

**JOSHUA CANNON & ASSOCIATES, INC.**

APPRAISAL & ADVISORY SERVICES FOR NEW MEXICO REAL ESTATE

SELF CONTAINED APPRAISAL REPORT

OFFICE/WAREHOUSE FACILITY

1407 University Boulevard NE  
ALBUQUERQUE, NEW MEXICO

Appraisal Project 27125

EFFECTIVE DATE

November 18, 2009

PREPARED FOR

Thomas M. Neale

Associate Director, Real Estate Department

The University of New Mexico

2811 Campus Boulevard NE

1 University of New Mexico

MSC06 3593

Albuquerque, New Mexico 87106

November 24, 2009

Thomas M. Neale  
Associate Director, Real Estate Department  
The University of New Mexico  
2811 Campus Boulevard NE  
1 University of New Mexico  
MSC06 3593  
Albuquerque, New Mexico 87106

Reference: Appraisal Report  
Office/Warehouse Facility  
1407 University Boulevard NE  
Albuquerque, New Mexico

We have completed an appraisal of the above referenced property and we are pleased to submit the accompanying self-contained report of our findings and conclusions. The objective of the appraisal was to estimate the market value of the fee simple interest in the property, subject to assumptions and limiting conditions stated in the report. Our analysis indicates the following value of the property.

Effective Date	November 18, 2009
Estimated Market Value	\$980,000

The main body of our report provides you with our method of study as well as the limitations placed on the work product by the undersigned. Please read these limitations carefully so you may understand our conclusions clearly. In preparing this study, our conduct has been governed by the Code of Ethics of the various professional organizations of which we are members.

This opportunity to provide appraisal services to your organization is appreciated, and questions from authorized users of the report will be welcomed if any aspect of the research or analysis requires clarification.

JOSHUA CANNON & ASSOCIATES, INC.



Joshua Cannon, MAI

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## Executive Summary

Project:	Office/Warehouse Facility
Location:	1407 University Boulevard NE Albuquerque, New Mexico
Client:	Thomas M. Neale Associate Director, Real Estate Department The University of New Mexico 2811 Campus Boulevard NE 1 University of New Mexico MSC06 3593 Albuquerque, New Mexico 87106
Property Overview:	The primary building contains a total estimated area of 12,152 square feet and was built in two phases in the 1960s and 1970s (estimated). Construction is a masonry office area attached to a steel warehouse area. There is also a freestanding 288-square-foot concrete block storage building. Site improvements are asphalt paved parking and limited landscaping. The building is rented on a month-to-month basis to Pony Pack and the condition is rated as fair to average. The property is located in the central portion of Albuquerque near the University of New Mexico and the UNM Health Sciences Center.
Land Area:	1.4377 acres, or 62,626 square feet
Total Building Area:	12,440 square feet
Development Density:	20% floor area ratio
Year Built:	1960s – 1970s (estimated)
Zoning:	C-3, Heavy Commercial
Property Rights Appraised	Fee simple interest
Highest and Best Use	
Land as Though Vacant:	Commercial & office development
Improved Property:	Office/warehouse or demolish for redevelopment
Indications of Value	
Land Valuation	\$960,000 (includes improvement demolition costs)
Sales Comparison Approach:	\$1,000,000
Final Market Value Estimate:	\$980,000
Effective Date of Appraisal:	November 18, 2009



## Overview of the Subject Property

The subject property is an office/warehouse facility located at 1407 University Boulevard NE in Albuquerque, New Mexico. The primary building contains a total estimated area of 12,152 square feet and the land area is 1.4377 acres. The building was built in two phases in the 1960s and 1970s (estimated), and the construction is a masonry office area attached to a steel warehouse area. There is also a freestanding 288-square-foot concrete block storage building. Site improvements are asphalt paved parking and limited landscaping. The building is rented on a month-to-month basis to Pony Pack and the condition is rated as fair to average. The property is located in the central portion of Albuquerque near the University of New Mexico and the UNM Health Sciences Center.

Exhibits that show the location and configuration of the subject property are included in the *Appendix* of this report.

## Legal Identification

According to the survey provided for this assignment, the legal description is Tract A, Colson Addition, as shown on the plat recorded with the County Clerk of Bernalillo County, New Mexico, on May 11, 1973, Map Book C9, Folio 67.

## History of Ownership

Public documents indicate the owners of the subject property are the Liu Family Living Trust (1/2 interest) and the Chavez Revocable Trust (1/2 interest). They purchased the property on September 22, 1994 from Marvin and Mazelle Colton for \$350,000. The purchase was made on a real estate contract with \$75,000 cash, seller financing at 8.5% with payments of \$2,215.00 per month and the entire balance due in 10 years. Pony Pack has been a tenant in the property since approximately December 1994. The property owner representative, Michael Chavez, reports Pony Pack is currently occupying the property on a month-to-month agreement and their rent is \$5,250 per month, triple net. This equals \$63,000 per year, or \$5.18 per square foot of primary building area. The Regents of the University of New Mexico sent a letter of intent dated October 1, 2009 to purchase the subject property from the owners for \$800,000, subject to a market value appraisal. The owners have not signed the letter of intent, but have stated an interest in selling the property to UNM and provided subject property information for this appraisal. Other than the information presented above, the appraiser has no knowledge of any pending listings, offers or options affecting the subject property.

## Purpose and Intended Use of the Appraisal

The purpose of the appraisal is to estimate the market value of the fee simple interest in the subject property. The report is intended to be used by the Regents of the University of New Mexico in evaluating a potential acquisition of the property.

## Market Value Defined

Market value means 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 both acting in what they consider their own best interest;
- (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.

Source: Department of the Treasury, Office of the Comptroller of the Currency, 12 CFR Part 34 [Docket No. 90-16], Real Estate Appraisals, published in the Federal Register, Vol. 55 No. 165, August 24, 1990: Final Rule.

### **Effective Date of Appraisal and Date of Report**

The effective date of this appraisal is November 18, 2009, which is the date of the most recent site inspection. The date of the report is shown on the transmittal letter.

### **Scope of the Assignment**

This appraisal is transmitted in a self-contained report and the valuation methods applied are (1) an estimate of land value by a sales comparison technique, and (2) a sales comparison approach of the land and buildings combined using a sales comparison technique. The subject property is in a commercial area that is transitioning to more intensive land uses, and an office/warehouse is no longer the highest and best use of the land. Potential buyers are (1) a user who will demolish the improvements to make way for a more intensive commercial use, or (2) a user who would occupy the building for an interim period in the anticipation of either redeveloping the property or selling to a more intensive user at a future date. It is not feasible to purchase the property and lease it to an office/warehouse tenant; therefore the Income Approach is not applied. A Cost Approach is not applied due to the high level of physical depreciation and functional/external obsolescence. Also, the market data presented in this appraisal indicates the improvements do not contribute to the market value of the land "as though vacant."

The scope of study encompassed property inspection, research of deed records, analysis of supply and demand, and analysis of market trends. This appraisal is intended to be in compliance with the Appraisal Foundation's Uniform Standards of Professional Appraisal Practice and the Appraisal Institute's Standards of Professional Practice.

I have investigated the general economy of the Albuquerque area, as well as the subject market sector. The sources of data used in this report include:

- Interviews with knowledgeable brokers and developers.
- A thorough search of in-house data held by Joshua Cannon & Associates, Inc.
- A search of the county clerk's records for recent property sales.
- A search of the available multiple listing services, including SWMLS, CARNM and Loopnet.

There is adequate information to support a reliable estimate of value. Joshua Cannon or other parties deemed reliable have personally verified the comparables relied upon in the Valuation Section.

### **Property Rights Defined**

The property rights appraised are the fee simple estate in the referenced real estate. The fee simple estate is an absolute ownership unencumbered by any other interest or estate, subject only to the limitations of eminent domain, escheat, police power, and taxation.

## General Underlying Assumptions

1. The legal description used in this report is assumed to be correct.
2. No survey of the property has been made by the appraiser; no responsibility is assumed in connection with such matters. Sketches in this report are included only to assist the reader in visualizing the property.
3. No responsibility is assumed for matters of a legal nature affecting title to the property nor is an opinion of title rendered. The title is assumed to be good and merchantable.
4. Information furnished by others is assumed to be true, correct, and reliable. A reasonable effort has been made to verify such information; however, no responsibility for its accuracy is assumed by the appraiser.
5. All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless so specified within the report. The property is appraised as though under responsible ownership and competent management.
6. It is assumed that there are no hidden or unapparent conditions of the property, such as subsoil structures or asbestos containing building materials, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors.
7. The appraiser has noted in the appraisal report any adverse conditions (such as needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
8. It is assumed that all applicable federal, state and local environmental regulations and laws have been complied with unless otherwise stated, defined and considered in the appraisal report.
9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a non-conformity has been stated, defined and considered in the appraisal report.
10. It is assumed the utilization of the land and improvements are within the boundaries or property lines of the property described and there is no encroachment or trespass unless noted within the report.
11. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. The appraiser has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance. If so, this could have a negative effect on the value of the property. Since the appraiser has no direct evidence relating to this issue, the possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.

### **General Limiting Conditions**

1. The appraiser will not be required to give testimony or appear in court because of having made this appraisal, or with reference to the property in question, unless arrangements have been previously made.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser and in any event only with proper written qualification and only in its entirety.
3. The distribution of the total valuation in this report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and becomes invalid if so used.
4. Neither all nor any part of the contents of this report, or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales or another media without written consent and approval of the appraiser, nor shall the appraiser, firm or professional organization of which the appraiser is a member be identified in public media without written consent of the appraiser.
5. The appraiser is not aware of any cross easements or any covenants, conditions, or restrictions impacting the subject property. It is assumed the property has adequate ingress and egress, and a sale of the property would not be inhibited by any covenants, conditions, or restrictions.

## Albuquerque Profile

This section of the report summarizes the city's economic base, its demographic and land-use trends, and the current development climate for real estate. The appraised property is located at 1407 University Boulevard NE in the "University" market area of Albuquerque, New Mexico.

### *Geographic Area*

The Albuquerque metropolitan area is located near the geographic center of New Mexico, situated on a high plateau along the Rio Grande just west of the Sandia and Manzano Mountains. The city covers 188 square miles and serves as the state's commercial, industrial, and transportation center. According to the U.S. Census Bureau, the state's July 2007 population was 1,969,915, and the Albuquerque metropolitan area population was 835,120. The Albuquerque Metropolitan Statistical Area includes Bernalillo County, the city of Albuquerque, the city of Rio Rancho as well as Sandoval, Valencia and Tarrant Counties. Santa Fe, the state capital, is 65 miles to the north. The state capital, with a 2007 metropolitan-area population of 142,955, is a much smaller city than is Albuquerque.

Albuquerque is relatively isolated, with no significant sub-regional commerce centers between itself and Phoenix, 450 miles to the west; Denver, 420 miles to the north; Dallas, 650 miles to the east; and El Paso, 300 miles to the south. Albuquerque is well served by interstate highways and major airlines.

### *Historic Development Pattern*

The Albuquerque metropolitan area is geographically divided into three distinct areas: the East Mesa, the Valley, and the West Mesa. Initial European settlement occurred in the valley area, where Spanish colonists settled the flood plain of the Rio Grande in the vicinity of "Old Town" in the 1600s. This agrarian society spread north and south along the river in a pattern of farms and small villages. Due to this settlement pattern, the most traditional segments of regional development are found in the valley areas.

Downtown Albuquerque originated in the late 1800s, when the railroad placed its tracks about one and one-half miles east of the Old Town Plaza. The Railroad Subdivision was platted near the tracks, and businesses developed in response to the convenience of moving goods and people by rail. For approximately 70 years, from the arrival of the railroad to the development of the first suburban shopping mall in 1961, Downtown Albuquerque was the center of government and commerce for the growing area. In subsequent years, Downtown workers and residents followed the national trend of out-migration to the suburbs (1960s and 1970s).

The decline of the Central Business District in the 1970s prompted government support of Downtown redevelopment through tax incentives and municipal bond financing of private projects. By the late 1980s and early 1990s, the Central Business District was the location of some of the heaviest public and private capital investment in the metropolitan area.

Residential and institutional growth took place largely on the East Mesa during the period 1930 to 1960. The direction of growth extended east from Downtown along old US Route 66, which was the east-west intra-city and interstate roadway until the freeways were developed in the 1960s. The establishment of the University of New Mexico, the state fair grounds, Albuquerque International Airport, Kirtland Air Force Base, Sandia National Laboratories (scientific and weapons research), and four regional hospitals on the East Side propelled this growth and created the economic base of modern Albuquerque as well. This early growth area is generally identified as the Southeast Heights and University area, and contains several high-demand residential neighborhoods.

Beginning in the early 1960s, development continued on the East Mesa, but shifted north of I-40 and east of I-25 to what is now known as the Northeast Heights. The boom in population growth and housing over the last quarter century made the "Heights" the largest and most prosperous regional development area. This area was laid out on a grid system with primary arterials placed along the section lines in accordance with the

government-survey system. Until more recent planning and development, strip commercial and multifamily land uses were placed along the major arterials, forming a buffer for the single-family residential neighborhoods within the square-mile sections. Since the 1980s, curved streets and clustered non-residential uses are the typical style of development. The easternmost area of the Northeast Heights has a preferred location at the base of the Sandia Mountains and should remain in high demand for residential buyers for the foreseeable future. The foothills area contains much of the region's most expensive housing.

The city's second major urban center, called "Uptown," was created near I-40 and Louisiana Boulevard at the approximate center of East Side development. Initiated in the 1960s when two regional shopping centers were developed within a quarter mile of each other, Uptown was Albuquerque's fastest-growing commercial and financial center during the 1970s and 1980s.

The supply of land on the East Mesa is nearly absorbed and development emphasis is now on the West Mesa, which includes the submarkets of Southwest Mesa, Northwest Mesa and Rio Rancho. Initially, the West Mesa competed primarily on the basis of less expensive land and suffered due to poor transportation linkages and inferior services. These impediments have been overcome; however, the major employment centers are primarily east of the Rio Grande and commuter traffic congestion is a material problem. The 12,612-acre Mesa del Sol master plan located on I-25 at the south end of Albuquerque is now developing and the first homes are expected to come on-line in 2009. This project has already attracted some major employers and it will eventually capture a significant percentage of new housing permits.

### Population Trends

The 2007 population for Albuquerque was estimated at 526,694, according to the U.S. Census. The city's population grew at 7.59% per year during the 1950s, and the growth rate has typically averaged near two percent per year from the 1960s through the present.

Population growth over the 57-year period from 1950 to 2007 in the city of Albuquerque and Bernalillo County is shown in the following chart.

#### US Bureau of the Census Population Figures: 1950 – 2007

Year	City of Albuquerque		Bernalillo County	
	Total Persons	Growth Rate*	Total Persons	Growth Rate*
1950	96,815	---	145,637	---
1960	201,189	7.59%	262,199	6.05%
1970	244,501	1.97%	315,774	1.88%
1980	332,336	3.12%	420,262	2.90%
1990	386,988	1.53%	480,577	1.35%
2000	448,607	1.49%	556,678	1.48%
2007	526,694	2.32%	644,023	2.10%

\*Annual compound rate of growth.

Note: Bernalillo County data encompasses the same land area from year to year. The City of Albuquerque's land area has undergone changes due to annexation.

Source: US Bureau of the Census

*Joshua Cannon & Associates, Inc.*

Population growth is attributable to a high quality of life, a favorable business environment, a strong and productive labor force, and aggressive economic development efforts that have been funded by both the state and local municipalities. In recent years, national publications have rated Albuquerque as one of the top places to live in the United States. In May 2006 Forbes Magazine rated Albuquerque Number One in its annual survey of the nation's "Best Places for Business and Careers," up from fifth place from the previous year. The report cites low labor costs and taxes as well as rising median household income.

The University of New Mexico Bureau of Business and Economic Research (UNM BBER) is regarded as the leading research and forecasting entity in New Mexico for population and economic data, and they published a revised population estimate in August 2008. That estimate for the four counties making up the Albuquerque Metropolitan Area (Bernalillo, Sandoval, Tarrant and Valencia Counties) is shown below.

#### **Albuquerque MSA Projected Population – Revised Estimate from August 2008**

Year	Projected Population					Annual Growth Rate per 5 yr. Period
	Bernalillo County	Sandoval County	Valencia County	Tarrant County	Total (Alb. MSA)	
2005	614,508	107,104	71,459	18,282	811,353	-
2010	713,020	125,675	79,894	20,052	938,641	2.96%
2015	811,861	144,087	89,045	22,184	1,067,177	2.60%
2020	905,393	163,315	98,459	24,584	1,191,751	2.23%
2025	993,650	182,592	107,294	26,990	1,310,526	1.92%
2030	1,080,297	200,822	115,416	29,132	1,425,667	1.70%
2030	1,166,590	217,806	123,212	31,007	1,538,615	1.54%

Source: UNM BBER

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The preceding forecast estimates growth approaching three percent per year through 2015 and spread among all four counties. The growth projections appear to be aggressive given the more recent economic forecasts for the metro area, but this is to be determined.

Another population forecast is made by the Mid-Region Council of Governments, which is a governmental agency that provides planning and other services in support of community and regional development, including employment growth, infrastructure planning and development, and resource management. Every four years MRCOG publishes a comprehensive socioeconomic forecast for the four-county area of Bernalillo, Sandoval, Tarrant and Valencia, as well as southern Santa Fe County. MRCOG divides the plan area into Data Analysis Subzones (DASZ), which are small units of geography that are compatible with MRCOG's transportation model. The datasets are created by MRCOG to project future travel demand in the region, as well as land use planning, economic development and so on. DASZs are generally bounded by major roads and other physical features, and subdivisions of Census Tracts.

MRCOG published the *2030 Metropolitan Transportation Plan for the Albuquerque Metropolitan Planning Area* on April 26, 2007. This plan projects growth in population, employment, housing units and school enrollment for the plan area, as well as at the county and DASZ level. The forecast is from 2004 to the year 2030. According to MRCOG, resource data for the forecast includes the Bureau of Business and Economic Research, the US Census Bureau, the NM Department of Workforce Solutions, aerial photography, building permits, approved and pending real estate developments, interviews with major developers, land inventory and infrastructure availability.

The MRCOG population forecast for the Albuquerque Metropolitan Area is shown below.

#### **Albuquerque MSA Projected Population – 2007 Estimate**

Year	Projected Population				
	Bernalillo County	Sandoval County	Valencia County	Tarrant County	Total (Alb. MSA)
2004	602,413	102,462	69,754	17,695	792,324
2030	<u>759,000</u>	<u>197,182</u>	<u>128,922</u>	<u>27,479</u>	<u>1,112,583</u>
Total Growth	156,587	94,720	59,168	9,784	320,259
Annual Growth Rate	0.89%	2.55%	2.39%	1.71%	1.31%

Source: MRCOG

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The population forecast by MRCOG is more conservative than the UNM-BBER estimate in terms of the pace of growth, and it also predicts more of the growth will occur outside of Bernalillo County.

### Employment

Albuquerque's economic base is nearly three-fourths trade, services, and government. Federal spending is a significant factor in the local economy, given the influence of Kirtland Air Force Base and Sandia National Laboratories, a major federal contractor in research and development of energy, weapons, and space exploration.

In recent years the average annual job growth has fluctuated from -1.36% to over 4% in the metropolitan area. The New Mexico Department of Workforce Solutions reports that as of December 2007, approximately 3,600 net new jobs were generated over the previous 12 months—an increase of 0.9%. Increases were mainly in transportation, warehousing & utilities, retail trade, information, education & health services, government, and leisure & hospitality. Manufacturing experienced a decline due to the layoffs at Intel, and construction also slipped.

The following table shows growth in the number of persons employed in the Albuquerque Metropolitan Statistical Area (MSA), the state of New Mexico, and the United States since 1994. The Albuquerque MSA includes Bernalillo, Sandoval, Valencia and Tarrant Counties. (Note that starting in 2004 annual averages for labor force and number employed reflect a new DOL methodology in which workers are counted in the county of residence instead of job location. This may have overstated the growth in employed persons in the MSA for 2004.)

#### Historical Employment Information (Civilian Labor Force)

	ABQ Metro Area			New Mexico			United States		
	Number Employed (000's)	Percent Change	Unemployment Rate	Number Employed (000's)	Percent Change	Unemployment Rate	Number Employed (000's)	Percent Change	Unemployment Rate
1994	319.8	5.68%	4.4%	729.3	4.51%	6.3%	123,060	2.33%	6.1%
1995	328.9	2.85%	4.1%	741.4	1.66%	6.3%	124,900	1.50%	5.6%
1996*	326.7	-0.67%	5.4%	733.6	-1.05%	8.1%	126,708	1.45%	5.4%
1997	339.4	3.88%	4.3%	763.3	4.04%	6.2%	129,558	2.25%	4.9%
1998	344.7	1.57%	4.5%	779.7	2.15%	6.2%	129,558	0.00%	4.5%
1999	339.4	-1.54%	3.9%	764.2	-1.99%	5.6%	131,463	1.47%	4.2%
2000	364.1	7.27%	3.3%	811.8	6.23%	5.0%	136,891	4.13%	4.0%
2001	365.8	0.48%	3.3%	818.5	0.83%	5.4%	136,933	0.03%	4.7%
2002	365.7	-0.04%	4.7%	829.8	1.38%	5.4%	136,485	-0.33%	5.8%
2003	368.9	0.88%	5.5%	839.7	1.19%	6.4%	137,736	0.92%	6.0%
2004	374.2	1.44%	5.2%	860.0	2.42%	5.7%	139,252	1.10%	5.5%
2005	380.4	1.66%	4.9%	886.7	3.10%	5.3%	141,730	1.78%	5.1%
2006	392.8	3.26%	4.0%	912.1	2.86%	4.3%	144,427	1.90%	4.6%
2007	392.9	0.04%	3.5%	910.0	-0.23%	3.5%	146,047	1.12%	4.6%
2008	394.9	0.50%	4.3%	919.4	1.04%	4.2%	145,362	-0.47%	5.8%

Source: New Mexico Department of Workforce Solutions and BBER

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Total non-agricultural employment by category is summarized below for the Albuquerque MSA. Starting in 2002, the reported categories were changed to be consistent with NAICS codes, which replaced the former SIC codes.



