

**SUMMARY APPRAISAL REPORT**  
**Belmont Hills Sanitary Sewer Rehabilitation**  
**Deutsche Bank National Trust Company**  
**2766 Stone Creek Road, Smyrna, GA**  
**District 17, Land Lot 377, Cobb County**

**Prepared for:**

**Mr. Darion Dunn, Project Manager**  
**Croy Engineering, LLC**  
**200 North Cobb Parkway**  
**Building 400; Suite 413**  
**Marietta, GA 30062**

**Effective Date of Appraisal**  
**February 8, 2014**

**Prepared By:**

**Penn Hastings and Associates**  
**4228 First Avenue; Suite 7**  
**Tucker, Georgia 30084**

**Soils and Subsurface:** The subject is located in the Piedmont area of Georgia. The soil class is Mica Schist/Gneiss with minerals including shale and sedimentary rocks. A report by a soil and subsurface engineer regarding the subject site has not been made available to the appraiser. A visual inspection of the property did not reveal any obvious problems. However, the appraiser is not qualified to detect such problems. The client is advised to obtain such a report if desired.

**Hazardous Waste:** With regard to an environmental inspection of the property, the appraiser is not qualified to detect any such conditions, nor is the appraiser an expert or engineer with knowledge required to discover them. The client is urged to retain an expert in this field, if desired. The scope of the appraiser's environmental investigation was limited to those conditions readily observable on the site at the time of the inspection. Environmental risks may or may not be considered hazardous. Conditions such as toxic waste, asbestos and lead-based paint are environmental hazards, whereas such conditions as wetlands and endangered species are not hazards but are environmental risks.

**Utilities:** All utilities are available to the subject.

**Zoning:** The subject property is currently zoned R-15; Residential by the City of Smyrna. The subject conforms with all of the requirements of the R-15 zoning category established by Smyrna.

**Improvements:** The subject is improved with a 2,188 square foot bi-level home constructed in 2000. The house has seven rooms, three bedrooms and two and one half bathrooms. The house is in below average condition and was vacant at the time of inspection. The house is situated close to Stone Creek Road.

**DESCRIPTION OF THE PART TO BE ACQUIRED** The project entails the replacement of the Belmont Hills Sanitary Sewer Line. Presently, the sewage pipe is 15 inches in diameter. It will be replaced with a 24 inch PVC pipe. The sanitary sewer line runs through the rear of the property east of and along the required state stream bank buffer of Theater Branch, which forms the rear property boundary.

The acquisition consists of 2,419 square feet of temporary construction easement. The easement is estimated to be around 40 feet in depth and located approximately 45 feet from the rear property line (center of the branch). The easement is located on the eastern side of the existing sewer line, away from the creek buffer, on the house side of the sewer line. This area will be cleared and trenched with the new pipe placed parallel to the existing pipe. The existing pipe will either be removed or filled with grout. The property will be graded to its pre-construction condition and in such a fashion so as to not create areas of ponding on the subject. The area of the easement will be grassed or mulched no more than two days after completion of all land disturbance activities.

**PRESENT USE** Residential home

**HIGHEST AND BEST USE** "Highest and Best Use" is defined as the reasonable and probable use that will support the highest present value, found to be physically possible, legally permissible, appropriately supported, financially feasible, and which results in the highest return to the land.

**Physically Possible:** The subject is located in the Piedmont area of Georgia. The soil class is Mica Schist/Gneiss with minerals including shale and sedimentary rocks. All utilities are available to the subject site.

**Legally Permissible:** The subject is zoned R-15. The subject is presently conforming with the current zoning regulations.

**Financially Feasible:** The subject is located in the Cheney Woods Subdivision. This subdivision is comprised of 1/3 acre lot homes of various ages. This area is in a transitional state of development, with excess lands being developed with newer, more expensive homes. Older homes are being extensively updated and renovated, or demolished for new home construction. The subject as improved, provides a relatively higher price than as vacant, indicating that the improvements have not reached the end of their economic life. However, the home's location in a flood zone exacerbates the declining economic life of the improvements.

It is the opinion of this appraiser that the highest and best use for the subject property is for its continued use as a residential home.

**DESCRIPTION OF THE APPRAISAL PROCESS** In estimating the value of real estate, three (3) Approaches to Value are typically used. These Approaches are the Depreciated Replacement Cost Approach, the Income Approach and the Market Data/Direct Sales Comparison Approach. These three (3) approaches provide indications of value which are reconciled by the appraiser to a final value estimate according to the relative reliability. In this report, only the Market Data Approach will be used. There have been enough sales of vacant properties in the vicinity with which to adequately estimate the value of the property.

