

Karen Edwards

From: Eric Lund <lund@atlas.sr.unh.edu>
Sent: Wednesday, February 02, 2022 2:10 PM
To: Karen Edwards
Cc: Rick Taintor
Subject: Comments to Planning Board re: Mill Road Plaza

Please forward the comments below, and the attached graphic, to the Planning Board and post on the website for the Mill Road Plaza. Also please let me know if the graphic (a scan of the appraisal report that was prepared for my house purchase in 1998) is not of sufficient quality, or if it would be desirable for the Planning Board to see the full document (4 pages); I can visit Town Hall tomorrow morning if needed to get the full document scanned.

Dear members of the Planning Board:

This comment is on the subject of appraisal reports and transparency in research.

In a letter dated 11 January 2022, Mr. Brian White, who previously prepared an appraisal report on behalf of the applicants, dismissed the issues raised by Mr. Matthew Meskill regarding Mr. White's report on the grounds that Mr. Meskill is not a certified appraiser. As Mr. White should be aware, appraisal reports are typically meant to be evaluated by loan originators such as Mr. Meskill, and loan originators have the discretion to reject appraisal reports that do not meet the loan originator's standards. Thus one does not need to be a licensed appraiser to find that Mr. White's previous report is deficient.

I am in possession of a copy of the appraisal report that was commissioned by the bank that originated the mortgage loan I used to purchase my house at 31 Faculty Rd. in 1998. The attached graphic is a scan of the page that includes sales of comparable properties in Durham in the months preceding the closing on my house. The appraiser, Mr. Thomas Mullin (whom I have never met or had dealings with before or since), explains clearly in his report his basis for choosing the comparable properties and what adjustments he made in the sale values of the comparable properties to evaluate the reasonableness of the purchase price for my house. In my case, one of the comparable properties is elsewhere in the Faculty neighborhood, one is on "Davis Street" (presumably Davis Avenue was meant), and one is on Ambler Way. As many commenters have noted, Mr. White's appraisal report made no attempt to compare sale prices of properties on Faculty Road to sales of properties elsewhere in Durham. Davis Avenue would have been a particularly good choice for comparison to Faculty Road as the former is a similar distance from the UNH campus but not close to the Mill Road Plaza.

Also of note is what Mr. Mullin did not include in his calculation of values of comparable properties to mine. He explicitly made no allowance for differing lot sizes even though the lot on Ambler Way is more than twice the size of my lot and either of the other two comparable properties. He also did not make any adjustments for location, despite Faculty Road being significantly busier than the streets the comparable properties are located on and Ambler Way being significantly less walkable (it is much further from likely destinations, and there are no sidewalks on Canney Rd., which must be used to access Ambler Way) than the Faculty or Davis Avenue neighborhoods.

The transparency of Mr. Mullin's report is to be contrasted with that of Town Assessor Jim Rice, who claimed in a memo to the Planning Board that he had performed research supporting Mr. White's conclusions, but did not provide a reference or link in the memo to a place where an interested party might read his research report, and to this date has still not provided any such reference or link in the documents posted on the Town website for the Plaza project. As a research scientist by profession whose research is, like Mr. Rice's research, funded by the public, I am required to adhere to standards of transparency in data sources and methodology that Mr. Rice has not met. NASA, for example, has an explicit requirement to make data available: "In keeping with the NASA approach for Increasing Access to Results

of Federally Funded Research, most proposals to ROSES will be required to provide a data management plan (DMP) or an explanation of why one is not necessary given the nature of the work proposed. If a DMP is required, the sufficiency of the data management plan will be evaluated as part of the proposal's intrinsic merit and will have a bearing on whether or not the proposal is selected." (Source: NASA Research Opportunities in Space and Earth Sciences-2021, issued 12 February 2021.) Many journals have a policy that authors are expected to cite data sources, and that reviewers are expected to verify that all of the data used in the paper are included and that hyperlinks point to the right places; Geophysical Research Letters, a journal where I have both published and reviewed multiple papers, has such a policy. Since Mr. Rice has not, so far as the record shows, published this research, it is not possible to evaluate the soundness of his methodology and whether his data support his conclusions. One of many possible pitfalls: as I noted above, it was not standard practice in 1998 to include adjustments to property values for different locations within the Town of Durham. If this is still the case with the data Mr. Rice works with, then by using those data Mr. Rice implicitly assumes the conclusion, and his research actually proves nothing. As matters currently stand, nobody can determine whether this is an issue with Mr. Rice's research. Therefore, unless Mr. Rice provides this research to the Planning Board and public and gives them adequate time to evaluate the quality of his research, that research should not be regarded as part of the public record for this application.

Thank you for your consideration.

Eric Lund
31 Faculty Rd.

ESTIMATED SITE VALUE = \$ 40,000

ESTIMATED REPRODUCTION COST-NEW OF IMPROVEMENTS:

Dwelling Sq. Ft. @ \$ = \$

Sq. Ft. @ \$ = \$

Garage/Carport Sq. Ft. @ \$ = \$

Total Estimated Cost New = \$

Less Physical Functional External

Depreciation = \$

Depreciated Value of Improvements = \$

As-is Value of Site Improvements = \$

INDICATED VALUE BY COST APPROACH = \$ Excluded

Comments on Cost Approach (such as, source of cost estimate, site value, square foot calculation and for HUD, VA and FmHA, the estimated remaining economic life of the property):
 Cost Approach has been excluded. Given the difficulty in accurately measuring all forms of accrued depreciation in a dwelling of this chronological age, the Cost Approach is not considered to be a reliable indicator of value. Site value based on recent land sales per MLS and RETD. See attached sketch page for building dimension.

