
**APPRAISAL REPORT
OF
ONE-STORY CONVENIENCE STORE
KNOWN AS TONY'S MARKET
LOCATED AT**

**800 NW 22ND ROAD
FORT LAUDERDALE, FLORIDA**

BY
G. ADRIAN GONZALEZ, JR., ASA, MRICS
State-Certified General Real Estate Appraiser No. RZ1555

PREPARED FOR
CITY OF FORT LAUDERDALE



Ms. Angela Salmon, MPA
City of Fort Lauderdale/Office of the City Manager
100 N. Andrews Avenue
Fort Lauderdale, FL 33301

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PART ONE - INTRODUCTION

ADRIAN GONZALEZ & ASSOCIATES, P.A.
REAL ESTATE APPRAISERS • CONSULTANTS • LICENSED BROKER

June 3, 2022

Ms. Angela Salmon, MPA,
City of Fort Lauderdale/Office of the City Manager
100 N. Andrews Avenue
Fort Lauderdale, FL 33301

**RE: One-Story Convenience Store known as “Tony’s Market”
Located at 800 NW 22 Road
Fort Lauderdale, Florida
Folio No.: 5042 05 08 0080**

Dear Ms. Salmon:

I have completed an appraisal of the above captioned parcel in accordance with your Appraisal Request dated May 16, 2022. The purpose of the appraisal is to arrive at an opinion of the **Market Value** for the subject parcel. The subject is a 4,820 square foot retail building located on an 8,292 square foot site.

The subject property is located at the northeast intersection of NW 22nd Road and NW 8th Street in the Franklin Park neighborhood near the city limits. The subject street address is 800 NW 22 Road, Fort Lauderdale, Florida. The purpose of this appraisal report is to provide an opinion of market value of this property. The subject site is appraised as clean of any contaminants. If extensive contamination were found, it could change the value conclusions in this report. The intended use is to establish market value. The definition of market value may be found within this appraisal report, which is attached.

As a result of my inspection of the property and my analysis of the factual data, which you will find in the following report, upon which my conclusions are partially predicated, and with my further assurances to you that the statements contained in this report are to the best of my knowledge correct, I respectfully submit that in my opinion the market value for this property as of May 27, 2022, is as follows:

**SIX HUNDRED FIFTY THOUSAND DOLLARS
(\$650,000)**

Submitted with this letter is an appraisal report containing information and exhibits pertinent to the subject property. Thank you for the opportunity of serving you. Should you have any questions, please call.

Respectfully submitted,
ADRIAN GONZALEZ & ASSOCIATES, P.A.



A
G. Adrian Gonzalez, Jr., ASA, MRICS
President
State-certified general real estate appraiser RZ1555

CERTIFICATION

I certify to the best of my knowledge and belief, that:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and is my personal, unbiased, professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
4. I have performed services, as an appraiser, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment. That appraisal had a Date of Value of May 25, 2021.
5. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
6. My analyses, opinions, or conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice, and the provisions of Chapter 475, Part II, Florida Statutes.
7. The use of this report is subject to the requirements of the State of Florida relating to review by the Florida Real Estate Appraisal Board.
8. My analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the State of Florida for state-certified appraisals.
9. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Principles of Appraisal Practice and Code of Ethics of the American Society of Appraisers, Standard of Practice and Codes of Ethics of the Royal Institution of Chartered Surveyors, which include International Valuation Standards (IVS), as well as in conformity with USPAP as prepared by the Appraisal Standards Board and published by the Appraisal Foundation.
10. The use of this report is subject to the requirements of the American Society of Appraisers and the Royal Institution of Chartered Surveyors, relating to review by their duly authorized representatives.
11. I have made a personal inspection of the property that is the subject of this report. I have also made a personal field inspection of the comparable sales relied upon in making this appraisal. The subject and the comparable sales relied upon in making this appraisal were as represented by the photographs contained in this appraisal.

CERTIFICATION (continued)

12. Significant professional assistance in the preparation of this report was rendered by Bruce Ownby, State Certified General Real Estate Appraiser No. RZ988 in the preparation of this report.
13. As of the date of this report G. Adrian Gonzalez, Jr. has completed the requirements of the continuing education program of the American Society of Appraisers. The undersigned appraiser currently holds the appropriate state certification (State-Certified General Real Estate Appraiser No. RZ1555, expiration date November 30, 2022) allowing the performance of real estate appraisals in connection with federally related transactions in the state in which the subject property is located.



June 3, 2022

Date

G. Adrian Gonzalez, Jr., ASA, MRICS
State-Certified General Real Estate Appraiser License
Number RZ1555

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AREA DATA AND ANALYSIS
QUALIFICATIONS OF THE APPRAISER

QUALIFYING ASSUMPTIONS AND LIMITING CONDITIONS

1. The appraisers assume no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor do the appraisers render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership. The legal description and property description used in this report is assumed to be correct.
2. Market value as estimated under the definition established in the Uniform Standards of Professional Appraisal Practice (USPAP).
3. This appraisal is an estimate of the total value for purposes of condemnation and is prohibited for any other use.
4. The building plans and/or property sketches in this report are included to assist the reader to visualize the subject property and we assume no responsibility for their accuracy. Unless otherwise stated in this report, we have assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass. The appraiser has relied upon the maps prepared by the Public Records of Broward County.
5. Information furnished by others is assumed to be true, correct and reliable. A reasonable effort has been made to verify such information; however, the appraiser assumes no responsibility for its accuracy.
6. The appraiser, by reasons of this report, is not required to give testimony in court with reference to the property herein appraised, nor is he obligated to appear before any governmental body, board or agent except those previously made.
7. Disclosure of the contents of this appraisal report is governed by the By-Laws and Regulations of the Professional Appraisal Organizations with which the appraisers are affiliated.
8. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection. The appraiser does not have knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If present, such substances including asbestos, urea-formaldehyde foam insulation, or other potentially hazardous substances or environmental conditions may affect the value of the property. The value estimate is predicated on the assumption no such condition exists on or in the property or in such proximity thereto to cause a loss in value. Responsibility is not assumed for any such conditions and not for any expertise or engineering knowledge required to discover them.

9. Sub-surface rights (minerals, oil, or water) were not considered in this report.
10. The value estimate herein is predicated upon the assumption the improvements comply with or are exempt from compliance with Title III of the Americans with Disabilities Act. We have not been provided with information, which would identify compliance with or exemption from the public accommodations requirement of the Act. Should an analysis of the property reveal compliance with the Act is required, and should the property require modification for compliance, the value estimate herein may be invalid.
11. Employment in and compensation for making the appraisal are in no manner contingent upon the value reported.
12. All mortgages, liens, encumbrances, leases and servitudes have been disregarded unless so specified within the report.
13. We have not inspected or tested the soil or subsoil. We are therefore unable to report that any such part of the subject property is free of defects or in such condition as to render the subject property less valuable. For this report, we have assumed that no inadequacies, insufficiencies, or faults in the subject property that is not easily detectable. We assume no responsibility for such conditions or any inspection, which might be required to discover such conditions.
14. The appraiser shall not be held liable for errors, omissions, breach of contract or warranty, unfair trade practice, gross or ordinary negligence, and non-malicious torts in acquiring, compiling, assessing, analyzing, adjusting and/or evaluating any of the information included or excluded in this appraisal report and/or resulting in the opinion included herein.
15. Neither all, nor any part of the content of this report or copy thereof (including conclusions as to the property value, the identity of the appraisers, professional designations, reference to any professional organizations, or the firm with which the appraisers are connected), shall be used for any purposes by anyone but the client specified in the report, the mortgagee or its successors and assignees, mortgage insurers, consultants, professional appraisal organizations, any provincial or federally approved financial institution, any department, agency or instrumentality of the federal government or any state without the previous written consent of the appraisers; nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without written consent and approval of the appraisers.
16. The appraiser enforcing the herein set forth contingent conditions against any entity, person or persons claiming damages because of reliance upon or use of this appraisal report or opinion, shall be entitled to all reasonable attorney's fees, costs and expenses incurred by the appraiser enforcing the contingent conditions set forth in this appraisal report, defending this contract, or collecting the fees and expenses due for this report and testimony in support thereof, including that incurred without suit, with suit, during all trials and appeals thereof.

17. The appraiser reserves the right to consider and evaluate additional data that becomes available between the date of this report and the date of trial, if applicable, and to make any adjustments to the value opinions that may be required.
18. This report is prepared for the sole use of the client, city of Fort Lauderdale.
19. The global outbreak of a “novel coronavirus” known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO). The reader is cautioned and reminded that the conclusions presented in this appraisal report apply only as of the effective date of value indicated. The appraiser makes no representation as to the effect on the subject property of any unforeseen event, subsequent to the effective date of the appraisal.

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Client:	Ms. Angela Salmon, MPA City of Fort Lauderdale Office of the City Manager 100 N. Andrews Avenue Fort Lauderdale, FL 33301
Property Owner's Name & Address:	Kamal & Shahala Hossian 3616 SW 135 Avenue Miramar, Florida 33027
Property Location:	The subject parcel is located the northeast corner of NW 22 nd Road and NW 8 th Street in the Franklin Park neighborhood of Fort Lauderdale. It has a street address of 800 NW 22 Road, Fort Lauderdale, Florida.
Property Size:	4,820 SF of net building area.
Property Site Size:	8,292± square feet or 0.19± acres.
Date of Value:	May 27,2022
Dates of Inspection:	The appraiser performed an exterior inspection of the subject property and took photographs of the property on May 27, 2022.
Site Improvements:	The site has asphalted paved parking and some chain link fencing.
Names of Persons Who Accompanied the Appraiser:	No one, only an exterior inspection was provided.
Sales Comparison Approach:	\$651,000
Cost Approach:	N/A
Income Approach:	\$636,000
Market Value Opinion:	\$650,000(R)

TYPE OF APPRAISAL AND REPORT FORMAT

In accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) 2020-2021, there are two types of appraisal formats: *Appraisal Report* and *Restricted Appraisal Report*. The appraisal of the subject was done in conformance with USPAP. This is an Appraisal Report format.

PURPOSE, INTENDED USE, AND INTENDED USER OF THE APPRAISAL

The purpose of the appraisal is to estimate market value of the subject property. The intended use of the appraisal is for internal decision-making purposes. The intended user and client is the City of Fort Lauderdale.

DEFINITION OF MARKET VALUE

For the purposes of this analysis, market value is defined as follows:

The most probable price, as of a specified date, in cash or in terms equivalent to cash or other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under conditions requisite to a fair sale with the buyer and seller each acting prudently, knowledgeably and for self-interest and assuming that neither is under duress. [Appraisal Institute's *Dictionary of Real Estate, Appraisal* Sixth Edition, 2015, page 141

PROPERTY RIGHTS (INTEREST) APPRAISED

Property Interest Appraised: Fee Simple, subject to easements of record, if any.

The property rights appraised involve the "Fee Simple" interest of the subject property. "Fee Simple Estate" is defined in *The Dictionary of Real Estate Appraisal*, Sixth Edition, Appraisal Institute, as:

"Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

Real Property Interest Previously Conveyed: I am aware of no property interests which may have been previously conveyed and which negatively affects value.

Encumbrances: The individual encumbrances or easements are detailed later in this report, if any.

Non-Realty Items Appraised: None.

SCOPE (EXTENT OF PROCESSING, CONFIRMING, AND REPORTING OF DATA)

SCOPE OF WORK

The appraisal process is an orderly program in which the data used in estimating the value of the subject property is gathered, analyzed and presented in report form. The scope of the appraisal is the extent of the process of collecting, confirming and reporting data. The extent to which the market is researched is contingent upon the type of property included in the appraisal assignment.

