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APPRAISAL REPORT

**Value Impact of
Self-storage Facilities on
Adjoining Residential Neighborhoods
Rankin County, MS**

PREPARED FOR:

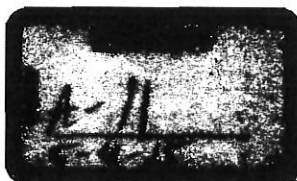
**Rankin County Board of Supervisors
211 East Government Street
Brandon, MS 39042**

PREPARED BY:

**Michael W. Boteler
105 Morgan Street
Florence, MS 39073**

AS OF:

May 4, 2015



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May 4, 2015

Rankin County Board of Supervisors
211 East Government Street
Brandon, MS 39042

Gentlemen:

The purpose of this analysis was to determine whether there is a market evidence that homes in Rankin County, Mississippi that back up to or adjoin self-storage facilities sell for less than those homes that do not adjoin or back up to a self storage facility. This report was prepared for use by the Rankin County Board of Supervisors for their internal decision as to whether to approve a zoning variance requested by Willie Gavan, Inc. for a parcel of land at the south end of Lake Vista Place, south of Spillway Road in northwestern Rankin County.

The scope of work in this assignment involved locating homes that adjoin a self-storage facility within the county where there is an active real estate market, and to then compare the data on the sales of those home to sales data for homes that do not back up to or adjoin a self-storage facility. My data search resulted in the location of four self-storage facilities that had homes adjoining and abutting them, where there was ample market data to examine in order to make such a determination. Those self-storage facilities are Reservoir Mini Storage, Old Fannin Road Self-storage, Old Fannin Road Lock-N-Store and Quick Clean Mini Storage. Reservoir Mini Storage is located on the west side of Pelahatchie Shore Drive just behind the Kroger in the northeastern quadrant of the intersection of Spillway Road and Northshore Parkway. Old Fannin Road Self-storage is located on the west side of Old Fannin Road, north of Riverchase

Drive and south of Spillway Road. Old Fannin Road Lock-N-Store is located on the west side of Old Fannin Road, north of Wirtz Road and south of Eagle Drive, one of the primary entrances into Barnett Bend subdivision. Quick Clean Mini Storage is located off Highway 471 and abutting Pecan Ridge subdivision in Brandon.

My search found five homes in Brenhaven Subdivision that adjoined the Reservoir Mini Storage, with the street addresses being 301 Pelahatchie Shore Drive, 100, 101, 102 and 104 Brenhaven Boulevard. Riverchase has four homes that back up to or adjoin Old Fannin Road Self-storage; 1000 Riverchase North Drive, and 814, 822 and 830 Bibury Place. Jack's Crossing Subdivision lies immediately north and west of Old Fannin Road Lock-N-Store; the house numbers that adjoin it are the odd street numbers from 203 - 217 and the even numbers from 268 to 274. Southern Rock has an industrial facility on the north side of Jack's Crossing which could possibly impact value, so I have not included any of the houses on the north line of the subdivision in the study. The houses that were not included in the study are those that back up to the Southern Rock property, which consists of the even street numbers from 202 - 230. There are only three homes in Pecan Ridge that effectively touch or abut the Quick Clean Mini Storage property; they are 1210 Prince Drive, and 550 and 538 Pecan Boulevard.

In compiling this data, we have utilized the data from the Central Mississippi Multiple Listing Service (MLS), and we have included the data relating to the year built and the square footage shown in those MLS listings as the appropriate data since that is the data on which would have been provided to the purchaser prior to the purchaser making his or her purchase decisions.

COMPARISON ONE

In Comparison One, we have compared the property at 301 Pelahatchie Shore Drive that sold February 15, 2002 to eight other properties in Brenhaven Subdivision that sold in the time frame from one year before the date of the 301 Pelahatchie Shore Drive sale to one year afterwards. Additional parameters were homes with two or three bedrooms and with two bathrooms. A general comparison is shown in the following

chart.

Comparison 1

| <u>Address</u> | <u>BRs</u> | <u>Baths</u> | <u>Garage</u> | <u>Yr. Blt.</u> | <u>Sales Price</u> | <u>Size</u> | <u>Price/SF</u> | <u>Date</u> |
|---|------------|--------------|---------------|-----------------|--------------------|-------------|-----------------|-------------|
| Adjoins Reservoir Mini Storage | | | | | | | | |
| 301 Pelahatchie Shore Drive | 2 | 2 | 1 | 1988 | \$86,500 | 1200 | \$72.08 | 2/14/2002 |
| Average | | | | | | | \$72.08 | |
| Does not Adjoin or view Reservoir Mini Storage | | | | | | | | |
| 206 Brenhaven | 3 | 2 | 2 | 1989 | \$104,000 | 1485 | \$70.03 | 8/15/2002 |
| 205 Brenhaven | 2 | 2 | 1 | 1989 | \$83,000 | 1226 | \$67.70 | 6/29/2001 |
| 208 Brenhaven | 3 | 2.5 | 1 | 1986 | \$68,700 | 1505 | \$45.65 | 5/9/2001 |
| 220 Brenhaven | 3 | 2 | 2 | 1995 | \$93,500 | 1204 | \$77.66 | 8/15/2001 |
| 220 Brenhaven | 3 | 2 | 2 | 1995 | \$97,500 | 1274 | \$76.53 | 12/20/2002 |
| 317 Pelahatchie Shore | 3 | 2 | 0 | 1992 | \$110,000 | 1518 | \$72.46 | 3/29/2002 |
| 319 Pelahatchie shore | 3 | 2 | 2 | 1992 | \$115,000 | 1486 | \$77.39 | 9/9/2002 |
| 419 Pelahatchie Shore | 3 | 2 | 2 | 1988 | \$95,000 | 1555 | \$61.09 | 7/26/2002 |
| Average | | | | | | | \$68.56 | |

