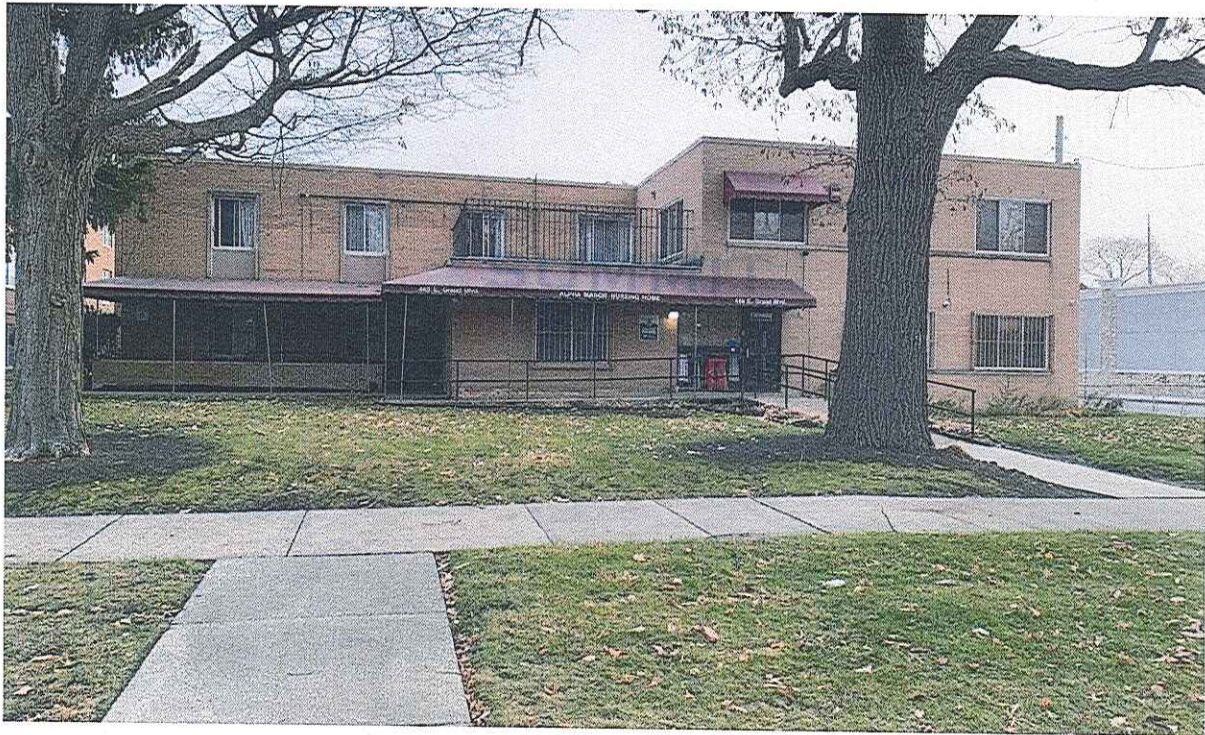


Broker Opinion of Value
440 E. Grand Boulevard, Detroit, Michigan
December 1, 2021



Prepared By:



7700 Second Avenue, Suite 300
Detroit, Michigan 48202



7700 Second St.,
Suite 300
Detroit, MI 48202

Phone: 313-872-1300
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Elizabeth Kmetz-Armitage
Deputy Group Executive
City of Detroit, Housing & Revitalization Department
2 Woodward Avenue
Detroit, MI 48226

Re: 440 E. Grand Boulevard, Detroit, MI 48207
Broker Opinion of Value

Dear Ms. Kmetz-Armitage:

We are pleased to enclose our evaluation of the property located at 440 E. Grand Boulevard in Detroit, Michigan. In providing our Broker Opinion of Value, we have reviewed the following information:

- We have visited the site
- We have consulted market data on properties of this type (attached sales comparables)
- Current experience in the Metro Detroit market
- Typically, nursing homes and convalescent home values are based on income approach
- Establishing this market value is based on marketable building square footage only

THE PROPERTY HAS THE FOLLOWING GENERAL STRENGTHS AND WEAKNESSES

Strengths

- The subject property is located in an area that has been well established with multiple types of nursing homes, convalescent homes, rehab facilities and large multi-family senior housing facilities along Grand Boulevard. This area is just north of Jefferson Avenue and approximately 4 blocks north of Belle Isle, in Detroit.
- There are several developments that are taking place in the area, particularly along the Jefferson corridor.
- The immediate area surrounding the Subject property has strong residential support along with new infill housing and several rehab multi-family housing projects throughout the neighborhood of existing structures.
- The location of the Subject property would rank high as a walk score neighborhood, which is a measure of convenience to dining, entertaining and expressway access.

