APPRAISAL REPORT OF A

MUNICIPAL BUILDING

15 East High Street, Manheim
Lancaster County, PA 17545

Effective Date of Appraisal: September 17, 2025
Date of Report: October 9, 2025



Prepared For:
Manheim Borough

Prepared By:
Commonwealth Commercial Appraisal Group
Commonwealthappraiser.com
CCAG File: 25-1009

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APPRAISAL GROUP

October 9, 2025

Attn: Mr. Joel Mutschler, MPA
Manheim Borough

Re: Appraisal Report
15 East High Street
Manheim, PA 17545
Manheim Borough
Lancaster County

Dear Mr. Mutschler:

In fulfillment of our agreement as outlined in the Engagement Letter copied in the Addenda, we are pleased to transmit our valuation of the above referenced property in the following Appraisal Report.

The most recent site visit of the subject property was on September 17, 2025, when we met with you. This is also the effective date of value. The intended use of this appraisal report is for a prospective sale by Manheim Borough in accordance with the stated scope of work, purpose of the appraisal, and definition of market value. No other use is permitted. Prospective buyers or borrowers are not considered intended users and should not rely on this appraisal for any reason.

The subject consists of a 0.34-acre corner parcel located along the southeastern, signalized intersection of East High Street and South Main Street in Manheim Borough, Lancaster County. The site also features additional frontage along South Wolf Street. It is slightly irregular in shape with generally level topography. The site includes three (3) off-street spaces accessible via South Wolf Street. Although free on-street parking is available, there is a time limit risk and a potential risk that these spaces may not be free in perpetuity. The site also contains an approximately 4,000-square-foot outdoor park amenity, which could potentially be redeveloped for additional building space or off-street parking.

The site is improved with a two-story, 10,388-square-foot municipal building constructed in 1951, which is in below-average overall physical condition. The building includes office suites on the first floor and a public library on the second floor. An additional 4,918 square feet of finished basement area provides a mechanical room, former jail cells, and a multipurpose room.

The property is located within the Central Business District (CBD) of Manheim Borough, which permits a variety of commercial uses as well as conversion to apartments.

Although continued use as an office facility is physically possible, it is not considered the highest and best use of the property. The most likely purchaser would not be a continued user, as the existing improvements are in below-average condition, suffer from significant functional obsolescence, and provides only three (3) off-street parking spaces. While free on-street parking is currently available, there is an inherent risk of increased parking competition, potential time restrictions, and future conversion to paid parking. The most likely buyer is anticipated to be a developer or investor looking to convert the office space into an apartment complex. There is market evidence of adaptive re-use projects of older buildings being converted into apartments with limited or no off-street parking.

The subject property's 10,388 square feet of building area could potentially be converted into approximately eighteen (18) apartment units averaging 500 square feet each, after accounting for approximately 1,039 square feet (or 10%) of common area. The additional 4,918 square feet of finished basement can provide additional amenities such as storage and game room/lounge. Based on the concluded value of $490,000 and the potential for 18 units, the property reflects an implied value of approximately $27,222 per unit.

Competitive Advantages

- The subject property is located in an above average location.
- The subject property features an outdoor park amenity that could potentially be redeveloped.
- The subject property offers 4,918 SF of lower level finished space

Risks & Threats

- The subject property lacks adequate off-street parking spaces for continued office use.
- The subject property is in below average overall physical condition with limited functional utility "As is".
- The subject property is over-assessed relative to the appraised value and owner/buyer may consider a tax appeal.

Please reference page 14 of this report for information regarding the scope of research and analysis for this appraisal, including property identification, inspection, highest and best use analysis, and valuation methodology. For definitions of appraisal terminology used throughout the report, please refer to the Glossary of Terms & Definitions, found in the addenda of this report.

We certify that we have no present or contemplated future interest in the property beyond this estimate of value. The appraisers have not performed services as an appraiser, or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

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Please reference the Limiting Conditions and Assumptions section of this report. Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, we note the following:

Hypothetical Conditions

Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. The use of hypothetical conditions may have affected assignment results.

There are no Hypothetical Conditions for this appraisal.

Extraordinary Assumptions

Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject, or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in analysis. The use of extraordinary assumptions may have affected assignment results.

There are no Extraordinary Assumptions for this appraisal.

This appraisal report complies with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation, the OCC Appraisal standards of 12 CFR (part 34), the Interagency Appraisal and Evaluation Guidelines updated December 2010, as well as all applicable local, state, and Federal regulations pertaining to appraisal practice procedures.

The value reported is qualified by certain definitions, assumptions and limiting conditions, and certifications that are set forth in the attached report. The above qualitative information has been considered in conjunction with market-extracted quantitative data.

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Based on the appraisal described in the accompanying report, subject to the Limiting Conditions and Assumptions, Extraordinary Assumptions and Hypothetical Conditions (if any), we have made the following value conclusion(s):

Summary of Values	
Value Premise	**As Is**
Date of Value	September 17, 2025
Value Type	Market Value
Value Perspective	Current
Interest Appraised	Fee Simple
Market Exposure	3 to 12 Months
Sales Comparison Approach	$490,000
Value Conclusion:	**$490,000**

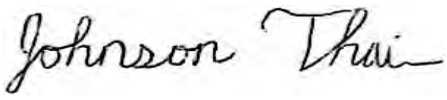
It is important to note that real property values may be less stable in the political and economic climate present as of the effective date. Therefore, it is suggested that the client monitors the situation closely and realizes the importance of an effective date of value. No analyses or opinions contained in this appraisal should be construed as predictions of future market conditions or value.

The following is a report of the data and analysis upon which the above conclusions are based. This letter is invalid as an opinion of value if detached from the report, which contains the text, exhibits, and Addenda. If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,
Commonwealth Commercial Appraisal Group



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SUBJECT PHOTOGRAPHS
















































NO
SMOKING










BILLING
- Municipal Service Fee
GENERAL INFO
- Trax
- Permit Packets
ZONING
AND
CODES








NOTICE
EVERY INJURY
HOWEVER SLIGHT
MUST BE REPORTED
IMMEDIATELY
















AUTHORIZED
PERSONNEL
ONLY







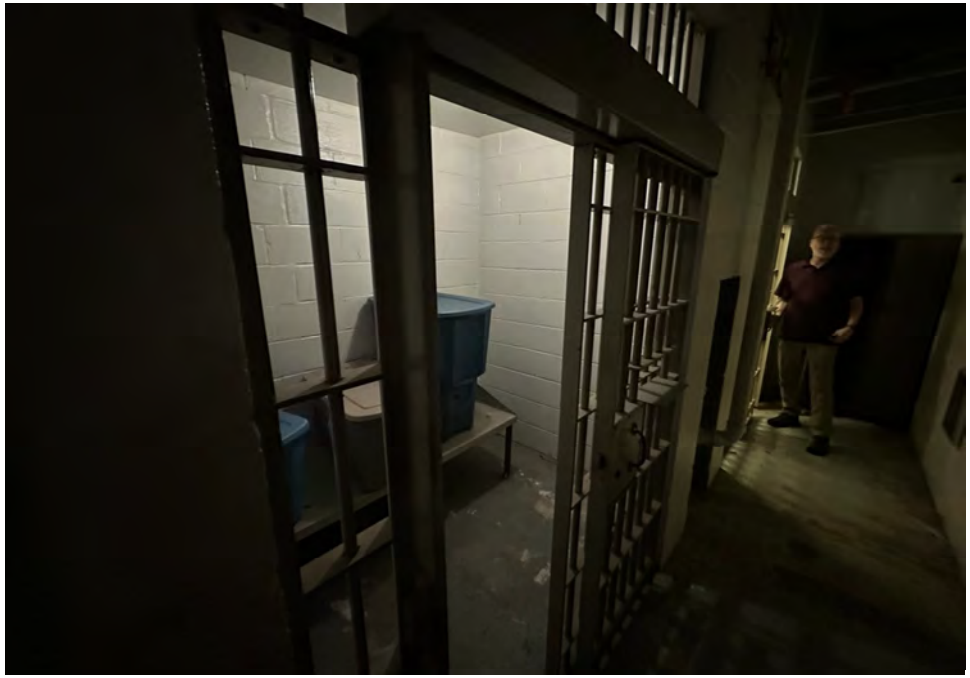




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SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

For definitions of appraisal terminology used throughout the report, please refer to the Glossary of Terms & Definitions, found in the addenda of this report.

Intended Use and Users
Intended Use
The intended use of this appraisal report is for a prospective sale by Manheim Borough in accordance with the stated scope of work, purpose of the appraisal, and definition of market value. No other use is permitted. Prospective buyers or borrowers are not considered intended users and should not rely on this appraisal for any reason.
Intended Users
The intended user of this appraisal report is Manheim Borough. No other user may rely on this report unless specifically indicated in this report.

Report Dates	
Report Date	October 9, 2025
Inspection Date	September 17, 2025
As Is Effective Date	September 17, 2025

Subject Summary	
Property Identification	
Property Major Type	Office
Address	15 East High Street
Municipality	Manheim Borough
County	Lancaster
Tax ID	400-29869-0-0000
Site Characteristics	
Acres	0.34
Zoning District	Central Business District
Improvement Characteristics	
GBA	10,388
Year Built	1951
Construction Class	Class C
Condition	Below Average
Parking Ratio GBA	0.29 Spaces per 1,000 SF GBA
Land To Building Ratio	1.43 to 1

Highest and Best Use	
Highest and Best Use as Vacant	Commercial Oriented Development
Highest and Best Use as Improved	Adaptive Reuse into Apartments
Most Likely Buyer (Intention to Purchase)	Investor or Developer
Most Likely Buyer (Geographic Appeal)	Local

Real Estate Assessment and Taxes

Tax ID	Total Assessment	Tax Rate	Taxes	Common Level Ratio	Implied Value	Effective Tax Rate
400-29869-0-0000	$745,900	2.58%	$19,210	53.43%	$1,396,032	1.38%
Totals	**$745,900**		**$19,210**		**$1,396,032**	**1.38%**

Subject Sale History	
Transaction Type	**Closed Sale**
Price	$1
Date	February 6, 1987
Book/Page or Reference Doc.	2044010
Grantor	Manheim Central Community Building, Inc.
Grantee	Borough of Manheim
Comments	Title to the subject property was transferred to the Borough of Manheim by Declaration of Taking, filed February 6, 1987 in the Court of Common Pleas of Lancaster County and recorded at Index No. 402-1987. This filing vested fee simple title in the Borough pursuant to Pennsylvania eminent domain law. No subsequent deed was provided to the appraiser; reliance is placed on this Declaration of Taking as the most recent transfer instrument of record.

Hypothetical Conditions

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There are no Hypothetical Conditions for this appraisal.

Extraordinary Assumptions

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There are no Extraordinary Assumptions for this appraisal.

Summary of Values	
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Date of Value	September 17, 2025
Value Type	Market Value
Value Perspective	Current
Interest Appraised	Fee Simple
Market Exposure	3 to 12 Months
Sales Comparison Approach	$490,000
Value Conclusion:	**$490,000**

Competitive Position & Risk Analysis

Factors that create value include utility, scarcity, desire and effective purchasing power. Utility, scarcity, and desire are analyzed below. Effective purchasing power among end-users and investors (market participants) is analyzed in the "National Economic Review" section of this report.

Utility, Scarcity, and Desire

The subject consists of a 0.34-acre corner parcel located along the southeastern, signalized intersection of East High Street and South Main Street in Manheim Borough, Lancaster County. The site also features additional frontage along South Wolf Street. It is slightly irregular in shape with generally level topography. The site includes three (3) off-street spaces accessible via South Wolf Street. Although free on-street parking is available, there is a time limit risk and a potential risk that these spaces may not be free in perpetuity. The site also contains an approximately 4,000-square-foot outdoor park amenity, which could potentially be redeveloped for additional building space or off-street parking.

The site is improved with a two-story, 10,388-square-foot municipal building constructed in 1951, which is in below-average overall physical condition. The building includes office suites on the first floor and a public library on the second floor. An additional 4,918 square feet of finished basement area provides a mechanical room, former jail cells, and a multipurpose room.

The property is located within the Central Business District (CBD) of Manheim Borough, which permits a variety of commercial uses as well as conversion to apartments.

Although continued use as an office facility is physically possible, it is not considered the highest and best use of the property. The most likely purchaser would not be a continued user, as the existing improvements are in below-average condition, suffer from significant functional obsolescence, and provides only three (3) off-street parking spaces. While free on-street parking is currently available, there is an inherent risk of increased parking competition, potential time restrictions, and future conversion to paid parking. The most likely buyer is anticipated to be a developer or investor looking to convert the office space into an apartment complex. There is market evidence of adaptive re-use projects of older buildings being converted into apartments with limited or no off-street parking.

The subject property's 10,388 square feet of building area could potentially be converted into approximately eighteen (18) apartment units averaging 500 square feet each, after accounting for approximately 1,039 square feet (or 10%) of common area. The additional 4,918 square feet of finished basement can provide additional amenities such as storage and game room/lounge. Based on the concluded value of $490,000 and the potential for 18 units, the property reflects an implied value of approximately $27,222 per unit.

LIMITING CONDITIONS AND ASSUMPTIONS

The certification of the appraiser(s) appearing in this report is subject to the following assumptions and limiting conditions. These can only be modified by written documents executed by both parties.

1. No part of the appraisal report (nor any copy of it) shall be used for any purpose by any party except the client without the previous written consent of the appraiser. No portion of the appraisal report may be reproduced. The report shall not be used for advertising, public relations, news, or other media without the consent and approval of the author.
2. Acceptance and/or use of this appraisal report by the client or any third party constitutes acceptance of the previously stated assumptions and limiting conditions. The liability of Commonwealth Commercial Appraisal Group extends only to the stated client, not to subsequent parties or uses of the report.
3. All files, work papers and documents developed in connection with this assignment are the property of Commonwealth Commercial Appraisal Group. Information, estimates and opinions are verified where possible, but cannot be guaranteed. Plans provided are intended to assist the client in visualizing the property; no other use of these plans is intended or permitted.
4. Appraisals are based on the data available at the time the assignment is completed. Amendments/modifications to appraisals based on new information made available after the appraisal was completed will be made, as soon as reasonably possible, for an additional fee.
5. On all appraisals subject to satisfactory completion, repairs, or alterations, the appraisal report and value opinion are contingent upon completion of the improvements in a professionally competent manner.
6. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. We assume that the title is good and marketable unless otherwise stated.
7. We appraised the property free and clear of any liens, encumbrances, or special assessments, unless otherwise stated. No responsibility is assumed for matters of a legal nature.
8. It is assumed that the property is under responsible ownership and management.
9. We believe that information furnished by others is reliable, but we give no warranty for its accuracy.
10. It is assumed that all engineering studies are correct. The plot plans and illustrative material in this report are included only to help the reader visualize the property. Any sketch in the report may show approximate dimensions. We have not surveyed the property.
11. It is assumed that no hidden or unapparent conditions of the property, subsoil, and structures would cause an increase or decrease in property value. We assume no responsibility for such conditions, or for obtaining the engineering studies that might be required to discover such factors. Unless otherwise stated, this appraisal assumes there is no existence of hazardous materials or conditions, in any form, on or near the subject property.
12. It is assumed the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in this appraisal report.
13. It is assumed the property contains no hazardous waste or materials, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals,

which may or may not be present on the property, was not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test for such substances. The presence of such hazardous substances may affect the value of the property. The value opinion developed herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto, which would cause a loss in value. No responsibility is assumed for any such hazardous substances, nor for any expertise or knowledge required to discover them.

14. Unless stated herein, the property is assumed to be outside of areas where flood hazard insurance is mandatory. Maps used by public and private agencies to determine these areas are limited with respect to accuracy. Due diligence has been exercised in interpreting these maps, but no responsibility is assumed for misinterpretation.
15. It is assumed assume the property complies with all applicable zoning requirements, use regulations, and other restrictions, unless a lack of conformity has been stated, defined, and considered in the appraisal report.
16. It is assumed there are no zoning violations, encroachments, easements or other restrictions which would affect the subject property, unless otherwise stated.
17. It is assumed all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value opinion contained in the report is based.
18. It is assumed that the use of the site and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
19. Commonwealth Commercial Appraisal Group will not appear or give testimony in court in connection with this appraisal unless prior arrangements have been made.
20. Any allocation of the total value opinion stated in this report between the site and improvements applies only to certain intended users/uses. The separate values allocated to the site and improvements may not be used in conjunction with any other appraisal and are invalid if so used. Any value opinions provided in the appraisal report apply to the entire property and any proration or division of the total into fractional interests will invalidate the value opinion unless such proration or division of interests has been stated in the report.
21. Disclosure of the contents of the appraisal report is governed by the Code of Professional Ethics of the Appraisal Institute and is subject to peer review.

Americans with Disabilities Act (ADA) of 1990

A civil rights act passed by Congress guaranteeing individuals with disabilities equal opportunity in public accommodations, employment, transportation, government services, and telecommunications. Statutory deadlines become effective on various dates between 1990 and 1997. Commonwealth Commercial Appraisal Group has not made a determination regarding the subject's ADA compliance or non-compliance**.** Noncompliance could have a negative effect on value, however in the absence of an engineering plan, ADA regulatory compliance & associated building codes are outside the scope of work.

SCOPE OF WORK

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s).

The appraiser must identify and consider:

- the client and intended users.
- the intended use of the report.
- the type and definition of value.
- the effective date of value.
- assignment conditions.
- typical client expectations; and
- typical appraisal work by peers for similar assignments.

Appraisal Scope Summary

Intended Use

The intended use of this appraisal report is for a prospective sale by Manheim Borough in accordance with the stated scope of work, purpose of the appraisal, and definition of market value. No other use is permitted. Prospective buyers or borrowers are not considered intended users and should not rely on this appraisal for any reason.

Intended User(s)

The intended user of this appraisal report is Manheim Borough. No other user may rely on this report unless specifically indicated in this report.

Appraisal Report

Based on the intended users understanding of the subject's physical, economic and legal characteristics, and the intended use of this appraisal, an appraisal report format was used.

This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary or description of the appraisal process, subject and market data and valuation analyses.

Scope of Work

Property Identification

The subject has been identified by the assessors' parcel number.

Is this a 'Land Only' appraisal?

No

Inspection

A complete interior and exterior inspection of the subject property has been made, and photographs taken.

Zoning

A complete analysis of zoning and applicable land use controls, including a review of potential deed restrictions has been made.

Market Analysis

A complete analysis of market conditions has been made. The appraiser maintains and has access to comprehensive databases for this market area and has reviewed the market for sales and listings relevant to this analysis.

Highest and Best Use Analysis

A complete as vacant and as improved highest and best use analysis for the subject has been made. Physically possible, legally permissible and financially feasible uses were considered, and the maximally productive use was concluded.

Information Sources

The following descriptions are based on the subject property inspection, assessment records, property deed(s), and information provided by current ownership.

Data Source Summary

Category	Sources
Market Data	EASI Demographics, Costar, MLS, Conversations with local market participants
Subject Ownership & Transaction	Lancaster County Property Records
Subject Assessment & Tax Data	Lancaster County Office of Tax Assessment
Subject Site Data	Lancaster County GIS Data & Deed
Subject Zoning Data	Manheim Borough Zoning
Subject Improved Data	Lancaster County Property Records & Subject Property Inspection
Sale Comparable Data	Costar, MLS, Conversations with local market participants
Lease Comparable Data	Costar, MLS, Conversations with local market participants

Utilized Approaches to Value

Cost Approach ☐

It would produce an unreliable value conclusion for the property based on the motivations of the most likely buyer. Estimating accrued depreciation for the existing improvements is challenging due to the age and condition, making the cost approach less reliable. Further, forms of functional and external obsolescence are difficult to quantify for a building in the middle of its useful life; therefore, the cost approach may produce a value which lacks credibility. The cost approach has been considered but not developed. The absence of the cost approach does not reduce the credibility or reliability of the value conclusion derived herein.

Sales Comparison Approach ☒

There is adequate data to develop an opinion of value and this approach reflects market behavior for this property type.

Income Approach ☐

There is no evidence that the subject's market values real estate similar to the subject property based on its income-producing ability. Therefore, valuation via an income approach would be misleading and would produce unreliable results. The absence of the income approach does not reduce the credibility or reliability of the value conclusion derived herein.

Hypothetical Conditions

Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. The use of hypothetical conditions may have affected assignment results.

There are no Hypothetical Conditions for this appraisal.

Extraordinary Assumptions

Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject, or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in analysis. The use of extraordinary assumptions may have affected assignment results.

There are no Extraordinary Assumptions for this appraisal.

NATIONAL ECONOMIC REVIEW

General Economic Overview

Overview & Key Insights

- At its March 19th meeting, the Federal Reserve maintained the federal funds target range at 4.25% to 4.50%, citing solid economic growth and a strong labor market but acknowledging inflation remains somewhat elevated. While officials reaffirmed their commitment to the 2% inflation target, they emphasized increased uncertainty and a data-dependent stance on future policy moves. The Fed also announced a key balance sheet adjustment—starting in April, monthly Treasury runoff caps will be reduced from $25B to $5B, slowing the pace of quantitative tightening. Markets largely expect rates to hold steady in the near term, with only a 13% probability priced in for a rate cut at the Fed's next meeting.

- Real GDP grew at an annual rate of 2.4% in Q4 2024, down from 3.1% in Q3, driven by strong consumer spending and higher government outlays, partly offset by weaker investment. A decline in imports also contributed to growth. By industry, government, services, and goods-producing sectors all expanded, with 15 of 22 major sectors contributing. Meanwhile, the Conference Board's Leading Economic Index (LEI) fell 0.3% in February—its second straight monthly decline—reflecting weaker consumer sentiment, new orders, and permit activity. Though still negative year-over-year, LEI trends suggest easing headwinds but continued near-term uncertainty.

- The unemployment rate held steady at 4.2% in March 2025, with 7.1 million unemployed individuals, remaining within a narrow 4.0%–4.2% range since May 2024. Nonfarm payroll employment rose by 228,000, outpacing the 12-month average of 158,000. Job growth was led by health care, social assistance, transportation/warehousing, and retail trade, while federal government employment declined. The labor force participation rate (62.5%) and employment-population ratio (59.9%) were little changed.

- Inflation moderated in March 2025, with the Consumer Price Index (CPI) declining 0.1% after a 0.2% increase in February. Year-over-year, the all-items index rose 2.4%, down from 2.8% in February, while core CPI rose 2.8%, the smallest 12-month gain since March 2021. Shelter (+4.0%), motor vehicle insurance (+7.5%), and medical care (+2.6%) remained key contributors to inflation, despite monthly declines in used cars, recreation, and airline fares. The Producer Price Index (PPI) fell 0.4% in March, led by a 0.9% drop in goods prices, though the 12-month PPI still rose 2.7%. These trends suggest easing but persistent inflationary pressure in key consumer sectors.

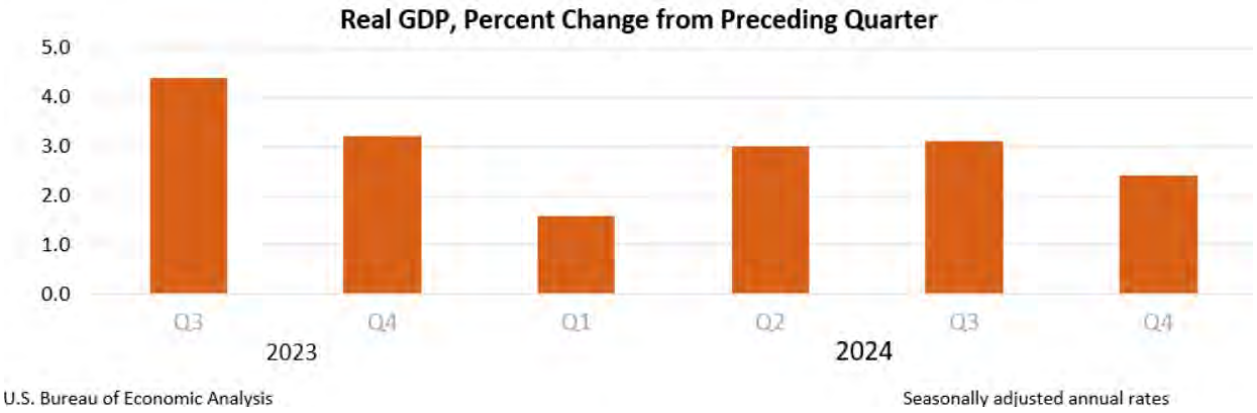
- In March 2025, the U.S. housing market showed mixed signals. Building permits rose 1.6% from February but remained slightly below year-ago levels, while housing starts declined 11.4% month-over-month, despite being up 1.9% year-over-year. Housing completions slipped slightly from February but exceeded March 2024 levels. The REALTORS® Confidence Index reflected modest buyer and seller optimism: first-time buyer share rose to 31%, homes sold above asking increased to 21%, and 50% of listings sold within a month. However, constrained inventory and weaker single-family authorizations continued to limit overall market momentum.

- U.S. commercial real estate (CRE) investment activity showed early signs of recovery in late 2024 and into early 2025, with Q4 transaction volume reaching $108.5 billion—a 33.6% quarterly increase and a 5.8% year-over-year gain. While still below pre-pandemic levels, momentum is improving as bid-ask spreads narrow and institutional capital cautiously re-enters. Lending standards remain elevated but are beginning to ease, with CRE loan demand stabilizing. Mortgage rate volatility and a wide spread between short- and long-term borrowing costs continue to pressure valuations, particularly for assets underwritten during the ultra-low-rate era. Distress levels remain elevated—especially in the office sector—but are stabilizing, and special servicing rates declined across most property types in March 2025. Overall, investor sentiment is gradually improving, with expectations of a slow, uneven recovery as interest rate clarity and capital market conditions improve through mid-2025.

Real GDP: Percent Change

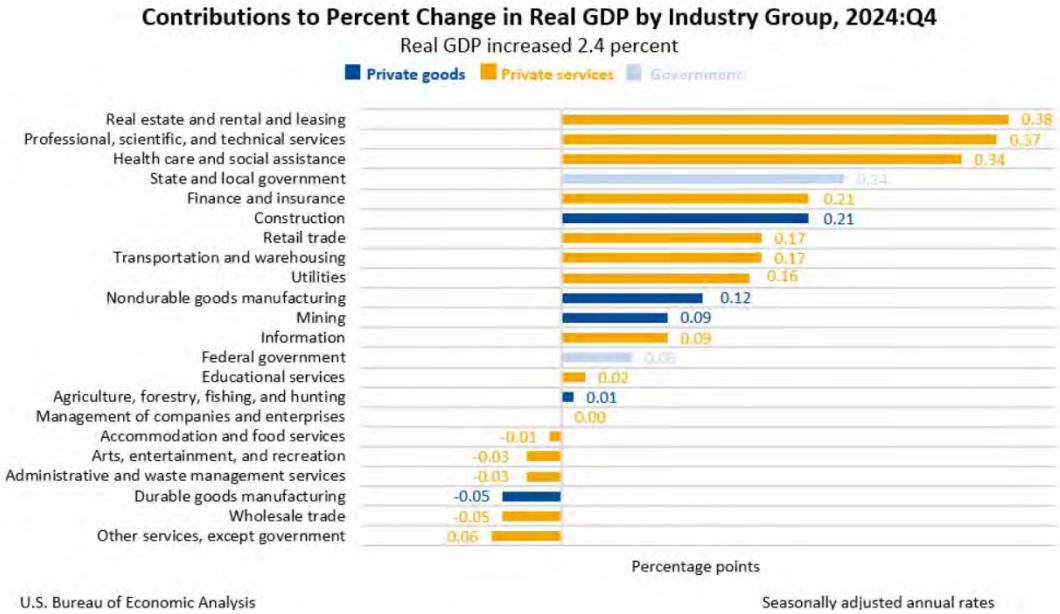
Real gross domestic product (GDP) increased at an annual rate of 2.4 percent in the fourth quarter of 2024, according to the "advance" estimate released by the Bureau of Economic Analysis on March 27, 2025. In the third quarter, real GDP increased 3.1 percent.

Compared to the third quarter, the increase in real GDP in the fourth quarter was primarily driven by stronger consumer spending and higher government expenditures. These gains were partly offset by a decline in investment. Additionally, a decrease in imports contributed positively to GDP growth.



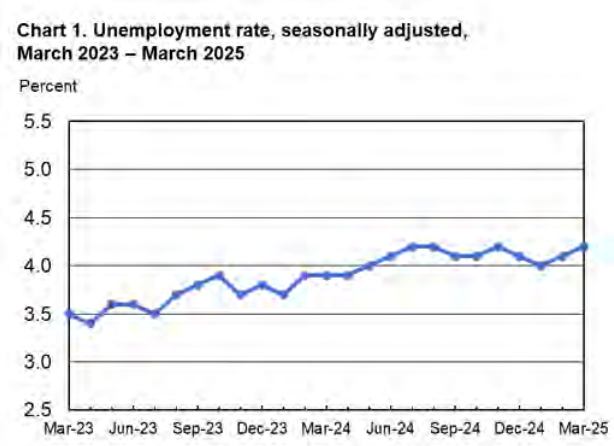
Real GDP: By Industry

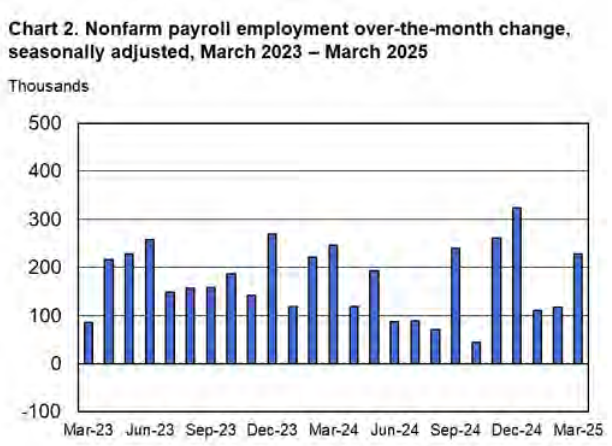
Estimates of GDP by industry, or value added—a measure of an industry's contribution to GDP. Private goods-producing industries increased 2.3 percent (from the preceding quarter), private services-producing industries increased 2.4 percent, and government increased 2.7 percent. Overall, 15 of 22 industry groups contributed to the first-quarter increase in real GDP.



Unemployment & Payroll Jobs

According to the BLS, the unemployment rate remained largely unchanged at 4.2 percent, with the number of unemployed people at 7.1 million. The unemployment rate has stayed in a narrow range of 4.0 percent to 4.2 percent since May 2024. Total nonfarm payroll employment increased by 228,000 in March, surpassing the average monthly gain of 158,000 over the prior 12 months. Job gains were seen in health care, social assistance, transportation/warehousing, and retail trade, while federal government employment declined.





Both the labor force participation rate, at 62.5 percent, and the employment-population ratio, at 59.9 percent, showed little change in March. These measures have remained largely unchanged over the year. In March, average hourly earnings for all employees on private nonfarm payrolls increased by 9 cents, or 0.3 percent, to $36.00. Over the past 12 months, average hourly earnings have increased by 3.8 percent. For private-sector production and nonsupervisory employees, average hourly earnings edged up by 5 cents, or 0.2 percent, to $30.96.

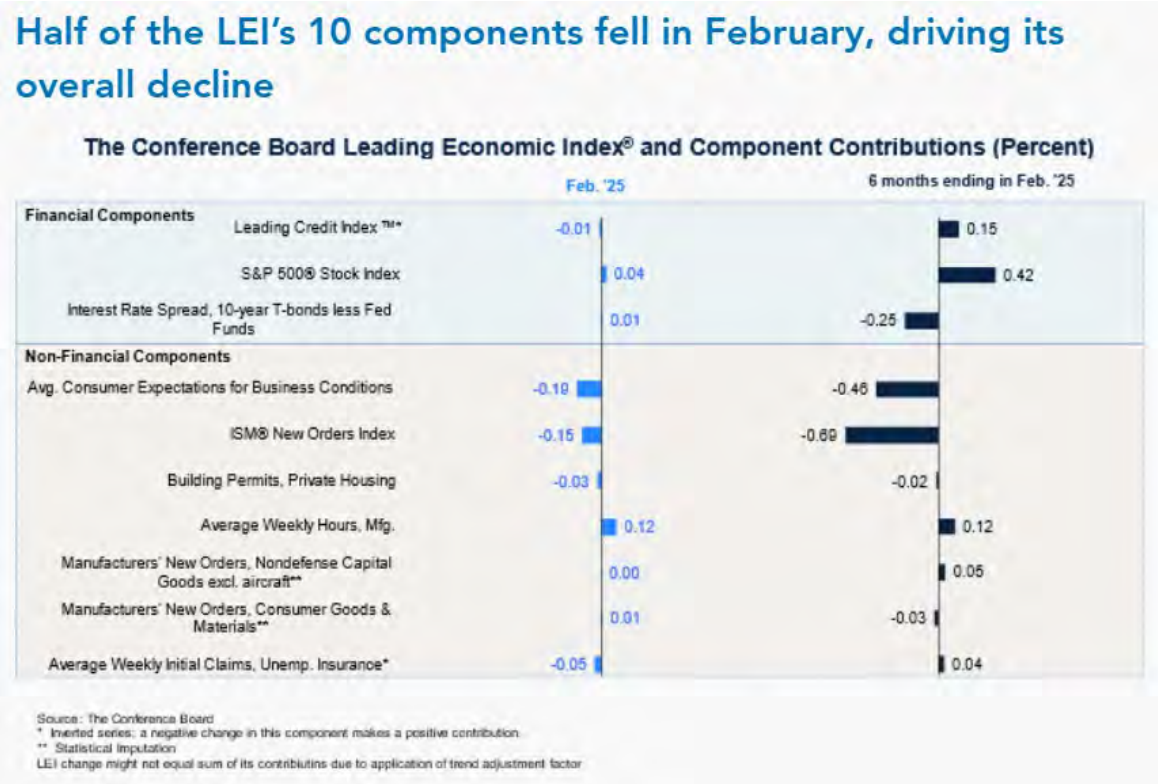
Economic Indicators

The Conference Board (TCB) is a global, independent association known for its economic research and indicators like the Leading Economic Index (LEI), which provides an early indication of significant turning points in the business cycle and where the economy is heading in the near term. Traditionally, the LEI is thought to gauge economic activity six to nine months in advance. Consecutive moves in the same direction are thought to be indicative of the general direction of the economy.

The Conference Board Leading Economic Index (LEI) for the U.S. declined by 0.3 percent in February 2025 to 101.1 (2016=100), following a 0.2 percent decline in January. Over the second half of 2024, the LEI fell by 1.0 percent, a smaller decrease than its 2.1 percent contraction over the second half of last year. The decline continued in February, driven largely by more pessimistic consumer expectations about future business conditions. Manufacturing new orders, which had improved in January, also retreated and became the second largest negative contributor to the Index. However, the LEI's six-month and annual growth rates have remained on an upward trend since late 2023, suggesting that economic headwinds may be easing. Still, heightened policy uncertainty and weaker consumer sentiment and spending since the start of the year are expected to slow real GDP growth in 2025.



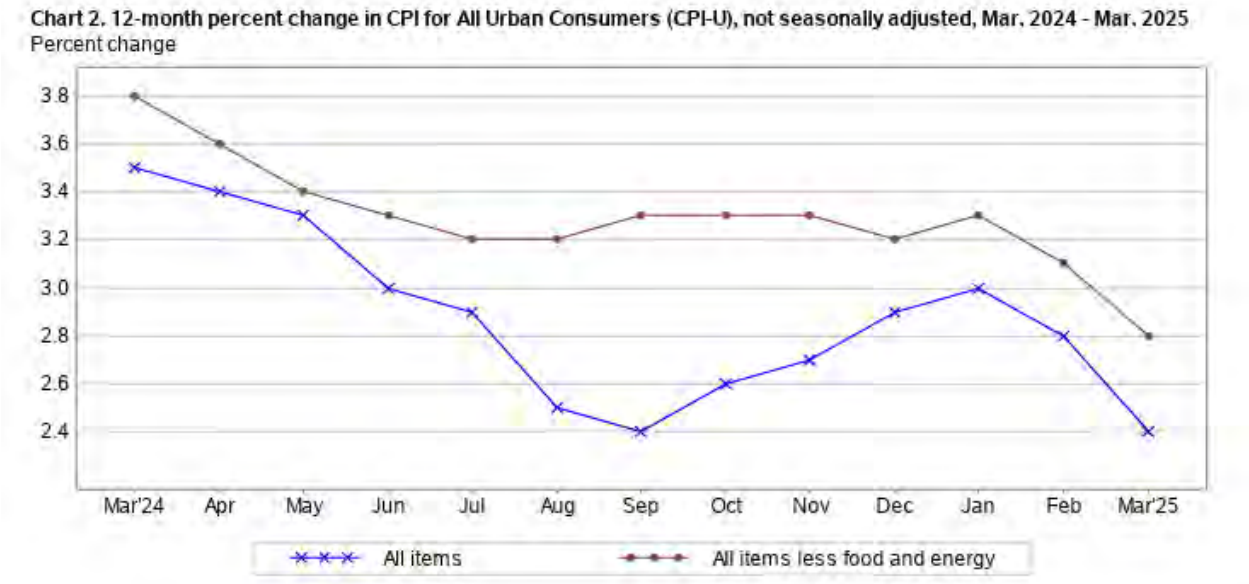
February's decline in the LEI was driven by more pessimistic consumer expectations, a pullback in new orders, an uptick in initial unemployment claims, and weaker building permit activity.



The Conference Board Leading Economic Index® (LEI) for the U.S. declined again in February, with both the six-month and twelve-month growth rates remaining negative—though on a moderating trend since late 2023. Financial components such as the S&P 500® Index of Stock Prices and the interest rate spread contributed positively to the index. However, these gains were outweighed by notable declines in non-financial components, particularly consumer expectations for business conditions and the ISM® Index of New Orders. A rise in initial unemployment claims and weaker building permit activity also contributed to the index's overall decline. This combination of persistent non-financial weakness and ongoing policy uncertainty continues to point to headwinds for future economic growth.

Consumer Spending and Inflation (Effective Purchasing Power)

According to the Bureau of Labor Statistics (BLS), the Consumer Price Index for All Urban Consumers (CPI-U) declined 0.1% in March (seasonally adjusted), following a 0.2% increase in February. Over the past 12 months, the all-items index increased 2.4%, down from 2.8% the prior month.



The core index (all items less food and energy) increased 0.1% in March, after a 0.2% rise in February, and was up 2.8% over the past 12 months—the smallest 12-month increase since March 2021. The energy index declined 3.3% year-over-year, while the food index rose 3.0%.

Within housing, the shelter index rose 0.2% in March and 4.0% year-over-year, marking the slowest annual increase since November 2021. The owners' equivalent rent index increased 0.4% and the rent of primary residence index rose 0.3% during the month. Lodging away from home declined 3.5%.

In the healthcare sector, the medical care index increased 0.2%. This included a 1.1% rise in hospital services and a 0.3% increase in physicians' services, while prescription drug prices declined 2.0%.

For transportation and vehicles, new vehicle prices edged up 0.1% in March. However, used cars and trucks, motor vehicle insurance, and airline fares all declined—airline fares fell 5.3% in March, following a 4.0% drop in February. Despite the monthly decline, motor vehicle insurance remained up 7.5% over the past year.

Other sectors showed mixed results. Indexes for personal care, education (+3.9% YoY), and apparel increased during the month. In contrast, the recreation index declined in March but remained 1.9% higher year-over-year. The household furnishings and operations index was unchanged.