Parameters

| | | | |
|-------------|------------------------|----|---|
| Subdivision | Brenhaven | | |
| Dates of | 2/15/2001 to 2/15/2003 | | |
| BRs | 2 | to | 3 |
| Baths | 2 | to | 2 |

As shown in the preceding chart, the property 301 Pelahatchie Shore Drive sold for \$72.08 per square foot. It was generally comparable to the other properties with the exception that all of the other properties were three bedroom homes and the subject is a two bedroom. Generally speaking, there is less demand for two bedroom homes than 3 bedroom homes, and they generally sell for less per square foot than three bedroom homes, if all else is equal. In addition, one of the other properties had two and a half bathrooms while the 301 Pelahatchie Shore Drive and the other properties each had two bathrooms. The basic information for the subject and the data set properties are shown in the previous chart.

As can be seen from the analysis, the subject property which adjoined Reservoir Mini Storage sold for 5.13% more than the data set properties which did not adjoin it. As can be seen from the data, each of the data set properties is superior to the subject in terms of bedrooms. One is superior in terms of bathrooms, and five are superior in terms of car storage. Yet the subject sold for 4.88% more than the data set properties, in spite of being inferior in those characteristics.

COMPARISON TWO

In this comparison, we have compared 301 Pelahatchie Shore Drive (subject) which resold on June 28, 2007 for \$124,000. The parameters of this search were homes that sold from one year before to one year after the date of the subject sale, that had two or three bedrooms and two bathrooms, and that were located in Brenhaven Subdivision.

Comparison 2

| <u>Address</u> | <u>BRs</u> | <u>Baths</u> | <u>Garage</u> | <u>Yr. Built</u> | <u>Sales Price</u> | <u>Size</u> | <u>Price/SF</u> | <u>Date</u> |
|---------------------------------------|------------|--------------|---------------|------------------|--------------------|-------------|-----------------|-------------|
| Adjoins Reservoir Mini Storage | | | | | | | | |
| 301 Pelahatchie Shore Drive | 2 | 2 | 1 | 1988 | \$124,000 | 1200 | \$103.33 | 6/28/2007 |
| Average | | | | | | | \$103.33 | |

Does not Adjoin or view Reservoir Mini Storage

| | | | | | | | | |
|-----------------------|---|-----|---|------|-----------|------|----------------|------------|
| 218 Brenhaven | 2 | 2 | 1 | 1995 | \$117,000 | 1200 | \$97.50 | 8/3/2006 |
| 216 Brenhaven | 3 | 2.5 | 2 | 1996 | \$135,000 | 1328 | \$101.66 | 12/19/2006 |
| 325 Pelahatchie Shore | 3 | 2 | 2 | 1988 | \$136,800 | 1904 | \$71.85 | 12/27/2006 |
| 113 Brenhaven | 3 | 2.5 | 1 | 1987 | \$92,500 | 1764 | \$52.44 | 2/28/2008 |
| 105 Brenhaven | 3 | 2 | 1 | 1986 | \$111,000 | 1206 | \$92.04 | 6/25/2008 |
| 123 Brenhaven | 3 | 2 | 2 | 1990 | \$120,000 | 1461 | \$82.14 | 8/29/2006 |
| 219 Brenhaven | 3 | 2 | 1 | 1987 | \$129,500 | 1450 | \$89.31 | 12/20/2007 |
| 107 Brenhaven | 3 | 2 | 2 | 1988 | \$133,000 | 1397 | \$95.20 | 2/29/2008 |
| 122 Brenhaven | 3 | 2 | 2 | 1993 | \$151,000 | 1477 | \$102.23 | 7/30/2007 |
| 405 Pelahatchie Shore | 3 | 2 | 2 | 1989 | \$121,500 | 1306 | \$93.03 | 12/5/2006 |
| Average | | | | | | | \$87.74 | |

Parameters

| | | | |
|-------------|-----------|----|-----------|
| Subdivision | Brenhaven | | |
| Dates of | 6/28/2006 | to | 6/28/2008 |
| BRs | 2 | to | 3 |
| Baths | 2 | to | 2 |

As can be seen from the data, the home that adjoined the self-storage facility sold for 17.77% more than the data set properties that did not adjoin Reservoir Mini Storage. It should also be noted that the home in Brenhaven that adjoined the self-storage during the time frame from June 28, 2006 to June 28, 2008 sold for more per square foot than any other home in Brenhaven that sold in the two year period on either side of its sale date.

COMPARISON THREE

This is the comparison of the property 102 Brenhaven Boulevard which adjoins (backs up to) Reservoir Mini Storage and which sold August 14, 1998. The data set includes six homes in Brenhaven Subdivision that sold in the two year time frame before and after the date of the sale of the subject, which is a 3-bedroom, 2-bath, 2-car garage home. Note that the subject is a one and half story home and that one and half story homes generally sell for less per square foot than one story homes.