Weaknesses

- The Subject property is in a very competitive market for nursing home facilities and older properties are facing a challenge with updating and modernizing to remain competitive.
- The Subject property was limited access to parking.
- Limited sales comparables for nursing facilities.



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ACHIEVEABLE SALES PRICE RANGE

SOLD COMPARABLES – Religious Facility Buildings (See attached)

| Address | City | Status | Sale Date | SF (Building) | Acreage (Land) | Price | Price/SF (Building) |
|---------------------|------------------|---------|------------------------------|---------------|----------------|-------------|---------------------|
| 440 E. Grand Blvd. | Detroit | N/A | N/A | 16,544sf | 0.42 AC | N/A | N/A |
| 505 E. Grand Blvd | Detroit | Sold | 01/05/20 | 22,000sf | 0.54 AC | \$499,000 | \$22.86/sf |
| 130 E. Grand Blvd | Detroit | Pending | Expected to close in 30 days | 21,704sf | 1.28 AC | \$600,000 | \$27.64/sf |
| 22601 E. 9 Mile Rd. | St. Clair Shores | Pending | Expected to close in 3 weeks | 26,598sf | 2.20 AC | \$1,000,000 | \$37.59/sf |

- The purpose of this BOV is to establish a market value based on square footage. It is not based on typical income approach due to lack of access to income and expense information. Nursing Home facilities and other like properties are typically valued based on income generated. The typical average income rate is \$200/room/month. In the absence of this type of information, we concentrated solely on the market value approach.
- The range of comparable nursing facility buildings that are comparable to 440 E. Grand Blvd. range between \$22.86/SF to \$37.59/SF. (Refer to Comps listed above and attached). The average price range is \$29.36/SF.
- All of the comparables were purchased with the intent of doing a major renovation or demolition of the property and using as a new development site, particularly 22601 E. 9 Mile Rd.
- The Subject property is a fully functional facility in need of upgrading and/or renovation.
- The comparable sale at 505 E. Grand Blvd is located on the same block of the Subject property and needs major renovation to be operational.
 - It is significant to note that the Subject property is situated on the smallest parcel of land and very limited with parking in comparison to the comps.



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- All of the comparables are major renovation projects that will take place after the purchase.
- The two properties that sold in the \$27+/sf range has much larger parcel sites than the Subject.

- Taking into account the information provided above and the location, we would value 440 E. Grand Blvd between \$35.00/SF and \$37.00/sf which equates to (\$35/SF X 16544 sf = \$580,000 rounded and \$37/SF X 16,544 = \$612,000 rounded). Given the location of the Subject, and the fact that it is currently functional, like 22601 E. 9 Mile Rd, we suggest the value is at the larger end of the range, \$37/sf which equates to \$612,000.00 rounded.

CONCLUSION

GIVEN THE ABOVE SCENARIOS, AND TAKING INTO ACCOUNT THE LOCATION AND CONDITION, WE WOULD VALUE THE SUBJECT PROPERTY AS FOLLOWS:

- ***440 E. Grand Boulevard is valued at Six Hundred Twelve Thousand Dollars (\$612,000.00)***

While the enclosed is a subjective "snapshot" of value, given current market conditions, we hope that it will be helpful in your analysis of this property.

Thank you for the opportunity to provide this evaluation. We look forward to answering any questions that you may have on this project. We appreciate the opportunity to be of service to you. Thank you.

Very truly yours,

Summit Commercial LLC

Jerome Eagger
Principal

Sale Comp - Summary Report

505 E Grand Blvd

Detroit, MI 48207 - Detroit E of Woodward Submarket



TRANSACTION DETAILS

| | |
|--------------|-------------------|
| Sale Date | Jan 5, 2020 |
| Sale Price | Not Disclosed |
| Asking Price | \$499,000 |
| On Market | 248 Days |
| Hold Period | 20+ Years |
| Sale Type | Owner User |
| Comp Status | Research Complete |
| Comp ID | 5032080 |

BUILDING

| | |
|---------------|------------------------|
| Type | 3 Star Assisted Living |
| Location | Urban |
| GLA | 22,000 SF |
| Floors | 2 |
| Typical Floor | 11,000 SF |
| Class | C |
| Construction | Masonry |
| Year Built | 1937 |

