



OTTEAUGROUP

Bringing CLARITY to Real Estate

VALUATION | BROKERAGE | RESEARCH | CONSULTING

800.458.7161

100 Matawan Road, Suite 320
Matawan, NJ 07747

112 W. 34th Street, 8th Floor
Manhattan, NY 10120

325-41 Chestnut Street, Suite 800
Philadelphia, PA 19106

1615 South Congress Avenue, Suite 103
Delray Beach, FL, 33445

www.otteau.com

CONSULTING REPORT

*Proposed Development
Residences at Overleigh (Errico Acres Site)
220 US Route 202
Block 5, Lot 4
Far Hills Borough
Somerset County, New Jersey*

PREPARED FOR

*Mr. Joseph Sordillo
DiFrancesco Bateman Kunzman
Davis Lehrer & Flaum, PC
15 Mountain Blvd.
Warren, N.J. 07059*

*Borough of Far Hills
Attn: Dorothy Hicks
Borough Clerk
6 Prospect Street
Far Hills, New Jersey 07931*



New Jersey Office (Mail)
100 Matawan Road
Suite 320
Matawan, NJ 07747

New York Office
112 W. 34th Street
18th Floor
Manhattan, NY 10120

Pennsylvania Office
325-41 Chestnut Street,
Suite 800
Philadelphia, PA 19106

Florida Office
1615 S Congress
Avenue, Suite 103
Delray Beach, FL, 33445

March 11, 2023

Mr. Joseph Sordillo
DiFrancesco Bateman Kunzman
Davis Lehrer & Flaum, PC
15 Mountain Blvd.
Warren, N.J. 07059

**RE: Proposed Development – Residences at Overleigh
220 US Route 202 (Block 5, Lot 4)
Far Hills Borough, Somerset County, New Jersey**

Dear Parties:

In accordance with your request, we submit our property fiscal analysis for the above referenced property. The purpose of this analysis is to provide a projection of a current value estimate, ad valorem property taxes and the fiscal impact resulting from the construction of the proposed known as the Residences at Overleigh.

The intended use of the study is to provide guidance on drafting a viable development or redevelopment plan which aligns with market demand, is financially viable and fills an unmet need in the local submarket area. This report is limited to a summary our analysis and findings, with additional supporting documentation being retained in our work file.¹

Respectfully submitted,



Christopher J. Otteau, MAI, AI-GRS
Chief Appraiser
New Jersey SCGRE #42RG00219400
New York SCGRE #46000049674
Pennsylvania SCGRE #GA003794
Maryland SCGRE #34571
Connecticut SCGRE #RCG.0001693

Connor F. Montferrat, MPP, MCRP
Director
New Jersey SCGRE #42RG00268800
New York SCGRE #46000053618
Pennsylvania SCGRE #GA004485
Maryland SCGRE #34570
Delaware SCGRE #X1-0000720

CJO/CFM/td

¹ The analyses and conclusions set forth in this report do not constitute an appraisal, but rather a consulting assignment consistent with the Scope of Work described herein. It has been communicated to the client that we are acting in the role of a consultant, and not as an appraiser.

Table of Contents

- EXECUTIVE SUMMARY 1**
- PERFORMANCE AND VALUE PROJECTIONS 2**
 - Affordable Housing Component..... 2
 - Market-Rate Age-Restricted Townhome Component 5
- FISCAL IMPACT ANALYSIS 11**
 - Project Development..... 12
 - Municipal and School Revenues..... 14
 - Municipal and School Costs 15
 - Net Fiscal Impact 18
 - Affordable Housing Agreement..... 19
- ADDENDUM..... 20**
 - Date of the Study 20
 - Identification of Property 20
 - Purpose & Intended Use of the Study 20
 - Intended User of the Study 20
 - Scope of Work 20
 - Municipal Data..... 27
 - Gross Fiscal Analysis..... 28
 - Subject Information 29
 - Limiting Conditions, Assumptions, and Hypothetical Conditions 35
 - Professional Qualifications 39

EXECUTIVE SUMMARY

Fiscal Impact Analysis: We anticipate there will be 262 new residents and 13 new school children as a result of the proposed project.

POPULATION INCREASE			
New Residents	Existing Population	New Population	Increase
262	924	1,186	28%

PUBLIC SCHOOL ENROLLMENT INCREASE			
New Enrollment	Existing Local & Regional Enrollment	Total	Increase
13	1,711	1,724	0.8%

We have determined there will be an annual positive net impact of approximately \$336,400 (rounded) for the municipality and school district from the proposed development.

NET FISCAL IMPACT			
	Total Revenues	Total Costs	Net Impact
Municipal Only	\$671,390	(\$343,804)	\$327,600
School District	\$535,658	(\$526,854)	\$8,800
Net Fiscal Impact	\$1,207,048	(\$870,659)	\$336,400
Per Household	\$3,193	(\$2,303)	\$890
Per Resident	\$1,306	(\$942)	\$364

Current Market Value Analysis and Return: We have determined the As Is Current Market Land Value of \$21,300,000 and a Return on Investment of 20% to the developer of the project, which includes the land value. Furthermore, we have estimated the affordable housing stabilized value to be \$4,050,000 and the gross sellout of the age-restricted housing townhomes to be \$157,500,000 or \$1,500,000 per townhome. This analysis is based upon current values and not 2019 values.

VALUE ESTIMATES	
Item	\$
Land	\$21,300,000
Affordable Housing	\$4,050,000
Age-Restricted Housing Sellout	\$157,500,000
IRR Return on Investment (ROI)	20%

We note that in 2019 there was an Affordable Housing Agreement with a named developer and property owner, Melillo Equities, LLC and the Borough. The agreement was to provide a contribution in the amount of \$6,909,000 over 10 to 15 year period depending upon absorption. Based on current economic, demographic, and market conditions and performance of Age-Restricted Housing, the project is feasible and viable without this payment from the municipality.

PERFORMANCE AND VALUE PROJECTIONS

Affordable Housing Component

As part of the project development, there are 29 rental units, which are dedicated to low and moderate income households. In addition, 4 of the 29 units are age-restricted units. The unit mix is summarized below:

AFFORDABLE HOUSING COMPONENT			
Product Type	# of Units	Bedroom	Weighted SF
Age-Restricted	4	1	650
All-Age	5	1	690
All-Age	15	2	860
All-Age	5	3	986
Totals/Weighted	29		823

Based upon HUD and U.H.A.C guidelines for the mix and 2022 income guidelines published by the Affordable Housing Professionals of New Jersey (AHPNJ) and New Jersey Housing Mortgage Finance Agency, the applicant's unit breakdown is conforming to guidelines. No pricing was provided, however, we have projected the average rental pricing below based on HUD Income Limits published for 2022.

AFFORDABLE HOUSING PROJECTIONS - RESIDENCES AT OVERLEIGH											
AHPNJ Project Mix & Base Rental Prices											
Unit Type	Apartment Type	Avg. Unit Size (NJHMFA Guidelines)	Mix	Median HH Income (Somerset County- HUD 2022 Limits)	Median HH Income (DCA Region 3 - APHNPJ 2022 Limits)	Income Stratification %	Stratified Income Level	Monthly Housing Allocation	Calculation of Tenant Utilities & Services	2022 Base Rent (\$ per month)	
								30%	Older Multi-Family (Low Rise)		
TIER LOW 1	1 Bedroom	690	10%	3	\$101,750	\$101,700	30%	\$30,525	\$763	\$137.00	\$626
TIER LOW 2	1 Bedroom	690	0%	0	\$101,750	\$101,700	50%	\$50,875	\$1,272	\$137.00	\$1,135
TIER MOD 1	1 Bedroom	690	7%	2	\$101,750	\$101,700	60%	\$61,050	\$1,526	\$137.00	\$1,389
TIER LOW 1	2 Bedroom	860	3%	1	\$122,100	\$122,040	30%	\$36,630	\$916	\$177.00	\$739
TIER LOW 2	2 Bedroom	860	24%	7	\$122,100	\$122,040	50%	\$61,050	\$1,526	\$177.00	\$1,349
TIER MOD 1	2 Bedroom	860	24%	7	\$122,100	\$122,040	60%	\$73,260	\$1,832	\$177.00	\$1,655
TIER LOW 1	3 Bedroom	986	0%	0	\$141,050	\$141,024	30%	\$42,315	\$1,058	\$218.00	\$840
TIER LOW 2	3 Bedroom	986	10%	3	\$141,050	\$141,024	50%	\$70,525	\$1,763	\$218.00	\$1,545
TIER MOD 1	3 Bedroom	986	7%	2	\$141,050	\$141,024	60%	\$84,630	\$2,116	\$218.00	\$1,898
Age-Restricted	1 Bedroom	650	3%	1	\$101,750	\$101,700	30%	\$30,525	\$763	\$137.00	\$626
Age-Restricted	1 Bedroom	650	3%	1	\$101,750	\$101,700	50%	\$50,875	\$1,272	\$137.00	\$1,135
Age-Restricted	1 Bedroom	650	7%	2	\$101,750	\$101,700	60%	\$61,050	\$1,526	\$137.00	\$1,389
Total Affordable Apartments										29	
Average Base Monthly Rent (weighted)										\$1,358	
Average Base Unit Size (weighted)										823	
Average Base Price Per Square Foot (weighted)										\$1.65	
Total Monthly Rent										\$39,392	
Total Annual Rent										\$472,707	

DCA Region 3 includes following counties: Hunterdon, Middlesex, and Somerset

Stabilized Value Estimate: This analysis is determined through the valuation method of the Income Capitalization Approach. It is based on an understanding of current rent, operating expenses, and the net operating income. Conversion of this net operating income into value is achieved through capitalizing a single year's stabilized income expectancy based on current market and yield expectations. Finally, the taxes are based on the 2022 municipality's tax rate and equalization ratio to solve for the assessed value and taxes. Therefore, based on the previously determined contract rents, we have estimated the income, assessed value, and projected taxes on the following page:

Direct Capitalization Approach				
Income	<i>Subject Unit Identification</i>	<i>Sq Ft</i>	<i># of Units</i>	<i>Total Annual Rent</i>
	Affordable-Rental Units	823	29	\$ 472,707
				Potential Gross Income \$ 472,707
	5.0%	Less: Vacancy and Collection Loss		(23,635)
			Effective Gross Income \$ 449,072	
Expense	<i>Category</i>	<i>Basis</i>	<i>Applied</i>	<i>Expense</i>
	Management	\$ per SF	\$1.00	\$ 23,880
	Administrative	\$ per SF	\$0.50	\$ 11,940
	Payroll	\$ per SF	\$1.00	\$ 23,880
	Mgmt., Admin & Payroll Total	\$ per SF	\$2.50	\$ 59,700
	Insurance	\$ per SF	\$0.50	\$ 11,940
	Repairs & Maintenance	\$ per SF	\$1.50	\$ 35,820
	Common Utilities, Water & Sewer	\$ per SF	\$1.50	\$ 35,820
	Reserves	\$ per Unit	\$275.00	\$ 7,975
	Real Estate Taxes	100% Ad Valorem	-	\$ 55,000
				Total Applied Expenses \$ 206,255
			Total Expense % EGI 46%	
			Expense Per SF Rentable (Less Taxes) \$ 6.33	
			Expense Per Unit (Less Taxes) \$ 5,216	
			Expense Per SF Rentable \$ 8.64	
Value		Net Operating Income	\$242,817	
		Developed Cap Rate	6.00%	
		Value Indication	\$4,050,000	
		Per Unit	\$139,655	

Tax Projection: Ad Valorem taxes were projected based on the Loaded Capitalization Method below. This assumes no PILOT agreement exists with the municipality.

Loaded Capitalization Method	
Subject's Expenses (less taxes)	\$151,255
Calculated NOI	\$297,817
Municipal Tax Rate	1.345%
Municipal Equalization Ratio	100.00%
Effective Tax Rate	1.345%
Loaded Cap Rate	7.345%
Value	\$4,054,686
Equalized value	\$4,054,686
Projected Taxes	\$55,000
% of EGI	12%
Per Unit	\$1,897

Supporting Comparable Sales: In developing the prospective value estimate for this component, we have analyzed sales within the DCA Region of Hunterdon, Middlesex, and Somerset of 100% affordable housing complexes that have similar restricted rents. Due to the lack of more recent data within this region, we also expanded our analysis to neighboring Union County. The results of this analysis indicate a range of \$95,000 to \$173,000 per unit, which supports the previous value estimate of **\$4,050,000, or \$140,000 per unit (Rounded)**.

AFFORDABLE HOUSING COMPARABLE SALES							
Address	Product	Municipality	County	Sale Date	Sale Price	# of Units	\$/Unit
17 Hampton Road	All-Age	New Brunswick City	Middlesex	5/17/2017	\$5,800,000	55	\$105,455
154-160 NJ RT-31	All-Age	Hampton Borough	Hunterdon	8/31/2017	\$4,590,000	48	\$95,625
100 Begonia Court	Age-Restricted	Piscataway	Middlesex	9/8/2019	\$3,200,000	30	\$106,667
501-515 W 7th St	All-Age	Plainfield	Union	10/19/2021	\$14,600,000	84	\$173,810
402 Market Street	All-Age	Monroe	Middlesex	11/22/2021	\$7,000,000	48	\$145,833
323 North Broad Street	Age-Restricted	Elizabeth	Union	11/1/2022	\$6,200,000	48	\$129,167
Average per DU							\$126,093

Affordable Housing Component Conclusion: For the purposes of our analysis, we have analyzed this component of the project 'As If Complete and Stabilized' and part of the 'Gross Sellout' of the project development. Upon sellout of the age-restricted housing, this component is anticipated to sell in the marketplace fully stabilized and occupied. Additionally, the tax projection, number of units, bedroom types, have been utilized in our fiscal impact analysis in determining the impact to the Borough of Far Hills and related governing authorities.

Market-Rate Age-Restricted Townhome Component

Next, we've examined the portion of the project development, which is dedicated to market-rate age-restricted housing. Based on the site plan filed with the Borough and verification with the applicant, Pulte Homes, we have determined the mix of development as follows:

AGE-RESTRICTED HOUSING COMPONENT			
Dwelling Type	Model Name	Projected Unit Mix	Living Area (square feet)
Townhouse	End Unit (Branton)	46	2,763
Townhouse	Interior Unit (Adley)	59	2,625
Totals / Weighted		105	2,685

In determining the overall fiscal impact to the municipality and current market value estimate, we have utilized a combination of the Sales and Income Approaches through the Subdivision Development Technique. This technique develops the Projected Net-Cash-Flows each year during the sellout that is based on the income and expenses to be realized from project development as follows:

- **Sales Income & Pace**: Based upon analysis of competitive new construction project offerings in the market area to develop projections of sales pace, base pricing and supplemental revenues derived from options and location/view premiums. The competitive set consists of new developments to develop projections of market price and sales pace for the subject project. They represent direct competition to the proposed subject project but are not an all-inclusive comprehensive listing of competing projects. They reflect a subset of competing projects that are considered to be relevant to the projection of market positioning for the subject project.²

Our projected selling price per home (inclusive of upgrades and premiums) is estimated to be **\$1,500,000 per dwelling with 2% appreciation** based on historical sales price trends within the borough. We further account for the Stabilized Affordable Housing component of **\$4,050,000 with 1.5% appreciation** based on historical restricted rent increases within the state.

² The full competitive set appears in the addendum.

