



**CUSHMAN &  
WAKEFIELD**

## APPRAISAL OF REAL PROPERTY

500 71st Street (Site)  
500 71st Street  
Miami Beach, Miami-Dade County, FL 33141

## IN AN APPRAISAL REPORT

As of January 7, 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: 21-48007-900018-001



**500 71st Street (Site)**

**500 71st Street**

**Miami Beach, Miami-Dade County, FL 33141**



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February 05, 2021

Mr. Raul Aguila  
Interim City Manager  
**City of Miami Beach**  
1700 Convention Center Drive  
Miami Beach, FL 33139

Re: Appraisal Report

**500 71st Street (Site)**  
500 71st Street  
Miami Beach, Miami-Dade County, FL 33141

Cushman & Wakefield File ID: 21-48007-900018-001

Dear Mr. Aguila:

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 the Byron Carlyle Theater that is owned by the City of Miami Beach and is proposed for the development of a mixed-use high-rise multi-family rental complex. The development is proposed to contain 151 residential multifamily workforce housing apartment units, 9,000 square feet of ground floor retail space and a 10,500 square foot space that will be dedicated as a cultural center, located on a 0.72-acre site. However, we have valued the subject site based on the existing zoning code and not based on the developer's proposed plans at the client's request and have determined that the maximum development potential that a market participant would consider for the subject site to be 152 workforce housing units (as detailed in the zoning section of this report). The existing improvements consist of a 28,335 square foot theater and as the scope of work was to provide a valuation of the land, we have assumed the on-site improvements would be demolished.

In recent times, the CRE market has been driven by investor demand and strong liquidity. Asset values can fall significantly in short periods of time if either of these two factors, often in conjunction with many others, change significantly. While Cushman & Wakefield is closely monitoring the latest developments and will continue to provide updates as events unfold, the reader is cautioned to consider that values and incomes are likely to 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 date(s) indicated. The appraiser makes no representation as to the effect on the subject property of this event, or any event, 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	January 7, 2021	\$6,000,000
<i>Compiled by Cushman &amp; Wakefield Regional, Inc.</i>			

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 current zoning for the subject property is GU; however, per the proposed development plans provided by the client, the subject is anticipated to be re-zoned to TC-C. Therefore, we have assumed this rezoning will take place and have valued the property based on the allowable uses by right within the TC-C zoning code of Miami Beach. If this zoning change does not occur, we reserve the right to revise the report and a subsequent value change may occur.

### 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

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#### V&A National Quality Control Group values your feedback!

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- 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 is not shared with executive management. If you prefer to limit who receives the survey response, the distribution can be altered at your request.

Simply click <https://www.surveymonkey.com/r/LQKCGLF?c=21-48007-900018-001> to respond or print out the survey in the Addenda to submit a hard copy.

#### Contact our Quality Control Committee with any questions or comments:

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## Summary of Salient Facts and Conclusions

The subject property consists of the Byron Carlyle Theater that is owned by the City of Miami Beach and is proposed for the development of a mixed-use high-rise multi-family rental complex. The development is proposed to contain 151 residential multifamily workforce housing apartment units, 9,000 square feet of ground floor retail space and a 10,500 square foot space that will be dedicated as a cultural center, located on a 0.72-acre site. However, we have valued the subject site based on the existing zoning code and not based on the developer's proposed plans at the client's request and have determined that the maximum development potential that a market participant would consider for the subject site to be 152 workforce housing units (as detailed in the zoning section of this report). The existing improvements consist of a 28,335 square foot theater and as the scope of work was to provide a valuation of the land, we have assumed the on-site improvements would be demolished.

### BASIC INFORMATION

<b>Common Property Name:</b>	500 71st Street (Site) 500 71st Street
<b>Address:</b>	Miami Beach, Florida 33141
<b>County:</b>	Miami-Dade
<b>Property Ownership Entity:</b>	CITY OF MIAMI BEACH

### SITE INFORMATION

<b>Land Area:</b>	<b><u>Square Feet</u></b>	<b><u>Acres</u></b>
<b>Main Parcel</b>	31,497	0.72
<b>Site Shape:</b>	L-shaped	
<b>Site Topography:</b>	Level at street grade	
<b>Frontage:</b>	Average	
<b>Site Utility:</b>	Average	
<b>Flood Zone Status:</b>		
<b>Flood Zone:</b>	AE	
<b>Flood Map Number:</b>	12086C0326L	
<b>Flood Map Date:</b>	September 11, 2009	

**MUNICIPAL INFORMATION****Assessment Information:**

<b>Assessing Authority</b>	Miami-Dade
<b>Assessor's Parcel Identification</b>	02-3211-002-1070 and 02-3211-002-1090

<b>Current Tax Year</b>	2020
<b>Taxable Assessment</b>	\$0
<b>Current Tax Liability</b>	\$0

**Zoning Information:**

<b>Municipality Governing Zoning</b>	City of Miami Beach
<b>Current Zoning</b>	TC-C, Town Center-Central Core

<b>Is current use permitted?</b>	Yes
<b>Current Use Compliance</b>	Complying use

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

to develop a multi-family apartment complex on-site to the highest density allowable

VALUATION INDICES		Market Value As-Is
VALUE DATE		January 7, 2021
<b>Land Value</b>		
Indicated Value:		\$6,000,000
Per Unit:		\$39,474
FINAL VALUE CONCLUSION		
Real Property Interest:		Fee Simple
Concluded Value:		\$6,000,000
Per Unit		\$39,474
EXPOSURE AND MARKETING TIME		
<b>Exposure Time:</b>		9-11 Months
<b>Marketing Time:</b>		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 current zoning for the subject property is GU; however, per the proposed development plans provided by the client, the subject is anticipated to be re-zoned to TC-C. Therefore, we have assumed this rezoning will take place and have valued the property based on the allowable uses by right within the TC-C zoning code of Miami Beach. If this zoning change does not occur, we reserve the right to revise the report and a subsequent value change may occur.

## 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. We have included market discussions from multifamily brokers in the market due to the subject being a high-rise multifamily project.

- In speaking to with a broker with our Multifamily Capital Markets Investment Sales group in South Florida, he indicated that at the beginning of the Covid-19 pandemic in March 2020, there were several deals that dropped out of contract as buyers took a pause. In terms of the seller's side, a few deals that were going to market did not and a few deals currently on the market were pulled back off the market. In the fall of 2020, activity began to pick up in the market and demand for apartment product has increased due to lower cost of capital in relation to pre-Covid-19 levels and many of the cash flow issues that occurred in the immediate aftermath of the Covid-19 shelter-in-place mandates has lessened. The market for Class A apartments has been active at the end of 2020 somewhat due to the need to place money by year end and anticipated to be active in the near term (2021).
- 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 THE 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 property 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:	500 71st Street (Site)
Location:	500 71st Street, Miami Beach, Miami-Dade County, Florida 33141
Assessor's Parcel Number(s):	02-3211-002-1070 and 02-3211-002-1090
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:	January 7, 2021
Date of Report:	February 05, 2021
Date of Inspection:	January 7, 2021
Property Inspected by:	Adrian M. Sanchez, MAI

## 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 land at 500 71 <sup>st</sup> Street, Miami Beach, Florida (Miami-Dade County Tax Folio Nos. 02-3211-002-1070 and 02-3211-002-1090) (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

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 current zoning for the subject property is GU; however, per the proposed development plans provided by the client, the subject is anticipated to be re-zoned to TC-C. Therefore, we have assumed this rezoning will take place and have valued the property based on the allowable uses by right within the TC-C zoning code of Miami Beach. If this zoning change does not occur, we reserve the right to revise the report and a subsequent value change may occur.

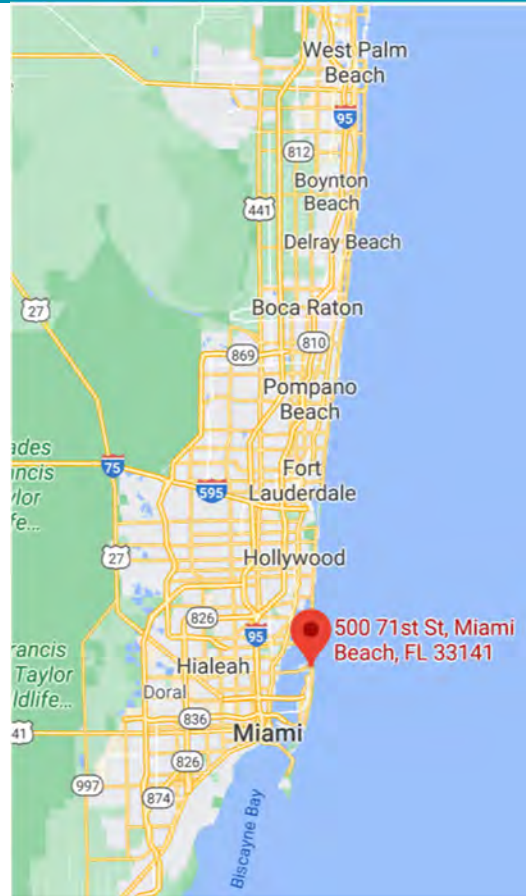
## Hypothetical Conditions

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## Regional Analysis

## REGIONAL MAP



# South Florida Regional Analysis

## Introduction

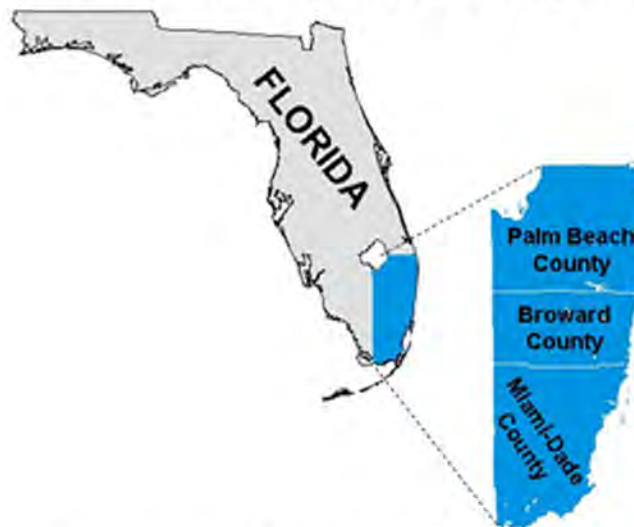
The Miami-Fort Lauderdale-West Palm Beach Core-Based Statistical Area, which is synonymous with the South Florida region (South Florida), consists of the Miami-Miami Beach-Kendall, Fort Lauderdale-Pompano Beach-Deerfield Beach, and West Palm Beach-Boca Raton-Boynton Beach Metropolitan Divisions. The 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. 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 crisis began to unfold in the last month of the first quarter, much of the data available may not accurately reflect the true impact of the crisis on the market. As data often lags, we will find out more as the crisis unfolds. In other sections of the report we will discuss the effects of the COVID-19 crisis on the market and subject property in as much detail as possible. With that said, it is important to note the following points:

- The current COVID-19 pandemic has resulted in shutdowns of non-essential business, and as a result many other businesses have been significantly disrupted. This has resulted in a sharp and drastic unemployment spike that is expected to negatively impact households and businesses in the near term.
- Pertaining to real estate specifically, tenant income losses (business or personal) are expected to translate into near term cash flow disruption to properties. The severity of these impacts are anticipated to be property specific with some property types impacted more than others.
- The full effects of these impacts are unknown at this time, but most market participants are reporting a pause/hold with regards to transactions and have expectations for three to six months of acute challenges and a Fourth Quarter 2020/First Quarter 2021 rebound.
- Right now, the market in general is cautiously optimistic about returning to pre-pandemic conditions by the end of First Quarter 2021.

## 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 the maturing expansion and slow economic growth in Latin America. Nevertheless, inflows of businesses and prime working age individuals continue 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 boost 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.

The economic disruption caused by the COVID-19 pandemic resulted in significant job loss in most sectors. As of April 2020, total non-farm employment measured 2,366,000 jobs, down 358,100 jobs or 13.1% year-over-year. Unemployment surged 10.5 percentage points over the year to 13.2% in April. Tourism was hit the hardest industry 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.

Further considerations are as follows:

- Of the three counties in the South Florida region, Miami-Dade County lost the most jobs. In fact, Miami-Dade County lost the second-most jobs in the state (shedding 145,900 jobs) behind Orlando. Broward County shed 119,100 jobs (down 13.8%) and Palm Beach County lost 93,100 jobs (down 14.4%). Massive layoffs and disruptions were evident in every sector of the economy as citizens, businesses and governments closed to moderate the spread of the virus.
- 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 157,800 jobs year-over-year, declining 52.5%.
- By April 2020, the national economy had entered a recession, ending the longest economic expansion in U.S. history (126 months). Fortunately, most economists project this recession will be short-lived, stating the underlying health of the economy prior to the pandemic.

## 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:

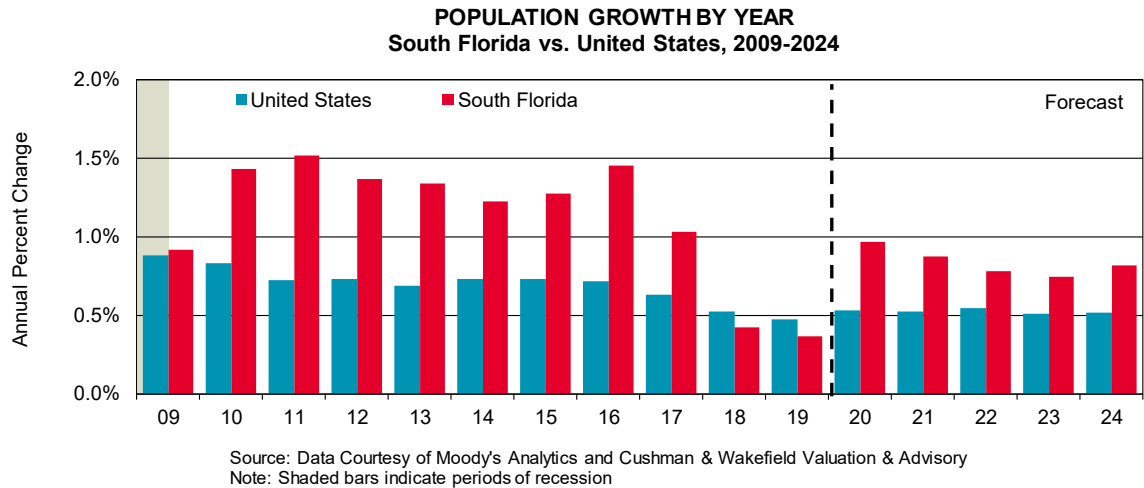
Demographic Characteristics South Florida vs. United States 2019 Estimates		
Characteristic	South Florida	United States
Median Age (years)	41	38
Average Annual Household Income	\$82,113	\$87,636
Median Annual Household Income	\$53,560	\$60,811
<i>Households by Annual Income Level:</i>		
<\$25,000	23.8%	20.3%
\$25,000 to \$49,999	23.4%	21.4%
\$50,000 to \$74,999	17.7%	18.0%
\$75,000 to \$99,999	11.6%	13.0%
\$100,000 plus	23.6%	27.2%
<i>Education Breakdown:</i>		
< High School	15.3%	13.0%
High School Graduate	27.3%	27.6%
College < Bachelor Degree	27.0%	29.0%
Bachelor Degree	19.2%	18.9%
Advanced Degree	11.2%	11.5%

Source: © 2019 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, 2018 and July 1, 2019 to over 21.5 million (adding 233,420 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 0.4%, adding 22,651 new residents between July 2018 and July 2019. 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. In the following Exhibit, and all subsequent time-series graphs, the shaded bars indicate the periods of a U.S. economic recession.



Miami-Dade County is the most populous with 44.4% of the region's population, followed by Broward and Palm Beach Counties with 31.5% and 24.1%, 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. Palm Beach County is projected to outpace the other two counties in annualized population growth through 2023, as depicted in the following table:

Annualized Population Growth by County South Florida 2009-2024						
Population (000's)	2009	2019	Forecast 2020	Forecast 2024	Compound Annual Growth Rate 09-19	Compound Annual Growth Rate 20-24
United States	306,771.5	328,239.5	329,971.0	336,898.3	0.7%	0.5%
<b>South Florida</b>	<b>5,504.6</b>	<b>6,166.5</b>	<b>6,226.1</b>	<b>6,428.8</b>	<b>1.1%</b>	<b>0.8%</b>
Miami-Dade County	2,463.9	2,716.9	2,736.9	2,804.3	1.0%	0.6%
Broward County	1,733.3	1,952.8	1,971.0	2,032.9	1.2%	0.8%
Palm Beach County	1,307.4	1,496.8	1,518.2	1,591.6	1.4%	1.2%

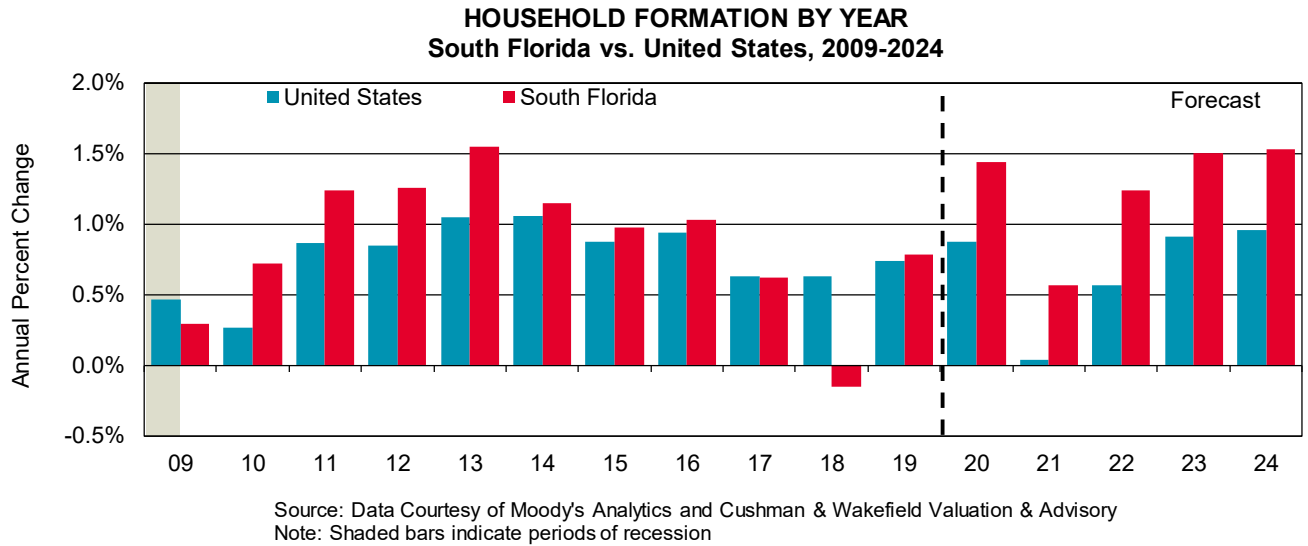
Source: Data Courtesy of Moody's Analytics, Cushman & Wakefield Valuation & Advisory

## Households

Typically, household formation trends alongside population growth and tends to top the national average. Between 2009 and 2019, household formation growth measured 0.9% nearly on par population growth over the same time period. Through 2024, household formation in South Florida is projected to increase, measuring 1.2%, surpassing the projected population growth rate of 0.8%.

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.

