



Real Estate Appraisers  
& Consultants

Consulting Assignment\  
Proposed 125,758 SF Self-Storage Facility  
547 Crab Creek Rd., Hendersonville Area of  
Henderson County, NC 28739

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July 27, 2021

Nina deCordova and Fritz McPhail  
Crab Creek Preservation Society  
P.O. Box 418  
Flat Rock, NC 28731

Re: A Consulting Assignment related to a 125,758 SF self-storage facility proposed for a 9.3-acre site located at 547 Crab Creek Rd., several miles outside of the City Limits of Hendersonville in Hendersonville County, NC

Dear Ms. DeCordova and Mr. McPhail;

At your request, I have prepared a consulting report of the above referenced property. The date of the report is July 27, 2021. The client is Crab Creek Preservation Society, and the purpose of this assignment is to form an opinion as to the possible reduction in surrounding property values as a result of the construction of the proposed self-storage facility at 547 Crab Creek Rd., Hendersonville, Henderson County, NC. It is my understanding that the client will present the report at a Henderson County Zoning Board of Adjustment Meeting on July 28, 2021. The Zoning Board is considering a permit application for a self-storage facility at 547 Crab Creek in Henderson County, NC

The subject of this appraisal is a 125,758 SF self-storage facility proposed for a 9.3-acre site, located on the south side of Crab Creek Rd, at Curtis Dr. in Henderson County, NC. The property is several miles from the Hendersonville City Limits. The physical address of the subject is 547 Crab Creek Rd., Hendersonville, NC 28739. The subject is further identified by the Hendersonville County Tax Assessor as Parcel 946-83-9038.

The subject site is owned by 547 Crab Creek, LLC which purchased the property from DECO Motive Design, LLC (DECO) on 5/13/2021 at \$277,000. This transaction is recorded in the Henderson County Register of Deeds in Deed Book 003710, page 00117. I was not able to obtain a copy of the deed on-line. DECO purchased the property from Paul Orr on 8/4/2016 at \$286,000 (Deed 001674-00103). There have been no other transfers of the subject in the last three years, and the owner plans to develop a self-storage facility on the site.

It should be noted, that DECO Motive Design, LLC owns the adjacent 5.41-acre tract that is improved with a 20,928 SF metal building constructed in 2004. This property was purchased from Joseph A Petree, III as Trustee at \$1,100,000 on 2/5/2015 (Deed 001650-00243). To my knowledge, this property is under contract of sale to the subject property owner; however, I have no details of the terms.



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I am not responsible for the unauthorized use of this consulting report by a third party. This report is prepared for the exclusive use of the client, and the information and opinions contained therein are based on the data cited in the aforementioned consulting report.

I certify that to the best of my knowledge and belief, the statements and opinions contained in this report are full, true and correct. I certify that I have no interest in the subject property, and that neither the employment to make this review nor the compensation is contingent upon my conclusions.

This consulting assignment was not made nor the assignment rendered on the basis of a requested minimum valuation, specific valuation or an amount that would result in the approval of a loan. This review is intended to meet the requirements of Title XI of the Financial Institution Reform, Recovery and Enforcement Act (FIRREA) of 1989, Public Law and FDIC: 12 CFR part 323 standards.

I also certify that neither Raymond L. Murphy, MAI, SRA, AI-GRS nor Murphy Hays & Associates, LLC have ever appraised the subject property.

Thank you for this assignment. Should you have any questions, please contact me.

Sincerely,

A handwritten signature in cursive script that reads 'Raymond L. Murphy'.

Raymond L. Murphy, MAI, SRA, AI-GRS  
Licensed Certified General Real Estate Appraiser SC No. CG 241  
Licensed Certified General Real Estate Appraiser NC No. A1813

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**MURPHY HAYS & ASSOCIATES, LLC**  
5139 Celtic Dr.  
North Charleston, SC 29405

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## PHYSICAL DESCRIPTIONS OF THE SITE AND PROPOSED IMPROVEMENTS

The site has a nearly rectangular shape; it is cleared, and the rear property line appears to conform to the bank of Mud Creek. The front of the site rises slightly from Crab Creek Rd, and the rear of the site slopes down to the creek. Public water and sewer are not available to the subject site, and the site will be served by a proposed well and septic system. According to Henderson County records, the subject is not located in the 100-year flood plain.

The site is zoned R2R, Residential District Two Rural by Henderson County. According to Henderson County Zoning, “The purpose of Residential District Two Rural (R2R) is to foster orderly growth where the principal use of land is residential. The intent of this district is to allow for low to medium density residential development consistent with the recommendations of the Comprehensive Plan. **It is also the intent of this district to allow for flexibility in the continuation of existing nonresidential uses. This general use district is typically meant to be utilized in areas designated as Transitional (RTA) in the Comprehensive Plan.**”

