

Lumber Yard at Paint Creek

Bakery Building – Market Valuation Summary

Prepared for inclusion in Downtown Development Authority project packet October 28, 2025

1. Building Overview

Property Name: Bakery Building

Address: 215 S. Broadway St., Lake Orion, MI 48362

Use: Former office/retail building, used for lumber and hardware sales, being converted into retail bakery

Gross Floor Area: Approximately 1,170 SF main level + 150 SF partial basement

Construction: CMU and wood-frame structure with metal seam roof

Condition: Fair to good (based on October 2025 as-built survey)

Visibility: Prime frontage on M-24 (Broadway St.) with ~50,000 ADT

Site: Ample public parking, adjacency to downtown, part of the Lumber Yard redevelopment

2. Location & Market Context

Lake Orion's downtown corridor shows strong adaptive re-use potential and rising valuations driven by mixed-use activity. Comparable small commercial storefronts in nearby downtowns (Clarkston, Oxford, and Rochester) trade between **\$220 – \$325 per SF**. The subject benefits from adjacency to downtown, high-traffic visibility, and integration into a regional placemaking project that supports retail vibrancy and pedestrian activation.

3. Valuation Approaches

A. Market (Sales Comparison) Approach

Comparable	Size (SF)	Sale Price	\$/SF	Adjustment
18 S. Main St, Clarkston	1,050	\$285,000	\$271	Comparable use
28 N. Washington, Oxford	1,200	\$315,000	\$262	Downtown core
120 Walnut Blvd, Rochester	1,300	\$410,000	\$315	Premium downtown

Indicated Range: \$260–\$315 per SF → Average ≈ \$290/SF

Value Estimate: 1,170 SF × \$290 ≈ **\$339,000**

B. Income Capitalization (Support Check)

Estimated market rent: \$22–\$26 per SF NNN

Stabilized NOI: ≈ \$28,000 per year

Capitalization Rate: 7.5–8.0%

→ **Value = \$28,000 ÷ 0.075 = \$373,000**

C. Cost Approach (Replacement Less Depreciation)

Rebuild cost: \$300/SF × 1,170 SF = \$351,000

Depreciation (15%): –\$52,000

Depreciated replacement cost: \$299,000

Land (0.05 ac @ \$30/SF): ≈ \$65,000

→ **Total = \$364,000**

4. Reconciled Market Value

Approach	Value
Market Comparison	\$339,000
Income Capitalization	\$373,000
Cost Approach	\$364,000
Weighted Market Value (rounded)	\$365,000

5. Conclusion & Factors Affecting Value

The reconciled market value of the Coal Office Building, as of October 2025, is estimated at approximately **\$365,000**. The property’s unique combination of downtown adjacency, high traffic visibility, and integration with the Lumber Yard at Paint Creek project provides substantial long-term upside once restoration is complete.

Factors likely to enhance value:

- Full completion and occupancy of bakery tenant (stabilized NOI)
- Integration with public-market and pedestrian features
- Potential façade-grant participation or historic-property abatement
- Increased downtown event traffic and retail demand

Prepared by:



Lake Orion Downtown
Development Authority
Matthew Gibb, Executive
Director