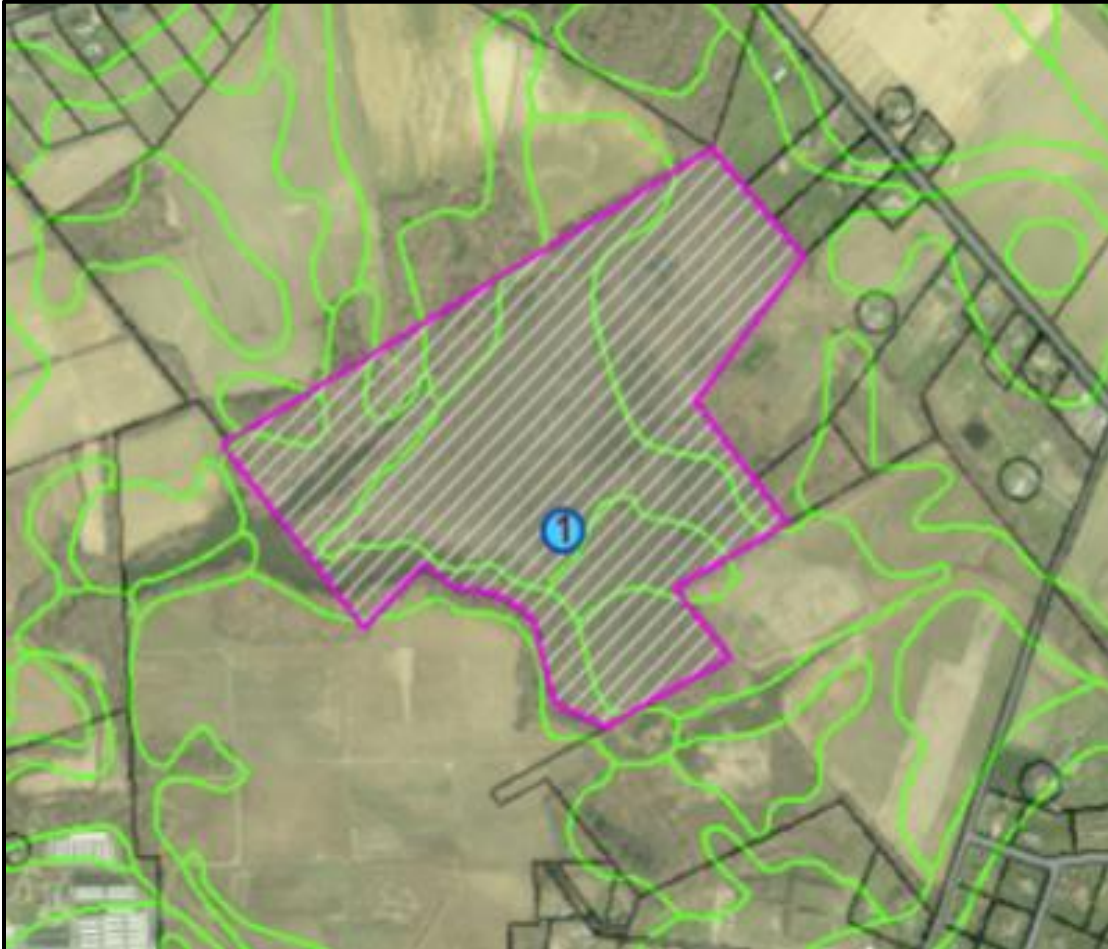


The subject is located in Upper Freehold with is not a Pinelands designated area





***Subject's Soil Map***



### Tri-state Highlands Map



The subject is not located in the Highlands region.

***New Jersey Preservation and Planning Area Map***

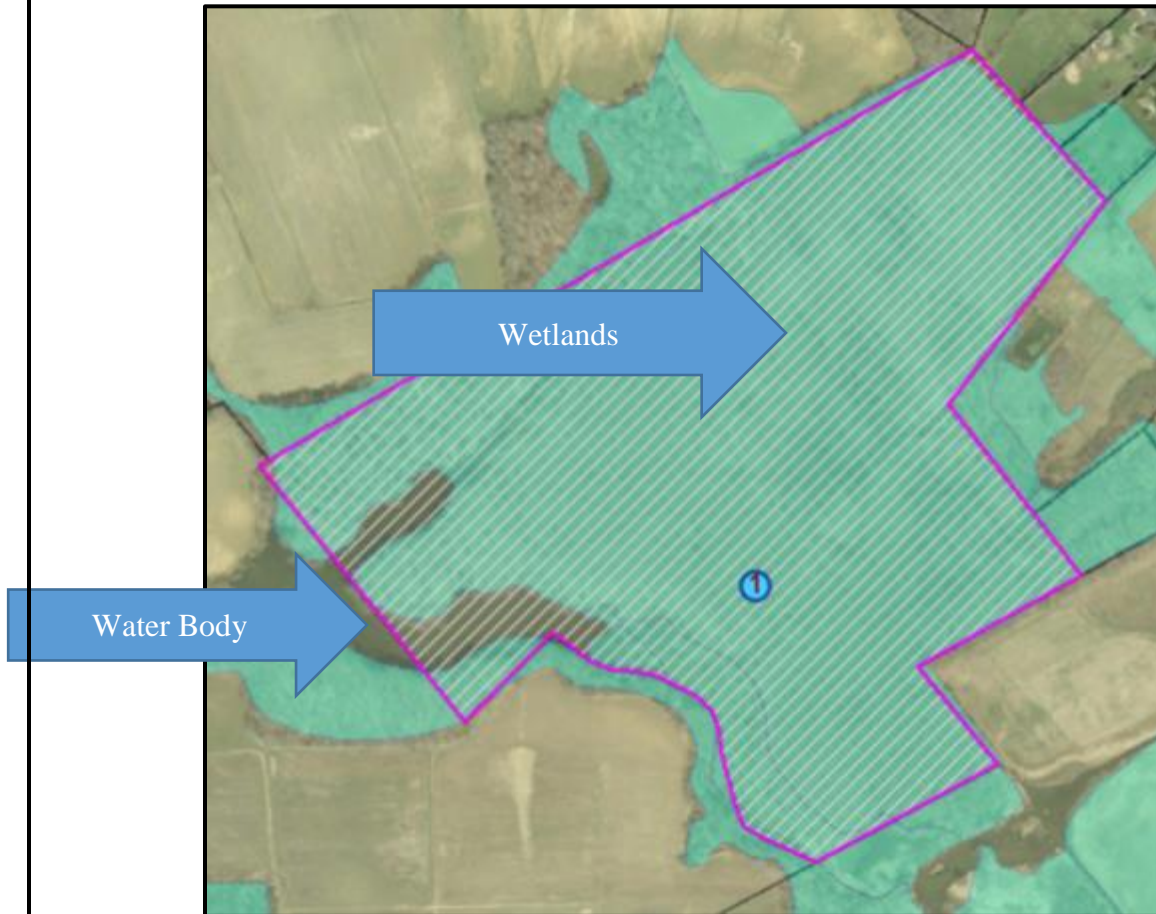


It is evident that the subject is not in the Preservation or Planning area.



### ***Wetlands Map***

The maps on this and the following pages are from NJGEO web mapping overlay, administered by the DEP.



The wetlands map above indicates that the entire subject site is impacted by the presence of wetlands or waterbodies.

## Flood Map



The subject is not located in a FEMA flood zone X, which is not a designated active flood zone.

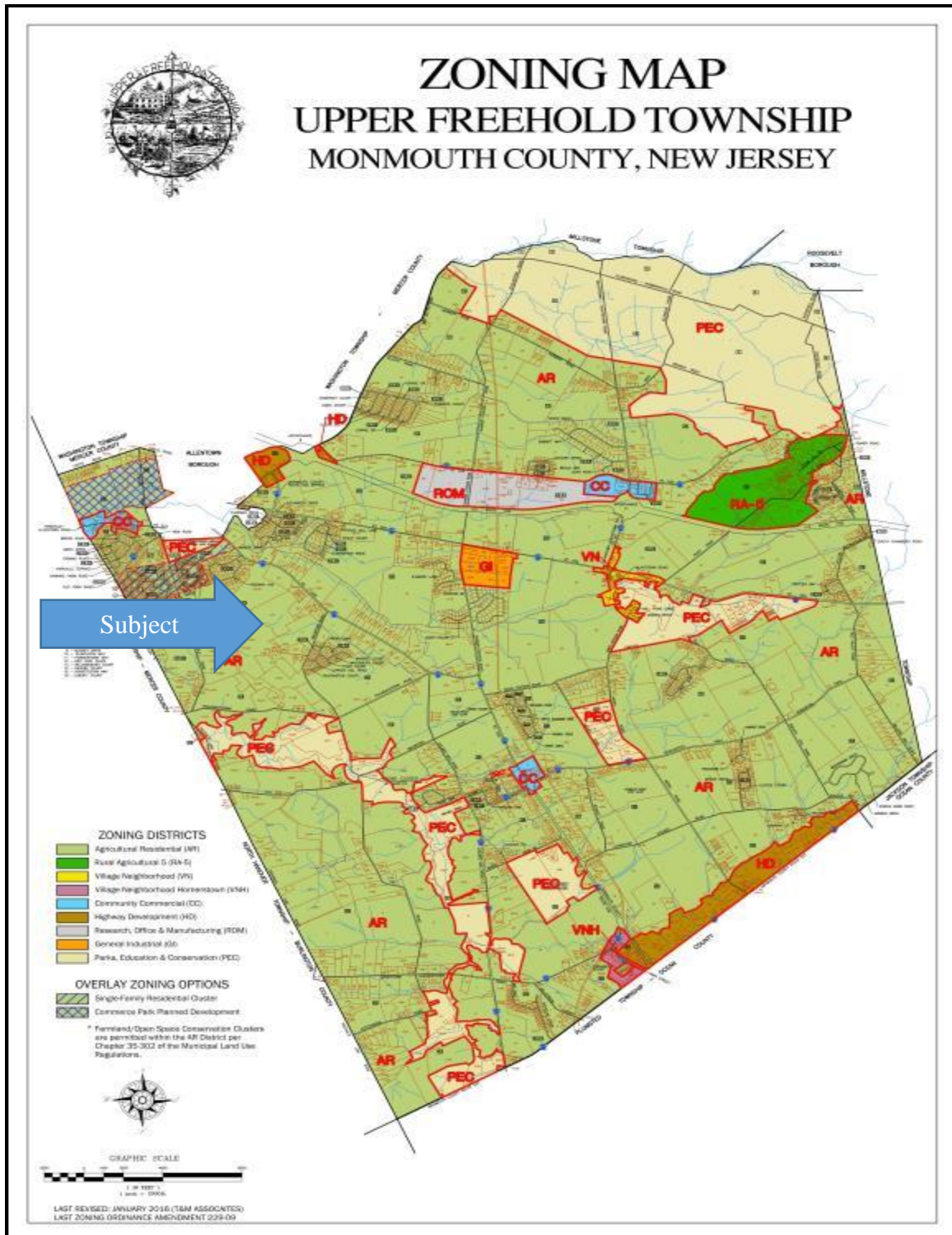
## Zoning

LAND USE CONTROLS	
Zoning Code	AR
Zoning Description	Agricultural Residential
Permitted Uses	Permitted uses includes Detached Single Family dwelling, Conservation Areas, Open Space, Public Parks, Public Playgrounds and Public Purpose Uses, as well as Farms, provided that the farm use itself shall have a minimum lot size of 5 acres and provided further that a farm may have a single-family detached dwelling situated thereon only if the farm is at least six 6 acres in size.
Minimum lot size	261,360 square foot / 6 acres
Minimum lot width	200 feet
Lot Depth	300 feet
Front yard	75 feet
Rear yard	75 feet
Side yard	40 feet
Lot Frontage	200 feet

The subject is vacant land containing no improvements. The site is fully wet and is not suitable for any development presently.



## Lower Twp. Zone Map





**Subject Photographs**



Access road to subject site



Route 539



Across from subject



subject site



Subject Site







View from Walnford Road - Subject Site in background



Subject Site in background



Walnford Road





Subject Site



View from Walnford Road



From Walnford Road, subject in background



Walnford Road

## ***Highest and Best Use***

Highest and best use is the underlying premise upon which value is based. Typically, the concluded highest and best use will determine the valuation method that will be employed and the comparables chosen for comparison sake. Highest and best use is defined in the *Dictionary of Real Estate Appraisal* as:

“The reasonably probable and legal use of vacant land or any improved property that 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. Alternatively, the probable use of land or improved property – specific with respect to the user and timing of the use – that is adequately supported and results in the highest present value.”

### **Highest and Best Use of the Site**

The highest and best use of the site as though vacant is the use that yields the highest present land value, after payments are made for labor, capital, and coordination, and considering that the proposed use is legal and reasonable. The use of the property is based on the assumption that the land is vacant or can be made vacant by demolishing and existing improvements.

#### **Legal Permissibility:**

This test addresses any restrictions imposed upon the subject site by zoning laws. As the zoning analysis previously discussed, the subject is located in the AR zone, Agricultural Residential Zone, which permits residential development. The subject is vacant land and can technically be developed with any of the permitted uses.

#### **Physical Possibility:**

This test addresses any limitations for the site due to its physical characteristics that might affect the property's improvement potential. The subject site is fully wet and cannot be developed currently. The subject is landlocked, with no direct to existing or paper streets. The existence of any deeded easement access is not clear, and in this scenario we are considering the subject to be landlocked. Thus, the only way to access the subject would be through either formal or informal agreement with a neighboring parcel that does have street access. Approximately 6-7 adjacent lots would be able to provide the subject access. Since the only possible uses would be light, the owner would likely have an easier time obtaining such an agreement with a neighbor





The site cannot be disturbed in any way. Therefore, its uses are limited to hunting and other recreational activities that do not disturb the ecology.

**Financial Feasibility:**

This test addresses the financial aspect for the uses that have passed the aforementioned tests. This takes into account the subject's neighborhood and surrounding establishments/ residences. As long as the potential use has value that increases with its cost, and at the same time is legally conforming and physically possible, the use is considered financially feasible. The subject site is located in a predominantly residential area. The subject, however is fully wet. Therefore, the only possible use would be a use that would not disturb that land, such as hunting grounds or as a fishing site.

**Maximally Productive:**

This test is affected by the subject's market demand and is only applicable to those uses that have passed the first three test. The highest return to the land would be yielded by use of the grounds as a hunting grounds, due to the large wooded area and difficultly accessed pond in the rear.

**Conclusion:**

Based on the preceding, the highest and best use of the subject site, as if vacant, is the use of the site as hunting grounds, as the site is fully wet and is undevelopable.

## Valuation Methodology

Three basic approaches may be used to arrive at an estimate of market value. They are:

1. The Cost Approach
2. The Income Approach
3. The Sales Comparison Approach

### Cost Approach

The Cost Approach is summarized as follows:

$$\begin{array}{r} \text{Cost New} \\ - \text{Depreciation} \\ + \text{Land Value} \\ \hline = \text{Value} \end{array}$$

### Income Approach

The Income Approach converts the anticipated flow of future benefits (income) to a present value estimate through a capitalization and or a discounting process.

### Sales Comparison Approach

The Sales Comparison Approach compares sales of similar properties with the subject property. Each comparable sale is adjusted for its inferior or superior characteristics. The values derived from the adjusted comparable sales form a range of value for the subject. By process of correlation and analysis, a final indicated value is derived.

### Final Reconciliation

The appraisal process concludes with the Final Reconciliation of the values derived from the approaches applied for a single estimate of market value. Different properties require different means of analysis and lend themselves to one approach over the others.

### *Analyses Applied*

A **cost analysis** was considered and was not developed because the subject is vacant land with no improvements.

A **sales comparison analysis** was considered and was developed because there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.

An **income analysis** was considered and was not developed because the subject is not an income producing property and this approach does not reflect market behavior for this property type.

### ***Land Valuation: Sales Comparison Approach***

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities. The following steps describe the applied process of the Sales Comparison Approach.

- The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
- The most pertinent data is further analyzed and the quality of the transaction is determined.
- The most meaningful unit of value for the subject property is determined.
- Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
- The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.

As was previously discussed, the client requested the value of the subject considering the hypothetical situation that the subject has deeded access, as well as its current status as a land-locked property. The following analysis considers the hypothetical condition that the subject has deeded access.

### ***Land Comparables***

We have researched six comparable land sales. All are significantly impacted by the presence of wetlands, many of which are completely undevelopable properties.

## Block 43 Lot 24; Route 539, Upper Freehold, Monmouth NJ

Comp	Address	Date	Acres	
	City	Price	Price per Acre	Comments
<b>Subject</b>	Route 539	8/3/2017	20.00	
	Upper Freehold			
<b>1</b>	2908-2929 Highway 547 Manchester	12/30/2015 \$100,000	27.79 \$3,598	2908-2929 Highway 547 is a 27.79 acre multi-lot land parcel which spans both sides of Hope Chapel Road in Manchester, New Jersey. The parcel is heavily impacted by wetlands. There is a approximatel 20 foot depth of usable area fronting Hope Chapel Road, however, that is not large enough for development. Therefore, the entire site is deemed unusable. The site sold to Ocean County in December of 2015 for \$100,000. It is assumed that the sales price is reflective of market value. Peter Maher
<b>2</b>	59 Beckerville Road Manchester	5/23/2016 \$75,000	35.80 \$2,095	59 Beckerville Road is a 35.8 acre parcel of land located just north of the Beckerville Road/ Route 70 intersection in Manchester, New Jersey. The rear of the site is significantly impacted by the presence of wetlands. The property sold for \$75,000 in May of 2016. The buyer is seeking approvals for the development of a single family home on the site. Peter Maher
<b>3</b>	31 & 40 Turkey Swamp Road Rear Freehold Township	4/29/2016 \$55,000	18.05 \$3,047	31 and 40 Turkey Swamp Road Rear are two non-contiguous land-locked parcels of land located just east of the Siloam Road/ Old Turkey Swamp Road intersection in Freehold, New Jersey. The parcels are heavily impacted by wetlands. The properties were purchased by an adjacent landowner who owns Lots 35, 46 and 47. The parcels sold for a combined sales price of \$55,000 (\$40,000 for 31 Turkey Swamp Rear and \$15,000 for 40 Turkey Swamp Rear). Bob Gagliano
<b>4</b>	Lakewood-Farmingdale Road Howell	7/7/2016 \$55,000	15.89 \$3,459	Block 224 Lot 1.02 is a 15.89 acre parcel of land located at the Lakewood Farmingdale Road/ Birdsall Road intersection in Howell, New Jersey. The parcel is very heavily impacted by wetlands (only 0.28 acres and a depth of 20 feet are not impacted by wetlands) and is, therefore, considered undevelopable. The property sold in July of 2016 for \$55,000 to NJDEP. The sales price was determined based on a fair market valuation/ appraisal. The sales price was deemed reflective of market value. Bob Gagliano
<b>5</b>	Bennetts Mills Road Jackson	9/1/2016 \$142,500	51.42 \$2,771	Block 15704 Lots 16 and 19 are two contiguous parcels with frontage along Bennetts Mill Road in Jackson, New Jersey. The parcels are heavily impacted by wetlands; only 0.7 acres of land fronting Bennetts Mill Road are deemed usable. The property sold in September of 2016 for \$142,500. Russ Sterling
<b>6</b>	1 Prodelin Way Millstone	1/23/2017 \$75,000	56.00 \$1,339	1 Prodelin Way is a 56 acre parcel of land located just south of the Route 33/ Prodelin Way intersection in Millstone, New Jersey. According to NJDEP, the site is severely encumbered by wetlands. Although a small portion of land to the rear of the site is not encumbered by wetlands, it is not considered usable land, as there is no way to access that portion without disturbing wetlands-designated land. It is, therefore, considered unusable land. The property was listed for \$150,000 in May of 2016 and sold in January of 2017 for \$75,000.

