

**MARKET VALUE APPRAISAL  
SUMMARY REAL ESTATE APPRAISAL REPORT**

Fee Simple Interest

61 Pearl Street  
Newton, Massachusetts

Effective Date: December 17, 2010

---

*Shepherd Associates  
Newton, Massachusetts*

# Shepherd Associates

## Real Estate Appraisal & Consulting Services

---

December 21, 2010

Trisha Kenyon Guditz  
Housing Program Manager  
Newton Planning and Development Department  
1000 Commonwealth Avenue  
Newton, Massachusetts 02459

RE: Multi-Family Property  
61 Pearl Street  
Newton, Massachusetts 02458

Dear Ms. Guditz:

In accordance with your request, the appraisal of the referenced property has been completed and the report follows. The appraisal process undertaken represents a scope of work sufficient to produce credible assignment results based on the intended use.

A *summary* appraisal report has been prepared in compliance with the reporting requirements set forth under Standards Rule 2-2-(b) of the Uniform Standards of Professional Appraisal Practice. Concise discussions of the data, reasoning, and analyses used in the appraisal process to develop an opinion of value are provided. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the stated intended use and is intended to meet the supplemental standards of the Appraisal Institute.

Unless otherwise stated, the property is appraised as if it meets or exceeds all Massachusetts and federal environmental considerations.

Page 2

*Client:* City of Newton  
Planning and Development Department

*Re:* 61 Pearl Street  
Newton, Massachusetts

*Conclusion.* The *as-is* market value of the Fee Simple Interest, as of December 17, 2010, with a marketing period of 2 to 6 months, is:

**SEVEN HUNDRED EIGHTY THOUSAND DOLLARS  
( \$780,000 )**

This letter of transmittal is not an appraisal report. The value is subject to the market value definition, certification of value, and assumptions and limiting conditions contained in the following report.

Please contact me if I can be of further assistance. Thank you for your consideration.

Respectfully submitted,



Leonard A. Bacevicius  
Massachusetts Certified Residential Real Estate Appraiser License #1938



William J. Pastuszek, Jr., MAI, SRA, MRA  
Massachusetts General Certified Real Estate Appraiser  
License #10

WJP/bp  
encls.

**CERTIFICATION**

The appraiser certifies and agrees that:

1. The statements of fact contained in this report are true and correct.
2. 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.
3. The appraiser has no present or prospective interest in the property that is the subject of this report, and no personal interest or bias with respect to the parties involved.
4. The appraiser has no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. The appraiser's engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. The appraiser's compensation for completing this assignment is not contingent upon the 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.
7. This appraisal assignment is not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
8. Mr. Bacevicius has made a personal inspection of the property that is the subject of this report. Mr. Pastuszek inspected the exterior.
9. The appraiser's analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and with the requirements of the Code of Ethics of the Appraisal Institute.
10. No one provided significant professional assistance to the person(s) signing this report.
11. The use of this report is subject to the requirements of the Appraisal Institute and other appraisal organizations with which the appraiser is affiliated relating to review by its duly authorized representatives.



Leonard A. Bacevicius  
Massachusetts Certified Residential Real Estate Appraiser #1938



William J. Pastuszek, Jr.  
Massachusetts General Certified Real Estate Appraiser #10

As of the date of this report, William J. Pastuszek, Jr. has completed the requirements of the continuing education program of the Appraisal Institute and the requirements of the voluntary recertification program of the Massachusetts Board of Real Estate Appraisers.

**TABLE OF CONTENTS**

Certification ..... 1  
Summary of Pertinent Facts and Conclusions ..... 3  
Intended Use, Value Type and Definition, Effective Date ..... 8  
Scope of Work ..... 8  
Limiting Conditions and Assumptions ..... 10  
Market Value Definition ..... 12  
Property Rights Appraised ..... 12  
Area, Neighborhood, and Market Area Summary ..... 14  
Market Area, Typical Buyer & Market Activity ..... 18  
Assessment, Taxes, and Zoning & Land Use Controls ..... 24  
History ..... 25  
Lease, Expense and Occupancy Information ..... 25  
Site and Improvements. .... 26  
Highest and Best Use ..... 29  
Valuation Methodology ..... 31  
Sales Comparison Approach ..... 32  
Income Capitalization Approach ..... 38  
Marketing Time / Exposure Period Opinion ..... 42  
Final Reconciliation and Value Opinion ..... 42  
Supplementary Data Section ..... 44  
Qualifications of the Appraiser ..... Supplementary Data Section (end)

To shorten this report and make it easier to consult online, the following documents under "supplementary data" have been omitted in the version posted on the website of the Newton Community Preservation Committee, for one or more of the following reasons:

- (a) to protect tenant confidentiality,
- (b) they are standardized documents that provide no specific information about this property, or
- (c) these documents are already available on the website:
  - deed
  - purchase & sale agreement
  - tenant leases, security deposit, lead paint notification

**SUMMARY OF PERTINENT FACTS AND CONCLUSIONS**

<b>Address:</b>	61 Pearl Street, Newton, MA 02458	
<b>Property Rights Appraised:</b>	Fee Simple Interest	
<b>Title Reference:</b>	Middlesex South Registry B/P 053292/0025 (7/29/2009) B/P 027784/0378 (9/1/1997)	
<b>Property Owner:</b>	Margaret M. Murray, Trustee, 61 Pearl Trust	
<b>Date of Inspection:</b>	December 17, 2010	
<b>Effective Date:</b>	December 17, 2010	
<b>Report Date:</b>	December 21, 2010	
<b>Purpose/Objective:</b>	To provide an opinion of market value as defined of the stated interest as of the effective date.	
<b>Function/Intended Use:</b>	Decision making for acquisition relating for local and federal funding purposes.	
<b>Client/Intended User:</b>	City of Newton	
<b>Zoning:</b>	MR2	
<b>Real Estate Tax Data:</b>	<b>Assessed Value:</b>	\$733,800
	<b>Parcel ID:</b>	71-1-12
	<b>RE Taxes:</b>	\$7,638.86
<b>Subject Locus &amp; Neighborhood Influences:</b>	Newton Corner location. Urban built-up area. Land uses are a heterogeneous mixture.	
	No adverse influences. Stable-soft market conditions. No excessive vacancy noted.	
<b>Site:</b>	7,300 SF	
<b>Services/Utilities:</b>	Typical utilities and services are available.	
<b>Shape/Topography:</b>	Irregular Shape/Level at street grade	
<b>Parking/Parking Ratio:</b>	Six open/.67	
<b>Site Improvements:</b>	Fenced yard	
<b>Improvements - General:</b>	Victorian style converted apartment building	
<b>Number of Units:</b>	4	

**SUMMARY OF PERTINENT FACTS AND CONCLUSIONS**

<b>Address:</b>	61 Pearl Street, Newton, MA 02458	
<b>Unit Breakdown/Sizes:</b>	2 @ 3-1-1/840 SF 1 @ 3-1-1/ 792 SF 1 @ 4-2-1/840 SF	
<b>Vacancy:</b>	None. However, one units tenancy ( #2) is expiring on 12/31/10.	
<b>Basic Construction Type:</b>	Wood frame	
<b>Approximate Year Built:</b>	c. 1870, per assessing records.	
<b># Stories:</b>	3	
<b>Building Area:</b>	3,356 SF	
<b>Land/Building Ratio:</b>	0.47	
<b>Exterior:</b>	Vinyl sided, composition roof	
<b>Interior:</b>	Plaster ceilings and walls. Wood and tile floors	
<b>Systems:</b>	HVAC:	Four gas fired forced hot water.
	Hot water:	One 60 gallon gas fired hot water boiler.
	Electric:	Five 60 amp circuit breakers
<b>Quality/Condition:</b>	Average-good /Average	
<b>Deferred Maintenance:</b>	None observed	
<b>FEMA Community Panel/Flood Hazard:</b>	Flood Zone X, FEMA Community Panel 250208 0552E, dated 6/4/10. See map, enclosed.	
<b>Hazardous Waste:</b>	None apparent or disclosed. Unless otherwise stated, the property is appraised as if it meets or exceeds all Massachusetts and federal environmental considerations. An environmental inspection is recommended: the appraiser has not conducted such an inspection and has no expertise in these matters. See report and limiting conditions.	
<b>Highest and Best Use:</b>	<i>As if vacant.</i> Development consistent with area trends.	
	<i>As improved.</i> Continuation of current use.	

***SUMMARY OF PERTINENT FACTS AND CONCLUSIONS***

<b><i>Address:</i></b>	<i>61 Pearl Street, Newton, MA 02458</i>
<b><i>Appraisal Methodology:</i></b>	Sales comparison and income capitalization approaches are applicable. The cost approach is not applicable.
<b><i>Reconciliation:</i></b>	Weight is given to the results of the sales comparison and income capitalization approaches.
	<b><i>Valuation Conclusions</i></b>
<b><i>Cost Approach:</i></b>	Not applicable
<b><i>Sales Comparison Approach:</i></b>	\$780,000
<b><i>Income Capitalization Approach:</i></b>	\$790,000
<b><i>Value Conclusion:</i></b>	\$780,000
<b><i>Type of Report:</i></b>	Summary
<b><i>Exposure Period Opinion:</i></b>	2 to 6 months

Overhead Map (Google Earth)



*Subject Photographs*



Front View



Rear View

*Subject Photographs*



Street View



Street View

*Subject Photographs*



Typical Living Room

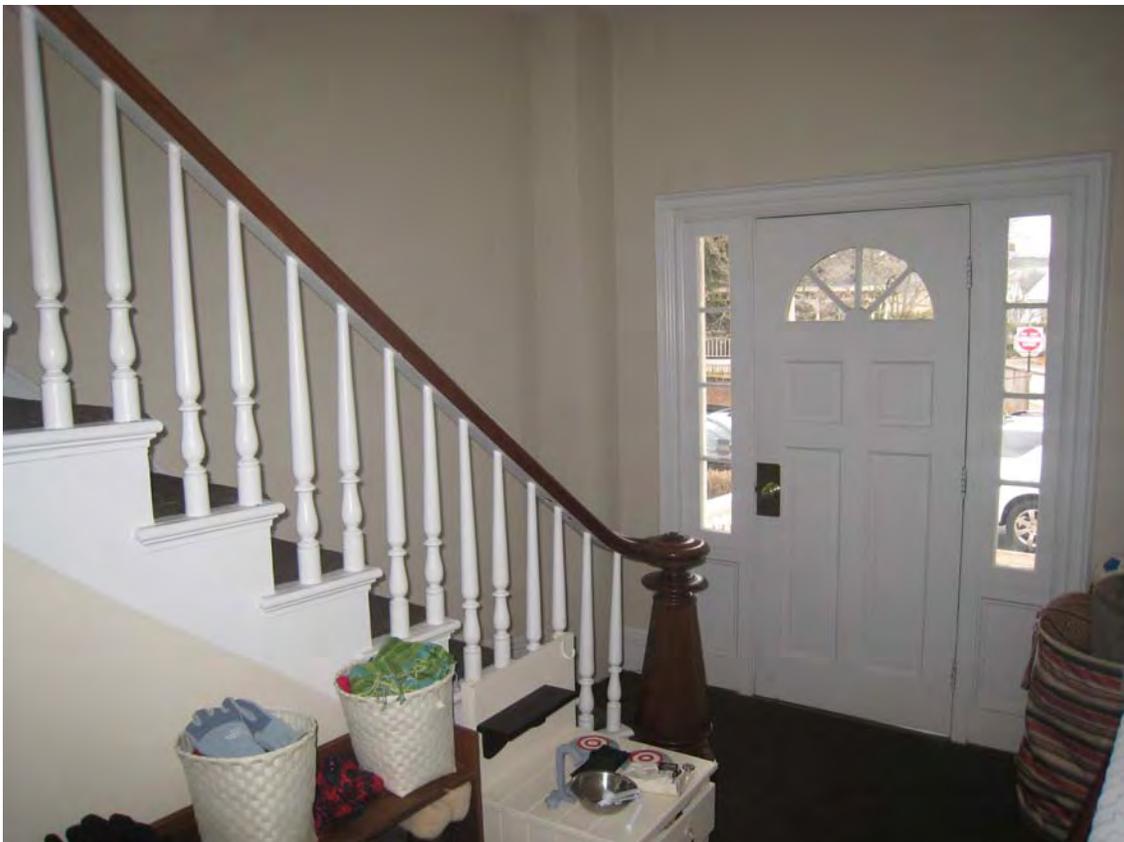


Typical Kitchen

*Subject Photographs*



Typical Bedroom



Front Entry Hall

*Subject Photographs*



Heating Systems



Parking Lot

**INTENDED USE, VALUE TYPE AND DEFINITION, EFFECTIVE DATE.** The intended use/function of this appraisal is to assist the named intended user in decision making for acquisition and funding purposes as of December 17, 2010. The value developed is market value as defined herein. This appraisal and report are not intended for, and may not be appropriate for, other purposes.

**SCOPE OF WORK/DEVELOPMENT PROCESS.** The appraisal process undertaken represents a scope of work sufficient to produce credible assignment results based on the intended use. In preparing the appraisal, the scope of work includes, but is not limited to, the following. The report may contain additional explanations further disclosing the scope of work.

<b>Summary - Scope of Work</b>	
• <i>Inspection</i>	Inspecting the subject property with the listing broker for the property.  The inspection is made for valuation purposes and is not intended to substitute for the inspections made by engineers, home inspectors, or other professionals with specialized expertise.
• <i>Information Provided</i>	Reviewing information provided by the broker, including the purchase and sale agreement.
• <i>Extraordinary Assumptions/Hypothetical Conditions</i>	Ascertaining the necessity of employing any extraordinary assumptions or hypothetical conditions.
• <i>Market Area</i>	Reviewing conditions in the subject's region community and market area.
• <i>Subject Locus</i>	Researching competitive locations proximate to the subject and reviewing conditions within the subject neighborhood.
• <i>Zoning and Real Estate Tax Data</i>	Examining zoning and real estate tax data.
• <i>Subject Sales History</i>	Researching and analyzing the subject's sales history.
• <i>Highest and Best Use Opinion</i>	Developing an opinion of the site as if vacant and the property as improved in highest and best use.
• <i>Valuation Approaches</i>	Considering the applicability of the sales comparison, income, and cost approaches in the assignment. Those approaches applicable and necessary for arriving at credible assignment results are developed.
• <i>Exclusion of Approaches</i>	Supporting the exclusion of any approach not developed. Explanation is found further in the report.
• <i>Market Analysis</i>	Consulting credible sources and with knowledgeable persons in this market regarding market characteristics and economic conditions.

