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JOSEPH L. BETTENDORF, M.A.I.

Realtor - Appraiser - Consultant

AN APPRAISAL REPORT

of

PARCEL NO. 229
107 Eaton Avenue
St. Paul, Minnesota

Mendel & Maria Bornstein

for

The Port Authority of the City of St. Paul
60 East Fourth Street
St. Paul, Minnesota

by

Joseph L. Bettendorf, M. A. I. - S. R. A.
232 Minnesota Building
St. Paul, Minnesota

JOSEPH L. BETTENDORF, M.A.I.

MEMBER
ST. PAUL BOARD OF REALTORS
AMERICAN INSTITUTE OF REAL ESTATE APPRAISERS
SOCIETY OF RESIDENTIAL APPRAISERS

Real Estate Appraisals - Consultant - Analyst

CA. 4-2002

MINNESOTA BUILDING

ST. PAUL 1, MINNESOTA

November 23, 1962

The Port Authority of the City of St. Paul
60 East Fourth Street
St. Paul, Minnesota

Re: PARCEL NO. 229
Mendel & Maria Bornstein
107 Eaton Street

Gentlemen:

In accordance with your request I have made a careful inspection of the captioned property, which is more particularly described elsewhere in this report, and have made a study of conditions affecting its value.

By virtue of my investigation I have formed the opinion that the value of the subject property, as of November 23, 1962, is:

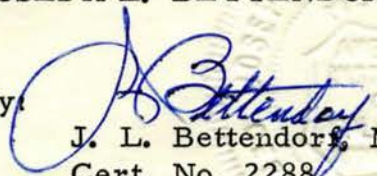
ELEVEN THOUSAND FIVE HUNDRED DOLLARS - \$11,500.00

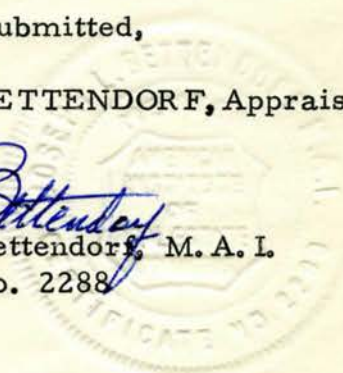
Your attention is invited to data and discussions following which, in part, form the basis of this conclusion.

Respectfully submitted,

JOSEPH L. BETTENDORF, Appraisals

By:


J. L. Bettendorf, M. A. I.
Cert. No. 2288



JOSEPH L. BETTENDORF, M.A.I.

Realtor - Appraiser - Consultant



SALIENT FACTS AND CONCLUSIONS

MARKET VALUE ESTIMATE \$ 11,500.00

Size of Lot: 25' x 119'

Age of Building: Built in 1915.

TAXES - \$200.00

ASSESSOR'S FULL AND TRUE VALUE

Land \$ 400.00

Building \$ 3,600.00

\$ 4,000.00

THE PROPERTY

The subject property comprises an interior lot improved with a two story duplex with full basement, and a two car detached garage.

PROPERTY RIGHTS TO BE APPRAISED

Title in fee simple, unencumbered, subject to usual easements for utilities, if any, and subject to an easement for walk as described in the legal description below.

ZONING

The zoning of the subject property is "Heavy Industrial".

HIGHEST AND BEST USE

The present program of utilization.

LEGAL DESCRIPTION

The Southeasterly one-half (SE'ly 1/2) of Lot Three (3), Block Eight (8), Bazille and Roberts Addition, subject to easement for walk described as follows: Commencing at a point 21.37' South of the Northeast corner of said lot, thence West 66', thence South 7.28 feet, thence East 66', thence North 7.4 feet to point of beginning; according to the plat on file and of record in the office of the Register of Deeds in and for Ramsey County, Minnesota.

PURPOSE OF THE APPRAISAL

To estimate the market value of the subject property as of November 23, 1962.

DEFINITION OF MARKET VALUE

Market value is the highest price expressed in terms of money which the property will bring when exposed for sale in the open market with a reasonable time allowed to find a purchaser buying with a full knowledge of all the uses and purposes to which it is adapted and for which it is capable of being used.

BUILDING DESCRIPTION

TYPE: 2 story, 2 family, detached residence, on an interior lot, with a 2 car detached garage.

AGE: Built in 1915.

CONDITION: Good

NO. OF ROOMS: Lower unit: 5 rooms - living room, dining room, kitchen, 2 bedrooms and bath.
Upper unit: 6 rooms - living room, dining room, kitchen, 2 bedrooms, den and bath.

FOUNDATION: Limestone.

BASEMENT: Full. 8" x 8" posts supporting 8" x 8" solid timber (girder); 2" x 8" joists; varied subfloor at right angles to joists; concrete floor; 2 storage closets.

EXTERIOR WALLS: Asbestos shingles over siding.

HEAT: 2 hot water oil-fired furnaces.

FLOORS: Oak.

TRIM: Hardwood.

