

# Appraisal Report

484 Main Street  
Worcester, Massachusetts



Value as of  
September 16, 2021

**Prepared For:**

Mr. Peter Dunn, Chief Executive Officer  
Worcester Redevelopment Authority  
455 Main Street  
Worcester, MA 01608

**Prepared By:**

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October 4, 2021

Mr. Peter Dunn, Chief Executive Officer  
Worcester Redevelopment Authority  
455 Main Street  
Worcester, MA 01608

Dear Mr. Dunn:

An Appraisal Report of the property at 484 Main Street, Worcester, Massachusetts, has been completed at your request. The subject is comprised of two lots totaling 104,459+/- square feet (SF), zoned Business, General (BG-6.0) and is also in the Downtown Parking Subarea (CCOD-D) overlay. The site is improved with a 6-story masonry, and steel framed 200,000+/-SF, office condominium building.

The intended user and client of the Appraisal Report is the Worcester Redevelopment Authority. The purpose of the Appraisal Report is to estimate the market value of the subject. The intended use of the Appraisal Report is for potential property taking purposes.

At the request of the client, the property is being appraised under the hypothetical condition that it is under a single ownership and that the property rights appraised are the fee simple estate.

The estimates of value and final conclusion are subject to the assumptions and limiting conditions included in this report. They are contingent on the subject conforming to all federal, state and municipal regulations.

The analysis and conclusion within the attached report are based on field research, interviews with market participants and publicly available data collected by the appraiser. Supporting documentation is retained in the appraiser's file.

The accompanying report has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice. Included is a description and analysis of the real estate, all pertinent data, valuation methodology, supporting relevant exhibits, and Addendum to the attached report.

## **COVID-19**

The global outbreak of a “novel coronavirus” known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO). It is currently unknown what direct, or indirect, effect, if any, this event may have on the national economy, the local economy or the market in which the subject property is located. The reader is cautioned, and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of this event, or any event, subsequent to the effective date of the appraisal.

### **Extraordinary Assumptions & Hypothetical Conditions**

*The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is an assignment-specific assumption as of the effective-date regarding uncertain information used in the analysis, which, if found to be false, could alter the appraiser's opinions or conclusions.*

- 1. The inspection of the property was limited to the basement, the common areas and through the windows of tenant spaces. The estimated value is based on the extraordinary assumption that the areas not inspected are of similar condition and quality as the areas inspected.*
- 2. The subject was previously listed as a confirmed disposal site in the Transition List of Confirmed Disposal Sites and Locations to be Investigated by the Department of Environmental Protection (DEP) in 2011. Determination of any impacts of contamination on the use and value of the subject property is not within the expertise of the real estate appraiser. The estimated value is based on the extraordinary assumption that the subject is free of contamination and conforms to all local, state and federal environmental regulations.*

*The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.*

- 1. At the client's request, the estimated value is based on the hypothetical condition that the property is under a single ownership and is owned fee simple.*

October 4, 2021  
Worcester Redevelopment Authority

The accompanying Appraisal Report has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice. Included is an analysis of the real estate, all pertinent data, valuation methodology, supporting relevant exhibits and Addendum to the attached report.

As of September 16, 2021, the estimated market value of the subject is:

**Four Million Two Hundred Thousand Dollars**  
**\$4,200,000**

This firm disclaims the validity of appraisal reports which lack original signatures on the letter of transmittal, on the Certification, and after the reconciliation of value estimates.

Respectfully submitted,



Joel A. Buthray, MAI  
Certified General  
Real Estate Appraiser  
Commonwealth of Massachusetts #929

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## **Executive Summary**

Client and Intended User	Worcester Redevelopment Authority
Purpose of The Appraisal Report	Estimate the market value of the subject as a single ownership
Intended Use of Appraisal Report	Potential taking purposes
Property Owner	Numerous individual condominium owners.
Property Classification	Office condominium property
Property Location	484 Main Street Worcester, MA
Property Rights Appraised	Fee simple estate
Date of Inspection	September 16, 2021
Date of Valuation	September 16, 2021
Date of Report	October 4, 2021
Zone Classification	Business, General (BG-6.0) and is also in the Downtown Parking Subarea (CCOD-D) overlay.
Assessment Data	The subject is assessed as individual condominiums, not a single owned building.
Size of Parcel	A 55,234+/-SF site
Property Improvements	6-story masonry, wood and steel framed, 200,000+/-SF office condominium building
<b>Highest and Best Use</b> If Vacant  As Improved	Commercial development  Existing use
Marketing & Exposure Time	6 months

<b>Valuation Analysis</b>	
Site Value	Not developed
Cost Approach	Not developed
Sales Comparison Approach	\$4,200,000
Income Capitalization approach	Not developed
<b>Final Estimate of Value</b>	<b>\$4,200,000</b>



**Subject Photographs**



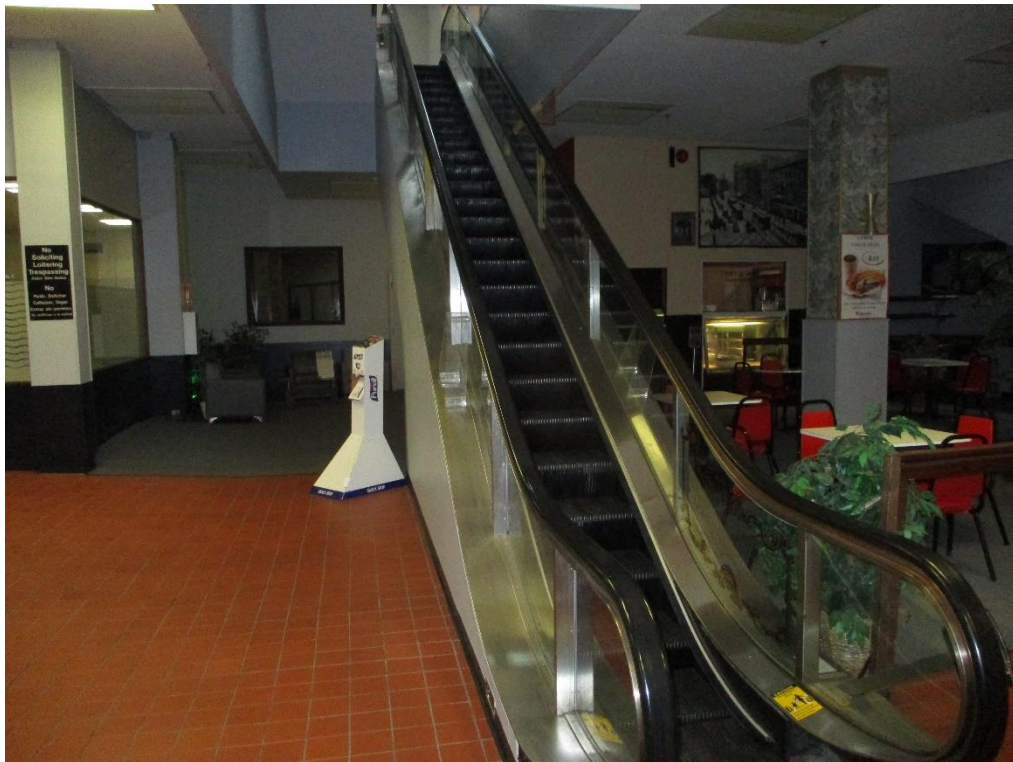
Front of the Building



South Side of the Building



West Side of the Building



Sample Interior



Sample Interior



Sample Interior



Sample Interior



Sample Interior



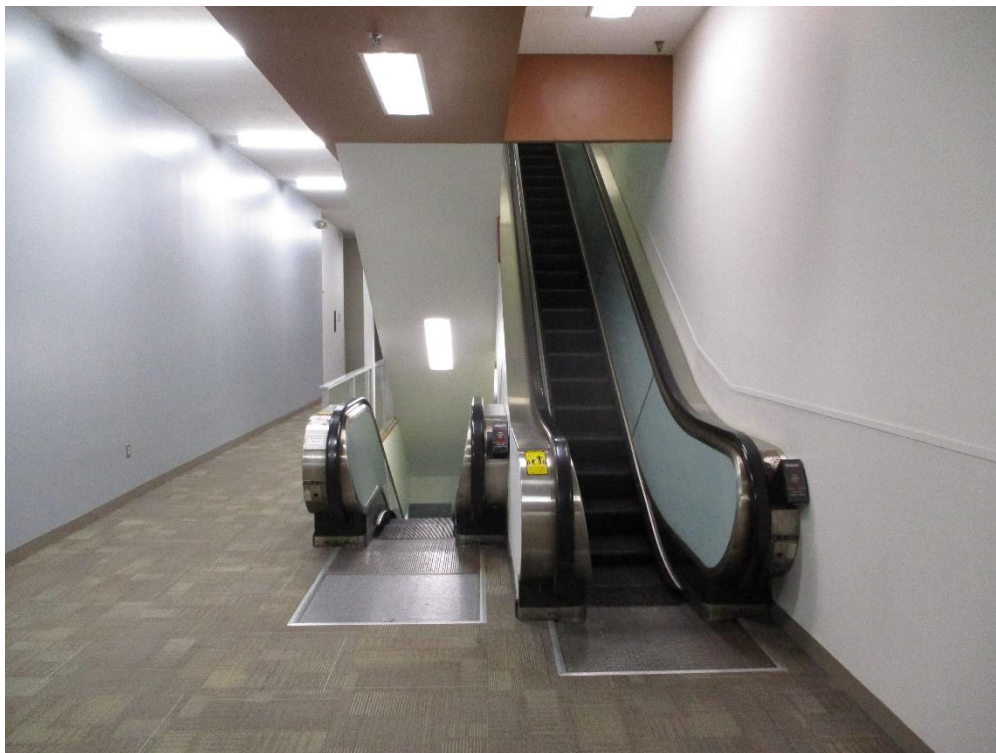
Sample Interior



Sample Interior



Sample Interior



Sample Interior



Sample Interior



Sample Interior



Sample Interior



Sample Unfinished Basement





Sample Unfinished Basement



Sample Semi-finished Basement



View of Non-Working Freight Elevator



View of Wet Sprinkler System



View of Dry Sprinkler System



View of Boiler



View of Electrical System



Facing South on Main Street



Facing North on Main Street



View of Chase Court Facing North



Facing South on High Street



Facing North on High Street

## **Identification of the Real Estate**

The subject office condominium property at 484 Main Street fronts the west side of Main Street, just north of the intersection of Main and Chatham Streets and also fronts the east side of High Street. Chase Court bisects the subject lots. There are a total of 30 condominium units. The property is identified in assessor records as Map 3, Block 20B, as lots U-10 through U-280 and Map 30, Block 20C, Lots U-300 through U-600.

## **History**

The following is a summary of the most recent sales of the units.

<b>Unit</b>	<b>Buyer</b>	<b>Sale Date</b>	<b>Book/Page</b>	<b>Price</b>
10	Denholm Condominium Trust	05/24/94	16309/367	\$120,000
50	Denholm Condominium Trust	05/24/94	16309/367	\$120,000
100	PPM V Partnership LP	11/10/94	16699/228	\$265,000
105	Denholm Condominium Trust	05/24/94	16309/367	\$120,000
110	Denholm Condominium Trust	05/24/94	16309/367	\$120,000
120	Ben Bichotte	09/22/21	66115/75	\$50,000
150	Denholm Condominium Trust	06/25/08	43014/236	\$100
170	Southeast Asian Coalition of Central Mass, Inc.	07/16/18	59106/162	\$100
180	Choice 1 Realty LLC	01/31/20	61830/31	\$45,000
200	Worcester Community Action Council, Inc.	07/19/94	16444/148	\$194,000
250	Worcester Community Action Council, Inc.	07/19/94	16444/148	\$194,000
280	Worcester Community Action Council, Inc.	07/19/94	16444/148	\$194,000
300	United Way of Central Massachusetts, Inc.	01/01/88	7896/289	\$215,000
320	Denholm Condominium Trust	05/26/09	44296/395	\$120,000
330	Robert E. Marhefka and Edward S. Jablonski	01/01/88	8939/378	\$92,500
340	Center for Living and Working, Inc.	08/31/90	12977/123	\$100,000
345	Center for Living and Working, Inc.	01/01/88	11050/372	\$187,500
350	Denholm Condominium Trust	05/24/94	16309/367	\$120,000
360	Big Brothers/Big Sisters of Worcester County, Inc.	09/12/91	13632/105	\$60,000
400	United Way of Central Massachusetts, Inc.	01/01/88	10115/193	\$189,000
420	Zechariah Cook	09/01/21	65974/43	\$95,000
430	Faith Fellowship Ministries International	08/29/14	52748/126	\$290,000
450	The Colleges of Worcester Consortium, Inc.	12/14/06	40340/386	\$1.00
460	Center for Living and Working, Inc.	08/28/13	51418/92	\$50.00
480	Center for Living and Working, Inc.	08/28/13	51418/103	\$50.00
500	Colleges of Worcester Consortium, Inc.	03/06/98	19682/244	\$180,000
510	Randy S. Feldman	04/02/93	15063/331	\$65,000
515	The Colleges of Worcester Consortium, Inc.	03/06/98	19682/249	\$37,500
520	David L. Cataldo	10/01/20	63402/174	\$100
530	David L. Cataldo	10/01/20	63402/176	\$100
535	Choice 1 Realty LLC	10/23/18	59582/126	\$25,000
540	Faith Fellowship Ministries International	06/29/18	59033/259	\$100
560	Faith Fellowship Ministries International	06/29/18	59033/259	\$100
570	Vangella Real Estate LLC	08/24/21	65901/261	\$55,000
580	Joseph Lostrocco	10/09/20	63459/373	\$30,000
600	Easter Seal Society for Crippled Children and Adults	12/14/84	8490/375	\$0



## **Personal Property**

Furniture, appliances, equipment, etc. are considered personal property not incorporated in the value of the property.

## **Intended User and Client of the Appraisal Report**

The intended user and client of the Appraisal Report is The Worcester Redevelopment Authority.

## **Purpose of Appraisal Report**

The purpose of the Appraisal Report is to estimate the market value of the property under the hypothetical condition it is under a single ownership and fee simple.

## **Intended Use of Appraisal Report**

The intended use of the Appraisal Report is for potential property taking purposes.

## **Property Rights Appraised**

The property rights appraised are the fee simple estate.

Fee simple estate is defined as: "*Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by governmental powers of taxation, eminent domain, police power, and escheat*". [The Dictionary of Real Estate Appraisal, 6th ed. (Appraisal Institute, 2015), 90].

## **Effective Date of Value**

The appraiser inspected the property on September 16, 2021, the effective date of valuation.

## **Effective Date of Appraisal Report**

The effective date of the Appraisal Report is October 4, 2021.

## **Definition of Market Value**

Market value is defined by the federal financial institutions' regulatory agencies 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 are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. *Buyer and seller are typically motivated;*
2. *Both parties are well informed or well advised, and acting in what they consider their own best interests;*

3. *A reasonable time is allowed for exposure in the open market;*
4. *Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
5. *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.*

Source: 12 CFR Section 34.42 (f)

## **Appraisal Development and Reporting Process**

This Appraisal Report format is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report.

## **Scope of Work**

The preparation of this appraisal consisted of:

Joel A. Buthray, MAI of O'Hara-Buthray Associates, Inc. completed a limited inspection of the property on September 16, 2021. Additional steps taken to complete this assignment included the following.

- Photographs of the subject property were taken.
- A tour through the neighborhood and the general area of the city of Worcester to note predominant characteristics such as land use, condition of properties, neighborhood influences, vacancy, etc.
- Research at the Worcester City Hall to review the Assessor field card for assessment/tax data and for information about the property.
- The most recent zoning bylaws were reviewed. Site data and soil characteristics were researched in resources such as the applicable floodplain insurance rate map; the Web Soil Survey, published by the United States Department of Agriculture soil maps and descriptions; and the DEP Transition List of Confirmed Disposal Sites and Locations to be Investigated.
- Area demographics such as population trends, unemployment statistics, income levels, etc. were researched in publications such as the U.S. Census Bureau, Employment and Unemployment Statistics published by the Massachusetts Department of Employment and Training.
- Pertinent area information was researched from in-house resources and news articles: Telegram & Gazette, Worcester Business Journal, The Wall Street Journal, Bankers and Tradesmen, CoStar Comps data, an in-house data base, etc.