Land Comparable 1



Transaction

<b>ID</b>	2398	<b>Date</b>	12/30/2015
<b>Address</b>	2908-2929 Highway 547	<b>Price</b>	\$100,000
<b>City</b>	Manchester	<b>Price per acre</b>	\$3,598
<b>State</b>	NJ	<b>Financing</b>	Conventional
<b>Legal Description</b>	Block 70 Lot 26 & Block	<b>Verification Source</b>	Ocean County Purchasing
<b>Grantor</b>	BEYER, MALCOLM K JR	<b>Verification Contact Info</b>	732-929-2101
<b>Grantee</b>	OCEAN COUNTY		
<b>Book/Page</b>	16280-00847		

Site

<b>Acres</b>	27.8	<b>Topography</b>	Level
<b>Shape</b>	Irregular	<b>Zoning</b>	PFAR
<b>Utilities</b>	ECSW	<b>Zoning Type</b>	Pinelands Forest Area
<b>Usable Acres</b>	3.00		

Comments

2908-2929 Highway 547 is a 27.79 acre multi-lot land parcel which spans both sides of Hope Chapel Road in Manchester, New Jersey. The parcel is heavily impacted by wetlands. There is a approximatel 20 foot depth of usable area fronting Hope Chapel Road, however, that is not large enough for development. Therefore, the entire site is deemed unusable. The site sold to Ocean County in December of 2015 for \$100,000. It is assumed that the sales price is reflective of market value. Peter Maher

**Comparable 1 Maps:**

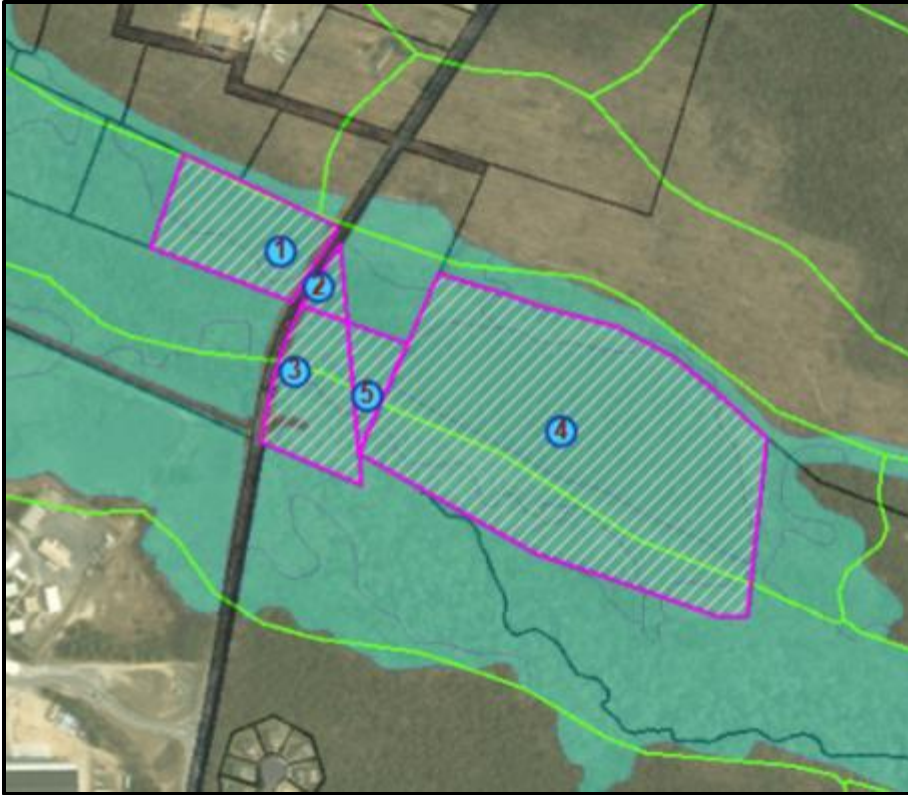
Topography Map:







**Soil and Wetlands Map:**



**Flood Map:**



Land Comparable 2



Transaction

<b>ID</b>	2397	<b>Date</b>	5/23/2016
<b>Address</b>	59 Beckerville Road	<b>Price</b>	\$75,000
<b>City</b>	Manchester	<b>Price per acre</b>	\$2,095
<b>State</b>	NJ	<b>Financing</b>	Conventional
<b>Legal Description</b>	Block 73 Lot 7	<b>Verification Source</b>	Allison Nonnemacher
<b>Grantor</b>	FOLGORE, MARGARET	<b>Verification Contact Info</b>	732-933-1900
<b>Grantee</b>	BARNIKOW, SCOTT &		
<b>Book/Page</b>	16477-00385		

Site

<b>Acres</b>	35.8	<b>Topography</b>	Level
<b>Shape</b>	Irregular	<b>Zoning</b>	PFAR
<b>Utilities</b>	ECSW	<b>Zoning Type</b>	Pinelands Forest Area
<b>Usable Acres</b>	4.00		

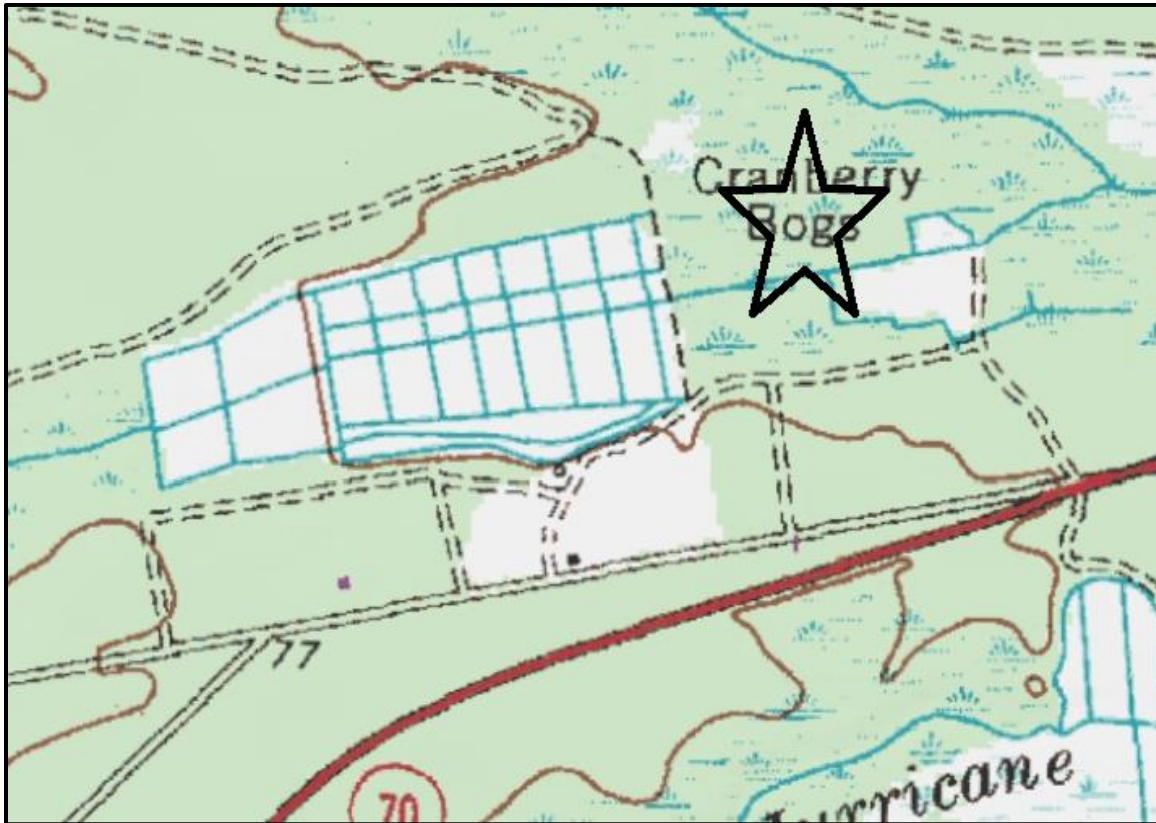
Comments

59 Beckerville Road is a 35.8 acre parcel of land located just north of the Beckerville Road/ Route 70 intersection in Manchester, New Jersey. The rear of the site is significantly impacted by the presence of wetlands. The property sold for \$75,000 in May of 2016. The buyer is seeking approvals for the development of a single family home on the site. Peter Maher

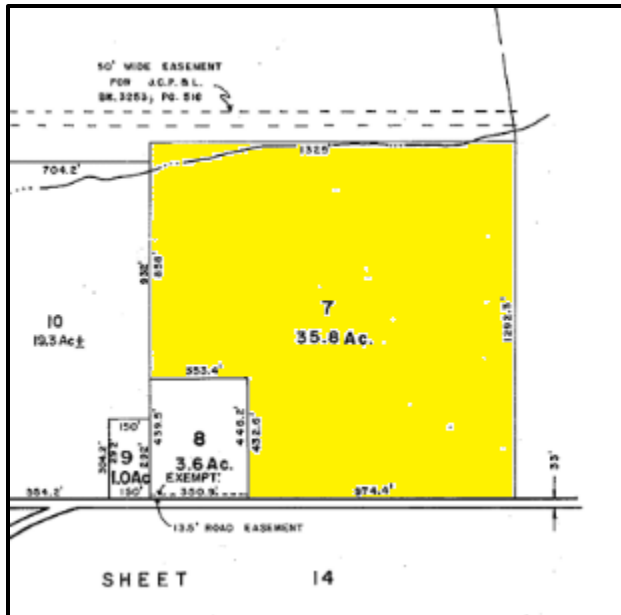


**Comparable 2 Maps:**

**Topography Map:**



Tax Map:

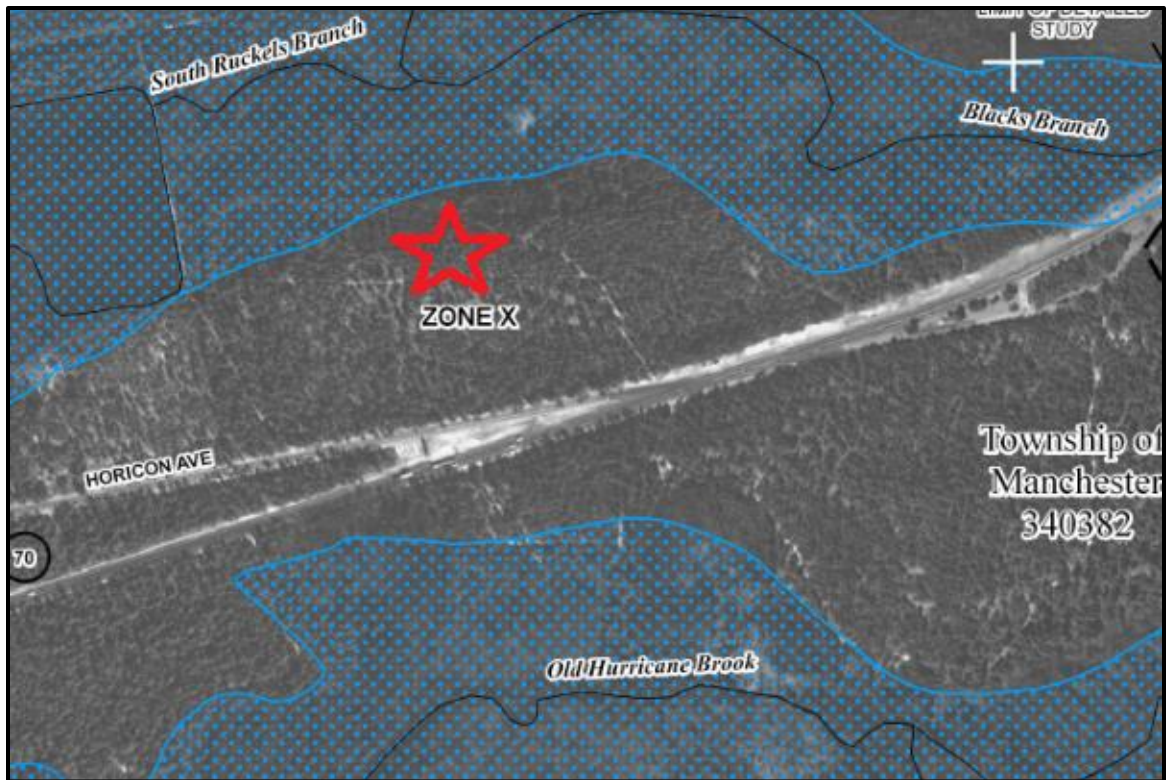




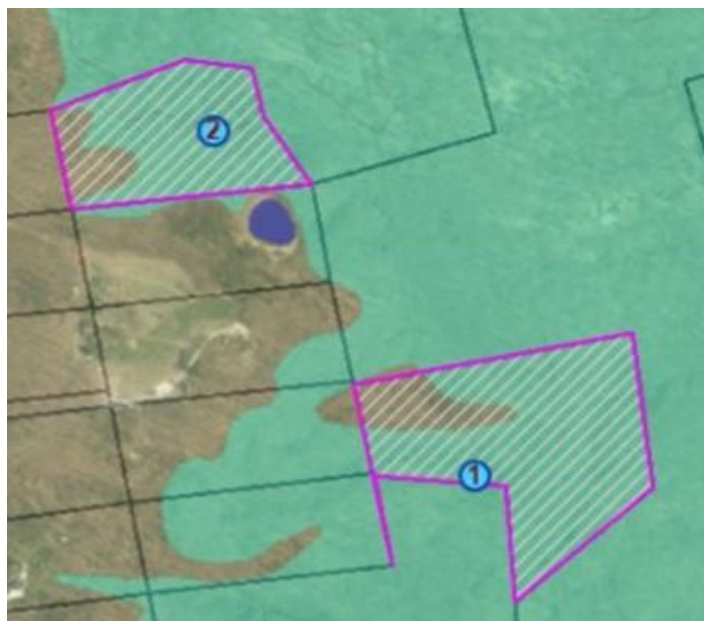
**Wetlands and Soil Map:**



**Flood Map:**



**Land Comparable 3**



**Transaction**

<b>ID</b>	2396	<b>Date</b>	4/29/2016
<b>Address</b>	31 & 40 Turkey Swamp	<b>Price</b>	\$55,000
<b>City</b>	Freehold Township	<b>Price per acre</b>	\$3,047
<b>State</b>	NJ	<b>Financing</b>	Conventional
<b>Legal Description</b>	Block 91 Lots 6.01 & 48	<b>Verification Source</b>	Francis Batcha Esq. for
<b>Grantor</b>	BARTEK, PAUL,	<b>Verification Contact Info</b>	609-737-6500
<b>Grantee</b>	MOTT, CHRIS		
<b>Book/Page</b>	09164-04319 & 09164-		

**Site**

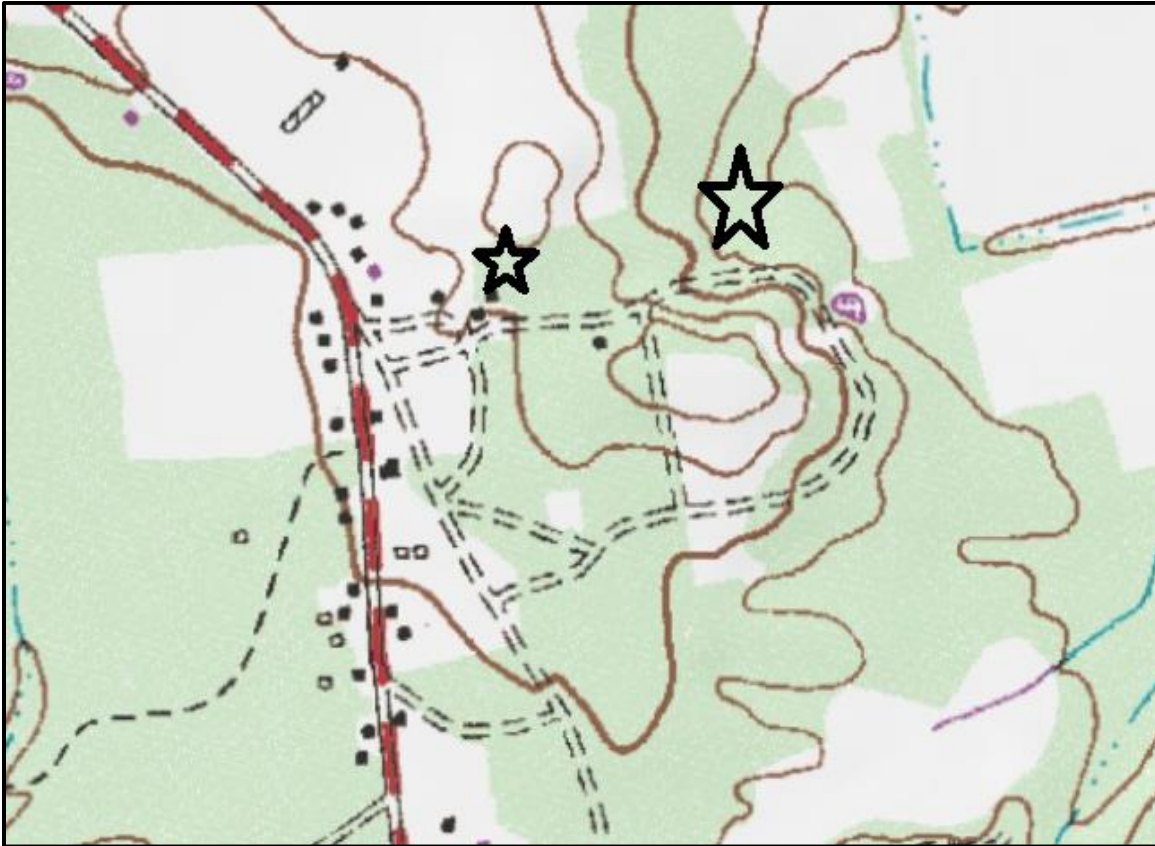
<b>Acres</b>	18.1	<b>Topography</b>	Level
<b>Shape</b>	Irregular	<b>Zoning</b>	R-E
<b>Utilities</b>	EGSW	<b>Zoning Type</b>	Rural Environmental
<b>Usable Acres</b>	1.00		

**Comments**

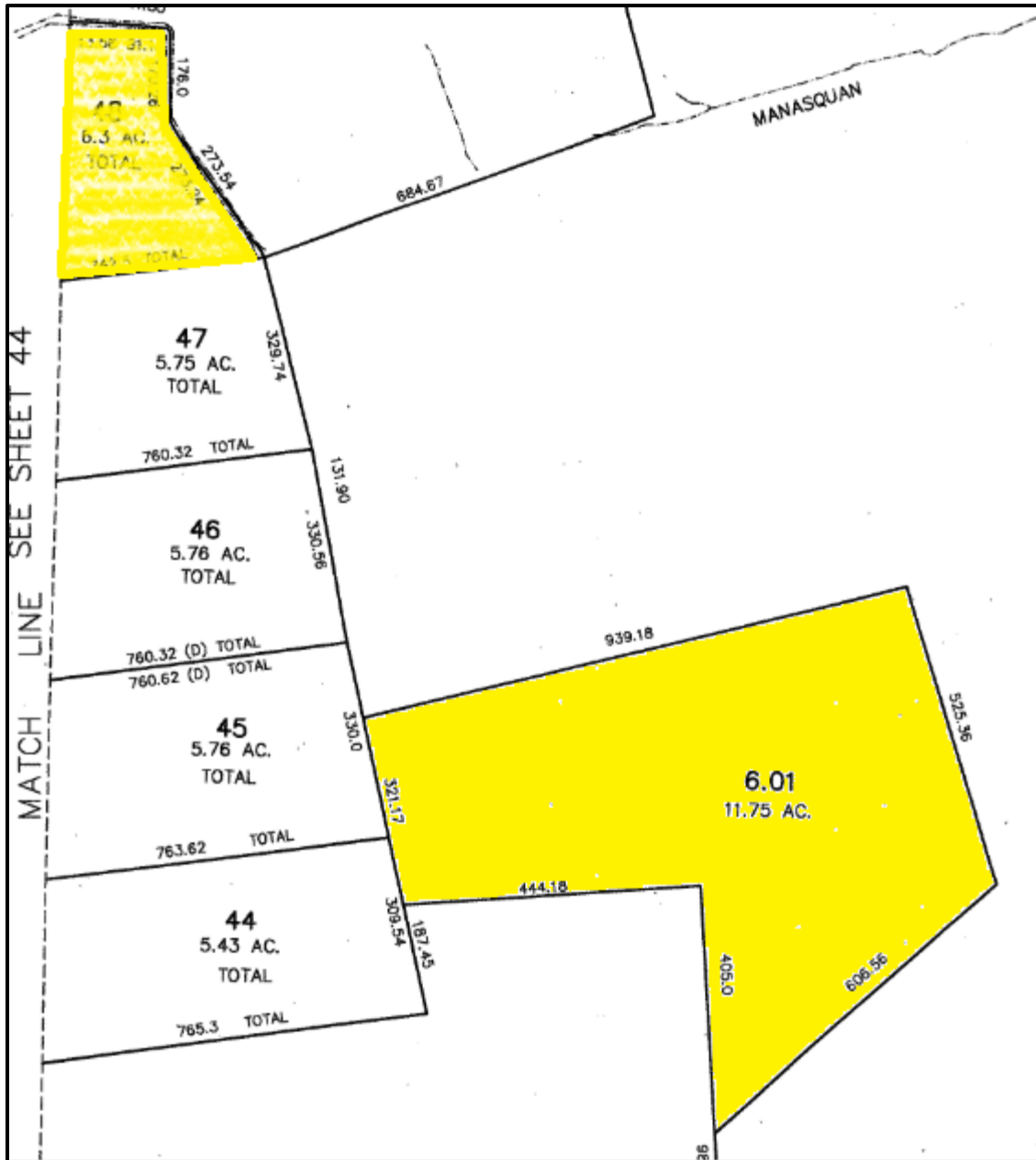
31 and 40 Turkey Swamp Road Rear are two non-contiguous land-locked parcels of land located just east of the Siloam Road/ Old Turkey Swamp Road intersection in Freehold, New Jersey. The parcels are heavily impacted by wetlands. The properties were purchased by an adjacent landowner who owns Lots 35, 46 and 47. The parcels sold for a combined sales price of \$55,000 (\$40,000 for 31 Turkey Swamp Rear and \$15,000 for 40 Turkey Swamp Rear). Bob Gagliano