***Summary - Scope of Work***

- |   |                                       |                                                                                                                                                                        |
|---|---------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| • | <i>Data Research and Confirmation</i> | Researching, analyzing, and confirming comparable market data.                                                                                                         |
| • | <i>Public Records</i>                 | Consulting applicable information sources. These include pertinent municipal departments, Assessing records, the Registry of Deeds, and other relevant public sources. |
| • | <i>Reconciliation</i>                 | Reconciling value indications and developing a supportable value conclusion based upon the research and analyses conducted.                                            |
| • | <i>Reporting</i>                      | Preparing a real estate appraisal report to meet the requirements of STANDARD 2 of the Uniform Standards of Uniform Appraisal Practice (USPAP).                        |

*Note:* The terminology and analyses used in this report are intended for interpretation by knowledgeable reviewers and other individuals.

*References.* The following sources are referenced as general information sources. Any specific citations appear in the text of the report. This list does not include all possible sources consulted in the course of the assignment.

Appraisal Institute. The Dictionary of Real Estate Appraisal. Chicago: Appraisal Institute 5<sup>th</sup> Edition, 2010.

\_\_\_\_. The Appraisal of Real Estate. Current edition. Chicago, Appraisal Institute.

The Appraisal Foundation. Uniform Standards of Professional Appraisal Practice. Washington, D.C.: The Appraisal Foundation. Current.

**LIMITING CONDITIONS AND ASSUMPTIONS.** The report's certification is subject to the following conditions and to such other specific and limiting conditions as may be set forth in the report.

1. A **summary** appraisal report intended to comply with the reporting requirements set forth under Standards Rule 2-2-(b) of the Uniform Standards of Professional Appraisal Practice has been prepared. Concise discussions of the data, reasoning, and analyses used in the appraisal process to develop an opinion of value are presented. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the stated intended use.
2. The appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
3. Any sketch in the report may show approximate dimensions and is included to assist the reader in visualizing the property. The appraiser has made no survey of the property.
4. The appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made therefore.
5. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering which might be required to discover such factors.
6. Information, estimates, and opinions furnished to the appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for the accuracy of such items furnished to the appraiser can be assumed by the appraiser.
7. Disclosure of the contents of the appraisal report is governed by the Bylaws and Regulations of the professional appraisal organizations with which the appraiser is affiliated.
8. This appraisal report has been prepared for the exclusive benefit of the client specified or other intended users. It may not be used or relied upon by any other party. Any parties using or relying upon any information in this report do so at their own risk.

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 the properly written qualification and only in its entirety.

Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to the property value, the identity of the appraiser, professional designations, reference to any professional appraisal organizations, or the firm with which the Appraiser is connected), shall be used for any purposes by anyone but the client specified in the report without the previous written consent of the Appraiser, nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without consent and approval of the appraiser.

9. In this appraisal assignment, potentially hazardous materials used in the construction or maintenance of the building, and/or the existence of toxic waste, which may or may not be present on the property, were not observed by the appraiser; nor does the appraiser have any knowledge of the existence of such materials on or in the property. The appraiser, moreover, is not qualified to detect such substances. The existence of potentially hazardous materials may have an effect on the value of the property. The client is urged to retain an expert in this field if desired. The appraiser reserves the right to alter, amend, revise, or rescind any value opinions based upon subsequent environmental studies, investigation, or research. Compliance with the provisions of MGL Chapter 21E has not been determined.

10. Unless otherwise stated in the body of the report, a separate value has not been made for personal property, fixtures, or intangibles.

11. Unless noted, no warranties or representations are given or implied for structural or mechanical components. No tests were performed or the results of such tests provided to the appraiser.

12. Any income and expense estimates developed in the appraisal are forecasts and not predictions. No guarantees of financial performance are implied or indicated.

13. This appraisal is based upon the condition of the regional and national economies, on the purchasing power of the U.S. dollar, and on prevailing financing rates as of the effective date of the appraisal.

14. 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 with one or more of the requirements of this act. If so, this fact could have a negative effect on the value of the property. Since the appraiser has no direct evidence relating to this issue, the appraiser did not consider possible noncompliance with the requirements of ADA in developing a value opinion for the subject property.

15. No consideration is given to mineral rights or other subsurface rights unless otherwise noted.

**MARKET VALUE DEFINITION.** Market value is defined by the Office of the Comptroller of Currency, Rule 12, CFR 34.42 (f) as follows:

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:

- i. buyer and seller are typically motivated;
- ii. both parties are well informed or well advised, and acting in what they consider their own best interests;
- iii. a reasonable time is allowed for exposure in the open market;
- iv. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- v. 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.

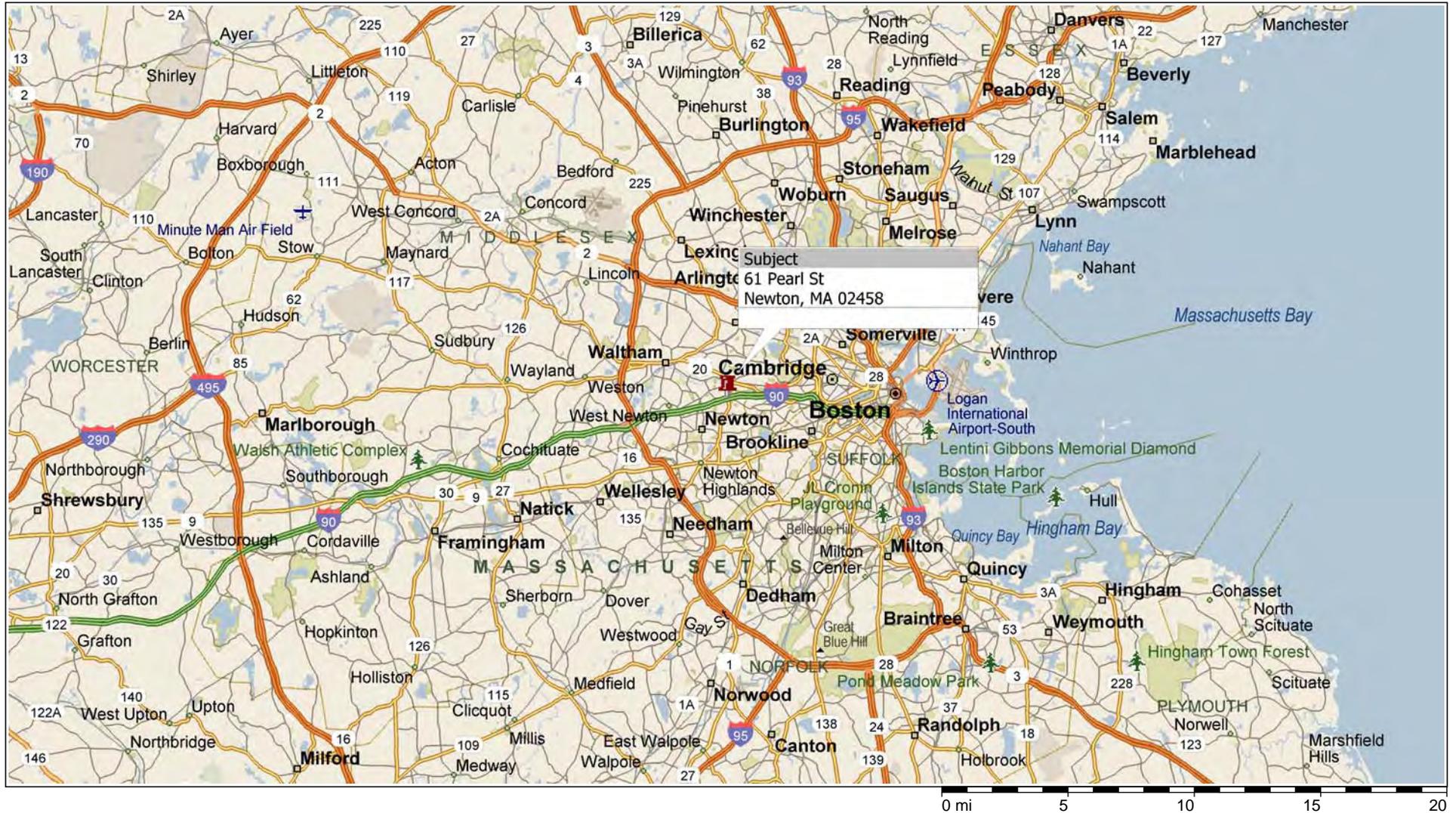
**PROPERTY RIGHTS APPRAISED.** The fee simple interest is appraised. Property interests are defined as follows.

*Fee Simple Estate.* Fee simple implies absolute ownership unencumbered by any other interest or estate, including financing, and is subject only to the four powers of government.

*Leased Fee Estate.* The leased fee interest implies a property interest held in fee with the right of use and occupancy conveyed by lease to others. The interest includes the right to receive rent over a period of time plus the right of repossession at the termination of the lease. This is typically the landlord's interest subject to lease agreements.

*Leasehold Estate.* The right to use and occupy real estate for a stated term and under certain conditions conveyed by a lease. Typically the lessee's interest.

# Area Map



**AREA, NEIGHBORHOOD, AND MARKET AREA SUMMARY.**

*Area:* The Boston Metropolitan area is New England's major metropolitan center. Activities in the city core have a considerable effect on outlying areas.

Boston possesses diversity, stability, and strength in its educational institutions, health care centers, major corporations, substantial artistic communities, and a vast array of cultural, recreational, and entertainment offerings located there. The wealth of opportunities and attractions draws visitors and residents from all over the world.

Job growth is a key indicator of changes in an area's economy. The following analysis of labor force changes summarizes employment and work force trends in the Commonwealth over the recent past.

<i>Local Area Unemployment Statistics (Source: DES - Massachusetts)</i>					
<i>Year</i>	<i>Labor Force (MA)</i>	<i>Employment (MA)</i>	<i>% Unemployed</i>	<i>Employment Growth</i>	<i>% Employment Growth</i>
<b>2006</b>	3,421,400	3,243,100	5.20%	---	---
<b>2007</b>	3,385,800	3,223,000	4.80%	-20,100	-0.59%
<b>2008</b>	3,432,600	3,212,900	6.40%	-10,100	-0.29%
<b>2009</b>	3,469,100	3,146,500	9.30%	-66,400	-1.91%
<b>2010 (4/10)</b>	3,488,500	3,166,800	9.20%	20,300	0.58%

<i>Pertinent Characteristics - Area and Community</i>	
<i>Community:</i>	Newton is located within Middlesex County in eastern Massachusetts. The municipality is bordered by Waltham and Watertown to the north, Brookline and Boston to the east, Wellesley and Weston to the west, Needham to the southwest, and Boston to the southeast. Newton is 8 miles west of Boston and 210 miles north of New York City.
<i>Land Area:</i>	18.0 sq. miles
<i>Density:</i>	4,686 persons per square mile
<i>Form of Government:</i>	Mayor-Council
<i>Year Incorporated:</i>	As a town: 1688 As a city: 1873
<i>Transportation and Access:</i>	Access to the excellent rail, air, and highway facilities of the Greater Boston Area is adequate. State Route 128 and Interstate Route 495 divide the region into inner and outer zones, which are connected by numerous highway "spokes" radiating from the central city and which provide direct access to the airport, port, and intermodal facilities of the area. Access to public transportation is adequate.

<i>Pertinent Characteristics - Area and Community</i>	
<i>Major Community Routes:</i>	Principal highways include the Massachusetts Turnpike (Interstate Route 90) and State Route 9, which both orient in an east-west direction across Massachusetts, and State Route 128, the inner belt around Boston. Three interchanges, two in Newton and one just over the border in Weston, make the Massachusetts Turnpike easily accessible.

*Demographic Data.* Population information is summarized as follows.

<i>Population (Census.gov)</i>		
Year	Population	% Change
2000	83,829	---
2008	84,600	0.92%

<i>Income Characteristics (2008)</i>	
<i>Median Household Income</i>	\$108,228
<i>Per Capita Income</i>	\$56,285
<i>Median Family Income</i>	\$137,493

*Employment and Labor Factors.* Labor force characteristics compare favorably to those of competitive communities in the Commonwealth. The following summarizes relevant employment characteristics.

<i>Unemployment</i>	
U.S.	9.8% (trend: increasing)
Massachusetts	8.1% (trend: stable)
Middlesex County	6.4% (trend: stable)
Newton	5.2% (trend: stable)

Unemployment is competitive with other similar communities. Access to employment is adequate.

*Housing Characteristics.* Newton has a mature housing stock. The housing stock tends toward 1 - 4 family dwellings.

The density is suburban, tending toward urban. Much of the housing was built prior to 1935.

*Real Estate Activity.* The community and area experienced a period of unprecedented activity and price increases during the property boom of the middle of the past decade. This was a result of strong real estate demand and abundant, low cost capital.

This era ended and a long down period ensued which is now ending. Most observers forecast a gradual improvement in market conditions going forward.

The following summarizes general market directions over the recent past.

<b>Median Sales Prices and Sales Volume - Newton, MA</b>								
<b>Year</b>	<b>Price - SF</b>	<b>% CHG</b>	<b>#Sales-SF</b>	<b>% CHG</b>	<b>Price - Condos</b>	<b>% CHG</b>	<b># Sales - Condos</b>	<b>% CHG</b>
2010	\$740,000	N/A	481	N/A	\$415,000	N/A	245	N/A
2009	\$710,000	-6.58%	546	Minimal	\$422,500	-1.29%	269	-16.20%
2008	\$760,000	-0.03%	541	-19.01%	\$428,000	-4.89%	321	-3.60%
2007	\$760,215	2.87%	668	5.20%	\$450,000	-7.22%	333	1.83%
2006	\$739,000	-2.76%	635	-7.03%	\$485,000	3.19%	327	-14.17%
2005	\$760,000	---	683	---	\$470,000	---	381	---
<i>Source: Warren Information Group Data for all transactions between \$25,000 and \$1,000,000. Condominium sales and prices are included.</i>								

The real estate bust affected sales activity, prices, buyer behavior, and availability of credit. A general economic downturn exacerbated the effects of the downturn. While not all market levels and communities were affected in the same manner, few locations and property types emerged entirely unscathed. Many were adversely affected by rising foreclosures and vacancies.

Newton has experienced a decline in single family median prices and in volume as can be seen above. However, the City was less affected than other areas. Improved market conditions are expected, assuming no further unpleasant economic or political surprises.

*Critical Factors.* The following summarizes pertinent influences and factors within the subject market area.