**Employment According to Categories: Albuquerque MSA (Nonagricultural)**

	Ann. Avg. 1990	Ann. Avg. 2000	%Δ 1990-00	Ann. Avg. 2006	Ann. Avg. 2007	%Δ 2006-07
Total Nonfarm	271,400	357,400	31.7%	391,500	395,600	1.0%
Total Private	216,300	288,400	33.3%	313,100	316,100	1.0%
Goods Producing	37,600	51,100	35.9%	55,500	54,000	-2.7%
Services Providing	233,800	306,200	31.0%	336,000	341,600	1.7%
Private Services Providing	178,700	237,300	32.8%	257,600	262,200	1.8%
Natural Resources and Mining & Const.	14,800	23,600	59.5%	31,400	30,300	-3.5%
Manufacturing	22,800	27,600	21.1%	24,100	23,700	-1.7%
Trade, Transportation & Utilities	53,700	66,200	23.3%	67,500	68,800	1.9%
Wholesale Trade	13,200	14,200	7.6%	13,200	13,300	0.8%
Retail Trade	32,600	41,400	27.0%	43,700	44,700	2.3%
Transportation, Warehousing & Utilities	8,000	10,700	33.8%	10,500	10,900	3.8%
Information	6,700	11,100	65.7%	9,400	9,200	-2.1%
Financial Activities	16,800	19,400	15.5%	19,200	19,200	0.0%
Professional and Business Services	42,400	58,700	38.4%	62,900	64,200	2.1%
Educational and Health Services	24,200	37,300	54.1%	47,900	49,100	2.5%
Leisure and Hospitality	26,000	33,600	29.2%	38,500	39,500	2.6%
Other Services	8,900	10,900	22.5%	12,100	12,300	1.7%
Government	55,100	69,000	25.2%	78,500	79,400	1.1%
Federal	14,500	14,100	-2.8%	14,500	14,500	0.0%
State	15,100	22,200	47.0%	25,200	25,500	1.2%
Local	25,500	32,700	28.2%	38,700	39,400	1.8%

Source: New Mexico Department of Workforce Solutions

*Joshua Cannon & Associates, Inc.*

The Albuquerque MSA is much more of a service economy than a manufacturing economy. Roughly 86% of the economy is attributable to the service sector. Government of all types, at 20%, constitutes the single largest category of jobs. Overall non-farm employment increased in the Albuquerque MSA by 1.0% from 2006 to 2007.

As described above, the University of New Mexico Bureau of Business and Economic Research (UNM BBER) is regarded as the leading research and forecasting entity in New Mexico for population and economic data, and they published a quarterly forecast of economic statistics, including employment. The most recent forecast from Fall 2009 is shown on the following page.

**UNIVERSITY OF NEW MEXICO**  
**BUREAU OF BUSINESS AND ECONOMIC RESEARCH**

SUPPLEMENT To The **FOR-UNM Bulletin**, FALL 2009

Prepared for

**JOSHUA CANNON & ASSOCIATES, INC.**

<b>ALBUQUERQUE MSA</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Total Nonagricultural Emp.</b>	395.817	395.533	384.368	388.225	396.064	403.732	410.854	417.274
% Change Year Ago	1.1	-0.1	-2.8	1.0	2.0	1.9	1.8	1.6
Logging, Mining and Construction Employment	30.475	28.492	24.977	25.766	26.701	27.500	28.333	29.114
% Change Year Ago	-2.9	-6.5	-12.3	3.2	3.6	3.0	3.0	2.8
Manufacturing Employment	23.675	22.167	19.404	18.400	18.979	19.836	20.559	20.934
% Change Year Ago	-1.7	-6.4	-12.5	-5.2	3.2	4.5	3.7	1.8
Wholesale Trade Employment	13.342	13.192	12.552	12.610	12.842	13.070	13.281	13.473
% Change Year Ago	0.8	-1.1	-4.8	0.5	1.8	1.8	1.6	1.4
Retail Trade Employment	44.625	44.600	42.290	42.222	42.380	42.703	43.413	44.094
% Change Year Ago	2.1	-0.1	-5.2	-0.2	0.4	0.8	1.7	1.6
Transportation, Warehousing and Utilities Employment	10.900	10.775	10.369	10.263	10.463	10.797	11.068	11.262
% Change Year Ago	3.6	-1.1	-3.8	-1.0	1.9	3.2	2.5	1.8
Information Employment	9.183	9.367	9.088	8.179	8.709	8.755	8.883	9.077
% Change Year Ago	-2.7	2.0	-3.0	-10.0	6.5	0.5	1.5	2.2
Financial Activities Employment	19.192	18.758	18.301	18.092	18.292	18.475	18.526	18.422
% Change Year Ago	-0.3	-2.3	-2.4	-1.1	1.1	1.0	0.3	-0.6
Professional and Business Services Employment	64.275	64.350	62.691	64.703	67.539	69.686	71.065	72.415
% Change Year Ago	2.2	0.1	-2.6	3.2	4.4	3.2	2.0	1.9
Educational Services, Health Care and Social Assistance Employment	49.025	51.067	53.042	55.014	56.789	58.227	59.433	60.989
% Change Year Ago	2.4	4.2	3.9	3.7	3.2	2.5	2.1	2.6
Leisure and Hospitality Employment	39.433	39.008	37.112	37.392	37.282	37.953	38.580	38.805
% Change Year Ago	2.3	-1.1	-4.9	0.8	-0.3	1.8	1.7	0.6
Other Services Employment	12.192	12.475	12.188	12.183	12.220	12.204	12.220	12.274
% Change Year Ago	0.6	2.3	-2.3	0.0	0.3	-0.1	0.1	0.4
<b>Total Govt. Employment</b>	<b>79.500</b>	<b>81.283</b>	<b>82.355</b>	<b>83.405</b>	<b>83.871</b>	<b>84.529</b>	<b>85.500</b>	<b>86.423</b>
% Change Year Ago	1.3	2.2	1.3	1.3	0.6	0.8	1.1	1.1
City of Albuquerque Total Housing Units	2.817	1.008	0.680	1.209	2.614	2.735	3.194	3.378
% Change Year Ago	-33.4	-64.2	-32.6	77.8	116.3	4.6	16.8	5.8
City of Albuquerque Single-Family Units	2.087	0.659	0.477	1.040	2.357	2.387	2.695	2.813
% Change Year Ago	-37.4	-68.4	-27.6	117.9	126.7	1.3	12.9	4.4
City of Albuquerque Multi-Family Units	0.730	0.349	0.203	0.169	0.257	0.348	0.499	0.565
% Change Year Ago	-18.3	-52.2	-41.9	-16.7	52.1	35.8	43.3	13.2

ALL FIGURES IN THOUSANDS

Source: UNM BBER

As shown above, the Albuquerque MSA had negative 0.1% employment growth in 2008, and 2009 is forecast to be 2.8% negative. Positive employment growth is forecast to resume in 2010 and return to the two percent level in 2011.

Following are some bullet points from the most recent UNM BBER forecast:

- As was the case in the state as a whole, the Albuquerque MSA economy slipped deeper into recession during the second quarter of 2009. Nonfarm employment posted a decline of 3.2 percent, down from a 1.7 percent drop in the first quarter. However, the slide in the Albuquerque MSA was more severe than

it was statewide. Not only was the second quarter decline larger than in the state (3.2 percent vs. 2.6 percent), but also the drop off from the first quarter to the second quarter was larger (-1.7 percent Q1 to 3.2 percent Q2, Albuquerque MSA, compared to -1.6 percent Q1 to -2.6 percent Q2, statewide). Moreover, in the second quarter the Albuquerque MSA had 46.8 percent of New Mexico's nonfarm employment, but lost 56.3 percent of the nonfarm jobs.

- The unemployment rate, non-seasonally adjusted, rose to 6.8 percent from 5.9 percent in the previous quarter. Three of twelve employment sectors posted gains, and one of the three gains was insignificant (information, 33 jobs). The other two were health care and educational services (1,933 jobs, 3.8 percent) and government (1,500 jobs, 1.8 percent). Within the government sector, growth was concentrated in the local and federal segments. State government was unchanged from a year ago. Local government employment rose 2.3 percent, with a significant chunk of the jobs coming at Indian enterprises, particularly casinos, hotels and resorts. Federal government employment increased 3.6 percent, mostly from Census 2010 workers.
- The Albuquerque MSA economy lost 12,667 (net) jobs between the second quarter of 2008 and the second quarter of 2009. Among the various sectors, construction took the biggest hit, posting a net employment drop of 4,800 (-16.5 percent). Housing remained unsurprisingly weak. Several other sectors suffered substantial job losses, although not as many as construction. The manufacturing sector, for example, lost 2,933 jobs, a 13.1 percent decline. The closing of the Intel Fab 11 plant last winter and the closing of Eclipse Aviation tell much of the story. The retail trade sector lost 2,433 (-5.5 percent) jobs, and the leisure and hospitality sector lost 2,433 jobs compared to a year ago (-6.1 percent). One other sector, professional and business services, suffered substantial job loss (-1,767 jobs, -2.7 percent). Each of the remaining sectors lost between 300 and 700 jobs.
- The outlook for the Albuquerque MSA economy is somewhat grim, at least in the near term. The recession, already three quarters old, will persist for another three quarters. Nonfarm employment growth is expected to post a 3.5 percent decline during the third quarter of 2009, followed by a 2.9 percent drop during the fourth quarter. For the year, employment is expected to decline 2.8 percent. The recovery is slated to begin in the second quarter of 2010 and proceed rather quickly, with employment growth reaching 2.1 percent by the fourth quarter of the year. Overall, employment growth will post a 1.0 percent gain in 2010 and then climb to the neighborhood of 2.0 percent and remain there through 2014. Personal income growth will attain only 1.9 percent this year and 3.2 percent next year before rising to near 4.5 percent in 2011 and holding there throughout. The rate of unemployment will climb to 8.3 percent in 2010 and gradually decline to 6.0 percent by 2014.
- As in the New Mexico economy as a whole, there is not much to find in the way of strength during 2009. The educational and health services sector is the primary source, although the government sector is also expected to show an employment gain for the year. Educational and health services employment will be the only sector with substantial employment increases every year during the forecast period, in excess of 3.0 percent from 2009 through 2011, and near 2.5 percent thereafter. The University of New Mexico, in partnership with Plano Medical Partners of Texas, plans to break ground later this year for a major teaching hospital in Rio Rancho, employing as many as 1,000. Presbyterian Health Systems, which had also planned a large West Side hospital and then backed off, appears to be changing direction again, and is planning to build the hospital after all. This sector will also receive a boost from Stimulus funds.
- The construction sector is expected to return in strength in 2010 and remain there through 2014, posting increases of approximately 3.0 percent annually. Housing construction is expected to be a big part of that, with total housing unit authorizations in the City of Albuquerque, doubling in 2010 and doubling again in 2011 before slowing, but still continuing to grow. Stimulus funds will also fuel construction activity. Professional and business services is another sector expected to make solid contributions to growth beginning in 2010. Employment growth in this large sector will reach 3.2 percent in 2010, 4.4 percent in 2011 and 3.2 percent in 2012 before slowing to near 2.0 percent in the out years. Two service centers are spurring this rapid growth. The first, a technical support center operated by Hewlett-Packard, is slated for a December opening, and intends to ramp up to 1,350

employees in fairly short order, and up to 1,800 eventually. The second, Fidelity Investments will be hiring hundreds of employees in 2009 and 2010 at its Mesa del Sol human resources outsourcing center.

- The manufacturing sector, down in the dumps during 2007 and 2008, will continue to reside there in 2009 and 2010, posting employment declines of 12.5 percent and 5.2 percent, respectively. General Electric plans to close its South Valley jet engine parts manufacturing plant in 2010, with the loss of 400 jobs. The following year (2011) the manufacturing sector will return to expansion mode, with employment growth averaging almost 4.0 percent annually through 2013, before slipping a bit in 2014. Continued hiring at Schott Solar, and also at newcomers Signet Solar and Solar Array Ventures, along with General Mills, will aid in the expansion.
- In summary, the Albuquerque MSA economy faces a fairly severe recessionary environment for the next three quarters, but will then enjoy a rapid recovery beginning in the second quarter of 2010.

### Real Estate Markets

The following table summarizes vacancy by market sector from year-end 1986 to Second Quarter 2009. Commercial real estate in Albuquerque is experiencing sharp increases in vacancy in all sectors. This is due to the recession, including a very slow housing market and a decline in retail spending. The rise in retail vacancy is primarily due to large store closings, and the industrial vacancy is also heavily impacted by retailers, as well as building materials. Most market participants expect vacancies to continue to rise somewhat.

#### Real Estate Market Sector Vacancy: Year-end 1986 – Second Quarter 2009

Year	Retail Market	Office Market	Industrial Market	Apartment Market
1986	7.8%	20.9%	8.3%	13.2%
1987	10.4%	19.5%	8.4%	12.4%
1988	11.1%	19.3%	8.4%	11.0%
1989	14.1%	21.1%	8.0%	7.5%
1990	15.5%	22.4%	6.7%	7.2%
1991	15.1%	19.9%	5.5%	3.8%
1992	12.1%	17.6%	4.6%	3.3%
1993	10.1%	13.5%	5.2%	3.0%
1994	6.3%	10.9%	4.3%	3.1%
1995	5.4%	11.4%	4.0%	7.5%
1996	7.5%	10.7%	4.3%	8.5%
1997	8.1%	11.8%	3.8%	9.9%
1998	6.1%	13.3%	3.3%	11.6%
1999	6.4%	14.0%	3.1%	9.8%
2000	6.7%	12.7%	4.3%	7.5%
2001	10.5%	13.3%	3.2%	6.95%
2002	10.4%	14.2%	6.1%	10.0%
2003	10.3%	17.3%	8.1%	10.0%
2004	9.1%	13.4%	6.5%	5.8%
2005	8.8%	12.4%	10.5%	5.7%
2006	8.4%	13.4%	6.5%	7.1%
2007	8.0%	10.8%	5.9%	4.8%
2008	9.4%	13.1%	7.5%	7.3%
2009 Q2	11.6%	14.1%	8.9%	n/a

Sources: CB Commercial and Grubb & Ellis New Mexico: Retail, Office and Industrial Apartment Association of New Mexico

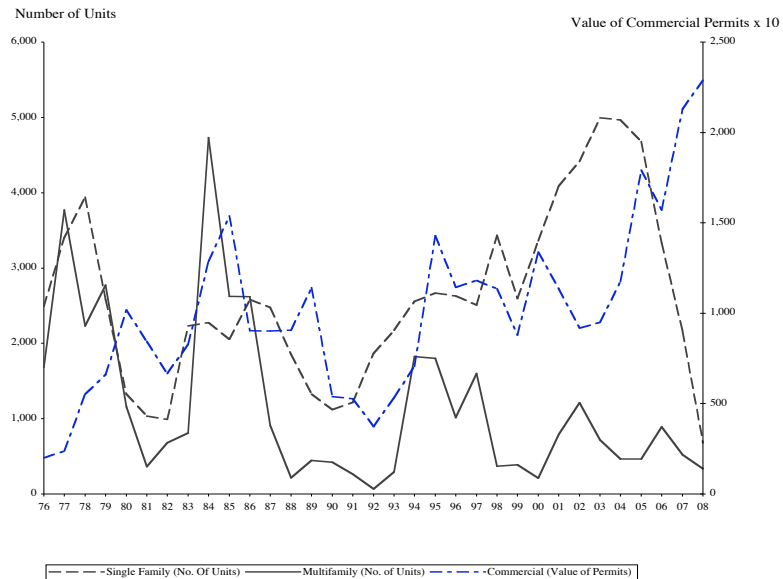
*Joshua Cannon & Associates, Inc.*

The behavior of Albuquerque's real estate markets over the long term is shown in the following graph, which covers the period from 1976 to 2008.

**City of Albuquerque Construction Permits: 1976–2008**

	Single Family		Multi Family		Commercial	
	No. of Units	Value*	No. of Units	Value*	No. of Pmts.	Value*
1976	2,490	\$95.90	1,680	\$19.32	173	\$19.99
1977	3,406	\$128.46	3,768	\$50.86	171	\$23.79
1978	3,941	\$155.53	2,231	\$35.91	200	\$55.25
1979	2,579	\$120.34	2,771	\$50.24	239	\$65.97
1980	1,328	\$72.90	1,158	\$22.75	151	\$101.78
1981	1,033	\$58.93	362	\$7.83	141	\$84.43
1982	989	\$57.12	682	\$11.57	122	\$66.67
1983	2,231	\$136.71	811	\$17.56	179	\$82.76
1984	2,275	\$177.94	4,729	\$107.26	211	\$128.68
1985	2,054	\$136.26	2,623	\$61.62	394	\$153.87
1986	2,583	\$183.94	2,617	\$50.34	228	\$90.30
1987	2,475	\$180.40	912	\$27.26	176	\$90.11
1988	1,853	\$141.91	214	\$4.79	142	\$90.56
1989	1,327	\$109.90	443	\$15.39	108	\$114.16
1990	1,122	\$98.56	421	\$17.80	80	\$53.82
1991	1,217	\$114.86	265	\$12.13	71	\$52.62
1992	1,868	\$176.62	66	\$2.64	52	\$37.27
1993	2,176	\$205.55	294	\$9.11	82	\$53.34
1994	2,557	\$249.93	1,823	\$81.18	106	\$70.57
1995	2,667	\$247.17	1,801	\$78.55	119	\$142.95
1996	2,629	\$256.01	1,013	\$43.60	132	\$114.34
1997	2,510	\$243.34	1,601	\$43.53	118	\$118.16
1998	3,434	\$215.39	367	\$12.98	129	\$113.53
1999	2,593	\$340.44	390	\$18.14	102	\$88.00
2000	3,363	\$318.34	210	\$10.51	122	\$133.83
2001	4,087	\$385.60	792	\$36.50	119	\$113.62
2002	4,413	\$449.49	1,212	\$50.57	102	\$91.74
2003	4,996	\$553.32	720	\$46.05	112	\$95.00
2004	4,964	\$628.72	465	\$24.64	115	\$117.47
2005	4,676	\$740.48	465	\$24.83	145	\$179.15
2006	3,334	\$586.13	893	\$83.43	119	\$156.95
2007	2,158	\$363.37	522	\$42.60	130	\$212.95
2008	682	\$110.72	334	\$26.14	80	\$228.79

• Value in millions of dollars



The single-family housing market's new construction for the metropolitan area peaked in 2005 after an unprecedented, sustained building cycle that began in 1991. Single-family building permits in the metro area (Bernalillo, Sandoval & Valencia Counties) totaled 8,818 in 2005. New single-family permitted in 2008 declined to 1,954 for the metro area, and local economists predict permit levels to drop again in 2009. Permits are predicted to begin to increase in 2010.

For apartment construction, the city's previous cycle peaked in 1994 and 1995 with approximately 1,800 apartment units permitted in each of those years. Most of that new construction was upper-end projects and was split almost evenly between the Far Northeast Heights and the West Side. Since 1996, much of the new multifamily development has been either condominiums or affordable apartments financed with Low Income Housing Tax Credits.

Conclusions regarding the real estate markets are that: 1) single-family residential construction was exceptionally strong from 2001 through 2005, then declined into 2008 by significant amounts; 2) apartment construction has had an erratic building pattern for several years and no significant upturn is predicted through 2011; 3) commercial construction is down from 2005–2008, and construction in 2009 is expected to be well below average.

### *Summary*

The Albuquerque metro area has averaged employment growth of approximately two percent per year since the 1960s and this continues to be the long-term projection. Among the distinguishing characteristics of the metro area's overall economy are: 1) its role as a statewide center for trade, transportation, and services; 2) an increasing local diversification in manufacturing and distribution; 3) in-migration of regional and national business interests; 4) a significant economic component from federal government employment and contracting; and 5) a high quality of life. Like the national economy, the metro area is currently within a recession and job growth is expected to be negative in 2009.

With the limited supply of remaining developable land in the historically popular northeast quadrant, the primary growth areas of the metro area have been to the west. In the future, growth will also move south with the opening of Mesa del Sol and the continued development in Los Lunas. The northeast quadrant is expected to remain a desirable residential and commercial area of the city due to the quality of existing infrastructure and improvements, as well as its proximity to employment centers and the Sandia Mountains.

### **Neighborhood Description**

The subject neighborhood is about one mile in length and encompasses land along a north-south corridor formed by University Boulevard. This corridor is roughly bound by (1) Interstate 40 on the north, which marks a general change in land use that is dominated by hospitality properties, (2) the University of New Mexico north golf course and single-family residential land uses to the east, (3) the main campus of UNM, mixed-use commercial, and single-family housing to the south of Lomas Boulevard, and (4) outlying areas of downtown Albuquerque to the west, beyond Interstate 25 (I-25). The subject property lies in the south-central portion of the described neighborhood. It is located on the west side of University Boulevard, between Indian School Road and Lomas Boulevard.

The primary north-south arterial through the general neighborhood (excluding I-25) is University Boulevard. South of Lomas, University Boulevard provides direct access to the internal streets of the UNM campus and frontage uses are mostly UNM buildings. North of Lomas up to I-40, University supports a variety of uses including office buildings, limited retail, hospital and medical support facilities, television stations, a mortuary, student parking and child-care facilities owned and operated by the university, and two gasoline stations. The majority of these improvements are either occupied by UNM related extensions, or by businesses serving the students and employees of UNM. The influence of UNM on University Boulevard frontage land uses effectively ends at Interstate 40.

