

**APPRAISAL REPORT**

**Of**

**A Reservoir**

**Located at**

**Ward Street, Newton  
Middlesex County, Massachusetts**

**Mark S. Reenstierna  
Appraiser**

**Effective Date:  
August 11, 2014**

**T.H. Reenstierna LLC  
Real Estate Appraisers and Consultants  
22 Mill Street, Suite 102  
Arlington, Massachusetts 02476**

**Prepared for:**

**Mr. Warren A. Madden  
Project Manager  
Office of Real Estate Management  
Division of Capital Asset Management  
One Ashburton Place  
Boston, MA 02108**

# T.H. REENSTIERNA LLC

*Real Estate Appraisers and Consultants*

22 Mill Street, Suite 102

Arlington, Massachusetts 02476

ph: 781-643-5737 • fax: 781-648-6423

www.threenstierna.com

October 16, 2014

Mr. Warren A. Madden  
Project Manager  
Office of Real Estate Management  
Division of Capital Asset Management  
One Ashburton Place  
Boston, MA 02108

RE: Waban Reservoir, along Ward Street, Newton, MA

Dear Mr. Madden:

In accordance with your request, we have made an inspection, have prepared a Complete Appraisal of the above-referenced property, and herein submit our **Appraisal Report**. The subject property is approximately 5.09 acre parcel of land, utilized as a reservoir, along Ward Street in Newton, Middlesex County, Massachusetts.

This report is issued to you in compliance with the minimum standards prescribed in the Uniform Standards of Professional Appraisal Practice (USPAP) adopted by the Appraisal Standards Board of The Appraisal Foundation, as well as any additional policies expressed to us in your engagement letter. This is an Appraisal Report that is intended to comply with the reporting requirements set forth under USPAP.

The purpose of this report is to express an opinion of the market value of the fee simple interest of the property under review, subject to normal limiting assumptions and conditions, as well as, if any, specific non-standard limitations that have been disclosed or expressed to us and are outlined in the accompanying report. We have been informed that the function of this report is to provide you with guidance on the current market value of the subject property. The appraisal has not been based on a requested minimum valuation. If the signatures to this letter and the accompanying report are not in original ink, as opposed to a duplication, this report is invalid.

Mr. Warren A. Madden  
Division of Capital Asset Management

Waban Hill Reservoir  
Newton, MA

We have not been provided with a list of certain personal property, equipment and other property associated with the realty and improvements thereon. The reported value of this appraisal is an estimate of the worth of the rights in the realty. These include all of the physical improvements to the property, if any, but is separate and apart from any other value attributed to any other interest including, but not limited to, any furniture, fixtures, equipment, construction or maintenance materials or supplies, any other personal property, or good will or business associated with the realty. We have not reported the value of the personal property, equipment, and other property associated with the realty and improvements thereon as a separate item, apart from the value of the real estate.

In preparing this appraisal, we inspected the property on August 11, 2014, and on later dates, reviewed local and regional market conditions, and made inquiries regarding the most recent comparable sales in the market. We considered all generally accepted approaches to valuation, as discussed in the report and have relied on the Comparable Sales Method in developing our opinion. Also, as noted in the Final Reconciliation section of this report, given current market conditions and specifics relating to the subject property, an exposure to the market time of six to twelve months is considered likely at the indicated value estimate.

Therefore, as a result of this analysis, which is based upon data contained in our files and on the appraisers' experience with similar assignments, it is our opinion that the market value of the subject property, as described herein, as of August 11, 2014, is \$404,800 (Four Hundred Four Thousand Eight Hundred US Dollars).

Respectfully submitted,



Mark S. Reenstierna  
Massachusetts Certified General  
Real Estate Appraiser #3803

MSR/kc

Along Ward Street, Newton, MA



## TABLE OF CONTENTS

|  |                                     |    |
|--|-------------------------------------|----|
| CERTIFICATION                              |                                     | 2  |
| GENERAL ASSUMPTIONS & LIMITING CONDITIONS  |                                     | 3  |
| SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS |                                     | 7  |
| APPRAISAL REPORT INTRODUCTION              |                                     | 8  |
| PREMISE OF APPRAISAL                       |                                     | 9  |
| DESCRIPTION OF REAL ESTATE APPRAISED       |                                     | 11 |
| History & Recent Use                       | 35                                  |    |
| ANALYSIS AND CONCLUSIONS                   |                                     | 36 |
| Sales Comparison Approach                  | 37                                  |    |
| RECONCILIATION AND FINAL VALUE ESTIMATE    |                                     | 41 |
| QUALIFICATIONS OF APPRAISERS               | <b>ERROR! BOOKMARK NOT DEFINED.</b> |    |
| ADDENDUM                                   |                                     | 42 |

Mr. Warren A. Madden  
Division of Capital Asset Management

Waban Hill Reservoir  
Newton, MA

## **CERTIFICATION**

---

I certify, to the best of my knowledge and belief, as follows:

- that the statements of fact contained in this report are true and correct;
- that the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, unbiased professional analyses, opinions and conclusions;
- that I have no present or prospective interest in the property that is the subject of this report and I have no personal interest or bias with respect to the parties involved;
- I have not provided any services regarding the subject property in the previous three years, as an appraiser or in any other capacity;
- that my compensation 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 estimate, the attainment of a stipulated result, or the occurrence of a subsequent event;
- that this appraisal was not based on a requested minimum valuation, a specific valuation, or the approval of a loan;
- that my analyses, opinions, and conclusions were developed and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice;
- that I have made a personal inspection of the property that is the subject of this report, except as noted below;
- that no one provided significant professional assistance to the person(s) signifying this report;
- that the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute;
- and that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representative.

In my opinion, the Market Value of the property under consideration, "as is," as of August 11, 2014, is \$404,800 (Four Hundred Four Thousand Eight Hundred U.S. Dollars).

Appraisers,



Mark S. Reenstierna  
Massachusetts Certified General  
Real Estate Appraiser #3803

Mr. Warren A. Madden  
Division of Capital Asset Management

Waban Hill Reservoir  
Newton, MA

## **GENERAL ASSUMPTIONS & LIMITING CONDITIONS** \_\_\_\_\_

1. This is an Appraisal Report which is intended to comply with the reporting requirements set forth under Uniform Standards of Professional Appraisal Practice. As such, it presents sufficient discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. 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 intended use stated below. The appraiser is not responsible for unauthorized use of this report.
2. As agreed upon with the client prior to the preparation of this appraisal, this is a Complete Appraisal, and has been completed in conformance with the Uniform Standards of Professional Appraisal Practice.
3. No responsibility is assumed for legal or title considerations. Title to the subject property is assumed to be good and marketable unless otherwise stated in this report.
4. The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.
5. Responsible property ownership and competent property management are assumed unless otherwise stated in this report.
6. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
7. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
8. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
9. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.
10. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.

Mr. Warren A. Madden  
Division of Capital Asset Management

Waban Hill Reservoir  
Newton, MA

11. It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.
12. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits included in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.
13. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.
14. The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The appraiser's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions or for any expertise or engineering knowledge required discovering them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.
15. Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in compliance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.
16. Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications unless otherwise stated in this report.
17. The distribution, if any, or the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate



Mr. Warren A. Madden  
Division of Capital Asset Management

Waban Hill Reservoir  
Newton, MA

- allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
18. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with proper written qualification, and only in its entirety.
  19. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior consent and approval of the appraiser.

**SPECIAL ASSUMPTIONS:**

Pursuant to Chapter 154 of the Acts of 2013, the Commonwealth may convey to the City of Newton a state-owned parcel containing 5.09 acres, including a reservoir and a gatehouse.

Chapter 154 AN ACT AUTHORIZING THE COMMISSIONER OF CAPITAL ASSET MANAGEMENT AND MAINTENANCE TO CONVEY CERTAIN LAND TO THE CITY OF NEWTON.

*Whereas*, The deferred operation of this act would tend to defeat its purpose, which is to forthwith provide for the conveyance of certain land from the commonwealth to the city of Newton, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same as follows:*

SECTION 1. Notwithstanding any general or special law to the contrary, the commissioner of capital asset management and maintenance may convey a certain parcel of state owned land in the city of Newton to the city of Newton; provided, however, that any deed conveying the parcel shall contain the restriction required pursuant to section 2. The parcel, known as the Waban Hill reservoir, and also known as the Ward Street reservoir, is located on the east side of Ward Street in the city of Newton and the exact boundaries of the parcel shall be established prior to such conveyance by a survey commissioned by the commissioner. The parcel is further described in a deed from the city of Newton to the Metropolitan Water Board dated October 20, 1900 and recorded in the Middlesex south district registry of deeds in book 2853, page 42. The consideration for the conveyance shall be the full and fair market value of

Mr. Warren A. Madden  
Division of Capital Asset Management

Waban Hill Reservoir  
Newton, MA

the parcel as determined by the commissioner pursuant to an independent professional appraisal.

SECTION 2. The parcel described in section 1 shall be conveyed subject to a conservation restriction with the benefit of section 32 of chapter 184 of the General Laws limiting the use of the parcel to open space or active or passive recreation purposes. If at any time the property ceases to be used for the purposes described in this section, the commissioner of capital asset management and maintenance shall give written notice to the city of the unauthorized use. The city shall, upon receipt of the notice, have 30 days to respond and a reasonable time to establish an authorized use of the parcel. If an authorized use of the parcel is not thereafter established, the title to the parcel, upon the recording of a notice thereof by the commissioner in the appropriate registry of deeds, shall revert to the commonwealth and any further disposition of the property shall be subject to Article XCVII of the amendments to the constitution and chapter 7C of the General Laws.

SECTION 3. The inspector general shall review and approve the appraisal conducted pursuant to section 1. The review shall include an examination of the methodology utilized for the appraisal. Within 30 days of receiving the appraisal, the inspector general shall prepare a report of such review and file the report with the commissioner of capital asset management and maintenance. Within 15 days of receiving the inspector general's report and not later than 15 days before the execution of any agreement or other document relating to the conveyance, the commissioner shall submit it to the house and senate committees on ways and means and the joint committee on bonding, capital expenditures and state assets.