AGE-RESTRICTED TOWNHOME SELLING PROJECTIONS - RESIDENCES AT OVERLEIGH							
Model Name	Projected Unit Mix	Living Area (square feet)	Base Price (per s.f.)	Base Selling Price	Options/Upgrades @ 15%	Avg Site Premium	Overall Selling Price
End Unit (Branton)	46	2,763	\$468.00	\$1,293,000	\$193,950	\$35,000	\$1,522,000
Interior Unit (Adley)	59	2,625	\$480.00	\$1,260,000	\$189,000	\$35,000	\$1,484,000
Affordable Housing	1	23,880	-	-	-	-	\$4,050,000
Age Restricted - Townhouse						Average House Size (weighted)	2,685
						Average Overall Selling Price (weighted)	\$1,500,000
						Average Overall Price-Per-Square Foot (weighted)	\$559
Affordable Housing						Average House Size (weighted)	23,880
						Average Overall Selling Price (weighted)	\$4,050,000
						Average Overall Price-Per-Square Foot (weighted)	\$170

- **Site Development Cost:** This is the estimated cost to construct site infrastructure for the project to include clearing, grading, road construction and bringing utilities to the site. We have applied an estimated cost equivalent to **\$11,225,000, or \$83,769 per unit**. This is allocated with \$25,000 per unit to the affordable housing component and \$100,000 per unit for the townhouse component.
- **Construction Costs:** This is the estimated cost to construct the completed dwellings to be built on the site including exterior and interior elements. Additional costs include soft costs, fees, permits, inspections, and warranty reserves. The appraisers have developed an overall cost of **\$234/Ft²** of gross building area excluding site development.³ This is allocated with \$150/Ft² to the affordable housing component and \$250/Ft² for the townhouse component, inclusive of options and upgrades.
- **Marketing Costs:** This is estimated to be 6% of Gross Sales Revenue, which includes items closing costs, commissions, marketing, and model fit-up and furnishing.
- **Administrative Costs:** These are the estimated administrative costs for the applicant's employees at 2%, plus taxes, set up costs for HOA, insurance at 1%, a 1.5% impact fee, and miscellaneous 1% unbudgeted contingency expenses.
- **Real Estate Taxes:** During the construction of the townhouses, the applicant will pay taxes for each lot owned until all are closed. The current taxes are applied in Year 1 will the prospective taxes is based upon the 2022 effective tax rate along with the previously determined house price of \$1,500,000.

³ Source: Marshall & Swift, Townhouses & Duplexes, Good Quality

TOWNHOME - FOR-SALE TAX PROJECTION	
Average Sale Price	\$1,500,000
Effective Tax Rate	\$1.345
Projected Taxes Per Home	\$20,175
Reconciled Taxes	\$15,000
Total Dwellings	105
Total Taxes	\$1,575,000

We have conservatively reconciled at a figure of **\$15,000 per dwelling**, which is supported by the tax comparables of similar competing projects and homes within Far Hills. However, this does represent a 26% discount of the average sale price assuming the Borough applies its 100% ratio of assessed to market value. During the construction we have applied a 55% assessment ratio given Far Hills Borough's current average land-to-building assessed ratio for all residential properties.

Development	# of Units	Avg. SF	Avg Taxes / Unit
All Far Hills	-	-	\$13,329
Polo Club	-	-	\$13,034
Carriages at Berkeley	47	2,932	\$14,700
Enclave at Chatham	50	3,743	\$28,000
Fairview at Warren	79	2,409	\$16,015
Villas at Warren	80	2,761	\$16,162
Del Webb at Florham Park	425	2,170	\$12,000
Average		2,803	\$16,177

- **Construction Management Costs:** This cost relates to the charge for a General Contractor to manage all facets of site development and construction and are therefore an expense charge based upon site development and dwelling construction costs rather than a charge against income. In situations where the applicant will manage this responsibility internally, this cost charge is still appropriate and reflects additional revenues earned by the applicant. We have applied a 10% charge.
- **Discount Rate:** Typical investor expectations for real estate product types, are summarized by the following 4th quarter survey of RealtyRates:

NATIONAL DISCOUNT RATES						
		Retail	Office	Industrial	Apartment	Lodging
		2022.Q4	2022.Q4	2022.Q4	2022.Q4	2022.Q4
Investors	Acquisitions	10.55%	10.65%	10.05%	9.30%	10.92%
Investors	New Development	12.27%	12.24%	11.97%	10.69%	13.00%

Because land development projects involve more intensive management and greater risk than investment in existing stabilized properties, returns for new construction projects typically command a higher return (IRR).

- PwC's 2022 4th Quarter Survey: indicates a return of 12% to 30% averaging 18.7% for National Land Development, which is 150 bps higher than 6 months ago.
- Realty Rates 2022 4th Quarter Survey: indicates return of 17.3%-38.8% averaging 26% for Site-Built Residential Development of Subdivisions within the New York/New Jersey Region.

Based on our survey of market participants and investor expectations, we have applied a total rate of 27%, including a 10% construction management fee and 17% discount rate.

DISCOUNT RATE	
Average Overall Developer's Return Rate	27%
Less Construction Management Charge	-10%
Indicated Investors Return Rate	17%

Therefore, the projected cash flows, land value, and overall return (including land) is illustrated on the following page:

Residences at Overleigh - Discounted Cashflow Analysis - As Is Value and ROI							
	Description	YEAR					TOTAL
		2023	2024	2025	2026	2027	
Age Restricted - Townhouse SALES INCOME	# Units Contracted	0	24	24	27	30	105
	# Units Closed	0	24	24	27	30	105
	Yearly Price Change	0.0%	2.0%	2.0%	2.0%	2.0%	
	Average Overall Retail Selling Price	1,500,000	1,530,000	1,560,600	1,591,812	1,623,648	
	Total Sales Income	0	36,720,000	37,454,400	42,978,924	48,709,447	165,862,771
Affordable Housing STABILIZED VALUE SA	# Units Closed	0	0	0	0	1	1
	Yearly Price Change	0.0%	1.5%	1.5%	1.5%	1.5%	
	Average Overall Retail Selling Price	4,050,000	4,110,750	4,172,411	4,234,997	4,298,522	
	Total Sales Income	0	0	0	0	4,298,522	4,298,522
SITE WORK	Total Site Development Costs	3,125,000	2,400,000	2,700,000	3,000,000	0	11,225,000
Age Restricted - Townhouse CONSTRUCTION	# Units Built	24	24	27	30	0	105
	Average Unit Size	2,685	2,685	2,685	2,685	2,685	
	Yearly Price Change	0.0%	2.0%	2.0%	2.0%	2.0%	
	Average Construction Cost (\$/SF)	241.50	246.33	251.26	256.28	261.41	
	Total Construction Costs	15,564,850	15,876,147	18,217,879	20,646,929	0	70,305,806
Affordable Housing CONSTRUCTION	# Units Built	1	0	0	0	0	1
	Average Unit Size	23,880	23,880	23,880	23,880	23,880	
	Yearly Price Change	0.0%	0.0%	0.0%	0.0%	0.0%	
	Average Construction Cost (\$/SF)	3,582,000	3,582,000	3,582,000	3,582,000	3,582,000	
	Total Construction Costs	3,582,000	0	0	0	0	3,582,000
MARKETING	Closing Costs @ \$50,000	0	1,200,000	1,200,000	1,350,000	1,500,000	
	Model Fitup & Furnishing	0	200,000	0	0	0	
	Marketing Costs @ 3.0%	0	1,101,600	1,123,632	1,289,368	1,590,239	
	Total Marketing Costs @ 6%	0	2,501,600	2,323,632	2,639,368	3,090,239	10,554,839
ADMINISTRATION	Impact Fee @ 1.5%	300,000	0	0	0	0	
	Open Space Contribution	600,000	0	0	0	0	
	Affordable Housing Contribution	215,000	0	0	0	0	
	HOA Set-Up	150,000	0	0	0	0	
	Real Estate Taxes @ \$866,250	33,693	866,250	670,118	473,986	253,337	
	Insurance	68,090	68,090	68,090	68,090	68,090	
	Overhead @ 2.0%	680,645	680,645	680,645	680,645	680,645	
	Miscellaneous @ 1.0%	340,323	340,323	340,323	340,323	340,323	
Total Administration Costs	2,387,751	1,955,308	1,759,176	1,563,044	1,342,395	9,007,674	
VALUATION	Total Direct Cash Use	24,659,601	22,733,055	25,000,687	27,849,341	4,432,634	104,675,318
	Construction Management @ 10%	2,227,185	1,827,615	2,091,788	2,364,693	0	8,511,281
	Total Cash Use (incl. Constr Mgmt)	26,886,786	24,560,670	27,092,475	30,214,034	4,432,634	113,186,599
	Net Cash Flow	(26,886,786)	12,159,330	10,361,925	12,764,890	48,575,335	56,974,695
	Present Value @ 17%	(22,980,159)	8,882,555	6,469,681	6,811,984	22,155,752	\$21,339,814
	Present Value Factor	0.85	0.73	0.62	0.53	0.46	
	Land Value (Rounded)						\$21,300,000
Land Value Per Market-Rate Unit						\$202,857	
ROI	IRR (Unlevered) - Net Cash Flow Plus Acquisition	(48,186,786)	12,159,330	10,361,925	12,764,890	48,575,335	20%

Age-Restricted Housing Component Conclusion: For the purposes of our analysis, we have analyzed this component of the project. Upon the sellout of the age-restricted housing and the stabilized affordable housing portion, we have determined a residual land value of **\$21,300,000 or \$203,000 per unit (rounded)**. In developing the value estimate, we have additionally analyzed sales within the submarket. The results of this analysis support this value estimate and indicate a range of \$194,000 to \$242,000 per unit, with an average of \$204,000 per unit.

LAND PER UNIT - COMPARABLE SALES							
Address	Product	Project Name	County	Sale Date	Sale Price	# of Units	\$/Unit
155 Mt. Bethel Road	Age-Restricted	Villas at Warren	Somerset	1/10/2020	\$15,570,086	80	\$194,626
2 Paragron Drive	All-Age	Village Springs at Montvale	Bergen	7/29/2020	\$10,330,712	64	\$161,417
Hillside Avenue	Age-Restricted	Enclave at Chatham	Morris	12/1/2020	\$11,000,000	50	\$220,000
200 Old Tappan Road	Age-Restricted	Enclave at Old Tappan	Bergen	12/23/2020	\$19,150,000	79	\$242,405
						Average per DU	\$204,612

Project Conclusion: Finally, we note that in 2019 there was an Affordable Housing Agreement with a named developer and property owner, Melillo Equities, LLC and the Borough. The Affordable Housing Agreement with Melillo Equities, LLC indicated that the Borough agreed to provide an annual affordable housing contribution to Melillo in the amount of **\$6,580 per market-rate unit** built for a period of 10-15 years, depending on absorption, or **\$6,909,000**.

Based on current economic, demographic, and market conditions and performance of Age-Restricted Housing, the project is feasible and viable without this payment from the municipality. The project development indicates a positive return on land value and when considering all costs of development including any potential acquisition to a prospective purchaser, a positive return on their investment.

It is noted that as part of the RFP it was intended for the IRR of the contract purchaser, Melillo Equities, to be analyzed. As discussed and approved with the client, this analysis was not able to be performed due to a lack of documentation. We would require the Contract of Sale for Melillo Equities and also that for Pultie Homes. Further we would require copies of all financial agreements between any parties including the owners of the proposed affordable housing building.

FISCAL IMPACT ANALYSIS

Fiscal impact analysis is a technique used to measure the potential costs imposed by a development and the revenues that it will generate. The methodology employed begins by estimating future public service needs associated with new development, which are then compared to the property tax revenues generated from the built project development. If revenues exceed costs, a surplus occurs; however, if costs exceed revenues, a deficit is incurred. Fiscal impact analyses typically project the impact to local providers of basic services such as municipalities, while excluding consideration of any impact on county services. These analyses therefore focus on new costs resulting from a development project for providing public safety, public works, administration, recreation services, and the school district, for primary and secondary educational services.

Approach - The study utilizes an average-cost approach, concentrating on demand units as the source for future municipal and school service costs. Fiscal impact analyses have improved dramatically over the decades due to updated and refined demographic multipliers as well as assessment techniques for residential and nonresidential parcels within municipalities. Service costs are calculated on a per-unit-basis (such as per resident, per public school child, per worker) regarding future residents, school children, and sometimes workers). These unit costs are then multiplied by the average cost per capita, per school pupil, and per worker, to project the costs to the municipality in providing services. The services provided typically pertain to education, police, fire and emergency service protection, public works, and government administration. In some cases, the broadest range of services also includes water, sewer, trash and recycling collection, street and road maintenance, and snow removal. Revenue impacts were derived from our earlier performance projections, which are then multiplied by the current local property tax rates. The costs are then compared to the anticipated project-induced revenues to calculate the net fiscal impact.

Methodology - The demand for future municipal and educational services are directly related to the number of new residents and public-school children generated from a project. Multipliers for household size and school enrollment can be developed in many ways, including surveys of similar types of dwelling units in the immediate area, pro-forma, competing projects, U.S. Census Bureau, and the New Jersey Demographic Multipliers from the Rutgers University Center for Urban Policy Research (CUPR).

In this analysis, the demographic multipliers have been derived from the CUPR Multipliers to calculate the anticipated resident population for the project. The demographic multipliers for household size represent the average number of persons living in a housing unit. The multipliers for public school children represent the average number of school children that will attend public schools. Demographic multipliers vary according to the type and size of housing units. In this analysis, there are both market-rate townhomes & apartments and affordable housing apartments. Typically, smaller size dwelling units have fewer bedrooms and therefore generate a smaller number of residents and public-school students. Conversely, larger size dwelling units with a greater number of bedrooms typically generate a greater number of residents and students.

Project Development

Projection of Resident Population - Utilizing the CUPR multipliers⁴, we project a resident population increase of 262 residents, or 1.955 residents per dwelling. This compares to the Borough's current household size average of 2.444 residents per dwelling.

RESIDENT POPULATION PROJECTION					
Housing Product	Type	# Beds	# DU	CUPR	Population
Apartment	Affordable-Rate	1	9	1.392	13
Apartment	Affordable-Rate	2	15	2.511	38
Apartment	Affordable-Rate	3	5	3.591	18
Townhome	For-Sale	3	105	2.000	193
Projected Resident Population / Multiplier			134	1.955	262

Given the Borough's current estimated population of 924, these new residents will account for a 28% increase to the current population.⁵

POPULATION INCREASE			
New Residents	Existing Population	New Population	Increase
262	924	1,186	28%

⁴ Who Lives in New Jersey Housing? Published by the Center For Urban Policy Research (CUPR) of the Edward J. Bloustein School of Planning and Public Policy, Rutgers University; November 2018

⁵ 2020 U.S. Census

Projection of Public-School Enrollment: In developing our public-school children (PSC) projection, we have relied upon publicly available resources below:

- Who Lives in New Jersey Housing? Published by the Center For Urban Policy Research (CUPR) of the Edward J. Bloustein School of Planning and Public Policy, Rutgers University; November 2018.
- School-Age Children in Rental Units in New Jersey: Results from a Survey of Developers and Property Managers; Published by the Rutgers Center for Real Estate (RCRE); July 2018.

As shown in the tables below, the CUPR and CRE study indicate an average of 11.6-14.7 public school children or 0.525 per affordable rate rental unit.

