



JC MORGAN
REAL ESTATE VALUATION | REVIEW | CONSULTING

February 8, 2023

Town of Oak Island
4601 E. Oak Island Drive
Oak Island, NC 28465
910-201-8001

Re: Special Use Permit Application
Boardwalk Place
East Dolphin Drive & Third Place East
Oak Island, Brunswick County, NC
Parcel # 234MB002

JC Morgan Company is a real estate appraisal and consulting firm in Wilmington, NC. Since 2010, our firm has appraised and consulted on hundreds of properties in and around the Wilmington and tri-county area. The property types we appraise and provide consulting services for generally include residential, land, retail, office, multi-family, industrial, subdivisions, lodging and mixed-use. Our client base consists of real estate owners, developers, financial institutions, local and federal governments and related agencies, attorneys, utility companies and airport authorities.

I was recently engaged by the applicant to perform research and analysis that would enable me to conclude an opinion as to the fifth mandated item as noted in Section C of the applicants Special Use Permit application. The item states:

Will not substantially injure the value of adjoining property or be a public nuisance.

As my expertise is in real estate valuation, I have limited my scope to this area. To develop an opinion for this requirement, I performed a *Paired Sales Analysis*. The Dictionary of Real Estate Appraisal, published by the Appraisal Institute, defines this method as:

A quantitative technique used to identify and measure adjustments to the sales prices of comparable properties. To apply this technique, sales data of nearly identical properties, or adjusted data, is compared to isolate and estimate a single characteristics effect on value.

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To complete this analysis, I took several steps. Each is summarized as follows:

1. First, I reviewed Oak Island for properties that may be considered similar to the proposed project. Similar properties may include hotels, multi-family, condominium projects and larger commercial properties. Several of these properties had zoning classifications similar to the subject's zoning (CB - Commercial Business).
2. Second, I researched these properties to determine if there were any sales of single-family residential properties that were adjacent to these previously identified commercial properties. Several sales were found. From these sales, the details of the properties and their sales transactions were recorded.
3. Third, I identified and researched sales of single-family residential properties with similar characteristics as those identified in item #2, with the exception that they were not located adjacent to the identified commercial properties. From these sales, the details of the properties and their sales transactions were also recorded.
4. Finally, the transactional details of the single-family dwellings that were located adjacent to the commercial properties were compared to those properties that were not located adjacent to the commercial properties. The data concluded that there was no impact on prices between those properties that were adjacent to the large commercial properties and those that were not.

As such, it is my opinion that the proposed project will not substantially injure the value of adjoining property.

Should you have any questions, or want to discuss this matter further, please do not hesitate to contact me.

Sincerely,

Cal Morgan

Jack C. (Cal) Morgan, III, MAI, SRA, AI-GRS
JC Morgan Company