

A REAL PROPERTY REPORT

REPORTED IN A RESTRICTED APPRAISAL REPORT
OF THE PROPERTY KNOWN AS

~ **MARINER HOUSE INTERVAL OWNERSHIP** ~

LOCATED AT

30 CENTER STREET
NANTUCKET, MASSACHUSETTS 02554



PREPARED FOR:

MS. TRACY CANTY
MARINER HOUSE CONDOMINIUM ASSOCIATION
56 CATO LANE
NANTUCKET, MA 02554

EFFECTIVE DTE OF APPRAISAL:

MARCH 1, 2020

BY:

CLANCY APPRAISAL COMPANY, INC.
REAL ESTATE APPRAISERS AND CONSULTANTS
24 SPRING BARS ROAD, #3B
FALMOUTH, MASSACHUSETTS 02540

PART I – INTRODUCTION

CLANCY APPRAISAL CO., INC.
24 Spring Bars Road, #3B
Falmouth, MA 02540-3910
(508) 540-9515 – Fax (508) 540-6586
Email: info@clancyappraisal.net

Ms. Tracy Canty
Mariner House Condominium Association
56 Cato Lane
Nantucket, MA 02554

March 6, 2020

RE: Mariner House Interval Ownership
30 Center Street
Nantucket, MA 02554

Dear Ms. Canty:

In accordance with your request, I have appraised the land and improvements captioned above and completed a Real Property Report Appraisal reported in a Restricted Appraisal Report utilizing the Sales Comparison Approach only. The Intended Use of this report is to provide an opinion of the current Market Value of the **Fee Simple Estate**, for Internal Review. The Intended Users are the Mariner House Board of Directors and the Mariner House Interval Ownership.

This report is based upon the current Nantucket condominium market and appraiser's prior personal inspection of the property and improvements, and after a thorough examination of all of the data collected during this report, it is my opinion that the current Market Value of the above-captioned property, as of March 1, 2020, is:

FOUR MILLION THREE HUNDRED THOUSAND DOLLARS
(\$4,300,000)

Should questions arise in connection with this report, or if I may be of further assistance to you in this matter or any other, please feel free to call me.

Respectfully submitted,

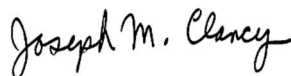
Joseph M. Clancy

Joseph M. Clancy, ASA, MRA
MA Certified General
Real Estate Appraiser #76

CERTIFICATION OF APPRAISAL

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and they are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* (“USPAP”).
8. Joseph M. Clancy made an inspection of the property that is the subject of this report.
9. No one else provided significant real property appraisal assistance to the person signing this certification.
10. This appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and the Standards of Professional Conduct of American Society of Appraisers, and the Massachusetts Board of Real Estate Appraisers, with which the Appraiser is affiliated.
11. I certify that I am appropriately licensed and certified to appraise the subject property in the state in which it is located.
12. The signatory appraiser has not provided any services regarding the subject property in the prior 3 years.



Appraiser:

Joseph M. Clancy, ASA, MRA
MA Certified General
Real Estate Appraiser #76

STATEMENT OF 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 are set forth by the appraiser in the report.

1. 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 opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
2. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. The appraiser has made no survey of the property.
3. 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, therefore.
4. Any distribution of the valuation in the report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.
5. The appraiser assumes that there are no hidden or unapparent conditions of the property, no known existence of hazardous substances or detrimental environmental conditions, subsoil or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions or for engineering, which might be required to discover such factors. Any statement in this appraisal relative to the highest and best use, the bearing capacity of the soil, and the uses to which the property can and will be put, are based on the writer's conclusions and on a surface examination only. Soil or engineering tests made by engineers indicating contrary results may affect the conclusions reported herein. The writer assumes no liability beyond surface examination for the lack of engineering data required to support proposed uses for the property.
6. Information, 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 the appraiser can be assumed by the appraiser.

STATEMENT OF LIMITING CONDITIONS (cont'd)

7. Disclosure of the contents of this appraisal report is governed by the Bylaws and Regulations of the professional appraisal organizations with which the appraiser is affiliated.
8. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to property value, the identity of the appraiser, professional designations, reference to any professional appraisal organizations, or the firm with which the appraiser is connected) shall be used for any purposes by anyone but the client specified in the report, the borrower if appraisal fee paid by same, the mortgagee or its successors and assigns, mortgage insurers, consultants, professional appraisal organizations, any state or federally approved financial institution, any department, agency or instrumentality of the United States or any state or the District of Columbia, 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.
9. On all appraisals subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusions are contingent upon completion of the improvements in a workmanlike manner.
10. This assignment was undertaken for the client specified herein. The appraiser does not recognize or assume any duty to persons other than that client in the formulation of this report and its conclusions. The client may make such reasonable use of this report as is consistent with the function of the report, buy any third or other party into whose possession the report may come should not assume that its rationales or conclusions will serve any other client or function.
11. Note the use of the single quote (‘) will denote feet in this report.
12. Environmental Disclaimer: The value estimated in this report is based on the assumption that the property is not negatively affected by the existence of hazardous substances or detrimental environmental conditions. The appraiser is not an expert in the identification of hazardous substances or detrimental environmental conditions. The appraiser’s routine inspection of and inquiries about the subject property did not develop any information that indicated any apparent significant hazardous substances or detrimental environmental conditions which would affect the property negatively. It is possible that tests and inspections made by a qualified hazardous substance and environmental expert would reveal the existence of hazardous materials and environmental conditions on or around the property that would negatively affect its value.

STATEMENT OF LIMITING CONDITIONS (cont'd)

13. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey or analysis of this property to determine whether or not the physical aspects of the improvements are in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative impact upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

14. The Gramm-Leach-Bliley Act was signed into law on November 12, 1999. The intent of the Act is to protect consumer's personal information obtained by a financial institution from being disclosed or released without notice and without the permission of the consumer. Compliance with the law became mandatory after July 1, 2001. These regulations apply to appraisers as well as other providers of financial services, and apply to nonpublic personal information, or personally identifiable financial information.

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

PROPERTY APPRAISED: 30 Center Street, Nantucket, MA 02554

PROPERTY TYPE: A 6,900 SF building housing the Mariner House Condominium Interval Ownership with 6 units

RIGHTS APPRAISED: Fee Simple Estate

VALUE APPRAISED: Market Value

DATE OF APPRAISED VALUE: March 1, 2020

OWNERSHIP: Mariner House Condominium Association

CLIENT: Tracy Cnty for Mariner House

ASSESSORS ID: Map 4231 Parcel 162.1
Map 4231 Parcel 162.2
Map 4231 Parcel 162.3
Map 4231 Parcel 162.4
Map 4231 Parcel 162.5
Map 4231 Parcel 162.6

SITE SIZE: 3,763 SF (.09 acre)

ZONING: RCDDT-Residential Commercial Down Town

FLLOD ZONE: Zone X Map 25019C0086G (06/09/2014)

HAZARDOUS WASTE CONDITIONS: None observed

EXPOSURE TIME: 6-12 months

HIGHEST AND BEST USE: Conversion to Condominium Units

INDICATION OF VALUE: **\$4,300,000**

SUBJECT PHOTOGRAPHS
File Photos

**FRONT OF
SUBJECT**



**REAR OF
SUBJECT**



**STREET
SCENE**

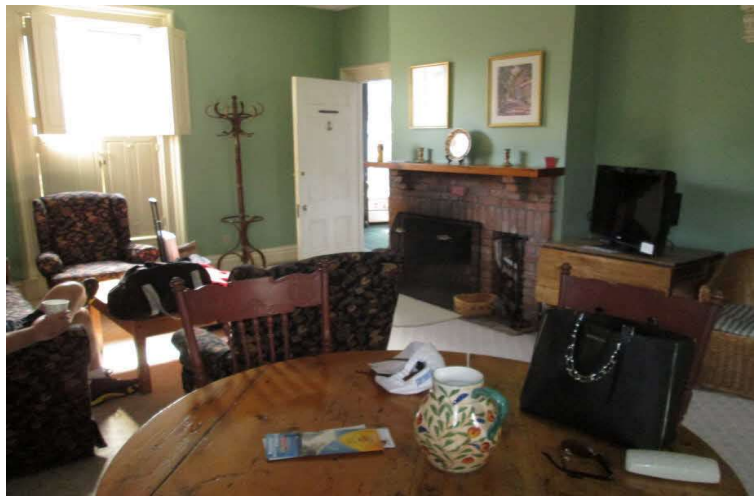


SUBJECT PHOTOGRAPHS (cont'd) File Photos

**KITCHEN
OF UNIT A**



UNIT B



UNIT C



SUBJECT PHOTOGRAPHS (cont'd)
File Photos

UNIT D



UNIT E



UNIT F



PART II – FACTUAL DATA

INTENDED USE AND INTENDED USER

The Intended Use of this appraisal is to provide an opinion of the current **Market Value as of March 1, 2020** of the Fee Simple Estate of 30 Center Street, Nantucket, MA, for Internal Review. The Intended Users of this appraisal are the Mariner House Board of Directors and Mariner House Interval Ownership.

