

Mayor and Council –

This appraisal coincides with the sale of property we previously discussed in Executive Session. East Lake Drive, right across from Pavilion Shore Park. NOT the properties on the lake. For informational purposes only.

- Victor

APPRAISAL OF



LOCATED AT:

1817 East Lake Drive
Novi, MI 48377

CLIENT:

City of Novi
45175 Ten Mile Road
Novi, MI 48375

AS OF:

April 11, 2023

APPRAISED VALUE:

\$30,000

BY:

Michael Taweel

May 16, 2023

Ms. Katherine Oppermann
City of Novi
45175 Ten Mile Road
Novi, MI, 48375

File Number: 142-2023-0424

Dear Ms. Oppermann:

In accordance with your request, I have appraised the real property at:

1817 East Lake Drive
Novi, MI 48377

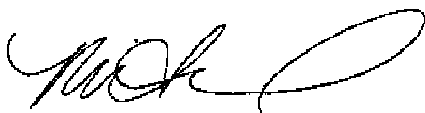
The purpose of this appraisal is to develop an opinion of the defined value of the subject property, as vacant. The property rights appraised are the fee simple interest in the site.

In my opinion, the defined value of the property as of April 11, 2023 is:

\$30,000
Thirty-Thousand Dollars

The attached report contains the description, analysis and supportive data for the conclusions, final opinion of value, descriptive photographs, assignment conditions and appropriate certifications.

Respectfully submitted,



Michael Taweel
Michigan License No. 1203070143

Land Appraisal Report

File No. 142-2023-0424

PURPOSE

The purpose of this appraisal report is to provide the client with a credible opinion of the defined value of the subject property, given the intended use of the appraisal.

Client Name/Intended User City of Novi E-mail koppermann@cityofnovi.org

Client Address 45175 Ten Mile Road City Novi State MI Zip 48375

Additional Intended User(s) The City of Novi including their agents, assigns, and successors were identified at engagement as the intended users.

Intended Use The intended use of this appraisal is to develop our opinion of market value as of April 11, 2023, the effective appraisal date for potential disposition purposes.

SUBJECT

Property Address 1817 East Lake Drive City Novi State MI Zip 48377

Owner of Public Record City of Novi County Oakland

Legal Description T1N, R8E, Sec 2 Chapman Walled Lake Sub Lot 82

Assessor's Parcel # 50-22-02-356-002 Tax Year 2023 R.E. Taxes \$ Exempt - City Owned

Neighborhood Name Chapman Walled Lake Subdivision Map Reference SMSA#2160 Census Tract 1361.01

Property Rights Appraised ☒ Fee Simple ☐ Leasehold ☐ Other (describe)

SALES HISTORY

My research ☐ did ☒ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Prior Sale/Transfer: Date Price Source(s) MLS/Public Records

Analysis of prior sale or transfer history of the subject property (and comparable sales, if applicable) To the best of our knowledge and verified with the local MLS, no sale or transfer of ownership of the subject has occurred within the past three years prior to the effective appraisal date. All comparables were discovered in the MLS and verified by public records with no prior sales or transfers reported.

Offerings, options and contracts as of the effective date of the appraisal To the best of our knowledge, no offerings, options, or contracts have been presented on the property as of the effective appraisal date. This appraisal is being utilized by the client to aid for potential property disposition.

NEIGHBORHOOD

Neighborhood Characteristics		One-Unit Housing Trends			One-Unit Housing		Present Land Use %	
Location	☐ Urban ☒ Suburban ☐ Rural	Property Values	☐ Increasing ☒ Stable ☐ Declining	PRICE	AGE	One-Unit	92 %	
Built-Up	☒ Over 75% ☐ 25-75% ☐ Under 25%	Demand/Supply	☐ Shortage ☒ In Balance ☐ Over Supply	\$(000)	(yrs)	2-4 Unit	1 %	
Growth	☐ Rapid ☒ Stable ☐ Slow	Marketing Time	☒ Under 3 mths ☐ 3-6 mths ☐ Over 6 mths	200	Low 0	Multi-Family	1 %	
Neighborhood Boundaries The subject is situated north of 12 Mile Road, south of 13 Mile Road, east of Old Novi Road, and west of Meadowbrook Road in north central Novi.		2000	High 90	Commercial	5 %			
Neighborhood Description The City of Novi, a suburban community in southeast Oakland County, possesses a solid infrastructure of single-family housing along with adequate amenities, e.g., businesses, services, and community buildings. The neighborhood is serviced by the Novi public school district and is proximate to recreation, freeways, and shopping destinations. All-sports Walled Lake & Mercer Beach is nearby.		400	Pred. 45	Other	%			
Market Conditions (including support for the above conclusions) Trends in the market area reflect generally stable property values year over year. Catalysts to current conditions include attractive interest rates, steady demand, and limited inventory levels. Supply and demand is relatively in balance with marketing times for vacant land over six months assuming competitive pricing and effective marketing.								

