

**Residential Condominium  
Assessment and Taxation Analysis  
for the  
Westwood Neighborhood Project**

**Client:**           **Mensch Capital Partners, LLC**  
                          **c/o Andrew J. Shaevel**  
                          **Managing Partner**

**Prepared By:**   **Real Property Services, LLC**  
                          **Donald A. Griebner, President**

**RPS File Number:**   **15-199**

**Date of Analysis:** **July 21, 2015**

MASTER PLAN

Revised Draft Generic Environmental Impact Statement – March 2015

WESTWOOD



**LEGEND**

WESTWOOD NEIGHBORHOOD CENTER	DESCRIPTION	RESIDENCIAL BREAKDOWN	KEY	NOTES
A	OFFICE	A1- 13,000 S.F. STORY (2 STORY)	ROW LINE	1. TOTAL NUMBER COURT IN THE WESTWOOD
B	RESIDENTIAL	A2- 13,000 S.F. STORY (2 STORY)	BUFFER LIMIT	2. WESTWOOD CENTER 208 SPACES
C	HOTEL	A3- 17,400 S.F. STORY (2 STORY)	PERCESSION TRAILS	OPEN SPACE: 64 ACRES (30%)
D	NEIGHBORHOOD BUSINESS	M1- 14,000 S.F. STORY (2 STORY)	OPEN SPACE	
E	TOWNHOMES	M2- 14,000 S.F. STORY (2 STORY)	BIODIVERSITY	
F	TOWNHOMES	M3- 14,000 S.F. STORY (2 STORY)		
G	TOWNHOMES	M4- 14,000 S.F. STORY (2 STORY)		
H	TOWNHOMES	M5- 14,000 S.F. STORY (2 STORY)		
I	TOWNHOMES	M6- 14,000 S.F. STORY (2 STORY)		
J	TOWNHOMES	M7- 14,000 S.F. STORY (2 STORY)		
K	TOWNHOMES	M8- 14,000 S.F. STORY (2 STORY)		
L	TOWNHOMES	M9- 14,000 S.F. STORY (2 STORY)		
M	TOWNHOMES	M10- 14,000 S.F. STORY (2 STORY)		
N	TOWNHOMES	M11- 14,000 S.F. STORY (2 STORY)		
O	TOWNHOMES	M12- 14,000 S.F. STORY (2 STORY)		
P	TOWNHOMES	M13- 14,000 S.F. STORY (2 STORY)		
Q	TOWNHOMES	M14- 14,000 S.F. STORY (2 STORY)		
R	TOWNHOMES	M15- 14,000 S.F. STORY (2 STORY)		
S	TOWNHOMES	M16- 14,000 S.F. STORY (2 STORY)		
T	TOWNHOMES	M17- 14,000 S.F. STORY (2 STORY)		
U	TOWNHOMES	M18- 14,000 S.F. STORY (2 STORY)		
V	TOWNHOMES	M19- 14,000 S.F. STORY (2 STORY)		
W	TOWNHOMES	M20- 14,000 S.F. STORY (2 STORY)		
X	TOWNHOMES	M21- 14,000 S.F. STORY (2 STORY)		
Y	TOWNHOMES	M22- 14,000 S.F. STORY (2 STORY)		
Z	TOWNHOMES	M23- 14,000 S.F. STORY (2 STORY)		

