

Integra Realty Resources
Atlanta

Appraisal of Real Property

Former Fire Station
Industrial Property
2336 Hood Ave.
Ellenwood, DeKalb County, Georgia 30294

Prepared For:
Urban Redevelopment Authority

Date of the Report:
July 10, 2023

Report Format:
Appraisal Report

IRR - Atlanta
File Number: 208-2023-0151



Subject Photographs



Former Fire Station
2336 Hood Ave.
Ellenwood, Georgia

Aerial Photograph



**It is noted that the red highlighted parcel is an approximation by the appraiser and has been included for illustrative purposes only. This drawing is not warranted and/or guaranteed and should not be construed as a survey.*



July 10, 2023

Mr. Bruce Abraham
Urban Redevelopment Authority
785 Forest Parkway
Forest Park, GA 30297

SUBJECT: Market Value Appraisal
Former Fire Station
2336 Hood Ave.
Ellenwood, DeKalb County, Georgia 30294
IRR - Atlanta File No. 208-2023-0151

Dear Mr. Abraham:

Integra Realty Resources – Atlanta is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to develop the following opinions of value:

- The market value as is of the fee simple interest in the subject property as of the effective date of the appraisal, April 27, 2023
- The prospective market value as completed of the fee simple interest in the subject property as of April 1, 2024
- Market rent estimate for the as is improvements as of the effective date of April 27, 2023
- Market rent estimate for the market value as completed of the subject improvements as of April 1, 2024

The client for the assignment is Urban Redevelopment Authority. The intended user of this report is the client. The intended use of the report is for asset management. No other party or parties may use or rely on the information, opinions, and conclusions contained in this report.

The subject is an existing fire station containing approximately 11,000 square feet of rentable area. The improvements were constructed in 1942 and are 100% owner occupied by the City of Forest Park as of the effective appraisal date. Reportedly, the property is being vacated. The site area is 1.60 acres or 69,696 square feet.

The appraisal conforms to the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute and applicable state appraisal regulations.

Standards Rule 2-2 (Content of a Real Property Appraisal Report) contained in the Uniform Standards of Professional Appraisal Practice (USPAP) requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report. This report is prepared as an Appraisal Report as defined by USPAP under Standards Rule 2-2(a), and incorporates practical explanation of the data, reasoning, and analysis that were used to develop the opinion of value.

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, the concluded opinions of value are as follows:

Value Conclusions			
Value Type & Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value As Is	Fee Simple	April 27, 2023	\$1,760,000 to \$2,035,000
Prospective Market Value As Completed	Fee Simple	April 1, 2024	\$3,540,000 to \$3,930,000
INCREASED VALUE w/ IMPROVEMENTS			\$ 1,780,000

As detailed in the report herein, the residual value of the Prospective Market Value As Completed concluded range is not higher than the As Is Market Value of the subject via the Sales Comparison approach. Therefore, conversion of the existing improvements to retail is not considered to be reasonable due to the lack of profit for the owner.

Market Rent Conclusions			
Value Type & Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Rent As Is	N/A	April 27, 2023	\$8.50 to \$10.50/Sq. Ft.
Prospective Market Rent Upon Completion	N/A	April 1, 2024	\$28.50 to \$31.50/Sq. Ft.

INCREASED RENT VALUE w/ IMPROVEMENTS

\$ 93,500/YR
 \$ 313,500/YR
 \$ 220,000/YR



Extraordinary Assumptions and Hypothetical Conditions

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

1. As detailed herein, the appraiser was not provided accurate square footage for the subject improvements. Therefore, this appraisal has been performed under the extraordinary assumption that the appraiser's estimated square footage is correct.
2. As detailed herein, the owner is considering options to convert the subject improvements into a multi-tenant retail/restaurant property or sell/lease the property as is. Reportedly, there has been no due diligence on renovation scope or work, cost or timeline. The appraiser has estimated scope of work, construction cost and timeline based on a limited visual inspection, our experience with similar properties, development comparables and data published in Marshall Valuation Services. Therefore, this appraisal has been completed under the extraordinary assumption that the proposed cost, scope of work and timeline estimated by the appraiser is correct.
3. As detailed herein, the subject site is currently a part of the Gillem District and does not have a separate parcel number from the surrounding Gillem District. Therefore, this appraisal is completed under the extraordinary assumption that the subject site will be recorded separately at the acreage utilized herein.