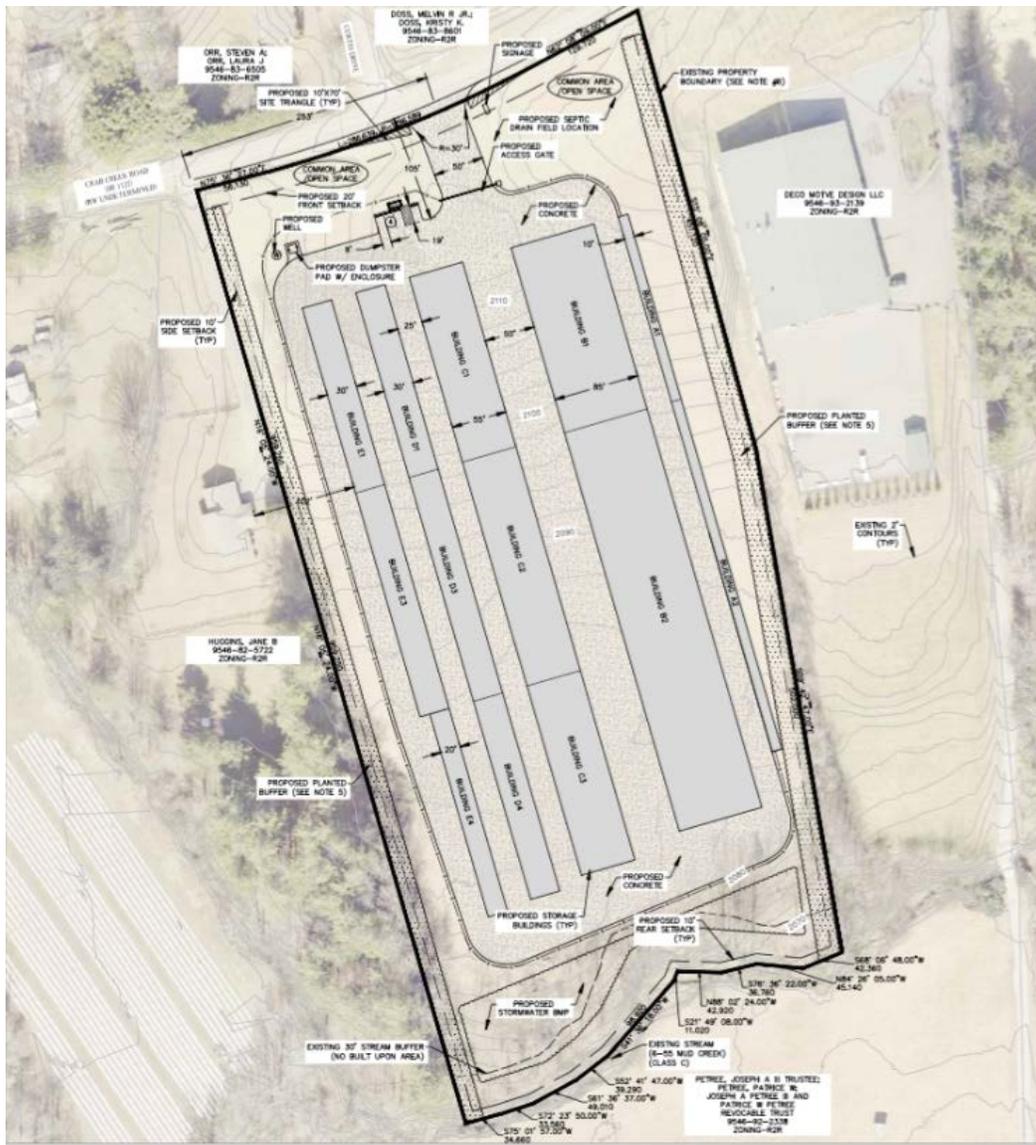
The proposed self-storage site is located at 547 Crab Creek Road, at the intersection of Curtis Drive and Crab Creek Road. When fully built, the proposed facility would include 125,758 square feet of indoor storage space, as well as outdoor storage for recreational vehicles and pleasure boats. The site contains roughly 9.53 acres; however, disturbance would take place across 7.45 acres. There would be buffers along the east and west property lines, with the numbers of evergreen and deciduous trees dictated by county ordinance. The site plan appears to show additional buffering at the northern property line, but there is no mention of it in the written text. Storm water controls would run along the site’s southern border. Proposed lighting would be 8’ in height with dusk to dawn sensors to prevent nighttime light pollution. No commercial enterprises could be conducted from the storage bays, with both wholesale and retail trade prohibited.

## NEIGHBORHOOD

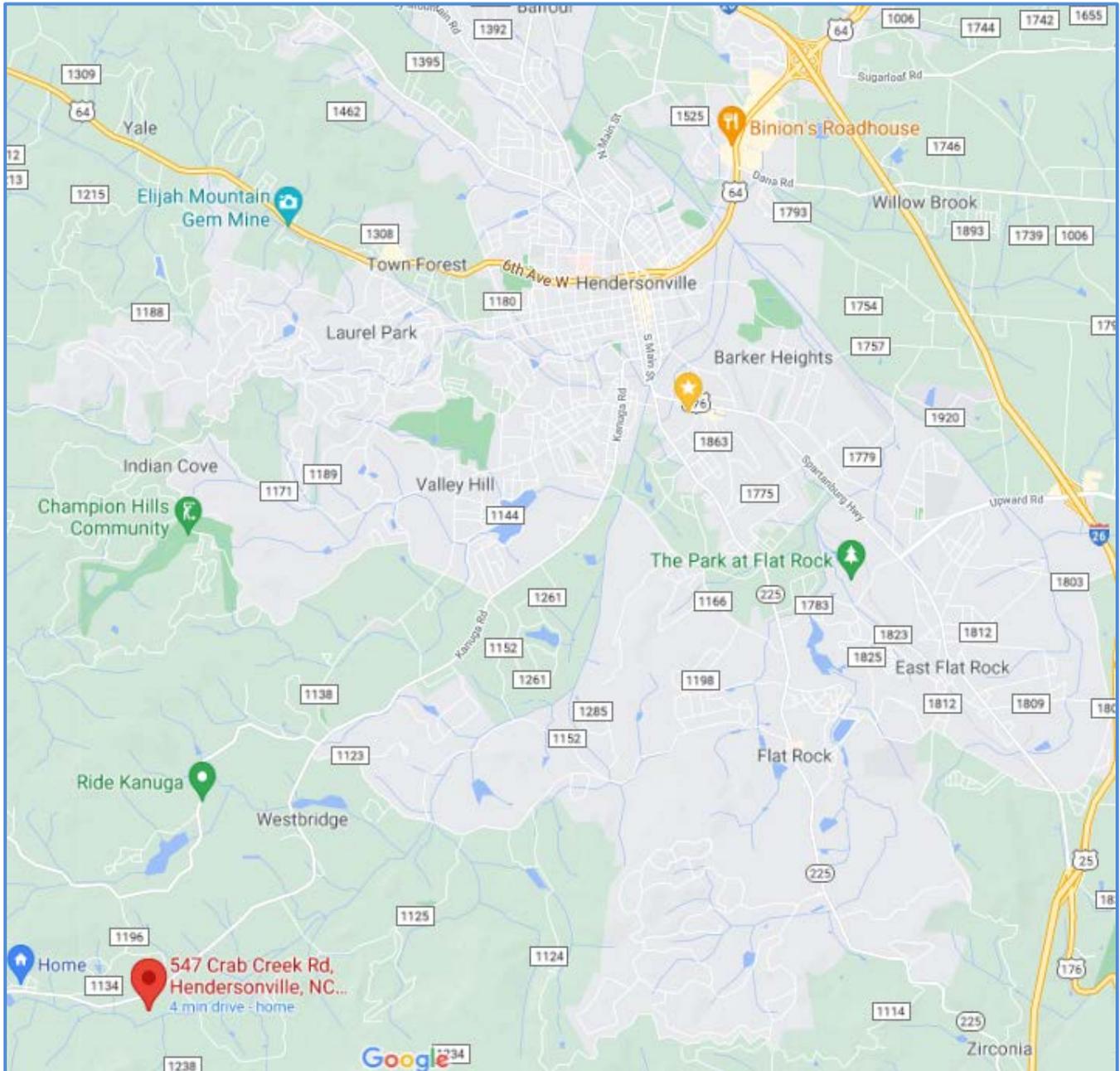
Kanuga Rd. extends south from The City of Hendersonville and becomes Crab Creek Rd. at its intersection with Little River Rd. which extends to the Historic Town of Flat Rock. Crab Creek Rd. is rural residential for approximately 12 miles where it terminates at SC Hwy 64. It is important to note that there are no conventional urban or suburban commercial uses anywhere along Crab Creek Rd. The south side of the road looking towards Pinnacle Mountain is characterized by agricultural uses and low density middle income residential dwellings and scattered mobile homes. The north side of the road is comprised of vacant land, mountainside dwellings, many of which are located in small subdivisions and large estates. There are also several local farm related fruit and vegetable stands, a church, a catfish farm and the Blue Star summer camp for children on Crab Creek Road. In summary, Crab Creek Rd. is a beautiful unspoiled rural/residential road that serves as a gateway from Hendersonville to the DuPont State Forest, Holmes Educational Forest and Pisgah National Forest. Except for an occasional new house, nothing has changed in the neighborhood for at least the last five years.

