

Michelle Lujan Grisham
Governor

Stephanie Schardin Clarke
Cabinet Secretary

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(505) 827-0354

November 6, 2019

Julie Brasil, Real Estate Manager
University of New Mexico Real Estate Department
1 University of New Mexico
Albuquerque, New Mexico 87131

RE: TECHNICAL APPRAISAL REVIEW: A Medical Office Building located at 1790 Grande Boulevard SE, Rio Rancho, Sandoval County, New Mexico 87124.

Dear Ms. Julie Brasil,

Your request for a review of the above referenced report was assigned to Claudia Lucero, Appraisal Specialist and Lisa Wilkens, Appraisal Supervisor with our Appraisal Bureau. Enclosed is a copy of their memorandum stating their findings and conclusions.

If you have any questions regarding this appraisal review please contact the Appraisal Bureau or me (505) 827-0871.

Sincerely,



Donna Maestas-De Vries, Director
Property Tax Division

DMD/cl

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MEMORANDUM

DATE: November 6, 2019

TO: Donna Maestas-De Vries, Director
Property Tax Division

FROM: Claudia Lucero, Appraisal Specialist
Appraisal Bureau

RE: TECHNICAL APPRAISAL REVIEW: A Medical Office Building located at 1790 Grande Boulevard SE, Rio Rancho, Sandoval County, New Mexico 87124.

CLIENT, INTENDED USERS AND INTENDED USE OF THE REVIEW: At your request, I have reviewed the below identified appraisal in narrative Appraisal Report format. This appraisal review is intended for use only by University of New Mexico, the New Mexico Higher Education Department and the State Board of Finance.

This report is intended only for use in confirming whether the appraiser's analysis, opinions and conclusions are appropriate and not misleading within the context of that work. This report is not intended for any other use than stated, nor is this review report to be construed as an appraisal report separate from the report under review.

PURPOSE OF REVIEW: To comply with statute and supporting regulation as defined by Section 7-35-10 and 13-6-2.1 NMSA 1978; and to evaluate the appraisal report for compliance with the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the International Association of Assessing Officers (IAAO); and for compliance with 1.5.23 NMAC 2001.

APPRAISAL SUMMARY: The property under review consists of a 1.00 acre parcel improved with a 6,050 square foot medical office building. The subject is located at 1790 Grande Boulevard SE, Rio Rancho, New Mexico. It is further described as, "Tract C-12A2B, Gateway North, Rio Rancho, Sandoval County, New Mexico." The subject is zoned SU/NR, or Special Use/Non-Residential.

The following items (#2-#13) are **taken directly** from the appraisal under review:

- 1.) Review Report Date:.....November 6, 2019
- 2.) Size of Subject Site:.....1.000 acre
- 3.) Improvements:Medical Office Building
- 4.) Highest & Best Use:The highest and best use as if vacant is estimated to be office development, including medical office. The highest and best use of the subject, as improved, is a medical office building.
- 5.) Purpose of Report.....[t]o use the appraisal to negotiate a potential real estate sale.
- 6.) Extraordinary Assumptions:...None
- 7.) Hypothetical Condition:.....None
- 8.) Owner of Record:Life Enhancement Specialists, LLC
- 9.) Estate Appraised.....Fee simple interest
- 10.) Report Effective Date:.....October 14, 2019
- 11.) Report Date:October 24, 2019
- 12.) Appraiser:Joshua Cannon, MAI
- 13.) Final Value.....\$1,300,000

SPECIAL/EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS:

Special or Extraordinary Assumptions and Hypothetical Conditions should be reviewed carefully as their use might have affected the assignment results. No assumptions, extraordinary assumptions, hypothetical conditions, or limiting conditions for the review were employed outside of those mentioned in the appraisal report.

SCOPE OF REVIEW: This technical review report is defined and prepared in accordance with the guidelines as set forth in Standard 3, Standard 4 and related advisory opinions of the Uniform Standards of Professional Appraisal Practice.

A Technical Appraisal Review for the purposes of this assignment is a field review of the subject property and a review of the appraisal report for compliance with the Uniform Standards of Professional Appraisal Practice and other applicable standards and regulations as required by law.