| Comparison 3 | | | | | | | | | |
|---------------------------------------|------------|--------------|---------------|------------------|--------------------|-------------|-----------------|-------------|----------------|
| <u>Address</u> | <u>BRs</u> | <u>Baths</u> | <u>Garage</u> | <u>Yr. Built</u> | <u>Sales Price</u> | <u>Size</u> | <u>Price/SF</u> | <u>Date</u> | <u>Stories</u> |
| Adjoins Reservoir Mini Storage | | | | | | | | | |
| 102 Brenhaven | 3 | 2 | 2 | 1988 | \$97,700 | 1456 | \$67.10 | 8/14/1998 | 1.5 |
| Average | | | | | | | \$67.10 | | |

| | | | | | | | | | |
|---|---|---|---|------|-----------|------|---------|-----------|---|
| Does not Adjoin or view Reservoir Mini Storage | | | | | | | | | |
| 108 Brenhaven | 3 | 2 | 2 | 1986 | \$96,350 | 1381 | \$69.77 | 12/7/1998 | 1 |
| 114 Brenhaven | 2 | 2 | 2 | 1987 | \$85,000 | 1210 | \$70.25 | 2/27/1998 | 1 |
| 305 Pelahatchie Shore | 3 | 2 | 2 | 1989 | \$94,500 | 1453 | \$65.04 | 3/25/1999 | 1 |
| 303 Pelahatchie Shore | 3 | 2 | 2 | 1989 | \$100,300 | 1498 | \$66.96 | 7/10/1998 | 1 |
| 116 Brenhaven | 3 | 2 | 3 | 1989 | \$94,000 | 1395 | \$67.38 | 3/30/1999 | 1 |
| 307 Pelahatchie Shore | 3 | 2 | 2 | 1991 | \$95,500 | 1525 | \$62.62 | 3/26/1999 | 1 |
| Average | | | | | | | \$67.00 | | |

Parameters

| | | | |
|-------------|-----------|----|-----------|
| Subdivision | Brenhaven | | |
| Dates of | 6/28/2006 | to | 6/28/2008 |
| BRs | 2 | to | 3 |
| Baths | 2 | to | 2 |
| Year Built | 1985 | to | 1991 |

The data in this comparison indicates that, when comparing the subject to the six other comparable homes in Brenhaven that sold during the two year time period on either side of the date of the sale of the subject, the data set homes sold for essentially the same price per square foot on average as the one that adjoined the storage facility, despite it being a 1.5 story home. Note that 1.5 story homes generally sell for less per square foot than one story homes. As can be seen from this comparison, there was essentially no difference between the sales price per square foot of the homes that sold that did not back up to or adjoin a self-storage and the subject. In fact, the sales price of the subject was the median (the sale in the middle) of the entire data set.

COMPARISON FOUR

This comparison examines data in Jack's Crossing Subdivision. The parameters of this set are all homes in Jack's Crossing that sold from January 1, 2005 through December 31, 2006. There are five sales (the subject) that sold in that time frame whose rear yards adjoined Old Fannin Road Store-N-Lock. The data was compared to nine sales of homes that did not adjoin Old Fannin Road Store-N-Lock and that also did not back up to or adjoin the Southern Rock Facility. Homes that backed up to the Southern Rock facility were not included to preclude the data from being skewed due to possible view issues. The data set homes either backed up to another home in Jack's Crossing, another home in Laurelwood or to wooded lots.

Comparison 4

| <u>Address</u> | <u>BRs</u> | <u>Baths</u> | <u>Garage</u> | <u>Yr. Blt.</u> | <u>Sales Price</u> | <u>Size</u> | <u>Price/SF</u> | <u>Date</u> |
|---|------------|--------------|---------------|-----------------|--------------------|-------------|-----------------|-------------|
| Adjoins Old Fannin Road Store & Lock | | | | | | | | |
| 205 Jacks Place | 3 | 2 | 2 | 2005 | \$150,935 | 1435 | \$105.18 | 7/19/2005 |
| 207 Jacks Place | 3 | 2 | 2 | 2005 | \$163,870 | 1602 | \$102.29 | 9/13/2006 |
| 213 Jacks Place | 3 | 2 | 2 | 2005 | \$162,000 | 1585 | \$102.21 | 11/22/2005 |
| 270 Jacks Place | 3 | 2 | 2 | 2005 | \$148,000 | 1432 | \$103.35 | 12/16/2005 |
| 272 Jacks Place | 3 | 2 | 2 | 2005 | \$162,000 | 1628 | \$99.51 | 5/26/2006 |
| Average | | | | | | | \$102.51 | |

Does not Adjoin Old Fannin Road Store & Lock or Southern Rock

| | | | | | | | | |
|-----------------|---|---|---|------|-----------|------|-----------------|------------|
| 223 Jacks Place | 3 | 2 | 2 | 2005 | \$147,900 | 1499 | \$98.67 | 2/28/2006 |
| 261 Jacks Place | 3 | 2 | 2 | 2006 | \$150,000 | 1519 | \$98.75 | 11/30/2005 |
| 232 Jacks Place | 3 | 2 | 2 | 2006 | \$151,500 | 1530 | \$99.02 | 3/31/2006 |
| 234 Jacks Place | 3 | 2 | 2 | 2005 | \$156,500 | 1505 | \$103.99 | 10/30/2006 |
| 238 Jacks Place | 3 | 2 | 2 | 2005 | \$156,545 | 1396 | \$112.14 | 2/15/2006 |
| 261 Jacks Place | 3 | 2 | 2 | 2005 | \$157,500 | 1566 | \$100.57 | 9/9/2006 |
| 252 Jacks Place | 3 | 2 | 2 | 2005 | \$165,000 | 1682 | \$98.10 | 6/2/2006 |
| 242 Jacks Place | 3 | 2 | 2 | 2006 | \$166,000 | 1675 | \$99.10 | 7/31/2006 |
| 250 Jacks Place | 3 | 2 | 2 | 2005 | \$167,000 | 1568 | \$106.51 | 11/21/2005 |
| Average | | | | | | | \$101.87 | |

Parameters

Subdivision Jack's Crossing
 Dates Jan 1 2005 thru Dec 31 2006
 All Sales

As can be seen from the data, the homes that adjoined the self-storage facility sold for 0.63% more per square foot on average than those that did not adjoin either the self-storage or the Southern Rock Facility.

