

At the request of

DL Craig Investments, LLC

**An Appraisal of**

**A Commercial Land Tract  
1056 Lawrenceville Highway  
Lawrenceville, Georgia 30046**

**as of July 1, 2022**



Written and Prepared By  
Crossroads Appraisal Group, Inc.

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**CERTIFICATION OF APPRAISER(S)**

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

1. An appraisal and site visit have been made of a commercial land tract located at 1056 Lawrenceville Highway, Lawrenceville, Georgia 30046.
2. 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 opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal.
3. The statements of fact contained in the report are true and correct. No pertinent information has knowingly been withheld.
4. 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.
5. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
6. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
7. 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.
8. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Georgia Real Estate Appraiser Classification and Regulation Act and the Rules and Regulations of the Georgia Real Estate Appraisers Board.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. The property appraised was visited by Kevin Lyon on July 1, 2022. I have not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
12. No one provided significant real property appraisal assistance to the person(s) signing this report.
13. The Appraisal Institute conducts a voluntary program of continuing education for their designated members. As of the date of this report, Kevin Lyon has completed the continuing education program for Designated Members of the Appraisal Institute.
14. The State of Georgia conducts voluntary licensing of real estate appraisers. As of the date of this report, Kevin Lyon has completed all requirements for education, appraisal experience, and testing, and holds a valid license as a Certified General Real Property Appraiser (License #311781). The use of this report is subject to the requirements of the State of Georgia relating to review by the Real Estate Appraisal Board.



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Crossroads Appraisal Group, Inc.  
Kevin A. Lyon, MAI  
Certified General Appraiser #CG 311781

**ASSUMPTIONS AND LIMITING CONDITIONS**

The certification of the appraiser appearing in this appraisal report is subject to the following conditions and to such other specific and limiting conditions as set forth by the appraiser in the report. The use of these assumptions and limiting conditions might have affected the assignment results. In addition, the use and acceptance of this report indicates that the client accepts these assumptions and limiting conditions.

The appraiser is not a professional property inspector, and this appraisal report is not a property inspection. The appraiser only performed a visual observation of accessible areas, and the appraisal report cannot be relied upon to disclose conditions and/or defects in the property. The client is advised to hire a professional property inspector for a more thorough analysis of the physical condition of the property.

The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.

It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.

The appraiser is not an expert in the field of environmental hazards, so this appraisal report must not be considered as an environmental assessment of the property.

The appraiser has made no survey of the property. The appraiser is not a surveyor and makes no guarantees, express or implied, regarding this determination.

The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil or structures which would render it more or less valuable. The appraiser assumes no responsibility for any such conditions or for engineering which might be required to discover such factors.

The appraiser is not qualified to detect the existence of hazardous materials or other harmful substances, nor the existence of environmentally protected plants and wildlife which may be present on or in the property. The presence of substances such as asbestos, urea-formaldehyde foam insulation, lead based paint, gases, or other potentially hazardous materials may affect the value of the property. The value opinion is predicated on the assumption that there are no such materials, substances, or environmentally protected plants, wildlife, etc., on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.

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

Information, engineering, estimates, and opinions furnished to the appraiser and contained in this report were obtained from sources considered reliable and believed to be true and correct.

However, no responsibility for accuracy of such items furnished to the appraiser can be assumed by the appraiser.

No test borings or type and analysis of sub-soils were made or caused to be made by the appraisers. Soil of the parcel under appraisal appears typical of the area and subsidence in the area is unknown. The appraiser, however, cannot warrant against such conditions or occurrences.

The appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the appraiser render any as to the title, which is assumed to be good and marketable.

The property is appraised as though under responsible ownership and competent management.

The appraiser is not required to give testimony or appear in court because of having made this appraisal, with reference to the property in question, unless arrangements have been previously made thereof.

Any sketches, plans, or photographs appearing in this report are included to assist the reader in visualizing the property, and the appraiser assumes no responsibility for their accuracy or interpretive quality.

Any tracts that, according to survey, map or plat, indicate riparian and/or littoral rights, are assumed to go with the property unless easements or deeds are found by the appraisers to the contrary.

Any distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. Any separate valuations for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.

It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined and considered in the appraisal report.

It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value opinion contained in this report is based.

Sub-surface rights (mineral, oil, or water) were not considered in this report.

Unless specifically stated in the report, the appraiser did not determine the flood plain status of the property appraised other than referencing flood plain maps published by the Federal Emergency Management Agency. If such data is available, it is recommended it be obtained prior to any development that might be contemplated.

The Americans with Disabilities Act of 1990 (ADA) went into effect in January 1992. The appraiser is not an expert with regards to ADA requirements and has not made a specific

compliance survey of the property under review. Neither the client nor the property owner has provided information indicating any impending improvements designed to meet ADA requirements. In addition, the appraiser has not determined whether or not the subject property is in compliance and conformity with the various detailed requirements of the ADA. Therefore, this analysis does not consider possible non-compliance, if any, with the requirements of ADA in estimating the value of the property.

Neither all nor part of the contents of this report, or copy thereof (conclusions as to property value, the identity of the appraisers, professional designations, reference to any professional appraisal organizations, or the firm with which he is connected) shall be used for any purposes by anyone but the applicant or their assigns without the previous written consent of the appraiser; nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales or other media without the written consent and approval of the appraiser.

Possession of this report, or a copy thereof, does not carry with it the right of publication.

Consideration for preparation of this appraisal report is payment in full by the employer of all charges due the appraiser in connection herewith. Any responsibility by the appraiser for any part of this report is conditioned upon full and timely payment

#### **Extraordinary Assumptions**

- None

#### **Hypothetical Conditions**

- None

#### **COVID-19 Statement**

The global outbreak of a “novel coronavirus” known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO). The reader is cautioned, and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of any unforeseen event, subsequent to the effective date of the appraisal.

## SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

Date of Report:	July 22, 2022
Effective Valuation Date:	July 1, 2022
Property Address:	1056 Lawrenceville Highway Lawrenceville, Georgia 30046
Legal Description:	Located in the addenda section
Property Description:	A 2.45 acre commercial land tract along Lawrenceville Highway in the city of Lawrenceville in Gwinnett County improved with a dated residence
Tax Map Code:	R5110 002
Flood Zone:	The property appears to be located in Zone X, an area that has been determined to be above flood elevation (see page 14).
Zoning:	B-G, General Business District, City of Lawrenceville

### Highest and Best Use

As Vacant:	Commercial
As Improved:	Commercial
Current Use and Use Value is Based On:	Vacant commercial land tract with converted residence

### Summary of Value Conclusions

<i>Market Value Premise:</i>	<i>As Is</i>
<i>Property Rights Appraised:</i>	<i>Fee Simple</i>
<i>Effective Valuation Date:</i>	<i>July 1, 2022</i>
Sales Comparison Approach	\$530,000
<b>Final Value Conclusion:</b>	<b>\$530,000</b>

## SCOPE OF THE APPRAISAL

Category:	Comments
Definitions for report:	See glossary in Addendum C
Report Type:	Appraisal Report, in accordance with Standards Rule 2-2(a) of USPAP
Intended User:	The intended user is my client, and there are no other intended users. The report may not be used or relied upon by any other party. Any party who uses or relies upon any information in this report, without the preparer's written consent, does so at their own risk.
Intended Use:	The intended use is to assist in establishing a price point for a potential sale, and there are no other intended uses.
Type of value:	As is market value
Effective Value Date:	July 1, 2022 (as is)
Prop Rights Appraised:	Fee simple interest
Standards Followed:	USPAP, AI's Standards of Professional Practice & Code of Ethics, FIRREA
Appraiser Competency:	Appraiser meets the competency provisions of USPAP for this assignment; appraiser's qualifications located in the addenda section
Property Identification:	From client, public records and physical tour of the property
Site Visit:	I visited the site on July 1, 2022, and I walked the site, noting site characteristics.
Site Size/Dimensions:	Acreage quoted herein obtained from my client
Improvements:	The existing improvements were not measured as the residence is dated and in poor condition and adds no value to the site.
Research:	Reviewed the micro and/or macro market environments with respect to physical and economic factors relevant to the valuation process which included interviews with local market participants, available published data, and other various resources. Research of current sales and carrying expenses was conducted to develop an opinion of value as defined herein. Conducted regional and/or local research with respect to applicable tax data, zoning requirements, flood zone status, demographics, comparable sales data, ownership and other pertinent data.
Valuation Method(s) Used:	Sales comparison approach only; the income and cost approaches are generally not applicable when appraising a commercial land tract in this market, and they were thus omitted.
Report Production:	The final phase of the assignment was to produce an Appraisal Report that describes each of the aforementioned topics and establishes the requested market value opinion(s) of the subject property. The following pages summarize the market, including the relevant property characteristics of the subject, and the analyses employed by the appraiser(s) in order to derive a value opinion.