LAND

| | |
|------------|------------|
| Land Acres | 0.54 AC |
| Bldg FAR | 0.94 |
| Parcel | 15-0080601 |
| Land SF | 23,522 SF |

BUYER & SELLER CONTACT INFO

| | |
|--------------|-------------------------|
| Buyer Broker | No Buyer Broker on Deal |
|--------------|-------------------------|

| | |
|----------------|--|
| Listing Broker | RE/MAX Team 2000 (313) 561-0900 (p) |
|----------------|--|



INCOME & EXPENSES

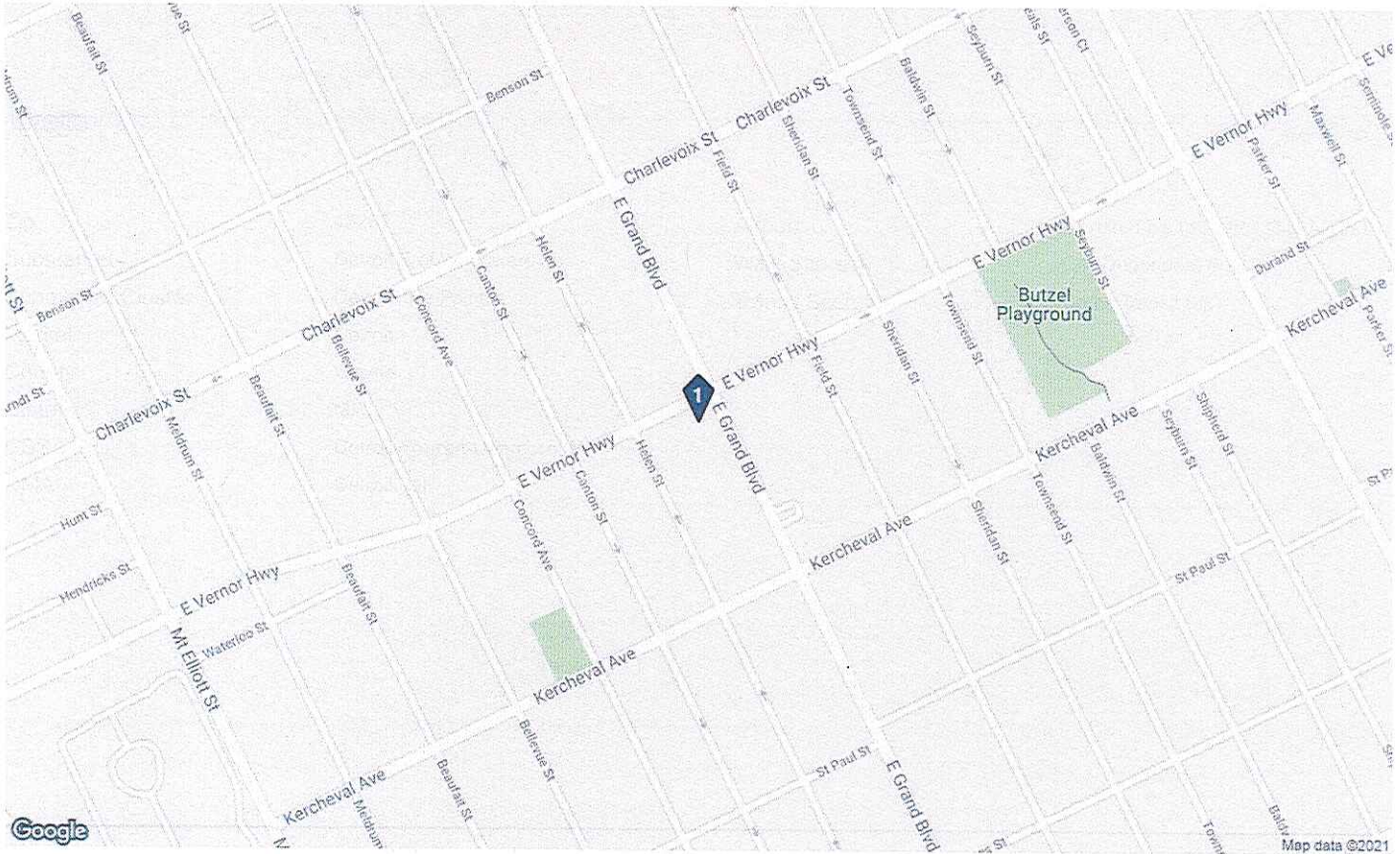
| Expenses | 2020 | Per SF |
|--------------------|----------|--------|
| Operating Expenses | - | - |
| Taxes | \$16,523 | \$0.75 |
| Total Expenses | \$16,523 | \$0.75 |