The subject site is adjacent to a 20,928 SF metal warehouse building situated on 5.41-acre site. The building was constructed in 2004, and I have been told on several occasions that it was owned by a NASCAR driver and used for personal storage. I have also been told that the building has been used as a residence. To my knowledge, it has never been used for commercial retail, wholesale, or distribution use. The property is fenced; it has a security gate, it is attractively landscaped, and it is well maintained. Very few people if any come and go from the property.

### Site Plan



**Regional Map**



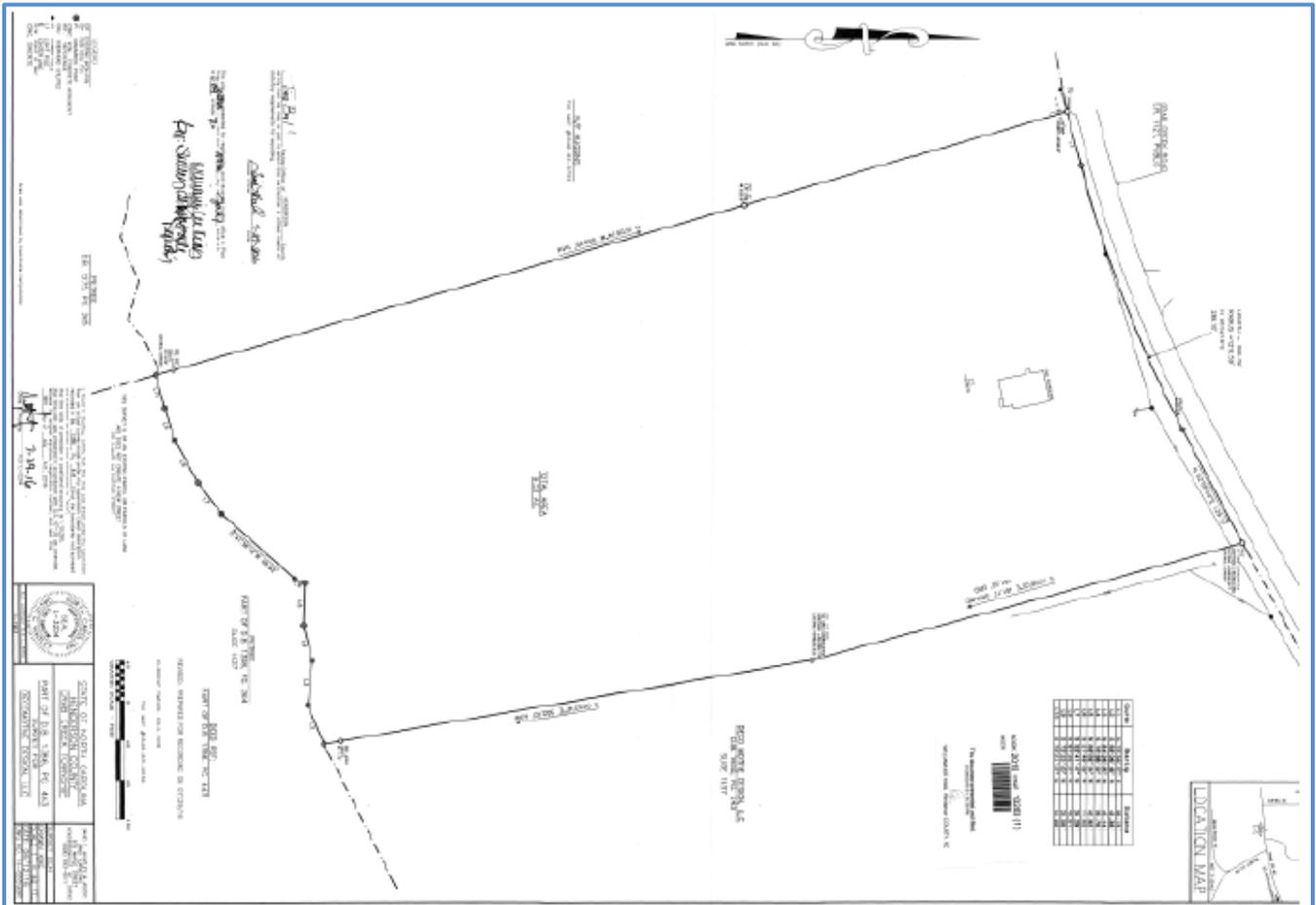
**Neighborhood Map**



**Aerial Photograph**



**Plat**

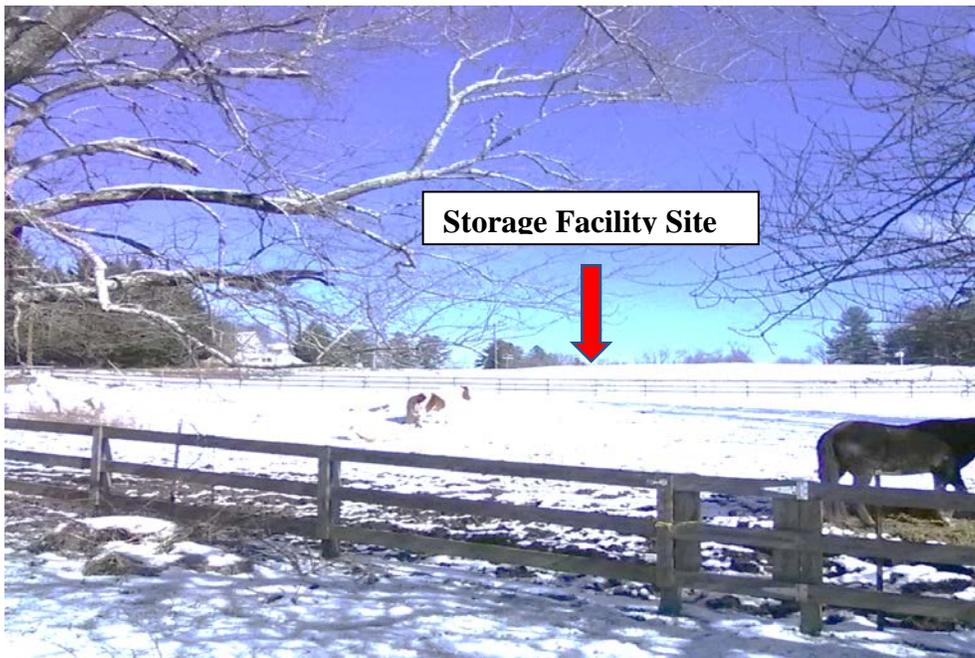


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**Photographs**



**Figure 1. Current View from 4 Conger Road**



**Figure 2. Current (Winter) View from 571 Crab Creek Road**



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## SCOPE OF WORK

Using online research tools provided by the Appraisal Institute, the nation's largest association of professional real estate appraisers, I searched for relevant data. I searched with the Appraisal Institute's head librarian, who did his own searches and provided additional studies. I then conferred with other experts in the field, including the PhD author of the Appraisal Institute's textbook on reduction in property value, titled *Real Property Damages*. I personally visited the storage facility site and either personally visited or studied photographs taken from several of the properties mentioned below. I also referred to news articles on dangers associated with storage facilities and photographs of another storage facility owned by the permit applicant, which is located at 3414 Chimney Rock Road, Hendersonville, North Carolina. Conclusions in this report were drawn from the research described above, as well as 35 years as a working appraiser and 28 years with the MAI designation. Further, I have owned and occupied a residence on Crab Creek Rd. full time since 2017.

According to a research article entitled The Impact of View on the Value of Vacant Residential Lots written by R.M. Potgieter and C.E. Cloete and published in the Fall 2010 edition of the Appraisal Journal the authors concluded the following:

*A view has a positive impact on residential property values irrespective of the direction of such a view. The study clearly indicated that people are willing to pay more for properties with a view regardless the direction of the view.*