<i>Area Influences</i>			
<i>Influence</i>	<i>Positive</i>	<i>Neutral</i>	<i>Negative</i>
Population Growth		x	
Job Growth		x	
Employment Access		x	
Government Services	x		
Transportation Access	x		
Public Transportation	x		
Utilities/Services		x	
<i>Summary</i>			
<p>The community and market area have access to a well-developed transportation system, a diverse and skilled labor pool, attractive employment opportunities, adequate housing, strong educational and health sectors, and a well developed commercial/industrial building stock. Basic services are adequate.</p> <p>Negative factors include high regional housing and business costs. Longer term concerns include the lack of strong job and population growth. The region competes at a disadvantage to higher growth, lower cost areas that provide competitive opportunities and a lower cost of living.</p> <p>The area's economic base is well-established and varied. The diversified economy - based on industries such as education, medical, high-tech and financial services - provides competitive opportunities for a wide variety of workers. However, high real estate taxes and living costs, coupled with perceived unfriendliness to new business growth, together with high land costs and a difficult and complex permitting environment, represent negatives.</p> <p>Overall, prevailing economic conditions suggest abundant caution and prudence should be exercised. Local, regional, and national markets have experienced dramatic changes during this downturn. Despite the general perception that conditions are not likely to get much worse, economic activity is likely to be sub par for an extended period of time.</p> <p>The Boston area's housing, commercial, and employment markets have been less battered than those in other parts of the country. Nonetheless, economic and real estate difficulties will take time to work themselves out and Boston markets will not be immune from this painful, uncertain process.</p>			

**MARKET AREA, TYPICAL BUYER & MARKET ACTIVITY.** Market area is defined as "a geographic area or political jurisdiction in which alternative, similar properties effectively compete with the subject property in the minds of probable, potential purchasers and users" (Dictionary of Real Estate Appraisal (Appraisal Institute)).

The market area consists of Newton and surrounding competitive communities. Typical buyers would be owner occupants or small investors.

*Residential Markets - General.* Informed market participants indicate that after the long and painful downturn, most markets have reached bottom and have shown signs of rebounding. Levels, however, are well below the peaks achieved during the peaks of the boom. While many are cautiously optimistic, no quick turnarounds are anticipated.

Residential credit access has improved but underwriting in the 1-4 family markets continues to be tight. Foreclosures, short sales, and bank owned properties continue to be significant factors in many markets.

*Residential Development Activity.* While activity is down, there are small positive signs. Small scale developer/builders are cautiously looking at new projects, believing that demand is returning to more normal levels. Lenders are looking at project performance and the strength of developers closely.

*Small Commercial Markets.* Local owner-occupied markets are undergoing stabilization. Pricing and demand are significantly off from the heights achieved in the middle of the decade. It is likely that these markets will only begin to improve once the economy recovers.

*Multi-Family Markets.* Local Investor demand for apartment buildings, while down during the downturn, has remained reasonable due to the traditional strength of rental demand, particularly in the core city. This sector is one of few that has shown positive signs over the recent past.

The area's apartment stock is not overbuilt and tenant demand is strong with good credit characteristics. Nonetheless, buyer and lender enthusiasm has been dampened by the economic decline and lack of financing. This sector appears to be weathering the downturn better than others.

*Financial Environment.* The following is a summary of financial rates relevant to the area's economic activity.

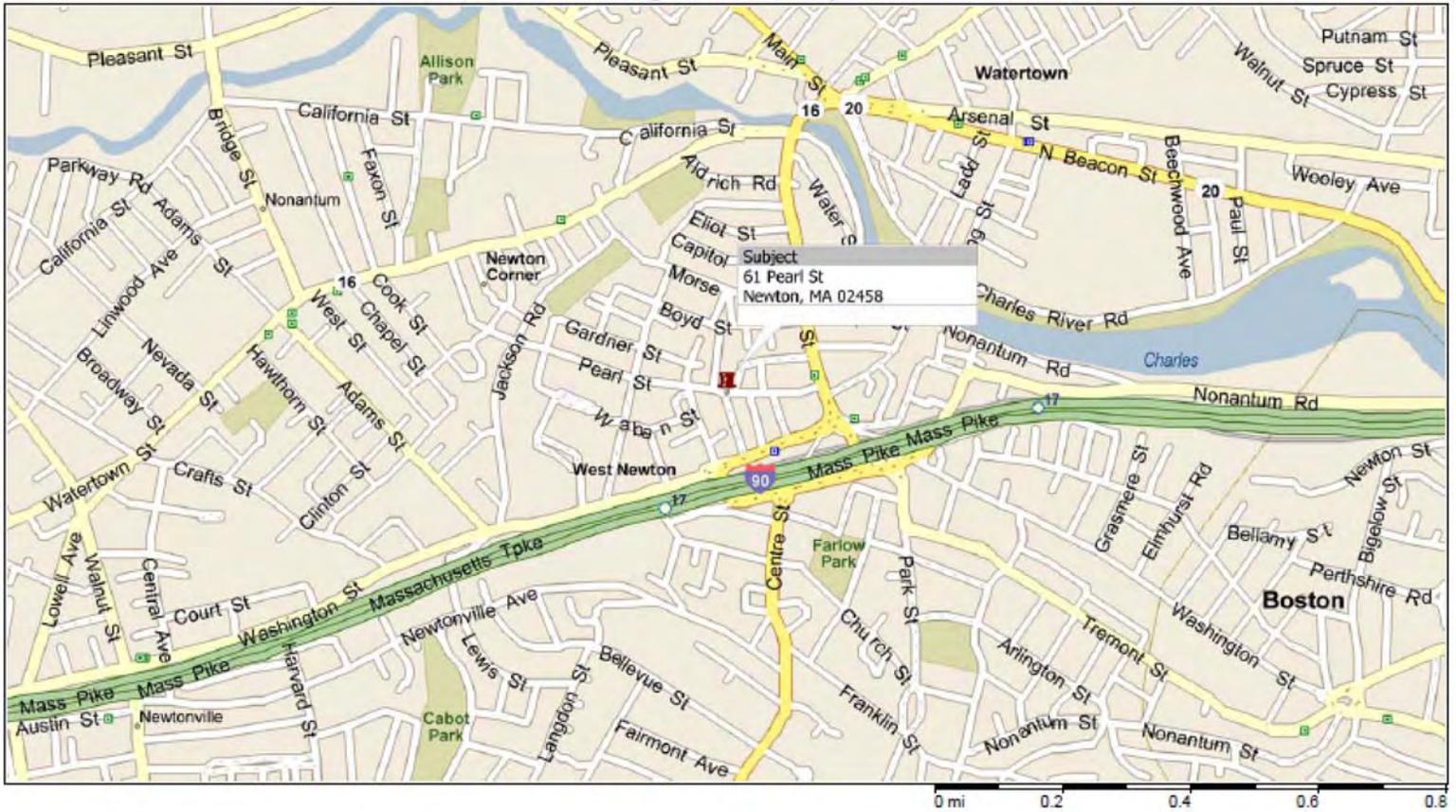
<b>Comparable Financial Rates</b> (Sources: Wall Street Journal, Area Lenders)	
Prime Rate	3.25%
Discount Rate	.50%
U.S. Treasuries (10+ year)	3.50% +-
Corporate-Baa (10+ year)	5.8 - 7.5% +-
High-yield Corporates (WSJ)	10.6 - 22.6% (52 week range)
Fixed Rate Residential Mortgages	4 -5 %
Commercial Mortgage Rates (Korpacz PWC)	5.53%

The unprecedented financial upheavals of 2008-2009 put the U.S. economy into a lengthy recession from which it is slowly emerging. The financial system experienced one of its greatest periods of turmoil since the Great Depression and massive governmental and central bank intervention has been required. Progress, while slow, is evident.

Real estate loan demand has been constrained by the tightened availability of capital, stronger underwriting criteria, and concern about commercial real estate debt and equity markets. T

While the financing crunch is showing signs of easing, there is a good deal of concern about commercial markets going forward. While there is no shortage of funds, lenders are making loans cautiously. However, lenders appear to be more positive going forward.

### Neighborhood Map



*Neighborhood:* The subject neighborhood is located within Newton in the Newton Corner neighborhood. The area is considered a suburban location. Neighborhood boundaries are described as follows.

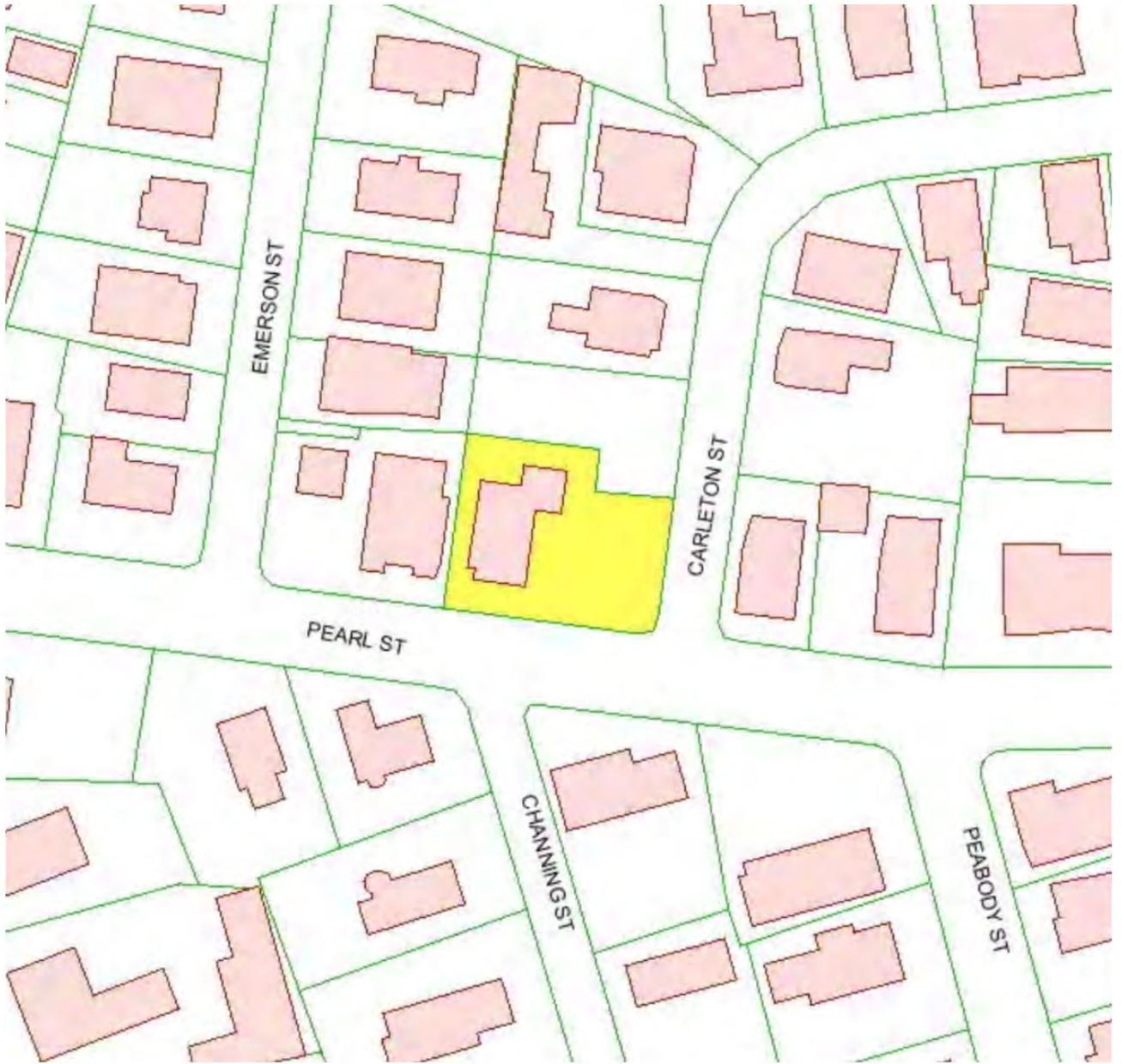
<i>Neighborhood Boundaries</i>	
<i>North:</i>	Town of Watertown
<i>South:</i>	Massachusetts Turnpike
<i>West:</i>	Adams Street
<i>East:</i>	City of Boston (Brighton)

The following summarizes pertinent neighborhood factors.

<i>Pertinent Neighborhood Factors</i>	
<i>Population Trend:</i>	Stability.
<i>Neighborhood Life Cycle Trend:</i>	Stability.
<i>Range in Improvement Ages:</i>	New to 150 years.
<i>Predominant Age:</i>	100+ years.
<i>Range in Residential Prices:</i>	\$200,000 to \$800,000
<i>Predominant Price:</i>	\$375,000
<i>Public Transportation:</i>	MBTA service.
<i>Build-up/Density:</i>	Typical/Typical.
<i>Maintenance Levels/Condition of Properties:</i>	Adequate/Average.
<i>Neighborhood Uses:</i>	Mix of 1-4 family uses, some commercial uses and apartment buildings.
<i>Property Compatibility:</i>	Average.
<i>Appeal/Appearance:</i>	Adequate/Average.
<i>Owner/Tenant Mix:</i>	Typical owner/tenant occupancy mix.
<i>Adverse Influences:</i>	None major noted.
<i>Neighborhood Access:</i>	Accessibility is adequate, provided via a well-developed regional road network. Access in and out of the neighborhood is adequate.
<i>Services:</i>	All typical.
<i>Supply/Demand:</i>	Supply and demand within this neighborhood are considered to be in reasonable balance.
<i>Price Trend:</i>	Stable.
<i>Employment Stability/Access:</i>	Adequate.
<i>Rents/Vacancy:</i>	Rental rates are stable - soft. No excessive vacancy beyond normal levels is evident.
<i>Change in Land Use:</i>	None major known or forecasted.
<i>Concessions/Availability of Financing:</i>	Financing availability is adequate. The last several years have seen fluctuations in the availability of property financing. While present, pricing or financing concession trends are not pervasive.

<i>Pertinent Neighborhood Factors</i>	
<i>Summary:</i>	<p>Conditions in the subject neighborhood are competitive with those found in similar neighborhoods. Services and real estate taxes are reasonable. Access, zoning, transportation linkages, hazards, market conditions, and other physical, economic &amp; social factors are competitive.</p> <p>No conditions exist that adversely affect the subject neighborhood. Stability is forecast.</p>

*Assessors Map*



*ASSESSMENT, TAXES, AND ZONING & LAND USE CONTROLS*

<i>Summary of Zoning and Land Use Controls</i>	
Zoning District:	MR2
Principal Uses:	Primarily residential uses.
Frontage/Area Minimums:	80'/7,000
Front/Side/Rear Yard Requirements:	25'/10'/15'
Height/Coverage:	30'/.4 FAR
Other:	n/a
Conclusion:	The current use of the property appears to be a non-conforming pre-existing use assumed to be legal at the time it was created.  State law permits and regulates reconstruction of the improvements if destroyed by fire or other natural causes.
<i>Assessment Summary</i>	
Owner of Record:	Margaret M. Murray, Trustee, 61 Pearl Trust
Assessor ID:	71-1-12
RE Taxes:	\$7,638.86
Tax Rate:	\$10.90/\$1,000 AV
Total Assessment:	\$733,800 FY 2011
Land:	\$260,000
Building:	\$473,800
State Class Code:	111

*Comments:* The community conducts revaluations of real property on a regular basis. The revaluations are conducted in accordance with Massachusetts Department of Revenue requirements.