The appraiser will undertake this appraisal assignment under the following scope of work:

- ◆ The purpose of the appraisal was to estimate the market value of the subject for internal decision making purposes;
- ◆ The exterior of the subject property was inspected and photographed on May 27, 2022;
- ◆ All comparables were inspected and photographed;
- ◆ The physical characteristics of the subject property was considered;
- ◆ The various laws and governmental policies regulating the use of the subject property were considered;
- ◆ Review any information provided by the owner; maps were provided to the appraiser;
- ◆ An opinion of the subject property's Highest and Best Use was formulated;
- ◆ A search for improved sales and rentals in the general market area was conducted;
- ◆ The terms and conditions of market data discovered was verified;
- ◆ Market data was analyzed with respect to market trends and market values. All comparable sales used were confirmed with a principal in the transaction, either grantor or grantee or their representatives. Public records were utilized to check the recording of deeds and easements;
- ◆ The appropriate appraisal approaches to value were developed, which included the Sales Comparison Approach along with the Income Approach to Value was developed;
- ◆ The current market value of the subject property was estimated.

APPRAISAL PROBLEM

The subject parcel is located along the northwest side of NW 22nd Road which is near the western limits of the city of Fort Lauderdale in the Franklin Park area. The subject is improved with a single-story 4,820 square foot convenience store having a common street address of 800 NW 22 Road, Fort Lauderdale, Florida. It is zoned **Residential Multifamily Mid Rise/Medium High Density**.

This frontage along NW 22nd Road, which is a two-lane north/south street in this area, which runs north to just south of Sunrise Boulevard in this area. The purpose of this appraisal report is to provide an opinion of market value of this property. The intended use is to establish market value of this site based on the Highest and Best Use of the site.

The market value estimation process involves selecting and analyzing the most relevant market data and correlating the conclusions into a single value estimation of the subject property. In estimating the market value of the whole subject property, the appraiser will rely on sales information provided in the addenda of this report. In appraising the subject property, the Sales Comparison Approach and Income approaches to Value will be developed.

PRESENTATION OF DATA

IDENTIFICATION OF PROPERTY AND LEGAL DESCRIPTION

IDENTIFICATION OF PROPERTY

The subject parcel is located at the northeast corner of NW 22nd Road and NW 8th Street, which is near the western limits of the city of Fort Lauderdale in the Franklin Park area. The common street address is 800 NW 22nd Road, Fort Lauderdale, Florida.

LEGAL DESCRIPTION

The following legal description was taken from the Broward County Public Records and are as follows.

Lot 12, less the west 5 feet for street, and Lot 13. Less the west 5 feet for street, all in Block 1, Franklin Park, according to the plat thereof recorded in Plat Book 21, Page 3, of the Public Records of Broward County, Florida

DESCRIPTION OF AREA AND NEIGHBORHOOD

Please refer to the Addenda for the Broward County Area data.

Neighborhood

A neighborhood is defined as a “group of complementary land uses; a congruous grouping of inhabitants, building or business enterprises.” Source: *The Dictionary of Real Estate Appraisal*, 6th Edition.

The boundaries of the neighborhood can be distinguished by different types of characteristics; some can be man-made, such as canals or roadways, and others can be natural, such as rivers or mountain ranges. Typically, as noted earlier, the inhabitants of a neighborhood will usually have a commonality income level, education level, business type, etc.

The subject property is in the southeast section of the city of Fort Lauderdale, Florida. The neighborhood has the following approximate boundaries:

North Boundary:	Sunrise Boulevard
South Boundary:	Broward Boulevard
East Boundary:	The Florida East Coast Rail Line
West Boundary:	Northwest 31 st Avenue

These boundaries describe an area that was developed with a mixture of older detached single-family homes and multi-family dwellings in the residential area and a mixture of commercial uses along Broward Boulevard, Sistrunk Boulevard, Sunrise Boulevard and other area traffic arteries.

This location is in the city’s northwest section about two miles west of the “downtown area”. The subject, is also within the boundaries of the City of Fort Lauderdale’s Community Redevelopment Area (CRA), known as the Northwest - Progresso - Flagler Heights Area. The boundaries of the CRA, are “generally, Sunrise Boulevard on the north, Broward Boulevard on the south, the city corporate limits on the west, and Federal Highway on the east; except for that portion lying south of NE 4th Street and east of Andrews Avenue between Broward Boulevard and Federal Highway which is excluded.”¹ It is our opinion that the CRA district boundaries form the boundaries of the subject’s “neighborhood” or market area.

The boundaries of the CRA describe an area that has been developed since the 1920's and 30's. General information regarding the CRA district as shown on their web site is as follows:

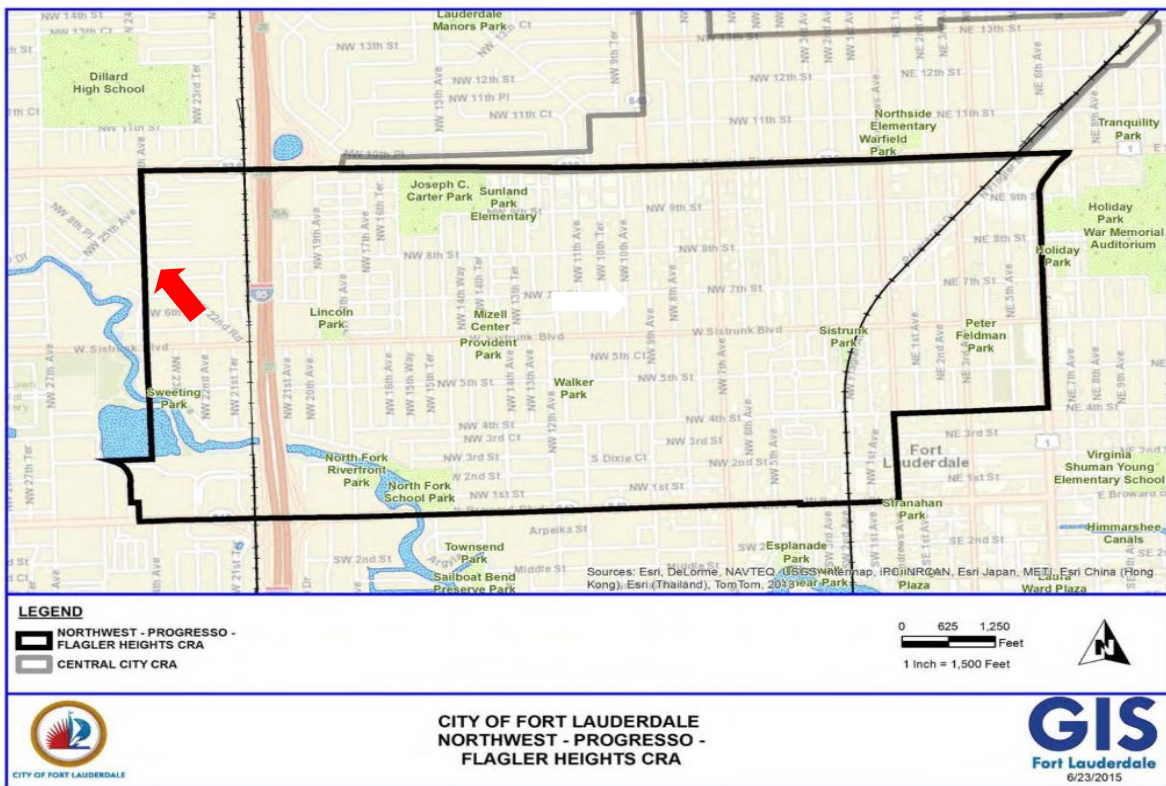
Size of District: Approximately 1400 acres

¹ City of Fort Lauderdale/Fort Lauderdale Community Redevelopment Agency Community redevelopment Plan: Northwest-Progresso-Flagler Heights Area Amended and restated, May 2001.

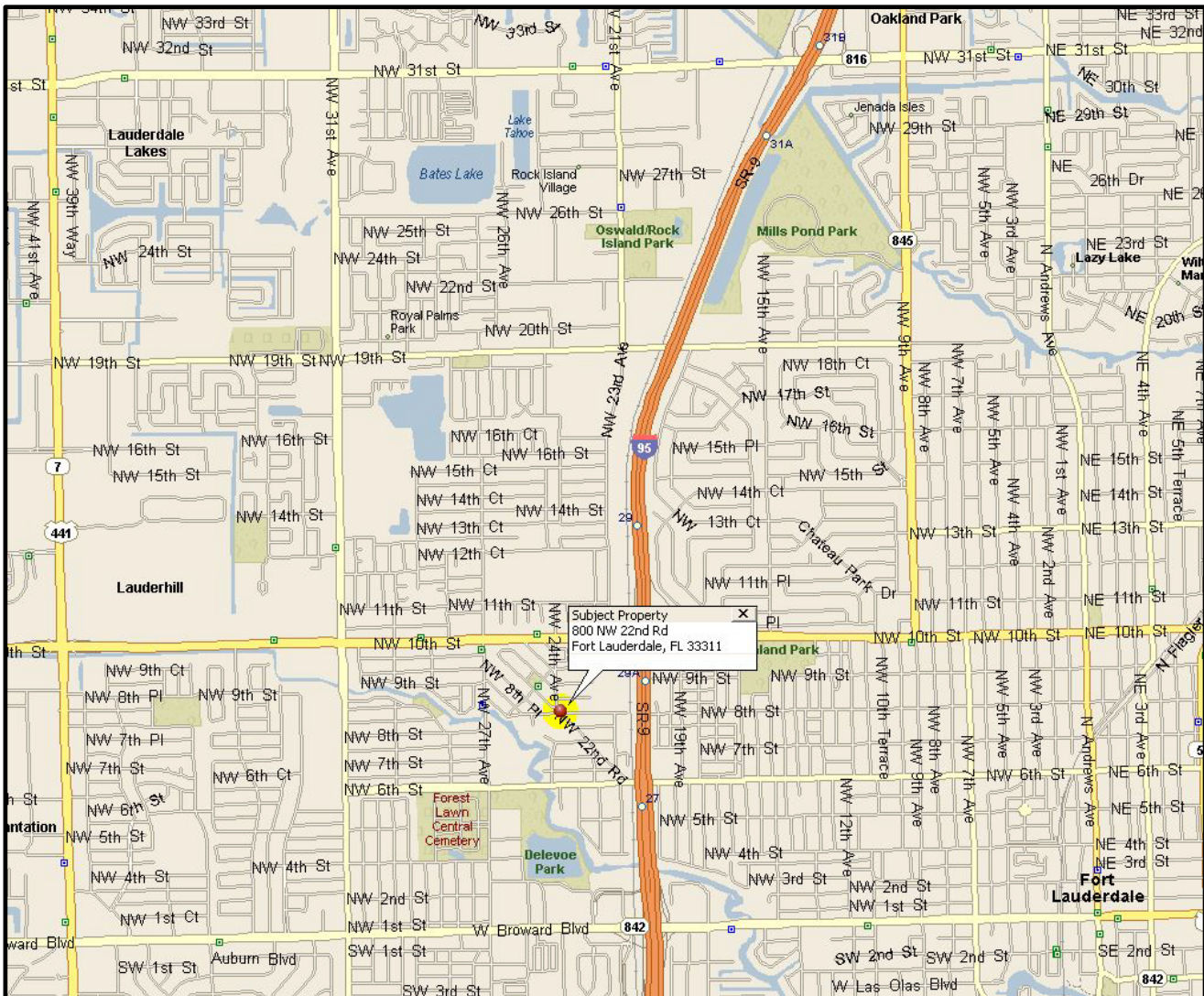
Funding Source: Tax Increment Financing (TIF). The property values in the district were calculated the year the district was formed (1995). Any increase in property values from 1995, which results in an increase to the tax base, goes into the CRA trust fund.

