



**CUSHMAN &
WAKEFIELD**

APPRAISAL OF REAL PROPERTY

The Barclay Plaza Apartments Building
1940 Park Avenue
Miami Beach, Miami-Dade County, FL 33139

IN AN APPRAISAL REPORT

As of June 16, 2021

Prepared For:

City of Miami Beach
1700 Convention Center Drive
Miami Beach, FL 33139

Prepared By:

Cushman & Wakefield Regional, Inc.
Valuation & Advisory
225 NE Mizner Blvd., Suite 300
Boca Raton, FL 33432
Cushman & Wakefield File ID: 21-48007-900290-001



The Barclay Plaza Apartments Building
1940 Park Avenue
Miami Beach, Miami-Dade County, FL 33139



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July 06, 2021

Ms. Alina Hudak
City Manager
City of Miami Beach
1700 Convention Center Drive
Miami Beach, FL 33139

Re: Appraisal Report

The Barclay Plaza Apartments Building
1940 Park Avenue
Miami Beach, Miami-Dade County, FL 33139

Cushman & Wakefield File ID: 21-48007-900290-001

Dear Ms. Hudak:

In fulfillment of our agreement as outlined in the Letter of Engagement copied in the Addenda, we are pleased to transmit our appraisal of the above referenced property in the following Appraisal Report.

The subject property consists of a 0.70-acre site that contains an abandoned former 66-unit historic apartment complex built in 1935 and known as The Barclays Plaza Apartment. Per public records the improvements consist of 28,433 square feet and there are 10 parking spaces on site and a pool. Based on conversations with the client, the improvements are in poor condition and the property and due to the condition of the property we were not able to inspect the interior. We have requested costs to cure the improvements and none were provided as of the date of this appraisal. Therefore, we have valued the property based on the underlying land and believe that a prospective purchaser would consider this methodology within their analysis based on the lack of clarity/uncertainty regarding the cost to cure the improvements. **The property was previously subject to affordable housing restrictive covenants and based on conversations with the client, we have assumed that the site is not encumbered with any restrictive covenants limiting the development potential and we have analyzed the subject based on its RM-2 zoning code.**

The Commercial Real Estate (CRE) market is driven by investor demand and strong liquidity. Since its onset in March 2020, the COVID-19 pandemic has had a dramatic effect on both of these factors as the market navigated actual and perceived impact. We observed asset classes experiencing various impacts, both positive and negative. We observed that asset values can fall significantly in short periods of time if either demand or liquidity, often in conjunction with many other factors, change significantly. As we have throughout the pandemic, Cushman & Wakefield is closely monitoring the latest developments resulting from the COVID-19 pandemic and recovery. The reader is cautioned to consider that values and incomes can change more rapidly and significantly than during standard market conditions. Furthermore, the reader should be cautioned and reminded that any conclusions

presented in this appraisal report apply only as of the effective dates indicated. While we have valued the property based on current market trends and participant expectations, the appraiser makes no representation as to the effect on the subject of any event disruptive to these trends and expectations subsequent to the effective date of the appraisal.

This Appraisal Report has been prepared in accordance with our interpretation of your institution's guidelines, Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), and the *Uniform Standards of Professional Appraisal Practice* (USPAP).

Based on the agreed-to Scope of Work, and as outlined in the report, we developed the following opinion of Market Value:

Value Conclusions			
Appraisal Premise	Real Property Interest	Date Of Value	Value Conclusion
Market Value As-Is	Fee Simple	June 16, 2021	\$8,300,000

Compiled by Cushman & Wakefield Regional, Inc.

The value opinion in this report is qualified by certain assumptions, limiting conditions, certifications, and definitions, as well as the following extraordinary assumptions.

Extraordinary Assumptions

For a definition of Extraordinary Assumptions please see the Glossary of Terms & Definitions. The use of extraordinary assumptions, if any, might have affected the assignment results.

The subject property consists of a former 66 unit apartment development that has been abandoned for a number of years. The property contains historic elements and the improvements are in poor condition. We were not allowed access to the interior of the development due to the condition of the property. Additionally, we requested costs to cure the property and none were available as of the date of this report. Therefore, we have analyzed the subject based on how we believe that a prospective purchaser would analyze the subject as a vacant site with some consideration to the existing improvements. Additionally, based on conversations with the client, we have valued the subject based on the extraordinary assumption that any restrictive covenants on the subject site do not exist and the property is being sold free in clear. Based on the lack of cost information, we reserve the right to revise the report and a subsequent change in value may occur if cost estimates are provided or if any of the extraordinary assumptions herein are incorrect.

Hypothetical Conditions

For a definition of Hypothetical Conditions please see the Glossary of Terms & Definitions. The use of hypothetical conditions, if any, might have affected the assignment results.

This appraisal does not employ any hypothetical conditions.

This letter is invalid as an opinion of value if detached from the report, which contains the text, exhibits, and Addenda.

Respectfully submitted,

CUSHMAN & WAKEFIELD REGIONAL, INC.



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Client Satisfaction Survey

WE WANT TO HEAR FROM YOU! VALUATION & ADVISORY



V&A National Quality Control Group values your feedback!

- What are we doing right?
- Are there areas where we could improve?
- Did our report meet your requirements?

As part of our quality monitoring campaign, your comments are critical to our efforts to continuously improve our service.

We'd appreciate your help in completing a short survey pertaining to this report and the level of service you received. Rest assured, any feedback will be treated with proper discretion and confidentiality.

Simply click <https://www.surveymonkey.com/r/LQKCGLF?c=21-48007-900290-001> to respond.

Contact our National Lead for Quality Control with any questions or comments:

Rick Zbranek, MAI

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U.S. Lead, National Quality Control

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Summary of Salient Facts and Conclusions

The subject property consists of a 0.70-acre site that contains an abandoned former 66-unit historic apartment complex built in 1935 and known as The Barclays Plaza Apartment. Per public records the improvements consist of 28,433 square feet and there are 10 parking spaces on site and a pool. Based on conversations with the client, the improvements are in poor condition and the property and due to the condition of the property we were not able to inspect the interior. We have requested costs to cure the improvements and none were provided as of the date of this appraisal. Therefore, we have valued the property based on the underlying land and believe that a prospective purchaser would consider this methodology within their analysis based on the lack of clarity/uncertainty regarding the cost to cure the improvements. **The property was previously subject to affordable housing restrictive covenants and based on conversations with the client, we have assumed that the site is not encumbered with any restrictive covenants limiting the development potential and we have analyzed the subject based on its RM-2 zoning code.**

BASIC INFORMATION

Common Property Name:	The Barclay Plaza Apartments Building 1940 Park Avenue
Address:	Miami Beach, Florida 33139
County:	Miami-Dade
Property Ownership Entity:	CITY OF MIAMI BEACH

SITE INFORMATION

Land Area:	<u>Square Feet</u>	<u>Acres</u>
Main Parcel	30,359	0.70
Site Shape:	Rectangular	
Site Topography:	Level at street grade	
Frontage:	Good	
Site Utility:	Good	
Flood Zone Status:		
Flood Zone:	AE	
Flood Map Number:	12086C0317L	
Flood Map Date:	September 11, 2009	

MUNICIPAL INFORMATION**Assessment Information:**

Assessing Authority	Miami-Dade
Assessor's Parcel Identification	02-3234-016-0110
Current Tax Year	2020
Taxable Assessment	\$6,540,000
Current Tax Liability	\$0

Zoning Information:

Municipality Governing Zoning	City of Miami Beach
Current Zoning	RM-2, Residential Multifamily, Medium Intensity
Is current use permitted?	Yes
Current Use Compliance	Complying use

HIGHEST & BEST USE**As Though Vacant:**

to develop a for lease multi-family development on site to the highest density allowable

VALUATION INDICES		Market Value As-Is
VALUE DATE		June 16, 2021
Land Value		
Indicated Value:		\$8,300,000
Per Square Foot:		\$273.40
FINAL VALUE CONCLUSION		
Real Property Interest:		Fee Simple
Concluded Value:		\$8,300,000
Per Unit		\$273.40
EXPOSURE AND MARKETING TIME		
Exposure Time:		9-11 Months
Marketing Time:		9-11 Months

Extraordinary Assumptions

For a definition of Extraordinary Assumptions please see the Glossary of Terms & Definitions. The use of extraordinary assumptions, if any, might have affected the assignment results.

The subject property consists of a former 66 unit apartment development that has been abandoned for a number of years. The property contains historic elements and the improvements are in poor condition. We were not allowed access to the interior of the development due to the condition of the property. Additionally, we requested costs to cure the property and none were available as of the date of this report. Therefore, we have analyzed the subject based on how we believe that a prospective purchaser would analyze the subject as a vacant site with some consideration to the existing improvements. Additionally, based on conversations with the client, we have valued the subject based on the extraordinary assumption that any restrictive covenants on the subject site do not exist and the property is being sold free in clear. Based on the lack of cost information, we reserve the right to revise the report and a subsequent change in value may occur if cost estimates are provided or if any of the extraordinary assumptions herein are incorrect.

Hypothetical Conditions

For a definition of Hypothetical Conditions please see the Glossary of Terms & Definitions. The use of hypothetical conditions, if any, might have affected the assignment results.

This appraisal does not employ any hypothetical conditions.

Market Participant Interviews

The following summarizes recent market participant interviews that we have conducted in relation to the changes in market conditions that have been brought on by the current Covid-19 pandemic.

- Based on conversations with an active multifamily land broker in South Florida there had been a lack of transactional data in the market in the immediate aftermath of Covid-19 for urban, or suburban land sales. Most properties that were placed under contract prior to the shelter-in-place orders that occurred in mid-March 2020 in South Florida had been pushed out with buyers requesting extended closing periods due to current concerns with financing in capital markets. However, there have been recent land trades in South Florida in prime locations in the latter part of 2020 for multifamily product. Therefore, purchasers of multifamily sites remain active and are still bidding on developable land parcels. Thus, there is no discernible difference in pricing that has occurred to date for multifamily sites in the region.
- This active commercial real estate capital market broker has recently closed on land transactions in the region over the past six months and noted that there is currently a large amount of inquiries from a number of parties with significant amounts of capital looking to purchase prime assets, whether it be improved or land parcels. This broker noted that he did not feel that there was any drop off in values that have been witnessed year in the market (although that would be based on product type, with retail and hospitality obviously being affected the most). This broker noted that demand has remained high for industrial space and believes suburban office product will do well in this current market. However, he noted that there are not many data points to determine if there is a price drop, or any other near-term effect with regard to commercial land values as of yet.

Property Photographs

AERIAL PHOTOGRAPH



VIEW OF SUBJECT SITE



VIEW OF SUBJECT SITE



VIEW OF SUBJECT SITE



VIEW OF SUBJECT SITE



VIEW OF SUBJECT SITE



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Scope of Work

Overview

Scope of work is the type and extent of research and analyses involved in an assignment. To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the relevant characteristics of the subject property, and other pertinent factors. Our concluded scope of work is summarized below, and in some instances, additional scope details are included in the appropriate sections of the report:

Research

- We inspected the exterior of the property only and its environs. Physical information on the subject was obtained from the property owner's representative, public records, and/or third-party sources.
- Regional economic and demographic trends, as well as the specifics of the subject's local area were investigated. Data on the local and regional property market (supply and demand trends, rent levels, etc.) was also obtained. This process was based on interviews with regional and/or local market participants, primary research, available published data, and other various resources.
- Other relevant data was collected, verified, and analyzed. Comparable property data was obtained from various sources (public records, third-party data-reporting services, etc.) and confirmed with a party to the transaction (buyer, seller, broker, owner, tenant, etc.) wherever possible. It is, however, sometimes necessary to rely on other sources deemed reliable, such as data reporting services.

Analysis

- Based upon the subject property characteristics, prevailing market dynamics, and other information, we developed an opinion of the property's Highest and Best Use.
- We analyzed the data gathered using generally accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value.
- The results of each valuation approach are considered and reconciled into a reasonable value estimate.

This report is intended to comply with the reporting requirements outlined under USPAP for an Appraisal Report. The report was also prepared to comply with the requirements of the Code of Professional Ethics of the Appraisal Institute and the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), Title XI Regulations.

Cushman & Wakefield Regional, Inc. has an internal Quality Control Oversight Program. This Program mandates a "second read" of all appraisals. Assignments prepared and signed solely by designated members (MAIs) are read by another MAI who is not participating in the assignment. Assignments prepared, in whole or in part, by non-designated appraisers require MAI participation, Quality Control Oversight, and signature.

For this assignment, Quality Control Oversight was provided by Michael C. McNamara, MAI, MRICS. In addition to a qualitative assessment of the Appraisal Report, Michael C. McNamara, MAI, MRICS is a signatory to the Appraisal Report and concurs in the value estimate(s) set forth herein.

This appraisal employs only the Sales Comparison Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that this approach would be considered necessary and applicable for market participants. Typical purchasers do not generally rely on the Cost or Income Capitalization Approaches when purchasing a property such as the subject of this report. Therefore, we have not employed the

Cost Approach or the Income Capitalization Approach to develop an opinion of market value. The absence of these approaches does not diminish the reliability of the analysis.

Report Option Description

USPAP identifies two written report options: Appraisal Report and Restricted Appraisal Report. This document is prepared as an Appraisal Report in accordance with USPAP guidelines. The terms “describe,” “summarize,” and “state” connote different levels of detail, with “describe” as the most comprehensive approach and “state” as the least detailed. As such, the following provides specific descriptions about the level of detail and explanation included within the report:

- Describes the real estate and/or personal property that is the subject of the appraisal, including physical, economic, and other characteristics that are relevant
- States the type and definition of value and its source
- Describes the Scope of Work used to develop the appraisal
- Describes the information analyzed, the appraisal methods used, and the reasoning supporting the analyses and opinions; explains the exclusion of any valuation approaches
- States the use of the property as of the valuation date
- Describes the rationale for the Highest and Best Use opinion (if included)

Identification Of Property

Common Property Name:	The Barclay Plaza Apartments Building
Location:	1940 Park Avenue, Miami Beach, Miami-Dade County, Florida 33139
Assessor's Parcel Number(s):	02-3234-016-0110
Legal Description:	The legal description is presented in the Addenda of the report.

Property Ownership And Recent History

Current Ownership:	CITY OF MIAMI BEACH
Sale History:	To the best of our knowledge, the subject property has not transferred within the past three years.
Current Disposition:	To the best of our knowledge, the subject property is not under contract or being marketed for sale.

Dates Of Inspection And Valuation

Effective Date(s) of Valuation:	
As Is:	June 16, 2021
Date of Report:	July 06, 2021
Date of Inspection:	June 16, 2021
Property Inspected by:	Adrian M. Sanchez, MAI – Exterior Only

Client, Intended Use And Users Of The Appraisal

Client:	City of Miami Beach
Intended Use:	This appraisal is intended to provide an opinion of the Market Value of The Barclay Plaza Apartments Building, Miami Beach, Florida (the "Property"). This report is not intended for any other use.
Intended User:	This appraisal report was prepared for the exclusive use of City of Miami Beach. Use of this report by others is not intended by the appraiser. Use of this report by others is not intended by the appraiser.

Extraordinary Assumptions

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The subject property consists of a former 66 unit apartment development that has been abandoned for a number of years. The property contains historic elements and the improvements are in poor condition. We were not allowed access to the interior of the development due to the condition of the property. Additionally, we requested costs to cure the property and none were available as of the date of this report. Therefore, we have analyzed the subject based on how we believe that a prospective purchaser would analyze the subject as a vacant site with some consideration to the existing improvements. Additionally, based on conversations with the client, we have valued the subject based on the extraordinary assumption that any restrictive covenants on the subject site do not exist and the property is being sold free in clear. Based on the lack of cost information, we reserve the right to revise the report and a subsequent change in value may occur if cost estimates are provided or if any of the extraordinary assumptions herein are incorrect.

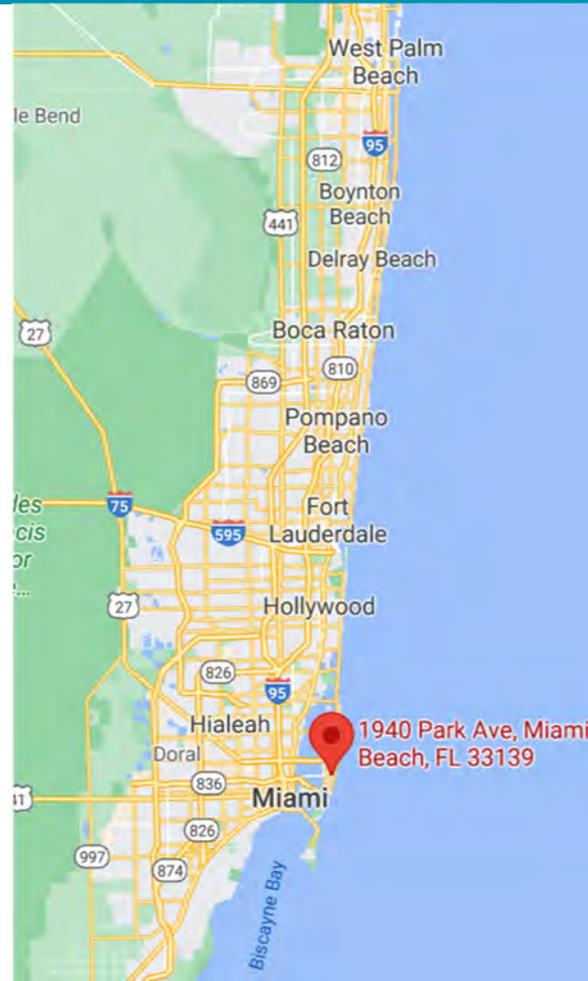
Hypothetical Conditions

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Regional Analysis

REGIONAL MAP



South Florida Regional Analysis

Introduction

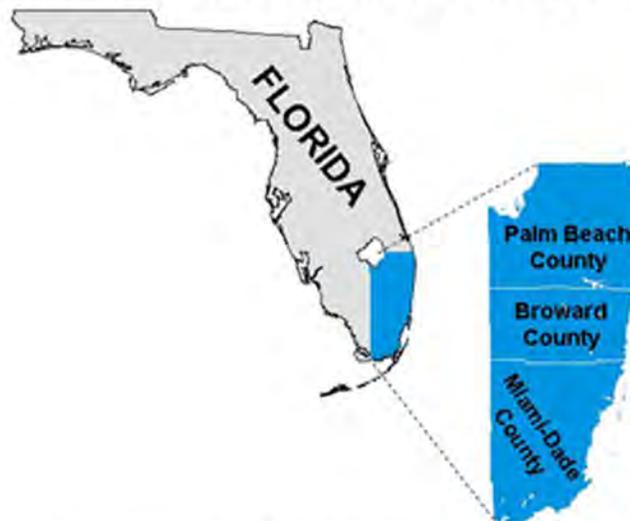
The Miami-Fort Lauderdale-West Palm Beach Core-Based Statistical Area, which is synonymous with the South Florida region (South Florida), consists of the Miami-Miami Beach-Kendall, Fort Lauderdale-Pompano Beach-Deerfield Beach, and West Palm Beach-Boca Raton-Boynton Beach Metropolitan Divisions. The core-based statistical area covers Miami-Dade, Broward and Palm Beach Counties. South Florida has a population of 6.2 million and ranks as the eighth most populous CBSA in the nation (Miami-Dade, Broward and Palm Beach Counties are the most populous counties in Florida). The region's distinction as the southernmost metropolitan area within the nation's contiguous states and its proximity to Latin America has spurred its growth as a significant international gateway.

International trade has led to tremendous growth, as South Florida is home to hundreds of Latin American headquarters for major U.S. and global multinational companies. Additionally, with the unrest in Colombia, as well as Venezuela, many of South American residents have relocated to South Florida in the last six months to 12 months. The Port of Miami, positioned in Biscayne Bay, is strategically located and a valuable resource to the state and country. Hundreds of corporations, from media companies to consumer electronics manufacturers, have stationed their Latin American headquarters in and around Miami, a testament to the shipping and export power of the region.

Map

The following map portrays the South Florida region within the state of Florida.

MIAMI-FORT LAUDERDALE-WEST PALM BEACH, FL CORE BASED STATISTICAL AREA (CBSA)



Source: Cushman & Wakefield Valuation & Advisory

COVID-19 Impacts

As the economy started to recover from the initial impacts of the COVID-19 pandemic and the economic crisis that unfolded, there has been another surge in infections, exacerbated by the onset of winter. Social distancing remains the norm, conferences are online, and property tours are kept to a minimum. Some jurisdictions have re-instituted varying degrees of stay at home orders or lockdowns. In light of this, it is important to take in mind that data lags,

and we are still trying to accurately determine the pandemic's effects on the commercial real estate market. In other sections of the report we will discuss these effects and impacts on the immediate market and subject property in as much detail as possible. Therefore, we ask that you consider the following points:

- Early in the COVID-19 pandemic, most non-essential businesses shut down, causing significant disruption in the economy. As we enter the fall and winter months, many businesses that reopened over the late spring and summer may now be forced to shut down once again or drastically change the way they operate and function.
- Certain property types have been more heavily impacted than others, with some asset classes benefiting from the COVID environment. Generally, cap rates and price growth remain relatively flat across the board.
- Investment activity picked up significantly in the third quarter, with a clear flight to quality, but at the same time, delinquencies are on the rise and more properties are requiring special servicers.

Wide scale vaccinations began in first quarter 2021, and we expect a significant part of the population to be vaccinated by the end of the year. With this, businesses will begin to fully resume normal activities, as risk and fear of infection decrease, and the economy will begin to grow more rapidly.

Current Trends

Prior to the onset of the COVID-19 pandemic, the economic expansion in the South Florida region was maturing. Overall job growth began moderating, reflecting some residual effects of the maturing expansion and slow economic growth in Latin America. Nevertheless, inflows of businesses and prime working age individuals continued to bolster the economy. Like job creation, population growth was a major factor contributing to South Florida's economic expansion as the steady flow of both overseas and domestic migration boosted numbers. South Florida's international appeal is the main driving force, as international migration accounted for three quarters of the growth over the past year, per local demographers. The growing population fueled the housing market with international home buying activity remaining strong. International growth, consumer spending, business confidence, housing recovery and population growth allowed the region to continue outperforming both the state and national averages.

However, the economic disruption caused by the COVID-19 pandemic resulted in significant job loss in most sectors. Between March and April, the region shed 415,000 jobs as the pandemic set in by mid-March. Total non-farm employment measured 2,316,400 jobs in April 2020. As of April 2021, total non-farm employment measured 2,572,200 jobs, improving 11% compared to April 2020 and reclaiming 62% of the jobs lost between March and April; however, remaining below pre-pandemic levels. Nevertheless, due to the impacts of the COVID-19 pandemics, South Florida has seen over 20 firms relocate from the northeast to Miami and West Palm Beach/Isle of Palm Beach, with the latter acquiring many hedge funds to relocate to the region

Further considerations are as follows:

- Of the three counties in the South Florida region, Miami-Dade County added the second-most jobs year-over-year as of April 2021, behind Tampa (adding 103,400 jobs, increasing 10%). Broward County added third-most jobs, adding 78,000 jobs (increasing 10.6%). Palm Beach County added the fourth-most jobs, adding 74,400 jobs, increasing 13.7%. This is nice contrast to the massive layoffs and disruptions that was evident in every sector of the economy as citizens, businesses and governments closed to moderate the spread of the virus. Tourism was hit the hardest as hotels were emptied and travel was halted as stay-at-home orders were implemented. The region's cruise ship industry, with PortMiami as the world's busiest harbor for cruise ships, was stunted as no-sail orders were enforced. However, three cruise lines will restart operations in Florida in July and August of this year.

- On May 5, 2021, CDC released the next two phase of the Framework for Conditional Sailing Order (CSO) for cruise ships operating or seeking to operate in U.S. waters. CDC published technical instructions for cruise ships operators preparing to conduct simulated (“trial”) voyages in advance of restricted passenger voyages under a COVID-19 Conditional Sailing Certificate. With the issuance of these next two phases, cruise ship operators now have all the necessary requirements and recommendations they need to start simulated voyages before resuming restricted passenger voyages and apply for a COVID-19 conditional sailing certificate to begin to begin sailing with restricted passenger voyages. CDC may adjust these requirements and recommendations based on public health considerations and other factors.
- According to the American Hotel and Lodging Association, Florida lost more than 100,000 direct-hotel supported jobs by mid-April. According to a survey by AAA Consumer Pulse, COVID-19 impacted 2020 travel plans for 76% of Floridians. The leisure and hospitality sector shed 481,900 jobs between March and April 2020, of which 34% percent were jobs in South Florida. By April 2021, the employment situation in the sector improved in South Florida, recouping 65% of the lost; however on a year-over-year basis the sector is still down 163,500 jobs from pre-pandemic levels.
- South Florida’s housing market continues to boom through the COVID-19 pandemic as homebuyers flock from cities in the north with a new ability to do their jobs remotely from anywhere. High demand is met with limited supply, especially at the wealthier end of the market. According to local real estate professionals, COVID-19 has accelerated peoples move to Florida. The South Florida region is experiencing unprecedented demand from all over the country, but notably New York, New Jersey and Connecticut – high taxed areas. The demand is driven by housing prices, space to spread out, quality of life, weather and tax saving. For example, tax rates have increased in suburban Illinois making South Florida very attractive to residents in that part of the country.

Demographic Characteristics

Given South Florida’s mild winter weather, the area has long been a popular retirement destination. As such, South Florida’s median age of 41 years is three years older than the national average. South Florida’s level of affluence and educational attainment typically trends close to the national average. However, both income and educational attainment levels vary considerably by county, with Palm Beach County having the area’s highest levels and Miami-Dade County having the lowest. Overall, 30% of the region’s population holds a bachelor’s degree or better and approximately 24% of households have annual incomes of greater than \$100,000.

The chart below provides some demographic comparisons between South Florida and the nation:

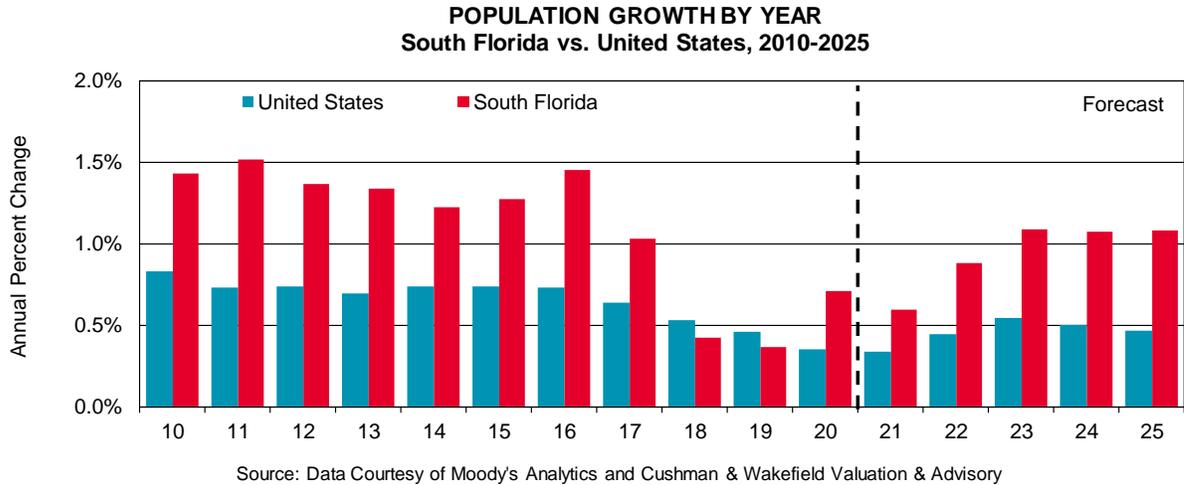
Demographic Characteristics South Florida vs. United States 2020 Estimates		
Characteristic	South Florida	United States
Median Age (years)	41	38
Average Annual Household Income	\$87,356	\$90,941
Median Annual Household Income	\$57,822	\$62,990
<i>Households by Annual Income Level:</i>		
<\$25,000	22.0%	19.6%
\$25,000 to \$49,999	22.0%	20.8%
\$50,000 to \$74,999	18.0%	17.7%
\$75,000 to \$99,999	12.2%	13.2%
\$100,000 plus	25.8%	28.7%
<i>Education Breakdown:</i>		
< High School	14.9%	12.7%
High School Graduate	27.0%	27.4%
College < Bachelor Degree	26.9%	29.0%
Bachelor Degree	19.6%	19.2%
Advanced Degree	11.6%	11.8%

Source: © 2020 Experian Marketing Solutions, Inc. •All rights reserved•
Cushman & Wakefield Valuation & Advisory

Population

Florida remains among the nation's most populous states, ranking third behind California and Texas. Recent estimates by the U.S. Census report Florida's population increased 1.1% between July 1, 2019 and July 1, 2020 to over 21.7 million (adding 240,808 new residents). According to the U.S. Census, Florida had the highest level of net domestic migration between July 1, 2017 to July 1, 2018, with an increase of 132,602. Since 2010, Florida has gained a total of 1.3 million people from net domestic migration and an additional 1.1 million from net international migration. Demographers conclude most new residents populate the larger counties, including the three most populous – Miami-Dade, Broward, and Palm Beach. South Florida's population increased 0.1%, adding 8,121 new residents between July 2019 and July 2020. With approximately 6.2 million residents, the CBSA is the seventh largest in the nation, accounting for roughly 30.0% of the state's population. Population trends in South Florida are influenced by several factors, including international migration and natural increase.

The following graph compares population growth trends in South Florida to the U.S.



Miami-Dade County is the most populous with 44% of the region’s population, followed by Broward and Palm Beach Counties with 31.7% and 24.3%, respectively. Miami-Dade and Broward Counties are among the most populated in Florida and have a sizeable number of births in addition to a substantial number of foreign immigrants. However, Palm Beach County is projected to outpace the other two counties in annualized population growth through 2025, as depicted in the following table:

Annualized Population Growth by County						
South Florida						
2010-2020						
	2010	2020	Forecast 2021	Forecast 2025	Compound Annual Growth Rate 10-20	Compound Annual Growth Rate 21-25
United States	309,327.1	329,484.1	330,605.8	337,122.7	0.6%	0.5%
South Florida	5,583.4	6,210.0	6,247.2	6,508.8	1.1%	1.0%
Miami-Dade County	2,507.0	2,731.5	2,743.9	2,830.7	0.9%	0.8%
Broward County	1,752.8	1,966.1	1,977.5	2,057.2	1.2%	1.0%
Palm Beach County	1,323.6	1,512.4	1,525.8	1,620.8	1.3%	1.5%

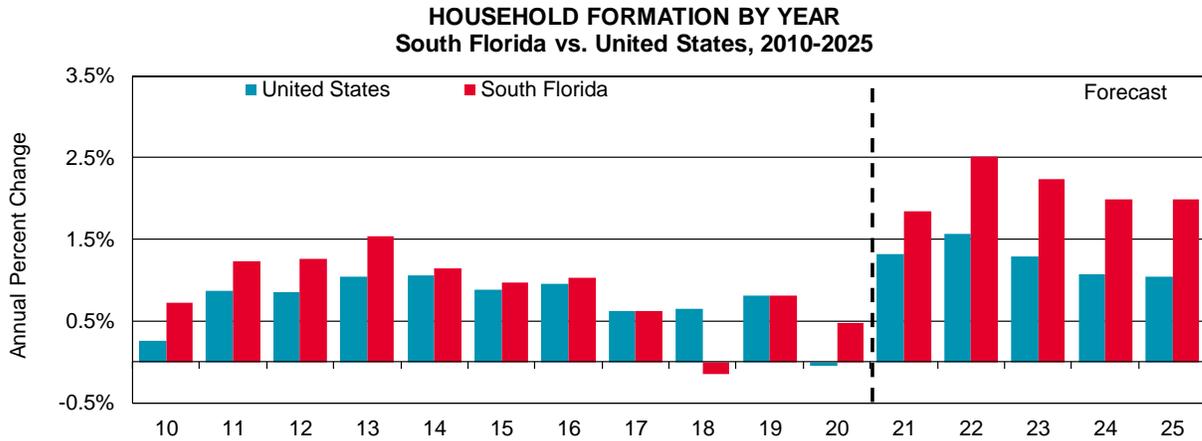
Source: Data Courtesy of Moody's Analytics, Cushman & Wakefield Valuation & Advisory

Households

Typically, household formation trends alongside population growth and tends to top the national average. Between 2010 and 2020, household formation growth measured 0.9%, nearly on par population growth over the same time period. By comparison, household formation for the national average measured 0.8% on average per year. Through 2025, household formation in South Florida is projected to increase, measuring 2.2%, surpassing the projected population growth rate of one percent. Household formation for the nation is projected to increase at an average annual rate of 1.2%.