SECTION 4. The city of Newton shall be responsible for all costs and expenses including, but not limited to, costs associated with any engineering, surveys, appraisals and deed preparation related to the transfers and conveyances authorized in this act as such costs may be determined by the commissioner of capital asset management and maintenance. Upon conveyance of the parcel, the city shall be solely responsible for all costs, liabilities and expenses of any nature and kind for the development, maintenance, use and operation of the parcel.

*Approved, November 25, 2013.*

October 16, 2014

Mr. Warren A. Madden  
Division of Capital Asset Management

## **SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS**\_\_\_\_\_

|  |  |
|--|--|
| <b>Subject Property:</b>               | A Reservoir  |
| <b>Property Address:</b>               | Waban Hill Reservoir, along Ward Street,<br>Newton                                     |
| <b>Property Owner:</b>                 | Commonwealth of Massachusetts  |
| <b>Appraisal Objectives:</b>           | Estimate market value of the subject property  |
| <b>Appraisal Function:</b>             | Provide guidance on current market value for<br>purpose of disposition and acquisition |
| <b>Effective Valuation Date:</b>       | August 11, 2014  |
| <b>Property Rights Appraised:</b>      | Fee simple   |
| <b>Site:</b>                           | 5.09 acres   |
| <b>Improvements:</b>                   | 250 square foot gate house   |
| <b>Zoning:</b>                         | PUB Public Use   |
| <b>Highest and Best Use:</b>           | <b>Conservation/Open Space/Passive Recreation</b>                                      |
| <b>Valuation Analysis Conclusions:</b> |  |
| <b>Income Approach:</b>                | N/A  |
| <b>Market Approach:</b>                | <b>\$404,800</b>   |
| <b>Cost Approach:</b>                  | N/A  |
| <b>Final Market Value Conclusion:</b>  | <b>\$404,800</b>   |
| <b>Anticipated Market Exposure:</b>    | six to twelve months   |

October 16, 2014

Mr. Warren A. Madden  
Division of Capital Asset Management

## **APPRAISAL REPORT INTRODUCTION**

---

The subject property consists of approximately 5.09 acres of vacant land, located along Ward Street in Newton.

### **Address and Legal References**

The subject property, the Waban Hill Reservoir, is located in the Chestnut Hill area of Newton and is surrounded by Ward Street, Reservoir Drive, Woodlawn Road and Manet Road, Newton, Massachusetts. It appears to be identified as Parcel 630070001 on the Newton Assessors maps.

### **Property Ownership**

As of August 11, 2014, title to the subject property, as described above, is vested in the Commonwealth of Massachusetts, as shown in various documents recorded at the Middlesex County Registry of Deeds.

### **Tax Assessment & Real Estate Taxes**

The City of Newton Board of Assessors has assessed the parcel for FY 2014 as follows:

| <b><u>Address</u></b> | <b><u>ID</u></b> | <b><u>Use</u></b> | <b><u>Land</u></b> | <b><u>GLA</u></b> | <b><u>Land</u></b> | <b><u>Total</u></b> | <b><u>Tax Rate</u></b> | <b><u>Tax</u></b> |
|-----------------------|------------------|-------------------|--------------------|-------------------|--------------------|---------------------|------------------------|-------------------|
| Ward St               | 630070001        | 971               | 5.06               | 214               | \$3,272,800        | \$3,272,800         | \$12.12                | \$39,666.34       |

The subject property is assessed as Commonwealth of Massachusetts owned land and is therefore exempt from local property taxes. The tax calculation is shown for reportorial value only. The current assessed land value appears high with respect to our estimate of value. A review of the assessments for other exempt properties indicates that the property is equitably valued by the town.

October 16, 2014

Mr. Warren A. Madden  
Division of Capital Asset Management

## **PREMISE OF APPRAISAL**

---

### **Purpose of Appraisal**

The assignment calls for a determination of the Highest and Best Use of the premises, determine the full and fair market value, or the value in use of this property, whichever is greater, in accordance with the legislation. The property is subject to a conservation restriction limiting the use of the site to open space or passive recreation purposes.

### **Definition of Market Value**

Courts and appraisal organizations make use of different definitions of "Market Value" or "Fair Market Value." All refer to a hypothetical sale in which the seller offers property in a competitive market and accepts the highest price offer made. That price, as estimated by the appraisers, is the highest selling price and the Market Value. An exchange of property for cash to the seller is typically presumed, unless other terms are standard in the market and are available for the subject property. If seller financing, an assumable mortgage, tax credits, or other such terms are taken into account, these are made explicit in this report.

The definition of Market Value applied here follows.

“...the highest price, which a hypothetical willing buyer will pay to a hypothetical willing seller in an assumed free and open market.” (Maher v. Commonwealth, 291 Mass. 343, 197 N.E. 78, 1935)

### **Intended Use of the Appraisal**

As requested by the client, The Commonwealth of Massachusetts, Division of Capital Asset Management, this appraisal is intended to provide an objective valuation of the subject property in association with disposition and acquisition proceedings.

### **Interest Valued**

The fee simple value of the subject property has been appraised.

“A fee simple estate is absolute ownership unencumbered by any other interest or estate subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.” (*The Appraisal of Real Estate*, Thirteenth Edition, The Appraisal Institute, Chicago, 2008, p. 111)

*October 16, 2014*

*Mr. Warren A. Madden*

*Division of Capital Asset Management*

**Effective Date of Valuation**

The subject property was last inspected on August 11, 2014. The effective date of valuation is August 11, 2014.

**Date of Report**

This report was written on October 16, 2014. This is the effective date of the report.

**Appraisal Development and Reporting Process**

In preparing this appraisal, the appraisers:

1. inspected the subject site;
2. gathered information on open space, conservation and passive recreation use land sales;
3. confirmed and analyzed the data and applied the Comparable Sales Approach to value.

To develop the opinion of value, the appraisers performed a complete appraisal process, as defined by the Uniform Standards of Professional Appraisal Practice. This means that no departures from Standard 1 were invoked.

This Appraisal Report is a recapitulation of the appraiser's data, analyses, and conclusions. Supporting documentation is retained in the appraiser's file.

October 16, 2014

Mr. Warren A. Madden  
Division of Capital Asset Management

## **DESCRIPTION OF REAL ESTATE APPRAISED**

---

### **Location Overview: Massachusetts**

The **Commonwealth of Massachusetts** is a state in the New England region of the northeastern United States. Most of its population of 6.4 million lives in the Boston metropolitan area. The eastern half of this relatively small state is mostly urban and suburban. The west is primarily rural, also with most of its population in urban enclaves. Massachusetts is the most populous of the six New England states and ranks third in overall population density among the 50 states.

Massachusetts has been a significant state in American history. Plymouth, Massachusetts, was the second permanent English settlement in North America. Colonists from England founded many towns and villages in the present-day territory of Massachusetts very early in the nation's history in the 1620s and 1630s. The Boston area became known as the "Cradle of Liberty" for the ferment there which led to the American Revolution and the independence of the United States from Great Britain. Massachusetts was the first U.S. state to abolish slavery and was a center of the temperance movement and abolitionist activity in the years leading to the American Civil War.

Originally dependent on agriculture and trade with Europe, Massachusetts was transformed into a manufacturing center during the Industrial Revolution. Migration of factories to the lower-wage Southern states caused economic stagnation during the first half of the 20th century. The Massachusetts economy was revived after World War II, and today is prominent in higher education, health care, and high technology.

Massachusetts is bordered on the north by New Hampshire and Vermont; on the west by New York; on the south by Connecticut and Rhode Island; and on the east by the Atlantic Ocean. Most of the state is uplands of resistant metamorphic rock that were scraped by Pleistocene glaciers that deposited moraines and outwash on a large, sandy, arm-shaped peninsula called Cape Cod and the islands Martha's Vineyard and Nantucket to the south of Cape Cod. Upland elevations increase to the north and west and the highest point in the state is Mount Greylock at 3,491 feet (1,064 m) near the state's northwest corner. The geographic center of the state is in the town of Rutland, in Worcester County.

Originally dependent on agriculture and trade with Europe, Massachusetts was transformed into a manufacturing center during the Industrial Revolution. During the twentieth century

October 16, 2014

Mr. Warren A. Madden  
Division of Capital Asset Management

the state's economy shifted from manufacturing to services. Today the state is a leader in higher education, health care, high technology and financial services.

Important demographic characteristics of Massachusetts, as reported by the American Community Survey of the U. S. Census are as follows:

### **Households and Families**

In 2010 there were 2.5 million households in Massachusetts. The average household size was 2.5 people.

Families made up 63 percent of the households in Massachusetts. This figure includes both married-couple families (46 percent) and other families (17 percent). Of other families, 7 percent are female householder families with no husband present and own children under 18 years. Nonfamily households made up 37 percent of all households in Massachusetts. Most of the nonfamily households were people living alone, but some were composed of people living in households in which no one was related to the householder.

In Massachusetts, 31 percent of all households have one or more people under the age of 18; 26 percent of all households have one or more people 65 years and over.

Among persons 15 and older, 49 percent of males and 44 percent of females are currently married.

| <b>Population 15 years and over</b> | <b>Males</b> | <b>Females</b> |
|-------------------------------------|--------------|----------------|
| Never married                       | 38.7         | 33.2           |
| Now married, except separated       | 49.1         | 44.1           |
| Separated                           | 1.6          | 2.4            |
| Widowed                             | 2.7          | 9.1            |
| Divorced                            | 8.0          | 11.1           |

In Massachusetts, 112,000 grandparents lived with their grandchildren under 18 years old. Of those grandparents, 28 percent of them had financial responsibility for their grandchildren.



October 16, 2014

Mr. Warren A. Madden  
Division of Capital Asset Management

### **Nativity and Foreign Born**

Eighty-five percent of the people living in Massachusetts in 2010 were native residents of the United States. Sixty-three percent of these residents were living in the state in which they were born.

Fifteen percent of the people living in Massachusetts in 2010 were foreign born. Of the foreign born population, 48 percent were naturalized U.S. citizens, and 62 percent entered the country before the year 2000. Thirty-eight percent of the foreign born entered the country in 2000 or later.