The CRA Strategic Plan was approved in April 2000 to establish a focus on key geographic areas, create guidelines and act as a foundation for redevelopment goals and objectives. The CRA Financial Strategic Plan approved in March 2001 is a feasible financial strategy to implement redevelopment initiatives in the NPF CRA district over the next five years. The plan identifies a number of funding sources including bond proceeds, Community Development Block Grant, HOME grants, SHIP funds, City and CRA Tax Increment Funds.

The map below and on the following page shows the CRA as well as the city boundaries of Fort Lauderdale along where the subject on the next page locates is highlighted in a darker shade of red.



Location Map



Based on the neighborhood boundaries stated in the preceding pages the following demographic information was derived.

City of Fort Lauderdale		Market Area	% of City Total
Fort Lauderdale Population (Total)	179,465	Market Area Population (Total)	13,589 7.57%
Fort Lauderdale Population (+18)	146,734	Market Area Population (+ 18 Years)	11,548 7.87%
Estimated Median Household Income	63,816	Estimated Median Household Income	\$59,861 93.80%
Average Houshold Income	98,334	Average Household Income	\$86,953 88.43%
Total Households	74,678	Market Area Households	6,340 8.49%
Houdrholds Vacant	21,403	Market Area Households Vacant	915 4.28%
Households Owner Occupied	39,239	Market Area Households Owner Occupied	3,603 9.18%
Households Renter Occupied	35,439	Market Area Households Renter Occupied	2,737 7.72%

The demographic information for the city of Fort Lauderdale as a whole along with the Fort Lauderdale Northwest Progresso Flagler Heights CRA has been included. From the data presented, it is apparent that most of the housing within the subject area is multi-family given the high population density and the amount of renter occupied housing.

Overall, this area is in a stage of redevelopment and renewal which shows demand for new commercial development such retail uses. **In conclusion, the subject neighborhood is characterized by a mixture of land uses such as retail uses which includes automotive sales and service along the main traffic corridors supported by the residential uses in the interior areas.**

This location provides the subject parcel with ready access to two major traffic routes, one north/south and one, east/west which in turn connect to major limited access road providing access to the South Florida region. The subject's location within a stable growth area in the City of Fort Lauderdale gives the subject site great potential for its continued use for retail developments.

Stages of a Neighborhood

- (1) Growth -** a period during which the neighborhood gains public favor and acceptance.
- (2) Stability -** a period of equilibrium without marked gains or losses.
- (3) Decline -** a period of diminishing demand.
- (4) Revitalization -** a period of renewal, modernization, and increasing demand.

The subject neighborhood is considered to be in a period of revitalization.

DESCRIPTION OF PROPERTY, PHOTOGRAPHS, AND SKETCHES

Property Type: Site is developed with a 4,820 square foot retail building.

Existing Use: The site is improved with a retail building.

Land: The parcel comprising the entire subject property has unity of ownership, unity of use and contiguity.

A. Area: The subject's land area has the following area based on the public records of Broward County (BCPA). The indicated size is 8,292± square feet or 0.19 acres.

B. Shape: The subject property is irregular in shape with the southern boundary along the norther right-of-way line of NW 8th Street.

C. Dimensions: The subject property's dimensions are beginning at the southeast corner of the site: 92'± X 95'± X 57'± X 49'± X 65'± based on the plat.

D. Ingress/Egress: The site has frontage along NW 8th Street, NW 22nd Road/Franklin Drive and NW 24th Avenue. Access is available from NW 8th street and NW 24th Avenue via drop curb.

E. Topography: Generally flat and at road grade.

F. Flood Plain Data: According to the FIRM Flood Insurance Rate Map, Community Panel No. 12011 CO 368 H with an effective date of August 18, 2014, the subject is mostly located in the Zone "X", with a very small portion on the southeast corner in the "AH" Zone.

G. Drainage: Based on inspection, the drainage appears adequate. No problems were identified.

H. Soil Characteristics: Being beyond the scope of the appraiser's duties, no soil samples were taken or analyzed by the appraiser. The underlying soil type appears to be **UR - Urban Land (Immokalee)**. This is the map unit delineation according to the Soil Survey of Broward County Area prepared by the U.S. Department of Agriculture, Natural Resources Conservation Service. This is land that is 60% to more than 75% covered with streets, buildings, parking lots, shopping centers, lawns, playgrounds etc. to such an extent that the former soils cannot be easily recognized.

I. Utilities on Site: Water, sewer, electric and telephone are available to the site.

J. Utilities Available: Utilities are readily available to the subject property include water and sewage disposal, telephone and electricity.

K. Site Improvements: The site has minimal site improvements with asphalt paved parking area along the south and west sides of the site. There is also a CBS wall and wood fencing along the easterly portions of the site.

L. Easements, Encroachments or Restrictions, and their Effect or Limitations: There are no known easements or encroachments which have a negative effect on or limit the use of this site.

M. Environmental: An Environmental Site Assessment Report on the subject parcel was not provided. During the appraiser's inspection there were no readily apparent items such as containers, hazardous chemical usage or spillage that would give an indication of environmental considerations that might possibly adversely affect the property's marketability, its value or its highest and best use. Thus, this report is prepared, *as if, the property is clean.*

The appraiser is not a hazardous waste expert and thus is not qualified to detect such substances. The client is urged to retain an expert in this field if desired. Only a reasonable visual inspection of the property was made by the appraiser for these potential pollutants or contaminants.

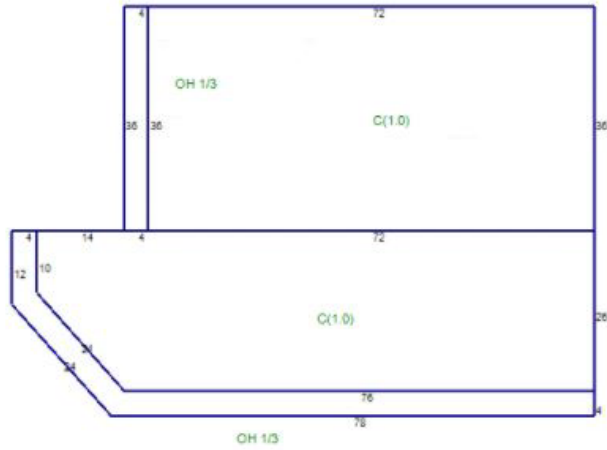
Description of the Improvements

The subject is improved with a one-story, CBS commercial building which contains 4,820 square feet. The roof covering consists of built composition covering. The interior was not inspected; however, the appraiser assumes it has typical finishes for a convenience store. No information regarding the condition of the roof was available to the appraiser.

As stated above the appraiser was not able to view the interior of the building. However, if at some point in the future the appraiser is allowed to inspect and some problem is discovered during that inspection, the appraiser reserves the right to revise the value contained in this report based on that inspection.

The structure was built in 1962. Overall, the building appears to be in fair to average condition for this area.

BCPA Sketch : 504205080080
 Building 1 of 1



Details :

Page : 1
 File : 0205-08-0080.xml
 Subject information :

Area Summary :

Code	Description	Area	Perimeter	Adj. Area	Adj. Perim	Factor	Stories	Level
C(1.0)	First Floor	2,228.00	147.26	2,228.00	223.26	1.00	1.00	1.00
C(1.0)	First Floor	2,592.00	144.00	2,592.00	216.00	1.00	1.00	1.00
OH 1/3	Overhang 1/3	144.00	76.00	47.52	80.00	0.33	1.00	1.00
OH 1/3	Overhang 1/3	448.00	205.26	147.84	229.34	0.33	1.00	1.00

Subject Photographs



Above: 1. View of front of building along the north side of NW 8th Street.
Below: 2. View east along the NW 8th Street at NW 22nd Road.



Subject Photographs (Continued)



Above: 3. View northeast at the intersection of NW 8th Street and NW 22nd Road showing westerly building elevation.

Below: 4. View northwest along the south side of NW 8th Street showing easter building elevation.



Subject Photographs (Continued)



Above: 5. View looking north showing front/southerly side of subject building.
Below: 6. View southeast of the west side of subject building.



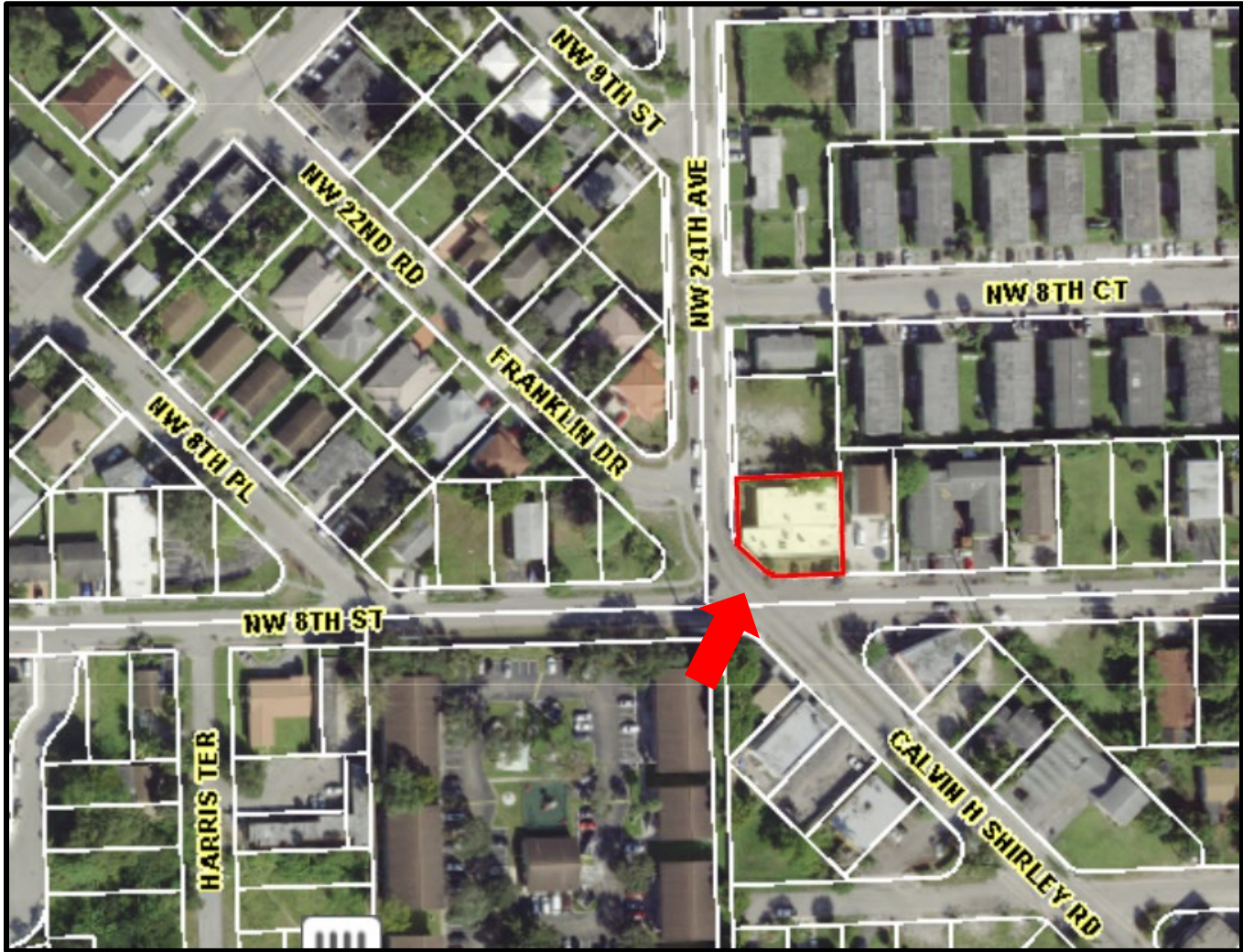
Subject Photographs (Continued)



Above: 7. View looking east along the westerly of the subject.
Below: 8. View looking south at NW 22nd Road and NW 24th Avenue.



