

CN - Seagull Builders v. Colts Neck

Sept. 25, 1984

Real Estate Consultant's Report Incidental to a Court Case between
Sea Gull Builders and The Township Colts Neck

Pg. 13

Report Author: Kenneth L. Walker, Jr.
of Walker Appraisal Assoc. Inc.

CN 000 042 E

PS-11 end
EDS - 3/19/85

WALKER APPRAISAL ASSOCIATES, INC.

Real Estate Consultant's
Report incidental to a Court
Case between Sea Gull Builders, Ltd.
and The Township of Colts Neck

PS-11 end 9/25/84
EDS

WALKER APPRAISAL ASSOCIATES, INC.

Real Estate Consultant's

Report incidental to a Court Case

between Sea Gull Builders, Ltd.

and the Township of Colts Neck.

By Kenneth L. Walker, Jr.,

MAI, SREA, CRE, Appraiser

and Realty Consultant of

Walker Appraisal Associates, Inc.

Shrewsbury, New Jersey

Report as of September 25, 1984

WALKER APPRAISAL ASSOCIATES, INC.

Purpose of This Report

This report has been rendered for the purpose of:

1. Estimating the sale price of certain townhouse type units to be constructed on the land that is the subject matter of a court case.
2. Estimating the absorption period for the sale of the aforementioned units if marketed at the sale prices indicated by this study.

This data will be utilized by others in testing the density needed by the developers to make same a prudent project.

Description of the Site

The subject site is situated on Stone Hill Road and has access to Hunt Road in the Township of Colts Neck, Monmouth County, New Jersey; and is known as Lot #2 in Block #41.01, as shown on the Colts Neck Township Tax Map.

The property extends into Freehold Township, however, same is excluded in this consideration of same.

The site contains 74.23 acres and is rolling farm land located southwest of Route #18 Freeway.

Delineation of Title

Grantor: Sidney Steinman
Grantee: Sea Gull, Ltd.
Date: September 23rd, 1983 (Book #4436, Page #224)
Purchase Price: \$559,500
Acreage Purchased: 110 acres (Colts Neck & Freehold)

Basis for Consideration

In order to respond to the request, the following methodology should be carried out.

1. Review the proposed map, as to the unrestricted and restricted units.
2. Consider the affects on the marketability and price range the following factors will have upon the project contemplated.
 - A. Units to be 1300-1350 square feet
 - B. A number of the units will be located adjacent to Low & Moderate Income units in the \$35,000 average price range. There will be 117 units of the Low & Moderate Income Category.
 - C. Amenities will include: 3 tennis courts, a pool, a recreation building and a pond.
 - D. Density will be 7.88 units per acre.
 - E. Assume that city sewers and public utility water will be available at the site.

WALKER APPRAISAL ASSOCIATES, INC.

Site's Positive Aspects

1. Price range and housing type presently unavailable in the area of the subject site.
2. Rural countryside atmosphere.
3. Near Route 18 Freeway for commuting to and from New Brunswick area.
4. Near County Golf Course off Monmouth County Route 537 - (Hominy Hills)
5. Approximately 3½ miles from Freehold's downtown retail area and County Hall of Records and Court House.
6. Favorable/stable tax rate.

Site's Detrimental Aspects

1. No or very limited public transportation.
2. Over 3 miles to existing stores.
3. Over 3 miles to churches and temples.
4. Only recreational facility, other than golf, is over 3 miles distant.
5. Employment opportunities are very limited in the general area.
6. Hospitals are over 5 miles distant (nearest being Freehold Area Hospital).

Method to Estimate Sale Prices Obtainable

In order to estimate the sale prices obtainable, certain assumptions must be considered:

1. Size of Units: 1300 to 1350 square feet
2. Type Construction:
 - A. Building code would be met.
 - B. Average workmanship.
 - C. Attractive and acceptable floor plans and exteriors.
3. Common Elements:
 - A. Adequate parking for occupants and guests.
 - B. Attractive landscaping.
 - C. A pond.
4. Fair and reasonable monthly maintenance charges for common elements.
5. Typical financing and good marketing practices will be present.

WALKER APPRAISAL ASSOCIATES, INC.

After making these assumptions, other townhouse projects as close to the location of the subject tract as possible, must be considered as to sales prices, size of the units, and the amenities offered.

There exists no projects within a 5 mile radius of the subject property, that are presently being marketed. The nearest ones are on Tinton Avenue in the Boro of Eatontown, a distance of approximately 10 miles to the east, and one on Texas Road approximately 8 miles to the northwest in Marlboro Township, near the Middlesex County line, but adjacent to Route 18 Freeway, near N.J. Route #9.