Affordable For-Rent (Excl. 4 Age Restricted Units)					
Unit Type	DU	Bloustein - CUPR		Rutgers CRE	
		5+ Units (Built 2000-2016)	PSC	Built after 2000	PSC
		Multiplier		Multiplier	
1 Bedroom COAH	5	0.0880	0.4	0.0690	0.3
2 Bedroom COAH	15	0.4080	6.1	0.6150	9.2
3 Bedroom COAH	5	1.0870	5.4	1.0950	5.5
Totals	25		11.6		14.7

By utilizing this average ratio of 0.52, we can project an enrollment of 13 school children for the Affordable Rental Apartments.

PUBLIC SCHOOL ENROLLMENT PROJECTION		
Affordable-Housing Apartments	Research Surveys	Projection
Ratio (PSC/DU)	0.525	0.52
	# Dwelling Units	25
	Total Enrollment Projection	13
Total Enrollment Projection - Rentals	PSC	13
	Ratio/DU	0.52

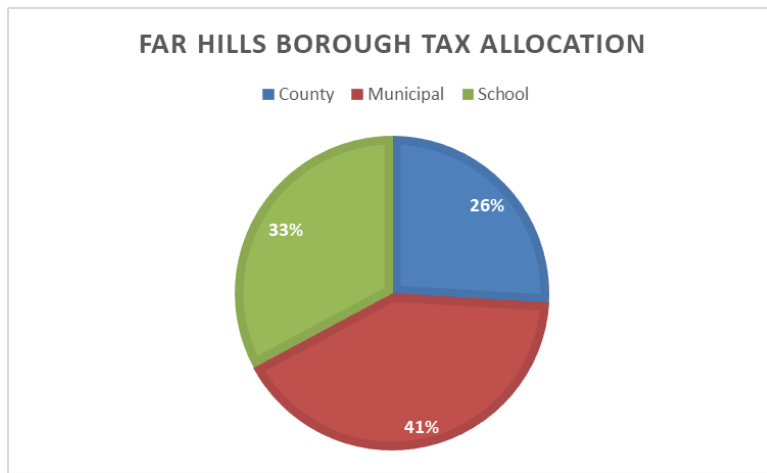
Given the Somerset Hills Regional current school enrollment of 1,711⁶ students, these 13 additional students will account for a 0.8% increase to the school district's current enrollment.

⁶ 2022-2023 Somerset Hills User Friendly Budget

PUBLIC SCHOOL ENROLLMENT INCREASE			
New Enrollment	Existing Local & Regional Enrollment	Total	Increase
13	1,711	1,724	0.8%

Municipal and School Revenues

Allocation of Property Taxes: The Far Hills Borough 2022 overall property tax rate was 1.345 (\$1.345 per \$100 of assessed valuation). The resulting proportionate share of those taxes is summarized in the following table.



Municipal and school district revenues were previously projected to be the following:

RECONCILIATION			
	Units	Taxes/DU	Taxes
Proposed Affordable Apartments	29	\$1,897	\$55,000
Proposed Age-Restricted Townhomes	105	\$15,000	\$1,575,000
Total	134	\$12,164	\$1,630,000

The allocations to the governing authorities are summarized below:

PROPERTY TAX ALLOCATION		
Total Taxes	100.000%	\$1,630,000
County Portion	25.948%	\$422,952
Municipal Portion	41.190%	\$671,390
School Portion	32.862%	\$535,658

Based upon these factors, the project is estimated to generate approximately \$671,390 in total annual municipal revenues, \$535,658 in annual school revenues, for a total annual public revenue of \$1,207,048.

OVERALL REVENUES	
Service	Revenue
Municipal	\$671,390
School District	\$535,658
Total	\$1,207,048

Over a greater 30-year projection period, and assuming a 3% inflation factor, there would be an average annual revenue of \$1 Million to the municipality and \$850,000 to the school compared to \$30,000 combined annually in its current state. The long-term cumulative revenue is \$52 Million for the municipality and school system compared to \$900,000 in its current state, or a difference of \$51.7 Million. For the full gross fiscal analysis please see the addendum.

Municipal and School Costs

The next step in our analysis is to quantify the Net Fiscal Impact of the project to include the cost of tax-supported services provided by the municipality. To calculate the per capita cost for noneducational services, the residential share of all residential and nonresidential parcels must first be determined. Next, service costs must be apportioned between each of these property types. Residential parcels include Class 2, Residential, as well as Class 4C, Apartments. Nonresidential parcels include Class 3A & 3B, Farm, Regular and Qualified, Class 4A, Commercial, Class 4B, Industrial, Class 5A/5B Railroad, and Class 6A/6B, Business Personal Property. Nonresidential parcels exclude Class 1, Vacant Land. The residential share calculation is then determined by dividing the total residential valuation and total number of

parcels by the residential and nonresidential valuation and each number of parcels respectively. This produces the residential percentage of the residential/nonresidential parcels and the residential percentage of the residential/nonresidential property value. The two results are then averaged, and the combined value is then applied to the total local municipal costs to derive the estimated cost per resident, or per capita.

Municipal Service Related Costs – Far Hills appropriates a \$3.4-Million budget for municipal purposes as of the 2022 user-friendly budget. This total budget funds services for both residential and nonresidential land uses. As of 2022, Far Hills contains 291 developed residential parcels out of a total 485 developed parcels or 90.4%. The value of its developed residential parcels is \$259-Million of its total developed parcels valuation of \$433 Million. When only comparing residential versus nonresidential parcels, residential accounts for 89.4% of the valuation. Based upon these figures, it is therefore estimated that an average of 89.9%, or \$2-Million, of the municipality total budget relates to the cost of providing services to its residential uses. Dividing the \$2-Million by the current estimated local residential population of 924 yields a per capita cost of about **\$2,187 per resident**. The \$2,187 per capita municipal cost is the estimated basic expenditure parameter used in calculating total project-induced public service outlays per resident. For the full municipal, school, and county appropriations, please see the addendum titled Municipal Data.

In concentrated dense residential developments, where many of the services (streets and road maintenance, snow removal, garbage collection, etc.) are provided by the property owner (or by a homeowners' or condominium association), the developments will typically have "marginal" added costs that are approximately 60 percent of the "average" per capita costs. This adjustment is particularly applicable to Class 4C income-producing as well as Class 2 HOA/Condominium properties, which are the type of residential units within the proposed redevelopment. Applying the marginal per capita local use appropriation of **\$1,312 per resident** ($\$2,187 \times 0.60 = \$1,312$) to the 262 residents that are projected to reside within the proposed apartments and townhomes indicates an allocated local use appropriation of **\$343,804**.

MUNICIPAL SERVICE COSTS		
New Population	Costs Per Person	Total Costs
69	\$1,312	\$90,544
<u>193</u>	<u>\$1,312</u>	\$253,261
262	\$1,312	\$343,804

School District Costs - As was previously developed, the number of public-school children to be added from the project is 13. This will be an increase of 0.8% from the estimated 2022 enrollments of 1,711 (regional school district). Educational services are calculated based on the total operating budget of the school district and regional school district share, which are funded by local property taxes. This analysis excludes intergovernmental aid such as federal and state aid. Relative to the current enrollment, the tax supported costs per pupil can be determined, however it is our understanding the allocation of the school district is based on assessed valuation regardless of enrollment.

To begin, the regional district's current budget from all municipalities is \$36 Million. Far Hill's share is \$1,895,932, or 5%. Due to the project's increase in anticipated revenues and equalized assessed valuation of \$121-Million, we can project a 2% increase in the new school level. The new sharing allocation among the three municipalities assumes no anticipated increases or decreases in the neighboring two municipalities of Bernardsville and Peapack-Gladstone. The 2% increase results in **\$526,854** in new cost or taxes between the existing levy of \$1.8MM and the new anticipated levy of \$2.4MM.

SCHOOL COST ALLOCATION - PROJECTION								
Municipality	Existing Assessed Valuation	% Share	New Valuation	% Share	Current School Levy	% Share	New School Levy	% Share
Far Hills	\$436,111,448	12%	\$557,301,039	15%	\$1,895,932	5%	\$2,422,786	7%
Bernardsville	\$2,373,089,707	66%	\$2,373,089,707	64%	\$27,914,636	76%	\$27,914,636	75%
Peapack	\$800,081,626	22%	\$800,081,626	21%	\$6,753,864	18%	\$6,753,864	18%
Totals	\$3,609,282,781	100%	\$3,730,472,372	100%	\$36,564,432	100%	\$37,091,286	100%

Total Costs - At buildout, the total municipal cost resulting from the project will be **\$870,659** which was calculated by applying the per capita service costs to the projected number of future residents.

COST SUMMARY	
Service	Cost
Municipal	\$343,804
School District	\$526,854
Total	\$870,659

Net Fiscal Impact

The outcome of a fiscal impact analysis is to calculate the net effect of the costs resulting from a project and its anticipated tax revenues. Our analysis has indicated that the municipal revenues generated from the project will be \$671,390 compared to costs of \$343,804, which yields a net positive surplus of \$327,600 (rounded) for the municipality. In addition, school district revenues of \$535,658 compared to costs of \$526,854, which yields a net positive surplus of \$8,800 (rounded). Combining these component calculations indicates total annual public revenues of \$1,207,000 (rounded) compared to projected costs of \$870,659, for an overall net positive surplus of \$336,400 (rounded). This equates to a surplus of \$890 per household (378 households) or \$364 per resident (924 population).⁷

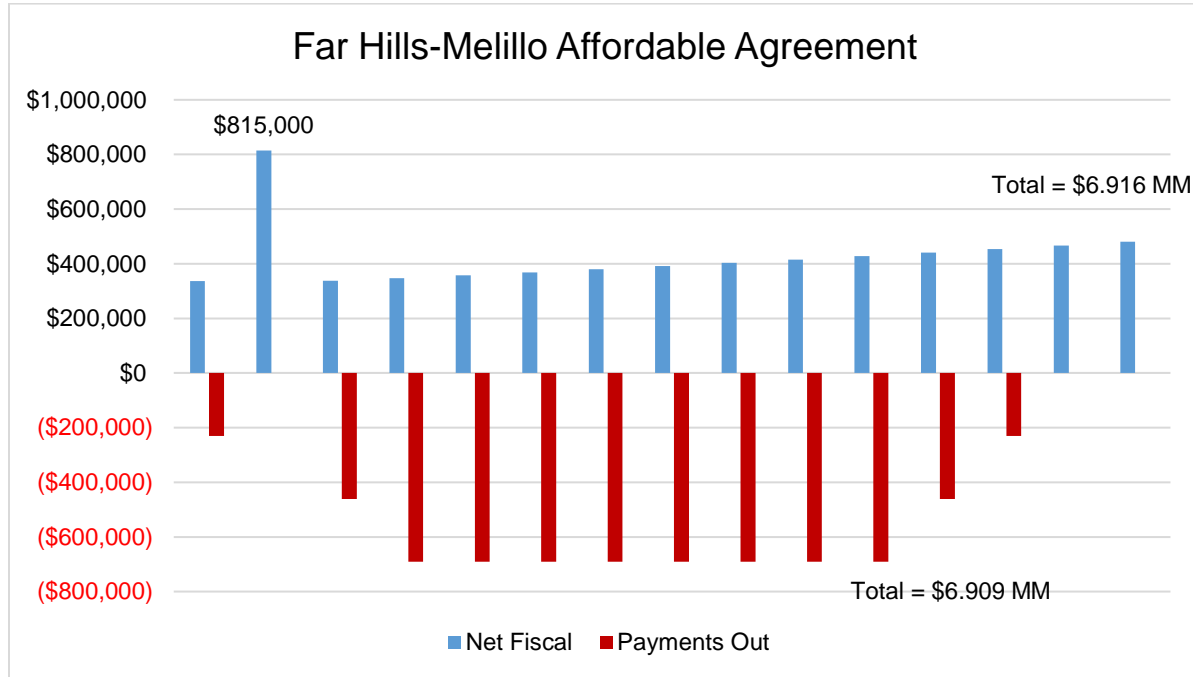
NET FISCAL IMPACT			
	Total Revenues	Total Costs	Net Impact
Municipal Only	\$671,390	(\$343,804)	\$327,600
School District	\$535,658	(\$526,854)	\$8,800
Net Fiscal Impact	\$1,207,048	(\$870,659)	\$336,400
Per Household	\$3,193	(\$2,303)	\$890
Per Resident	\$1,306	(\$942)	\$364

In summary, the project produces an annual positive fiscal impact – that is, the project will exceed the public revenues annually. The positive outcome for the municipality is important to the overall fiscal impact on the residents and taxpayers from the project development.

⁷ These figures are based on the 2020 U.S. Census.

Affordable Housing Agreement

The Affordable Housing Agreement with developer and property owner, Melillo Equities, LLC indicated that the Borough agreed to provide an annual affordable housing contribution to Melillo in the amount of \$6,580 per market-rate unit built for a period of 10-15 years, depending on absorption, or \$6,909,000. As part of the approvals, Melillo will make contributions to the borough in the amount of \$815,000, which we have applied in year 1.



Agreement Conclusion: Assuming a 3% inflation factor in the net fiscal revenues during the period of payments outlined in the agreement, we have determined that by year 15 the municipality will raise the expenses necessary (estimated \$6,916,000 in net revenues) to offset the \$6,909,000 in payments over that time period. At the same time, by the terms of the Affordable Housing Agreement, the Borough can reduce its payments in any year in which the real estate taxes from the project (net of 20% of municipal expenses) are less than the payments to be made by the Borough from the counterparty and carry such amount due into future years.

ADDENDUM

Date of the Study

The date of this report is **March 11, 2023**, which identifies when the analyses and report were prepared. The effective date of the market study is **January 1, 2023**, which establishes the context for the analysis in terms of economic and real estate market conditions.

Identification of Property

The subject of this market study is located along US Route 202, which runs through the center of Far Hills Borough, Somerset County, New Jersey. The subject property is legally defined as 220 Route 202, Block 5, Lot 4. The 41.529-acre, 1,809,020 square feet, property is currently improved with several residential structures, which are anticipated to be razed to facilitate redevelopment. The property is zoned in the TH-6-IAR, Townhouse Inclusionary Age-Restricted Residential, zoning district as part of the Fair Share Housing Settlement Agreement with the municipality. The site is located at the intersection of Lake Road and within the Mine Brook watershed of the Raritan River Drainage Basin. The property has small freshwater wetlands and open water flowing through the southern portion of the site. There is a 100' wide New Jersey Power & Light Company Right-Of Way as well as a NJ Transit Gladstone Branch Railway Right-Of-Way. It is important to note that NJDEP identifies the site as an Active – Known Contaminated Site (Site ID 51701) for water quality.

Purpose & Intended Use of the Study

The purpose of the market study is to provide guidance and performance projections for project development. The intended use of the study is to provide guidance on a current affordable housing agreement to determine if it aligns with market demand, is financially viable, and fills an unmet need in the local submarket area.

Intended User of the Study

The intended user of the study is the Client, **DiFrancesco Bateman Kunzman Davis Lehrer & Flaum, PC** and **The Borough of Far Hills**. Any reliance upon this report by anyone other than the client is unintended.