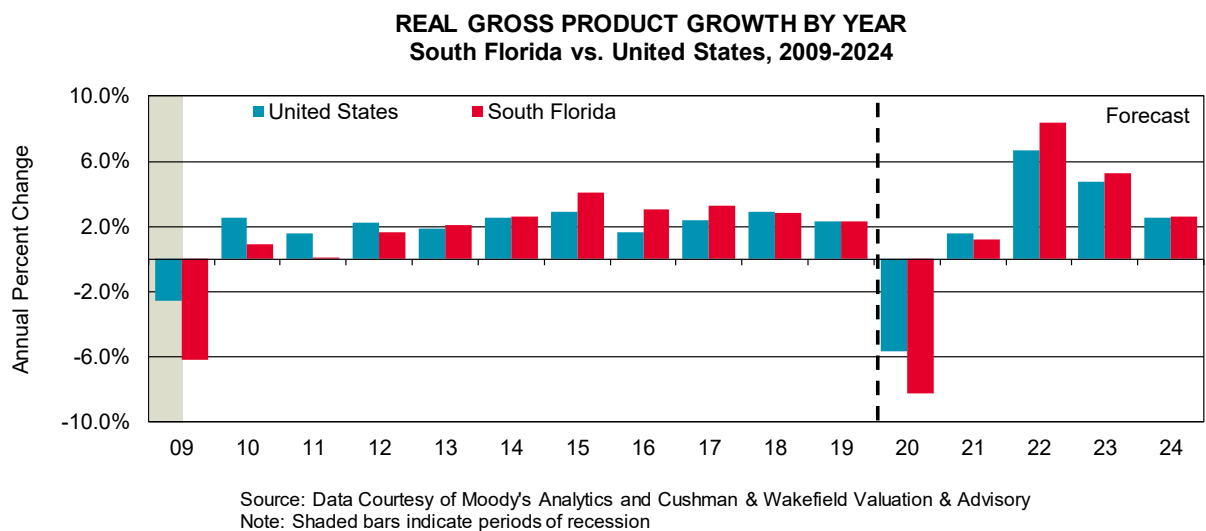
The following graph compares historical and projected growth trends in household formation between South Florida and the U.S. overall.



## 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 17<sup>th</sup> 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.

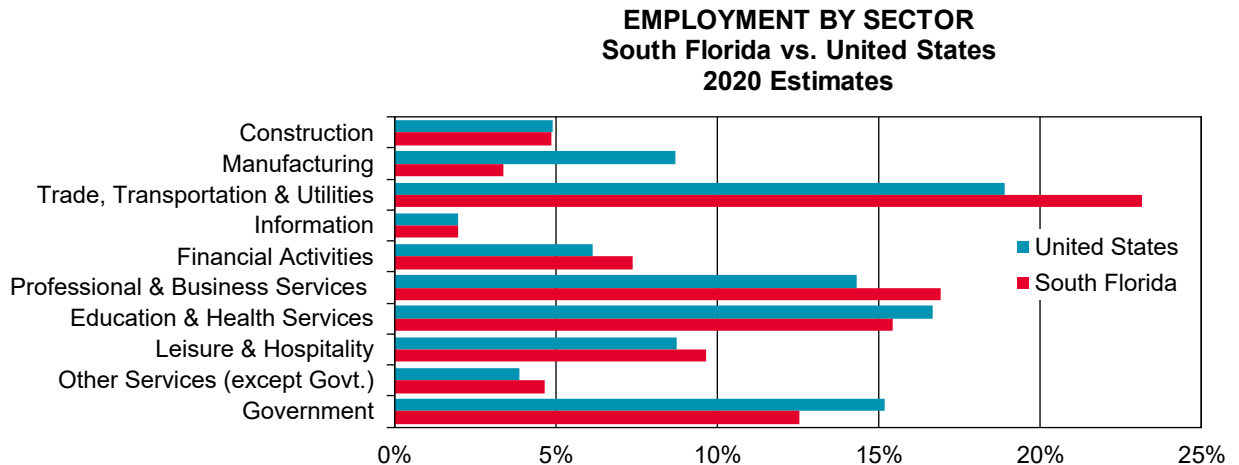
According to the most recent U.S. Bureau of Economic Analysis, South Florida's gross metro product (GMP) increased 2.9% in 2018 to \$315 billion. South Florida's economy tops all other metros in the state and growth still outpaces the national average. The regional economy is among the world's top 40 economies. Trade, tourism and financial services are the major contributors to growth.



## Employment Distribution

South Florida's Trade, Transportation and Utilities sector accounts for 23.2% of the market's total employment base, compared to 18.9% 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.



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 – World Fuel Services (91), Lennar (147) AutoNation (154), Office Depot (297), and Ryder System (354) – 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.

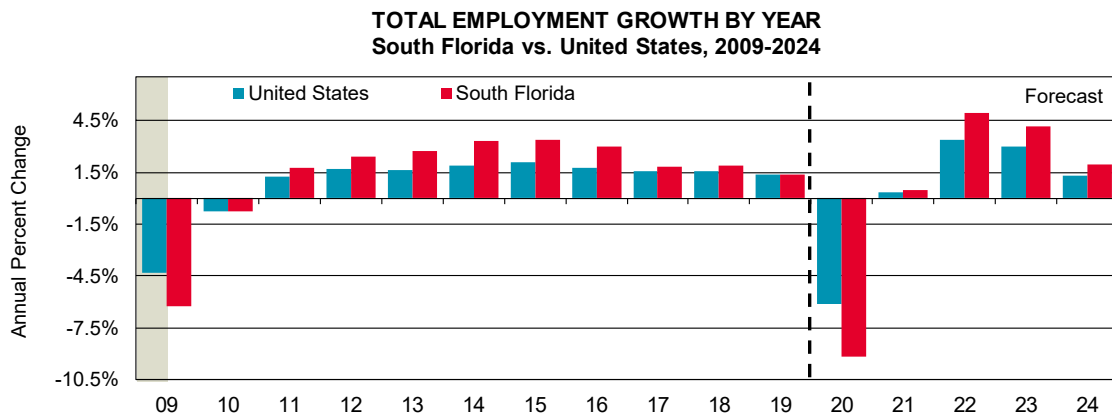
Largest Employers South Florida			
Employer	County	No. Employees	Business Type
Publix Super Markets Inc.	West Palm Beach	38,241	Retail
Tenet Healthcare Corp.	West Palm Beach	6,136	Healthcare
NextEra Energy/Florida Power & Light Co.	West Palm Beach	4,005	Utility
Tenet Healthcare Corp.	Fort Lauderdale	18,000	Healthcare
HCA East Florida Division	Fort Lauderdale	15,000	Healthcare
Memorial Healthcare System	Fort Lauderdale	11,500	Healthcare
University of Miami	Miami	12,818	Education
Jackson Health System	Miami	12,100	Healthcare
Baptist Health Systems of Southern Florida	Miami	12,000	Healthcare

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

## Employment Growth

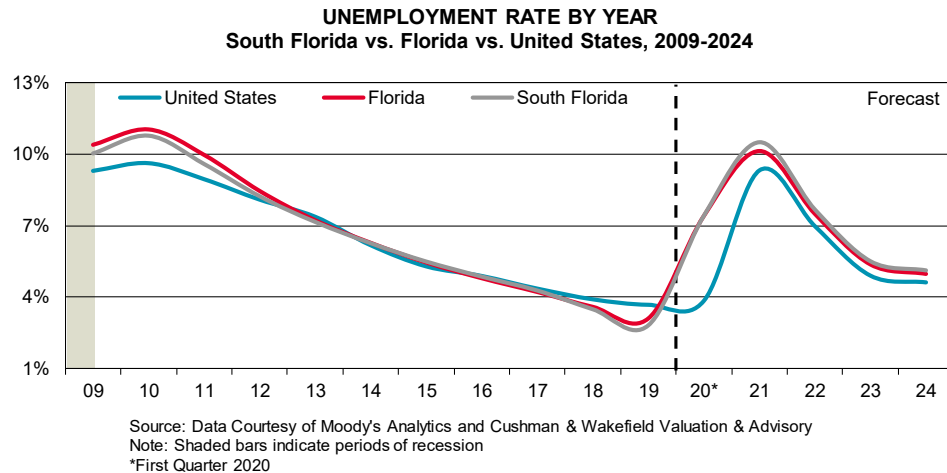
According to the Florida Agency for Workforce Innovation, the South Florida region lost 358,100 jobs over the 12-month period ending April 2020, contracting 13.1%. Prior to the COVID-19 pandemic, South Florida typically outpaced the national average employment growth, which contracted by 12.9% over the same period. According to local economists, 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 2020 was 2,366,000.

