

NOI           \$351,643.89

Several factors influencing the applicable CAP rate:

- Rental rates are considered to be well below market levels. Currently at \$11.16/sf gross.
- Historical occupancy levels close to 100%
- Same owner for over 50 years and long-term tenants.
- The condition of the property is good and there is a good routine maintenance schedule in place.
- The building setbacks are good and there are multiple access points and great visibility. Great potential for value-add opportunities or redevelopment.
- Great location on Yadkin Road which is the main access onto Fort Bragg Military Base.
- Proposed development on the adjacent and rear properties includes a 150 unit apartment complex and a retail strip center.

Given these factors a CAP rate of 9.09% is considered to be applicable.

Taking \$351,643.89 and dividing by .0909 gives a value of \$3,868,469.64, rounded to \$3,870,000. This equates to \$91.59 per sf for the improvements.

There is an additional 3.80+- acres of excess commercial land suitable for future development that is a part of this property. It has been valued at \$3.50 per sf. Taking 3.80 acres, or 165,528 sf and multiplying by \$3.50 gives a value of \$579,348, rounded to \$580,000.

Taking \$3,870,000 and adding the \$580,000 gives a value of \$4,450,000.

**This adequately supports our listing price for this property at \$4,450,000.**