Scope of Work

DiFrancesco Bateman Kunzman Davis Lehrer & Flaum, PC and **The Borough of Far Hills** authorized a market study to quantify the effects of the proposed development. A market study is an orderly procedure by which the study problem is defined, the work necessary to solve the problem is planned and relevant data is acquired, classified, analyzed, interpreted, and translated into conclusions. This included:

1. Scope of Work Determination: Identification of the study area, purpose and intended use of the study.

2. Inspection of the Property: An inspection of the site and surrounding neighborhood area to understand site characteristics, surrounding land uses and neighborhood context.
3. Document Review: Reviewed various documents that relate to the subject property and it's use variance application including but not limited to legal description, deed, survey, site plans, utilities, municipal zoning and the municipal tax maps.
4. Research & Verification: Collection of facts information and data points including but not limited to economic conditions, demographic trends, land use controls, existing infrastructure, real estate market data and other pertinent factors which are relevant to the assignment. Data sources include municipal and school budgets, US Census Bureau, Bureau of Labor Statistics, Federal Reserve Bank(s), Associated General Contractors of America, Environics Analytics, CoStar, GIS and geographical mapping, municipal zoning ordinances, public records, recorded deeds, various national, local and regional subscribed information services, real estate brokers, property managers, the Internet and records maintained in the files of Otteau Group, Inc. No one provided research assistance to the person(s) signing this report.
5. Analysis & Methodology: We have estimated the completed value of the project, which was used to project the conventional ad-valorem property taxation through multiple methods. Additionally, we have also provided a projection of municipal revenues and costs related to the nonresidential development through several methods to determine the net fiscal impact of the proposed project. While we have provided an estimate of the market value of the project upon completion in evaluating future revenues, this report does not constitute an appraisal, but rather a consulting assignment. We are not acting in the role of appraisers, but instead as consultants. The Borough specific requests are summarized below:
6. Prepare a Fiscal/Financial Impact Assessment of the Project, which shall include but not be limited to:
 - a. Review of the Project application materials, along with overview meetings with the Borough and their designees to provide any documentation and understanding of the Project along with assumptions and parameters of the analysis;
 - b. Feasibility of the approved Project and the market price/sales price along with days on market for similar projects in the vicinity of the Property based on the approved plans, population, real estate trends, infrastructure and design;
 - c. Review of the municipal budget and the creation of a financial model which shows the total taxes raised by the Project and an allocation of the costs for municipal, library, school, open space, County and State until all payments have been made and no further financial obligation shall exist between the parties;
 - d. Total numbers of school children to be generated by the Project based on the approved plans and the costs directly attributed to those additional school children based on the school payment method in the Borough;
 - e. Total number of people to be generated by the Project along with any foreseeable effects on the economic growth and municipal finance and expense impacts resulting from the Project;
 - f. The Assessment shall provide an evaluation of the economic, demographic, and financial implications that could be expected to result from the completion and occupancy of the proposed housing development project. Component analyses shall include estimates of resident population, public school enrollments, tax supported service costs, and tax revenues to be generated. The Assessment shall report on the increased amount and costs of Borough employees and infrastructure, i.e. administration, Police, facilities, cost sharing agreements and

- related employment to support the increase in population on the Project. This Assessment shall provide guidance on the structure and timing of payments to the developer as the townhouse dwellings are completed and sold; and
- g. An analysis of the costs and assumptions in the Affordable Housing Agreement dated 2/9/2019, specifically Section 4.5 Municipal Affordable Housing Contribution, along with an analysis of same and its financial effects on the Borough.
 - h. The Assessment shall include a feasibility analysis and determination of financial viability of the Project, which shall include the developer return calculations from the inception of the project through the conclusion and calculations and assumptions based on project cost, net operating income, and stabilized value upon completion of the Project. The assessment shall make the necessary adjustments to the returns and calculations based on two separate developers and contemplate the actual sale price of the Property to the developer and contributions contemplated in the various agreements. The deliverable shall be an excel model showing the 'underwriting' of the total project and various sensitivities and effects. The Respondent shall make a recommendation on the reasonability of the developers return.
 - i. The Assessment shall include appraisal valuations of the market value of the land, as approved, and upon completion of the Project.
 - j. The Assessment shall also quantify the financial effects on each developer and the Borough, based on actual land costs for each developer resulting from the imposition of age-restrictions on the 105 townhouse dwellings. The focus of this analysis will be the effect on each developer's financial internal rate of return resulting from the age restrictions to the Borough's financial contribution to the developer.
 - k. The Assessment shall include a working model to provide examples of possible variation in the assumed sales prices (in the form of an Excel spreadsheet) of the age restricted market rate town homes, which is to include but not limited to marketable unit prices based on the approved plan, range in the number of public school students generated by the Project, total tax revenue and the amount attributed to municipal income and ad valorem taxes.
 - l. The Assessment shall include an analysis the Project's long-term financial performance to validate the financial need for a financial contribution based on the Affordable Housing Agreement dated 2/9/2019, specifically Section 4.5 Municipal Affordable Housing Contribution. Explanation of and example of the sources and uses of the tax revenue flowing through the Borough taking into consideration the percentage of revenue due to the other uses such as the regional school and state/county.
 - m. The Respondent shall provide a final Assessment, executive summary, recommendations and associated technical and fiscal data in a succinct manner which is graphically compelling for public consumption to be presented to the Mayor and Borough Council, and secondly to the public for full transparency and questions.
7. Reporting: Prepared this market study report which "summarizes" the study process, methodology and conclusions. Additional supporting documentation is in our work file.

Competing Age-Restricted Townhome Set: The competitive set of age-restricted townhome developments appears in the following order on the next pages.

1. Villas at Warren
2. Carriages at Berkeley
3. Enclave at Chatham

**COMPETING DEVELOPMENT
VILLAS AT WARREN**

Warren Township - Somerset County, NJ

Proximity to Subject	8 Miles
Developer	Toll Brothers
Developer Web Site	https://www.tollbrothers.com
Market Segment	Age-Restricted / Open-Market
Product Type	Townhomes
Total Units	80
Net Sales	58
Unsold Units	22
Average Lot Size	Common Lot Area
Average House Size (SF)	2,761
Average Base Price	\$1,174,102
Average Price/SF	\$425.30
Marketing Period	December 2020 - Present
Project Life (Months)	48
Sales Velocity (Project Life)	1.2
Net Sales (Past 90 Days)	Not Available
Sales Velocity (Past 90 Days)	Not Available
Standing Inventory	7 Quick Move-Ins & 1 Model
Options / Upgrades (average)	10-15% of base price
Basement	Unfinished
Garage	Attached 2-Car Garage
Site Premiums	\$50,000 - \$85,000 (4-7%)
Incentives	3.99% (6.07% APR) 1st Yr Rate with 2/1 Buydown Program on Select Quick Move-In Homes
Sources of Buyers	Mostly Local - Some buyers from throughout New Jersey
HOA Fees:	\$460 - \$485 / Monthly



PRICING MATRIX

Model Names	Eldon	Eldon Goldenshire	Eldon Manchester	Amberley	Leyton	Amberley Manchester	Bexley Grand	Amberley Glenshire	Leyton Glenshire
House Size (sf)	2,623	2,623	2,623	2,783	2,744	2,783	3,140	2,783	2,744
Base Price	\$1,051,995	\$1,061,028	\$1,114,149	\$1,114,995	\$1,144,995	\$1,204,995	\$1,265,995	\$1,299,540	\$1,309,229
\$ Price / SF	\$401.07	\$404.51	\$424.76	\$400.64	\$417.27	\$432.98	\$403.18	\$466.96	\$477.12
Weighted Avg. Base Price	\$1,174,102								
Weighted Avg. House Size	2,761								
Weighted Avg. Price/SF	\$425.30								

**COMPETING DEVELOPMENT
CARRIAGES AT BERKELEY**

Berkeley Heights Township - Union County, NJ

Proximity to Subject	11 Miles
Developer	Toll Brothers
Developer Web Site	https://www.tollbrothers.com
Market Segment	Age-Restricted / Open Market
Product Type	Townhomes
Total Units	47
Net Sales	9
Unsold Units	38
Average Lot Size	Common Lot Area
Average House Size (SF)	2,932
Average Base Price	\$1,124,398
Average Price/SF	\$383.55
Marketing Period	Not Available
Project Life (Months)	Not Available
Sales Velocity (Project Life)	Not Available
Net Sales (Past 90 Days)	Not Available
Sales Velocity (Past 90 Days)	Not Available
Standing Inventory	2 Quick Move-In Homes Available
Options / Upgrades (average)	\$60,000 - \$135,000 (5-12%)
Basement	Finished
Garage	Attached 2-Car Garage
Incentives	3.99% (6.07% APR) 1st Yr Rate with 2/1 Buydown Program on Select Quick Move-In Home
Sources of Buyers	Mostly Local
HOA Fees:	\$542 / Monthly



PRICING MATRIX

Model Names	Virtue	Serendipity	Virtue Farmhouse	Abound	Kind	Serendipity Farmhouse	Abound Farmhouse
House Size (sf)	2,647	2,821	2,820	2,883	3,083	3,187	3,080
Base Price	\$1,039,995	\$1,054,995	\$1,099,763	\$1,124,995	\$1,144,995	\$1,189,995	\$1,216,045
\$ Price / SF	\$392.90	\$373.98	\$389.99	\$390.22	\$371.39	\$373.39	\$394.82
Weighted Avg. Base Price	\$1,124,398						
Weighted Avg. House Size	2,932						
Weighted Avg. Price/SF	\$383.55						

COMPETING DEVELOPMENT
ENCLAVE AT CHATHAM
 Chatham Township - Morris County, NJ

Proximity to Subject	13 Miles
Developer	Toll Brothers
Developer Web Site	https://www.tollbrothers.com/luxury-homes-for-sale/New-Jersey/Enclave-at-Chatham
Market Segment	Age-Restricted / Open Market
Product Type	Single-Family & Townhomes
Total Units	50
Net Sales	41
Unsold Units	9
Average Lot Size	Common Lot Area
Average House Size (SF)	3,743
Average Base Price	\$1,660,328
Average Price/SF	\$443.56
Marketing Period	August 2021 - Present
Project Life (Months)	17
Sales Velocity (Project Life)	2.41
Net Sales (Past 90 Days)	5
Sales Velocity (Past 90 Days)	1.67
Standing Inventory	6 Quick Move-Ins by June 2023 & 1 Model
Options/Upgrades (average)	\$180,000 - \$370,000
Basement	Finished Walkout
Garage	Attached 2-Car Garage
Site Premiums	\$180,000 - \$370,000
Incentives	3.99% (6.07% APR) 1st Yr Rate with 2/1 Buydown Program on Select Quick Move-In Homes
Sources of Buyers	Mostly local
Amenities:	Clubhouse, Billiards & Card Room
HOA Fees:	\$800 / Monthly

**PRICING MATRIX**

Model Names	Serene	Avail	Gratitude	Benefit	Serene Farmhouse	Avail Farmhouse
Product Type	TH	TH	TH	TH	TH	SFD
House Size (sf)	3,495	2,887	3,540	3,274	4,867	4,396
Base Price	\$1,504,995	\$1,584,995	\$1,614,995	\$1,616,995	\$1,684,995	\$1,954,995
\$ Price / SF	\$430.61	\$549.01	\$456.21	\$493.89	\$346.21	\$444.72

Weighted Avg. Base Price	\$1,660,328
Weighted Avg. House Size	3,743
Weighted Avg. Price/SF	\$443.56

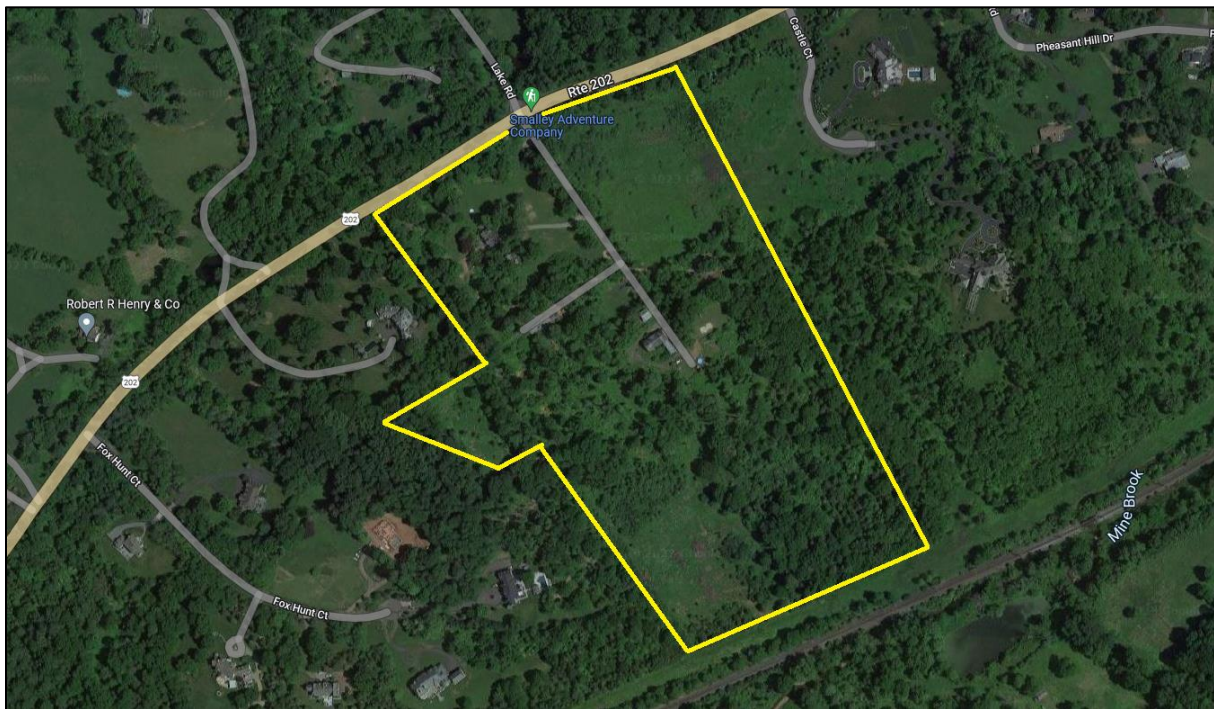
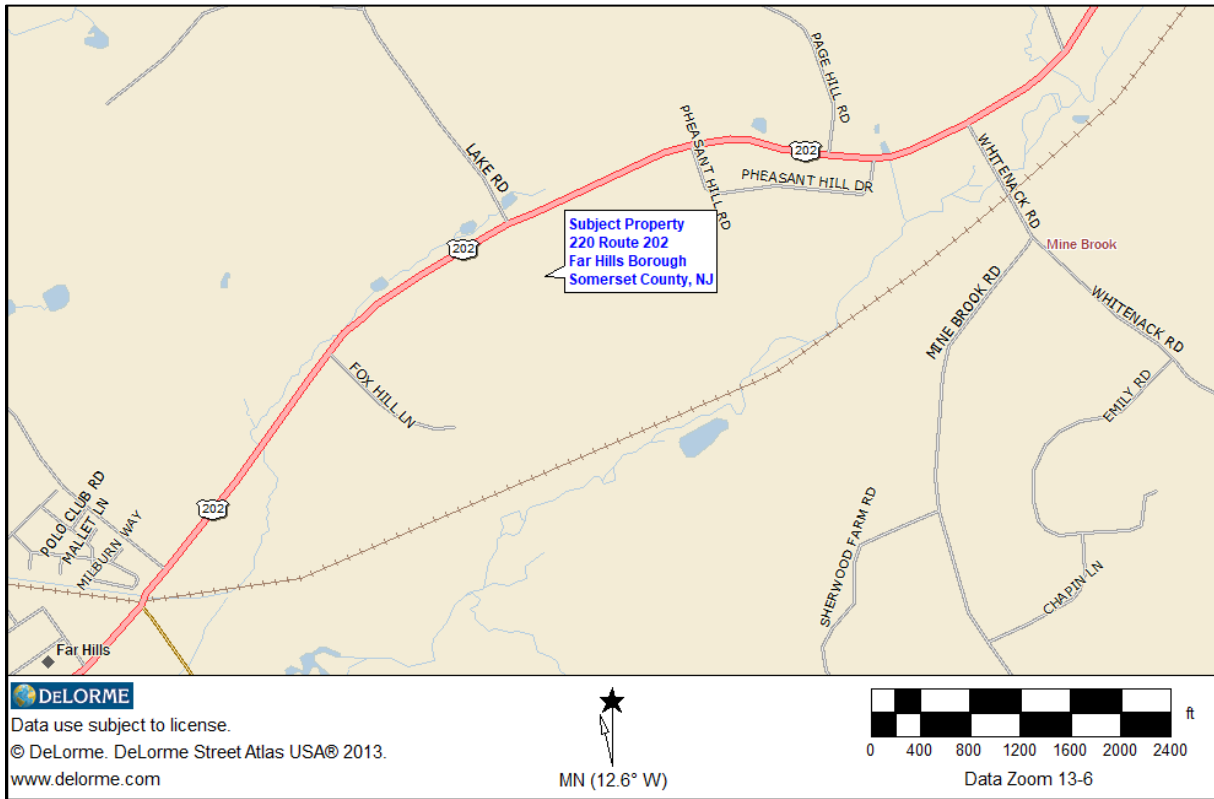
Municipal Data