## OWNERSHIP AND HISTORY OF THE PROPERTY

The owner of record is DL Craig Investments, LLC, and the property appears to have been owned by this family for a number of decades. No market transactions were identified involving the subject property over the last 36 months, and no current agreements of sale, options or listings were noted.



## ASSESSED VALUE & TAXATION

### *Property Tax Summary*

Tax ID	Address	Tax Values			Acres	Total Taxes	Taxes/ AC
		Land	Improv	Total			
R5110 002	1056 Lawrenceville Hwy	\$575,900	\$1,000	\$576,900	2.45	\$7,569	\$3,089

*Source: Gwinnett County Tax Assessor and Tax Commissioner, City of Lawrenceville*

The subject property was valued for tax purposes and taxed in 2021 as displayed above.

## MARKET ANALYSIS

For this assignment, a market analysis relying on inferred projections based on historical data was performed. Such an analysis employs area-wide data on a general property type which is then used to project the future direction of the market as well as the appraised property's ability to capture future demand. The four steps employed to complete the market analysis for this assignment are as follows:

- 1) Analyze property productivity
- 2) Delineate market area
- 3) Analyze supply and demand
- 4) Forecast subject capture and summarize market direction

### *Analyze Property Productivity*

The property productivity analysis begins with an analysis of the site, including the relevant zoning requirements, and the improvements, followed by a summary comparison of the relevant property characteristics to the market typical.

*Immediate Area* - The subject property is situated along Lawrenceville Highway about 1.5 miles southwest of historic downtown Lawrenceville in the city of Lawrenceville in Gwinnett County. The main thoroughfares in this area, including Lawrenceville Highway, are improved with a mix of anchored and unanchored retail centers, office, government uses and a variety of service-oriented commercial type uses. Retail typically dominates the areas surrounding prime intersections, and the interior sections are typically a variety of office, government and service-oriented commercial uses. Overall, the subject property has a suitable commercial/service type location situated along an interior section of Lawrenceville Highway, and it would likely appeal to a variety of commercial users. Another potential use would be to assemble the land with surrounding land tracts for a larger scale commercial or potentially high density residential development.

### SITE DATA

Lot Size:	2.45± acres
Corner vs Interior:	Interior
Road Frontage:	Adequate and typical
Shape & Dimensions:	Mostly regular with good utility
Topography:	Gently sloping/rolling throughout
Curb-cuts:	1 into Lawrenceville Highway
Access:	Adequate and typical; there is no median divider
Visibility:	Good
Traffic Counts:	18,492 vpd along Lawrenceville Highway
Parking:	N/A
Utilities:	All utilities necessary for development are reportedly available to the site
Police & Fire:	City of Lawrenceville
Easements:	No easements that are detrimental to the site as improved are known to exist
Subsoil:	Assumed no detrimental subsoil conditions
Flood Zone:	Zone X outside FEMA flood plain - see the flood map at the end of this section
Other Notes:	None

### Tax Plat/Aerial



### **Zoning Requirements**

<b>Zoning District:</b>	B-G, General Business District, City of Lawrenceville
<b>Intent/Purpose:</b>	This district is intended to provide for a wide range of retail and service establishments.
<b>Permitted Uses:</b>	Permitted uses under the BG zoning ordinance include a wide variety of retail, office and service-oriented commercial uses.

#### *Lot Development Standards*

Use	Lot Area Min.	Lot Width Min.	Front Setback	Min. Side Setback	Min. Rear Setback	Impervious Surface Coverage	Max. Height
Principal	None	None	50 ft.	10 ft.	10 ft.	95%	35 ft.

<b>Parking:</b>	(a) Office: 1 per 300 sf of GFA (b) Retail Sales and Service - Uses less than 10,000 SF GFA - 1 per 300 SF GFA Uses 10,000-50,000 SF GFA - 1 per 400 SF GFA Uses greater than 50,000 SF GFA - 1 per 500 SF GFA (c) Restaurants - 1 per 2.5 seats
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*Source: City of Lawrenceville County Zoning Ordinance*

#### **Conclusions**

The subject site is zoned B-G, and it can accommodate a wide variety of retail, office and service-oriented commercial type uses. Visibility is good, access is adequate and transportation linkages are favorable with access to area thoroughfares and surrounding residential areas. The size and dimensions of the site are adequate for a variety of uses, and all utilities necessary for development are available.

Street scenes are displayed on the next page followed by the flood map and photos of the subject land.

### **DESCRIPTION OF THE IMPROVEMENTS**

#### *General Details*

<b>Type:</b>	Single-family residence
<b>Building Size:</b>	1,260 square feet (per the Tax Assessor)
<b>Year Built:</b>	1930
<b>Conclusions:</b>	The improvements appear to have been vacant for a number of years, and the structure is in poor condition. Based on land values for similarly located commercial land tracts in this market, the improvements add no value to the site.

*Street Scenes - Lawrenceville Highway*



### Flood Map



<p><b>PIN</b></p> <ul style="list-style-type: none"> <li>Approximate location based on user input and does not represent an authoritative property location</li> </ul> <p><b>MAP PANELS</b></p> <ul style="list-style-type: none"> <li>Selected Floodway Boundary</li> <li>Digital data Available</li> <li>No Digital Data Available</li> <li>Unmapped</li> </ul> <p><b>NO SCREENS</b></p> <ul style="list-style-type: none"> <li>Area of Minimal Flood Hazard Zone X</li> <li>Effective LORRs</li> <li>Area of Undetermined Flood Hazard Zone D</li> </ul>	<p><b>SPECIAL FLOOD HAZARD AREAS</b></p> <ul style="list-style-type: none"> <li>Without Base Flood Elevation (BFE) Zone A, D, AH</li> <li>With BFE or Depth</li> <li>Regulatory Floodway Zone AE, AD, AH, VE, AR</li> </ul> <p><b>OTHER AREAS OF FLOOD HAZARD</b></p> <ul style="list-style-type: none"> <li>0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X</li> <li>Future Conditions 1% Annual Chance Flood Hazard Zone X</li> <li>Area with Reduced Flood Risk due to Levee, See Notes, Zone X</li> <li>Area with Flood Risk due to Levee Zone D</li> </ul>	<p><b>OTHER FEATURES</b></p> <ul style="list-style-type: none"> <li>Cross Sections with 1% Annual Chance Water Surface Elevation</li> <li>Coastal Transsect</li> <li>Base Flood Elevation Line (BFE)</li> <li>Limit of Study</li> <li>Jurisdiction Boundary</li> <li>Coastal Transsect Baseline</li> <li>Profile Baseline</li> <li>Hydrographic Feature</li> </ul> <p><b>GENERAL STRUCTURES</b></p> <ul style="list-style-type: none"> <li>Channel, Culvert, or Storm Sewer</li> <li>Levee, Dike, or Floodwall</li> </ul>
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Source: FEMA

*Subject Photographs*



*Subject Photographs*



*Strengths vs Weaknesses of the Subject Property*

The grid below summarizes the characteristics of the subject property discussed on the prior pages and ranks them versus the typical competition (smaller commercial land tracts in Gwinnett County) which helps establish the strengths and weaknesses, and the rankings are based on the appraiser's observations of the market and competition.

<i>Property Rating vs Market Typical</i>							
	Inferior			Typical	Superior		
	High	Moderate	Slight	Neutral	Slight	Moderate	High
<b>Site</b>							
Size				X			
Location					X		
Access				X			
Visibility				X			
Traffic Counts				X			
Transportation Linkages				X			
Shape				X			
Topography				X			
Overall Utility				X			
Utilities				X			
Curb Cuts				X			
<b>Building Improvements</b>							
Existing Improvements				X			
Interim Use				X			
<i>Rating Conclusions</i>							
Sub-rate number of items	0	0	0	12	1	0	0
Times category score	0	2	4	5	6	8	10
Category score	0	0	0	60	6	0	0
Total subject score				66			
Total factors rated				13			
<b>Percentage above or (below) all neutral</b>				<b>24%</b>			
<b>Strengths:</b>	Exposure location along Lawrenceville Hwy, 1.5 miles from downtown Lawrenceville						
<b>Weaknesses:</b>	None noted						
<b>Conclusion:</b>	Overall, the subject is ranked just above average as compared to the market typical. All other features of the subject property are typical as compared to similarly located competitive properties in this market, and it should be able to capture its pro-rata share of demand going forward.						



## Macro Market

Atlanta is the principal city in the 29 county metropolitan area known as the Atlanta-Sandy Springs-Marietta, GA MSA. Presently, the metropolitan statistical area is comprised of over 130 municipalities, incorporating twenty-nine counties: Barrow, Bartow, Butts, Carroll, Cherokee, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Haralson, Heard, Henry, Jasper, Lamar, Meriwether, Morgan, Newton, Paulding, Pickens, Pike, Rockdale, Spalding and Walton counties. A summary of the population and income demographics within Atlanta's MSA is displayed below.