Foreign born residents of Massachusetts come from different parts of the world.

### **Language**

Among people at least five years old living in Massachusetts in 2010, 22 percent spoke a language other than English at home. Of those speaking a language other than English at home, 36 percent spoke Spanish and 64 percent spoke some other language; 41 percent reported that they did not speak English "very well."

### **Geographic Mobility**

In 2010, 86 percent of the people at least one year old living in Massachusetts were living in the same residence one year earlier.

### **Education**

In 2010, 26 percent of people 25 years and over had at least graduated from high school and 39 percent had a bachelor's degree or higher. Eleven percent were dropouts; they were not enrolled in school and had not graduated from high school.

The total school enrollment in Massachusetts was 1.8 million in 2010. Nursery school and kindergarten enrollment was 196,000 and elementary or high school enrollment was 972,000 children. College or graduate school enrollment was 591,000.

### **Disability**

In Massachusetts, among the civilian noninstitutionalized population in 2010, 11 percent reported a disability. The likelihood of having a disability varied by age - from 4 percent of people under 18 years old, to 8 percent of people 18 to 64 years old, and to 33 percent of those 65 and over.

October 16, 2014

Mr. Warren A. Madden

Division of Capital Asset Management

### **Employment Status and Type of Employer**

In Massachusetts, 61 percent of the population 16 and over were employed; 32 percent were not currently in the labor force.

Eighty-one percent of the people employed were private wage and salary workers; 13 percent were federal, state, or local government workers; and 6 percent were self-employed in their own (not incorporated) business.

| <b>Class of worker</b>                                 | <b>Number</b> | <b>Percent</b> |
|--|---------------|----------------|
| Private wage and salary workers                        | 2,599,288     | 80.6           |
| Federal, state, or local government workers            | 424,996       | 13.2           |
| Self-employed workers in own not incorporated business | 198,627       | 6.2            |

### **Occupations**

Occupations for the civilian employed population 16 years and over in Massachusetts in 2010.

| <b>Civilian employed population 16 years and over</b>        | <b>Number</b> | <b>Percent</b> |
|--|---------------|----------------|
| Management, business, science, and arts occupations          | 1,402,769     | 43.5           |
| Service occupations  | 559,683       | 17.4           |
| Sales and office occupations                                 | 756,845       | 23.5           |
| Natural resources, construction, and maintenance occupations | 220,046       | 6.8            |
| Production, transportation, and material moving occupations  | 285,760       | 8.9            |

### **Commuting to Work**

Seventy-three percent of Massachusetts workers drove to work alone in 2010, and 8 percent carpooled. Among those who commuted to work, it took them on average 28 minutes to get to work.

October 16, 2014

Mr. Warren A. Madden  
Division of Capital Asset Management

### **Income**

The median income of households in Massachusetts was \$62,072. Thirteen percent of households had income below \$15,000 a year and 13 percent had income over \$150,000 or more.

Seventy-nine percent of the households received earnings and 16 percent received retirement income other than Social Security. Twenty-seven percent of the households received Social Security. The average income from Social Security was \$15,870. These income sources are not mutually exclusive; that is, some households received income from more than one source.

### **Poverty and Participation in Government Programs**

In 2010, 11 percent of people were in poverty. Fourteen percent of related children under 18 were below the poverty level, compared with 9 percent of people 65 years old and over. Eight percent of all families and 26 percent of families with a female householder and no husband present had incomes below the poverty level.

### **Health Insurance**

Among the civilian noninstitutionalized population in Massachusetts in 2010, 96 percent had health insurance coverage and 4 percent did not have health insurance coverage. For those under 18 years of age, 2 percent had no health insurance coverage. The civilian noninstitutionalized population had both private and public health insurance, with 76 percent having private coverage and 32 percent having public coverage.

### **Population**

In 2010, Massachusetts had a total population of 6.6 million - 3.4 million (52 percent) females and 3.2 million (48 percent) males. The median age was 39.1 years. Twenty-two percent of the population was under 18 years and 14 percent was 65 years and older.

### **Housing Characteristics**

In 2010, Massachusetts had a total of 2.8 million housing units, 10 percent of which were vacant. Of the total housing units, 57 percent were in single-unit structures, 42 percent were in multi-unit structures, and 1 percent were mobile homes. Fifteen percent of the housing units were built since 1990.

The median number of rooms in all housing units in Massachusetts is 6. Of these housing units, 55 percent have three or more bedrooms.

October 16, 2014

Mr. Warren A. Madden  
Division of Capital Asset Management

### **Occupied Housing Unit Characteristics**

In 2010, Massachusetts had 2.5 million occupied housing units - 1.6 million (62 percent) owner occupied and 952,000 (38 percent) renter occupied. Fifty-eight percent of householders of these units had moved in since 2000. Seventy-two percent of the owner occupied units had a mortgage. Two percent of the households did not have telephone service. Thirteen percent had no vehicles available and another 15 percent had three or more.

### **Housing Costs**

The median monthly housing costs for mortgaged owners was \$2,036, nonmortgaged owners \$654, and renters \$1,009. Thirty-nine percent of owners with mortgages, 22 percent of owners without mortgages, and 51 percent of renters in Massachusetts spent 30 percent or more of household income on housing.

Source: U.S. Census Bureau, 2010 American Community Survey

### **MIDDLESEX COUNTY - POPULATION AND HOUSING PROFILE:**

Middlesex County is a county located in the U.S. state of Massachusetts. It is the most populous county in Massachusetts. As of the 2000 census, the population was 1,465,396. The center of population of Massachusetts is located in Middlesex County, in the town of Natick. Its county seats are Cambridge and Lowell. The county government was abolished in 1997 but the county boundaries continue to describe a state district for court jurisdictions and for other administrative purposes.

Important demographic characteristics of Middlesex County, Massachusetts, as reported by the American Community Survey of the U.S. Census, are as follows:

### **Households and Families**

In 2010 there were 577,000 households in Middlesex County, Massachusetts. The average household size was 2.5 people.

Families made up 64 percent of the households in Middlesex County, Massachusetts. This figure includes both married-couple families (50 percent) and other families (14 percent). Of other families, 5 percent are female householder families with no husband present and own children under 18 years. Nonfamily households made up 36 percent of all households in Middlesex County, Massachusetts. Most of the nonfamily households were people living alone, but some were composed of people living in households in which no one was related to the householder.

October 16, 2014

Mr. Warren A. Madden  
Division of Capital Asset Management

In Middlesex County, Massachusetts, 32 percent of all households have one or more people under the age of 18; 24 percent of all households have one or more people 65 years and over.

Among persons 15 and older, 53 percent of males and 47 percent of females are currently married.

| Population 15 years and over  | Males | Females |
|-------------------------------|-------|---------|
| Never married                 | 36.8  | 32.0    |
| Now married, except separated | 52.6  | 47.1    |
| Separated                     | 1.0   | 2.1     |
| Widowed                       | 2.7   | 8.8     |
| Divorced                      | 6.8   | 9.9     |

In Middlesex County, Massachusetts, 21,000 grandparents lived with their grandchildren under 18 years old. Of those grandparents, 20 percent of them had financial responsibility for their grandchildren.

### **Nativity and Foreign Born**

Eighty-one percent of the people living in Middlesex County, Massachusetts in 2010 were native residents of the United States. Fifty-eight percent of these residents were living in the state in which they were born.

Nineteen percent of the people living in Middlesex County, Massachusetts in 2010 were foreign born. Of the foreign born population, 44 percent were naturalized U.S. citizens, and 57 percent entered the country before the year 2000. Forty-three percent of the foreign born entered the country in 2000 or later.

Foreign born residents of Middlesex County, Massachusetts come from different parts of the world.

### **Language**

Among people at least five years old living in Middlesex County, Massachusetts in 2010, 25 percent spoke a language other than English at home. Of those speaking a language other than English at home, 22 percent spoke Spanish and 78 percent spoke some other language; 37 percent reported that they did not speak English "very well."

October 16, 2014

Mr. Warren A. Madden  
Division of Capital Asset Management

### **Geographic Mobility**

In 2010, 85 percent of the people at least one year old living in Middlesex County, Massachusetts were living in the same residence one year earlier.

### **Education**

In 2010, 23 percent of people 25 years and over had at least graduated from high school and 50 percent had a bachelor's degree or higher. Eight percent were dropouts; they were not enrolled in school and had not graduated from high school.

The total school enrollment in Middlesex County, Massachusetts was 403,000 in 2010. Nursery school and kindergarten enrollment was 46,000 and elementary or high school enrollment was 215,000 children. College or graduate school enrollment was 142,000.

### **Disability**

In Middlesex County, Massachusetts, among the civilian noninstitutionalized population in 2010, 8 percent reported a disability. The likelihood of having a disability varied by age - from 3 percent of people under 18 years old, to 6 percent of people 18 to 64 years old, and to 30 percent of those 65 and over.

### **Employment Status and Type of Employer**

In Middlesex County, Massachusetts, 65 percent of the population 16 and over were employed; 30 percent were not currently in the labor force.

Eighty-one percent of the people employed were private wage and salary workers; 12 percent were federal, state, or local government workers; and 7 percent were self-employed in their own (not incorporated) business.

| <b>Class of worker</b>                                 | <b>Number</b> | <b>Percent</b> |
|--|---------------|----------------|
| Private wage and salary workers                        | 642,342       | 81.3           |
| Federal, state, or local government workers            | 93,374        | 11.8           |
| Self-employed workers in own not incorporated business | 53,265        | 6.7            |

### **Occupations**

Occupations for the civilian employed population 16 years and over in Middlesex County, Massachusetts in 2010:

October 16, 2014

Mr. Warren A. Madden

Division of Capital Asset Management

| <b>Civilian employed population 16 years and over</b>        | <b>Number</b> | <b>Percent</b> |
|--|---------------|----------------|
| Management, business, science, and arts occupations          | 410,901       | 52.0           |
| Service occupations  | 114,759       | 14.5           |
| Sales and office occupations                                 | 168,333       | 21.3           |
| Natural resources, construction, and maintenance occupations | 46,342        | 5.9            |
| Production, transportation, and material moving occupations  | 49,481        | 6.3            |

### **Commuting to Work**

Seventy-one percent of Middlesex County, Massachusetts workers drove to work alone in 2010, and 8 percent carpooled. Among those who commuted to work, it took them on average 28 minutes to get to work.