SITE

Dimensions 30.00' x 80.00' Area 2400 sf Shape Rectangular View Residential/Lake

Specific Zoning Classification R-4 Zoning Description One Family Residential District

Zoning Compliance ☐ Legal ☒ Legal Nonconforming (Grandfathered Use) ☐ No Zoning ☐ Illegal (describe)

Highest and best use of the subject property The subject is non-conforming as the width is 30 feet and the R-4 zoning district requires a width of 80 feet. As such, the highest and best use of the property as vacant is for open space or assemblage. A highest and best use analysis as improved is not necessary as the subject is vacant.

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements—Type	Public	Private
Electricity	☒		Water	☒	Street Concrete	☒	☐
Gas	☒		Sanitary Sewer	☒	Alley None	☐	☐

FEMA Special Flood Hazard Area ☐ Yes ☒ No FEMA Flood Zone X FEMA Map # 26125C0488F FEMA Map Date 09/29/2006

Site Comments The subject is an interior lot in a residential area with views of Walled Lake to the north. The subject is non-conforming as the width is approximately 30 feet and the R-4 zoning district requires a width of 80 feet. The most probable buyer is likely an adjacent property owner to utilize the property for green/open space. The subject is unbuildable and this diminished utility is recognized throughout the analysis.

MARKET DATA ANALYSIS

ITEM	SUBJECT	COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3	
Address	1817 East Lake Drive Novi, MI 48377	22190 Beck Road Novi, MI 48307		21401 Laser Lane South Lyon, MI 48178		5927 Franklin Road Bloomfield Township, MI 48301	
Proximity to subject		4.70 miles SW		10.58 miles SW		9.26 miles NE	
Sales Price	\$		\$ 35,000		\$ 33,000		\$ 20,000
Price \$/ SF			4.42		0.31		0.25
Data Source		MLS#218046150; DOM 342		MLS#219012402; DOM 566		MLS#2210091491; DOM 12	
Date of Sale and Time Adjustment	DESCRIPTION	DESCRIPTION	+(-) Adjust.	DESCRIPTION	+(-) Adjust.	DESCRIPTION	+(-) Adjust.
Location	Residential	Residential		Residential		Residential	
Site/View	2400 sf/Resi/Lake	7925 sf/Residential		2.48 ac/Residential		1.87 ac/Lake	
Configuration	Rectangular	Rectangular		Rectangular		Rectangular	
Corner	No	No		No		No	
Buildable	No	No		No		No	
Sales or Financing Concessions		Cash No;0		Cash No;0		Cash No;0	
Net Adj. (Total)		☒ + ☐ - \$ 0.00		☒ + ☐ - \$ 0.00		☒ + ☐ - \$ 0.00	
Indicated Value of Subject		Net Adj. 0.0% Gross Adj. 0.0%	\$ 35,000	Net Adj. 0.0% Gross Adj. 0.0%	\$ 33,000	Net Adj. 0.0% Gross Adj. 0.0%	\$ 20,000
Summary of Sales Comparison Approach The adjusted range in overall sale price is \$20,000 to \$35,000, averaging \$29,300. To arrive at an indication of value, equal consideration is given to all three sales given they are unbuildable like the subject. In these instances, the lots were purchased for open/green space as they fail to meet current zoning requirements to be buildable. Given the subject's overall market appeal coupled with current market conditions an overall value near the average of the adjusted range is reasonable and well supported. See addendum.							