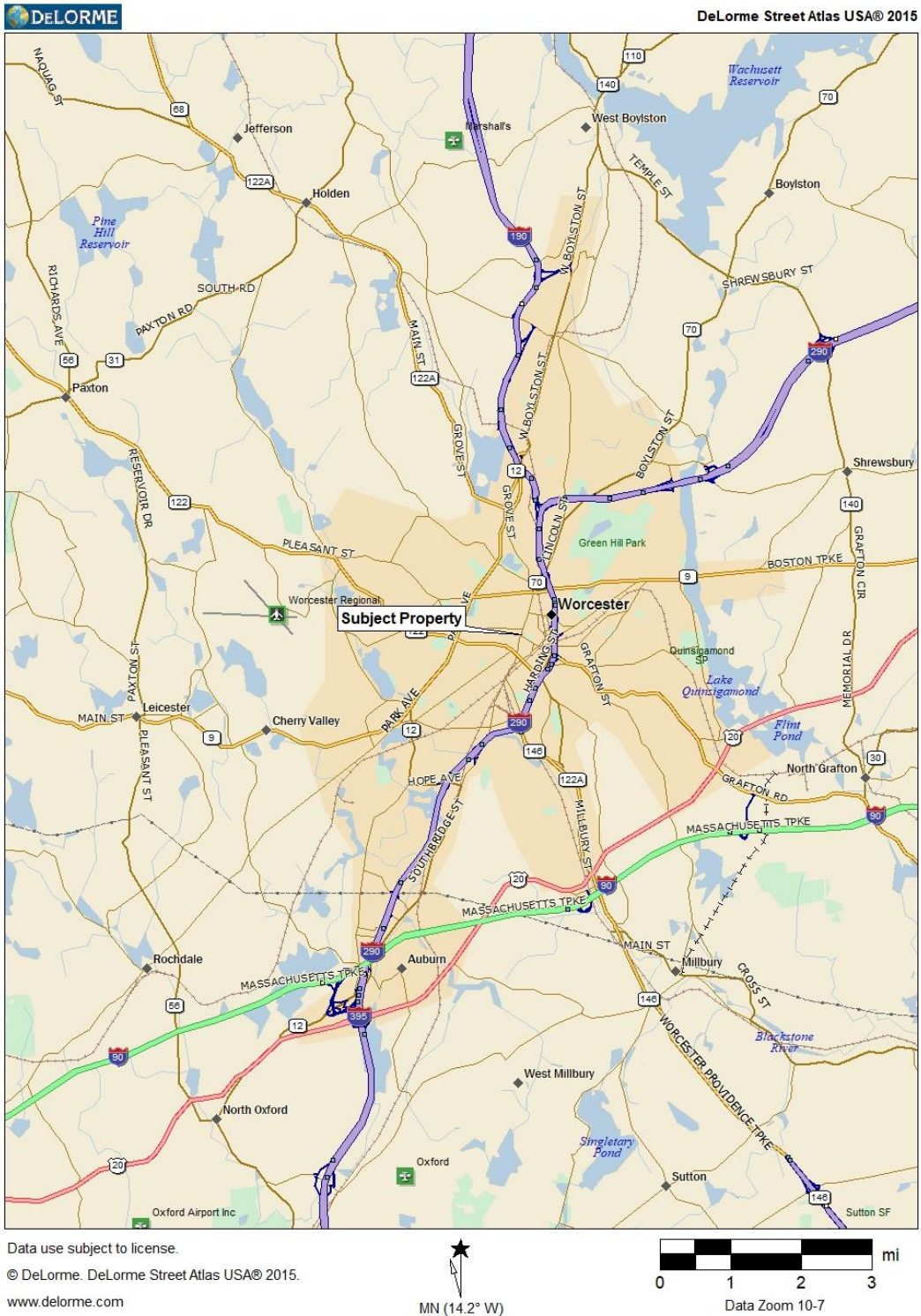
- Market area research included contacting brokers, property owners, etc. for the purpose of obtaining and verifying comparable sales, etc.; and updating information on the latest events affecting the city or the neighborhood. This also included contacting local financial institutions to obtain current lending policies.
- Also researched at the Registry of Deeds were recorded deeds for a 3-year sales history of the subject and sales used for comparison.
- The value of the subject has been developed by the sales comparison approach.

Please note this appraisal process did not include:

- The site value was not developed because the highest and best use is considered to be the property as improved.
- The cost approach was not developed to estimate the value of the subject due to the age of the improvements and the degree of depreciation.
- The income capitalization approach was not developed per contractual agreement with the client.

All properties considered for comparative purposes were visited and photographed.

# Area Map



## **Area Description**

Worcester benefits from its central location in relation to the rest of the state, and even to the entire New England area. It is serviced by, or near to, several interstate systems and major state routes; passenger and freight rail systems, interstate and local bus transportation and a local airport.

The city serves as the economic, educational, medical, and social hub of the cities and towns within the central Massachusetts area. In comparison to communities east of the city, the cost of housing is lower, and sources of employment are diverse.

Following are the August 2021 unemployment rates for the United States, Massachusetts, Worcester County and Worcester, reported by the Massachusetts Department of Employment and Training.

<b><u>United States</u></b>	<b><u>Massachusetts</u></b>	<b><u>Worcester County</u></b>	<b><u>Worcester</u></b>
5.2%	5.0%	5.7%	6.8%

Prior to the Coronavirus, the unemployment rates throughout the country including Worcester were very low. Since the pandemic impacted the United States, the rates initially escalated substantially, however, have improved significantly since. Many businesses have closed or downsized throughout the country, resulting in higher unemployment rates. The most recent reported rate in Worcester is 6.8%, a moderately higher figure than the other three categories. It is difficult to determine how long the Coronavirus will impact the country. Favorably, vaccines have taken place, however, a Delta Variant has become active.

Following are census figures for Worcester in 1990, 2000 and 2010.

<b><u>City</u></b>	<b><u>1990</u></b>	<b><u>2000</u></b>	<b><u>% Change</u></b>	<b><u>2010</u></b>	<b><u>% Change</u></b>
Worcester	169,799	172,648	+1.7%	181,045	+4.9%

**Source: U.S. Census data**

Census data indicates that population in Worcester has been increasing over the past decades including a moderate 4.9% increase for 2010. Population increases are favorable for the housing market and local businesses.

The following is a comparison of the median household income for 2019 (most recent available) in Worcester, Worcester County and Massachusetts.

<b><u>Location</u></b>	<b><u>Median Income 2019</u></b>
Worcester	\$48,139
Worcester County	\$74,679
Massachusetts	\$81,215

**Source: U.S. Census**

The low-income levels in Worcester negatively impacts on local property values.

### **Economic Factors**

A factor influencing investment in real estate is current lending criteria. Financing is available, but underwriting criteria are more exacting. The prime rate increased steadily to as high as 9.5% on May 17, 2000. With the slowdown in the economy, the prime rate was reduced numerous times to the low rate of 4.00% as of June 27, 2003. The rate increased numerous times to 8.25% as of June 26, 2006 in an attempt to slow inflation. The prime rate was later reduced numerous times to 3.25% on December 16, 2008 in an attempt to stimulate the economy once again. The prime rate remained fixed until it increased to 3.5% on December 17, 2015, followed by eight increases reaching 5.50% on December 20, 2018. The feds then cut the prime rate to 5.25% on August 1, 2019, to 5.0% on September 19, 2019, to 4.75% on October 30, 2019 and bigger cuts to 4.25% on March 4, 2020 and again to 3.25% on March 16, 2020 due to economic growth slowing and the negative impact on the economy and general health concerns from the Coronavirus.

The stock market has had some volatility with major upward and downward fluctuations. A lot of the volatility is attributed to the so called “trade wars” with China, weaker retail figures and as a result of the negative impact of the virus. The White House approved an economic relief bill to help combat the negative impact of the virus. Favorably, vaccinations have taken place and the infection rates have declined substantially, however, the Delta Variant is still of concern. The country has mostly reopened once again. More recent negative issues that the country is experiencing include rising inflation, difficulty filling employment needs and difficulty meeting trucking and production needs.

Prior to the Coronavirus, some of the major factors that had previously negatively impacted on consumer confidence levels and the economy in the country included high fuel and food prices, weak job growth and manufacturing figures, stagnant retail sales, and the weak state of several European countries. Oil and gas prices had dropped substantially in the recent past partly due to an oversupply and also as a result of the virus. Prices have fluctuated up and down once again. There previously had been job growth, however, income levels were typically lower than in prior stronger economic times. Due to the difficulty of being able to fill job needs at many businesses, income requirements for many jobs have increased. Retail sales had been very weak and several retail stores have closed or gone bankrupt as many have not been able to compete with on-line company Amazon, etc. Retail properties continue to struggle, however, are gradually making progress once again. Office demand has weakened as many companies are opting to have employees work from home and are downsizing their space. The industrial market is very strong with demand typically exceeding the supply of buildings available.

The consumer confidence index, a good indicator of the current state of the economy has been fluctuating up and down over the past few years. Since July of 2019, the rate decreased each month until November of 2019 down to 126.8, followed by three consecutive increases to 132.6 in February of 2020. With the breakout of the virus in March of 2020, the index dropped substantially to 118.8. The drop was even more significant in April of 2020 to 85.7, the lowest level in a lengthy period. The rate increased modestly in May of 2020 to 85.9, however, jumped to 98.3 in June of 2020 following the opening of several businesses. The rate decreased significantly in July of 2020 to 91.7. The rate in August of 2020 declined further to 86.3. The trend reversed itself in September with a sizable increase to 101.3, and once again to 106.2 in October of 2020. Recently, the rate decreased to 92.9 for November of 2020 and once again to 87.1 for December of 2020. The rate reversed in January of 2021 to 88.9 and increased again to 90.9 in February of 2021. The rate has increased substantially over the next five months in a row to 125.1 in July of 2021, the highest level since the pandemic as the economy is becoming active once again. The rate dropped substantially to 91.4 in August of 2021, the lowest level since February of 2021.

“Consumer confidence retreated in August to its lowest level since February 2021 (95.2),” said **Lynn Franco, Senior Director of Economic Indicators at The Conference Board**. “Concerns about the Delta variant—and, to a lesser degree, rising gas and food prices—resulted in a less favorable view of current economic conditions and short-term growth prospects. Spending intentions for homes, autos, and major appliances all cooled somewhat; however, the percentage of consumers intending to take a vacation in the next six months continued to climb. While the resurgence of COVID-19 and inflation concerns have dampened confidence, it is too soon to conclude this decline will result in consumers significantly curtailing their spending in the months ahead.

### **Worcester Development**

At present, expectations are high that recent and scheduled development for the downtown area of Worcester will draw people and spur interest in commercial ventures in the downtown area and fan out to other sections of the city.

Activity in the Central Business District (CBD) over the past several years includes the completion of the convention center, which abuts the DCU Center. Medical City, a 299-bed hospital and medical office building with a cost of approximately \$210,000,000 opened in April of 2000. The \$20,000,000 Gateway Project was completed along Central Street, which has improved ingress and egress to and from the downtown area with connections to and from Interstate 290 (I-290). Central Street has been widened from a two lane to a four-lane road to help alleviate traffic congestion problems.

The Worcester Municipal Parking Garage at Worcester Center Boulevard and East Central Street was completed on November 1, 2000. This 1,001-space parking garage is being used by many employees of the Worcester Medical Center, DCU center, post office employees and a hotel. The total cost of the garage project was \$14,500,000.

The former Worcester Common Fashion Outlet Mall, was demolished and re-developed as “City Square”, including a large office building for UNNUM Provident, and a cancer treatment center building. In addition, apartments plus first floor retail space and a hotel are being developed on the City Square site. UNNUM Provident has since moved out of their space and several leases of their space have been completed.

The Hanover Theater, a \$31,000,000 renovation project is just south of the City Hall. The owners of the Hanover Theater purchased the abutting shell of an office building at 551 Main Street which has been renovated, an addition completed and was connected to the Hanover Theater. The Hanover Theater continues to increase sales volume from increased shows and events since opening.

The former Worcester Telegram and Gazette property fronting Franklin and Federal Streets was purchased by the Worcester Business Development Corporation (WBDC) as part of a focus of re-development downtown. The building, which is 132,000+/-SF is comprised of mixed-use development. Most of the space has been renovated and is occupied by Quinsigamond College's allied health and certified programs. In addition, there are office tenants and a restaurant space in this building. Also purchased from the Worcester Telegram by the WBDC is a large parking lot located to the rear of the property.

Surrounding the former Worcester Telegram and Gazette Building is multiple mixed-use properties called “The Grid”, located across the street from the Worcester Commons. The owners have made several improvements to the existing properties including apartments and commercial spaces. They also bought the former Paris Cinema on Franklin Street which had been closed for several years and has been demolished and re-developed with a beer garden and other commercial space on the property.

Properties at 90, 100 and 120 Front Street in downtown Worcester sold October 15, 2015 for \$32,500,000, consisting of two Class A office towers, some retail space and a commercial parking garage. These properties are now known as Mercantile Place. UMASS Memorial Health Care located approximately 500 workers into these towers. The Mid-Town mall at 10-30 Front Street, comprised of retail and office space was purchased May 3, 2019 for \$4,000,000. The property, which was in generally poor condition, is being completely renovated for retail and office uses.

Union Station, a historical property has been renovated at a cost of approximately \$38,000,000. The building consists of 99,000+/-SF. The train station also serves as intermodal transportation for an MBTA line that currently travels into Boston as well as an Amtrak line that travels westerly, with connections as far as Chicago. A lack of on-site parking had been a past negative in leasing this property, however the abutting property at 225 Franklin Street has been redeveloped with a 500-space parking garage which has enhanced the demand for the property.



There has been significant hotel development in Worcester in the past decade. A 150-room hotel (Courtyard Marriott Hotel) at 64 Grove Street opened in 2000. The City of Worcester sold the Central Street fire station property on Central Street for \$980,000 and was redeveloped with a Hilton Garden hotel. An additional Residence Inn hotel has been developed on Plantation Street. A 100 Room Hampton Inn and Suites was recently completed at 65 Prescott Street. A 120 room Homewood Suites hotel was recently completed at the rotary of Washington Square. Homeward Suites bought an approximately 1.02+/-AC parcel from the Worcester Redevelopment Authority at 36 Washington Square, which is near Union Station to potentially build another hotel. An additional hotel is proposed to be developed near the new baseball park for the Triple A farm team. There is a 150 room Renaissance by Marriott in downtown Worcester that recently opened within City Square.

In the “Canal District” a former industrial complex at 51 Winter Street was demolished and re-developed with two hockey arenas and 40,000 SF of space for retailers. The \$18,000,000 project opened in August of 2017. At 120 Harding Street and 152 Green Street, also in the “Canal District” of Worcester, a \$21,000,000 mixed use project was developed with 48 apartments, a restaurant and approximately 16,000+/-SF of public market space.

In the same neighborhood, the stadium for the WooSox Triple A baseball team was constructed on multiple parcels totaling approximately 15+/-AC. There is other development proposed surrounding the land of the proposed ball park including two hotels sharing one lobby comprised of a 140-room traditional hotel and 122-room boutique hotel. A new 120,000+/-SF office building with first floor retail and restaurant space will overlook left field of the stadium. The Table Talk Pies property has been sold and is proposed to be developed in multiple phases including the phase one construction of 83 affordable apartments. The masterplan for the site is a total of approximately 400 units of housing and 40,000+/-SF of retail space.

Adjacent to Polar Park is a block of land proposed for development with a mixed-use project called the Cove, planned for a 13-story high rise for 318 apartments, and retail space including a bowling alley. This site is between Green, Plymouth, Gold and Washington Streets.

The Worcester Redevelopment Authority recently announced an ambitious plan to re-develop 380 properties within a 118.4-acre area in and near downtown Worcester. Many of the properties have been vacant for several years or deteriorated and they will likely be taken by eminent domain. This re-development could result in greater demand and improve property values in the neighborhood.

There also has been activity in the medical and biotechnical industries. In the Biotechnology Park on Plantation Street in Worcester, a fifth building has been constructed by an investor, totaling 92,425+/-SF.

A developer from Boston purchased an older industrial property at 306 Belmont Street (Route 9). They invested approximately \$8,750,000 to construct an addition (total size of 94,000+/-SF after addition) and retrofit the building for office tenants. The original plan was to make it into a medical and biotechnological research center. This property is strategically located across from the Biotechnology Park and the UMASS Hospital and the owners attracted tenants that compliment these businesses.

The owners of the University of Massachusetts Medical Center constructed a 360,000+/-SF research building on its campus in 2005 and recently constructed a \$400,000,000, 500,000+/-SF research and education facility and the 480,000+/-SF, \$400,000,000 Albert Sherman Center, a research and education facility was recently completed. UMASS was recently in discussions with the Massachusetts Department of Transportation (MDOT) to complete a land swap and construct a Veterans hospital adjacent to the hospital campus, however, this transaction fell through.

A 125 million dollar, 392,000+/-SF Court House was completed at the intersection of Main, Commercial, Thomas and Central Streets. As a result of the construction of the courthouse, there were properties redeveloped across the street. The 27,540+/-SF retail/storage building at 184 Main Street was purchased for \$1,300,000. The property was renovated and leased to the Massachusetts Trial Court. The 25,505+/-SF, retail/storage property at 180 Main Street was also acquired for \$801,500 and has been renovated and leased to the District Attorney's office.

The Lowell Building at the corner of Norwich and Foster Streets was purchased by the Massachusetts College of Pharmacy and Health Sciences. This 50,000+/-SF building was renovated into a new downtown campus for the school at a cost of \$11,000,000. They have recently bought several other buildings in the neighborhood which they have renovated and used. The Massachusetts College of Pharmacy and Health Sciences acquired the 243 room Crowne Plaza Hotel for \$16,800,000 primarily for housing for its students. Approximately \$10,000,000 was paid for renovations.

The Massachusetts College of Pharmacy continues to expand from its downtown CBD location as they have also recently purchased several residential condominiums and also apartments within approximately a half mile radius of the school for student housing. In addition, they bought the approximately 97,000+/-SF, former Morgan Construction office building on a 3.5+/-AC site for \$2,900,000. Their plan was to redevelop the building for student housing.

An investment group started by the WBDC and Worcester Polytechnic Institute (WPI) purchased several properties along Grove and Prescott Streets for redevelopment. The first (124,000+/-SF) of four office/research buildings was constructed on site. A second building of 92,000+/-SF has been constructed to support office, life sciences, and biotech companies and is anchored by WPI and the Massachusetts Biomedical Initiative. A parking garage has been built to support the buildings.

In this northern section of the CBD, Winn Development has re-developed a former Voke School building into an 84 unit mixed-income housing apartment building. The project cost \$30 million. The former 99,000+/-SF Worcester Memorial Auditorium at the corner of Grove and Highland Street, which has been vacant since 1999 is being sold to an architecture firm for redevelopment at a cost of \$94 million into a digital technology, arts and education center for the digital media industry.

An additional parcel along Grove Street has been developed with student housing for WPI students. There are 84 units of apartments and student housing that has been completed as part of a renovation project in a multi-story mill building at 8 Grafton Street. In the City Square project in downtown Worcester, a 365-unit apartment project was recently finished that includes retail space plus a 479-space parking garage. This same developer was previously seeking approvals for another 84 apartments plus additional retail space on the site of the former Notre Dame church property at Salem Square, however, they withdrew their plans.

The vacant former courthouse building of 250,000+/-SF at the corner of Main and Highland Streets was recently re-developed is in the re-development stage into 118 apartments plus a retail space at a cost of \$53,000,000 with the aid of historical tax credits. In downtown Worcester, office space is in lower demand with more people working for home. The former office building at 332 Main Street was recently converted to first floor retail space and 55 apartment units for mixed income levels. The office building at 340 Main Street was purchased in 2020 and will be renovated into first floor retail space and 312 market rate apartments.

A development group purchased approximately 43,000+/-SF of under-utilized buildings at 371-379 Main Street and 381-385 Main Street in Worcester for \$1,000,000. The redevelopment project consists of continued first floor retail use, with development of the upper floors with 60 micro-loft apartment units. The property was later purchased by The Massachusetts College of Pharmacy primarily for student housing use.

In the apartment market, a 72-unit apartment building is being developed on the former El-Morocco restaurant site at 100 Wall Street. A former dilapidated industrial building at 261 Clover Street is proposed to be demolished and 90 apartments are planned to be built on the 5+/-AC site.