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



## Unemployment

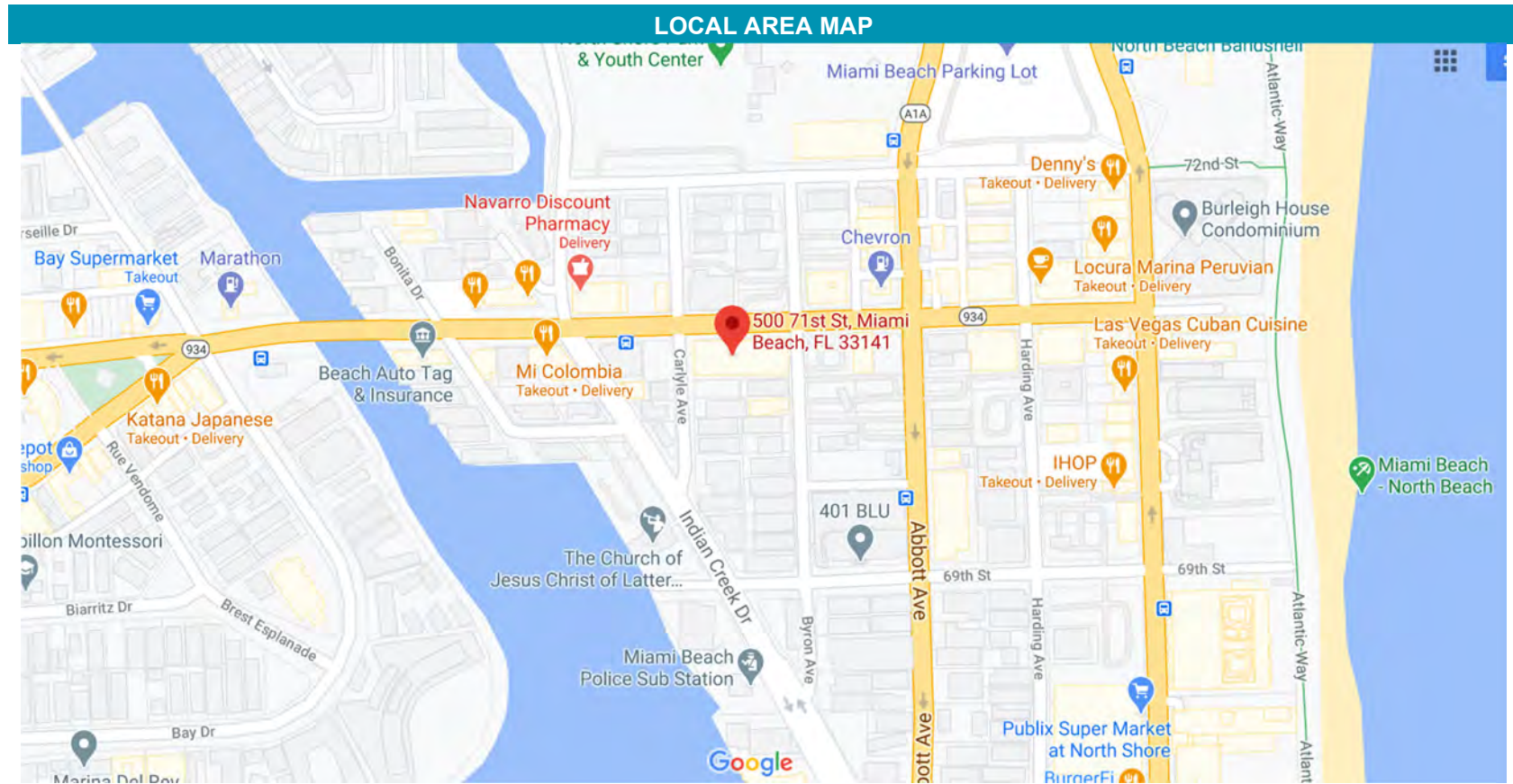
The local unemployment rate increased to 13.2% in April 2020, rising 9.1 percentage over the previous month's rate of 4.2%. Year-over-year, unemployment increased 10.5 percentage points. At 13.2%, the local unemployment rate surpassed the previous peak of 11.8% in June 2011. At 14.5% Broward County has the highest unemployment rate of the tri-county region. Palm Beach County followed with a 13.9% unemployment rate, while Miami-Dade County had the lowest unemployment rate at 11.9%.



## Conclusion

Like the rest of the country, the South Florida economy is exposed to the impacts of COVID-19. The immediate negative effects on jobs, particularly tourism-related jobs, has been significant. The full effects of the pandemic are unknown currently; however, uncertainty looms over all major sectors that significantly add to the economy, namely tourism and real estate. Nevertheless, as the state begins re-opening 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 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

The property is located in the community of Miami Beach. The subject is located south of the City of North Miami Beach to the north. Generally, the boundaries of the immediate area are The Haulover Inlet to the north, Biscayne Boulevard, 41<sup>st</sup> Street to the south, and The Atlantic Ocean to the east. The Central Business District of Miami is 7.25 miles southwest of the subject property.

### Access

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

Local:	The subject property is located within the city of Miami Beach, along the south side of 71 <sup>st</sup> Street in North Miami Beach. The primary east/west thoroughfares in the subject neighborhood are MacArthur Causeway, Venetian Causeway, 79 <sup>th</sup> Street Causeway, 96 <sup>th</sup> Street, and the Julia Tuttle Causeway. Major north/south arterials in the subject's neighborhood include Collins Avenue, Harding Avenue, and Indian Creek Drive. Public transportation in the neighborhood is limited to buses.
Regional:	The primary regional access is along I-95, which lies west of the subject area and the Intracoastal Waterway. As such, the subject property (and Miami Beach overall) has fair regional access, which is typical of properties in Miami Beach.

### Local Area Characteristics

The subject property is located in an area locally known as "North-Beach". Given the unique characteristics of this city, our analysis assumes that the neighborhood boundaries for the subject are synonymous with city boundaries. Miami Beach is a ten-mile long barrier island located off the east coast of Miami, separated by the Intracoastal Waterway and Biscayne Bay. The Atlantic Ocean acts as the eastern and southeastern border, while Biscayne Bay/Intracoastal Waterway lies to the west. Four causeways connect Miami Beach to the mainland: the General Douglas MacArthur Causeway (recently improved and widened), the Venetian Causeway (approx. 20<sup>th</sup> Street), the Julia Tuttle Causeway (41<sup>st</sup> Street) and the John F. Kennedy Causeway (71<sup>st</sup>/79<sup>th</sup> Street). Additionally, there is mainland access north of the subject at 96<sup>th</sup> Street in Bal Harbor.

Miami Beach's renaissance and popularity has reinvigorated the economy, as new industries and businesses (including fashion, entertainment, tourism, and technology) have flourished within the past ten years. The area is a popular locale for area residents, most of which work in either downtown Miami or North Miami areas. The younger inhabitants of the city have fueled part of Miami Beach's renaissance. 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. Leisure visitors from the world over are drawn to the area's cosmopolitan atmosphere, chic restaurants, hip nightclubs, and world-renowned beaches.

There are close 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.

## North Beach

The North Beach market stretches north from 63<sup>rd</sup> Street to the city limit at 87<sup>th</sup> Terrace. North Beach is comprised of Normandy Isle, Normandy Shores, North Shore, Biscayne Point, Park View Island, & Normandy Village. North Beach is located east of the subject property.

Considered as the last frontier of Miami Beach, this district consists of the highest concentration of modern-style architecture on the entire barrier island. Surrounded by waterways, this community consists of numerous recreational parks that include an 18-hole golf course. There are quaint sidewalk cafés along Collins Avenue, a community center, and a public, outdoor concert band. Major developments in the area include the Canyon Ranch condominium tower, condo-hotel and spa, which is located just north of the subject

## Mid-Beach

The “Middle Beach” or “Mid-Beach” region represents a portion of Miami Beach that is located between 25th and 63rd Streets. While historically dominated by hotels such as the formerly named Fontainebleau Hilton and the Eden Roc Resort, redevelopment projects have become more prevalent and at the present time Mid-Beach is predominantly residential in nature, with a significant number of condominiums, condo-hotels, and apartment buildings. With most of the development along Collins Avenue in this district possessing beach frontage, the existence of the beachfront Boardwalk (which extends south to 23rd Street) is considered a significant amenity. Furthermore, some retail development is available towards the northern end of Mid-Beach.

Many of the properties within Mid-Beach have been renovated in recent years. Hotels such as the Eden Roc, the Fairfield Inn (converted into a Best Western), the Cadillac Hotel (converted into a Courtyard by Marriott), and the Holiday Inn hotel (formerly a Best Western) have all received significant upgrades, which have elevated the overall quality of development in the area.

The mid-beach neighborhood is also experiencing significant construction work, including improving sidewalk landscaping and lighting; resurfacing and cleaning city-owned parking lots on Collins and Indian Creek Avenues; repairing curb and gutters; and providing and enhancing public access to Indian Creek Greenway, the beach, and pedestrian amenities and restrooms along the beach.

## South Beach / Art Deco District

South Beach contains the landmark historical Art Deco District, the first 20<sup>th</sup> 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 23<sup>rd</sup> Street to the north, 6<sup>th</sup> 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 16<sup>th</sup> 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.

## Surfside

The Town of Surfside occupies approximately one square mile, of which roughly half is land and half is water. The town was officially incorporated in 1935 and currently has a population of approximately 5,800 residents. The town was named after the Surf Club (subject property) and was incorporated through the signatures of 35 residents; all were members of the Surf Club. Surfside is largely residential in nature as compared to other portions of Miami Beach further to the south. Old and new homes are mixed along with the condominiums and hotels along the oceanfront on A1A; which are not permitted to exceed 12 stories in height. Historically, Surfside and the private members only Surf Club were an enclave for the rich and famous. The former Surf Club was visited by such notable guests as the Duke and Duchess of Windsor, Elizabeth Taylor, Winston Churchill, and Douglas McArthur. The former Surf Club is currently undergoing a major redevelopment and conversion to a Four Seasons resort. Today Surfside is largely an upscale, residential beach neighborhood, with hotel and condominium development along the beach.

## Bal Harbor

Bal Harbor Village occupies roughly 0.6 square miles, of which 0.3 is dry land. The village occupies the northern tip of the larger barrier beach island, which is largely referred to as "Miami Beach". Collins Avenue is the main thoroughfare lined with large scale high-rise resorts and condominiums along the beach side, one block of multi-family dwellings along the east, and single-family residential neighborhoods beyond to the east. The beachfront developments include several notable resort developments including the Ritz-Carlton Bal Harbour and St. Regis Bal Harbour and numerous upscale condominium developments including the Harbor House, Carlton Terrace, Tiffany of Bal Harbour, and the Palace at Bal Harbour. The previously mentioned luxury retail outlet, Bal Harbour Shops is a local main stay, having officially opened in 1965. The Bal Harbor Shops has been the most productive mall in the U.S. for nearly its entire existence, with sales of \$3,010 per square foot (roughly \$900 ahead of its nearest competitor). In 2015 the owners (Whitman Family Development) announced the proposed expansion of the mall. Should it be approved by the City of Bal Harbor, the plans call for the addition of more than ±366,870

square feet of space and 1,086 parking spaces, including two levels of underground parking. The expansion will include the enlarging of the existing Saks Fifth Avenue and Neiman Marcus and Barney's New York intends to open their first flagship store in Florida within the new space.