### **Income**

The median income of households in Middlesex County, Massachusetts was \$75,534. Nine percent of households had income below \$15,000 a year and 19 percent had income over \$150,000 or more.

Eighty-two percent of the households received earnings and 14 percent received retirement income other than Social Security. Twenty-four percent of the households received Social Security. The average income from Social Security was \$16,889. These income sources are not mutually exclusive; that is, some households received income from more than one source.

### **Poverty and Participation in Government Programs**

In 2010, 8 percent of people were in poverty. Eight percent of related children under 18 were below the poverty level, compared with 7 percent of people 65 years old and over. Five percent of all families and 19 percent of families with a female householder and no husband present had incomes below the poverty level.

### **Health Insurance**

Among the civilian noninstitutionalized population in Middlesex County, Massachusetts in 2010, 96 percent had health insurance coverage and 4 percent did not have health insurance coverage. For those under 18 years of age, 1 percent had no health insurance coverage. The civilian noninstitutionalized population had both private and public health insurance, with 82 percent having private coverage and 26 percent having public coverage.

October 16, 2014

Mr. Warren A. Madden  
Division of Capital Asset Management

### **Population**

In 2010, Middlesex County, Massachusetts had a total population of 1.5 million - 774,000 (51 percent) females and 732,000 (49 percent) males. The median age was 38.6 years. Twenty-one percent of the population was under 18 years and 13 percent was 65 years and older.

### **Housing Characteristics**

In 2010, Middlesex County, Massachusetts had a total of 612,000 housing units, 6 percent of which were vacant. Of the total housing units, 56 percent were in single-unit structures, 44 percent were in multi-unit structures, and less than 0.5 percent were mobile homes. Fourteen percent of the housing units were built since 1990.

The median number of rooms in all housing units in Middlesex County, Massachusetts is 6. Of these housing units, 55 percent have three or more bedrooms.

### **Occupied Housing Unit Characteristics**

In 2010, Middlesex County, Massachusetts had 577,000 occupied housing units - 361,000 (63 percent) owner occupied and 216,000 (38 percent) renter occupied. Fifty-eight percent of householders of these units had moved in since 2000. Seventy-three percent of the owner occupied units had a mortgage. One percent of the households did not have telephone service. Eleven percent had no vehicles available and another 14 percent had three or more.

### **Housing Costs**

The median monthly housing costs for mortgaged owners was \$2,333, nonmortgaged owners \$754, and renters \$1,210. Thirty-seven percent of owners with mortgages, 22 percent of owners without mortgages, and 46 percent of renters in Middlesex County, Massachusetts spent 30 percent or more of household income on housing.

Source: U.S. Census Bureau, 2010 American Community Survey

### **Newton, Massachusetts**

Newton is a fully-developed suburban community of 85,146 (2010 census) at a distance of six miles west of Downtown Boston. Among the important demographic characteristics of Newton in comparison to Greater Boston (which extends to Worcester and into portions of adjacent states) from the census are these:

- high median household income (\$112,230 for Newton, versus \$64,509 for the state)



*October 16, 2014*

*Mr. Warren A. Madden*

*Division of Capital Asset Management*

- high average per capita income
- low incidence of poverty
- high educational attainment
- high proportion of managers and professionals
- low proportion of persons employed in construction, production and other blue-collar positions
- high proportion of single-family dwellings
- average proportion of units in small multi-family buildings of 2-9 units
- low proportion of units in large multi-family buildings of 10+ units
- older housing stock
- high median single-family dwelling value (\$750,000 for Newton in 2011, compared to \$286,000 for Massachusetts)
- high median rent
- high proportion of households with two or more cars

*Source: The Warren Group*

Newton is geographically large and is made up of a number of distinct "villages," each with its own character. Newton's roads consist largely of older, major through roads that connected its villages. Washington Street, Beacon Street and Commonwealth Avenue are major east-west roads. Route 128 was later installed as Boston's major circumferential highway, passing along Newton's southern and western borders at the Charles River, with interchanges at Needham Street, Route 9, Commonwealth Avenue and Washington Street. The Massachusetts Turnpike (Route I-90) was installed as the state's major east-west highway, following a course parallel to Washington Street and the rail corridor through northern Newton, with interchanges at Newton Corner, West Newton (to and from Boston only) and Route 128. The highways have had a substantial effect on commercial development in the areas near the interchanges.

October 16, 2014

Mr. Warren A. Madden

Division of Capital Asset Management

## Newton

2010 Population 85,146

### Laborforce, Employment and Unemployment

(not seasonally adjusted)

| Month   | Year | Labor Force | Employed | Unemployed | Unemployment Rate |
|---------|------|-------------|----------|------------|-------------------|
| 10      | 2013 | 48,223      | 45,854   | 2,369      | 4.9               |
| 9       | 2013 | 48,240      | 45,844   | 2,396      | 5.0               |
| 8       | 2013 | 48,774      | 46,430   | 2,344      | 4.8               |
| 7       | 2013 | 49,065      | 46,509   | 2,556      | 5.2               |
| 6       | 2013 | 48,685      | 45,995   | 2,690      | 5.5               |
| 5       | 2013 | 47,849      | 45,713   | 2,136      | 4.5               |
| 4       | 2013 | 47,646      | 45,730   | 1,916      | 4.0               |
| 3       | 2013 | 47,312      | 45,565   | 1,747      | 3.7               |
| 2       | 2013 | 47,242      | 45,448   | 1,794      | 3.8               |
| 1       | 2013 | 47,543      | 45,488   | 2,055      | 4.3               |
|         |      |             |          |            |                   |
| Annual  | Year | Labor Force | Employed | Unemployed | Unemployment Rate |
| Average | 2012 | 47,617      | 45,594   | 2,023      | 4.2               |
| Average | 2011 | 47,299      | 45,100   | 2,199      | 4.6               |
| Average | 2010 | 47,083      | 44,490   | 2,593      | 5.5               |
| Average | 2009 | 46,110      | 43,547   | 2,563      | 5.6               |
| Average | 2008 | 46,404      | 44,751   | 1,653      | 3.6               |
| Average | 2007 | 46,078      | 44,712   | 1,366      | 3.0               |
| Average | 2006 | 45,718      | 44,221   | 1,497      | 3.3               |
| Average | 2005 | 46,420      | 44,861   | 1,559      | 3.4               |
| Average | 2004 | 46,359      | 44,738   | 1,621      | 3.5               |
| Average | 2003 | 46,835      | 44,923   | 1,912      | 4.1               |
| Average | 2002 | 47,142      | 45,283   | 1,859      | 3.9               |
| Average | 2001 | 47,506      | 46,216   | 1,290      | 2.7               |
| Average | 2000 | 47,343      | 46,486   | 857        | 1.8               |

