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Professional Appraisal Services

P.O. Box No. 2

Andover, Massachusetts

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March 9, 2021

Paul Materazzo, Director of Planning
Town of Andover
36 Bartlet Street
Andover, Massachusetts 01810

Dear Mr. Materazzo:

In answer to your request and authorization, we have completed an “Addendum” to our recent appraisal of the of the market value of the vacant land located at Town Assessors Map 147, Parcel 4, 138 Chandler Road, Andover, Massachusetts.

The original appraisal had a valuation date of January 8, 2021 and a transmittal date of January 21, 2021. The original appraisal report must be included as a part of this addendum report in its entirety, by reference. Like the appraisal, this addendum report is specifically prepared for the exclusive use of The Town of Andover for internal financial planning purposes.

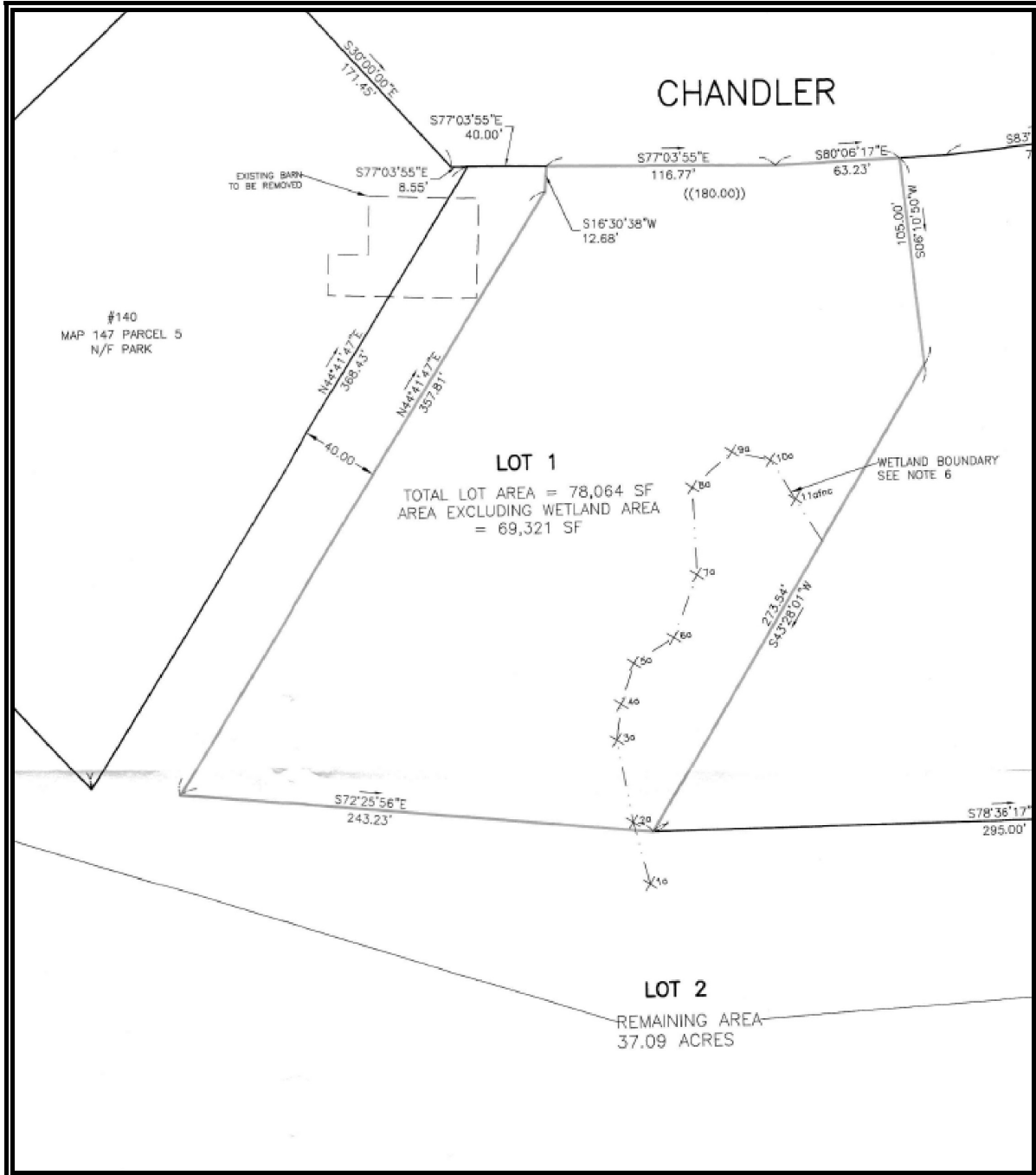
There are two issues to be addressed in this addendum. First is the impact on the valuation of the property as a result of an Approvals Not Required (ANR) lot that is depicted on a plan that was provided by the client. The second issue to be addressed is the additional valuation of two landlocked parcels that are located on the opposite side of I-93 from the main parcel. These will be analyzed and values will developed.