## Bay Harbor Islands

Bay Harbor Islands consists of two adjacent islands known as Broadview (the west island) and Bay Harbor (the east island) and totals roughly 0.6 square miles, of which only 0.4 square miles are dry land. The west island, Broadview is occupied exclusively with single-family residential homes while the west island Bay Harbor houses multi-family dwellings in the form of apartments and condominiums as well as a small business district. In 2014, the east island was added to the National Trust for Historic Preservation list of "11 Most Endangered Places" in America, as the island's local architecture was coming under heavy pressure from redevelopment. The east island known as Bay Harbor Island houses the largest collection of mid-century Miami Modern Architecture of the 1940's and 1950's including numerous structures designed by Morris Lapidus, Henry Hohauser, and Charles McKirahan.

## 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 23<sup>rd</sup>, 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 1<sup>st</sup>, 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.

## Special Hazards or Adverse Influences

We observed no detrimental influences in the local market area, such as landfills, flood areas, noisy or air polluting industrial plants, or chemical factories.

## Land Use Changes

We are not aware of any land use changes in the immediate area that would adversely affect the subject property.

## 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 an 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

The U.S. economy officially began its 11<sup>th</sup> consecutive year of growth in the first half of 2019, a new record for the longest economic expansion in history. Growth continued through third quarter 2019 as gross domestic product grew by an annualized rate of 1.9% in the third quarter, down slightly from the 2.1% pace seen in the second quarter of the year. Real consumer spending grew by an annualized 2.9% in the third quarter. Consumer spending will continue to post gains, supported by a healthy job market and wage growth. As real consumer spending outpaces real disposable income, however, the pace of spending will slow.

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 in November 2019, at a seasonally adjusted annual rate of 719,000, grew 16.9% year-over-year, according to the Department of Housing and Urban Development. As of October 2019, prices as measured by the S&P/Case-Shiller National Home Price Index climbed 3.3% year-over-year. 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. Consistent with this, 78% of those surveyed by Freddie Mac say renting is more affordable than homeownership, up 11% from February 2018. The same survey reported that 58% of renters say they do not currently have plans to buy a home. 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 the five years to 2023, 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. Sales of individual mid/high-rise apartments are up 8% over the previous year while garden style apartments have taken a back seat to end the year. Even still, apartment property prices are rising and outpacing all other property types in terms of price growth during the year.

## National Apartment Market Statistics

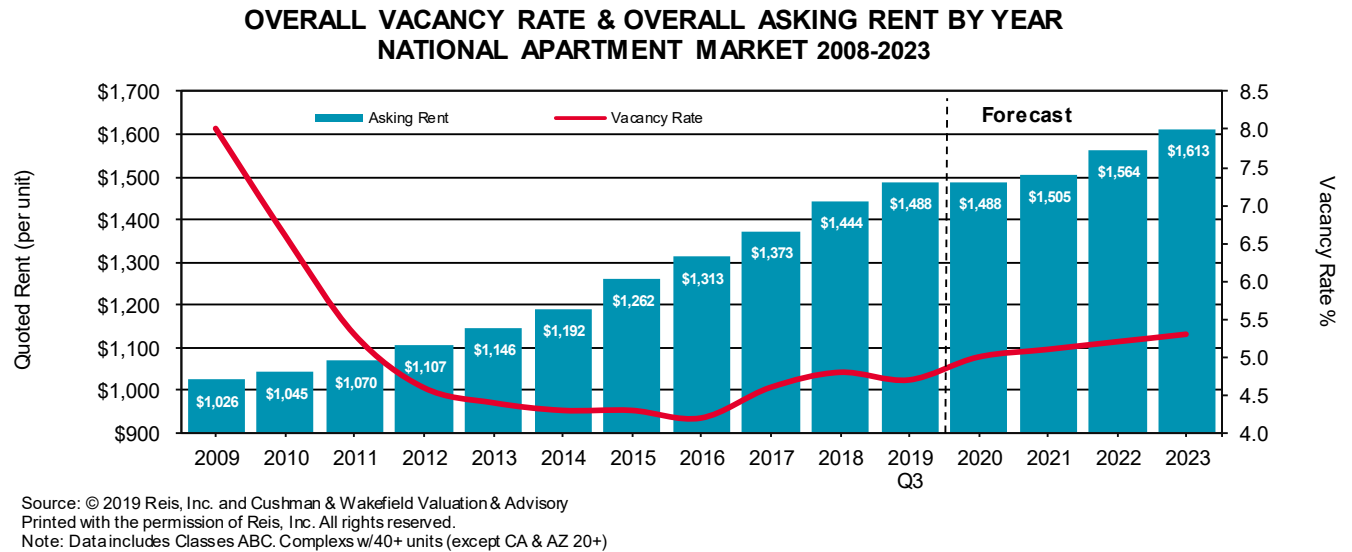
### Vacancy and Asking Rent

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 fifth consecutive year in 2018, the market's vacancy rate climbed 20 basis points year-over-year, to 4.8% at year-end 2018. Many feared that rent growth would suffer as a consequence of apartment volume and increasing vacancy rates, but this has not been the case. From 2014 through 2018, average asking rents grew at a 4.7% annual rate.

In the third quarter 2019, 38,152 units were absorbed, behind the 49,867 units that were completed during the previous quarter. Overall absorption was 33.1% below absorption in third quarter 2018, according to data from Reis, Inc. Reis, Inc. forecasts positive net absorption will further in 2019 to approximately 233,241 units. Net absorption is then projected to observe a general slowdown through 2023. The five-year average from 2014 through 2018 saw approximately 200,298 units being absorbed annually, while the five-year annual absorption average from 2019 through 2023 is projected at 153,015 units per year.

At the end of third quarter 2019, the market's average asking rents, at \$1,488 per unit, have continued to climb. Going forward, Reis, Inc. anticipates that the apartments market's vacancy rate will climb over the next five years, due to high levels of supply. Despite this, Reis, Inc. projects that the average asking rent will reach to \$1,702 per unit by the end of 2023, representing an increase of 17.9% from 2018.

The following graph displays historical and projected vacancy and asking rent between 2009 and 2023:



## National Apartment Investment Sales Market

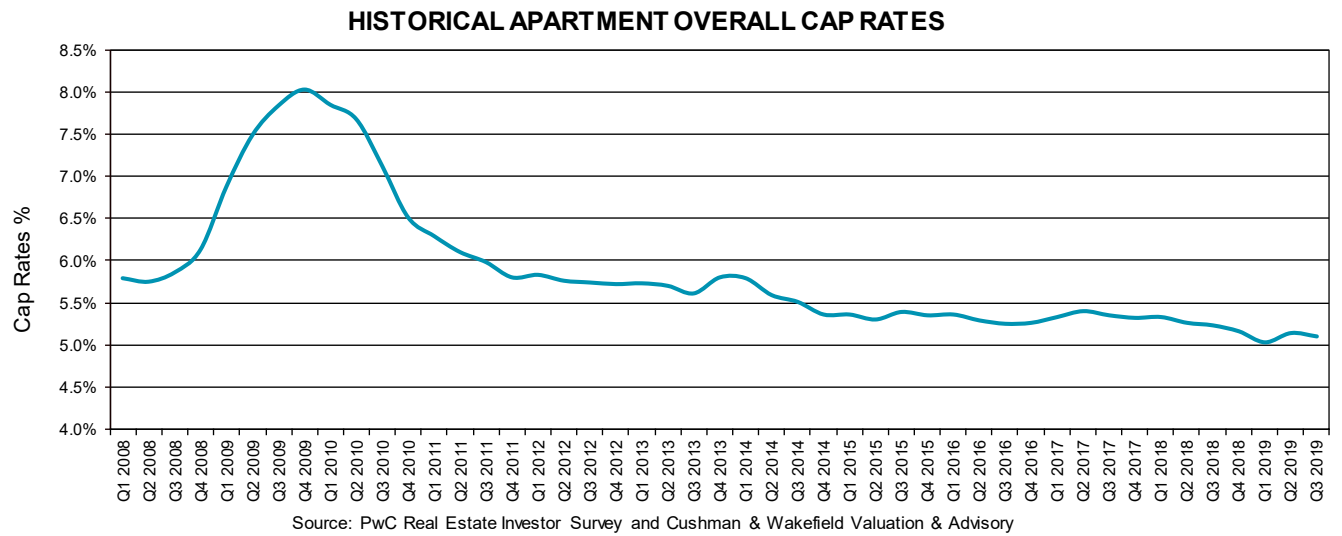
### Overall Capitalization Rates

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.

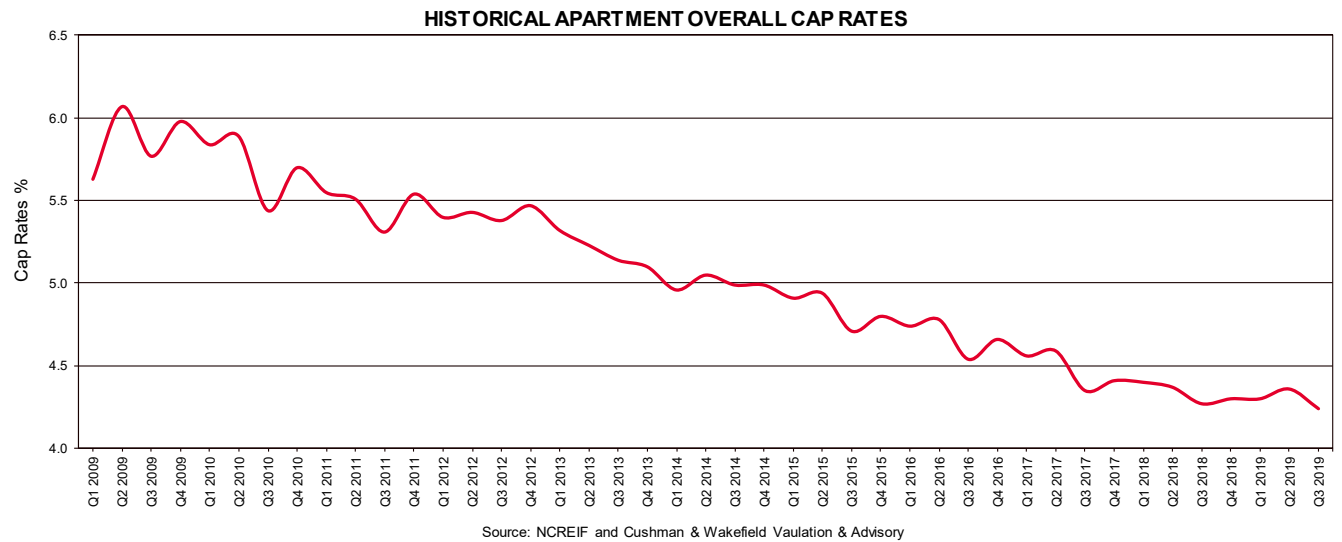
The PwC Real Estate Investor Survey and NCREIF data demonstrates how capitalization rates (OAR) soar during an economic downturn. The risk associated with apartment buildings in 2009 pushed the OAR to 8%, according to PwC. OAR has dropped as the economy has stabilized, at the end of second quarter 2019, the average capitalization rate dropped slightly from a year ago to 5.1%. Roughly 60% of the surveyed investors noted that current market conditions do not specifically favor buyers or sellers. However, given the historically low average capitalization rates, the other 40% of those surveyed claimed it remained a seller's market.