DEFINITIONS

Fee Simple Estate is defined as:

“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.”¹

Market Value is defined as:

“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, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is consummation of a sale as of a specific date and 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 each acting in what he considers his own best interest;

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.”²

There are no Hypothetical Conditions or Extraordinary Assumptions in this report.

¹ The Dictionary of Real Estate Appraisal, 5th Edition, Appraisal Institute, Chicago, Page 88.

² Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C – Appraisals 34.42 Definitions (f)

SCOPE OF WORK

The appraiser was requested to provide a Restricted Real Estate Appraisal utilizing a Summary Appraisal Report.

Accurately estimating the Market Value requires an inspection of the subject property, and an analysis of the subject property. The appraisal is a summary of the methods and sources used, and the steps taken in order to competently value the subject property. The contractual agreement here was to provide an opinion of the current **Market Value as of March 3, 2020**, of the Fee Simple Estate of the subject property.

The appraiser used information gathered on site visits to the property in 2014 & 2015 in order to gain as much information as possible regarding the physical and functional features of the overall property. The next phase of information gathering included obtaining a recorded deed, certified plot plan or recorded plan (if available) and reviewing information at several town offices including the assessor's records, tax information, zoning bylaws and map, building department, and special permit granting authority.

The subject property is then evaluated within the context of the neighborhood and town as to its conformance with nearby properties and compliance with pertinent regulations. The appraisers research the market for condominium sales similar to the subject property, provide an exterior inspection and confirm sales date, price and any other necessary information at the appropriate local offices.

Finally, all necessary information is put into written report form in order that the reader of the report, assumed to have no prior knowledge of the property, can follow a logical sequence of information that adequately describes the property and the area, and leads to and supports the value conclusion as stated.

All data was gathered from sources deemed reliable. These sources include present property owners, grantors, grantees, real estate brokers or their representatives, municipal records, MLS and other publications. The verification of data involved contacting grantors, grantees, real estate brokers or their representatives, municipal records, registries of deeds, and banks.

Building Permits were reviewed with the Nantucket Building Department on March 3, 2020. They were primarily for Additions in 1980/1981. Then a Fire Escape in 1996. I noted shingles in 2007, 2012, 2013, & 2017.

OWNER OF RECORD/LEGAL DESCRIPTION

Title to the subject property is recorded in Nantucket County Registry of Deeds Book 184 Page 217, dated 8-10-1981. The subject parcel is further identified in Plan Book 17 Page 147, Lot A, and recorded at the Nantucket County Registry of Deeds.

Copies of the referenced deed and plan are attached.

FIVE-YEAR SALES HISTORY

Mariner House Condominium Association purchased the subject property on August 10, 1981 from James Marcellino, Trustee of the India Street Trust. The deed stated a consideration of \$2,260,000. On the same day, the Mariner House Condominium was created. The property has been held in continuous ownership since that time.

The subject property is not known to be currently listed for sale.

ESTIMATED MARKETING TIME / EXPOSURE TIME

There has been slow sales activity of commercial and mixed-use building lots on the island of Nantucket during the past few years. The average marketing time for these sales has been 6-12 months. The zoning by-laws on Nantucket are complex and require a long permitting process as numerous Town boards review each project. There are no vacant commercial parcels of land in the downtown area. Typically, properties are purchased, torn down and rebuilt. Examples include the Dreamland Theatre and the Nantucket Hotel, the former Point Breeze Hotel. The supply of commercial lots outside of the downtown area is ample and the demand remains stable. Therefore, the appraiser has estimated the exposure time for the subject at 6-12 months.

Recent sales in the downtown area of commercial properties in 2018 and 2019 include a retail store at 14 Center Street home to Water Jewels sold for \$1,775,000 on 9/14/2018. The Roberts House sold for \$25,100,000 on 4/4/2019 which is at 29 & 31 Center Street. This is a 60 room boutique inn with four buildings and the Centre Street Bistro. A storage facility at 34 Tomahawk Road sold for \$25,850,000 on 12/17/2018. The sales range from \$177,875 to \$25,850,000 and are summarized on Page 19 of the report.

Marketing time is defined as the amount of time it might take to sell a property interest at the estimated Market Value level during the period immediately after the effective date of an appraisal. Exposure time is the amount of time it might take to sell a property interest at the estimated Market Value level during the period immediately before the effective date of an appraisal.

Exact marketing times are difficult to estimate with precision due to a lack of a large volume of sales on which to base conclusions in this market area. However, it is possible to provide a range, which is reflective of the opinions of informed individuals who work within this market. The preceding opinions are based on prevailing conditions in this market, the marketing times of several comparable properties, opinions of knowledgeable individuals, and the appraisers' judgment.

AREA, TOWN AND NEIGHBORHOOD DATA

Area

The subject property is located on the island of Nantucket, located 22 miles at sea, south of the peninsula of Cape Cod, Massachusetts. The island is bordered on the south and east by the Atlantic Ocean and on the north and west by the waters of Nantucket Sound. The island has 88 miles of shoreline. Nantucket is both a town and county of Massachusetts.

Nantucket is a world-renowned resort island with a quaint seaside atmosphere that appeals to both vacationers and second homeowners. Strict zoning regulations, the town's historical committee and the numerous Land Bank purchases has worked to keep Nantucket's fragile environment, natural beauty and village atmosphere intact. The island's miles of beaches and shoreline are generally available for public access and offer excellent fishing, swimming and boating.

The island is accessible by regular ferryboat service, as well as several commercial and local air carriers. There is one municipal airport on Nantucket and two private ferryboat companies that service the island. Travel time by ferry from the Hyannis Harbor docks on Cape Cod ranges from the 1 hour "fast ferry" with passengers only to 2 hours 15 minutes on the "slow boat" with automobiles and passengers. Air service from the Barnstable Municipal Airport is 15 minutes. Non-stop flights from Boston are approximately 40 minutes, and about 1.5 hours from New York City.

Nantucket has a town meeting form of government with 5 elected selectman having three-year terms. Public education is provided at both an elementary and high school. Town police and fire departments are adequate to serve the community.

Tourism, construction and service businesses are the principal sources of income on Nantucket. The year round resident population on Nantucket is approximately 10,000 that then increase to 50,000 plus during the summer months. The ferries and planes bring countless day-trippers to the island as well.

In 1984, the Nantucket Islands Land Bank was established by the voters of Nantucket for the purpose of acquiring, holding and managing important open space resources of the island, for the use and enjoyment of the general public. Funding for the program is derived primarily from a 2% transfer fee levied against most real property transfers within Nantucket County. FY 2018 yielded revenues of **\$23,098,921**, which was a \$5 million increased from the previous year. In 2018, the Land Bank processed 1,148 real property transactions worth \$1,214,140,800.