Sale Comp - Summary Report

505 E Grand Blvd



Detroit, MI 48207 - Detroit E of Woodward Submarket



LOCATION

| | |
|-------------------|-----------------------------|
| Zip | 48207 |
| Submarket | Detroit E of Woodward |
| Submarket Cluster | Detroit/The Pointes |
| Market | Detroit |
| County | Wayne |
| State | MI |
| CBSA | Detroit-Warren-Dearborn, MI |
| DMA | Detroit, MI |

TRANSPORTATION

| | |
|----------------|--------------------------------------|
| Airport | 13 min drive to Detroit City Airport |
| Walk Score® | Car-Dependent (42) |
| Transit Score® | Some Transit (38) |





James J. Bufalino
BROKER / OWNER

FOR SALE: 130 E GRAND BLVD., DETROIT, MI 48211
ASKING PRICE: \$815,000.00
PARCEL SIZE: 1.28 ACRES (5 Combined Parcels)
LOT DIMENSIONS: 340 X 132 ft (E Grand Blvd. x E Congress)
PROPERTY TYPE: VACANT LAND
DEVELOPMENT: NEW BUILD DEVELOPMENT (Minimum 8 Units)
ZONING: R5 Medium Density Residential District

SELLER: Detroit Land Bank Authority
500 Griswold, Suite 1200
Detroit, Michigan 48226

MARKETING OPEN: June 1, 2020 by 5:00pm
BIDS DUE: August 1, 2020 by 5:00pm
Proposals will be considered incomplete unless all of the enclosed requirements are addressed in the proposal. Kindly try to include all of the proposal information in One PDF file, if possible.

Please direct all questions and offers to

LISTING BROKER: Premier Property Services
% James Bufalino
M +1 313.806.1303 | O +1 313.822.9000 | F +1 866.567.4363
400 Renaissance Center, Suite 2600, Detroit, MI 48243
James@PPSAM.com | www.PPSAM.com

**OFFERED PUBLICLY AS "130 E GRAND BLVD."
 (The 5 Combined Parcels Include the Following Addresses)**

| <u>Address</u> | <u>Parcel ID</u> | <u>Lot Dimensions</u> | <u>Acres</u> | <u>Structure Size</u> |
|------------------|------------------|-----------------------|--------------|-----------------------|
| 130 E Grand Blvd | 15007513-5 | 240 X 165 | .908 | 19,002 |
| 144 E Grand Blvd | 15007516. | 50 X 105 | .120 | 2,702 |
| 150 E Grand Blvd | 15007517 | 50 X 68 | .077 | Vacant Land |
| 7220 E Congress | 15000072.002L | 37 X 50 | .042 | 2,750 |
| 7222 E Congress | 15000072.001 | 27 X 100 | .061 | Vacant Land |

TOTAL: 1.28+/- Acres



Islandview Development Opportunity - 130 E Grand Blvd

The Detroit Land Bank Authority, in partnership with the City of Detroit's Housing and Revitalization Department and Planning and Development Department, seeks a developer for a prime development site comprised of approximately 1.21 acres in the Islandview neighborhood with approximately 340 feet of frontage on E Grand Boulevard between E Jefferson and E Congress. The site contains 4 structures: the Frederick Chambe Mansion (a grand residential structure built in 1898 and designed by Detroit architect Louis Kamper), a cinderblock addition to the mansion built in 1966, a garage/carriage house, and a two story commercial building fronting Congress street.

The property is located in a R5 Medium Density Residential District. This zoning district is designed to provide for a range of residential development and smaller scale commercial uses if blended properly into a residential development. The preferred development for this site will incorporate both residential and commercial uses into an appropriately scaled mixed use development that preserves the historic architecture of the Louis Kamper designed mansion while incorporating modern architecture that respects the current established setbacks on E Grand Boulevard.

