



Development Sites

15300 Dino Dr. Burtonsville, MD 20866

April 2024

Hilco Real Estate

Broker Opinion of Value

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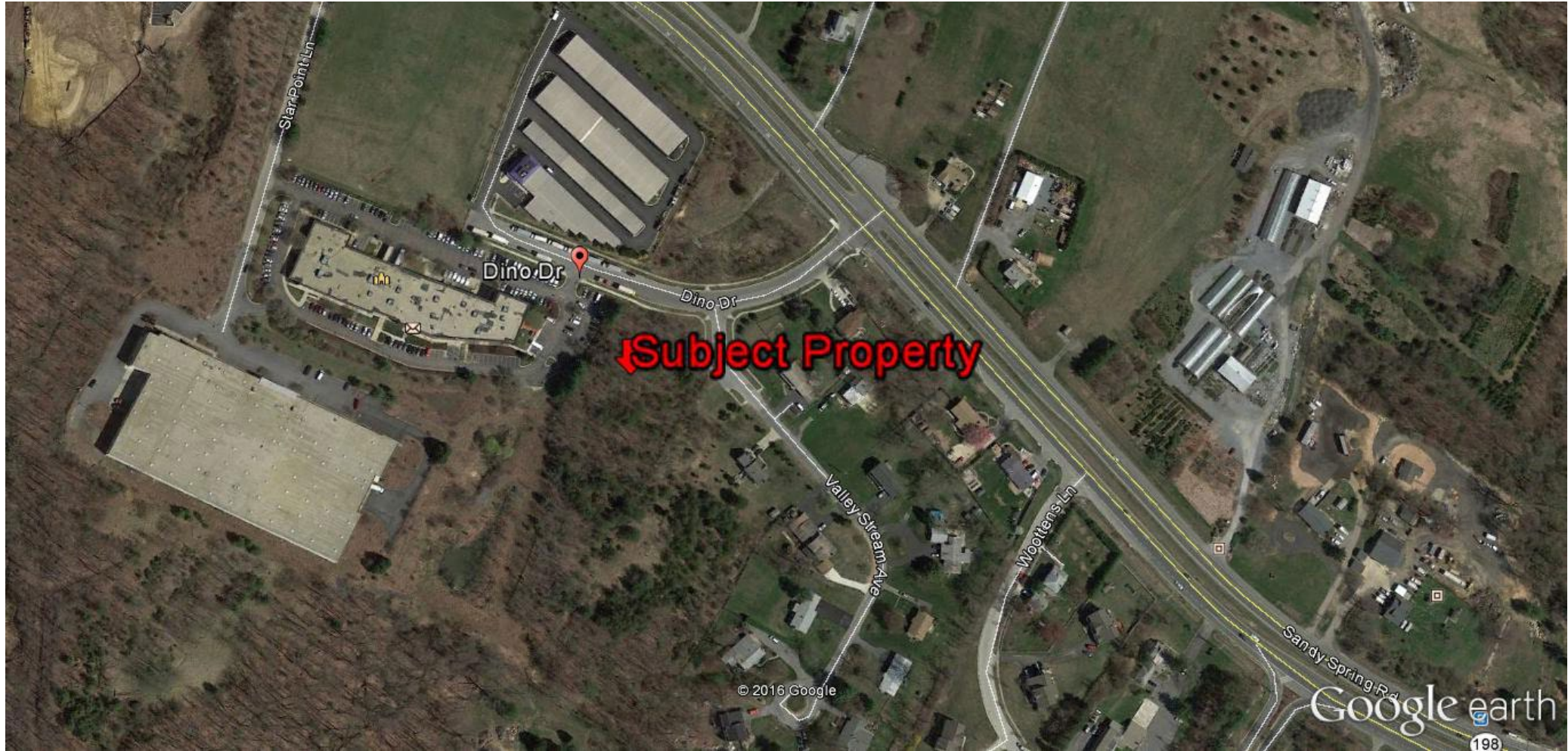
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15300 Dino Dr. Burtonsville, MD 20866	
PROPERTY TYPE	Land for Proposed Senior Living Development
PROPOSED NUMBER OF UNITS AND BEDS	176 Units, 210 Beds
INDEPENDENT LIVING	92 Units, 119 Beds
ASSISSTED LIVING	60 Units, 64 beds
MEMORY CARE	24 Units, 27 Beds
GROSS LAND AREA (ACRES)	5.86 AC
GROSS LAND AREA (SF)	255,262 Square Feet
ENTITLEMENTS	Assumed Approved
ZONING	R-200 or TDR
ALLOWABLE BUILDING SIZE	TBD
LAST SALE PRICE	\$1.7MM in 1999
Prior APPRAISED VALUE	“As Is” Aug. 2022, \$9.24MM or \$52,500 Per Bed “As Entitled” Aug. 2022, \$10.29MM or \$58,466 Per Bed