COMPARISON FIVE

This comparison is of 270 Jack's Place (subject) that sold July 29, 2008. It is compared to four homes that sold within one year before and one year after that sale date in Jack's Crossing that did not adjoin Southern Rock.

As can be seen from the data, the home that sold and that adjoins the self-storage facility sold at 9.18% more per square foot than the average of those that did not adjoin either the self-storage or Southern Rock. It should also be noted that the subject's sale price was higher per square foot than all of the sales within Jack's Crossing within that two year time frame.

COMPARISON SIX

This comparison is of 205 Jack's Place (subject) that sold October 13, 2014. It was compared to two homes that sold within one year before and one year after that sale date in Jack's Crossing that did not adjoin Southern Rock.

| <u>Address</u> | <u>BRs</u> | <u>Comparison 6</u> | | | <u>Sales Price</u> | <u>Size</u> | <u>Price/SF</u> | <u>Date</u> |
|--|------------|---------------------|---------------|-----------------|--------------------|-------------|-----------------|-------------|
| | | <u>Baths</u> | <u>Garage</u> | <u>Yr. Blt.</u> | | | | |
| Adjoins Old Fannin Road Store & Lock | | | | | | | | |
| 205 Jacks Place | 3 | 2 | 2 | 2005 | \$147,500 | 1467 | \$100.55 | 10/13/2014 |
| Average | | | | | | | \$100.55 | |
| Does not Adjoin Old Fannin Road Store & Lock or Southern Rock | | | | | | | | |
| 257 Jacks Place | 3 | 2 | 2 | 2005 | \$130,000 | 1419 | \$91.61 | 9/19/2014 |
| 259 Jacks Place | 3 | 2 | 2 | 2005 | \$146,500 | 1615 | \$90.71 | 7/31/2014 |
| Average | | | | | | | \$91.16 | |

Parameters

Subdivision Jack's Crossing
 Dates 10/13/2013 to 2/7/2015
 All Sales that do not adjoin Southern Rock

As can be seen from the data, the home that sold and that adjoins the self-storage facility sold at 10.29% more per square foot than the average of those that did not adjoin either the self-storage or Southern Rock. It should also be noted that the subject's sale price was higher per square foot than all of the sales within Jack's Crossing within that two year time frame.

COMPARISON SEVEN

In this comparison we have analyzed 1210 Prince Drive in Brandon which sold on June 30, 2006 and again on January 31, 2007. There are seven properties in Pecan Ridge that sold from a time frame of June 30, 2005 to January 31, 2008 that had three to four bedrooms, two bathrooms, two car garages and were built between 1989 and 1995, which is three years either side of the year the subject was built.

| <u>Address</u> | <u>BRs</u> | <u>Comparison 7</u> | | | <u>Sales Price</u> | <u>Size</u> | <u>Price/SF</u> | <u>Date</u> |
|---|-------------|---------------------|---------------|-----------------|--------------------|-------------|-----------------|-------------|
| | | <u>Baths</u> | <u>Garage</u> | <u>Yr. Blt.</u> | | | | |
| Adjoins Quick Clean Mini Storage | | | | | | | | |
| 1210 Prince Dr | 3 | 2 | 2 | 1992 | \$139,900 | 1400 | \$99.93 | 1/31/2007 |
| 1210 Prince Dr | 3 | 2 | 2 | 1992 | \$138,900 | 1400 | \$99.21 | 6/30/2006 |
| Average | | | | | | | \$99.93 | |
| Does not Adjoin Quick Clean Mini Storage | | | | | | | | |
| 430 Pecan Blvd | 3 | 2 | 2 | 1989 | \$124,900 | 1566 | \$79.76 | 10/27/2005 |
| 723 Tripp Dr | 3 | 2 | 2 | 1992 | \$128,500 | 1328 | \$96.76 | 7/15/2005 |
| 715 Tripp Dr | 3 | 2 | 2 | 1991 | \$137,000 | 1500 | \$91.33 | 7/17/2006 |
| 607 Spencer Dr | 3 | 2 | 2 | 1989 | \$139,900 | 1545 | \$90.55 | 10/9/2007 |
| 1011 Prince Dr | 3 | 2 | 2 | 1992 | \$143,000 | 1566 | \$91.32 | 3/30/2006 |
| 655 Spencer Dr | 3 | 2 | 2 | 1993 | \$143,000 | 1585 | \$90.22 | 5/15/2006 |
| 20 McCormick Cove | 4 | 2 | 2 | 1992 | \$149,000 | 1616 | \$92.20 | 12/15/2006 |
| Average | | | | | | | \$90.31 | |
| Parameters | | | | | | | | |
| Subdivision | Pecan Ridge | | | | | | | |
| Dates of | 6/30/2005 | to | 1/31/2008 | | | | | |
| BRs | 3 | to | 4 | | | | | |
| Baths | 2 | to | 2 | | | | | |
| Garage | 2 | to | 2 | | | | | |
| Year Built | 1989 | to | 1995 | | | | | |

As can be seen from the data, the two sales of 1210 Prince Drive had an average sales price of \$99.93 per square foot, which is 9.63% higher than the average of the data set properties. This indicates that the two sales of homes that adjoined the self-storage facility sold at a 10.66% advantage to those sales that did not adjoin the self-storage. It should also be noted that both sales that adjoined the self-storage were for more per square foot than any of the comparable properties that did not adjoin the self-storage.

