



TOWN OF DURHAM
8 NEWMARKET ROAD
DURHAM, NH 03824-2898
Tel: 603/868-8064

ABATEMENT RECOMMENDATION

DATE: April 1, 2024

TOWN OF: Durham

TO: Town Council

FROM: Jay Ferreira

OWNER: Avery Family Rev Living Trust
27 Bagdad Road
Durham, NH 03824

REPRESENTATIVE: N/A

PROPERTY LOCATION: 27 Bagdad Road, Durham, NH 03824

PID: 152

PROPERTY TAX YEAR(S) APPEALED: 2023

APPLICATION FILING DATE: February 23, 2024

INVENTORY FILING DATE (Filing Date April 15th): *N/A*

ASSESSMENT APPEALED: \$640,800

Municipalities may abate taxes "for good cause shown." RSA 76:16. Good cause is generally established by showing an error in the assessment calculation or a disproportionate assessment. Good cause can also be established by showing poverty and inability to pay the tax. If the abatement application is based on disproportionate assessment, the taxpayer has the burden to show how the assessment was disproportionate. To carry this burden the taxpayer must show:

- a. What the property was worth (market value) on the assessment date.
- b. The property's "equalized assessment" exceeded the property's market value. To calculate the equalized assessment, simply divide the assessment by the municipality's equalization ratio (assessment/ratio). Because a property's market value is a crucial issue, **taxpayers must have an opinion of the market value estimate. Obtaining an appraisal or presenting sales of comparable properties can show this value estimate.**



REASON FOR APPEAL: The owners have applied for an abatement of their 2023 property, due their belief that the assessment is higher than similar properties.

ASSESSORS COMMENTS: The subject property is comprised of 24,394 sf of land located in the faculty (85) neighborhood. The house is a Colonial with a gambrel roof built in 1927 with a two-bed accessory dwelling on the second floor. There is a two-story separate entry way to provide access to the apartment. The structure has a one car attached garage. There are two sheds and a generator. At one time Mrs. Avery had a home business and there was a parking lot in rear to accommodate that.

During my interior inspection with the owner on 2/27/2024 I remeasured the property. I noticed a (12x13) section of the sketch that was mislabeled as one-story, it is a two-story section. The main house, the kitchen and baths are 20 years old. The roof is 30 years old; the siding is over 50 years old. The house does have newer vinyl replacement windows. The second-floor apartment, the kitchen and bath are also twenty years old. Because of the age of the components in the house the depreciation needs to be changed from very good condition to good condition.

RECOMMENDATION: I recommend adjusting for these discrepancies, which reduces the overall assessment from \$640,800 to \$629,300 and granting an abatement for the assessed value difference of \$11,500. This calculates to an abatement of **\$240.16** including interest (interest is calculated to a repayment date of 5/1/24 and subject to change per tax collector). If the taxes have not been paid, then no refund or interest is due.

FOR MUNICIPALITY USE ONLY:

Town File No.: _____

Taxpayer Name: _____

TAXPAYER'S RSA 76:16 ABATEMENT APPLICATION TO MUNICIPALITY

SECTION A. Party(ies) Applying (Owner(s)/Taxpayer(s))

Name(s): VINCENT + ANNE AVERY / AVERY FAMILY REV LIVING TRUST

Mailing Address: 27 BAGDAD RD DURHAM, NH 03824

Telephone Nos.: (Home) _____ (Cell) 918-886-3351 (Work) _____ (Email) bedejohn@comcast.net

Note: If an abatement is granted and taxes have been paid, interest on the abatement shall be paid in accordance with RSA 76:17-a. Any interest paid to the applicant must be reported by the municipality to the United States Internal Revenue Service, in accordance with federal law. Prior to the payment of an abatement with interest, the taxpayer shall provide the municipality with the applicant's social security number or federal tax identification number. Municipalities shall treat the social security or federal tax identification information as confidential and exempt from a public information request under RSA 91-A.

SECTION B. Party's(ies)' Representative if other than Person(s) Applying (Also Complete Section A)

Name(s): _____

Mailing Address: _____

Telephone Nos.: (Home) _____ (Cell) _____ (Work) _____ (Email) _____

SECTION C. Property(ies) for which Abatement is Sought

List the tax map and lot number, the actual street address and town of each property for which abatement is sought, a brief description of the parcel, and the assessment.

<u>Town Parcel ID#</u>	<u>Street Address/Town</u>	<u>Description</u>	<u>Assessment</u>
<u>104-13-0-0-0</u>	<u>27 BAGDAD</u>	<u>COLONIAL</u>	<u>640,800</u>

TAXPAYER'S RSA 76:16 ABATEMENT APPLICATION TO MUNICIPALITY

TAX YEAR APPEALED 2023

INSTRUCTIONS

1. Complete the application by typing or printing legibly in ink. **This application does not stay the collection of taxes; taxes should be paid as assessed. If an abatement is granted, a refund with interest will be made.**
2. File this application with the municipality by the deadline (see below). Date of filing is the date this form is either hand delivered to the municipality, postmarked by the post office, or receipted by an overnight delivery service.

DEADLINES: The "notice of tax" means the date the board of tax and land appeals (BTLA) determines the last tax bill was sent by the municipality. (If your municipality bills twice annually, you must apply after the bill that establishes your final tax liability and not before.)

Step One: Taxpayer must file the abatement application with the municipality by March 1 following the notice of tax.
Step Two: Municipality has until July 1 following the notice of tax to grant or deny the abatement application.
Step Three: Taxpayer may file an appeal either at the BTLA (RSA 76:16-a) or in the superior court (RSA 76:17), but not both. An appeal must be filed:

- 1) no earlier than: a) after receiving the municipality's decision on the abatement application; or b) July 1 following the notice of tax if the municipality has not responded to the abatement application; and
- 2) no later than September 1 following the notice of tax.

EXCEPTION: If your municipality's final tax bill was sent out after December 31 (as determined by the BTLA), the above deadlines are modified as follows (RSA 76:1-a; RSA 76:16-d, II):

Step One: 2 months after notice of tax;
Step Two: 6 months after notice of tax; and
Step Three: 8 months after notice of tax.

FORM COMPLETION GUIDELINES:

1. **SECTION E.** Municipalities may abate taxes "for good cause shown." RSA 76:16. Good cause is generally established by showing an error in the assessment calculation or a disproportionate assessment. Good cause can also be established by showing poverty and inability to pay the tax.
2. **SECTION G.** If the abatement application is based on disproportionate assessment, the taxpayer has the burden to show how the assessment was disproportionate. To carry this burden the taxpayer must show: a) what the property was worth (market value) on the assessment date; and b) the property's "equalized assessment" exceeded the property's market value. To calculate the equalized assessment, simply divide the assessment by the municipality's equalization ratio (assessment ÷ ratio). Because a property's market value is a crucial issue, taxpayers must have an opinion of the market value estimate. This value estimate can be shown by obtaining an appraisal or presenting sales of comparable properties.
3. **SECTION H.** The applicant(s) must sign the application even if a representative (e.g. Tax Representative, Attorney, or other Advocate) completes Section I.
4. Make a copy of this document for your own records.

SECTION D. Other Property(ies)

List other property(ies) in the municipality owned in the same name(s), even if abatements for the other property(ies) have not been sought. The taxpayer's entire real property estate must be considered in determining whether the appealed property(ies) is (are) disproportionately assessed.

<u>Town Parcel ID#</u>	<u>Street Address/Town</u>	<u>Description</u>	<u>Assessment</u>

SECTION E. Reasons for Abatement Application

RSA 76:16 provides that an abatement may be granted for "good cause shown." "Good cause" generally means:
1) establishing an assessment is disproportionate to market value and the municipality's level of assessment; or
2) establishing poverty and inability to pay the tax. This form can be utilized for either basis of requesting an abatement. The taxpayer has the burden to prove good cause for an abatement.

- 1) If claiming disproportionality, state with specificity all the reasons supporting your application. Statements such as "taxes too high," "disproportionately assessed" or "assessment exceeds market value" are insufficient. Generally, specificity requires the taxpayer to present material on the following (all may not apply):
 1. physical data – incorrect description or measurement of property;
 2. market data – the property's market value on the April 1 assessment date, supported by comparable sales or a professional opinion of value; and/or
 3. level of assessment – the property's assessment is disproportionate by comparing the property's market value and the town-wide level of assessment.

Note: If you have an appraisal or other documentation, please submit it with this application.

- 2) If claiming poverty or inability to pay, state in detail why abatement of taxes is appropriate as opposed to some other relief such as relocating, refinancing or obtaining some alternative public assistance.
Ansara v. City of Nashua, 118 N.H. 879 (1978).

(Attach additional sheets if needed.)

Our concern is in relation to the level of
assessment which we believe to be
disproportionate.

SECTION F. Taxpayer's(s') Opinion of Market Value

State your opinion of the market value of the property(ies) appealed as of April 1 of the year under appeal.

Town Parcel ID# 104-13-0-0 Appeal Year Market Value \$ 500,000

Town Parcel ID# _____ Appeal Year Market Value \$ _____

Explain the basis for your value opinion(s). (Attach additional sheets if necessary.)

SECTION G. Sales, Rental and/or Assessment Comparisons

List the properties you are relying upon to show overassessment of your property(ies). If you are appealing an income producing property, list the comparable rental properties and their rents.
(Attach additional sheets if needed.)

Town Parcel ID#	Street Address	Sale Price/Date of Sale	Rents	Assessment
209-25-0-0-0	65 BAGDAD	02/12/24		495,000
104-33-0-0-0	13 Littlehale	12/22/23		475,100
105-93-0-0-0	10 Woodside	07/06/23		532,900
105-57-0-0-0	103 Madbury	7/6/21		462,400

SECTION H. Certification by Party(ies) Applying

Pursuant to BTLA Tax 203.02(d), the applicant(s) **MUST** sign the application. By signing below, the Party(ies) applying certifies (certify) and swear(s) under the penalties of RSA 641:3 the application has a good faith basis and the facts stated are true to the best of my/our knowledge.

Date: Feb 22, 2024

Vincent B. Avery
(Signature)

VINCENT BJ AVERY
(Print Name)

ACCA 2/23/24
(Signature)

ANNE C. AVERY
(Print Name)

SECTION I. Certification and Appearance by Representative (If Other Than Party(ies) Applying)

By signing below, the representative of the Party(ies) applying certifies and swears under penalties of RSA 641:3:

1. all certifications in Section H are true;
2. the Party(ies) applying has (have) authorized this representation and has (have) signed this application;
and
3. a copy of this form was sent to the Party(ies) applying.

Date: _____
(Representative's Signature) (Print Name)

SECTION J. Disposition of Application* (For Use by Selectmen/Assessor)

*RSA 76:16, II states: the municipality "shall review the application and shall grant or deny the application in writing by July 1 after notice of tax date"

Abatement Request: GRANTED _____ Revised Assessment: \$ _____ DENIED _____

Remarks:

Date: _____

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

27 BAGDAD ROAD

Location

27 BAGDAD ROAD

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104/ / 13/0 0/0

Owner

AVERY FAMILY REV LIVING TRUST

Assessment

\$640,800

Appraisal

\$640,800

PID

152

Building Count

1

Location

Current Value

Appraisal			
Valuation Year	Improvements	Land	Total
2023	\$367,000	\$273,800	\$640,800
Assessment			
Valuation Year	Improvements	Land	Total
2023	\$367,000	\$273,800	\$640,800

Parcel Addresses

Additional Addresses	
No Additional Addresses available for this parcel	

Owner of Record

Owner

AVERY FAMILY REV LIVING TRUST

Sale Price

\$0

Co-Owner

Certificate

Address

27 BAGDAD ROAD

Book & Page

3409/0898

DURHAM, NH 03824

Sale Date

07/27/2006

Instrument

Ownership History

Ownership History					
Owner	Sale Price	Certificate	Book & Page	Instrument	Sale Date
AVERY FAMILY REV LIVING TRUST	\$0		3409/0898		07/27/2006
AVERY, VINCENT B J & ANNE C	\$132,440		1344/0060		09/01/1987

Building Information

Building 1 : Section 1

Deeded Acres 0.56

Land

Land Use		Land Line Valuation	
Use Code	1011	Size (Acres)	0.56
Description	SFR AC APT	Frontage	0
Zone	RA	Depth	0
Neighborhood	85	Assessed Value	\$273,800
Alt Land Appr Category	No	Appraised Value	\$273,800

Outbuildings

Outbuildings					Legend
Code	Description	Sub Code	Sub Description	Size	Assessed Value
RD3	RES DRIVEWAY LG			1.00 UNITS	\$4,500
SHD1	SHED FRAME			96.00 S.F.	\$1,000
SHD1	SHED FRAME			96.00 S.F.	\$1,000
GENW	GEN-WHOLE HSE			10.00 KW	\$4,000

Valuation History

Appraisal			
Valuation Year	Improvements	Land	Total
2022	\$204,400	\$111,500	\$315,900
2021	\$204,400	\$111,400	\$315,800
2020	\$204,400	\$111,400	\$315,800

Assessment			
Valuation Year	Improvements	Land	Total
2022	\$204,400	\$111,500	\$315,900
2021	\$204,400	\$111,400	\$315,800
2020	\$204,400	\$111,400	\$315,800

65 BAGDAD ROAD

Location

65 BAGDAD ROAD

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209/ / 25/0 0/0

Owner

WELLS FAMILY IRREV TRUST

Assessment

\$495,100

Appraisal

\$495,100

PID

1024

Building Count

1

Location

Current Value

Appraisal			
Valuation Year	Improvements	Land	Total
2023	\$314,600	\$180,500	\$495,100
Assessment			
Valuation Year	Improvements	Land	Total
2023	\$314,600	\$180,500	\$495,100

Parcel Addresses

Additional Addresses
No Additional Addresses available for this parcel

Owner of Record

Owner

WELLS FAMILY IRREV TRUST

Sale Price

\$0

Co-Owner

Certificate

Address

65 BAGDAD ROAD
DURHAM, NH 03824

Book & Page

4376/0837

Sale Date

04/28/2016

Instrument

Ownership History

Ownership History					
Owner	Sale Price	Certificate	Book & Page	Instrument	Sale Date
WELLS FAMILY IRREV TRUST	\$0		4376/0837		04/28/2016
WELLS, OTHO S	\$0		4376/0833		04/28/2016
WELLS FAMILY REV. LIV. TRUST	\$0		2098/0031	1A	04/16/1999
WELLS OTHO &	\$0		/0		

Building Information

Building 1 : Section 1

Living Area: 2,364
 Replacement Cost: \$382,758
 Building Percent Good: 80
 Replacement Cost
 Less Depreciation: \$306,200

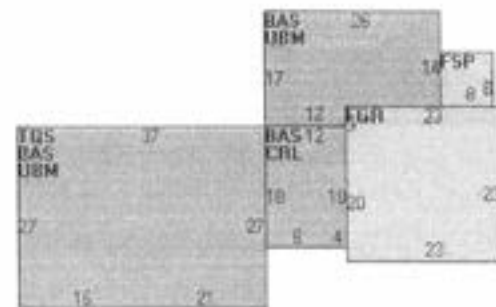
Building Attributes	
Field	Description
Style:	Cape Cod
Model	Residential
Grade:	Average
Stories:	1 3/4 Stories
Occupancy	1
Exterior Wall 1	Vinyl Siding
Exterior Wall 2	
Roof Structure:	Gable/Hip
Roof Cover	Asph/F Gls/Cmp
Interior Wall 1	Drywall/Sheet
Interior Wall 2	
Interior Flr 1	Vinyl/Asphalt
Interior Flr 2	
Heat Fuel	Oil
Heat Type:	Hot Water
AC Type:	None
Total Bedrooms:	4 Bedrooms
Total Bthrms:	2
Total Half Baths:	1
Total Xtra Fixtrs:	
Total Rooms:	8 Rooms
Bath Style:	
Kitchen Style:	
Num Kitchens	01
Cndtn	
Num Park	
Fireplaces	
Fndtn Cndtn	
Basement	

Building Photo



(<https://images.vgsi.com/photos/DurhamNHPhotos/default.jpg>)

Building Layout



(https://images.vgsi.com/photos/DurhamNHPhotos/Sketches/1024_1024.jpg)

Building Sub-Areas (sq ft)			Legend
Code	Description	Gross Area	Living Area
BAS	First Floor	1,615	1,615
TQS	Three Quarter Story	999	749
CRL	Crawl	216	0
FGR	Garage, Framed	529	0
FSP	Porch, Screen Framed	64	0
UBM	Basement, Unfinished	1,399	0
		4,822	2,364

Extra Features

Extra Features			Legend
Code	Description	Size	Assessed Value
FPL2	1.5 STORY CHIM	1.00 UNITS	\$2,700

Parcel Information

Deeded Acres 1.6

Land

Land Use

Use Code 1010
Description Single Fam MDL-01
Zone RA
Neighborhood 60
Alt Land Appr No
Category

Land Line Valuation

Size (Acres) 1.6
Frontage 0
Depth 0
Assessed Value \$180,500
Appraised Value \$180,500

Outbuildings

Outbuildings					Legend
Code	Description	Sub Code	Sub Description	Size	Assessed Value
RD2	RES DRIVEWAY MED			1.00 UNITS	\$1,300
GENW	GEN-WHOLE HSE			11.00 KW	\$4,400

Valuation History

Appraisal			
Valuation Year	Improvements	Land	Total
2022	\$203,200	\$122,000	\$325,200
2021	\$203,200	\$121,000	\$324,200
2020	\$203,200	\$121,000	\$324,200

Assessment			
Valuation Year	Improvements	Land	Total
2022	\$203,200	\$122,000	\$325,200
2021	\$203,200	\$121,000	\$324,200
2020	\$203,200	\$121,000	\$324,200

13 LITTLEHALE ROAD

Location 13 LITTLEHALE ROAD

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Owner MAKKENA, SRINIVAS

Assessment \$475,100

Appraisal \$475,100

PID 1084

Building Count 1

Location

Current Value

Appraisal			
Valuation Year	Improvements	Land	Total
2023	\$276,800	\$198,300	\$475,100
Assessment			
Valuation Year	Improvements	Land	Total
2023	\$276,800	\$198,300	\$475,100

Parcel Addresses

Additional Addresses
No Additional Addresses available for this parcel

Owner of Record

Owner MAKKENA, SRINIVAS
Co-Owner PULAMALA, SWARNALATHA
Address 13 LITTLEHALE ROAD
DURHAM, NH 03824

Sale Price \$315,000
Certificate
Book & Page 4617/0038
Sale Date 11/16/2018
Instrument UNKQ

Ownership History

Ownership History					
Owner	Sale Price	Certificate	Book & Page	Instrument	Sale Date
MAKKENA, SRINIVAS	\$315,000		4617/0038	UNKQ	11/16/2018
QUINT, TIMOTHY	\$0		1002/0578		08/29/1977

Building Information

Building 1 : Section 1

Year Built: 1977

Building Percent Good: 82
Replacement Cost
Less Depreciation: \$274,200

Building Attributes	
Field	Description
Style:	Raised Ranch
Model	Residential
Grade:	Average
Stories:	1 Story
Occupancy	1
Exterior Wall 1	Pre-Fab Wood
Exterior Wall 2	
Roof Structure:	Gable/Hip
Roof Cover	Standing Seem
Interior Wall 1	Drywall/Sheet
Interior Wall 2	
Interior Flr 1	Hardwood
Interior Flr 2	Laminate
Heat Fuel	Gas
Heat Type:	Hot Water
AC Type:	Central
Total Bedrooms:	4 Bedrooms
Total Bthrms:	2
Total Half Baths:	0
Total Xtra Fixtrs:	
Total Rooms:	7 Rooms
Bath Style:	
Kitchen Style:	
Num Kitchens	01
Cndtn	
Num Park	
Fireplaces	
Fndtn Cndtn	
Basement	

Building Photo



([https://images.vgsi.com/photos/DurhamNHPhotos/10005/IMG_0316\[1\]_5f](https://images.vgsi.com/photos/DurhamNHPhotos/10005/IMG_0316[1]_5f))

Building Layout



(https://images.vgsi.com/photos/DurhamNHPhotos/Sketches/1084_1084.j)

Building Sub-Areas (sq ft)			Legend
Code	Description	Gross Area	Living Area
BAS	First Floor	1,266	1,266
CRL	Crawl	192	0
CTH	Cathedral Ceiling	192	0
SFB	Raised Basement, Finished	1,060	0
WDK	Deck, Wood	120	0
		2,830	1,266

Extra Features

Extra Features	Legend
No Data for Extra Features	

Parcel Information

Use Code 1010
Description Single Fam MDI -01

Land

Land Use		Land Line Valuation	
Use Code	1010	Size (Acres)	0.58
Description	Single Fam MDL-01	Frontage	0
Zone	RA	Depth	0
Neighborhood	70	Assessed Value	\$198,300
Alt Land Appr	No	Appraised Value	\$198,300
Category			

Outbuildings

Outbuildings					Legend
Code	Description	Sub Code	Sub Description	Size	Assessed Value
RD2	RES DRIVEWAY MED			1.00 UNITS	\$1,300
SHD1	SHED FRAME			160.00 S.F.	\$800
PAT1	PATIO-AVG			96.00 S.F.	\$500

Valuation History

Appraisal			
Valuation Year	Improvements	Land	Total
2022	\$177,300	\$111,900	\$289,200
2021	\$177,300	\$111,800	\$289,100
2020	\$177,300	\$111,800	\$289,100

Assessment			
Valuation Year	Improvements	Land	Total
2022	\$177,300	\$111,900	\$289,200
2021	\$177,300	\$111,800	\$289,100
2020	\$177,300	\$111,800	\$289,100

10 WOODSIDE DRIVE

Location

10 WOODSIDE DRIVE

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105/ / 93/0 0/0

Owner

SHRESTHA, SUJATA

Assessment

\$532,900

Appraisal

\$532,900

PID

225

Building Count

1

Location

Current Value

Appraisal			
Valuation Year	Improvements	Land	Total
2023	\$346,600	\$186,300	\$532,900

Assessment			
Valuation Year	Improvements	Land	Total
2023	\$346,600	\$186,300	\$532,900

Parcel Addresses

Additional Addresses
No Additional Addresses available for this parcel

Owner of Record

Owner

SHRESTHA, SUJATA

Sale Price

\$775,000

Co-Owner

SHRESTHA, SUVASH

Certificate

Address

10 WOODSIDE DRIVE

Book & Page

5123/626

DURHAM, NH 03824

Sale Date

07/10/2023

Instrument

00

Ownership History

Ownership History					
Owner	Sale Price	Certificate	Book & Page	Instrument	Sale Date
SHRESTHA, SUJATA	\$775,000		5123/626	00	07/10/2023
10 WOODSIDE LLC	\$379,933		4739/0699	UNKQ	03/06/2020
REED, LESLEY J	\$381,000		4574/0168	UNKQ	06/08/2018
COTE, MARK D	\$335,000		4262/0662	UNKQ	12/12/2014
LONG, JAMES A	\$0		/0		

Building Information

Building 1 : Section 1

Year Built: 1952
Living Area: 2,392
Replacement Cost: \$422,826
Building Percent Good: 80
Replacement Cost Less Depreciation: \$338,300

Building Attributes	
Field	Description
Style:	Colonial
Model:	Residential
Grade:	Average +10
Stories:	2 Stories
Occupancy:	1
Exterior Wall 1:	Clapboard
Exterior Wall 2:	
Roof Structure:	Gable/Hip
Roof Cover:	Asph/F Gls/Cmp
Interior Wall 1:	Plastered
Interior Wall 2:	Drywall/Sheet
Interior Fir 1:	Hardwood
Interior Fir 2:	Carpet
Heat Fuel:	Oil
Heat Type:	Hot Water
AC Type:	None
Total Bedrooms:	3 Bedrooms
Total Bthrms:	2
Total Half Baths:	1
Total Xtra Fixtrs:	
Total Rooms:	9 Rooms
Bath Style:	
Kitchen Style:	
Num Kitchens:	01
Cndtn:	
Num Park:	
Fireplaces:	
Fndtn Cndtn:	
Basement:	

Building Photo



(https://images.vgsi.com/photos/DurhamNHPhotos/00074955797_7126.jpg)

Building Layout



(https://images.vgsi.com/photos/DurhamNHPhotos/Sketches/225_225.jpg)

Building Sub-Areas (sq ft)			Legend	
Code	Description	Gross Area	Living Area	
BAS	First Floor	1,576	1,576	
FUS	Upper Story, Finished	720	720	
FAT	Attic, Finished	480	96	
CTH	Cathedral Ceiling	240	0	
UAT	Attic, Unfinished	240	0	
UBM	Basement, Unfinished	720	0	
UST	Utility, Storage, Unfinished	48	0	
WDK	Deck, Wood	244	0	
		4,268	2,392	

Extra Features

Extra Features				Legend
Code	Description	Size	Assessed Value	

Parcel Information

Use Code 1011
Description SFR AC APT
Deeded Acres 0.34

Land

Land Use

Use Code 1011
Description SFR AC APT
Zone RA
Neighborhood 70
Alt Land Appr No
Category

Land Line Valuation

Size (Acres) 0.34
Frontage 0
Depth 0
Assessed Value \$186,300
Appraised Value \$186,300

Outbuildings

Outbuildings					Legend
Code	Description	Sub Code	Sub Description	Size	Assessed Value
SHD1	SHED FRAME			108.00 S.F.	\$1,100
RD1	RES DRIVEWAY SM			1.00 UNITS	\$800
SHD1	SHED FRAME			160.00 S.F.	\$2,400

Valuation History

Appraisal				
Valuation Year	Improvements	Land	Total	
2022	\$238,700	\$124,200	\$362,900	
2021	\$238,700	\$124,400	\$363,100	
2020	\$238,700	\$124,400	\$363,100	

Assessment				
Valuation Year	Improvements	Land	Total	
2022	\$238,700	\$124,200	\$362,900	
2021	\$238,700	\$124,400	\$363,100	
2020	\$238,700	\$124,400	\$363,100	

103 MADBURY ROAD

Location 103 MADBURY ROAD

Mblu 105/ / 57/0 0/0

Owner LONG REV LIVING TRUST,
JAMES A & ANNE B

Assessment \$462,400

Appraisal \$462,400

PID 31

Building Count 1

Location

Current Value

Appraisal			
Valuation Year	Improvements	Land	Total
2023	\$293,200	\$169,200	\$462,400
Assessment			
Valuation Year	Improvements	Land	Total
2023	\$293,200	\$169,200	\$462,400

Parcel Addresses

Additional Addresses
No Additional Addresses available for this parcel

Owner of Record

Owner LONG REV LIVING TRUST, JAMES A & ANNE B
Co-Owner
Address 103 MADBURY ROAD
DURHAM, NH 03824

Sale Price \$470,000
Certificate
Book & Page 4932/0046
Sale Date 07/19/2021
Instrument 00

Ownership History

Ownership History					
Owner	Sale Price	Certificate	Book & Page	Instrument	Sale Date
LONG REV LIVING TRUST, JAMES A & ANNE B	\$470,000		4932/0046	00	07/19/2021
MOORE FAMILY REV TRUST, NICOLE	\$0		4595/0291		08/27/2015
MOORE, NICOLE	\$220,000		4267/0065	UNKQ	01/05/2015
FLYNN SR, PETER R & LAURA S	\$175,000		1990/0548		03/20/1998

Building Information

Parcel Information

Use Code 1010
Description Single Fam MDL-01
Deeded Acres 0.64

Land

Land Use

Use Code 1010
Description Single Fam MDL-01
Zone RA
Neighborhood 60
Alt Land Appr No
Category

Land Line Valuation

Size (Acres) 0.64
Frontage 0
Depth 0
Assessed Value \$169,200
Appraised Value \$169,200

Outbuildings

Outbuildings					Legend
Code	Description	Sub Code	Sub Description	Size	Assessed Value
SHD1	SHED FRAME			130.00 S.F.	\$1,300
RD2	RES DRIVEWAY MED			1.00 UNITS	\$1,300

Valuation History

Appraisal			
Valuation Year	Improvements	Land	Total
2022	\$183,000	\$112,800	\$295,800
2021	\$183,000	\$113,200	\$296,200
2020	\$183,000	\$113,200	\$296,200

Assessment			
Valuation Year	Improvements	Land	Total
2022	\$183,000	\$112,800	\$295,800
2021	\$183,000	\$113,200	\$296,200
2020	\$183,000	\$113,200	\$296,200

Town of Durham, NH				
Property Tax Bill Calculation				
Owner	Avery Family			
PID	104-13			
Address	27 Bagdad Rd			
WHAT WAS TAXED				
Total Assessed Value	317,900	640,800		
Exemption (solar,)	-	-		
Value Tax Applied To:	317,900.00	640,800.00		
Credit (veterans,)	-	-		
Tax Bill#:	109821	111131		
PropTax Issue 1 st or 2 nd	1	2		
Due Date:	7/3/2023	12/18/2023		
Paid Date:	5/31/2023	11/22/2023		
Tax Rate Applied:				
Town	4.070	5.750		
County	1.410	1.760		
Local School	8.280	11.580		
State School	0.765	1.390		
Total Rate	14.525	20.480		
tax will be roughly	4,617.50	13,123.58		
Resulting in Taxes of:				
Town	1,294.00	3,685.00		
County	448.00	1,128.00		
Local School	2,632.00	7,420.00		
State School	243.00	891.00		
Tax Calculated	4,617.00	13,124.00		
Less Credit & 1st Bill				
is the Amount Billed:	4,617.00	8,507.00		
WHAT SHOULD HAVE BEEN TAXED				
Total Assessed Value	317,900	629,300		
Exemption (solar,)	-	-		
Value Tax Applied To:	317,900.00	629,300.00		
Credit (veterans,)	-	-		
Tax Bill#:	109821	111131		
PropTax Issue 1 st or 2 nd	1	2		
Due Date:	7/3/2023	12/18/2023		
Paid Date:	5/31/2023	11/22/2023		
Tax Rate Applied:				
Town	4.070	5.750		
County	1.410	1.760		
Local School	8.280	11.580		
State School	0.765	1.390		
Total Rate	14.525	20.480		
tax will be roughly	4,617.50	12,888.06		
Resulting in Taxes of:				
Town	1,294.00	3,618.00		
County	448.00	1,108.00		
Local School	2,632.00	7,287.00		
State School	243.00	875.00		
Tax Calculated	4,617.00	12,888.00		
Less Credit & 1st Bill				
is the Amount Billed:	4,617.00	8,271.00		
WHAT SHOULD BE ABATED				
Difference in Billed-SHB = Abate	-	236.00	236.00	= To Be Abated
RSA 76:17-a Rate of Interest Pybl	4.00%	4.00%		
Enter Date Town will Payback	5/1/2024	5/1/2024		
Number of Days of Interest =	336	161		
Interest Payable	-	4.16	4.16	= Interest Owed
Less Previously Abated Amount of				
Total To Be Abated	-	240.16	240.16	



*TOWN OF DURHAM
8 NEWMARKET ROAD
DURHAM, NH 03824-2898
Tel: 603/868-8064*

ABATEMENT RECOMMENDATION

DATE: April 1, 2024

TOWN OF: Durham

TO: Town Council

FROM: Jay Ferreira

OWNER: Jeffrey D. Berlin
c/o Berlin Properties NE
277 Main Street Office
Durham, NH 03824

REPRESENTATIVE: N/A

PROPERTY LOCATION: 81 Piscataqua Road, Durham, NH 03824

PID: 209-46

PROPERTY TAX YEAR(S) APPEALED: 2023

APPLICATION FILING DATE: February 7, 2024

INVENTORY FILING DATE (Filing Date April 15th): N/A

ASSESSMENT APPEALED: \$495,600

Municipalities may abate taxes “for good cause shown.” RSA 76:16. Good cause is generally established by showing an error in the assessment calculation or a disproportionate assessment. Good cause can also be established by showing poverty and inability to pay the tax. If the abatement application is based on disproportionate assessment, the taxpayer has the burden to show how the assessment was disproportionate. To carry this burden the taxpayer must show:

- a. What the property was worth (market value) on the assessment date.
- b. The property’s “equalized assessment” exceeded the property’s market value. To calculate the equalized assessment, simply divide the assessment by the municipality’s equalization ratio (assessment ÷ ratio). Because a property’s market value is a crucial issue, **taxpayers must have an opinion of the market value estimate. Obtaining an appraisal or presenting sales of comparable properties can show this value estimate.**



REASON FOR APPEAL: The owner has applied for an abatement of his 2023 property taxes because due to the location of the property, close proximity to Route 4, distance to downtown Durham and UNH, and the overall condition of the property (which is currently under extensive renovations), the rent received on a per/bed is less than other student housing properties.

ASSESSORS COMMENTS: The subject property is a legal, non-conforming duplex sited on 3.9 acres of land on Piscataqua Road. The owner leases the building to six (6) students, one person/bedroom. As of 4/1/2023, the property was fully occupied. However, as of this writing the entire building had to be raised and a new foundation poured to replace the old concrete block foundation. Also, the entire interior and exterior has been gutted due to the poor condition of the building. This explains why the owner was not able to obtain decent rent for these units.

RECOMMENDATION: After inspecting the exterior of the property and discussing the on-going renovations with Audrey Cline, Durham's building inspector, I recommend adjusting the assessment for the overall condition which reduces the overall assessment from \$495,600 to \$392,900 and granting an abatement for the assessed value difference of \$102,700. This calculates to an abatement of **\$2,135.50** including interest (interest is calculated to a repayment date of 5/1/24 and subject to change per tax collector). If the taxes have not been paid, then no refund or interest is due.

TAXPAYER'S RSA 76:16 ABATEMENT APPLICATION TO MUNICIPALITY

TAX YEAR APPEALED **2023**

INSTRUCTIONS

1. Complete the application by typing or printing legibly in ink. **This application does not stay the collection of taxes; taxes should be paid as assessed. If an abatement is granted, a refund with interest will be made.**
2. File this application with the municipality by the deadline (see below). Date of filing is the date this form is either hand delivered to the municipality, postmarked by the post office, or receipted by an overnight delivery service.

DEADLINES: The "notice of tax" means the date the board of tax and land appeals (BTLA) determines the last tax bill was sent by the municipality. (If your municipality bills twice annually, you must apply after the bill that establishes your final tax liability and not before.)

Step One: Taxpayer must file the abatement application with the municipality by March 1 following the notice of tax.

Step Two: Municipality has until July 1 following the notice of tax to grant or deny the abatement application.

Step Three: Taxpayer may file an appeal either at the BTLA (RSA 76:16-a) or in the superior court (RSA 76:17), but not both. An appeal must be filed:

- 1) no earlier than: a) after receiving the municipality's decision on the abatement application; or b) July 1 following the notice of tax if the municipality has not responded to the abatement application; and
- 2) no later than September 1 following the notice of tax.

EXCEPTION: If your municipality's final tax bill was sent out after December 31 (as determined by the BTLA), the above deadlines are modified as follows (RSA 76:1-a; RSA 76:16-d, II):

Step One: 2 months after notice of tax;

Step Two: 6 months after notice of tax; and

Step Three: 8 months after notice of tax.

FORM COMPLETION GUIDELINES:

1. **SECTION E.** Municipalities may abate taxes "for good cause shown." RSA 76:16. Good cause is generally established by showing an error in the assessment calculation or a disproportionate assessment. Good cause can also be established by showing poverty and inability to pay the tax.
2. **SECTION G.** If the abatement application is based on disproportionate assessment, the taxpayer has the burden to show how the assessment was disproportionate. To carry this burden the taxpayer must show: a) what the property was worth (market value) on the assessment date; and b) the property's "equalized assessment" exceeded the property's market value. To calculate the equalized assessment, simply divide the assessment by the municipality's equalization ratio (assessment ÷ ratio). Because a property's market value is a crucial issue, taxpayers must have an opinion of the market value estimate. This value estimate can be shown by obtaining an appraisal or presenting sales of comparable properties.
3. **SECTION H.** The applicant(s) must sign the application even if a representative (e.g. Tax Representative, Attorney, or other Advocate) completes Section I.
4. Make a copy of this document for your own records.

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Town of Durham

FEB 07 2024

Planning, Zoning
and Assessing

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Town of Durham

FEB 07 2024

Planning, Zoning
and Assessing

FOR MUNICIPALITY USE ONLY:

Town File No.: _____

Taxpayer Name: _____

RSA 76:16 ABATEMENT APPLICATION TO MUNICIPALITY

SECTION A. Party(ies) Applying (Owner(s)/Taxpayer(s))

Name(s): Jeffrey Daniel Berlin

Mailing Address: 277 Main Street

Telephone Number(s): (Work) 6039534014 (Home) 6039534014

Note: If an abatement is granted and taxes have been paid, interest on the abatement shall be paid in accordance with RSA 76:17-a. Any interest paid to the applicant must be reported by the municipality to the United States Internal Revenue Service, in accordance with federal law. Prior to the payment of an abatement with interest, the taxpayer shall provide the municipality with the applicant's social security number or federal tax identification number. Municipalities shall treat the social security or federal tax identification information as confidential and exempt from a public information request under RSA 91-A.

SECTION B. Party's(ies)' Representative if other than Person(s) Applying (Also Complete Section A)

Name(s): _____

Mailing Address: _____

Telephone Number(s): (Work) _____ (Home) _____

SECTION C. Property(ies) for which Abatement is Sought

List the tax map and lot number, the actual street address and town of each property for which abatement is sought, a brief description of the parcel, and the assessment.

<u>Town Parcel ID#</u>	<u>Street Address/Town</u>	<u>Description</u>	<u>Assessment</u>
1161	81 Piscataqua Rd	Duplex	\$495,600
209-46			

SECTION D. Other Property(ies)

List other property(ies) in the municipality owned in the same name(s), even if abatements for the other property(ies) have not been sought. The taxpayer's entire real property estate must be considered in determining whether the appealed property(ies) is (are) disproportionately assessed.

<u>Town Parcel ID#</u>	<u>Street Address/Town</u>	<u>Description</u>	<u>Assessment</u>

SECTION E. Reasons for Abatement Application

RSA 76:16 provides that an abatement may be granted for "good cause shown." "Good cause" generally means:
1) establishing an assessment is disproportionate to market value and the municipality's level of assessment; or
2) establishing poverty and inability to pay the tax. This form can be utilized for either basis of requesting an abatement. The taxpayer has the burden to prove good cause for an abatement.

- 1) If claiming disproportionality, state with specificity all the reasons supporting your application. Statements such as "taxes too high," "disproportionately assessed" or "assessment exceeds market value" are insufficient. Generally, specificity requires the taxpayer to present material on the following (all may not apply):

1. physical data – incorrect description or measurement of property;
2. market data – the property's market value on the April 1 assessment date, supported by comparable sales or a professional opinion of value; and/or
3. level of assessment – the property's assessment is disproportionate by comparing the property's market value and the town-wide level of assessment.

Note: If you have an appraisal or other documentation, please submit it with this application.

- 2) If claiming poverty or inability to pay, state in detail why abatement of taxes is appropriate as opposed to some other relief such as relocating, refinancing or obtaining some alternative public assistance.
Ansara v. City of Nashua, 118 N.H. 879 (1978).

(Attach additional sheets if needed.)

SECTION F. Taxpayer's(s') Opinion of Market Value

State your opinion of the market value of the property(ies) appealed as of April 1 of the year under appeal.

Town Parcel ID# 1161 Appeal Year Market Value \$ 333,689

Town Parcel ID# _____ Appeal Year Market Value \$ _____

Explain the basis for your value opinion(s). (Attach additional sheets if necessary.)

SECTION G. Sales, Rental and/or Assessment Comparisons


List the properties you are relying upon to show overassessment of your property(ies). If you are appealing an income producing property, list the comparable rental properties and their rents.
(Attach additional sheets if needed.)

Town Parcel ID#	Street Address	Sale Price/Date of Sale	Rents	Assessment
468	15&17 Schoolhouse Ln.	\$749,933	3/12/2020	

SECTION H. Certification by Party(ies) Applying

Pursuant to BTLA Tax 203.02(d), the applicant(s) **MUST** sign the application. By signing below, the Party(ies) applying certifies (certify) and swear(s) under the penalties of RSA ch. 641 the application has a good faith basis, and the facts stated are true to the best of my/our knowledge.

Date: 2/6/24

(Signature) 

(Signature)

Supplemental Explanation for Abatement of assessment of 81 Piscataqua Rd

81 Piscataqua Road ("the property" or "the subject property") is a legal non-conforming duplex with each unit consisting of 2.5 bedrooms. For income purposes each side is rented to 3 unrelated students at an average rent of \$700 per student. When comparing this property to other student rentals it should be noted there are significant challenges at 81 Piscataqua Rd that affect gross potential rent (GPR) when compared to the overall market. Below I will outline key points of discrepancy with the current assessment card on file and some general notes to review. I will also use the town's income formula with the corresponding income as of April 1st, 2023, per state rules. The updated information is provided below.

It should be noted, the highest and best use of the property is as a residential rental property and the income approach should be the method of valuation used when calculating Fair Market Value (FMV).

Discrepancies in data points

Besides the overall interior condition of the property as of 4.1.23, the location and proximity to Route 4 and the distance from the heart of the UNH Campus are major factors affecting GPR. Consistently properties out in the vicinity of the subject property get around 60-70% of the top rate in the downtown corridor. On the income section of the assessment card gross potential rent is marked at \$11,200/room or \$67,200 for the whole property. The actual market rent is \$8,400/room or \$50,400 for the whole property.

Reasons for a lower GPR when compared to the market

Proximity to campus is the main issue affecting GPR for the subject property. The location does not allow for tenants to walk to campus and in turn they must drive and park at designated locations throughout Durham, making commute times to class longer.

The subject property also sits a mere 50 ft from a major NH state highway. Route 4 is a very loud and high traffic road and greatly reduces the desirability of the property which requires considerably more showings than other properties that I manage in the area.

Untraditional and excessive maintenance compared to revenue

Unpaved parking surfaces generally are not hard to maintain, however, because of the water runoff from route 4, multiple times a year several yards of road base must be spread to maintain the integrity of the parking surfaces. The cost to plow is also about 4 times what it should be because the parking surface is not paved.

The overall age and condition of the property, rot, roof, old appliances, and systems, necessitates substantially higher maintenance costs than a newer property of comparable size. This results in higher-than-normal maintenance costs relative to income.

The property is also surrounded by wetlands which creates a constant mold and mildew issue requiring extensive and ongoing remediation and dehumidification.

Towns current income card data analysis

Rent/s = \$11,200
Gross Rent = \$67,200
Vacancy All = \$2,688
EGI = \$64,512
Expenses = \$25,805
NOI = \$38,707
Cap Rate = 8.7%
FM Value = \$444,900 or \$74,151/bedroom
Assessed Value = \$495,600

Town's income valuation formula with correct rent input

Rent/s = \$8,400
Gross Rent = \$50,400
Vacancy All = \$2,016
EGI = \$48,384
Expenses = \$19,353
NOI = \$29,031
Cap Rate = 8.7%
FM Value = \$333,689 or \$55,614/bedroom
Assessed Value = \$313,836

Actual rental income

Rent/s = \$8,400
Gross Rent = \$50,400
Vacancy All = \$1,566
EGI = \$48,834
Expenses
Taxes = \$6600
Insurance = \$2,050
Septic = \$2880
Plowing = \$2100
Landscaping = \$2800
Turnover = \$5,140
Maintenance and Repairs = \$3,875
Management and leasing = \$2000
Cap Ex = \$1000 (roof fund)
Total Expenses = \$28,445
NOI \$20,389

Sales Data

With no real sales data from the 2 years prior I had to go outside the parameters to find the most recent comparable sale to be that of 15 and 17 Schoolhouse Lane on 3.12.20 in the amount of \$749,933 or \$62,494/bed. This property is in much greater proximity to campus than 81 Piscataqua Road and has a much higher GPR. This

properties value per bed is a great comparison when looking at the value per bed of 81 Piscataqua to see how GPR affects FMV/bed.

SECTION I. Certification and Appearance by Representative (If Other Than Party(ies) Applying)

By signing below, the representative of the Party(ies) applying certifies and swears under penalties of RSA ch. 641:

1. all certifications in Section H are true;
2. the Party(ies) applying has (have) authorized this representation and has (have) signed this application;
and
3. a copy of this form was sent to the Party(ies) applying.

Date: _____

(Representative's Signature)

SECTION J. Disposition of Application* (For Use by Selectmen/Assessor)

*RSA 75:16, II states: the municipality "shall review the application and shall grant or deny the application in writing by July 1 after notice of tax date"

Abatement Request: GRANTED _____ Revised Assessment: \$ _____ DENIED _____

Remarks:

Date: _____

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

Rev. 3/12

LEASE AGREEMENT

3/7/2022

This Agreement is entered into on this date 3/7/2022, between Brittney Rosello, and Dan Gottschalk Madeline Burke, ("Tenants") and 81 Piscataqua Rd LLC ("Landlord"). Each Tenant is jointly and severally liable for the payment of rent and performance of all other terms of this Agreement.

PREMISES: Subject to the terms and conditions in this Agreement, Landlord rents to Tenant, and Tenant rents from Landlord, for residential purposes only, the premises located at 81B (Right Side) Piscataqua Road, Durham, NH 03824, ("the premises").

USE: The premises are to be used only as a private residence for Tenant(s) listed in this Agreement. Occupancy by guests for more than 30 days is prohibited without Landlord's written consent and will be considered a breach of this Agreement.

TERM: The term of the rental will begin on June 1st, 2021 and end on May 30, 2022. If Tenant vacates before the term ends, Tenant will be liable for the balance of the rent for the remainder of the term.

RENT: Your total Base Rent for the Lease Term is \$ 24,300.00 (you must also pay additional charges as identified in this Lease). Deposits and Upfront Fees. In addition to paying Base Rent, you agree to pay us the following Deposits and Upfront fees:

Non – Refundable Admin Fee: \$600.00 Security Deposit: \$1500.00 (One month's rent - \$600.00 Admin Fee) Total Due: \$2100.00 The Base Rent is payable in 12 installments, without offset or deduction, and you agree to pay such Rent as follows:

INSTALLMENT AMOUNT:	DUE DATE:	INSTALLMENT AMOUNT:	DUE DATE:
\$2100.00	6/1/2022	\$2100.00	12/1/2022
\$2100.00	7/1/2022	\$2100.00	1/1/2023
\$2100.00	8/1/2022	\$2100.00	2/1/2023
\$2100.00	9/1/2022	\$2100.00	3/1/2023
\$2100.00	10/1/2022	\$2100.00	4/1/2023
\$2100.00	11/1/2022	\$2100.00	5/1/2023

Base rent due can be paid in advance in lump sums or semester installments; Student athletes or students using student loan disbursements can request special payment plans from the Manager; to be agreed upon and executed by both Landlord and Resident.

Rent Payments are to be made out to Berlin Properties of New England (Agent), and mailed to 277 Main Street Office, Durham, NH 03824. ACH Authorization forms can be filled out for direct deposit.

LATE CHARGES: If Tenant fails to pay the rent in full before the end of the 5th day after it's due, Tenant will pay Landlord a late charge of \$25.00 per day until rent is current.

RETURNED CHECKS: If any check offered by Tenant to Landlord in payment of rent or any other amount due under this Agreement is returned for lack of sufficient funds, a "stop payment" or any other reason, Tenant will pay Landlord a returned check charge of \$25.00.

Town of Durham, NH
Property Tax Bill Calculation

Owner Berlin
PID 209-46
Address 81 Piscataqua Rd.

WHAT WAS TAXED

Total Assessed Value	224,900	495,600
Exemption (solar,)	-	-
Value Tax Applied To:	224,900.00	495,600.00

Credit (veterans,)	-	-
Tax Bill#:	108180	111915
PropTax Issue 1 st or 2 nd	1	2
Due Date:	7/3/2023	12/18/2023
Paid Date:	6/26/2023	12/12/2023

Tax Rate Applied:		
Town	4.070	5.750
County	1.410	1.760
Local School	8.280	11.580
State School	0.765	1.390
Total Rate	14.525	20.480
tax will be roughly	3,266.67	10,149.89
Resulting in Taxes of:		
Town	915.00	2,850.00
County	317.00	872.00
Local School	1,862.00	5,739.00
State School	172.00	689.00
Tax Calculated	3,266.00	10,150.00
Less Credit & 1st Bill		
is the Amount Billed:	3,266.00	6,884.00

WHAT SHOULD HAVE BEEN TAXED

Total Assessed Value	224,900	392,900
Exemption (solar,)	-	-
Value Tax Applied To:	224,900.00	392,900.00

Credit (veterans,)	-	-
Tax Bill#:	108180	111915
PropTax Issue 1 st or 2 nd	1	2
Due Date:	7/3/2023	12/18/2023
Paid Date:	6/26/2023	12/12/2023

Tax Rate Applied:		
Town	4.070	5.750
County	1.410	1.760
Local School	8.280	11.580
State School	0.765	1.390
Total Rate	14.525	20.480
tax will be roughly	3,266.67	8,046.59
Resulting in Taxes of:		
Town	915.00	2,259.00
County	317.00	692.00
Local School	1,862.00	4,550.00
State School	172.00	546.00
Tax Calculated	3,266.00	8,047.00
Less Credit & 1st Bill		
is the Amount Billed:	3,266.00	4,781.00

WHAT SHOULD BE ABATED

Difference in Billed-SHB = Abate	-	2,103.00	2,103.00 = To Be Abated
RSA 76:17-a Rate of Interest Pybl	4.00%	4.00%	
Enter Date Town will Payback	5/1/2024	5/1/2024	
Number of Days of Interest =	310	141	
Interest Payable	-	32.50	32.50 = Interest Owed
Less Previously Abated Amount of			
Total To Be Abated	-	2,135.50	2,135.50



TOWN OF DURHAM
8 NEWMARKET ROAD
DURHAM, NH 03824-2898
Tel: 603/868-8064

ABATEMENT RECOMMENDATION

DATE: April 1, 2024

TOWN OF: Durham

TO: Town Council

FROM: Jay Ferreira

OWNER: BPNE Property 2 LLC
c/o Berlin Properties NE
277 Main Street Office
Durham, NH 03824

REPRESENTATIVE: N/A

PROPERTY LOCATION: 39 Emerson Road, Durham, NH 03824

PID: 104-24

PROPERTY TAX YEAR(S) APPEALED: 2023

APPLICATION FILING DATE: February 29, 2024

INVENTORY FILING DATE (Filing Date April 15th): N/A

ASSESSMENT APPEALED: \$504,100

Municipalities may abate taxes "for good cause shown." RSA 76:16. Good cause is generally established by showing an error in the assessment calculation or a disproportionate assessment. Good cause can also be established by showing poverty and inability to pay the tax. If the abatement application is based on disproportionate assessment, the taxpayer has the burden to show how the assessment was disproportionate. To carry this burden the taxpayer must show:

- a. What the property was worth (market value) on the assessment date.
- b. The property's "equalized assessment" exceeded the property's market value. To calculate the equalized assessment, simply divide the assessment by the municipality's equalization ratio (assessment÷ ratio). Because a property's market value is a crucial issue, **taxpayers must have an opinion of the market value estimate. Obtaining an appraisal or presenting sales of comparable properties can show this value estimate.**



REASON FOR APPEAL: The owners have applied for an abatement of their 2023 property, due to their belief that the property is a single-family home with an accessory apartment allowing 4 unrelated persons to reside in the house. The owner believes it is due to the variance granted (Zoning Board) in 2004 as single family with accessory dwelling classification, it shouldn't be valued as student housing.

ASSESSORS COMMENTS: The subject property is comprised of 17,860 sf, it is a Raised Ranch built in 1973. There is 1,040 sf on the first floor and 1,040 sf in the raised finished basement. The first floor consists of two bedrooms, one bath, a kitchen, and a living room. The raised finished basement is a mirror image of the first floor. Occupying the house is four tenants, two on the first floor and two on the ground level. The house is in average condition for its age and the grade of the house is average. In my opinion the highest and best use for the property is a single-family residence.

RECOMMENDATION: I recommend changing the use of the property from student housing (3600) land use code. To (1011) single family with an accessory apartment, which was granted by the zoning board in 2004. This reclassification changes the value from \$504,100 to \$453,800.

This calculates to an abatement of **\$1,046.37** including interest (interest is calculated to a repayment date of 5/1/24 and subject to change per tax collector). If the taxes have not been paid, then no refund or interest is due.

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Town of Durham

FEB 29 2024

Planning, Zoning
and Assessing

FOR MUNICIPALITY USE ONLY:

Town File No.: _____

Taxpayer Name: _____

RSA 76:16 ABATEMENT APPLICATION TO MUNICIPALITY

SECTION A. Party(ies) Applying (Owner(s)/Taxpayer(s))

Name(s): Jeffrey Berlin

Mailing Address: 277 Main Street Office

Telephone Number(s): (Work) 6039534014 (Home) _____

Note: If an abatement is granted and taxes have been paid, interest on the abatement shall be paid in accordance with RSA 76:17-a. Any interest paid to the applicant must be reported by the municipality to the United States Internal Revenue Service, in accordance with federal law. Prior to the payment of an abatement with interest, the taxpayer shall provide the municipality with the applicant's social security number or federal tax identification number. Municipalities shall treat the social security or federal tax identification information as confidential and exempt from a public information request under RSA 91-A.

SECTION B. Party's(ies') Representative if other than Person(s) Applying (Also Complete Section A)

Name(s): _____

Mailing Address: _____

Telephone Number(s): (Work) _____ (Home) _____

SECTION C. Property(ies) for which Abatement is Sought

List the tax map and lot number, the actual street address and town of each property for which abatement is sought, a brief description of the parcel, and the assessment.

<u>Town Parcel ID#</u>	<u>Street Address/Town</u>	<u>Description</u>	<u>Assessment</u>
104-24	39 Emerson Road	Single Family with accessory	\$504,100

TAXPAYER'S RSA 76:16 ABATEMENT APPLICATION TO MUNICIPALITY

TAX YEAR APPEALED 2023

INSTRUCTIONS

1. Complete the application by typing or printing legibly in ink. **This application does not stay the collection of taxes; taxes should be paid as assessed. If an abatement is granted, a refund with interest will be made.**
2. File this application with the municipality by the deadline (see below). Date of filing is the date this form is either hand delivered to the municipality, postmarked by the post office, or receipted by an overnight delivery service.

DEADLINES: The "notice of tax" means the date the board of tax and land appeals (BTLA) determines the last tax bill was sent by the municipality. (If your municipality bills twice annually, you must apply after the bill that establishes your final tax liability and not before.)

Step One: Taxpayer must file the abatement application with the municipality by March 1 following the notice of tax.

Step Two: Municipality has until July 1 following the notice of tax to grant or deny the abatement application.

Step Three: Taxpayer may file an appeal either at the BTLA (RSA 76:16-a) or in the superior court (RSA 76:17), but not both. An appeal must be filed:

- 1) no earlier than: a) after receiving the municipality's decision on the abatement application; or b) July 1 following the notice of tax if the municipality has not responded to the abatement application; and
- 2) no later than September 1 following the notice of tax.

EXCEPTION: If your municipality's final tax bill was sent out after December 31 (as determined by the BTLA), the above deadlines are modified as follows (RSA 76:1-a; RSA 76:16-d, II):

Step One: 2 months after notice of tax;

Step Two: 6 months after notice of tax; and

Step Three: 8 months after notice of tax.

FORM COMPLETION GUIDELINES:

1. **SECTION E.** Municipalities may abate taxes "for good cause shown." RSA 76:16. Good cause is generally established by showing an error in the assessment calculation or a disproportionate assessment. Good cause can also be established by showing poverty and inability to pay the tax.
2. **SECTION G.** If the abatement application is based on disproportionate assessment, the taxpayer has the burden to show how the assessment was disproportionate. To carry this burden the taxpayer must show: a) what the property was worth (market value) on the assessment date; and b) the property's "equalized assessment" exceeded the property's market value. To calculate the equalized assessment, simply divide the assessment by the municipality's equalization ratio (assessment ÷ ratio). Because a property's market value is a crucial issue, taxpayers must have an opinion of the market value estimate. This value estimate can be shown by obtaining an appraisal or presenting sales of comparable properties.
3. **SECTION H.** The applicant(s) must sign the application even if a representative (e.g. Tax Representative, Attorney, or other Advocate) completes Section I.
4. Make a copy of this document for your own records.

RECEIVED
Town of Durham

FEB 29 2024

Planning, Zoning
and Assessing

SECTION D. Other Property(ies)

List other property(ies) in the municipality owned in the same name(s), even if abatements for the other property(ies) have not been sought. The taxpayer's entire real property estate must be considered in determining whether the appealed property(ies) is (are) disproportionately assessed.

<u>Town Parcel ID#</u>	<u>Street Address/Town</u>	<u>Description</u>	<u>Assessment</u>

SECTION E. Reasons for Abatement Application

RSA 76:16 provides that an abatement may be granted for "good cause shown." "Good cause" generally means:
1) establishing an assessment is disproportionate to market value and the municipality's level of assessment; or
2) establishing poverty and inability to pay the tax. This form can be utilized for either basis of requesting an abatement. The taxpayer has the burden to prove good cause for an abatement.

- 1) If claiming disproportionality, state with specificity all the reasons supporting your application. Statements such as "taxes too high," "disproportionately assessed" or "assessment exceeds market value" are insufficient. Generally, specificity requires the taxpayer to present material on the following (all may not apply):
 1. physical data – incorrect description or measurement of property;
 2. market data – the property's market value on the April 1 assessment date, supported by comparable sales or a professional opinion of value; and/or
 3. level of assessment – the property's assessment is disproportionate by comparing the property's market value and the town-wide level of assessment.

Note: If you have an appraisal or other documentation, please submit it with this application.

- 2) If claiming poverty or inability to pay, state in detail why abatement of taxes is appropriate as opposed to some other relief such as relocating, refinancing or obtaining some alternative public assistance.
Ansara v. City of Nashua, 118 N.H. 879 (1978).

(Attach additional sheets if needed.)

SECTION F. Taxpayer's(s') Opinion of Market Value

State your opinion of the market value of the property(ies) appealed as of April 1 of the year under appeal.

Town Parcel ID# 104-24 Appeal Year Market Value \$ 340,000

Town Parcel ID# _____ Appeal Year Market Value \$ _____

Explain the basis for your value opinion(s). (Attach additional sheets if necessary.)

See supplemental form attached

SECTION G. Sales, Rental and/or Assessment Comparisons


List the properties you are relying upon to show overassessment of your property(ies). If you are appealing an income producing property, list the comparable rental properties and their rents.
(Attach additional sheets if needed.)

Town Parcel ID#	Street Address	Sale Price/Date of Sale	Rents	Assessment
-----------------	----------------	-------------------------	-------	------------

SECTION H. Certification by Party(ies) Applying

Pursuant to BTLA Tax 203.02(d), the applicant(s) **MUST** sign the application. By signing below, the Party(ies) applying certifies (certify) and swear(s) under the penalties of RSA ch. 641 the application has a good faith basis, and the facts stated are true to the best of my/our knowledge.

Date: 2/26/24

(Signature) 

(Signature) _____

SECTION I. Certification and Appearance by Representative (If Other Than Party(ies) Applying)

By signing below, the representative of the Party(ies) applying certifies and swears under penalties of RSA ch. 641:

1. all certifications in Section H are true;
2. the Party(ies) applying has (have) authorized this representation and has (have) signed this application;
and
3. a copy of this form was sent to the Party(ies) applying.

Date: _____
(Representative's Signature)

SECTION J. Disposition of Application* (For Use by Selectmen/Assessor)

*RSA 75:16, II states: the municipality "shall review the application and shall grant or deny the application in writing by July 1 after notice of tax date"

Abatement Request: GRANTED _____ Revised Assessment: \$ _____ DENIED _____

Remarks:

Date: _____

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

Rev. 3/12

Supplemental Explanation for Abatement of assessment of 39 Emerson Road

39 Emerson Road is classified by a zoning board letter from 2004 as a single family with an accessory allowing 4 unrelated persons to reside on the house. In reality, and upon inspection you would find two identical two-bedroom apartments. It is for this reason and the fact that in the landline valuation section of the tax card has this property listed as student housing, that I believe the income approach should be used to derive the value of this property.

All sales data on a per bed basis shows values between 50,000-100,000/bedroom

As there is no income card attached to 39 Emerson tax card, I cannot use the town's formula using correct rental rates. It should be appropriate to use comparable sales data for income properties in 2022 and 2023. Sales data per the towns reports shows sales between \$50,000 and \$100,000 a bed. As this property has four bedrooms total the Fair market value cannot be higher than \$400,000. This property is not in the immediate downtown area and does not receive the highest rental rates as the downtown area.

In my opinion the value is \$85,000 a bed when all the amenities are considered (Laundry in both units, large bedrooms, decks and backyard). This would be a fair market value of \$340,000.



TOWN OF DURHAM
15 NEWMARKET ROAD
DURHAM, NH 03824-2898
603/868-8064 • 603/868-8065
FAX 603/868-8033
www.ci.durham.nh.us

Property Referenced:
Tax Map 10, Lot 12-27

ZONING BOARD OF ADJUSTMENT

RE: PUBLIC HEARING on a petition submitted by Peter Bielicki, Exeter, New Hampshire for an APPEAL OF ADMINISTRATIVE DECISION from a May 20, 2004, letter from Zoning Administrator, Thomas Johnson, regarding the size of an accessory apartment. The property involved is shown on Tax Map 10, Lot 12-27, is located at 39 Emerson Road, and is in the RA, Residence A Zoning District.

DECISION OF THE BOARD

After review of the pertinent sections of the Zoning Ordinance of the Town of Durham, and after full consideration of the evidence submitted by Peter Bielicki and testimony given at a Public Hearing on June 8, 2004, a motion was made and seconded:

that the Zoning Board of Adjustment approve the petition submitted by Peter Bielicki, Exeter, New Hampshire for an APPEAL OF ADMINISTRATIVE DECISION from a May 20, 2004, letter from Zoning Administrator, Thomas Johnson, regarding the size of an accessory apartment.

The motion PASSED on a vote of 4-0-1 and the petition for appeal of administrative decision was **granted** with the conditions that this dwelling be classified as a single family home with an accessory apartment and that there be no more than four unrelated occupants living in the entire dwelling.

June 10, 2004
Date


Henry Smith, Chair
Durham Zoning Board of Adjustment

NOTE: Please be advised that any person aggrieved by any order or decision of the Zoning Board of Adjustment may apply to Superior Court within thirty (30) days after the action complained of has been recorded. The appeal must set forth that such decision or order is illegal or unreasonable, in whole or in part, and specify the grounds upon which the decision is claimed to be illegal or unreasonable.

Also note that within a period of thirty (30) days after an initial decision has been made by the Zoning Board of Adjustment, any person affected by the decision has the right to appeal that decision. A motion for a second hearing must describe why it is necessary and why the original decision may be unlawful or unreasonable. The Board must decide to grant or deny the rehearing within thirty (30) days.

Any questions should be directed to Tom Johnson, Zoning Administrator/Code Enforcement Officer.



Town of Durham, NH				
Property Tax Bill Calculation				
Owner	BPNE Properties			
PID	104-24			
Address	39 Emerson Rd			
WHAT WAS TAXED				
Total Assessed Value	246,800	504,100		
Exemption (solar,)	-	-		
Value Tax Applied To:	246,800.00	504,100.00		
Credit (veterans,)	-	-		
Tax Bill#:	109883	111314		
PropTax Issue 1 st or 2 nd	1	2		
Due Date:	7/3/2023	12/18/2023		
Paid Date:	5/31/2023	11/22/2023		
Tax Rate Applied:				
Town	4.070	5.750		
County	1.410	1.760		
Local School	8.280	11.580		
State School	0.765	1.390		
Total Rate	14.525	20.480		
tax will be roughly	3,584.77	10,323.97		
Resulting in Taxes of:				
Town	1,004.00	2,899.00		
County	348.00	887.00		
Local School	2,044.00	5,837.00		
State School	189.00	701.00		
Tax Calculated	3,585.00	10,324.00		
Less Credit & 1st Bill				
is the Amount Billed:	3,585.00	6,739.00		
WHAT SHOULD HAVE BEEN TAXED				
Total Assessed Value	504,100	453,800		
Exemption (solar,)	-	-		
Value Tax Applied To:	246,800.00	453,800.00		
Credit (veterans,)	-	-		
Tax Bill#:	109883	111314		
PropTax Issue 1 st or 2 nd	1	2		
Due Date:	7/3/2023	12/18/2023		
Paid Date:	6/26/2023	12/8/2023		
Tax Rate Applied:				
Town	4.070	5.750		
County	1.410	1.760		
Local School	8.280	11.580		
State School	0.765	1.390		
Total Rate	14.525	20.480		
tax will be roughly	3,584.77	9,293.82		
Resulting in Taxes of:				
Town	1,004.00	2,609.00		
County	348.00	799.00		
Local School	2,044.00	5,255.00		
State School	189.00	631.00		
Tax Calculated	3,585.00	9,294.00		
Less Credit & 1st Bill				
is the Amount Billed:	3,585.00	5,709.00		
WHAT SHOULD BE ABATED				
Difference in Billed-SHB = Abate	-	1,030.00	1,030.00	= To Be Abated
RSA 76:17-a Rate of Interest Pybl	4.00%	4.00%		
Enter Date Town will Payback	5/1/2024	5/1/2024		
Number of Days of Interest =	310	145		
Interest Payable	-	16.37	16.37	= Interest Owed
Less Previously Abated Amount of				
Total To Be Abated	-	1,046.37	1,046.37	



*TOWN OF DURHAM
8 NEWMARKET ROAD
DURHAM, NH 03824-2898
Tel: 603/868-8064*

ABATEMENT RECOMMENDATION

DATE: April 1, 2024

TOWN OF: Durham

TO: Town Council

FROM: Jay Ferreira

OWNER: BVB LLC
87 Ridge Road,
York, ME 03909

REPRESENTATIVE: N/A

PROPERTY LOCATION: 48 Main Street, Durham, NH 03824

PID: 105-56

PROPERTY TAX YEAR(S) APPEALED: 2023

APPLICATION FILING DATE: January 26, 2023

INVENTORY FILING DATE (Filing Date April 15th): N/A

ASSESSMENT APPEALED: \$1,096,700

Municipalities may abate taxes “for good cause shown.” RSA 76:16. Good cause is generally established by showing an error in the assessment calculation or a disproportionate assessment. Good cause can also be established by showing poverty and inability to pay the tax. If the abatement application is based on disproportionate assessment, the taxpayer has the burden to show how the assessment was disproportionate. To carry this burden the taxpayer must show:

- a. What the property was worth (market value) on the assessment date.
- b. The property’s “equalized assessment” exceeded the property’s market value. To calculate the equalized assessment, simply divide the assessment by the municipality’s equalization ratio (assessment ÷ ratio). Because a property’s market value is a crucial issue, **taxpayers must have an opinion of the market value estimate. Obtaining an appraisal or presenting sales of comparable properties can show this value estimate.**



REASON FOR APPEAL: The owner has applied for an abatement of his 2023 property taxes, claiming his assessment was errant based on the sale current property. The sale of the property was on 5/12/2023 for \$975,000.

ASSESSORS COMMENTS: The subject property is a mixed-use property located at 48 Main Street. The first-floor is occupied by “Clarks American Bistro”. The restaurant was remodeled in 2020. It is typical Restaurant finish and quality. The second and third floors consist of seven bedrooms, one bath and one small kitchen. The bedrooms are rented out to UNH students. The condition of the second floor is average to fair at best. There are missing ceiling tiles, and the bathroom and small kitchen need to be updated. The residential portion of the building is showing signs of wear and tear. I also had to correct the porch measurements and sketch codes on the east side of the building. Corrections had to be made to the sprinkler sf, listed on our field card.

RECOMMENDATION: I recommend adjusting the overall condition from good to average. Based on the condition of the second and third floors. Correcting the sprinkler square footage and sketch error. After correcting these errors the assessment changed from \$1,096,700 to \$991,200. This calculates to an abatement of **\$2,193.61** including interest (interest is calculated to a repayment date of 5/1/24 and subject to change per tax collector). If the taxes have not been paid, then no refund or interest is due.

TAXPAYER'S RSA 76:16 ABATEMENT APPLICATION TO MUNICIPALITY

TAX YEAR APPEALED 2023

RECEIVED
Town of Durham

JAN 26 2024

Planning, Zoning
and Assessing

INSTRUCTIONS

1. Complete the application by typing or printing legibly in ink. **This application does not stay the collection of taxes; taxes should be paid as assessed. If an abatement is granted, a refund with interest will be made.**
2. File this application with the municipality by the deadline (see below). Date of filing is the date this form is either hand delivered to the municipality, postmarked by the post office, or receipted by an overnight delivery service.

DEADLINES: The "notice of tax" means the date the board of tax and land appeals (BTLA) determines the last tax bill was sent by the municipality. (If your municipality bills twice annually, you must apply after the bill that establishes your final tax liability and not before.)

Step One: Taxpayer must file the abatement application with the municipality by March 1 following the notice of tax.
Step Two: Municipality has until July 1 following the notice of tax to grant or deny the abatement application.
Step Three: Taxpayer may file an appeal either at the BTLA (RSA 76:16-a) or in the superior court (RSA 76:17), but not both. An appeal must be filed:

- 1) no earlier than: a) after receiving the municipality's decision on the abatement application; or b) July 1 following the notice of tax if the municipality has not responded to the abatement application; and
- 2) no later than September 1 following the notice of tax.

EXCEPTION: If your municipality's final tax bill was sent out after December 31 (as determined by the BTLA), the above deadlines are modified as follows (RSA 76:1-a; RSA 76:16-d, II):

Step One: 2 months after notice of tax;
Step Two: 6 months after notice of tax; and
Step Three: 8 months after notice of tax.

FORM COMPLETION GUIDELINES:

1. **SECTION E.** Municipalities may abate taxes "for good cause shown." RSA 76:16. Good cause is generally established by showing an error in the assessment calculation or a disproportionate assessment. Good cause can also be established by showing poverty and inability to pay the tax.
2. **SECTION G.** If the abatement application is based on disproportionate assessment, the taxpayer has the burden to show how the assessment was disproportionate. To carry this burden the taxpayer must show: a) what the property was worth (market value) on the assessment date; and b) the property's "equalized assessment" exceeded the property's market value. To calculate the equalized assessment, simply divide the assessment by the municipality's equalization ratio (assessment ÷ ratio). Because a property's market value is a crucial issue, taxpayers must have an opinion of the market value estimate. This value estimate can be shown by obtaining an appraisal or presenting sales of comparable properties.
3. **SECTION H.** The applicant(s) must sign the application even if a representative (e.g. Tax Representative, Attorney, or other Advocate) completes Section I.
4. Make a copy of this document for your own records.

FOR MUNICIPALITY USE ONLY:

Town File No.: _____

Taxpayer Name: _____

RSA 76:16 ABATEMENT APPLICATION TO MUNICIPALITY**SECTION A. Party(ies) Applying (Owner(s)/Taxpayer(s))**Name(s): BVB, LLCMailing Address: 87 Ridge Road, York Maine 03909Telephone Number(s): (Work) 207-838-5709 (Home) _____

Note: If an abatement is granted and taxes have been paid, interest on the abatement shall be paid in accordance with RSA 76:17-a. Any interest paid to the applicant must be reported by the municipality to the United States Internal Revenue Service, in accordance with federal law. Prior to the payment of an abatement with interest, the taxpayer shall provide the municipality with the applicant's social security number or federal tax identification number. Municipalities shall treat the social security or federal tax identification information as confidential and exempt from a public information request under RSA 91-A.

SECTION B. Party's(ies') Representative if other than Person(s) Applying (Also Complete Section A)Name(s): Brian VanDelinder (manager, BVB, LLC)Mailing Address: 87 Ridge Road, York Maine 03909Telephone Number(s): (Work) 207-838-5709 (Home) _____**SECTION C. Property(ies) for which Abatement is Sought**

List the tax map and lot number, the actual street address and town of each property for which abatement is sought, a brief description of the parcel, and the assessment.

<u>Town Parcel ID#</u>	<u>Street Address/Town</u>	<u>Description</u>	<u>Assessment</u>
109-107-0-0-0	48 Main Street	Restaurant (Clark's) & Apartment	\$1,096,700

SECTION D. Other Property(ies)

List other property(ies) in the municipality owned in the same name(s), even if abatements for the other property(ies) have not been sought. The taxpayer's entire real property estate must be considered in determining whether the appealed property(ies) is (are) disproportionately assessed.

<u>Town Parcel ID#</u>	<u>Street Address/Town</u>	<u>Description</u>	<u>Assessment</u>
------------------------	----------------------------	--------------------	-------------------

NA

SECTION E. Reasons for Abatement Application

RSA 76:16 provides that an abatement may be granted for "good cause shown." "Good cause" generally means:
1) establishing an assessment is disproportionate to market value and the municipality's level of assessment; or
2) establishing poverty and inability to pay the tax. This form can be utilized for either basis of requesting an abatement. The taxpayer has the burden to prove good cause for an abatement.

- 1) If claiming disproportionality, state with specificity all the reasons supporting your application. Statements such as "taxes too high," "disproportionately assessed" or "assessment exceeds market value" are insufficient. Generally, specificity requires the taxpayer to present material on the following (all may not apply):
1. physical data – incorrect description or measurement of property;
 2. market data – the property's market value on the April 1 assessment date, supported by comparable sales or a professional opinion of value; and/or
 3. level of assessment – the property's assessment is disproportionate by comparing the property's market value and the town-wide level of assessment.

Note: If you have an appraisal or other documentation, please submit it with this application.

- 2) If claiming poverty or inability to pay, state in detail why abatement of taxes is appropriate as opposed to some other relief such as relocating, refinancing or obtaining some alternative public assistance. Ansara v. City of Nashua, 118 N.H. 879 (1978).

(Attach additional sheets if needed.)

Claiming assessment estimate was errant based on sale of
the property to the current owner, BVB, LLC for \$975,000 on May 12th, 2023.

SECTION F. Taxpayer's(s') Opinion of Market Value

State your opinion of the market value of the property(ies) appealed as of April 1 of the year under appeal.

Town Parcel ID# 109-107-0-0-0 Appeal Year Market Value \$ 975,000

Town Parcel ID# _____ Appeal Year Market Value \$ _____

Explain the basis for your value opinion(s). (Attach additional sheets if necessary.)

Claiming assessment estimate was errant based on sale of 48 Main St.
to BVB ,LLC for \$975,000 on May 12th, 2023.

SECTION G. Sales, Rental and/or Assessment Comparisons

List the properties you are relying upon to show overassessment of your property(ies). If you are appealing an income producing property, list the comparable rental properties and their rents.
(Attach additional sheets if needed.)


Town Parcel ID#	Street Address	Sale Price/Date of Sale	Rents	Assessment
109-107-0-0-0	48 Main St.	\$975,000 / 5/12/2023		

appeal is based on sale price of property

SECTION H. Certification by Party(ies) Applying

Pursuant to BTLA Tax 203.02(d), the applicant(s) **MUST** sign the application. By signing below, the Party(ies) applying certifies (certify) and swear(s) under the penalties of RSA ch. 641 the application has a good faith basis, and the facts stated are true to the best of my/our knowledge.

Date: 12/14/2023



(Signature)



(Signature)

SECTION I. Certification and Appearance by Representative (If Other Than Party(ies) Applying)

By signing below, the representative of the Party(ies) applying certifies and swears under penalties of RSA ch. 641:

1. all certifications in Section H are true;
2. the Party(ies) applying has (have) authorized this representation and has (have) signed this application; and
3. a copy of this form was sent to the Party(ies) applying.

Date: 12/14/2023


(Representative's Signature)

SECTION J. Disposition of Application* (For Use by Selectmen/Assessor)

*RSA 75:16, II states: the municipality "shall review the application and shall grant or deny the application in writing by July 1 after notice of tax date"

Abatement Request: GRANTED _____ Revised Assessment: \$ _____ DENIED _____

Remarks:

Date: _____

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

Rev. 3/12

Town of Durham, NH
Property Tax Bill Calculation

Owner BVB LLC
PID 109-107
Address 48 Main St

WHAT WAS TAXED

Total Assessed Value	976,800	1,096,700
Exemption (solar,)	-	-
Value Tax Applied To:	976,800.00	1,096,700.00

Credit (veterans,)	-	-
--------------------	---	---

Tax Bill#:	109377	110797
PropTax Issue 1 st or 2 nd	1	2
Due Date:	7/3/2023	12/18/2023
Paid Date:	5/26/2023	12/11/2023

Tax Rate Applied:

Town	4.070	5.750
County	1.410	1.760
Local School	8.280	11.580
State School	0.765	1.390
Total Rate	14.525	20.480

tax will be roughly	14,188.02	22,460.42
---------------------	-----------	-----------

Resulting in Taxes of:

Town	3,976.00	6,306.00
County	1,377.00	1,930.00
Local School	8,088.00	12,700.00
State School	747.00	1,524.00
Tax Calculated	14,188.00	22,460.00

Less Credit & 1st Bill		
is the Amount Billed:	14,188.00	8,272.00

WHAT SHOULD HAVE BEEN TAXED

Total Assessed Value	976,800	991,200
Exemption (solar,)	-	-
Value Tax Applied To:	976,800.00	991,200.00

Credit (veterans,)	-	-
--------------------	---	---

Tax Bill#:	109377	110797
PropTax Issue 1 st or 2 nd	1	2
Due Date:	7/3/2023	12/18/2023
Paid Date:	5/26/2023	12/11/2023

Tax Rate Applied:

Town	4.070	5.750
County	1.410	1.760
Local School	8.280	11.580
State School	0.765	1.390
Total Rate	14.525	20.480

tax will be roughly	14,188.02	20,299.78
---------------------	-----------	-----------

Resulting in Taxes of:

Town	3,976.00	5,699.00
County	1,377.00	1,745.00
Local School	8,088.00	11,478.00
State School	747.00	1,378.00
Tax Calculated	14,188.00	20,300.00

Less Credit & 1st Bill		
is the Amount Billed:	14,188.00	6,112.00

WHAT SHOULD BE ABATED

Difference in Billed-SHB = Abate	-	2,160.00	2,160.00 = To Be Abated
RSA 76:17-a Rate of Interest Pybl	4.00%	4.00%	
Enter Date Town will Payback	5/1/2024	5/1/2024	
Number of Days of Interest =	341	142	
Interest Payable	-	33.61	33.61 = Interest Owed
Less Previously Abated Amount of			
Total To Be Abated	-	2,193.61	2,193.61



*TOWN OF DURHAM
8 NEWMARKET ROAD
DURHAM, NH 03824-2898
Tel: 603/868-8064*

ABATEMENT RECOMMENDATION

DATE: April 1, 2024

TOWN OF: Durham

TO: Town Council

FROM: Jay Ferreira

OWNER: Catboat Properties LLC
42 Pine Street
Exeter, NH 03833

REPRESENTATIVE: N/A

PROPERTY LOCATION: 8 Bagdad Road, Durham, NH 03824

PID: 107-10

PROPERTY TAX YEAR(S) APPEALED: 2023

APPLICATION FILING DATE: February 29, 2024

INVENTORY FILING DATE (Filing Date April 15th): N/A

ASSESSMENT APPEALED: \$695,900

Municipalities may abate taxes “for good cause shown.” RSA 76:16. Good cause is generally established by showing an error in the assessment calculation or a disproportionate assessment. Good cause can also be established by showing poverty and inability to pay the tax. If the abatement application is based on disproportionate assessment, the taxpayer has the burden to show how the assessment was disproportionate. To carry this burden the taxpayer must show:

- a. What the property was worth (market value) on the assessment date.
- b. The property’s “equalized assessment” exceeded the property’s market value. To calculate the equalized assessment, simply divide the assessment by the municipality’s equalization ratio (assessment ÷ ratio). Because a property’s market value is a crucial issue, **taxpayers must have an opinion of the market value estimate. Obtaining an appraisal or presenting sales of comparable properties can show this value estimate.**



REASON FOR APPEAL: The owner has applied for an abatement of his 2023 property taxes due to errors in the assessment calculations and data listed on the field card.

ASSESSORS COMMENTS: The subject property is a colonial style home (32 x 28) with an attached garage and an accessory dwelling unit (24 x 28). The property has 19,166 sf of land, located on Bagdad Road. I inspected the property on 3/4/2024 with owner. During my inspection of the property there were errors in the measurements of the house. The original living area of the house was 2,743sf, the corrected living area of the house is now 2,601sf. There were errors in the interior description of the house that I corrected. I changed the grade and depreciation of the house due to the size, layout, and quality of construction. The interior of the house consisted of suspended ceiling, plywood paneling, and vinyl stick on floor tiles. The kitchens and baths have not been updated since the 70's. The house is functional but needs to be updated, it is in average condition.

RECOMMENDATION: After inspecting the exterior and interior of the property. After the corrections were made on the field card. The value changed from \$695,900 to \$603,800. Which is a value difference of \$92,100. My recommendation is that grant an abatement of \$1,915.35 including interest.

TAXPAYER'S RSA 76:16 ABATEMENT APPLICATION TO MUNICIPALITY

TAX YEAR APPEALED 2023

INSTRUCTIONS

1. Complete the application by typing or printing legibly in ink. **This application does not stay the collection of taxes; taxes should be paid as assessed. If an abatement is granted, a refund with interest will be made.**
2. File this application with the municipality by the deadline (see below). Date of filing is the date this form is either hand delivered to the municipality, postmarked by the post office, or receipted by an overnight delivery service.

DEADLINES: The "notice of tax" means the date the board of tax and land appeals (BTLA) determines the last tax bill was sent by the municipality. (If your municipality bills twice annually, you must apply after the bill that establishes your final tax liability and not before.)

Step One: Taxpayer must file the abatement application with the municipality by March 1 following the notice of tax.

Step Two: Municipality has until July 1 following the notice of tax to grant or deny the abatement application.

Step Three: Taxpayer may file an appeal either at the BTLA (RSA 76:16-a) or in the superior court (RSA 76:17), but not both. An appeal must be filed:

- 1) no earlier than: a) after receiving the municipality's decision on the abatement application; or b) July 1 following the notice of tax if the municipality has not responded to the abatement application; and
- 2) no later than September 1 following the notice of tax.

EXCEPTION: If your municipality's final tax bill was sent out after December 31 (as determined by the BTLA), the above deadlines are modified as follows (RSA 76:1-a; RSA 76:16-d, II):

Step One: 2 months after notice of tax;

Step Two: 6 months after notice of tax; and

Step Three: 8 months after notice of tax.

FORM COMPLETION GUIDELINES:

1. **SECTION E.** Municipalities may abate taxes "for good cause shown." RSA 76:16. Good cause is generally established by showing an error in the assessment calculation or a disproportionate assessment. Good cause can also be established by showing poverty and inability to pay the tax.
2. **SECTION G.** If the abatement application is based on disproportionate assessment, the taxpayer has the burden to show how the assessment was disproportionate. To carry this burden the taxpayer must show: a) what the property was worth (market value) on the assessment date; and b) the property's "equalized assessment" exceeded the property's market value. To calculate the equalized assessment, simply divide the assessment by the municipality's equalization ratio (assessment ÷ ratio). Because a property's market value is a crucial issue, taxpayers must have an opinion of the market value estimate. This value estimate can be shown by obtaining an appraisal or presenting sales of comparable properties.
3. **SECTION H.** The applicant(s) must sign the application even if a representative (e.g. Tax Representative, Attorney, or other Advocate) completes Section I.
4. Make a copy of this document for your own records.

RECEIVED
Town of Durham

FEB 29 2024

Planning, Zoning
and Assessing

FOR MUNICIPALITY USE ONLY:

Town File No.: _____

Taxpayer Name: _____

RSA 76:16 ABATEMENT APPLICATION TO MUNICIPALITY

SECTION A. Party(ies) Applying (Owner(s)/Taxpayer(s))

Calboat Properties, LLC
C
Calboat Properties LLC

+naughton193@gmail.com

Name(s): _____

Mailing Address: _____

42 Pine Street, Exeter, NH 03833

Telephone Number(s): (Work) **603-770-8451** (Home) **603-580-5605**

Note: If an abatement is granted and taxes have been paid, interest on the abatement shall be paid in accordance with RSA 76:17-a. Any interest paid to the applicant must be reported by the municipality to the United States Internal Revenue Service, in accordance with federal law. Prior to the payment of an abatement with interest, the taxpayer shall provide the municipality with the applicant's social security number or federal tax identification number. Municipalities shall treat the social security or federal tax identification information as confidential and exempt from a public information request under RSA 91-A.

SECTION B. Party's(ies)' Representative if other than Person(s) Applying (Also Complete Section A)

Name(s): _____

Mailing Address: _____

Telephone Number(s): (Work) _____ (Home) _____

SECTION C. Property(ies) for which Abatement is Sought

List the tax map and lot number, the actual street address and town of each property for which abatement is sought, a brief description of the parcel, and the assessment.

<u>Town Parcel ID#</u>	<u>Street Address/Town</u>	<u>Description</u>	<u>Assessment</u>
107/10	8 Bagdad Rd	Residential	\$695,900

SECTION D. Other Property(ies)

List other property(ies) in the municipality owned in the same name(s), even if abatements for the other property(ies) have not been sought. The taxpayer's entire real property estate must be considered in determining whether the appealed property(ies) is (are) disproportionately assessed.

<u>Town Parcel ID#</u>	<u>Street Address/Town</u>	<u>Description</u>	<u>Assessment</u>

SECTION E. Reasons for Abatement Application

RSA 76:16 provides that an abatement may be granted for "good cause shown." "Good cause" generally means:
1) establishing an assessment is disproportionate to market value and the municipality's level of assessment; or
2) establishing poverty and inability to pay the tax. This form can be utilized for either basis of requesting an abatement. The taxpayer has the burden to prove good cause for an abatement.

- 1) If claiming disproportionality, state with specificity all the reasons supporting your application. Statements such as "taxes too high," "disproportionately assessed" or "assessment exceeds market value" are insufficient. Generally, specificity requires the taxpayer to present material on the following (all may not apply):
1. physical data – incorrect description or measurement of property;
 2. market data – the property's market value on the April 1 assessment date, supported by comparable sales or a professional opinion of value; and/or
 3. level of assessment – the property's assessment is disproportionate by comparing the property's market value and the town-wide level of assessment.

Note: If you have an appraisal or other documentation, please submit it with this application.

- 2) If claiming poverty or inability to pay, state in detail why abatement of taxes is appropriate as opposed to some other relief such as relocating, refinancing or obtaining some alternative public assistance.
Ansara v. City of Nashua, 118 N.H. 879 (1978).

(Attach additional sheets if needed.)

SECTION F. Taxpayer's(s') Opinion of Market Value

State your opinion of the market value of the property(ies) appealed as of April 1 of the year under appeal.

Town Parcel ID# 107/10 Appeal Year Market Value \$ 503000

Town Parcel ID# _____ Appeal Year Market Value \$ _____

Explain the basis for your value opinion(s). (Attach additional sheets if necessary.)

We believe there are a number of disproportionate assessments and errors in the assessment calculations

related to 8 Bagdad Road including - Grade, Effective Year Built, Depreciation Code, Depreciation %.

We have also identified specific items that we believe deserve reconsideration (see attached sheets) including -

Unit Prices in the OB Section & Unit Costs/Floor Areas in the Building Sub-Area Section

SECTION G. Sales, Rental and/or Assessment Comparisons

List the properties you are relying upon to show overassessment of your property(ies). If you are appealing an income producing property, list the comparable rental properties and their rents.

(Attach additional sheets if needed.)

Town Parcel ID#	Street Address	Sale Price/Date of Sale	Rents	Assessment
107/11	26 Dennison Rd	\$382,000/5-13-19	\$479,700	
108/8	7 Bagdad Rd	\$420,000/8-23-22	\$484,600	
107/9	10 Bagdad Road	\$465K/7-26-16	\$723,100	
233/47	4 Stone Wall Way	\$724,333/11-10-21	\$746,800	
108/73	14 Schoolhouse Ln	\$675K/10-31-22	\$672,000	

SECTION H. Certification by Party(ies) Applying

Pursuant to BTLA Tax 203.02(d), the applicant(s) **MUST** sign the application. By signing below, the Party(ies) applying certifies (certify) and swear(s) under the penalties of RSA ch. 641 the application has a good faith basis, and the facts stated are true to the best of my/our knowledge.

Date: 2/29/24

(Signature)

(Signature)

SECTION I. Certification and Appearance by Representative (If Other Than Party(ies) Applying)

By signing below, the representative of the Party(ies) applying certifies and swears under penalties of RSA ch. 641:

1. all certifications in Section H are true;
2. the Party(ies) applying has (have) authorized this representation and has (have) signed this application;
and
3. a copy of this form was sent to the Party(ies) applying.

Date: _____
(Representative's Signature)

SECTION J. Disposition of Application* (For Use by Selectmen/Assessor)

*RSA 75:16, II states: the municipality "shall review the application and shall grant or deny the application in writing by July 1 after notice of tax date"

Abatement Request: GRANTED _____ Revised Assessment: \$ _____ DENIED _____

Remarks:

Date: _____

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

Rev. 3/12

2/27/2022

Tax Abatement Backup/Specifics – 8 Bagdad Road, Durham, NH - 107/10

Section G: Assessment Comparison List – Additional Comparisons include -

Town Parcel ID #	Street Address	Sale Price/Date of Sale	Assessment
104/38	23 Littlehale Rd	? / 11-4-16	\$504,000
215/51	14 Deer Meadow Rd	\$2,950,000/12-28-23	\$1,116,000

Section F: Tax Payer's Opinion of Market Value – Basis for Value Opinion Detail

What follows is the detail, grouped by Section, underlying our opinion related to the over valuation of 8 Bagdad Road in the 2023 Tax Assessment due to errors in assessment calculations and/or disproportionate assessments. Our comps are based upon sales prices as well as the Tax Cards and detail of other similar and/or neighboring properties.

1. Land Assessment/Land Line Valuation Section –

- a. **Neighborhood Adjustment** - the 8 Bagdad Road Neighborhood Adjustment is set at 1.8. This property sits at the corner of Bagdad Road and Dennison with 154' along Bagdad and 127' along Dennison. Our direct neighbor at 26 Dennison has a Neighborhood Adjustment of 1.1. We feel that 8 Bagdad should receive the same Neighborhood Adjustment as our direct neighbor at 26 Dennison with a 1.1 Neighborhood Adjustment. By our calculations a Neighborhood Adjustment of 1.1 would reduce the Total Land Value of 8 Bagdad by ~ \$104K (from \$268,100 to \$163,838.88). **We are requesting the Total Land Value be reduced from \$268,100 to \$163,839.**
- b. **Land Value vs. 10/12 Bagdad Rd.** – In addition to the Neighborhood Adjustment request, referenced above, we feel that the land value for 8 Bagdad is disproportionately high to other larger lots in town including larger, seemingly more valuable, lots on Bagdad. As a comparable, our neighbor at 10 Bagdad has a lot size of 1.2 acres vs. 8 Bagdad's .44 acres. It seems improper that the 10 Bagdad lot is valued only 7% higher than that of 8 Bagdad when it is nearly 3 x greater size. \$268K (8 Bagdad) vs. \$288K (10 Bagdad). We don't have a specific adjustment request but do feel that it is worth mentioning and would like to better understand the rationale.

2. Construction Detail Section –

- a. **Grade** – 8 Bagdad has been assigned a Grade 5 (Average +20). Given the quality and condition of this home, we feel that this house should be considered a Grade 3. You can see the stark contrast between 8 Bagdad built in 1927 with outdated plumbing, septic, electrical, boiler, fixtures, kitchen(s), baths, vinyl windows, vinyl siding, etc. including its low cost wall paneling, flooring, fiberglass drop ceiling tiles, etc. vs. other Grade 5 homes around town such as 10 Bagdad Road (next door), 4 Stone Wall Way and others. We feel that 8 Bagdad belongs alongside other Grade 3 homes such as 7 Bagdad Rd. (across the street/built in 1920) and 14 Schoolhouse Lane (built in 1938) both of which appear to be

in much better shape today and would show much better than 8 Bagdad Rd. For reference you can see the Zillow Listings of these homes which include pictures.

https://www.zillow.com/b/10-Bagdad-Rd-Durham-NH/43.140118,-70.924644_II/

https://www.zillow.com/homes/4-Stonewall-Way-Durham,-NH-03824_rb/86857838_zpid/

https://www.zillow.com/homedetails/7-Bagdad-Rd-Durham-NH-03824/86864931_zpid/

<https://www.zillow.com/b/14-schoolhouse-ln-durham-nh-5Xtvr9/>

Also, please note that under Construction Detail Section we noticed omissions in the description column related to –

- b. **Interior walls** – are described as Plaster and Drywall. However, there is also a large portion (~ 1,000 SF) of inexpensive house paneling.
- c. **Floors** – are described as hardwood or carpet. However, there is also a large portion of inexpensive laminate Flooring (~ 1,000 SF).
- d. **Heat** – is described as Oil. However, over 800 SF of the house is supported by, quite outdated, electric baseboard heat.

3. Outbuilding & Yard Items / Building Extra Features Section –

- a. **Shed** – We believe that the assessed value applied to 8 Bagdad for the Shed (SHD1) is too high because the full value (\$2,400) and SF (240 units) are being assessed entirely to 8 Bagdad rather than shared (50/50) with 10 Bagdad. This is an error because only ½ of the shed located on the 8 Bagdad property with the other half of the shed residing on the 10 Bagdad side of the property line (see pictures included). Note - the assessment for 10 Bagdad shows no value for the shed. **We are requesting the SHD1 Appr. Value be reduced from \$2,400 to \$1,200.**
- b. **Driveways** – 8 Bagdad has 2 driveways. One driveway supports the main house (RD1) and the second driveway supports the apartment (RD3). We believe that the assessed values of RD3 are too high.
 - i. **RD3** - We believe that the Unit Price of \$5,000 being applied to the apartment driveway (RD3) has been over stated based upon this driveway's overall SF. It is an extremely short driveway. Perhaps shorter than any other driveway on the entire street. On a square footage basis, it is smaller than many driveways receiving a \$1,500 Unit Price. The current \$5,000 Unit Price is the same value being assigned to much larger/longer driveways in town such as 4 Stone Wall Way and 14 Deer Meadow Road. Each of these comparable driveways are many times longer (~10X+) with significantly greater SF. We believe that RD3 deserves the same assessment as RD1 - \$1,500. **We are requesting the Appr. Value to be reduced from \$2,500 to \$800.**
- c. **Extra Kitchen** – 8 Bagdad is being assessed an Appr Value of \$4,100 for the single extra kitchen. Similar to the main kitchen, the extra kitchen is relatively small (10' x 10') and very outdated (see picture). The Assessed Unit Price is currently \$5,500.
 - i. As a comparable, 14 Schoolhouse is also being assessed the same \$5,500 Unit Price but in the case of 14 Schoolhouse this value is for 2 Units (2 Extra

Kitchens) vs. the single Extra Kitchen at 8 Bagdad. We request therefore that the 8 Bagdad Extra Kitchen Unit Price be cut in half to \$2,750 to be in line with 14 Schoolhouse.

- ii. Also, we believe the 75% "% Good" adjustment for 8 Bagdad is too high. 14 Schoolhouse Lane is receiving a 30% depreciation for this line item and their two kitchens appear superior to that of 8 Bagdad.
- iii. Also, we feel that the 100 SF of the 8 Bagdad Extra Kitchen (10' x 10') should be deducted from the total first floor SF. Otherwise, it appears to be double counted. We have captured this item under Section 4 (below).

Based upon ci & cii, we are requesting the Appr. Value of the Extra Kitchen be reduced from \$4,100 to \$1,925 (\$2,750 x .7 (Depreciation)).

Additionally, we ask that 100 SF be removed from the First Floor SF calculation currently 1,786 SF to a revised 1,686 to address ciii (captured in 4a below).

4. Building Sub-Area Summary Section –

- a. **First Floor (BAS) & Upper Floor (FUS)** – We are requesting the Unit Costs for the BAS & FUS of 8 Bagdad be adjusted down as part of the adjustments made to the Gade and Depreciation addressed elsewhere in this document. We believe that there are numerous homes which offer more current, better built, higher quality BAS & FUS vs. that of 8 Bagdad but are being assessed for the same Unit Cost or less. To back up our position, please consider the following homes which clearly present a greater value per SF than that of 8 Bagdad (\$154.67) but are being treated as having a lower Unit Cost -
 - i. 10 Bagdad Road – First Floor & Upper Floor unit cost of \$134.02
 - ii. 4 Stone Wall Way – First Floor & Upper Floor unit cost of \$151.40

Using our neighbor's assessment (10 Bagdad) for BAS & FUS (1st & 2nd floor Unit Costs) we are requesting the 8 Bagdad Undepreciated Values be reduced by a total of \$70,041, detail as follows –

- **Current First Floor (BAS)** – 1786 SF x \$154.67 per SF = \$276,237 vs. Proposed 1686 SF (accounting for the Extra Kitchen) x \$134.02 per SF = \$225,958. **Reduction of \$50,279.**
- **Current Upper Story (FUS)** – 957 SF x \$154.67 per SF = \$148,019 vs. Proposed 957 SF (accounting for the Extra Kitchen) x \$134.02 per SF = \$128,257. **Reduction of \$19,762.**

b. Crawl space –

- i. There is an in-dent of the house footprint looking from the street (area separating the main house from the apartment) that is not properly measured in the assessment. This results in an over estimate of the crawl space area and the first floor area – each by 18 SF. The assessment indicated this indent is 3' when it is actually 5' resulting in a difference of 18 SF (2' x 9' the length of the home at this section).
- ii. Also, the space under the breezeway is not accessible and, it seems, should not count as crawl space. This amounts to 117 SF after making the adjustment in bi (above).

- iii. Also, given that this area is only accessible from the outside via the removal of a sheet of plywood (not through the basement), it seems overvalued at \$15.52 SF? See pictures. We don't have a specific adjustment request but do feel that it is worth mentioning and would like to better understand the rationale.

Based upon bi & bii, we are requesting that the Appr Value of the Crawl Space be reduced by a \$2,095.20 from \$12,528 to \$10,433. In addition, we ask that the town consider point biii (directly above) and address accordingly.

- c. **Garage, Framed (FGR)** – we believe that the assessed Unit Cost of the Garage at \$61.87 SF is valued too high. We are requesting that the Unit Cost be adjusted down based upon adjustments elsewhere in the Assessment related to the Grade of the house and/or the Depreciation. For a Comparable – the [23 Littlehale Road](#) FGR = \$56.61 SF. We are requesting the 8 Bagdad Garage Unit Cost be adjusted down to equal the Unit Cost of [23 Littlehale Road](#). The resulting Undepreciated Value of the FGR would be \$42,458 vs. the current Undepreciated Value of \$46,400... a reduction of \$3,942 in Undepreciated Value.
- d. **Attic, Unfinished (UAT)**– we believe that the assessed SF (957 SF) of the attic is greater than the actual and also that the Unit Cost (\$15.52) of the attic is valued too high.
 - i. The assessed 957 SF of Attic Floor Area seems exaggerated. See picture. It seems that this needs to be reviewed to more accurately account for the actual effective area including the loss of area from the eaves as well as the chimney. We believe that a more accurate calculation of the attic SF is 495 SF (33L x 15W).
 - ii. Regarding the attic Unit Cost of \$15.52 SF. We are requesting the Unit Cost be adjusted down based upon adjustments elsewhere to the Grade of the house and/or Depreciation. For a Comparable – the [10 Bagdad](#) attic is being assessed a Unit Cost of \$13.37 SF.

Based on ei & eii (above), we are requesting that the Undepreciated Value of the unfinished Attic be reduced to \$6,618 (495 SF x 13.37 per SF) a reduction of \$8,230 from the current assessment of \$14,848.

- e. **Basement, Unfinished (UBM)** – we believe that the assessed SF (669 SF) of the 8 Bagdad Unfinished Basement is greater than actual and also that the Unit Cost (\$30.98) is valued too high.
 - i. The assessed UBM area of 957 SF appears higher than actual. See picture. 8 Bagdad Unfinished basement SF calculation seems high at 669 SF of Floor Area. There are some significant indents and a large space dedicated to the chimney foundation that make the space smaller than assessed. We estimate the SF to be less than 600 SF.
 - ii. Regarding the UBM Unit Cost of 30.98 SF. We are requesting that the Unit Cost be adjusted down based upon adjustments elsewhere to the Grade of the house and/or Depreciation. For a Comparable – the [10 Bagdad Road](#) UBM is being assessed a Unit Cost of \$26.79 SF.

Based on fi & fii, we are requesting that the Undepreciated Value of the Unfinished Basement (UBM) be reduced to \$16,074 (600 SF x 26.79 per SF) a reduction of \$4,652 from the current assessment of \$20,726.

- f. **Utility Storage, Unfurnished (UST)** – we believe that the Undepreciated Value of the UST is not appropriate as the space identified is neither Utility or storage. It's actually just a bulkhead. We were unable to find other bulk heads in Durham being assessed a value. We are requesting that the Undepreciated Value of this bulkhead (currently labeled UST) be removed in its entirety. If not removed completely the Unit Cost be reduced from the current \$69.60 SF to that of the UBM \$30.98. Assuming that you agree that the Bulkhead should not be assessed, this would result in a reduction of \$1,392 from the current assessment.

5. Cost/Market Valuation Section –

- a. **Effective Year Built** – the current 8 Bagdad assessment has been designated to have an "Effective Year Built" of 1997. We believe that the home is more dated than a 1997 and deserves a 1992 designation, or earlier. As referenced elsewhere, the home was built in 1927 and very little has been done to it in 50+ years. We believe that the comps below bolster our viewpoint and that these comps (both with Effective Year Built of 1992) are comparatively more current than 8 Bagdad with its outdated plumbing, septic, electrical, boiler, fixtures, kitchen(s), baths, vinyl windows, vinyl siding, etc. including its low cost wall paneling, flooring, fiberglass drop ceiling tiles, etc. -
 - i. **7 Bagdad** – Effective Year Built 1992. This home was also built in the 1920's (1920) but received a significant remodel since 2018 including fully remodeled bathrooms and kitchen (cabinets, countertops, appliances, etc.) flooring, etc
 - ii. **14 Schoolhouse Lane** – Effective Year Built 1992. This home was built in 1938 (11 years after 8 Bagdad). It appears to be in much better condition with remodeled bathrooms and other aspects in much better shape and signs of upgrades.
- b. **Depreciation Code** – GD – the current Assessment assigns 8 Bagdad with a Depreciation Code of GD. Looking at other homes assigned a GD (such as 50 Mill Road, 10 Bagdad Road), we feel that 8 Bagdad should be changed to Average to match homes such as – **14 Schoolhouse Road, 7 Bagdad Road, 23 Littlehale Road.**

https://www.zillow.com/homes/23-Littlehale-Rd-Durham,-NH-03824_rb/86851289_zpid/

Please note that we are submitting this Abatement Request lacking a full understanding how "NetOtherAdjust" is determined and factors into the equation? As such we expect that this "NetOtherAdjust" could impact what we have documented above, in certain instances. Please note that the "NetOtherAdjust" for 8 Bagdad is currently \$15,000.