Table A. Percent changes in CPI for All Urban Consumers (CPI-U): U.S. city average

	Seasonally adjusted changes from preceding month							Un-adjusted 12-mos. ended Mar. 2025
	Sep. 2024	Oct. 2024	Nov. 2024	Dec. 2024	Jan. 2025	Feb. 2025	Mar. 2025	
All items	0.2	0.2	0.3	0.4	0.5	0.2	-0.1	2.4
Food	0.3	0.2	0.3	0.3	0.4	0.2	0.4	3.0
Food at home	0.3	0.2	0.4	0.3	0.5	0.0	0.5	2.4
Food away from home[1]	0.3	0.2	0.3	0.3	0.2	0.4	0.4	3.8
Energy	-1.0	-0.2	0.1	2.4	1.1	0.2	-2.4	-3.3
Energy commodities	-2.3	-1.1	0.2	3.9	1.9	-0.9	-6.1	-9.5
Gasoline (all types)	-2.3	-1.0	0.3	4.0	1.8	-1.0	-6.3	-9.8
Fuel oil	-3.8	-2.3	-1.4	2.1	6.2	0.8	-4.2	-7.6
Energy services	0.6	0.7	-0.1	0.8	0.3	1.4	1.6	4.2
Electricity	0.5	0.8	-0.2	0.2	0.0	1.0	0.9	2.8
Utility (piped) gas service	0.7	0.5	0.5	2.8	1.8	2.5	3.6	9.4
All items less food and energy	0.3	0.3	0.3	0.2	0.4	0.2	0.1	2.8
Commodities less food and energy commodities	0.2	0.0	0.2	0.0	0.3	0.2	-0.1	-0.1
New vehicles	0.1	0.0	0.5	0.4	0.0	-0.1	0.1	0.0
Used cars and trucks	0.5	1.2	1.3	0.8	2.2	0.9	-0.7	0.6
Apparel	1.0	-0.9	0.1	0.1	-1.4	0.6	0.4	0.3
Medical care commodities[1]	-0.7	-0.2	-0.1	0.0	1.2	0.1	-1.1	1.0
Services less energy services	0.4	0.3	0.3	0.3	0.5	0.3	0.1	3.7
Shelter	0.3	0.4	0.3	0.3	0.4	0.3	0.2	4.0
Transportation services	1.2	0.4	0.1	0.5	1.8	-0.8	-1.4	3.1
Medical care services	0.6	0.3	0.3	0.2	0.0	0.3	0.5	3.0

The Producer Price Index ("PPI") is recognized as predictive of near-term consumer inflation. The Producer Price Index for final demand (seasonally adjusted) decreased 0.4 percent in March, the U.S. Bureau of Labor Statistics reported on April 11, 2025. Final demand prices increased 0.1 percent in February and 0.6 percent in January. On an unadjusted basis, the index for final demand advanced 2.7 percent for the 12 months ended in March. The March decline in the index for final demand can be attributed to prices for final demand goods, which fell 0.9 percent. The index for final demand services declined 0.2 percent. Prices for final demand less foods, energy, and trade services edged up 0.1 percent in March after increasing 0.4 percent in each of the previous 3 months. For the 12 months ended in March, the index for final demand less foods, energy, and trade services advanced 3.4 percent.

Chart 1. One-month percent changes in selected PPI final demand price indexes, seasonally adjusted



In conclusion, the US inflation environment, as indicated by the Consumer Price Index (CPI) and the Producer Price Index (PPI), shows a stabilizing trend. The CPI for All Urban Consumers increased by 0.4 percent in March, up from a 0.1 percent decrease in February, with notable rises in the indexes for

shelter and gasoline. Additionally, the index for all items less food and energy rose by 3.2 percent in March, driven by increases in various categories such as shelter, motor vehicle insurance, and medical care. Over the last 12 months, the all-items index increased by 2.9 percent, indicating a continued inflationary trend, however, with stabilizing rates.

Similarly, the PPI for final demand decreased by 0.4 percent in March, with prices for final demand for goods driving this decrease, while the index for final demand for services fell 0.2 percent. On an unadjusted basis, the index for final demand advanced 2.7 percent for the 12 months ended in March. These indicators suggest that inflationary pressures persist, particularly in areas such as shelter, motor vehicle insurance, and medical care.

Retail Sales

Advance estimates of U.S. retail and food services sales for March 2025, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were $734.9 billion, up 1.4 percent (±0.5 percent) from the previous month, and up 4.6 percent (±0.5 percent) from March 2024. *Figures in parentheses represent the estimated margin of error, indicating the range within which the true value likely falls.* Total sales for the January through March 2025 period were up 4.1 percent (±0.5 percent) from the same period a year ago. The January to February percent change was unrevised from up 0.2 percent (±0.2 percent).

Retail trade sales were up 1.4 percent (±0.5 percent) from February 2025, and up 4.6 percent (±0.5 percent) from last year. Motor vehicle and parts dealers were up 8.8 percent (±1.8 percent) from last year, while non-store retailers were up 4.8 percent (±1.4 percent) from March 2024.

Table 1. Estimated Monthly Sales for Retail and Food Services, by Kind of Business

(Total sales estimates are shown in millions of dollars and are based on data from the Advance Monthly Retail Trade Survey, Monthly Retail Trade Survey, and administrative records.)

NAICS[1] code	Kind of Business	Not Adjusted							Adjusted[2]				
		3 Month Total		2025			2024		2025			2024	
		2025	% Chg. 2024	Mar.[3] (a)	Feb. (p)	Jan. (r)	Mar.	Feb.	Mar.[3] (a)	Feb. (p)	Jan. (r)	Mar. (r)	Feb. (r)
	Retail & food services, total	**2,044,747**	**2.8**	**737,329**	**641,915**	**665,503**	**707,637**	**644,825**	**734,870**	**724,535**	**722,944**	**702,520**	**699,739**
	Total (excl. motor vehicle & parts)	1,641,039	2.2	582,981	517,572	540,486	567,110	518,529	590,942	587,869	584,070	570,235	566,146
	Total (excl. gasoline stations)	1,900,880	3.1	686,691	596,459	617,730	654,589	597,462	683,409	671,741	669,745	648,719	646,996
	Total (excl. motor vehicle & parts & gasoline stations)	1,497,172	2.7	532,343	472,116	492,713	514,062	471,166	539,481	535,075	530,871	516,434	513,403
	Retail	1,764,667	2.8	635,047	553,589	576,031	609,462	555,528	636,522	627,898	625,480	608,662	605,643
	GAFO[4]	(*)	(*)	(*)	114,303	116,817	129,000	115,707	(*)	134,241	134,178	129,488	131,026
441	**Motor vehicle & parts dealers**	**403,708**	**4.9**	**154,348**	**124,343**	**125,017**	**140,527**	**126,296**	**143,928**	**136,666**	**138,874**	**132,285**	**133,593**
4411, 4412	Auto & other motor veh. dealers	370,653	5.2	142,279	114,089	114,285	128,903	115,944	132,107	124,961	127,408	120,922	122,304
44111	New car dealers	(*)	(*)	(*)	95,045	96,244	105,692	95,883	(NA)	(NA)	(NA)	(NA)	(NA)
4413	Auto parts, acc. & tire stores	(*)	(*)	(*)	10,254	10,732	11,624	10,352	(*)	11,705	11,466	11,363	11,289
442	**Furniture & home furn. stores**	**32,946**	**4.9**	**11,682**	**10,639**	**10,625**	**11,022**	**10,343**	**11,670**	**11,756**	**11,663**	**10,838**	**11,015**
4421	Furniture stores	(*)	(*)	(*)	5,908	5,751	5,995	5,705	(NA)	(NA)	(NA)	(NA)	(NA)
4422	Home furnishings stores	(*)	(*)	(*)	(S)	(S)	(S)	(S)	(NA)	(NA)	(NA)	(NA)	(NA)
443	**Electronics & appliance stores**	**21,257**	**-1.9**	**7,319**	**6,756**	**7,182**	**7,208**	**7,267**	**7,737**	**7,677**	**7,640**	**7,603**	**7,933**
444	**Building material & garden eq. & supplies dealers**	**105,269**	**0.0**	**40,333**	**31,798**	**33,138**	**38,696**	**33,820**	**41,404**	**40,097**	**40,274**	**40,350**	**40,425**
4441	Building mat. & sup. dealers	(*)	(*)	(*)	27,621	28,816	33,298	29,585	(*)	34,700	34,844	35,124	35,304
445	**Food & beverage stores**	**244,575**	**1.9**	**83,781**	**77,016**	**83,778**	**83,248**	**76,955**	**85,233**	**85,055**	**84,877**	**82,290**	**81,956**
4451	Grocery stores	221,402	2.2	75,527	69,546	76,329	74,795	69,307	76,367	76,257	76,101	73,617	73,263
4453	Beer, wine & liquor stores	(*)	(*)	(*)	5,140	5,153	5,876	5,360	(*)	6,076	6,091	6,083	6,105
446	**Health & personal care stores**	**111,808**	**4.3**	**38,571**	**35,419**	**37,818**	**36,238**	**34,588**	**38,921**	**38,667**	**37,894**	**36,311**	**36,256**
44611	Pharmacies & drug stores	(*)	(*)	(*)	29,965	32,324	29,894	28,883	(*)	32,571	31,784	30,226	30,181
447	**Gasoline stations**	**143,867**	**-2.0**	**50,638**	**45,456**	**47,773**	**53,048**	**47,363**	**51,461**	**52,794**	**53,199**	**53,801**	**52,743**
448	**Clothing & clothing accessories stores**	**67,020**	**1.3**	**25,429**	**21,447**	**20,144**	**24,986**	**22,005**	**26,679**	**26,566**	**26,623**	**25,307**	**26,118**
44811	Men's clothing stores	(*)	(*)	(*)	(S)	(S)	(S)	(S)	(*)	(S)	(S)	(S)	(S)
44812	Women's clothing stores	(*)	(*)	(*)	2,486	2,316	3,235	2,650	(*)	3,050	3,080	3,026	3,125
44814	Family clothing stores	(*)	(*)	(*)	8,719	8,425	10,454	8,566	(NA)	(NA)	(NA)	(NA)	(NA)
4482	Shoe stores	(*)	(*)	(*)	2,444	2,129	3,179	2,774	(*)	3,082	3,081	3,008	3,354
451	**Sporting goods, hobby, musical instrument, & book stores**	**21,429**	**-2.5**	**7,997**	**6,468**	**6,964**	**7,992**	**6,891**	**8,383**	**8,187**	**8,212**	**8,163**	**8,466**
452	**General merchandise stores**	**213,066**	**1.9**	**76,096**	**67,096**	**69,874**	**75,692**	**67,287**	**78,011**	**77,543**	**77,505**	**75,189**	**75,078**
4521	Department stores	27,721	-4.0	9,906	8,800	9,015	10,485	9,513	10,660	10,697	10,876	10,937	11,128
4529	Other general merch. stores	(*)	(*)	(*)	58,296	60,859	65,207	57,774	(*)	66,846	66,629	64,252	63,950
45291	Warehouse clubs & supercenters	(*)	(*)	(*)	50,375	52,647	56,073	49,609	(*)	57,571	57,350	55,190	54,817
45299	All oth. gen. merch. stores	(*)	(*)	(*)	7,921	8,212	9,134	8,165	(*)	9,275	9,279	9,062	9,133
453	**Miscellaneous store retailers**	**43,916**	**6.2**	**15,937**	**13,889**	**14,090**	**14,938**	**13,391**	**16,218**	**16,104**	**15,872**	**15,483**	**14,935**
454	**Nonstore retailers**	**355,806**	**4.2**	**122,916**	**113,262**	**119,628**	**115,867**	**109,322**	**126,877**	**126,786**	**122,847**	**121,042**	**117,125**
4541	Elect. shopping & m/o houses	(*)	(*)	(*)	103,171	108,477	106,154	98,984	(*)	117,641	113,708	111,859	107,943
722	**Food services & drinking places**	**280,080**	**2.8**	**102,282**	**88,326**	**89,472**	**98,175**	**89,297**	**98,348**	**96,637**	**97,464**	**93,858**	**94,096**

Personal Consumption & Personal Income

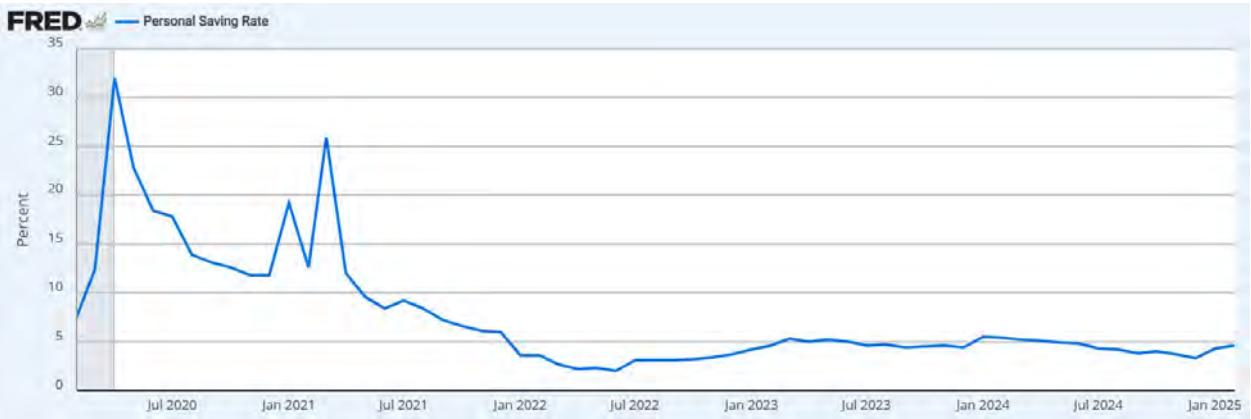
From the preceding month, the PCE price index for February increased 0.3 percent. Prices for goods increased 0.6 percent and prices for services increased 0.1 percent. Food prices increased 0.3 percent and energy prices decreased 3.3 percent. Excluding food and energy, the PCE price index increased 0.4 percent.

From the same month one year ago, the PCE price index for February increased 2.5 percent. Prices for goods increased 1.1 percent and prices for services increased 3.4 percent. Food prices increased 3.1 percent and energy prices increased 0.5 percent. Excluding food and energy, the PCE price index increased 2.8 percent from one year ago. The 0.1 percent increase in real PCE in February reflected an increase of 0.1 percent in spending on goods and an increase of 0.1 percent in spending on services. Within goods, the largest contributor to the increase was recreational goods and vehicles. Within services, the largest contributor to the increase was housing and utilities.

Personal Income

In February, personal income increased by $194.7 billion, or 0.8% at a monthly rate. Disposable personal income (DPI)—personal income less personal current taxes—rose by $191.6 billion, or 0.9%. Personal outlays, which include personal consumption expenditures (PCE), interest payments, and current transfer payments, increased by $118.4 billion (0.3%). Of this, consumer spending accounted for an $87.8 billion increase (0.4%). The increase in current-dollar PCE reflected a $56.3 billion rise in spending on goods and a $31.5 billion increase in services. Among services, the largest contributors were housing and utilities (led by housing) and other services. For goods, recreational goods and vehicles (particularly information processing equipment) and other nondurable goods were the primary drivers.

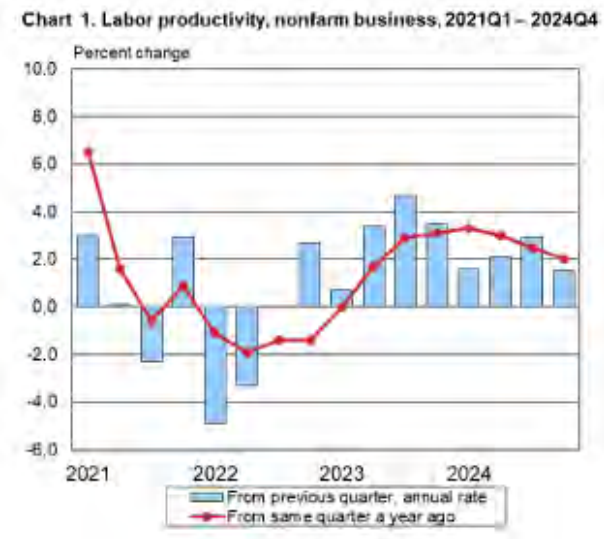
Personal saving was $1.02 trillion in February and the personal saving rate—personal saving as a percentage of disposable personal income—was 4.6 percent. This percentage reflects the amount of income left after people pay taxes and make expenditures. A chart highlighting the five-year historical US Personal Saving Rate (FRED Indicator “PSAVERT”) is below.

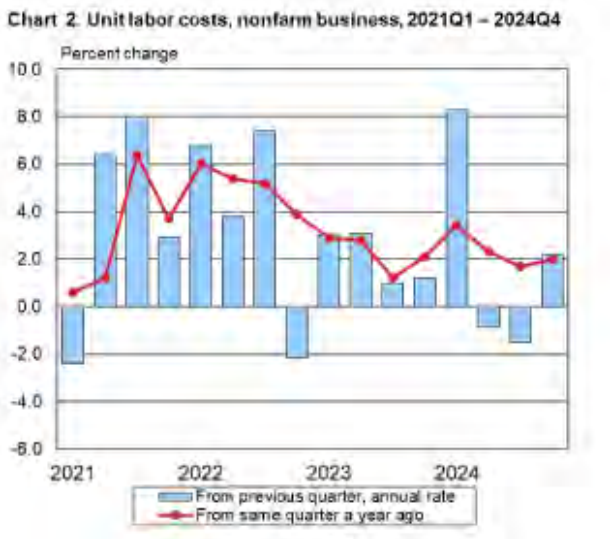


The U.S. personal saving rate is hovering near 5-year lows; although a low saving rate could suggest that consumers are confident in their financial situation and willing to spend more freely, a persistently low saving rate could indicate that consumers are increasingly tapped out financially, potentially making them more vulnerable to economic shocks.

Business Sector Productivity

Nonfarm business sector labor productivity increased 1.5 percent in the fourth quarter of 2024, as output increased 2.4 percent and hours worked increased 0.8 percent. From the same quarter a year ago, nonfarm business sector labor productivity increased 2.0 percent in the fourth quarter of 2024. Annual average productivity was revised up 0.4 percentage point to an increase of 2.7 percent from 2023 to 2024. Unit labor costs in the nonfarm business sector increased 2.2 percent in the fourth quarter of 2024, reflecting a 3.8-percent increase in hourly compensation and a 1.5-percent increase in productivity. Unit labor costs increased 2.0 percent over the last four quarters.



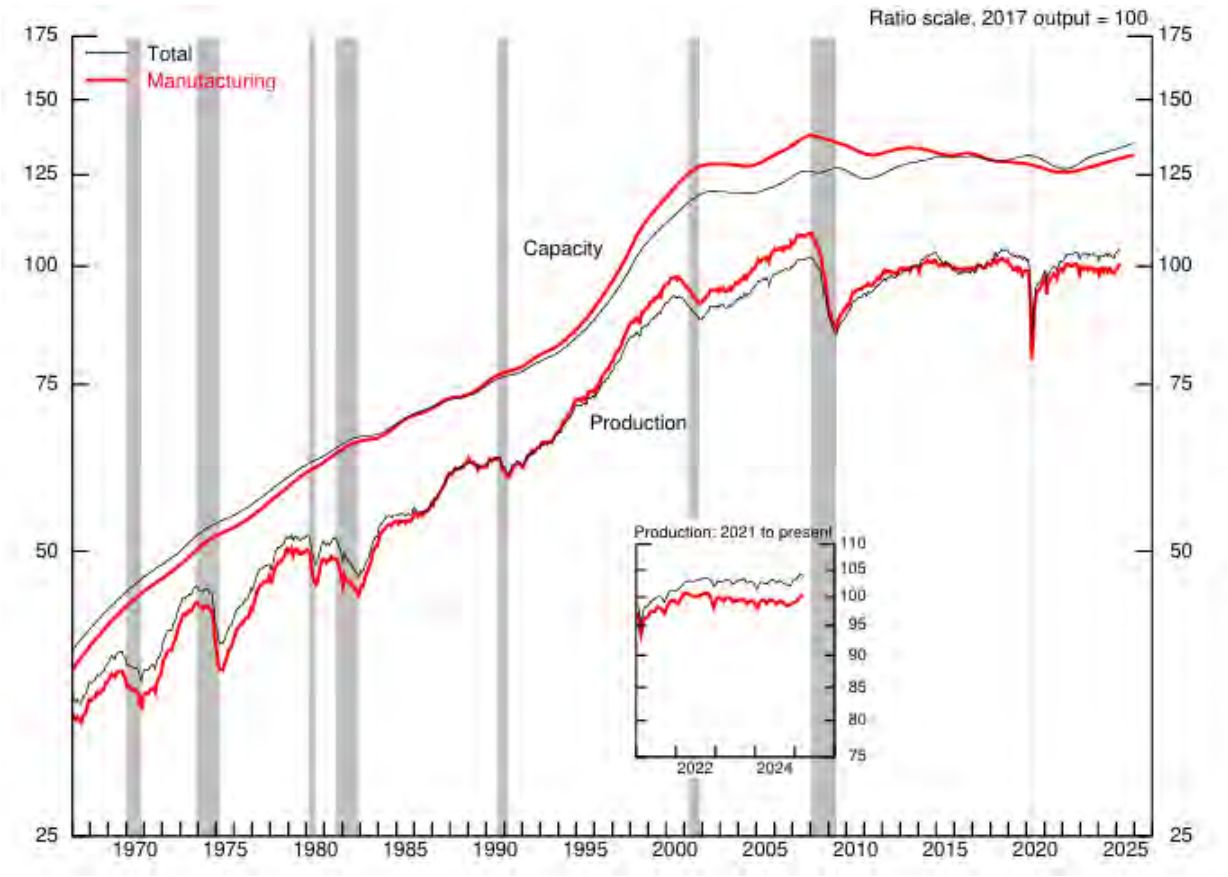


Labor productivity, or output per hour, is calculated by dividing an index of real output by an index of hours worked by all workers, including employees, proprietors, and unpaid family workers. During the current business cycle, starting in the fourth quarter of 2019, labor productivity has grown at an annualized rate of 1.9 percent, reflecting a 2.5-percent rate of growth in output and a 0.6-percent rate of growth in hours worked. The 1.9-percent annualized rate of productivity growth in the current business cycle thus far is higher than the 1.5 percent rate of the previous business cycle from the fourth quarter of 2007 through the fourth quarter of 2019, and is slightly below the long-term rate of 2.1 percent since the first quarter of 1947.

Industrial & Manufacturing: Production and Capacity Utilization

Production

Industrial production fell 0.3 percent in March after increasing at a 5.5 percent annual rate in the first quarter. The March decline was led by a 5.8 percent drop in the index for utilities, as temperatures were warmer than typical for the month. In contrast, manufacturing and mining indexes grew by 0.3 percent and 0.6 percent, respectively. The index for utilities decreased by 5.8 percent, while the mining index grew by 0.6 percent. At 103.9 percent of its 2017 average, total industrial production in March was 1.3 percent above its year-earlier level. Capacity utilization moved down to 77.8 percent in March, a rate that is 1.8 percentage points below its long-run (1972–2024) average.

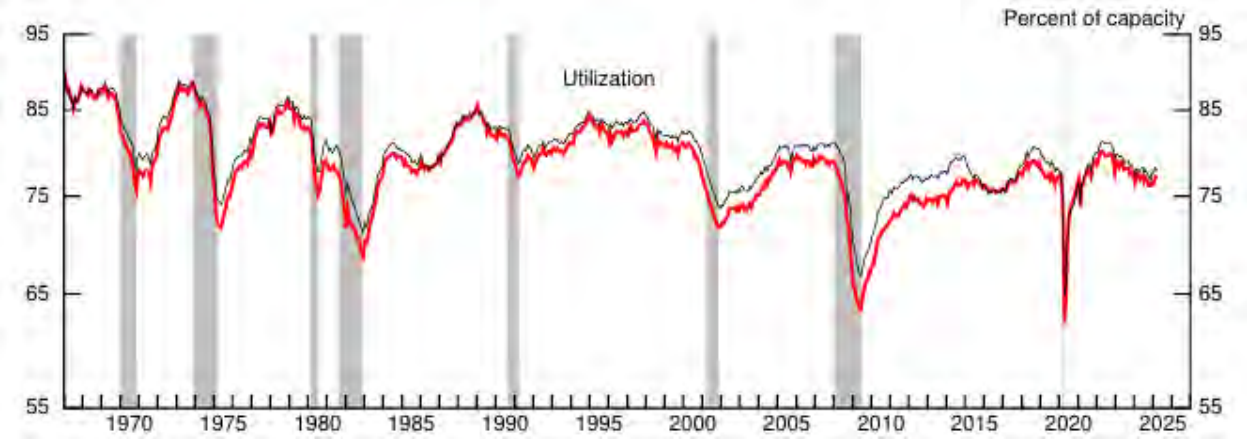


Manufacturing output rose 0.3 percent in March and was 0.3 percent above its year-earlier level. The output of durable manufacturing increased by 0.6 percent, while nondurable manufacturing showed little change. The production of motor vehicles and parts rose 1.2 percent, while gains in aerospace equipment (1.8 percent) helped bolster overall durable goods production. The index for durable manufacturing grew by 0.6 percent, while nondurable manufacturing remained stable. Within durables, the rise in motor vehicles and parts of 1.2 percent helped offset declines in textiles and paper. In nondurables, the largest increases were in food, apparel, and chemicals, with gains in the petroleum and coal products index as well.

Mining output increased by 0.6 percent in March, but remained little changed in the first quarter as a whole. Gains in crude oil extraction were offset by declines elsewhere, with the production of natural gas liquid extraction reduced by temporary facility closures. The output of utilities dropped 5.8 percent in March, primarily driven by a 5.1 percent decline in electric utilities and a significant 11.1 percent drop in natural gas utilities.

Capacity Utilization

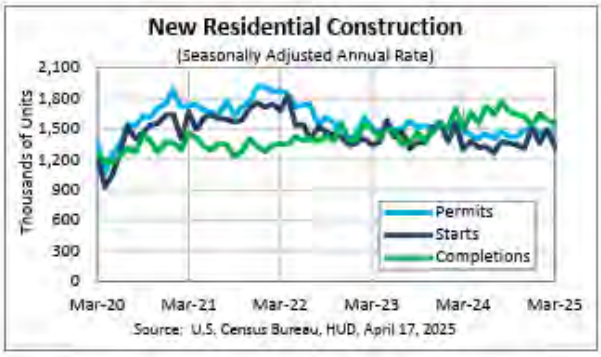
Capacity utilization for manufacturing edged up 0.2 percentage points to 77.3 percent in March, a rate that is 0.9 percentage points below its long-run (1972–2024) average. The operating rate for mining increased by 0.5 percentage points to 90.6 percent, 4.1 percentage points above its long-run average. Meanwhile, the operating rate for utilities decreased by 4.4 percentage points to 69.1 percent, remaining substantially below its long-run average.



Housing Starts, Permits & Completions

Home building activity has traditionally been a primary driver of overall economic activity because new home construction stimulates a broad range of industrial, commercial, and consumer spending and investment. In March, the U.S. housing market displayed a mixed performance with some positive developments, but overall, the market for new home construction saw a slight uptick in activity, but construction levels remained below previous highs. Findings are below.





- Building Permits: Privately-owned housing units authorized by building permits in March were at a seasonally adjusted annual rate of 1,482,000. This is 1.6 percent above the revised February rate of 1,459,000, but is 0.2 percent below the March 2024 rate of 1,485,000. Single-family authorizations in March were at a rate of 978,000; this is 2.0 percent below the revised February figure of 998,000. Authorizations of units in buildings with five units or more were at a rate of 445,000 in March.

- Housing Starts: Privately-owned housing starts in March were at a seasonally adjusted annual rate of 1,324,000. This is 11.4 percent (±13.5 percent) below the revised February estimate of 1,494,000, but is 1.9 percent (±10.6 percent) above the March 2024 rate of 1,299,000. Single-family housing starts in March were at a rate of 940,000; this is 14.2 percent (±14.2 percent) below the revised February figure of 1,096,000. The March rate for units in buildings with five units or more was 371,000.

- Housing Completions: Privately-owned housing completions in March were at a seasonally adjusted annual rate of 1,549,000. This is 2.1 percent (±11.5 percent)* below the revised February estimate of 1,582,000, but is 3.9 percent (±10.7 percent)* above the March 2024 rate of 1,491,000. Single-family housing completions in March were at a rate of 1,029,000; this is 0.9 percent (±10.9 percent)* above the revised February rate of 1,020,000. The March rate for units in buildings with five units or more was 503,000.

REALTORS® Confidence Index

The latest market outlook from the REALTORS® Confidence Index reveals mixed trends for buyers and sellers. In March, the U.S. housing market showed some positive trends. First-time buyers increased to 31%, up from 28% last month, while 21% of homes sold above asking price, marking an increase from 15% last month. The REALTORS® Confidence Index saw an improvement in the market outlook for sellers. 50% of homes sold in less than a month, up slightly from the previous month, while homes received an average of 2.3 offers. Notably, 32% of buyers made all-cash purchases, a slight rise from 29% last month. The share of buyers waving inspection and appraisal contingencies also grew, reflecting a slightly easier market for buyers. Additionally, 6% of buyers purchased homes based on virtual tours, unchanged from the previous month but down from last year. Despite these shifts, housing inventory remained constrained, keeping overall market activity below previous year levels.

Financial Markets & Capital Markets

Stock Markets

Equity markets have faced notable volatility in 2025, with year-to-date figures through mid-April reflecting broad declines across major indices. The S&P 500® is down approximately 10% YTD, having dropped as much as 19% from its February peak before partially rebounding. The Dow Jones Industrial Average has declined roughly 8% over the same period, while the Nasdaq Composite—more sensitive to interest rate and tech sector movements—has fallen over 16%. These figures reflect a turbulent start to the year, driven by inflation concerns, shifting monetary policy expectations, and geopolitical uncertainty.

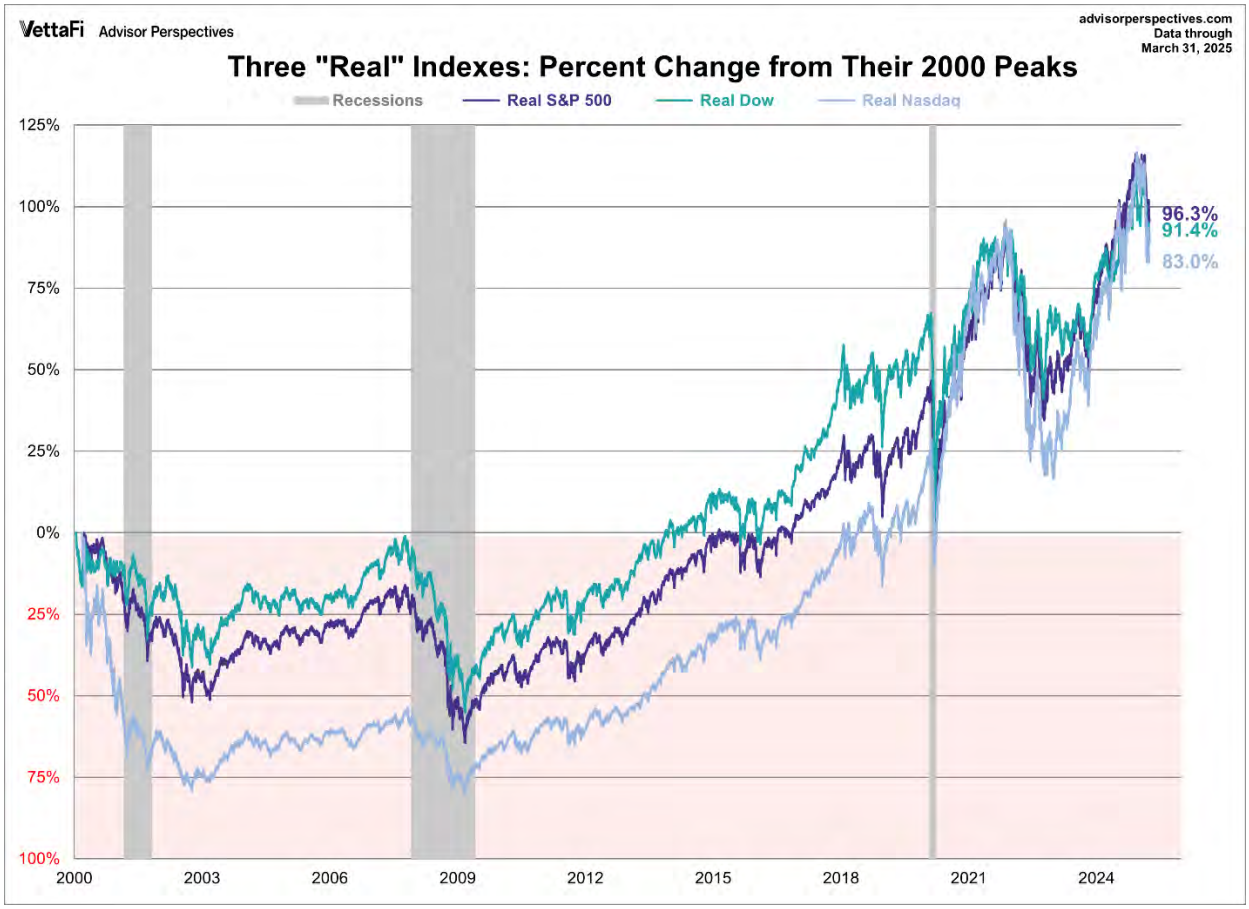
The sharp drawdown was catalyzed by President Trump's surprise announcement on April 2 of sweeping tariffs, including a 10% baseline on imports and more aggressive "reciprocal" levies on certain nations—up to 245% on Chinese goods. These policies rattled global supply chains and triggered market volatility, marking a shift from the post-election optimism that defined early-year sentiment. Market leadership has rotated away from 2024's top performers, particularly the "Magnificent 7" tech stocks. Nvidia and Alphabet fell on export restrictions and antitrust rulings, respectively, while Eli Lilly surged on strong clinical trial data. Small caps and international stocks outperformed on a relative basis in April.

Despite the volatility, many analysts consider this correction part of a typical cycle. Market declines of 15–20% occur regularly and often recover swiftly. At its April 8 low, the S&P 500 had declined roughly 19% from its recent high—approaching bear market territory. Still, technical indicators suggest the market is only moderately oversold. As of mid-April, just 23% of S&P 500 stocks were trading above their 200-day moving average, and 13% above their 50-day—low, but not extreme by historical standards. Investor sentiment has shifted from pricing in a slowdown to potentially bracing for a recession. Economic forecasts have softened: Morgan Stanley projects 1.5% GDP growth in 2025, while Goldman Sachs forecasts 1.7%, both down from earlier projections. However, credit markets have not fully confirmed recessionary risk. Investment-grade and high-yield credit spreads have widened modestly but remain within historical norms.

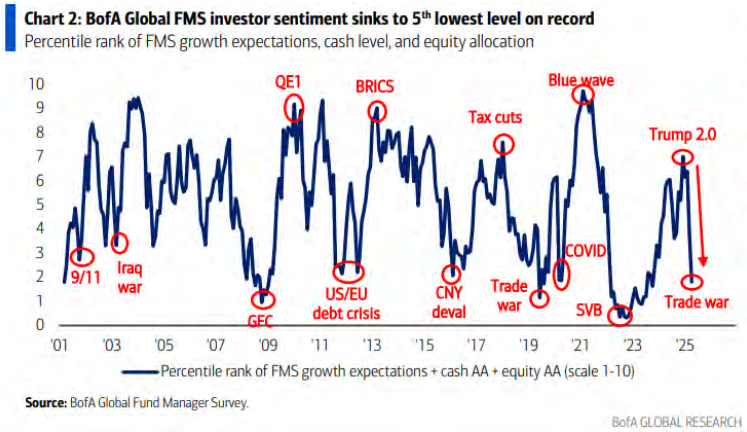
The U.S. dollar has weakened alongside equities—an unusual divergence from historical drawdowns, where the dollar typically strengthens. This shift adds uncertainty for global investors and could reflect broader discomfort with trade policy and inflationary risks. Meanwhile, earnings expectations remain somewhat elevated, with analysts still projecting 9% earnings growth for the S&P 500 in 2025—a figure likely to be revised downward during Q1 earnings season.

Most major institutions have lowered their year-end S&P 500 targets. Whether the current decline proves to be a brief correction or the start of a longer-term bear market remains to be seen, but historical patterns suggest room for recovery—especially if macro data stabilizes and monetary policy remains accommodative.

The following chart shows the relative price performance of the Dow Jones Industrial Average, S&P 500, and NASDAQ Composite Indices.



As of April 2025, global investor sentiment—based on growth expectations, cash levels, and equity allocations—has dropped to its 5th lowest level on record, with a composite score of 1.8. This downturn reflects mounting concerns over U.S. trade policy and geopolitical instability. Comparable lows occurred during major crises like the Global Financial Crisis and COVID-19. The shift indicates fund managers are rapidly de-risking, raising cash, and reducing equity exposure amid fears of slower global growth and elevated volatility.

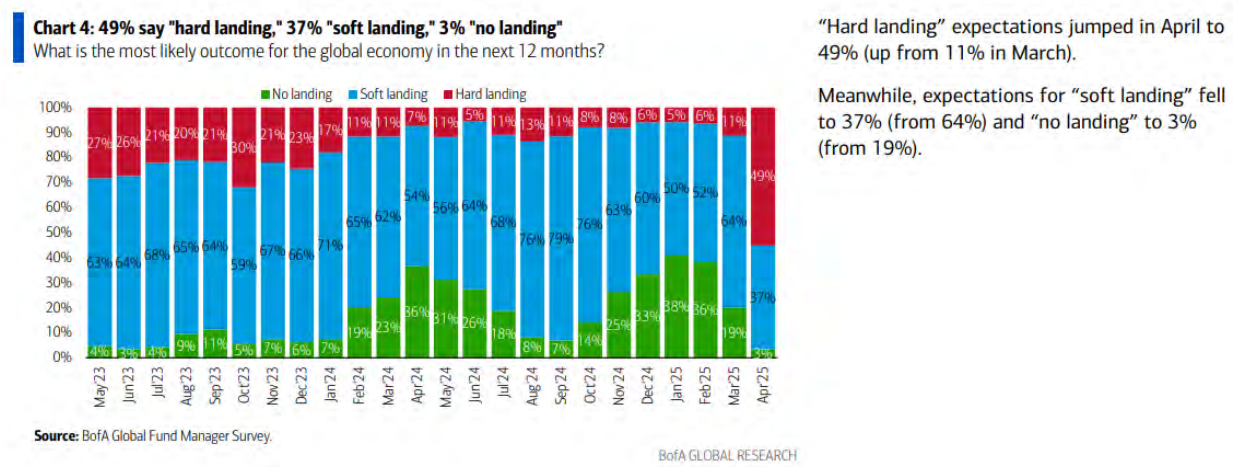


Our broadest measure of FMS sentiment, based on cash levels, equity allocation, global growth expectations fell to 1.8 in April from 3.8 in March, the lowest level since Oct'23.

The current level of sentiment is the 5th lowest on record (behind 2001, 2009, 2019 and 2022).

Note April Global FMS data causes BofA Bull & Bear Indicator to drop from 4.8 to 4.5.

Investor expectations for a hard landing jumped sharply to 49% in April 2025, up from just 11% in March. At the same time, belief in a “soft landing” fell to 37%, and “no landing” dropped to 3%. This marked reversal suggests fund managers are now bracing for a global recession or significant slowdown, driven by policy uncertainty and weakening macroeconomic data. The shift reflects a collapse in confidence that central banks can engineer a smooth economic deceleration, with trade tensions likely accelerating downside risks.

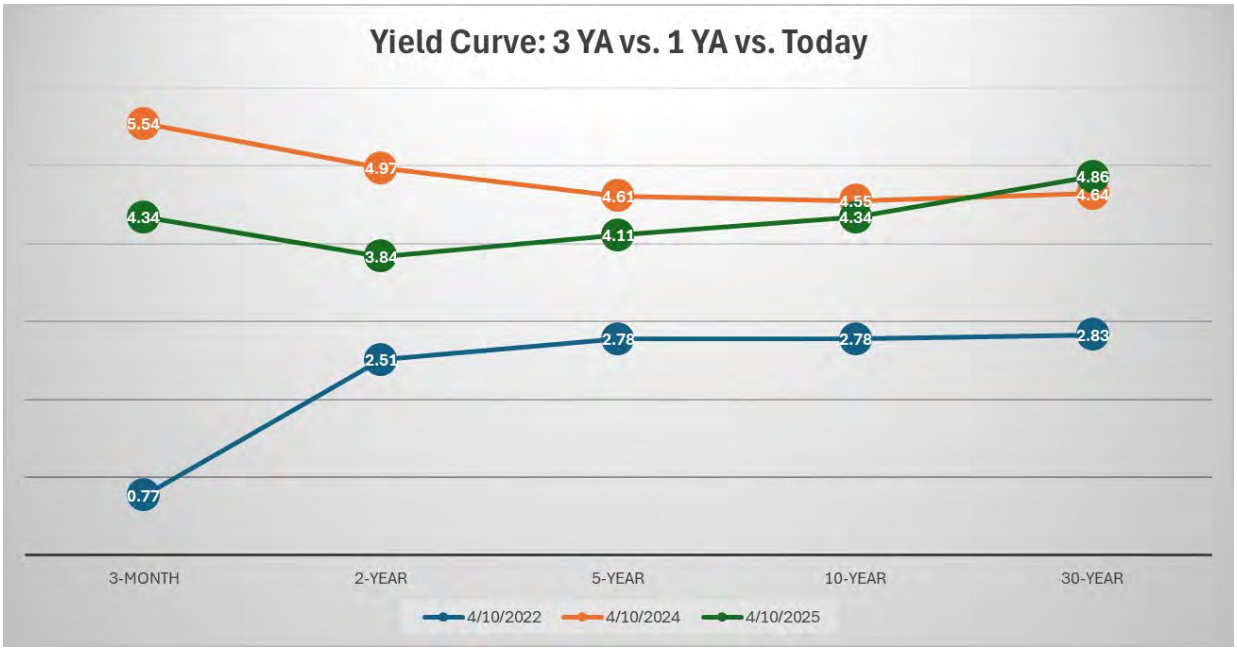


“Hard landing” expectations jumped in April to 49% (up from 11% in March).