RECONCILIATION

Based on the scope of work, assumptions, limiting conditions and appraiser's certification, my (our) opinion of the defined value of the real property that is the subject of this report as of 04/11/2023, which is the effective date of this appraisal, is:

☒ Single point \$ 30,000 ☐ Range \$ to \$ ☐ Greater than ☐ Less than \$

This appraisal is made ☒ "as is," ☐ subject to the following: For this analysis, we use overall sale price as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis for properties like the subject. The comparables are similar in highest and best use as the subject in terms of being unbuildable lots in residential areas.

Scope of Work, Assumptions and Limiting Conditions

Scope of work is defined in the Uniform Standards of Professional Appraisal Practice as " the type and extent of research and analyses in an assignment." In short, scope of work is simply what the appraiser did and did not do during the course of the assignment. It includes, but is not limited to: the extent to which the property is identified and inspected, the type and extent of data researched, the type and extent of analyses applied to arrive at opinions or conclusions.

The scope of this appraisal and ensuing discussion in this report are specific to the needs of the client, other identified intended users and to the intended use of the report. This report was prepared for the sole and exclusive use of the client and other identified intended users for the identified intended use and its use by any other parties is prohibited. The appraiser is not responsible for unauthorized use of the report.

The appraiser's certification appearing in this appraisal report is subject to the following conditions and to such other specific conditions as are set forth by the appraiser in the report. All extraordinary assumptions and hypothetical conditions are stated in the report and might have affected the assignment results.

1. The appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or title thereto, nor does the appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
2. Any sketch in this report may show approximate dimensions and is included only to assist the reader in visualizing the property. The appraiser has made no survey of the property.
3. The appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made thereto.
4. Neither all, nor any part of the content of this report, copy or other media thereof (including conclusions as to the property value, the identity of the appraiser, professional designations, or the firm with which the appraiser is connected), shall be used for any purposes by anyone but the client and other intended users as identified in this report, nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent of the appraiser.
5. The appraiser will not disclose the contents of this appraisal report unless required by applicable law or as specified in the Uniform Standards of Professional Appraisal Practice.
6. Information, estimates, and opinions furnished to the appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished to the appraiser is assumed by the appraiser.
7. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering or testing, which might be required to discover such factors. This appraisal is not an environmental assessment of the property and should not be considered as such.
8. This appraisal report should not be used to disclose the condition of the property as it relates to the presence/absence of defects. The client is invited and encouraged to employ qualified experts to inspect and address areas of concern. If negative conditions are discovered, the opinion of value may be affected.
9. Appraisals involving hypothetical conditions related to completion of new construction, repairs or alteration are based on the assumption that such completion, alteration or repairs will be competently performed.

Additional Comments Related To Scope Of Work, Assumptions and Limiting Conditions

12. To report the assignment results, we use the Summary Appraisal Report option set forth in the most recent edition of USPAP. As such it represents a summary discussion of the data, reasoning and analyses used in the appraisal. Supporting documentation that is not provided with the report is retained in our work file. This appraisal report states that market value for the subject property is consistent with requirements of Federal Law (12 CFR Part 34) and consistent with the definition in the form. The depth of the discussion contained in this report is specific to the needs of the client for the stated intended use. The appraiser is not responsible for unauthorized use of this report.
13. This appraisal report is based on information gathered from public records, various online resources, MLS analytics, the appraiser's files, property viewing and surveying the market area. All sources and data are considered reliable but not guaranteed. When conflicting information was provided, the source deemed most reliable has been used. Any data found to be unreliable was disregarded.
14. The viewing of the subject is designed to observe characteristics of a property at a level of detail consistent with that of a typical market participant. We conducted an on-site inspection of the subject.
15. As it relates to permits and utilities, we have not verified documentation if applicable building permits were issued or obtained on the subject. We are unaware if a building official has completed periodically inspections and issued a certificate of occupancy. We have not determined the location of any septic tank or field line and are unaware if they are within the boundary of the subject's site. We assume no irregularities regarding these issues; however, the research required extends beyond the normal course of business and is beyond the scope of the appraisal.