**Comparable 3 Maps:**

Topography Map:

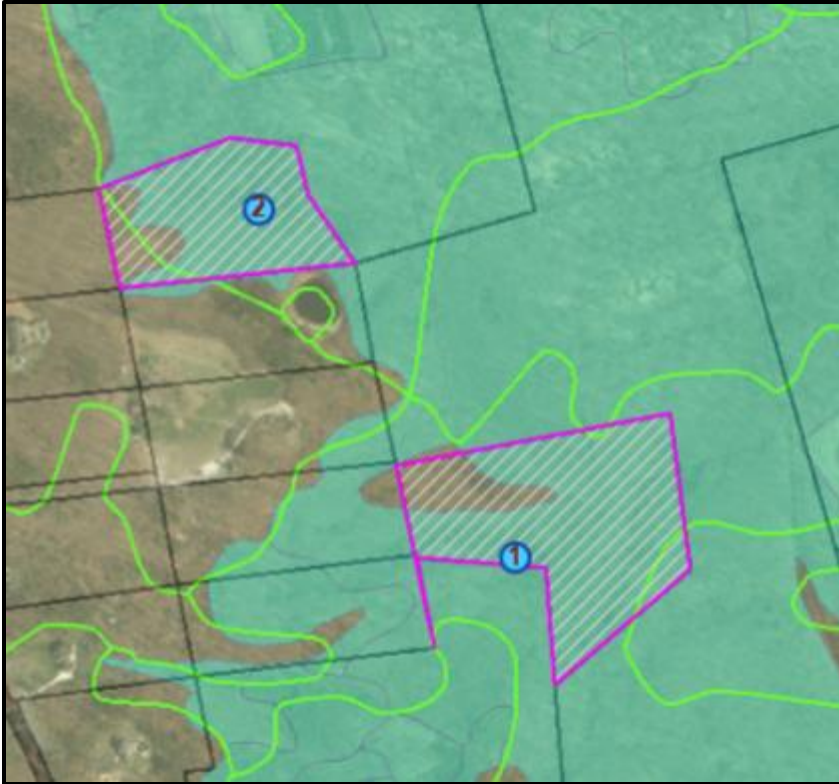


**Tax Map:**





**Wetlands and Soil Map:**



**Flood Map:**



Land Comparable 4



Transaction

<b>ID</b>	2395	<b>Date</b>	7/7/2016
<b>Address</b>	Lakewood-Farmingdale	<b>Price</b>	\$55,000
<b>City</b>	Howell	<b>Price per acre</b>	\$3,459
<b>State</b>	NJ	<b>Financing</b>	Conventional
<b>Legal Description</b>	Block 224 Lot 1.02	<b>Verification Source</b>	Kathleen Croes of NJDEP
<b>Grantor</b>	DUBROVSKY, STEVEN	<b>Verification Contact Info</b>	609-984-0500
<b>Grantee</b>	NEW JERSEY STATE		
<b>Book/Page</b>	09175-03662		

Site

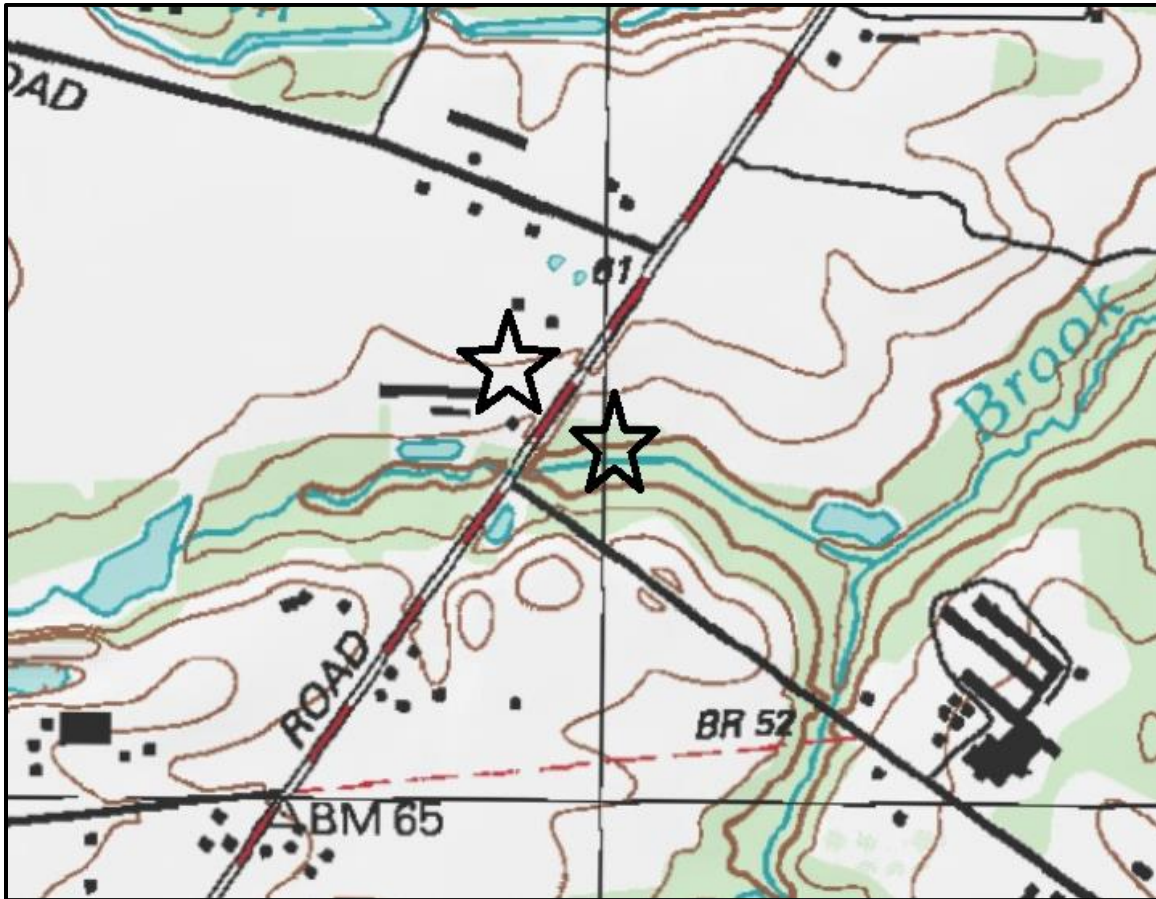
<b>Acres</b>	15.9	<b>Topography</b>	Level
<b>Shape</b>	Irregular	<b>Zoning</b>	ARE3
<b>Utilities</b>	EGSW	<b>Zoning Type</b>	Agricultural Rural Estate
<b>Proposed Units</b>	48.00		

Comments

Block 224 Lot 1.02 is a 15.89 acre parcel of land located at the Lakewood Farmingdale Road/ Birdsall Road intersection in Howell, New Jersey. The parcel is very heavily impacted by wetlands (only 0.28 acres and a depth of 20 feet are not impacted by wetlands) and is, therefore, considered undevelopable. The property sold in July of 2016 for \$55,000 to NJDEP. The sales price was determined based on a fair market valuation/appraisal. The sales price was deemed reflective of market value. Bob Gagliano

**Comparable 4 Maps:**

**Topography Map:**

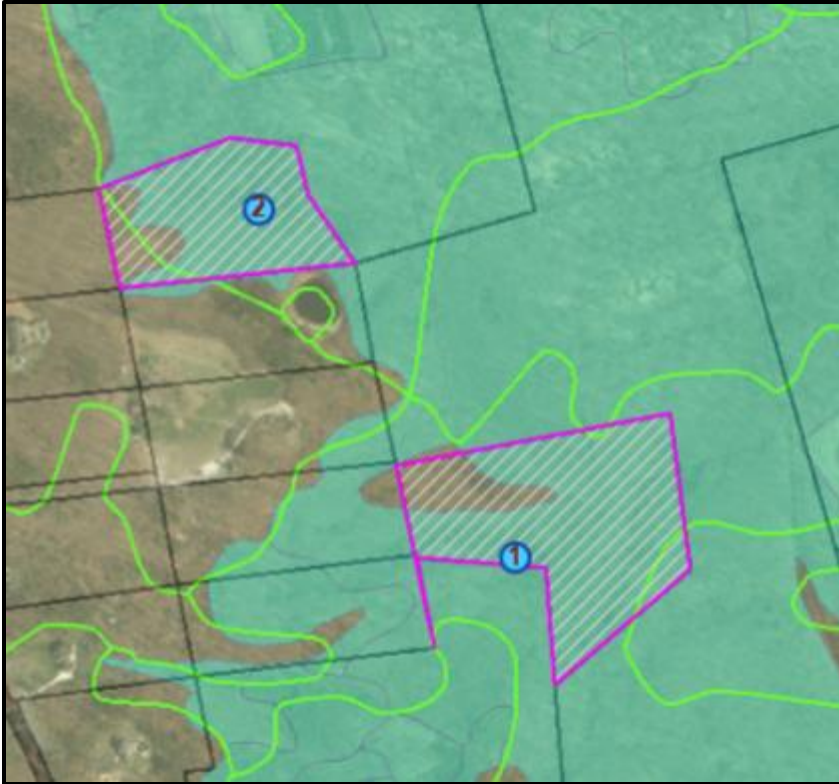








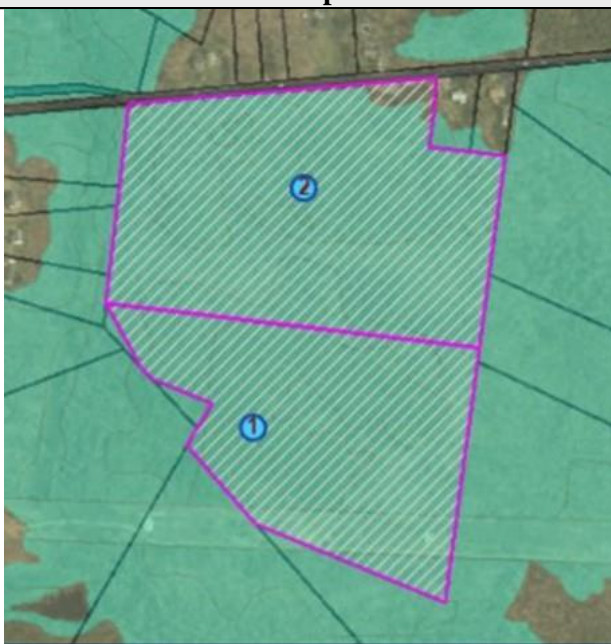
**Wetlands and Soil Map:**



**Flood Map:**



Land Comparable 5



Transaction

<b>ID</b>	2394	<b>Date</b>	9/1/2016
<b>Address</b>	Bennetts Mills Road	<b>Price</b>	\$142,500
<b>City</b>	Jackson	<b>Price per acre</b>	\$2,771
<b>State</b>	NJ	<b>Financing</b>	Conventional
<b>Legal Description</b>	Block 15701 Lot 16 and 19	<b>Verification Source</b>	Sydney Krupnick
<b>Grantor</b>	Lori Shuman-Auspitz	<b>Verification Contact Info</b>	732-363-6000
<b>Grantee</b>	RG-2 Associates LLC		

Site

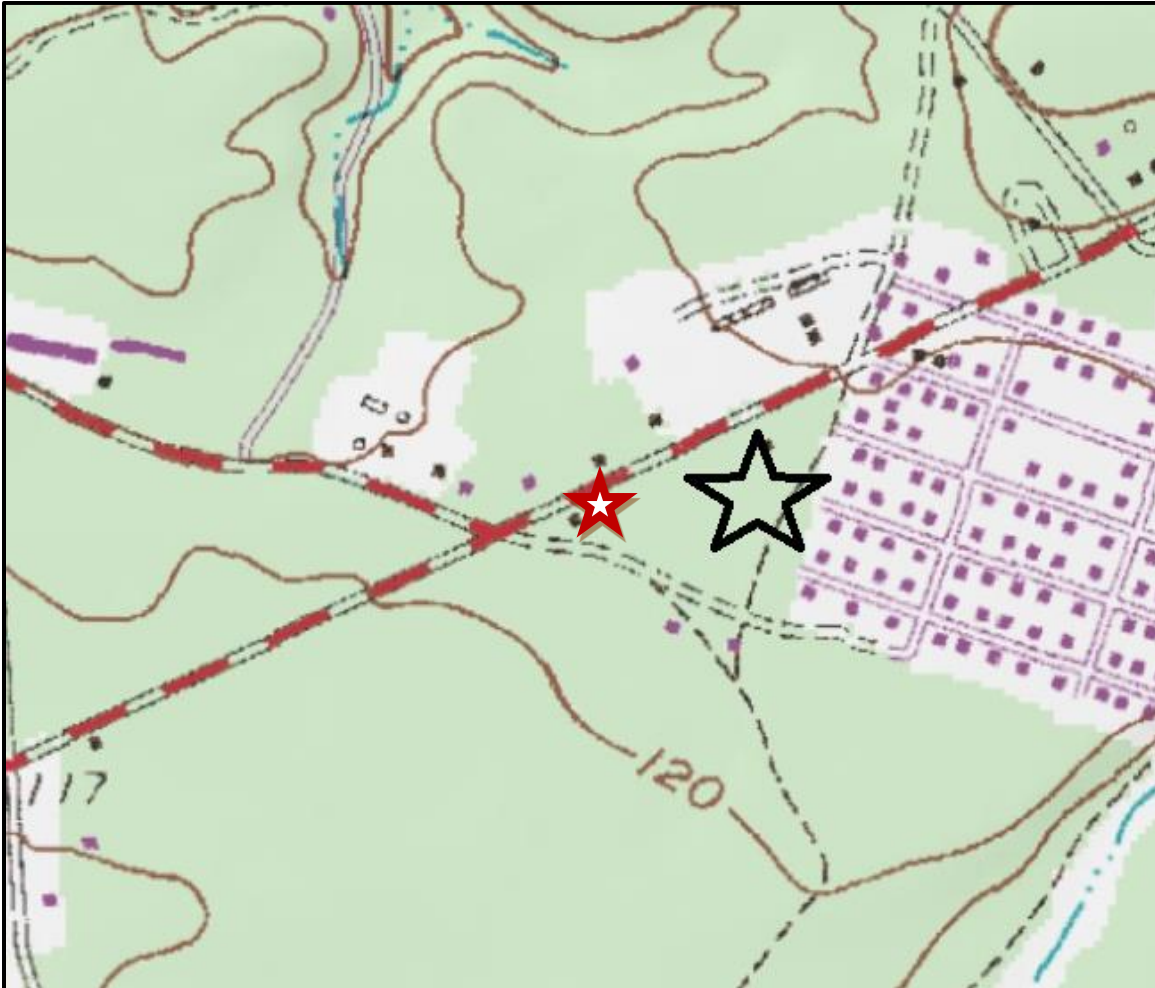
<b>Acres</b>	51.4	<b>Topography</b>	Level
<b>Shape</b>	Irregular	<b>Zoning</b>	R-3
<b>Utilities</b>	EGSW	<b>Zoning Type</b>	Rural Residential
<b>Usable Acres</b>	9.00		

Comments

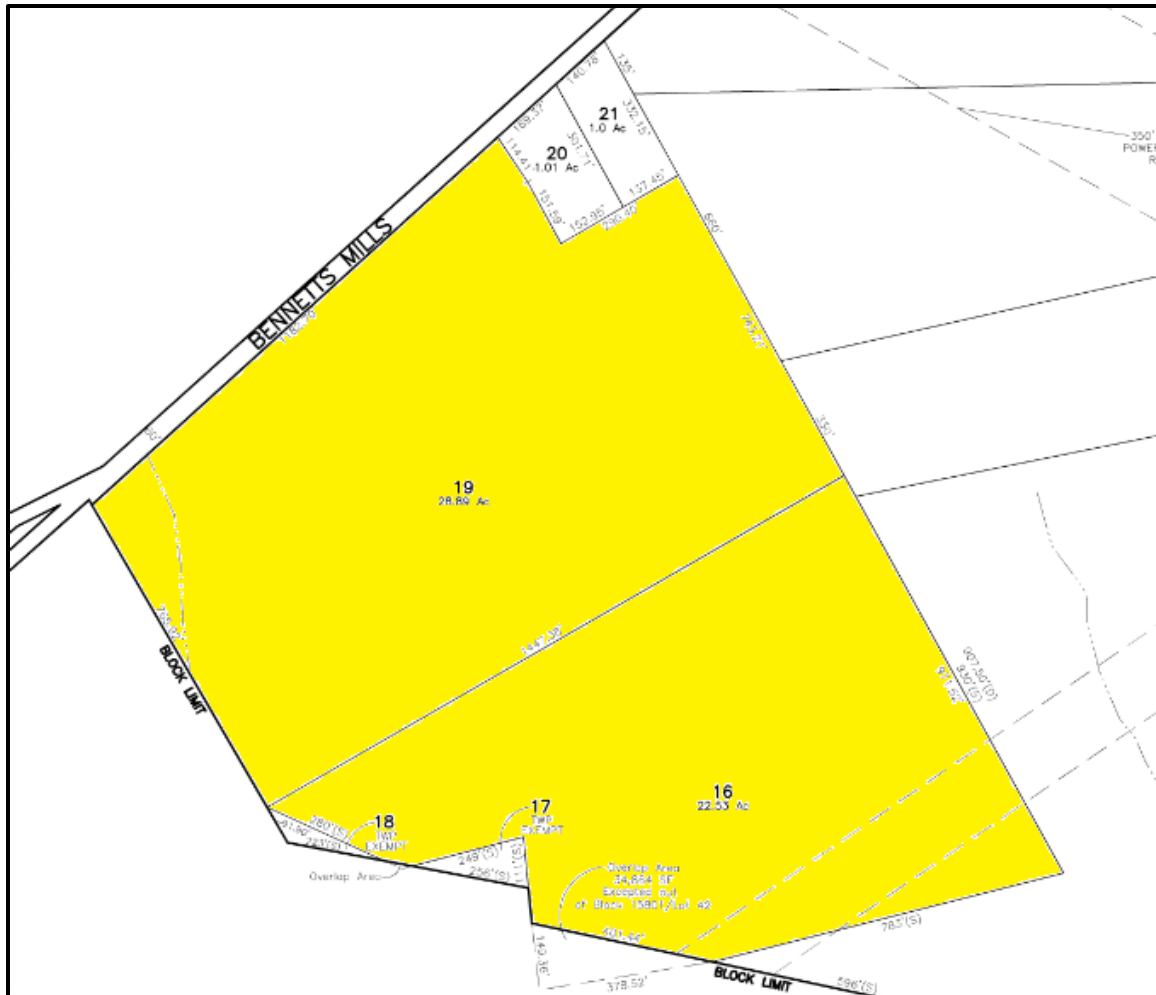
Block 15704 Lots 16 and 19 are two contiguous parcels with frontage along Bennetts Mill Road in Jackson, New Jersey. The parcels are heavily impacted by wetlands; only 0.7 acres of land fronting Bennetts Mill Road are deemed usable. The property sold in September of 2016 for \$142,500. Russ Sterling

**Comparable 5 Maps:**

**Topography Map:**



**Tax Map:**





**Wetlands and Soil Map:**



Flood Map:



Land Comparable 6



Transaction

<b>ID</b>	2389	<b>Date</b>	1/23/2017
<b>Address</b>	1 Prodelin Way	<b>Price</b>	\$75,000
<b>City</b>	Millstone	<b>Price per acre</b>	\$1,339
<b>State</b>	NJ	<b>Financing</b>	Conventional
<b>Legal Description</b>	Block 16 Lot 10	<b>Verification Source</b>	James Befarah
<b>Grantor</b>	MAOR,MATITIAHY,ET	<b>Verification Contact Info</b>	732-792-0352 ext. 102
<b>Grantee</b>	CARDINALE &		
<b>Book/Page</b>	09212-03349		
<b>#REF!</b>			

Site

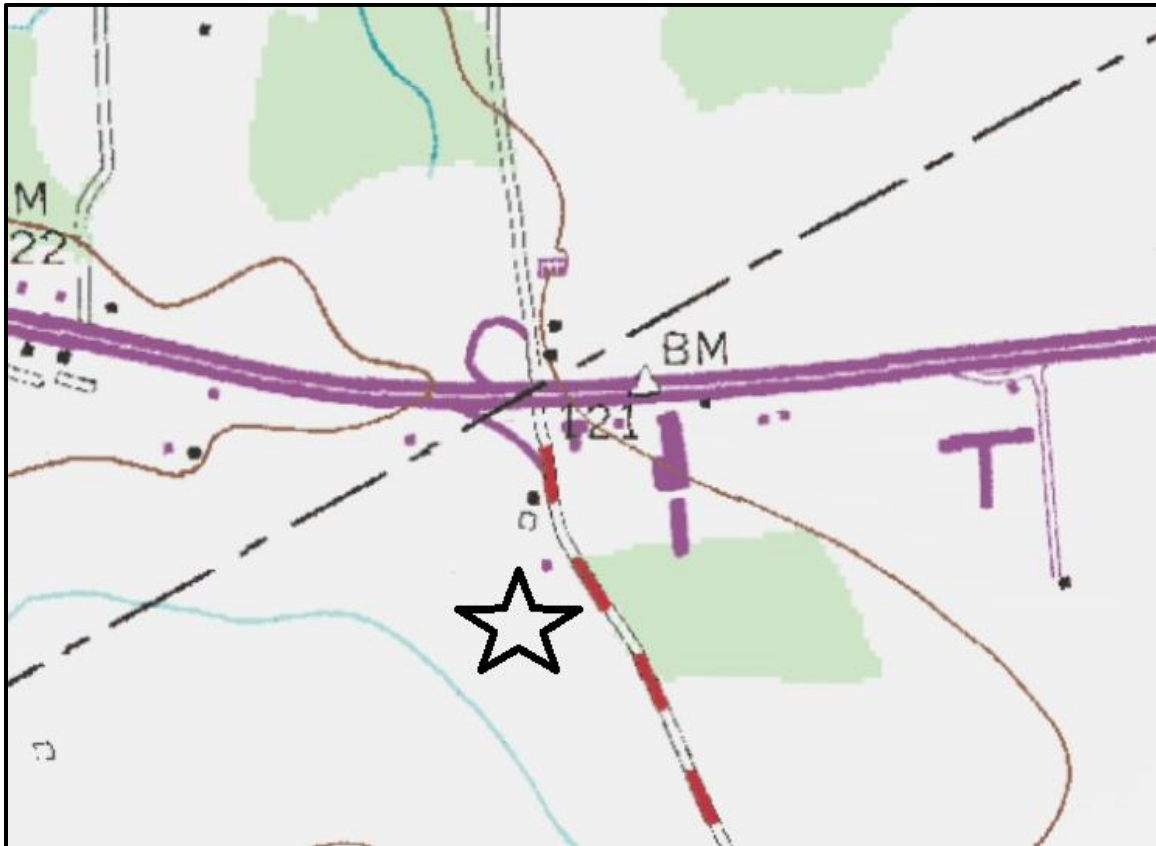
<b>Acres</b>	56.0	<b>Topography</b>	Level
<b>Shape</b>	Irregular	<b>Zoning</b>	I-0
<b>Utilities</b>	EGSW	<b>Zoning Type</b>	Industrial
<b>Usable Acres</b>			

Comments

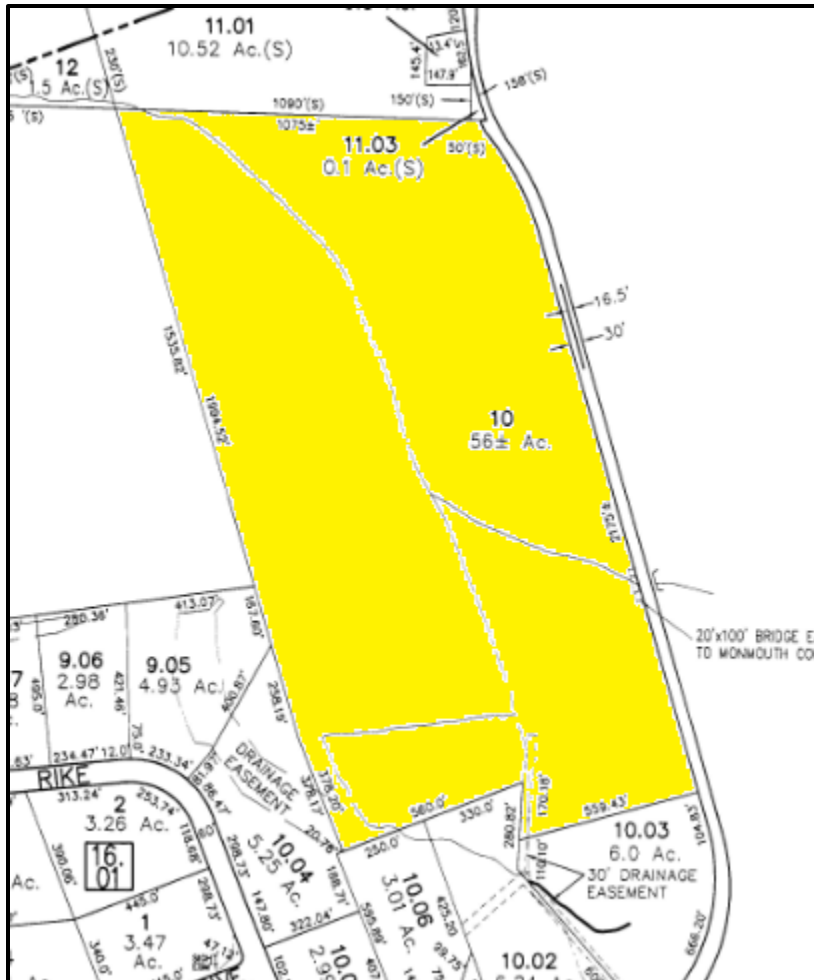
1 Prodelin Way is a 56 acre parcel of land located just south of the Route 33/ Prodelin Way intersection in Millstone, New Jersey. According to NJDEP, the site is severely encumbered by wetlands. Although a small portion of land to the rear of the site is not encumbered by wetlands, it is not considered usable land, as there is no way to access that portion without disturbing wetlands-designated land. It is, therefore, considered unusable land. The property was listed for \$150,000 in May of 2016 and sold in January of 2017 for \$75,000.

**Comparable 6 Maps:**

**Topography Map:**



**Tax Map:**





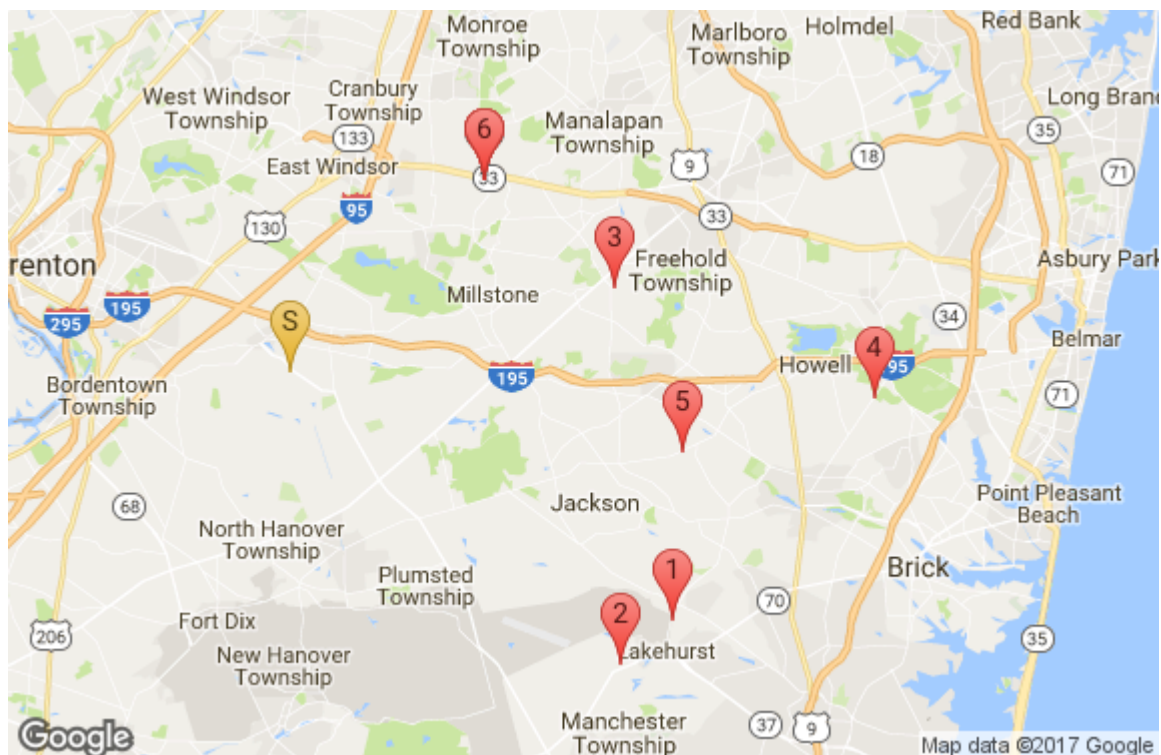
**Wetlands and Soil Map:**



**Flood Map:**



## Comparables Map



## Analysis Grid

The above sales have been analyzed and compared with the subject property. We have considered adjustments in the areas of:

- Property Rights Sold
- Financing
- Conditions of Sale
- Market Trends
- Location
- Physical Characteristics

On the following page is a sales comparison grid displaying the subject property, the comparables, and the adjustments applied.

## Land Sales Comparison Grid: assuming deeded access to the subject

Land Analysis Grid		Comp 1		Comp 2		Comp 3		Comp 4		Comp 5		Comp 6	
Address	Route 539	2908-2929 Highway 547		59 Beckerville Road		31 & 40 Turkey Swamp Road		Lakewood-Farmingdale		Bennetts Mills Road		1 Prodelin Way	
City	Upper Freehold	Manchester		Manchester		Freehold Township		Howell		Jackson		Millstone	
State	NJ	NJ		NJ		NJ		NJ		NJ		NJ	
Date	4/14/2016	12/30/2015		5/23/2016		4/29/2016		7/7/2016		9/1/2016		1/23/2017	
Price	\$1,050,000	\$100,000		\$75,000		\$55,000		\$55,000		\$142,500		\$75,000	
Acres	88.15	27.79		35.80		18.05		15.89		51.42		56.00	
Acre Unit Price	\$11,912	\$3,598		\$2,095		\$3,047		\$3,461		\$2,771		\$1,339	
<b>Transaction Adjustments</b>													
Property Rights	Fee Simple	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%
Financing		Conventional	0.0%	Conventional	0.0%	Conventional	0.0%	Conventional	0.0%	Conventional	0.0%	Conventional	0.0%
Conditions of Sale		Normal	0.0%	Normal	0.0%	Normal	0.0%	Normal	0.0%	Normal	0.0%	Normal	0.0%
Adjusted Acre Unit Price		\$3,598		\$2,095		\$3,047		\$3,461		\$2,771		\$1,339	
Market Trends Through	4/14/2016	0.0%		0.0%		0.0%		0.0%		0.0%		0.0%	
Adjusted Acre Unit Price		\$3,598		\$2,095		\$3,047		\$3,461		\$2,771		\$1,339	
Location	Average	Similar		Similar		Similar		Similar		Similar		Similar	
% Adjustment		0%		0%		0%		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0		\$0		\$0		\$0	
Acres	88.15	27.79		35.80		18.05		15.89		51.42		56.00	
% Adjustment		-10%		0%		-10%		-10%		0%		0%	
\$ Adjustment		-\$360		\$0		-\$305		-\$346		\$0		\$0	
Access	Deeded access	Hope Chapel Road		Beckerville Road		Land-locked		Lakewood-Farmingdale		Bennetts Mill Road		Prodelin Way	
% Adjustment		0%		0%		15%		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$457		\$0		\$0		\$0	
Shape	Irregular	Irregular		Irregular		Irregular		Irregular		Irregular		Irregular	
% Adjustment		0%		0%		0%		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0		\$0		\$0		\$0	
Environmental Issues	Wetlands	Wetlands		Wetlands		Wetlands		Wetlands		Wetlands		Wetlands	
% Adjustment		0%		0%		0%		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0		\$0		\$0		\$0	
Usable acres	0.00	3.00		11.31		2.51		0.00		0.70		0.00	
% Adjustment		0%		0%		0%		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0		\$0		\$0		\$0	
% of site Usable	0.00%	10.80%		31.59%		13.91%		0.00%		1.36%		0.00%	
% Adjustment		-10%		-20%		-10%		0%		-5%		0%	
\$ Adjustment		-\$360		-\$419		-\$305		\$0		-\$139		\$0	
Adjusted Acre Unit Price		\$2,879		\$1,676		\$2,895		\$3,115		\$2,633		\$1,339	
Net Adjustments		-20.0%		-20.0%		-5.0%		-10.0%		-5.0%		0.0%	
Gross Adjustments		20.0%		20.0%		35.0%		10.0%		5.0%		0.0%	

## ***Comparable Land Sale Adjustments: assuming deeded access to the site***

### **Property Rights**

The fee simple estate reflects the absolute ownership of a property unencumbered by any other interests, and the subject only to the limitations imposed by governmental powers to taxation, eminent domain, police power, and escheat. As such, it consists of the complete bundle of rights in a particular piece of real estate. Listing prices tend to adjust at time of sale and close at a lower price than asking.

The comparables all sold in fee simple estate. No adjustment is necessary.

### **Financing**

The financing utilized in the acquisition of real property can also affect its sales price when based on non-market terms. In most acquisitions, buyers obtain financing from conventional lenders and then combine the debt (mortgage funds) with equity (down payment) to finalize the transaction. Market value assumes that payment is made in cash or its equivalent and represents a normal consideration for the property sold, unaffected by special financing amounts or terms, services, fees, costs or credits incurred in the transaction. If it is determined that the terms of sale did not meet the above-noted criteria, an adjustment must be made.

Upon consideration, the sales do, in fact, represent cash equivalent transfers acquired with either cash or market oriented financing, precluding the need for adjustment.

The majority of comparables were purchased under normal conditions. Comparable 1 is a listing and was adjusted for this factor in financing. No adjustment is necessary.

### **Conditions of Sale**

The 'conditions of sale' adjustment considers any abnormal market circumstances in the sale. If the buyer or seller is unusually compelled or motivated to make the transaction, then an adjustment is required. For instance, a seller facing imminent foreclosure could be excessively compelled to sell. Or, the price of a transaction between related parties (family members and partnerships or corporations with common principals) may not be an arm's length transaction or represent market value. Further, portfolio sales often sell at a significant premium in bull market and at a discount bear markets. Portfolio transactions may also involve price allocations to the individual properties that may not represent the market value because the allocated prices may serve various taxes, reimbursement and other business interests.

All sales reflect market-oriented, arm's length transactions between knowledgeable participants. No adjustment was needed for this factor.

### **Market Condition**

Comparable sales that occurred under market conditions different from those applicable to the subject on the effective date of value require adjustment for any differences that affect their value. An adjustment for market condition is warranted if general property values have increased



or decreased since the transaction dates. And, although the adjustment for market conditions is often referred to as a 'time' adjustment, time is not the cause of the adjustment. Market conditions that change over time create the need for an adjustment, not time itself.

Changes in tax laws, inflation and the cost of capital (equity and debt) are some of the important external forces that affect value. Major changes in any of these external forces can have a broad effect on the value of a medical office building, so any major change warrants examination. Also, changes in the cost of capital tend to have a universal impact on valuation. Changes in interest rates and equity returns may not have a one-to-one relationship with value. Simply adjusting a sale price to reflect the difference in the cost of capital between the date of comparable sales and the effective date of the appraisal may not accurately characterize the change in value. However, if other significant factors in the market have remained fairly stable over this time space, then the change in the cost of capital provides an indication of the general trend in value.

The valuation date for this analysis is August 2017, the date of inspection. Acquisition dates for the comparable sales range from December 2015 to January 2017. As such, each of the comparable sales are considered to have been influenced by the same market forces that have had a large effect on the current economic climate, precluding the need for their adjustment.

### **Location**

The subject is located in a relatively rural area, as are the comparables. No adjustment is necessary for this factor.

### **Acres**

Economies of scale typically results in large parcels selling on a lower price per acre than smaller parcels. The subject and comparables varied in acreage. Comparables with significantly larger or smaller acreage than the subject were adjusted accordingly.

### **Accessibility**

This approach assumes deeded access to the subject site. The comparables are all accessible through roads, with the exception of Comparable 3, which was landlocked at the time of sale. It was, therefore, adjusted for this factor.

### **Shape**

The subject is irregular in shape. The comparables are similar in this regard. No adjustment is necessary.

### **Environmental Issues**

The subject and comparables are all significantly impacted by the presence of wetlands. Their exact impacts are considered further in this analysis.

### **Usable Acres**

Economies of scale typically results in large parcels selling on a lower price per usable acre than smaller parcels. The subject and comparables varied in usable acreage, however, this is considered in the following adjustment factor (percentage of site usable).

### **Percentage of site Usable**

None of the subject site is usable. The subject and comparables varied with regards to percentage of the overall site that is usable. We adjusted the comparables accordingly.

### ***Sales Comparison Approach Conclusions- assuming deeded access to the site:***

The adjusted values of the comparable properties range from \$1,339 to \$3,115 per acre; the average is \$2,423 per acre. We considered the subject's minimal usage due to the large presence of wetlands on the site, and concluded a final reconciled per acre value of \$2,700.

---

<b>As Is Market Value- Assuming deeded access to the site.</b>	
<b>Indicated Value per Lot:</b>	\$2,700
<b>Subject Size:</b>	88.15
<b>Indicated Value:</b>	\$238,005
<b>Rounded:</b>	\$240,000
<b>Two Hundred Forty Thousand Dollars</b>	

---

***Land Valuation: Sales Comparison Approach: Considering current status as a land-locked parcel***

In this scenario, the subject is landlocked, with no direct access to existing or paper streets. The existence of any deeded easement access is not clear, and in this scenario we are considering the subject to be landlocked. Thus, the only way to access the subject would be through either formal or informal agreement with a neighboring parcel that does have street access. Approximately 6-7 adjacent lots would be able to provide the subject access. Since the only possible uses would be light, the owner would likely have an easier time obtaining such an agreement with a neighbor. Nonetheless, having no legal way to access the property, with the need to come to agreements with neighbors being the only option, would certainly have a detrimental impact on value.

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities. The following steps describe the applied process of the Sales Comparison Approach.

- The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
- The most pertinent data is further analyzed and the quality of the transaction is determined.
- The most meaningful unit of value for the subject property is determined.
- Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
- The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.

***Land Comparables***

We have researched six comparable land sales. All are significantly impacted by the presence of wetlands, many of which are completely undevelopable properties.

