

NOI \$295,661.09

Several factors influencing the applicable CAP rate:

- Rental rates are considered to be well below market levels. Currently at \$10.08/sf gross.
- Historical occupancy levels close to 100%.
- Same owner for over 50 years and long-term tenants.
- The condition of the property is good and there is a good routine maintenance schedule in place.
- The building setbacks are good and there are multiple access points and great visibility. Great potential for value-add opportunities or redevelopment.
- Great location on Yadkin Road which is the main access onto Fort Liberty Military Base.

Given these factors a CAP rate of 6.75% is considered to be applicable.

Taking \$295,661.09 and dividing by .0675 gives a value of \$4,380,164.30, rounded to \$4,380,000.

There is an additional 3.80+- acres of excess commercial land suitable for future development that is a part of this property. It has been valued at \$3.50 per sf. Taking 3.80 acres, or 165,528 sf. and multiplying by \$3.50 gives a value of \$579,348, rounded to \$580,000.

Taking \$4,380,000 and adding the \$580,000 gives a value of \$4,960,000.

This supports our listing price for this property at \$4,950,000.