The first part of this addendum report is the impact of the ANR lot. This lot is depicted on a Plan of Land dated March 13, 2020 with an address of 138 Chandler Road. It encompasses the land that is used for access to the development site on the “attached cluster” yield plan referenced in the appraisal report. A copy of this plan depicting this ANR lot it shown on the following page.

Based on the plan, the total land area of the ANR parcel is 78,064 square feet (1.79 acres), with upland area of 69,321 square feet (1.59 acres) and a total 180 feet of frontage on Chandler Road, thereby making it a conforming lot under the requirements of the SRC zoning district. However, only 40 feet of access frontage and width remains in this part on the original parcel for access to the larger development site.

ANR LOT FOR 138 CHANDLER ROAD

(not to scale)



Recent sales of single-family residential lots in the Andover market were analyzed for the purpose of developing a market value opinion for the ANR lot. These sales are shown below.

SINGLE-FAMILY RESIDENTIAL LOT SALES

Sale #	Address	Town	Sale Date	Land Acres	Sale Price
SUBJECT	138 Chandler Road	Andover	N/A	1.79	N/A
L1	27 Sheridan Road	Andover	10/14/20	1.00	\$415,000
L2	3 Gray Road	Andover	12/22/20	1.07	\$420,000
L3	19 Boutwell Road	Andover	12/14/20	5.50	\$450,000
L4	15 Blackhorse Lane	Andover	12/3/20	2.26	\$525,000

Sales L1-L4 are sales of single-family residential lots in Andover that took place between October and December of 2020. Only Sale L3 is in the west Andover (subject) area and this was a much larger parcel than the subject, albeit with significant wetland. Generally speaking, all locations of the four sales are considered to be superior to the subject’s Chandler Road location. Nonetheless, demand for lots is much higher than they were a year ago, as people are re-locating to the suburbs post-pandemic. Given the locational differences, a value for the subject’s ANR lot of \$400,000 is reconciled, which is slightly below the low end of the range indicated by the four sales.

Value of the ANR Lot \$400,000

However, it appears that the value of the main development site will be diminished as a result of the ANR lot, based on the assumption that it would be retained by the owner in the event of a sale of the remainder of the abutting Park family-owned land.

On Page 27 of the appraisal report, there was a discussion of the 2010 yield survey for a potential attached cluster development. Under Andover zoning, 50 feet of frontage is required for access. In addition, since the parcel is more than 25 acres, then two parcels are required for the cluster project to meet zoning requirements. This means that 100 feet of access frontage is required.

There is about 460 feet of frontage at the easterly end of the main parcel, some of which is encumbered by the power easement. While the westerly portion of this frontage could be used to access the larger development site, it appears that an additional 400 to 500 feet of roadway would need to be constructed than would be required based on the access over the ANR lot as depicted on the yield survey plan. Further, there appears to be significant wetland in this area, so replication would need to be done in order to use this portion of the property for access.