The University of New Mexico and the UNM Health Sciences Center are in a growth phase that will materially benefit the subject area. The UNM Health Sciences Center is currently constructing the new \$58

million 163,000-square-foot Cancer Research Treatment Center slightly southwest of the subject and to the west of University Boulevard. Also under construction in this area is the Tri-Services Laboratory, a five-story 190,000-square-foot structure with an estimated building cost of \$72 million. Access to these new properties is from Camino de Salud, which has a signalized intersection with University Boulevard about 900 feet south of the subject. UNM also has other longer term development plans in the neighborhood, including a 750,000-square-foot expansion of the hospital, and the redevelopment of their lands along Lomas Boulevard with a mixture of commercial, residential and university buildings.

Indian School Road crosses the neighborhood east-west near its center and roughly divides it into north and south segments. The subject is located in the south segment, or south of Indian School Road and north of Lomas Boulevard. A summary of average daily traffic flows for the neighborhood's arterials follows. The most recent traffic study was performed in 2008.

#### **Average Daily Weekday Traffic Volumes**

<i>Location</i>	<i>1990</i>	<i>1995</i>	<i>2000</i>	<i>2005</i>	<i>2008</i>
University Boulevard, between Indian School Rd. and Lomas Blvd.	23,300	25,300	23,100	23,300	22,600
Indian School Road, east of University Blvd.	10,700	8,400	10,200	11,600	9,400
Lomas Boulevard west of University Blvd.	43,200	45,900	34,400	30,500	24,900

*Source: Mid Region Council of Governments*

*Joshua Cannon & Associates, Inc.*

Based upon the most recent study, average weekday traffic flow at the subject frontage is 22,600 vehicles. Principal arterials in Albuquerque typically carry about 35,000 to 50,000 vehicles per day. The indicated trend in traffic volumes in the neighborhood has been stable, although the data should be viewed as approximate. The traffic counting procedures by the MRCOG are imprecise and often involve inferring counts at one location based upon actual counts at another. Traffic count at the subject frontage will increase once the Cancer Research Treatment Center and the Tri-Services Laboratory are completed.

In summary, the subject neighborhood is a commercial corridor within Albuquerque that is approximately 90% built up with a variety of commercial and institutional uses. The University of New Mexico owns the majority of the real estate in the neighborhood, including both newer construction and older office and special use buildings converted to university uses. The neighborhood has been relatively stable for the past ten years with minimal new development; however, approximately 350,000 square feet of new building is under construction immediately southwest of the subject. This will have an impact on the immediate neighborhood in both traffic count, demand for services and demand for real estate.

#### **Site Description**

Size:	The subject survey shows the subject land area to be 1.4377 acres, or 62,626 square feet.
Shape:	The subject site has a nearly rectangular shape, except for an angled eastern boundary. The site has approximately 184 feet of frontage on the west side of University Boulevard and an average depth of about 380 feet.
Access:	An aerial photograph and plats in the <i>Appendix</i> provide a good overview of the subject access. The primary subject entrance is from University Boulevard, which is a good quality roadway with four traffic lanes. The subject is accessible from both traffic directions. The northwest corner of the subject property touches the right of way of Indian School Road, which is also a good quality four-lane

roadway. A 50-foot-wide easement connects the subject property to a bi-directional entrance on Indian School Road, and this easement is located on the adjoining property to the west that is owned by Dialysis Clinic, Inc. This entrance is fully improved with asphalt paving and a curb cut.

Topography:	The land is at grade with University Boulevard and has a moderate downward slope to the west.
Utilities:	All typical utilities are available, including water, sewer, natural gas, electricity, and telephone.
Drainage:	Drainage is routed into offsite infrastructure. According to the FEMA flood insurance rate map for the city of Albuquerque (community-panel number 35001C0332 G, effective September 26, 2008), the subject site is crossed by Zone AO, an area of high flood risk. This designation is not consistent with my physical inspection in that the subject does not have an elevation that is significantly different than neighboring properties and there is no apparent upstream source of flows. The current tenant has occupied the property since December 1994 and they have never experienced flood problems. Based upon available evidence, the flood designation is outdated and an owner of the property can apply to have the map amended.
Soil Conditions:	No soil or engineering reports are available and adequate conditions are assumed.
Environmental:	The site is assumed to be free of contamination from hazardous substances.
Easements:	Utility easements are located at the perimeter of the property and do not materially affect its value. The most intrusive easements are along the north boundary and extend 25 feet into the subject. These easements are for underground water and sewer lines, with no overhead lines. The area is paved and fully functional for parking and circulation.

## Zoning

The subject property is zoned C-3, Heavy Commercial Zone, as defined in Albuquerque's *Comprehensive City Zoning Code*. This zone permits virtually all commercial uses, including wholesale commercial and some light industrial, which cause no vibration discernible beyond the premises. Examples of approved uses include offices, shopping centers, auto sales and repair, restaurants (including drive-in service), liquor sales, gas stations, hotels and motels. Residential uses are a conditional use in this zone, and apartment development is governed by the R-3, Residential Zone, regulations. Permissive uses under R-3 zoning allow apartment projects up to 30 dwelling units per acre. Overall, the C-3 zoning does not materially restrict potential uses.

The subject land is not located within the boundaries of one of the city's neighborhood sector plans, which are designed to guide development activity within the sector.

## Property Tax Information

Real estate taxes in New Mexico are based on taxable values of 33.3 percent of assessed values for both non-residential and residential properties. The state operates on a base year concept that advances every two years. The mill levy, established in September at the state capital, is released in early November of each year. Property taxes are paid in two installments due in December and the following May.

The uniform property code for the subject property is 1-015-058-355-382-1-01-14. The total assessed value is \$332,900 for the land and \$216,600 for the improvements, for a total of \$549,500. The annual taxes for 2009 are \$8,532.36.



## Description of Improvements

The primary subject building is an office/warehouse with a total estimated area of 12,152 square feet. The building was built in two phases in the 1960s and 1970s (estimated), and the construction is a masonry office area attached to a steel warehouse area. There is also a freestanding 288-square-foot concrete block storage building. Site improvements are asphalt paved parking and limited landscaping. The condition of the building and site improvements is rated as fair to average. Photographs of the improvements are in the *Appendix*.

Following is a broad breakdown of the areas subject buildings.

### Subject Building Areas

	Type of Construction	Size in SF	% of Total Building Area
<i>Primary Building</i>			
Office/Showroom	Concrete block w/ brick veneer	2,461	20%
Original Warehouse	Steel frame & siding	4,887	40%
Warehouse Addition	Steel frame & siding	<u>4,804</u>	<u>40%</u>
Total Primary Building		12,152	100%
<i>Freestanding Storage Building</i>			
Unheated Storage	Concrete block	288	100%

The following improvement description is based on my physical inspection and the survey of the property. No architectural plans are available.

### Primary Building

Year Built:	The specific age of the building is not known. It is estimated the original building was constructed in the 1960s, and the warehouse addition was performed in the 1970s.
Foundation:	Concrete foundation and slab.
Exterior Walls:	The front office/showroom is concrete block exterior walls with yellow brick veneer on the east and north elevations. The warehouse is steel siding on steel framing.
Roof:	Flat built up roof at office/showroom. Pitched metal roof at warehouse.
Roof Height:	12-foot-high roof at office/showroom. Original warehouse roof is 12 feet at the eave and 18 feet at the peak. The addition has a shed-style roof with 12 feet on the south and 11 feet on the north.
Insulation:	The warehouse has vinyl-backed insulation in the walls and ceiling. The attic of the office was not inspected.
Ceilings:	1' x 1' ceiling tiles at 10.5-foot height in the office/showroom. Exposed structure in the warehouse.
Interior Walls:	Office/showroom has combination of exposed painted concrete block, painted drywall and wood paneling. Warehouse is exposed structure with 8-foot-high wainscoting of plastic panels.
Floor Coverings:	Office/showroom has carpet. Balance of the space is exposed concrete.
Restrooms:	The building has two restrooms with two fixtures each. Neither restroom appears to be ADA compliant. The restrooms are accessed from the warehouse area.
Lighting:	A mixture of incandescent and fluorescent lighting.

HVAC:	Office/showroom has a residential-style furnace with floor registers and roof-mounted evaporative coolers with ducting to each office. The warehouse has evaporative coolers and suspended gas heaters.
Doors:	The office/showroom has wood frame entry vestibule leading to a glass entry door. The warehouse has a 12' x 14' drive-in truck door, an 8' x 8' loading dock door, and a 6-foot-wide set of double doors.
Windows:	The office/showroom has small windows set near the ceiling along the east wall. The warehouse has skylight panels. No other windows.
Loading Docks:	10' x 20' truck high dock at west elevation. 10' x 10' 2-foot-high concrete dock at south elevation.
Other:	The electrical system is assumed to be adequate. The building does not have fire sprinklers.

### *Freestanding Storage Building*

Year Built:	Unknown. Estimated 1970s
Foundation:	Concrete foundation and slab
Exterior Walls:	Concrete block
Roof:	Flat built-up. 10-foot wall height
Interior Finishes:	None
Floor:	Exposed concrete
Plumbing:	None
HVAC:	None
Doors:	Single entry door

### *Site Improvements*

The survey and photographs in the *Appendix* provide an overview of the site improvements. Approximately 90% of the site has asphalt paving in fair to average condition. The front of the building has a limited amount of landscaping. A 40' x 40' yard area attached to the rear of the building is enclosed with 6-foot-high chain link fencing. Chain link fencing also forms the north and south boundaries.

### *Building Condition & Design*

The building is simple structure and is rated in fair to average condition. The interior of the office/showroom space has not been renovated for over 10 years and is in fair condition. This space needs new carpet, paint, and some new ceiling tiles. Also, it has outdated wall paneling that a new occupant would likely replace.

The building has only two 2-fixture restrooms that are accessed from the warehouse. These restrooms have not been updated for many years and are in fair condition. Also, the restroom doors are exposed to the warehouse and a new occupant may want to install some privacy partitioning.

The warehouse appears to be in average condition with no apparent deferred maintenance. The original warehouse has a functional ceiling height, while the clear span in the addition is approximately nine feet to the bottom of the roof beams.

A professional assessment of the condition of the structural, HVAC and roof systems is beyond the scope of this appraisal. Each of these items appears to be in operating condition, but a thorough inspection by qualified specialists is recommended.

## Overview of the Commercial Real Estate Sectors

The subject's location is best suited to retail, restaurant or office use, but the property is improved with industrial. An overview of the retail, office and industrial sectors is as follows.

### Retail Market

The source of the information presented in this section is Grubb & Ellis New Mexico, which is a large brokerage and management firm in Albuquerque. Grubb & Ellis surveys are found to be comprehensive and reliable, and include leased space larger than 10,000 square feet. The University area is the subject market area. The metro area's regional malls are not included in the retail survey.

#### Retail Market Statistics – Third Quarter 2009

Market Area	3rd Quarter 2009				2008	2007	2006	2005	2004	2003*
	Total Sq. Ft.	Sq. Ft. Vacant	2nd Qtr. Vacancy	Under Const. Sq. Ft.						
Downtown	552,038	142,122	25.7%	-	18.6%	24.0%	22.9%	25.9%	21.3%	18.8%
Airport	23,089	23,089	100.0%	-	-	-	-	-	-	-
Cottonwood	4,055,807	405,679	10.0%	-	6.3%	3.0%	5.2%	6.1%	7.9%	6.5%
Far NE Heights	3,837,433	305,839	8.0%	30,718	8.0%	6.7%	5.0%	6.4%	7.5%	4.9%
North 1-25	3,200,883	264,085	8.3%	-	5.8%	5.4%	3.3%	5.2%	7.5%	7.6%
North Valley	968,540	59,819	6.2%	-	10.3%	5.5%	9.6%	9.3%	13.6%	9.5%
Northeast Heights	4,275,066	733,566	17.2%	-	11.6%	10.4%	9.9%	10.9%	10.3%	10.0%
Rio Rancho	1,780,006	88,853	5.0%	-	5.1%	4.3%	5.4%	5.6%	7.5%	9.9%
South Valley	1,017,346	94,667	9.3%	-	8.8%	6.1%	7.0%	10.6%	18.1%	10.8%
Southeast Heights	2,740,090	140,170	5.1%	-	4.1%	3.6%	8.0%	8.1%	7.6%	9.1%
University	1,011,266	99,810	9.9%	-	10.2%	10.1%	15.6%	16.4%	14.8%	13.1%
Uptown	2,012,699	420,034	20.9%	-	22.3%	19.8%	17.3%	8.4%	8.7%	7.6%
West Mesa	2,072,386	213,843	10.3%	15,381	12.7%	10.9%	9.2%	11.5%	12.5%	14.8%
Total	27,546,649	2,991,576	10.9%	46,099	9.4%	8.0%	8.0%	10.9%	9.7%	9.0%

\*Third Quarter Vacancy

Source: Grubb & Ellis New Mexico

According to Grubb & Ellis, the citywide vacancy rate is 10.9%, which is an increase from 9.4% in 2008, and 8.0% in 2006–2007. The rising vacancy is due to the recession and the closing of several large national stores. These vacant spaces are beginning to be absorbed and there is a minimal amount of new space under construction. Most market participants predict the vacancy rate may go moderately higher, but not by a significant amount. The vacancy rate in the University market area is similar to the average at 9.9%, but it is on a downward trend. This is an older submarket and some buildings have chronic vacancy due to condition and/or obsolete design.

### Office Market

Following is a summary chart of information from the quarterly Grubb & Ellis office report.

**Office Market Statistics – Third Quarter 2009**

Market Area	3rd Quarter 2009				2008	2007	2006	2005	2004	2003*
	Total Sq. Ft.	Sq. Ft. Vacant	3rd Qtr. Vacancy	Under Const. Sq. Ft.						
(CBD) Downtown	2,602,323	475,708	18.3%	-	18.5%	15.6%	20.4%	18.0%	20.3%	15.8%
Airport	1,246,469	107,137	8.6%	-	7.7%	10.2%	21.5%	23.2%	30.2%	30.8%
Far NE Heights	962,463	111,366	11.6%	-	10.4%	8.8%	9.7%	9.3%	13.0%	13.1%
Mesa del Sol	271,052	37,610	-	-	-	-	-	-	-	-
North 1-25	3,229,392	477,632	14.8%	-	13.3%	10.8%	12.4%	8.1%	10.1%	13.8%
Northeast Heights	798,700	122,268	15.3%	-	16.4%	13.2%	10.5%	12.6%	12.1%	12.2%
Rio Rancho	410,056	63,091	15.4%	-	18.7%	13.3%	5.5%	9.8%	15.5%	23.8%
Southeast Heights	592,476	68,745	11.6%	-	10.7%	4.1%	4.4%	5.2%	6.2%	6.4%
University	997,419	201,144	20.2%	-	10.3%	5.3%	8.2%	5.6%	5.5%	7.1%
Uptown	1,837,102	240,051	13.1%	-	8.5%	9.1%	9.0%	10.3%	14.2%	19.3%
West Mesa	353,374	106,437	30.1%	-	26.2%	9.3%	14.0%	20.0%	20.8%	12.8%
Total	13,300,826	2,011,189	15.1%	-	13.1%	10.8%	13.4%	12.5%	15.1%	16.1%

\*Third Quarter Vacancy

Source: Grubb &amp; Ellis New Mexico

The metro area office vacancy is reported to be 15.1%. This is up from the recent low of 10.8% in 2007. The recent increase in vacancy is attributed to a decline in economic conditions and an increase in metro area unemployment. The University area had a large jump to 20.2% vacancy in the Third Quarter 2009. This was created when UNM vacated ±90,000 square feet in University Towers (1650 University NE) and moved the large UNMH department back on campus. This building is now in foreclosure.

**Industrial Market**

Grubb & Ellis New Mexico statistics for the industrial market area shown on the following chart. Industrial space typically includes office/warehouses, distribution warehouses, r&d/flex buildings, and manufacturing buildings.

**Industrial Market Statistics – Third Quarter 2009**

Market Area	3rd Quarter 2009				2008	2007	2006	2005	2004	2003*
	Total Sq. Ft.	Sq. Ft. Vacant	3rd Qtr. Vacancy	Under Const. Sq. Ft.						
Airport	844,176	78,840	9.3%	-	9.1%	10.1%	3.4%	7.6%	9.5%	9.7%
Downtown	3,345,673	551,055	16.5%	-	13.4%	16.5%	14.5%	21.6%	18.9%	20.7%
Far NE Heights	215,664	4,000	1.9%	-	0.9%	32.5%	1.5%	31.1%	3.4%	15.0%
Mesa del Sol	639,334	-	-	-	-	-	-	-	-	-
North 1-25	15,675,654	1,298,453	8.3%	93,686	6.9%	5.9%	6.8%	11.5%	11.7%	8.6%
North Valley	1,591,795	191,187	12.0%	-	13.4%	14.2%	12.4%	12.7%	13.1%	13.6%
Northeast Heights	358,801	71,232	19.9%	-	14.0%	6.8%	9.7%	19.3%	4.9%	9.3%
Rio Rancho	6,072,679	114,847	1.9%	-	2.0%	0.7%	0.6%	1.6%	5.6%	-
South Valley	2,514,632	252,562	10.0%	-	6.3%	3.1%	8.2%	5.9%	5.9%	4.7%
Southeast Heights	1,492,713	280,364	18.8%	-	18.0%	2.9%	3.9%	4.1%	9.2%	7.6%
University	193,960	5,600	2.9%	-	5.4%	12.1%	14.1%	5.2%	3.2%	2.3%
West Mesa	3,873,253	487,150	12.6%	-	8.7%	2.4%	5.3%	11.8%	9.0%	3.2%
Total	36,818,334	3,335,290	9.1%	93,686	7.5%	5.9%	6.5%	10.5%	10.7%	5.9%

\*Third Quarter Vacancy

Source: Grubb &amp; Ellis | New Mexico. Statistics are for buildings 10,000 SF or more.

As shown, recent statistics from Grubb and Ellis indicate an overall industrial vacancy of 9.1%, which is an increase from a recent low of 5.9% in 2007. This decrease in occupancy is not unexpected given the current

recession and the contraction of the housing market. Only 93,686 square feet of new construction is underway and it is doubtful any significant new for-lease projects will break ground in the foreseeable future. The University area has a comparatively small amount of industrial space and the vacancy is only 2.9%.

## Highest and Best Use

Highest and best use is the most probable and profitable use to which a property might be adapted, based on consideration of alternative legal uses for which the property is physically suited and for which there is a market. The four criteria of highest and best use are 1) physically possible, 2) legally permissible, 3) financially feasible, and 4) maximally productive. For improved properties, the highest and best use analysis is a two-step process where the land as though vacant and the improved property are analyzed separately.

### *Land as Though Vacant*

The subject property is zoned C-3, Heavy Commercial, which is a liberal zone that allows a wide variety of commercial and light industrial uses. It is doubtful the zoning would prohibit a use that is also probable for the land.

The land has a secondary arterial midblock location on University Boulevard, which has an average weekday traffic count of 22,600 vehicles per day. The site also has an entrance from Indian School Road and this significantly improves its development potential and marketability. The site is nearly level and has all infrastructure.

Development surrounding the subject property is a mixture of office, apartments, commercial and special purpose buildings occupied by UNM. There is significant new development occurring southwest of the subject that will increase the visibility and marketability of the land. Given its location, access, land size and zoning, the subject property is suitable for office, retail, restaurant, or institutional. The strongest demand for this site would come from the institutional sector, and from medical office. The site is also a candidate for restaurant development, especially given its dual access to University Boulevard and Indian School Road. The demand for the site from the retail sector is estimated to be moderate.

### *Property as Improved*

The subject property is improved with a 12,152-square-foot office/warehouse facility that is leased on a month-to-month basis and the tenant is under-utilizing the space. The average age of the building is approximately 40 years. The building is rated average in quality and fair to average in condition.

Land uses in the subject area have intensified to a point that an office/warehouse is no longer consistent with the highest and best use of the land. However, the following analysis indicates the value of the property “as improved” to an office/warehouse user is roughly equal to the value of the land “as though vacant” to an office, commercial or institutional user. Accordingly, continued occupancy by an office/warehouse user or demolition of the improvements to make way for a more intensive redevelopment are both roughly consistent with the highest and best use “as improved.”

As demonstrated by their current interest, the University of New Mexico is a candidate to purchase the property and could use the subject improvements for a variety of activities. Additionally, UNM has demonstrated a willingness to purchase special use properties along University Boulevard that are adaptable to university related uses. Specifically, UNM has purchased a vacant TV station, two former fraternal lodges and two automobile dealerships along University Boulevard in the past 20 years. They have also purchased various office buildings, warehouses and vacant sites. This purchase activity by UNM is a result of their desire to acquire property around the campus boundaries as part of long term strategic land acquisition goals, as well as having an immediate and practical use for various improvements in their as-is condition.

## Problem Analysis and Data Interpretation

The appraisal problem involves the valuation of a 1.4377-acre site that is improved with an office/warehouse facility constructed in the 1960s – 1970s. Property rights appraised are fee simple interest. This appraisal employs two approaches to value—a Land Valuation and a Sales Comparison Approach. It is not feasible to purchase the property and lease it to an office/warehouse tenant; therefore the Income Approach is not applied. A Cost Approach is not applied due to the high level of physical depreciation and functional/external obsolescence.

In the Reconciliation section following the valuation approaches, a summary of important points of each method is presented in support of the final estimate of value.

## Land Valuation

The estimate of the fee simple value for the subject land is based on a sales comparison approach in which a comparison is made between the subject and other properties that have sold. This valuation method measures the actions of typically informed buyers and sellers through observation of prices paid in the market for properties that are reasonably similar in terms of probable use and development potential. Factors affecting value—including location, size, off-site development costs, time of sale, and financing terms—are considered. The unit of comparison used is price per square foot.

The subject UNM area has been almost fully built up for decades and there are few recent land sales available for analysis. Accordingly, the land sale search was expanded to the entire metro area and focused on second-tier commercial tracts that were purchased for restaurant, retail, office or institutional use. Pad site type sales involving major arterial corners or within intensive retail districts are not applicable. The market data includes eight commercial land sales considered relevant to this analysis. The data is analyzed and compared to the subject in the following analysis.