<i>Demographics - Atlanta MSA</i>				
	Census		ESRI Forecasts	
	2010	2022	2027	% Annual Change
<b>Population</b>	5,286,722	6,268,860	6,484,396	
Annual Growth Rate 2010-2022				1.43%
Projected Annual Growth Rate 2022-2027				0.68%
<b>Households</b>	1,943,881	2,326,943	2,409,578	
Annual Growth Rate 2010-2022				1.51%
Projected Annual Growth Rate 2022-2027				0.70%
Median HH Income		\$78,869	\$94,328	
Average HH Income		\$112,721	\$131,897	
Projected Annual Growth Rate, Avg Inc 2022-2027				3.19%
<b>Other Factors</b>				
Median Age		36.8 yrs		
Median Home Value		\$285,098		
<i>Source: U.S. Census Bureau, Census 2010 Summary File 1; ESRI forecasts for 2022 and 2027</i>				

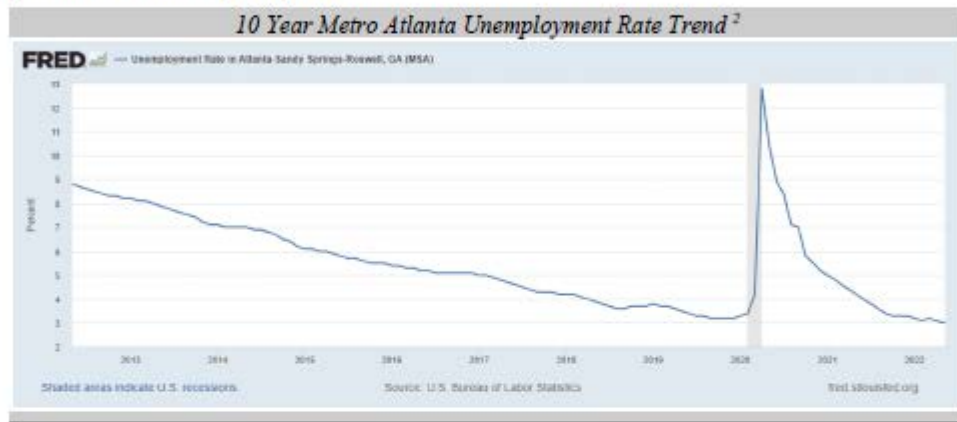
As displayed above, the macro area was expanding steadily from 2010 to 2022 with expansion projected to continue but at a lower annual rate through 2027. In terms of income demographics, the projected annual growth for this next few years is 3.19%, which is below 2021 projected inflation rates in 2022 and just above 2023 (4.3% in 2022; 2.7% in 2023 - source: Federal Open Market Committee (FOMC) via knoema.com) indicating that some real income growth is projected to resume in 2023.

*Metro Atlanta Employment Data* - Between 2000 and 1989, metro Atlanta added an average of 31,400 jobs per year. Over the ten years prior to the 2008 recession, Atlanta's job growth was dominated by the service sector and this trend is expected to continue in the post recovery years. Atlanta's employment growth was negative in 2009-2010 losing 152,300 jobs over that two year period.<sup>1</sup> In 2011, job losses crested and unemployment dropped and was generally improving, reaching a post recession low up until March 2020, prior to the onset of the pandemic. A 10 year metro employment trend is displayed on the next page.

From 2011 to March 2020 and subsequent to the 2008-2009 recession, unemployment was trending positive in metro Atlanta. However, the recent COVID-19 pandemic had a substantial negative effect on unemployment throughout the United States due in large part to the shut

<sup>1</sup>Source: Georgia State University EFC, Dr. Rajeev Dhawan

downs and shelter-in-place orders that were implemented throughout the country. As shown below, unemployment spiked in April to 12.8% in the Atlanta MSA. However, the employment numbers since May 2020 are indicating that the job market bounced back quickly since the economy in Georgia began to reopen at the end of April 2020, and unemployment in the MSA is back to 3.0%. On the other hand, the US economy has been experiencing significant inflation since 2021, and rising interest rates are a threat to slow economic growth and potentially affect jobs over the next couple of years.



*Conclusion* - Atlanta is considered Georgia's most desirable city because of the pleasant climate, diverse lifestyles and robust job market and economy. Atlanta continues to attract newcomers who are younger, well educated and desire to reside in a city that meets the needs of growing families.

During the years following the 2008 recession, Atlanta's economy had to cope with and overcome major challenges resulting from the recession; however, the economy was thriving from around 2015 up until the start of the pandemic. Economists were predicting job growth to remain positive over the next few years, and future business growth in the metro Atlanta area was anticipated across most market segments. This growth in business and industry, as well as the area's concentration on attracting "appropriate" commercial and industrial developments, was expected to greatly improve the area's economic base and add important diversity and stability to the economy. While the COVID-19 pandemic has had broad reaching effects on the economy throughout the metro area, the state and the nation, Georgia reopened the majority of its economy at the end of April 2020, and since that time, most market segments have recovered and continue to record strong growth in terms of values. The metro Atlanta retail market is discussed beginning on the next page, and a map of the area is displayed at the end of this section.

<sup>2</sup><https://research.stlouisfed.org/fred2/series/ATLA013UR>



## QUICK SUMMARY:

- 365.9 million square feet
- Market vacancy rate: 4.2%
- Avg cap rate: 6.71%
- Quoted market rent: \$19.50/sf
- Avg 2021 sales price: \$131.53/sf

### Absorption, Deliveries & Under Construction



- In 2020, net absorption was negative for the first time since the 2008 recession. The 2nd & 3rd quarters caused the year to be negative. However, there has since been six straight quarters of positive net absorption with 2021 setting the seven year high.

## Atlanta's Macro Retail Market



### Vacancy Trends



- Vacancies ticked up 40 basis points in 2020 as a result of the COVID-19 pandemic. However, the trend reversed in 2021 which recorded a seven year low and has continued into 2022.

### Rent Growth



- Rental Rates are at a seven year high. A positive sign is the fact that the worst of the pandemic has passed and rent growth slowed but never went negative. Although, the rate of growth slowed in the 1st quarter 2022.

## Atlanta's Macro Retail Market



## Transaction Volume



- Despite the pandemic, 2020 sales were above the prior two years and 2021 set a seven year high. The 1st quarter 2022 is off to a slow start with a current annual pace of 228 sales.

## Valuation History



- Cap rates reached a seven year low and values a high in 2021. Values have pulled back slightly in the 1st quarter 2022 but on slow volume while cap rates continue their downward trend.

## Atlanta's Macro Retail Market



### Summary by Quarter

Running 8 Quarters	2020			2021				2022
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>Supply</b>								
Supply SF	360.3M	360.2M	360.5M	360.9M	361.3M	363.5M	363.9M	365.9M
Under Construction	1.7M	2.5M	2.4M	2.4M	2.0M	2.0M	2.2M	1.9M
Deliveries**	319k	329k	400k	274k	401k	440k	385k	762k
Demolitions**	-97k	-74k	-277k	-13k	-112k	-19k	-167k	-18k
Net Absorption**	-92k	-98k	300k	652k	752k	1.8M	1.1M	1.3M
<b>Sales</b>								
Transactions**	23	61	63	63	97	93	70	57
Average Price Per SF	\$ 113.26	\$ 115.11	\$ 104.80	\$ 131.27	\$ 140.76	\$ 129.23	\$ 175.17	\$ 131.33
Cap Rate	7.22%	7.32%	7.40%	7.39%	7.41%	7.26%	7.21%	6.71%
<b>Lease</b>								
Vacancy	5.3%	5.5%	5.4%	5.5%	5.2%	4.7%	4.7%	4.2%
Market Rent	\$ 17.70	\$ 17.50	\$ 17.75	\$ 18.07	\$ 18.44	\$ 19.02	\$ 19.37	\$ 19.50

\*\*Indicates a quarterly number

### CONCLUSION:

The quarterly data reflects the impact of the COVID-19 crisis with the biggest impact being in the 2nd quarter 2020 when the nation was locked down. Overall, in 2020, values and sales volume were down while vacancies were up. Furthermore, rent growth slowed. However, the tide turned in the 4th quarter 2020 and 2021 was characterized by declining vacancies and increasing values on significant historic volume. Overall, the retail market continues to be in transition as a result of the rise of e-commerce which was accelerated by the Pandemic. The general consensus is that the retail market will continue to face challenges, at least in the short term. Nevertheless, 2021 was a record year as the worst of the crisis appears to be well behind us. However, 2022 will face new challenges due to rising inflation and the planned interest rate hikes to offset said inflation. The 1st quarter 2022 figures might be indicating that a cooling off, at a minimum, has begun.



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Source: CoStar data, compiled and condensed by Crossroads Appraisal Group, Inc.