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

1. None

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

As discussed herein, there is currently economic uncertainty due to recent actions by the Federal Reserve. As a result, forecasts and projections contained herein may change dramatically, or differently than projected under stable market conditions. Therefore, we recommend a more frequent review of this valuation, and advise the intended user to consider the current lack of overall economic stability in evaluating the use and reliability of the opinion(s) expressed herein.

The opinions of value expressed in this report are based on estimates and forecasts which are prospective in nature and subject to considerable risk and uncertainty. Events may occur which could cause the performance of the property to differ materially from the estimates contained herein, such as changes in the economy, interest rates, capitalization rates, financial strength of tenants, and behavior of investors, lenders, and consumers. Additionally, the concluded opinions and forecasts are based partly on data obtained from interviews and third-party sources, which are not always completely reliable. Although the findings are considered reasonable based on available evidence, IRR is not responsible for the effects of future, unforeseen occurrences.

Mr. Bruce Abraham
Urban Redevelopment Authority
July 10, 2023
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If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

Integra Realty Resources - Atlanta



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Conclusion of Improvements Analysis

In comparison to competitive properties in the market, the subject improvements are rated as follows:

Improvements Ratings	
Visibility/Exposure	Average
Design and Appearance	Average
Age/Condition	Average
% Office	Average
Loading Docks	Average
Clear ceiling heights	Average
% Sprinklered	Average
Landscaping	Average

Overall, the quality, condition, and functional utility of the improvements are below average for their age and location.

As detailed herein, the owner is considering renovating the existing improvements to a multi-tenant retail/restaurant building. Currently, there are no proposed budgets or expected costs to complete. Therefore, in order to estimate the cost to convert the subject improvements, the appraiser has given consideration to costs for similar properties and Marshall Valuation Services. Given the current condition of the subject, the subject improvements would require significant interior and exterior build-out in order to convert the subject to multi-tenant retail/restaurant.

Currently, as detailed previously in the Improvements Description and Analysis section herein, the subject is in a below average condition due to the historical nature of the subject improvements. The subject currently has old/aging plumbing and electrical, with incomplete HVAC to the entire interior of the subject. Therefore, the subject improvements would require completely new MEPs (Mechanical, Electrical and Plumbing) throughout the interior. Additionally, given that the subject is a block frame building including block interior walls, any renovation or interior conversion would occur at a heightened cost. Therefore, considering the owner's proposed conversion to multi-tenant retail/restaurant and the currently nature of the subject improvements, for the purpose of this analysis the appraiser has utilized overall buildout cost for Restaurants provided by Marshall Valuation Services which have been summarized in the following table.