Meanwhile, expectations for “soft landing” fell to 37% (from 64%) and “no landing” to 3% (from 19%).

Treasury Yields

In typical economic conditions, the effective federal funds rate (EFFR) and Treasury yields are positively correlated; when the Federal Reserve raises the EFFR, short-term Treasury yields generally increase as well. This movement occurs because higher Fed rates push up yields on short-term securities. Treasury yields, particularly the 10-year yield, serve as a benchmark for other interest rates and are crucial indicators of investor sentiment, reflecting expectations about inflation, economic growth, and borrowing costs. Additionally, bond prices can shift rapidly in response to significant deviations between actual economic data and market expectations, influencing overall yield dynamics.

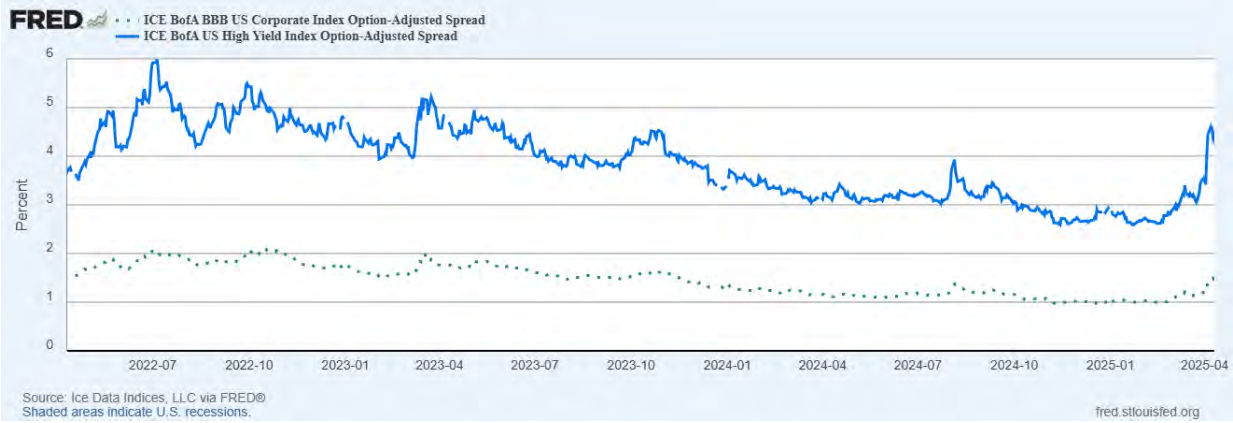


As of April 10, 2025, the 10-year U.S. Treasury yield stood at 4.34%, higher than one year ago (4.55% in April 2024) but below the current 30-year yield of 4.86%, signaling a modest upward slope on the long end. In contrast, short-term yields have declined, with the 3-month Treasury falling to 4.34% from a recent peak of 5.54%, and the 2-year yield down to 3.84% from 4.97% last year.
A typical yield curve is upward sloping, indicating that investors expect greater returns for longer-term investments. In contrast, an inverted yield curve, which has persisted with some flattening in 2024, signals potential economic concerns and is often seen as a recession indicator. Despite the extended inversion between the two-year and 10-year Treasuries—the longest on record—a recession has not yet materialized, likely due to unique factors such as significant fiscal stimulus and a recent environment of near-zero interest rates.

This reversal marks a significant shift from the inverted yield curve that persisted from July 5, 2022, to August 26, 2024—the longest continuous inversion in modern history. At its most extreme, short-term rates exceeded long-term rates by over 100 basis points. As of April 2025, the spread between the 10-year and 2-year yields has steepened to +50 basis points, the largest positive differential since early 2022, reflecting what economists describe as a “bear steepening” pattern.
Historically, bear steepening’s following prolonged inversions often signal the onset of a recession. Since the 1960s, recessions typically follow inversions by 18 to 92 weeks, with an average lag of 48 weeks from the initial inversion, and 18.5 weeks from the last positive spread. Using those benchmarks, a recession could begin as early as mid-2025, aligning with current concerns around declining global growth and restrictive trade policy.

The recent curve steepening was accelerated by President Trump’s April tariff announcement, which triggered a selloff in long-duration Treasurys. Long-term yields rose sharply as investors reassessed inflation and fiscal risk, while short-term yields declined amid growing recession expectations and anticipation of potential Fed rate cuts later in the year. The current curve reflects ongoing market uncertainty—a repricing of inflation expectations on the long end, and softening growth expectations on the short end. While the flattening of the curve in late 2024 eased recession fears temporarily, the return of a steep yield curve suggests a renewed focus on economic headwinds and the limits of monetary policy.

Corporate Bond Spreads
Corporate bond spreads, which measure the difference in yield between corporate bonds and comparable U.S. Treasuries, directly reflect credit risk, investor sentiment, and the financial health of the corporate sector. AAA-rated bonds, considered the highest quality, typically have narrower spreads due to their low default risk, while BAA-rated bonds, though still investment-grade, carry wider spreads to compensate for higher risk. Widening spreads signal rising concerns about corporate defaults and economic instability, while narrowing spreads suggest optimism and confidence in corporate profitability. These spreads also impact borrowing costs for companies, making them essential for understanding broader economic trends and potential risks.



Credit spreads have widened meaningfully in recent weeks, signaling increased investor concern over economic conditions. As of April 2025, high-yield (junk) bond spreads have risen sharply to their highest levels in over a year, reflecting heightened recession fears and aversion to credit risk. This follows a prolonged period of spread compression throughout 2023 and early 2024.

In contrast, investment-grade (BBB-rated) corporate spreads have widened modestly but remain relatively contained. The divergence illustrates a flight to quality as investors pull back from lower-rated issuers and reallocate toward safer, higher-quality debt amid policy and geopolitical uncertainty.

The move corresponds with President Trump's latest tariff announcements, which have stoked fears of an inflationary trade war and global economic slowdown. Analysts note that these policy shifts are spilling into credit markets, particularly affecting high-yield valuations, which are more sensitive to macro shocks.

While spread levels remain below crisis-era highs, the steep upward trajectory suggests a repricing of credit risk is underway. Primary market activity has slowed considerably, with new issuance paused across many sectors. If this trend continues, broader liquidity stress could emerge.

The bond market is signaling caution. High-yield spreads, now well above early-2024 levels, are beginning to reflect downside macro scenarios, while investment-grade debt continues to benefit from strong technical support and investor demand. If current trends persist, further widening—particularly in speculative-grade bonds—may be expected through mid-2025.

Monetary Policy & Federal Funds

The Federal Reserve's March 19, 2025, FOMC statement indicates the Committee remains cautious amid ongoing economic uncertainty. The release notes: "Recent indicators suggest that economic activity has continued to expand at a solid pace. The unemployment rate has stabilized at a low level in recent months, and labor market conditions remain solid. Inflation remains somewhat elevated."

To support its dual mandate of maximum employment and 2% inflation, the Committee voted to maintain the federal funds target range at 4.25% to 4.50%. However, the Fed acknowledged that uncertainty around the outlook has increased, and it will continue to assess economic data, risks, and the evolving outlook before making further policy adjustments.

Federal Reserve - Federal Funds Rate Activity		
FOMC Meeting Date	**Basis Point Change**	**Target Rate Range**
March 17, 2022	+25	0.25% to 0.50%
May 5, 2022	+50	0.75% to 1.00%
June 16, 2022	+75	1.50% to 1.75%
July 27, 2022	+75	2.25% to 2.50%
September 21, 2022	+75	3.00% to 3.25%
November 2, 2022	+75	3.75% to 4.00%
December 14, 2022	+50	4.25% to 4.50%
February 1, 2023	+25	4.50% to 4.75%
March 22, 2023	+25	4.75% to 5.00%
May 3, 2023	+25	5.00% to 5.25%
July 26, 2023	+25	5.25% to 5.50%
September 20, 2023	0	5.25% to 5.50%
October 31, 2023	0	5.25% to 5.50%
December 12, 2023	0	5.25% to 5.50%
January 31, 2024	0	5.25% to 5.50%
March 19, 2024	0	5.25% to 5.50%
May 1, 2024	0	5.25% to 5.50%
June 11, 2024	0	5.25% to 5.50%
July 31, 2024	0	5.25% to 5.50%
September 17, 2024	-50	4.75% to 5.00%
November 7, 2024	-25	4.50% to 4.75%
December 18, 2024	-25	4.25% to 4.50%
January 29, 2025	0	4.25% to 4.50%
March 18, 2025	0	4.25% to 4.50%

Importantly, the Fed announced a change in its balance sheet policy. Starting in April, it will reduce the monthly cap on Treasury security redemptions from $25 billion to $5 billion, slowing the pace of quantitative tightening. The cap on agency MBS redemptions will remain unchanged at $35 billion.

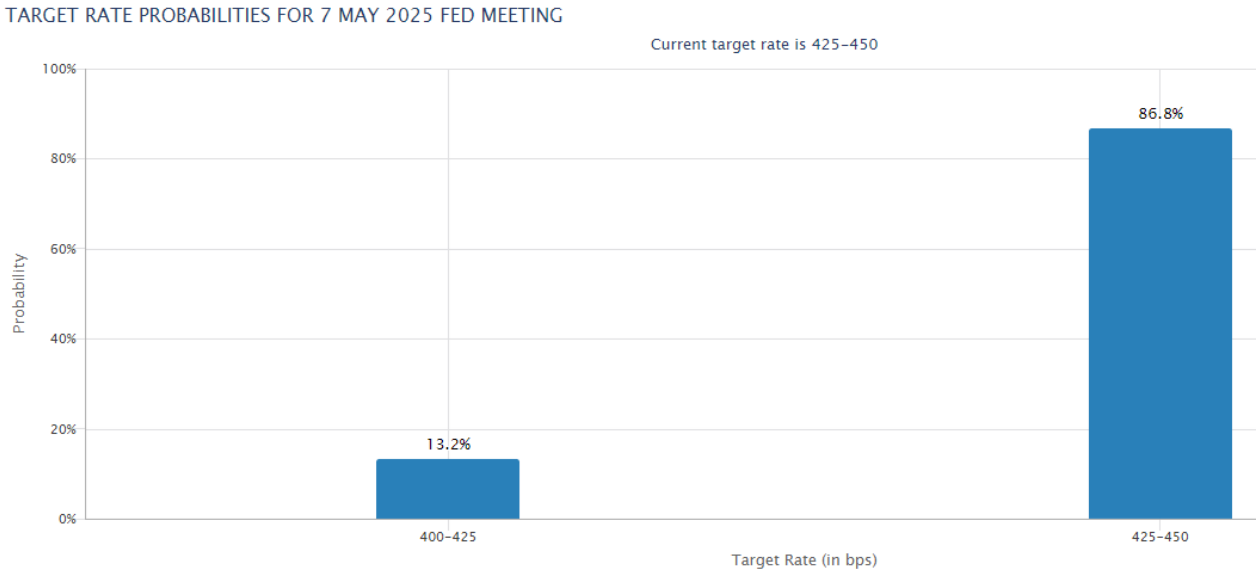
The Fed reiterated that it is strongly committed to returning inflation to its 2 percent objective and would adjust policy as needed to respond to downside risks. The statement emphasized continued monitoring of inflation, labor market trends, and financial conditions, including international developments.

In conjunction with the FOMC decision:

- The interest rate on reserve balances remains at 4.4%.
- Primary credit (discount window) lending rate remains at 4.5%.
- Overnight reverse repo operations will continue at 4.25% with a $160 billion per-counterparty cap.
- Treasury reinvestments will be curtailed under the new cap starting April 1.

The decision reflects a measured, data-dependent stance, with no immediate rate cuts expected until inflation shows more definitive progress toward the Fed's target.

CME Group's The FedWatch Tool calculates unconditional probabilities of Federal Open Market Committee (FOMC) meeting outcomes to generate a binary probability tree. CME Group lists 30-Day Federal Funds (ZQ) futures, prices of which incorporate market expectations of the average daily Effective Federal Funds Rates (EFFR) during the futures contract months. The probabilities below indicate 87% weight towards maintaining the current rate cut and 13% weight towards a 25bps rate cut.



The approach to stabilize the economy will continue to affect residential and commercial real estate lending rates which have material impacts to required investor and borrower rates of return (capitalization and yield rates). As a result of elevated interest rates relative to the period between approximately 2018 and 2022, the expectation is that property values are more susceptible to decreasing, all else being equal.

Mortgage Rates

Mortgage rates started ticking up in January 2022 following a period of historic lows in 2020 and 2021. Mortgage rates have climbed notably in recent weeks, posing fresh affordability challenges for prospective homebuyers during the critical spring housing season. According to Freddie Mac, the average rate on a 30-year fixed-rate mortgage rose to 6.83% for the week ending April 17, 2025—its highest level in eight weeks, and up from 6.62% the prior week. Data from the Mortgage Bankers Association (MBA) supports this trend. In the week ending April 11, the average contract interest rate for 30-year conforming loans ($766,550 or less) surged to 6.81%, the largest weekly increase since

October. Rates for jumbo loans (balances exceeding $806,500) also rose sharply to 6.84%, and the FHA-backed 30-year fixed rate increased to 6.52%.

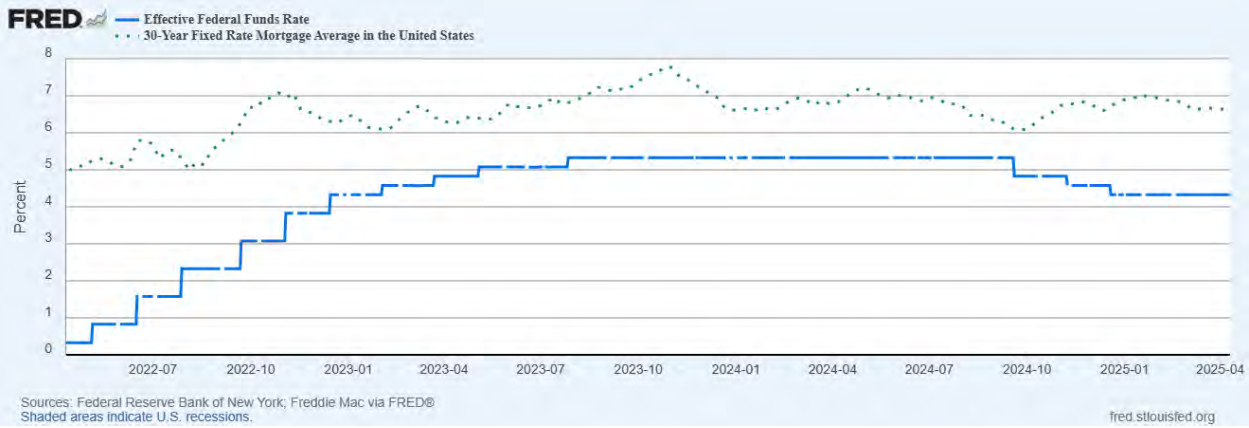
This upward movement in borrowing costs reflects recent volatility in bond markets, driven by rising U.S. Treasury yields and investor unease over the global economic impact of President Trump's tariff policies. Mortgage rates typically track the 10-year Treasury yield, which has risen amid reduced demand for U.S. government debt and higher inflation expectations.

Despite the recent increase, today's mortgage rates remain lower than levels seen a year ago, when the 30-year average was closer to 7.10%. This gives buyers slightly more breathing room compared to spring 2024. However, volatility remains high, and market analysts suggest rates could swing in either direction in the short term, depending on inflation data, Fed policy, and global risk sentiment. For buyers entering the market, financial experts recommend exploring "float-down" options with lenders. These agreements allow borrowers to lock in a rate now but still benefit if rates drop before closing—a prudent strategy in today's unpredictable rate environment. Looking ahead, most housing economists expect mortgage rates to remain range-bound between 6.5% and 7% through mid-2025, with the path forward heavily dependent on Federal Reserve rate policy, inflation trends, and global economic developments.

Consequently, commercial real estate markets – while more nuanced than their residential counterpart – are experiencing similar effects as a result of the financial trends summarized above.

Spread between EFFR and 30 Year Fixed Mortgage Rate

Below is an overlay of the Effective Federal Funds Rate and 30 Year Fixed Mortgage Rate US Average over the past three (3) years.



While the Federal Reserve has held the Effective Federal Funds Rate (EFFR) steady since December 2024, long-term mortgage rates have remained elevated, resulting in a still-wide spread between short- and long-term borrowing costs. As of April 2025, the EFFR is 4.33%, and the average 30-year fixed mortgage rate is 6.83%, yielding a spread of roughly 250 basis points. Although narrower than the 300+ basis point highs observed during periods of peak volatility in 2023, this remains well above the historical norm of 150–200 basis points. The persistent disconnect reflects investor risk aversion, reduced MBS demand, and elevated prepayment and inflation risk. While short-term borrowing costs have moderated, long-term financing remains expensive, with downstream effects on both residential and commercial property transactions.

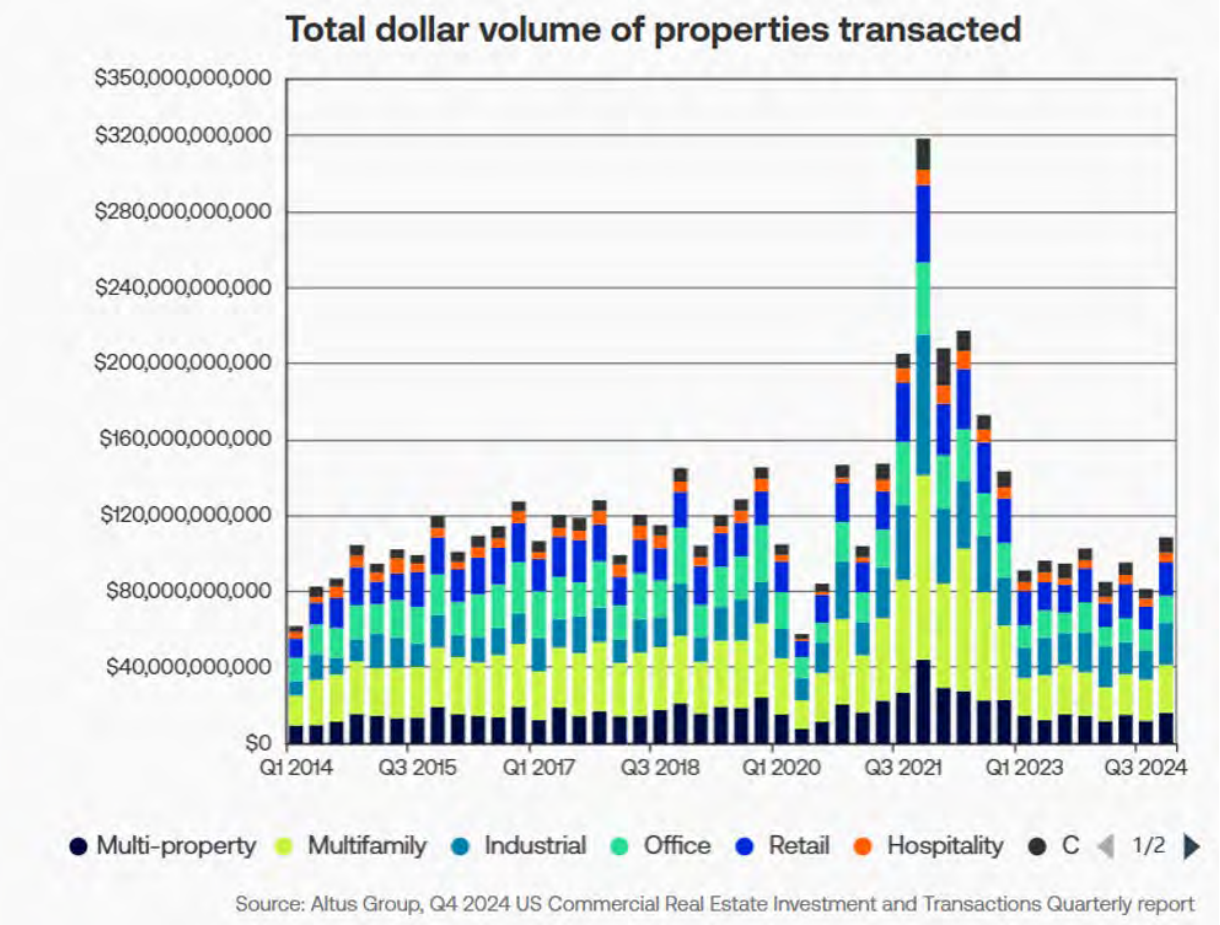
In commercial real estate markets, this spread contributes to compressed yields, higher cap rate expectations, and price discovery delays, as capital markets continue to reprice risk. With refinancing challenges mounting for assets underwritten in the ultra-low rate era of 2020–2022, borrowers and lenders alike are recalibrating return expectations. Until macroeconomic signals stabilize and bond market conditions improve, this spread will likely remain elevated—placing pressure on leveraged acquisitions, cash flow underwriting, and asset valuations.

Effect on Commercial Real Estate Market & Transaction Activity

After two years of elevated interest rates and capital market dislocation, commercial real estate (CRE) transaction activity in the U.S. entered the early stages of reacceleration in late 2024. While investment volumes remain well below pre-pandemic levels, a modest 6% year-over-year increase in total sales signals a shift in sentiment. Still, sticky inflation and monetary policy uncertainty continue to weigh on long-term borrowing costs and investor risk appetite.

CRE debt origination activity gained momentum in Q4 2024, despite being down approximately 30% from peak levels. Notably, banks—while still cautious—returned to the market with a 35% increase in originations over the prior quarter. This recovery in lender participation coincides with the looming $2 trillion in maturing commercial debt between 2024 and 2026, much of which was underwritten in a near-zero federal funds rate environment. As such, refinancing challenges persist, especially for overleveraged assets and those in the office sector. Equity markets saw improved participation from institutional investors, with a 28% increase in acquisitions, particularly in smaller-sized transactions under $100 million. However, cap rate spreads remain tight relative to debt costs, and many deals are being underwritten with a cautious view on future NOI growth.

CRE transaction volume in Q4 2024 reached $108.5 billion—a 33.6% increase over Q3 and a 5.8% gain from Q4 2023. For the full year, total investment sales reached $369.8 billion, down only 3.8% from 2023, the smallest annual decline since the start of the correction in 2022. While deal count is still declining—Q4's 38,200 property trades represented a 5.7% drop year-over-year—the rate of decline is moderating, suggesting improving momentum heading into 2025. Sector-level performance was uneven. Industrial and commercial general were the only sectors to post annual dollar volume gains, up 3.2% and 5.8%, respectively. Multifamily and hospitality posted small declines of less than 3%, while office and retail activity remained more constrained. Office transaction volume rose 65% quarter-over-quarter, suggesting thawing in a previously frozen segment.



Pricing trends also showed signs of stabilization. Average price per square foot across all sectors rose 2.3% in 2024, led by industrial (+9.4%) and select retail and hospitality subtypes. Multifamily pricing declined by 2.3%, while office pricing remained under pressure. Cap rate sentiment continues to evolve—Altus Group's Q4 2024 CRE Sentiment Survey noted that 51% of respondents expect further cap rate increases, but more now describe pricing as "about right" compared to earlier in 2024, signaling improved alignment between buyers and sellers. Despite headwinds, CRE continues to benefit from relatively strong fundamentals in most sectors, and global capital remains positioned to re-enter the market. Dry powder at closed-end funds still exceeds $300 billion, albeit down from peak levels. Altus data suggests the average daily dollar volume of transactions in 2024 ($811M) slightly exceeded the 25-year historical average, even though the average number of daily trades was 12% below long-term norms.

Looking ahead, 2025 is expected to mark a continued, though uneven, reacceleration in activity. Bid-ask spreads are narrowing, more capital sources are returning, and valuations appear more in line with risk-adjusted returns. Value-add and opportunistic investors with dry powder are well-positioned to take advantage of repricing, while borrowers facing loan maturities will drive forced-sale volume. The cost of capital remains the top challenge, but if inflation moderates and Fed policy becomes clearer, CRE investment momentum is likely to build through mid-2025 and beyond.

Commercial Real Estate Lending: SLOOS & FRED Data

The Senior Loan Officer Opinion Survey on Bank Lending Practices (SLOOS) is a quarterly survey conducted by the Federal Reserve that collects information from senior loan officers at various banks in the United States. The survey is designed to gather insights on the lending practices of banks, including their standards for approving loans, terms and conditions, and demand for distinct types of loans. Findings from January 2025 Senior Loan Officer Opinion Survey on Bank Lending Practices are summarized below, reflecting lending trends during Q4 2024.

- Commercial & Industrial (C&I) Lending:
    - Banks reported, on balance, tighter lending standards for C&I loans across all firm sizes. However, demand strengthened for large and middle-market firms, while demand from small businesses remained stable. Notably, moderate net shares of banks reported increased inquiries for new or expanded credit lines—suggesting a potential turning point in business loan appetite.
    - Loan terms were mixed: modest net shares of banks increased risk premiums, applied interest rate floors, and tightened collateralization, but some also narrowed spreads over funding costs and reduced line of credit pricing.
    - Reasons for Tightening C&I Terms:
        - Among banks that tightened standards or terms, majorities cited a less favorable or uncertain economic outlook, worsening industry conditions, and a reduced tolerance for risk. Those that eased terms pointed to greater competition and improved macro outlooks.

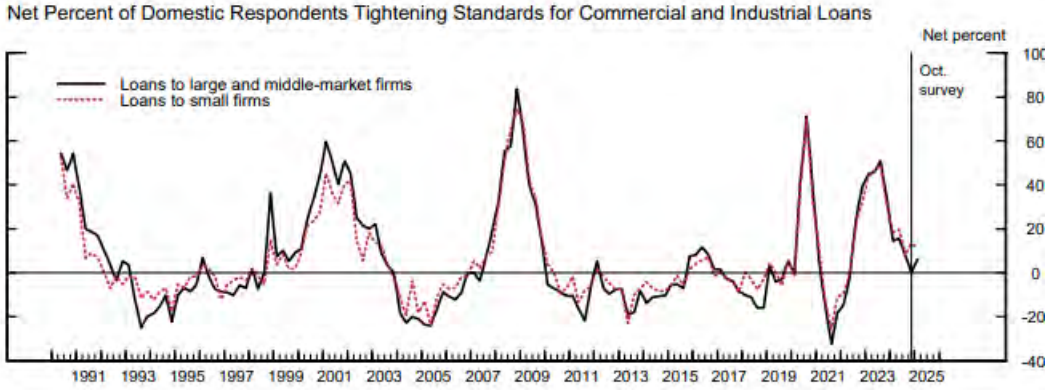
- Commercial Real Estate (CRE) Lending:
    - Lending standards remained generally tight, with modest net shares of banks tightening for construction and nonfarm nonresidential CRE loans. Standards for multifamily loans remained unchanged.
    - Demand was mixed: large banks reported stronger interest in nonresidential and multifamily loans, while other banks saw weaker demand across all CRE segments. Foreign banks, in contrast, reported stronger CRE loan demand overall.

- Outlook for 2025:
    - Banks, on balance, expect standards to ease or remain unchanged and demand to strengthen across all CRE and C&I loan categories. Major reasons included a less uncertain economic outlook, anticipated competition, and expectations of improved credit quality.
    - Regarding loan performance, banks expect credit quality to improve across business loan categories—including C&I and CRE—while consumer loan performance is expected to either deteriorate or hold steady.

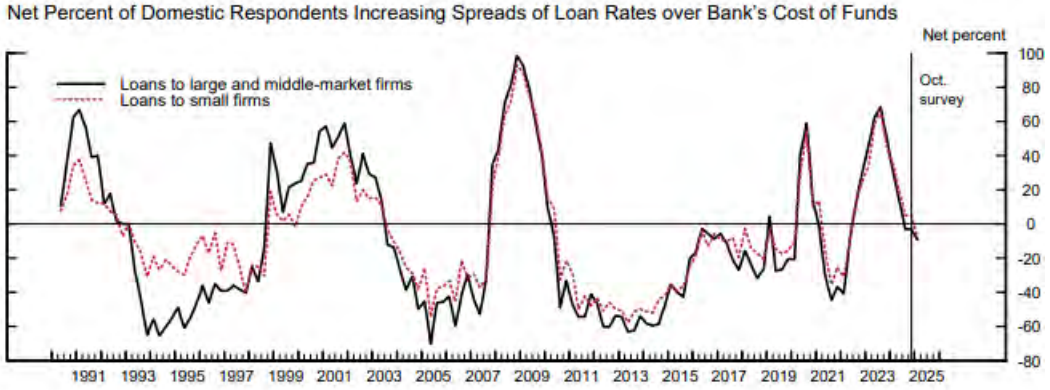
The January 2025 SLOOS suggests early-stage credit normalization. While standards remain elevated, the stabilizing demand for C&I and selective rebound in CRE borrowing appetite—particularly from larger institutions—reflects improved borrower sentiment and potential for increased transaction velocity. The anticipated easing in standards and improved credit quality expectations for CRE loans may further support gradual reacceleration in commercial deal flow through 2025.

Measures of Supply and Demand for Commercial and Industrial Loans, by Size of Firm Seeking Loan

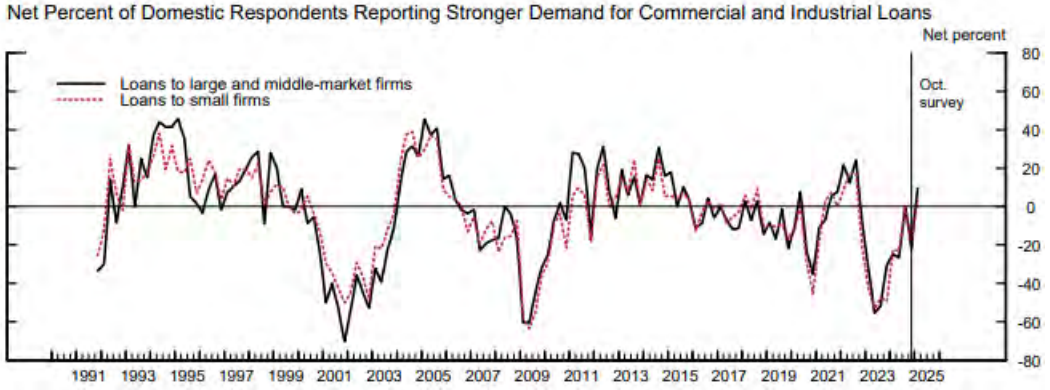
Net Percent of Domestic Respondents Tightening Standards for Commercial and Industrial Loans



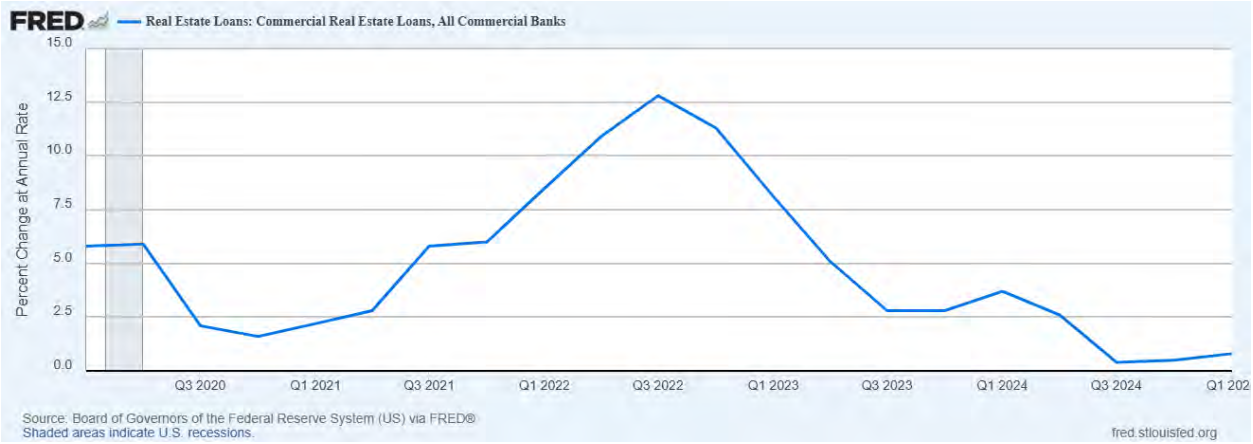
Net Percent of Domestic Respondents Increasing Spreads of Loan Rates over Bank's Cost of Funds



Net Percent of Domestic Respondents Reporting Stronger Demand for Commercial and Industrial Loans



The FRED (Federal Reserve Economic Data) series “CREACBQ158SBOG” represents the total dollar value of commercial real estate (CRE) loans held by all commercial banks in the United States. This dataset is a key indicator of lending activity and credit availability in the sector. The chart reflects quarterly trends over the past five years, offering insight into the flow of capital into CRE and helping contextualize shifts in underwriting, credit standards, and transaction volume across the lending landscape.



From the peak in Q3 2022, commercial real estate loan growth has decelerated sharply, reflecting the effects of sustained interest rate hikes, tighter credit conditions, and investor caution. After peaking at over 12% annualized growth, lending slowed materially through late 2023. However, the pace of decline flattened in late 2024, and modest growth returned in early 2025. This recent stabilization suggests lenders and borrowers are gradually acclimating to the higher-rate environment, and while demand for debt remains subdued, the data points to a potential bottoming-out in CRE lending activity.

Commercial Real Estate Delinquency & Distress

The FRED series “DRCRELEXFACBS” represents "Delinquency Rate on Commercial Real Estate Loans (Excluding Farmland), Booked in Domestic Offices, All Commercial Banks" in the United States. This data series tracks the total value of nonperforming loans (NPLs) held by all commercial banks, specifically those loans related to real estate and commercial lending. A loan is typically classified as nonperforming when the borrower has not made the scheduled payments for a specified period, often 90 days or more, or when the loan is otherwise deemed unlikely to be repaid in full.



The delinquency rate reached a cyclical low in Q3 2022 but began rising steadily from Q4 2022 onward, likely driven by higher interest rates, economic uncertainty, and tightening financial conditions. By Q4 2024, the rate had climbed to 1.57%, its highest level since late 2014. While this upward trend is notable, delinquency levels remain relatively modest in a historical context—particularly when compared to the 2007–2009 financial crisis, during which rates peaked near 9% in Q1 2010. The recent increase signals emerging credit stress but reflects a far less severe environment than the systemic distress observed during the Great Recession.

According to MSCI's Capital Trends U.S. Distress Tracker, commercial property distress climbed to $102.6 billion in Q3 2024, increasing by $4.3 billion from the previous quarter. This marks the slowest pace of growth in distress since Q4 2022, as new inflows outpaced resolutions between property owners and lenders. Office properties remained the dominant source of market distress, totaling $50.2 billion—nearly half of the total. Retail property distress followed at $20.2 billion, with the apartment sector at $14.2 billion. While new inflows of distress in the office sector slowed to their lowest level since late 2022, limited resolutions during the quarter led to a net increase in overall office distress. In contrast, the apartment and retail sectors experienced net declines in distress as more troubled assets were resolved than newly added. MSCI also reported $260.9 billion in "potential distress" as of Q3 2024—defined as assets at risk of financial trouble but not yet classified as distressed. This figure is more than double the current pool of active distress, though it declined slightly from the prior quarter. The apartment sector accounted for the largest share of potential distress at $75.9 billion, followed by office at $65.0 billion.

According to CRED iQ's March 2025 report, distress in the commercial real estate collateralized loan obligation (CRE CLO) market declined to 14.4%, down 160 basis points from the prior month, with improvements in the delinquency rate (11.9%, down 30 bps) and special servicing rate (8.5%, down from 9.4%). However, challenges persist, as 69.5% of CRE CLO loans have surpassed their maturity dates—37.3% of which are now classified as "performing matured," a 660-basis-point jump from February—reflecting increased reliance on extensions or informal workouts amid tighter capital markets. Only 15.0% of loans were current, down 530 basis points month-over-month, while non-performing matured loans held steady at 32.2% and pre-maturity delinquencies slightly improved to 15.4%. These trends highlight the growing stress among 2021-vintage loans, originated under low-rate, high-valuation assumptions that are increasingly misaligned with current economic conditions.

In March 2025, Trepp's CMBS Special Servicing Rate declined 21 basis points to 10.11%, following a 45-basis-point surge the prior month. The drop was driven in part by a $10 billion increase in the total CMBS loan balance—rising from $580.4 billion in February to $590.3 billion in March—as well as a slight net reduction in loans transferred to special servicing. The decline was broadly observed across major property types, with the office sector falling 61 basis points to 15.58% after peaking at 16.19% in February, the highest level in over 25 years. Multifamily also saw a 20-basis-point decline to 8.31%, while retail and industrial rates ticked down modestly. Lodging, however, reversed course and posted a 64-basis-point increase to 8.95%, its highest level in nearly three years. These figures reflect an evolving landscape, with office distress retreating from historic highs while new pressures emerge in the hospitality sector.

TABLE 1: SPECIAL SERVICING RATE BY PROPERTY TYPE (ALL VINTAGES)

PROP TYPE	MAR-25	FEB-25	JAN-25	3 MO.	6 MO.	12 MO.
Overall	**10.11%**	**10.32%**	**9.87%**	**9.89%**	**8.79%**	**7.31%**
Industrial	0.60%	0.61%	0.65%	0.56%	0.50%	0.41%
Lodging	8.95%	8.31%	8.17%	8.30%	7.84%	7.36%
Multifamily	8.31%	8.51%	8.42%	8.72%	6.07%	2.40%
Office	15.58%	16.19%	15.11%	14.78%	12.58%	10.30%
Mixed-Use	12.37%	13.04%	12.71%	11.77%	9.67%	8.53%
Retail	11.21%	11.26%	10.68%	11.89%	11.22%	9.79%

Source: Trepp

Conclusion & Summary of Indicators

The economic environment entering Q2 2025 remains volatile, marked by shifting monetary policy expectations, elevated interest rates, geopolitical uncertainty, and tightening financial conditions. Equity markets have experienced sharp corrections amid tariff-driven policy shifts and investor concern over inflation, with recession risks gaining traction. Treasury yields reflect a bear steepening pattern following the end of the longest yield curve inversion on record—signaling both rising long-term inflation expectations and weakening near-term growth outlook. Credit spreads are widening, particularly in high-yield debt, suggesting growing caution in risk markets. In commercial real estate, transaction activity is showing early signs of reacceleration, though capital remains selective and underwriting remains disciplined. Distress levels are elevated but stabilizing, with borrowers increasingly managing maturities through extensions or workouts. Lending standards, while still tight, appear to be easing modestly as capital markets recalibrate. While the path forward remains uneven, improving clarity around interest rate policy and a gradual return of liquidity signal potential for a slow and sector-specific recovery through the second half of 2025.

CCAG Value Terminal: Economic Indicators

Below are Economic Indicators as of August 5, 2025.