Area Map

29-COUNTY METROPOLITAN  
STATISTICAL AREA (MSA)



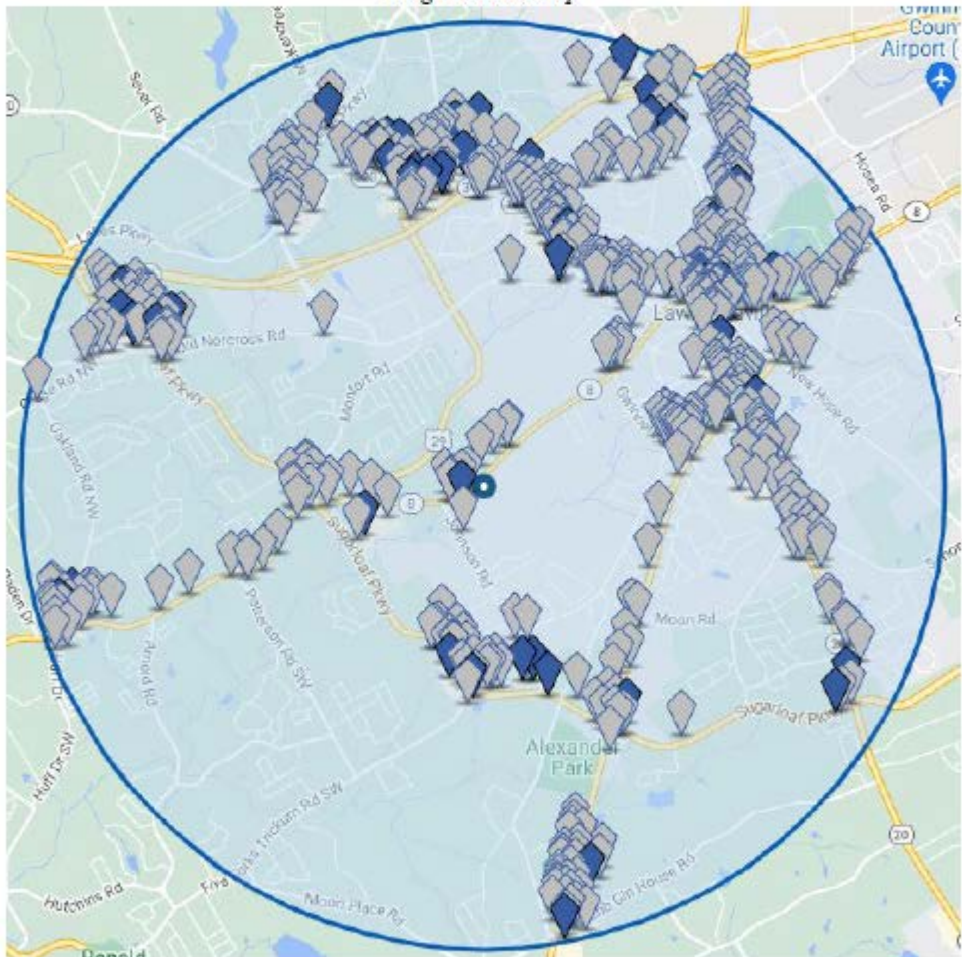
ATLANTA-SANDY SPRINGS-ROSWELL, GA MSA



## Neighborhood Analysis

**Neighborhood Parameters** - The subject property's neighborhood is defined as a three mile radius around the subject property, as displayed below, with the subject property's location noted by the blue circle in the center and all retail properties in the neighborhood noted by the blue and/or grey markers.

*Neighborhood Map*





### Neighborhood Retail Statistics

Market statistics are summarized below, and trend reports for vacancies and market rents are displayed on the next page.

INVENTORY SF	UNDER CONSTRUCTION SF	12 MO NET ABSORPTION SF	VACANCY RATE	MARKET RENT SF	MARKET SALE PRICE/SF	MARKET CAP RATE
7.4M <span>+0%</span>	0 <span>-</span>	148K <span>+312.4%</span>	3.4% <span>-2.0%</span>	\$21.32 <span>+6.9%</span>	\$187 <span>+8.4%</span>	7.2% <span>-0.1%</span>
Prior Period 7.4M	Prior Period 0	Prior Period 35.9K	Prior Period 5.4%	Prior Period \$19.95	Prior Period \$173	Prior Period 7.3%

Availability		Inventory		Sales Past Year		Demand	
Vacant SF	252K ↓	Existing Buildings	570 ↓	Asking Price Per SF	\$150 ↓	12 Mo Net Absorp % of Inventory	2.0% ↓
Sublet SF	4.5K ↓	Under Construction Avg SF	-	Sale to Asking Price Differential	-3.5% ↓	12 Mo Leased SF	203K ↓
Availability Rate	3.6% ↓	12 Mo Demolished SF	0 ↓	Sales Volume	\$219M ↓	Months on Market	12.0 ↓
Available SF	265K ↓	12 Mo Occupancy % at Delivery	-	Properties Sold	77 ↓	Months to Lease	8.7 ↓
Available Asking Rent/SF	\$16.55 ↓	12 Mo Construction Starts SF	0 ↓	Months to Sale	8.6 ↓	Months Vacant	9.7 ↓
Occupancy Rate	95.6% ↓	12 Mo Delivered SF	0 ↓	For Sale Listings	13 ↓	24 Mo Lease Renewal Rate	83.0% ↓
Percent Leased Rate	97.2% ↓	12 Mo Avg Delivered SF	-	Total For Sale SF	158K ↓	Population Growth 5 Yrs	5.0% ↓

**Inventory:** 7.4M square feet of space in 570 properties

**Vacancies:** Declining over the last decade; current level of 3.4%, a -2.0% change over the trailing 12 months

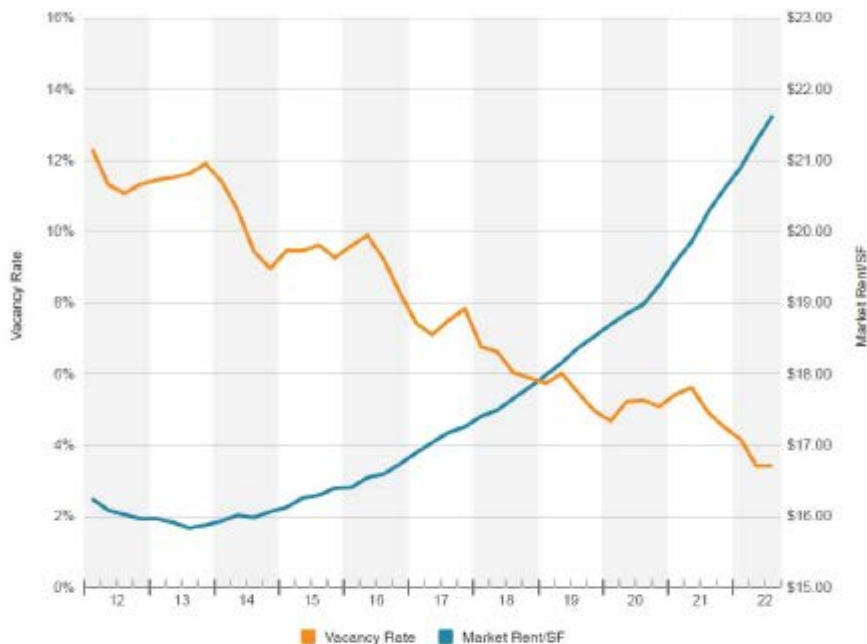
**New Construction:** None at the end of either the current or prior period; no new starts or deliveries over the trailing 12 months

**Market Rents:** Increasing since 2013 with no material negative effects during the pandemic; current level of \$21.32 per square foot, a +6.9% change over the trailing 12 months

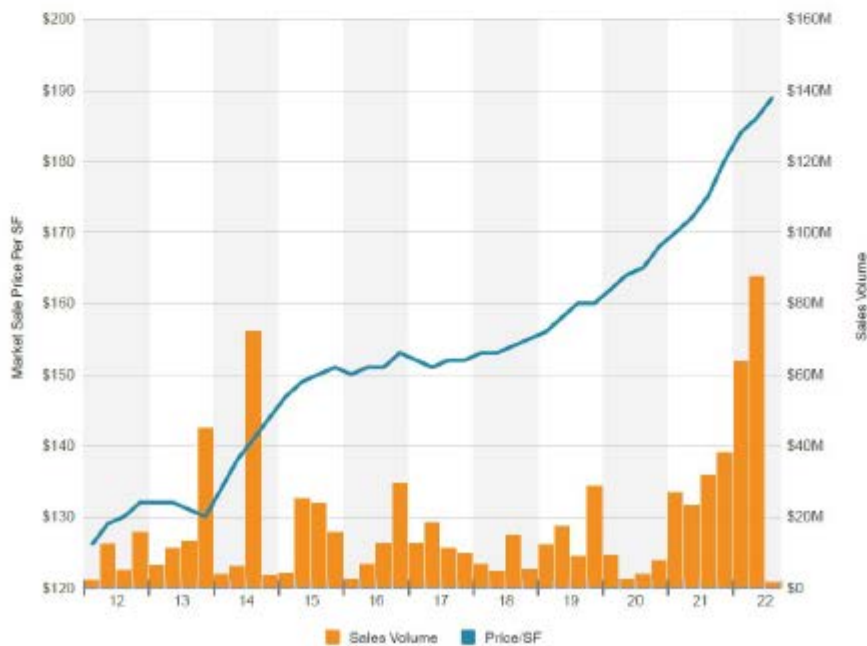
**Values:** Increasing since 2012 with no material negative effects noted during the pandemic; current level of \$187 per square foot, a +8.4% change over the trailing 12 months

**Conclusions:** The trends summarized above indicate a retail market that has been in an upward cycle over the last decade with no material negative effects from the pandemic. Lastly, the unemployment numbers have largely recovered over the last year since the economy reopened in Georgia, and US GDP increased by 33% in Q3 2020, 6% in Q4 2020, 6.4% in Q1 2021, 6.5% in Q2 2021, 2% in Q3 2021, 6.9% in Q4 2021 and -1.6% in Q1 2022. Overall, conditions are favorable for new construction at this time, but construction of new retail properties has been limited in this neighborhood in recent years.

