

Memorandum

TO: Gary Jackson, City Manager Date: December 15, 2015
FROM: Nikki Reid, Real Estate Manager
SUBJECT: Discussion of value for Asheland Avenue Property

Summary: The City of Asheville owns real property located on the west side of Asheland Avenue between Hilliard Avenue and Phifer Street. This property is approximately 1.09 acres and is identified as PIN 9648-27-7460. The purpose of this study is to identify and discuss comparable properties that have sold in proximity to this parcel and estimate a possible range of value for the property.

Location and Context: The subject property is located to the south of the core downtown area of the city, in an area identified as the “South Slope District” in the Asheville Downtown Master Plan (see Figure 1). The Master Plan states that “this area contains the most significant opportunities for Downtown redevelopment and growth,” and proposes uses such as infill housing, office and other commercial development as appropriate for the South Slope District. The Asheland Avenue corridor connects downtown to the Mission Hospital Campus, and the corridor is currently developed with medical office, business office, and retail. Most properties within close proximity to the subject parcel are currently developed as low density office uses, with adjoining surface parking lots to support employees and customers. The redevelopment trends as described in the Downtown Master Plan are taking place to the north or to the east of the subject property, mainly on Hilliard Avenue or Coxe Avenue, but it is reasonable to expect a continuation of that trend or some form thereof on Asheland.

Subject. Asheland Avenue

PIN Number	9648-27-7460
Owner Name	City of Asheville
Street	Asheland Avenue
Acreage	1.09
Improvements	None
Zoning	OB (Office Business)

Property Description: The parcel is rectangular and has generous road frontage of approximately 475 feet along Asheland Avenue. The width is somewhat narrow, measuring roughly 110 feet. The property sits level with Asheland Avenue along the front, and drops steeply towards the rear property line. According to GIS, a sewer line encumbers the southwest quadrant of the property. Water service is available on Asheland Avenue at the southern edge of the property boundary. The parcel is currently zoned Office Business and the rear property line adjoins a single-family residential neighborhood zoned RS8. Generally, the height of improvements is limited to four stories, except within a distance of 50 feet from the rear property boundary where the height is limited to 3 stories with respect to the adjoining single-family zoning district. The density for housing is limited to 20 units per acre within Office Business, or possibly 40 units per acre if 20% of the units are affordable. New structures shall

not exceed a total of 30,000 square feet of gross floor area. Rear setbacks of 15 feet, and side setbacks of 10 feet would apply.

Discussion of Recent Sales: The following section includes a detailed discussion of three comparable sales that have occurred in Buncombe County within the past 12 months. Each comparable was selected based on proximity to subject parcel, sales date within the last 12 months, and size of parcel. This review is for informational purposes only. None of the information has been verified except through documents available via public record.

Comparable 1. Short Coxe

PIN Number	9648-37-8168, 9648-37-8168
Owner Name	PT Development Group of Asheville, LLC
Street	Short Coxe
Acreage	1.65
Improvements	1 story block building
Deed Date	8/3/2015
Total Price Paid*	\$1,000,000
Price per Square Foot	\$13.90 psf
Proposed Land Use	Multi-family residential
Zoning	CBD (Central Business District)

*Source: Buncombe County Register of Deeds

According to Buncombe County records, this property on Short Coxe Avenue was sold to PT Development Group in August of 2015. This parcel appears to be comparable in size and shape, as well as being located within 800 feet of the subject parcel. The major difference in the parcels is the zoning designations. CBD zoning would allow greater density for redevelopment, and this comparable property would be considered of higher value than the subject for that reason. SEE **Map 1. Short Coxe Ave**

Comparable 2. 225 Coxe Avenue

PIN Number	9648-37-2396
Owner Name	East West Coxe LLC
Street	225 Coxe Avenue
Acreage	0.59
Improvements	1 story office, 1 story garage
Deed Date	10/8/2015
Total Price Paid*	\$650,000
Price per Square Foot	\$25.29 psf
Proposed Land Use	Multi-family residential
Zoning	CBD (Central Business District)

*Source: Buncombe County Register of Deeds

According to Buncombe County records, the property at 225 Coxe Avenue sold in October 2015 to East West Cost, LLC. The parcel is in close proximity to the subject, however Coxe Avenue has seen a greater amount of redevelopment than Asheland and could be considered of higher value. Another major difference in the parcels is the zoning designations. CBD zoning would allow greater density for redevelopment, and would be considered of higher value. SEE **Map 2. 225 Coxe Avenue.**

Comparable 3. 73 McDowell Street

PIN Number	9648-35-4305
Owner Name	Norvell Buncombe LLC
Street	73 McDowell Street
Acreage	0.99
Improvements	Medical office
Deed Date	2/25/2015
Total Price Paid*	\$1,000,000
Price per Square Foot	\$18 psf (based on tax value)
Tax Value of Land	\$776,200
Tax Value of Buildings	\$208,800
Proposed Land Use	Use of existing improvements
Zoning	INST (Institutional)

*Source: Buncombe County Register of Deeds

According to Buncombe County records, Norvell Buncombe LLC purchased the site at 73 McDowell in February 2015 for \$1,000,000. This property is improved with an existing medical office and it appears that the value of the purchase included the value of the use of these improvements. In this instance, the taxable value of the property as determined by the Buncombe County Tax Assessor provides further information to consider, in that the taxable value for the property is within range of the purchase price paid. The tax office estimates the total tax value of the property at \$985,000, and provides a breakdown of the amount attributed to the land value and the building value separately. As noted above, the tax value of the land is given as \$776,200 and this value can be used to compare to the Asheland parcel. McDowell Street is in close proximity to the Asheland site, and is similar in context. The zoning for the McDowell Street property is Institutional, and is close in comparison to the zoning of the subject parcel. SEE **Map 3. 73 McDowell Street**.

Comparison Table:

	Subject Parcel	Comp #1	Comp #2	Comp #3
PIN Number	9648-27-7460	9648-37-8168, 9648-37-8168	9648-37-2396	9648-35-4305
Owner Name	City of Asheville	PT Development Group of Asheville, LLC	East West Coxe LLC	Norvell Buncombe LLC
Street	Asheland Avenue	Short Coxe	225 Coxe Avenue	73 McDowell Street
Acreage	1.09	1.65	0.59	0.99
(in sq. feet)	47,480	71,874	25,700	43,124
Deed Date		8/3/2015	10/8/2015	2/25/2015
Total Price Paid		\$1,000,000	\$650,000	\$776,200* (Tax Value)
Price per Square Foot (rounded)		\$14	\$25	\$18
Average per square foot price of Comparables: \$19				



Map 1. Short Coxe Avenue



Map 2. 225 Coxe Avenue



Map 3. 73 McDowell