COMPARISON EIGHT

I also make a comparison with homes that sold in Riverchase that adjoin Old Fannin Road Self-storage to others in Riverchase and Riverchase North that do not. In this comparison, I analyzed 814 Bibury Place that sold on May 26, 2005. There are two properties in Riverchase that matched the search parameters that sold from a time frame of one year before to one year after that property sold, and that had three bedrooms, two bathrooms, two car garages and were built between 1986 and 1998, which is six years either side of the year the subject was built. Given the size, age and characteristic differences within that neighborhood, it was necessary to expand the year built in order to have enough data for any comparison.

Comparison 8

Adjoins Old Fannin Road Self-storage

| <u>Address</u> | <u>BRs</u> | <u>Baths</u> | <u>Garage</u> | <u>Date</u> | <u>Yr. Blt.</u> | <u>Size</u> | <u>Price/SF</u> | <u>Sales Price</u> |
|-----------------|------------|--------------|---------------|-------------|-----------------|-------------|-----------------|--------------------|
| 814 Bibury Pl | 3 | 2 | 2 | 5/26/2005 | 1992 | 1,732 | \$86.61 | \$150,000 |
| Averages | | | | | | | \$86.61 | |

Do Not Adjoin Old Fannin Road Self-storage

| <u>Address</u> | <u>BRs</u> | <u>Baths</u> | <u>Garage</u> | <u>Date</u> | <u>Yr. Blt.</u> | <u>Size</u> | <u>Price/SF</u> | <u>Sales Price</u> |
|-------------------|------------|--------------|---------------|-------------|-----------------|--------------|-----------------|--------------------|
| 804 Channing Pl | 3 | 2 | 2 | 3/25/2005 | 1987 | 1,845 | \$76.96 | \$142,000 |
| 925 Riverchase Dr | 3 | 2 | 2 | 10/31/2005 | 1994 | 1,875 | \$88.53 | \$166,000 |
| Averages | | | | | | 1,860 | \$82.79 | \$154,000 |

Parameters

| | |
|--------------------|---------------------------------|
| Subdivision | Riverchase and Riverchase North |
| Sale Dates | 5/26/2004 to 5/26/2006 |
| Bedrooms | 3 |
| Baths | 2 |
| Car Storage | 2-car |
| Year Built | 1986-1998 |

As can be seen from the data, the home that adjoined the storage facility sold for 4.61% more per square foot on average than those homes that did not adjoin the self storage.

COMPARISON NINE

The other comparison I was able to make in Riverchase was 1000 Riverchase North Drive that sold on February 23, 2007. There are five properties in Riverchase that matched the search parameters that sold from a time frame of one year before to one year after that property sold, and that had three bedrooms, two bathrooms, two car garages and were built between 1996 and 2002, which is three years either side of the year the subject was built.

Comparison 9

Adjoins Old Fannin Road Self-storage

| <u>Address</u> | <u>BRs</u> | <u>Baths</u> | <u>Garage</u> | <u>Date</u> | <u>Size</u> | <u>Price/SF</u> | <u>Sales Price</u> |
|----------------------|------------|--------------|---------------|-------------|-------------|-----------------|--------------------|
| 1000 Riverchase N Dr | 3 | 2 | 2 | 2/23/2007 | 1,670 | \$95.81 | \$160,000 |
| Averages | | | | | | \$95.81 | |

Do Not Adjoin Old Fannin Road Self-storage

| <u>Address</u> | <u>BRs</u> | <u>Baths</u> | <u>Garage</u> | <u>Date</u> | <u>Size</u> | <u>Price/SF</u> | <u>Sales Price</u> |
|----------------------|------------|--------------|---------------|-------------|--------------|-----------------|--------------------|
| 1022 Riverchase N Dr | 3 | 2 | 2 | 4/10/2006 | 1,635 | 94.19 | \$154,000 |
| 1021 Riverchase N Dr | 3 | 2 | 2 | 11/28/2006 | 1,629 | 96.99 | \$158,000 |
| 202 Riverbirch Cv | 3 | 2 | 2 | 3/29/2007 | 1,722 | 96.69 | \$166,500 |
| 102 Oakbrook Ct | 3 | 2 | 2 | 7/26/2006 | 2,221 | 88.25 | \$196,000 |
| 1024 Riverchase N Dr | 3 | 2 | 2 | 3/29/2007 | 1,850 | 100.19 | \$185,350 |
| Averages | | | | | 1,811 | 95.26 | \$171,970 |

Parameters

| | |
|--------------------|---------------------------------|
| Subdivision | Riverchase and Riverchase North |
| Sale Dates | 2/23/2006 to 2/23/2008 |
| Bedrooms | 3 |
| Baths | 2 |
| Car Storage | 2-car |
| Year Built | 1996-2002 |

As can be seen from the data, the home that adjoined the storage facility sold for 0.57% more per square foot on average than those homes that did not adjoin the self storage.

There was also a sale of the home at 830 Bibury Place in April 2006 that adjoined Old Fannin Road Self-storage. I attempted to pair it with other sales in Riverchase and Riverchase North that sold in the 2-year time frame on either side of that sale, that also had 3 bedrooms, 2.5 bathrooms, and that was built within the 10-year time frame of the subject's completion date (1987), and that differed from the subject by no more than 400 square feet, but there were no sales in MLS that matched the criteria.

There was also a 1998 sale of 822 Bibury Place that adjoined Old Fannin Road Self-storage. A search of MLS records was made for sales of 3 bedroom, 2 bathroom homes built in the 10-year time frame on either side of the subject (1989), and that differed from the subject by no more than 400 square feet in GLA. MLS records show only one such sale, 925 Riverchase Drive, that sold for \$68.68 per square foot, which is 6.0% less than the home that adjoined the self-storage. I have not included a separate chart showing this since it is only a one-sale comparison that occurred in 1998, but I do note that it provides a similar answer to the question found in the other comparisons.