MUNICIPAL DATA - 2022				
FAR HILLS BOROUGH - SOMERSET COUNTY				
A. <u>Current Assessments</u>				
<u>Category</u>		<u>Assessment</u>	<u>Percent</u>	<u>Parcels</u>
1 Vacant Land	\$	2,624,000.00	0.61%	13
2 Residential	\$	259,813,900.00	59.99%	291
3A/3B Farm-Regular/Qualified	\$	135,446,100.00	31.28%	143
4A Commercial	\$	31,247,000.00	7.22%	31
4B Industrial	\$	-	0.00%	-
4C Apartments	\$	2,881,000.00	0.67%	2
5A/5B Railroad	\$	608,800.00	0.14%	2
6A/6B Business Personal	\$	442,500.00	0.10%	1
<u>Summary</u>				
Residential (Class 2 & 4C)	\$	262,694,900.00	60.66%	293
Commercial/Industrial (Class 4A & 4B)	\$	31,247,000.00	7.22%	31
Vacant Land (Class 1 & 3A/3B)	\$	138,070,100.00	31.88%	156
Railroad/Business Personal	\$	1,051,300.00	0.24%	3
Total	\$	433,063,300.00	100.00%	483
Equalized Valuation, Taxable Props	\$	433,063,300.00	100.00%	
B. <u>Current Tax Structure</u>				
<u>Rate per \$100</u>		<u>Tax Rate</u>	<u>Percent</u>	
Municipal Purpose *		\$0.5540	41.19%	
Local School District		\$0.0000	0.00%	
Regional School District		\$0.4420	32.86%	
County		\$0.3490	25.95%	
Total		\$1.3450	100.00%	
C. <u>Local Use Appropriations</u>				
		<u>Amount</u>	<u>Percent</u>	
Municipal Purposes *	\$	2,247,848.38	65.57%	
Total Surplus Anticipated	\$	700,000.00	20.42%	
Total Misc. Revenues & Delinquent Taxes	\$	480,156.18	14.01%	
Total General Appropriations	\$	3,428,004.56	100.00%	
D. <u>Regional District Appropriations</u>				
		<u>Amount</u>	<u>Percent</u>	
Total Levy	\$	38,678,597.00	100.00%	
Tax Rate		\$0.3490		
Total School Appropriations	\$	1,895,932.00	0.00%	
E. <u>County Appropriations</u>				
		<u>Amount</u>	<u>Percent</u>	
County Purposes *	\$	210,542,543.00	100.00%	
Tax Rate		\$0.3490		
Total County Appropriations	\$	1,453,362.46	0.69%	
Note: Assessment Ratio is 100%				

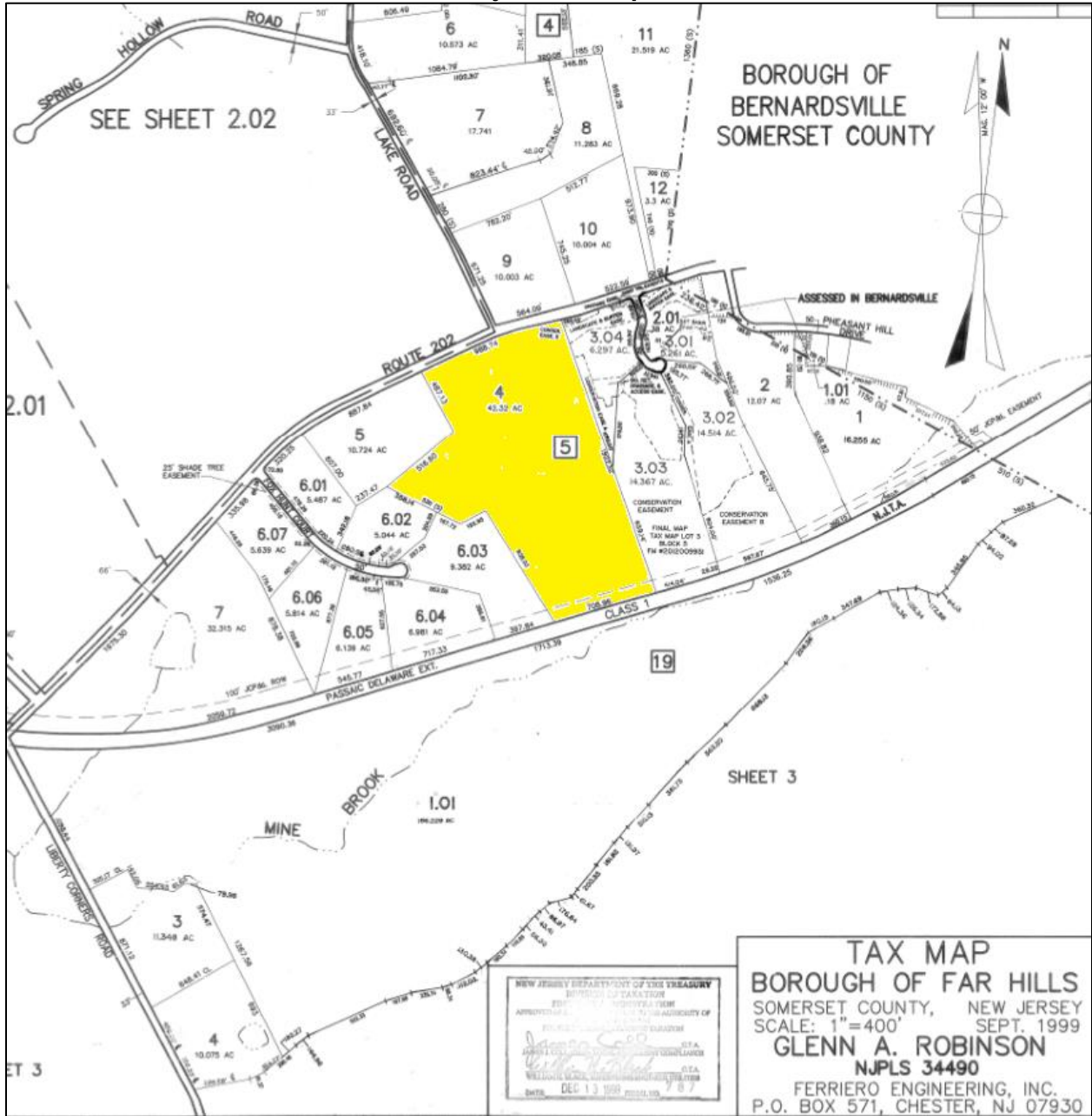
Gross Fiscal Analysis

Comparison of Share of Current vs. Prospective Taxes												
Year	Existing Taxes					Proposed Development				Difference in Municipal/School Revenue		
	Current Taxes	Municipal Share	School Share	Muni & School Combined	Muni & School Cumulative	Municipal Share	School Share	Muni & School Combined	Muni & School Cumulative	Annual	Cumulative	
1	\$ 57,661	\$ 23,750	\$ 18,949	\$ 42,699	\$ 42,699	\$ 671,390	\$ 535,658	\$ 1,207,048	\$ 1,207,048	\$ 1,164,349	\$ 1,164,349	
2	\$ 59,391	\$ 24,463	\$ 19,517	\$ 43,980	\$ 86,679	\$ 691,532	\$ 551,728	\$ 1,243,260	\$ 2,450,308	\$ 1,199,280	\$ 2,363,629	
3	\$ 61,172	\$ 25,197	\$ 20,103	\$ 45,299	\$ 131,978	\$ 712,278	\$ 568,280	\$ 1,280,558	\$ 3,730,866	\$ 1,235,258	\$ 3,598,888	
4	\$ 63,007	\$ 25,952	\$ 20,706	\$ 46,658	\$ 178,636	\$ 733,646	\$ 585,328	\$ 1,318,974	\$ 5,049,840	\$ 1,272,316	\$ 4,871,204	
5	\$ 64,898	\$ 26,731	\$ 21,327	\$ 48,058	\$ 226,694	\$ 755,656	\$ 602,888	\$ 1,358,544	\$ 6,408,383	\$ 1,310,486	\$ 6,181,689	
6	\$ 66,845	\$ 27,533	\$ 21,967	\$ 49,500	\$ 276,194	\$ 778,325	\$ 620,974	\$ 1,399,300	\$ 7,807,683	\$ 1,349,800	\$ 7,531,489	
7	\$ 68,850	\$ 28,359	\$ 22,626	\$ 50,985	\$ 327,179	\$ 801,675	\$ 639,604	\$ 1,441,279	\$ 9,248,962	\$ 1,390,294	\$ 8,921,783	
8	\$ 70,915	\$ 29,210	\$ 23,305	\$ 52,514	\$ 379,693	\$ 825,725	\$ 658,792	\$ 1,484,517	\$ 10,733,479	\$ 1,432,003	\$ 10,353,786	
9	\$ 73,043	\$ 30,086	\$ 24,004	\$ 54,090	\$ 433,783	\$ 850,497	\$ 678,556	\$ 1,529,053	\$ 12,262,532	\$ 1,474,963	\$ 11,828,749	
10	\$ 75,234	\$ 30,989	\$ 24,724	\$ 55,712	\$ 489,495	\$ 876,012	\$ 698,912	\$ 1,574,924	\$ 13,837,456	\$ 1,519,212	\$ 13,347,961	
11	\$ 77,491	\$ 31,918	\$ 25,465	\$ 57,384	\$ 546,879	\$ 902,292	\$ 719,880	\$ 1,622,172	\$ 15,459,628	\$ 1,564,788	\$ 14,912,749	
12	\$ 79,816	\$ 32,876	\$ 26,229	\$ 59,105	\$ 605,984	\$ 929,361	\$ 741,476	\$ 1,670,837	\$ 17,130,466	\$ 1,611,732	\$ 16,524,481	
13	\$ 82,210	\$ 33,862	\$ 27,016	\$ 60,878	\$ 666,863	\$ 957,242	\$ 763,720	\$ 1,720,962	\$ 18,851,428	\$ 1,660,084	\$ 18,184,565	
14	\$ 84,677	\$ 34,878	\$ 27,827	\$ 62,705	\$ 729,568	\$ 985,959	\$ 786,632	\$ 1,772,591	\$ 20,624,019	\$ 1,709,886	\$ 19,894,451	
15	\$ 87,217	\$ 35,924	\$ 28,662	\$ 64,586	\$ 794,154	\$ 1,015,538	\$ 810,231	\$ 1,825,769	\$ 22,449,788	\$ 1,761,183	\$ 21,655,634	
16	\$ 89,833	\$ 37,002	\$ 29,521	\$ 66,524	\$ 860,677	\$ 1,046,004	\$ 834,538	\$ 1,880,542	\$ 24,330,330	\$ 1,814,018	\$ 23,469,653	
17	\$ 92,528	\$ 38,112	\$ 30,407	\$ 68,519	\$ 929,196	\$ 1,077,384	\$ 859,574	\$ 1,936,958	\$ 26,267,288	\$ 1,868,439	\$ 25,338,092	
18	\$ 95,304	\$ 39,255	\$ 31,319	\$ 70,575	\$ 999,771	\$ 1,109,706	\$ 885,361	\$ 1,995,067	\$ 28,262,355	\$ 1,924,492	\$ 27,262,584	
19	\$ 98,163	\$ 40,433	\$ 32,259	\$ 72,692	\$ 1,072,463	\$ 1,142,997	\$ 911,922	\$ 2,054,919	\$ 30,317,274	\$ 1,982,227	\$ 29,244,811	
20	\$ 101,108	\$ 41,646	\$ 33,227	\$ 74,873	\$ 1,147,336	\$ 1,177,287	\$ 939,280	\$ 2,116,567	\$ 32,433,841	\$ 2,041,694	\$ 31,286,505	
21	\$ 104,142	\$ 42,896	\$ 34,223	\$ 77,119	\$ 1,224,455	\$ 1,212,606	\$ 967,458	\$ 2,180,064	\$ 34,613,904	\$ 2,102,945	\$ 33,389,449	
22	\$ 107,266	\$ 44,182	\$ 35,250	\$ 79,433	\$ 1,303,888	\$ 1,248,984	\$ 996,482	\$ 2,245,465	\$ 36,859,370	\$ 2,166,033	\$ 35,555,482	
23	\$ 110,484	\$ 45,508	\$ 36,308	\$ 81,816	\$ 1,385,703	\$ 1,286,453	\$ 1,026,376	\$ 2,312,829	\$ 39,172,199	\$ 2,231,014	\$ 37,786,496	
24	\$ 113,798	\$ 46,873	\$ 37,397	\$ 84,270	\$ 1,469,973	\$ 1,325,047	\$ 1,057,167	\$ 2,382,214	\$ 41,554,413	\$ 2,297,944	\$ 40,084,440	
25	\$ 117,212	\$ 48,279	\$ 38,519	\$ 86,798	\$ 1,556,771	\$ 1,364,798	\$ 1,088,882	\$ 2,453,681	\$ 44,008,094	\$ 2,366,883	\$ 42,451,323	
26	\$ 120,729	\$ 49,728	\$ 39,674	\$ 89,402	\$ 1,646,173	\$ 1,405,742	\$ 1,121,549	\$ 2,527,291	\$ 46,535,385	\$ 2,437,889	\$ 44,889,212	
27	\$ 124,351	\$ 51,219	\$ 40,865	\$ 92,084	\$ 1,738,257	\$ 1,447,915	\$ 1,155,195	\$ 2,603,110	\$ 49,138,495	\$ 2,511,026	\$ 47,400,238	
28	\$ 128,081	\$ 52,756	\$ 42,091	\$ 94,847	\$ 1,833,104	\$ 1,491,352	\$ 1,189,851	\$ 2,681,203	\$ 51,819,698	\$ 2,586,357	\$ 49,986,594	
29	\$ 131,923	\$ 54,339	\$ 43,353	\$ 97,692	\$ 1,930,796	\$ 1,536,093	\$ 1,225,547	\$ 2,761,639	\$ 54,581,337	\$ 2,663,947	\$ 52,650,541	
30	\$ 135,881	\$ 55,969	\$ 44,654	\$ 100,623	\$ 2,031,419	\$ 1,582,175	\$ 1,262,313	\$ 2,844,488	\$ 57,425,826	\$ 2,743,866	\$ 55,394,407	