**HISTORY.** Recent transfer history of the subject is summarized as follows.

<i>Recent Transfer History Summary</i>	
Date of Sale:	July 29, 2009
Registry:	Middlesex South Registry
Reference:	B/P 053292/25
Grantor:	Michael J. & Margaret M. Murray
Grantee:	Margaret M. Murray, Trustee, 61 Pearl Trust
Consideration:	\$1

The property is under agreement for \$780,000. A copy of the purchase and sale agreement was provided by the real estate broker.

A copy of the deed is found in the Supplementary Data Section. The appraised value is subject to all easements and restrictions of record. A title search was not conducted.

**LEASE, EXPENSE AND OCCUPANCY INFORMATION.** The property is tenant occupied and is fully rented. A rent schedule follows.

<i>Unit</i>	<i>Monthly Rent/Type</i>	<i>Lease/TAW</i>
1	\$1,150 (3-1-1)	Lease expires 7/31/2011
2	\$1,200 (3-1-1)	Lease expires 12/31/2010
3	\$1,400 (4-2-1)	Lease expires 8/29/2011
4	\$1,200 (3-1-1, duplex)	TAW

Minimal expense data was provided. The tenants pay their own heat, electricity and gas, which is typical in this market. Hot water is owner supplied.

**SITE AND IMPROVEMENTS.** Site and improvements descriptions and analyses follow.

<i>Site Description</i>	
Area	7,300 SF
Frontage	100' on Pearl Street, 60' on Carleton Street.
Depth	Varies
Shape	Irregular
Corner Lot	Yes, corner of Pearl and Carleton Streets.
Topography	Essentially level.
Roadway	Paved, public.
Site Improvements	Metal fence
Utilities/Services	All typical.
Curb Cut(s)	One
Parking	Six open spaces in a paved (older surface) parking lot.
Land/Building Ratio	.46
Flood Hazard Zone/FEMA Panel/Date	Zone X , an area of minor flood hazard. Map250208 0552E, dated 6/4/10. See map in Supplementary Data section.
Wetlands	None evident.
View Amenity	Average
Nearby Uses	A toddlers play lot is located next door on Carleton Street. Other neighborhood uses are primarily single and multi family homes.  None incompatible.
Apparent Easements/ Encroachments	None evident.
Other Pertinent Conditions, including any adverse	None adverse.
Soils/Environmental:	It is assumed that the soil-bearing characteristics of the site are adequate to support typical improvements.  The property (site and improvements) is appraised as if it meets or exceeds all Massachusetts and Federal environmental requirements.  No value is given to mineral rights or other subsurface rights unless otherwise stated.
Summary	The subject site is generally competitive with similar sites with respect to size, topography, shape, access, visibility, utilities, and zoning. No significant adverse conditions are evident.

<i>Description - Improvements</i>	
Use/Occupancy	Apartment /Residential
Approximate Year Built	c. 1870, per assessing records.
Size - SF	3,356 SF
General Construction Type	Wood frame
Number of Stories	3
Exterior Siding	Vinyl
Roof	Composition
Gutters/Downspouts	Aluminum
Windows/Doors	Double hung vinyl/Fiberglass
Foundation	Field stone
Exterior Condition	Average
Other	None significant

<i>Interior Description</i>	
Number of Units, Types, Sizes	<p>Four units: three one bedroom apartments and one two bedroom apartment.</p> <p><i>Unit #1:</i> the large three room one bedroom apartment with a living room, kitchen, and bathroom situated on the first floor in the front portion of the building. Size: 840 square feet.</p> <p><i>Unit #2:</i> three room one bedroom on the second floor in the front portion of the building; 840 square feet.</p> <p><i>Unit #3:</i> four room apartment with two bedrooms, living room, kitchen and bathroom. The third floor unit consists of 840 square feet.</p> <p><i>Unit #4:</i> duplex style three room apartment (792 square feet) situated at the rear of the building in an area that probably was the carriage house. The living room and kitchen are on the first floor; the bedroom and bathroom are located on the second floor.</p>
Interior Finishes - Type/Quality/Condition	Typical condition and quality.
Floors	Hardwood and tile
Ceilings	Plaster
Walls	Plaster
Lighting	Typical
Basement	Full, unfinished
Kitchens	Semi modern with stove and refrigerators
Baths	Four (4) semi modern three fixture baths.
Common Areas	Typical halls
Additional Interior Areas	None

<i>Building Systems</i>	
Heating/Air Conditioning	Four gas fired forced hot water systems
Hot Water	Gas fired boiler
Electrical	Five 60 amp circuit breakers.
Sprinklers/Safety Systems	Smoke detectors. Assumed to meet applicable requirements.
Elevator(s)/Security	Locked front doors with buzzer
Other	None

<i>Condition, Functional Utility and Obsolescence</i>	
Condition	Average/Good
Overall Quality	Average
Effective Age/Remaining Economic Life	14-16 years; 44-46 years
Major Deferred Maintenance Observed	None
Functional Utility	Average
Physical Inadequacies	None
Functional Deficiencies	None
External Obsolescence	None measurable.
Summary	<p>The real property is appraised. No value is given to personal or business property.</p> <p>No warranty or guaranty is given or implied for mechanical or structural systems. No engineering or environmental studies were provided.</p>

**HIGHEST AND BEST USE - ANALYSIS AND OPINIONS.** According to the Dictionary of Real Estate Appraisal (Appraisal Institute), highest and best use is defined as: the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

Typically, the highest and best use of the site as if vacant and the highest and best use of the total property are considered. The following criteria are considered in terms of possible uses. There is no single one highest and best use in every circumstance.

- *Legal Use. Is the use legal?* Highest and best use analysis includes consideration of uses permitted - and not permitted - by applicable zoning and land use regulations and the effect of any known special covenants, restrictions, moratoriums, etc.
- *Physically Possible. Is it physically possible?* This analysis includes examination of which uses are possible and appropriate in light of property and site characteristics, topography, ingress/egress, availability of utilities, etc.
- *Economically Feasible. Is the use financially feasible?* Uses, both physically possible and legally permitted, are evaluated to ascertain which will produce the greatest economic return in light of market conditions as of the effective date.
- *Maximally Productive. Is the use maximally productive?* Among financially feasible uses, this analysis and opinion reflects the most profitable utilization of the property and results in the highest property value. This use - which could include more than one - represents the highest and best use.

The following considers the highest and best use of the site as if vacant and of the property as improved.

**Site As if Vacant.** The highest and best use of the site as if vacant is for residential development.

*Legally Permissible.* Highest and best use is affected by legal constraints. Zoning provides limits to density and setbacks. Residential development are allowed under zoning and applicable land use restrictions.

*Physically Possible.* Residential use is physically possible. The site is well-adapted for this and related uses. This use is consistent with typical development in the neighborhood and with current development trends.

*Financially Feasible.* Residential development represents a reasonable and feasible use of the site. This opinion is based on the fact that the resulting value is in excess of the cost to create the use based on demand and prices within the market.

*Maximally Profitable.* Residential use would fulfill demand and produce a maximal degree of income over the longest period of time. The resulting return would higher than or equal to alternative uses, all other things being equal.

***Property As Improved.*** As improved, the current apartment house use represent the highest and best use as of the effective date. A typical buyer would purchase the property based on the current use.

Many of these small multi family properties are purchased and then converted into condominiums. At least one of the sales was converted. There is an active investor market for rental units as well.

The size and configuration of the improvements represent space that typical buyers would consider functional. It is unlikely that buyers would radically redesign the space, except to meet specific tastes.

The current use is considered the highest and best use. No other use meeting the criteria of highest and best use represents a more profitable use. This is true until such time as the viability of the improved property declines or another alternative is available.

Market conditions and demand indicate that it is feasible to maintain the property and cure depreciation. This opinion is based on demand in the market place and characteristics of competitive properties.

All other things being equal, it is not economically feasible at the present time to raze the improvements and rebuild on the vacant site. The current use contributes value over and above the value of the vacant site.

***Conclusion:*** The highest and best use of the site as if vacant, as of the date of appraisal, is for residential development to the extent allowed under zoning and within the physical limitations of the site.

The highest and best use of the improved property is for continuation of the current use. Redevelopment is not indicated under current market conditions.

These conclusions are utilized as the premise for analysis of comparable data in the valuation section of this report.

**VALUATION METHODOLOGY General.** Three approaches are typically considered by appraisers in developing a value opinion. They are: sales comparison, cost, and income capitalization. A summary of each approach and its applicability follows.

*Sales Comparison Approach.* Typical buyers rely upon the approach in arriving at prices for most types of property. Where sufficient market data is available, this approach tends to be a reliable indicator of property value.

The principle of substitution is the basis for the sales comparison approach. This principle states that a well-informed buyer would not pay more for a property than it would cost to acquire a comparable substitute property. Alternatively, the price for which an item will most likely sell is closely related to the prices for which similar items in the same market are selling.

This principle provides the rationale for making adjustments to comparable sales to reflect differences between the subject property and comparable properties. The sales comparison approach analyzes pertinent comparable market data in order to make comparisons with the subject. To establish comparability, property characteristics which typical purchasers for the property type would find significant are identified.

In active markets, this approach simulates the process by which informed buyers and sellers proceed in deciding upon a price. When reasonable, market-supported adjustments for differences between the subject and comparables are appropriately applied and when historical comparable data is interpreted in the current market, this approach is valid in most circumstances.

Comparable data may consist of consummated sales, properties under contract for sale, listings, and offers. While closed sales are preferred, other market evidence may be a valid indication of value. Analysis of the comparables is based on the elements of comparison. These include: interest conveyed, motivation, financing or sales concessions, date of sale, location, physical characteristics.

*Cost Approach.* The cost approach is a summation approach. The approach develops separate values of the vacant site, site improvements, and the improvements. The value of the improvements developed by arriving at an opinion of cost new and then deducting accrued depreciation, which is the loss in value from physical, functional, and external factors.

The cost approach is not considered applicable in the valuation of many existing properties. Typical market participants do not rely upon the approach in arriving at value indications for older properties. The cost approach is typically most applicable for new or nearly new properties.

*Income Capitalization Approach.* The income capitalization approach relies on the principle of anticipation. This principle is based on the premise that an investor would base a purchase decision for a property on the capitalized value of the expected income benefits to be derived from the ownership of the property.

Appraisers typically consider two types of methodologies when employing the income capitalization approach, yield or direct capitalization. Depending on the characteristics of the property or income stream, one method may be more applicable than the other in specific cases.

*Direct Capitalization.* The first, direct capitalization, capitalizes one year's income using a rate or factor combining return on and of capital. This approach is typically applicable to straightforward, uncomplicated properties where income characteristics are forecasted to be relatively stable or predictable.

*Market Extraction.* Where possible, rates can be derived directly from sales when reliable income and expense information is available. Verifiable information of this type is not always available, particularly in owner-occupied markets. When adequate data is available, this technique is useful, particularly in conjunction with a built up method.

*Gross Income Multiplier.* Another analysis is based on the relationship of the sales price of a comparable and the forecasted or anticipated market rent and is often related to the sales comparison approach. This analysis is called the Gross Income Multiplier Technique and is based on the following relationship found in comparable sales properties:  $\text{Sales Price}/\text{Gross Rent} = \text{Gross Income Multiplier (GIM)}$ . The multiplier can be derived from Potential Gross Income or Effective Gross Income. The resulting factor can be applied to the subject's gross income to derive a value indication.

*Specific Methodology and Discussion of Approaches Developed and Excluded.* The applicability of the valuation approaches are discussed below.

The sales comparison approach is applicable. It is a primary valuation method for this type of property. Analysis of competitive sales activity represents buyer and seller activity in this market. Comparable sales data suitable for comparison with the subject are available to develop this approach.

The income capitalization approach using gross rent multiplier analysis is considered applicable. The income-producing ability of the property is relevant characteristic. It would be considered by typical buyers in arriving at a value conclusion.

The cost approach is not developed. It is not considered applicable. Typical buyers would not place reliance upon its techniques in arriving at value conclusions for this type of property.

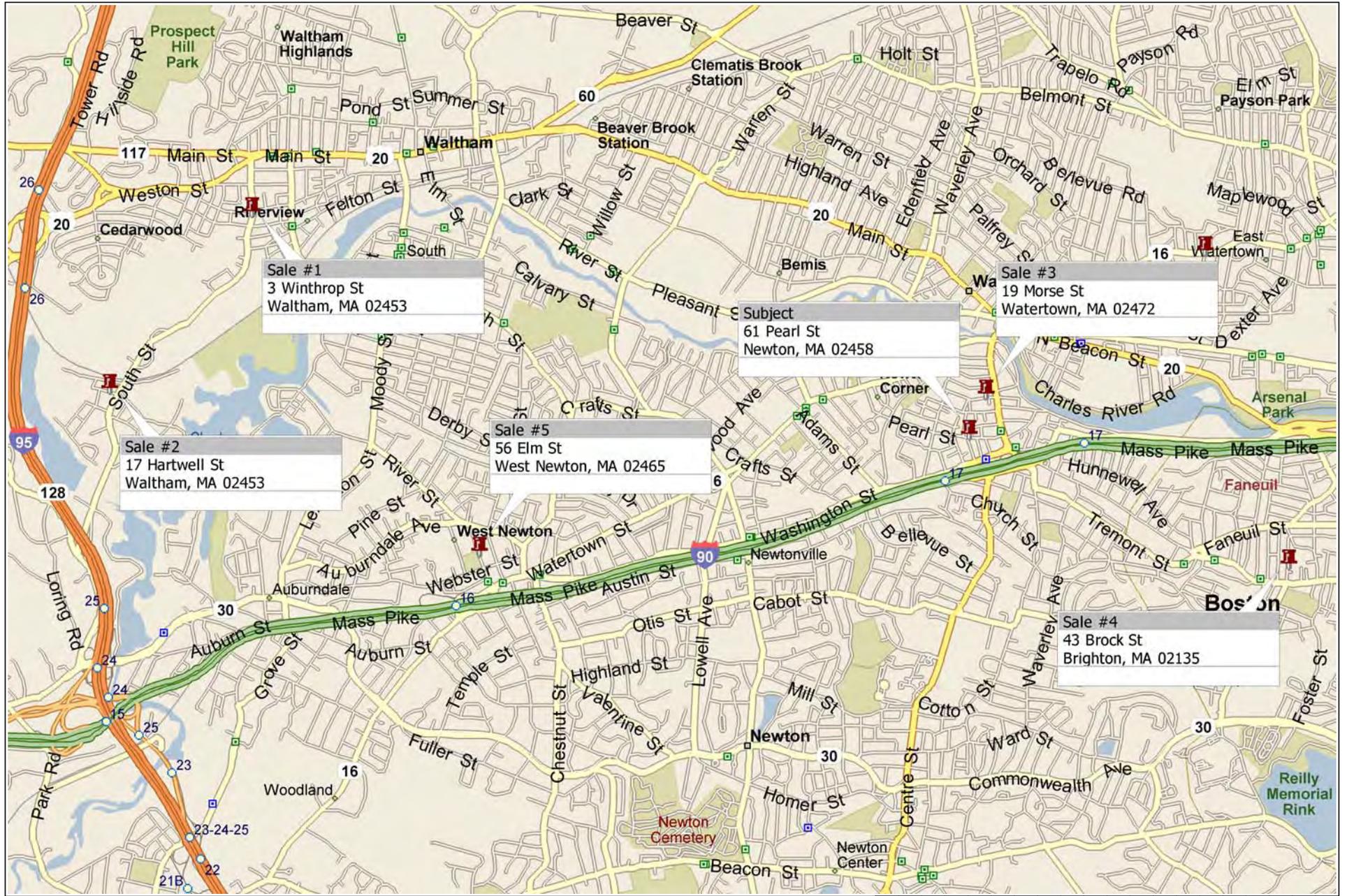
**SALES COMPARISON APPROACH.** Appropriate selection and analysis of sales data is the foundation of the sales comparison approach. The principles of substitution and contribution underlie the sales comparison approach.