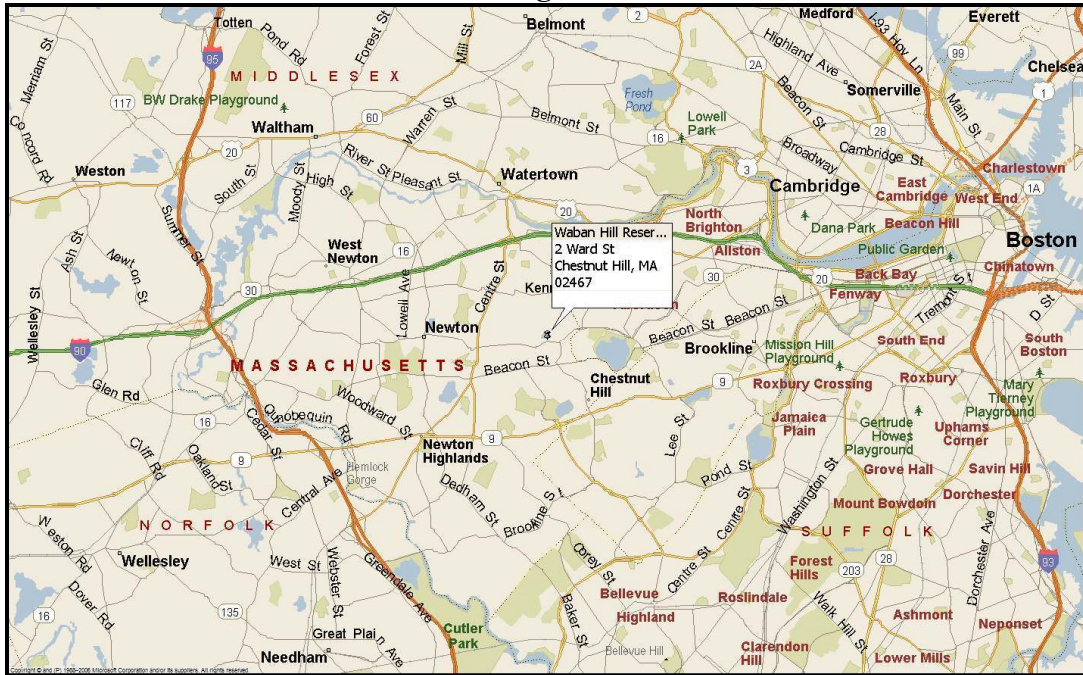
October 16, 2014

Mr. Warren A. Madden

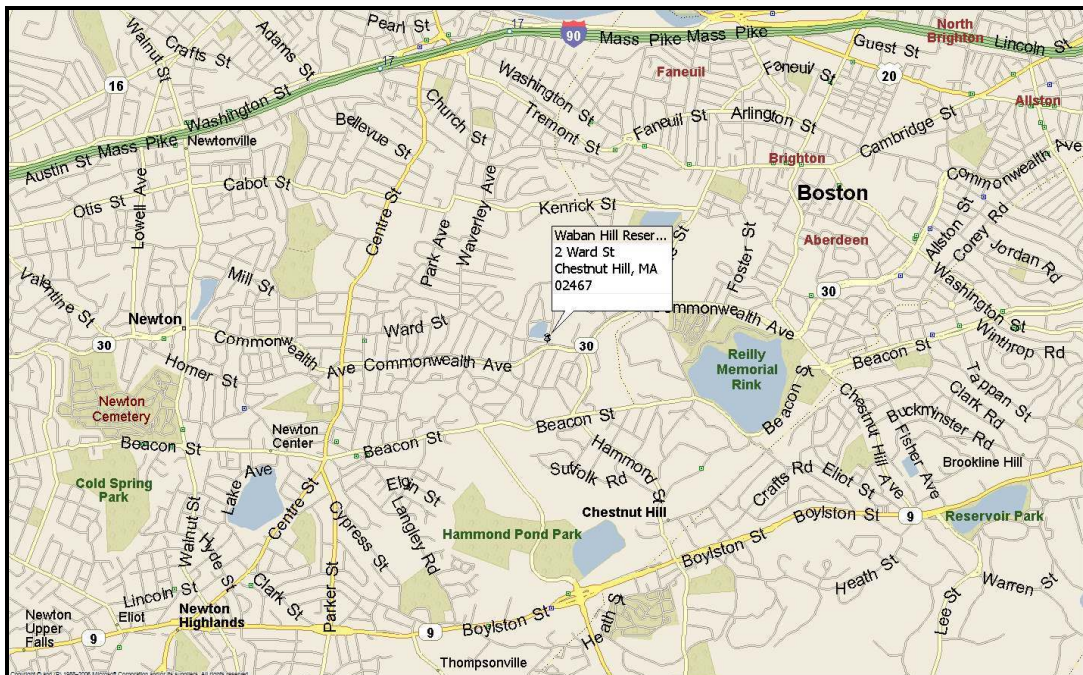
Division of Capital Asset Management

## Location Maps

### Region



### Town



October 16, 2014

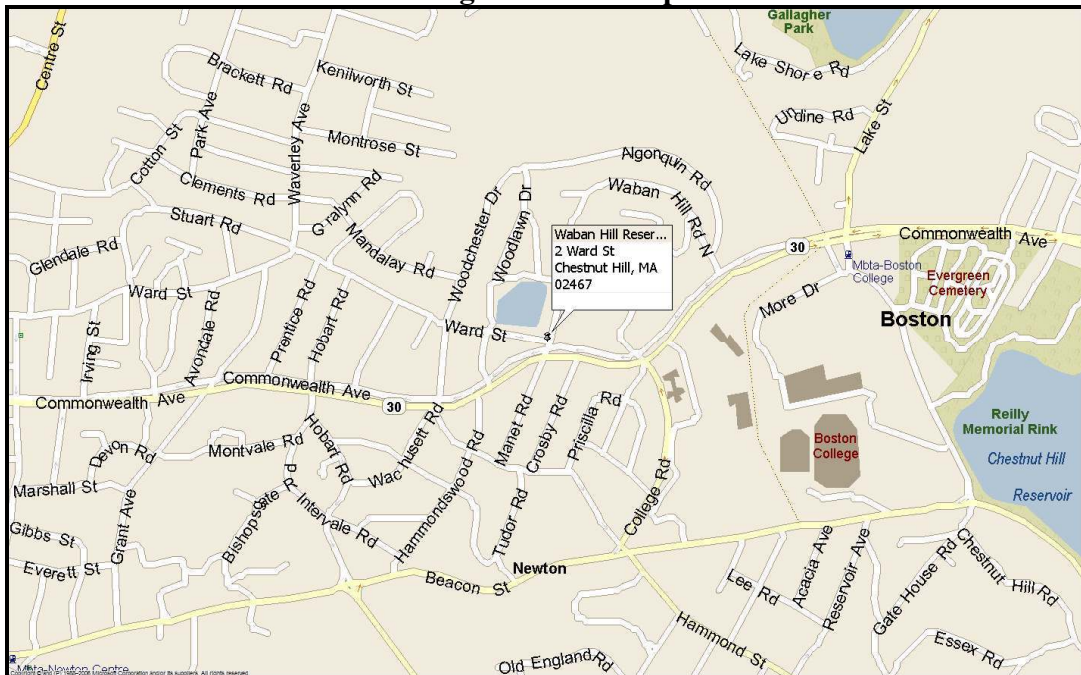
Mr. Warren A. Madden

Division of Capital Asset Management

### **Subject Neighborhood**

The subject property is located in the Chestnut Hill section of Newton, near the Boston City Line and the Boston College campus. Chestnut Hill is an affluent New England village located six miles west of Downtown Boston, Massachusetts, United States. Like all Massachusetts villages, Chestnut Hill is not an incorporated municipal entity. Unlike most Massachusetts villages, it encompasses parts of three separate municipalities, each located in a different county: the town of Brookline in Norfolk County; the city of Boston in Suffolk County (parts of its neighborhoods of Brighton and West Roxbury), and the city of Newton in Middlesex County. Chestnut Hill's borders are roughly defined by the 02467 ZIP Code. Chestnut Hill is not a topographical designation; the name refers to several small hills that overlook the 135-acre Chestnut Hill Reservoir rather than one particular hill. Chestnut Hill is best known as the home of Boston College, part of the Boston Marathon route (Heartbreak Hill), as well as the Collegiate Gothic canvas of landscape architect Frederick Law Olmsted.

### **Neighborhood Map**



October 16, 2014

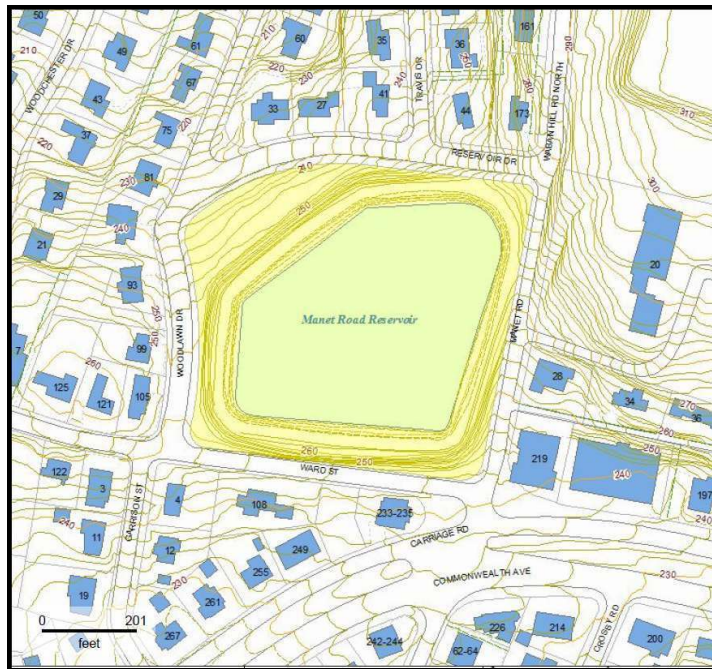
Mr. Warren A. Madden  
Division of Capital Asset Management

## Property Description

### Site

The Waban Hill Reservoir Dam was constructed in the late nineteenth century, to provide high service pressure and storage of water for the City of Boston and neighboring communities. The reservoir was filled by water pumped through a water supply pipeline located in the pump house. The dam comprises 2.9 acres in the 5 acre terrain, with a length of 1,100 feet (along Ward Street or Woodlawn Drive), and a height of 22 feet, as measured from the toe of the embankment along the southern (Ward Street) side. Along the entire periphery of the reservoir, the crest of the berm is flat with a width of approximately 15 feet. The average height of the dam is 269.5 ft. above sea level, which is one of the highest points of elevation in Newton.

Though originally constructed to supply drinking water for proximal residents in Newton and Boston, the reservoir has not been used for that purpose for many years. The MWRA has now determined that the Waban Hill Reservoir is no longer needed, and is now in the process of de-commissioning the reservoir.