On Page 33 of the appraisal, road construction costs of \$1,000 per running foot were assumed. While wetland replication would increase roadway construction costs, using this area for the extension of the town sewer line might be mitigating. Assuming a best-case scenario of 400 feet of additional roadway that would be required by using the other access, this means that the additional roadway costs would be about \$400,000, which is exactly the same as the value reconciled for the ANR lot of \$400,000. Again, this assumes all best-case scenarios, including the value of the ANR lot.

There are other issues to be considered here as well. The ANR lot reduces the total land area on the main development site by 1.79 acres, which impacts the yield for the assumed attached cluster project. On Page 27 of the appraisal report, the yield of 28 units was based on total land area 38.9 acres. With 1.79 acres being removed from the main parcel, this leaves 37.11 acres or 95.4 percent of the original parcel. This lowers the yield by about one unit to 27 units.

In the appraisal, the reconciled value of \$3,550,000 equated to about \$126,800 per raw unit site for the 28 unit project. This means that with 27 units instead of 28, the additional loss of value by the ANR lot is about \$126,800, say \$127,000. Added to the best-case additional road construction costs of \$400,000, the total loss of value to the main development site is \$527,000, which is much more than the value gained by the ANR lot.

Assuming that the ANR lot is retained by the Park family, the adjusted value of the larger development site (37.11 acres) is \$3,023,000 (\$3,550,000 minus \$527,000) say \$3,025,000.

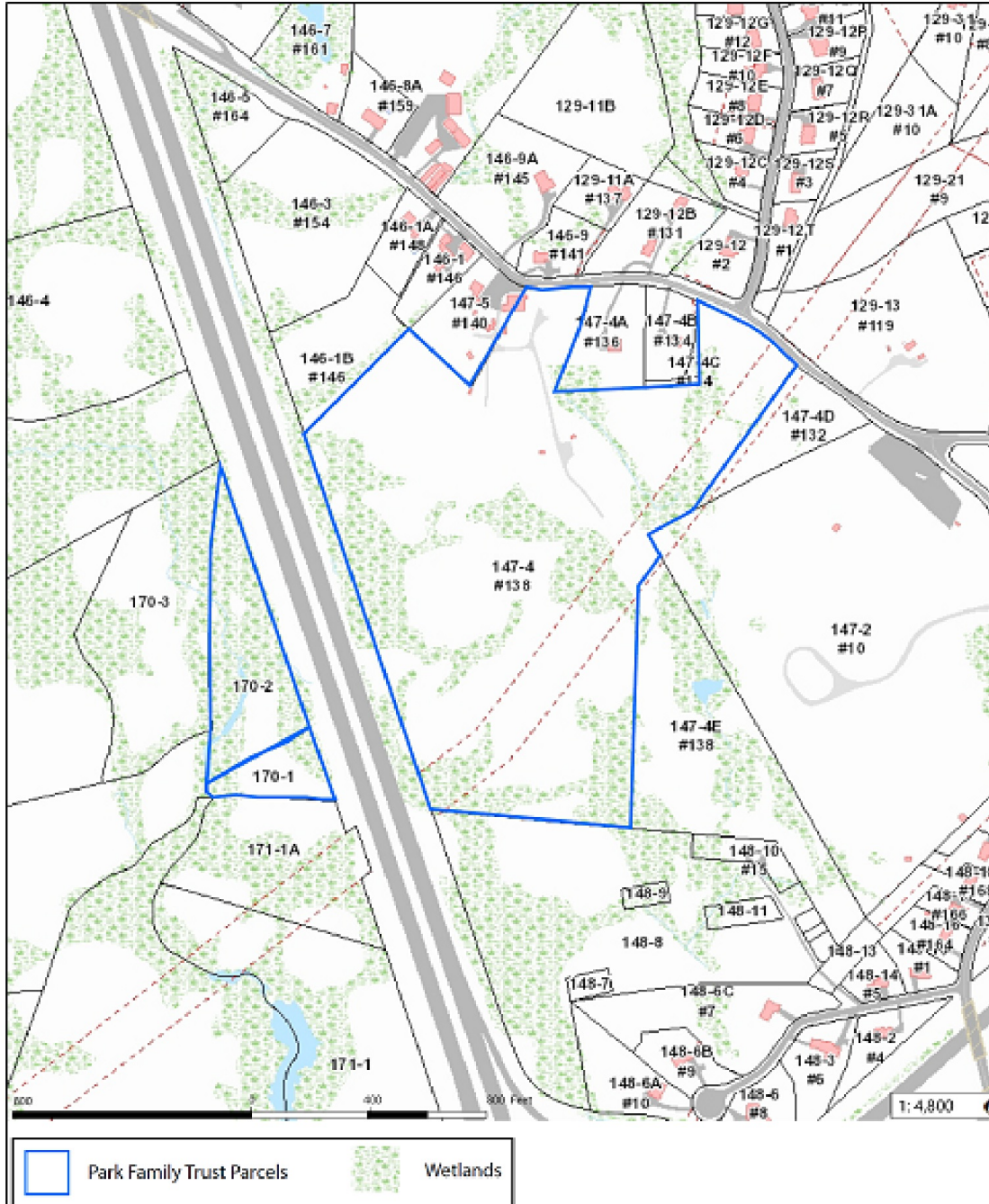
Adjusted Value of the Main Parcel	\$3,025,000
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The analysis of the two landlocked parcels on the westerly side of I-93 begins on the following page.