We appreciate your consideration of the points we have brought forward.

Thank you.

The pictures below are of 8 Bagdad (taken in February 2024) in the following order –

- Unfinished Basement (2 pics) – Floor Area 669 SF
- Basement Access/Bulkhead – incorrectly described as Utility Storage Unfinished – Unit Cost = \$69.60 SF
- Shed – Exterior – being assessed for entire shed however the shed is divided down the middle along the property line
- Shed – Interior – notice that the shed is divided down the middle
- ½ Bath – has not been remodeled since the ~ 1970's or perhaps earlier (extremely small space)
- Full bath –
- Full Bath – (4' x 7')
- Kitchen #1
- Kitchen # 2 (10' x 10')
- Attic – notice the Effective Area including the chimney coming up the middle
- Crawl Space (2 pics)



C. Depreciation Code – see the notes related to Grade above.



d.

Depreciation % - see the notes related to Grade above.























Town of Durham, NH				
Property Tax Bill Calculation				
Owner	Catboat Prop.			
PID	107-10			
Address	8 Bagdad Rd			
WHAT WAS TAXED				
Total Assessed Value	314,000	695,900		
Exemption (solar,)	-	-		
Value Tax Applied To:	314,000.00	695,900.00		
Credit (veterans,)	-	-		
Tax Bill#:	109618	111034		
PropTax Issue 1 st or 2 nd	1	2		
Due Date:	7/3/2023	12/18/2023		
Paid Date:	6/5/2023	7/11/2023		
Tax Rate Applied:				
Town	4.070	5.750		
County	1.410	1.760		
Local School	8.280	11.580		
State School	0.765	1.390		
Total Rate	14.525	20.480		
tax will be roughly	4,560.85	14,252.03		
Resulting in Taxes of:				
Town	1,278.00	4,001.00		
County	443.00	1,225.00		
Local School	2,600.00	8,059.00		
State School	240.00	967.00		
Tax Calculated	4,561.00	14,252.00		
Less Credit & 1st Bill				
is the Amount Billed:	4,561.00	9,691.00		
WHAT SHOULD HAVE BEEN TAXED				
Total Assessed Value	314,000	603,800		
Exemption (solar,)	-	-		
Value Tax Applied To:	314,000.00	603,800.00		
Credit (veterans,)	-	-		
Tax Bill#:	109618	111034		
PropTax Issue 1 st or 2 nd	1	2		
Due Date:	7/3/2023	12/18/2023		
Paid Date:	6/5/2023	7/11/2023		
Tax Rate Applied:				
Town	4.070	5.750		
County	1.410	1.760		
Local School	8.280	11.580		
State School	0.765	1.390		
Total Rate	14.525	20.480		
tax will be roughly	4,560.85	12,365.82		
Resulting in Taxes of:				
Town	1,278.00	3,472.00		
County	443.00	1,063.00		
Local School	2,600.00	6,992.00		
State School	240.00	839.00		
Tax Calculated	4,561.00	12,366.00		
Less Credit & 1st Bill				
is the Amount Billed:	4,561.00	7,805.00		
WHAT SHOULD BE ABATED				
Difference in Billed-SHB = Abate	-	1,886.00	1,886.00	= To Be Abated
RSA 76:17-a Rate of Interest Pybl	4.00%	4.00%		
Enter Date Town will Payback	5/1/2024	5/1/2024		
Number of Days of Interest =	331	142		
Interest Payable	-	29.35	29.35	= Interest Owed
Less Previously Abated Amount of				
Total To Be Abated	-	1,915.35	1,915.35	



*TOWN OF DURHAM
8 NEWMARKET ROAD
DURHAM, NH 03824-2898
Tel: 603/868-8064*

ABATEMENT RECOMMENDATION

DATE: April 1, 2024

TOWN OF: Durham

TO: Town Council

FROM: Jay Ferreira

OWNER: CDC New Hampshire, LLC
PO Box 530292
Birmingham, AL 35253-0292

REPRESENTATIVE: Wesley Vaughn
PO Box 530292
Birmingham, AL 35253-0292

PROPERTY LOCATION: 100 Clubhouse Street, Durham, NH 03824

PID: 203-7

PROPERTY TAX YEAR APPEALED: 2023

APPLICATION FILING DATE W/MUNICIPALITY: February 9, 2024

INVENTORY FILING DATE (Filing Date April 15th): N/A

ASSESSMENT APPEALED: \$58,656,600

Municipalities may abate taxes “for good cause shown.” RSA 76:16. Good cause is generally established by showing an error in the assessment calculation or a disproportionate assessment. Good cause can also be established by showing poverty and inability to pay the tax. If the abatement application is based on disproportionate assessment, the taxpayer has the burden to show how the assessment was disproportionate. To carry this burden the taxpayer must show:

- a. What the property was worth (market value) on the assessment date.
- b. The property’s “equalized assessment” exceeded the property’s market value. To calculate the equalized assessment, simply divide the assessment by the municipality’s equalization ratio (assessment ÷ ratio). Because a property’s market value is a crucial issue, **taxpayers must have an opinion of the market value estimate. Obtaining an appraisal or presenting sales of comparable properties can show this value estimate.**



REASON(S) FOR APPEAL:

The owners are appealing their 2023 property taxes because based on their income and expense statements, they believe the property is over assessed.

COMMENTS: Briefly, the subject property was constructed in 2012 and is commonly known as “The Cottages of Durham”. It is a 619-bed student housing development.

RECOMMENDATION: I recommend their abatement request be **DENIED**. Their property is consistently and equitably assessed when compared to other large student housing projects.

Administration Office

INSTRUCTIONS

1. Complete the application by typing or printing legibly in ink. **This application does not stay the collection of taxes; taxes should be paid as assessed. If an abatement is granted, a refund with interest will be made.**
2. File this application with the municipality by the deadline (see below). Date of filing is the date this form is either hand delivered to the municipality, postmarked by the post office, or receipted by an overnight delivery service.

DEADLINES: The "notice of tax" means the date the board of tax and land appeals (BTLA) determines the last tax bill was sent by the municipality. (If your municipality bills twice annually, you must apply after the bill that establishes your final tax liability and not before.)

Step One: Taxpayer must file the abatement application with the municipality by March 1 following the notice of tax.
Step Two: Municipality has until July 1 following the notice of tax to grant or deny the abatement application.
Step Three: Taxpayer may file an appeal either at the BTLA (RSA 76:16-a) or in the superior court (RSA 76:17), but not both. An appeal must be filed:

- 1) no earlier than: a) after receiving the municipality's decision on the abatement application; or b) July 1 following the notice of tax if the municipality has not responded to the abatement application; and
- 2) no later than September 1 following the notice of tax.

EXCEPTION: If your municipality's final tax bill was sent out after December 31 (as determined by the BTLA), the above deadlines are modified as follows (RSA 76:1-a; RSA 76:16-d, II):

Step One: 2 months after notice of tax;
Step Two: 6 months after notice of tax; and
Step Three: 8 months after notice of tax.

FORM COMPLETION GUIDELINES:

1. **SECTION E.** Municipalities may abate taxes "for good cause shown." RSA 76:16. Good cause is generally established by showing an error in the assessment calculation or a disproportionate assessment. Good cause can also be established by showing poverty and inability to pay the tax.
2. **SECTION G.** If the abatement application is based on disproportionate assessment, the taxpayer has the burden to show how the assessment was disproportionate. To carry this burden the taxpayer must show: a) what the property was worth (market value) on the assessment date; and b) the property's "equalized assessment" exceeded the property's market value. To calculate the equalized assessment, simply divide the assessment by the municipality's equalization ratio (assessment ÷ ratio). Because a property's market value is a crucial issue, taxpayers must have an opinion of the market value estimate. This value estimate can be shown by obtaining an appraisal or presenting sales of comparable properties.
3. **SECTION H.** The applicant(s) must sign the application even if a representative (e.g. Tax Representative, Attorney, or other Advocate) completes Section I.
4. Make a copy of this document for your own records.

FOR MUNICIPALITY USE ONLY:

Town File No.: _____

Taxpayer Name: _____

RSA 76:16 ABATEMENT APPLICATION TO MUNICIPALITY

SECTION A. Party(ies) Applying (Owner(s)/Taxpayer(s))

Name(s): CDC NEW HAMPSHIRE, LLC
Mailing Address: PO BOX 530292 BIRMINGHAM, AL 35253-0292
Telephone Number(s): (Work) 205-216-4539 (Home) _____

Note: If an abatement is granted and taxes have been paid, interest on the abatement shall be paid in accordance with RSA 76:17-a. Any interest paid to the applicant must be reported by the municipality to the United States Internal Revenue Service, in accordance with federal law. Prior to the payment of an abatement with interest, the taxpayer shall provide the municipality with the applicant's social security number or federal tax identification number. Municipalities shall treat the social security or federal tax identification information as confidential and exempt from a public information request under RSA 91-A.

SECTION B. Party's(ies)' Representative if other than Person(s) Applying (Also Complete Section A)

Name(s): WESLEY VAUGHN
Mailing Address: PO BOX 530292 BIRMINGHAM, AL 35253-0292
Telephone Number(s): (Work) 205-216-4539 (Home) _____

SECTION C. Property(ies) for which Abatement is Sought

List the tax map and lot number, the actual street address and town of each property for which abatement is sought, a brief description of the parcel, and the assessment.

<u>Town Parcel ID#</u>	<u>Street Address/Town</u>	<u>Description</u>	<u>Assessment</u>
1937	100 CLUBHOUSE STREET		\$58,656,600
203-7			

SECTION D. Other Property(ies)

List other property(ies) in the municipality owned in the same name(s), even if abatements for the other property(ies) have not been sought. The taxpayer's entire real property estate must be considered in determining whether the appealed property(ies) is (are) disproportionately assessed.

<u>Town Parcel ID#</u>	<u>Street Address/Town</u>	<u>Description</u>	<u>Assessment</u>

SECTION E. Reasons for Abatement Application

RSA 76:16 provides that an abatement may be granted for "good cause shown." "Good cause" generally means: 1) establishing an assessment is disproportionate to market value and the municipality's level of assessment; or 2) establishing poverty and inability to pay the tax. This form can be utilized for either basis of requesting an abatement. The taxpayer has the burden to prove good cause for an abatement.

- 1) If claiming disproportionality, state with specificity all the reasons supporting your application. Statements such as "taxes too high," "disproportionately assessed" or "assessment exceeds market value" are insufficient. Generally, specificity requires the taxpayer to present material on the following (all may not apply):
 1. physical data – incorrect description or measurement of property;
 2. market data – the property's market value on the April 1 assessment date, supported by comparable sales or a professional opinion of value; and/or
 3. level of assessment – the property's assessment is disproportionate by comparing the property's market value and the town-wide level of assessment.

Note: If you have an appraisal or other documentation, please submit it with this application.

- 2) If claiming poverty or inability to pay, state in detail why abatement of taxes is appropriate as opposed to some other relief such as relocating, refinancing or obtaining some alternative public assistance.
Ansara v. City of Nashua, 118 N.H. 879 (1978).

(Attach additional sheets if needed.)

Please see attached information and evidence.

SECTION F. Taxpayer's(s') Opinion of Market Value

State your opinion of the market value of the property(ies) appealed as of April 1 of the year under appeal.

Town Parcel ID# 1937 Appeal Year Market Value \$ 53,666,000

Town Parcel ID# _____ Appeal Year Market Value \$ _____

Explain the basis for your value opinion(s). (Attach additional sheets if necessary.)

Please see attached information and evidence.

SECTION G. Sales, Rental and/or Assessment Comparisons

List the properties you are relying upon to show overassessment of your property(ies). If you are appealing an income producing property, list the comparable rental properties and their rents.
(Attach additional sheets if needed.)

Town Parcel ID#	Street Address	Sale Price/Date of Sale	Rents	Assessment
-----------------	----------------	-------------------------	-------	------------

Please see attached information and evidence.

SECTION H. Certification by Party(ies) Applying

Pursuant to BTLA Tax 203.02(d), the applicant(s) **MUST** sign the application. By signing below, the Party(ies) applying certifies (certify) and swear(s) under the penalties of RSA ch. 641 the application has a good faith basis, and the facts stated are true to the best of my/our knowledge.

Date: 2/7/2024

Steve Beinke
(Signature)

Steve Beinke, SVP Tax
(Signature)

SECTION I. Certification and Appearance by Representative (If Other Than Party(ies) Applying)

By signing below, the representative of the Party(ies) applying certifies and swears under penalties of RSA ch. 641:

1. all certifications in Section H are true;
2. the Party(ies) applying has (have) authorized this representation and has (have) signed this application;
and
3. a copy of this form was sent to the Party(ies) applying.

Date: 2/7/2024


(Representative's Signature)

SECTION J. Disposition of Application* (For Use by Selectmen/Assessor)

*RSA 75:16, II states: the municipality "shall review the application and shall grant or deny the application in writing by July 1 after notice of tax date"

Abatement Request: GRANTED _____ Revised Assessment: \$ _____ DENIED _____

Remarks:

Date: _____

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

Rev. 3/12

Parcel: 1937
Address: 100 CLUBHOUSE STREET
Owner: CDC NEW HAMPSHIRE, LLC

2023 Proposed Value: \$58,656,600
Taxpayer Opinion of Value: \$53,666,000

The subject property is a 619-bed student housing property known as the Cottages of Durham. The property was built in 2012.

The proposed value is not supported by actual income generated by the subject property or by recent comparable sales.

The property's actual 2020-2023 income statements are provided on pages 3-15 and summarized below.

The market cap rate of 6.30% is from CoStar's market research. This report is provided on page 16.

The income analysis indicates a value of **\$53,417,000**.

	2023	2022	2021	2020
Occupancy	96%	99%	98%	91%
Income	7,116,019	6,912,712	6,892,376	6,191,423
Expenses	3,733,075	3,689,071	3,617,975	3,389,195
CapEx Reserves (\$250 per bed)	154,750	154,750	154,750	154,750
Property Taxes	(1,231,019)	(1,303,117)	(1,262,622)	(1,252,827)
Effective Expenses	2,656,806	2,540,704	2,510,103	2,291,118
NOI	4,459,213	4,372,008	4,382,273	3,900,305
Market Cap Rate	6.30%	6.30%	6.30%	6.30%
Tax Rate	2.048%	2.048%	2.048%	2.048%
Overall Cap Rate	8.35%	8.35%	8.35%	8.35%
Value	53,417,000	52,372,000	52,495,000	46,721,000

There has been only one comparable sale in the market over the last several years.

The Lodges at West Edge sold in December 2021 at the peak of the commercial real estate market as capitalization rates were at all-time lows. With 450 beds, the \$51.5M purchase price equates to \$114,400 per bed.

After making the necessary adjustments, the comparable purchase price per bed is \$87,100. This price per bed yields a value of **\$53,914,000** for the subject property.

An adjustment of -18.9% is made to the comparable sale because it rents for much higher than the subject property. As of the April 2023 value date, The Lodges at West Edge rented for \$1,151 per month for each bed. This information is provided on Page 17 via Axiometrics, the leading provide of student housing information.

The subject property's effective rent was \$934 per month for each bed. The actual 2023 income statement identifies an April 2023 gross potential income of \$578,074 – \$934 per the subject's 619 beds.

Additionally, The Lodges has significantly fewer beds than the subject property. Per appraisal methodology and economies of scale, it is reasonable to adjust the sale price on a metric basis. A downwards adjustment of -2.5% is therefore made.

Lastly, a downwards adjustment of 2.5% is made to account for the drastic increase in interest rates since this sale occurred in December 2021. The provided chart on page 18 tracks the Secured Overnight Financing Rate (SOFR) from Federal Reserve economic data. This rate was less than 0.5% as of December 2021 compared to 4.76% in April 2023.

Comparable Property	Parcel	Built	Units	Beds	Date Sold	Purchase Price	Price per Bed
The Lodges at West Edge	1986	2014	142	450	12/2021	51,500,000	114,400
Rent Adjustment							-18.9%
Bed Count Adjustment							-2.5%
Time Adjustment							-2.5%
Net Adjustment							-23.9%
Adjusted Price per Bed							87,100
Subject Bed Count							619
Sales Value							\$53,914,900

The taxpayer opinion of value of **\$53,666,000** equally weights the income and sales values.

Income Value	\$53,417,000
Sales Value	\$53,914,900
Reconciled Value	\$53,666,000

TAXPAYER EVIDENCE - PAGE 3

The Cottages of Durham	Total 2023	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
Gross potential rent	7,258,683	581,070	585,784	580,683	578,074	578,074	591,467	577,645	649,014	666,860	623,973	620,141	625,899
Market Rate Adj	(61,218)	0	(4,249)	1,961	653	1,681	3,442	3,442	(12,610)	(8,128)	(16,264)	(15,676)	(15,470)
Vacancy adjustment	(301,009)	(3,506)	(3,786)	(879)	0	(1,958)	(8,770)	(8,770)	(74,810)	(79,440)	(40,213)	(40,003)	(38,874)
Vacancy-Partial Month	(43,438)	0	1,645	(4,345)	(521)	(438)	(11,770)	(11,770)	(5,668)	0	(3,613)	(972)	(5,986)
Net Student Rent	6,853,018	577,564	579,394	577,420	578,206	577,359	574,369	560,547	555,926	579,292	563,883	563,490	565,569
Utility income	245,230	19,199	16,712	17,593	23,845	22,276	21,097	21,826	4,374	4,916	17,903	24,886	50,603
Damage recoveries	39,799	(175)	0	0	0	0	475	0	40,154	(492)	(175)	0	13
Uncollectible Rent	(22,028)	8,106	55	(1,019)	(1,967)	(3,836)	(7,765)	6,500	(58,365)	19,277	8,996	3,367	4,621
Other Operating Revenue	263,001	27,130	16,767	16,574	21,878	18,440	13,807	28,326	(13,837)	23,701	26,724	28,253	55,237
Total Revenue	7,116,019	604,694	596,161	593,994	600,084	595,799	588,176	588,873	542,089	602,993	590,607	591,743	620,806
Payroll: administrative	108,316	8,462	8,111	10,156	8,255	9,493	9,080	8,667	9,772	8,869	9,291	9,291	8,869
CORP Payroll: GM recur bo	22,331	1,076	1,076	2,675	1,076	1,076	5,172	1,076	1,076	2,789	1,076	1,076	3,083
Payroll: maintenance	192,969	15,362	16,411	16,788	18,923	20,323	10,550	8,901	21,960	10,611	19,714	17,024	16,403
Payroll: maint, overtime	14,585	565	127	1,671	744	609	1,277	323	2,522	3,697	1,143	621	1,287
Payroll: maint, temporary	14,221	442	2,473	3,091	0	0	0	0	2,821	5,395	0	0	0
Payroll: leasing	33,595	3,215	3,198	3,496	3,572	5,147	(5,706)	0	6,450	3,473	3,638	3,638	3,473
Payroll: CA	76,570	8,407	(887)	9,539	4,516	7,120	9,056	2,813	13,469	14,177	1,579	4,637	2,146
Payroll: CA, overtime	4,953	0	2	0	0	0	0	50	1,211	3,690	0	0	0
Payroll: corp support	22,563	1,962	1,399	2,002	1,734	1,770	1,917	1,974	2,095	1,908	2,069	1,893	1,841
Payroll taxes	38,627	2,615	3,315	3,865	2,991	3,681	2,187	1,384	5,544	3,041	2,327	2,983	4,694
Workers comp insurance	12,161	530	530	530	530	562	1,948	1,255	1,255	1,255	1,255	1,255	1,255
Health insurance	43,487	4,723	3,797	4,260	4,270	4,270	4,270	3,125	3,125	3,125	2,322	2,322	3,877
Life/disability insurance	2,141	195	168	182	183	183	183	134	134	134	215	215	215
401K employer match	1,665	95	97	183	118	102	107	104	173	165	120	136	264
Other payroll related costs	2,447	220	136	201	169	180	225	203	269	212	253	197	182
Staff accommodations-Prof	68,557	5,376	5,376	5,376	5,376	5,376	5,376	5,376	6,185	6,185	6,185	6,185	6,185
Staff accommodations-CA	13,728	954	1,457	1,039	947	954	829	954	961	2,035	1,573	1,258	768
Payroll Expenses	672,916	54,199	46,786	65,054	53,404	60,846	46,471	36,339	79,022	70,761	52,760	52,731	54,542
Appliances	9,818	98	754	471	165	949	108	413	2,240	240	2,148	1,472	761
Cleaning	250	0	0	0	0	0	0	0	0	0	0	250	0
Cleaning supplies	3,139	0	299	186	139	497	302	105	437	336	273	128	437
Doors	233	0	0	0	0	233	0	0	0	0	0	0	0

TAXPAYER EVIDENCE - PAGE 4

The Cottages of Durham	Total 2023	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
Drives and parking	6,100	0	0	0	0	0	0	0	0	0	6,100	0	0
Electrical repair	1,368	0	114	0	0	250	81	0	214	206	59	0	444
Equipment repair & rental	7,763	0	670	0	0	189	0	1,936	520	507	3,941	0	0
Fire and sprinklr repairs	8,341	0	593	0	0	259	0	0	0	0	7,489	0	0
Fire protect-inspct/montr	7,943	0	0	0	632	0	0	1,154	1,154	1,154	1,154	1,154	1,539
Fitness equipment repairs	775	0	0	0	0	775	0	0	0	0	0	0	0
Furniture expense	413	0	227	0	0	0	0	0	0	0	185	0	0
Generator service	375	0	0	0	0	0	0	0	375	0	0	0	0
HVAC - parts/supplies	2,197	0	0	844	0	273	0	0	527	0	553	0	0
HVAC - preventive maint	4,729	0	0	1,116	1,116	265	1,116	0	0	0	0	1,116	0
HVAC - vendors	19,742	750	1,780	1,248	1,120	0	460	1,465	3,968	3,220	3,775	0	1,957
Landscaping - Contract	78,050	0	0	0	11,100	11,143	11,100	11,143	11,100	11,121	11,100	243	0
Lighting - Common Area	1,640	0	0	62	602	247	0	0	0	354	0	362	13
Lighting - Unit	5,757	280	268	1,358		1,132	252	378	621	338	0	151	980
Locks and keys	107	86	0	0	0	0	0	0	0	0	21	0	0
Locks/Keys-access control	374		0	0	0	0	0	337	0	0	0	0	36
Maintenance supplies	16,432	585	1,590	1,459	1,160	1,301	140	2,006	1,967	751	2,665	709	2,098
Miscellaneous maintenance	250	0	0	0	0	0	232	0	0	9	0	8	0
Painting Labor/contract	4,706	0	0	0	0	0	0	4,706	0	0	0	0	0
Painting - supplies	3,865	0	142	55	100	2,496	0	0	0	59	104	0	909
Pest control	4,523	0	0	0	0	506	0	1,137	856	0	0	1,012	1,012
Plumbing	5,838	92	383	380	(29)	767	209	0	791	681	269	1,152	1,142
Pool - repairs/supplies	3,567	201	798	320	563	315	199	0	560	0	170	395	46
Snow removal	77,500	15,700	15,700	15,700	0	0	0	0	0	0	0	15,200	15,200
Storage	6,354	0	472	236	236	236	0	2,223	743	696	283	513	716
Uniforms - maint	1,137	0	0	0	326	0	247	0	172	0	0	392	0
Wall repair	135	0	0	40	0	0	95	0	0	0	0	0	0
Windows and screens	2,791	0	1,961	0	0	227	285	318	0	0	0	0	0
Turnover, cleaning	63,800	0	0	0	0	0	0	0	60,890	2,910	0	0	0
Turnover, painting cntrct	42,451	0	0	0	0	0	0	(89)	46,800	(4,260)	0	0	0
Turnover painting supply	1,475	0	0	0	0	0	0	0	1,475	0	0	0	0
Turnover, supplies	15,910	0	0	0	0	0	0	18,846	(2,936)	0	0	0	0
Maintenance Expenses:	409,848	17,792	25,751	23,475	17,230	22,060	14,826	46,078	132,474	18,322	40,289	24,257	27,290
Electricity, common area	45,895	4,851	3,632	5,764	4,335	4,227	3,678	3,871	3,709	2,736	3,016	2,843	3,232
Electricity, resident	12,187	121	204	631	378	553	418	972	1,756	5,737	574	450	393
Water and sewer	199,886	17,626	21,565	19,205	18,585	11,257	16,793	17,352	11,257	15,626	16,147	15,626	18,846
Gas	26,894	2,805	3,439	3,582	3,024	2,146	1,438	1,870	1,296	4,601	700	636	1,357
Trash removal	50,403	9,887	3,523	2,614	2,422	3,218	3,923	2,429	2,400	8,211	4,672	3,316	3,788

TAXPAYER EVIDENCE - PAGE 5

The Cottages of Durham	Total 2023	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
Trash removal, turnover	8,263	0	0	0	0	0	0	0	6,003	2,260	0	0	0
Resident internet service	62,273	5,125	5,100	5,151	5,125	5,125	5,125	5,125	5,279	5,300	5,258	5,279	5,279
Resident cable service	16,320	2,009	2,000	2,019	2,009	2,009	2,009	(6,083)	2,070	2,100	2,039	2,070	2,070
Utilities Expenses:	422,121	42,424	39,463	38,966	35,878	28,535	33,384	25,536	33,770	46,571	32,406	30,220	34,965
Security	34,720	2,800	2,800	2,800	2,940	2,800	2,940	2,940	2,940	2,940	5,940	(60)	2,940
Shuttle Service	360,941	12,698	44,441	49,203	47,616	28,569	0	0	6,190	46,426	47,973	46,426	31,399
Other Property Services:	395,661	15,498	47,241	52,003	50,556	31,369	2,940	2,940	9,130	49,366	53,913	46,366	34,339
Giveaways	3,036	0	132	624	340	57	186	25	631	143	0	440	458
Offsite promotional event	1,302	0	0	548	480	0	375	0	162	0	0	0	(263)
Promo items/materials	20,477	1,287	4,381	651	542	0	541	0	0	9,004	0	865	3,205
T shirts	13,155	0	0	0	0	0	20	0	0	13,135	0	0	0
Onsite promotional events	6,492	463	1,190	1,939	403	1,308	0	0	0	500	0	893	(205)
Other advertising	1,032	0	0	0	0	0	0	0	420	612	0	0	0
Other marketing	6,304	2	495	440	1,013	207	0	0	527	314	438	0	2,869
Gift cards	9,627	450	0	375	1,805	125	825	0	1,075	265	700	3,237	770
Sports marketing agreemnt	29,879	2,490	2,490	2,490	2,490	2,490	2,490	2,490	2,490	2,490	2,490	2,490	2,490
Email advertising	730	0	0	0	730	0	0	0	0	0	0	0	0
Other printed materials	314	0	0	0	130	0	0	0	0	70	0	115	0
Outdoor advertising/signs	2,332	0	0	340	1,164	121	0	141	320	118	0	129	0
Renewal events	456	0	0	0	0	0	0	0	0	0	107	349	0
Resident programming	2,672	16	389	229	171	0	325	0	0	304	293	719	225
Web site cost	1,375	235	99	108	106	106	116	0	181	106	106	106	106
Dig Media, Search Engines	11,884	419	671	1,263	2,146	1,270	1,231	452	805	770	875	2,215	(233)
Dig Media, Social Media	5,042	0	404	564	478	464	381	232	428	0	942	0	1,149
Dig Media, Off Camp Hsng	4,950	450	450	0	1,350	450	450	0	900	450	0	(450)	900
Dig Media, Other	406	15	55	55	0	50	55	35	35	15	35	55	0
Dig Media Influencer mkt	159	0	0	0	0	159	0	0	0	0	0	0	0
Marketing Expenses:	121,624	5,827	10,756	9,186	12,775	7,613	7,202	3,375	7,974	28,296	5,986	11,163	11,471
Admin srvc/equip contract	20,770	1,135	3,856	2,161	2,205	2,429	752	2,099	1,762	2,814	941	(2,948)	3,563
Computer, hardware exp	784	0	774	784	(774)	0	0	0	0	0	0	0	0
Computer, internet srvice	1,466	0	6	0	0	0	1,598	(988)	170	0	340	0	340
Computer, repairs/service	2,952	0	0	0	2,952	0	0	0	0	0	0	0	0
Computer, software exp	4,283	178	589	417	224	345	385	335	397	399	332	341	341
Credit checking/reports	2,644	100	0	204	176	164	260	160	64	104	392	608	412
Copier/Printer lease	1,168	0	5	5	618	10	5	5	0	5	495	15	5
Copier/printer maint/sply	258	0	0	0	0	0	0	0	258	0	0	0	0

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The Cottages of Durham	Total 2023	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
Dues and subscriptions	399	14	70	14	(12)	15	14	15	107	95	0	43	23
Employee relations	8,444	417	519	383	604	374	736	479	899	2,387	272	1,019	355
Uniforms, admin	1,161	0	32	0	0	114	0	0	383	0	475	156	0
Legal services	494	0	0	0	0	17	0	0	476	0	0	0	0
Legal svcs-res eviction	2,809	0	0	0	0	0	0	42	1,275	1,492	0	0	0
Licenses and permits	2,718	428	0	374	0	102	300	0	324	350	380	0	461
Miscellaneous admin	586	(508)	0	653	0	0	0	0	553	0	0	(133)	22
Office supplies	1,697	0	61	126	103	38	262	79	9	275	450	93	202
Ofc Supplies - Amenities	5,030	0	373	159	490	0	373	483	60	778	415	993	906
Postage	727	5	47	13	6	43	24	140	30	366	14	35	5
Postage,overnight/express	1,305	165	218	27	83	522	19	72	22	26	58	69	26
Professional services	1,024	34	34	733	0	0	34	0	156	34	0	0	0
Recruiting	2,401	107	77	142	62	96	0	298	785	0	475	139	220
Telephone	1,733	0	112	245	245	122	253	120	120	253	123	0	138
Telephone, answering svcs	1,188	99	99	99	99	99	99	99	99	99	99	99	99
Online payment process fe	465	35	35	40	20	60	60	45	55	60	30	25	0
Telephone, mobile	5,934	306	306	306	310	306	911	450	648	448	518	519	905
Training	146	0	0	0	658	0	0	(658)	0	45	30	71	0
Travel, airfare	8,898	0	937	555	(30)	652	2,285	436	428	1,040	1,236	1,358	0
Travel, auto	7,056	60	313	325	374	0	281	1,717	1,504	1,309	321	455	397
Travel, lodging	15,730	0	0	131	1,250	0	696	6,125	1,650	3,684	34	1,313	846
Travel, meals	3,512	0	85	158	362	3	807	89	440	864	77	294	335
General and Admin Expenses:	107,782	2,575	8,548	8,054	10,025	5,511	10,154	11,642	12,674	16,927	7,507	4,564	9,601
Management fees	249,061	21,164	20,866	20,790	21,003	20,853	20,586	20,611	18,973	21,105	20,671	20,711	21,728
InsurExp-MasterLiabPrgm	18,095	0	0	0	0	0	0	0	0	4,895	3,732	3,746	5,722
Insurance, prop/liability	104,948	5,265	5,261	5,261	5,261	8,006	8,302	8,154	11,458	11,374	13,630	11,600	11,374
Real property taxes	1,231,019	109,659	109,659	109,659	145,310	145,310	145,310	145,310	109,010	138,050	138,050	(164,612)	100,304
Other Operating Expenses:	1,603,123	136,088	135,786	135,710	171,574	174,169	174,198	174,075	139,441	175,424	176,083	(128,555)	139,128
Total Operating Expenses	3,733,075	274,403	314,331	332,448	351,442	330,103	289,175	299,985	414,485	405,667	368,944	40,746	311,336
Net Operating Income	3,382,944	330,291	281,830	261,546	248,642	265,696	299,001	288,888	127,604	197,326	221,663	550,997	309,470

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The Cottages of Durham	Total 2022	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022
4000 - Gross Potential Rent	6,775,383	562,802	551,973	558,159	561,295	574,911	542,117	542,798	567,298	578,439	570,785	581,570	581,236
4006 - Deferred Revenue Recognition	(90,133)	0	0	0	0	0	6,103	3,130	(237,630)	23,806	45,470	23,806	45,183
4010 - Vacancy adjustment	(39,872)	(1,688)	(839)	(3,766)	(1,898)	(6,213)	0	(14,843)	0	(2,373)	(3,697)	(1,049)	(3,506)
Net Student Rent Revenue	6,645,378	561,114	551,134	554,393	559,397	568,698	548,220	531,085	329,668	599,872	612,557	606,327	622,913
4080 - Utility income	273,181	27,008	20,873	34,342	8,773	25,921	22,197	6,766	15,635	23,991	21,413	31,730	34,630
4350 - Damage recoveries	53,090	(55)	(225)	50	34	65	0	0	58,150	(3,239)	(640)	(693)	(358)
4500 - Uncollectable Rent	(65,192)	11,763	8,566	(8,005)	(2,505)	1,030	(1,928)	(40,767)	(23,760)	12,065	(10,711)	11,347	6,713
4502 - Bad Debt Collected	6,255	163	130	0	5,435	300	228	0	0	0	0	0	0
Other Operating Revenue	267,334	38,878	29,344	26,288	11,738	27,316	20,497	(34,000)	50,025	32,817	(18,938)	42,384	40,986
Total Revenue	6,912,712	599,992	580,478	580,681	571,135	596,014	568,716	497,085	379,692	632,689	593,619	648,711	663,899
5000 - Payroll: administrative	96,899	8,584	7,350	8,453	7,718	8,085	8,085	5,692	9,467	8,462	8,078	8,462	8,462
5040 - CORP Payroll: GM recur bonus	5,212	906	906	979	906	906	1,703	906	906	(1,006)	906	906	(3,713)
5100 - Payroll: maintenance	152,780	14,638	13,328	11,121	8,860	5,009	6,615	9,312	18,370	15,879	16,051	16,524	17,073
5130 - Payroll: maint, overtime	15,145	19	566	356	1,326	1,534	703	1,551	4,613	1,888	1,740	630	219
5150 - Payroll: maint, temporary	47,825	4,895	4,642	5,471	3,343	5,816	5,084	4,504	1,326	2,335	2,652	3,316	4,642
5155 - Payroll: maint, temp turn	1,430	0	0	0	0	0	0	0	52	2,379	(1,001)	0	0
5400 - Payroll: leasing	38,731	3,800	2,923	3,362	3,069	3,215	3,215	3,069	3,362	3,215	3,069	3,215	3,215
5451 - Payroll: CA	63,044	2,277	3,430	5,242	3,473	3,188	5,540	6,195	10,203	6,251	1,417	10,575	5,255
5452 - Payroll: CA, overtime	2,340	0	0	0	0	0	21	0	1,780	538	0	0	0
5455 - Payroll: corp support	8,669	0	0	0	0	1,690	2,908	0	4,071	0	0	0	0
5460 - Payroll taxes	31,793	2,897	2,792	2,624	2,026	2,031	1,842	2,227	4,368	3,330	2,065	2,849	2,742
5470 - Workers comp insurance	6,381	535	535	535	535	535	526	530	530	530	530	530	530
5480 - Health insurance	39,237	4,331	4,331	4,331	4,452	4,452	4,331	4,331	3,697	3,892	3,892	5,554	(8,355)
5485 - Life/disability insurance	1,336	170	170	170	0	0	122	122	(122)	122	122	268	195
5488 - 401K employer match	1,669	187	212	187	187	164	108	127	65	132	110	93	95
5490 - Other payroll related costs	11,340	988	1,027	905	857	1,328	1,445	857	1,766	1,151	857	1,018	(857)
5500 - Staff accommodations-Prof	62,355	5,266	5,266	5,266	5,266	5,266	5,266	3,879	2,688	2,688	2,688	11,440	5,376
5505 - Staff accommodations-CA	10,125	882	427	1,022	864	681	986	1,386	1,036	19	716	716	1,392
Payroll Exp	596,311	50,373	47,904	50,022	42,882	43,700	48,500	44,687	68,179	51,804	43,891	68,096	36,272
6000 - Appliances	14,958	306	274	268	5,439	331	654	2,671	66	1,836	1,037	1,057	968
6010 - Carpet cleaning	920	0	887	0	0	33	0	0	0	0	0	0	0
6024 - Cleaning	4,830	0	0	0	4,830	0	0	0	0	0	0	0	0
6026 - Cleaning supplies	5,917	144	513	195	539	1,029	692	281	0	806	107	670	941
6028 - Doors	699	0	314	240	0	0	0	145	0	0	0	0	0
6040 - Electrical repair	4,554	963	253	91	229	1,340	(206)	(25)	0	1,209	0	0	700
6060 - Equipment repair & rental	7,047	46	508	386	0	0	594	0	0	602	60	2,351	2,500
6080 - Fire and sprinklr repairs	13,841	4,767	213	0	8,352	0	0	0	0	510	0	0	0
6082 - Fire protect-inspect/mont	13,646	359	354	0	0	0	0	9,285	0	0	3,649	0	0
6085 - Fitness equipment repairs	713	0	0	560	0	0	0	0	0	0	0	153	0
6086 - Fitness equip urvc cntct	370	0	0	0	0	0	0	0	0	0	370	0	0
6090 - Furniture expense	4,691	0	0	470	0	0	752	194	0	2,256	1,020	0	0
6100 - Generator service	435	0	0	0	0	0	295	0	0	0	0	0	140
6110 - HVAC - parts/supplies	4,707	1,184	120	0	0	0	886	716	0	1,034	788	0	0

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The Cottages of Durham	Total 2022	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022
6112 - HVAC - preventive maint	2,232	1,116	0	0	0	0	0	0	1,116	0	0	0	0
6114 - HVAC - Service Contracts	365	0	0	0	0	0	365	0	0	0	0	0	0
6116 - HVAC - vendors	11,747	1,194	2,814	0	675	331	530	2,510	0	255	652	1,315	1,472
6120 - Landscaping - Contract	71,755	0	0	0	10,194	10,194	10,294	10,294	10,294	10,294	10,194	0	0
6125 - Landscaping - Other	1,547	0	0	0	0	270	100	1,000	0	0	177	0	0
6130 - Lighting - Common Area	1,452	0	148	321	0	0	0	443	0	284	0	85	151
6133 - Lighting - Unit	9,671	0	183	345	410	2,947	770	496	1,118	903	787	926	787
6190 - Locks and keys	2,323	0	581	304	178	686	178	0	0	192	0	205	0
6155 - Locks/Keys-access control	4,565	210	0	258	0	0	0	375	150	2,075	0	0	897
6160 - Maintenance supplies	20,987	813	3,182	1,944	4,833	4,010	498	133	135	1,582	1,048	1,302	1,508
6165 - Miscellaneous maintenance	1,334	53	101	0	331	77	0	0	17	498	0	54	204
6170 - Painting Labor/contract	2,178	0	0	0	0	0	0	0	0	0	0	0	2,178
6175 - Painting - supplies	1,698	142	(327)	370	120	142	0	431	0	384	77	408	0
6210 - Pest control	5,120	0	433	125	464	0	464	0	0	0	1,567	211	1,856
6220 - Plumbing	9,841	266	228	1,192	1,330	2,326	0	1,306	0	2,353	569	341	129
6230 - Pool - repairs/supplies	5,503	0	822	809	862	1,052	(42)	0	9	604	415	193	779
6235 - Pool expense-svc cntrct	81	0	0	0	0	81	0	0	0	0	0	0	0
6260 - Snow removal	78,800	15,800	15,800	15,800	0	0	0	0	0	0	0	15,700	15,700
6266 - Storage	4,573	425	215	236	236	236	236	236	575	575	576	162	864
6280 - Uniforms - maint	653	0	0	0	0	0	80	0	0	367	206	0	0
6290 - Wall repair	623	0	0	129	0	0	0	424	0	0	0	71	0
6292 - Windows and screens	1,693	0	0	0	0	0	0	0	185	532	806	170	0
6320 - Turnover, cleaning	56,305	0	0	0	0	0	0	0	15,685	10,625	29,995	0	0
6330 - Turnover, painting cntrct	45,836	0	0	0	0	0	0	0	30,178	15,058	0	600	0
6335 - Turnover painting supply	1,942	0	0	0	0	768	0	0	879	295	0	0	0
Maintenance Exp	420,154	27,787	27,635	23,993	39,070	25,852	17,139	30,713	60,408	55,708	54,099	25,974	31,774
6400 - Electricity, common area	43,511	3,549	2,804	3,315	3,041	2,406	2,713	881	4,902	3,943	3,683	5,575	6,698
6410 - Electricity, resident	16,308	321	238	277	109	93	557	489	1,185	8,815	1,690	2,325	210
6420 - Water and sewer	245,037	40,481	23,793	26,343	25,493	10,011	11,945	21,193	16,916	16,371	16,916	17,750	17,626
6430 - Gas	27,669	3,612	708	6,103	1,982	2,000	772	1,136	882	4,462	2,105	2,166	1,740
6440 - Trash removal	38,434	3,766	5,484	2,430	5,151	4,743	2,411	7,854	2,466	2,000	2,080	(2,000)	2,048
6445 - Trash removal, turnover	3,420	0	0	0	0	22	0	0	5,400	0	0	(2,002)	0
6470 - Resident internet service	83,039	7,985	7,985	7,985	7,985	7,985	7,985	7,985	6,642	6,700	5,125	5,125	3,551
6480 - Resident cable service	44,664	4,805	4,805	4,805	4,805	4,805	4,804	(2,945)	2,604	10,738	2,009	2,009	1,419
Utilities Exp	502,061	64,719	45,818	51,259	48,566	32,065	31,187	36,592	40,998	53,028	33,609	30,948	33,291
6550 - Security	31,723	2,728	1,000	2,795	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800
6560 - Shuttle Service	307,164	6,618	30,884	34,192	33,089	19,854	0	0	4,803	48,033	49,635	48,033	32,022
Other Property Services Exp	338,887	9,346	31,884	36,987	35,889	22,654	2,800	2,800	7,603	50,833	52,435	50,833	34,822
7025 - Lease incentives/referrals	97	0	97	0	0	0	0	0	0	0	0	0	0
7026 - Giveaways	922	17	118	0	106	0	15	0	0	0	96	0	570
7036 - Offsite promotional event	1,998	0	263	0	72	0	564	0	408	533	0	0	158
7040 - Promo items/materials	10,442	(573)	2,616	1,895	(895)	0	16	(16)	16	2,332	4,206	0	945
7041 - T Shirts	9,224	364	0	0	0	0	0	0	7,600	1,260	0	0	0
7042 - Onsite promotional events	3,942	430	1,353	0	0	0	0	0	0	0	0	1,854	305

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The Cottages of Durham	Total 2022	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022
7050 - Other marketing	4,021	35	676	64	49	17	8	0	8	259	2,450	0	454
7051 - Gift cards	4,494	584	110	50	0	150	115	0	0	85	0	1,400	0
7052 - Sports marketing agreement	27,863	2,189	2,189	2,189	2,189	2,189	2,189	2,278	2,490	2,490	2,490	2,490	2,490
7060 - Other printed materials	1,031	0	0	0	0	209	239	0	0	0	468	115	0
7062 - Outdoor advertising/signs	6,490	869	351	263	2,540	919	33	0	0	0	275	966	272
7066 - Renewal events	700	0	48	0	0	0	0	0	0	0	0	398	254
7070 - Resident programming	2,697	50	290	312	46	133	159	0	24	483	155	757	288
7120 - Web site cost	938	208	103	103	104	104	104	0	0	210	0	0	0
7121 - Dig Media, Search Engines	8,676	(2,241)	838	1,858	371	485	864	(2)	312	749	0	2,694	2,749
7122 - Dig Media, Social Media	4,214	(268)	383	801	(506)	237	372	0	156	316	0	1,344	1,379
7125 - Dig Media, Off Camp Hsing	4,950	450	450	450	450	450	450	0	450	450	450	450	450
7126 - Dig Media, Other	830	33	34	34	35	35	35	465	20	55	35	35	15
7128 - Dig Media influencer mktg	198	0	0	165	0	33	0	0	0	0	0	0	0
Marketing Exp	93,726	2,149	9,918	7,685	4,762	4,961	5,164	2,725	11,485	9,421	10,626	14,502	10,329
8000 - Admin svc/equip contract	28,780	1,003	2,628	1,435	2,726	832	1,464	1,017	329	2,525	1,781	1,045	9,994
8030 - Computer, hardware exp	61	0	0	0	0	0	0	61	0	0	0	0	0
8035 - Computer, internet service	2,134	290	290	290	290	290	350	315	0	8	3	0	10
8040 - Computer, NIS support	1,030	103	103	103	103	103	103	103	103	103	103	0	0
8050 - Computer, software exp	6,652	532	561	546	550	550	536	537	709	314	792	600	424
8070 - Computer, supplies	45	0	0	0	0	45	0	0	0	0	0	0	0
8085 - Credit checking/reports	1,696	0	156	152	76	108	204	84	40	4	132	416	324
8086 - Copier/Printer lease	165	0	0	0	0	0	145	10	0	0	0	5	5
8087 - Copier/printer maint/sply	853	0	0	0	511	0	5	0	0	5	327	5	0
8090 - Dues and subscriptions	953	1	329	201	(199)	209	67	0	2	3	2	113	227
8100 - Employee relations	6,701	230	232	327	556	390	666	154	1,856	1,261	0	151	879
8101 - Uniforms, admin	1,368	8	0	317	0	0	24	0	0	987	16	16	0
8110 - Entertainment	89	0	0	89	0	0	0	0	0	0	0	0	0
8120 - Legal services	477	0	117	0	0	360	0	0	0	0	0	0	0
8125 - Legal svcs-res eviction	6,761	0	0	0	0	4,840	0	0	0	0	797	0	1,124
8130 - Licenses and permits	1,307	276	0	102	0	0	620	0	0	309	0	0	0
8150 - Office supplies	1,239	106	183	69	65	84	47	57	0	150	0	147	330
8155 - Ofc Supplies - Amenities	4,820	495	578	782	410	416	100	0	0	484	0	487	1,067
8160 - Penalties & late charges	262	3	5	2	125	4	0	69	41	0	(38)	49	1
8170 - Postage	554	5	9	6	7	45	35	30	0	132	177	100	9
8180 - Postage,overnight/express	1,094	19	252	348	(173)	0	148	126	24	0	21	233	97
8190 - Printing, administrative	727	200	0	0	0	331	0	0	0	0	196	0	0
8200 - Professional services	362	8	41	41	6	110	43	75	0	0	39	0	0
8210 - Recruiting	2,601	0	303	142	180	215	302	1,164	265	0	30	0	0
8240 - Telephone	1,835	217	213	107	94	113	208	109	112	218	113	111	219
8245 - Telephone, answering svcs	1,188	99	99	99	99	99	99	99	99	99	99	99	99
8250 - Online payment process fe	455	70	60	30	25	30	35	30	30	5	25	25	90
8260 - Telephone, mobile	3,792	284	284	287	284	284	0	349	300	570	315	299	535
8270 - Training	747	0	0	0	632	37	0	0	0	40	0	39	0
8290 - Travel, airfare	10,150	0	644	743	1,203	1,549	1,649	1,758	167	692	105	1,723	418
8300 - Travel, auto	7,177	0	148	28	1,322	692	1,454	1,335	49	786	283	475	606
8320 - Travel, lodging	14,089	0	1,225	0	1,338	1,174	2,548	3,774	4	1,426	797	1,357	445

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The Cottages of Durham	Total 2022	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022
8330 - Travel, meals	3,151	0	170	7	246	184	669	379	0	317	123	384	672
General and Administrative Exp	113,317	5,950	8,629	5,753	10,478	13,094	11,520	11,634	4,132	10,437	6,238	7,877	17,575
8500 - Management fees	260,622	23,652	23,389	23,224	23,418	23,816	23,261	23,971	18,551	18,367	19,886	19,238	19,848
Management Fees Exp	260,622	23,652	23,389	23,224	23,418	23,816	23,261	23,971	18,551	18,367	19,886	19,238	19,848
8520 - Insurance, prop/liability	60,858	4,641	4,641	4,641	4,641	4,641	5,714	5,177	5,177	5,330	5,265	5,265	5,726
Insurance Exp	60,858	4,641	4,641	4,641	4,641	4,641	5,714	5,177	5,177	5,330	5,265	5,265	5,726
8540 - Real property taxes	1,303,117	105,396	105,396	105,396	109,282	109,282	109,282	109,282	109,282	109,282	109,282	112,330	109,625
Property Taxes Exp	1,303,117	105,396	105,396	105,396	109,282	109,282	109,282	109,282	109,282	109,282	109,282	112,330	109,625
Total Operating Expenses	3,689,071	294,013	305,215	308,960	318,988	280,064	254,568	267,582	325,815	364,210	335,330	335,065	299,262
Net Operating Income	3,223,641	305,980	275,264	271,721	252,147	315,950	314,149	229,503	53,877	268,479	258,289	313,646	364,638

The Cottages of Durham

Entity: 442

**YTD Income Statement Compared to Prior Year and Revised Budget Forecast
for the Period Ending 12/31/2021**

	Actual				Revised Budget Forecast		
	CY	PY	Variance	Var%	RB	Variance	Var%
SUMMARY INCOME STATEMENT							
Net student rent	6,436,077	6,020,299	415,778	7%	6,376,836	59,241	1%
Other operating	456,300	171,124	285,176	167%	221,766	234,533	106%
Total Revenue	6,892,376	6,191,423	700,953	11%	6,598,602	293,775	4%
Payroll	544,319	534,442	(9,877)	-2%	587,364	43,045	7%
Maintenance	421,672	352,647	(69,025)	-20%	342,962	(78,710)	-23%
Utilities	548,408	437,076	(111,332)	-25%	549,868	1,460	0%
Other Property Services	308,566	311,945	3,379	1%	337,092	28,526	8%
Marketing	70,158	105,102	34,943	33%	102,663	32,505	32%
General and Administrative	139,742	114,817	(24,925)	-22%	107,087	(32,654)	-30%
Management Fees	270,596	237,770	(32,827)	-14%	270,533	(63)	0%
Insurance	51,892	42,570	(9,323)	-22%	50,980	(913)	-2%
Property Taxes	1,262,622	1,252,827	(9,795)	-1%	1,256,225	(6,397)	-1%
Total Operating Expenses	3,617,975	3,389,195	(228,780)	-7%	3,604,774	(13,201)	0%
Net Operating Income	3,274,401	2,802,228	472,173	17%	2,993,828	280,573	9%
Depreciation	1,494,922	1,662,358	167,436	10%	1,622,987	128,065	8%
Total Non-operating Expenses	1,494,922	1,662,358	167,436	10%	1,622,987	128,065	8%
Net Income	1,779,479	1,139,870	639,609	56%	1,370,841	408,638	30%
Add Back Depreciation/Amort	1,494,922	1,662,358	(167,436)	-10%	1,622,987	(128,065)	-8%
Less: Capital Expenditures	172,974	237,712	64,738	27%	354,092	181,117	51%
"Budgeted" Cashflow	3,101,427	2,564,516	536,911	21%	2,639,736	461,691	17%

The Cottages of Durham

Entity: 442

YTD Income Statement Compared to Prior Year and Revised Budget Forecast
for the Period Ending 12/31/2021

		Actual				Revised Budget Forecast			
		CY	PY	Variance	Var%	RBF	Variance	Var%	
Revenue:									
4000	Gross potential rent	6,581,200	6,605,321	(24,120)	0%	6,541,294	39,907	1%	
4001	Market Rate Adj	(2,399)	0	(2,399)	0%	0	(2,399)	0%	
4002	Short Term Premium	14,458	0	14,458	0%	0	14,458	0%	
4005	Straight line rent adjust	(6,420)	(11,835)	5,415	46%	(6,142)	(278)	-5%	
4006	Deferred Revenue Recogn	(21,313)	0	(21,313)	0%	0	(21,313)	0%	
4010	Vacancy adjustment	(131,369)	(573,186)	441,817	77%	(158,316)	26,948	17%	
4011	Vacancy-Partial Month	1,919	0	1,919	0%	0	1,919	0%	
Net Student Rent		6,436,077	6,020,299	415,778	7%	6,376,836	59,241	1%	
4035	Early move-in rent	3,790	0	3,790	0%	0	3,790	0%	
4080	Utility income	355,488	221,577	133,911	60%	216,000	139,488	65%	
4100	Parking, residents	0	25	(25)	-100%	0	0	0%	
4300	Application fees	24,473	29,710	(5,237)	-18%	29,754	(5,280)	-18%	
4320	Cancellation fees	13,829	8,605	5,223	61%	8,748	5,081	58%	
4350	Damage recoveries	24,235	17,675	6,560	37%	31,500	(7,265)	-23%	
4420	Late fee income	36,033	19,323	16,710	86%	26,350	9,683	37%	
4450	Miscellaneous income	19,680	9,644	10,036	104%	9,837	9,843	100%	
4455	Legal Fee income	4,033	3,100	933	30%	5,410	(1,377)	-25%	
4460	NSF fees	1,925	1,050	875	83%	1,071	854	80%	
4470	Resident portal fees	0	10,043	(10,043)	-100%	0	0	0%	
4480	Administrative fees	49,645	55,325	(5,680)	-10%	57,829	(8,184)	-14%	
4500	Uncollectable rent	(88,520)	(207,621)	119,102	57%	(167,400)	78,881	47%	
4502	Bad debt collected	11,689	2,668	9,021	338%	2,668	9,021	338%	
		6,892,376	6,191,423	700,953	11%	6,598,602	293,775	4%	
Payroll Expenses:									
5000	Payroll: administrative	87,282	87,920	638	1%	89,683	2,400	3%	
5040	CORP Payroll: GM recur bo	10,304	4,525	(5,779)	-128%	10,451	146	1%	
5054	Payroll: admin, temporary	22	122	100	82%	16	(5)	-32%	
5100	Payroll: maintenance	147,864	154,298	6,434	4%	186,923	39,059	21%	
5130	Payroll: maint, overtime	16,903	16,281	(622)	-4%	16,588	(315)	-2%	
5150	Payroll: maint, temporary	19,295	2,286	(17,009)	-744%	0	(19,295)	0%	
5155	Payroll: maint, temp turn	4,226	5,875	1,649	28%	6,007	1,782	30%	
5400	Payroll: leasing	37,125	36,482	(643)	-2%	56,133	19,008	34%	
5430	Payroll: leasing, overtime	221	125	(96)	-77%	1,590	1,369	86%	
5440	Payroll: leasing, incentiv	0	1,500	1,500	100%	0	0	0%	
5451	Payroll: CA	45,281	47,412	2,131	4%	42,273	(3,007)	-7%	
5452	Payroll: CA, overtime	7,949	4,608	(3,341)	-72%	4,874	(3,075)	-63%	
5455	Payroll: corp support	1,796	21,681	19,885	92%	0	(1,796)	0%	
5456	Payroll: other incentive	0	3,500	3,500	100%	0	0	0%	
5460	Payroll taxes	32,688	29,952	(2,716)	-9%	32,096	(572)	-2%	
5470	Workers comp insurance	3,535	3,235	(299)	-9%	10,165	6,631	65%	
5480	Health Insurance	44,829	34,125	(10,703)	-31%	38,790	(6,039)	-16%	
5485	Life/disability insurance	1,911	1,733	(177)	-10%	2,076	165	8%	
5488	401K employer match	2,256	1,755	(501)	-29%	1,794	(462)	-26%	
5490	Othr payroll relatd costs	11,856	14,058	2,202	16%	14,374	2,519	18%	
5500	Staff accommodations-Prof	59,491	49,840	(9,651)	-19%	62,592	3,101	5%	
5505	Staff accommodations-CA	9,505	13,127	3,622	28%	10,939	1,434	13%	
		544,319	534,442	(9,877)	-2%	587,364	43,045	7%	
Maintenance Expenses:									
6000	Appliances	14,417	4,588	(9,829)	-214%	2,520	(11,897)	-472%	
6010	Carpet cleaning	1,510	245	(1,265)	-516%	490	(1,020)	-208%	
6020	Carpet repairs	890	29	(860)	-2943%	0	(889)	70558%	
6024	Cleaning	203	182	(21)	-12%	0	(203)	0%	
6026	Cleaning supplies	11,508	6,624	(4,884)	-74%	3,400	(8,108)	-238%	

The Cottages of Durham

Entity: 442

**YTD Income Statement Compared to Prior Year and Revised Budget Forecast
for the Period Ending 12/31/2021**

	Actual				Revised Budget Forecast		
	CY	PY	Variance	Var%	RBF	Variance	Var%
6028 Doors	426	843	416	49%	540	114	21%
6040 Electrical repair	1,964	705	(1,258)	-178%	0	(1,964)	0%
6060 Equipment repair & rental	1,152	3,565	2,413	68%	0	(1,152)	0%
6080 Fire and sprinklr repairs	3,120	6,616	3,496	53%	2,600	(520)	-20%
6082 Fire protect-inspct/montr	23,933	7,257	(16,677)	-230%	9,240	(14,693)	-159%
6085 Fitness equipment repairs	1,855	145	(1,710)	-1179%	0	(1,855)	0%
6086 Fitness equip svcs cntrct	1,539	0	(1,539)	0%	0	(1,539)	0%
6090 Furniture expense	207	0	(207)	0%	0	(207)	0%
6100 Generator service	613	0	(613)	0%	0	(613)	0%
6110 HVAC - parts/supplies	2,072	6,002	3,930	65%	5,076	3,004	59%
6112 HVAC - preventive maint	2,928	1,239	(1,688)	-136%	2,000	(928)	-46%
6116 HVAC - vendors	15,869	10,861	(5,008)	-46%	3,750	(12,119)	-323%
6118 Incident response costs	17,227	6,550	(10,677)	-163%	0	(17,227)	0%
6120 Landscaping - Contract	68,000	68,900	(1,100)	-2%	68,000	0	0%
6125 Landscaping - Other	1,874	0	(1,874)	0%	0	(1,874)	0%
6130 Lighting - Common Area	1,071	1,007	(65)	-6%	1,875	804	43%
6133 Lighting - Unit	9,465	6,665	(2,800)	-42%	4,600	(4,865)	-106%
6150 Locks and keys	1,655	1,133	(522)	-46%	2,415	759	31%
6155 Locks/Keys-access control	1,321	2,346	1,024	44%	1,650	329	20%
6160 Maintenance supplies	17,949	9,047	(8,902)	-98%	13,217	(4,731)	-36%
6165 Miscellaneous maintenance	2,326	1,745	(581)	-33%	11,355	9,028	80%
6175 Painting - supplies	780	1,837	1,058	58%	1,879	1,099	58%
6210 Pest control	3,897	5,683	1,786	31%	6,256	2,359	38%
6220 Plumbing	6,916	7,289	373	5%	7,453	537	7%
6230 Pool - repairs/supplies	3,121	4,302	1,182	27%	5,400	2,279	42%
6260 Snow removal	79,000	79,000	0	0%	79,000	0	0%
6266 Storage	4,123	8,753	4,630	53%	1,705	(2,418)	-142%
6280 Uniforms - maint	604	413	(191)	-46%	422	(182)	-43%
6290 Wall repair	149	434	285	66%	400	251	63%
6292 Windows and screens	1,137	1,827	691	38%	1,869	732	39%
6300 Turnover, carpet cln/repr	20,945	17,675	(3,270)	-19%	23,198	2,253	10%
6320 Turnover, cleaning	50,517	37,266	(13,251)	-36%	40,400	(10,117)	-25%
6330 Turnover, painting cntrct	44,591	42,957	(1,634)	-4%	39,190	(5,401)	-14%
6335 Turnover painting supply	798	916	118	13%	3,063	2,265	74%
	421,672	352,647	(69,025)	-20%	342,962	(78,710)	-23%
Utilities Expenses:							
6400 Electricity, common area	31,962	27,163	(4,799)	-18%	30,625	(1,337)	-4%
6410 Electricity, resident	22,387	33,640	11,253	33%	29,138	6,751	23%
6420 Water and sewer	261,652	157,546	(104,106)	-66%	249,745	(11,907)	-5%
6430 Gas	34,067	32,424	(1,643)	-5%	35,802	1,735	5%
6440 Trash removal	43,799	35,444	(8,355)	-24%	36,953	(6,846)	-19%
6445 Trash removal, turnover	3,541	5,151	1,610	31%	17,319	13,778	80%
6470 Resident internet service	94,410	91,439	(2,971)	-3%	94,161	(249)	0%
6480 Resident cable service	56,589	54,268	(2,321)	-4%	56,124	(465)	-1%
	548,408	437,076	(111,332)	-25%	549,868	1,460	0%
Other Property Services:							
6550 Security	36,132	42,875	6,742	16%	50,288	14,156	28%
6560 Shuttle Service	272,434	269,071	(3,363)	-1%	286,804	14,370	5%
	308,566	311,945	3,379	1%	337,092	28,526	8%
Marketing Expenses:							
7020 Brochures/ratesheets/apps	0	480	480	100%	1,020	1,020	100%
7025 Lease incentives/referrals	0	2,200	2,200	100%	2,250	2,250	100%
7026 Giveaways	1,102	6,928	5,826	84%	7,550	6,448	85%
7027 Scholarships	41	0	(41)	0%	927	886	96%
7030 Direct mail marketing	101	652	552	85%	653	553	85%

The Cottages of Durham

Entity: 442

**YTD Income Statement Compared to Prior Year and Revised Budget Forecast
for the Period Ending 12/31/2021**

	Actual				Revised Budget Forecast		
	CY	PY	Variance	Var%	RBF	Variance	Var%
7036 Offsite promotional event	39	0	(39)	0%	0	(39)	0%
7037 Street team marketing	0	8,000	8,000	100%	0	0	0%
7040 Promo items/materials	2,945	3,852	907	24%	10,000	7,055	71%
7041 T shirts	4,464	2,396	(2,068)	-86%	2,396	(2,068)	-86%
7042 Onsite promotional events	222	4,062	3,840	95%	4,501	4,279	95%
7046 Other advertising	240	0	(240)	0%	0	(240)	0%
7050 Other marketing	3,972	4,531	558	12%	5,600	1,628	29%
7051 Gift cards	4,038	11,538	7,500	65%	1,850	(2,188)	-118%
7052 Sports marketing agreemnt	26,271	26,271	0	0%	26,268	(3)	0%
7053 Email advertising	1,400	2,100	700	33%	5,000	3,600	72%
7060 Other printed materials	2,042	2,869	827	29%	3,100	1,058	34%
7062 Outdoor advertising/signs	2,888	1,934	(954)	-49%	5,093	2,205	43%
7066 Renewal events	246	839	593	71%	3,000	2,754	92%
7070 Resident programming	1,895	395	(1,500)	-380%	1,454	(441)	-30%
7120 Web site cost	1,257	841	(416)	-50%	859	(397)	-46%
7121 Dig Media, Search Engines	9,722	12,878	3,156	25%	8,025	(1,697)	-21%
7122 Dig Media, Social Media	2,781	8,022	5,241	65%	8,165	5,384	66%
7124 DNU Dig Media, apt	3,700	3,850	150	4%	4,663	963	21%
7125 Dig Media, Off Camp Hsng	450	0	(450)	0%	0	(450)	0%
7126 Dig Media, Other	343	464	121	26%	289	(54)	-19%
	70,158	105,102	34,943	33%	102,663	32,505	32%
General and Admin Expenses:							
8000 Admin srvc/equip contract	55,605	11,467	(44,138)	-385%	30,883	(24,721)	-80%
8020 Bank charges/invest fees	0	4,027	4,027	100%	4,119	4,119	100%
8030 Computer, hardware exp	277	450	173	38%	169	(108)	-64%
8035 Computer, internet srvice	3,858	4,941	1,083	22%	5,044	1,186	24%
8040 Computer, MIS support	1,260	2,171	911	42%	2,220	960	43%
8060 Computer, software exp	6,208	4,322	(1,886)	-44%	3,638	(2,570)	-71%
8070 Computer, supplies	140	243	103	43%	0	(140)	0%
8085 Credit checking/reports	1,696	3,348	1,652	49%	3,380	1,684	50%
8086 Copier/Printer lease	349	530	182	34%	530	181	34%
8087 Copier/printer maint/sply	2,896	2,302	(594)	-26%	2,353	(543)	-23%
8090 Dues and subscriptions	1,199	794	(405)	-51%	808	(391)	-48%
8100 Employee relations	8,679	4,035	(4,644)	-115%	6,050	(2,629)	-43%
8101 Uniforms, admin	707	1,398	691	49%	1,430	723	51%
8110 Entertainment	74	0	(74)	0%	0	(74)	0%
8120 Legal services	11,207	4,715	(6,492)	-138%	0	(11,207)	0%
8125 Legal srvc-res eviction	5,652	3,962	(1,690)	-43%	7,500	1,848	25%
8130 Licenses and permits	2,343	1,480	(862)	-58%	1,822	(520)	-29%
8140 Miscellaneous admin	1,498	5,629	4,131	73%	4,311	2,813	65%
8150 Office supplies	2,364	5,037	2,672	53%	4,800	2,436	51%
8155 Ofc Supplies - Amenities	4,861	2,515	(2,347)	-93%	3,225	(1,636)	-51%
8160 Penalties & late charges	23	316	293	93%	0	(23)	0%
8170 Postage	327	1,972	1,645	83%	2,017	1,689	84%
8175 Postage machine/service	303	650	346	53%	665	361	54%
8180 Postage,overnight/express	1,044	1,256	212	17%	1,284	240	19%
8190 Printing, administrative	190	449	259	58%	600	410	68%
8200 Professional services	1,330	1,453	123	8%	1,486	155	10%
8210 Recruiting	1,903	731	(1,172)	-160%	747	(1,156)	-155%
8220 Relocation	0	1,419	1,419	100%	0	0	0%
8240 Telephone	2,323	3,813	1,490	39%	3,888	1,565	40%
8245 Telephone, answering srvc	1,831	1,546	(286)	-18%	1,373	(458)	-33%
8250 Online payment process fe	180	24,663	24,483	99%	0	(180)	0%
8260 Telephone, mobile	3,428	3,771	343	9%	3,846	418	11%
8270 Training	680	959	279	29%	980	300	31%
8290 Travel, airfare	3,036	1,649	(1,387)	-84%	3,720	684	18%
8300 Travel, auto	4,252	3,103	(1,149)	-37%	1,200	(3,052)	-254%

The Cottages of Durham

Entity: 442

YTD Income Statement Compared to Prior Year and Revised Budget Forecast
for the Period Ending 12/31/2021

		Actual				Revised Budget Forecast		
		CY	PY	Variance	Var%	RBF	Variance	Var%
8320	Travel, lodging	6,794	2,731	(4,063)	-149%	1,800	(4,994)	-277%
8330	Travel, meals	1,223	969	(254)	-26%	1,200	(23)	-2%
		139,742	114,817	(24,925)	-22%	107,087	(32,654)	-30%
Other Operating Expenses:								
8500	Management fees	270,596	237,770	(32,827)	-14%	270,533	(63)	0%
8520	Insurance, prop/liability	51,892	42,570	(9,323)	-22%	50,980	(913)	-2%
8540	Real property taxes	1,262,622	1,252,827	(9,795)	-1%	1,256,225	(6,397)	-1%
		1,585,110	1,533,167	(51,944)	-3%	1,577,738	(7,372)	0%
Total Operating Expenses		3,617,975	3,389,195	(228,780)	-7%	3,604,774	(13,201)	0%
Net Operating Income		3,274,401	2,802,228	472,173	17%	2,993,828	280,573	9%
Non-operating Expenses:								
9000	Depreciation	1,494,922	1,662,358	167,436	10%	1,622,987	128,065	8%
		1,494,922	1,662,358	167,436	10%	1,622,987	128,065	8%
Net Income		1,779,479	1,139,870	639,609	56%	1,370,841	408,638	30%

Appendix

University of New Hampshire

STUDENT SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$221,421	-	6.8%
2026	-	-	-	-	-	-	\$212,133	-	6.9%
2025	-	-	-	-	-	-	\$201,829	-	7.0%
2024	-	-	-	-	-	-	\$195,381	-	7.0%
2023	-	-	-	-	-	-	\$200,916	-	6.6%
YTD	-	-	-	-	-	-	\$205,836	-	6.4%
2022	2	\$0	-	-	-	-	\$206,698	-	6.3%
2021	4	\$1.9M	-	-	\$95,000	6.4%	\$210,297	-	5.9%
2020	2	\$10.3M	-	-	\$245,238	7.5%	\$172,270	-	6.6%
2019	24	\$42.7M	-	-	\$93,716	-	\$176,916	-	6.8%
2018	2	\$0	-	-	-	-	\$197,121	-	6.6%
2017	-	-	-	-	-	-	\$188,524	-	6.7%
2016	6	\$91.6M	-	-	\$218,200	-	\$179,784	-	6.8%
2015	-	-	-	-	-	-	\$172,447	-	6.8%
2014	-	-	-	-	-	-	\$159,034	-	7.0%
2013	2	\$9.2M	-	-	\$96,271	-	\$148,777	-	7.2%
2012	26	\$90.8M	-	-	\$321,858	-	\$147,345	-	7.0%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

MULTI-FAMILY SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$218,294	-	6.3%
2026	-	-	-	-	-	-	\$208,609	-	6.4%
2025	-	-	-	-	-	-	\$197,989	-	6.5%
2024	-	-	-	-	-	-	\$191,641	-	6.5%
2023	-	-	-	-	-	-	\$198,493	-	6.1%
YTD	-	-	-	-	-	-	\$204,184	-	5.9%
2022	-	-	-	-	-	-	\$204,631	-	5.7%
2021	2	\$6.3M	-	-	\$262,500	7.4%	\$208,260	-	5.4%
2020	-	-	-	-	-	-	\$172,438	-	5.9%
2019	4	\$2.4M	-	-	\$65,324	-	\$154,866	-	6.3%
2018	2	\$0	-	-	-	-	\$148,475	-	6.5%
2017	-	-	-	-	-	-	\$141,217	-	6.5%
2016	-	-	-	-	-	-	\$134,800	-	6.6%
2015	-	-	-	-	-	-	\$128,311	-	6.6%
2014	-	-	-	-	-	-	\$121,779	-	6.7%
2013	4	\$12.2M	-	-	\$138,636	10.0%	\$110,774	-	7.0%
2012	4	\$0	-	-	-	-	\$113,171	-	6.9%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

[ALTA PROPERTY](#)
[Help](#)
[Support](#)
[Account](#)
[Student Housing](#)
[Performance](#)

The Lodges at West Edge

259 Mast Rd, Durham, NH 03824

[website](#)

Primary University : **University of New Hampshire**

Distance from University Boundary : **0.09**

Phone : **(603) 755-6625**

True Owner : **The Scion Group LLC**

Property Management : **The Scion Group LLC**

Walk Score property [3](#)



Property Level Information

Year Built : **2014**

Level(s) : **3**

Total Beds : **450**

Total Units : **142**

Area/Bed : **361**

Status : **Stabilized**

Asking Rent/Bed : **\$1,151**

Asking Rent/SF : **\$3.18**

Concession (\$) : **\$0**

Concession (%) : **0%**

Occupancy : **100%**

Prelease : **89%**

Eff Rent/Bed : **\$1,151**

Eff Rent/SF : **\$3.18**

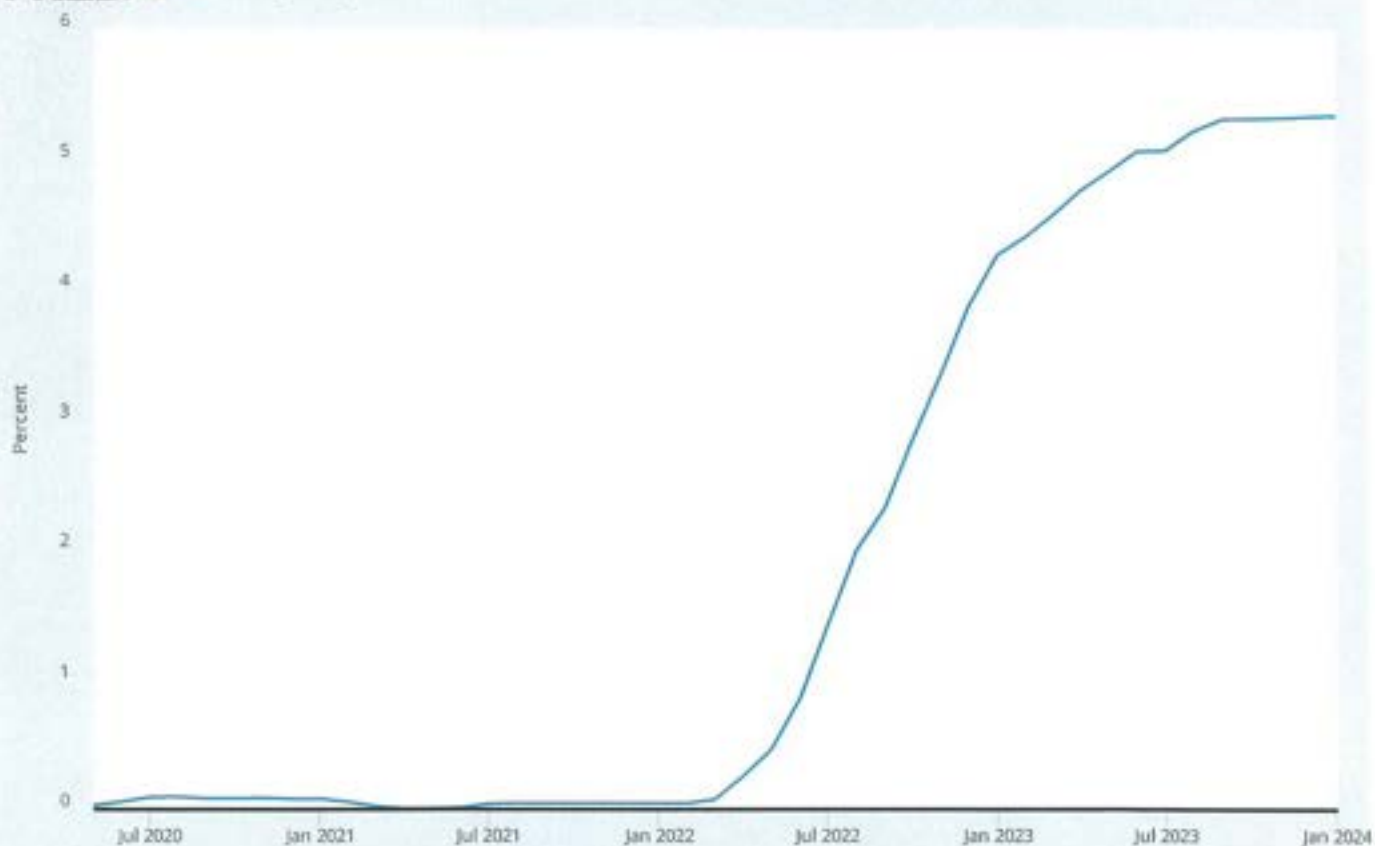
Survey Date : **04/11/2023**

Unit Mix Summary

Bedroom Type	Beds	Percent	Effective Rent Per Bed	Rent PSF
Two Beds	148	35%	\$1,389	\$3.45
Four Beds	272	65%	\$1,150	\$3.03

FRED 

— 30-Day Average SOFR



Source: Federal Reserve Bank of New York

fred.stlouisfed.org

2021 Annual Report



AMERICAN
CAMPUS
COMMUNITIES

Where students love living.®

Dear Fellow Shareholder

While 2021 began with continuing uncertainty and challenges posed by the disruption of the COVID-19 pandemic, the year will be remembered as an outstanding and transformative year for American Campus Communities, as our industry fully rebounded from the impacts of the pandemic. Continuing to be guided by the eight principle objectives we outlined in the early days of the COVID crisis, the ACC team continued to serve our students and university partners across the country as we continued to provide thought leadership and take action throughout the year to help universities return to a sense of normalcy.

Our march to recovery began early in the year as we employed the enhanced capabilities of our newly developed NextGen operational systems to optimize spring and summer term leasing to students, resulting in executing more mid-term leases than in any prior period in our history. We also worked collaboratively with our university partners, who had paused efforts to modernize and develop new housing due to the pandemic, to reinvigorate and get those processes back on track. Since 2021 began, we have commenced construction on five new development projects and have been awarded four new on-campus development transactions with elite institutions of higher education such as Massachusetts Institute of Technology (MIT), Princeton University, Emory University, and the University of Texas at Austin, among others.

By the commencement of the 2021-2022 academic year, America's flagship universities were leading the way back to normalcy. Anyone who tuned in to watch a Power Five conference college football game in the fall saw first-hand the enthusiasm college students felt to once again be fully engaged in their collegiate experience. This enthusiasm coupled with our operations and leasing teams' strong execution resulted in a fall lease-up that significantly exceeded our expectations. As of September 30, 2021, the company had leased 95.8 percent of its same store owned property beds with our average rate per occupied bed increasing by 3.8 percent over the prior year, outperforming the 175 university RealPage Axiometrics peer set by approximately 3.0 percentage points of revenue. By the fourth quarter, our same store net operating income surpassed pre-pandemic levels, achieving re-stabilization a full year earlier than we expected.

Our new housing development serving participants of the Disney College Program also continued to advance. Since opening our first bed for occupancy in mid-2020, we have now delivered more than 6,000 beds on schedule and within budget, despite the national labor shortage and widespread supply chain constraints. And, the project is on target to achieve its original 2022 targeted yield and its fully stabilized 6.8 percent targeted yield in May of 2023.

We also had an exemplary year regarding our capital allocation activities. We successfully executed a well-timed \$400 million bond offering – issuing seven-year senior unsecured notes at a yield of 2.26 percent. And to cap off the year, we formed a joint venture with Harrison Street's social infrastructure platform to

recapitalize a 45 percent interest in our existing eight-property Arizona State University student housing portfolio. The \$551 million transaction produced an unlevered IRR of approximately 16 percent. Additionally, this was a strategic transaction as it provided price discovery for our on-campus American Campus Equity (ACE) portfolio and demonstrates that on-campus assets developed via our properly structured public-private partnerships can be valued on par with private off-campus assets that reflect comparable market and product attributes. Importantly, the transaction exemplifies our ability to capitalize our ACE investments while simultaneously maintaining the spirit of our university partnerships, thus illustrating the net asset value creation opportunity in both our existing ACE portfolio and our future pipeline of on-campus transactions. The two-phase closing of the transaction is also beneficial as it mitigates earnings dilution, satisfies our 2022 capital needs, and provides additional proceeds moving into 2023, further positioning us to execute on our value enhancing development pipeline.

Our solid operational execution and prudent capital allocation activities resulted in earnings per share cumulatively exceeding quarterly expectations throughout the year by \$0.18 per share, or almost 10 percent. And, full year FFOM per share of \$2.14 exceeded the high end of our most recent guidance by two cents. In addition, our stock closed the year by setting a new all-time closing high of \$57.29.

For ACC, 2021 also was a year of significant progress on our environmental, social and governance initiatives. Corporate responsibility is fundamental to our mission to consistently provide every resident and team member with an environment conducive to healthy living, personal growth, academic achievement, and professional success. By focusing on employee diversity, sustainable communities, and strong governance, we continue driving our vision of creating healthy environments with a sense of community and connection by giving back, investing in our employees, and driving long-term value for all stakeholders. We are pleased that our efforts are being recognized, including recently earning Great Place to Work® certification for a third year and placing second on *Newsweek's* inaugural list of "America's Most Trusted Companies" in the overall Real Estate category.

As we look forward, we are excited about the future. The university markets we serve are experiencing record setting enrollment levels, including first-year student enrollment growth at the highest levels in over 30 years and new student housing supply at the lowest levels in over a decade. Preleasing trends for the broader student housing industry have returned to their normal pre-pandemic pace for academic year 2022-2023 and we are experiencing significant activity in our on-campus public-private partnership business. Having successfully navigated through the disruption of the COVID-19 pandemic, ACC has maintained if not further enhanced our best-in-class reputation as we kept our promise to "Do the right thing" with regard to all of our stakeholders.

With a uniquely valuable portfolio, talented team members and diversified sources of capital, we believe we are now poised to benefit from our strategic positioning, solid execution and the positive fundamentals of the student housing operating environment to deliver recession resilient robust organic growth, meaningful earnings growth and substantial net asset value creation to investors.

It is an exciting time at ACC and we are confident in the Company's future prospects. In closing, I would like to thank the entire American Campus Communities team for their hard work, dedication, and the outstanding results they once again delivered in 2021.



Bill Bayless
Chief Executive Officer

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

☒ Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended December 31, 2021

OR

☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the Transition Period From _____ to _____

Commission file number: **001-32265**

AMERICAN CAMPUS COMMUNITIES, INC.

(Exact name of registrant as specified in its charter)

Maryland

(State or Other Jurisdiction of Incorporation or Organization)

**12700 Hill Country Blvd.
Suite T-200
Austin, TX**

(Address of Principal Executive Offices)

76-0753089

(IRS Employer Identification No.)

78738

(Zip Code)

(512) 732-1000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, par value \$.01 per share	ACC	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes ☐

No ☒

The aggregate market value of voting and non-voting common equity held by non-affiliates of the registrant was \$4,769,265,540 based on the last sale price of the common equity on June 30, 2021 which is the last business day of the Company's most recently completed second quarter.

There were 139,156,913 shares of the Company's common stock with a par value of \$0.01 per share outstanding as of the close of business on February 18, 2022.

DOCUMENTS INCORPORATED BY REFERENCE

Part III of this report incorporates information by reference from the definitive Proxy Statement for the 2022 Annual Meeting of Stockholders.

FORM 10-K
FOR THE YEAR ENDED DECEMBER 31, 2021

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PART I

Item 1. Business

Overview

American Campus Communities, Inc. (“ACC”) is a real estate investment trust (“REIT”) that commenced operations effective with the completion of an initial public offering (“IPO”) on August 17, 2004. ACC is one of the largest owners, managers, and developers of high quality student housing properties in the United States in terms of beds owned and under management. ACC is a fully integrated, self-managed, and self-administered equity REIT with expertise in the acquisition, design, financing, development, construction management, leasing, and management of student housing properties.

ACC is structured as an umbrella partnership REIT (“UPREIT”) and contributes all net proceeds from its various equity offerings to American Campus Communities Operating Partnership LP (“ACCOP” or “the Operating Partnership”). In return for those contributions, ACC receives a number of units of the Operating Partnership (“OP Units”) equal to the number of common shares it has issued in the equity offering. Contributions of properties to the Company can be structured as tax-deferred transactions through the issuance of OP Units in the Operating Partnership. Based on the terms of ACCOP’s partnership agreement, OP Units can be exchanged for ACC’s common shares on a one-for-one basis. The Company maintains a one-for-one relationship between the OP Units of the Operating Partnership issued to ACC and American Campus Communities Holdings, LLC (“ACC Holdings”), the general partner of ACCOP, and the common shares issued to the public.

As used in this report, unless stated otherwise or the context otherwise requires, references to “ACC,” “the Company,” “we,” “us,” or “our” mean American Campus Communities, Inc., a Maryland corporation that has elected to be treated as a REIT under the Internal Revenue Code, and its consolidated subsidiaries, including ACCOP.

As of December 31, 2021, our total owned and third-party managed portfolio included 203 properties with approximately 140,900 beds.

Business Objectives, Investment Strategies, and Operating Segments

Business Objectives

Our primary business objectives are to create long-term stockholder value by deploying capital to develop, redevelop, acquire, and operate student housing communities, and to sell communities when they no longer meet our long-term investment strategy and when market conditions are favorable. We believe we can achieve these objectives by continuing to implement our investment strategies and successfully manage our operating segments, which are described in more detail below. Our business objectives align with our commitment to corporate responsibility, in which we focus on creating healthy, sustainable environments with a sense of community and connection, giving back to the communities we serve, and investing in our employees.

Investment Strategies

We seek to own high quality, well designed, and well located student housing properties. We seek to acquire or develop properties in markets that have stable or increasing student populations, are in submarkets with barriers to entry and provide opportunities for economic growth as a result of their product position and/or differentiated design and close proximity to campuses, or through our superior operational capabilities. We believe that our reputation and established relationships with universities give us an advantage in sourcing acquisitions and developments and obtaining municipal approvals and community support for our development projects.

Our experienced development staff intends to continue to identify and acquire land parcels in close proximity to colleges and universities that offer location advantages or that allow for the development of unique products that offer a competitive advantage. We expect to continue to benefit from opportunities derived from our extensive network with colleges and universities as well as our relationship with certain developers with whom we have previously developed student housing properties.

Operating Segments

We define business segments by their distinct customer base and service provided. We have identified four reportable segments: Owned Properties, On-Campus Participating Properties, Development Services, and Property Management Services. For a detailed financial analysis of our segments' results of operations and financial position, please refer to Note 16 in the accompanying Notes to Consolidated Financial Statements contained in Item 8.

Property Operations

Unique Leasing Characteristics: Student housing properties are typically leased by the bed on an individual lease liability basis, unlike multifamily housing where leasing is by the unit. Individual lease liability limits each resident's liability to his or her own rent without liability for a roommate's rent. A parent or guardian is generally required to execute each lease as a guarantor unless the resident provides adequate proof of income or financial aid. The number of lease contracts that we administer is therefore approximately equivalent to the number of beds occupied and not the number of units. Leases at our off-campus properties typically require 12 monthly rental installments, whereas leases for our residence hall properties typically correspond to the university's academic year and require ten monthly rental installments. Please refer to the property table contained in Item 2 – Properties for a listing of the typical rent payment terms at our properties. As an example, in the case of our typical off-campus leases, the commencement date coincides with the commencement of the respective university's Fall academic term, and the termination date is the last day of the subsequent summer school session. As such, we must re-lease each property in its entirety each year.

Management Philosophy: Our management philosophy is based upon meeting the following objectives:

- Satisfying the specialized needs of residents by providing the highest levels of customer service;
- Developing and maintaining an academically oriented environment via a premier residence life/student development program;
- Maintaining each project's physical plant in top condition;
- Maximizing revenue through the development and implementation of a strategic annual marketing plan and leasing administration program; and
- Maximizing cash flow through maximizing revenue coupled with prudent control of expenses.

Owned Properties: Our off-campus properties are generally located in close proximity to the school campus, generally with pedestrian, bicycle, or university shuttle access. Off-campus housing tends to offer more relaxed rules and regulations than on-campus housing, resulting in off-campus housing being generally more appealing to upper-classmen. We believe that the support of colleges and universities can be beneficial to the success of our owned properties. We actively seek to have these institutions recommend our facilities to their students or to provide us with mailing lists so that we may directly market to students and parents. In some cases, the institutions actually promote our off-campus facilities in their recruiting and admissions literature. In cases where the educational institutions do not provide mailing lists or recommendations for off-campus housing, most provide comprehensive lists of suitable properties to their students, and we continually work to ensure that our properties are on these lists in each of the markets that we serve.

Off-campus housing is subject to competition for tenants with on-campus housing owned by colleges and universities, and vice versa. Colleges and universities can generally avoid real estate taxes and borrow funds at lower interest rates than us (and other private sector operators), thereby decreasing their operating costs. Residence halls owned and operated by the primary colleges and universities in the markets of our off-campus properties may charge lower rental rates, but typically offer fewer amenities than we offer at our properties. Additionally, most universities are only able to house a small percentage of their overall enrollment and are therefore highly dependent upon the off-campus market to provide housing for their students. High-quality, well run off-campus student housing can be a critical component to an institution's ability to attract and retain students. Therefore, developing and maintaining good relationships with educational institutions can result in a privately owned off-campus facility becoming, in effect, an extension of the institution's housing program, with the institution providing highly valued references and recommendations to students and parents.

This segment also competes with national and regional owner-operators of off-campus student housing in a number of markets as well as with smaller local owner-operators. Therefore, the performance of this segment could be affected by the construction of new on-campus or off-campus residences, increases or decreases in the general levels of rents for housing in competing communities, increases or decreases in the number of students enrolled at one or more of the colleges or universities in the market of a property, and other general economic conditions.

American Campus Equity ("ACE®"): Included in our owned properties segment and branded and marketed to colleges and universities as the ACE® program, this transaction structure provides us with what we believe is a lower-risk opportunity compared to off-campus projects, as our ACE® projects have premier on-campus locations with marketing and operational assistance from the university. The subject university substantially benefits by increasing its housing capacity with modern, well-amenitized student housing with no or minimal impacts to its own credit ratios, preserving the university's credit capacity to fund academic and research facilities.

We have expanded our ACE® program to include the development of a ten-phase purpose-built housing project serving student interns participating in the highly competitive Disney College Program ("Disney College Program" or "DCP"). This project offers natural synergies with our other ACE® projects and exploits our core competency of housing college students. The \$614.6 million living-learning community includes ACC-designed units offering a variety of configurations and price points providing privacy and individuality for college student participants. The development also includes a centralized 25,000-square-foot Disney Education Center located on site, offering college accredited coursework allowing participants to earn credit hours transferable to their respective universities. As of December 31, 2021, we have completed construction on six phases of the project within the targeted delivery timeline, and the remaining phases are anticipated to be delivered in 2022 and 2023.

On-Campus Participating Properties: Our On-Campus Participating Properties ("OCPPs") segment includes six on-campus properties that are operated under long-term ground/facility leases with three university systems. Under our ground/facility leases, we receive an annual distribution representing 50% of these properties' net cash flows, as defined in the ground/facility lease agreements. We also manage these properties under long-term management agreements and are paid management fees equal to a percentage of defined gross receipts.

Our on-campus participating properties are susceptible to some of the same risks as our owned properties, including: (i) seasonality in rents; (ii) annual re-leasing that is highly dependent on marketing and university admission policies; and (iii) competition for tenants from other on-campus housing operated by educational institutions or other off-campus properties.

Third-Party Services

Our third-party services consist of development services and management services and are typically provided to university and college clients. Fee revenue earned from this business segment allows us to develop strong and key relationships with colleges and universities. We believe these services continue to provide synergies with respect to our ability to identify, close, and successfully operate student housing properties. While management evaluates the operational performance of our third-party services based on the distinct segments identified below, at times we also evaluate these segments on a combined basis.

Development Services: Our Development Services segment consists of development and construction management services that we provide through one of our taxable REIT subsidiaries ("TRSs") for student housing properties owned by universities, 501(c)3 foundations, and others. Our clients have included some of the nation's most prominent systems of higher education. These services range from short-term consulting projects to long-term, full-scale development and construction projects. We typically provide these services to colleges and universities seeking to modernize their on-campus student housing properties, and we are sometimes retained to manage these properties following their opening. They look to us to bring our student housing experience and expertise to ensure they develop marketable, functional, and financially sustainable facilities. Educational institutions usually seek to build housing that will enhance their recruitment and retention of students while facilitating their academic objectives. Most of these development service contracts are awarded via a competitive request for proposal ("RFP") process that qualifies developers based on their overall capability to provide specialized student housing design, development, construction management, financial structuring, and property management services. Our development services typically include pre-development, design, and financial structuring services. Our pre-development services typically include feasibility studies for third-party owners and design services. Feasibility studies include an initial feasibility analysis, review of conceptual design, and assistance with master planning. Some of the documents produced in this process include the conceptual design documents, preliminary development and operating budgets, cash flow projections, and a preliminary market assessment. Our design services include coordination with the architect and other members of the design team, review of construction plans, and assistance with project due diligence and project budgets.

Construction management services typically consist of hiring project professionals and a general contractor, coordinating and supervising the construction, equipping and furnishing the property, site visits, and full coordination and administration of all activities necessary for project completion in accordance with plans and specifications and with verification of adequate insurance.

Our Development Services activities benefit our primary goal of owning and operating student housing properties in a number of ways. By providing these services to others, we are able to expand and refine our unit plan and community design, the operational efficiency of our material specifications, and our ability to determine market acceptance of unit and community amenities. Our development and construction management personnel enable us to establish relationships with general contractors, architects, and project professionals throughout the nation. Through these services, we gain experience and expertise in residential and commercial construction methodologies under various labor conditions, including right-to-work labor markets, markets subject to prevailing wage requirements, and fully unionized environments. This segment is subject to competition from other specialized student housing development companies as well as from national real estate development companies.

Property Management Services: Our Property Management Services segment includes revenues generated from third-party management contracts in which we are typically responsible for all aspects of operations, including marketing, leasing administration, facilities maintenance, business administration, accounts payable, accounts receivable, financial reporting, capital projects, and residence life student development. We provide these services pursuant to management agreements that have initial terms that range from one to five years.

There are several housing options that compete with our third-party managed properties including, but not limited to, multifamily housing, for-rent single family dwellings, other off-campus specialized student housing, and the aforementioned on-campus participating properties. We also compete with other regional and national providers of third-party management services.

Americans with Disabilities Act and Federal Fair Housing Act

Many laws and governmental regulations are applicable to our properties and changes in the laws and regulations, or their interpretation by agencies and the courts, occur frequently. Our properties must comply with Title III of the Americans with Disabilities Act, or ADA, to the extent that such properties are “public accommodations” as defined by the ADA. The ADA may require removal of structural barriers to access by persons with disabilities in certain public areas of our properties where such removal is readily achievable. We believe that the existing properties are in substantial compliance with the ADA and that we will not be required to make substantial capital expenditures to address the requirements of the ADA. However, noncompliance with the ADA could result in imposition of fines or an award of damages to private litigants. The obligation to make readily achievable accommodations is an ongoing one, and we intend to continue to assess our properties and to make alterations as appropriate in this respect.

Under the federal and state fair housing laws, discrimination on the basis of certain protected classes is prohibited. Violation of these laws can result in significant damage awards to victims.

Our Commitment to Environmental, Social, and Governance (“ESG”) Factors

Corporate responsibility is fundamental to the Company’s mission to consistently provide every resident and team member with an environment conducive to healthy living, personal growth, academic achievement, and professional success. This mission drives our ESG vision of creating healthy, sustainable environments with a sense of community and connection by giving back, investing in our employees, and driving long-term value for all stakeholders.

In 2021, we employed significant internal resources towards our ESG efforts, including appointing a new Executive Vice President and Chief Purpose and Inclusion Officer, Senior Vice President of Corporate Responsibility, and Director of ESG. We also have a multi-functional ESG Committee and Diversity and Inclusion Task Force to support and enhance our programs and goals and to ensure we execute on our ESG strategy. We regularly review our ESG initiatives with our Board of Directors, and maintain communication with ESG-focused stakeholders. Additional information regarding the Company’s ESG initiatives, including a Letter of Commitment to ESG, may be found online at [ESG.AmericanCampus.com](https://www.esg.americancampus.com). The information contained on our website, including the Letter of Commitment to ESG, is not a part of or incorporated into this report.

Environmental Matters

Under various laws and regulations relating to the protection of the environment, an owner of real estate may be held liable for the costs of removal or remediation of certain hazardous or toxic substances located on or in its property. These laws often impose liability without regard to whether the owner was responsible for, or even knew of, the presence of such substances. The presence of such substances may adversely affect the owner's ability to rent or sell the property or use the property as collateral. Independent environmental consultants conducted environmental site assessments on all acquired or developed owned properties and on-campus participating properties in our existing portfolio. We are not aware of any environmental conditions that management believes would have a material adverse effect on the Company. There is no assurance, however, that environmental site assessments or other investigations would reveal all environmental conditions or that environmental conditions not known to us may exist now or in the future which would result in liability to the Company for remediation or fines, either under existing laws and regulations or future changes to such requirements.

From time to time, the United States Environmental Protection Agency, or EPA, designates certain sites affected by hazardous substances as "Superfund" sites pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act, or CERCLA. Superfund sites can cover large areas, affecting many different parcels of land. Although CERCLA imposes joint and several liability for contamination on property owners and operators regardless of fault, the EPA may choose to pursue potentially responsible parties ("PRPs") based on their actual contribution to the contamination. PRPs are liable for the costs of responding to the hazardous substances. Each of Villas on Apache (disposed of in April 2011), The Village on University (disposed of in December 2006), and University Village at San Bernardino (disposed of in January 2005) are located within federal Superfund sites. The EPA designated these areas as Superfund sites because groundwater underneath these areas is contaminated. We have not been named, and do not expect to be named, as a PRP with respect to these sites. However, there can be no assurance regarding potential future developments concerning such sites.

Insurance

Our primary lines of insurance coverage are property, liability, and workers' compensation. We believe that our insurance coverages are of the type and amount customarily obtained on real property assets. We intend to obtain similar coverage for properties we acquire in the future. However, there are certain types of losses, generally of a catastrophic nature, such as losses from floods or earthquakes, which may be subject to limitations in certain areas. When not otherwise contractually stipulated, we exercise our judgment in determining amounts, coverage limits, and deductibles, in an effort to maintain appropriate levels of insurance on our investments. If we suffer a substantial loss, our insurance coverage may not be sufficient due to market conditions at the time or other unforeseen factors. Inflation, changes in building codes and ordinances, environmental considerations, and other factors also might make it infeasible to use insurance proceeds to replace a property after it has been damaged or destroyed.

Human Capital Resources

As of December 31, 2021, we had approximately 3,006 employees, consisting of 371 corporate employees and 2,635 employees at our owned, managed, and on-campus participating properties.

Purpose and Culture: Our Company values are centered around people. We care deeply about our residents. Serving students well requires engaged, passionate, and diverse team members, so we've created an award-winning culture that fosters growth and rewards achievement. Service is also deeply embedded into our culture: we give back to the communities in which we live and work.

In 2020, we earned a Great Places to Work[™] certification with a total of 97% of the employees surveyed saying ACC is a great place to work. Our employee compensation and benefits packages are designed to competitively compensate all employees for their contributions, and our Culture Committee conducts regular internal communications, volunteer events, and activities that help to ensure we are attracting and retaining employees that share our passion. Our employees are not represented by a labor union.

Employee Engagement: In addition to promoting a leadership culture with an open-door policy for all employees, ACC seeks to regularly engage with employees to promote communication and solicit valuable feedback on our efforts to create a healthy and meaningful work culture. We annually survey our employees regarding their satisfaction and views on the ACC workplace environment. We also regularly publish newsletters for both our corporate and property employees that welcome new team members, highlight employee advancements and accomplishments, celebrate life events, discuss operational best practices, and

promote Company milestones, achievements, and initiatives. Our CEO also hosts “Bill’s Quarterly Call” where employee achievements are highlighted and any employee can ask questions regarding the Company’s direction and the state of the industry.

Community and Social Impact: Our definition of “community” goes beyond our communities. We support youth in need with a focus on education through our charitable foundation, as well as encourage volunteerism by our corporate and property staff. For us, giving back means being good corporate citizens and making a positive difference for those in need. We encourage our employees and our properties to be involved in their communities and are proud of the vast varieties of philanthropic causes our employees and residents champion.

In alignment with our Core Value, “Give Back,” and in connection with the December 2021 closing of a joint venture transaction including properties in our Arizona State University (“ASU”) portfolio, we made a commitment to donate \$5.0 million to ASU for scholarships, programs that support student success, and sustainability.

We are also proud to support the mental health of both our employees and residents by expanding our long-term partnership with the Hi, How Are You Project (“HHAY”) and our continued staff training on peer-to-peer support at more than 200 communities across the country. As a part of our partnership with HHAY, we published a College Student Fall 2021 Mental Wellness Survey Report in November 2021 that included responses from approximately 9,000 college students who shared insights into their own current mental health state and overall wellbeing.

Diversity and Inclusion (“D&I”): We strive to have an inclusive culture where all know their unique voices will be valued. ACC’s founding vision states, “Our people are our strength, achieving success through a dedication to excellence and integrity.” Our people are devoted to a culture of inclusion, diversity, and equality in the workplace and our communities. Our Company and our student communities are defined and strengthened by the belief that every individual and their experience adds value and enhances our position as an industry leader and university partner. We take responsibility to intentionally execute an evolving set of goals specific to inclusion, diversity, and accountability, driven by empathetic leadership and embraced by all.

We are proud that our ACC team represents the diversity of the residents and communities we serve, as more than half of our team members are minorities and half are female. In addition, we are overseen by a Board of Directors, more than a third of whose members are diverse by race or gender. In 2021, our female and minority representation at the executive level increased with the appointment of our Chief Purpose and Inclusion Officer, who oversees our ESG efforts including our diversity and inclusion initiatives.

We have a Code of Conduct for employees that includes policies on diversity, inclusion, and antidiscrimination. Additionally, ACC is a signatory for the CEO Impact Pledge to further diversity, equity, and inclusion initiatives.

In 2020, ACC formed a diversity and inclusion task force to oversee the execution of our goals over the long term. Since then, we have engaged a third-party consultant to review our employment program with a focus on diversity and inclusion criteria, including vision, goals, statement, and Company demographic breakdown. We also conducted consultant-facilitated “Unconscious Bias/Business Training” for ACC employees at the level of vice president and above, and are developing D&I training curricula for all employees and supervisors.

ACC has worked with our partners at Prairie View A&M University (“PVAMU”), our longest-running university relationship and a Historically Black College and University (“HBCU”), to establish both a scholarship endowment fund and an annual scholarship to assist graduating seniors. In the interest of promoting more diversity in the field of architecture, we have also created a specific scholarship geared towards architecture students at PVAMU.

In an effort to attract and support disadvantaged and underrepresented business owners, we developed a neighborhood small business nurturing program for local retailers in our owned property portfolio. The pilot program at LightView in Boston was the genesis of the September 2021 opening of the Underground Café, a female and minority owned establishment that brings together food, art, culture, and community.

Safety: We have a comprehensive Safety Plan that includes safety-related work practices that apply to our student housing communities. We also require service contract agreements, which mandate that all contractors and subcontractors that perform work in facilities or on property controlled by ACC abide by all safety rules and follow safety procedures.

Training and Professional Development: We believe that in order to be successful and satisfied in their jobs, employees must have the training necessary to further their effectiveness and assist in career advancement and retention. Our management team supports a culture of developing future leaders from our existing workforce, enabling us to promote from within for many leadership positions.