The following summarizes pertinent sales data.

**Sales Comparison Analysis Grid**

DATA	SUBJECT		SALE #1		Sale #2		Sale #3		Sale #4		Sale #5						
<b>Address</b>	61 Pearl Street		3-9 Winthrop Street		17-23 Hartwell Street		19 Morse Street		43-45 Brock Street		54-56 Elm Street						
<b>Community</b>	Newton, MA		Waltham, MA		Waltham, MA		Watertown, MA		Brighton, MA		Newton, MA						
<b>Proximity</b>			3.5 miles		3.5 miles		Next Street		1 mile		2 miles						
<b>Sales Price</b>		\$780,000		\$700,000		\$805,000		\$710,000		\$686,400		\$780,000					
<b>Sales Price/SF GLA</b>		\$229.68		\$156.49		\$168.34		\$144.72		\$246.20		\$207.50					
<b>Date Sold</b>	Current		Aug-10		Dec-09		Sep-08		Mar-08		Feb-08						
<b>Grantor</b>	See Report		McDevitt		Lorwell Realty		19 Morse LLC		Wong FT		Faraca FT						
<b>Grantee</b>	See Report		Daled LLC		4 Winns LLC		Fredrick		Zoffreoq		Liu						
<b>Legal Reference</b>	See Report		55198/572		54086/118		51689/29		43252/54		50841/336						
<b>Data Source</b>	Inspection		MLS/Ext/Assessors		MLS/Ext/Assessors		MLS/Ext/Assessors		MLS/Ext/Assessors		MLS/Ext/Assessors						
<b>Verification</b>	Deed/Assessors		Deed/broker		Deed/broker		Deed/broker		Deed/broker		Deed/broker						
<b>Feature/Adjustment</b>																	
<b>Sales or Financing Concessions</b>	None		None known or disclosed		None known or disclosed		None known or disclosed		-\$17,000		None known or disclosed		-\$17,000		None known or disclosed		-\$20,000
<b>Market Conditions</b>	Average		Equal		Equal		Equal				Equal				Equal		
<b>Location</b>	Newton/Average		Waltham/Inferior	\$50,000	Waltham/Inferior	\$50,000	Watertown/Inferior	\$40,000	Brighton/Inferior	\$40,000	Newton/Similar				Newton/Similar		
<b>Leasehold / Fee</b>	Fee		Fee		Fee		Fee		Fee		Fee		Fee		Fee		Fee
<b>Site Size</b>	7,300		8,909	-\$2,500	9,000	-\$2,500	12,655	-\$5,000	9,583	-\$3,500	14,400	-\$5,000			14,400	-\$5,000	
<b>View</b>	Average		Average		Average		Average		Average		Average		Average		Average		Average
<b>Style / Design</b>	Victorian		Other		Other		Other		Other		Other		Other		Other		Other
<b>Construction Quality</b>	Average		Average		Average		Average		Average		Average		Average		Average		Average
<b>Actual Age - Years</b>	140		140		110		140		60		120		60		120		120
<b>Condition</b>	Average/Good		Average	\$40,000	Average/good		Average	\$40,000	Average/good		Average	\$40,000	Average/good		Average	\$40,000	Average/good
<b>Number of Units</b>	4		4		4		4		4		4		4		4		4
<b>Unit Types and Rooms</b>	3-3/1/1, 1-4/2/1		4-5/3/1		4-5/2/1		3-3/1/1, 1-5/2/1		4-3/1/1		2-3/1/1, 1-4/2/1, 1-6/2/1		4-3/1/1		2-3/1/1, 1-4/2/1, 1-6/2/1		2-3/1/1, 1-4/2/1, 1-6/2/1
<b>Gross Living Area - GLA</b>	3,396		4,473	-\$38,000	4,782	-\$49,000	4,906	-\$52,500	2,788	\$22,000	3,759	-\$12,750	2,788	\$22,000	3,759	-\$12,750	3,759
<b>Basement Finish</b>	None		None		None		None		None		None		None		None		None
<b>Functional Utility</b>	Average		Average		Average		Average		Average		Average		Average		Average		Average
<b>Heating/Cooling</b>	Individual		Individual		Individual		2 Common/2 Ind	\$15,000	Common heat	\$30,000	Individual		Common heat	\$30,000	Individual		Individual
<b>Energy Efficient Items</b>	Average		Average		Average		Average		Average		Average		Average		Average		Average
<b>Parking/ Garage</b>	6 open		6 open		6 open		8 open		4 open		8 open		4 open		8 open		8 open
<b>Rent (FORECASTED)</b>	\$4,950		\$5,750		\$5,125		\$4,150		\$3,900		\$4,100		\$3,900		\$4,100		\$4,100
<b>Gross Monthly Rent</b>	157.58		121.74		157.07		171.08		176.00		190.24		176.00		190.24		190.24
<b>Multiplier</b>																	
<b>Days on Market</b>	89		24		8		78		110		107		110		107		107
<b>Comment</b>	Converted Victorian dwelling. Three floor through units and one duplex.		Old style building: side by side apartments. Recent sale, inferior location.		Old style building, side by side units. Converted to condominiums.		Victorian conversion. Two units have common heating, two are individual		Brick apartment house. Competitive but inferior location.		Victorian conversion. Older sale in Newton.		Brick apartment house. Competitive but inferior location.		Victorian conversion. Older sale in Newton.		Victorian conversion. Older sale in Newton.
<b>Net Adjustments</b>				\$49,500		-\$1,500		\$20,500		\$71,500				\$71,500			\$2,250
<b>Adjusted Price</b>				\$749,500		\$803,500		\$730,500		\$757,900				\$757,900			\$782,250

# Sales Location Map



Sale #1  
3 Winthrop St  
Waltham, MA 02453

Subject  
61 Pearl St  
Newton, MA 02458

Sale #3  
19 Morse St  
Watertown, MA 02472

Sale #2  
17 Hartwell St  
Waltham, MA 02453

Sale #5  
56 Elm St  
West Newton, MA 02465

Sale #4  
43 Brock St  
Brighton, MA 02135



*Comparable Sale Photographs*



Sale #1 3-9 Winthrop Street Waltham, MA



Sale #2 17-23 Harvard Street Waltham, MA

*Comparable Sale Photographs*



**Sale #3 19 Morse Street Watertown, MA**



**Sale #4 43-45 Brock Street Brighton, MA**

*Comparable Sale Photographs*



Sale #5 54-56 Elm Street Newton, MA

*Discussion of Comparable Sales Data.* Comparable sales data is selected from a larger survey of sales within the subject's market area. Not all sales considered are comparables.

The comparable sales selected represent reasonable alternatives for buyers within the subject's market area. Since comparable properties are not exact substitutes for the subject, analysis must be undertaken to account for differences between the subject and the comparables.

*Adjustment Rationale.* Appraisers consider the following factors in considering differences between the subject and the comparable sales.

*Sales Concessions/Financing.* The sales are considered to have taken place at terms equivalent to cash. Significant financing or sales concessions are noted and adjusted, if applicable.

*Motivation.* Unless otherwise noted, motivations underlying the sales are considered to be reasonable and representative of arms' length transactions. Sales are verified to the degree necessary to ascertain that they represent market-based transactions.

*Interests Conveyed.* Interests conveyed are considered to be equivalent to that of the subject. Differences in property interests conveyed are applied if necessary.

*Market Conditions.* Market conditions between the date of sale of the comparable and the date of appraisal have been considered. Adjustments are made, if applicable, to account for changes in the market between the date of sale of the comparable and the effective date of the appraisal. Sales which took place within a reasonable period of time prior to the date of appraisal are given preference, all other things being equal.

*Physical/Legal/Economic Characteristics.* Adjustments are considered for differences in location, zoning, use, size, access, and other physical attributes. Other differences are considered if significant. Not all differences are significant.

*Type of Analysis.* A modified quantitative approach is developed. This means that an appropriate value indicator from within the range established by the comparables has been developed based on the overall similarity of the comparable data to the subject and on the appraiser's judgment and knowledge of the general market and specific sales. Specific quantitative adjustments are applied as necessary for analysis purposes.

*Analysis.* The sales in the accompanying analysis grid are considered due to their similarity to the subject. Discussion of the sales follows. The applicable unit of comparison is overall price.

*Sale #1* sold in August 2010 for \$700,000. Market conditions are similar.

This four family property consists of five rooms, three bedrooms, and one bath units.

The location is considered inferior. Although situated in a good Waltham location, Waltham is considered inferior to Newton. An upward adjustment is made.

Other differences between the subject and the comparable include inferior condition and superior gross living area.

The condition of the property is inferior and is adjusted upward. Living area is larger and adjusted downward.

After adjustments are applied, the comparable sale is inferior to the subject. Upward adjustment is indicated.

*Sale #2* transferred in December 2009 for \$805,000. Market conditions are equal.

This comparable consists of four 5-room, 2-bedroom units. After the sale, the property was upgraded and offered as condominiums.

Location characteristics are inferior. This sale is near Comparable #1. An upward adjustment is made.

Physical characteristics are equal when compared to the subject. The site is larger and a downward adjustment is made for this difference.

Living area is larger. This superior factor is adjusted downward.

Downward adjustment is indicated. The sale property is considered superior to the subject once adjustments are applied.

*Sale #3* sold in September 2008 for \$710,000. Downward adjustment is made superior economic conditions at the time of sale.

This is the sale of a four family building. Three are similar one bedroom apartments similar to the subject and one is a two-bedroom unit.

This property is located close to the subject. However, it is in Watertown and, while the community is desirable, prices tend to be lower than in Newton. Upward adjustment is made for location.

Condition is inferior. Living are is larger and thus superior.

Overall, this sale is superior to the subject. Downward adjustment is indicated.

*Sale #4* took place in March 2008 for \$686,000. Market conditions were superior at the time of the sale and are adjusted downward. This four unit property contains four three-room one bedroom apartments. Physical characteristics, i.e. condition, are considered equal.

The location is considered inferior. Brighton, although close-by, is a desirable area. However, it is inferior to the subject's location in Newton. Buyers generally will pay more for property in Newton than in Brighton. Upward adjustment is indicated.

Upward adjustment is indicated. This sale is inferior to the subject.

*Sale #5* sold in February 2008 for \$780,000. Market conditions are considered superior and a downward adjustment is made.

This property is a four-family Victorian style building. According to MLS, this represents the most recent sale of a four unit building in Newton. There are few of these buildings in Newton that have not been converted.

Location is considered similar to the subject. No adjustment is indicated.

Other differences between the subject and the comparable include larger (superior) lot size and inferior condition.

After differences are considered, this sale is superior to the subject. Downward adjustment is indicated.

*Analysis and Discussion.* The comparables are derived from a larger data set of sales. The selection of these comparables - considered most competitive with the subject - is based on their similarities in use and overall physical and location characteristics. It was necessary to use older sales due to a lack of more recent sales.

Market conditions were taken into consideration. A 5% downward adjustment was applied for sales which took place earlier than 2009. This is due to the decline in markets between the time of the sale and the effective date of the appraisal.

Adjustments were made as follows: A) \$35 PSF for GLA differences; B) Condition: 5 - 10%; C) Location: 5 - 10%; D) Common heat vs. individual heat: \$15 - 30,000. E) Site differences are adjusted as noted in the grid.

Dates of sale range from February 2008 to August 2010 Building areas range from 3,759 square feet (*Sale #5*) to 4,906 square feet (*Sale #3*). The subject falls within the range established by the comparable data.

The unadjusted sales prices of the comparables range from \$686,000 (*Sale #4*) to \$805,000 (*Sale #2*). After adjustment, the range narrows. *Sale #3* establishes the lower end of the range while *Sale #5* establishes the upper end of the range.

Greatest weight is given to Sales #1, 2 and #5. Sales #1 and #2 are the most recent. *Sale #5* is situated in Newton. *Sale #2* is similar in condition. *Sale #5* is most similar in size. This indicator falls at the upper end of the range and is reflective of the subject's attractive location in Newton.

*Conclusion.* The adjusted range of the sales support a value for the subject of \$780,000. The value indication is based on the techniques of the sales comparison approach.

***INCOME CAPITALIZATION APPROACH.*** The income capitalization approach relies upon the principle of anticipation. The basic premise of this principle is that value is created by the anticipation of future benefits, which to a typical investor accrue as income.

*Gross Monthly Rent Multiplier Technique.* This method, often referred to as the Gross Rent Multiplier Technique, is an outgrowth of the sales comparison approach, since the multiplier is derived directly from sales data. It is often considered as being derived from the sales comparison approach. However, it also relies heavily on income capitalization techniques, particularly in deriving rental data.

The technique develops a value as follows.

$$\text{GRM} = \text{SP (comparable)} / \text{Gross Monthly Income (comparable)}$$

$$\text{Gross Monthly Income (subject)} \times \text{GMRM} = \text{Subject Value}$$

Gross income multipliers are extracted from the comparable sales: see the sales comparison approach in the preceding section. The multipliers are based on consideration of actual and anticipated revenues.