Subject Information

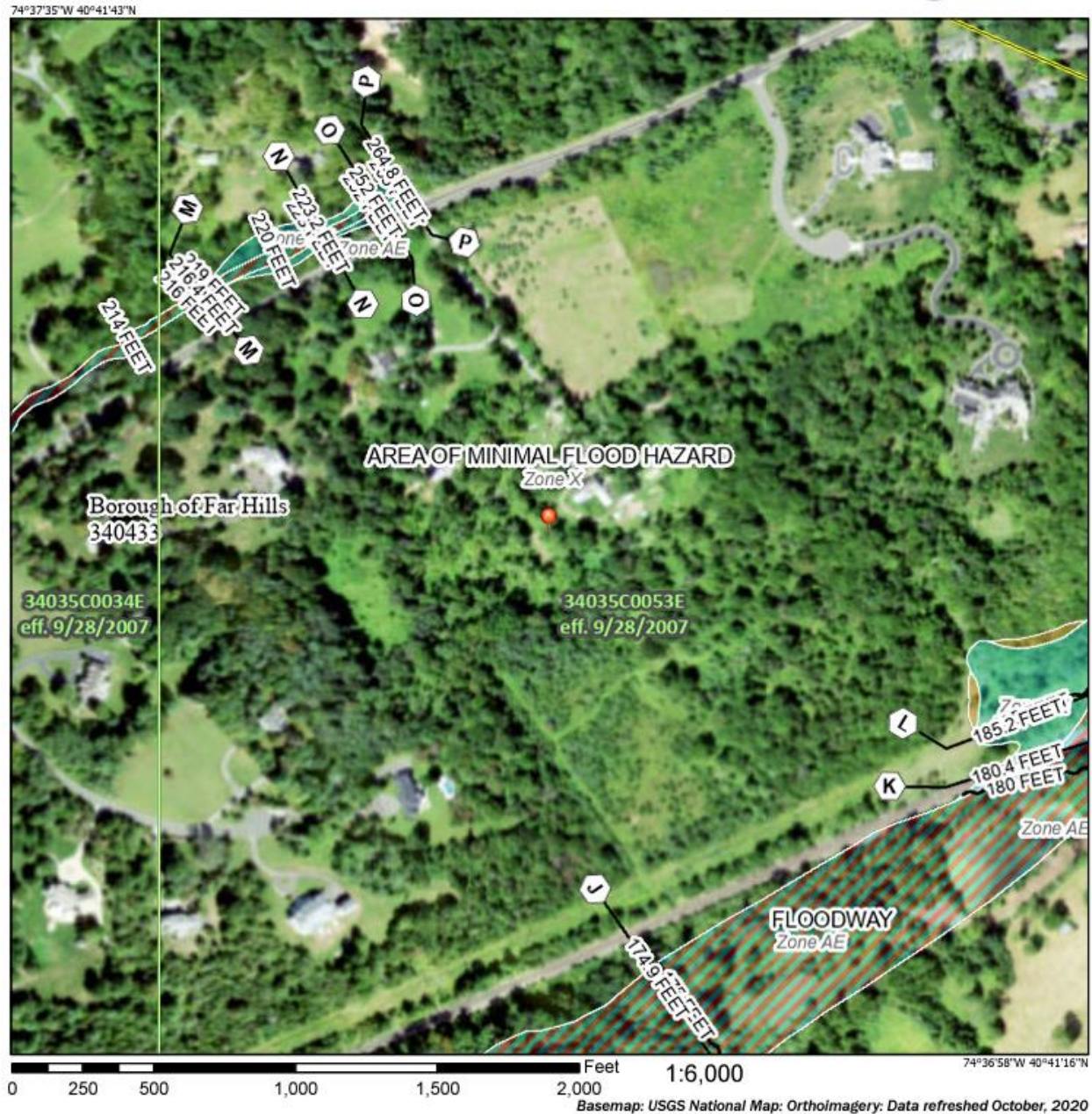


Subject Tax Map



Subject Flood Map

National Flood Hazard Layer FIRMette



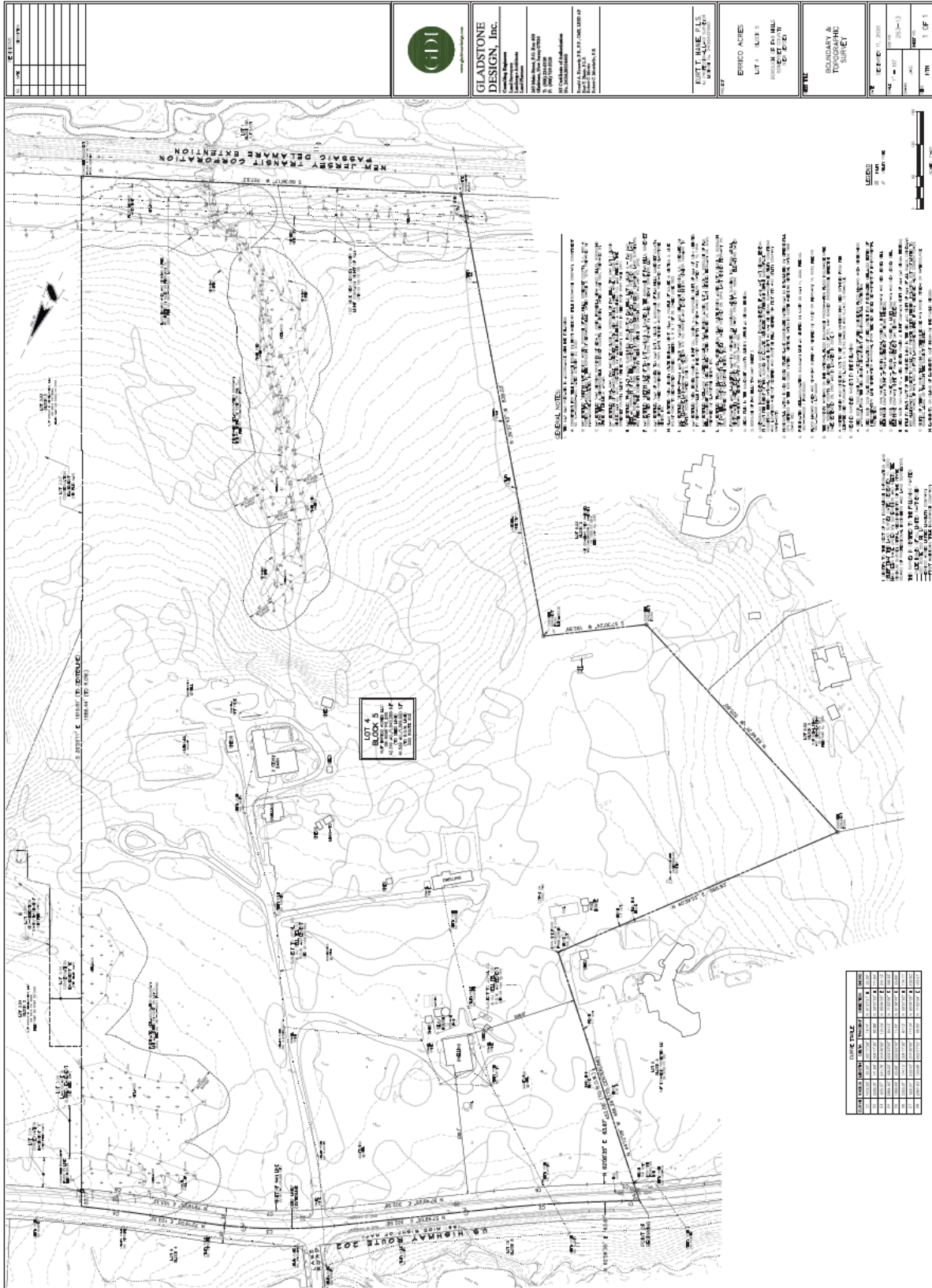
Source: FEMA.Gov

Subject Known Contaminated Site Map



Source: NJDEP, Geo-Web

Subject Survey



GLADSTONE DESIGN, Inc.
 1000 Gladstone Road
 Gladstone, NJ 07033
 Phone: 973.261.1100
 Fax: 973.261.1101
 Email: info@gladstone-design.com
 Website: www.gladstone-design.com

LOT 4, BLOCK 5
 1000 Gladstone Road
 Gladstone, NJ 07033

BOUNDARY &
 TOPOGRAPHIC
 SURVEY

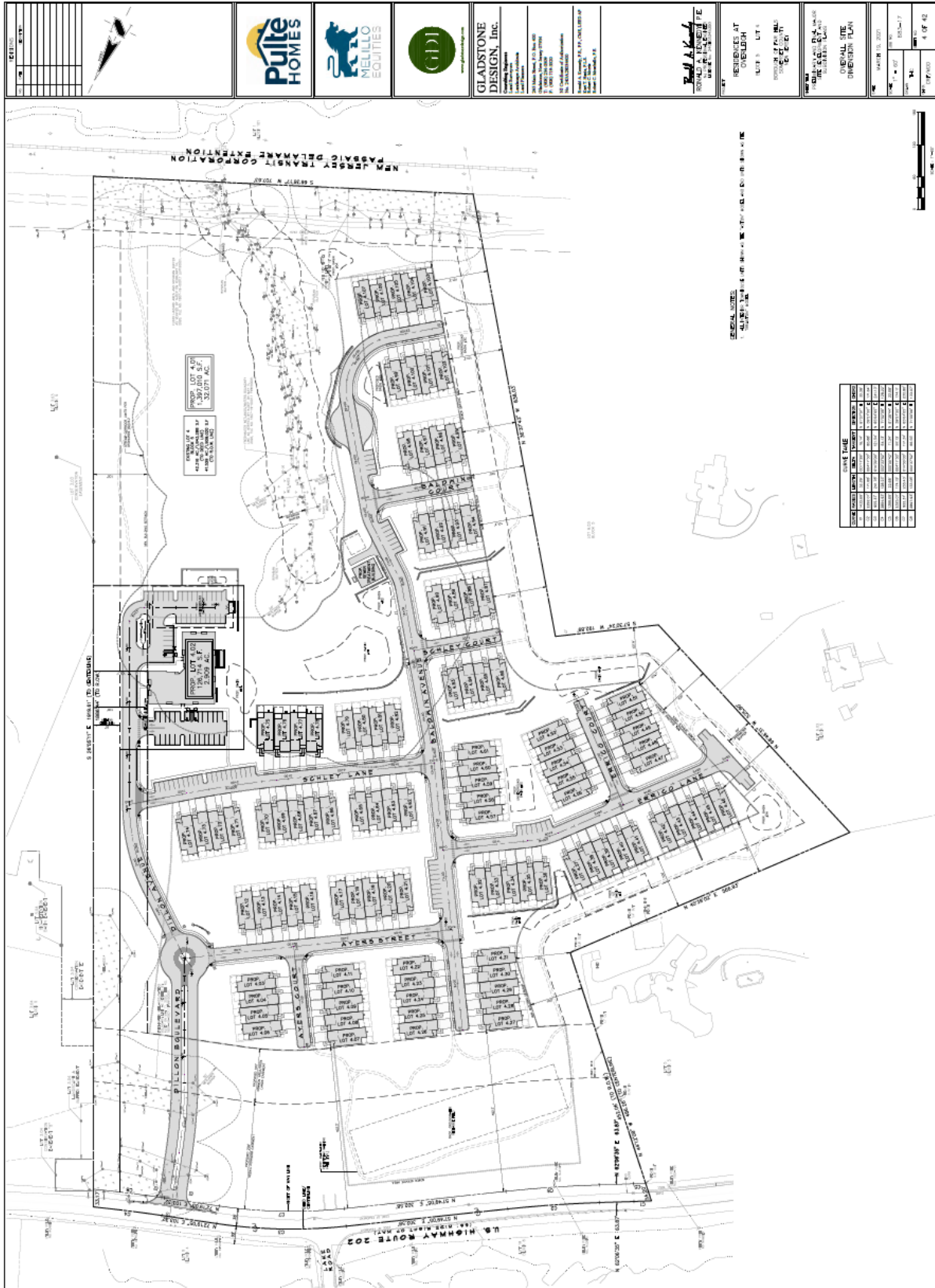
DATE: 08/14/2020
 SHEET: 1 OF 1

GENERAL NOTES:

1. THIS SURVEY WAS CONDUCTED IN ACCORDANCE WITH THE NEW JERSEY SURVEYING ACT AND THE RULES OF PROFESSIONAL CONDUCT FOR SURVEYORS.
2. THE SURVEY WAS CONDUCTED USING A TOTAL STATION AND A REAL TIME KINEMATIC (RTK) GPS SYSTEM.
3. THE SURVEY WAS CONDUCTED ON 08/14/2020.
4. THE SURVEY WAS CONDUCTED BY THE SURVEYOR, JOHN J. GLADSTONE, P.E., LICENSE NO. 123456789.
5. THE SURVEY WAS CONDUCTED AT THE CLIENT'S REQUEST.
6. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
7. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
8. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
9. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
10. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
11. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
12. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
13. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
14. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
15. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
16. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
17. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
18. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
19. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
20. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
21. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
22. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
23. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
24. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
25. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
26. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
27. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
28. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
29. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
30. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
31. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
32. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
33. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
34. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
35. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
36. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
37. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
38. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
39. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
40. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
41. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
42. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
43. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
44. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
45. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
46. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
47. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
48. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
49. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
50. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
51. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
52. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
53. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
54. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
55. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
56. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
57. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
58. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
59. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
60. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
61. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
62. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
63. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
64. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
65. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
66. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
67. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
68. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
69. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
70. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
71. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
72. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
73. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
74. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
75. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
76. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
77. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
78. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
79. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
80. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
81. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
82. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
83. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
84. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
85. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
86. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
87. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
88. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
89. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
90. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
91. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
92. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
93. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
94. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
95. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
96. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
97. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
98. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.
99. THE SURVEY WAS CONDUCTED AT THE CLIENT'S EXPENSE.
100. THE SURVEY WAS CONDUCTED AT THE CLIENT'S RISK.