There’s been a slight shift in demographics, especially in Broward County, where there’s been above-average growth in school-age population indicating new family formation. Since 2010, residents younger than 20 years increased 4.2% in Broward County, compared to the 1.1% decline of the national average.

The following graph compares historical and projected growth trends in household formation between South Florida and the U.S. overall.



Source: Data Courtesy of Moody's Analytics and Cushman & Wakefield Valuation & Advisory

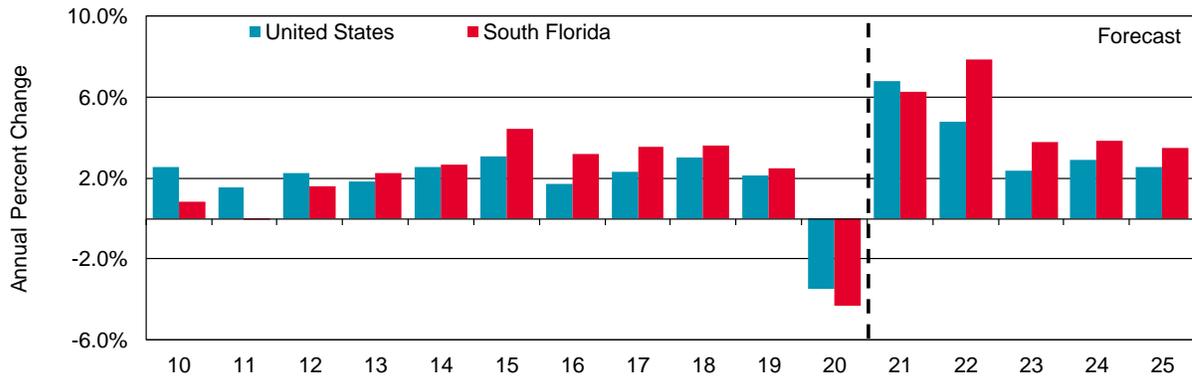
Gross Metro Product

The Florida economy topped \$1 trillion in GDP in 2018, a major milestone for the state. The booming economy brings new businesses and corresponding jobs, along with new residents sparking more consumer spending and other benefits that boosts economic growth. Because of the state's high gross domestic product, Florida's economy surpasses Saudi Arabia, Switzerland, the Netherlands and Argentina. If Florida were a country, it would be the 17th largest economy in the world. The Florida economy measured \$1.1 trillion in GDP in 2019, according to the U.S. Bureau of Economic Analysis. As of the fourth quarter of 2020, the state's GDP measured over \$1.1 trillion.

According to the most recent U.S. Bureau of Economic Analysis, South Florida's gross metro product (GMP) increased 1.7% in 2019 to \$327.1 billion (the most current data available). South Florida's economy tops all other metros in the state and growth still outpaces the national average. The regional economy is among the world's top 40 economies. Trade, tourism and financial services are the major contributors to growth.

Between 2010 and 2020, GMP in the South Florida region grew at an annual rate of 1.9%, trending slightly ahead of the 1.7% annual growth rate of the national average. Through 2025 GMP is project to increase, averaging 4.7% growth per year. The national GDP is expected to increase 3.1% annually through 2025.

REAL GROSS PRODUCT GROWTH BY YEAR South Florida vs. United States, 2010-2025



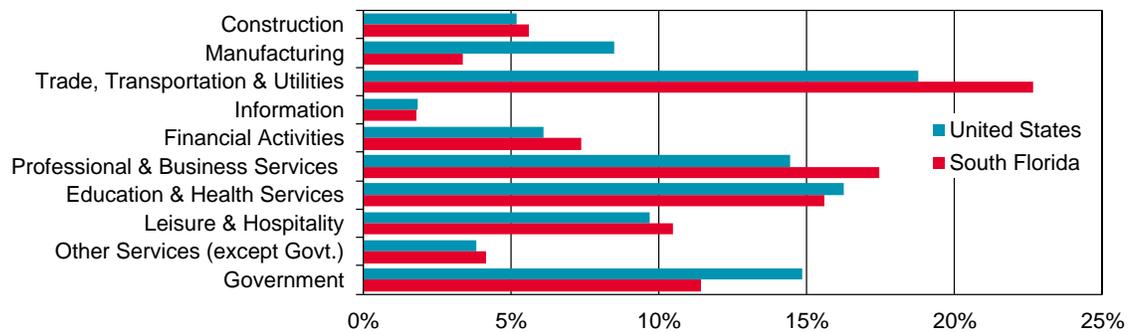
Source: Data Courtesy of Moody's Analytics and Cushman & Wakefield Valuation & Advisory

Employment Distribution

South Florida's Trade, Transportation and Utilities sector accounts for 22.7% of the market's total employment base, compared to 18.8% for the national average. International trade supports over 105,000 jobs and remains one of the key industries in the local economy with the highest paying wages. Trade is the most important industry in South Florida, followed by tourism. Efforts have been underway to further diversify the local economic base by bolstering the healthcare and biomedical industries in South Florida. These two industries promise a significant contribution to the regional economy in the long-term.

The graph below depicts South Florida's employment base.

EMPLOYMENT BY SECTOR South Florida vs. United States 2021 Estimates



Source: Data Courtesy of Moody's Analytics and Cushman & Wakefield Valuation & Advisory

Major Employers

The South Florida region is home to five *Fortune 500* corporations – Lennar (129), AutoNation (145), World Fuel Services (147), Carrier Global (171) and Ryder System (357) – and many Fortune 1000 companies. The region's largest employers are national and multinational corporations spanning a variety of industries including healthcare, retail, and technology.

Below is a table that outlines South Florida’s top employers by CBSA.

Largest Employers South Florida		
Employer	Submarket	# Employees
Publix Super Markets	West Palm Beach	38,241
Tenet Healthcare Corp.	West Palm Beach	6,136
NextEra Energy/Florida Power & Light Co.	West Palm Beach	4,005
Tenet Healthcare Corp.	Fort Lauderdale	18,000
HCA East Florida Division	Fort Lauderdale	15,000
Memorial Healthcare System	Fort Lauderdale	11,500
Publix Super Markets	Miami	32,940
Baptist Health Systems of Southern Florida	Miami	23,000
America Airlines	Miami	13,500

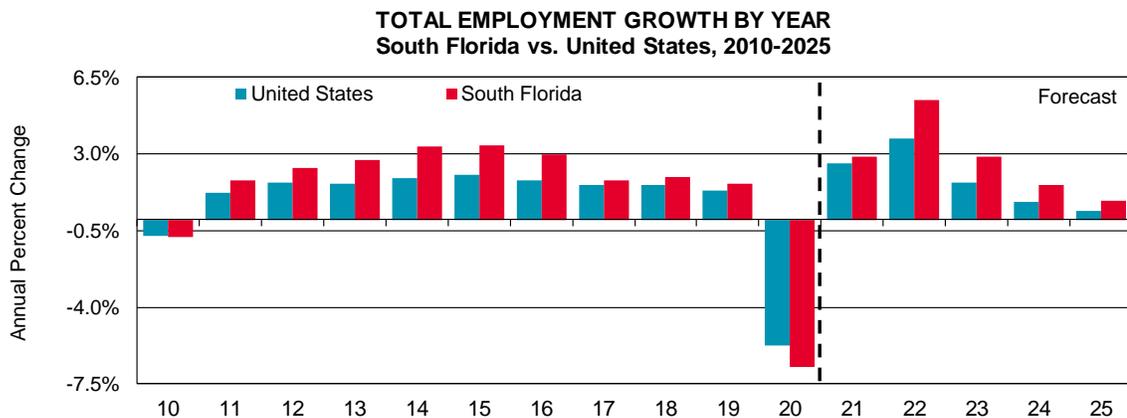
Source: Data Courtesy of Moody’s Analytics;
compiled by Cushman & Wakefield Valuation & Advisory

Employment Growth

According to the Florida Agency for Workforce Innovation, the South Florida region lost 255,800 jobs over the 12-month period ending April 2021, increasing 11%. Prior to the COVID-19 pandemic, South Florida typically outpaced the national average employment growth and continued in April 2021 with the national average increasing 10.9% over the year. Note: the year-over-year growth reflects the impacts of global COVID-19 pandemic when employment growth contracted abruptly due to mitigation efforts to stop the spread of the virus. As previously mentioned, mass layoff and furloughs occurred as businesses shutdown. The Florida Agency for Workforce Innovation reports that South Florida’s total non-agricultural employment in April 2021 was 2,572,200.

Between 2010 and 2020, annual employment growth average 1.5% per year in the South Florida region. Through 2025, employment growth is projected to measure 2.7% per year.

The following chart illustrates employment growth for South Florida and the United States:



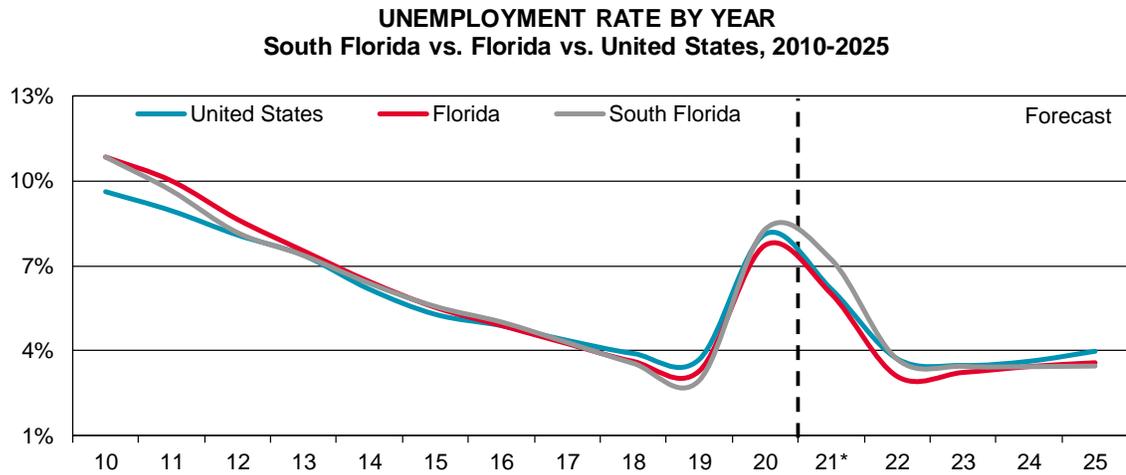
Source: Data Courtesy of Moody’s Analytics and Cushman & Wakefield Valuation & Advisory

Unemployment

The unemployment rate in South Florida measured 5.9% in April 2021, decreasing one half percentage point from the previous month’s rate of 6.4%. Year-over-year, unemployment increased 7.5 percentage points. At 6.9%,

Miami-Dade County has the highest unemployment rate in the tri-county region. Broward County followed with an 5.3% unemployment rate, while Palm Beach County had the lowest unemployment rate of 4.7%.

The following chart illustrates unemployment trends in South Florida and the United States:

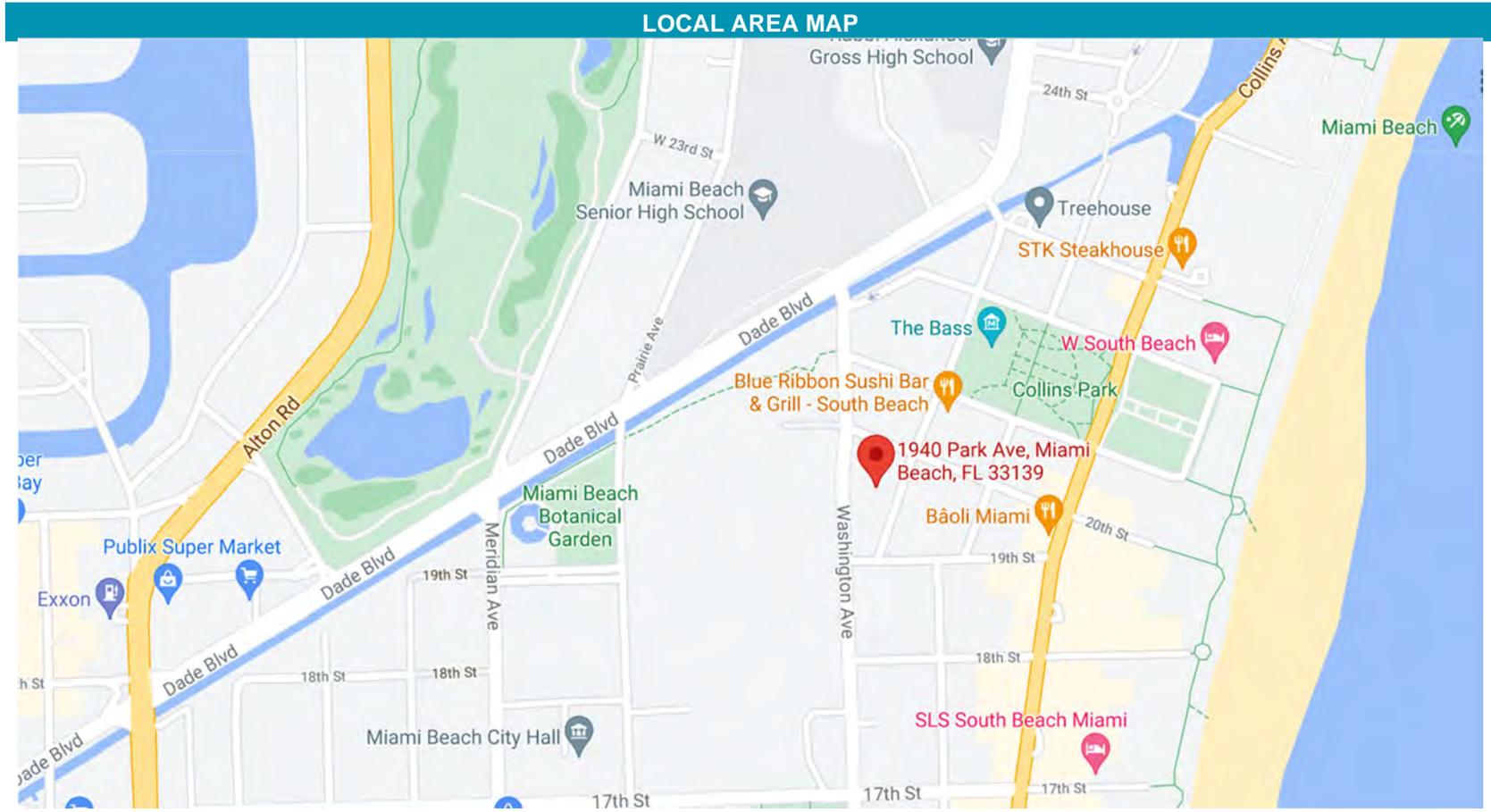


Source: Data Courtesy of Moody's Analytics and Cushman & Wakefield Valuation & Advisory
*First Quarter 2021

Conclusion

Like the rest of the country, the South Florida economy continues to wrestle with the impacts of COVID-19. The immediate negative effects on jobs, particularly tourism-related jobs, has been significant. The full effects of the pandemic remain unknown; however, all major sectors that significantly add to the economy are trending positively on a year-over-year basis. The State of Florida moved into Phase 3 of reopening in late 2020, lifting restaurant/bar capacity limits and suspending fines for mask violations. With the state's reopening, local economists project South Florida's long-term prospects remain favorable. Strong global ties and international character remain significant driving forces in the region and remain major catalyst in moving the economy forward. Each county lures prominent national and international companies as South Florida is a thriving destination for international business – the strategic position, multicultural workforce and numbers connection to international markets. The region is poised to continue capitalizing on foreign investment and benefit from the anticipated growth in international trade due to the Panama Canal expansion. PortMiami is already one of eight Post-Panamax harbors in the country and Port Everglades is being dredged. These deep-water ports can handle the largest vessels that can navigate through the expanded Panama Canal.

Local Area Analysis



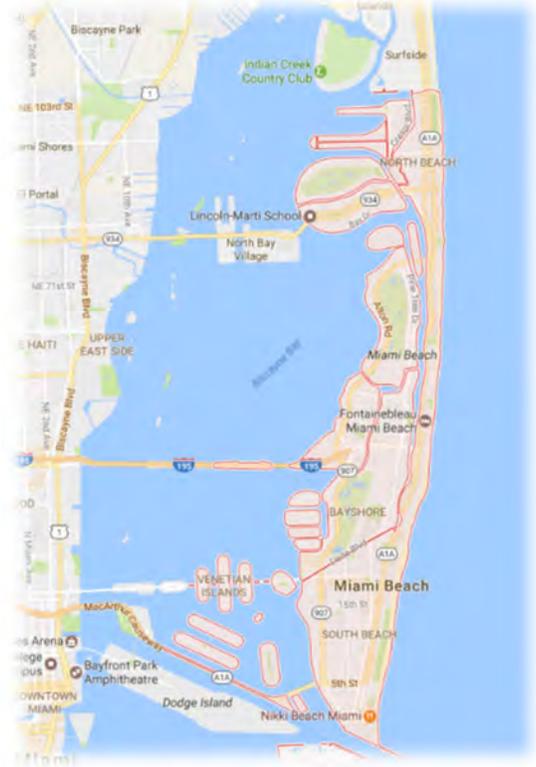
Location Overview

Location

Miami Beach is a ten-mile long barrier island located off the east coast of Miami, separated by the Intracoastal Waterway and Biscayne Bay. During the 1990's, Miami Beach's renaissance and popularity reinvigorated the economy, as new industries and businesses (including fashion, entertainment, tourism, and technology) flourished.

Miami Beach has also become a popular locale for area residents, most of which work in Downtown Miami. The Art Deco District/South Beach is the primary attraction of Miami Beach, which makes up the bottom third of the island of Miami Beach. South Beach has become a magnet for fashion, music, and entertainment industry celebrities. Leisure visitors from the world over are drawn to the area's cosmopolitan atmosphere, chic restaurants, hip nightclubs, and world-renowned beaches.

There are more to 60,000 employees working daily in Miami Beach, with over 30,000 of them in South Beach. These employees work in a variety of industries, with the largest being the tourism/service industry. Employment in Miami Beach is primarily concentrated in the following industries: hospitality (hotels, food, and beverage), health care, retail trade, and construction/development. However, the fastest growing industry is the entertainment industry (fashion, film, music, internet, production, TV/cable).



Miami Beach has positioned itself as a residential and recreational community for the downtown area, as well as working to continue its strong traditional tourist industry. There are numerous construction and revitalization projects initiated by public and private sector participation currently taking shape in Miami Beach.

Access

Local area accessibility is generally good, relying on the following transportation arteries:

- | | |
|-----------|--|
| Local: | Major north/south arteries are Ocean Drive, Collins Avenue, Washington Avenue, and Alton Road. The major east/west roads in the subject neighborhood are MacArthur Causeway (Fifth Street on the island), Venetian Causeway, and the Julia Tuttle Causeway. The subject has direct frontage on Alton Road. |
| | Public transportation in the neighborhood is limited to buses. |
| Regional: | The primary regional access is along Interstate 95, which lies approximately 5 miles west of the subject area and the Intracoastal Waterway. |

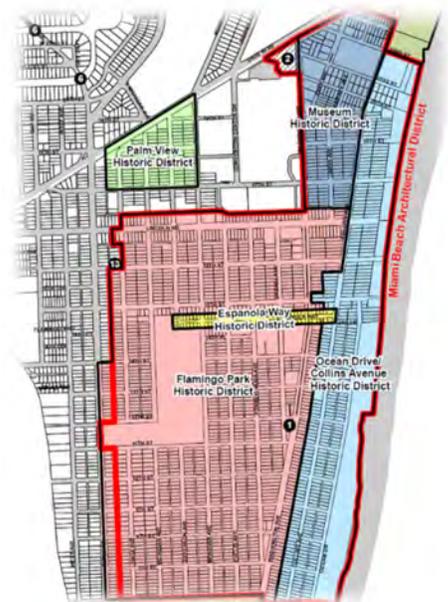
Collins Avenue, also known as SR-A1A, runs in a north/south direction. A1A starts at the tip of Miami Beach and runs along the US eastern seaboard (along the Atlantic Ocean in most areas).

South Beach / Art Deco District

South Beach contains the landmark historical Art Deco District, the first 20th century neighborhood to be recognized by the National Register of Historic Places containing the finest collection of 1930s art deco resort and residential architecture found in the United States. The Art Deco District is a 60-year old, 17-block sector of hotels, apartment structures, retail, and office buildings. The Art Deco District is bordered by 23rd Street to the north, 6th Street to the south, the Atlantic Ocean and Ocean Drive to the east, and West Avenue to the west. The district contains about 800 structures of historic significance, the largest collection of Art Deco and Streamline Modern architecture in the world. Pastel-painted, mid-rise Art Deco hotels from the 1920s to the 1940s dominate the historic district. South Beach is also characterized by a mix of mid- to high-rise hotels and residential towers along the beach and on the east side of Collins Avenue. A mix of single-story retail stores and restaurants and low-rise residential buildings are located along the west side of Collins Avenue and on Washington Avenue.

Artists and young families, executives and others who wish to locate in a unique area, near the ocean and downtown Miami, have rediscovered this area. The district is experiencing a great deal of restoration, renovation and redevelopment activity and is home to significant industries such as fashion and entertainment.

Ocean Drive is the heart of South Beach, running north/south between 1st and 15th Streets, with the beach to the east and Art Deco hotels, clubs, restaurants, shops, and condominiums lining its west side. North of 15th Street, buildings are located directly on the ocean. There are more than 15,000 hotel rooms located within South Beach, along with dozens of sidewalk cafes. From a handful of eateries, a decade ago, the three-by-ten block area between Ocean Drive and Washington Avenue contains roughly 150 restaurants and clubs. Four blocks north, where Ocean Drive terminates at Collins Avenue, the Michael Graves-designed Ocean Steps project was developed by Constructa, Inc. This mixed-use project contains 46,000 square feet of multi-story retail and restaurant uses, adjacent to a 104-unit luxury condominium (Il Villaggio) and the 16,000-square-foot Il Villaggio Shops. Further north is the Anchor Shops, located at the ground level of the 850-space parking garage across from the Loews Hotel on Collins Avenue and 16th Street.



Along the east side of Ocean Drive is the Ocean Front Auditorium and Art Deco Welcome Center, the beach, and the Atlantic Ocean. The auditorium offers 4,300 square feet of meeting space, plus a 473-square-foot stage available to rent for functions. The Welcome Center is the starting point for guided walking tours of the Art Deco District and its unique architecture. With exploding growth and increased traffic, insufficient parking is a problem in South Beach, and the city has addressed the issue by planning to build four new public/private parking facilities, with over 1,800 new spaces.

Ocean Drive District

The Ocean Drive corridor, from 5th Street to 15th Street, represents one of the original cornerstones of the overall Miami Beach tourist industry, where the majority of development occurred between 1925 and 1945. The overall design and appeal of the Ocean Drive corridor is regarded as a reflection of that period, of Art-Deco, Streamline

Modern and Mediterranean Revival architecture with the addition of a tropical/nautical motif style to the overall structures. These architectural styles are noted throughout this area creating uniqueness to the area commonly known as the “Ocean Drive District”.

There are more than 15,000 hotel rooms located within South Beach, along with dozens of sidewalk cafes. From a handful of eateries, a decade ago, the three-by-ten block area between Ocean Drive and Washington Avenue contains roughly 150 restaurants and clubs.

Collins Avenue

The primary traffic artery of Miami Beach is Collins Avenue, known as “the Strip”, which is also flanked by historical Art Deco buildings. Among them are: The Hotel, Franklin, Fairmont, the former Hoffman's Cafeteria (which became the Club Ovo and China Club), Haddon Hall, the St Moritz tower block, the Surfcomber, and Greystone – all built after the 1920s. Also, on Collins Avenue are three of the largest Art Deco hotels, built in the forties, the National, the Delano, and the Ritz Plaza. The streamlined structures and architectural detail are designed to recall 20th Century means of transport - rockets, submarines, and aircraft.

Lincoln Road

The Lincoln Road Mall was a glittering shopping area in its heyday but fell upon hard times in the 1980s. The Mall now provides a large selection of stores and there is also a resurgence of restaurants, numerous small ethnic cafes, and art galleries. In addition, the 520-seat Colony Theater located in the Mall is used for theatrical presentations at night and conference and business presentations during the day.

In 1997, the City of Miami Beach completed a \$16 million renovation to the Lincoln Road infrastructure and exterior aesthetics including new landscaping, pavement designs and fountains. Lincoln Road has subsequently undergone a transformation from a local boutique shopping strip to a high-traffic, outdoor commercial retail strip with an increasing number of national credit tenants. These tenants include The Gap, Victoria's Secret, Pottery Barn, Williams-Sonoma, Mayor's Jewelers, Starbucks, and Banana Republic. These new tenants add to the neighborhood's image as a major cultural and recreational center.

Tourism and Visitation

The reopening of the long-shuttered Miami Beach Convention Center and return of Art Basel in 2018, stimulated demand to Miami Beach, that had faltered while the convention center was closed. RevPAR spiked by 17.9 percent over the previous year. Furthermore, the coming of SuperBowl LIV in February 2020 broke performance records for Miami hotels, including in South Beach. During this event, Miami Beach posted the most expensive average daily rate at \$923.74, while occupancies stayed in excess of 90.0 percent marketwide.

In contrast, by March 2020, the negative effects of the coronavirus pandemic were felt within the Miami Beach hotel industry. By March 23rd, 2020, Miami Beach hotels were required to close by the Governor to aid in social distancing, and only allowed to re-open as of June 1st, 2020. Although new coronavirus cases and in-place government restrictions continue to depress performance at local hotels, there are indications of a rebound beginning due to pent-up leisure demand to the area. In an attempt to drive RevPAR, hotel management has been discounting rates to increase occupancy, while pushing rates as much as possible during the summer months and strong weekends, such as the fourth of July. Overall occupancy as of July 2020 in Miami Beach was 54.8 percent (an approximate 30.0 percent decline year-over-year), while average rate was \$341.62 – an increase of 21.0 percent year-over-year (however, this includes the unprecedented rates achieved during the SuperBowl).

Although the full impact of the pandemic remains unknown, market participants believe the impacts are temporary and anticipate that occupancy and rate will continue to rebound in the near term, especially once a vaccine is released. It is anticipated that occupancies will return to normal levels in 1-2 years in Miami Beach, with normalized average rates following thereafter.

Demand Drivers

In addition to the beaches, nightlife, and sunshine, Miami Beach also has several other demand generators and annual events that provide ample lodging demand. Large events that induce lodging demand include Art Basel, Art Deco Weekend, South Beach Food & Wine Festival, South Beach Comedy Festival, Fashion Week, Festival of the Arts, the Auto Show and numerous events at the Miami Beach Convention Center.

Miami Beach Convention Center

Many of the City's central attractions cluster around the Miami Beach Convention Center at 18th Street and Washington Avenue. In January 1990, a \$92 million expansion of the center was completed that expanded the building to over 1.1 million square feet, including 500,000 square-feet of exhibition space and 150,000 square-feet of meeting space. The convention center closed again in 2015 for a three-year, \$620 million renovation that encompassed the addition of 263,000 square-feet of space (including five ballrooms; one of which measures 60,000 square-feet and another with a glass rooftop for VIP events), 10 new meeting rooms, LEED Silver certification, and a striking, new exterior look - a collaboration between Fentress Architects and Arquitectonica that uses more than 500 giant fins of aluminum and glass to create an undulating facade, reminiscent of a rolling ocean wave. The facility now totals 1.43 million square feet. Over 30 conventions are already booked.

Officials are anticipating the renovation and reopening of the convention center will boost Miami-Dade's \$26 billion tourism industry, helping it to grab a greater share of the U.S. meetings industry, which generated \$325 billion in 2016, according to an economic significance study by Oxford Economics.

An 800-room headquarters hotel is also planned for the convention center, to be built on an adjacent, city-owned parcel of land. This would help the convention center to achieve its goal of 28 city-wide conventions per year. Currently adjacent to the Convention Center is the Jackie Gleason Theater of the Performing Arts (TOPA) and the Miami Beach Garden Center.

Miami International Auto Show

The Miami International Auto Show has been a staple event held at the Miami Beach Convention Center for more than 40 years. The event spans a ten-day period in November and sees upwards of 650,000 attendees. This auto show is recognized as one of the largest and most prestigious auto related events in the U.S. The event typically showcases more than 40 new vehicles from manufacturers around the world and over 1,000 vehicles in total.

Art Basel

Art Basel is an international art fair held in each June in Basel, Switzerland, the event is also held each December in Miami Beach as a sister event to the Swiss festival. The event provides large public works of art as well as gallery and exhibits of local and international artists and hosts high-end parties and functions with A-list celebrities. Art Basel Miami has been held annually since 2002; the city-wide event has surpassed the original Swiss event in terms of size and popularity. In 2010, the festival attracted nearly 40,000 attendees, and in 2013 the event grew to more than 72,000 in attendance; by 2016, total attendance was in excess of 77,000 visitors; and over 80,000 attended in 2018.

With the Miami Beach Convention Center reopening, Art Basel has returned to Miami Beach as of 2018 (where it had its first show back in 2002) and has signed an agreement to remain at the venue until at least 2023.

Art Deco Weekend

The Art Deco Weekend community festival entered its 41st year in 2018. The three-day event is presented by the Miami Design Preservation League, and celebrates the architecture, preservation, education, history, advocacy, art, culture and entertainment. The annual festival draws roughly 150,000 attendees and offers more than 85 educational events, tours, performances, and kids' activities.

South Beach Food & Wine Festival

Sponsored by the Food Network and Cooking Channel, this five-day destination event draws more than 65,000 guests. This event originally began as a one-day event at the Florida International University Biscayne Campus and grew to become a significant annual demand driver for the local market. The 17th Annual event was held in February 2018 and featured internationally renowned talent and leaders of the hospitality industry at uniquely crafted events showcasing world-class wine, spirits, food, and fun.

Conclusion

The general trend of the local area has been one of redevelopment, renovation, and growth. Since the early 1990s, the desirability of the area has been enhanced greatly. South Beach has become a world-renowned destination for its beach, shopping, dining, entertainment, and business amenities, and is considered one of the most desirable locations in North America. The reopening of the Miami Beach Convention Center bodes well for the area in the long term – with increased jobs, increased city revenues and recognition (as more city-wide events take place), and increased performance at local hotels, restaurants, and retail uses.

On balance, the outlook for the subject neighborhood is that of a fundamentally good market; however, we have considered that this may be affected in the near term (over the next year or two) due to the effects of the current coronavirus pandemic (of which there is currently no general consensus on the depth or timeframe of these effects). Overall, we are optimistic about the subject's neighborhood's long-term growth and relative stability, although there may be near term disruptions due to the Covid-19 pandemic, particularly for hotels and retail space, which has been affected the greatest to-date by the pandemic.

National Apartment Market Analysis

Introduction

Overview

Prior to the current market disruption brought on by the COVID-19 pandemic, the U.S. economy had officially begun its eleventh consecutive year of growth in the second half of 2019; a new record for the longest economic expansion in history. Economic growth beat market expectations during the fourth quarter of 2019, and the unemployment rate hit a 50-year low as it sits at 3.5%. As the economy moved closer to full employment in what many viewed as late-cycle growth, the uncertainty of the global economy had raised the fears of a recession. In December 2020, however, the economy lost a net of 140,000 jobs as COVID-driven shutdowns led to a decline in employment of approximately 500,000 jobs in the leisure and hospitality sector (other sectors experienced modest gains that month). As of year-end 2020, payroll employment was still 9.8 million jobs below its pre-recession peak, while at the same time, layoffs remain elevated, signaling that the labor markets are still stressed.

The expansion of jobs and wages, as well as the availability of comparably cheap mortgages and increases in residential construction, have led to a growing number of home purchases and all-time high home prices. New U.S. single-family home sales at the end of 2020, at a seasonally adjusted annual rate of 842,000, rose 15.2% year-over-year, according to the Department of Housing and Urban Development. The expansion of employment and wages, mixed with the price growth in the housing market and lower residential sales, will offer an opportunity for growth in the apartment sector over the near-term.

According to the Census Bureau for Housing Data, more households are headed by renters than at any other point since 1965. House prices continue to climb forcing individuals and families, especially young adults, into the apartment market. During 2020, renters were more likely than existing homeowners to buy homes, with many shifting into homeownership through the late summer and early fall. The likelihood of homeowners to sell their homes measured at 18% and renters looking to purchase a home at 34% has held steady since the beginning of 2021. The biggest concern for the industry is supply, as completions have outpaced demand in each of the past five years and the industry is expected to see more supply over absorption through 2025, according to estimates from Reis, Inc. Despite this worry, favorable demographic trends and an improving economy continues to largely benefit the rental sector. Strong demand for the apartment market will maintain its recent gains for the foreseeable future and the apartment sector still remains as the most heavily transacted sector in the U.S. Even still, apartment property prices are rising and outpacing all other property types, except for the industrial sector, in terms of price growth during the year.