At the end of third quarter 2019, the PwC Investor Survey reported the average capitalization rate for apartment properties, at 5.1%, dropped four basis points above the average cap rate recorded in the previous quarter, after falling 13 basis points from third quarter 2018. According to NCREIF, the overall capitalization rate, at 4.3% in third quarter 2019, remaining at the same level as the previous quarter and 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:



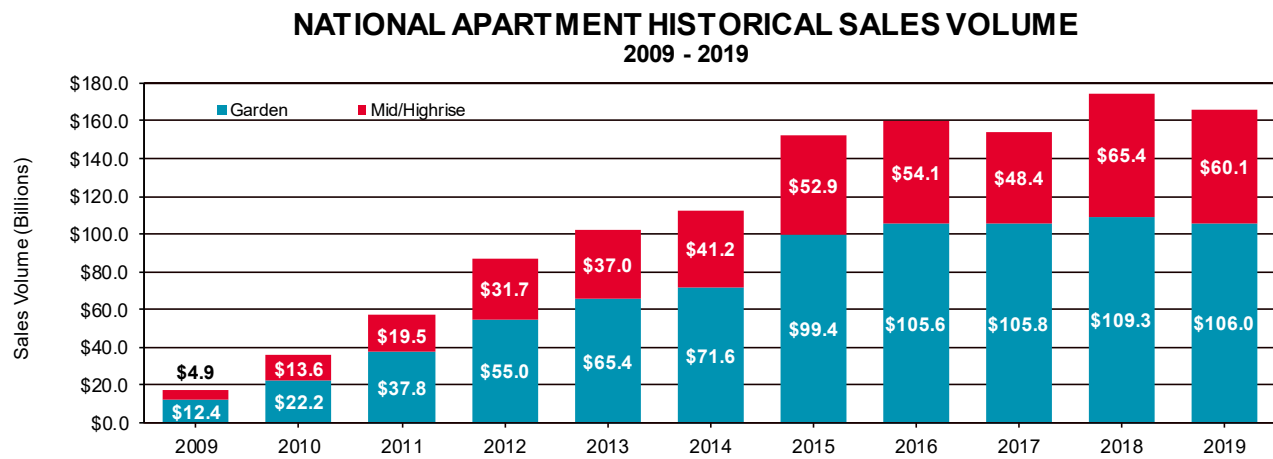
## Sales Volume

During fourth quarter 2019, sales volume, at \$36.2 billion, fell 22.2% over fourth quarter 2018 sales. According to Real Capital Analytics, investors' appetite for garden style communities has started to drag recently. Roughly 983 garden-style apartment communities traded for almost \$15.9 billion in the fourth quarter, while 304 mid/high-rise properties exchanged for approximately \$20.4 billion during the same period.

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.

In the fourth quarter of 2019, sales transactions reached approximately \$166.1 billion. Deal volume for the quarter was 31.8% below fourth quarter 2018. The Southeast region is the leading market in 2019 with almost \$38.4 billion in reported closed transactions through November 2019. However, the Dallas market proved to be the most active in apartment transactions with roughly \$8.6 billion in closed deals through November 2019.

The following graph reflects national apartment historical sales volume for both garden and mid/high-rise properties from 2009 through 2019, as surveyed by RCA:



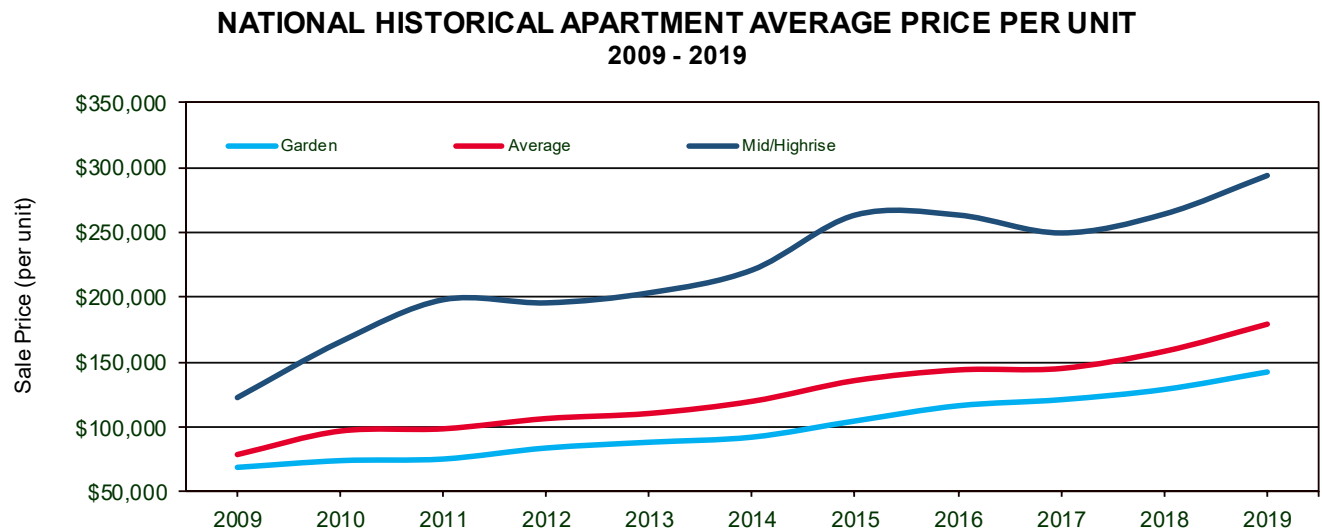
Source: Real Capital Analytics and Cushman & Wakefield Valuation & Advisory

## 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.

In fourth quarter 2019, the price per unit for garden properties, which was \$164,619, grew 21.4% year-over-year. The mid/high-rise price per unit, at a weighted average of \$308,326 per unit during the same time period and this property type climbed 12.1% over fourth quarter 2018. At the end of 2019, the average price per unit for all apartments, at \$209,245, was 23.8% ahead of the weighted average recorded in 2018.

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



Source: Real Capital Analytics and Cushman & Wakefield Valuation & Advisory

### 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.

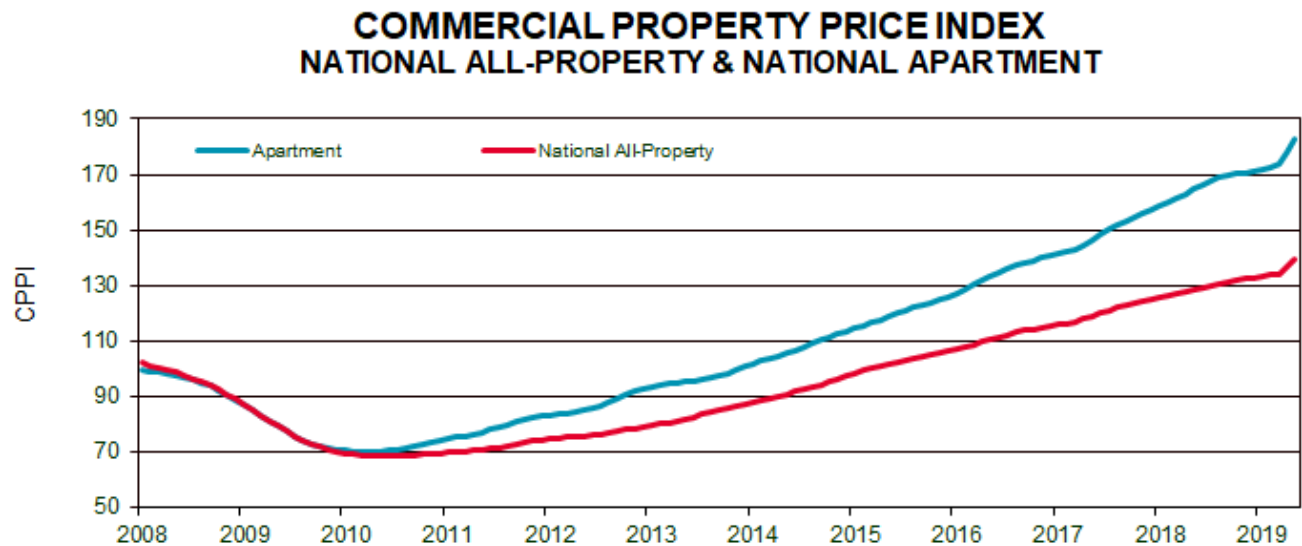
Several characteristics qualify property sales data for inclusion in the CPPI:

- 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 in September 2019 was 139.3, an increase of 6.7% from September 2018. All but one of the segments that contribute to the national all-property index have exceeded their previous peak levels.