It is apparent that most of the projects of this type are in the higher density areas, near places of employment or commutation, or with amenities such as river or oceanviews or frontage.

One of the larger projects presently being sold is Millpond at Marlboro on Texas Road which has six models ranging from \$82,990 to \$102,990, with units containing approximately 1200 to 1800 square feet, thus an average of approximately \$60.00 per square foot.

This is a project that has been approved for 469 townhouse units. The raw land cost, when acquired, was at the rate of \$3,108.00 per unit.

Most of the projects are much smaller than the proposed complex with the exception of Millpond at Marlboro.

In Shrewsbury Township, a distance of approximately 9-10 miles east of the subject tract, is a development known as Shrewsbury Woods. It is a lower priced project of 122 units, where construction was commenced approximately 10 months ago. There is FNMA financing available and sales have been very strong due to a price range from \$56,990 to \$61,990, for two models varying in size from 973 to 1280 square feet.

The price of the units has been kept low due to this project being opposite a former army housing project, now a co-operative housing complex, as well as a rental garden apartment with low and moderate income families.

WALKER APPRAISAL ASSOCIATES, INC.

Sales in the \$57,000 to \$62,000 price range, even with these detrimental influences have been brisk, due to the limited supply of new housing in this price range.

The following is a breakdown of data relating to the various complexes around Monmouth County.

<u>Project</u>	<u>Land/Frontage</u>	<u>Total No. Units Density Factor</u>	<u>Unit Selection</u>	<u>Price Range</u>	<u>Approx. Rate Per Square Foot</u>	<u>Sales Data</u>
KIMBERLY WOODS Oceanport	21.61 acres 1,019.34 ± feet frontage	120 units 5.55 units per acre	Three Models	\$89,900 + to \$107,900 +	\$ 70.00	Proposed - Sales Actual (Just started)
EAST MANOR SQUARE Highlands	2.456 acres 2,647.60 feet frontage (total)	24 units 9.77 units per acre	One Model Only	\$120,000 to \$135,000	85.00	92% sales success over 2½ year period
LAND'S END Sea Bright	2.627 acres 300 feet frontage	24 units 9.14 units per acre	One Model Only	\$275,000 +	115.000	40% contracts over 1 year period
700 OCEAN Sea Bright	2.10 acres 350 feet frontage	17 units 8.10 units per acre	Two Models	\$255,000 to \$275,000	115.000	47% contracts over 1 year period
OCEAN REEF TOWN- HOUSES Sea Bright	5.24 acres 389 feet frontage	24 units 4.58 units per acre	Four Models	\$195,000 to \$240,000	115.00	50% sales success over 2 year period
HARBOUR POINT Oceanport	3.44 acres 865 feet frontage	24 units 6.98 units per acre	One Model Only	\$100,000 to \$115,000	65.00	13% sales success over 2 year period
MARINA BAY CLUB Long Branch	9.384 acres 428.29 feet frontage	93 units 9.91 units per acre	Four Models	\$119,000 to \$150,000	65.00	40% contracts over 1 year period
CEDAR ARMS Long Branch	.74 acres 411.71 feet frontage	14 units 18.92 units per acre	One Model Only	No Reported Sales	--	No Sales Data
OCEANSIDE VILLAS Long Branch	1.225 acres 215 feet frontage	14 units 11.43 units per acre	One Model Only	\$150,000 +	75.00	No Sales Data
SEA WATCH Long Branch	2.71 acres 150 feet frontage	38 units 14.02 units per acre	Two Models	\$125,000 to \$150,000	65.00	29% sales success over 1 year period

<u>Project</u>	<u>Land/Frontage</u>	<u>Total No. Units Density Factor</u>	<u>Unit Selection</u>	<u>Price Range</u>	<u>Approx. Rate Per Square Foot</u>	<u>Sales Data</u>
CAMBRIDGE MANOR Middletown	41.134 acres 1,152.25 feet frontage	171 units 4.16 units per acre	Six Models	\$64,900 to \$91,400	\$55.00	47% contracts over 1 year period
WINDING BROOK Tinton Falls	17.37 acres 240 + feet frontage	45 units 7.77 units per acre	Five Models	\$61,900 to \$90,900	55.00	76% sales success over 2 year period
THE MEWS OF TURTLE MILLS West Long Branch	11.37 acres 628.71 feet frontage	90 units 7.92 units per acre	Five Models	\$85,900 to \$117,900 +	55.00	13% contracts over six months
BARCLAY WOODS Brielle	14.47 acres 648.30 ± feet frontage	188 units 12.99 units per acre	Three Models	\$93,200 to \$107,000 +	66.00	70% sales success over 1 year period
SHREWSBURY WOODS Shrewsbury Twp.	13.11 acres 1415 ± feet frontage	122 units 11 units per acre	Two Models	\$56,990 to \$61,990	55.00	

WALKER APPRAISAL ASSOCIATES, INC.

