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1330 San Pedro Drive NE, 87110  
September 22, 1969

Mr. John Perovich  
Vice President, Finance  
University of New Mexico  
Albuquerque, New Mexico

Re: Roy W. Johnson Residence  
1815 Roma Avenue NE  
Lot 2, Block A, UNM Campus  
Albuquerque, New Mexico

Dear Mr. Perovich:

In accordance with your request, I have made an appraisal of the above property and submit herewith a summary of my conclusions.

PURPOSE

The purpose of this appraisal is to estimate the current market value or probable selling price of the property.

DESCRIPTION OF PROPERTY RIGHTS

This is an appraisal of the leasehold estate owned by Roy W. Johnson, consisting of a land lease with a remaining term of approximately 66 years at an annual rental of \$1.00, and the residential improvements constructed thereon.

The leased fee estate owned by the University of New Mexico consists of the right to receive the annual rental of \$1.00 for the remaining term of the lease, plus the reversionary value of the land and improvements upon expiration of the lease.

The University retains certain other property rights. The lease provides that the lessee must obtain written consent of the University in the event of sale or assignment of the leasehold estate to a person other than a faculty member. The University retains the option of first refusal to purchase the leasehold estate in the event of sale to a person who is not a faculty member, but otherwise acceptable to the University, at the same price that could be obtained in a bona fide sale of the leasehold estate.

The lease also provides that the premises may be used for single family residential purposes only.

#### PROPERTY DESCRIPTION

The property is located on the north side of Roma Avenue NE and is the third lot west of Yale Boulevard. The lot measures 92.99' x 145' and there is a 15' alley in the rear.

The improvements consist of a single family residence approximately 32 years old, in very good condition and of sound construction. The house is built of frame stucco with 6" exterior walls, flat built-up roof, oak floors, plastered interior walls, wood sash windows, a new central forced air furnace and a wood burning fireplace in the living room. The main bath has ceramic tile walls and floor, and the kitchen has ceramic tile counter tops and inlaid vinyl floor covering.

The house contains 2,302 square feet including a living room, dining room, study, kitchen, 4 bedrooms, breakfast room, service room and two bathrooms. There is a basement furnace room containing 84 square feet, covered porches of 93 square feet and an attached double garage containing 390 square feet.

The exterior site improvements include a walled yard, sprinkler system, extensive landscaping and a paved driveway.

The home has been very well maintained and has an attractive floor plan featuring an entry hall with direct or private access to the bedrooms as well as to the living area.

#### HIGHEST AND BEST USE

Although the land is zoned R-3, permitting multiple family use, the standard provisions of the lease limit the use of the premises by the lessee to single family residential occupancy.

#### VALUATION APPROACH

The comparable sales approach was employed in estimating the value of the property. An investigation was made of the sale prices of the comparable, competing homes in the surrounding neighborhood. The comparable properties were inspected and compared to the subject house with regard to age, condition, quality of construction, size, number of rooms and baths, features of construction, floor plan, size of garage, size of lot and location. This analysis of market data produced an indicated range in value for the subject property.

The following comparable properties were considered:

- 1600 Sigma Chi Road NE, sold 1969 for \$28,000.00.
- 1315 Marquette Place NE, sold 1969 for \$29,000.00.
- 1310 Marquette Place NE, sold 1969 for \$18,050.00.
- 1202 Roma Avenue NE, sold 1968 for \$18,500.00.
- 1405 Sigma Chi Road NE, sold 1965 for \$27,500.00.
- 1610 Las Lomas Road NE, sold 1966 for \$23,000.00.

CONCLUSION OF VALUE

As a result of the foregoing study and analysis, it is concluded that the subject property has a current market value in fee simple of \$27,000.00. The allocation of this value to improvements and land is as follows:

Improvements	\$20,000.00
Land	<u>7,000.00</u>
Total	\$27,000.00


APPORTIONMENT OF INTERESTS

As a practical matter, in view of the remaining long term of the lease and the nominal ground rent, the leasehold or lessee's interest should be marketable for approximately the same price as indicated above for the property in fee simple, assuming a faculty purchaser could be found or that the University would give consent to sale to an outside purchaser.

With regard to the purchase of the leasehold by the University, much depends upon the policy of the University concerning paying fee simple value for land that has been leased to faculty members with specific reservations as to use and sale of the premises.

In conclusion, the value of the subject leasehold is equal to the value of the improvements of \$20,000.00 plus a consideration for the leasehold estate in the land not to exceed \$7,000.00.

Very truly yours

  
Allan L. McMullen

ALM:ks