A mill building at 28 Water Street is proposed to be redeveloped with 62 studio or one-bedroom apartments at a cost of approximately \$5 million to \$7 million.

New office development has been stagnant. The most recent significant office development in Worcester includes a 57,600+/-SF Class A office building was completed in 2003 at 3 West Boylston Street. UMASS Medical are the main tenants occupying the building. A 48,000+/-SF Class A office building was also constructed at 102 Shore Drive in 2007. Saint Vincent's Physician Services occupies the majority of the building.

In retail development, Lincoln Plaza has been re-developed. Anchor tenants include Lowe's, Target, Dicks, Super Stop and Shop and Staples. Directly across the street from this center is a newer Aldi's supermarket at 500 Lincoln Street. In addition, a Kohl's Department store has been developed with additional potential for retail space.

Worcester Crossing, off Route 146 had been developed with a 220,000+/-SF Wal\*Mart Supercenter, the largest in New England and an Olive Garden restaurant. Also developed on the site was a 136,000+/-SF Sam's Club, as well as 30,000+/-SF of multi-tenanted retail space. The Sam's Club was one of many in the region that were recently closed down. In late 2019, the Sam's Club was converted to an E-commerce fulfillment center.

A 65,000+/-SF Price Chopper grocery store on Pullman Street and a 65,000+/-SF Price Chopper grocery store on Cambridge Street were completed in 2003-2004. A supermarket site for Shaw's on Grafton Street was also completed in 2004. Due to poor sales, the Grafton Street store closed and has been acquired along with several others nearby parcels as part of an assemblage for a rail yard by CSX. A parcel along West Boylston Street and Gold Star Boulevard, as well as some abutting parcels were purchased by a developer for construction of a Shaw's supermarket that opened in 2005.

The former Worcester Regional Transportation Authority (WRTA) property at 287 Grove Street, is in the construction and leasing stages for multiple retail, restaurants, school and bank spaces totaling 66,477+/-SF called Trolley Yard.

Across the street from 287 Grove Street, a 53,175+/-SF medical office building was recently constructed at 288 Grove Street. Fallon occupies a large portion of the building. Additional space is in negotiations for lease.

Retail development was proposed to take place on several assembled properties at 29 Genesee Street and 29, 33, 39 and 49 James Street. Galaxy Development demolish and removed the buildings on these properties and was originally proposing to construct a 23,730+/-SF multi-tenanted retail building, however, has changed the project to self-storage instead.

The former Girls Scouts property at 79-81 Gold Star Boulevard, comprised of a 30,291+/-SF site with office buildings that have been razed, sold November 30, 2018 for \$1,250,000 (\$41.27/SF). The site has been redeveloped with a new commercial building, however, the proposed tenants fell through during the Coronavirus. The Girl Scouts built a new office and warehouse building on a site they bought at 1 Century Drive in Worcester/West Boylston.

The former Mount Carmel Church property at 22 Mulberry Street, comprised of a 5.32+/-AC site is proposed for re-development with commercial space on the first floor with apartments on the upper floors. This site is adjacent to I-290 and Shrewsbury Street, therefore was in high demand.

The former Notre Dame church site in the downtown CBD was demolished and the approximately 1+/-AC site is available.

The Greendale Mall off of Neponset Street, which was in a distressed state, recently sold out of foreclosure by the mortgagee for \$7,125,000. The mall is in the demolition stages and proposed to be developed with a 121,000+/-SF warehouse distribution building to be leased by Amazon.

New industrial development has been stagnant over the past several years. There is very little industrial land available for development in Worcester. The owners of the property at 150 Blackstone River Road in Worcester demolished an older industrial building and completed a new, multi-tenanted 632,000+/-SF industrial building on the 32+/-AC lot a few years ago.

In addition, the City of Worcester has had recent activity on five industrial parcels in the Southwest Industrial Park on Canterbury, Southgate and Armory Streets. This is part of an 11+/-AC blighted area of contaminated properties that was cleaned up by the city several years ago and are being developed by local buyers. An investor purchased a 75,700+/-SF industrial lot and is constructing a 20,000+/-SF industrial building for multiple renters. An additional three lots totaling 5.22+/-AC were purchased and developed with a 51,200+/-SF of industrial building leased by Table Talk Pies. The same developer recently constructed an approximately 30,000+/-SF freezer building for Table Talk Pies. In addition, Table Talk moved out of a property they own in the Kelly Square section of Worcester and are leasing a \$22 million dollar new 120,000+/-SF plant on Gardner Street in Worcester. The former Showcase Cinema Movie Theater on Brooks Street was recently acquired and the improvements will be demolished for proposed development with an industrial building.

The Worcester Business Development Corp. has been named as the developer for 46 acres of the former Worcester State Hospital campus for bio-manufacturing. The former state hospital building and many other buildings have been demolished and an approximately 530,000+/-SF bio-manufacturing park is proposed with facilities that would produce drugs, medical devices and medical treatments and expects to create up to 500 jobs. The first planned occupant of the park is a Chinese company called WuXi, who is building a \$60 million dollar, 110,000+/-SF facility in the park. In addition, a six-acre parcel was recently purchased within the project by a developer for a proposed \$50,000,000 life science building.

The WRTA built a 156,000+/-SF, \$90,000,000 maintenance and operations facility on a former contaminated site on Quinsigamond Avenue.

South High School is proposed for a \$210 million new facility to be completed in soon at 170 Apricot Street. There are several other projects in discussion stages. The generally favorable economy and real estate market have contributed to generating a lot of interest in development in the city. The impact on the city, state and country in general as a result of the Coronavirus remains an unknown. Favorably, vaccines are taking place.

## Market Analysis

The subject is an office building, the focus of this analysis.

The office market was one of the hardest hit sectors impacted by the Coronavirus. Many companies have had their employees working from home and this scenario might continue after the virus is over as a cost cutting measure for many companies. The result is that the demand for office space has reduced. Many office property owners have converted their space to apartments given the high demand for apartments. According to CoStar-Comps Data, there are 12,400,000+/-SF of office space in Worcester, of which 402,000+/-SF (3.1%) is listed as vacant, indicating good demand in Worcester considering the impact on this market from the Coronavirus. Reportedly, the subject has only one vacancy, however, the financial feasibility of the subject has been adversely impacted by functional problems including a high common area factor of 32%, high ceilings resulting in high utility costs, and also extensive maintenance needs.

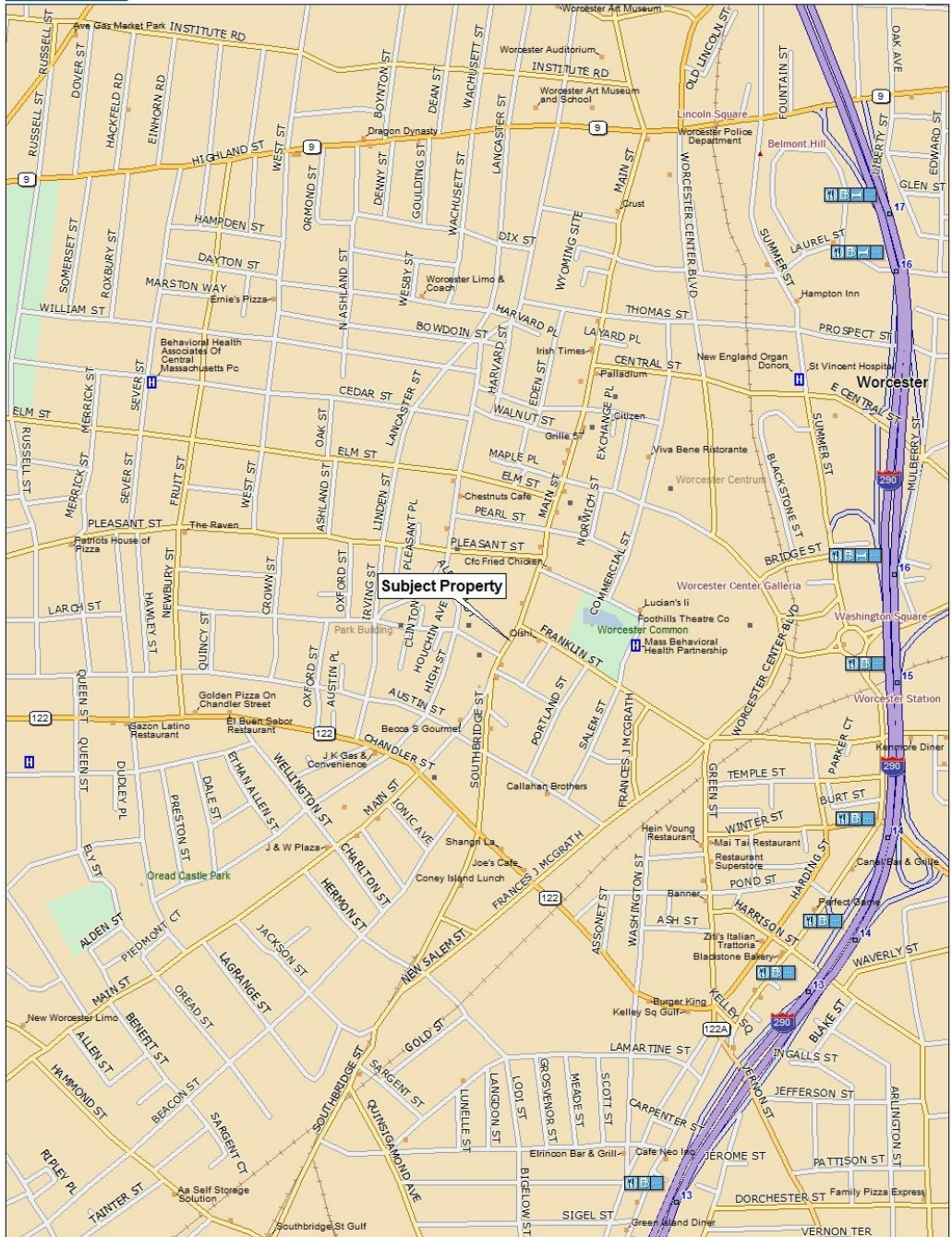
According to comparable sales in the market area, sale prices have been at approximately \$6.00/SF to \$45.00/SF.

In summary, Worcester has experienced modest population growth. Unemployment rates were low prior to the Coronavirus. They have escalated since then and the long-term impact from the virus is unknown. Favorably, vaccinations are taking place. The Income levels in Worcester are low, negatively impacting on property values. The subject is negatively impacted by condition and functional utility issues impacting the improvements, adversely impacting value.

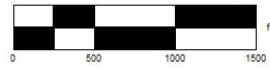
# Neighborhood Map



DeLorme Street Atlas USA® 2015



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Data Zoom 14-3

## **Neighborhood Description**

The subject is located in the Worcester Central Business District (CBD), fronting the west side of Main Street, just north of the intersection of Main and Chatham Streets and the east side of High Street. Chase Court bisects the two subject lots.

Main Street and the neighborhood are comprised of office buildings, the DCU Center, the City Hall, the Hanover Theater, medical office space, apartments, Saint Vincent's Hospital, etc. There are several buildings in the immediate neighborhood that were purchased and converted to classrooms for the Massachusetts College of Pharmacy and Health Services. Also, in this neighborhood is a newer 170 room Marriott hotel at 125 Front Street. At 145 Front Street is a newer mixed-use retail apartment complex comprised of 365 apartments and first floor retail space. A 65,000+/-SF cancer center opened at 1 Eaton Place in 2013 and also in 2013 was the construction of an office building at 1 Mercantile Street, primarily for tenancy by Unum Provident, an insurance company. Unum has since downsized and the building has been leased to several tenants.

The former Worcester Courthouse property at 2 Main Street has been purchased by a developer who is spending over \$50,000,000 to convert the building to 114 apartments which is in process. Some of the buildings from the previously vacant former Voke School were converted to 84 luxury loft apartments called the Voke Lofts. The former office property at 332 Main Street has been converted to first floor retail space and 55 mixed income apartments. The office building at 340 Main Street was acquired in 2020 and will be converted to first floor retail space and 312 market rate apartments on the upper floors. The former run-down Mid-Town Mall property at 10-30 Front Street was acquired in 2019 by an investor and is being completely renovated. The former Unum Provident main office at 18 Chestnut Street was bought in 2018 and is being extensively renovated for office tenants. The former Olympia Theater at 17-27 Main Street, which has been closed for several years was just recently acquired by an investor for proposed renovations.

The new construction and renovation to properties in the CBD of Worcester has had a positive impact on the downtown properties as other improvements and tenancy including restaurants has occurred around these newer projects.

The majority of the side streets within a few blocks of the subject are areas predominantly developed with multi-family dwellings, apartments, condominiums, college facilities and dormitories, and mixed-use buildings (office/apartment or retail/apartment).

The condition of properties in the neighborhood ranges from fair to good. Vacancy is typically lowest in the better maintained properties. Several buildings in the CBD have occupied first floors and are in need of renovating of the upper floors for use. The subject building has been historically hampered by a high common area factor, high ceilings resulting in high utility costs and the building is in need of updating.



There have been some recent office condominium sales in the subject building summarized as follows.

<u>Unit</u>	<u>Date of Sale</u>	<u>Unit Size</u>	<u>Sale Price</u>	<u>Price/SF</u>
180	01/31/20	1,439+/-SF	\$45,000	\$31.27/SF
580	10/09/20	2,167+/-SF	\$30,000	\$13.84/SF
570	08/24/21	2,090+/-SF	\$55,000	\$26.32/SF

These 3 units ranged from 1,439+/-SF to 2,167+/-SF and sold at a low range of \$13.84/SF to \$31.27/SF. The condominium fees for the building are approximately \$6.00/SF which includes the utilities and common area charges. In addition, the unit owners would pay their real estate taxes and insurance. The high common area factor and high ceilings results in higher operating costs for the building negatively impacting on the value of the units.

The neighborhood benefits from good local and regional access as the property is proximate to main routes and Interstate 290 is approximately one mile east. Daily bus transportation, provided by the Worcester Regional Transit Authority, is available on Main Street. Utilities available in the neighborhood include public sewer, water, gas, electricity and telephone.

In summary, the subject is in the Worcester CBD, a primarily commercial neighborhood with good access to an interstate highway network. The higher vacancy rates in the neighborhood negatively impact on property values. The recent and planned re-development of neighborhood parcels could have a positive impact on local property values in the future.

### **Marketing and Exposure Time**

The marketing and exposure time for the subject under single ownership is estimated at one year, assuming the property is marketed at or near the estimated value and it is free and unencumbered.

### **Zoning Data**

The property is located in the Business, General (BG-6.0) zone and is also in the Downtown Parking Subarea (CCOD-D) overlay.

### **Dimensional Requirements**

The following are the dimensional requirements of the BG-6.0 zone for a non-residential use.

<u>Item</u>	<u>Requirement</u>
Floor area maximum	6 to 1
Minimum rear setback	10 FT

According to dimensional requirements the subject lot can be developed with a building up to six times the size of the lot. The lots total 104,459+/-SF, therefore, the maximum size building allowed is 626,754+/-SF (6 x 104,459+/-SF = 626,754+/-SF). The building is 200,000+/-SF which conforms to the requirements. The subject does not meet the rear yard setback requirement, however, the improvements would be considered legally non-conforming existing prior to current zoning.

### **Permitted Uses**

The BG-6.0 zone allows a diverse number of commercial, residential and industrial uses. The office use of the subject is allowed by right.

### **Downtown Parking Subarea (CCOD-D) overlay**

This overlay relates to parking requirements. There are no requirements in the subject BG-6.0 zone, therefore, this overlay doesn't actually apply to the subject.