CCAG
COMMONWEALTH
COMMERCIAL
APPRAISAL GROUP

VALUE TERMINAL

ECONOMIC INDICATORS

AUGUST 2025

	CURRENT	3 MONTHS AGO	1 YEAR AGO	YoY CHANGE
REAL ESTATE FINANCING & RISK METRICS				
Effective Federal Funds Rate (EFFR)	4.33%	4.33%	5.33%	-18.76%
US 10-Year Treasury Note	4.21%	4.46%	3.94%	+6.85%
Secured Overnight Financing Rate (SOFR)	4.33%	4.28%	5.34%	-18.91%
30-Year Mortgage	6.72%	6.76%	6.47%	+3.86%
Corporate Bond Spreads (BBB)	1.04%	1.29%	1.29%	-19.38%
Real Estate 50 Index (NaREIT)	346.26	350.96	353.96	-2.18%
UNEMPLOYMENT & INFLATION				
US Inflation Rate (USIR)	2.67%	2.39%	2.97%	-10.10%
National Unemployment Rate	4.20%	4.20%	4.30%	-2.33%
Core CPI	327.60	325.66	318.35	+2.91%
ECONOMIC CONFIDENCE				
Consumer Confidence Index (CCI)	97.20	99.07	98.86	-1.68%
Business Confidence Index (BCI)	99.03	99.34	99.42	-0.39%
CONSUMER SPENDING & CONSUMER DEBT				
Personal Consumption Expenditures (PCE)	126.56	125.73	123.24	+2.69%
Consumer Debt (CDSP)	5.41%	5.51%	5.63%	-3.91%
INDUSTRIAL & CONSTRUCTION INDICATORS				
Industrial Production Index (IPI)	104.01	103.89	103.99	+0.02%
ISM Manufacturing Index (USPMI)	48.00	48.70	46.80	+2.56%
Commercial Construction Spending (USCCS)	119.64	124.09	125.17	-4.42%
HOUSING MARKET INDICATORS				
Apartment Investment Market Index (AIMI)	117.90	119.40	112.40	+4.89%
US Housing Starts (USHS)	1.321M	1.324M	1.357M	-2.65%
Median Sales Price of Houses Sold for the US	$418,000	$423,100	$414,500	-0.89%

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ASSET CLASS OVERVIEW

Overview

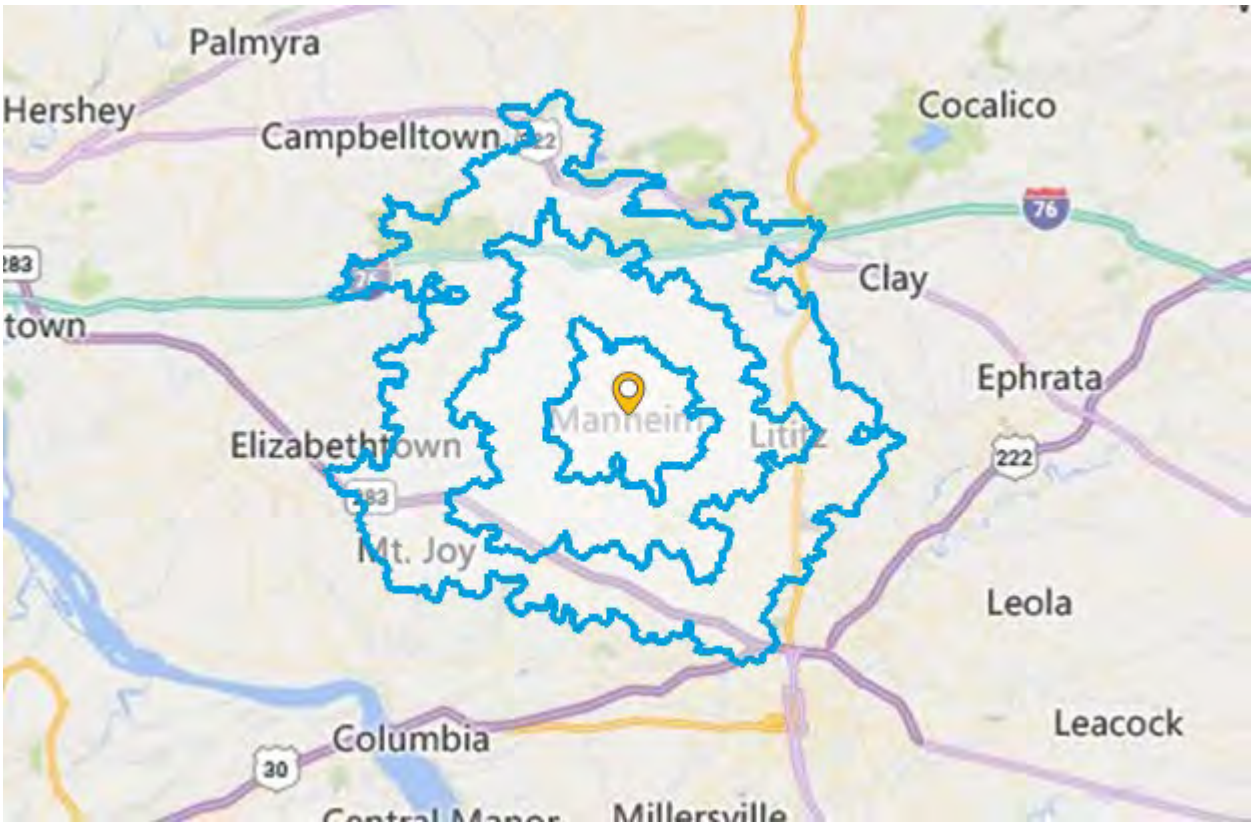
Commonwealth Commercial Appraisal Group has surveyed current capital markets to gauge the relative risk of real estate investments compared with alternate investment vehicles, in addition to how the current real estate market compares with historical trends and benchmarks. An overview of our findings is presented below.

Market Insights	
Asset Class Supply, Demand & Market Conditions	
Current Supply Relative to Historical Supply	*Balanced*
Current Demand Relative to Historical Demand	*Average*
Land Available for Future Competition	*Average*
Market Conditions	*Stable*
Market Confidence	*Stable*
Market Exposure Period (DOM)	*Increasing*
Bid-Ask Spread	*Stable*
Capital Markets & Investment Considerations	
Available Financing for Subject Property Type	*Average to Obtain*
Average 30-year Fixed Mortgage Rate 2 Years Prior	7.12%
Average 30-year Fixed Mortgage Rate 6 Months Prior	6.65%
Average 30-year Fixed Mortgage Rate as of Effective Date	6.35%
Interest Rates	*Stable*
Inflation Rate (I:USIR) 2 Years Prior	3.67%
Inflation Rate (I:USIR) 6 Months Prior	2.82%
Inflation Rate (I:USIR) as of Effective Date	2.92%
Effective Purchasing Power	*Stable*
Asset Class Yield Rates	*Increasing*
Asset Class Capitalization Rates	*Increasing*

Local Market Demographics

Selected neighborhood demographics are shown in the following map and tables:

Demographics Map



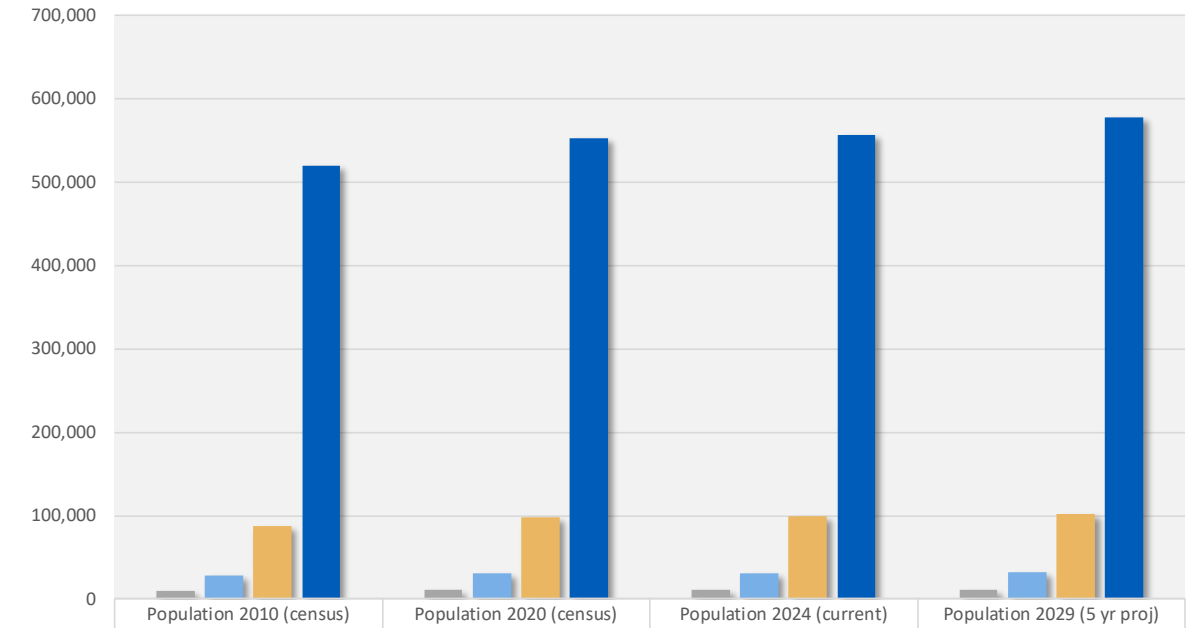
Source: Bing Maps and www.easidemographics.com

Population Trends				
Category	**5 Minute**	**10 Minute**	**15 Minute**	**Lancaster County**
Trade Area				
Area (sq miles)	13.45	60.31	146.88	943.92
Density (pop/sq mile)	785.10	513.10	672.40	590.00
Population				
Population 2010 (census)	9,352	27,778	87,241	519,445
Population 2020 (census)	10,500	30,671	97,704	552,984
Population 2024 (current)	10,561	30,949	98,756	556,912
Population 2029 (5 yr proj)	10,974	32,150	102,506	578,107
% Change 2020-Current	0.6%	0.9%	1.1%	0.7%
% Change 5 Yr Forecast	3.9%	3.9%	3.8%	3.8%
% Change 2010-2020	12.3%	10.4%	12.0%	6.5%

Source: www.easidemographics.com

The following chart details Population Trends in the selected area:

Population Trends



	Population 2010 (census)	Population 2020 (census)	Population 2024 (current)	Population 2029 (5 yr proj)
5 Minute	9,352	10,500	10,561	10,974
10 Minute	27,778	30,671	30,949	32,150
15 Minute	87,241	97,704	98,756	102,506
County	519,445	552,984	556,912	578,107

Source: www.easidemographics.com

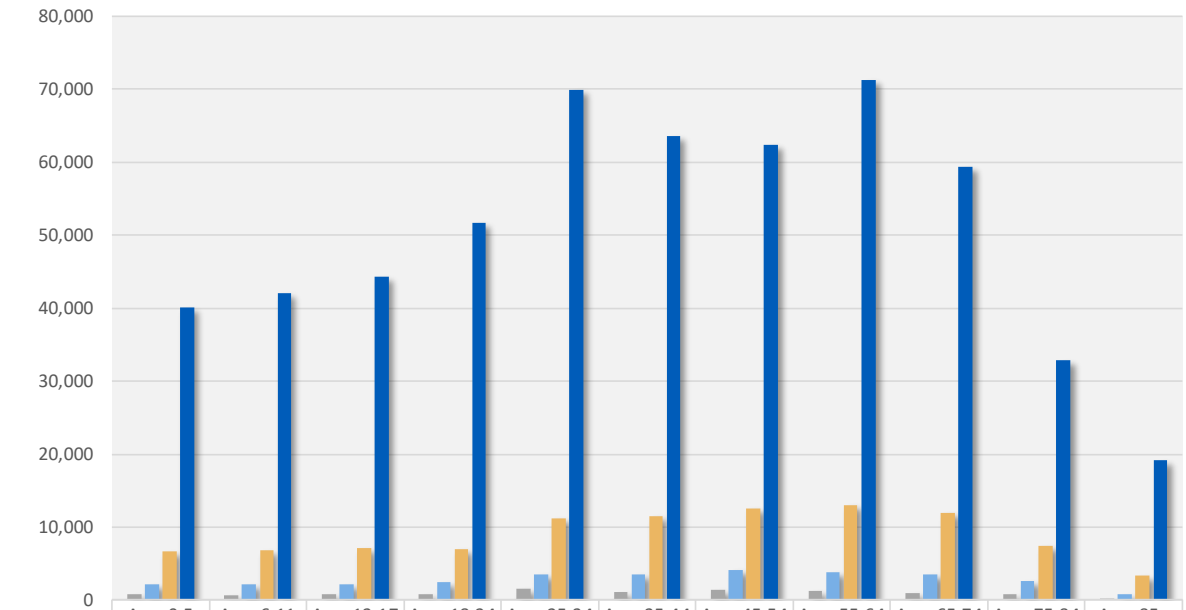
The following table and chart details Age Distribution in the selected area:

Age Demographics

Category	5 Minute	10 Minute	15 Minute	Lancaster County
Median Age	40	43	44	40
Population Distribution by Age				
Age: 0-5	876	2,187	6,720	40,073
Age: 6-11	722	2,146	6,829	42,103
Age: 12-17	746	2,147	7,199	44,364
Age: 18-24	821	2,449	6,961	51,718
Age: 25-34	1,536	3,568	11,159	69,915
Age: 35-44	1,160	3,470	11,557	63,520
Age: 45-54	1,490	4,194	12,635	62,438
Age: 55-64	1,235	3,894	12,945	71,287
Age: 65-74	1,008	3,536	12,019	59,413
Age: 75-84	805	2,580	7,427	32,879
Age: 85+	164	777	3,306	19,202

Source: www.easidemographics.com

Population Distribution by Age



	Age: 0-5	Age: 6-11	Age: 12-17	Age: 18-24	Age: 25-34	Age: 35-44	Age: 45-54	Age: 55-64	Age: 65-74	Age: 75-84	Age: 85+
5 Minute	876	722	746	821	1,536	1,160	1,490	1,235	1,008	805	164
10 Minute	2,187	2,146	2,147	2,449	3,568	3,470	4,194	3,894	3,536	2,580	777
15 Minute	6,720	6,829	7,199	6,961	11,159	11,557	12,635	12,945	12,019	7,427	3,306
County	40,073	42,103	44,364	51,718	69,915	63,520	62,438	71,287	59,413	32,879	19,202

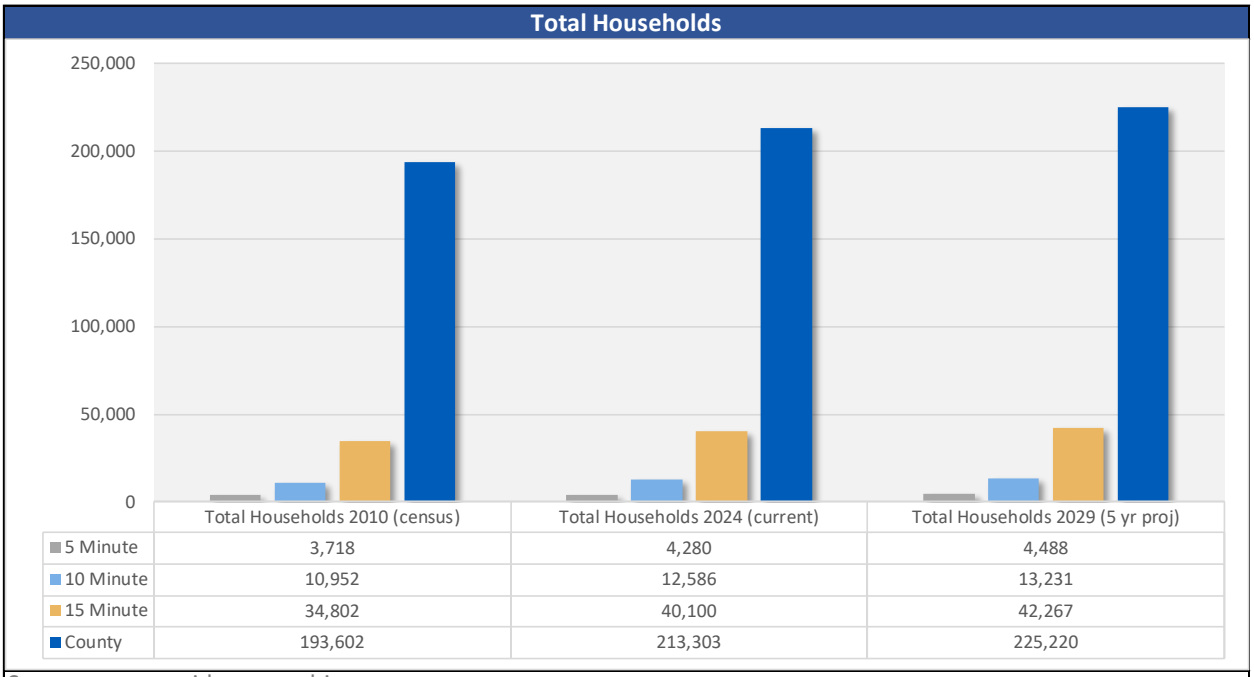
Source: www.easidemographics.com

The following table and charts detail Household Trends and Housing Units in the selected area:

Households and Housing

Category	5 Minute	10 Minute	15 Minute	Lancaster County
Avg HH Size	2.46	2.43	2.41	2.54
Total Households 2010 (census)	3,718	10,952	34,802	193,602
Total Households 2024 (current)	4,280	12,586	40,100	213,303
Total Households 2029 (5 yr proj)	4,488	13,231	42,267	225,220
% Change 2020-Current	0.59%	0.91%	1.08%	0.71%
% Change 5 Yr Forecast	3.91%	3.88%	3.80%	3.81%
% Change 2010-2020	12.28%	10.41%	11.99%	6.46%
Housing Units				
Total Housing Units	4,487	13,266	42,304	222,932
Median Year Built	1970	1976	1983	1983
Housing Units % Vacant	4.62%	5.13%	5.21%	4.32%
Housing Units % Owner Occupied	74.31%	74.39%	72.11%	67.77%
Housing Units % Renter Occupied	21.07%	20.49%	22.67%	27.91%
Median Home Value (Owner Occupied)	$221,811	$235,777	$251,441	$231,760

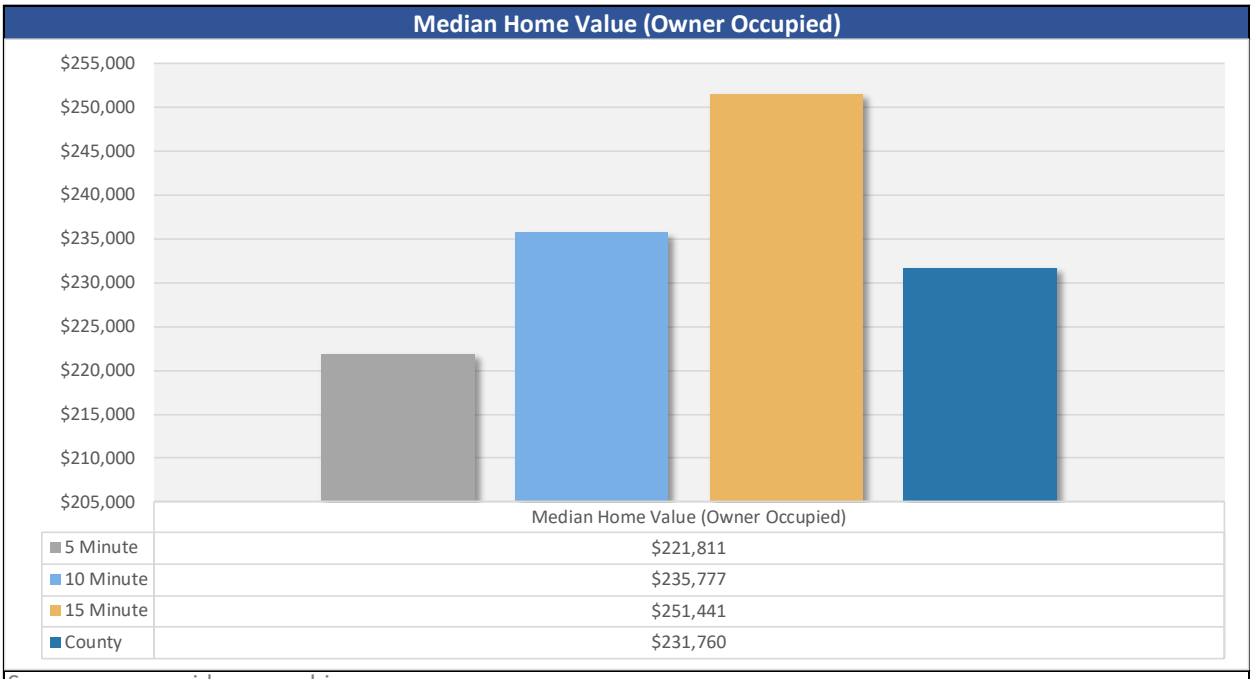
Source: www.easidemographics.com



	Total Households 2010 (census)	Total Households 2024 (current)	Total Households 2029 (5 yr proj)
5 Minute	3,718	4,280	4,488
10 Minute	10,952	12,586	13,231
15 Minute	34,802	40,100	42,267
County	193,602	213,303	225,220

Source: www.easidemographics.com

The following chart details Median Home Value in the selected area:



	Median Home Value (Owner Occupied)
5 Minute	$221,811
10 Minute	$235,777
15 Minute	$251,441
County	$231,760

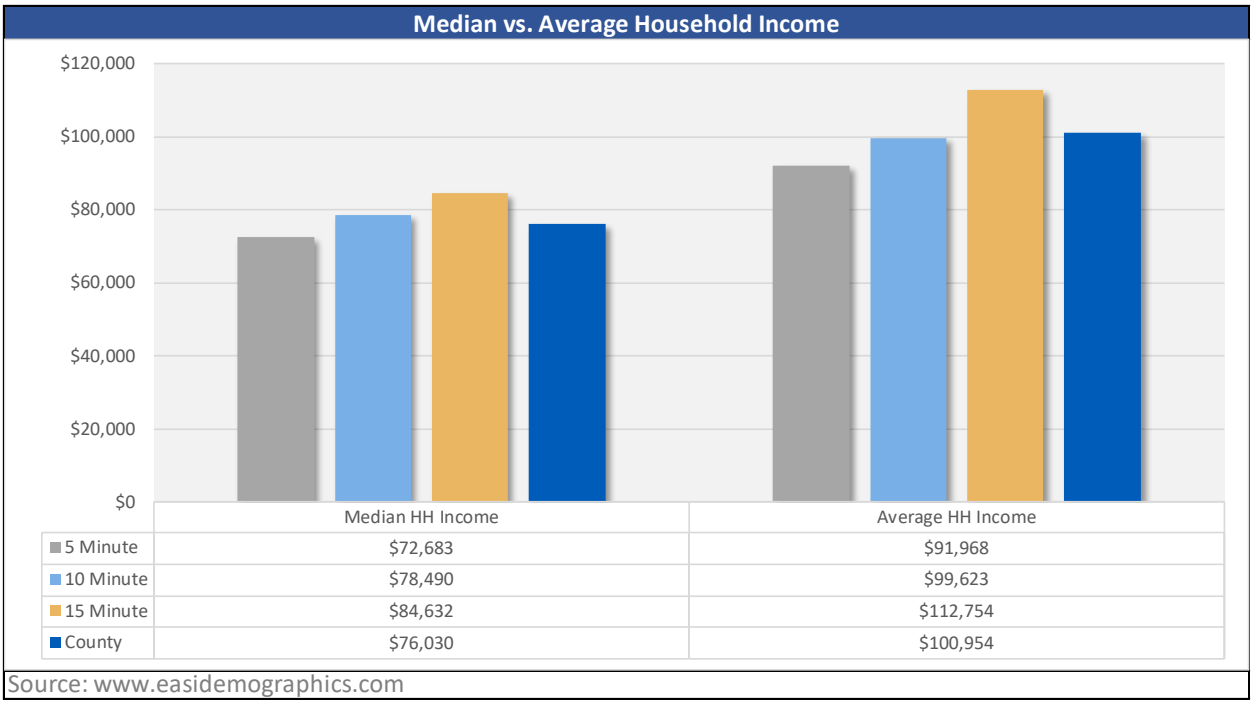
Source: www.easidemographics.com

The following table and charts detail Income in the selected area:

Income				
Category	**5 Minute**	**10 Minute**	**15 Minute**	**Lancaster County**
Household Income				
Median HH Income	$72,683	$78,490	$84,632	$76,030
Average HH Income	$91,968	$99,623	$112,754	$100,954
Population Distribution by Income				
-$15,000	295	670	2,014	13,441
$15,000-$24,999	250	729	2,275	13,086
$25,000-$34,000	324	809	2,593	15,508
$35,000-$49,999	429	1,382	4,194	23,214
$50,000-$74,999	966	2,572	7,245	40,031
$75,000-$99,999	649	2,010	6,185	33,287
$100K-$125K	328	1,251	4,501	25,234
$125K-$150K	356	1,103	3,736	17,161
$150K-$200K	371	1,043	3,331	16,262
$200K+	312	1,017	4,026	16,079

Source: www.easidemographics.com

The following chart compares Median vs. Average Household income in the selected area:



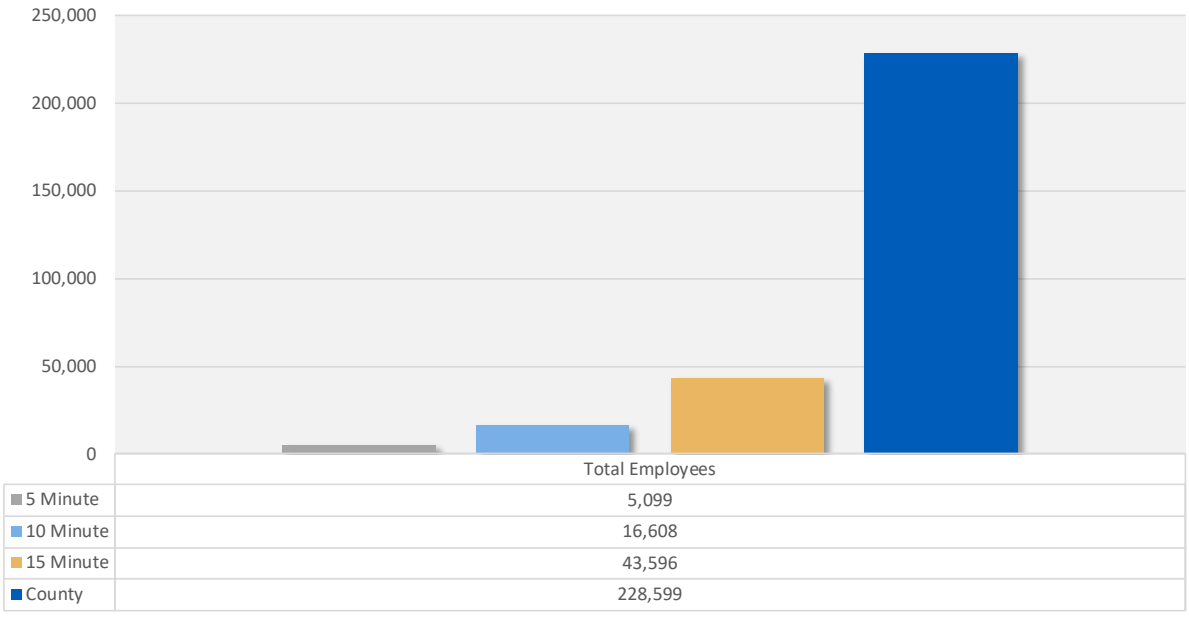
Source: www.easidemographics.com

The following table and chart details Employment attributes in the selected area:

Employment				
Category	**5 Minute**	**10 Minute**	**15 Minute**	**Lancaster County**
Total Employees	5,099	16,608	43,596	228,599
Total Establishments	385	1,037	2,624	13,548
% College Graduate	32.61%	33.68%	39.04%	31.47%
Avg Work Travel Time	25.67	25.35	25.93	26.39

Source: www.easidemographics.com

Total Employees



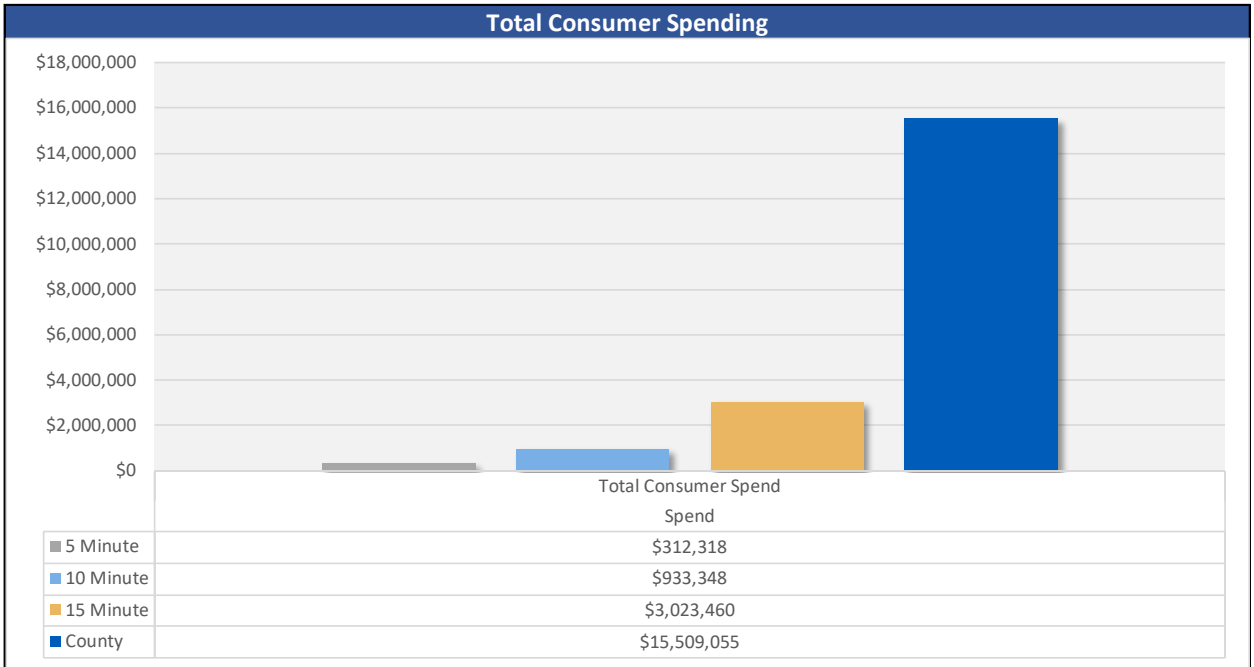
Source: www.easidemographics.com

The following table and charts compare Per Capita Income vs. Spend attributes in the selected area:

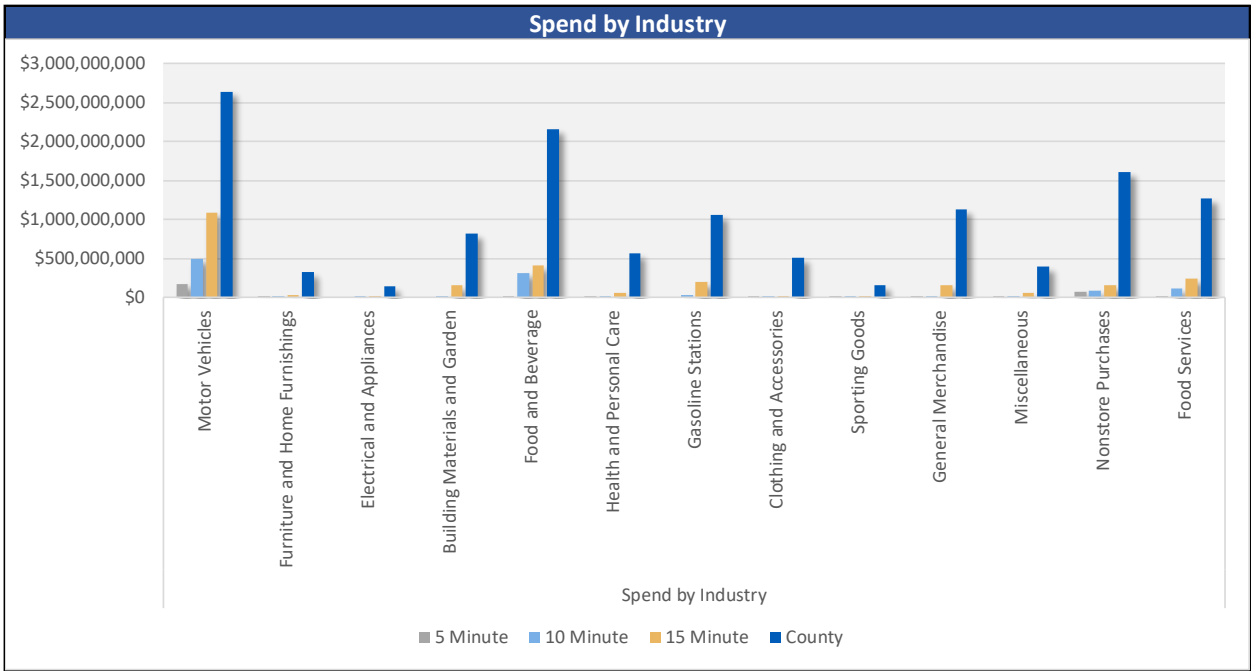
Per Capita Income / Consumer and Industry Spend				
Category	**5 Minute**	**10 Minute**	**15 Minute**	**Lancaster County**
Income				
Per Capita Income	$37,404	$40,891	$46,219	$39,087
Spend				
Total Consumer Spend	$312,318	$933,348	$3,023,460	$15,509,055
Avg Spend / Household	$72,975	$74,158	$75,398	$72,709
Total Retail Spend	$271,723,658	$1,099,941,959	$2,580,589,089	$12,774,954,000
Spend by Industry				
Motor Vehicles	$176,673,470	$494,301,173	$1,086,047,350	$2,639,744,000
Furniture and Home Furnishings	$1,098,148	$9,361,880	$26,297,279	$330,140,000
Electrical and Appliances	$0	$3,851,977	$9,671,163	$139,405,000
Building Materials and Garden	$0	$5,652,441	$159,144,542	$824,031,000
Food and Beverage	$3,806,475	$311,543,880	$407,840,229	$2,150,065,000
Health and Personal Care	$4,368,611	$8,689,460	$57,891,406	$567,512,000
Gasoline Stations	$0	$34,778,002	$192,729,084	$1,054,102,000
Clothing and Accessories	$1,905,941	$2,138,367	$12,556,474	$504,559,000
Sporting Goods	$697,075	$1,088,000	$17,904,345	$159,622,000
General Merchandise	$3,451,000	$11,229,542	$150,994,665	$1,133,944,000
Miscellaneous	$11,140,000	$11,728,751	$58,972,460	$397,228,000
Nonstore Purchases	$67,696,000	$85,577,679	$153,359,758	$1,607,602,000
Food Services	$886,938	$120,000,807	$247,180,334	$1,267,000,000

Source: www.easidemographics.com

The following charts detail Consumer Spending in the selected area:



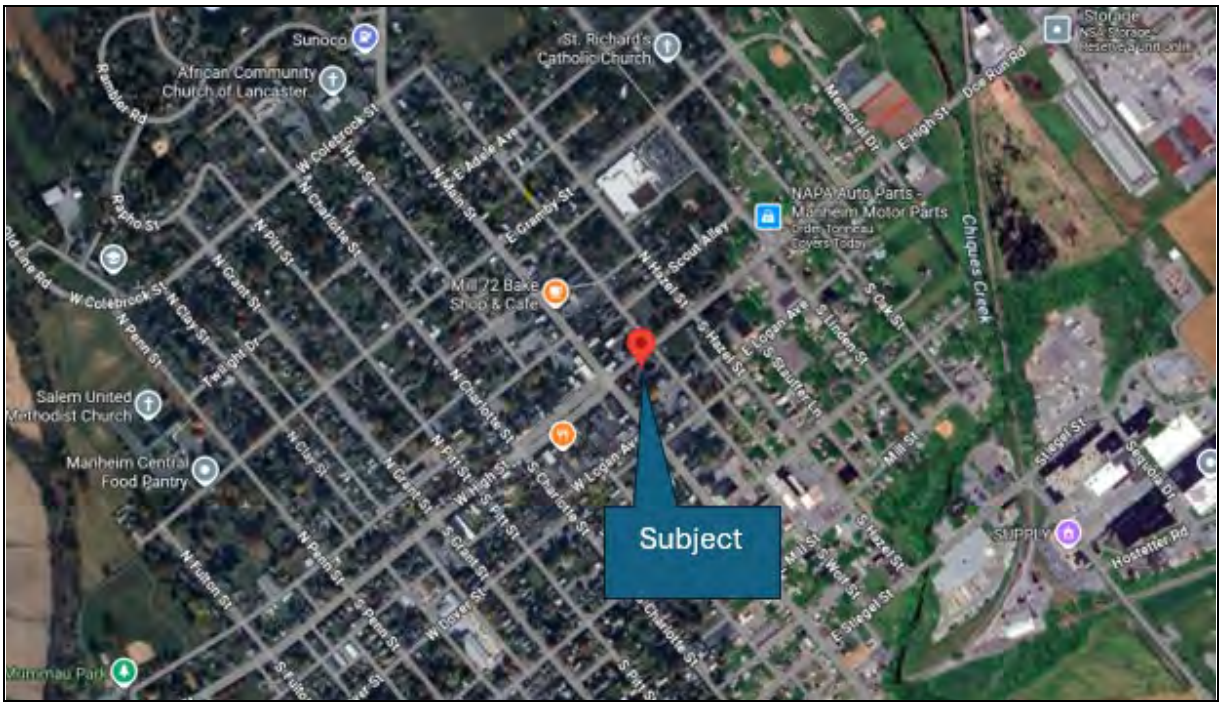
Source: www.easidemographics.com



Source: www.easidemographics.com

NEIGHBORHOOD ANALYSIS

A neighborhood analysis helps real property investors identify the best location for an investment property based on data comps and real property analytics to enable them to understand what kind of returns they can expect the property to have and how it will generally perform. This analysis is used to understand the path of growth and linkages. The analysis helps to identify the potential need for location adjustments in the land/improved sales approaches and various inputs for the income approach.



Area Description & Boundaries	
Municipality Description:	Manheim Borough is located in north central portion of Lancaster County, Pennsylvania. Manheim Borough is surrounded by Manheim Township. The subject property is located approximately 10 miles from the City of Lancaster.
Location:	Suburban
Neighborhood Description:	The subject nieghborhood is bordered by Rapho Township and lies approximately 9 miles northwest of Lancaster City and about 25 miles southeast of Harrisburg, with proximity to other regional centers such as Lebanon (17 miles northeast). The topography consists of relatively level to gently rolling terrain within the Piedmont region, with Chiques Creek forming a notable natural feature along the eastern boundary. Transportation access is provided by PA Route 72, which connects the borough northward to the PA Turnpike (I-76) and southward to Lancaster, while nearby U.S. Route 322 and PA Route 283 offer additional regional connectivity. Historically established in the 18th century as a small industrial and market community, Manheim retains a traditional borough layout with a defined downtown core. The borough is served by the Manheim Central School District, and higher education institutions in nearby Lancaster and Harrisburg expand educational and workforce access. Land use patterns reflect a mix of residential, institutional, and commercial activity, with industrial uses concentrated along the eastern edge near Chiques Creek, supporting its role as a small regional service and employment hub.

Neighborhood Boundaries	
North Boundary:	Prospect Road
South Boundary:	Chiques Creek
East Boundary:	Chiques Creek
West Boundary:	Rite Run

Adjacent Property Uses	
North Adjacent Use:	Commercial
South Adjacent Use:	Commercial
East Adjacent Use:	Cemetery
West Adjacent Use:	Commercial

Economic Development in Market Area

105 East High Street, Manheim



Stiegel Elementary School, located on 105 East High Street in Manheim Borough recently sold on July 24, 2025 for $1,800,000 with approval plans for potentially 34-36 units.