### Vacancy & Market Rent Per SF



### Sales Volume & Market Sale Price Per SF



### Demand Generators

In this neighborhood, there are several primary demand generators that influence the value of industrial properties, and these include employment, available financing, highway proximity and demographics (population growth and income). Each was analyzed in an effort to forecast demand as part of this neighborhood analysis.

*Employment Data* - As discussed previously, metro Atlanta was near a post recession unemployment low prior to the recent onset of the pandemic, but unemployment spiked sharply in March and April 2020 due to the shelter-in-place order in Georgia. However, the economy in Georgia has rebounded quickly after the shelter-in-place order was lifted at the end of April 2020, largely due to the fact that the underlying fundamentals of the economy were very strong going into the pandemic. Unemployment since May 2020 has improved dramatically in metro Atlanta, which is a similar story for Gwinnett County, as displayed below.

<i>Employment Data</i>						
<u>Area</u>	<u>Employment Statistics</u>	<u>May 2022</u>	<u>April 2022</u>	<u>MTM Change</u>	<u>May 2021</u>	<u>YOY Change</u>
Gwinnett County	Civilian Labor Force	503,485	503,339	146	488,314	15,171
	Employed	491,369	492,574	-1,205	470,785	20,584
	Unemployed	12,116	10,765	1,351	17,529	-5,413
	Unemployment Rate	2.41%	2.14%	0.27%	3.59%	-1.18%

*Source: Georgia Department Of Labor*

*Financing* - Tight credit markets were an issue for several years after the 2008 recession, and from 2009 to 2011, the market was dominated by cash buyers. However, the credit markets began to loosen significantly in 2013, and they were continually improving up until the beginning of the pandemic which was having a positive impact on the real estate markets.

At the onset of the pandemic, the Fed set the Federal Funds Rate at 0%. The low interest rates have helped to head off the negative impact of the virus on the economy and stabilize the real estate markets and global economy, as well as encourage activity in the form of refinances and transactions to stimulate the economy.

However, the US economy is experiencing a 40 year high in inflation as a result of the dramatic amount of money printed and distributed by the FED, supply chain issues and other political and economic issues resulting from the handling of the pandemic. The FED has made known their plans to raise interest rates over the course of 2022, and the committee has enacted increases of 25, 50 and 75 basis points at their March, May and June 2022 meetings. Furthermore, the FED is continuing to indicate that future rate hikes are anticipated. Depending on the severity of the rate hikes over the remainder of the year, this could slow the real estate markets, especially the rate of market appreciation, over the near to mid term.

*Exposure/Access & Traffic Counts* - The subject is situated along a high traffic thoroughfare, Lawrenceville Highway, with traffic counts of 18,492 vehicles per day, which is good retail

exposure. Overall, this is a suitable retail/commercial location that could support a variety of commercial uses.

*Neighborhood Demographics* - As displayed below, this is a densely populated suburban neighborhood that continues to expand, but future projections through 2027 are below the average annual rates experienced since 2010.

<i>Neighborhood Demographics - 3 Mile Radius</i>				
	Census	ESRI Forecasts		
	2010	2022	2027	% Annual Change
<b>Population</b>	75,562	86,260	90,752	
Annual Growth Rate 2010-2022				1.11%
Projected Annual Growth Rate 2022-2027				1.02%
<b>Households</b>	25,794	29,298	30,777	
Annual Growth Rate 2010-2022				1.07%
Projected Annual Growth Rate 2022-2027				0.99%
<b>Other Factors</b>				
Median Age		35.8 yrs		
Median HH Income		\$67,214		
Average HH Income		\$82,501		
Median Home Value		\$232,549		

*Source: U.S. Census Bureau, Census 2010 Summary File 1; ESRI forecasts for 2022 and 2027*

### *Summary of Inferred Market Analysis*

The current trends and forecasts discussed herein indicate a retail market that has been in an upward cycle over the last few years in both metro Atlanta and in the subject's neighborhood, and prior to the outbreak of the corona virus, all signs were pointing toward the positive momentum continuing over the near to mid term. Based on the market data obtained from CoStar, the supply of competitive space remains tight in this area at this time, and both rents and values have continued to trend up over the last year. Overall, conditions are favorable for new construction in metro Atlanta, but construction of new strip centers in the subject's neighborhood has been limited in recent years.

While most commercial businesses felt the impact of job losses as well as the effects of closures and decreased demand during the shelter-in-place, the economy in Georgia has been open since May 2020, and many businesses have adapted their business models to be able to operate safely in this pandemic. Furthermore, three vaccines are being deployed across Georgia, and eligibility has now been opened to anyone 6 months and older that wants a vaccine. Lastly, the Georgia governor has indicated that lock downs will not be part of the plan in dealing with the pandemic going forward.

Based on conversations with market participants and analyses run across multiple market segments throughout metro Atlanta, it is becoming evident that the worst has passed, and most

markets have continued their pre-pandemic upward trajectories. Overall, values are increasing as a result of confidence in the market, the presence of vaccines, pent up demand from the inactivity in the 2<sup>nd</sup> and 3<sup>rd</sup> quarters of 2020, the availability of low interest rate money and the lack of supply of available properties across many market segments. However, the inflationary that has taken since 2021 is causing the FED to react with increasing interest rates, and this could have a negative impact on the commercial real estate market over the short to mid term.

As for this analysis, data used includes sales that already reflect the impact of the pandemic. Overall, the pandemic caused rent growth to stall for a brief period in the retail macro market, but that trend has reversed and value enhancement continues.

Furthermore, the subject is ranked above average as compared to the competition (see page 17), and it should continue to appeal to a variety of potential commercial and service type users. Overall, the subject has a suitable commercial location along Lawrenceville Highway about 1.5 miles southwest of historic downtown Lawrenceville with convenient access to area thoroughfares and surrounding residential areas. Taking all of this into consideration, the subject property is projected to capture its prorata share of demand going forward.

*Disclosure* - The global outbreak of a “novel coronavirus” known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO). The reader is cautioned, and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of any unforeseen event, subsequent to the effective date of the appraisal.

### *Exposure & Marketing Times*

A requirement of USPAP is to address reasonable exposure time in market value opinions.

*Market Conditions* - Improved substantially over the last few years leading up to the effective valuation date.

*Typical Exposure Times* - Competitive properties in the area that are marketed at an appropriate price typically range 3 months to several years.

*Sales Comparison Approach* - The sales considered in the sales comparison approach sold with an exposure times as displayed below.

### *Exposure Time Comparables*

#	Address	Price	Sale Date	Acres	Exp Time
1	1722 Duluth Highway, Lawrenceville, GA	\$325,000	06/08/21	1.54	4-5 months
2	2140 Lawrenceville Highway, Lawrenceville, GA	\$750,000	08/31/21	5.145	40 months
3	2515 Lawrenceville Highway, Lawrenceville, GA	\$260,000	07/31/20	1.93	5-6 months
4	Lawrenceville Highway at Paden Drive, Lawrenceville, GA	\$280,000	05/31/22	1.2182	10 months

*Conclusion* - Taking all of this into consideration, a reasonable exposure time for the subject is considered to be about 3 to 12 months at the price point forecast in this analysis.

## HIGHEST AND BEST USE

When analyzing the highest and best use of a property, consideration must be given to the following:

1. Possible use - what uses of the site are physically possible?

*As Vacant:* the site is located along Lawrenceville Highway in the city of Lawrenceville, and possible uses of the site include a variety of retail, office and service-oriented type uses.

2. Permissible use (legal) - what uses are legally permitted on the site?

*As Vacant:* The site is zoned B-G (General Business District, city of Lawrenceville), and permitted uses include a variety of retail, office and service-oriented type uses.

3. Feasible use - which possible and permissible uses are financially feasible, i.e., will produce a net return to the owner of the site?