### *Adjustment for Property Rights, Financing Terms and Conditions of Sale*

All of the sales involve the transfer of fee simple title for cash, or terms considered materially equal to cash. None of the sales are known to have involved distressed or unusually motivated buyers or sellers. On this basis, no adjustment to the data is required for property rights conveyed, financing terms or conditions of sale.

### *Adjustment for Date of Sale (Time)*

The transactions occurred over a time span of January 2008 to September 2009. Four of the eight sales occurred in 2009. Commercial land prices in the Albuquerque metro area increased in the mid-2000s as a result of development demand fueled by residential growth, employment growth and a favorable lending environment. As shown in the real estate market overview, market conditions in the Albuquerque metro area have declined as a result of the recession and the housing slowdown. There is not sufficient market data to pinpoint a trend over recent months, but most market participants agree that commercial arterial land prices are probably flat. No time adjustment is applied in the appraisal.

### *Adjustment for Location*

The range in sale prices per square foot of the included data is in part due to differences in location. While location influences sale price per square foot, a specific adjustment is not applied to the data. The impact of location is considered in the final value estimate.

### *Adjustment for Physical Characteristics*

All of the tracts are level with infrastructure in-place. The transactions range in tract size from 1.2710 to 5.1308 acres. Five of the sales are between 1.271 and 1.6911 acres in size and therefore directly comparable to the subject's 1.4377 acres. Three of the sales are 3.0070 acres or larger. This larger size has a downward

impact on the sale price per square foot. No size adjustment is applied, but it is recognized in the value estimate.

*Potential Land Uses*

The subject property is suitable for development with restaurant, office and institutional uses. Its marketability to the retail sector is rated moderate. This comparatively wide range of potential uses works to increase its market value per square foot. A comparison category shown on the chart is the range of land uses that are estimated to be suitable for each sale. No specific adjustments are made for this factor, but it has a bearing on whether the indicated subject land value per square foot is higher or lower.

The eight land sales are shown on the following chart and individual data sheets are in the *Appendix*. The sales are ranked on the chart by price per square foot, with Sale 1 as the lowest price.

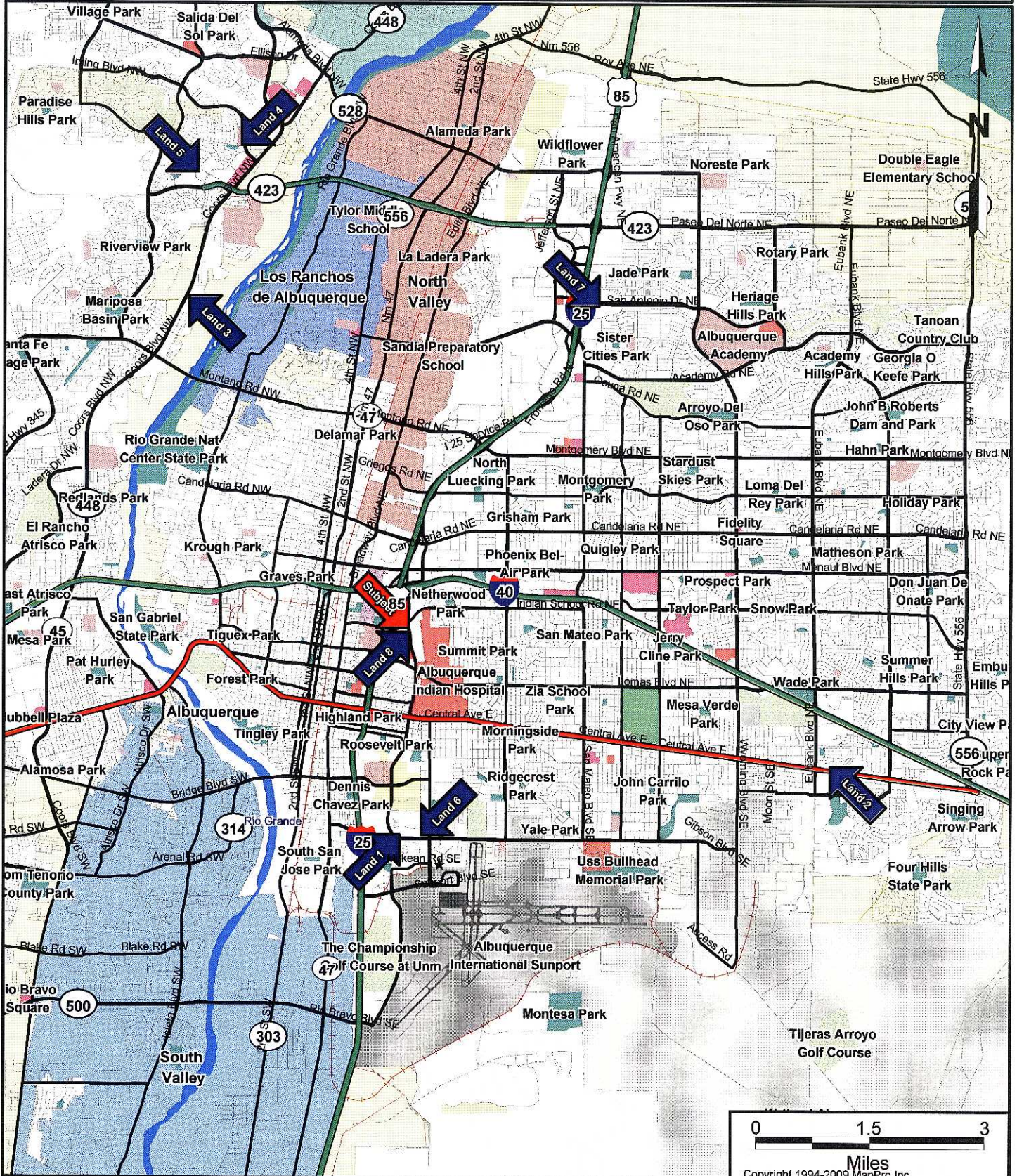


# LOCATION MAP

Description: LAND SALES

Subject Address: 1407 University Blvd Ne, Albuquerque, NM 87102

Prepared by: Joshua Cannon & Associates, Inc., PO Box 20088, , Albuquerque, NM 87154



**CAUTION:**

The location of property arrows shown on this map are approximate only. Inaccuracies may exist on map such as missing, incorrectly drawn, or incorrectly addressed streets. Please report any such inaccuracy to MapPro, Inc. so that appropriate corrections can be made.



**Summary Chart of Land Sales**

Data No.	Sale 1	Sale 2	Sale 3	Sale 4
Location	NEC Gibson & University SE	Central Avenue, east of Eubank NE	Coors, north of Montano NW	NWC Irving & Congress NW
Sale Price	\$860,868	\$692,060	\$1,750,000	\$975,000
Sale Date	Sep-09	Jul-09	Jun-09	Sep-08
Land Area in Acres	1.6469	1.2710	3.0652	1.6911
Zoning	SU-1 PRD C-2	C-2	SU-1 C-2	SU-1 C-1
Frontage Traffic Count	28,100	26,100	44,900	19,100
Planned Use	Dion's Restaurant	IHOP	Church	Medical office
Sale Price/SF	\$12.00	\$12.50	\$13.11	\$13.24
Land Use Demand by Sector				
Restaurant/Motel	Average	Average	Low	Low
Retail	Low	Low	Moderate	Low
Office	Low	Low	Moderate	Average
Institutional	Moderate	Low	Moderate	Moderate
Land Size vs. Subject	Similar	Similar	Materially larger	Similar
Indicated Subject Value	Higher	Higher	Higher	Higher

Data No.	Sale 5	Sale 6	Sale 7	Sale 8
Location	SWC Paradise & Nunzio NW	Gibson, west of Yale SE	San Antonio, east of I-25 NE	University, south of Indian School
Sale Price	\$3,100,000	\$1,015,000	\$952,605	\$2,109,000
Sale Date	Sep-09	Jan-08	Aug-08	Nov-08
Land Area in Acres	5.1308	1.5249	1.3668	3.0070
Zoning	SU-1 PDA C-3	C-2	SU-1 C-1	C-3
Frontage Traffic Count	14,000	33,900	23,800	22,600
Planned Use	Health care	IHOP	NM State office	UNMH
Sale Price/SF	\$13.87	\$15.28	\$16.00	\$16.10
Land Use Demand by Sector				
Restaurant/Motel	Low	High	Average	Average
Retail	Low	Low	Average	Moderate
Office	Average	Low	Average	Average
Institutional	Average	Moderate	Moderate	High
Land Size vs. Subject	Materially larger	Similar	Similar	Materially larger
Indicated Subject Value	Higher	Similar	Similar	Similar

*Joshua Cannon & Associates Inc.*

The eight transactions have a price range of \$12.00 – \$16.10 per square foot, and provide a good cross-section of commercial sites with a mix of office and commercial land use potential. Following is a discussion of the transactions.

**Sale 1 at \$12.00/SF:** The site is located at the corner of Gibson Boulevard and University Boulevard, which is approximately midway between I-25 and the entrance into the airport. The buyer will construct a Dion's restaurant. The population density surrounding this site is well below average, but it will capture restaurant traffic from the airport, the nearby hotels and the employment base in the area. This site has minimal potential for retail or office, and commercial land along this section of Gibson has experienced extended marketing periods. The subject property is not at a corner, but it has dual access from University Boulevard and Indian School Road, and it is significantly more marketable to a wider range of uses.

**Sale 2 at \$12.50/SF:** This is a midblock site on Central Avenue in the eastern portion of the city. It was purchased by IHOP and the restaurant will primarily target tourists and

employment associated with Sandia National Labs/Kirtland Air Force Base. This site is in a lower-income area and has minimal potential to be developed with office or retail.

- Sale 3 at \$13.11/SF: This site is on Coors Boulevard and has the highest traffic count of all of the sales. Similar to the subject, the site fronts on Coors Boulevard and the rear of the property also has access from La Orilla. This location on Coors Boulevard is not near one of the major retail areas, such as Cottonwood or near I-40, and this detracts from its value. The buyer was a church, and the site would have moderate demand from office and second-tier retail. Its larger size had a downward influence on the unit price. Overall, the subject property has a higher value due its location and smaller size.
- Sale 4 at \$13.24/SF: This site is located on Irving Boulevard, which is a secondary arterial feeding into the Paradise Hills and Ventana Ranch area. The buyer intends to develop medical office space. The subject is at least equal to this site in terms of its marketability to the office sector, but it has superior marketability in virtually all of the other potential land uses. Accordingly, the subject market value is indicated to be higher.
- Sale 5 at \$13.87/SF: Of all the sales, this site has the largest tract size and lowest traffic count. The price per square foot appears comparatively high, but the tract clearly had strategic value to the buyer, Presbyterian Healthcare. The site is positioned to serve a fairly large existing population base, as well as future growth that will occur to the west of the Ventana Ranch area. The subject is also marketable to a large institutional user in UNM, plus is has superior marketability to the private sector.
- Sale 6 at \$15.28/SF: This sale is located on Gibson Boulevard near the entrance to the airport, and has good marketability to the restaurant, hospitality and travel services sector. This level of marketability is reflected in its higher price versus Sales 1–5. The subject property is an inferior restaurant site, but it is superior in the other sectors. Overall, it is a reasonable subject value indicator.
- Sale 7 at \$16.00/SF: This site is rated similar to the subject property in land size, traffic count and range of potential land uses. The area surrounding this site has superior population and income demographics, but the subject has superior specific access and marketability to institutional users. Overall, it is a reasonable subject value indicator.
- Sale 8 at \$16.10/SF: This site is located 150 feet south of the subject along University Boulevard, plus it has an unimproved access easement that connects to Indian School Road. The property was improved with an old TV station building at the date of purchase. UNM demolished the building to make way for medical buildings in support of the nearby hospital expansion, and officials at UNM regard their acquisition as a land purchase. Land developments by UNM do not have to meet the test of feasibility and therefore their purchases are not true indicators of market value; however, they are a regular buyer of real estate in the subject area and they clearly influence pricing. This price supports the value indication by Sales 6 and 7.

The market value of the subject land is best represented by the Sales 6, 7 and 8, or \$15.28–\$16.10 per square foot. Based upon the preceding data, the estimated fee simple land value is \$16.00 per square foot.

*Demolition Costs*

The subject property is improved with office/warehouse buildings totaling 12,440 square feet, plus site improvements of asphalt, concrete dock and pads.

The preceding estimate of land value assumes the land is vacant. A buyer of the subject property intending a commercial development would be required to demolish the existing improvements and the cost of demolition is deducted from the land value estimate.

A good recent example of demolition costs is the former KASA TV building at 1377 University Boulevard, or about 150 feet south of the subject. UNM purchased this facility in November 2008 and then demolished the building and site improvements at a total cost of \$44,000. This was a 15,989-square-foot masonry structure on 3.007 acres, and roughly one acre was not improved. The total demolition cost equaled \$2.75 per square foot of building area. The subject property has a higher percentage of asphalt parking lot and the estimated cost is increased to \$3.00 per square foot. The rounded total estimate to demolish the subject improvements is calculated to be \$40,000 (12,440 SF x \$3.00/SF = \$37,320).

*Conclusion of Land Valuation*

The final estimate of market value to a land buyer is calculated as follows:

Land Area in Acres	1.4377
Land Area in Square Feet	62,626
Estimate of Land Value per Square Foot	\$16.00
Total Estimate of Market Land Value	\$1,002,016
Rounded	\$1,000,000
Less Estimated Cost to Demolish Building & Site Improvements	<u>-\$40,000</u>
Total Estimate of Market Land Value - As Is	\$960,000

## Sales Comparison Approach

The subject property is occupied by an office/warehouse user who assembles and distributes the Pony Pack truck accessory. The subject building is older and in fair to average condition, but the facility is functional and is marketable to the office/warehouse sector. The estimate of value is based upon analysis of prices paid in recent transactions of similar properties. The reliability of this approach is dependent upon the availability of the sales data and the degree of comparability in age, design, condition and location.

My research disclosed seven sales of office/warehouse facilities in the Albuquerque metro area that are relevant to this analysis. The primary focus of the data search was to find sales of older office/warehouse facilities with arterial locations, and three sales of this type are included. The other four sales have typical locations in industrial neighborhoods.

All of the sales were for cash, and no adjustment is required for property rights conveyed, financing terms or conditions of sale. The transactions occurred over a time span of January 2008 to August 2009, and three of the seven sales occurred in 2009. An analysis of the sales indicates that no adjustment to time is warranted.

The range in sale prices per square foot of the included data is influenced by differences in location, age/condition, quality, and percent of office vs. warehouse space. Specific adjustments are not made for these factors, but each sale is individually compared to the subject on the summary chart.

Also impacting the price per square foot is the floor area ratio of each sale. The subject floor area ratio (primary building SF ÷ land SF) is 19.4%, and the sales range from 8.9% to 56.5%. Office and retail properties generally have fairly consistent FARs, but industrial properties often have a wide variance because users have varying needs for outside storage or truck parking. Large differences in FAR can have a significant effect on sale price per square foot of building area and an adjustment is required. The adjustment involves the following steps (1) calculate the land area required at each sale that equals the subject FAR of 19.4%, (2) subtract this land area from the actual land area and multiply it by \$8.00 per square foot, (3) divide this amount by the building size of the sale, and (4) apply that amount as an adjustment to the sale price per square foot. The amount of \$8.00 per square foot for the land value is used for two reasons. First, this is a typical land value for good quality industrial sites in mid to northern Albuquerque. The subject has an arterial location, but this valuation section attempts to model what a buyer would pay for the subject under an office/warehouse use. Accordingly, the appropriate adjustment is based upon an industrial level land value. Second, buyers often do not fully take into account varying FARs when comparing and pricing properties. An FAR adjustment that uses the full land value “as though vacant” will typically overstate the actual pricing variance that occurs in the marketplace.

The sale information and comparative grid is summarized on a following chart. Data sheets and location maps are in the *Appendix*. The sales are ranked on the chart by the adjusted sale price per square foot.

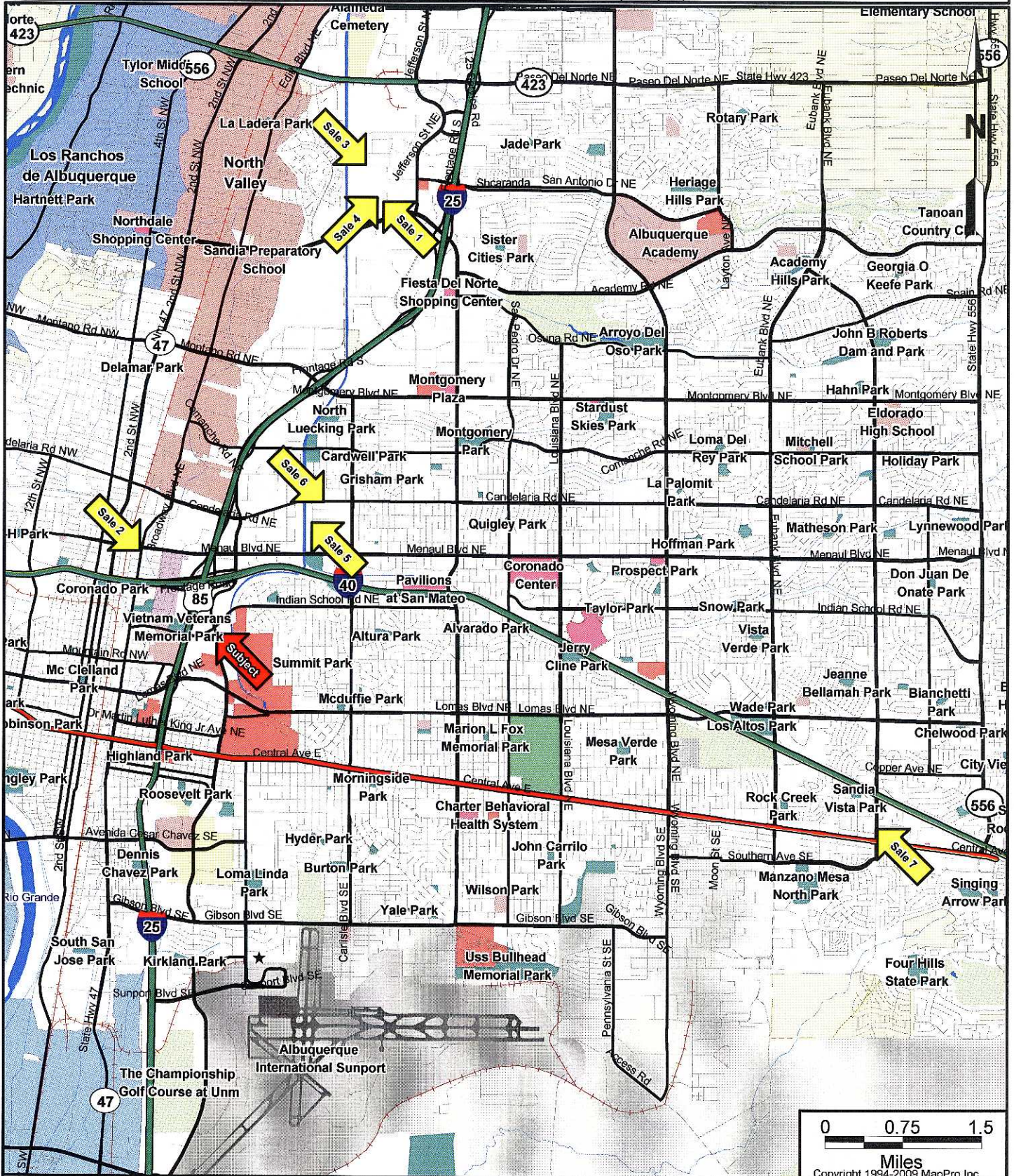


# LOCATION MAP

Description: IMPROVED SALES

Subject Address: 1407 University Blvd Ne, Albuquerque, NM 87102

Prepared by: Joshua Cannon & Associates, Inc., PO Box 20088, , Albuquerque, NM 87154



### CAUTION:

The location of property arrows shown on this map are approximate only. Inaccuracies may exist on map such as missing, incorrectly drawn, or incorrectly addressed streets. Please report any such inaccuracy to MapPro, Inc. so that appropriate corrections can be made.



### Improved Sales Summary Chart

Sale No.	Subject	1	2	3
Address	1407 University NE	6815 Washington NE	220 Menaul NE	3715 Hawkins NE
Market Area	UNM	North I-25	Downtown	North I-25
Property Type	Office/Warehouse	Office/Warehouse	Office/Warehouse	Office/Warehouse
Sale Price		\$1,600,000	\$750,000	\$2,175,000
Sale Date		8/21/09	6/16/08	9/29/08
Land Area in Acres	1.4377	2.9998	0.6434	2.1537
Bldg. Area in SF	12,152	25,800	13,000	30,000
Construction Type	Masonry / steel	Steel	Steel	Steel
Year Built	1960s - 70s	1974	1950s - 70s	1982
% Office	20%	15%	16%	19%
% Whse.	80%	85%	84%	81%
Floor Area Ratio	19.4%	19.7%	46.4%	32.0%
Sale Price/SF		\$62.02	\$57.69	\$72.50
Land SF at 19.4% FAR		132,990	67,010	154,639
FAR Adj. at \$8.00/SF*		\$0.72	\$23.99	\$16.22
Adj. SP/SF at 19.4% FAR		\$62.73	\$81.68	\$88.72
Age/Condition vs. Subject		Similar	Similar	Superior
Quality vs. Subject		Superior	Similar	Superior
Percent Office vs. Subject		Similar	Similar	Similar
Size vs. Subject		Larger	Similar	Larger
Location vs. Subject		Inferior	Similar	Inferior
Indicated Subject Value/SF		Higher	Similar	Lower
Sale No.	4	5	6	7
Address	3901 Acad. Pkwy NE	2820 Richmond NE	3310 Candelaria NE	201 Juan Tabo NE
Market Area	North I-25	Midtown	Midtown	SE Heights
Property Type	Office/Warehouse	Office/Warehouse	Office/Warehouse	Office/Warehouse
Sale Price	\$625,000	\$750,000	\$510,000	\$370,000
Sale Date	5/29/09	1/30/08	1/15/09	10/31/08
Land Area in Acres	0.3963	0.3968	0.4959	0.5284
Bldg. Area in SF	8,760	9,762	5,200	2,053
Construction Type	Steel	Steel	Steel	Steel
Year Built	1986	1973	1975	±1980
% Office	14%	28%	33%	25%
% Whse.	86%	72%	67%	75%
Floor Area Ratio	50.7%	56.5%	24.1%	8.9%
Sale Price/SF	\$71.35	\$76.83	\$98.08	\$180.22
Land SF at 19.4% FAR	45,155	50,320	26,804	10,582
FAR Adj. at \$8.00/SF*	\$25.47	\$27.07	\$8.00	-\$48.45
Adj. SP/SF at 19.4% FAR	\$96.82	\$103.90	\$106.08	\$131.77
Age/Condition vs. Subject	Superior	Superior	Superior	Superior
Quality vs. Subject	Superior	Superior	Superior	Superior
Percent Office vs. Subject	Similar	Superior	Superior	Superior
Size vs. Subject	Smaller	Smaller	Smaller	Much Smaller
Location vs. Subject	Inferior	Inferior	Similar	Similar
Indicated Subject Value/SF	Lower	Lower	Much Lower	Much Lower

\* Adjustment equals: the land SF needed to make the sale FAR equal the subject FAR x \$8.00/SF ÷ building SF.