COVID-19 Impacts

As the economy started to recover from the initial impacts of the COVID-19 pandemic and the economic crisis that unfolded, there has been another surge in infections, exacerbated by the onset of winter. Social distancing remains the norm, conferences are online, and property tours are kept to a minimum. Some jurisdictions have re-instituted varying degrees of stay at home orders or lockdowns. In light of this, it is important to take in mind that data lags, and we are still trying to accurately determine the pandemic's effects on the commercial real estate market. In other sections of the report we will discuss these effects and impacts on the immediate market and subject property in as much detail as possible. Therefore, we ask that you consider the following points:

- Early in the COVID-19 pandemic, most non-essential businesses shut down, causing significant disruption in the economy. As we enter the fall and winter months, many businesses that reopened over the late spring and summer may now be forced to shut down once again or drastically change the way they operate and function.

- Certain property types have been more heavily impacted than others, with some asset classes benefiting from the COVID environment. Generally, cap rates and price growth remain relatively flat across the board.
- Investment activity picked up significantly in the third quarter, with a clear flight to quality, but at the same time, delinquencies are on the rise and more properties are requiring special servicers.
- The global pandemic has affected the national apartment market and landlords and renters are wondering where the rent will be coming from over the next several months. Through October 27, 94.6% of rental households paid either full or partial rental payments, according to the National Multifamily Housing Council (NMHC). This is a 1.2 percentage point decrease from the share who paid rent through October 27, 2019 and compares to 92.2% that had paid by September 27, 2020. The NMHC believes that rent collection rates could drop in response to the support provided by CARES Act having expired and urges additional support to renters to keep the rental housing sector stable.
- The Federal Housing Finance Agency moved to protect multifamily owners and tenants in response to the novel coronavirus. Apartment landlords with government-backed mortgages can avoid foreclosure if they do not evict tenants, and the order applies to Fannie Mae and Freddie Mac mortgage companies, which will extend mortgage forbearance to any landlord negatively affected by the coronavirus national emergency. Several states and local governments have put temporary eviction moratoriums in place during the pandemic.
- The United States' coronavirus multifamily loan forbearance programs has seen the number of borrowers looking for support continue to increase. Fannie Mae and Freddie Mac have created three additional forbearance options to assist multifamily borrowers during the COVID-19 pandemic. The options include delaying the start of the repayment period following forbearance, an extension of the repayment period and an extension of the forbearance period with an optional extended repayment period.

Wide scale vaccinations started in first quarter 2021, and we expect a significant part of the population to be vaccinated by the end of the year. With this, businesses will begin to fully resume normal activities, as risk and fear of infection decrease, and the economy will begin to grow more rapidly.

National Apartment Market Statistics

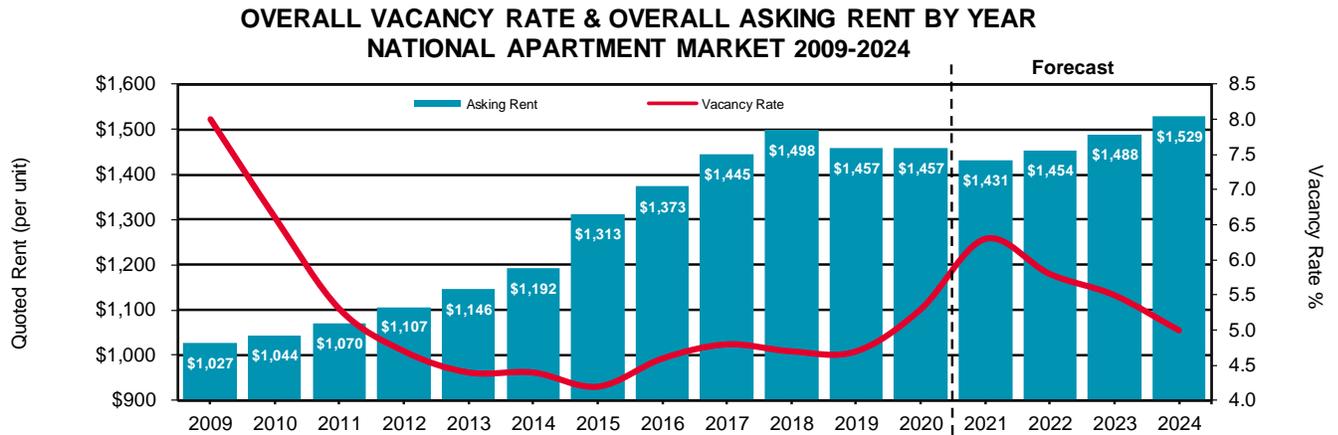
Vacancy and Asking Rent

Strong absorption levels since 2010 resulted in a drop in overall vacancy rates, a trend that continued in the following years. Occupancy levels caused developers to add large quantities of supply to the market over recent years. As completions surpassed net absorption for the sixth consecutive year in 2020, the market's vacancy rate rose six basis points year-over-year, to 5.3% at year-end 2020. Many feared that rent growth would suffer as a consequence of apartment volume and increasing vacancy rates, but this has not been the case. Between 2015 and 2019, average asking rates increased by 18.7%

In 2020, 121,139 units were absorbed, behind the 194,449 units that were completed during the year. At the end of 2020, overall net absorption was 56.8% below absorption in 2019, according to data from Reis, Inc. Net absorption is projected to observe a general slowdown through 2024. The five-year average from 2015 through 2019 saw approximately 204,615 units being absorbed annually, while the five-year annual absorption average from 2020 through 2024 is projected at 130,123 units per year.

At the end of 2020, the market's average asking rents, at \$1,457 per unit, have fallen in a year-over-year comparison in response to the COVID-19 pandemic. Going forward, Reis, Inc. anticipates that the apartments market's vacancy rate will decline over the next five years, due to high levels of supply. Furthermore, Reis, Inc. projects that the average asking rent to rise to \$1,573 per unit in 2025, representing an increase of almost 8% from fourth quarter 2020.

The following graph displays historical and projected vacancy and asking rent between 2009 and 2024:



Source: © 2020 Reis, Inc.
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 Note: Data includes Classes ABC. Complexes w/40+ units (except CA & AZ 20+)

National Apartment Investment Sales Market

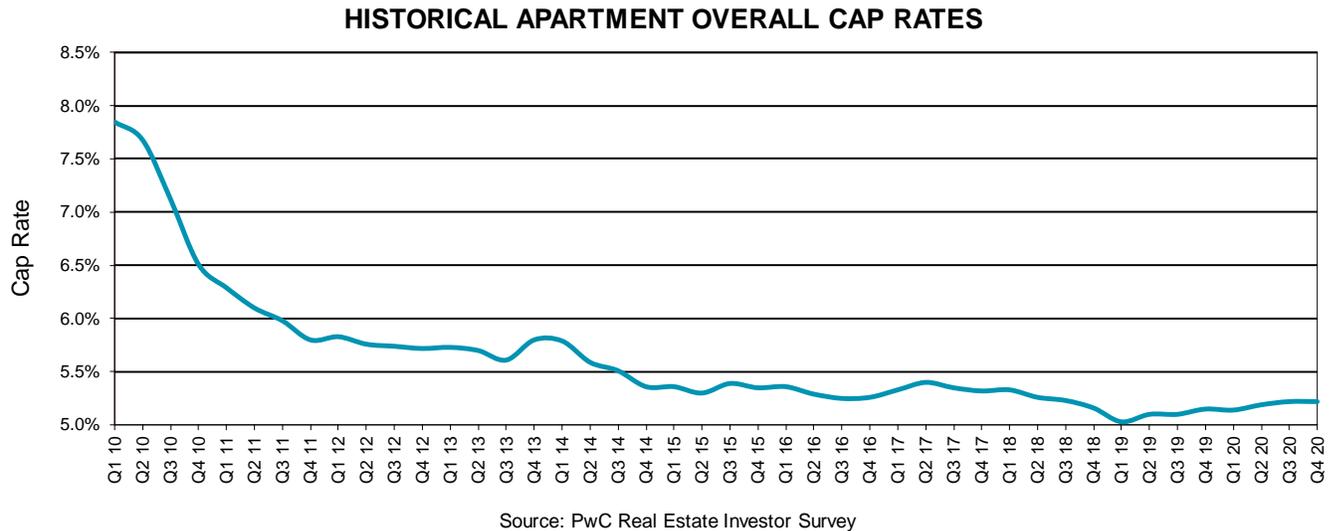
Overall Capitalization Rates

Both the PriceWaterhouse Coopers (PwC) Real Estate Investor Survey and the National Council of Real Estate Investment Fiduciaries (NCREIF) methodologies offer unique perspectives on capitalization rate trends. The PwC Real Estate Investor Survey calculates its data based on a personal survey of major institutional equity real estate market participants. In contrast, NCREIF looks at data from appraisals included in their benchmark property return index. The index contains quarterly performance data for unlevered investment-grade income-producing properties, which are owned by, or on behalf of, exempt institutions.

The PwC Real Estate Investor Survey and NCREIF data demonstrates how capitalization rates (OAR) soar during an economic downturn. The risk associated with apartment buildings in 2009 pushed the OAR to 8%, according to PwC. At the end of 2021, the PwC Investor Survey reported the average capitalization rate for apartment properties, at 5%, fell 18 basis point below the average cap rate recorded in the previous quarter, after falling ten basis points from fourth quarter 2020. Roughly 56% of the surveyed investors noted that current market conditions do not specifically favor buyers or sellers. However, investors speculate that average overall cap rate will continue to decline over the year as the pandemic continues to affect tenant demand and rental rates.

According to NCREIF, the overall capitalization rate, at 3.7% in fourth quarter 2020, dropping eight basis points from the previous quarter and falling six basis points the year prior. Despite displaying distinct rates, similar trends are usually evident in both the PwC Real Estate Investor Survey and NCREIF data. Even with the difference in the quarterly data, both surveys suggest that capitalization rates are well below what they were nine years ago. This emphasizes investors' positive sentiment toward the apartment market.

The following graph reflects historical trends for national apartment market OARs, per PwC:



The following graph reflects national historical cap rate trends as reported by NCREIF:



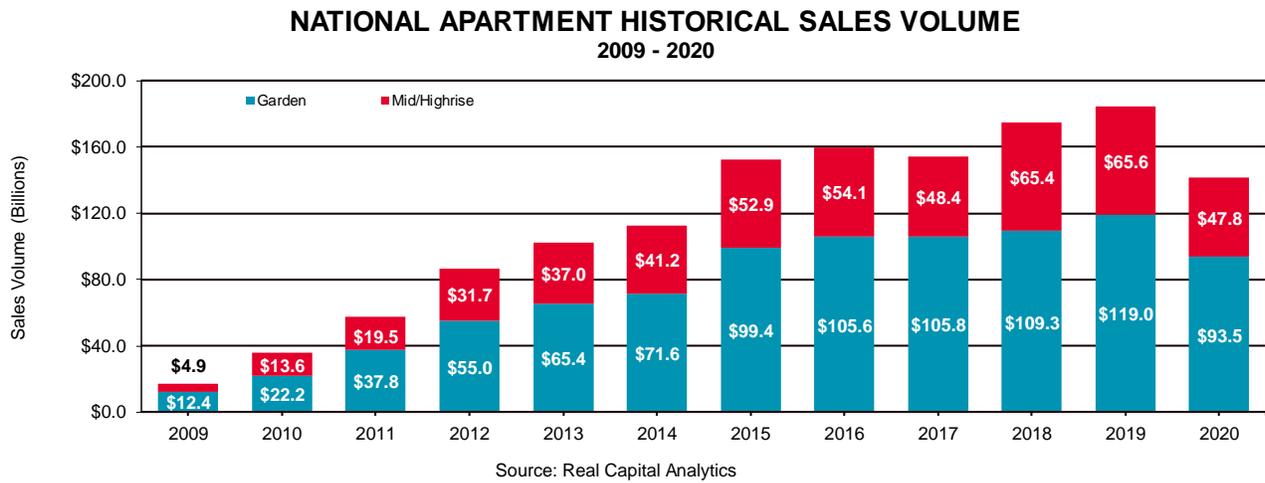
Sales Volume

Through fourth quarter 2020, sales volume in the apartment sector totaled approximately \$141.4 billion, falling 23.4% in a year-over-year sales comparison. According to Real Capital Analytics, mid/high-rise transactions dropped 27.2% from the end of 2019. Furthermore, garden-style apartment community’s transactions are down 21.4% in a year-over-year comparison.

Total apartment sales volume returned to prerecession levels in 2013 and grew through 2016, when sales volume set a new high. In 2017, sales volume for the national apartment market declined on an annual basis for the first time since the economic expansion began. A total of roughly 8,000 properties transferred for \$153.9 billion, representing a 3.5% drop on an annual basis. Investors were mindful of the recent interest rate increases and aware that further potential hikes were on the horizon.

Through the end of 2020, apartment volume fell 23.4% in a year-over-year comparison as COVID-19’s impact sidelined investors in the apartment sector. Deal volume for the quarter totaled roughly \$56.7 billion and deal volume totaled approximately \$141.3 billion at the end of 2020. For the year, the Non-Major Metros continue to outperform the major metros in transaction volume, with roughly \$78.5 billion in activity through the end of fourth quarter 2020. Major metro transaction volume totaled approximately \$33.6 billion over the same frame.

The following graph reflects national apartment historical sales volume for both garden and mid/high-rise properties from 2009 through 2020, as surveyed by RCA:

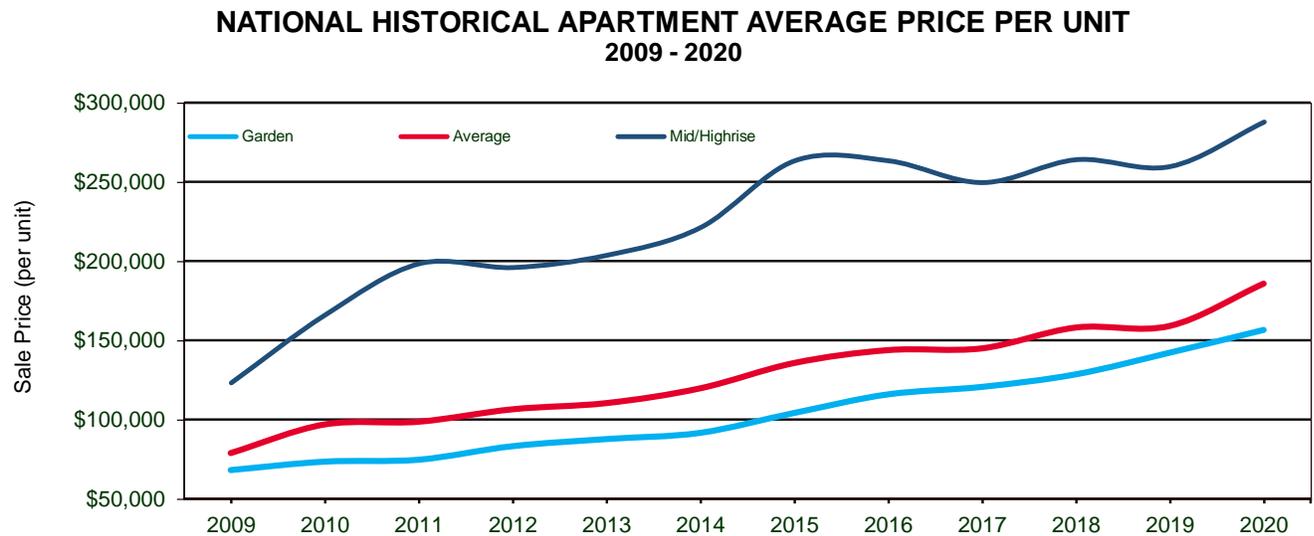


Average Sales Price per Unit

The average price per unit has steadily increased over the past few years. As the market recovered, the value of the average apartment appreciated, however a portion of apartment units that were sold following the financial crash were distressed assets, limiting price growth. Over the last five years there has been a decline in distressed assets that are available for purchase. This has led to escalating prices alongside an increasingly strong appreciation for mid- and high-rise properties in primary and secondary markets.

Through fourth quarter 2020, the price per unit for garden properties was \$156,618 and the mid/high-rise price per unit, at a weighted average of \$288,022 per unit during the same time period. At the end of 2020, the average price per unit for all apartments, at \$185,791. The average price per unit in the six major metro markets sits at \$289,857 per unit while the non-major metro markets average price per unit comes in at \$151,034 per unit.

The following graph reflects the national apartment's weighted historical averages for price per unit as surveyed by RCA:



Source: Real Capital Analytics

The Moody's/RCA Commercial Property Index

The Moody's/RCA Commercial Property Price Index (CPPI) is an advanced repeat-sale regression analytic used to measure price changes in U.S. commercial real estate. The analysis allows for a timely and accurate picture of U.S. commercial property price trends. The Index uses transaction data sourced from Real Capital Analytics (RCA) and a methodology developed by a team headed by MIT Professor David Geltner working in conjunction with Moody's and RCA.

Several characteristics qualify property sales data for inclusion in the CPPI:

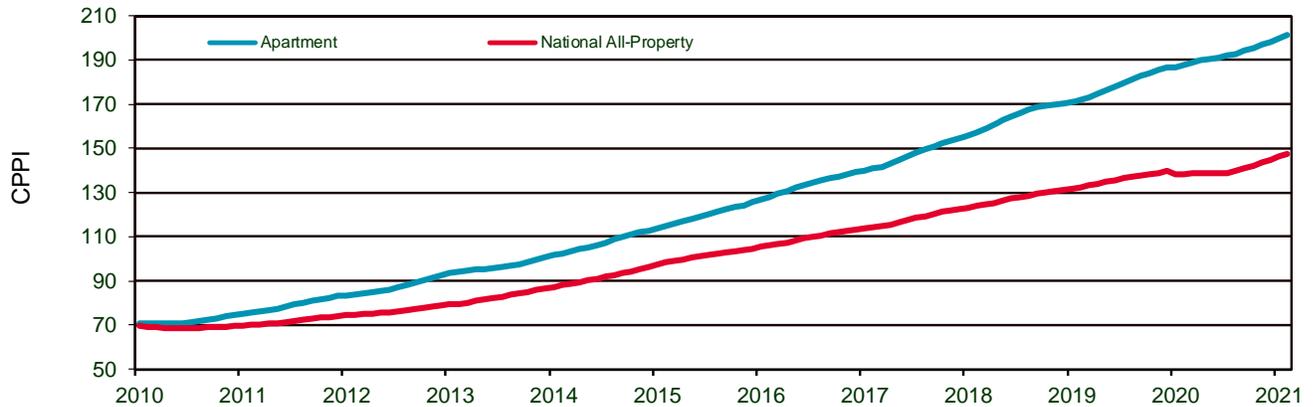
- The minimum value of a sale for inclusion is \$2.5 million.
- Each sale must be a valid arms-length transaction. Foreclosures and other non-market transactions are excluded.
- A minimum of 12 months between sales is necessary to control against "flips."
- Neither of the sales in a pair can represent a material change in property use or size.

A transaction is excluded if the annualized return is less than negative 50% or greater than 50%. This restricts the inclusion of erroneous reports, major rehab projects, and partial sales or otherwise flawed data.

The national index for all properties as of February 2021 was 147.7, an increase of 6.8% from February 2020. The apartment CPPI has increased by 7.2% to 201.2 in a year-over-year comparison.

The following graph displays the Commercial Property Price Index from 2010 through February 2021:

MOODY'S/REAL COMMERCIAL PROPERTY PRICE INDEX NATIONAL AGGREGATE & NATIONAL APARTMENT



Source: Moody's/REAL; *National Aggregate reflects data as of February 2021

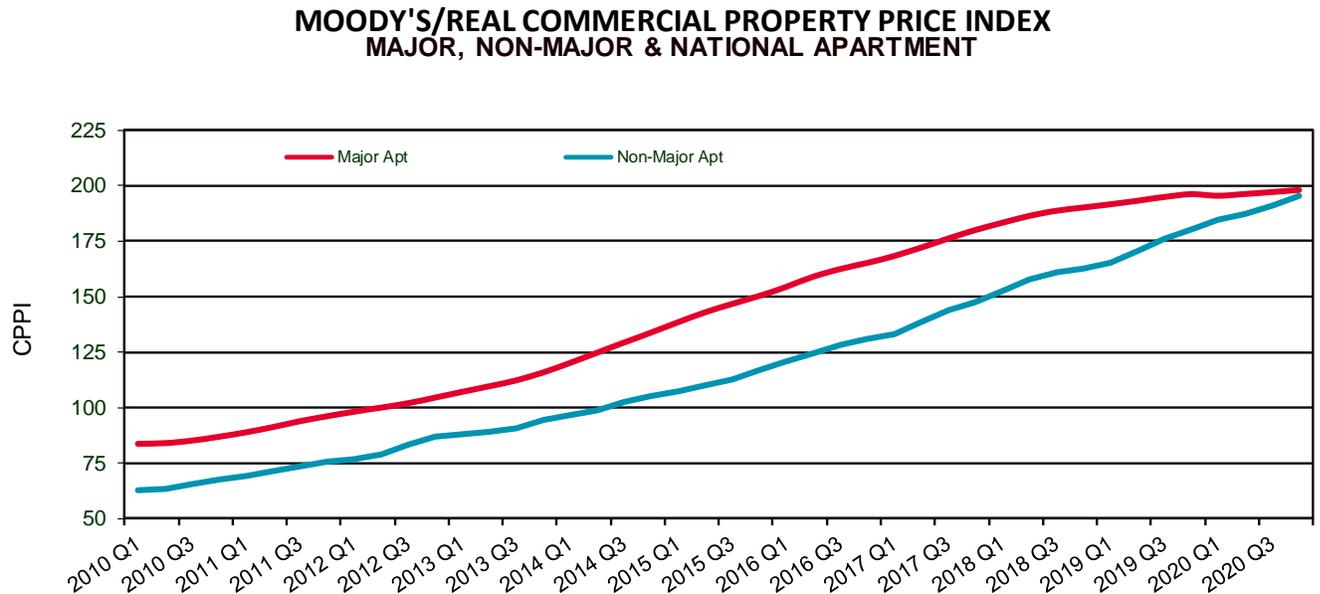
Major and Non-Major Apartment Property Index

Moody's major markets include the six metropolitan areas of: Boston; Chicago; Los Angeles; New York; San Francisco; and Washington D.C., which are often referred to as gateway markets. These markets reflect significant differences in liquidity, when compared to other markets in the United States, as they attract capital from global investors and account for more than half of the U.S. total sales volume. Therefore, apartment properties located in one of the six major markets usually have a higher CPPI value than that of non-major markets.

The CPPI value for apartment properties in major markets reached its previous cyclical peak, at 112.5, in December of 2007, and only declined 19.5% to its trough of 90.6 in December 2009. Since then, the CPPI value for major market apartment buildings has not only recovered, but significantly surpassed the value lost during the economic recession. As of fourth quarter 2020, the CPPI value for apartment buildings in major markets reached 197.9 representing an 90.6% increase over its previous cyclical peak.

The CPPI value for non-major apartment complexes reached its peak of 103.2 in June 2007, only to decline 37.9% to a trough of 64.1 in early 2010. Naturally, price appreciation started off slow in non-major markets as investors focused on the aforementioned gateway markets. However, apartment properties in non-major markets have surpassed their previous high value by 89.4%, with an index value at 195.6 as of third quarter 2020.

The following graph displays the Commercial Property Price Index for major and non-major markets over the last decade:



Source: Moody's/REAL; *National Aggregate reflects data from 2009 through fourth quarter 2020

National Apartment Market Summary

The national apartment market has been hurt by the ongoing COVID-19 pandemic but has shown signs of improvement during the through the end of 2020. Transaction volume in the national apartment sector is down 23.4% when compared to year-end 2019 and investors are seeing higher vacancy rates and declining rents in several markets due to the pandemic. In 2020, Dallas continues to lead the apartment market in deal activity for the year and Seattle posted the sharpest annual decline in deal volume, falling 62% in a year-over-year comparison, according to Real Capital Analytics. Additionally, investors are planning to capitalize in markets with limited exposure to the tourism and entertainment sectors during the health crisis, according to the PwC Real Estate Investor Survey.

Further, the COVID-19 pandemic does not seem to be going anywhere and wide-scale vaccinations will be key to returning the U.S. to preCOVID-19 levels of activity. The uncertainty surrounding the coronavirus has caused full or partial rental payments to drop over the last few months. As of December 2020, 27% of homeowners and 35% of renters had asked for a housing payment postponement, most commonly due to uncertainty over making payments beyond the next one. Through the near-term, the COVID-19 pandemic will continue to play a role in the national apartment market as the economic impact from the coronavirus puts pressure on both renters and landlords.

Following are notes regarding the outlook for the U.S. national apartment market:

- Construction levels poses localized risk in several markets that have ramped up development. The number of new developments breaking ground and coming to market will increase in the next year and likely surpass the rate at which units can be absorbed, particularly in metros with a high concentration of new, expensive infill product.

- Home ownership levels are at lows only matched in the 1960s and it is anticipated that will be the case for the foreseeable future. Concerns could arise if the millennial generation start to trend toward houses in the suburbs rather than walkable urban areas. It is worth noting that this generation grew up in the middle of the housing bust which may have affected a general view of home ownership.
- Mortgage rates have hit historic lows and it is worth noting that renters and homeowners could take advantage of the low rates over the next several months. 40% of renters plan to purchase a home given current interest rates, according to Freddie Mac.
- With the shutdowns of non-essential businesses, construction has slowed across the United States and in some metro areas construction has come to a full stop. Expect apartment deliveries to be pushed back until construction can resume. At this time, it is too difficult to speculate how long the delays will last.
- Major cities in the United States plan to utilize rent controls in order to combat the problem of affordable housing in 2020. Rent controls have been established in New York, California and Oregon already and other major markets are pondering the idea to ease rising rental costs. The National Apartment Association believes that the solution should not be rent controls as they have devastating effects on the current stock available.
- Overall, the national apartment market remains healthy, underscored by steady absorption and stabilized rent growth. Oversupply could result in slower rent growth over the next five years; however, demand will continue, and rent is expected to increase 4.9% on an annual basis from 2020 through 2024, according to Reis, Inc. To summarize, the apartment market should remain one of the top choices for investors.

Miami-Dade Apartment Market Overview

Introduction

Data for the analysis of the Miami-Dade-Dade Apartment market is provided by Reis, Inc., a leading provider of multifamily and commercial real estate market information since 1980. Their proprietary database includes trends, forecasts, news and analyses for approximately 200,000 multifamily and commercial properties in 232 metropolitan markets (4 property types multiplied by 58 metropolitan areas) and roughly 2,500 submarkets.

Current and historical figures are compiled by highly qualified industry analysts. Surveyors, as they are called, are responsible for gathering information on property availabilities, rents and lease terms, etc. by directly contacting owners, managers and leasing agents. Projected data is calculated using a suite of economic forecasting models developed by The Economic Research Group, a team led by Ph.D. economists.

Reis' data are released on a quarterly basis, and is widely recognized as a fundamental tool for appraisers throughout the country. **The subject is located in the South Beach / Miami Bayshore submarket.**

Submarket Snapshot

As of first quarter 2021 the Miami-Dade-Dade Apartment market contains 147,716 rental units in 656 buildings, located in thirteen submarkets. Miami is the largest submarket, with 17.3 percent of the region's total inventory. Kendall West is the smallest submarket, comprising 3.0 percent of total inventory.

The following table presents the geographic distribution of inventory in the area, along with other statistical information for the most recent quarter.

Geographic Distribution of Inventory						
Submarket	No. Bldgs	Inventory (Units)	% Total	Vacancy Rate (%)	Free Rent (Months)	Asking Rent (\$/Month)
Miami Lakes	26	7,427	5.0%	2.2	0.4	\$1,285
North Dade	52	11,695	7.9%	3.9	0.6	\$1,208
N Miami Beach/Bal Harbour/Golden Beach	50	9,428	6.4%	4.5	0.6	\$1,851
Hialeah	27	5,233	3.5%	3.6	0.0	\$1,231
Opa-Locka/Brownsville	38	5,072	3.4%	3.0	0.3	\$1,073
North Miami/Bayshore	55	8,883	6.0%	5.2	1.0	\$1,194
South Beach/Miami Bayshore	82	19,830	13.4%	11.3	0.6	\$2,334
Miami	92	25,576	17.3%	15.9	1.2	\$1,880
Airport West	70	20,247	13.7%	6.2	0.8	\$1,465
Kendall East/Coral Gables	55	8,415	5.7%	7.8	0.6	\$1,786
Kendall West	21	4,416	3.0%	1.7	0.1	\$1,454
Kendall Lakes/Hammond	46	13,065	8.8%	4.9	0.5	\$1,359
South Dade/Homestead	42	8,429	5.7%	9.2	0.7	\$1,160
Market Total	656	147,716	100.0%	7.8	0.6	\$1,602

Source:

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As of first quarter 2021, the overall vacancy rate for the region was 7.8 percent. Miami has the highest vacancy rate of 15.9 percent, while Kendall West has the lowest vacancy rate of 1.7 percent. The subject's Miami submarket has a current vacancy rate of 11.3 percent.

The average quoted rental rate for all types of space within the region is \$1,602 per month. South Beach/Miami Bayshore has the highest average rent of \$2,334 per month. Conversely, the lowest rents are achieved in Opa-

Locka/Brownsville at \$1,073 per month. The subject's Miami submarket has an average asking rental rate of \$2,334 per month. In addition, free rent concessions are prevalent within the market and range from 0.0 to 1.2 months.

Supply Analysis

Vacancy Rates

The vacancy rate for the Miami-Dade-Dade region currently stands at 7.8 percent for first quarter 2021, which is down from year-end 2020 when vacancy was 8.0 percent. Reis projects that vacancy rates will decrease over the near term from an average of 8.1 in 2021 to 6.9 in 2025.

The subject submarket is underperforming the market as a whole, with a current vacancy rate of 11.3 percent. Vacancy rates are projected to decrease over the next few years from 10.6 in 2021 to 7.1 in 2025.

The following table presents historical vacancy for the region and subject submarket.

Historical and Projected Vacancy Rates						
Year	Miami-Dade			South Beach/Miami Bayshore		
	Class A	Class B/C	Total	Class A	Class B/C	Total
2016	8.8	3.6	5.4	4.2	4.9	4.7
2017	9.3	3.5	5.6	5.2	4.7	4.9
2018	10.1	4.8	6.9	18.2	10.9	13.3
2019	10.6	4.3	6.9	10.8	5.0	7.0
2020	13.0	4.2	8.0	22.3	5.2	11.4
1Q21	12.7	4.2	7.8	22.2	5.2	11.3
2021	---	---	8.1	---	---	10.6
2022	---	---	7.9	---	---	9.6
2023	---	---	7.7	---	---	8.4
2024	---	---	7.3	---	---	7.7
2025	---	---	6.9	---	---	7.1

Source: Reis, Inc.

Note: Reis does not differentiate between space that is available directly from the landlord or as a sublease. Any space that is available immediately for leasing (i.e. within 30 days) is considered vacant by Reis' standards.

As shown, Class A properties within the region are experiencing higher vacancies than the market as a whole at 12.7 percent, and Class B/C properties are experiencing lower vacancies of 4.2 percent. Within the South Beach/Miami Bayshore submarket, Class A properties are experiencing higher vacancies than Class B/C properties.

Construction Completions

The Miami-Dade-Dade Apartment market experienced an annual average of 28,406 units completed between 2016 and 2020 or an average of 5,681 units per year. Over the next five years, Reis projects that an additional 16,129 units will be added to the Miami-Dade market.

Between 2016 and 2020, the Miami submarket experienced new construction of 3,177 units, or an average of 635 units per year. This accounts for approximately 11.2 percent of the region's total completions. Over the next five years, Reis projects that an additional 5,828 units will be added to the Miami-Dade submarket.

The following table presents historical inventory for the region and subject submarket, as well as future projections.

