

Real Estate Consultants of New England, Inc.

Mr. Victor Manougian
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RE: Verizon Wireless Site
George F Leary Commentary

March 5, 2016

Dear Attorney Manougian,

Per your request I have read the commentary and other materials provided by Mr. George F Leary regarding my letter of January 15, 2016 relative to the proposed development of a communication tower site at 30 Huntoon Memorial Highway Leicester, Ma. The intended user of this letter is the Leicester, Massachusetts Land Use Permitting Boards in their deliberations relative to the development of the above proposed site.

Regarding the submission from Mr. Leary:

Mr. Leary starts with two statements made under oath affirming conversations on January 19, 2016 with Gary Williamson and on February 17, 2016 with Cynthia Bernadeau of the Massachusetts Board of Real Estate Appraisers. The statements and conversations were regarding my lack of licensure as an appraiser in Massachusetts.

Response: I agree that I do not currently have a temporary license as an appraiser in Massachusetts. The reasons are:

(M.G.L. c 112 Sections 173-195) established the Massachusetts Board of Real Estate Appraisers to fulfill the directives of section 1117 of Title XI of (FFIRREA) the Federal Financial Institutions Reform, Recovery and Enforcement Act of 1989.¹

¹ Public law Number 101-73, 103 Stat. 183(1989): as codified at 12 U.S.C.3310

A requirement of licensure as a real estate appraiser under FFIRREA is to comply with the Uniform Standards of Professional Appraisal Practice (USPAP).

An appraisal is defined in the 2016-2017 edition of USPAP² as “the act or process of developing an opinion of value; an opinion of value.”

MGL Chapter 112 Section 174-A says only a state-licensed or certified appraiser can refer or describe any appraisal by the term “certified”; *provided however this shall not preclude a person who is non-certified as a general, residential or licensed appraiser from appraising real estate in connection with a non-federally related transaction.*

Federal banking law (12 U.S.C.A. § 3350) defines federally related transactions as:
“Any real estate-related financial transaction which:
A federal financial institutions regulatory agency or the Resolution Trust Corporation engages in, contracts for, or regulates; **and** requires the services of an appraiser.”³

According to MGL Chapter 112 Section 174- C the certification and licensing provisions of this chapter *shall not apply to transactions exempted from the requirement of Title XI.*

- I do not claim to be a licensed or certified Massachusetts appraiser
- I did not certify that the report is an appraisal
- I offered no opinion of value
- The report is not connected to a Federally- Related transaction
- MGL Chapter 112 Section 174-A & Section 174- C does not require licensing for this type of report.
- Therefore no license is necessary.

²See Definitions; page 1- USPAP 2016-2017 Edition The Appraisal Foundation, Washington DC.

³ Federal banking law (12 U.S.C.A. § 3350)

Mr. Leary follows the sworn statements with his calculation of the percent relationships for the sales in my report using the following property characteristics:

- Property distances from cell towers
- Number of properties with and without views of cell towers
- The percent of total surveyed properties located in Leicester compared to the total properties contained in my report.

Also using Zillow information he reports “one sale – 417 Stafford St Leicester sold (after cell tower constructed) for approximately 20% less than it had previously sold for prior to cell tower construction.”

Response: As explained on page 22 my report we often increase the search ring in an effort to identify recent sales. Our procedure is to first identify sales within the subject community that may be in proximity to an existing tower. Based on the sales activity and number of towers we often include additional sale examples from our files to augment local search results. In this instance 80% of the sale examples (13 out of 16) were within 1,000 feet or less of a tower.

Sales having either visibility or proximity to a communication tower are the two primary features that are studied. Every property is unique just as every tower is unique; as a result the visual impact of the proposed tower to surrounding properties will not be identical to the examples contained in the report.

The statement about the 417 Stafford St sale seems to infer that the tower caused the 20% drop between the two sale prices, the data is incorrect:

- Mr. Leary used a 1998 estimate by Zillow, not the sale price
- This property sold August 31, 1998 \$128,000, the Tower was built in 2008; the property resold May 30, 2014 for \$212,000. This is a 65% increase.
- According to my Leicester-specific (MASS MLS based research) this property sold for 15% more than the average price paid for 15 comparable sized homes in the community. This shows that the tower has no impact on property value.

Mr. Leary then provides a commentary on the sales contained in my report. For each sale the following is offered:

- Address, sale date & price
- Distance from residence to tower
- Visibility of tower described as either No visibility, or only tops of towers visible
- Stating the number of homes with higher or lower prices than the example sale
- The relationship of the sale example value to his Zillow based sales data values.
- For some of the sale examples he offers additional comments

I note that no conclusion or summary is given at the end of this presentation.