EXECUTIVE SUMMARY

LOCATION	Parcel ID 170 0 1 & 170 0 2 Andover, Massachusetts
OWNER OF RECORD	Park Family Trust
DEED REFERENCE	Essex County North Registry of Deeds Book 5979, Page 200, recorded date 1/16/2001
PROPERTY TYPE	Vacant Land
LAND AREA	Parcel 170 1: 1 Acre (by Andover GIS) Parcel 170 2: 3 Acre (by Andover GIS)* *may be discrepancy between GIS and deed; GIS utilized in this analysis
ASSESSED VALUE	Parcel 170 1: \$3,700 Parcel 170 2: \$11,000 Both parcels identified as code 132 - 'undevelopable land' per assessor
CURRENT TAXES	Parcel 170 1: \$103.93 Parcel 170 2: \$308.99 *Tax rate \$28.09/\$1,000
ZONING HIGHEST AND BEST USE	SRC – Single Family C Conservation Land
EXTRAORDINARY ASSUMPTION HYPOTHETICAL CONDITION ADVERSE EASEMENTS	none none none observed
DATE OF VALUATION DATE OF INSPECTION DATE OF REPORT	March 6, 2021 N/A March 6, 2021
INTENDED USE INTENDED USER	Internal Financial Planning Purposes Town of Andover
INTEREST APPRAISED	Fee Simple
MARKET VALUES	Parcel 170 1: \$1,900 Parcel 170 2: \$5,700

SUBJECT PROPERTY PHOTOGRAPHS
GIS - Wetlands



Subject identified as parcels 170-2 & 170-1 (outlined in blue)

Both Lots 1 & 2 are surrounded by conservation land on the north, south and west and border I-93 on the east. There is no public access making the parcels landlocked. Town wetland maps and pictometry imagery (aerial) from 2020 shows generally swamp with minimal topography changes and minimal upland. A portion of each parcel is impacted by flood plains according to town GIS.

The appraiser discussed the parcels with the town conservation agent, who physically observed the area in general and advised that the area is basically swamp with some wetlands, some trees, some upland; the parcels are only accessible through town conservation land and Avis Land Trust which abut the property on three sides, as previously mentioned; and due to the parcels location abutting the highway, there is not much appeal of the parcels for hiking, etc.