AREA, TOWN AND NEIGHBORHOOD DATA (cont'd)

Town

The entire island comprises the county of Nantucket. The entire island comprises the town of Nantucket with distinct villages or neighborhoods throughout the island. The village names from east to west are: Madaket, Town, Surfside, Tom Nevers, and Siasconset. In between are numerous neighborhoods with individual names such as Eel Point, Dionis, Cisco, Miacomet Pond, Hummock Pond, Cliff, Brant Point, Monomoy, Shimmo, Shawkemo, Quaise, Polpis, Wauwinet, Squam, and Quident. The downtown area of Nantucket extends from Brant Point south to Prospect Street and from Nantucket Harbor west to Crooked Lane. Within this area lies the downtown Historic District that preserves the historical buildings and sites for enjoyment by residents and visitors alike. The downtown area consists of the Harbor for the ferries and private boaters, retail shops, restaurants, service businesses, town hall, post office, police department and historic single-family homes. The streets are lined with cobblestones and the sidewalks are brick in deference to keeping with the character of the island's history. The Chamber of Commerce hosts four annual events to attract visitors and residents. The summer months of June, July, August and part of September sees the largest percentage of visitors and second homeowners. The island has miles have paved bike paths and offers a seasonal bus service known as NRTA, which features routes from Madaket to Town to Surfside to Siasconset.

Land Area:	47.8 sq. miles
Population:	10,172 (2010 US Census) 50,000 estimated in summer
Type of Government:	Open Town Meeting

The principal roads on Nantucket include Milestone Road, Old South Road, Polpis Road, Madaket Road and Main Street.

The commercial real estate sector of Nantucket is limited to four zoning classifications: Residential Commercial Down Town with a minimum lot size of 3,750 SF. The Residential-Commercial, Residential-Commercial 2 and Limited Commercial. Minimum lot size requirements are 5,000 square feet. Due to the islands limited land area and short supply of affordable rental housing, mixed usage commercial-residential properties are common and typical of the marketplace.

The commercial area generally lies within three areas: the downtown core district, the edge of town or the Old South Road-Airport area. Presently the commercial real estate market on Nantucket is experiencing moderate activity as the mixed usage is attractive to developers to maximize profits with the construction of both commercial and residential units. This use also allows for more affordable housing that is in short supply with high demand and need.

AREA, TOWN AND NEIGHBORHOOD DATA (cont'd)

A review of Nantucket real estate office websites, notably, Windwalker Real Estate, indicates a robust residential market for single family homes and land. There is no commentary on condominiums except for noting that condominiums (both residential and commercial), co-op's and multi-family properties make up approximately 14% of the market. Sources knowledgeable in the trends for Nantucket Real Estate report a strong 2019 with increased sales value up .67% over 2018. The Warren Group is a real estate survey company which supplied statistics for the number of sale and median sale prices for residential and condominium properties. I note that the Warren Group includes all properties, distressed and non-arm's length transactions in their graphs. After examining the records at the Nantucket Assessor's office, the appraiser has chosen to rely on the Assessor's information for qualified, arms-length sales information in this report.

Commercial real estate has fewer sales and is not tracked on a monthly basis. Information on commercial real estate transactions are reported from the property transfers from the Registry of Deeds, local newspapers and local real estate offices. Commercial sales in the past in 2018 and 2019 include a retail store at 14 Center Street home to Water Jewels sold for \$1,775,000 on 9/14/2018. The Roberts House sold for \$25,100,000 on 4/4/2019 which is at 29 & 31 Center Street. This is a 60 room boutique inn with four buildings and the Centre Street Bistro. A storage facility at 34 Tomahawk Road sold for \$25,850,000 on 12/17/2018.

Immediate Neighborhood

The subject neighborhood is in downtown Nantucket. Main Street is to the east, Broad Street to the west. Ferry wharves are to the north and residential neighborhoods to the south. The area is highly congested during the summer season, as is most of Nantucket. The immediate abutters include restaurants, all manner of retail stores, galleries, bed & breakfast inns, and residential homes. There are historic homes in the area, which have multi-family units, and/or have been converted to condominiums. The subject property is located within walking distance to all essential services. Saltwater beaches are located 1 mile north. The Post Office and Town Building are within a few blocks. The area is 100% established with no vacant land available. The subject property is well suited as the current use of interval ownership or conversion to condominiums. Center Street is a paved, public, two-way street. India Street is a paved, public one-way street.

The Nantucket real estate market appeal for condominiums was analyzed. The typical purchaser of condominiums in this location is the 2nd homeowner. Basement units require an extended marketing time as they are usually dark and have the least market appeal. Upper level units with water views generate higher market appeal.

NEIGHBORHOOD MAP



REGIONAL MAP



PROPERTY DATA

Site Description

The subject site consists of 3,763 SF or .09 acre. The site is a corner lot and per the Plan dated 3-14-95, the site has approximately 52.50 feet of frontage on Center Street and approximately 102.60 feet of frontage on India Street. The site is irregular in shape, almost rectangular. According to the most recent FEMA Map #25019C0086G (06/09/2014), the subject site is not located within a special flood hazard zone.

The topography of the site is level. The building appears to cover most of the site. The rear of the site has a one-car width driveway area and small lawn. There is a lower level brick patio for the basement unit and brick sidewalk.

There were no easements noted other than the typical utility easements. There were no encroachments noted. Landscaping is minimal.

Most public utilities are available and include town sewer, town water, electricity and telephone.

The site is considered legal, non-conforming as it was in existence prior to current zoning.

Improvement Description

The subject structure was constructed prior to 1900 per town records. Most probably, the structure was built in the mid to late 1800's. Research indicates the structure was an 11-unit apartment building at one time. The property was added onto in 1981 and converted to condominium form of ownership in 1982 and approved for 6 units.

The exterior is clapboard siding, wood trim boards, elaborate dentil molding, custom window trim, asphalt roof, and plastic and aluminum gutters and downspouts. The foundation is brick. The windows are double hung with combination storms/screens. There are four entrances to the building.

The interior has the remains of a grand Victorian manor with curving staircase, detailed crown molding and window trim, high ceilings and numerous fireplaces. The walls are plaster. Flooring is original hardwood, updated carpet and vinyl in kitchens and baths. The windows have wooden shutters. The kitchens recently have been upgraded with some solid surface counter tops and new appliances, wood cabinets, and vinyl/laminate flooring. The bathrooms have a mix of vinyl flooring and acrylic and fiberglass showers surrounds with some new fixtures as needed. No two units are alike. Unit F has "popcorn" ceiling in stairs.

PROPERTY DATA (cont'd)

The building has forced hot water heat by oil; no central air. The manager indicated the furnace was replaced in the early 2000's. The oil-tank is in the basement with the laundry facilities. There is annual testing and monitoring of the fire alarm, emergency lights and pest control. Recent improvements include on-going maintenance, new clapboards and paint on the North, South and East sides, newer roof, fire panel upgrades, emergency lights upgraded and touch-up paint. No other known obvious repairs are needed at this. Square footage for the units is taken from the actual plans on record in Registry of Deeds. Individual units are described by location from the basement up to the 3rd floor as follows:

Improvement Description:

Unit C-Columbia- 1,080 SF on basement and 1st floor levels:

Steps down from sidewalk to brick patio, enter and step down to below grade living/dining/kitchen with half bath and fireplace. This is dark with few windows due to the location below grade. There are stairs up to a bedroom with fireplace and full bath. This room is bright and sunny with ample windows. The unit has 1,080 SF, one bedroom and 1.5 baths.

Unit B-Barstow- 790 SF on 1st floor on Center Street, one level:

From foyer enter to living room with fireplace and dining area, galley kitchen, bath and one bedroom. Unit has retained Victorian charm with decorations and wallpaper. The unit has 790 SF, one bedroom and 1 bath.

Unit A-Aurora- 660 SF on 1st floor on India Street, one level:

From foyer enter to living room with fireplace, separate eat-in kitchen with access to small porch area, bedroom and bath. The living room has Victorian charm, kitchen has been modernized, era 1970. The Unit has 660 SF, one bedroom and 1 bath.

Unit D-Defiance- 770 SF on 2nd & 3rd floor on India Street, two levels:

From hall enter to living room with fireplace, galley kitchen, peninsula for dining, and half bath. There is a spiral staircase to a bedroom and full bath. The unit has 770 SF, one bedroom and 1.5 baths.

Unit E-Essex- 1,100 on 2nd&3rd floor on Center Street, two levels.

From hall enter to living room with wood stove, dining area, galley kitchen, bedroom and bath. There are stairs to bedroom and bath. The unit has 1,100 SF, two bedrooms and 2 baths. Unit was inspected in 2007 and assumed to be in similar condition.