RESTAURANTS (350)								
CLASS	TYPE	EXTERIOR WALLS	INTERIOR FINISH	LIGHTING, PLUMBING AND MECHANICAL	*HEAT	Sq. M.	COST Cu. Ft.	Sq. Ft.
A-B	Excellent	Stone, face brick, best metal walls, usually part of a building	Best plaster and paneling, highly ornamental, carpeted, deluxe quality	Special lighting fixtures and effects, deluxe restrooms	Complete H.V.A.C.	4090.28	31.85	380.00
	Good	Concrete, metal/glass or masonry panels, usually part of a building	Plaster with enamel & vinyl, carpet & vinyl flooring, decorated interior	Good lighting and outlets, good plumbing and restrooms	Complete H.V.A.C.	3056.95	23.66	284.00
	Average	Brick or concrete, usually part of a building	Plaster or drywall, acoustic tile, carpet, ceramic, rubber, or vinyl comp. tile	Adequate lighting outlets, adequate plumbing	Complete H.V.A.C.	2303.47	17.83	214.00
C	Excellent	Individual design, highly ornamental exterior	High-quality detail, best acoustics, carpeted, deluxe quality	Special lighting effects, tiled restrooms, good fixtures	Complete H.V.A.C.	3898.53	30.15	362.00
	Very good	Individual design, brick, good metal and glass, ornamentation	Typically best chain restaurants, carpeted lounge and dining room	Good lighting/restrooms with good-quality fixtures and tile	Complete H.V.A.C.	3013.89	23.32	282.00
	Good	Brick, concrete or metal and glass panels, ornamentation	Typical chain restaurant or coffee shop, vinyl and ceramic floors	Good lighting and service outlets, tiled restrooms	Complete H.V.A.C.	2346.53	18.16	218.00
	Average	Brick, block, tilt-up, plain building, stock plans	Typical neighborhood restaurant, vinyl composition, small kitchen	Adequate lighting and outlets, small restrooms	Complete H.V.A.C.	1829.86	14.18	170.00
D	Low cost	Cheap brick or block, very plain, low-cost front	Low-cost short order cafe, minimum finish, asphalt tile	Minimum lighting and outlets, minimum plumbing	Forced air and ventilation	1323.96	10.25	123.00
	Excellent	Individual design, highly ornamental exterior, stone veneer	High-quality detail, best acoustics, carpeted, deluxe quality	Special lighting effects, tiled restrooms, good fixtures	Complete H.V.A.C.	3799.66	29.40	353.00
	Very good	Individual design, brick veneer, good metal and glass, ornamentation	Typically best chain restaurants, carpeted lounge and dining room	Good fixtures, good restrooms w/good-quality fixtures and tile	Complete H.V.A.C.	2895.49	22.41	269.00
	Good	Stucco or siding, metal and glass, some ornamentation	Typical chain restaurant or coffee shop, vinyl and ceramic floors	Good lighting and service outlets, tiled restrooms	Complete H.V.A.C.	2228.13	17.24	207.00
	Average	Stucco or siding, plain building and front, stock plans	Typical neighborhood restaurant, vinyl composition, small kitchen	Adequate lighting and outlets, small restrooms	Complete H.V.A.C.	1722.22	13.33	160.00
D POLE	Low cost	Cheap stucco or siding, very plain	Low-cost short order cafe, min. finish	Minimum lighting and plumbing	Forced air/vent.	1227.08	9.50	114.00
	Low cost	Pole frame, good metal panels, lined and insulated, plain front	Low-cost short order cafe, minimum finish, asphalt tile	Minimum lighting and outlets, minimum plumbing	Forced air and ventilation	1130.21	8.75	105.00
S	Good	Insulated sandwich panels, metal and glass, some ornamentation	Comparable to typical chain coffee shop, vinyl and ceramic floors	Good lighting and service outlets, tiled restrooms	Complete H.V.A.C.	2228.13	17.24	207.00
	Average	Insulated panels, metal and glass, little ornamentation	Typical neighborhood coffee shop, vinyl comp., some ceramic or pavers	Adequate lighting and outlets, small restrooms	Complete H.V.A.C.	1688.40	12.91	155.00
	Low cost	Finished interior, some front	Low-cost finish, asphalt tile	Minimum lighting and plumbing	Forced air/vent.	1151.74	8.91	107.00

Source: Marshall Valuation Service (May 2023)

As indicated in the previous table, construction costs for Class C restaurants range from \$123.00 to \$362.00 per square foot. Given that the subject requires extensive interior and exterior buildout, but does not require structural framing, the appraiser has utilized the low-end range of \$150.00 to \$175.00 per square foot.

Additionally, consideration has been given to development cost comparables of properties which underwent similar interior and exterior buildout for conversion of existing improvements. The development cost comparables have been summarized in the following chart:

DEVELOPMENT COST COMPARABLES						
Property:	Two Tenant Retail		Two Tenant Office		Office	
Location:	Georgia		Georgia		Georgia	
Size:	15,379		7,210		16,250	
Year:	2023		2023		2023	
	Amount	\$/Sq.Ft.	Amount	\$/Sq.Ft.	Amount	\$/Sq.Ft.
Construction Costs	\$1,427,062	\$92.79	\$886,245	\$122.92	\$4,087,009	\$251.51
Total	\$1,427,062.22	\$92.79	\$886,245	\$122.92	\$4,087,009	\$251.51

Note: Construction costs include direct and indirect costs

As indicated in the previous chart the cost comparables range from \$92.79 to \$251.51 per square foot. It is of note that the cost comparables include both direct and indirect costs. Additionally, cost comparable No. 1 was an industrial building which was purchased for conversion of the existing improvements to a two-tenant retail property consisting of a brewery and a pizza restaurant. Cost comparable Nos. 2 and 3 are former multi-tenant retail properties which were purchased to convert the existing improvements to general office build out. Primary reliance is given to comparable Nos. 1 and 2 due to their similar as is characteristics and build out requirements.



The appraiser's estimated buildout cost range of \$150.00 to \$175.00 per square foot is within the range of the utilized comparables and is considered to be reasonable due to the extensive interior and exterior renovation and build out required to convert the subject to the proposed use. Additionally, we have included a conservative estimate of 10% for contingencies and 20% for profit. Therefore, utilizing the appraiser's estimated cost range of \$150.00 to \$175.00 per square foot, and 15% for contingencies and profit the estimated range for the cost to convert would be \$1,897,500 to \$2,213,750.