

BROKER OPINION OF VALUE (BOV)

6th Ave Alley, Billings, MT 59101



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David Mitchell, SIOR/CCIM

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TABLE OF CONTENTS

7 PROPERTY INFORMATION

- PROPERTY SUMMARY
- PROPERTY DESCRIPTION
- ZONING MAP
- VALUATIONS

12 SALE COMPARISON APPROACH

- SALE COMPS - BUILDING
- SALE COMPS MAP - BUILDING
- ADJUSTMENTS TO SALES COMPS
- ASSUMPTIONS
- WHY CBC
- DAVID MITCHELL BIO

ENGAGEMENT LETTER/LIMIT OF LIABILITY

March 5, 2024

The liability of Coldwell Banker Commercial is limited to the fee collected from the client. We assume no responsibility for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially or legally. This Opinion should not be used in lieu of a Complete Appraisal Report prepared by a qualified Commercial Appraiser.

David Mitchell

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SALES COMPARISON ESTIMATED VALUE:

\$ 68,612.24 (\$17.15/SQFT)

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SALE

EXECUTIVE SUMMARY

EVALUATION

The property is evaluated utilizing the sales comparison approach. The income approach and cost approach are not utilized in this evaluation.

For the sales comparison approach, the author compared sold land comps which are nearby and within city limits.

304 N 19th St was purchased in July of 2022. It sold for \$250,000.00. It is a 10,500 sqft lot, giving the land a \$23.81 price per sq ft value.

121-129 N 19th St was purchased in December of 2023. It sold for \$110,000.00. 10,500 sqft of bare land giving the land a \$10.48 per sq ft value.

320 N 17th St was purchased in May of 2023. It sold for \$315,000.00. 24,500 sqft of land and improvements sold. The land value equates to \$12.86 per sq ft.

511/512 N 26th St and 514 N 25th St sold in November of 2022. The sale price was \$526,000.00 for 24,500 sqft of land. This equates to \$21.47 per sq ft of land.

These comps all have utilities and have buildable square footage. The subject property value was adjusted to compensate for lack of utilities and lack of buildable area on the 4,000 sqft of land. With these comps, the value of the 4,000 sqft of alley owned by the City of Billings is estimated to be \$68,612.24.



LOCAL LAND MARKET TRENDS

The land market is on the rise in Billings. It is believed the demand for housing will drive the development property segment for the next several years in Billings. We have seen an increase in purchases of development tracts (100+ acres) in the last decade and would expect that pace to continue. There are several smaller developments also in progress. With current growth and family size data, we can expect a demand of approx. 2000 housing units per year. While multi-family housing development has been strong in the last several years, the demand for homes has continued to grow with current new construction not meeting the demand. This dynamic could create an opportunity for a large scale, long term planned development of this type of property.

The pricing for large tracts of development land in the Billings market has ranged from around \$15,000 per acre up to \$90,000 per acre depending on location and entitlements, such as infrastructure and zoning.



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PROPERTY INFORMATION



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SALE

PROPERTY SUMMARY

PROPERTY SUMMARY

PROPERTY ADDRESS:	6th Ave N Alley
PROPERTY CITY, STATE, ZIP:	Billings, MT 59101
PROPERTY COUNTY:	Yellowstone
PROPERTY LEGAL:	N/A