Historical & Projected Inventory (Units)					
Year	Miami-Dade		South Beach/Miami Bayshore		
	Inventory	Completions	Inventory	Completions	% Total
2016	124,019	4,830	17,150	497	10.3%
2017	128,311	4,292	17,325	175	4.1%
2018	136,453	8,142	18,967	1,642	20.2%
2019	142,384	5,931	19,594	627	10.6%
2020	147,595	5,211	19,830	236	4.5%
1Q21	147,716	121	19,830	0	0.0%
2021	153,772	6,177	20,137	307	5.0%
2022	158,385	4,613	20,591	454	9.8%
2023	162,559	4,174	20,854	263	6.3%
2024	165,167	2,608	21,107	253	9.7%
2025	168,373	3,206	21,387	280	8.7%
2016-2020					
Total Completions		28,406		3,177	11.2%
Annual Average		5,681		635	

Source: Reis, Inc.

Demand Analysis

Rental Rates

As shown in the following chart, average asking rents for the region have been trending upward, from an average of \$1,379 per month in 2016 to an average of \$1,609 per month in 2020, indicating a compound average growth rate (CAGR) of 3.9 percent. As of first quarter 2021, average asking rents dropped to \$1,602 per month. Over the past few years, concessions have been rising and currently stand at 6.0 percent of face rents. Over the next five years, average asking rents are expected to increase from \$1,645 per month in 2021 to \$1,960 per month in 2025.

Average asking rental rates in the Miami submarket ranged from an average of \$2,038 per month in 2016 to an average of \$2,351 per month in 2020, demonstrating a CAGR of 3.6 percent. As of first quarter 2021, average rents dropped to \$2,334 per month. Over the next five years, average asking rents are projected to increase from \$2,381 per month in 2021 to \$2,729 per month in 2025. Concessions currently stand at 5.3 percent of face rents.

The following table presents historical and projected average asking rental rates for the region and submarket.

Historical and Projected Average Asking Rental Rates												
Year	Miami-Dade						South Beach/Miami Bayshore					
	Asking Rent \$/Month			Eff Rent	Change	% Concessions % Face Rent	Asking Rent \$/Month			Eff Rent	Change	% Concessions % Face Rent
	Class A	Class B/C	Total				Class A	Class B/C	Total			
2016	\$1,773	\$1,174	\$1,379	\$1,328	4.9	3.7	\$2,754	\$1,717	\$2,038	\$1,986	0.5	2.6
2017	\$1,858	\$1,261	\$1,478	\$1,419	6.9	4.0	\$2,961	\$1,843	\$2,197	\$2,130	7.2	3.0
2018	\$2,019	\$1,370	\$1,621	\$1,540	8.5	5.0	\$3,526	\$2,205	\$2,644	\$2,540	19.3	3.9
2019	\$2,058	\$1,415	\$1,679	\$1,575	2.2	6.2	\$3,512	\$2,185	\$2,655	\$2,503	-1.4	5.7
2020	\$1,886	\$1,399	\$1,609	\$1,508	-4.3	6.3	\$2,470	\$2,284	\$2,351	\$2,221	-11.3	5.5
1Q21	\$1,878	\$1,393	\$1,602	\$1,506	-0.1	6.0	\$2,455	\$2,266	\$2,334	\$2,211	-0.4	5.3
2021	---	---	\$1,645	\$1,541	2.2	6.3	---	---	\$2,381	\$2,246	1.1	5.7
2022	---	---	\$1,720	\$1,610	4.5	6.4	---	---	\$2,492	\$2,350	4.6	5.7
2023	---	---	\$1,801	\$1,683	4.5	6.6	---	---	\$2,582	\$2,435	3.6	5.7
2024	---	---	\$1,879	\$1,755	4.3	6.6	---	---	\$2,656	\$2,504	2.9	5.7
2025	---	---	\$1,960	\$1,828	4.2	6.7	---	---	\$2,729	\$2,572	2.7	5.8
CAGR	1.56%	4.48%	3.93%	3.23%			-2.68%	7.39%	3.64%	2.84%		

Absorption

Absorption measures change in the level of occupied space in a geographic region over a specific period of time. Absorption is not a measure of leasing activity. It reflects increasing, stable or decreasing demand for space. If the level of occupied space increases from one period to the next, demand has increased. If no change has occurred,

demand is stable. If the level of occupied space is lower, demand has decreased. All things being equal, positive absorption lowers vacancy rates and negative absorption increases vacancy rates. A newly constructed building that enters the marketplace vacant will adversely affect the vacancy rate but have no bearing on absorption since it has not altered the level of occupancy.

Over the past few years, new construction within the region has outpaced absorption levels. As shown in the following table, an annual average of 28,406 new units were completed in the Miami-Dade-Dade region between 2016 and 2020, while 21,584 new units were absorbed. As of first quarter 2021, a total of 121 new units were completed, while 336 new units were absorbed. This resulted in a decline in vacancy from 8.0 percent in 2020 to the current vacancy rate of 7.8 percent. Over the next five years, Reis projects that construction figures will trail absorption (new construction will total 20,778 units, and absorption will total 20,999 units).

New construction within the Miami submarket has outpaced absorption levels, resulting in increased vacancy rates. Between 2016 and 2020, a total of 3,177 new units were completed, while 1,810 new units were absorbed. Over the next five years, Reis projects that 5,828 units will be added to the market, while 2,285 will be absorbed.

The following table presents historical and projected absorption levels for the region and subject submarket.

Historical and Projected Net Absorption (units)								
Year	Miami-Dade				South Beach/Miami Bayshore			
	Class A	Class B/C	Total	Completions	Class A	Class B/C	Total	Completions
2016	3,209	(92)	3,117	4,830	680	(103)	577	497
2017	3,660	132	3,792	4,292	111	23	134	175
2018	5,090	886	5,976	8,142	(38)	5	(33)	1,642
2019	4,807	635	5,442	5,931	1,025	746	1,771	627
2020	3,117	140	3,257	5,211	(614)	(25)	(639)	236
1Q21	212	124	336	121	10	0	10	0
2021	---	---	5,446	6,177	---	---	436	307
2022	---	---	4,673	4,613	---	---	605	454
2023	---	---	4,075	4,174	---	---	489	263
2024	---	---	3,146	2,608	---	---	386	253
2025	---	---	3,659	3,206	---	---	369	280
2016-2020								
Total Absorption	19,883	1,701	21,584	28,406	1,164	646	1,810	3,177
Annual Average	3,977	340	4,317	5,681	233	129	362	635

Source: Reis, Inc.

New Construction Activity

According to Reis, 6,882 units were completed within the Miami-Dade-Dade region over the past few years in a total of 34 projects. There are currently 10,447 units under construction within 44 projects. An additional 39,605 units are planned within 135 projects for potential delivery in the next few years, along with 175 proposed buildings which would add another 57,269 units.

The following tables present new and proposed construction activity for the region.

New Construction Activity - Complete									
Name	Location	City	Submarket	No. Units	Status	Completion			
Las Vistas At Amelia	7945 W 2Nd Ct	Hialeah	Opa-Locka/Brownsville	174	Complete	January	2020		
Ritz-Carlton Residences Miami Bei	4701 N Meridian Ave	Miami Beach	South Beach/Miami Bay	125	Complete	January	2020		
5250 Park At Downtown Doral	5250 NW 84Th Ave	Doral	Airport West	231	Complete	February	2020		
The Ritz Carlton Residences	15701 Collins Ave	North Miami Beach	N Miami Beach/Bal Harb	208	Complete	March	2020		
5350 Park At Downtown Doral	5350 NW 84Th Ave	Doral	South Beach/Miami Bay	238	Complete	March	2020		
275 Fontaine Parc	275 Fontainebleau Blvd	Miami	Airport West	133	Complete	April	2020		
The Henry	4131 Laguna St	Coral Gables	Kendall East/Coral Gabk	122	Complete	April	2020		
Village At Coral Reef	9761 SW 152Nd St	Miami	Kendall West	175	Complete	April	2020		
Gio Midtown	3101 NE 1St Ave	Miami	Miami	447	Complete	April	2020		
Mb Station	3170 Coral Way	Miami	Miami	189	Complete	April	2020		
Iris On The Bay Ph 2	81 N Shore Dr	Miami Beach	N Miami Beach/Bal Harb	21	Complete	April	2020		
Soleste Alameda	6320 SW 8Th St	West Miami	Miami	306	Complete	May	2020		
Soleste Bay Village	18301 S Dixie Hwy	Palmetto Bay	South Dade/Homestead	213	Complete	May	2020		
1091 Galiano Street	1091 Galiano St	Coral Gables	Kendall East/Coral Gabk	27	Complete	June	2020		
Miami Plaza	1502 NE Miami Pl	Miami	Miami	427	Complete	June	2020		
Pearl House	1170 101St St	Bay Harbor Islands	N Miami Beach/Bal Harb	15	Complete	June	2020		
The Residences At Thesis	1340 S Dixie Hwy	Coral Gables	Kendall East/Coral Gabk	204	Complete	July	2020		
The Mareas At Botanica Ph 1	15520 SW 127Th Ave	Miami	Kendall Lakes/Hammonc	408	Complete	July	2020		
Zoi House Coconut Grove	2900 SW 28Th Ln	Miami	Miami	130	Complete	July	2020		
Parkline Miami South	100 NW 6Th St	Miami	Miami	466	Complete	August	2020		
Adela At Mimo Bay	6445 NE 7Th Ave	Miami	South Beach/Miami Bay	236	Complete	August	2020		
Tropical Breeze Townhomes	13340 SW 250Th St	Homestead	South Dade/Homestead	42	Complete	August	2020		
Sanctuary At Doral	9400 NW 41St St	Doral	Airport West	226	Complete	September	2020		
Turnberry Ocean Club	18501 Collins Ave	Sunny Isles Beach	N Miami Beach/Bal Harb	154	Complete	October	2020		
One Park Grove	2811 S Bayshore Dr	Miami	South Beach/Miami Bay	66	Complete	October	2020		
The Fairchild	3581 Glencoe St	Miami	South Beach/Miami Bay	26	Complete	November	2020		
Avalon Doral	3940 NW 79Th Ave	Miami	Airport West	350	Complete	December	2020		
Arml Midtown Miami	3000 NE 2Nd Ave	Miami	Miami	719	Complete	December	2020		
Montecassini Apartments	3930 NW 7Th St	Miami	Miami	120	Complete	December	2020		
850 Living	850 NW 42Nd Ave	Miami	Miami	230	Complete	December	2020		
Bijou Bay Harbor	9521 E Bay Harbor Dr	Miami Beach	N Miami Beach/Bal Harb	41	Complete	December	2020		
WaterS Edge Apartment Homes	10955 SW 214Th St	Miami	South Dade/Homestead	121	Complete	February	2021		
The Elysee Residences	788 NE 23Rd St	Miami	South Beach/Miami Bay	100	Complete	March	2021		
No. 17 Residences Allapattah	1569 NW 17Th Ave	Miami	Miami	192	Complete	April	2021		
Total Complete				6,882					

New Construction Activity - Under Construction									
Name	Location	City	Submarket	No. Units	Status	Completion			
Pura Vida Hialeah Residential	2901 W 16Th Ave	Hialeah	Hialeah	260	Under Constr.	---	---		
Milne Ludlam Trail Ph 1	6900 & 6950 Bird Rd	Miami	Kendall East/Coral Gabk	338	Under Constr.	---	---		
Bonsai I	519 SW 5Th Ave	Miami	Miami	8	Under Constr.	---	---		
Grove Central	2780 SW 27Th St	Miami	Miami	402	Under Constr.	---	---		
Society Biscayne	400 Biscayne Blvd	Miami	Miami	646	Under Constr.	---	---		
Okan Tower	555 N Miami Ave	Miami	Miami	153	Under Constr.	---	---		
Luma Tower Apartments	N Miami Ave & NE 10Th St	Miami	Miami	434	Under Constr.	---	---		
Aventura Village	19380 NE 26Th Ave	Miami	North Dade	108	Under Constr.	---	---		
Villages Of Miami Gardens	3400 NW 191St St	Miami Gardens	North Dade	51	Under Constr.	---	---		
Belle Isle Apartments Redevelopm	31 Venetian Way	Miami Beach	South Beach/Miami Bay	172	Under Constr.	---	---		
Strata Wynwood	2201 N Miami Ave	Miami	Miami	257	Under Constr.	April	2021		
Ten30	1030 15Th St	Miami Beach	South Beach/Miami Bay	43	Under Constr.	April	2021		
Vesada	10500 NW 78Th St	Doral	Airport West	369	Under Constr.	May	2021		
The Eian At Downtown Doral	8425 NW 41St St	Doral	Airport West	383	Under Constr.	May	2021		
Babcock Apartments	701 E 4Th Ave	Hialeah	Hialeah	35	Under Constr.	May	2021		
Soleste Grand Central	218 NW 8Th St	Miami	Miami	360	Under Constr.	May	2021		
Reflections Apartments	1000 NW 7Th St	Miami	Miami	141	Under Constr.	May	2021		
Biscayne 112	11200 Biscayne Blvd	Miami	North Miami/Bayshore	402	Under Constr.	May	2021		
Glasshaus In The Grove	3156 SW 27Th Ave	Miami	South Beach/Miami Bay	23	Under Constr.	May	2021		
Park Apartments	28610 SW 152Nd Ave	Homestead	South Dade/Homestead	92	Under Constr.	May	2021		
The Reserve At The Plaza	122 Sevilla Ave	Coral Gables	Kendall East/Coral Gabk	174	Under Constr.	June	2021		
The Link At Douglas Station Ph 1A	3060 SW 37Th Ct	Miami	Miami	312	Under Constr.	June	2021		
Downtown 5Th	53 NE Fifth St	Miami	Miami	1,042	Under Constr.	June	2021		
The Pomelo	19279 NW 27Th Ave	Miami Gardens	North Dade	259	Under Constr.	June	2021		
Modera Biscayne Bay	412 NE 22Nd St	Miami	South Beach/Miami Bay	296	Under Constr.	June	2021		
Missoni Baia	700 NE 26Th Ter	Miami	South Beach/Miami Bay	249	Under Constr.	June	2021		
Monad Terrace	1300 Monad Ter	Miami Beach	South Beach/Miami Bay	59	Under Constr.	June	2021		
Smart Brickell Residential	143 SW 9Th St	Miami	Miami	108	Under Constr.	July	2021		
Lantower River Landing	1480 NW N River Dr	Miami	Miami	528	Under Constr.	July	2021		
Yotel Pad Miami	227 NE 2Nd St	Miami	Miami	208	Under Constr.	July	2021		
Southern Villa Townhomes	Sw 254Th St & SW 134Th Ave	Homestead	South Dade/Homestead	100	Under Constr.	July	2021		
Grand Doral Ph 1	10950 NW 82Nd St	Doral	Airport West	80	Under Constr.	August	2021		
Villa Valencia	515 Valencia Ave	Coral Gables	Kendall East/Coral Gabk	39	Under Constr.	September	2021		
Life Time Living At Coral Gables	251 S Dixie Hwy	Coral Gables	Kendall East/Coral Gabk	495	Under Constr.	September	2021		
57 Ocean	5775 Collins Ave	Miami Beach	South Beach/Miami Bay	71	Under Constr.	September	2021		
First Little Havana	702 SW 1St St	Miami	Miami	196	Under Constr.	October	2021		
Estates At Acqualina Tower2 Ph 2	17885 Collins Ave	North Miami Beach	N Miami Beach/Bal Harb	91	Under Constr.	October	2021		
Estates At Acqualina Tower1 Ph 1	17885 Collins Ave	North Miami Beach	N Miami Beach/Bal Harb	154	Under Constr.	October	2021		
Villa Sole	2321 Laguna Cir	North Miami	North Miami/Bayshore	187	Under Constr.	October	2021		
Monaco Yacht Club & Residences	6800 Indian Creek Dr	Miami Beach	N Miami Beach/Bal Harb	39	Under Constr.	November	2021		
Aurora Sunny Isles	17550 Collins Ave	North Miami Beach	N Miami Beach/Bal Harb	61	Under Constr.	November	2021		
The Link At Douglas Station Ph 1B	3060 SW 37Th Ct	Miami	Miami	421	Under Constr.	December	2021		
Flamingo Point North Tower Renov	1508 Bay Rd	Miami Beach	South Beach/Miami Bay	366	Under Constr.	January	2022		
Parkview At Palmetto Bay	9500 SW 174Th St	Palmetto Bay	South Dade/Homestead	235	Under Constr.	May	2022		
Total Under Construction				10,447					

New Construction Activity - Planned								
Name	Location	City	Submarket	No. Units	Status	Completion		
Midtown Doral Ph 2 Residential	Northwest 107Th Avenue And Northwest 74Th Street	Doral	Airport West	518	Planned	---	---	
Midtown Doral Future Phases Resi	Northwest 107Th Avenue And Northwest 74Th Street	Doral	Airport West	445	Planned	---	---	
The Land Mark South Phase 2	6055 Northwest 105Th Court	Doral	Airport West	213	Planned	---	---	
Grand Doral Ph 2	10950 NW 82Nd St	Doral	Airport West	39	Planned	---	---	
Trails Ph 1	1040 SW 70Th Ave	Miami	Airport West	84	Planned	---	---	
Springs Town Center	1 Curtiss Pkwy	Miami	Airport West	51	Planned	---	---	
Trails Ph 2	6998 SW 8Th St	Miami	Airport West	230	Planned	---	---	
Shoma Village	435 Hialeah Dr	Hialeah	Hialeah	304	Planned	---	---	
11055 West 36Th Avenue	11055 W 36Th Ave	Hialeah	Hialeah	245	Planned	---	---	
2337 West 5Th Avenue	2337 W 5Th Ave	Hialeah	Hialeah	80	Planned	---	---	
East 41 Mixed Use Apartments	1100 E 41St St	Hialeah	Hialeah	196	Planned	---	---	
Hialeah Drive Apartments	160 E 3Rd St	Hialeah	Hialeah	105	Planned	---	---	
33 Alhambra Circle	33 Alhambra Cir	Coral Gables	Kendall East/Coral Gabk	150	Planned	---	---	
Regency At Ponce Park	114 Calabria Ave	Coral Gables	Kendall East/Coral Gabk	152	Planned	---	---	
Uncommon Miami	5960 SW 57Th Ave	Miami	Kendall East/Coral Gabk	202	Planned	---	---	
Dadeland Apartments	Sw 70Th Ave & SW 85Th St	Miami	Kendall East/Coral Gabk	416	Planned	---	---	
6075 Sunset Drive Apartments	6075 Sunset Dr	Miami	Kendall East/Coral Gabk	150	Planned	---	---	
The Mareas At Coral Reef Ph 2	Coral Reef Dr @ SW 124Th Ave	Miami	Kendall Lakes/Hammonc	192	Planned	---	---	
The Mareas At Coral Reef Phase 3	Sw 124Th Ave & Coral Reef Dr	Miami	Kendall Lakes/Hammonc	300	Planned	---	---	
Venezzia	Sw 184Th St & Naranja Rd	Miami	Kendall Lakes/Hammonc	150	Planned	---	---	
1 Southside Park	1133 SW 2Nd Ave	Miami	Miami	1,175	Planned	---	---	
Prn N Miami	2150 N Miami Ave	Miami	Miami	317	Planned	---	---	
Magic City Innovation District	6300 NE 4Th Ave	Miami	Miami	2,630	Planned	---	---	
Wynwood Works	2035 N Miami Ave	Miami	Miami	104	Planned	---	---	
Le Jeune Station	4276 NW 7Th St	Miami	Miami	300	Planned	---	---	
La Primera 867	867 SW 1St St	Miami	Miami	54	Planned	---	---	
2560 Northwest 20Th Street	2560 NW 20Th St	Miami	Miami	80	Planned	---	---	
16 Allapattah	1625 NW 20Th St	Miami	Miami	323	Planned	---	---	
Brisas Del Rio	850 NW 13Th Ave	Miami	Miami	168	Planned	---	---	
Wynd	130 NW 27Th St	Miami	Miami	152	Planned	---	---	
Shoma Douglas	3650 Bird Rd	Miami	Miami	391	Planned	---	---	
Gallery At West Brickell	945 SW 3Rd Ave	Miami	Miami	494	Planned	---	---	
2052 Southwest First Street	2052 SW 1St St	Miami	Miami	43	Planned	---	---	
Miami Innovation District	1031 NW 1St Ave	Miami	Miami	250	Planned	---	---	
The Link At Douglas Station Ph 3	13060 SW 37Th Ct	Miami	Miami	330	Planned	---	---	
Wynwood Green	56 NW 29Th St	Miami	Miami	189	Planned	---	---	
The Gallery On The River	401 NW North River Dr	Miami	Miami	160	Planned	---	---	
The 7 At Blue Lagoon	4885 NW 7Th St	Miami	Miami	888	Planned	---	---	
Soleste At The District	1033 Spring Garden Rd	Miami	Miami	251	Planned	---	---	
Nema Mixed Use Residential	3180 Biscayne Blvd	Miami	Miami	845	Planned	---	---	
Legacy Hotel & Residences	942 NE 1St Ave	Miami	Miami	274	Planned	---	---	
Kenect Tower Ph 1	1016 NE 2Nd Ave	Miami	Miami	450	Planned	---	---	
Gallery At River Parc	780 NW 13Th Ct	Miami	Miami	150	Planned	---	---	
Miami Riverwalk Bldg 4	Sw 7Th St @ SW 2Nd Ave / SW 3Rd Ave	Miami	Miami	362	Planned	---	---	
One Brickell City Centre Ph 2	700 Brickell Ave	Miami	Miami	256	Planned	---	---	
One River Point	Sw 4Th St @ SW 4Th Ave	Miami	Miami	418	Planned	---	---	
Megacenter Brickell	420 SW 7Th St	Miami	Miami	57	Planned	---	---	
Edge On Brickell	55 SW Miami Ave Rd	Miami	Miami	70	Planned	---	---	
Miami Riverside	444 SW 2Nd Ave	Miami	Miami	430	Planned	---	---	
The Dorsey	286 NW 29Th St	Miami	Miami	306	Planned	---	---	

New Construction Activity - Planned (Continued)							
Name	Location	City	Submarket	No. Units	Status	Completion	
Grand Station	40 NW 3Rd St	Miami	Miami	300	Planned	---	---
Wynwood 29	2828 NW 1St Ave	Miami	Miami	182	Planned	---	---
M Tower	56-70 SW 1St St	Miami	Miami	440	Planned	---	---
1621 Apartments Development	1621 SW 2Nd Ave	Miami	Miami	60	Planned	---	---
Miamicentral Supertower - Resider	200 NW 1St Ave	Miami	Miami	311	Planned	---	---
Wave Of Shorecrest	Ne 4Th Pl & NE 82Nd St	Miami	Miami	232	Planned	---	---
One Bayfront Plaza Residential	100 S Biscayne Blvd	Miami	Miami	902	Planned	---	---
Nexus Riverside	230 SW 3Rd St	Miami	Miami	462	Planned	---	---
Triton Center	7880 Biscayne Blvd	Miami	Miami	325	Planned	---	---
Miami Riverwalk Bldg 1	Sw 7Th St @ SW 2Nd Ave / SW 3Rd Ave	Miami	Miami	362	Planned	---	---
Miami Riverwalk Bldg 2	Ns 7Th St @ SW 2Nd Ave / SW 3Rd Ave	Miami	Miami	362	Planned	---	---
Miami Riverwalk Bldg 3	Sw 7Th St @ SW 2Nd Ave / SW 3Rd Ave	Miami	Miami	362	Planned	---	---
Liquid Lofts	35 SW 1St St	Miami	Miami	482	Planned	---	---
Little Havana Apartments	3101-3145 W Flagler St	Miami	Miami	184	Planned	---	---
The Aston Martin Residences	300 Biscayne Blvd	Miami	Miami	391	Planned	---	---
Caoba Tower 2	Ne 1St Ave & NE 7Th St	Miami	Miami	429	Planned	---	---
Wynwood Plant Residential	550 NW 24Th St	Miami	Miami	306	Planned	---	---
2000 Biscayne Boulevard	2000 Biscayne Blvd	Miami	Miami	393	Planned	---	---
18 Brickell	18 SW 8Th St	Miami	Miami	392	Planned	---	---
One Brickell Tower 1	444 Brickell Ave	Miami	Miami	462	Planned	---	---
One Brickell Tower 2 Residential	444 Brickell Ave	Miami	Miami	469	Planned	---	---
One Brickell Tower 3 Future Phase	444 Brickell Ave	Miami	Miami	436	Planned	---	---
The Arts Luxury City Rentals	38 NE 17Th St	Miami	Miami	200	Planned	---	---
1441 North Miami Avenue Condos	1441 North Miami Avenue	Miami	Miami	457	Planned	---	---
Miami 18	210 NE 18Th Street	Miami	Miami	1,200	Planned	---	---
1543 Northwest South River Drive	1543 NW S River Dr	Miami	Miami	66	Planned	---	---
The Lucida Palmetto Apartments	15800 NW 77Th Ct	Miami Lakes	Miami Lakes	108	Planned	---	---
Aventura District Ph 1	2681 NE 191St St	Miami	N Miami Beach/Bal Harb	214	Planned	---	---
Port Aventura	2785 NE 185Th St	Miami	N Miami Beach/Bal Harb	204	Planned	---	---
Casa Verde	1170 93Rd St	Miami Beach	N Miami Beach/Bal Harb	30	Planned	---	---
7914 West Dr	7914 West Dr	Miami Beach	N Miami Beach/Bal Harb	52	Planned	---	---
Royale House	9431-9481 E Bay Harbor Island Dr	Miami Beach	N Miami Beach/Bal Harb	72	Planned	---	---
7918 West Drive Condos	7918 West Dr	Miami Beach	N Miami Beach/Bal Harb	54	Planned	---	---
Ocean Terrace Historic District Apt	7450 Ocean Terr	Miami Beach	N Miami Beach/Bal Harb	58	Planned	---	---
Las Vegas Cuban Cuisine	6970 Collins Ave	Miami Beach	N Miami Beach/Bal Harb	21	Planned	---	---
Koya Bay	4098 NE 167Th St	North Miami Beach	N Miami Beach/Bal Harb	10	Planned	---	---
Marina Del Mar 2 - Ph 1 - North To	100 Kings Pt Dr	North Miami Beach	N Miami Beach/Bal Harb	127	Planned	---	---
5 Park	16955 W Dixie Hwy	North Miami Beach	N Miami Beach/Bal Harb	415	Planned	---	---
Uptown Biscayne - Residential	Ne 163Rd St & Biscayne Boulevard	North Miami Beach	N Miami Beach/Bal Harb	245	Planned	---	---
Marina Del Mar 2 - Ph 2 - South To	15920 Collins Ave	Sunny Isles	N Miami Beach/Bal Harb	127	Planned	---	---
La Playa De Varadero Ph 1 & 2	18801 Collins Ave	Sunny Isles Beach	N Miami Beach/Bal Harb	490	Planned	---	---
Grandville Place Townhouses	14505 SW 260Th St	Homestead	Non-Submarketed Areas	174	Planned	---	---
183Rd Street Residential	Nw 29Th Ct & NW 183Rd St	Miami Gardens	North Dade	90	Planned	---	---
Oaks At Aventura West	2572 NE 184Th Terrace	North Miami Beach	North Dade	168	Planned	---	---
Aventura Greynolds Village	17990 W Dixie Hwy	North Miami Beach	North Dade	139	Planned	---	---
830 Residences	830 NE 89Th St	Miami	North Miami/Bayshore	30	Planned	---	---
88 Biscayne	675 NE 88Th Ter	Miami	North Miami/Bayshore	30	Planned	---	---
Causeway Village	1850 NE 123Rd St	Miami	North Miami/Bayshore	297	Planned	---	---
Sole Mia Apartments Future Phase	15045 Biscayne Blvd	Miami	North Miami/Bayshore	3,123	Planned	---	---
Eleven55 Nomi	1155 NE 126Th St	North Miami	North Miami/Bayshore	384	Planned	---	---
North Miami Condos	840 NE 130Th St	North Miami	North Miami/Bayshore	67	Planned	---	---

New Construction Activity - Proposed								
Name	Location	City	Submarket	No. Units	Status	Completion		
Alexan Fontainebleau Lakes	8300 Park Blvd	Miami	Airport West	222	Proposed	---	---	---
102Nd Avenue (Townhomes)	Nw 102Nd Ave @ NW 69Th St	Miami	Airport West	80	Proposed	---	---	---
Trail Apartments	1040 Southwest 70Th Avenue	Miami	Airport West	899	Proposed	---	---	---
6950 NW 7Th Street Workforce Housing	6950 NW 7Th St	Miami	Airport West	460	Proposed	---	---	---
25Th Street Station	1025 E 25Th St	Hialeah	Hialeah	119	Proposed	---	---	---
Apogean Pointe	Se 12Th St & SE 9Th Ct	Hialeah	Hialeah	68	Proposed	---	---	---
Market Station	725 SE 9Th Ct	Hialeah	Hialeah	2,057	Proposed	---	---	---
1460 W 68Th St Apartments	1460 W 68Th St	Hialeah	Hialeah	45	Proposed	---	---	---
Hialeah Park Mixed-Use	2200 E 4Th Ave	Hialeah	Hialeah	4,400	Proposed	---	---	---
2701 East 11Th Avenue	2701 E 11Th Ave	Hialeah	Hialeah	220	Proposed	---	---	---
955 East 25Th Street	955 E 25Th St	Hialeah	Hialeah	216	Proposed	---	---	---
Santillane Multi-Residential	211 Santillane Ave	Coral Gables	Kendall East/Coral Gables	69	Proposed	---	---	---
44 Zamora	44 Zamora Ave	Coral Gables	Kendall East/Coral Gables	91	Proposed	---	---	---
Laguna House	351 San Lorenzo Ave	Coral Gables	Kendall East/Coral Gables	13	Proposed	---	---	---
Bella Villa	23 27 31 35 Sidonia Ave	Coral Gables	Kendall East/Coral Gables	51	Proposed	---	---	---
9600 South Dixie Highway Apartments	9600 S Dixie Hwy	Miami	Kendall East/Coral Gables	420	Proposed	---	---	---
South Miami Market	5850 SW 73Rd St	Miami	Kendall East/Coral Gables	300	Proposed	---	---	---
Atlas Ludlam Trail Ph 3	7004 SW 45Th St	Miami	Kendall East/Coral Gables	316	Proposed	---	---	---
South Miami Gardens Redevelopment	5949 SW 68Th St	Miami	Kendall East/Coral Gables	480	Proposed	---	---	---
Miracle Residences	2551 S Le Jeune Rd	Miami	Kendall East/Coral Gables	284	Proposed	---	---	---
Atlas Ludlam Trail Ph 2	7040 & 7050 SW 44Th St	Miami	Kendall East/Coral Gables	310	Proposed	---	---	---
6790 Southwest 80Th Street	6790 - 6880 SW 80Th St	Miami	Kendall East/Coral Gables	30	Proposed	---	---	---
Veridian Grove Townhomes	8290 SW 120Th St	Miami	Kendall East/Coral Gables	41	Proposed	---	---	---
6781 Sunset Drive	6781 Sunset Dr	S Miami	Kendall East/Coral Gables	32	Proposed	---	---	---
8785 Southwest 165Th Avenue	8785 SW 165Th Ave	Miami	Kendall Lakes/Hammond	108	Proposed	---	---	---
4601 Southwest 8Th Street	4601 SW 8Th St	Coral Gables	Miami	96	Proposed	---	---	---
The Link At Douglas Station Ph 4 Tower 5	3060 Southwest 37Th Court	Miami	Miami	339	Proposed	---	---	---
1900 NE Miami Court Apartments	1900 NE Miami Ct	Miami	Miami	358	Proposed	---	---	---
Miami World Tower	700 NE 1St Ave	Miami	Miami	560	Proposed	---	---	---
1550 Northeast Miami Place	1550 NE Miami Pl	Miami	Miami	437	Proposed	---	---	---
Midtown 7	3101 NE 1St Ave	Miami	Miami	391	Proposed	---	---	---
Kenect Tower Ph 2	1016 NE 2Nd Ave	Miami	Miami	468	Proposed	---	---	---
16 Southwest 2Nd Street Residential Tower	16 SW 2Nd St	Miami	Miami	430	Proposed	---	---	---
Le Jeune Station	4276 NW 7Th St	Miami	Miami	300	Proposed	---	---	---
Eastside Ridge - Residential	5045 NE 2Nd Ave	Miami	Miami	3,157	Proposed	---	---	---
G40 Wynwood	235-257 NW 27Th St	Miami	Miami	72	Proposed	---	---	---
225 North Miami Avenue	225 N Miami Ave	Miami	Miami	350	Proposed	---	---	---
27 Edgewater	169 NE 27Th St	Miami	Miami	108	Proposed	---	---	---
Brickell Ridge Apartments Redevelopment	1020 SW 1St Ave	Miami	Miami	243	Proposed	---	---	---
Block 55 At Sawyers Walk	249 NW 6Th St	Miami	Miami	556	Proposed	---	---	---
Foyer	2418 N Miami Ave	Miami	Miami	236	Proposed	---	---	---
555 River House	555 NW South River Dr	Miami	Miami	39	Proposed	---	---	---
Wynwood Mixed Use	2431 NW 2Nd Ave	Miami	Miami	220	Proposed	---	---	---
200 Southeast Second Avenue	200 SE 2Nd Ave	Miami	Miami	637	Proposed	---	---	---
1399 Southwest 1St Avenue Residential	1399 SW 1St Ave	Miami	Miami	500	Proposed	---	---	---
8Th Avenue Mixed Use Building	Nw 8Th Ave @ W Flagler St	Miami	Miami	96	Proposed	---	---	---
315 Urban Flats	315 NW 27Th Ave	Miami	Miami	179	Proposed	---	---	---
779 W Flagler St Micro Units	779 W Flagler St	Miami	Miami	100	Proposed	---	---	---
Downtown First	22 SW 1St St	Miami	Miami	570	Proposed	---	---	---
Chelsea Tower Condos	1550 Biscayne Blvd	Miami	Miami	222	Proposed	---	---	---

