

AREA & NEIGHBORHOOD ANALYSIS

DEVON
BANK

The objective of this section is to evaluate the key economic and demographic variables that influence and contribute to the demand for real estate within the subject's market area.

CHESTER COUNTY

The subject is located in the eastern sector of Chester County, one of three suburban counties west of the City of Philadelphia. Chester County was originally an agriculturally based area but those municipalities located in the eastern portion of the county paralleling Route 202 are the most densely developed and heavily populated areas, now suburban communities.

Located in the southeastern portion of the state, Chester County is one of four Pennsylvania counties located within the Philadelphia metropolitan area. It is bordered by Lancaster County to the west; Berks and Montgomery Counties to the north; Delaware County and New Castle County, Delaware to the east; and Cecil County, Maryland to the south.

During the late 1950s and early 1960s following the construction of the Schuylkill Expressway, commercial and residential development growth was initiated in the King of Prussia/Valley Forge area of Montgomery County, approximately 20 minutes' drive east of the subject. Subsequently, King of Prussia and the surrounding neighborhoods of Upper Merion, and Tredyffrin Township in Chester County, have experienced phenomenal growth patterns. As a result, Route 202, which serves as a connecting link between the Valley Forge turnpike interchange and the Schuylkill Expressway, southward to the city of Wilmington, DE, has served as a focal point of additional development activity. Briefly, numerous office and business parks were developed along Route 202 and with the advent of electronics and the computer age, numerous service-related industries became concentrated in this area to the point where it became known as the Route 202 High-Tech Corridor.

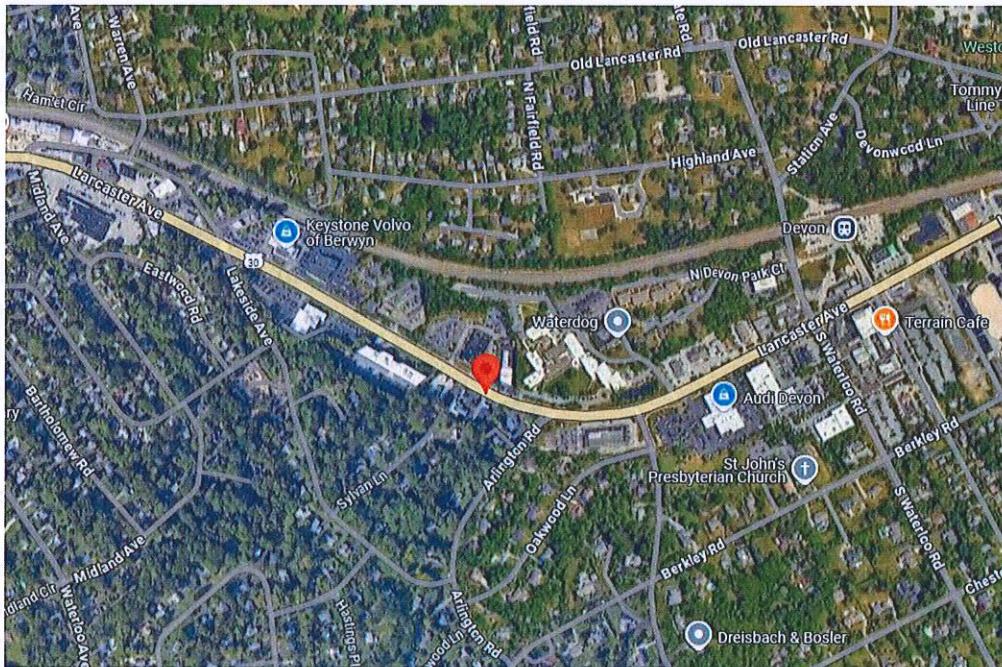
During the late 1970s, Willard Rouse began development of an ambitious project on Route 29 just north of its interchange with Route 202 in the Malvern area of East Whiteland Township. Known as the Great Valley Corporate Center, this massive complex of over 600 acres soon became the spawning grounds for various service-related industries requiring professional office space and light industrial space. Subsequently, other office parks such as Chesterbrook and Westlakes, among others, began to emerge. As those tracts of land paralleling Route 202 that were appropriately zoned for office and industrial usage began to experience more intense development, area developers continued to move southward towards the West Chester/Exton areas.