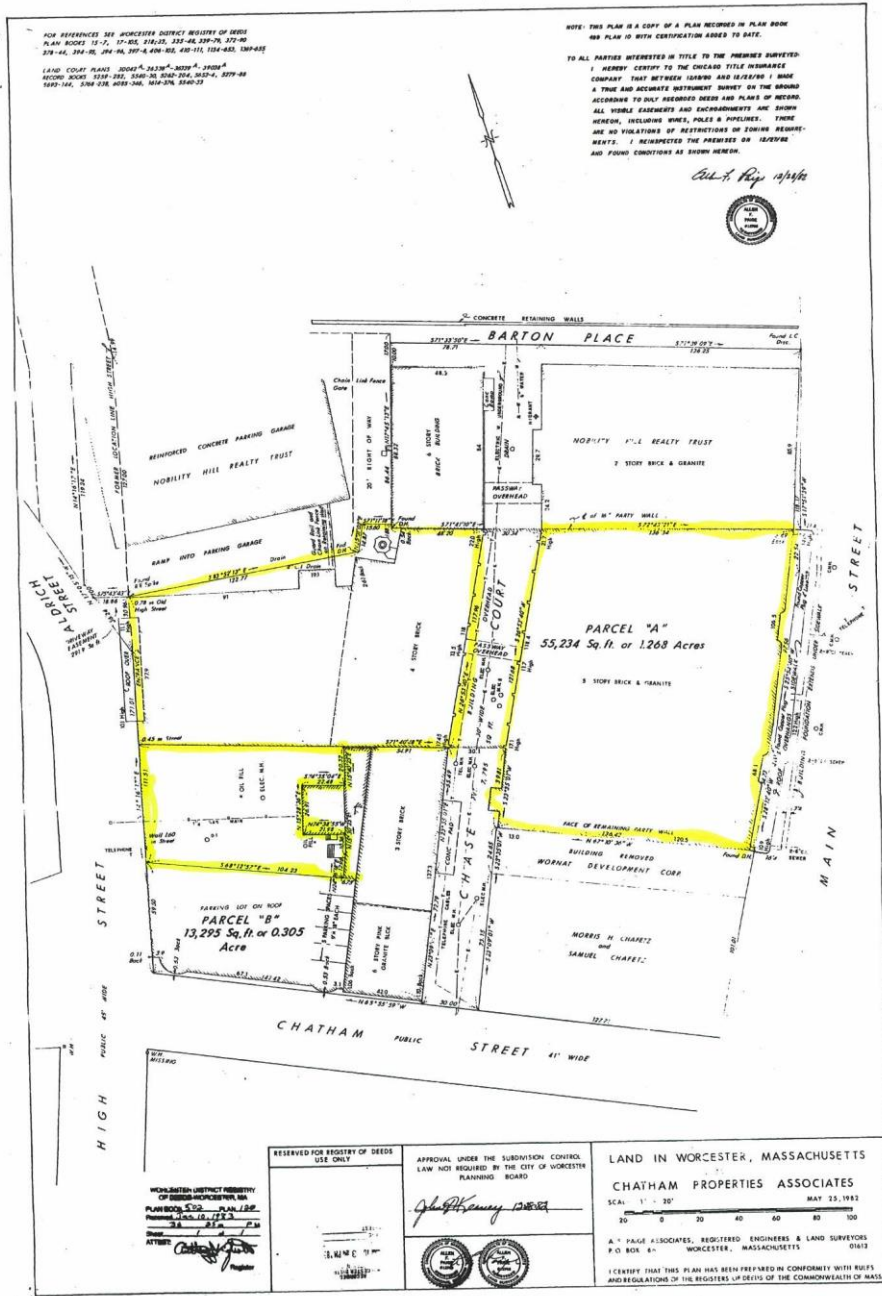
### **Tax and Assessment Data**

The units are currently assessed and taxed for fiscal 2021 is as follows:

<u>Unit</u>	<u>Unit Size</u>	<u>Assessment</u>	<u>Tax</u>
10	10,083+/-SF	\$ 218,200	\$ 3,552.30
50	7,983+/-SF	\$ 216,500	\$ 3,524.62
100	4,280+/-SF	\$ 166,000	\$ 2,702.48
105	1,743+/-SF	\$ 90,300	\$ 1,470.08
110	1,144+/-SF	\$ 44,400	\$ 722.83
120	959+/-SF	\$ 37,200	\$ 605.62
150	3,530+/-SF	\$ 128,200	\$ 2,087.10
170	1,189+/-SF	\$ 66,400	\$ 1,080.99
180	1,439+/-SF	\$ 53,100	\$ 864.47
200	9,251+/-SF	\$ 354,900	\$ 5,777.77
250	3,047+/-SF	\$ 121,600	\$ 1,979.65
280	4,100+/-SF	\$ 157,300	\$ 2,560.84
300	10,996+/-SF	\$ 421,800	\$ 6,866.90
320	3,601+/-SF	\$ 130,800	\$ 2,192.42
330	2,754+/-SF	\$ 124,600	\$ 2,028.49
340	1,976+/-SF	\$ 78,800	\$ 1,282.86
345	3,682+/-SF	\$ 146,900	\$ 2,391.53
350	2,627+/-SF	\$ 120,600	\$ 1,963.37
360	3,204+/-SF	\$ 127,800	\$ 2,080.58
400	7,854+/-SF	\$ 313,400	\$ 5,102.15
420	3,044+/-SF	\$ 118,000	\$ 1,921.04
430	11,609+/-SF	\$ 463,200	\$ 7,540.90
450	2,612+/-SF	\$ 104,200	\$ 1,696.38
460	2,845+/-SF	\$ 110,300	\$ 1,795.68
480	4,158+/-SF	\$ 151,100	\$ 2,459.91
500	5,592+/-SF	\$ 223,100	\$ 3,632.07
510	1,580+/-SF	\$ 61,300	\$ 997.96
515	1,132+/-SF	\$ 45,200	\$ 735.86
520	1,627+/-SF	\$ 63,100	\$ 1,027.27
530	2,746+/-SF	\$ 106,500	\$ 1,733.82
535	2,740+/-SF	\$ 106,300	\$ 1,730.56
540	2,648+/-SF	\$ 105,600	\$ 1,719.17
560	2,937+/-SF	\$ 117,200	\$ 1,908.02
570	2,090+/-SF	\$ 81,000	\$ 1,318.68
580	2,167+/-SF	\$ 84,000	\$ 1,367.52
600	<u>16,862+/-SF</u>	<u>\$ 672,700</u>	<u>\$10,951.56</u>
Total	151,831+/-SF	\$5,731,600	\$93,373.45

The total assessment of the building is \$5,731,600 and the total tax is \$93,373.45. Compared to the estimated value, the total assessment appears high. A property assessed as multiple units would tend to be assessed at a combined higher amount than a building assessed to a single party.

# Site Plan



## **Site Analysis**

### **Size and Configuration**

The subject is comprised of two parcels, bisected by Chase Court, totaling 104,459+/-SF, according to the legal description. There is 174.83+/- feet of frontage (FF) along Main Street, 220.37+/-FF along High Street and 245.64+/-FF along Chase Court. The depth of the sites varies. The configuration of the sites ranges from nearly square to slightly irregular, suitable for development.

### **Geology**

According to the Web Soil Survey, published by the United States Department of Agriculture soil maps and descriptions, the subject soil type is Urban land. The soil is described as follows:

#### **Urban land**

*“This unit consists mainly of buildings, shopping centers, roads, and parking lots. Most areas are in the built-up parts of cities and some of the densely populated suburbs. The vegetation commonly is limited to lawns and ornamental trees and shrubs. Determination of the suitability of these areas for any use requires onsite investigation.”*

The soil is described as requiring on-site investigation to determine its suitability for development. Based on development in the neighborhood and on the subject site, development of the site appears physically possible.

### **Environmental**

The subject was previously listed as a confirmed disposal site in the Transition List of Confirmed Disposal Sites and Locations to be Investigated by the DEP in 2011. Determination of any impacts of contamination on the use and value of the subject property is not within the expertise of the real estate appraiser. The estimated value is based on the extraordinary assumption that the subject is free of contamination and conforms to all local, state and federal environmental regulations.

### **Topography**

The terrain of the site is level to sloping. The site slopes upward from Main Street towards High Street. There is an estimated 30+/- foot difference between the low and high elevations. The topography is a challenge for development but is favorable as developed as it allows direct walk-in access at Main and High Streets.

## **Floodplain**

According to Flood Insurance Rate Map (FIRM) #25027C0618E, dated July 4, 2011, the site is not located in a flood prone area.

## **Easements/Restrictions**

According to the legal description, the property is subject to party wall rights; subject to rights of abutters, the public, and utility easements of various types in that portion of Chase Court containing 7,795 SF. There are rights to pass through Chase Court and Barton Place. There also is mention of parking easements. The subject property has limited on-site parking. There is other parking lots owned by the condominium association that are off-site, not included in this appraisal.

## **Utilities**

Utilities servicing the property consist of public water, sewer, gas, electricity, and telephone.

## **Site Improvements**

The building covers the majority of both sites. The sites are bisected by Chase Court which passes beneath a portion of the building. Chase Court is not owned by the subject property owners. There are some sidewalks, which are the responsibility of the city of Worcester to maintain. There is some fencing on the High Street side of the property. There is a small parking lot with 23 spaces on the High Street side of the site.

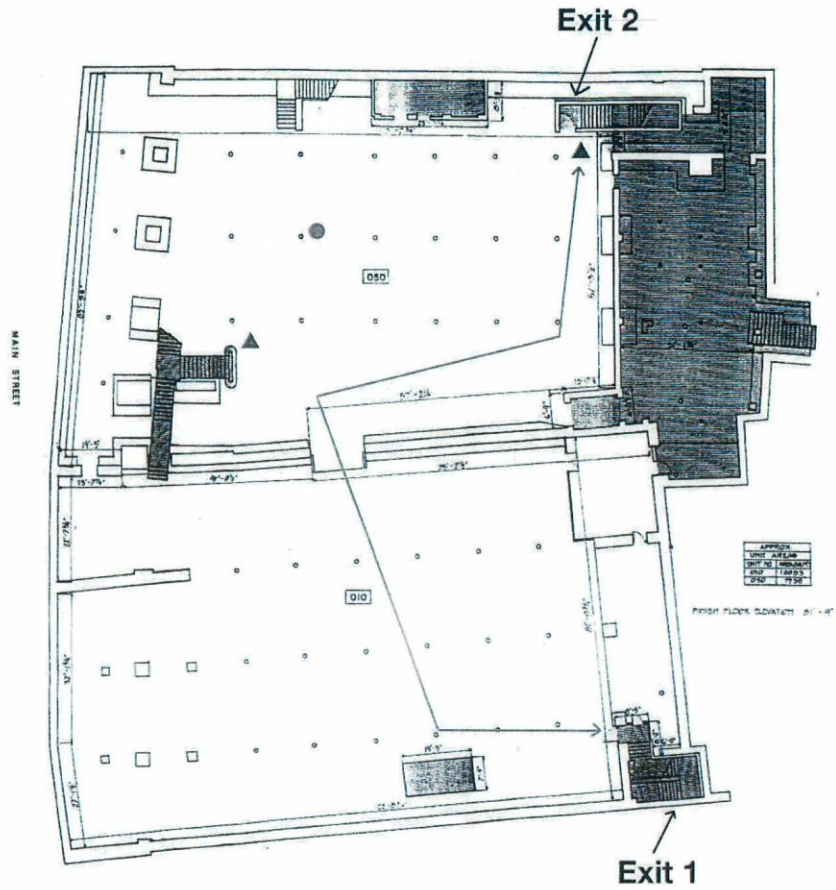
## **Depreciation and Obsolescence**

Two forms of depreciation or obsolescence may impact site improvements: physical deterioration, curable or incurable and functional obsolescence, curable and incurable.

The on-site parking and fencing appeared to be in generally average condition.

Functional obsolescence results from a defect in design, structure, and material, which reduces utility and affects value. There is inadequate on-site parking and handicap accessible parking available for the subject which is a negative. There are off-site parking lots (not included in this report) that can serve the non-handicap patrons.

## Floor Plan – Basement

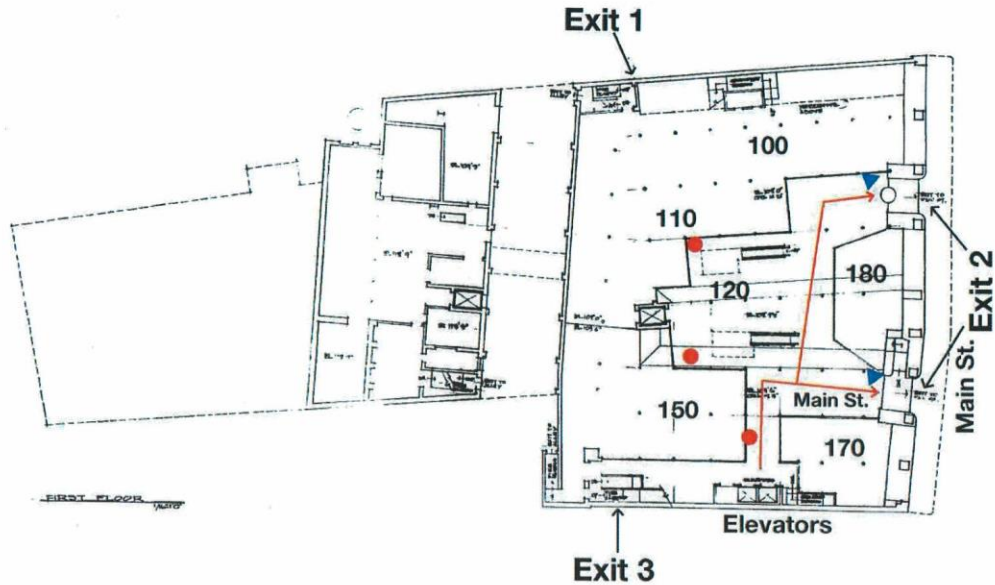


**BASEMENT. PROCEED TO EITHER EXIT 1 OR EXIT 2 AND PROCEED TO THE ALLEY.**

<b>KEY</b>	
●	FIRE EXTINGUISHER
▼	PULL STATION
—	EVACUATION ROUTE

**BUILDING OR FLOOR EVACUATION PLAN**

## Floor Plan – First Floor



KEY	
●	FIRE EXTINGUISHER
▼	PULL STATION
—	EVACUATION ROUTE

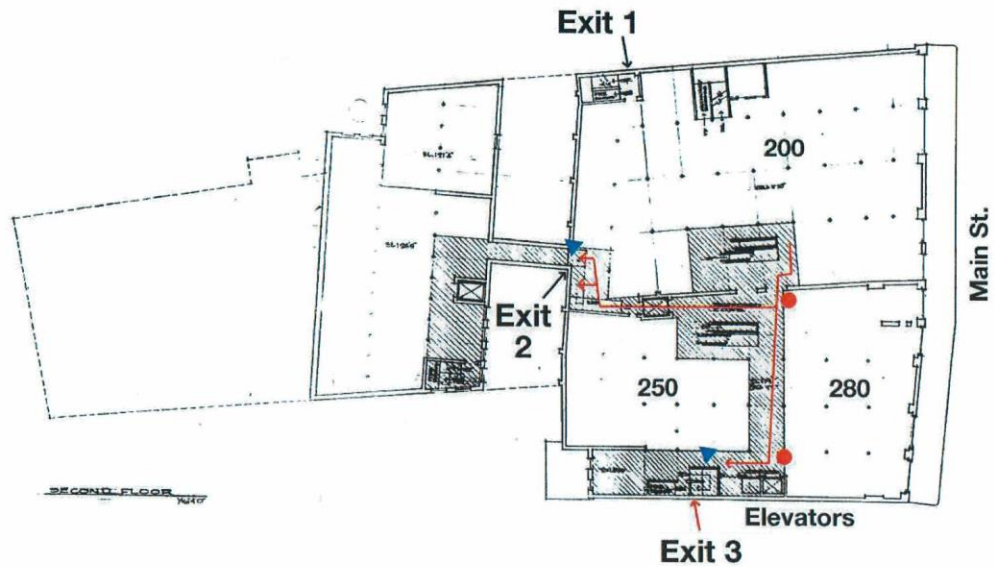
**UNIT 100.** PROCEED TO EXIT THROUGH THE MAIN STREET DOORS OR THROUGH EXIT 1. THE MAIN STREET DOORS ARE THE QUICKEST MEANS OF EGRESS FROM THE BUILDING.

**UNIT 150.** PROCEED TO EXIT THROUGH EITHER THE MAIN STREET DOORS OR STAIRWELL 3. THE MAIN STREET DOOR IS THE PREFERRED MEANS OF EGRESS AS IT IS THE QUICKEST AND MOST OPEN MEANS OF EGRESS.

**UNITS 110, 120, 170, 180.** PROCEED DIRECTLY OUT OF THE BUILDING VIA EITHER MAIN STREET DOOR.



## Floor Plan – Second Floor

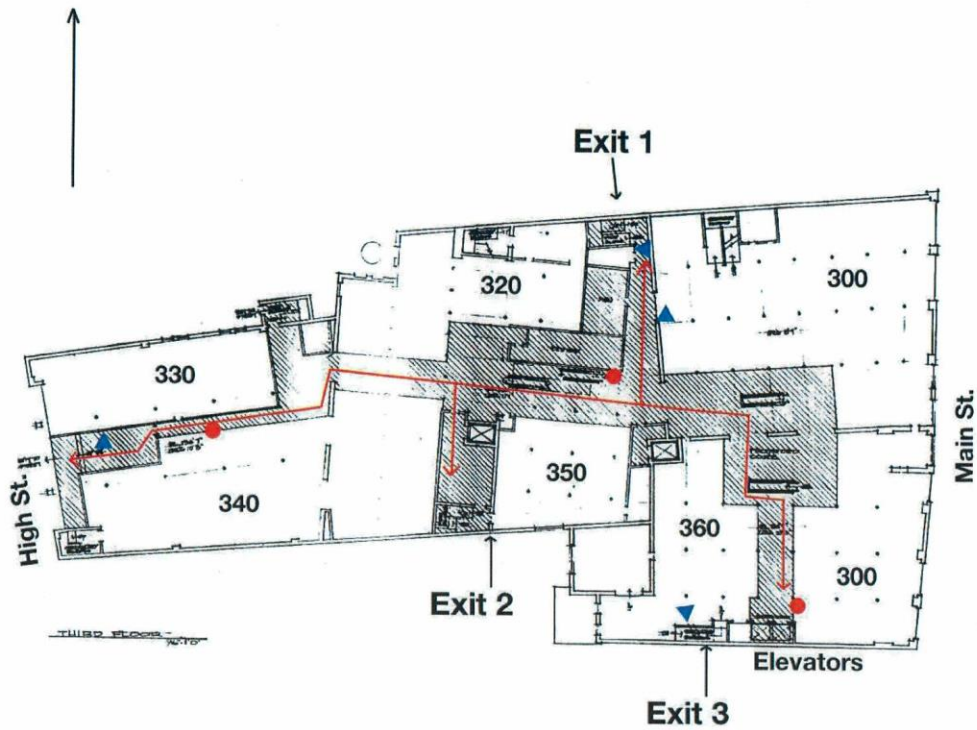


KEY	
●	FIRE EXTINGUISHER
▼	PULL STATION
-	EVACUATION ROUTE

**UNIT 200.** USE EXIT 1 OR 2. EXIT 1 IS THE PREFERRED MEANS OF EGRESS AS THIS IS THE QUICKEST WAY OUT OF THE BUILDING. YOU MAY ALSO USE EXIT 2 THROUGH THE LOADING DOCK DOORS TO THE ALLEY.

**UNITS 250 AND 280.** PROCEED EITHER TO EXIT 2 OR EXIT 3.

## Floor Plan – Third Floor

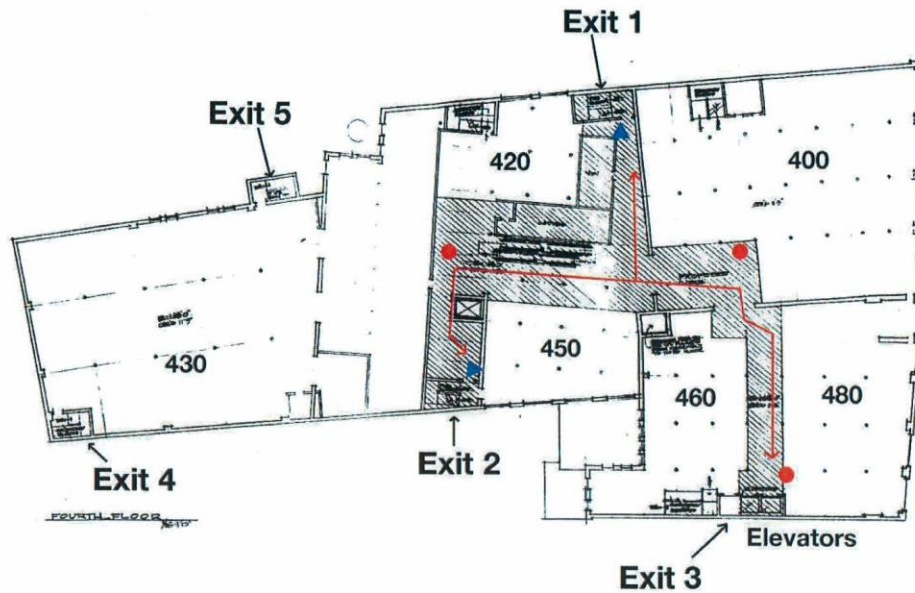


KEY	
●	FIRE EXTINGUISHER
▼	PULL STATION
—	EVACUATION ROUTE

**UNIT 320, 330, 340, 350.** PROCEED DIRECTLY TO HIGH STREET DOORS IF UNABLE TO PROCEED TO HIGH ST. GO TO EXITS 1 OR 2 AND GO DOWN TO ALLEY.