Unit F-Fame- 1,400 SF on 2nd & 3rd floor on India Street, two levels:

From hall enter to living room with fireplace, half bath, eat-in kitchen with high ceilings and fireplace. There are stairs to 3rd floor with two bedrooms and two baths. The unit is bright and sunny. The unit has 1,400 SF, two bedrooms and 2.5 baths.

PROPERTY DATA (cont'd)

There is a common basement area with laundry facilities consisting of 6 clothes washers and 4 clothes dryers. In addition, there is a locked area for the furnace, oil tank and supplies. The living area measures 5,800 SF and the common area (basement and halls) measures 1,100 SF for a total **GBA of 6,900 SF.**

All the units have the required two exits for fire safety. The units appear to be in generally good, but a little dated condition. The appliances are a mix of age and have been updated as needed. The facilities manager indicated the units are operated 52 weeks of the year; however, occupancy is generally very low in the winter months. Unit owners have 2 weeks – one in high season, one in low season.

Overall, the property appears to be in good condition with good maintenance program. The manager indicated a regular schedule of painting and replacement of clapboards on the building as needed.

FY 2020 Real Estate Taxes:

The residential FY 2020 Tax Rate is \$5.86 per \$1000. This is the most recent information available. According to the Town of Nantucket Assessor’s records, the subject property is identified and assessed for FY 2020 as shown below.

	<u>FY 2020 Assessment</u>	<u>FY 2020 Taxes</u>
Unit A	\$ 805,300	\$4,719.06
Unit B	\$ 851,200	\$4,988.03
Unit C	\$ 968,500	\$5,675.41
Unit D	\$ 795,300	\$4,660.46
Unit E	\$ 877,000	\$5,139.22
Unit F	<u>\$ 968,000</u>	<u>\$5,672.48</u>
Total	\$5,265,300	\$30,854.66

The total tax for FY 2020 for is \$30,854.66.

A copy of the Tax Assessment Map is attached.

ASSESSOR'S MAP



PROPERTY DATA (cont'd)

Zoning

The subject is located in a RCDT (Residential Commercial Down Town) Zoning District. The appropriate, dimensional requirements of this district are as follows:

District Defined in § 139-3+	Minimum Lot Size (square feet)	Front (feet)	Side/Rear (feet)**	Frontage (feet)*	Ground Cover Ratio
LUG-1	40,000	35	10	100	7%
LUG-2	80,000	35	15	150	4%
LUG-3	120,000	35	20	200	3%
R-1	5,000	10	5 ¹	50	30%
R-10	10,000	20	10	75	25%
SR-10	10,000	15	5	75	25%
R-2	20,000	30	10	75	12.5%
ROH	5,000	None	5	50	50%
RCDT	3,750	None	Side: none Rear: 5	<u>35</u>	<u>75%</u>
RC	5,000	None	5 ¹	40	50%
RC-2	5,000	10	5 ¹	40	50%
LC	5,000	None	5	40	50%
MMD	10 acres	50	50	300	0.5%

Permitted uses in the RCDT zoning district include duplex units, retail, light manufacturing, professional offices, restaurants, personal services, theatres. Special Permits can be applied for by other uses.

PROPERTY DATA (cont'd)

In the RCDT District only, up to four residential apartments containing a maximum of two bedrooms per apartment located on the second or third floor based upon the following density calculation:

Type of Apartment	Density Calculation
Apartments subject to Nantucket Housing Needs Covenant	One per 1,250 square feet of land of the subject lot. A maximum of four NHNC apartments are allowed on any lot.
An apartment not subject to a Nantucket Housing Needs Covenant	One per 2,500 square feet of land of the subject lot. A maximum of two apartments are allowed on any lot.

- (a) Such apartment, if built, shall be the only dwelling unit(s) on the lot.
- (b) Density calculations shall be cumulative so that a 2,500 square foot area lot would allow up to two NHNC units or one non-NHNC unit. A 3,750 square foot area lot would allow one NHNC apartments and one non-NHNCN apartment. A 5,000 square foot area lot would allow four NHNC or two non-NHNCN apartments or a combination thereof.

PART III – ANALYSIS AND CONCLUSION

HIGHEST AND BEST USE

The highest and best use of the real estate represents the premise upon which the opinion of Market Value is based.

“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.¹

“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.²

In both cases, a series of steps is followed to arrive at the highest and best use by eliminating uses that do not meet the requirements. The appraiser considers uses that are:

1. Legally Permissible
2. Physically Possible
3. Financially Feasible
4. Maximally Productive

AS IF VACANT: If the site were vacant, it is likely that, given the RCDT Zoning district, that the property would be developed in a variety of commercial and residential uses. Therefore, the highest and best use of the site, as if vacant, is as commercial and residential development.

AS IMPROVED: The subject property is currently a 6-unit residential condominium building operated as an interval ownership use, which is permitted under current zoning regulations. Due to the lack of ground level entrances, it is my opinion that commercial condominiums are not the highest and best use. My analysis indicates that the existing improvements contribute value demonstrably in excess of the vacant site for this or any other potential use. It is therefore concluded that the highest and best use of the property is for use as **6 residential** condominium units.

¹ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute, 2010).

² Ibid

THE APPRAISAL PROCESS

The Intended Use of this appraisal is to provide an opinion of the current **Market Value as of March 3, 2020** of the Fee Simple Estate of 30 Center Street, Nantucket, MA, for Internal Review. The Intended Users of this appraisal are Mr. William Hathaway, President, Mariner House Board of Directors and Mariner House Interval Ownership.

Providing an opinion of the Market Value has been achieved by a systematic gathering, classification, and analysis of data that is required in the development and consideration of the three approaches to value: the Cost Approach, the Sales Comparison Approach, and the Income Capitalization Approach.

The Cost Approach: The Cost Approach is a valuation method, which combines value for the land as if it were vacant and available for development with the depreciated cost to replace the improvements plus entrepreneurial profit. The approach is applicable when each component is independently measurable and when the sum of all components is believed to reflect market value. It is not applicable to unimproved land or obsolete improvements.

The Sales Comparison Approach: The Sales Comparison Approach compares recently sold similar properties with the subject. Adjustments are made to the sales price of the comparable for dissimilarities in comparison with the subject. Adjustments are made on the basis of conditions of sale, financing, changed market conditions, location, and physical attributes of the site and improvement. When using a number of sales, the adjusted sale prices indicate a range of value for the subject; from this range a final estimated value is selected for the subject.

The Income Approach: The Income Approach analyzes a property's capacity to generate income and converts this capacity into an indication of market value. The approach is suitable for income-producing real estate, which has obvious earning power, but inappropriate for property that has no discernible earning potential.

VALUATION RATIONALE:

This assignment is to provide a real property appraisal in a Restricted Appraisal report. The Sales Comparison Approach was developed with individual values reported. Lastly, a bulk discount is applied as there are multiple units under appraisal.

THE SALES COMPARISON APPROACH

The Sales Comparison Approach is essential in most appraisals of real property value. In applying the Sales Comparison Approach, the appraisers;

1. Seeks similar properties for which pertinent sales, listings, offerings, and/or rental data are available;
2. Ascertains the conditions of sale, including the price, motivating forces, and its bona fide nature;
3. Analyzes each of the comparable properties' important attributes in relation to the corresponding attributes of the property being appraised under the general divisions of time, location, physical characteristics, and terms of sale;
4. Considers the dissimilarities in the characteristics in terms of their probable effect on the sale price;
5. Formulates, in light of the comparisons made, an opinion of the relative value of the property being appraised.

An estimate of value of a property is derived using this approach. Similar properties that have been sold recently or are currently offered for sale in the same or competing areas are compared to the subject property. Four categories of data are basic and apply to all types of property. They are (1) date of sale, (2) conditions and terms influencing each sale, (3) location of each property, and (4) physical size and characteristics of each property.

The following comparable sales data describes the sales given the greatest consideration in estimating the value of the subject. There are limited condominium sales on the island and within the downtown area. Variables to be considered are location of complex, location of unit within complex, bedroom and bath count and amenities. The nature of the Nantucket condominium market indicates the utility and function of the 1st and 2nd floor units is about equal. The following sales were deemed to be the best available sales at the time of inspection.

