

# APPRAISAL ASSOCIATES, INC.



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Founded in 1981, and headed by Robert H. McKennon, CRE, MAI; Appraisal-Associates, Inc. performs appraisals and offers counseling on virtually all types of real estate properties and related issues including, but not limited to, office buildings, apartment complexes, retail shopping centers, development land of all types, farms, easements, estate residences, industrial facilities, eminent domain, and special purpose properties. He provides valuation services encompassing small owner/user buildings to multi-phased analysis of Delaware's largest and most complex commercial properties.

His practice involves real estate in Delaware, as well as areas of nearby Chester County, Pennsylvania. In addition, he provides valuations of interests in limited liability companies and limited partnerships that hold real estate, as well as partial interests.

Mr. McKennon is a State Certified General Real Property Appraiser in Delaware and Pennsylvania with over 35 years of appraisal experience. In addition to holding since 1983 the MAI designation conferred by the Appraisal Institute, he has been a Counselor of Real Estate (CRE) since 1994, a highly prestigious, invitation only credential acknowledging his expertise in real estate and his competence in offering real estate consulting services beyond the scope of a standard appraisal. He has presented on eminent domain and conservation easements, two of his specialties.

Mr. McKennon was a member of the Board of Directors of the Counselors of Real Estate for 10 years and has served on its ethics committee, among other committees. He is also a member of the Standards Setting Committee responsible for writing the first International Ethics Standard for real estate practitioners from 48 professional bodies around the world.

## ***Practice Areas:***

- **Real Estate Appraisals**

Comprehensive appraisals are offered for a broad range of property types and purposes. Report types reflect a client's needs, ranging from fully detailed narrative appraisals to shorter, executive summary reports.

Property types and functions include, but are not limited to:

|                                |                            |
|--------------------------------|----------------------------|
| Commercial                     | Easements of all types     |
| Industrial                     | Partial interests          |
| Office                         | Dispute resolution         |
| Apartments                     | Estate and family planning |
| Complex residential properties | Estate taxes               |
| Special purpose                | Donations of real estate   |
| Tax assessment                 | Market rent                |
| Condemnation/eminent domain    | Litigation                 |
| Damages to real estate         | Conservation easements     |

- **Counseling**

Analysis is often extended beyond providing an appraisal report to resolve questions and issues that cannot fully be answered within the structure of a formal appraisal report.

- **Litigation Support**

We work with clients and their attorneys not only to present estimates of value, but to provide a wide range of services relating to the litigation process. Examples of services include evaluation of expert reports, assistance in preparation for the deposition and examination of witnesses, coordination with and recommendation of experts in related fields, and arbitration and court testimony.

- **Eminent Domain**

Service is provided to owners whose property is being condemned, attorneys, and government agencies. Our involvement can come as early as meeting with a concerned owner who becomes aware of a possible acquisition of their property, to as far along in the process as working to help resolve conflicting values between a government agency and a property owner.

Analysis includes evaluation and appraisals of full and partial acquisitions of properties and of property rights. We are on call to work with the parties and their attorneys as needed during the entire process.

If called for, Mr. McKennon testifies by deposition and in court to provide strong and unwavering support for his conclusions and values.

- **Tax Assessment Appeals**

New Castle County's real estate tax assessments are based on 1983 values and still use a 1983 valuation date. We have an organized bank of market data from that time period, and have provided appraisals with a 1983 effective date and supportive testimony to assist in successfully appealing assessments that are too high.

Some of the County's largest and most complex commercial properties have been appraised for tax appeals by Mr. McKennon.

- **Market Data**

Current and past data is systematically researched, classified and organized. Mr. McKennon's market data system dates to 1978 and has been an ongoing source of sales information supplied to brokers, government agencies, and other appraisers in this market since the late 1970's.

In addition, our data bank contains sales from the 1960's forward. Retrospective valuations have been completed for dates as far back as the early 1970's.

- **Professional Collaboration**

As a member of the Counselors of Real Estate, Mr. McKennon has a collegial and organized link with approximately 1,100 eminent real estate professionals from around the country. This is a source of information, collaboration where needed, and a place to refer a client with a specific real estate need outside his purview. The membership includes experts in corporate real estate, law, brokerage and asset management, development, investment, and provision of capital.

## ***Representative Assignments***

- **Former Marta/Acierno Tract**

Acquisition of 55 acres of highway right of way for the Route One/I-95 interchange from 400+ acres of land with multiple zoning classifications, adjacent to the Christiana Mall. This assignment, which was conducted for the condemnor, involved special benefits analysis and was a case that spanned years and reached the Supreme Court.

- **Christiana Mall**

Appraisal of one of the nation's most successful regional malls with valuation dates immediately before and immediately after 9-11. The analysis of the 1 million square foot mall also encompassed an adjoining tract of land with environmental issues, and valuation of minority ownership interests.