Appraiser's Certification

The appraiser(s) certifies that, to the best of the appraiser's knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are the appraiser's personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. Unless otherwise stated, the appraiser has no present or prospective interest in the property that is the subject of this report and has no personal interest with respect to the parties involved.
4. The appraiser has no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. The appraiser's engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. The appraiser's compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. The appraiser's analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
8. Unless otherwise noted, the appraiser has made a personal inspection of the property that is the subject of this report.
9. Unless noted below, no one provided significant real property appraisal assistance to the appraiser signing this certification. Significant real property appraisal assistance provided by:

Additional Certifications:

10. We have not performed services as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
11. Appraisers are required to be licensed and are regulated by the Michigan Department of Licensing and Regulatory Affairs, P.O. Box 30018, Lansing, MI 48909.
12. We selected the most reliable and reflective sales that best represent the subject property in the defined market area.
13. Over the past twenty-years, the signing appraiser has completed thousands of valuations on a variety of property types and possess the knowledge required to perform this specific appraisal assignment competently. My understanding of the nuances of the local market is sufficient to provide a creditable analysis and value opinion.
14. This appraiser is aware of, and has access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records, and other such sources for the area in which the property is located.

Definition of Value: ☒ Market Value ☐ Other Value: _____

Source of Definition: Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472

Market value is defined as:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."

ADDRESS OF THE PROPERTY APPRAISED:
1817 East Lake Drive
Novi, MI 48377
EFFECTIVE DATE OF THE APPRAISAL: 04/11/2023
APPRAISED VALUE OF THE SUBJECT PROPERTY \$ 30,000

APPRAISER

Signature: 
Name: Michael Taweel
Company Name: Integra Realty Resources-Detroit
Company Address: 400 West Maple Road, Suite 100
Birmingham, MI 48009
Telephone Number: (248) 833-0001
Email Address: mtaweel@irr.com
State Certification #
or License # 1203070143
or Other (describe): State #: State:
Expiration Date of Certification or License: 07/31/2024
Date of Signature and Report: 05/16/2023
Date of Property Viewing: 04/11/2023
Degree of property viewing:
☒ Did personally view ☐ Did not personally view

SUPERVISORY APPRAISER

Signature: _____
Name: _____
Company Name: _____
Company Address: _____
Telephone Number: _____
Email Address: _____
State Certification #
or License #
State: _____
Expiration Date of Certification or License: _____
Date of Signature: _____
Date of Property Viewing: _____
Degree of property viewing:
☐ Did personally view ☐ Did not personally view

ADDENDUM

Client: City of Novi		File No.: 142-2023-0424	
Property Address: 1817 East Lake Drive		Case No.:	
City: Novi	State: MI		Zip: 48377

Market area: When selecting comparables for this assignment, the most applicable sales are of unbuildable lots like the subject. This property type is scattered throughout Oakland County, the subject's market area. Expanding beyond the immediate neighborhood is justified as sales of unbuildable lots are not prevalent nearby. As such, a broader geographic area was researched to discover sale transactions of unbuildable lots.

While the subject fails to meet the current zoning requirements of a buildable lot, the property benefits by several nearby recreation attractions such as Walled Lake, a 640-acre all-sports lake that serves as the focal point to the area. Also proximate is Pavilion Shore Park, 11-acres of green space, walking paths, fishing pier, picnic plaza, parking, and waterfront seating. Additional amenities include sand volleyball, swim beach, and play structures. Mercer Beach in Downtown Wixom, is a nearby public beach. There are also numerous restaurants and bars along Walled Lake. The large concentration of recreation activities is beneficial to the marketability and pricing of the properties within this market area.

Summary of sales comparison approach: The principles of substitution and paired sales analysis are utilized in the development of the sales comparison approach. We exercise professional judgement to ensure the most appropriate adjustments are applied and based on our experience, internal databases, analyses of MLS data, discussions with real estate professionals, and appraisal journals, among other online resources. While this approach can be subjective, we make every attempt to apply the most appropriate adjustments that best represent the property type and market. For this analysis, overall sale price is the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis for properties like the subject.

All the sales are unbuildable like the subject reported to be purchased for green/open space as they fail to meet the requirements to be buildable. Based on paired sale analysis, adjustments are not necessary for size or view as such factors are not influential to an unbuildable lot. We excluded buildable lots and unverified sale as comparables. Photos may have been taken from our database or online sites in an attempt to publish the clearest image; however, we have physically driven the comparables.

A two-year sales study of land sales was supplied by the City of Novi and the local MLS was researched for the most relevant sales in relation to the subject. Our findings were mostly of buildable lots that differ in highest and best use from a buildable lot, thus excluded from this valuation. The diminished utility of an unbuildable lot shrinks the potential buyer pool and an adjacent owner is typically the most probable buyer of an unbuildable lot.