I note a steady increase of 9% for sale prices for condominiums. This will be factored into adjustments to the sales. Adjustments are made accordingly.

THE SALES COMPARISON APPROACH (cont'd)

Comparable Sales:

- Sale #1:** is a 634 SF basement unit with one bedroom and one bath. The unit is located at **23A West Chester Street, #1**. The unit sold on 10/18/2019 for **\$610,000 or \$962.15/SF**. The unit is in the 5-unit **23 West Chester Street Condominium** and was built in 1800 and is considered to have similar condition and quality. Baths adjusted \$10,000 per fixture. The lack of fireplace is adjusted \$10,000. The gross living area (GLA) is adjusted \$100/SF, resulting in an indicated value of **511,000**. The previous sale was in 2/15/2013 for \$435,000.
- Sale #2:** is a 653 SF 1st floor unit with two bedrooms and one full bath. The unit is located at **74B Center Street-Unit 2**. This unit sold on 10/1/2019 for **\$790,000 or \$1,209.80/SF**. Based on the MLS data, the unit had been updated in 2015. The unit is in the 6-unit **Captain Gardiner House** and was built in 1785. The location is considered equal to the subject. The gross living area (GLA) is adjusted \$100/SF and the patio adjusted \$10,000, resulting in an indicated value of **\$516,600**. A Prior sale on **7/22/2015** was \$740,000. The FY 2020 assessed value is \$836,300.
- Sale #3:** is a 561 SF 1st floor unit with one bedroom and one bath. The unit is located at **110A Orange Street, Unit #1**. The unit sold on 11/28/2018 for **\$735,000 or \$1,310.16/SF and was sold fully furnished**. The unit is in the 2-unit **110 Orange Street Condominium** and was built in 1935 with a location that is close to Main Street. The location is considered good with a deck overlooking Conservation land in the rear. Unit is in good condition is considered superior to the subject. The gross living area (GLA) is adjusted \$100/SF, and the lack of a fireplace is adjusted \$10,000,
- Sale #4:** is a 960 SF 1st floor unit with two bedrooms and one bath. The unit is located at **23B West Chester Street, #2**. The unit sold on 1/23/2020 for **\$1,025,000 or \$1,067.71/SF**. The unit is the 5-unit **23 West Chester Street Condominium** and was built in 1800 and is considered to have similar condition and quality. Baths adjusted \$10,000 per fixture. The lack of fireplace is adjusted \$10,000. The gross living area (GLA) is adjusted \$100/SF, resulting in an indicated value of **511,000**. The previous sale was in 10/2/2017 for \$855,000.

THE SALES COMPARISON APPROACH (cont'd)

Sale #5: is a 1,290 SF 1st & 2nd floor unit with two bedrooms, two baths, and a fireplace. The unit is located at **1A Gardner Court, Unit #1**. The unit sold on 12/6/2016 for **\$1,025,000 or \$794.57/SF**. The unit is in the 5-unit **Gardner Court Condominium** and was built in 1850 with a location that is one street back from Main Street with deeded access way to Main Street. The location is considered equal to the subject. The unit has good water views of Nantucket Harbor. The unit has been updated. The superior view is adjusted downward 15%. The superior updated condition is adjusted \$100/sf. Baths are adjusted \$10,000/fixture. The gross living area (GLA) is adjusted \$100/SF, and the deck is adjusted \$10,000, resulting in an indicated value of **\$520,750**. The FY 2020 assessed value is \$1,145,000.

Sale #6: is a 1,028 SF 1st floor unit with two bedrooms and two baths and a rear deck. The unit is located at **40A Union Street, #1**. The unit sold on **7/25/2018 for \$1,250,000 or \$1,215.95/SF**. The unit is in 4-unit **Left Bank Condominium** and was built in 1860 and has been renovated is considered to have superior condition and quality. Baths adjusted \$10,000 per fixture. The lack of fireplace is adjusted \$10,000. The gross living area (GLA) is adjusted \$100/SF, resulting in an indicated value of **511,000**. The previous sale was in 10/10/2018 for \$800,000.

Sale #7: is a 1,775 SF 1st floor unit with two bedrooms and two baths and a rear deck. The unit is located at **40B Union Street, #4**. The unit sold on **1/16/2019 for \$1,381,110 or \$778.09/SF**. The unit is in the 4-unit **Left Bank Condominium** and was built in 1860 and has been renovated is considered to have superior condition and quality. Baths adjusted \$10,000 per fixture. The lack of fireplace is adjusted \$10,000. The gross living area (GLA) is adjusted \$100/SF, resulting in an indicated value of **511,000**. The previous sale was in 9/26/2013 for \$995,000.

Summary of Sales by GLA Size & Sales Price/SF

Sale #1 – 634 SF -\$962.15/SF
Sale #2 – 653 SF -\$1,209.80/SF
Sale #3 – 561 SF -\$1,310.16/SF
Sale #4 – 960 SF -\$1,067.71/SF
Sale #5 – 1,290 SF -\$794.57/SF
Sale #6 – 1,028 SF -\$1,215.95/SF
Sale #7 – 1,775 SF -\$778.09/SF

THE SALES COMPARISON APPROACH (cont'd)

Analysis and Conclusion for Basement/1st floor Unit C - Columbia:

Unit C-Columbia- 1,080 SF on basement and 1st floor levels:

Steps down from sidewalk to brick patio, enter and step down to below grade living/dining/kitchen with half bath and fireplace. This is dark with few windows due to the location below grade. There are stairs up to a bedroom with fireplace and full bath. This room is bright and sunny with ample windows. The unit has 1,080 SF, one bedroom and 1.5 baths.

Sale #1: is a 634 SF basement unit with one bedroom and one bath. The unit is located at **23A West Chester Street, #1**. The unit sold on 10/18/2019 for **\$610,000 or \$962.15/SF**. The unit is in the 5-unit **23 West Chester Street Condominium** and was built in 1800 and is considered to have similar condition and quality. An adjustment of +\$18,300 for improving market condition @ 9%/year. An adjustment of +\$20,000 for Half Bath @ \$20,000/fixture. An adjustment of +\$10,000 for lack of fireplace, and an adjustment for gross living area (GLA) of +\$89,200 @ \$200/SF, resulting in a total adjustment of +\$137,500 for indicated value for the subject unit of \$747,500, rounded to **\$750,000**.

One condominium unit sale was considered for the subject unit. After all adjustments were made, a value for the subject unit was concluded at \$750,000.

INDICATED VALUE BY THE SALES COMPARISON APPROACH:

SEVEN HUNDRED FIFTY THOUSAND DOLLARS

(\$750,000)

THE SALES COMPARISON APPROACH (cont'd)

Analysis and Conclusion for 1st floor Unit B - Barstow:

Unit B-Barstow- 790 SF on 1st floor on Center Street, one level:

From foyer enter to living room with fireplace and dining area, galley kitchen, bath and one bedroom. Unit has retained Victorian charm with decorations and wallpaper. The unit has 790 SF, one bedroom and 1 bath.

Sale #1: is a 634 SF basement unit with one bedroom and one bath. The unit is located at **23A West Chester Street, #1**. The unit sold on 10/18/2019 for **\$610,000 or \$962.15/SF**. The unit is in the 5-unit **23 West Chester Street Condominium** and was built in 1800 and is considered to have similar condition and quality. An adjustment of +\$18,300 for improving market condition @ 9%/year. An adjustment of +\$10,000 for lack of fireplace, and an adjustment for gross living area (GLA) of +\$31,200 @ \$200/SF, and a +\$100,000 for 1st floor location, resulting in a total adjustment of +\$159,500 for indicated value for the subject unit of \$769,500.