**UNITS 300 AND 360.** PROCEED TO EXITS 1 OR 3. IF UNABLE TO USE EXITS 1 OR 3 PROCEED TO HIGH STREET.

## Floor Plan – Fourth Floor



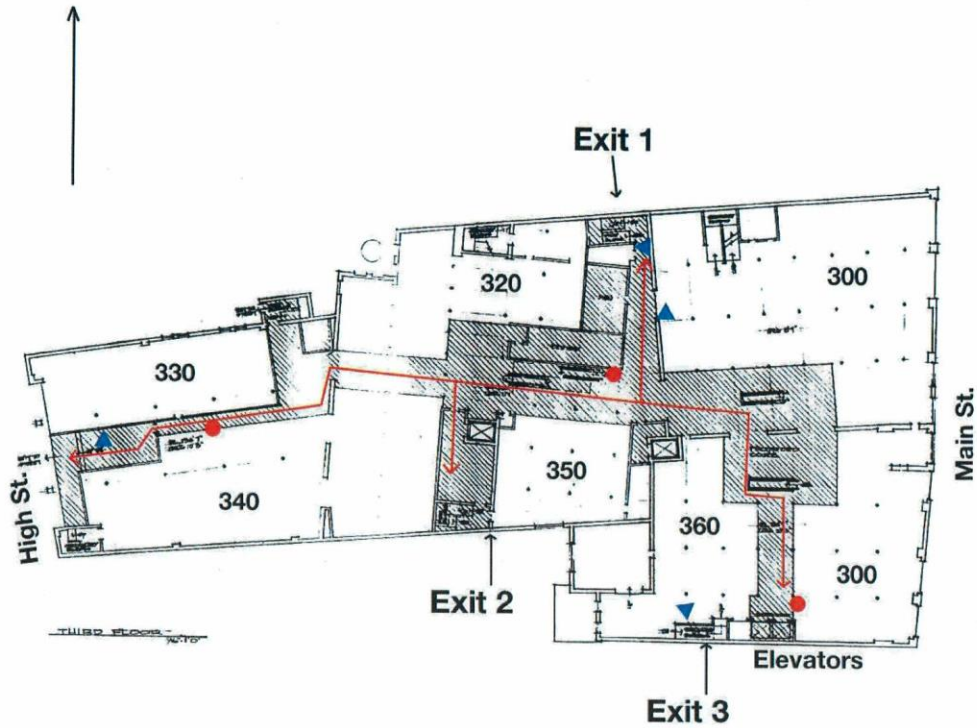
KEY	
●	FIRE EXTINGUISHER
▼	PULL STATION
-	EVACUATION ROUTE

**UNIT 400, 460, AND 480. PROCEED TO EITHER EXITS 1 OR 3. IF UNABLE TO USE EXITS 1 OR 3 PROCEED TO EXIT 2.**

**UNITS 420 AND 450. PROCEED TO EXITS 1 OR 2. BOTH EXITS LEAD TO THE ALLEY.**

**UNIT 430. PROCEED TO EXITS 4 OR 5. BOTH EXITS LEAD TO HIGH ST.**

## Floor Plan – Fifth Floor

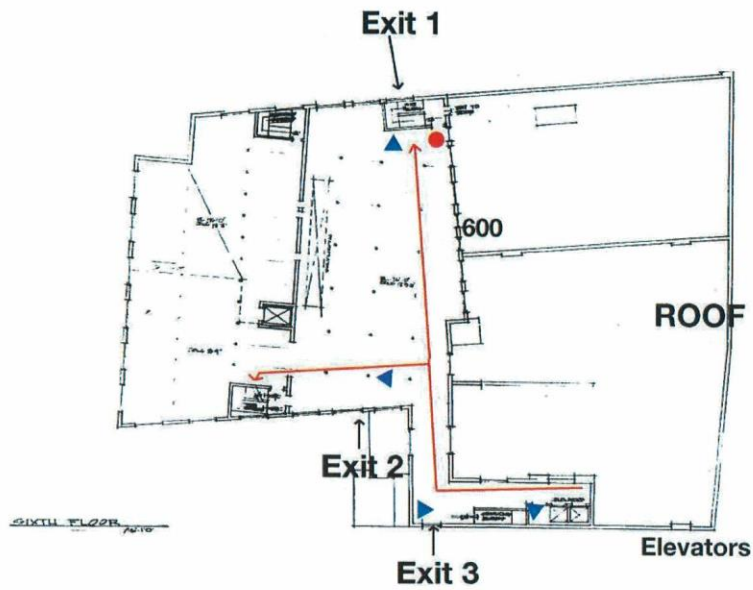


KEY	
●	FIRE EXTINGUISHER
▼	PULL STATION
—	EVACUATION ROUTE

**UNIT 320, 330, 340, 350.** PROCEED DIRECTLY TO HIGH STREET DOORS IF UNABLE TO PROCEED TO HIGH ST. GO TO EXITS 1 OR 2 AND GO DOWN TO ALLEY.

**UNITS 300 AND 360.** PROCEED TO EXITS 1 OR 3. IF UNABLE TO USE EXITS 1 OR 3 PROCEED TO HIGH STREET.

## Floor Plan – Sixth Floor



KEY	
●	FIRE EXTINGUISHER
▼	PULL STATION
—	EVACUATION ROUTE

**UNIT 600. PROCEED TO EXITS 1, 2 OR 3 AND DOWN STAIRWELL TO ALLEY.**

### **Building Analysis**

Actual Age	101+/- years to 121+/- years
Effective Age	30+/- years
Existing Uses	Office
Occupancy	29 of the 30 units
Stories	Six

### **Exterior Construction**

Framing	Masonry and steel
Doors	Steel and glass
Siding	Granite and limestone wall panels and brick and stucco
Roof Design	Flat
Roof Cover	Rubber membrane and polyurethane foam roofing
Insulation	Factor unknown
Gutters/downspouts	Roof drains
Windows	Fixed pane windows in the front and rear of the building
Condition	Fair to average

### **Mechanical**

Heating	Gas FHA. The units are not separately metered
Electrical	There is a 3,000AMP main service. The units are not separately metered
Plumbing	There are common bathrooms on each of the floors
Air Conditioning	Central air conditioning
Other	The building has two 2,500 LB passenger elevators, 8 escalators, two wet sprinkler systems and one dry sprinkler system

### **Interior Construction**

Floors	Tile, carpet and concrete
Walls	Drywall
Ceilings	Acoustical and tile
Overall Condition	Fair to average
Basement	Partial, mostly unfinished
Building Size	200,000+/-SF
Usable Area	135,053+/-SF
Common Area	64,947+/-SF (32%)

### **Depreciation/Obsolescence**

A building may be impacted by physical deterioration, curable or incurable; functional obsolescence, curable or incurable; and external obsolescence, which is incurable.

A Condominium Reserve Study of the subject property dated January 21, 2020 was completed for the Denholm Condominium Trust by EBI Consulting from Burlington, MA . This study involves a detailed description of the subject and analysis of the condition of the subject building and components. As part of their study, a critical and non-critical repairs list and budget was completed. A copy of this section of the report is included in the addendum. Some of the bigger issues impacting the subject include the following.

1. Replace the built-up foam roof sections C and D.
2. Retain a facade consultant and obtain recommended repairs.
3. Remove the boiler chimney stack.
4. Several windows need replacing.
5. General basement cleanout.
6. Evaluation of the water and steam piping.
7. Replacement of several HVAC units.
8. Replacement of the boiler, which is leaking.
9. Inspection of the electrical equipment.
10. Replace gas-fired generators.
11. Elevator maintenance.

The sum of the critical deferred maintenance is \$611,403 and the non-critical deferred maintenance is listed at \$1,032,322. The combined total is \$1,643,725.

Functional obsolescence results from a defect in design, structure, and material, which reduces utility and affects value. There appears to be functional issues with the elevators, HVAC equipment, the boiler, etc. negatively impacting value. According to the study conducted by EBI, the building appears to conform to ADA requirements. The study does mention that the subject does not conform to the handicap parking requirements. The subject also has high ceilings and a high percentage of common area resulting in higher operating costs

External obsolescence results from factors beyond the property which may exert a negative effect on its value. Examples include high tax assessment or interest rates, neighborhood factors, environmental problems on abutting properties, a surplus of competitive properties, etc. Unemployment rates have been drastically reduced in Worcester and the market area. On a negative note, population increases have remained relatively stagnant and income levels in Worcester tend to be towards the lower end of the range for the county and state. The Coronavirus has had a significant impact on the economy and real estate market. Favorably, a large percentage of the country has been vaccinated and the infection rate in the country including Massachusetts has been drastically reduced, however, a Delta Variant has negatively impacted the country recently. Most surviving businesses have reopened once again. The office market was initially weakened substantially during the coronavirus, however, has been recovering. According to Co-Star Comps, the vacancy rate for office space is only 3% in Worcester. The subject is approximately 97% occupied. There is no evidence that external obsolescence significantly impacts the subject at the present time.

## **Highest and Best Use Analysis**

Highest and best use is defined as:

*"1. The reasonably probable use of property that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.*

*2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS)*

*3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonable near future." [Uniform Appraisal Standards for Federal Land Acquisitions] [The Dictionary of Real Estate Appraisal, 6th ed. (Appraisal Institute, 2015), 109]*

Applying the four criteria to determine the highest and best use:

### **As if Vacant**

**Legally permitted:** The property is zoned Business, General (BG-6.0) and is also in the Downtown Parking Subarea (CCOD-D) overlay.

The subject conforms to the dimensional requirements. This zone allows a diverse number of commercial, residential and industrial uses by right. Development of the site with a use allowed by zoning would be permitted assuming dimensional requirements are met.

The Downtown Parking Subarea (CCOD-D) overlay does not impact the subject because parking is not required in the BG-6.0 zone.

**Physically possible:** The lots have legal frontage, all utilities are available, there are no known adverse easements impacting the subject and the configuration of the lots is suitable. The topography is sloping which is a challenge. As evidenced by the improvements in the neighborhood and the existing improvements on the lots, development appears physically possible.

**Financially feasible:** The sites are in the Central Business District of Worcester in an area of dense development of office properties, the Hanover Theater, the City Hall, the DCU Center, hotels, the St. Vincent's Hospital, retail properties, apartments, mixed-use buildings, parking garages, etc. Vehicle and foot traffic is high in the neighborhood. Local and regional access is convenient. The economy and real estate market had been stable prior to the Coronavirus. The virus adversely impacted the economy and real estate market during the peak infection periods. Favorably, vaccinations have taken place and the economy and real estate market have improved once again. New development has been negatively impacted by high construction costs.



Given the zoning and the neighborhood, the highest and best use of the sites would be to develop them with commercial or mixed-uses allowed by zoning.

**Maximally productive:** The maximally productive use of the sites at the present time would appear to be to develop them with a commercial or mixed-uses allowed by zoning.

### **As Improved**

**Legally permitted:** The subject does not conform to the rear yard setback requirements. The improvements existed prior to current zoning, therefore, are legally non-conforming. The existing office uses are allowed by right.

**Physically possible:** The lots have legal frontage, all utilities are available, there are no known adverse easements impacting the subject and the configuration of the lots is suitable. The topography is sloping, however, this allows for a walk-in which is a challenge. As evidenced by the improvements in the neighborhood and the existing improvements on the lots, development appears physically possible.

**Financially feasible:** The subject is in the downtown CBD area of Worcester. Local and regional access is convenient. The property is near full occupancy which is favorable, however, the building is in need of significant renovations including the exterior, the HVAC, the boiler, potentially the electrical and water lines, sections of the roofing, basement cleanout, updating of the elevators, etc. According to a study completed by EBI Consulting, the subject is need of \$611,403 in critical repair costs and another \$1,032,322 in non-critical repair costs, or a combined \$1,643,725, which negatively impacts on value. The building has high ceilings, which would negatively impact on heating and cooling costs. In addition, the building has a high percentage of common area at 32%, negatively impacting the financial feasibility of the building.

The economy and real estate market is nearing stabilization once again following the substantial downturn from the Coronavirus. The office market had been adversely impacted by the Coronavirus as many companies have had their employees working from home and/or downsized their space. According to CoStar-Comps, overall demand for office space has remained strong in Worcester as 12,400,000+/-SF of office space in Worcester, of which 402,000+/-SF (3.1%) is listed as vacant, indicating good demand in Worcester considering the impact on this market from the Coronavirus. The subject is 97% occupied.

It would not appear financially feasible to demolish and remove the existing building for re-development of the sites with a commercial use as the costs would appear to be prohibitive.

Taking all factors into consideration and based on the zoning and neighborhood, there appears to be no other use of the property allowed by zoning that would result in a higher return than retail or office uses, assuming the renovations needed are completed.

**Maximally productive:** No other use allowed by current zoning would provide a higher return to the property than retail or office uses, assuming the renovations needed are completed.

## **Valuation Analysis**

A well supported estimate of value utilizes a valuation process based on consideration of all pertinent general and specific data. This process reflects three distinct methods for analyzing the data mathematically: cost approach, sales comparison approach, and income capitalization approach.

If applicable to the estimation of value, all three methods, or approaches, may be utilized. Use of one or more approaches, or the application of greater significance of one or another, is dependent on the type of subject property and other critical factors.

The cost approach is "*A set of procedures through which a value indication is derived for the fee simple estate by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive or profit; deducting depreciation from the total cost; and adding the estimated land value. Adjustments may then be made to the indicated value of the fee simple estate in the subject property to reflect the value of the property interest being appraised*". [The Dictionary of Real Estate Appraisal, 6<sup>th</sup> ed. (Appraisal Institute, 2015), 54]

The sales comparison approach is "*The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant when an adequate supply of comparable sales is available*". [The Dictionary of Real Estate Appraisal, 6th ed. (Appraisal Institute, 2015), 207]

The income capitalization approach is "*Specific appraisal techniques applied to develop a value indication for a property based on its earning capability and calculated by the capitalization of property income*." [The Dictionary of Real Estate Appraisal, 6th ed. (Appraisal Institute, 2015), 115]

## **Site Value**

The site value was not developed because it was concluded that the existing use is the highest and best use.

## **Estimate of Value by the Cost Approach**

The cost approach was not developed due to the age of the improvements and the degree of depreciation.

## **Estimate of Value by the Sales Comparison Approach**

The market value of the subject was developed by the sales comparison approach based on a comparison of sales of comparable properties. Research conducted in Worcester and the market area revealed limited comparable data of larger buildings with similar deficiencies like the subject. The data used for comparison consists of a 2018 sale of an office building in Worcester, a 2019 sale of retail and office buildings in Worcester, a 2020 retail and office building in Worcester, a pending sale of a school in Worcester and a pending sale of an office building in Worcester.

Following are the data summaries of the five comparables, an adjustment grid, and a narrative explanation of the adjustments made to each in comparison to the subject.

The unit of measure derived for comparison is price/SF of building area.

## Building Sales Comparables

OFFICE BUILDING COMPARABLE # 1



ADDRESS	TOWN WORCESTER	STATE MASSACHUSETTS
	STREET 18 CHESTNUT STREET, 3	HARVARD STREET AND CHESTNUT STREET
TYPE OF PROPERTY	OFFICE BUILDING AND TWO PARKING LOTS	
STATE CLASS CODE	340, 337	ZONING BG-6.0
GRANTOR	THE PAUL REVERE LIFE INSURANCE CO GRANTEE *	
SALE DATE	10/16/18	BOOK 59554 PAGE 262 REGISTRY WCRD
SALE PRICE	\$1,900,000.00	VERIFIED GRANTEE (JB) 9/21
MORTGAGE	1ST NONE NOTED	2ND NONE NOTED
ASMT LAND	\$ 960,600	IMPRV \$ 1,850,300 TOTAL \$ 2,810,900 TAXES \$ 51,789.24
UTILITIES	WATER PUBLIC SEWER PUBLIC	GAS PUBLIC ELECTRIC PUBLIC
LAND AREA	+/-SF 153,335 +/-AC 3.520	+/-FF 1,913.19
TOPOGRAPHY	MODERATE SLOPE	PARKING 626 ACCESS GOOD
BUILDING	GROSS AREA +/-SF 298,805	EFF. AGE 30
	OFFICE AREA +/- SF 298,805	CONDITION POOR TO FAIR
	RETAIL AREA +/- SF 0	ELEVATOR YES
	NET LEASABLE +/- SF --	SPRINKLERED WET
	EFFICIENCY --	MISCELLANEOUS
\$/SF BLDG	\$6.36	GROSS INCOME MULTIPLIER N/A OVERALL RATE N/A
REMARKS	SALE OF A 68 YEAR OLD VACANT OFFICE BUILDING TO AN INVESTOR WHO IS RENOVATING THE BUILDING FOR OFFICE TENANTS. BUILDING HAD ISSUES WITH ASBESTOS, ROOF ISSUES, SPRINKLERS NEEDED UPDATING, OUTDATED ELECTRICAL, PLUMBING AND HVAC.	
	* CHESTNUT STREET PROPERTIES LLC	

COMMERCIAL BUILDING COMPARABLE # 2



ADDRESS TOWN: WORCESTER STATE: MASSACHUSETTS  
STREET: 10-30 FRONT STREET

TYPE OF PROPERTY: RETAIL AND OFFICE

STATE CLASS CODE: 340 ZONING: BG-6.0

GRANTOR: JUDITH S. MARCUS AND DEAN MARCUS GRANTEE: 10-30 FRONT STREET, LLC

SALE DATE: 05/03/19 BOOK 60363 PAGE 84 REGISTRY: WCRD

SALE PRICE \$4,000,000.00 VERIFIED: GRANTEE (JB) 9/21

MORTGAGE 1ST \$3,600,000 PRIVATE 2ND NONE NOTED

ASMT LAND \$ 775,900 IMPRV \$ 3,623,100 TOTAL \$ 4,399,000 TAXES \$ 159,243.80

UTILITIES WATER: PUBLIC SEWER: PUBLIC GAS: PUBLIC ELECTRIC: PUBLIC

LAND AREA +/-SF: 34,451 +/-AC: 0.791 +/-FF: 290.94

TOPOGRAPHY: LEVEL PARKING: NONE ACCESS: GOOD

BUILDING GROSS AREA +/-SF: 129,939 EFF. AGE: 25  
OFFICE AREA +/- SF: 76,369 CONDITION: POOR/FAIR  
RETAIL AREA +/- SF: 53,570 ELEVATOR: YES  
NET LEASABLE +/- SF: -- SPRINKLERED: WET  
EFFICIENCY: -- MISCELLANEOUS: NONE

GROSS INCOME MULTIPLIER: N/A OVERALL RATE: N/A

PRICE/SF BUILDING \$30.78

REMARKS SALE OF 104 YEAR OLD AND A 109 YEAR OLD OFFICE AND RETAIL BUILDING  
TO AN INVESTOR WHO IS EXTENSIVELY RENOVATING THE PROPERTY FOR  
RETAIL AND OFFICE USE. APPROXIMATELY 90% VACANT AT THE TIME OF SALE.