A second research article entitled The Million Dollar View: A Study of Golf Course, Mountain and Lake Lots written by David Wyman and Stephen Sperry and published in the Spring 2010 edition of the Appraisal Journal concluded the following:

*This is the first academic study to explicitly model different golf course, lake, mountain, and lakefront views and thereby adds further evidence to the growing research on the value of a view. It reaffirms previous studies that have shown a hierarchy in the pricing of views, with premiums ranging from 42% for fairway views, 85% for prime golf course views, 94% for lake views, and 133% for lake and mountain views compared to interior lots. The price premiums for cove, deep water, and point lakefront lots were 124%, 219%, and 287%, respectively. These results suggest that appraisers, tax assessors, and real estate agents need to ensure that the view premium is accurately represented in their pricing models.*

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## RESIDENTIAL NEIGHBORHOODS POTENTIALLY AFFECTED

Below are residential neighborhoods whose value could be affected by the storage facility:

- ◆ Just north of the proposed site, across Crab Creek Road, is a subdivision called Pinnacle View containing 20 lots. Pinnacle View is mostly built out.
- ◆ Directly west of the property are two homes that each have a direct view of the site.
- ◆ Southeast of the proposed site are homes at higher elevations that look down on the site.
- ◆ Southeast of the site is another subdivision called Valley View Farms with 34 lots. Valley View Farms is roughly one-third built out. View Farms is one of several subdivisions southwest of the subject, portions of which could be affected in some fashion by the storage facility.

◆



Pinnacle View



Valley View Farms





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## CONCERNS RELATED TO VIEW DIMINUTION

Many research studies attempt to quantify increases in the value of residential property based on its view of a natural landscape unobstructed by commercial or industrial land uses. Other studies attempt to quantify “view diminution” — the decrease in value that occurs when a property wholly or partially loses its natural view or an undesirable element is introduced into an otherwise desirable view. Such is the case with the subject.