Sale #2: is a 653 SF 1st floor unit with two bedrooms and one full bath. The unit is located at **74B Center Street-Unit 2**. This unit sold on 10/1/2019 for **\$790,000 or \$1,209.80/SF**. Based on the MLS data, the unit had been updated in 2015. The unit is in the 6-unit **Captain Gardiner House** and was built in 1785. The location is considered equal to the subject. An adjustment of +\$29,625 for improving market condition @ 9%/year. An adjustment of +\$10,000 for lack of fireplace, and an adjustment for gross living area (GLA) of +\$27,400 @ \$200/SF, and a -\$50,000 adjustment for additional bedroom, resulting in a total adjustment of +\$17,025 for indicated value for the subject unit of \$807,025.

**Two condominium unit sales were considered for the subject unit.
After all adjustments were made, a value for the subject unit was
concluded at \$790,000**

**INDICATED VALUE BY THE SALES COMPARISON APPROACH:
SEVEN HUNDRED NINETY THOUSAND DOLLARS
(\$790,000)**

THE SALES COMPARISON APPROACH (cont'd)

Analysis and Conclusion for 1st floor Unit A - Aurora:

Unit A-Aurora- 660 SF on 1st floor on India Street, one level:

From foyer enter to living room with fireplace, separate eat-in kitchen with access to small porch area, bedroom and bath. The living room has Victorian charm, kitchen has been modernized, era 1970. The Unit has 660 SF, one bedroom and 1 bath.

Sale #1: is a 634 SF basement unit with one bedroom and one bath. The unit is located at **23A West Chester Street, #1**. The unit sold on 10/18/2019 for **\$610,000 or \$962.15/SF**. The unit is in the 5-unit **23 West Chester Street Condominium** and was built in 1800 and is considered to have similar condition and quality. An adjustment of +\$18,300 for improving market condition @ 9%/year. An adjustment of +\$10,000 for lack of fireplace, and an adjustment for gross living area (GLA) of +\$5,200 @ \$200/SF, and a +\$100,000 for 1st floor location, resulting in a total adjustment of +\$133,500 for indicated value for the subject unit of \$743,500.

Sale #2: is a 653 SF 1st floor unit with two bedrooms and one full bath. The unit is located at **74B Center Street-Unit 2**. This unit sold on 10/1/2019 for **\$790,000 or \$1,209.80/SF**. Based on the MLS data, the unit had been updated in 2015. The unit is in the 6-unit **Captain Gardiner House** and was built in 1785. The location is considered equal to the subject. An adjustment of +\$29,625 for improving market condition @ 9%/year. An adjustment of +\$10,000 for lack of fireplace, and an adjustment for gross living area (GLA) of +\$1,400 @ \$200/SF, and a -\$50,000 adjustment for additional bedroom, resulting in a total adjustment of -\$8,975 for indicated value for the subject unit of \$781,025.

**Two condominium unit sales were considered for the subject unit.
After all adjustments were made, a value for the subject unit was
concluded at \$765,000**

**INDICATED VALUE BY THE SALES COMPARISON APPROACH:
SEVEN HUNDRED SIXTY FIVE THOUSAND DOLLARS
(\$765,000)**

THE SALES COMPARISON APPROACH (cont'd)

Analysis and Conclusion for 2nd & 3rd floor Unit D - Defiance:

Unit D-Defiance- 770 SF on 2nd & 3rd floor on India Street, two levels:

From hall enter to living room with fireplace, galley kitchen, peninsula for dining, and half bath. There is a spiral staircase to a bedroom and full bath. The unit has 770 SF, one bedroom and 1.5 baths.

Sale #1: is a 634 SF basement unit with one bedroom and one bath. The unit is located at **23A West Chester Street, #1**. The unit sold on 10/18/2019 for **\$610,000 or \$962.15/SF**. The unit is in the 5-unit **23 West Chester Street Condominium** and was built in 1800 and is considered to have similar condition and quality. An adjustment of +\$18,300 for improving market condition @ 9%/year. An adjustment of +\$10,000 for lack of fireplace, and an adjustment for gross living area (GLA) of +\$27,200 @ \$200/SF, and a +\$100,000 for 2nd & 3rd floor location, resulting in a total adjustment of +\$155,500 for indicated value for the subject unit of \$765,500.

Sale #2: is a 653 SF 1st floor unit with two bedrooms and one full bath. The unit is located at **74B Center Street-Unit 2**. This unit sold on 10/1/2019 for **\$790,000 or \$1,209.80/SF**. Based on the MLS data, the unit had been updated in 2015. The unit is in the 6-unit **Captain Gardiner House** and was built in 1785. The location is considered equal to the subject. An adjustment of +\$29,625 for improving market condition @ 9%/year. An adjustment of +\$10,000 for lack of fireplace, and an adjustment for gross living area (GLA) of +\$23,400 @ \$200/SF, and a -\$50,000 adjustment for additional bedroom, resulting in a total adjustment of +\$13,025 for indicated value for the subject unit of \$803,025.

**Two condominium unit sales were considered for the subject unit.
After all adjustments were made, a value for the subject unit was
concluded at \$785,000**

**INDICATED VALUE BY THE SALES COMPARISON APPROACH:
SEVEN HUNDRED EIGHTY FIVE THOUSAND DOLLARS
(\$785,000)**

THE SALES COMPARISON APPROACH (cont'd)

Analysis and Conclusion for 2nd & 3rd floor Unit E - Essex:

Unit E-Essex- 1,100 on 2nd & 3rd floor on Center Street, two levels.

From hall enter to living room with wood stove, dining area, galley kitchen, bedroom and bath. There are stairs to bedroom and bath. The unit has 1,100 SF, two bedrooms and 2 baths. Unit was inspected in 2007 and assumed to be in similar condition.

Sale #2: is a 653 SF 1st floor unit with two bedrooms and one full bath. The unit is located at **74B Center Street-Unit 2**. This unit sold on 10/1/2019 for **\$790,000 or \$1,209.80/SF**. Based on the MLS data, the unit had been updated in 2015. The unit is in the 6-unit **Captain Gardiner House** and was built in 1785. The location is considered equal to the subject. An adjustment of +\$29,625 for improving market condition @ 9%/year. An adjustment of +\$10,000 for lack of fireplace, and an adjustment for gross living area (GLA) of +\$89,400 @ \$200/SF, and a +\$30,000 adjustment for only one bathroom, resulting in a total adjustment of +\$159,025 for indicated value for the subject unit of \$949,025.

Sale #5: is a 1,290 SF 1st & 2nd floor unit with two bedrooms, two baths, and a fireplace. The unit is located at **1A Gardner Court, Unit #1**. The unit sold on 12/6/2016 for **\$1,025,000 or \$794.57/SF**. The unit is in the 5-unit **Gardner Court Condominium** and was built in 1850 with a location that is one street back from Main Street with deeded access way to Main Street. The location is considered equal to the subject. The unit has good water views of Nantucket Harbor. The unit has been updated. An adjustment of +\$299,813 for improving market condition @ 9%/year. An adjustment for gross living area (GLA) of -\$38,000 @ \$200/SF, and a -\$155,000 adjustment for ocean view, and a -\$150,000 adjustment for updated condition, resulting in a total adjustment of -\$43,187 for indicated value for the subject unit of \$981,813.

Sale #6: is a 1,028 SF 1st floor unit with two bedrooms and two baths and a rear deck. The unit is located at **40A Union Street, #1**. The unit sold on **7/25/2018 for \$1,250,000 or \$1,215.95/SF**. The unit is in 4-unit **Left Bank Condominium** and was built in 1860 and has been renovated is considered to have superior condition and quality with AC. An adjustment of +\$178,125 for improving market condition @ 9%/year. An adjustment for gross living area (GLA) of +\$14,400 @ \$200/SF, and a -\$300,000 adjustment for superior quality and condition, and a -\$20,000 adjustment for AC, resulting in a total adjustment of -\$127,475 for indicated value for the subject unit of \$1,122,525.

THE SALES COMPARISON APPROACH (cont'd)

Analysis and Conclusion for 2nd & 3rd floor Unit E - Essex:

Three condominium unit sales were considered for the subject unit. After all adjustments were made, a value for the subject unit was concluded at \$980,000

**INDICATED VALUE BY THE SALES COMPARISON APPROACH:
NINE HUNDRED EIGHTY THOUSAND DOLLARS
(\$980,000)**

THE SALES COMPARISON APPROACH (cont'd)

Unit F-Fame- 1,400 SF on 2nd & 3rd floor on India Street, two levels:

From hall enter to living room with fireplace, half bath, eat-in kitchen with high ceilings and fireplace. There are stairs to 3rd floor with two bedrooms and two baths. The unit is bright and sunny. The unit has 1,400 SF, two bedrooms and 2.5 baths.