PROPERTY INFO

LOT SIZE:	4,000 sqft
BUILDING SIZE:	0
ZONING:	NONE
WATER:	NONE
SEWER:	NONE
POWER:	NONE
GAS:	NONE

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PROPERTY DESCRIPTION

PROPERTY DESCRIPTION

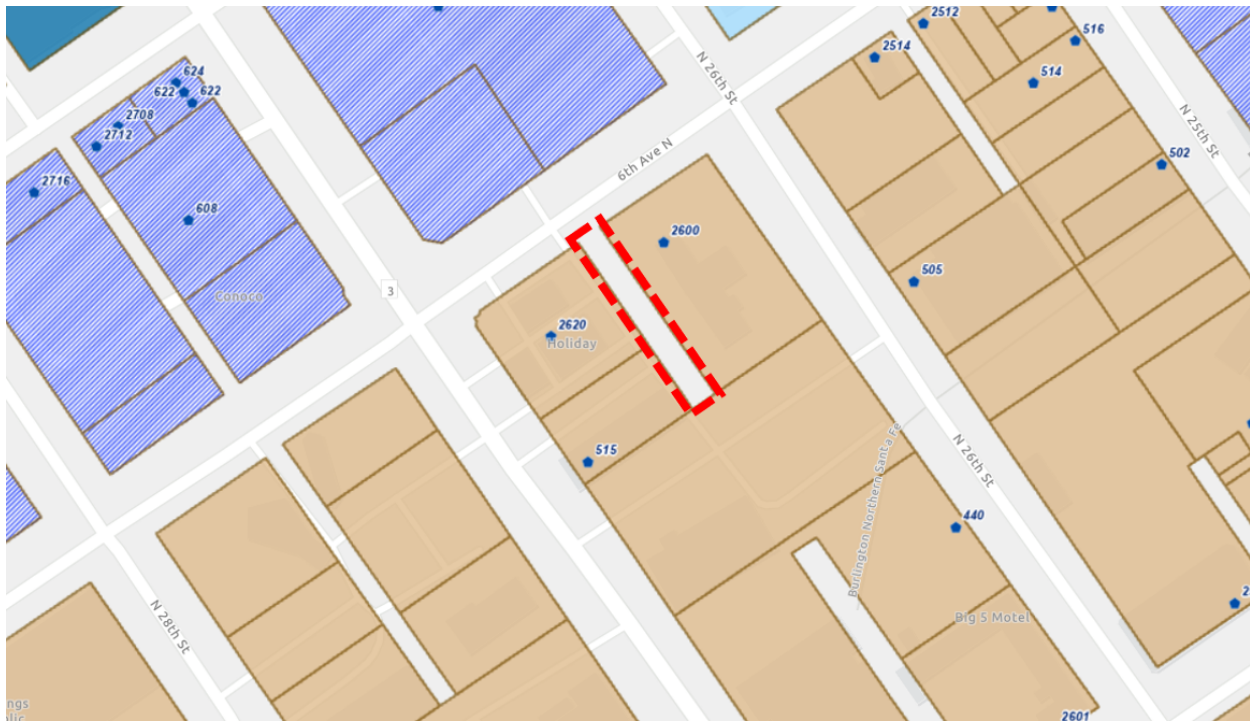
The subject property consists of a 4,000 sqft of land owned by the City of Billings. It has not utilities, poor paving, and no availability for building improvements. The alley was used to collect garbage and service adjacent properties. Currently as it sits, there is not use for it if adjoining properties are not using it.

ZONING

There is no zoning for this piece of land. Surrounding properties are zoned CBD.



ZONING MAP



Zone Code	Zone Name	Zone Code	Zone Name
A	A - Agriculture 10+ Acres*	NO	NO - Neighborhood Office
A1	Agriculture Open	NX1	NX1 - Mixed Residential 1 (1-4 units)
C3	C3 - General Commercial*	NX2	NX2 - Mixed Residential 2 (2 to 8 units)
CBD	Central Business District	NX3	Mixed Residential 3 (>=/>5 du/structure)
CC	Community Commercial	P	Public
CMU1	CMU1 - Corridor Mixed-Use	P1	P1 - Open Space, Parks, Recreation
CMU2	CMU2 - Corridor Mixed-Use - Commercial Centers	P2	P2 - Public - Civic & Institutional
CX	CX- Heavy Commercial	P3	P3 - Public - Campuses - Medical, Civic, Educational
DX	Downtown Support	PUD	PD - Planned Development
EBURD	EBURD	R200	Residential Tracts
HC	Highway Commercial	R60	Residential 6000
HI	Heavy Industrial	R75	Residential 7500
I1	I1 - Light Industrial	RLMF	Residential Limited Multi-Family
I2	I2 - Heavy Industrial	RMF	Residential Multi-Family
LI	Light Industrial	RMH	RMH - Residential Mobile Home
N1	First Neighborhood	RP	Residential Professional
N2	N2 - Mid-Century Neighborhood	RR1	RR1 - Rural Residential 1 acre to 2.99 acres*
N3	N3 - Suburban Neighborhood	RR3	RR3 - Rural Residential 3 acres to 9.99 acres*
N4	N4 - Large Lot Suburban Neighborhood*	R-RMH	R-RHM - Rural - Residential Mobile Home*
NMU	NMU - Neighborhood Mixed-Use	RS	Residential Suburban

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DEFINITIONS OF VALUE

As Commercial Agents at Coldwell Banker Commercial CBS, we assist Landlords and Sellers in an Agency Relationship, i.e. the Listing of Property. To establish a lease rate or value, we use the three common methods of appraisal listed below. However, one should be aware that there exists an ebb and flow to Real Estate Transactions in which at any given time, depending on need, properties can and do fluctuate in value. The "Gold Standard" which exists is the consummation of a transaction resulting in an executed lease or sale establishing the actual "Market Rate".(see below) Additionally, one must realize that all methodology is based on the principal of substitution in which like properties are evaluated and graded with respect to the subject property.

