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REAL ESTATE OFFICE

Susana Martinez
Governor

Demesia Padilla, CPA
Cabinet Secretary

June 4, 2014

Julie Brasil, Real Estate Associate III
UNM Institutional Support Services
2811 Campus Rd
Albuquerque, NM 87131


RE: TECHNICAL APPRAISAL REVIEW: A market value appraisal of a vacant lot containing .1720 acres in Southeast Albuquerque, Bernalillo County, New Mexico.

Dear Ms. Brasil:

Your request for a review of the above referenced report was assigned to John Hubert, Appraisal Specialist with our Appraisal Bureau. Enclosed is a copy of his memorandum stating his findings and conclusions.

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

Sincerely,


Cesar S. Quintana, Director
Property Tax Division

CSQ/jh

MEMORANDUM

DATE: June 4, 2014

To: Cesario S Quintana
Taxation and Revenue Department
Property Tax Division

From: John Hubert, Appraisal Specialist
Appraisal Bureau

RE: TECHNICAL APPRAISAL REVIEW: A market value appraisal of a vacant lot containing .1720 acres in Southeast Albuquerque, Bernalillo County, New Mexico.

CLIENT, INTENDED USERS, AND INTENDED USE OF THE REVIEW: At your request, I have reviewed the above captioned Appraisal Report and its subsequent addendum, in narrative format. This appraisal review is intended for the use only by the University of New Mexico Real Estate Department, New Mexico's Higher Education Department and New Mexico State Board of Finance.

This report is intended only for use in confirming an appropriate and reasonable conclusion of the estimated fair market value of the subject property, as represented by the appraisal performed by Joshua Cannon, MAI, of Joshua Cannon and Associates, Inc. This review report is not intended for any other use other than stated, nor is this 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 parcel under review is a vacant lot totaling .1720 acres located at Sunshine Terrace Avenue, west of University Boulevard Southeast, and is further described as: Lot 5, Block A, Sunshine Terrace Addition, Albuquerque, Bernalillo County, New Mexico. Zoning is R-1, residential.

The following items (#3-#14) are taken directly from the appraisal under review:

- 1) Review Effective Date: May 23, 2014
- 2) Review Report Date: June 4, 2014

- 3) Size of Subject Site: 0.1720 acre, or 7,492 square feet
- 4) Improvements:..... Vacant Land
- 5) Highest and Best Use: Apartment development
- 6) Purpose of Report:..... [t]o estimate the fair market value of the fee simple interest in the property.
- 7) Extraordinary Assumption(s)...The client engaged the engineering firm of Bohannon Huston, Inc. to perform cost estimates relating to the construction of infrastructure and the remediation of uncontrolled fill... This appraisal relies on this report to make valuation adjustments for physical conditions present at the subject property and it is assumed to be accurate.
[t]his valuation incorporates the assumption that the subject could be zoned R-2
- 8) Hypothetical Condition:..... None
- 9) Owner of Record:..... Steven & Gina DeBlassie
- 10) Estate Appraised:..... Fee simple estate
- 11) Report Date: March 18, 2014
- 12) Report Effective Date:..... February 17, 2014
- 13) Appraiser: Joshua Cannon, MAI
- 14) Final Value: \$40,100

SCOPE OF REVIEW: This Technical Review Report is prepared in accordance with the guidelines as set forth in Standard 3 and related advisory opinions of the Uniform Standards of Professional Appraisal Practice (USPAP).

This review comprised of a desk review of the data contained in the appraisal report and the subsequent addendum dated May 30, 2014. A field review of the subject was conducted on May 23, 2014. Comparable land sales were field reviewed on May 23, 2014. This review is based on the data contained in the above-mentioned report, the addendum, discussions with the Bernalillo County Assessor's Office, market research, and my personal knowledge of the market area. Photos of the subject property are on pages 5 and 6 of this report. Photos of the comparable sales are contained in the reviewer's work file.

The content of the report was objectively evaluated for its technical applications. Mathematical calculations contained in the report were verified. The data was analyzed to determine its relevancy to the conclusion of value estimate reached and the reviewer developed an opinion as to the adequacy and appropriateness of the appraisal under review, and if it met the requirements of applicable laws and regulations. No assumptions, extraordinary assumptions, hypothetical conditions, or limiting conditions for the review were employed outside of those mentioned in the appraisal report.

REVIEW SUMMARY OF A FEE SIMPLE APPRAISAL

- 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) Highest and Best Use – The highest and best use analysis was limited, but did address all four tests of highest and best use, legally permissible, physically possible, economical feasibility and maximum productivity as improved and as vacant. The highest and best use conclusion was determined to be apartment development. Vacancy rates were also used to gage the viability of the proposed apartments. The conclusion was credible and adequately supported.
 - b) Site Valuation – The site value was developed utilizing the sale of 11 comparable properties from 2007 to 2013. The properties used were mostly zoned R-2, though the current subject zoning is R-1, the purpose of the appraisal was acquisition and rezoning to R-2. The analysis was credible and adequately supported.
 - c) Approaches to Value – The sales comparison approach was the only method employed to develop an opinion of market value. Neither the income approach nor the cost approach were developed. The Uniform Standards of Professional Appraisal Practice Standard 2-2(a)(viii) states the exclusion of any of the approaches to value must be explained. The appraiser was contacted and added his explanation for those omissions in an addendum. The data presented was an appropriate comparison to the subject property and adjustments were adequately supported. The use of these methods is appropriate and its use is credible.
 - d) Reconciliation (Analysis and Conclusion) – The reconciliation was straight forward as the value indication range was very narrow. The analysis and conclusion is determined to be credible.
 - e) Final Value Estimate Conclusion – The final value estimate conclusion is considered to be credible and adequately supported.
- 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.


The appraisal report and subsequent addendum under review were found to be credible and found to be in compliance with applicable stated requirements and standards. The content of the report was consistent throughout, sufficient and relevant maps, photographs, and supporting documentation was provided in the addenda. Sections within the report were consistent, and adequate descriptions are included. The appropriate valuation analyses were conducted and the utilized techniques were relevant to the specific assignment. The final value conclusion falls within the range established by the market data. It is concluded that the report as written is credible and not misleading.

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 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 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 May 23, 2014
- No one provided significant appraisal, appraisal review, or appraisal consulting assistance to the person signing this certification.



John Hubert, Appraisal Specialist
Appraisal Bureau, Property Tax Division

Date: June 4, 2014

East end of Sunshine Terrace looking south along University Blvd.



East end of Sunshine Terrace looking north along University Blvd.



East end of Sunshine Terrace Avenue looking west



Subject lot 5, block A looking north