Chester County's population increase over the last several decades has been significant, with continued increases expected. Income levels in Chester County have consistently increased over the last 40 years. Households and dwelling units have been increasing. Despite the residential, commercial and industrial development of the past decades, the county has retained much of its rural flavor and historical heritage. The transportation system and the

infrastructure of the county are sound, and the county's access to rich cultural and recreational offerings lead us to the opinion that the overall outlook for the county is good.

In conclusion, Chester County has witnessed rapid growth in all areas of residential, commercial, and industrial development over the past few decades, primarily in its eastern municipalities paralleling the Route 202 Corridor. The most intensive development areas have been situated along the major connectors of Routes 202, 30, 100, and the Pennsylvania Turnpike. By virtue of its strategic location adjacent to Montgomery County and, more particularly, in the path of the growing office and high-tech market broadly defined as the "Route 202 Corridor", this section of Chester County is expected to see continued activity in service and high-tech industries over the foreseeable future. The relative shortage of developable parcels and high land costs have begun a pattern of development west and south from Montgomery County into Chester County during the 1980's, and this trend can be expected to continue.

AERIAL OF SUBJECT PROPERTY



Easttown Township

More specifically, the subject is located at the borderline of the Devon and Berwyn neighborhoods of the township, with the communities of Strafford and Wayne to the east, along with Paoli, Malvern, Great Valley and Exton to the west. This is a **very affluent** residential location developed primarily with executive caliber single family homes and small estate properties.

This area of the *western Main Line* is a very desirable locale encompassing portions of several municipalities, namely Easttown, Willistown, Tredyffrin and Newtown townships. The general neighborhood boundaries are Wayne to the east, the county borderline and Waynesborough Country Club to the south, the Malvern postal area to the west, and US Route 202 to the north.

On a larger scale, Easttown & Tredyffrin are considered part of the Upper Main Line of suburban Philadelphia, and is bordered by other well-established communities such as Radnor Township to the east, Willistown township to the west, Newtown to the south, and Tredyffrin township to the north. Easttown had a population count of 10,984 as of the 2020 Census, and encompasses a land area of 8.2 square miles.

The township's land area is more than three-quarters developed, with the majority of remaining development sites being in its western and northwest sectors. Zoning throughout much of the township is designated as residential. This holds true for the subject's immediate locale, though parcels fronting on Lancaster Avenue (US Route 30) are commercially developed.

According to information published by the Chester County Planning Commission, the Township's *per capita income* and *median family income* figures place Easttown in the top five municipalities of the entire metropolitan area. Coupled with moderate growth projections for population, the outlook is favorable in terms of demographics.

More specifically, Lancaster Avenue (US Route 30) is the primary commercial artery of Easttown. There is a wide variety of land uses in the immediate vicinity, including a concentration of auto dealerships such as the Fred Beans Volkswagen across the street, the "Keystone Berwyn Volvo" just to the west, a Porsche [#311] & Tesla dealerships (east & west, respectively), *Ineos Grenadier*, Audi & BMW of Devon, Maserati, along with numerous professional offices (Kadan Orthodontics & Bright Smiles Kids Dentistry next door #410) and neighborhood retail outlets, etcetera. Also next door (#420) is a vacant (former Dairy Queen) store. The SEPTA & Amtrak rail lines run along the rear boundary of the properties on the opposite (north) side of the road, but the surrounding neighborhood is predominantly residentially developed.

In conclusion, the subject is located within one of the most affluent and desirable townships in Chester County. The neighborhood offers an excellent package of amenities, and its proximity to surrounding employment centers and retail facilities should continue to foster a healthy real estate market during the foreseeable future.

SITE ANALYSIS

The site is almost rectangular, situated on the south side of West Lancaster Avenue (US Route 30) as illustrated by the preceding aerial photo. It has 160 feet of road frontage, extending 175 feet in depth, resulting in a land area of approximately 28,000 square feet, or **0.64 acre**.

The site is prominent and enjoys heavy traffic exposure as Lancaster Avenue at this point is an undivided four-lane highway. The property has two double-width driveways, concrete street curbs (no sidewalks), a bollard mounted road sign, and newer bituminous asphalt paving that wraps around the building. There are 31 lined asphalt paved parking spaces and privacy fencing along both side yards as well as a decorative CMU (& cedar fencing) retaining wall running along the rear boundary line.

The site is serviced by public utilities, including natural gas, electric, telephone, cable, and public sewer & water. The topography is basically level with road grade.