CHECK FOR VALIDITY

As a check for validity of the processes, I compared the most recent sale of a home that adjoined a self storage to a wide range of other homes in the same market area that sold in the same time frame. I searched MLS data for all sales in Zip Code

39047 that occurred from October 13, 2013 to February 7, 2015, that had:

- 1,400 square feet to 1,650 square feet of living area
- three bedrooms
- two baths
- 2-car car storage and
- that were built from 2002 to 2008

That data is presented in a Comparative Market Analysis which is shown on the following page.

The \$/SF indicated on this report is calculated for the CURRENT status of the listing only. It does NOT reflect the \$/SF from any previous status.

Table with columns: SP, RES, \$, SF, A/SqFt, Address, \$/SqFt, A/SqFt, BR, BA, YrBlt, Price, DOM. Contains multiple rows of real estate listings.

Table with columns: SP, RES, \$, SF, A/SqFt, Address, \$/SqFt, A/SqFt, BR, BA, YrBlt, Price, DOM. Contains multiple rows of real estate listings, continuing from the previous page.

It indicates 64 sales in MLS that match the data parameters. Those 64 sales had an average sales price of \$100.40 per square foot. This data search is essentially the same as the data search for Comparison Six which is one of the most recent sales in the data set. In that data set, 205 Jack's Place, the subject, sold for \$100.55 per square foot. This compares well with the average of the 64 sales of \$100.40 per square foot, which indicates that sales prices in a subdivision that adjoins a self-storage facility are not negatively impacted by that facility.

I then conducted a second check for validity in which I narrowed the search parameters from the preceding search to the time frame of October 13, 2014 (the date on which 205 Jacks Place sold) to February 7, 2015 (the date on which this search was conducted) to determine if subsequent data indicated any measurable differences. That data is shown following:

The \$/SF indicated on this report is calculated for the CURRENT status of the listing only. It does NOT reflect the \$/SF from any previous status.

| MLS# | Cat | \$ | Address | SqFt | \$/Sqft | BR | Bth | YRBR | Price |
|--------|--------------|-----------|--------------------|-----------------|------------------------|------------------|------------------|------------------|----------------|
| 266425 | RES | \$ | 159 BLACKSTONE CIR | 1,419 | \$105 | 3 | 2/0 | 2007 | \$146,500 |
| | SP: | \$146,500 | SD: 01/09/2015 | \$/Sqft: \$105 | ApxSqft: 1,419 | ApprSQFT: 1,398 | DOM: 136 | | |
| 264717 | RES | \$ | 220 JOHN MARTIN DR | 1,632 | \$90 | 3 | 2/0 | 2004 | \$149,900 |
| | SP: | \$147,150 | SD: 10/17/2014 | \$/Sqft: \$90 | ApxSqft: 1,632 | ApprSQFT: 1,635 | DOM: 114 | | |
| 262801 | RES | \$ | 205 JACKS PL | 1,467 | \$100 | 3 | 2/0 | 2005 | \$152,000 |
| | SP: | \$147,500 | SD: 10/13/2014 | \$/Sqft: \$100 | ApxSqft: 1,467 | ApprSQFT: 1,470 | DOM: 167 | | |
| 264313 | RES | \$ | 110 SARA FOX DR | 1,593 | \$93 | 3 | 2/0 | 2005 | \$159,400 |
| | SP: | \$154,000 | SD: 10/30/2014 | \$/Sqft: \$93 | ApxSqft: 1,593 | ApprSQFT: 1,660 | DOM: 136 | | |
| 269127 | RES | \$ | 150 APPLEIDGE DR | 1,600 | \$97 | 3 | 2/0 | 2004 | \$154,500 |
| | SP: | \$154,500 | SD: 12/19/2014 | \$/Sqft: \$97 | ApxSqft: 1,600 | ApprSQFT: 1,600 | DOM: 66 | | |
| 268012 | RES | \$ | 216 CHESTNUT DR | 1,510 | \$103 | 3 | 2/0 | 2003 | \$159,900 |
| | SP: | \$155,500 | SD: 11/12/2014 | \$/Sqft: \$103 | ApxSqft: 1,310 | ApprSQFT: 1,512 | DOM: 12 | | |
| 268178 | RES | \$ | 162 BLACKSTONE CIR | 1,554 | \$101 | 3 | 2/0 | 2007 | \$159,900 |
| | SP: | \$156,000 | SD: 01/20/2015 | \$/Sqft: \$101 | ApxSqft: 1,554 | ApprSQFT: 1,540 | DOM: 89 | | |
| 268155 | RES | \$ | 424 ABBEY WOODS | 1,557 | \$101 | 3 | 2/0 | 2002 | \$159,500 |
| | SP: | \$157,000 | SD: 01/28/2015 | \$/Sqft: \$101 | ApxSqft: 1,557 | ApprSQFT: 1,549 | DOM: 110 | | |
| 267085 | RES | \$ | 603 MITCHELL CV | 1,619 | \$98 | 3 | 2/0 | 2004 | \$163,500 |
| | SP: | \$158,000 | SD: 11/24/2014 | \$/Sqft: \$98 | ApxSqft: 1,619 | ApprSQFT: 1,615 | DOM: 75 | | |
| 265772 | RES | \$ | 705 WEDGEWOOD CT | 1,551 | \$104 | 3 | 2/0 | 2006 | \$164,900 |
| | SP: | \$158,500 | SD: 10/22/2014 | \$/Sqft: \$104 | ApxSqft: 1,551 | ApprSQFT: 1,518 | DOM: 91 | | |
| 263611 | RES | \$ | 101 SARA FOX DR | 1,618 | \$99 | 3 | 2/0 | 2005 | \$159,900 |
| | SP: | \$159,500 | SD: 10/16/2014 | \$/Sqft: \$99 | ApxSqft: 1,618 | ApprSQFT: 1,618 | DOM: 146 | | |
| 263978 | RES | \$ | 700 WEDGEWOOD CT | 1,506 | \$113 | 3 | 2/0 | 2006 | \$171,190 |
| | SP: | \$170,000 | SD: 10/17/2014 | \$/Sqft: \$113 | ApxSqft: 1,506 | ApprSQFT: 1,508 | DOM: 161 | | |
| 265417 | RES | \$ | 427 MAINSAIL WAY | 1,646 | \$104 | 3 | 2/0 | 2006 | \$184,900 |
| | SP: | \$175,000 | SD: 10/15/2014 | \$/Sqft: \$104 | ApxSqft: 1,646 | ApprSQFT: 1,677 | DOM: 64 | | |
| | Total | | Avg Price | | Avg \$ Per Sqft | Median | Low | High | Avg DOM |
| | ACT/CNT | 0 | \$0 | \$0.00 | \$0 | \$0 | \$0 | \$0 | 0 |
| | PND | 0 | \$0 | \$0.00 | \$0 | \$0 | \$0 | \$0 | 0 |
| | CLS | 13 | \$156,858 | \$100.62 | \$156,000 | \$146,500 | \$175,000 | \$175,000 | 107 |
| | WTH | 0 | \$0 | \$0.00 | \$0 | \$0 | \$0 | \$0 | 0 |
| | EXP | 0 | \$0 | \$0.00 | \$0 | \$0 | \$0 | \$0 | 0 |
| | Total | 13 | \$156,858 | \$100.62 | \$156,000 | \$146,500 | \$175,000 | \$175,000 | 107 |