## Block 43 Lot 24; Route 539, Upper Freehold, Monmouth NJ

Comp	Address	Date	Acres	
	City	Price	Price per Acre	Comments
<b>Subject</b>	Route 539	8/3/2017	20.00	
	Upper Freehold			
<b>1</b>	2908-2929 Highway 547 Manchester	12/30/2015 \$100,000	27.79 \$3,598	2908-2929 Highway 547 is a 27.79 acre multi-lot land parcel which spans both sides of Hope Chapel Road in Manchester, New Jersey. The parcel is heavily impacted by wetlands. There is a approximatel 20 foot depth of usable area fronting Hope Chapel Road, however, that is not large enough for development. Therefore, the entire site is deemed unusable. The site sold to Ocean County in December of 2015 for \$100,000. It is assumed that the sales price is reflective of market value. Peter Maher
<b>2</b>	59 Beckerville Road Manchester	5/23/2016 \$75,000	35.80 \$2,095	59 Beckerville Road is a 35.8 acre parcel of land located just north of the Beckerville Road/ Route 70 intersection in Manchester, New Jersey. The rear of the site is significantly impacted by the presence of wetlands. The property sold for \$75,000 in May of 2016. The buyer is seeking approvals for the development of a single family home on the site. Peter Maher
<b>3</b>	31 & 40 Turkey Swamp Road Rear Freehold Township	4/29/2016 \$55,000	18.05 \$3,047	31 and 40 Turkey Swamp Road Rear are two non-contiguous land-locked parcels of land located just east of the Siloam Road/ Old Turkey Swamp Road intersection in Freehold, New Jersey. The parcels are heavily impacted by wetlands. The properties were purchased by an adjacent landowner who owns Lots 35, 46 and 47. The parcels sold for a combined sales price of \$55,000 (\$40,000 for 31 Turkey Swamp Rear and \$15,000 for 40 Turkey Swamp Rear). Bob Gagliano
<b>4</b>	Lakewood-Farmingdale Road Howell	7/7/2016 \$55,000	15.89 \$3,459	Block 224 Lot 1.02 is a 15.89 acre parcel of land located at the Lakewood Farmingdale Road/ Birdsall Road intersection in Howell, New Jersey. The parcel is very heavily impacted by wetlands (only 0.28 acres and a depth of 20 feet are not impacted by wetlands) and is, therefore, considered undevelopable. The property sold in July of 2016 for \$55,000 to NJDEP. The sales price was determined based on a fair market valuation/ appraisal. The sales price was deemed reflective of market value. Bob Gagliano
<b>5</b>	Bennetts Mills Road Jackson	9/1/2016 \$142,500	51.42 \$2,771	Block 15704 Lots 16 and 19 are two contiguous parcels with frontage along Bennetts Mill Road in Jackson, New Jersey. The parcels are heavily impacted by wetlands; only 0.7 acres of land fronting Bennetts Mill Road are deemed usable. The property sold in September of 2016 for \$142,500. Russ Sterling
<b>6</b>	1 Prodelin Way Millstone	1/23/2017 \$75,000	56.00 \$1,339	1 Prodelin Way is a 56 acre parcel of land located just south of the Route 33/ Prodelin Way intersection in Millstone, New Jersey. According to NJDEP, the site is severely encumbered by wetlands. Although a small portion of land to the rear of the site is not encumbered by wetlands, it is not considered usable land, as there is no way to access that portion without disturbing wetlands-designated land. It is, therefore, considered unusable land. The property was listed for \$150,000 in May of 2016 and sold in January of 2017 for \$75,000.

Land Comparable 1



Transaction

<b>ID</b>	2398	<b>Date</b>	12/30/2015
<b>Address</b>	2908-2929 Highway 547	<b>Price</b>	\$100,000
<b>City</b>	Manchester	<b>Price per acre</b>	\$3,598
<b>State</b>	NJ	<b>Financing</b>	Conventional
<b>Legal Description</b>	Block 70 Lot 26 & Block	<b>Verification Source</b>	Ocean County Purchasing
<b>Grantor</b>	BEYER, MALCOLM K JR	<b>Verification Contact Info</b>	732-929-2101
<b>Grantee</b>	OCEAN COUNTY		
<b>Book/Page</b>	16280-00847		

Site

<b>Acres</b>	27.8	<b>Topography</b>	Level
<b>Shape</b>	Irregular	<b>Zoning</b>	PFAR
<b>Utilities</b>	ECSW	<b>Zoning Type</b>	Pinelands Forest Area
<b>Usable Acres</b>	3.00		

Comments

2908-2929 Highway 547 is a 27.79 acre multi-lot land parcel which spans both sides of Hope Chapel Road in Manchester, New Jersey. The parcel is heavily impacted by wetlands. There is a approximatel 20 foot depth of usable area fronting Hope Chapel Road, however, that is not large enough for development. Therefore, the entire site is deemed unusable. The site sold to Ocean County in December of 2015 for \$100,000. It is assumed that the sales price is reflective of market value. Peter Maher



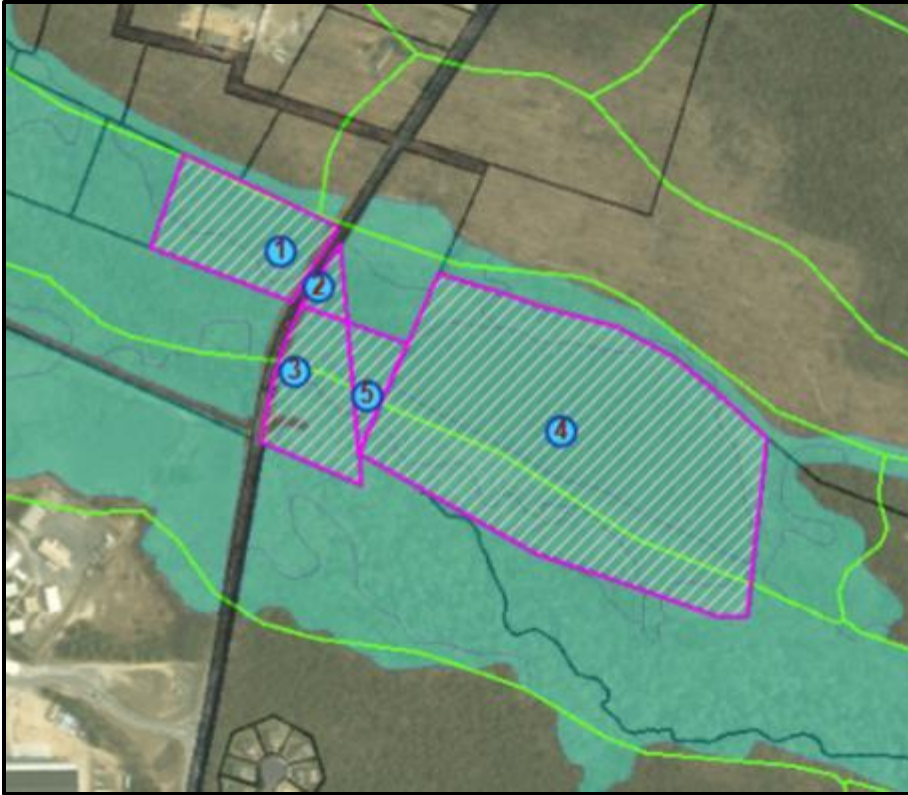
**Comparable 1 Maps:**

Topography Map:

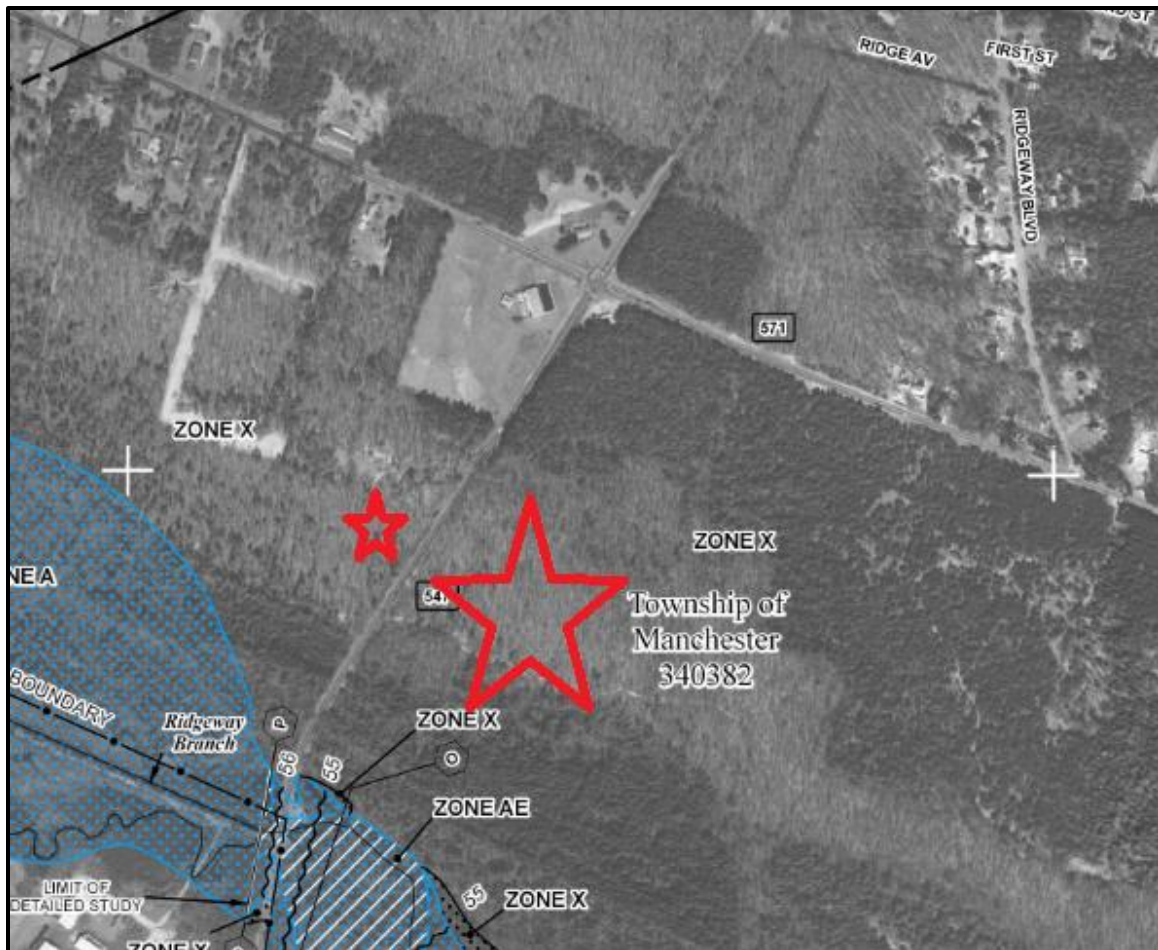




**Soil and Wetlands Map:**



**Flood Map:**





**Land Comparable 2**



**Transaction**

<b>ID</b>	2397	<b>Date</b>	5/23/2016
<b>Address</b>	59 Beckerville Road	<b>Price</b>	\$75,000
<b>City</b>	Manchester	<b>Price per acre</b>	\$2,095
<b>State</b>	NJ	<b>Financing</b>	Conventional
<b>Legal Description</b>	Block 73 Lot 7	<b>Verification Source</b>	Allison Nonnemacher
<b>Grantor</b>	FOLGORE, MARGARET	<b>Verification Contact Info</b>	732-933-1900
<b>Grantee</b>	BARNIKOW, SCOTT &		
<b>Book/Page</b>	16477-00385		

**Site**

<b>Acres</b>	35.8	<b>Topography</b>	Level
<b>Shape</b>	Irregular	<b>Zoning</b>	PFAR
<b>Utilities</b>	ECSW	<b>Zoning Type</b>	Pinelands Forest Area
<b>Usable Acres</b>	4.00		

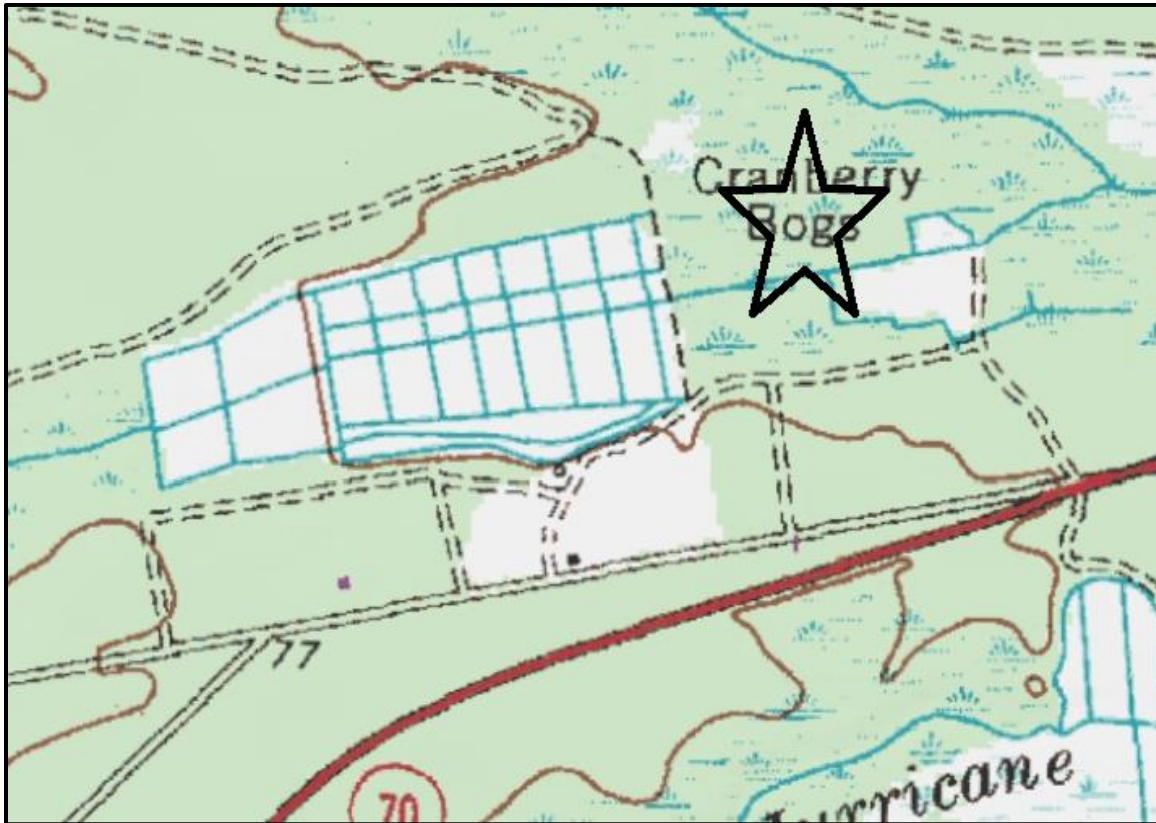
**Comments**

59 Beckerville Road is a 35.8 acre parcel of land located just north of the Beckerville Road/ Route 70 intersection in Manchester, New Jersey. The rear of the site is significantly impacted by the presence of wetlands. The property sold for \$75,000 in May of 2016. The buyer is seeking approvals for the development of a single family home on the site. Peter Maher

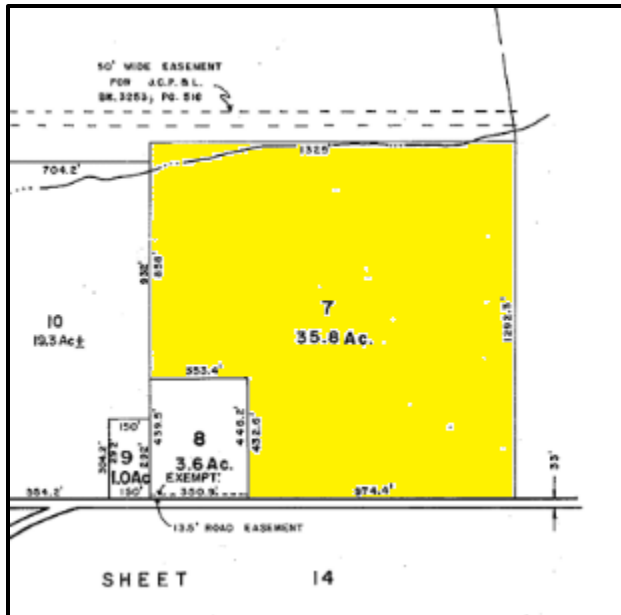


**Comparable 2 Maps:**

**Topography Map:**



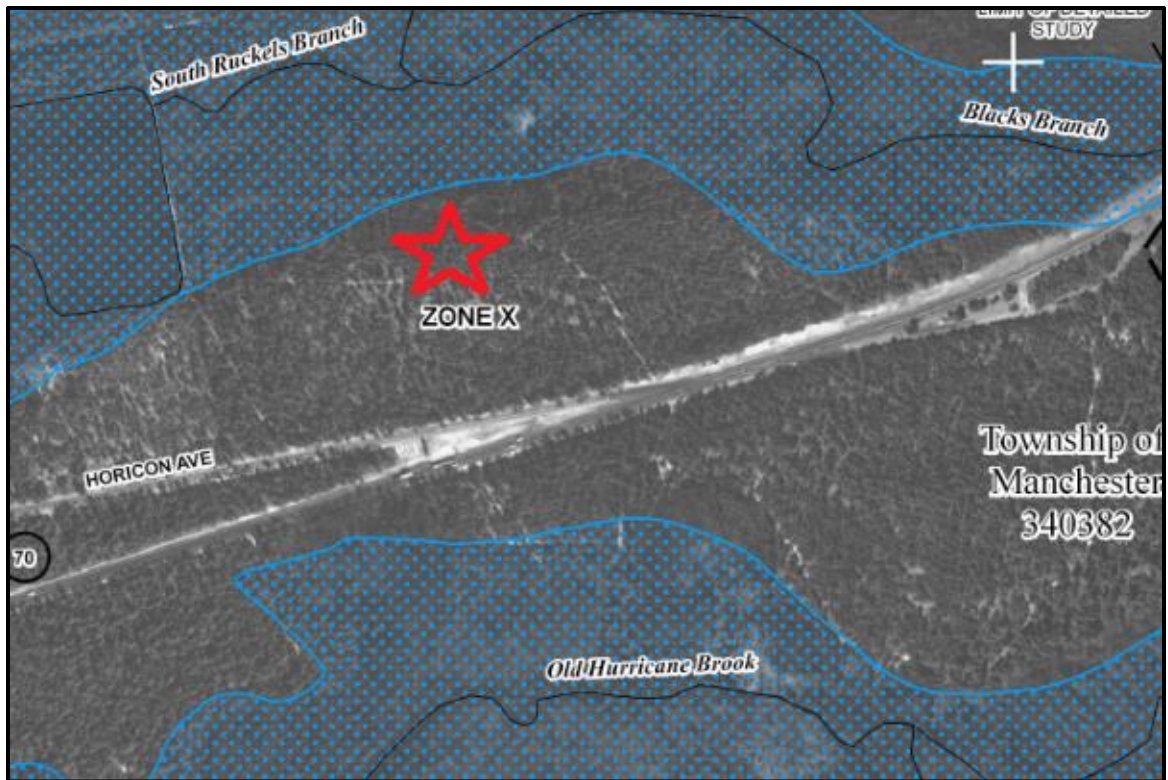
Tax Map:



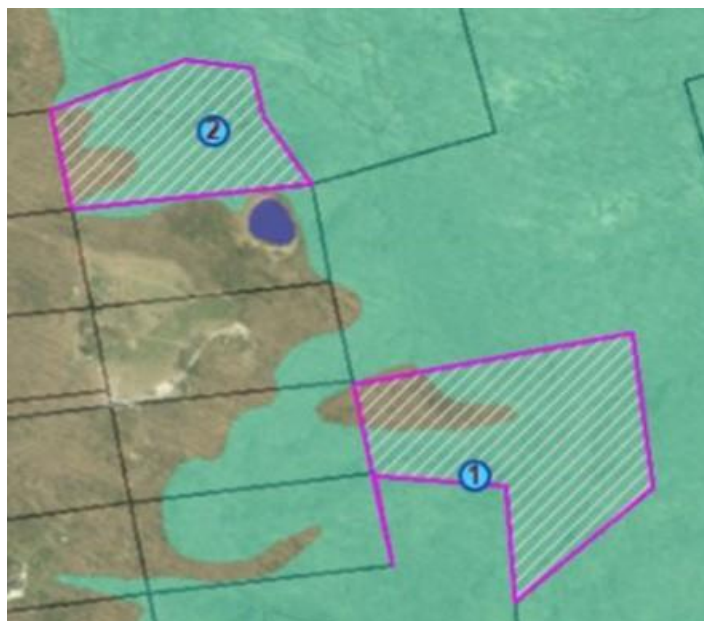
**Wetlands and Soil Map:**



**Flood Map:**



Land Comparable 3



Transaction

<b>ID</b>	2396	<b>Date</b>	4/29/2016
<b>Address</b>	31 & 40 Turkey Swamp	<b>Price</b>	\$55,000
<b>City</b>	Freehold Township	<b>Price per acre</b>	\$3,047
<b>State</b>	NJ	<b>Financing</b>	Conventional
<b>Legal Description</b>	Block 91 Lots 6.01 & 48	<b>Verification Source</b>	Francis Batcha Esq. for
<b>Grantor</b>	BARTEK, PAUL,	<b>Verification Contact Info</b>	609-737-6500
<b>Grantee</b>	MOTT, CHRIS		
<b>Book/Page</b>	09164-04319 & 09164-		