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
31 Faculty Road Address Durham		49 Oyster River Road Durham	18 Davis Street Durham	3 Amber Way Durham
Proximity to Subject		0.26 Miles South	0.95 Miles Northwest	1.46 Miles Northeast
Sales Price	\$ 160,000	\$ 177,000	\$ 157,900	\$ 164,000
Price/Gross Liv. Area	\$ 82.64 /sq ft	\$ 69.21 /sq ft	\$ 105.27 /sq ft	\$ 83.00 /sq ft
Data and/or Verification Sources	Insp. 11 Sep 1998 Municipal Record	Selling Agent/MLS Municipal Records	Selling Agent/MLS Municipal Records	Selling Agent/MLS Municipal Records
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	* (+) \$ Adjustment	DESCRIPTION
Sales or Financing Concessions		Conventional Fin. No Conc. Disc'd		Conventional Fin. No Conc. Disc'd
Date of Sale/Time		Closed 8/7/98		Closed 6/16/98
Location	Average	Similar		Similar
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple
Site	19350 Sq. Ft.	11325 Sq. Ft. Nominal		15000 Sq. Ft. Nominal
View	Neighborhood	Similar		Similar
Design and Appeal	Colonial/Average	Garrison/Average		Gambrel/Average
Quality of Construction	Average	Superior \$5/SF -9,900		Similar
Age	35 Years	46 Years		34 Years
Condition	Average	Similar		Similar
Above Grade	Total: 8: 4: 1F2H	Total: 7: 4: 2F1H	-1,500	Total: 8: 4: 2F1H
Room Count	15	7		8
Gross Living Area	1,936 Sq. Ft.	1,984 Sq. Ft. Nominal		1,500 Sq. Ft. +6,500
Basement & Finished Rooms Below Grade	Full Basement Unfinished	Full Basement Family room -1,500		Full Basement Family room -1,500
Functional Utility	Average	Similar		Similar
Heating/Cooling	FHW/Nominal	FHW/No A.C.		FHW/No A.C.
Energy Efficient Items	Typical	Typical		Typical
Garage/Carport	1 Car Attached	1 Car Attached		1 Car Att&1 CarPort -1,500
Porch, Patio, Deck, Fireplace(s), etc.	None Fireplace	None Fireplace		Patio -500 Deck -500 No Fireplace +2,000
Fence, Pool, etc.	None of Value	None of Value		None of Value
Other	None	None		None
Net Adj. (total)		\$ 12,900	\$ 6,000	\$ 1,000
Adjusted Sales Price of Comparable		\$ 164,100	\$ 163,900	\$ 163,000

Comments on Sales Comparison (including the subject property's compatibility to the neighborhood, etc.): See Attached Addendum.

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Date, Price and Data Source for prior sales within year of appraisal	No sold in past year per Municipal Record	No other sales in past year per municipal records	No other sales in past year per municipal records	No other sales in past year per municipal records

Analysis of any current agreement of sale, option, or listing of the subject property and analysis of any prior sales of subject and comparables within one year of the date of appraisal.
 See Attached Addendum.

INDICATED VALUE BY SALES COMPARISON APPROACH = \$ 164,000

INDICATED VALUE BY INCOME APPROACH (if Applicable) Estimated Market Rent \$ N/A **Rate x Gross Rent Multiplier** N/A = \$ Excluded

This appraisal is made "as is" subject to the repairs, alterations, inspections or conditions listed below subject to completion per plans and specifications.
 Conditions of Appraisal: No conditions or repairs required, appraisal is made based on the "As is" condition of the property as of the date of valuation.

Final Reconciliation See Attached Addendum. The attached addendum is an integral part of this appraisal report. Based on the comparable sales utilized and current market data, a reasonable marketing period for the subject is considered to be 3 to 6 months. The final value estimate contains no contributory value for personal property.

The purpose of this appraisal is to estimate the market value of the real property that is the subject of this report, based on the above conditions and the certification, contingent and limiting conditions, and market value definition that are stated in the attached Freddie Mac Form 438/Fannie Mae Form 1004B (Revised 6/93).

I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE REAL PROPERTY THAT IS THE SUBJECT OF THIS REPORT, AS OF 09/11/1998 (WHICH IS THE DATE OF INSPECTION AND THE EFFECTIVE DATE OF THIS REPORT) TO BE \$ 164,000

APPRaiser: Signature: *Thomas A. Mullin* Name: Thomas A. Mullin Date Report Signed: 09/23/1998 State Certification #: NHCR-429 State: NH Or State License #: State

SUPERVISORY APPRAISER (ONLY IF REQUIRED): Signature: _____ Name: _____ Date Report Signed: _____ State Certification #: _____ State: _____ Or State License #: _____

Did Did Not Inspect Property