The following graph displays the Commercial Property Price Index from 2009 through third quarter 2019:



Source: Moody's/Real Capital Analytics and Cushman & Wakefield Valuation & Advisory;  
\*National Aggregate reflects data as of September 2019

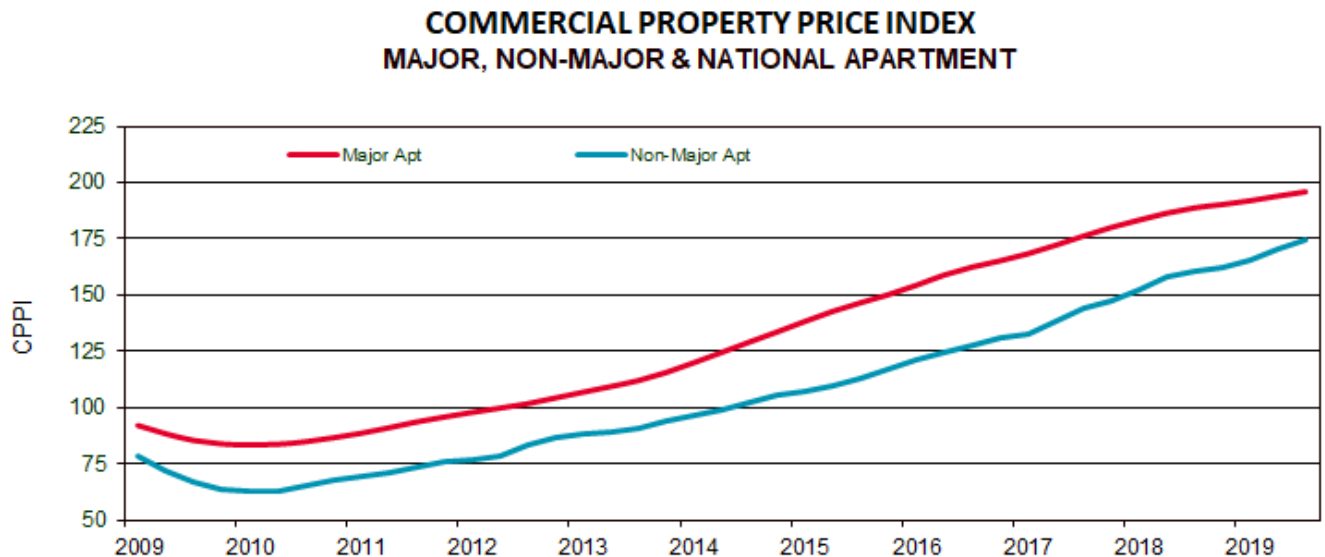
### Major and Non-Major Apartment Property Index

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 third quarter 2019, the CPPI value for apartment buildings in major markets reached 195.6 representing a 73.9% 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 69.1%, with an index value at 170.8 as of third quarter 2019.

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



Source: Moody's/Real Capital Analytics and Cushman & Wakefield Valuation & Advisory;  
\*National Aggregate reflects data from 2009 through Third Quarter 2019

## National Apartment Market Summary

The national apartment market continues to benefit from the prolonged U.S. economic expansion. Wage growth is trending higher and layoffs have fallen to the lowest levels since the 1970s. Job openings are near record highs and more companies are having difficulty finding workers qualified to fill these positions. This development points to stronger wage growth in the coming years as companies compete to hire the most talented employees. Strong job growth combined with income gains typically leads to greater consumer spending, as well as changes in household formations as younger workers leave home or transition from roommate situations into their own households.

Further, household debt burdens continue to decline, effectively increasing after-tax income. This will benefit the apartment market as an increase in income and employment will allow more people to “uncouple,” or live independently. This, tied with the continued shift of the millennial generation’s preference for living in a walkable, urban area as well as other groups seeking convenience or see rent as their only financial option, will continue to drive the demand for apartments, especially in urban areas.

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.
- The sweeping tax plan that Congress enacted in late 2017 capped state and local tax deductions on property taxes paid by homeowners. Furthermore, there have been limitations put on mortgage interest deductions and interest on home equity loans will no longer be deductible. The impact of the capped deductions may keep renters in apartments longer.
- 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.
- The overall capitalization rates have remained steady over the last five years and the market has experienced a positive response to the recent interest rate hikes. Accordingly, investors' appetite for value-add opportunities and properties in secondary and tertiary markets should escalate, as they continue to search for higher yields.
- 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 3% on an annual basis from 2019 through 2023, according to Reis, Inc. To summarize, the apartment market should remain one of the top choices for investors.

## Miami-Dade County Apartment Market Overview

### Introduction

Data for the analysis of the Miami 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 N Miami Beach/Bal Harbour/Golden Beach submarket.**

### Submarket Snapshot

As of third quarter 2020 the Miami Apartment market contains 142,453 rental units in 643 buildings, located in thirteen submarkets. Miami is the largest submarket, with 16.1 percent of the region's total inventory. Kendall West is the smallest submarket, comprising 3.1 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	5.2%	2.5	0.4	\$1,312
North Dade	52	11,695	8.2%	4.2	0.6	\$1,231
N Miami Beach/Bal Harbour/Golden Beach	50	9,428	6.6%	4.6	0.6	\$1,817
Hialeah	27	5,233	3.7%	3.9	0.0	\$1,240
Opa-Locka/Brownsville	37	4,898	3.4%	3.1	0.3	\$960
North Miami/Bayshore	55	8,883	6.2%	5.0	1.0	\$1,171
South Beach/Miami Bayshore	79	18,773	13.2%	9.7	0.7	\$2,486
Miami	87	23,006	16.1%	12.9	1.4	\$1,822
Airport West	67	18,906	13.3%	7.4	0.9	\$1,522
Kendall East/Coral Gables	55	8,415	5.9%	8.9	0.7	\$1,819
Kendall West	21	4,416	3.1%	1.9	0.1	\$1,460
Kendall Lakes/Hammond	46	13,065	9.2%	6.2	0.6	\$1,409
South Dade/Homestead	41	8,308	5.8%	8.2	0.6	\$1,181
<b>Market Total</b>	<b>643</b>	<b>142,453</b>	<b>100.0%</b>	<b>7.3</b>	<b>0.6</b>	<b>\$1,616</b>

Source:

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As of third quarter 2020, the overall vacancy rate for the region was 7.3 percent. Miami has the highest vacancy rate of 12.9 percent, while Kendall West has the lowest vacancy rate of 1.9 percent. The subject's N Miami Beach/Bal Harbour/Golden Beach submarket has a current vacancy rate of 4.6 percent.

The average quoted rental rate for all types of space within the region is \$1,616 per month. South Beach/Miami Bayshore has the highest average rent of \$2,486 per month. Conversely, the lowest rents are achieved in Opa-Locka/Brownsville at \$960 per month. The subject's N Miami Beach/Bal Harbour/Golden Beach submarket has an

average asking rental rate of \$1,817 per month. In addition, free rent concessions are prevalent within the market and range from 0.0 to 1.4 months.

## Supply Analysis

### Vacancy Rates

The vacancy rate for the Miami region currently stands at 7.3 percent for third quarter 2020, which is up from year-end 2019 when vacancy was 6.6 percent. Reis projects that vacancy rates will decrease over the near term from an average of 7.9 in 2020 to 6.5 in 2024.

The subject submarket is outperforming the market as a whole, with a current vacancy rate of 4.6 percent. Vacancy rates are projected to decrease over the next few years from 4.8 in 2020 to 4.2 in 2024.

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

Historical and Projected Vacancy Rates						
Year	Miami			N Miami Beach/Bal Harbour/Golden Beach		
	Class A	Class B/C	Total	Class A	Class B/C	Total
2015	6.4	3.1	4.2	---	3.0	4.1
2016	8.5	3.6	5.3	---	2.7	3.1
2017	8.2	3.5	5.2	---	3.0	3.1
2018	9.9	4.4	6.5	---	2.9	3.1
2019	10.0	4.3	6.6	---	2.9	3.6
3Q20	11.7	4.2	7.3	---	3.5	4.6
2020	---	---	7.9	---	---	4.8
2021	---	---	8.8	---	---	5.3
2022	---	---	7.9	---	---	5.2
2023	---	---	7.1	---	---	5.1
2024	---	---	6.5	---	---	4.2

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 11.7 percent, and Class B/C properties are experiencing lower vacancies of 4.2 percent. Within the N Miami Beach/Bal Harbour/Golden Beach submarket, Class A properties are experiencing higher vacancies than Class B/C properties.

### Construction Completions

The Miami Apartment market experienced an annual average of 24,100 units completed between 2015 and 2019 or an average of 4,820 units per year. Over the next five years, Reis projects that an additional 16,914 units will be added to the Miami market.

Between 2015 and 2019, the N Miami Beach/Bal Harbour/Golden Beach submarket experienced new construction of 283 units, or an average of 57 units per year. This accounts for approximately 1.2 percent of the region's total completions. Over the next five years, Reis projects that an additional 186 units will be added to the Miami submarket.

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

Historical & Projected Inventory (Units)					
Year	Miami		N Miami Beach/Bal Harbour/Golden Beach		
	Inventory	Completions	Inventory	Completions	% Total
2015	119,189	3,105	9,428	283	9.1%
2016	123,659	4,470	9,428	0	0.0%
2017	127,951	4,292	9,428	0	0.0%
2018	134,525	6,574	9,428	0	0.0%
2019	140,184	5,659	9,428	0	0.0%
3Q20	142,453	1,208	9,428	0	0.0%
2020	145,664	5,480	9,428	0	0.0%
2021	150,656	4,992	9,428	0	0.0%
2022	153,697	3,041	9,504	76	2.5%
2023	155,557	1,860	9,560	56	3.0%
2024	157,098	1,541	9,614	54	3.5%
<b>2015-2019 Total Completions Annual Average</b>		<b>24,100 4,820</b>		<b>283 57</b>	<b>1.2%</b>

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 \$1,310 per month in 2015 to an average of \$1,682 per month in 2019, indicating a compound average growth rate (CAGR) of 6.4 percent. As of third quarter 2020, average asking rents dropped to \$1,616 per month. Over the past few years, concessions have been declining and currently stand at 6.3 percent of face rents. Over the next five years, average asking rents are expected to increase from \$1,613 per month in 2020 to \$1,699 per month in 2024.