We've built a comprehensive employee development program with opportunities at every career stage. We connect employees with plans tailored to their goals and offer a range of trainings, mentoring, and conferences through ACC University and other programs. Employees are auto-enrolled for the appropriate courses when they are hired for or promoted into new positions. In addition to our training designed to address regulatory and statutory matters (antiharassment, cybersecurity, data privacy, etc.), our ACC University offers a catalog of more than 800 on-demand training courses.

Our Inside Track program provides top-performing, on-site team members with the development needed to become General Managers. Inside Track consists of an intensive training program and a four-month mentoring program emphasizing residence life, human resource management, business operations, marketing and leasing, facilities, and career development. In addition, ACC hosts several other employee development conferences including our annual Leadership Conference, Inside Track: Facilities and ACCelerate. We also provide numerous live training webinars that educate on current management issues and promote internal networking.

Offices and Access to SEC Filings

Our principal executive offices are located at 12700 Hill Country Boulevard, Suite T-200 Austin, TX 78738. Our telephone number at that location is (512) 732-1000.

We file our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and other reports required by Sections 13(a) and 15(d) of the Securities Exchange Act of 1934 with the SEC. The SEC maintains website that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The address of that website is www.sec.gov.

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to these reports filed or furnished pursuant to Sections 13(a) or 15(d) of the Securities Act of 1934, as amended, are available free of charge in the "Investor Relations" section of our website, www.american-campus.com, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Our website also contains copies of our Corporate Governance Guidelines and Code of Business Ethics as well as the charters of our Nominating and Corporate Governance, Audit, Compensation, Strategic Planning and Risk, and Capital Allocation committees. The information on our website is not part of this filing.

Forward-looking Statements

This report contains forward-looking statements within the meaning of the federal securities laws. We caution investors that any forward-looking statements presented in this report, or which management may make orally or in writing from time to time, are based on management's beliefs and assumptions made by, and information currently available to, management. When used, the words "anticipate," "believe," "expect," "intend," "may," "might," "plan," "estimate," "project," "should," "will," "result" and similar expressions, do not relate solely to historical matters and are intended to identify forward-looking statements. Such statements are subject to risks, uncertainties and assumptions and may be affected by known and unknown risks, trends, uncertainties and factors that are beyond our control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or projected. We caution you that forward-looking statements are not guarantees of future performance and will be impacted by actual events when they occur after we make such statements. We expressly disclaim any responsibility to update forward-looking statements, whether as a result of new information, future events or otherwise. Accordingly, investors should use caution in relying on past forward-looking statements, which are based on results and trends at the time they were made, to anticipate future results or trends.

Some of the risks and uncertainties that may cause our actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements include, among others, the following: general risks affecting the real estate industry; risks associated with changes in University admission or housing policies; risks associated with the availability and terms of financing and the use of debt to fund acquisitions and developments; failure to manage effectively our growth and expansion into new markets or to integrate acquisitions successfully; risks and uncertainties affecting property development and

construction; risks associated with downturns in the national and local economies, volatility in capital and credit markets, increases in interest rates, and volatility in the securities markets; costs of compliance with the Americans with Disabilities Act and other similar laws; potential liability for uninsured losses and environmental contamination; risks associated with our Company's potential failure to qualify as a REIT under the Internal Revenue Code of 1986 (the "Code"), as amended, and possible adverse changes in tax and environmental laws; and the other factors discussed in the "Risk Factors" contained in Item 1A of this report.

Item 1A. Risk Factors

The following risk factors may contain defined terms that are different from those used in other sections of this report. Unless otherwise indicated, when used in this section, the terms “we” and “us” refer to American Campus Communities, Inc. and its subsidiaries, including American Campus Communities Operating Partnership LP, our Operating Partnership, and the term “securities” refers to shares of common stock of American Campus Communities, Inc. and units of limited partnership interest in our Operating Partnership.

The factors described below represent our principal risks. Other factors may exist that we do not consider being significant based on information that is currently available or that we are not currently able to anticipate.

Risks Related to Our Properties, Our Business and the Real Estate Industry

Global health pandemics have materially affected and could continue to materially affect how we operate our business, and have impacted and could continue to impact our results of operations and overall financial performance.

A pandemic, including the novel coronavirus disease (“COVID-19”), has adversely affected international, national and local economies and financial markets generally, and has had an unprecedented effect on many businesses including the student housing industry. Outbreaks have led governments and other authorities around the world, including federal, state and local authorities in the United States, to impose measures intended to mitigate the spread of disease, including restrictions on freedom of movement and business operations such as issuing guidelines, travel bans, border closings, business closures, quarantine orders, and orders not allowing the collection of rents, charging late fees or eviction of non-paying tenants. These restrictions have inhibited our ability to meet in person with existing and potential residents, which could adversely impact our rental rate and occupancy levels.

A global pandemic could also result in the colleges or universities that our properties serve deciding to cancel in-person classes and/or requiring lower occupancy density in their on-campus residence halls. Additionally, our tenants could experience financial hardship due to deteriorating economic conditions, which could impact our provision for uncollectible accounts and ultimately our overall financial performance. Also, a global pandemic could impact our workforce, resulting in difficulty recruiting, retaining, training, motivating, and developing employees due to evolving health and safety protocols, changing worker expectations including those regarding flexible/remote work models, and restrictions on travel and employee mobility. We could also experience challenges in maintaining our strong corporate culture, which values communication, collaboration, and professional connection.

The conditions caused by the ongoing pandemic continue to exist worldwide, and the ongoing effects remain difficult to predict due to numerous uncertainties, including the transmissibility, severity, duration and resurgence of the outbreak, new variants of the virus, the implementation and effectiveness of health and safety measures, and actions that are voluntarily adopted by the public or required by governments or public health authorities or universities, including vaccines and treatments. Due to these uncertainties, we are not able at this time to estimate with any degree of certainty the effect a pandemic or measures intended to curb its spread could have on our business, results of operations, financial condition or cash flows. Also, many of the other risk factors described within this Form 10-K could be more likely to impact us as a result of a pandemic or measures intended to curb its spread.

Our results of operations are subject to risks inherent in the student housing industry, including a concentrated lease-up period and seasonal cash flows.

Leases at our off-campus properties typically require 12 monthly rental installments, whereas leases at our residence hall properties typically correspond to the university’s academic year and require ten monthly rental installments. As a result, we may experience significantly reduced cash flows during the summer months at our residence hall properties. Furthermore, all of our properties must be entirely re-leased each year during a limited leasing season. We are therefore highly dependent on the effectiveness of our marketing and leasing efforts and personnel during this season, exposing us to significant leasing risk. In addition, we are subject to increased leasing risk on our properties under construction and future acquired properties based on our lack of experience leasing those properties and unfamiliarity with their leasing cycles. If we are unable to lease a substantial portion of our properties, or if the rental rates upon such leasing are significantly lower than expected rates, our cash flow from operations and our ability to make distributions to stockholders and service indebtedness could be adversely affected.

Additionally, prior to the commencement of each new lease period, generally during the first two weeks of August, we prepare the units for new incoming residents. During this period (referred to as “turn”), we incur significant expenses making our units ready for occupancy, which we recognize as incurred. We therefore experience seasonally decreased operating results and cash flows during the third quarter of each year as a result of expenses we incur during turn as well as lower revenue at our residence hall properties.

We rely on our relationships with universities, and changes in university personnel and/or policies could adversely affect our operating results.

In some cases, we rely on our relationships with colleges and universities for referrals of prospective student-tenants or for lists of prospective student-tenants and their parents. Many of these colleges and universities own and operate their own competing on-campus facilities. Any failure to maintain good relationships with these colleges and universities could therefore have a material adverse effect on us. If colleges and universities refuse to make their lists of prospective student-tenants and their parents available to us or increase the costs of these lists, there could be a material adverse effect on us.

Changes in university admission policies could adversely affect us. For example, if a university reduces the number of student admissions or requires that a certain class of students, such as freshmen, live in a university-owned facility, the demand for our properties may be reduced and our occupancy rates may decline. While we may engage in marketing efforts to compensate for such changes in admission policy, we may not be able to affect such marketing efforts prior to the commencement of the annual lease-up period or at all.

A decrease in enrollment at the Universities at which our properties are located could adversely affect our financial results.

University enrollment can be affected by a number of factors including, but not limited to, the current macroeconomic environment, students’ ability to afford tuition and/or the availability of student loans, competition for international students, the impact of visa requirements for international students, higher demand for distance education, budget constraints that could limit a University’s ability to attract and retain students, any degradation in a university’s reputation and reports of crime or other negative publicity regarding the safety of the students residing on, or near, the university. If a university’s enrollment were to significantly decline as a result of these or other factors, our ability to achieve our leasing targets and thus our properties’ financial performance could be adversely affected.

We face significant competition from university-owned student housing and from other private student housing communities located within close proximity to universities.

On-campus student housing traditionally has certain inherent advantages over off-campus student housing because of, among other factors, closer physical proximity to the university campus and integration of on-campus facilities into the academic community. Colleges and universities can generally avoid real estate taxes, while we and other private sector owners are subject to full real estate tax rates. Also, colleges and universities may be able to borrow funds at lower interest rates than those available to us and other private sector owners. As a result, universities may be able to offer more convenient and/or less expensive student housing than we can, which may adversely affect our occupancy and rental rates. We also compete with other national and regional owner-operators of off-campus student housing in a number of markets as well as with smaller local owner-operators. There are a number of purpose-built student housing properties that compete directly with us located near or in the same general vicinity of many of our student housing communities. Such competing student housing communities may be newer than our student housing communities, located closer to campus, charge less rent, possess more attractive amenities, or offer more services, shorter lease terms or more flexible leases. The construction of competing properties or decreases in the general levels of rents for housing at competing properties could adversely affect our rental income. We have recently seen a number of large new entrants in the student housing business and there may be additional new entrants with substantial financial and marketing resources. The entry of these companies has increased and may continue to increase competition for students and for the acquisition, development and management of other student housing properties.

We may be unable to successfully complete and operate our properties or our third-party developed properties.

We intend to continue to develop and construct student housing. These activities include a number of risks, which may include the following:

- we may be unable to obtain financing on favorable terms or at all;

- we may not complete development projects on schedule, within budgeted amounts or in conformity with building plans and specifications, and if we fail to complete the construction of a property on schedule, we may be required to provide alternative housing to the students with whom we have signed leases, which would result in our incurring significant expenses, and may result in students attempting to terminate their leases, which may adversely affect occupancy at such property for the applicable academic year;
- we may encounter delays or refusals in obtaining all necessary zoning, land use, building, occupancy and other required governmental permits and authorizations;
- occupancy and rental rates at newly developed or renovated properties may fluctuate depending on a number of factors, including market and economic conditions, and may reduce or eliminate our return on investment;
- we may become liable for injuries and accidents occurring during the construction process and for environmental liabilities, including off-site disposal of construction materials;
- we may decide to abandon our development efforts if we determine that continuing the project would not be in our best interests; and
- we may encounter strikes, weather, government regulations, difficulty and/or delays in obtaining labor and materials, including as a result of supply chain conditions, and other conditions beyond our control.

Our newly developed properties will be subject to risks associated with managing new properties, including lease-up and integration risks. In addition, new development activities, regardless of whether or not they are ultimately successful, typically will require a substantial portion of the time and attention of our development and management personnel. Newly developed properties may not perform as expected.

We may in the future develop properties nationally, internationally or in geographic regions other than those in which we currently operate. We do not possess the same level of familiarity with development and related regulations in these new markets, which could adversely affect our ability to develop such properties successfully or at all or to achieve expected performance. Future development opportunities may not be available to us on terms that meet our investment criteria or we may be unsuccessful in capitalizing on such opportunities.

We typically provide guarantees of timely completion of projects that we develop for third parties. In certain cases, our contingent liability under these guarantees may exceed our development fee from the project. Although we seek to mitigate this risk by, among other things, obtaining similar guarantees from the project contractor, we could sustain significant losses if development of a project were to be delayed or stopped and we were unable to cover our guarantee exposure with the guarantee received from the project contractor.

We may be unable to successfully acquire properties on favorable terms.

Our future growth will be in part dependent upon our ability to successfully acquire new properties on favorable terms. With respect to recently acquired properties, and as we acquire additional properties, we will continue to be subject to risks associated with managing new properties, including lease-up and integration risks. Acquired properties may not perform as expected and may have characteristics or deficiencies unknown to us at the time of acquisition. Future acquisition opportunities may not be available to us on terms that meet our investment criteria or we may be unsuccessful in capitalizing on such opportunities. Our ability to acquire properties on favorable terms and successfully operate them involves the following significant risks:

- our potential inability to acquire a desired property may be caused by competition from other real estate investors;
- competition from other potential acquirers may significantly increase the purchase price and decrease expected yields;
- we may be unable to finance an acquisition on favorable terms or at all;
- we may have to incur significant unexpected capital expenditures to improve or renovate acquired properties;
- we may be unable to quickly and efficiently integrate new acquisitions, particularly acquisitions of portfolios of properties, into our existing operations;
- market conditions may result in higher than expected costs and vacancy rates and lower than expected rental rates; and
- we may acquire properties subject to liabilities but without any recourse, or with only limited recourse, to the sellers, or with liabilities that are unknown to us, such as liabilities for clean-up of undisclosed environmental contamination, claims by tenants, vendors or other persons dealing with the former owners of our properties and claims for indemnification by members, directors, officers and others indemnified by the former owners of our properties.

Our failure to acquire or finance property acquisitions on favorable terms, or operate acquired properties to meet our financial expectations, could adversely affect us.

Difficulties of selling real estate could limit our flexibility.

We intend to evaluate the potential disposition of assets that may no longer meet our investment objectives. When we decide to sell an asset, we may encounter difficulty in finding buyers in a timely manner as real estate investments generally cannot be disposed of quickly, especially when market conditions are poor. This may limit our ability to vary our portfolio promptly in response to changes in economic or other conditions. In some cases, we may also determine that we will not recover the carrying value of the property upon disposition and might recognize an impairment charge. In addition, in order to maintain our status as a REIT, the Internal Revenue Code imposes restrictions on our ability to sell properties held fewer than two years, which may cause us to incur losses thereby reducing our cash flows and adversely impacting distributions to equity holders.

Our ownership of properties through ground leases may expose us to the loss of such properties upon the exercise by the lessors of purchase options or the breach or termination of the ground leases.

We have acquired an interest in certain of our properties by acquiring a leasehold interest in the property on which the building is located (or under development), and we may acquire additional properties in the future through the purchase of interests in ground leases. We could lose our interests in a property if the ground lease is terminated, if a purchase option is exercised by the lessor or if we breach the ground lease, which could adversely affect our financial condition or results of operations.

The status of real estate tax exemptions or abatements could be overturned, resulting in diminished financial performance and cash flows at certain of our properties.

Certain of our properties, generally those located on the campuses of colleges and universities, are currently subject to full or partial exemptions or abatements from real estate taxes, and such exemptions were included in the Company's estimate of those properties' financial returns upon development or acquisition. Should state or local taxing jurisdictions successfully challenge, overturn, or suspend such exemptions, the financial performance of such properties would be diminished, which would result in reduced cash flows and depending upon the magnitude, may adversely impact distributions to equity holders.

We face risks associated with land holdings.

We hold land for future development and may in the future acquire additional land holdings. The risks inherent in owning or purchasing and developing land increase as demand for student housing, or rental rates, decrease. As a result, we hold certain land and may in the future acquire additional land in our development pipeline at a cost we may not be able to recover fully or on which we cannot build and develop into a profitable student housing project. Also, real estate markets are highly uncertain and, as a result, the value of undeveloped land has fluctuated significantly and may continue to fluctuate as a result of changing market conditions. In addition, carrying costs can be significant and can result in losses or reduced margins in a poorly performing project. If there are subsequent changes in the fair value of our land holdings that we determine is less than the carrying basis of our land holdings reflected in our financial statements plus estimated costs to sell, we may be required to take future impairment charges, which would reduce our net income.

We may not be able to recover pre-development costs for new developments.

University systems and educational institutions typically award us development services contracts on the basis of a competitive award process, but such contracts are typically executed following the formal approval of the transaction by the institution's governing body. In the intervening period, we may incur significant pre-development and other costs in the expectation that the development services contract will be executed. If an institution's governing body does not ultimately approve our selection and the terms of the pending development contract, we may not be able to recoup these costs from the institution and the resulting losses could be substantial. Also, we anticipate that we will, from time to time, elect not to proceed with ongoing development projects. If we elect not to proceed with a development project, the development costs associated therewith will ordinarily be charged against income for the then-current period. Any such charge could have a material adverse effect on our results of operations in the period in which the charge is taken.

Our awarded projects may not be successfully structured or financed and may delay our recognition of revenues.

The recognition and timing of revenues from our awarded development services projects will, among other things, be contingent upon successfully structuring and closing project financing as well as the timing of construction. The development projects that we have been awarded have at times been delayed beyond the originally scheduled construction commencement

date. If such delays were to occur with our current awarded projects, our recognition of expected revenues and receipt of expected fees from these projects would be delayed.

Tax laws may continue to change at any time, and any such legislative or other actions could have a negative effect on us.

Tax laws remain under constant review by persons involved in the legislative process, at the Internal Revenue Service and the U.S. Department of Treasury, and by various state and local tax authorities. Future changes in tax laws, including to the administrative interpretations thereof or to the enacted tax rates, or new pronouncements relating to accounting for income taxes, could adversely affect us in a number of ways, including making it more difficult or more costly for us to qualify as a REIT.

We are subject to numerous other laws and regulations, changes to which could increase our costs and individually or in the aggregate adversely affect our business.

In addition to tax laws, we are subject to laws and regulations affecting our operations in a number of areas. Changes in these laws and regulations, including, among others, additional healthcare reform, employment law reform such as the enactment of federal overtime exemption regulations, and financial and disclosure reform such as revisions to the Dodd-Frank Act and related SEC rulemaking, or the enactment of new laws or regulations, may increase our costs. Also, compliance with these laws, regulations and similar requirements may be onerous and expensive, and they may be inconsistent from jurisdiction to jurisdiction, which may further increase the cost of compliance and doing business. We cannot predict whether, when, in what forms, or with what effective dates, laws, regulations, and administrative interpretations applicable to us or our stockholders may be changed. Any such change may significantly affect our liquidity and results of operations, as well as the value of our shares. In addition, the properties in our portfolio are subject to various federal, state and local regulatory requirements, such as state and local fire and life safety requirements. If we fail to comply with these various requirements, we might incur governmental fines or private damage awards. Furthermore, existing requirements could change and require us to make significant unanticipated expenditures that would materially and adversely affect us.

Our collection, processing, storage, use and transmission of personal data could give rise to liabilities as a result of governmental regulation, conflicting legal requirements, differing views on data privacy or security breaches.

We collect, process, store, use and transmit a large volume of personal data, including, for example, to process lease transactions for our residents, and regarding or employees and our financial and strategic information. Personal data is increasingly subject to legal and regulatory protections, which vary widely in approach and which possibly conflict with one another. In recent years, for example, U.S. legislators and regulatory agencies such as the Federal Trade Commission, as well as U.S. states, have increased their focus on protecting personal data by law and regulation, and have increased enforcement actions for violations of privacy and data protection requirements. The European Commission also has adopted the General Data Protection Regulation (GDPR). These data protection laws and regulations are intended to protect the privacy and security of personal data. Implementation of and compliance with these laws and regulations may be more costly or take longer than we anticipate, or could otherwise adversely affect our business operations, which could negatively impact our financial position or cash flows. We also risk exposure to potential liabilities and costs resulting from the compliance with, or any failure to comply with, applicable legal requirements, conflicts among these legal requirements or differences in approaches to privacy and security of personal data. Our business could be materially adversely affected by our inability, or the inability of our vendors who receive personal data from us, to comply with legal obligations regarding the use of personal data and new data handling requirements that conflict with or negatively impact our business practices.

As our reliance on technology has increased, so have the risks posed to our systems, both internal and those we have outsourced to third party service providers. In addition, information security risks have generally increased in recent years due to the rise in new technologies and the increased sophistication and activities of cybercriminals who attempt to compromise our systems. We are periodically subject to these threats and intrusions, and sensitive or material information could be compromised as a result. The costs of any investigation of such incidents, as well as any remediation related to these incidents, may be material. The theft, destruction, loss, misappropriation or release of sensitive and/or confidential information or intellectual property, or interference with our information technology systems or the technology systems of third-parties on which we rely, could result in business disruption, negative publicity, brand damage, violation of privacy laws, loss of residents, potential liability and competitive disadvantage, any of which could result in a material adverse effect on our financial condition or results of operations.

Joint venture investments could be adversely affected by our lack of sole decision-making authority, our reliance on co-venturers' financial condition and disputes between our co-venturers and us.

We have co-invested, and may continue in the future to co-invest, with third parties through partnerships, joint ventures or other entities, acquiring noncontrolling interests in or sharing responsibility for managing the affairs of a property, partnership, joint venture or other entity. In connection with joint venture investments, we do not have sole decision-making control regarding the property, partnership, joint venture or other entity. Investments in partnerships, joint ventures or other entities may, under certain circumstances, involve risks not present were a third-party not involved, including the possibility that our partners or co-venturers might become bankrupt or fail to fund their share of required capital contributions. Our partners or co-venturers also may have economic or other business interests or goals that are inconsistent with our business interests or goals, and may be in a position to take actions contrary to our preferences, policies or objectives. Such investments also will have the potential risk of impasses on decisions, such as a sale, because neither we nor our partners or co-venturers would have full control over the partnership or joint venture. Disputes between us and our partners or co-venturers may result in litigation or arbitration that would increase our expenses and prevent our officers and/or directors from focusing their time and effort exclusively on our business. Consequently, actions by or disputes with our partners or co-venturers might result in subjecting properties owned by the partnership, joint venture or other entity to additional risk. In addition, we may in certain circumstances be liable for the actions of our partners or co-venturers.

Litigation risks could affect our business.

As a publicly traded owner of properties, we have become and in the future may become involved in legal proceedings, including consumer, employment, tort or commercial litigation, that if decided adversely to or settled by us, and not adequately covered by insurance, could result in liability that is material to our financial condition or results of operations.

Our performance and value are subject to risks associated with real estate assets and with the real estate industry.

Our ability to satisfy our financial obligations and make expected distributions to our security holders depends on our ability to generate cash revenues in excess of expenses and capital expenditure requirements. Events and conditions generally applicable to owners and operators of real property that are beyond our control may decrease cash available for distribution and the value of our properties. These events include:

- general economic conditions;
- rising level of interest rates;
- local oversupply, increased competition or reduction in demand for student housing;
- inability to collect rent from tenants;
- vacancies or our inability to rent beds on favorable terms;
- inability to finance property development and acquisitions on favorable terms;
- increased operating costs, including insurance premiums, utilities, and real estate taxes;
- costs of complying with changes in governmental regulations;
- the relative illiquidity of real estate investments;
- decreases in student enrollment at particular colleges and universities;
- changes in university policies related to admissions and housing; and
- changing student demographics.

In addition, periods of economic slowdown or recession, rising interest rates or declining demand for real estate, or the public perception that any of these events may occur, could result in a general decline in rents or an increased incidence of defaults under existing leases, which would adversely affect us.

Potential losses may not be covered by insurance.

We carry fire, earthquake, terrorism, business interruption, vandalism, malicious mischief, boiler and machinery, commercial general liability and workers' compensation insurance covering all of the properties in our portfolio under various policies. We believe the policy specifications and insured limits are appropriate and adequate given the relative risk of loss, the cost of the coverage and industry practice. There are, however, certain types of losses, such as property damage from generally unsecured losses such as riots, wars, punitive damage awards or acts of God that may be either uninsurable or not economically insurable. Some of our properties are insured subject to limitations involving large deductibles and policy limits that may not be sufficient to cover losses. In addition, we may discontinue earthquake, terrorism or other insurance on some or all of our properties in the

future if the cost of premiums from any of these policies exceeds, in our judgment, the value of the coverage discounted for the risk of loss. If we experience a loss that is uninsured or that exceeds policy limits, we could lose the capital invested in the damaged properties as well as the anticipated future cash flows from those properties. In addition, if the damaged properties are subject to recourse indebtedness, we would continue to be liable for the indebtedness, even if these properties were irreparably damaged and require substantial expenditures to rebuild or repair. In the event of a significant loss at one or more of our properties, the remaining insurance under our policies, if any, could be insufficient to adequately insure our other properties. In such event, securing additional insurance, if possible, could be significantly more expensive than our current policies.

Unionization or work stoppages could have an adverse effect on us.

We are at times required to use unionized construction workers or to pay the prevailing wage in a jurisdiction to such workers. Due to the highly labor intensive and price competitive nature of the construction business, the cost of unionization and/or prevailing wage requirements for new developments could be substantial. Unionization and prevailing wage requirements could adversely affect a new development's profitability. Union activity or a union workforce could increase the risk of a strike, which would adversely affect our ability to meet our construction timetables.

We could incur significant costs related to government regulation and private litigation over environmental matters.

Under various environmental laws, including the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), a current or previous owner or operator of real property may be liable for contamination resulting from the release or threatened release of hazardous or toxic substances or petroleum at that property, and an entity that arranges for the disposal or treatment of a hazardous or toxic substance or petroleum at another property may be held jointly and severally liable for the cost to investigate and clean up such property or other affected property. Such parties are known as potentially responsible parties ("PRPs"). Such environmental laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the presence of the contaminants, and the costs of any required investigation or cleanup of these substances can be substantial. PRPs are liable to the government as well as to other PRPs who may have claims for contribution. The liability is generally not limited under such laws and could exceed the property's value and the aggregate assets of the liable party. The presence of contamination or the failure to remediate contamination at our properties may expose us to third-party liability for personal injury or property damage, or adversely affect our ability to sell, lease or develop the real property or to borrow using the real property as collateral.

Environmental laws also impose ongoing compliance requirements on owners and operators of real property. Environmental laws potentially affecting us address a wide variety of matters, including, but not limited to, asbestos-containing building materials ("ACBM"), storage tanks, storm water and wastewater discharges, lead-based paint, wetlands, and hazardous wastes. Failure to comply with these laws could result in fines and penalties or expose us to third-party liability. Some of our properties may have conditions that are subject to these requirements and we could be liable for such fines or penalties or liable to third parties.

Insurance carriers have reacted to awards or settlements related to lawsuits against owners and managers of residential properties alleging personal injury and property damage caused by the presence of mold in residential real estate by excluding mold related programs designed to minimize the existence of mold in any of our properties as well as guidelines for promptly addressing and resolving reports of mold to minimize any impact mold might have on residents or the property.

Environmental liability at any of our properties may have a material adverse effect on our financial condition, results of operations, cash flow, the trading price of our stock or our ability to satisfy our debt service obligations and pay dividends or distributions to our security holders.

We may incur significant costs complying with the Americans with Disabilities Act and similar laws.

Under the Americans with Disabilities Act of 1990, or the ADA, all public accommodations must meet federal requirements related to access and use by disabled persons. Additional federal, state and local laws also may require modifications to our properties, or restrict our ability to renovate our properties. For example, the Fair Housing Amendments Act of 1988, or FHAA, requires apartment properties first occupied after March 13, 1990 to be accessible to the handicapped. We have not conducted an audit or investigation of all of our properties to determine our compliance with present requirements. Noncompliance with the ADA or FHAA could result in the imposition of fines or an award or damages to the government or private litigants and also could result in an order to correct any non-complying feature. Also, discrimination on the basis of certain protected classes can result in significant awards to victims. We cannot predict the ultimate amount of the cost of

compliance with the ADA, FHAA or other legislation. If we incur substantial costs to comply with the ADA, FHAA or any other legislation, we could be materially and adversely affected.

The impact of climate change and damage from catastrophic weather and other natural events may adversely affect our financial condition or results of operations.

Certain of our properties are located in areas that have experienced and may in the future experience catastrophic weather and other natural events from time to time, including fires, snow or ice storms, windstorms, tornadoes, hurricanes, earthquakes, flooding or other severe weather. In addition, to the extent that climate change does occur and exacerbates extreme weather and changes in precipitation and temperature, we may experience physical damage or decrease in demand for properties located in these areas or affected by these conditions. These adverse weather or natural events could cause substantial damages or losses to our properties which could exceed our insurance coverage. Should the impacts be material in nature or occur for lengthy periods of time, our financial condition or results of operations may be adversely affected. In addition, changes in federal and state legislation and regulation on climate change could result in increased capital expenditures to improve the energy efficiency of our existing properties and could also require us to spend more on our new development properties without a corresponding increase in revenue.

We are in the process of implementing an enterprise resource planning (“ERP”) system and problems with the design or implementation of this system could interfere with our business and operations.

We are engaged in a multi-year implementation of an ERP system, which includes certain functionality that is designed internally which is in the process of being deployed in phases. The new ERP system replaces multiple business systems and maintains books and records, records transactions and provides important information related to the operations of our business to our management. The implementation of the new ERP system has required, and will continue to require, the investment of significant personnel and financial resources. While we have invested, and will continue to invest, significant resources in planning and project management, implementation issues may arise during the course of the full deployment of the new ERP system, and it is possible we may experience delays, increased costs and other difficulties not presently contemplated. Any disruptions, delays or deficiencies in the design and implementation of the new ERP system could have a material adverse effect on our financial condition and results of operations.

Our business could be impacted as a result of actions by activist shareholders or others.

We have been subject and in the future may be subject to legal and business challenges in our operations due to actions instituted by activist shareholders or others. Responding to such actions have been and could continue to be costly and time-consuming, may not align with our business strategies and could divert the attention of our Board of Directors and senior management from the pursuit of our business strategies. Perceived uncertainties as to our future direction as a result of shareholder activism may lead to the perception of a change in the direction of the business or other instability and may affect our relationships with universities, vendors, tenants, prospective and current employees and others.

Corporate social responsibility, specifically related to environmental, social, and governance (“ESG”) issues, may impose additional costs and expose us to new risks.

Sustainability, social and governance evaluations remain highly important to investors and other stakeholders. Certain organizations that provide corporate governance and other corporate risk advisory services to investors have developed scores and ratings to evaluate companies and investment funds based upon ESG metrics. Many investors focus on ESG-related business practices and scores when choosing to allocate their capital and may consider a company's score as a reputational or other factor in making an investment decision. Investors' increased focus and activism related to ESG and similar matters may affect our business operations or increase expenses. In addition, investors may decide to refrain from investing in us as a result of their assessment of our approach to and consideration of ESG factors. We may face reputational damage in the event our corporate responsibility procedures or standards do not meet the standards set by various constituencies. In addition, the criteria by which companies are rated for ESG efforts may change, which could cause us to receive lower scores than in previous years. A low ESG score could result in a negative perception of the Company, exclusion of our securities from consideration by certain investors who may elect to invest with our competition instead and/or cause investors to reallocate their capital away from the Company, all of which could have an adverse impact on the price of our securities.

Risks Associated with Our Indebtedness and Financing

We depend heavily on the availability of debt and equity capital to fund our business.

In order to maintain our qualification as a REIT, we are required under the Internal Revenue Code to distribute annually at least 90% of our REIT taxable income, determined without regard to the deduction for dividends paid and excluding any net capital gain. To the extent that we satisfy this distribution requirement but distribute less than 100% of our net taxable income, including any net capital gains, we will be subject to federal corporate income tax on our undistributed taxable income. In addition, we will be subject to a 4% nondeductible excise tax if the actual amount that we pay out to our stockholders in a calendar year is less than a minimum amount specified under federal tax laws. Because of these distribution requirements, REITs are largely unable to fund capital expenditures, such as acquisitions, renovations, development and property upgrades from operating cash flow. Consequently, we will be largely dependent on the public equity and debt capital markets and private lenders to provide capital to fund our growth and other capital expenditures. We may not be able to obtain this financing on favorable terms or at all. Our access to equity and debt capital depends, in part, on:

- general market conditions;
- our current debt levels and the number of properties subject to encumbrances;
- our current performance and the market's perception of our growth potential;
- our cash flow and cash distributions; and
- the market price per share of our common stock.

If we cannot obtain capital from third-party sources, we may not be able to acquire properties when strategic opportunities exist, satisfy our debt service obligations or make cash distributions to our stockholders, including those necessary to maintain our qualification as a REIT.

Disruptions in the financial markets could adversely affect our ability to obtain debt financing or to issue equity and impact our acquisitions and dispositions.

Dislocations and liquidity disruptions in capital and credit markets could impact liquidity in the debt markets, resulting in financing terms that are less attractive to us and/or the unavailability of certain types of debt financing. Should the capital and credit markets experience volatility and the availability of funds become limited, or be available only on unattractive terms, we will incur increased costs associated with issuing debt instruments. In addition, it is possible that our ability to access the capital and credit markets may be limited or precluded by these or other factors at a time when we would like, or need, to do so, which would adversely impact our ability to refinance maturing debt and/or react to changing economic and business conditions. Uncertainty in the capital and credit markets could negatively impact our ability to make acquisitions and make it more difficult or not possible for us to sell properties or may adversely affect the price we receive for properties that we do sell, as prospective buyers may experience increased costs of debt financing or difficulties in obtaining debt financing. Potential disruptions in the financial markets could also have other unknown adverse effects on us or the economy generally and may cause the price of our securities to fluctuate significantly and/or to decline.

Our debt level reduces cash available for distribution and could have other important adverse consequences.

As of December 31, 2021, our total consolidated indebtedness was approximately \$3.5 billion (excluding unamortized mortgage debt premiums and discounts and original issue discounts). Our debt service obligations expose us to the risk of default and reduce or eliminate cash resources that are available to operate our business or pay distributions that are necessary to maintain our qualification as a REIT. There is no limit on the amount of indebtedness that we may incur except as provided by the covenants in our corporate-level debt. We may incur additional indebtedness to fund future property development, acquisitions and other working capital needs, which may include the payment of distributions to our security holders. The amount available to us and our ability to borrow from time to time under our corporate-level debt is subject to certain conditions and the satisfaction of specified financial and other covenants. If the income generated by our properties and other assets fails to cover our debt service, we would be forced to reduce or eliminate distributions to our stockholders and may experience losses.

In addition, the indenture governing our outstanding senior unsecured notes contains financial and operating covenants that among other things, restrict our ability to take specific actions, even if we believe them to be in our best interest, including restrictions on our ability to consummate a merger, consolidation or sale of all or substantially all of our assets and incur secured and unsecured indebtedness.

Our level of debt and the operating limitations imposed on us by our debt agreements could have significant adverse consequences, including the following:

- we may default on our scheduled principal payments or other obligations as a result of insufficient cash flow or otherwise;
- with respect to debt secured by our properties, the lenders or mortgagees may foreclose on such properties and receive an assignment of rents and leases, and foreclosures could create taxable income without accompanying cash proceeds, a circumstance that could hinder our ability to meet the REIT distribution requirements imposed by the Internal Revenue Code; and
- compliance with the provisions of our debt agreements, including the financial and other covenants, such as the maintenance of specified financial ratios, could limit our flexibility and a default in these requirements, if uncured, could result in a requirement that we repay indebtedness, which could severely affect our liquidity and increase our financing costs.

We may be unable to renew, repay or refinance our outstanding debt.

We are subject to the risk that our indebtedness will not be able to be renewed, repaid or refinanced when due or that the terms of any renewal or refinancing will not be as favorable as the existing terms of such indebtedness. If we were unable to refinance our indebtedness on acceptable terms, or at all, we might be forced to dispose of one or more of our properties on disadvantageous terms, which might result in losses to us. In addition, if a property is mortgaged to secure payment of indebtedness and income from such property is insufficient to pay that indebtedness, the property could be foreclosed upon by the mortgagee resulting in a loss of income and a decline in our total asset value. If any of the foregoing occurs, such losses could have a material adverse effect on us and our ability to make distributions to our equity holders and pay amounts due on our debt.

Our variable rate debt exposes us to risks associated with rising interest rates, including as a result of the phase out of LIBOR, which could adversely affect our cash flows.

As of December 31, 2021, we had outstanding approximately \$331.0 million of fixed and variable rate debt that was indexed to the London Interbank Offered Rate (“LIBOR”). In late 2021, it was announced the London Interbank Offered Rate (“LIBOR”) interest rates will cease publication altogether by June 30, 2023. To address the potential for LIBOR’s cessation, the Federal Reserve Board and the Federal Reserve Bank of New York (FRBNY), in coordination with multiple other regulators and large industry participants, convened the Alternative Reference Rates Committee (“ARRC”). The ARRC has identified the Secured Overnight Financing Rate (SOFR) as the preferred successor rate for LIBOR. We intend to incorporate relatively standardized replacement rate provisions into our LIBOR-indexed debt documents, including a spread adjustment mechanism designed to equate to the current LIBOR “all in” rate. There is significant uncertainty with respect to the implementation of the phase out and what alternative indexes will be adopted which will ultimately be determined by the market as a whole. It therefore remains uncertain how such changes will be implemented and the effects such changes would have on us and the financial markets generally. These changes may have a material adverse impact on the availability of financing and on our financing costs. Also, increases in interest rates on variable rate debt would increase our interest expense and the cost of refinancing existing debt and incurring new debt, unless we make arrangements that hedge the risk of rising interest rates, which would adversely affect net income and cash available for payment of our debt obligations and distributions to equity holders.

Failure to maintain our current credit ratings could adversely affect our cost of funds, liquidity and access to capital markets.

Moody’s and Standard & Poor’s, the major debt rating agencies, have evaluated our debt and have given us ratings of Baa2 and BBB, respectively. These ratings are based on a number of factors, which include their assessment of our financial strength, liquidity, capital structure, asset quality and sustainability of cash flow and earnings. Due to changes in market conditions, we may not be able to maintain our current credit ratings, which will adversely affect the cost of funds under our credit facilities, and could also adversely affect our liquidity and access to capital markets.

We may incur losses on interest rate swap and hedging arrangements.

We may periodically enter into agreements to reduce the risks associated with increases in interest rates. Although these agreements may partially protect against rising interest rates, they also may reduce the benefits to us if interest rates decline. If

an arrangement is not indexed to the same rate as the indebtedness that is hedged, we may be exposed to losses to the extent which the rate governing the indebtedness and the rate governing the hedging arrangement change independently of each other. Finally, nonperformance by the other party to the arrangement may subject us to increased credit risks.

Risks Related to Our Organization and Structure

Our stock price will fluctuate.

The market price and volume of our common stock will fluctuate due not only to general stock market conditions but also to the risk factors discussed above and below and the following:

- operating results that vary from the expectations of securities analysts and investors;
- investor interest in our property portfolio;
- the reputation and performance of REITs;
- the attractiveness of REITs as compared to other investment vehicles;
- our financial condition and the results of our operations;
- the perception of our growth and earnings potential;
- dividend payment rates and the form of the payment;
- increases in market interest rates, which may lead purchasers of our common stock to demand a higher yield;
- the issuance of ratings and scores related to corporate social responsibility and ESG reports and disclosures; and
- changes in financial markets and national economic and general market conditions.

To qualify as a REIT, we may be forced to limit the activities of a TRS.

To qualify as a REIT, no more than 20% of the value of our total assets may consist of the securities of one or more taxable REIT subsidiaries, or TRSs. Certain of our activities, such as our third-party development, management and leasing services, must be conducted through a TRS for us to qualify as a REIT. In addition, certain non-customary services must be provided by a TRS or an independent contractor. If the revenues from such activities create a risk that the value of our TRS entities, based on revenues or otherwise, approaches the 20% threshold, we will be forced to curtail such activities or take other steps to remain under the 20% threshold. Since the threshold is based on value, it is possible that the IRS could successfully contend that the value of our TRS entities exceeds the threshold even if the TRS accounts for less than 20% of our consolidated revenues, income or cash flow. Five of our six on-campus participating properties and our third-party services are held by a TRS. Consequently, income earned from five of our six on-campus participating properties and our third-party services will be subject to regular federal income taxation and state and local income taxation where applicable, thus reducing the amount of cash available for distribution to our security holders. Our TRS entities' income tax returns are subject to examination by federal, state and local tax jurisdictions, and the methodology used in determining taxable income or loss for those subsidiaries is therefore subject to challenge in any such examination.

A TRS is not permitted to directly or indirectly operate or manage a "hotel, motel or other establishment more than one-half of the dwelling units in which are used on a transient basis." We believe that our method of operating our TRS entities will not be considered to constitute such an activity. Future Treasury Regulations or other guidance interpreting the applicable provisions might adopt a different approach, or the IRS might disagree with our conclusion. In such event we might be forced to change our method of operating our TRS entities, which could adversely affect us, or one of our TRS entities could fail to qualify as a taxable REIT subsidiary, which would likely cause us to fail to qualify as a REIT.

Failure to qualify as a REIT would have significant adverse consequences to us and the value of our securities.

We intend to operate in a manner that will allow us to qualify as a REIT for federal income tax purposes under the Internal Revenue Code. If we lose our REIT status, we will face serious tax consequences that would substantially reduce or eliminate the funds available for investment and for distribution to security holders for each of the years involved, because:

- we would not be allowed a deduction for dividends to security holders in computing our taxable income and such amounts would be subject to federal income tax at regular corporate rates;
- we also could be subject to increased state and local taxes; and
- unless we are entitled to relief under applicable statutory provisions, we could not elect to be taxed as a REIT for four taxable years following the year during which we were disqualified.

In addition, if we fail to qualify as a REIT, we will not be required to pay dividends to stockholders, and all dividends to stockholders will be subject to tax as ordinary income to the extent of our current and accumulated earnings and profits. As a result of all these factors, our failure to qualify as a REIT also could impair our ability to expand our business and raise capital, and would adversely affect the value of our common stock.

Qualification as a REIT involves the application of highly technical and complex Internal Revenue Code provisions for which there are only limited judicial and administrative interpretations. The complexity of these provisions and of the applicable Treasury Regulations that have been promulgated under the Internal Revenue Code is greater in the case of a REIT that, like us, holds its assets through a partnership or a limited liability company. The determination of various factual matters and circumstances not entirely within our control may affect our ability to qualify as a REIT. In order to qualify as a REIT, we must satisfy a number of requirements, including requirements regarding the composition of our assets and two “gross income tests”: (a) at least 75% of our gross income in any year must be derived from qualified sources, such as rents from real property, mortgage interest, dividends from other REITs and gains from sale of such assets, and (b) at least 95% of our gross income must be derived from sources meeting the 75% income test above, and other passive investment sources, such as other interest and dividends and gains from sale of securities. Also, we must pay dividends to stockholders aggregating annually at least 90% of our REIT taxable income, excluding any net capital gains. In addition, legislation, new regulations, administrative interpretations or court decisions may adversely affect our investors, our ability to qualify as a REIT for federal income tax purposes or the desirability of an investment in a REIT relative to other investments.

Even if we qualify as a REIT for federal income tax purposes, we may be subject to some federal, state and local taxes on our income or property and, in certain cases, a 100% penalty tax, in the event we sell property as a dealer or if a TRS enters into agreements with us or our tenants on a basis that is determined to be other than an arm’s length basis.

Our charter contains restrictions on the ownership and transfer of our stock.

Our charter provides that, subject to certain exceptions, no person or entity may beneficially own, or be deemed to own by virtue of the applicable constructive ownership provisions of the Internal Revenue Code, more than 9.8% (by value or by number of shares, whichever is more restrictive) of the outstanding shares of our common stock or more than 9.8% by value of all our outstanding shares, including both common and preferred stock. We refer to this restriction as the “ownership limit.” A person or entity that becomes subject to the ownership limit by virtue of a violative transfer that results in a transfer to a trust is referred to as a “purported beneficial transferee” if, had the violative transfer been effective, the person or entity would have been a record owner and beneficial owner or solely a beneficial owner of our stock, or is referred to as a “purported record transferee” if, had the violative transfer been effective, the person or entity would have been solely a record owner of our stock.

The constructive ownership rules under the Internal Revenue Code are complex and may cause stock owned actually or constructively by a group of related individuals and/or entities to be owned constructively by one individual or entity. As a result, the acquisition of less than 9.8% of our stock (or the acquisition of an interest in an entity that owns, actually or constructively, our stock) by an individual or entity, could, nevertheless cause that individual or entity, or another individual or entity, to own constructively in excess of 9.8% of our outstanding stock and thereby subject the stock to the ownership limit. Our charter, however, requires exceptions to be made to this limitation if our board of directors determines that such exceptions will not jeopardize our tax status as a REIT. This ownership limit could delay, defer or prevent a change of control or other transaction that might involve a premium price for our common stock or otherwise be in the best interest of our security holders.

Certain tax and anti-takeover provisions of our charter and bylaws may inhibit a change of our control.

Certain provisions contained in our charter and bylaws and the Maryland General Corporation Law may discourage a third-party from making a tender offer or acquisition proposal to us. If this were to happen, it could delay, deter or prevent a change in control or the removal of existing management. These provisions also may delay or prevent the security holders from receiving a premium for their securities over then-prevailing market prices. These provisions include:

- the REIT ownership limit described above;
- authorization of the issuance of our preferred shares with powers, preferences or rights to be determined by our board of directors;
- the right of our board of directors, without a stockholder vote, to increase our authorized shares and classify or reclassify unissued shares;

- advance-notice requirements for stockholder nomination of directors and for other proposals to be presented to stockholder meetings; and
- the requirement that a majority vote of the holders of common stock is needed to remove a member of our board of directors for “cause.”

The Maryland business statutes also impose potential restrictions on a change of control of our Company.

Various Maryland laws may have the effect of discouraging offers to acquire us, even if the acquisition would be advantageous to security holders. Our bylaws exempt us from some of those laws, such as the control share acquisition provisions, but our board of directors can change our bylaws at any time to make these provisions applicable to us.

Our rights and the rights of our security holders to take action against our directors and officers are limited.

Maryland law provides that a director or officer has no liability in that capacity if he or she performs his or her duties in good faith, in a manner he or she reasonably believe to be in our best interests and with the care that an ordinary prudent person in a like position would use under similar circumstances. In addition, our charter eliminates our directors’ and officers’ liability to us and our stockholders for money damages except for liability resulting from actual receipt of an improper benefit in money, property or services or active and deliberate dishonesty established by a final judgment and which is material to the cause of action. Our bylaws require us to indemnify directors and officers for liability resulting from actions taken by them in those capacities to the maximum extent permitted by Maryland law. As a result, we and our security holders may have more limited rights against our directors and officers than might otherwise exist under common law. In addition, we may be obligated to fund the defense costs incurred by our directors and officers.

Item 1B. Unresolved Staff Comments

There were no unresolved comments from the staff of the SEC at December 31, 2021.

Item 2. Properties

The following table presents certain summary information about our properties. Our properties generally are modern facilities, and amenities at most of our properties include a swimming pool and a large community center featuring a fitness center, computer center, study areas, and a recreation room with billiards and other games. Some properties also have a jacuzzi/hot tub, volleyball courts, tennis courts, in-unit washers and dryers, and food service facilities. Leases at our off-campus properties typically require 12 rental installments. Leases at our residence hall properties typically correspond to the university's academic year and require nine or ten rental installments.

These properties are included in the Owned Properties and On-Campus Participating Properties segments discussed in Item 1 and Note 16 in the accompanying Notes to Consolidated Financial Statements contained in Item 8. We own fee title to all of these properties except for properties subject to ground/facility leases and our on-campus participating properties, as discussed more fully in Note 2 and Note 14 in the accompanying Notes to Consolidated Financial Statements contained in Item 8. All dollar amounts in this table and others herein, except bed, unit, and per bed amounts, are stated in thousands unless otherwise indicated.

Property ⁽¹⁾	Year Built ⁽²⁾	Date Acquired/Developed	Primary University Served	Typical Number of Rental Payments/Year	Year Ended December 31, 2021 Revenue ⁽³⁾	Average Monthly Base Rental Revenue/Bed ⁽⁴⁾	# of Units	# of Beds
OWNED PROPERTIES								
Same Store Owned Properties ⁽⁵⁾								
The Callaway House College Station	1999	Mar-01	Texas A&M University	9	\$ 10,027 ⁽⁶⁾	\$ 1,686 ⁽⁶⁾	173	538
The Village at Science Drive	2000	Nov-01	The University of Central Florida	12	7,113	787	192	732
University Village at Boulder Creek	2002	Aug-02	The University of Colorado at Boulder	12	4,429	1,220	82	309
University Village	2004	Aug-04	California State University - Fresno	12	2,880	586	105	406
University Village	2004	Aug-04	Temple University	12	6,083	694	220	749
University Club Apartments	1999	Feb-05	University of Florida	12	2,546	592	94	376
City Parc at Fry Street	2004	Mar-05	University of North Texas	12	3,194	686	137	420
Entrada Real	2000	Mar-05	University of Arizona	12	2,167	553	98	363
University Village at Sweethome	2005	Aug-05	State University of New York at Buffalo	12	7,155	737	269	830
University Village	1991	Mar-06	Florida State University	12	3,966	499	217	716
Royal Village	1996	Mar-06	University of Florida	12	3,513	719	118	448
Royal Lexington	1994	Mar-06	The University of Kentucky	12	2,276	578	94	364
Raiders Pass	2001	Mar-06	Texas Tech University	12	4,497	433	264	828
Aggie Station	2003	Mar-06	Texas A&M University	12	3,149	568	156	450
The Outpost	2005	Mar-06	University of Texas – San Antonio	12	5,190	597	276	828
Callaway Villas	2006	Aug-06	Texas A&M University	12	4,852	590	236	704
The Village on Sixth Avenue	1999	Jan-07	Marshall University	12	3,735	457	248	752
Newtown Crossing	2005	Feb-07	University of Kentucky	12	7,091	648	356	942
Olde Towne University Square	2005	Feb-07	University of Toledo	12	3,857	613	224	550
Peninsular Place	2005	Feb-07	Eastern Michigan University	12	3,559	594	183	478
University Centre	2007	Aug-07	Rutgers University, NJIT	12	6,712	836	234	840
The Summit & Jacob Heights	2004	Jun-08	Minnesota State University	12	5,223	476	258	930
GrandMarc Seven Corners	2000	Jun-08	University of Minnesota	12	3,680	717	186	440
Aztec Corner	2001	Jun-08	San Diego State University	12	6,055	818	180	606

Property ⁽¹⁾	Year Built ⁽²⁾	Date Acquired/ Developed	Primary University Served	Typical Number of Rental Payments/ Year	Year Ended December 31, 2021 Revenue ⁽³⁾	Average Monthly Base Rental Revenue/ Bed ⁽⁴⁾	# of Units	# of Beds
The Tower at Third	1973	Jun-08	University of Illinois	12	\$ 3,040	\$ 697	188	375
Willowtree Apartments and Tower	1970	Jun-08	University of Michigan	12	7,773	724	473	851
University Pointe	2004	Jun-08	Texas Tech University	12	4,570	536	204	682
University Trails	2003	Jun-08	Texas Tech University	12	4,688	535	240	684
Campus Trails	1991	Jun-08	Mississippi State University	12	2,199	422	156	480
University Crossings (ACE)	2003	Jun-08	Drexel University	12	9,609	735	260	1,016
Vista del Sol (ACE)	2008	Aug-08	Arizona State University	12	20,446	826	613	1,866
Villas at Chestnut Ridge	2008	Aug-08	State Univ. of New York at Buffalo	12	5,379	818	196	554
Barrett Honors College (ACE)	2009	Aug-09	Arizona State University	10	13,635	1,059	604	1,721
Sanctuary Lofts	2006	Jun-10	Texas State University	12	4,257	701	201	485
The Edge - Charlotte	1999	Nov-10	UNC - Charlotte	12	4,376	623	180	720
University Walk	2002	Nov-10	UNC - Charlotte	12	3,618	634	120	480
Uptown	2004	Nov-10	University of North Texas	12	3,510	654	180	528
2nd Avenue Centre	2008	Dec-10	University of Florida	12	7,936	782	274	868
Villas at Babcock	2011	Aug-11	University of Texas – San Antonio	12	4,555	526	204	792
Lobo Village (ACE)	2011	Aug-11	University of New Mexico	12	5,492	536	216	864
Villas on Sycamore	2011	Aug-11	Sam Houston State University	12	4,523	553	170	682
26 West	2008	Dec-11	University of Texas at Austin	12	13,270	1,045	367	1,026
Avalon Heights	2002	May-12	University of South Florida in Tampa	12	6,532	719	210	754
University Commons	2003	Jun-12	Univ. of Minnesota in Minneapolis	12	4,470	662	164	480
Casas del Rio (ACE)	2012	Aug-12	University of New Mexico	10	4,168	547	283	1,028
The Suites (ACE)	2013	Aug-12	Northern Arizona University	10	5,832	773	439	878
Hilltop Townhomes (ACE)	2012	Aug-12	Northern Arizona University	12	5,718	800	144	576
U Club on Frey	2013	Aug-12	Kennesaw State University	12	7,794	759	216	866
Campus Edge on UTA Boulevard	2012	Aug-12	University of Texas - Arlington	12	3,378	609	128	488
U Club Townhomes on Marion Pugh	2012	Aug-12	Texas A&M University	12	4,637	607	160	640
Villas on Rensch	2012	Aug-12	State Univ. of New York at Buffalo	12	5,577	798	153	610
The Village at Overton Park	2012	Aug-12	Texas Tech University	12	4,212	555	163	612
Casa de Oro (ACE)	2012	Aug-12	Arizona State University	10	2,028	806	109	365
The Villas at Vista del Sol (ACE)	2012	Aug-12	Arizona State University	12	4,386	893	104	400
The Block	2008	Aug-12	The University of Texas at Austin	12	16,928	871	669	1,555
University Pointe at College Station (ACE)	2012	Sep-12	Portland State University	12	5,459	712	282	978
309 Green	2008	Sep-12	University of Illinois	12	4,022	782	110	416
The Retreat	2012	Sep-12	Texas State University	12	6,817	701	187	780
Lofts54	2008	Sep-12	University of Illinois	12	1,440	651	43	172
Campustown Rentals	1982	Sep-12	University of Illinois	12	3,929	440	264	746
Chauncey Square	2011	Sep-12	Purdue University	12	4,551	921	158	386
Texan & Vintage	2008	Sep-12	The University of Texas at Austin	12	3,343	1,014	124	311

Property ⁽¹⁾	Year Built ⁽²⁾	Date Acquired/Developed	Primary University Served	Typical Number of Rental Payments/Year	Year Ended December 31, 2021 Revenue ⁽³⁾	Average Monthly Base Rental Revenue/Bed ⁽⁴⁾	# of Units	# of Beds
The Castilian	1967	Sep-12	The University of Texas at Austin	10	\$ 8,198 ⁽⁶⁾	\$ 1,320 ⁽⁶⁾	371	623
Bishops Square	2002	Sep-12	Texas State University	12	2,533	643	134	315
Union	2006	Sep-12	Baylor University	12	769	585	54	120
922 Place	2009	Sep-12	Arizona State University	12	5,153	840	132	468
Campustown	1997	Sep-12	Iowa State University	12	7,679	548	452	1,216
River Mill	1972	Sep-12	University of Georgia	12	3,582	655	243	461
The Province	2011	Nov-12	UNC - Greensboro	12	5,648	680	219	696
RAMZ Apartments on Broad	2004	Nov-12	Virginia Commonwealth University	12	1,940	785	88	172
The Lofts at Capital Garage	2000	Nov-12	Virginia Commonwealth University	12	731	518	36	144
25Twenty	2011	Nov-12	Texas Tech University	12	4,469	652	249	562
The Province	2009	Nov-12	University of Louisville	12	6,383	650	366	858
The Province	2010	Nov-12	Rochester Institute of Technology	12	8,213	833	336	816
5 Twenty Four and 5 Twenty Five Angliana	2010	Nov-12	University of Kentucky	12	7,309	568	376	1,060
The Province	2009	Nov-12	University of South Florida	12	8,544	726	287	947
U Pointe Kennesaw	2012	Nov-12	Kennesaw State University	12	6,590	714	216	797
The Cottages of Durham	2012	Nov-12	University of New Hampshire	12	6,892	897	141	619
University Edge	2012	Dec-12	Kent State University	12	5,273	710	201	608
The Lodges of East Lansing	2012	Jul-13	Michigan State University	12	9,339	781	364	1,049
7th Street Station	2012	Jul-13	Oregon State University	12	2,491	749	82	309
The Callaway House - Austin	2013	Aug-13	The University of Texas at Austin	10	15,549 ⁽⁶⁾	2,406 ⁽⁶⁾	219	753
Manzanita Hall (ACE)	2013	Aug-13	Arizona State University	10	5,599	1,024	241	816
University View (ACE)	2013	Aug-13	Prairie View A&M University	10	2,792	809	96	336
U Club Townhomes at Overton Park	2013	Aug-13	Texas Tech University	12	3,243	589	112	448
601 Copeland	2013	Aug-13	Florida State University	12	2,786	797	81	283
The Townhomes at Newtown Crossing	2013	Aug-13	University of Kentucky	12	4,767	646	152	608
Chestnut Square (ACE)	2013	Sep-13	Drexel University	12	9,787	895	220	861
Park Point	2008	Oct-13	Rochester Institute of Technology	12	9,322	803	300	924
U Centre at Fry Street	2012	Nov-13	University of North Texas	12	5,288	754	194	614
Cardinal Towne	2010	Nov-13	University of Louisville	12	5,120	664	255	545
Merwick Stanworth (ACE)	2014	Jul-14	Princeton University	12	7,969	1,164	325	595
Plaza on University	2014	Aug-14	University of Central Florida	12	14,667	823	364	1,313
U Centre at Northgate (ACE)	2014	Aug-14	Texas A&M University	12	6,698	688	196	784
University Walk	2014	Aug-14	University of Tennessee	12	4,835	726	177	526
U Club on Woodward	2014	Aug-14	Florida State University	12	8,295	717	236	944
Park Point	2010	Feb-15	Syracuse University	12	3,429	1,262	66	226
1200 West Marshall	2013	Mar-15	Virginia Commonwealth University	12	3,803	844	136	406
8 1/2 Canal Street	2011	Mar-15	Virginia Commonwealth University	12	4,760	781	160	540
Vistas San Marcos	2013	Mar-15	Texas State University	12	5,618	746	255	600

Property ⁽¹⁾	Year Built ⁽²⁾	Date Acquired/ Developed	Primary University Served	Typical Number of Rental Payments/ Year	Year Ended December 31, 2021 Revenue ⁽³⁾	Average Monthly Base Rental Revenue/ Bed ⁽⁴⁾	# of Units	# of Beds
Crest at Pearl	2014	Jun-15	University of Texas at Austin	12	\$ 4,376	\$ 1,068	141	343
U Club Binghamton	2005	Jun-15	SUNY Binghamton University	12	12,658	876	326	1,272
160 Ross	2015	Aug-15	Auburn University	12	5,310	685	182	642
The Summit at University City (ACE)	2015	Sep-15	Drexel University	12	14,513	861	351	1,315
2125 Franklin	2015	Sep-15	University of Oregon	12	7,219	785	192	734
University Crossings	2014	Aug-16	University of North Carolina - Charlotte	12	4,674	724	187	546
U Club on 28th	2016	Aug-16	University of Colorado	12	6,630	1,340	100	398
Currie Hall (ACE)	2016	Aug-16	University of Southern California	12	7,456	1,376	178	456
University Pointe (ACE)	2016	Aug-16	University of Louisville	12	4,019	625	134	531
Fairview House (ACE)	2016	Aug-16	Butler University	10	4,741	940	107	633
U Club Sunnyside	2016	Aug-16	West Virginia University	12	3,793	663	134	534
Stadium Centre	2016	Aug-16	Florida State University	12	18,658	814	636	1,723
U Point	2016	Oct-16	Syracuse University	12	1,942	932	54	163
The Arlie	2016	Apr-17	University of Texas Arlington	12	4,309	648	169	598
TWELVE at U District	2014	Jun-17	University of Washington	12	6,316	1,550	283	384
The 515	2015	Aug-17	University of Oregon	12	5,838	898	183	513
State	2013	Aug-17	Colorado State University	12	5,321	690	220	665
Tooker House (ACE)	2017	Aug-17	Arizona State University	10	11,762	999	429	1,594
SkyView (ACE)	2017	Aug-17	Northern Arizona University	12	6,308	798	163	626
University Square (ACE)	2017	Aug-17	Prairie View A&M University	10	3,546	840	143	466
U Centre on Turner	2017	Aug-17	University of Missouri	12	7,453	804	182	718
U Pointe on Speight	2017	Aug-17	Baylor University	12	5,026	589	180	700
21Hundred at Overton Park	2017	Aug-17	Texas Tech University	12	8,251	559	296	1,204
The Suites at Third	2017	Aug-17	University of Illinois	12	2,363	775	63	251
Callaway House Apartments	2017	Aug-17	University of Oklahoma	12	8,575	724	386	915
U Centre on College	2017	Aug-17	Clemson University	12	4,878	894	127	418
The James	2017	Sep-17	University of Wisconsin - Madison	12	11,786	990	366	850
Bridges @ 11th	2015	Oct-17	University of Washington	12	3,962	1,488	184	258
Hub U District Seattle	2017	Nov-17	University of Washington	12	4,113	1,430	111	248
David Blackwell Hall (ACE)	2018	Aug-18	University of California, Berkeley	10	8,017	1,568	412	780
Gladning Residence Center (ACE)	2018	Aug-18	Virginia Commonwealth University	10	10,085	840	592	1,524
Irvington House (ACE)	2018	Aug-18	Butler University	10	4,798	826	197	648
Greek Leadership Village (ACE)	2018	Aug-18	Arizona State University	10	8,271	949	498	957
NAU Honors College (ACE)	2018	Aug-18	Northern Arizona University	10	4,502	778	318	636
U Club Townhomes at Oxford	2018	Aug-18	University of Mississippi	12	2,791	447	132	528
Hub Ann Arbor	2018	Aug-18	University of Michigan	12	5,216	1,389	124	310
The Jack	2018	Aug-18	Northern Arizona University	12	5,982	871	198	591
Campus Edge on Pierce	2018	Aug-18	Purdue University	12	6,252	856	289	598

Property ⁽¹⁾	Year Built ⁽²⁾	Date Acquired/Developed	Primary University Served	Typical Number of Rental Payments/Year	Year Ended December 31, 2021 Revenue ⁽³⁾	Average Monthly Base Rental Revenue/Bed ⁽⁴⁾	# of Units	# of Beds
191 College	2019	Jul-19	Auburn University	12	\$ 5,194	\$ 861	127	495
LightView (ACE)	2019	Aug-19	Northeastern University	12	15,429	1,559	214	825
University of Arizona Honors College (ACE)	2019	Aug-19	University of Arizona	10	9,712	1,012	319	1,056
959 Franklin	2019	Sep-19	University of Oregon	12	5,779	1,015	230	443
Subtotal - Same Store Owned Properties					\$ 854,933	\$ 786	31,545	95,365
New Owned Properties								
2020 and 2021 Completed Development Projects								
Currie Hall Phase II (ACE)	2020	Jul-20	University of Southern California	12	\$ 3,834	\$ 1,268	95	272
Manzanita Square (ACE)	2020	Aug-20	San Francisco State University	12	7,654	1,526	169	597
Disney College Program Phases I-V (ACE)	2020-21	Multiple	Walt Disney World® Resort	Various	20,664	787	1,323	5,284
Projects Under Development								
Disney College Program Phases VI-X (ACE) ⁽⁷⁾	2022-23	Multiple	Walt Disney World® Resort	Various	—	—	1,291	5,156
Subtotal – New Owned Properties					\$ 32,152	\$ 919	2,878	11,309
TOTAL – OWNED PROPERTIES					\$ 887,085 ⁽⁸⁾	\$ 790	34,423	106,674
ON-CAMPUS PARTICIPATING PROPERTIES								
University Village & University Village Northwest at Prairie View	1998	Aug-98	Prairie View A&M University	9	\$ 11,916	\$ 693	648	2,064
University Village at Laredo	1997	Aug-97	Texas A&M International University	9	1,793	732	84	250
University College at Prairie View	2001	Aug-00	Prairie View A&M University	9	8,159	665	756	1,470
Cullen Oaks	2003	Aug-01	The University of Houston	9	4,936	916	411	879
College Park	2014	Aug-14	West Virginia University	12	4,403	717	224	567
TOTAL - ON-CAMPUS PARTICIPATING PROPERTIES					\$ 31,207	\$ 719	2,123	5,230
GRAND TOTAL- ALL PROPERTIES					\$ 918,292	\$ 787	36,546	111,904

⁽¹⁾ A number of our properties consist of two or more phases that are counted separately in the property portfolio numbers disclosed in Item 7 and Note 1 in the accompanying Notes to Consolidated Financial Statements contained in Item 8.

⁽²⁾ For properties with multiple phases, the year built represents the weighted average year based on the number of beds delivered each year.

⁽³⁾ Includes base rental revenue and other income, which includes, but is not limited to, utility income, damages, parking income, summer conference rent, application fees, income from retail tenants, etc. Other income also includes the provision for uncollectible accounts.

⁽⁴⁾ Average monthly rental revenue per bed is calculated based upon our base rental revenue earned during the year ended December 31, 2021 divided by average monthly occupied beds over the lease term.

⁽⁵⁾ Our same store owned portfolio represents properties that were owned and operated by us for the full years ended December 31, 2020 and 2021, which are not conducting or planning to conduct substantial development, redevelopment or repositioning activities, and are not classified as held for sale as of December 31, 2021.

⁽⁶⁾ As rent at this property includes food services, revenue is not comparable to the other properties in this table.

⁽⁷⁾ Includes 739 beds delivered as a part of Phase VI for which construction was substantially complete as of December 31, 2021, but were not occupied until January 2022.

⁽⁸⁾ Excludes revenues from three land parcels with non-student housing structures that were acquired by the Company with the intention of ultimately demolishing them in order to build student housing projects. These projects are currently in predevelopment and generated revenues of approximately \$2.0 million during the year ended December 31, 2021.

Occupancy information for our property portfolio for the year ended and as of December 31, 2021 is set forth below:

	2021 Weighted Average Occupancy⁽¹⁾	Occupancy as of December 31, 2021
<i>OWNED PROPERTIES</i>		
Same store properties ⁽²⁾	89.2%	95.9%
New properties	53.6% ⁽³⁾	84.5%
<i>TOTAL – OWNED PROPERTIES</i>	87.4%	95.2%
<i>ON-CAMPUS PARTICIPATING PROPERTIES</i>	66.8%	94.8%

⁽¹⁾ Average occupancy is calculated based on the average number of occupied beds for the year ended December 31, 2021 divided by total beds. For properties with typical lease terms shorter than 12 months, average occupancy includes the impact of significantly lower occupancy during the summer months. Average occupancy for properties which commenced operations during 2021 is calculated based on the period these properties were operational during 2021.

⁽²⁾ Our same store owned portfolio represents properties that were owned and operated by us for the full years ended December 31, 2020 and 2021, which are not conducting or planning to conduct substantial development, redevelopment or repositioning activities, and are not classified as held for sale as of December 31, 2021.

⁽³⁾ Reduced weighted average occupancy due to the recommencement of the Disney College Program in May 2021 as well as the staggered timing of delivered phases of the project during 2021.

Item 3. Legal Proceedings

We are subject to various claims, lawsuits, and legal proceedings that have not been fully resolved and that have arisen in the ordinary course of business. While it is not possible to ascertain the ultimate outcome of such matters, management believes that the aggregate amount of such liabilities, if any, in excess of amounts provided or covered by insurance, will not have a material adverse effect on our consolidated financial position or results of operations. However, the outcome of claims, lawsuits, and legal proceedings brought against us are subject to significant uncertainty. Therefore, although management considers the likelihood of such an outcome to be remote, the ultimate results of these matters cannot be predicted with certainty.

Refer to the Litigation section of Note 15 in the accompanying Notes to Consolidated Financial Statements contained in Item 8 for additional discussion.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for the Registrant's Common Equity and Related Stockholder Matters

The Company's common stock is listed on the New York Stock Exchange ("NYSE") under the symbol "ACC." As of February 18, 2022, there were approximately 152 holders of record, 80,513 beneficial owners of the Company's common stock and 139,156,913 shares of common stock outstanding. The number of holders does not include individuals or entities who beneficially own shares that are held by a broker or clearing agency, but does include each such broker or clearing agency as one record holder.

We intend to continue to declare quarterly distributions on our common stock. The actual amount, timing and form of payment of distributions, however, will be at the discretion of our Board of Directors and will depend upon our financial condition in addition to the requirements of the Code, and no assurance can be given as to the amounts, timing, or form of payment of future distributions.

See Part III, Item 12, for a description of securities authorized for issuance under equity compensation plans.

Item 6. Reserved

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Our Company and Our Business

Overview

We are one of the largest owners, managers, and developers of high quality student housing properties in the United States. We are a fully integrated, self-managed, and self-administered equity REIT with expertise in the acquisition, design, financing, development, construction management, leasing, and management of student housing properties. Refer to Item 1 contained herein for additional information regarding our business objectives, investment strategies, and operating segments.

We believe that the ownership and operation of student housing communities in close proximity to selected colleges and universities presents an attractive long-term investment opportunity for our investors. We intend to continue to execute our strategy of identifying existing differentiated, typically highly amenitized, student housing communities or development opportunities in close proximity to university campuses with high barriers to entry which are projected to experience substantial increases in enrollment and/or are under-served in terms of existing on and/or off-campus student housing.

Property Portfolio

Below is a summary of our property portfolio as of December 31, 2021:

Property portfolio	Properties	Beds
Owned operating properties		
Off-campus properties	126	70,234
On-campus ACE [®] (1) (2) (3)	33	32,023
Subtotal – operating properties	159	102,257
Owned properties under development		
On-campus ACE [®] (2) (4)	1	4,417
Subtotal – properties under development	1	4,417
Total owned properties	160	106,674
On-campus participating properties	6	5,230
Total owned property portfolio	166	111,904
Managed properties	37	28,968
Total property portfolio	203	140,872

- (1) Includes two properties at Prairie View A&M University that we ultimately expect to be refinanced under the existing on-campus participating structure.
- (2) Includes 33 properties operated under ground/facility leases with 16 university systems and one property operated under a ground/facility lease with *Walt Disney World*[®] Resort which consists of ten phases, six of which were delivered as of December 31, 2021, with the remainder anticipated to be delivered in 2022 and 2023.
- (3) Includes 739 beds for which construction was substantially complete as of December 31, 2021 but were not open for occupancy until January 2022.
- (4) The *Walt Disney World*[®] Resort project consists of one property with multiple phases delivered through 2023; as such, only the beds for remaining phases to be completed are included in the beds for owned properties under development. Beds for any completed phases of this project are included in owned operating properties beds.

Leasing Results

Our financial results for the year ended December 31, 2021 are impacted by the results of our annual leasing process for the 2020/2021 and 2021/2022 academic years. As of September 30, 2020, the beginning of the 2020/2021 academic year, occupancy at our 2021 same store properties was 90.3% with a rental rate increase of 1.1% compared to the prior academic year, and occupancy at our total owned property portfolio (including two development properties completed in Fall 2020) was 89.9%. Our leasing results for the 2020/2021 academic year were negatively impacted by general uncertainty associated with COVID-19, with university policies affecting students' housing decisions and preferences. However, leasing results for the 2021/2022 academic year for both our Company and the broader student housing sector improved significantly due to many universities reinstating on-campus housing policies and resuming in-person campus activities. As of September 30, 2021, the beginning of the 2021/2022 academic year, occupancy at our 2022 same store properties was 95.8% with a rental rate increase of 3.8% compared to the prior academic year.

Owned Development

The Company is in the process of constructing a ten-phase housing project under our ACE[®] structure with scheduled phase deliveries from 2020 to 2023 for *Walt Disney World*[®] Resort that will serve student interns participating in the highly competitive Disney College Program (“Disney College Program” or “DCP”). As of December 31, 2021, the Company has completed construction on six phases of the project within the targeted delivery timeline, and the remaining phases are anticipated to be delivered in 2022 and 2023. In May 2021, *Walt Disney World*[®] Resort announced that it was recommencing the DCP in the summer of 2021 after temporarily suspending the program in 2020 due to the COVID-19 pandemic. As of December 31, 2021, occupancy at the completed phases of the project was approximately 83.4%.

Owned Development Projects Recently Completed

During the year ended December 31, 2021, the final stages of construction were completed for the following phases of the Disney College Program project as summarized in the table below:

University / Market Served	Project	Location	Beds	Total Project Cost	Construction Completed
<i>Walt Disney World</i> [®] Resort	Disney College Program Phase III	Orlando, FL	984	\$ 54,400	January 2021
	Disney College Program Phases IV	Orlando, FL	1,521	84,500	May 2021
	Disney College Program Phases V ⁽¹⁾	Orlando, FL	1,152	71,900	July 2021
	Disney College Program Phases VI ⁽¹⁾⁽²⁾	Orlando, FL	739	49,800	December 2021
			4,396	\$ 260,600	

⁽¹⁾ Beds and total project costs per phase amounts may vary from those previously disclosed due to early deliveries of beds at certain phases.

⁽²⁾ Initial occupancy occurred in January 2022.

Owned Development Project Under Construction

At December 31, 2021, we were in process of constructing the remaining phases of the Disney College Program project as summarized in the table below:

University / Market Served	Project	Location	Beds	Estimated Project Cost	Total Costs Incurred	Scheduled Completion
<i>Walt Disney World</i> [®] Resort	Disney College Program Phases VII-VIII	Orlando, FL	2,208	\$ 122,800	\$ 113,587	May & Aug 2022
	Disney College Program Phases IX-X	Orlando, FL	2,209	122,700	99,164	Jan & May 2023
			4,417	\$ 245,500	\$ 212,751	

Third-Party Development and Management Services

Through ACC’s TRS entities, we provide development and construction management services for student housing properties owned by colleges and universities, charitable foundations, and others. During the year ended December 31, 2021, the final stages of construction were completed on the property summarized in the following table:

University / Market Served	Project	Location	Beds	Total Fees	Construction Completed
University of California, Riverside	North District Phase I	Riverside, CA	1,506	\$ 6,700	August 2021

As of December 31, 2021, we were under contract on five third-party development projects that are currently under construction and whose fees total \$17.9 million. As of December 31, 2021, fees of approximately \$9.1 million remained to be earned by the Company with respect to these projects, which have scheduled completion dates in 2022 and 2023.

As of December 31, 2021, we also provided third-party management and leasing services for 37 properties that represented approximately 29,000 beds.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States (“GAAP”) requires management to make estimates and assumptions in certain circumstances that affect amounts reported in our consolidated financial statements and related notes. In preparing these financial statements, management has utilized all available information, including its past history, industry standards, and the current economic environment, among other factors, in forming its estimates and judgments of certain amounts included in the consolidated financial statements, giving due consideration to materiality. It is possible that the ultimate outcome anticipated by management in formulating its estimates may not be realized. Application of the critical accounting policies below involves the exercise of judgment and use of assumptions as to future uncertainties and, as a result, actual results could differ from these estimates. In addition, other companies in similar businesses may utilize different estimation policies and methodologies, which may impact the comparability of our results of operations and financial condition to those companies.

Capital Expenditures

We capitalize costs during the development of owned assets. Capitalization begins when we determine that development of a future asset is probable and continues until the asset, or a portion of the asset, is delivered and is ready for its intended use. As such, our judgment of the date the project is substantially complete has a direct impact on our operating expenses for the period. We also capitalize pre-development costs incurred in pursuit of development of a property. These costs include legal fees, design fees, regulatory fees, and other related costs. Future development of these pursuits is dependent upon various factors, including zoning and regulatory approval, rental market conditions, construction costs, and availability of capital. Pre-development costs incurred for pursuits for which future development is not yet considered probable are expensed as incurred. The determination of whether a project is probable requires judgment. If we determine that a project is probable, operating expenses could be materially different than if we determine the project is not probable. We also capitalize other costs that are directly identifiable with a specific development property, such as payroll costs associated with corporate staff who oversee such development activities. We also capitalize non-recurring expenditures for additions and betterments to buildings and land improvements. In addition, we generally capitalize expenditures for exterior painting, roofing, and other major maintenance projects that substantially extend the useful life of the existing assets. The cost of ordinary repairs and maintenance that do not improve the value of an asset or extend its useful life are charged to expense when incurred.

For all owned predevelopment and development projects, as well as additions and betterments, the Company uses its professional judgment in determining whether such costs meet the criteria for capitalization or must be expensed as incurred. There may be a change in our operating expenses in the event that there are changes to the level of our owned development activities. For instance, if we reduce our owned development activities, there may be an increase in our operating expenses. The costs capitalized related to projects in the predevelopment phase for which construction has not yet commenced, are included in other assets on the consolidated balance sheets. Owned predevelopment project costs capitalized during the years ended December 31, 2021, 2020, and 2019 were \$8.1 million, \$6.8 million, and \$2.9 million, respectively. The costs capitalized related to owned development projects under construction, as well as additions and betterments, are reported on the consolidated balance sheets as investments in real estate, net of accumulated depreciation. Owned development project costs capitalized during the years ended December 31, 2021, 2020, and 2019 were \$210.0 million, \$357.7 million, and \$487.8 million, respectively.

Impairment of Long-Lived Assets

Management assesses on a property-by-property basis whether there are any indicators that the value of our real estate assets held for use may be impaired. This analysis is performed at least annually or whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. The judgments regarding the existence of impairment indicators are based on factors such as operational performance, market conditions, legal, regulatory and environmental concerns, the Company’s intent and ability to hold the related asset, as well as any significant cost overruns on development properties. A property’s value is considered impaired if management’s estimate of the aggregate future undiscounted cash flows to be generated by the property is less than the carrying value of the property. The estimation of expected future net cash flows uses estimates, including capitalization rates and growth rates, which are inherently uncertain and rely on assumptions regarding current and future economics and market conditions. To the extent an impairment has occurred, the loss will be measured as the excess of the carrying amount of the property over the fair value of the property, thereby reducing our net income. Management also performs a periodic assessment to determine which of our properties are likely to be sold prior to the end of their estimated useful lives. The criteria for determining when a property is held for sale requires judgment and has potential financial statement impact as depreciation would cease and an impairment loss could occur upon determination of held

for sale status. For those probable sales, an impairment charge is recorded for any excess of the carrying amount of the property over the estimated fair value less estimated selling costs, thereby reducing our net income.

Results of Operations

Comparison of the Years Ended December 31, 2021 and 2020

The following table presents our results of operations for the years ended December 31, 2021 and 2020, including the amount and percentage change in these results between the two periods.

	Year Ended December 31,			
	2021	2020	Change (\$)	Change (%)
Revenues				
Owned properties	\$ 889,052	\$ 820,699	\$ 68,353	8.3 %
On-campus participating properties	31,207	29,906	1,301	4.4 %
Third-party development services	10,191	7,543	2,648	35.1 %
Third-party management services	11,959	12,436	(477)	(3.8) %
Total revenues	942,409	870,584	71,825	8.3 %
Operating expenses (income)				
Owned properties	407,648	378,454	29,194	7.7 %
On-campus participating properties	14,333	13,521	812	6.0 %
Third-party development and management services	20,613	21,700	(1,087)	(5.0) %
General and administrative	45,452	35,774	9,678	27.1 %
Depreciation and amortization	275,597	267,703	7,894	2.9 %
Ground/facility leases	17,673	13,513	4,160	30.8 %
Gain from disposition of real estate	—	(48,525)	48,525	(100.0) %
Other operating expenses	4,533	1,100	3,433	312.1 %
Total operating expenses	785,849	683,240	102,609	15.0 %
Operating income	156,560	187,344	(30,784)	(16.4) %
Nonoperating income (expenses)				
Interest income	1,374	2,939	(1,565)	(53.2) %
Interest expense	(117,793)	(112,507)	(5,286)	4.7 %
Amortization of deferred financing costs	(5,824)	(5,259)	(565)	10.7 %
Loss from extinguishment of debt	—	(4,827)	4,827	(100.0) %
Other nonoperating income	328	3,507	(3,179)	(90.6) %
Total nonoperating expenses	(121,915)	(116,147)	(5,768)	5.0 %
Income before income taxes	34,645	71,197	(36,552)	(51.3) %
Income tax provision	(1,361)	(1,349)	(12)	0.9 %
Net income	33,284	69,848	(36,564)	(52.3) %
Net loss attributable to noncontrolling interests	2,205	2,955	(750)	(25.4) %
Net income attributable to ACC, Inc. and Subsidiaries common stockholders	\$ 35,489	\$ 72,803	\$ (37,314)	(51.3) %

Same Store and New Property Operations

We define our same store property portfolio as owned properties that were owned and operating for both of the full years ended December 31, 2021 and December 31, 2020, which are not conducting or planning to conduct substantial development, redevelopment, or repositioning activities, and are not classified as held for sale as of December 31, 2021. It also includes the full operating results of properties owned through joint ventures in which the Company has a controlling financial interest and which are consolidated for financial reporting purposes.

Same store revenues are defined as revenues generated from our same store portfolio and consist of rental revenue earned from student leases as well as other income items such as utility income, damages, parking income, summer conference rent, application and administration fees, income from retail tenants, the provision for uncollectible accounts, and income earned by our taxable REIT subsidiaries (“TRS”) from ancillary activities such as the provision of food services.

Same store operating expenses are defined as operating expenses generated from our same store portfolio and include usual and customary expenses incurred to operate a property such as payroll, maintenance, utilities, marketing, general and administrative costs, insurance, and property taxes. Same store operating expenses also include an allocation of payroll and other administrative costs related to corporate management and oversight.

A reconciliation of our same store, new property, and sold/other property operations to our consolidated statements of comprehensive income is set forth below:

	Same Store Properties		New Properties ⁽¹⁾		Sold/Other Properties ⁽²⁾		Total - All Properties	
	Year Ended December 31,		Year Ended December 31,		Year Ended December 31,		Year Ended December 31,	
	2021	2020	2021	2020	2021	2020	2021	2020
Number of properties ⁽³⁾	157	157	2	2	—	1	159	160
Number of beds ⁽³⁾	95,365	95,365	6,153	2,496	—	901	101,518	98,762
Revenues	\$ 854,933	\$ 813,182	\$ 34,119	\$ 4,816	\$ —	\$ 2,701	\$ 889,052	\$ 820,699
Operating expenses	\$ 390,587	\$ 371,732	\$ 16,787	\$ 5,341	\$ 274	\$ 1,381	\$ 407,648	\$ 378,454

⁽¹⁾ Property count does not include the *Walt Disney World*® Resort project which is counted as one property under development and consists of ten phases, five of which were available for occupancy as of December 31, 2021, with the remaining phases anticipated to be available for occupancy in 2022 and 2023. Bed count includes the beds for the five phases of this project that were available for occupancy as of December 31, 2021.

⁽²⁾ Does not include the allocation of payroll and other administrative costs related to corporate management and oversight. Includes professional fees related to the operation of consolidated joint ventures that are included in owned properties operating expenses in the accompanying consolidated statements of comprehensive income.

⁽³⁾ Does not include properties under construction or undergoing redevelopment.

Same Store Properties: The increase in revenues from our same store properties was primarily due to a decrease in COVID-19 related concessions provided during the year ended December 31, 2021 as compared to December 31, 2020, including rent forgiven as a part of our Resident Hardship Program, rent refunds provided to tenants at our on-campus ACE® properties and certain off-campus residence halls, and waived fees. The increase in revenues was also driven by an increase in rental rates and fee income, offset by a slight decrease in weighted average occupancy from 89.3% for the year ended December 31, 2020 to 89.2% for the year ended December 31, 2021. Future revenues will be dependent on our ability to maintain our current leases in effect for the 2021/2022 academic year and our ability to obtain appropriate rental rates and desired occupancy for the 2022/2023 academic year at our properties.

The increase in operating expenses for our same store properties was primarily due to the normalization of the Company’s operations in 2021, as compared to the prior year which was significantly impacted by COVID-19. We anticipate that operating expenses for our same store property portfolio for 2022 will increase as compared to 2021 due to increases in property tax and insurance expenses, payroll costs, and general inflationary factors.

New Property Operations: Our new properties for the year ended December 31, 2021 include development properties that opened for occupancy in 2020 and 2021. These properties are summarized in the table below:

Property	Location	University / Market Served	Beds	Opening Date / Construction Completed
Disney College Program Phase I (ACE)	Orlando, FL	<i>Walt Disney World</i> [®] Resort	778	May 2020
Currie Hall Phase II (ACE)	Los Angeles, CA	University of Southern California	272	July 2020
Disney College Program Phase II (ACE)	Orlando, FL	<i>Walt Disney World</i> [®] Resort	849	August 2020
Manzanita Square (ACE)	San Francisco, CA	San Francisco State University	597	August 2020
Disney College Program Phase III (ACE)	Orlando, FL	<i>Walt Disney World</i> [®] Resort	984	January 2021
Disney College Program Phase IV (ACE)	Orlando, FL	<i>Walt Disney World</i> [®] Resort	1,521	May 2021
Disney College Program Phase V (ACE)	Orlando, FL	<i>Walt Disney World</i> [®] Resort	1,152	July 2021
Total - New Properties			6,153	

On-Campus Participating Properties (“OCPP”) Operations

As of December 31, 2021, we had six on-campus participating properties containing 5,230 beds. Revenues from these properties increased by \$1.3 million, from \$29.9 million for the year ended December 31, 2020, to \$31.2 million for the year ended December 31, 2021. The increase is primarily due to COVID-19 related concessions provided in 2020 as well as increases in rental rates, fee income, and summer camp and conference revenue. These increases were offset by a slight decrease in average occupancy from 67.8% for the year ended December 31, 2020, to 66.8% for the year ended December 31, 2021. Future revenues will be dependent on our ability to maintain our current leases in effect for the 2021/2022 academic year and our ability to obtain appropriate rental rates and desired occupancy for the 2022/2023 academic year at our OCPPs.

Operating expenses at these properties increased by \$0.8 million, from \$13.5 million for the year ended December 31, 2020, to \$14.3 million for the year ended December 31, 2021. This increase was primarily due to increases in maintenance and utilities expenses as a result of the normalization of operations during 2021. We anticipate that operating expenses for our OCPPs for 2022 will increase as compared to 2021 due to the continued normalization of operations as discussed above.

Third-Party Development Services Revenue

Third-party development services revenue increased by approximately \$2.7 million, from \$7.5 million during the year ended December 31, 2020, to \$10.2 million for the year ended December 31, 2021. The increase was primarily due to the commencement of construction of a second phase project at Concordia University, the Lake Campus Housing project at Princeton University, the Kelly Hall Renovation project at Drexel University and the closing of bond financing and commencement of construction of a fifth phase at University of California, Irvine during the current year, which contributed \$6.5 million of revenue during the year ended December 31, 2021, as compared to the commencement of construction at the Capitol Campus Housing project at Georgetown University during the prior year which contributed approximately \$1.8 million in revenue during the year ended December 31, 2020. This increase was partially offset by a \$1.2 million decrease in incentive fees earned during the comparable periods related to cost savings from completed development projects and a \$0.8 million decrease related to continued development services revenues for projects that commenced construction in 2018, 2019, and 2020.

Development services revenues are dependent on our ability to successfully be awarded such projects, the amount of the contractual fee related to the project, and the timing and completion of the development and construction of the project. In addition, to the extent projects are completed under budget, we may be entitled to a portion of such savings, which are recognized as revenue when performance has been agreed upon by all parties, or when performance has been verified by an independent third-party. It is possible that projects for which we have deferred pre-development costs will not close and that we will not be reimbursed for such costs. The pre-development costs associated therewith will ordinarily be charged against income for the then-current period. We anticipate that third-party development services revenue will increase in 2022 as compared to 2021 due to a large number of projects in our development pipeline that are anticipated to close and commence construction in 2022, including both newly awarded projects and/or projects previously delayed as a result of COVID-19.

Third-Party Development and Management Services Expenses

Third-party development and management services expenses decreased by approximately \$1.1 million, from \$21.7 million during the year ended December 31, 2020, to \$20.6 million for the year ended December 31, 2021. The decrease was primarily due to a decrease in payroll and security costs related to a decrease in the number of properties managed near *Walt Disney World*[®] Resort that are no longer managed, as well as a decrease in the provision for uncollectible accounts related to accounts receivable from third-party development and management projects. We anticipate third-party development and management services expenses will decrease in 2022 as compared to 2021 due to the decrease in the number of managed properties located near *Walt Disney World*[®] Resort, as Disney College Program participants transition to the Company's Flamingo Crossings owned development project.

General and Administrative

General and administrative expenses increased by approximately \$9.7 million, from \$35.8 million during the year ended December 31, 2020, to \$45.5 million for the year ended December 31, 2021. The increase was primarily due to the following items incurred during the year ended December 31, 2021: (i) \$2.6 million in accelerated amortization of unvested restricted stock awards due to the retirement of the Company's President in August 2021; (ii) a \$1.3 million increase in consulting, legal, and other related costs incurred in relation to stockholder activism activities over the comparative periods; (iii) a \$0.6 million increase in compensation expense related to the appointment of three new Board of Directors members in January 2021; (iv) increases in insurance expense; (v) increases in incentive payroll expenses driven by improved operational performance in 2021; (vi) increases in expenses incurred in connection with enhancements to our operating systems platform; and (vii) other general inflationary factors. We anticipate general and administrative expenses will decrease in 2022 as compared to 2021 due to \$4.2 million in expenses incurred in 2021 that were not in the ordinary course of business. This includes \$2.6 million in accelerated amortization of unvested restricted stock awards due to the retirement of the Company's President in August 2021 and \$1.6 million in consulting, legal, and other related costs incurred in relation to stockholder activism activities in preparation for the Company's annual stockholders' meetings. Excluding any such items incurred in 2022 that are not in the ordinary course of business, the increase in general and administrative expenses in 2022 is anticipated to be inflationary.

Depreciation and Amortization

Depreciation and amortization increased by approximately \$7.9 million, from \$267.7 million during the year ended December 31, 2020, to \$275.6 million for the year ended December 31, 2021. This increase was primarily due to an increase of \$10.7 million related to the completion of construction and opening of owned development properties in 2020 and 2021. This increase was offset by a \$2.0 million decrease in depreciation and amortization expense at our same store properties due to assets that became fully amortized or depreciated during the year ended December 31, 2021 and a \$0.6 million decrease in depreciation of corporate assets. We anticipate depreciation and amortization expense will decrease in 2022 as compared to 2021 as certain assets at our same store properties will become fully amortized during the year.

Ground/Facility Leases

Ground/facility leases expense increased by approximately \$4.2 million from \$13.5 million during the year ended December 31, 2020, to \$17.7 million for the year ended December 31, 2021. The increase was primarily due to the additional expense incurred at our Disney College Program Project as a result of the reinstatement of the Disney College Program in May 2021 and ACE[®] development projects that completed construction in 2020. We anticipate ground/facilities leases expense will increase in 2022 as compared to 2021 for the reasons discussed above.

Gain from Disposition of Real Estate

During the year ended December 31, 2020, we sold one owned property containing 901 beds, resulting in a gain from disposition of real estate of approximately \$48.5 million. Refer to Note 6 in the accompanying Notes to Consolidated Financial Statements contained in Item 8 for additional details.

Other Operating Expenses

Other operating expenses for the year ended December 31, 2021, include a \$2.5 million charitable donation to Arizona State University in December 2021 in connection with the joint venture transaction described in Note 6 of the accompanying Notes to Consolidated Financial Statements contained in Item 8 herein and a \$2.0 million litigation settlement described in Note 15 of the accompanying Notes to Consolidated Financial Statements contained in Item 8 herein. Other operating expenses for the year ended December 31, 2020, include a \$1.1 million litigation settlement. We do not anticipate similar expenses in 2022 as those incurred in 2021 were not in the ordinary course of business.

Interest Income

Interest income decreased by approximately \$1.5 million, from \$2.9 million during the year ended December 31, 2020, to \$1.4 million for the year ended December 31, 2021. The decrease was primarily due to the early repayment of a note receivable in October 2020. Refer to Note 2 in the accompanying Notes to the Consolidated Financial Statements contained in Item 8 for additional details regarding the early repayment of the note receivable. We anticipate interest income will remain constant in 2022 as compared to 2021.

Interest Expense

Interest expense increased by approximately \$5.3 million, from \$112.5 million during the year ended December 31, 2020, to \$117.8 million for the year ended December 31, 2021. The increase was primarily due to \$9.0 million of additional interest incurred related to our offerings of unsecured notes in January 2020, June 2020, and October 2021, which is net of a reduction in interest expense related to the early repayment of unsecured notes in January 2020 that were originally scheduled to mature in October 2020, as well as a \$3.5 million decrease in capitalized interest, which is based on the timing of completion of our owned development pipeline. These items were offset by: (i) a \$3.6 million decrease due to the pay-off of mortgage debt; (ii) a \$2.8 million decrease in interest expense on our revolving credit facility due to a decrease in LIBOR rates and a decrease in the spread, which changed from 1.0% to 0.85% as a part of the renewal of the facility in May 2021; and (iii) a \$0.6 million decrease related to our OCPPs driven by the refinance of the mortgage loan on one OCPP property that was swapped to a fixed rate as well as scheduled principal payments on OCPP debt. We anticipate interest expense will increase in 2022 as compared to 2021 due to a full year of interest expense related to the unsecured notes issued in October 2021 and a decrease in capitalized interest related to the delivery of additional phases of our owned development project located at *Walt Disney World*® Resort.

Amortization of Deferred Financing Costs

Amortization of deferred financing costs increased by approximately \$0.5 million, from \$5.3 million during the year ended December 31, 2020, to \$5.8 million for the year ended December 31, 2021. This increase was primarily due to an \$0.8 million increase associated with the renewal of our revolving credit facility in May 2021, the issuance of unsecured notes in June 2020 and October 2021, and the refinance of a mortgage loan at one of our OCPPs in January 2021. We anticipate amortization of deferred financing costs will increase in 2022 as compared to 2021 due to the reason discussed above.

Loss from Extinguishment of Debt

During the year ended December 31, 2020, we recognized a \$4.8 million loss on the extinguishment of debt related to the early redemption of our \$400 million 3.35% Senior Notes due October 2020. The redemption was funded using net proceeds from the Operating Partnership's closing of a \$400 million offering of senior unsecured notes under its existing shelf registration in January 2020. Refer to Note 8 in the accompanying Notes to the Consolidated Financial Statements contained in Item 8 for additional details regarding the Company's debt.

Other Nonoperating Income

Other nonoperating income decreased by approximately \$3.2 million, from \$3.5 million during the year ended December 31, 2020, to \$0.3 million for the year ended December 31, 2021. This decrease was primarily due to a \$2.1 million gain associated with the write-off of the unamortized discount due to the early repayment of a note receivable in October 2020 and a \$1.1 million gain related to the settlement of a litigation matter recognized during the year ended December 31, 2020.

Net Loss Attributable to Noncontrolling Interests

Net loss attributable to noncontrolling interests represents consolidated joint venture partners' share of net loss, as well as net loss allocable to OP unitholders. Net loss attributable to noncontrolling interests decreased by \$0.8 million, from \$3.0 million for the year ended December 31, 2020, to \$2.2 million for the year ended December 31, 2021. The decrease in the net loss is due to improved operational performance at the properties in the joint ventures during the year ended December 31, 2021 compared to the year ended December 31, 2020 which was impacted by COVID-19. Refer to Note 10 in the accompanying Notes to Consolidated Financial Statements contained in Item 8 for additional details. In 2022, we anticipate net income attributable to noncontrolling interests as compared to a net loss attributable to noncontrolling interests in 2021 primarily due to the closing of an additional joint venture transaction on December 31, 2021, as described in Note 6 in the accompanying Notes to Consolidated Financial Statements contained in Item 8, as well as improved operating performance at the properties in previously existing joint ventures.

Comparison of the Years Ended December 31, 2020 and 2019

Management's Discussion and Analysis of Financial Condition and Results of Operations on pages 32 through 36 of the Form 10-K for the fiscal year ended December 31, 2020 is incorporated herein by reference.

Liquidity and Capital Resources

Cash Balances and Cash Flows

As of December 31, 2021, we had \$134.7 million in cash, cash equivalents, and restricted cash as compared to \$74.0 million in cash, cash equivalents, and restricted cash as of December 31, 2020. Restricted cash primarily consists of escrow accounts held by lenders and resident security deposits, as required by law in certain states, and funds held in escrow in connection with potential acquisition and development opportunities. The following discussion relates to changes in cash due to operating, investing and financing activities, which are presented in our accompanying consolidated statements of cash flows included in Item 8 herein.

Operating Activities: For the year ended December 31, 2021, net cash provided by operating activities was approximately \$334.8 million, as compared to approximately \$351.1 million for the year ended December 31, 2020, a decrease of approximately \$16.3 million. This decrease was due to the timing of the collection of receivables related to properties with master lease agreements and increases in receivables due to increased activity related to our third-party development projects. This decrease was partially offset by improved operating results at our properties during the year ended December 31, 2021, due to the normalization of operations at our owned properties, a decrease in COVID-19 related concessions, increases in occupancy and rental rates for the 2021/2022 academic year, and the recommencement of the Disney College Program in 2021.

Investing Activities: Investing activities utilized approximately \$239.4 million and \$207.4 million for the years ended December 31, 2021 and 2020, respectively. The \$32.0 million increase in cash utilized in investing activities was a result of the following: (i) \$146.1 million in proceeds from the disposition of one property during the year ended December 31, 2020, as compared to no dispositions of properties during the year ended December 31, 2021; (ii) \$45.4 million in cash proceeds from the early repayment of a note receivable in October 2020, as compared to no such repayments during the year ended December 31, 2021; and (iii) a \$12.9 million increase in cash used for capital expenditures at our owned and on-campus participating properties. These increases in cash utilized were partially offset by a \$156.4 million decrease in cash used to fund the construction of our owned development properties and an \$8.8 million decrease in cash paid to acquire land parcels.

Financing Activities: For the year ended December 31, 2021, net cash utilized by financing activities totaled approximately \$34.7 million, as compared to net cash utilized by financing activities of \$151.1 million for the year ended December 31, 2020. The \$116.4 million decrease in cash utilized by financing activities was primarily due to the following: (i) a \$268.2 million increase in contributions from noncontrolling partners primarily due to \$273.6 million in proceeds related to the ACC / HS Joint Venture Transaction during the year ended December 31, 2021, as compared to \$5.4 million in proceeds from the Nashville Joint Venture transaction during the year ended December 31, 2020; (ii) a \$77.2 million decrease in cash paid to purchase the remaining ownership interest in two properties held in a joint venture during the year ended December 31, 2020, as compared to no such purchase during the year ended December 31, 2021; (iii) \$58.9 million in net proceeds from the sale of common stock during the year ended December 31, 2021; and (iv) a \$24.7 million decrease in net pay-offs of mortgage debt. These decreases in cash utilized by financing activities were primarily offset by the following: (i) a \$311.2 million decrease in

net borrowings of unsecured debt and (ii) \$1.4 million of transaction costs associated with the closing of the ACC / HS Joint Venture Transaction.

Liquidity Needs, Sources, and Uses of Capital

In May 2021, the Company renewed its \$1.0 billion revolving credit facility ("Credit Facility"). The Credit Facility now matures in May 2025 and demonstrates the Company's commitment to Environmental, Social, and Governance ("ESG") practices with sustainability-linked pricing, whereby the borrowing rate improves if the Company meets certain ESG performance targets. The Credit Facility also includes two 6-month extension options and an accordion feature that allows the Company to expand the Credit Facility by up to an additional \$500 million, subject to the satisfaction of certain conditions. Borrowing rates float at a margin over LIBOR plus an annual facility fee with spreads reflecting current market terms. Both the margin and the facility fee are priced on a grid that is tied to the Company's credit rating. Based on the Company's current Baa2/BBB rating, the annual facility fee is 20 basis points and the LIBOR margin is 85 basis points, a reduction of 15 basis points from previous pricing levels. Refer to Note 8 in the accompanying Notes to the Consolidated Financial Statements contained in Item 8 for additional information.

During the year ended December 31, 2021, the Company sold 1,216,600 shares of common stock under the ATM program at a weighted average price of \$49.05 per share, for net proceeds of approximately \$58.9 million. The proceeds were primarily used to repay borrowings on the Company's Credit Facility. As of December 31, 2021, total gross proceeds of \$59.7 million have been raised under the Company's current ATM program, leaving approximately \$440.3 million of capacity. Refer to Note 9 in the accompanying Notes to the Consolidated Financial Statements contained in Item 8 for additional information.

In October 2021, the Operating Partnership closed a \$400 million offering of senior unsecured notes under its existing shelf registration. These seven-year notes were issued at 99.928% of par value with a coupon of 2.250% and are fully and unconditionally guaranteed by the Company. Interest on the notes is payable semi-annually on January 15 and July 15, with the first payment due and payable on January 15, 2022. The notes will mature on January 15, 2029. Net proceeds from the sale of the senior unsecured notes totaled approximately \$394.4 million. The Company used the proceeds to repay borrowings under its Credit Facility.

As of December 31, 2021, our short-term and long-term liquidity needs included, but were not limited to, the following:

- (i) scheduled interest payments on outstanding debt due in 2022 of approximately \$119.8 million and approximately \$505.2 million due beyond the next twelve months, assuming no modifications of the debt outstanding as of December 31, 2021;
- (ii) estimated development costs of approximately \$28.6 million in 2022 and approximately \$4.1 million in 2023 related to the completion of construction of the Disney College Program development project;
- (iii) debt maturities and scheduled principal payments as described in the debt maturities table in Note 8 of the accompanying Notes to the Consolidated Financial Statements contained in Item 8, assuming no modifications of the debt outstanding as of December 31, 2021;
- (iv) the future minimum lease payments described in Note 14 of the accompanying Notes to the Consolidated Financial Statements contained in Item 8;
- (v) interest on our Credit Facility, which varies based on the timing of draws and paydowns as well as fluctuations in LIBOR, and had no balance at December 31, 2021;
- (vi) funds for other owned development projects that could potentially commence construction;
- (vii) potential future property or land acquisitions as well as potential joint venture transactions; and
- (viii) recurring capital expenditures.

We expect to meet our short-term and long-term liquidity requirements by:

- (i) utilizing current cash on hand and net cash provided by operations;
- (ii) borrowing under our Credit Facility, which had availability of \$1.0 billion as of December 31, 2021;
- (iii) accessing the unsecured bond market;
- (iv) exercising debt extension options to the extent they are available;
- (v) refinance, renew, or modifying existing debt to more favorable terms;
- (vi) issuing securities, including common stock, under our ATM Equity Program discussed more fully in Note 9 in the accompanying Notes to Consolidated Financial Statements contained in Item 8, or otherwise; and
- (vii) potentially disposing of properties and/or selling ownership interests in existing properties through joint venture arrangements, depending on market conditions.