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Prepared on 2/9/2015 4:32:06 PM

As the data shows, the average sales price per square foot of those homes was \$100.62, which compares well with the sales price of 205 Jack's Crossing at \$100.55

per square foot. This further indicates that sales prices per square foot of homes in the 39047 zip code are not adversely impacted by self-storage facilities.

CONCLUSION

The previous eight comparisons compare 14 homes that directly adjoin a self-storage facility to 53 sales of homes that were otherwise very similar in age, location and physical characteristics to those that adjoined the storage facilities. A summary of the results is shown in the following chart.

Recap of Comparison Data

| Comparison # | # Sales adjoining self storage | # Sales in Comparison Set | # in Comparison Set that sold for More per SF | # in Comparison Set that sold for Less per SF | Avg. % Storage properties sold for More per SF | Avg. % Storage properties sold for Less per SF |
|----------------|--------------------------------|---------------------------|---|---|--|--|
| 1 | 1 | 8 | 4 | 4 | 5.13% | |
| 2 | 1 | 10 | 0 | 10 | 17.77% | |
| 3 | 1 | 6 | 3 | 3 | 0.15% | |
| 4 | 5 | 9 | 6 | 3 | 0.63% | |
| 5 | 1 | 4 | 0 | 4 | 9.18% | |
| 6 | 1 | 2 | 0 | 2 | 10.29% | |
| 7 | 2 | 7 | 0 | 7 | 10.66% | |
| 8 | 1 | 2 | 1 | 1 | 4.61% | |
| 9 | 1 | 5 | 2 | 3 | 0.57% | |
| Numbers | 14 | 53 | 16 | 37 | | |
| Percent | | | 30.19% | 69.81% | | |

Sixteen of the data set properties sold for more per square foot than the homes that adjoined the storage facilities, and 37 sold for less per square foot than those that adjoined the storage facilities. Percentage wise, 30% of the comparison properties sold for more on average per square foot than the storage properties, and 70% of the comparison properties sold for less per square foot than the subject properties. Of the

nine comparisons, only three showed the properties that adjoined the storage facility selling for essentially the same price per square foot on average as those that did not adjoin it.

Based on my analysis of the relevant data that I believe is appropriate to this assignment, I have formed the conclusion that the market data indicates that the average sales price per square foot of homes that adjoin self-storage facilities in Rankin County is not negatively impacted by the presence of the storage facility.

The following sections of this report are included in compliance with the Uniform Standards of Professional Appraisal Practice. I have retained the MLS data supporting my conclusions in my files.

PURPOSE AND DATE OF ANALYSIS

The purpose of this analysis is to determine whether there is market evidence that homes in Rankin County, Mississippi that back up to or adjoin self-storage facilities sell for less than those homes that do not adjoin or back up to a self storage facility.

The date of this analysis is February 9, 2015.

DEFINITION OF VALUE

Market Value as used herein 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 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:

- a. buyer and seller are typically motivated;*
- b. both parties are well informed or well advised, and acting in what they consider their best interests;*
- c. reasonable time is allowed for exposure in the open market;*
- d. payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and*
- e. 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."*¹

DEFINITION OF FEE SIMPLE INTEREST

Fee Simple Interest is defined as follows:

*"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."*²

DEFINITION OF LEASED FEE INTEREST

A leased fee interest is defined as:

¹ Appraisal Institute, The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), p. 123.

² Ibid, p. 78.

*"A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual land-lord-tenant relationship (i.e., a lease)."*³

PROPERTY RIGHTS APPRAISED

The property rights analyzed in this report are the fee simple interests in Jack's Crossing and Pecan Ridge Subdivision, and of the leasehold interests in the Brenhaven and Riverchase Subdivisions.