AERIAL VIEW (BPCA)



ZONING, LAND USE PLANNING, CONCURRENCY

The subject parcel is currently zoned **Residential Multifamily Mid Rise/Medium High-Density District** by the City of Fort Lauderdale. “The *RMM-25* district is intended for mid-rise multifamily residences and tourist accommodations. The *RMM-25* district has a maximum density of 25 dwelling units per net acre and a maximum density of 30 hotel/motel or nursing home rooms per net acre, which is consistent with the residential medium high category of the city's comprehensive plan. Parcels so designated shall serve as a transition from medium high density multifamily housing and hotel development to single family and midrise multifamily residential neighborhoods and shall be located in proximity to arterial or collector streets or adjacent or near to commercial shopping and office facilities or services.”

Minimum Lot Requirements:

Lot Area:	5,000 Square feet
Width:	50 feet
Depth:	None Specified
Height:	35 feet Maximum Height
Minimum Floor Area:	750 SF Single-Family, Various size for other uses.
Lot Coverage & FAR:	None stated
Impervious Area:	None Specified
Setbacks:	Front/corner-30’ minimum; Side/rear when contiguous to residential 30’

Future Land Use: The Future Land Use Map of the city of Fort Lauderdale has the subject parcel designated as **NW REGIONAL ACTIVITY CENTER**. The current use would be allowed under this land use.

Platting and Concurrency: The subject was platted; however, it is unknown if the property is exempt from concurrency requirements. Concurrency, generally, means that public services and facilities needed to meet the impact of development must be in place at the time the development is constructed. The property is considered to be in an infill urban area which could be redeveloped to a higher intensity.

ASSESSED VALUE, TAXES & SPECIAL ASSESSMENTS

The taxing authority for the subject is Broward County. The subject property is assessed under Folio Number 5042 05 08 0080:

<u>Year</u>	<u>Land</u>	<u>Improvements</u>	<u>Market Value</u>	<u>Assessed Value</u>	<u>Taxes</u>
2021	\$82,920	\$339,680	\$422,600	\$422,600	\$10,851.67
2020	\$82,920	\$339,680	\$422,600	\$422,600	\$10,810.28
2019	\$82,920	\$322,650	\$405,570	\$405,570	\$9,913.39

The above listed tax information is based on the 2021 tax assessment and is the most recent year for which recorded tax data is available. Total tax amount is \$10,852. According to the Broward Tax Collector's website, taxes have been paid.

HISTORY OF PROPERTY

The public records indicate that the subject sold on July 2, 2021 for a recorded price of \$440,000 or \$91.29/SF. The sale was not confirmed with the purchaser but was informed by a local broker that this was divided between real estate and business. Therefore, it appears that the stated price does not reflect the true market value of the subject. Prior to the 2021 sale, the last recorded transfer of the subject was in March 2017 via a Quit Claim Deed (114275499) for a stated price of \$235,000. However, this stated price is also the sale price as recorded in November 2005. It does not appear that this was a market transaction. There have been no other recent transactions. The appraiser has not found any current listings for the subject.

EXPOSURE TIME

Exposure time may be defined as follows:

The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market.

Source: *The Uniform Standards of Professional Appraisal Practice*, 2020-2021 Edition, Extended to December 31, 2022, the Appraisal Foundation.

Exposure time required for comparable properties have ranged from six (6) month to twenty-four (24) months. It is estimated that up to eighteen (18) months is a reasonable estimate of exposure time for the subject, as of the date of valuation.

PUBLIC AND PRIVATE RESTRICTIONS

There are no known public or private restrictions which have a negative effect on or limit the use of this site.

ANALYSIS OF DATA AND CONCLUSIONS

HIGHEST AND BEST USE ANALYSIS

Definition

The Dictionary of Real Estate Appraisal, Six Edition, Appraisal Institute, defines highest and best use as:

“The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.”

As previously outlined under Property Description, the subject property was estimated to contain a net area of 8,292± square feet or 0.19± acres of site area which will need to be re-zoned prior to development.

Highest and Best Use - As Vacant

Legally Permissible -

The subject property is an 8,292 square foot site. As described in a prior section of this report the subject is Residential Multifamily Mid Rise/ Medium High Density by the City of Fort Lauderdale. The city of Fort Lauderdale Future Land-Use Plan has the parcel designated for Northwest Regional Activity Center which allows for mixed use development. Thus, the Future Land Use Plan is different than the current zoning.

Physically Possible - The subject is located northeast corner of NW 22nd Road and NW 8th Street. The common street address is 800 NW 22 Road, Fort Lauderdale, Florida. The subject’s locational qualities are similar to sites that have been or are to be developed with residential uses along with mixed uses within the past few years.

Commercial and Industrial uses are considered physically possible on the site. Purchasers/developers are generally aware of what is required for development, when sites like the subject are purchased. It is assumed that soil conditions are typical for the area since a site-specific soil survey was not available to us.

There are no known physical characteristics that would hinder the site’s use for typical small mixed-use residential subdivision type development. Considering the shape, size, accessibility, road frontage, location and similarity to the surrounding land use, the most probable, physically possible use would be for multi-family use.

Financially Feasible - The determination of financial feasibility involves analyzing the supply and demand and the cost of development with the potential benefit. After eliminating the possible uses of the site, which are not physically possible, or legally permissible, it is necessary to analyze the remaining possibilities to determine which are likely to produce a positive return.

There is demand for land similar to the subject site, with activity and recent sales of similarly zoned and located sites. All of the sales support a reasonably active market for this type of property at price levels consistent with a residential/commercial use neighborhood.

Due to the limitation of the Future Land Use Plan and zoning, the only financially feasible use for the subject property is for some type of mixed residential building.

Maximally Productive – The maximally productive use is the one use out of the legally permissible, physically possible and financially feasible uses that result in the highest value to the site. The maximally productive use of the subject site is considered to be for some type of multi-family or mixed-use development.

Highest and Best Use Conclusion-As Vacant

Considering the shape, size, accessibility, road frontage, location and similarity to the surrounding land use, the highest and best use for the subject would be for residential mixed-use development.

Highest and Best Use as Improved

The subject property has been developed with the current 4,820 square foot retail building since 1962. As indicated in the Sales Comparison section of this report the building improvements add value to the land. Commercial properties have been marketable over the past two years. The ongoing demand, together with the highly developed status of the subject neighborhood, supports the feasibility of the subject as improved with the existing retail building.

APPROACHES TO VALUE USED AND EXCLUDED

There are three generally recognized approaches that provide indications of market value in the appraisal process, which are summarized below.

Cost Approach - This approach is premised upon the concept that a purchaser will pay no more for a property than would be spent to produce a comparable substitute property. This theory is based on the cost of production. A value indication via the Cost Approach is derived by estimating the cost new of the improvements, minus any loss of accrued (physical, functional and/or external or economic) depreciation. Using sales comparison approach techniques, the appraiser develops a value opinion of the site and adds it to the depreciated value of the improvements. The addition of entrepreneurial profit, if any, completes this process.

The Cost Approach will not be utilized in estimating the market value of the subject property. The Cost Approach is most applicable when used in estimating the value of new improvements, or in situations where depreciation is low and can be estimated with a reliable degree of accuracy. This approach starts losing its validity as a property gets older and its condition deteriorates. This is due to the lack of available market evidence from which to derive reliable estimates of physical, functional and locational obsolescence. Also, buyers and sellers do not typically make decisions based on the cost new less depreciation when the improvements are old.

Sales Comparison Approach - This approach is based on a theory that a typical purchaser is only willing to pay for a substitute property of equal utility. This approach compares the subject property to similar properties and adjusts for such factors as date of sale, conditions of sale, age, physical characteristics, and market conditions. Adjustments are applied to the comparable sales to reflect the subject features.

Income Approach - The Income Approach converts the anticipated income to be derived from the ownership of property into a value estimate. Under this approach, the relationship of income is compared to the sale's price.

As Improved - Due to the age of the subject improvements, the Cost Approach will not be developed for inclusion in this appraisal.

In appraising the subject property, the Sales Comparison and Income Approaches will be relied upon.

SALES COMPARISON APPROACH

The appraiser searched the subject and adjacent neighborhoods for the most recent sales of similarly improved property. The improved sales on the following grid are considered to have the greatest overall degree of similarity to the subject property from among the sales reviewed. They are analyzed on the following pages and form the basis of an estimate of the subject's value by the Sales Comparison Approach.

The subject property is an industrially zoning parcel improved with a 4,820 square foot retail building. During my inspection, I was not allowed in the building; consequently, if at some time in the future an inspection of all the bays is found and allowed to inspect, if some problem is found I reserve the right to revise the value derived in this report.

Recent sales retail buildings were found within the subject neighborhood and other similar neighborhoods. The unit price used was the sale price per gross building area (or gross usable area). These sales are presented on the grid on the following page.

RETAIL BUILDING SALES ANALYSIS

<u>Sale No.</u>	<u>Subject</u>	<u>Improved Sale 1</u>	<u>Improved Sale 2</u>	<u>Improved Sale 2</u>	<u>Improved Sale 2</u>	<u>Improved Sale 4</u>	<u>Improved Sale 5</u>				
Address	800 NW 22 Road, Fort Lauderdale	3701 W Davie Blvd, Fort Lauderdale	370 NE 44 Street, Oakland Park	3140 NW 12 Place, Fort Lauderdale	4975 NE 6 Avenue, Oakland Park	880 NW 25 Avenue, Fort Lauderdale					
Date of Sale	7/2/2021	3/30/2022	3/3/2022	11/29/2021	8/13/2021	1/8/2021					
Site Size (SF)	8,292	6,985	5,800	5,000	12,889	10,003					
Bldg Size	4,820	1,082	1,616	1,000	2,450	3,024					
Sale Price	\$440,00	\$290,000	\$200,000	\$142,000	\$550,000	\$330,000					
Zoning	RMM-25	CB	B-2	CG	B-1	RS-6					
Configuration	Irregular	Rectangular	Rectangular	Generally Rectangular	Rectangular	Rectangular					
Topography	Level	Level	Level	Level	Level	Level					
Bldg Condition	F-Avg	Average	F-Average-minus	F-Average	F-Average	F-Average-minus					
Land to Bldg. Ratio	1.72	6.46	3.59	5.00	5.26	3.31					
Price/SF Bldg	\$91.29	\$268.02	\$123.76	\$142.00	\$224.49	\$109.13					
Adjustments											
Property Rights	Fee Simple	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00
Financing	Cash Equiv.	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00
Conditions of Sale	Arm's Length	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00
Market Conditions		0.00%	<u>\$0.00</u>	<u>0.00%</u>	<u>\$0.00</u>	<u>0.00%</u>	<u>\$0.00</u>	<u>0.00%</u>	<u>\$0.00</u>	<u>0.00%</u>	<u>\$0.00</u>
Adj. Price/SF		0.00%	\$268.02	0.00%	\$123.76	0.00%	\$142.00	0.00%	\$224.49	0.00%	\$109.13
Comparisons											
Location		-15.00%	-\$40.20	0.00%	\$0.00	0.00%	\$0.00	-15.00%	-\$33.67	0.00%	\$0.00
Bldg Size		-5.00%	-\$13.40	-5.00%	-\$6.19	-5.00%	-\$7.10	0.00%	\$0.00	0.00%	\$0.00
Bldg Condition		-10.00%	-\$26.80	15.00%	\$18.56	0.00%	\$0.00	0.00%	\$0.00	20.00%	\$21.83
Land to Bldg. Ratio		-10.00%	-\$26.80	-5.00%	-\$6.19	-10.00%	-\$14.20	-10.00%	-\$22.45	-5.00%	-\$5.46
Zoning/Land Use		0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00
Other		0.00%	\$0.00	0.00%	\$0.00	0.00%	<u>\$0.00</u>	<u>0.00%</u>	<u>\$0.00</u>	0.00%	\$0.00
Net Adjustment		-40.00%	-\$107.21	5.00%	\$6.19	-15.00%	-\$21.30	-25.00%	-\$56.12	15.00%	\$16.37
Adj. Price/SF Bldg.	\$91.29	\$160.81	\$129.95	\$120.70	\$168.37	\$125.50					