The successful respondent will demonstrate a strong track record in delivering quality projects on time and have residential and/or mixed-use development experience coupled with a commitment to creating quality, well-designed housing. Development proposals must be

OFFER SUBMISSION

Proposals will be considered incomplete unless all of the above requirements are addressed in the proposal. *Please try to include all of the proposal information in One PDF file, if possible.*

Please direct all questions and offers to our Listing Broker – James Bufalino

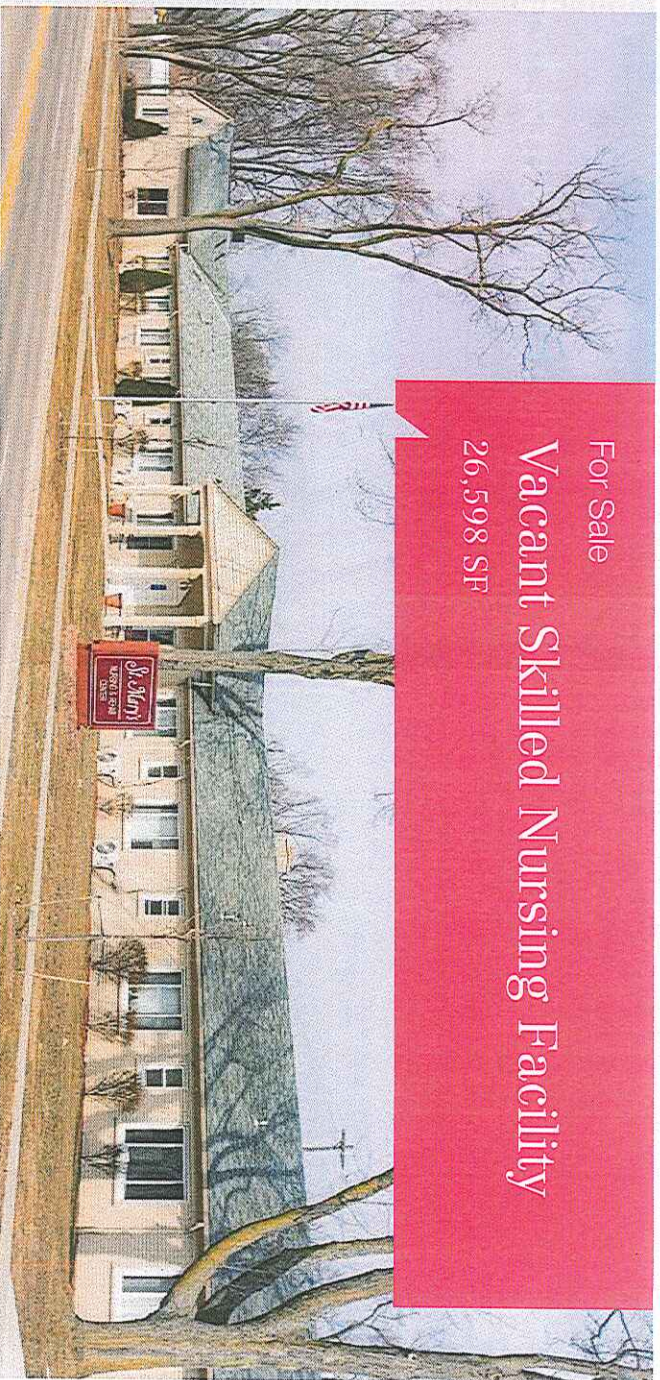
Email: James@PPSAM.com Direct: 313.806.1303 Office: 313.822.9000



James J. Bufalino
BROKER / OWNER



For Sale
Vacant Skilled Nursing Facility
 26,598 SF



St. Clair Shores Redevelopment

22601 E 9 Mile Road
 Saint Clair Shores, Michigan 48080

Property Highlights

- For Sale - 26,598 SF building on 2.22 Acres 9 Mile Road just East of Greater Mack Avenue
- PRIME parcel for Redevelopment - City of St. Clair Shores identified this parcel as a Top 5 development parcel in the City.
- Property can be renovated for for uses such as an ALF / Memory Care or redeveloped into a mixed-use or townhouse style development.
- Part of the Nine- Mack shopping area, located a short walk from the Greater Mack downtown shopping district, Kroger, McDonalds and more.
- Area with new investments including a new Ciena Healthcare SNF and Rehab Facility, and new credit union being developed across the street.
- Traffic artery for boaters exiting I-94 to drive to travel to Jefferson Beach Marina and surrounding marinas and waterfront restaurants along the Nautical Mile.
- Located 15.8 miles from Downtown Detroit and 31 Miles Metropolitan Airport (DTW). The subject property will provide tenants with excellent

OFFERING SUMMARY

| | |
|-----------------|--------------------------|
| Sale Price | Contact Listing Agent(s) |
| Number of Units | 48 |
| Lot Size | 2.2 Acres |
| Building Size | 26,598 SF |