Site

<b>Acres</b>	18.1	<b>Topography</b>	Level
<b>Shape</b>	Irregular	<b>Zoning</b>	R-E
<b>Utilities</b>	EGSW	<b>Zoning Type</b>	Rural Environmental
<b>Usable Acres</b>	1.00		

Comments

31 and 40 Turkey Swamp Road Rear are two non-contiguous land-locked parcels of land located just east of the Siloam Road/ Old Turkey Swamp Road intersection in Freehold, New Jersey. The parcels are heavily impacted by wetlands. The properties were purchased by an adjacent landowner who owns Lots 35, 46 and 47. The parcels sold for a combined sales price of \$55,000 (\$40,000 for 31 Turkey Swamp Rear and \$15,000 for 40 Turkey Swamp Rear). Bob Gagliano

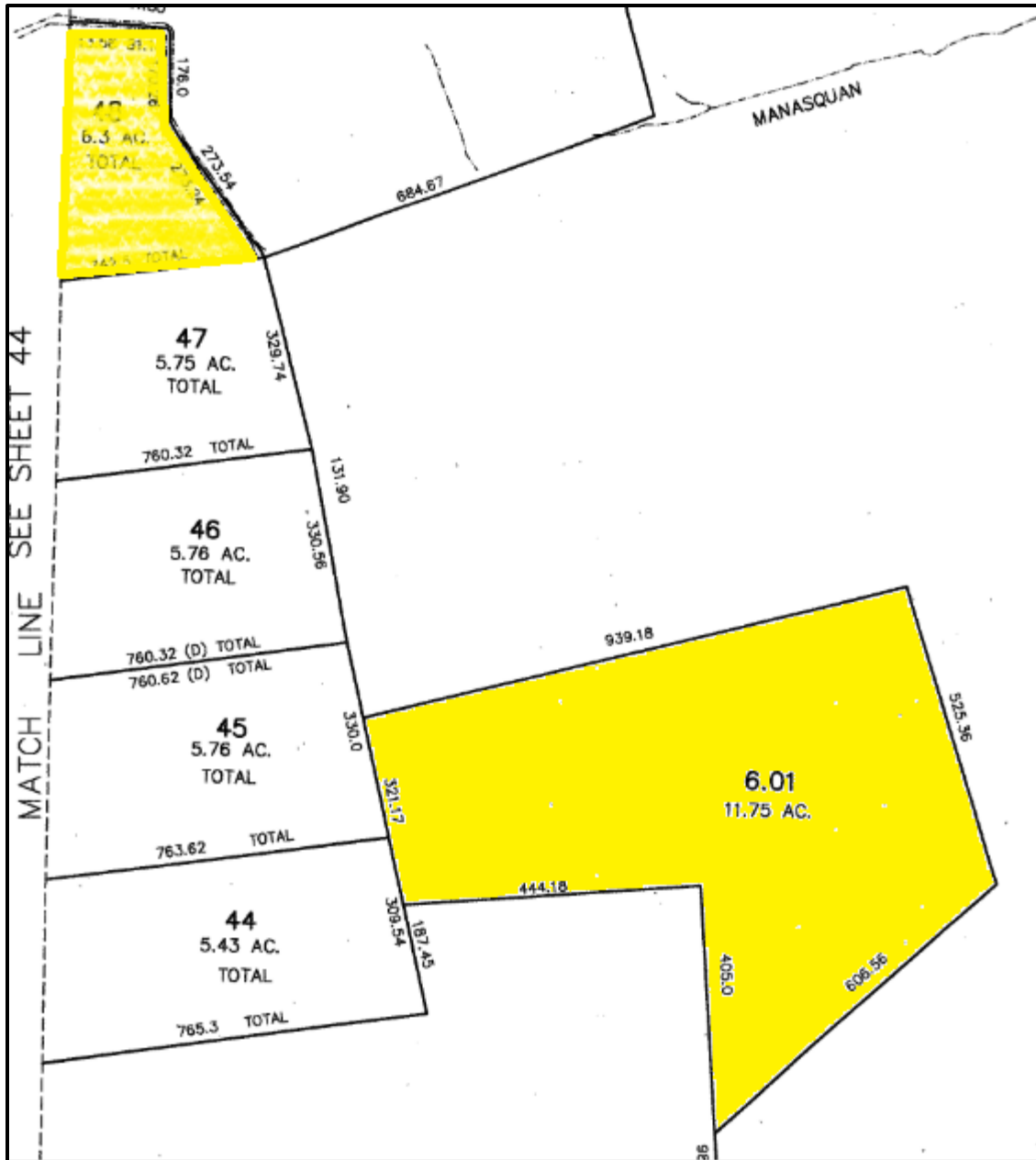


**Comparable 3 Maps:**

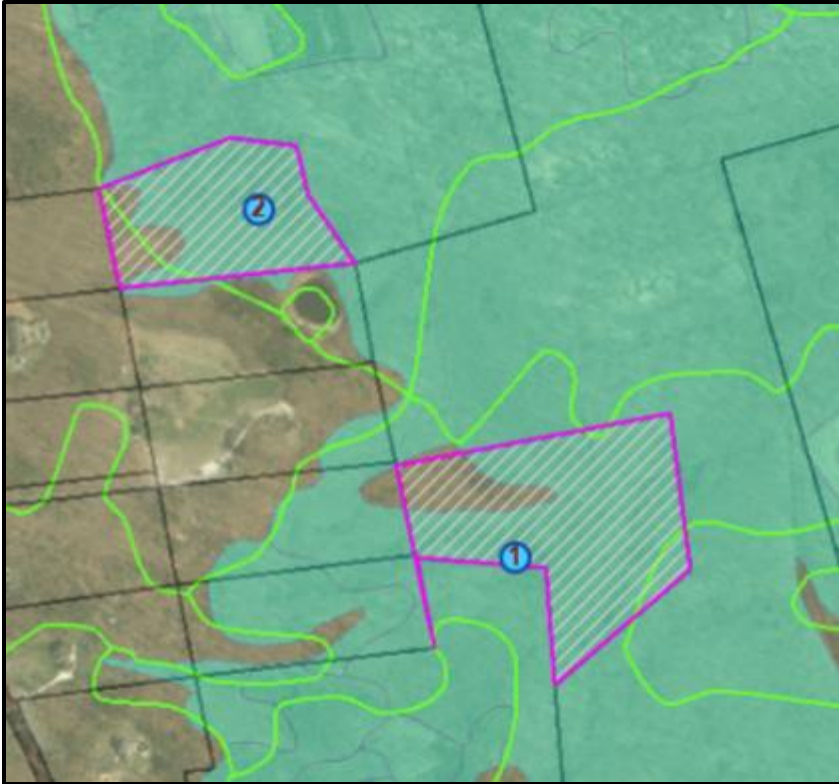
Topography Map:



**Tax Map:**



**Wetlands and Soil Map:**



**Flood Map:**



Land Comparable 4



Transaction

<b>ID</b>	2395	<b>Date</b>	7/7/2016
<b>Address</b>	Lakewood-Farmingdale	<b>Price</b>	\$55,000
<b>City</b>	Howell	<b>Price per acre</b>	\$3,459
<b>State</b>	NJ	<b>Financing</b>	Conventional
<b>Legal Description</b>	Block 224 Lot 1.02	<b>Verification Source</b>	Kathleen Croes of NJDEP
<b>Grantor</b>	DUBROVSKY, STEVEN	<b>Verification Contact Info</b>	609-984-0500
<b>Grantee</b>	NEW JERSEY STATE		
<b>Book/Page</b>	09175-03662		

Site

<b>Acres</b>	15.9	<b>Topography</b>	Level
<b>Shape</b>	Irregular	<b>Zoning</b>	ARE3
<b>Utilities</b>	EGSW	<b>Zoning Type</b>	Agricultural Rural Estate
<b>Proposed Units</b>	48.00		

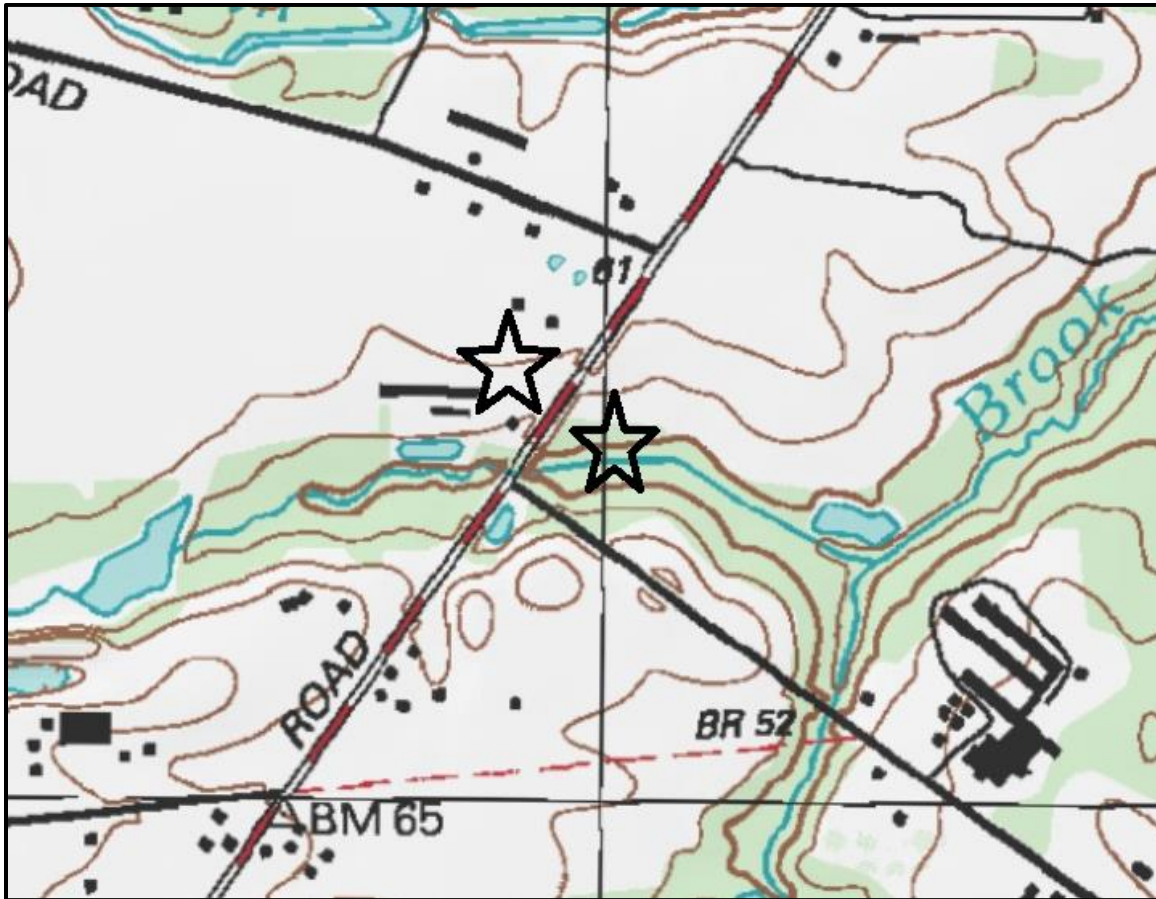
Comments

Block 224 Lot 1.02 is a 15.89 acre parcel of land located at the Lakewood Farmingdale Road/ Birdsall Road intersection in Howell, New Jersey. The parcel is very heavily impacted by wetlands (only 0.28 acres and a depth of 20 feet are not impacted by wetlands) and is, therefore, considered undevelopable. The property sold in July of 2016 for \$55,000 to NJDEP. The sales price was determined based on a fair market valuation/appraisal. The sales price was deemed reflective of market value. Bob Gagliano



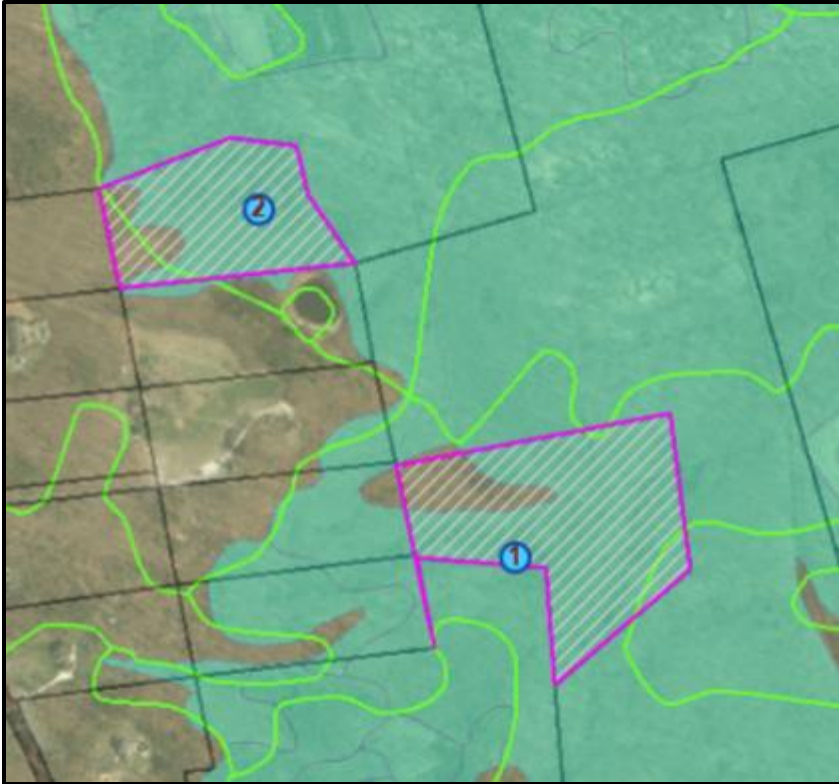
**Comparable 4 Maps:**

**Topography Map:**





**Wetlands and Soil Map:**



**Flood Map:**





Land Comparable 5



Transaction

<b>ID</b>	2394	<b>Date</b>	9/1/2016
<b>Address</b>	Bennetts Mills Road	<b>Price</b>	\$142,500
<b>City</b>	Jackson	<b>Price per acre</b>	\$2,771
<b>State</b>	NJ	<b>Financing</b>	Conventional
<b>Legal Description</b>	Block 15701 Lot 16 and 19	<b>Verification Source</b>	Sydney Krupnick
<b>Grantor</b>	Lori Shuman-Auspitz	<b>Verification Contact Info</b>	732-363-6000
<b>Grantee</b>	RG-2 Associates LLC		

Site

<b>Acres</b>	51.4	<b>Topography</b>	Level
<b>Shape</b>	Irregular	<b>Zoning</b>	R-3
<b>Utilities</b>	EGSW	<b>Zoning Type</b>	Rural Residential
<b>Usable Acres</b>	9.00		

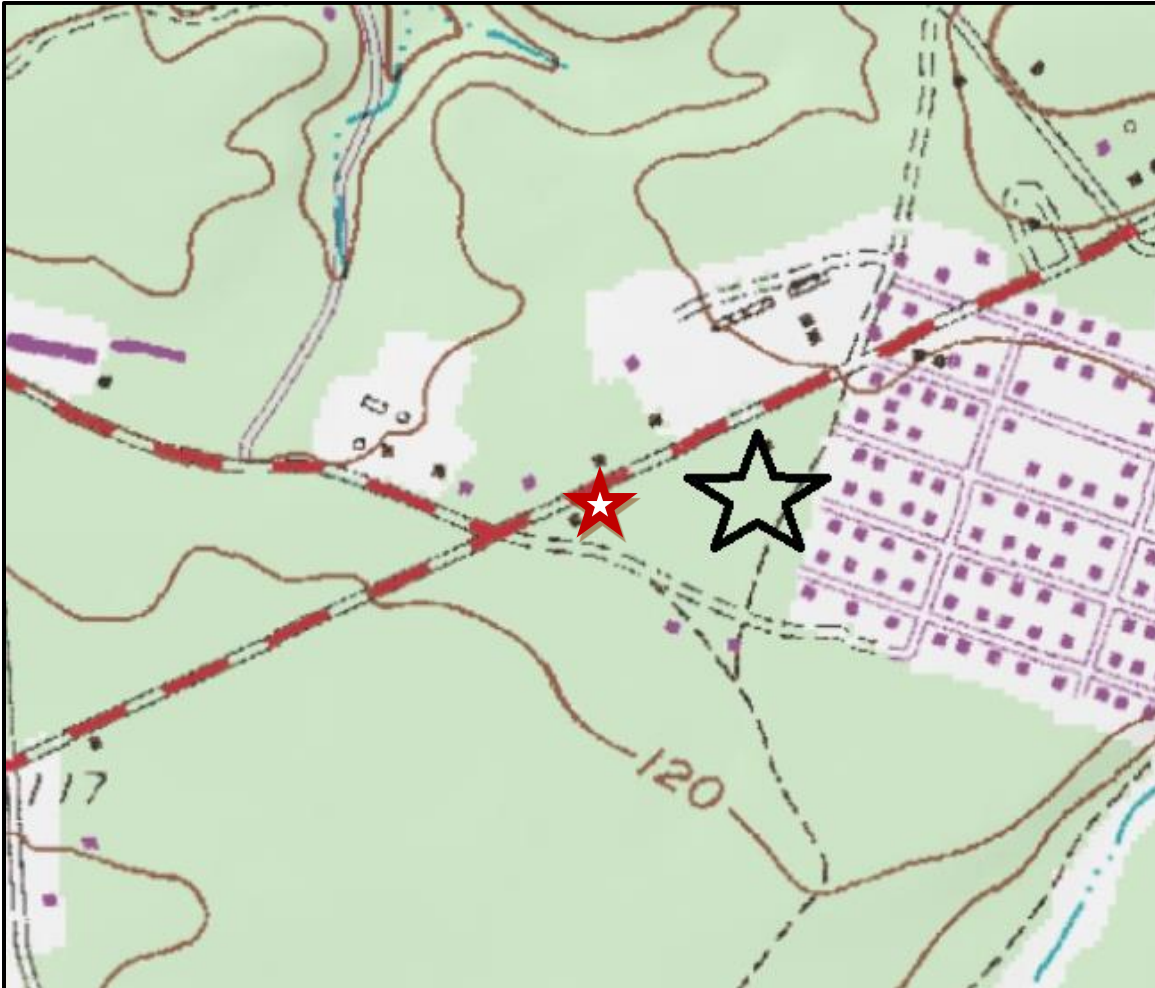
Comments

Block 15704 Lots 16 and 19 are two contiguous parcels with frontage along Bennetts Mill Road in Jackson, New Jersey. The parcels are heavily impacted by wetlands; only 0.7 acres of land fronting Bennetts Mill Road are deemed usable. The property sold in September of 2016 for \$142,500. Russ Sterling