Discussion of Adjustments

Based on standard appraisal practice, there are two basic ways of analyzing for adjustments to sales: quantitative and qualitative. In most cases the appraiser will try to analyze the comparable sales based on a quantitative analysis. Although the quantitative methodology generally results in a better analysis, its inherent flaw lies in the amount of available data. In cases where the appraiser has insufficient market data, the appraiser will use qualitative analysis. The method is used to reflect the imperfection of the real estate market. Both techniques are widely used and accepted by all major appraisal organizations.

The previously presented sales are reasonably similar to the subject, although they are not identical and thus require direct comparison to the subject to account for various differences. Those comparison categories for this property type include property rights, financing, conditions of sale, expenditures after purchase, date of sale (market conditions), location, unit size, ceiling height, air-conditioned area, zoning/land use, some of which are discussed as follows.

Property Rights – All improved sales are composed of retail buildings within the subject’s immediate market area. The property rights conveyed for all the sales are also fee simple sale of the retail buildings. Adjustment for property rights is not warranted.

Financing – All the sales involved cash or conventional financing at market rates. Financing adjustments are not necessary to these sales, since there was no unusual favorable financing.

Conditions of Sale - Adjustments for conditions of sale usually reflect the motivations of the buyer and the seller. Depending on the conditions of sale, the sales price can be significantly affected. Each of the sales included in this analysis were verified to be arm’s length transactions. They were all available for sale on the open market and there were no known unusual conditions. Adjustments for conditions of sale are not necessary.

Market Conditions - The date of sale identifies market conditions prevailing when the particular transaction occurred. Market conditions may change between the date of sale of a comparable and the effective date of the appraisal. Sales occurred over a four-month time span from January 2021 to March 2022. During this time frame, there is no evidence of appreciation in the subject’s neighborhood and market area.

Location - The subject is located within the western central section of the city of Fort Lauderdale, just west of I-95. Improved Sale #1 and Improved Sale #4 have superior locations along main east/west traffic arteries. These two sales warrant a downward adjustment of 15% for location.

Physical Characteristics

In analyzing the comparable sales, their various physical characteristics in comparison to the subject property must be considered.

Building Size - The subject contains 4,820 square feet of area for the subject building while the sales range from 1,000 square feet to 3,024 square feet. Improved Sales #1, #2 and #3 are much smaller than the subject and have been adjusted downward -5% for this factor.

Building Condition - The subject building improvements were built in 1962 and are considered to be in fair-average condition. Improved Sale #1 is considered to superior in condition and adjusted downward 10% for this superior feature. Improved Sale #2 and #5 are considered to be in inferior condition and were adjusted upward 15%. For this factor.

Land to Building Ratio - The subject property has a land to building ratio of 1:1.73. The sales all have superior land to building ratios from 1:3.31 to 6.46. The sales were adjusted downward, either -5% or -10%, depending on how great the difference in land to building ratio.

Other Items – N/A.

Economic Characteristics - Like the subject, the comparable sales are all located in the Fort Lauderdale market area. In the appraiser's opinion, adjustments for economic conditions are not necessary.

Correlation and Conclusion

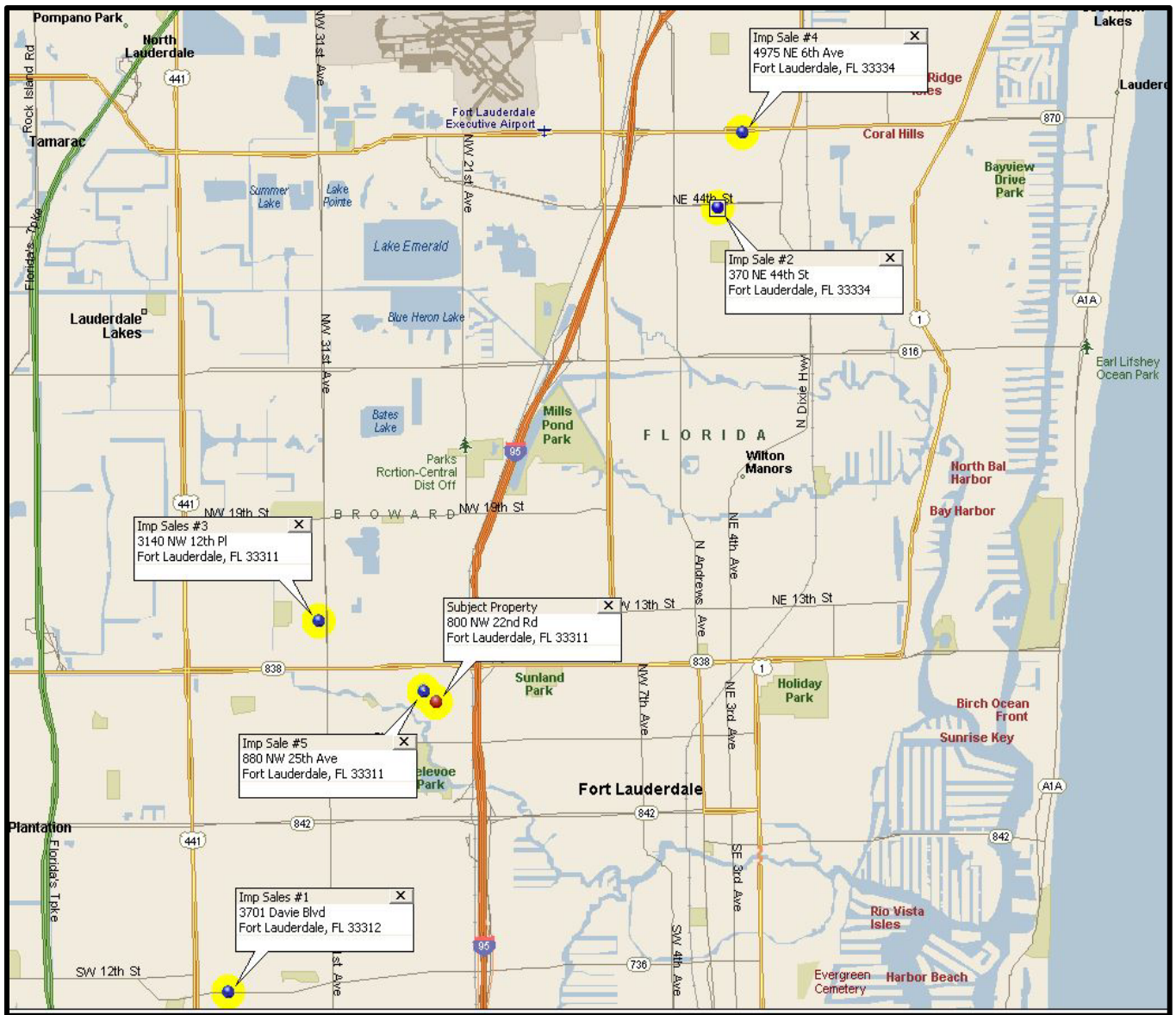
Opinion of Market Value

The unadjusted price per square foot range is from \$109.13 to \$268.02. The retail buildings range in size from 1,000 square feet to 3,024 square feet of area. The subject is above the range at 4,820 square feet. The sales used within this analysis includes five sales that are considered to be in mostly fair to average condition. After adjustments, the per square foot range is from \$120.70 to \$160.81. The average adjusted price per square foot is \$141.07 while the median price is \$129.95.

In the appraiser's opinion, a conclusion within the adjusted range provided by the sales, or at \$135.00 per square foot provides the best indication of value of the subject property. This value is well supported by all the sales. Based on \$135.00 per square foot, the market value the subject property is estimated as follows:

$\$135.00/\text{SF} \times 4,820 \pm \text{SF} = \$650,700$, say, \$651,000 rounded.

Improved Sales Location Map



COMPARABLE SALE #1



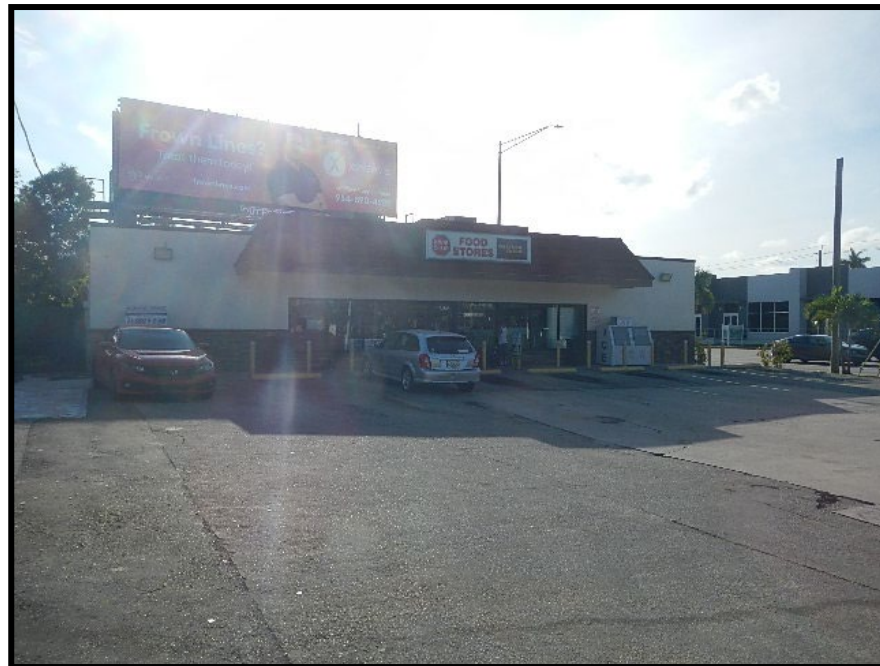
COMPARABLE SALE #2



COMPARABLE SALE #3



COMPARABLE SALE #4



COMPARABLE SALE #5



INCOME CAPITALIZATION APPROACH

The Income Capitalization Approach is defined as:

A set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversion) into property value. This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate.²

The income approach is based on the principal of anticipation with value reflected as the present worth of the right to future benefits. The future benefits which accrue to ownership are based on the income generating potential of the subject property. The process of income capitalization requires the following analysis:

1. *An estimate of potential gross income based on market rents.*
2. *An estimate and deduction for vacancy and collection losses, resulting in effective gross income (gross receipts or revenues).*
3. *An estimate and deduction of the operating and fixed expenses and reserves for replacement in order to arrive at net operating income (before debt service or recapture).*
4. *An estimate of the durability of the projected income stream.*
5. *The development and selection of an appropriate capitalization rate and technique.*
6. *Application of the estimated capitalization rate to the estimated net income, resulting in an indication of value.*

² The Dictionary of Real Estate Appraisal, Sixth Edition

DEFINITION OF MARKET RENT

Market rent is defined as:

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the specified lease agreement including term, rental adjustment and revaluation, permitted uses, use restrictions, and expense obligations; the lessee and lessor each acting prudently and knowledgeably, and assuming consummation of a lease contract as of a specified date and the passing of the leasehold from lessor to lessee under conditions whereby:

1. Lessee and lessor are typically motivated.
2. Both parties are well informed or well advised and acting in what they consider their best interests.
3. A reasonable time is allowed for exposure in the open market.
4. The rent payment is made in terms of cash in United States dollars and is expressed as an amount per time period consistent with the payment schedule of the lease contract.
5. The rental amount represents the normal consideration for the property leased unaffected by special fees or concessions granted by anyone associated with the transaction.