*Market Rental Analysis.* The following is a summary of relevant rental comparable data utilized in arriving at an opinion of the rental value of the subject property.

Three comparable rentals were provided. Differences between the subject and the comparables are weighted. Consideration is given for significant differences such as condition, size, and parking accommodations.

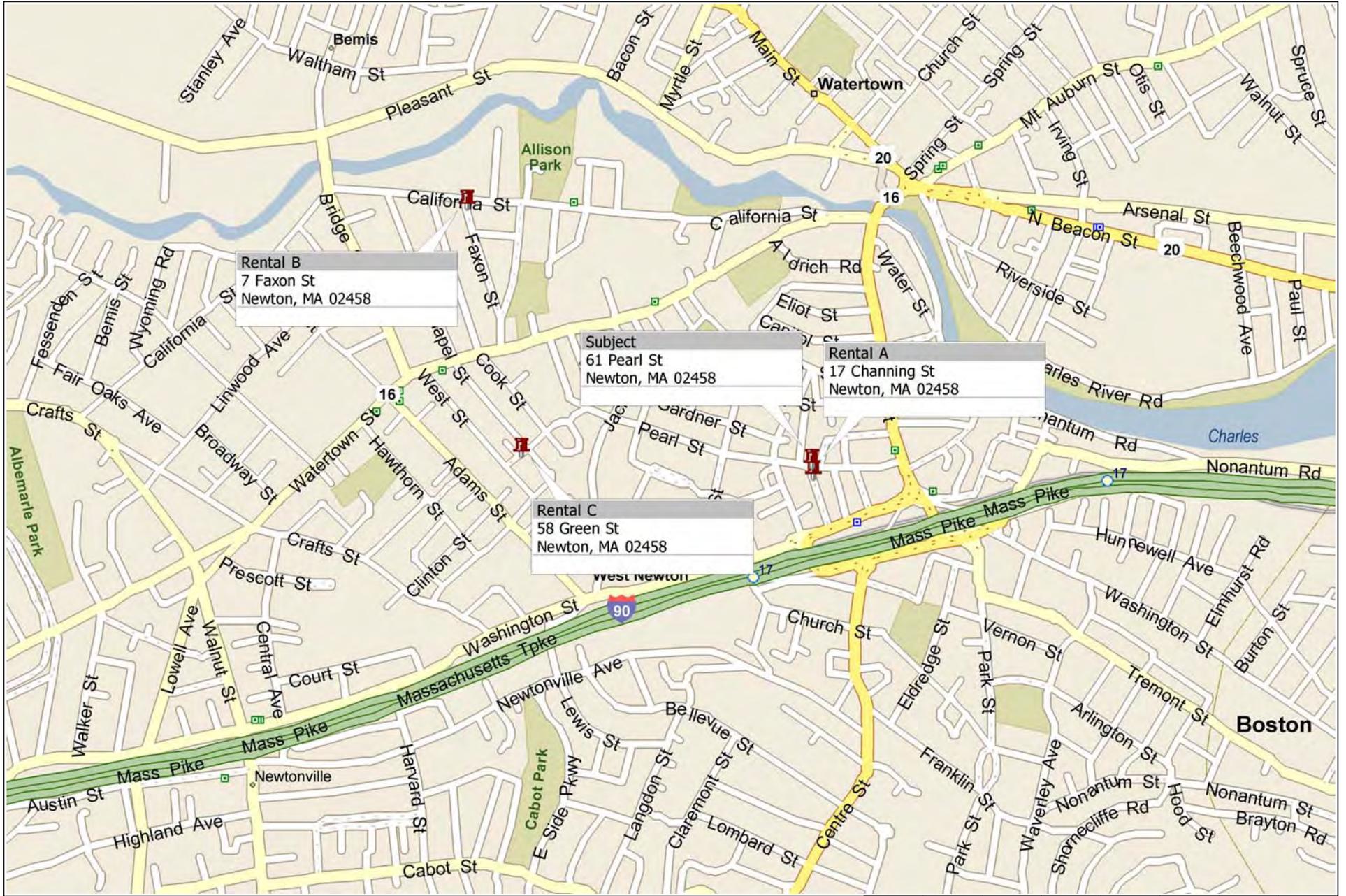
Their rental indications support the subject's rent structure in general. Weight is given to the subject's current rents as they fall within the general parameters of the market.

The subject's Units 1 & 2 represent relatively large units within their market. A premium is indicated for size.

Likewise, Unit #4 is a duplex style apartment. A premium is typically paid for this type of unit since it provides additional privacy and flexibility.

<b>Comparable Rents Summary</b>				
	Subject	A	B	C
<b>Location</b>	61 Pearl Street	17-19 Channing Street	7 Faxon Street	58 Green Street
Community	Newton, MA	Newton, MA	Newton, MA	Newton, MA
Distance	n/a	<.20 mile	<.5 mile	<.20 Mile
Source	inspection	Broker	Broker	Broker
Tenant Type	Residential	Residential	Residential	Residential
Date	Current	Current	Current	Current
Unit	3-3/1/1, 1-4/2/1	3-3/1/1, 1-6/2/1	3-4/2/1	2-3/1/1
Terms	Tenant pays utilities except W&S	Tenant pays utilities except W&S	Tenant pays utilities except W&S	Tenant pays utilities except W&S
Rent/Month	\$1,150 -\$1,200 \$1,500	\$850-\$1,100 \$1,250	\$1,100-\$1,250	\$1,000 & \$1,050
Type of Building	Four units	Four units	Three units	Two units
Quality/Condition	Average/Good	Fair /Average	Average/good	Fair /Average
Parking	6 open	8 open	None	3 open
Comments	Semi modern K & B	Older K & B	Semi modern K & B	Older K & B
Comparability		Similar location, inferior condition	Slightly inferior location, no off street	Similar location, inferior condition

# Rental Location Map



*Discussion.* The comparable rentals develop a reasonable range. These comparables represent alternatives to the subject due to their overall similarity to the subject in terms of location, use, lease terms, and other relevant characteristics. Market conditions were taken into consideration.

The comparables are derived from a larger data set of data and are most competitive with the subject. This opinion is based on their similar uses and overall physical and location similarities with respect to the subject. The variation in rental rates reflects differences in physical qualities, location, tenant-landlord negotiations, and typical variations found in the marketplace.

The subject falls at within the range established by the comparable data. Differences between the subject and the comparables are noted above. Subject market rent conclusions are indicated below based on the preceding analysis.

<b><i>Rental Summary</i></b>				
<b>Unit Type</b>	<b>Rent/Month</b>	<b>Utilities Included</b>	<b>Market Rent</b>	<b>Comment</b>
3-1-1	\$1,150	Heat, Hot water, Water & Sewer	\$1,200	Parking included, large 1 BR (800+ SF)
3-1-1	\$1,200		\$1,200	Parking included, large 1 BR (800+ SF)
4-2-1	\$1,400		\$1,400	Parking included
3-1-1	\$1,200		\$1,300	Duplex unit with parking

<b><i>Gross Monthly Rent Multiplier Indication</i></b>	
Range of GRMs from Comparable Sales	121.74 - 190.24. Greatest weight is given to the indicators of Sales #2, 3 & 4.
Gross Income - Subject	\$5,100
Multiplier Derived from Sales Data	155. This indicator falls within the midpoint of the data.
Value Indication	\$790,500
Rounded	\$790,000

**MARKETING TIME/ EXPOSURE PERIOD.** The marketing period for the subject is 2 to 6 months.

*Marketing time* is defined as the amount of time it might take to sell a property interest at the estimated market value level during the period immediately after the effective date of an appraisal. *Exposure time* is the amount of time it might take to sell a property interest at the estimated market value level during the period immediately before the effective date of an appraisal.

The comparable sales show marketing times of 1 - 4 months. The data is summarized in the sales comparison approach.

The opinion is based on prevailing conditions in this market. Taken into consideration are the following factors: general market and economic conditions, marketing times of comparable properties, opinions of knowledgeable individuals, investor surveys, where applicable, and, finally, the appraiser's judgment.

**FINAL RECONCILIATION AND VALUE OPINION.** The appraisal process developed is deemed appropriate for the intended use and for the solution of the valuation problem. The appraisal process is outlined in the scope of work section at the beginning of the report and is further explained throughout the report.

An appraisal process appropriate to the intended use to produce credible results was performed. The appraisal process is outlined in the scope of work section at the beginning of the report and is further explained throughout the report.

The process includes development of market and property-specific factors that affect value, such as general market conditions, including supply and demand, market psychology, availability of financing, property characteristics, such as its condition, for example, applicable land use controls, factors that affect the highest and best use of the site as if vacant and as improved, and consideration of the three valuation approaches and the selection of appropriate data and its proper analysis.

*Market Analysis.* An overview of conditions in the subject market area, the general market, and the property specific market was conducted. Relevant market analysis was undertaken. The results of the overview indicates a stable forecast.

Community and neighborhood analysis indicates that conditions in the subject's area are comparable to those in competitive areas. No significant adverse influences are noted in the subject area or neighborhood.

*Property Specific Factors.* Zoning, real estate tax assessments, and property history were analyzed. These factors were taken into consideration in the valuation analysis.

An analysis of the subject site and improvements was undertaken. The site and improvements do generally conform to market standards. The conclusions developed from this analysis were taken into consideration in the highest and best use analysis and the valuation analysis.

*Highest and Best Use.* Opinions of highest and best use have been developed applying the four tests of highest and best use as explained earlier. These include the highest and best use as if vacant and of the property as improved.

Analysis indicates that the highest and best use as if vacant is for multi family use. The highest and best use as improved indicates that the current use is a reasonable utilization of the property and represents the highest and best use of the property. The selection and analysis of comparable data is based on these opinions.

*Applicability of the Approaches.* The applicability in the specific assignment of the three valuation approaches was considered. The applicable approaches have been developed in a manner relevant to the appraisal problem to be solved.

*Cost Approach.* The cost approach is not applicable and has not been developed. Typical buyers and sellers would not give the techniques of this approach weight. This approach is not considered a relevant indicator in developing a value for the subject.

*Sales Comparison Approach.* The sales comparison approach has been developed. This approach is relevant in reflecting market behavior for the subject property's market. Typical buyers would consider this approach pertinent in reaching buy-sell decisions for the subject.

Adequate comparable data was available from which to make comparisons. The data are reliable and in sufficient quantity. The conclusions drawn from the sales data therefore are considered credible.

*Income Capitalization Approach.* The income capitalization approach using the gross monthly rent multiplier technique is considered applicable and has been developed. Typical market participants would rely upon this approach's techniques probably to a lesser extent than on the techniques of the sales comparison approach. Given the property's rental status, the approach is valid.

*Weight Given to the Approaches.* Greatest weight is given to the indicators of the sales comparison. The resulting final value indication best reflects the motivations of market participants and the characteristics of the subject property.

*Value Indications.* The value indications are summarized as follows:

<i>Cost Approach</i>	Not applicable
<i>Sales Comparison Approach</i>	\$780,000
<i>Income Capitalization Approach</i>	\$790,000

*Conclusion - Market Value Opinion.* The *as-is* market value of the Fee Simple Interest, as of December 17, 2010, with a marketing period of 2 to 6 months, is:

**SEVEN HUNDRED EIGHTY DOLLARS  
( \$780,000 )**

## **SUPPLEMENTARY DATA SECTION**

- I. Subject Deed
- II. Additional Data
- III. Other exhibits
- IV. Qualifications

**61 Pearl Street  
Newton, MA 02458  
Multi-Family**

MLS #: **71137235** Status: **Under Agreement**  
List Price: **\$899,000**  
List Date: **9/15/2010** Ant. Sale Date: **1/30/2011**  
Area: **Newton Corner** Off Market Date: **12/17/2010**  
Days on Market (Total): **93** Days on Market (Office): **93**

**Property Features**

# of Units: **4** Type: **4 Family**  
Total Rooms: **13** Apprx Acres: **0.17**  
Total Floors: **3** Apprx Lot Size: **7300 sq.ft.**  
Heating Units: Apprx Living Area: **3396 sq.ft.**  
Heating Zones: Garage: **0**  
Cooling Units: Parking: **5 Off-Street**  
Cooling Zones: Year Built: **1870**



**Unit Descriptions**

Unit	# Rms	# Brs:	FB/HB	# FP	# Lvl:	Flr#	Mon Rent	Lease	Rent Includes	Heating
1	3	1	1/0	0	1	1	\$1150	Yes	Water	Hot Water Radiators, Gas
2	3	1	1/0	0	1	2	\$1200	Yes	Water	Hot Water Radiators, Gas
3	4	2	1/0	0	1	3	\$1400	Yes	Water	Gas
4	3	1	1/0	0	2	1	\$1200	No	Water	Gas

**Annual Expenses**

Heating: \$ Management: \$  
Gas: \$ Miscellaneous: \$  
Elec: \$ Ann. Prop. Oper. Data: **No**  
Water: \$ Expense Source: --  
Repair & Maintenance: \$  
Trash Removal: \$ Gross Income: **\$59400**  
Sewer: \$ Gross Expenses: \$  
Insurance: \$ Net Income: **\$59400**

**Remarks**

**Charming four family in popular Newton Corner area. Features include: hardwood flooring, high ceilings, sun-filled rooms and a bright and cheery feel. A terrific location with transportation, restaurants and shops close by. Easy access to the Mass Pike. All units are fully rented and well maintained. This property offers many opportunities for investors, condo conversion or owner occupants.**

**Features & Other Information**

Basement: **Yes Full**  
Disclosures: **See Broker. Older roof.**  
Exclusions: **Tenants belongings.**  
Exterior: **Aluminum**  
Foundation: **Fieldstone**  
Hot Water: **Natural Gas**  
Lead Paint: **Unknown**  
Sewer/Water: **City/Town Water, City/Town Sewer**