PROPERTY OVERVIEW - DINO DRIVE



STRENGTHS



- Commercial parcel with assumed entitlements in-place for an assisted living facility.
- Development is occurring in the market new projects are planned or under construction.

CHALLENGES



- Capital markets, based on interest rate increases, have restricted new construction lending. This has raised equity return requirements (loan to value) and closed the gap to feasibility and entrepreneurial incentive making projects harder to move forward.

OPPORTUNITIES



- Entitlements allow assisted living development.
- Area demographics are favorable for assisted living needs.

RISKS



- Rental rates have increased in the past 24 months, but market forecasts indicate the trend line is not sustainable based on new supply/absorption into the market place. This make feasibility harder for proposed developments based on near term spikes in vacancy.
- Economic headwinds, rising construction costs and existing property distress make development more difficult. This implies buyers anticipate a discount for land prices.

A review of assisted living or health care intended use land sales in the regional market are summarized below.

ASSISTED LIVING or HEALTH CARE LAND SALES

Property Identification		Lot Information						Proposed Building Information IMPLIED INDICATION			
Address	City, State	Last Sale Date	Lot Size (AC)	Lot Size (SF)	Sale Price	Sale Price Per AC	Sale Price Per SF	Building SF	Price Per Building SF	Number of Units	Price Per Unit
11555 Old Georgetown Rd.	North Bethesda, MD	3/1/2023	2.02	87,991	\$12,650,000	\$6,262,376	\$143.76	N/A	N/A	153	\$82,680
Piney Creek Rd.	Chester, MD	6/29/2023	3	130,680	\$1,450,000	\$483,333	\$11.10	N/A	N/A	88	\$16,477
0 Spotsylvania Pky.	Fredericksburg, VA	4/21/2023	16.19	705,236	\$3,820,000	\$235,948	\$5.42	N/A	N/A	142	\$26,901
716 S Glebe Rd.	Arlington, VA	7/25/2022	1.87	81,457	\$8,000,000	\$4,278,075	\$98.21	96,291	\$83.08	99	\$80,808
380 Maple Ave. W	Vienna, VA	4/20/2020	0.85	37,026	\$8,000,000	\$9,411,765	\$216.06	125,000	\$64.00	85	\$94,118
9545 River Rd.	Potomac, MD	5/3/2023	5.93	258,311	\$15,250,000	\$2,571,669	\$59.04	219,757	\$69.39	100	\$152,500
3000 Strasbaugh	Bel Air, MD	1/6/2023	3.02	131,551	\$4,000,000	\$1,324,503	\$30.41	n/a	n/a	n/a	n/a
5250 Grandin Ave.	Midlothian, VA	1/12/2021	3.17	138,085	\$1,400,000	\$441,640	\$10.14	100,000	\$14.00	114	\$12,281
1515 Chain Bridge Rd.	McLean, VA	1/15/2020	2.12	92,347	\$12,070,000	\$5,693,396	\$130.70	89,983	\$134.14	100	\$120,700