*Joshua Cannon & Associates, Inc.*

The seven sales yield an adjusted price range of \$62.73–\$131.77 per square foot. The sales produce a logical price pattern based upon location, building quality/condition, the percent of office area, and building size. The data shows a clear pattern of (1) bigger buildings tend to sell for a lower amount per square foot, and (2) buildings with a higher percentage of office space tend to sell for a higher amount per square foot.

Following is an analysis of the individual sales.

- Sale 1 at \$62.73/SF: This sale's position at the bottom of the price range is consistent with its physical characteristics. It is a comparatively large building in a recessed location with a low percentage of office space. Also, the building was in below average condition and the buyer is doing a major renovation.
- Sale 2 at \$81.68/SF: This sale is the most comparable to the subject property in location, building size and building condition. The property is located at the corner of Broadway Boulevard and Menaul Boulevard, which are two arterials that provide this property with above average exposure. This is an older metal office warehouse that had been damaged in a fire and the seller had not repaired the damage. The buyer was required to completely renovate the office area and perform a partial renovation of the warehouse. The subject is also an older facility and the office area is due for renovation. Overall, this sale is a good indicator of the subject value.
- Sale 3 at \$88.72/SF: This is an average quality building that is superior to the subject in age and condition, but inferior in location. It was 100% leased at the time of sale and was purchased by an investor. Given the differences in the buildings, the subject value is indicated to be lower.
- Sale 4 at \$96.82/SF: This building is also substantially superior to the subject in building age, quality and condition. It indicates a lower subject value.
- Sale 5 at \$103.90/SF: This building is superior to the subject in building age, quality, condition and percentage of office area. It indicates a lower subject value.
- Sale 6 at \$106.08/SF: This property fronts on Candelaria Road and is similar to the subject in that it has an arterial location. All other factors are superior, including its age, condition, percentage of office space, and smaller building size. The indicated subject value is significantly lower.
- Sale 7 at \$131.77/SF: This property fronts on Juan Tabo Boulevard near an I-25 interchange, which provides it arterial exposures and access to a larger trade area, including the East Mountains. This is the smallest building of the data set at 2,053 square feet, and this is consistent with its position at the high end of the price range. The indicated subject value is substantially lower.

The preceding comparative analysis indicates the contributory value of the subject improvements is higher than Sales 1 (\$62.73/SF), similar to Sale 2 (\$81.68/SF, and lower than Sales 3–7 (\$88.72/SF–\$131.77/SF). Given all of the available evidence, the estimate of value by this approach is a rounded amount of \$82.00 per square foot. This value estimate would apply to the primary subject building only. The freestanding storage building is a nominal structure that does not have a measurable impact on the value.

#### *Sales Comparison Approach Conclusion*

The conclusion of value by the Sales Comparison Approach is as follows.

Subject Primary Building Area in Square Feet	12,152
Estimate of Market Value per Square Foot	<u>\$82.00</u>
Estimated Value by Sales Comparison Approach	\$996,464
Rounded	\$1,000,000

**Reconciliation**

A summary of the value estimates by the two approaches is provided below.

Land Valuation	\$960,000
Sales Comparison Approach	\$1,000,000

The value indications by both approaches are close, which is meaningful in that the techniques are considered to accurately represent the price deliberations of the most probable buyers.

The land value was estimated using sales of sites considered similar to the subject in location and probable use. The market data is recent and the value estimate includes a deduction for improvement demolition costs.

Data in the Sales Comparison Approach consist of seven improved sales. The properties have varying degrees of similarity to the subject in terms of quality, design and occupancy, and the overall data set provides a logical value range that is used to represent the subject's specific characteristics.

For the final value estimate, both valuation techniques are given equal weighting. It is my opinion that the market value estimate of the fee simple interest in the subject property is best represented at \$980,000. The effective date of this value estimate is November 18, 2009.

**Marketing/Exposure Time**

The majority of the building sales in this appraisal have marketing periods of less than one year. A sale within 12 months or less is a reasonable expectation for this property, assuming competent marketing at a price consistent with the appraised value.



## Certification

This certifies that the estimated market value of the fee simple interest in the subject of this report is \$980,000. The effective date of this estimate is November 18, 2009.

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 this report, and I have no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My 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.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or approval of a loan.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal 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 requirements of the Code of Professional Ethics & Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- 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 continuing education program of the Appraisal Institute.
- Joshua Cannon is a General Certified Real Estate Appraiser, State of New Mexico, Certificate No. 000021-G.

This opportunity to provide appraisal services to your organization is appreciated, and questions from authorized users of the report will be welcomed if any aspect of the research or analysis requires clarification.

JOSHUA CANNON & ASSOCIATES, INC.



Joshua Cannon, MAI

11-24-09

Date

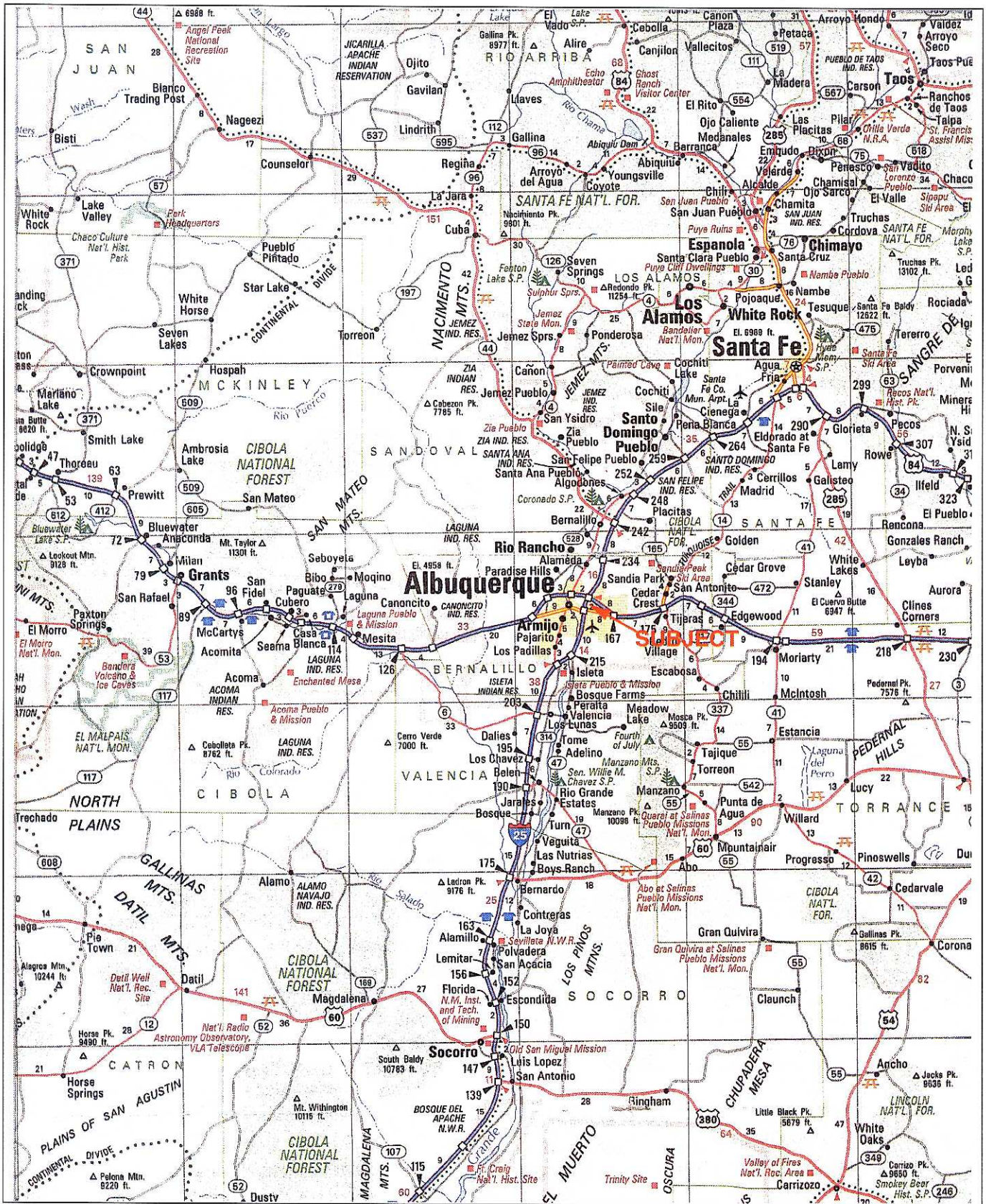
Appendix

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Appendix A

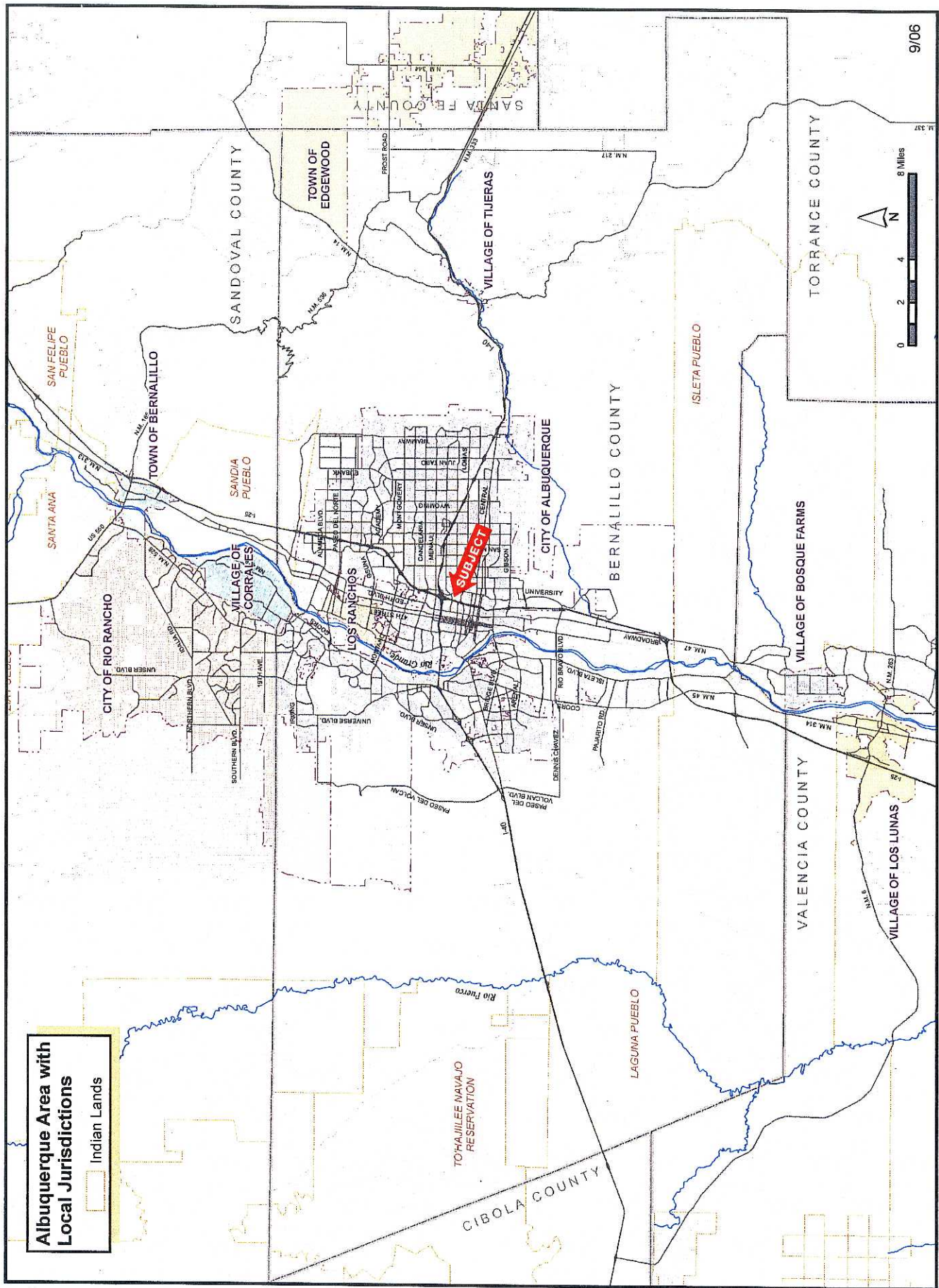
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Regional Map