DESCRIPTION	SPACES	RESIDENCIAL BREAKDOWN
OFFICE	143 SPACES	A1- 13,000 S.F. STORY (2 STORY)
RESIDENTIAL	143 SPACES	A2- 13,000 S.F. STORY (2 STORY)
HOTEL	143 SPACES	A3- 17,400 S.F. STORY (2 STORY)
NEIGHBORHOOD BUSINESS	143 SPACES	M1- 14,000 S.F. STORY (2 STORY)
TOWNHOMES	143 SPACES	M2- 14,000 S.F. STORY (2 STORY)
TOWNHOMES	143 SPACES	M3- 14,000 S.F. STORY (2 STORY)
TOWNHOMES	143 SPACES	M4- 14,000 S.F. STORY (2 STORY)
TOWNHOMES	143 SPACES	M5- 14,000 S.F. STORY (2 STORY)
TOWNHOMES	143 SPACES	M6- 14,000 S.F. STORY (2 STORY)
TOWNHOMES	143 SPACES	M7- 14,000 S.F. STORY (2 STORY)
TOWNHOMES	143 SPACES	M8- 14,000 S.F. STORY (2 STORY)
TOWNHOMES	143 SPACES	M9- 14,000 S.F. STORY (2 STORY)
TOWNHOMES	143 SPACES	M10- 14,000 S.F. STORY (2 STORY)
TOWNHOMES	143 SPACES	M11- 14,000 S.F. STORY (2 STORY)
TOWNHOMES	143 SPACES	M12- 14,000 S.F. STORY (2 STORY)
TOWNHOMES	143 SPACES	M13- 14,000 S.F. STORY (2 STORY)
TOWNHOMES	143 SPACES	M14- 14,000 S.F. STORY (2 STORY)
TOWNHOMES	143 SPACES	M15- 14,000 S.F. STORY (2 STORY)
TOWNHOMES	143 SPACES	M16- 14,000 S.F. STORY (2 STORY)
TOWNHOMES	143 SPACES	M17- 14,000 S.F. STORY (2 STORY)
TOWNHOMES	143 SPACES	M18- 14,000 S.F. STORY (2 STORY)
TOWNHOMES	143 SPACES	M19- 14,000 S.F. STORY (2 STORY)
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TOWNHOMES	143 SPACES	M23- 14,000 S.F. STORY (2 STORY)

**PRELIMINARY CONCEPTUAL MASTER PLAN**  
MARCH, 2015 SCALE: 1" = 120'

**WESTWOOD**  
A Traditional Neighborhood  
in the heart of Anaheim.

**MENSCH**  
Capital Partners, LLC

**CMS**  
CONTRACTS

Figure 1-3 - Preliminary Conceptual Master Plan

**MASTER PLAN – TARGET AREA**



**(I) Patio Homes – 113 Units**

**(J) Larger Lots – Single Family – 47 Units**

**(K) Townhomes – 84 Units**



July 21, 2015

Mensch Capital Partners, LLC  
5477 Main Street  
Williamsville, New York 14221  
Att: Mr. Andrew J. Shaevel  
Managing Partner

Re: Condominium Assessment and Tax Analysis  
Westwood Neighborhood Project  
Town of Amherst, New York

Dear Mr. Shaevel,

At your request and pursuant to our contract, I have completed an assessment and tax analysis for the planned residential units within the proposed Westwood Neighborhood Project in the Town of Amherst. My analysis and projections are based upon application of NYSRPTL 339-Y which states that condominiums in New York State are to be assessed for real estate tax purposes based upon their rental value.

### Overview of Project

The proposed Westwood Neighborhood Project reflects the planned redevelopment of the Westwood Country Club property in the Town of Amherst. The project's location is bounded by Sheridan Drive, North Forest Road, Maple Road, and Fairways Boulevard, and will transform the existing golf course property into a mix of residential and commercial uses.

Multiple alternative development options have been detailed by the developer, however this analysis will focus on the residential component of the preferred alternative. The residential mix of offerings in this plan, along with their projected sales prices as provided by the developer, are as follows:

Building Type	No. of Units	Average Square Footage	Average No of Bedrooms	Average Sales Price	Lot Value	Building Price/SF	Overall Price/SF
Single-Family	47	2,800	3	\$415,000	\$90,000	\$116	\$148
Patio Homes	113	2,000	3	\$325,000	\$75,000	\$125	\$163
Condominiums / Townhouses	84	1,600	3	\$262,000	\$50,000	\$133	\$164

NOTE: The size and sales price projections above have been provided by the developer and reflect average quality build-out and finishes.

## Scope of Analysis

My analysis involved an income-based valuation for each of the three (3) types of residential units to be offered within the condominium offering plan. A Pro Forma Operating Statement has been constructed for each unit type, projecting market level income (rent), vacancy and collection, operating expenses and reserves. The resultant net operating incomes were then capitalized into value, indicating an appropriate “condominium assessment” for each unit type.