HISTORY OF OWNERSHIP

The property being considered for zoning variance is owned by Willie Gavan, Inc. It has not transferred in the three years preceding the date of this analysis.

INTENDED USE AND INTENDED USER

It is my understanding that the function of this analysis is for use by the Rankin County Board of Supervisors for them to consider in deciding whether or not to approve a zoning variance request for use of the property as a self-storage facility by Willie Gavin, Inc.

STATEMENT OF BASIC ASSUMPTIONS AND LIMITING CONDITIONS

The appraiser assumes:

³ Ibid, p. 111.

1. That the subject property's fee simple title is marketable and that the property is free and clear of all liens, encumbrances, easements and restrictions unless otherwise noted.
2. No liability for matters legal in nature.
3. That property ownership and management will be in competent and responsible hands.
4. That the property will not operate in violation of any applicable government regulations, codes, ordinances or statutes.
5. There are no concealed or dubious conditions of the subsoil or subsurface waters including water table and flood plain. We further assume there are no regulations of any government entity to control or restrict the use of the property unless specifically referred to in the report.

The following limiting conditions are submitted with this report:

1. All of the facts, conclusions and observations contained herein are consistent with information available as of the date of valuation. The value of real estate is affected by many related and unrelated economic conditions, local and national. We, therefore, assume no liability for any unforeseen precipitous change in the economy.
2. The valuation applies only to the property described herein and was prepared for the purpose so stated and should not be used for any other purpose. Any allocations of total price between land and improvements as shown herein is invalidated if used separately or in conjunction with any other report.
3. The appraisers have made no survey of the property. Any and all maps,

sketches and site plans are assumed to be correct, but no guarantee is made as to their accuracy.

4. Information furnished by others is presumed to be reliable and where so specified in the report, has been verified; but no responsibility, whether legal or otherwise, is assumed for its accuracy, and it cannot be guaranteed as being certain. No single item of information was completely relied upon to the exclusion of other information.

5. The appraisers shall not be required to give testimony or attend court or be at any governmental hearing with reference to the subject property unless prior arrangements have been made with the client.

6. Disclosure of the contents of this report is governed by the author. Neither this report nor any portions thereof (especially any conclusions as to value or the identity of the appraiser) shall be disseminated to the public through public relations media, news media, advertising media, sales media or any other public means of communication.

7. No responsibility is taken for changes in market conditions after the date of valuation or for the inability of the property owner to find a purchaser at the appraised value.

8. The date of the valuation to which the value estimate conclusions apply is set forth in the letter of transmittal and within the body of the report. The value is based on the purchasing power of the United States dollar as of that date.

9. The legal description shown herein has been included for the sole purpose of identifying the subject property. The figures have not been verified by a licensed

surveyor or legal counsel and should not be used in any conveyance or any other legal document.

10. Other than as specifically addressed elsewhere, the report does not take into consideration the possibility of the existence of asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks containing hazardous material. The report does not consider the cost of encapsulation treatment or removal of such material. If the client/property owner has a concern over the existence of such conditions in the subject property, the appraiser considers it imperative to retain the services of a qualified engineer or contractor to determine the existence and extent of such hazardous conditions. Such consultation should include the estimated cost associated with any required treatment or removal of hazardous material.

11. The report, the value conclusions and the prospective financial analyses included herein are intended solely for the Intended Use and for the Intended User cited within the body of the report; the appraisal may not be relied upon by any other party or for any other purpose. Neither our report nor its contents may be included or quoted in any offering, circular or registration statement, prospectus, sales brochure, appraisal, loan or other agreement or document.

12. It should be specifically noted that this appraisal assumed that the property will be competently managed and maintained by financially sound owners over the estimated period of ownership. Due to the importance of underwriting considerations to the safety of such mortgages, we do not presume to advise the amount of money which may be safely loaned with the subject property held as

security.

13. Any party acquiring any interest in the appraised property should make a detailed building and structural engineering inspection of all improvements and their condition(s) prior to acquiring an interest in the property.

14. We were not provided a wetlands survey for the subject site. If subsequent engineering data reveals the presence of regulated wetlands, it could materially impact property value. This appraisal is strictly contingent on there not being any regulated wetlands on the appraised property.

15. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with 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 effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

16. The appraisers reserve the right to change and revise valuations in this report if any undisclosed information or errors, particularly those of a mathematical or typographical nature, come to our attention at a later date.

17. The appraisers are not environmental inspectors and are not qualified to determine: ① whether mold or any other environmental problem is present in the

property, ② the cause or type of mold, or ③ whether mold may pose any risk to the property or its inhabitants. Any party acquiring an interest in this property should perform their own due diligence relating to the possibility of mold or other environmental matters prior to acquiring any interest in the property. The appraisers are not responsible for any economic loss relating to the discovery of mold or other environmental problems within the property, regardless of whether present in the property at the time of the appraisal or at a subsequent date. Users of this appraisal are advised to utilize the services of a competent environmental professional in their due diligence process.

CERTIFICATION

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

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions and conclusions.
- 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.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- 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 of 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.

- my analyses, opinions and conclusions were developed, and this appraisal and report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice, and with the requirements of the Code of Professional Ethics of the Appraisal Institute.
- I have made a personal inspection of the property that is the subject of this report.
- the appraiser has acted in an independent capacity; this appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- I have not performed services on the property that is the subject of this appraisal, as an appraiser or in any other capacity, in the three (3) years preceding the date of this engagement.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'M. W. Boteler', written in a cursive style.

Michael W. Boteler
MS Certified General Real Estate Appraiser #GA-78