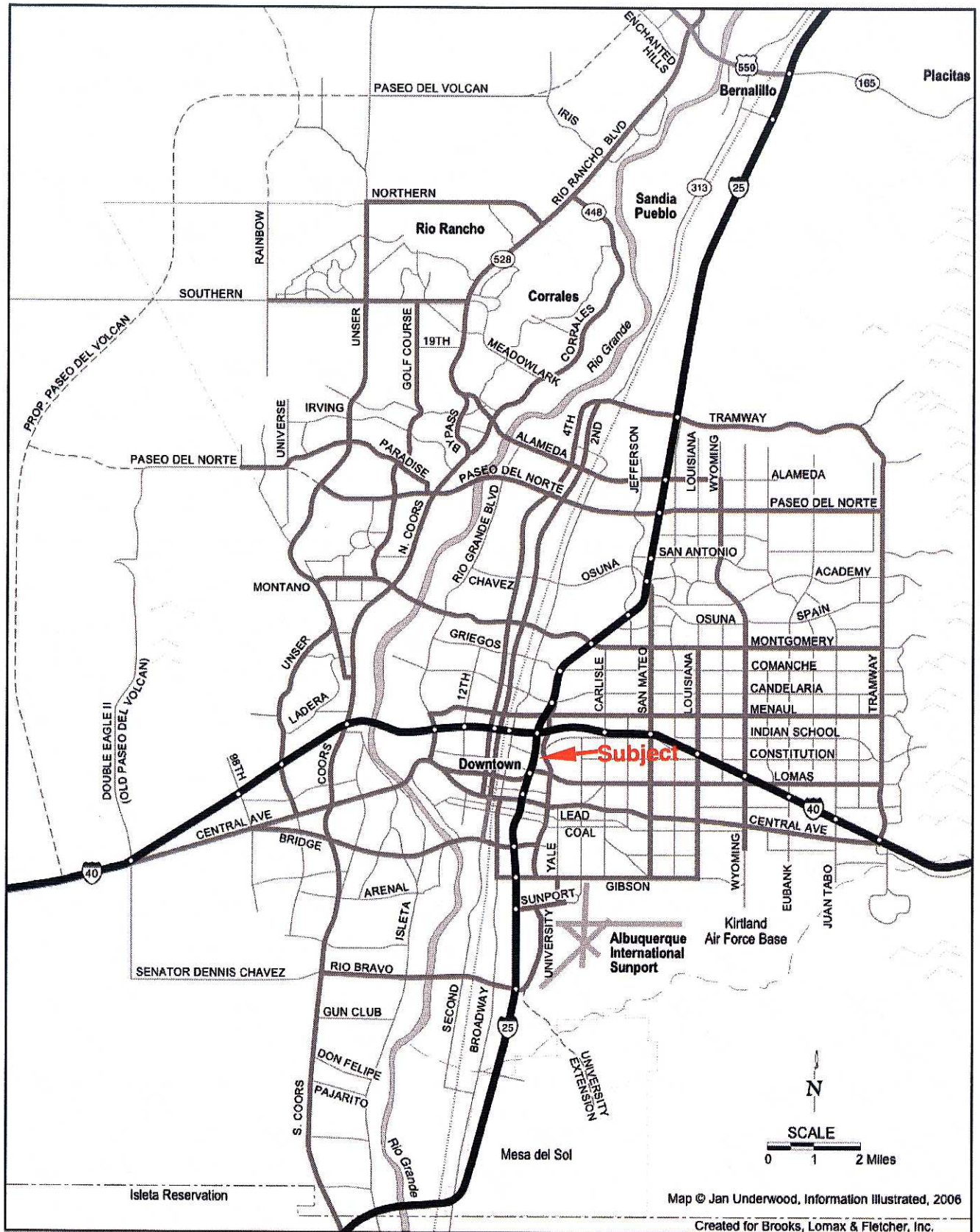


**Albuquerque Area with Local Jurisdictions**  
 Indian Lands

**SUBJECT**

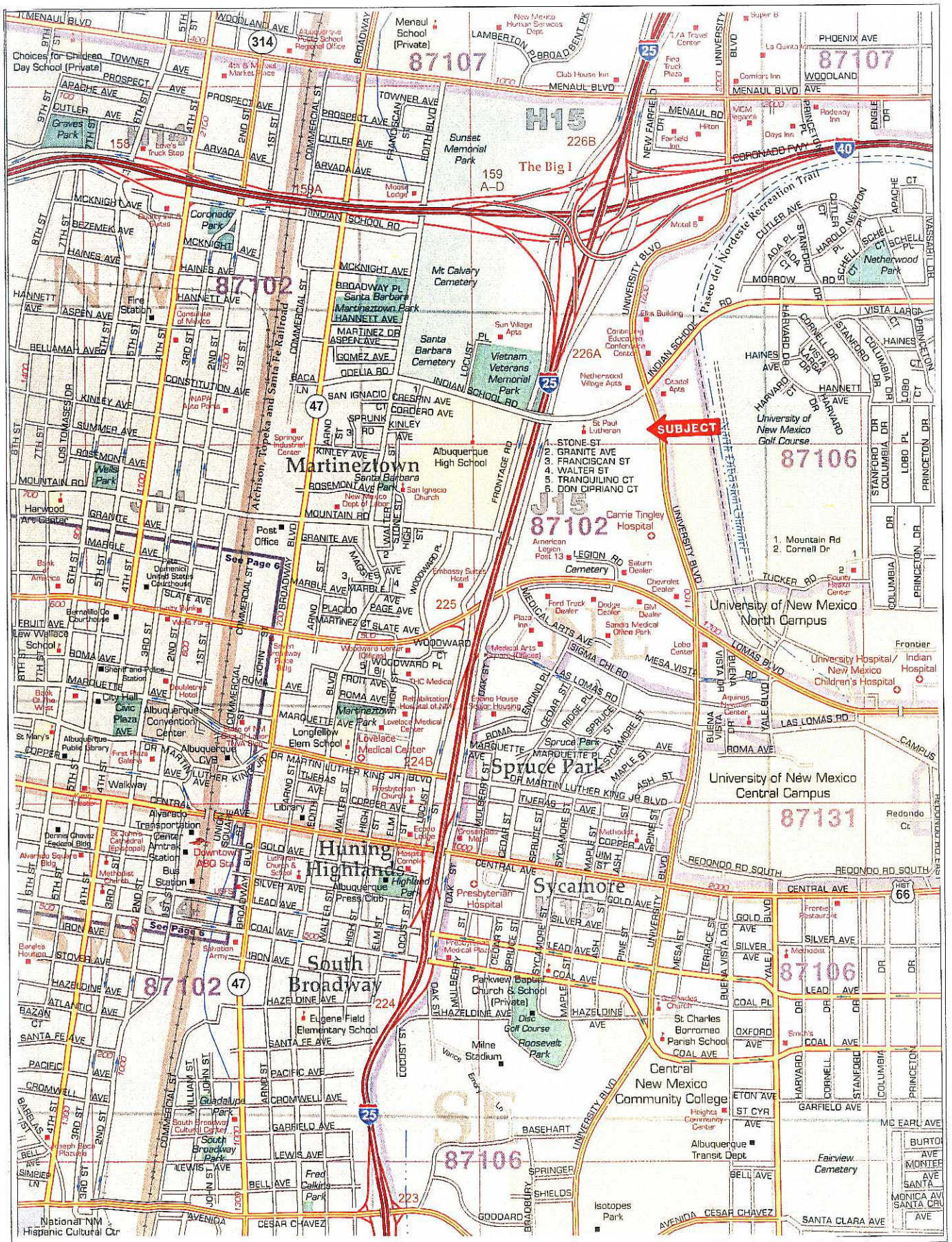
9/06





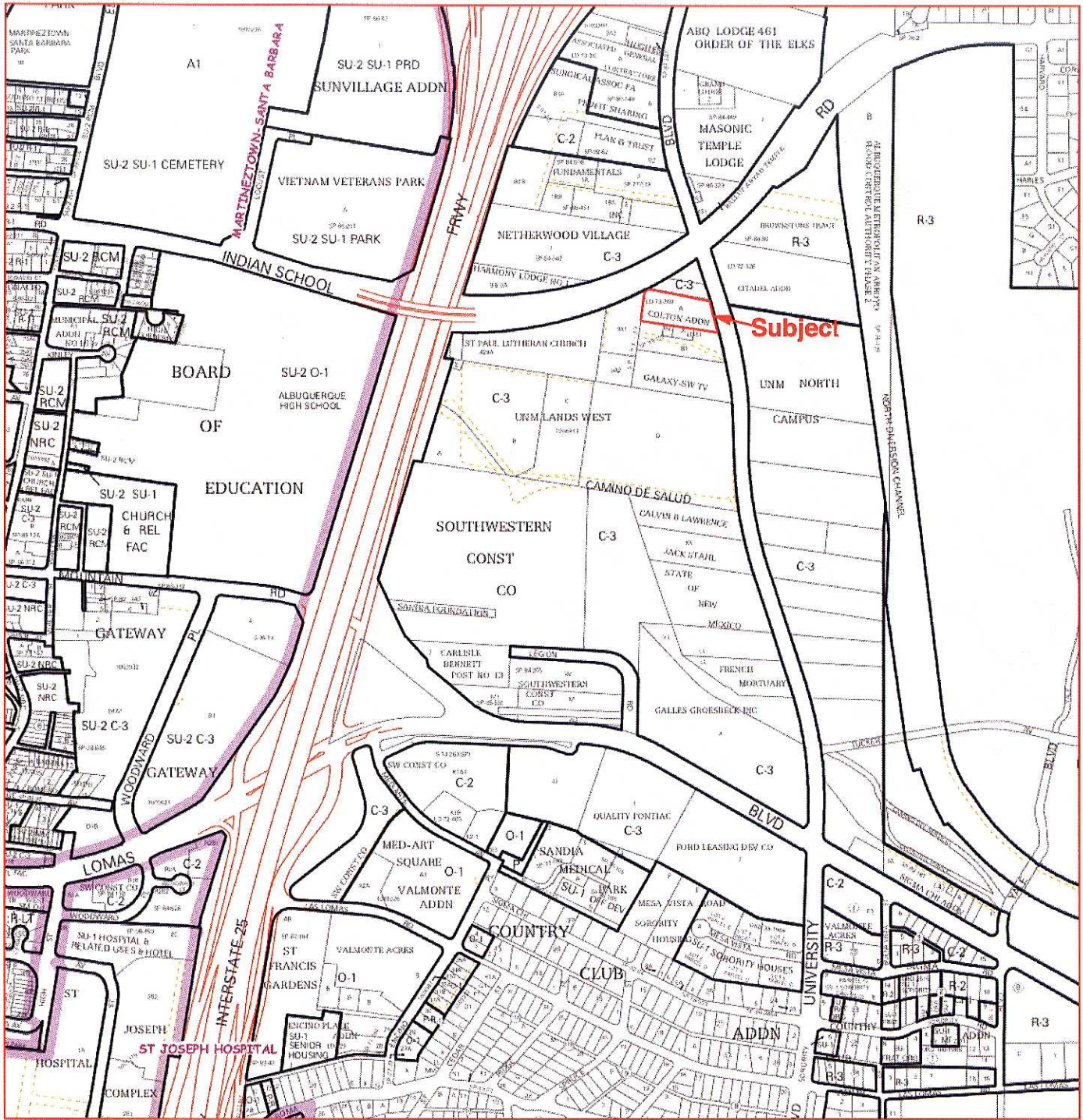
Albuquerque Area



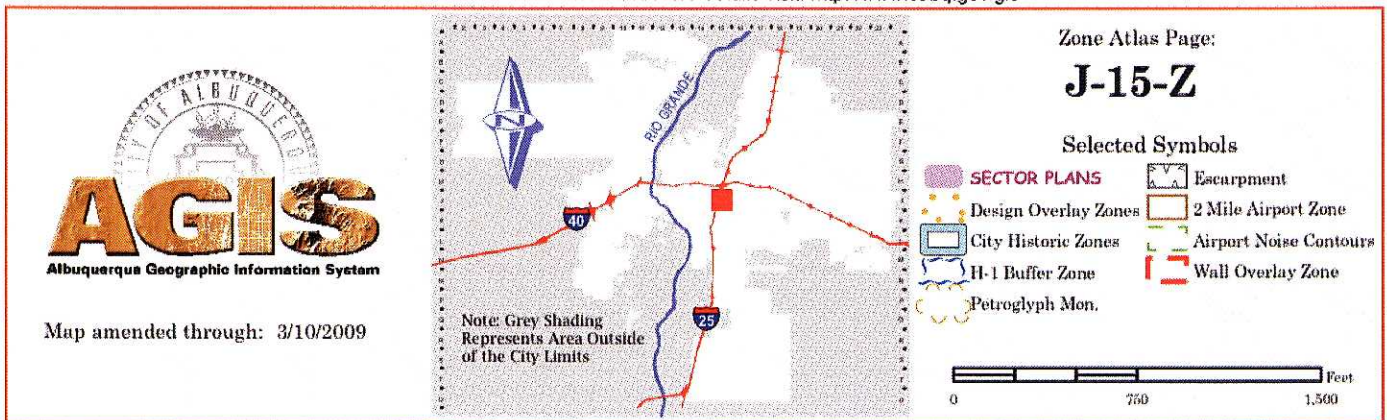


Neighborhood Map





For more current information and more details visit: <http://www.cabq.gov/gis>





Appendix B

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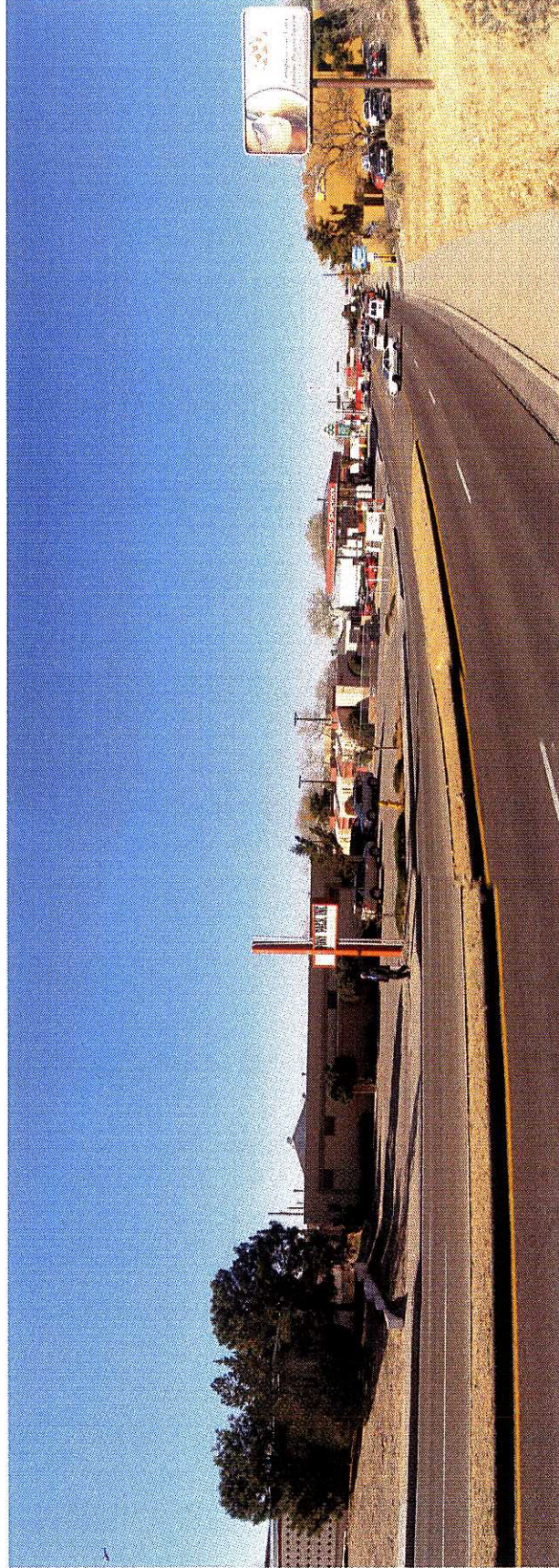
**Property Photographs**  
**Office/Warehouse**  
**1407 University Boulevard NE**  
**Albuquerque, New Mexico**



View southwest toward the subject property from University Boulevard.



**Property Photographs**  
**Office/Warehouse**  
**1407 University Boulevard NE**  
**Albuquerque, New Mexico**



View northward toward the subject property from University Boulevard.



**Property Photographs**  
**Office/Warehouse**  
**1407 University Boulevard NE**  
**Albuquerque, New Mexico**



View southeast across the rear, or west, portion of the subject property.



**Property Photographs  
Valle Grande Mobile Home Park  
8900 Second Street NW  
Albuquerque, New Mexico**



Front building elevation



Entrance vestibule to office/showroom area



Access easement area that connects the subject property to Indian School Road.



Freestanding storage building



**Property Photographs  
Valle Grande Mobile Home Park  
8900 Second Street NW  
Albuquerque, New Mexico**



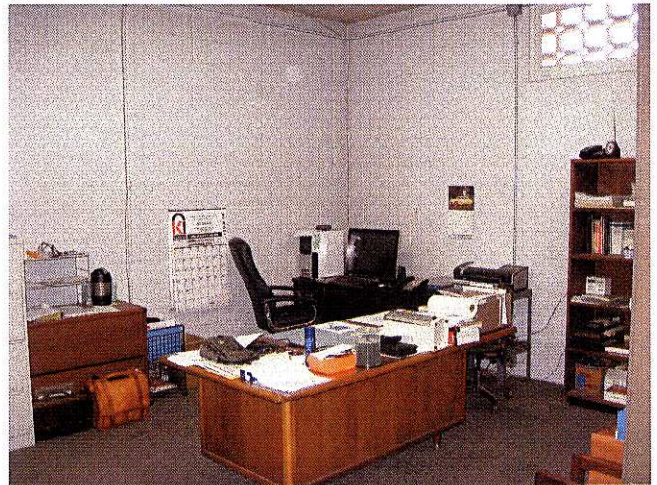
Truck dock



Drive-in truck door



Office and showroom area



Typical office finish



**Property Photographs  
Valle Grande Mobile Home Park  
8900 Second Street NW  
Albuquerque, New Mexico**



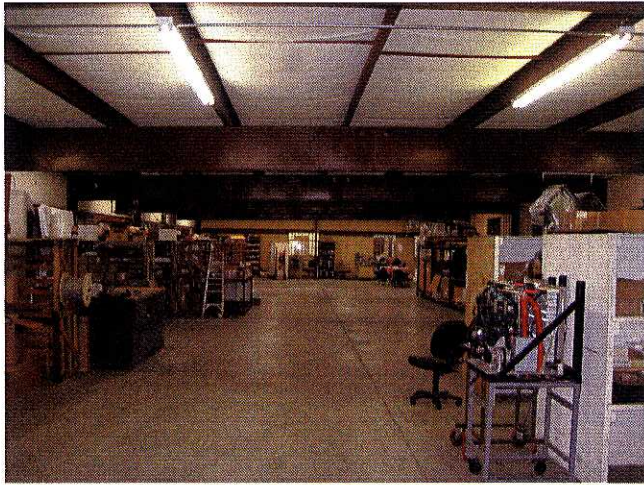
Typical restroom



Entrance to the office area from the original warehouse. The building's two restrooms are on the left.



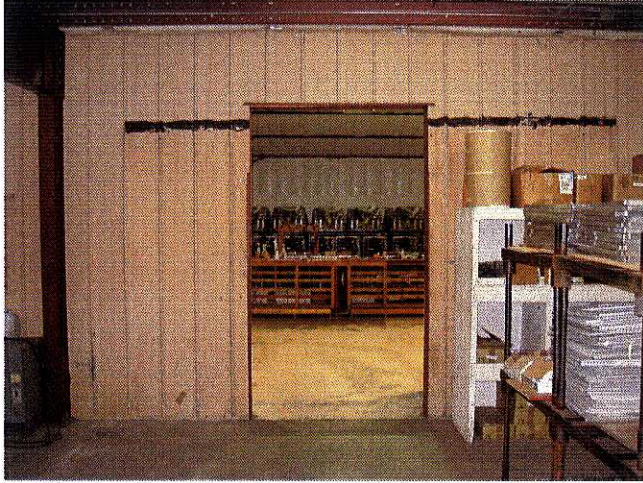
Original warehouse



Warehouse addition



**Property Photographs  
Valle Grande Mobile Home Park  
8900 Second Street NW  
Albuquerque, New Mexico**



Typical connecting door between the original and addition warehouse areas.



Drive-in truck door



Dock high door







LAST... N. 81° 19' 42" W. 189.25'...  
 SET FORTH: THENCE N. 08° 40' 14" E. 394.00'...  
 SOUTHERLY RIGHT-OF-WAY LINE OF INDIAN SCHOOL ROAD, NE. AND  
 NO. 3 OF THE TRACT HEREIN SET FORTH; THENCE NORTHEASTERLY ALONG A CURVE LEFT  
 HAVING A RADIUS OF 2083.84 FEET A DISTANCE ALONG ARC OF 222.93 FEET (CHORD =  
 N. 65° 35' 19" E., 222.48 FEET) ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE OF INDIAN  
 SCHOOL ROAD, NE. TO THE NORTHEAST CORNER NO. 4 OF THE TRACT HEREIN SET FORTH;  
 THENCE LEAVING SAID INDIAN SCHOOL ROAD, NE. AND RUNNING S. 05° 20' 18" W. 50.08 FEET  
 TO CORNER NO. 5 OF THE TRACT HEREIN SET FORTH; THENCE S. 08° 40' 14" W. 283.45 FEET  
 TO THE SOUTHEAST CORNER NO. 1 AND PLACE OF BEGINNING.

WAS DIVIDED  
 DEED RECORDED  
 1646, PAGE 590.

AREA TAKEN BY STATE HIGHWAY  
 DEPT. PER EASEMENT DEED FILED  
 10-12-84  
 DOC. NO. 21622

(GROUND)  
 8.50 23'  
 S 84° 22' 18" W  
 (GRID)

ACTS

NE

(UNPLATTED)  
 TRACT 429 A  
 (ST. PAUL LUTHERAN CHURCH)

(N 08° 37' 00" E. 394.00' MEAS  
 N 08° 40' 14" E. 394.00' MEAS

PORTIONS  
 OF  
 TRACTS  
 4, 9  
 &  
 9-A

TRACT 9-A-2  
 0.6951 AC

TRACT 9-A-1  
 1.2726 AC

Easement providing  
 Subject access to  
 Indian School Road

INDIAN SCHOOL ROAD

LICENSE ADJUDICANT  
 TRAC. 12-8-80 BY  
 DOC. # 8083145 FOR  
 30-12/8000/2088

NON-EXCLUSIVE  
 ACCESS EASEMENT  
 10-82 BY 0643/290

10' PRIVATE SANITARY SEWER EASEMENT  
 (Shown by this Plat)

2.4' PRIVATE ACCESS & PRIVATE  
 UNDERGROUND UTILITY EASEMENT &  
 PRIVATE WATER & SANITARY SEWER EASEMENT  
 (SHOWN BY THIS PLAT)

180.00'

SET AS R/O  
 W/CAP P511483

189.25' MEAS  
 N 81° 19' 42" W  
 (N 81° 23' 00" W. 189.25' REC)

305.30'

08° 40' 14" W. 465.45' MEAS  
 (S 08° 37' 00" W. 465.39' REC)  
 S 08° 37' 00" W MEAS

UNPLATTED LAND  
 (GALAXY - SW TV)

SET AS R/O  
 W/CAP P511483

25' WATER, SEWER & PUBLIC  
 UTILITY EASEMENT, FILED: 8-6-91  
 BK 2853, PAGE 459.

(S 05° 23' 00" W. 50.08' REC)  
 S 05° 26' 18" W MEAS  
 50.08' MEAS

Subject

15' CITY OF ALBANY  
 UNDERGROUND CITY  
 OWNED UTILITY EASEMENT  
 FILED: 2-11-87 BY BK  
 WAC 79-883/265

TRACT A  
 COLTON ADD.  
 FILED: 5-11-73 IN  
 VOL. C9, FOLIO 67.

TRACT B-1  
 WILSON AHERN & MONTGOMERY  
 FILED: 9-16-93 IN  
 VOL. 93C, FOLIO 269.

PUBLIC.

25' ACCESS & P.U.E.  
 EASEMENT FILED: 7-1-88  
 DOC. NO. 13660

NO 1" IRON PIPE  
 (EIGHT BASINETS)



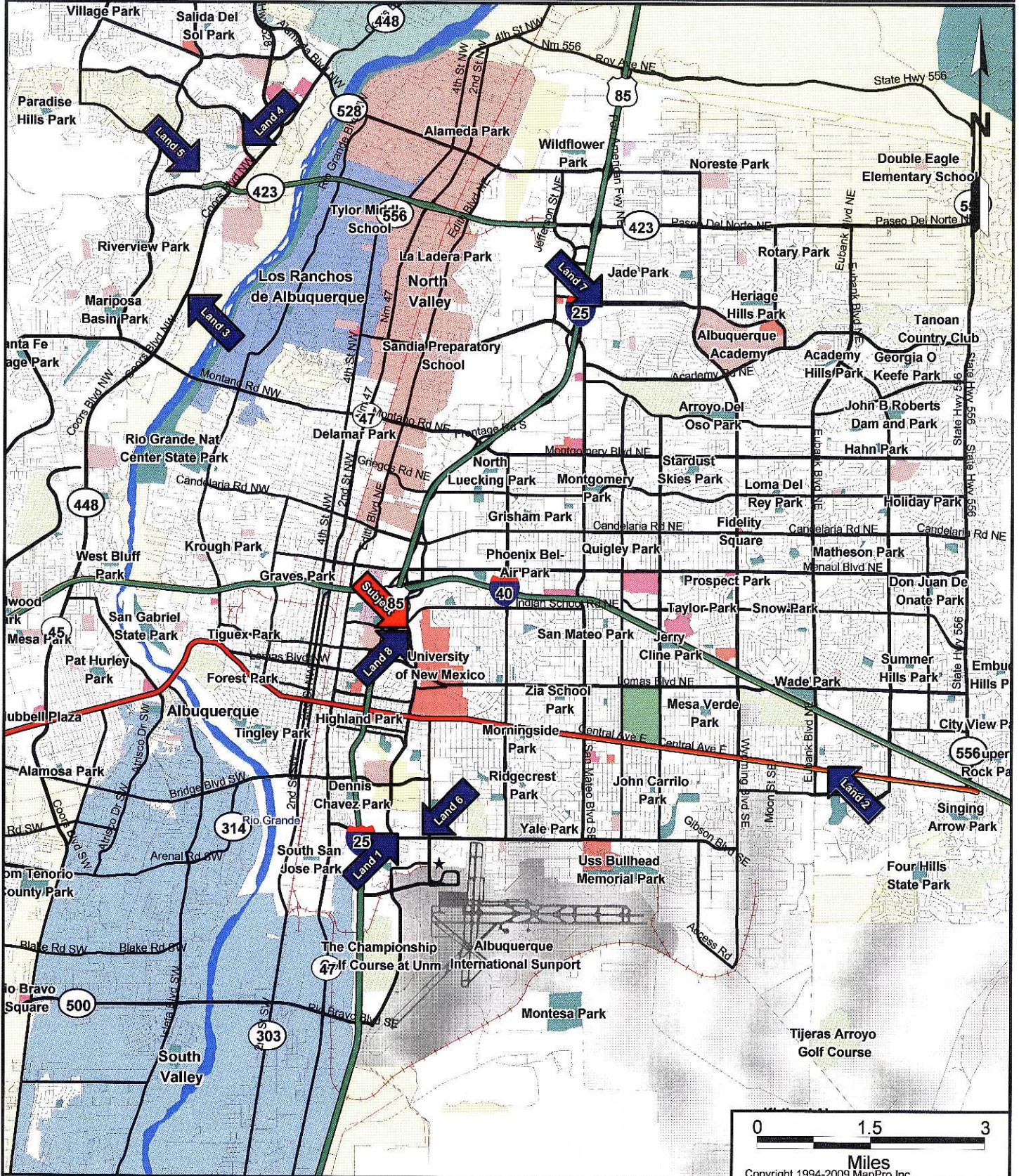


# LOCATION MAP

Description: LAND SALES

Subject Address: 1407 University Blvd Ne, Albuquerque, NM 87102

Prepared by: Joshua Cannon & Associates, Inc., PO Box 20088, , Albuquerque, NM 87154



**CAUTION:**

The location of property arrows shown on this map are approximate only. Inaccuracies may exist on map such as missing, incorrectly drawn, or incorrectly addressed streets. Please report any such inaccuracy to MapPro, Inc. so that appropriate corrections can be made.



# Land Comparable 1

Comp # 11795

Commercial  
Land Sale

**Project Name** Vacant Land  
**Location** Northeast corner of Gibson Boulevard and University Boulevard SE  
**Street Address**  
**City, County, State** Albuquerque Bernalillo New Mexico  
**Legal Description** Tract 5, Broadstone Towne Center

**Sale Price** \$860,868  
**Date of Sale** 16 Sep 2009  
**Acres** 1.6469  
**Net Acres**  
**Price/Acre (Net)** \$522,720  
**Square Feet** 71,739  
**Net SF**  
**Price /SF (Net)** \$12.00  
**Number Lots/DUs**  
**Sale Price/DU**  
**Zoning** SU-1  
PRD & C-2

**Market Area** Airport Area **Map Page** L-15  
**Arterial Location**

**Grantor** Broadstone Towne Center LLC  
**Grantee** Peter Defries Corporation  
**Terms** Cash to seller

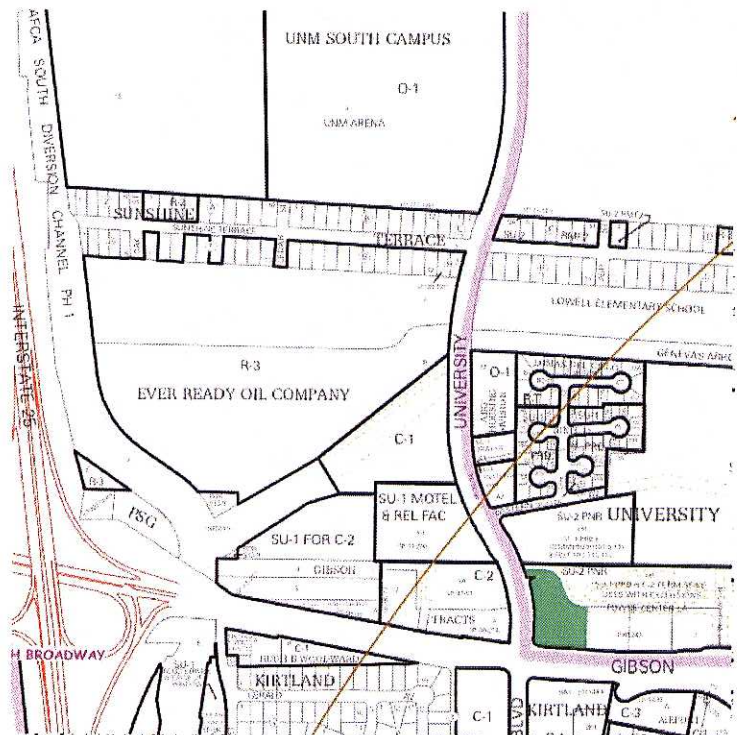
**Document Number** 09-104688 **Document Type** Special Warranty Deed

**Plat** 2008C-52  
**Tax ID Number**  
**Development Timing** Immediate  
**Intended Use** Dion's Restaurant  
**Off-site Infrastructure** All available

**Utilities** All available  
**Topography** Level

## Comments

This tract is located between I-25 and the airport, and south of the UNM athletic stadiums. The buyer will construct a Dion's Restaurant. Access to the site is from University Boulevard.