It should be noted that the “Assessors Method” of capitalization was utilized, meaning that the derived market level capitalization rate (7%) was adjusted by adding the overall tax rate (\$31.00/1,000 or 3.1%) to create a tax-adjusted capitalization rate of 10.1%. This rate is applied to the net operating income before real estate taxes are deducted in order to derive a value at tax equilibrium. (Note: The tax rate reflects adjustment for the STAR exemption).

Operating expenses for insurance, utilities, maintenance, management, professional fees, and reserve for replacement were applied at typical market levels for a multi-unit complex. If the tax expense were added in, the overall expense ratio would be 44%, which is in line with the market for a newer multi-unit complex as is being assumed here.

Following are the market rental comparables that were reviewed in order to derive appropriate rents for each unit type. Pro Forma Operating Statements are then constructed, concluding to a capitalized value which reflects the appropriate condominium assessment for each unit type. From these condominium assessment levels, real estate tax projections are made based upon current tax rates for town, county, school and special district taxes.

**Rental Comparables: Single-Family**

<b>Address</b>	<b>Year Built</b>	<b>Size</b>	<b>Rent/Month</b>	<b>Rent/SF</b>
Rubino Court Williamsville	2005	3,420sf 4/3	\$3,334 (rent to own)	\$.97
5326 Coyote Court Williamsville	2000	3,850sf 4/2.5	\$3,300 (furnished)	\$.86
Subject Units	2015	2,800sf 3/2.5	\$2,800	\$1.00

**Conclusion: \$1.00/sf or \$2,800/mo. for the subject units. (Note: Smaller units will command more per square foot).**

**Rental Comparables: Patio Homes**

<b>Address</b>	<b>Year Built</b>	<b>Size</b>	<b>Rent/Month</b>	<b>Rent/SF</b>
62 Union Common Williamsville	2003	2,300sf 2/2	\$1,750	\$.76
1280 Sweet Home Rd. (apartment) Amherst	2013	1,800sf 2/2	\$2,000	\$1.11
Subject Units	2015	2,000sf 3/2	\$2,200	\$1.10

**Conclusion: \$1.10/sf or \$2,200/mo. for the subject units.**

**Rental Comparables: Condominium/Townhouse**

<b>Address</b>	<b>Year Built</b>	<b>Size</b>	<b>Rent/Month</b>	<b>Rent/SF</b>
2211 Sweet Home Rd. Amherst	2013	2,000sf 4/2.5	\$2,140	\$1.07
2367 Sweet Home Rd. Amherst	2012	1,700sf 3/2.5	\$1,780	\$1.05
1691 Maple Road Amherst	2013	1,500sf 3/1.5	\$1,650	\$1.10
42 Sean Riley Amherst	2013	1,500sf	\$1,496	\$1.00
Subject Units	2015	1,600sf 3/2	\$1,760	\$1.10

**Conclusion: \$1.10/sf or \$1,760/mo. for the subject units.**

## Westwood Neighborhood Project

Pro Forma Operating Statement

Single Family Homes @ 2,800+/- sf

### Pro Forma 1

#### Income

2,800sf @ \$1.00/sf = \$2,800/mo. x 12 =	\$ 33,600
Less: Vacancy & Collection @ 5%:	<u>\$ (1,680)</u>
Effective Gross Income:	\$ 31,920

#### Expenses:

Real Estate Taxes	(In Cap Rate)
Insurance (2.5%):	\$798
Utilities:	
Water & Common (2.5%):	\$798
Maintenance (7%):	\$2,234
Management (5%):	\$1,596
Professional Fees (.5%):	\$160
Replacement Reserves (2%):	<u>\$638</u>
<b>Total Operating Expenses Before Real Estate Taxes:</b>	<b><u>(\$6,224)</u></b>
<b>Net Operating Income Before Real Estate Taxes:</b>	<b><u>\$25,696</u></b>
<b>Capitalization Rate: .07 + .031 =</b>	<b>0.101</b>

<b>Indicated Condominium Assessment:</b>	\$254,416
	\$255,000 ®

**Single-Family Home Condominium Assessment:  
\$255,000**

Note: Condominium assessment of \$255,000 equates to 61% of projected sales price of \$415,000.