*As Vacant:* The retail market in this area remains strong, and given this site's location along an interior section of Lawrenceville Highway, feasible uses of this site would include a variety of commercial and/or service type uses.

4. Maximally productive and highest and best use - of the physically possible, legally permissible and financially feasible uses, what use will produce the highest price, or value?

*As Vacant:* The maximally productive and highest and best use for the subject site is to improve the site with a commercial or service type use (retail, daycare, office, self storage, etc); the timing would be immediately or in the near future, as demand dictates; the most likely buyer would be an investor or possibly an owner user.

*As Improved:* The subject site is currently improved with a dated single-family residence that is in poor condition. Overall and based on current land values in this market, the existing improvements do not add value to the subject land. Thus, the maximally productive and highest and best use for the subject property, as improved, is to raze the improvements to make way for commercial or service type use (retail, daycare, office, self storage, etc); the timing would be immediately or in the near future, as demand dictates; the most likely buyer would be an investor or possibly an owner user.

## SALES COMPARISON APPROACH

The sales comparison approach is an appraisal technique in which the market value opinion is based on prices paid in actual market transactions. Sales comparison is a process of analyzing sales of similar properties. The reliability of this technique is dependent upon (1) the comparability of the sales, (2) the time of sale, (3) the verification of the sale data, and (4) the absence of unusual conditions affecting the sales. The sales comparison approach is based on the premise that the market value of a property is directly related to the prices of comparable properties. The value is sustained in the market by the availability of substitute properties of similar utility and desirability. When reliable information can be obtained on recent sales of similar properties, the sales comparison approach can provide a valid indication of value.

### *Price Per Unit Method*

The most consistent unit of comparison for land competitive to the site being appraised is the sales price per land square foot. The "sales price per land square foot" is calculated by dividing a property's sale price by the total site area in land square feet. Adjustments are then applied to each comparable to obtain a value indication for the property being appraised.

In order to estimate the market value using a sales comparison approach, an extensive data search was made throughout the subject's immediate marketing area for similar land tracts. Few comparable sales closed over the trailing 12 months, and search parameters were thus extended in terms of time. The resulting search revealed several sales that compare well to the subject land. Each of the comparables applied is summarized on the next page followed by the valuation technique. A full description of each sale is located in Addendum A.

### *Adjustments*

When compared to the subject property, the sales applied have recognizable differences and adjustments may be needed. When possible, quantitative adjustments are preferred over qualitative adjustments, as they can more accurately adjust the comparables' sales prices to help estimate a value for the subject property. To calculate quantitative adjustments, paired data analysis, statistical analysis, cost related adjustments and capitalization of income differences can be used.<sup>3</sup> Adjustments calculated using paired data analysis involves pairing the sales used in the sales comparison approach with each other to assess the difference. Statistical analysis, cost related adjustments and capitalization of income differences are well suited alternatives that can be used as additional support or applied if paired data does not produce credible results. Details of the adjustments are then discussed following the sales comparison grid. Please note all quantitative adjustments are based on paired data contained in the appraiser's work file as well as pairing the sales in the data set considered.

<sup>3</sup>The Appraisal of Real Estate, 14<sup>th</sup> Edition, 2013, Appraisal Institute, Chicago, IL, p 402

### Sales Comparison Grid

Element	Subject	Sale 1	Sale 2	Sale 3	Sale 4
Address/City	1056 Lawrenceville Hwy	1722 Duluth Highway, Lawrenceville, GA	2140 Lawrenceville Highway, Lawrenceville, GA	2515 Lawrenceville Highway, Lawrenceville, GA	Lawrenceville Highway at Paden Drive, Lawrenceville, GA
Sale Price		\$325,000	\$750,000	\$260,000	\$280,000
Land SF	106,722	67,082	224,116	84,071	53,065
Acres	2.45	1.54	5.145	1.93	1.2182
Price/SF		\$4.84	\$3.35	\$3.09	\$5.28
<i>Transactional Adjustments</i>					
Prop Rights	FS	FS	FS	FS	FS
Financing	Cash=	Cash=	Cash=	Cash=	Cash=
Cond of Sale	Typical	Typical	Typical	Typical	Typical
Exp. After Sale	None	None	None	None	None
Mkt Conditions	07/01/22	06/21	08/21	07/20	05/22
<i>Interim Adjusted \$/LSF</i>		5.3%	4.2%	9.6%	0.4%
		\$5.10	\$3.49	\$3.39	\$5.30
<i>Property Adjustments</i>					
Location	Average	Average	Average	Average	Average
Acres	2.45	1.54	5.145	1.93	1.2182
Zoning	BG	C1	C1	C2	C2
Shape/ Utility	Regular/Good	Reg/Gd	Reg/Gd	Irreg/Gd	Irreg/Gd
Topography	G/S/R	G/S/R	G/S/R	G/S/R	G/S/R
Utilities	All available	All available	All available	All available	All available
Improvements	Dated SFR	None	No	Dated SFR	No
Other	None	None	None	None	None
<b>Net Property Adjustments</b>		<b>0%</b>	<b>30%</b>	<b>0%</b>	<b>0%</b>
<b>Adjusted Price/LSF</b>		<b>\$5.10</b>	<b>\$4.53</b>	<b>\$3.39</b>	<b>\$5.30</b>



### Discussion of Adjustments

**Market Conditions** - The sales closed at various times between July 2020 and May 2022. Market conditions in the industrial market have continued to escalate over the last few years. Rents and values have escalated sharply over the trailing 12 months; however, development and construction costs have also been escalating sharply, and these additional costs appear to be largely offsetting increasing prices for industrial properties. Taking all of this into consideration, a market conditions adjustment of +5% annually was applied to the sales.

**Size** - All else being equal, due to economies of scale, smaller properties will typically sell for more per square foot as compared to larger ones and vice versa. The subject property and the sales range from 1.2182 to 5.145 acres. Sale 2 is substantially larger at 5.145 acres, and a +30% adjustment was applied for this difference. The remaining sales are within reason of the subject's size, and any difference will be taken into consideration in the final reconciliation.

All four sales compare fairly well to the land being appraised, and no further adjustments were warranted in this analysis.

### Sales Comparison Approach Final Reconciliation

The table below summarizes the differences for the comparables as compared to the property being appraised. Please note the sales comparables were listed in ascending order based on their adjusted prices per land square foot.

<b>Adjustment Summary Grid &amp; Final Reconciliation</b>				
Sale	Adjusted Price/LSF	Net Property Adjustments	Gross Property Adjustments	Other Considerations
3	\$3.39	0%	0%	July 2020 Sale
2	\$4.53	30%	30%	None
<b>Subject</b>				<b>None</b>
1	\$5.10	0%	0%	None
4	\$5.30	0%	0%	None
Mean	\$4.58			
Median	\$4.82			
<b>Reconciled Value/LSF</b>			<b>\$5.00</b>	
<b>Subject Size, Acres</b>			<b>2.45</b>	
<b>Subject Size, LSF</b>			<b>106,722</b>	
<b>Indicated Value, As Is</b>			<b>\$533,610</b>	
<b>Final Value, Rounded</b>			<b>\$530,000</b>	

As displayed above, the sales support adjusted values ranging from \$3.39 to \$5.30 per land square foot with a mean and median of \$4.58 and \$4.82. Sale 3 closed in July 2020, in the height of the uncertainty of the pandemic, and its lower value was thus given less weight. The remaining sales compare favorably to the subject, and they were given more weight.

Furthermore, Sale 4 was given the most weight as it closed in May 2022. The subject is a larger site, and a value below Sale 4 is warranted due to economies of scale. Taking all of this into consideration, a price of \$5.00 per land square foot was selected for the subject land.

At the selected price, the subject's as is value via the sales comparison approach is calculated as displayed on the prior page, or *\$530,000, rounded*.

**CORRELATION AND CONCLUSION OF FINAL VALUE OPINION**

As stated, the sales comparison approach is generally the only applicable approach when appraising a vacant land tract comparable to the subject. Thus, it is my opinion that the *as is market value* of the *fee simple interest* in the subject, as of July 1, 2022, is best expressed by the following amount:

***Final Value Conclusion*****\$530,000****Potential List Price Analysis**

In general, competitive land tracts typically trade at discounts of 0% to 10% as compared to the list price. Thus, a list price between \$530,000 and \$600,000 would be in line with market expectations for the subject property.