New Construction Activity - Proposed (Continued)							
Name	Location	City	Submarket	No.	Status	Completion	
200 North Miami Avenue Apartmer	200 N Miami Ave	Miami	Miami	328	Proposed	---	---
Midtown 7	3101 NE 1St Ave	Miami	Miami	391	Proposed	---	---
Miami Riverview Apartments Rede	2507 NW 16Th St Rd	Miami	Miami	650	Proposed	---	---
Downtown First	22 SW 1St St	Miami	Miami	570	Proposed	---	---
1601 Coral Gate	1601 SW 32Nd Ave	Miami	Miami	42	Proposed	---	---
27 Edgewater	169 NE 27Th St	Miami	Miami	108	Proposed	---	---
Miami Station	525 NW 2Nd Ave	Miami	Miami	310	Proposed	---	---
Central Shopping Plaza Apartment	3825 NW 7Th St	Miami	Miami	1,384	Proposed	---	---
Block 55 At Sawyers Walk	249 NW 6Th St	Miami	Miami	556	Proposed	---	---
45 Winwood	70 NW 25Th St	Miami	Miami	316	Proposed	---	---
Miami World Tower	700 NE 1St Ave	Miami	Miami	560	Proposed	---	---
Foyer	2418 N Miami Ave	Miami	Miami	236	Proposed	---	---
1550 Northeast Miami Place	1550 NE Miami Pl	Miami	Miami	437	Proposed	---	---
1302 Northeast 2Nd Avenue	1302 NE 2Nd Ave	Miami	Miami	1,100	Proposed	---	---
315 Urban Flats	315 NW 27Th Ave	Miami	Miami	179	Proposed	---	---
E11Even Miami	29 NE 11Th St	Miami	Miami	400	Proposed	---	---
690 Northwest 13Th Street	690 NW 13Th St	Miami	Miami	420	Proposed	---	---
Seventh Avenue Apartments	1020 NW 7Th Ave	Miami	Miami	130	Proposed	---	---
Miami Midway Park	Nw 97Th Ave & NW 170Th St	Hialeah	Miami Lakes	360	Proposed	---	---
6601 North West 167Th Street	6601 NW 167Th St	Hialeah	Miami Lakes	240	Proposed	---	---
South Pointe	Commerce Way & NW 82Nd Ave	Miami Lakes	Miami Lakes	179	Proposed	---	---
Ambienta	9901 W Bay Harbor Dr	Bay Harbor Islands	N Miami Beach/Bal Harb	30	Proposed	---	---
Capriccio Condos	9800-9900 W Bay Harbor Dr	Bay Harbor Islands	N Miami Beach/Bal Harb	30	Proposed	---	---
Atlantis Condo	10281 W Bay Harbor Dr	Bay Harbor Islands	N Miami Beach/Bal Harb	28	Proposed	---	---
1177 Kane Concourse	1177 Kane Concourse	Bay Harbor Islands	N Miami Beach/Bal Harb	90	Proposed	---	---
Driftwood Condominium	9955 E Bay Harbor Dr	Bay Harbor Islands	N Miami Beach/Bal Harb	26	Proposed	---	---
Aventura Crossings	19301 W Dixie Hwy	Miami	N Miami Beach/Bal Harb	382	Proposed	---	---
21440 Biscayne Boulevard	21440 Biscayne Blvd	Miami	N Miami Beach/Bal Harb	693	Proposed	---	---
North Beach Town Center	6988 Abbott Ave	Miami Beach	N Miami Beach/Bal Harb	170	Proposed	---	---
7835 Harding Avenue	7835 Harding Ave	Miami Beach	N Miami Beach/Bal Harb	9	Proposed	---	---
The Eighty 4	756 84Th St	Miami Beach	N Miami Beach/Bal Harb	8	Proposed	---	---
880 71St Street	880 71St St	Miami Beach	N Miami Beach/Bal Harb	36	Proposed	---	---
Island House	9201 E Bay Harbor Dr	Miami Beach	N Miami Beach/Bal Harb	87	Proposed	---	---
72Nd And Park	7145 Carlyle Ave	Miami Beach	N Miami Beach/Bal Harb	283	Proposed	---	---
Abbott Court Apartments	Normandy Bach Ct & Abbott Ct	Miami Beach	N Miami Beach/Bal Harb	250	Proposed	---	---
Shoma Bay	1872 79Th St Causeway	North Bay Village	N Miami Beach/Bal Harb	333	Proposed	---	---
Cornfield West	16800 Collins Ave	North Miami Beach	N Miami Beach/Bal Harb	122	Proposed	---	---
Soleste Nomi Beach	16395 Biscayne Blvd	North Miami Beach	N Miami Beach/Bal Harb	367	Proposed	---	---
Uptown Harbour Apartments	3861 NE 163Rd St	North Miami Beach	N Miami Beach/Bal Harb	200	Proposed	---	---
Uptown Harbour Townhomes	3861 NE 163Rd St	North Miami Beach	N Miami Beach/Bal Harb	50	Proposed	---	---
Uptown Harbour Condos	3861 NE 163Rd St	Sunny Isles	N Miami Beach/Bal Harb	1,750	Proposed	---	---
Fisher Island Condos	Fisher Island Dr & Fisher Island Fry	Miami Beach	Non-Submarketed Areas	57	Proposed	---	---
Oleta House	1700 NE 164Th St	Miami	North Dade	328	Proposed	---	---
West Aventura Lofts Bldg 1	2541 NE 192Nd St	Miami	North Dade	46	Proposed	---	---
West Aventura Lofts Bldg 3	2540 NE 192Nd St	Miami	North Dade	36	Proposed	---	---
West Aventura Lofts Bldg 4	2562 NE 192Nd St	Miami	North Dade	26	Proposed	---	---
West Aventura Lofts Bldg 5	2401 NE 187Th St	Miami	North Dade	18	Proposed	---	---
West Aventura Town Center	Ne 23Rd Ct & NE 186Th St	Miami	North Dade	480	Proposed	---	---
2151 Northeast 163Rd Street	2151 NE 163Rd St	Miami	North Dade	456	Proposed	---	---
Canal @ 186	18550 NE 23Rd Ct	Miami	North Dade	34	Proposed	---	---
Miami Gardens City Center	Nw 191St St & NW 27Th Ave	Miami Gardens	North Dade	480	Proposed	---	---

Conclusion

We analyzed the profile of the subject's region in order to make reasonable assumptions as to the continued performance of the property.

A regional and local overview was presented which highlighted important points about the study area. Demographic and economic data specific to the residential market were also presented. Demographic information relating to these sectors was presented and analyzed in order to determine patterns of change and growth as it impacts the subject property. The data quantifies the dimensions of the total trade area, while our comments provide qualitative insight into this market. A compilation of this data forms the basis for our projections and forecasts for the subject property. The following are our key conclusions.

- Vacancy levels for the Miami-Dade Apartment market are down over last year and are expected to decrease from 8.1 percent next year to 6.9 percent in 2025. Reis forecasts that construction will trail absorption in the near future, and that rental rates should increase over the same period. In Miami vacancy levels are expected to decrease to 7.1 percent by 2025, and rental rates are forecast to increase from \$2,381 per month in 2021 to \$2,729 per month during the same period.
- The subject property most directly competes with the other apartment complexes in the vicinity. These properties are generally well maintained and have high occupancy rates.

- As such we believe the property will serve a market encompassing a radius of 5.0-miles. Over the next five years, both the population and number of households in the subject's trade area are projected to remain fairly stable. Household income levels in the area are lower than the state or CBSA both significantly above national levels.
- The subject has very good accessibility via the regional Interstate network and local arterials that provide linkages throughout the Miami-Ft. Lauderdale-West Palm Beach CBSA.
- Based on our analysis we concluded that the subject is well positioned within its market area and the prospect for long term net appreciation in real estate values is expected to be good; however, the local market will be challenged in the near term based on the current and projected effects of the Covid-19 pandemic, as well as the large amount of supply that is current under construction within central Miami-Dade County that is projected to be completed over the next year.

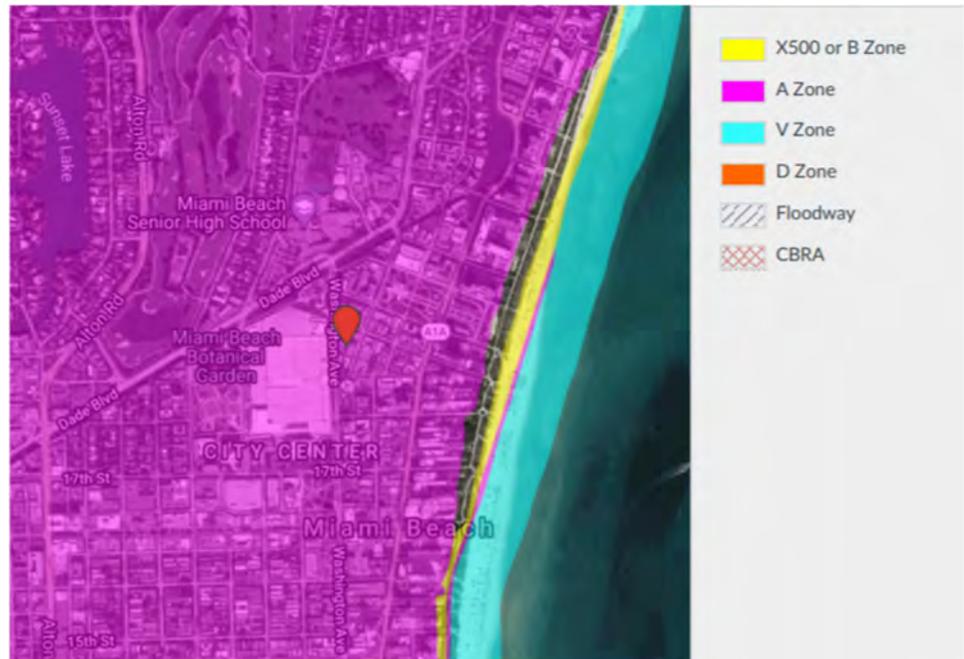
Property Analysis

Site Description

Location:	1940 Park Avenue Miami Beach, Miami-Dade County, Florida 33139 The subject property is located on the east side of Washington Avenue and on the west side of Park Avenue, across from the Miami Beach Convention Center in Miami Beach.
Shape:	Rectangular
Topography:	Level at street grade
Land Area:	0.70 acres / 30,359 square feet – Survey
Frontage:	The subject property has good frontage. The frontage dimensions are listed as follows: Washington Avenue: 185 feet Park Avenue: 170 feet
Access:	The subject property has good access off of Washington Avenue and Park Avenue.
Visibility:	The subject property has good visibility off of Washington Avenue and Park Avenue.
Soil Conditions:	We were not given a soil report to review. However, we assume that the soil's load-bearing capacity is sufficient to support existing and/or proposed structure(s). We did not observe any evidence to the contrary during our physical inspection of the property. Drainage appears to be adequate.
Utilities:	Utility providers for the subject property are as follows: Water Municipal Sewer Municipal Electricity FPL Gas N/A Telephone AT&T
Site Improvements:	The subject contains on site improvements that include an asphalt parking lot, sidewalks and curbing, as well as lighting.
Land Use Restrictions:	We were not provided with a title report to review. We do not know of any easements, encroachments, or restrictions that would adversely affect the site's use. However, we recommend a title attorney review the document to determine whether any adverse conditions exist. The subject site was previously subject to affordable housing restrictive covenants and based on conversations with the client, we have valued the subject site assuming there are no restrictive covenants on the subject site.

Flood Zone Description: The subject property is located in flood zone AE (Special flood hazard areas subject to inundation by the 100-year flood determined in a Flood Insurance Study by detailed methods. Base flood elevations are shown within these zones. Mandatory flood insurance purchase requirements apply) as indicated by FEMA Map 12086C0317L, dated September 11, 2009.

The flood zone determination and other related data are provided by a third party vendor deemed to be reliable. If further details are required, additional research is required that is beyond the scope of this analysis.



Wetlands: We were not given a wetlands survey to review. If subsequent engineering data reveal the presence of regulated wetlands, it could materially affect property value. We recommend a wetlands survey by a professional engineer with expertise in this field.

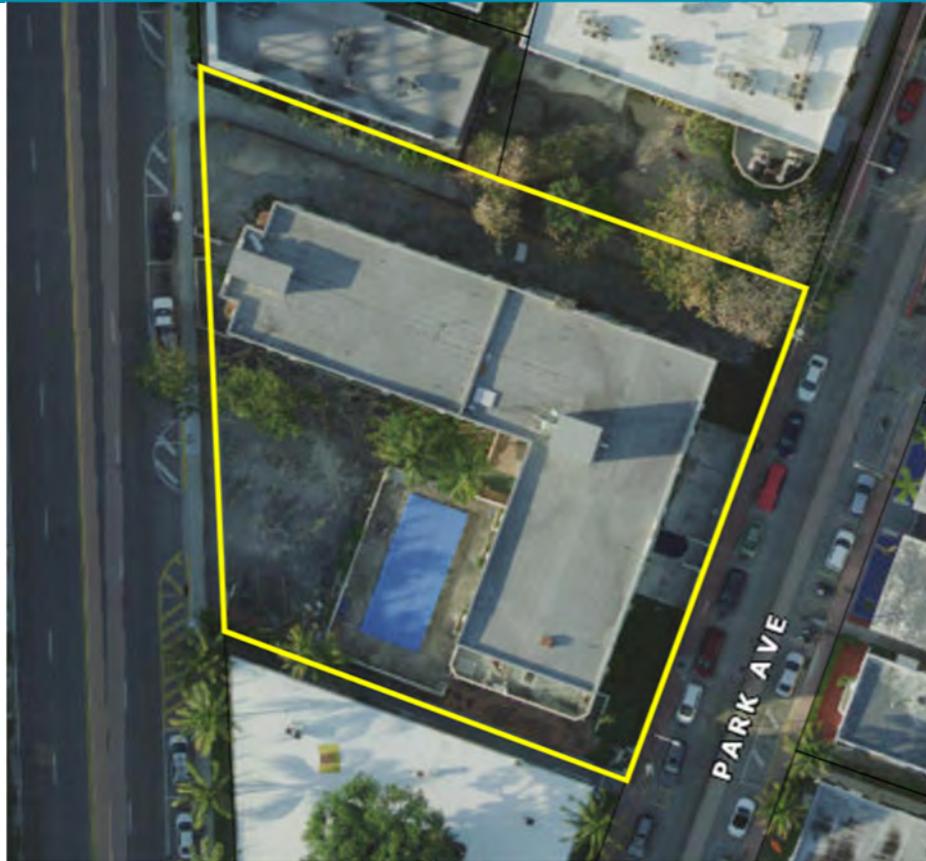
Hazardous Substances: We observed no evidence of toxic or hazardous substances during our inspection of the site. However, we are not trained to perform technical environmental inspections and recommend the hiring of a professional engineer with expertise in this field.

Overall Site Utility: The subject site is functional for its existing use.

Location Rating: Good

Property Photographs

TAX MAP



Improvements Description

The subject property is improved with an abandoned 66-unit apartment complex. The unit mix for the property was not provided. The following description of improvements is based on our exterior inspection only and our discussions with the client. We were not provided with any details regarding the interior of the subject units.

GENERAL DESCRIPTION

Year Built:	1935
Year Renovated:	The property has not been renovated in some time and is in poor condition based on conversations with the ownership group.
Construction Class & Quality:	Class C – All Buildings
Number of Units:	66 - Per Public Records
Number of Buildings:	1
Number of Stories:	3
Gross Building Area:	28,350 square feet – Per Public Records
Net Rentable Area:	28,350 square feet - Per Public Records

CONSTRUCTION DETAIL

Basic Construction:	Concrete Block
Foundation:	Poured concrete slab
Framing:	Structural steel with masonry and concrete encasement
Floors:	Concrete poured over a metal deck
Exterior Walls:	Concrete Block
Roof Type:	Flat with parapet walls
Roof Cover:	Sealed membrane
Windows:	Thermal windows in aluminum frames
Pedestrian Doors:	Glass, wood and metal

AMENITIES

Project Amenities:	A swimming pool.
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SITE IMPROVEMENTS

Parking:	<p>The property contains 10 surface parking spaces on the western end of the site. There is municipal surface street parking in front of each property and throughout the neighborhood.</p> <p>It should be noted that older residential product in the heart of South Beach has little to no on-site parking and residents typically utilize municipal street parking via residential parking permits. Therefore, the subject parking ratios are reasonable and typical of other similar product for the local market.</p>
Onsite Landscaping:	There is minimal on-site landscaping.
Other:	The subject contains on site improvements that include an asphalt parking lot, sidewalks and curbing, as well as lighting.

SUMMARY

Condition:	Poor
Quality:	Poor
Actual Age:	1935
Effective Age:	50
Expected Economic Life:	50 years
Remaining Economic Life:	0 years

CAPITAL EXPENDITURES

Known Costs:	<p>We requested a capital expenditure budget for the subject property, and one was not available as of the date of this report. We have considered the poor condition of the improvements based on our conversation with the ownership group and that it has been abandoned for a number of years in our analysis. Based on the lack of clarity regarding any renovation/construction costs for the improvements, we do not believe that a prospective purchaser would account for them in their analysis of the subject site. However, we do believe that the historic nature of the improvements would be a consideration for any prospective purchaser.</p>
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PHYSICAL DETERIORATION

Cost to Cure:	<p>Curable physical deterioration refers to those items that are economically feasible to cure as of the effective date of the appraisal. One category of physical deterioration is deferred maintenance and is measured as the cost repairing or restoring the item to new or reasonably new condition. We have not been provided with a capital expenditure plan or an engineering report that would identify specific costs required to repair deficiencies at the subject property.</p> <p>During our exterior inspection, we did notice that the property suffered from apparent physical deterioration that would require immediate repair; however, no costs were provided as indicated previously.</p>
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FUNCTIONAL OBSOLESCENCE

Description: There is no apparent functional obsolescence present at the subject property.

EXTERNAL OBSOLESCENCE

Description External obsolescence is the adverse effect on value resulting from influences outside the property. External obsolescence may be the result of market softness, proximity to environmental hazards or other undesirable conditions, spikes in construction costs, cost estimates that don't properly reflect changes in the local market, the lack of an adequate labor force, changing land use patterns, or other factors.

Based on a review of the location of the subject as well as local market conditions, external obsolescence does not exist within the subject submarket.

Real Property Taxes and Assessments

Current Property Taxes

The subject property is located in the taxing jurisdiction of Miami-Dade County. The assessor’s parcel identification is 02-3234-016-0110. According to the local tax collector’s office, taxes are current.

In the State of Florida, all real property is subject to re-assessment on an annual basis. For commercial properties, a sale of the property does not automatically trigger a re-assessment. However, any sale of a property at a price well above the prior assessed value has a high probability of resulting in a re-assessment during the next tax year. All properties are assessed as of January 1 of the tax year. The preliminary assessed values are not made public until sometime between August and September of the tax year. Taxes are not due until the end of March of the next calendar year.

By statute, real property is to be assessed at “just value”, which is considered to be market value less transaction costs. From a practical standpoint, most commercial properties tend to be assessed at between 70 and 90 percent of market value.

As mentioned, taxes are due at the end of March of the following calendar year. Discounts are available for early payment. The earliest payment is November of the tax year and the maximum discount is 4.0 percent. In our opinion, a prudent investor would take advantage of this discount. As a result, we have factored it into our analysis.

Ten Percent Cap

The State of Florida Constitution was amended in 2008 with what is referred to as the “10 percent rule”. This rule limits the increase in assessed value of all non-homestead property to a ten percent increase from the previous year for all levies other than school district levies. This rule applies to all property types as long as no new improvements were made to the property during the previous year. Note that once a property sells the ten percent rule is no longer in effect.

The assessment and taxes for the property are presented in the following table:

PROPERTY ASSESSMENT INFORMATION	
Assessor's Parcel Number:	02-3234-016-0110
Assessing Authority:	Miami-Dade
Current Tax Year:	2020
Are taxes current?	Taxes are current
Is there a grievance underway?	Not to our knowledge
The subject's assessment and taxes are:	At market levels
ASSESSMENT INFORMATION	
Assessed Value	Totals
Land:	\$6,300,000
Improvements:	\$240,000
Total:	\$6,540,000
TAX LIABILITY	
Total Tax Rate	0.00%
Total Property Taxes	\$0
<i>Compiled by Cushman & Wakefield Regional, Inc.</i>	

It should be noted that the subject property is owned by the City of Miami Beach and does not pay real estate taxes, so the total taxes for the property are \$0. Our opinion of market value is above that of the Miami-Dade County

assessment and the assessment is 72 percent of our market value estimate, while typical assessments range from 70 to 90 percent of market value.

Zoning

General Information

The property is zoned RM-2, Residential Multifamily, Medium Intensity by the City of Miami Beach. A summary of the subject’s zoning is presented in the following table:

ZONING		
Municipality Governing Zoning:	City of Miami Beach	
Current Zoning:	RM-2, Residential Multifamily, Medium Intensity	
Current Use:	Former Affordable Apartment Complex	
Is current use permitted:	Yes	
Permitted Uses:	Permitted uses include: single-family detached dwellings, townhomes, apartments, apartment-hotels and hotels.	
Prohibited Uses:	Prohibited uses include: industrial and agricultural uses	

ZONING REQUIREMENTS	CODE	SUBJECT COMPLIANCE
Minimum Lot Area:	7,000 square feet	Complying
Maximum Building Height:	60 feet or 8 stories	Complying
Maximum Floor Area Ratio (FAR):	3.0 times lot area	Complying
Minimum Yard Setbacks		Complying
Front (feet):	20 feet for every one foot increase in height above 50 feet, to a maximum of 50 feet, then shall remain constant	Complying
Rear (feet):	15% of lot depth	Complying
Side (feet):	Minimum of 7.5 feet or 8% of the lot width	Complying

Compiled by Cushman & Wakefield Regional, Inc.

Historical Designation

Furthermore, the subject property is situated within the specifically designated Miami Beach Architectural District, designated in 1979 in the U.S. Department of Interior National Register of Historic Places. In addition, the subject is located in a designated Historic Preservation District (HPD) overseen by the City of Miami Beach Historical Preservation Board (HPB). Specifically, the subject is deemed to be "historically significant". South Miami Beach is a designated HPD; therefore renovation projects must comply with both historic preservation restrictions as well as the City of Miami Beach Zoning regulations. Although some developers in the past were given more lenient requirements (i.e. Loews Miami Beach, Royal Palm, Setai, Shore Club, and Ritz-Carlton DiLido among others), it is very unlikely that future renovation projects will be allowed to make significant structural changes to the original building shells. In addition, some project developers acquired properties and submitted renovation plans several years ago, and were essentially able to obtain a grandfather type status relative to different historic preservation restrictions and City of Miami Beach zoning regulations.

Additionally, the subject property is further indicated to be situated within the specifically designated Miami Beach Architectural District, which was designated in 1979 in the U.S. Department of Interior National Register of Historic Place.

The subject contains the following historic elements, as indicated by the City of Miami Beach Historical Preservation Board. We have considered this in our analysis.

Exterior Ornament	Explanation Evaluation	Notes
EXTENDED CHEVRON BANDING, KEYSTONE DOOR SURROUND, FLAG POLE, CHISLED TERRACES WITH COLUMN SUPPORT, SIGNIFICANT REAR ELEVATION.	A VERY WELL AND FINELY DETAILED EXAMPLE OF ART DECO PERIOD, UNUSUAL SETTING.	Update - 9/26/89 RSR

Zoning Compliance

Property value is affected by whether or not an existing or proposed improvement complies with zoning regulations, as discussed below.

Complying Uses

An existing or proposed use that complies with zoning regulations implies that there is no legal risk and that the existing improvements could be replaced “as-of-right.”

Pre-Existing, Non-Complying Uses

In many areas, existing buildings pre-date the current zoning regulations. When this is the case, it is possible for an existing building that represents a non-complying use to still be considered a legal use of the property. Whether or not the rights of continued use of the building exist depends on local laws. Local laws will also determine if the existing building may be replicated in the event of loss or damage.

Non-Complying Uses

A proposed non-complying use to an existing building might remain legal via variance or special use permit. When appraising a property that has such a non-complying use, it is important to understand the local laws governing this use.

Other Restrictions

We know of no deed restrictions, private or public, that further limit the subject property's use. The research required to determine whether or not such restrictions exist is beyond the scope of this appraisal assignment. Deed restrictions are a legal matter and only a title examination by an attorney or Title Company can usually uncover such restrictive covenants. We recommend a title examination to determine if any such restrictions exist.

Zoning Conclusions

We analyzed the zoning requirements in relation to the subject property, and considered the compliance of the existing or proposed use. We are not experts in the interpretation of complex zoning ordinances but based on our review of public information, the subject property appears to be a legally complying use assuming the change in zoning.

Detailed zoning studies are typically performed by a zoning or land use expert, including attorneys, land use planners, or architects. The depth of our study correlates directly with the scope of this assignment, and it considers all pertinent issues that have been discovered through our due diligence.

We note that this appraisal is not intended to be a detailed determination of compliance, as that determination is beyond the scope of this real estate appraisal assignment.

Valuation

Highest and Best Use

Highest and Best Use Definition

The Dictionary of Real Estate Appraisal, Sixth Edition (2015), a publication of the Appraisal Institute, defines the highest and best use as:

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

To determine the highest and best use we typically evaluate the subject site under two scenarios: as though vacant land and as presently improved. In both cases, the property's highest and best use must meet the four criteria described above.

Highest and Best Use of Site as though Vacant

Legally Permissible

The zoning regulations in effect at the time of the appraisal determine the legal permissibility of a potential use of the subject site. As described in the Zoning section, the subject site is zoned RM-2, Residential Multifamily, Medium Intensity by the City of Miami Beach. Permitted uses include: single-family detached dwellings, townhomes, apartments, apartment-hotels and hotels. We are not aware of any further legal restrictions that limit the potential uses of the subject. In addition, rezoning of the site is not likely due to the character of the area.

Physically Possible

The physical possibility of a use is dictated by the size, shape, topography, availability of utilities, and any other physical aspects of the site. The subject site contains 0.70 acres, or 30,359 square feet. The site is rectangular and level at street grade. It has good frontage, good access, and good visibility. The overall utility of the site is considered to be good. All public utilities are available to the site including public water and sewer, gas, electric and telephone. Overall, the site is considered adequate to accommodate most permitted development possibilities.

Financially Feasible and Maximally Productive

In order to be seriously considered, a use must have the potential to provide a sufficient return to attract investment capital over alternative forms of investment. A positive net income or acceptable rate of return would indicate that a use is financially feasible. Financially feasible uses are those uses that can generate a profit over and above the cost of acquiring the site, and constructing the improvements. Of the uses that are permitted, possible, and financially feasible, the one that will result in the maximum value for the property is considered the highest and best use.

We have considered the good location of the subject site with visibility and frontage on Washington Avenue, across from the Miami Beach Convention Center. Based on the current demand for residential product in the market, we believe that a prospective purchaser would develop apartment product on site. While the potential for hotel development exists on the subject site, the risk profile for a hotel development is higher than that of apartment complexes under current market conditions and based on the historic use of the property we believe that a multifamily developer would be able to pay a higher price for the subject site and residential product would yield a higher return to the land based on the historic low interest rates, influx of migration from other areas of the U.S., as well as the lack of new product in the market or in the pipeline, after several years of little new product in the market.

Conclusion

We considered the legal issues related to zoning and legal restrictions. We also analyzed the physical characteristics of the site to determine what legal uses would be possible, and considered the financial feasibility of these uses to determine the use that is maximally productive. Considering the subject site's physical characteristics and location, as well as the state of the local market, it is our opinion that the Highest and Best Use of the subject site as though vacant is to develop a for lease multi-family development on site to the highest density allowable.

Most Likely Buyer

Per the scope of our analysis, we have valued the subject land. Based on its size, type, and configuration make it ideally suited for a multifamily development. An examination of land sales activity in the area suggests that there is demand for similar properties by and such properties are typically purchased by real estate investors. As a result, we conclude that the most likely purchaser of the subject is an investor, who would typically rely on the Sales Comparison Approach to value the land of the subject property.

Valuation Process

Methodology

There are three generally accepted approaches to developing an opinion of value: Cost, Sales Comparison and Income Capitalization. We considered each in this appraisal to develop an opinion of the market value of the subject property. In appraisal practice, an approach to value is included or eliminated based on its applicability to the property type being valued and the quality of information available. The reliability of each approach depends on the availability and comparability of market data as well as the motivation and thinking of purchasers.

The valuation process is concluded by analyzing each approach to value used in the appraisal. When more than one approach is used, each approach is judged based on its applicability, reliability, and the quantity and quality of its data. A final value opinion is chosen that either corresponds to one of the approaches to value, or is a correlation of all the approaches used in the appraisal.

We considered each approach in developing our opinion of the market value of the subject property. We discuss each approach below and conclude with a summary of their applicability to the subject property.

Cost Approach

The Cost Approach is based on the proposition that an informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements which represent the Highest and Best Use of the land; or when relatively unique or specialized improvements are located on the site for which there are few improved sales or leases of comparable properties.

In the Cost Approach, the appraiser forms an opinion of the cost of all improvements, depreciating them to reflect any value loss from physical, functional and external causes. Land value, entrepreneurial profit and depreciated improvement costs are then added, resulting in an opinion of value for the subject property.

Sales Comparison Approach

In the Sales Comparison Approach, sales of comparable properties are adjusted for differences to estimate a value for the subject property. A unit of comparison such as price per square foot of building area or effective gross income multiplier is typically used to value the property. When developing an opinion of land value the analysis is based on recent sales of sites of comparable zoning and utility, and the typical units of comparison are price per square foot of land, price per acre, price per unit, or price per square foot of potential building area. In each case, adjustments are applied to the unit of comparison from an analysis of comparable sales, and the adjusted unit of comparison is then used to derive an opinion of value for the subject property.

Income Capitalization Approach

In the Income Capitalization Approach the income-producing capacity of a property is estimated by using contract rents on existing leases and by estimating market rent from rental activity at competing properties for the vacant space. Deductions are then made for vacancy and collection loss and operating expenses. The resulting net operating income is divided by an overall capitalization rate to derive an opinion of value for the subject property. The capitalization rate represents the relationship between net operating income and value. This method is referred to as Direct Capitalization.

Related to the Direct Capitalization Method is the Yield Capitalization Method. In this method periodic cash flows (which consist of net operating income less capital costs) and a reversionary value are developed and discounted

to a present value using an internal rate of return that is determined by analyzing current investor yield requirements for similar investments.

Summary

This appraisal employs only the Sales Comparison Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that this approach would be considered necessary and applicable for market participants. Typical purchasers do not generally rely on the Cost or Income Capitalization Approaches when purchasing a property such as the subject of this report. Therefore, we have not employed the Cost Approach or the Income Capitalization Approach to develop an opinion of market value. The absence of these approaches does not diminish the reliability of the analysis.

Land Valuation

We used the Sales Comparison Approach to develop an opinion of land value. We examined current offerings and analyzed prices buyers have recently paid for comparable sites. If the comparable was superior to the subject, a downward adjustment was made to the comparable sale. If inferior, an upward adjustment was made.

The most widely used and market-oriented units of comparison for properties with characteristics similar to those of the subject is price per square foot of land area. All transactions used in this analysis are based on the most appropriate method used in the local market.