*October 16, 2014*

*Mr. Warren A. Madden*

*Division of Capital Asset Management*



*View of Reservoir, from Manet Road at Reservoir Drive*



*View of Manet Road, looking southerly from Reservoir Drive*

*October 16, 2014*

*Mr. Warren A. Madden*

*Division of Capital Asset Management*



View of Reservoir Drive, looking westerly from Manet Road



View of Reservoir, from Reservoir Drive at Woodlawn Drive

*October 16, 2014*

*Mr. Warren A. Madden*

*Division of Capital Asset Management*



View of Reservoir Drive, looking easterly



View along Woodlawn Drive, looking southerly



*October 16, 2014*

*Mr. Warren A. Madden*

*Division of Capital Asset Management*



View of Gatehouse, at intersection of Woodlawn Drive and Ward Street



View along Woodlawn Drive, looking northerly

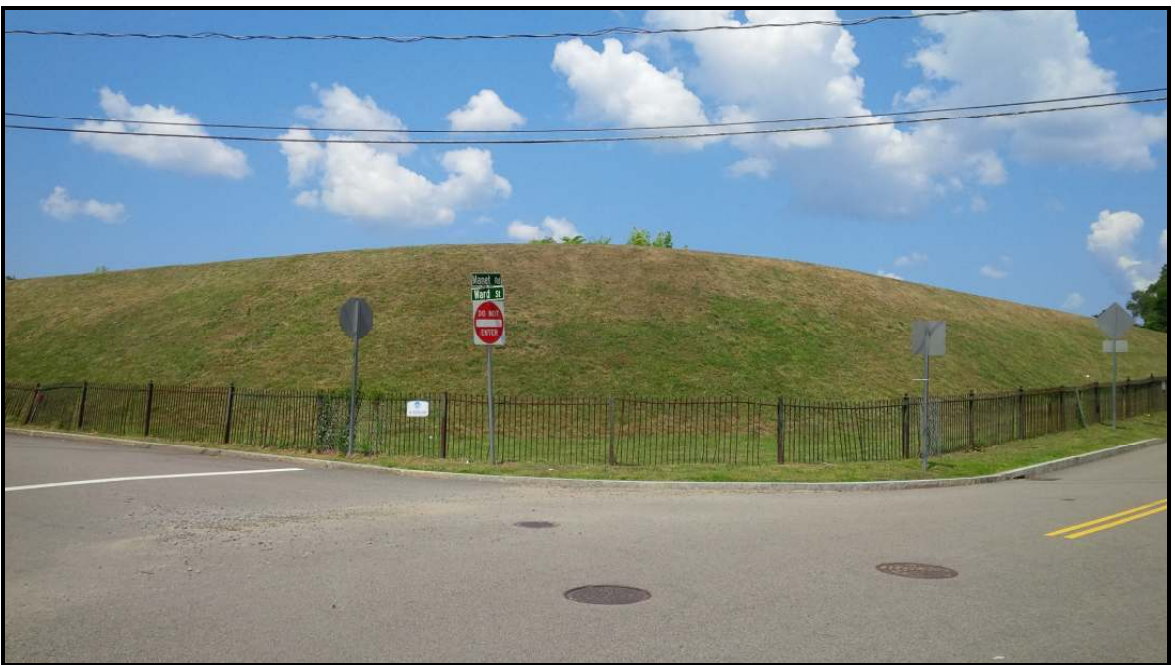
*October 16, 2014*

*Mr. Warren A. Madden*

*Division of Capital Asset Management*



View along Ward Street, looking easterly



View of Reservoir, from Ward Street at Manet Road

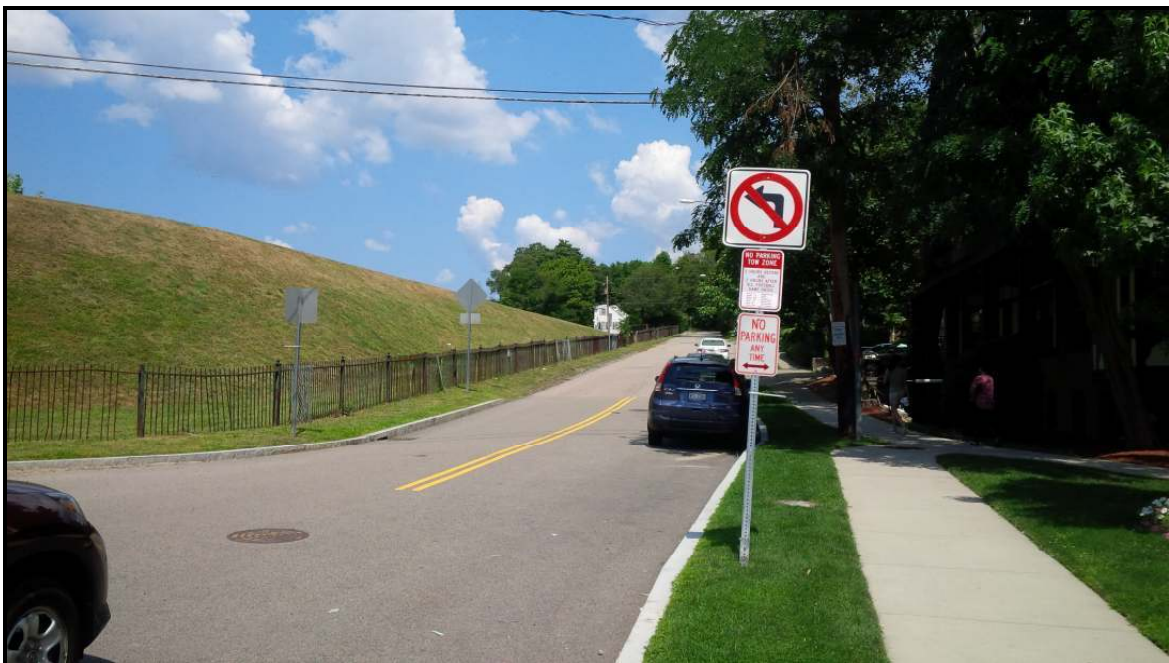
October 16, 2014

Mr. Warren A. Madden

Division of Capital Asset Management



View along Ward Street, looking westerly



View along Manet Road, looking northerly

October 16, 2014

Mr. Warren A. Madden

Division of Capital Asset Management

**Zoning** – The subject property is zoned for Public Use. The following has been excerpted from the City of Newton Zoning Ordinance:

**DIVISION 1. PUBLIC USE DISTRICTS AND OPEN SPACE/RECREATION DISTRICTS**

**Sec. 30-6. Allowed Uses for Public Use Districts.**

In public use districts, land, structures and buildings may be used, or may be designed, arranged or constructed for one or more of the following purposes, provided site plan approval is obtained in accordance with the provisions of section 30-23 or in accordance with the provisions of section 5-58 if the City of Newton is the owner of the building to be constructed:

- (a) Public streets and highways;
- (b) Commons;
- (c) Public gardens;
- (d) Parks and conservation areas;
- (e) Playgrounds;
- (f) Public parking lots;
- (g) Railroads;
- (h) Waterworks reservations;
- (i) Public purposes;
- (j) Publicly-owned cemeteries;
- (k) Other uses similar or accessory to those authorized in 30-6, provided, however, that the board of aldermen may vote to approve requests for temporary licenses to use such land, structures or buildings for the purposes of farmers' markets, farm stands, fairs, festivals and other like uses, either profit or nonprofit in nature, upon request by citizens' groups or individuals without complying with section 30-23, except as to a community farm, conservation areas, land, structures or buildings subject to control of the school committee, and land, structures or buildings subject to control of the parks and recreation department, wherein such approval shall be by the farm commission, the conservation commission, school committee, or parks and recreation department, respectively. No other use or design and arrangement of any such land, structure or building thereon or thereover except as provided above shall be permitted until the land concerned shall have been rezoned in accordance with this chapter. No such rezoning shall affect the use of such land, structure or building for any of the purposes specifically set forth in section 30-6, whether or not carried on simultaneously with such other zoned use. Nothing in this section shall prohibit the use or design and arrangement of land, structure or building in this district by religious or nonprofit educational uses pursuant to the provisions of section 30-5(a)(2). (Ord. No. T-148, 5-20-91; Ord. No. V-156, 1-5-98; Ord. No. X-208, 04-18-06)

*October 16, 2014*

*Mr. Warren A. Madden*

*Division of Capital Asset Management*

**Flood Zone** – According to the most recent FIRM maps provided by the FEMA web site, subject property is not located within the flood hazard areas.

**Improvements, Equipment, and Personal Property**

The properties are unimproved. No personal property and/or equipment is included with the real estate valued here.

**Contamination**

It may be noted that the inspection revealed no indications of contamination. For the purpose of this appraisal, the property is valued as though free of contamination. The subject property does not appear on the Massachusetts DEP Reportable Release Lookup list.

October 16, 2014

Mr. Warren A. Madden  
Division of Capital Asset Management

## Highest and Best Use

The American Institute of Real Estate Appraisers, now the Appraisal Institute, defines highest and best use as follows.

“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. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.” (*The Appraisal of Real Estate*, Tenth Edition, Chicago, 1992, p. 45)

There are four essential steps in analyzing the highest and best use of the subject property. The first step is a consideration of possible uses and elimination from consideration of those uses that are not physically possible on the site. The second step is a review of legal uses or permissible uses and elimination from consideration of those uses that are not allowed under the current zoning or any deed or other legal restrictions. The third step is a review of feasible uses. Feasible uses are uses that will produce any return on investment to the owner of the site; those uses that do not produce any return are eliminated from consideration. The fourth and final step is a determination of the single use from among the uses remaining under consideration which will produce the highest return to the owner. This use is the "highest and best" use and is the use on which the valuation analysis is based.

It is important to note the limits to which it is possible to be specific in the determination of highest and best use. For instance, in a market in which similar parcels of land are purchased for retail use, office use, and hotel use, it may be possible only to specify that the highest and best use for a subject property is for general commercial development.

The highest and best use of the property as improved may be different from the highest and best use of the site as if vacant. This occurs when the improvement to the site is an under-improvement or not an appropriate use but still contributes to the value of the property in excess of the value of the vacant site.

Highest and best use of land or a site as though vacant is defined as follows.

“Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.” (*The Dictionary of Real Estate Appraisal*, Third Edition, Chicago, 1993, p. 171)

*October 16, 2014*

*Mr. Warren A. Madden*

*Division of Capital Asset Management*

As If Vacant - The subject property is encumbered by a conservation restriction that limits the use of the parcel to open space or active or passive recreation. The highest and best use of the property is for conservation, open space and recreation (passive or active) purposes.

As Improved - The subject property is unimproved.

**History & Recent Use**

In accordance with the Standards of Professional Appraisal Practice of the Appraisal Institute, for a property such as the subject, the appraiser must consider and analyze any sales of the property which have occurred within the past three years. The property has been owned by the Commonwealth of Massachusetts for more than twenty years and had been a part of the public water supply.

October 16, 2014

Mr. Warren A. Madden  
Division of Capital Asset Management

## ANALYSIS AND CONCLUSIONS ---

### **Appraisal Process**

The purpose of this report is to arrive at an estimate of the Market Value of the subject property. This is achieved by a systematic gathering, classification, and analysis of data that is required in the development of the three basic approaches to value: the Cost Approach, the Sales Comparison Approach, and the Income Capitalization Approach.

The *Cost Approach* consists of estimating the replacement cost of all improvements, deducting accrued depreciation from all sources, and adding the value of the land. This is estimated by comparison of the subject to recent sales of similar land. This approach has its strongest reliability in applications involving real estate with new or fairly new structures or with improvements that are designed for a special purpose and which could not be readily converted to other uses.

The *Sales Comparison Approach* involves a comparison of the subject property to similar properties that have actually sold in arms-length transactions or are offered for sale. Sale and asking prices are adjusted to reflect the significant differences, if any, which exist between the sale property and the subject property and the adjusted prices are correlated into a final, indicated subject value. This approach demonstrates what buyers have been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market and is particularly useful in estimating the value of land and properties that are typically owner-occupied. The value generated by analysis of sales typically embraces fee simple interests as in the case of owner-users or leased fee interests at or near market rent levels.