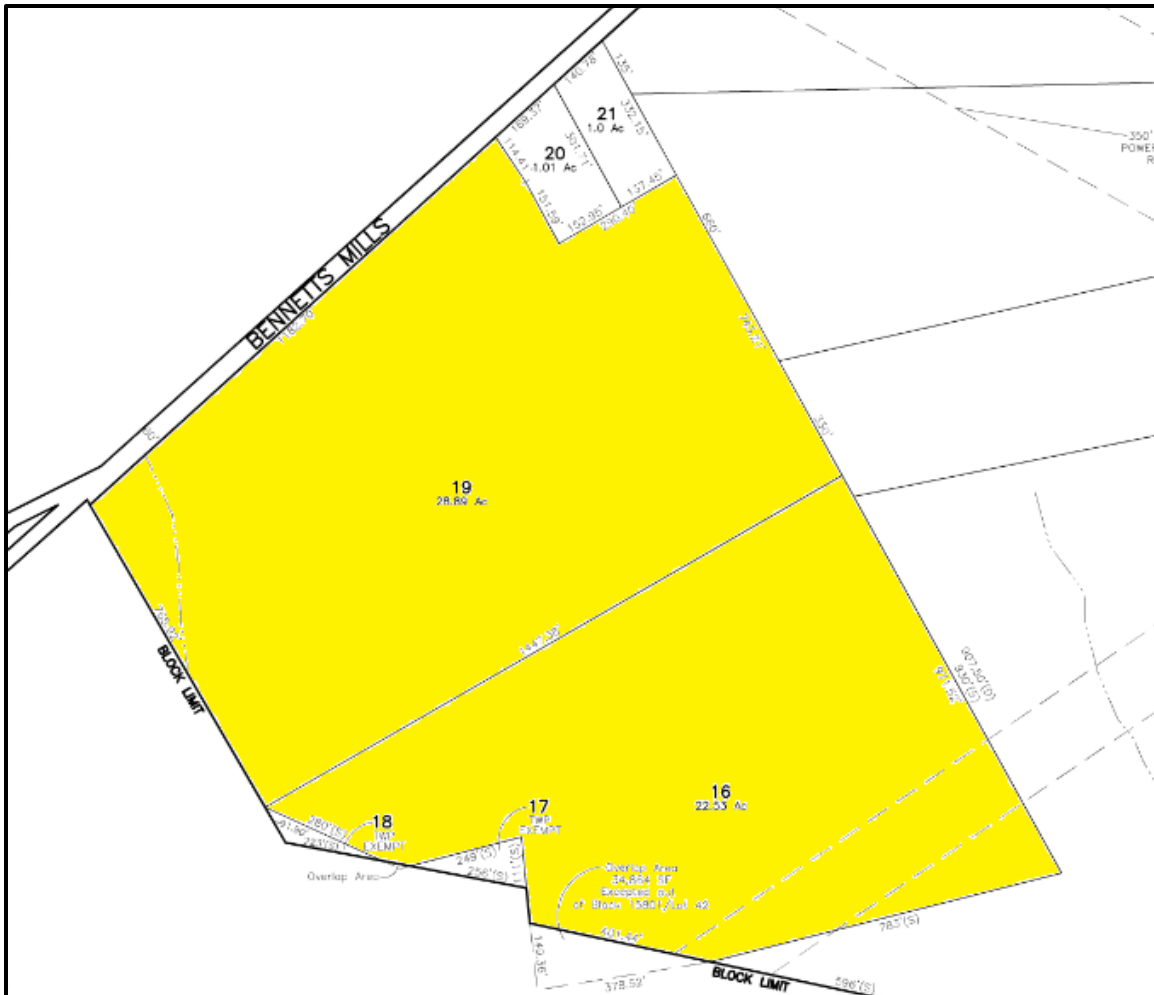


**Comparable 5 Maps:**

**Topography Map:**



**Tax Map:**



**Wetlands and Soil Map:**



Flood Map:



Land Comparable 6



Transaction

<b>ID</b>	2389	<b>Date</b>	1/23/2017
<b>Address</b>	1 Prodelin Way	<b>Price</b>	\$75,000
<b>City</b>	Millstone	<b>Price per acre</b>	\$1,339
<b>State</b>	NJ	<b>Financing</b>	Conventional
<b>Legal Description</b>	Block 16 Lot 10	<b>Verification Source</b>	James Befarah
<b>Grantor</b>	MAOR,MATITIAHY,ET	<b>Verification Contact Info</b>	732-792-0352 ext. 102
<b>Grantee</b>	CARDINALE &		
<b>Book/Page</b>	09212-03349		
<b>#REF!</b>			

Site

<b>Acres</b>	56.0	<b>Topography</b>	Level
<b>Shape</b>	Irregular	<b>Zoning</b>	I-0
<b>Utilities</b>	EGSW	<b>Zoning Type</b>	Industrial
<b>Usable Acres</b>			

Comments

1 Prodelin Way is a 56 acre parcel of land located just south of the Route 33/ Prodelin Way intersection in Millstone, New Jersey. According to NJDEP, the site is severely encumbered by wetlands. Although a small portion of land to the rear of the site is not encumbered by wetlands, it is not considered usable land, as there is no way to access that portion without disturbing wetlands-designated land. It is, therefore, considered unusable land. The property was listed for \$150,000 in May of 2016 and sold in January of 2017 for \$75,000.

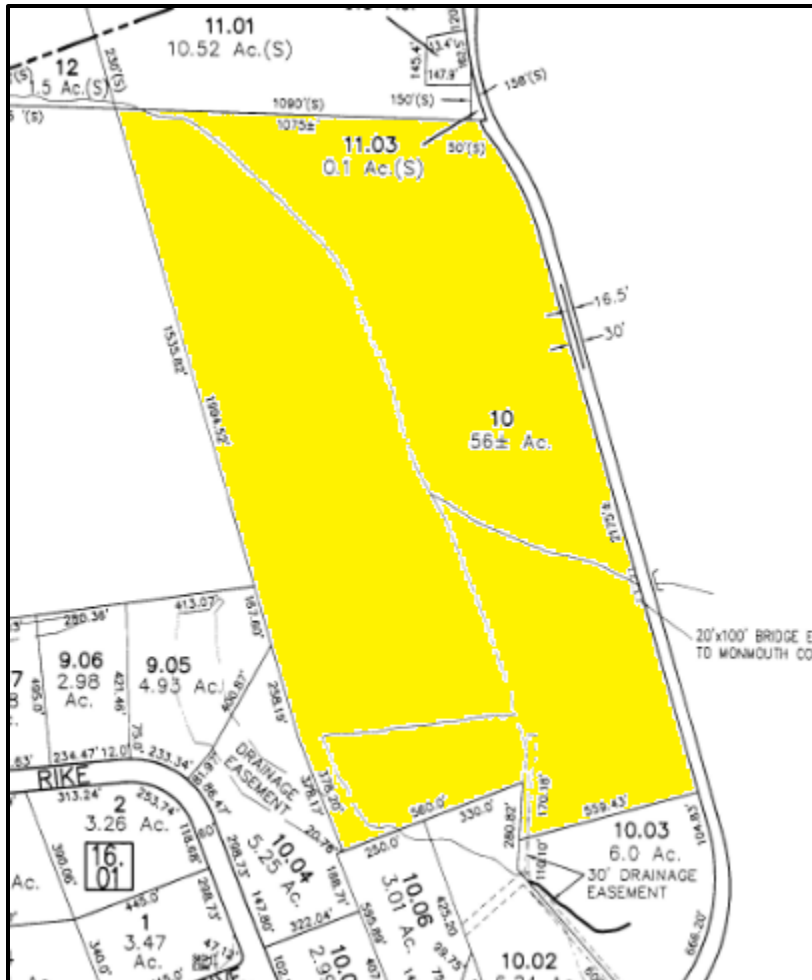


**Comparable 6 Maps:**

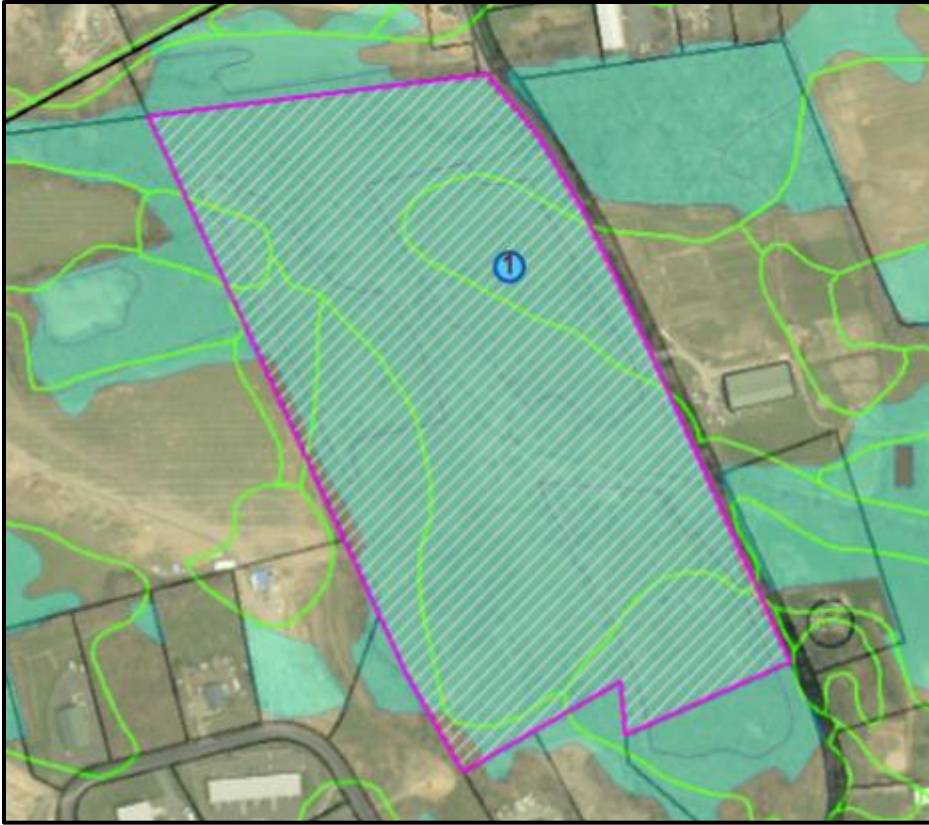
**Topography Map:**



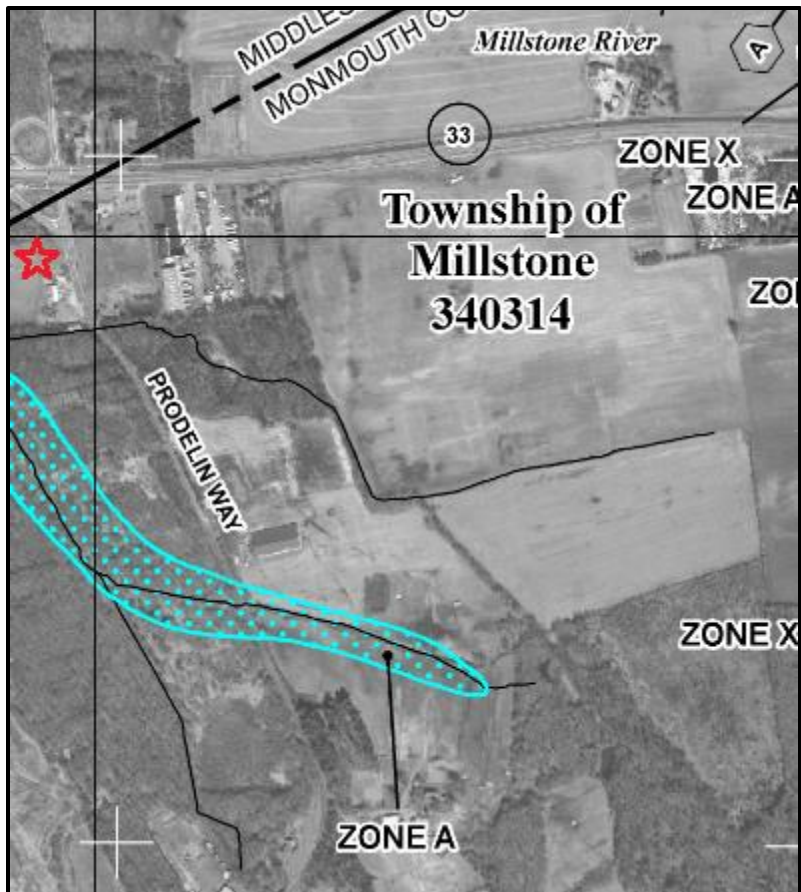
**Tax Map:**



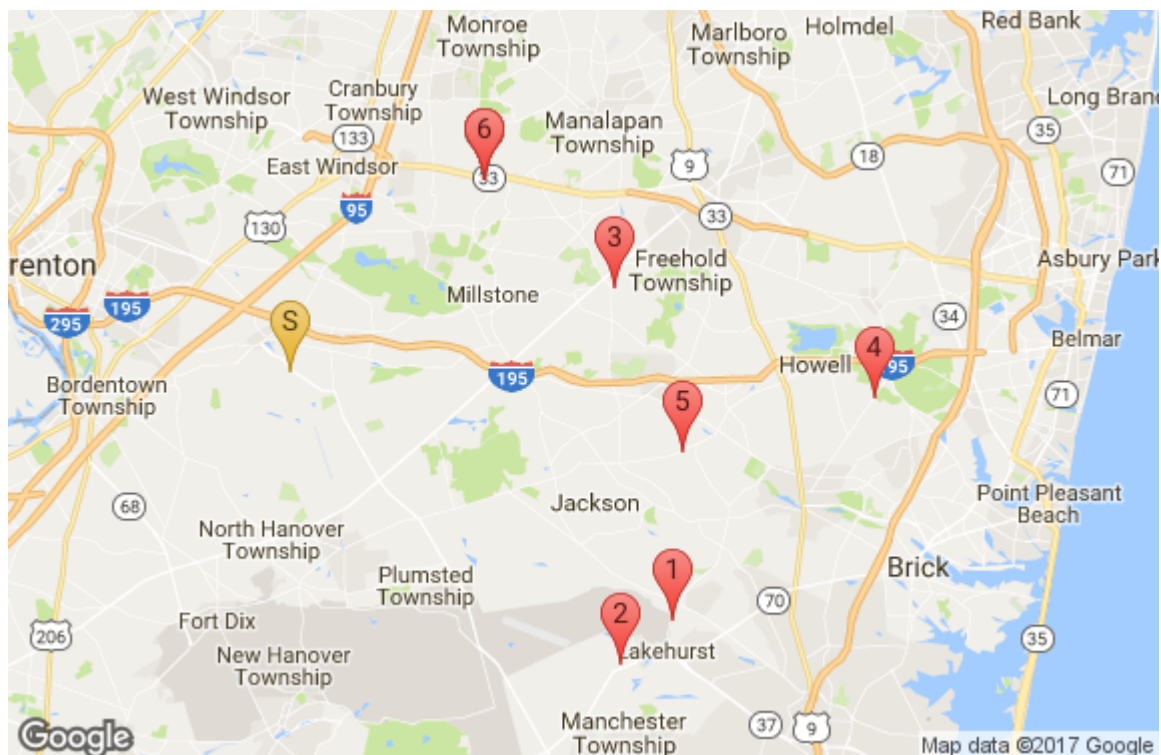
**Wetlands and Soil Map:**



**Flood Map:**



## Comparables Map



## Analysis Grid

The above sales have been analyzed and compared with the subject property. We have considered adjustments in the areas of:

- Property Rights Sold
- Financing
- Conditions of Sale
- Market Trends
- Location
- Physical Characteristics

On the following page is a sales comparison grid displaying the subject property, the comparables, and the adjustments applied.



## Land Sales Comparison Approach: considering current status of parcel as land-locked

Land Analysis Grid		Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Comp 6
Address	Route 539	2908-2929 Highway 547	59 Beckerville Road	31 & 40 Turkey Swamp Road	Lakewood-Farmingdale	Bennetts Mills Road	1 Prodelin Way
City	Upper Freehold	Manchester	Manchester	Freehold Township	Howell	Jackson	Millstone
State	NJ	NJ	NJ	NJ	NJ	NJ	NJ
Date	4/14/2016	12/30/2015	5/23/2016	4/29/2016	7/7/2016	9/1/2016	1/23/2017
Price	\$1,050,000	\$100,000	\$75,000	\$55,000	\$55,000	\$142,500	\$75,000
Acres	88.15	27.79	35.80	18.05	15.89	51.42	56.00
Acre Unit Price	\$11,912	\$3,598	\$2,095	\$3,047	\$3,461	\$2,771	\$1,339
<b>Transaction Adjustments</b>							
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing		Conventional	Conventional	Conventional	Conventional	Conventional	Conventional
Conditions of Sale		Normal	Normal	Normal	Normal	Normal	Normal
Adjusted Acre Unit Price		<b>\$3,598</b>	<b>\$2,095</b>	<b>\$3,047</b>	<b>\$3,461</b>	<b>\$2,771</b>	<b>\$1,339</b>
Market Trends Through 4/14/2016	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Adjusted Acre Unit Price		<b>\$3,598</b>	<b>\$2,095</b>	<b>\$3,047</b>	<b>\$3,461</b>	<b>\$2,771</b>	<b>\$1,339</b>
Location	Average	Similar	Similar	Similar	Similar	Similar	Similar
% Adjustment		0%	0%	0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0	\$0	\$0
Acres	88.15	27.79	35.80	18.05	15.89	51.42	56.00
% Adjustment		-10%	0%	-10%	-10%	0%	0%
\$ Adjustment		-\$360	\$0	-\$305	-\$346	\$0	\$0
Access	Land-locked	Hope Chapel Road	Beckerville Road	Land-locked	Lakewood-Farmingdale	Bennetts Mill Road	Prodelin Way
% Adjustment		-15%	-15%	0%	-15%	-15%	-15%
\$ Adjustment		-\$540	-\$314	\$0	-\$519	-\$416	-\$201
Shape	Irregular	Irregular	Irregular	Irregular	Irregular	Irregular	Irregular
% Adjustment		0%	0%	0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0	\$0	\$0
Environmental Issues	Wetlands	Wetlands	Wetlands	Wetlands	Wetlands	Wetlands	Wetlands
% Adjustment		0%	0%	0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0	\$0	\$0
Usable acres	0.00	3.00	11.31	2.51	0.00	0.70	0.00
% Adjustment		0%	0%	0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0	\$0	\$0
% of site Usable	0.00%	10.80%	31.59%	13.91%	0.00%	1.36%	0.00%
% Adjustment		-10%	-20%	-10%	0%	-5%	0%
\$ Adjustment		-\$360	-\$419	-\$305	\$0	-\$139	\$0
Adjusted Acre Unit Price		<b>\$2,339</b>	<b>\$1,362</b>	<b>\$2,438</b>	<b>\$2,596</b>	<b>\$2,217</b>	<b>\$1,138</b>
Net Adjustments		-35.0%	-35.0%	-20.0%	-25.0%	-20.0%	-15.0%
Gross Adjustments		35.0%	35.0%	20.0%	25.0%	20.0%	15.0%

## ***Comparable Wetlands Land Sale Adjustments***

### **Property Rights**

The fee simple estate reflects the absolute ownership of a property unencumbered by any other interests, and the subject only to the limitations imposed by governmental powers to taxation, eminent domain, police power, and escheat. As such, it consists of the complete bundle of rights in a particular piece of real estate. Listing prices tend to adjust at time of sale and close at a lower price than asking.

The comparables all sold in fee simple estate. No adjustment is necessary.

### **Financing**

The financing utilized in the acquisition of real property can also affect its sales price when based on non-market terms. In most acquisitions, buyers obtain financing from conventional lenders and then combine the debt (mortgage funds) with equity (down payment) to finalize the transaction. Market value assumes that payment is made in cash or its equivalent and represents a normal consideration for the property sold, unaffected by special financing amounts or terms, services, fees, costs or credits incurred in the transaction. If it is determined that the terms of sale did not meet the above-noted criteria, an adjustment must be made.

Upon consideration, the sales do, in fact, represent cash equivalent transfers acquired with either cash or market oriented financing, precluding the need for adjustment.

The majority of comparables were purchased under normal conditions. Comparable 1 is a listing and was adjusted for this factor in financing. No adjustment is necessary.

### **Conditions of Sale**

The 'conditions of sale' adjustment considers any abnormal market circumstances in the sale. If the buyer or seller is unusually compelled or motivated to make the transaction, then an adjustment is required. For instance, a seller facing imminent foreclosure could be excessively compelled to sell. Or, the price of a transaction between related parties (family members and partnerships or corporations with common principals) may not be an arm's length transaction or represent market value. Further, portfolio sales often sell at a significant premium in bull market and at a discount bear markets. Portfolio transactions may also involve price allocations to the individual properties that may not represent the market value because the allocated prices may serve various taxes, reimbursement and other business interests.

All sales reflect market-oriented, arm's length transactions between knowledgeable participants. No adjustment was needed for this factor.

### **Market Condition**

Comparable sales that occurred under market conditions different from those applicable to the subject on the effective date of value require adjustment for any differences that affect their value. An adjustment for market condition is warranted if general property values have increased or decreased since the transaction dates. And, although the adjustment for market conditions is

often referred to as a 'time' adjustment, time is not the cause of the adjustment. Market conditions that change over time create the need for an adjustment, not time itself.

Changes in tax laws, inflation and the cost of capital (equity and debt) are some of the important external forces that affect value. Major changes in any of these external forces can have a broad effect on the value of a medical office building, so any major change warrants examination. Also, changes in the cost of capital tend to have a universal impact on valuation. Changes in interest rates and equity returns may not have a one-to-one relationship with value. Simply adjusting a sale price to reflect the difference in the cost of capital between the date of comparable sales and the effective date of the appraisal may not accurately characterize the change in value. However, if other significant factors in the market have remained fairly stable over this time space, then the change in the cost of capital provides an indication of the general trend in value.

The valuation date for this analysis is August 2017, the date of inspection. Acquisition dates for the comparable sales range from December 2015 to January 2017. As such, each of the comparable sales are considered to have been influenced by the same market forces that have had a large effect on the current economic climate, precluding the need for their adjustment.