The major elements of comparison used to value the subject site include the property rights conveyed, the financial terms incorporated into the transaction, the conditions or motivations surrounding the sale, changes in market conditions since the sale, the location of the real estate, its utility and the physical characteristics of the property.

The comparables and our analysis are presented on the following pages. Comparable land sale data sheets are presented in the Addenda of this report.

We have began our search for recent RM-2 land sales in Miami Beach. When few RM-2 recent land sales were encountered we expanded our search to include other similarly sized land sales in Miami Beach that allow for similar uses. The land sales utilized herein, represent the most recent confirmed sales available.

4000 Alton Road, Miami Beach, FL – This property traded for May 14, 2021 for \$18,160,000 and consists of a 1.87-acre site from Mast Capital to Rockport Group, although reportedly Mast Capital is remaining in the deal. Mast Capital reportedly secured the rights for 175 residential units on site to in late 2020. The reported sales price results in \$103,771 per developable unit or \$222.64 per square foot of land area. This site is zoned RM-2. We have considered this unconfirmed transaction in our analysis.

We have also considered the following listings within our analysis.

- **1255 West Avenue, Miami Beach, FL** – This property is located on the western end of South Beach, west of Alton Road. It consists of a 17,424 square foot site that is zoned RM-2. It is being marketed for sale for \$8,999,000 or \$516.47 per square foot. The listing agent is marketing the site for hotel or apartment development and has indicated that there are site plan approvals in place for 66 hotel units within a six-story development. This equates to a listing price of \$136,348 per unit. Note that we have considered that few listings achieve their asking prices.
- **1615 Lenox Avenue, Miami Beach, FL** – This property is located just south of Lincoln Road Mall in South Beach. It consists of a 7,840 square foot site that is zoned RM-1. It is being marketed for sale for \$2,800,000 or \$357.11 per square foot. Currently the site consists of a 15 space parking lot that is leased for \$85,000 per annum. The site is being sold in conjunction with an adjacent, renovated, furnished nine unit building at 1611 Lenox Ave used for short-term vacation rentals. Both properties offered at \$6,199,000. Note that we have considered that few listings achieve their asking prices.

SUMMARY OF LAND SALES													
PROPERTY INFORMATION										TRANSACTION INFORMATION			
No.	Location	Size (sf)	Size (Acres)	Proposed Use	Zoning	Site Utility	Public Utilities	Grantor	Grantee	Sale Date	Sale Price	\$/SF Land	COMMENTS
S	Subject Property	30,359	0.70	Residential-Multi-Family	RM-2	Good	All available						
1	1790 Alton Road Miami Beach, FL	10,200	0.23	Hospitality	CD-2	Good	All Available	1790 ALTON HOLDINGS LLC	SOBE 18 LLC	4/21	\$4,000,000	\$392.16	The site was an openly marketed transaction and the purchaser intends to develop the subject site with a luxury boutique hotel with 36 units and a ground floor restaurant.
2	0.30-Acre Commercial Site 251 Washington Avenue Miami Beach, FL	13,000	0.30	Special Purpose	R-PS3	Good	All Available	South5, LLC	251 Washington, LLC	6/19	\$6,125,000	\$471.15	This 0.30-acre commercial site is located on the east side of Washington Avenue, just south of 3rd Street, in Miami Beach. The site consists of two contiguous parcels zoned R-PS3 (medium-high density residential performance), with 100 feet of street frontage. The buyer, John Marshall, a tech entrepreneur, plans to build a playground and "one more classroom" on the parcel. Marshall also bought a 6,500-square-foot property at 224 Second Street in January for \$4.8 million, an plans to renovate two empty structures into a private school. This property sold in June 2019 for \$6,125,000 or \$471.15 per square foot of land.
3	0.15 Acre Mixed-Use Site 224 2nd Street Miami Beach, FL	6,500	0.15	Residential-Multi-Family	C-PS1	Good	All Available	Untario SB, LP	224 2nd Street, LLC	1/19	\$4,800,000	\$738.46	This 0.15 acre mixed-use site is located on the south side of 2nd Street, between Washington Avenue and Collins Court, in Miami Beach. The property is zoned C-PS1 (allowing commercial/residential of uses up to 40 feet height) and has 220 feet of total street frontage. The property was improved with an office building and a multifamily building at the time of sale; however, both buildings are at the end of their economic life. The property was acquired for land value and has approvals for a restaurant. This property sold in January 2019 for \$4,800,000 or \$738.46 per square foot of land.
4	0.27-Acre Residential Site 304 Ocean Drive Miami Beach, FL	11,650	0.27	Residential-Multi-Family	R-PS3	Good	All Available	Sea Spray Development, LLC	312 Ocean Park, LLC	12/18	\$10,000,000	\$858.37	This 0.27-acre site is located on the northwest corner of Ocean Drive and 3rd Street, in Miami Beach. The site consists of two contiguous parcels zoned R-PS3 (medium-high density residential performance), with 100 feet of street frontage on Ocean Drive and 115 feet along 3rd Street. The buyer, Brazilian developer Jose Isaac Peres, plans to build a four-story multi-family building with 10 units, including 20 parking spaces and a second-story pool deck and outdoor gym. This property sold in December 2018 for \$10,000,000 or \$858.37 per square foot of land.
5	0.69-Acre Commercial Site 1685 Washington Avenue Miami Beach, FL	30,000	0.69	Hospitality	CD-3	Good	All Available	Citibank, N.A.	SoBe Center, LLC	8/17	\$19,200,000	\$640.00	This 0.69-acre commercial site is located on the southeast corner of Washington Avenue and 17th Street, in Miami Beach. The site is zoned CD-3 (commercial, high intensity), and has 350 feet of street frontage. The site is currently improved with a 7,384-SF commercial building, built in 1996; however, the buyer plans to demolish the existing structures and develop a 150-room hotel with two restaurants with 295 seats, and 6,052 SF of other retail-commercial areas. This property sold in August 2017 for \$19,200,000 or \$640 per square foot of land.
6	880 71st Street Miami Beach, FL	19,414	0.45	N/A	CD-2	Good	All Available	Estate of Shirley Jean Wright	Bay Dr. LLC; & KG Normandy, LLC	8/17	\$3,500,000	\$180.28	This 0.7 acre residential site is located on the southeast corner of 71st Street and Bay Drive, in the Normandy Isles area of Miami Beach. The property is zoned CD-2 (commercial, apartments, hotels) with FAR of 1.5 allowing for 29,121 SF building, and has approximately 325 feet of street frontage and 50 feet on the Indian Creek Waterway. The property was previously improved with a 2-story 14-room hotel containing 5,132 square feet. This property sold in August 2017 for \$3,500,000 or \$250,000 per unit.
7	1414 West Avenue LLC - Condo Site 1312 14th Terrace Miami Beach, FL	16,000	0.37	Residential-Multi-Family	RM-1	Good	All Available	Casaluna, LLC	1414 West Avenue, LLC	3/17	\$4,725,000	\$295.31	This ± 0.37 acre residential site is located on the southwest corner of 14th terrace and West Avenue, in Miami Beach. The site is zoned RM-1 and has 100 feet and 160 feet of frontage on West Avenue and 14th Terrace, respectively. The buyer has plans to develop the site with a five-story boutique condo with 14 units, 14 parking spaces (11 spaces using lifts), rooftop pool, and spa. The planned 41,029 square foot building will have units ranging from 672 to 1,315 SF, and averaging size of 1,163 SF. This property sold in March 2017 for \$4,725,000 or \$295.31 per square foot of land area. The sellers, Jonathan Seelig and Abner Kurtin (Boston-based developers), had plans approved to develop the proposed condo building, but they decided to sell the land because they weren't able to maintain enough of a constant presence in the area to bring this project to fruition.
STATISTICS													
Low		6,500	0.15							3/17	\$3,500,000	\$180.28	
High		30,000	0.69							4/21	\$19,200,000	\$858.37	
Average		15,252	0.35							9/18	\$7,478,571	\$510.82	

Compiled by Cushman & Wakefield Regional, Inc.

LAND SALE ADJUSTMENT GRID

LAND SALE ADJUSTMENT GRID													
Economic Adjustments (Cumulative)							Property Characteristic Adjustments (Additive)						
No.	Price PSF Land & Date	Property Rights Conveyed	Conditions of Sale	Financing	Market ⁽¹⁾ Conditions	PSF Land Subtotal	Location	Size	Public Utilities	Utility ⁽²⁾	Other	Adj. Price PSF Land	Overall
1	\$392.16 4/21	Fee Simple 0.0%	Arm's-Length 0.0%	None 0.0%	Inferior 0.6%	\$394.42 0.6%	Similar 0.0%	Smaller -20.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	\$315.53 -20.0%	Similar
2	\$471.15 6/19	Fee Simple 0.0%	Arm's-Length 0.0%	None 0.0%	Inferior 3.2%	\$486.35 3.2%	Superior -10.0%	Smaller -20.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	\$340.45 -30.0%	Similar
3	\$738.46 1/19	Fee Simple 0.0%	Arm's-Length 0.0%	None 0.0%	Inferior 4.4%	\$771.28 4.4%	Superior -10.0%	Smaller -25.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	\$501.33 -35.0%	Similar
4	\$858.37 12/18	Fee Simple 0.0%	Arm's-Length 0.0%	None 0.0%	Inferior 4.7%	\$898.77 4.7%	Superior -30.0%	Smaller -20.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	\$449.39 -50.0%	Similar
5	\$640.00 8/17	Fee Simple 0.0%	Arm's-Length 0.0%	None 0.0%	Inferior 8.9%	\$697.20 8.9%	Superior -10.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	Superior -20.0%	\$488.04 -30.0%	Similar
6	\$180.28 8/17	Fee Simple 0.0%	Arm's-Length 0.0%	None 0.0%	Inferior 9.0%	\$196.52 9.0%	Inferior 30.0%	Smaller -15.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	\$226.00 15.0%	Similar
7	\$295.31 3/17	Fee Simple 0.0%	Arm's-Length 0.0%	None 0.0%	Inferior 10.2%	\$325.35 10.2%	Similar 0.0%	Smaller -20.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	\$260.28 -20.0%	Similar

STATISTICS													
	\$180.28	- Low										\$226.00	
	\$858.37	- High										\$501.33	
	\$510.82	- Average										\$368.72	

Compiled by Cushman & Wakefield Regional, Inc.

(1) Market Conditions Adjustment Footnote

See Variable Growth Rate Assumptions Table
Date of Value (for adjustment calculations): 6/16/21

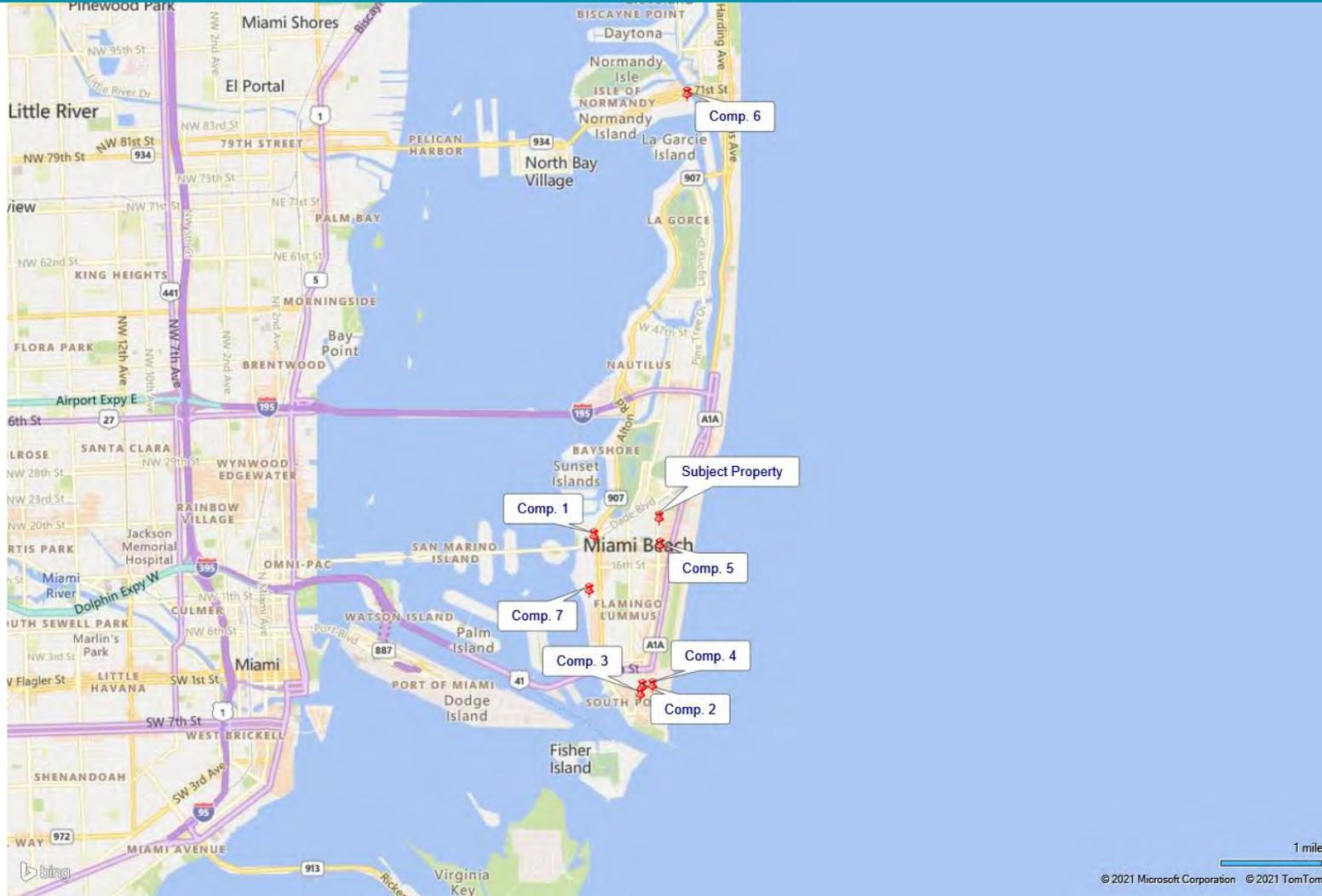
(2) Utility Footnote

Utility includes shape, access, frontage and visibility.

Variable Growth Rate Assumptions

Starting Growth Rate: 3.0%
 Inflection Point 1 (IP1): 1/1/2017
 Change After IP1: 3.0%
 Inflection Point 2 (IP2): 3/23/2020
 Change After IP2: 0.0%
 Inflection Point 3 (IP3): 3/1/2021
 Change After IP3: 3.0%

LAND SALE LOCATION MAP



Discussion of Adjustments

Property Rights Conveyed

The property rights conveyed in a transaction typically have an impact on the sale price of a property. Acquiring the fee simple interest implies that the buyer is acquiring the full bundle of rights. Acquiring a leased fee interest typically means that the property being acquired is encumbered by at least one lease, which is a binding agreement transferring rights of use and occupancy to the tenant. A leasehold interest involves the acquisition of a lease, which conveys the rights to use and occupy the property to the buyer for a finite period of time. At the end of the lease term, there is typically no reversionary value to the leasehold interest. Since we are valuing the fee simple interest as reflected by each of the comparables, an adjustment for property rights is not required.

Conditions of Sale

Adjustments for conditions of sale usually reflect the motivations of the buyer and the seller. In many situations the conditions of sale may significantly affect transaction prices. However, all sales used in this analysis are considered to be "arms-length" market transactions between both knowledgeable buyers and sellers on the open market. We have adjusted sale one in this category as there were improvements on-site at the time of sale and based on conversations with the purchaser he noted that these improvements were in poor shape and he only considered the concrete shell of the building in his analysis. Therefore, we have made a downward adjustment for the concrete shell in the conditions of sale adjustment in our analysis.

Financial Terms

The financial terms of a transaction can have an impact on the sale price of a property. A buyer who purchases an asset with favorable financing might pay a higher price, as the reduced cost of debt creates a favorable debt coverage ratio. A transaction involving above-market debt will typically involve a lower purchase price tied to the lower equity returns after debt service. We analyzed all of the transactions to account for atypical financing terms. To the best of our knowledge, all of the sales used in this analysis were accomplished with cash or market-oriented financing. Therefore, no adjustments were required.

Market Conditions

The sales that are included in this analysis occurred between March 2017 and April 2021. In response to fears of a global pandemic, as defined by the WHO, brought on by the COVID-19/coronavirus outbreak, the Global economies face significant headwinds as seen by the severe drop in demand for some services (such as travel, hospitality and entertainment). Reduced economic activity has resulted from increasing quarantines (such as seen in Italy) and border closing as governments take action to stop the spread of the virus. As financial markets struggle to quantify the events that are still unfolding, we believe it is premature to draw strong inferences about the economy and its impact on commercial real estate values in Miami-Dade County, South Florida area at this time. Many commercial real estate participants also report they are unable to assess the risk yet. Clearly, the short-term impact could potentially be worse than the long-term impact, and a typical marketing time for the subject of 9-12 months is reconciled. Therefore, we make no downward adjustment for this unique market condition as of the effective date of this appraisal (June 16, 2021). Nevertheless, we have tempered our "market conditions" (time) adjustment applied to the sales in the adjustment grid to reduce the upward trending of values over the most recent past few months.

Variable Growth Rate Assumptions

Starting Growth Rate:	3.0%
Inflection Point 1 (IP1):	1/1/2017
Change After IP1:	3.0%
Inflection Point 2 (IP2):	3/23/2020
Change After IP2:	0.0%
Inflection Point 3 (IP3):	3/1/2021
Change After IP3:	3.0%

Over the past several months since vaccine distribution has begun in the first quarter of 2021, market conditions have improved and we have applied a market condition adjustments as of the March 1, 2021.

Location

An adjustment for location is required when the locational characteristics of a comparable property differ from those of the subject property. We made a downward adjustment to those comparables considered superior in location compared to the subject. Conversely, upward adjustments were made to those comparables considered inferior.

Size

The adjustment for size generally reflects the inverse relationship between unit price and lot size. Smaller lots tend to sell for higher unit prices than larger lots, and vice versa.

Public Utilities

The availability of public utilities has a significant impact on the value of a property. Municipal utility providers often, but not always, provide utilities such as gas, water, electric, sewer, and telephone. It is therefore important to understand any differences that may exist in the availability of public utilities to the subject property and its comparables. All of the sales, like the subject, had full access to public utilities at the time of sale. Therefore, no adjustments were required.

Utility

The subject parcel is adequately shaped to accommodate a typical building. It has good access, good frontage and good visibility. Overall, it has been determined that the site has good utility. Adjustments were made where a comparable was considered to have superior or inferior utility.

Other

In some cases, other variables will have an impact on the price of a land transaction. Examples include soil or slope conditions, restrictive zoning, easements, wetlands or external influences. In our analysis of the comparables we found that no unusual conditions existed at the time of sale. Land sale five was adjusted downward in this category based on the additional building height bonus in this area of Washington Avenue in relation to other areas of Miami Beach.

Conclusion of Site Value

The adjustments applied to the comparable sales in the Land Sale Adjustment Chart reflect what we determined is appropriate in the marketplace. Despite the subjectivity, the adjustments were considered reasonable and were applied consistently.

After a thorough analysis, the comparable land sales reflect adjusted unit values ranging from \$226.00 per square foot to \$501.33 per square foot, with an average of \$368.72 per square foot.

Land sales two, three, four and five are located in superior locations in relation to the subject and were adjusted downward based on their superior locations in South Beach in relation to the subject. We have adjusted land sales six upward based on its inferior location in North Beach in relation to the subject. The remaining land sales are considered to be in similar locations in Miami Beach in relation to the subject and did not require any adjustments. All of the land sales were adjusted downward based on their smaller sizes in relation to the subject, with the exception of land sale five in relation to the subject, which is similar in size and did not require any adjustments. Land sale five was adjusted downward in the other category based on the additional building height bonus in this area of Washington Avenue in relation to other areas of Miami Beach. No other adjustments were required.

We have reconciled nearest to land sale one based on its recent sale date reflecting current market conditions, as well as land sale seven based on its lower amount of net adjustments. We have also considered the listing prices of the two parcels, which range from \$357.11 to \$516.47 per square foot, as well as the unconfirmed recent sale at 4000 Alton Road of \$222.64 per square foot, which we have considered in our analysis. We have placed secondary reliance on the remaining sales in our analysis and have reconciled in between land sales one and seven. Therefore, we concluded that the indicated land value by the Sales Comparison Approach was:

AS IS LAND VALUE CONCLUSION	Price PSF
Indicated Value	\$275.00
SQFT Measure	x 30,359
Indicated Value	\$8,348,725
Rounded to nearest \$100,000	\$8,300,000
\$/SF Basis	\$273.40
Indicated Value	
LAND VALUE CONCLUSION	\$8,300,000
\$/SF Basis	\$273.40

Compiled by Cushman & Wakefield Regional, Inc.

With regard to the on-site improvements, based on the uncertainty/lack of specific costs to cure, we do not believe that a prospective purchaser would account for these improvements within their purchase making decision, as the costs to cure could potentially be similar or more expensive than to build a new developments on site, accounting for the historic nature of the improvements and the existing façade. Therefore, based on our analysis herein, we do not believe that a purchaser would adjust the land sales for demolition costs nor, would a purchaser account for any shell costs within their analysis of the subject property.

Investment Considerations

Before determining the appropriate risk rate(s) to apply to the subject, a review of recent market conditions, particularly in the financial markets, is warranted. The following subsection(s) provide(s) a review of these trends, ending with a summary of the investment considerations impacting the subject property. The trends are based upon the appraiser's market research, discussions with participants in the market, and the relative position of the subject property within its market.

The Commercial Real Estate (CRE) market is driven by investor demand and strong liquidity. Since its onset in March 2020, the COVID-19 pandemic has had a dramatic effect on both of these factors as the market navigated actual and perceived impact. We observed asset classes experiencing various impacts, both positive and negative. We observed that asset values can fall significantly in short periods of time if either demand or liquidity, often in conjunction with many other factors, change significantly. As we have throughout the pandemic, Cushman & Wakefield is closely monitoring the latest developments resulting from the COVID-19 pandemic and recovery. The reader is cautioned to consider that values and incomes can change more rapidly and significantly than during standard market conditions. Furthermore, the reader should be cautioned and reminded that any conclusions presented in this appraisal report apply only as of the effective dates indicated. While we have valued the property based on current market trends and participant expectations, the appraiser makes no representation as to the effect on the subject property of any event disruptive to these trends and expectations subsequent to the effective date of the appraisal.

Overview

The recession that began in March 2020, triggered by the COVID-19 pandemic, was short and steep. In the second quarter of 2020, real (inflation-adjusted) gross domestic product (GDP) collapsed at a record 31.4% annual pace, only to bounce back at a record 33.4% annual rate in the third quarter. In the final quarter of 2020, the pace of recovery had slowed substantially as the pandemic worsened again, and for year-end 2020 the GDP remained 2.5% below its peak in fourth quarter of 2019. Now that vaccines are being rolled out, albeit with some caveats like an increasing number of people skipping the second dose, and a robust economic stimulus passed in March, things are turning around. In fact, the GDP grew at a rate of 6.4% in the first quarter of 2021 and is expected to reach 7% for the entire year.

Employment, a key driver of demand for space, experienced a turbulent 2020 as the economy shed more than 22 million jobs in March and April, and then added 12.5 million jobs between May and November. In December 2020, however, the economy lost a net of 140,000 jobs as COVID-driven shutdowns led to a decline in employment of approximately 500,000 jobs in the leisure and hospitality sector (other sectors experienced modest gains that month). At the end of first quarter 2021, the unemployment rate fell to 6% and 916,000 jobs were added in the last month of the quarter alone. While things are certainly turning around, there are still about 8 million fewer people counted as employed than there were in February 2020, and the labor force is down by about 4 million.

As more Americans become vaccinated, job numbers continue to improve, and the economic stimulus encourages spending and raises consumer confidence, more and more parts of the country will start to open back up. Still, the impacts of the pandemic will be felt for quite some time sometime and certain property types, such as retail and hospitality, may take longer to recover than others. On top of this, other parts of the world such as Europe are a few months behind the U.S., or, like India, are still struggling to get the virus under control and it is unclear at this point when their lockdown will end.

Further considerations include:

- U.S. Consumer Confidence rose to a 14-month high in April 2021 due to increased vaccinations and the additional fiscal stimulus, which allowed more businesses and services to reopen. As consumers are seeing a light at the end of the tunnel, growth this year is expected to be the best in nearly four decades.
- U.S. retail sales jumped 9.8% in March 2021, exceeding the Dow Jones estimate of 6.1%, and on the heels of a 2.7% decline in February 2021. Driving this were the freshly issued stimulus checks and new unemployment filings dropping to 576,000, by far the best week since the beginning of the pandemic.
- Stimulus checks coupled with a vaccine rollout proved to be a lucrative combination. For first quarter 2021 the Dow Jones Industrial Average was up 6.17%; the S&P 500 sailed past 4,000 for the first time on April 1, 2021, experiencing a quarterly jump of 5.77%; and the NASDAQ was up 2.78%.
- Despite an accelerating economy, and rising inflation, the Federal Reserve is not ready to alter their easy money policy just yet. For the time being, the U.S. Central Bank decided to keep its interest rates anchored near zero and is purchasing \$120 billion in bonds each month.
- For the first quarter of 2021, U.S. commercial real estate activity sank sharply, dropping 28.2% in a year-over-year comparison, according to Real Capital Analytics (RCA). With that said, commercial property sales dropped for four consecutive quarters, but increased vaccinations are expected to increase deal activity through the near term. Growth was primarily driven by the hotel sector as weaker trends for the office, industrial, and retail sectors were a drag on the index.

Right now, over 100 million people have been vaccinated, COVID infection rates are dropping around the country, and some areas of the country are back up and running, while others expect to be by the middle of the summer. Despite this, most people are still telecommuting, social distancing remains the norm, and conferences remain online. Most lockdowns and stay-at-home orders have been lifted, but many businesses are still taking precautions by asking customers to wear masks and checking temperatures. Considering this, it is important to take in mind that data lags, and we are still trying to accurately determine the pandemic's effects on the commercial real estate market. In other sections of the report, we will discuss these effects and impacts on the immediate market and subject property in as much detail as possible. Therefore, we ask that you consider the following points:

- Early in the COVID-19 pandemic, most non-essential businesses shut down, causing significant disruption in the economy. As we move through the winter months, many businesses that reopened over the late spring and summer may now be forced to shut down once again or drastically change the way they operate and function.
- Certain property types have been more heavily impacted than others, with some asset classes benefiting from the COVID environment. Generally, cap rates and price growth remain relatively flat across the board, but there has been compression in some property types.
- Investment activity remains muted in first quarter 2021, but it appears we have turned a corner on distressed properties as RCA reports that more distress was resolved than came on to the market. Despite this, distressed loans, primarily across the office, retail, hotel, and apartment sectors, will continue to have a negative impact.

Wide scale vaccinations started at the end of 2020, and we expect a large majority of the population to be vaccinated by mid-year with the hopes of reaching herd immunity, as everyone 16 and older is now eligible to receive a vaccine. With this, businesses will begin to fully resume normal activities, as risk and fear of infection decrease, and the economy will begin to grow more rapidly.

Economic Conditions & Current Trends

In 2020, the U.S. economy contracted for the first time since 2009, when GDP shrank by 2.5% during the height of the Great Recession. Last year was also the worst year for economic growth since 1946 when the economy shrank by 11.5% as the nation transitioned into the post-war period. While this recession's low point was unusually low,

the GDP bounced back from the trough of this recession much faster than it recovered from the Great Recession and spent the second half of the year on the mend.

This year started off sprinting with real GDP growth hitting a 6.4% annualized rate for the first quarter of 2021 and a double-digit gain expected at the end of second quarter. Growth was primarily driven by consumers, but business investment and homebuilding also contributed. Another key component was the pent-up savings households amassed during the pandemic. Right now, there is an estimated \$2.3 trillion in pent-up savings which amounts to over 10% of GDP. As such, Moody's has revised their GDP outlook to nearly 7% for 2021 and about 5% for 2022. The trade balance was the largest drag on the economy as the U.S. economy is well ahead of most of the rest of the world, excluding China and southeast Asia. While inflation is picking up, and nearing its 2% target, its increase is likely just consumer demand bouncing back, as inflation was essentially flat last year during the pandemic. Inflation levels are expected to moderate later this year as headwinds die down.

Outside the U.S., the future is starting to look brighter as well. The International Monetary Fund (IMF) is forecasting a global expansion of 6%, up from its earlier 5.5% estimate in January, which would be the fastest expansion since the early 1980s. This expansion is expected to taper a bit in 2022 to 4.4%, up from an estimated 4.2% earlier this year. The IMF warned, however, that the economic recovery will likely be uneven. Rebounds will be slower in poorer countries that can't afford massive government stimulus and for those dependent on tourism. They have also promoted equal vaccine distribution rollout to poorer countries in order to minimize further global economic damage.

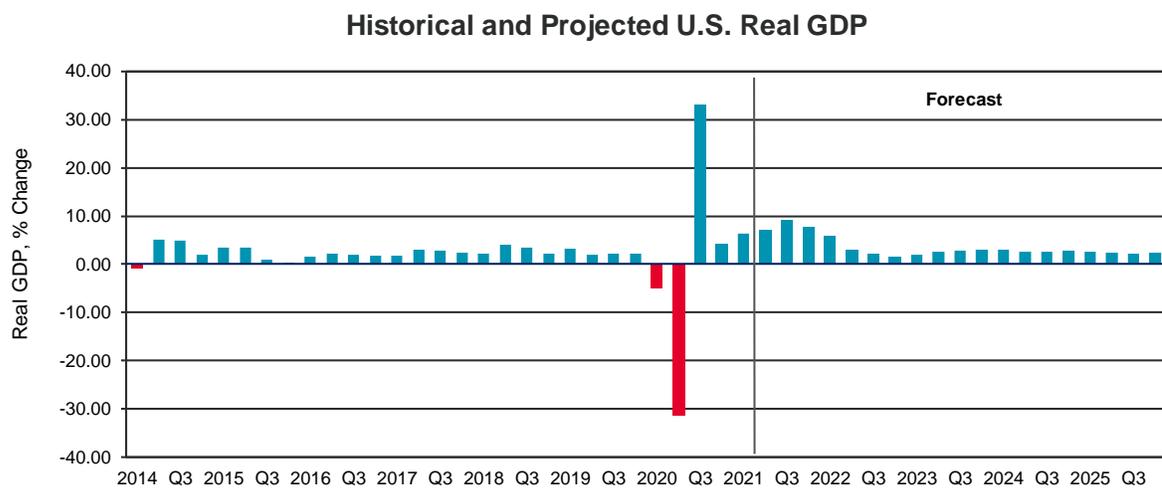
Even after a year into the pandemic, CRE participants are still trying to understand market impacts, and accurately assessing risk remains difficult. Proceeding through these uncertain times, the reader is asked to consider some key events that affect the uncertainty:

- In March 2020, the Coronavirus Aid Relief and Economic Security, or CARES Act, was passed by Congress and signed by President Trump. The bill was intended to provide emergency assistance and health care for individuals, families and businesses affected by the COVID-19 pandemic. Totalling \$2 trillion, the bill was unprecedented in size and scope, dwarfing the \$831 billion stimulus act passed in 2009, and amounting to 10% of total 2019 US GDP.
- On Friday December 11th, the first COVID-19 vaccine, produced by Pfizer and the German company BioNTech, was granted Emergency Use Authorization (EUA) by the FDA. Then, on Monday, December 14th, another vaccine by Moderna, a Massachusetts based firm, was also granted EUA. On February 27, 2021 the Johnson & Johnson vaccine was also approved by the FDA for emergency use and is currently being used as a third vaccine to help fight the pandemic.
- The Consolidated Appropriations Act, 2021 is a \$2.3 trillion spending bill that combines \$900 billion in stimulus relief with a \$1.4 trillion omnibus spending bill for the 2021 federal fiscal year. The bill was passed by both houses on December 21st and then signed into law by President Trump on December 27. It is one of the largest spending measures ever enacted, surpassing the CARES Act, and the first bill passed to address the pandemic since March 2020.
- On January 20, 2021, the U.S. death toll from COVID-19 surpassed the 400,000 mark, as per Johns Hopkins data. It took a little over a month for the death toll to jump by 33%, with 100,000 casualties in 36 days. A month later, on February 22, 2021 the COVID-19 death toll surpassed 500,000. While vaccine rollouts are underway, new more contagious, and possibly more deadly strains, are raising concerns.