Our ability to obtain additional financing will depend on a variety of factors such as market conditions, the general availability of credit, the overall availability of credit to the real estate industry, our credit ratings, our credit capacity, and the perception of lenders regarding our long or short-term financial prospects.

We may seek additional funds to undertake initiatives not contemplated by our business plan or to obtain additional cushion against possible shortfalls. We also may pursue additional financing as opportunities arise. Future financings may include a range of different sizes or types of financing, including the incurrence of additional secured debt and the sale of additional debt or equity securities. These funds may not be available on favorable terms or at all. Our ability to obtain additional financing depends on several factors, including future market conditions, our future creditworthiness, and restrictions contained in agreements with our investors or lenders, including the restrictions contained in the agreements governing our unsecured credit facility and unsecured notes. These financings could increase our level of indebtedness or result in dilution to our equity holders.

Distributions

We are required to distribute 90% of our REIT taxable income (excluding capital gains) on an annual basis in order to qualify as a REIT for federal income tax purposes. Distributions to common stockholders are at the discretion of the Board of Directors. We may use borrowings under our unsecured revolving credit facility to fund distributions. The Board of Directors considers a number of factors when determining distribution levels, including market factors and our Company's performance in addition to REIT requirements.

On January 24, 2022, our Board of Directors declared a distribution of \$0.47 per share, which was paid on February 25, 2022, to all common stockholders of record as of February 4, 2022. Assuming similar dividend distributions for the remainder of 2022, our annualized dividend rate would be \$1.88 per share.

Indebtedness

A summary of our consolidated indebtedness as of December 31, 2021 is as follows. Refer to Note 8 in the accompanying Notes to Consolidated Financial Statements contained in Item 8 for a detailed discussion of our indebtedness.

	Amount	% of Total	Weighted Average Rates ⁽¹⁾	Weighted Average Maturities
Secured	\$ 536,506	15.2 %	4.1 %	6.6 Years
Unsecured	3,000,000	84.8 %	3.3 %	5.2 Years
Total consolidated debt	\$ 3,536,506	100.0 %	3.5 %	5.4 Years
Fixed rate debt				
Secured				
Project-based taxable bonds	\$ 14,695	0.4 %	7.5 %	3.1 Years
Mortgage	520,888	14.7 %	4.0 %	6.6 years
Unsecured				
April 2013 Notes	400,000	11.3 %	3.8 %	1.3 Years
June 2014 Notes	400,000	11.3 %	4.1 %	2.5 Years
October 2017 Notes	400,000	11.3 %	3.6 %	5.9 Years
June 2019 Notes	400,000	11.3 %	3.3 %	4.5 Years
January 2020 Notes	400,000	11.3 %	2.9 %	8.1 Years
June 2020 Notes	400,000	11.3 %	3.9 %	9.1 Years
October 2021 Notes	400,000	11.3 %	2.3 %	7.1 Years
Term loans	200,000	5.7 %	2.5 %	.5 Years
Total - fixed rate debt	3,535,583	99.9 %	3.5 %	5.4 Years
Variable rate debt				
Secured mortgage	923	0.1 %	2.6 %	23.6 years
Unsecured revolving credit facility ⁽²⁾	—	— %	— %	3.4 Years
Total - variable rate debt	923	0.1 %	2.6 %	23.6 Years
Total consolidated debt	\$ 3,536,506	100.0 %	3.5 %	5.4 Years

⁽¹⁾ Represents stated interest rate and does not include the effect of the amortization of deferred financing costs, debt premiums and discounts, OIDs, and interest rate swap terminations.

⁽²⁾ The Company's Credit Facility is excluded from the table above as the principal balance was zero as of December 31, 2021. Refer to Note 8 in the accompanying Notes to Consolidated Financial Statements contained in Item 8 for further discussion.

Supplemental Guarantor Information

Effective January 4, 2021, the Securities and Exchange Commission (SEC) adopted amendments to the financial disclosure requirements applicable to registered debt offerings that include certain credit enhancements. The Company adopted the new rules on January 4, 2021 which permit subsidiary issuers of obligations guaranteed by the parent to omit separate financial statements if the consolidated financial statements of the parent company have been filed, the subsidiary obligor is a consolidated subsidiary of the parent company, the guaranteed security is debt or debt-like, and the security is guaranteed fully and unconditionally by the parent. Accordingly, separate consolidated financial statements of the Operating Partnership have not been presented. Furthermore, as permitted under Rule 13-01(a)(4)(vi), the Company has excluded the summarized financial information for the Operating Partnership as the assets, liabilities, and results of operations of the Company and the Operating Partnership are not materially different than the corresponding amounts presented in the consolidated financial statements of the Company, and management believes such summarized financial information would be repetitive and not provide incremental value to investors.

American Campus Communities Operating Partnership, LP (the "Subsidiary Issuer") has issued the unsecured notes described in the Unsecured Notes section of Note 8 in the accompanying Notes to Consolidated Financial Statements contained in Item 8. The Unsecured Notes are fully and unconditionally guaranteed by the Company, and the Subsidiary Issuer is 99.6% owned, directly or indirectly, by the Company. The guarantees are direct senior unsecured obligations of the Company and rank equally in right of payment with all other senior unsecured indebtedness of the Company from time to time outstanding. Furthermore, the Company's guarantees will be effectively subordinated in right of payment to all liabilities, whether secured or

unsecured, and any preferred equity of its subsidiaries (including the Operating Partnership and any entity the Company accounts for under the equity method of accounting). In addition, under the federal bankruptcy law and comparable provisions of state fraudulent transfer laws, a guarantee, such as the guarantee provided by the Company, could be voided, and payment thereon could be required to be returned to the guarantor or to a fund for the benefit of the creditors of the guarantor, under certain circumstances.

The terms of the unsecured notes include certain financial covenants that require the Operating Partnership to limit the amount of total debt and secured debt as a percentage of total asset value, as defined. In addition, the Operating Partnership must maintain a minimum ratio of unencumbered asset value to unsecured debt, as well as a minimum interest coverage level. As of December 31, 2021, the Operating Partnership was in compliance with all such covenants.

Capital Expenditures

We distinguish between the following five categories of capital expenditures:

Non-recurring and other capital expenditures represent the addition of features or amenities that did not exist at the property but were deemed necessary to remain competitive within a specific market. This category also includes items considered infrequent or extraordinary in nature.

Recurring capital expenditures represent additions that are recurring in nature to maintain a property's income, value, and competitive position within the market. Recurring capital expenditures typically include, but are not limited to, appliances, furnishings, carpeting, and flooring, HVAC equipment, and kitchen/bath cabinets. Maintenance and repair costs incurred throughout the year, including those incurred during our annual turn process due to normal wear and tear by residents, are expensed as incurred.

Renovations and strategic repositioning capital expenditures are incurred to enhance the economic value and return of the property and undergo an investment return underwrite prior to being incurred.

Acquisition-related capital expenditures represent additions identified upon acquiring a property and are considered part of the initial investment. These expenditures are intended to position the property to be consistent with our physical standards and are usually incurred within the first two and occasionally the third year after acquisition.

Disposition-related capital expenditures represent capital improvements at properties disposed of during all years presented.

Additionally, we are required by certain of our lenders to contribute amounts to reserves for capital repairs and improvements at our mortgaged properties, which may exceed the amount of capital expenditures actually incurred by us during those periods.

Capital expenditures at our owned properties are set forth below:

	As of and for the Year Ended December 31,		
	2021	2020	2019
Non-recurring and other	\$ 32,260	\$ 23,708	\$ 22,412
Recurring	23,104	20,799	21,321
Renovations and strategic repositioning	13,593	13,009	20,029
Acquisition-related	—	750	5,543
Disposition-related ⁽¹⁾	—	46	1,541
Total	\$ 68,957	\$ 58,312	\$ 70,846
Average beds ⁽²⁾	100,435	96,568	93,343
Average recurring capital expenditures per bed	\$ 230	\$ 215	\$ 228

⁽¹⁾ Includes properties sold during 2020 and 2019. Also includes one property that was in receivership until July 2019 when it was transferred to the lender in settlement of the property's mortgage loan that matured in August 2017. Historical capital expenditures for these properties have been reclassified for all periods presented.

⁽²⁾ Does not include beds related to the disposed properties discussed above.

Funds From Operations ("FFO")

The National Association of Real Estate Investment Trusts ("NAREIT") currently defines FFO as net income or loss attributable to common shares computed in accordance with generally accepted accounting principles ("GAAP"), excluding gains or losses from depreciable operating property sales, impairment charges and real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. We present FFO because we consider it an important supplemental measure of our operating performance and believe it is frequently used by securities analysts, investors, and other interested parties in the evaluation of REITs, many of which present FFO when reporting their results. FFO excludes GAAP historical cost depreciation and amortization of real estate and related assets, which assumes that the value of real estate diminishes ratably over time. Historically, however, real estate values have risen or fallen with market conditions. We therefore believe that FFO provides a performance measure that, when compared year over year, reflects the impact to operations from trends in occupancy rates, rental rates, operating costs, and interest costs, among other items, providing perspective not immediately apparent from net income. We compute FFO in accordance with standards established by the Board of Governors of NAREIT in its December 2018 White Paper, which may differ from the methodology for calculating FFO utilized by other equity REITs and, accordingly, may not be comparable to such other REITs.

We also believe it is meaningful to present a measure we refer to as FFO-Modified ("FFOM"), which reflects certain adjustments related to the economic performance of our on-campus participating properties, and other items, as we determine in good faith that do not reflect our core operations on a comparative basis. Under our participating ground leases, we and the participating university systems each receive 50% of the properties' net cash available for distribution after payment of operating expenses, debt service (which includes significant amounts towards repayment of principal), and capital expenditures. A substantial portion of our revenues attributable to these properties is reflective of cash that is required to be used for capital expenditures and for the amortization of applicable property indebtedness. These amounts do not increase our economic interest in these properties or otherwise benefit us since our interest in the properties terminates upon the repayment of the applicable property indebtedness. Therefore, unlike the ownership of our owned properties, the unique features of our ownership interest in our on-campus participating properties cause the value of these properties to diminish over time. For example, since the ground/facility leases under which we operate the participating properties require the reinvestment from operations of specified amounts for capital expenditures and for the repayment of debt while our interest in these properties terminates upon the repayment of the debt, such capital expenditures do not increase the value of the property to us and mortgage debt amortization only increases the equity of the ground lessor. Accordingly, we believe it is meaningful to modify FFO to exclude the operations of our on-campus participating properties and to consider their impact on our performance by including only that portion of our revenues from those properties that are reflective of our share of net cash flow and the management fees that we receive, both of which increase and decrease with the operating performance of the properties. This narrower measure of performance measures our profitability for these properties in a manner that is similar to the measure of our profitability from our third-party services business where we similarly incur no initial or ongoing capital investment in a property and derive only consequential benefits from capital expenditures and debt amortization. We believe, however, that this narrower measure of performance is inappropriate in traditional real estate ownership structures where debt amortization and capital expenditures enhance the property owner's long-term profitability from its investment.

Our FFOM may have limitations as an analytical tool because it reflects the contractual calculation of net cash flow from our on-campus participating properties, which is unique to us and is different from that of our owned off-campus properties. Companies that are considered to be in our industry may not have similar ownership structures; and therefore, those companies may not calculate FFOM in the same manner that we do, or at all, limiting its usefulness as a comparative measure. We compensate for these limitations by relying primarily on our GAAP and FFO results and using FFOM only supplementally. Further, FFO and FFOM do not represent amounts available for management's discretionary use because of needed capital replacement or expansion, debt service obligations or other commitments and uncertainties. FFO and FFOM should not be considered as alternatives to net income or loss computed in accordance with GAAP as an indicator of our financial performance, or to cash flow from operating activities computed in accordance with GAAP as an indicator of our liquidity, nor are these measures indicative of funds available to fund our cash needs, including our ability to pay dividends or make distributions.

The following table presents a reconciliation of our net income attributable to common shareholders to FFO and FFOM:

	Year Ended December 31,		
	2021	2020	2019
Net income attributable to ACC, Inc. and Subsidiaries common stockholders	\$ 35,489	\$ 72,803	\$ 84,969
Noncontrolling interests' share of net (loss) income	(2,205)	(2,955)	1,793
Joint Venture ("JV") partners' share of FFO			
JV partners' share of net loss (income)	2,382	3,259	(1,398)
JV partners' share of depreciation and amortization	(7,598)	(7,747)	(8,644)
	(5,216)	(4,488)	(10,042)
(Gain) loss from disposition of real estate, net	—	(48,525)	53
Elimination of provision for real estate impairment	—	—	3,201
Total depreciation and amortization	275,597	267,703	275,046
Corporate depreciation ⁽¹⁾	(2,871)	(3,450)	(4,728)
FFO attributable to common stockholders and OP unitholders	300,794	281,088	350,292
Elimination of operations of OCPPs			
Net income from OCPPs	(4,922)	(3,716)	(6,587)
Amortization of investment in OCPPs	(8,039)	(8,015)	(8,380)
	287,833	269,357	335,325
Modifications to reflect operational performance of OCPPs			
Our share of net cash flow ⁽²⁾	2,026	1,359	3,067
Management fees and other	2,015	1,873	2,249
Contribution from OCPPs	4,041	3,232	5,316
Transaction costs ⁽³⁾	—	—	598
Elimination of provision for impairment of intangible asset ⁽⁴⁾	—	—	14,013
Elimination of FFO from property in receivership ⁽⁵⁾	—	—	1,912
Elimination of loss (gain) from extinguishment of debt, net ⁽⁶⁾	—	4,827	(20,992)
Elimination of gain from early repayment of loan receivable	—	(2,136)	—
Executive retirement charges ⁽⁷⁾	2,588	—	—
Elimination of charitable donation ⁽⁸⁾	2,500	—	—
Elimination of litigation settlements ⁽⁹⁾	2,033	—	—
Stockholder engagement and other proxy advisory costs ⁽¹⁰⁾	1,558	215	—
FFOM attributable to common stockholders and OP unitholders	\$ 300,553	\$ 275,495	\$ 336,172
FFO per share – diluted	\$ 2.15	\$ 2.02	\$ 2.52
FFOM per share – diluted	\$ 2.14	\$ 1.98	\$ 2.42
Weighted-average common shares outstanding - diluted	140,207,352	139,214,147	138,860,311

⁽¹⁾ Represents depreciation on corporate assets not added back for purposes of calculating FFO.

⁽²⁾ 50% of the properties' net cash available for distribution after payment of operating expenses, debt service (including repayment of principal), and capital expenditures which is included in ground/facility leases expense in the accompanying consolidated statements of comprehensive income. During the year ended December 31, 2020, the Company waived its right to one property's 50% share of the net cash flow for the 2019/2020 academic year, which resulted in a \$0.6 million reversal of contribution from OCPPs.

⁽³⁾ Represents transaction costs incurred in connection with the closing of presale development transactions.

⁽⁴⁾ Represents a non-cash impairment charge for an intangible asset related to a property tax incentive arrangement at one owned property.

⁽⁵⁾ Represents FFO for an owned property that was transferred to the lender in July 2019 in settlement of the property's mortgage loan.

⁽⁶⁾ The year ended December 31, 2020 amount represents the loss associated with the January 2020 redemption of the Company's \$400 million 3.35% Senior Notes originally scheduled to mature in October 2020. The year ended December 31, 2019 amount represents the gain on the extinguishment of debt associated with a property that was transferred to the lender in settlement of the property's mortgage loan in July 2019.

⁽⁷⁾ Represents accelerated amortization of unvested restricted stock awards due to the retirement of the Company's President in August 2021, which is included in general and administrative expenses in the accompanying consolidated statements of comprehensive income.

⁽⁸⁾ Represents a charitable donation to Arizona State University (ASU) in connection with the closing of a joint venture transaction in December 2021, which is included in other operating expenses in the accompanying consolidated statements of comprehensive income. Refer to Note 6 in the accompanying Notes to the Consolidated Financial Statements contained in Item 8 for additional information.

- (9) Represents expenses or gains associated with the settlement of litigation matters, which are included in other operating expenses and other nonoperating income, respectively, in the accompanying consolidated statements of comprehensive income.
- (10) Represents consulting, legal, and other related costs incurred in relation to stockholder activism activities in preparation for the Company's 2021 and 2022 annual stockholders' meetings, which are included in general and administrative expenses in the accompanying consolidated statements of comprehensive income.

Inflation

Our student leases do not typically provide for rent escalations. However, they typically do not have terms that extend beyond 12 months. Accordingly, although on a short term basis we would be required to bear the impact of rising costs resulting from inflation, we have the opportunity to raise rental rates at least annually to offset such rising costs. However, a weak economic environment or declining student enrollment at our principal universities may limit our ability to raise rental rates.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to certain market risks inherent in our operations. These risks generally arise from transactions entered into in the normal course of business. Market risk includes risks that arise from changes in interest rates, foreign currency exchange rates, commodity prices, equity prices, and other market changes that affect market sensitive instruments. Our primary market risk exposure is to changes in interest rates on our borrowings. As of December 31, 2021, 30.5% of our total market capitalization consisted of debt borrowings. Our interest rate risk objective is to limit the impact of interest rate fluctuations on earnings and cash flows and to lower our overall borrowing costs. To achieve this objective, we manage our exposure to fluctuations in market interest rates for borrowings through the use of fixed rate debt instruments and interest rate swaps, which mitigate our interest rate risk on a related financial instrument and effectively fix the interest rate on a portion of our variable debt or on future refinancings. We use our best efforts to have our debt instruments mature across multiple years, which we believe limits our exposure to interest rate changes in any one year. We do not enter into derivative instrument agreements or other financial instrument agreements for trading or other speculative purposes. As of December 31, 2021, 99.9% of our outstanding debt was subject to fixed rates after considering related derivative instruments. We regularly review interest rate exposure on outstanding borrowings in an effort to minimize the risk of interest rate fluctuations. Refer to Notes 8 and 12 in the accompanying Notes to Consolidated Financial Statements contained in Item 8 for further discussion related to our debt and derivative instruments and hedging activities.

The table below provides information about our financial instruments that are sensitive to changes in interest rates. The table presents principal cash flows and related weighted average interest rates by contractual maturity dates for our debt obligations. Weighted average variable rates are based on rates in effect as of December 31, 2021.

	2022	2023	2024	2025	2026	Total Thereafter	Total / Weighted Average	Fair Value Liability
Long-term debt								
Fixed rate ⁽¹⁾	\$200,000	\$406,485	\$530,825	\$6,345	\$400,000	\$1,991,928	\$3,535,583	\$3,669,267 ⁽²⁾
<i>Average interest rate</i>	2.5 %	3.8 %	4.2 %	7.6 %	3.7 %	3.3 %	3.5 %	
Variable rate ⁽³⁾	—	—	—	—	—	\$923	\$923	\$923 ⁽⁴⁾
<i>Average interest rate ⁽⁵⁾</i>	— %	— %	— %	— %	— %	2.6 %	2.6 %	

(1) Includes variable rate debt that has been swapped to a fixed rate as of December 31, 2021. Also includes one \$37.5 million variable rate mortgage loan with a stated interest rate of 2.61% (0.11% + 2.50% spread) that was swapped to a fixed rate until October 2022.

(2) For information on the methodology used to determine the fair value, refer to Note 13 in the accompanying Notes to Consolidated Financial Statements contained in Item 8 herein.

(3) At December 31, 2021, variable debt included the Company's Credit Facility which had a zero principal balance and \$0.9 million of mortgage debt at one of our on-campus participating properties.

(4) The carrying value of variable rate debt approximates fair value due to the variable rate interest feature of the instruments.

(5) The facility fee associated with the Company's Credit Facility is excluded from the table above as the principal balance was zero as of December 31, 2021. Refer to Note 8 in the accompanying Notes to Consolidated Financial Statements contained in Item 8 for further discussion.

Item 8. Financial Statements and Supplementary Data

The information required herein is included as set forth in Item 15 (a) – Financial Statements.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

We have adopted and maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by SEC Rule 13a-15(b), we have carried out an evaluation, under the supervision of and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures for the period covered by this report were effective.

There has been no change in our internal control over financial reporting during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. We are continually monitoring and assessing our internal control environment to ensure that our controls continue to be designed effectively and continue to operate effectively.

(b) Management's Annual Report on Internal Control over Financial Reporting

The management of American Campus Communities, Inc. is responsible for establishing and maintaining adequate internal control over financial reporting. We have designed our internal control over financial reporting to provide reasonable assurance that our published financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles.

Our management is required by paragraph (c) of Rule 13a-15 of the Securities Exchange Act of 1934, as amended, to assess the effectiveness of our internal control over financial reporting as of the end of each fiscal year. In making this assessment, our management used the *Internal Control — Integrated Framework* (2013 framework) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

Our management conducted the required assessment of the effectiveness of our internal control over financial reporting as of December 31, 2021. Based upon this assessment, our management believes that our internal control over financial reporting is effective as of December 31, 2021. Ernst & Young LLP, an independent registered public accounting firm, has issued an attestation report regarding the effectiveness of our internal control over financial reporting, which is included herein.

Item 9B. Other Information

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Information with respect to this Item 10 is incorporated by reference from our definitive Proxy Statement, which we currently expect to file on or before March 31, 2022 in connection with the Annual Meeting of Stockholders expected to be held May 4, 2022.

Item 11. Executive Compensation

Information with respect to this Item 11 is incorporated by reference from our definitive Proxy Statement, which we currently expect to file on or before March 31, 2022 in connection with the Annual Meeting of Stockholders expected to be held May 4, 2022.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information pertaining to security ownership of management and certain beneficial owners of the Company's common stock with respect to this Item 12 is incorporated by reference from our definitive Proxy Statement, which we currently expect to file on or before March 31, 2022 in connection with the Annual Meeting of Stockholders expected to be held May 4, 2022, to the extent not set forth below.

The Company maintains the American Campus Communities, Inc. Incentive Award Plan (the "Plan"), as discussed in more detail in Note 11 in the accompanying Notes to Consolidated Financial Statements in Item 8.

As of December 31, 2021, the total units and shares issued under the Plan were as follows:

	# of Securities to be Issued Upon Exercise of Outstanding Options, Warrants, and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants, and Rights	# of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Equity Compensation Plans Approved by Security Holders	1,210,876 ⁽¹⁾	n/a	2,202,059
Equity Compensation Plans Not Approved by Security Holders	n/a	n/a	n/a

⁽¹⁾ Consists of restricted stock awards granted to executive officers and certain employees and common units of limited partnership interest in the Operating Partnership.

Item 13. Certain Relationships, Related Transactions, and Director Independence

Information with respect to this Item 13 is incorporated by reference from our definitive Proxy Statement, which we currently expect to file on or before March 31, 2022 in connection with the Annual Meeting of Stockholders expected to be held May 4, 2022.

Item 14. Principal Accountant Fees and Services

Information with respect to this Item 14 is incorporated by reference from our definitive Proxy Statement, which we currently expect to file on or before March 31, 2022 in connection with the Annual Meeting of Stockholders expected to be held May 4, 2022.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) Financial Statements

The following consolidated financial information is included as a separate section of this Annual Report on Form 10-K:

	Page No.
Reports of Independent Registered Public Accounting Firm (PCAOB ID: 42)	F-1
Consolidated Financial Statements of American Campus Communities, Inc. and Subsidiaries	
Consolidated Balance Sheets as of December 31, 2021 and 2020	F-4
Consolidated Statements of Comprehensive Income for the years ended December 31, 2021, 2020, and 2019	F-5
Consolidated Statements of Changes in Equity for the years ended December 31, 2021, 2020, and 2019	F-6
Consolidated Statements of Cash Flows for the years ended December 31, 2021, 2020, and 2019	F-7
Notes to Consolidated Financial Statements of American Campus Communities, Inc. and Subsidiaries	F-9

(b) Exhibits

Exhibit Number	Description of Document
3.1	Articles of Amendment and Restatement of American Campus Communities, Inc. Incorporated by reference to Exhibit 3.1 to the Registration Statement on Form S-11 (Registration No. 333-114813) of American Campus Communities, Inc.
3.2	American Campus Communities, Inc. Articles Supplementary. Incorporated by reference to Exhibit 3.1 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on March 6, 2017.
3.3	Bylaws of American Campus Communities, Inc. Incorporated by reference to Exhibit 3.2 to the Registration Statement on Form S-11 (Registration No. 333-114813) of American Campus Communities, Inc.
3.4	Amendment to Bylaws of American Campus Communities, Inc. Incorporated by reference to Exhibit 3.1 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on February 24, 2014.
3.5	Second Amendment to the Bylaws of American Campus Communities, Inc. Incorporated by reference to Exhibit 3.2 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on March 6, 2017.
3.6	Third Amendment to the Bylaws of American Campus Communities, Inc. Incorporated by reference to Exhibit 3.1 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on April 21, 2017.
4.1	Form of Certificate for Common Stock of American Campus Communities, Inc. Incorporated by reference to Exhibit 4.1 to the Registration Statement on Form S-11 (Registration No. 333-114813) of American Campus Communities, Inc.
4.2	Indenture, dated as of April 2, 2013, among American Campus Communities Operating Partnership LP, as issuer, American Campus Communities, Inc., as guarantor, and U.S. Bank National Association, as trustee. Incorporated by reference to Exhibit 4.1 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on April 3, 2013.
4.3	First Supplemental Indenture, dated as of April 2, 2013, among American Campus Communities Operating Partnership LP, as issuer, American Campus Communities, Inc., as guarantor, and U.S. Bank National Association, as trustee. Incorporated by reference to Exhibit 4.2 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on April 3, 2013.

- [4.4](#) Second Supplemental Indenture, dated as of June 21, 2019, among American Campus Communities Operating Partnership LP, as issuer, American Campus Communities, Inc., as guarantor, and U.S. Bank National Association, as trustee. Incorporated by reference to Exhibit 4.3 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on June 21, 2019.
- [4.5](#) American Campus Communities Operating Partnership LP 3.750% Senior Notes due 2023. Incorporated by reference to Exhibit 4.3 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on April 3, 2013.
- [4.6](#) American Campus Communities Operating Partnership LP 4.125% Senior Notes due 2024. Incorporated by reference to Exhibit 4.3 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on June 25, 2014.
- [4.7](#) American Campus Communities Operating Partnership LP 3.625% Senior Notes due 2027. Incorporated by reference to Exhibit 4.3 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on October 11, 2017.
- [4.8](#) American Campus Communities Operating Partnership LP 3.300% Senior Note due 2026. Incorporated by reference to Exhibit 4.4 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on June 21, 2019.
- [4.9](#) American Campus Communities Operating Partnership LP 2.850% Senior Note due 2030. Incorporated by reference to Exhibit 4.4 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on January 30, 2020.
- [4.10](#) American Campus Communities Operating Partnership LP 3.875% Senior Note due 2031. Incorporated by reference to Exhibit 4.4 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on June 11, 2020.
- [4.11](#) American Campus Communities Operating Partnership LP 2.250% Senior Note due 2029. Incorporated by reference to Exhibit 4.4 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) filed on October 7, 2021.
- [4.12](#) Form of Guarantee of American Campus Communities, Inc. of Senior Debt Securities. Incorporated by reference to Exhibit 4.4 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on April 3, 2013.
- [4.13](#) Form of Registration Rights and Lock-Up Agreement, dated as of March 1, 2006, between American Campus Communities, Inc. and each of the persons who are signatory thereto. Incorporated by reference to Exhibit 99.3 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) filed on March 7, 2006.
- [4.14](#) Form of Registration Rights and Lock-Up Agreement, dated as of September 14, 2012, between American Campus Communities, Inc., American Campus Communities Operating Partnership, L.P. and each of the persons who are signatories thereto. Incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10-Q of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) for the quarter ended September 30, 2012.
- [4.15](#) Letter Agreement Regarding Issuance of OP Units, dated September 26, 2013, between Hallmark Student Housing Lexington, LLC, on one hand, and ACC OP (Lexington) LLC and American Campus Communities Operating Partnership, L.P., on the other hand. Incorporated by reference to Exhibit 4.1 to Quarterly Report on Form 10-Q of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) for the quarter ended September 30, 2013.
- [4.16](#) Description of American Campus Communities, Inc. Common Stock Registered Under Section 12 of the Securities Exchange Act of 1934.
- [10.1](#) Form of Amended and Restated Partnership Agreement of American Campus Communities Operating Partnership LP. Incorporated by reference to Exhibit 10.1 to the Registration Statement on Form S-11 (Registration No. 333-114813) of American Campus Communities, Inc.

- [10.2](#) Form of First Amendment to Amended and Restated Agreement of Limited Partnership of American Campus Communities Operating Partnership LP, dated as of March 1, 2006, between American Campus Communities Holdings LLC and those persons who have executed such amendment as limited partners. Incorporated by reference to Exhibit 99.2 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) filed on March 7, 2006.
- [10.3*](#) American Campus Communities, Inc. 2004 Incentive Award Plan. Incorporated by reference to Exhibit 10.2 to the Registration Statement on Form S-11 (Registration No. 333-114813) of American Campus Communities, Inc.
- [10.4*](#) Amendment No. 1 to American Campus Communities, Inc. 2004 Incentive Award Plan. Incorporated by reference to Exhibit 99.7 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) filed on November 5, 2007.
- [10.5*](#) Amendment No. 2 to American Campus Communities, Inc. 2004 Incentive Award Plan. Incorporated by reference to Exhibit 99.1 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) filed on March 11, 2008.
- [10.6*](#) American Campus Communities, Inc. 2010 Incentive Award Plan. Incorporated by reference to Exhibit 99.1 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) filed on May 7, 2010.
- [10.7*](#) American Campus Communities, Inc. 2018 Incentive Award Plan. Incorporated by reference to Exhibit 10.1 to Registration Statement on Form S-8 (Registration No. 333-224656) of American Campus Communities, Inc.
- [10.8*](#) American Campus Communities Services, Inc. Deferred Compensation Plan, as amended and restated, effective January 1, 2020. Incorporated by reference to Exhibit 99.1 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on November 22, 2019.
- [10.9](#) Form of PIU Grant Notice (including Registration Rights). Incorporated by reference to Exhibit 10.4 to the Registration Statement on Form S-11 (Registration No. 333-114813) of American Campus Communities, Inc.
- [10.10](#) Form of PIU Grant Notice (including Registration Rights), dated as of August 20, 2007. Incorporated by reference to Exhibit 99.1 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) filed on August 23, 2007.
- [10.11](#) Form of Indemnification Agreement between American Campus Communities, Inc. and certain of its directors and officers. Incorporated by reference to Exhibit 10.5 to the Registration Statement on Form S-11 (Registration No. 333-114813) of American Campus Communities, Inc.
- [10.12](#) Form of Employment Agreement between American Campus Communities, Inc. and William C. Bayless, Jr. Incorporated by reference to Exhibit 10.6 to the Registration Statement on Form S-11 (Registration No. 333-114813) of American Campus Communities, Inc.
- [10.13](#) Amendment No. 1 to Employment Agreement, dated as of April 28, 2005, between American Campus Communities, Inc. and William C. Bayless, Jr. Incorporated by reference to Exhibit 99.6 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) filed on May 3, 2005.
- [10.14](#) Amendment No. 2 to Employment Agreement, dated as of November 1, 2007, between American Campus Communities, Inc. and William C. Bayless, Jr. Incorporated by reference to Exhibit 99.3 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) filed on November 5, 2007.
- [10.15](#) Third Amendment to Employment Agreement, dated as of March 23, 2010, between William C. Bayless, Jr. and American Campus Communities, Inc. Incorporated by reference to Exhibit 99.1 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) filed on March 24, 2010.
- [10.16](#) Fourth Amendment to Employment Agreement, dated as of January 10, 2017, between American Campus Communities, Inc. and William C. Bayless, Jr. Incorporated by reference to Exhibit 99.2 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on January 10, 2017.
- [10.17](#) Fifth Amendment to Employment Agreement, dated as of February 24, 2021, between American Campus Communities, Inc. and William C. Bayless, Jr. Incorporated by reference to Exhibit 99.7 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on February 26, 2021.
- [10.18](#) Sixth Amendment to Employment Agreement, dated as of August 24, 2021, between American Campus Communities, Inc. and William C. Bayless, Jr. Incorporated by reference to Exhibit 99.2 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on August 26, 2021.

- [10.19](#) Employment Agreement, dated as of May 4, 2011, between William W. Talbot and American Campus Communities, Inc. Incorporated by reference to Exhibit 99.1 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on March 21, 2013.
- [10.20](#) First Amendment to Employment Agreement, dated as of November 2, 2012, between William W. Talbot and American Campus Communities, Inc. Incorporated by reference to Exhibit 99.2 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on March 21, 2013.
- [10.21](#) Employment Agreement, dated as of May 4, 2011, between Daniel B. Perry and American Campus Communities, Inc. Incorporated by reference to Exhibit 10.24 to Annual Report on Form 10-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) for the year ended December 31, 2014.
- [10.22](#) First Amendment to Employment Agreement, dated as of November 2, 2012, between Daniel B. Perry and American Campus Communities, Inc. Incorporated by reference to Exhibit 10.25 to Annual Report on Form 10-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) for the year ended December 31, 2014.
- [10.23](#) Second Amendment to Employment Agreement, dated as of January 10, 2017, between American Campus Communities, Inc. and Daniel B. Perry. Incorporated by reference to Exhibit 99.4 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on January 10, 2017.
- [10.24](#) Employment Agreement, dated as of October 16, 2013, between American Campus Communities, Inc. and Jennifer Beese. Incorporated by reference to Exhibit 10.27 to Annual Report on Form 10-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) for the year ended December 31, 2017.
- [10.25](#) First Amendment to Employment Agreement, dated as of January 10, 2017, between American Campus Communities, Inc. and Jennifer Beese. Incorporated by reference to Exhibit 10.28 to Annual Report on Form 10-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) for the year ended December 31, 2017.
- [10.26](#) Second Amendment to Employment Agreement, dated as of August 24, 2021, between American Campus Communities, Inc. and Jennifer Beese. Incorporated by reference to Exhibit 99.1 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on August 26, 2021.
- [10.27](#) Employment Agreement, dated as of May 6, 2015, between American Campus Communities, Inc. and Kim K. Voss.
- [10.28](#) First Amendment to Employment Agreement, dated as of January 10, 2017, between American Campus Communities, Inc. and Kim K. Voss.
- [10.29](#) Form of Confidentiality and Noncompetition Agreement. Incorporated by reference to Exhibit 10.9 to the Registration Statement on Form S-11 (Registration No. 333-114813) of American Campus Communities, Inc.
- [10.30](#) Sixth Amended and Restated Credit Agreement, dated as of May 12, 2021, among American Campus Communities Operating Partnership LP, as Borrower; American Campus Communities, Inc., as Parent Guarantor; any Additional Guarantors (as defined therein) acceding thereto pursuant to Section 7.05 thereof; the banks, financial institutions and other lenders listed on the signature pages thereof as the Initial Lenders, Initial Issuing Bank and Swing Line Bank; KeyBank National Association, as Administrative Agent; KeyBanc Capital Markets Inc., J.P. Morgan Securities LLC and Capital One National Association, as Joint Lead Arrangers; JPMorgan Chase Bank, N.A. and Capital One National Association, as Co-Syndication Agents; Bank of America, N.A., U.S. Bank National Association and Regions Bank, as Co-Documentation Agents; and PNC Capital Markets LLC, as Sustainability Agent. Incorporated by reference to Exhibit 99.1 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on May 14, 2021.
- [10.31](#) Form of Tax Matters Agreement, dated as of March 1, 2006, among American Campus Communities Operating Partnership LP, American Campus Communities, Inc., American Campus Communities Holdings LLC and each of the limited partners of American Campus Communities Operating Partnership LP who have executed a signature page thereto. Incorporated by reference to Exhibit 99.4 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) filed on March 7, 2006.

<u>10.32</u>	Equity Distribution Agreement, dated May 3, 2021, between American Campus Communities, Inc., American Campus Communities Operating Partnership LP and American Campus Communities Holdings LLC, on one hand, and BofA Securities, Inc., on the other hand. Incorporated by reference to Exhibit 1.1 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on May 7, 2021.
<u>10.33</u>	Equity Distribution Agreement, dated May 3, 2021, between American Campus Communities, Inc., American Campus Communities Operating Partnership LP and American Campus Communities Holdings LLC, on one hand, and Deutsche Bank Securities Inc., on the other hand. Incorporated by reference to Exhibit 1.2 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on May 7, 2021.
<u>10.34</u>	Equity Distribution Agreement, dated May 3, 2021, between American Campus Communities, Inc., American Campus Communities Operating Partnership LP and American Campus Communities Holdings LLC, on one hand, and J.P. Morgan Securities LLC, on the other hand. Incorporated by reference to Exhibit 1.3 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on May 7, 2021.
<u>10.35</u>	Equity Distribution Agreement, dated May 3, 2021, between American Campus Communities, Inc., American Campus Communities Operating Partnership LP and American Campus Communities Holdings LLC, on one hand, and KeyBanc Capital Markets Inc., on the other hand. Incorporated by reference to Exhibit 1.4 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on May 7, 2021.
<u>10.36</u>	Cooperation Agreement, date as of January 27, 2021, between American Campus Communities, Inc., on one hand, and Land & Buildings Capital Growth Fund, LP, L & B Real Estate Opportunity Fund, LP, Land & Buildings GP LP, L&B Opportunity Fund, LLC, Land & Buildings Investment Management, LLC and Jonathan Litt, on the other hand. Incorporated by reference to Exhibit 99.1 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on January 28, 2021.
<u>21.1</u>	List of Subsidiaries of the Registrant.
<u>22.1</u>	List of Subsidiary Issuer Guarantees
<u>23.1</u>	Consent of Ernst & Young LLP - American Campus Communities, Inc.
<u>31.1</u>	American Campus Communities, Inc. - Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
<u>31.2</u>	American Campus Communities, Inc. - Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
<u>32.1</u>	American Campus Communities, Inc. - Certification of Chief Executive Officer Pursuant to 18 U. S. C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
<u>32.2</u>	American Campus Communities, Inc. - Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)
*	Indicates management compensation plan.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: February 28, 2022

AMERICAN CAMPUS COMMUNITIES, INC.

By: /s/ William C. Bayless, Jr.

William C. Bayless, Jr.
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Name	Title	Date
<u>/s/ William C. Bayless, Jr.</u> William C. Bayless, Jr.	Chief Executive Officer and Director (Principal Executive Officer)	February 28, 2022
<u>/s/ Daniel B. Perry</u> Daniel B. Perry	Executive Vice President, Chief Financial Officer, Treasurer, and Secretary (Principal Financial Officer)	February 28, 2022
<u>/s/ Kim K. Voss</u> Kim K. Voss	Executive Vice President and Chief Accounting Officer (Principal Accounting Officer)	February 28, 2022
<u>/s/ Cydney C. Donnell</u> Cydney Donnell	Chair of the Board of Directors	February 28, 2022
<u>/s/ Herman Bulls</u> Herman Bulls	Director	February 28, 2022
<u>/s/ Mary C. Egan</u> Mary C. Egan	Director	February 28, 2022
<u>/s/ G. Steven Dawson</u> G. Steven Dawson	Director	February 28, 2022
<u>/s/ Alison Hill</u> Alison Hill	Director	February 28, 2022
<u>/s/ Craig Leupold</u> Craig Leupold	Director	February 28, 2022
<u>/s/ Oliver Luck</u> Oliver Luck	Director	February 28, 2022
<u>/s/ C. Patrick Oles, Jr.</u> C. Patrick Oles, Jr.	Director	February 28, 2022
<u>/s/ John T. Rippel</u> John T. Rippel	Director	February 28, 2022

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of American Campus Communities, Inc. and Subsidiaries

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of American Campus Communities, Inc. and Subsidiaries (the Company) as of December 31, 2021 and 2020, the related consolidated statements of comprehensive income, changes in equity, and cash flows for each of the three years in the period ended December 31, 2021, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 28, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Impairment of Long-Lived Assets

Description of the Matter As more fully described in Note 2 to the consolidated financial statements, on a periodic basis, management assessed whether there were any indicators that the value of the Company's investments in real estate were impaired. Management evaluated whether there was an impairment in the value of the Company's investments in real estate when events or changes in circumstances indicated that the carrying amount of an asset may not be recoverable. The Company identified indicators of impairment for certain long-lived assets and thus, further analyzed such for impairment using an undiscounted cash flow model. Upon assessment, the Company concluded that aggregate future undiscounted cash flows to be generated by each property were greater than the respective carrying values. For the year ended December 31, 2021, the Company determined that there were no impairments of the carrying values of its investments in real estate held for use.

Auditing the Company's assessment of impairment indicators relating to its investments in real estate involved significant judgment in evaluating management's identification of impairment indicators. Further, auditing the Company's undiscounted cash flow model was especially challenging as estimates underlying the calculation, including capitalization rates and growth rates, were based on assumptions affected by expected future market and economic conditions.

*How We
Addressed the
Matter in Our
Audit*

We tested the design and operating effectiveness of controls over the Company's process of identifying potential indicators of impairment of its real estate assets and of determining the recoverability of the carrying value of identified assets using the undiscounted cash flow model. For example, we tested controls over management's identification of impairment indicators and review of the significant assumptions used in estimating the undiscounted cash flows, including qualitative and quantitative considerations such as economic and market factors and asset performance.

To test whether any indicators of impairment were present, our audit procedures included evaluating management's analysis, including testing the completeness and accuracy of the underlying data. In addition, we performed an independent assessment using both internally and externally available information to identify evidence that was either corroborative or contrary to management's analysis. For example, we considered historical trends and current year property level performance such as net operating income, rental rate variances, and cost overruns for development properties and challenged management's estimates by comparing to industry and market data. For the Company's investments in real estate that were assessed by management using an undiscounted cash flow model, we inspected relevant industry and market outlook data to consider market conditions. Further, we also involved our valuation specialists to assist in testing that the significant assumptions utilized in estimating property level fair values, such as capitalization rates and growth rates, were within an observable market range, as well as performed sensitivity analyses on such assumptions.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2004.

Austin, Texas

February 28, 2022

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of American Campus Communities, Inc. and Subsidiaries

Opinion on Internal Control over Financial Reporting

We have audited American Campus Communities, Inc. and Subsidiaries' internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, American Campus Communities, Inc. and Subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2021 and 2020, the related consolidated statements of comprehensive income, changes in equity, and cash flows for each of the three years in the period ended December 31, 2021, and the related notes and our report dated February 28, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Austin, Texas

February 28, 2022

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Assets		
Investments in real estate		
Owned properties, net	\$ 6,676,811	\$ 6,721,744
On-campus participating properties, net	65,559	69,281
Investments in real estate, net	<u>6,742,370</u>	<u>6,791,025</u>
Cash and cash equivalents	120,351	54,017
Restricted cash	14,326	19,955
Student contracts receivable, net	14,187	11,090
Operating lease right of use assets	456,239	457,573
Other assets	227,113	197,500
Total assets	<u><u>\$ 7,574,586</u></u>	<u><u>\$ 7,531,160</u></u>
Liabilities and equity		
Liabilities		
Secured mortgage and bond debt, net	\$ 535,836	\$ 646,827
Unsecured notes, net	2,773,855	2,375,603
Unsecured term loan, net	199,824	199,473
Unsecured revolving credit facility	—	371,100
Accounts payable and accrued expenses	93,067	85,070
Operating lease liabilities	496,821	486,631
Other liabilities	173,898	185,352
Total liabilities	<u><u>4,273,301</u></u>	<u><u>4,350,056</u></u>
Commitments and contingencies (Note 15)		
Redeemable noncontrolling interests	31,858	24,567
Equity		
American Campus Communities, Inc. and Subsidiaries stockholders' equity		
Common stock, \$0.01 par value, 800,000,000 shares authorized, 139,064,213 and 137,540,345 shares issued and outstanding at December 31, 2021 and December 31, 2020, respectively	1,391	1,375
Additional paid in capital	4,694,242	4,472,170
Common stock held in rabbi trust, 92,700 and 91,746 shares at December 31, 2021 and December 31, 2020, respectively	(3,943)	(3,951)
Accumulated earnings and dividends	(1,559,765)	(1,332,689)
Accumulated other comprehensive loss	(14,547)	(22,777)
Total American Campus Communities, Inc. and Subsidiaries stockholders' equity	<u>3,117,378</u>	<u>3,114,128</u>
Noncontrolling interests – partially owned properties	152,049	42,409
Total equity	<u><u>3,269,427</u></u>	<u><u>3,156,537</u></u>
Total liabilities and equity	<u><u>\$ 7,574,586</u></u>	<u><u>\$ 7,531,160</u></u>
Consolidated variable interest entities' assets and liabilities included in the above balances		
Investments in real estate, net	\$ 819,795	\$ 592,787
Cash, cash equivalents, and restricted cash	\$ 46,234	\$ 41,248
Other assets	\$ 23,743	\$ 13,078
Secured mortgage debt, net	\$ 404,790	\$ 410,837
Accounts payable, accrued expenses, and other liabilities	\$ 52,407	\$ 46,645

See accompanying notes to consolidated financial statements.

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands, except share and per share data)

	Year Ended December 31,		
	2021	2020	2019
Revenues			
Owned properties	\$ 889,052	\$ 820,699	\$ 880,709
On-campus participating properties	31,207	29,906	36,346
Third-party development services	10,191	7,543	13,051
Third-party management services	11,959	12,436	12,936
Total revenues	942,409	870,584	943,042
Operating expenses (income)			
Owned properties	407,648	378,454	390,664
On-campus participating properties	14,333	13,521	15,028
Third-party development and management services	20,613	21,700	19,915
General and administrative	45,452	35,774	31,081
Depreciation and amortization	275,597	267,703	275,046
Ground/facility leases	17,673	13,513	14,151
(Gain) loss from disposition of real estate, net	—	(48,525)	53
Provision for impairment	—	—	17,214
Other operating expenses	4,533	1,100	—
Total operating expenses	785,849	683,240	763,152
Operating income	156,560	187,344	179,890
Nonoperating income (expenses)			
Interest income	1,374	2,939	3,686
Interest expense	(117,793)	(112,507)	(111,287)
Amortization of deferred financing costs	(5,824)	(5,259)	(5,012)
(Loss) gain from extinguishment of debt, net	—	(4,827)	20,992
Other nonoperating income	328	3,507	—
Total nonoperating expenses	(121,915)	(116,147)	(91,621)
Income before income taxes	34,645	71,197	88,269
Income tax provision	(1,361)	(1,349)	(1,507)
Net income	33,284	69,848	86,762
Net loss (income) attributable to noncontrolling interests	2,205	2,955	(1,793)
Net income attributable to ACC, Inc. and Subsidiaries common stockholders	\$ 35,489	\$ 72,803	\$ 84,969
Other comprehensive income (loss)			
Change in fair value of interest rate swaps and other	8,230	(5,831)	(12,549)
Comprehensive income	\$ 43,719	\$ 66,972	\$ 72,420
Net income per share attributable to ACC, Inc. and Subsidiaries common stockholders			
Basic	\$ 0.24	\$ 0.51	\$ 0.61
Diluted	\$ 0.24	\$ 0.51	\$ 0.60
Weighted-average common shares outstanding			
Basic	138,503,705	137,588,964	137,295,837
Diluted	139,703,635	138,710,430	138,286,778

See accompanying notes to consolidated financial statements.

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(in thousands, except share data)

	Common Shares	Par Value of Common Shares	Additional Paid in Capital	Common Shares Held in Rabbi Trust	Common Shares Held in Rabbi Trust at Cost	Accumulated Earnings and Dividends	Accumulated Other Comprehensive (Loss) Income	Noncontrolling Interests - Partially Owned Properties	Total
Equity, December 31, 2018	136,967,286	\$ 1,370	\$ 4,458,240	69,603	\$ (3,092)	\$ (971,070)	\$ (4,397)	\$ 65,750	\$ 3,546,801
Adjustments to reflect redeemable noncontrolling interests at fair value	—	—	(14,350)	—	—	—	—	—	(14,350)
Amortization of restricted stock awards and vesting of restricted stock units	18,318	—	13,617	—	—	—	—	—	13,617
Vesting of restricted stock awards	180,961	2	(3,977)	—	—	—	—	—	(3,975)
Distributions to common and restricted stockholders (\$1.87 per common share)	—	—	—	—	—	(258,620)	—	—	(258,620)
Contributions by noncontrolling interests - partially owned properties	—	—	—	—	—	—	—	924	924
Distributions to noncontrolling interests - partially owned properties	—	—	—	—	—	—	—	(8,425)	(8,425)
Change in ownership of consolidated subsidiary	—	—	(1,544)	—	—	—	—	(15,261)	(16,805)
Conversion of common and preferred operating partnership units to common stock	168,584	1	6,076	—	—	—	—	—	6,077
Change in fair value of interest rate swaps and other	—	—	—	—	—	—	610	—	610
Termination of interest rate swaps	—	—	—	—	—	—	(13,159)	—	(13,159)
Deposits to deferred compensation plan, net of withdrawals	(8,325)	—	394	8,325	(394)	—	—	—	—
Net income	—	—	—	—	—	84,969	—	1,010	85,979
Equity, December 31, 2019	137,326,824	\$ 1,373	\$ 4,458,456	77,928	\$ (3,486)	\$ (1,144,721)	\$ (16,946)	\$ 43,998	\$ 3,338,674
Adjustments to reflect redeemable noncontrolling interests at fair value	—	—	2,002	—	—	—	—	—	2,002
Amortization of restricted stock awards and vesting of restricted stock units	27,644	—	15,424	—	—	—	—	—	15,424
Vesting of restricted stock awards	199,695	2	(4,177)	—	—	—	—	—	(4,175)
Distributions to common and restricted stockholders (\$1.88 per common share)	—	—	—	—	—	(260,771)	—	—	(260,771)
Contributions by noncontrolling interests - partially owned properties	—	—	—	—	—	—	—	6,110	6,110
Distributions to noncontrolling interests - partially owned properties	—	—	—	—	—	—	—	(4,419)	(4,419)
Change in fair value of interest rate swaps and other	—	—	—	—	—	—	(5,831)	—	(5,831)
Deposits to deferred compensation plan, net of withdrawals	(13,818)	—	465	13,818	(465)	—	—	—	—
Net income (loss)	—	—	—	—	—	72,803	—	(3,280)	69,523
Equity, December 31, 2020	137,540,345	\$ 1,375	\$ 4,472,170	91,746	\$ (3,951)	\$ (1,332,689)	\$ (22,777)	\$ 42,409	\$ 3,156,537
Adjustments to reflect redeemable noncontrolling interests at fair value	—	—	(8,051)	—	—	—	—	—	(8,051)
Amortization of restricted stock awards and vesting of restricted stock units	33,514	—	19,853	—	—	—	—	—	19,853
Vesting of restricted stock awards	274,708	4	(5,993)	—	—	—	—	—	(5,989)
Distributions to common and restricted stockholders (\$1.88 per common share)	—	—	—	—	—	(262,565)	—	—	(262,565)
Contributions by noncontrolling interests - partially owned properties	—	—	—	—	—	—	—	114,385	114,385
Distributions to noncontrolling interests - partially owned properties	—	—	—	—	—	—	—	(2,363)	(2,363)
Change in ownership of consolidated subsidiary	—	—	157,805	—	—	—	—	—	157,805
Change in fair value of interest rate swaps and other	—	—	—	—	—	—	8,230	—	8,230
Net proceeds from sale of common stock	1,216,600	12	58,466	—	—	—	—	—	58,478
Deposits to deferred compensation plan, net of withdrawals	(954)	—	(8)	954	8	—	—	—	—
Net income (loss)	—	—	—	—	—	35,489	—	(2,382)	33,107
Equity, December 31, 2021	139,064,213	\$ 1,391	\$ 4,694,242	92,700	(3,943)	(1,559,765)	(14,547)	152,049	3,269,427

See accompanying notes to consolidated financial statements.

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,		
	2021	2020	2019
Operating activities			
Net income	\$ 33,284	\$ 69,848	\$ 86,762
Adjustments to reconcile net income to net cash provided by operating activities:			
(Gain) loss from disposition of real estate, net	—	(48,525)	53
Gain from insurance and litigation settlements	(328)	(1,100)	—
Loss (gain) from extinguishment of debt	—	4,827	(20,992)
Gain from early repayment of notes receivable	—	(2,136)	—
Provision for impairment	—	—	17,214
Depreciation and amortization	275,597	267,703	275,046
Amortization of deferred financing costs and debt premiums/discounts	5,344	1,140	538
Share-based compensation	19,853	15,424	13,617
Income tax provision	1,361	1,349	1,507
Amortization of interest rate swap terminations	1,724	1,705	1,133
Termination of interest rate swaps	—	—	(13,159)
Changes in operating assets and liabilities:			
Student contracts receivable, net	(3,097)	2,340	(5,407)
Other assets	(26,370)	10,757	(4,445)
Accounts payable and accrued expenses	6,361	(5,308)	(1,532)
Other liabilities	21,066	33,093	20,044
Net cash provided by operating activities	334,795	351,117	370,379
Investing activities			
Proceeds from disposition of properties	—	146,144	108,562
Cash paid for acquisition of land parcels	(13,184)	(22,032)	(8,559)
Capital expenditures for owned properties	(68,957)	(58,312)	(70,846)
Investments in owned properties under development	(159,165)	(315,586)	(444,362)
Proceeds from notes receivable	—	45,432	5,333
Other investing activities	1,866	(3,078)	(6,268)
Net cash used in investing activities	(239,440)	(207,432)	(416,140)
Financing activities			
Proceeds from unsecured notes	399,712	795,808	398,816
Proceeds from sale of common stock	59,674	—	—
Offering costs	(747)	—	—
Pay-off of unsecured notes	—	(400,000)	—
Pay-off of mortgage and construction loans	(99,819)	(124,559)	(53,818)
Defeasance costs related to early extinguishment of debt	—	(4,156)	—
Proceeds from revolving credit facility	723,600	1,902,600	949,000
Paydowns of revolving credit facility	(1,094,700)	(1,957,200)	(910,600)
Proceeds from construction loans	—	—	31,611
Scheduled principal payments on debt	(10,004)	(11,852)	(11,938)
Debt issuance costs	(12,702)	(9,614)	(6,462)
Increase in ownership of consolidated subsidiary	—	(77,200)	(105,109)
Contribution by noncontrolling interests	273,597	5,414	1,174
Transaction costs associated with change in ownership interest of consolidated subsidiary	(1,407)	—	—
Taxes paid on net-share settlements	(5,989)	(4,175)	(3,975)
Distributions paid to common and restricted stockholders	(262,565)	(260,771)	(258,620)
Distributions paid to noncontrolling interests	(3,300)	(5,356)	(9,487)
Net cash (used in) provided by financing activities	(34,650)	(151,061)	20,592
Net change in cash, cash equivalents, and restricted cash	60,705	(7,376)	(25,169)
Cash, cash equivalents, and restricted cash at beginning of period	73,972	81,348	106,517
Cash, cash equivalents, and restricted cash at end of period	\$ 134,677	\$ 73,972	\$ 81,348
Reconciliation of cash, cash equivalents, and restricted cash to the consolidated balance sheets			
Cash and cash equivalents	\$ 120,351	\$ 54,017	\$ 54,650
Restricted cash	14,326	19,955	26,698
Total cash, cash equivalents, and restricted cash at end of period	\$ 134,677	\$ 73,972	\$ 81,348

See accompanying notes to consolidated financial statements.

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,		
	2021	2020	2019
Supplemental disclosure of non-cash investing and financing activities			
Conversion of common and preferred operating partnership units to common stock	\$ —	\$ —	\$ 6,077
Non-cash contribution from noncontrolling interest	\$ —	\$ 696	\$ —
Accrued development costs and capital expenditures	\$ 13,191	\$ 28,994	\$ 37,260
Change in fair value of redeemable noncontrolling interest	\$ (8,051)	\$ 2,002	\$ (14,350)
Change in ownership of consolidated subsidiary	\$ (157,805)	\$ —	\$ —
Initial recognition of operating lease right of use assets	\$ 1,559	\$ —	\$ 463,445
Initial recognition of operating lease liabilities	\$ 1,559	\$ —	\$ 462,495
Non-cash extinguishment of debt, including accrued interest	\$ —	\$ —	\$ (34,570)
Net assets surrendered in conjunction with extinguishment of debt	\$ —	\$ —	\$ 13,578
Supplemental disclosure of cash flow information			
Interest paid, net of amounts capitalized	\$ 119,188	\$ 108,791	\$ 114,450
Income taxes paid	\$ 1,200	\$ 1,455	\$ 3,041

See accompanying notes to consolidated financial statements.

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Description of Business

American Campus Communities, Inc. (“ACC”) is a real estate investment trust (“REIT”) that commenced operations effective with the completion of an initial public offering (“IPO”) on August 17, 2004, and is one of the largest owners, managers, and developers of high quality student housing properties in the United States in terms of beds owned and under management. ACC is a fully integrated, self-managed, and self-administered equity REIT with expertise in the acquisition, design, financing, development, construction management, leasing, and management of student housing properties.

ACC is structured as an umbrella partnership REIT (“UPREIT”) and contributes all net proceeds from its various equity offerings to American Campus Communities Operating Partnership LP (“ACCOP” or “the Operating Partnership”). In return for those contributions, ACC receives a number of units of the Operating Partnership (“OP Units”) equal to the number of common shares it has issued in the equity offering. Contributions of properties to the Company can be structured as tax-deferred transactions through the issuance of OP Units in the Operating Partnership. Based on the terms of ACCOP’s partnership agreement, OP Units can be exchanged for ACC’s common shares on a one-for-one basis. The Company maintains a one-for-one relationship between the OP Units of the Operating Partnership issued to ACC and American Campus Communities Holdings, LLC (“ACC Holdings”), the general partner of ACCOP, and the common shares issued to the public.

As used in this report, unless stated otherwise or the context otherwise requires, references to “ACC,” “the Company,” “we,” “us,” or “our” mean American Campus Communities, Inc., a Maryland corporation that has elected to be treated as a REIT under the Internal Revenue Code, and its consolidated subsidiaries, including ACCOP.

As of December 31, 2021, the Company’s property portfolio contained 166 properties with approximately 111,900 beds. The Company’s property portfolio consisted of 126 owned off-campus student housing properties that are in close proximity to colleges and universities, 34 American Campus Equity (“ACE[®]”) properties operated under ground/facility leases, and six on-campus participating properties (“OCPPs”) operated under ground/facility leases with the related university systems. Of the 166 properties, four of 10 phases at one property were under development as of December 31, 2021, and when completed will consist of a total of approximately 4,400 beds. The Company’s communities contain modern housing units and are supported by a resident assistant system and other student-oriented programming, with many offering resort-style amenities.

Through one of ACC’s taxable REIT subsidiaries (“TRSs”), the Company also provides construction management and development services, primarily for student housing properties owned by colleges and universities, charitable foundations, and others. As of December 31, 2021, also through one of ACC’s TRSs, the Company provided third-party management and leasing services for 37 properties that represented approximately 29,000 beds. Third-party management and leasing services are typically provided pursuant to management contracts that have initial terms that range from one year to five years. As of December 31, 2021, the Company’s total owned and third-party managed portfolio included 203 properties with approximately 140,900 beds.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying consolidated financial statements, presented in U.S. dollars, are prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The Company’s actual results could differ from those estimates and assumptions. All material intercompany transactions among consolidated entities have been eliminated. All dollar amounts in the tables herein, except share and per share amounts, are stated in thousands unless otherwise indicated.

Principles of Consolidation

The Company’s consolidated financial statements include its accounts and the accounts of other subsidiaries and joint ventures (including partnerships and limited liability companies) over which it has control. Investments acquired or created are evaluated based on the accounting guidance relating to variable interest entities (“VIEs”), which requires the consolidation of VIEs in which the Company is considered to be the primary beneficiary. If the investment is determined not to be a VIE, then the investment is evaluated for consolidation using the voting interest model.

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Recently Issued Accounting Pronouncements

In March 2020, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2020-04 “Reference Rate Reform (Topic 848), Facilitation of the Effects of Reference Rate Reform on Financial Reporting.” ASU 2020-04 contains practical expedients for reference rate reform related activities that impact debt, leases, derivatives, and other contracts. The guidance in ASU 2020-04 is optional and may be elected over time as reference rate reform activities occur. In March 2020, the Company elected to apply the hedge accounting expedients related to probability and the assessments of effectiveness for future LIBOR-indexed cash flows to assume that the index upon which future hedged transactions will be based matches the index on the corresponding derivatives. Application of these expedients preserves the presentation of derivatives consistent with past presentation. In May 2021, the Company modified its unsecured term loan credit agreement (“Term Loan”) to include LIBOR transition language and to conform the covenants and various administrative items from the agreement to those in the Company’s senior unsecured revolving credit facility agreement (the “Credit Facility”), which was also amended in May 2021. Refer to Note 8 for additional information regarding these modifications. As the changes to covenants and administrative items do not impact the contractual cash flows of the Term Loan, the LIBOR transition language qualifies for, and the Company elected to apply, the optional expedients in in ASC 848-20-15-2 through 15-11 which treat the amendment as a modification without additional analysis. The Company continues to evaluate the impact of the guidance and may apply other elections as applicable as additional changes in the market occur.

In addition, the Company does not expect the following accounting pronouncements to have a material effect on its consolidated financial statements:

Accounting Standards Update	Effective Date
ASU 2020-06 “Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity”	January 1, 2022
ASU 2021-05 “Leases (Topic 842): Lessors – Certain Leases with Variable Lease Payments”	January 1, 2022
ASU 2021-08 “Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers”	January 1, 2023

Recently Adopted Accounting Pronouncements

In March 2020, the U.S. Securities and Exchange Commission (“SEC”) adopted rules that amended the financial disclosure requirements for subsidiary issuers and guarantors of registered debt securities in Rule 3-10 of Regulation S-X. Subsequently, in November 2020, the FASB issued ASU 2020-09 “Amendments to SEC Paragraphs Pursuant to SEC Release No. 33-10762” which revises SEC paragraphs of the codification to reflect, as appropriate, the amended disclosure requirements mentioned above. The amended rules permit subsidiary issuers of obligations guaranteed by the parent to omit separate financial statements if the consolidated financial statements of the parent company have been filed, the subsidiary obligor is a consolidated subsidiary of the parent company, the guaranteed security is debt or debt-like, and the security is guaranteed fully and unconditionally by the parent. The amendments include requirements related to narrative and summarized financial information disclosures, as well as guidance on when the summarized financial information can be excluded by a filer. The Company adopted both rules on their effective date of January 4, 2021. Accordingly, separate consolidated financial statements of the Operating Partnership have not been presented. Furthermore, as permitted under Rule 13-01(a)(4)(vi), the Company has excluded the summarized financial information for the Operating Partnership as the assets, liabilities, and results of operations of the Company and the Operating Partnership are not materially different than the corresponding amounts presented in the consolidated financial statements of the Company, and management believes such summarized financial information would be repetitive and not provide incremental value to investors. The Company has addressed the required disclosures herein within Part II, Item 7, Management’s Discussion and Analysis of Financial Condition and Results of Operations.

In addition, on January 1, 2021, the Company adopted the following accounting pronouncement which did not have a material effect on the Company’s consolidated financial statements:

- ASU 2019-12 “Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes”

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Prior Year Reclassifications

Certain prior period amounts were reclassified to conform to current presentation, which include:

- The resident services revenues financial statement line item on the statements of comprehensive income has been reclassified for all periods presented to the owned properties revenues financial statement line item.
- Litigation settlement expenses previously reported in the general and administrative expenses line item on the statements of comprehensive income were reclassified for all applicable periods to the other operating expenses line item.

Investments in Real Estate

Capitalization Policy and Useful Lives

Investments in real estate are recorded at historical cost. Major improvements that extend the life of an asset are capitalized and depreciated over the remaining useful life of the asset. The cost of ordinary repairs and maintenance are expensed as incurred. Depreciation and amortization are recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings and improvements	7 - 40 years
Leasehold interest - on-campus participating properties	25 - 34 years (shorter of useful life or respective lease term)
Furniture, fixtures, and equipment	3 - 7 years

Project costs directly associated with the development and construction of an owned real estate project, which include interest, property taxes, and amortization of deferred financing costs, are capitalized as construction in progress. Upon completion of the project, costs are transferred into the applicable asset category and depreciation commences. Interest totaling approximately \$8.6 million, \$12.1 million, and \$12.1 million was capitalized during the years ended December 31, 2021, 2020, and 2019, respectively.

Impairment Assessment

Management assesses whether there has been an impairment in the value of the Company's investments in real estate whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment is recognized when estimated expected future undiscounted cash flows are less than the carrying value of the property, or when a property meets the criteria to be classified as held for sale, at which time an impairment charge is recognized for any excess of the carrying value of the property over the expected net proceeds from the disposal. The estimation of expected future net cash flows uses estimates, including capitalization rates and growth rates, which are inherently uncertain and rely on assumptions regarding current and future economics and market conditions. If such conditions change, then an adjustment to the carrying value of the Company's long-lived assets could occur in the future period in which the conditions change. To the extent that a property is impaired, the excess of the carrying amount of the property over its estimated fair value is charged to earnings. In the case of any impairment, the valuation would be based on Level 3 inputs. There were no impairments of the carrying values of the Company's investments in real estate during the years ended December 31, 2021 and 2020, respectively. During the year ended December 31, 2019, concurrent with the classification of one owned property as held for sale, the Company recorded a \$3.2 million impairment charge which is included in provision for impairment within operating income on the accompanying consolidated statements of comprehensive income. Refer to Note 6 for additional information regarding the disposition.

Land Acquisitions

Land acquisitions are accounted for as asset acquisitions, as substantially all of the fair value of the acquisition is concentrated in a single identifiable asset. In an asset acquisition, assets acquired are measured based on the cost of the acquisition, which is the consideration transferred to the seller and direct transaction costs related to the acquisition.

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Assets Held for Sale

Long-lived assets to be disposed of are classified as held for sale in the period in which all of the following criteria are met:

- a. Management, having the authority to approve the action, commits to a plan to sell the asset.
- b. The asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets.
- c. An active program to locate a buyer and other actions required to complete the plan to sell the asset have been initiated.
- d. The sale of the asset is probable, and transfer of the asset is expected to qualify for recognition as a completed sale, within one year.
- e. The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value.
- f. Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Concurrent with this classification, the asset is recorded at the lower of cost or fair value less estimated selling costs, and depreciation ceases. The Company did not have any properties classified as held for sale as of December 31, 2021 and 2020.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Company maintains cash balances in various banks. At times, the Company's balances may exceed the amount insured by the FDIC. As the Company only uses money-centered financial institutions, the Company does not believe it is exposed to any significant credit risk related to its cash and cash equivalents.

Restricted Cash

Restricted cash consists of funds held in trusts that are invested in low risk investments, generally consisting of government backed securities, as permitted by the indentures of trusts, which were established in connection with three bond issues for the Company's OCPPs. Additionally, restricted cash includes escrow accounts held by lenders and residents' security deposits, as required by law in certain states. Restricted cash also consists of escrow deposits made in connection with potential property acquisitions and development opportunities. These escrow deposits are invested in interest-bearing accounts at federally insured banks. Realized and unrealized gains and losses are not material for the periods presented.

Loans Receivable

In 2013, as part of the settlement of a litigation matter related to a third-party management contract assumed in connection with the Company's 2008 acquisition of GMH Communities Trust, the Company acquired a protective advance note and outstanding bond insurer claim (collectively, the "Loans Receivable") from National Public Finance Guarantee Corporation for an aggregate of approximately \$52.8 million. The Loans Receivable carried an interest rate of 5.12% and were secured by a lien on, and the cash flows from, two student housing properties in close proximity to the University of Central Florida. In October 2020, the properties were recapitalized and, as a result, the Company received full repayment of the outstanding Loans Receivable balance plus accrued interest, totaling \$55.0 million. Upon repayment of the Loans Receivable, the remaining unamortized discount associated with the Loans Receivable of \$2.1 million was recorded as a gain in other nonoperating income on the accompanying consolidated statements of comprehensive income.

Leases

When the Company enters into a contract or amends an existing contract, it evaluates whether the contract meets the definition of a lease under ASC Topic 842 - Leases ("ASC 842"). To meet the definition of a lease, the contract must meet all three of the following criteria:

- One party (lessor) must hold an identified asset;
- The counterparty (lessee) must have the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of the contract; and
- The counterparty (lessee) must have the right to direct the use of the identified asset throughout the period of the contract.

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

In April 2020, the FASB issued a Staff Question & Answer ("Q&A") which was intended to reduce the challenges of evaluating the enforceable rights and obligations of leases for concessions granted to lessees in response to the novel coronavirus disease ("COVID-19"), which was characterized on March 11, 2020 by the World Health Organization as a pandemic. Prior to this guidance, the Company was required to determine, on a lease by lease basis, if a lease concession should be accounted for as a lease modification, potentially resulting in any lease concessions granted being recorded as a reduction to revenue or ground lease expense, as applicable, on a straight-line basis over the remaining term of the lease. The Q&A allows both lessors and lessees to bypass this analysis and elect not to evaluate whether concessions provided in response to the COVID-19 pandemic are lease modifications. This relief is subject to certain conditions being met, including ensuring the total remaining lease payments are substantially the same or less than the original lease payments prior to the concession being granted. The Company has elected to apply such relief and will therefore not evaluate if lease concessions that were granted in response to the COVID-19 pandemic meet the definition of a lease modification. Accordingly, the Company accounted for qualifying rent concessions as negative variable lease payments, which reduced revenue or ground lease expense from such leases in the period the concessions were granted. Refer to Note 14 for additional information.

As Lessee

The Company classifies leases as either operating or finance leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification determines whether lease expense is recognized on a straight-line basis over the term of the lease (operating lease) or under the effective interest method (finance lease). In addition, the authoritative guidance requires lessees to recognize right-of-use ("ROU") assets and related lease liabilities for leases with a term greater than 12 months regardless of their lease classification.

The Company, as lessee, has entered into ground/facility and office space lease agreements, which qualify as operating leases under ASC 842. These leases include leases entered into under the ACE[®] program with university systems and *Walt Disney World[®]* Resort, leases with local and regional land owners for owned off-campus properties, leases for corporate office space, and leases under the on-campus participating property ("OCPP") structure. Leases entered into under the ACE[®] program are used for the purpose of financing, constructing, and managing student housing properties. These leases are transferable and financeable, and the lessor has title to the land and in some cases any improvements placed thereon. Leases entered into under the OCPP structure are used for the purpose of developing, constructing, and operating student housing facilities on university campuses. Under the terms of these leases, title to the land and constructed facilities is held by the lessor and such lessor receives a de minimis base rent paid at inception and 50% of defined net cash flows on an annual basis through the term of the lease. Under ground/facility leases, the lessors receive annual minimum base rent, variable rent based upon the operating performance of the property, or a combination thereof. The leases have initial terms, excluding extension options, ranging from seven years to 102 years. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Company records base rent expense under the straight-line method over the term of the lease, and variable rent expense is recorded when the achievement of the target is considered probable. For properties under construction, straight-line rent is capitalized during the construction period and expensed upon the commencement of operations. For purposes of calculating the ROU asset and lease liability for such leases, extension options are not included in the lease term unless it is reasonably certain that the Company will exercise the option, or the lessor has the sole ability to exercise the option. As most of the Company's leases do not contain an implicit rate, the Company uses its incremental borrowing rate to determine the present value of the lease payments, which is the interest rate that the Company estimates it would have to pay to borrow on a collateralized basis over a similar term for an amount equal to the lease payments. In determining this rate, we analyze Company-specific factors, such as credit risk, lease-specific factors such as lease term, lease payments, and collateral, as well as overall economic conditions. The weighted average incremental borrowing rate was 5.33% as of December 31, 2021.

As Lessor

The Company classifies leases as either sales-type, direct financing, or operating leases. A lease will be treated as a sales-type lease if it is considered to transfer control of the underlying asset to the lessee. A lease will be classified as a direct-financing lease if risks and rewards are conveyed without the transfer of control. Otherwise, the lease is treated as an operating lease. The Company elected to adopt the practical expedient that allows lessors to not separate certain lease and non-lease components for common area maintenance and the related rental revenue, as it determined that the timing and pattern of transfer is the same.

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Operating Leases

The Company's primary business involves leasing properties to students under agreements that are classified as operating leases and have terms of 12 months or less. These student leases do not provide for variable rent payments. The Company is also a lessor under commercial leases at certain owned properties, some of which provide for variable lease payments based upon tenant performance such as a percentage of sales.

The Company recognizes the base lease payments provided for under the leases on a straight-line basis over the lease term, and variable payments are recognized in the period in which the changes in facts and circumstances, on which the variable payments are based, occur. Refer to Note 7 for additional information on our owned real estate assets, which are the underlying assets under our operating leases. The Company expenses, on an as-incurred basis, certain initial direct costs that are not incremental in negotiating a lease. These costs include internal leasing payroll costs, as well as certain legal expenses incurred when negotiating commercial leases. Additionally, the Company evaluates collectability of all operating lease payments in a contract at lease commencement and thereafter. The Company concludes that operating lease payments are probable of collection at lease commencement. If the operating lease payments are subsequently deemed not probable of collection, adjustments are recognized as a reduction to lease income and, subsequently, any lease revenue is only recognized when cash receipts are received. The Company also maintains an allowance for uncollectible operating lease receivables. If, after lease commencement, the assessment of collectability on operating lease payments changes, the Company will determine whether the allowance adequately contemplated this change. Any changes to the provision for uncollectible accounts are presented as a reduction to revenue in the accompanying consolidated statements of comprehensive income. Determining the probability of collection is impacted by numerous factors including tenant creditworthiness, economic conditions, and the Company's historical experience with tenants.

Sales-type Leases

In certain instances at ACE[®] properties, the ground lease agreement may require the Company to construct additional facilities desired by the ground lessor and subsequently lease those facilities to the ground lessor over a specified period. These facilities will ultimately be owned, managed, and funded by the ground lessors. Such spaces include but are not limited to dining, childcare, retail, academic, and office facilities. In this type of transaction, title to the facilities transfers to the ground lessor at the end of the lease term, and lease payments are structured to effectively reimburse the Company for the cost of constructing the additional facilities plus interest. As control of the underlying asset in these agreements transfers to the ground lessor at the end of the lease term, the leases are classified as sales-type leases. At lease inception, the Company records a net investment in the lease, which is equal to the sum of the lease receivable and the unguaranteed residual asset, discounted at the rate implicit in the lease. Any difference between the fair value of the asset and the net investment in the lease is considered selling profit or loss. Due to the nature of these transactions, the net investment in the lease is equal to the sum of the lease receivable, discounted at the rate implicit in the lease, and therefore no selling profit or loss is recorded. The cash rent the Company receives from tenants is not entirely recorded as rental revenue, but rather a portion is recorded as interest income and a portion is recorded as a reduction to the lease receivable, based on the effective interest method at a constant rate of return over the terms of the applicable leases. The Company's net investment in sales-type leases was \$18.5 million and \$18.6 million as of December 31, 2021 and 2020, respectively, which is included in other assets in the accompanying consolidated balance sheets. The weighted average remaining term of these leases was 20.4 years as of December 31, 2021. The Company recorded \$1.0 million, \$0.4 million, and \$0.4 million of interest income related to these leases for the years ended December 31, 2021, 2020, and 2019.

Intangible Assets

For acquired properties subject to an in-place property tax incentive arrangement, a portion of the purchase price is allocated to the present value of expected future property tax savings over the projected incentive arrangement period. Unamortized in-place property tax incentive arrangements as of December 31, 2021 and 2020 were approximately \$30.8 million and \$34.5 million, respectively, and are included in other assets on the accompanying consolidated balance sheets. Amortization expense was approximately \$3.1 million, \$3.4 million, and \$3.5 million for the years ended December 31, 2021, 2020, and 2019, respectively, and is included in owned properties operating expense in the accompanying consolidated statements of comprehensive income. As of December 31, 2021, the remaining weighted average tax incentive arrangement period was 18.2 years. During the year ended December 31, 2019, the Company recorded a \$14.0 million impairment charge associated with a tax incentive arrangement that was recorded upon acquisition of an owned property in 2015 due to facts and circumstances indicating that the originally assumed property tax savings will not materialize. This impairment charge is based on Level 3 inputs and is included in provision for impairment on the accompanying consolidated statements of comprehensive income.

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Deferred Financing Costs

The Company defers financing costs and amortizes the costs over the terms of the related debt using the effective interest method. Upon repayment of or in conjunction with a material change in the terms of the underlying debt agreement, any unamortized costs are charged to earnings. When debt modifications do not include material changes to the terms of the underlying debt agreement, unamortized costs of the original instrument are added to the costs of the modification and amortized over the life of the modified debt using the effective interest method. Deferred financing costs, net of amortization, for the Company's revolving credit facility are included in other assets on the accompanying consolidated balance sheets. Net deferred financing costs for the Company's revolving credit facility as of December 31, 2021, and 2020 were approximately \$7.3 million and \$1.9 million, respectively. Net deferred financing costs for the Company's secured mortgage and bond debt, unsecured notes, and unsecured term loans are presented as a reduction to the unpaid principal balance of the respective debt in the accompanying consolidated balance sheets. Refer to Note 8 for additional information regarding these balances.

Redeemable Noncontrolling Interests

The Company follows guidance issued by the FASB regarding the classification and measurement of redeemable securities. Under this guidance, securities that are redeemable for cash or other assets, at the option of the holder and not solely within the control of the issuer, must be classified outside of permanent equity as redeemable noncontrolling interests. The Company makes this determination based on terms in the applicable agreements, specifically in relation to redemption provisions. The Company initially records the redeemable noncontrolling interests at fair value. The carrying amount of the redeemable noncontrolling interest is subsequently adjusted to the redemption value (assuming the noncontrolling interest is redeemable at the balance sheet date), with the corresponding offset for changes in fair value recorded in additional paid in capital. Reductions in fair value are recorded only to the extent that the Company has previously recorded increases in fair value above the redeemable noncontrolling interests' initial basis. As the changes in redemption value are based on fair value, there is no effect on the Company's earnings per share. Refer to Note 10 for a more detailed discussion of redeemable noncontrolling interests for both ACC and the Operating Partnership.

Joint Ventures

The Company consolidates joint ventures when it exhibits financial or operational control, which is determined using accounting standards related to the consolidation of joint ventures and VIEs. For joint ventures that are defined as VIEs, the primary beneficiary consolidates the entity. The Company considers itself to be the primary beneficiary of a VIE when it has the power to direct the activities that most significantly impact the performance of the VIE, such as management of day-to-day operations, preparing and approving operating and capital budgets, and encumbering or selling the related properties. In instances where the Company is not the primary beneficiary, it does not consolidate the joint venture for financial reporting purposes.

For joint ventures that are not defined as VIEs, where the Company is the general partner, but does not control the joint venture due to the other partners holding substantive participating rights, the Company uses the equity method of accounting. For joint ventures where the Company is a limited partner, management evaluates whether the Company holds substantive participating rights. In instances where the Company holds substantive participating rights in the joint venture, the Company consolidates the joint venture; otherwise, it uses the equity method of accounting.

Consolidated VIEs

The Company has investments in various entities that qualify as VIEs for accounting purposes and for which the Company is the primary beneficiary and therefore includes the entities in its consolidated financial statements. These VIEs include ACCOP, seven joint ventures that own a total of 13 operating properties and two land parcels, and six properties owned under the on-campus participating property structure ("OCPP"). The VIE assets and liabilities consolidated within the Company's assets and liabilities are disclosed at the bottom of the accompanying consolidated balance sheets.

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Presale Development Projects

As part of its development strategy, the Company enters into presale agreements to purchase various properties. Under the terms of these agreements, the Company is obligated to purchase the property as long as certain construction completion deadlines and other closing conditions are met. As a part of the presale agreements, the Company has the option to elect not to purchase the asset, which would result in the Company paying a significant penalty. The Company is typically responsible for leasing, management, and initial operations of the project while the third-party developer retains development risk during the construction period. The entity that owns the property is deemed to be a VIE, and the Company is deemed to be the primary beneficiary of the VIE. As such, upon execution of the purchase and sale agreement, the Company records the assets, liabilities, and noncontrolling interest of the entity owning the property at fair value.

Mortgage Debt - Premiums and Discounts

Mortgage debt premiums and discounts represent fair value adjustments to account for the difference between the stated rates and market rates of mortgage debt assumed in connection with the Company's property acquisitions. The mortgage debt premiums and discounts are included in secured mortgage and bond debt, net on the accompanying consolidated balance sheets and are amortized to interest expense over the term of the related mortgage loans using the effective-interest method. The amortization of mortgage debt premiums and discounts resulted in a net decrease to interest expense of approximately \$1.2 million, \$4.7 million, and \$4.9 million for the years ended December 31, 2021, 2020, and 2019, respectively. As of December 31, 2021 and 2020, net unamortized mortgage debt premiums were approximately \$0.4 million and \$1.7 million, respectively.

Tenant Reimbursements

Reimbursements from tenants, consisting of amounts due from tenants for utilities, are recognized as revenue in the period the recoverable costs are incurred. Tenant reimbursements are recognized and recorded on a gross basis, as the Company is generally the primary obligor with respect to purchasing goods and services from third-party suppliers, has discretion in selecting the supplier, and has credit risk.

Third-Party Development Services Revenue

The Company recognizes development and construction revenues over the life of the contract using a time-based measure of progress. An entire development and construction contract represents a single performance obligation comprised of a series of distinct services to be satisfied over time, and a single transaction price to be recognized over the life of the contract using a time-based measure of progress. Any variable consideration included in the transaction price is estimated using the expected value approach and is only included to the extent that a significant revenue reversal is not likely to occur.

Third-Party Development Services and Owned Development Project Costs

Pre-development expenditures such as architectural fees, permits, and deposits associated with the pursuit of third-party and owned development projects are expensed as incurred, until such time as management believes it is probable that the contract will be executed and/or construction will commence, at which time the Company capitalizes the costs. Because the Company frequently incurs these pre-development expenditures before a financing commitment and/or required permits and authorizations have been obtained, or a risk sharing agreement is executed, the Company bears the risk of loss of these pre-development expenditures if financing cannot ultimately be arranged on acceptable terms or the Company is unable to successfully obtain the required permits and authorizations. As such, management evaluates the status of third-party and owned projects that have not yet commenced construction on a periodic basis and expenses any deferred costs related to projects whose current status indicates the commencement of construction is unlikely and/or the costs may not provide future value to the Company in the form of revenues. Such write-offs are included in third-party development and management services expenses (in the case of third-party development projects) or general and administrative expenses (in the case of owned development projects) on the accompanying consolidated statements of comprehensive income. Refer to Note 15 for details of the amount the Company has deferred in pre-development costs related to third-party and owned development projects that have not yet commenced construction.

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Third-Party Management Services Revenue

Management fees are recognized when earned in accordance with each management contract. Incentive management fees are estimated using the expected value approach and are included in the transaction price only to the extent that a significant revenue reversal is not likely to occur. The Company evaluates the collectability of revenue earned from third-party management contracts and reserves any amounts deemed to be uncollectible based on the individual facts and circumstances of the projects and associated contracts.

Advertising Costs

Advertising costs are expensed during the period incurred, or as the advertising takes place, depending on the nature and term of the specific advertising arrangements. Advertising expense approximated \$15.9 million, \$12.9 million, and \$15.7 million for the years ended December 31, 2021, 2020, and 2019, respectively, and is included in owned properties operating expenses on the accompanying consolidated statements of comprehensive income.

Derivative Instruments and Hedging Activities

The Company records all derivative financial instruments on the balance sheet at fair value. Changes in fair value are recognized either in earnings or as other comprehensive income, depending on whether the derivative has been designated as a fair value or cash flow hedge and whether it qualifies as part of a hedging relationship, the nature of the exposure being hedged, and how effective the derivative is at offsetting movements in underlying exposure. The Company discontinues hedge accounting when: (i) it determines that the derivative is no longer effective in offsetting changes in the fair value or cash flows of a hedged item; (ii) the derivative expires or is sold, terminated, or exercised; (iii) it is no longer probable that the forecasted transaction will occur; or (iv) management determines that designating the derivative as a hedging instrument is no longer appropriate. In all situations in which hedge accounting is discontinued and the derivative remains outstanding, the Company will carry the derivative at its fair value on the balance sheet, recognizing changes in the fair value in current-period earnings. The Company uses interest rate swaps to effectively convert a portion of its floating rate debt to fixed rate, thus reducing the impact of rising interest rates on interest payments. These instruments are designated as cash flow hedges and the interest differential to be paid or received is accrued as interest expense. The Company's counter-parties are major financial institutions. See Note 12 for an expanded discussion on derivative instruments and hedging activities.

Common Stock Issuances and Costs

Specific incremental costs directly attributable to the Company's equity offerings are deferred and charged against the gross proceeds of the offering. As such, underwriting commissions and other common stock issuance costs are reflected as a reduction to additional paid in capital. See Note 9 for an expanded discussion on common stock issuances and costs.

Share-Based Compensation

Compensation expense associated with share-based awards is recognized in the accompanying consolidated statements of comprehensive income based on the grant-date fair values and is adjusted as actual forfeitures occur. Compensation expense is recognized over the period during which the employee is required to provide service in exchange for the award, which is generally the vesting period. See Note 11 for an expanded discussion of the Company's share-based compensation awards.

Income Taxes

The Company has elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended (the "Code"). To qualify as a REIT, the Company must meet a number of organizational and operational requirements, including a requirement that it currently distributes at least 90% of its adjusted taxable income to its stockholders. As a REIT, the Company will generally not be subject to corporate level federal income tax on taxable income it currently distributes to its stockholders. If the Company fails to qualify as a REIT in any taxable year, it will be subject to federal income taxes at regular corporate rates (including any applicable alternative minimum tax for tax years ending on or prior to December 31, 2017) and may not be able to qualify as a REIT for the subsequent four taxable years. Even if the Company qualifies for taxation as a REIT, the Company may be subject to certain state and local income and excise taxes on its income and property, and to federal income and excise taxes on its undistributed income.

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company owns various TRSs, one of which manages the Company's non-REIT activities and each of which is subject to federal, state and local income taxes.

3. Earnings Per Share

Basic earnings per share is computed using net income attributable to common shareholders and the weighted average number of shares of the Company's common stock outstanding during the period. Diluted earnings per share reflects common shares issuable from the assumed conversion of OP Units and common share awards granted. Only those items having a dilutive impact on basic earnings per share are included in diluted earnings per share.

The following potentially dilutive securities were outstanding for the years ended December 31, 2021, 2020, and 2019, but were not included in the computation of diluted earnings per share because the effects of their inclusion would be anti-dilutive.

	Year Ended December 31,		
	2021	2020	2019
Common OP Units (Note 10)	468,475	468,475	531,112
Preferred OP Units (Note 10)	35,242	35,242	42,421
Total potentially dilutive securities	<u>503,717</u>	<u>503,717</u>	<u>573,533</u>

The following is a summary of the elements used in calculating basic and diluted earnings per share:

	Year Ended December 31,		
	2021	2020	2019
Numerator - basic and diluted earnings per share			
Net income	\$ 33,284	\$ 69,848	\$ 86,762
Net loss (income) attributable to noncontrolling interests	2,205	2,955	(1,793)
Net income attributable to ACC, Inc. and Subsidiaries common stockholders	35,489	72,803	84,969
Amount allocated to participating securities	(2,285)	(2,142)	(1,902)
Net income attributable to common stockholders	<u>\$ 33,204</u>	<u>\$ 70,661</u>	<u>\$ 83,067</u>
Denominator			
Basic weighted average common shares outstanding	138,503,705	137,588,964	137,295,837
Unvested restricted stock awards (Note 11)	1,199,930	1,121,466	990,941
Diluted weighted average common shares outstanding	<u>139,703,635</u>	<u>138,710,430</u>	<u>138,286,778</u>
Earnings per share			
Net income attributable to common stockholders - basic	<u>\$ 0.24</u>	<u>\$ 0.51</u>	<u>\$ 0.61</u>
Net income attributable to common stockholders - diluted	<u>\$ 0.24</u>	<u>\$ 0.51</u>	<u>\$ 0.60</u>

4. Income Taxes

As mentioned in Note 2, the Company qualifies as a REIT under the Code. As a REIT, the Company is not subject to federal income tax as long as it distributes at least 90% of its taxable income to its shareholders each year. If the Company's taxable income exceeds its distributions for the year, the REIT tax rules allow the Company to designate distributions from a subsequent tax year in order to avoid current taxation on undistributed income. No provision for federal income taxes for the REIT has been included in the accompanying consolidated financial statements as the Company expects to meet the 90% annual distribution requirement. If the Company fails to qualify as a REIT, the Company will be subject to federal income tax on its taxable income and to federal income and excise taxes on its undistributed income. In addition, ACCOP is a flow-through entity and is not subject to federal income taxes at the entity level. Historically, the Company has incurred only state and local income, franchise, and margin taxes.

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company's TRSs are subject to federal, state, and local income taxes. As such, deferred income taxes result from temporary differences between the carrying amounts of assets and liabilities of the TRSs for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are measured using enacted tax rates in effect in the years in which those temporary differences are expected to reverse. Significant components of the deferred tax assets and liabilities of the TRSs are as follows:

	December 31,	
	2021	2020
Deferred tax assets		
Fixed and intangible assets	\$ 1,664	\$ 1,669
Net operating loss carryforwards	7,952	8,207
Prepaid and deferred income	1,140	1,060
Bad debt reserves	691	675
Leases	3,089	3,314
Accrued expenses and other	5,060	3,795
Stock compensation	2,963	3,084
Total deferred tax assets	22,559	21,804
Valuation allowance for deferred tax assets	(19,743)	(18,578)
Deferred tax assets, net of valuation allowance	2,816	3,226
Deferred tax liabilities		
Leases	(2,793)	(3,189)
Deferred financing costs	(23)	(37)
Net deferred tax liabilities	\$ —	\$ —

Significant components of the Company's income tax provision are as follows:

	Year Ended December 31,		
	2021	2020	2019
Current			
Federal	\$ (112)	\$ (103)	\$ (157)
State	(1,249)	(1,246)	(1,350)
Deferred			
Federal	—	—	—
State	—	—	—
Total provision	\$ (1,361)	\$ (1,349)	\$ (1,507)

TRS earnings subject to tax consisted of an income of approximately \$4.4 million, a loss of approximately \$5.4 million, and income of approximately \$10.0 million for the years ended December 31, 2021, 2020, and 2019, respectively. The reconciliation of income tax for the TRSs computed at the U.S. statutory rate to income tax provision is as follows:

	Year Ended December 31,		
	2021	2020	2019
Tax benefit (provision) at U.S. statutory rates on TRS income subject to tax	\$ 1,347	\$ 1,536	\$ (789)
State income tax, net of federal income tax benefit (provision)	206	278	(57)
Effect of permanent differences and other	(53)	(8)	5
(Increase) decrease in valuation allowance	(1,500)	(1,806)	841
TRS income tax provision	\$ —	\$ —	\$ —

At December 31, 2021, the TRSs had net operating loss carryforwards ("NOLs") of approximately \$29.8 million for income tax purposes that begin to expire in 2033. These NOLs may be used to offset future taxable income generated by each of the respective TRSs. Due to the various limitations to which the use of NOLs are subject, the Company has applied a valuation allowance to the NOLs given the likelihood that the NOLs will expire unused. The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction and various states' jurisdictions as required, and as of December 31, 2021, the 2020, 2019, and 2018 calendar tax years are subject to examination by the tax authorities.

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company had no material unrecognized tax benefits for the years ended December 31, 2021, 2020, and 2019, and as of December 31, 2021, the Company does not expect to record any material unrecognized tax benefits. Because no material unrecognized tax benefits have been recorded, no related interest or penalties have been calculated.

A schedule of per share distributions the Company paid and reported to its shareholders, which is unaudited, is set forth in the following table:

Tax Treatment of Distributions	Year Ended December 31,		
	2021	2020	2019
Ordinary income	\$ 0.4500	\$ 1.1004	\$ 0.6625
Long-term capital gain ⁽¹⁾	1.2248	0.3560	1.2075
Return of capital	0.2052	0.4236	—
Total per common share outstanding	\$ 1.8800	\$ 1.8800	\$ 1.8700

⁽¹⁾ Unrecaptured Section 1250 gains of \$0.2560, \$0.2052, and \$0.3827 were reported for the years ended December 31, 2021, 2020, and 2019, respectively.

5. Acquisitions and Joint Venture Investments

Land Acquisitions

In November 2021, the Company acquired a land parcel near the University of Georgia for approximately \$1.0 million including transaction costs. The land was purchased as part of a planned redevelopment of a current asset.

In May 2021, the Company acquired a land parcel near Arizona State University for approximately \$12.2 million including transaction costs. The land was purchased for the potential future development of a student housing facility.

In October 2020, the Company acquired a property containing a commercial building near the University of Central Florida for approximately \$11.6 million including transaction costs. The land was purchased for future development of a student housing facility. The commercial building is currently leased and managed by a third party. The Company will receive the operating cash flows of the property until development commences.

Joint Venture Transactions

In August 2020, the Company entered into a joint venture arrangement with a third-party partner to develop a property located in Nashville, TN (the “Nashville Joint Venture”). The Company’s contribution consisted of cash and pre-development expenditures totaling \$5.6 million in exchange for a 50% ownership interest in the Nashville Joint Venture. Additionally, as part of the transaction, the Company financed the third-party partner’s contribution with a \$5.4 million, two-year note receivable (the “Note”) at a 6.5% annual interest rate. The third-party partner contributed the proceeds from the Note as well as pre-development and transaction costs of approximately \$0.7 million in exchange for a 50% ownership interest in the Nashville Joint Venture. In September 2020, the Nashville Joint Venture purchased a land parcel for \$11.3 million including transaction costs.

The Nashville Joint Venture was determined to be a VIE with the Company being the primary beneficiary. As such, the Nashville Joint Venture is included in the Company’s consolidated financial statements contained herein and the third-party partner’s ownership interest is accounted for as noncontrolling interest - partially owned properties.

Presale Development Projects

During the year ended December 31, 2019, two properties containing 783 beds and subject to presale agreements were completed and acquired by the Company for \$110.2 million. The purchase price included \$8.6 million related to the purchase of the land on which one of the properties is built. Additionally, upon acquisition, the third-party developer repaid an \$18.5 million mezzanine loan, including accrued interest, that the Company provided to one of the projects during the construction period.

As presale development properties are consolidated by the Company from time of execution of the presale agreements with the developers, the closing of the transactions was accounted for as an increase in ownership of a consolidated subsidiary.

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6. Dispositions and Joint Venture Investments

Joint Venture Activity

In December 2021, the Company executed a joint venture agreement with an affiliate of Harrison Street Real Estate Capital, LLC ("HS") for the ownership of the Company's existing eight-property Arizona State University student housing portfolio. The transaction (the "ACC / HS Joint Venture Transaction") is structured with a two-phase closing. The first phase of the transaction closed in December 2021 and included the sale of a 45% ownership interest in three owned properties containing 4,272 beds for a sales price of approximately \$271.7 million. The second phase is expected to close in late 2022 or early 2023 and will involve the sale of a 45% ownership interest in five owned properties containing 3,915 beds for a sales price of approximately \$279.6 million, subject to customary closing conditions, including no material adverse changes to these properties.

The joint venture was determined to be a VIE. As the Company retained control of the properties after the joint venture transaction through its 55% ownership interest, it was deemed the primary beneficiary. As such, the Company's contribution of the properties to the joint venture was recorded at net book value, and the joint venture is included in the Company's consolidated financial statements contained herein. The joint venture partner's ownership interest in the joint venture is accounted for as noncontrolling interest. The difference between the book value and the sales price of the 45% ownership interest purchased by HS is reflected as Change in Ownership of Consolidated Subsidiary on the accompanying Consolidated Statements of Changes in Equity. Additionally, the book value of the 45% ownership interest purchased by HS is reflected as Contributions by Noncontrolling Interests – Partially Owned Properties on the accompanying Consolidated Statements of Changes in Equity.

Property Dispositions

In March 2020, the Company sold The Varsity, an owned property located near University of Maryland in College Park, Maryland, containing 901 beds for \$148.0 million, resulting in net cash proceeds of approximately \$146.1 million. The net gain on this disposition totaled approximately \$48.5 million.

During the year ended December 31, 2019, the Company sold two owned properties containing 1,150 beds for approximately \$109.5 million, resulting in net cash proceeds of approximately \$108.6 million. Concurrent with the classification of one of the sold properties as held for sale, the Company reduced the property's carrying amount to its estimated fair value less estimated selling costs and recorded an impairment charge of \$3.2 million. The combined net loss on the dispositions was not material.

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

7. Investments in Real Estate

Owned Properties

Owned properties, both wholly-owned and those owned through investments in VIEs, consisted of the following:

	December 31, 2021	December 31, 2020
Land	\$ 678,254	\$ 664,879
Buildings and improvements	7,241,918	6,949,781
Furniture, fixtures, and equipment	425,469	405,843
Construction in progress	242,566	361,893
	<u>8,588,207</u>	<u>8,382,396</u>
Less accumulated depreciation	(1,911,396)	(1,660,652)
Owned properties, net	<u>\$ 6,676,811</u>	<u>\$ 6,721,744</u>

On-Campus Participating Properties (OCPPs)

Our OCPP segment includes six on-campus properties that are operated under long-term ground/facility leases with three university systems. Under our ground/facility leases, we receive an annual distribution representing 50% of these properties' net cash flows, as defined in the ground/facility lease agreements. We also manage these properties under long-term management agreements and are paid management fees equal to a percentage of defined gross receipts.

OCPPs consisted of the following:

	December 31, 2021	December 31, 2020
Buildings and improvements	\$ 160,275	\$ 157,218
Furniture, fixtures, and equipment	14,213	14,389
Construction in progress	60	—
	<u>174,548</u>	<u>171,607</u>
Less accumulated depreciation	(108,989)	(102,326)
On-campus participating properties, net	<u>\$ 65,559</u>	<u>\$ 69,281</u>

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

8. Debt

A summary of the Company's outstanding consolidated indebtedness, including unamortized debt premiums and discounts, is as follows:

	December 31,	
	2021	2020
Debt secured by owned properties		
Mortgage loans payable		
Unpaid principal balance	\$ 460,825	\$ 563,506
Unamortized deferred financing costs	(596)	(848)
Unamortized debt premiums	540	1,819
Unamortized debt discounts	(103)	(151)
	<u>460,666</u>	<u>564,326</u>
Debt secured by OCPPs		
Mortgage loans payable ⁽¹⁾	60,986	63,714
Bonds payable ⁽¹⁾	14,695	19,110
Unamortized deferred financing costs	(511)	(323)
	<u>75,170</u>	<u>82,501</u>
Total secured mortgage and bond debt, net	535,836	646,827
Unsecured notes, net of unamortized OID and deferred financing costs ⁽²⁾	2,773,855	2,375,603
Unsecured term loan, net of unamortized deferred financing costs ⁽³⁾	199,824	199,473
Unsecured revolving credit facility	—	371,100
Total debt, net	<u>\$ 3,509,515</u>	<u>\$ 3,593,003</u>

⁽¹⁾ The creditors of mortgage loans payable and bonds payable related to OCPPs do not have recourse to the assets of the Company.

⁽²⁾ Includes net unamortized original issue discount ("OID") of \$5.3 million and \$5.8 million at December 31, 2021 and 2020, respectively, and net unamortized deferred financing costs of \$20.8 million and \$18.6 million at December 31, 2021 and 2020, respectively.

⁽³⁾ Includes net unamortized deferred financing costs of \$0.2 million and \$0.5 million at December 31, 2021 and 2020, respectively.

Mortgage Loans Payable

Mortgage loans payable generally feature either monthly interest and principal payments or monthly interest-only payments with balloon payments due at maturity. For purposes of classification in the following table, variable rate mortgage loans subject to interest rate swaps are deemed to be fixed rate, due to the Company having effectively fixed the interest rate for the underlying debt instrument.

Mortgage loans payable, excluding debt premiums and discounts, consisted of the following as of December 31, 2021:

	December 31, 2021			
	Principal Outstanding		Weighted	Weighted
	December 31,		Average	Average Years
	2021	2020	Interest Rate	to Maturity
Fixed Rate				
Mortgage loans payable ⁽¹⁾	\$ 520,888	\$ 625,136	4.03 %	6.6 years
Variable Rate				
Mortgage loans payable ⁽²⁾	923	2,084	2.61 %	23.6 years
Total	<u>\$ 521,811</u>	<u>\$ 627,220</u>	<u>4.03 %</u>	<u>6.7 years</u>
				<u>10</u>

⁽¹⁾ Fixed rate mortgage loans payable mature on various dates from 2024 through 2045 and carry interest rates ranging from 2.79% to 4.50% at December 31, 2021.

⁽²⁾ Represents mortgage debt at one of our on-campus participating properties not subject to an interest rate swap contract. This property is included in the number of properties encumbered by mortgage loans above.

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

During the year ended December 31, 2021, the following transactions occurred:

	Mortgage Loans Payable ⁽¹⁾
Balance, December 31, 2020	\$ 627,220
Pay-off of mortgage notes payable ⁽²⁾	(99,819)
Scheduled repayments of principal	(5,590)
Balance, December 31, 2021	\$ 521,811

⁽¹⁾ Balance excludes unamortized debt premiums and discounts.

⁽²⁾ Represents pay-offs of mortgage notes payable secured by six properties.

In February 2021, the Company refinanced \$24.0 million of OCPP mortgage debt that was scheduled to mature in 2021, which extended the maturity to February 2028. Additionally, in February 2021, the Company entered into two interest rate swap agreements to convert the refinanced mortgage loan to a fixed rate of 2.8%. Refer to Note 12 for information related to derivatives.

Bonds Payable

Three of the on-campus participating properties are 100% financed with outstanding project-based taxable bonds. Under the terms of these financings, one of the Company's special purpose subsidiaries publicly issued three series of taxable bonds and loaned the proceeds to three special purpose subsidiaries that each hold a separate leasehold interest. The bonds encumbering the leasehold interests are non-recourse, subject to customary exceptions. Although a default in payment by these special purpose subsidiaries could result in a default under one or more series of bonds, indebtedness of any of these special purpose subsidiaries is not cross-defaulted or cross-collateralized with indebtedness of the Company, the Operating Partnership, or other special purpose subsidiaries. Repayment of principal and interest on these bonds is insured by MBIA, Inc. Interest and principal are paid semi-annually and annually, respectively, through maturity. Covenants include, among other items, budgeted and actual debt service coverage ratios. As of December 31, 2021, the Company was in compliance with all such covenants.