We researched the general market area within Essex County for recent sales of properties of this type. While every sale is similar in the characteristic in that it is non-buildable, there are a variety of other characteristics not so commonly shared such as topography or wetlands, frontage or access from a public way or landlocked, buyer motivation, and special amenities such as water access. Ideally, differences in characteristics of sales allow adjustments to be made which are derived directly from market data. However, in the case of these sales, insufficient data is available to quantify any adjustments for differences. And most often, differences in the value of purchases of conservation land by land trusts or town boards, usually depends on the degree of motivation by such buyers and their ability to purchase, and therefore can vary widely.

As a result, we reduced the researched sales to a small group which displayed the most comparable characteristics to the subject and are presented as follows:

Summary of Most Comparable Sales

<u>Street</u>	<u>Town</u>	<u>Owner Name</u>	<u>Parcel ID</u>	<u>Acres</u>	<u>Sale Date</u>	<u>Sale Pr.</u>	<u>Price/Acre</u>
Cedar Ln	No. Andover	Essex Cnty Greenbelt	M:00105 B:C0016 L:00000	27.04	1/28/19	\$50,000	\$1,849.11
Lisa Ln Rr.	Georgetown	Browne Stephen P	M:00016 B:00000 L:0092E	20.01	4/20/18	\$10,000	\$499.75
N Street	Georgetown	Georgetown Town of	M:00011 B:00000 L:00011	7.5	3/29/19	\$14,063	\$1,875.07
N/A	Hamilton		M:00036 B:00000 L:0002	1.2	7/10/18	\$4,800	\$4,000.00

The most comparable ‘undevelopable’ sales researched, are those are known to be landlocked or inaccessible to the public, as best can be reasonably determined and range in selling prices of \$499.75 to \$1,875.07 per acre.

Summary and Conclusion

Cedar Lane, North Andover is classified by the assessor as unbuildable. Large lot of backlands w/power lines. Purchased by a land trust. Overall site is two parcels separated by National Grid property so a portion, almost half, appears landlocked.

Lisa Lanerear, Georgetown is classified by the local assessor as unbuildable. Consists mostly wetlands and is landlocked with streams running throughout it.

N Street, Georgetown is classified by the local assessor as unbuildable. The parcel appears landlocked, has some wetlands, power transmission or other easement going through it. Also it has conservation land around it. The town purchased it, presumably for conservation as it abuts town owned land that has public access.

The unnamed parcel in Hamilton is classified by the assessor as an unbuildable. It appears to be surrounded by conservation land owned by Mass Audubon and landlocked according to the town GIS. The parcel was subsequently donated (sold for \$1.00) to Mass Audubon by the Grantee.

All the above sales are comparable to the subject inasmuch as they are all unbuildable, are landlocked or with significantly restricted public access, and have wetlands, the topography generally is not substantially varied. The range of the sales price per acre is \$499.75 to \$1,875.07. Of these select comparable sales, all have similar characteristics to the subject in one way or more. However, we have selected one which appears to have the most similar characteristics to the subject and that is N Street, Georgetown because of the size and that it is landlocked and also is surrounded by conservation land. The sales price per acre of \$1,875.07 rounded is \$1,900.00 and is utilized for the purposes of this analysis.

Therefore, it is reasonable to apply a value of \$1,900 per acre to these landlocked subject parcels.

In conclusion our opinion of value are as follows:

Lot 1: 1 acre @ \$1,900/acre =	\$1,900
Lot 2: 3 acres @ \$1,900/acre =	\$5,700
Total Combined:	\$7,600

Respectfully submitted,



Mark R. De Lisio, Supervisory Appraiser
Mass. Certified General Appraiser #70494
File #: 20-073-ADD



Peter F. Reilly, Appraiser
Mass. Certified General Appraiser #100