LOT	AREA (SQ. FT.)	AREA (ACRES)
LOT 1	10,000	0.2296
LOT 2	10,000	0.2296
LOT 3	10,000	0.2296
LOT 4	10,000	0.2296
LOT 5	10,000	0.2296
LOT 6	10,000	0.2296
LOT 7	10,000	0.2296
LOT 8	10,000	0.2296
LOT 9	10,000	0.2296
LOT 10	10,000	0.2296
LOT 11	10,000	0.2296
LOT 12	10,000	0.2296
LOT 13	10,000	0.2296
LOT 14	10,000	0.2296
LOT 15	10,000	0.2296
LOT 16	10,000	0.2296
LOT 17	10,000	0.2296
LOT 18	10,000	0.2296
LOT 19	10,000	0.2296
LOT 20	10,000	0.2296
LOT 21	10,000	0.2296
LOT 22	10,000	0.2296
LOT 23	10,000	0.2296
LOT 24	10,000	0.2296
LOT 25	10,000	0.2296
LOT 26	10,000	0.2296
LOT 27	10,000	0.2296
LOT 28	10,000	0.2296
LOT 29	10,000	0.2296
LOT 30	10,000	0.2296
LOT 31	10,000	0.2296
LOT 32	10,000	0.2296
LOT 33	10,000	0.2296
LOT 34	10,000	0.2296
LOT 35	10,000	0.2296
LOT 36	10,000	0.2296
LOT 37	10,000	0.2296
LOT 38	10,000	0.2296
LOT 39	10,000	0.2296
LOT 40	10,000	0.2296
LOT 41	10,000	0.2296
LOT 42	10,000	0.2296
LOT 43	10,000	0.2296
LOT 44	10,000	0.2296
LOT 45	10,000	0.2296
LOT 46	10,000	0.2296
LOT 47	10,000	0.2296
LOT 48	10,000	0.2296
LOT 49	10,000	0.2296
LOT 50	10,000	0.2296
LOT 51	10,000	0.2296
LOT 52	10,000	0.2296
LOT 53	10,000	0.2296
LOT 54	10,000	0.2296
LOT 55	10,000	0.2296
LOT 56	10,000	0.2296
LOT 57	10,000	0.2296
LOT 58	10,000	0.2296
LOT 59	10,000	0.2296
LOT 60	10,000	0.2296
LOT 61	10,000	0.2296
LOT 62	10,000	0.2296
LOT 63	10,000	0.2296
LOT 64	10,000	0.2296
LOT 65	10,000	0.2296
LOT 66	10,000	0.2296
LOT 67	10,000	0.2296
LOT 68	10,000	0.2296
LOT 69	10,000	0.2296
LOT 70	10,000	0.2296
LOT 71	10,000	0.2296
LOT 72	10,000	0.2296
LOT 73	10,000	0.2296
LOT 74	10,000	0.2296
LOT 75	10,000	0.2296
LOT 76	10,000	0.2296
LOT 77	10,000	0.2296
LOT 78	10,000	0.2296
LOT 79	10,000	0.2296
LOT 80	10,000	0.2296
LOT 81	10,000	0.2296
LOT 82	10,000	0.2296
LOT 83	10,000	0.2296
LOT 84	10,000	0.2296
LOT 85	10,000	0.2296
LOT 86	10,000	0.2296
LOT 87	10,000	0.2296
LOT 88	10,000	0.2296
LOT 89	10,000	0.2296
LOT 90	10,000	0.2296
LOT 91	10,000	0.2296
LOT 92	10,000	0.2296
LOT 93	10,000	0.2296
LOT 94	10,000	0.2296
LOT 95	10,000	0.2296
LOT 96	10,000	0.2296
LOT 97	10,000	0.2296
LOT 98	10,000	0.2296
LOT 99	10,000	0.2296
LOT 100	10,000	0.2296

Subject Site Plan



Limiting Conditions, Assumptions, and Hypothetical Conditions

The Terms and Conditions herein are part of an agreement for consulting services (the "Agreement") between Otteau Group, Inc. (OGI) and the client signing this Agreement, and for whom the consulting services will be performed (the "Client") and shall be deemed a part of such Agreement. The Agreement shall be governed by the laws in the state of New Jersey.

All statements in the consulting report that are not historical facts should be considered as forward-looking projections. Although we believe that the expectations reflected in or suggested by such forward-looking projections are reasonable, we can give no assurance that they will be achieved. Known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements expressed or implied by these forward-looking projections to be different from these projections. Such risks, uncertainties and other factors include, but are not limited to, changes in general and local economic and industry and business conditions; adverse weather and other environmental conditions and natural disasters; changes in market conditions; changes in market pricing; government regulation, including regulations concerning development of land, tax laws and the environment; fluctuations in interest rates and the availability of mortgage financing; shortages in and price fluctuations of raw materials and labor; levels of competition; utility shortages and outages or rate fluctuations; changes in tax laws; and geopolitical risks, terrorist acts and other acts of war.

We undertake no obligation to update or revise any forward-looking projections, whether because of new information, future events, changed circumstances or any other reason.

Projections of prospective selling prices and/or rents provided by OGI herein, if any, do not constitute an appraisal, but rather a consulting assignment consistent with the Scope of Work for this assignment. It has been communicated to the client that we are not acting in the role of appraisers, but instead as consultants.

OGI reserves the right to recall this report and make any amendments, corrections, or changes that are deemed necessary.

OGI will assume that there are no major or significant items or issues affecting the Property that would require the expertise of a professional building contractor, engineer, or environmental consultant for OGI to prepare a valid report. Client acknowledges that such additional expertise is not covered in the Consulting fee and agrees that, if such additional expertise is required, it shall be provided by others at the discretion and direction of the Client, and solely at Client's additional cost and expense.

Detailed zoning studies are typically performed by a zoning or land use expert, including attorneys, land use planners, or architects. While our investigation and analysis of land use regulations has considered pertinent issues, this report is not intended to be a detailed determination of compliance, as that determination is beyond the scope of this assignment. An appropriately qualified land use expert should be engaged to determine compliance with zoning standards, with the results being provided to OGI for review and consideration of these impact on the opinions and conclusions set forth in this report.

The Freshwater Wetlands Protection Act restricts the use and development of freshwater wetlands. Effective July 1, 1988, the DEP was established as the reviewing and approving authority for all development within or adjacent to freshwater wetlands. This legislation established certain development criteria including, but not limited to, variable buffers around authorized development adjacent to freshwater wetlands.

The identification and delineation of freshwater wetlands in the subject project, if any, has not been brought to our attention nor did we become aware of any such delineations during our inspection of the subject project nor during our investigations for this report; however, the consultant(s) is not qualified to render a professional opinion as to the presence or extent of freshwater wetlands. The reader is advised to seek competent, professional advice in identifying any such potential freshwater wetlands since identification and delineation of any freshwater wetlands within the area boundaries could have significant impact upon conclusions in the consulting report.

The subject site may have underground fuel storage tank(s). The underground tank(s) could be a liability. Neither the composition nor the condition of the tanks is known to the consultant(s). The typical life expectancy of an underground tank is 15 to 20 years, (federal guidelines suggest a 10-year life span). Soil contamination could occur if a tank leaks and would be costly to clean up. Without a detailed physical inspection of the tanks and the surrounding soil, it is impossible to estimate potential clean-up costs. Therefore, this analysis does not cover such contingencies.

All statements of fact in the report which are used as the basis of the OGI's analyses, opinions, and conclusions will be true and correct to OGI's actual knowledge and belief. OGI does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the condition of the Property furnished to OGI by Client or others. The conclusions and any permitted reliance on and use of the Consulting Report shall be subject to the assumptions, limitations, and qualifying statements contained in the report.

OGI shall have no responsibility for legal matters, including zoning, or questions of survey or title, soil or subsoil conditions, engineering, or other similar technical matters. The report will not constitute a survey of the Property analyzed.

The consultants have made no survey and the sketches in the report are for illustrative purposes only.

The data gathered in the course of the assignment (except data furnished by Client) and the report prepared pursuant to the Agreement are, and will remain, the property of OGI. With respect to data provided by Client, OGI shall not violate the confidential nature of OGI's-Client relationship by improperly disclosing any proprietary information furnished to OGI. Notwithstanding the foregoing, OGI is authorized by Client to disclose all or any portion of the report and related data as may be required by statute, government regulation, legal process, or judicial decree.

Unless specifically noted, in preparing the Consulting Report OGI will not be considering the possible existence of asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (collectively, "Hazardous Material") on or affecting the Property, or the cost of encapsulation or removal thereof. Further, Client represents that there is no major or significant deferred maintenance of the Property that would require the expertise of a professional cost estimator or contractor. If such repairs are needed, the estimates are to be prepared by others, at Client's discretion and direction, and are not covered as part of the Consulting fee.

In the event Client intends to use the Consulting Report in connection with a tax matter, Client acknowledges that OGI provides no warranty, representation, or prediction as to the outcome of such tax matter. Client understands and acknowledges that any relevant taxing authority (whether the Internal Revenue Service or any other federal, state, or local taxing authority) may disagree with or reject the Consulting Report or otherwise disagree with Client's tax position, and further understands and acknowledges that the taxing authority may seek to collect additional taxes, interest, penalties, or fees from Client beyond what may be suggested by the

Consulting Report. Client agrees that OGI shall have no responsibility or liability to Client or any other party for any such taxes, interest, penalties or fees and that Client will not seek damages or other compensation from OGI relating to any such taxes, interest, penalties, or fees imposed on Client, or for any attorney's fees, costs or other expenses relating to Client's tax matters.

OGI shall have no liability with respect to any loss, damage, claim or expense incurred by or asserted against Client arising out of, based upon or resulting from Client's failure to provide accurate or complete information or documentation pertaining to an assignment ordered under or in connection with this Agreement, including Client's failure, or the failure of any of Client's agents, to provide a complete copy of the Consulting Report to any third party.

Client shall not disseminate, distribute, publish, make available or otherwise provide any Consulting Report prepared hereunder to any third party (including without limitation, incorporating or referencing the Consulting Report, in whole or in part, in any offering or other material intended for review by other parties) except to (i) any third party expressly acknowledged in a signed writing by OGI as an "Intended User" of the Consulting Report provided that either OGI has received an acceptable release from such third party with respect to such Consulting Report or Client provides acceptable indemnity protections to OGI against any claims resulting from the distribution of the Consulting Report to such third party, (ii) any third party service provider (including rating agencies and Client's auditors) using the Consulting Report in the course of providing services for the sole benefit of Client, or (iii) as required by statute, government regulation, legal process, or judicial decree. In the event OGI consents, in writing, to Client incorporating or referencing the Consulting Report in any offering or other materials intended for review by other parties, Client shall not distribute, file, or otherwise make such materials available to any such parties unless and until Client has provided OGI with complete copies of such materials and OGI has approved all such materials in writing. Client shall not modify any such materials once approved by OGI. In the absence of satisfying the conditions of this paragraph with respect to a party who is not designated as an Intended User, in no event shall the receipt of a Consulting Report by such party extend any right to the party to use and rely on such report, and OGI shall have no liability for such unauthorized use and reliance on any Consulting Report. In the event Client breaches the provisions of this paragraph, Client shall indemnify, defend and hold OGI, and its affiliates and their officers, directors, employees, contractors, agents and other representatives (OGI and each of the foregoing an "Indemnified Party" and collectively the "Indemnified Parties") fully harmless from and against all losses, liabilities, damages and expenses (collectively, "Damages") claimed against, sustained or incurred by any Indemnified Party arising out of or in connection with such breach, regardless of any negligence on the part of any Indemnified Party in preparing the Consulting Report.

In the event Client incorporates or references the Consulting Report, in whole or in part, in any offering or other material intended for review by other parties, Client shall indemnify, defend and hold each of the Indemnified Parties harmless from and against any Damages in connection with (i) any transaction contemplated by this Agreement or in connection with the consulting or the engagement of or performance of services by any Indemnified Party hereunder, (ii) any actual or alleged untrue statement of a material fact, or the actual or alleged failure to state a material fact necessary to make a statement not misleading in light of the circumstances under which it was made with respect to all information furnished to any Indemnified Party or made available to a prospective party to a transaction, or (iii) an actual or alleged violation of applicable law by Client (including, without limitation, securities laws) or the negligent or intentional acts or omissions of Client (including the failure to perform any duty imposed by law); and will reimburse each Indemnified Party for all reasonable fees and expenses (including fees and expenses of counsel) (collectively, "Expenses") as incurred in connection with investigating,

preparing, pursuing or defending any threatened or pending claim, action, proceeding or investigation (collectively, "Proceedings") arising therefrom, and regardless of whether such Indemnified Party is a formal party to such Proceeding. Client agrees not to enter into any waiver, release, or settlement of any Proceeding (whether, or not any Indemnified Party is a formal party to such Proceeding) without the prior written consent of OGI (which consent will not be unreasonably withheld or delayed) unless such waiver, release or settlement includes an unconditional release of each Indemnified Party from all liability arising out of such Proceeding.

Time Period for Legal Action – Unless the time period is shorter under applicable law, OGI and Client agree that any legal action or lawsuit by one party against the other party or its affiliates, officers, directors, employees, contractors, agents, or other representatives, whether based in contract, warranty, indemnity, negligence, strict liability or other tort or otherwise, relating to (a) this Agreement or the Consulting Report, (b) any services or studies under this Agreement or (c) any acts or conduct relating to such services or studies, shall be filed within two (2) years from the date of delivery to Client of the Consulting Report to which the claims or causes of action in the legal action or lawsuit relate. The time-period stated in this section shall not be extended by any incapacity of a party or any delay in the discovery or accrual of the underlying claims, causes of action or damages.

Extraordinary Assumptions reflect an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject site; or about conditions external to the area, such as market conditions or trends; or about the integrity of data used in an analysis. This study is subject to the following Extraordinary Assumptions:

- The analysis and conclusions set forth herein are based upon the extraordinary assumption that the eventual construction of the project would reflect construction designs, materials and finishing as outlined later in this report.

Hypothetical Conditions reflect an assumption that is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject site; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. This study is not subject to any hypothetical conditions.

Professional Qualifications

Curriculum Vitae for Christopher J. Otteau, MAI, AI-GRS, SCGREA



PROFESSIONAL EXPERIENCE & LICENSING

Actively engaged in real estate valuation and consultation since 2001 with broad based experience in all property types including residential, commercial, industrial, land, subdivision development analysis, hospitality and special purpose properties. He also has extensive experience in urban redevelopment, abstraction analysis, feasibility study and stigma analysis. Christopher is a Rutgers University graduate, holds the State Certified General Real Estate Appraiser license, the MAI and AI-GRS Designation from the Appraisal Institute and has obtained a Graduate Certificate in Hotel Real Estate Investments and Asset Management from Cornell University. Christopher was appointed by the New Jersey Supreme Court to serve on the Office of Attorneys Ethics District VIII Committee and is an Adjunct Professor at Monmouth University in the Department of Economics, Finance, and Real Estate. Christopher has been quoted and featured in publications such as the New York Times and BBC World News. Christopher is the immediate past President of the Appraisal Institute Metro New Jersey Chapter and was identified as one of the most influential people in New Jersey Real Estate in 2021 by NJBIZ in their Commercial Real Estate Power 50 list.



Managing Partner & Chief Appraiser - Otteau Group, Inc.
 Adjunct Professor - Monmouth University, Department of Economics, Finance, and Real Estate
 MAI Designated Appraiser – Appraisal Institute
 AI-GRS Designated Appraiser – Appraisal Institute
 2021 President of Appraisal Institute Metro NJ Chapter
 State Certified General Real Estate Appraiser in the State of New Jersey (#42RG00219400)
 State Certified General Real Estate Appraiser in the State of New York (#46000049674)
 State Certified General Real Estate Appraiser in the State of Pennsylvania (#GA003794)
 State Certified General Real Estate Appraiser in the State of Maryland (#34571GA003794)
 State Certified General Real Estate Appraiser in the State of Connecticut (#RCG.0001693)
 Licensed Real Estate Salesperson in the State of New Jersey

PRIMARY EDUCATION



Rutgers University, 2002
 Public Relations, Communications
 Bachelor of Arts Degree



Cornell University, 2017
 Hotel Real Estate Investments & Asset Management
 Graduate Certificate

AFFILIATIONS & HONORS

Monmouth University Adjunct Professor – Real Estate Valuation & Analysis, 2017- Present
 Monmouth University Adjunct Professor – Real Estate Development, 2019
 Monmouth University Real Estate Academic Competition – Co-Chair 2018, Advisor 2020
 Monmouth University Guest Lecturer – Real Estate Valuation & Analysis, 2016
 NJ Supreme Court Appointed Member Office of Attorney Ethics District VIII, 2016 -2020
 Appraisal Institute (AI) Washington DC, Leadership Development and Advisory Council, 2016 & 2018
 Appraisal Institute (AI) Metro Chapter, Executive Board, 2018, 2019, 2020 & 2021
 Appraisal Institute (AI) Metro Chapter, Board of Directors, 2015 – 2017
 Appraisal Institute (AI) Metro Chapter, Government Relations Committee, 2014 – Present
 Appraisal Institute (AI) Metro Chapter, Fall Conference, Committee, 2014 & 2015
 Appraisal Institute (AI) Metro Chapter, Princeton Conference Co-Chair, 2016, 2017, 2018 & 2022
 Featured in the New York Times Article "A Buyers Market, A Sellers Pain"
 Interviewed in BBC World News Television
 National Association of Realtors (NAR) Member, 2004 – Present
 Mid Atlantic Construction Journal – Speaker on Capital Markets, 2019
 Mid Atlantic Construction Journal – Speaker on CRE Trends, 2019
 Markets Group NYC - Featured Speaker on Multifamily Assets 2019
 BISNOW – Speaker on CRE Trends, 2019
 New Jersey Multifamily Summit CAPRE – Speaker on the Multifamily Real Estate Trends, 2017 & 2018
 Jersey City New Jersey Multifamily Summit CAPRE – Speaker on the Multifamily Real Estate Trends, 2018
 Newark New Jersey CRE Real Estate Summit CAPRE – Speaker on the Multifamily Real Estate Trends, 2018
 Institute of Real Estate Management (IREM) – Speaker on Commercial Real Estate Trends, 2014
 NJBIZ – Commercial Real Estate Power 50, 2021

OTTEAU GROUP, INC.