In the Market Data/Direct Sales Comparison Approach an indication of value is provided by direct comparison with recent market sales. These sales involve similar or reasonable competitive properties. Adjustments to the sales price of competitive properties selected for comparison are considered as they relate to the subject's various characteristics.

**MARKET DATA APPROACH** An analysis was made of recent sales of similar properties as the subject. Adjustments were made to each sale for the dissimilarities between the sales and the subject. The adjusted sales price of each property was then correlated to arrive at an indication of market value for the subject property as vacant.

<i>No. &amp; Location</i>	<i>Sale Date</i>	<i>Size</i>	<i>Price</i>
1. 2704 Sanford Rd	4/2013	0.184 acres	\$30,000
2. 3008 Nichols St	12/2012	0.161 acres	\$41,000
3. 1611 Gaylor St.	10/2012	0.31 acres	\$40,000
4. 3079 Dunton St.	8/2012	0.173 acres	\$40,000
5. 1640 Gaylor St.	9/2012	0.238 acres	\$41,500
6. King Springs Rd	1/2012	0.207 acres avg	\$50,000

Comparable Sale Number 1 is the most recent and the closest in location to the subject and indicates a value of \$30,000 for a residential lot in the immediate area of the subject. Comparable Sale Numbers 2 and 4 are the next closest to the subject in location and indicates a value of \$41,000 and \$40,000 for a residential lot in the area of the subject. These sales reflect the value of residential lots in the immediate area of the subject's transitional market area. The other comparable sales support the value indicated by Comparable Sale Numbers 1, 2, and 4, which were given the greatest consideration in this analysis.

Based on this analysis, it is the opinion of this appraiser that the market value of the subject property, as vacant is \$40,000 or \$2.57 per square foot for the subject's 15,586 square feet

**TEMPORARY EASEMENT** Payment for a temporary construction easement is the payment for the use of a property during a specific time period. The most comparable basis for evaluation of the payment are land leases. Commercial land leases for developments of fast food sites and gasoline stations are typically based on 10% annual return to the owner. Therefore:

$$2,419 \text{ s.f.} \times \$2.57 \text{ per square foot} \times 10\% = \$622$$

**CONTRIBUTORY VALUE OF LANDSCAPING/TREES AND SHRUBBERY** The area of acquisition has numerous plants and trees. These are largely smaller scrub growth with occasional larger trees. The character of the area is that of a natural wooded area along the banks of a creek or stream in floodplain and wetlands.

Under Section 6-12 of Georgia Eminent Domain Law, it is improper to assign a value for any trees, shrubbery or landscaping separately from the overall value of the property.<sup>1</sup> Therefore, the plants and trees located in the area of the acquisition will be valued at their contributory value to the property. Contributory Value is defined as the dollar amount that an item adds to the market value of a given property based on the market value of the subject property as a whole. The Principle of Contribution is a valuation principle which states that the value of an agent of production or of a component part of a property depends upon how much it contributes to the value of the whole; or how much its absence detracts from the value of the whole.

Typically, plants and trees indigenous to the local terrain are not considered as contributing any additional value to a property as the comparable land sales used in the valuation of the entire property included similar indigenous plants and trees.

It is the opinion of this appraiser that the below average to poor condition of the house on the property creates a substantial amount of depreciation to the overall value of the subject. The absence of the foliage in the area of acquisition would normally create a noticeable difference from the remaining property's natural growth so as to affect the marketability of the subject as a whole. However the condition of the house on the property offsets any minute impact from the absence of the foliage. Generally speaking, the economic impact to the market of the subject is largely derived from the house's poor condition and would not be affected a small change in the foliage in the back yard.

Therefore, it is the opinion of this appraiser that there is no contributory value of the landscaping located in the acquisition.

#### **CORRELATION OF VALUE**

Temporary Easement	\$ 622
Rounded	\$700

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<sup>1</sup> Gaines Et al. v. Department of Transportation; 140 Ga. App. page 741.; Simon v. Department of Transportation; 245 Ga. page 478.; Wright et al. v. Metropolitan Atlanta Rapid Transit Authority 372 Ga. page 248.; Department of Transportation v. Willis et al. 165 Ga. page 271.

**CORRELATION AND FINAL VALUE ESTIMATE** Based on a review of the data analyzed and careful consideration of all factors observed and presented in this report, it is my opinion that the MARKET VALUE of the fee simple title of the part to be acquired of the subject property, in financial terms equivalent to cash, as of the 8th day of February, 2014, is:

**SEVEN HUNDRED DOLLARS**

**\$700.00**



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Bruce R. Penn  
Georgia Certified General  
Real Property Appraiser #CG-00228

The values set forth above are subject to the assumptions and limiting conditions stated through out this report.