Response: The sales in my report can be grouped into three categories:

- A) Sales with towers 1,000 to 1,500 feet away with no tower visible
- B) Sales with towers 580 to 950 feet away with no tower visible
- C) Sales with towers 100 to 577 feet away with tower visible

The following lists each sale property, Mr. Leary's comments in italics. My comment / response is shown with a border.

Regarding 3 sales with towers 1,000 to 1,500 feet away with no visible tower:

203 Moreland Ave – 1,000 ft from tower - *One half of the sales sold for more than this property.*

1472 Main St – 1,390 ft from tower – *Property sold in bottom one-third of the market for similar homes.*

417 Stafford St – 1,480 ft from tower – *home sold for approximately 20% less than what it had previously sold for prior to cell tower construction*

Regarding 6 sales with towers 550 to 950 feet away with no tower visible:

469 Stafford – 550 ft from tower – tower not visible; *no Zillow comparisons available as it sold recently.*

19 Elm St - 600 ft from towers – *Sold for 50% less than average home in Westborough and 2% less than similar size properties, Tower not visible. Adjustment in taxes was given due to proximity to industrial area (not tower specifically). 15 ZILLOW sales 4 homes sold for less, 11 homes sold for more. Property sold in approximately bottom 25 percent of market.*

This home is much smaller and in a sub-set of properties selling for about 50% of the overall average sale price in Westborough. Despite the multiple external influences this property sold for a price within 2% of the average for 23 similar sized and priced homes in the community. Because isolation of a single external factor not possible; no conclusion can be drawn from this sale relative to the proximity of the cell towers. This was in my report

20 Stonehouse – 800 ft from two radio towers – *tower not visible; home sold in the bottom half of the market for similar properties.*

23 Stonehouse – 900 from 2 radio towers – *tower not visible; Zillow says home with spectacular views, backs up to conservation land; this explains why house sold for more than similar properties.*

4 Nipmuck – 950 from a tower - *tower not visible; this explains why house sold at the top of the market.*

Note for 23 Stonehouse and 4 Nipmuck the explanation is: *tower not visible; this explains why house sold at the top of the market; the same condition exists for 20 Stonehouse however the reason given for the bottom half market position is the 17 sales from Zillow. The truth is this property sold for 7% more than the average price paid for 30 comparably sized homes in the community. This was in my report*

Regarding 8 sales with towers 100 to 580 feet away with tower visible:

131 Murray –100 & 200 ft from two visible towers - *Buyer raised health concerns but then waived it. ZILLO says: 15 homes –6 sold for less, 9 sold for more. This house sold in the bottom 50% of the market.*

Extensive information was provided that apparently was ignored. The average sale price for 231 homes sold in Medford in 2011 is \$355,806. This home sold for 46% more than that average. It also sold for 36% more than the \$384,000 average price for 30 similarly sized homes. It did not sell in the bottom 50% of the market. The data indicates no negative impact from the tower. This was in my report.

27 Cottage St – 100 feet from towers - *tower is visible. Sold for 30% less than similar sized homes; and 40% less than average home in Westborough. 15 ZILLOW sales 5 homes sold for less than \$305,000, 10 homes sold for more than \$305,000. Property sold in the bottom third of the market.*

This property is directly exposed to the transitional land use section of the community. Like 19 Elm St it has multiple external influences that make isolation of a single external factor not possible. The influences include the Industrial B and Downtown Business zones and the Gateway 2 overlay district. The neighborhood composition is a mixture of older residential and commercial uses that include the repurposing of both industrial and residential properties into retail and office uses. This data is included as it is current and in Westborough however, as stated previously, it has multiple external influences that make isolation of a single external factor not possible; therefore no conclusion can be drawn from this sale relative to the proximity of the cell towers. This was in my report.

15 Hickory- 425 ft from 2 radio towers – *only tops of towers can be seen. Property sold for far less than 30 similar properties. House sold at the bottom of the market.*

This property sold for about 7% less than the average for 30 similar properties in a narrow size range. It needed interior updating as the kitchen and baths. It sold in a shorter time frame than average. The lower price was because of the needed repairs not the towers. This was in my report. Also per Zillow the cost for renovating a kitchen & bath is about \$39,000.

45 Hickory - 425 ft from 2 radio towers – *only tops of towers can be seen. Custom style contemporary and it is an architectural masterpiece (located in Worcester’s affluent West Side neighborhood. This explains why home sold at top of market.)*

43 Hickory - 500 ft from 2 radio towers - *only tops of towers can be seen; Minimal visual impact of towers explains why house sold near the top of the market for similar houses.*

All three homes are on same street with the same minimal visual impact and nearly identical distance to the towers; logically then 15 Hickory has no value impact from the towers.