## Addendum A - Land Sales

### Land Sale 1

**Address:** 1722 Duluth Highway, Lawrenceville, GA, Gwinnett County



#### Transaction Data

Grantor:	Keyona Investment, LLC	Sales Price:	\$325,000
Grantee:	VMP Property Holdings, LLC	Price/Acre:	\$211,039
Date of Sale:	6/8/2021	Price/LSF:	\$4.84
Cond. of Sale:	Typical	List Price:	\$255,000
Financing:	Cash=	List Price/Acre:	\$165,584
Deed Ref:	Book: 58819; Page: 782	Sale-to-List Ratio:	127%
Sources:	Broker: Piyusha Zope, CoStar, FMLS, Deed and County Records	Exposure Time:	4-5 months
CR Ref#:	2342	Property Rights:	FS
		Prior 12 Mo. Sales:	None

#### Site Data

Acres:	1.54	Location/Exposure:	Average
Shape/Utility:	Reg/Gd	Corner/Interior:	Secondary Corner
Topography:	G/S/R	Access:	Typical
Flood Area:	No	Condition at Sale:	Heavily Wooded
Utilities:	All available	Improvements:	None
Zoning:	C1	Bldg SF:	N/A

#### Other Notes

This is the sale of a commercial land tract located along Duluth Highway in the Lawrenceville area. According to the broker, this was all usable, raw land that was purchased for the development of either a strip center or an office building. The broker further reported that the sale price was driven up well above the asking price due to a bidding war with multiple interested parties.

**Land Sale 2****Address:** 2140 Lawrenceville Highway, Lawrenceville, GA, Gwinnett County**Transaction Data**

Grantor:	Mary Theo Lambros	Sales Price:	\$750,000
Grantee:	Harborstone Properties, LLC	Price/Acre:	\$145,773
Date of Sale:	8/31/2021	Price/LSF:	\$3.35
Cond. of Sale:	Typical	List Price:	\$750,000
Financing:	Cash=	List Price/Acre:	\$145,773
Deed Ref:	Book: 59154; Page: 275	Sale-to-List Ratio:	100%
Sources:	Broker: David Elrod, MLS, Deed and County Records	Exposure Time:	40 months
CR Ref#:	2342	Property Rights:	FS
		Prior 12 Mo. Sales:	None

**Site Data**

Acres:	5.145	Location/Exposure:	Average
Shape/Utility:	Reg/Gd	Corner/Interior:	Secondary Corner
Topography:	G/S/R	Access:	Typical
Flood Area:	No	Condition at Sale:	Heavily Wooded
Utilities:	All available	Improvements:	No
Zoning:	C1	Bldg SF:	N/A

**Other Notes**

This is the sale of a commercial land tract located along Lawrenceville Highway in the Lawrenceville area. According to the broker, this was all usable, raw land that was purchased and rezoned for the development of townhomes.

**Land Sale 3**

Address: 2515 Lawrenceville Highway, Lawrenceville, GA, Gwinnett County

**Transaction Data**

Grantor:	Golden Season Properties, LLC	Sales Price:	\$260,000
Grantee:	Albeerto Lopez	Price/Acre:	\$134,715
Date of Sale:	7/31/2020	Price/LSF:	\$3.09
Cond. of Sale:	Typical	List Price:	\$275,000
Financing:	Cash=	List Price/Acre:	\$142,487
Deed Ref:	Book: 57743; Page: 682	Sale-to-List Ratio:	95%
Sources:	MLS, Deed and County Records	Exposure Time:	5-6 months
CR Ref#:	2342	Property Rights:	FS
		Prior 12 Mo. Sales:	None

**Site Data**

Acres:	1.93	Location/Exposure:	Average
Shape/Utility:	Irreg/Gd	Corner/Interior:	Interior
Topography:	G/S/R	Access:	Typical
Flood Area:	None	Condition at Sale:	Heavily Wooded
Utilities:	All available	Improvements:	Dated SFR
Zoning:	C2	Bldg SF:	1,131

**Other Notes**

This is the sale of a commercial land tract located along Lawrenceville Highway in the Lawrenceville area. The site includes two adjacent tracts, and the rear tract was reportedly improved with a dated single-family residence.

**Land Sale 4**

Address: Lawrenceville Highway at Paden Drive, Lawrenceville, GA, Gwinnett County

**Transaction Data**

Grantor:	Gail B. Hughes	Sales Price:	\$280,000
Grantee:	L & A Construction Services, LLC	Price/Acre:	\$229,847
Date of Sale:	5/31/2022	Price/LSF:	\$5.28
Cond. of Sale:	Typical	List Price:	\$290,000
Financing:	Cash=	List Price/Acre:	\$238,056
Deed Ref:	Book: 59992; Page: 281	Sale-to-List Ratio:	97%
Sources:	Broker: Kurt Cooper, CoStar, MLS, Mktg Flyer, Deed and County Records	Exposure Time:	10 months
CR Ref#:	1431	Property Rights:	FS
		Prior 12 Mo. Sales:	None

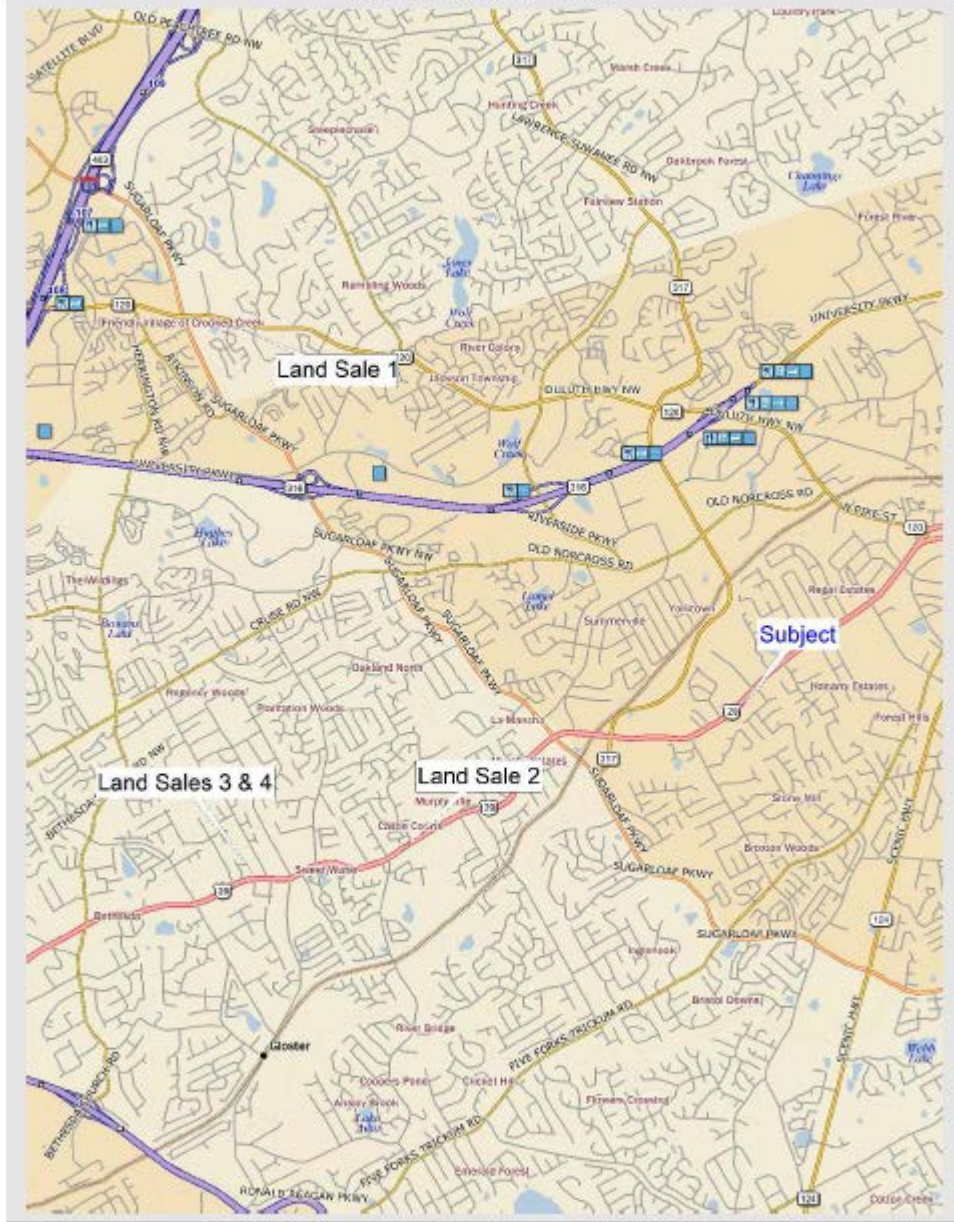
**Site Data**

Acres:	1.2182	Location/Exposure:	Average
Shape/Utility:	Irreg/Gd	Corner/Interior:	Interior
Topography:	G/S/R	Access:	Typical
Flood Area:	No	Condition at Sale:	Heavily Wooded
Utilities:	All available	Improvements:	No
Zoning:	C2	Bldg SF:	N/A

**Other Notes**

This is the sale of a commercial land tract located near the intersection of Lawrenceville Highway and Paden Drive in the Lawrenceville area. According to the broker, this was all usable, raw land that sold to a landscape contractor, and the buyer reportedly obtained a special use permit to allow this use.