**If a storage facility were built at the proposed location, it would significantly injure the value of at least five nearby residential properties because of view diminution. These properties include three parcels in the Pinnacle View subdivision: 1 Curtis Drive, 4 Conger Drive, and 6 Conger Drive.** They are directly across Crab Creek Road from the proposed storage facility and currently enjoy an unobstructed view of Pinnacle Mountain. These three properties are elevated above the proposed site, so they would not necessarily benefit from any landscaping that might be used to screen the north side of the facility. Further, the site map indicates that 4 Conger Drive would have a sight line down the driveway of the facility, which landscaping would not conceal. See photos for the view from 4 Conger Drive.

**Two properties to the west of the proposed storage facility would also suffer significant injuries to value based on view diminution: 571 Crab Creek Road and 565 Crab Creek Road.** As shown below, the view from 565 Crab Creek Road would be particularly impaired, as the facility would be so close to the property line that it would entirely obscure the primary view from that property.



### CONCERNS RELATED TO STIGMA

In addition to view diminution, residential property values near the proposed site could decrease simply because of proximity to the storage facility. In residential areas, stigma can be associated with the intrusion of non-residential land uses, particularly land uses perceived as unsafe or unsightly.

News articles document various safety concerns associated with storage facilities, including the frequency of criminal activity (including drug storage), storage of hazardous and/or flammable chemicals, and large-scale fires which, in a dry season, can spread to nearby structures. According to local authorities, homes in Crab Creek are already vulnerable to fire damage because there are no nearby water sources. Firefighters must relay small quantities of water from a distance, so can't always stop a blaze from destroying a structure.



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Increased traffic is another safety consideration. As detailed in the traffic analysis performed by Richard Hall, the storage facility would draw additional vehicles to an already-crowded stretch of Crab Creek Road between two sharp curves where fatalities have already occurred. This traffic would include large trucks rented by drivers who are not experienced in handling such vehicles

When a nearby non-residential land use is perceived as unsafe or unsightly, residential buyers prefer comparable properties elsewhere. The resulting decrease in residential property value has been rigorously quantified for certain unsafe/unsightly land uses. (See Appendix.) It is not possible to extrapolate from these studies to quantify the exact decrease in Crab Creek residential property values due to this storage facility. Nonetheless, by analogy from these studies and based on the author's extensive professional experience, the decrease in value would be significant in these areas:

Just north of the proposed site, across Crab Creek Road, in Pinnacle View, with 20 lots and directly west of the site, at 565 and 571 Crab Creek Road.

Note: stigma from a land use that is perceived as unsafe and/or unsightly reduces residential property value regardless of whether the property experiences any view diminution. In other words, properties in Pinnacle View and possibly portions of Valley View Farms that have no sight line to the proposed facility would still experience a decrease in value simply because of stigma associated with the storage facility.

## **POTENTIAL FOR ADDITIONAL IMPACT**

The analysis above focuses entirely on the storage facility proposed for 547 Crab Creek Road. It does not take into account the possibility of additional commercial and/or light industrial development that might occur along Crab Creek Road because of the precedent set by approval of the storage facility.

The permit applicant owns another storage facility at 3414 Chimney Rock Road. Around the Chimney Rock storage facility, six additional commercial uses are clustered, including a Dollar General. No discernable design principles are at work in this grouping of industrial/commercial uses, nor is there any significant landscaping. Four separate curb cuts exit onto a high-speed rural road, raising safety concerns.

**If the storage facility permit is granted for 547 Crab Creek Road and similar strip commercial development occurs along Crab Creek Road, additional residential properties will be affected by view diminution and by the stigma of non-residential intrusion into a rural residential area.**

## **LIMITATIONS IN THE RESEARCH DATA**

Studies exist that examine the effect on residential property values of nearby commercial or light industrial land uses, but every study of this sort that I reviewed examined residential values in urban, mixed-use areas. In urban, mixed-use areas, the introduction of a new commercial or light industrial use *does not significantly change the landscape* — so does not significantly change residential property value.



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The urban, mixed-use landscape in which these studies were conducted stands in stark contrast to Crab Creek. Crab Creek is an exceptionally rare commodity in today's real estate market: an attractive, high-value, rural residential and agricultural area. En route to DuPont Forest, nestled between Pinnacle Mountain and Jeter Mountain, flanked by Kanuga Conference Center, four large youth camps, and extensive private landholdings. Crab Creek is surrounded by tens of thousands of acres of wild land, and Crab Creek also features hundreds of acres that are still in active agricultural use. Every aspect of Crab Creek's landscape is in high demand in today's market. No wonder small starter homes in this area now sell for more than \$400,000.

Due to the rural nature of this area of Crab Creek, it was impossible to find research data from situations that are genuinely analogous. There are few if any instances, nationwide, where a sizable light-industrial use has been permitted in such a high-value rural residential setting. **If the permit applicant claims to have found studies that are analogous to Crab Creek, these studies must be carefully examined. They likely concern urban, mixed-use settings, and therefore are not comparable on the situation at hand.**

## CONCLUSIONS

**In my opinion, there is no question that locating the facility proposed by the permit applicant at 547 Crab Creek Road would substantially injure the value of residential property in the area, particularly the properties associated with: 1 Curtis Drive, 4 Conger Drive, 6 Conger Drive, 571 Crab Creek Road and 565 Crab Creek Road.**

- ◆ View diminution alone would have a significant impact on the value of at least five properties.
- ◆ Stigma associated with the storage facility would have a significant impact on property values in at least two neighborhoods in close proximity to the facility.
- ◆ Reductions in value would spread to even more properties if permitting the storage facility set a precedent, allowing strip commercial to spread along Crab Creek Road as it has near the permit applicant's other storage facility on Chimney Rock Road.

Furthermore, substantial injury to area property values would still occur even if conditions were attached to the permit. Larger buffers and more trees could possibly soften the impact on two residential properties at the same elevation as the facility (571 and 565 Crab Creek Road). But the three other properties in Pinnacle View whose addresses are specified in this report are at a higher elevation, looking down on the facility.



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As regards to Zoning, the following is worth repeating.

“The purpose of Residential District Two Rural (R2R) is to foster orderly growth where the principal use of land is residential. The intent of this district is to allow for low to medium density residential development consistent with the recommendations of the Comprehensive Plan. It is also the intent of this district to allow for flexibility in the continuation of existing nonresidential uses. This general use district is typically meant to be utilized in areas designated as Transitional (RTA) in the Comprehensive Plan.”