### **Location**

The subject is located in a relatively rural area, as are the comparables. No adjustment is necessary for this factor.

### **Acres**

Economies of scale typically results in large parcels selling on a lower price per acre than smaller parcels. The subject and comparables varied in acreage. Comparables with significantly larger or smaller acreage than the subject were adjusted accordingly.

### **Accessibility**

This approach considers the current status of the site as a land-locked parcel. The comparables are all accessible through roads, with the exception of Comparable 3, which was landlocked at the time of sale. The comparables were adjusted for this factor.

### **Shape**

The subject is irregular in shape. The comparables are similar in this regard. No adjustment is necessary.

### **Environmental Issues**

The subject and comparables are all significantly impacted by the presence of wetlands. Their exact impacts are considered further in this analysis.

### **Usable Acres**

Economies of scale typically results in large parcels selling on a lower price per usable acre than smaller parcels. The subject and comparables varied in usable acreage, however, this is considered in the following adjustment factor (percentage of site usable).

### **Percentage of site Usable**

None of the subject site is usable. The subject and comparables varied with regards to percentage of the overall site that is usable. We adjusted the comparables accordingly.

### ***Sales Comparison Approach Conclusions; current status as a land-locked parcel:***

The adjusted values of the comparable properties range from \$1,138 to \$2,596 per acre; the average is \$2,015 per acre. We considered the subject's minimal usage due to the large presence of wetlands on the site, and concluded a final reconciled per acre value of \$2,050.

---

<b>As Is Market Value- current status as a land-locked parcel.</b>	
<b>Indicated Value per Lot:</b>	\$2,050
<b>Subject Size:</b>	88.15
<b>Indicated Value:</b>	\$180,708
<b>Rounded:</b>	\$180,000
<b>One Hundred Eighty Thousand Dollars</b>	

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### ***Final Reconciliation***

The process of reconciliation involves the analysis of each approach to value. The quality of data applied, the significance of each approach as it relates to market behavior and defensibility of each approach are considered and weighed. Finally, each is considered separately and comparatively with each other.

### ***Value Indications***

**Sales Comparison Approach:**     \$240,000  
**assuming deeded access:**

**Sales Comparison Approach:**     \$180,000  
**considering current land-  
locked status:**

### ***Value Conclusion***

Based on the data and analyses developed in this appraisal, we have reconciled to the following value conclusion(s), as of August 3, 2017, subject to the Limiting Conditions and Assumptions of this appraisal.

**Reconciled Value(s):**     *Assuming deeded Access:*

Interest: Fee Simple  
Value Conclusion: \$240,000  
Two Hundred Forty Thousand Dollars

**Subject's Per Acre Value: \$2,700**

*Current status as a land-locked parcel:*

Interest: Fee Simple  
Value Conclusion: \$180,000  
One Hundred Eighty Thousand Dollars

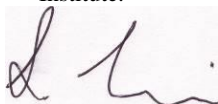
**Subject's Per Acre Value: \$2,050**



## Certification Statement

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.
- I have no present or prospective future interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 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 estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
- No one provided significant real property appraisal assistance to the person(s) signing this certification, with the exception of Sharon Faitler, Senior Research Analyst at Starmark Appraisals.
- I certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.
- The appraiser has not performed any prior services regarding the subject within the previous three years of the appraisal date.
- Samuel Levi has made an inspection of the subject property.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I have completed the continuing education program for Designated Members of the Appraisal Institute.



Samuel Levi, MAI  
NJ-42RG00333500  
Starmark Appraisals LLC

## Addenda

## SAMUEL LEVI, MAI

### **APPRAISAL EDUCATION-**

---

2002 – Appraisal Principles, Part 1 United Business School  
2002 – Appraisal Principles, Part 2 United Business School  
2002 – Uniform Standards of Professional Appraisal Practice  
2003 – Appraising a Small Business  
2005 – Basic Income Capitalization, Appraisal Institute  
2005 – General Applications of Income Capitalization, Appraisal Institute  
2006 – Apartment Appraisal Concepts, Appraisal Institute  
2007 – Defending and attacking an Appraisal in Litigation, Appraisal Institute  
2007 – General Principles of Highest & Best Use, Appraisal Institute  
2008 – Rates & Ratios, Appraisal Institute  
2008 – Evaluating Commercial Construction, Appraisal Institute  
2009 – Advanced Income Capitalization, Appraisal Institute  
2009 – Advanced Applications, Appraisal Institute  
2010 – Advanced Sales Comparison & Cost Approach, Appraisal Institute  
2010 – General Report Writing, Appraisal Institute  
2010 – Hotel Appraisal Seminar, Appraisal Institute  
2010 – The Appraisal of Nursing Facilities, Appraisal Institute  
2011 – Land Acquisitions, Appraisal Institute  
2011 – Advance Spreadsheet Modeling for Valuation Applications, Appraisal Institute  
2011 – Online Business Practices and Ethics, Appraisal Institute  
2012 – General Demonstration Report Writing, Appraisal Institute  
2012 – Fundamentals of Separating Real, Personal Property, and Intangible Business Assets, Appraisal Institute  
2013 – Advanced Education Diagnostic Test, Appraisal Institute  
2013 – Candidate for Designation Advisor Orientation, Appraisal Institute  
2013 – Expanding your range of Services, Appraisal Institute  
2013 – NJ Issues with Today's Assessors/Appraisers, Appraisal Institute  
2013 – New Jersey Appraiser Law, Rules and Regulations, Appraisal Institute  
2013 – Quantitative Analysis, Appraisal Institute

### **APPRAISAL EXPERIENCE-**

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#### **2002-2004**

Warthen Appraisals - Staff Appraiser

#### **2005-2008**

Tony Kamand Realty, Toms River – Senior Appraiser

#### **2004-Present**

Starmark Valuations & Starmark Appraisals – Principal

#### *Commercial Appraiser*

- Performed hundreds of appraisals on various property types, including apartment buildings, industrial, vacant land, subdivision, and mixed uses.
- Experienced in property tax appeal litigations, hundreds of appearances as an expert witness before County Tax Boards and NJ State Tax Court
- **Municipal Appraiser for Lakewood Township**

- **Achieved the prestigious MAI designation from the Appraisal Institute**

*Residential Appraiser*

- Performed thousands of appraisals on varied residential properties.
- Supervised several trainees in full supervisory capacity.

Appraisals done for lending, estate and tax appeal purposes

**EDUCATION**

---

**1991-1995:** B.A, Talmudical Yeshiva of Philadelphia

**1997-2002:** Masters Degree, Beth Medrash Govoha of Lakewood

**Contact Letter:**



August 2, 2017

Rudolph Alexander Socey,  
Jr. and John R. Soc.  
John Richard Socey  
231 Monterey Drive  
Naples, Florida 34119  
(239) 631-5848

RE: Princeton Battlefield to Monmouth

Dear Madame/Sir,

I am writing to you regarding our conversation on January 31, 2017, during which I informed you that I have been tasked by the Green Acres of the State of NJ, to do an appraisal on the properties located in Upper Freehold Township (Block 43 Lot 24). I confirmed with you an appraisal inspection appointment for Thursday August 3<sup>rd</sup> at 11:00AM. Please contact me if you have any other information that you would like to share with me, or that you consider relevant to the valuation of the property.

Thanks in advance,

A handwritten signature in blue ink, appearing to read "S. Levi", is written over a light pink rectangular background.

Samuel Levi MAI ASA  
Starmark Appraisals

930 E. County Line Rd., Suite 4 • Lakewood, NJ 08701  
Office: 732-886-6695 Fax: 732-886-7115 Email: sam@starmarkappraisals.com



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**Engagement Letter:**



**State of New Jersey**

DEPARTMENT OF ENVIRONMENTAL PROTECTION

GREEN ACRES PROGRAM

MAIL CODE 501-01

PO BOX 420

TRENTON, NEW JERSEY 08625-0420

TEL #609-984-0500 FAX #609-984-0608

CHRIS CHRISTIE  
*Governor*

KIM GUADAGNO  
*Lt. Governor*

BOB MARTIN  
*Commissioner*

Monday, July 24, 2017

Samuel Levi  
Starmark Appraisals  
930 East County Line Rd Suite 4  
Suite 2  
Lakewood, NJ 08701

Re: Task Order for Appraisal Service  
Princeton Battlefield to Monmouth  
GA Ref.#: A - 3733

Dear Mr. Levi:

Enclosed is the 'Notification of Engagement' authorizing you to appraise the properties as noted. You are to sign and date the form indicating your acceptance and return the form to Lorraine Canonico.

Also enclosed is the original "Agency Purchase Order/Payment Voucher" for professional appraisal services. This is your formal contract. The State of New Jersey Payment Voucher which is page 2 of this package is to be signed and dated and returned with your company invoice for payment when the completed appraisals are submitted. The Agency Purchase Order (page1) is to be retained for your files.

Please provide this office with copies of the letter that you send to the respective property owners to accompany you on your inspection of the subject property.

If you are in need of additional document information that our office can provide, contact Anine Rusecky at (609) 984-3860.

The completion due date for this assignment is Thursday, August 24, 2017

Sincerely,

Fawn Z. McGee, Chief  
Bureau of State Acquisition

Enclosures

## Block 43 Lot 24; Route 539, Upper Freehold, Monmouth NJ

NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION  
MAIL CODE: 501-01  
GREEN ACRES PROGRAM  
PO BOX 420  
TRENTON, NEW JERSEY 08625-0420  
TEL.#609-984-0500  
FAX.#609-984-0608

### TASK ORDER NOTIFICATION OF ENGAGEMENT

Monday, July 24, 2017

Project Name: Princeton Battlefield to Monmouth

Administrative Authorization: SA-2009-03

GA Reference # A- 3733

Amount of Fee: \$4,375.00

APPRAISER:

Starmark Appraisals

930 East County Line Rd Suite 4

Suite 2

Lakewood, NJ 08701

You are hereby authorized to appraise the properties herein noted. You are authorized to commence this assignment immediately upon your acceptance and the return of this order.

From the date of the authorization letter, the assignment must be completed and delivered to this office within (30) days.

In the event your services are further required in reference to condemnation proceedings, you will receive an additional fee for the court appearance.

The terms and conditions of all work to be performed under this assignment will be in accordance with those contained in State of New Jersey - DEP/ Green Acres Program " Scope of Work for Professional Appraisal Services", the Request for Proposal and Detail Sheets.

COUNTY	MUNICIPALITY	BLOCK	LOT	ACRES	INTEREST
MONMOUTH	UPPER FREEHOLD TWP	43	24	88.15	E/T Fee

Proposed Owner: Rudolph Alexander Socey, Jr. and John R. Soc

File #: 9036

John Richard Socey  
231 Monterey Drive

Naples, Florida 34119

PHONE: (239) 631-5848

### **APPRAISAL INSTRUCTIONS :**

The appraisal shall reflect the value of the property located in Upper Freehold Township, Monmouth County (Block 43, Lot 24) for potential fee acquisition in its entirety. The property consists of a single lot which contains a total 88.15 +/- acres of vacant, forested land. There is a pond on the property. The property does not have recorded/documented access; title work does not indicate deed access so this bid should reflect two scenarios: one scenario as landlocked, one scenario with permitted access. Property should be appraised to its Highest and Best Use, employing the Extraordinary Assumption that it is free and clear of any contamination. Must be done in conformance with the most current Green Acres Scope of Work. Per-acre value required.

Subject Property Address:  
West of Route 539  
Upper Freehold Township  
Monmouth County  
Block 43, Lot 24

This is a fee acquisition of approximately 88.15 +/- acres in its entirety. The property is mostly wooded with some wetland areas. There is no documented proof of a deeded access easement; the property has been in the same family since the 1930's, owned by the current owner's grandparents. Please bid two scenarios: one scenario as landlocked and the second scenario with permitted

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## Block 43 Lot 24; Route 539, Upper Freehold, Monmouth NJ

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access. There was at one time a farmhouse on the property which reportedly burned down in the 1950s. It has been most recently utilized as a hunting club. An old tax map has been included that seems to indicate an old farm lane, which we believe may be how best to access the property. This property is of high interest for Fish & Wildlife as it contains critical wetlands and stream/pond habitats directly adjacent to the subject on Pleasant Run WMA.

### Site Contact Information

Owner:

Rudolph Alexander Socey, Jr  
AND John R. Socey

### Contact:

Rudolph Socey, Jr  
2035 Teagarden Lane  
Naples, FL 34110  
(Tel) 239/ 631-5848

If you have any questions, please contact Anine Rusecky at (609) 984-3860.

Ordered By:

Approved By:

Accepted By:

Date: 7/26/2017

Page 2 of 2

*Appraiser Licenses:*





## Glossary

This glossary contains the definitions of common words and phrases, used throughout the appraisal industry, as applied within this document. Please refer to the publications listed in the **Works Cited** section below for more information.

### Works Cited:

- Appraisal Institute. *The Appraisal of Real Estate*. 13th ed. Chicago: Appraisal Institute, 2008. Print.
- Appraisal Institute. *The Dictionary of Real Estate Appraisal*. 5th ed. 2010. Print.

### Band of Investment

A technique in which the capitalization rates attributable to components of a capital investment are weighted and combined to derive a weighted-average rate attributable to the total investment. (Dictionary, 5th Edition)

### Common Area

1. The total area within a property that is not designed for sale or rental but is available for common use by all owners, tenants, or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, recreation areas, public toilets, truck and service facilities.
2. In a shopping center, the walkways and areas onto which the stores face and which conduct the flow of customer traffic. (ICSC) (Dictionary, 5th Edition)

### Common Area Maintenance (CAM)

1. The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property.

- CAM can be a line-item expense for a group of items that can include maintenance of the parking lot and landscaped areas and sometimes the exterior walls of the buildings.
- CAM can refer to all operating expenses.
- CAM can refer to the reimbursement by the tenant to the landlord for all expenses reimbursable under the lease. Sometimes reimbursements have what is called an administrative

load. An example would be a 15% addition to total operating expenses, which are then prorated among tenants. The administrative load, also called an administrative and marketing fee, can be a substitute for or an addition to a management fee.

2. The amount of money charged to tenants for their shares of maintaining a center's common area. The charge that a tenant pays for shared services and facilities such as electricity, security, and maintenance of parking lots. The area maintained in common by all tenants, such as parking lots and

common passages. The area is often defined in the lease and may or may not include all physical area to be paid for by all tenants. Items charged to common area maintenance may include cleaning services, parking lot sweeping and maintenances, snow removal, security, and upkeep. (ICSC) (Dictionary, 5th Edition)

**Debt Coverage Ratio (DCR)**

The ratio of net operating income to annual debt service ( $DCR = NOI/Im$ ), which measures the relative ability of a property to meet its debt service out of net operating income; also called debt service coverage ratio (DSCR). A larger DCR indicates a greater ability for a property to withstand a downturn in revenue, providing an improved safety margin for a lender. (Dictionary, 5th Edition)

**Discount Rate**

A yield rate used to convert future payments or receipts into present value; usually considered to be a synonym for yield rate. (Dictionary, 5th Edition)

**Effective Age**

The age of property that is based on the amount of observed deterioration and obsolescence it has sustained, which may be different from its chronological age. (Dictionary, 5th Edition)

**Effective Date**

1. The date on which the analyses, opinion, and advice in an appraisal, review, or consulting service apply.
2. In a lease document, the date upon which the lease goes into effect. (Dictionary, 5th Edition)

**Exposure Time**

1. The time a property remains on the market.
2. 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 estimate based on an analysis of past events assuming a competitive and open market. (Dictionary, 5th Edition)

**External Obsolescence**

An element of depreciation; a diminution in value caused by negative externalities and generally incurable on the part of the owner, landlord, tenant. (Dictionary, 5th Edition)

**Extraordinary Assumption**

An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2010-2011 ed.) (Dictionary, 5th Edition)

**Fee Simple Estate**

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. (Dictionary, 5th Edition)

**Functional Obsolescence**

The impairment of functional capacity of a property according to market tastes and standards. (Dictionary, 5th Edition)

**Functional Utility**

The ability of a property or building to be useful and to perform the function for which it is intended according to current market tastes and standards; the efficiency of a building's use in terms of architectural style, design and layout, traffic patterns, and the size and type of rooms. (The Appraisal of Real Estate, 13th Edition)

**Gross Building Area (GBA)**

Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the region. (Dictionary, 5th Edition)

**Gross Leasable Area (GLA)**

Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces. (Dictionary, 5th Edition)

**Highest & Best Use**

The reasonably probable and legal use of vacant land or an improved property that 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. Alternatively, the probable use of land or improved property—specific with respect to the user and timing of the use—that is adequately supported and results in the

highest present value. (Dictionary, 5th Edition)

**Highest and Best Use of Land or a Site as Though Vacant**

Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements. (Dictionary, 5th Edition)

**Highest and Best Use of Property as Improved**

The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one. (Dictionary, 5th Edition)

**Hypothetical Condition**

That which is contrary to what exists but is supposed for the purpose of analysis. 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. (Dictionary, 5th Edition)

**Leased Fee Interest**

A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease). (Dictionary, 5th Edition)

### **Market Area**

The area associated with a subject property that contains its direct competition. (Dictionary, 5th Edition)

### **Market Rent**

The most probable rent that a property should bring is a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs). (Dictionary, 5th Edition)

### **Market Value**

The major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined.

1. The most widely accepted components of market value are incorporated in the following definition: The most probable price that the specified property interest should sell for in a competitive market after a reasonable exposure time, as of a specified date, in cash, or in terms equivalent to cash, under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, for self-interest, and assuming that neither is under duress.
2. Market value is described in the Uniform Standards of Professional Appraisal Practice (USPAP) as follows: A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term

identified by the appraiser as applicable in an appraisal. (USPAP, 2010-2011 ed.) USPAP also requires that certain items be included in every appraisal report. Among these items, the following are directly related to the definition of market value:

- Identification of the specific property rights to be appraised.
  - Statement of the effective date of the value opinion.
  - Specification as to whether cash, terms equivalent to cash, or other precisely described financing terms are assumed as the basis of the appraisal.
  - If the appraisal is conditioned upon financing or other terms, specification as to whether the financing or terms are at, below, or above market interest rates and/or contain unusual conditions or incentives. The terms of above—or below—market interest rates and/or other special incentives must be clearly set forth; their contribution to, or negative influence on, value must be described and estimated; and the market data supporting the opinion of value must be described and explained.
3. The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States: The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and the 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:

- Buyer and seller are typically motivated;
  - Both parties are well informed or well advised, and acting in what they consider their best interests;
  - A reasonable time is allowed for exposure in the open market;
  - Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
  - 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. (12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994)
4. The International Valuation Standards Council defines market value for the purpose of international standards as follows: The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion. (International Valuation Standards, 8th ed., 2007)
5. Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure of time on the open competitive market, from a

willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal. (Uniform Standards for Federal Land Acquisitions) (Dictionary, 5th Edition)

### **Marketing Time**

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 the appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time). (Dictionary, 5th Edition)

### **Net Operating Income (NOI)**

The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted. (Dictionary, 5th Edition)

### **Obsolescence**

One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable for a continued



use; may be either functional or external. (Dictionary, 5th Edition)

**Parking Ratio**

A ratio of parking area or parking spaces to an economic or physical unit of comparison. Minimum required parking ratios of various land uses are often stated in zoning ordinances. (Dictionary, 5th Edition)

**Rentable Area**

For office buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion

**Scope of Work**

The type and extent of research and analyses in an assignment. (Dictionary, 5th Edition)

**Stabilized Occupancy**

An expression of the expected occupancy of a property in its particular market considering current and forecasted supply and demand, assuming it is priced at market rent. (Dictionary, 5th Edition)

**Tenant Improvements (TIs)**

1. Fixed improvements to the land or structures installed and paid for use by a lessee.
2. The original installation of finished tenant space in a construction project; subject to periodic change for succeeding tenants. (Dictionary, 5th Edition)

**Vacancy and Collection Loss**

A deduction from potential gross income (PGI) made to reflect income reductions due to vacancies, tenant turnover, and

of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice. (Dictionary, 5th Edition)

**Replacement Cost**

The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout. (Dictionary, 5th Edition)

non-payment of rent; also called vacancy and credit loss or vacancy and contingency loss. Often vacancy and collection loss is expressed as a percentage of potential gross income and should reflect the competitive market. Its treatment can differ according to the interest being appraised, property type, capitalization method, and whether the property is at stabilized occupancy. (Dictionary, 5th Edition)