Sale #5: is a 1,290 SF 1st & 2nd floor unit with two bedrooms, two baths, and a fireplace. The unit is located at **1A Gardner Court, Unit #1**. The unit sold on 12/6/2016 for **\$1,025,000 or \$794.57/SF**. The unit is in the 5-unit **Gardner Court Condominium** and was built in 1850 with a location that is one street back from Main Street with deeded access way to Main Street. The location is considered equal to the subject. The unit has good water views of Nantucket Harbor. The unit has been updated. An adjustment of +\$299,813 for improving market condition @ 9%/year. An adjustment for gross living area (GLA) of +\$22,000 @ \$200/SF, and a -\$155,000 adjustment for ocean view, and a -\$150,000 adjustment for updated condition, and a +\$20,000 adjustment for no half bath, resulting in a total adjustment of +\$36,813 for indicated value for the subject unit of \$1,061,813.

Sale #6: is a 1,028 SF 1st floor unit with two bedrooms and two baths and a rear deck. The unit is located at **40A Union Street, #1**. The unit sold on **7/25/2018 for \$1,250,000 or \$1,215.95/SF**. The unit is in 4-unit **Left Bank Condominium** and was built in 1860 and has been renovated is considered to have superior condition and quality with AC. An adjustment of +\$178,125 for improving market condition @ 9%/year. An adjustment for gross living area (GLA) of +\$74,400 @ \$200/SF, and a -\$300,000 adjustment for superior quality and condition, a +\$20,000 adjustment for no half bath, a -\$10,000 adjustment for deck, and a -\$20,000 adjustment for AC, resulting in a total adjustment of -\$57,475 for indicated value for the subject unit of \$1,192,525.

Sale #7: is a 1,775 SF 1st floor unit with two bedrooms, two baths, a fireplace, and a rear deck. The unit is located at **40B Union Street, #4**. The unit sold on **1/16/2019 for \$1,381,110 or \$778.09/SF**. The unit is in the 4-unit **Left Bank Condominium** and was built in 1860 and has been renovated is considered to have superior condition and quality with AC. An adjustment of +\$139,837 for improving market condition @ 9%/year. An adjustment for gross living area (GLA) of -\$75,000 @ \$200/SF, and a -\$300,000 adjustment for superior quality and condition, a +\$20,000 for no half bath, a -\$10,000 adjustment for deck, and a -\$20,000 adjustment for AC, resulting in a total adjustment of -\$245,163 for indicated value for the subject unit of \$1,135,947.

THE SALES COMPARISON APPROACH (cont'd)

Analysis and Conclusion for 2nd & 3rd floor Unit F - Fame:

Three condominium unit sales were considered for the subject unit. After all adjustments were made, a value for the subject unit was concluded at \$1,135,000

**INDICATED VALUE BY THE SALES COMPARISON APPROACH:
ONE MILLION ONE HUNDRED THIRTY FIVE THOUSAND DOLLARS
(\$1,135,000)**

COMPARABLE PHOTOGRAPHS

23A WEST CHESTER STREET #1



74B CENTER STREET, UNIT 2



COMPARABLE PHOTOGRAPHS

110A ORANGE STREET , UNIT 1



23B WEST CHESTER STREET, #2



COMPARABLE PHOTOGRAPHS

1A GARDNER COURT, UNIT 1



40 UNION STREET



ANALYSIS OF UNITS BY LOCATION AND PRICE

LOCATION	VALUE	UNIT	UNIT SF
Basement Unit	\$ 750,000	Unit C	1,080 SF
1 st floor	\$ 790,000	Unit B	790 SF
	\$ 765,000	Unit A	660 SF
2 nd floor	\$ 785,000	Unit D	770 SF
2 nd /3 rd floor	\$ 980,000	Unit E	1,100 SF
2 nd /3 rd floor	<u>\$1,135,000</u>	Unit F	<u>1,400 SF</u>
Total:	\$5,205,000	6	5,800 SF

The estimated revenue from the sale of 6 units is \$5,205,000. Now the appraiser deducts expenses such as real estate commissions (5%) and developer’s profit, also known as incentive. This is a rate that takes into account the developers’ risk and expenses involved with the project. The complex is already in condominium form of ownership. The housing market is receptive to condominiums if priced realistically. The RCDT zoning is favorable to the project as the site now meets minimum zoning requirements. Also, more residential uses are allowed with the RCDT.

Typically, developers look for a profit of between 10% and 20% for a bulk purchase. Below, the appraiser illustrates the values with a 10% and 15% developers’ profit due to the low risk, favorable zoning and few if any expenses in developing the project.

Gross Revenues:	\$5,205,000
Less Real Estate Commissions:	\$ (260,250)
Less 10% Developers Profit:	<u>\$ (520,500)</u>
Total:	\$4,424,250, rounded to \$4,425,000

Gross Revenues:	\$5,205,000
Less Real Estate Commissions:	\$ (260,250)
Less 15% Developers Profit:	<u>\$ (780,750)</u>
Total:	\$4,164,000, rounded to \$4,165,000

The appraiser has concluded on the mid-point of the two values of \$4,295,000, rounded to \$4,300,000. This is considered the value in a bulk sale.

INDICATED VALUE

**FOUR MILLION THREE HUNDRED THOUSAND DOLLARS
(\$4,300,000) DOLLARS**

RECONCILIATION AND FINAL VALUE ESTIMATE

Indicated Market Value:

The Cost Approach:	N/A
The Sales Comparison Approach:	\$4,300,000
The Income Approach:	N/A

As requested by the client, this appraisal considers the Sales Comparison Approach only. The Cost and Income Approaches were not developed.

The appraiser has researched the condominiums sale from 2016 to 2020. There were limited condominium sales, especially for the below grade unit Columbia. There were adequate 1st floor sales and limited 2nd and 3rd floor sales. The appraiser was able to extract an adjustment for the below grade unit from a paired sales analysis with a 1st floor unit. The most suitable 1st floor units were utilized for the 1st floor units. The most suitable 2nd & 3rd floor units were utilized for the 2nd & 3rd floor units. The indicated value of each unit was added together for a total indicated value of the property as a whole. From this, the expenses for sales commission and developers' profit were deducted to arrive at a final indicated value.

It is my opinion that the indicated Market Value of the six units at 30 Center Street, Nantucket, MA, as of March 1, 2020 is **\$4,300,000**.

INDICATED MARKET VALUE:

**FOUR MILLION THREE HUNDRED THOUSAND DOLLARS
(\$4,300,000)**

PART IV – EXHIBITS & ADDENDA

QUALIFICATIONS OF JOSEPH M. CLANCY, APPRAISER

EDUCATIONAL BACKGROUND:

1971 – Bridgewater State College (B.A./History)

APPRAISAL EDUCATION:

1972 – Northeastern University, Fundamental Real Estate Appraisal

1973 – Northeastern University, Advanced Real Estate Appraisal

1975 – American Institute of Real Estate Appraisers, Course 1A

1976 – Society of Real Estate Appraisers, (now the Appraisal Institute) – R-2 Workshop & Examination