The subject property building is 4,820 square feet in net building area and is in fair to average condition.

The following four market rentals are directly compared to the subject property.

Rental 1 – This is a strip center located on the south of Davie Boulevard. The total building area is 80,345 square feet with 19,322 square feet vacant currently available for rent. The asking rental rate of \$18.00/SF on a modified gross basis but the listing broker is advertising two months free rent. I have calculated this equates to an asking price of \$15.00/SF for the first year. The spaces available range in size from 1,600 SF to 8,050 SF.

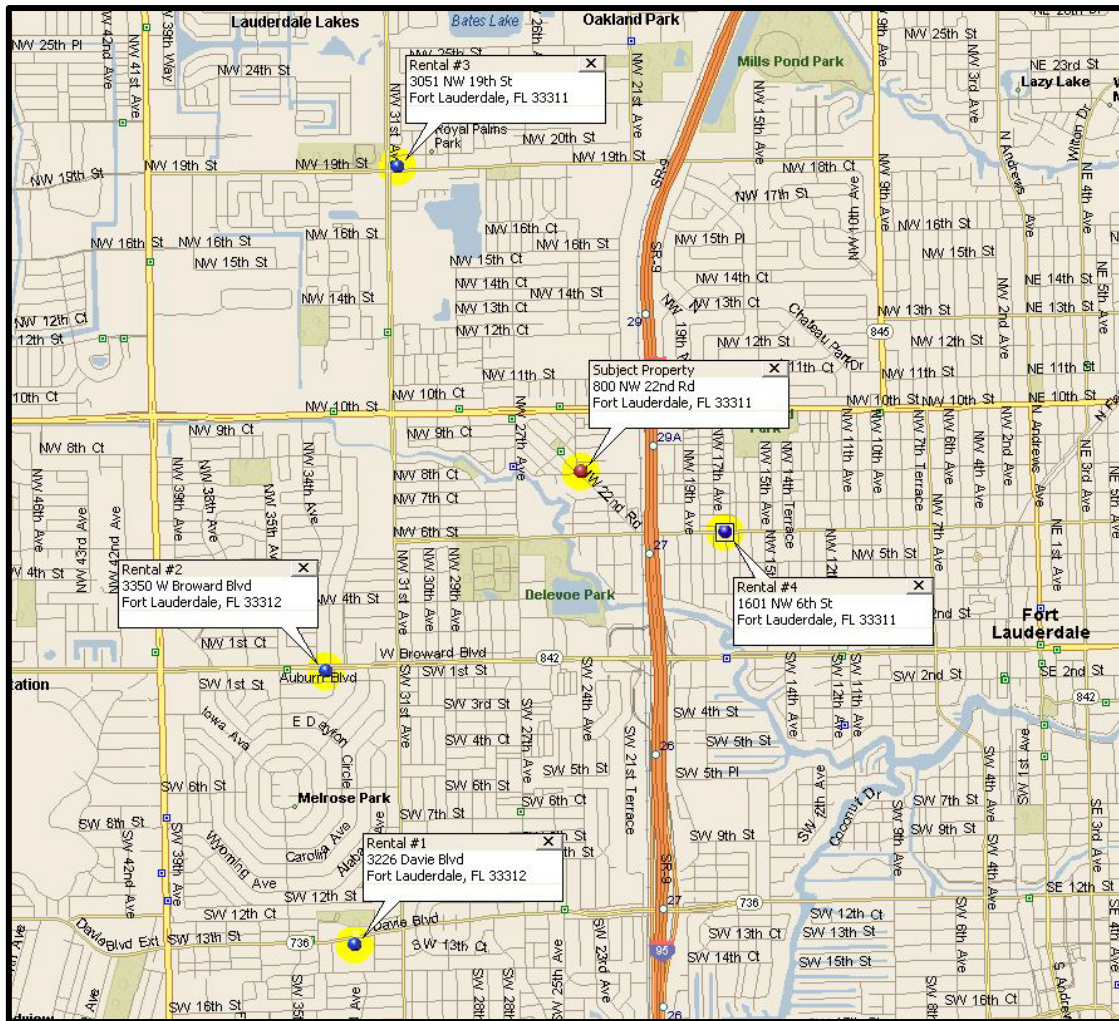
Rental 2 – This is a small two-bay retail building located along West Broward Boulevard. There is a 1,900 SF bay for lease. The asking rental rate is \$19.00/SF on a modified gross basis.

Rental 3 – This is a neighborhood strip center located along NW 19th Street. The total building area is 7,071 square feet and there is 1,600 square feet for lease with an asking rate of \$13/SF on a NNN basis.

Rental 4 – 1601 NW 6 Street is a small building located on the north side Sistrunk Boulevard near downtown Fort Lauderdale. The actual rental rate is of \$17.00/SF on a modified gross basis. The building is available for purchase with an asking price of \$450,000 or \$219.19/SF

Address	Building Size (SF)	Type	Space Available (SF)	Price/SF	Terms
236 - 3250 W. Davie Boulevard	80,345	Strip Center	19,322	\$15.00	Mod. Gross
3350 W. Broward Boulevard	2,400	2 Bay Bldg	1,900	\$19.00	Mod. Gross
3051-3061 NW 19 Street	7,071	Strip Center	1,600	\$13.00	NNN
1601 NW 6 Street	2,053	Two Tenant Bldg	2,275	\$17.00	Mod. Gross

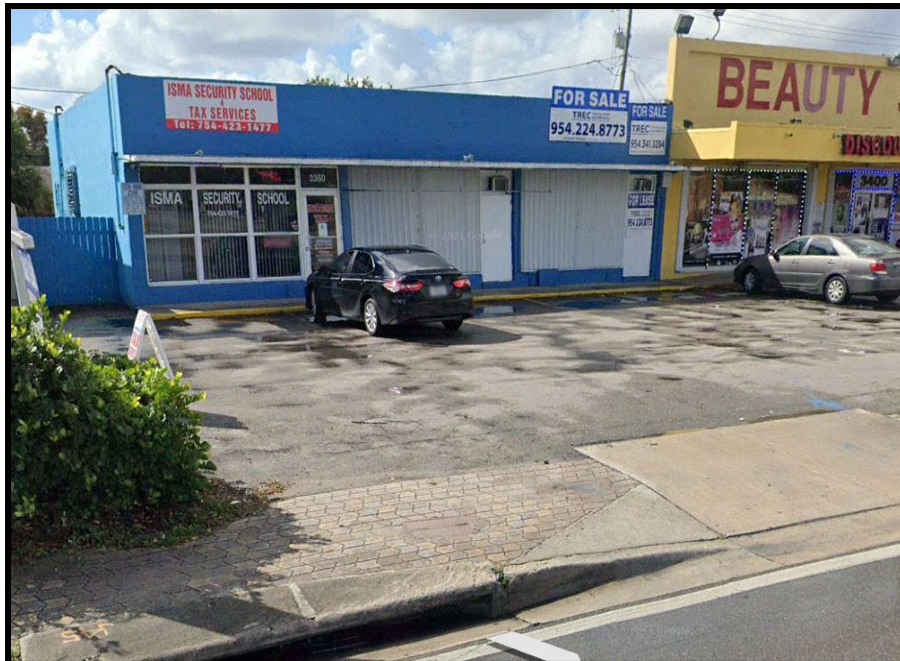
COMPARABLE RENTAL MAP



COMPARABLE RENTAL #1



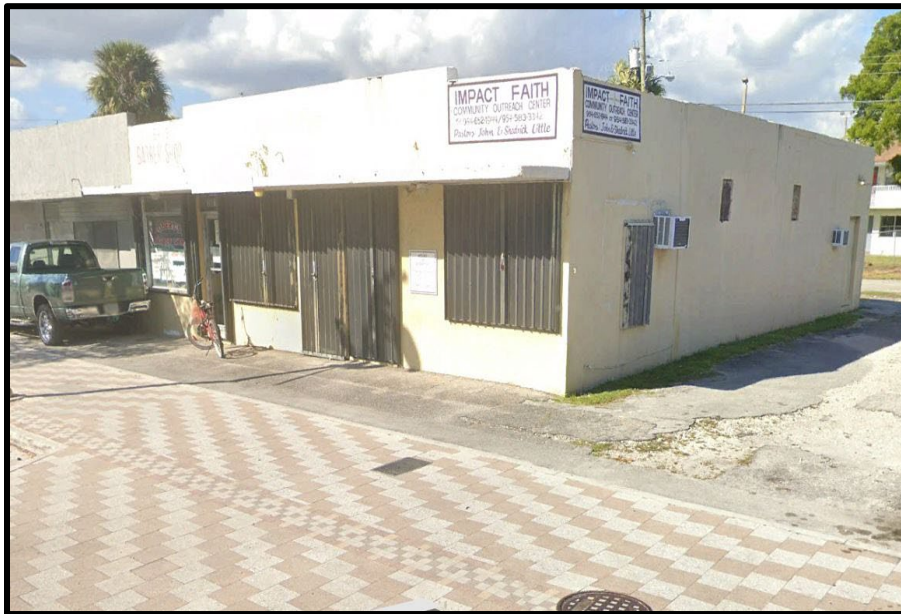
COMPARABLE RENTAL #2



COMPARABLE RENTAL #3



COMPARABLE RENTAL #4



GROSS POTENTIAL INCOME

Market Rent Conclusion - In estimating the subject's income generating potential, rent per square foot of leasable building area provides the best unit of comparison, on a modified gross basis. This takes into account differences in size and provides a reasonably tight range in rental rates.

Since no rental information was provided to the appraiser, an analysis of its current rent could be established. Therefore, the appraiser provided a rent survey from the immediate market area. Relying on the closest comparables, the subject's location and its condition, the subject rent is estimate at \$16.00 per square foot; the subject's potential gross income is estimated as follows:

The potential gross income is estimated to be \$77,120 which is based on \$16/SF on a modified gross basis.

VACANCY AND COLLECTION LOSS

This expense is due to tenant turnover, bad debts, etc. Overall, well-managed properties that are adequately maintained will have generally higher occupancy rates. Vacancy in the local commercial market vary. It is unknown if the subject is leased. However, it is prudent to consider an amount for tenant turnover and collection efforts if it were. Therefore, a conclusion at 5.0% rate as a prudent deduction, based upon market reports.