The *Income Capitalization Approach* involves an analysis of the income earning capabilities of the subject property by estimating the Market Rent and deducting the operating expenses necessary to support the estimated rent. The net income remaining after expenses is converted into an indication of Market Value, through capitalization. This approach is particularly applicable to estimating the value of properties that are normally rented to provide a return on investment (acquisition cost) and that are typically purchased for investment purposes

The subject property will be valued by the Sales Comparison Approach. The other approaches to value do not apply because the highest and best use of the subject property is as land for municipal uses and land for open space and no income stream is attributable to the property, nor are there any significant improvements on the subject property.



October 16, 2014

Mr. Warren A. Madden  
Division of Capital Asset Management

### **Sales Comparison Approach**

This approach provides a useful analytical tool which attempts to abstract from actual realty conveyances a common denominator, typically expressed as sale price per physical or economic unit, and is subsequently adjusted to reflect the characteristics of the subject, which serve as the standard. Adjustments to the comparable sales are made for such factors as time, location, size, topography, shape, and frontage, as well as other economic factors affecting market value.

A survey of land sales in the Newton area, including Middlesex County and surrounding areas, was conducted by the appraisers. Particular attention was focused on sales for conservation uses similar to the subject property. The following sales were considered.

| <b>City</b> | <b>Address</b>        | <b>Sale Date</b> | <b>Sale Price</b> | <b>Acres</b> | <b>\$/Acre</b> | <b>Seller</b>    | <b>Buyer</b>         |
|-------------|-----------------------|------------------|-------------------|--------------|----------------|------------------|----------------------|
| Newburyport | Curzon Mill           | 6/27/2014        | \$212,500         | 5.00         | \$42,500.00    | Welch RT         | City of Newburyport  |
| Newburyport | 99 Curzon Mill        | 6/27/2014        | \$212,500         | 5.22         | \$40,708.81    | Welch RT         | City of Newburyport  |
| Concord     | 22 Fairhaven          | 7/2/2013         | \$450,000         | 12.58        | \$35,771.07    | MJ Thompson      | Meyer FT             |
| Brookline   | Fisher Hill Reservoir | 2/10/2011        | \$800,000         | 9.93         | \$80,563.95    | DCAMM            | Town of Brookline    |
| Sudbury     | L69 Chanticleer       | 2/25/2010        | \$200,000         | 9.40         | \$21,276.60    | Bowker Land Corp | Clearwater Pond, LLC |
|             | Average               |                  | \$375,000         | 8.43         | \$44,164.08    |                  |                      |
|             | Median                |                  | \$212,500         | 9.40         | \$40,708.81    |                  |                      |

The sales used here consist of recent transfers in the geographical area competitive with the subject and include properties of similar size and nature. The subject property has been compared with five sales. The sales span the time period from February 2010 to June 2014. One of the sales (in Brookline) was purchased by the Town of Brookline, from the Commonwealth of Massachusetts and is the sale of a reservoir. The Sudbury sale is the transfer of a pond to a trust comprised of the abutters. The remaining sales and offerings consist of residential lands that were subject to conservation restrictions. The sales present a range of sales prices from about \$21,000 per acre to \$80,500 per acre.

The market for state owned land is extremely limited since it requires an act of the Legislature to accomplish a transfer. The subject property is encumbered with restrictions that preclude development of the property, and prescribe allowed uses of the property.

**Conditions of Sale** – All of the sales listed above are arm's length transactions with both buyer and seller acting out of self-interest. The sale from The Commonwealth to the Town of

*October 16, 2014*

*Mr. Warren A. Madden*

*Division of Capital Asset Management*

Brookline is included here because it is a very similar transaction compared to the one contemplated for the subject. The fiduciary duty that the Commonwealth has not to sell the property for too little is matched by the duty of the town not to overpay.

**Date of Sale (Market Conditions)** - The sales span the time period from February 2010 to June 2014. The market for conservation land is limited, and there are not enough sales to municipalities to track changes in prices. The general market has seen increasing residential land prices over the period spanned by the sales. We have reviewed transfers of land for conservation purposes and have concluded that time adjustments of 5% per year are warranted over the period in question.

**Location** - The subject property is located in Newton, along Ward Street. The sales are located in the towns of Brookline, Newburyport, Sudbury and Concord. Differences between the communities vary. The sales have been adjusted for locational differences.

**Frontage and access and abutters** - The subject site is surrounded by roadways which limits the desirability of the property to an abutter (there are no true abutters) or to a nearby property owner. The sales were all abutted by potential purchasers/interested parties that could drive up demand and prices. We have adjusted each sale downward to account for this superior element of each sale.

**Land Area** – Land area and price per acre are inversely proportional. That is, the larger the site, the lower the price per acre. The cause of this trend is the larger competitive market of buyers capable of making the purchase of a smaller site; the larger market results in higher price per acre. The trend is borne out in a number of analyses conducted by this office. Studies indicate that as size doubles, price per square acre declines by 5% to 10%. For adjustment of the sales, adjustments of up to 5% are applied here for each doubling or halving that is required to make a property equal in size to the subject.

**Zoning and Use** - The subject is zoned for public use, and is restricted to conservation use. None of the sales have similar underlying zoning as the subject, but all are subject to conservation restrictions similar to those at the subject. Properties that sell unencumbered by restrictions tend to sell at a higher price per square foot or acre than otherwise similar but encumbered parcels. This is due to the fact that restrictions on use for a particular property limit the market for that property. A common restriction is for a property to be used as open/recreational space. This generally limits the market of buyers to governmental or conservation entities. A restriction for a municipal use tends to limit the market for a

*October 16, 2014*

*Mr. Warren A. Madden*

*Division of Capital Asset Management*

property to a city or town (usually the city or town where the property is located). The reduction of market size tends to depress the price paid per square foot or acre. The effect that a use restriction has on price tends to be greater, the greater the extent of the restriction. A study by this office of the differences in price per acre obtained by conservation/recreation land sales and residential development land sales shows that for open space or conservation restrictions the effect can be up to 50%. For municipal use restrictions the effect tends to be lower. The sales without restrictions are adjusted downward by 20%. Sales with restrictions similar to the subject require no adjustment.

**Conclusion** – After adjustments, the comparable sales indicate a range of values from about \$40,000 per acre to \$90,000 per acre (rounded). The assignment of influence in each case is based on the appraiser's judgment of the reliability of that sale as an indicator of the value of the subject. It depends on such factors as the amount of adjustments required to produce the value indicator from a given sale, its similarity to the subject, the proximity in time, and other such factors. We have concluded to a value indication near the top of the range.

Therefore, based on the foregoing analysis, an overall unit value of \$80,000 per acre is concluded for the subject. With 5.06 acres, the estimated value of the land is \$404,800.

Mr. Warren A. Madden  
 Division of Capital Asset Management

Waban Hill Reservoir  
 Newton, MA

| Adjustment Chart              | SUBJECT    | SALE #1     |       | SALE #2        |       | SALE #3      |      | SALE #4         |      | SALE #5         |      |
|-------------------------------|------------|-------------|-------|----------------|-------|--------------|------|-----------------|------|-----------------|------|
| Waban Hill Reservoir          |            | Curzon Mill |       | 99 Curzon Mill |       | 22 Fairhaven |      | Fisher Hill Res |      | L69 Chanticleer |      |
| Newton                        |            | Newburyport |       | Newburyport    |       | Concord      |      | Brookline       |      | Sudbury         |      |
|                               |            | \$212,500   |       | \$212,500      |       | \$450,000    |      | \$800,000       |      | \$200,000       |      |
| Sale Price/Acre.              |            | \$42,500.00 |       | \$40,708.81    |       | \$35,771.07  |      | \$80,563.95     |      | \$21,276.60     |      |
| Sale Terms:                   | standard   | standard    | 0%    | standard       | 0%    | standard     | 0%   | standard        | 0%   | standard        | 0%   |
| Terms (Financing):            | standard   | standard    | -5%   | standard       | 0%    | standard     | 0%   | standard        | 0%   | standard        | 0%   |
| Property Rights:              | fee simple | fee simple  | 0%    | fee simple     | 0%    | fee simple   | 0%   | fee simple      | 0%   | fee simple      | 0%   |
| Date of Sale:                 | Aug-14     | Jun-14      | 1%    | Jun-14         | 1%    | Jul-13       | 6%   | Feb-11          | 17%  | Feb-10          | 22%  |
| Adjustment:                   |            |             | -4%   |                | 1%    |              | 6%   |                 | 17%  |                 | 22%  |
| Price Adjusted for Conditions |            | \$40,800.00 |       | \$41,115.90    |       | \$37,917.33  |      | \$94,259.82     |      | \$25,957.45     |      |
| Location:                     | good       | inferior    | 50%   | inferior       | 50%   | inferior     | 35%  | equal           | 0%   | inferior        | 50%  |
| Zoning                        | Rstrctd    | superior    | -20%  | superior       | -20%  | equal        | 0%   | equal           | 0%   | superior        | -20% |
| Land Area                     | 5.06       | 5.00        | 0%    | 5.22           | 0%    | 12.58        | 20%  | 9.93            | 15%  | 9.40            | 13%  |
| Exposure/access               | good       | inferior    | 10%   | inferior       | 10%   | inferior     | 10%  | equal           | 0%   | inferior        | 20%  |
| abutters                      | none       | superior    | -10%  | superior       | -10%  | superior     | -10% | superior        | -20% | superior        | -10% |
| Adjustment:                   |            |             | 30%   |                | 30%   |              | 55%  |                 | -5%  |                 | 53%  |
| Adjusted Price/acre:          |            | \$53,040.00 |       | \$53,450.67    |       | \$58,771.86  |      | \$89,546.83     |      | \$39,714.89     |      |
| Indicated Price/acre          |            | \$80,000.00 |       |                |       |              |      |                 |      |                 |      |
|                               |            | \$80,000.00 | /acre | 5              | s.f.= | \$404,800    |      |                 |      |                 |      |

Mr. Warren A. Madden  
Division of Capital Asset Management

Waban Hill Reservoir  
Newton, MA

## **RECONCILIATION AND FINAL VALUE ESTIMATE** \_\_\_\_\_

The purpose and intended use of this appraisal is to provide an estimate of market value of the marketable interest in the property, as of August 11, 2014. The following market value conclusion assumes a market exposure of about six to nine months (it is important to note that due to the property types, municipal land and conservation land, that marketing times are more variable than for the broader land market and, in many instances, the properties are purchased without ever being exposed to the market).