MARKET VALUE

The most probable sale price which a property should bring in a competitive and open market under all conditions requisite to a fair market value. Both Buyer and Seller are to act prudently, knowledgeably and assuming the value is not affected by undue stimulus.

SALES COMPARISON APPROACH

By analyzing the valuation factors for similar property that is offered for sale or lease in an open market, one can produce a duplicate of the subject property and thus estimate the subject property value. It must be realized, no two properties are ever exactly alike and adjustments must be made for the items of dissimilarity.

INCOME CAPITALIZATION APPROACH

Analysis of a property in terms of its ability to provide sufficient net annual return on investment capital is an important means of validating the market value indicated by the Lease Comparison Approach. The estimate is developed in the Income Capitalization Approach by capitalizing the projected net income at a rate commensurate with the investment risks inherent to the ownership of the property.

COST APPROACH

The author makes no representations to the accuracy of the information provided below as said estimate only represents the author's opinion related to prior construction projects. For specific estimated/actual construction costs, reviewer should consult a licensed contractor, architect and/or engineer.

EXCLUSIONS

Furnishings, equipment, personal property or business operations have been disregarded with only the improved real estate being considered in the value estimate, unless otherwise stated.

SALE

SALES COMPARISON APPROACH



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SALE

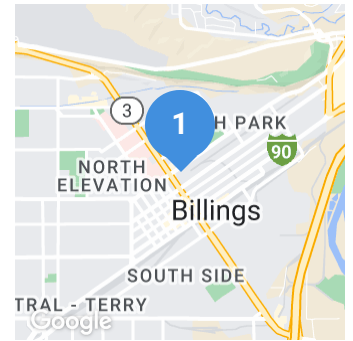
SALES COMPS - LAND



511 & 512 N 26TH ST & 514 N 25TH ST

511 & 512 N 26th St & 514 N 25th St, Billings, MT 59101

Price: \$526,000 Lot Size: 24,500 SF

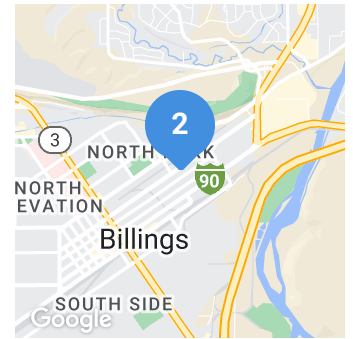


2

320 N 17TH ST

Billings, MT 59101

Price: \$315,000 Lot Size: 24,500 SF

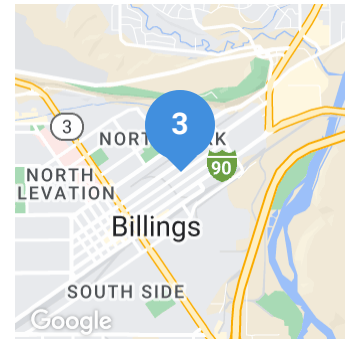


3

304 N 19TH ST

Billings, MT 59101

Price: \$250,000 Lot Size: 10,500 SF

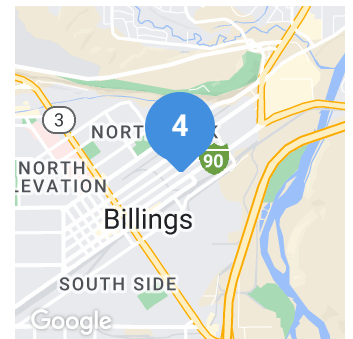


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121-129 N 19TH ST

Billings, MT 59101

Price: \$110,000 Lot Size: 10,500 SF



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SALE

SALES COMPS MAP - LAND



	NAME/ADDRESS	PRICE	LOT SIZE	PRICE/SF
1	511 & 512 N 26th St & 514 N 25th St 511 & 512 N 26th St & 514 N 25th St Billings, MT	\$526,000	24,500 SF	\$21.47
2	320 N 17th St Billings, MT	\$315,000	24,500 SF	\$12.86
3	304 N 19th St Billings, MT	\$250,000	10,500 SF	\$23.81
4	121-129 N 19th St Billings, MT	\$110,000	10,500 SF	\$10.48
AVERAGES		\$300,250	17,500 SF	\$17.16

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SALES COMPS - LAND EVALUATION

ADDRESS	SUBJECT PROPERTY	304 N 19th	121-129 N 19th	320 N 17th	511/512 N 26th St
SALES PRICE		\$250,000.00	\$110,000.00	\$315,000.00	\$526,000.00
SALE DATE		Jul-22	Dec-23	May-23	Nov-22
Sqft	4,000	10,500	10,500	24,500	24,500
ZONING	NA	CBD	CBD	CBD	CBD
PROPERTY TYPE	LAND	LAND	LAND	LAND	LAND
SERVICES	None	City	City	City	City
\$/acre		\$23.81	\$10.48	\$12.86	\$21.47