As indicated by the FEMA flood hazard rating map appended to this report, the site does **not** lie within the 100-year designated flood plain. Neither adverse easements nor encroachments were observed.

In conclusion, the site is professionally landscaped and very well maintained. Its frontage on a major traffic arterial with access from both east and westbound lanes of traffic is conducive to its commercial marketability. The land-to-building ratio (9.6:1) is favorable, along with ample on-site parking capacity, enhancing its market appeal.

IMPROVEMENTS ANALYSIS

The improvements consist of a single-story freestanding Key Bank branch comprising **2,916 square feet** above-grade based on my field measurements (see Building Sketch on next page). County assessment records cite it as 2,934 SF. The age of the structure is estimated at 55 years but it has been significantly modified / renovated over the last 20 years. Apparently, it was originally a Burger King restaurant (circa 1969). As previously mentioned, it has operated as a bank branch for at least 20 years.

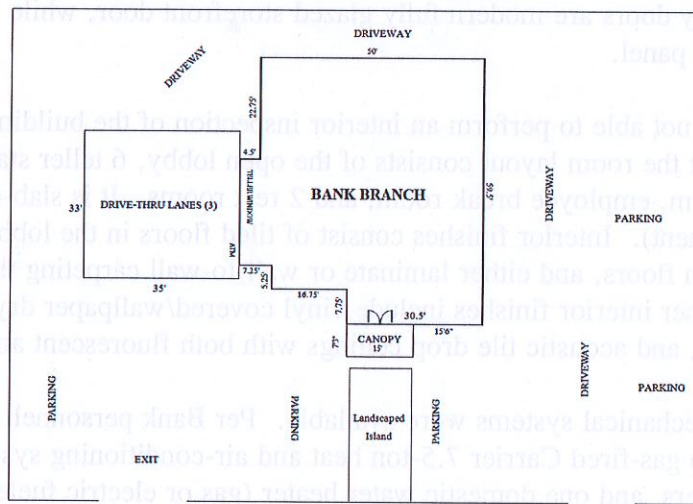
The exterior of the building is stucco / drivit, with tinted insulated glazing (windows), and sloping roofs covered with a combination of standing seam metal and fiberglass shingle (drive-thru). The front entry doors are modern fully glazed storefront door, while the rear & side doors are flush metal panel.

As mentioned, I was not able to perform an interior inspection of the building. An employee verbally reported that the room layout consists of the open lobby, 6 teller stations, 4 private offices, a storage room, employee break room, and 2 rest rooms. It is slab-on-grade foundation (no basement). Interior finishes consist of tiled floors in the lobby, VCT or ceramic tile bathroom floors, and either laminate or wall-to-wall carpeting throughout the remaining areas. Other interior finishes include vinyl covered/wallpaper drywall partitions, vinyl baseboard trim, and acoustic tile drop ceilings with both fluorescent and recessed lights.

Limited details on mechanical systems were available. Per Bank personnel, the HVAC is a newer (2017) rooftop gas-fired Carrier 7.5-ton heat and air-conditioning system, with 200-amp electric circuit breakers, and one domestic water heater (gas or electric fueled). There should also be a security alarm with video surveillance and a hard-wired smoke/fire alarm system but no sprinklers.

In summary, the building appears to be in *very good physical condition*. It is significant to note that the bank features a three-lane drive-thru facility, which is a necessity for modern bank branch design. There is also an exterior drive-thru automated teller machine (ATM). Nevertheless, the subject's size and exterior design / appearance would also be conducive to conversion to professional office use, or possibly retail-commercial purposes.

BUILDING SKETCH



W. LANCASTER AVENUE

TOTAL Sketch by a la mode

TAX AND ASSESSMENT ANALYSIS

The property is assessed for real estate tax purposes by the County, identified as parcel number 52-02M-0192.01A on the County's tax assessment records. For the current year, the assessed value is \$681,500, of which \$208,690 is ascribed to the underlying land.

CURRENT TAX RATES PER \$1,000 OF ASSESSED VALUE	
Chester County	5.1640
Easttown Township	5.4000
<u>Tredyffrin-Easttown School District</u>	<u>29.6567</u>
Total Millage	40.2207

Based on the new Commonwealth STEB ratio (31.84%) in effect for the County, the present assessment equates to an *implied* fair market value of approximately \$2,140,389 for the property. To determine the real estate taxes, the current tax rate of 40.2207 per \$1,000 of assessed value is applied to the assessment, resulting in annual real estate taxes of \$27,410 (\$9.40/sf).