Bonds payable at December 31, 2021 consisted of the following:

Series	Mortgaged Facilities Subject to Leases	Original	Principal December 31, 2021	Weighted Average Rate	Maturity Date	Required Monthly Debt Service
1999	University Village-PVAMU/TAMIU	\$ 39,270	\$ 6,485	7.76 %	September 2023	\$ 302
2001	University College-PVAMU	20,995	6,345	7.62 %	August 2025	158
2003	University College-PVAMU	4,325	1,865	6.22 %	August 2028	28
Total/weighted average rate		\$ 64,590	\$ 14,695	7.50 %		\$ 488

Unsecured Notes

In October 2021, the Operating Partnership closed a \$400 million offering of senior unsecured notes under its existing shelf registration. These 7-year notes were issued at 99.928% of par value with a coupon of 2.250% and are fully and unconditionally guaranteed by the Company. Interest on the notes is payable semi-annually on January 15 and July 15, with the first payment due and payable on January 15, 2022. The notes will mature on January 15, 2029. Net proceeds from the sale of the senior unsecured notes totaled approximately \$394.4 million. The Company used the proceeds to repay borrowings under its Credit Facility.

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
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As of December 31, 2021, the Operating Partnership has issued the following senior unsecured notes:

Date Issued	Amount	% of Par Value	Coupon	Yield	Original Issue Discount	Term (Years)
April 2013	\$ 400,000	99.659	3.750%	3.791%	\$ 1,364	10
June 2014	400,000	99.861	4.125%	4.269% ⁽¹⁾	556	10
October 2017	400,000	99.912	3.625%	3.635%	352	10
June 2019	400,000	99.704	3.300%	3.680% ⁽¹⁾	1,184	7
January 2020	400,000	99.810	2.850%	2.872%	760	10
June 2020	400,000	99.142	3.875%	3.974%	3,432	10
October 2021	400,000	99.928	2.250%	2.261%	288	7
	<u>\$ 2,800,000</u>				<u>\$ 7,936</u>	

⁽¹⁾ The yield includes the effect of amortization of interest rate swap terminations.

The notes are fully and unconditionally guaranteed by the Company. Interest on the notes is payable semi-annually. The terms of the unsecured notes include certain financial covenants that require the Operating Partnership to limit the amount of total debt and secured debt as a percentage of total asset value, as defined. In addition, the Operating Partnership must maintain a minimum ratio of unencumbered asset value to unsecured debt, as well as a minimum interest coverage level. As of December 31, 2021, the Company was in compliance with all such covenants.

Unsecured Revolving Credit Facility

In May 2021, the Company closed on the renewal of its existing \$1.0 billion Credit Facility which was previously scheduled to mature in March 2022. The renewed agreement contains an accordion feature that allows the Company to expand the Credit Facility by up to an additional \$500 million, subject to the satisfaction of certain conditions. Additionally, a component of the interest rate is based on the achievement of specified environmental, social, and governance (“ESG”) targets which include the achievement of diversity rates among the Company’s independent board members and employees and completion of certifications or renovations that meet certain sustainability standards. The Credit Facility matures in May 2025, and can be extended through two six-month extension options, subject to the satisfaction of certain conditions.

The Credit Facility bears interest at a variable rate, at the Company’s option, based upon a base rate of one-, three-, or six-month LIBOR, plus, in each case, a spread based upon the Company’s investment grade rating from either Moody’s Investor Services, Inc. or Standard & Poor’s Rating Group, subject to adjustment based upon the achievement of ESG targets described above. Additionally, the Company is required to pay a facility fee of 0.20% per annum on the \$1.0 billion Credit Facility. As of December 31, 2021, the Credit Facility had a zero balance and availability under the Credit Facility totaled \$1.0 billion.

The terms of the Credit Facility include certain restrictions and covenants, which limit, among other items, the incurrence of additional indebtedness and liens. The facility contains customary affirmative and negative covenants and also contains financial covenants that, among other things, require the Company to maintain certain maximum leverage ratios and minimum ratios of “EBITDA” (earnings before interest, taxes, depreciation and amortization) to fixed charges. The financial covenants also include a minimum asset value requirement, a maximum secured debt ratio, and a minimum unsecured debt service coverage ratio. As of December 31, 2021, the Company was in compliance with all such covenants.

Unsecured Term Loan

The Company’s Term Loan totals \$200 million and matures in June 2022. The agreement has an accordion feature that allows the Company to expand the amount by up to an additional \$100 million, subject to the satisfaction of certain conditions. The Company is also currently party to two interest rate swap contracts to hedge the variable rate cash flows associated with the LIBOR-based interest payments on the Term Loan. The weighted average annual rate on the Term Loan was 2.54% (1.44% + 1.10% spread) at December 31, 2021. Refer to Note 12 for more information related to cash flow hedges of interest rate risk. The Term Loan Facility includes certain restrictions and covenants consistent with those of the unsecured revolving credit facility discussed above. As of December 31, 2021, the Company was in compliance with all such covenants.

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
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In May 2021, the Company modified the Term Loan to include LIBOR transition language and to conform the covenants and various administrative items from the agreement to those in the Company's Credit Facility which was also amended in May 2021.

Debt Maturities

The following table summarizes the stated debt maturities and scheduled amortization payments, excluding debt premiums and discounts, for each of the five years subsequent to December 31, 2021 and thereafter:

2022	\$ 209,723
2023	410,411
2024	530,939
2025	4,922
2026	403,207
Thereafter	1,977,304
	<u><u>\$ 3,536,506</u></u>

The Company's payment of principal and interest were current at December 31, 2021. Certain of the mortgage notes and bonds payable are subject to prepayment penalties.

9. Stockholders' Equity

In May 2021, the Company renewed its at-the-market share offering program (the "ATM Equity Program") through which the Company may issue and sell, from time to time, shares of common stock having an aggregate offering price of up to \$500.0 million. The shares that may be sold under this program include shares of common stock of the Company with an aggregate offering price of approximately \$500.0 million that were not sold under the Company's previous ATM equity program that expired in May 2021. Actual sales under the program will depend on a variety of factors, including, but not limited to, market conditions, the trading price of the Company's common stock and determinations of the appropriate sources of funding for the Company.

The following table presents activity under the Company's ATM Equity Program during the year ended December 31, 2021. There was no activity under the Company's ATM Equity Program during the year ended December 31, 2020.

	Year Ended December 31, 2021
Total net proceeds	\$ 58,927
Commissions paid to sales agents	\$ 747
Weighted average price per share	\$ 49.05
Shares of common stock sold	1,216,600

As of December 31, 2021, the Company had \$440.3 million available for issuance under its ATM Equity Program.

The Company has a Non-Qualified Deferred Compensation Plan ("Deferred Compensation Plan") maintained for the benefit of certain employees and members of the Company's Board of Directors, in which vested share awards (see Note 11), salary, and other cash amounts earned may be deposited. Deferred Compensation Plan assets are held in a rabbi trust, which is subject to the claims of the Company's creditors in the event of bankruptcy or insolvency. The shares held in the Deferred Compensation Plan are classified within stockholders' equity in a manner similar to the manner in which treasury stock is classified. Subsequent changes in the fair value of the shares are not recognized. During the year ended December 31, 2021, 28,899 shares and 27,945 shares of vested stock were deposited into and withdrawn from the Deferred Compensation Plan, respectively. As of December 31, 2021, 92,700 shares of ACC's common stock were held in the Deferred Compensation Plan.

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

10. Noncontrolling Interests

Noncontrolling interests - partially owned properties: As of December 31, 2021, the Company consolidates six joint ventures that own and operate 13 owned off-campus properties and one land parcel, including the ACC / HS Joint Venture Transaction discussed in Note 6. The portion of net assets attributable to the third-party partners in these arrangements is classified as “noncontrolling interests - partially owned properties” within equity on the accompanying consolidated balance sheets.

Redeemable noncontrolling interests - OP Units: Included in redeemable noncontrolling interests on the accompanying consolidated balance sheets are OP Units for which ACCOP is required, either by contract or securities law, to deliver registered shares of ACC’s common stock to the exchanging OP unitholder, or for which ACCOP has the intent or history of exchanging such units for cash. The units include Series A Preferred Units (“Preferred OP Units”) and Common OP Units. The value of OP Units is reported at the greater of fair value, which is based on the closing market value of the Company’s common stock at period end, or historical cost at the end of each reporting period. The OP unitholders’ share of the income or loss of the Company is included in “net income attributable to noncontrolling interests” on the consolidated statements of comprehensive income.

Redeemable noncontrolling interests - partially owned properties: The noncontrolling interest holder in the Core Spaces / DRW Real Estate Investment joint ventures (the “Core Joint Ventures”), which were formed in 2017, had the option to redeem its noncontrolling interest in the entities through the exercise of put options. During the year ended December 31, 2020, the noncontrolling interest holder exercised its option to redeem its remaining ownership interest in the Core Joint Ventures, which reduced the redeemable noncontrolling interest by \$77.2 million. As of December 31, 2021 and 2020, the Company had 100% ownership interest in all five properties initially held by the Core Joint Ventures.

Below is a table summarizing the activity of redeemable noncontrolling interests for the years ended December 31, 2021, 2020, and 2019:

Balance, December 31, 2018	\$ 184,446
Net income	783
Distributions	(1,062)
Conversion of OP Units into shares of ACC common stock	(6,082)
Contributions from noncontrolling interests	250
Purchase of noncontrolling interests	(88,304)
Adjustments to reflect redeemable noncontrolling interests at fair value	14,350
Balance, December 31, 2019	\$ 104,381
Net income	325
Distributions	(937)
Purchase of noncontrolling interests	(77,200)
Adjustments to reflect redeemable noncontrolling interests at fair value	(2,002)
Balance, December 31, 2020	\$ 24,567
Net income	177
Distributions	(937)
Adjustments to reflect redeemable noncontrolling interests at fair value	8,051
Balance, December 31, 2021	\$ 31,858

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

11. Incentive Award Plan

The Company has an Incentive Award Plan (the “Plan”) that provides for the grant of various stock-based incentive awards to selected employees and directors of the Company and the Company’s affiliates. The types of awards that may be granted under the Plan include incentive stock options, nonqualified stock options, restricted stock awards (“RSAs”), restricted stock units (“RSUs”), profits interest units (“PIUs”), and other stock-based awards. The Company has reserved a total 3.5 million shares of the Company’s common stock for issuance pursuant to the Plan, subject to certain adjustments for changes in the Company’s capital structure, as defined in the Plan. As of December 31, 2021, 2.2 million shares were available for issuance under the Plan.

Restricted Stock Awards

The Company awards RSAs to its executive officers and certain employees that vest in equal annual installments over a five year period. Unvested awards are forfeited upon the termination of an individual’s employment with the Company under specified circumstances. Recipients of RSAs receive dividends, as declared by the Company’s Board of Directors, on unvested shares, provided that the recipient continues to be employed by the Company. A summary of the Company’s RSAs under the Plan for the years ended December 31, 2021 and 2020 is presented below:

	Number of RSAs	Weighted-Average Grant Date Fair Value Per RSA
Nonvested balance as of December 31, 2019	967,341	\$ 43.27
Granted	444,522	47.13
Vested ⁽¹⁾	(295,385)	43.40
Forfeited	(23,882)	44.56
Nonvested balance as of December 31, 2020	1,092,596	\$ 44.78
Granted	468,770	41.50
Vested ⁽²⁾	(415,572)	44.18
Forfeited	(34,696)	43.32
Nonvested balance as of December 31, 2021	1,111,098	\$ 43.67

⁽¹⁾ Includes 95,690 shares withheld to satisfy tax obligations upon vesting for the year ended December 31, 2020.

⁽²⁾ Includes 140,864 shares withheld to satisfy tax obligations upon vesting for the year ended December 31, 2021.

The fair value of RSAs is calculated based on the closing market value of the Company’s common stock on the date of grant. The fair value of these awards is amortized to expense over the vesting periods, which amounted to approximately \$18.4 million, \$14.4 million, and \$12.7 million for the years ended December 31, 2021, 2020, and 2019, respectively. The weighted-average grant date fair value for each RSA granted and forfeited during the year ended December 31, 2019 was \$44.08 and \$42.91, respectively.

The total fair value of RSAs vested during the year ended December 31, 2021 was approximately \$18.4 million. Additionally, as of December 31, 2021, the Company had approximately \$35.8 million of total unrecognized compensation cost related to granted RSAs, which is expected to be recognized over a remaining weighted-average period of 3.2 years.

Per the provisions of the Plan, an employee becomes retirement eligible when: (i) the sum of an employee’s full years of service (a minimum of 120 contiguous full months) and the employee’s age on the date of termination (a minimum of 50 years of age) equals or exceeds 70 years (hereinafter referred to as the “Rule of 70”); (ii) the employee gives at least six months prior written notice to the Company of his or her intention to retire; and (iii) the employee enters into a noncompetition agreement and a general release of all claims in a form that is reasonably satisfactory to the Company. As of December 31, 2021, 24 employees have met the Rule of 70, including the Company’s Chief Executive Officer. A total of 375,756 unvested RSAs are held by such employees representing future amortization expense of \$12.0 million. Once the first two conditions of retirement eligibility are met, the unvested shares held by these employees will be subject to accelerated vesting.

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
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Restricted Stock Units

Upon initial appointment to the Board of Directors and reelection to the Board of Directors at each Annual Meeting of Stockholders, each independent member of the Board of Directors is granted RSUs. On the Settlement Date, the Company will deliver to the recipients a number of shares of common stock or cash, as determined by the Compensation Committee of the Board of Directors, equal to the number of RSUs granted to the recipients. In addition, recipients of RSUs are entitled to dividend equivalents equal to the cash distributions paid by the Company on one share of common stock for each RSU issued, payable currently, or on the Settlement Date, as determined by the Compensation Committee of the Board of Directors.

Upon reelection to the Board of Directors in April 2021, all members of the Company's Board of Directors were granted RSUs in accordance with the Plan. These RSUs were valued at \$170,000 for the Chair of the Board of Directors and at \$122,500 for all other members. The number of RSUs was determined based on the fair market value of the Company's stock on the date of grant, as defined in the Plan. All awards vested and settled immediately on the date of grant, and the Company delivered shares of common stock and cash, as determined by the Compensation Committee of the Board of Directors.

In January 2021, the Company appointed three new members to the Board of Directors who were each granted RSUs valued at \$122,500.

A summary of ACC's RSUs under the Plan for the years ended December 31, 2021 and 2020 and activity during the years then ended is presented below:

	Number of RSUs	Weighted- Average Grant Date Fair Value Per RSU
Outstanding as of December 31, 2019	—	\$ —
Granted	30,137	34.10
Settled in common shares	(27,644)	34.10
Settled in cash	(2,493)	34.10
Outstanding as of December 31, 2020	—	\$ —
Granted	34,626	43.83
Settled in common shares	(33,514)	43.80
Settled in cash	(1,112)	44.98
Outstanding as of December 31, 2021	—	\$ —

The Company recognized expense of approximately \$1.6 million, \$1.0 million, and \$0.9 million for the years ended December 31, 2021, 2020, and 2019, respectively, reflecting the fair value of the RSUs issued on the dates of grants disclosed above. The weighted-average grant-date fair value for each RSU granted during the year ended December 31, 2019 was \$47.34.

12. Derivative Instruments and Hedging Activities

The Company is exposed to certain risks arising from both its business operations and economic conditions. The Company principally manages its exposures to a wide variety of business and operational risks through management of its core business activities. The Company manages economic risks, including interest rate, liquidity, and credit risk primarily by managing the amount, sources, and duration of its debt funding and the use of derivative financial instruments. Specifically, the Company enters into derivative financial instruments to manage exposures that arise from business activities that result in the receipt or payment of future known and uncertain cash amounts, the value of which are determined by interest rates. The Company's derivative financial instruments are used to manage differences in the amount, timing, and duration of the Company's known or expected cash receipts and its known or expected cash payments principally related to the Company's investments and borrowings.

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
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Cash Flow Hedges of Interest Rate Risk

The Company's objectives in using interest rate derivatives are to add stability to interest expense and to manage its exposure to interest rate movements. To accomplish this objective, the Company primarily uses interest rate swaps and forward starting swaps as part of its interest rate risk management strategy. Interest rate swaps designated as cash flow hedges involve the receipt of variable-rate amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount. Forward starting swaps are used to protect the Company against adverse fluctuations in interest rates by reducing its exposure to variability in cash flows relating to interest payments on a forecasted issuance of debt. These agreements contain provisions such that if the Company defaults on any of its indebtedness, regardless of whether the repayment of the indebtedness has been accelerated by the lender or not, then the Company could also be declared in default on its derivative obligations. As of December 31, 2021, the Company was not in default on any of its indebtedness or derivative instruments.

The change in the fair value of derivatives designated and that qualify as cash flow hedges is recorded outside of earnings in other comprehensive income ("OCI") and subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings within the same income statement line item as the earnings effect of the hedged transaction.

The following table summarizes the Company's outstanding interest rate swap contracts which are included in other assets and other liabilities on the accompanying consolidated balance sheets as of December 31, 2021, all of which have been designated as cash flow hedges and qualify for hedge accounting:

Hedged Debt Instrument	Effective Date	Maturity Date	Pay Fixed Rate	Receive Floating Rate Index	Current Notional Amount	Fair Value
Park Point mortgage loan	Feb 1, 2019	Jan 16, 2024	2.7475%	LIBOR - 1 month	\$ 70,000	\$ (2,716)
College Park mortgage loan	Oct 16, 2019	Oct 16, 2022	1.2570%	LIBOR - 1 month	37,500	(264)
Unsecured term loan	Nov 4, 2019	Jun 27, 2022	1.4685%	LIBOR - 1 month	100,000	(606)
Unsecured term loan	Dec 2, 2019	Jun 27, 2022	1.4203%	LIBOR - 1 month	100,000	(583)
Cullen Oaks mortgage loan	Feb 16, 2021	Feb 15, 2028	0.7850%	LIBOR - 1 month	11,223	231
Cullen Oaks mortgage loan	Feb 16, 2021	Feb 15, 2028	0.7850%	LIBOR - 1 month	11,339	233
Total					\$ 330,062	\$ (3,705)

In December 2018, the Company entered into three forward starting interest rate swap contracts with notional amounts totaling \$200.0 million designated to hedge the Company's exposure to increasing interest rates related to interest payments on an anticipated issuance of unsecured notes. In connection with the issuance of unsecured notes in June 2019, the Company terminated the swap contracts resulting in payments to counterparties totaling approximately \$13.2 million, which were recorded in accumulated other comprehensive loss and which will be amortized to interest expense over the term of the swap contracts based on the June 2019 issuance and expected additional issuances.

The table below presents the fair value of the Company's derivative financial instruments and their classification on the accompanying consolidated balance sheets as of December 31, 2021 and 2020:

Description	Asset Derivatives			Liability Derivatives		
	Balance Sheet Location	Fair Value as of		Balance Sheet Location	Fair Value as of	
		12/31/2021	12/31/2020		12/31/2021	12/31/2020
Interest rate swap contracts	Other assets	\$ 464	\$ —	Other liabilities	\$ 4,169	\$ 10,211

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
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The table below presents the effect of the Company's derivative financial instruments on the accompanying consolidated statements of comprehensive income for the years ended December 31, 2021, 2020, and 2019:

Description	Year Ended December 31,		
	2021	2020	2019
Change in fair value of derivatives and other recognized in other comprehensive income ("OCI")	\$ 1,262	\$ (11,380)	\$ (723)
Swap interest accruals reclassified to interest expense	5,244	3,844	200
Termination of interest rate swap payment recognized in OCI	—	—	(13,159)
Amortization of interest rate swap terminations ⁽¹⁾	1,724	1,705	1,133
Total change in OCI due to derivative financial instruments	\$ 8,230	\$ (5,831)	\$ (12,549)
Interest expense presented in the consolidated statements of comprehensive income in which the effects of cash flow hedges are recorded	\$ 117,793	\$ 112,507	\$ 111,287

⁽¹⁾ Represents amortization from OCI into interest expense.

As of December 31, 2021, the Company estimates that \$4.9 million will be reclassified from OCI to interest expense over the next twelve months.

13. Fair Value Disclosures

Financial Instruments Carried at Fair Value

The Company follows the authoritative guidance for financial assets and liabilities, which establishes a framework for measuring fair value and requires enhanced disclosures about fair value measurements. The authoritative guidance requires disclosure about how fair value is determined for assets and liabilities and establishes a hierarchy by which these assets and liabilities must be categorized, based on the significance of inputs.

In general, fair values determined by Level 1 inputs utilize unadjusted, quoted prices in active markets for identical assets or liabilities the Company has the ability to access. Fair values determined by Level 2 inputs utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets and inputs other than quoted prices observable for the asset or liability, such as interest rates and yield curves observable at commonly quoted intervals. Level 3 inputs are unobservable inputs for the asset or liability and include situations where there is little, if any, market activity for the asset or liability.

In instances in which the inputs used to measure fair value may fall into different levels of the fair value hierarchy, the level in the fair value hierarchy within which the fair value measurement in its entirety has been determined is based on the lowest level input significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
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The following table presents information about the Company's financial instruments measured at fair value on a recurring basis as of December 31, 2021 and 2020 and indicates the fair value hierarchy of the valuation techniques utilized by the Company to determine such fair value. There were no Level 1 measurements for the periods presented, and the Company had no transfers between Levels 1, 2, or 3 during the periods presented.

	Fair Value Measurements as of					
	December 31, 2021			December 31, 2020		
	Level 2	Level 3	Total	Level 2	Level 3	Total
Assets						
Derivative financial instruments	\$ 464 ⁽¹⁾	\$ —	\$ 464	\$ —	\$ —	\$ —
Liabilities						
Derivative financial instruments	\$ 4,169 ⁽¹⁾	\$ —	\$ 4,169	\$ 10,211 ⁽¹⁾	\$ —	\$ 10,211
Mezzanine						
Redeemable noncontrolling interests	\$ 28,858 ⁽²⁾	\$ 3,000	\$ 31,858	\$ 21,567 ⁽²⁾	\$ 3,000	\$ 24,567

⁽¹⁾ Valued using discounted cash flow analyses with observable market-based inputs of interest rate curves and option volatility, as well as credit valuation adjustments to reflect nonperformance risk.

⁽²⁾ Represents the OP Unit component of redeemable noncontrolling interests which is based on the greater of fair value of the Company's common stock or historical cost at the balance sheet date. Represents a quoted price for a similar asset in an active market. Refer to Note 10.

Financial Instruments Not Carried at Fair Value

As of December 31, 2021 and December 31, 2020, the carrying values for the following instruments represent fair values due to the short maturity of the instruments: cash and cash equivalents, restricted cash, student contracts receivable, certain items in other assets (including receivables, deposits, and prepaid expenses), accounts payable and accrued expenses, and other liabilities.

As of December 31, 2021 and December 31, 2020, the carrying values for the following instruments represent fair values due to the variable interest rate feature of the instruments: the Credit Facility (which had no outstanding balance as of December 31, 2021) and one variable rate mortgage loan payable.

The table below contains the estimated fair value and related carrying amounts for the Company's financial instruments as of December 31, 2021 and 2020. There were no Level 1 or Level 3 measurements for the periods presented.

	December 31, 2021		December 31, 2020	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
		Level 2		Level 2
Liabilities ⁽¹⁾				
Unsecured notes	\$ 2,773,855	\$ 2,917,121 ⁽²⁾	\$ 2,375,603	\$ 2,609,373 ⁽²⁾
Mortgage loans payable (fixed rate) ⁽³⁾	\$ 520,316	\$ 535,401 ⁽⁴⁾	\$ 625,783	\$ 656,648 ⁽⁴⁾
Bonds payable	\$ 14,597	\$ 15,703 ⁽⁵⁾	\$ 18,960	\$ 20,720 ⁽⁵⁾
Unsecured term loan (fixed rate)	\$ 199,824	\$ 201,042 ⁽⁶⁾	\$ 199,473	\$ 203,348 ⁽⁶⁾

⁽¹⁾ Carrying amounts disclosed include any applicable net unamortized OID, net unamortized deferred financing costs, and net unamortized debt premiums and discounts (see Note 8).

⁽²⁾ Valued using interest rate and spread assumptions that reflect current creditworthiness and market conditions available for the issuance of unsecured notes with similar terms and remaining maturities.

⁽³⁾ Does not include one variable rate mortgage loan with a principal balance of \$0.9 million and \$2.1 million as of December 31, 2021 and 2020, respectively.

⁽⁴⁾ Valued using the present value of the cash flows at current market interest rates through maturity that primarily fall within the Level 2 category.

⁽⁵⁾ Valued using quoted prices in markets that are not active due to the unique characteristics of these financial instruments.

⁽⁶⁾ The Company is party to two interest rate swap contracts to hedge the variable rate cash flows associated with the LIBOR-based interest payments on the Term Loan (see Note 8). Valued using the present value of the cash flows at interpolated 1-month LIBOR swap rates through maturity that primarily fall within the Level 2 category.

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
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14. Leases

As Lessee

As discussed in Note 2, the Company as lessee has entered into lease agreements with university systems and other third parties for the purpose of financing, constructing, and operating student housing properties. Under the terms of the ground/facility leases, the lessor may receive annual minimum rent, variable rent based upon the operating performance of the property, or a combination thereof.

In the accompanying consolidated statements of comprehensive income, rent expense for ACE® properties and OCPPs is included in ground/facility lease expense, and rent expense for owned off-campus properties is included in owned properties operating expenses. Total straight-line rent expense, variable rent expense, and capitalized rent cost, were as follows:

Description	Year Ended December 31,		
	2021	2020	2019
Straight-line rent expense	\$ 18,528	\$ 12,379	\$ 10,009
Variable rent expense ⁽¹⁾	\$ 3,895	\$ 5,761	\$ 8,996
Capitalized rent cost	\$ 10,488	\$ 15,772	\$ 12,889

⁽¹⁾ Includes impact of rent concessions received as discussed below.

During the years ended December 31, 2021 and 2020, the Company received rent concessions in the form of ground rent abatements at one ACE® property related to the effects of the novel coronavirus disease pandemic (“COVID-19”). As discussed in Note 2, these concessions were recorded as a reduction to ground/facility leases expense in accordance with the FASB Staff Question & Answer “Accounting for Lease Concessions Related to the Effects of the COVID-19 Pandemic” and are presented in the following table:

	Year Ended December 31,	
	2021	2020
Ground rent abatements	\$ 7,279	\$ 1,512

Future minimum commitments over the life of all leases, which exclude variable rent payments, are as follows:

	December 31, 2021
2022	\$ 23,756
2023	28,867
2024	29,465
2025	29,500
2026	29,564
Thereafter	1,604,511
Total minimum lease payments	1,745,663
Less imputed interest	(1,248,842)
Total lease liabilities ⁽¹⁾	\$ 496,821

⁽¹⁾ The weighted average remaining lease term of leases with a lease liability, excluding extension options, as of December 31, 2021 was 61.1 years.

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As Lessor

As discussed in Note 2, the Company as lessor has entered into leases with both student and commercial tenants. Lease income under both student and commercial leases is included in owned property revenues and on-campus participating properties revenues in the accompanying consolidated statements of comprehensive income and is presented in the following table:

Description	Year Ended December 31,		
	2021	2020	2019
Student lease income	\$ 861,252	\$ 809,112	\$ 851,992
Commercial lease income	\$ 12,059	\$ 11,793	\$ 13,211

During the years ended December 31, 2021 and 2020, the Company provided various rent abatements and rent refunds to its tenants experiencing financial hardship due to COVID-19. In addition, during the year ended December 31, 2020, the Company also waived all late fees, online payment fees, and suspended financial related evictions during the spring and summer terms, and in certain cases continued to do so through the 2020/2021 academic year. As discussed in Note 2, these abatements and rent refunds were recorded as reductions to revenues in accordance with the FASB Staff Question & Answer “Accounting for Lease Concessions Related to the Effects of the COVID-19 Pandemic” and are presented in the table below:

Description	Year Ended December 31,	
	2021	2020
Abatements through the Resident Hardship Program ⁽¹⁾	\$ 1,036	\$ 14,275
Net rent refunds through ACE [®] university partnerships ⁽¹⁾⁽²⁾	\$ 2,811	\$ 19,691
Net rent refunds through OCPP university partnerships ⁽³⁾	\$ —	\$ 1,472
Abatements provided to commercial tenants ⁽¹⁾	\$ —	\$ 2,262
Reimbursements from university partners ⁽⁴⁾	\$ (2,527)	\$ (1,654)

⁽¹⁾ Recorded as reductions to owned properties revenue.

⁽²⁾ Net of reimbursements received from university partners of \$2.6 million and \$4.4 million for the years ended December 31, 2021 and 2020, respectively.

⁽³⁾ Recorded as reductions to OCPP revenue.

⁽⁴⁾ Represents reimbursements received from university partners to assist in the financial impacts of dedensification requirements, recorded in owned properties revenue.

15. Commitments and Contingencies

Commitments

Construction Contract: As of December 31, 2021, the Company estimates additional costs to complete one owned development project under construction to be approximately \$32.7 million.

Charitable Donation: In connection with the ACC / HS Joint Venture Transaction described in Note 6, the Company committed to donate \$5.0 million to Arizona State University for scholarships, programs that support student success, and sustainability. Upon the closing of the first phase of the transaction on December 31, 2021, the Company recorded a \$2.5 million expense, which is reflected in other operating expenses in the accompanying consolidated statements of comprehensive income. The remaining \$2.5 million will be recorded upon the closing of the second phase of the transaction.

Contingencies

Development-related Guarantees: For certain of its third-party development projects, the Company commonly provides alternate housing and project cost guarantees, subject to force majeure. These guarantees are typically limited, on an aggregate basis, to the amount of the projects’ related development fees or a contractually agreed-upon maximum exposure amount. Alternate housing guarantees generally require the Company to provide substitute living quarters and transportation for students to and from the university if the project is not complete by an agreed-upon completion date. These guarantees typically expire at the later of five days after completion of the project or once the Company has moved all students from the substitute living quarters into the project.

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
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Under project cost guarantees, the Company is responsible for the construction cost of a project in excess of an approved budget. The budget consists primarily of costs included in the general contractors' guaranteed maximum price contract ("GMP"). In most cases, the GMP obligates the general contractor, subject to force majeure and approved change orders, to provide completion date guarantees and to cover cost overruns and liquidated damages. In order to mitigate risk due to change orders, all final development budgets also include a contingency line item. In addition, the GMP is in certain cases secured with payment and performance bonds. Project cost guarantees expire upon completion of certain developer obligations, which are normally satisfied within one year after completion of the project. The Company's estimated maximum exposure amount under the above guarantees was approximately \$14.6 million as of December 31, 2021. As of December 31, 2021, management does not anticipate any material deviations from schedule or budget related to third-party development projects currently in progress.

As a part of the development agreement with *Walt Disney World*® Resort, the Company has guaranteed the completion of construction of approximately \$614.6 million to be delivered in phases from 2020 to 2023. As of December 31, 2021, the Company has completed construction on six phases of the 10-phase project within the targeted delivery timeline. In addition, the Company is subject to a development guarantee in the event that the substantial completion of a project phase is delayed beyond its respective targeted delivery date, except in circumstances resulting in unavoidable delays. The agreement dictates that the Company shall pay damages of \$20 per bed for each day of delay for any Disney College Internship Program participant who was either scheduled to live in the delayed phase as well as any participant who was not able to participate in the program due to the lack of available housing and would have otherwise been housed in the delayed phase. Under the agreement, the maximum exposure related to the Disney project assuming all remaining beds are not delivered on their respective delivery dates is approximately \$0.1 million per day. The Company anticipates completing all remaining phases within the targeted delivery timeline.

Conveyance to University: In August 2013, the Company entered into an agreement to convey fee interest in a parcel of land, on which one of the Company's student housing properties resides (University Crossings), to Drexel University (the "University"). Concurrent with the land conveyance, the Company as lessee entered into a ground lease agreement with the University as lessor for an initial term of 40 years, with three 10-year extensions, at the Company's option. The Company also agreed to convey the building and improvements to the University at an undetermined date in the future and to pay real estate transfer taxes not to exceed \$2.4 million. The Company paid approximately \$0.6 million in real estate transfer taxes upon the conveyance of land to the University, leaving approximately \$1.8 million to be paid by the Company upon the transfer of the building and improvements.

Other Guarantee: In June 2019, the Company entered into a purchase and sale agreement to buy a land parcel initially scheduled to close on or before June 30, 2021, with potential extensions at the Company's option to June 1, 2022 or June 1, 2023. In February 2021, the Company provided notice in accordance with the purchase and sale agreement and elected to extend the scheduled close date to June 1, 2022. In connection with the execution of the agreement and the closing extension, the Company has made earnest money deposits totaling \$2.4 million which are included in restricted cash on the accompanying consolidated balance sheets. As a part of the agreement, within 60 days of certain conditions not being met, the seller of the property can either terminate the agreement or exercise an option to require the Company to purchase the undeveloped land, with the Company retaining all rights to fully own, develop, and utilize the land. If the option is exercised, the Company must pay the agreed upon purchase price of \$28.7 million, a commission calculated as a percentage of the sales price, and demolition costs.

Pre-development expenditures: As discussed in the section Third-Party Development Services and Owned Development Project Costs in Note 2, the Company incurs pre-development expenditures with the pursuit of third-party and owned development projects. The Company bears the risk of loss of these pre-development expenditures if financing cannot be arranged or the Company is unable to obtain the required permits and authorizations for the project. As of December 31, 2021, the Company has deferred approximately \$27.2 million in pre-development costs related to third-party and owned development projects that have not yet commenced construction. Such costs are net of any contractual arrangements through which the Company could be reimbursed by another party, and are included in other assets on the accompanying consolidated balance sheets.

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
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Litigation: The Company is subject to various claims, lawsuits, legal proceedings, and other matters that have not been fully resolved and that have arisen in the ordinary course of business. While it is not possible to ascertain the ultimate outcome of such matters, management believes that the aggregate amount of such liabilities, if any, in excess of amounts provided or covered by insurance, will not have a material adverse effect on the consolidated financial position or results of operations of the Company. However, the outcome of claims, lawsuits and legal proceedings brought against the Company is subject to significant uncertainty. Therefore, although management considers the likelihood of such an outcome to be remote, the ultimate results of these matters cannot be predicted with certainty.

Litigation Settlement: In June 2021, the Company entered into a Joint Stipulation and Settlement Agreement to end all outstanding litigation brought by an alleged class of certain current and former California-based employees alleging violations of statutory labor laws and regulations by the Company. As of December 31, 2021, the agreement was subject to final court approval. The Company agreed to pay an aggregate of \$2.0 million to the plaintiffs, plus a portion of payroll taxes on the wage portion on the plaintiffs' payment, in consideration of the settlement when the settlement agreement is formally approved by the court. The parties agreed the settlement was intended solely as a compromise of disputed claims and was not to be understood as a concession or determination that the Company has engaged in any wrongdoing. During the year ended December 31, 2021, the Company recorded litigation expense of \$2.0 million to reflect the final amount owed under the settlement agreement, which is reflected in other operating expenses in the accompanying consolidated statements of comprehensive income.

16. Segments

The Company defines business segments by their distinct customer base and service provided. The Company has identified four reportable segments: Owned Properties, On-Campus Participating Properties, Development Services, and Property Management Services. Management evaluates each segment's performance based on income before depreciation, amortization, and noncontrolling interests.

During the year ended December 31, 2019, the Company updated the presentation of certain items in the reconciliations section in the segment disclosures below by including additional detail in the reconciliation of segment income before depreciation and amortization to consolidated net income.

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
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	Year Ended December 31,		
	2021	2020	2019
Owned Properties			
Rental revenues and other income	\$ 889,052	\$ 820,699	\$ 880,709
Interest income	1,007	459	473
Total revenues from external customers	890,059	821,158	881,182
Operating expenses before depreciation, amortization, and ground/facility lease expense	(407,648)	(378,454)	(390,664)
Ground/facility lease expense	(15,647)	(11,505)	(11,084)
Interest expense, net ⁽¹⁾	(12,201)	(12,413)	(16,859)
Income before depreciation and amortization	\$ 454,563	\$ 418,786	\$ 462,575
Depreciation and amortization	\$ (264,687)	\$ (256,238)	\$ (261,938)
Capital expenditures	\$ 228,122	\$ 373,898	\$ 515,208
Total segment assets at December 31,	\$ 7,344,318	\$ 7,368,883	\$ 7,346,625
On-Campus Participating Properties			
Rental revenues and other income	\$ 31,207	\$ 29,906	\$ 36,346
Interest income	15	31	167
Total revenues from external customers	31,222	29,937	36,513
Operating expenses before depreciation, amortization, and ground/facility lease expense	(14,333)	(13,521)	(15,028)
Ground/facility lease expense	(2,026)	(2,008)	(3,067)
Interest expense, net ⁽¹⁾	(3,483)	(4,146)	(4,934)
Income before depreciation and amortization	\$ 11,380	\$ 10,262	\$ 13,484
Depreciation and amortization	\$ (8,039)	\$ (8,015)	\$ (8,380)
Capital expenditures	\$ 4,308	\$ 2,098	\$ 2,898
Total segment assets at December 31,	\$ 81,815	\$ 86,523	\$ 97,561
Development Services			
Development and construction management fees	\$ 10,191	\$ 7,543	\$ 13,051
Operating expenses	(9,207)	(9,431)	(8,658)
Income (loss) before depreciation and amortization	\$ 984	\$ (1,888)	\$ 4,393
Total segment assets at December 31,	\$ 21,251	\$ 13,887	\$ 13,539
Property Management Services			
Property management fees from external customers	\$ 11,959	\$ 12,436	\$ 12,936
Operating expenses	(11,406)	(12,269)	(11,257)
Income before depreciation and amortization	\$ 553	\$ 167	\$ 1,679
Total segment assets at December 31,	\$ 7,374	\$ 8,390	\$ 8,888
Reconciliations			
Total segment revenues and other income	\$ 943,431	\$ 871,074	\$ 943,682
Unallocated interest income earned on investments and corporate cash	352	2,449	3,046
Total consolidated revenues, including interest income	\$ 943,783	\$ 873,523	\$ 946,728
Segment income before depreciation and amortization	\$ 467,480	\$ 427,327	\$ 482,131
Segment depreciation and amortization	(272,726)	(264,253)	(270,318)
Corporate depreciation	(2,871)	(3,450)	(4,728)
Net unallocated expenses relating to corporate interest and overhead	(147,209)	(129,273)	(117,529)
Gain (loss) from disposition of real estate, net	—	48,525	(53)
Net other operating (expense) and nonoperating income	(4,205)	2,407	—
Amortization of deferred financing costs	(5,824)	(5,259)	(5,012)
Provision for impairment	—	—	(17,214)
(Loss) gain from extinguishment of debt, net	—	(4,827)	20,992
Income tax provision	(1,361)	(1,349)	(1,507)
Net income	\$ 33,284	\$ 69,848	\$ 86,762
Total segment assets	\$ 7,454,758	\$ 7,477,683	\$ 7,466,613
Unallocated corporate assets	119,828	53,477	93,141
Total assets at December 31,	\$ 7,574,586	\$ 7,531,160	\$ 7,559,754

⁽¹⁾ Net of capitalized interest and amortization of debt premiums.

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

17. Subsequent Events

Distributions: On January 24, 2022, the Company's Board of Directors declared a distribution per share of \$0.47 which was paid on February 25, 2022 to all common stockholders of record as of February 4, 2022. At the same time, the Operating Partnership paid an equivalent amount per unit to holders of Common Units, as well as the quarterly cumulative preferential distribution to holders of Series A Preferred Units (see Note 10).

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

18. Schedule of Real Estate and Accumulated Depreciation

	Initial Cost					Total Costs						
	Units	Beds	Land	Buildings and Improvements and Furniture, Fixtures, and Equipment	Costs Capitalized Subsequent to Acquisition / Initial Development ⁽¹⁾	Land	Buildings and Improvements and Furniture, Fixtures, and Equipment	Total ⁽²⁾	Accumulated Depreciation	Encumbrances ⁽³⁾	Year Built ⁽⁴⁾	
<i>Owned Properties</i> ⁽⁵⁾												
The Callaway House College Station	173	538	\$ 5,081	\$ 20,499	\$ 8,397	\$ 5,002	\$ 28,975	\$ 33,977	\$ 16,514	\$ —	1999	
The Village at Science Drive	192	732	4,673	19,021	8,036	4,673	27,057	31,730	13,607	—	2000	
University Village at Boulder Creek	82	309	1,035	16,393	1,666	1,035	18,059	19,094	8,811	—	2002	
University Village	105	406	929	15,168	970	929	16,138	17,067	7,148	—	2004	
University Village	220	749	—	41,119	2,366	—	43,485	43,485	19,756	—	2004	
University Club Apartments	94	376	1,416	11,848	1,720	1,416	13,568	14,984	5,887	—	1999	
City Parc at Fry Street	137	420	1,902	17,678	4,407	1,902	22,085	23,987	10,002	—	2004	
Entrada Real	98	363	1,475	15,859	2,250	1,475	18,109	19,584	8,234	—	2000	
University Village at Sweethome	269	830	2,473	34,448	3,930	2,473	38,378	40,851	15,956	—	2005	
University Village	217	716	4,322	26,225	5,940	4,322	32,165	36,487	13,938	—	1991	
Royal Village	118	448	2,386	15,153	7,368	2,363	22,544	24,907	9,321	—	1996	
Royal Lexington	94	364	2,848	12,783	4,351	2,848	17,134	19,982	7,414	—	1994	
Raiders Pass	264	828	3,877	32,445	5,689	3,877	38,134	42,011	16,135	—	2001	
Aggie Station	156	450	1,634	18,821	6,368	1,634	25,189	26,823	9,785	—	2003	
The Outpost	276	828	3,262	36,252	11,148	3,262	47,400	50,662	19,135	—	2005	
Callaway Villas	236	704	3,903	31,953	800	3,903	32,753	36,656	13,049	—	2006	
The Village on Sixth Avenue	248	752	2,763	22,480	9,887	2,763	32,367	35,130	13,299	—	1999	
Newtown Crossing	356	942	7,013	53,597	1,469	7,013	55,066	62,079	20,745	—	2005	
Olde Towne University Square	224	550	2,277	24,614	(314)	2,277	24,300	26,577	9,420	—	2005	
Peninsular Place	183	478	2,306	16,559	1,368	2,306	17,927	20,233	7,082	—	2005	
University Centre	234	840	—	77,378	910	—	78,288	78,288	28,980	—	2007	
The Summit & Jacob Heights	258	930	2,318	36,464	2,383	2,318	38,847	41,165	13,835	—	2004	
GrandMarc Seven Corners	186	440	4,491	28,807	2,055	4,491	30,862	35,353	10,848	—	2000	
Aztec Corner	180	606	17,460	32,209	6,347	17,460	38,556	56,016	13,119	—	2001	
The Tower at Third	188	375	1,145	19,128	13,131	1,267	32,137	33,404	13,310	—	1973	
Willowtree Apartments and Tower	473	851	9,807	21,880	4,634	9,806	26,515	36,321	10,487	—	1970	
University Pointe	204	682	989	27,576	3,934	989	31,510	32,499	12,292	—	2004	
University Trails	240	684	1,183	25,173	3,704	1,183	28,877	30,060	11,113	—	2003	
Campus Trails	156	480	1,358	11,291	7,901	1,225	19,325	20,550	6,617	—	1991	
University Crossings (ACE)	260	1,016	—	50,668	41,541	—	92,209	92,209	38,019	—	2003	
Vista del Sol (ACE)	613	1,866	—	135,939	7,912	—	143,851	143,851	53,098	—	2008	
Villas at Chestnut Ridge	196	554	2,756	33,510	1,538	2,756	35,048	37,804	12,308	—	2008	
Barrett Honors College (ACE)	604	1,721	—	131,302	23,777	—	155,079	155,079	55,886	—	2009	
Sanctuary Lofts	201	485	2,960	18,180	4,440	2,959	22,621	25,580	8,406	—	2006	

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	Initial Cost					Total Costs					
	Units	Beds	Land	Buildings and Improvements and Furniture, Fixtures, and Equipment	Costs Capitalized Subsequent to Acquisition / Initial Development ⁽¹⁾	Land	Buildings and Improvements and Furniture, Fixtures, and Equipment	Total ⁽²⁾	Accumulated Depreciation	Encumbrances ⁽³⁾	Year Built ⁽⁴⁾
The Edge - Charlotte	180	720	\$ 3,076	\$ 23,395	\$ 9,335	\$ 3,076	\$ 32,730	\$ 35,806	\$ 13,508	\$ —	1999
University Walk	120	480	2,016	14,599	2,960	2,016	17,559	19,575	6,102	—	2002
Uptown	180	528	3,031	21,685	5,245	3,031	26,930	29,961	8,971	—	2004
2nd Avenue Centre	274	868	4,434	27,236	5,089	4,434	32,325	36,759	10,781	—	2008
Villas at Babcock	204	792	4,642	30,901	1,135	4,642	32,036	36,678	13,020	—	2011
Lobo Village (ACE)	216	864	—	42,490	3,080	—	45,570	45,570	14,121	—	2011
Villas on Sycamore	170	682	3,000	24,640	1,439	3,000	26,079	29,079	10,942	—	2011
26 West	367	1,026	21,396	63,994	9,378	21,396	73,372	94,768	23,205	66,938	2008
Avalon Heights	210	754	4,968	24,345	16,120	4,968	40,465	45,433	14,547	—	2002
University Commons	164	480	12,559	19,010	3,767	12,559	22,777	35,336	7,369	—	2003
Casas del Rio (ACE)	283	1,028	—	40,639	3,819	—	44,458	44,458	19,397	—	2012
The Suites (ACE)	439	878	—	45,296	1,530	—	46,826	46,826	16,143	—	2013
Hilltop Townhomes (ACE)	144	576	—	31,507	1,126	—	32,633	32,633	12,271	—	2012
U Club on Frey	216	866	8,703	36,873	3,643	8,703	40,516	49,219	13,605	—	2013
Campus Edge on UTA Boulevard	128	488	2,661	21,233	2,210	2,663	23,441	26,104	8,794	—	2012
U Club Townhomes on Marion Pugh	160	640	6,722	26,546	2,430	6,722	28,976	35,698	11,416	—	2012
Villas on Rensch	153	610	10,231	33,852	1,841	10,231	35,693	45,924	12,791	—	2012
The Village at Overton Park	163	612	5,262	29,374	1,824	5,262	31,198	36,460	12,103	—	2012
Casa de Oro (ACE)	109	365	—	12,362	545	—	12,907	12,907	5,176	—	2012
The Villas at Vista del Sol (ACE)	104	400	—	20,421	738	—	21,159	21,159	8,603	—	2012
The Block	669	1,555	22,270	141,430	19,972	22,572	161,100	183,672	43,193	94,117	2008
University Pointe at College Station (ACE)	282	978	—	84,657	2,943	—	87,600	87,600	34,329	—	2012
309 Green	110	416	5,351	49,987	4,912	5,351	54,899	60,250	15,352	—	2008
The Retreat	187	780	5,265	46,236	4,610	5,265	50,846	56,111	14,862	—	2012
Lofts54	43	172	430	14,741	4,862	430	19,603	20,033	5,762	—	2008
Campustown Rentals	264	746	2,382	40,190	7,263	2,382	47,453	49,835	14,975	—	1982
Chauncey Square	158	386	2,522	40,013	3,046	2,522	43,059	45,581	11,969	—	2011
Texan & Vintage	124	311	5,937	11,906	16,475	5,962	28,356	34,318	7,858	18,796	2008
The Castilian	371	623	3,663	59,772	38,013	3,663	97,785	101,448	32,437	46,052	1967
Bishops Square	134	315	1,206	17,878	3,163	1,206	21,041	22,247	6,770	—	2002
Union	54	120	169	6,348	1,257	169	7,605	7,774	2,439	—	2006
922 Place	132	468	3,363	34,947	4,193	3,363	39,140	42,503	12,156	—	2009
Campustown	452	1,216	1,818	77,894	16,509	1,818	94,403	96,221	26,035	—	1997
River Mill	243	461	1,741	22,806	6,160	1,741	28,966	30,707	9,093	—	1972
The Province	219	696	2,226	48,567	3,714	2,226	52,281	54,507	14,857	—	2011
RAMZ Apartments on Broad	88	172	785	12,303	988	785	13,291	14,076	3,803	—	2004
The Lofts at Capital Garage	36	144	313	3,581	1,089	313	4,670	4,983	1,544	—	2000

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	Initial Cost					Total Costs						Year Built ⁽⁴⁾
	Units	Beds	Land	Buildings and Improvements and Furniture, Fixtures, and Equipment	Costs Capitalized Subsequent to Acquisition / Initial Development ⁽¹⁾	Land	Buildings and Improvements and Furniture, Fixtures, and Equipment	Total ⁽²⁾	Accumulated Depreciation	Encumbrances ⁽³⁾		
25Twenty	249	562	\$ 2,226	\$ 33,429	\$ 3,928	\$ 2,226	\$ 37,357	\$ 39,583	\$ 11,201	\$ —	2011	
The Province	366	858	4,392	63,068	3,309	4,392	66,377	70,769	19,694	—	2009	
The Province	336	816	3,798	70,955	4,161	3,798	75,116	78,914	22,473	—	2010	
5 Twenty Four and 5 Twenty Five Angliana	376	1,060	—	60,448	8,293	5,214	63,527	68,741	18,982	—	2010	
The Province	287	947	—	52,943	6,458	—	59,401	59,401	17,630	—	2009	
U Pointe Kennesaw	216	797	1,482	61,654	8,441	1,482	70,095	71,577	21,513	—	2012	
The Cottages of Durham	141	619	3,955	41,421	3,169	3,955	44,590	48,545	15,913	—	2012	
University Edge	201	608	4,500	26,385	2,276	4,500	28,661	33,161	7,995	—	2012	
The Lodges of East Lansing	364	1,049	6,472	89,231	4,882	6,472	94,113	100,585	26,458	—	2012	
7th Street Station	82	309	9,792	16,472	801	9,792	17,273	27,065	5,190	—	2012	
The Callaway House - Austin	219	753	—	61,550	2,258	—	63,808	63,808	20,705	80,726	2013	
Manzanita Hall (ACE)	241	816	—	48,781	1,773	—	50,554	50,554	17,974	—	2013	
University View (ACE)	96	336	—	14,683	472	—	15,155	15,155	5,164	—	2013	
U Club Townhomes at Overton Park	112	448	7,775	21,483	1,168	7,775	22,651	30,426	7,891	—	2013	
601 Copeland	81	283	1,457	26,699	853	1,457	27,552	29,009	8,170	—	2013	
The Townhomes at Newtown Crossing	152	608	7,745	32,074	929	7,745	33,003	40,748	9,934	—	2013	
Chestnut Square (ACE)	220	861	—	98,369	3,471	—	101,840	101,840	32,039	—	2013	
Park Point	300	924	7,827	73,495	5,770	7,827	79,265	87,092	23,680	70,000	2008	
U Centre at Fry Street	194	614	2,902	47,700	3,427	2,902	51,127	54,029	13,510	—	2012	
Cardinal Towne	255	545	6,547	53,809	4,577	6,547	58,386	64,933	15,464	—	2010	
Merwick Stanworth (ACE)	325	595	—	79,598	(539)	—	79,059	79,059	15,965	—	2014	
Plaza on University	364	1,313	23,987	85,584	6,038	23,987	91,622	115,609	26,651	—	2014	
U Centre at Northgate (ACE)	196	784	—	35,663	810	—	36,473	36,473	10,988	—	2014	
University Walk	177	526	4,341	29,073	4,165	4,341	33,238	37,579	7,370	—	2014	
U Club on Woodward	236	944	16,350	46,982	1,416	16,349	48,399	64,748	14,790	—	2014	
Park Point	66	226	—	25,725	4,012	—	29,737	29,737	6,878	—	2010	
1200 West Marshall	136	406	4,397	33,908	2,372	4,397	36,280	40,677	8,775	—	2013	
8 1/2 Canal Street	160	540	2,797	45,394	2,659	2,797	48,053	50,850	10,658	—	2011	
Vistas San Marcos	255	600	586	45,761	7,923	586	53,684	54,270	15,939	—	2013	
Crest at Pearl	141	343	4,395	36,268	2,149	4,491	38,321	42,812	8,986	23,372	2014	
U Club Binghamton	326	1,272	15,858	92,372	3,824	15,858	96,196	112,054	17,732	—	2005	
160 Ross	182	642	2,962	38,478	1,428	2,962	39,906	42,868	10,361	—	2015	
The Summit at University City (ACE)	351	1,315	—	154,770	2,964	—	157,734	157,734	32,762	—	2015	
2125 Franklin	192	734	8,299	55,716	970	8,299	56,686	64,985	12,890	—	2015	
University Crossings	187	546	645	36,838	7,873	645	44,711	45,356	8,222	—	2014	
U Club on 28th	100	398	9,725	45,788	648	9,725	46,436	56,161	8,838	—	2016	
Currie Hall (ACE)	178	456	—	49,987	583	—	50,570	50,570	10,199	—	2016	

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	Units	Beds	Initial Cost		Costs Capitalized Subsequent to Acquisition / Initial Development ⁽¹⁾	Total Costs			Accumulated Depreciation	Encumbrances ⁽³⁾	Year Built ⁽⁴⁾
			Land	Buildings and Improvements and Furniture, Fixtures, and Equipment		Land	Buildings and Improvements and Furniture, Fixtures, and Equipment	Total ⁽²⁾			
University Pointe (ACE)	134	531	\$ —	\$ 44,035	\$ 453	\$ —	\$ 44,488	\$ 44,488	\$ 8,605	\$ —	2016
Fairview House (ACE)	107	633	—	38,144	347	—	38,491	38,491	8,843	—	2016
U Club Sunnyside	134	534	7,423	41,582	752	7,423	42,334	49,757	8,243	—	2016
Stadium Centre	636	1,723	27,808	158,189	10,431	27,808	168,620	196,428	29,311	60,824	2016
U Point	54	163	1,425	17,325	2,578	1,425	19,903	21,328	3,829	—	2016
The Arlie	169	598	1,350	43,352	2,360	1,350	45,712	47,062	8,924	—	2016
TWELVE at U District	283	384	13,013	98,115	4,046	13,013	102,161	115,174	13,380	—	2014
The 515	183	513	1,611	68,953	2,667	1,611	71,620	73,231	9,165	—	2015
State	220	665	3,448	66,774	3,015	3,448	69,789	73,237	10,550	—	2013
Tooker House (ACE)	429	1,594	—	103,897	172	—	104,069	104,069	17,508	—	2017
SkyView (ACE)	163	626	—	57,578	439	—	58,017	58,017	8,789	—	2017
University Square (ACE)	143	466	—	25,635	141	—	25,776	25,776	4,372	—	2017
U Centre on Turner	182	718	14,000	55,456	303	14,001	55,758	69,759	8,805	—	2017
U Pointe on Speight	180	700	4,705	46,160	627	4,705	46,787	51,492	7,233	—	2017
21Hundred at Overton Park	296	1,204	16,767	64,057	1,169	16,767	65,226	81,993	10,641	—	2017
The Suites at Third	63	251	831	22,384	23	831	22,407	23,238	3,527	—	2017
Callaway House Apartments	386	915	12,651	78,220	892	12,651	79,112	91,763	12,718	—	2017
U Centre on College	127	418	—	41,607	(44)	—	41,563	41,563	6,126	—	2017
The James	366	850	18,871	118,096	2,802	18,871	120,898	139,769	17,677	—	2017
Bridges @ 11th	184	258	—	58,825	1,785	—	60,610	60,610	7,176	—	2015
Hub U District Seattle	111	248	5,700	56,355	1,617	5,700	57,972	63,672	8,379	—	2017
David Blackwell Hall (ACE)	412	780	—	96,891	861	—	97,752	97,752	10,778	—	2018
Gladding Residence Center (ACE)	592	1,524	—	94,368	405	—	94,773	94,773	11,440	—	2018
Irrington House (ACE)	197	648	—	36,187	44	—	36,231	36,231	4,471	—	2018
Greek Leadership Village (ACE)	498	957	—	69,351	305	—	69,656	69,656	8,446	—	2018
NAU Honors College (ACE)	318	636	—	41,222	415	—	41,637	41,637	5,345	—	2018
U Club Townhomes at Oxford	132	528	5,115	39,239	97	5,115	39,336	44,451	4,934	—	2018
Hub Ann Arbor	124	310	7,050	42,865	1,789	7,050	44,654	51,704	5,283	—	2018
The Jack	198	591	5,397	56,626	867	5,397	57,493	62,890	6,817	—	2018
Campus Edge on Pierce	289	598	6,881	55,818	1,579	6,881	57,397	64,278	7,327	—	2018
191 College	127	495	5,434	55,844	—	5,434	55,844	61,278	4,461	—	2019
LightView (ACE)	214	825	—	148,922	1,088	—	150,010	150,010	12,227	—	2019
University of Arizona Honors College (ACE)	319	1,056	—	76,214	405	—	76,619	76,619	6,854	—	2019
959 Franklin	230	443	5,026	62,980	—	5,026	62,980	68,006	4,493	—	2019
Currie Hall Phase II (ACE)	95	272	—	41,812	—	—	41,812	41,812	1,929	—	2020
Manzanita Square (ACE)	169	597	—	127,413	—	—	127,413	127,413	5,653	—	2020
Disney College Program Phases I-V (ACE)	1,323	5,284	—	365,566	—	—	365,566	365,566	12,086	—	2020-21

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	Initial Cost					Total Costs					
	Units	Beds	Land	Buildings and Improvements and Furniture, Fixtures, and Equipment	Costs Capitalized Subsequent to Acquisition / Initial Development ⁽¹⁾	Land	Buildings and Improvements and Furniture, Fixtures, and Equipment	Total ⁽²⁾	Accumulated Depreciation	Encumbrances ⁽³⁾	Year Built ⁽⁴⁾
Properties Under Development ⁽⁶⁾											
Disney College Program Phases VI-X (ACE) ⁽⁷⁾	1,291	5,156	\$ —	\$ 236,237	\$ —	\$ —	\$ 236,237	\$ 236,237	\$ —	\$ —	2022-23
Undeveloped land parcels ⁽⁸⁾	—	—	90,828	1,968	—	90,828	1,968	92,796	1,612	—	N/A
Subtotal	34,423	106,674	\$ 672,730	\$ 7,322,890	\$ 592,587	\$ 678,254	\$ 7,909,953	\$ 8,588,207	\$ 1,911,396	\$ 460,825	
On-Campus Participating Properties											
University Village & University Village Northwest at Prairie View	648	2,064	\$ —	\$ 40,734	\$ 11,529	\$ —	\$ 52,263	\$ 52,263	\$ 43,162	\$ 5,624	1998
University Village at Laredo	84	250	—	5,844	1,597	—	7,441	7,441	6,565	861	1997
University College at Prairie View	756	1,470	—	22,650	8,174	—	30,824	30,824	24,041	8,210	2001
Cullen Oaks	411	879	—	33,910	4,344	—	38,254	38,254	21,851	22,562	2003
College Park	224	567	—	43,634	2,132	—	45,766	45,766	13,370	38,424	2014
Subtotal	2,123	5,230	\$ —	\$ 146,772	\$ 27,776	\$ —	\$ 174,548	\$ 174,548	\$ 108,989	\$ 75,681	
Total	36,546	111,904	\$ 672,730	\$ 7,469,662	\$ 620,363	\$ 678,254	\$ 8,084,501	\$ 8,762,755	\$ 2,020,385	\$ 536,506	

⁽¹⁾ Includes write-offs of fully depreciated assets.

⁽²⁾ Total aggregate costs for federal income tax purposes is approximately \$9.7 billion.

⁽³⁾ Total encumbrances exclude net unamortized debt premiums and deferred financing costs of approximately \$0.4 million and \$1.1 million, respectively, as of December 31, 2021.

⁽⁴⁾ For properties with multiple phases, the year built represents the weighted average year based on the number of beds delivered each year.

⁽⁵⁾ A number of our properties consist of two or more phases that are counted separately in the property portfolio numbers disclosed in Note 1.

⁽⁶⁾ Initial costs represent construction costs incurred to date associated with the development of these properties. Year built represents the scheduled completion date.

⁽⁷⁾ Includes 739 beds delivered as a part of Phase VI for which construction was substantially complete as of December 31, 2021, but were not occupied until January 2022.

⁽⁸⁾ Buildings and improvements and furniture, fixtures, and equipment and accumulated depreciation amounts are related to buildings on three land parcels that will be demolished as part of development.

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

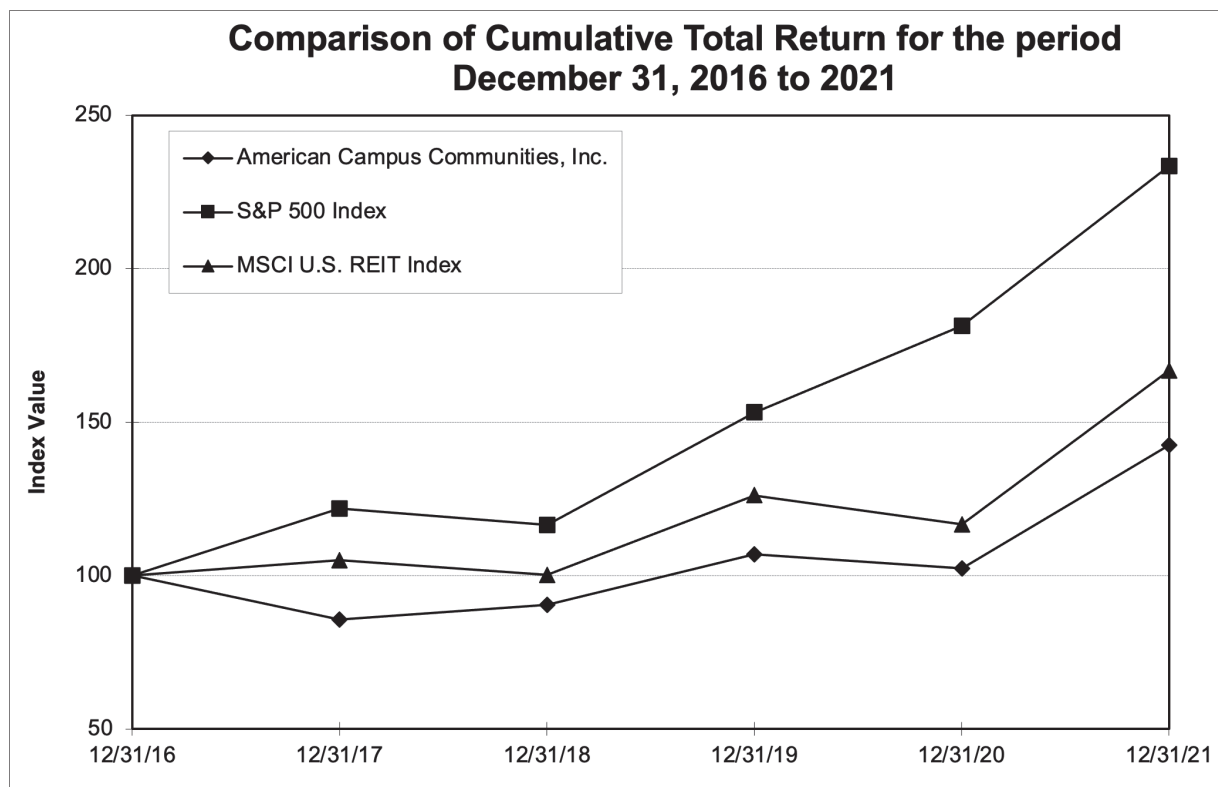
The changes in the Company's investments in real estate and related accumulated depreciation for each of the years ended December 31, 2021, 2020, and 2019 are as follows:

	For the Year Ended December 31,					
	2021		2020		2019	
	Owned ⁽¹⁾	On-Campus ⁽²⁾	Owned ⁽¹⁾	On-Campus ⁽²⁾	Owned ⁽¹⁾	On-Campus ⁽²⁾
Investments in Real Estate						
Balance, beginning of year	\$ 8,382,396	\$ 171,607	\$ 8,137,504	\$ 169,499	\$ 7,813,959	\$ 162,562
Acquisition of land for development	13,223	—	21,408	—	10,219	—
Improvements and development expenditures	205,718	4,317	355,590	2,108	484,949	2,900
Write-off of fully depreciated or damaged assets	(13,130)	(1,376)	(9,831)	—	(3,831)	(306)
Provision for real estate impairment	—	—	—	—	(3,201)	—
Disposition of real estate	—	—	(122,275)	—	(160,248)	—
Transfer of property from owned to OCPP structure	—	—	—	—	(4,343)	4,343
Balance, end of year	\$ 8,588,207	\$ 174,548	\$ 8,382,396	\$ 171,607	\$ 8,137,504	\$ 169,499
Accumulated Depreciation						
Balance, beginning of year	\$ (1,660,652)	\$ (102,326)	\$ (1,442,789)	\$ (94,311)	\$ (1,230,562)	\$ (84,925)
Depreciation for the year	(262,975)	(8,039)	(252,222)	(8,015)	(255,796)	(8,380)
Write-off of fully depreciated or damaged assets	12,231	1,376	9,831	—	3,831	306
Disposition of properties	—	—	24,528	—	38,426	—
Transfer of property from owned to OCPP structure	—	—	—	—	1,312	(1,312)
Balance, end of year	\$ (1,911,396)	\$ (108,989)	\$ (1,660,652)	\$ (102,326)	\$ (1,442,789)	\$ (94,311)

⁽¹⁾ Includes wholly-owned off-campus and on-campus properties, in addition to properties owned through investments in VIEs.

⁽²⁾ Represents on-campus participating properties.

COMMON STOCK PERFORMANCE GRAPH



The following performance graph compares the cumulative total return on our common stock with the cumulative total return of the Standard & Poor's 500 Stock Index and the MSCI US REIT Index for the period December 31, 2016 through December 31, 2021. The performance graph assumes an investment of \$100 on December 31, 2016 in American Campus Communities, Inc. and the two previously mentioned indices, and the reinvestment of any dividends. The performance reflected in the graph is not necessarily indicative of future performance.

Source: S&P Global Market Intelligence
© 2022

Index	Period Ending					
	12/31/16	12/31/17	12/31/18	12/31/19	12/31/20	12/31/21
American Campus Communities, Inc.	100.00	85.66	90.43	106.95	102.30	142.62
S&P 500 Index	100.00	121.83	116.49	153.17	181.35	233.41
MSCI U.S. REIT Index	100.00	105.07	100.27	126.18	116.62	166.84

Corporate Information

Board of Directors

William C. Bayless, Jr.
Chief Executive Officer
Executive Committee Chair

Herman E. Bulls
(Vice Chairman, Americas and International Director of JLL)
Strategic Planning and Risk Committee Member

G. Steven Dawson
(Private Investor)
Audit Committee Chair
Compensation Committee Member

Cydney C. Donnell
(Associate Department Head Finance and Executive Professor,
Mays Business School of Texas A&M University)
Independent Chair of the Board
Capital Allocation Committee Member
Executive Committee Member

Mary C. Egan
(Independent Consultant)
Compensation Committee Member
Strategic Planning and Risk Committee Chair

Alison M. Hill
(Private Investor)
Capital Allocation Committee Member
Compensation Committee Chair

Craig A. Leupold
(Chief Executive Officer of GSI Capital Advisors)
Capital Allocation Committee Chair
Executive Committee Member
Nominating and Corporate Governance Committee Member

Oliver Luck
(Private Investor)
Nominating and Corporate Governance Committee Chair
Strategic Planning and Risk Committee Member

C. Patrick Oles, Jr.
(President and Chief Executive Officer of Barshop & Oles Company)
Audit Committee Member
Executive Committee Member
Nominating and Corporate Governance Committee Member

John T. Rippel
(Chief Operating Officer of Alliance Residential Company)
Audit Committee Member
Capital Allocation Committee Member

Executive Officers

William C. Bayless, Jr.
Chief Executive Officer

Jennifer Beese
President, Chief Operating Officer

Jorge de Cárdenas
Executive Vice President, Chief Technology Officer

Lonnie Ledbetter
Executive Vice President, Chief Purpose and Inclusion Officer

Daniel B. Perry
Executive Vice President, Chief Financial Officer, Treasurer and Secretary

William W. Talbot
Executive Vice President, Chief Investment Officer

Kim K. Voss
Executive Vice President, Chief Accounting Officer and Assistant Secretary

James E. Wilhelm III
Executive Vice President, Public-Private Transactions

Brian Winger
Executive Vice President, General Counsel

LEGAL COUNSEL
Dentons US LLP
Dallas, Texas

AUDITORS
Ernst & Young LLP
Austin, Texas

TRANSFER AGENT
EQ Shareowner Services
1110 Centre Pointe Curve, Suite 101
Mendota Heights, MN 55120
(800) 468-9716
www.equiniti.com

SHAREHOLDER INFORMATION

Copies of the Company's Form 10-K and all amendments filed with the Securities and Exchange Commission for the year ended December 31, 2021, Committee Charters, Guidelines on Governance, Code of Business Conduct and Ethics, and Code of Ethical Conduct for Senior Financial Officers may be obtained free of charge by contacting:

Investor Relations
American Campus Communities
12700 Hill Country Blvd STE T-200
Austin, Texas 78738
ir@americancampus.com
www.americancampus.com

ANNUAL MEETING

May 24, 2022
8:00 a.m. CT
12700 Hill Country Blvd STE T-200
Austin, Texas 78738



AMERICAN
CAMPUS
COMMUNITIES

12700 Hill Country Boulevard
Suite T-200
Austin, Texas 78738
T. (512) 732-1000 F. (512) 732-2450
www.americancampus.com



TOWN OF DURHAM
8 NEWMARKET ROAD
DURHAM, NH 03824-2898
Tel: 603/868-8064

ABATEMENT RECOMMENDATION

DATE: April 1, 2024

TOWN OF: Durham

TO: Town Council

FROM: Jay Ferreira

OWNER: Andrea D. Chan Revocable Trust
Andrea D. Chan, Trustee
30 Bagdad Road
Durham, NH 03824

REPRESENTATIVE: N/A

PROPERTY LOCATION: 30 Bagdad Road, Durham, NH 03824

PID: 104-76

PROPERTY TAX YEAR(S) APPEALED: 2023

APPLICATION FILING DATE: March 1, 2024

INVENTORY FILING DATE (Filing Date April 15th): *N/A*

ASSESSMENT APPEALED: \$ 563,400

Municipalities may abate taxes "for good cause shown." RSA 76:16. Good cause is generally established by showing an error in the assessment calculation or a disproportionate assessment. Good cause can also be established by showing poverty and inability to pay the tax. If the abatement application is based on disproportionate assessment, the taxpayer has the burden to show how the assessment was disproportionate. To carry this burden the taxpayer must show:

- a. What the property was worth (market value) on the assessment date.
- b. The property's "equalized assessment" exceeded the property's market value. To calculate the equalized assessment, simply divide the assessment by the municipality's equalization ratio (assessment⁷ ratio). Because a property's market value is a crucial issue, **taxpayers must have an opinion of the market value estimate. Obtaining an appraisal or presenting sales of comparable properties can show this value estimate.**



REASON FOR APPEAL: The taxpayer is appealing her 2023 property taxes because she believes the land portion of her assessment is disproportionate "based on land sales and level of assessment".

ASSESSOR'S COMMENTS: The taxpayer cited a property located at 48 Bagdad Road that sold 4/26/23 for \$125,000 to the abutter. The house has since been torn down and replaced with a new house. This sale is considered an "unqualified sale" because it was not an "arm's length transaction" or a reflection of market value.

The taxpayer is also appealing the methodology used to arrive at the land portion of the assessment and is not appealing the total assessed value.

"To succeed on a tax abatement claim, the taxpayers have the burden of proving by a preponderance of the evidence that they are paying more than their proportional share of taxes. To carry the burden of proving disproportionality, the taxpayers must establish that their property is assessed at a higher percentage of fair market value than the percentage at which the property is generally assessed in the town. As prescribed in RSA 75:1, the proportionality of an assessment is based on a credible estimate of market value adjusted by the level of assessment. Porter v. Sanbornton 150 NH 363, 367 (2003).

"There is never one exact, precise, or perfect assessment; rather, there is an acceptable range of values which, when adjusted to the municipality's general level of assessment, represents a measure of proportionality and the resulting tax burden". Wise Shoe Co. v. Town of Exeter, 119 NH 700, 702 (1979).

"Even if a taxpayer wishes to challenge only one component of the assessment, such as the land value or building value, the taxpayer still has the burden of proving the aggregate value of the property as a whole is disproportional and the total assessment is excessive". Appeal of Walsh, 156 NH 347, 356 (2007).

The purpose of a revaluation is to estimate the market value of all taxable and non-taxable properties within a municipality. Based on real estate sales, market trends and location, the desirability of some neighborhoods may increase, decrease, or stay the same. During the 2023 revaluation, it was determined that this section of Bagdad Road where the subject property is located was more desirable which warranted changing the neighborhood code.

RECOMMENDATION: Based on the evidence presented, I recommend the taxpayers abatement request be denied because she is appealing the methodology used when performing a revaluation and only the land portion of the assessment and is not appealing her total assessment.

TAXPAYER'S RSA 76:16 ABATEMENT APPLICATION TO MUNICIPALITY

RECEIVED
Town of Durham

TAX YEAR APPEALED 23-24

MAR 01 2024

Planning, Zoning
and Assessing

INSTRUCTIONS

1. Complete the application by typing or printing legibly in ink. **This application does not stay the collection of taxes; taxes should be paid as assessed. If an abatement is granted, a refund with interest will be made.**
2. File this application with the municipality by the deadline (see below). Date of filing is the date this form is either hand delivered to the municipality, postmarked by the post office, or receipted by an overnight delivery service.

DEADLINES: The "notice of tax" means the date the board of tax and land appeals (BTLA) determines the last tax bill was sent by the municipality. (If your municipality bills twice annually, you must apply after the bill that establishes your final tax liability and not before.)

Step One: Taxpayer must file the abatement application with the municipality by March 1 following the notice of tax.
Step Two: Municipality has until July 1 following the notice of tax to grant or deny the abatement application.
Step Three: Taxpayer may file an appeal either at the BTLA (RSA 76:16-a) or in the superior court (RSA 76:17), but not both. An appeal must be filed:

- 1) no earlier than: a) after receiving the municipality's decision on the abatement application; or b) July 1 following the notice of tax if the municipality has not responded to the abatement application; and
- 2) no later than September 1 following the notice of tax.

EXCEPTION: If your municipality's final tax bill was sent out after December 31 (as determined by the BTLA), the above deadlines are modified as follows (RSA 76:1-a; RSA 76:16-d, II):

Step One: 2 months after notice of tax;
Step Two: 6 months after notice of tax; and
Step Three: 8 months after notice of tax.

FORM COMPLETION GUIDELINES:

1. **SECTION E.** Municipalities may abate taxes "for good cause shown." RSA 76:16. Good cause is generally established by showing an error in the assessment calculation or a disproportionate assessment. Good cause can also be established by showing poverty and inability to pay the tax.
2. **SECTION G.** If the abatement application is based on disproportionate assessment, the taxpayer has the burden to show how the assessment was disproportionate. To carry this burden the taxpayer must show: a) what the property was worth (market value) on the assessment date; and b) the property's "equalized assessment" exceeded the property's market value. To calculate the equalized assessment, simply divide the assessment by the municipality's equalization ratio (assessment ÷ ratio). Because a property's market value is a crucial issue, taxpayers must have an opinion of the market value estimate. This value estimate can be shown by obtaining an appraisal or presenting sales of comparable properties.
3. **SECTION H.** The applicant(s) must sign the application even if a representative (e.g. Tax Representative, Attorney, or other Advocate) completes Section I.
4. Make a copy of this document for your own records.

FOR MUNICIPALITY USE ONLY:

Town File No.: _____

Taxpayer Name: _____

RSA 76:16 ABATEMENT APPLICATION TO MUNICIPALITY

SECTION A. Party(ies) Applying (Owner(s)/Taxpayer(s))

Name(s): Andrea Chan

Mailing Address: 30 Bagdad Road, Durham NH 03824

Telephone Number(s): (Work) _____ ^{cell} (Home) 510-919-6561

Note: If an abatement is granted and taxes have been paid, interest on the abatement shall be paid in accordance with RSA 76:17-a. Any interest paid to the applicant must be reported by the municipality to the United States Internal Revenue Service, in accordance with federal law. Prior to the payment of an abatement with interest, the taxpayer shall provide the municipality with the applicant's social security number or federal tax identification number. Municipalities shall treat the social security or federal tax identification information as confidential and exempt from a public information request under RSA 91-A.

SECTION B. Party's(ies)' Representative if other than Person(s) Applying (Also Complete Section A)

Name(s): _____

Mailing Address: _____

Telephone Number(s): (Work) _____ (Home) _____

SECTION C. Property(ies) for which Abatement is Sought

List the tax map and lot number, the actual street address and town of each property for which abatement is sought, a brief description of the parcel, and the assessment.

<u>Town Parcel ID#</u>	<u>Street Address/Town</u>	<u>Description</u>	<u>Assessment</u>
<u>104/ 76 10</u>	<u>30 Bagdad Rd, Durham</u>	<u>single family home and .37 acres land</u>	<u>\$563,400</u>

SECTION D. Other Property(ies)

List other property(ies) in the municipality owned in the same name(s), even if abatements for the other property(ies) have not been sought. The taxpayer's entire real property estate must be considered in determining whether the appealed property(ies) is (are) disproportionately assessed.

<u>Town Parcel ID#</u>	<u>Street Address/Town</u>	<u>Description</u>	<u>Assessment</u>

SECTION E. Reasons for Abatement Application

RSA 76:16 provides that an abatement may be granted for "good cause shown." "Good cause" generally means:
1) establishing an assessment is disproportionate to market value and the municipality's level of assessment; or
2) establishing poverty and inability to pay the tax. This form can be utilized for either basis of requesting an abatement. The taxpayer has the burden to prove good cause for an abatement.

- 1) If claiming disproportionality, state with specificity all the reasons supporting your application. Statements such as "taxes too high," "disproportionately assessed" or "assessment exceeds market value" are insufficient. Generally, specificity requires the taxpayer to present material on the following (all may not apply):
1. physical data – incorrect description or measurement of property;
 2. market data – the property's market value on the April 1 assessment date, supported by comparable sales or a professional opinion of value; and/or
 3. level of assessment – the property's assessment is disproportionate by comparing the property's market value and the town-wide level of assessment.

Note: If you have an appraisal or other documentation, please submit it with this application.

- 2) If claiming poverty or inability to pay, state in detail why abatement of taxes is appropriate as opposed to some other relief such as relocating, refinancing or obtaining some alternative public assistance.
Ansara v. City of Nashua, 118 N.H. 879 (1978).

(Attach additional sheets if needed.)

The assessment of the land of 30 Bagdad Road is
disproportionately assessed based on sales data and
level of assessment.

(continued on additional sheet)

Section E (continued)

- a) Market data shows that 48 Bagdad Rd was sold on 4/26/23 for \$125,000. 48 Bagdad Rd is 0.53 acres while 30 Bagdad Rd is only 0.37 acres. 48 Bagdad Rd is 5 houses away from 30 Bagdad Rd, yet the land value of 30 Bagdad Rd is \$261,000—more than twice the actual sales amount of 48 Bagdad. Note: 48 Bagdad had a house on it when it was sold, but the old house was knocked down, so the assumption is that the sales price was for the land only.
- b) The level of assessment shows that the land value of 30 Bagdad Rd is disproportionate to houses on Emerson Rd, Woodman and Madbury Rd. The houses in comparison ^{on Emerson} are only 4 houses away from 30 Bagdad Rd. Their assessment value ^{of land} increased only 77.3% or 77.2%, yet the land value of 30 Bagdad increased 145.5%. If you look at the data in Section 6, the land value of 30 Bagdad was less than all but one property in the previous assessment cycle. There has been no significant change to the property that would increase the land value of 30 Bagdad disproportionately to other surrounding properties. The land value of 30 Bagdad is now greater than all the comparable properties.

SECTION F. Taxpayer's(s') Opinion of Market Value

State your opinion of the market value of the property(ies) appealed as of April 1 of the year under appeal.

Town Parcel ID# 10417610

Appeal Year Market Value \$427,400 - 490,870

Town Parcel ID# _____

Appeal Year Market Value \$ _____

Explain the basis for your value opinion(s). (Attach additional sheets if necessary.)

If based on sales data comparisons, 30 Bagdad Rd would have a land value of \$125,000. If based on the highest land value increase percentage (77.3%), 30 Bagdad Rd would have a land value of \$4188,470. Added to the improvement assessment of \$302,400, the total assessed value would be between \$427,900 - \$490,870.00.

SECTION G. Sales, Rental and/or Assessment Comparisons

List the properties you are relying upon to show overassessment of your property(ies). If you are appealing an income producing property, list the comparable rental properties and their rents. (Attach additional sheets if needed.)

Town Parcel ID#	Street Address	Sale Price/Date of Sale	Rents	Assessment
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see additional sheet

SECTION H. Certification by Party(ies) Applying

Pursuant to BTLA Tax 203.02(d), the applicant(s) **MUST** sign the application. By signing below, the Party(ies) applying certifies (certify) and swear(s) under the penalties of RSA ch. 641 the application has a good faith basis, and the facts stated are true to the best of my/our knowledge.

Date: 2/29/24

Anel
(Signature)

(Signature)

SECTION 6 - SALES comparison

TOWN PARCEL#	STREET ADDRESS	Decded Acres	SALE PRICE	DATE OF SALE	ASSESSMENT
104/68/0	48 Bagdad Road, Durham	0.53	\$125,000	4/26/2023	\$421,500
				5/26/2023	\$421,500

Assessment comparison

Town Parcel#	Address	Decded Acres	Land Assessment (22/23)	Land Assessment (23/24)	% increase
104/40/0	51 Emerson	0.65	\$112,900	\$200,200	77.03%
104/39/0	49 Emerson	0.35	\$105,500	\$187,000	77.20%
107/47/0	33 Woodman	0.24	\$119,200	\$178,900	50.10%
107/55/0	30 Woodman	0.19	\$115,200	\$172,900	50.10%
105/101/0	61 Madbury Rd	0.63	\$112,600	\$199,600	77.20%
104/76/0	30 Bagdad Rd	0.37	\$106,300	\$261,000	* 145.50%

SECTION I. Certification and Appearance by Representative (If Other Than Party(ies) Applying)

By signing below, the representative of the Party(ies) applying certifies and swears under penalties of RSA ch. 641:

1. all certifications in Section H are true;
2. the Party(ies) applying has (have) authorized this representation and has (have) signed this application; and
3. a copy of this form was sent to the Party(ies) applying.

Date: _____

(Representative's Signature)

SECTION J. Disposition of Application* (For Use by Selectmen/Assessor)

*RSA 75:16, II states: the municipality "shall review the application and shall grant or deny the application in writing by July 1 after notice of tax date . . ."

Abatement Request: GRANTED _____ Revised Assessment: \$ _____ DENIED _____

Remarks:

Date: _____

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

Rev. 3/12



*TOWN OF DURHAM
8 NEWMARKET ROAD
DURHAM, NH 03824-2898
Tel: 603/868-8064*

ABATEMENT RECOMMENDATION

DATE: April 1, 2024

TOWN OF: Durham

TO: Town Council

FROM: Jay Ferreira

OWNER: Chase Family Trust
271 Durham Point Rd
Durham, NH 03824

REPRESENTATIVE: N/A

PROPERTY LOCATION: 271 Durham Point Rd, Durham, NH 03824

PID: 227-6

PROPERTY TAX YEAR(S) APPEALED: 2023

APPLICATION FILING DATE: February 20, 2024

INVENTORY FILING DATE (Filing Date April 15th): N/A

ASSESSMENT APPEALED: \$1,201,500

Municipalities may abate taxes “for good cause shown.” RSA 76:16. Good cause is generally established by showing an error in the assessment calculation or a disproportionate assessment. Good cause can also be established by showing poverty and inability to pay the tax. If the abatement application is based on disproportionate assessment, the taxpayer has the burden to show how the assessment was disproportionate. To carry this burden the taxpayer must show:

- a. What the property was worth (market value) on the assessment date.
- b. The property’s “equalized assessment” exceeded the property’s market value. To calculate the equalized assessment, simply divide the assessment by the municipality’s equalization ratio (assessment ÷ ratio). Because a property’s market value is a crucial issue, **taxpayers must have an opinion of the market value estimate. Obtaining an appraisal or presenting sales of comparable properties can show this value estimate.**



REASON FOR APPEAL: The owner applied for an abatement of his 2023 property taxes due to A) Property is not on a public street. B) Restrictive covenants are detrimental to overall value. C) Lot use is restricted by physical features preventing full use of waterfront. D) Silting limits use of Cove/Bay. E) Noise due to proximity of National Guard Air Base

ASSESSORS COMMENTS: On 2/22/2024 I inspected the property. The measure and listing of the property were correct. (A) There is a 5% deduction already given for the street issue. (B) The owners produced an easement. The easement gave access to the property's waterfront to the "Kingman Family". The Kingman family no longer live on Durham Point Road. I was informed that the nearest Kingman family member lives in Connecticut. I do not believe this easement to the "Kingman Family" affects the value of the property. (C) I determined the 170 lf of water frontage did not have any physical features that would prevent full use of their waterfront. (D) I am not qualified to determine silting levels on Great Bay. (E) Every property in Durham/Dover/Newington is affected from noise due to the National Guard Air Base.

RECOMMENDATION: I recommend the Council denies this abatement request.

RECEIVED
Town of Durham

FEB 20 2024

Planning, Zoning
and Assessing

FOR MUNICIPALITY USE ONLY:

Town File No.: _____

Taxpayer Name: _____

RSA 76:16 ABATEMENT APPLICATION TO MUNICIPALITY

SECTION A. Party(ies) Applying (Owner(s)/Taxpayer(s))

Name(s): Chase Family Security Trust
Mailing Address: 271 Durham Point Road Durham NH 03824
Telephone Number(s): (Work) 781 710 2530 (Home) 703 786 9673

Note: If an abatement is granted and taxes have been paid, interest on the abatement shall be paid in accordance with RSA 76:17-a. Any interest paid to the applicant must be reported by the municipality to the United States Internal Revenue Service, in accordance with federal law. Prior to the payment of an abatement with interest, the taxpayer shall provide the municipality with the applicant's social security number or federal tax identification number. Municipalities shall treat the social security or federal tax identification information as confidential and exempt from a public information request under RSA 91-A.

SECTION B. Party's(ies)' Representative if other than Person(s) Applying (Also Complete Section A)

Name(s): Susan Chase and David Chase
Mailing Address: 271 Durham Point Road, Durham NH 03824
Telephone Number(s): (Work) 781 710 2530 (Home) 703 786 9673

SECTION C. Property(ies) for which Abatement is Sought

List the tax map and lot number, the actual street address and town of each property for which abatement is sought, a brief description of the parcel, and the assessment.

<u>Town Parcel ID#</u>	<u>Street Address/Town</u>	<u>Description</u>	<u>Assessment</u>
20-16-1 227-6	271 Durham Point Rd Durham NH	Single family home	
	2023 assessment	\$1,201,500	

Section E. Reasons for Abatement Application

1. Lot 20-16-1 consists of 1.29 acres of which approximately 1.0 acres is unusable. This unusable area is bounded by a descending stream which drains from Durham Point Road and upland to the west of Durham Point Rd. The portion on the south side of the stream is completely wooded and obstructs any water view. Its use is only for "Silverculture" and is only accessible via a small foot bridge built and installed by the homeowner. A portion on the north side is also wooded and obstructs water views. See attached map below.

2. The total cove frontage of the subject land is 170.9 linear feet of which only 68 linear feet is usable. The balance (103 linear feet) consists of a 10-12 foot vertical ledge and rocky outcropping at the base of the ledge that renders that part of the property unusable. There is no beach area and it's unsafe to walk on the rocks.

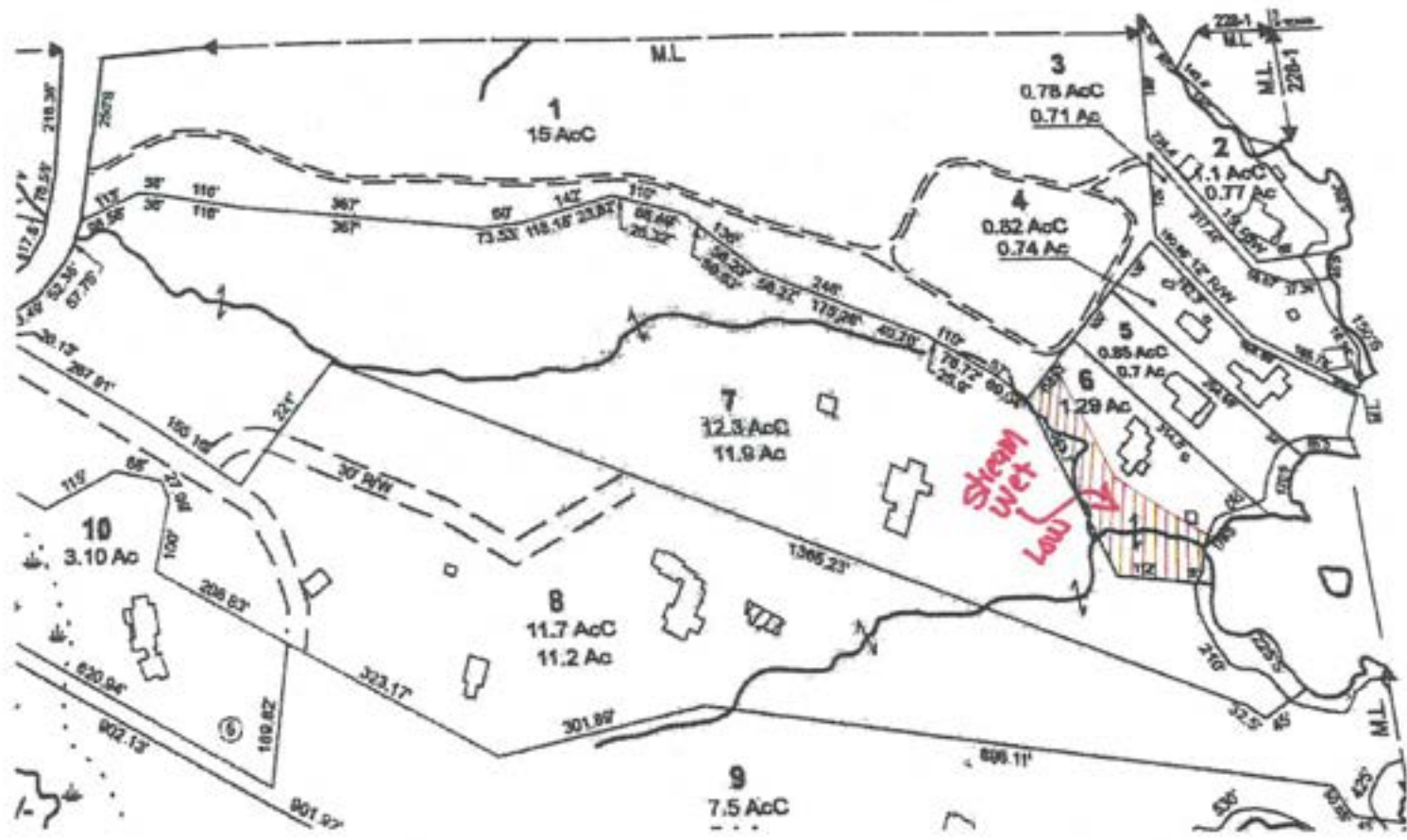
3. The increase in the appraised values are not consistent with reasonable residential real estate inflation rates. The following table shows the dramatic and unsubstantiated increase (overall 53%) from last year to this year.

Valuation Year	Building	Land	Total
2022	\$339,600	\$443,500	\$783,100
2023	\$537,300	\$664,200	\$1,201,500
\$ Increase	\$197,700	\$220,700	\$418,400
% Increase	58%	50%	53%

In addition, the equalization ratio as calculated according to the instructions is higher than the market value.

4. Offsite Factors That Affect Values:

- a. Bay Corporation Site. Lot 20-16-1 is one of five lots that make up what is referred to as the Bay Corporation, which acts as the managing Agent for the land mass serving each home. Each year a President and Treasurer are elected to represent the five families in affairs pertaining to the maintenance and upkeep of the common road, all the common property to include tree maintenance and to pay any taxes due on the current use land. All five families contribute equally to these costs.
- b. The site is served by a 1/8 mile private dirt/gravel road, which requires year 'round funding for maintenance and general upkeep.
- c. Electrical service is provided by a single line from Colony Cove Rd. through a tree line that is not properly maintained by Eversource and outages are frequent.
- d. An appraiser must note that this property is not on a public street with all the amenities of public service (e.g. trash pickup, plowing, etc) and when comparing, a deduction in value must be considered. The annual cost for



SECTION F. Taxpayer's(s') Opinion of Market Value

State your opinion of the market value of the property(ies) appealed as of April 1 of the year under appeal.

Town Parcel ID# _____ Appeal Year Market Value \$ 975,000

Town Parcel ID# _____ Appeal Year Market Value \$ _____

Explain the basis for your value opinion(s). (Attach additional sheets if necessary.)

Given the factors discussed in Section E and in view of comparative sales of other properties in the
town of Durham and adjacent towns with waterfront property, it is our opinion that \$975,000 is a more
accurate assessment of the property's fair market value. See enclosure (2) for additional justification.

SECTION G. Sales, Rental and/or Assessment Comparisons

List the properties you are relying upon to show overassessment of your property(ies). If you are appealing an income producing property, list the comparable rental properties and their rents.
(Attach additional sheets if needed.)


Town Parcel ID#	Street Address	Sale Price/Date of Sale	Rents	Assessment
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See enclosure (3)

SECTION H. Certification by Party(ies) Applying

Pursuant to BTLA Tax 203.02(d), the applicant(s) **MUST** sign the application. By signing below, the Party(ies) applying certifies (certify) and swear(s) under the penalties of RSA ch. 641 the application has a good faith basis, and the facts stated are true to the best of my/our knowledge.

Date: 2-20-2024


(Signature)


(Signature)

Section F. Taxpayer's Opinion of Market Value

1. The 53% increase from the 2022 tax year valuation is excessive and unreasonable.

The assessed valuation does not consider many factors that reduce the property's fair market value:

- a. Property is not on a public street with all amenities of public service;
- b. Restrictive covenants are detrimental to overall value;
- c. Lot use is restricted by physical features preventing full use of waterfront;
- d. Silting limits use of cove/bay to approximately 4 hours/day and high tide only;
- e. Noise due to proximity of Air National Guard base and direct overflight.

2. \$975,000 is a more realistic valuation.

Section G. Sales, Rental and/or Assessment Comparisons

Town Parcel ID#	Street Address	Sale Price	Date of Sale	2023 Assessment
DRHM M:11 B:31 L:5	22 Riverview Rd, Durham NH ¹	\$563,000	3/30/18	\$745,200
DRHM M:19 B:19 L:6	564 Bay Rd, Durham NH ²	\$825,000	2/19/21	\$1,285,339
DRHM M:12 B:9 L:8	30 Mathes Cove Rd, Durham NH ³	N/A	N/A	\$1,068,900

Notes:

¹ This property is very similar to our property, but with many upgrades, much more water frontage (345 ft) on the Oyster River and access to Great Bay and the Piscataqua, and is on a public street. Yet, it is being assessed at \$456,300 less than our property.

² This is a much larger home with over five acres of land, substantially significant amenities and access to the Bay. It can easily be determined that our home is not even close to the market value of this comparable property, yet is being assessed at a similar value.

³ This home is very similar in size to our home, and similar upgrades, but it has substantially more water frontage and nearly an acre more than our property, yet it is assessed at nearly \$140,000 less than our home.



*TOWN OF DURHAM
8 NEWMARKET ROAD
DURHAM, NH 03824-2898
Tel: 603/868-8064*

ABATEMENT RECOMMENDATION

DATE: April 1, 2024

TOWN OF: Durham

TO: Town Council

FROM: Jay Ferreira

OWNER: Jay Connor
3 Bayview Road
Durham, NH 03824

REPRESENTATIVE: N/A

PROPERTY LOCATION: 3 Bayview Road, Durham, NH 03824

PID: 108-40

PROPERTY TAX YEAR(S) APPEALED: 2023

APPLICATION FILING DATE: February 1, 2024

INVENTORY FILING DATE (Filing Date April 15th): N/A

ASSESSMENT APPEALED: \$320,600

Municipalities may abate taxes “for good cause shown.” RSA 76:16. Good cause is generally established by showing an error in the assessment calculation or a disproportionate assessment. Good cause can also be established by showing poverty and inability to pay the tax. If the abatement application is based on disproportionate assessment, the taxpayer has the burden to show how the assessment was disproportionate. To carry this burden the taxpayer must show:

- a. What the property was worth (market value) on the assessment date.
- b. The property’s “equalized assessment” exceeded the property’s market value. To calculate the equalized assessment, simply divide the assessment by the municipality’s equalization ratio (assessment ÷ ratio). Because a property’s market value is a crucial issue, **taxpayers must have an opinion of the market value estimate. Obtaining an appraisal or presenting sales of comparable properties can show this value estimate.**



REASON FOR APPEAL: The owner has applied for an abatement of his 2023 property taxes because he doesn't believe the physical characteristics of the house are correct and requested an interior inspection.

ASSESSORS COMMENTS: The subject property is a bungalow style house constructed circa 1920 and is sited on 0.44 acre. The kitchen and bathrooms are original and need updating. Overall, the house is considered in fair condition for its age.

RECOMMENDATION: After inspecting the property with the owner, the information on the assessment record card is correct. I recommend the abatement request be denied.

map 3/2/24 @ 10:00 AM

RECEIVED
Town of Durham

TAXPAYER'S RSA 76:16 ABATEMENT APPLICATION TO MUNICIPALITY

TAX YEAR APPEALED **2023**

Planning, Zoning
and Assessing

INSTRUCTIONS

1. Complete the application by typing or printing legibly in ink. **This application does not stay the collection of taxes; taxes should be paid as assessed. If an abatement is granted, a refund with interest will be made.**
2. File this application with the municipality by the deadline (see below). Date of filing is the date this form is either hand delivered to the municipality, postmarked by the post office, or receipted by an overnight delivery service.

DEADLINES: The "notice of tax" means the date the board of tax and land appeals (BTLA) determines the last tax bill was sent by the municipality. (If your municipality bills twice annually, you must apply after the bill that establishes your final tax liability and not before.)

Step One: Taxpayer must file the abatement application with the municipality by March 1 following the notice of tax.

Step Two: Municipality has until July 1 following the notice of tax to grant or deny the abatement application.

Step Three: Taxpayer may file an appeal either at the BTLA (RSA 76:16-a) or in the superior court (RSA 76:17), but not both. An appeal must be filed:

- 1) no earlier than: a) after receiving the municipality's decision on the abatement application; or b) July 1 following the notice of tax if the municipality has not responded to the abatement application; and
- 2) no later than September 1 following the notice of tax.

EXCEPTION: If your municipality's final tax bill was sent out after December 31 (as determined by the BTLA), the above deadlines are modified as follows (RSA 76:1-a; RSA 76:16-d, II):

Step One: 2 months after notice of tax;

Step Two: 6 months after notice of tax; and

Step Three: 8 months after notice of tax.

FORM COMPLETION GUIDELINES:

1. **SECTION E.** Municipalities may abate taxes "for good cause shown." RSA 76:16. Good cause is generally established by showing an error in the assessment calculation or a disproportionate assessment. Good cause can also be established by showing poverty and inability to pay the tax.
2. **SECTION G.** If the abatement application is based on disproportionate assessment, the taxpayer has the burden to show how the assessment was disproportionate. To carry this burden the taxpayer must show: a) what the property was worth (market value) on the assessment date; and b) the property's "equalized assessment" exceeded the property's market value. To calculate the equalized assessment, simply divide the assessment by the municipality's equalization ratio (assessment ÷ ratio). Because a property's market value is a crucial issue, taxpayers must have an opinion of the market value estimate. This value estimate can be shown by obtaining an appraisal or presenting sales of comparable properties.
3. **SECTION H.** The applicant(s) must sign the application even if a representative (e.g. Tax Representative, Attorney, or other Advocate) completes Section I.
4. Make a copy of this document for your own records.

FOR MUNICIPALITY USE ONLY:

Town File No.: _____

Taxpayer Name: _____

RSA 76:16 ABATEMENT APPLICATION TO MUNICIPALITY

SECTION A. Party(ies) Applying (Owner(s)/Taxpayer(s))

Name(s): Jay Connor

Mailing Address: 3 Bayview Road

Telephone Number(s): (Work) _____ (Home) 603-397-5737

Note: If an abatement is granted and taxes have been paid, interest on the abatement shall be paid in accordance with RSA 76:17-a. Any interest paid to the applicant must be reported by the municipality to the United States Internal Revenue Service, in accordance with federal law. Prior to the payment of an abatement with interest, the taxpayer shall provide the municipality with the applicant's social security number or federal tax identification number. Municipalities shall treat the social security or federal tax identification information as confidential and exempt from a public information request under RSA 91-A.

SECTION B. Party's(ies') Representative if other than Person(s) Applying (Also Complete Section A)

Name(s): _____

Mailing Address: _____

Telephone Number(s): (Work) _____ (Home) _____

SECTION C. Property(ies) for which Abatement is Sought

List the tax map and lot number, the actual street address and town of each property for which abatement is sought, a brief description of the parcel, and the assessment.

<u>Town Parcel ID#</u>	<u>Street Address/Town</u>	<u>Description</u>	<u>Assessment</u>
108-40	3 Bayview Road	Residence	\$320,600

SECTION D. Other Property(ies)

List other property(ies) in the municipality owned in the same name(s), even if abatements for the other property(ies) have not been sought. The taxpayer's entire real property estate must be considered in determining whether the appealed property(ies) is (are) disproportionately assessed.