COMMERCIAL BUILDING COMPARABLE # 3



ADDRESS TOWN: WORCESTER STATE: MASSACHUSETTS  
STREET: 340 MAIN STREET, 23 CHESTNUT STREET AND 7 CEDAR ST

TYPE OF PROPERTY: OFFICE BUILDING AND 2 PARKING LOTS

STATE CLASS CODE: 340, 337 ZONING: BG-6.0

GRANTOR: COMMERCE ASSOCIATES LP ET AL GRANTEE: 5 SLATER LLC

SALE DATE: 11/17/20 BOOK 63767 PAGE 64 REGISTRY: WCRD

SALE PRICE \$14,457,306.00 VERIFIED: GRANTOR (JB) 9/21

MORTGAGE 1ST NONE NOTED 2ND NONE NOTED

ASMT LAND \$ 1,376,100 IMPRV \$ 8,392,400 TOTAL \$ 9,768,500 TAXES \$ 353,529.70

UTILITIES WATER: PUBLIC SEWER: PUBLIC GAS: PUBLIC ELECTRIC: PUBLIC

LAND AREA +/-SF: 92,191 +/-AC: 2.116 +/-FF: 1,321.72

TOPOGRAPHY: GENTLY SLOPING PARKING: ADEQUATE ACCESS: GOOD

BUILDING GROSS AREA +/-SF: 324,167 EFF. AGE: 25  
OFFICE AREA +/- SF: 284,425 CONDITION: AVERAGE  
RETAIL AREA +/- SF: 39,742 ELEVATOR: YES  
NET LEASABLE +/- SF: -- SPRINKLERED: WET  
EFFICIENCY: -- MISCELLANEOUS: NONE

GROSS INCOME MULTIPLIER: N/A OVERALL RATE: N/A

PRICE/SF BUILDING \$44.60

REMARKS SALE OF A 114 YEAR OLD RETAIL AND OFFICE BUILDING PLUS TWO PARKING  
LOTS TO AN INVESTOR WHO WILL RENOVATE THE BUILDING FOR FIRST FLOOR  
RETAIL SPACE AND 312 APARTMENTS. APPROXIMATELY 40% OCCUPIED AT SALE.

COMMERCIAL BUILDING COMPARABLE # 4



ADDRESS TOWN: WORCESTER STATE: MASSACHUSETTS  
 STREET: 51 GAGE STREET

TYPE OF PROPERTY: SCHOOL

STATE CLASS CODE: 351 ZONING: RG-5.0

GRANTOR: LEARNING FIRST FOUNDATION, INC. GRANTEE: CONFIDENTIAL

SALE DATE: 12/15/21 BOOK -- PAGE -- REGISTRY: WCRD

SALE PRICE \$1,800,000.00 VERIFIED: SLLNG BRK-9/21

MORTGAGE 1ST NOT APPLICABLE 2ND NOT APPLICABLE

ASMT LAND \$ 361,200 IMPRV \$ 5,688,900 TOTAL \$ 6,050,100 TAXES \$ 0.00

UTILITIES WATER: PUBLIC SEWER: PUBLIC GAS: PUBLIC ELECTRIC: PUBLIC

LAND AREA +/-SF: 40,946 +/-AC: 0.940 +/-FF: 336.30

TOPOGRAPHY: SLOPING PARKING: LIMITED ACCESS: AVERAGE

BUILDING GROSS AREA +/-SF: 56,833 EFF. AGE: 35  
 OFFICE AREA +/- SF: -- CONDITION: AVERAGE/GOOD  
 RETAIL AREA +/- SF: -- ELEVATOR: YES  
 NET LEASABLE +/- SF: 56,833 SPRINKLERED: YES  
 EFFICIENCY: 1.00 MISCELLANEOUS: NONE

GROSS INCOME MULTIPLIER: N/A OVERALL RATE: N/A

PRICE/SF BUILDING \$31.67

REMARKS PROPERTY UNDER AGREEMENT: DATE ABOVE IS PROJECTED CLOSING DATE.  
 PURCHASE IS FOR OWNER OCCUPANCY. BASEMENT OF 3,725+/-SF NOT  
 INCLUDED. PROPERTY IS TAX EXEMPT.

COMMERCIAL BUILDING COMPARABLE # 5



ADDRESS TOWN: WORCESTER STATE: MASSACHUSETTS  
STREET: 13 SUDBURY ST, 17 SUDBURY ST & 8 HARVARD STREET

TYPE OF PROPERTY: OFFICE

STATE CLASS CODE: 340 ZONING: BG-6.0

GRANTOR: OREO BAY, LLC GRANTEE: CONFIDENTIAL

SALE DATE: 01/15/22 BOOK -- PAGE -- REGISTRY: WCRD

SALE PRICE \$3,050,000.00 VERIFIED: LSTNG BRKR-MO 9/21

MORTGAGE 1ST NOT APPLICABLE 2ND NOT APPLICABLE

ASMT LAND \$ 1,913,200 IMPRV \$ 4,832,000 TOTAL \$ 6,745,200 TAXES \$ 244,176.24

UTILITIES WATER: PUBLIC SEWER: PUBLIC GAS: PUBLIC ELECTRIC: PUBLIC

LAND AREA +/-SF: 82,154 +/-AC: 1.886 +/-FF: --

TOPOGRAPHY: LEVEL/SLOPING PARKING: 200 SPACES ACCESS: AVERAGE

BUILDING GROSS AREA +/-SF: 79,363 EFF. AGE: 25  
OFFICE AREA +/- SF: 79,363 CONDITION: AVERAGE  
RETAIL AREA +/- SF: 0 ELEVATOR: YES  
NET LEASABLE +/- SF: 79,363 SPRINKLERED: YES  
EFFICIENCY: 1.00 MISCELLANEOUS:

GROSS INCOME MULTIPLIER: N/A OVERALL RATE: N/A

PRICE/SF BUILDING \$38.43

REMARKS VACANT PROPERTY UNDER AGREEMENT: DATE ABOVE IS PROJECTED CLOSING  
DATE  
PROPOSED FOR CONVERSION TO 52 APARTMENTS



## Adjustment Grid

Market Data Adjustment Analysis 484 Main Street, Worcester, MA Building Sale Comparables											
Address	Subject	Comparable #1		Comparable #2		Comparable #3		Comparable #4		Comparable #5	
	484 Main Street Worcester, MA	18 Chestnut, 3 Harvard Worcester, MA		10-30 Front Street Worcester, MA		340 Main, 23 Chestnut Worcester, MA		51 Gage Street Worcester, MA		13-17 Sudbury, 8 Harvard Worcester, MA	
		Description	Adjustment	Description	Adjustment	Description	Adjustment	Description	Adjustment	Description	Adjustment
Price	N/A	\$1,900,000		\$4,000,000		\$14,457,306		\$1,800,000		\$3,050,000	
Price/SF	N/A	\$6.36		\$30.78		\$44.60		\$31.67		\$38.43	
Property Rights Conveyed	Fee Simple	Fee Simple		Fee Simple		Leased Fee		Fee Simple		Fee Simple	
Financing	Market	Market		Market		Market		Market		Market	
Conditions of Sale	Market	Market		Market		Market		Market		Market	
Date of Sale (Time)	N/A	10/16/2018	10%	5/3/2019	5%	11/17/2020	0%	Pending	0%	Pending	0%
% Net Adjustment	N/A		10%		5%		0%		0%		0%
Adjusted Price/SF	N/A		\$7.00		\$32.32		\$44.60		\$31.67		\$38.43
Building Size +/-SF	200,000	298,805	15%	129,939	-10%	324,167	15%	56,833	-15%	79,363	-15%
Location	Average/Good	Average	10%	Good	-10%	Good	-10%	Fair/Average	15%	Average	10%
Building Condition	Fair to Average	Poor/Fair	10%	Poor/Fair	10%	Average	-10%	Average/Gd	-20%	Average	-10%
Functional Utility	Fair	Average	-10%	Fair/Average	-5%	Average	-10%	Average	-10%	Average	-10%
Land Area +/-SF	104,459	153,335		34,451		92,191		40,946		82,154	
Land to Building Ratio	.5 to 1	.5 to 1		.3 to 1		.3 to 1		.7 to 1		1.0 to 1	
Parking	Limited	Good	-20%	None		Good	-20%	Limited		Good	-20%
% Net Adjustment	N/A		5%		-15%		-35%		-30%		-45%
Final Adjusted Price/SF	N/A		\$7.35		\$27.47		\$28.99		\$22.17		\$21.14

**Comparable #1: 18 Chestnut Street, 3 Harvard Street, and Chestnut Street, Worcester, MA**

October 16, 2018 sale of a 68+/- year old, 298,805+/-SF office building and two parking lots on a combined 153,335+/-SF of land for \$1,900,000 (\$6.36/SF). The vacant building, which was in poor to fair condition was bought by an investor who is extensively renovating it for office lease-up.

Upward adjustment:

**Date of Sale:** The comparable sold October 16, 2018. Office properties have increased in value since the date of sale due to improvement in the real estate market.

**Building Size:** The comparable is 298,805+/-SF; the subject is 200,000+/-SF. Larger buildings tend to sell for a lower price/SF due to fewer potential buyers and economies of scale.

**Location:** The comparable is in a less desirable commercial location in comparison to the subject.

**Building Condition:** The comparable was in poor to fair condition at the time of sale, inferior to the fair to average condition of the subject.

Downward adjustment:

**Building Condition:** The comparable was in poor to fair condition at the time of sale, inferior to the fair to average condition of the subject.

**Functional Utility:** The comparable is not impacted by the high percentage of common area and high ceiling functional issues impacting the subject.

**Parking:** The comparable has extensive parking, superior to the subject with limited on-site parking. The availability of greater parking enhances the desirability of a property and its financial feasibility.

The overall net adjustment is upward.

**Comparable #2: 10-30 Front Street, Worcester, MA**

May 3, 2019 sale of a 104+/- year old and 109+/- year old combined 129,939+/-SF retail and office buildings on a combined 34,451+/-SF of land for \$4,000,000 (\$30.78/SF). The properties were primarily vacant at the time of sale and were in generally poor to fair condition. The properties were bought by an investor and are being renovated for lease-up to retail and office tenants.

Upward adjustment:

**Date of Sale:** The comparable sold May 3, 2019. Retail and office properties have increased in value since the date of sale due to improvement in the real estate market.

**Building Condition:** The comparable was in poor to fair condition at the time of sale, inferior to the fair to average condition of the subject.

Downward adjustment:

**Building Size:** The comparable is 129,939+/-SF; the subject is 200,000+/-SF.

**Location:** The comparable is in a more desirable commercial location in comparison to the subject.

**Functional Utility:** The comparable is not as significantly impacted by the high percentage of common area and high ceiling functional issues impacting the subject.

The overall net adjustment is downward.

**Comparable #3: 340 Main Street, 23 Chestnut Street and 7 Cedar Street, Worcester, MA**

November 17, 2020 sale of a 114+/- year old 324,167+/-SF retail and office buildings and two parking lots on a combined 92,191+/-SF of land for \$14,467,306 (\$44.60/SF). The building was 40% occupied at the time of sale. The properties were bought by an investor who will be renovating the building into first floor retail space and 312 apartments. The deed states that 390 Main Street, Worcester was included in the sale, which is incorrect. A confirmatory deed was later recorded correcting that 390 Main Street was not included in the sale.

Upward adjustment:

**Building Size:** The comparable is 324,167+/-SF; the subject is 200,000+/-SF.

Downward adjustment:

**Location:** The comparable is in a more desirable commercial location in comparison to the subject.

**Building Condition:** The comparable was in average condition at the time of sale, superior to the fair to average condition of the subject.

**Functional Utility:** The comparable is not impacted by the high percentage of common area and high ceiling functional issues impacting the subject.

**Parking:** The comparable has extensive parking, superior to the subject with limited on-site parking.

The overall net adjustment is downward.

**Comparable #4: 51 Gage Street, Worcester, MA**

Pending sale of a 101+/- year old, 56,833+/-SF school property on a 40,946+/-SF lot for \$1,800,000 (\$31.67/SF). The property is being purchased for a school use.

Upward adjustment:

**Location:** The comparable is in a less desirable commercial location in comparison to the subject.

Downward adjustment:

**Building Size:** The comparable is 56,833+/-SF; the subject is 200,000+/-SF.

**Building Condition:** The comparable is in average to good condition, superior to the fair to average condition of the subject.

**Functional Utility:** The comparable is not impacted by the high percentage of common area and high ceiling functional issues impacting the subject.

The overall net adjustment is downward.

**Comparable #5: 13 Sudbury Street, 17 Sudbury Street and 8 Harvard Street, Worcester, MA**

Pending sale of a 91+/- year old 79,363+/-SF office building and two parking lots of a combined 82,154+/-SF of land for \$3,050,000 (\$38.43/SF). The vacant property is proposed to be converted to 52 apartments.

Upward adjustment:

**Location:** The comparable is in a less desirable commercial location in comparison to the subject.

Downward adjustment:

**Building Size:** The comparable is 79,363+/-SF; the subject is 200,000+/-SF.

**Building Condition:** The comparable is in average condition, superior to the fair to average condition of the subject.

**Functional Utility:** The comparable is not impacted by the high percentage of common area and high ceiling functional issues impacting the subject.

**Parking:** The comparable has extensive parking, superior to the subject with limited on-site parking.

The overall net adjustment is downward.

After adjustments, the comparables range from an adjusted \$7.35/SF to \$28.99/SF. Comparables #1, #2, #3 and #5 are the best indicators of value being from the subject neighborhood. These comparables also fall within the adjusted range of \$7.35/SF to \$28.99/SF. The mean sale price of the best indicators of value is \$21.24/SF.

After all factors were considered the estimated market value of the subject is \$21.00/SF.

<u>Price/SF</u>	X	<u>Building Size</u>	=	<u>Value</u>
\$21.00	X	200,000+/-SF	=	\$4,200,000

As of September 16, 2021, the estimated market value of the subject by the sales comparison approach to one owner is:

**Four Million Two Hundred Thousand Dollars**  
**\$4,200,000**

**Estimate of Value by the Income Capitalization Approach**

The income capitalization approach was not developed per contractual agreement with the client.

**Reconciliation of Value Indications into Final Estimate**

The estimated market value of the property by the sales comparison approach based on a comparison to five comparable sales is \$4,200,000.

The other approaches to value were not developed.

As of September 16, 2021, the final estimated market value of the property is:

**Four Million Two Hundred Thousand Dollars**  
**\$4,200,000**



Joel A. Buthray, MAI  
Certified General  
Real Estate Appraiser  
Commonwealth of MA #929

## **Certification**

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 are my 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 performed no services as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. 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 attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. I have made a personal inspection of the property that is the subject of this report.
10. No one provided significant real property appraisal assistance to the person signing this certification.
11. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of the Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

13. The property was inspected by the undersigned on 09/16/2021.

A handwritten signature in blue ink that reads "Joel Buthray". The signature is written in a cursive, flowing style.

Joel A. Buthray, MAI  
Certified General Real Estate Appraiser  
Commonwealth of Massachusetts #929

14. As of the date of this report, I, Joel A. Buthray, MAI have completed the requirements of the continuing education program of the Appraisal Institute.

A handwritten signature in blue ink that reads "Joel Buthray". The signature is written in a cursive, flowing style.

Joel A. Buthray, MAI  
Certified General Real Estate Appraiser  
Commonwealth of Massachusetts #929

## **Assumptions and Limiting Conditions**

The estimate of value and/or opinions is subject to the assumptions and limiting conditions stated herein.

A. This Appraisal Report is being prepared at the request of The Worcester Redevelopment Authority, the intended user and client to estimate the market value of the property for potential taking purposes. Its use for any other purpose is invalid without prior approval and written authorization of O'Hara-Buthray Associates, Inc.

The use of this appraisal report, opinions, analyses, or valuation conclusions is restricted to the function specified above and for the client to whom addressed. Release to a third party for whatever purpose is prohibited and unauthorized. Unauthorized use of the report releases O'Hara-Buthray Associates, Inc. of liability to the client and/or a third party.

B. This report may not be reproduced, or used in any manner except for the purpose cited in this document. This specifically prohibits the extraction of any information whole, or in part, from the report.

C. Discussions regarding this appraisal report or estimates of value are restricted to valid representatives of the client. Authorization from said client to discuss the appraisal with a third party must be in writing and will be retained on file.

D. This report is subject to the standards of the Appraisal Institute and may be reviewed by its duly authorized representatives.