The foregoing units varied in size from 950 square feet to 2,400 square feet typically, with exceptions both smaller and larger.

The sale prices of the dwelling units on a square foot basis varied from \$55.00 to \$115.00 per square foot, again dependent on the amenities and location.

Based on an analysis of the subject project, the sale prices should be between \$65.00 and \$66.00 per square foot (Gross).

Estimated Sales Prices

Range: \$85,500 to \$88,250 (Typically)

The units would be 1300 to 1350 square feet in size, with a density of over 7 units to the acre.

Breakdown

		<u>1300 S.F.</u>	<u>1350 S.F.</u>
<u>Rate/S.F.</u>	\$55.00	\$71,500.	\$74,250.
<u>Site Work & Common Elements</u>	\$2,000/unit	2,000.	2,000.
<u>Land Value/Unit</u>	\$12,000/unit	<u>12,000.</u>	<u>12,000.</u>
<u>Total</u>		<u>\$85,500.</u>	<u>\$88,250.</u>
<u>Note</u> (Rates Overall)		\$65.77/S.F.	\$65.37/S.F.

Absorption

Absorption rates for the proposed subject tract is difficult due to there being no townhouse developments of this type and scope in the immediate area, however, considering both the "positive" and the "detrimental" aspects of the complex, a judgement can be made utilizing the experience of developers in these other areas.

There is a demand for housing under \$90,000 in the northern portion of Monmouth County, and provided proper promotion and typical financing is available, due to limited supply, these units should sell over a four year period.

WALKER APPRAISAL ASSOCIATES, INC.

Example

Total No. of Units: 468

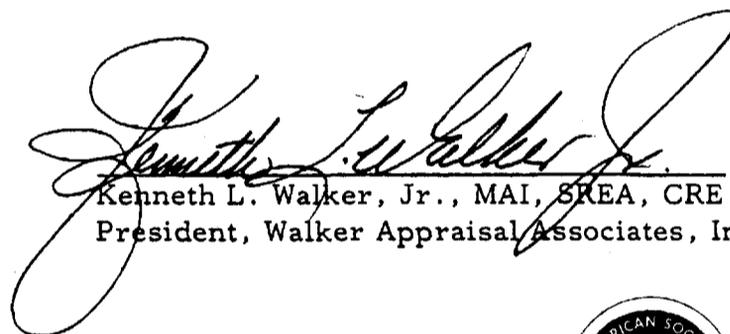
	<u>Units</u>	
1st year: 25%	117	2.25/week
2nd year: 30%	140	2.70/week
3rd year: 30%	141	2.70/week
*4th year: 15%	<u>70</u>	1.40/week
Total	468	(average 2.26/week)

*Note: It is assumed that the units adjoining the low and moderate income housing will sell at the end of the selling term.

All statements and data in this report are, to the best of my knowledge and belief, true and correct, and that no effort has been made to overlook or hide important or pertinent information.

Date:

Oct. 30, 1984


Kenneth L. Walker, Jr., MAI, SREA, CRE
President, Walker Appraisal Associates, Inc.



ASSUMPTIONS AND LIMITING CONDITIONS

The legal description used in this report is assumed to be correct.

No survey of the property has been made by the appraiser and no responsibility is assumed in connection with such matters. Sketches in this report are included only to assist the reader in visualizing the property.

No responsibility is assumed for matters of a legal nature affecting title to the property nor is an opinion of title rendered. The title is assumed to be good and merchantable.

Information furnished by others is assumed to be true, correct, and reliable. A reasonable effort has been made to verify such information; however, no responsibility for its accuracy is assumed by the appraiser.

All mortgages, liens, encumbrances, leases and servitudes have been disregarded unless so specified within the report. The property is appraised as though under responsible ownership and competent management.

It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.

It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless non-compliance is stated, defined and considered in the appraisal report.

It is assumed that all required licenses, consents or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

It is assumed that the utilization of the land and improvements is within the boundaries of property lines of the property described and there there is no encroachment or trespass unless noted within the report.

The appraiser will not be required to give testimony or appear in court because of having made this appraisal, with reference to the property in question, unless arrangements have been previously made therefor.

Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any persons other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with property written qualification and only in its entirety.

The distribution of the total valuation in this report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.

Neither all nor any part of the contents of this report, or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales or any other media without written consent and approval of the appraiser. Nor shall the appraiser, firm or professional organization of which the appraiser is a member be identified without written consent of the appraiser.