WALLS: Lath and plaster, painted. (Nuwood ceiling - lower unit - living room and dining room).

BATH: 1 bath each unit with standard fixtures.

ELECTRIC FACILITIES: Fair.

ROOF: Composition shingle.

REMARKS:

Property evidences good maintenance and has been well maintained by the owners and is in a good state of repair. Bedroom-bathroom privacy is minimum in both units with the bath opening off a corner of the kitchen making access to the bath from each bedroom through the dining room or kitchen to get to the bath.

REPLACEMENT COST ESTIMATE

20' x 46'6" x 2 = 1,860 sq. ft. - Calculated Area.

\$13.50 per sq. ft. x 1,860 sq. ft. = \$ 25,110.00

Less Depreciation, all phases \$ 16,321.00

\$ 8,789.00

Depreciated Replacement Cost of Garage \$ 500.00

Walks, Stoops, Fence, Landscaping \$ 500.00

Porches - front and rear \$ 750.00

LAND VALUE \$ 1,000.00

\$ 11,539.00

Rounded to - - - \$ 11,500.00

INCOME APPROACH

In analyzing this phase of the appraisal process the motivating influence of an owner-investor is analyzed in order to ascertain what return can be expected in competition with all types of investments.

Basically, there are two types of investments. They are:

- a. Monetary returns or income in the form of money.
- b. Benefits or returns derived from ownership which are in the form of amenities which is, basically, the satisfactions that will arise from owner-occupancy.

If the anticipated returns are predominately monetary such as an owner-investor will require they will be expressed in dollars of net income and subsequently capitalized to arrive at the estimate of value.

Income from two family properties is generally in the amenity-income classification inasmuch as they have a substantial degree of appeal to an owner-occupant who will live on one level and rent out the other level which gives him a return on one unit and the satisfaction and pride of ownership and occupancy in the other.

Amenity income is capitalized by deducting any portion of the monthly expense of ownership that is considered excessive from the estimated monthly rental value of the property for the ensuing 12 months, and multiplying the remainder, or net, by a rent multiplier as opposed to a capitalization rate.

Monthly rental value translated into an estimate of capitalized amenity income by the use of rent multipliers will reflect the probable quantity and duration of the amenity returns in future years and is in accord with the general capitalization theory. The use of an estimate of gross returns in the capitalization of amenity income is justified because of expense of ownership ratios which are usually relatively constant in amenity income dwelling properties of the same type, kind, quality, and price group, in the same general locality.

The rent multiplier is obtained by studying other properties that have sold in the market and dividing the total monthly rental into the sales price to obtain the multiplier and subsequently, through analysis and comparison by necessary adjustments as required, arrive at a rent multiplier considered applicable to the subject.

INCOME APPROACH - Con't

The second floor of the subject, containing basically 6 rooms, is rented unfurnished, unheated, at \$50.00 per month. One stall in the two car garage at the rear is rented for \$5.00 per month. It is concluded that the first floor unit, occupied by the owner, including the garage for the owner's use (the second stall), would provide a return for the first floor unit of \$60.00 per month. This would give a gross income of \$115.00 per month for the subject property.

In analyzing comparable sales and attempting to locate the multiplier that would be indicative of market value, after necessary adjustments, it was concluded that 100 times the gross monthly income would be indicative of the value from an income (amenity) standpoint.

\$115.00 per month x 100 = \$ 11,500.00

INDICATED VALUE BY INCOME APPROACH \$ 11,500.00

MARKET DATA APPROACH

This portion of the appraisal process is predicated upon comparison of the subject property with other properties that have recently sold in the market, making adjustments as necessary to reflect differences. This would give an indicator insofar as the value estimate is concerned that was obtained in the market.

Following are some of the sales that were studied:

1. 1174-76-78 East Seventh Street
Date of Sale: August 22, 1961
Sales Price: \$11,000.00
Type: 3-plex - 5 rooms each (2 bedrooms)

2. 841-43 Margaret Street
Date of Sale: June 29, 1961
Sales Price: \$12,500.00
Type: 5 rooms each with porch.
Garage: Detached - 20' x 20'
Heat: 2 hot water heating units.
Lot Size: 39.41' x 123'
Age of Building: Built 1900.

3. 210 Oneida
Date of Sale: June 30, 1961
Sales Price: \$14,500.00
Type: Duplex - 5 rooms each
Lot Size: 62.5' x 75'
Age of Building: Built 1910
Garage: 2 car detached.

