

Real Estate Value Impact Report

Prepared for:
Twin River Energy, LLC

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Background

In 1998, Creative Strategies & Communications, Inc. (CSC) was asked to conduct a study on the impacts of power plants to real estate values in host communities. In that study, research of residential property values in two Massachusetts communities (Dartmouth and Milford) and neighboring towns concluded that power plants do not have a negative impact on residential real estate values.

The program of research included studies of residential property values, surveys of the residents in the host communities and discussions with town assessors and local real estate agents. Every phase of the research found that the power plants had no negative impact and they appeared to be a welcome addition to the communities. For example, discussions with the assessors revealed that since the plants have been operating, no abatements resulting from lower property values have been sought by neighboring residents. In addition, both communities saw the development of executive style homes in close proximity to the plants after the projects began operating. Real estate agents in both towns indicated that the plants have not posed a problem with the local community image or with home sales or prices.

For example, the Dartmouth plant began operating in 1992. The median sales price in that town in 1992 was \$87,000 and jumped to \$112,000 in 1993. In the neighboring town of Freetown the median price was \$125,000 in 1992 and increased to \$131,000 in 1993 and \$135,000 in 1994. In Hopedale, which abuts Milford, the median price in 1994, when the plant began operating was \$127,900, and increased to \$129,000 in 1995 and \$131,000 in 1996.

A telephone survey was also conducted among residents in both communities to identify any issues or concerns regarding the power plants. The survey sample was designed to ensure that it met the demographic profiles of both towns, represented a cross-section of every geographic area of the towns, and included those neighborhoods in closest proximity to the plants. The survey results found that the residents in each community do not believe there has been a negative impact on property values and that a majority supports the location of the power plants in their communities. It is also significant to note that many residents did not even know there was a power plant in their community and those that were aware had a favorable opinion.

Project Overview

CSC was asked by Twin River Energy to expand the original real estate study by examining real estate values in two communities and their neighbors in Maine and one in New Hampshire that host power plants. As in the earlier research, the study included:

- Discussions with real estate agents and local officials in Westbrook and Veazie, Maine and Londonderry, New Hampshire.
- Research of property values in Westbrook and Veazie, Maine and Londonderry, New Hampshire.
- Discussions with real estate agents and local officials and property value reviews in neighboring towns.

The research indicated that there have been no negative impacts identified with the power plants in the host communities or in neighboring communities.

- The assessors in the host communities and the neighboring towns state that since the plants have been operating property values have largely been unaffected.
- Real estate agents in all three host communities indicate no negative impacts
- Property value reviews demonstrate an increase since the plants began operating in the host and neighboring communities.

A summary of our findings follows:

Casco Bay Energy LLC-Veazie, Maine

- Operating since May of 2000
- Assessor stated Casco Bay Energy has had no impact on Veazie's residential property values.
- Interview with local Real Estate agent found no negative impact on the local market

Veazie, Maine

Median Property Value in 2000: \$100,000- \$124,000

Median Property Value in 2000 (State): \$98,700

Median Property Value 2007: \$188,000

Median Property Value Today (State): \$193,000

Calpine/Westbrook Energy Center - Westbrook, Maine

- Operating since 2001
- Assessor stated there has been no negative impact. Property Values have been consistent since Energy Center has been on-line.
- The last complete revaluation for residential properties was in 1992. In the time since, residential property values have increased more dramatically than commercial and industrial properties.
- Real Estate agents said overall impact has been positive

Westbrook, Maine:

Median Property Value in 2000: \$100,000- \$124,999

Median Property Value in 2000 (State): \$98,700

Median Property Value 2007: \$219,900

Median Property Value Today (State): \$193,000

Westbrook, Maine- Surrounding Towns

A. Gorham, ME

- Assessors Office said there has only been an indirect mild positive impact due to lower local electricity bills raising property values.

Median Property Value in 2000: \$100,000- \$149,999

Median Property Value in 2000 (State): \$98,700

Median Property Value Today: \$193,950

Median Property Value Today (State): \$193,000

B. Scarborough, ME

- Assessor's Office stated that property values had not been impacted in a negative manner due to a neighboring energy plant.
- Kelly Parker Realty said the plant had no effect on property value

Median Property Value in 2000: \$100,000- \$149,999

Median Property Value in 2000 (State): \$98,700

Median Property Value Today: \$193,000

Median Property Value Today (State): \$193,000

Granite Ridge Energy- Londonderry, New Hampshire

- Operating since 2002
- Assessor stated there has been no negative impact. Good Market at installation, no deterioration, complete consistency in property values
- Real Estate agent said values have been mostly unaffected.

Londonderry, New Hampshire:

Median Property Value in 2000: \$180,000- \$240,000

Median Property Value in 2000 (State): \$133,300

Median Property Value 2007: \$324,900

Median Property Value Today (State): \$249,000

Londonderry NH- Surrounding Towns

A. Litchfield, NH

- Assessors Office did not find the energy plant to have any effect on property values

B. West Derry, NH

- Remax Real Estate Agent stated there has been no impact from the power plant and said the only thing effecting property values is the Manchester airport

Median Property Value in 2000: \$100,000- \$124,999

Median Property Value in 2000 (State): \$133,300

Median Property Value Today: \$303,521

Median Property Value Today (State): \$249,000