## Westwood Neighborhood Project

Pro Forma Operating Statement

Patio Homes @ 2,000+/- sf

### Pro Forma 2

#### Income

2,000sf @ \$1.10/sf = \$2,200/mo. x 12 =	\$ 26,400
Less: Vacancy & Collection @ 5%:	<u>\$ (1,320)</u>
Effective Gross Income:	\$ 25,080

#### Expenses:

Real Estate Taxes	(In Cap Rate)
Insurance (2.5%):	\$627
Utilities:	
Water & Common (2.5%):	\$627
Maintenance (7%):	\$1,756
Management (5%):	\$1,254
Professional Fees (.5%):	\$125
Replacement Reserves (2%):	<u>\$502</u>
<b>Total Operating Expenses Before Real Estate Taxes:</b>	<b><u>(\$4,891)</u></b>

**Net Operating Income Before Real Estate Taxes:** \$20,189

**Capitalization Rate: .07 + .031 =** 0.101

**Indicated Condominium Assessment:** \$199,891

\$200,000 ®

**Patio Home Condominium Assessment:**

**\$200,000**

Note: Condominium assessment of \$200,000 equates to 61% of projected sales price of \$325,000.



## Westwood Neighborhood Project

Pro Forma Operating Statement

Condominium/Townhouse Units @ 1,600+/- sf

### Pro Forma 3

#### Income

1,600sf @ \$1.15/sf = \$1,840/mo. x 12 =	\$ 22,080
Less: Vacancy & Collection @ 5%:	\$ (1,104)
Effective Gross Income:	\$ 20,976

#### Expenses:

Real Estate Taxes	(In Cap Rate)
Insurance (2.5%):	\$524
Utilities:	
Water & Common (2.5%):	\$524
Maintenance (7%):	\$1,468
Management (5%):	\$1,049
Professional Fees (.5%):	\$105
Replacement Reserves (2%):	\$420

**Total Operating Expenses Before Real Estate Taxes:** (\$4,090)

**Net Operating Income Before Real Estate Taxes:** \$16,886

**Capitalization Rate: .07 + .031 =** 0.101

**Indicated Condominium Assessment:** \$167,188

\$167,000 ©

**Condominium/Townhouse Assessment:**

**\$167,000**

Note: This assessment reflects 74% of projected sales price of \$225,000.

**Tax Projections**

Following are the current tax rates per \$1,000 that apply to the existing subject property:

Town of Amherst:	\$3.00
County of Erie:	\$4.70
Special Districts:	\$6.36
Williamsville School	<u>\$18.97</u>
	\$33.03

**Tax Computation**

Property Type	Sale Price	Appropriate Assessment as Condominium	%	Amherst Town Tax \$3.00/1,000	Erie County Tax \$4.70/1,000	Williamsville School Tax w/STAR	Special Districts \$6.36/1,000	Total Taxes w/STAR
Single-Family	\$415,000	<b>\$255,000</b>	61%	\$765	\$1,199	\$4,268	\$1,622	\$7,854
Patio Homes	\$325,000	<b>\$200,000</b>	61%	\$600	\$940	\$3,225	\$1,272	\$6,037
Condominium / Townhouse	\$262,000	<b>\$160,000</b>	61%	\$480	\$752	\$2,466	\$1,018	\$4,716

**Cumulative Tax Impact at Stabilization (2015 Dollars)**

Property Type	Annual Taxes (Net of STAR)	No. of Units	Total Taxes
Single-Family	\$7,854	47	\$369,138
Patio Homes	\$6,037	113	\$682,181
Condominium / Townhouse	\$4,716	84	<u>\$396,144</u>
			\$1,447,463

**Total Projected Annual Tax Revenue:**

Town of Amherst:	\$144,075
County of Erie:	\$225,741
Williamsville School:	\$772,165
Special Districts:	<u>\$305,482</u>
Total:	\$1,447,463

**Conclusion**

My research and analysis has concluded to the above-stated levels of assessment as condominiums for each of the proposed unit types, based upon the preliminary sales price levels provided. Thank you for the opportunity to complete this analysis.

Respectfully submitted,

Donald A. Griebner  
President/Principal Appraiser  
New York State Certified  
General Real Estate Appraiser  
ID #: 46-4373