- On March 11, 2021 President Biden signed the American Rescue Plan Act of 2021 (ARP) into law. The bill is a \$1.9 trillion economic stimulus designed to speed up the recovery from the health effects and the ongoing recession. Key elements of the Act include extending expanded unemployment benefits, \$1,400 direct payments to certain individuals, emergency paid leave for over 100 million Americans, extending 15% food stamp benefits as well as funding for vaccines, education and housing.
- In addition to ARP, President Biden has two other proposed parts to his Build Back Better Plan that have not yet been passed. They include, the American Jobs Plan, designed to rebuild America's infrastructure and to create jobs; and the American Families Plan, which aims to invest in childcare and education.
- By the end of April 2021, the Biden Administration had achieved its goal of 200 million coronavirus vaccinations during the President's first 100 days in office. More than half of all U.S. adults have now received at least one shot, and 80% of adults over 65 have been partially or fully vaccinated.

The economy continues to recover despite fear of inflation and bond yields on the rise. With COVID infections trending downwards and vaccinations on the rise, the economy is expected to grow throughout the rest of 2021.

The following graph displays historical and projected U.S. real GDP percentage change (annualized on a quarterly basis) from first quarter 2014 through first quarter 2021:



Further points regarding current economic conditions are as follows:

- Through first quarter 2021, GDP increased 6.4%, according to the Bureau of Economic Analysis' advanced estimate. This occurred in direct response to increases in spending on services and goods, as the national economy continued to show signs of recovery behind increased vaccinations and mass reopening of businesses and activities across the nation. Over the last three quarters, the U.S. economy has grown and the Federal Reserve plans to keep interest rates near zero to help encourage more spending by the population. As we enter second quarter 2021, states and cities will continue to ease restrictions and plan to fully reopen as the COVID-19 situation improves. Furthermore, GDP is expected to continue increasing as the nation recovers from the fiscal strain brought on by the pandemic, but the risk of inflation is a concern.

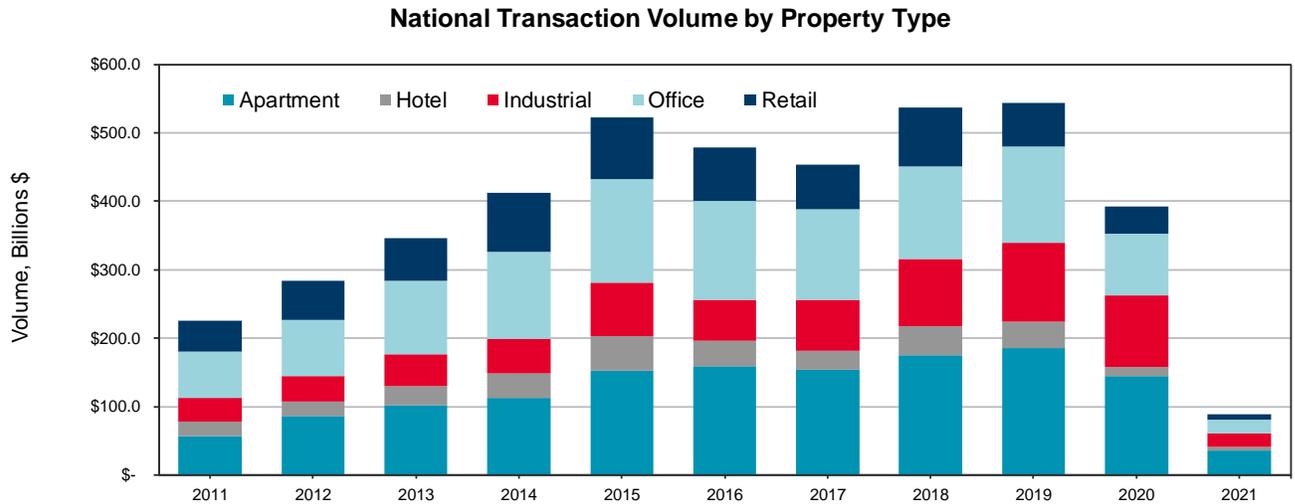
- Commercial and multifamily mortgage loan originations decreased 18% in fourth quarter 2020 (latest data available) when compared to the fourth quarter of 2019, according to the Mortgage Bankers Association's Quarterly Survey of Commercial/Multifamily Mortgage Bankers. Loan originations in the fourth quarter of 2020 were 76% higher than third quarter 2020.
- Commercial mortgage-backed securities (CMBS) have been spurred by measured investment sales activity and stable credit spreads. Commercial Mortgage Alert data indicates that U.S. CMBS issuance through April 2021 is 8% higher when compared to CMBS issuance during the same period in 2020. As of April 2021, Commercial Mortgage Alert data indicates that U.S. CMBS issuance sits at \$21.6 billion.

U.S. Real Estate Market Implications

The commercial real estate markets sales volume totaled approximately \$96.7 billion through first quarter 2021 and pricing for commercial real estate sat at \$152 per square foot. Through first quarter 2021, deal activity fell by 28% in a year-over-year comparison and pricing for commercial real estate increased 7.8%, according to Real Capital Analytics.

Throughout the first quarter of 2021 the retail sector saw the largest decrease in transaction volume, falling by 42%. Industrial transaction activity was down 41% during the first quarter and totaled approximately \$19.6 billion in transaction volume. The apartment sector saw year-over-year transaction volume fall by 12%, while the office sector dropped by 36% over the same time period. The only sector to see an increase in transaction volume in a year-over-year comparison was the hotel sector. In the hotel sector, sales volume rose by 13% from first quarter 2020 and totaled roughly \$5.6 billion in transaction volume through the end of first quarter 2021.

The following graph compares national transaction volume by property type from 2011 through 2021:



Source: Real Capital Analytics

According to PricewaterhouseCoopers (PwC) Real Estate Investor Survey average cap rates for all property types increased in ten survey markets, decreased in 2020, and held steady in five through first quarter 2021 (in a quarterly comparison). For the year, 67% of the market averages are higher today than they were a year ago with 17 markets posting double-digit increases. Given current market conditions, each sector of the commercial real estate market is feeling the effects of the pandemic and the national regional mall market recorded the largest increase in their average overall cap rate, climbing 112 basis points from first quarter 2020. Additionally, for all markets, the average cap rate change is a three basis-point decline over last quarter.

The following chart displays overall cap rate analysis of six distinct property classes during first quarter 2021, and compares them to the same time last year:

Overall Cap Rate Analysis			
First Quarter 2021			
Asset Class	Q1 2021	Q1 2020	Basis Point Change
CBD Office	5.70%	5.45%	25
Suburban Office	6.02%	6.36%	-34
National Warehouse	4.80%	4.79%	1
National Apartment	5.04%	5.14%	-10
National Regional Mall	7.35%	6.23%	112
National Net Lease	6.16%	6.16%	0

Source: PwC Real Estate Investor Survey and Cushman & Wakefield Valuation & Advisory

Notable points for the U.S. real estate market include:

- Annual price growth in the six major metro areas fell 7.7% in the first quarter of 2020 according to RCA, while annual price growth in the non-major metros decreased by 2.4% in a year-over-year comparison.
- Approximately 50% of participants in the PwC Real Estate Investor Survey believe that current market conditions favor buyers in the national net lease market and investor demand has increased in the industrial net lease sector especially. Additionally, quick-service restaurants and sale leasebacks have benefited from the COVID-19 pandemic but investors believe headwinds will continue in the net lease sector with fewer investment opportunities available through the near term.
- The national regional mall market recorded the largest yearly cap rate shift, climbing 112 basis points to 7.4%. At 7.6%, the Chicago office market fell by 13 basis points from the previous year and is still the highest, while the Manhattan office market, at 5.1%, holds the lowest cap rate, rising 28 basis points from the first quarter 2020. Over the next six months, surveyed investors foresee overall cap rates holding steady in 24 markets but expect cap rates to increase in seven markets.

Conclusion

In the second quarter 2020, the country witnessed its worst drop in GDP on record. For second quarter this year, we expect that GDP growth may be in the double digits. Still, while the economy is in much better shape than it was at this same time last year, it is still too early to tell exactly how long some of the effects of the pandemic will last, or how deep they may run. Every property type is handling the effects of the pandemic in a unique way and are looking for ways to adapt to the post-COVID environment that is rapidly approaching.

Below are notes regarding the outlook for the U.S. national real estate market in 2021 and beyond:

- While there is light at the end of the tunnel, commercial property sales have declined year-over-year for four consecutive quarters. While there may be more declines in the near future, they are expected to taper off in the coming months and quarters.
- Early on in the pandemic, distressed properties were attracting buyers looking to take advantage of discounted sales. A year later, however, distressed properties are not as certain as they once were as new inflows of distressed properties peaked in the second quarter of 2020 and have dropped every quarter since.
- Inflation fears are on the rise, but the conditions that led to periods of high inflation in the 1970s and late 1980s/early 1990s, such as oversupply, do not exist today. Most economists are expecting that CPI will grow at a relatively low rate of 2.3% through 2023, significantly lower than the double digits experienced in the 1970s.

In addition to the above, factors listed in the following table have been considered in the valuation of the subject property and have an impact on the selection of all investor rates.

Reconciliation and Final Value Opinion

Valuation Methodology Review and Reconciliation

This appraisal employs only the Sales Comparison Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that this approach would be considered necessary and applicable for market participants. Typical purchasers do not generally rely on the Cost or Income Capitalization Approaches when purchasing a property such as the subject of this report. Therefore, we have not employed the Cost Approach or the Income Capitalization Approach to develop an opinion of market value. The absence of these approaches does not diminish the reliability of the analysis.

The approach indicates the following:

FINAL VALUE RECONCILIATION		
	Market Value As-Is	Per Square Foot:
Date of Value	June 16, 2021	
Land Valuation		
Land Value	\$8,300,000	
Land Value PSF		\$273.40
Final Value Conclusion	\$8,300,000	\$273.40

Compiled by Cushman & Wakefield Regional, Inc.

We gave sole weight to the Sales Comparison Approach because this mirrors the methodology used by purchasers of this property type.

Value Conclusions

Appraisal Premise	Real Property Interest	Date Of Value	Value Conclusion
Market Value As-Is	Fee Simple	June 16, 2021	\$8,300,000

Compiled by Cushman & Wakefield Regional, Inc.

Exposure Time and Marketing Time

Based on our review of national investor surveys, discussions with market participants and information gathered during the sales verification process, a reasonable exposure time for the subject property at the value concluded within this report would have been approximately nine to eleven (9-11) months. This assumes an active and professional marketing plan would have been employed by the current owner.

We believe, based on the assumptions employed in our analysis, as well as our selection of investment parameters for the subject, that our value conclusion represents a price achievable within nine to eleven (9-11) months.

Assumptions and Limiting Conditions

"Report" means the appraisal or consulting report and conclusions stated therein, to which these Assumptions and Limiting Conditions are annexed.

"Property" means the subject of the Report.

"Cushman & Wakefield" means Cushman & Wakefield, Inc. or its subsidiary that issued the Report.

"Appraiser(s)" means the employee(s) of Cushman & Wakefield who prepared and signed the Report.

The Report has been made subject to the following assumptions and limiting conditions:

- No opinion is intended to be expressed and no responsibility is assumed for the legal description or for any matters that are legal in nature or require legal expertise or specialized knowledge beyond that of a real estate appraiser. Title to the Property is assumed to be good and marketable and the Property is assumed to be free and clear of all liens unless otherwise stated. No survey of the Property was undertaken.
- The information contained in the Report or upon which the Report is based has been gathered from sources the Appraiser assumes to be reliable and accurate. The owner of the Property may have provided some of such information. Neither the Appraiser nor Cushman & Wakefield shall be responsible for the accuracy or completeness of such information, including the correctness of estimates, opinions, dimensions, sketches, exhibits and factual matters. Any authorized user of the Report is obligated to bring to the attention of Cushman & Wakefield any inaccuracies or errors that it believes are contained in the Report.
- The opinions are only as of the date stated in the Report. Changes since that date in external and market factors or in the Property itself can significantly affect the conclusions in the Report.
- The Report is to be used in whole and not in part. No part of the Report shall be used in conjunction with any other analyses. Publication of the Report or any portion thereof without the prior written consent of Cushman & Wakefield is prohibited. Reference to the Appraisal Institute or to the MAI designation is prohibited. Except as may be otherwise stated in the letter of engagement, the Report may not be used by any person(s) other than the party(ies) to whom it is addressed or for purposes other than that for which it was prepared. No part of the Report shall be conveyed to the public through advertising, or used in any sales, promotion, offering or SEC material without Cushman & Wakefield's prior written consent. Any authorized user(s) of this Report who provides a copy to, or permits reliance thereon by, any person or entity not authorized by Cushman & Wakefield in writing to use or rely thereon, hereby agrees to indemnify and hold Cushman & Wakefield, its affiliates and their respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the Report by any such unauthorized person(s) or entity(ies).
- Except as may be otherwise stated in the letter of engagement, the Appraiser shall not be required to give testimony in any court or administrative proceeding relating to the Property or the Appraisal.
- The Report assumes (a) responsible ownership and competent management of the Property; (b) there are no hidden or unapparent conditions of the Property, subsoil or structures that render the Property more or less valuable (no responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them); (c) full compliance with all applicable federal, state and local zoning and environmental regulations and laws, unless noncompliance is stated, defined and considered in the Report; and (d) all required licenses, certificates of occupancy and other governmental consents have been or can be obtained and renewed for any use on which the value opinion contained in the Report is based.
- The physical condition of the improvements considered by the Report is based on visual inspection by the Appraiser or other person identified in the Report. Cushman & Wakefield assumes no responsibility for the soundness of structural components or for the condition of mechanical equipment, plumbing or electrical components.
- The forecasted potential gross income referred to in the Report may be based on lease summaries provided by the owner or third parties. The Report assumes no responsibility for the authenticity or completeness of lease information provided by others. Cushman & Wakefield recommends that legal advice be obtained regarding the interpretation of lease provisions and the contractual rights of parties.

- The forecasts of income and expenses are not predictions of the future. Rather, they are the Appraiser's best opinions of current market thinking on future income and expenses. The Appraiser and Cushman & Wakefield make no warranty or representation that these forecasts will materialize. The real estate market is constantly fluctuating and changing. It is not the Appraiser's task to predict or in any way warrant the conditions of a future real estate market; the Appraiser can only reflect what the investment community, as of the date of the Report, envisages for the future in terms of rental rates, expenses, and supply and demand.
- Unless otherwise stated in the Report, the existence of potentially hazardous or toxic materials that may have been used in the construction or maintenance of the improvements or may be located at or about the Property was not considered in arriving at the opinion of value. These materials (such as formaldehyde foam insulation, asbestos insulation and other potentially hazardous materials) may adversely affect the value of the Property. The Appraisers are not qualified to detect such substances. Cushman & Wakefield recommends that an environmental expert be employed to determine the impact of these matters on the opinion of value.
- Unless otherwise stated in the Report, compliance with the requirements of the Americans with Disabilities Act of 1990 (ADA) has not been considered in arriving at the opinion of value. Failure to comply with the requirements of the ADA may adversely affect the value of the Property. Cushman & Wakefield recommends that an expert in this field be employed to determine the compliance of the Property with the requirements of the ADA and the impact of these matters on the opinion of value.
- If the Report is submitted to a lender or investor with the prior approval of Cushman & Wakefield, such party should consider this Report as only one factor, together with its independent investment considerations and underwriting criteria, in its overall investment decision. Such lender or investor is specifically cautioned to understand all Extraordinary Assumptions and Hypothetical Conditions and the Assumptions and Limiting Conditions incorporated in this Report.
- In the event of a claim against Cushman & Wakefield or its affiliates or their respective officers or employees or the Appraisers in connection with or in any way relating to this Report or this engagement, the maximum damages recoverable shall be the amount of the monies actually collected by Cushman & Wakefield or its affiliates for this Report and under no circumstances shall any claim for consequential damages be made.
- If the Report is referred to or included in any offering material or prospectus, the Report shall be deemed referred to or included for informational purposes only and Cushman & Wakefield, its employees and the Appraiser have no liability to such recipients. Cushman & Wakefield disclaims any and all liability to any party other than the party that retained Cushman & Wakefield to prepare the Report.
- Unless otherwise noted, we were not given a soil report to review. However, we assume that the soil's load-bearing capacity is sufficient to support existing and/or proposed structure(s). We did not observe any evidence to the contrary during our physical inspection of the property. Drainage appears to be adequate.
- Unless otherwise noted, we were not given a title report to review. We do not know of any easements, encroachments, or restrictions that would adversely affect the site's use. However, we recommend a title search to determine whether any adverse conditions exist.
- Unless otherwise noted, we were not given a wetlands survey to review. If subsequent engineering data reveal the presence of regulated wetlands, it could materially affect property value. We recommend a wetlands survey by a professional engineer with expertise in this field.
- Unless otherwise noted, we observed no evidence of toxic or hazardous substances during our inspection of the site. However, we are not trained to perform technical environmental inspections and recommend the hiring of a professional engineer with expertise in this field.
- Unless otherwise noted, we did not inspect the roof nor did we make a detailed inspection of the mechanical systems. The appraisers are not qualified to render an opinion regarding the adequacy or condition of these components. The client is urged to retain an expert in this field if detailed information is needed.
- By use of this Report each party that uses this Report agrees to be bound by all of the Assumptions and Limiting Conditions, Hypothetical Conditions and Extraordinary Assumptions stated herein.

Certification

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Adrian M. Sanchez, MAI did make an exterior personal inspection of the property that is the subject of this report. Michael C. McNamara, MAI, MRICS did not make a personal inspection of the property that is the subject of this report.
- The signatories have not performed a previous appraisal of the subject property within the three years prior to this assignment, nor have they performed any appraisal consulting assignments over the past three years.
- Michael C. McNamara, MAI, MRICS and Adrian M. Sanchez, MAI have not provided prior services, as an appraiser or in any other capacity, within the three-year period immediately preceding acceptance of this assignment.
- No one provided significant real property appraisal assistance to the persons signing this report.
- As of the date of this report, Michael C. McNamara, MAI, MRICS and Adrian M. Sanchez, MAI have completed the continuing education program for Designated Members of the Appraisal Institute.
- Our analyses, opinions, or conclusions were developed and this report has been prepared in conformity with the requirements of the State of Florida for State-certified appraisers.
- The use of this report is subject to the requirements of the State of Florida relating to review by the Real Estate Appraisal Subcommittee of the Florida Real Estate Commission.



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Addenda Contents

- Addendum A: Glossary of Terms & Definitions
- Addendum B: Engagement Letter
- Addendum C: Legal Description
- Addendum D: Comparable Land Sale Data Sheets
- Addendum E: Qualifications of the Appraiser

Addendum A:

Glossary of Terms & Definitions

The following definitions of pertinent terms are taken from *The Dictionary of Real Estate Appraisal*, Sixth Edition (2015), published by the Appraisal Institute, Chicago, IL, as well as other sources.

As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Proposed Interagency Appraisal and Evaluation Guidelines, OCC-4810-33-P 20%)

Band of Investment

A technique in which the capitalization rates attributable to components of a capital investment are weighted and combined to derive a weighted-average rate attributable to the total investment.

Cash Equivalency

An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash.

Depreciation

1. In appraising, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date. 2. In accounting, an allowance made against the loss in value of an asset for a defined purpose and computed using a specified method.

Disposition Value

The most probable price that a specified interest in real property is likely to bring under all of the following conditions:

- Consummation of a sale will occur within a limited future marketing period specified by the client.
- The actual market conditions currently prevailing are those to which the appraised property interest is subject.
- The buyer and seller is each acting prudently and knowledgeably.
- The seller is under compulsion to sell.
- The buyer is typically motivated.
- Both parties are acting in what they consider their best interest.
- An adequate marketing effort will be made in the limited time allowed for the completion of a sale.
- Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
- The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Note that this definition differs from the definition of market value. The most notable difference relates to the motivation of the seller. In the case of Disposition value, the seller would be acting under compulsion within a limited future marketing period.

Ellwood Formula

A yield capitalization method that provides a formulaic solution for developing a capitalization rate for various combinations of equity yields and mortgage terms. The formula is applicable only to properties with stable or stabilized income streams and properties with income streams expected to change according to the J- or K-factor pattern. The formula is

$$RO = [YE - M (YE + P / S^{n-1} - RM) - \Delta O / S^{n-1}] / [1 + \Delta I / J]$$

where

RO = Overall Capitalization Rate

YE = Equity Yield Rate

M = Loan-to-Value Ratio

P = Percentage of Loan Paid Off

$1/S^{n-1}$ = Sinking Fund Factor at the Equity Yield Rate

RM = Mortgage Capitalization Rate

ΔO = Change in Total Property Value

ΔI = Total Ratio Change in Income

J = J Factor

Also called mortgage-equity formula.

Exposure Time

1. The time a property remains on the market. 2. 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 on an analysis of past events assuming a competitive and open market. See also marketing time.

Extraordinary Assumption

An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions.

Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

Fee Simple Estate

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.

Highest and Best Use

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

Highest and Best Use of Property as Improved

The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.

Hypothetical Conditions

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

Insurable Replacement Cost/Insurable Value

A type of value for insurance purposes.

Intended Use

The use or uses of an appraiser's reported appraisal, appraisal review, or appraisal consulting assignment opinions and conclusions, as identified by the appraiser based on communication with the client at the time of the assignment.

Intended User

The client and any other party as identified, by name or type, as users of the appraisal, appraisal review, or appraisal consulting report by the appraiser on the basis of communication with the client at the time of the assignment.

Leased Fee Interest

A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease).

Leasehold Interest

The tenant's possessory interest created by a lease. See also negative leasehold; positive leasehold.

Liquidation Value

The most probable price that a specified interest in real property is likely to bring under all of the following conditions:

- Consummation of a sale will occur within a severely limited future marketing period specified by the client.
- The actual market conditions currently prevailing are those to which the appraised property interest is subject.
- The buyer is acting prudently and knowledgeably.
- The seller is under extreme compulsion to sell.
- The buyer is typically motivated.
- The buyer is acting in what he or she considers his or her best interest.
- A limited marketing effort and time will be allowed for the completion of a sale.
- Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
- The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Note that this definition differs from the definition of market value. The most notable difference relates to the motivation of the seller. Under market value, the seller would be acting in his or her own best interests. The seller would be acting prudently and knowledgeably, assuming the price is not affected by undue stimulus or atypical motivation. In the case of liquidation value, the seller would be acting under extreme compulsion within a severely limited future marketing period.

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).

Market Value

As defined in the Agencies' appraisal regulations, the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

Marketing Time

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time.) See also exposure time.

Mortgage-Equity Analysis

Capitalization and investment analysis procedures that recognize how mortgage terms and equity requirements affect the value of income-producing property.

Operating Expenses

Other Taxes, Fees & Permits - Personal property taxes, sales taxes, utility taxes, fees and permit expenses.

Property Insurance – Coverage for loss or damage to the property caused by the perils of fire, lightning, extended coverage perils, vandalism and malicious mischief, and additional perils.

Management Fees - The sum paid for management services. Management services may be contracted for or provided by the property owner. Management expenses may include supervision, on-site offices or apartments for resident managers, telephone service, clerical help, legal or accounting services, printing and postage, and advertising. Management fees may occasionally be included among recoverable operating expenses

Total Administrative Fees – Depending on the nature of the real estate, these usually include professional fees and other general administrative expenses, such as rent of offices and the services needed to operate the property. Administrative expenses can be provided either in the following expense subcategories or in a bulk total. 1) Professional Fees – Fees paid for any professional services contracted for or incurred in property operation; or 2) Other Administrative – Any other general administrative expenses incurred in property operation.

¹ "Interagency Appraisal and Evaluation Guidelines." Federal Register 75:237 (December 10, 2010) p. 77472.

Heating Fuel - The cost of heating fuel purchased from outside producers. The cost of heat is generally a tenant expense in single-tenant, industrial or retail properties, and apartment projects with individual heating units. It is a major expense item shown in operating statements for office buildings and many apartment properties. The fuel consumed may be coal, oil, or public steam. Heating supplies, maintenance, and workers' wages are included in this expense category under certain accounting methods.

Electricity - The cost of electricity purchased from outside producers. Although the cost of electricity for leased space is frequently a tenant expense, and therefore not included in the operating expense statement, the owner may be responsible for lighting public areas and for the power needed to run elevators and other building equipment.

Gas - The cost of gas purchased from outside producers. When used for heating and air conditioning, gas can be a major expense item that is either paid by the tenant or reflected in the rent.

Water & Sewer - The cost of water consumed, including water specially treated for the circulating ice water system, or purchased for drinking purposes. The cost of water is a major consideration for industrial plants that use processes depending on water and for multifamily projects, in which the cost of sewer service usually ties to the amount of water used. It is also an important consideration for laundries, restaurants, taverns, hotels, and similar operations.

Other Utilities - The cost of other utilities purchased from outside producers.

Total Utilities - The cost of utilities net of energy sales to stores and others. Utilities are services rendered by public and private utility companies (e.g., electricity, gas, heating fuel, water/sewer and other utilities providers). Utility expenses can be provided either in expense subcategories or in a bulk total.

Repairs & Maintenance - All expenses incurred for the general repairs and maintenance of the building, including common areas and general upkeep. Repairs and maintenance expenses include elevator, HVAC, electrical and plumbing, structural/roof, and other repairs and maintenance expense items. Repairs and Maintenance expenses can be provided either in the following expense subcategories or in a bulk total. 1) Elevator - The expense of the contract and any additional expenses for elevator repairs and maintenance. This expense item may also include escalator repairs and maintenance. 2) HVAC - The expense of the contract and any additional expenses for heating, ventilation and air-conditioning systems. 3) Electrical & Plumbing - The expense of all repairs and maintenance associated with the property's electrical and plumbing systems. 4) Structural/Roof - The expense of all repairs and maintenance associated with the property's building structure and roof. 5) Pest Control - The expense of insect and rodent control. 6) Other Repairs & Maintenance - The cost of any other repairs and maintenance items not specifically included in other expense categories.

Common Area Maintenance - The common area is the total area within a property that is not designed for sale or rental, but is available for common use by all owners, tenants, or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, recreation areas, public toilets, truck and service facilities. Common Area Maintenance (CAM) expenses can be entered in bulk or through the sub-categories. 1) Utilities - Cost of utilities that are included in CAM charges and passed through to tenants. 2) Repair & Maintenance - Cost of repair and maintenance items that are included in CAM charges and passed through to tenants. 3) Parking Lot Maintenance - Cost of parking lot maintenance items that are included in CAM charges and passed through to tenants. 4) Snow Removal - Cost of snow removal that are included in CAM charges and passed through to tenants. 5) Grounds Maintenance - Cost of ground maintenance items that are included in CAM charges and passed through to tenants. 6) Other CAM expenses are items that are included in CAM charges and passed through to tenants.

Painting & Decorating - This expense category is relevant to residential properties where the landlord is required to prepare a dwelling unit for occupancy in between tenancies.

Cleaning & Janitorial - The expenses for building cleaning and janitorial services, for both daytime and night-time cleaning and janitorial service for tenant spaces, public areas, atriums, elevators, restrooms, windows, etc. Cleaning and Janitorial expenses can be provided either in the following subcategories or entered in a bulk total. 1) Contract Services - The expense of cleaning and janitorial services contracted for with outside service providers. 2) Supplies, Materials & Misc. - The cost any cleaning materials and any other janitorial supplies required for property cleaning and janitorial services and not covered elsewhere. 3) Trash Removal - The expense of property trash and rubbish removal and related services. Sometimes this expense item includes the cost of pest control and/or snow removal. 4) Other Cleaning/Janitorial - Any other cleaning and janitorial related expenses not included in other specific expense categories.

Advertising & Promotion - Expenses related to advertising, promotion, sales, and publicity and all related printing, stationary, artwork, magazine space, broadcasting, and postage related to marketing.

Professional Fees - All professional fees associated with property leasing activities including legal, accounting, data processing, and auditing costs to the extent necessary to satisfy tenant lease requirements and permanent lender requirements.

Total Payroll - The payroll expenses for all employees involved in the ongoing operation of the property, but whose salaries and wages are not included in other expense categories. Payroll expenses can be provided either in the following subcategories or entered in a bulk total. 1) Administrative Payroll - The payroll expenses for all employees involved in on-going property administration. 2) Repair & Maintenance Payroll - The expense of all employees involved in on-going repairs and maintenance of the property. 3) Cleaning Payroll - The expense of all employees involved in providing on-going cleaning and janitorial services to the property 4) Other Payroll - The expense of any other employees involved in providing services to the property not covered in other specific categories.

Security - Expenses related to the security of the Lessees and the Property. This expense item includes payroll, contract services and other security expenses not covered in other expense categories. This item also includes the expense of maintenance of security systems such as alarms and closed circuit television (CCTV), and ordinary supplies necessary to operate a security program, including batteries, control forms, access cards, and security uniforms.

Roads & Grounds - The cost of maintaining the grounds and parking areas of the property. This expense can vary widely depending on the type of property and its total area. Landscaping improvements can range from none to extensive beds, gardens and trees. In addition, hard-surfaced public parking areas with drains, lights, and marked car spaces are subject to intensive wear and can be costly to maintain.

Other Operating Expenses - Any other expenses incurred in the operation of the property not specifically covered elsewhere.

Real Estate Taxes - The tax levied on real estate (i.e., on the land, appurtenances, improvements, structures and buildings); typically by the state, county and/or municipality in which the property is located.

Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

Prospective Value upon Reaching Stabilized Occupancy

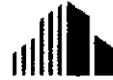
The value of a property as of a point in time when all improvements have been physically constructed and the property has been leased to its optimum level of long-term occupancy. At such point, all capital outlays for tenant improvements, leasing commissions, marketing costs and other carrying charges are assumed to have been incurred.

Special, Unusual, or Extraordinary Assumptions

Before completing the acquisition of a property, a prudent purchaser in the market typically exercises due diligence by making customary enquiries about the property. It is normal for a Valuer to make assumptions as to the most likely outcome of this due diligence process and to rely on actual information regarding such matters as provided by the client. Special, unusual, or extraordinary assumptions may be any additional assumptions relating to matters covered in the due diligence process, or may relate to other issues, such as the identity of the purchaser, the physical state of the property, the presence of environmental pollutants (e.g., ground water contamination), or the ability to redevelop the property.

Addendum B: Engagement Letter

Michael C. McNamara, MAI, MRICS
Executive Director

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May 26, 2021

Ms. Alina Hudak
City of Miami Beach
City Manager
1700 Convention Center Drive
Miami Beach, FL 33139

Re: 1940 Park Avenue
Miami Beach, FL 33139

Dear Ms. Hudak:

Thank you for requesting our proposal for appraisal services. This proposal letter will become, upon your acceptance, our letter of engagement to provide the services outlined herein.

TERMS OF ENGAGEMENT

I. PROBLEM IDENTIFICATION

The Parties To This Agreement: Cushman & Wakefield (C&W) and the City of Miami Beach (Client).

Intended Users: The appraisal will be prepared for the Client and is intended only for the use specified below. The Client agrees that there are no other intended users.

Intended Use: To determine market value

Type of Opinion and Rights Appraised: Fee simple value of the 66 unit multifamily property at 1940 Park Avenue, Miami, FL.

Date of Value:

- Date of inspection

Subject of the Assignment and Relevant Characteristics: The appraisal is to estimate the value of the property. The appraisal will estimate the fee simple market value of the property as of a current date of valuation.

Assignment Conditions: The assignment is based upon the following assignment conditions:

- Extraordinary Assumption—(to be cited), if needed
- Hypothetical Condition—(to be cited), if needed

II. ANTICIPATED SCOPE OF WORK

USPAP Compliance: C&W will develop an appraisal in accordance with USPAP and the Code of Ethics and Certification Standards of the Appraisal

Institute.

General Scope of Work:

- Property Inspection to the extent necessary to adequately identify the real estate
- Research relevant market data, in terms of quantity, quality, and geographic comparability, to the extent necessary to produce credible appraisal results
- Consider and develop those approaches relevant and applicable to the appraisal problem. Based on our discussion with the client, we anticipate developing the Sales Comparison Approach for the land

III. REPORTING AND DISCLOSURE

Scope of Work Disclosure: The actual Scope of Work will be reported within the report.

Reporting Option: The appraisal will be communicated in an Appraisal Report.

IV. FEE, EXPENSES AND OTHER TERMS OF ENGAGEMENT

Fee: \$4,000. All invoices are due 30 days from delivery of the Appraisal Report. The Client shall be solely responsible for C&W's fees and expenses hereunder. Acknowledgement of this obligation is made by the countersignature to this agreement by an authorized representative of the Client.