**Tax Information**

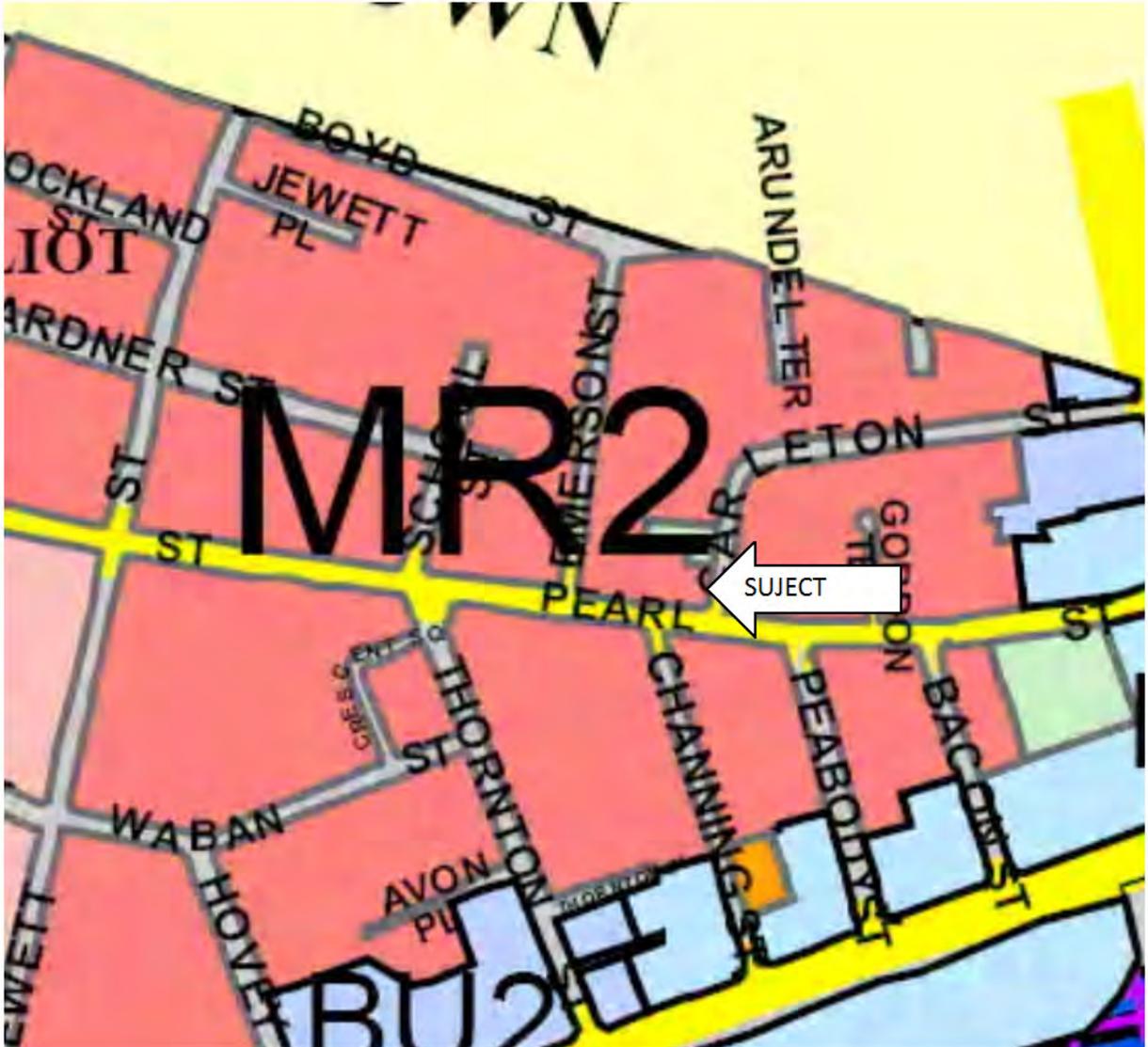
Pin #:  
Assessment: **\$733,800**  
Taxes: **\$7638.85** Tax Year: **2010**  
Book: **27784** Page: **378**  
Cert:  
Zoning Code: **MR2**  
Map: Block: Lot:

**Listing Information**

Directions: **Corner of Carlton and Pearl.** Original Price: **\$899,000**  
Showing: Sub-Agent: **Sub-Agency Relationship Not Offered** Sub-Agent Comp.: **Not Offered**  
Showing: Buyer-Agent: **Call List Agent, Accompanied Showings, Appointment Req'd** Buyer Agent Comp.: **2.5**  
Showing: Facilitator: **Call List Agent, Accompanied Showings, Appointment Req'd** Facilitator Comp.: **2.5**  
Special Showing Instructions: **Need notice.**  
Listing Agreement Type: **Exclusive Right to Sell** Entry Only: **No**  
Listing Office: **Hammond Residential R. E.** (617) 731-4644 Listing Agent: **Carol Vaghar** (617) 332-8700

The information in this listing was gathered from third party sources including the seller and public records. MLS Property Information Network and its subscribers disclaim any and all representations or warranties as to the accuracy of this information. Content ©2010 MLS Property Information Network, Inc.

Zoning Map



Parcel ID: 71001 0012

Bill Number: 2117995

Property Address: 61 PEARL ST

Land Use: 111 Map ID: 020SW Zoning: MR2 Neighborhood: 7

SaleDate1: 7/29/2009 SalePrice1: \$1

SaleDate2: 9/1/1997 SalePrice2: \$1

**Ownership Information-Current**MURRAY MARGARET M TR  
61 PEARL TRUST98 WASHINGTON ST  
NEWTON MA 02458**Ownership Information-Previous**

MURRAY MICHAEL J &amp; MARGARET M T/C

98 WASHINGTON ST  
NEWTON MA 02458**Residential Information**

Style:	Rooms:	Det. Garage:	
Story Height:	Bedrooms:	Garage Living:	
Roof Type:	Baths:	Shed Area:	
Roof Material:	Half Baths:	Pool Type:	None
Ext Walls:	Kitchen Quality:	Tennis Courts:	
Masonry/Trim:	Bath Quality:	Cabana Area:	
Foundation:	House Size:	Att. Garage:	
Year Built: 1870	Interior Condition:	Carport Area:	
Heat Type:	Finished Attic:	Deck Area:	
Fuel Type:	Unfinished Attic:	Open Porch:	366 sq ft
Air Condition:	Basement Area All:	Enclosed Porch:	28 sq ft
Fireplaces:	Finished Basement:	Last Property Visit:	12/10/2007

**Deed Reference**Legal1: 053292/0025  
Legal2: 027784/0378**Assessment History**

FY2011:	\$733,800
FY2010:	\$733,800
FY2009:	\$733,800
FY2008:	\$733,800
FY2007:	\$711,500
FY2006:	\$645,000
FY2005:	\$575,900
FY2004:	\$460,000
FY2003:	\$450,000
FY2002:	\$450,000
FY2001:	\$372,500
FY2000:	\$369,600
FY1999:	\$342,500
FY1998:	\$307,900
FY1997:	\$307,900
FY1996:	\$307,900
FY1995:	\$303,200

**Condominium Characteristics**

Indoor Parking:	
Outdoor Parking:	
Number of Units:	0
Floor Number:	0

**Land Information**

Lot Size:	7,300 sq ft
Frontage:	140 ft
Zoning:	MR2

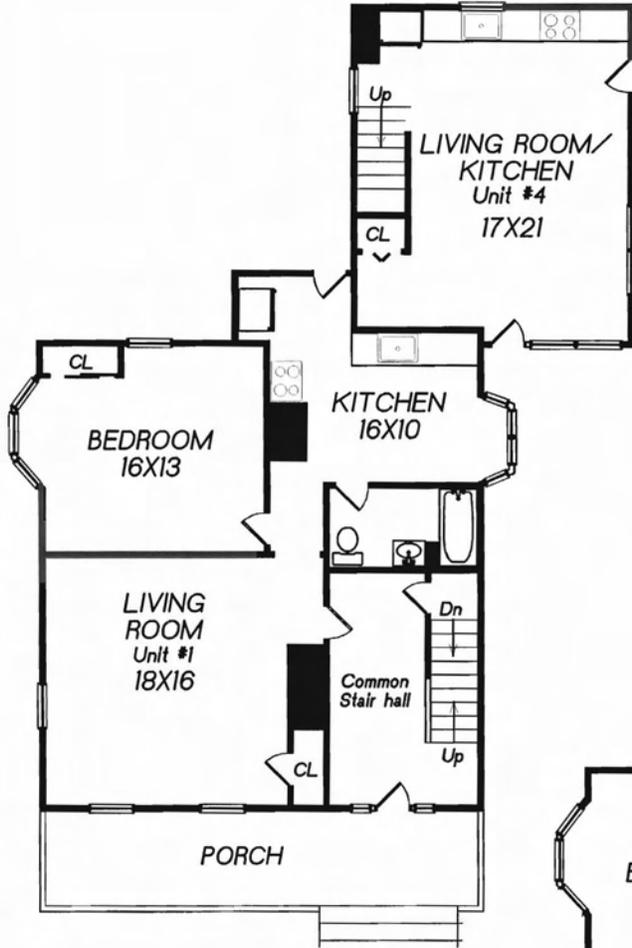
**Commercial Information**

Gross Building Area:	3,356 sq ft
Number of Apartments:	4

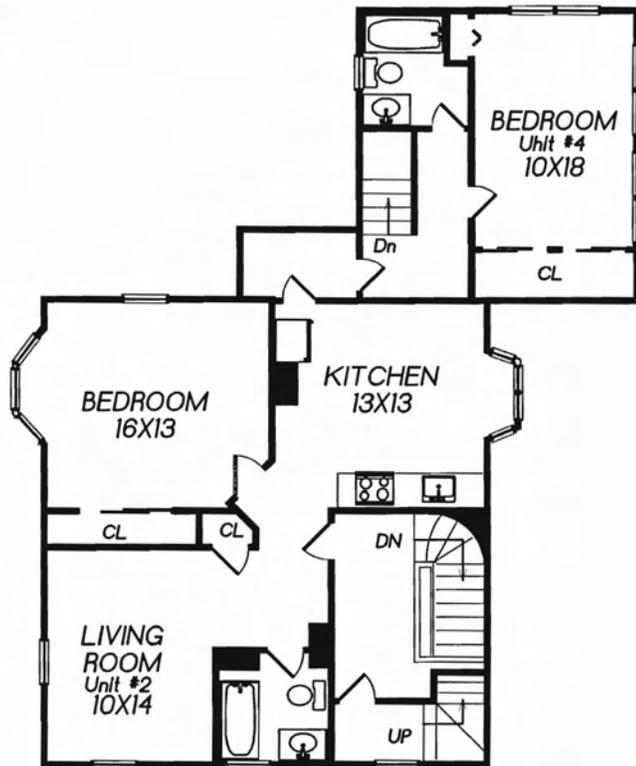


FIRST FLOOR

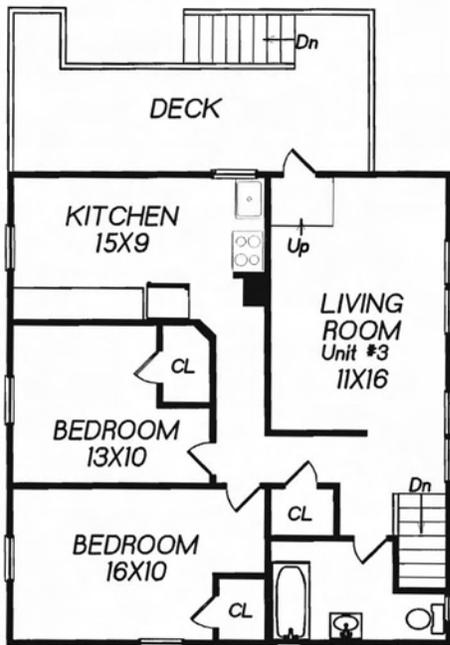
61 PEARL STREET  
NEWTON., MA



SECOND FLOOR



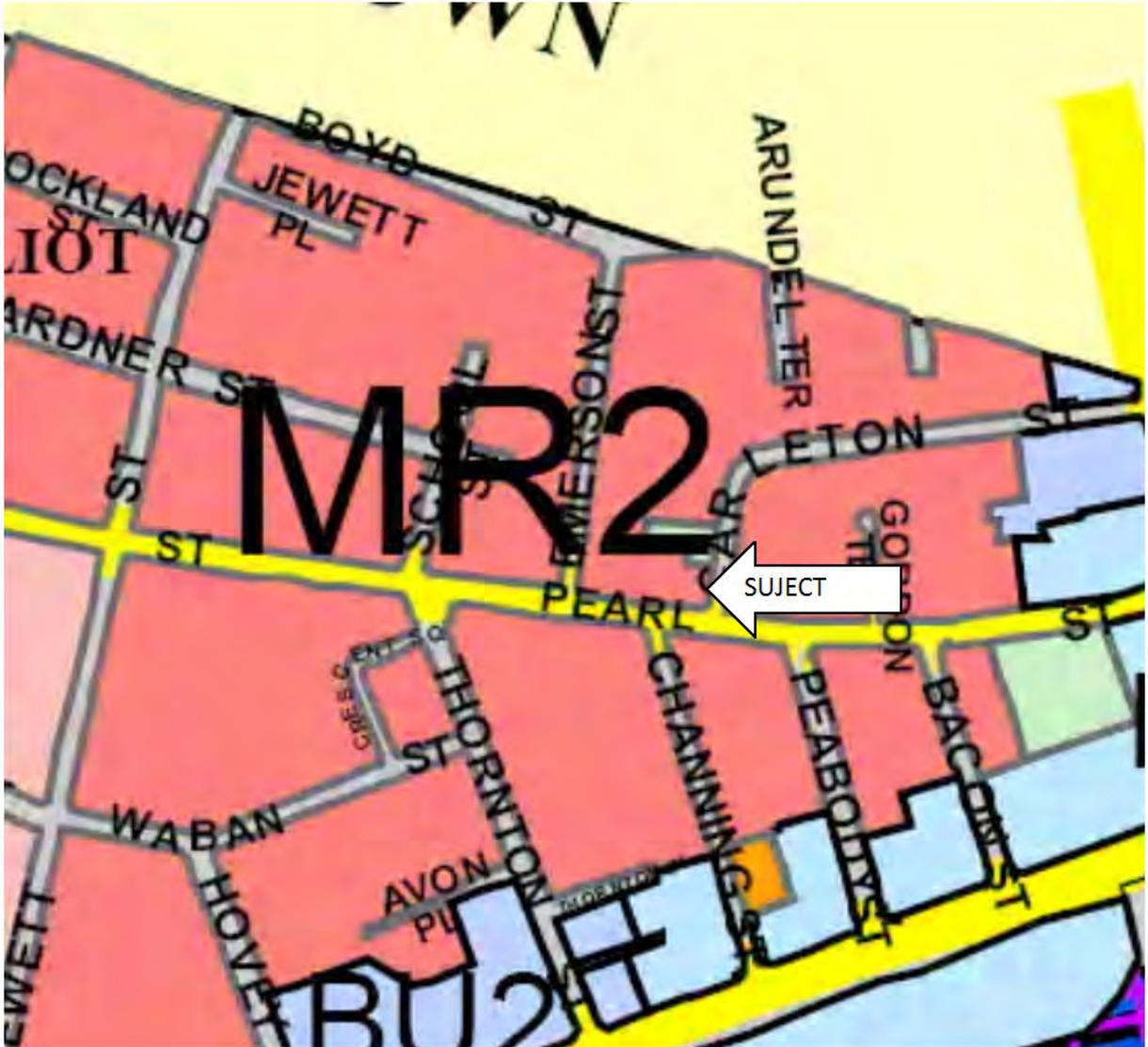
THIRD FLOOR



**CM** Carol Meyer  
781-455-8100  
Copyright 2010

This drawing is an artistic rendering intended for marketing purposes only. The dimensions and/or square footage is approximate and should be verified by an independent source. This drawing is copyright protected and therefore licensed for use by those named on the floor plan.

