

North Carolina Department of Transportation - Right of Way Unit

REVIEW SUMMARY

TIP/Parcel No.: NA WBS Element: NA County: Dare

Property Owner(s): NC DOT 23176 Pappy Ln, Rodanthe FedAid Project: NA

Acquisition: Full Partial Zoning: S-1, Special District

Gregory L. Bourne, MAI Appraiser

March 1, 2022 Appraisal Date

Highest and Best Use:

Continued Residential Before

NA After

\$ <u>587,600</u>	Before Value	\$ _____
\$ <u>NA</u>	After Value	\$ _____
\$ <u>NA</u>	Difference	\$ _____

Yes No Factual Data Requirements Met Yes No

Yes No Value Conclusions Reasonable Yes No

ALLOCATION

\$ <u>159,200</u>	Value Land Acquired	\$ _____
\$ <u>428,400</u>	Value Improvements Acquired	\$ _____
\$ <u>0</u>	Damage to Remainder	\$ _____
\$ <u>0</u>	Benefits to Remainder	\$ _____
\$ <u><u>587,600</u></u>	DIFFERENCE	\$ <u>_____</u>

Review Comments

Scope of Work- This review summary outlines the appraisal report for a 0.683-acre parcel located at 23176 Pappy Lane, Rodanthe, Dare County, North Carolina. The property is current owner by the NCDOT and is an residential parcel improved with 3,298 SF beach cottage and associated site improvements. The client is the NCDOT. The intended use is for internal accounting purposes and/or possible disposition of the asset. The intended user is NCDOT. This appraisal review is part of the appraisal process in establishing reasonableness. The purpose of the review is to develop an opinion of the quality of the work under review and to determine if the appraisal report and its conclusion is credible for the client's intended use. This will be accomplished by a) verifying the mathematical accuracy, b) analyzing the data presented for reasonableness, c) analyzing appraisal methodology, d) analyzing logic presentation, e) verifying the report is in compliance with NCDOT's Appraisal Request, USPAP and the NCDOT's Real Estate Appraisal Standards and Legal Principles guide, and state whether the appraiser's conclusion is (or is not) adequately supported. The reviewer's conclusion is based on data presented in the appraisal under review; it is an extraordinary assumption that this data is credible and in compliance with the applicable development standards; the use of extraordinary assumptions may have affected the assignment results. The work under review was completed assuming the integrity of that work without personal verification. If those assumptions are found to be false, the reviewer's appraisal related opinions and conclusions would be affected. The highest and best use conclusions will be analyzed, and the review will verify the property has been valued to the stated H&BU conclusions. The reviewer will inspect the subject property as well as comparable sales presented, unless otherwise specified. Any extraordinary assumptions and hypothetical conditions used in the appraisal report beyond typical will be noted. The reviewer may include supplemental data in the review summary which may further support the conclusions of the work under review. Gregory Bourne,

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the appraiser of the work under review, may be contacted for clarification or corrections if needed. The reviewer's opinions and recommendation on the quality, completeness, and conclusions of work under review will be given at the end of this summary.

The appraiser made the following extraordinary assumptions.

- a) **The appraiser relied on a ROW plan prepared by the NC DOT and the information gathered accurately reflects the subject's condition as of the effective date of appraisal, and**
- b) **The subject parcel has been assembled with other land owned by NCDOT. It is an extraordinary assumption that the lot size of 0.683-acres is the same as the metes and bound description shown in Deed Book 2324, Page 419 when this parcel was acquired by NCDOT.**