<u>Town Parcel ID#</u>	<u>Street Address/Town</u>	<u>Description</u>	<u>Assessment</u>
N/A			

SECTION E. Reasons for Abatement Application

RSA 76:16 provides that an abatement may be granted for "good cause shown." "Good cause" generally means:
1) establishing an assessment is disproportionate to market value and the municipality's level of assessment; or
2) establishing poverty and inability to pay the tax. This form can be utilized for either basis of requesting an abatement. The taxpayer has the burden to prove good cause for an abatement.

- 1) If claiming disproportionality, state with specificity all the reasons supporting your application. Statements such as "taxes too high," "disproportionately assessed" or "assessment exceeds market value" are insufficient. Generally, specificity requires the taxpayer to present material on the following (all may not apply):
 1. physical data – incorrect description or measurement of property;
 2. market data – the property's market value on the April 1 assessment date, supported by comparable sales or a professional opinion of value; and/or
 3. level of assessment – the property's assessment is disproportionate by comparing the property's market value and the town-wide level of assessment.

Note: If you have an appraisal or other documentation, please submit it with this application.

- 2) If claiming poverty or inability to pay, state in detail why abatement of taxes is appropriate as opposed to some other relief such as relocating, refinancing or obtaining some alternative public assistance.
Ansara v. City of Nashua, 118 N.H. 879 (1978).

(Attach additional sheets if needed.)

Incorrect physical characteristics on assessment card. Request int

SECTION F. Taxpayer's(s') Opinion of Market Value

State your opinion of the market value of the property(ies) appealed as of April 1 of the year under appeal.

Town Parcel ID# 108-40 Appeal Year Market Value \$ 250,000

Town Parcel ID# _____ Appeal Year Market Value \$ _____

Explain the basis for your value opinion(s). (Attach additional sheets if necessary.)

SECTION G. Sales, Rental and/or Assessment Comparisons

List the properties you are relying upon to show overassessment of your property(ies). If you are appealing an income producing property, list the comparable rental properties and their rents. (Attach additional sheets if needed.)

Town Parcel ID#	Street Address	Sale Price/Date of Sale	Rents	Assessment
-----------------	----------------	-------------------------	-------	------------

N/A

SECTION H. Certification by Party(ies) Applying

Pursuant to BTLA Tax 203.02(d), the applicant(s) **MUST** sign the application. By signing below, the Party(ies) applying certifies (certify) and swear(s) under the penalties of RSA ch. 641 the application has a good faith basis, and the facts stated are true to the best of my/our knowledge.

Date: 2/1/2024

(Signature)



(Signature)

SECTION I. Certification and Appearance by Representative (If Other Than Party(ies) Applying)

By signing below, the representative of the Party(ies) applying certifies and swears under penalties of RSA ch. 641:

1. all certifications in Section H are true;
2. the Party(ies) applying has (have) authorized this representation and has (have) signed this application;
and
3. a copy of this form was sent to the Party(ies) applying.

Date: _____

(Representative's Signature)

SECTION J. Disposition of Application* (For Use by Selectmen/Assessor)

*RSA 75:16, II states: the municipality "shall review the application and shall grant or deny the application in writing by July 1 after notice of tax date"

Abatement Request: GRANTED _____ Revised Assessment: \$ _____ DENIED _____

Remarks:

Date: _____

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

Rev. 3/12



*TOWN OF DURHAM
8 NEWMARKET ROAD
DURHAM, NH 03824-2898
Tel: 603/868-8064*

ABATEMENT RECOMMENDATION

DATE: April 1, 2024

TOWN OF: Durham

TO: Town Council

FROM: Jay Ferreira

OWNER: Richard Hallet
Mary Ehrenworth
18 Colony Cove Road
Durham, NH 03824

REPRESENTATIVE: N/A

PROPERTY LOCATION: 18 Colony Cove Road, Durham, NH 03824

PID: 1337

PROPERTY TAX YEAR(S) APPEALED: 2023

APPLICATION FILING DATE: February 21, 2024

INVENTORY FILING DATE (Filing Date April 15th): N/A

ASSESSMENT APPEALED: \$1,373,700

Municipalities may abate taxes “for good cause shown.” RSA 76:16. Good cause is generally established by showing an error in the assessment calculation or a disproportionate assessment. Good cause can also be established by showing poverty and inability to pay the tax. If the abatement application is based on disproportionate assessment, the taxpayer has the burden to show how the assessment was disproportionate. To carry this burden the taxpayer must show:

- a. What the property was worth (market value) on the assessment date.
- b. The property’s “equalized assessment” exceeded the property’s market value. To calculate the equalized assessment, simply divide the assessment by the municipality’s equalization ratio (assessment ÷ ratio). Because a property’s market value is a crucial issue, **taxpayers must have an opinion of the market value estimate. Obtaining an appraisal or presenting sales of comparable properties can show this value estimate.**



REASON FOR APPEAL: The owners have applied for an abatement of their 2023 property taxes based on “good cause” and “inability to pay”.

ASSESSORS COMMENTS: The subject property is comprised of 5.18 acres that has been improved with a conventional style house built in 2014. The house consists of a total of three bedrooms, one bathroom and six total rooms. The house has 2,424 square feet of living area. The breakdown of the living area is as follows. First floor (BAS) = 1,272 sf, second floor (TQS) = 792 sf, second floor (EAF) = 360 sf. On the property there is a two-story barn, a shed and a dock. The property is located on Little Bay. The breakdown of the land allocation is 1 acre for the home site, 4.18 acres of back land and 75 linear feet of limited water frontage. The outbuildings on the property consist of a two-story barn, a shed, dock and two detached patios.

During my interior inspection with the owner on 2/9/2024 I observed that the (10x18) second floor sections of the front and rear of house weren't dormered. So, the correct sketch codes for those areas are EAF not FHS. During the inspection, the (10x10) section of the house does not have a vaulted ceiling. Because of the footprint of the house and the design of the second floor and the simple roof lines, the house is not a 06 (Good Grade) but a 05 (AVG +20 Grade). The outbuildings on the property are ten years old and didn't have enough depreciation applied to them. Therefore, I changed the depreciation percentages from 100% to the good to 75% to the good. I removed the detached patios from the property record card because they were not mortared. During my inspection I observed the distance from the house to the waterfront and the limited waterfront area. There are also topography issues with the land, which had already been adjusted for. Typically, there is a 5% deduction for each land issue. I changed the condition factor from .95 to .85, a 5% deduction for each issue.

RECOMMENDATION: I recommend adjusting for these discrepancies which reduces the overall assessment from \$1,373,700 to \$1,209,000 and granting an abatement for the assessed value difference of \$164,700. This calculates to an abatement of **\$3,423.73** including interest (interest is calculated to a repayment date of 5/1/24 and subject to change per tax collector). If the taxes have not been paid, then no refund or interest is due.

TAXPAYER'S RSA 76:16 ABATEMENT APPLICATION TO MUNICIPALITY 2024

TAX YEAR APPEALED **2023**

Planning, Zoning
and Assessing

INSTRUCTIONS

1. Complete the application by typing or printing legibly in ink. **This application does not stay the collection of taxes; taxes should be paid as assessed. If an abatement is granted, a refund with interest will be made.**
2. File this application with the municipality by the deadline (see below). Date of filing is the date this form is either hand delivered to the municipality, postmarked by the post office, or receipted by an overnight delivery service.

DEADLINES: The "notice of tax" means the date the board of tax and land appeals (BTLA) determines the last tax bill was sent by the municipality. (If your municipality bills twice annually, you must apply after the bill that establishes your final tax liability and not before.)

Step One: Taxpayer must file the abatement application with the municipality by March 1 following the notice of tax.

Step Two: Municipality has until July 1 following the notice of tax to grant or deny the abatement application.

Step Three: Taxpayer may file an appeal either at the BTLA (RSA 76:16-a) or in the superior court (RSA 76:17), but not both. An appeal must be filed:

- 1) no earlier than: a) after receiving the municipality's decision on the abatement application; or b) July 1 following the notice of tax if the municipality has not responded to the abatement application; and
- 2) no later than September 1 following the notice of tax.

EXCEPTION: If your municipality's final tax bill was sent out after December 31 (as determined by the BTLA), the above deadlines are modified as follows (RSA 76:1-a; RSA 76:16-d, II):

Step One: 2 months after notice of tax;

Step Two: 6 months after notice of tax; and

Step Three: 8 months after notice of tax.

FORM COMPLETION GUIDELINES:

1. **SECTION E.** Municipalities may abate taxes "for good cause shown." RSA 76:16. Good cause is generally established by showing an error in the assessment calculation or a disproportionate assessment. Good cause can also be established by showing poverty and inability to pay the tax.
2. **SECTION G.** If the abatement application is based on disproportionate assessment, the taxpayer has the burden to show how the assessment was disproportionate. To carry this burden the taxpayer must show: a) what the property was worth (market value) on the assessment date; and b) the property's "equalized assessment" exceeded the property's market value. To calculate the equalized assessment, simply divide the assessment by the municipality's equalization ratio (assessment ÷ ratio). Because a property's market value is a crucial issue, taxpayers must have an opinion of the market value estimate. This value estimate can be shown by obtaining an appraisal or presenting sales of comparable properties.
3. **SECTION H.** The applicant(s) must sign the application even if a representative (e.g. Tax Representative, Attorney, or other Advocate) completes Section I.
4. Make a copy of this document for your own records.

RECEIVED
Town of Durham

FEB 21 2024
Planning, Zoning
and Assessing

FOR MUNICIPALITY USE ONLY:

Town File No.: _____

Taxpayer Name: _____

TAXPAYER'S RSA 76:16 ABATEMENT APPLICATION TO MUNICIPALITY

SECTION A. Party(ies) Applying (Owner(s)/Taxpayer(s))

Name(s): Richard Hallett, Mary Ehrenworth

Mailing Address: 18 Colony Cove Rd, Durham, NH 03824

Telephone Nos.: (Home) _____ (Cell) 603-828-5027 (Work) _____ (Email) rahallett@gmail.com

Note: If an abatement is granted and taxes have been paid, interest on the abatement shall be paid in accordance with RSA 76:17-a. Any interest paid to the applicant must be reported by the municipality to the United States Internal Revenue Service, in accordance with federal law. Prior to the payment of an abatement with interest, the taxpayer shall provide the municipality with the applicant's social security number or federal tax identification number. Municipalities shall treat the social security or federal tax identification information as confidential and exempt from a public information request under RSA 91-A.

SECTION B. Party's(ies)' Representative if other than Person(s) Applying (Also Complete Section A)

Name(s): _____

Mailing Address: _____

Telephone Nos.: (Home) _____ (Cell) _____ (Work) _____ (Email) _____

SECTION C. Property(ies) for which Abatement is Sought

List the tax map and lot number, the actual street address and town of each property for which abatement is sought, a brief description of the parcel, and the assessment.

<u>Town Parcel ID#</u>	<u>Street Address/Town</u>	<u>Description</u>	<u>Assessment</u>
1337	18 Colony Cove Rd, Durham NH 03824		\$1,373,700

The property includes a small three bedroom, 3 1/2 bath house, with a separate free standing barn. There is no garage. There is a short, shallow water dock that allows swimming or small flat-bottom boats such as kayaks or a small dinghy to pull up within 2 hours of high tide. The house is not situated on the water and does not have clear water views nor can you see the dock from the house. It is a short walk across the drive and through the woods to the dock. Much of the property is wetlands. The property lacks the water views, deep water access, and size or beauty of similarly assessed properties.

SECTION D. Other Property(ies)

List other property(ies) in the municipality owned in the same name(s), even if abatements for the other property(ies) have not been sought. The taxpayer's entire real property estate must be considered in determining whether the appealed property(ies) is (are) disproportionately assessed.

<u>Town Parcel ID#</u>	<u>Street Address/Town</u>	<u>Description</u>	<u>Assessment</u>
------------------------	----------------------------	--------------------	-------------------

N/A

SECTION E. Reasons for Abatement Application

RSA 76:16 provides that an abatement may be granted for "good cause shown." "Good cause" generally means:
1) establishing an assessment is disproportionate to market value and the municipality's level of assessment; or
2) establishing poverty and inability to pay the tax. This form can be utilized for either basis of requesting an abatement. The taxpayer has the burden to prove good cause for an abatement.

- 1) If claiming disproportionality, state with specificity all the reasons supporting your application. Statements such as "taxes too high," "disproportionately assessed" or "assessment exceeds market value" are insufficient. Generally, specificity requires the taxpayer to present material on the following (all may not apply):
 1. physical data – incorrect description or measurement of property;
 2. market data – the property's market value on the April 1 assessment date, supported by comparable sales or a professional opinion of value; and/or
 3. level of assessment – the property's assessment is disproportionate by comparing the property's market value and the town-wide level of assessment.

Note: If you have an appraisal or other documentation, please submit it with this application.

- 2) If claiming poverty or inability to pay, state in detail why abatement of taxes is appropriate as opposed to some other relief such as relocating, refinancing or obtaining some alternative public assistance.
Ansara v. City of Nashua, 118 N.H. 879 (1978).

(Attach additional sheets if needed.)

See narrative for sections E and F

SECTION F. Taxpayer's(s') Opinion of Market Value

State your opinion of the market value of the property(ies) appealed as of April 1 of the year under appeal.

Town Parcel ID# 1337 Appeal Year Market Value \$ \$878,000.00

Town Parcel ID# _____ Appeal Year Market Value \$ _____

Explain the basis for your value opinion(s). (Attach additional sheets if necessary.)

See narrative for sections E and F

SECTION G. Sales, Rental and/or Assessment Comparisons

List the properties you are relying upon to show overassessment of your property(ies). If you are appealing an income producing property, list the comparable rental properties and their rents.
(Attach additional sheets if needed.)

Town Parcel ID#	Street Address	Sale Price/Date of Sale	Rents	Assessment
1129 22	Old Piscataqua Road	12/13/2021	\$875,000.00	
1331 32	Colony Cove	8/10/2022	\$2,250,000.00	
1730 561	Bay Road	5/1/2023	\$875,000.00	
1274 2	Cedar Point Road	10/10/2023	\$975,000.00	

SECTION H. Certification by Party(ies) Applying

Pursuant to BTLA Tax 203.02(d), the applicant(s) **MUST** sign the application. By signing below, the Party(ies) applying certifies (certify) and swear(s) under the penalties of RSA 641:3 the application has a good faith basis and the facts stated are true to the best of my/our knowledge.

Date: 02/21/2024



(Signature)



(Print Name)

Richard Hallett

(Signature)

Mary Ehrenworth

(Print Name)

SECTION I. Certification and Appearance by Representative (If Other Than Party(ies) Applying)

By signing below, the representative of the Party(ies) applying certifies and swears under penalties of RSA 641:3:

1. all certifications in Section H are true;
2. the Party(ies) applying has (have) authorized this representation and has (have) signed this application;
and
3. a copy of this form was sent to the Party(ies) applying.

Date: _____

(Representative's Signature) (Print Name)

SECTION J. Disposition of Application* (For Use by Selectmen/Assessor)

*RSA 76:16, II states: the municipality "shall review the application and shall grant or deny the application in writing by July 1 after notice of tax date"

Abatement Request: GRANTED _____ Revised Assessment: \$ _____ DENIED _____

Remarks:

Date: _____

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

Narrative for Sections E and F

Our current assessment (2023) is \$1,373,700, which is a 61% increase over the 2022 assessed value. There are 4 comparable Durham properties (i.e tidal waterfront) that sold between December 2021 and October 2023 (PID:1129,1331,1730,1274). The median sales price for these properties is \$925,000, a value that is 49% lower than the current assessed value of our property. This physical data demonstrates that the town of Durham's assessment methodology for 2023 is flawed. It is demonstrably not based on current waterfront property sales.

The assessed value of our house (improvements) increased by 44% in 2023 over the 2022 assessment. We have made no improvements during that time. We met with Jay Ferreira (at our home), and he took some notes on inaccurate information related to the property assessment (e.g. no vaulted ceiling, workshop or 2nd patio etc). However, most of the assessed value of our property is the land. The value of our land increased by 73% in the 2023 assessment. When looking at two other waterfront properties that we are familiar with, we found that the land value of 32 Colony Cove Road (PID 1331) had a land value increase of just 46%, while 14 Deer Meadow Road (PID:1905) had a 0% increase in the 2023 assessment. This demonstrates a large degree of disproportionality in the assessment methodology used by the town of Durham. This is exacerbated by the fact that both properties used in our example have docks that are not affected by the tide (in other words they can use them for water access 100% of the time). In addition to 24/7 water access both properties have water frontage that is greater than the 75 feet of water frontage that we have. Also, both houses are situated on the water. Conversely our property does not sit on the water (see description) and we only have water access +/- 2 hours of high tide. Our house sits in the woods and has a narrow spit of land that is walking distance through the woods, to the water. It has limited water views and does not have full water access.

The disproportionality of the assessed land values along with the disparity between land value increases indicate that the value of our property was not assessed accurately. It is clear that we could not sell our property for the assessed value given our limited water access. In 2020 our property was appraised at \$878,000.00 (see attached). This value is a more accurate representation of the value of our property.

APPRAISAL OF REAL PROPERTY



LOCATED AT

18 Colony Cove Rd
Durham, NH 03824

FOR

First Seacoast Bank
633 Central Ave
Dover, NH 03820

OPINION OF VALUE

878,000

AS OF

11/14/2020

BY

Joann L. Gehrke
JR Witt & Assoc., LLC
15 Slowcroft Drive
Hampton, NH 03842
703-577-0189
joannig76@gmail.com

Borrower	Richard Hallett & Mary Ehrenworth			File No.
Property Address	18 Colony Cove Rd			
City	Durham	County	Stratford	State NH Zip Code 03824
Lender/Client	First Seacoast Bank			

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Uniform Residential Appraisal Report

File # MERC # 35809353

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address 18 Colony Cove Rd **City** Durham **State** NH **Zip Code** 03824
Borrower Richard Hallett & Mary Ehrenworth **Owner of Public Record** Richard Hallett & Mary Ehrenworth **County** Strafford
Legal Description book/page 4686/0037
Assessor's Parcel # DRHM M;12 B;26 L; **Tax Year** 2019 **R.E. Taxes \$** 21,807
Neighborhood Name Durham **Map Reference** 40484 **Census Tract** 0801.00
Occupant ☒ Owner ☐ Tenant ☐ Vacant **Special Assessments \$** 0 ☐ PUD ☐ HDA \$ 0 ☐ per year ☐ per month
Property Rights Appraised ☒ Fee Simple ☐ Leasehold ☐ Other (describe)
Assignment Type ☐ Purchase Transaction ☒ Refinance Transaction ☐ Other (describe)
Lender/Client First Seacoast Bank **Address** 633 Central Ave, Dover, NH 03820
 Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? ☐ Yes ☒ No
 Report data source(s) used, offering price(s), and date(s): Neren

CONTRACT
☐ I did ☐ did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.
Contract Price \$ **Date of Contract** **Is the property seller the owner of public record?** ☐ Yes ☐ No **Data Source(s)**
 Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? ☐ Yes ☐ No
 If Yes, report the total dollar amount and describe the items to be paid.

NEIGHBORHOOD
Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics		One-Unit Housing Trends		One-Unit Housing		Present Land Use %	
Location	<input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values	<input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	AGE	One-Unit	65 %
Built-Up	<input type="checkbox"/> Over 75% <input checked="" type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply	<input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$ (000)	(yrs)	2-4 Unit	1 %
Growth	<input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time	<input type="checkbox"/> Under 3 mths <input checked="" type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	605	Low	Multi-Family	1 %
Neighborhood boundaries	The subject is off Durham Point Rd with R-4-north, 95-east, Great Bay-south and 108-west. (See attached map)			1,089	High	Commercial	1 %
Neighborhood Description	The subject property is located in a predominantly residential neighborhood of good to average quality homes. It is also within easy access to good commuter routes to employment. Schools and shopping are located within a reasonable distance.			872	Prod	Other	32 %

 Market Conditions (including support for the above conclusions) Typical financing for the market area includes the, va, and conventional with favorable interest rates. Sales concessions do occur but typically with no price inflation. After a shortage of inventory in the early spring due to covid19, most properties are currently experiencing low DOM with close to LP or above.

Dimensns no plat attached **Area** 5.18 ac **Shape** appears irreg. **View** B, Seasonal Wtr.
Specific Zoning Classification 1013 **Zoning Description** Single Family Residential Water MOL-01
Zoning Compliance ☒ Legal ☐ Legal Nonconforming (Grandfathered Use) ☐ No Zoning ☐ Illegal (describe)
 Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? ☒ Yes ☐ No If No, describe See pg. 3

UTILITIES **Public** **Other (describe)** **Public** **Other (describe)** **Off-site Improvements - Type** **Public** **Private**
 Electricity ☒ ☐ Water ☐ ☒ Well ☐ Street Asphalt ☒ ☐
 Gas ☐ ☒ propane ☐ Sanitary Sewer ☐ ☒ Septic ☐ Alley none ☐ ☐
 FEMA Special Flood Hazard Area ☐ Yes ☒ No FEMA Flood Zone ☒ FEMA Map # 33017C0405E FEMA Map Date 09/30/2015
 Are the utilities and off-site improvements typical for the market area? ☒ Yes ☐ No If No, describe
 Are there any adverse site conditions or external factors (sewerage, encroachments, environmental conditions, land uses, etc.)? ☐ Yes ☒ No If Yes, describe
 Well & septic are typical for this market area and do not affect market value or marketability. Water and sewer are not available from the street. Subject to typical utility easements. All utilities were on and appear to be in good working order at the time of the inspection. All comps used in this report are also on well & septic.

IMPROVEMENTS

General Description		Foundation		Exterior Description		materials/condition		Interior		materials/condition	
Units	<input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space	<input checked="" type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Foundation Walls	Masonry/good	Floors	hw cer/good				
# of Stories	2			Exterior Walls	Siding/good	Walls	Drywall/good				
Type	<input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det/End Unit			Roof Surface	Comp/good	Trim/Finish	Wood/good				
	<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.			Gutters & Downspouts	Yes/good	Bath Floor	cer/good				
Design (Style)	contemporary	<input checked="" type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump		Window Type	Insulated/good	Bath Wainscot	cer/good				
Year Built	2014	Evidence of <input type="checkbox"/> Infestation <input type="checkbox"/> N/A		Storm Sash/Insulated	N/A	Car Storage	<input checked="" type="checkbox"/> None				
Effective Age (Yrs)	5	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement		Screens	N/A	Driveway	# of Cars 0				
Attic	<input checked="" type="checkbox"/> None	Heating <input type="checkbox"/> FWA <input checked="" type="checkbox"/> HWBB <input type="checkbox"/> Radiant		Amenities	Woodstove(s) # 0	Driveway Surface	gravel				
	<input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input type="checkbox"/> Other <input type="checkbox"/> Fuel propane		Fireplace(s) #	1	Fence	none				
	<input type="checkbox"/> Floor <input type="checkbox"/> Scuffe	<input type="checkbox"/> Cooling <input type="checkbox"/> Central Air Conditioning		Pool/Deck	stone	Porch	none				
	<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input checked="" type="checkbox"/> Other mini split		Pool	none	Other shed					
Appliances	<input checked="" type="checkbox"/> Refrigerator <input checked="" type="checkbox"/> Range/Oven <input checked="" type="checkbox"/> Dishwasher <input checked="" type="checkbox"/> Disposal <input checked="" type="checkbox"/> Microwave <input type="checkbox"/> Washer/Dryer <input type="checkbox"/> Other (describe)										
Finished area above grade contains:	6 Rooms	3 Bedrooms	3.1 Bath(s)	2,313	Square Feet of Gross Living Area Above Grade						
Additional features (special energy efficient items, etc.)	This contemporary home offers 3 finished levels with modern kitchen, fireplace, hwbbs, 3 mini splits and other energy efficient items.										
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.) C3/No updates in the prior 15 years. The subject appears to be well maintained and is currently in good condition. All appliances were on and appear to be in good working condition at time of inspection. No adverse conditions noted.											
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe											
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe											

Uniform Residential Appraisal Report

File # MERC # 35809353

There are 1 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 875,000 to \$ 875,000	
There are 4 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 605,000 to \$ 1,089,000	
FEATURE	SUBJECT
Address	274 Newmarket Rd Durham, NH 03824
Proximity to Subject	3.46 miles SW
Sale Price	\$ 605,000
Sale Price/Gross Liv. Area	\$ 308.36 sq.ft.
Data Source(s)	4761565 DOM 6
Verification Source(s)	NEREN, Ext. Inspection
VALUE ADJUSTMENTS	DESCRIPTION +(-) \$ Adjustment
Sales or Financing Concessions	ArmLth Conv:0
Date of Sale/Time	11/12/2011
Location	B:WtrFr;
Leasehold/Fee Simple	Fee Simple
Site	5.18 ac
View	B:Seasonal Wtr;
Design (Style)	DT2:contempora
Quality of Construction	Q3
Actual Age	6
Condition	C3
Above Grade	Total Items: 3
Room Count	6 3 3.1
Gross Living Area	2,313 sq.ft.
Basement & Finished	1152sf468sfwo
Rooms Below Grade	1m0br0.0ba0o
Functional Utility	Good
Heating/Cooling	hwb/min split
Energy Efficient Items	Adequate
Garage/Carport	None
Porch/Patio/Deck	Patio
Fireplace	1 fireplace
Other	Barn, Dock
Net Adjustment (Total)	\$ 61,550
Adjusted Sale Price of Comparables	\$ 666,550
<input checked="" type="checkbox"/> did not research the sale or transfer history of the subject property and comparable sales. If not, explain:	
My research <input type="checkbox"/> did <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.	
Data Source(s) Mins, tax records	
My research <input type="checkbox"/> did <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.	
Data Source(s) Mins, tax records	
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).	
ITEM	SUBJECT
Date of Prior Sale/Transfer	
Price of Prior Sale/Transfer	
Data Source(s)	Neren
Effective Date of Data Source(s)	11/14/2020
Analysis of prior sale or transfer history of the subject property and comparable sales. The most recent sale for the subject & comps is noted above taken from the tax records. The market has noticed a typical increase in median sale prices due to a strong spring market with low inventory but has settled down with the increase in inventory and a fluctuating interest rate.	
No adjustments made for what is perceived as typical market concessions which are described on pg. 1 of this report. Appraiser will only adjust for excessive sales concessions which are considered to be atypical for the subject property's market area.	
Summary of Sales Comparison Approach The comparables selected are all similar to the subject in quality construction, design and market appeal. Based on the unique locational characteristics of the subject property, appraiser had to expand the market search both back in time and miles to bracket the dominant features of the subject property. Based on site acreage & county records, acreage is not to scale with value therefore adjustments were made based on similar utility of approx. 10K per acre. All are located in the subject's market area and provide good support for the indicated value. The appraised value is supported by the active market in the neighborhood.	
Indicated Value by Sales Comparison Approach \$ 878,000	
Indicated Value by: Sales Comparison Approach \$ 878,000 Cost Approach (if developed) \$ Income Approach (if developed) \$	
The sales comparison approach is relied upon most in the final valuation. The cost was not developed because it is less reliable than the s. c. approach for properties other than new construction or those < 1-5 yrs old. The income approach was not developed because it was not considered necessary for credible assignment results, given the intended use of the appraisal.	
This appraisal is made <input checked="" type="checkbox"/> "as is", <input type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or <input type="checkbox"/> subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require attention or repair.	
Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 878,000, as of 11/14/2020, which is the date of inspection and the effective date of this appraisal.	

File # MERC # 35809953

ADDITIONAL COMMENTS

Provide adequate information for the lender/client to replicate the below cost figures and calculations:

Support for the opinion of site value: summary of comparable land sales or other methods for estimating site value.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value)	Land value is determined from county records and abstraction method.
---	--

COST APPROACH

Estimated Monthly Market Rent \$ X Gross Rent Multiplier

Summary of Income Approach (including support for market rent and GRM)

Is the developer/builder in control of the Homeowners' Association (HOA)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	Unit type(s)	<input type="checkbox"/> Detached	<input type="checkbox"/> Attached
---	------------------------------	-----------------------------	--------------	-----------------------------------	-----------------------------------

Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Local Name of Project

Total number of phases	Total number of units	Total number of units sold
------------------------	-----------------------	----------------------------

Total number of units tested	Total number of units for sale	Date processed
------------------------------	--------------------------------	----------------

Total number of units tested		Total number of units for sale		Unit source(s)	
Was the unit created by the conversion of existing buildings into a DUOS?	Yes	No	Was it then, state of non-conforming?		

Was the project created by the conversion of existing building(s) into a POD? ☐ Yes ☐ No If Yes, date of conversion: _____

Does the project contain any multi-dwelling units? ☐ Yes ☐ No Data Source

Are the units, common elements, and recreation facilities complete? ☐ Yes ☐ No If No, describe the status of completion.

Are the common elements leased to or by the Homeowners' Association? ☐ Yes ☐ No If Yes, describe the rental terms and options:

Describe common elements and recreational facilities.

Uniform Residential Appraisal Report

File # MERC # 35809353

This report form is designed to report an appraisal of a one-unit property or a one-unit property with an accessory unit, including a unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a condominium or cooperative project.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

DEFINITION OF MARKET VALUE: The most probable price which 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, 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: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) 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.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing the appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

Uniform Residential Appraisal Report

File # MERC # 35809353

APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

Uniform Residential Appraisal Report

File # MERC # 35809353

21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Signature Joann L. Gehlke
 Name Joann L. Gehlke
 Company Name JR. Wm & Assoc., LLC
 Company Address 15 Stowcroft Drive
Hampton, NH 03842
 Telephone Number 703-577-0189
 Email Address joannlg76@gmail.com
 Date of Signature and Report 11/15/2020
 Effective Date of Appraisal 11/14/2020
 State Certification # NHCR-957
 or State License # _____
 or Other (describe) _____ State # _____
 State NH
 Expiration Date of Certification or License 02/28/2021

ADDRESS OF PROPERTY APPRAISED

18 Colony Cove Rd
Durham, NH 03824
 APPRAISED VALUE OF SUBJECT PROPERTY \$ 878,000
 LENDER/CLIENT
 Name Mercury Network
 Company Name First Seacoast Bank
 Company Address 633 Central Ave, Dover, NH 03820
 Email Address n/a

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
 Name _____
 Company Name _____
 Company Address _____
 Telephone Number _____
 Email Address _____
 Date of Signature _____
 State Certification # _____
 or State License # _____
 State _____
 Expiration Date of Certification or License _____

SUBJECT PROPERTY

- ☐ Did not inspect subject property
☐ Did inspect exterior of subject property from street
 Date of Inspection _____
☐ Did inspect interior and exterior of subject property
 Date of Inspection _____

COMPARABLE SALES

- ☐ Did not inspect exterior of comparable sales from street
☐ Did inspect exterior of comparable sales from street
 Date of Inspection _____

Uniform Residential Appraisal Report

File # MERC # 35809353

FEATURE		SUBJECT		COMPARABLE SALE # 4		COMPARABLE SALE # 5		COMPARABLE SALE # 6	
Address		18 Colony Cove Rd Durham, NH 03824		15-18 Cedar Point Rd Durham, NH 03824		564 Bay Rd Durham, NH 03824			
Proximity to Subject		1.27 miles NE		2.01 miles SW					
Sale Price		\$ 1,089,000		\$ 875,000					
Sale Price/Gross Liv. Area		\$ 816.65 sq ft		\$ 316.34 sq ft					
Data Source(s)		4811626 DOM 0		4802370 DOM 204					
Verification Source(s)		NEREN, Ext. Inspection		NEREN, Ext. Inspection					
VALUE ADJUSTMENTS		DESCRIPTION		DESCRIPTION		DESCRIPTION		DESCRIPTION	
Sales or Financing		Armlsh		Listing					
Concessions		Cash 0							
Date of Sale/Time		s06/20-c06/20		Active					
Location		B;WtrFr;		B;WtrFr;		N;Res;			
Leasehold/Fee Simple		Fee Simple		Fee Simple		Fee Simple			
Site		5.18 ac		15246 sf		5.08 ac			
View		B;Seasonal Wtr;		B;Seasonal Wtr;					
Design (Style)		DT2,contempor		DT2,contempor		DT2,contempor			
Quality of Construction		Q3		Q3		Q3			
Actual Age		6		0 22		+8,000			
Condition		C3		C3		C3			
Above Grade		Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths	
Room Count		6 3 3.1		7 2 2.1		9 4 3.0			
Gross Living Area		2,313 sq ft		1,766 sq ft		2,766 sq ft			
Basement & Finished		1152sf408sfwo		0sf		1613sf1192sfwo			
Rooms Below Grade		1m0b0 0ba0o		+20,000		1m0b1 0ba2o			
Functional Utility		Good		Good		Good			
Heating/Cooling		hwbb/minis splits		fwa/cac		hwbb/cac			
Energy Efficient Items		Adequate		Adequate		Adequate			
Garage/Carport		None		1ga1dw		3ga3dw			
Porch/Patio/Deck		Patio		Deck/patio		Deck/patio			
Fireplace		1 fireplace		1 fireplace		2 fireplace			
Other		Barn, Dock		Guest Hse, Dk		none			
Net Adjustment (Total)		+ - \$ -68,650		+ - \$ 3,350		+ - \$			
Adjusted Sale Price		Net Adj. 6.3 %		Net Adj. 0.4 %		Net Adj. %			
of Comparables		Gross Adj. 24.2 % \$ 1,020,350		Gross Adj. 18.1 % \$ 878,350		Gross Adj. % \$			
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).									
ITEM		SUBJECT		COMPARABLE SALE # 4		COMPARABLE SALE # 5		COMPARABLE SALE # 6	
Date of Prior Sale/Transfer									
Price of Prior Sale/Transfer									
Data Source(s)		Neren		Neren		Neren			
Effective Date of Data Source(s)		11/14/2020		11/14/2020		11/14/2020			
Analysis of prior sale or transfer history of the subject property and comparable sales									
Analysis/Comments									

Market Conditions Addendum to the Appraisal Report

File No. MERC # 35809353

The purpose of this addendum is to provide the lender/client with a clear and accurate understanding of the market trends and conditions prevalent in the subject neighborhood. This is a required addendum for all appraisal reports with an effective date on or after April 1, 2009.

Property Address 18 Colony Cove Rd City Durham State NH ZIP Code 03824

Borrower Richard Hallett & Mary Ehrenworth

Instructions: The appraiser must use the information required on this form as the basis for his/her conclusions, and must provide support for those conclusions, regarding housing trends and overall market conditions as reported in the Neighborhood section of the appraisal report form. The appraiser must fill in all the information to the extent it is available and reliable and must provide analysis as indicated below. If any required data is unavailable or is considered unreliable, the appraiser must provide an explanation. It is recognized that not all data sources will be able to provide data for the shaded areas below; if it is available, however, the appraiser must include the data in the analysis. If data sources provide the required information as an average instead of the median, the appraiser should report the available figure and identify it as an average. Sales and listings must be properties that compete with the subject property, determined by applying the criteria that would be used by a prospective buyer of the subject property. The appraiser must explain any anomalies in the data, such as seasonal markets, new construction, foreclosures, etc.

Inventory Analysis	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)	0	1	1	Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)	0.00	0.33	0.33	Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Comparable Active Listings	1	1	1	Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Housing Supply (Total Listings/Ak Rate)	-	3.00	3.00	Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale & List Price, DOM, Sale/List %	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Median Comparable Sale Price	-	\$1,069,000	\$872,000	Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Sales Days on Market	-	7	62	Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Comparable List Price	\$875,000	\$875,000	\$875,000	Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Listings Days on Market	19	111	204	Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale Price as % of List Price	-	94.70%	97.44%	Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Seller (developer, builder, etc.) paid financial assistance present?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing

Explain in detail the seller concessions trends for the past 12 months (e.g., seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs, condo fees, options, etc.). The New England Real Estate Network MLS reported no concessions between 11/14/2019 and 11/14/2020.

Are foreclosure sales (REO sales) a factor in the market? ☐ Yes ☒ No If yes, explain (including the trends in listings and sales of foreclosed properties).

The New England Real Estate Network MLS reported no foreclosures or short sales between 11/14/2019 and 11/14/2020.

Cite data sources for above information. The Market Conditions Addenda was completed with data from New England Real Estate Network MLS with an effective date of 11/14/2020.

Summarize the above information as support for your conclusions in the Neighborhood section of the appraisal report form. If you used any additional information, such as an analysis of pending sales and/or expired and withdrawn listings, to formulate your conclusions, provide both an explanation and support for your conclusions.

The above data was extracted from an approx. 4 mile radius search from the subject property, of similar properties over the past 12 months. The above analysis indicates a relatively stable median sales price in the subject property's market area. The absorption rate reveals a 3 month supply of housing which indicates that supply appears to be in balance with demand with an approx. 3-6 months marketing time. As noted on page one of the appraisal, there may be a disparity between this analysis and the indicators on the One-Unit Housing Trends indicators due to the difference in the data sets. This analysis is limited to sales and listings of properties that compete with the subject property, determined by applying the criteria that would be used by a prospective buyer of the subject property. The analysis on page one includes ALL One-Unit Housing types in the subject's neighborhood and may not be indicative of the subject's market segment based upon the Principle of Substitution.

If the subject is a unit in a condominium or cooperative project, complete the following:

Project Name:

Subject Project Data	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)				Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)				Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Active Comparable Listings				Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Unit Supply (Total Listings/Ak Rate)				Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing

Are foreclosure sales (REO sales) a factor in the project? ☐ Yes ☒ No If yes, indicate the number of REO listings and explain the trends in listings and sales of foreclosed properties.

Summarize the above trends and address the impact on the subject unit and project.

Signature *Joann L. Gehlke*
 Appraiser Name Joann L. Gehlke
 Company Name J.R. Witt & Assoc., LLC
 Company Address 15 Stowcroft Drive, Hampton, NH 03842
 State License/Certification # NHCR-957 State NH
 Email Address joannlg76@gmail.com

Signature
 Supervisory Appraiser Name
 Company Name
 Company Address
 State License/Certification # State
 Email Address

USPAP ADDENDUM

File No. MERC # 35809353

Borrower	Richard Hallett & Mary Ehrenworth		
Property Address	18 Colony Cove Rd		
City	Durham	County	Strafford
State	NH	Zip Code	03824
Lender	First Seacoast Bank		

This report was prepared under the following USPAP reporting option:

- ☒ Appraisal Report This report was prepared in accordance with USPAP Standards Rule 2-2(a).
- ☐ Restricted Appraisal Report This report was prepared in accordance with USPAP Standards Rule 2-2(b).

Reasonable Exposure Time

My opinion of a reasonable exposure time for the subject property at the market value stated in this report is: 3-6 months

Additional Certifications

I certify that, to the best of my knowledge and belief:

- ☒ I 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.
- ☐ I HAVE performed services, as an appraiser or in another capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. Those services are described in the comments below.
- 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 my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
 - Unless otherwise indicated, I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
 - I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
 - My engagement in this assignment was not contingent upon developing or reporting predetermined results.
 - My 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 opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
 - My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
 - Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
 - Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification (if there are exceptions, the name of each individual providing significant real property appraisal assistance is stated elsewhere in this report).

Additional Comments

APPRAISER:

Signature: Joann L. Gehlke

Name: Joann L. Gehlke

Date Signed: 11/14/2020

State Certification #: NHCR-957

or State License #: _____

State: NH

Expiration Date of Certification or License: 02/28/2021

Effective Date of Appraisal: 11/14/2020

SUPERVISORY APPRAISER: (only if required)

Signature: _____

Name: _____

Date Signed: _____

State Certification #: _____

or State License #: _____

State: _____

Expiration Date of Certification or License: _____

Supervisory Appraiser Inspection of Subject Property:

☐ Did Not ☐ Exterior only from Street ☐ Interior and Exterior

Subject photo page

Borrower	Richard Hallett & Mary Ehrenworth				
Property Address	18 Colony Cove Rd				
City	Durham	County	Strafford	State	NH Zip Code 03824
Lender/Client	First Seacoast Bank				



Subject front

18 Colony Cove Rd
Sales price
Gross living area 2,313
Total rooms 6
Total bedrooms 3
Total bathrooms 3.1
Location B/WatFir;
View B;Seasonal Wat;
Site 5.18 ac
Quality Q3
Age 6



Subject rear



Subject street

Photograph Addendum

Seller	Richard Hallett & Mary Ehrenworth				
Property Address	18 Colony Cove Rd				
City	Durham	County	Strafford	State	NH
Zip Code	03824				
Lender/Client	First Seacoast Bank				



**mudrm
1st Floor**



**foyer
1st Floor**



**Dining Rm
1st Floor**



**pantry
1st Floor**



**Kitchen
1st Floor**



**Living Rm
1st Floor**

Photograph addendum

Borrower	Richard Hallett & Mary Ehrenworth				
Property Address	18 Colony Cove Rd				
City	Durham	County	Strafford	State	NH Zip Code 03824
Lender/Client	First Seacoast Bank				



**Master Bedrm
1st Floor**



**Master Bath
1st Floor**



**Half bath
1st Floor**

Photograph Addendum

Borrower	Richard Hallett & Mary Ehrenworth				
Property Address	18 Colony Cove Rd				
City	Durham	County	Strafford	State	NH Zip Code 03824
Lender/Client	First Seacoast Bank				



**Bedrm
2nd Floor**



**en suite bath
2nd Floor**



**Loft
2nd Floor**



**Bedrm
2nd Floor**



**en suite bath
2nd Floor**

Photograph addendum

Borrower	Richard Hallett & Mary Ehrenworth				
Property Address	18 Colony Cove Rd				
City	Durham	County	Strafford	State	NH Zip Code 03824
Lender/Client	First Seacoast Bank				



rec rm
Basement



unfinished
Basement



unfinished
Basement

Photograph Addendum

Borrower	Richard Hallett & Mary Ehrenworth				
Property Address	18 Colony Cove Rd				
City	Durham	County	Strafford	State	NH
Zip Code	03824				
Lender/Client	First Seacoast Bank				



view from dock



subject property dock



seasonal view from side patio



shed



barn interior



**2-level barn
20 X 50**

Photograph Addendum

Borrower	Richard Hallett & Mary Ehrenworth				
Property Address	18 Colony Cove Rd				
City	Durham	County	Strafford	State	NH
Lender/Client	First Seacoast Bank	Zip Code	03824		



**additional view from
subject property dock**



**guest house that is part of comp 4 sale
across the street**



Comparable photo page

Borrower	Richard Hallett & Mary Ehrenworth				
Property Address	18 Colony Cove Rd				
City	Durham	County	Strafford	State	NH
Zip Code	03824				
Lender/Client	First Seacoast Bank				



Comparable 1

274 Newmarket Rd
 Prox. To subject 3.46 miles SW
 Sale price 605,000
 Gross living area 1,962
 Total rooms 7
 Total bedrooms 3
 Total bathrooms 2.1
 Location B;WtrFr;
 View B;Seasonal Wtr;
 Site 1.9 ac
 Quality Q3
 Age 22



Comparable 2

175 Spur Rd
 Prox. To subject 2.29 miles NE
 Sale price 872,000
 Gross living area 2,520
 Total rooms 11
 Total bedrooms 4
 Total bathrooms 2.1
 Location B;WtrFr;
 View B;Wtr;
 Site 34412 sf
 Quality Q3
 Age 17



Comparable 3

279 Durham Point Rd
 Prox. To subject 0.26 miles SW
 Sale price 877,777
 Gross living area 2,873
 Total rooms 8
 Total bedrooms 3
 Total bathrooms 3.1
 Location B;WtrFr;
 View B;Seasonal Wtr;
 Site 7.1 ac
 Quality Q3
 Age 33

Comparable photo page

Seller	Richard Hallett & Mary Ehenworth				
Property Address	18 Colony Cove Rd				
City	Durham	County	Strafford	State	NH
Zip Code	03824				
Lender/Client	First Seacoast Bank				



Comparable 4

15-16 Cedar Point Rd
 Prox. To subject 1.27 miles NE
 Sale price 1,089,000
 Gross living area 1,766
 Total rooms 7
 Total bedrooms 2
 Total bathrooms 2.1
 Location B;WtrFr;
 View B;Wtr;
 Site 15246 sf
 Quality Q3
 Age 4



Comparable 5

564 Bay Rd
 Prox. To subject 2.01 miles SW
 Sale price 875,000
 Gross living area 2,766
 Total rooms 9
 Total bedrooms 4
 Total bathrooms 3.0
 Location N;Res;
 View B;Seasonal Wtr;
 Site 5.08 ac
 Quality Q3
 Age 22

Comparable 6

Prox. To subject
 Sale price
 Gross living area
 Total rooms
 Total bedrooms
 Total bathrooms
 Location
 View
 Site
 Quality
 Age

UNIFORM APPRAISAL DATASET (UAD) DEFINITIONS ADDENDUM

(Source: Fannie Mae UAD Appendix D: UAD Field-Specific Standardization Requirements)

Condition Ratings and Definitions

C1

The improvements have been very recently constructed and have not previously been occupied. The entire structure and all components are new and the dwelling features no physical depreciation.*

*Note: Newly constructed improvements that feature recycled materials and/or components can be considered new dwellings provided that the dwelling is placed on a 100% new foundation and the recycled materials and the recycled components have been rehabilitated/re-manufactured into like-new condition. Recently constructed improvements that have not been previously occupied are not considered "new" if they have any significant physical depreciation (i.e., newly constructed dwellings that have been vacant for an extended period of time without adequate maintenance or upkeep).

C2

The improvements feature no deferred maintenance, little or no physical depreciation, and require no repairs. Virtually all building components are new or have been recently repaired, refinished, or rehabilitated. All outdated components and finishes have been updated and/or replaced with components that meet current standards. Dwellings in this category either are almost new or have been recently completely renovated and are similar in condition to new construction.

C3

The improvements are well maintained and feature limited physical depreciation due to normal wear and tear. Some components, but not every major building component, may be updated or recently rehabilitated. The structure has been well maintained.

C4

The improvements feature some minor deferred maintenance and physical deterioration due to normal wear and tear. The dwelling has been adequately maintained and requires only minimal repairs to building components/mechanical systems and cosmetic repairs. All major building components have been adequately maintained and are functionally adequate.

C5

The improvements feature obvious deferred maintenance and are in need of some significant repairs. Some building components need repairs, rehabilitation, or updating. The functional utility and overall livability is somewhat diminished due to condition, but the dwelling remains useable and functional as a residence.

C6

The improvements have substantial damage or deferred maintenance with deficiencies or defects that are severe enough to affect the safety, soundness, or structural integrity of the improvements. The improvements are in need of substantial repairs and rehabilitation, including many or most major components.

Quality Ratings and Definitions

Q1

Dwellings with this quality rating are usually unique structures that are individually designed by an architect for a specified user. Such residences typically are constructed from detailed architectural plans and specifications and feature an exceptionally high level of workmanship and exceptionally high-grade materials throughout the interior and exterior of the structure. The design features exceptionally high-quality exterior refinements and ornamentation, and exceptionally high-quality interior refinements. The workmanship, materials, and finishes throughout the dwelling are of exceptionally high quality.

Q2

Dwellings with this quality rating are often custom designed for construction on an individual property owner's site. However, dwellings in this quality grade are also found in high-quality tract developments featuring residence constructed from individual plans or from highly modified or upgraded plans. The design features detailed, high quality exterior ornamentation, high-quality interior refinements, and detail. The workmanship, materials, and finishes throughout the dwelling are generally of high or very high quality.

Q3

Dwellings with this quality rating are residences of higher quality built from individual or readily available designer plans in above-standard residential tract developments or on an individual property owner's site. The design includes significant exterior ornamentation and interiors that are well finished. The workmanship exceeds acceptable standards and many materials and finishes throughout the dwelling have been upgraded from "stock" standards.

Q4

Dwellings with this quality rating meet or exceed the requirements of applicable building codes. Standard or modified standard building plans are utilized and the design includes adequate fenestration and some exterior ornamentation and interior refinements. Materials, workmanship, finish, and equipment are of stock or builder grade and may feature some upgrades.

UNIFORM APPRAISAL DATASET (UAD) DEFINITIONS ADDENDUM

(Source: Fannie Mae UAD Appendix D: UAD Field-Specific Standardization Requirements)

Quality Ratings and Definitions (continued)

Q5

Dwellings with this quality rating feature economy of construction and basic functionality as main considerations. Such dwellings feature a plain design using readily available or basic floor plans featuring minimal fenestration and basic finishes with minimal exterior ornamentation and limited interior detail. These dwellings meet minimum building codes and are constructed with inexpensive, stock materials with limited refinements and upgrades.

Q6

Dwellings with this quality rating are of basic quality and lower cost; some may not be suitable for year-round occupancy. Such dwellings are often built with simple plans or without plans, often utilizing the lowest quality building materials. Such dwellings are often built or expanded by persons who are professionally unskilled or possess only minimal construction skills. Electrical, plumbing, and other mechanical systems and equipment may be minimal or non-existent. Older dwellings may feature one or more substandard or non-conforming additions to the original structure.

Definitions of Not Updated, Updated, and Remodeled

Not Updated

Little or no updating or modernization. This description includes, but is not limited to, new homes.

Residential properties of fifteen years of age or less often reflect an original condition with no updating. If no major components have been replaced or updated. Those over fifteen years of age are also considered not updated if the appliances, fixtures, and finishes are predominantly dated. An area that is 'Not Updated' may still be well maintained and fully functional, and this rating does not necessarily imply deferred maintenance or physical/functional deterioration.

Updated

The area of the home has been modified to meet current market expectations. These modifications are limited in terms of both scope and cost.

An updated area of the home should have an improved look and feel, or functional utility. Changes that constitute updates include refurbishment and/or replacing components to meet existing market expectations. Updates do not include significant alterations to the existing structure.

Remodeled

Significant finish and/or structural changes have been made that increase utility and appeal through complete replacement and/or expansion.

A remodeled area reflects fundamental changes that include multiple alterations. These alterations may include some or all of the following: replacement of a major component (cabinet(s), bathtub, or bathroom tile), relocation of plumbing/gas fixtures/appliances, significant structural alterations (relocating walls, and/or the addition of) square footage). This would include a complete gutting and rebuild.

Explanation of Bathroom Count

Three-quarter baths are counted as a full bath in all cases. Quarter baths (baths that feature only a toilet) are not included in the bathroom count. The number of full and half baths is reported by separating the two values using a period, where the full bath count is represented to the left of the period and the half bath count is represented to the right of the period.

Example:

3.2 indicates three full baths and two half baths.

(Source: Fannie Mae UAD Appendix D: UAD Field-Specific Standardization Requirements)

Abbreviation	Full Name	Fields Where This Abbreviation May Appear
ac	Acres	Area, Site
AdjPrk	Adjacent to Park	Location
AdjPwr	Adjacent to Power Lines	Location
A	Adverse	Location & View
ArmLth	Arms Length Sale	Sale or Financing Concessions
ba	Bathroom(s)	Basement & Finished Rooms Below Grade
br	Bedroom	Basement & Finished Rooms Below Grade
B	Beneficial	Location & View
Cash	Cash	Sale or Financing Concessions
CtySky	City View Skyline View	View
CtyStr	City Street View	View
Comm	Commercial Influence	Location
c	Contracted Date	Date of Sale/Time
Conv	Conventional	Sale or Financing Concessions
CrtOrd	Court Ordered Sale	Sale or Financing Concessions
DOM	Days On Market	Data Sources
e	Expiration Date	Date of Sale/Time
Estate	Estate Sale	Sale or Financing Concessions
FHA	Federal Housing Authority	Sale or Financing Concessions
GlfCse	Golf Course	Location
Glfvw	Golf Course View	View
Ind	Industrial	Location & View
in	Interior Only Stairs	Basement & Finished Rooms Below Grade
Lntrl	Landfill	Location
LtdSght	Limited Sight	View
Listing	Listing	Sale or Financing Concessions
Mtn	Mountain View	View
N	Neutral	Location & View
NonArm	Non-Arms Length Sale	Sale or Financing Concessions
ByRd	Busy Road	Location
o	Other	Basement & Finished Rooms Below Grade
Prk	Park View	View
Pstrl	Pastoral View	View
PwrLn	Power Lines	View
PubTrn	Public Transportation	Location
rr	Recreational (Rec) Room	Basement & Finished Rooms Below Grade
Relo	Relocation Sale	Sale or Financing Concessions
REO	REO Sale	Sale or Financing Concessions
Res	Residential	Location & View
RH	USDA - Rural Housing	Sale or Financing Concessions
s	Settlement Date	Date of Sale/Time
Short	Short Sale	Sale or Financing Concessions
sf	Square Feet	Area, Site, Basement
sqm	Square Meters	Area, Site
Unk	Unknown	Date of Sale/Time
VA	Veterans Administration	Sale or Financing Concessions
w	Withdrawn Date	Date of Sale/Time
wo	Walk Out Basement	Basement & Finished Rooms Below Grade
wu	Walk Up Basement	Basement & Finished Rooms Below Grade
WtrFr	Water Frontage	Location
Wtr	Water View	View
Woods	Woods View	View

[illegible]

NH License

State of New Hampshire

**REAL ESTATE APPRAISER BOARD
APPROVED TO PRACTICE AS A
CERTIFIED RESIDENTIAL APPRAISER
ISSUED TO: JOANN L GEHRKE**



Certificate No: NHCR-957

EXPIRATION DATE: 02/28/2021

State of New Hampshire

**REAL ESTATE APPRAISER BOARD
APPROVED TO PRACTICE AS A
Certified Residential Appraiser
ISSUED TO: JOANN L GEHRKE**



Certificate No:
NHCR-957

EXPIRATION DATE:
02/28/2021

For additional information please contact the Board office at colleen.giffin@oplc.nh.gov or visit our web site at <http://www.oplc.nh.gov/real-estate-appraisers/index.htm>



LIA Administrators & Insurance Services

APPRAISAL, VALUATION AND PROPERTY SERVICES
PROFESSIONAL LIABILITY INSURANCE POLICY

DECLARATIONS - NEW HAMPSHIRE

Aspen American Insurance Company

(Referred to below as the "Company")

300 Madison Avenue, 7th Floor

New York, NY 10022

877-245-3550

Date Issued

Policy Number

Previous Policy Number

8/29/2020

AA009160-06

AA009160-05

THIS IS A CLAIMS MADE AND REPORTED POLICY. COVERAGE IS LIMITED TO LIABILITY FOR ONLY THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD AND THEN REPORTED TO THE COMPANY IN WRITING NO LATER THAN SIXTY (60) DAYS AFTER EXPIRATION OR TERMINATION OF THIS POLICY, OR DURING THE EXTENDED REPORTING PERIOD, IF APPLICABLE, FOR A WRONGFUL ACT COMMITTED ON OR AFTER THE RETROACTIVE DATE AND BEFORE THE END OF THE POLICY PERIOD. PLEASE READ THE POLICY CAREFULLY.

1. Customer ID: 154590

Named Insured:

WYTE, JR & ASSOC., LLC

Joann L. R. Getake

15 Sunsetbrook Drive

Hampton, NH 03842

2. Policy Period: From: 10/31/2020 To: 10/31/2021

12:01 A.M. Standard Time at the address stated in 1 above.

3. Deductible: \$1000 Each Claim

4. Retroactive Date: 10/31/2003

5. Inception Date: 10/31/2015

6. Limits of Liability: A. \$1,000,000 Each Claim
B. \$1,000,000 Aggregate

Subpoena Response: \$5,000 Supplemental Payment Coverage

Pre-Claim Assistance: \$5,000 Supplemental Payment Coverage

Disciplinary Proceedings: \$7,500 Supplemental Payment Coverage

Loss of Earnings: \$500 per day Supplemental Payment Coverage

7. Covered Professional Services (as defined in the Policy and/or by Endorsement):

Real Estate Appraisal and Valuations

Yes ☒ No ☐

Residential Property:

Yes ☒ No ☐

Commercial Property:

Yes ☐ No ☒

Bodily Injury and Property Damage Caused

Yes ☒ No ☐

During Appraisal Inspection (\$100,000 Sub-Limit):

Yes ☒ No ☐ If "yes", added by endorsement

Right of Way Agent and Relocation:

Yes ☐ No ☒

Machinery and Equipment Valuations:

Yes ☐ No ☒

Personal Property Appraisal:

Yes ☐ No ☒ If "yes", added by endorsement

Real Estate Sales/Brokerage:

Yes ☐ No ☒ If "yes", added by endorsement

Aspen American Insurance Company

Page 1 of 2

LIA001 NH (09/19)

8.	Report Claims to: LIA Administrators & Insurance Services, 800-334-0652, P.O. Box 1319, 1600 Anacapa St., Santa Barbara, California 93103
9.	Annual Premium: \$659.00
10.	Forms attached at issue: LIA002 (04/19) LIA NH (09/19) LIA012 (05/19) LIA020 (05/19) LIA131 (05/19) LIA164 (05/19)

This Declaration Page, together with the completed and signed Policy Application including all attachments and exhibits thereto, and the Policy shall constitute the contract between the Named Insured and the Company.

08/29/2020

Date

By

Authorized Representative

Producer Information

LIA Administrators & Insurance Services

Name of Authorized Agent/Broker: Robert C. Wiley

Address: 1600 Anacapa Street Santa Barbara, CA 93103

**Appraisal, Valuation and Property
Services Professional Liability Insurance Policy**

Named Insured: WITT, JR & ASSOC., LLC
Joann L. R. Gehrke

Policy Number: AA009160-06
Effective Date: 10/31/2020
Customer ID: 154590

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL COVERED PROFESSIONALS ENDORSEMENT

In consideration of the premium charged, it is agreed that Section IV, DEFINITIONS (I) "Insured" is amended to include:

"Insured" means:

The persons identified below, but only while acting on behalf of the Named Insured:

Name	Coverage Effective Date
Joann L. R. Gehrke	10/31/2020

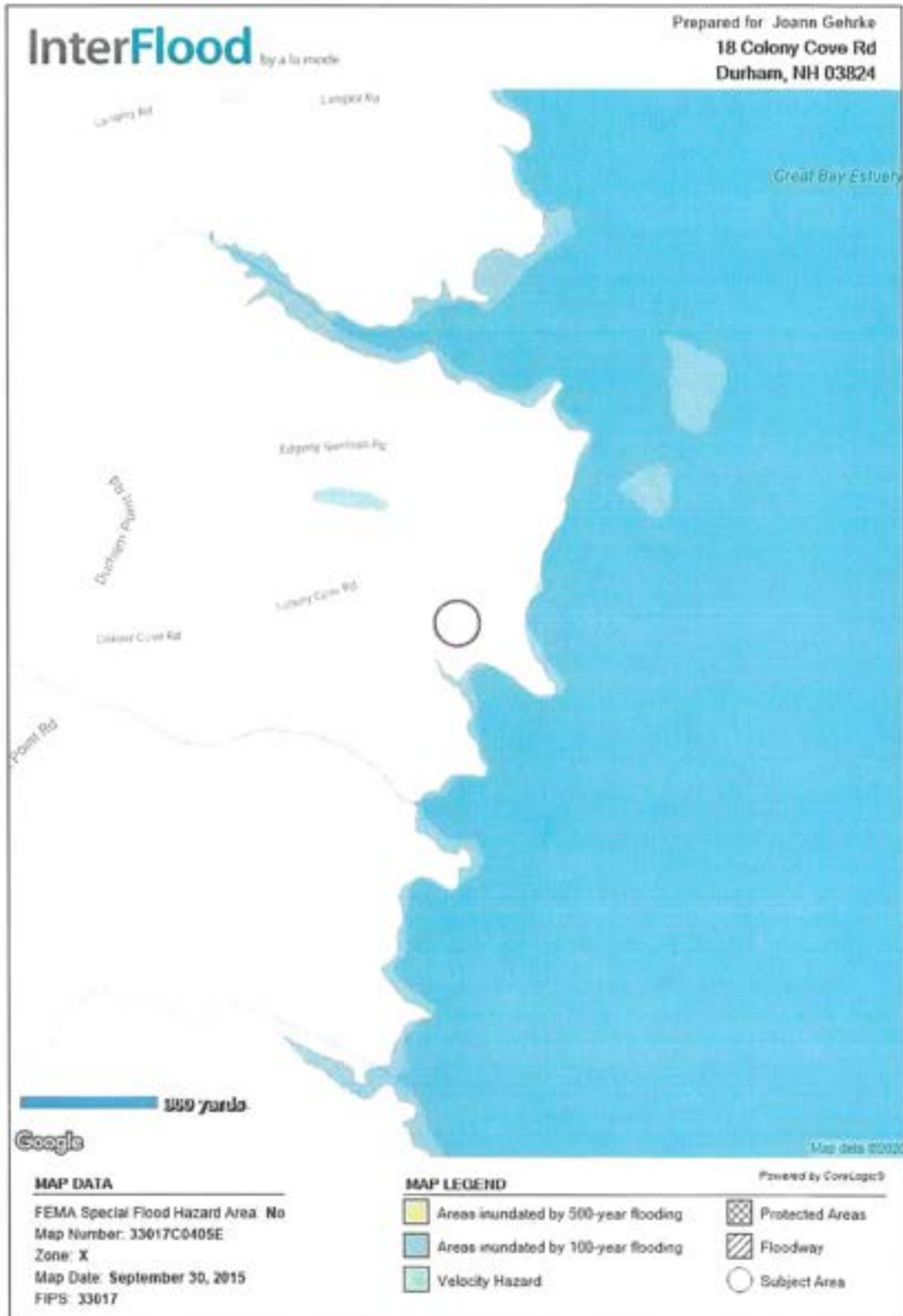
All other terms, conditions, and exclusions of this Policy remain unchanged.

Somerset	Richard Hallett & Mary Ehrenworth				
Property Address	18 Colony Cove Rd				
City	Durham	County	Stratford	State	NH Zip Code 03824
Lender/Client	First Seacoast Bank				



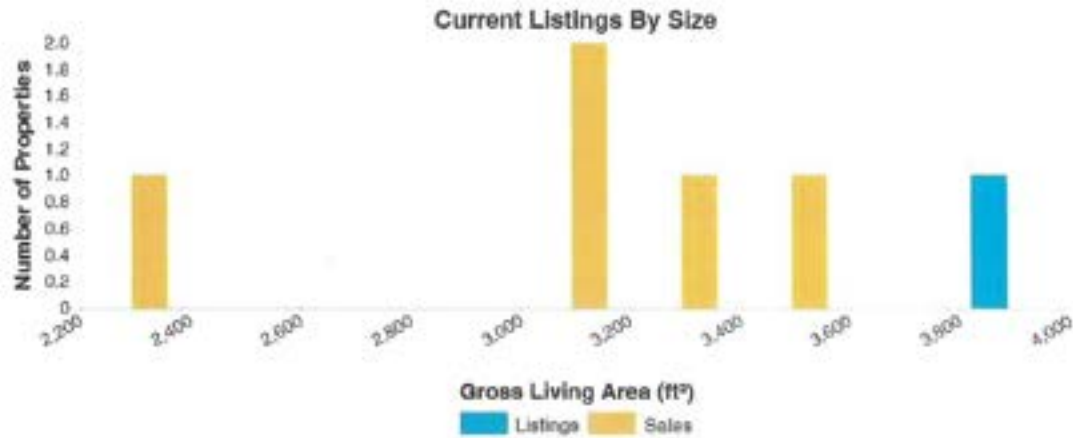
Flood Map

Borrower	Richard Hallett & Mary Ehrenworth				
Property Address	18 Colony Cove Rd				
City	Durham	County	Strafford	State	NH Zip Code 03824
Lender/Client	First Seacoast Bank				



Analytics Addendum

Borrower	Richard Hallett & Mary Ehrenworth				
Property Address	18 Colony Cove Rd				
City	Durham	County	Strafford	State	NH
Zip Code	03824				
Lender/Cliet	First Seacoast Bank				



This chart groups 6 properties in the subject market by size.
 Subject Property: 2046 sf;
 GLA Range: 2,251 sf - 3,958 sf; GLA Median: 3,196 sf; GLA Average: 3,191 sf.



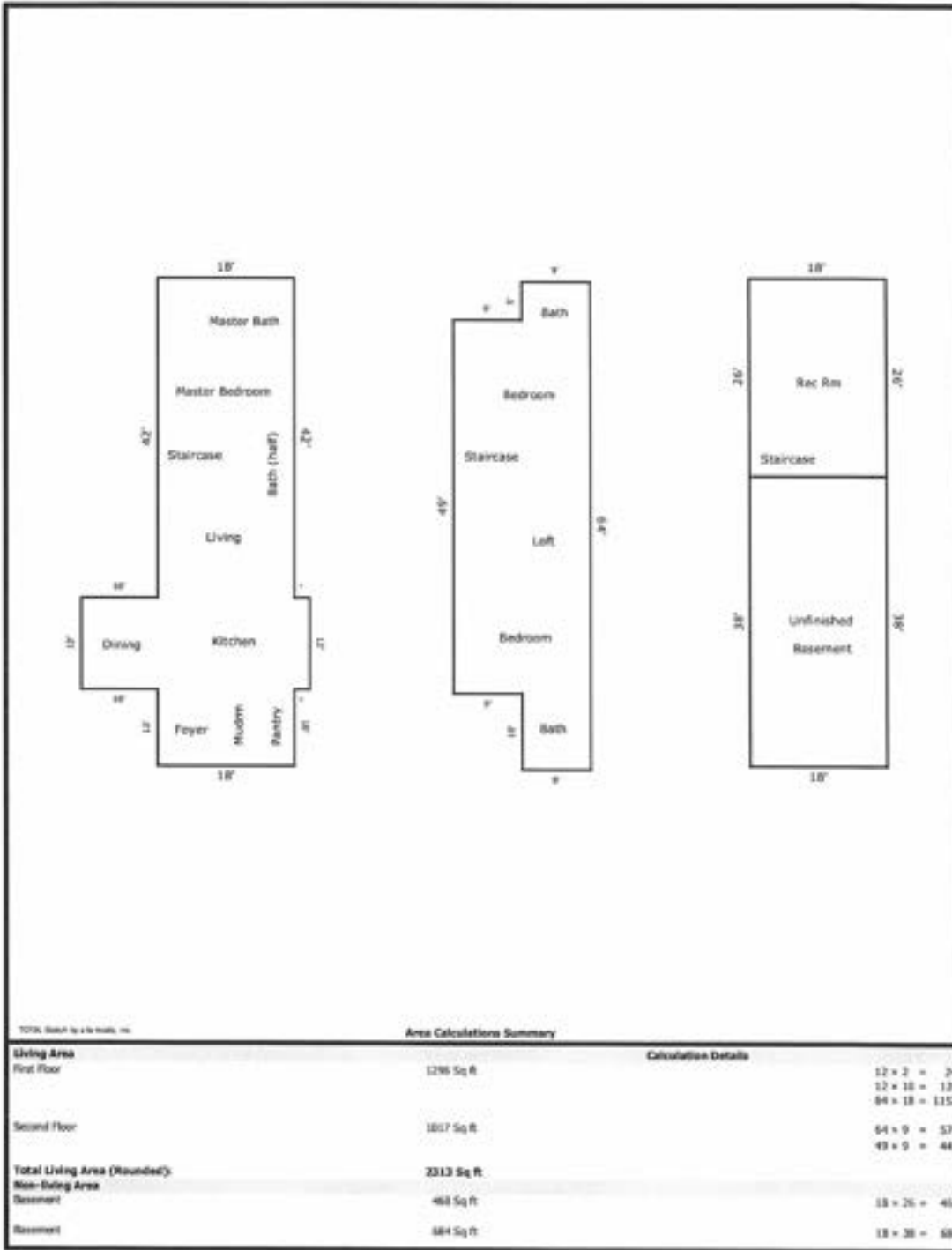
This analysis of prices in the subject market from 05-31-2019 to 11-12-2020 yields a price range of \$684,721 to \$1,031,480 for properties in the subject market as of 11-14-2020.



rear view of subject property

Building Sketch

Borrower	Richard Hallett & Mary Ehrenworth				
Property Address	18 Colony Cove Rd				
City	Durham	County	Strafford	State	NH Zip Code 03824
Lender/Client	First Seacoast Bank				



Town of Durham, NH				
Property Tax Bill Calculation				
Owner	Enrenworth			
PID	218-59			
Address	18 Colony Cove Rd			
WHAT WAS TAXED				
Total Assessed Value	855,600	1,373,700		
Exemption (solar,)	-	-		
Value Tax Applied To:	855,600.00	1,373,700.00		
Credit (veterans,)	-	-		
Tax Bill#:	108376	112097		
PropTax Issue 1 st or 2 nd	1	2		
Due Date:	7/3/2023	12/18/2023		
Paid Date:	6/12/2023	12/13/2023		
Tax Rate Applied:				
Town	4.070	5.750		
County	1.410	1.760		
Local School	8.280	11.580		
State School	0.765	1.390		
Total Rate	14.525	20.480		
tax will be roughly	12,427.59	28,133.38		
Resulting in Taxes of:				
Town	3,482.00	7,899.00		
County	1,206.00	2,418.00		
Local School	7,084.00	15,907.00		
State School	655.00	1,909.00		
Tax Calculated	12,427.00	28,133.00		
Less Credit & 1st Bill				
is the Amount Billed:	12,427.00	15,706.00		
WHAT SHOULD HAVE BEEN TAXED				
Total Assessed Value	855,600	1,209,000		
Exemption (solar,)	-	-		
Value Tax Applied To:	855,600.00	1,209,000.00		
Credit (veterans,)	-	-		
Tax Bill#:	108376	112097		
PropTax Issue 1 st or 2 nd	1	2		
Due Date:	7/3/2023	12/18/2023		
Paid Date:	6/12/2023	12/13/2023		
Tax Rate Applied:				
Town	4.070	5.750		
County	1.410	1.760		
Local School	8.280	11.580		
State School	0.765	1.390		
Total Rate	14.525	20.480		
tax will be roughly	12,427.59	24,760.32		
Resulting in Taxes of:				
Town	3,482.00	6,952.00		
County	1,206.00	2,128.00		
Local School	7,084.00	14,000.00		
State School	655.00	1,681.00		
Tax Calculated	12,427.00	24,761.00		
Less Credit & 1st Bill				
is the Amount Billed:	12,427.00	12,334.00		
WHAT SHOULD BE ABATED				
Difference in Billed-SHB = Abate	-	3,372.00	3,372.00	= To Be Abated
RSA 76:17-a Rate of Interest Pybl	4.00%	4.00%		
Enter Date Town will Payback	5/1/2024	5/1/2024		
Number of Days of Interest =	324	140		
Interest Payable	-	51.73	51.73	= Interest Owed
Less Previously Abated Amount of				
Total To Be Abated	-	3,423.73	3,423.73	



*TOWN OF DURHAM
8 NEWMARKET ROAD
DURHAM, NH 03824-2898
Tel: 603/868-8064*

ABATEMENT RECOMMENDATION

DATE: April 1, 2024

TOWN OF: Durham

TO: Town Council

FROM: Jay Ferreira

OWNER: Christopher & Trisha Hall
23 Bagdad Rd
Durham, NH 03824

REPRESENTATIVE: N/A

PROPERTY LOCATION: 23 Bagdad Road, Durham, NH 03824

PID: 104-12

PROPERTY TAX YEAR(S) APPEALED: 2023

APPLICATION FILING DATE: February 29, 2024

INVENTORY FILING DATE (Filing Date April 15th): N/A

ASSESSMENT APPEALED: \$579,700

Municipalities may abate taxes “for good cause shown.” RSA 76:16. Good cause is generally established by showing an error in the assessment calculation or a disproportionate assessment. Good cause can also be established by showing poverty and inability to pay the tax. If the abatement application is based on disproportionate assessment, the taxpayer has the burden to show how the assessment was disproportionate. To carry this burden the taxpayer must show:

- a. What the property was worth (market value) on the assessment date.
- b. The property’s “equalized assessment” exceeded the property’s market value. To calculate the equalized assessment, simply divide the assessment by the municipality’s equalization ratio (assessment ÷ ratio). Because a property’s market value is a crucial issue, **taxpayers must have an opinion of the market value estimate. Obtaining an appraisal or presenting sales of comparable properties can show this value estimate.**



REASON FOR APPEAL: The owner has applied for an abatement of their property, due to what they felt were errors on the field card. Also, the owner felt the house wasn't in very good condition. In his abatement application the owner stated the garage wasn't 2,022 sf it is 200 sf.

ASSESSORS COMMENTS: The subject property is a cape style home built in 1940. The house has an accessory apartment in the basement. The lot is 24,829 sf, located on Bagdad Rd. There is a detached garage that sits on the property line of 104/11.

RECOMMENDATION: I inspected the property with the owner on 3/6/2024. The finished basement sf was wrong. The (12 x 17) section of finished basement was coded as SFB. The correct code should have been FBM, because it is all below grade. I inspected the exterior and interior of the house. The roof is newer, the windows and aluminum siding are old. The kitchens and baths in the house are at least 40 years old. The mechanical systems are approximately 40 years old. This indicated the house is in average condition, not very good condition. The garage was only 200 sf, not 2,022 sf. These deductions reduce the overall assessment from \$579,700 to \$492,300 and grant an abatement for the assessed value difference of \$87,400. This calculates to an abatement of **\$1,817.86** including interest (interest is calculated to a repayment date of 5/1/24 and subject to change per tax collector). If the taxes have not been paid, then no refund or interest is due.

RECEIVED
Town of Durham

TAXPAYER'S RSA 76:16 ABATEMENT APPLICATION TO MUNICIPALITY

TAX YEAR APPEALED 2023

FEB 29 2024

INSTRUCTIONS

Planning, Zoning
and Assessing

1. Complete the application by typing or printing legibly in ink. **This application does not stay the collection of taxes; taxes should be paid as assessed. If an abatement is granted, a refund with interest will be made.**
2. File this application with the municipality by the deadline (see below). Date of filing is the date this form is either hand delivered to the municipality, postmarked by the post office, or receipted by an overnight delivery service.

DEADLINES: The "notice of tax" means the date the board of tax and land appeals (BTLA) determines the last tax bill was sent by the municipality. (If your municipality bills twice annually, you must apply after the bill that establishes your final tax liability and not before.)

Step One: Taxpayer must file the abatement application with the municipality by March 1 following the notice of tax.
Step Two: Municipality has until July 1 following the notice of tax to grant or deny the abatement application.
Step Three: Taxpayer may file an appeal either at the BTLA (RSA 76:16-a) or in the superior court (RSA 76:17), but not both. An appeal must be filed:

- 1) no earlier than: a) after receiving the municipality's decision on the abatement application; or b) July 1 following the notice of tax if the municipality has not responded to the abatement application; and
- 2) no later than September 1 following the notice of tax.

EXCEPTION: If your municipality's final tax bill was sent out after December 31 (as determined by the BTLA), the above deadlines are modified as follows (RSA 76:1-a; RSA 76:16-d, II):

Step One: 2 months after notice of tax;
Step Two: 6 months after notice of tax; and
Step Three: 8 months after notice of tax.

FORM COMPLETION GUIDELINES:

1. **SECTION E.** Municipalities may abate taxes "for good cause shown." RSA 76:16. Good cause is generally established by showing an error in the assessment calculation or a disproportionate assessment. Good cause can also be established by showing poverty and inability to pay the tax.
2. **SECTION G.** If the abatement application is based on disproportionate assessment, the taxpayer has the burden to show how the assessment was disproportionate. To carry this burden the taxpayer must show: a) what the property was worth (market value) on the assessment date; and b) the property's "equalized assessment" exceeded the property's market value. To calculate the equalized assessment, simply divide the assessment by the municipality's equalization ratio (assessment ÷ ratio). Because a property's market value is a crucial issue, taxpayers must have an opinion of the market value estimate. This value estimate can be shown by obtaining an appraisal or presenting sales of comparable properties.
3. **SECTION H.** The applicant(s) must sign the application even if a representative (e.g. Tax Representative, Attorney, or other Advocate) completes Section I.
4. Make a copy of this document for your own records.

FOR MUNICIPALITY USE ONLY:

Town File No.: _____

Taxpayer Name: _____

RSA 76:16 ABATEMENT APPLICATION TO MUNICIPALITY

SECTION A. Party(ies) Applying (Owner(s)/Taxpayer(s))

Name(s): Christopher D Hall and Trisha S Hall

Mailing Address: 23 Bagdad Road, Durham, NH 03824

Telephone Number(s): (Work) (215) 896-7402 (Home) (215) 896-7624
Chris cell Trisha cell

Note: If an abatement is granted and taxes have been paid, interest on the abatement shall be paid in accordance with RSA 76:17-a. Any interest paid to the applicant must be reported by the municipality to the United States Internal Revenue Service, in accordance with federal law. Prior to the payment of an abatement with interest, the taxpayer shall provide the municipality with the applicant's social security number or federal tax identification number. Municipalities shall treat the social security or federal tax identification information as confidential and exempt from a public information request under RSA 91-A.

SECTION B. Party's(ies)' Representative if other than Person(s) Applying (Also Complete Section A)

Name(s): (N/A)

Mailing Address: _____

Telephone Number(s): (Work) _____ (Home) _____

SECTION C. Property(ies) for which Abatement is Sought

List the tax map and lot number, the actual street address and town of each property for which abatement is sought, a brief description of the parcel, and the assessment.

<u>Town Parcel ID#</u>	<u>Street Address/Town</u>	<u>Description</u>	<u>Assessment</u>
104-12-0-0-0	23 Bagdad Rd, Durham, NH	White Cape Cod style home, built in 1940, with approximately 1/2 acre of land.	Current assessment (2023) = \$579,700

SECTION D. Other Property(ies)

List other property(ies) in the municipality owned in the same name(s), even if abatements for the other property(ies) have not been sought. The taxpayer's entire real property estate must be considered in determining whether the appealed property(ies) is (are) disproportionately assessed.

<u>Town Parcel ID#</u>	<u>Street Address/Town</u>	<u>Description</u>	<u>Assessment</u>
(N/A)			

SECTION E. Reasons for Abatement Application

RSA 76:16 provides that an abatement may be granted for "good cause shown." "Good cause" generally means:
1) establishing an assessment is disproportionate to market value and the municipality's level of assessment; or
2) establishing poverty and inability to pay the tax. This form can be utilized for either basis of requesting an abatement. The taxpayer has the burden to prove good cause for an abatement.

- 1) If claiming disproportionality, state with specificity all the reasons supporting your application. Statements such as "taxes too high," "disproportionately assessed" or "assessment exceeds market value" are insufficient. Generally, specificity requires the taxpayer to present material on the following (all may not apply):
 1. physical data – incorrect description or measurement of property;
 2. market data – the property's market value on the April 1 assessment date, supported by comparable sales or a professional opinion of value; and/or
 3. level of assessment – the property's assessment is disproportionate by comparing the property's market value and the town-wide level of assessment.

Note: If you have an appraisal or other documentation, please submit it with this application.

- 2) If claiming poverty or inability to pay, state in detail why abatement of taxes is appropriate as opposed to some other relief such as relocating, refinancing or obtaining some alternative public assistance.
Ansara v. City of Nashua, 118 N.H. 879 (1978).

(Attach additional sheets if needed.)

(see attached sheets)

SECTION F. Taxpayer's(s') Opinion of Market Value

State your opinion of the market value of the property(ies) appealed as of April 1 of the year under appeal.

Town Parcel ID# 104-12-0-0-0 Appeal Year Market Value \$ 489,100

Town Parcel ID# _____ Appeal Year Market Value \$ _____

Explain the basis for your value opinion(s). (Attach additional sheets if necessary.)

(See attached)

SECTION G. Sales, Rental and/or Assessment Comparisons

List the properties you are relying upon to show overassessment of your property(ies). If you are appealing an income producing property, list the comparable rental properties and their rents.
(Attach additional sheets if needed.)

Town Parcel ID#	Street Address	Sale Price/Date of Sale	Rents	Assessment
-----------------	----------------	-------------------------	-------	------------

(See attached)

SECTION H. Certification by Party(ies) Applying

Pursuant to BTLA Tax 203.02(d), the applicant(s) **MUST** sign the application. By signing below, the Party(ies) applying certifies (certify) and swear(s) under the penalties of RSA ch. 641 the application has a good faith basis, and the facts stated are true to the best of my/our knowledge.

Date: 2/28/2024

Christopher D. Hall
(Signature)

Trisha S Hall
(Signature)

SECTION I. Certification and Appearance by Representative (If Other Than Party(ies) Applying)

By signing below, the representative of the Party(ies) applying certifies and swears under penalties of RSA ch. 641:

1. all certifications in Section H are true;
2. the Party(ies) applying has (have) authorized this representation and has (have) signed this application; and
3. a copy of this form was sent to the Party(ies) applying.

Date: _____ (N/A)
(Representative's Signature)

SECTION J. Disposition of Application* (For Use by Selectmen/Assessor)

*RSA 75:16, II states: the municipality "shall review the application and shall grant or deny the application in writing by July 1 after notice of tax date"

Abatement Request: GRANTED _____ Revised Assessment: \$ _____ DENIED _____

Remarks:

Date: _____

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

Rev. 3/12

Abatement Application – Christopher D. and Trisha S. Hall, 23 Bagdad Road, Durham

SECTION E. Reasons for Abatement Application

RSA 76:16 provides that an abatement may be granted for “good cause show.” Good cause” generally means...Establishing an assessment is disproportionate to market value and the municipality’s level of assessment.

1. Physical Data.

There are several items related to our property and its tax card that appear incorrectly described, measured, or coded. These include the following five areas (described in detail below):

A) Measurement and valuation of our shared garage.

On our tax card, our garage is listed as 2,022 sq. ft., built in year 2022, and valued at \$30,300. This is incorrect on all counts. In actuality, the garage measures 20' x 20', or 400 sq. ft. It is a shared garage with our neighbors at 21 Bagdad—with our property line running through the middle of the garage—giving us ownership of just half of this outbuilding. While we are unclear about the exact date it was built, the garage was already old and in disrepair when we purchased the property in 2003. The garage was built directly on the ground with no footings and is therefore leaning and structurally unsound (see figures A.1-A.4). With gaps in its structure, it is subjected to pests (e.g., rodents), open to the elements, and therefore unsuitable for storage of most items. For the reasons above, it is of negligible value. (In the years 2022 and 2021 it was assessed at just \$800—a jarring discrepancy from its new and highly inflated value during this latest assessment). In fact, it could be argued that our garage be factored in as a negative value, considering its condition and the cost that will need to be incurred to demolish and remove it in the near future. Regardless, the previous assessments of its value (\$800 in 2021 and 2022) are much more realistic and reflective of its actual value.

B) Presence of a sewer easement and storm drain outlet on our property.

Our land use and value is significantly impacted by the presence of two town water-related structures—a sewer line running under our driveway and cutting across the width of our property and a storm drain outlet at the rear of our property (see Figure B.1). The sewer easement runs 150-200' underground on our property and serves Briarwood Lane and parts of Bagdad Road (see Figure B.2). There is an unsightly sewer cover at the rear of our home (see Figure B.3), but, most importantly, the presence of the sewer easement significantly inhibits our options for sites for a potential garage, storage shed, and/or addition to our

property. In the time we have owned our home, the town of Durham and other entities have completed work on this section of the sewer line that has had a significant negative impact on our property and home. Last year, in 2023, our neighbors at 21 Bagdad Rd needed to replace their sewer connection to this line, digging up a section of vegetation and plantings along the west edge of our property. In 2017 when the town of Durham was performing maintenance on the sewer lines on Bagdad Road, a sewage backup occurred in our home, resulting in significant damage to our basement, accessory apartment, and stored items. Incidents like these show the serious impact on our property's value imposed by the sewer easement. These should be reflected in a significant lowering of our land value.

Related to the sewer easement issue is the presence of a storm drain outlet at the rear of our property. This outlet results in serious erosion issues during storm events (see Figures B.4 and B.5). The drainage area this creates also precludes any building of structures or outbuildings in this area of our property. This, too, should be noted and reflected in a lowering of our land value.

C) Classification of our basement and second floor.

We have a portion of our basement which is finished and has been used as an accessory apartment. It is labeled as SFB on our tax card (and valued at this higher rate), presumably due to our sloping yard. A significant portion of this finished basement is still underground, however, and should therefore be designated as FBM—and therefore valued and taxed at a lower rate. (See Figure C.1).

Our home is described in various places as a 1.5 story Cape Cod, or as having 1.75 stories. With our low ceilings (80" high), low roof pitch, and significantly smaller footprint for the second floor of our home—approximately half the square footage of the first floor—we believe it should be labeled as a 1.5 story (and assessed and taxed accordingly, at this lower rate).

D) Depreciation and Condition of the Home.

While we have made updates to our home and yard over the 20 years we have lived here, these have largely been modest in scope and cosmetic in nature (e.g., painting rooms; refinishing floors; tiling bathrooms; replacing some bath and kitchen fixtures). There are other significant issues with our 1940-era home that have not been updated and which will need to be addressed. These include: original windows (throughout the first floor and basement; lead paint); old and deteriorating siding (aluminum siding in poor condition, covering lead-painted clapboards); a low roof pitch with inadequate insulation and lack of ventilation

(creating frequent ice dams and accompanying damage); inadequate wall insulation (due to 2" x 4" wall construction); a low-height second story (resulting in a squat, architecturally unappealing outer structure, as well as low ceilings in the interior of the second floor); an old heating system in need of replacement (the boiler is estimated at over 40 years old) (see Figure D.1); and a deteriorating chimney in need of replacement (see Figure D.2). These items are costly and not easily addressed (and some cases, such as the second-story construction, virtually impossible to fix). As a result, our home's condition and depreciation code should be considered as good (G), rather than very good (VG) and assessed/taxed accordingly.

E) Possible Errors in Measurement of Living Area

There appear to be errors in the assessor's measurements of the basement apartment, first floor, and second floor living areas, resulting in slightly higher areas than in reality.

2. Market Data

We believe our property's true value to be substantially less than the assessed value given last April 1, 2023. Our assessment is based on the following sales in close proximity to our property, all within 2 years of the current assessment.

Note: Our property (23 Bagdad Rd) has a living area currently listed as 1,680 sq ft. It has a land area of 24,829 land units (.57 acres). All properties below are in keeping with ours—i.e., comparable in living area and land area (exceptions noted below). The properties are also comparable in their neighborhood proximity to downtown Durham and UNH and their overall desirability.

Note: the first two properties are perhaps most comparable to ours, since they are alike in area—both living and land area—and style (i.e., both are Cape Cod style homes).

These first two properties have living *and* land areas comparable or greater than ours, and yet they are valued over \$100,000 *less* than our property.

Town Parcel ID #	Street Address	Living Area (sq ft)	Land Area (land units)	Sale Price/ Date of Sale	Assessment
102-62-0-0-0	10 Emerson	1,915	29,620	\$430,000 4/27/2021	\$470,000
105-57-0-0-0	103 Madbury	1,666	27,878	\$470,000 7/19/2021	\$462,400
108-23-0-0-0	18 Cowell Drive	2,314 *	13,503 *	\$500,000 4/5/2021	\$510,300
109-48-0-0-0	8 Hoitt Drive	1,601	15,681 **	\$425,000	\$477,700

				3/8/2023	
101-14-0-0-0	1 Tom Hall Road	2,009	17,859	\$530,000 11/23/2001	\$476,600
104-12-0-0-0	23 Bagdad Road (our property)	1,680	24,829	N/A	\$579,700

* Note: We chose 18 Cowell Drive as a comp despite its discrepancies from our property—i.e., its land area is smaller but this off-set by its significantly larger living area (in comparison to our property)

** The property at 8 Hoitt Drive has a comparable living area though smaller land area.

As an additional external measure: **Zillow valuation for our property is \$475,500. While Zillow's values may not be exact, no assessment measure is, and this discrepancy—a difference of \$104,200—is dramatic and adds credence to our assertion that our property has been overvalued. Even with Zillow's Zestimate median error rate (7.3% for off-market homes)¹, this would still support a significant overvaluing—inflated by nearly \$70,000—for our property.²**

As corroborating sources, **Redfin's valuation for our property is \$501,349; Realtor.com estimated value for our property is \$512,902.** While none of these are exact measures, they are consistent in their significantly lower valuation of our property—from \$67,000 to \$104,000 lower than Durham's current valuation conducted by MRI.

¹ Source: Bahney, Anna. (2021, April 21). "Selling Your Home: Here's How Accurate Online Assessments Are." *CNN Business*.

<https://www.cnn.com/2021/04/21/success/home-price-estimates-zillow-redfin-feseries/index.html>

² Calculations accounting for Zillow Zestimate median error rate: 7.3% of \$475,500 = \$34,712. This figure adds to the assessed value (34,712 + 475,500) = \$510,212. Our current assessed value (579,700) minus this figure (510,212) = \$69,488.

3. Level of Assessment

As we have shown above, we assert our property's market value is disproportionate by comparing it to similar property's sales within two years of the current assessment.

We also contend that our property's assessment is disproportionate in relation to the town-wide level of assessment, with the following rationale:

The average property increases in the most recent valuation for the town of Durham was 48%. **Our overall property increased by 126% overall. Our land value increased by even more, by 145%.**

The average tax increase for neighborhoods similar to ours was 19%. **Our property tax increased by 60%. This will result in an increase of \$4,435 per year.**

These are unsustainable and disproportionate increases by any reasonable estimation.

Our rationale for our property's overvaluation is also based on the assessments of properties similar to ours (see section G).

Our rationale for our property's overvaluation is also based on the Bagdad neighborhood abatement/appeal filed by Ken and Nancy Lynch. This abatement/appeal, which is included in Appendix Z, was filed to contest the change of NHBD code from a 60 to an 85 neighborhood designation. This appeal argues that our neighborhood designation should be changed from an 85 to a 70. This designation change would bring my land value to a more equitable, proportionate value, in relation to comparable properties.

SECTION F. Taxpayer's(s') Opinion of Market Value

State your opinion of the market value of the property(ies) appealed as of April 1 of the year under appeal.

Town Parcel ID# **104-12-0-0-0** **Appeal Year Market Value** **\$489,100**

Explain the basis for your value opinion(s):

Our opinion of our property's market value on April 1, 2023 is based on the mean values of the comparable properties listed in Sections E and G.

Namely, **the mean values of the 5 comparable sales** listed in Section E, Part 2 (Market Data) = **\$471,000**.

$$[(430,000 + 470,000 + 500,000 + 425,000 + 530,000) \div 5 = 471,000]$$

The mean values of the 3 online assessments listed in Section E, Part 2 = **\$496,584**

$$[(475,500 \text{ (Zillow)} + 501,349 \text{ (Redfin)} + 512,902 \text{ (Realtor.com)}) \div 3 = 496,584]$$

The mean values of the 6 comparable property assessments, listed in Section G = \$499,783

$$[(481,600 + 501,000 + 469,400 + 498,500 + 523,300 + 524,900) \div 6 = \$499,783]$$

Averaging these three means—comparable sales, online assessments, and assessments of comparable properties—gives an average market value of \$489,122, which we rounded to \$489,100.

$$[(471,000 + 496,584 + 499,783) \div 3 = 489,122]$$

SECTION G. Sales, Rental, and/or Assessment Comparisons

List the properties you are relying upon to show overassessment of your property(ies).

Our assessment of our property's market value (\$489,100) on the assessment date is based, firstly, on sales of comparable properties within 2 years of this date—**see sales chart from section E, part 2 – Market Data.**

As the sales of these comparable properties show, our property's equalized assessment—\$615,393—far exceeds its true market value.³

³[Equalized assessment for 23 Bagdad Road = current assessment divided by equalization ratio (94.2%, or .942). $\$579,700 \div .942 = \$615,393.$]

In addition to comparable sales (listed in Section E), Durham's recent assessment of comparable properties supports our estimation that our property has been drastically overvalued. **The following 6 properties reflect a more realistic and accurate estimate of our property's value:**

Town Parcel ID #	Street Address	Living Area (sq ft)	Land Area (acre)	Home Assessment	Land Assessment	Overall Assessment
105-92-0-0-0	8 Woodside Drive	1,852	.54	\$284,400	\$197,200	\$ 481,600
104-4-0-0-0	51 Emerson Road	1,765	.65	\$300,800	\$200,200	\$ 501,000
104-36-0-0-	19 Littlehale Road	1,512	.76	\$267,200	\$202,200	\$469,400
103-20-0-0-	10 Littlehale Road	1,977	.41	\$307,100	\$191,400	\$498,500
107-58-0-0-	24 Woodman Road	1,750	.67	\$322,600	\$200,700	\$523,300
105-8-0-0-	3 Davis Road	1,804	.71	\$276,900	\$248,000	\$524,900

Note: All these assessed properties are similar to ours in virtually every way, and yet all are valued far below our property's assessment.

Style: All homes listed above are Cape Cod style homes.

Living Area: All properties listed above have approximately the same living area. **Five out of six of these properties have living areas which *exceed* our home's living area.**

Land Area: All properties listed above have approximately the same land area as ours. **Four out of six have land areas which *exceed* our property's land area.**

Condition: **All the homes listed above are in very good—and, in most cases, even better condition—than our home.**

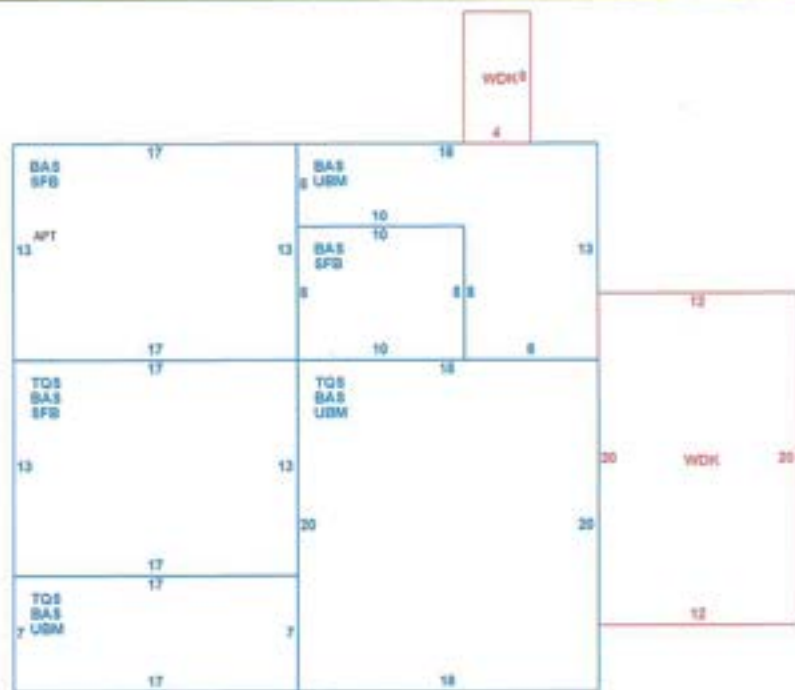
Overall property assessment: **All homes listed above are in desirable neighborhoods, in close proximity to downtown Durham, UNH, and public schools. All are in adjacent or nearby neighborhoods to ours on Bagdad Road.**

CONSTRUCTION DETAIL			CONSTRUCTION DETAIL (CONTINUED)		
Element	Cd	Description	Element	Cd	Description
Style:	04	Cape Cod			
Model	01	Residential			
Grade:	03	Average			
Stories:	1.75	1 1/2 Stories			
Occupancy	2				
Exterior Wall 1	26	Aluminum Sidng			
Exterior Wall 2					
Roof Structure:	03	Gable/Hip			
Roof Cover	03	Asph/F Gls/Cmp			
Interior Wall 1	03	Plastered			
Interior Wall 2					
Interior Flr 1	12	Hardwood			
Interior Flr 2					
Heat Fuel	02	Oil			
Heat Type:	05	Hot Water			
AC Type:	01	None			
Total Bedrooms	03	3 Bedrooms			
Total Bthrms:	3				
Total Half Baths	0				
Total Xtra Fixtrs					
Total Rooms:	8	8 Rooms			
Bath Style:					
Kitchen Style:					
Num Kitchens	01				

CONDO DATA			
Parcel Id		C	Owne 0.0
Adjust Type	Code	Description	Factor%
Condo Flr			
Condo Unit			
COST / MARKET VALUATION			
Building Value New			351,205
Base Rate			135.00
NetOtherAdj.			15,000
Eff.Base Rate			159.71
Year Built			1940
Effective Year Built			2002
Depreciation Code			VG
Remodel Rating			
Year Remodeled			
Depreciation %			20
Functional Obsol			0
External Obsol			0
Trend Factor			1
Condition			
Condition %			
Percent Good			80
RCNLD			281,000
Dep % Ovr			
Dep Ovr Comment			
Misc Imp Ovr			
Misc Imp Ovr Comment			
Cost to Cure Ovr			
Cost to Cure Ovr Comment			

OB - OUTBUILDING & YARD ITEMS(L) / XF - BUILDING EXTRA FEATURES(B)										
Code	Description	L/B	Units	Unit Price	Yr Blt	Cond. Cd	% Gd	Grade	Grade Adj.	Appr. Value
FPL2	1.5 STORY C	B	1	3400.00	1991		80		0.00	2,700
RD1	RES DRIVEW	L	1	1500.00	1993		50		0.00	800
FGR1	GARAGE-AVE	L	2,022	30.00	2022		50		0.00	30,300
KTH	Extra Kitchen	B	1	5500.00	2022		80		0.00	4,400

BUILDING SUB-AREA SUMMARY SECTION						
Code	Description	Living Area	Floor Area	Eff Area	Unit Cost	Undeprec Value
TQS	Three Quarter Story	525	700	525		
BAS	First Floor	1,155	1,155	1,155		
UBM	Basement, Unfinished	0	633	127		
WDK	Deck, Wood	0	272	27		
SFB	Raised Basement, Finished	0	522	365		
Ttl Gross Liv / Lease Area		1,680	3,282	2,199		



Property Location 23 BAGDAD ROAD
Vision ID 156 Account # 5359

Map ID 104 / 12/0 0/0
Bldg # 1

Bldg Name
Sec # 1 of 1 Card # 1 of 1

State Use 1011
Print Date 01-26-2024 1:38:20 P

CURRENT OWNER		TOPO	UTILITIES	STRT / ROAD	LOCATION	CURRENT ASSESSMENT				2303 DURHAM, NH VISION								
		1 Level	1 All Public	1 Paved	2 Suburban	Description	Code	Appraised	Assessed									
HALL, CHRISTOPHER D		4 Rolling				RESIDENTL	1011	288,100	288,100									
HALL, TRISHA S						RES LAND	1011	260,500	260,500									
23 BAGDAD ROAD						RESIDENTL	1011	31,100	31,100									
DURHAM NH 03824		SUPPLEMENTAL DATA																
		Alt Prol ID 01-19-1-L/B		#COMM U														
		SH #BEDS																
		MAX#BED																
		SH #UNIT																
		#PARKING																
		GIS ID M_1182511_234745																
						Total		579,700	579,700									
RECORD OF OWNERSHIP		BK-VOL/PAGE	SALE DATE	Q/U	V/I	SALE PRICE	VC	PREVIOUS ASSESSMENTS (HISTORY)										
HALL, CHRISTOPHER D		3909 0570	03-02-2011	U	I	0		Year	Code	Assessed	Year	Code	Assessed V	Year	Code	Assessed		
HALL, CHRISTOPHER D		2828 0181	08-14-2003	Q	I	240,000	U	2023	1011	288,100	2022	1011	149,200	2021	1011	149,200		
SIMPSON, MARY		0				0			1011	260,500		1011	106,100		1011	106,200		
						0			1011	31,100		1011	800		1011	800		
								Total		579,700	Total		256,100	Total		256,200		
EXEMPTIONS			OTHER ASSESSMENTS					This signature acknowledges a visit by a Data Collector or Assessor										
Year	Code	Description	Amount	Code	Description	Number	Amount	Comm Int										
Total			0.00															
ASSESSING NEIGHBORHOOD																		
Nbhd	Nbhd Name	B	Tracing	Batch														
0																		
NOTES																		
ACCESSORY APT IN SFB. FULL DORMER ON REAR																		
BUILDING PERMIT RECORD										VISIT / CHANGE HISTORY								
Permit Id	Issue Date	Type	Description	Amount	Insp Date	% Comp	Date Comp	Comments	Date	Id	Type	Is	Cd	Purpost/Result				
16-216	08-10-2016	AD	Addition	10,710		100	09-01-2016	New deck	05-08-2023	PM			15	Field Review				
05-182	08-18-2005	RE	Remodel	4,985	08-20-2006	100	09-20-2005	Re-roof	08-15-2022	PGM			07	Measur/Int/Dr Info taken at				
03-289	10-31-2003	RE	Remodel	6,325	03-15-2005	100	03-15-2005	Renovate apt in basement	04-18-2017	JR			53	New Const. Insp.				
									08-08-2013	DG			15	Field Review				
									06-20-2006	RD			04	Measur Permit no one hom				
									03-15-2005	RD			00	Measur+Listed				
									03-30-2004	RD			05	Measur/New UC Under C				
LAND LINE VALUATION SECTION																		
B	Use Code	Description	Zone	LA	Land Type	Land Units	Unit Price	Site Adj	Site Index	Cond.	Nbhd.	Nbhd. Adj	Notes	Location Adjustmen	Adj Unit P	Land Value		
1	1011	SFR AC APT	RA			24,829 SF	6.13	1.00000	1	0.95	85	1.800	SHARED DRIVE		1.0000	10.49	260,500	
Total Card Land Units						0.57 AC	Parcel Total Land Area 0.57						Total Land Value 260,500					

Figures A.1 to A.4: Views of shared garage (showing 20' x 20' size and poor condition)

Figure A.1: Front of shared garage



Figure A.2: West side of shared garage



Figure A.3: Rear of shared garage



Figure A.4: East side of shared garage



Figure B.1: Sewer cover at the rear of home



Figure B.3: View facing northwest, showing path of sewer easement



Figure B.2: Sewer Easement for 23 Bagdad Rd

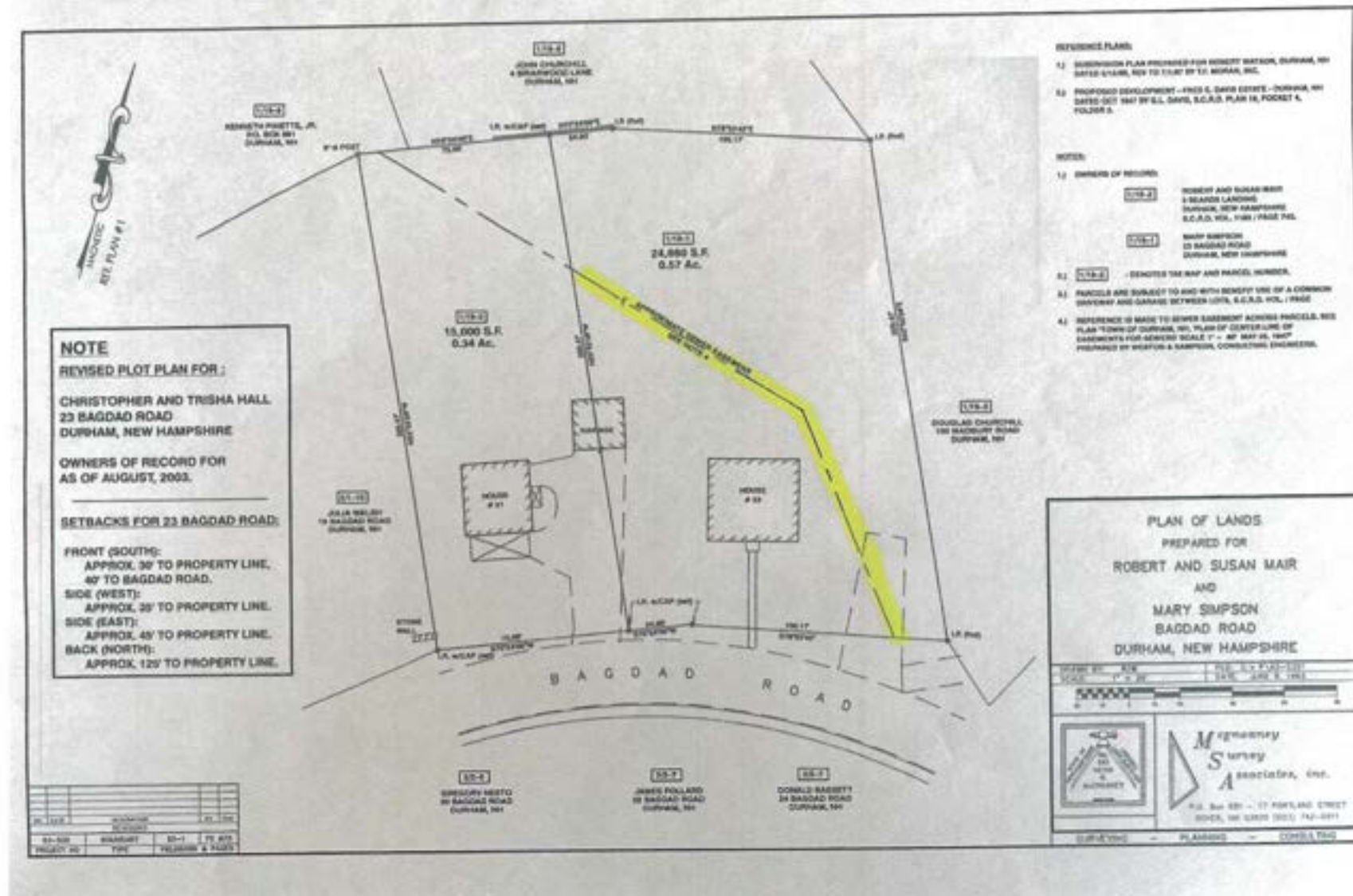




Figure B.4: Storm drain at rear of property



Figure B.5: Close-up of storm drain showing erosion from storm events



Figure C.1: Side view of 23 Bagdad (showing apartment and second floor height and size)



Figure D.1: Boiler (approximately 40+ years old and in need of replacement)



Figure D.2: Chimney in need of replacement

APPENDIX Z:

Bagdad Road abatement/appeal (originally filed by Ken and Nancy Lynch

This abatement is being filed in order to contest the change of NBHD code from a 60 to an 85 neighborhood designation for our property and for all 28 properties in the portion of Bagdad Road from the intersection of Madbury and Bagdad to the intersection of Bagdad and Emerson plus 48 and 50 Bagdad designated 85 by the 2023 Town Assessment . (see list of properties in Exhibit A) The recoding is not supported by the data.