E. Analyses, opinions, and conclusions are based on the assumption that:

1. The property is under legal ownership and marketable.
2. Information supplied by the owner or a representative is accurate.
3. Data used in the report have been obtained from sources considered reliable.
4. Dimensions of buildings or sites are rounded field measurements or those obtained from municipal records or other identified resources.
5. Identified mechanical equipment is in working condition.
6. Buildings on the site are structurally sound, and unaffected by dry rot or insect infestation, which can only be determined by qualified technicians.
7. Identified on-site water systems are in working condition. The quality, quantity, or functioning of a water system can only be determined by a qualified technician.



8. Identified on-site sewerage systems are in working condition. The type and functioning of a system can only be determined by a qualified technician.

9. Testing and identification of discernible or unapparent hazards must be done by qualified technicians. The cost of remediation of environmentally hazardous substances or materials (such as, but not limited to, lead paint, asbestos, formaldehyde foam, radon, oil, toxic waste, or radioactivity, etc.) has to be deducted from the final value estimated in this report.

10. Prospective valuations are based on satisfactory completion, repair, or renovation according to plans and specifications submitted for the appraisal.

11. I (We) have not made a specific compliance survey and analysis of this property to determine whether it is in conformity with the various detailed requirements of the Americans with Disabilities Act (ADA). A compliance survey of the property, together with a detailed analysis of the requirements of the ADA, may reveal that the property is not in compliance with one or more of the requirements of the Act. This could have a negative effect on the value of the property. Since I (we) have no direct evidence relating to this issue, non-compliance with ADA requirements has not been considered in estimating the value of the property.

12. Unless otherwise specified, the subject property conforms to all federal, state, and municipal codes and requirements, and environmental regulations.

#### F. Market data

1. Sale prices of comparable properties are verified with grantors and/or grantees, attorneys, brokers, loan officers and deeds.
2. Lease data are verified with lessors and/or lessees or their representatives, brokers, or other sources deemed reliable.
3. O'Hara-Buthray Associates, Inc. does not conduct field measurements of comparable sale or rental properties. Sizes are verified with brokers, grantors and/or grantees, assessor records, lessors, or lessees.

#### G. Valuation

1. This appraisal assignment is not based on a requested minimum valuation, a specific valuation, or the approval of a loan. (USPAP Standard 1)

## **Statement of Non-Standard Conditions or Assumptions**

This appraisal report is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report. It presents discussions of the data, reasoning, and analyses used in the appraisal process to develop the appraiser's opinion of value.

The Appraisal Report has been prepared for The Worcester Redevelopment Authority, the intended user and client to estimate the market value of the property for potential taking purposes. The appraiser is not responsible for unauthorized use of this report.

## **Extraordinary Assumptions & Hypothetical Conditions**

*The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is an assignment-specific assumption as of the effective-date regarding uncertain information used in the analysis, which, if found to be false, could alter the appraiser's opinions or conclusions.*

- 1. The inspection of the property was limited to the basement, the common areas and through the windows of tenant spaces. The estimated value is based on the extraordinary assumption that the areas not inspected are of similar condition and quality as the areas inspected.*
- 2. The subject was previously listed as a confirmed disposal site in the Transition List of Confirmed Disposal Sites and Locations to be Investigated by the Department of Environmental Protection (DEP) in 2011. Determination of any impacts of contamination on the use and value of the subject property is not within the expertise of the real estate appraiser. The estimated value is based on the extraordinary assumption that the subject is free of contamination and conforms to all local, state and federal environmental regulations.*

*The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.*

- 1. At the client's request, the estimated value is based on the hypothetical condition that the property is under a single ownership and is owned fee simple.*

## Addendum

## Legal Description

BOOK 7652 PAGE 136

### EXHIBIT A

#### PARCEL 1

Land with the buildings thereon situated on the westerly side of Main Street, the easterly side of High Street, and the northeasterly side of Aldrich Street in the City of Worcester, County of Worcester, Commonwealth of Massachusetts, bounded and described as follows:

BEGINNING at a point in the easterly line of High Street at the southwesterly corner of the herein described premises, said point being N 14° 16' 17" E a distance of Fifty-Nine and fifty hundredths (59.50) feet from the intersection of the northerly line of Chatham Street with the easterly line of High Street;

THENCE N 14° 16' 17" E by High Street, One Hundred Eleven and fifty-one hundredths (111.51) feet to the intersection of the easterly line of High Street with the northeasterly line of Aldrich Street;

THENCE N 14° 16' 17" E Thirty and ninety-six hundredths (30.96) feet to a railroad spike;

THENCE S 83° 52' 13" E One Hundred Twenty-Two and seventy-seven hundredths (122.77) feet to a drill hole;

THENCE N 25° 31' 02" E Fourteen and eighty-seven hundredths (14.87) feet to a point;

THENCE S 71° 11' 18" E Fifteen and sixty hundredths (15.60) feet to a drill hole;

THENCE S 17° 45' 13" W One and eighty-eight hundredths (1.88) feet to a point;

THENCE S 71° 41' 10" E by the southerly face of a building, Forty-Eight and twenty hundredths (48.20) feet to a point in the westerly line of Chase Court;

THENCE S 71° 41' 10" E crossing Chase Court, Thirty and thirty-four hundredths (30.34) feet to a point;

THENCE S 72° 43' 21" E by the centerline of a 16" party wall, One Hundred Thirty-Six and thirty-four hundredths (136.34) feet to a point in the westerly line of Main Street; the last eight courses being by land of Nobility Hill Realty Trust;

THENCE S 17° 51' 39" W by Main Street, Twenty-Two and fifty-four hundredths (22.54) feet to a point;

THENCE S 25° 54' 40" W by Main Street, Ninety-Seven and fifty-six hundredths (97.56) feet to a point;

THENCE S 28° 12' 40" W by said Main Street, Fifty-Four and seventy-three hundredths (54.73) feet to a point;

THENCE N 67° 10' 36" W by the face of a remaining party wall and land owned now or formerly by Wornat Development Corporation, One Hundred Thirty-Six and forty-two hundredths (136.42) feet to a point in the easterly line of Chase Court;

THENCE S 23° 35' 01" W by land of said Wornat Development Corp. Twenty-Four and sixty-five hundredths (24.65) feet to a point;

THENCE S 23° 09' 01" W by land owned now or formerly by Morris H. Chafetz and Samuel Chafetz, Seventy-Three and fifteen hundredths (73.15) feet to a point in the northerly line of Chatham Street;

THENCE N 65° 55' 59" W by Chatham Street and crossing Chase Court, Thirty and no hundredths (30.00) feet to a point;

THENCE N 23° 09' 01" E by Chase Court and the easterly face of a building standing on Parcel "B", Seventy-Two and seventy-nine hundredths (72.79) feet to a point;

THENCE N 23° 35' 01" E by the westerly line of Chase Court and the easterly face of said building, Sixty-Five and forty-nine hundredths (65.49) feet to a point;

THENCE N 71° 40' 48" W by a line separating the buildings standing on Parcel "A" and Parcel "B", Fifty-Four and ninety-one hundredths (54.91) feet to a point;

THENCE S 15° 40' 25" W by the westerly face of the building standing on Parcel "B", Twenty and thirty-two hundredths (20.32) feet to a point;

THENCE N 74° 35' 04" W by the northerly face of said building, Twenty-Two and forty-eight hundredths (22.48) feet to a point;

THENCE S 15° 28' 36" W by the westerly face of said building, Twenty-Six and ninety-one hundredths (26.91) feet to a point;

THENCE S 74° 38' 55" E by the southerly face of said building, Twenty-One and ninety-eight hundredths (21.98) feet to a point;

THENCE S 15° 30' 25" W by the westerly face of said building, Ten and thirty-six hundredths (10.36) feet to a point;

THENCE S 24° 26' 18" W by the westerly face of said building, Twelve and ninety-eight hundredths (12.98) feet to a point;

THENCE N 68° 12' 57" W by Parcel "B" One Hundred Four and twenty-three hundredths (104.23) feet to the point of beginning.

CONTAINING Fifty-Five Thousand Two Hundred Thirty-Four (55,234) square feet of land or One and two hundred sixty-eight thousandths (1.268) acres and being shown as Parcel "A" on a plan of land in Worcester, Massachusetts, owned by Chatham Properties Associates, dated May 25, 1982, and prepared by A. F. Paige Associates, Registered Engineers and Land Surveyors, Worcester, Massachusetts, and recorded with the Worcester District Registry of Deeds in Plan Book 502, Plan 119.

Together with all rights, title, and interest in that portion of Old High Street (now abandoned) abutting land of Nobility Hill Realty Trust, bounded and described as follows:

BEGINNING at the point of intersection of the easterly line of High Street with the northeasterly line of Aldrich Street;

THENCE N 17° 05' 15" W by Aldrich Street, Thirty-Six and twenty-four hundredths (36.24) feet to a point;

THENCE S 75° 43' 43" E by land of Nobility Hill Realty Trust, Eighteen and eighty-six hundredths (18.86) feet to a railroad spike;

THENCE S 14° 16' 17" W by the old line of High Street, Thirty and ninety-six hundredths (30.96) feet to the point of beginning.

CONTAINING Two Hundred Ninety-One and nine tenths (291.9) square feet of land and subject to rights of Nobility Hill Realty Trust in a deed recorded with the Worcester District Registry of Deeds in Book 5279, Page 88.

Subject to Party Wall Rights recorded in the Worcester District Registry of Deeds in Book 812, Page 459; Book 1066, Page 207; Book 1168, Page 367; and Book 2131, Page 147.

For reference to the above parcels, see Schedule "A" as taken by the City of Worcester in a tax title deed dated October 30, 1974, and recorded with the Worcester District Registry of Deeds in Book 5622, Page 121.

Subject to rights of abutters, the public and utility easements of various types in that portion of Chase Court containing Seven Thousand Seven Hundred Ninety-Five (7,795) square feet of land passing through the described premises. Together with rights in that portion of Chase Court and Barton Place lying northerly of the described premises as shown on the aforementioned plan.

Together with an easement for parking on that portion of Parcel "B" as shown on the above referred to Plan designated as 'Parking Lot on Roof' and subject to the right of the owner or occupant of Parcel "B" to use for parking the five (5) spaces shown on said Plan.

Subject to the non-exclusive right of access over Parcel "A" from Parcel "B" to High Street in favor of the occupant or owner of Parcel "B" as more particularly described in an Agreement between Chatham Properties Associates and New England Sports Science Institute, Inc., dated July 1, 1982, recorded in the Worcester District Registry of Deeds instrument number ~~Book 1249, Page~~ , and subject to and with the benefit of all other rights and obligations set forth in said Agreement.

Subject to a right to pass and repass over a thirty (30) foot strip of land known as Chase Court from Chatham Street northerly to Barton Place, together with a right to use the utilities located therein, provided said use does not unreasonably interfere with the use of said Chase Court, which rights are in favor of the owner or occupant of Parcel "B" as shown on said Plan.

PARCEL 2

Land situated on the easterly side of Irving Street, the southerly side of Chatham Street, and the westerly side of Houchin Avenue in the City of Worcester, County of Worcester, Commonwealth of Massachusetts, bounded and described as follows:

BEGINNING at the intersection of the westerly line of Houchin Avenue with the southerly line of Chatham Street at the northeasterly corner of the herein described premises;

THENCE N 84° 20' 00" W by Chatham Street, One Hundred Fourteen and eighty-seven hundredths (14.87) feet to a point;

THENCE S 05° 33' 11" W by land now or formerly owned by Herbert G. Ingram, One Hundred Eighty-Four and sixty-one hundredths (184.61) feet to a point;

THENCE N 84° 17' 15" W by land now or formerly of said Ingram, Fifteen and fifty-two hundredths (15.52) feet to a point;

THENCE N 84° 27' 02" W by land now or formerly of said Ingram, One Hundred and eighty-two hundredths (100.82) feet to a point in the easterly line of Irving Street;

THENCE S 05° 42' 15" W by Irving Street, One Hundred Twenty and twenty hundredths (120.20) feet to a point;

THENCE S 13° 02' 18" W by Irving Street, Fifty-Four and twenty-six hundredths (54.26) feet to a point at land now or formerly owned by Wilfred J. Mangold;

THENCE S 76° 38' 39" E by land of said Mangold, land now or formerly owned by John E. and Lulu M. Tracy, and land now or formerly owned by Edrich Temple, One Hundred Fifteen and sixty-three hundredths (115.63) feet to a point;

THENCE N 12° 35' 21" E by land now or formerly owned by Worcester Brush Co., Forty-Nine and seventy-four hundredths (49.74) feet to a point;

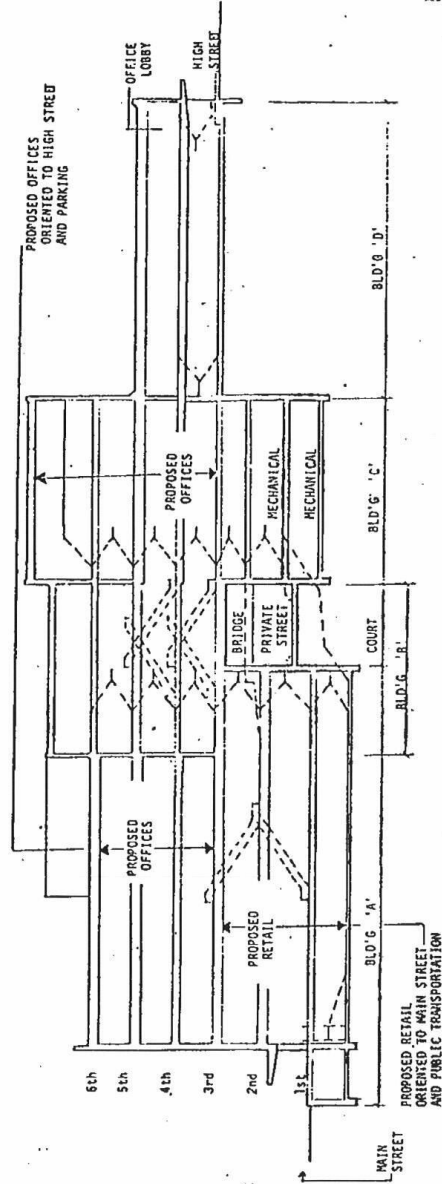
THENCE S 73° 24' 00" E by said Worcester Brush Co. land, Seventy-Five and twenty-nine hundredths (75.29) feet to point at the southwesterly terminus of Houchin Avenue;

THENCE N 12° 57' 36" E by Houchin Avenue, Three Hundred Forty-One and ninety-three hundredths (341.93) feet to the point of beginning.

CONTAINING Fifty-Two Thousand Two Hundred Twenty-Five (52,225) square feet of land or One and one hundred ninety-nine thousandths (1.199) acres and being shown on a Plan of Land entitled "Land in Worcester, Mass. owned by Chatham Properties Associates", dated December 22, 1982, and prepared by A. F. Paige Associates, Registered Engineers and Land Surveyors, Worcester, Massachusetts, and recorded with the Worcester District Registry of Deeds in Plan Book 502, Plan 170.

Subject to any rights that may exist in the former location of Chatham Place.





DIAGRAMMATIC - LONGITUDINAL SECTION - LOOKING SOUTH

EXHIBIT C

Unit Designation, Area, Location, Percentage Interest, and  
Common Area Access

<u>Unit</u>	<u>Area (Square Feet)</u>	<u>Location</u>	<u>Percentage Interest</u>	<u>Common Area Access</u>
010	10,083	Basement	3.6	D
050	7,938	Basement	1.9	B, D
100	6,023	First Floor	6.1	A, B, C, D, E
110	1,144	First Floor	1.2	A, B, C, D, E
120	959	First Floor	1.0	A, B, C, D, E
150	3,530	First Floor	3.6	A, B, C, D, E
170	1,180	First Floor	1.2	A, B, C, D, E
180	1,313	First Floor	1.3	A, B, C, D, E
200	9,251	Second Floor	8.1	B, C, D, E
250	3,217	Second Floor	3.0	B, C, D, E
280	4,100	Second Floor	3.6	B, C, D, E
300	7,378	Third Floor	5.5	B, C, D, E
320	3,601	Third Floor	2.7	A, B, C, D, E
330	2,754	Third Floor	1.8	A, B, C, D, E
340	5,658	Third Floor	4.2	A, B, C, D, E
350	2,267	Third Floor	1.7	A, B, C, D, E
360	3,204	Third Floor	2.4	B, C, D, E
380	3,618	Third Floor	2.7	B, C, D, E
400	7,854	Fourth Floor	5.0	B, C, D, E
420	2,145	Fourth Floor	1.4	B, C, D, E
430	12,508	Fourth Floor	7.9	B, C, D, E
450	2,612	Fourth Floor	1.7	B, C, D, E
460	2,845	Fourth Floor	1.8	B, C, D, E
480	4,158	Fourth Floor	2.6	B, C, D, E
500				
580	11,996	Fifth Floor	8.0	B, C, D, E
520	1,627	Fifth Floor	.8	B, C, D, E
530	5,486	Fifth Floor	3.8	B, C, D, E
540	2,648	Fifth Floor	1.8	B, C, D, E
560	2,937	Fifth Floor	1.9	B, C, D, E
600	16,862	Sixth Floor	7.7	B, C, D

Legend:

A - Ground Floor; B - Elevator Area; C - Escalator Area;  
D - Stairs; E - Corridor

EXHIBIT D

List of Floor Plans

Plans entitled: Denholm Condominium, 484 Main Street,  
Worcester, Massachusetts, prepared by Ramon H. Hovsepian  
Associates, Inc., Registered Architect, dated *December 29, 1982* \*  
consisting of the following sheets:

- 1 of 11 - Basement Floor Front
- 2 of 11 - 1st Floor Front
- 3 of 11 - 2nd Floor Front
- 4 of 11 - 3rd Floor Front
- 5 of 11 - 3rd Floor Rear
- 6 of 11 - 4th Floor Front
- 7 of 11 - 4th Floor Rear
- 8 of 11 - 5th Floor Front
- 9 of 11 - 5th Floor Rear
- 10 of 11 - Unit 600
- 11 of 11 - Basement, 1st, 2nd Floors Rear

\* Recorded in Plan Book 502 Plan 121

EXHIBIT E

List of Plot Plans

1. Plan entitled "Land in Worcester, Massachusetts owned by Chatham Properties Associates", dated May 25, 1982, and prepared by A. F. Paige Associates, Registered Engineers and Land Surveyors, recorded in Plan Book 502 Plan 119.