The appraiser submitted a Narrative Appraisal Report that provide a current market value of the property having an effective date of March 1, 2022, and a report date of March 28, 2022; this review summary reflects the same effective date. The value is in fee simple interest. The appraised property is located at 23176 Pappy Lane, in Rodanthe, Dare County, North Carolina. The subject was formerly identified as Parcel 012471-003 in Dare County tax records. The subject is irregular in shape, level and cleared. It has approximately 77 feet of frontage along Pappy Lane. The parcel also fronts Pamlico Sound by approximately 112 feet. This property is in Flood Zone "AE". Public utilities available to this site include water, electric, and telephone; septic systems are used in the immediate area. The parcel is 0.638-acres and is improved with 3,298, 3-story beach cottage with living room, dining room, kitchen (appliances removed), six bedrooms, five full bathrooms, and two half baths. There is partial wraparound decking on each floor, and there is an in-ground pool (all pool equipment has been removed and the pool itself has been filled with sand) and other associated site improvements. While there are immediate repairs needed, overall, the beach cottage is in relatively good condition. The property is heated/cooled with a heat pump and the heat pump was on at the time of inspection. The parcel is zoned S-1, Special District, which permits all uses (residential, commercial, industrial). The current use is legal and conforming. The appraiser stated the highest and best use "as vacant" is for residential development and "as improved" is for continued residential use. The property is outside a subdivision. To value the lot, the sales comparison approach was used. The appraiser completed the cost approach and the sales comparison (improved properties). The income approach was not completed because the dwelling has been vacant for three years and had no rental history. The omission of the income approach does not jeopardize the credibility of the appraisal. The NCDOT acquired the property as part the B-2500B "Jug Handle Bridge" project. The Jug Handle Bridge was built due to the frequent wash out of Highway NC 12 just to the north of Rodanthe. The Jug Handle Bridge reroutes Highway NC 12 out across the Pamlico Sound. The bridge runs parallel with the shoreline for a couple miles before it ties back into existing Highway NC 12 in Rodanthe. The bridge route on its approach to the shoreline is south and adjacent the subject parcel. All properties along the couple mile stretch of the Jug Handle Bridge had their unobstructed views diminished with the bridge in place. The comparable lot sales and improved comparable sales selected all are sound front and are in that two mile stretch adjacent the bridge. Any diminution in value cause by the obstruction in view from the bridge, if any, is in their sale price.

In valuing the 0.638-acre lot, the appraiser selected three comparable sound front lot sales near the subject. Their indicated unadjusted per lot values were \$199,000, \$225,000, and \$230,000, respectively. After adjustments the per lot values were \$159,200, \$157,500, and \$161,000, respectively. The primary adjustment was for road traffic, which is adjacent the subject parcel, an inferior condition. The appraiser reconciled the lot value to \$159,200. The beach cottage "as is" had a contributing value of \$379,930 and the site improvements had a \$10,360. It was noted that the in-ground pool had no value with all supporting pool equipment removed and the pool itself filled with sand. Thus, the value of the subject property located at 23176 Pappy Lane was estimated to have a value of \$549,500 (Land: \$159,200 + Cottage: \$379,930 + Site Improvements: \$10,360). The value is deemed reasonable and appropriate given the data and analysis presented.

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The appraiser then completed the sales comparison approach utilizing three sound front comparable sales. The appraiser considered two units of value for comparisons: \$/SF and \$/# bedrooms. The dwelling sizes and bedroom counts were 2,749 SF/5 bedrooms, 3,252 SF/6 bedrooms, and 2,952 SF/5 bedrooms, respectively. These sales have an unadjusted gross sale prices/ \$ per SF/\$ per bedroom as follows: \$623,000/\$269.12 per SF /\$147,963 per bedroom; \$789,500/\$257.95 per SF /\$139,807 per bedroom; and \$799,000/\$304.50 per SF /\$179,775 per bedroom, respectively. After adjustments, the sale values per SF and bedrooms were \$183.00 per SF / \$100,614 per bedroom; \$177.98 per SF / \$96,467 per bedroom; and \$173,356 per SF / \$102,472 per bedroom, respectively. The appraiser concluded the \$/SF was the better unit of value and reconciled to the average, or \$178.18 per SF. Applying \$178.18/SF to 3,298 SF indicated a value of \$587,600 from the sales comparison approach. The value is deemed reasonable and appropriate given the data and analysis presented.

The value indication estimated from the cost approach and the sales comparison approach are supporting of similar values. The appraiser concluded the sale comparison approach to provide the best indication of value at \$587,600. This was allocated as \$159,200 for the land and \$428,400 for the improvements.

There were no mathematical errors or other typographical errors that significantly affect the appraisal report and its conclusions as it was presented. Given the information presented in the appraisal, the "Market Value" opinion estimated for the land and improvements was estimated to be \$587,600 is adequately supported. The value opinion stated in the report under review was developed in compliance with applicable standards and requirements. I accept the appraisal report for use by NC DOT.



Recommendation of Review Appraiser: \$ 587,600 _____
Signed _____ Date March 29, 2022