COMPARISON CRITERIA:

MINUS - Downward adjustment, better than/superior to subject property

EVEN - no adjustment, similar to subject property

PLUS - upward adjustment, poorer than/inferior to subject property

ADDRESS	SUBJECT PROPERTY	304 N 19th	121-129 N 19th	320 N 17th	511/512 N 26th St
\$/acre		\$23.81	\$10.48	\$12.86	\$21.47
COMPARISON CRITERIA:					
TIME		EVEN	EVEN	EVEN	EVEN
MOTIVATION		EVEN	EVEN	EVEN	EVEN
LOCATION		EVEN	EVEN	MINUS	MINUS
INFRASTRUCTURE		EVEN	EVEN	EVEN	EVEN
SERVICES		EVEN	EVEN	EVEN	EVEN
OVERALL ADJUSTMENT		\$0.00	\$0.00	\$0.00	\$0.00
ADJUSTED \$/ACRE		\$23.81	\$10.48	\$12.86	\$21.47
AVG ADJUSTED \$/ACRE	\$17.15				
INDICATED \$/ACRE	\$17.15				
ESTIMATED VALUE	\$68,612.24				



NONDISCLOSURE STATE

The client should understand that the state of Montana is a nondisclosure jurisdiction. Consequently, lease rates and sales data for real estate transactions are not publicly recorded and no centralized database of comparable lease rates or sales exists. Additionally, no one associated with a particular transaction is obligated to release or verify the terms of the real estate transaction. Therefore, it is possible that there are leases or sales for comparable properties of which we have no knowledge or in-complete knowledge.

MODIFICATIONS

The author reserves the right to alter statements, analysis, conclusion or any value estimate in the opinion if there becomes known to the author facts pertinent to the process which were unknown to the author at the time of the report.

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WHY COLDWELL BANKER COMMERCIAL

Owner. Occupier. Investor. Local business or global corporation. No matter who you are, the challenges remain the same.

The success of the CBC organization lies in its striking versatility. The organization deftly combines a powerful national presence with the agility of a regional market innovator. Each CBC affiliate office has the resources and insight to understand its local market and the expertise to convert this knowledge into tangible value for each client. The CBC organization's skillful professionals and nimble affiliate offices service a wealth of business categories in markets of any size, with clients ranging from established corporations to small businesses to individual investors.

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- Capital Services & Investment Analysis
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- Relocation Services
- Market Research & Analysis
- Property & Facilities Management
- Startups & Small Business
- Tenant Representation
- Landlord Representation

3,300+

Professionals

Presence in
40 COUNTRIES

11,989

YE Sales Transactions

4,970

YE Lease Transactions

\$9.2 BILLION

Sales Volume

\$1.63 BILLION

Lease Volume



SALE



DAVID MITCHELL, SIOR/CCIM

Principal | Broker

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MT #RRE-RBS-LIC-24708

PROFESSIONAL BACKGROUND

Expert in site selection for Fortune 500 Companies. Clients include Wells Fargo, Edward Jones, Govt Departments, Starbucks, McDonald's, AT&T, AutoZone, Planet Fitness, Opportunity Bank of Montana, Subway, and REITs. David's client research contain Montana tours, detailed traffic studies, onsite drone footage, gap analysis, retail absence, and psychographics coupled with trending demographics.

Beyond an MBA and B.S. in Psychology, he holds designations of SIOR and CCIM, and member of ICSC. He speaks Spanish fluently, and an Eagle Scout.

Serves on the Board of Directors (Billings Chamber of Commerce), Board of Adjustments (City of Billings, MT), Board of Directors (Riverstone Health Foundation), Co-Chair for Billings NextGEN from 2018-2020. Member of the 40 under 40 in Billings in 2018, recipient of "Big of the Year" in 2019 from Big Brothers Big Sisters of Yellowstone County, and 2020 Emerging NextGEN Leader Award from the Billings Chamber of Commerce. Top producer for Coldwell Banker Commercial in MT for 2018, 2019, and 2020.

EDUCATION

MBA, Emporia State University

B.S., University of Utah

MEMBERSHIPS

SIOR, CCIM, ICSC, EBT Graduate

Top Coldwell Banker Commercial Broker for MT (2018, 2019, 2020, 2022)

Emerging NextGEN Leader Recipient 2020, Billings Chamber of Commerce

40 under 40, Billings Gazette 2018

Board of Directors, Billings Chamber of Commerce

Board of Directors, Riverstone Health Foundation

CBS

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