2. Plan entitled "Land in Worcester, Mass. owned by Chatham Properties Associates", dated December 22, 1982, and prepared by A. F. Paige Associates, Registered Engineers and Land Surveyors, recorded in Plan Book 502 Plan 120.

Recorded JAN 10 1983 at 3h/7m PM

## Office Vacancy Study - Worcester

### Search Analytics

INVENTORY SF <b>12.4M</b> <span style="background-color: #0056b3; color: white; padding: 2px;">+0%</span> <small>Prior Period 12.4M</small>	UNDER CONSTRUCTION SF <b>121K</b> <span style="background-color: #0056b3; color: white; padding: 2px;">±0%</span> <small>Prior Period 121K</small>	12 MO NET ABSORPTION SF <b>408K</b> <span style="background-color: #0056b3; color: white; padding: 2px;">+421.1%</span> <small>Prior Period (127K)</small>	VACANCY RATE <b>3.2%</b> <span style="background-color: #0056b3; color: white; padding: 2px;">-3.3%</span> <small>Prior Period 6.5%</small>	MARKET RENT/SF <b>\$21.25</b> <span style="background-color: #0056b3; color: white; padding: 2px;">+0.3%</span> <small>Prior Period \$21.18</small>	MARKET SALE PRICE/SF <b>\$143</b> <span style="background-color: #0056b3; color: white; padding: 2px;">+2.5%</span> <small>Prior Period \$140</small>	MARKET CAP RATE <b>8.9%</b> <span style="background-color: #0056b3; color: white; padding: 2px;">-0.1%</span> <small>Prior Period 9.0%</small>
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### Key Metrics

Availability		Inventory	
Vacant SF	391K ↓	Existing Buildings	487 ↓
Sublet SF	113K ↓	Under Construction Avg SF	121K ↓
Availability Rate	8.7% ↓	12 Mo Demolished SF	0 ↓
Available SF	1.1M ↓	12 Mo Occupancy % at Delivery	-
Available Asking Rent/SF	\$21.22 ↑	12 Mo Construction Starts SF	0 ↓
Occupancy Rate	96.8% ↑	12 Mo Delivered SF	0 ↓
Percent Leased Rate	97.4% ↑	12 Mo Avg Delivered SF	-

Sales Past Year		Demand	
Asking Price Per SF	\$126 ↓	12 Mo Net Absorp % of Inventory	3.3% ↑
Sale to Asking Price Differential	-6.7% ↑	12 Mo Leased SF	102K ↓
Sales Volume	\$45M ↑	Months on Market	15.0 ↑
Properties Sold	40 ↑	Months to Lease	1.1 ↓
Months to Sale	15.4 ↑	Months Vacant	37.8 ↑
For Sale Listings	18 ↓	24 Mo Lease Renewal Rate	71.1%
Total For Sale SF	271K ↓	Population Growth 5 Yrs	1.5%

# Repair Budget

**Table 1 - Critical and Non-Critical Repairs**

Denholm Building	Site Survey Date: 1/10/2020	Building Area: 200,000
484 Main Street	Report Date: 1/22/2020	Number of Units: 30
Worcester, Massachusetts	Property Type: Office	Property Age: 140
EBI Project # 1319000655	Number of Buildings: 1	Analysis Term: 10
	Number of Floors: 6	

SECTION NUMBER	SECTION NAME	RECOMMENDED WORK	QUANTITY	UNIT COST	Markup for Contingency, Permits, General Conditions, etc.	UNIT COST (including Markup)	UNIT DESCRIPTION	ESTIMATED CRITICAL REPAIR COST	Short Term Repair?	ESTIMATED NON-CRITICAL REPAIR COST	COMMENTS OR ADDITIONAL DESCRIPTION
<b>2.0 SITE CONDITIONS</b>											
2.1	Site Features	None			20.0%						
2.2	Landscaping / Improvements	Repair areas of deteriorated/damaged concrete sidewalk	300	\$20.39	20.0%	\$24.46	per square foot	\$7,339.32			Sidewalk cracks and/or trip hazards were observed. Two former light pole base bolts remain in the sidewalk.
2.2	Landscaping / Improvements	Front sidewalk sealing	760	\$3.50	20.0%	\$4.20	per linear foot	\$3,192.00			Minor moisture infiltration through the sidewalk paver and stone slabs was observed and reported.
2.3	Pavement/ Parking	Localized full-depth asphalt repairs (>1,000 SF)	4,103	\$3.97	20.0%	\$4.76	per square foot	\$19,530.53			The remote parking lot is in generally fair condition with the northeastern entrance drive in poor condition. Remote parking lot asphalt paving repairs.
2.4	Amenities	None			20.0%						
2.5	Utilities	None			20.0%						
<b>3.0 STRUCTURE</b>											
3.1	Substructure	None			20.0%						
3.2	Superstructure	Clean and repair basement column	1	\$1,500.00	20.0%	\$1,800.00	each		✓	\$1,800.00	Clean and recast concrete around base of column at rear of basement.
<b>4.0 BUILDING ENVELOPE</b>											
4.1	Roof	Complete roofing installation Section E	1		20.0%		action item				Complete roofing installation delayed due to weather.
4.1	Roof	Rework parapet walls and flashings	1	\$5,000.00	20.0%	\$6,000.00	lump sum				Repair worn parapet walls and flashings.
4.1	Roof	Repair two roof leaks roof sections A and B	2	\$1,300.00	20.0%	\$1,560.00	\$3,120.00				Complete roof repairs at section A and B.
4.1	Roof area C	EPDM 60 mil roof replacement - mid rise	7,015	\$9.64	20.0%	\$11.57	per square foot		✓	\$81,170.57	Replace built-up and foam roof section C.
4.1	Roof area D	EPDM 60 mil roof replacement - mid rise	3,521	\$9.64	20.0%	\$11.57	per square foot		✓	\$40,741.49	Replace built-up roof section D.
4.2	Facades	Facade survey and report	1	\$5,000.00	20.0%	\$6,000.00	allowance	\$6,000.00			Retain facade consultant and recommend repairs.
4.2	Facades	Complete facade consultant recommended repairs	1	TBD	20.0%	TBD	TBD		✓	TBD	This report can be updated when the costs are provided by the facade consultant.
4.2	Facades	Remove masonry boiler chimney	1	\$4,500.00	20.0%	\$5,400.00	allowance	\$5,400.00			The boiler chimney stack was observed to be in fair to poor condition. The top of the stack exhibited cracking and the base smaller brick skirt is deteriorating.
4.3	Windows and Doors	Commercial window replacement	14	\$826.50	20.0%	\$991.80	each		✓	\$13,885.20	Ten fogged windows and four cracked insulated panes were observed.
4.3	Windows and Doors	Commercial window replacement	22	\$1,074.45	20.0%	\$1,289.34	each		✓	\$28,365.48	The wood framed stairwell and chimney area windows appear to be original to the building and have exceeded their expected useful life.



Table 1

**Table 1 - Critical and Non-Critical Repairs**

Denholm Building  
 484 Main Street  
 Worcester, Massachusetts  
 EBI Project # 1319000655

Site Survey Date: 1/10/2020  
 Report Date: 1/22/2020  
 Property Type: Office  
 Number of Buildings: 1  
 Number of Floors: 6

Building Area: 200,000  
 Number of Units: 30  
 Property Age: 140  
 Analysis Term: 10

SECTION NUMBER	SECTION NAME	RECOMMENDED WORK	QUANTITY	UNIT COST	Markup for Contingency, Permits, Overhead/Profit, General Conditions, etc.	UNIT COST (including Markup)	UNIT DESCRIPTION	ESTIMATED CRITICAL REPAIR COST	Short Term Repair?	ESTIMATED NON-CRITICAL REPAIR COST	COMMENTS OR ADDITIONAL DESCRIPTION
<b>5.0 BUILDING INTERIORS</b>											
5.1	Basement	General basement cleanup	17,000	\$2.50	20.0%	\$3.00	per square foot		✓	\$51,000.00	Clean up basement worn and damaged finishes to a stable condition.
5.2	Interior F & C	None			20.0%						
<b>6.0 ACCESSIBILITY</b>											
6.1	Accessibility	None			20.0%						
<b>7.0 BUILDING SYSTEMS</b>											
7.1	Plumbing	Water heater catch pan installation	2	\$385.00	20.0%	\$463.20	each	\$926.40			Catch pans were noted missing on two water heaters.
7.1	Plumbing	Evaluation of galvanized water piping	1	\$2,500.00	20.0%	\$3,000.00	each	\$3,000.00			The domestic galvanized water piping to be evaluated by a qualified professional to assess its current condition, identify repair needs, and provide an estimate of its remaining useful life.
7.1	Plumbing	Evaluation of galvanized steam piping	1	\$5,000.00	20.0%	\$6,000.00	each	\$6,000.00			Steam piping appeared to be in poor condition in the basement, with significant corrosion observed.
7.1	Plumbing	Evaluation of galvanized sanitary piping	1	\$5,000.00	20.0%	\$6,000.00	each	\$6,000.00			Sanitary piping appeared to be in poor condition in the basement. Significant corrosion was observed.
7.2	HVAC	Replace condenser 3 to 4.5 Tons	2	\$4,551.00	20.0%	\$5,461.20	each	\$10,922.40			Unit is past its estimated useful life and in poor condition.
7.2	HVAC	Replace condenser 5 to 7 Tons	1	\$5,321.00	20.0%	\$6,385.20	each	\$6,385.20			Unit is past its estimated useful life and in poor condition.
7.2	HVAC	Replace condenser 10 to 14.5 Tons	1	\$10,302.00	20.0%	\$12,362.40	each	\$12,362.40			Unit is past its estimated useful life and in poor condition.
7.2	HVAC	Replace condenser 15 to 19.5 Tons	2	\$11,291.00	20.0%	\$13,549.20	each	\$27,098.40			Units are past their estimated useful life and in poor condition.
7.2	HVAC	Replace air handler 10 Tons	6	\$14,815.00	20.0%	\$17,778.00	each	\$106,668.00			Units are past their estimated useful life and in poor condition.
7.2	HVAC	Replace air handler 12 Tons	2	\$17,019.00	20.0%	\$20,422.80	each	\$40,845.60			Units are past their estimated useful life and in poor condition.
7.2	HVAC	Replace air handler 3000 cfm	1	\$13,191.00	20.0%	\$15,829.20	each	\$15,829.20			Unit is past its estimated useful life and in poor condition.
7.2	HVAC	Replace air handler 4000 cfm	1	\$15,478.00	20.0%	\$18,573.60	each	\$18,573.60			Unit is past its estimated useful life and in poor condition.
7.2	HVAC	Replace rooftop package unit 12.5 Tons	1	\$31,110.00	20.0%	\$37,332.00	each	\$37,332.00			Unit is past its estimated useful life and in poor condition.
7.2	HVAC	Replace rooftop package unit 15 Tons	1	\$33,975.00	20.0%	\$40,770.00	each	\$40,770.00			Unit is past its estimated useful life and in poor condition.
7.2	HVAC	replace boiler 3,770 MBH	1	\$177,690.00	20.0%	\$213,228.00	each	\$213,228.00			Leak was noted on boiler.
7.2	HVAC	Licensed engineer to provide feasibility study to replace boiler	1	\$7,500.00	20.0%	\$9,000.00	each	\$9,000.00			Immediate Repairs are recommended to engage a licensed Engineering firm to evaluate the conversion of the current oil-fired steam boiler to a natural gas steam boiler and provide feasibility and cost to replace the boiler.
7.3	Electric	Inspection of Federal Pacific equipment	1	\$5,000.00	20.0%	\$6,000.00	each	\$6,000.00			EBI recommends that a licensed electrician be engaged to inspect the main Federal Pacific Electric switchboards and distribution panels and provide recommendations regarding the equipment in regards to repair/replacement.



Table 1

**Table 1 - Critical and Non-Critical Repairs**

Denholm Building  
 484 Main Street  
 Worcester, Massachusetts  
 EBI Project # 1319000655

Site Survey Date: 1/10/2020  
 Report Date: 1/22/2020  
 Property Type: Office  
 Number of Buildings: 1  
 Number of Floors: 6

Building Area: 200,000  
 Number of Units: 30  
 Property Age: 140  
 Analysis Term: 10

SECTION NUMBER	SECTION NAME	RECOMMENDED WORK	QUANTITY	UNIT COST	Markup for Contingency, Permits, Overhead/Profit, General Conditions, etc.	UNIT COST (including Markup)	UNIT DESCRIPTION	ESTIMATED CRITICAL REPAIR COST	Short Term Repair?	ESTIMATED NON-CRITICAL REPAIR COST	COMMENTS OR ADDITIONAL DESCRIPTION
7.3	Electric	Inspection of electrical equipment	1	\$3,000.00	20.0%	\$3,600.00	each	\$3,600.00			EBI observed that panels and local disconnects (identified in red in the table of the report) appear to need re-torqueing and tightening to ensure proper connections due to above normal temperatures.
7.3	Electric	Replace gas-fired generator	1	\$31,490.00	20.0%	\$37,788.00	each		✓	\$37,788.00	Unit is past its estimated useful life and in fair to poor condition.
7.4	F/L Safety	Sprinkler system 5 year test	1	\$4,500.00	20.0%	\$5,400.00	each	\$5,400.00			NFPA 25 - 5 year test - Site contact did not have knowledge of the last time the test was performed.
7.5	Elevators	Elevator modernization - 6 - 10-stories Traction	12	\$53,998.00	20.0%	\$64,797.60	per elevator per floor		✓	\$777,571.20	The elevators appear to be in generally fair condition. The elevator controls are dated and periodic service calls are required to keep them operational and/or to free passengers when down.
<b>8.0 MUNICIPAL RESEARCH</b>											
8.1	Municipal Information & Zoning	None			20.0%						
8.2	Building & Planning	None			20.0%						
8.3	Fire Department	None			20.0%						
<b>9.0 NATURAL HAZARDS</b>											
9.1.1	Seismic	None			20.0%						
9.1.2	Flood Zone	None			20.0%						
9.1.3	Wind Zone	None			20.0%						
9.2	Suspect Mold & Moisture	None			20.0%						
								<b>DEFERRED MAINTENANCE:</b>			
								Critical		Non-Critical	
								\$611,403		\$1,032,322	
								<b>TOTAL:</b>		\$1,643,725	



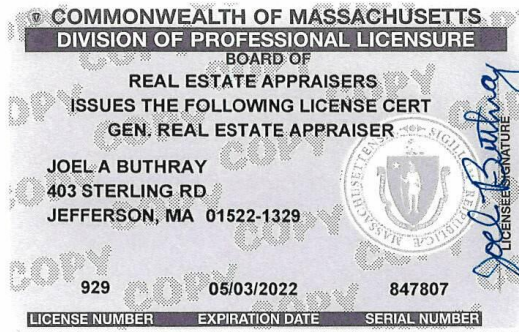
Table 1



# Flood Insurance Rate Map



## Appraisal License



## Qualifications

### *Joel Buthray, MAI*

- EMPLOYMENT:**
- O'HARA-BUTHRAY ASSOCIATES, INC.  
*Partner*  
*Actively involved in appraising, consulting and reviewing appraisal reports*  
Worcester, Massachusetts  
September 1995 to date
- PATRICK MCMAHON ASSOCIATES, INC.  
*Associate Real Estate Appraiser*  
Worcester, Massachusetts  
November, 1986 to August, 1995
- GUARANTY BANK AND TRUST  
*Collections/Credit Analyst*  
Worcester, Massachusetts  
April 13, 1983 to November 7, 1986
- HOUSEHOLD FINANCE COMPANY  
*Assistant Manager*  
Worcester, Massachusetts  
December, 1981 to April 10, 1983
- EDUCATION:**
- WORCESTER STATE COLLEGE  
Worcester, Massachusetts  
*Bachelor of Science*  
*Major in Economics, Minor in Philosophy*

#### CONTINUING EDUCATION COURSES

- Uniform Appraisal Standards for Federal Land Acquisitions 4/20
- National USPAP Update Course 4/20
- The Basics of Expert Witness for Commercial Appraiser 4/20
- Basic Hotel Appraising – Limited Service Hotels 3/18
- Advanced Hotel Appraising – Full Service Hotels 3/18
- Appraising Automobile Dealerships 3/18
- Appraising Small Apartment Properties 3/18
- Appraisal of Fast Food Facilities 3/18
- Appraisal of Single Tenant Distribution Centers 3/18
- Appraisal of Self-Storage Facilities 3/18
- 2018-2019 7-Hour National USPAP Update Course 3/18
- Appraisal of Assisted Living Facilities 2/18
- Appraisal of Land Subject to Ground Leases 2/18
- Online Business Practices and Ethics 12/17
- Appraisal of Owner-Occupied Commercial Properties, 4/16
- Appraisal of Land Subject to Ground Lease, 4/16
- Appraisal of Industrial Incubators, 4/16

- 2014-2015 National USPAP Update Course, 7/15
- Online Analyzing Operating Expenses, 12/12
- Online Advanced Internet Search Strategies, 12/12
- USPAP (7 hr) Outside Provider, 12/12
- The Cost Approach, 11/12
- Appraising & Analyzing Industrial & Flex Buildings, 11/12
- Site Analysis and Valuation, 10/12
- USPAP Update, 12/11
- Analyzing Distressed Real Estate, 4/11
- Appraising Historic Property, 4/11
- Retail Center Analysis for Financing, 4/11.

**PROFESSIONAL MEMBERSHIPS:** Appraisal Institute, MAI #11326

**APPRAISAL EXPERIENCE:** Appraisals and/or feasibility studies of diverse properties for governmental agencies, financial institutions, insurance companies, industrial corporations, attorneys, developers, relocation agencies and individual clients.

**TYPES OF PROPERTIES APPRAISED:** Commercial, industrial, unimproved land, churches, apartments, shopping centers, car dealerships, motels, condominium developments, subdivisions, etc.

**COURT TESTIMONY:** Bankruptcies, divorces and abatements

**MEDIATION WORK:** City of Worcester and Providence and Worcester Railroad

**PAST AREAS OF ASSIGNMENT:** Massachusetts, Connecticut, and Rhode Island

**CERTIFICATION:** Certified General Real Estate Appraiser  
Commonwealth of Massachusetts #929 Expires 5/3/2022

**RECERTIFICATION:** As of this date, I have completed the requirements of the continuing education program of the Appraisal Institute.