DEMOGRAPHICS

| Stats | Population | Avg. HH Income |
|---------|------------|----------------|
| 1 Mile | 12,848 | \$58,353 |
| 3 Miles | 92,950 | \$70,344 |
| 5 Miles | 247,160 | \$63,319 |

For more information

Todd Szymczak

O: 248 351 4378 | C: 248 841 5007
 szymszcak@farbman.com

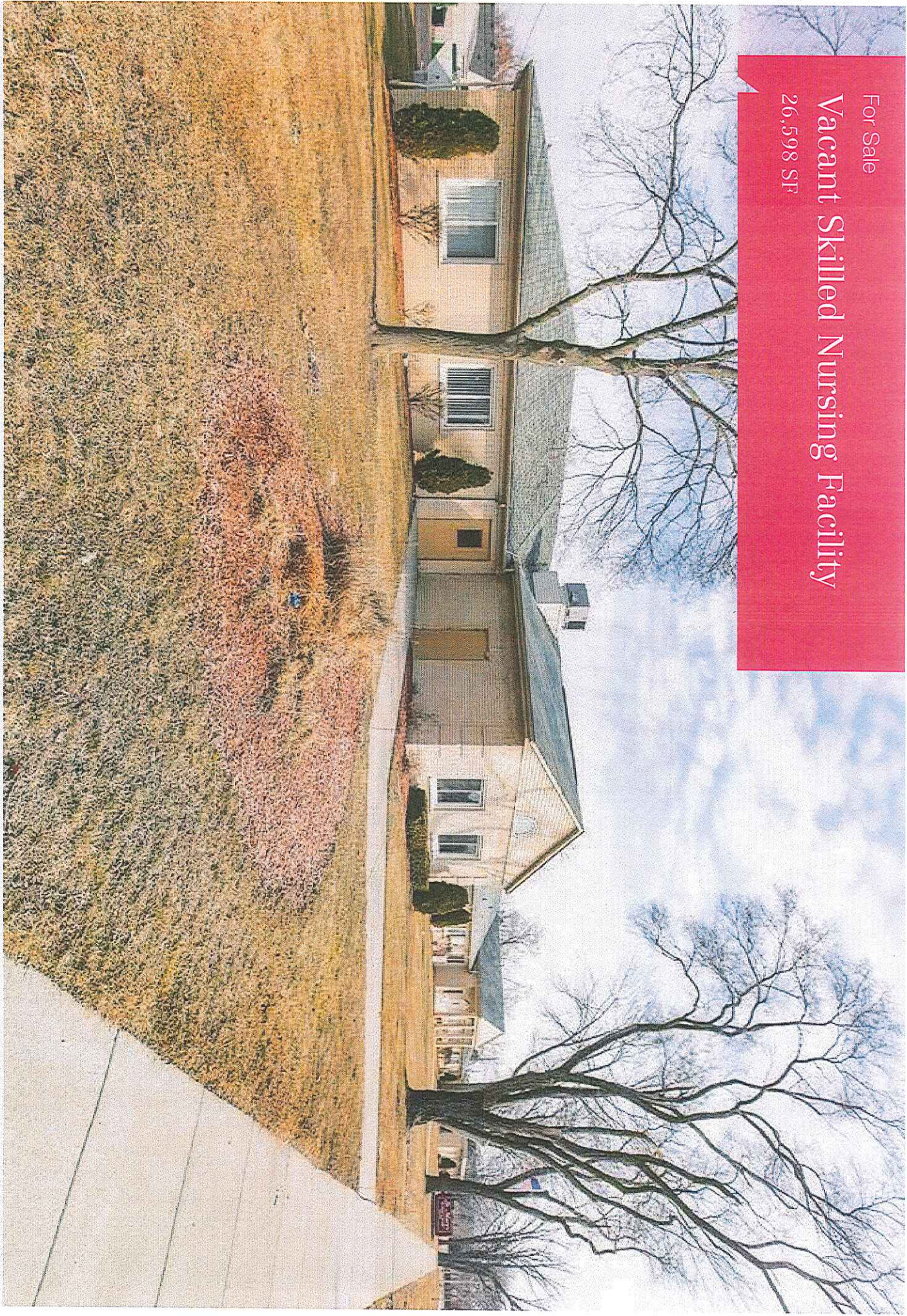
Ben Israel

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 israel@farbman.com

For Sale

Vacant Skilled Nursing Facility

26,598 SF



NAIFarbman
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Southfield, MI 48034
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naifarbman.com