EXPENSES

Operating expenses are the periodic expenditures necessary to maintain the real property and continue the production of the effective gross income. Appraisers generally analyze expense expectancies on an annual accrual basis and categorize expense items into following categories:

1. **FIXED EXPENSES:** are the operating expenses that generally do not vary with the levels of occupancy and have to be paid whether the property is occupied or vacant.
2. **VARIABLE EXPENSES:** are all operating expenses that generally vary with the level of occupancy or intensity of property operation.
3. **REPLACEMENT ALLOWANCE:** provides for the periodic replacement of building components that wear out more readily than the building itself and must be replaced periodically during the building's economic life.

The appraiser was not provided any income or expense data or knows if the subject is leased or owner-occupied. The appraiser was able to provide an exterior inspection. Thus, the appraiser has relied on market data in order to arrive at a reconstructed income statement. If any other information is provided after the date of appraisal and we can review, we reserve the right to revise my estimate of value. The subject is considered a lower-tiered type commercial property in investment terms.

OPERATING EXPENSES

The insurance expense has been estimated to be \$3,615 which is \$0.75/SF which is typical in this market area.

Real Estates were based on the actual taxes at \$10,852.

Although the subject is currently owner-managed, it is typical that a management fee be included as an expense. The appraiser estimated a 6% management fee which is \$4,396.

Utilities were estimated to be \$1,750.

Repairs and Maintenance was estimated to be \$2,250 per year.

Accounting and legal was estimated to be \$750 per year.

REPLACEMENT RESERVES

This expense item would include money set aside for the periodic replacement of short-lived building components to include mechanical systems, such HVAC, roofing and the like. Reserves have been estimated to be \$1,750.

NET OPERATING INCOME

Based upon the above projected revenue and expenses, and after an annual reserve for replacements, the net operating income (NOI) is **\$47,651**. This is the amount of annual cash flow that will be capitalized into an indicated value for the subject property.

INCOME & EXPENSE OPERATING STATEMENT

Based upon the preceding discussion and conclusions regarding the various income and expense items of the subject property, an operating statement has been prepared, which represents our best estimations for the subject property. It is presented below.

		Total	Per SF	% of Eff Gross
Gross Income		\$77,120	\$16.00	
Vacancy	5.0%	<u>\$3,856</u>	<u>\$0.80</u>	
Effective Gross Income		\$73,264	\$15.20	
Fixed Expenses				
	Insurance	\$3,615	\$0.75	4.93%
	R.E. Taxes	\$10,852	\$2.25	14.81%
	Management	\$4,396	\$0.91	6.00%
	Utilities	\$1,750	\$0.36	2.39%
	Rep & Main	\$2,250	\$0.47	3.07%
	Acct. & Legal	\$1,000	\$0.21	1.36%
	Res & Replacements	<u>\$1,750</u>	<u>\$0.36</u>	2.39%
Total Expenses		\$25,613	\$5.31	34.96%
Net Income		\$47,651	\$9.89	

ESTIMATE OF OVERALL CAPITALIZATION RATE

Capitalization is the process by which the net operating income is converted into a value indication. Capitalization rates are those that most accurately represent the return required by investors and are influenced by investors' attitudes towards the risk and future appreciation potential in properties similar to the subject.

In estimating a capitalization rate, to convert the net income into a value indication, we have relied on primary data sources that were derived from our independent survey of sales data in which income and expenses were available and afforded overall rate extraction.

Address	Property Type	Date of Sale	Sale Price	Gross Income	Net Income	OAR
1490 West 49 Place, Hialeah	Office Building	12/9/2019	\$5,900,000	N/A	\$395,300	6.70%
1303 N Stare Road 7 Margate	Office Building	10/31/2017	\$955,000	\$126,060	\$89,023	9.32%
5901 Hollywood Boulevard, Hollywood	Retail Bldg	7/20/2017	\$725,000	N/A	\$68,850	9.50%
201 - 217 SW 27 Avenue, Fort Lauderdale	Retail Plaza	9/14/2018	\$1,160,000	\$156,392	\$101,778	8.77%
3305-3376 W. Broward Boulevard, Fort Lauderdale	Retail Plaza	5/10/2017	\$1,050,000	\$124,212	\$95,167	9.06%
2655 E Oakland Park Blvd	Office/Retail Building	9/28/2018	\$1,370,000	\$127,250	\$93,388	6.82%
1699 E Oakland Park Blvd	Office Building	11/8/2018	\$733,000	\$61,200	\$40,529	5.53%

The above retail/office properties in the Broward County area indicates a range of 5.53% to 9.50%, for the retail market. Lower OAR's are typically found in owner/user buildings because of added tax advantages for the small business owner who owns the building. These tax advantages reduce the yield requirement on the investment which in turn reduces the OAR.

Additionally, the appraiser has reviewed the Costar Fort Lauderdale Retail Submarket Report. The retail market report indicates capitalization rates range from 2.0% to 14.3%, with an average rate of 6.8% and a median capitalization rate of 6.6% from 84 sales comparable over the past 12 months. However, the subject is considered a lower-tier type property for investment properties which suggests a higher overall rate.

Based on these published studies of office properties, an overall rate of 7.5% is considered reasonable.

$$\text{NOI} - \$47,651 / \text{CAPITALIZATION @ } 7.5\% = \$635,347$$

Rounded To: \$635,000

Therefore, based on the preceding analysis, the market value of the subject property as of May 27, 2022, estimated by the Income Approach is:

SIX HUNDRED THIRTY-FIVE THOUSAND DOLLARS
(\$635,000)

RECONCILIATION OF APPROACHES

Cost Approach	N/A
Sales Comparison Approach	\$651,000
Income Approach	\$635,000

The Cost Approach is most reliable when the property being appraised is relatively new and the improvements represent the Highest and Best Use of the site. Additionally, the subject of this appraisal is a multi-bay industrial. This building was constructed in 1962 and is in fair-average condition. Due to the subject's age, it would be difficult to estimate depreciation. Therefore, Cost Approach was not derived.

In the Sales Comparison Approach, the best available market data from properties that sold in and around the subject market area. The five sales were considered to be the best and most recent indicators of the competitive market for the subject.

The Income Approach was based on the market derived income data. Almost all of the market for the similar units is for owner-use, so there was no available market data on overall capitalization rates. It is my opinion that the Income Capitalization Approach is not as a reliable an indicator because units such as the subject are not typically purchased solely for their income producing capabilities. Although the value estimates of the two approaches are close and appear to support one another, we feel that the Sales Comparison Approach to value is more representative of how typical market participants would value this property.

In conclusion, the Sales Comparison Approach was given the most weight in this analysis, with the Income Approach providing secondary support. Therefore, based on the preceding analysis, it is my opinion, that as of May 27, 2022, the market value of the subject property estimated is:

**SIX HUNDRED FIFTY THOUSAND DOLLARS
(650,000)**

ADDENDA



BROWARD COUNTY MAP

AREA DATA AND ANALYSIS

General

A general geographic, economic and a demographic overview of the county is helpful in gaining a proper perspective of those factors that influence real estate values.

Broward County is located in the center of the tri county area that comprises the “Gold Coast” of Florida. These three counties have extensive Atlantic Ocean shorelines with excellent beaches. The waters are warmed, and the climate is greatly affected by the proximity of the Gulf Stream. The Gold Coast enjoys a semitropical climate because of the warming effect of this ocean river, which is approximately one mile from shore. Dade County, whose principal city is Miami, borders Broward on the south and Palm Beach County the principal city being West Palm Beach, lies to the north.

Broward County, whose principal city and county seat is Fort Lauderdale, contains 1,197 square miles. The county is roughly rectangular in configuration, measuring about 25 miles from north to south and 50 miles from east to west. The western two thirds, encompassing 787 square miles, consists of both a water conservation area and an Indian Reservation, leaving approximately 410 square miles or 263,144 acres of developable land.

Broward County was formed in 1915, from portions of Dade and Palm Beach Counties. Fort Lauderdale, the county seat, although established many years before, was not incorporated until 1915.

Population

Over the past several decades, South Florida has been one of the fastest growing urban regions in the United States. The Gold Coast counties of Miami-Dade, Broward, and Palm Beach increased almost one million persons during the decade of the 1970's, which is approximately four times the national growth rate. Approximately 10% of the state's population currently resides in Broward County, Florida, the state's second largest county.

Broward County, according to the 2000 United States Census, had population of approximately 1,623,018, an increase of 29.3% over the 1990 Census population estimate. Density of population for Broward County is approximately 1,356 persons per square mile at that time. The current population estimate from the 2020 US Census was 1,944,375, projected population for Broward County for the year 2022 is 1,972,790 .

While the great rates of growth were experienced in the 1920's through the 1950's, the greatest volume of growth was during the 1960's and 1970's. While the rate of growth in the 1970's was only two thirds the growth rate of the 1960's, nevertheless, the county added nearly 400,000 new residents. The 1980's marked a large increase in the Latin American population.

The population of Broward County (as of 2020) is racially and ethnically diverse with 60.75% of the population being White, 39.25% being Non-White (includes Black, American Indian, Asian, and persons of more than one race). Also, of the overall population, 29.08% are considered to be Hispanic or Latino origin. Many different languages are spoken throughout the county. From 2020, 41.3% of the population aged 5 and over spoke a language other than English.

The 2020 population of Broward County by age; ages 18 and under s 21.5%, ages 18 to 64, 62.9% and 65 or older 15.6% age. As of the 2017, there are 675,828 households within Broward County.

Topography, Soil and Sub-soil

Broward County has an elevation ranging from sea level along the eastern coastline to a maximum of approximately 25 feet above mean sea level. In the developed eastern portion, the elevation average is less than 5 feet. The soil is all fine grain sand with no natural topsoil. Depth varies from one to fifteen feet and is supported by coral formations along the coast with limerock ridges in the western portions of the county. Black muck is also found in the western portions of Broward County. Over the centuries, these muck deposits have been formed by the decomposition of the tropical foliage. Broward County has numerous manmade lakes, freshwater rivers and approximately 126 miles of navigable canals.

Climate

Broward County, with its subtropical climate and prevailing southeasterly breezes, has one of the best climates in the continental United States. The average annual temperature is 75.4 degrees Fahrenheit with a winter mean temperature of 66.5 degrees Fahrenheit and a summer mean temperature of 82.8 degrees Fahrenheit. Average rainfall is about 62 inches per year.

The period of June through November is known as "hurricane season." Though few storms ever hit Broward County, precautions are taken to keep the area residents informed and aware of any factors affecting the weather conditions.

Employment and Economic Base

The economic base is defined as "The economic activity of a community that enables it to attract income from outside its borders." (SOURCE: The Dictionary of Real Estate Appraisal, Appraisal Institute). At one time, tourism was the most important business activity in Broward County. Today the size of industry has grown to the point where the two stand side-by-side in importance. Some of the reasons for the growth of industry are:

1. No state income tax on personal earnings.
2. No inheritance tax.
3. Minimum taxes on corporate earnings.
4. A state law allowing a means of financing and provision of capital projects through revenue bonds.
5. A good business climate in the county with available labor.

Florida also allows a homestead exemption of \$50,000 for legal residents. The first \$50,000 of the assessed value of a personal residence is exempt from taxation if it has a homestead exemption.