Crab Creek is not even close to being in transition from rural residential to light industrial or commercial.

## **ADDENDA**

Certification of Appraisal  
General Assumptions and Limiting Conditions  
Appraiser’s Qualifications  
Annotated Bibliography



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## Certification of Appraisal

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- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of the work under review and no personal interest with respect to the parties involved.
- I have performed no other services, as an appraiser or in any other capacity, regarding the property that is the subject of the work under review within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of the work under review or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in this review or from its use.
- My compensation for completing this assignment is not contingent upon the development or reporting of predetermined assignment results or assignment results that favors the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal review.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- I have not made a personal inspection of the subject of the work under review.
- No one provided significant appraisal, appraisal review, or appraisal consulting assistance to the person signing this certification.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

- As of the date of this report, I have completed the continuing education program for Designated Members of the Appraisal Institute.

*Raymond L. Murphy*

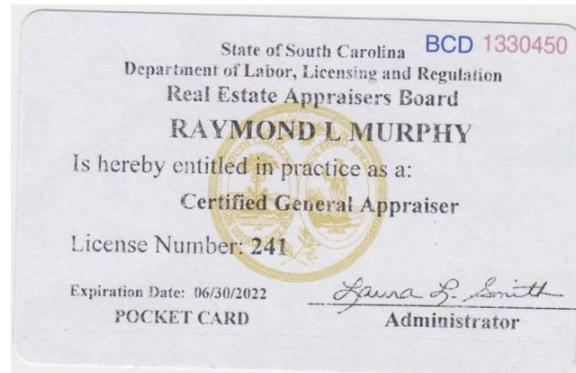
Raymond L. Murphy, MAI, SRA, AI-GRS

Licenses

North Carolina



South Carolina





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## General Assumptions and Limiting Conditions

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This appraisal report is subject to the following conditions and assumptions:

1. No responsibility is assumed for matters of a legal nature affecting the property appraised or the title thereto, nor is any opinion rendered as to the title, which is assumed to be good and marketable.
2. All existing liens and encumbrances have been disregarded unless otherwise stated, and the property is appraised as though free and clear. Management and ownership are assumed to be in competent hands.
3. Any sketch in the report may show approximate dimensions and is included to assist the reader in visualizing the property. The appraiser has not made a survey of the property.
4. The appraiser is not required to give testimony in court because of having made this appraisal report, unless previous arrangements have been made.
5. Value distributions, as outlined in this report, serve as a basis for distribution of total valuation and should not be quoted separately.
6. The appraiser assumes 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 the engineering studies that might be required to discover such factors.
7. Information, estimates, and opinions furnished to the appraiser, and contained in the report, were obtained from sources deemed to be reliable and believed to be true and correct. However, no responsibility for accuracy of such items can be assumed by the appraiser.
8. Disclosure of the contents of this appraisal report is governed by the Bylaws and Regulations of the Appraisal Institute.
9. Neither all or any part of the contents of this report (including conclusions as to value, the identity of the appraiser or appraisal firm, reference to the Appraisal Institute or to the MAI or SRA designations) shall be disseminated to the public through advertising media, public relations media, news media, sales media, or any other public means of communication without the prior consent and approval of the appraiser.
10. Any or incomplete improvements included in this report are assumed to be satisfactorily completed within a reasonable length of time and in accordance with the plans and specifications submitted and in a workmanlike manner.
11. It is assumed that all national, state, county and laws, ordinances and restrictions have been complied with.
12. No consideration has been given to minerals or to mineral rights unless otherwise indicated. No soil analysis or soil boring tests have been made unless otherwise specifically stated. Observations as to soil type are based on general observations and should not be construed as technically correct, unless otherwise indicated.

13. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. However, the appraiser is not qualified to detect such substances. The presence of such substances as asbestos, urea-formaldehyde foam insulation and/or radon gas or other such potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there are no such materials on or in the property that would cause a loss in value. No responsibility is assumed for such conditions, or for the expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
14. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.
15. The consideration indicated by the deeds of all comparables sales are reflective of the actual dollar amount of the transaction, unless otherwise noted.
16. This report assumes that there are no zoning violations or restrictions existing in the subject, and no encroachments, unless otherwise noted. Furthermore, we make no guarantees as to whether or not zoning would allow the existing improvements (or similar improvements) to be rebuilt in the event they are partially or entirely damaged/destroyed.
17. Should the appraiser be required to appear or give testimony in any court, regulatory, or other proceeding, this service is not included in the fee for this appraisal. Furthermore, any conference or preparation for any such proceeding is also not included in the fee for this appraisal. If any appraiser, partner, or employee of Murphy, Hays & Associates, LLC is required to testify or appear at any trial, deposition, or other proceeding about any element of this assignment, the client shall compensate the appraiser for the time spent for preparation and/or appearing/testifying. The fee shall be based upon the appraiser's current hourly rate plus reimbursement of expenses.
18. The value opinions in this report are based on the dates of value set forth in this appraisal. We are not responsible for any physical or economic factors that occur at a later date, which may affect the opinions stated in the report. Any projections, forecasts, or operating estimates in this report are based on current market conditions and anticipated short-term supply and demand factors and are subject to change with future conditions.
19. Any information, opinions, or estimates obtained from sources outside of this office are deemed reliable, and the appraiser does not assume liability for them.
20. We do not warrant any matters of expertise that would require specialized investigation or knowledge not typically employed by real estate appraisers, including but not limited to legal, survey, structural, environmental, pest control, mechanical, etc.
21. The client has sole discretion of the distribution of this report; however, no third parties may rely upon the contents of this appraisal unless stated as intended user in this report. The client shall not distribute portions, or partial copies of the appraisal report to any third parties.