59 Pine Ridge - 577 ft from visible tower – *ZILLO says: 16 homes – 2 sold for less than \$235,900 and 14 sold for more than \$235,900. This home sold at near the bottom of the market.*

The property is 577 feet from a 460 foot high lattice tower, 400 feet of which can be seen from this property. This property sold for 4% more than the average paid for 259 comparably sized homes in the community. The data indicates no negative impact from the tower. This was in my report.

7 Dixey – 580 ft from tower – *tower not visible; this explains why house sold for more than similar properties.*

This home is about 580 feet east of a 165 foot high monopole tower, Due to the distance, location, topography and height the tower cannot be seen from this property. **However the tower can clearly be seen as one approaches the property on Dixey Dr.** The data indicates no negative impact from the tower. This was in my report.

9 Horton - 600 ft from tower – *only the top of the tower is visible. This explains why the house sold for more than similar houses.*

Summary: Mr. Leary’s two stated conclusions are: “*only tops of towers can be seen; Minimal visual impact of towers explains why house sold near the top of the market*” and “*tower not visible; this explains why house sold for more than similar properties.*” These can be re-stated as: **there is no measurable impact on price if only the top of a tower can be seen or if a tower cannot be seen from a property.**

Leary III – The final document is a Real Estate Consulting Report prepared by Daniel E. Jalbert MAI, ASA for George F. Leary.

This report contains the following 2 surveys and research study:

- A) A summary of an article reporting a 2014 opinion survey titled “EMF Real Estate Survey Cell Towers & Antennas- Do they Impact a Property’s Desirability?” by the National Institute for Science, Law and Public Policy.

Only the results of the survey were provided. The survey was done in 26 days. The makeup of the respondent group, the geographic areas covered and the design of the survey questions were not disclosed in the article. The opinions offered relate to specific hypothetical situations. These opinions are not supported by any verifiable sales data.

- B) An older study done in Christchurch New Zealand by Dr Sandra Bond and Ko-Kang Wang published in the Appraisal Journal in 2005 is also noted. It suggests property value reductions due to proximity to a cell tower base station. This has no relevance to Leicester Ma being a 13 year old report on property over 9,000 miles away. The authors of the study warn: “That the results cannot and should not be generalized outside of the data....these results are the product of only one case study carried out in a specific area in 2003.”

- C) A cell tower view survey by John Mosey, MAI of Pennsylvania

This information is one page of a 16 page stigma survey answered by 134 Pennsylvania area Brokers. There is no date on the survey; the page regarding cell towers offers the following scenario: House A and House B are identical. House A overlooks a field with a 225 ft tall cell tower; House B overlooks a similar field, but with no cell tower. Neither house is in the fall line of the tower. No information given about (a) the distance from the home to the tower (b) the orientation of the tower to the home (c) the topography. This is an opinion survey based on a simple example that is nothing like what is proposed for the Leicester site.

Based on these materials Mr. Jalbert states:

“As a result of the process, it is my opinion that the impact of residential values as of the effective date of the analysis “As-If” the cell tower project was in place, as a hypothetical assumption and delineated Purpose and Scope of the analysis”

In his summary he concludes the evidence supports a decline in value of 10% to 20% for reasons that address line of sight, stigma from several factors including studies showing health impacts. These concerns can lead to homes being sold below market....when a cell tower is present it creates an adverse condition and buyer resistance.

It is his certified opinion that *“a neighborhood cell tower in proximity to residential property creates a diminution in value from 10% to 20% a stigma based buyer resistance, resulting from the line of sight to the tower, fall zone and whether contiguous to the property. If structures within the fall zone of the tower the cost would exceed 20% based on the cost of an insurance rider. The properties within the neighborhood with no visual impact would have a diminution of value of 10% with the closer properties to the cell tower having visual impact would experience 20% decline in property value”*.

Summary:

Mr. Jalbert's precise assignment of 10% residential value loss for no view and 20% residential value loss for the view of a tower is based on two opinion surveys with no localized supporting sale data and a 13 year old study from New Zealand in which the authors clearly state "*the results cannot and should not be generalized outside of the data...these results are the product of only one case study carried out in a specific area in 2003*".

He also includes additional reference to sixteen (16) articles on the subject of cell tower health impacts. His report contains no Massachusetts- based studies or sales data to support his opinions or conclusions.