The Sales Comparison Approach provides a very good gauge for the value range in which the subject property would fall. The Sales Comparison Approach is considered to be the only reliable approach in this case. This approach generally reflects the motivations of the owner-user segment of the market, a segment that could easily be a likely buyer for the subject property. This approach also provides a reasonably reliable estimate of value, because of the quality of the available sales data. It was the only approach applied because parcels like those of the subject property are generally not purchased for income purposes.

Therefore, as a result of this analysis, which is based upon data contained in our files and on the appraisers' experience with similar assignments, it is our opinion that the market value of the subject property, as described herein, as of August 11, 2014, is \$404,800 (Four Hundred Four Thousand Eight Hundred US Dollars).

## **ADDENDUM**

---

Qualifications of Appraisers  
Appraiser's License

# **T.H. REENSTIERNA LLC**

*Real Estate Appraisers and Consultants*

22 Mill Street, Suite 102

Arlington, Massachusetts 02476

ph: 781-643-5737 • 888-330-7336 • fax: 781-648-6423

www.threenstierna.com

**Qualifications of Mark S. Reenstierna**  
**Certified General Real Estate Appraiser**  
**Massachusetts #3803**  
**New York #46000048184**  
**New Hampshire #801**  
**Georgia #355348**

## **Education**

Suffolk University - Bachelor of Science

### The Appraisal Institute: Courses and Seminars

General Appraiser Report Writing and Case Studies, 2013  
Valuation Case Studies, 2013  
Hotel Valuations and Transaction Trends, 2012  
Market Outlook and Real Estate Trends, 2012  
Cool Tools, New Technology for Appraisers, Seminar 2011  
Site Use and Valuation Analysis, Seminar 2010  
Eminent Domain and Condemnation, Seminar 2010  
National USPAP Update, Seminar 2009, 2011, 2013  
Business Practices and Ethics, Seminar 2009  
Valuation of Detrimental Conditions; Seminar 2007  
Internet Search Strategies, Seminar 2007  
Appraising Convenience Stores; Seminar 2006  
National USPAP Update, Course I400; 2006  
General Demonstration Report Writing; 2005  
Appraisal Consulting, Seminar 2004  
Economic Outlook and Real Estate Trends, 2004  
Appraisal of Nursing Facilities, Seminar 2003  
Feasibility, Market Value, Investment Timing: Option Value, Seminar 2003  
National USPAP, Course I410N; 2003  
Rates and Ratios; 2003  
Analyzing Operating Expenses; Seminar 2003  
Appraisal of Non-Conforming Uses; 1999  
Standards of Professional Practice, Part C; 1999  
Attacking & Defending an Appraisal in Litigation; 1999  
Highest & Best Use and Market Analysis, Course II520; 1998  
Advanced Income Capitalization, Course II510; 1994  
Standards of Professional Practice, Part B, Course II420; 1993  
Capitalization Theory & Techniques, Part A, Course 1BA; 1992  
Standards of Professional Practice, Part A, Course SPPA; 1992  
Appraising Contaminated Properties, Seminar; 1992  
Understanding the World of International Appraisal, Seminar; 1992  
An Introduction to Appraising Real Property, Course 101; 1991

Professional Practice Seminar, Course 413; 1989

American Law Institute – American Bar Association ALI-ABA  
Condemnation 101: Fundamentals of Condemnation Law and Land Valuation,  
Eminent Domain and Land Value Litigation, January 2007

American Institute of Real Estate Appraisers  
Introduction to the Uniform Residential Appraisal Report, Seminar; 1987

Massachusetts Continuing Legal Education Seminars  
Zoning: A Walk Through The Basics; February 1996  
Recovering Damages for Contaminated Properties; January 1994

Massachusetts Board of Real Estate Appraisers  
Restaurant Valuation Issues, July 2013  
Financial Institutions Guide to Commercial Appraisal, January 2013  
New England Appraisers Expo, Commercial Program, October 2012  
New England Appraisers Expo, Commercial Program, October 2011  
Appraisal of 2-4 Family and Multi-Family Properties, March 2011  
Mortgage Fraud, A Dangerous Business, March 2011  
Appraisal Research, Technology, and the Internet; March 1997

OPIS Executive Education Series  
OPIS Site School, How to Buy, Sell, Finance, Value and Refurbish Petroleum  
Properties; October 2007

Appraisal University  
Retail Center Analysis for Financing, Seminar 2012  
Site Analysis and Land Valuation, Seminar 2012  
Appraising Historic Property, Seminar 2012

Seminars and Lectures Presented  
Massachusetts Association of Assessing Officers: July 2000, October 2001, August 2005  
Appraising Gasoline Service Stations

**Employment**

T. H. Reenstierna, LLC, Arlington, Massachusetts  
President 2011-  
Partner 2000-2010  
Senior Appraiser, 1992-2000  
Real Estate Appraiser, 1985 – 1992

**Affiliations and Associations**

Appraisal Institute: Candidate for Designation  
International Association of Assessing Officers  
Town of Nahant Board of Assessors, 1995-present, Chair 1998-2004, 2010-  
Essex County Assessors Association, Executive Board 2000-2003



Qualified as an Expert to give appraisal testimony in Massachusetts Superior Courts: Bristol County, Hampden County, Middlesex County, Norfolk County, Plymouth County, Land Court

Qualified as an Expert to give appraisal testimony in New York Superior Courts: Erie County

Qualified as an Expert to give appraisal testimony in New Hampshire, before the Bureau of Tax and Land Appeals

Qualified as an Expert to give appraisal testimony: Appellate Tax Board, Boston

Qualified as an Expert to give appraisal testimony: Arbitration Hearings (AAA)

**Appraisal Experience**

Massachusetts: Counties of Suffolk, Middlesex, Norfolk, Essex, Plymouth, Bristol, Barnstable, Worcester, Franklin, Hampden, Berkshire, Hampshire, Nantucket, Dukes

New Hampshire: Counties of Grafton, Hillsborough, Merrimack, Rockingham and Strafford

Connecticut: Counties of Hartford, Fairfield, Middlesex, New Haven, Tolland and New London

Maine: County of Cumberland

Rhode Island: Counties of Kent, Washington and Providence

Illinois: Counties of St. Clair and Cook

Ohio: Counties of Ashtabula, Franklin and Richland

Pennsylvania: Counties of Philadelphia, Bucks, Northumberland and Berks

New Jersey: Counties of Burlington, Ocean, Essex, Hudson, May, Morris, Somerset, Bergen, Passaic and Middlesex

New York: Counties of Monroe, Niagara, Richmond, Putnam, Suffolk, Westchester, Orange, Albany, Saratoga, Kings, Queens, Bronx, New York, Nassau, Warren, Erie and Cayuga

Virginia: County of Fairfax

Maryland: County of Montgomery

Missouri: County of Boone

Wisconsin: Counties of Ozaukee and Milwaukee

Kansas: Counties of Sedgwick and Reno

Work performed in appraisal field includes market studies, consulting, and feasibility assignments. Property rights appraisals include fee interests, leasehold and leased fee estates, life-tenancies, partial takings, rental values, and other fractional interests in connection with the sale of real estate, financing, eminent domain takings (for both owners and taking authorities), estate valuations, probate court proceedings and municipal assessments. Experience in the valuation of various kinds of real estate including:

Land: acreage, farmland and wetlands, planned unit developments and mobile home parks, residential lots, commercial and industrial sites

- Residential: one-, two-, and three-family homes, condominiums and townhouses, multi-unit apartment buildings, manufactured housing communities, rooming houses
- Commercial: gasoline service stations, banks, fast food restaurants, golf courses, medical condominiums, office parks, office buildings, office condominiums, parking lots, shopping mall, skating rinks, mixed-use properties, store blocks, taverns, restaurants, automobile dealerships, self-storage facilities, communications towers
- Industrial: factories, warehouses, distribution facilities, seafood processing facilities, garages, industrial parks, laboratories, research & development facilities
- Non-Profit: lodge facilities, municipal buildings, schools
- Easements: construction (permanent & temporary), conservation, roadway, sewer

**A Partial List of Clients:**

- Corporate: ExxonMobil Corporation  
Faulkner Hospital  
Cumberland Gulf Group
  - Governmental: Town of Arlington  
Town of Brewster  
Town of Lexington  
Town of Nantucket  
National Park Service  
Town of Wrentham  
Town of Millbury  
City of Woburn
  - Banks: Belmont Savings Bank  
Winchester Savings Bank  
Danvers Savings Bank
  - Law Firms: Foley, Hoag & Eliot  
Goodwin, Procter & Hoar  
Hale and Dorr/WilmerHale  
LaTanzi, Spaulding & Landreth  
Widett, Slater and Goldman  
Masterman, Culbert & Tully  
Peabody and Arnold  
Seyfarth Shaw  
Tyler & Reynolds  
Greenberg Traurig  
Kopelman & Paige
- First General Realty Corporation  
Tenneco, Inc.  
Guilford Transportation
  - City of Medford  
City of Newton  
Brookline Housing Authority  
Town of Mashpee  
City of Springfield  
Town of Stoughton  
Town of Winchester
  - Marblehead Savings Bank  
Lexington Savings Bank  
Cambridge Savings Bank
  - Palmer and Dodge  
Rackeman, Sawyer, & Brewster  
Rubin and Rudman  
Warner and Stackpole  
Bernkopf, Goodman & Baseman  
Marcus, Errico, Emmer & Brooks  
Nutter McClennen & Fish  
Gesmer Updegrave  
Nixon Peabody  
Posternak Blankstein & Lund  
McLane

**COMMONWEALTH OF MASSACHUSETTS  
DIVISION OF PROFESSIONAL LICENSURE**

BOARD OF

REAL ESTATE APPRAISERS

ISSUES THE FOLLOWING LICENSE AS A  
CERT. GEN. REAL ESTATE APPRAISER

MARK S REENSTIERNA

PO BOX 212

NAHANT

MA 01908-0212

3803

03/25/16

191312

LICENSE NUMBER

EXPIRATION DATE

SERIAL NUMBER

LICENSEE SIGNATURE