22. Unless noted in this report, this appraisal assumes the subject is not located in an area where mandatory flood insurance is required. Furthermore, we make no guarantee regarding the presence of non-tidal wetlands on the property, as we are not licensed surveyors and not qualified to make this determination.
23. We inspected the land and improvements as outlined in this appraisal. We have not observed subsoil conditions or hidden structural components within any of the improvements. Any damage noted during the inspection has been reported as a matter of information; however, no guarantee as to the amount and extent of the damage is implied. Heating, cooling, ventilation, electrical, plumbing, and other mechanical systems are assumed to be commensurate with the condition of the balance of the improvements unless otherwise stated.
24. This appraisal does not guarantee compliance with zoning, building codes, or life safety code requirements of the governing jurisdictions.
25. This appraisal is based on the land and building improvements only. We have not considered any furnishings, trade fixtures, equipment, or subsurface rights, unless specifically stated in the report.
26. When included in the appraisal, insurable value estimates are developed consistent with industry practices. However, the actual local and regional construction costs may vary significantly from our estimate and the specific exclusions and non-insurable items related to individual insurance policies may also vary. For this reason, we recommend the client obtain estimates of insurable value from professionals experienced in establishing insurance coverage. Our estimate of insurable value should not be used to determine the amount of insurance coverage required for the subject improvements, and we make no warranties regarding the accuracy of this estimate. Furthermore, we assume no liability for the usage of this figure.
27. Any physical measurement of the improvements performed by the appraiser are in accordance with typical appraisal industry methods. However, several factors may limit the reliability of our measurement including, but not limited to, limited access to portions of the property, multi-story buildings, furniture, landscaping, uneven surfaces, irregular wall angles, etc. Our measurement and any accompanying sketches in this report are deemed to be reasonably reliable; however, we cannot guarantee their accuracy. Should the client require a greater level of measuring detail, we highly recommend they retain the services of a qualified professional (building engineer, space planner, or architect).
28. When the client of this report includes either successors, assigns, or affiliates, these parties are limited to other financial institutions involved in the lending process for the subject property. Other parties including, but not limited to, borrowers, buyers, and sellers of the subject property are not considered to be successors, assigns, or affiliates, and they are not authorized to use this report. Should any parties other than those named as clients obtain a copy of this report, we are not liable for any damages that could arise from their usage of this report.
29. Unless otherwise noted, I have assumed that all heated and cooled space included in the square footage is in compliance with building codes and is legal permitted space. I'm not qualified to determine whether or not the various components of the improvements are built to current code, and it is beyond the scope of this appraisal to confirm that all finished space (including expansions/additions/conversions) was permitted by local authorities.
30. An appraisal is an opinion of market value, and different appraisers may conclude different values for a specific property. As such, we recommend that multiple appraisals are obtained when the intended use is to negotiate a sale price. If the intended use of this appraisal is for anything other than establishing a purchase price, it is strictly prohibited to use this report for determining an appropriate sale price of the property, and we accept no liability for that type of usage.



31. The specific utilities/systems (public water, public sewer, well, septic system, etc.) that are available to or present on the subject site are not always apparent, and the utilities/systems indicated by this report can be based on several factors including the appraisal inspection, a listing of the subject (or similar properties in the area), and/or information provided by owners/agents. We do not guarantee the accuracy of the available or existing utilities/systems indicated in this report, and the presence of said utilities/systems should be confirmed by any relevant parties (client, borrower, etc.) if deemed important.
32. It is assumed that the property is in full compliance with applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal.
33. If a renovation is planned and the cost exceeds 50% of the market value of the improvements, the governing authority may require that the property be renovated to current code and zoning. If any renovation/addition is considered in this appraisal, it is assumed that the project has already been approved (or will be permitted) by the governing authority unless stated otherwise. This same assumption applies to any new construction/development on the property. It is beyond the scope of this appraisal to determine whether or not any proposed renovation/addition or new construction will be permitted by the governing authority, and I make no guarantees regarding this matter.



## APPRAISER'S QUALIFICATIONS

**Raymond L. Murphy, MAI, SRA, AI-GRS**

### **BIOGRAPHY**

I am a principal partner in Murphy Hays & Associates, LLC (formerly R. L. Murphy & Associates, Inc.), a commercial real estate appraisal firm created in Charleston, SC in 2015. I began my appraisal career in 1986, received my SRA designation from the Appraisal Institute in 1989, received my MAI designation in 1993 and received my AI-GRS designation in 2016. I formed R. L. Murphy & Associates, Inc. in 1996 and Murphy Hays & Associates, LLC in 2015. I am a Certified General Appraiser licensed in SC and NC.

### **PRIMARY SERVICE AREAS**

Charleston County, SC  
Dorchester County, SC  
Berkeley County, SC  
Beaufort County, SC  
Jasper County, SC

### **SECONDARY SERVICE AREAS**

Georgetown County, SC  
Horry County, SC  
Allendale County, SC  
Barnwell County, SC  
Hampton County, SC

### **EDUCATION**

I am a graduate of the University of South Carolina with a BA degree. The courses and seminars I have attended since 1986 are too numerous to list; however, I have taken the "Yellow Book" course from the Appraisal Institute allowing me to work for the Federal Government. I certify that I have completed the requirements under the continuing education program of the Appraisal Institute.

### **PROFESSIONAL AFFILIATIONS**

#### **Appraisal Institute - South Carolina Chapter**

Board of Directors - 2010  
Chapter President - 2009  
Chapter 1<sup>st</sup> Vice President - 2008  
Chapter 2<sup>nd</sup> Vice President - 2007  
Chapter Treasurer - 2006  
Chapter Secretary - 2005  
Past Chairman - Budget & Finance Committee  
Chairman - Budget & Finance Committee - 2011  
Chairman - Nominating Committee - 2010  
Member - Budget & Finance Committee - 2010



**PROFESSIONAL AFFILIATIONS (CONT.)**

Past Chairman – Education Committee  
Past Chairman - Membership Development & Retention Committee  
Past Chairman - Public Relations Committee

**Appraisal Institute - Region IX**

SC Chapter Representative - 2006-2008  
Nominating Committee Member – 2006-2008  
Nominating Committee Member - 2011

Member, Charleston Trident Association of Realtors  
Former Member, Charleston Trident Multiple Listing Service  
Former Member, Charleston County Board of Assessment Appeals