Implied Indication										
Minimum	0.85	37,026	\$1,400,000	\$235,948	\$5.42	89,983	\$14.00	85	\$12,281	
Maximum	16.19	705,236	\$15,250,000	\$9,411,765	\$216.06	219,757	\$134.14	153	\$152,500	
Average	4.24	184,743	\$7,404,444	\$3,411,412	\$78.32	126,206	\$72.92	110	\$73,308	
Median	3.0000	130,680	\$8,000,000	\$2,571,669	\$59.04	100,000	\$69.39	100	\$81,744	

LAND SALES IN A 10 MILE RADIUS

Address	City, State	Last Sale Date	Lot Size (AC)	Lot Size (SF)	Sale Price	Sale Price Per AC	Sale Price Per SF	Comments
2220 Broadbirch Drive	Silver Spring, MD	12/15/2022	7.83	341,075	\$10,500,000	\$1,340,996	\$30.79	390 Unit proposed apartment or \$26,923 per unit
10100 N 2nd Street	Laurel, MD	9/22/2022	7.81	340,204	\$11,750,000	\$1,504,481	\$34.54	134 unit proposed condominium development or \$87,687 per unit
11920 Lime Kiln Road	Fulton, MD	3/5/2024	3.08	134,165	\$1,300,000	\$422,078	\$9.69	Commercial zoned, well & septic

Minimum	3.08	134,165	\$1,300,000	\$422,078	\$9.69
Maximum	7.83	341,075	\$11,750,000	\$1,504,481	\$34.54
Average	6.24	271,814	\$7,850,000	\$1,089,185	\$25.00
Median	7.81	340,204	\$10,500,000	\$1,340,996	\$30.79

A review of sales in the market indicate that entitled health care land is selling between \$12,281 and \$152,500 per planned unit with an average of \$73,308 and a median of \$81,744.

Primary Statistics	
Number of Comparables	8
Min. Sale Price	\$1,400,000
Max. Sale Price	\$15,250,000
Min Price / \$SF	\$5.42
Max Price / \$SF	\$216.06
Average Sale Price / \$SF	\$78.32
Median Sale Price / \$SF	\$59.04
Standard Deviation	\$73.78
COV* (per \$ per measured unit)	94.2%

Min Price / \$Unit	\$12,281
Max Price / \$Unit	\$152,500
Average Sale Price / \$Unit	\$73,308
Median Sale Price / \$Unit	\$81,744
Standard Deviation	\$50,993
COV* (per \$ per measured unit)	69.6%

The interest rate and lending market has changed significantly since 2022 and construction material and labor costs have increased. We also note larger projects sell for a lower price per unit when all other factors are similar, based on economies of scale. This applies when zoning by right is similar.

The subject's unit per acre density has an impact to its marketability. Financial feasibility, debt availability and total project costs are impacting current market conditions. After speaking to market participants, inclusive of Hilco Redevelopment Partners operating in the greater , the BOV ranges between \$17,500 and \$22,500 per unit. The following summaries Hilco's conclusion.

SALES COMPARISON APPROACH CONCLUSION			
	Base	Most Likely	Strech Value
Indicated Value per Square Foot	\$20.00	\$25.00	\$30.00
Square Footage (GBA)	x 255,262 SF	x 255,262 SF	x 255,262 SF
As Is Value	\$5,105,232	\$6,381,540	\$7,657,848
Rounded	\$5,100,000	\$6,400,000	\$7,700,000
Implied Price/\$Unit (Entitled)	\$28,977	\$36,364	\$43,750
Rounded	\$29,000	\$36,000	\$44,000

In the event the entitlements are not in-place or the marketplace wants to used the land for general purposes, then the subject is closer to general commercial land in the marketplace which ranged \$15.00 to \$20.00 PSF.