1. This technical review comprised of a desk review of the data contained in the Appraisal Report dated October 24, 2019.
2. An exterior field review of the subject was conducted on November 1, 2019.
3. An exterior field review of the comparable sales was conducted on November 1, 2019.
4. Conversations with the Sandoval County Assessor's office and Bernalillo County Assessor's office.
5. Photos of the subject property are on pages 8 through 10 of this report.
6. Photos of the comparable sales are contained in the reviewers work file.
7. The content of the report was objectively evaluated for its technical applications and mathematical calculations were verified.
8. The data was analyzed to determine its relevancy to the concluded value estimate.
9. The Reviewer developed an opinion as to the adequacy and appropriateness of the appraisal under review.
10. No opinion of value was developed under the scope of this review.

REVIEW SUMMARY OF ANALYSES, OPINIONS AND CONCLUSIONS:

1) Standard 3-3(a) requires the reviewer to develop an opinion as to whether the analyses are appropriate within the context of the requirements applicable to that work and develop an opinion as to whether the opinions and conclusions are credible within the context of the requirements applicable to that work; and develop the reasons for any disagreement.

a) **Data Analysis and Highest and Best Use** – The four criteria that highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. The appraisal adequately addressed all four tests.

The highest and best use of the property as vacant was concluded to be office development, including medical office. The highest and best use as improved is medical office building. The highest and best use analysis is considered reasonable and adequately supported.

b) **Site Valuation** – The appraisal presented a sales comparison approach using two comparable land sales. The comparison utilized comparable sales that were reasonably similar in highest and best use. The analysis was credible and adequately supported.

c) **Approaches to Value** – The three approaches to value are the cost, sales comparison, and income approach. The appraisal developed all three approaches. In the sales comparison approach to value the comparable properties had market adjustments that included location, physical characteristics and condition. The cost approach to value was developed using Marshall & Swift Valuation Service to estimate the replacement cost of the subject improvements. The income approach to value was established using the net income expectancy and market extracted capitalization rate.

d) **Reconciliation (Analysis and Conclusion)** – The reconciliation was straight forward. The appraisal used the sales comparison approach to value the subject property as it fell in the middle of the range of values developed using the three approaches. The analysis was reasonable and adequately supported.

e) **Final Market Value Conclusion** – The final estimate of fair market value was concluded to be \$1,300,000. The conclusion was credible and adequately supported.

f) **Elements of Non-Compliance** – None found.

2) Standard 3-3(b) requires the reviewer to develop an opinion as to whether the report is appropriate and not misleading within the context of the requirements applicable to that work; and develop the reasons for any disagreement.

OVERALL SUMMARY OF FINDINGS:

The report under review was found in compliance with applicable stated requirements and standards. The content of the report was consistent throughout. The appropriate valuation

techniques and analyses were utilized. It is concluded that the report as written is appropriate and not misleading and reasonably supported the opinion of value.

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- 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 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 analysis, 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 review report was prepared in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- I have made a personal inspection of the subject of the work under review on November 1, 2019.
- No one provided significant appraisal, appraisal review, or appraisal consulting assistance to the person signing this certification.



Claudia Lucero, Appraisal Specialist

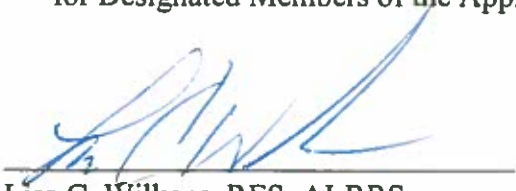
Date: November 6, 2019

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- 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 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 analysis, 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 review report was prepared in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- I did not make 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 Standards and Ethics Education Requirements for Designated Members of the Appraisal Institute.



Lisa C. Wilkens, RES, AI-RRS
PTD Appraisal Bureau Supervisor
NM #03311-R

Date: November 6, 2019



Subject Side View



Subject Rear View



Subject Northeast View on Business Park Road



Subject Southeast View on Business Park Road



Subject Northwest View on Grande Boulevard



Subject Southwest View on Grande Boulevard