We are aware of no other special municipal assessments planned at this time, and the valuation assumes that the real estate taxes are paid up to date.

TAX MAP: 2M LOT: 192.1A



ZONING ANALYSIS

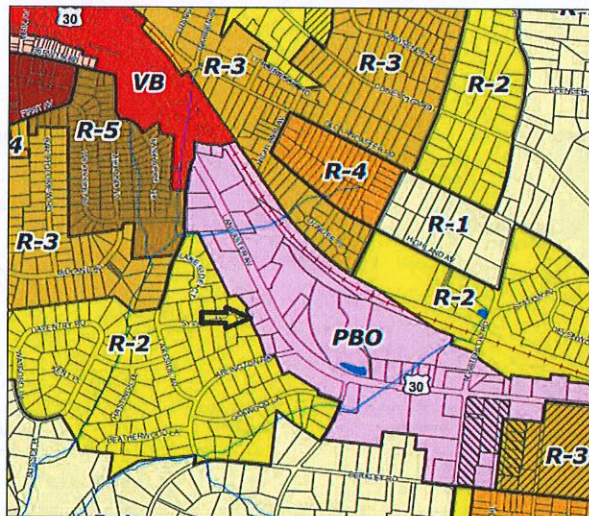
The property lies within the “PBO District – Planned Business Office District”. This District is intended to provide for a range of retail-commercial and service type business activities.

Uses permitted *by right* for properties less than one-acre in size include bank &/or financial institutions, business and professional offices, personal service commercial uses such as barber or hairdresser, laundromat or dry cleaner, retail-commercial uses, and “any use of the same general character” as above. As such, land uses such as wholesale trade or business, grocery stores, funeral homes, auto car washes, apartment buildings, and various other uses such as light industrial and institutional properties are not permitted. Other uses are also provided for as *conditional uses* (on lots of 1-acre or more) but only when authorized by the Township Board of Supervisors.

PBO DISTRICT – DIMENSIONAL STANDARDS	
Minimum lot size	Not specified
Minimum lot width:	100 feet
Minimum Front/Side/Rear Yard Setback:	40 feet / 20 feet / 25 feet
Maximum Building Height:	35 feet
Maximum Impervious Coverage:	65%
Maximum Building Footprint:	n/a

The improvements appear to represent a *legal nonconforming use* within this District as it does not conform with the required impervious coverage ratio nor to the side yard setback on its east boundary. It is assumed that there are no other public nor private controls limiting the use of the land and/or improvements.

ZONING MAP



PHOTOGRAPHS OF SUBJECT PROPERTY

FRONT ELEVATION & DRIVEWAY CURB CUT



N/E/C OF BUILDING & DRIVE-THRU



PHOTOGRAPHS OF SUBJECT PROPERTY

REAR OF DRIVE-THRU CANOPY



PARKING LOT - WEST SIDE OF PROPERTY

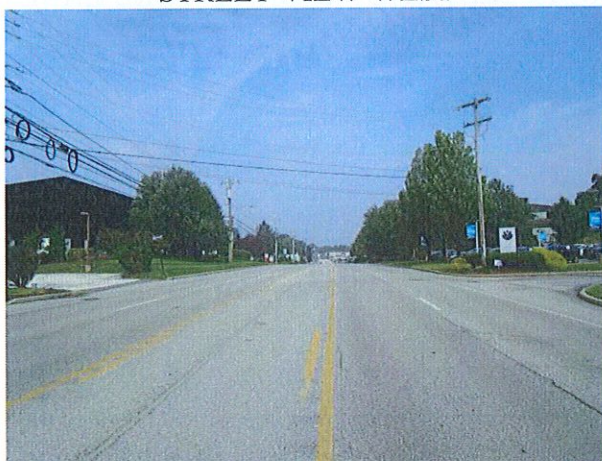


SUBJECT PROPERTY PHOTOGRAPHS

LANCASTER AVE. VIEW EASTBOUND



STREET VIEW WEST



PYLON SIGN



SUBJECT PROPERTY PHOTOGRAPHS

REAR S/E/C OF BUILDING



REAR ELEVATION & DRIVE-THRU LANES



DRIVE-THRU WINDOW & ATM