Exposure time: The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. After analyzing market conditions and comparable data as of the effective date, the subject's estimated exposure time is over 6 months; assuming competitive pricing and effective marketing.

Market area: The area in which alternative and similar properties effectively compete with the subject property in the minds of probable, potential purchasers and users.

Marketing period: An opinion of the amount of time it might take to sell a real property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing period differs from exposure time, which is always presumed to precede the effective date of an appraisal. The subject's estimated marketing period is over 6 months; assuming competitive pricing and effective marketing.

Size size: This represents the total site area as expressed in square feet. Site size was verified by Oakland County GIS and is considered accurate.

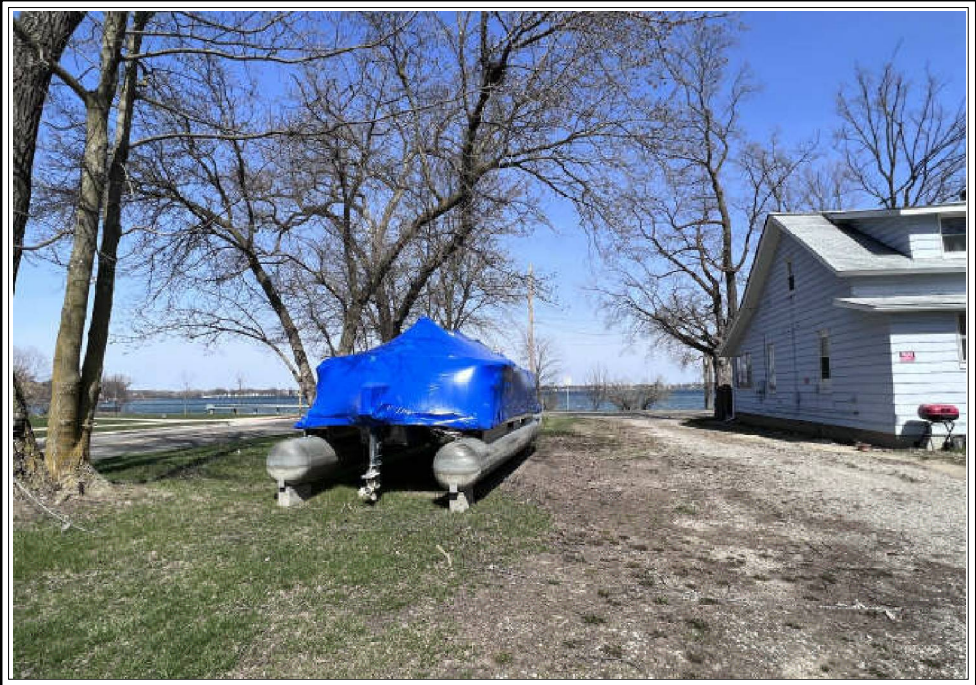
SUBJECT PROPERTY PHOTO ADDENDUM

Client: City of Novi	File No.: 142-2023-0424
Property Address: 1817 East Lake Drive	Case No.:
City: Novi	State: MI Zip: 48377



FRONT VIEW OF
SUBJECT PROPERTY

Appraised Date: April 11, 2023
Appraised Value: \$ 30,000



REAR VIEW OF
SUBJECT PROPERTY



STREET SCENE

AERIAL MAP

Client: City of Novi	File No.: 142-2023-0424
Property Address: 1817 East Lake Drive	Case No.:
City: Novi	State: MI Zip: 48377



Google

Map data ©2023 Imagery ©2023 Maxar Technologies, U.S. Geological Survey

Client: City of Novi	File No.: 142-2023-0424
Property Address: 1817 East Lake Drive	Case No.:
City: Novi	State: MI Zip: 48377



22190 Beck Road
Novi, MI 48307
Sale Date: 02/06/2020
Sale Price: \$ 35,000



21401 Laser Lane
South Lyon, MI 48178
Sale Date: 10/29/2021
Sale Price: \$ 33,000



5927 Franklin Road
Bloomfield Township, MI 48301
Sale Date: 04/14/2022
Sale Price: \$ 20,000

LOCATION MAP

Client: City of Novi

File No.: 142-2023-0424

Property Address: 1817 East Lake Drive

Case No.:

City: Novi

State: MI

Zip: 48377