Principal employment, in Broward County, is in the wholesale and retail trades, with personal services a close second. The total civilian labor force has increased from 771,811 in 1998 to an estimated over 1,000,000 employable in 2014, an increase of nearly 30%. Of those employed in the non-agricultural industries, 57% were employed in the service sector, 12% were employed in the retail sector, and the government employed 12%. As of March 2022 the labor force was up to 1,042,829 and the unemployment rate at 2.5%.

The largest opportunities in current job market are in financial services, medical technologies and construction. This is due to the rapid increase in population over the past decade. Growth is expected to continue in South Florida, thereby necessitating increased demand for services, construction, and industry. Hurricane Andrew has increased the demand for construction and related service workers. Because of this need, opportunities for employment are good and unemployment is expected to remain below the national average.

Foreign funds in Broward County, until recently, have been invested in banking, real estate, manufacturing, building materials, etc. Though difficult to determine the extent of these enterprises, conservative estimates place the value of foreign ownership in excess of one billion dollars. Motives prompting this have been financial security, tax advantages, high inflation abroad, rising labor costs and a declining U.S. dollar.

Drug smuggling activities comprise a large segment of the underground economy. Though the economic impact cannot be measured or estimated with accuracy, it is important to consider this enterprise because it affects the base industries of Broward County, i.e., retail trade, service, and real estate.

Industrial Growth

Since the establishment of the Broward County Land Use Plan in 1977, industrial growth has become a prime concern in Broward County's economic development. With the goal of a diverse economic base in mind, the Broward Economic Development Board continues to attract a number of industries to the area. Through these efforts, there has been a steady increase of industrial firms in the area since 1977.

More than 137 industrial parks and office complexes have been built in Broward County to accommodate this growth. During the period of 1984-1986, the county's 78 industrial parks offered more than 3,000 acres of planned industrial land and buildings, which were available for immediate occupancy. These industrial parks and office complexes are prime locations for the high technology and computer-oriented firms that Broward County wishes to attract to the area.

According to various industrial surveys, the future outlook of Broward County's industrial growth is number one in the nation. Broward County was named the number one business climate in the country a few years back. This is attributed to a rapidly growing labor force and a strong and friendly business climate.

Since the development of the Land Use Plan in 1977, hundreds of companies have expanded, relocated or started new ventures in Broward County. With this expansion and relocation came new jobs and retention of jobs, all utilizing over 1.6 million square feet of industrial and office space.

The motion picture and television industries have also become a prime target of the Broward Economic Development Board. Broward County is being promoted as an excellent location for filming feature films and television commercials. During the period of 1984 to 1994, eight major motion pictures, totaling nearly 27.5 million dollars in revenues, were shot in Broward County. Canada Dry, Toyota, Pampers, Revlon Flex, Lipton Tea, Eastman Kodak, Yellow Pages and Burroughs are examples of television commercials that were made in Broward County during this same time period. Broward County is also focusing on international trade and is seeking to take advantage of its prime location to Central and South American markets.

With a rapidly growing labor force and strong, friendly business climate, Broward County will continue to attract industry to the area and grow. This growth will be shown through the expansion of industrial growth and development with the help of a professional approach to land planning and financial incentives at every level.

Government

The government processes for Broward County are fairly efficient with a few services overlapping due to city boundaries. The general administration of the county government is under the supervision of a nine-member Board of County Commissioners and a full time County Administrator. Departments under their direct supervision include the Sheriff, Property Appraiser, Supervisor of Elections and members of the judiciary who hold elected offices. As of 2015, the judiciary (17th Judicial Circuit) includes 90 circuit and county court judges, 11 general magistrates and hearing officers, a State Attorney, the Clerk of the Circuit Court and a Public Defender.

Education

Public education is provided by the Broward County School Board. Presently, with 334 schools, centers and charter schools and over 256,000 students, Broward County Public Schools is the sixth largest school district in the nation, the second largest in Florida and remains the largest fully accredited district in the state. The county provides bus transportation to any student who lives in excess of two miles from his designated school boundary. Some of the high schools have been designated as community schools and offer a wide variety of courses to the general public. Broward County's vocational centers offer certificates of completion in adult education courses, including, but not limited to, business, secretarial, medical, fashion, automotive, industrial and technical courses. Broward College, with its main campus in the west-central area of Broward County, has three branches located strategically throughout the county. Other colleges offering four-year degrees include a branch of Florida Atlantic University, Nova University and Fort Lauderdale College. Numerous parochial and private schools that offer a full spectrum of educational opportunities supplement these educational facilities.

Recreation

Recreation activities, in Broward County, are many and varied. Having more than thirty miles of public oceanfront beaches and approximately three hundred miles of waterway has given Fort Lauderdale the title, “The Venice of America.” Numerous county and state parks provide active, passive and waterfront activities. The thirty golf courses within the county offer both executive and championship play. There are tracks that offer pari-mutuel betting on dog races, horse races, and Jai Alai. In addition, the nightclubs and theaters in the area provide other forms of entertainment. There are more than 2,300 restaurants offering foods to satisfy most palates. The availability of many forms of entertainment and recreational facilities has attracted many tourists, as well as permanent residents, to Broward County.

Medical Facilities

Broward County is broken up into two separate districts, the North Hospital District and the South Hospital District. Each district has a Board of Governors that regulates policy and administers the hospitals. There are approximately 30 major hospitals and approximately 52 nursing homes that provide good medical protection to the County. Numerous private health centers and a mobile health unit to service residents in the outlying areas supplement these facilities. In 2015, there were 7,161 licensed physicians and 1,950 licensed dentists practicing in the county, providing adequate medical and dental care.

Utilities

Broward County receives its electrical service from Florida Power and Light. Florida Power and Light is one of the largest utilities in the nation, with service to over 3 million customers. Electric service is generally available to all sections of Broward County. BellSouth provides telephone service. Broward County has available the most sophisticated services in telecommunications. Peoples Gas System supplies natural gas to Broward County. Any area not serviced by natural gas mains can be supplied liquefied petroleum gas for residential and commercial use. Water can be obtained from 49 municipal and private utility companies throughout the county.

Transportation

All forms of transportation service Broward County. Fort Lauderdale/Hollywood International Airport, one of the busiest in the nation, is a United States Port of Entry and is serviced by most major airlines. Several other small airports are located throughout the county. Port Everglades, also a United States Port of Entry and one of the largest deep-water ports in Florida, is approximately one mile east of Fort Lauderdale/Hollywood International Airport. Many cruise ships, as well as tankers; cargo ships, both foreign and domestic and the United States Navy visit the port regularly. Interstate bus and rail service, as well as local bus and taxi service, complete the available public transportation service.

Broward County is served by a number of major highways. Interstate 95 and the Florida Turnpike bisect the county north and south with numerous other north/south highways in the area. The Sawgrass Expressway is a 23-mile toll road that reaches through the western area of Broward County from the I-75/S.R. 84/I 595 interchange northward to Coral Springs and eastward into Deerfield Beach. I-75 currently provides a link between Broward County and Miami-Dade County and reaches north all the way to Michigan. I-75 also links up with the Sawgrass Expressway and I-595, creating a transportation “loop” for commuters in the tri-county region. I-595 provides any east/west connection from I-75 and the Sawgrass Expressway in the west to the Fort Lauderdale/Hollywood International Airport and Port Everglades in the east.

Conclusion

A substantial amount of price appreciation occurred from the year 2005 until 2007-8, when the real estate market and national economic downturn occurred. The real estate market in 2015 bounced back in the last few of years but is not at the levels of late 2007. Generally speaking, most of the commercial price levels have also increased. Broward County is well diversified and in a good position for the future. There is still a skilled and large employment base, substantial tourism dollars’ flow into the region, and the transportation/shipping network is also good. All of these factors contribute to a more stable economy, even when other parts of the United States experience minor economic fluctuations. The unsold inventories of condominiums and homes in South Florida have declined and construction is up over the past two years. At the present time, vacancies are down, rental rates have increased, particularly in apartment buildings, and price levels have increased since the last recession. The unemployment rates in the region, State of Florida, and entire United States during the past two years have declined. The unemployment rates in the region, State of Florida, and entire United States during the past two years have declined. However, the recent health pandemic over the last two years had slowed the economy and unemployment increased to an unprecedented level. However, this trend reversed over the past six to eight months and are back to prior pandemic levels.

Sources: US Census Bureau, Broward County website

QUALIFICATIONS OF THE APPRAISER

Education: B.S. Degree - 1980 - University of Florida, Gainesville, Florida;
Business Administration with major in Real Estate and Urban Analysis

Continuing Education:

As of January 1994:

Has completed and passed most course work required for the Appraisal Institute's MAI designation.

Sample of additional Courses and Seminars provided by the Appraisal Institute and/or Others:

Uniform Standards for Federal Land Acquisition Seminar – 2003

Eminent Domain Super Conference Seminar – 2003

Appraisal Project Management – 2012

Methodology and Applications of the Sales Comparison Approach – 2014

FHA Property Analysis – 2016

The Cost Approach: Unnecessary or Vital to a Healthy Practice? - 2020

Uniform Standards of Professional Appraisal Practice (USPAP) Update & Law – 2020

Licenses and Certifications:

1981 to 1984: Licensed Florida Real Estate Salesperson

1984 to Present: Licensed Florida Broker, License No. BK 353263 & CQ1022847

1992 to Present: State-certified general real estate appraiser, License No. RZ1555 (FL)

Professional Affiliations:

Senior Member, American Society of Appraisers (ASA)

Chartered Valuation Surveyor, Royal Institution of Chartered Surveyors (MRICS)

International Right of Way Association

National and Florida Associations of Realtors

Rho Epsilon Real Estate Fraternity

Professional Other:

Qualified as an Expert Witness in Broward, Glades, Hendry, Miami Dade, Palm Beach & Sarasota Counties Circuit Courts

Qualified as an Expert Witness in Wilkinson County (MS) Circuit Court

Special Magistrate for Broward County Value Adjustment Board – 1994 – 2015, 2017-Present

Special Magistrate for Miami-Dade County Value Adjustment Board – 2004 – Present

Special Magistrate for Palm Beach County Value Adjustment Board – 2009 – 2012

State of Florida Notary Public- Commission Number CC675135

Certified DBE-Florida Department of Transportation

Certified MBE-State of Florida

Certified SBE/MBE-Broward County

Professional Offices Held:

Director - American Society of Appraisers South Florida-Atlantic Chapter 1993-1994

Secretary - American Society of Appraisers South Florida-Atlantic Chapter 1994-1995

Vice President - American Society of Appraisers South Florida-Atlantic Chapter 1995-1996 & 2013

President - American Society of Appraisers South Florida-Atlantic Chapter 1996-1997&2013-2016

Governor - American Society of Appraisers – Region 2- 2017-2021

Appraisal Experience:

Adrian Gonzalez has over forty years of real estate experience and with an emphasis over the past thirty-nine years in preparing and reviewing appraisal reports for governmental/condemning authorities and private property owners. Currently, he is a Fee Appraiser and for the past 23 years President of Adrian Gonzalez & Associates, P.A. based in South Florida. His responsibilities revolve around all aspects of the appraisal function including the preparation of individual real estate appraisal reports which conform to the stringent Federal Uniform Act, State of Florida requirements, Uniform Standards of Professional Appraisal Practice and the Uniform Appraisal Standards for Federal Land Acquisition requirements. Also, he is involved in the management and administration of appraisal assignments and other appraisal/review functions for the firm. Additional duties include appraisal review of contract and staff appraisers. Adrian is experienced in providing real estate appraisal and consulting services throughout the State of Florida and other states.