OTTEAU GROUP

VALUATION / CONSULTING / ADVISORY / RESEARCH

PROFESSIONAL QUALIFICATIONS : Christopher J. Otteau, MAI, AI-GRS, SCGREA (continued)**AFFILIATIONS & HONORS – Continued**

Marcus and Millichap – Speaker on Multifamily Taxation, 2013
 NJ League of Municipalities –Speaker on Transit Oriented Redevelopment, 2010
 Member, Editorial Advisory Committee, Mobility Magazine, 2009-2010
 NJBIZ Commercial Real Estate Power 50 – 2021

PROFESSIONAL EDUCATION

Introduction to Real Estate Appraisal	Mortgage Fraud
Residential Income Property Valuation	General Appraiser Income Approach Part 2
Condominium/PUD Valuation	Demonstrative Report Writing
Uniform Standards of Professional Appraisal Practice	Advanced Income Capitalization
Relocation Valuation	Advanced Market Analysis & Highest and Best Use
Real Estate Market Analysis and Highest and Best Use	Advanced Concepts and Case Studies
Property Inspection	Capstone Demonstrative Appraisal Report
Federal Housing Administration (FHA) Valuation	Business Practice and Ethics
Residential Sales Comparison and Income Approaches	Hotel & Motel Valuation
Residential Report Writing and Case Studies	Apartment Property Valuation
Pennsylvania Appraisal State Mandatory Laws	Expert Witness Testimony
Green Building Valuation	General Appraisal Report Writing & Case Studies
Worldwide ERC Appraisals	Retail Property Valuation
Financial Analysis of Hotel Investment	Control of Hotel Real Estate
Valuing Hotel Investments	Hotel Asset Management Strategy
Valuing Hotel Intellectual Property	Hotel Asset Management Objectives
General Review Theory	Federal Land Acquisitions (Yellow Book)
Luxury Home Appraisals	

EXPERT TESTIMONY SAMPLING

Riverdale Borough Planning Board	Middlesex County Board of Taxation
Middlesex County Superior Court	Franklin Township Board of Adjustment
Essex County Board of Taxation	Hightstown Borough Town Council
Hightstown Borough Planning Board	Old Bridge Township Town Council
Howell Township Board of Adjustment	Harrison Town Planning Board
Somerset County Board of Taxation	Robbinsville Township Board of Ed
Harrison Town Redev Agency	New Jersey State Tax Court
Monmouth County Board of Taxation	Federal Bankruptcy Court
Ocean County Superior Court	Flemington Borough Redevelopment Committee
Flemington Borough Town Council	Logan Township
Branchburg Township Town Council	Peapack Gladstone Town Council
North Bergen Township Planning Board	Jersey City Planning Dept.
Hoboken City Planning Dept.	Woodbridge Township Planning Board

APPRAISAL INSTRUCTION SAMPLING

Monmouth University Adjunct Professor – Real Estate Valuation & Analysis
 Monmouth University Adjunct Professor – Real Estate Development
 Monmouth University Business School – Guest Lecturer
 Bank of New Jersey
 Magyar Bank

OTTEAU GROUP, INC.

OTTEAU GROUP

VALUATION / CONSULTING / ADVISORY / RESEARCH

APPRAISAL SERVICES PERFORMED FOR THE FOLLOWING CLIENTS:**FORTUNE 500**

Anheuser Busch
Honeywell International
Netflix

FINANCIAL INSTITUTIONS

Affinity Federal Credit Union
Allegiance Bank Of North America
Amboy Bank
AmeriCorp, Inc.
America's MoneyLine, Inc
Associated Mortgage Company, Inc.
Atlantic Stewardship Bank
Bank of New Jersey
BNB Bank
Boiling Springs Savings Bank
Brunswick Bank & Trust
Capital First Mortgage
Capital One
Central Jersey Bank, N.A.
Chase Home Finance
Chase Manhattan Mortgage Corp.
Chesapeake Appraisal & Settlement
Christian Community Credit Union
City National Bank
Columbia Bank
ConnectOne Bank
Continental Bank
Countrywide Home Loans, Inc.
CTX National Lending Center
Eastern Savings Bank
Empire Equity Group
Enterprise National Bank
Fannie Mae
Fidelity National Financial, Inc.
Finance America
First Bank
First Choice Bank
First Commerce Bank
First Investors
First Metropolitan Mortgage
First National Community Bank
First Savings Bank
First Washington State Bank
Fulton Financial Corporation
Founders Mortgage
Goldman Sachs
Greater Alliance Federal Credit Union
Hopewell Valley Community
Huntington Mortgage Company
Investors Savings Bank
John Manville Corporation

FINANCIAL INSTITUTIONS

JP Morgan Chase & Co.
Kearny Bank
Lakeland Bank
Madison Community Bank
Magyar BankMariner's Bank
Market Intelligence, Inc.
Metuchen Savings Bank
Millington Savings Bank
Mortgage Loan Solutions, LLC
National Bank of Kansas City
National Equity, Inc
NJ Community Bank
National Property Advisors
New Century Mortgage
New Jersey Community Bank
New Jersey Community Capital
New Jersey Mortgage Lending
New Millennium Bank
New York Community Bank
North American Savings Bank
North Fork Bank
Northern State Bank

Nova Bank
OceanFirst Bank
Oritani Bank
Pennsylvania Business Bank
Pinnacle
PNB Financial
PNC Advisors
Porch Light Mortgage, LLC.
Provident Capital Mortgage Corporation
Prudential Financial
Shore Community Bank
Sovereign Bank
State Bank of Texas
Summit Mobility
Sunbelt First Financial
Susquehanna Bank
TFS Mortgage
The Bank
The Bank of Princeton
The Huntington National Bank
The Lending Source
The Manhattan Mortgage Company
TICIC, Inc.
Two River Community Bank
United Roosevelt Bank
Unity Bank
Wachovia Bank
Washington Mutual Bank
Wells Fargo Home Mortgage
Wilmington Trust
Yardville National Bank

BUILDERS & DEVELOPERS

551 Park Avenue, LLC
Albert Garlatti Construction Co
Capodagli Property Company
Clover LLP
D.R. Mon Group, Inc.
Fallone Properties
Flatrock 3, LLC
Fields Development Group Co.
Heartstone Development, LLC
Hub Realty
K. Hovnanian
Kaplan Companies
Lexington Partners, LLC
M. Gordon Construction Co.
Marble Arch Homes
Matrix Development Group
Matzel Development Group
Matzel & Mumford
MDK Development, LLC
Millennium Homes
NK Architects
Northeast Housing LLC
Paramount Homes
Parkwood Development
Phoenix Realty Group
Pugliese Invesco LLC
Robertson Douglas Group
Russo Development
Secaucus Brownfields Redevelopment
Sterling Properties
Trammell Crow Residential
White Oak Properties
Woodmont Properties
McKinney Properties, Inc.
Lennar Corporation
BROC Development
Heller Construction

LAWYERS

Ávelino Nitkewicz, LLP
Becker Meisel, Attorneys at Law
Borras, Goldin, Foley, et al

Connell Foley
Copeland, Shimalla & Wechsler
Eckert Seamans Cherin & Mellott
Ferrara & Associates
Flaster Greenberg, P.C.
Frizell & Samuels
Greenbaum, Rowe, Smith & Davis
Hill Wallack
Indik & McNamara, P.C.
Joseph Fund Law Firm
Levine DeSantis, LLC
Mehr, LaFrance & Williams
Morgan Melhuish Abrutyn
Norris, McLaughlin & Marcus

LAWYERS

Porzio, Bromberg & Newman PC
Shamy, Shippers & Lonski, P.C.
Stark & Stark
Sterns & Weinroth, P.C.
The Rotolo Law Firm
The Ullrich Law Firm
Trombadore & Wilson
Wilentz, Goldman & Spitzer
Wolff & Samson PC

GOVERNMENTAL

Hoboken City
General Services Administration
Metuchen Borough
NJ Transit
Robbinsville Public Schools
Manasquan River Regional Sewage
State of New Jersey
Hightstown Borough
Flemington Borough
Jersey City

MISCELLANEOUS

Cerebral Palsy Assoc. of Middlesex
Clarke Caton Hintz
Franklin Mutual Insurance Company
Kaylan Realty Corporation
Make a Wish Foundation
Management Planning, Inc.
North Jersey Oral & Maxillofacial
NY/NJ Baykeeper
Perez Real Estate
Procida Advisors, LLC
SIB Corp.
Saint Peters University Hospital New
Jersey Carpenter Pension
Ferber Company
Bristol-Myers Squibb
Somerset Valley YMCA

OTTEAU GROUP, INC.

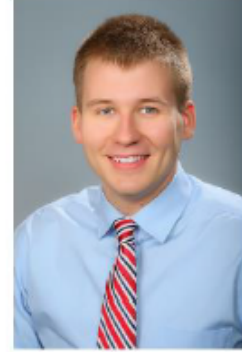
OTTEAU GROUP

VALUATION / CONSULTING / ADVISORY / RESEARCH

Curriculum Vitae for Connor F. Montferrat, SCGREA, MPP, MCRP

PROFESSIONAL EXPERIENCE & LICENSING

Actively engaged in real estate valuation and consultation since 2016 with broad based experience in all property types including residential, commercial, industrial, land, subdivision development analysis, hospitality and special purpose properties. He also has extensive experience in affordable housing, tax pilot analysis, urban redevelopment, abstraction analysis and feasibility analysis. Connor serves as a Director at Otteau Group and leads the litigation and consulting team. Connor graduated with bachelor's from Rutgers University and then also a Master of City and Regional Planning and Master of Public Policy from the Bloustein School. Connor holds the State Certified General Real Estate Appraiser License and is a Candidate for Designation in the Appraisal Institute.



State Certified General Real Estate Appraiser in the State of NJ (#42RG00268800)
 State Certified General Real Estate Appraiser in the State of NY (#46000053618)
 State Certified General Real Estate Appraiser in the State of PA (#GA004485)
 State Certified General Real Estate Appraiser in the State of DE (#X1-0000720)
 State Certified General Real Estate Appraiser in the State of MD (#34570)
 Director - Otteau Group, Inc.
 Appraisal Institute - Candidate for Designation
 Appraisal Institute Metro Chapter NJ- Princeton Conference Committee-2021-2022
 Appraisal Institute Metro Chapter – Board of Director – 2022

PRIMARY EDUCATION



Rutgers University (2013)
 Bachelor of Arts



Edward J. Bloustein School (2017)
 Master of Public Policy



Edward J. Bloustein School (2017)
 Master of City and Regional Planning

PROFESSIONAL EDUCATION

Advanced Income Capitalization
 Advanced Concepts & Case Studies
 Business Practices and Ethics
 Uniform Standards of Professional Appraisal Practice
 General Appraisal Review
 General Appraiser Expert Witness
 Real Estate Finance, Statistics & Valuation Modeling

General Appraiser Income Approach Part 2
 General Appraiser Income Approach Part 1
 General Market Analysis and Highest & Best Use
 General Sales Comparison Approach
 General Site Valuation and Cost Approach
 General Appraiser Report Writing & Case Studies
 Supervisory and Trainee Appraiser Course

EXPERT TESTIMONY SAMPLING

Woodbridge Township Planning Board
 Logan Township Zoning Board of Adjustment
 Flemington Borough Town Council
 Peapack Gladstone Borough Town Council
 Jersey City Planning Department
 Point Pleasant Borough
 Hoboken City Planning Department

OTTEAU GROUP, INC.

OTTEAU GROUP

VALUATION / CONSULTING / ADVISORY / RESEARCH

PROFESSIONAL QUALIFICATIONS: Connor F. Montferrat, SCGREA, MPP, MCRP (continued)

APPRAISAL SERVICES PERFORMED FOR THE FOLLOWING CLIENTS:

FINANCIAL INSTITUTIONS

Affinity Federal Credit Union
Amboy Bank
Bank of New Jersey
Bank of Princeton
Bayonne Community Bank
Citizens Bank

ConnectOne Bank

CV Capital Funding

First Bank

First Constitution Bank

First Commerce Bank

Freedom Bank

Fulton Financial Corporation

Investors Savings Bank

Lakeland Bank

Magyar Bank

Mariner's Bank

Metuchen Savings Bank

NJ Community Capital

NJ Community Bank

Northeast Bank

Ocean First Bank

Peapack & Gladstone Bank

Procida Funding & Advisors

Two River Community Bank

Unity Bank

United Roosevelt Savings Bank

Morgan Melhuish Abrutyn

Morgan, Lewis, & Bockius LLP

Sonnenblick Parker & Selvers, PC

Susanin, Widman & Brennan, PC

Wilentz, Goldman, and Spitzer, PA

OTHER

State of New Jersey

United States Postal Service

Assoc. Construction Contractors NJ

Asbury Park City

Flemington Borough

Jersey City

JCP&L

Little Falls Township

New Jersey Natural Gas

North Arlington Board of Education

Northeast Carpenters Pension Fund

Passaic City

RWJ Barnabas Health

Morgan Properties

Hampshire Companies, LLC

Kokes Properties

Roger Mumford Homes

CHA Partners

Saxum Real Estate

Paramount Assets, LLC

Larken Associates

Denholtz Associates

Capodagli Property Company, LLC

Panepinto Properties

MPI Valuation and Advisory

Madison Realty Capital

LAWYERS

Ansell Grimm & Aaron, P.C.

Archer & Greiner P.C.

Bathgate, Wegener, Wolf, PC

Blau and Blau

Carella, Byrne, Cecchi, Olstein,

Brody & Agnello, P.C.

Drinker, Biddle, and Reath, LLP

Eckert Seamans

Fox Rothschild, LLP

Frankfurt, Kurnit, Klen, & Selz PC

Hardin, Kundla, McKeon, & Poletto

Hartmann, Doherty, Rosa, Berman,

& Bulbulia, LLC

Hill Wallack, LP

Heilbrunn Pape, LLC

Herold Law, PA

Herrick Feinstein, LLP

Kroll Heineman Carton LLC

Lowenstein Sandler, LLP

Mandelbaum & Mandelbaum, LLC

McKenna, Dupon, Higgins & Stone

Methfessel & Werbel, PC

OTTEAU GROUP, INC.

OTTEAU GROUP

VALUATION / CONSULTING / ADVISORY / RESEARCH