4. 722 Armstrong
Date of Sale: April 26, 1962
Sales Price: \$12,500.00
Type: Duplex - 5 rooms down, 4 rooms up.
Heat: 1 heating plant. (space heater second floor)
Garage: 1 car detached garage.
Lot Size: 38' x 125'

MARKET DATA - Con't

5. 774 Laurel Street

Date of Sale:	November 9, 1962
Sales Price:	\$13,000.00
Type:	Duplex - 6 rooms each (3 bedrooms) with sleeping porch
Garage:	2 car detached.
Lot Size:	40' x 117'

After analyzing pertinent data, noting variations in location, zoning, date of sale, topography, etc., it was concluded that the estimate of value of the subject property is:

ELEVEN THOUSAND FIVE HUNDRED DOLLARS - \$11,500.00

CONCLUSION

MARKET VALUE ESTIMATE

\$ 11,500.00

Having carefully considered the class and character of the property under appraisal, together with a full knowledge of the purpose of the appraisal, it is concluded that the estimate of value as indicated in this report is in reasonable relation to the current market attitude.

All the approaches are identical in this instance. The replacement cost approach is used as more of a guide because of the age and observed condition of the subject property and the comparable sales. The income approach is tested marketwise and obtained by use of a gross rent multiplier, which is also indicative of the market attitude. However, the greatest weight, in this instance, is lent to the market data approach because of the actual comparison made in the market of sales of properties possessing a degree of similarity to the extent that they would provide a good criterion insofar as the current market attitude is concerned.

After analyzing all factors pertinent to the subject property it is concluded that the market value of the subject property, as of November 23, 1962, is:

ELEVEN THOUSAND FIVE HUNDRED DOLLARS - \$11,500.00

CONTINGENT AND LIMITING CONDITIONS

The legal description furnished us is assumed to be correct.

I assume no responsibility for matters legal in character nor do I render any opinion as to the title, which is assumed to be good. All existing liens and incumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and/or competent management.

This appraisal is to be used in whole and not in part by the applicant or by others having written consent of the applicant.

I have made no survey of the property and assume no responsibility in connection with such matters.

I believe to be reliable the information contained in this report and furnished to me by others, but I assume no responsibility for its accuracy.

Possession of this report, or a copy thereof, does not carry with it the right of publication, nor may it be used for any purpose by any but the applicant without the previous written consent of the appraiser or by the applicant and in any event only with proper qualification.

I am not required to give testimony or attendance in court by reason of this appraisal, with reference to the property in question, unless arrangements have been previously made therefore.

The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.

JOSEPH L. BETTENDORF, M.A.I.

Realtor - Appraiser - Consultant

CERTIFICATION

I, the undersigned, do hereby certify that I have no present or contemplated future interest in the property appraised, that the compensation for the appraisal is in no manner contingent upon the value reported, and that to the best of my knowledge and belief, the statements and opinions contained in this appraisal are correct, subject to the limiting conditions hereinafter set forth; also that this appraisal has been made in conformity with the Rules of Professional Ethics of the American Institute of Real Estate Appraisers of the National Association of Real Estate Boards.

Joseph L. Bettendorf,

M. A. I. - S. R. A.

APPRAISING QUALIFICATIONS

MEMBERSHIP

American Institute of Real Estate Appraisers
Charter Member of Minnesota Chapter No. 35
Member of Education Committee. Director 1959, 1960, 1961
Society of Residential Appraisers—Senior Member
Past President, Secretary-Treasurer, Vice President, of Minnesota Chapter No. 16. Director—1960
St. Paul Board of Realtors
Director—1959, 1960, 1961
National Association of Real Estate Boards
Minnesota Association of Realtors
American Right of Way Association
Charter Member of Minnesota Chapter No. 20
Urban Land Institute

EDUCATION AND GENERAL EXPERIENCE

American Institute of Real Estate Appraisers, Michigan State University, East Lansing, Urban 11, Real Estate
Nine years consisting of property management, brokerage, residential construction and appraisals of real estate
Numerous FHA training courses
Eleven years with Federal Housing Administration as staff appraiser
Engaged in the appraisal of real estate as a profession, exclusively, since 1940

INSTRUCTOR

St. Thomas, Macalester and Augsburg Colleges on the "Principles of Real Estate Appraising" for the Society of Residential Appraisers

APPRAISAL ASSIGNMENTS

St. Paul Housing and Redevelopment Authority; Minnesota State Highway Department; Villages of Roseville, Maplewood and Arden Hills; Moundsview Township; City of Stillwater, Board of County Commissioners; General Mills, Inc.; Minnesota Mining & Manufacturing Co.; Union Carbide and Carbon Corp.; Remington Rand; Minnesota Mining and Manufacturing Co.; Whirlpool Corp.; American Can Co.; Mortgage Guaranty Insurance Corp.; H. & Val J. Rothschild; Clapp-Thomssen Co.; Northern Pacific Railway; Banks and Savings and Loan Assns.; Shopping Centers; Fee Appraiser for Veterans Administration; Federal Housing Administration as Appraiser, Senior Subdivision Appraiser, Review Appraiser; Numerous Private Clients. Qualified in district court as expert witness. Served as commissioner in condemnation. Consultant in subdivision analysis and land planning.

BAZILLE AND ROBERTS ADD.
TO WEST ST PAUL

MARSH
TO W

150 FT 1 INCH

Belden Surv. 1856

MISSISSIPPI

RIVER