- **Conservation & Historical Façade Easement**

Appraisal of 200+ acre country estate with over ½ mile of frontage on the Brandywine to derive the value of a proposed conservation easement restricting development, and a façade easement on an historic residence. The analysis also entailed valuation of partial interests and estimation of market rent for this property with two primary residences, multiple outbuildings, and a world class natatorium.

- **802 Delaware Avenue Office Reassessment**

Retrospective appraisal of downtown office building based on a 1983 value date. Asbestos was present, requiring an analysis of value as impacted by environmental issues, in addition to the normal office valuation.

- **Former General Motors Plant**

Appraisals of closed automobile plant containing 3.5 million square feet of building area. Multiple value scenarios and dates were analyzed.

- **Whitehall Tract**

Analysis and consultation advising landowners and attorneys as to valuation impact and negotiation strategy on an acquisition of 125 acres from a 1,350 acre property for a major interchange on a divided highway. The property had been approved as the site for a business park and thousands of residential units, and was the largest state acquisition of land in approximately 20 years, involving the loss of over 500,000 square feet of approved office space, as well as approved residential lots.

- **Country Estate – Multiple Value Scenarios**

Valuation of a large parcel of land improved with estate residence, with sewer nearby and major residential development potential, conducted to provide advice to owner for estate planning and possible sale. Several values were examined including high density development, large lot development, conservation easement, and impact of various development scenarios upon the existing mansion.

- **Tybouts Corner Superfund Site**

Consultation as to loss of value to properties surrounding the 200 acre Tybouts Corner landfill, then designated the 2<sup>nd</sup> worst Superfund site in the United States. The analysis assisted attorneys and property owners in reaching a settlement with the government body involved in the case.

- **Partial Acquisition of Brandywine Plaza Office Complex**

Appraisal for property owner of large, prominently located office campus which was impacted by a partial acquisition. This complex faced the loss of parking and an entire building based on a highway project that would disrupt their operations for over three years.

- **Pomeroy Railroad Corridor**

Appraisals valuing the former Pomeroy rail corridor in downtown Newark in its entirety, as well as in segments. Work on the corridor encompassed formal appraisals and litigation support, as well as changing ownership interests and evolving court decisions over a 15 year time frame.

- **Partial Interest Transfers**

Valuation of transfers of minority interests in two limited liability companies, requiring estimates of discounts for lack of control and marketability associated with the minority interests. These limited liability companies held partial ownership interests in over 30 additional LLCs and other ownership entities, which in turn held real estate as their primary asset.

- **Aviation Easements**

Appraisals of aviation easements on over 100 properties near New Castle County Airport. The valuations included homes, commercial properties on Route 13, and a university campus.

- **Dolles – Rehoboth Beach**

Appraisal of iconic beach property at the corner of Rehoboth Avenue and Boardwalk in Rehoboth Beach. The property encompassed a candy making operation and retail candy store, amusement arcade, custard stand, snack bar, obsolete bowling alley, storage, and apartment.

- **Russell W. Peterson Wildlife Refuge**

Appraisal of multiple tracts of marshland assembled to create 200+ acre wildlife preserve with visitor's center on the Christina River. The analysis involved values in fee simple and subject to conservation easements, as well as upland and wetland acreage.

- **Riverfront Arts Center and Juniper Financial Properties**

Appraisals of 200,000+ square foot arts center and exhibition hall, as well as historic office building, both located in the Riverfront District, for property exchange. The arts center appraisal included market value and use value estimates.

- **Star Enterprise Highway Acquisition**

Appraisal conducted for the State for acquisition of 370 acres from the 4,925 acre Star Enterprise refinery property. The acquisition for the Route One highway, which bisected this large tract, encompassed commercial and industrial zoning, multiple road frontages and parcels, and a Superfund site.

- **Retrospective Damages Due to Utility Easement**

Appraisal to derive damages as a result of potential lots lost due to the presence of a power line bisecting a property. This valuation was completed in the mid 2000's and had an effective date in 1973, entailing analysis of 1973 era data and an entirely different zoning code in effect at that time.

- **Conservation Consultation & Valuation**

Counseling of both a conservation organization buyer and a private seller to assist in negotiating a sale price, followed by a subsequent appraisal of this 1,000+ acre property. The property was of significant environmental importance with stunning river views, and was impacted by a subdivision plan nearing approval, several improvement complexes, large wetland tracts, leases, and multiple stakeholders.

- **Proximity Studies – Cellular Towers**

Studies have been completed to measure the impact of proximity of a proposed cell tower to the surrounding neighborhood. These assignments often extend to testimony before the appropriate government body.

- **Residential Lot**

A property owner was approached by a neighbor who wanted to acquire a rear corner of his home's lot. The analysis included the varied potential impacts of this purchase on the property owner's personal residence, the value of the acquisition, and recommendations on alternatives.