© Joshua Cannon & Associates, Inc.



**Land Comparable 2**

**Comp # 11793**

Commercial  
Land Sale

**Project Name** Future IHOP Restaurant  
**Location** N/s Central Avenue NE E/o Eubank Boulevard  
**Street Address** \_\_\_\_\_ NE  
**City, County, State** Albuquerque Bernalillo New Mexico  
**Legal Description** Longfield, Tract A-2

**Market Area** SE Heights **Map Page** L-21  
**Arterial Location** Major

**Sale Price** \$692,060  
**Date of Sale** 23 Jul 2009  
**Acres** 1.2710  
**Net Acres** \_\_\_\_\_  
**Price/Acre (Net)** \$544,518  
**Square Feet** 55,363  
**Net SF** \_\_\_\_\_  
**Price /SF (Net)** \$12.50  
**Number Lots/DUs** \_\_\_\_\_  
**Sale Price/DU** \_\_\_\_\_  
**Zoning** C-2

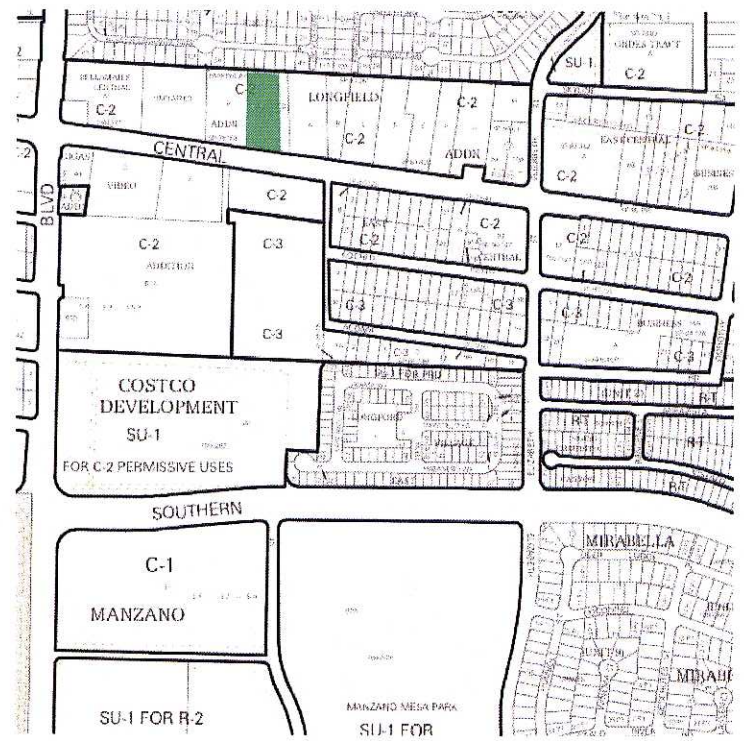
**Grantor** Carabajal, Greg and Saiz-Carabajal, Yvette M  
**Grantee** Bars IHOP One L L C (Richard E Buckley/ Stephen R Shuler, Atlanta, GA)  
**Terms** Cash to seller

**Document Number** 09-084147 **Document Type** Special Warranty Deed

**Plat** 2009C-98  
**Tax ID Number** 1-021-056-099-523-2-05-10\*  
**Development Timing** \_\_\_\_\_  
**Intended Use** IHOP  
**Off-site Infrastructure** All available

**Utilities** All available  
**Topography** Level

**Comments**  
 This is a level midblock site that will be improved with an IHOP restaurant.





# Land Comparable 3

Comp # 11817

Commercial  
Land Sale

**Project Name**

**Location** E/s Coors Blvd. NW just N/o La Orilla N/o Montano

**Street Address**

NW

**City, County, State** Albuquerque Bernalillo New Mexico

**Legal Description** Alban Hills, Unit 1, Tract 1-D-1-A

**Sale Price** \$1,750,000

**Date of Sale** 17 Jun 2009

**Acres** 3.0652

**Net Acres**

**Price/Acre (Net)** \$570,925

**Square Feet** 133,520

**Net SF**

**Price /SF (Net)** \$13.11

**Number Lots/DUs**

**Sale Price/DU**

**Zoning** SU-1

for C-2 uses F A R

**Market Area** NW Mesa

**Map Page** D-12

**Arterial Location** Major

**Grantor** Coors Eight Pack (Ron Nelson)

**Grantee** Sagebrush Community Church (Michael J Forsyth)

**Terms** \$500,000 cash and seller mortgage for \$1,250,000 at undisclosed terms

**Document Number** 09-067959

**Document Type** Special Warranty Deed

**Plat** 2008C-32

**Tax ID Number** 1-012-063-457-034-4-03-09

**Development Timing** Future

**Intended Use** Future church expansion

**Off-site Infrastructure** Complete

**Utilities** All available

**Topography** 6 feet below Coors grade and moderate slope

**Comments**

This site is accessible by easement roads from Coors Boulevard (right in/right out), and La Orilla Road. The Coors/La Orilla intersection is signalized. The buyer owns the adjoining Sagebrush Community Church.





**Land Comparable 4**

Comp # 11679

Commercial  
Land Sale

**Project Name** Future Medical Offices  
**Location** NW/c Irving Blvd. & Congress Ave. NW NW/o Coors  
**Street Address** 4410 Irving Boulevard NW  
**City, County, State** Albuquerque Bernalillo New Mexico  
**Legal Description** Eagle Ranch, Tract 10-A

**Sale Price** \$975,000  
**Date of Sale** 11 Sep 2008  
**Acres** 1.6911  
**Net Acres**  
**Price/Acre (Net)** \$576,548  
**Square Feet** 73,664  
**Net SF**  
**Price /SF (Net)** \$13.24  
**Number Lots/DUS**  
**Sale Price/DU**  
**Zoning** SU-1  
for C-1

**Market Area** NW Mesa **Map Page** B-13  
**Arterial Location** Minor/Collector

**Grantor** Kiva Assets L L C (Mark G Thompson)/ Cromlech L L C (Otley L Smith)

**Grantee** Med. West 2008 L L C (Mark Edwards/ Jonathan E Lackner)

**Terms** Cash to seller

**Document Number** 08-101613

**Document Type** Warranty Deed

**Plat** 2001C-293  
**Tax ID Number** 1-012-065-256-046-3-35-11  
**Development Timing**  
**Intended Use** Medical office  
**Off-site Infrastructure** Typical

**Utilities** All available

**Topography** Level

**Comments**

This site is at a non-signalized corner of a secondary arterial. It has good proximity to the Cottonwood Mall submarket.



© Joshua Cannon &amp; Associates, Inc.



**Land Comparable 5**

Commercial

Comp # 11824

<b>Project Name</b>	Vacant Land	<b>Sale Price</b>	\$3,100,000
<b>Location</b>	SW/c Paradise Blvd. & Loma Fuente Ave. NW just W/o Eagle Ranch N/o Paseo del Norte E/o Golf Course	<b>Date of Sale</b>	17 Sep 2009
<b>Street Address</b>		<b>Acres</b>	5.1308
<b>City, County, State</b>	Albuquerque Bernalillo New Mexico	<b>Net Acres</b>	
<b>Legal Description</b>	Fountain Hills Plaza, Tract D	<b>Price/Acre (Net)</b>	\$604,194
		<b>Square Feet</b>	223,498
		<b>Net SF</b>	
		<b>Price /SF (Net)</b>	\$13.87
		<b>Number Lots/DUs</b>	
<b>Market Area</b>	NW Mesa	<b>Sale Price/DU</b>	
<b>Arterial Location</b>	Minor/Collector	<b>Zoning</b>	SU-1 PDA to include C-3
	<b>Map Page</b> C-12		

**Grantor** Fountain Hills Plaza L L C (Rick G Hawpe/ Yvonne Hawpe/ Dwayne Pino)**Grantee** Presbyterian Healthcare Services**Terms** Cash to seller**Document Number** 09-107670**Document Type** Warranty Deed

**Plat** 2007C-270  
**Tax ID Number** 1-012-064-476-349-1-07-07  
**Development Timing** Future  
**Intended Use** Future health care facility  
**Off-site Infrastructure** Complete

**Utilities** All available**Topography** Relatively level**Comments**

This site is located on a secondary arterial in an established suburban area. It also has good proximity to the western periphery of Albuquerque where continued residential development is expected to occur.



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# Land Comparable 6

Comp # 11794

Commercial  
Land Sale

**Project Name** Vacant Land  
**Location** N/s Gibson Blvd. SE between Wilmoore Dr. & Buena Vista just W/o Yale  
**Street Address** SE  
**City, County, State** Albuquerque Bernalillo New Mexico  
**Legal Description** Clayton Heights, Block 13, Lot 20-A  
**Market Area** Airport Area **Map Page** L-15  
**Arterial Location** Major

**Sale Price** \$1,015,000  
**Date of Sale** 31 Jan 2008  
**Acres** 1.5249  
**Net Acres**  
**Price/Acre (Net)** \$665,617  
**Square Feet** 66,425  
**Net SF**  
**Price /SF (Net)** \$15.28  
**Number Lots/DUs**  
**Sale Price/DU**  
**Zoning** C-2

**Grantor** Shiprock Enterprise Ltd. (William W Butler Jr., Lubbock, TX)  
**Grantee** AZDev Properties and Investments L L C (Gary G Arnold, Scottsdale, AZ)  
**Terms** Cash to seller

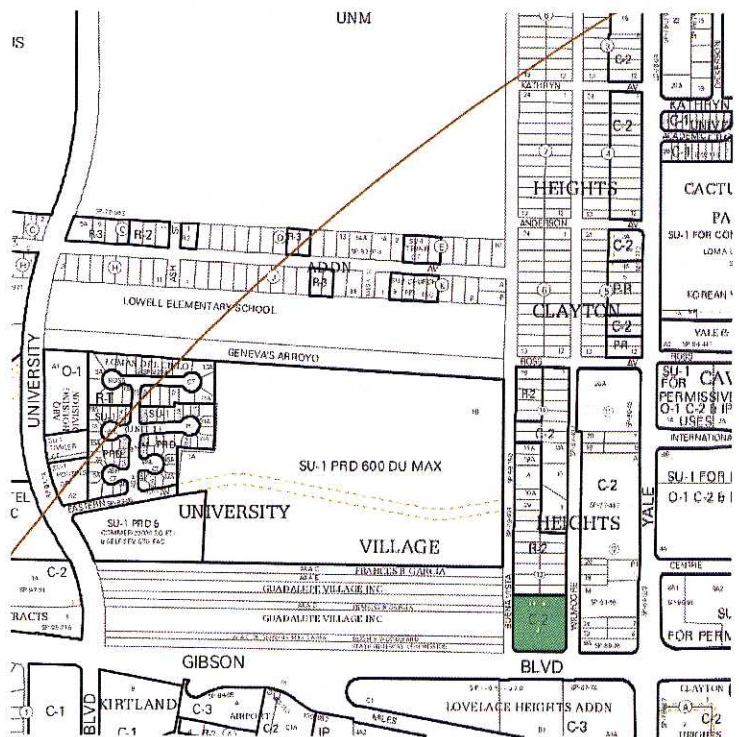
**Document Number** 08-011140 **Document Type** Warranty Deed

**Plat** 2005C-269  
**Tax ID Number** 1-015-056-506-027-4-01-01  
**Development Timing** Immediate  
**Intended Use** IHOP restaurant  
**Off-site Infrastructure** All available

**Utilities** All available  
**Topography** Level

### Comments

This site is near the airport and was purchased to construct an IHOP. It was purchased by the seller on August 9, 2005 for \$7.53 per square foot (\$500,000), who also intended to construct an IHOP but never performed. The indicated rate of appreciation is 32.5% per year.



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**Land Comparable 7**

**Comp # 11720**

Commercial  
Land Sale

**Project Name** Vacant Land  
**Location** S/s San Antonio Dr. NE just E/o I-25 W/o San Pedro/Forest Hills  
**Street Address** NE  
**City, County, State** Albuquerque Bernalillo New Mexico  
**Legal Description** JJ, Lot 3  
**Market Area** North I-25  
**Arterial Location** Minor/Collector

**Sale Price** \$952,605  
**Date of Sale** 25 Aug 2008  
**Acres** 1.3668  
**Net Acres**  
**Price/Acre (Net)** \$696,960  
**Square Feet** 59,538  
**Net SF**  
**Price /SF (Net)** \$16.00  
**Number Lots/DUs**  
**Sale Price/DU**  
**Zoning** SU-1  
for C-1 uses

**Map Page** E-18

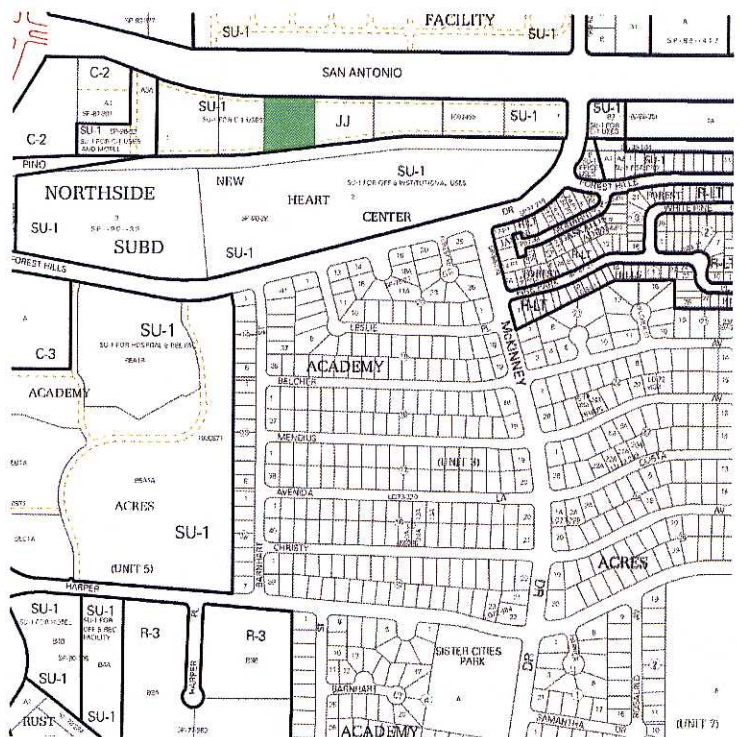
**Grantor** San Antonio Properties L L C (Jeffrey N Rubin/ Sandra K Drake-Rubin)  
**Grantee** Ott, Timothy M  
**Terms** Cash to seller

**Document Number** 08-096266 **Document Type** Warranty Deed

**Plat** 2004C-158  
**Tax ID Number** 1-018-062-131-500-2-01-42'  
**Development Timing** Immediate  
**Intended Use** Office  
**Off-site Infrastructure** Typical

**Utilities** All available  
**Topography** Level

**Comments**  
 The buyer intends to construct a build-to-suit office building for the State of New Mexico.





**Land Comparable 8**

Comp # 11718

Single Tenant  
Land Sale

**Project Name** Former KASA TV

**Location** W/s University Blvd. NE E/o I-25 S/o Indian School N/o Lomas

**Street Address** 1377 University Blvd. NE

**City, County, State** Albuquerque Bernalillo New Mexico

**Legal Description** Lands of Springer Transfer Co, portion of Tract 4 (unrecorded) and Tract 9-A-2, Lands of Springer Transfer Company

**Market Area** SE Heights **Map Page** J-15

**Arterial Location** Minor/Collector

**Sale Price** \$2,109,000

**Date of Sale** 25 Nov 2008

**Acres** 3.0070

**Net Acres**

**Price/Acre (Net)** \$701,363

**Square Feet** 130,985

**Net SF**

**Price /SF (Net)** \$16.10

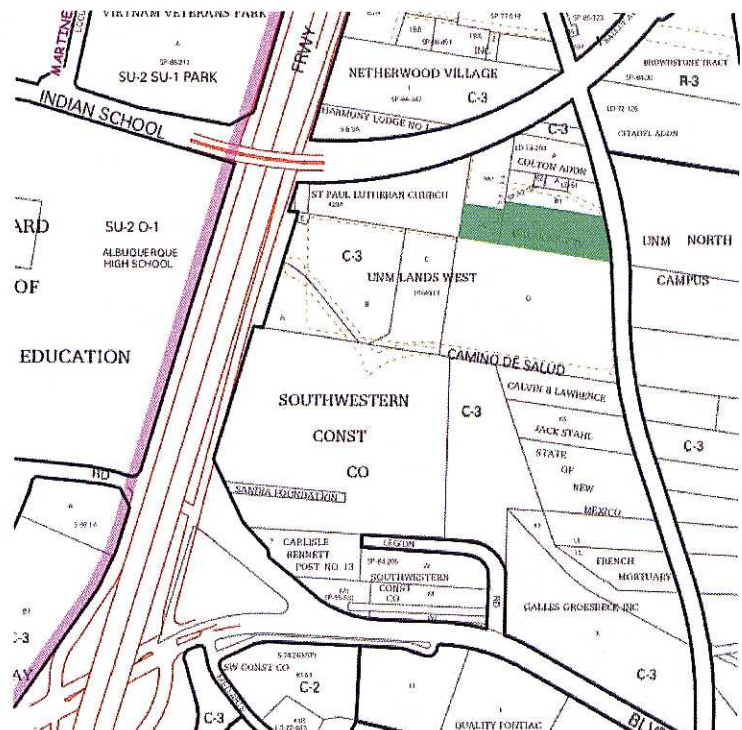
**Number Lots/DUs**

**Sale Price/DU**

**Zoning** C-3

**Grantor** LIN Television Corp (William S Anderson)**Grantee** The Regents of the University of New Mexico**Terms** \$2,065,000 cash to seller and \$44,000 in demolition cost**Document Number** 08-126115**Document Type** Warranty Deed**Plat****Tax ID Number** 1-015-058-357-349-1-01-10**Development Timing** Future**Intended Use** Eventual redevelopment**Off-site Infrastructure** Typical**Utilities** All available**Topography** Relatively level**Comments**

The site was improved with a 15,989-square foot building that was formerly used as a television studio and constructed in ±1963. UNM intends to demolish the improvements for redevelopment with a medical facility. UNM reports they were a motivated buyer and considered the transaction to be a land purchase. The site has an access easement to Indian School Road.



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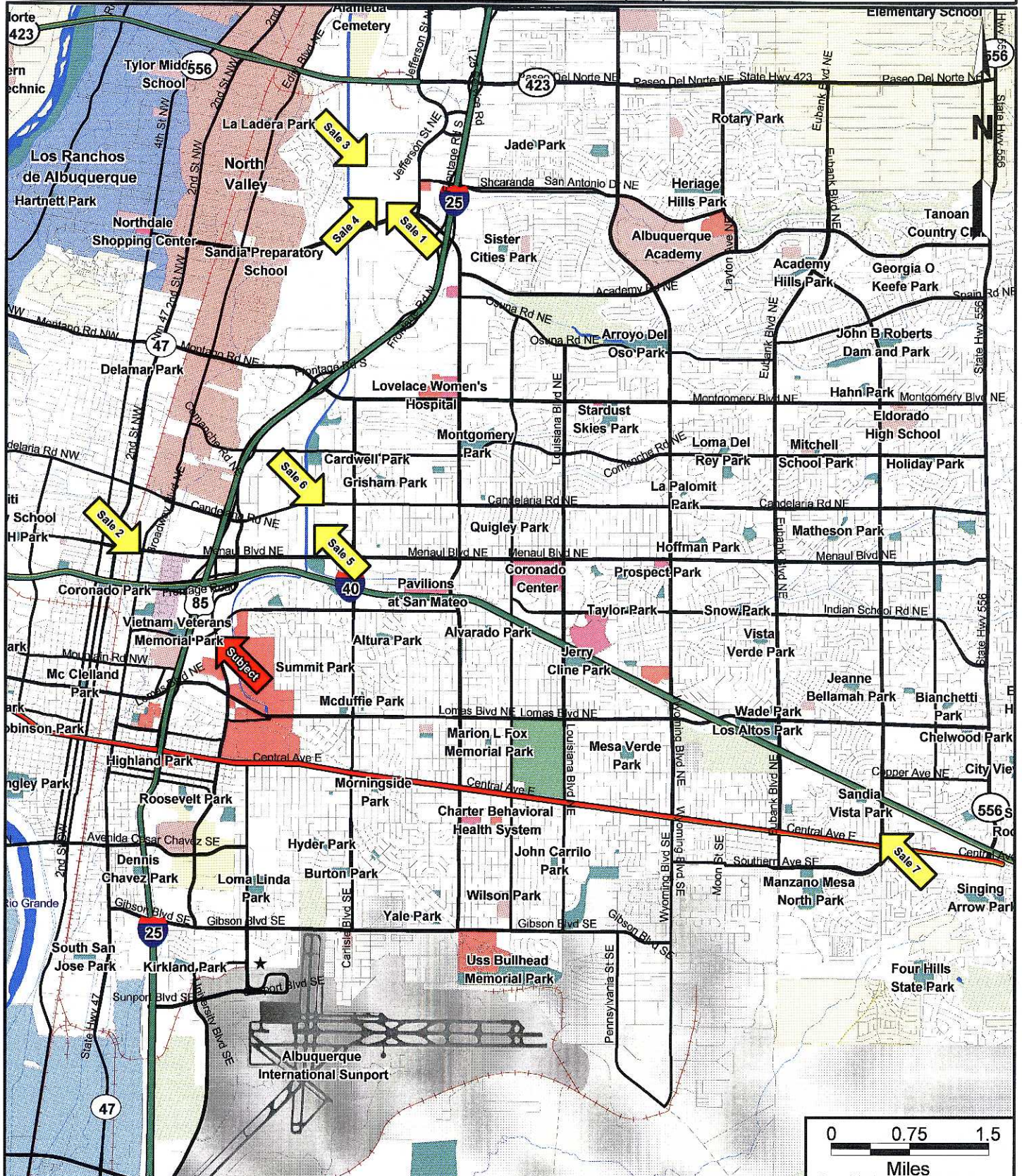


# LOCATION MAP

Description: IMPROVED SALES

Subject Address: 1407 University Blvd Ne, Albuquerque, NM 87102

Prepared by: Joshua Cannon & Associates, Inc., PO Box 20088, , Albuquerque, NM 87154



### CAUTION:

The location of property arrows shown on this map are approximate only. Inaccuracies may exist on map such as missing, incorrectly drawn, or incorrectly addressed streets. Please report any such inaccuracy to MapPro, Inc. so that appropriate corrections can be made.