My investigation makes it reasonable to assume, for appraisal purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the appraised premises.

Qualifications

Kenneth Lawrence Walker, Jr., MAI, SREA

Resides: #37 Bttonwood Drive, Shrewsbury, New Jersey.

Offices: #661 Broad Street, Shrewsbury, NJ and #2068 Route #35, Holmdel, NJ.

Affiliations (Professional)

Member of the Appraisal Institute, American Institute of Real Estate Appraisers - President 1977-NJ Chapter #1 AIREA
Member, Governing Council AIREA
Senior Real Estate Analyst, Society of Real Estate Appraisers
Past President Central Jersey Chapter, SREA
Past President New Jersey Association of Realtors
Past Regional Vice President of the National Association of Realtors
Director, National Association of Realtors
Member Executive Committee, N.A.R.
Past President, Monmouth County Board of Realtors
Member Garden State Chapter, American Right-of-Way Association
Member, Urban Land Institute

Education:

Graduate Red Bank High School, Red Bank, New Jersey
Attended Monmouth College, West Long Branch, New Jersey
American Institute of Real Estate Appraisers Courses Urban I and II, N. Y. U., New York.
Principles and Techniques Course of the Society of Real Estate Appraisers and many Seminars.
American Savings and Loan Institute Appraisal Course, Instructor.
Condemnation Course #4, New York, New York

Experience:

Real Estate Salesman 1949 - 1966
Real Estate Broker and Appraiser since 1952
Partner, Walker & Walker, 1952-1966
President, Walker & Walker, since 1966
President of Imperial Exchange Corp., since 1961.

Partial List of Clients:

Veterans Administration	Federal Housing Administration
General Motors Corp.	International Flavors & Fragrances
US Steel Corporation	International Business Machines Co.
Humble Oil Company	New Jersey State Hospital, Marlboro
Ford Motor Company	Minnesota Mining & Manufacturing Co.
Western Electric Company	Westinghouse Electric Corporation
Studebaker - Packard Company	Jersey Central Power & Light
County of Monmouth	Monmouth Consolidated Water Co.
Continental Insurance Company	Pine Brook Sewer Company
County of Ocean	N. E. Monmouth Co. Regional Sewer Authority
Diamond Alkali Company	General Foods Corporation
Koppers Company	New Jersey Highway Authority
Bendix Aviation	State of New Jersey
Mobil Oil Company	Green Acres Program (New Jersey)
American Can Company	Central Railroad of New Jersey
Ocean County Sewerage Auth.	New Jersey Turnpike Authority

Municipalities: Red Bank Boro
Hazlet Township
Tinton Falls
Shrewsbury Boro
City of Long Branch
City of Asbury Park
Township of Shrewsbury
Boro of Fair Haven
Township of Holmdel
Township of Colts Neck
Boro of Neptune City
Little Silver Boro
Wall Township
Brielle Boro
Eatontown Boro
Middletown Township
Boro of Rumson
Boro of Manasquan
Township of Neptune

School Boards

Raritan Township
Colts Neck Township
Long Branch
Holmdel Township
Eatontown Boro
Red Bank Regional

Financial Institutions:

The Provident Institution for Savings in Jersey City, New Jersey.
The Central Jersey Bank, Freehold, New Jersey.
The Keystone Savings and Loan Association, Asbury Park, NJ.
The First Federal Savings and Loan, New York, New York.
The Shadow Lawn Savings and Loan, West Long Branch, New Jersey.
The Metropolitan Federal Savings and Loan, Jersey City, NJ.
The Fidelity Union Trust Company, Newark, New Jersey.
The National State Bank, Elizabeth, New Jersey.
The Pulaski Savings and Loan, Irvington, New Jersey.
The Summit Trust Company, Summit, New Jersey.
The Orange Savings Bank, Orange, New Jersey.
The Stability Savings and Loan, Freehold, New Jersey.
The Franklin Bank, Paterson, New Jersey.
The Midlantic National Bank, Neptune, New Jersey.

Court Testimony as Expert before:

Bureau of Public Utilities, State of New Jersey.
Many Condemnation Commissions
Department of Banking, State of New Jersey.
Monmouth County Tax Board.
New Jersey State Division of Tax Appeals & N. J. Tax Court.
Superior Courts in Monmouth, Middlesex, Ocean and Essex Counties.
U. S. Federal Tax Court, New York City, New York.

Affiliations (Personal)

Former Member Shrewsbury Boro Council
Former Member Shrewsbury Planning Board
Former Vice Chairman Shrewsbury Industrial Commission.
Past President Shrewsbury Community Appeal.
Past President Red Bank Kiwanis Club.
Past President, Shrewsbury Business & Professional Association.