Hourly fees for additional services, approved in writing by Client or in connection with providing testimony, as described in paragraph 7 of the "Conditions of Engagement", shall be billed in 6-minute increments. Actual rates are contingent on who renders a specific service. Invoices will be submitted periodically, usually monthly. Such invoices shall provide a description of the services rendered by each C&W professional as well as the time expended in providing each service (rounded in increments to the nearest tenth of an hour). C&W's hourly rates in this matter range from \$350 for staff to \$600 for testifying experts.

Hourly fees shall remain in effect through CY 2021. Fees for services rendered thereafter will be at C&W's standard hourly rates.

Additional Expenses: Fee quoted is inclusive of all associated expenses related to the Scope of Work, including the preparation of the report.

Retainer: A retainer of 50% is not required for this assignment in order to commence work.

Report Copies: The final report will be delivered in electronic format. Up to three

Institute.

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- Property inspection to the extent necessary to adequately identify the real estate
- Research relevant market data, in terms of quantity, quality, and geographic comparability, to the extent necessary to produce credible appraisal results
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Fee: \$4,000. All invoices are due 30 days from delivery of the Appraisal Report. The Client shall be solely responsible for C&W's fees and expenses hereunder. Acknowledgement of this obligation is made by the countersignature to this agreement by an authorized representative of the Client.

Hourly fees for additional services, approved in writing by Client or in connection with providing testimony, as described in paragraph 7 of the "Conditions of Engagement", shall be billed in 6-minute increments. Actual rates are contingent on who renders a specific service. Invoices will be submitted periodically, usually monthly. Such invoices shall provide a description of the services rendered by each C&W professional as well as the time expended in providing each service (rounded in increments to the nearest tenth of an hour). C&W's hourly rates in this matter range from \$350 for staff to \$600 for testifying experts.

Hourly fees shall remain in effect through CY 2021. Fees for services rendered thereafter will be at C&W's standard hourly rates.

Additional Expenses: Fee quoted is inclusive of all associated expenses related to the Scope of Work, including the preparation of the report.

Retainer: A retainer of 50% is not required for this assignment in order to commence work.

Report Copies: The final report will be delivered in electronic format. Up to three

Cancellation of Engagement: Client may cancel this agreement at any time prior to C&W's delivery of the appraisal report upon written notification to C&W. Client shall pay C&W for work completed on the assignment prior to C&W's receipt of written cancellation notice, unless otherwise agreed upon by C&W and Client in writing.

Withdrawal of Appraiser Prior to Completion of Assignment: C&W may withdraw without penalty or liability from the assignment(s) contemplated under this agreement before completion or reporting of the appraisal in the event that C&W determines, at C&W's sole discretion, that insufficient information was provided to C&W prior to the engagement, that Client or other parties have not or cannot provide C&W with documentation or information necessary to C&W's analysis or reporting, that conditions of the subject property render the original scope of work inappropriate, or that the Client has not complied with its payment obligations under this agreement. C&W shall notify the Client of such withdrawal in writing.

Thank you for calling on us to render these services and we look forward to working with you.

Sincerely,

CUSHMAN & WAKEFIELD REGIONAL, INC.



Michael C. McNamara, MAI, MRICS
Executive Director

cc:

**AGREED:
CLIENT: CITY OF MIAMI BEACH**

By:  Date: 6/3/21
Ms. Alina Hudak
Title: City Manager

E-mail Address: alinahudak@miamibeachfl.gov

Phone Number: 305-673-7000 ext. 26486

APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION

 05/26/2021
City Attorney Date

Information Needed to Complete the Assignment

We understand that you will provide the following information for our review, if available.

Physical Information

- Building plans/leasing plan/stacking plan
Property contact for inspection
All information the city has on this property

CONDITIONS OF ENGAGEMENT

- 1) Each Intended User identified herein should consider the appraisal as only one factor together with its independent investment considerations and underwriting criteria in its overall investment decision. The appraisal cannot be used by any party or for any purpose other than the Intended User(s) identified herein for the Intended Use described herein.
- 2) Unless identified expressly in this agreement, there are no third-party beneficiaries of agreement pertaining to the appraisal, and no other person or entity shall have any right, benefit or interest under such agreement. The identification of a party as an intended user of the appraisal does not mean that the party is a third-party beneficiary of the agreement.
- 3) The appraisal report will be subject to our standard Assumptions and Limiting Conditions, which will be incorporated into the appraisal. All users of the appraisal report are specifically cautioned to understand the standard Assumptions and Limiting Conditions as well as any Extraordinary Assumptions and Hypothetical Conditions which may be employed by the appraiser and incorporated into the appraisal.
- 4) C&W shall have the right to utilize its affiliates in the performance of its services, provided that they comply with the obligations of C&W pursuant to this engagement.
- 5) The appraisal report or our name may not be used in any offering memoranda or other investment material without the prior written consent of C&W, which may be given at the sole discretion of C&W. Any such consent, if given, shall be conditioned upon our receipt of an indemnification agreement from a party satisfactory to us and in a form satisfactory to us. Furthermore, Client agrees to pay the fees of C&W's legal counsel for the review of the material which is the subject of the requested consent. C&W disclaims any and all liability with regard to the appraisal prepared pursuant to the engagement to any party other than the Intended User(s). Under no circumstances will C&W consent to the quote, reference or inclusion of the appraisal in connection with crowd funding activities. Further, crowd funding investors are specifically excluded from any class of Intended Users. Notwithstanding the foregoing or any other provisions of this Agreement, Client shall be authorized to disclose this appraisal to the general public including, without limitation, to Client's tenants and/or in a public meeting; and as permitted pursuant to Chapter 119, Florida Statutes.
- 6) The balance of the fee for the appraisal will be within 30 days of delivery of a report. Payment of the fee is not contingent on the appraised value, a loan closing, or any other prearranged condition. Additional fees will be charged on an hourly basis for any work, which exceeds the scope of this proposal, including performing additional valuation scenarios, additional research and conference calls or meetings with any party, which exceed the time allotted by C&W for an assignment of this nature. If we are requested to stop working on this assignment, for any reason, prior to our completion of the appraisal, C&W will be entitled to bill the Client for the time expended to date at C&W's hourly rates for the personnel involved, not to exceed the total Fee for the Scope of Work. Any work which exceeds the Scope of Work for this proposal shall require the prior written approval of Client before Cushman & Wakefield Regional, Inc. may commence such additional work.
- 7) If C&W or any of its affiliates or any of their respective employees receives a subpoena or other judicial command to produce documents or to provide testimony involving this assignment in connection with a lawsuit or proceeding, C&W will use reasonable efforts to notify the Client of our receipt of same. However, if C&W or any of its affiliates are not a party to these proceedings, Client agrees to compensate C&W or its affiliate for the professional time and reimburse C&W or its affiliate for the actual expense that it incurs in responding to any such subpoena or judicial command, each party to bear their own attorney's fees. C&W or its affiliate will be compensated at the then prevailing hourly rates of the personnel responding to the subpoena or command for testimony.
- 8) By signing this agreement each party expressly agrees that its sole and exclusive remedy for any and all losses or damages relating to this agreement or the appraisal shall be limited to the amount of the appraisal fee paid by the Client. In the event that the either party, or any other party entitled to do so, makes a claim against the other, or any of its affiliates or any of their respective officers or employees in connection with or in any way relating to this engagement or the appraisal, the maximum damages recoverable from such party, or any of its affiliates or their respective officers or employees shall be the amount of the monies actually collected by C&W or any of its affiliates for this assignment and under no circumstances shall any claim for consequential, indirect, special, punitive or liquidated damages be made.
- 9) C&W disclaims any and all liability to any party with regard to the appraisal report other than an Intended User identified herein.
- 10) The fees and expenses shall be due C&W as agreed in this letter. If it becomes necessary to place collection of the fees and expenses due C&W in the hands of a collection agent and/or an attorney (whether or not a legal action is filed) Client agrees to pay all fees and expenses incurred by C&W in connection with the collection or attempted collection thereof. Each party shall bear their attorney's fees.

- 11) Unless the time period is shorter under applicable law, any legal action or claim relating to the appraisal or this agreement shall be filed in court within three (3) years from the date of delivery to Client of the appraisal report to which the claims or causes of action relate or, in the case of acts or conduct after delivery of the report, three (3) years from the date of the alleged acts or conduct. The time period stated in this section shall not be extended by any delay in the discovery or accrual of the underlying claims, causes of action or damages. The time period stated in this section shall apply to all non-criminal claims or causes of action of any type.
- 12) Notwithstanding that C&W may comment on, analyze or assume certain conditions in the appraisal, C&W shall have no monetary liability or responsibility for alleged claims or damages pertaining to: (a) title defects, liens or encumbrances affecting the property; (b) the property's compliance with local, state or federal zoning, planning, building, disability access and environmental laws, regulations and standards; (c) building permits and planning approvals for improvements on the property; (d) structural or mechanical soundness or safety; (e) contamination, mold, pollution, storage tanks, animal infestations and other hazardous conditions affecting the property; and (f) other conditions and matters for which licensed real estate appraisers are not customarily deemed to have professional expertise.
- 13) Legal claims or causes of action relating to the appraisal or this agreement are not assignable, except: (i) as the result of a merger, consolidation, sale or purchase of a legal entity, (ii) with regard to the collection of a bona fide existing debt for services but then only to the extent of the total compensation for the appraisal plus reasonable interest, or (iii) in the case of an appraisal performed in connection with the origination of a mortgage loan, as part of the transfer or sale of the mortgage before an event of default on the mortgage or note or its legal equivalent.
- 14) Each party represents and warrants to the other that it, and all persons and entities owning (directly or indirectly) an ownership interest in it: (a) are not, and will not become, a person or entity with whom a party is prohibited from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including, but not limited to, those named on OFAC's Specially Designated and Blocked Persons list) or under any statute, executive order or other governmental action; and (b) are not knowingly engaged in, and will not knowingly engage in, any dealings or transactions or be otherwise associated with such persons or entities described in clause (a) above.
- 15) Each party represents and warrants to the other that it (and any party acting on its behalf) has not, in order to enter into this agreement, offered, promised, authorized or made any payments or transfers of anything of value which have the purpose or effect of public or commercial bribery, kickbacks or other unlawful or improper means of doing business ("Prohibited Activity") and will not engage in Prohibited Activity during the term of this agreement. In the event of any violation of this section, the non-offending party shall be entitled to immediately terminate this agreement and take such other actions as are permitted or required to be taken under law or in equity.

Addendum C: Legal Description

Exhibit "A"
Legal Description

Lot 2, and the Southerly 20 feet of Lot 1, in Block "H" of Plat of Re-Subdivision of Blocks "G", "H", "J", and "K" of the Ocean Front Property of the Miami Beach Improvement Company, according to the Plat thereof, as recorded in Plat Book 6, Page 102, of the Public Records of Miami-Dade County, Florida, the said Southerly portion of said Lot 1 being more particularly described as follows:

Being at the Southeast corner of said Lot 1, in Block "H"; thence Northerly along the Easterly line of aforesaid Lot 1, (Westerly line of Park Avenue) for a distance of 20 feet to a point; thence Northwesterly along a line parallel to and 20 feet North of the North line of Lot 2 of said Block "H" for a distance of 214 feet, more or less to the most Westerly line of said Lot 1, (East line of Washington Avenue); thence South along Westerly line of said Lot 1, (East line of Washington Ave), for a distance of 21.5 feet, more or less, to the Northwesterly corner of said Lot 2; thence Southeasterly along the Northeasterly line of said Lot 2; thence Southeasterly along the Northeasterly line of said Lot 2 for a distance of 206 feet, more or less, to the Point of Beginning.

Also known as: 1940 Park Avenue, Miami Beach, FL 33139

Addendum D: Comparable Land Sale Data Sheets

LAND SALE COMPARABLE 1



Address: 1790 Alton Road
 City, State, Zip: Miami Beach FL 33139
 Jurisdiction: Miami-Dade County
 MSA: Miami
 Submarket:
 Property Type: Land
 Property Subtype: Commercial
 Classification: N/A
 ID: 607527
 Tax Number(s): N/A

PROPERTY INFORMATION

Site Area (Acres):	0.2342	Public Utilities:	All Available
Site Area (Sq.Ft.):	10,200	Electricity:	Yes
Zoning:	CD-2	Water:	Yes
Utility:	Good	Sewer:	Yes
Access:	Good	Gas:	N/A
Frontage:	Good	Proposed Use:	Retail-Commercial
Visibility:	Good	Maximum FAR:	N/A
Shape:	Irregular	Potential Building Area:	N/A
Topography:	Level	Potential Units::	N/A
Entitlements:	No		

SALE INFORMATION

Status:	Closed Sale	OAR:	N/A
Sale Date:	4/2021	NOI:	N/A
Sale Price:	\$4,000,000	Price per Sq.Ft.:	\$392.16
Value Interest:	N/A	Price per Acre:	\$17,079,419
Grantor:	1790 ALTON HOLDINGS LLC	Price per Potential Building Area:	N/A
Grantee:	SOBE 18 LLC	Price per Potential Units:	N/A
Financing:	N/A		
Condition of Sale:	Arm's Length		

VERIFICATION COMMENTS

Public Records and Marketing Package

COMMENTS

The site was an openly marketed transaction and the purchaser intends to develop the subject site with a luxury boutique hotel with 36 units and a ground floor restaurant.

LAND SALE COMPARABLE 2



Property Name: 0.30-Acre Commercial Site
Address: 251 Washington Avenue
City, State, Zip: Miami Beach FL 33139
Jurisdiction: Miami-Dade County
MSA: Miami
Submarket:
Property Type: Land
Property Subtype: Commercial
Classification: N/A
ID: 493675
Tax Number(s): 02-4203-003-1080 & 02-4203-003-1090

PROPERTY INFORMATION

Site Area (Acres):	0.2984	Public Utilities:	All Available
Site Area (Sq.Ft.):	13,000	Electricity:	N/A
Zoning:	R-PS3	Water:	N/A
Utility:	Good	Sewer:	N/A
Access:	Good	Gas:	N/A
Frontage:	Good	Proposed Use:	Special Purpose
Visibility:	Good	Maximum FAR:	N/A
Shape:	Rectangular	Potential Building Area:	N/A
Topography:	Level	Potential Units::	N/A
Entitlements:	No		

SALE INFORMATION

Status:	Recorded Sale	OAR:	N/A
Deed Reference:	Book 31483, Page 2015	NOI:	N/A
Sale Date:	6/2019	Price per Sq.Ft.:	\$471.15
Sale Price:	\$6,125,000	Price per Acre:	\$20,526,139
Value Interest:	Fee Simple	Price per Potential Building Area:	N/A
Grantor:	South5, LLC	Price per Potential Units:	N/A
Grantee:	251 Washington, LLC		
Financing:	N/A		
Condition of Sale:	None		

VERIFICATION COMMENTS

Public records, CoStar, and published articles.

COMMENTS

This 0.30-acre commercial site is located on the east side of Washington Avenue, just south of 3rd Street, in Miami Beach. The site consists of two contiguous parcels zoned R-PS3 (medium-high density residential performance), with 100 feet of street frontage. The buyer, John Marshall, a tech entrepreneur, plans to build a playground and "one more classroom" on the parcel. Marshall also bought a 6,500-square-foot property at 224 Second Street in January for \$4.8 million, and plans to renovate two empty structures into a private school. This property sold in June 2019 for \$6,125,000 or \$471.15 per square foot of land.

LAND SALE COMPARABLE 3



Property Name: 0.15 Acre Mixed-Use Site
Address: 224 2nd Street
City, State, Zip: Miami Beach FL 33139
Jurisdiction: Miami-Dade County
MSA: Miami
Submarket:
Property Type: Land
Property Subtype: Commercial
Classification: N/A
ID: 457057
Tax Number(s): 02-4203-003-1250

PROPERTY INFORMATION

Site Area (Acres):	0.1492	Public Utilities:	All Available
Site Area (Sq.Ft.):	6,500	Electricity:	Yes
Zoning:	C-PS1	Water:	Yes
Utility:	Good	Sewer:	Yes
Access:	Good	Gas:	N/A
Frontage:	Good	Proposed Use:	N/A
Visibility:	Good	Maximum FAR:	1.00
Shape:	Rectangular	Potential Building Area:	6,500
Topography:	Level	Potential Units::	N/A
Entitlements:	No		

SALE INFORMATION

Status:	Recorded Sale	OAR:	N/A
Deed Reference:		NOI:	N/A
Sale Date:	1/2019	Price per Sq.Ft.:	\$738.46
Sale Price:	\$4,800,000	Price per Acre:	\$32,171,582
Value Interest:	Fee Simple	Price per Potential Building Area:	\$897.87
Grantor:	Untario SB, LP	Price per Potential Units:	N/A
Grantee:	224 2nd Street, LLC		
Financing:	N/A		
Condition of Sale:	None		

VERIFICATION COMMENTS

Public records and CoStar

COMMENTS

This 0.15 acre mixed-use site is located on the south side of 2nd Street, between Washington Avenue and Collins Court, in Miami Beach. The property is zoned C-PS1 (allowing commercial/residential of uses up to 40 feet height) and has 220 feet of total street frontage. The property was improved with an office building and a multifamily building at the time of sale; however, both buildings are at the end of their economic life. The property was acquired for land value and has approvals for a restaurant. This property sold in January 2019 for \$4,800,000 or \$738.46 per square foot of land.

LAND SALE COMPARABLE 4



Property Name: 0.27-Acre Residential Site
Address: 304 Ocean Drive
 312 Ocean Drive
City, State, Zip: Miami Beach FL 33139
Jurisdiction: Miami-Dade County
MSA: Miami
Submarket:
Property Type: Land
Property Subtype: N/A
Classification: N/A
ID: 493680
Tax Number(s): 02-4203-003-0500 & 02-4203-003-0510

PROPERTY INFORMATION

Site Area (Acres):	0.2674	Public Utilities:	All Available
Site Area (Sq.Ft.):	11,650	Electricity:	N/A
Zoning:	R-PS3	Water:	N/A
Utility:	Good	Sewer:	N/A
Access:	Good	Gas:	N/A
Frontage:	Good	Proposed Use:	Residential-Multi-Family
Visibility:	Good	Maximum FAR:	0.28
Shape:	Rectangular	Potential Building Area:	32,750
Topography:	Level	Potential Units::	10
Entitlements:	No		

SALE INFORMATION

Status:	Recorded Sale	OAR:	N/A
Deed Reference:	Book 31262, Page 4607	NOI:	N/A
Sale Date:	12/2018	Price per Sq.Ft.:	\$858.37
Sale Price:	\$10,000,000	Price per Acre:	\$37,397,158
Value Interest:	Fee Simple	Price per Potential Building Area:	\$305.34
Grantor:	Sea Spray Development, LLC	Price per Potential Units:	\$1,000,000
Grantee:	312 Ocean Park, LLC		
Financing:	N/A		
Condition of Sale:	None		

VERIFICATION COMMENTS

Public records, CoStar, and published articles.

COMMENTS

This 0.27-acre site is located on the northwest corner of Ocean Drive and 3rd Street, in Miami Beach. The site consists of two contiguous parcels zoned R-PS3 (medium-high density residential performance), with 100 feet of street frontage on Ocean Drive and 115 feet along 3rd Street. The buyer, Brazilian developer Jose Isaac Peres, plans to build a four-story multi-family building with 10 units, including 20 parking spaces and a second-story pool deck and outdoor gym. This property sold in December 2018 for \$10,000,000 or \$858.37 per square foot of land.

LAND SALE COMPARABLE 5



Property Name: 0.69-Acre Commercial Site
Address: 1685 Washington Avenue
City, State, Zip: Miami Beach FL 33139
Jurisdiction: Miami-Dade County
MSA: Miami
Submarket:
Property Type: Land
Property Subtype: Hospitality
Classification: N/A
ID: 493683
Tax Number(s): 02-3234-019-0730

PROPERTY INFORMATION

Site Area (Acres):	0.6887	Public Utilities:	All Available
Site Area (Sq.Ft.):	30,000	Electricity:	N/A
Zoning:	CD-3	Water:	N/A
Utility:	Good	Sewer:	N/A
Access:	Good	Gas:	N/A
Frontage:	Good	Proposed Use:	Hospitality
Visibility:	Good	Maximum FAR:	2.75
Shape:	Rectangular	Potential Building Area:	82,331
Topography:	Level	Potential Rooms:	150
Entitlements:	No		

SALE INFORMATION

Status:	Recorded Sale	OAR:	N/A
Deed Reference:	Book 30658, Page 1799	NOI:	N/A
Sale Date:	8/2017	Price per Sq.Ft.:	\$640.00
Sale Price:	\$19,200,000	Price per Acre:	\$27,878,612
Value Interest:	Fee Simple	Price per Potential Building Area:	\$233.20
Grantor:	Citibank, N.A.	Price per Potential Rooms:	\$128,000
Grantee:	SoBe Center, LLC		
Financing:	N/A		
Condition of Sale:	None		

VERIFICATION COMMENTS

Public records, Costar, Published articles.

COMMENTS

This 0.69-acre commercial site is located on the southeast corner of Washington Avenue and 17th Street, in Miami Beach. The site is zoned CD-3 (commercial, high intensity), and has 350 feet of street frontage. The site is currently improved with a 7,384-SF commercial building, built in 1996; however, the buyer plans to demolish the existing structures and develop a 150-room hotel with two restaurants with 295 seats, and 6,052 SF of other retail-commercial areas. This property sold in August 2017 for \$19,200,000 or \$640 per square foot of land.

LAND SALE COMPARABLE 6



Address: 880 71st Street
City, State, Zip: Miami Beach FL 33141
Jurisdiction: Miami-Dade County
MSA: Miami
Submarket: Miami-Dade County-Miami Beach
Property Type: Land
Property Subtype: Other(Land)
Classification: N/A
ID: 392545
Tax Number(s): 02-3210-013-0190

PROPERTY INFORMATION

Site Area (Acres):	0.4460	Public Utilities:	All Available
Site Area (Sq.Ft.):	19,414	Electricity:	Yes
Zoning:	CD-2	Water:	Yes
Utility:	Good	Sewer:	Yes
Access:	Good	Gas:	Yes
Frontage:	Good	Proposed Use:	N/A
Visibility:	Good	Maximum FAR:	N/A
Shape:	Irregular	Potential Building Area:	N/A
Topography:	Level	Potential Units::	14
Entitlements:	No		

SALE INFORMATION

Status:	Recorded Sale	OAR:	N/A
Deed Reference:		NOI:	N/A
Sale Date:	8/2017	Price per Sq.Ft.:	\$180.28
Sale Price:	\$3,500,000	Price per Acre:	\$7,847,534
Value Interest:	Fee Simple	Price per Potential Building Area:	N/A
Grantor:	Estate of Shirley Jean Wright	Price per Potential Units:	\$250,000
Grantee:	Bay Dr, LLC; & KG Normandy, LLC		
Financing:	N/A		
Condition of Sale:	None		

VERIFICATION COMMENTS

Public records and CoStar

COMMENTS

This 0.7 acre residential site is located on the southeast corner of 71st Street and Bay Drive, in the Normandy Isles area of Miami Beach. The property is zoned CD-2 (commercial, apartments, hotels) with FAR of 1.5 allowing for 29,121 SF building, and has approximately 325 feet of street frontage and 50 feet on the Indian Creek Waterway. The property was previously improved with a 2-story 14-room hotel containing 5,132 square feet. This property sold in August 2017 for \$3,500,000 or \$250,000 per unit.

LAND SALE COMPARABLE 7



Property Name: 1414 West Avenue LLC - Condo Site
Address: 1312 14th Terrace
 1320 14th Terrace
City, State, Zip: Miami Beach FL 33139
Jurisdiction: Miami-Dade County
MSA: Miami
Submarket:
Property Type: Land
Property Subtype: Residential (Multi-Family) For Sale
Classification: N/A
ID: 392731
Master Plan: N/A
Tract/Plat Map: N/A
Planning Area: N/A
Tax Number(s): 02-3233-016-0460 & 02-3233-016-0470

SITE INFORMATION

Gross Site Area (Acres / Sq.Ft.):	N/A	N/A	Public Utilities:	All Available
Net Residential Area (Acres / Sq.Ft.):	0.3670	16,000	Electricity:	Yes
Zoning:		RM-1	Water:	Yes
Utility:		Good	Sewer:	Yes
Access:		Good	Gas:	Yes
Frontage:		Good	Proposed Use:	Residential-Multi-Family
Visibility:		Good	Maximum FAR:	2.56
Shape:		Rectangular	Potential Building Area:	41,029
Topography:		Level	Number of Units:	14
Physical Condition:		N/A	Units per Acre (Gross / Net):	N/A
Entitlements:		No	Tax Rate/Special Assessments:	N/A
Premium Potential:		N/A		
Premium Type:		N/A		
No. Premium Lots:		N/A		
Lot Premium:		N/A		

IMPROVEMENT INFORMATION

Product Type:		N/A	HOA Dues (per Month/per Year):	N/A	N/A
Retail Pricing (Min,Avg,Max):	N/A	N/A	Amenities:		N/A
Home Size (Min,Avg,Max):	N/A	N/A	Gated:		No
Commercial Space (SqFt):		N/A	School District:		N/A

SALE INFORMATION

Status:	Recorded Sale	Price per Sq.Ft.:	\$295.31
Deed Reference:		Price per Acre:	\$12,874,659
Sale Date:	3/2017	Sale Price per Potential Building	\$115.16
DOM / Exposure Time:	N/A	Price per Unit:	\$337,500
Sale Price:	\$4,725,000	Cost to Finished Lot (per Unit):	N/A
Grantor:	Casaluna, LLC	Price per Finished Lot:	N/A
Grantee:	1414 West Avenue, LLC	Finished Lot to Home Price Ratio:	N/A
Financing:	N/A		
Document No:	N/A		
Value Interest:	Fee Simple		
Buyer Intention:	N/A		
Bulk / Rolling:	N/A		
Avg. Takedown Rate per Quarter:	N/A		
Escalator Amount:	N/A		
Rolling Options:	N/A		
GroundLease:	No		

VERIFICATION COMMENTS

Public records, TheRealDeal.com, South Florida Business Journal

COMMENTS

This ± 0.37 acre residential site is located on the southwest corner of 14th terrace and West Avenue, in Miami Beach. The site is zoned RM-1 and has 100 feet and 160 feet of frontage on West Avenue and 14th Terrace, respectively. The buyer has plans to develop the site with a five-story boutique condo with 14 units, 14 parking spaces (11 spaces using lifts), rooftop pool, and spa. The planned 41,029 square foot building will have units ranging from 672 to 1,315 SF, and averaging size of 1,163 SF. This property sold in March 2017 for \$4,725,000 or \$295.31 per square foot of land area. The sellers, Jonathan Seelig and Abner Kurtin (Boston-based developers), had plans approved to develop the proposed condo building, but they decided to sell the land because they weren't able to maintain enough of a constant presence in the area to bring this project to fruition.

Addendum E: Qualifications of the Appraiser



Michael C. McNamara, MAI, MRICS Executive Director

Valuation & Advisory
Practice Group Leader | Multifamily
Cushman & Wakefield Regional, Inc.

Professional Expertise

Michael C. McNamara, MAI, MRICS, is an Executive Director and Multifamily Practice Group Co-Leader within the Valuation & Advisory group of Cushman & Wakefield Regional, Inc. in Ft. Lauderdale, Florida. Mr. McNamara joined Cushman & Wakefield in August 1998 as a Senior Appraiser. In November of 2002, Mr. McNamara was named Director, was promoted to Senior Director in June 2005 and was further promoted to Executive Director in January 2010. Prior to joining Cushman & Wakefield, Mr. McNamara was employed by Landauer Real Estate Counselors as a Director within their Valuation and Technical Services group from May 1995 through July 1998. He was an Appraiser with American Realty Consultants from January 1993 to May of 1995 and an Appraiser for Consolidated Appraisal Services from March 1992 through December 1992. From October 1989 through March 1992 he was an appraiser with Pederson & Trask.

Since joining Cushman & Wakefield Regional, Inc., Mr. McNamara has performed appraisal, feasibility and consulting assignments involving multifamily complexes, condominiums, vacant land, office buildings, shopping centers, industrial, self storage and investment properties throughout 12 states and 11 different islands in the Caribbean. The majority of appraisal experience has been concentrated in Florida and has been primarily for institutional investors, lending institutions, attorneys and private investors.

Memberships, Licenses, Professional Affiliations and Education

- Designated Member, Appraisal Institute (MAI #11052). As of the current date, Michael McNamara, MAI has completed the requirements of the continuing education program of the Appraisal Institute.
- Member, Royal Institution of Chartered Surveyors (MRICS #1285269)
- Florida Licensed Real Estate Salesman (SL #553108)
- Certified General Real Estate Appraiser in the following states:
 - Florida – RZ2105
- Bachelor of Arts, Rutgers University, Economics

Other Accomplishments and Awards

- Recipient, Valuation & Advisory Excellence in Quality Service Award for the Florida region, 1999 and 2006.
- Recognized, Top Valuation Service Professional in South Florida, 1999, 2002, 2003, 2004, 2005, 2007, 2008, 2009, 2010 and 2013.

- Recognized, Top Valuation Service Professional in the State of Florida, 2003, 2004 and 2005.
- Recognized, one of the top ten producers in South Florida, 2012

Testimony in Courts of Law and Quasi-Judicial Hearings

- United States Bankruptcy Court – Southern District – Fort Lauderdale, Florida
- United States Bankruptcy Court – Eastern District – Alexandria, Virginia
- Circuit Court of the 20th Judicial Circuit in Collier County, Naples, Florida
- Circuit Court of the 15th Judicial Circuit in Palm Beach County, West Palm Beach, Florida
- Circuit Court of the 19th Judicial Court, St. Lucie County, St. Lucie, Florida
- Tax appeal hearings in Broward, Martin, and Miami-Dade Counties

Publications

- Market Watch, Fort Lauderdale, Florida “Self Storage in the Sunshine State”, Mini-Storage Messenger (May 2009)
- Market Watch, Orlando, Florida “Self Storage in the City Beautiful”, Mini-Storage Messenger (May 2010)
- Market Watch, Tampa, Florida “A Ray of Hope”, Mini-Storage Messenger (May 2011)
- Market Watch Sidebar, Florida Self Storage, “A Review of the Numbers” Mini-Storage Messenger (April 2012)
- Market Watch, Jacksonville, Florida “Where Florida Begins”, Mini-Storage Messenger (November 2012)

FLORIDA

 Ron DeSantis, Governor Halsey Beshears, Secretary 

STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION

FLORIDA REAL ESTATE APPRAISAL BD

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Adrian M. Sanchez, MAI Senior Director

Valuation & Advisory
Cushman & Wakefield Regional, Inc.

Professional Expertise

Adrian M. Sanchez, MAI is a Senior Director of Cushman & Wakefield Regional, Inc. (Cushman & Wakefield) working within Valuation & Advisory. Mr. Sanchez joined Cushman & Wakefield in March 2003 as a Research Specialist within the Research Services Group. In June of 2003, Mr. Sanchez joined the Valuation & Advisory group as a Staff Appraiser. Mr. Sanchez has received the Excellence in Quality Service Award for the Valuation & Advisory group for the Florida region in 2006.

Since joining Cushman & Wakefield Regional, Inc., Mr. Sanchez has performed appraisal, feasibility and consulting assignments involving residential complexes, condominiums, vacant land, office buildings, shopping centers, industrial and investment properties throughout the State of Florida and the Caribbean. The majority of appraisal experience has been concentrated in Florida and has been primarily for institutional investors, lending institutions, attorneys and private investors.

Memberships, Licenses, Professional Affiliations and Education

- Designated Member, Appraisal Institute. As of the current date, Adrian M. Sanchez, MAI has completed the requirements of the continuing education program of the Appraisal Institute.
- Certified General Real Estate Appraiser in the following states:
 - Florida – RZ 3239
- Bachelor of Arts, University of Miami

Appraisal Education

- AB-1 – Real Estate Appraisal Principles
- AB-2 – Mastering Real Estate Appraisal
- 310 – Basic Income Capitalization
- 510 – Advanced Income Capitalization
- 520 – Highest & Best Use & Market Analysis
- 530 – Advanced Sales Comparison and Cost Approach
- 540 – Report Writing & Valuation Analysis
- 550 – Advanced Applications

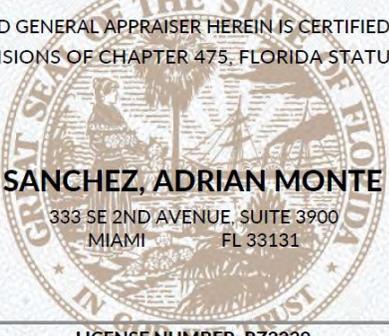
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