SALES COMPARISON APPROACH CONCLUSION			
	Base	Most Likely	Strech Value
Indicated Value per Square Foot	\$10.00	\$15.00	\$20.00
Square Footage (GBA)	x 255,262 SF	x 255,262 SF	x 255,262 SF
As Is Value	\$2,552,616	\$3,828,924	\$5,105,232
Rounded	\$2,600,000	\$3,800,000	\$5,100,000

After reviewing the available property information, researching comparable sales, Hilco Real Estate has come to the below opinion of the pricing range:

BROKERS OPINION OF VALUE (ASSUMES ENTITLEMENTS INPLACE, AS ROUNDED)

STRETCH VALUE	\$7,700,000 or \$44,000 per entitled unit
EXPECTED VALUE	\$6,400,000 or \$36,000 per entitled unit
BASE VALUE	\$5,100,000 or \$29,000 per entitled unit

BROKERS OPINION OF VALUE (GENERAL COMMERCIAL AS ROUNDED)

STRETCH VALUE	\$5,100,000 or \$20.00 per square foot
EXPECTED VALUE	\$3,800,000 or \$15.00 per square foot
BASE VALUE	\$2,600,000 or \$10.00 per square foot

We would market the property using a date certain sale to create urgency in the marketplace and force buyers to act. Our sales programs typically take between 90-120 days from start to closing. We will provide a more detailed sales proposal outlining our recommended sales strategy, timeline, and fees separate from this BOV.

Hilco Real Estate did not inspect this property in connection with this Broker Opinion of Value (BOV). This estimated valuation only accounts for property attributes, a review of market intelligence obtained by Hilco Real Estate and third-party data services. This BOV is for internal discussion purposes and should not be construed as an appraisal report. The reader is cautioned that only preliminary findings are available and additional research and analysis may be needed to fully understand the subject's market position. The financial projections represented herein contain estimates and assumptions based on our study of the current market and property conditions, and the related upside potential. Hilco Real Estate Sales, LLC neither warrants nor guarantees the results of these projections since unanticipated events and circumstances may occur.

**ADAM ZIMMERMAN, MAI**

Vice President, Managing Director
Hilco Real Estate

A Hilco Global veteran, Adam has spent over 12 years within the firm's Hilco Real Estate Appraisal division and recently moved to join Hilco Real Estate (HRE) in 2021 to provide advanced property and lease valuation (Broker Opinion of Values or BOV's), property and equity rate yield analysis and advanced disposition support and advisory for HRE's client base of investors, private equity, asset acquisition, note sales sellers and buyers and bankruptcy real estate practitioners.

With extensive expertise in valuing and selling a broad range of property types using DCF (Excel) and Argus income methodologies, Adam's responsibilities include managing projects for a variety of purposes, including disposition, lending support, bankruptcy, restructuring, financial accounting and investment decision-making. His knowledge extends to tangible and intangible or enterprise market value, real estate focused market analysis, demand and supply dynamics, valuation and sales for closed/distressed properties and fully operating and stabilized assets. He has also worked across the U.S. in an expert witness capacity and is actively involved in business development, management and staff training.

Adam is a Designated Member of the Appraisal Institute (MAI) and holds Certified General Real Estate Appraiser licenses in the states of Illinois, Arizona, Texas, Georgia, New York and Pennsylvania. He earned his Bachelor of Arts in Journalism at the University of Kansas.

**JEFF AZUSE**

Executive Vice President
Hilco Real Estate

Jeff leads business development efforts related to Hilco's real estate sales operation. Jeff crafts both the strategy and execution of property sales, which is inclusive of new client relations, targeted marketing (both implementation and reporting), website marketplace management, buyer interaction, event management, and facilitation of transaction closings.

Over his 25-year career, Jeff has sold a vast portfolio of properties across all asset types, including both commercial and residential real estate: hotels, golf courses, gas stations, restaurants, development land, mineral rights, luxury homes, hundreds of condominiums, portfolios of warehouse properties and note sales. He has managed transactions for several high-profile clients including Bank of America, Fifth Third Bank, US Bank, United Central Bank, Torchlight Investors, Hanmi Bank, ALCOA Steel, Canyon Resources Gold Company, Steak 'n Shake Restaurants, Cambridge Home Builders, DIY Home Warehouses and many more.

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