Location Map of Land Sales





**Addendum B - Legal Description**

**ALL THAT TRACT OR PARCEL OF LAND LYING AND BEING IN LAND LOT 110 OF THE 5<sup>TH</sup> LAND DISTRICT, GWINNETT COUNTY, GEORGIA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:**

**BEGINNING AT A POINT ON THE SOUTHEAST RIGHT OF WAY LINE OF U.S. HIGHWAY 29 AKA LAWRENCEVILLE HIGHWAY WITH A COMMON CORNER OF PROPERTY NOW OR FORMERLY OWNED BY ROLLAND G. NOVACK; RUN THEN SOUTH 39 DEGREES 43 MINUTES 39 SECONDS EAST, A DISTANCE OF 289.41 FEET TO A POINT, RUN THENCE SOUTH 40 DEGREES 04 MINUTES 50 SECOND EAST, A DISTANCE OF 113.92 FEET TO A POINT; RUN THENCE SOUTH 58 DEGREES 59 MINUTES 57 SECONDS WEST, A DISTANCE OF 167.05 FEET TO A POINT; RUN THENCE SOUTH 58 DEGREES 59 MINUTES 42 SECONDS WEST, A DISTANCE OF 125.00 FEET, MORE OR LESS, TO A CORNER NOW OR FORMERLY OWNED BY LAWRENCEVILLE WEST, LLC; RUN THENCE NORTH 30 DEGREES 10 MINUTES 08 SECONDS WEST, A DISTANCE OF 82.00 FEET, MORE OR LESS, TO A POINT; RUN THENCE NORTH 43 DEGREES 00 MINUTES 06 SECONDS WEST, A DISTANCE OF 270.00 FEET, MORE OR LESS, TO A POINT ON THE SOUTHEAST RIGHT OF WAY LINE OF U.S. HIGHWAY 29 AKA LAWRENCEVILLE HIGHWAY; RUN THENCE NORTHEAST ALONG SAID RIGHT OF WAY AND FOLLOWING THE ARC THEREFOR, A DISTANCE OF 293.24 FEET TO THE PLACE OR POINT OF BEGINNING.**

**THIS CONVEYANCE IS MADE SUBJECT TO ALL ZONING ORDINANCES, EASEMENTS AND RESTRICTIONS OF RECORD AFFECTING SAID BAGAINED PREMISES.**

## Addendum C - Glossary of Terms

Unless otherwise noted, the *Seventh Edition of The Dictionary of Real Estate Appraisal* was used for the following glossary.

**Market Value** - A type of value that is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined, such as the following.

1. The most widely accepted components of market value are incorporated in the following definition: The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.

2. Market value is described, not defined, 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 value definition that is identified by the appraiser as applicable in an appraisal.

Comment: Appraisers are cautioned to identify the exact definition of market value, and its authority, applicable in each appraisal completed for the purpose of market value. (USPAP, 2020-2021 ed.)

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 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)

***As Is Market Value*** - The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Interagency Appraisal and Evaluation Guidelines) Note that the use of the “as is” phrase is specific to appraisal regulations pursuant to FIRREA applying to appraisals prepared for regulated lenders in the United States. The concept of an “as is” value is not included in the Standards of Valuation Practice of the Appraisal Institute, Uniform Standards of Professional Appraisal Practice, or International Valuation Standards.

***Disposition Value*** - The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. An adequate marketing effort will be made during the exposure time.
8. Payment will be made in cash in US dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. 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.

This definition can also be modified to provide for valuation with specified financing terms.

***Excess Land*** - Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately.

***Exposure Time***

1. The time a property remains on the market.
2. An opinion, based on supporting market data, of the length of time that 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. (USPAP, 2020-2021 ed.)

***Extraordinary Assumption*** - An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.

**Comment:** Uncertain information might include physical, legal, or economic characteristics of the subject property, or conditions external to the property, such as market conditions or trends, or about the integrity of data used in an analysis. (USPAP, 2020-2021 ed.)

***Fair Market Value***

1. In nontechnical usage, a term that is generally synonymous with the contemporary usage of market value.
2. As used in condemnation, litigation, income tax, and property tax situations, a term that is similar in concept to market value but may be defined explicitly by the relevant agency or interpreted differently by court precedent. In some situations, the interpretation of fair market value is more directly comparable to the concept of fair value than to market value in exchange. In nontechnical usage, a term that is equivalent to the contemporary usage of market value.

***Fee Simple Estate/Fee Simple Interest*** - 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.

***Highest and Best Use***

1. The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS)
3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions)
4. [For fair value determination] The use of a nonfinancial asset by market participants that would maximize the value of the asset or the group of assets and liabilities (for example, a business) within which the asset would be used. (FASB Glossary) The highest and best use of a nonfinancial asset takes into account the use that is physically possible, legally permissible, and financially feasible. (FASB 820-10-35-10B). The highest and best use of a nonfinancial asset establishes the valuation premise used to measure the fair value of the asset, as follows: (a) The highest and best use of a nonfinancial asset might provide maximum value to market participants through its use in combination with other assets as a group (as installed or otherwise configured for use) or in combination with other assets and liabilities (for example, a business). (b) The highest and best use of the asset might provide maximum value to market participants on a standalone basis. (FASB 820-10-35-10E)

***Hypothetical Condition***

1. A condition that is presumed to be true when it is known to be false. (SVP)
2. A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

Comment: Hypothetical conditions are 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. (USPAP, 2020-2021 ed.)

***Leased Fee Estate/Leased Fee Interest*** - The ownership interest held by the lessor, which

includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

**Liquidation Value** - The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in US dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. 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.

This definition can also be modified to provide for valuation with specified financing terms.

**Marketing Time** - An opinion of the amount of time to sell a property interest at the concluded market value or at a benchmark price during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which precedes the effective date of an appraisal. (Advisory Opinion 7 and Advisory Opinion 35 of the Appraisal Standards Board of The Appraisal Foundation address the determination of reasonable exposure and marketing time.)

**Prospective Opinion of Value** - value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

**Replacement Cost** - The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout.

**Reproduction Cost** - The estimated cost to construct, at current prices as of the effective date of the appraisal, a duplicate or replica of the building being appraised, using the same or similar materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolescence of the subject building.

*Retrospective Value Opinion* - A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion."

*Surplus Land* - Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel.

**Addendum D - Appraiser's Qualifications: Kevin Lyon, MAI****Relevant Professional Experience**

(1997 to 1999) Employed by Coopers & Lybrand (now PriceWaterhouse Coopers) in Memphis, TN and Atlanta, GA as an auditor. Worked on assignments for a wide range of clients in various industries including REITs, insurance, and software and other technology related fields.

(1999 to 2003) Employed by Lafarge North America as a senior accountant and senior analyst.

(2003 to 2006) Mortgage broker at U.S. Residential Mortgage.

(March 2006 to August 2006) Administrative assistant at Buckhead Advisory Group, LTD.

(August 2006 to January 2018) Real property appraiser at Buckhead Advisory Group, LTD.

(January 2018 to present) Real property appraiser at Crossroads Appraisal Group, Inc. Appraisal assignments over the past few years include numerous freestanding retail buildings, retail shopping centers, office buildings, office condominiums, small and large industrials, automotive repair facilities, restaurants, apartments, churches, hotels, c-stores, daycares, assisted living facilities and residential and commercial land tracts (both developed and undeveloped).

Past and current clientele include BB&T, Regions Bank, Wells Fargo, PNC, Quantum National Bank, Embassy Bank, Flip Sum Rent Sum, First Intercontinental Bank, Peach State Federal Credit Union, NOA Bank and Commonwealth Business Bank, as well as a few mortgage brokers, attorneys and individuals.

**Professional Education**

College:

1996 - Bachelor of Accountancy from the University of Mississippi

1997 - Masters of Accountancy from the University of Mississippi

Since 2006, successfully completed more than 400 hours of courses and examinations offered by the Appraisal Institute and other accredited organizations. Also, the Appraisal Institute membership requires 20 hours per year of continuing education.

**Professional Affiliations**

Certified General Real Property Appraiser in the State of Georgia, Certification # 311781

MAI membership/designation with the Appraisal Institute since November 2018

**Mailing Address and Phone Numbers**

Crossroads Appraisal Group, Inc.

1755 North Brown Road, Suite 200-2046

Lawrenceville, Georgia 30043

Phone (404) 724-5110, Cell (404) 993-2263

**Addendum E - State Certification****KEVIN A LYON**# 311781  
Status ACTIVEEND OF RENEWAL  
12/31/2022**CERTIFIED GENERAL REAL PROPERTY  
APPRAISER**THIS LICENSE EXPIRES IF YOU FAIL TO PAY  
RENEWAL FEES OR IF YOU FAIL TO COMPLETE ANY  
REQUIRED EDUCATION IN A TIMELY MANNER.State of Georgia  
Real Estate Commission  
Suite 1000 - International Tower  
229 Peachtree Street, N.E.  
Atlanta, GA 30303-1605LYNN DEMPSEY  
Real Estate Commissioner

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