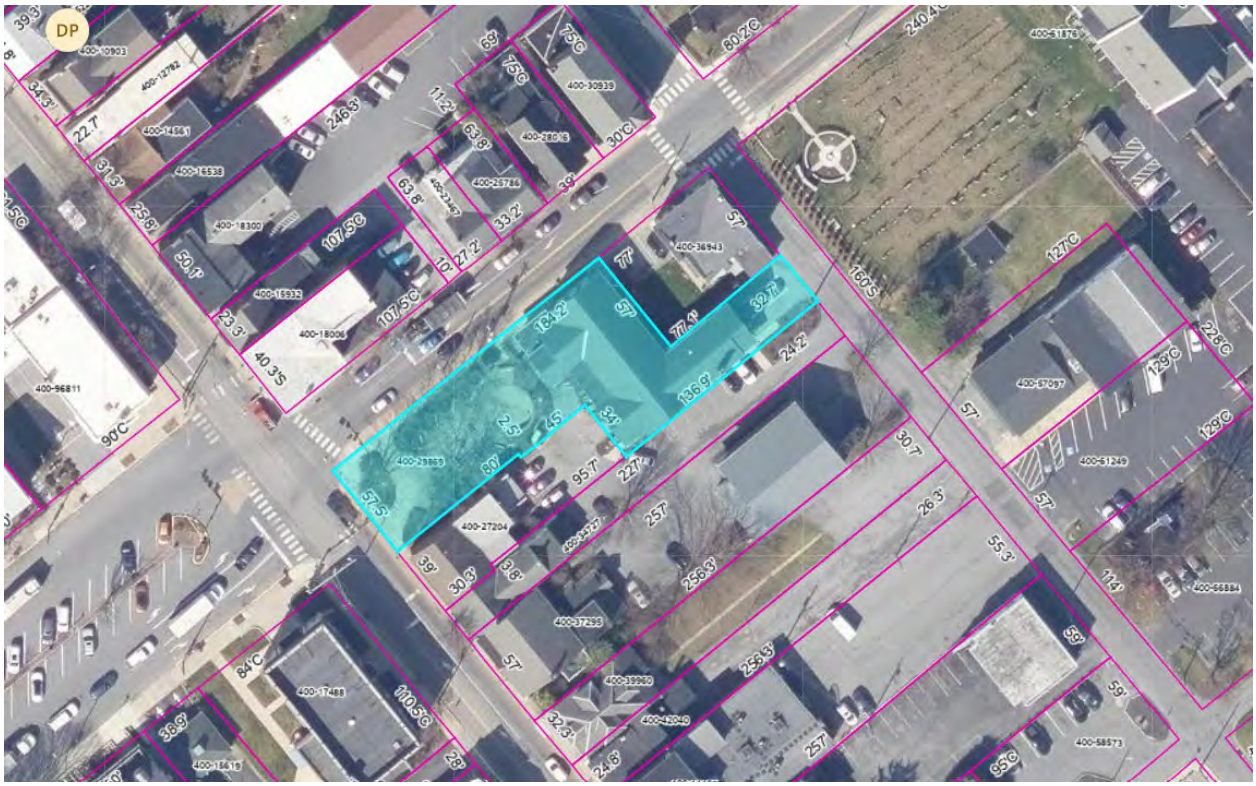
1 South Charlotte Street, Manheim



The former Washington House Hotel is undergoing redevelopment as a mixed use building, featuring a first floor commercial space and 25 unit boarding house on the second and third floors.

PROPERTY DESCRIPTION

Site

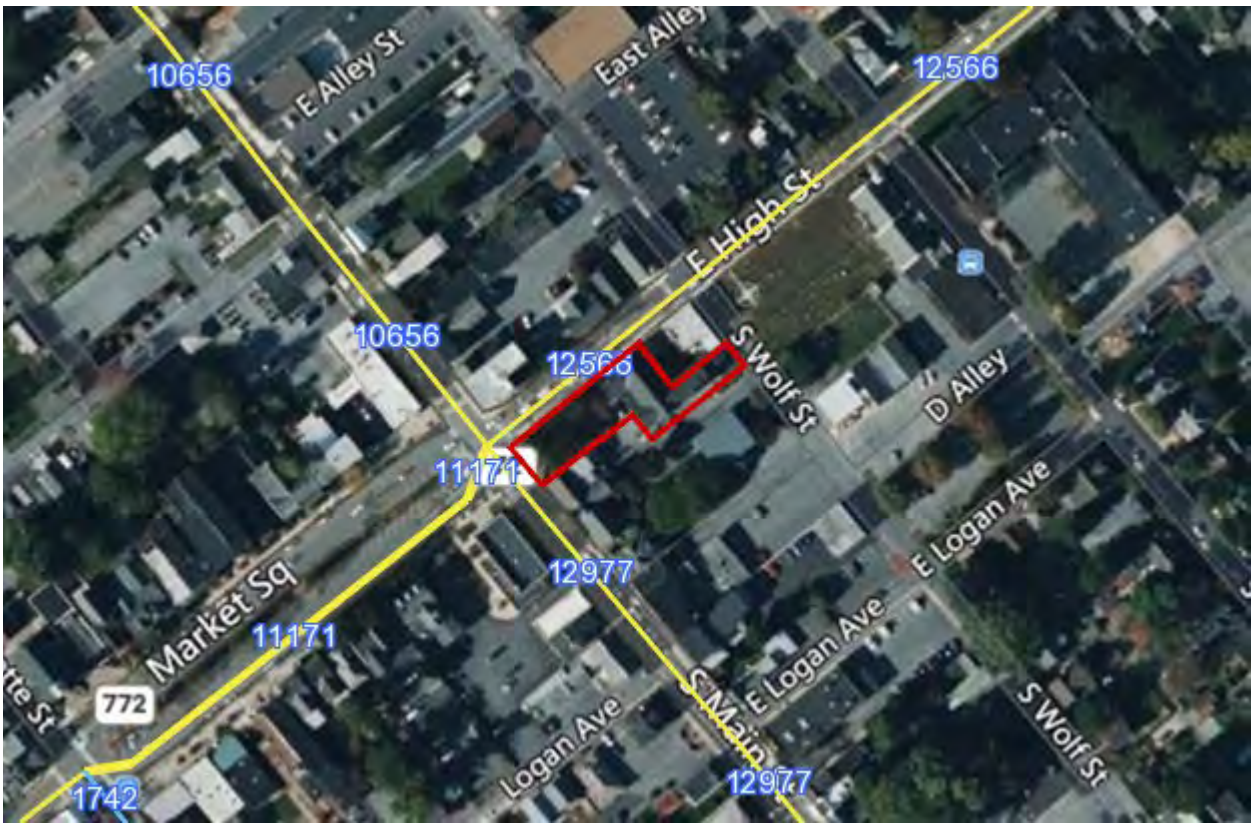


Site Summary	
Parcel ID	400-29869-0-0000
Gross Land Area (Acres)	0.34
Address	15 East High Street
Municipality	Manheim Borough
County	Lancaster
Land Use	Exempt, Government And Historical
Traffic Count (Primary Frontage)	12,566
Conformity/Non-Conformity	The subject site conforms with its surroundings in terms of access, parking, site layout, drainage, frontage, excess/surplus land, and topography, which does not hinder its operational efficiency.
Site Analysis & Comments	The site has average and typical utility.

Site Characteristics	
Corner Lot	Is
Access	Average
Access Description	The subject property is accessible via East High Street.
Site Visibility	Average
Topography	Generally Level
Site Shape	Irregular
All Utilities to Site?	Available
Public Electricity	The site is served by public electricity.
Water Supply Type	Municipal water
Sewer Type	Municipal sewer
Natural Gas	Municipal gas
Landscaping	Typical landscaping
Soil Conditions	The soil conditions observed at the subject appear to be typical of the region and adequate to support development.

Site Hazards	
FEMA Map #	42071C0142F
FEMA Map Date	April 5, 2016
Flood Zone	Not In Hazard
In Flood Plain	No
Encumbrance / Easement Description	There no known adverse encumbrances or easements. Please reference Limiting Conditions and Assumptions.
Environmental Issues	There are no known adverse environmental conditions on the subject site. Please reference Limiting Conditions and Assumptions.

Traffic Count Map



Source: Bing Maps and AADT/DOT

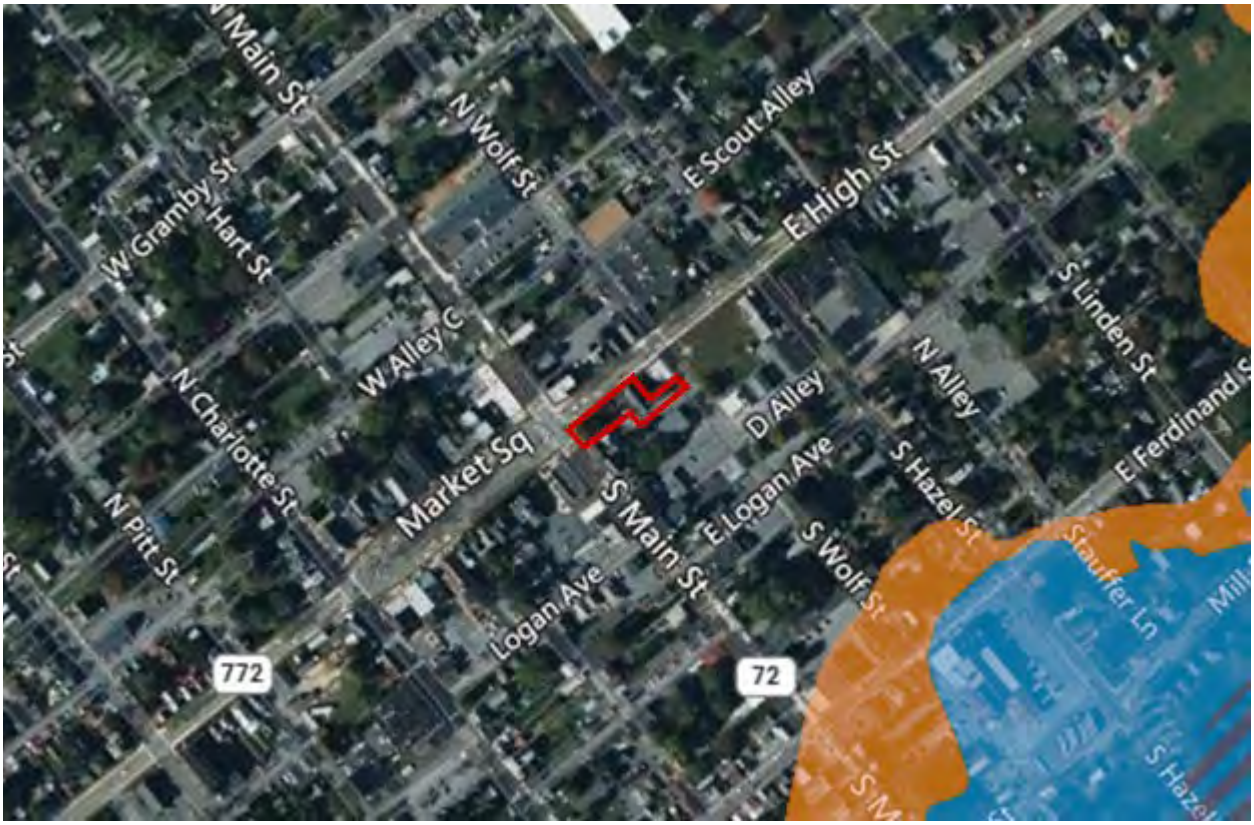
Traffic Count Legend

Annual Average Daily Traffic

- Less than 1,000
- 1,000 - 9,999
- 10,000 - 49,999
- 50,000 - 99,999
- More than 100,000

Through Lane Count

Flood Map



Source: Bing Maps and Federal Emergency Management Agency (FEMA)

Flood Legend

- Floodway
- 1% Annual Chance (100-year)
- 0.2% Annual Chance (500-year)

Improvements



Improvements Summary	
Number of Buildings	1
Gross Building Area	10,388
Overall Land to Building Ratio	1.43 to 1
Overall Parking Ratio	0.29 Spaces per 1,000 SF GBA
Deferred Maintenance	There is no apparent deferred maintenance present at the subject property. A capital expenditure plan specific costs to repair any deficiencies has not been provided. During the inspection, no significant physical deterioration requiring immediate repair was observed.
Functional Obsolescence	There is no apparent functional obsolescence present at the subject property.

Building Summary	
Construction Class	Class C
Year Built	1951
Gross Building Area	10,388
Condition	Below Average
Land to Building Ratio	1.43 to 1

Parking Attributes	
Parking Spaces	3
Parking Type	Paved open surface parking
Parking Condition	Average
Overall Parking Ratio	0.29 Spaces per 1,000 SF GBA

Foundation Frame/Ext.	
Foundation	Poured concrete slab
Basement Size (SF)	4,198
Basement Use/Finish	Finished, utilities and storage
Frame	Masonry Frame
Façade	Brick
Roof Type	Gable
Roof Cover	Asphalt Shingles

Interior	
Floor Plan Layout	Average
Floor Covering	Hardwood, Tile
Walls	Painted drywall
Ceiling Cover	Acoustic ceiling panels
Interior Lighting	Fluorescent

Mechanical Systems	
Heating	Gas Fired Hot Water
Cooling	Window Units
Electrical	Assumed Adequate
Plumbing Condition	Assumed Adequate
Fire Sprinkler	None

Americans With Disabilities Act
Please reference the Limiting Conditions and Assumptions section of this report.

Hazardous Substances
Please reference the Limiting Conditions and Assumptions section of this report.

Economic Life, Effective Age, and Remaining Economic Life

Economic Life

The quality and condition of the building components are reflected in each of the three approaches to value. The quality and condition of the building components have a major influence on the cost estimate, the accrued depreciation estimate, the ability of the property to produce rental income, and the property's comparability with other properties.

Based on the quality of construction and the relationship between replacement cost and market rent, the economic life is estimated to be 40 years.

Effective Age Estimate

The actual age is not a factor in estimating depreciation. This analysis includes all forms of depreciation, including external obsolescence and functional obsolescence, and not just physical deterioration.

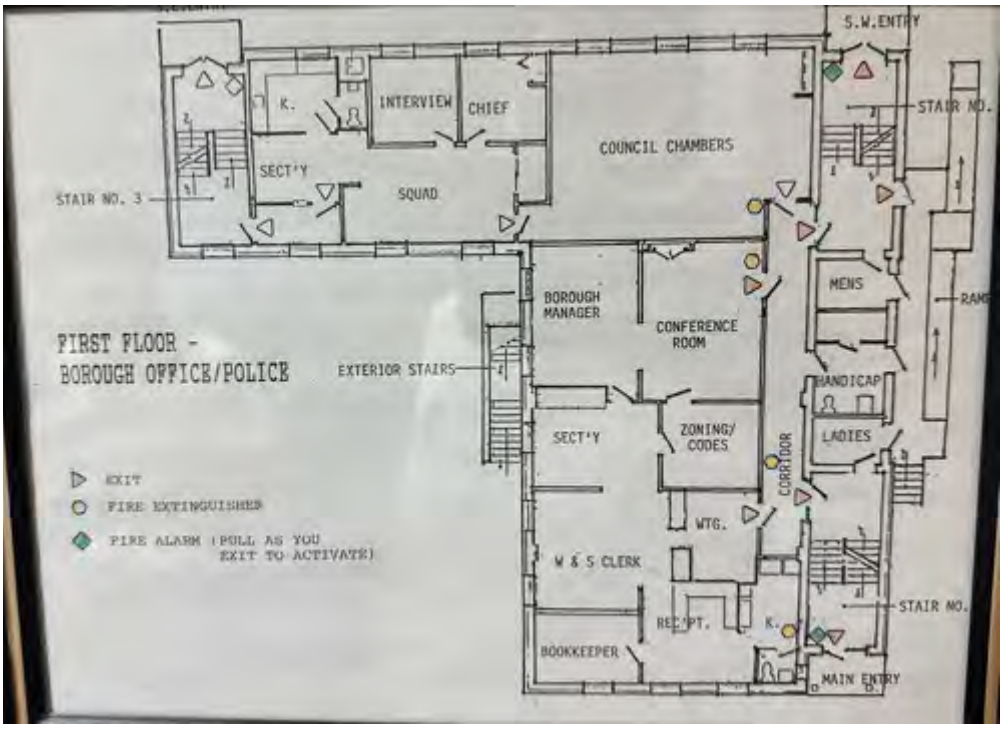
Remaining Economic Life

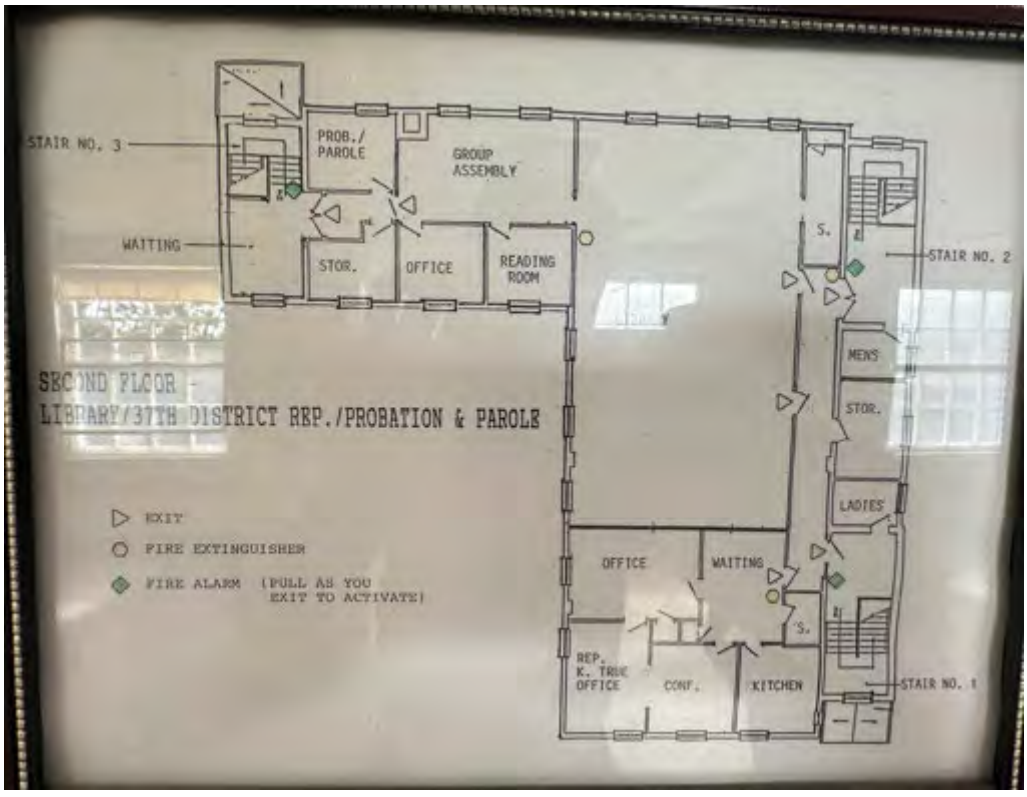
The remaining economic life is a simple subtraction of economic life and effective age. The remaining economic life is estimated to be 5 years.

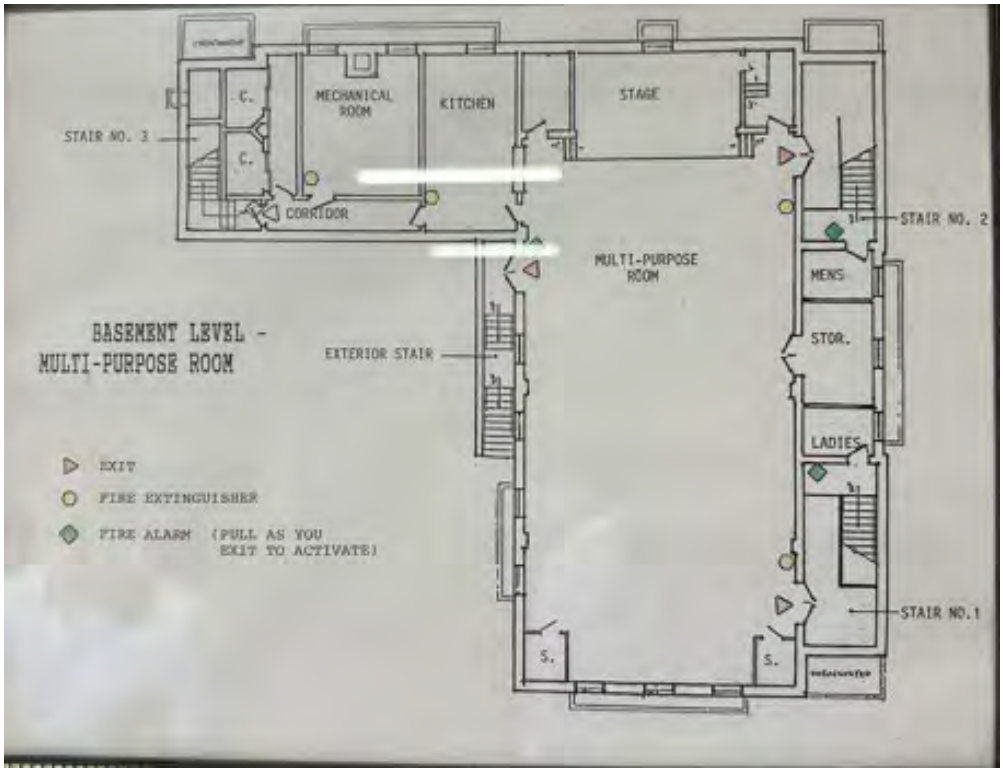
The following table summarizes our estimates of effective age and remaining economic life.

Economic Age & Life Summary	
Total Economic Life (MVS)	40
Actual Age	74
Effective Age	35
Remaining Economic Life	5
Accrued Depreciation	87.50%

Improvements Plan






STAIR NO. 3
C.
C.
MECHANICAL ROOM
KITCHEN
STAGE
CORRIDOR
MULTI-PURPOSE ROOM
STAIR NO. 2
MENS
STOR.
LADIES
BASEMENT LEVEL -
MULTI-PURPOSE ROOM
EXTERIOR STAIR
EXIT
FIRE EXTINGUISHER
FIRE ALARM (PULL AS YOU EXIT TO ACTIVATE)
S.
S.
STAIR NO.1

ASSESSMENT AND TAXES

The Lancaster County Real Estate Tax Assessment Office determines the assessed value of properties within the county. Below is a summary of the taxing authority and conditions that affect the subject's current assessment.

Tax Summary	
Taxing Authority	Lancaster County Office of Tax Assessment
Tax Year(s)	2025
Effective Tax Rate	1.3760%
Assessment Year(s)	2025
Reassessment triggered by sale?	No

The local jurisdictional tax responsibility millage rate is allocated as follows:

Millage Rates Summary	
Component	**Mills**
Municipality Rate	5.7000
County Rate	2.9110
School District Rate	17.1429
Total Mills	**25.7539**

The total assessment, tax liability, and implied value of the subject property is allocated as follows:

Real Estate Assessment and Taxes						
Tax ID	**Total Assessment**	**Tax Rate**	**Taxes**	**Common Level Ratio**	**Implied Value**	**Effective Tax Rate**
400-29869-0-0000	$745,900	2.58%	$19,210	53.43%	$1,396,032	1.38%
Totals	**$745,900**		**$19,210**		**$1,396,032**	**1.38%**

Note: The "Effective Tax Rate" is the total real estate tax liability divided by the implied value. Also, can be calculated by multiplying the tax rate by the common level ratio.

The annual tax liability for the subject property is calculated as $19,210 (($745,900 X 25.7539) / 1,000).

Implied Market Value

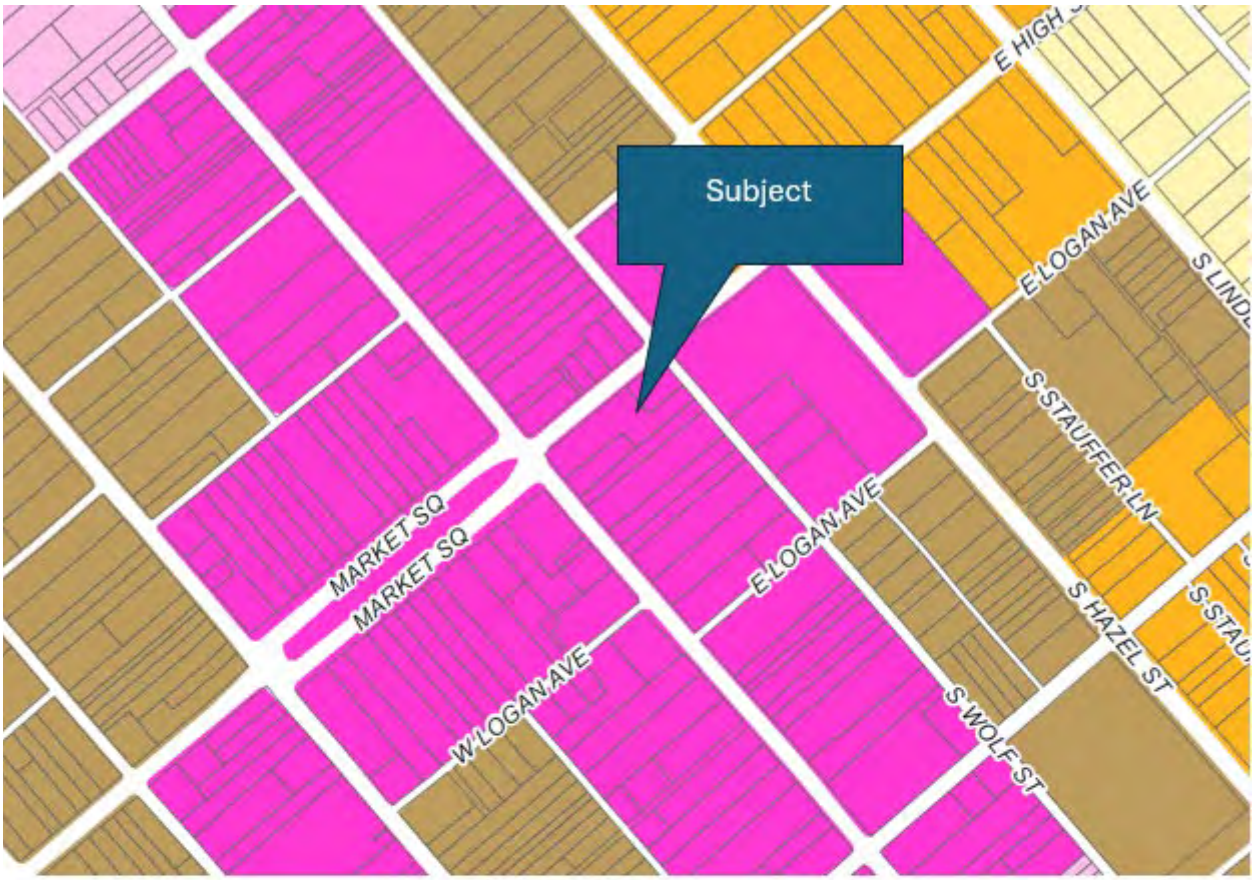
The implied market value is calculated by dividing the total assessed value by the Common Level Ratio. Lancaster County currently has a Common Level Ratio of 53.43%. This suggests an implied value of the subject property of $1,396,032 ($745,900÷ 53.43%). The implied value has not been relied upon as an indication of the subject property's market value.

Implied Value vs Determination of Market Value

The current implied value is above our determination of subject market value. A subsequent owner would be prudent to consider a real estate tax assessment appeal.

ZONING & LAND USE REGULATIONS

Zoning Map (with reference to subject)



- R-1 Residential
- R-2 Residential
- R-3 Residential
- R-4 Residential
- COA Zone
- CBD Zone
- C-1 Zone
- PC-1 Planned Industrial/Corporate Center
- Industrial

Zoning Summary

The subject is located in the Central Business District in Manheim Borough, Lancaster County. Manheim Borough zoning officer, Leslie Rhoads was interviewed on September 23, 2025. She confirmed that the current subject use is a legal and conforming use according to the zoning ordinance. A summary of the zoning ordinance is below.

Zoning Summary	
Zoning Authority	Manheim Borough Zoning
Zoning District	Central Business District
Zoning Purpose	The purpose of this zone is to provide basic convenience commercial goods and services to local residents who live in the Borough. Uses have been limited to those that residents are likely to need on a daily or regular basis. Overall, retail size has been restricted to prevent the establishment of intensive commercial uses that exceed the local pedestrian orientation of this zone and to encourage the adaptive reuse of converted historic dwellings rather than the construction of new commercial buildings. Requirements have been imposed to preserve the "small-town" character of this area and reflect the tightly knit land use pattern that exists within the Borough. Limited exterior activities have been allowed to contribute to the vitality and diversity of this area.
Current Use Legally Conforming	The subject's current use is permitted by right. The current use is legal and conforming.
Permitted Uses	See the zoning code located in the Addenda for a full list of permitted uses.
Conditional Uses	See the zoning code located in the Addenda for a full list of conditional uses.
Special Exception Uses	See the zoning code located in the Addenda for a full list of special exception uses.

HIGHEST AND BEST USE

Highest and best use may be defined as the reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

In the analysis of pertinent data, four criteria are applied in the following order to develop adequate support for the appraiser's highest and best use determination:

1. **Legally Permissible:** What uses are permitted by zoning and other legal restrictions?

2. **Physically Possible:** To what use is the site physically adaptable?

3. **Financially Feasible:** Which possible and permissible use will produce any net return to the owner of the site?

4. **Maximally Productive.** Among the feasible uses which use will produce the highest net return, (i.e., the highest present worth)?

These criteria are generally considered sequentially; however, the tests of physical possibility and legal permissibility can be applied in either order, but they both must be applied before the tests of financial feasibility and maximum productivity.

The process for determining the highest and best use of a property has four main steps. The first two are applied in the analysis of highest and best use of the land or site as though vacant; the third and fourth steps are applied in the analysis of the highest and best use of the property as improved.

1. Determine the highest and best use of the site as though vacant.

2. Determine the ideal improvement for development of the site.

3. Compare the ideal improvement and the existing improvement.

4. Conclude whether the improvements should be maintained as is or be renovated, converted, or demolished.

The first step in the highest and best use analysis is to determine what the highest and best use of the subject property would be if the site was vacant land. The highest and best use of the land as though vacant must be considered in relation to its existing use and all potential uses. The analysis of the land as though vacant focuses on alternative uses, with the appraiser testing each reasonably probable use for legal permissibility, physical possibility, financial feasibility, and maximum productivity.

The highest and best use of land or site as though vacant is concluded after the four criteria have been applied and various alternative uses have been eliminated. The remaining use that fulfills all four criteria is the highest and best use of the land as though vacant. A proper highest and best use conclusion indicates the use, the market participants for the use, and the timing of the use. In addition, the ideal improvement (see definition below) must be determined as a part of highest and best as though vacant.

Ideal improvement. *The improvement that takes maximum advantage of a site's potential given market demand, conforms to current market standards and the character of the market area, and contains the most suitably priced components; the improvement that represents the highest and best use of the land as though vacant.*

The ideal improvement should meet the following criteria:

- Takes maximum advantage of the site's potential market demand.
- Conforms to current market standards and the character of the market area.
- Contains the suitably priced components.

If an ideal improvement is considered to be the highest and best use of the land as though vacant, it presumably will have no physical deterioration or functional obsolescence. Thus, any difference in value between the existing improvement and the ideal improvement would be attributable to physical deterioration or functional obsolescence. The appraiser must still consider whether external obsolescence is present, which may affect both the existing improvement and the ideal improvement.

An improved property will continue in its current use until the land as though vacant is more valuable - less demolition costs for the existing improvements - than the property as improved. Therefore, all highest and best use studies must consider the land as though vacant to eliminate the demolition alternative and determine if there is external obsolescence.

The extent of the analysis will vary depending on how critical the land value is to the overall property value. Threshold testing is recommended, which involves analyzing the land as if it was one of the highest-valued plots of vacant land in the area. If the land as though vacant at the threshold testing value does not approach the value of the property as improved, a detailed study of alternative uses for the land as though vacant is less critical.

The analysis included in this section compares the high-end price of land as though vacant to the low-end price of improved property as though improved.

Highest and Best Use As Vacant

The first step in the highest and best use analysis is to determine what the highest and best use of the subject property would be if the site was vacant land. The highest and best use of the land as though vacant must be considered in relation to its existing use and all potential uses.

Legally Permissible

Uses that are legally permissible at the subject site are largely controlled by the zoning district and building codes. Private restrictions, deed restrictions, historic district controls, and environmental regulations also affect the possible use of a site.

As previously discussed in the report, there are many legally permitted uses of the subject. All legally permitted uses have been considered, but only the most relevant development possibilities have been tested for physical possibility.

Physically Possible

The size, shape, area, topography, and accessibility of the site must be analyzed. The utility of the site is also affected by other site characteristics such as street frontage and access to public utilities.

Based on analysis of the subject site, it has been concluded that the physical and functional characteristics of the site as vacant meet the desires and standards of the typical purchaser of sites in the region.

Based on development requirements imposed by zone, the legally permitted uses have been narrowed to reflect the most likely potential uses of the site with consideration to size and overall utility.

Financially Feasible

Those uses that are legally permitted and physically possible are analyzed to determine the use or uses that are financially feasible. Uses that are not legally permitted or physically possible are eliminated from analysis. All uses that are expected to produce a positive return are regarded as financially feasible.

Commercial oriented development is considered financially feasible at this time.

Maximally Productive

The maximally productive use is determined by a comparison of financially feasible uses. This comparison *may* take into account risk that is unable to be quantified in a market-extracted overall rate used to determine financial feasibility. That may include, but is not limited to, a limited buyer pool of the improved property when stabilized.

Based on our analysis, commercial oriented development is the maximally productive use at this time.

The tests for the highest and best use as vacant have taken into account: 1) physical use, 2) timing, and 3) market participants. It has been concluded that **commercial oriented development is the highest and best use as vacant**.

Highest and Best Use As Improved

The highest and best use of a property as improved pertains to the use that should be made of an improved property in light of existing improvements and the ideal improvement described as the conclusion of the analysis of highest and best use as though vacant.

When analyzing the highest and best use of the subject property as improved, there are generally three (3) conclusions that can be made:

- *Whether existing improvements remain 'as is'*
- *Whether existing improvements be modified, renovated, or converted to some other use.*
- *Whether existing improvements be demolished, and the site redeveloped with a different use.*

With consideration to the above questions, the four tests of highest and best use as if vacant are relevant and must be applied to the site as improved. The four tests are: legally permissible, physically possible, financially feasible and maximally productive.

Legally permissible and physically possible tests are often evident and obvious, as the property is improved with that use. The financial feasibility and the maximally productive use of the property using the above three considerations are analyzed to determine highest and best use as improved.

- The value of a property as modified, renovated, or converted, including the costs to modify, renovate or convert must be greater than the value 'as is' for this conclusion to be maximally productive.
- Also, the value of a property as vacant, plus demolition costs, must be greater than the value 'as is' for this conclusion to be maximally productive.
- Generally, if the value of the property as improved is greater than the value of the site as if vacant, including costs to renovate or demolish, then the highest and best use is 'as is'.

The subject consists of a 0.34-acre corner parcel located along the southeastern, signalized intersection of East High Street and South Main Street in Manheim Borough, Lancaster County. The site also features additional frontage along South Wolf Street. It is slightly irregular in shape with generally level topography. The site includes three (3) off-street spaces accessible via South Wolf Street. Although free on-street parking is available, there is a time limit risk and a potential risk that these spaces may not be free in perpetuity. The site also contains an approximately 4,000-square-foot outdoor park amenity, which could potentially be redeveloped for additional building space or off-street parking.

The site is improved with a two-story, 10,388-square-foot municipal building constructed in 1951, which is in below-average overall physical condition. The building includes office suites on the first floor and a public library on the second floor. An additional 4,918 square feet of finished basement area provides a mechanical room, former jail cells, and a multipurpose room.

The property is located within the Central Business District (CBD) of Manheim Borough, which permits a variety of commercial uses as well as conversion to apartments.

Although continued use as an office facility is physically possible, it is not considered the highest and best use of the property. The most likely purchaser would not be a continued user, as the existing improvements are in below-average condition, suffer from significant functional obsolescence, and

provides only three (3) off-street parking spaces. While free on-street parking is currently available, there is an inherent risk of increased parking competition, potential time restrictions, and future conversion to paid parking. The most likely buyer is anticipated to be a developer or investor looking to convert the office space into an apartment complex. There is market evidence of adaptive re-use projects of older buildings being converted into apartments with limited or no off-street parking.

The subject property's 10,388 square feet of building area could potentially be converted into approximately eighteen (18) apartment units averaging 500 square feet each, after accounting for approximately 1,039 square feet (or 10%) of common area. The additional 4,918 square feet of finished basement can provide additional amenities such as storage and game room/lounge. Based on the concluded value of $490,000 and the potential for 18 units, the property reflects an implied value of approximately $27,222 per unit.

Competitive Advantages

- The subject property is located in an above average location.
- The subject property features an outdoor park amenity that could potentially be redeveloped.
- The subject property offers 4,918 SF of lower level finished space

Risks & Threats

- The subject property lacks adequate off-street parking spaces for continued office use.
- The subject property is in below average overall physical condition with limited functional utility "As is".
- The subject property is over-assessed relative to the appraised value and owner/buyer may consider a tax appeal.

The highest and best use of the subject as improved is for **Adaptive reuse into apartments.**
The most likely buyer of the subject property is a **Local Investor or Developer.**

VALUATION METHODOLOGY

Three approaches may be used to arrive at an estimate of market value. They are:

1. The Cost Approach
2. The Sales Comparison Approach
3. The Income Approach

Cost Approach

The cost approach to value assumes that an entity would not pay more for a property than it would cost to buy the land and construct the building. The cost approach is utilized for new/newer buildings and special use properties. The first step in the cost approach is to estimate the replacement cost or reproduction cost of improvements. Physical depreciation, functional obsolescence and external obsolescence are then subtracted to arrive at the depreciated replacement cost. The depreciated replacement cost is then adjusted for land value, site improvements and entrepreneurial profit to arrive at a value conclusion.

Sales Comparison Approach

The sales comparison approach is based upon the premise that an entity would not pay more for a property than the price of a similar competing property (the substitution principle). The sales comparison approach is utilized for properties that regularly transfer on the open market. Research into the local or regional market reveals sales of comparable properties. The comparable sales are then adjusted for differences when comparing them to the subject property. Each comparable sale is adjusted for its inferior or superior characteristics. The values derived from the adjusted comparable sales form a range of value for the subject. By process of correlation and analysis, a final indicated value is derived.

Income Approach

The income approach is based upon the value an entity would pay for future income. The income approach is utilized for properties that are held as investments. The principle of anticipation is fundamental to the income approach as the property's ability to generate future benefits is capitalized into an indication of present value. There are two methods of valuing properties using the income approach. The direct capitalization method capitalizes a single-year cash flow while the yield capitalization discounts multiple year cash flows and potential reversion value.

Final Reconciliation

The last phase in the development of a value opinion is consideration of the entire appraisal process and the concluded values in each of the three approaches. The type of property and the reliability and availability of information used within each approach are weighed to determine a final value conclusion.

Application of the Three Approaches

Three approaches may be used to arrive at an estimate of market value: the Cost Approach, the Sales Comparison Approach, and the Income Approach. The approaches applied to the subject property, along with supporting analysis and rationale for their inclusion or exclusion, are presented below.

Utilized Approaches to Value	
Cost Approach	☐
It would produce an unreliable value conclusion for the property based on the motivations of the most likely buyer. Estimating accrued depreciation for the existing improvements is challenging due to the age and condition, making the cost approach less reliable. Further, forms of functional and external obsolescence are difficult to quantify for a building in the middle of its useful life; therefore, the cost approach may produce a value which lacks credibility. The cost approach has been considered but not developed. The absence of the cost approach does not reduce the credibility or reliability of the value conclusion derived herein.	
Sales Comparison Approach	☒
There is adequate data to develop an opinion of value and this approach reflects market behavior for this property type.	
Income Approach	☐
There is no evidence that the subject's market values real estate similar to the subject property based on its income-producing ability. Therefore, valuation via an income approach would be misleading and would produce unreliable results. The absence of the income approach does not reduce the credibility or reliability of the value conclusion derived herein.	

There is no evidence that the subject market values real estate similar to the subject property based on its income-producing ability. Therefore, valuation via an income approach would be misleading and would produce unreliable results. The income approach has been considered but not developed. The sales comparison approach is the exclusive approach developed to value the subject property.

SALES COMPARISON APPROACH

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities. The Sales Comparison Approach derives a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison.

Inherent in this approach is the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set by the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution.

Through the analysis of sales of verified arm's-length transactions, market value and price trends are identified. The sales utilized are comparable to the subject in physical, functional, and economic characteristics. The basic procedure is as follows:

1. Identify the most recent relevant sales from which to select and analyze truly comparable sales, with consideration given to the date of sale.

2. Identify any changes in economic conditions between the date of sale and the date of value.

3. Calculate the cash equivalent price for any sale that includes favorable financing.

4. Reduce the sale price to a unit of comparison such as the sale price per square foot or sale price per unit.

5. Make appropriate adjustments to the prices of the comparable sale properties for differences in the relevant elements of comparison.