**COMMERCIAL, INDUSTRIAL, LAND & SPECIAL USE PROPERTIES**

**Commercial**

Office Buildings  
Apartment Complexes  
Medical Facilities  
Shopping Centers  
Multi-Unit Condo and Townhouse Developments

**Industrial**

Warehouses, office/warehouses and office/warehouse flex buildings  
Manufacturing Buildings  
Processing Plants

**Land**

Commercial and Industrial Sites  
Recreational and Commercial Timber Tracts  
Multi-Lot Residential Subdivisions

**Special Use**

Public and Private School Facilities  
Churches  
Marinas

**UTILITY EASEMENTS**

**Areas Covered by Past Assignments in SC**

Charleston County, SC  
Dorchester County, SC  
Horry County, SC  
Marion County, SC  
Beaufort County, SC  
Jasper County, SC



### **UTILITY EASEMENTS (Continued)**

#### **Clients**

Commissioners of Public Works for the City of Charleston (now Charleston Water System)  
South Carolina Electric & Gas Company (SCE&G)  
Dorchester County Public Works  
Beaufort-Jasper Water & Sewer Authority (BJSWA).

I was also selected by CPW to appraise all of the properties associated with the underground sewer tunnel replacement project on the Charleston Peninsula in the early 2000s.

### **CONSERVATION EASEMENTS**

#### **Counties Covered by Past Assignments in SC**

Charleston County, SC  
Georgetown County, SC  
Colleton County, SC  
Beaufort County, SC  
Hampton County, SC

#### **Clients**

Aiken County, SC  
Trust for Public Land  
Beaufort County Open Land Trust  
Lord Berkeley Conservation Trust.  
National Audubon Society  
Lowcountry Open Land Trust

I am an approved appraiser for the SC Conservation Bank.

I am currently semi-retired and an independent contractor reviewing commercial appraisals for First Bank.

### **EXPERT TESTIMONY**

I have testified in the State of South Carolina Circuit and Family courts.

### **MISSION STATEMENT**

My mission is to always conduct myself in a professional manner and according to Code of Professional Ethics of the Appraisal Foundation and the Appraisal Institute. I believe in being thorough and diligent in my research, and my appraisal reports will be made in conformity with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation and the Appraisal Institute. The reports will also comply with FIRREA of 1989 Title XI, Public Law, and FDIC: 12 CFR part 323. All data relevant to the subject property collected as a result of an assignment will be confidential and will be released to a third party only with permission of the client.

## Annotated Bibliography

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### VALUE OF A VIEW, GENERALLY

R. Bell, *Real Estate Damages*, 3<sup>rd</sup> edition, 2016, (“Views of bodies of water, city lights, natural settings, parks, golf courses, and other amenities are often considered desirable features, particularly for residential properties. Such desirable views are typically an enhancement to value. In some cases, however, a view can be considered a negative attribute. A vista of incompatible land uses, dilapidated buildings, junk vehicles, or other undesirable features can be a detriment to value. Allegations of view diminution most often arise from situations in which a view is altered or changed.”)

### QUANTIFYING INCREASES IN VALUE BASED ON A VIEW

Q. Fan, J. Hansz, X. Yang, “The Pricing Effects of Open Space Amenities,” *Journal of Real Estate Financing Economics*, 2016 (an open space view has a positive impact on property values).

R. Potgieter, C. Cloete, “The Impact of a View on the Value of Vacant Residential Lots,” *The Appraisal Journal*, Fall 2010 (a view has a positive impact on residential property values).

D. Wyman, S. Sperry, “The Million Dollar View: A Study of Golf Course, Mountain, and Lake Lots,” *The Appraisal Journal*, Spring 2010 (shows hierarchy in the pricing of different views, with premiums ranging from 42% to 287% for golf course views, lake views, lake and mountain views, and lakefront lots).

S. Bourassa, M. Hoesli, J. Sun, “The Price of Aesthetic Externalities,” *The Appraisal Journal*, Winter 2006 (view enhances property values).

E. Irwin, “The Effects of Open Space on Residential Property Values,” *Land Economics*, November 2002 (home’s value enhanced by open space, and increases more with public lands vs private lands).

M. Lutzenhiser, N. Netusil “The Effect of Open Space on a Home’s Sale Price,” *Western Economic Association International*, July 2001 (home’s proximity to open space including parks, natural areas, and golf courses enhances value).

E. Benson, J. Hansen, A. Swartz, “Water Views and Residential Property Values,” *The Appraisal Journal*, July 2000 (water views increase property value).

J. Reinhart, J. Pompe, “Estimating the Effect of a View on Undeveloped Properties,” *Appraisal Journal*, January 1999 (view amenities increase property value).

M. Rodriguez, C. Sirmans, “Quantifying the Value of a view in Single-Family Housing Markets,” in *The Appraisal of Real Estate*, 10<sup>th</sup> ed., 1992 (a view amenity does affect the market price of residential real

### **QUANTIFYING DECREASES IN VALUE DUE TO UNSAFE/UNSIGHTLY NEARBY LAND USES**

E. Glaeser, M. Kinkaid, N. Naik, “Computer Vision and Real Estate: Do Looks Matter and Do Incentives Determine Looks?” *National Bureau of Economic Research Working Paper No. 25174*, October 2018 (negative appearance of residential properties has strong spillover effect on neighboring residential property values).

C. Anderson, A. Wohl, “The Value of a View: Quantifying the Damages of a View Once Seen,” *Right of Way*, March/April 2017 (views command a premium, other information on compensation for loss of view)

Y. Pan, “The Neighborhood Features that Drag Down Your Home Value—Ranked,” *Realtor.com Trends*, March 28, 2016 (quantifying decrease in value due to nine undesirable land uses, ranging from a 3.2% decrease in value due to a nearby hospital through a 22.2% decrease in value due to a bad school).

M. Woodruff, “9 Things that Will Trash Your Home Value,” *Business Insider*, May 13, 2013 (examining the impact of nine undesirable land uses on residential property value, from a 7% decrease from city dumps and power plants to a 24% decrease due to the threat of fracking).