Zoning Map



## Flood Insights test results for :

**61 PEARL ST, NEWTON, MA 02458**

Geocoding Accuracy: [S5 – Matched to Street Address \(Best\)](#)

## Flood Zone Determinations

[Test Description](#)

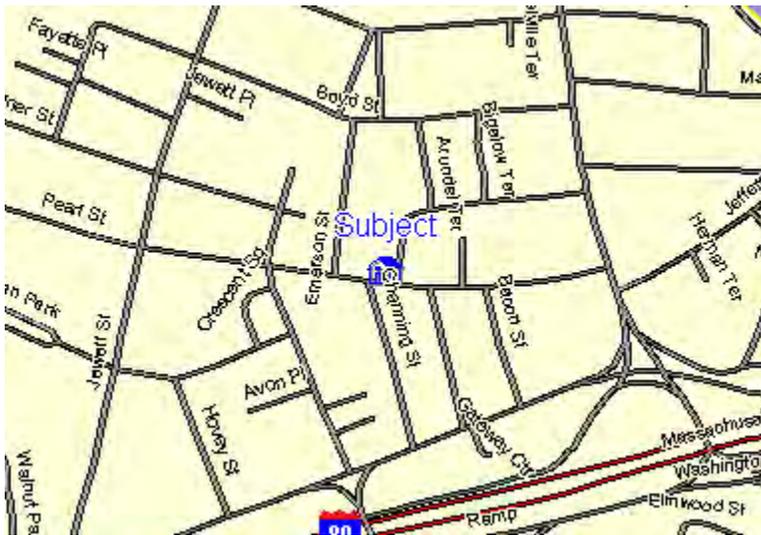
**SFHA (Flood Zone) Within 250 feet of multiple flood zones?**

Out

No

Zone	Community	Community Name	Panel	Panel Date	Cobra	Map Number
X	250208	NEWTON, CITY OF	0552E	June 04, 2010	OUT	25017C0552E
<b>FIPS Code</b>		<b>Census Tract</b>				
25017		3731.00				

Copyright 2000, First American Flood Data Services. All rights reserved.



### FloodMap Legend

#### Flood Zones

- Areas inundated by 500-year flooding
- Areas outside of the 100- and 500-year floodplains
- Areas inundated by 100-year flooding
- Areas inundated by 100-year flooding with velocity hazard
- Floodway areas
- Floodway areas with velocity hazard
- Areas of undetermined but possible flood hazards
- Areas not mapped on any published FIRM

Copyright 2005, CDS Business Mapping. All rights reserved.



This report was generated by: Labappraise on 12-22-2010

This Report is for the sole benefit of the Customer that ordered and paid for the Report and is based on the property information provided by that Customer. That Customer's use of this Report is subject to the terms agreed to by that Customer when accessing this product. No third party is authorized to use or rely on this Report for any purpose. NEITHER FIRST AMERICAN FLOOD DATA SERVICES NOR THE SELLER OF THIS REPORT MAKES ANY REPRESENTATIONS OR WARRANTIES TO ANY PARTY CONCERNING THE CONTENT, ACCURACY OR COMPLETENESS OF THIS REPORT, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Neither TFHC nor the seller of this Report shall have any liability to any third party for any use or misuse of this Report.

**APPRAISER QUALIFICATIONS  
OF  
LEONARD A. BACEVICIUS**

**1408 CENTRE ST.  
BOSTON, MA 02131**

**617-325-3535 FAX 617-325-2343 E mail- labservices @empire.net**

---

**Real Estate Appraiser and Consultant**

***APPRAISER CERTIFICATION***

Massachusetts Certified Residential Real Estate Appraiser License Number #1938

***PROFESSIONAL ASSOCIATION***

Massachusetts Board of Real Estate Appraisers Certified Member

***PROFESSIONAL EXPERIENCE***

Leonard Bacevicius has been involved in the Real Estate industry since 1975 and has been actively appraising Real Property since 1981. Valuations have included various residential and commercial properties throughout the New England area.

President- L.A.B. Realty Services Inc. 1991- Present : Appraisal of residential and commercial real estate of various types. Assignments have included FNMA, FHLMC and HUD reports. Preparation of commercial narrative, summary and limited scope reports. Appraisal reviews of pre-fund, post and portfolio assets. Provided expert and technical services for damage and divorce litigation. Consultant for acquisition, development and disposal of real property.

Senior Appraiser- First Mutual Bank 1983-1991 Senior appraiser responsible for the production of residential and commercial valuations. Including appraiser selection, supervision, review and management. Appraisal of construction and special projects.

Review Appraiser and Consultant City of Newton Assessors Office 1981-1983  
Consultant and field appraiser for revaluation of the city's taxable real property.

Marketing Analyst and Project Supervisor, Northeast Development 1980-1981 Involved in the acquisition, development and marketing of residential housing in the metro Boston area.

Principal - Castle Realty 1978-1980 Owned and managed a full service real estate brokerage and property management firm.

Broker and Manager Allbright Realty 1975-1978 Broker and then manager for a leading Boston rental and sales agency.

***EDUCATION-GENERAL***

Suffolk University, Business Management  
Boston, Massachusetts

***PROFESSIONAL AND BUSINESS DIRECTORSHIPS***

Massachusetts Board of Real Estate Appraisers 1999- current Member Board of Trustees

Taupa Federal Credit Union 1985-present Chairman Credit Committee

***ADDITIONAL QUALIFICATIONS***

Recognized as an expert witness for real estate valuation in various courts and jurisdictions of civil cases in Suffolk, Middlesex, Plymouth and Norfolk County.

Recognized as an expert witness, real estate valuation for Federal Bankruptcy Court in Boston, Worcester and Springfield.

HUD-FHA approved appraiser # MA-1938

***PROFESSIONAL EDUCATION***

2001- Advanced Capitalization Course , JMB Real Estate Academy  
1992- RP202 Real Property Valuation Income Property, American Society Appraisers  
1988- Course I Capitalization Theory & Techniques, Mass Board of RE Appraisers  
1986- Narrative Report Writing Course I, Mass Board of RE Appraisers  
1983- Course I Introduction to Appraisal, Mass Board of RE Appraisers  
1982- Residential Building Principals- Builders Association of Boston  
1980- Introduction to Property Valuation, MA Association of Assessing Officers

***PROFESSIONAL EDUCATION- SEMINARS***

2002- Standards and Professional Practice  
2002- Sales Comparison  
1999- Standards and Professional Practice  
1999- HUD New appraisal requirements  
1999- New Uniform Standards of Professional Practice  
1999- Attacking and Defending Appraisal Litigation  
1980-1998 28 various seminars of appraisal, real estate and economic topics

# QUALIFICATIONS OF THE APPRAISER

**William J. Pastuszek, Jr., MAI, SRA, MRA**

**199 Wells Avenue, Newton, Massachusetts 02459**

**(617) 928-1778 (ph) (617) 663-6208 (e fax) email: billp@shepherdnet.com**

## Professional Associations

- MAI Member Appraisal Institute
- SRA Senior Residential Appraiser, Appraisal Institute
- MRA Designated Member, Massachusetts Board of Real Estate Appraisers
- ASA Senior Member, Urban Property, American Society of Appraisers

## Appraisal Certification

- State Certified General Real Estate Appraiser, Commonwealth of Massachusetts, License #10, expires May 10, 2011.
- State Certified General Real Estate Appraiser, State of New Hampshire, License #NHCG-566, expires December 31, 2008.
- Appraiser Qualifications Board. AQB Approved Uniform Standards of Professional Appraisal Practice (USPAP) Instructor #10489.

## Appointments

- Chairman, 1998- 2005, Commonwealth of Massachusetts, Board of Registration, Real Estate Appraisers. Board Member, Commonwealth of Massachusetts, Board of Registration, Real Estate Appraisers, 1996 - 2005.
- Vice Chairman, Commonwealth of Massachusetts, Board of Registration, Real Estate Appraisers, 1997 - 1998.
- Member, Educational Council of the Appraisal Foundation Sponsors (ECAFS), 2003 - 2005.
- Member, Appraisal Standards Board, The Appraisal Foundation, Washington, DC. 2006-2008.

## PROFESSIONAL EXPERIENCE

**Real Estate Valuation Consultant: Shepherd Associates and Shepherd Valuation Services, 1994- Present:** Specializing in complex and unique valuation assignments with emphasis in current and retrospective market values, litigation support, and appraisal review for a wide variety of private, corporate, institutional and government clients.

**Senior Staff Appraiser, Steven C. Byrnes Associates, Inc., 1991 - 1994:** Specializing in the appraisal and evaluation of all types of income-producing and special purpose properties.

**Vice President and Senior Appraiser, Boston Federal Savings Bank, 1980 - 1990:** Residential and income property appraisal and review; appraisal administration and management, including supervision of regulatory compliance and development of bank appraisal policies.

**Real Estate Experience, 1975 - present:** Appraising, consulting, and market research for institutional and private clients, including lenders, attorneys, and investors. Experience includes consulting, brokerage, management, development, and construction services in varied settings.

**Education -B.A., Oberlin College, Oberlin, Ohio.**

**Types of Properties Appraised:**

- Commercial, industrial, retail, non-profit, institutional and special purpose properties, motels & hotels, automobile-related properties, medical properties, multi-family, residential properties, development properties and all types of land.

**Types of Assignments Performed:**

- Market value opinions of fee simple, leased fee, and leasehold interests for residential and commercial properties of all types, including investment and owner-occupied properties, special purpose properties, and land of all types.
- Specialized problem solving include highest and best use and feasibility analysis, rental values, contamination issues, marketability problems, corporate property disposition and site decision making, real estate tax issues, estates and other legal work, court testimony and litigation support, buy-sell decisions, limited scope appraisals, appraisal review, zoning analyses and telecommunications tower impact studies.

**Clients Served**

- Financial institutions, banks, attorneys, corporations, insurance companies, accountants, financial planners, individuals, trust departments, municipalities, state and federal agencies, and companies.

**Expert Witness Testimony:** Qualified in Middlesex Superior Court, Norfolk Probate Court, Middlesex, Norfolk and Suffolk Probate Courts, Bristol District Court, Barnstable District Court, Worcester District Court, and Federal Bankruptcy Courts in Boston, Worcester and New York City. Qualified at the Appellate Tax Board. Numerous ZBA hearings as a real estate expert.

**Articles and Publications:**

- Banker and Tradesman: articles
- New England Real Estate Journal: appraisal column
- Development Reviewer: Fisher and Martin, Income Property Valuation (Dearborn Financial Publishing, Chicago)
- Development Reviewer, Fisher and Tosh, Questions and Answers to Help You Pass the Real Estate Appraisal Examinations (Dearborn Financial Publishing, Chicago).
- Newsletter, Massachusetts Board of Real Estate Appraisers, articles.
- Newsletter, Greater Boston Chapter of the Appraisal Institute Newsletter: articles.

**Education Offerings Written/Developed:**

- Review Appraising
- Fair Lending
- HUD Appraisals
- USPAP Manual (for the Massachusetts Board of Real Estate Appraisers)
- Income Property Appraising
- Effectively Using the HP 12-C Calculator
- Technology and the Appraiser, Residential Appraisal Trends
- Title 5 Seminar

**Continuing Education:** Mr. Pastuszek is in compliance with the continuing education or recertification programs of the Appraisal Institute, American Society of Appraisers, and the Massachusetts Board of Real Estate Appraisers.

## **PASTUSZEK, P.3**

### **Teaching/Educational Affiliations**

-*Bentley College, Waltham, Massachusetts* - School of Continuing and Professional Studies, Senior Instructor: Residential and income property appraisal courses, 1986- 1998.

-*Stonehill College, Easton, Massachusetts* - Instructor, Continuing Education, Residential & Income Property Appraisal, Massachusetts Board of Real Estate Appraisers, 1984-85 & 1998-99.

-*Realtors Institute, Massachusetts Association of Realtors* - Instructor, GRI III, 1989-1991.

-*Appraisal Institute* - Instructor: Course 101, Basic Valuation Procedures (120), Basic Income Capitalization Techniques (310), seminars.

-*Massachusetts Board of Real Estate Appraisers* - Standards of Professional Practice, Residential and income courses (1, 1A, 2, 2A), commercial review course, seminars.

-*Instructor, Panelist, Seminar Leader*: Organizations include assessors' organizations, New England League of Savings Institutions, Risk Management Association, Massachusetts Mortgage Bankers, Massachusetts Board of R.E. Appraisers, Financial Managers Society, Massachusetts Association of Assessors, IAAO, various Realtors organizations.

-*Course/Curriculum Development*: MBREA Uniform Standards of Professional Appraisal Practice (USPAP) Manual, MBREA Courses 2 & 2A, MBREA Residential Trends and Limited Appraisals Seminar, Update Seminar, Residential and Commercial Review seminars, Unique and Unusual Properties Seminar, Effective Communication Seminar, Limited Appraisals and Evaluations Seminar.

### **APPRAISAL COURSES TAKEN AND EXAMINATIONS PASSED**

- *Society of Real Estate Appraisers: Courses 101, 102, 201, 202 & Standards of Professional Practice.*
- *Appraisal Institute: Courses 1A-1, 1A-2; Standards of Professional Practice.*
- *Massachusetts Board of Real Estate Appraisers: Courses I, II, III: 1980.*

### **PROFESSIONAL AFFILIATIONS**

#### **Appraisal Institute, Greater Boston Chapter**

- Co-Chair, Legislative Affairs Committee, 1993; Seminars Chairperson, 1994
- Board of Directors, 1993-1995.
- Young Advisory Council, 1992-93.

#### **Appraisal Institute, Eastern Massachusetts Chapter**

- Board of Directors, Education Committee Chair, 1991; Chairperson, Research Committee, 1989

#### **Massachusetts Board of Real Estate Appraisers**

- President, 1990
- Chairperson, Education Committee, 1991-1993, 1996.
- Chairperson, Board of Examiners, 1989; Chairperson, Seminars Committee, 1987-88; Public Relations, 1995.
- Member, Long Range Strategic Planning, Audit and Budget, Management, Professional Practice Committees.
- Alternate Representative to Advisory Council, The Appraisal Foundation, 1993-1996.

#### **Massachusetts Board of Registration of Real Estate Appraisers**

- Member, Education Review and Compliance Sub-Committees .