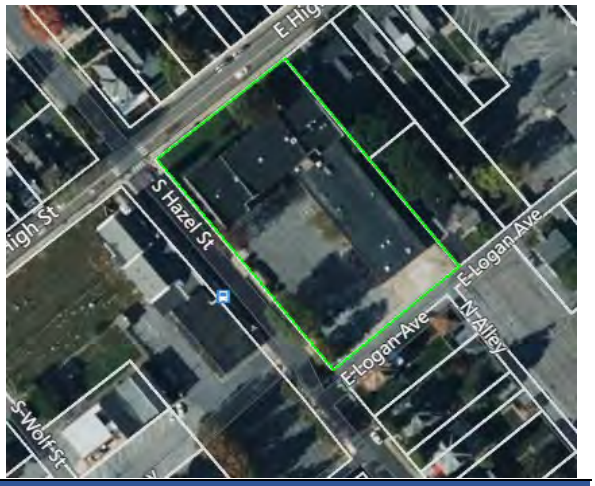
6. Interpret the results to derive a value indication from the sales comparison approach.

Comparable Improved Sales

We have researched the below comparable sales for this analysis; these are documented on the following pages followed by a location map and analysis grid. All sales have been researched through numerous sources.

Comparable 1





Transaction

ID	8958	*Date*	7/24/2025
Address	105 East High Street	*Price*	$1,800,000
City	Manheim	*Price Per SF*	$47.85
State	PA	*Transaction Type*	Closed Sale
Zip	17545	*Financing*	Conventional
County	Lancaster	*Conditions of Sale*	Arm's Length
Municipality	Manheim Borough	*Property Rights*	Fee Simple
Tax ID	400-79234-0-0000	*Days on Market*	NA
Grantor	High and Hazel LP		
Grantee	Stiegel Apartments		

Site

Acres	1.27	*Access*	Above Average
Land To Building Ratio	1.47	*Visibility*	Average
Parking Ratio GBA	1.59	*Shape*	Rectangular
Traffic Count	12,566	*Topography*	Level
Road Frontage	Yes	*Zoning District*	R-2, Residential

Improvements

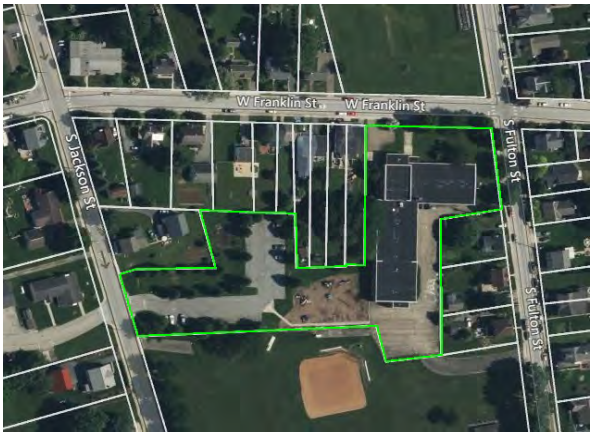
Property Major Type	Special Purpose
GBA	37,618
Construction Class	Class C
Year Built	1914
Condition	Poor
Utilities	All Public
Flood Zone	Not in Hazard

Comments

This represents the sale of a 1.27-acre parcel in Manheim Borough, Lancaster County. The site is rectangular in shape, offers level topography, and features frontage on East High Street, South Hazel Street, and East Logan Avenue. The site offers 60 surface parking spaces. The site is improved with a 37,618 square foot elementary school constructed in 1914 and sold in shell condition. The property was purchased for a multifamily redevelopment project including approvals and building permits.

Comparable 2





Transaction

ID	8959	*Date*	12/20/2023
Address	114 West Franklin Street	*Price*	$550,000
City	Strasburg	*Price Per SF*	$28.42
State	PA	*Transaction Type*	Closed Sale
Zip	17579	*Financing*	Cash
County	Lancaster	*Conditions of Sale*	Arm's Length
Municipality	Strasburg Borough	*Property Rights*	Fee Simple
Tax ID	570-75416-0-0000	*Days on Market*	126
Grantor	Lampeter Strasburg School District		
Grantee	Bre Strasburg LLC		

Site

Acres	2.70	*Access*	Average
Land To Building Ratio	6.08	*Visibility*	Average
Parking Ratio GBA	3.77	*Shape*	Irregular
Traffic Count	NA	*Topography*	Level
Road Frontage	Yes	*Zoning District*	R-1 Residential/ Recreation

Improvements

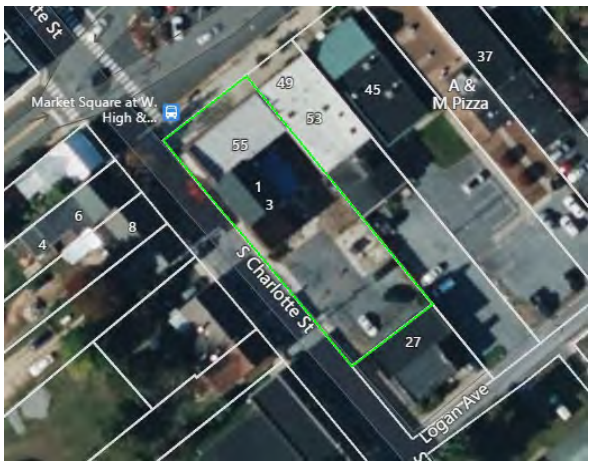
Property Major Type	Special Purpose
GBA	19,352
Construction Class	Class D
Year Built	1940
Condition	Poor
Utilities	All Public
Flood Zone	Not in Hazard

Comments

This represents the sale of a 2.7-acre parcel located in Strasburg Borough, Lancaster County. The site is irregularly shaped and offers mostly level topography and frontages along West Franklin Street, South Fulton Street, and South Jackson Street. The site offers 73 surface parking spaces. The site is improved with a 19,352 square foot elementary school constructed 1940 and sold in shell condition. The building features a 7,860 square foot finished lower level space, and a 1,624 square foot unfinished basement that is not included in the total GBA. This property was purchased with intentions to redevelop into a 26-unit multifamily projected known as Strasburg Schoolhouse Apartments. The property is split zoned: R-1 Residential, and Recreation in Strasburg Borough.

Comparable 3





Transaction

ID	8957	*Date*	6/2/2021
Address	1 South Charlotte Street	*Price*	$675,000
City	Manheim	*Price Per SF*	$60.67
State	PA	*Transaction Type*	Closed Sale
Zip	17545	*Financing*	Conventional
County	Lancaster	*Conditions of Sale*	Arm's Length
Municipality	Manheim Borough	*Property Rights*	Fee Simple
Tax ID	400-82953-0-0000	*Days on Market*	NA
Grantor	SHF Manheim Realty LLC		
Grantee	Firm Foundations LLC		

Site

Acres	0.28	*Access*	Average
Land To Building Ratio	1.10	*Visibility*	Average
Parking Ratio GBA	0.90	*Shape*	Rectangular
Traffic Count	11,171	*Topography*	Level
Road Frontage	Yes	*Zoning District*	Central Business District

Improvements

Property Major Type	Office
GBA	11,125
Construction Class	Class D
Year Built	1900
Condition	Poor
Utilities	All Public
Flood Zone	Not in Hazard

Comments

This represents the sale of a 0.28-acre corner parcel located at the southeastern signalized intersection of South Charlotte Street and Market Square in Manheim Borough, Lancaster County. The site is rectangular in shape and offers level topography. The site features a gravel lot in the rear that can accommodate 10 parking spaces. The site is improved with a three, 11,125 square foot historic hotel known as the Washington House. The building was constructed in the 1900s and was in shell condition at the time of sale. The building was purchased to be redeveloped as a mixed-used, first floor commercial space and 25-unit boarding house on the second and third floors.

Comparable 4





Transaction

ID	8960	*Date*	2/3/2021
Address	34 South Main Street	*Price*	$998,125
City	Phoenixville	*Price Per SF*	$54.84
State	PA	*Transaction Type*	Closed Sale
Zip	19460	*Financing*	Conventional
County	Chester	*Conditions of Sale*	Arm's Length
Municipality	Phoenixville Borough	*Property Rights*	Fee Simple
Tax ID	15-09 -0336	*Days on Market*	NA
Grantor	Whitehall Real Estate Enterprises LLC		
Grantee	Main Street Lofts LLC		

Site

Acres	0.14	*Access*	Average
Land To Building Ratio	0.34	*Visibility*	Average
Parking Ratio GBA	0.00	*Shape*	Flag-shaped
Traffic Count	NA	*Topography*	Sloping
Road Frontage	Yes	*Zoning District*	TC - Town Center

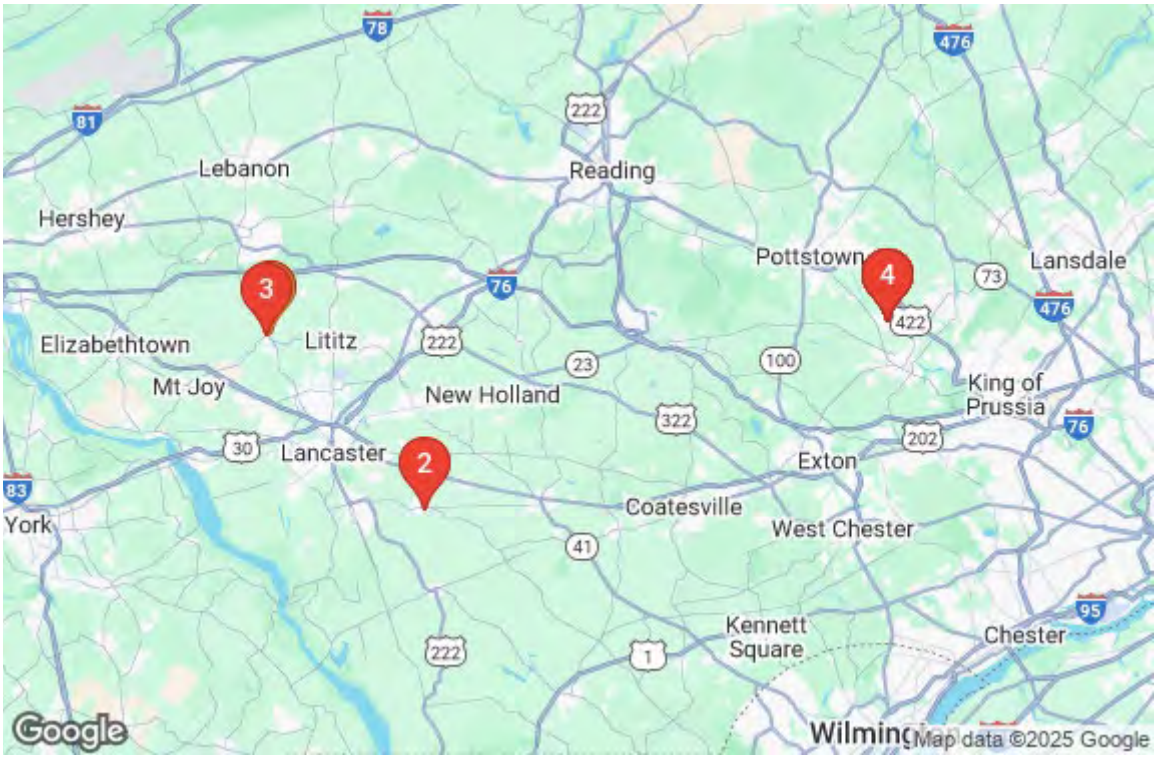
Improvements

Property Major Type	Office
GBA	18,200
Construction Class	Class C
Year Built	1900
Condition	Below Average
Utilities	All Public
Flood Zone	Not in Hazard

Comments

This represents the sale of a 0.14-acre corner parcel located at the northwestern signalized intersection of South Main Street and Church Street in Phoenixville Borough, Chester County. The site is flag shaped and offers sloping topography. The site offers no parking spaces. The site is improved with a three-story 18,200 square foot office building constructed in 1900 and is in below average overall physical condition. The property was purchased as a redevelopment opportunity into a multifamily building. No approval plans were available at the time of sale.

Comparable Improved Sales Map



Comparable Improved Sales Summary

Improved Sales Summary Table								
Comp	**Address**	**County**	**Municipality**	**Distance**	**Date**	**Price**	**GBA**	**Price Per SF**
Subject	15 East High Street	Lancaster	Manheim Borough	0.00	9/17/2025		10,388	
1	105 East High Street	Lancaster	Manheim Borough	0.11	7/24/2025	$1,800,000	37,618	$47.85
2	114 West Franklin Street	Lancaster	Strasburg Borough	16.92	12/20/2023	$550,000	19,352	$28.42
3	1 South Charlotte Street	Lancaster	Manheim Borough	0.13	6/2/2021	$675,000	11,125	$60.67
4	34 South Main Street	Chester	Phoenixville Borough	44.84	2/3/2021	$998,125	18,200	$54.84
Comparable Low:				**0.11**	**2/3/2021**	**$550,000**	**11,125**	**$28.42**
Comparable High:				**44.84**	**7/24/2025**	**$1,800,000**	**37,618**	**$60.67**
Comparable Average:				**15.50**	**1/4/2023**	**$1,005,781**	**21,574**	**$47.95**
Comparable Median:				**8.53**	**9/10/2022**	**$836,563**	**18,776**	**$51.35**

Subject Summary

The subject consists of a 0.34-acre corner parcel located along the southeastern, signalized intersection of East High Street and South Main Street in Manheim Borough, Lancaster County. The site also features additional frontage along South Wolf Street. It is slightly irregular in shape with generally level topography. The site includes three (3) off-street spaces accessible via South Wolf Street. Although free on-street parking is available, there is a time limit risk and a potential risk that these spaces may not be free in perpetuity. The site also contains an approximately 4,000-square-foot outdoor park amenity, which could potentially be redeveloped for additional building space or off-street parking.

The site is improved with a two-story, 10,388-square-foot municipal building constructed in 1951, which is in below-average overall physical condition. The building includes office suites on the first floor and a public library on the second floor. An additional 4,918 square feet of finished basement area provides a mechanical room, former jail cells, and a multipurpose room.

The property is located within the Central Business District (CBD) of Manheim Borough, which permits a variety of commercial uses as well as conversion to apartments.

Although continued use as an office facility is physically possible, it is not considered the highest and best use of the property. The most likely purchaser would not be a continued user, as the existing improvements are in below-average condition, suffer from significant functional obsolescence, and provides only three (3) off-street parking spaces. While free on-street parking is currently available, there is an inherent risk of increased parking competition, potential time restrictions, and future conversion to paid parking. The most likely buyer is anticipated to be a developer or investor looking to convert the office space into an apartment complex. There is market evidence of adaptive re-use projects of older buildings being converted into apartments with limited or no off-street parking.

The subject property's 10,388 square feet of building area could potentially be converted into approximately eighteen (18) apartment units averaging 500 square feet each, after accounting for approximately 1,039 square feet (or 10%) of common area. The additional 4,918 square feet of finished basement can provide additional amenities such as storage and game room/lounge. Based on the concluded value of $490,000 and the potential for 18 units, the property reflects an implied value of approximately $27,222 per unit.

Competitive Advantages

- The subject property is located in an above average location.
- The subject property features an outdoor park amenity that could potentially be redeveloped.
- The subject property offers 4,918 SF of lower level finished space

Risks & Threats

- The subject property lacks adequate off-street parking spaces for continued office use.
- The subject property is in below average overall physical condition with limited functional utility "As is".
- The subject property is over-assessed relative to the appraised value and owner/buyer may consider a tax appeal.

Selection of Unit Rate

Comparable sales similar to the subject are typically analyzed on a rate per SF. Analyzing the sales on a rate per SF reveals an unadjusted price range of $28.42 to $60.67 per SF. The sales have an average and median unadjusted unit rate of $47.95 and $51.35 per SF, respectively.

Comparable Sale Adjustments

During the Sales Comparison process, two types of adjustments may be made: transactional adjustments and property adjustments. Both transactional adjustments and property adjustments are made to ensure that the sales prices of the comparable properties are properly aligned with the subject property being appraised. The sales comparison approach typically follows a hierarchy of adjustments. Transactional adjustments are considered first because they address factors that affect price but are not directly related to the property itself. Once transactional adjustments have been made, property adjustments can be measured to account for differences in physical and intrinsic characteristics. This sequential approach ensures that adjustments are made in a logical and systematic manner, allowing for a more accurate determination of the subject property's value.

- *Transactional Adjustments* are made to account for differences in the terms and conditions of the sale transactions between the subject property and the comparable properties. Examples of transactional adjustments include: property rights, financing, conditions of sale, and market conditions. By accounting for differences in the terms and conditions of the sale transactions, such as financing terms or atypical conditions, the appraiser can identify and eliminate any factors that may affect the sales price but are unrelated to the property's inherent value.
- *Property Adjustments* are made to account for differences in the physical or intrinsic characteristics of the subject property and the comparable properties. Property adjustments consider factors that directly influence the value of the property. Examples of property adjustments include: location, age & condition of improvements, size/number of units, and other additional features & amenities.

Transactional Adjustments

Property Rights
This adjustment is appropriate when ownership (or tenant) rights are different between two properties. These situations separate the bundle of rights, hence potentially warranting an adjustment.

The subject property is owner occupied, therefore the fee simple interest has been appraised.
All comparable properties sold with fee simple interest rights.

Financing
When a buyer purchases a property with favorable financing, a price premium is usually paid. In effect, the buyer is buying both realty and non-realty. Cash equivalency is the process of quantifying the value contribution of special financing and deducting it from the sale price. The discounting to yield model compensates for the difference between the contract interest rate and market interest rate over the period of the loan.

There was no atypical financing involved in the sale of any of the comparable sales and no adjustments were made.

Conditions of Sale
This adjustment is appropriate when violations of the criteria of market value are cited.

All comparable sales were arm’s length in nature and there were no conditions of sale reported that required any adjustments.

Market Trends
Value does not change simply due to the passage of time. Prices change due to shifts in the supply of or demand for real property caused by fundamental demand forces (population, income, employment). Market conditions can also be identified by the availability of debt capital or changes in consumer preferences. Other identifiers are days on market, sale price/list ratio and building permits issued.

In this analysis, we determined the As Is Market Value as of September 17, 2025. The sales that are included in this analysis transacted between February 3, 2021 and July 24, 2025, which were adjusted to the date of value using inflection points. Please refer to the adjustment grid for details on these assumptions.

Expenditures After Sale
This adjustment is to compensate for atypical expenditures paid by the buyer after the sale closes. The buyer must know about the expenditure during negotiations and adjustments are always upwards. Often, this adjustment is based on the cost to cure plus incentive. Indirect costs may include financing charges and concessions to tenants during the cure.

There were no expenditures after sale for any of the comparable sales.

Property Adjustments

Location
An adjustment to compensate for differences in location / linkages between two properties. Measurement techniques include 1) paired data analysis, 2) interviews, 3) capitalization of rent differences, and 4) percentage comparison of rent differences (i.e. rents in market “A” are 10% higher than market “B”).

The subject property is located in Manheim Borough, Lancaster County. The subject property location rating is judged as above average.

Comparable sale #1 is located 0 miles from the subject property in Manheim Borough, Lancaster County. Comparable sale #1 location rating is judged as above average, similar to the subject. No adjustment is warranted for location.

Comparable sale #2 is located 17 miles from the subject property in Strasburg Borough, Lancaster County. Comparable sale #2 location rating is judged as below average, which is inferior compared to the subject, warranting an upward adjustment.

Comparable sale #3 is located 0 miles from the subject property in Manheim Borough, Lancaster County. Comparable sale #3 location rating is judged as above average, similar to the subject. No adjustment is warranted for location.

Comparable sale #4 is located 45 miles from the subject property in Phoenixville Borough, Chester County. Comparable sale #4 location rating is judged as good which is superior compared to the subject, warranting a downward adjustment.

Year Built
An adjustment that specifically addresses the inherent depreciation and aging of a building's core components and systems, which impacts the frequency and extent of necessary repairs and replacements over time. This adjustment reflects the natural aging process and the associated future expense burdens, regardless of the current maintenance level or upgrades the property may have received.

The subject property's improvements were constructed in 1951.

Comparable sale #1 was constructed in 1914, which is within a reasonable year built as the subject that no adjustment is applied.

Comparable sale #2 was constructed in 1940, which is within a reasonable year built as the subject that no adjustment is applied.

Comparable sale #3 was constructed in 1900, which is within a reasonable year built as the subject that no adjustment is applied.

Comparable sale #4 was constructed in 1900, which is within a reasonable year built as the subject that no adjustment is applied.

Condition
An adjustment focuses on the current state of the property, considering how well it has been maintained or upgraded. This adjustment reflects the present physical state and functional performance of the building, which can vary significantly even among buildings of the same age, depending on the quality of upkeep, recent renovations, and immediate repair needs.

The subject property's improvements are in below average physical condition.

Comparable sale #1 sold in poor physical condition. An upward adjustment is applied for inferior physical condition relative to the subject.

Comparable sale #2 sold in poor physical condition. An upward adjustment is applied for inferior physical condition relative to the subject.

Comparable sale #3 sold in poor physical condition. An upward adjustment is applied for inferior physical condition relative to the subject.

Comparable sale #4 sold in below average physical condition, similar to the subject. No adjustment is applied.

GBA (Building Size)
Differences in building size have been considered. An economies of scale adjustment is warranted for owner-user properties. For investment properties, the adjustment primarily relates to relative size of the buyer pool or risk related to stabilized size of the property. It also may consider the lease-up period required to tenant a multi-tenant building in the event of vacancy.

The subject property offers a building size of 10,388 SF.
Comparable sale #1 offers a building size of 37,618 SF, which is considerably larger than the subject and warrants an upward adjustment, with consideration to economies of scale and prospective buyer pool.

Comparable sale #2 offers a building size of 19,352 SF, which is considerably larger than the subject and warrants an upward adjustment, with consideration to economies of scale and prospective buyer pool.

Comparable sale #3 offers a building size of 11,125 SF, which is within a reasonable range of the subject's building size that no adjustment is warranted.

Comparable sale #4 offers a building size of 18,200 SF, which is considerably larger than the subject and warrants an upward adjustment, with consideration to economies of scale and prospective buyer pool.

Land to Building Ratio
A higher land to building ratio suggests that there is more undeveloped or underutilized land available for future expansion or development. This adjustment recognizes underlying land value as a proportion of the overall sale price. Overall site size has also been considered and is included as a check for reasonableness.

The subject property offers a land to building ratio of 1.43 to 1 and a site size of .34 acres.

Comparable sale #1 offers a land to building ratio of 1.47 to 1 and a site size of 1.27 acres. This land to building ratio is within a reasonable range of the subject's LTB ratio that no adjustment is warranted.

Comparable sale #2 offers a land to building ratio of 6.08 to 1 and a site size of 2.70 acres. This land to building ratio is within a reasonable range of the subject's LTB ratio that no adjustment is warranted.

Comparable sale #3 offers a land to building ratio of 1.10 to 1 and a site size of .28 acres. This land to building ratio is within a reasonable range of the subject's LTB ratio that no adjustment is warranted.

Comparable sale #4 offers a land to building ratio of .34 to 1 and a site size of .14 acres. This land to building ratio is within a reasonable range of the subject's LTB ratio that no adjustment is warranted.

Parking Ratio
The importance of the parking ratio for a property's overall value lies in its impact on the property's tenant attraction and retention, customer draw, market competitiveness, rental income potential, adhering to municipal regulations & zoning, and operational efficiency.

The subject property offers 3 parking spaces for 10,388 square feet, indicating a parking ratio of.29 spaces per 1,000 SF.

We have developed an adjustment for parking outside of the grid and below the line.

Zoning District (Zoning/Permissible Uses)
The impact of the zoning district, along with factors such as permitted uses, development restrictions, density allowances, height restrictions, setback requirements, and parking requirements, have a direct

impact on the underlying land value. It is important to consider how these factors affect the marketability and potential uses of the property.

The subject property is located in the “Central Business District” zoning district in Manheim Borough, Lancaster County.

Comparable sale #1 is located in the ''R-2, Residential'' zoning district in Manheim Borough, Lancaster County, which permits a generally similar range of permitted uses relative to the subject zoning district. No adjustment is warranted.

Comparable sale #2 is located in the ''R-1 Residential/ Recreation'' zoning district in Strasburg Borough, Lancaster County, which permits a generally similar range of permitted uses relative to the subject zoning district. No adjustment is warranted.

Comparable sale #3 is located in the ''Central Business District'' zoning district in Manheim Borough, Lancaster County, which permits a generally similar range of permitted uses relative to the subject zoning district. No adjustment is warranted.

Comparable sale #4 is located in the ''TC - Town Center'' zoning district in Phoenixville Borough, Chester County, which permits a generally similar range of permitted uses relative to the subject zoning district. No adjustment is warranted.

Other Features
This adjustment accounts for the subject, and any comparable sales “other features” that have not already been considered.

The subject offers 4,918 SF of lower level finished space.

Comparable sales #1 and #2 offer finished lower level space and no adjustments are warranted.

Sales #1 and #2 do not offer any additional features. An upward adjustment is applied.

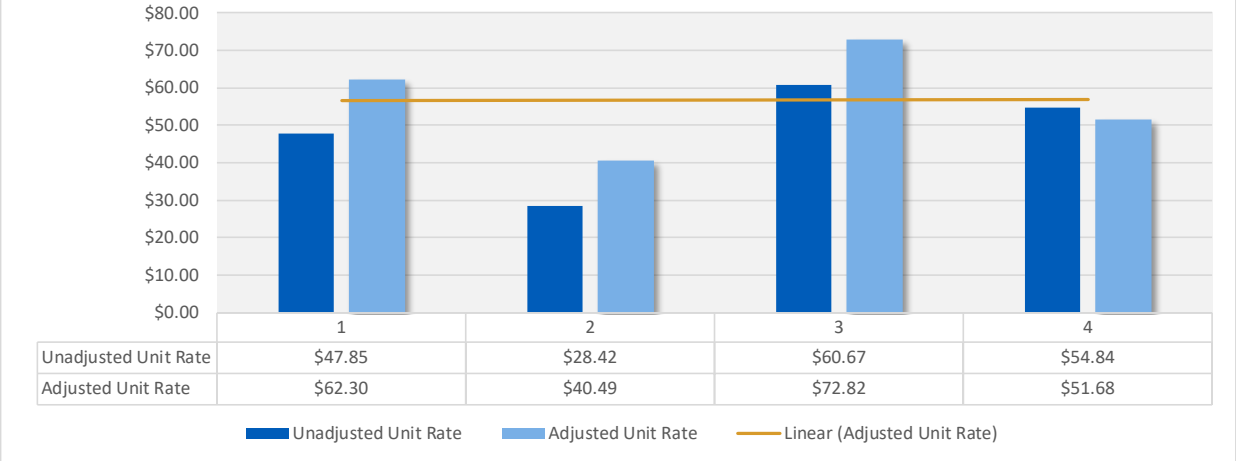
Adjustments

The following grid summarizes the adjustments described above. Quantitative adjustments are applied to each comparable sale and result in an adjusted rate per unit of comparison.

Analysis Grid			Comp 1		Comp 2		Comp 3		Comp 4	
Address	15 East High Street		105 East High Street		114 West Franklin Street		1 South Charlotte Street		34 South Main Street	
City	Manheim		Manheim		Strasburg		Manheim		Phoenixville	
County	Lancaster		Lancaster		Lancaster		Lancaster		Chester	
State	PA		PA		PA		PA		PA	
Date	9/17/2025		7/24/2025		12/20/2023		6/2/2021		2/3/2021	
Price			$1,800,000		$550,000		$675,000		$998,125	
GBA	10,388		37,618		19,352		11,125		18,200	
Price Per SF			$47.85		$28.42		$60.67		$54.84	
Transaction Adjustments										
Property Rights	Fee Simple		Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%
Financing	Conventional		Conventional	0.0%	Cash	0.0%	Conventional	0.0%	Conventional	0.0%
Conditions of Sale	Normal		Arm's Length	0.0%	Arm's Length	0.0%	Arm's Length	0.0%	Arm's Length	0.0%
Expenditures After Sale			$0.00		$0.00		$0.00		$0.00	
Adjusted Price/SF			**$47.85**		**$28.42**		**$60.67**		**$54.84**	
Market Trends Through	9/17/2025	1.0%	0.2%		1.8%		4.4%		4.7%	
Adjusted Price/SF			**$47.92**		**$28.92**		**$63.32**		**$57.42**	
Property Adjustments										
Location	Above Average		Above Average		Below Average		Above Average		Good	
% Adjustment			0%		20%		0%		-20%	
Qualitative			Similar		Inferior		Similar		Superior	
Year Built	1951		1914		1940		1900		1900	
% Adjustment			0%		0%		0%		0%	
Qualitative			Similar		Similar		Similar		Similar	
Condition	Below Average		Poor		Poor		Poor		Below Average	
% Adjustment			10%		10%		10%		0%	
Qualitative			Inferior		Inferior		Inferior		Similar	
GBA	10,388		37,618		19,352		11,125		18,200	
% Adjustment			15%		10%		0%		5%	
Qualitative			Inferior		Inferior		Similar		Inferior	
Land To Building Ratio	1.43		1.47		6.08		1.10		0.34	
Acres	0.34		1.27		2.70		0.28		0.14	
% Adjustment			0%		0%		0%		0%	
Qualitative			Similar		Similar		Similar		Similar	
Parking Ratio GBA	0.29		1.59		3.77		0.90		0.00	
Parking Spaces	3		60		73		10		0	
% Adjustment	*See Below The Line		0%		0%		0%		0%	
Qualitative			Similar		Similar		Similar		Similar	
Zoning District	Central Business District		R-2, Residential		R-1 Residential/ Recreation		Central Business District		TC - Town Center	
% Adjustment			0%		0%		0%		0%	
Qualitative			Similar		Similar		Similar		Similar	
Other Features	4,918 SF Finished Lower Level Space		11,060 SF Finished Lower Level Space		7,860 SF Finished Lower Level Space		None		None	
% Adjustment			0%		0%		5%		5%	
Qualitative			Similar		Similar		Inferior		Inferior	
Adjusted Price/SF			**$59.90**		**$40.49**		**$72.82**		**$51.68**	
Net Adjustments			25.0%		40.0%		15.0%		-10.0%	
Gross Adjustments			25.0%		40.0%		15.0%		30.0%	

Sales Comparison Approach Conclusion

Unadjusted and Adjusted $/SF



	1	2	3	4
Unadjusted Unit Rate	$47.85	$28.42	$60.67	$54.84
Adjusted Unit Rate	$62.30	$40.49	$72.82	$51.68

Compiled by: Commonwealth Commercial Appraisal Group

Following adjustments, the comparable sales indicated adjusted unit rates of $40.49 to $72.82 per SF, with a median unit rate of $56.99 per SF.

To reconcile an overall unit rate, more weight has been applied to comparable sale #1 and #3. Comparable sale #1 and #3 are in proximity to the subject property and have a lower gross percentage adjustment relative to the remaining sales. Additionally sale #3 is similar in physical characteristics to the subject property. A unit rate slightly above the average and median has been reconciled, with consideration to the above narrative and analysis. Based on the above data and narrative, our final reconciled unit rate is $60.00 per SF.

Value Ranges & As Is Indicated Value				
Number of Comps:	**4**	**Unadjusted Unit Rate**	**Adjusted Unit Rate**	**% Δ**
	Low:	$28.42	$40.49	42%
	High:	$60.67	$72.82	20%
	Average:	$47.95	$56.22	17%
	Median:	$51.35	$55.79	9%
	Reconciled Unit Rate:		$60.00	
	Subject Unit of Comparison:		10,388	SF
	As Is Preliminary Indicated Value:		**$623,280**	
Adjustments & Rounding				
	Value of 18 Parking Spaces Adjustment:		($130,000)	
	As Is Final Indicated Value:		**$493,280**	
	Rounded to the nearest $10,000			
	As Is Final Indicated Value (Rounded):		**$490,000**	
	Four Hundred Ninety Thousand Dollars			

Below The Line Adjustment:

A below-the-line adjustment has been applied to reflect the subject property's parking deficiency relative to comparable properties. The subject offers only three (3) off-street parking spaces, whereas comparable sales feature between 10 and 73 spaces, indicating a typical ratio of 0.90 to 3.77 spaces per 1,000 SF. We have reconciled at a market standard for 1 space per proposed unit, or 18 spaces indicating a parking ratio of 1.73 per 1,000 SF which is within the comp range.

Comparable Parking Rents			
Address	**# of Spaces**	**$/Space/Year**	**$/Space/Month**
77 Pitney Road Rear Lot, Lancaster	110	$327	$27
236 South Cherry Street, Manheim	870	$268	$22
55 Doe Run Road, Manheim	293	$300	$25
		Average	**$25**

It should be noted that economies of scale and locational adjustments were considered. We have reconciled at $50/space/mo for parking in the immediate vicinity of the subject property.

Parking Adjustment Via Direct Cap			
Parking Rent	**Monthly Rent/Space**	**Monthly Rent**	**Annual**
18 Parking Spaces	$50	$900	$10,800
Potential Gross Income Total			**$10,800**
Vacancy and Collection Loss (5.00%)			($540)
Effective Gross Income			$10,260
Overall Capitalization Rate		**8.00%**	
Value of Parking Spaces			**$128,250**
Rounded to the nearest $10,000			
Value of Parking Spaces (Rounded)			**$130,000**
One Hundred Thirty Thousand Dollars			

Based on observed parking space rents and contributory value analyses, the subject's deficiency of approximately eighteen (18) spaces of 1.73 spaces per 1,000 SF results in a deduction of $130,000 from the preliminary value indication, or approximately $7,222/space.

FINAL RECONCILIATION

The purpose of reconciliation is to complete the process of correlation – which has taken place throughout the report – and to develop the value indications derived in the approaches into a final value opinion. The quality of data applied, the significance of each approach as it relates to market behavior, and the defensibility of each approach are considered and weighed. Finally, each is considered separately and comparatively with each other.

Sales Comparison Approach

Given nearby and relevant sales of similar properties, the sales approach typically establishes the most likely buyer of the subject property. It is usually most relevant to determine the fee simple value of owner-user property types, as comparison of investment properties usually requires an economic adjustment which are difficult to quantify.

Value Conclusion

The subject consists of a 0.34-acre corner parcel located along the southeastern, signalized intersection of East High Street and South Main Street in Manheim Borough, Lancaster County. The site also features additional frontage along South Wolf Street. It is slightly irregular in shape with generally level topography. The site includes three (3) off-street spaces accessible via South Wolf Street. Although free on-street parking is available, there is a time limit risk and a potential risk that these spaces may not be free in perpetuity. The site also contains an approximately 4,000-square-foot outdoor park amenity, which could potentially be redeveloped for additional building space or off-street parking.

The site is improved with a two-story, 10,388-square-foot municipal building constructed in 1951, which is in below-average overall physical condition. The building includes office suites on the first floor and a public library on the second floor. An additional 4,918 square feet of finished basement area provides a mechanical room, former jail cells, and a multipurpose room.

The property is located within the Central Business District (CBD) of Manheim Borough, which permits a variety of commercial uses as well as conversion to apartments.

Although continued use as an office facility is physically possible, it is not considered the highest and best use of the property. The most likely purchaser would not be a continued user, as the existing improvements are in below-average condition, suffer from significant functional obsolescence, and provides only three (3) off-street parking spaces. While free on-street parking is currently available, there is an inherent risk of increased parking competition, potential time restrictions, and future conversion to paid parking. The most likely buyer is anticipated to be a developer or investor looking to convert the office space into an apartment complex. There is market evidence of adaptive re-use projects of older buildings being converted into apartments with limited or no off-street parking.

The subject property's 10,388 square feet of building area could potentially be converted into approximately eighteen (18) apartment units averaging 500 square feet each, after accounting for approximately 1,039 square feet (or 10%) of common area. The additional 4,918 square feet of finished basement can provide additional amenities such as storage and game room/lounge. Based on the concluded value of $490,000 and the potential for 18 units, the property reflects an implied value of approximately $27,222 per unit.

Competitive Advantages

- The subject property is located in an above average location.
- The subject property features an outdoor park amenity that could potentially be redeveloped.
- The subject property offers 4,918 SF of lower level finished space

Risks & Threats

- The subject property lacks adequate off-street parking spaces for continued office use.
- The subject property is in below average overall physical condition with limited functional utility "As is".
- The subject property is over-assessed relative to the appraised value and owner/buyer may consider a tax appeal.

There is no evidence that the subject market values real estate similar to the subject property based on its income-producing ability. Therefore, valuation via an income approach would be misleading and would produce unreliable results. The income approach has been considered but not developed. The sales comparison approach is the exclusive approach developed to value the subject property.

Based on the data and analyses developed in this appraisal, we have reconciled to the following value conclusion(s), as of September 17, 2025, subject to the Limiting Conditions and Assumptions of this appraisal.

Summary of Values	
Value Premise	**As Is**
Date of Value	September 17, 2025
Value Type	Market Value
Value Perspective	Current
Interest Appraised	Fee Simple
Market Exposure	3 to 12 Months
Sales Comparison Approach	$490,000
Value Conclusion:	**$490,000**

It is important to note that real property values may be less stable in the political and economic climate present as of the effective date. Therefore, it is suggested that the client monitors the situation closely and realizes the importance of an effective date of value. No analyses or opinions contained in this appraisal should be construed as predictions of future market conditions or value.

The reconciled market value conclusion(s) are invalid as an opinion of value if detached from the report, which contains the text, exhibits, and Addenda. If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

CERTIFICATION STATEMENT

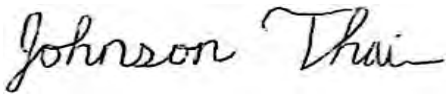
We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective future interest in the property that is the subject of this report and have no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
- No one provided significant real property appraisal assistance to the person(s) signing this certification.
- We certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.
- As of the effective date of this report, We have completed the continuing education requirements of the Appraisal Institute.
- The appraisers have not performed services as an appraiser, or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Property Inspection and Report Compilation Assistance				
Role	**Name**	**Inspected**	**Extent**	**Date of Inspection**
Appraiser	Michael J. Rohm, MAI, CCIM, R/W-AC	has	Interior/Exterior	September 17, 2025
Appraiser	Johnson Thai	has	Interior/Exterior	September 17, 2025



Michael J. Rohm, MAI, CCIM, R/W-AC
Managing Director
Pennsylvania Certified General Real Estate Appraiser
Certification Number GA-004401 (Expires June 30, 2027)
Mrohm@commonwealthappraiser.com
(717) 220-7084



Johnson Thai
Staff Appraiser
Pennsylvania Certified General Real Estate Appraiser
Certification Number LAT-001428 (Expires June 30, 2027)
jthai@commonwealthappraiser.com
(267) 916-7040

ADDENDA

PROFESSIONAL QUALIFICATIONS

SEPTEMBER 2025

MIKE ROHM, MAI, CCIM, R/W-AC



Mike Rohm, MAI, CCIM, R/W-AC is a graduate of Trinity High School in Camp Hill, Pennsylvania. He attended Temple University where he obtained his Bachelor of Business Administration from the Fox School of Business with respective majors in Accounting, Finance, and Real Estate. While attending Temple, he was elected President of Temple's Real Estate Organization and was hired as an Academic Advisor in the Fox School of Business.

Mr. Rohm is currently the President of the Keystone Chapter of the Appraisal Institute, Immediate Past Chair of the Greater Harrisburg Association of REALTORS Commercial Council, and current Programming Director for the Lancaster Commercial & Industrial Council. He has served on each organizations' board of directors since 2020. In addition to professional boards, he sits on the Board of Managers for the Harrisburg Area East Shore YMCA as well as the Board of Directors for the Greater Harrisburg Area Habitat for Humanity.

Mike is a Certified General Appraiser and Licensed Real Estate Salesperson by the Commonwealth of Pennsylvania. He has been engaged in the valuation and consultation profession since 2015 and received his MAI designation from the Appraisal Institute in 2019. In 2020, he received the Right of Way Appraisal Certification (R/W-AC) from the International Right of Way Association. In August 2020, he received the CCIM designation from the CCIM Institute (Affiliate of the National Association of REALTORS®).

Appraisal assignments have included shopping centers, warehouses, offices, apartments, medical offices, residential subdivisions, and special use property types. He has also worked in eminent domain cases. Appraisal involvement has been valuation for financing, tax assessment analysis, eminent domain, estate planning, and asset management.