1985 – American Society of Appraisers, Code of Ethics Exam

<u>Date</u>	<u>Courses/Seminars</u>	<u>School/Organization</u>
1/22/88	Residential Land Development	SREA #51
6/9/89	Preview of New 2-4 Family Report	SREA, MBREA, AIREA
10/24/90	Case Study 2-4 Family Appraisal & FDIC Appraisal Guidelines & Appraising in a Downward Market	A.I.R.E.A.
6/13/91	Real Estate Law for the Real Estate Appraiser	The Appraisal Institute
11/8 through 11/23/91	Capitalization Theory & Techniques Part A, Course 1BA (6 days)	The Appraisal Institute
3/25/93	Industrial Valuation	The Appraisal Institute
9/27/93	The New Uniform Residential Appraisal Report (URAR)	The Appraisal Institute
9/28/93	Appraisal Reporting of Complex Residential Properties	The Appraisal Institute
5/3/94	Feasibility Analysis Highest & Best Use of Nonresidential Properties	The Appraisal Institute
2/22/96	Appraisal of Retail properties (7 hours)	The Appraisal Institute
4/24 & 4/25/96	I410 Standards of Professional Practice (15-hour course)	The Appraisal Institute
10/22/96	Subdivision Analysis (7 hours)	The Appraisal Institute
5/18/98	Appraisal Research, Technology & The Internet: Wired to Work (7.5 hours)	MA Board of R.E.Appraisers
9/24/98	USPAP Update Seminar (7.5 hours)	MA Board of R.E.Appraisers
12/1/98	Subdivision Planning for Appraisers Seminar (7.5 hours)	MA Board of R.E.Appraisers
3/18 & 3/19/99	Attacking & Defending an Appraisal in Litigation (15 hours)	MA Board of R.E.Appraisers
6/10/99	Twenty Common Appraisal Errors (3 hours)	MA Board of R.E.Appraisers

QUALIFICATIONS OF JOSEPH M. CLANCY, APPRAISER (cont'd)

<u>Date</u>	<u>Courses/Seminars</u>	<u>School/Organization</u>
9/16/99	FHA's Homebuyer Protection Plan & The Appraisal Process (7 hours)	The Appraisal Institute
12/16/99	FHA's Appraiser Examination	U.S. Department of HUD
4/25/00	Cape Cod Land Bank Forum (3 hours)	MBREA
10/11/01	Real Estate Fraud & The Appraiser's Role (7.5 hour seminar)	MBREA
10/15/01	Supporting Capitalization Rates (7.5 hour seminar)	MBREA
2/5/02	Land Valuation (1-day seminar)	The Lincoln Institute of Land Policy
6/6/02	Real Estate Law & the Registry of Deeds (7.5 hours)	MBREA
7/14+7/28/04	Uniform Standards of Professional Appraisal Practice (USPAP) – (15 hours)	MBREA
12/15/04	Commercial Appraisal Problem Solving (7.5 hours)	MBREA
4/9/05	Appraisal Mini Workshop (7.5 hours)	MBREA
4/27/05	Apartment Appraisal Seminar 10220098 (7.5 hours)	MBREA
5/6/05	Fair Lending Seminar 10220022 (7.5 hours)	MBREA
3/3/07	12 Things Commercial Appraisers Should Know 10220119 (7.5 hours)	MBREA
11/5/07	EXPO 2007 – Commercial Program 10220157 (6.0 hours)	MBREA
1/23/08	USPAP Update Seminar – (V. 2008-09) (7 hours)	MBREA
4/9/08	Appraising in a Foreclosure Market (7 hours)	MBREA
5/22/08	Introduction to Commercial Appraisals (3.5 hours)	MBREA
10/27/10	USPAP Update Course – (V.2010-11) (7 hours)	MBREA
11/10/10	Appraising Easements 10220177 (7 hours)	MBREA
3/16/11	Income Property Appraisal Overview 10220167 (7 hours)	MBREA
3/27/11	The Nuts & Bolts of Green Building for Appraisers 10480077 (3 hours)	McKissock
4/18/11	Online Appraising Convenience Stores (7 hours)	Appraisal Institute
5/16/11	Online small Hotel/Motel Valuation (7 hours)	Appraisal Institute
6/9/11	Uniform Appraisal Dataset 10220206 (7 hours)	MBREA
12/9/11	USPAP Update Seminar – (V.2012-13) (7 hours)	MBREA
3/13/13	Appraising & Analyzing Retail Shopping Centers for Mortgage Underwriting 10480079 (7 hours)	McKissock

QUALIFICATIONS OF JOSEPH M. CLANCY, APPRAISER (cont'd)

<u>Date</u>	<u>Courses/Seminars</u>	<u>School/Organization</u>
5/12/13	Appraising FHA Today 10480044 (7 hours)	McKissock
5/30/13	Online Forecasting Revenue (7 hours)	Appraisal Institute
3/25/14	USPAP Update Seminar – (V.2014-15) (7 hours)	McKissock
6/26/14	Restaurant Valuation Issues 10220237 (7 hours)	MBREA
11/11/14	Appraisal of Self Storage Facilities 10480137 (7hrs)	McKissock
4/4/15	Appraisal of Fast Food Facilities 10480145 (7hrs)	McKissock
2/8/16	USPAP Update Seminar-(V.2016-17) (7 hours)	McKissock
1/2/17	Appraisal of Land subject to Ground Leases 10480146 (7 hours)	McKissock
2/19/17	Appraisal of Industrial Incubators 10480151 (7hrs)	McKissock
4/27/17	Appraisal of Owner-Occupied Commercial Properties 10480150 (7hrs)	McKissock
1/15/18	USPAP Update Seminar (V.2018-19)(7 hours)	McKissock
4/4/18	Basic Hotel Appraising – Limited Service Hotels 630001 (7 hours)	McKissock
12/29/18	Advanced Hotel Appraising – Full Service Hotels 10480162 (7 Hours)	McKissock
3/7/19	Appraisal of Land Subject to Ground Leases 10480146 (7 Hours)	McKissock

MEMBERSHIP IN PROFESSIONAL ORGANIZATIONS:

Date	Name of Organization	Designation
1985-2018	American Society of Appraisers	ASA (Former Sr. Member)
1/15/03	MA Board of Real Estate Appraisers	MRA

Prepared Residential and/or Commercial Appraisals for:

Bank of Canton, Canton, MA
 Boston Private Bank & Trust, Boston, MA
 Cambridge Mortgage Group, LLC, Hingham, MA
 Cape Cod Co-operative Bank, Yarmouthport, MA
 Cape Cod Five, Orleans, MA
 Chase Home Mortgage Corp., Approved Appraiser #10719
 City National Bank, Los Angeles, CA
 Citizens Mortgage Corp., Manchester, NH
 Citizens-Union Savings Bank, Fall River, MA
 Community Bank, Brockton, MA
 Dedham Institution For Savings, Dedham, MA
 Eastern Bank, Boston, MA
 Edgartown National Bank, Edgartown, MA
 First Citizens Federal Credit Union, New Bedford, MA
 Flagstar Bank, Bloomfield Hills, MI

QUALIFICATIONS OF JOSEPH M. CLANCY, APPRAISER (cont'd)

Florence Savings Bank, Florence, MA
Harbor One Credit Union, Brockton, MA
Holbrook Cooperative Bank, Holbrook, MA
Martha's Vineyard Savings Bank, Edgartown, MA
Salem Five Mortgage Corp., Plymouth, MA
Service Credit Union, Portsmouth, NH
Sovereign Bank, Cape Cod & Islands Region
Sun Trust Bank, Atlanta, GA
The Village Bank, Auburndale, MA
The Washington Trust Company, Westerly, RI
West Bank, W. Springfield, MA

Governmental Agencies:

Department of HUD, Boston, MA
F.D.I.C., E. Hartford, CT
MassHousing, Boston, MA
National Credit Union Administration, Braintree, MA

EXPERIENCE:

Full-time appraiser since 1972. Prepared narrative appraisal reports for various banks, towns, and individuals on residential and commercial properties.

EXPERT WITNESS:

Testified before the following tribunals:

- Commonwealth of Massachusetts Appellate Tax Board
- Barnstable County Family & Probate Court
- Barnstable County Superior Court
- Dukes County Family & Probate Court
- Dukes County Superior Court
- Suffolk County Family & Probate Court
- U. S. Bankruptcy Court, Boston, MA
- JAMS (Judicial Arbitration & Mediation Services)

OTHER:

- Town of Falmouth – The 300 Committee & Land Bank
- Town of Mashpee – Self-Help Appraisals
- Town of Bourne – Land Bank Committee & Board of Selectmen
- Town of Yarmouth – Land Bank Committee & Board of Selectmen
- Town of Chatham – Land Bank Committee
- Town of Barnstable – The Barnstable Community Preservation Committee

LICENSE:

Certified General Real Estate Appraiser, Commonwealth of Massachusetts; License #76,
Serial #660890, expires 7/23/2021

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