According to the assessment office, NHBD factors are assigned based on:

1. Sales from 4/1/2021 to 3/30/2023 in that neighborhood and determining a factor that brings assessment and sales values close to a 1/1 ratio of assessment/ sales.
2. The desirability of the neighborhood which is based on location and proximity to schools, downtown and UNH.

The NBHD assignment at last assessment was 60. It is now designated 85. There have been no changes to this neighborhood of early 1900 homes in the past 5 years. We are no closer to town, schools or UNH. We wish to point out this and other inequities in the application of both these criteria to our Bagdad neighborhood and the resultant excessive tax burden for property owners.

1) Sales Data and resultant inequities:

There were only two sales in our NHBD 85 neighborhood during the period being evaluated. As we will point out, only one fits our designation. Data for the sold properties follows:

7 Bagdad Road NBHD: 85, factor 1.8 The assessment ratio using the assigned 85 factor is RA: 1.1538. Tax card shows:

Sale Date: 8/23/22

Sale price : \$420,000

Total Assessment: \$484,600

Difference: \$ 484,600-\$420,000= **\$64,600 too high assessment**

Building assessment: \$204,600

Base land assessment: $x = \$280,000 / 1.8 = \$155,000$

Designation of 1.8 factor results in an assessment that is 15% too high.

Using 1.3 as factor:

Land value: $1.3 \times \$155,000 = \$201,500$ plus

Building value: \$204,600

Total: \$406,100

RA: $\$406,100 / \$420,000 = .96$

Factor of 1.3 or NBHD designation of 70 is closer to the 1/1 ratio and a more appropriate factor.

A better factor would be the 1.3 factor associated with 70 NBHD factor.

20 Bagdad Road NBHD 85; The assessment ratio using the assigned 85 factor is RA: .9732.

Tax card shows:

Sale 12/29/22

Sale price \$615,000

Assessment: \$598,500

Building assessment: \$330,400

Base land assessment: $\$268,100 / 1.8 = \$148,944$

If 1.6 factor were applied: $\$148,944 \times 1.6 = \$238,311$;

Land plus bldgs. = $\$238,311 + \$330,400 = \$568,711$

RA: $\$568,711 / 615,000 = .9247$

A 1.8 or 1.6 factor would be appropriate.

As has been stated, there were only two sales in our neighborhood. It appears that the higher factor sale was considered, and the lower factor sale was ignored in determining our neighborhood designation. Essentially, our NBHD

code is based on ONE sale. Why was NBHD 85 chosen when 60/70 would be more in keeping with contiguous streets and neighborhoods and more equitable when comparing sales in other contiguous neighborhoods? When approached, town officials said that our neighborhood was being grouped with the Faculty neighborhood which is across town instead of with our contiguous streets. No reason was given for doing so. And now we were 2 in a sales group of 16. Our NBHD designation was, according to the third-party assessor, not based on one sale but part of a larger group of sales. This appears to be circular reasoning.

Consider the following inequities when compared to the NBHD code assigned in our contiguous neighborhoods. Emerson has a sales profile during that same time frame that mimics Bagdad's. Emerson also had two sales during the period of 4/1/2021 to 3/30/2023. For one property, a **1.8 factor would be more in line to achieve a near 1/1 ratio; for the other, a 1.3 factor** would be appropriate, the same situation noted for Bagdad.

Emerson Street Data:

16 Emerson Road NBHD: 70. RA: .8905. Factor 1.3

Tax cards shows:

Sale: 6/8/22

Sale Price: \$800,000

Assess: \$718,100

Difference sale vs assess: **\$81,900 too low**

Building assessment: \$523,100

Land assessment using 1.3 factor: \$195,000

Base land value: $1.3 \times \$195,000 = \$253,500$

Using 1.8 factor for 85 neighborhood

Land eval using 1.8 $\times \$150,000 = \$270,000$

Bldg: \$523,100 + land \$270,000 = \$793,100

Total assessment: \$793,100

$$\text{RA: } \$793,100/\$800,000 = .99$$

10 Emerson NBHD 70 RA: 1.0591

Sale: 4/27/2021

Factor of 1.3 is appropriate.

Emerson has an appropriate 1.8 property and an appropriate 1.3 property, not unlike sales on Bagdad yet Emerson has retained a 70 neighborhood and Bagdad was recoded from a 60 to an 85.

More inequities.

Let's look at Edgewood.

54 Edgewood NBHD: 70 RA .8916 Factor 1.3 Tax card shows:

Sale: 7/5/22

Sale price: \$775,000

Assess: \$691,000

Difference sales vs assessment: **\$84,000 too low**

Building assessment: \$538,700

Land use assess using 1.3 factor: \$195,600

Base land assess: $1.3 \times \$195,600 = \$254,280$

Assessment using 1.6 factor.

Land assess using 1.6 (80 NBHD) : $\$150,462 \times 1.6 = \$240,740$

Building plus land: $\$538,700 + \$240,740 = \$779,439$

RA: $\$779,439/\$775,000 = 1.00$

1.6 factor is more appropriate.

49 Edgewood NBHD 70; RA .8252 Factor 1.3. Tax card shows:

Sale date: 7/15/22

Sale price: \$ 651,000

Assessment: \$537,200

Building assessment: \$376,800

Land assessment with 1.3 factor: \$191,400.

Base land assessment: $1.3 X = \$191,400$, $X = \$147,230$

Using 1.8 factor:

Land assessment $147,230 \times 1.8 = \$265,014$

Land assessment plus building assessment: $\$265,014 + \$376,800 = \$641,814$

RA: using 1.8 factor: $\$641,814 / \$651,000 = .985$

1.8 factor and NBHD 85 more appropriate here

(Two other sales on Edgewood have an appropriate 1.3 factor.)

These streets retained their original designations. Perhaps they are grouped with contiguous streets in their neighborhood and not with a neighborhood across town.

2) Desirability and Inequities:

We were told we were a highly desirable neighborhood because of location and being close to town and schools. Looking at a map of our area of town, we see:

- **Dennison, a 60 designation is closer to school and town.**
- **Madbury, which is as close to school and closer to town is a 50 (at the intersection of Bagdad) to a 70 designation further up.**

- Bagdad from 50 Bagdad to Rte 108, is a 60, as are 52 Bagdad and 53 Bagdad which are across the street from 50 Bagdad which is an 85. That part of Bagdad is closer to the High School.
- For comparison, Beard's Landing, Woodman Road, Little Hale, Emerson Road and Edgewood Road are all equivalent (or slightly better) in location, desirability and proximity to schools and are 60/70 NBHDs.
- Our neighborhood has at least 7 houses that are not occupied by owner only. That constitutes 25% of our NBHD properties. The housing profile for these 7 properties includes 6 non-owner occupied rentals; 1 multifamily (6 units); 3 duplexes; and 6 student rentals. This profile is generally considered to detract from neighborhood desirability.
- Much of our street is in earshot of fraternities and around the corner from multiple student rentals; some would say that detracts from desirability.
- Bagdad is a through street, also a value detractor.

Following are contiguous and nearby streets and their designations. (see Exhibit B, Map)

- Bagdad from Emerson (except 52 and 53 Bagdad) to Dover Road 60
- Dennison 60
- Madbury 50- 70
- Emerson 70
- Coe 50
- Edgewood 70
- Little Hale 70

We are 28 properties designated an 85 NBHD surrounded by 50, 60 and 70 neighborhoods and of questionable higher desirability based on location, proximity to schools, town and UNH.

3) Resultant Excessive Tax Implications:

As a result of this 85 designation, property valuations in our neighborhood have increased 89% while the average for residential

properties in Durham 48% (per assessor's office). Property values have gone up in general; however, at a value nearly two times more here on Bagdad than the rest of Durham seems excessive and unrealistic.

The average property tax bill for our neighborhood went up 33% which is more than 2X that for other properties in neighborhoods similar to our in location, desirability and proximity to schools. Taxes have increased as much as 60% over last assessment for some residents in our neighborhood. That is a very large increase that is not substantiated by the data. Please see attached table (Exhibit C) indicating the percentage increase for all 28 properties affected by this designation.

For comparison, Beard's Landing, Woodman Road, Littlehale Road and Emerson Road- all equivalent in location, desirability and proximity to schools as Bagdad, saw the following average tax increases:

Woodman: 15%

Emerson: 18%

Littlehale: 17%

To summarize:

The data does not support the recoding of Bagdad from a 60 to an 85 neighborhood.

- The sales for the Bagdad properties do not support it.
- Inequities exist when compared with data from contiguous neighborhoods.
- We are an 85 designation in a sea of 50, 60 and 70 NBHDs. All abutting streets except Emerson are 50 and 60 NBHDs, as were we.
- There have been no significant changes to our neighborhood since the last assessment coding us as a 60.
- Other neighboring streets have retained their last designation; ours has gone from a 60 to an 85.
- Households on this street have seen an average tax increase of 33% and as much as 60% for some.

In order to rectify these inequities, all 28 properties on Bagdad from the intersection of Madbury to the intersection of Emerson plus 48 Bagdad and 50 Bagdad need to be changed from an 85 to a code reflecting compatibility and equity with abutting and similar neighborhoods, all of which are 50/60/70 neighborhoods.

Attachments:

Exhibit A: Chart showing Bagdad 85 properties.

Exhibit B: Map with NBHD designations.

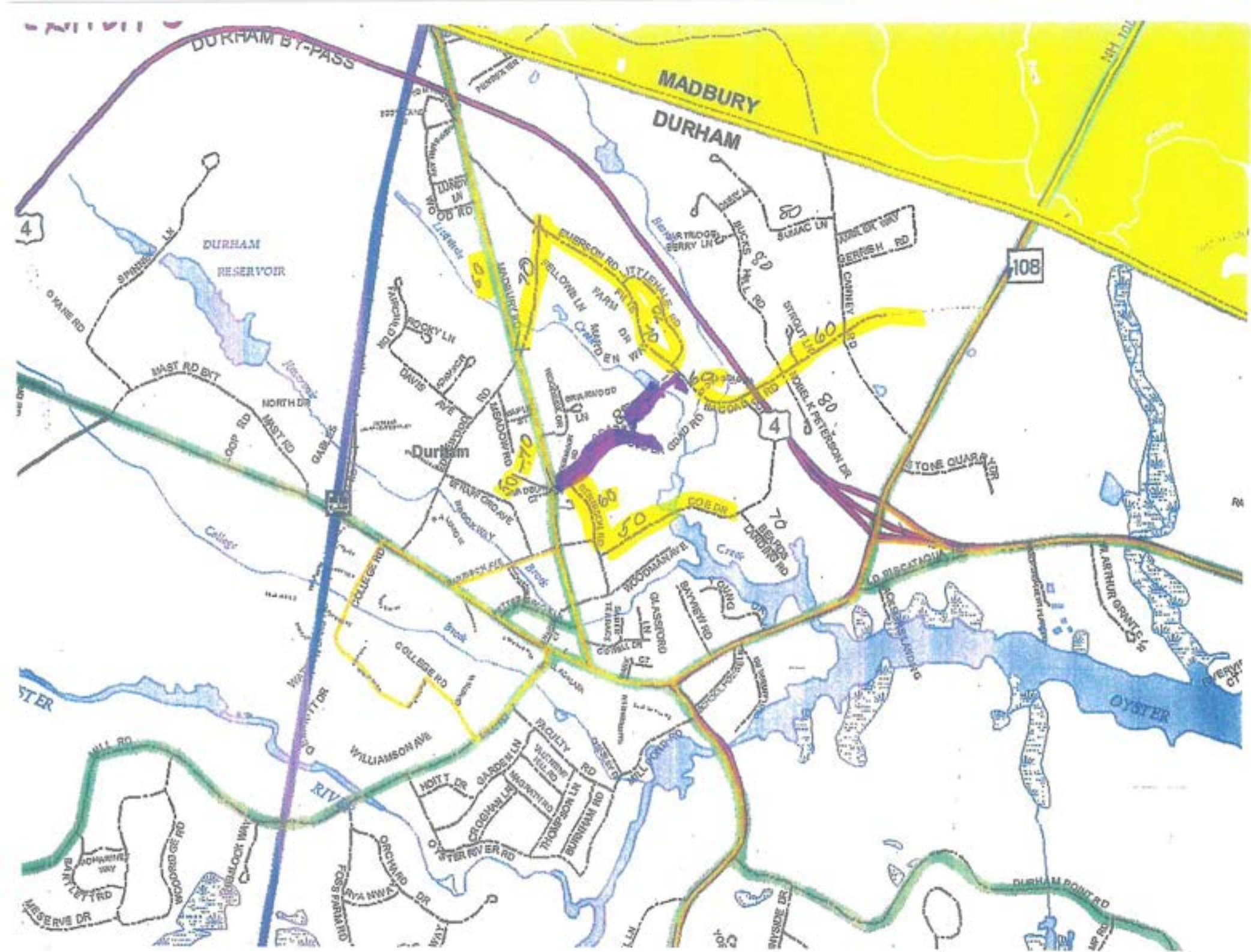
Exhibit C: Property valuation/tax increase for Bagdad Rd.

Exhibit D: Chart comparing tax increase by neighborhoods.

St. #	Street Name	Map	Map Cut	Block	Block Cut	Lot	Lot	Unit	Unit	Owner's Name	Use Code	Total Assessed Land	Total Assessed Improvements	Total Assessed Parcel Val
18	AMBLER WAY	206				27	0	0	0	SWEETMAN, PETER M	1010	173100	362200	535300
20	AMBLER WAY	206				18	0	0	0	WHITE, MICHAEL P	1010	173300	343700	517000
	B & M R.R. /	233				33	0	0	0	NATURE	8303	487	0	487
	CONSTABLE RO									CONSERVANCY				
1	BACK RIVER	216				3	0	0	0	SMITH, JOSHUA G	1010	262200	356500	618700
	ROAD													
32	BACK RIVER	216				7	0	0	0	LOCKE, DONALD ANGUS	1010	207200	144700	351900
	ROAD													
33	BACK RIVER	207				5	0	0	0	BEAUDOIN REV TRUST,	1320	18800	0	18800
	ROAD									LISA J				
	BACK RIVER	216				8	0	0	0	SMITH IRREV TRUST,	6002	3221	0	3221
	ROAD									GERALD L & DOROTHY				
5	BAGDAD ROAD	106				33	0	0	0	SPIELMAN, STEVEN B	1010	241100	219900	461000
7	BAGDAD ROAD	107				8	0	0	0	SCHRADER, CONN	1010	280000	204600	484600
										JASON				
8	BAGDAD ROAD	107				10	0	0	0	CATBOAT PROPERTIES	1011	268100	427800	696900
										LLC				
9	BAGDAD ROAD	104				7	0	0	0	SEAL, ANDREW R	1010	270000	257000	527000
10	BAGDAD ROAD	107				9	0	0	0	CAVARETTA, DAVID	1040	288200	434900	723100
11	BAGDAD ROAD	104				8	0	0	0	BARRETT TRUST,	1010	272300	271400	543700
										JUDDIE M				
16	BAGDAD ROAD	104				82	0	0	0	WHELAN KINCADE REV	1010	284600	356300	640900
										TRUST				
17	BAGDAD ROAD	104				9	0	0	0	17 BAGDAD ROAD LLC	1010	262000	214600	476600
18	BAGDAD ROAD	104				81	0	0	0	SCHROEDER-ROTNER	1010	291400	319700	611100
										2018 REV TRUST				
19	BAGDAD ROAD	104				10	0	0	0	MACKAY REV TRUST,	1010	281400	621200	902600
										PHYLLIS R				
20	BAGDAD ROAD	104				80	0	0	0	CONGIN, MEGAN L	1010	268100	330400	598500
21	BAGDAD ROAD	104				11	0	0	0	JAMES REV LIVING	1010	245000	233500	478500
										TRUST, ROBERT &				
22	BAGDAD ROAD	104				79	0	0	0	POLLARD REV TRUST,	1011	261000	383300	644300
										JAMES E				
23	BAGDAD ROAD	104				12	0	0	0	HALL, CHRISTOPHER D	1011	260500	319200	579700
24	BAGDAD ROAD	104				78	0	0	0	ANDERSON, MICHAEL R	1010	264000	427900	691900
27	BAGDAD ROAD	104				13	0	0	0	AVERY FAMILY REV	1011	273800	367000	640800
										LIVING TRUST				
29	BAGDAD ROAD	104				14	0	0	0	PAULIN, JEREMY G	1010	280000	406000	686000
30	BAGDAD ROAD	104				76	0	0	0	CHAN REV TRUST,	1010	261000	302400	563400
										ANDREA D				
31	BAGDAD ROAD	104				73	0	0	0	STASKO REV TRUST,	1011	283100	517200	800300
										MICHAEL P				
32	BAGDAD ROAD	104				75	0	0	0	THE LYNCH REV TRUST	1010	349400	418900	768300

By Location

St. #	Street Name	Map	Map Cut	Block	Block Cut	Lot	Lot	Unit	Unit	Owner's Name	Use Code	Total Assessed Land	Total Assessed Improvements	Total Assessed Parcel Val
						74	0	0	0	INGELFINGER, ERICH H	1010	305600	284600	590200
35	BAGDAD ROAD	104				72	0	0	0	NEEDELL REV TRUST, GERALD J	1010	280200	370300	650500
36	BAGDAD ROAD	104								SCHULENBERG, MICHAEL D	1010	271200	412000	683200
38	BAGDAD ROAD	104				71	0	0	0	PALEY, SEAN	1010	344500	601500	946000
						15	0	0	0	QUIGLEY, JULIA W	1011	276800	335000	611800
39	BAGDAD ROAD	104				70	0	0	0	SEAMAN, JAYSON O	1011	276800	446600	723400
40	BAGDAD ROAD	104				69	0	0	0	EVERNGAM, MARCUS K	1010	272700	148800	421500
46	BAGDAD ROAD	104				68	0	0	0	SHIRLEY, WAYNE D	1010	285700	236300	524000
48	BAGDAD ROAD	104				67	0	0	0	MORONG, CYNTHIA	1010	183300	275000	458300
50	BAGDAD ROAD	104				66	0	0	0	MACGREGOR JR, MALCOLM	1010	173900	285600	459500
52	BAGDAD ROAD	104				42	0	0	0	DRAKE REV TRUST, ALLEN D	1040	177200	386500	563700
53	BAGDAD ROAD	104				43	0	0	0	BROWN III, RICHARD L	1011	164200	328700	492900
55	BAGDAD ROAD	104				44	0	0	0	LILLY, RICHARD G	1010	156700	280800	437500
57	BAGDAD ROAD	104				20	0	0	0	MCRAE FAMILY REV TRUST	1010	178900	328400	507300
62	BAGDAD ROAD	209				24	0	0	0	O'QUINN, RYAN T	1010	173000	464900	637900
63	BAGDAD ROAD	209				19	0	0	0	WELLS FAMILY IRREV TRUST	1010	180500	314600	495100
64	BAGDAD ROAD	209				25	0	0	0	MILLER FAMILY REV TRUST, PETER & HEATHER	1010	155900	487000	642900
65	BAGDAD ROAD	209				18	0	0	0	PAK 2018 REV TRUST, DAVE C	1010	175900	555400	731300
66	BAGDAD ROAD	209				12	0	0	0	DAY, TIMOTHY J & DENISE R	1010	173100	260200	433300
74	BAGDAD ROAD	209				45	0	0	0	JOHNS REV TRUST, THANH T	1010	181600	404800	586500
89	BAGDAD ROAD	206				11	0	0	0	MULHERN, MICHAEL J	1010	174631	220400	395031
90	BAGDAD ROAD	209				46	0	0	0	IMBRIE, GREG A	1010	173100	766700	939800
91	BAGDAD ROAD	206				47	0	0	0	NIEVES, JUAN P	1011	172200	368100	540300
93	BAGDAD ROAD	206				48	0	0	0	GRISSOM, DOUGLAS	1010	173300	290400	463700
95	BAGDAD ROAD	206				10	0	0	0	PERIDOT PROPERTIES	3600	437000	464800	901800
96	BAGDAD ROAD	209				77	0	0	0	MOYER, JUDITH N	1021	0	317200	317200
28-28	BAGDAD ROAD	104				16	0	1	A	MOYER, JUDITH N	1021	0	317200	317200
43A/43C	BAGDAD ROAD	104				16	0	1	B	TOWN OF DURHAM	9030	320600	0	320600
43B/43D	BAGDAD ROAD	104				14	0	0	0	TOWN OF DURHAM	9030	286400	0	286400
	BAGDAD ROAD	107				15	0	0	0					
	BAGDAD ROAD	107												



St. #	Street Name	NBHD	Sale Price	Sale Date	2022 Assessed Value	2022 tax	2023 Assessed Value	2023 tax	\$ Change value	% Change value	\$ change tax	% change tax
29	BAGDAD ROAD	85	363,000	07/29/10	484,800	14,079	686,000	14,049	201,200	41.50%	-\$29	-0.21%
39	BAGDAD ROAD	85	520,000	06/11/18	552,900	16,056	794,900	16,280	242,000	43.77%	\$223	1.39%
7	BAGDAD ROAD	85	420,000	08/23/22	317,100	9,209	484,600	9,925	167,500	52.82%	\$716	7.76%
10	BAGDAD ROAD	85	465,000	07/26/16	462,200	13,422	723,100	14,809	260,900	56.45%	\$1,387	10.33%
38	BAGDAD ROAD	85	487,533	09/09/19	386,100	11,503	683,200	13,992	287,100	72.48%	\$2,489	21.64%
40	BAGDAD ROAD	85	374,933	07/25/18	350,000	10,164	611,800	12,530	261,800	74.80%	\$2,366	23.27%
19	BAGDAD ROAD	85		07/24/20	513,900	14,924	902,600	18,485	388,700	75.64%	\$3,562	23.87%
32	BAGDAD ROAD	85	555,000	07/23/18	433,600	12,592	768,300	15,735	334,700	77.19%	\$3,143	24.96%
46	BAGDAD ROAD	85		09/03/20	395,100	11,474	723,400	14,815	328,300	83.09%	\$3,342	29.12%
31	BAGDAD ROAD	85	0	02/25/19	420,800	12,220	775,000	15,672	354,200	84.17%	\$3,652	29.89%
35	BAGDAD ROAD	85	305,000	12/12/03	299,100	8,686	553,400	11,334	254,300	85.02%	\$2,648	30.48%
36	BAGDAD ROAD	85	0	10/19/09	351,000	10,193	650,500	13,322	299,500	85.33%	\$3,129	30.70%
9	BAGDAD ROAD	85	303,000	05/15/17	278,200	8,079	527,000	10,793	248,800	89.43%	\$2,714	33.59%
24	BAGDAD ROAD	85	348,000	09/06/05	363,700	10,562	691,900	14,170	328,200	90.24%	\$3,608	34.16%
18	BAGDAD ROAD	85	0	11/01/18	317,000	9,206	611,100	12,515	294,100	92.78%	\$3,310	35.95%
5	BAGDAD ROAD	85	249,933	08/03/09	225,300	6,543	439,400	8,999	214,100	95.03%	\$2,456	37.54%
50	BAGDAD ROAD	85	0		266,100	7,728	524,000	10,732	257,900	96.92%	\$3,004	38.87%
11	BAGDAD ROAD	85	0	08/13/03	274,500	7,971	543,700	11,135	269,200	98.07%	\$3,163	39.69%
21	BAGDAD ROAD	85	0	06/12/17	239,400	6,952	478,500	9,800	239,100	99.87%	\$2,848	40.96%

17	BAGDAD ROAD	85	240,000	01/20/17	238,400	6,923	476,600	9,781	238,200	99.92%		
30	BAGDAD ROAD	85	365,000	08/21/19	281,500	8,175	563,400	11,538	281,900	100.14%	\$2,838	40.99%
27	BAGDAD ROAD	85	0	07/27/06	315,900	9,174	640,800	13,124	324,900	102.85%	\$3,364	41.15%
22	BAGDAD ROAD	85	0	11/08/12	317,800	9,223	644,300	13,195	326,700	102.87%	\$3,950	43.08%
16	BAGDAD ROAD	85	0	07/29/15	312,800	9,084	640,900	13,126	328,100	104.89%	\$3,972	43.07%
48	BAGDAD ROAD	85	125,000	04/26/23	193,400	5,616	421,500	8,632	228,100	117.94%	\$4,042	44.50%
8	BAGDAD ROAD	85	315,000	08/07/14	314,000	9,119	695,900	14,252	381,900	121.62%	\$3,016	53.70%
20	BAGDAD ROAD	85	615,000	12/29/22	265,300	7,704	596,500	12,267	333,200	125.59%	\$5,133	56.30%
23	BAGDAD ROAD	85	0	03/02/11	256,100	7,437	579,700	11,872	323,600	126.36%	\$4,553	59.10%
											\$4,435	59.63%

(11) <https://ais.vasi.com/durhamnh/>

NBHD	N	value change		value change		value change \$		value change %		tax change \$		tax change	
		Mean	Standard deviation	Mean	Standard deviation	Mean	Standard deviation	Mean	Standard deviation	Mean	Standard deviation	Mean	Standard deviation
Bagdad (Madison-Emerson)	85	38	\$336,993	\$90,961	\$622,643	\$116,072	\$185,658	\$54,645	89%	22%	\$2,965	\$1,307	
Bagdad beyond H1 4	68	16	\$354,458	\$111,875	\$547,775	\$139,135	\$193,316	\$47,728	58%	15%	\$925	\$1,036	
NBHD 70	70	544	\$393,542	\$148,183	\$612,189	\$213,166	\$218,647	\$81,048	58%	16%	\$1,109	\$1,183	
Beards Landing	70	5	\$417,789	\$50,863	\$628,680	\$77,549	\$210,900	\$40,044	51%	9%	\$743	\$737	
Littlehale	70	18	\$292,183	\$37,777	\$482,367	\$54,731	\$190,183	\$21,055	65%	6%	\$1,394	\$305	
Woodman	70	14	\$305,221	\$37,118	\$497,529	\$52,058	\$192,307	\$25,860	64%	10%	\$1,336	\$315	
Emerson	70	28	\$310,889	\$88,993	\$512,829	\$125,299	\$201,939	\$47,538	68%	13%	\$1,475	\$749	
Foss Farm	70	42	\$363,643	\$84,900	\$593,026	\$117,705	\$229,383	\$43,599	64%	12%	\$1,585	\$695	
NBHD 80	80	101	\$458,070	\$215,796	\$739,069	\$12,752	\$280,999	\$104,348	64%	12%	\$1,834	\$1,188	
NBHD 85	85	155	\$323,399	\$49,169	\$540,591	\$66,982	\$217,192	\$36,294	69%	29%	\$1,680	\$775	

p<.001

p<.01

p<.05

exhibit D

Town of Durham, NH				
Property Tax Bill Calculation				
Owner	Hall Christopher			
PID	104-12			
Address	23 Bagdad Rd			
WHAT WAS TAXED				
Total Assessed Value	256,100	579,700		
Exemption (solar,)	-	-		
Value Tax Applied To:	256,100.00	579,700.00		
Credit (veterans,)	-	-		
Tax Bill#:	109618	111034		
PropTax Issue 1 st or 2 nd	1	2		
Due Date:	7/3/2023	12/18/2023		
Paid Date:	6/9/2023	11/17/2023		
Tax Rate Applied:				
Town	4.070	5.750		
County	1.410	1.760		
Local School	8.280	11.580		
State School	0.765	1.390		
Total Rate	14.525	20.480		
tax will be roughly	3,719.85	11,872.26		
Resulting in Taxes of:				
Town	1,042.00	3,333.00		
County	361.00	1,020.00		
Local School	2,121.00	6,713.00		
State School	196.00	806.00		
Tax Calculated	3,720.00	11,872.00		
Less Credit & 1st Bill				
is the Amount Billed:	3,720.00	8,152.00		
WHAT SHOULD HAVE BEEN TAXED				
Total Assessed Value	256,100	492,300		
Exemption (solar,)	-	-		
Value Tax Applied To:	256,100.00	492,300.00		
Credit (veterans,)	-	-		
Tax Bill#:	109618	111034		
PropTax Issue 1 st or 2 nd	1	2		
Due Date:	7/3/2023	12/18/2023		
Paid Date:	6/9/2023	11/17/2023		
Tax Rate Applied:				
Town	4.070	5.750		
County	1.410	1.760		
Local School	8.280	11.580		
State School	0.765	1.390		
Total Rate	14.525	20.480		
tax will be roughly	3,719.85	10,082.30		
Resulting in Taxes of:				
Town	1,042.00	2,831.00		
County	361.00	866.00		
Local School	2,121.00	5,701.00		
State School	196.00	684.00		
Tax Calculated	3,720.00	10,082.00		
Less Credit & 1st Bill				
is the Amount Billed:	3,720.00	6,362.00		
WHAT SHOULD BE ABATED				
Difference in Billed-SHB = Abate	-	1,790.00	1,790.00	= To Be Abated
RSA 76:17-a Rate of Interest Pybl	4.00%	4.00%		
Enter Date Town will Payback	5/1/2024	5/1/2024		
Number of Days of Interest =	327	142		
Interest Payable	-	27.86	27.86	= Interest Owed
Less Previously Abated Amount of				
Total To Be Abated	-	1,817.86	1,817.86	



*TOWN OF DURHAM
8 NEWMARKET ROAD
DURHAM, NH 03824-2898
Tel: 603/868-8064*

ABATEMENT RECOMMENDATION

DATE: April 1, 2024

TOWN OF: Durham

TO: Town Council

FROM: Jay Ferreira

OWNER: 28 Properties located on Bagdad Road
Durham, NH 03824

REPRESENTATIVE: Nancy & Kenneth Lynch

PROPERTY LOCATION: 28 Properties on Bagdad Road, Durham, NH 03824

PID: Maps 104 & 107 Bagdad Road

PROPERTY TAX YEAR(S) APPEALED: 2023

APPLICATION FILING DATE: February 20, 2024

INVENTORY FILING DATE (Filing Date April 15th): N/A

ASSESSMENT APPEALED: N/A

Municipalities may abate taxes “for good cause shown.” RSA 76:16. Good cause is generally established by showing an error in the assessment calculation or a disproportionate assessment. Good cause can also be established by showing poverty and inability to pay the tax. If the abatement application is based on disproportionate assessment, the taxpayer has the burden to show how the assessment was disproportionate. To carry this burden the taxpayer must show:

- a. What the property was worth (market value) on the assessment date.
- b. The property’s “equalized assessment” exceeded the property’s market value. To calculate the equalized assessment, simply divide the assessment by the municipality’s equalization ratio (assessment ÷ ratio). Because a property’s market value is a crucial issue, **taxpayers must have an opinion of the market value estimate. Obtaining an appraisal or presenting sales of comparable properties can show this value estimate.**



REASON FOR APPEAL: The Lynch's have submitted an abatement application on behalf of 28 properties located on Bagdad Road based on disproportionality. They [neighbors] believe the Neighborhood Code of "85" for this section of Bagdad Road that was applied by Municipal Resources, Inc. (MRI) during the 2023 revaluation is disproportionate when compared to other Neighborhood Code designations in nearby neighborhoods. Those neighborhood codes range from "50 to 70". The residents of Bagdad Road "are filing this abatement to change the 85 NBHD designation for all 28 properties on Bagdad Road to reflect compatibility with similar and surrounding neighborhoods".

ASSESSOR'S COMMENTS: The primary reason why the applicants are appealing the NBHD code is because they believe their property valuations increased disproportionately (89%) when compared to the average increase (48%). **None of the applicants are disputing their total assessed values.** The taxpayers are appealing the methodology used to arrive at their assessed values, rather than appealing their assessed values.

"To succeed on a tax abatement claim, the taxpayers have the burden of proving by a preponderance of the evidence that they are paying more than their proportional share of taxes. To carry the burden of proving disproportionality, the taxpayers must establish that their property is assessed at a higher percentage of fair market value than the percentage at which the property is generally assessed in the town. As prescribed in RSA 75:1, the proportionality of an assessment is based on a credible estimate of market value adjusted by the level of assessment. Porter v. Sanbornton 150 NH 363, 367 (2003).

"There is never one exact, precise, or perfect assessment; rather, there is an acceptable range of values which, when adjusted to the municipality's general level of assessment, represents a measure of proportionality and the resulting tax burden". Wise Shoe Co. v. Town of Exeter, 119 NH 700, 702 (1979).

"Even if a taxpayer wishes to challenge only one component of the assessment, such as the land value or building value, the taxpayer still has the burden of proving the aggregate value of the property as a whole is disproportional and the total assessment is excessive". Appeal of Walsh, 156 NH 347, 356 (2007).

The purpose of a revaluation is to estimate the market value of all taxable and non-taxable properties within a municipality. Based on real estate sales, market trends and location, the desirability of some

neighborhoods may increase, decrease, or stay the same. Regarding this section of Bagdad Road that is being appealed, it was determined by the revaluation company (MRI) that properties within this neighborhood have become more desirable which warranted changing the neighborhood code.

RECOMMENDATION: Based on the evidence presented, I recommend their abatement request be denied because they are appealing the methodology used when performing a revaluation and are not appealing their individual assessments.

FOR MUNICIPALITY USE ONLY:

Town File No.: _____

Taxpayer Name: _____

RSA 76:16 ABATEMENT APPLICATION TO MUNICIPALITY**SECTION A. Party(ies) Applying (Owner(s)/Taxpayer(s))**Name(s): Nancy and Ken LynchMailing Address: 32 Bagdad Road, Durham, NH 03824Telephone Number(s): (Work) 774-279-2619 (Home) 508-733-2700

Note: If an abatement is granted and taxes have been paid, interest on the abatement shall be paid in accordance with RSA 76:17-a. Any interest paid to the applicant must be reported by the municipality to the United States Internal Revenue Service, in accordance with federal law. Prior to the payment of an abatement with interest, the taxpayer shall provide the municipality with the applicant's social security number or federal tax identification number. Municipalities shall treat the social security or federal tax identification information as confidential and exempt from a public information request under RSA 91-A.

SECTION B. Party's(ies)' Representative if other than Person(s) Applying (Also Complete Section A)

Name(s): _____

Mailing Address: _____

Telephone Number(s): (Work) _____ (Home) _____

SECTION C. Property(ies) for which Abatement is Sought

List the tax map and lot number, the actual street address and town of each property for which abatement is sought, a brief description of the parcel, and the assessment.

<u>Town Parcel ID#</u>	<u>Street Address/Town</u>	<u>Description</u>	<u>Assessment</u>
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please note this abatement is being filed for 28 properties

designated NBHD 85 on Bagdad Road, addresses highlighted on attached exhibit A.

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SECTION D. Other Property(ies)

List other property(ies) in the municipality owned in the same name(s), even if abatements for the other property(ies) have not been sought. The taxpayer's entire real property estate must be considered in determining whether the appealed property(ies) is (are) disproportionately assessed.

<u>Town Parcel ID#</u>	<u>Street Address/Town</u>	<u>Description</u>	<u>Assessment</u>
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N/A

SECTION E. Reasons for Abatement Application

RSA 76:16 provides that an abatement may be granted for "good cause shown." "Good cause" generally means:
1) establishing an assessment is disproportionate to market value and the municipality's level of assessment; or
2) establishing poverty and inability to pay the tax. This form can be utilized for either basis of requesting an abatement. The taxpayer has the burden to prove good cause for an abatement.

- 1) If claiming disproportionality, state with specificity all the reasons supporting your application. Statements such as "taxes too high," "disproportionately assessed" or "assessment exceeds market value" are insufficient. Generally, specificity requires the taxpayer to present material on the following (all may not apply):
1. physical data – incorrect description or measurement of property;
 2. market data – the property's market value on the April 1 assessment date, supported by comparable sales or a professional opinion of value; and/or
 3. level of assessment – the property's assessment is disproportionate by comparing the property's market value and the town-wide level of assessment.

Note: If you have an appraisal or other documentation, please submit it with this application.

- 2) If claiming poverty or inability to pay, state in detail why abatement of taxes is appropriate as opposed to some other relief such as relocating, refinancing or obtaining some alternative public assistance.
Ansara v. City of Nashua, 118 N.H. 879 (1978).

(Attach additional sheets if needed.)

Please see attached cover letter, abatement application, Exhibits A-D and letters of support.

SECTION F. Taxpayer's(s') Opinion of Market Value

State your opinion of the market value of the property(ies) appealed as of April 1 of the year under appeal.

Town Parcel ID# _____ Appeal Year Market Value \$ _____

Town Parcel ID# _____ Appeal Year Market Value \$ _____

Explain the basis for your value opinion(s). (Attach additional sheets if necessary.)

Please see attached abatement application.

SECTION G. Sales, Rental and/or Assessment Comparisons

List the properties you are relying upon to show overassessment of your property(ies). If you are appealing an income producing property, list the comparable rental properties and their rents.
(Attach additional sheets if needed.)

Town Parcel ID#	Street Address	Sale Price/Date of Sale	Rents	Assessment
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Please see attached abatement application.

SECTION H. Certification by Party(ies) Applying

Pursuant to BTLA Tax 203.02(d), the applicant(s) **MUST** sign the application. By signing below, the Party(ies) applying certifies (certify) and swear(s) under the penalties of RSA ch. 641 the application has a good faith basis, and the facts stated are true to the best of my/our knowledge.

Date: 2/15/24

[Signature]
(Signature)

[Signature]
(Signature)

SECTION I. Certification and Appearance by Representative (If Other Than Party(ies) Applying)

By signing below, the representative of the Party(ies) applying certifies and swears under penalties of RSA ch. 641:

1. all certifications in Section H are true;
2. the Party(ies) applying has (have) authorized this representation and has (have) signed this application;
and
3. a copy of this form was sent to the Party(ies) applying.

Date: _____
(Representative's Signature)

SECTION J. Disposition of Application* (For Use by Selectmen/Assessor)

*RSA 75:16, II states: the municipality "shall review the application and shall grant or deny the application in writing by July 1 after notice of tax date . . ."

Abatement Request: GRANTED _____ Revised Assessment: \$ _____ DENIED _____

Remarks:

Date: _____

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

Rev. 3/12

February 19, 2024

Dear Mr. Ferreira

We, along with fellow residents of Bagdad Road are filing this abatement to change the 85 NBHD designation for all 28 properties on Bagdad Road between Madbury and Emerson Roads and including 48 and 50 Bagdad to reflect compatibility with similar and surrounding neighborhoods all of which are 50/60/70's. As per our conversation and your request at our meeting on February 1, we, in conjunction with a core committee (Jayson Seaman, Mike Stasko, Chris Hall) are submitting this one abatement as opposed to multiple forms from all neighbors for the same purpose. Additionally, the neighbors listed on the attached sheet have requested that their names be submitted in support of this abatement request. (Signature letters attached)

Nancy Lynch
(774-279-2619)
Ken Lynch
(508-733-2700)
32 Bagdad Road
Durham, NH 03824

Following is a list of those requesting to be listed as in support of this application:

Trish and Chris Hall	23 Bagdad
Jayson Seaman & Kim Sekera	46 Bagdad
Michael Stasko	
and Carla Wiles-Stasko	31 Bagdad
Trina and Eric Ingelfinger	35 Bagdad
James and Diane Pollard	22 Bagdad
Andrea Chan	30 Bagdad
Mary James	21 Bagdad
Juddie Barrett	11 Bagdad
Andrew and Samantha Seal	9 Bagdad
Mike and Heather Anderson	24 Bagdad
Pamela Weeks	26-28 Bagdad
Tracy Schroeder	18 Bagdad
Vincent and Anne Avery	27 Bagdad
Gary and Megan Congin	20 Bagdad
Sean Paley	39 Bagdad
Phyllis and Ed MacKay	19 Bagdad

***Please note: All neighbors who were contacted are in support of this application. Those missing were out of town and/or not reachable.**

This abatement is being filed in order to contest the change of NBHD code from a 60 to an 85 neighborhood designation for our property and for all 28 properties in the portion of Bagdad Road from the intersection of Madbury and Bagdad to the intersection of Bagdad and Emerson plus 48 and 50 Bagdad designated 85 by the 2023 Town Assessment . (see list of properties in Exhibit A) The recoding is not supported by the data.

According to the assessment office, NHBD factors are assigned based on:

1. Sales from 4/1/2021 to 3/30/2023 in that neighborhood and determining a factor that brings assessment and sales values close to a 1/1 ratio of assessment/ sales.
2. The desirability of the neighborhood which is based on location and proximity to schools, downtown and UNH.

The NBHD assignment at last assessment was 60. It is now designated 85. There have been no changes to this neighborhood of early 1900 homes in the past 5 years. We are no closer to town, schools or UNH. We wish to point out this and other inequities in the application of both these criteria to our Bagdad neighborhood and the resultant excessive tax burden for property owners.

1) Sales Data and resultant inequities:

There were only two sales in our NHBD 85 neighborhood during the period being evaluated. As we will point out, only one fits our designation. Data for the sold properties follows:

7 Bagdad Road NBHD: 85, factor 1.8 The assessment ratio using the assigned 85 factor is RA: 1.1538. Tax card shows:

Sale Date: 8/23/22

Sale price : \$420,000

Total Assessment: \$484,600

Difference: \$ 484,600-\$420,000= ***\$64,600 too high assessment***

Building assessment: \$204,600

Base land assessment: $x = \$280,000 / 1.8 = \$155,000$

Designation of 1.8 factor results in an assessment that is 15% too high.

Using 1.3 as factor:

Land value: $1.3 \times \$155,000 = \$201,500$ plus

Building value: \$204,600

Total: \$406,100

RA: $\$406,100 / \$420,000 = .96$

Factor of 1.3 or NBHD designation of 70 is closer to the 1/1 ratio and a more appropriate factor.

A better factor would be the 1.3 factor associated with 70 NBHD factor.

20 Bagdad Road NBHD 85; The assessment ratio using the assigned 85 factor is RA: .9732.

Tax card shows:

Sale 12/29/22

Sale price \$615,000

Assessment: \$598,500

Building assessment: \$330,400

Base land assessment: $\$268,100 / 1.8 = \$148,944$

If 1.6 factor were applied: $\$148,944 \times 1.6 = \$238,311$;

Land plus bldgs. = $\$238,311 + \$330,400 = \$568,711$

RA: $\$568,711 / \$615,000 = .9247$

A 1.8 or 1.6 factor would be appropriate.

As has been stated, there were only two sales in our neighborhood. It appears that the higher factor sale was considered, and the lower factor sale was ignored in determining our neighborhood designation. Essentially, our NBHD

code is based on ONE sale. Why was NBHD 85 chosen when 60/70 would be more in keeping with contiguous streets and neighborhoods and more equitable when comparing sales in other contiguous neighborhoods? When approached, town officials said that our neighborhood was being grouped with the Faculty neighborhood which is across town instead of with our contiguous streets. No reason was given for doing so. And now we were 2 in a sales group of 16. Our NBHD designation was, according to the third-party assessor, not based on one sale but part of a larger group of sales. This appears to be circular reasoning.

Consider the following inequities when compared to the NBHD code assigned in our contiguous neighborhoods. Emerson has a sales profile during that same time frame that mimics Bagdad's. Emerson also had two sales during the period of 4/1/2021 to 3/30/2023. For one property, a **1.8 factor would be more in line to achieve a near 1/1 ratio; for the other, a 1.3 factor** would be appropriate, the same situation noted for Bagdad.

Emerson Street Data:

16 Emerson Road NBHD: 70. RA: .8905. Factor 1.3

Tax cards shows:

Sale: 6/8/22

Sale Price: \$800,000

Assess: \$718,100

Difference sale vs assess: **\$81,900 too low**

Building assessment: \$523,100

Land assessment using 1.3 factor: \$195,000

Base land value: $1.3X = \$195,000$ $X = \$150,000$

Using 1.8 factor for 85 neighborhood

Land eval using $1.8 \times \$150,000 = \$270,000$

Bldg: \$523,100 + land \$270,000 = \$793,100

Total assessment: \$793,100

RA: $\$793,100/\$800,000 = .99$

10 Emerson NBHD 70 RA: 1.0591

Sale: 4/27/2021

Factor of 1.3 is appropriate.

Emerson has an appropriate 1.8 property and an appropriate 1.3 property, not unlike sales on Bagdad yet Emerson has retained a 70 neighborhood and Bagdad was recoded from a 60 to an 85.

More inequities.

Let's look at Edgewood.

54 Edgewood NBHD: 70 RA .8916 Factor 1.3 Tax card shows:

Sale: 7/5/22

Sale price: \$775,000

Assess: \$691,000

Difference sales vs assessment: **\$84,000 too low**

Building assessment: \$538,700

Land use assess using 1.3 factor: \$195,600

Base land assess: $1.3 \times \$195,600 = \$254,280$

Assessment using 1.6 factor.

Land assess using 1.6 (80 NBHD) : $\$150,462 \times 1.6 = \$240,740$

Building plus land: $\$538,700 + \$240,740 = \$779,439$

RA: $\$779,439/\$775,000 = 1.00$

1.6 factor is more appropriate.

49 Edgewood NBHD 70; RA .8252 Factor 1.3. Tax card shows:

Sale date: 7/15/22

Sale price: \$ 651,000

Assessment: \$537,200

Building assessment: \$376,800

Land assessment with 1.3 factor: \$191,400.

Base land assessment: $1.3 X = \$191,400$, $X = \$147,230$

Using 1.8 factor:

Land assessment $147,230 \times 1.8 = \$265,014$

Land assessment plus building assessment: $\$265,014 + \$376,800 = \$641,814$

RA: using 1.8 factor: $\$641,814 / \$651,000 = .985$

1.8 factor and NBHD 85 more appropriate here

(Two other sales on Edgewood have an appropriate 1.3 factor.)

These streets retained their original designations. Perhaps they are grouped with contiguous streets in their neighborhood and not with a neighborhood across town.

2) Desirability and Inequities:

We were told we were a highly desirable neighborhood because of location and being close to town and schools. Looking at a map of our area of town, we see:

- **Dennison, a 60 designation is closer to school and town.**
- **Madbury, which is as close to school and closer to town is a 50 (at the intersection of Bagdad) to a 70 designation further up.**

- Bagdad from 50 Bagdad to Rte 108, is a 60, as are 52 Bagdad and 53 Bagdad which are across the street from 50 Bagdad which is an 85. That part of Bagdad is closer to the High School.
- For comparison, Beard's Landing, Woodman Road, Little Hale, Emerson Road and Edgewood Road are all equivalent (or slightly better) in location, desirability and proximity to schools and are 60/70 NBHDs.
- Our neighborhood has at least 7 houses that are not occupied by owner only. That constitutes 25% of our NBHD properties. The housing profile for these 7 properties includes 6 non-owner occupied rentals; 1 multifamily (6 units); 3 duplexes; and 6 student rentals. This profile is generally considered to detract from neighborhood desirability.
- Much of our street is in earshot of fraternities and around the corner from multiple student rentals; some would say that detracts from desirability.
- Bagdad is a through street, also a value detractor.

Following are contiguous and nearby streets and their designations. (see Exhibit B, Map)

- Bagdad from Emerson (except 52 and 53 Bagdad) to Dover Road 60
- Dennison 60
- Madbury 50- 70
- Emerson 70
- Coe 50
- Edgewood 70
- Little Hale 70

We are 28 properties designated an 85 NBHD surrounded by 50, 60 and 70 neighborhoods and of questionable higher desirability based on location, proximity to schools, town and UNH.

3) Resultant Excessive Tax Implications:

As a result of this 85 designation, property valuations in our neighborhood have increased 89% while the average for residential

properties in Durham 48% (per assessor's office). Property values have gone up in general; however, at a value nearly two times more here on Bagdad than the rest of Durham seems excessive and unrealistic.

The average property tax bill for our neighborhood went up 33% which is more than 2X that for other properties in neighborhoods similar to our in location, desirability and proximity to schools. Taxes have increased as much as 60% over last assessment for some residents in our neighborhood. That is a very large increase that is not substantiated by the data. Please see attached table (Exhibit C) indicating the percentage increase for all 28 properties affected by this designation.

For comparison, Beard's Landing, Woodman Road, Littlehale Road and Emerson Road- all equivalent in location, desirability and proximity to schools as Bagdad, saw the following average tax increases:

Woodman: 15%

Emerson: 18%

Littlehale: 17%

To summarize:

The data does not support the recoding of Bagdad from a 60 to an 85 neighborhood.

- The sales for the Bagdad properties do not support it.
- Inequities exist when compared with data from contiguous neighborhoods.
- We are an 85 designation in a sea of 50, 60 and 70 NBHDs. All abutting streets except Emerson are 50 and 60 NBHDs, as were we.
- There have been no significant changes to our neighborhood since the last assessment coding us as a 60.
- Other neighboring streets have retained their last designation; ours has gone from a 60 to an 85.
- Households on this street have seen an average tax increase of 33% and as much as 60% for some.

In order to rectify these inequities, all 28 properties on Bagdad from the intersection of Madbury to the intersection of Emerson plus 48 Bagdad and 50 Bagdad need to be changed from an 85 to a code reflecting compatibility and equity with abutting and similar neighborhoods, all of which are 50/60/70 neighborhoods.

Attachments:

Exhibit A: Chart showing Bagdad 85 properties.

Exhibit B: Map with NBHD designations.

Exhibit C: Property valuation/tax increase for Bagdad Rd.

Exhibit D: Chart comparing tax increase by neighborhoods.

Exhibit A,

By Location

St. #	Street Name	Map	Map Cut	Block	Block Cut	Lot	Lot	Unit	Unit	Owner's Name	Use Code	Total Assessed Land	Total Assessed Improvements	Total Assessed Parcel Val
18	AMBLER WAY	206				27	0	0	0	SWEETMAN, PETER M	1010	173100	362200	535300
20	AMBLER WAY	206				18	0	0	0	WHITE, MICHAEL P	1010	173300	343700	517000
	B & M R.R. /	233				33	0	0	0	NATURE CONSERVANCY	6303	487	0	487
1	CONSTABLE RO									SMITH, JOSHUA G	1010	262200	358500	618700
	BACK RIVER	216				3	0	0	0					
	ROAD					7	0	0	0	LOCKE, DONALD ANGUS	1010	207200	144700	351900
32	BACK RIVER	216												
	ROAD					5	0	0	0	BEAUDOIN REV TRUST, LISA J	1320	18800	0	18800
33	BACK RIVER	207												
	ROAD					8	0	0	0	SMITH IRREV TRUST, GERALD L & DOROTHY	6002	3221	0	3221
	BACK RIVER	216								SPIELMAN, STEVEN B	1010	241100	219900	461000
5	BAGDAD ROAD	106				33	0	0	0					
7	BAGDAD ROAD	107				8	0	0	0	SCHRADER, CONN JASON	1010	280000	204600	484600
8	BAGDAD ROAD	107				10	0	0	0	CATBOAT PROPERTIES LLC	1011	268100	427800	695900
9	BAGDAD ROAD	104				7	0	0	0	SEAL, ANDREW R	1010	270000	257000	527000
10	BAGDAD ROAD	107				9	0	0	0	CAVARETTA, DAVID	1040	288200	434900	723100
11	BAGDAD ROAD	104				8	0	0	0	BARRETT TRUST, JUDDIE M	1010	272300	271400	543700
16	BAGDAD ROAD	104				82	0	0	0	WHELAN KINCADE REV TRUST	1010	284600	356300	640900
17	BAGDAD ROAD	104				9	0	0	0	17 BAGDAD ROAD LLC	1010	262000	214600	476600
18	BAGDAD ROAD	104				81	0	0	0	SCHROEDER-ROTNER 2018 REV TRUST	1010	291400	319700	611100
19	BAGDAD ROAD	104				10	0	0	0	MACKAY REV TRUST, PHYLLIS R	1010	281400	621200	902600
20	BAGDAD ROAD	104				80	0	0	0	CONGIN, MEGAN L	1010	268100	330400	598500
21	BAGDAD ROAD	104				11	0	0	0	JAMES REV LIVING TRUST, ROBERT &	1010	245000	233500	478500
22	BAGDAD ROAD	104				79	0	0	0	POLLARD REV TRUST, JAMES E	1011	261000	383300	644300
23	BAGDAD ROAD	104				12	0	0	0	HALL, CHRISTOPHER D	1011	260500	319200	579700
24	BAGDAD ROAD	104				78	0	0	0	ANDERSON, MICHAEL R	1010	264000	427900	691900
27	BAGDAD ROAD	104				13	0	0	0	AVERY FAMILY REV LIVING TRUST	1011	273800	367000	640800
29	BAGDAD ROAD	104				14	0	0	0	PAULIN, JEREMY G	1010	280000	406000	686000
30	BAGDAD ROAD	104				76	0	0	0	CHAN REV TRUST, ANDREA D	1010	261000	302400	563400
31	BAGDAD ROAD	104				73	0	0	0	STASKO REV TRUST, MICHAEL P	1011	283100	517200	800300
32	BAGDAD ROAD	104				75	0	0	0	THE LYNCH REV TRUST	1010	349400	418900	768300

By Location

St. #	Street Name	Map	Map Cut	Block	Block Cut	Lot	Lot	Unit	Unit	Owner's Name	Use Code	Total Assessed Land	Total Assessed Improvements	Total Assessed Parcel Val
						74	0	0	0	INGELFINGER, ERICH H	1010	305600	284600	590200
35	BAGDAD ROAD	104				72	0	0	0	NEEDELL REV TRUST, GERALD J	1010	280200	370300	650500
36	BAGDAD ROAD	104				71	0	0	0	SCHULENBERG, MICHAEL D	1010	271200	412000	683200
38	BAGDAD ROAD	104				15	0	0	0	PALEY, SEAN	1010	344500	601500	946000
39	BAGDAD ROAD	104				70	0	0	0	QUIGLEY, JULIA W	1011	276800	335000	611800
40	BAGDAD ROAD	104				69	0	0	0	SEAMAN, JAYSON O	1011	276800	446600	723400
46	BAGDAD ROAD	104				68	0	0	0	EVERNGAM, MARCUS K	1010	272700	148800	421500
48	BAGDAD ROAD	104				67	0	0	0	SHIRLEY, WAYNE D	1010	285700	238300	524000
50	BAGDAD ROAD	104				66	0	0	0	MORONG, CYNTHIA	1010	183300	275000	458300
52	BAGDAD ROAD	104				42	0	0	0	MACGREGOR JR, MALCOLM	1010	173900	285600	459500
53	BAGDAD ROAD	104				43	0	0	0	DRAKE REV TRUST, ALLEN D	1040	177200	386500	563700
55	BAGDAD ROAD	104				44	0	0	0	BROWN III, RICHARD L	1011	164200	328700	492900
57	BAGDAD ROAD	104				20	0	0	0	LILLY, RICHARD G	1010	156700	280800	437500
62	BAGDAD ROAD	209				24	0	0	0	MCRAE FAMILY REV TRUST	1010	178900	328400	507300
63	BAGDAD ROAD	209				19	0	0	0	O'QUINN, RYAN T	1010	173000	464900	637900
64	BAGDAD ROAD	209				25	0	0	0	WELLS FAMILY IRREV TRUST	1010	180500	314600	495100
65	BAGDAD ROAD	209				18	0	0	0	MILLER FAMILY REV TRUST, PETER & HEATHER	1010	155900	487000	642900
66	BAGDAD ROAD	209				12	0	0	0	PAK 2018 REV TRUST, DAVE C	1010	175900	555400	731300
74	BAGDAD ROAD	209				45	0	0	0	DAY, TIMOTHY J & DENISE R	1010	173100	260200	433300
89	BAGDAD ROAD	206				11	0	0	0	JOHNS REV TRUST, THANH T	1010	181600	404900	586500
90	BAGDAD ROAD	209				46	0	0	0	MULHERN, MICHAEL J	1010	174631	220400	395031
91	BAGDAD ROAD	206				47	0	0	0	IMBRIE, GREG A	1010	173100	766700	939800
93	BAGDAD ROAD	206				48	0	0	0	NIEVES, JUAN P	1011	172200	368100	540300
95	BAGDAD ROAD	206				10	0	0	0	GRISSOM, DOUGLAS	1010	173300	290400	463700
96	BAGDAD ROAD	209				77	0	0	0	PERIDOT PROPERTIES	3600	437000	464800	901800
26-28	BAGDAD ROAD	104				16	0	1	A	MOYER, JUDITH N	1021	0	317200	317200
43A/43C	BAGDAD ROAD	104				16	0	1	B	MOYER, JUDITH N	1021	0	317200	317200
43B/43D	BAGDAD ROAD	104				14	0	0	0	TOWN OF DURHAM	9030	320600	0	320600
	BAGDAD ROAD	107				15	0	0	0	TOWN OF DURHAM	9030	286400	0	286400
	BAGDAD ROAD	107												

94191473

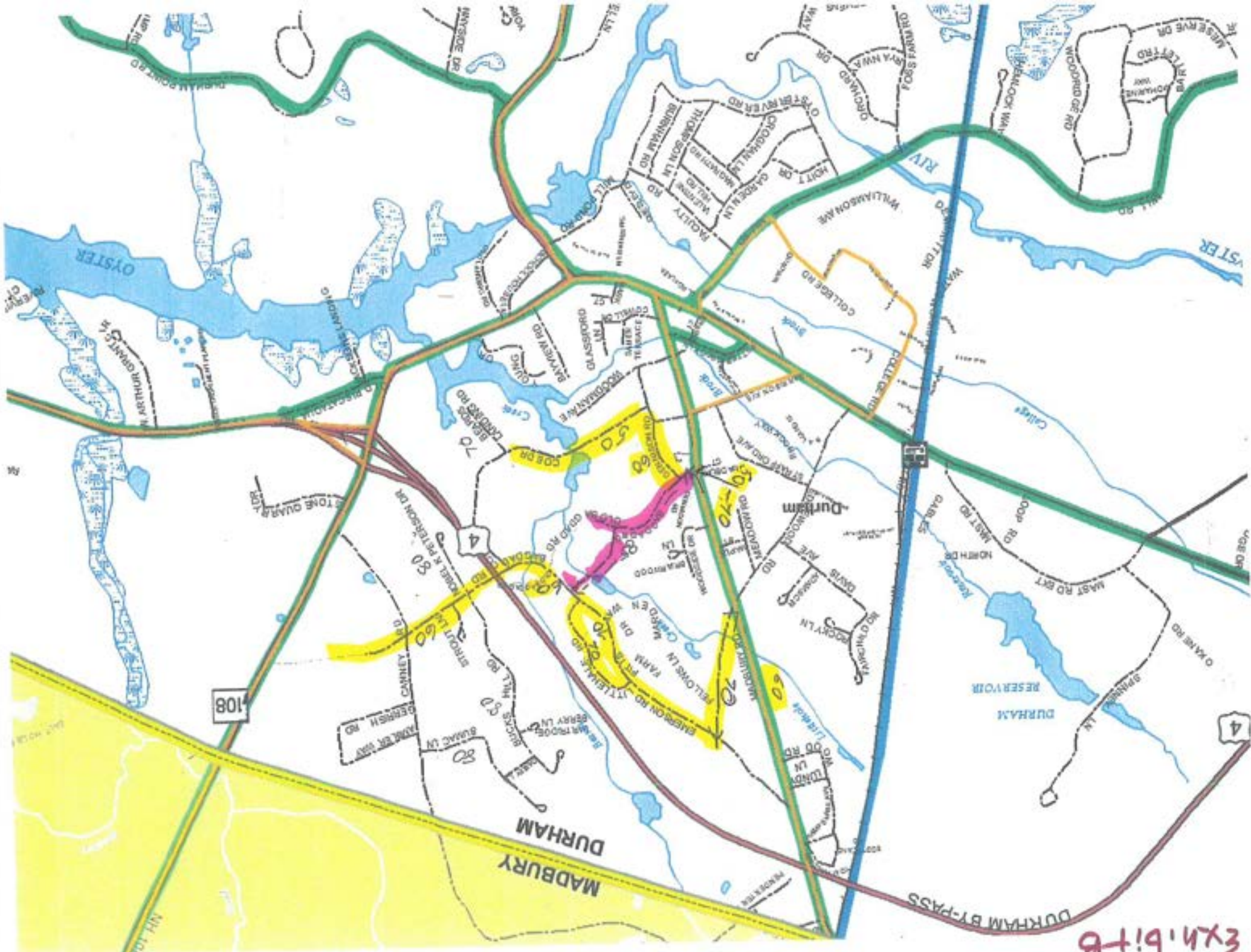


Exhibit C,

St. #	Street Name	NBHD	Sale Price	Sale Date	2022 Assessed Value	2022 tax	2023 Assessed Value	2023 tax	\$ Change value	% Change value	\$ change tax	% change tax
29	BAGDAD ROAD	85	363,000	07/29/10	484,800	14,079	686,000	14,049	201,200	41.50%	-\$29	-0.21%
39	BAGDAD ROAD	85	520,000	06/11/18	552,900	16,056	794,900	16,280	242,000	43.77%	\$223	1.39%
7	BAGDAD ROAD	85	420,000	08/23/22	317,100	9,209	484,600	9,925	167,500	52.82%	\$716	7.78%
10	BAGDAD ROAD	85	465,000	07/26/16	462,200	13,422	723,100	14,809	260,900	56.45%	\$1,387	10.33%
38	BAGDAD ROAD	85	487,533	09/09/19	396,100	11,503	683,200	13,992	287,100	72.48%	\$2,489	21.64%
40	BAGDAD ROAD	85	374,933	07/25/18	350,000	10,164	611,800	12,530	261,800	74.80%	\$2,366	23.27%
19	BAGDAD ROAD	85		07/24/20	513,900	14,924	902,600	18,485	388,700	75.64%	\$3,562	23.87%
32	BAGDAD ROAD	85	555,000	07/23/18	433,600	12,592	768,300	15,735	334,700	77.19%	\$3,143	24.96%
46	BAGDAD ROAD	85		09/03/20	395,100	11,474	723,400	14,615	328,300	83.09%	\$3,342	29.12%
31	BAGDAD ROAD	85	0	02/25/19	420,800	12,220	775,000	15,872	354,200	84.17%	\$3,652	29.89%
35	BAGDAD ROAD	85	305,000	12/12/03	299,100	8,686	553,400	11,334	254,300	85.02%	\$2,648	30.48%
36	BAGDAD ROAD	85	0	10/19/09	351,000	10,193	650,500	13,322	299,500	85.33%	\$3,129	30.70%
9	BAGDAD ROAD	85	303,000	05/15/17	278,200	8,079	527,000	10,793	248,800	89.43%	\$2,714	33.59%
24	BAGDAD ROAD	85	348,000	09/06/05	363,700	10,562	691,900	14,170	328,200	90.24%	\$3,608	34.16%
18	BAGDAD ROAD	85	0	11/01/18	317,000	9,206	611,100	12,515	294,100	92.78%	\$3,310	35.95%
5	BAGDAD ROAD	85	249,933	08/03/09	225,300	6,543	439,400	8,999	214,100	95.03%	\$2,456	37.54%
50	BAGDAD ROAD	85	0		266,100	7,728	524,000	10,732	257,900	96.92%	\$3,004	38.87%
11	BAGDAD ROAD	85	0	08/13/03	274,500	7,971	543,700	11,135	269,200	98.07%	\$3,163	39.69%
21	BAGDAD ROAD	85	0	06/12/17	239,400	6,952	478,500	9,800	239,100	99.87%	\$2,848	40.96%

Exhibit C₂

17	BAGDAD ROAD	85	240,000	01/20/17	238,400	6,923	476,600	9,761	238,200	99.92%	\$2,838	40.99%
30	BAGDAD ROAD	85	365,000	08/21/19	281,500	8,175	563,400	11,538	281,900	100.14%	\$3,364	41.15%
27	BAGDAD ROAD	85	0	07/27/06	315,900	9,174	640,800	13,124	324,900	102.85%	\$3,950	43.06%
22	BAGDAD ROAD	85	0	11/08/12	317,800	9,223	644,300	13,195	326,700	102.87%	\$3,972	43.07%
16	BAGDAD ROAD	85	0	07/29/15	312,800	9,084	640,900	13,126	328,100	104.89%	\$4,042	44.50%
48	BAGDAD ROAD	85	125,000	04/26/23	193,400	5,616	421,500	8,632	228,100	117.94%	\$3,016	53.70%
8	BAGDAD ROAD	85	315,000	08/07/14	314,000	9,119	695,900	14,252	381,900	121.62%	\$5,133	56.30%
20	BAGDAD ROAD	85	615,000	12/29/22	265,300	7,704	596,500	12,257	333,200	125.59%	\$4,553	59.10%
23	BAGDAD ROAD	85	0	03/02/11	256,100	7,437	579,700	11,872	323,600	126.36%	\$4,435	59.63%

NBHD	N	2022 value		2023 value		value change \$		value change %		tax change \$		tax change %	
		Mean	Standard deviation	Mean	Standard deviation	Mean	Standard deviation	Mean	Standard deviation	Mean	Standard deviation	Mean	Standard deviation
Bagdad (Madbury-Emerson)	83	28	\$336,993	\$90,961	\$622,643	\$116,072	\$285,650	\$54,445	89%	22%	\$2,965	\$1,207	33%
Bagdad beyond Rt 4	60	16	\$354,458	\$111,875	\$547,775	\$139,135	\$193,316	\$47,728	50%	15%	\$925	\$1,036	11%
NBHD 70	70	344	\$393,542	\$148,183	\$612,189	\$213,166	\$218,647	\$81,048	58%	16%	\$1,109	\$1,183	17%
Boards Landing	70	5	\$417,789	\$50,863	\$628,680	\$77,549	\$210,900	\$40,044	51%	9%	\$743	\$737	6%
Littlehale	70	18	\$292,183	\$37,777	\$482,367	\$54,731	\$190,183	\$21,055	65%	6%	\$1,394	\$305	17%
Woodmont	70	14	\$305,221	\$37,118	\$497,529	\$52,058	\$192,307	\$25,860	64%	10%	\$1,326	\$315	15%
Emerson	70	28	\$330,889	\$88,993	\$512,829	\$125,299	\$201,939	\$47,538	68%	13%	\$1,475	\$749	18%
Foss Farm	70	42	\$363,643	\$84,900	\$593,026	\$117,705	\$229,383	\$43,399	64%	12%	\$1,383	\$695	16%
NBHD 80	80	191	\$458,070	\$215,796	\$739,069	\$12,752	\$280,999	\$104,348	64%	12%	\$1,834	\$1,188	16%
NBHD 85	85	155	\$323,399	\$49,169	\$540,591	\$66,982	\$217,192	\$36,294	69%	29%	\$1,680	\$773	19%

p<.001
p<.01
p<.05

exhibit D

Date:

To Durham Town Assessor:

I/We wish to express support for the abatement application being filed by Nancy and Ken Lynch on behalf of our neighborhood. This application is to recode all 28 properties on Bagdad Road from the intersection of Madbury to the intersection of Emerson from an 85 to a code reflecting compatibility and equity with abutting and similar neighborhoods all of which are 60's or 70's.

Name: *Phyllis R MacKay*

Address: *19 Bagdad Rd
Durham NH 03824
p19mac @ comcast.net*

Date: February 14, 2024

To Durham Town Assessor:

I/We wish to express support for the abatement application being filed by Nancy and Ken Lynch on behalf of our neighborhood. This application is to recode all 28 properties on Bagdad Road from the intersection of Madbury to the intersection of Emerson from an 85 to a code reflecting compatibility and equity with abutting and similar neighborhoods all of which are 60's or 70's.

Name: Gary & Megan Congin

Address: 20 Bagdad Rd. Durham, NH 03824

Two handwritten signatures in blue ink. The top signature is for Gary Congin and the bottom signature is for Megan Congin.

megan.congin@gmail.com
gary.congin@Cru.org

Date: February 14, 2024

To Durham Town Assessor:

I/We wish to express support for the abatement application being filed by Nancy and Ken Lynch on behalf of our neighborhood. This application is to recode all 28 properties on Bagdad Road from the intersection of Madbury to the intersection of Emerson from an 85 to a code reflecting compatibility and equity with abutting and similar neighborhoods all of which are 60's or 70's.

Name: VINCENT and ANNE AVERY

Address: 27 BAGDAD ROAD, DURHAM, NH 03824

Vincent B. Avery

bedejohn@comcast.net

 2/14/24

faltyrics@comcast.net

Date:

2/11/2024

To Durham Town Assessor:

I/We wish to express support for the abatement application being filed by Nancy and Ken Lynch on behalf of our neighborhood. This application is to recode all 28 properties on Bagdad Road from the intersection of Madbury to the intersection of Emerson from an 85 to a code reflecting compatibility and equity with abutting and similar neighborhoods all of which are 60's or 70's.

Name:

Tracy L Schroeder

Address:

18 Bagdad Rd

tlshinnh@gmail.com

tlshinnh@gmail.com

Date:

To Durham Town Assessor:

I/We wish to express support for the abatement application being filed by Nancy and Ken Lynch on behalf of our neighborhood. This application is to recode all 28 properties on Bagdad Road from the intersection of Madbury to the intersection of Emerson from an 85 to a code reflecting compatibility and equity with abutting and similar neighborhoods all of which are 60's or 70's.

Name: Michael & Carla Stasko

Address: 31 Bagdad Rd. 03824
603-866-6651

Date: 13 FEB 2024

To Durham Town Assessor:

I/We wish to express support for the abatement application being filed by Nancy and Ken Lynch on behalf of our neighborhood. This application is to recode all 28 properties on Bagdad Road from the intersection of Madbury to the intersection of Emerson from an 85 to a code reflecting compatibility and equity with abutting and similar neighborhoods all of which are 60's or 70's.

Name: Pamela Weeks, Manager, Peridot Properties

Address:

26-28 BAGDAD RD
DURHAM NH 03824
603-661-2245

Business address:
7 Massabonic Dr
~~Durham~~ Auburn, NH 03032

Date:

To Durham Town Assessor:

I/We wish to express support for the abatement application being filed by Nancy and Ken Lynch on behalf of our neighborhood. This application is to recode all 28 properties on Bagdad Road from the intersection of Madbury to the intersection of Emerson from an 85 to a code reflecting compatibility and equity with abutting and similar neighborhoods all of which are 60's or 70's.

Name: Chris & Trisha Hall

Chris Hall

Address:

23 Bagdad Rd
Durham, NH 03824

(215) 896-7402 (Chris)

(215) 896-7624 (Trisha)

chrishall2489@gmail.com

chrishall2489@hotmail.com

Date: Feb. 10, 2024

To Durham Town Assessor:

I/We wish to express support for the abatement application being filed by Nancy and Ken Lynch on behalf of our neighborhood. This application is to recode all 28 properties on Bagdad Road from the intersection of Madbury to the intersection of Emerson from an 85 to a code reflecting compatibility and equity with abutting and similar neighborhoods all of which are 60's or 70's.

Name: Trina and Erich Ingetfinger

Address: 35 Bagdad Road

Handwritten signature of Trina Ingetfinger in black ink, with a stylized, cursive script.

Date: 2/10/2024

To Durham Town Assessor:

I/We wish to express support for the abatement application being filed by Nancy and Ken Lynch on behalf of our neighborhood. This application is to recode all 28 properties on Bagdad Road from the intersection of Madbury to the intersection of Emerson from an 85 to a code reflecting compatibility and equity with abutting and similar neighborhoods all of which are 60's or 70's.

Name: JAMES & DIANE PELLARD

Address: 22 BAGDAD RD



Diane A. Pellard

Date: 2/11/24

To Durham Town Assessor:

I/We wish to express support for the abatement application being filed by Nancy and Ken Lynch on behalf of our neighborhood. This application is to recode all 28 properties on Bagdad Road from the intersection of Madbury to the intersection of Emerson from an 85 to a code reflecting compatibility and equity with abutting and similar neighborhoods all of which are 60's or 70's.

Name: Andrea Chan 

Address: 30 Bagdad Rd.
Durham, NH 03824

Date: February 11, 2024

To Durham Town Assessor:

I/We wish to express support for the abatement application being filed by Nancy and Ken Lynch on behalf of our neighborhood. This application is to recode all 28 properties on Bagdad Road from the intersection of Madbury to the intersection of Emerson from an 85 to a code reflecting compatibility and equity with abutting and similar neighborhoods all of which are 60's or 70's.

Name: Mary A. James

Address: 21 Bagdad Rd.
Durham, NH 03824

Date:

To Durham Town Assessor:

I/We wish to express support for the abatement application being filed by Nancy and Ken Lynch on behalf of our neighborhood. This application is to recode all 28 properties on Bagdad Road from the intersection of Madbury to the intersection of Emerson from an 85 to a code reflecting compatibility and equity with abutting and similar neighborhoods all of which are 60's or 70's.

Name:

Address:

Juddie M. Barnett, 11 Bagdad Rd, Durham, NH

Date: 2/9/24

To Durham Town Assessor:

I/We wish to express support for the abatement application being filed by Nancy and Ken Lynch on behalf of our neighborhood. This application is to recode all 28 properties on Bagdad Road from the intersection of Madbury to the intersection of Emerson from an 85 to a code reflecting compatibility and equity with abutting and similar neighborhoods all of which are 60's or 70's.

Name: Andrew and Samantha Seal

Address: 9 Bagdad Rd

765-914-3679

andrew.seal@gmail.com

Date: 2/13/2024

To Durham Town Assessor:

I/We wish to express support for the abatement application being filed by Nancy and Ken Lynch on behalf of our neighborhood. This application is to recode all 28 properties on Bagdad Road from the intersection of Madbury to the intersection of Emerson from an 85 to a code reflecting compatibility and equity with abutting and similar neighborhoods all of which are 60's or 70's.

Name: Mike + Heather Anderson

Address:
24 Bagdad Road

Heather Anderson

Mike Anderson



*TOWN OF DURHAM
8 NEWMARKET ROAD
DURHAM, NH 03824-2898
Tel: 603/868-8064*

ABATEMENT RECOMMENDATION

DATE: April 1, 2024

TOWN OF: Durham

TO: Town Council

FROM: Jay Ferreira

OWNER: The Lynch Revocable Trust
Kenneth & Nancy Lynch, Trustees
32 Bagdad Road,
Durham, NH 03824

REPRESENTATIVE: N/A

PROPERTY LOCATION: 32 Bagdad Road, Durham, NH 03824

PID: 104-75

PROPERTY TAX YEAR(S) APPEALED: 2023

APPLICATION FILING DATE: February 14, 2024

INVENTORY FILING DATE (Filing Date April 15th): N/A

ASSESSMENT APPEALED: \$768,300

Municipalities may abate taxes “for good cause shown.” RSA 76:16. Good cause is generally established by showing an error in the assessment calculation or a disproportionate assessment. Good cause can also be established by showing poverty and inability to pay the tax. If the abatement application is based on disproportionate assessment, the taxpayer has the burden to show how the assessment was disproportionate. To carry this burden the taxpayer must show:

- a. What the property was worth (market value) on the assessment date.
- b. The property’s “equalized assessment” exceeded the property’s market value. To calculate the equalized assessment, simply divide the assessment by the municipality’s equalization ratio (assessment ÷ ratio). Because a property’s market value is a crucial issue, **taxpayers must have an opinion of the market value estimate. Obtaining an appraisal or presenting sales of comparable properties can show this value estimate.**



REASON FOR APPEAL: The owners have applied for an abatement of his 2023 property taxes because there is a 40' wide easement bisecting their 4.6-acre property that people use to access the Town of Durham Stolworthy Wildlife Sanctuary that was not accounted for on their property record card. They believe this easement affects the market value of their property. The owners state that the amount of traffic from walkers, bikers, students and track athletic teams impacts the privacy afforded the owners and potential buyers. Additionally, the rear acreage behind the house is steeply sloped downward from the back of the house to the wetlands at the rear of the site.

RECOMMENDATION: After reviewing the assessment and inspecting the property, I recommend adjusting the assessment for the easement and topography which reduces the overall assessment from \$768,300 to \$744,400 and granting an abatement for the assessed value difference of \$23,900. This calculates to an abatement of **\$497.20** including interest (interest is calculated to a repayment date of 5/1/24 and subject to change per tax collector). If the taxes have not been paid, then no refund or interest is due.

RECEIVED
Town of Durham

FEB 14 2024

Planning, Zoning
and Assessing

FOR MUNICIPALITY USE ONLY:

Town File No.: _____

Taxpayer Name: _____

RSA 76:16 ABATEMENT APPLICATION TO MUNICIPALITY

SECTION A. Party(ies) Applying (Owner(s)/Taxpayer(s))

Name(s): Kenneth and Nancy Lynch

Mailing Address: 32 Bagdad Rd Durham 03824

Telephone Number(s): (Work) N/A (Home) 508-733-2700

Note: If an abatement is granted and taxes have been paid, interest on the abatement shall be paid in accordance with RSA 76:17-a. Any interest paid to the applicant must be reported by the municipality to the United States Internal Revenue Service, in accordance with federal law. Prior to the payment of an abatement with interest, the taxpayer shall provide the municipality with the applicant's social security number or federal tax identification number. Municipalities shall treat the social security or federal tax identification information as confidential and exempt from a public information request under RSA 91-A.

SECTION B. Party's(ies') Representative if other than Person(s) Applying (Also Complete Section A)

Name(s): N/A

Mailing Address: _____

Telephone Number(s): (Work) _____ (Home) _____

SECTION C. Property(ies) for which Abatement is Sought

List the tax map and lot number, the actual street address and town of each property for which abatement is sought, a brief description of the parcel, and the assessment.

<u>Town Parcel ID#</u>	<u>Street Address/Town</u>	<u>Description</u>	<u>Assessment</u>
Map104 Lot 75			768,300
32 Bagdad Rd			
House, Shed on 4.6 acres			

SECTION D. Other Property(ies)

List other property(ies) in the municipality owned in the same name(s), even if abatements for the other property(ies) have not been sought. The taxpayer's entire real property estate must be considered in determining whether the appealed property(ies) is (are) disproportionately assessed.

<u>Town Parcel ID#</u>	<u>Street Address/Town</u>	<u>Description</u>	<u>Assessment</u>
N/A			

SECTION E. Reasons for Abatement Application

RSA 76:16 provides that an abatement may be granted for "good cause shown." "Good cause" generally means:
1) establishing an assessment is disproportionate to market value and the municipality's level of assessment; or
2) establishing poverty and inability to pay the tax. This form can be utilized for either basis of requesting an abatement. The taxpayer has the burden to prove good cause for an abatement.

- 1) If claiming disproportionality, state with specificity all the reasons supporting your application. Statements such as "taxes too high," "disproportionately assessed" or "assessment exceeds market value" are insufficient. Generally, specificity requires the taxpayer to present material on the following (all may not apply):
 1. physical data – incorrect description or measurement of property;
 2. market data – the property's market value on the April 1 assessment date, supported by comparable sales or a professional opinion of value; and/or
 3. level of assessment – the property's assessment is disproportionate by comparing the property's market value and the town-wide level of assessment.

Note: If you have an appraisal or other documentation, please submit it with this application.

- 2) If claiming poverty or inability to pay, state in detail why abatement of taxes is appropriate as opposed to some other relief such as relocating, refinancing or obtaining some alternative public assistance.
Ansara v. City of Nashua, 118 N.H. 879 (1978).

(Attach additional sheets if needed.)

Errors in physical data

See attached documents and exhibits --page 5

SECTION F. Taxpayer's(s') Opinion of Market Value

State your opinion of the market value of the property(ies) appealed as of April 1 of the year under appeal.

Town Parcel ID# _____ Appeal Year Market Value \$ _____

Town Parcel ID# _____ Appeal Year Market Value \$ _____

Explain the basis for your value opinion(s). (Attach additional sheets if necessary.)

N/A

SECTION G. Sales, Rental and/or Assessment Comparisons

List the properties you are relying upon to show overassessment of your property(ies). If you are appealing an income producing property, list the comparable rental properties and their rents.
(Attach additional sheets if needed.)

Town Parcel ID#	Street Address	Sale Price/Date of Sale	Rents	Assessment
-----------------	----------------	-------------------------	-------	------------

N/A

SECTION H. Certification by Party(ies) Applying

Pursuant to BTLA Tax 203.02(d), the applicant(s) **MUST** sign the application. By signing below, the Party(ies) applying certifies (certify) and swear(s) under the penalties of RSA ch. 641 the application has a good faith basis, and the facts stated are true to the best of my/our knowledge.

Date: 2/14/24

Kenneth H. Johnson
(Signature)

Mary Lynn Johnson
(Signature)

SECTION I. Certification and Appearance by Representative (If Other Than Party(ies) Applying)

By signing below, the representative of the Party(ies) applying certifies and swears under penalties of RSA ch. 641:

1. all certifications in Section H are true;
2. the Party(ies) applying has (have) authorized this representation and has (have) signed this application;
and
3. a copy of this form was sent to the Party(ies) applying.

Date: _____

(Representative's Signature)

SECTION J. Disposition of Application* (For Use by Selectmen/Assessor)

*RSA 75:16, II states: the municipality "shall review the application and shall grant or deny the application in writing by July 1 after notice of tax date"

Abatement Request: GRANTED _____ Revised Assessment: \$ _____ DENIED _____

Remarks:

Date: _____

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

Rev. 3/12

RSA 76:16 ABATEMENT APPLICATION TO MUNICIPALITY

As recommended By Jim Rice in a meeting on November 27, 2023 we are submitting this abatement request to correct an error in the property description as well as other factors that lessen the property's assigned assessment.

1. The assessment did not document a 40' wide permanent easement that was included in the conveyance of the property to John C McNutt and Edith H McNutt on May 7, 1925. See attached deed description section (Exhibit A) underlined in red.
2. The enclosed map shows that the ROW bisects the property approximately in half. (Exhibit B)
3. The ROW is regularly used by:
 - a. Walkers through to the Stolworthy Preserve or at the other end to Bagdad Rd
 - b. Bikers- Same as above
 - c. Students on the way to or from the High School or Middle School
 - d. Track athletic teams from both schools using the route for practice runs.

Impact:

1. The position of the ROW impacts the ability to subdivide the property/ if at all, in a way that would be attractive to a potential buyer.
2. The traffic described above impacts the privacy of the property substantially
3. Additionally the property is steeply sloped from the back of the house down to the wet lands at the bottom by approximately 55' according to topographical maps also attached. (Exhibits C and D)

As a result of these factors, we believe the property is substantially over assessed.

EXHIBIT A

EDoc # 0010022 Jul 23, 2018 2:45 PM
Book 4585 Page 0938 Page 1 of 2
Register of Deeds, Strafford County

C/H
L-CHIP
STA132223

Return to:
Kenneth H. Lynch and Nancy E. Lynch,
as Trustees of Lynch Revocable Trust
32 Bagdad Road
Durham, NH 03824



COPY

WARRANTY DEED

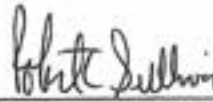
KNOW ALL MEN BY THESE PRESENTS, that Robert C. Sullivan and Elise R. Sullivan, husband and wife, of 32 Bagdad Road, Durham, NH 03824, for consideration paid grant(s) to Kenneth H. Lynch and Nancy E. Lynch, husband and wife, as Trustees of The Lynch Revocable Trust, of 7 Blood Road, Mont Vernon, NH 03057, with WARRANTY COVENANTS:

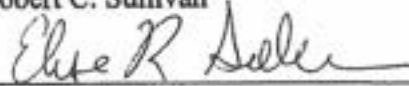
A certain lot or tract of land situated on the southerly side of the Bagdad Road, so-called, in said Durham, together with the buildings thereon, bounded and described as follows: Beginning at a hole in a large stone in the stone wall on the southerly side of said Bagdad Road at the northeast corner of a surveyed lot; and then running along the southerly side line of said road to land of one Meserve; thence southerly on the westerly side line of said Meserve land to an iron pipe set in the ground at the end of stone wall; thence running westerly along an old stone wall about two hundred seventy (270) feet to a hole in large stone in said wall; thence running northerly about five hundred twenty-seven (527) feet to an iron pipe set in the ground at the southeasterly corner of said surveyed lot; thence northerly on the easterly side line of said surveyed lot about two hundred (200) feet to the hole in a large stone at the point of beginning; containing four (4) acres, be the same more or less, and being a part of the "Hoitt Farm," so-called, conveyed to John C. McNutt and Edith H. McNutt on May 7, 1925, by deed recorded in the Strafford County Registry of Deeds, Book 415, Page 117, and to which reference may be had for a more particular description of the four (4) acres, more or less, hereby conveyed. Excepting and reserving out of the four (4) acres, more or less, hereby conveyed, a right of way to the said John C. and Edith H. McNutt, their heirs and assigns forever, said right of way being forty (40) feet in width and extending from the southerly side line of said Bagdad Road across the four (4) acres, more or less, hereby conveyed, following the general course of the old roadway and extending to other lands of the said McNutts, said right of way being and beginning at a curve in said road at the now gateway and marked on the easterly side of said gateway by a large stone and on the westerly side of said gateway by a hole in a stone; the southerly end of said right of way being marked on the westerly side by a hole in large stone in wall and on the easterly side by an iron pipe set in the ground; said right of way being reserved for the passage to and from other lands of the within named John C. McNutt and Edith H. McNutt for any and all lawful purposes by any and all methods, and this without restriction.

Meaning and intending to describe and convey the same premises conveyed to Robert C. Sullivan and Elise R. Sullivan by deed dated January 9, 2014 and recorded in the Strafford County Registry of Deeds in Book 4191, Page 0100.

I/We, the grantor(s) hereby release all rights of homestead in the above described premises.

Executed this 23rd day of July 2018.




Robert C. Sullivan


Elise R. Sullivan

State of New Hampshire
County of Strafford

Then personally appeared before me on this 23rd day of July 2018, the said Robert C. Sullivan and Elise R. Sullivan and acknowledged the foregoing to be his/her/their voluntary act and deed.



Notary Public

Notary-Name Printed

My commission expires:
(seal)

JAIME C. LYNCH
Notary Public State of New Hampshire
My Commission expires May 18, 2023



104-075

Durham, NH

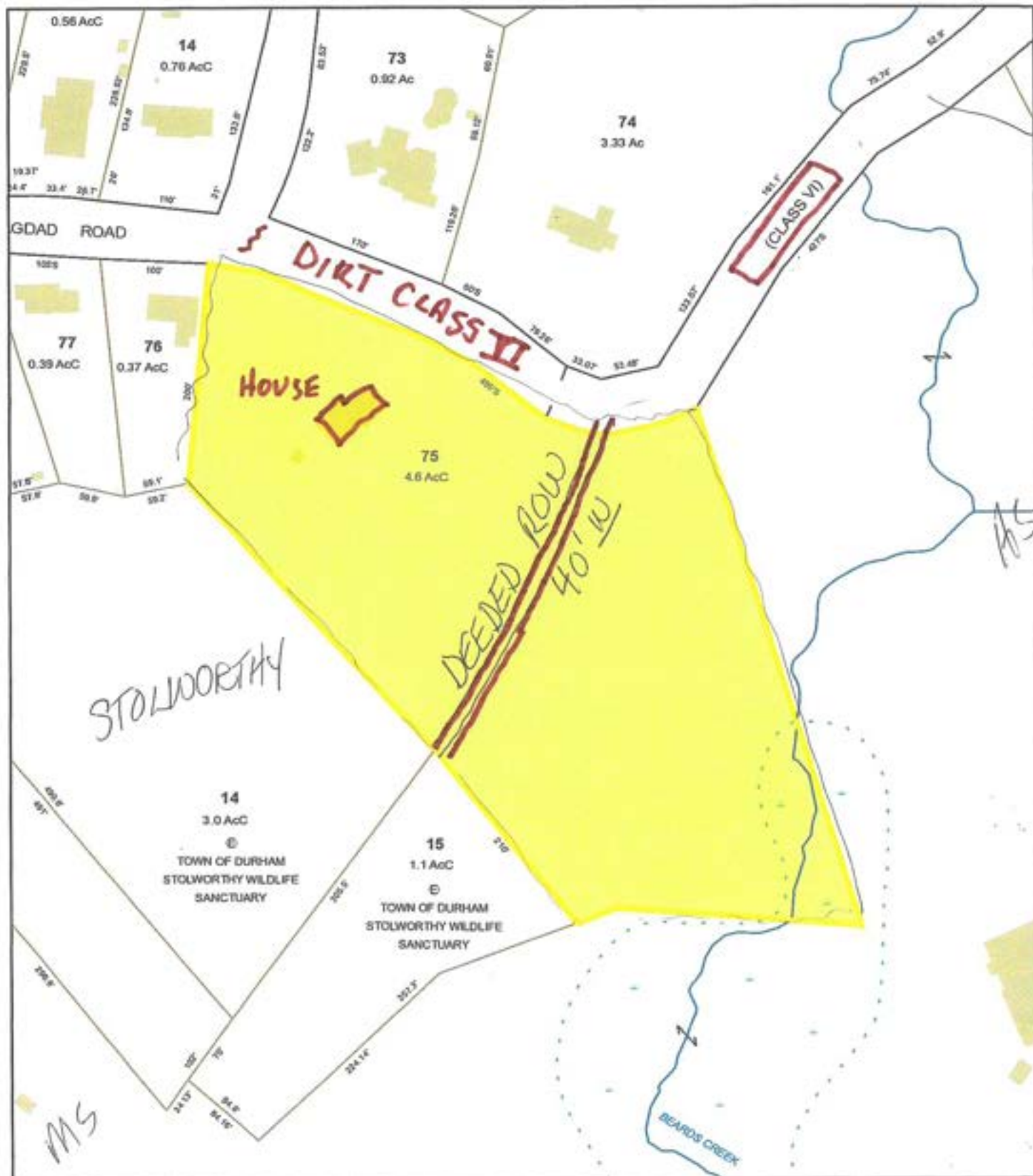
1 inch = 122 Feet

**EXHIBIT
B**



October 29, 2021

www.cai-tech.com



Data shown on this map is provided for planning and informational purposes only. The municipality and CAI Technologies are not responsible for any use for other purposes or misuse or misrepresentation of this map.

m topographic map

EXHIBIT C

States > New Hampshire > Strafford County > Durham

ve map

map to display elevation.



m topographic map

States > New Hampshire > Strafford County > Durham

ive map

a map to display elevation.



EXHIBIT D

Town of Durham, NH
Property Tax Bill Calculation

Owner Lynch
PID 104-75
Address 32 Bagdad Road

WHAT WAS TAXED

Total Assessed Value	433,600	768,300
Exemption (solar,)	-	-
Value Tax Applied To:	433,600.00	768,300.00

Credit (veterans,)	-	-
--------------------	---	---

Tax Bill#:	109830	111339
PropTax Issue 1 st or 2 nd	1	2
Due Date:	7/3/2023	12/18/2023
Paid Date:	6/22/2023	12/19/2024

Tax Rate Applied:

Town	4.070	5.750
County	1.410	1.760
Local School	8.280	11.580
State School	0.765	1.390
Total Rate	14.525	20.480

tax will be roughly	6,298.04	15,734.78
---------------------	----------	-----------

Resulting in Taxes of:

Town	1,765.00	4,418.00
County	611.00	1,352.00
Local School	3,590.00	8,897.00
State School	332.00	1,068.00
Tax Calculated	6,298.00	15,735.00

Less Credit & 1st Bill		
is the Amount Billed:	6,298.00	9,437.00

WHAT SHOULD HAVE BEEN TAXED

Total Assessed Value	433,600	744,400
Exemption (solar,)	-	-
Value Tax Applied To:	433,600.00	744,400.00

Credit (veterans,)	-	-
--------------------	---	---

Tax Bill#:	109830	111339
PropTax Issue 1 st or 2 nd	1	2
Due Date:	7/3/2023	12/18/2023
Paid Date:	6/22/2023	12/19/2023

Tax Rate Applied:

Town	4.070	5.750
County	1.410	1.760
Local School	8.280	11.580
State School	0.765	1.390
Total Rate	14.525	20.480

tax will be roughly	6,298.04	15,245.31
---------------------	----------	-----------

Resulting in Taxes of:

Town	1,765.00	4,280.00
County	611.00	1,310.00
Local School	3,590.00	8,620.00
State School	332.00	1,035.00
Tax Calculated	6,298.00	15,245.00

Less Credit & 1st Bill		
is the Amount Billed:	6,298.00	8,947.00

WHAT SHOULD BE ABATED

Difference in Billed-SHB = Abate	-	490.00
RSA 76:17-a Rate of Interest Pybl	4.00%	4.00%
Enter Date Town will Payback	5/1/2024	5/1/2024
Number of Days of Interest =	314	134
Interest Payable	-	7.20
Less Previously Abated Amount of		
Total To Be Abated	-	497.20

490.00 = To Be Abated

7.20 = Interest Owed

497.20



*TOWN OF DURHAM
8 NEWMARKET ROAD
DURHAM, NH 03824-2898
Tel: 603/868-8064*

ABATEMENT RECOMMENDATION

DATE: April 1, 2024

TOWN OF: Durham

TO: Town Council

FROM: Jay Ferreira

OWNER: Meredith Rev Living Trust
69 Mill Rd
Durham, NH 03824

REPRESENTATIVE: N/A

PROPERTY LOCATION: 69 Mill Road, Durham, NH 03824

PID: 109-84

PROPERTY TAX YEAR(S) APPEALED: 2023

APPLICATION FILING DATE: February 29, 2024

INVENTORY FILING DATE (Filing Date April 15th): N/A

ASSESSMENT APPEALED: \$468,300

Municipalities may abate taxes “for good cause shown.” RSA 76:16. Good cause is generally established by showing an error in the assessment calculation or a disproportionate assessment. Good cause can also be established by showing poverty and inability to pay the tax. If the abatement application is based on disproportionate assessment, the taxpayer has the burden to show how the assessment was disproportionate. To carry this burden the taxpayer must show:

- a. What the property was worth (market value) on the assessment date.
- b. The property’s “equalized assessment” exceeded the property’s market value. To calculate the equalized assessment, simply divide the assessment by the municipality’s equalization ratio (assessment ÷ ratio). Because a property’s market value is a crucial issue, **taxpayers must have an opinion of the market value estimate. Obtaining an appraisal or presenting sales of comparable properties can show this value estimate.**



REASON FOR APPEAL: The owner has applied for an abatement of their property, due to topography issues and flooding. Due to proximity to the river and the lot being below the street. Also, the owners feel there are mistakes on the field card data.

ASSESSORS COMMENTS: The subject property is a Ranch house built in 1952, with 26,822 sf of land located on the Oyster River. The lot is well below the street level and the east and south sides front the river. I inspected the property with the owner on 3/7/2024. During my inspection it was raining. I noticed significant flooding from the river on the east and south sides of the lot. There was also flooding in the front yard from the street. I inspected the basement of the house and there were puddles of water everywhere I stepped. I also noticed salt lines three feet up the foundation walls, which indicates past flooding of the basement. The owner showed me the inoperable fireplace which he now stores wood pellets for his pellet stove. The rest of the house was average and functional.

RECOMMENDATION: After inspecting the property, I recommend giving a 20% deduction on the land value due to the flooding issue. I removed the nonfunctioning fireplace and gave them a 5% functional deduction for the wet basement. These deductions reduce the overall assessment from \$468,300 to \$422,700 and granting an abatement for the assessed value difference of \$45,600. This calculates to an abatement of **\$947.52** including interest (interest is calculated to a repayment date of 5/1/24 and subject to change per tax collector). If the taxes have not been paid, then no refund or interest is due.

RECEIVED
Town of Durham

FEB 29 2024

Planning, Zoning
and Assessing

FOR MUNICIPALITY USE ONLY:

Town File No.: _____

Taxpayer Name: _____

RSA 76:16 ABATEMENT APPLICATION TO MUNICIPALITY

SECTION A. Party(ies) Applying (Owner(s)/Taxpayer(s))

Name(s): Theodore and Dawn Meredith

Mailing Address: 69 Mill Road, Durham, NH

Telephone Number(s): (Work) 603-312-7864 (Home) 603-312-3307

Note: If an abatement is granted and taxes have been paid, interest on the abatement shall be paid in accordance with RSA 76:17-a. Any interest paid to the applicant must be reported by the municipality to the United States Internal Revenue Service, in accordance with federal law. Prior to the payment of an abatement with interest, the taxpayer shall provide the municipality with the applicant's social security number or federal tax identification number. Municipalities shall treat the social security or federal tax identification information as confidential and exempt from a public information request under RSA 91-A.

SECTION B. Party's(ies)' Representative if other than Person(s) Applying (Also Complete Section A)

Name(s): _____

Mailing Address: _____

Telephone Number(s): (Work) _____ (Home) _____

SECTION C. Property(ies) for which Abatement is Sought

List the tax map and lot number, the actual street address and town of each property for which abatement is sought, a brief description of the parcel, and the assessment.

<u>Town Parcel ID#</u>	<u>Street Address/Town</u>	<u>Description</u>	<u>Assessment</u>
611	69 Mill Road, Durham NH	home	\$468,300
109-44			

TAXPAYER'S RSA 76:16 ABATEMENT APPLICATION TO MUNICIPALITY

TAX YEAR APPEALED 2024

INSTRUCTIONS

1. Complete the application by typing or printing legibly in ink. **This application does not stay the collection of taxes; taxes should be paid as assessed. If an abatement is granted, a refund with interest will be made.**
2. File this application with the municipality by the deadline (see below). Date of filing is the date this form is either hand delivered to the municipality, postmarked by the post office, or receipted by an overnight delivery service.

DEADLINES: The "notice of tax" means the date the board of tax and land appeals (BTLA) determines the last tax bill was sent by the municipality. (If your municipality bills twice annually, you must apply after the bill that establishes your final tax liability and not before.)

Step One: Taxpayer must file the abatement application with the municipality by March 1 following the notice of tax.
Step Two: Municipality has until July 1 following the notice of tax to grant or deny the abatement application.
Step Three: Taxpayer may file an appeal either at the BTLA (RSA 76:16-a) or in the superior court (RSA 76:17), but not both. An appeal must be filed:

- 1) no earlier than: a) after receiving the municipality's decision on the abatement application; or b) July 1 following the notice of tax if the municipality has not responded to the abatement application; and
- 2) no later than September 1 following the notice of tax.

EXCEPTION: If your municipality's final tax bill was sent out after December 31 (as determined by the BTLA), the above deadlines are modified as follows (RSA 76:1-a; RSA 76:16-d, II):

Step One: 2 months after notice of tax;
Step Two: 6 months after notice of tax; and
Step Three: 8 months after notice of tax.

FORM COMPLETION GUIDELINES:

1. **SECTION E.** Municipalities may abate taxes "for good cause shown." RSA 76:16. Good cause is generally established by showing an error in the assessment calculation or a disproportionate assessment. Good cause can also be established by showing poverty and inability to pay the tax.
2. **SECTION G.** If the abatement application is based on disproportionate assessment, the taxpayer has the burden to show how the assessment was disproportionate. To carry this burden the taxpayer must show: a) what the property was worth (market value) on the assessment date; and b) the property's "equalized assessment" exceeded the property's market value. To calculate the equalized assessment, simply divide the assessment by the municipality's equalization ratio (assessment ÷ ratio). Because a property's market value is a crucial issue, taxpayers must have an opinion of the market value estimate. This value estimate can be shown by obtaining an appraisal or presenting sales of comparable properties.
3. **SECTION H.** The applicant(s) must sign the application even if a representative (e.g. Tax Representative, Attorney, or other Advocate) completes Section I.
4. Make a copy of this document for your own records.