Brokerage assignments have included multifamily, industrial, and mixed-use properties. Mike has represented buyers and sellers of property totaling over $60,000,000 in transaction volume since 2021 throughout Central Pennsylvania.

WORK EXPERIENCE

C*ommonwealth Commercial Appraisal Group*, Harrisburg, PA (2020 – Present): **Owner & Managing Director**
Owner and Managing Director for a regional commercial appraisal company. Geographical area covered includes entire state of Pennsylvania with an emphasis in South Central PA. Appraisal involvement includes estate planning, condemnation, tax assessment analysis, financing, and acquisition/divestiture decisions.

Landmark Commercial Realty, Harrisburg, PA (2021 – Present): **Director of Valuation Advisory & Senior Associate**
With over three decades of experience, Landmark knows commercial real estate. Our agents come from diverse professional and business backgrounds including civil engineering, real estate development, property management, construction management, government and public relations, international marketing, and accounting and finance. Our team of dedicated professionals will navigate you through the ups and downs, and twists and turns of commercial real estate. We provide sound, honest advice and guidance, answer your questions and always have your best interests in mind.

Arrow Land Solutions, Lancaster, PA (2020 – 2022): **Certified General Appraiser**
Duties include providing valuations and fee appraisal reports for residential, agricultural, commercial and industrial properties; Preparation of appraisal problem analysis; Project site, right-of-way plan, and appraisal scope reviews; Preparation of appraisal waiver valuations for small-damage claims; Research and preparation of comprehensive market facts and data books; Facilitation of independent fee appraisal contracting and bid package preparation appraisal review services.

Walters Appraisal Services, Inc., Harrisburg, PA (2015 – 2020): **Certified General Appraiser**
Staff appraiser for a regional commercial appraisal company. Geographical area covered includes South Central Pennsylvania. Appraisal involvement includes estate planning, condemnation, tax assessment analysis, financing, and acquisition/ divestiture decisions.

GNC Property Management, Philadelphia, PA (2012 – 2014): **Accounting Assistant**
Assisted the accountant with all things related to the management of over 300 residential units in the Philadelphia area.

LICENSES & DESIGNATIONS

Designated CCIM Member (CCIM), CCIM Institute
Member Number: 23895

Right of Way Appraisal Certification (R/W-AC), International Rightof Way Association Member Number: 7960071

Designated *Member of the Appraisal Institute (MAI)*, Appraisal Institute
Member Number: 592443

Certified General Appraiser, Commonwealth of Pennsylvania
License Number: GA004401

Licensed Real Estate Salesperson, Commonwealth of Pennsylvania
License Number: RS333048

EDUCATION

Temple University, Bachelor of Business Administration – Accounting, Finance, Real Estate

BROKERAGE EXPERIENCE

• SALE: Seller representation, 100,000 square foot cold storage facility (2750 Hanford Drive, Lebanon):	**$24,500,000**
• SALE: Seller representation, 72-unit apartment complex (12 Co-Op Court, Danville):	**$10,250,000**
• SALE: Seller representation & procured Buyer, 52-unit apartment complex (Clifton Heights Road, Hummelstown):	**$5,500,000**
• SALE: Seller representation & procured Buyer, 18-unit apartment complex (50 N Duke Street, York):	**$3,725,000**
• SALE: Buyer representation, 24,000 square foot multi-tenant shopping center (555 Ryan Run Road, York):	**$3,600,000**
• SALE: Seller representation & procured Buyer, 12,000 square foot multi-tenant office building (2315 Susquehanna Trail, York):	**$2,625,000**
• SALE: Seller representation & procured Buyer, 12-unit apartment complex (144 N Front Street, Akron):	**$1,700,000**
• SALE: Seller representation & procured Buyer, 8-unit apartment complex (3626-3628 Orkney Road, Mountville):	**$1,130,000**
• LEASE: Tenant representation, 7-year lease to Hershey's Ice Cream of a 24,000 square foot industrial building (1401 Fulling Mill Road):	**$1,146,729**
• SALE: Seller representation & procured Buyer, 8-unit apartment complex (520 Reno Avenue, New Cumberland):	**$1,100,000**
• SALE: Procured deal off-market with Buyer representation, 8-unit apartment complex (1660-1670 temple Avenue, Lancaster):	**$1,000,000**
• SALE: Buyer representation: 8-unit apartment complex (147 Church Street, Lancaster):	**$780,000**
• SALE: Buyer representation, Daycare (5750 Derry Street, Harrisburg):	**$749,000**
• SALE: Seller representation & procured Buyer, Multi-tenant Retail (500 S Hanover Street, Carlisle):	**$650,000**
• SALE: Seller representation & procured Buyer, 6-unit apartment complex (1124 N 3rd Street, Harrisburg):	**$505,000**
• SALE: Seller representation, Mixed-use Complex (211 State Street, Harrisburg):	**$485,000**
• SALE: Buyer representation, Flex Industrial (5409 Locust Lane, Harrisburg):	**$460,000**
• SALE: Seller representation & procured Buyer, 3-unit apartment (507 N Lime Street, Lancaster):	**$395,000**
• SALE: Seller representation & procured Buyer, 31-unit storage facility (220 S Cherry Alley, Elizabethtown):	**$285,000**
• SALE: Seller representation, Auto body garage (4446 Cumberland Street, Harrisburg):	**$240,000**
• SALE: Seller representation, Duplex (301 11th Street, New Cumberland):	**$220,000**
• LEASE: Landlord representation, 5-year lease to Pennsylvania Public Transportation Association (229 State Street, Harrisburg):	**$150,000**
• **Total Transaction Value**	**$61,195,729**

NATIONAL PUBLICATIONS

- CREATE Magazine (Published by National Association of REALTORS®): *Under the Radar: Combating NOI Erosion Amid Rising Expenses* https://www.nar.realtor/sites/default/files/2025-08/Create_Summer-combat-NOI-erosion-2025-08-27.pdf
- CREATE Magazine (Published by National Association of REALTORS®): *View the Whole Picture of Commercial Real Estate Cycles* https://cdn.nar.realtor/sites/default/files/documents/create-spring-2023-bringing-business-home-2023-03-14.pdf
- International Right of Way Magazine: *What Does Land Value Mean to You?* https://www.rightofwaymagazine-digital.org/rightofway/library/item/september_october2022/4035920/
- Appraisal Buzz: *Market Correction or Seller Panic?*
- Commercial Investment Real Estate Magazine: *Understanding Land Value (2022)* https://viewer.joomag.com/commercial-investment-real-estate-summer-2022/0055914001658763072?short&
- International Right of Way Magazine*: What's My Land Worth? (2022)* https://www.rightofwaymagazine-digital.org/rightofway/library/item/november_december2022/4052920/

INTERVIEWS & LOCAL PUBLICATIONS

https://lvb.com/commercial-real-estate-outlook-mixed-for-rest-of-2024/
https://lvb.com/spring-ahead/
https://www.cpbj.com/lebanon-county-cold-storage-food-production-facility-sells-for-24-5m/
https://www.cpbj.com/real-estate-and-construction-companies-pivot-adapt-to-changing-markets/
https://www.cpbj.com/camp-hill-realty-firm-sells-danville-rental-complex-for-10-25-million/
https://www.cpbj.com/pandemic-fueled-spike-online-buying-boosts-demand-warehousing-delivery-centers/

SPEAKING & INSTRUCTOR ENGAGEMENTS

- Valuation of Income Producing Properties (1 hour) – Greater Harrisburg Association of Realtors, 2025
- Valuation of Income Producing Properties (1.5 hours) – TCN Institute, 2025
- Land Development & Highest and Best Use (3.50 hours) – Landmark Commercial Realty, 2024
- Land Development & Highest and Best Use (3.50 hours) – Lancaster County Association of Realtors, 2024
- How to Interpret & Challenge an Appraisal (3.50 hours) – Landmark Commercial Realty, 2024
- How to Interpret & Challenge an Appraisal (3.50 hours) – Lancaster County Association of Realtors, 2024
- Panelist: Navigating the Appraisal Process – 717 Investors Group, 2024
- Intro to Land Development Seminar (1.50 hours) – Greater Harrisburg Association of Realtors, 2024
- Moderator: Due Diligence Panel – Lancaster Commercial & Industrial Council, 2023
- Moderator: Municipal Approval Hurdles – Central PA Commercial, Industrial, and Investment Symposium, 2023

PROFESSIONAL AFFILIATIONS & ACTIVITIES

- Chair of Appraisal Institute Keystone Chapter Symposium, 2024-2025
- Chair of Central PA Commercial, Industrial, and Investment Symposium, 2025
- President of Appraisal Institute Keystone Chapter, Current
- Immediate Past Chair for Greater Harrisburg Association of REALTORS Commercial Council, Current
- Board of Director & Program Director for Lancaster Co. Association of REALTORS C & I Council, Current
- Board of Director & VP of Family Services for Greater Harrisburg Area Habitat for Humanity, Current
- Board of Managers for Harrisburg Area East Shore YMCA, Current
- School Advisory Board for Greater Harrisburg Association of REALTORS, Current
- Member of the Pennsylvania Apartment Association, Current
- Member of the Pennsylvania Self Storage Association, Current
- Board of Director & University Outreach Chair of CCIM Institute PA/NJ/DE CCIM Chapter, 2021-2023
- Member of the Harrisburg Young Professionals Economic Development Committee, 2018
- Member of the American Planning Association Pennsylvania Chapter, 2023
- Member of the National Association of Home Builders, 2022
- Member of the Appraisal Institute, 2015-current
- Member of the National & PA Association of REALTORS, 2015-current
- Member of the Certified Commercial Investment Member (CCIM) Institute, 2020-current
- Member of the International Right of Way Association (IRWA), 2020-current
- Member of the Cumberland Area Economic Development Corporation (CAEDC), 2023

SCHOLARSHIPS & AWARDS

- Deal of the Year (2023) – Landmark Commercial Realty
- Nominated for Best Appraisal Company in Central PA (2023) – Central Penn Business Journal
- Leaders Light the Way Scholarship (2023) – International Right-of-Way Association
- Deal of the Year (2022) – Landmark Commercial Realty
- Professional Merit Award (2022) – Greater Harrisburg Association of REALTORS
- CCIM 103 Course Scholarship (2019) – CCIM Institute
- AI Education Trust Course Scholarship (2018) – Appraisal Institute
- Noeline M. Fuller Scholarship (2017) – Appraisal Institute
- Dorothy Maron Accounting Scholarship (2011) – Temple University
- Gene W. Owens Accounting Scholarship (2011) – Temple University
- Stanley Merves CPA Undergraduate Scholarship (2011) – Temple University

CLIENT LIST

- Actus Capital
- Adams County National Bank
- Bank of Clarke County
- Barley Snyder
- Becker Management Group
- Broadmark Realty Capital
- Brubaker Connaughton Goss & Lucarelli
- Capital Regional Economic Development Co.
- Chester Valley Engineers
- CHI St. Joseph Children's Health
- CommonSpirit Health
- Community Action Association of PA
- Community First Fund
- Core5 Industrial Partners
- Crowd Lending Inc.
- Customers Bank
- Dickinson & Gibbons, P.A.
- East Petersburg Auto Service
- EDC Finance Corporation
- Estate of John Herr
- Estate of Myron Levy
- Eastern Mennonite Missions
- Ephrata Borough
- F&M Trust
- Faherty Law Firm
- Family of Christian Churches
- First Bank of Owasso
- First National Bank
- First Resource Bank
- FLSmidth & Co.
- Gibbel Insurance Agency
- Gladfelter Properties, LLC
- Grace Fellowship Church
- GTB International, LP
- Harrisburg Regional Chamber
- Holy Infant Church
- Industrial Controls, Inc.
- Innovative Capital Corporation
- Integrated Development Partners
- J&R Investments
- JSDC Law Offices
- Kilmore Eye Associates
- Labette Bank
- Lancaster County Association of REALTORS
- Lancaster Co. Economic Development Co.
- Lancaster Co. Federal Credit Union
- Lancaster Co. Housing & Redev. Authority
- Lancaster EMS
- Lancaster-Lebanon Intermediate Unit 13
- Lancaster LGBTQ+ Coalition
- Lancaster Orthopedic Group
- Lancaster YWCA
- Landmark Commercial Realty
- LINKBANK
- Lititz Orthodontics
- Lobar, Inc.
- Luzerne County
- M&T Bank
- McNaughton Homes
- McNees Wallace & Nurick
- Messiah College
- Mid Penn Bank
- Nextier Bank
- New Country Organics
- North American Commercial Realty
- Old Point National Bank
- Olsen’s Auto Inc.
- Orrstown Bank
- P’Tosh Hotels
- Paris Companies
- PennDOT
- Pennian Bank
- Pennsylvania Bar Association
- Pennsylvania State Police
- Peoplesbank
- PPM Real Estate, Inc.
- Powder Mill Foundation
- Property Management, Inc. (PMI)
- Presence Bank (formerly Prosper Bank)
- PSERS
- Redevelopment Authority of the City of Lancaster
- Rhodes Development Group
- Rider Musser Development Group
- Rohrer's One Hour Heating & Air Conditioning
- Rosewein Realty
- Sachem Capital Corporation
- Saxton & Stump
- Select Capital Commercial Properties
- Schneider Logistics
- Schwarr Concrete
- Spankey’s Auto Group
- St. Joseph’s Children’s Health
- State Auto Insurance
- Susquehanna Real Estate
- Tank Truck Outfitters
- Ten Thousand Villages
- Twin Rivers Capital
- Union Community Care
- Univest Bank
- UPMC Pinnacle
- Wagman Construction
- Wampler & Souder
- York Traditions Bank

Commonwealth of Pennsylvania- Department of State
Bureau of Professional and Occupational Affairs

Mailing Address P.O. Box 2649, Harrisburg, PA 17105 Toll Free: 1-833-DOS-BPOA

MICHAEL J ROHM

License Number	: GA004401	Initial License Date : 09/21/2018	Expiration Date : 06/30/2027
License Type	: Certified General Appraiser		License Status as of 5/19/2025 : Active
Issued By	: State Board of Certified Real Estate Appraisers		
Address	: 305 WEST LEMON STREET, 17603 Lancaster, PA 17603		

COMMONWEALTH OF PENNSYLVANIA • DEPARTMENT OF STATE •

Acting Commissioner Arion R. Claggett

Signature of Licensee

SCAN ME

Please verify the license by visiting https://www.pals.pa.gov/verify or by scanning the QR Code

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PROFESSIONAL QUALIFICATIONS

FEBRUARY 2025
JOHNSON THAI



Johnson Thai graduated from Drexel University with a Bachelor of Science in Business Administration with a concentration in Finance from the Lebow College of Business. During his academic career at Drexel, he developed analytical and financial modeling skills from his Finance courses and supplemented his coursework with Real Estate and Development classes as his electives.

Johnson received the Appraisal Diversity Initiative Scholarship in 2024 and is actively in pursuit of his Real Estate Appraiser Trainee License and Real Estate Salesperson License in Pennsylvania. Upon obtaining his Real Estate Appraiser Trainee License, he will pursue his Certified General Appraiser License.

Johnson interned at Mosaic Brokerage Group and Mosaic Development Partners and gained hands-on experience in both real estate brokerage and real estate development. With experience in developing financial models and statements, bookkeeping, and commercial real estate market research, Johnson applies these skills to his position as a Staff Appraiser at Commonwealth Commercial Appraisal Group.

Valuation assignments include assistance in appraising shopping centers, warehouses, offices, apartments, medical offices, residential subdivisions, and special use property types.

WORK EXPERIENCE

C*ommonwealth Commercial Appraisal Group*, Philadelphia, PA (2024 – Present): **Staff Appraiser**
Perform appraisal duties under supervision as a trainee appraiser including site inspections, highest and best use analysis, valuation methods, and market research throughout the entire state of Pennsylvania

Mosaic Development Partners, Philadelphia, PA (2021 – 2023): **Research & Admin Intern**
Developed and reviewed financial statements and models, including itemized budgeting sheets, balance sheets, and pro-formas; Recorded invoices and financial statements for bookkeeping and analysis of company's current financial status; Communicated with vendors and organized documents for efficient access and review for project managers

Mosaic Brokerage Group, Philadelphia, PA (2020 – 2021): **Real Estate Intern**
Conducted market research on commercial properties for potential retail locations in Philadelphia; Assisted in residential real estate showings in the West Philadelphia area; Organized and filed hundreds of real estate documentations such as title documents, closing documents, LOIs, etc.

LICENSES & DESIGNATIONS

Real Estate Appraiser Trainee, Commonwealth of Pennsylvania
License Number: LAT001428

EDUCATION

Drexel University, Bachelor of Science of Business Administration – Finance Concentration, 2024

ACADEMIC COURSEWORK

- Real Estate Investment & Asset Management
- Real Estate Finance
- Financial Institutions & Markets
- Entrepreneurial Finance
- Urban & Environmental Planning
- Intro to Real Estate Management
- Intermediate Corporate Finance

PROFESSIONAL AFFILIATIONS

- Appraisal Institute (Philadelphia Metro Chapter) – Affiliate
- Reading-Berks Association of REALTORS (RBAR) Commercial & Industrial Council – Member

SCHOLARSHIPS & AWARDS

- Appraisal Diversity Initiative (ADI) Scholarship (2024) – Appraisal Diversity Initiative/Appraisal Institute

HIGHLIGHTS OF QUALIFYING & CONTINUING EDUCATION

- General Appraiser Sales Comparison Approach. (February 2025) – Appraisal Institute
- Understanding the Construction Draw Sheet (December 2024) – Appraisal Institute
- 15 Hour National USPAP (November 2024) – McKissock
- It's About Property, Not People - Bias, Fair Housing, and the Appraisal. (October 2024) – Appraisal Institute
- Appraiser's Guide to Short Term Rentals (September 2024) – Appraisal eLearning
- General Appraiser Income Approach Pt 1. (September 2024) – Appraisal Institute
- Supervisory Appraiser/Trainee Appraiser (September 2024) – Appraisal Institute
- Basic Appraisal Procedures (September 2024) – Appraisal Institute
- Basic Appraisal Principles (August 2024) – Appraisal Institute

Commonwealth of Pennsylvania- Department of State
Bureau of Professional and Occupational Affairs

Mailing Address P.O. Box 2649, Harrisburg, PA 17105 Toll Free: 1-833-DOS-BPOA

JOHNSON THAI

License Number	: LAT001428	Initial License Date : 01/27/2025	Expiration Date : 06/30/2027
License Type	: Licensed Appraiser Trainee		License Status as of 5/8/2025 : Active
Issued By	: State Board of Certified Real Estate Appraisers		
Address	: 5326 HOWLAND ST, PHILADELPHIA, PA 19124		

Arion R. Claggett

Acting Commissioner Arion R. Claggett

Johnson Thai

Signature of Licensee

SCAN ME

Please verify the license by visiting https://www.pals.pa.gov/verify or by scanning the QR Code

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PENNSYLVANIA STATE BOARD OF CERTIFIED REAL ESTATE APPRAISERS
REQUIRED CHECKLIST FOR LICENSED APPRAISAL TRAINEE (49 Pa. Code § 36.54)

THE BOARD REQUIRES THIS CHECKLIST BE USED WHEN A LICENSED APPRAISAL TRAINEE IS UTILIZED IN THE PERFORMANCE OF AN APPRAISAL. THIS CHECKLIST MUST BE SIGNED BY THE LICENSED APPRAISER TRAINEE AND THE SUPERVISING CERTIFIED REAL ESTATE APPRAISER AND MUST BE MADE PART OF THE APPRAISAL REPORT THAT IS SUBMITTED TO THE CLIENT AND RETAINED IN THE APPRAISAL WORKFILE.

THE INTENT OF THIS CHECKLIST IS TO ENSURE COMPLIANCE WITH APPLICABLE USPAP REQUIREMENTS FOR ACKNOWLGEMENT AND DISCLOSURE OF SIGNIFICANT REAL PROPERTY APPRAISAL ASSISTANCE.

THE BOARD CANNOT GRANT EXPERIENCE HOURS FOR APPRAISAL ASSIGNMENTS IN WHICH THE LICENSED APPRAISAL TRAINEE IS NOT PROPERLY ACKNOWLEDGED IN THE REPORT.

SUBJECT PROPERTY ADDRESS: 15 East High Street, Manheim, PA 17545

The licensed appraisal trainee to the certified real estate appraiser has contributed significant real property appraisal assistance in this appraisal assignment. Specifically, the licensed appraisal trainee:

Yes	No	N/A	
✓			**Assisted in the preparation of the workfile with all forms and general information for the appraisal.**
✓			**Assisted in determining the scope of work of the appraisal.**
✓			**Assisted in gathering and entering data as follows: tax assessment information and map, flood hazard information and map, zoning information and map, location map and similar information.**
✓			**Inspected the subject property.** **If yes, accompanied by supervisor?** yes **(yes/no)** **Type of inspection:** yes **interior** yes **exterior**
✓			**Assisted in analyzing the highest and best use of the subject property.**
		✓	**Assisted in gathering information for comparable land sales data, verified and analyzed the comparable land sales data.**
		✓	**Assisted in gathering data for the cost approach, including estimates of cost new and accrued depreciation.**
		✓	**Assisted in data and analysis for the income approach, including estimates of market rent, vacancy/expense analysis, and development of GRM or capitalization rate.**
✓			**Assisted in gathering and verifying comparable sales data, and analysis of the comparable sales.**
		✓	**Assisted in the exterior inspection of the sales, rentals, land and/or other comparables.**
		✓	**Assisted in sketch drawing.**
✓			**Assisted in entering subject and comparable data on the form and in the comment areas.**
✓			**Assisted in reconciliation and final opinion of value for the subject property.**
✓			**Assisted in the final review of this report.**
		✓	**Other**

Signature of Licensed Appraiser Trainee: Johnson Thai

PRINT/TYPE NAME: Johnson Thai

The supervising certified real estate appraiser certifies that the named individual did assist with the items checked above, and also certifies that he/she reviewed all work done by the trainee. The supervising appraiser further certifies that the person signing this report as trainee understands the concepts and processes associated with the appraisal process.

Signature of Supervising Certified Appraiser:

Date: 10/9/2025

Glossary of Terms & Definitions

This glossary contains the definitions of common words and phrases, used throughout the appraisal industry, as applied within this document.

Works Cited:

- Appraisal Institute. *The Appraisal of Real Estate.* 15th ed. Chicago: Appraisal Institute, 2020. PDF.
- Appraisal Institute. *The Dictionary of Real Estate Appraisal.* 7th ed. 2022. PDF. Revised edition of The dictionary of real estate appraisal, [2015]
- The Appraisal Foundation. *2020-2022 Uniform Standards of Professional Appraisal Practice (USPAP)*.
- Internal Revenue Service, Treasury Regulation § 20.2031-1(b)

As is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Interagency Appraisal and Evaluation Guidelines) Note that the use of the "as is" phrase is specific to appraisal regulations pursuant to FIRREA applying to appraisals prepared for regulated lenders in the United States. The concept of an "as is" value is not included in the Standards of Valuation Practice of the Appraisal Institute, Uniform Standards of Professional Appraisal Practice, or International Valuation Standards.

Band of Investment

A technique in which the capitalization rates attributable to components of an investment are weighted and combined to derive a weighted-average rate attributable to the total investment (i.e., debt and equity, land and improvements). (Dictionary, 7th Edition)

Cash Equivalency Analysis

An analytical process in which the sale price of a transaction with atypical financing or financing with unusual conditions or incentives is converted into a price equivalent or consistent with what a cash buyer would pay with all other factors the same.

Common Area

1. The total area within a property that is not designed for sale or rental but is available for common use by all owners, tenants, or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, recreation areas, public toilets, truck and service facilities.
2. In a shopping center, the walkways and areas onto which the stores face and which conduct the flow of customer traffic. (ICSC) (Dictionary, 7th Edition)

Common Area Maintenance (CAM)

1. The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property.
2. [For shopping centers,] the amount of money charged to tenants for their shares of maintaining a center's common area. The charge that a tenant pays for shared services and facilities such as electricity, security, and maintenance of parking lots. Items charged to common area maintenance

may include cleaning services, parking lot sweeping and maintenance, snow removal, security, [amenities,] and upkeep. (ICSC) (Dictionary, 6th Edition)

Debt Coverage Ratio (DCR)
The ratio of net operating income to annual debt service (*DCR* = *NOI*/*IM*), which measures the relative ability of a property to meet its debt service out of net operating income; also called *debt service coverage ratio (DSCR)*. A larger *DCR* typically indicates a greater ability for a property to withstand a reduction of income, providing an improved safety margin for a lender. (Dictionary, 6th Edition)

Depreciation
1. A loss in property value of improvements from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date.
2. 2. In accounting, an allocation of the original cost of an asset, amortizing the cost over the asset's life; calculated using a variety of standard techniques. (Dictionary, 7th Edition)

Discount Rate
A rate of return on capital used to convert future payments or receipts into present value. (Dictionary, 7th Edition)

Disposition Value
The most probable price that a specified interest in property should bring under the following conditions:

- Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
- The property is subjected to market conditions prevailing as of the date of valuation.
- The buyer and seller is each acting prudently and knowledgeably.
- The seller is under compulsion to sell.
- The buyer is typically motivated.
- Both parties are acting in what they consider their best interest.
- An adequate marketing effort will be made during the exposure time.
- Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
- The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Effective Age
The age of property that is based on the amount of observed deterioration and obsolescence it has sustained, which may be different from its chronological age. (Dictionary, 7th Edition)

Effective Date
1. The date on which the appraisal or review opinion applies. (SVP)
2. The date to which an appraiser's analyses, opinions, and conclusions apply; also referred to as date of value. (USPAP, 2020-2022 ed.)
3. The date that a lease goes into effect. (Dictionary, 7th Edition)

Elements of Comparison
The characteristics or attributes of properties and transactions that cause the prices of real property to vary; include real property rights conveyed, financing terms, conditions of sale, expenditures made immediately after purchase, market conditions, location, physical characteristics, and other characteristics such as economic characteristics, use, and non-realty components of value. (Dictionary, 7th Edition)

Entrepreneurial Incentive
The amount an entrepreneur expects or wants to receive as compensation for providing coordination and expertise and assuming the risks associated with the development of a project. Entrepreneurial incentive is the expectation of future reward as opposed to the profit actually earned on the project. (Dictionary, 7th Edition)

Exposure Time
1. The time a property remains on the market.
2. An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. (USPAP, 2020-2022 ed.) (Dictionary, 7th Edition)

External Obsolescence
A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may be either temporary or permanent. There are two forms of external obsolescence: economic and locational. (Dictionary, 7th Edition)

Extraordinary Assumption
An assignment- specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property, or conditions external to the property, such as market conditions or trends, or about the integrity of data used in an analysis. (USPAP, 2020-2022 ed.) (Dictionary, 7th Edition)

Fair Market Value (IRS Estate Tax Standard)
For estate tax purposes, the Internal Revenue Service (IRS) defines Fair Market Value (FMV) as follows:

The fair market value is the price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell, and both having reasonable knowledge of relevant facts.

The regulation further clarifies:

The fair market value of a particular item of property includible in the decedent's gross estate is not to be determined by a forced sale price. Nor is the fair market value of an item of property to be determined by the sale price of the item in a market other than that in which such item is most commonly sold to the public, taking into account the location of the item wherever appropriate.
(IRS Treasury Regulation § 20.2031-1(b))

Fee Simple Estate
Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. (Dictionary, 7th Edition)

Functional Obsolescence
The impairment of functional capacity of improvements according to market tastes and standards. (Dictionary, 7th Edition)

Functional Utility
The ability of a property or building to be useful and to perform the function for which it is intended according to current market tastes and standards; the efficiency of a building's use in terms of architectural style, design and layout, traffic patterns, and the size and type of rooms. (Dictionary, 7th Edition)

Gross Building Area (GBA)
Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the region. (Dictionary, 7th Edition)

Going Concern
1. An established and operating business having an indefinite future life.
2. An organization with an indefinite life that is sufficiently long that, over time, all currently incomplete transformations (transforming resources from one form to a different, more valuable form) will be completed. (Dictionary, 7th Edition)

Gross Leasable Area (GLA)
1. Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved.
2. Gross leasable area plus all common areas.
3. For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically does not include garage space. (Dictionary, 7th Edition)

Highest and Best Use
1. The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS)
3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions)
4. [For fair value determination] The use of a nonfinancial asset by market participants that would maximize the value of the asset or the group of assets and liabilities (for example, a business) within which the asset would be used. (FASB Glossary) The highest and best use of a nonfinancial asset takes into

account the use that is physically possible, legally permissible, and financially feasible. (FASB 820-10-35-10B). The highest and best use of a nonfinancial asset establishes the valuation premise used to measure the fair value of the asset, as follows: (a) The highest and best use of a nonfinancial asset might provide maximum value to market participants through its use in combination with other assets as a group (as installed or otherwise configured for use) or in combination with other assets and liabilities (for example, a business). (b) The highest and best use of the asset might provide maximum value to market participants on a standalone basis. (FASB 820-10-35-10E) (Dictionary, 7th Edition)

Highest and Best Use of Land or a Site as Though Vacant
Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements. (Dictionary, 5th Edition)

Highest and Best Use of Property as Improved
The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one. (Dictionary, 7th Edition)

Hypothetical Condition
1. A condition that is presumed to be true when it is known to be false. (SVP)
2. A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2020-2022 ed.) (Dictionary, 7th Edition)

Insurable Replacement Cost/Insurable Value
The estimated cost, at current prices as of the effective date of valuation, of a substitute for the building being valued, using modern materials and current standards, design, and layout for insurance coverage purposes guaranteeing that damaged property is replaced with new property (i.e., depreciation is not deducted).

Intended Use
1. The valuer's intent as to how the report will be used. (SVP)
2. The use(s) of an appraiser's reported appraisal or appraisal review assignment results, as identified by the appraiser based on communication with the client at the time of the assignment. (USPAP, 2020-2021 ed.)

Intended User
1. The party or parties the valuer intends will use the report. (SVP)
2. The client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser based on communication with the client at the time of the assignment. (USPAP, 2020-2021 ed.)

Lease Types
Absolute Net Lease - A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant.
Gross Lease - A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called full-service lease.
Modified Gross Lease - A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a double net lease, net net lease, partial net lease, or semi-gross lease. (Dictionary, 7th Edition)

Leased Fee Interest
The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires. (Dictionary, 7th Edition)

Leasehold Interest
The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease. (Dictionary, 7th Edition)

Liquidation Value
The most probable price that a specified interest in property is likely to bring under the following conditions:

- Consummation of a sale within a short time period.
- The property is subjected to market conditions prevailing as of the date of valuation.
- Both the buyer and seller is acting prudently and knowledgeably.
- The seller is under extreme compulsion to sell.
- The buyer is typically motivated.
- Both parties are acting in what they consider to be their best interest.
- A normal marketing effort is not possible due to the brief exposure time.
- Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
- The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms. (Dictionary, 7th Edition)

Market Area
The geographic region from which a majority of demand comes and in which the majority of competition is located. Depending on the market, a market area may be further subdivided into components such as primary, secondary, and tertiary market areas, or the competitive market area may be distinguished from the general market area. (Dictionary, 7th Edition)

Market Rent
The most probable rent that a property should bring in a competitive and open market under all conditions requisite to a fair lease transaction, the lessee and lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus. Implicit in this definition is the execution market support of a lease as of a specified date under conditions whereby

- Lessee and lessor are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- Payment is made in terms of cash or in terms of financial arrangements comparable thereto; and
- The rent reflects specified terms and conditions typically found in that market, such as permitted uses, use restrictions, expense obligations, duration, concessions, rental adjustments and revaluations, renewal and purchase options, frequency of payments (annual, monthly, etc.), and tenant improvements (TIs). (Dictionary, 7th Edition)

Market Value
The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States:

The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.
- (12 C.F.R. Part 34.42(g); 55 *Federal Register* 34696, August 24, 1990, as amended at 57 *Federal Register* 12202, April 9, 1992; 59 *Federal Register* 29499, June 7, 1994)

Market Value of the Going Concern
The market value of an established and operating business including the real property, personal property, financial assets, and the intangible assets of the business.

Marketing Time
An opinion of the amount of time to sell a property interest at the concluded market value or at a benchmark price during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which precedes the effective date of an appraisal. (Advisory Opinion 7 and Advisory Opinion 35 of the Appraisal Standards Board of The Appraisal Foundation address the determination
of reasonable exposure and marketing time.) (Dictionary, 7th Edition)

Net Operating Income (NOI or I_o)
The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted. Note: This definition mirrors the convention used in corporate finance and business valuation for EBITDA (earnings before interest, taxes, depreciation, and amortization). (Dictionary, 7th Edition)

Obsolescence
One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable for a continued use; may be either functional or external. (Dictionary, 7th Edition)

Prospective Market Value "As Completed" and "As Stabilized"
A prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project. According to USPAP, an appraisal with a prospective market value reflects an effective date that is subsequent to the date of the appraisal report. Prospective value opinions are intended to reflect the current expectations and perceptions of market participants, based on available data.

Two prospective value opinions may be required to reflect the time frame during which development, construction, and occupancy will occur. The prospective market value "as completed" reflects the property's market value as of the time that development is expected to be completed. The prospective market value "as stabilized" reflects the property's market value as of the time the property is projected to achieve stabilized occupancy. For an income-producing property, stabilized occupancy is the occupancy level that a property is expected to achieve after the property is exposed to the market for lease over a reasonable period of time and at comparable terms and conditions to other similar properties.

(12 C.F.R. Part 34.42(g); 55 *Federal Register* 34696, August 24, 1990, as amended at 57 *Federal Register* 12202, April 9, 1992; 59 *Federal Register* 29499, June 7, 1994)

Parking Ratio
A ratio of parking area or parking spaces to an economic or physical unit of comparison. Minimum required parking ratios for various land uses are often stated in zoning ordinances. (Dictionary, 7th Edition)

Rentable Area
For office or retail buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice. (Dictionary, 7th Edition)

Replacement Allowance
An allowance that provides for the periodic replacement of building components that wear out more rapidly than the building itself and must be replaced during the building's economic life; sometimes referred to as *reserves or reserves for replacement.* (Dictionary, 7th Edition)

Replacement Cost
The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout. (Dictionary, 7th Edition)

Retrospective Value Opinion
A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it defines a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgements, estate tax, and condemnation. Inclusion of the type of value with this is appropriate, e.g., "retrospective market value opinion". (Dictionary, 7th Edition)

Scope of Work
1. The type of data and the extent of research and analyses. (SVP)
2. The type and extent of research and analyses in an appraisal or appraisal review assignment. (USPAP, 2020- 2022 ed.) (Dictionary, 7th Edition)

Stabilized Occupancy
1. The occupancy of a property that would be expected at a particular point in time, considering its relative competitive strength and supply and demand conditions at the time, and presuming it is priced at market rent and has had reasonable market exposure. A property is at stabilized occupancy when it is capturing its appropriate share of market demand.
2. An expression of the average or typical occupancy that would be expected for a property over a specified projection period or over its economic life. (Dictionary, 7th Edition)

Tenant Improvements (TIs)
1. Fixed improvements to the land or structures installed for use by a lessee.
2. The original installation of finished tenant space in a construction project; subject to periodic change for succeeding tenants. (Dictionary, 7th Edition)

Unit of Comparison
The components into which a property may be divided for purpose of comparison, e.g, price per square foot, front foot, cubic foot, room, bed, seat, apartment unit. (Dictionary, 7th Edition).

Vacancy and Collection Loss
A deduction from potential gross income (*PGI*) made to reflect income reductions due to vacancies, tenant turnover, and nonpayment of rent; also called *vacancy and credit loss* or *vacancy and contingency loss*. (Dictionary, 7th Edition)

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August 27, 2025

Manheim Borough
Attn: Joel Mutschler, MPA
Manheim Borough Manager

Re: Appraisal Request

Dear Mr. Mutschler:

Commonwealth Commercial Appraisal Group and Michael Rohm (collectively "Appraiser") agree to provide an appraisal report according to the following terms.

1. Specifications of the Appraisal

Subject Property: 15 East High Street, Manheim, PA 17545
(Tax ID: 400-29869-0-0000)

Property Type: Office

Interest to be Valued: Fee simple

Additional Property to be Valued: None

Intended Use: The intended use of this appraisal is for a prospective sale.

Intended User(s): The intended user of this appraisal is Manheim Borough.

Appraiser's identification of the intended user(s) of the appraisal is to determine the type and extent of research, analysis and reporting appropriate for the assignment. It is specifically not an acknowledgment or granting of permission by the Appraiser that other parties will or may rely on the appraisal.

USPAP Compliance: Appraiser will develop an appraisal in accordance with USPAP and the Code of Ethics and Certification Standards of the Appraisal Institute.

Appraiser Requirements: The individual appraiser who will sign the appraisal report will be an MAI designated member, and also be a Certified General Appraiser licensed by the Commonwealth of Pennsylvania.

Type of Value: "As is" market value under the Federal Interagency Appraisal and Evaluation Guidelines. The definition of the type of value will be stated in the addenda of the report.

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Date of Value: Date of Appraiser's site visit. Specific date to be stated in the report. Appraiser is not responsible for determining whether the date of value requested by Client is appropriate for Client's intended use.

Hypothetical conditions, Special/Extraordinary assumptions: None anticipated

Anticipated Scope of Work: Appraiser's anticipated scope of work for developing the appraisal will include research of comparable sales, relationship of supply and demand of subject property type in market area, market perception of risk in current economy, lending policies, and surrounding neighborhood development, among more. The anticipated approach(es) to value include:

- Sales Comparison Approach

A full interior walk-through is required.

Post-Delivery Support: Following delivery of the report, the Appraiser's fee for additional services is $250 per hour, with a minimum charge of three (3) hours. This fee applies to all post-delivery services, including phone consultations, presenting the report to appraiser-approved third parties, services such as testimony, depositions, boards of review, hearings, court appearances, or other proceedings resulting from client requests or subpoenas issued by opposing counsel, arbitrators, or mediators. Reimbursement for travel time, lodging, and accommodations related to these services is also billed at this hourly rate.

Report Option and Format: USPAP-compliant Appraisal Report

Delivery Date: 24 days after receipt of payment. Appraiser will use Appraiser's best efforts to deliver the appraisal report no later than such date. Appraiser's delivery of the report is contingent on Appraiser's timely receipt of information and documentation from Client and other parties. In the event of a delay beyond that date, Appraiser will inform Client promptly as soon as reasonably practicable.

Appraiser's Interest in Subject Property: Appraiser has no knowledge of any current or prospective interest of the Appraiser in the subject property or in Client or other parties involved in the transaction to which this appraisal relates.

Prior Services Regarding Subject Property: Appraiser has not performed any prior services regarding the subject property within the three-year period immediately preceding the date of this Agreement, as an appraiser or in any other capacity.

Special Conditions: None

Appraisal Fee: [redacted] Fee is subject to change after two (2) days from date of unsigned and unreturned proposal.

If the client requests a hard copy of the completed report or any other deliverables, a fee of $50.00 will be charged for the initial hard copy. Each additional copy requested will incur a fee of $10.00 per copy.

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Payment Terms: Client shall pay full appraisal fee upon acceptance of this Agreement and before site visit is conducted. If payment is not received within five (5) business days following execution of this proposal, the engagement is voidable. Please send checks to:

Commonwealth Commercial Appraisal Group
425 N 21st Street, Suite 302
Camp Hill, PA 17011

In the event the client prefers credit card payment, a link can be sent to client via email.

Acceptance: An executed return copy of this letter within two (2) days of receipt will confirm your agreement to these terms. This proposal is voidable after two (2) days from date of unsigned and unreturned proposal.

Cancellation: Appraiser retains the right to bill client for cancelling an engagement during the assignment. The client will be billed a minimum of $500 if the engagement is cancelled after a site visit is completed.

Confidentiality: The Appraiser agrees that the Appraiser will keep confidential and will not disclose, divulge, or use for any purpose (other than to provide the services set forth in this letter) any confidential information obtained from the Client pursuant to the terms of this letter agreement.

Miscellaneous: This letter agreement may be modified or amended by, but only by, a written agreement signed by all of the parties. This letter agreement contains the entire agreement between the parties with respect to the subject matter thereof, and all prior contracts, agreements, and other arrangements, both oral and written, between the parties with respect to the subject matter shall cease to be effective as of the date of execution of this letter agreement. This letter agreement shall be governed, construed, and enforced in accordance with the substantive laws of the Commonwealth of Pennsylvania. Each party agrees that this letter agreement may be electronically signed, and that any electronic signatures appearing on this letter agreement are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility. Neither party may assign this agreement without the prior written consent of the other party. Any written notice pursuant to this letter agreement shall be provided pursuant to United States mail at the address specified by the party under its signature herein.