Most interesting is that Mr. Leary disagrees with Mr. Jalbert's 20% opinion of value loss; based on his review of my data Mr. Leary has concluded:⁴ "*only tops of towers can be seen; Minimal visual impact of towers explains why house sold near the top of the market*". This can be re-stated as: **there is no measurable impact on price if the top of a tower can be seen from a property.** Also, Mr. Leary disagrees with Mr. Jalbert's opinion of a 10% value loss when a tower cannot be seen as he concluded:⁵ "*tower not visible; this explains why house sold for more than similar properties.*" This can be re-stated as: **there is no measurable impact on price if the tower cannot be seen from a property.**

The document offers no current, local data to refute the research and data I have provided.

Sincerely,



Andrew G LeMay

⁴ 43 Hickory, 9 Horton

⁵ 4 Nipmuck, 7 Dixey

ADDENDA

264 CMR 2.00: General Provisions

2.01: Purpose and Authority

The purpose of 264 CMR 1.00 through 12.00 is to clarify and implement M.G.L. c. 112, §§ 173 through 195 and to establish professional standards for the licensing and certification of real estate appraisers to promote and protect the public interest. M.G.L. c. 112, §§ 173 through 195 were enacted in partial fulfillment of the directives of section 1117 of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, Public Law Number 101-73, 103 Stat. 183 (1989); as codified at 12 U.S.C. 3310.

The Board of Registration of Real Estate Appraisers is organized and functions under the authorization provisions of M.G.L. c. 13, § 92 and M.G.L. c. 112, §§ 173 through 195.

264 CMR 1.00 through 12.00, are adopted by the Board under the authority of M.G.L. c. 112 §§ 88 and 175 and applicable provision of M.G.L. c. 30A.

The provisions of 264 CMR are severable, and should any provision be declared invalid, such invalidity shall not affect other provisions or applications of 264 CMR.

All licensees and certificate holders are charged with having knowledge of the existence of 264 CMR and the adopted version of the Uniform Standards of Professional Appraisal Practice (USPAP), as published and interpreted by the Appraisal Standards Board (ASB) of the Appraisal Foundation, and shall be deemed to be familiar with the provisions thereof and are required to render appraisal services in accordance with each.

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5 Cell Tower View

House A and House B are identical. House A overlooks a field with a 225'-tall cell tower. House B overlooks a similar field, but with no cell tower. Neither house is in the fall line of the tower.

Is the presence of the cell tower likely to make house A sell for less than house B?

Answer Options	Response Percent	Response Count
Yes	88.4%	84
No	11.6%	11
<i>answered question</i>		95
<i>skipped question</i>		39

If yes, by how much?

Answer Options	Response Percent	Response Count
Up to 5%	31.4%	27
5 to 10%	33.7%	29
10 to 20%	27.9%	24
More than 20%	7.0%	6
<i>answered question</i>		86
<i>skipped question</i>		48

If yes, how long will the cell tower affect house A's sale price?

Answer Options	Response Percent	Response Count
1 year	0.0%	0
Up to 5 years	3.5%	3
5 to 10 years	0.0%	0
10 to 15 years	1.2%	1
Permanently	95.3%	82
Comments:		10
<i>answered question</i>		86
<i>skipped question</i>		48



PART I ADMINISTRATION OF THE GOVERNMENT

TITLE XVI PUBLIC HEALTH

CHAPTER 112 REGISTRATION OF CERTAIN PROFESSIONS AND OCCUPATIONS

Section 174 Real estate appraiser titles; certification or licensing; opinions

Section 174. A. No person, other than a state-certified general real estate appraiser, state-certified residential real estate appraiser or state-licensed real estate appraiser, shall assume or use that respective title or any title, designation, or abbreviation likely to create the impression of certification or licensing as a real estate appraiser by the commonwealth. A person who is not state-certified or state-licensed shall not describe or refer to any appraisal or other evaluation of real estate located in the commonwealth by the term "certified"; provided, however, that this shall not preclude a person who is not certified as a state-certified general real estate appraiser, state-certified residential real estate appraiser or state-licensed real estate appraiser from appraising real estate in connection with non-federally related transactions for compensation.

B. The provisions of sections one hundred and seventy-three to one hundred and ninety-nine, inclusive, shall not apply to a real estate broker or salesperson or to a certified public accountant or business broker who, in the ordinary course of business, gives an opinion of the price of real estate for the purpose of a prospective listing, purchase, sale, or business valuation, provided, however, that such opinion of the price shall not be referred to as an appraisal.

C. The certification and licensing provisions of this chapter shall not apply to transactions exempted from the requirements of Title XI.