SECTION D. Other Property(ies)

List other property(ies) in the municipality owned in the same name(s), even if abatements for the other property(ies) have not been sought. The taxpayer's entire real property estate must be considered in determining whether the appealed property(ies) is (are) disproportionately assessed.

<u>Town Parcel ID#</u>	<u>Street Address/Town</u>	<u>Description</u>	<u>Assessment</u>
n/a			

SECTION E. Reasons for Abatement Application

RSA 76:16 provides that an abatement may be granted for "good cause shown." "Good cause" generally means: 1) establishing an assessment is disproportionate to market value and the municipality's level of assessment; or 2) establishing poverty and inability to pay the tax. This form can be utilized for either basis of requesting an abatement. The taxpayer has the burden to prove good cause for an abatement.

- 1) If claiming disproportionality, state with specificity all the reasons supporting your application. Statements such as "taxes too high," "disproportionately assessed" or "assessment exceeds market value" are insufficient. Generally, specificity requires the taxpayer to present material on the following (all may not apply):
 1. physical data – incorrect description or measurement of property;
 2. market data – the property's market value on the April 1 assessment date, supported by comparable sales or a professional opinion of value; and/or
 3. level of assessment – the property's assessment is disproportionate by comparing the property's market value and the town-wide level of assessment.

Note: If you have an appraisal or other documentation, please submit it with this application.

- 2) If claiming poverty or inability to pay, state in detail why abatement of taxes is appropriate as opposed to some other relief such as relocating, refinancing or obtaining some alternative public assistance. Ansara v. City of Nashua, 118 N.H. 879 (1978).

(Attach additional sheets if needed.)

n/a

SECTION F. Taxpayer's(s') Opinion of Market Value

State your opinion of the market value of the property(ies) appealed as of April 1 of the year under appeal.

Town Parcel ID# 611 Appeal Year Market Value \$ 409,300

Town Parcel ID# _____ Appeal Year Market Value \$ _____

Explain the basis for your value opinion(s). (Attach additional sheets if necessary.)

please see attached sheets

SECTION G. Sales, Rental and/or Assessment Comparisons

List the properties you are relying upon to show overassessment of your property(ies). If you are appealing an income producing property, list the comparable rental properties and their rents. (Attach additional sheets if needed.)

Town Parcel ID#	Street Address	Sale Price/Date of Sale	Rents	Assessment
<u>486</u>	<u>74 Mill Road</u>	<u>assessed at \$298K/acre</u>		
<u>607</u>	<u>12 Oyster River Road</u>	<u>assessed at \$311K/acre</u>		

SECTION H. Certification by Party(ies) Applying

Pursuant to BTLA Tax 203.02(d), the applicant(s) **MUST** sign the application. By signing below, the Party(ies) applying certifies (certify) and swear(s) under the penalties of RSA ch. 641 the application has a good faith basis, and the facts stated are true to the best of my/our knowledge.

Date: 2/29/24

X [Signature]
(Signature)

Dawn Meredith
(Signature)

SECTION I. Certification and Appearance by Representative (If Other Than Party(ies) Applying)

By signing below, the representative of the Party(ies) applying certifies and swears under penalties of RSA ch. 641:

1. all certifications in Section H are true;
2. the Party(ies) applying has (have) authorized this representation and has (have) signed this application;
and
3. a copy of this form was sent to the Party(ies) applying.

Date: _____

(Representative's Signature)

SECTION J. Disposition of Application* (For Use by Selectmen/Assessor)

*RSA 75:16, II states: the municipality "shall review the application and shall grant or deny the application in writing by July 1 after notice of tax date"

Abatement Request: GRANTED _____ Revised Assessment: \$ _____ DENIED _____

Remarks:

Date: _____

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

Rev. 3/12

February 29, 2024

Dear Durham Assessment Department,

We are applying for an abatement on our property at 69 Mill Road (PID 611). Our home is not extravagant by any means, and due to location has many negatives.

Much of our house is the original 1952 construction, and the kitchen and baths were last renovated 25 years ago.

Our lot is essentially a bowl, we have very limited privacy as a result. (See photos 1 and 2.) The noise from the road, as it is above our house, prevents us from having the windows in the front of the house open when we would like to. The main view from our living room picture window is the Mill Road bridge, culvert, and drainage culvert from storm drains. (See photo 3.)

Our neighbors are all above us and retaining walls separate our lots due to the elevation changes. This results in their lots drainage and runoff going through ours toward the river, which remains wet much of the year and extensively limits the use of the property. (See photo 4.) Our basement is often wet due to runoff from the road, neighbors and presumably the river. (See quote from TC Hafford Basement to remediate wet basement, and photos 5 and 6.)

We are one of the few homes on this side of the river that does not have town sewer service. We have a pump-up leech field for our septic which has exposed vent pipes in our front yard and is visible from bedrooms and most of our home. This was necessary due to the wetness of the lot and proximity to the water according to state requirements. (See photo 2.)

It appears that our land is valued higher than other neighbors, and if the waterfront access is the reason for this it seems excessive. We were unable to have a hearing during the revaluation process last summer, and we asked an assessor friend to investigate this for us as we don't understand why we saw such a large change in our assessment and taxes. He was unable to find detailed information about how the land was valued or any information on the waterfront, how the values were determined, how they are applied and what is considered for each category or waterbody. He told us that, in his opinion, it was unclear where the waterfront value was derived, what sales if any were used to develop this and that it appeared that each property was being treated as equal. This is especially concerning considering the previously mentioned issues associated with the conditions on our property, and the detrimental views of the infrastructure associated with our location and water adjacent lot. It seems inherently flawed to treat all these properties as equal regardless of landscaping, access, usability, frontage length, elevation, flooding issues and privacy. This lack of transparency is troubling and feels unfair and inequitable. If our assessor friend is unable to make head or tails of this, we certainly can't. We would like to see our property more similarly valued to properties not fronting on the stream like Oyster River in our neighborhood and the functional issues of our property taken into consideration, just as any buyer would who is in the market for a home.

Calculation of value of our home:

\$ 468,300	current assessed value
-\$ 26,700	cost to remediate wet basement (see quote)
-\$ 32,000	new land cost at \$300K/acre, in line with 74 Mill Road and 12 Oyster River Road
\$409,600	our estimated value of our home

Thank you for your time and attention,



Ted Meredith

69 Mill Road



Dawn Meredith

Photo Documentation for 69 Mill Road Abatement

Photo 1: showing "bowl" nature of our lot



Photo 2: more evidence of "bowl" shaped lot; green septic vent pipe visible in the background



Photo 3: View from picture window showing culvert and road.



Photo 4: puddling in back yard on 2/29 after .34 inches of rain on 2/28/24



Photo 5 and 6: trying to show the "bowl" nature of the property in back, though it's a bit hard to show in photos.



Prepared by:
John Wright
jwright@tchafford.com
TC Hafford Basement Systems
www.tchaffordbasementsystems.com
TF (800) 734-6151
O 207-641-8600
F (207) 641-8602

Prepared on:
5-20-22

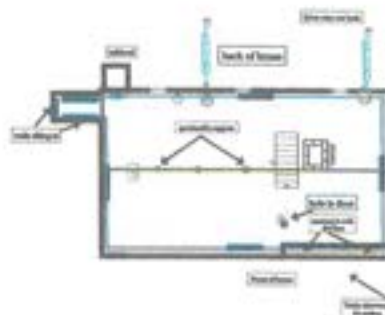
Prepared for: **Proposal**
Dawn Meredith
dawn.meredith@comcast.net
C (603) 312-3307
P (603) 312-3307
Job location:
69 Mill Road
Durham, NH 03824

Product List

WaterGuard Port	6	Slab - Zone 1, Slab	1392	Slab TrenchDrain	4 ft
Slab Placement Fee	1	Slab WaterGuard	174	Slab Drainage Matting, Drainage Matting	1392
Existing Sump hole- fill and/or cap	1	Bulkhead door	1	8" wall core	1
SuperSump	2	IceGuard	2	LawnScape Outlet	2
Bury Discharge Line	2				

Project Summary

My Basement	\$26,793.16
Total Investment	\$26,793.16
Total Contract Price	\$26,793.16
Deposit Required - 30%	\$8,037.95
Deposit Paid	\$0.00
Amount Due Upon Installation	\$26,793.16



Customer Consent

Any alteration from the above specifications and corresponding price adjustment (if necessary) will be made only at the Customer's request or approval. Completing the work in this Proposal at the time scheduled is contingent upon accidents or delays beyond our control. This Proposal is based primarily on the Customer's description of the problem. This Proposal may be withdrawn if not accepted by the Customer within 30 days.

Authorized Signature

[Handwritten Signature]

Date

5/20/22

Acceptance of Contract— I am/we are aware of and agree to the contents of this Proposal, the attached Job Detail sheet(s), and the attached Limited Warranty, (together, the "Contract"). You are authorized to do the work as specified in the Contract. I/we will make the payment set forth in this Contract at the time it is due. I/we will pay your service charge of 1-1/3% per month (16% per annum) if my/our account is 30 days or more past due, plus all attorney's fees and costs to collect and enforce this Contract.

Customer Signature

Date

I/We understand that 30% deposit must be paid prior to scheduling.

Initial

I/We understand that final payment is due at time of installation.

Initial

Job Details (Continued)

Specifications

1) Install WaterGuard Port for access to system. 2) Pour new concrete floor. New Floor will be approximately 3" to 4" in thickness and will follow the contour of the existing floor. 3) Install TrenchDrain as indicated on drawing. 4) Mobilization & Coordination of Concrete 5) Installed WaterGuard Drainage System around the perimeter of space. 6) Install drainage matting vapor barrier over entire floor surface prior to pouring new concrete floor. 7) Fill with stone and/or cap/cover existing sump hole based on site condition. 8) Install new bulkhead door. 9) 10) Install SuperSump pump system with cast iron pump, liner, airtight lid with airtight floor drain, CleanPump Stand, and WaterWatch alarm system. 11) Install IceGuard to prevent floods from clogged or frozen discharge line. 12) Install LawnScape outlet at end of discharge line. 13) TC Hafford to bury up to 15' of discharge line.

Contractor Will

1.) Remove and replace concrete as necessary in the workplace.

Customer Will

- 1.) Be responsible for all electrical outlet requirements for mechanical devices.
- 2.) Mark any private lines that may be hidden underground, and assumes all liability if damage should occur to such lines.
- 3.) Empty the space of all materials except fixed utilities.

Additional Notes

Foreman may make recommendations based on field conditions. Home owner will need to empty space of all material except fixed utilities. Home owner should have plumber remove old unused plumbing pipes so we can pour a new slab, and give an ok to fill and cap hole in floor.

Recommendation Notes

full slab perimeter system, tripleSafe, Sanidry Sedona air system. A couple of smartjacks would be a good idea. Some are in questionable shape.

Town of Durham, NH				
Property Tax Bill Calculation				
Owner	Meredith Rev Trust			
PID	109-84			
Address	69 Mill Rd			
WHAT WAS TAXED				
Total Assessed Value	286,800	468,300		
Exemption (solar,)	-	-		
Value Tax Applied To:	286,800.00	468,300.00		
Credit (veterans,)	-	-		
Tax Bill#:	108954	110454		
PropTax Issue 1 st or 2 nd	1	2		
Due Date:	7/3/2023	12/18/2023		
Paid Date:	6/23/2023	12/4/2023		
Tax Rate Applied:				
Town	4.070	5.750		
County	1.410	1.760		
Local School	8.280	11.580		
State School	0.765	1.390		
Total Rate	14.525	20.480		
tax will be roughly	4,165.77	9,590.78		
Resulting in Taxes of:				
Town	1,167.00	2,693.00		
County	404.00	824.00		
Local School	2,375.00	5,423.00		
State School	219.00	651.00		
Tax Calculated	4,165.00	9,591.00		
Less Credit & 1st Bill				
is the Amount Billed:	4,165.00	5,426.00		
WHAT SHOULD HAVE BEEN TAXED				
Total Assessed Value	1,127,400	2,077,400		
Exemption (solar,)	-	-		
Value Tax Applied To:	286,800.00	422,700.00		
Credit (veterans,)	-	-		
Tax Bill#:	108954	110454		
PropTax Issue 1 st or 2 nd	1	2		
Due Date:	7/3/2023	12/18/2023		
Paid Date:	6/23/2023	12/4/2023		
Tax Rate Applied:				
Town	4.070	5.750		
County	1.410	1.760		
Local School	8.280	11.580		
State School	0.765	1.390		
Total Rate	14.525	20.480		
tax will be roughly	4,165.77	8,656.90		
Resulting in Taxes of:				
Town	1,167.00	2,431.00		
County	404.00	744.00		
Local School	2,375.00	4,895.00		
State School	219.00	588.00		
Tax Calculated	4,165.00	8,658.00		
Less Credit & 1st Bill				
is the Amount Billed:	4,165.00	4,493.00		
WHAT SHOULD BE ABATED				
Difference in Billed-SHB = Abate	-	933.00	933.00	= To Be Abated
RSA 76:17-a Rate of Interest Pybl	4.00%	4.00%		
Enter Date Town will Payback	5/1/2024	5/1/2024		
Number of Days of Interest =	313	142		
Interest Payable	-	14.52	14.52	= Interest Owed
Less Previously Abated Amount of				
Total To Be Abated	-	947.52	947.52	



*TOWN OF DURHAM
8 NEWMARKET ROAD
DURHAM, NH 03824-2898
Tel: 603/868-8064*

ABATEMENT RECOMMENDATION

DATE: April 1, 2024

TOWN OF: Durham

TO: Town Council

FROM: Jay Ferreira

OWNER: Mu Alpha Building Association
c/o Molly Termorshuizen, Treasurer
38 Sandy Brook Drive
Durham, NH 03824

REPRESENTATIVE: N/A

PROPERTY LOCATION: 11 Strafford Avenue, Durham, NH 03824

PID: 106-8

PROPERTY TAX YEAR(S) APPEALED: 2023

APPLICATION FILING DATE: February 27, 2024

INVENTORY FILING DATE (Filing Date April 15th): N/A

ASSESSMENT APPEALED: \$1,691,200

Municipalities may abate taxes “for good cause shown.” RSA 76:16. Good cause is generally established by showing an error in the assessment calculation or a disproportionate assessment. Good cause can also be established by showing poverty and inability to pay the tax. If the abatement application is based on disproportionate assessment, the taxpayer has the burden to show how the assessment was disproportionate. To carry this burden the taxpayer must show:

- a. What the property was worth (market value) on the assessment date.
- b. The property’s “equalized assessment” exceeded the property’s market value. To calculate the equalized assessment, simply divide the assessment by the municipality’s equalization ratio (assessment ÷ ratio). Because a property’s market value is a crucial issue, **taxpayers must have an opinion of the market value estimate. Obtaining an appraisal or presenting sales of comparable properties can show this value estimate.**



REASON FOR APPEAL: Mu Alpha Sorority was assessed as having 32 parking spaces and only have twelve (12).

RECOMMENDATION: I recommend adjusting the assessment for the discrepancy which reduces the overall assessment from \$1,691,200 to \$1,641,200 and granting an abatement for the assessed value difference of \$50,000. This calculates to an abatement of **\$1,040.38** including interest (interest is calculated to a repayment date of 5/1/24 and subject to change per tax collector). If the taxes have not been paid, then no refund or interest is due.

FOR MUNICIPALITY USE ONLY:

Town File No.: _____

Taxpayer Name: _____

RSA 76:16 ABATEMENT APPLICATION TO MUNICIPALITY

SECTION A. Partv(ies) Applying (Owner(s)/Taxpayer(s))

Name(s): Mu Alpha Building Association c/o Molly Termorshuizen

Mailing Address: 38 Sandy Brook Dr. Durham, NH 03824

Telephone Number(s): (Work) (603) 244-0165 (Home) _____

Note: If an abatement is granted and taxes have been paid, interest on the abatement shall be paid in accordance with RSA 76:17-a. Any interest paid to the applicant must be reported by the municipality to the United States Internal Revenue Service, in accordance with federal law. Prior to the payment of an abatement with interest, the taxpayer shall provide the municipality with the applicant's social security number or federal tax identification number. Municipalities shall treat the social security or federal tax identification information as confidential and exempt from a public information request under RSA 91-A.

SECTION B. Partv's(ies)' Representative if other than Person(s) Applying (Also Complete Section A)

Name(s): _____

Mailing Address: _____

Telephone Number(s): (Work) _____ (Home) _____

SECTION C. Property(ies) for which Abatement is Sought

List the tax map and lot number, the actual street address and town of each property for which abatement is sought, a brief description of the parcel, and the assessment.

<u>Town Parcel ID#</u>	<u>Street Address/Town</u>	<u>Description</u>	<u>Assessment</u>
<u>106-8-0-0-0</u>	<u>11 Strafford Ave.</u>	<u>Chapter house of Chi Omega Sorority</u>	

SECTION D. Other Property(ies)

List other property(ies) in the municipality owned in the same name(s), even if abatements for the other property(ies) have not been sought. The taxpayer's entire real property estate must be considered in determining whether the appealed property(ies) is (are) disproportionately assessed.

<u>Town Parcel ID#</u>	<u>Street Address/Town</u>	<u>Description</u>	<u>Assessment</u>

SECTION E. Reasons for Abatement Application

RSA 76:16 provides that an abatement may be granted for "good cause shown." "Good cause" generally means:
1) establishing an assessment is disproportionate to market value and the municipality's level of assessment; or
2) establishing poverty and inability to pay the tax. This form can be utilized for either basis of requesting an abatement. The taxpayer has the burden to prove good cause for an abatement.

- 1) If claiming disproportionality, state with specificity all the reasons supporting your application. Statements such as "taxes too high," "disproportionately assessed" or "assessment exceeds market value" are insufficient. Generally, specificity requires the taxpayer to present material on the following (all may not apply):
1. physical data – incorrect description or measurement of property;
 2. market data – the property's market value on the April 1 assessment date, supported by comparable sales or a professional opinion of value; and/or
 3. level of assessment – the property's assessment is disproportionate by comparing the property's market value and the town-wide level of assessment.

Note: If you have an appraisal or other documentation, please submit it with this application.

- 2) If claiming poverty or inability to pay, state in detail why abatement of taxes is appropriate as opposed to some other relief such as relocating, refinancing or obtaining some alternative public assistance.
Ansara v. City of Nashua, 118 N.H. 879 (1978).

(Attach additional sheets if needed.)

We are seeking an abatement due to incorrect description of the property. The description states that the property has 32 commercial parking spots, when the property has 12 parking spots.

SECTION F. Taxpayer's(s') Opinion of Market Value

State your opinion of the market value of the property(ies) appealed as of April 1 of the year under appeal.

Town Parcel ID# 106-8 Appeal Year Market Value \$1.6 million

Town Parcel ID# _____ Appeal Year Market Value \$ _____

Explain the basis for your value opinion(s). (Attach additional sheets if necessary.)

this reflects the correct number of parking
spots.

SECTION G. Sales, Rental and/or Assessment Comparisons

List the properties you are relying upon to show overassessment of your property(ies). If you are appealing an income producing property, list the comparable rental properties and their rents. (Attach additional sheets if needed.)

Town Parcel ID#	Street Address	Sale Price/Date of Sale	Rents	Assessment

SECTION H. Certification by Party(ies) Applying

Pursuant to BTLA Tax 203.02(d), the applicant(s) **MUST** sign the application. By signing below, the Party(ies) applying certifies (certify) and swear(s) under the penalties of RSA ch. 641 the application has a good faith basis, and the facts stated are true to the best of my/our knowledge.

Date: 2/27/24

Melissa T. Tamschweizer, Treasurer
(Signature)

(Signature)

SECTION I. Certification and Appearance by Representative (If Other Than Party(ies) Applying)

By signing below, the representative of the Party(ies) applying certifies and swears under penalties of RSA ch. 641:

1. all certifications in Section H are true;
2. the Party(ies) applying has (have) authorized this representation and has (have) signed this application;
and
3. a copy of this form was sent to the Party(ies) applying.

Date: _____

(Representative's Signature)

SECTION J. Disposition of Application* (For Use by Selectmen/Assessor)

*RSA 75:16, II states: the municipality "shall review the application and shall grant or deny the application in writing by July 1 after notice of tax date"

Abatement Request: GRANTED _____ Revised Assessment: \$ _____ DENIED _____

Remarks:

Date: _____

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

Rev. 3/12



Town of Durham, NH
Property Tax Bill Calculation

Owner Mu Alpha Sorority
PID 106-8
Address 11 Strafford Ave.

WHAT WAS TAXED

Total Assessed Value	1,497,300	1,691,200
Exemption (solar,)	-	-
Value Tax Applied To:	1,497,300.00	1,691,200.00

Credit (veterans,)	-	-
--------------------	---	---

Tax Bill#:	109620	111109
PropTax Issue 1 st or 2 nd	1	2
Due Date:	7/3/2023	12/18/2023
Paid Date:	6/6/2023	12/7/2023

Tax Rate Applied:

Town	4.070	5.750
County	1.410	1.760
Local School	8.280	11.580
State School	0.765	1.390
Total Rate	14.525	20.480

tax will be roughly	21,748.28	34,635.78
---------------------	-----------	-----------

Resulting in Taxes of:

Town	6,094.00	9,724.00
County	2,111.00	2,977.00
Local School	12,398.00	19,584.00
State School	1,145.00	2,351.00
Tax Calculated	21,748.00	34,636.00

Less Credit & 1st Bill		
is the Amount Billed:	21,748.00	12,888.00

WHAT SHOULD HAVE BEEN TAXED

Total Assessed Value	1,497,300	1,641,200
Exemption (solar,)	-	-
Value Tax Applied To:	1,497,300.00	1,641,200.00

Credit (veterans,)	-	-
--------------------	---	---

Tax Bill#:	109620	111109
PropTax Issue 1 st or 2 nd	1	2
Due Date:	7/3/2023	12/18/2023
Paid Date:	6/6/2023	12/7/2023

Tax Rate Applied:

Town	4.070	5.750
County	1.410	1.760
Local School	8.280	11.580
State School	0.765	1.390
Total Rate	14.525	20.480

tax will be roughly	21,748.28	33,611.78
---------------------	-----------	-----------

Resulting in Taxes of:

Town	6,094.00	9,437.00
County	2,111.00	2,889.00
Local School	12,398.00	19,005.00
State School	1,145.00	2,281.00
Tax Calculated	21,748.00	33,612.00

Less Credit & 1st Bill		
is the Amount Billed:	21,748.00	11,864.00

WHAT SHOULD BE ABATED

Difference in Billed-SHB = Abate	-	1,024.00
RSA 76:17-a Rate of Interest Pybl	4.00%	4.00%
Enter Date Town will Payback	5/1/2024	5/1/2024
Number of Days of Interest =	330	146
Interest Payable	-	16.38
Less Previously Abated Amount of		
Total To Be Abated	-	1,040.38

1,024.00 = To Be Abated

16.38 = Interest Owed

1,040.38



*TOWN OF DURHAM
8 NEWMARKET ROAD
DURHAM, NH 03824-2898
Tel: 603/868-8064*

ABATEMENT RECOMMENDATION

DATE: April 1, 2024

TOWN OF: Durham

TO: Town Council

FROM: Jay Ferreira

OWNER: Toye IV Rev Trust
Arthur Thomas Properties, LLC
10 Durham Road
Dover, NH 03820

REPRESENTATIVE: N/A

PROPERTY LOCATION: 9 Tavern Way, Durham, NH 03824

PID: 1928

PROPERTY TAX YEAR(S) APPEALED: 2023

APPLICATION FILING DATE: February 27, 2024

INVENTORY FILING DATE (Filing Date April 15th): N/A

ASSESSMENT APPEALED: \$2,487,132

Municipalities may abate taxes “for good cause shown.” RSA 76:16. Good cause is generally established by showing an error in the assessment calculation or a disproportionate assessment. Good cause can also be established by showing poverty and inability to pay the tax. If the abatement application is based on disproportionate assessment, the taxpayer has the burden to show how the assessment was disproportionate. To carry this burden the taxpayer must show:

- a. What the property was worth (market value) on the assessment date.
- b. The property’s “equalized assessment” exceeded the property’s market value. To calculate the equalized assessment, simply divide the assessment by the municipality’s equalization ratio (assessment ÷ ratio). Because a property’s market value is a crucial issue, **taxpayers must have an opinion of the market value estimate. Obtaining an appraisal or presenting sales of comparable properties can show this value estimate.**



REASON FOR APPEAL: The owners have applied for an abatement of their 2023 property taxes based on “good cause” and “inability to pay”.

ASSESSORS COMMENTS: The subject property is comprised of 14.13 acres that has been improved with a colonial style structure and a four-unit apartment house. The land is comprised of one acre to support the improvements, the remaining acreage 13.13 is in Current Use. The main house is a single-family dwelling built in 1686, extensively renovated and expanded over the years. The apartment house is a converted barn that also has been extensively renovated and expanded over the years. The property is located “Above the Dam” off Newmarket Road.

During my inspection with the owner on 3/5/2024, I measured a single-family colonial that was built in 1686. The house has been completely renovated and remodeled over the years. I also measured and inspected a four-unit apartment house that was converted from a barn. This structure has also been extensively renovated and remodeled over the years. The issue with the property is that the colonial (Single Family Home) was listed as an apartment building and was being valued under the commercial model. Because the structure was being valued as commercial property the land was also valued commercially. I corrected the style of the structure from apartments to colonial, also because of the style change I had to value the land residentially. This changing of models on card #1, (94) commercial to (01) residential reduced the overall value significantly, from \$2,487,132 to \$2,077,400. The second card, the four-unit apartment building was listed correctly so the value is correct.

RECOMMENDATION: I recommend adjusting for these discrepancies, which reduces the overall assessment from \$2,487,132 to \$2,077,400 and granting an abatement for the assessed value difference of \$463,000. This calculates to an abatement of **\$8,521.62** including interest (interest is calculated to a repayment date of 5/1/24 and subject to change per tax collector). If the taxes have not been paid, then no refund or interest is due.

Application for Property Tax Abatement

Effective Assessment 01-April 2023

RECEIVED
Town of Durham

Property Address: 9-13 Tavern Way, Durham NH 03824

FEB 27 2024
Planning, Zoning
and Assessing

Table of Contents

1. Taxpayer's RSA 76:16 Abatement Application to Municipality- Signed
2. Executive Summary
3. Description of the Property
 - a. Description of Single-Family Residence (Smith Tavern Circa 1686)
 - b. Description of 4-unit Apartment Building (1917 Gambrel Barn)
 - c. Property Survey & Subdivision Plan 2015
 - d. Property Deed
4. Standalone Market Valuation of Single-Family Residence at 9 Tavern Way
 - a. 2023 Large (3000+ SF) Single Family Home Sale Comps
 - b. 2023 Sales of All Single-Family Homes
5. Standalone Market Valuation of 4-unit residential apartment building at 13 Tavern Way
 - a. Rent Roll
 - b. 2023 Annual Operating Income Statement
 - c. 2022 Taxpayers IRS Schedule E
 - d. Investment Market Value based on Capitalization of 2023 Net Operating Income
 - e. Investment Market Value based on Sales Comparison Approach
6. Reconciled Valuation of 9-13 Tavern Way: \$1,502,921
 - a. Extrapolation of Discount Rate for Multiple Homes on One Lot
 - b. Multiple Homes On Lot – Sales Comparison #1
 - i. 20-22 Newmarket Road – Sold 05-April 2023 - \$925,000
 - c. Multiple Homes On Lot – Sales Comparison #2
 - i. 116-118 Dover Road – Sold 31-October 2023 - \$600,000
7. Assessors Tax Card

TAXPAYER'S RSA 76:16 ABATEMENT APPLICATION TO MUNICIPALITY

TAX YEAR APPEALED 01-April 2023

INSTRUCTIONS

1. Complete the application by typing or printing legibly in ink. **This application does not stay the collection of taxes; taxes should be paid as assessed. If an abatement is granted, a refund with interest will be made.**
2. File this application with the municipality by the deadline (see below). Date of filing is the date this form is either hand delivered to the municipality, postmarked by the post office, or receipted by an overnight delivery service.

DEADLINES: The "notice of tax" means the date the board of tax and land appeals (BTLA) determines the last tax bill was sent by the municipality. (If your municipality bills twice annually, you must apply after the bill that establishes your final tax liability and not before.)

Step One: Taxpayer must file the abatement application with the municipality by March 1 following the notice of tax.

Step Two: Municipality has until July 1 following the notice of tax to grant or deny the abatement application.

Step Three: Taxpayer may file an appeal either at the BTLA (RSA 76:16-a) or in the superior court (RSA 76:17), but not both. An appeal must be filed:

- 1) no earlier than: a) after receiving the municipality's decision on the abatement application; or b) July 1 following the notice of tax if the municipality has not responded to the abatement application; and
- 2) no later than September 1 following the notice of tax.

EXCEPTION: If your municipality's final tax bill was sent out after December 31 (as determined by the BTLA), the above deadlines are modified as follows (RSA 76:1-a; RSA 76:16-d, II):

Step One: 2 months after notice of tax;

Step Two: 6 months after notice of tax; and

Step Three: 8 months after notice of tax.

FORM COMPLETION GUIDELINES:

1. **SECTION E.** Municipalities may abate taxes "for good cause shown." RSA 76:16. Good cause is generally established by showing an error in the assessment calculation or a disproportionate assessment. Good cause can also be established by showing poverty and inability to pay the tax.
2. **SECTION G.** If the abatement application is based on disproportionate assessment, the taxpayer has the burden to show how the assessment was disproportionate. To carry this burden the taxpayer must show: a) what the property was worth (market value) on the assessment date; and b) the property's "equalized assessment" exceeded the property's market value. To calculate the equalized assessment, simply divide the assessment by the municipality's equalization ratio (assessment ÷ ratio). Because a property's market value is a crucial issue, taxpayers must have an opinion of the market value estimate. This value estimate can be shown by obtaining an appraisal or presenting sales of comparable properties.
3. **SECTION H.** The applicant(s) must sign the application even if a representative (e.g. Tax Representative, Attorney, or other Advocate) completes Section I.
4. Make a copy of this document for your own records.

FOR MUNICIPALITY USE ONLY:

Town File No.: _____

Taxpayer Name: _____

TAXPAYER'S RSA 76:16 ABATEMENT APPLICATION TO MUNICIPALITY

SECTION A. Party(ies) Applying (Owner(s)/Taxpayer(s))

Name(s): Thomas A. Toye IV Revocable Trust

Mailing Address: c/o: Arthur Thomas Properties, LLC 10 Durham Road, Dover NH 03820

Telephone Nos.: (Home) NA (Cell) 603.781.8600 (Work) 603.413.6175 (Email) Tom@ArthurThomasProperties.com

Note: If an abatement is granted and taxes have been paid, interest on the abatement shall be paid in accordance with RSA 76:17-a. Any interest paid to the applicant must be reported by the municipality to the United States Internal Revenue Service, in accordance with federal law. Prior to the payment of an abatement with interest, the taxpayer shall provide the municipality with the applicant's social security number or federal tax identification number. Municipalities shall treat the social security or federal tax identification information as confidential and exempt from a public information request under RSA 91-A.

SECTION B. Party's(ies)' Representative if other than Person(s) Applying (Also Complete Section A)

Name(s): Thomas A. Toye IV

Mailing Address: Same as Above

Telephone Nos.: (Home) _____ (Cell) _____ (Work) _____ (Email) _____

SECTION C. Property(ies) for which Abatement is Sought

List the tax map and lot number, the actual street address and town of each property for which abatement is sought, a brief description of the parcel, and the assessment.

<u>Town Parcel ID#</u>	<u>Street Address/Town</u>	<u>Description</u>	<u>Assessment</u>
114-41-0-0-0	9-13 Tavern Way		\$2,487,132

Description: Single family residence and 4-unit apartment building on 14.128 Acre with Conservation Easment

SECTION D. Other Property(ies)

List other property(ies) in the municipality owned in the same name(s), even if abatements for the other property(ies) have not been sought. The taxpayer's entire real property estate must be considered in determining whether the appealed property(ies) is (are) disproportionately assessed.

<u>Town Parcel ID#</u>	<u>Street Address/Town</u>	<u>Description</u>	<u>Assessment</u>
114-42-0-0-0	5 Tavern Way		\$157,500

SECTION E. Reasons for Abatement Application

RSA 76:16 provides that an abatement may be granted for "good cause shown." "Good cause" generally means:
1) establishing an assessment is disproportionate to market value and the municipality's level of assessment; or
2) establishing poverty and inability to pay the tax. This form can be utilized for either basis of requesting an abatement. The taxpayer has the burden to prove good cause for an abatement.

- 1) If claiming disproportionality, state with specificity all the reasons supporting your application. Statements such as "taxes too high," "disproportionately assessed" or "assessment exceeds market value" are insufficient. Generally, specificity requires the taxpayer to present material on the following (all may not apply):
 1. physical data – incorrect description or measurement of property;
 2. market data – the property's market value on the April 1 assessment date, supported by comparable sales or a professional opinion of value; and/or
 3. level of assessment – the property's assessment is disproportionate by comparing the property's market value and the town-wide level of assessment.

Note: If you have an appraisal or other documentation, please submit it with this application.

- 2) If claiming poverty or inability to pay, state in detail why abatement of taxes is appropriate as opposed to some other relief such as relocating, refinancing or obtaining some alternative public assistance.
Ansara v. City of Nashua, 118 N.H. 879 (1978).

(Attach additional sheets if needed.)

Claim of Disproportionality only.

SECTION F. Taxpayer's(s') Opinion of Market Value

State your opinion of the market value of the property(ies) appealed as of April 1 of the year under appeal.

Town Parcel ID# 114-41-0-0-0 Appeal Year Market Value \$ 1,502,921

Town Parcel ID# _____ Appeal Year Market Value \$ _____

Explain the basis for your value opinion(s). (Attach additional sheets if necessary.)

See Attached Executive Summary and Supporting Information.

SECTION G. Sales, Rental and/or Assessment Comparisons

List the properties you are relying upon to show overassessment of your property(ies). If you are appealing an income producing property, list the comparable rental properties and their rents.
(Attach additional sheets if needed.)

Town Parcel ID#	Street Address	Sale Price/Date of Sale	Rents	Assessment
206-55-0-0-0	116-118 Dover Road	Sold 31-Oct 2023		
108-86-0-0-0	20-22 Newmarket Road	Sold 05-April 2023		

SECTION H. Certification by Party(ies) Applying

Pursuant to BTLA Tax 203.02(d), the applicant(s) **MUST** sign the application. By signing below, the Party(ies) applying certifies (certify) and swear(s) under the penalties of RSA 641:3 the application has a good faith basis and the facts stated are true to the best of my/our knowledge.

Date: 22-FEB 2024

, SELF
(Signature)

THOMAS A. TOYE IV
(Print Name)

, TRUSTEE
(Signature)

THOMAS A. TOYE IV
(Print Name)

SECTION I. Certification and Appearance by Representative (If Other Than Party(ies) Applying)

By signing below, the representative of the Party(ies) applying certifies and swears under penalties of RSA 641:3:

1. all certifications in Section H are true;
2. the Party(ies) applying has (have) authorized this representation and has (have) signed this application; and
3. a copy of this form was sent to the Party(ies) applying.

Date: 22-FEB 2024


(Representative's Signature)

THOMAS A. TOYE IV
(Print Name)

SECTION J. Disposition of Application* (For Use by Selectmen/Assessor)

*RSA 76:16, II states: the municipality "shall review the application and shall grant or deny the application in writing by July 1 after notice of tax date"

Abatement Request: GRANTED _____ Revised Assessment: \$ _____ DENIED _____

Remarks:

Date: _____

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

(Selectmen/Assessor Signature)

Taxpayer's Application for Abatement

9-13 Tavern Way, Durham NH 03824

22-February, 2024

Section 2

Executive Summary

The subject property is unique in several ways, which makes it challenging to evaluate for market value and assessment purposes. The Taxpayer's underlying argument will show that the large single-family home located on the subject property and the large 4-unit apartment building situated adjacent to the property devalue each other when combined as a "whole" as compared with standalone single-family and multifamily home sales in the market.

In summary, the market value of 1) The large single-family home at 9 Tavern Way suffers from decreased market appeal and, in turn, has a market value that equates to a lower Dollar Per Square Foot than comparable properties that do not have other residential rentals on the same property; And 2) The 4-unit apartment building suffers from reduced investment market appeal due to the following three (3) factors:

- 1) It is unsuitable for student housing due to its proximity to the adjacent Single Family residence.
- 2) Ownership is in common with the sizeable single-family residence, which is not economically viable for generating a profit from rental income.
- 3) The long private road (Tavern Way) combined with the large areas of lawn maintenance and ongoing maintenance of the conservation easement area are economic burdens that reduce the net operating income for a multifamily investor.

Enclosed, please find a valuation of the subject by evaluating the parts of the property as they compare with recent market sales followed by a reconciled combined valuation based on recent market sales of properties with multiple homes on one tax parcel.

Using the above evaluation process, the Taxpayer's reconciled parcel valuation for 9-13 Tavern Way is **\$1,502,921**.

Respectfully Submitted,



Thomas A Toye IV- Property Owner

Thomas A. Toye IV is licensed with the NH Real Estate Commission License # 062399 and is co-owner of Arthur Thomas Properties, LLC.

Taxpayer's Application for Abatement

9-13 Tavern Way, Durham NH 03824

22-February, 2024

Section 3

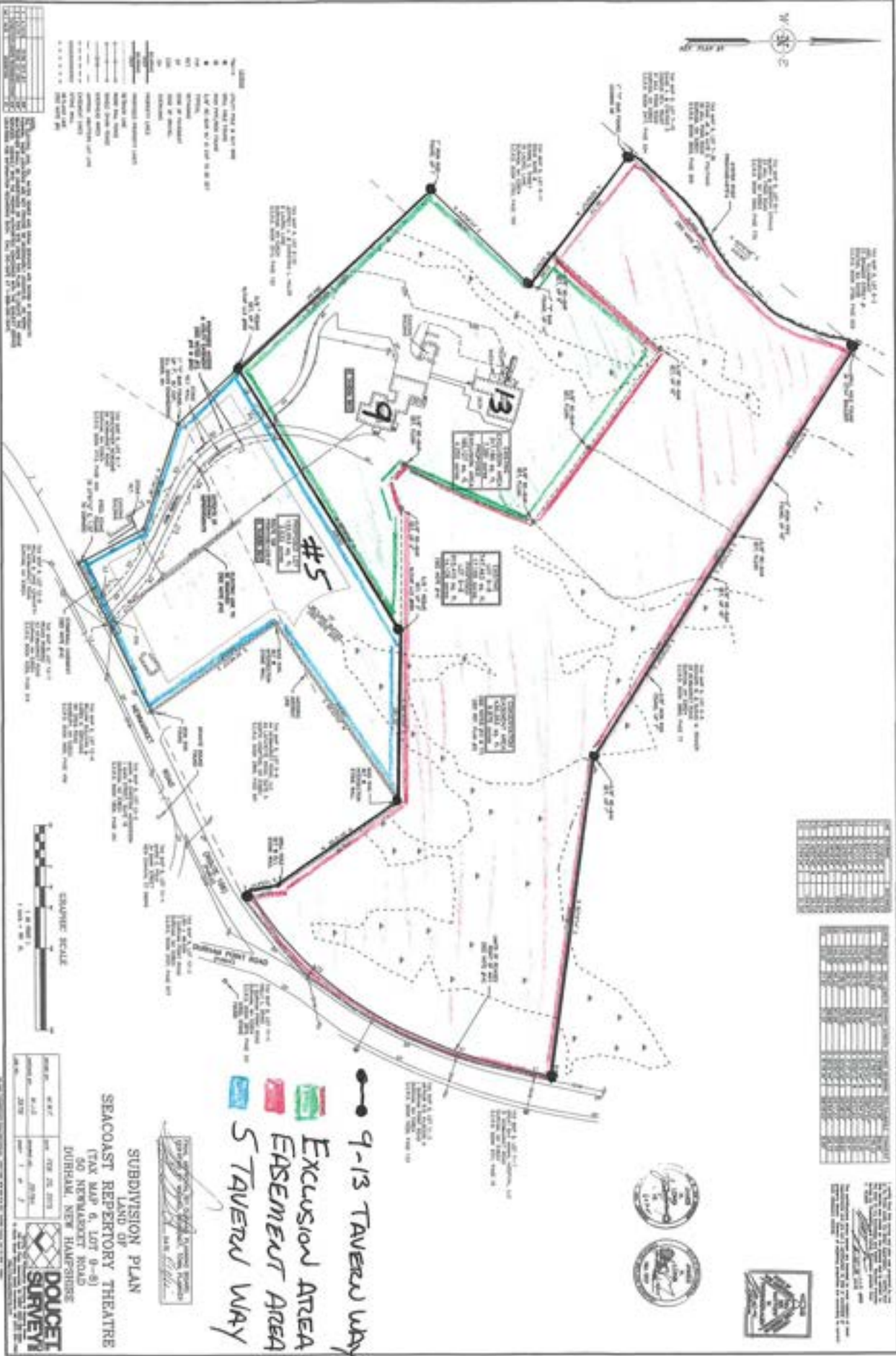
Description of Property

A) Property Summary

- Total Acreage: 14.128
 - Conservation Easement Acreage: 9.978
 - Exclusion Acreage: 4.25
- (9 Tavern Way) Single Family Residence
 - Approximately 5,000 finished square feet
 - Originally constructed circa 1686, the home was relocated to its current foundation circa 1917 with significant renovations in 1979, 2002, and 2016-2020.
- (13 Tavern Way) 4-Unit Residential Apartments
 - Originally constructed in 1919 as an agricultural barn.
 - Change of use and renovations in 1980 for use as a performing arts center.
 - Zoning Variance and Renovation in 2018 to install 4 residential apartments.
- Access to Property over a Private Road (Tavern Way) via an easement over tax parcel 114-42-0-0-0, known as 5 Tavern Way.

B) Property Survey – Attached

C) Property Deed – Attached



9-13 TAVERN WAY
 EXCURSION AREA
 ESSEMENT AREA
 5 TAVERN WAY

SUBDIVISION PLAN
 LAND OF
 SEACOAST REPERTORY THEATRE
 (TAX MAP 6, LOT 9-8)
 50 NEWMARKET ROAD
 DURHAM, NEW HAMPSHIRE

DOUGLAS SURVEY

DATE: 8/1/2019
 TIME: 10:00 AM
 SCALE: 1:1000

Return To:
Thomas A. Toye, IV
50 Newmarket Road
Durham, NH 03842

STATE OF NEW HAMPSHIRE	
DEPARTMENT OF RECORDS & ADMINISTRATION	REAL ESTATE TRANSFER TAX
**** Thousand * Hundred 40 Dollars	
DATE 11/14/2016	ST838952 \$ *****40.00
VERIFIED	

QUITCLAIM DEED

KNOW ALL MEN BY THESE PRESENTS, that I, **Thomas A. Toye IV**, a married person, of 50 Newmarket Road, Durham, New Hampshire 03842, grant to **Thomas A. Toye IV, Trustee of The Thomas A. Toye IV Revocable Trust dated 01 November 2016**, having an address of 50 Newmarket Road, Durham, New Hampshire 03842, for no consideration and with QUITCLAIM COVENANTS, the following property:

A certain tract or parcel of land, with the buildings and improvements thereon, situate in the Town of Durham, County of Strafford and State of New Hampshire, and being shown as Proposed Lot 9-8 on a plan entitled "Subdivision Plan, Land of Seacoast Repertory Theatre, (Tax Map 6, Lot 9-8), 50 Newmarket Road, Durham, New Hampshire", dated February 25, 2015, revised 4/1/15 and 6/16/15, Scale 1 inch = 60 ft., prepared by Doucet Survey, Inc., recorded at the Strafford County Registry of Deeds as Plan 109-072 and Plan 109-073. Said Proposed Lot 9-8 being more particularly bounded and described as follows:

Beginning at a drill hole found at the beginning of a stonewall on the westerly side of Newmarket Road (Route 108), as shown on said plan, said point being the easterly corner of the within described lot; thence running S 12° 39' 20" W a distance of 53.33 feet, more or less, along said Newmarket Road and said stone wall to a point; thence turning and running along a curve to the right with a radius of 792.00 feet for an arc length of 179.16 feet, more or less, along said Newmarket Road and said stone wall to a point; thence turning and running along a curve to the right with a radius of 532.00 feet for an arc length of 303.89 feet, more or less, along said Newmarket Road and said stone wall to a point at a stone wall at Tax Map 6, Lot 9-9, as shown on said plan; thence turning and running N 13° 54' 11" W a distance of 42.34 feet, more or less, along the stone wall and Tax Map 6, Lot 9-9 to a drill hole set in said stone wall; thence turning and running N 34° 12' 55" W a distance of 215.76 feet, more or less, along said stone wall and said Tax Map 6, Lot 9-9 to a Mag Nail set at the intersection of stone walls; thence turning and running N 89° 15' 00" W a distance of 251.25 feet, more or less, along other land of Seacoast Repertory Theatre to a 5/8" rebar set; thence

turning and running S 58° 18' 29" W a distance of 328.53 feet, more or less, still along said Seacoast Repertory Theatre land to a 5/8" rebar set at the southwesterly corner of the within described lot; thence turning and running S 58° 18' 29" W a distance of 53.81 feet, more or less, along said Seacoast Repertory Theatre land to a point; thence turning and running S 68.83 feet, more or less, along said Seacoast Repertory Theatre land to a 5/8" rebar set; thence turning and running N 42° 05' 08" W a distance of 384.94 feet, more or less, along Tax Map 6, Lot 9-10, as shown on said plan to a 1" iron rod found; thence turning and running N 43° 58' 24" E a distance of 199.90 feet, more or less, along Tax Map 6, Lot 9-11, as shown on said plan, to a 1" 'T' bar found; thence turning and running N 52° 03' 57" W a distance of 57.66 feet, more or less, along said Tax Map 6, Lot 9-11 to a 5/8" rebar set; thence continuing N 52° 03' 57" W a distance of 181.74 feet, more or less, along said Tax Map 6, Lot 9-11 to a 1" 'T' bar found on the southeasterly bank of the Oyster River; thence turning and running in a northeasterly direction a distance of 675 feet, more or less, along the Oyster River to a drill hole found in a 12' x 4' boulder on the southeasterly side of said River (tie course being N 40° 16' 46" E a distance of 433.83 feet); thence turning and running along Tax Map 6, Lot 9-6 the following courses and distances, all distances being more or less:

S 57° 10' 03" E, 328.00 feet to a 5/8" rebar set;

S 57° 10' 03" E, 70.00 feet to a 5/8" rebar set;

S 57° 10' 03" E, 314.40 feet to a 5/8" rebar set;

S 82° 15' 14" E, 470.66 feet to the drill hole at the point of beginning.

Said lot containing 14.128 acres, more or less, according to said plan, of which the Exclusion Area is 4.250 acres and the Conservation Easement Area is 9.878 acres.

Subject to notes, easements, restrictions, and all matters as set forth on Plan 109-72 and Plan 109-73 as recorded at the Strafford County Registry of Deeds.

Subject to Private Road Maintenance Agreement dated June 25, 2015, recorded at Book 4303, Page 162 at the Strafford County Registry of Deeds; notwithstanding the foregoing, the owner of 5 Tavern Way shall not be responsible for any road maintenance expenses until such time as there is a building erected at 5 Tavern Way.

Subject to Agreement Regarding Private Road – RSA 674:41 dated April 24, 2015, recorded at Book 4303, Page 166.

Subject to Conservation Easement Deed from Mill Pond Center, Inc. to Rockingham Land Trust dated December 29, 2004, recorded at the Strafford County Registry of Deeds at Book 3123, Page 170.

Subject to easements as set forth in deed from Seacoast Repertory Theatre to the State of New Hampshire dated November 4, 2014, recorded at the Strafford County Registry of Deeds in Book 4255, Page 899.

Subject to Town of Durham Notice of Decision, Date of Approval: April 8, 2015, recorded in Book 4303, Page 158 at the Strafford County Registry of Deeds.

Said premises are conveyed together with and subject to the terms set forth in an Easement Deed regarding the keeping and maintenance of a sign on land of Seacoast Repertory Theatre dated December 15, 2015 and recorded at the Strafford County Registry of Deeds at Book 4347, Page 756.

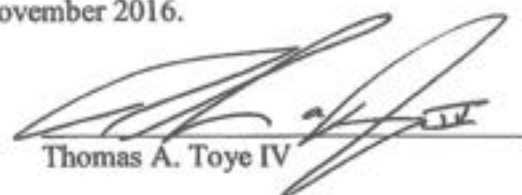
Said premises are conveyed together with Septic System Easement Deed over other land of Seacoast Repertory Theatre as set forth in Septic System Easement Deed dated December 15, 2015 and recorded at the Strafford County Registry of Deeds at Book 4347, Page 754.

Also granting an easement over Tavern Way as depicted on the foregoing plan for the purposes of vehicular or pedestrian access as well as for the installation and maintenance of utilities.

Meaning and intending to describe and convey all and the same premises conveyed to the Grantor by deed of Seacoast Repertory Theatre, dated December 15, 2015, and recorded at the Strafford County Registry of Deeds at Book 4347, Page 761.

THIS IS A TRANSFER TO THE GRANTORS REVOCABLE LIVING TRUST FOR ESTATE PLANNING PURPOSES, AND IS SUBJECT TO THE MINIMUM TRANSFER STAMP.

Witness our hands this 8th day of November 2016.

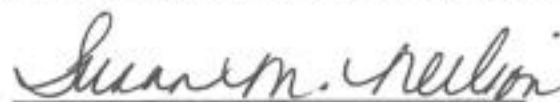

Thomas A. Toye IV

STATE OF NEW HAMPSHIRE
COUNTY OF ROCKINGHAM

November 8th, 2015

Personally appeared before me, the above named Thomas A. Toye IV, known to me to be the person whose name is subscribed to the within instrument and acknowledged that he executed same for the purposes therein contained. In witness whereof I hereunto set my hand and official seal.




NOTARY PUBLIC
My Commission Expires:

Taxpayer's Application for Abatement

9-13 Tavern Way, Durham NH 03824

22-February, 2024

Section 4

Standalone Valuation of Single-Family Residence

Size as recorded on Municipal Tax Card:

- 1st Floor = 2,818 SF
- 2nd Floor = 2,260 SF
- TOTAL LIVING AREA = **5,078 SF**

Note: Square Footage of record is not being contested as part of this Application for Abatement, nor has the property owner verified accuracy. The enclosed arguments are based on the assumption that measurements are accurate as recorded.

Comparative Market Analysis

Where the subject single-family residence is unusually large for the marketplace at 5,078 SF, and where the total volume of single-family homes sold during calendar year 2023 was only thirty-five (35 Total Home Sales), comparable market data is limited.

Four home sales were selected for comparison based on the following two factors:

1. 4+ Bedrooms
2. 2000+ Total Finished Square Feet
3. Average Sale Price Per Square Foot of the Sample: **\$271.83**

The Calculated Value of 9 Tavern Way (Single Family Home only)

$$- (5,078 \text{ SF}) \times (\$271.83 \text{ Per SF}) = \mathbf{\$1,380,352.74}$$

Note: The above calculation does not reflect the "market value" of the single-family home. The subject property includes a 4-unit apartment building on the same tax parcel. The additional 4-unit apartment building does add value to the "total valuation," but the total reconciled valuation is less than the sum of the parts... See Section 6 for Reconciled Valuation.

Sales Comparison Data Enclosed.

CMA Summary Report

Residential Summary Statistics			
High	Low	Average	Median
LP:\$950,000	\$540,000	\$753,500	\$762,000
SP:\$950,000	\$540,000	\$797,500	\$850,000

Residential - Closed

Number of Properties: 4

Num	Address	MLS #	Status	County	BedsTot	SqFtFnAG	SldPrcSqft
1	20 Pinecrest Lane	4977432	Closed	NH-Strafford	4	2,125	\$254.12
2	8 Williams Way	4947182	Closed	NH-Strafford	5	3,012	\$265.60
3	110 Durham Point Road	4943391	Closed	NH-Strafford	5	3,150	\$285.71
4	32 Sumac Lane	4950524	Closed	NH-Strafford	4	3,370	\$281.90
Avg					4	2914.25	\$271.83
Min					4	2125.00	\$254.12
Max					5	3370.00	\$285.71
Med					4	3081.00	\$273.75

SALES Comps 9 TAVERN WAY (SINGLE FAMILY HOME ONLY)

✓ CLOSED 2023

✓ LARGER SQUARE FOOTAGE HOMES

x NO 6 BEDROOM HOMESALES IN 2023

x NO 4000+ SF HOMESALES IN 2023

AVERAGE SALE \$ /SF
\$271.83

CMA Summary Report

2023 ALL SINGLE-FAMILY SALES

Residential Summary Statistics

High
LP:\$999,999
SP:\$975,000

Low
\$425,000
\$400,000

Average
\$670,471
\$690,971

Median
\$645,000
\$676,000

35
TOTAL

Residential - Closed

Number of Properties: 35

Num	Address	MLS #	Status	County	BedsTot	SqFtFnAG	SldPrcSqft
1	5 Stagecoach Road	4952886	Closed	NH-Strafford	2	1,004	\$398.41
2	8 Holitt Drive	4940874	Closed	NH-Strafford	4	1,601	\$265.46
3	1 Garden Lane	4966040	Closed	NH-Strafford	2	1,104	\$405.80
4	321 Packers Falls Road	4971737	Closed	NH-Strafford	2	1,174	\$438.67
5	80 Madbury Road	4946644	Closed	NH-Strafford	4	1,684	\$308.79
6	13 Littlehale Road	4974858	Closed	NH-Strafford	4	1,266	\$420.22
7	20 Pinecrest Lane	4977432	Closed	NH-Strafford	4	2,125	\$254.12
8	107 Dover Road	4977332	Closed	NH-Strafford	3	1,764	\$311.79
9	12 Oyster River Road	4960498	Closed	NH-Strafford	3	1,269	\$437.35
10	33 Pinecrest Lane	4950488	Closed	NH-Strafford	4	2,376	\$243.69
11	4 Holitt Drive	4959366	Closed	NH-Strafford	5	1,961	\$298.32
12	118 Dover Road	4968589	Closed	NH-Strafford	3	1,460	\$410.96
13	81 Dover Road	4959166	Closed	NH-Strafford	3	1,837	\$331.52
14	20 Thompson Lane	4948950	Closed	NH-Strafford	3	1,614	\$377.94
15	2 Thompson Lane	4931416	Closed	NH-Strafford	4	2,898	\$217.39
16	6 Burnham Avenue	4936502	Closed	NH-Strafford	4	1,888	\$334.22
17	2 Meader Lane	4958507	Closed	NH-Strafford	3	1,823	\$370.27
18	76 Madbury Road	4952742	Closed	NH-Strafford	5	2,193	\$308.25
19	9 Burnham Avenue	4954142	Closed	NH-Strafford	4	1,888	\$376.06
20	5 Meader Lane	4958071	Closed	NH-Strafford	3	2,380	\$300.42
21	4 Moharinet Way	4950878	Closed	NH-Strafford	5	2,381	\$302.39
22	75 Newmarket Road	4959209	Closed	NH-Strafford	3	2,041	\$357.67
23	46 Ross Road	4961149	Closed	NH-Strafford	4	2,642	\$281.23
24	5 Hampshire Avenue	4964579	Closed	NH-Strafford	3	2,176	\$347.43
25	10 Woodside Road	4955797	Closed	NH-Strafford	4	2,392	\$324.00
26	8 Williams Way	4947182	Closed	NH-Strafford	5	3,012	\$265.60
27	7 Davis Avenue	4952133	Closed	NH-Strafford	4	2,332	\$345.20
28	206 Longmarsh Road	4976161	Closed	NH-Strafford	5	2,944	\$288.72
29	561 Bay Road	4944711	Closed	NH-Strafford	2	2,008	\$435.76
30	110 Durham Point Road	4943391	Closed	NH-Strafford	5	3,150	\$285.71

31	351 Dame Road	4949224	Closed	NH-Strafford	4	2,567	\$358.40
32	22 Newmarket Road	4940135	Closed	NH-Strafford	4	1,872	\$494.12
33	32 Sumac Lane	4950524	Closed	NH-Strafford	4	3,370	\$281.90
34	279 Packers Fall Road	4943843	Closed	NH-Strafford	4	2,971	\$321.44
35	2 Cedar Point Road	4965680	Closed	NH-Strafford	2	2,757	\$353.65
Avg					3	2112.11	\$338.65
Min					2	1004.00	\$217.39
Max					5	3370.00	\$494.12
Med					4	2041.00	\$331.52

DURHAM NH 2023 SINGLE FAMILY TOTAL SALES # 35

AUG MARKET \$/SF

\$338.65

Taxpayer's Application for Abatement

9-13 Tavern Way, Durham NH 03824

22-February, 2024

Section 5

Standalone Valuation of 4-Unit Apartment Building

13 Tavern Way (Barn Only)

Multi-family income properties are generally easy to evaluate as their market valuation is a function of the net annual income that they produce.

Enclosed please find:

1. Rent Roll for 13 Tavern Way as of 01-April 2023
2. 2023 Operating Statement (Income and Expenses as prepared for 2023 IRS Tax filing)
3. 2022 Taxpayer IRS Schedule E
4. Multi-Family Real Estate Valuation (13 Tavern Way) based on 2023 Operating Figures and Market Capitalization Rate of 6.3%. Reflected Market Value = \$608,916
5. **Sales Comparison Market Valuation: \$797,794**
6. Sales Comparison analysis indicating a Market Capitalization Rate of 6.3%
7. Five (5) recent sales of 4-unit apartment properties from neighboring Dover NH. There were no sales of 4-unit apartment properties in Durham in 2023.

Note: The above calculation does not reflect the "market value" of the 4-unit apartment building at 13 Tavern Way. The subject property also includes a 5000+ square foot single-family residence on the same tax parcel. The combination of the apartment building and single-family home does add value to the "total valuation," but the total reconciled valuation is less than the sum of the parts... See Section 6 for Reconciled Valuation.

Notes:

1. The capitalized value of the net annual income for 13 Tavern Way is negatively affected by disproportionately high expenses for the property, of which property taxes are a significant contribution. For the purpose of formulating an independent argument, the Taxpayer has elected to use the average price per square foot (\$215.62) for the five comparable sales of 4-unit apartment properties in Dover in 2023.

The Calculated Value of 13 Tavern Way (Barn only)

2. $(3,700 \text{ SF}) \times (\$215.62 \text{ Per SF}) = \$797,794.00$

Rent Roll

Properties: 5-9-13 Tavern Way - 13 Tavern Way Durham, NH 03824

Units: Active

As of: 04/01/2023

Include Non-Revenue Units: No

Unit	BD/BA	Tenant	Status	Sqft	Rent	Lease From	Lease To	Move-in	Move-out
5-9-13 Tavern Way - 13 Tavern Way Durham, NH 03824									
Main House	--/--		Vacant-Unrented						
			OWNER						
13A Tavern Way	0/1.00	Peter E. Ross	Current	1,000	1,585.00	05/01/2020	04/30/2024	05/01/2020	
13B Tavern Way	2/1.00	Andrew S. Turner	Notice-Rented	1,000	1,875.00	01/20/2023	12/31/2023	01/20/2023	12/31/2023
13C Tavern Way	0/1.00	Nathanael J. Frisch	Current	700	1,450.00	06/01/2022	05/31/2024	06/01/2022	
13D Tavern Way	1/1.00	Michael A. Brown	Current	800	1,475.00	04/06/2019		04/06/2019	
5 Units			80.0% Occupied	3,500	6,385.00				
Total 5 Units			80.0% Occupied	3,500	6,385.00				

Income Statement (Date Range)

Property: 5-9-13 Tavern Way, Durham NH

Date Range: 01/01/2023 to 12/31/2023

Accounting Basis: Cash

Account Name	Selected Period	HOUSE	APT'S
Operating Income & Expenses			
Income			
Rent Income	76,240.00	0.00	76,240.00
Miscellaneous Income	110.00	0.00	110.00
Total Operating Income	76,350.00	0.00	76,350.00
Expense			
Administrative	8.50	0.00	8.50
Cleaning	1,142.50	0.00	1,142.50
Grounds Maintenance	2,595.47	1,297.74	1,297.74
Inspections & Monitoring	1,629.00	0.00	1,629.00
Insurance	10,559.33	3,631.93	6,927.40
Interest	14,221.23	7,110.62	7,110.62
Maintenance & Repairs	11,514.87	0.00	11,514.87
Pest Control	275.00	0.00	275.00
Projects & Renovations	8,621.47	0.00	8,621.47
Property Tax	54,162.00	27,081.00	27,081.00
Utilities			
Electricity	4,724.38	3,921.22	803.16
Heating Fuel	10,326.55	4,168.82	6,157.73
Waste Removal	2,595.80	1,297.90	1,297.90
Total Operating Expense	122,376.10	48,509.22	73,866.88
NOI - Net Operating Income	-46,026.10	-48,509.22	2,483.12
Other Income & Expense			
Other Expense			
Capital Repairs	45,187.00	*solar panels - personal house	

Multifamily Real Estate Proforma

Income		Rent Roll		Annual Expenses		Notes
13 Tavern Way, Durham NH		4/1/2023		Property Taxes	\$21,470	42.2% of total. 57.8% paid by 9 Tavern Way
Unit A	\$1,575	Studio 1Ba		Insurance	\$6,927	2023 Actual
Unit B	\$1,875	2 Br/1Ba		Heat	\$6,158	LP Gas Paid by Owner. 2023 Actual
Unit C	\$1,450	Studio/1Ba		Electricity	\$803	2023 Actual
Unit D	\$1,475	1Br/1Ba		Water/Sewer	\$280	Septic Pumping Only
				Snow removal	\$2,000	Estimated. Split 50/50 with 9 Tavern Way
				Grounds Maintenance	\$0.00	By Owner of 9 Tavern Way
				Maint/Repairs	\$500	Unrealistically low place holder
Total/Month	\$6,375	Monthly Rental Income			\$38,138	Total Annual Operating Expenses
	\$76,500	Gross Annual Income				

Net Operating Income	\$38,362
Capitalization Rate	6.3%
Calculated Value	\$608,916

This Real Estate Investment Proforma is provided for informational purposes only and should not be considered as financial, legal, or investment advice. The projections and estimates contained herein are based on assumptions and data available at the time of preparation, and actual results may vary significantly from these projections.



DETAILED 4-UNIT SALE Comp.

02/22/2024 10:15 AM

Multi-Family
4972469
Closed

73 Silver Street
Dover
Unit/Lot #

NH 03820

Listed: 10/2/2023
Closed: 1/3/2024
DOM: 36

Page 1 of 2
\$699,900
\$710,000



County NH-Strafford
Village/Dist/Locale
Year Built 1900
Style Multi-Family
Color
Total Stories 1.75
Taxes TBD No
Tax - Gross Amount \$9,007.00
Tax Year 2023
Lot Size Acres 0.17
Lot - Sqft 7,405
Total Units 4
Total 1 BR Units 3
Total 2 BR Units 1
Total 3+ BR Units 0
Total Leases 4
Gross Income \$62,100
Operating Expense \$7,720

Operating Expense Incl. Heat, Insurance, Maintenance,
Snow Removal, Water/Sewer



Net Income \$54,380.00
Date - Initial Showings Begin

Directions

Remarks - Public This beautiful Mansard Colonial style building has so many original features which include hardwood floors and high ceilings and would be a great property to add to your portfolio. If you are looking for an investment property this is worth a look? Consisting of four nice apartments with a strong rental history. Off street parking. Located within walking distance to downtown and the beautiful community walking trails. The rents have room for improvement. Showings start Wednesday 10/4 3:30-5pm by scheduled appointments.

PUBLIC RECORDS

DeedRecTy	Warranty	Deeds - Total			Deed - Book 3259	Deed - Page 795		
	Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6	Unit 7	Unit 8
Style								
Level Number								
Apx Sqft								
Bedrooms	0	2	1	1				
Baths	1	1	1	1				
Rooms	2	4	3	3				
Status	Leased	Leased	Leased	Leased				
Deposit	\$895.00	\$1,450.00	\$1,625.00	\$900.00				
Rental Agr/Trm Y	ANN Y	ANN Y	ANN Y	ANN Y	ANN			
Rental Amt/Frq	\$975.00 MONTH	\$1,550.0 MONTH	\$1,625.0 MONTH	\$1,025.00 ANNUL				
Occupant Name								
Occupant Phone								
Showing Instr								
Unit Info								

Tenant Pays Electric, Heat, Hot Water Electric, Heat, Hot Water Electric, Sewer, Water Electric, Hot Water

M



COMP.

73 Silver Street **Dover** **NH 03820**

Property Class	Multi-Family
Price - List	\$699,900
Price - Closed	\$710,000
Listing Status	CL
MLS #	4972469
Year Built	1900
TotUnits	4
Tot1BrUnit	3
Tot2BrUnit	1
Tot3BrUnit	0
SqFtTotFn	2,587

This beautiful Mansard Colonial style building has so many original features which include hardwood floors and high ceilings and would be a great property to add to your portfolio. If you are looking for an investment property this is worth a look? Consisting of four nice apartments with a strong rental history. Off street parking. Located within walking distance to downtown and the beautiful community walking trails. The rents have room for improvement. Showings start Wednesday 10/4 3:30-5pm by scheduled appointments.

Listed By: Paula Lopez/ Arthur Thomas Properties

M




23-25 New York Street **Dover** **NH 03820**

Property Class	Multi-Family
Price - List	\$795,000
Price - Closed	\$780,000
Listing Status	CL
MLS #	4966075
Year Built	1890
TotUnits	4
Tot1BrUnit	0
Tot2BrUnit	3
Tot3BrUnit	1
SqFtTotFn	3,916

Great four unit multi unit in historic downtown Dover - Walking distance to the center of town - Property has all long term tenants and rents are below current market value. Opportunity for growth here. Updates and work has been done on the building and in several of the units over the years. Two first floor units have large private side porches and entrances. Exterior was resided and windows have been replaced. There is a small shared back yard and off street parking. Open house will be held on Saturday, August, 19th from 10:00am-12:00noon

Listed By: Darlene G Colwell-Elis/ KW Coastal and Lakes & Mountains

M




65 Sixth Street **Dover** **NH 03820**

Property Class	Multi-Family
Price - List	\$779,000
Price - Closed	\$800,000
Listing Status	CL
MLS #	4940012
Year Built	1983
TotUnits	4
Tot1BrUnit	0
Tot2BrUnit	4
Tot3BrUnit	0
SqFtTotFn	3,264

RARE OPPORTUNITY to own a true 4 unit multi-family that's a quick walk to desirable downtown Dover. The large, private, off street parking lot in the front makes it easy for tenants. All 4 units have the same layout, featuring an open concept eat-in kitchen and living room on the first floor with 1/2 bathroom and laundry area off the kitchen. The upstairs consists of two bedrooms and a full bathroom. Each unit has a covered patio off the kitchen, in the back yard. Public water and sewer. Current rents are below market value. This property was built as an investment property....not a cut up

Listed By: Dan Hickman/ Dustin Leddy Real Estate

M




95 Tolend Road **Dover** **NH 03820**

Property Class	Multi-Family
Price - List	\$959,000
Price - Closed	\$875,000
Listing Status	CL
MLS #	4945993
Year Built	1880
TotUnits	4
Tot1BrUnit	1
Tot2BrUnit	1
Tot3BrUnit	2
SqFtTotFn	4,897

Here is your chance to own 4 units on a gorgeous lot just over 2 acres in Dover, NH! This property has two buildings, a fenced in yard, detached one car garage, and an abundance of space for parking. The New Englander in the front of the property has 2 units consisting of a 4 bedroom and a 2 bedroom unit. The first floor unit has hardwood floors throughout, 4 bedrooms, a large deck in the back of the home, and access to the full basement with ample space for storage. This unit has a large kitchen, spacious dining and living room, and great sized bedrooms. The light filled

Listed By: Michael Whitney/ KW Coastal and Lakes & Mountains

M



62 Court Street **Dover** **NH 03820**

Property Class	Multi-Family
Price - List	\$899,000
Price - Closed	\$899,000
Listing Status	CL
MLS #	4978824
Year Built	1880
TotUnits	4
Tot1BrUnit	0
Tot2BrUnit	2
Tot3BrUnit	2
SqFtTotFn	4,975

UNDER CONTRACT- OPEN HOUSE CANCELED Don't miss out on this unique opportunity to invest in (and possibly occupy) this incredible 4-unit property within walking distance to downtown Dover! The recently updated main home offers a substantial 2500SF with 4Beds/2Baths! Not only does this home offer ample space for hosting around the holidays, but friends and family will never want to leave next summer when they see the inground Gunite pool! There's a recently renovated 2Bed unit just off the main house that has seen substantial updates to include new floors, tiled bathroom,

Listed By: Cherish Hynes/ Dustin Leddy Real Estate

Taxpayer's Application for Abatement

9-13 Tavern Way, Durham NH 03824

22-February, 2024

Section 6

Reconciled Valuation

9 & 13 Tavern Way

Enclosed please find:

- 1. Reconciled Valuation of 9 and 13 Tavern Way: \$1,502,921**
2. Market Comparison Full Market Vs. Properties with Multiple Homes on one lot
 - a. Comparison #1: 20-22 Newmarket Road – Sold 05-April 2023 - \$925,000
 - b. Comparison #2: 116-118 Dover Road – Sold 31-October 2023 – \$600,000

9 Tavern Way

5078 SF of Total Living Space

Average Sale Price Per Square Foot of four (4) Market Sales Comps; \$271.83

The Calculated Value of 9 Tavern Way (Single Home Only)

$$(5078 \text{ SF}) \times (\$271.83 \text{ Per SF}) = \mathbf{\$1,380,352.74}$$

13 Tavern Way

3700 SF of Total Living Space

Average Sale Price Per Square Foot of three (5) Market Sales Comps; \$215.62

The Calculated Value of 13 Tavern Way (4-Unit Apartments Only)

- $(3,700 \text{ SF}) \times (\$215.52 \text{ Per SF}) = \mathbf{\$797,794.00}$

"Projected" Market Value based on Standalone Analysis

(9 Tavern Way) + (13 Tavern Way) = 9 & 13 Tavern Way

$$(\$1,380,352.74) + (\$797,794.00) = \mathbf{\$2,178,146.70}$$

Extrapolation of Discounted Market Value

Calculated Market Discount for two residential properties on one lot:

20 & 22 Newmarket Road: 29.8%

116-118 Dover Road: 32.1%

$$\text{Average Discount Rate: } (29.8\% + 32.1\%) / 2 = \mathbf{31.0\%}$$

(Calculated Valuation) – (Average Discount Rate) = Reconciled Market Valuation

$$(\$2,178,146.70) \times (31.0\%) = \$675,225.48$$

$$(\$2,178,146.70) - (\$675,225.48) = \$1,502,921$$



Reconciled Market Value of 9-13 Tavern Way

\$1,502,921

Multiple Home Comparison Sale #1

20-22 Newmarket Road, Durham NH

Sold 05-April 2023

Sale Price: \$925,000

Description: Two single-family homes on one lot with river frontage. 22 Newmarket Road Leased for \$3500/month.

Standalone Market Valuation

20 Newmarket Road

1725 SF of Total Living Space (includes 690 SF of daylight/walkout lower level)

Average Sale Price Per Square Foot of four (4) Market Sales Comps; \$419.66

The Calculated Value of 20 Newmarket Road (Single Home Only)

$$(1,725 \text{ SF}) \times (\$419.66 \text{ Per SF}) = \textbf{\$723,913.50}$$

22 Newmarket Road

1872 SF of Total Living Space

Average Sale Price Per Square Foot of three (3) Market Sales Comps; \$316.77

The Calculated Value of 22 Newmarket Road (Single Home Only)

- $(1,872 \text{ SF}) \times (\$316.77 \text{ Per SF}) = \textbf{\$592,993.44}$

"Projected" Market Value based on Standalone Analysis

(20 Newmarket Road) + (22 Newmarket Road) = 20 & 22 Newmarket Road

$$(\$723,913.50) + (\$592,993.44) = \textbf{\$1,316,906.94}$$

Note that the subject property was first marketed for sale in October 2021 with an initial listing price of \$1,300,000. Following 14 months of market exposure, the property was removed from the sales market and relisted for \$925,000. The property sold in approximately 90 days.

Reconciliation of Discounted Market Value

20-22 Newmarket Road

(Calculated Valuation) – (Actual Sale Price) = Market Discounted Price

$$(\$1,316,906.94) - (\$925,000.00) = \$391,906.94$$

((Market Discount) / (Calculated Valuation)) X 100 = Percentage Discount

$$((\$391,906.94) / (\$1,316,906.94)) \times 100 = 29.8\%$$



The April 5th sale price of \$925,000 for 20-22 Newmarket Road reflects a 29.8% discount over the calculated comparative market analysis value.

Notes:

1. The small riverfront home at 20 Newmarket Road compares well with the recent sale at 561 Bay Road on -1 May 2023 for \$875,000.
2. Feedback from prospective buyers of 20-22 Newmarket Road supports a much higher valuation for the small riverfront home vs. the adjacent colonial house at 22 Newmarket Road.
3. The subject sale is a clear representation that market appeal/value is markedly reduced by the occurrence of a primary residence and a rental home on the same lot.
4. 20-22 Newmarket Road is less than a half-mile from 9-13 Tavern Way. (Prior to the adoption of Tavern Way, the mailing address was 50 Newmarket Road)

Residential **Single Family**
4940135
Closed

22 Newmarket Road
Durham
Unit/Lot #

NH 03824

Listed: 1/5/2023
Closed: 4/5/2023
DOM: 19

\$925,000
\$925,000



County NH-Strafford
Village/Dist/Locale 1740
Year Built Antique, Carriage, Colonial,
Style Detached
Color Red
Taxes TBD No
Tax - Gross Amount \$15,350.00
Tax Year 2022
Rooms - Total 9
Bedrooms - Total 4
Baths - Total 2
Baths - Full 1
Baths - 3/4 0
Baths - 1/2 1
SqFt-Apx Fin Above Grade 1,872
SqFt-Apx Fin Below Grade 0
SqFt-Apx Total Finished 1,872
Lot Size Acres 0.71
Lot - Sqft 30,928
Date - Initial Showings Begin



Directions From Downtown Durham and UNH, follow Main Street south to Newmarket Road (Rt 108). Continue South for 1/4 mile to Oyster River. Property is on the right. Park at 20 Newmarket Road for showings.

Remarks - Public Two beautiful homes, a detached, finished & heated studio/garage all within walking distance to Downtown & UNH and fronting on Durham's beloved Oyster River. Renovated, 1740 Antique Colonial home features gorgeous wood floors throughout, large brick hearth and beautiful fireplace... Built in 2004, the Studio/Garage is perfect for mixed studio/garage space, or an in-home business... Home currently rents for \$3500/month and is professionally managed with a Lease in place through 8.31.2023 Sale includes 20 Newmarket Road, see MLS# 4940138 and MLS# 4940143 for complete listing details.

STRUCTURE

Construction Status Existing	Estimated Completion Date	List \$/SqFt Fin ABV Grade	\$494.12
Construction Wood Frame		SqFt-Apx Unfn Above Grade	0
Foundation Stone		SqFt-Apx Unfn Below Grade	0

Basement Yes
Basement Access Type Walk-up
Exterior Clapboard
Roof Shingle - Asphalt
Garage Yes
Garage Capacity 1
Garage Type Detached
Parking Driveway, Garage, Parking Spaces 4

ROOMS

WATER

Waterfront Property No
Water View Yes
Water Body Access No

Water Body Name Oyster River

Water Body Type River
Water Frontage Length
WaterFrRit
Water Body Restrictions

SCHOOLS, LOT AND LOCATION

SchDistrict Oyster River Cooperative	Deed - Recorded Type Warranty
SchElem	Deeds - Total
SchMiddle Oyster River Middle School	Deed - Book 2573
SchHigh Oyster River High School	Deed - Page 0125

Owned Land Yes
Lot Description Country Setting, Pond, River, River Frontage, View, Water View, Waterfall, Waterfront
Area Description Historic District, Near Shopping, Tidal, Near Public Transportatn

UTILITIES AND FEATURES

Heating Forced Air, Gas Heater, Hot Air, Radiant
Heat Fuel Gas - LP/Bottle
Water Heater Gas - LP/Bottle
Cooling Central AC
Water Drilled Well, Shared
Sewer Septic
Electric 200 Amp
Utilities Internet - Cable

Features - Exterior Barn, Garden Space, Outbuilding, Shed, Storage
Features - Interior Attic - Hatch/Skuttle, Dining Area, Fireplace - Wood, Kitchen Island, Natural Light, Laundry - 1st Floor
Flooring Wood
Appliances Dishwasher, Dryer, Refrigerator, Washer, Stove - Gas

CONDO/ASSOCIATION - MOBILE - AUCTION

Condo Name
Building Number
Units Per Building
Condo Fees

Mobile Park Name
Mobile Park Approval
Mobile Co-Op
Mobile Must Move

Auction No
Date - Auction
Auction Time
Auctioneer Name

DISCLOSURES

Fee
Fee 2
Fee 3
Items Excluded

Timeshare/Fract. Ownrshp No
Foreclosed/Bank-Owned/REO No
Flood Zone Yes
Seasonal No

Offer of Compensation to Licensed PrimeMLS Real Estate Brokerages

Buyer Agency	2.50%	SubAgency	NonAgency Facilitator	2.00%	Transactional Broker
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The listing broker's offer of compensation is made only to other real estate licensees who are participant members of the PrimeMLS.

PREPARED BY

Thomas A Tye
 Cell: 603-781-8600
 Tom@ArthurThomasProperties.com

My Office Info:
 Arthur Thomas Properties
 10 Durham Rd.

Dover NH 03820
 Off: 603-413-6175



Listed By:

Paula Igoe / Arthur Thomas Properties

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PROPERTY HISTORY DETAIL

Address
20-22 Newmarket Road
Durham, NH 03824

MLS #4940143



MLS # 4940143		Class Multi-Family	List Date 1/5/2023	DOM 19
Chg Date	Chg Type		<u>Listing Status</u> <u>Price</u>	<u>List Agent - Agent Name</u> <u>Listing Office - Office Name</u>
04/05/2023 2:14:06 PM	Listing Status		Terminated \$925,000	Paula Igoe Arthur Thomas Properties
01/24/2023 5:09:14 PM	Listing Status		Active Under Contract \$925,000	Paula Igoe Arthur Thomas Properties
01/05/2023 1:00:34 PM	First Recorded Entry		Active \$925,000	Paula Igoe Arthur Thomas Properties

MLS # 4887641		Class Residential	List Date 10/20/2021	DOM 10
Chg Date	Chg Type		<u>Listing Status</u> <u>Price</u>	<u>List Agent - Agent Name</u> <u>Listing Office - Office Name</u>
10/30/2021 6:47:27 PM	Listing Status, Date - Expiration		Terminated \$1,300,000	Johanna Knight KW Coastal and Lakes & Mountains Realty
10/20/2021 11:36:38 AM	First Recorded Entry		Active \$1,300,000	Johanna Knight KW Coastal and Lakes & Mountains Realty

CMA Summary Report

Residential Summary Statistics

High	Low	Average	Median
LP:\$645,000	\$425,000	\$529,666	\$519,000
SP:\$710,000	\$425,000	\$551,666	\$520,000

Residential - Closed

Number of Properties: 3

Num	Address	MLS #	Status	County	BedsTot	SqFtFnAG	SldPrcSqft
1	8 Hoitt Drive	4940874	Closed	NH-Strafford	4	1,601	\$265.46
2	80 Madbury Road	4946644	Closed	NH-Strafford	4	1,684	\$308.79
3	9 Burnham Avenue	4954142	Closed	NH-Strafford	4	1,888	\$376.06
Avg					4	1724.33	\$316.77
Min					4	1601.00	\$265.46
Max					4	1888.00	\$376.06
Med					4	1684.00	\$308.79

SALES Comps 22 Newmarket Road

✓ CLOSED 2023

✓ 4 BEDROOMS

✓ COMPARABLE SF

AVERAGE SALE \$ PSF = \$316.77

CMA Summary Report

Residential Summary Statistics

High	Low	Average	Median
LP:\$819,000	\$435,000	\$557,000	\$487,000
SP:\$875,000	\$400,000	\$559,500	\$481,500

Residential - Closed

Number of Properties: 4

Num	Address	MLS #	Status	County	BedsTot	SqFtFnAG	SldPrcSqft
1	5 Stagecoach Road	4952886	Closed	NH-Strafford	2	1,004	\$398.41
2	1 Garden Lane	4966040	Closed	NH-Strafford	2	1,104	\$405.80
3	321 Packers Falls Road	4971737	Closed	NH-Strafford	2	1,174	\$438.67
4	561 Bay Road	4944711	Closed	NH-Strafford	2	2,008	\$435.76
Avg					2	1322.50	\$419.66
Min					2	1004.00	\$398.41
Max					2	2008.00	\$438.67
Med					2	1139.00	\$420.78

SALES Comps 20 NEWMARKET ROAD

✓ CLOSED 2023

✓ 2 BEDROOM HOMES

✓ SMALLER SQUARE FOOTAGE

AVERAGE SALE \$ PSF
= \$419.66

Residential **Single Family**
4944711
Closed

561 Bay Road
Durham
Unit/Lot #

NH 03824

Listed: 3/6/2023
Closed: 5/1/2023
DOM: 3

\$819,000
\$875,000



County NH-Strafford
Village/Dist/Locale
Year Built 1945
Style Bungalow
Color Yellow
Taxes TBD No
Tax - Gross Amount \$12,813.00
Tax Year 2022
Rooms - Total 8
Bedrooms - Total 2
Baths - Total 2
Baths - Full 1
Baths - 3/4 0
Baths - 1/2 1
SqFt-Apx Fin Above Grade 2,008
SqFt-Apx Fin Below Grade 0
SqFt-Apx Total Finished 2,008
Lot Size Acres 1.51
Lot - Sqft 65,776
Date - Initial Showings Begin



Directions Bay Rd from Newmarket or Durham

Unbranded Tour URL 1

Remarks - Public Unobstructed year round views of Great Bay! Approaching this property via Bay Road is a pleasant experience as this country road meanders along Great Bay catching glimpse of the water until you arrive at 561 Bay Rd. Sitting towards the top of the lot the elevation enhances the views of the open meadow and water beyond. The first level of this property includes a tastefully updated kitchen, dining room, sitting area facing the water, living room, bedroom, 3 season room, office nook and updated full bath. On The 2nd level there is another bedroom, an office which could be utilized as an additional bedroom and a 1/2 bath. Off of the main living space is a bonus room that has a spa quality feel to it. Perfect space for your home gym and equipped with a swim spa, all overlooking Great Bay. There are several outdoor seating areas and decks for enjoy the tranquility and nature beauty of the landscape. Over the last few years many updates have been done to the property including new septic, addition of AC, bathroom remodel and many other interior updates. The lot is 1.51 acres, offers a 1 car garage, brand new shed for storage and a stand-by generator. Access to the water is by the deeded 50 ft wide easement. A short drive to both downtown Newmarket and Durham, providing easy accessibility to UNH, shopping and dining. Multi-million dollar views for a fraction of the cost. 3D tour and floor plans available.

STRUCTURE

Construction Status Existing

Estimated Completion Date

Construction Wood Frame

Foundation Concrete

Basement Yes

Basement Access Type Interior

Exterior Wood Siding

Roof Membrane, Shingle - Asphalt

Garage Yes

Garage Capacity 1

Garage Type Detached

Parking Driveway

List \$/SqFt Fin ABV Grade

\$407.87

SqFt-Apx Unfn Above Grade

0

SqFt-Apx Unfn Below Grade

0

ROOMS

Kitchen	1	Den	1
Dining Room	1	Bedroom	1
Living Room	1	Bedroom	2
Rec Room	1	Bedroom	2
Sunroom	1		

WATER

Waterfront Property

Water View

Water Body Access

Water Body Name

Water Body Type

Water Frontage Length

WaterFrRit

Water Body Restrictions

SCHOOLS, LOT AND LOCATION

SchDistrict Oyster River Cooperative

Deed - Recorded Type Warranty

SchElem

Deeds - Total

SchMiddle Oyster River Middle School

Deed - Book 4707

SchHigh Oyster River High School

Deed - Page 701

Owned Land

Lot Description Country Setting, Water View

UTILITIES AND FEATURES

Heating Forced Air
Heat Fuel Electric, Gas - LP/Bottle, Oil
Water Heater Electric
Cooling Central AC, Mini Split
Water Drilled Well
Sewer Leach Field, Private
Electric 100 Amp, Circuit Breaker(s)
Utilities Internet - Cable

Features - Exterior Deck, Shed
Features - Interior Dining Area, Pool - Indoor
Flooring Hardwood, Softwood, Tile
Appliances Dishwasher, Disposal, Dryer, Microwave, Washer, Stove - Gas
Equipment Generator - Standby

CONDO/ASSOCIATION - MOBILE - AUCTION

Condo Name
Building Number
Units Per Building
Condo Fees

Mobile Park Name
Mobile Park Approval
Mobile Co-Op
Mobile Must Move

Auction No
Date - Auction
Auction Time
Auctioneer Name

DISCLOSURES

Fee
Fee 2
Fee 3

Items Excluded Fridge in Kitchen

Timeshare/Fract. Ownrshp No
Foreclosed/Bank-Owned/REO No
Flood Zone No
Seasonal No

Offer of Compensation to Licensed PrimeMLS Real Estate Brokerages

Buyer Agency	2.00%	SubAgency	NonAgency Facilitator	1.00%	Transactional Broker
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The listing broker's offer of compensation is made only to other real estate licensees who are participant members of the PrimeMLS.

PREPARED BY

Thomas A Towe
 Cell: 603-781-8600
 Tom@ArthurThomasProperties.com

My Office Info:
 Arthur Thomas Properties
 10 Durham Rd.

Dover NH 03820
 Off: 603-413-6175



Listed By:

Emil Uliano / Great Island Realty LLC

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Multiple Home Comparison Sale #2

116-118 Dover, Durham NH

Sold 31-October 2023

Sale Price: \$600,000

Description: Two single-family homes on one 2.50 Acre Lot. 116 Newmarket Road was built in 1995 and was rented at the time of the sale. 118 Newmarket Road was vacated before the sale to accommodate the buyer's occupancy. The main home at 118 consisted of 1460 SF on one floor. The rental house was limited to 960 SF on one floor (the second floor had previously been finished as living space and was restricted from use by Durham Code Enforcement)

Standalone Market Valuation

116 Dover Road

960SF of Total Living Space

Average Sale Price Per Square Foot of three (3) Market Sales Comps; \$365.52

The Calculated Value of 116 Dover Road (Single Residence Only)

$$(960 \text{ SF}) \times (\$365.52 \text{ Per SF}) = \$350,899.20$$

118 Dover Road

1,460 SF of Total Living Space

Average Sale Price Per Square Foot of three (3) Market Sales Comps; \$365.52

The Calculated Value of 118 Dover Road (Single Home Only)

- $(1,460 \text{ SF}) \times (\$365.52 \text{ Per SF}) = \$533,659.20$

"Projected" Market Value based on Standalone Analysis

(116 Dover Road) + (118 Dover Road) = 116 & 118 Dover Road

$$(\$350,899.20) + (\$533,659.20) = \$884,558.40$$

Note that the subject property was listed for sale for \$579,000 and sold for \$600,000. The smaller home located at 116 Dover Road was in "better than average" condition for the market. The larger home at 118 Dover Road was in need of reconditioning due to a long-term residential renter who agreed to vacate as part of the sale agreement.

Reconciliation of Discounted Market Value

116-118 Dover Road

(Calculated Valuation) – (Actual Sale Price) = Market Discounted Price

$$(\$884,558.40) - (\$600,000.00) = \$284,558.40$$

((Market Discount) / (Calculated Valuation)) X 100 = Percentage Discount

$$((\$284,558.40) / (\$884,558.40)) \times 100 = 32.1\%$$



The October 31st 2023 sale price of \$600,000 for 116-118 Dover Road reflects a 32.1% discount over the calculated comparative market analysis value.

Residential Single Family
4968589
Closed

118 Dover Road
Durham
Unit/Lot #

NH 03824

Listed: 9/5/2023
Closed: 10/31/2023
DOM: 7

\$579,000
\$600,000



County NH-Strafford
Village/Dist/Locale
Year Built 1965
Style Ranch
Color
Taxes TBD No
Tax - Gross Amount \$9,612.00
Tax Year 2022
Rooms - Total 6
Bedrooms - Total 3
Baths - Total 1
Baths - Full 1
Baths - 3/4 0
Baths - 1/2 0
SqFt-Apx Fin Above Grade 1,460
SqFt-Apx Fin Below Grade 0
SqFt-Apx Total Finished 1,460
Lot Size Acres 2.50
Lot - Sqft 108,900
Date - Initial Showings Begin



Directions

Remarks - Public Are you looking to be in the desired Oyster River School District or Close to UNH? This is a rare opportunity to have a single-family home with an accessory dwelling. This property is currently two rentals a 3 bedroom ranch and a 2 bedroom Gambrel style home. These two homes are set back on a long driveway giving it a private setting but close to town. A beautiful 2.5 acre lot. Plenty of parking. So many possibilities. It would make a great owner occupy or investment property. The 2 bedroom home has lovely hardwood floors and an open concept and is move in ready condition. The ranch has 3 bedrooms and a lovely deck overlooking the woods but could use some TLC.

STRUCTURE

Construction Status Existing

Estimated Completion Date

List \$/SqFt Fin ABV Grade

\$396.58

Construction Wood Frame

SqFt-Apx Unfn Above Grade

0

Foundation Concrete

SqFt-Apx Unfn Below Grade

0

Basement Yes

Basement Access Type Walk-up

ROOMS

Exterior Vinyl

Roof Shingle - Asphalt

Garage No

Garage Capacity

Garage Type

Parking Parking Spaces 6+

WATER

Waterfront Property

Water View

Water Body Access

Water Body Name

Water Body Type

Water Frontage Length

WaterFrRit

Water Body Restrictions

SCHOOLS, LOT AND LOCATION

SchDistrict Oyster River Cooperative

Deed - Recorded Type Warranty

SchElem

Deeds - Total

SchMiddle Oyster River Middle School

Deed - Book

4266

SchHigh Oyster River High School

Deed - Page

0328

Owned Land

Lot Description Level

Area Description Near Shopping

CMA Summary Report

Residential Summary Statistics

High	Low	Average	Median
LP:\$679,000	\$519,000	\$575,333	\$528,000
SP:\$756,000	\$550,000	\$620,333	\$555,000

Residential - Closed

Number of Properties: 3

Num	Address	MLS #	Status	County	BedsTot	SqFtFnAG	SldPrcSqft
1	107 Dover Road	4977332	Closed	NH-Strafford	3	1,764	\$311.79
2	12 Oyster River Road	4960498	Closed	NH-Strafford	3	1,269	\$437.35
3	5 Hampshire Avenue	4964579	Closed	NH-Strafford	3	2,176	\$347.43
Avg					3	1736.33	\$365.52
Min					3	1269.00	\$311.79
Max					3	2176.00	\$437.35
Med					3	1764.00	\$347.43

SALES Comps 118 DOVER ROAD (MAW HOUSE)

- ✓ CLOSED 2023
- ✓ 3 BED ROOMS
- ✓ SMALLER SQUARE FOOTAGE

AVERAGE SALE \$ PSF = \$365.52

9 TAVERN WAY

Location

9 TAVERN WAY

Mblu

114/ / 41/0 0/0

Owner

TOYE IV REV TRUST, THOMAS A

Assessment

\$2,487,132

Appraisal

\$2,540,400

PID

1928

Building Count

2

Location HISTORIC DISTRICT

Current Value

Appraisal			
Valuation Year	Improvements	Land	Total
2023	\$1,715,800	\$824,600	\$2,540,400
Assessment			
Valuation Year	Improvements	Land	Total
2023	\$1,715,800	\$771,332	\$2,487,132

Parcel Addresses

Additional Addresses		
Address	City, State Zip	Type
13 TAVERN WAY		Secondary
TAVERN WAY		Secondary

Owner of Record

Owner

TOYE IV REV TRUST, THOMAS A

Sale Price

\$0

Co-Owner

Certificate

Address

ARTHUR THOMAS PROPERTIES LLC
10 DURHAM ROAD
DOVER, NH 03820

Book & Page

4433/0265

Sale Date

11/14/2016

Instrument

Ownership History

Ownership History					
Owner	Sale Price	Certificate	Book & Page	Instrument	Sale Date
TOYE IV REV TRUST, THOMAS A	\$0		4433/0265		11/14/2016
TOYE IV, THOMAS A	\$450,000		4347/0761	90	12/22/2015

SEACOAST REPERTORY THEATRE	\$0	3992/0997	40	02/15/2012
50 NEWMARKET ROAD INC	\$570,000	3775/0932		09/15/2009
FEDERAL SAVINGS BANK	\$556,000	3696/0721	1L	12/03/2008

Building Information

Building 1 : Section 1

Year Built: 1686
 Living Area: 5,078
 Replacement Cost: \$1,574,524
 Building Percent Good: 60
 Replacement Cost
 Less Depreciation: \$944,700

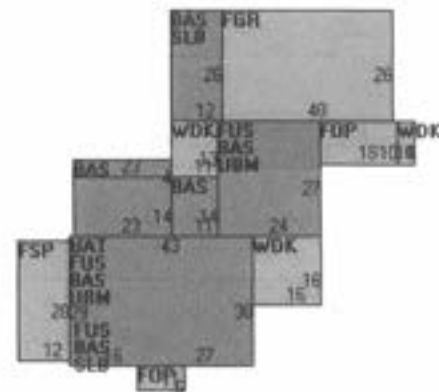
Building Attributes	
Field	Description
Style:	Apartments
Model	Commercial
Grade	Good +10
Stories:	2
Occupancy	5.00
Exterior Wall 1	Wood Shingle
Exterior Wall 2	
Roof Structure	Gable/Hip
Roof Cover	Asph/F Gls/Cmp
Interior Wall 1	Plastered
Interior Wall 2	Drywall/Sheet
Interior Floor 1	Pine/Soft Wood
Interior Floor 2	Hardwood
Heating Fuel	Gas
Heating Type	Hot Water
AC Type	Ductless
Struct Class	
Bldg Use	COMM/APTS
Total Rooms	10
Total Bedrms	05
Total Baths	3
1st Floor Use:	
Heat/AC	HEAT/AC SPLIT
Frame Type	WOOD FRAME
Baths/Plumbing	AVERAGE
Ceiling/Wall	CEIL & WALLS
Rooms/Prtns	AVERAGE

Building Photo



(<https://images.vgsi.com/photos/DurhamNHPhotos/000004804.jpg>)

Building Layout



(https://images.vgsi.com/photos/DurhamNHPhotos/Sketches/1928_1928.j)

Building Sub-Areas (sq ft)			Legend
Code	Description	Gross Area	Living Area
BAS	First Floor	2,818	2,818
FUS	Upper Story, Finished	2,260	2,260
FGR	Garage, Framed	1,040	0
FOP	Porch, Open Framed	252	0
FSP	Porch, Screen Framed	336	0
SLB	Concrete Slab	634	0
UAT	Attic, Unfinished	1,290	0

Wall Height	
% Conn Wall	

UBM	Basement, Unfinished	1,938	0
WDK	Deck, Wood	489	0
		11,057	5,078

Building 2 : Section 1

Year Built: 1917
 Living Area: 3,700
 Replacement Cost: \$1,237,495
 Building Percent Good: 60
 Replacement Cost
 Less Depreciation: \$742,500

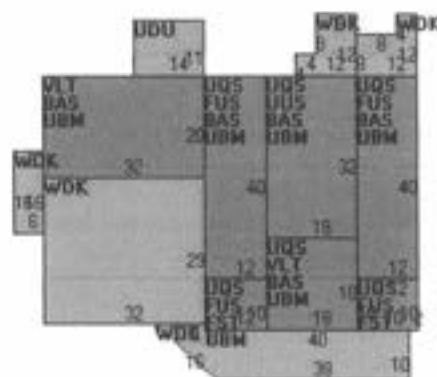
Building Attributes : Bldg 2 of 2	
Field	Description
Style:	Apartments
Model	Commercial
Grade	Average +20
Stories:	2
Occupancy	5.00
Exterior Wall 1	Clapboard
Exterior Wall 2	Board & Batten
Roof Structure	Gambrel
Roof Cover	Standing Seam
Interior Wall 1	Cust Wd Panel
Interior Wall 2	Plastered
Interior Floor 1	Hardwood
Interior Floor 2	Carpet
Heating Fuel	Gas
Heating Type	Forced Air-Duc
AC Type	None
Struct Class	
Bldg Use	COMM/APTS
Total Rooms	10
Total Bedrms	05
Total Baths	4
1st Floor Use:	
Heat/AC	NONE
Frame Type	WOOD FRAME
Baths/Plumbing	AVERAGE
Ceiling/Wall	CEIL & WALLS
Rooms/Prtns	AVERAGE
Wall Height	
% Conn Wall	

Building Photo



(<https://images.vgsi.com/photos/DurhamNHPhotos/00/0048/05.jpg>)

Building Layout



(https://images.vgsi.com/photos/DurhamNHPhotos/Sketches/1928_2554.j)

Building Sub-Areas (sq ft)			Legend	
Code	Description	Gross Area	Living Area	
BAS	First Floor	2,500	2,500	
FUS	Upper Story, Finished	1,200	1,200	
FST	Utility, Finished	240	0	
UAT	Attic, Unfinished	135	0	
UBM	Basement, Unfinished	2,740	0	
UQS	Three Quarter Story, Unfin	2,100	0	
UUS	Upper Story, Unfinished	576	0	
VL	Vaulted Ceiling	964	0	
WDK	Deck, Wood	1,808	0	

		12,263	3,700
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Extra Features

Extra Features				Legend
Code	Description	Size	Assessed Value	
FPL3	2 STORY CHIM	2.00 UNITS	\$4,600	
SPR2	WET/CONCEALED	3700.00 S.F.	\$7,300	
FPO	EXTRA FPL OPEN	1.00 UNITS	\$700	
ACD	Ductless A/C	1.00 UNITS	\$900	

Parcel Information

Use Code 0319
 Description COMM/APTS
 Deeded Acres 14.13

Land

Land Use

Use Code 0319
 Description COMM/APTS
 Zone RB
 Neighborhood 50
 Alt Land Appr No
 Category

Land Line Valuation

Size (Acres) 14.13
 Frontage 0
 Depth 0
 Assessed Value \$771,332
 Appraised Value \$824,600

Outbuildings

Outbuildings					Legend
Code	Description	Sub Code	Sub Description	Size	Assessed Value
FGR1	GARAGE-AVE			504.00 S.F.	\$7,600
PAV1	PAVING-ASPHALT			5000.00 S.F.	\$7,500

Valuation History

Appraisal			
Valuation Year	Improvements	Land	Total
2022	\$972,317	\$254,700	\$1,227,017
2021	\$942,900	\$283,600	\$1,226,500
2020	\$909,000	\$283,600	\$1,192,600

Assessment			
Valuation Year	Improvements	Land	Total
2022	\$972,317	\$155,163	\$1,127,480

2021	\$942,900	\$184,580	\$1,127,480
2020	\$909,000	\$184,569	\$1,093,569

Town of Durham, NH				
Property Tax Bill Calculation				
Owner	Toye IV Rev Trust			
PID	114-41			
Address	9 Tavern Way			
WHAT WAS TAXED				
Total Assessed Value	1,127,480	2,487,132		
Exemption (solar,)	-	-		
Value Tax Applied To:	1,127,480.00	2,487,132.00		
Credit (veterans,)	-	-		
Tax Bill#:	108954	110454		
PropTax Issue 1 st or 2 nd	1	2		
Due Date:	7/3/2023	12/18/2023		
Paid Date:	6/28/2023	7/11/2023		
Tax Rate Applied:				
Town	4.070	5.750		
County	1.410	1.760		
Local School	8.280	11.580		
State School	0.765	1.390		
Total Rate	14.525	20.480		
tax will be roughly	16,376.65	50,936.46		
Resulting in Taxes of:				
Town	4,589.00	14,301.00		
County	1,590.00	4,377.00		
Local School	9,336.00	28,801.00		
State School	863.00	3,457.00		
Tax Calculated	16,378.00	50,936.00		
Less Credit & 1st Bill				
is the Amount Billed:	16,378.00	34,558.00		
WHAT SHOULD HAVE BEEN TAXED				
Total Assessed Value	1,127,400	2,077,400		
Exemption (solar,)	-	-		
Value Tax Applied To:	1,127,400.00	2,077,400.00		
Credit (veterans,)	-	-		
Tax Bill#:	108954	110454		
PropTax Issue 1 st or 2 nd	1	2		
Due Date:	7/3/2023	12/18/2023		
Paid Date:	6/28/2023	12/18/2023		
Tax Rate Applied:				
Town	4.070	5.750		
County	1.410	1.760		
Local School	8.280	11.580		
State School	0.765	1.390		
Total Rate	14.525	20.480		
tax will be roughly	16,375.49	42,545.15		
Resulting in Taxes of:				
Town	4,589.00	11,945.00		
County	1,590.00	3,656.00		
Local School	9,335.00	24,056.00		
State School	862.00	2,888.00		
Tax Calculated	16,376.00	42,545.00		
Less Credit & 1st Bill				
is the Amount Billed:	16,376.00	26,169.00		
WHAT SHOULD BE ABATED				
Difference in Billed-SHB = Abate	2.00	8,389.00	8,391.00	= To Be Abated
RSA 76:17-a Rate of Interest Pybl	4.00%	4.00%		
Enter Date Town will Payback	5/1/2024	5/1/2024		
Number of Days of Interest =	308	142		
Interest Payable	0.07	130.55	130.62	= Interest Owed
Less Previously Abated Amount of				
Total To Be Abated	2.07	8,519.55	8,521.62	