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2. Property Documentation. Client agrees to provide Appraiser with the documentation required and requested by the Appraiser to complete the appraisal. Wish list to be sent upon signed engagement agreement.

Appraiser: 

Date: **8/27/2025**

Client: Signed by: Joel Mutschler 16B3C07985E04D1...

Dated: 9/10/2025

Phone: 717-665-2461

Email: jmutschler@manheimboro.org

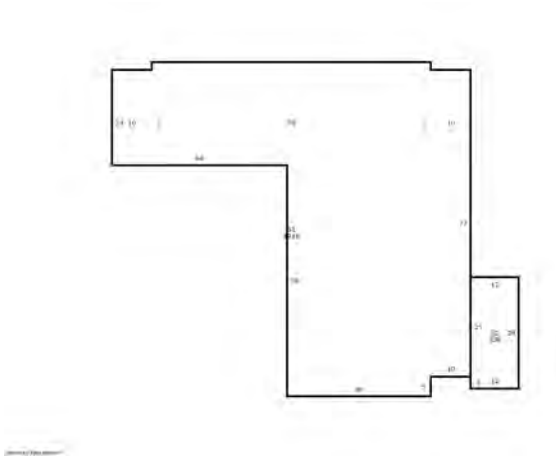
Tax Payment Available Pay Taxes

Property Information

Property ID	400-29869-0-0000	**Property Use**	600 - COMMNIT-SRVC
Tax Year	2025	**Land Use**	655 - LOCAL MUNICIPALITY
Township	400 Manheim Boro		
Site Address	15 E HIGH ST	**Tax Status**	Exempt
		Clean & Green	No

Property Sketches & Photos

1



Parcel photo



Related Names

Parcel Owner	MANHEIM BOROUGH, 15 E HIGH ST MANHEIM, PA 17545
Status	Current

Assessments

Annual Billing

	Land	Building	Total	Pref. Land	Pref. Building	Pref. Total
Non-Exempt	0	0	**0**	0	0	**0**
Exempt	60,700	685,200	**745,900**	0	0	**0**
Total	**60,700**	**685,200**	**745,900**	**0**	**0**	**0**

Note: Preferential assessment values are used for taxation when preferential values are greater than zero.

Property Characteristics

Electric	Gas	Sewage	Water
HOOKED-UP	PUBLIC SYSTEM	PUBLIC SYSTEM	PUBLIC SYSTEM

Market Land Valuation

Property Type	Land Type	Sq. Ft.	Calc. Acres
COM - Commercial	2 - PRIMARY HOMESITE	14,810	0.3400

Structure 1 of 2

Property Type	Description	Finished Sq. Ft	Year Built
COM - Commercial	1/1 GOVRNMT-BLDG #1	10,388	1951

Section 1

Occupancies

Occupancy	Finished Area	Wall Height
327 - Governmental Building	4,918 Sq. Ft.	10
337 - Library, Public	4,918 Sq. Ft.	10
327 - Governmental Building - Office Basement	4,918 Sq. Ft.	10

Exterior Walls

Brick, Solid	9836.00 Sq.Ft.

Heating, Cooling & Ventilation

Hot Water	9836.00 Sq.Ft.

Section 2

Occupancies

Occupancy	Finished Area	Wall Height
327 - Governmental Building	336 Sq. Ft.	9
327 - Governmental Building	216 Sq. Ft.	9

Elevators

Passenger #	1.00 Units

Exterior Walls

Brick, Solid	552.00 Sq.Ft.

Heating, Cooling & Ventilation

Warmed and Cooled Air	552.00 Sq.Ft.

Structure 2 of 2

Property Type	Description	Finished Sq. Ft	Year Built
COM - Commercial	Detached Structure #1	2,000	1970

Other / Miscellaneous

056 - Paving, Asphalt	2000.00 Square Ft.

No Exemptions

Sales History

Year	Document #	Sale Type	Sale Date	Sold By	Sold To	Price
1900	20440100		1/1/1900			$0

Note: You can use the Recorder of Deeds site to search deeds by document number.

Billing

NOT CERTIFIED -

PAID RECEIPT Treasurer of Lancaster County

Billing Pd.	Tax Billed	Discount/Pen.	Total Billed	Total Paid	Balance Due	Date Paid

Note: Payment amounts may only reflect the Lancaster County amounts

Contact Information

Mail current year, county & municipal real estate tax payments to...

Lancaster County Treasurer
County & Municipal Tax Bill
P.O. Box 3894
LANCASTER, PA 17604
(717) 299-8222

Tax certification **OVERNIGHT** requests can be sent to...

Lancaster County Treasurer
150 North Queen Street, Suite 122
Lancaster, PA 17603

Regular Mail

Lancaster County Treasurer
P.O. Box 1447
Lancaster, PA 17608

No Delinquent Taxes

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Data updated: 2025-09-22 17:15:00
wEdge Version 4.0.9356.17942
Assembly Date: 2025/08/13

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IN THE COURT OF COMMON PLEAS OF
LANCASTER COUNTY, PENNSYLVANIA
CIVIL ACTION - LAW

BOROUGH OF MANHEIM,
Condemnor (Grantee)

vs.

MANHEIM CENTRAL COMMUNITY BUILDING, INC.,
Condemnee (Grantor)

No. 402 - 1987

In REM

RECORDED OR FILED
'87 FEB -6 P4:22
RECORDER OF DEEDS
LANCASTER, PA.

NOTICE

NOW, this 6th day of February, 1987,

NOTICE is hereby given of the filing, by the Borough of Manheim, of a Declaration of Taking of a fee simple absolute in certain land of Manheim Central Community Building, Inc., as more fully bounded and described on Exhibit "A" and Exhibit "B" attached hereto and made a part hereof.

Said Declaration of Taking was filed in the Court of Common Pleas of Lancaster County, Pennsylvania, on Feb. 6, 1987, and is indexed to No. 402 - 1987.

2044 100

IN WITNESS WHEREOF, these presents have been duly executed, under seal, by the Condemnor the day and year first above written.

BOROUGH OF MANHEIM

By: Clarence R. Kloffe
President



COMMONWEALTH OF PENNSYLVANIA)
) SS:
COUNTY OF LANCASTER)

On this 5th day of February, 1987, before me, the undersigned officer, personally appeared CLARENCE R. KLOPP, who acknowledged himself to be the PRESIDENT of the BOROUGH OF MANHEIM, and further acknowledged the foregoing Notice to be the act and deed of said Borough, and that he, being duly authorized to do so, executed the foregoing instrument to the intent that the same may be duly recorded.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal the day and year first above written.

Marilyn R. Klonis
(Notary Public)
D. J. 02-3-88

My Commission Expires:
01-06-92

EXHIBIT "A"

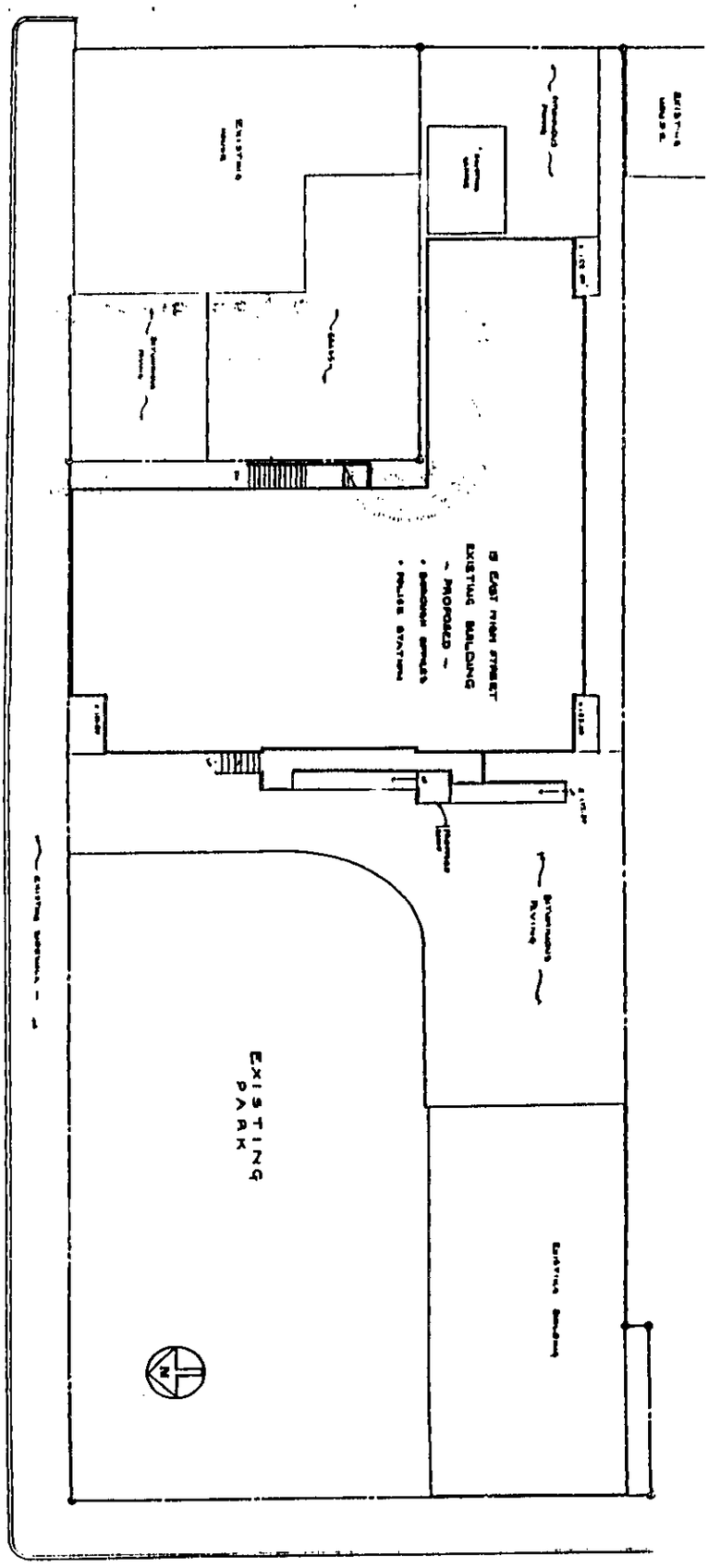
ALL THAT CERTAIN tract of land with improvements thereon erected situated on the Southeast corner of South Main and East High Streets in Manheim Borough, Lancaster County, Pennsylvania, and being Lot No. 1, Block A on a plan of lots as recorded in Subdivision Plan Book J-80, Page 19, and bounded and described in accordance with a survey by Diehm & Sons, Registered Surveyors, dated March 23, 1973, as follows:

BEGINNING at a point on the East side of South Main Street, said point being the Northwest corner of Lot No. 2, Block A; thence along the East side of South Main Street, North thirty-one (31) degrees forty-two (42) minutes zero (0) seconds West, fifty-four and fifty hundredths (54.50) feet to a point; thence along the South side of East High Street, North fifty-nine (59) degrees twenty-two (22) minutes thirty-five (35) seconds East, one hundred eighty-four and twenty-three hundredths (184.23) feet to a point; thence along lands of Claude Hess, South thirty-one (31) degrees forty-two (42) minutes zero (0) seconds East, fifty-seven (57) feet to a point., thence continuing along lands of Claude Hess, North fifty-nine (59) degrees twenty-two (22) minutes thirty four (34) seconds East, seventy-seven and nine hundredths (77.09) feet to a iron pin on the West side of South Wolf Street; thence along the West side of South Wolf Street, South thirty-one (31) degrees forty-four (44) minutes twenty-five (25) seconds East, thirty-two and sixty-seven hundredths (32.67) feet to an iron pin; thence along lands of John Goshert, South fifty-nine (59) degrees twenty-two (22) minutes thirty-four (34) seconds West, one hundred thirty-six and eighty-five hundredths (136.85) feet to a point in the existing concrete retaining wall; thence along Lot No. 2, Block A, North thirty (30) degrees forty-seven (47) minutes forty-six (46) seconds West, thirty-three and sixty-six hundredths (33.66) feet to an iron pin; thence continuing by Lot No. 2. Block A, the three (3) following courses and distances: South fifty-eight (58) degrees forty-one (41) minutes twenty-nine (29) seconds West, forty-five and thirteen hundredths (45.13) feet to a point, North thirty-one (31) degrees forty-two (42) minutes zero (0) seconds West, two and fifty hundredths (2.50) feet to a point, and, South fifty-eight (58) degrees forty-one (41) minutes twenty-nine (29) seconds West, eighty (80) feet to a point, the place of Beginning.

CONTAINING 14,729.63 square feet.

BEING the same premises that the Board of Trustees of Salem United Methodist Church, by deed dated March 5, 1974 and recorded in the Recorder of Deeds' Office in and for Lancaster County, Pennsylvania in Deed Book Z, Volume 64, Page 745, conveyed to Manheim Central Community Building, Inc., a non-profit corporation.

SOUTH WOLF STREET



EXHIBIT

B

2044 104

MAR 6 - 1974

2887

DEED—CORP. ACK.
No. 786½ S. W.—L. B. Herr & Son, Books, Stationery, Printing, 46-48 West King St., Lancaster, Pa.

This Deed, *MADE this* fifth *day of*

March *in the year nineteen hundred and* Seventh-four (1974)

Between THE BOARD OF TRUSTEES OF SALEM UNITED METHODIST CHURCH formerly SALEM U. B. CHURCH, an unincorporated Association of the Borough of Manheim, County of Lancaster and Commonwealth of Pennsylvania, Party of the First Part,

(hereinafter called the Grantor)

and MANHEIM CENTRAL COMMUNITY BUILDING, INC., a non-profit corporation organized and existing under the laws of the Commonwealth of Pennsylvania, of the Borough of Manheim, County of Lancaster and Commonwealth of Pennsylvania, Party of the Second Part,

(hereinafter called the Grantee)

Witnesseth, *That in consideration of* SEVENTY-NINE THOUSAND FIVE HUNDRED AND 00/100 ($79,500.00) *Dollars, in hand paid, the receipt whereof is hereby acknowledged, the said Grantor do* es *hereby grant and convey to the said Grantee,* its successors ~~heirs~~ *and assigns, ALL* THAT CERTAIN tract of land with improvements thereon erected situated on the Southeast corner of South Main and East High Streets in Manheim Borough, Lancaster County, Pennsylvania, and being Lot No. 1, Block A on a plan of lots as recorded in Subdivision Plan Book J-80, Page 19, and bounded and described in accordance with a survey by Diehm & Sons, Registered Surveyors, dated March 23, 1973, as follows:

MANHEIM CENT. TAX PD. $ 795.00

BEGINNING at a point on the East side of South Main Street, said point being the Northwest corner of Lot No. 2, Block A; thence along the East side of South Main Street, North thirty-one (31) degrees forty-two (42) minutes zero (0) seconds West, fifty-four and fifty hundredths (54.50) feet to a point; thence along the South side of East High Street, North fifty-nine (59) degrees twenty-two (22) minutes thirty-five (35) seconds East, one hundred eighty-four and twenty-three hundredths (184.23) feet to a point; thence along lands of Claude Hess, South thirty-one (31) degrees forty-two (42) minutes zero (0) seconds East, fifty-seven (57) feet to a point; thence continuing along lands of Claude Hess, North fifty-nine (59) degrees twenty-two (22) minutes thirty-four (34) seconds East, seventy-seven and nine hundredths (77.09) feet to an iron pin on the West side of South Wolf Street; thence along the West side of South Wolf Street, South thirty-one (31) degrees forty-four (44) minutes twenty-five (25) seconds East, thirty-two and sixty-seven hundredths (32.67) feet to an iron pin; thence along lands of John Goshert, South fifty-nine (59) degrees twenty-two (22) minutes thirty-four (34) seconds West, one hundred thirty-six and eighty-five hundredths (136.85) feet to a point in the existing concrete retaining wall; thence along Lot No. 2, Block A, North thirty (30) degrees forty-seven (47) minutes forty-six (46) seconds West, thirty-three and sixty-six hundredths (33.66) feet to an iron pin; thence continuing by Lot No. 2, Block A, the three (3) following courses and distances: South fifty-eight (58) degrees forty-one (41) minutes twenty-nine (29) seconds West, forty-five and thirteen hundredths (45.13) feet to a point, North thirty-one (31) degrees forty-two (42) minutes zero (0) seconds West, two and fifty hundredths (2.50) feet to a point, and South fifty-eight (58) degrees forty-one (41) minutes twenty-nine (29) seconds West, eighty (80) feet to a point, the place of BEGINNING.

CONTAINING 14,729.63 square feet.

PART of the above described premises BEING the same premises which Charles A. Kline and Howard H. Gingrich, the Executors under the Last Will of Abram Kline, late of the Borough of Manheim, by their deed dated March 30, 1906 and recorded in the Recorder's Office in and for Lancaster County in Record Book G, Volume 18, Page 444, for the consideration therein mentioned, granted and conveyed to the Trustees of Salem U. B. Church of the Borough of Manheim.

The remaining part of the above described premises BEING part of the same which John G. Hoffman and Ella Hoffman, his wife, by their deed dated March 31, 1925 and recorded in the Recorder of Deeds Office in and for Lancaster County in Record Book O, Volume 27, Page 117, for the consideration therein mentioned, granted and conveyed to the Trustees of Salem United Brethren In Christ Church of Manheim, Pennsylvania.

TOGETHER WITH AND SUBJECT TO the right of David B. Reeder and Margaret L. Reeder, his wife, to use a walkway extending from the Southeast corner of Lot No. 2, Block A, about to be conveyed to the said David B. Reeder and Margaret L. Reeder, his wife, to the West side of South Wolf Street and to park one automobile on the property of the Grantors herein on the West side of South Wolf Street. These rights to David B. Reeder and Margaret L. Reeder are to continue only so long as the said David B. Reeder and Margaret L. Reeder, his wife, own Lot No. 2, Block A.

THE Board of Trustees of the Salem United Methodist Church are the successors in interest to the Trustees of the Salem U. B. Church, of the Borough of Manheim, and to the Trustees of the Salem United Brethren in Christ Church, of Manheim, Pennsylvania.

THIS DEED is executed and delivered by Harold H. Young, President, and Warren R. Connally, Secretary, by virtue of a resolution of the Board of Trustees of the Salem United Methodist Church, passe at a regular meeting of the Board of Trustees held February 12, 1974.

Subject to the right of David B. Reeder and Margaret L. Reeder, his wife, owners of Lot #2, Block A to the use of the walkway extending from the Southeast corner of Lot #2, Block A Eastwardly to the West side of South Wolf over the herein conveyed premises and also the right to park one automobile on that portion of the herein conveyed premises bordering over the West side of South Wolf Street so long as the said David B. Reeder and Margaret L. Reeder are owners of Lot #2, Block A.

The said Grantor ——— *covenant* s ——— *that* it *will*

warrant SPECIALLY *the property hereby conveyed.*



Board of Trustees

In Witness Whereof, *the said Corporation has caused these presents to be executed* ~~xxx xxxx

State of Pennsylvania } ss.
County of Lancaster }

On this fifth day of March A. D. 19 74, before me the subscriber, a Notary Public,

personally appeared Warren R. Connally, Secretary of the said Board of Trustees of the Salem United Methodist Church, who being duly affirmed according to law, says that he was personally present at the execution of the above Indenture ~~and saw the common or corporate seal of the said Corporation duly affixed thereto, that the seal affixed thereto is the common or corporate seal of the said Corporation, that the above Indenture was duly sealed and delivered by~~ executed Harold H. Young, President, of said Board of ~~the said corporation, as and for the act and deed of the said Corporation, for the uses and purposes therein~~ Trustees Board of Trustees mentioned.

and that the names of this deponent as Secretary and of Harold H. Young, as President ~~as~~ Board of Trustees ~~xxxx~~ of the said ~~Corporation~~, subscribed to the above Indenture in attestation of its due execution and delivery, are of their and each of their respective handwritings.

Sworn and subscribed before me the day and year aforesaid. Witness my hand and seal.

Alice C. Martin

My commission expires Jan. 16, 1975

Manheim Boro., Lanc. Co., Pa.

Warren R. Connally Secretary.

I hereby certify that the precise residence of the within grantee is 15 East High St., Manheim, Pa. 17545

Richard M. Martin, Esq. Attorney

DEED. No. 9 40

THE BOARD OF TRUSTEES OF SALEM UNITED METHODIST CHURCH formerly SALEM U. B. CHURCH

TO

MANHEIM CENTRAL COMMUNITY BUILDING, INC.

Premises: Southeast Corner of South Main St. and East High St., in Manheim Borough, Lancaster County, Pennsylvania

Richard M. Martin
Robert A. Longo
Attorneys-at-Law
45 North Duke St.
Lancaster, Penna.

STAMPS
Pa. 795.00
Local 795.00

MAR 6 - 1974

28877 D

State of Pennsylvania } ss.
County of LANCASTER }

Recorded on this 6th day of March A. D. 19 74, in the Recorder's Office of the said County, in Record Book Z Vol. 64 Page 745

Given under my hand and the seal of the said office, the date above written.

Recorder

MILLAGE RATES FOR 2025 COUNTY - MUNICIPAL & 2025-2026 SCHOOL					
DISTRICT #	DISTRICT NAME	County Millage	Muni Millage	School Millage	Total Millage
010	Adamstown Boro	2.911	2.241000	21.9595	27.1115
020	Akron Boro	2.911	3.600000	20.0000	26.5110
030	Bart Twp	2.911	1.000000	13.2708	17.1818
040	Brecknock Twp	2.911	1.000000	13.9712	17.8822
050	Caernarvon Twp	2.911	0.011700	13.9712	16.8939
060	Christiana Boro	2.911	4.361000	25.9400	33.2120
070	Clay Twp	2.911	1.170000	20.0000	24.0810
080	East Cocalico Twp	2.911	2.113000	21.9595	26.9835
090	West Cocalico Twp	2.911	1.910000	21.9595	26.7805
091	West Cocalico Twp	2.911	1.910000	24.0254	28.8464
100	Colerain Twp	2.911	0.618000	13.2708	16.7998
110	Columbia Boro	2.911	10.000000	25.6600	38.5710
120	Conestoga Twp	2.911	0.871000	19.1210	22.9030
130	Conoy Twp	2.911	0.500000	20.2847	23.6957
140	Denver Boro	2.911	3.890000	21.9595	28.7605
150	East Donegal Twp	2.911	3.116500	20.2424	26.2699
160	West Donegal Twp	2.911	1.800000	20.2847	24.9957
170	Drumore Twp	2.911	0.900000	13.2708	17.0818
180	East Drumore Twp	2.911	0.330000	13.2708	16.5118
190	Earl Twp	2.911	1.400000	13.9712	18.2822
200	East Earl Twp	2.911	1.700000	13.9712	18.5822
210	West Earl Twp	2.911	1.665000	16.1955	20.7715
220	East Petersburg Boro	2.911	5.527000	19.0957	27.5337
230	Eden Twp	2.911	1.150000	13.2708	17.3318
240	Elizabeth Twp	2.911	0.500000	16.7089	20.1199
250	Elizabthetown Boro	2.911	6.300000	20.2847	29.4957
260	Ephrata Boro	2.911	2.250000	20.0000	25.1610
270	Ephrata Twp	2.911	1.370000	20.0000	24.2810
280	Fulton Twp	2.911	0.420000	13.2708	16.6018
290	East Hempfield Twp	2.911	1.010000	19.0957	23.0167
300	West Hempfield Twp	2.911	1.950000	19.0957	23.9567
310	East Lampeter Twp	2.911	2.055000	16.1955	21.1615
320	West Lampeter Twp	2.911	1.350000	18.8723	23.1333
331-339	Lancaster City	2.911	12.640000	25.4776	41.0286
340	Lancaster Twp	2.911	1.910000	25.4776	30.2986
350	Leacock Twp	2.911	0.316800	16.7860	20.0138
360	Upper Leacock Twp	2.911	1.695000	16.1955	20.8015
370	Lititz Boro	2.911	3.250000	16.7089	22.8699
380	Little Britain Twp	2.911	0.301000	13.2708	16.4828
390	Manheim Twp	2.911	2.034257	17.6308	22.5761
400	Manheim Boro	2.911	5.700000	17.1429	25.7539
410	Manor Twp	2.911	1.310000	19.1210	23.3420
420	Marietta Boro	2.911	7.150000	20.2424	30.3034
430	Martic Twp	2.911	0.510000	19.1210	22.5420
440	Millersville Boro	2.911	6.550000	19.1210	28.5820
450	Mount Joy Boro	2.911	4.750000	20.2424	27.9034
460	Mount Joy Twp - Upper	2.911	3.240000	20.2847	26.4357
461	Mount Joy Twp - Lower	2.911	3.240000	20.2424	26.3934
470	Mountville Boro	2.911	2.730000	19.0957	24.7367
480	New Holland Boro	2.911	3.750000	13.9712	20.6322
490	Paradise Twp	2.911	1.108200	16.7860	20.8052
500	Penn Twp	2.911	1.432601	17.1429	21.4865
510	Pequea Twp	2.911	1.645000	19.1210	23.6770
520	Providence Twp	2.911	0.381000	13.2708	16.5628
530	Quarryville Boro	2.911	4.880000	13.2708	21.0618
540	Rapho Twp	2.911	1.750000	17.1429	21.8039
550	Sadsbury Twp	2.911	0.776000	25.9400	29.6270
560	Salisbury Twp	2.911	0.000000	16.7860	19.6970
570	Strasburg Boro	2.911	3.030000	18.8723	24.8133
580	Strasburg Twp	2.911	0.355000	18.8723	22.1383
590	Terre Hill Boro	2.911	4.250000	13.9712	21.1322
600	Warwick Twp	2.911	0.232500	16.7089	19.8524
780	Lancaster City Annex	2.911	12.640000	16.1955	31.7465
790	Lancaster City Annex	2.911	12.640000	18.8723	34.4233
810	Lancaster City Annex	2.911	12.640000	16.1955	31.7465

2024 COMMON LEVEL RATIOS - Certified

Ratios to be used from **July 1, 2025,** to **June 30, 2026**

County	CLR
Adams	72.44
Allegheny	50.14
*Armstrong	30.56
Beaver	77.13
Bedford	54.52
Berks	34.37
Blair	85.80
*Bradford	17.32
Bucks	5.86
Butler	6.00
Cambria	12.18
*Cameron	21.44
*Carbon	17.91
*Centre	17.10
Chester	31.84
Clarion	11.23
^*Clearfield	17.94
Clinton	50.47
*Columbia	14.27
*Crawford	16.26
Cumberland	67.80
Dauphin	40.42
Delaware	57.33
*Elk	18.58
Erie	53.21
Fayette	43.03
Forest	13.05
Franklin	7.68
Fulton	22.89
Greene	38.23
*Huntingdon	12.58
Indiana	75.32
Jefferson	20.02
Juniata	8.11
Lackawanna	5.68
Lancaster	53.43
Lawrence	46.96
Lebanon	54.15
Lehigh	49.40
Luzerne	86.20

County	CLR
Lycoming	46.94
McKean	59.43
*Mercer	11.11
*Mifflin	20.91
Monroe	45.47
Montgomery	30.76
Montour	46.23
*Northampton	17.01
Northumberland	9.63
Perry	57.70
^Philadelphia	90.70
*Pike	9.18
Potter	16.54
*Schuylkill	18.86
Snyder	9.85
*Somerset	18.38
Sullivan	43.64
*Susquehanna	17.74
Tioga	83.79
Union	46.84
Venango	51.02
*Warren	13.89
Washington	67.41
Wayne	72.34
Westmoreland	8.88
*Wyoming	11.46
York	50.46

*Counties with a PDR of **less** than 100

^Clearfield County – PDR Adjustment 25 to 50 – Jan. 1, 2025

^Philadelphia County – Reassessment Use 100 – Jan. 1, 2025

CLR's are to be used in Appeals ONLY, not to create value.

CLR **FACTORS** are found on Revenue's website at:
https://www.revenue.pa.gov/TaxTypes/RTT/Pages/Common%20Level%20Ratios.aspx

MANHEIM BOROUGH, LANCASTER COUNTY

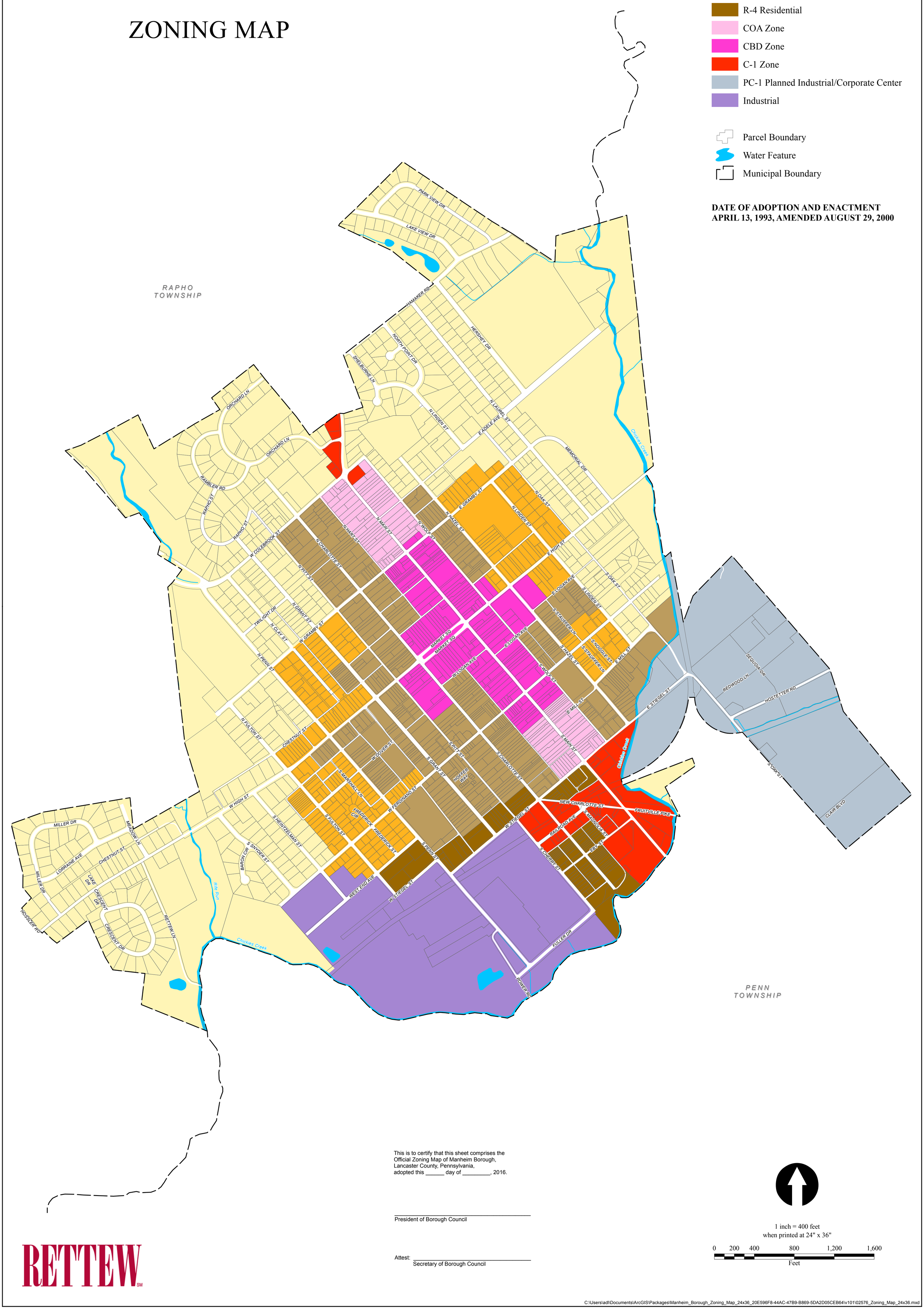
ZONING MAP

Legend

- R-1 Residential
- R-2 Residential
- R-3 Residential
- R-4 Residential
- COA Zone
- CBD Zone
- C-1 Zone
- PC-1 Planned Industrial/Corporate Center
- Industrial

- Parcel Boundary
- Water Feature
- Municipal Boundary

DATE OF ADOPTION AND ENACTMENT
APRIL 13, 1993, AMENDED AUGUST 29, 2000



This is to certify that this sheet comprises the Official Zoning Map of Manheim Borough, Lancaster County, Pennsylvania, adopted this _____ day of _____, 2016.

_____
President of Borough Council

Attest: _____
Secretary of Borough Council

1 inch = 400 feet
when printed at 24" x 36"

0 200 400 800 1,200 1,600
Feet

RETTEW SM

C:\Users\adl\Documents\ArcGIS\Packages\Manheim_Borough_Zoning_Map_24x36_20E596F8-44AC-47B9-B869-5DA2D05CEB64\v101\02576_Zoning_Map_24x36.mxd

§ 220-18. Central Business District (CBD).

A. Purpose. The purpose of this zone is to provide basic convenience commercial goods and services to local residents who live in the Borough. Uses have been limited to those that residents are likely to need on a daily or regular basis. Overall, retail size has been restricted to prevent the establishment of intensive commercial uses that exceed the local pedestrian orientation of this zone and to encourage the adaptive reuse of converted historic dwellings rather than the construction of new commercial buildings. Requirements have been imposed to preserve the "small-town" character of this area and reflect the tightly knit land use pattern that exists within the Borough. Limited exterior activities have been allowed to contribute to the vitality and diversity of this area.

B. Permitted uses.

(1) Single-family detached dwellings and duplexes, subject to the requirements listed in § 220-17 of this chapter.

(2) Public and nonprofit parks and playgrounds.

(3) Public uses and public utilities structures.

(4) Banks and similar financial institutions, excluding drive-through lanes.

(5) Medical or dental clinics.

(6) Offices.

(7) Private and commercial schools.

(8) Restaurants (but not including outdoor cafes, drive-through or fast-food restaurants, taverns nor nightclubs).

(9) Retail sale, service and/or rental of goods (except adult-related uses, as defined herein), provided the total sales and/or display area is less than 2,000 square feet per use, including:

(a) Card, stationery, magazine, book or newspaper shops.

(b) Prerecorded music, video or spoken word products.

(c) Beverage, wine and liquor stores.

(d) Sporting goods stores.

(e) Musical instrument shops, studios and schools.

(f) Tobacco and smoking accessories supplies.

(g) Domestic hardware and five-cent and ten-cent items.

(h) Photographic, video, audio and electronic components and accessories.

(i) Clothing and shoe boutiques.

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(j) Flower, balloon and gift shops.

(k) Pet stores and supplies.

(l) Jewelry, watches, clocks.

(m) Art and drafting supplies and studios.

(n) Computers, software and training facilities and other office supplies.

(o) Craft supplies, baskets, fabrics and other notions.

(p) Toy and hobby stores.

(q) Telephone, vacuum cleaner and other small domestic appliance centers.

(r) Prosthetic devices.

(s) Drugstore, perfumes, soaps, lotions, powders and similar items.

(t) Draperies, wallpaper and rug showrooms.

(u) Bed and bath supplies.

(v) Kitchenware, cookware and dinnerware.

(w) Eyeglass and hearing aid showrooms and offices.

(x) Specialty food stores and grocerettes, excluding automobile filling facilities.

(y) Religious articles and artifacts.

(z) Thrift and pawn shops.

(10) Retail services, including barber/beauty salons; tailors and shoe repair; tanning salons and fitness, dance or karate centers.

(11) Art or antique shops, museums and libraries.

(12) Delicatessens, bakers and caterers.

(13) Nursing, rest or retirement homes.

(14) No-impact home-based business. **[Added 7-12-2011 by Ord. No. 622]**[1]

(15) Bed-and-breakfasts. (See § 220-54.) **[Added 9-27-2022 by Ord. No. 678]**

C. Special exception uses. (See § 220-111C.) **[Amended 9-27-2022 by Ord. No. 678]**

(1) Boarding houses. (See § 220-55.)

(2) Dry cleaners and laundry stations (drop off and pick up only). (See § 220-62.)

(3) Funeral homes. (See § 220-64.)

---

1. Editor's Note: This ordinance also repealed original Subsection N, automobile parking compounds.

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(4) Taverns. (See § 220-79.)

(5) Private clubhouses. (See § 220-75.)

(6) Home occupations. (See § 220-68.)[2]

(7) Conversion apartments. (See § 220-60.)

(8) Outdoor cafes. (See § 220-74.)

(9) Banks and similar financial institutions with drive-through lanes. (See § 220-52.)

(10) Landscape features. (See § 200-97.)

D. Conditional uses. (Subject to the procedures presented in § 220-122 of this chapter.) **[Added 7-12-2011 by Ord. No. 622]**

(1) Retail sales, services and/or rental of goods in excess of 2,000 square feet. (See § 220-96.)

E. Minimum lot area. Unless otherwise specified, there shall be no minimum lot area requirements in this zone.

F. Number of uses permitted. Any number of the uses allowed in this zone is permitted within a building. **[Amended 7-12-2011 by Ord. No. 622]**

G. Minimum lot width: 45 feet.

H. Minimum setback requirements. No required front, side or rear yard setbacks apply, except where the use adjoins a residential zone. In such instances, all buildings and structures shall be set back at least 10 feet from the residentially zoned parcel. Similarly, off-street parking and/or loading facilities shall be set back at least five feet from any adjoining residentially zoned property and shall include screening, as defined herein.

I. Maximum permitted height: 35 feet.

J. Maximum lot coverage: 90%.

K. Outdoor storage and display. No outdoor storage is permitted; however, outdoor displays for retail merchandise shall be permitted per use in the front or side yards or sidewalk area. Outdoor displays may include tables, clothing or other display racks, bins, and sandwich signboards that meet the regulations of § 220-36 of this chapter. Outdoor displays shall be located such that there is clear sidewalk area of at least four feet in width for pedestrians to pass by. Outdoor displays shall not exceed an overall length of 15 feet nor an overall height of six feet. Outdoor displays shall only be exhibited during the use's business hours. **[Amended 7-12-2011 by Ord. No. 622]**

L. Off-street parking and loading.

(1) No off-street parking spaces are required for nonresidential uses within the CBD Zone.

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2. Editor's Note: Original Subsection G, Boardinghouses, which immediately followed this subsection, was repealed 7-12-2011 by Ord. No. 622.

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Where off-street parking is provided, however, it shall meet all applicable provisions of this subsection. Required off-street loading spaces shall be determined by § 220-34K of this chapter. Such off-street parking and loading areas shall be located behind any commercial building in the rear yard. Off-street parking and loading space areas may be provided on an integrated basis so that adjoining uses are physically interconnected and share available parking and loading spaces. Vehicular access to such areas shall be via common access drives. Cross-access easements to ensure such integration shall be required in language acceptable to the Borough's Solicitor. For the purposes of this section, the schedule of required parking spaces listed in § 220-33S and the reduction of required parking spaces provided for by § 220-33Q shall not apply. However, all other design standards shall be enforceable. **[Amended 11-12-2019 by Ord. No. 667]**

(2) In addition to the above-described off-street parking, on-street parking shall be provided where permitted as parallel or angled parking along any side of the street upon which commercial uses front.

M. [3]Driveway and access drive requirements. All driveways serving single-family dwellings and access drives serving other uses shall be in accordance with § 220-32 of this chapter.

N. Landscaping. Any portion of the site not used for buildings, structures, parking lots, loading areas, outdoor storage areas and sidewalks shall be maintained with a vegetative ground cover and other ornamental plantings. (See § 220-35.)

O. Waste products. Dumpsters may be permitted within the side or rear yard, provided such dumpsters are screened from any adjoining roads and/or properties. All dumpsters shall be set back a minimum of 10 feet from any adjoining residentially zoned properties. All waste receptacles shall be completely enclosed within a masonry or fenced enclosure equipped with a self-latching door or gate.

P. All uses permitted within this zone shall also comply with the applicable general provisions in Article III of this chapter.

Q. Commercial operations standards. All commercial operations shall be in compliance with any Commonwealth of Pennsylvania and/or federal government regulations, as required by the most recent regulations made available from these governmental bodies.

3. Editor's Note: Former Subsection M, regarding outdoor signs, was repealed 9-27-2022 by Ord. No. 678, this ordinance also renumbered former Subsections N through R as Subsections M through Q, respectively..

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