# Improved Sale 1

Industrial  
Office/Warehouse

Entry Date 11-19-2009

Comp # 20781

<b>Project Name</b>	Office/Warehouse	<b>Sale Price</b>	\$1,600,000
<b>Location</b>	SW/c Washington St. & Academy Parkway North NE N/o Osuna W/o I-25	<b>Date of Sale</b>	21 Aug 2009
<b>Street Address</b>	6815 Washington St. NE	<b>Gross Building Area</b>	25,800
<b>City, County, State</b>	Albuquerque Bernalillo	<b>Rentable Area</b>	
<b>Legal Description</b>	Interstate Industrial Tract, Unit 1, Block C, Tract H	<b>\$/SF Gross/Rentable</b>	\$62.02 /
		<b>Land Area (Ac/SF)</b>	2.9998 /130,671
		<b>Effective Gross Expenses</b>	
		<b>Net Income</b>	
<b>Plat</b>	A4-200	<b>Tax ID</b>	1-017-062-149-447-2-04-27
<b>Market Area</b>	North I-25	<b>Map Page</b>	E-17
<b>Arterial Location</b>	Local	<b>Overall Rate</b>	
<b>Zoning</b>	M-1	<b>FAR</b>	20%
		<b>Year Built</b>	1974

<b>Grantor</b>	ThreeStar Properties L L C (Charles C Anderson, Knoxville, TN)		
<b>Grantee</b>	Albuquerque Windustrial Co		
<b>Terms</b>	Cash to seller		
<b>Document Number</b>	09-098641	<b>Type</b>	Special Warranty Deed

### Property Description

Average quality metal building with ±16 foot eave height and approximately 15% office space. The building and site improvements are in fair condition and the buyer plans to do a renovation. It has a fenced yard with multiple drive-in doors.

**Parking Ratio**  
**Vacancy**  
**Rental Information**

**Marketing Time**

### Comments

This building is recessed in an established industrial park. The buyer is a distributor of industrial building supplies and tools.





**Improved Sale 2**Industrial  
Office/Warehouse

Entry Date 11-19-2009

Comp # 20783

<b>Project Name</b>	Office/Warehouse	<b>Sale Price</b>	\$750,000
<b>Location</b>	SW/c Menaul Blvd. & Broadway Blvd. NE W/o I-25 N/o I-40	<b>Date of Sale</b>	16 Jun 2008
<b>Street Address</b>	220 Menaul Blvd. NE	<b>Gross Building Area</b>	13,000
<b>City, County, State</b>	Albuquerque Bernalillo	<b>Rentable Area</b>	
<b>Legal Description</b>	Franciscan Acres, Block 2, Lot 3-A (.6434 ac. gross, .64 ac. net)	<b>\$/SF Gross/Rentable</b>	\$57.69 /
		<b>Land Area (Ac/SF)</b>	0.6434 /28,028
		<b>Effective Gross Expenses</b>	
		<b>Net Income</b>	
<b>Plat</b>	C16-50	<b>Tax ID</b>	1-014-059-503-280-4-35-09
<b>Market Area</b>	North I-25	<b>Map Page</b>	H-14
<b>Arterial Location</b>	Major		
<b>Zoning</b>	SU-2 C-3	<b>FAR</b>	46%
		<b>Year Built</b>	1950s - 1970s

<b>Grantor</b>	Spiess, Joe E and Gail G		
<b>Grantee</b>	Everguard Properties L L C (Dave Simmons)		
<b>Terms</b>	Cash to seller		
<b>Document Number</b>	08-068734	<b>Type</b>	Warranty Deed

**Property Description**

Average quality metal building with ±14 foot eave height and one drive-in truck door. The property had been damaged by fire and the buyer installed all new interior finishes, new HVAC and replaced approximately one-third of the roof. The buyer estimated the renovation cost at ±\$175,000. The finished space after renovation is ±16%. The property has minimal site improvements that are in fair condition.

**Parking Ratio**  
**Vacancy**  
**Rental Information**

**Marketing Time****Comments**

This property has a visible location at the corner of two arterials. The buyer operates Everguard Solar Energy and Aspen Gulch Engineering at this building.





**Improved Sale 3**

Entry Date 10-22-2009

Industrial  
Office/Warehouse

Comp # 20775

<b>Project Name</b>	Two Tenant Office/Warehouse		<b>Sale Price</b>	\$2,175,000
<b>Location</b>	NE/c Hawkins St. & Snaproll St. NE W/o Jefferson N/o Osuna		<b>Date of Sale</b>	29 Sep 2008
<b>Street Address</b>	3715 Hawkins Street	NE	<b>Gross Building Area</b>	30,000
<b>City, County, State</b>	Albuquerque	Bernalillo	<b>Rentable Area</b>	
<b>Legal Description</b>	Interstate Industrial Tract, Unit IV, Lot 16		<b>\$/SF Gross/Rentable</b>	\$72.50 /
<b>Plat</b>	D9-119	<b>Tax ID</b> 1-017-063-050-125-3-01-01	<b>Land Area (Ac/SF)</b>	2.1537 /93,815
<b>Market Area</b>	North I-25	<b>Map Page</b> D-17	<b>Effective Gross</b>	\$233,850
<b>Arterial Location</b>	Local		<b>Expenses</b>	\$47,599
<b>Zoning</b>	M-1		<b>Net Income</b>	\$186,251
			<b>EGIM</b>	9.30
			<b>Overall Rate</b>	8.56%
			<b>FAR</b>	32%
			<b>Year Built</b>	1982

**Grantor** BCP Goodyear L L C (Michael D Snegg)**Grantee** CMPO Hawkins L L C (Richard A Chess)**Terms** Cash to seller**Document Number** 08-108439**Type** Special Warranty Deed**Property Description**

Average quality building with steel frame and steel, concrete & wood siding. 19% office space and 19-foot clear height. Nine OHDs at drive-in, 2-foot and 4-foot dock level. 3-phase electric and package units in the office areas. Wet pipe sprinklers throughout. Fenced yard.

**Parking Ratio** Adequate**Vacancy** 0%**Marketing Time****Rental Information** 100% occupied by two tenants.**Comments**

The two-tenant leases & expirations are Albuquerque Office Systems with 9,000 SF through 1/31/2011 and SCP Distributors with 21,000 SF through December 2102. The property is in average condition and has an average location in the North I-25 Corridor market area.





**Improved Sale 4**Industrial  
Office/Warehouse

Entry Date 11-19-2009

Comp # 20780

<b>Project Name</b>	Office/Warehouse	<b>Sale Price</b>	\$625,000
<b>Location</b>	N/s Academy Parkway North NE N/o Osuna W/o Jefferson	<b>Date of Sale</b>	29 May 2009
<b>Street Address</b>	3901 Academy Parkway North NE	<b>Gross Building Area</b>	8,760
<b>City, County, State</b>	Albuquerque Bernalillo	<b>Rentable Area</b>	
<b>Legal Description</b>	Interstate Industrial Tract, Unit 1, Block A, Lot 14	<b>\$/SF Gross/Rentable</b>	\$71.35 /
		<b>Land Area (Ac/SF)</b>	0.3963 /17,263
		<b>Effective Gross Expenses</b>	
		<b>Net Income</b>	
<b>Plat</b>	B15-121	<b>Tax ID</b>	1-017-062-105-473-2-02-40
<b>Market Area</b>	North I-25	<b>Map Page</b>	E-17
<b>Arterial Location</b>	Local		
<b>Zoning</b>	M-1		

**Grantor** Puri, Kulbir Singh**Grantee** Henson, Jerry and Verna**Terms** Cash to seller**Document Number** 09-059904**Type** Warranty Deed**Property Description**

Average quality metal building with ±14% office space. Building eave height is approximately 14 feet. Evaporative cooling throughout. Warehouse has dock high doors.

**Parking Ratio****Vacancy****Marketing Time****Rental Information****Comments**

This building is recessed in an established industrial park. The buyer is a candy distributor.





**Improved Sale 5**

Entry Date 11-19-2009

Industrial  
Office/Warehouse

Comp # 20779

<b>Project Name</b>	Office/Warehouse		<b>Sale Price</b>	\$750,000
<b>Location</b>	SE/c Richmond Dr. & Los Arboles Ave. NE W/o Carlisle S/o Candelaria		<b>Date of Sale</b>	30 Jan 2008
<b>Street Address</b>	2820, 2820-A Richmond Dr.	NE	<b>Gross Building Area</b>	9,762
<b>City, County, State</b>	Albuquerque	Bernalillo	<b>Rentable Area</b>	
<b>Legal Description</b>	Duke City Industrial Area, Nly portion of Block E		<b>\$/SF Gross/Rentable</b>	\$76.83 /
			<b>Land Area (Ac/SF)</b>	0.3968 /17,286
			<b>Effective Gross</b>	\$49,530
			<b>Expenses</b>	\$0
			<b>Net Income</b>	\$49,530
<b>Plat</b>	B4-80	<b>Tax ID</b> 1-016-059-330-427-1-04-05	<b>EGIM</b>	15.14
<b>Market Area</b>	North I-25	<b>Map Page</b> H-16	<b>Overall Rate</b>	6.60%
<b>Arterial Location</b>	Local		<b>FAR</b>	56%
<b>Zoning</b>	C-3		<b>Year Built</b>	±1973

**Grantor** Christensen, Roy G and Hilda L**Grantee** Garcia, Isabel, trustee**Terms** Cash to seller**Document Number** 08-010370**Type** Warranty Deed**Property Description**

Average quality metal building with approximately 28% of office/showroom space. Building eave heights are 12 - 14 feet. Evaporative cooling throughout. One drive-in truck door.

**Parking Ratio****Vacancy** 0**Marketing Time****Rental Information** 100% occupied by two tenants on triple net leases.**Comments**

This building is recessed in an industrial area in the Midtown market area. Both tenant leases have approximately one year remaining.





# Improved Sale 6

Industrial  
Office/Warehouse

Entry Date 11-19-2009

Comp # 20784

<b>Project Name</b>	Former Wagner Mechanical/ Future FormsPlus	<b>Sale Price</b>	\$510,000
<b>Location</b>	S/s Candelaria Rd. NE W/o Carlisle E/o Richmond	<b>Date of Sale</b>	15 Jan 2009
<b>Street Address</b>	3310 Candelaria Rd NE	<b>Gross Building Area</b>	5,200
<b>City, County, State</b>	Albuquerque Bernalillo	<b>Rentable Area</b>	
<b>Legal Description</b>	Duke City Industrial Area, Wly 120' of the Nly 180' of Block 9	<b>\$/SF Gross/Rentable</b>	\$98.08 /
<b>Plat</b>	D3-27 <b>Tax ID</b> 1-016-059-399-515-1-07-18	<b>Land Area (Ac/SF)</b>	0.4959 /21,600
<b>Market Area</b>	North I-25 <b>Map Page</b> H-16	<b>Effective Gross Expenses</b>	
<b>Arterial Location</b>	Major	<b>Net Income</b>	
<b>Zoning</b>	C-3	<b>EGIM</b>	
		<b>Overall Rate</b>	
		<b>FAR</b>	24%
		<b>Year Built</b>	±1975

**Grantor** DD&W Ltd Co (Douglas Wagner et al)

**Grantee** HCB Properties L L C

**Terms** Cash to seller

**Document Number** 09-005008

**Type** Warranty Deed

## Property Description

Average quality metal building with ±12 foot eave height and 33% office/showroom space. Evaporative cooling in the warehouse and package unit in the office/showroom. Average quality site improvements and one drive-in truck door.

**Parking Ratio**

**Vacancy**

**Marketing Time**

**Rental Information**

## Comments

This property had been operated as Wagner Mechanical since construction. The new buyer owns and operates Forms Plus Printing. The property has good visibility on Candelaria Road.





# Improved Sale 7

Industrial  
Office/Warehouse

Entry Date 11-19-2009

Comp # 20778

<b>Project Name</b>	Former Rental Service Corp.	<b>Sale Price</b>	\$370,000
<b>Location</b>	NW/c Juan Tabo Blvd. & Linn Ave. NE just N/o Central S/o I-40	<b>Date of Sale</b>	31 Oct 2008
<b>Street Address</b>	201 Juan Tabo Blvd. NE	<b>Gross Building Area</b>	2,053
<b>City, County, State</b>	Albuquerque Bernalillo	<b>Rentable Area</b>	
<b>Legal Description</b>	East Central Business, Block 18, Lot 30-A	<b>\$/SF Gross/Rentable</b>	\$180.22 /
		<b>Land Area (Ac/SF)</b>	0.5284 /23,017
		<b>Effective Gross Expenses</b>	
		<b>Net Income</b>	
<b>Plat</b>	C23-151	<b>Tax ID</b>	1-021-056-505-503-1-16-04
<b>Market Area</b>	SE Heights	<b>Map Page</b>	L-21
<b>Arterial Location</b>	Major		
<b>Zoning</b>	C-3	<b>Overall Rate</b>	
		<b>FAR</b>	9%
		<b>Year Built</b>	±1980

<b>Grantor</b>	Wade Investments & Developments L L C (Katherine B Wade)/ Baumeister Enterprises L L C (Bryan W Baumeister)		
<b>Grantee</b>	Baros, Michael and Gloria		
<b>Terms</b>	\$37,000 cash, real estate contract for three years at 7%		
<b>Document Number</b>	08-119145	<b>Type</b>	Real Estate Contract

## Property Description

Average quality steel industrial building with ±25% office/showroom in average condition. Building eave heights are 10 - 16 feet. Evaporative cooling throughout. Paved and fenced yard. Also has some covered storage.

**Parking Ratio**

**Vacancy**

**Rental Information**

**Marketing Time**

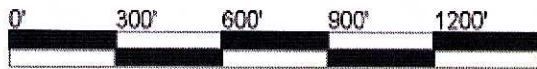
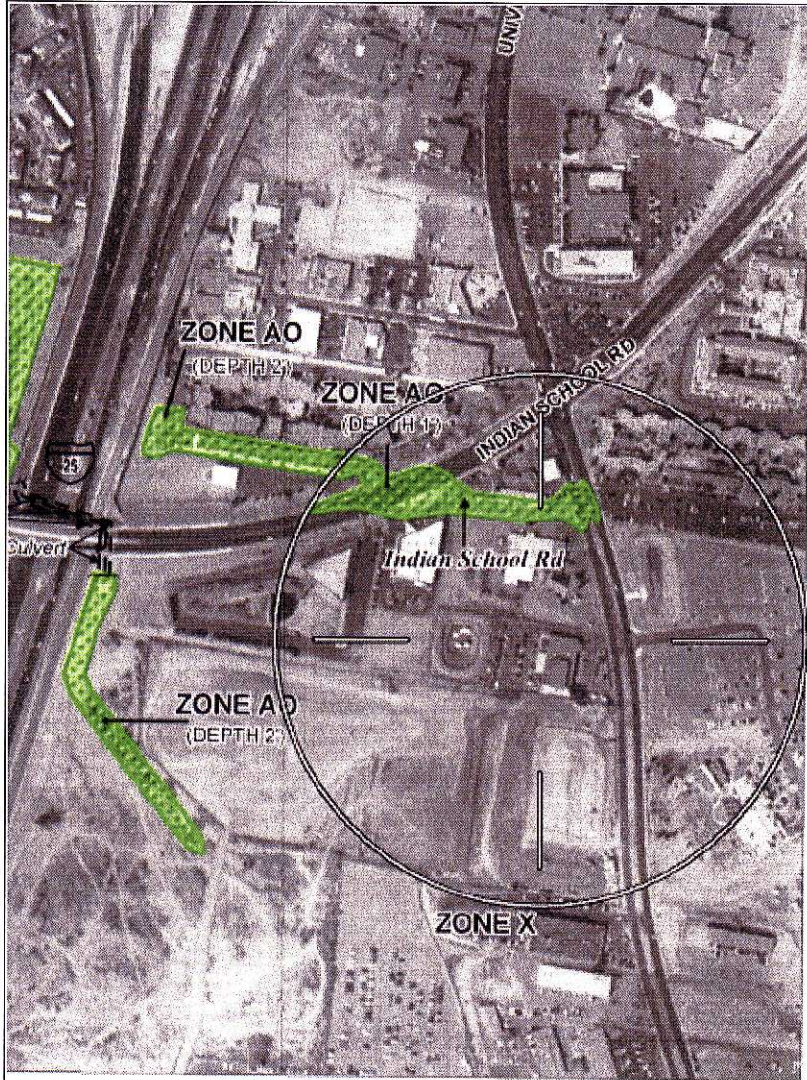
## Comments

The buyer will use the facility for Hitch N Go concrete sales. The property has good visibility on Juan Tabo and good I-40 access.












**FLOODSCAPE**

**Flood Hazards Map**

**Map Number**  
35001C0332G

**Effective Date**  
September 26, 2008

**Flood Legend**

-  High flood risk
-  Moderate flood risk
-  Low flood risk

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## **Qualifications of Joshua Cannon, MAI**

### **Professional Memberships and Licenses**

MAI, Member of the Appraisal Institute, Certificate No. 8661  
Certified Real Estate Appraiser, State of New Mexico, General Certificate No. 21-G  
Past Member of the Board of Directors, Rio Grande Chapter of the Appraisal Institute

### **Education**

Bachelor of Science, New Mexico State University, Las Cruces, New Mexico, 1983

### **Appraisal Courses and Seminars**

Principles in Real Estate Appraisal, New Mexico State University  
Real Estate Appraisal Principles, Course 1A-1, AIREA  
Real Estate Valuation Procedures, Course 1A-2, AIREA  
Capitalization Theory and Techniques, Part A, Course 1B-A, AIREA  
Capitalization Theory and Techniques, Part B, Course 1B-B, AIREA  
Case Studies in Real Estate Valuation, Course 2-1, AIREA  
Report Writing and Valuation Analysis, Course 2-2, AIREA  
Standards of Professional Practice, Parts A and B, AIREA and Appraisal Institute  
Standards of Professional Practice, Part C, Appraisal Institute  
Subdivision Analysis Seminar, Appraisal Institute  
Rates, Ratios and Reasonableness Seminar, Appraisal Institute  
Current Issues and Misconceptions in the Appraisal Process Seminar, Appraisal Institute  
Understanding Limited Appraisals and Reporting Options Seminar, Appraisal Institute  
Highest & Best Use and Market Analysis, Course 520, Appraisal Institute  
Water Rights and Issues Seminar, Appraisal Institute  
The Internet and Appraising Seminar, Appraisal Institute  
Eminent Domain & Condemnation Appraising Seminar, Appraisal Institute  
Internet Search Strategies for Real Estate Appraising Seminar, Appraisal Institute  
Valuation of Detrimental Conditions in Real Estate Seminar, Appraisal Institute  
Appraising from Blueprints and Specifications Seminar, Appraisal Institute  
Flood Zone Issues Seminar, Appraisal Institute  
Real Estate Fraud: The Appraiser's Responsibilities and Liabilities Seminar, Appraisal Institute  
Conservation Easements Seminar, Appraisal Institute and ASFMRA  
Appraisal Consulting: A Solutions Approach for Professionals Seminar, Appraisal Institute  
Natural Resource Appraisal Seminar, Appraisal Institute  
Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book Seminar)

### **Experience**

Joshua Cannon & Associates, Inc. from July 2007 to present.

Associated with Brooks, Lomax & Fletcher, Inc., October 1983 to June 2007. Appraisal assignments have involved a wide variety of property types, including multifamily, retail, office, industrial, subdivisions, special purpose, eminent domain and rural. Other assignments include market studies, feasibility analyses and consultation on a variety of property types.

### **Expert Witness**

District Court – New Mexico  
District Court – Utah

### **Sample Clients**

Bank of America, Bank of Albuquerque, Bank of the West, Wells Fargo Bank, KeyBank, Comerica Bank, New Mexico Bank & Trust, First State Bank, First Federal Bank, Los Alamos National Bank, Imperial Thrift and Loan, Fremont Investment & Loan, Realty Mortgage Investment Company, Charter Bank, University of New Mexico, Sandia Foundation, Transamerica Realty Services, Trust for Public Land, Albuquerque Publishing Company, Ford Motor Company, Chrysler Corporation, and many government entities, insurance companies, private developers, attorneys and individuals.