Average asking rental rates in the N Miami Beach/Bal Harbour/Golden Beach submarket ranged from an average of \$1,720 per month in 2015 to an average of \$1,920 per month in 2019, demonstrating a CAGR of 2.8 percent. As of third quarter 2020, average rents dropped to \$1,817 per month. Over the next five years, average asking rents are projected to increase from \$1,826 per month in 2020 to \$1,987 per month in 2024. Concessions currently stand at 5.0 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						N Miami Beach/Bal Harbour/Golden Beach					
	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			
2015	\$1,666	\$1,145	\$1,310	\$1,266	4.7	3.4	---	\$1,562	\$1,720	\$1,616	3.8	6.0
2016	\$1,756	\$1,174	\$1,372	\$1,321	4.3	3.7	---	\$1,537	\$1,689	\$1,590	-1.6	5.9
2017	\$1,854	\$1,258	\$1,474	\$1,415	7.1	4.0	---	\$1,594	\$1,744	\$1,660	4.4	4.8
2018	\$2,037	\$1,324	\$1,602	\$1,522	7.6	5.0	---	\$1,665	\$1,827	\$1,739	4.7	4.8
2019	\$2,098	\$1,391	\$1,682	\$1,578	3.7	6.2	---	\$1,739	\$1,920	\$1,837	5.6	4.3
3Q20	\$1,981	\$1,350	\$1,616	\$1,515	-2.7	6.3	---	\$1,674	\$1,817	\$1,726	-2.5	5.0
2020	---	---	\$1,613	\$1,510	-4.3	6.4	---	---	\$1,826	\$1,735	-5.5	5.0
2021	---	---	\$1,597	\$1,494	-1.1	6.4	---	---	\$1,836	\$1,742	0.4	5.1
2022	---	---	\$1,621	\$1,519	1.7	6.3	---	---	\$1,876	\$1,777	2.0	5.3
2023	---	---	\$1,658	\$1,553	2.2	6.3	---	---	\$1,928	\$1,819	2.4	5.7
2024	---	---	\$1,699	\$1,595	2.7	6.1	---	---	\$1,987	\$1,867	2.6	6.0
CAGR	5.93%	4.99%	6.45%	5.66%			#VALUE!	2.72%	2.79%	3.26%		

## 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 24,100 new units were completed in the Miami region between 2015 and 2019, while 19,451 new units were absorbed. As of third quarter 2020, a total of 1,208 new units were completed, while 310 new units were absorbed. This resulted in a rise in vacancy from 6.6 percent in 2019 to the current vacancy rate of 7.3 percent. Over the next five years, Reis projects that construction figures will outpace absorption (new construction will total 16,914 units, and absorption will total 16,007 units).

New construction within the N Miami Beach/Bal Harbour/Golden Beach submarket has outpaced absorption levels, resulting in increased vacancy rates. Between 2015 and 2019, a total of 283 new units were completed, while -23 new units were absorbed. Over the next five years, Reis projects that 186 units will be added to the market, while 124 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				N Miami Beach/Bal Harbour/Golden Beach			
	Class A	Class B/C	Total	Completions	Class A	Class B/C	Total	Completions
2015	2,421	387	2,808	3,105	---	(29)	(29)	283
2016	2,993	(92)	2,901	4,470	---	22	22	0
2017	4,072	132	4,204	4,292	---	(23)	(23)	0
2018	4,704	(311)	4,393	6,574	---	8	8	0
2019	4,796	349	5,145	5,659	---	(1)	(1)	0
3Q20	383	(73)	310	1,208	---	(23)	(23)	0
2020	---	---	3,341	5,480	---	---	(111)	0
2021	---	---	3,186	4,992	---	---	(47)	0
2022	---	---	4,109	3,041	---	---	82	76
2023	---	---	2,993	1,860	---	---	62	56
2024	---	---	2,378	1,541	---	---	138	54
<b>2015-2019</b>								
<b>Total Absorption</b>	<b>18,986</b>	<b>465</b>	<b>19,451</b>	<b>24,100</b>	<b>0</b>	<b>-23</b>	<b>-23</b>	<b>283</b>
<b>Annual Average</b>	<b>3,797</b>	<b>93</b>	<b>3,890</b>	<b>4,820</b>	<b>#DIV/0!</b>	<b>-5</b>	<b>-5</b>	<b>57</b>

Source: Reis, Inc.

## New Construction Activity

According to Reis, 12,605 units were completed within the Miami region over the past few years in a total of 60 projects. There are currently 11,992 units under construction within 50 projects. An additional 37,486 units are planned within 126 projects for potential delivery in the next few years, along with 145 proposed buildings which would add another 53,111 units.

## New Construction

The chart below summarizes the multifamily developments that are in the planning stages and currently under construction. Based on our review of the developments, we are not aware of any that will compete with any rental properties developed on the subject site.

New Construction Activity - Under Construction							
Name	Location	City	Submarket	No. Units	Status	Completion	
Grand Doral Ph 1	10950 NW 82Nd St	Doral	Airport West	80	Under Constr.	---	---
275 Fontaine Parc	275 Fontainebleau Boulevard	Miami	Airport West	133	Under Constr.	---	---
1091 Galiano Street Rentals	1091 Galiano St	Coral Gables	Kendall East/Coral Gables	27	Under Constr.	---	---
The Henry	4131 Laguna St	Coral Gables	Kendall East/Coral Gables	122	Under Constr.	---	---
The Mareas At Coral Reef Ph 1	Coral Reef Dr @ SW 124Th Ave	Miami	Kendall Lakes/Hammond	408	Under Constr.	---	---
Village At Coral Reef	9761 SW 152Nd St	Miami	Kendall West	175	Under Constr.	---	---
Monte Cassini Apartments	3930 NW 7Th St	Miami	Miami	120	Under Constr.	---	---
Plaza Celia	2640 SW 12Th St	Miami	Miami	16	Under Constr.	---	---
Miami Plaza	1502 NE Miami Pl	Miami	Miami	437	Under Constr.	---	---
Brickell Flatiron	1001 S Miami Ave	Miami	Miami	527	Under Constr.	---	---
Chiquita North	3010 NE 2Nd Ave	Miami	Miami	495	Under Constr.	---	---
Chiquita South	2900 NE 2Nd Ave	Miami	Miami	225	Under Constr.	---	---
Plaza Pointe Apartments	Nw 59Th Ave & NW 183Rd St	Hialeah	Miami Lakes	71	Under Constr.	---	---
Arte Condominiums	8955 Collins Ave	Miami	N Miami Beach/Bal Harbour/Golden Beach	16	Under Constr.	---	---
The Residences At Sunny Isles Beach	15795 Collins Ave	North Miami Beach	N Miami Beach/Bal Harbour/Golden Beach	212	Under Constr.	---	---
Aurora Sunny Isles	17550 Collins Ave	North Miami Beach	N Miami Beach/Bal Harbour/Golden Beach	61	Under Constr.	---	---
Southern Villa Townhomes	Sw 254Th St & SW 134Th Ave	Homestead	Non-Submarketed Areas	100	Under Constr.	---	---
Aventura Village	19380 NE 26Th Ave	Miami	North Dade	108	Under Constr.	---	---
The Highlands	13780 Highland Dr	North Miami Beach	North Miami/Bayshore	60	Under Constr.	---	---
Amelia Oaks	7925 W 2Nd Ct	Hialeah	Opa-Locka/Brownsville	150	Under Constr.	---	---
Mimo Bay	6445 NE 7Th Ave	Miami	South Beach/Miami Bayshore	236	Under Constr.	---	---
The Elysee Residences	788 NE 23Rd St	Miami	South Beach/Miami Bayshore	100	Under Constr.	---	---
5350 Park At Downtown Doral	5350 Park Avenue	Miami	South Beach/Miami Bayshore	238	Under Constr.	---	---
Ritz-Carlton Residences Miami Beach	4701 N Meridian Ave	Miami Beach	South Beach/Miami Bayshore	126	Under Constr.	---	---
Lanai Landings	14550 Mable Street	Homestead	South Dade/Homestead	54	Under Constr.	---	---
Doral 4200	4200 NW 107Th Ave	Doral	Airport West	250	Under Constr.	August 2019	
Soleste Blue Lagoon	5375 NW 7Th St	Miami	Miami	330	Under Constr.	August 2019	
Miami Worldcenter Ph I - Paramount Condo Tower	851 NE 1St Ave	Miami	Miami	569	Under Constr.	August 2019	
Pearl House-Bay Harbor Islands	1170 101St St	Bay Harbor Islands	N Miami Beach/Bal Harbour/Golden Beach	15	Under Constr.	August 2019	
Bijou Bay Harbor	9521 E Bay Harbor Dr	Miami Beach	N Miami Beach/Bal Harbour/Golden Beach	41	Under Constr.	August 2019	
Iris On The Bay - Phase 2	47 N Shore Dr	Miami Beach	N Miami Beach/Bal Harbour/Golden Beach	21	Under Constr.	August 2019	
The Preserve At Coral Town Park	26484 SW 142Nd Ave Rd	Homestead	Non-Submarketed Areas	84	Under Constr.	August 2019	
Maizon Brickell	1100 SW 2Nd St	Miami	Miami	262	Under Constr.	September 2019	
Missoni Baia	700 NE 26Th Terrace	Miami	South Beach/Miami Bayshore	249	Under Constr.	September 2019	
Soleste Twenty/2	2201 Ludlam Rd	Miami	Airport West	338	Under Constr.	October 2019	
Paseo De La Riviera	1350 S Dixie Hwy	Coral Gables	Kendall East/Coral Gables	204	Under Constr.	October 2019	
Casa Grove	2940 SW 28Th Ln	Miami	Miami	130	Under Constr.	October 2019	
Wynwood 25	252 NW 25Th St	Miami	Miami	289	Under Constr.	October 2019	
Eighty Seven Park	8701 Collins Ave	Miami Beach	N Miami Beach/Bal Harbour/Golden Beach	66	Under Constr.	October 2019	
Residences By Armani Casa	18975 Collins Ave	North Miami Beach	N Miami Beach/Bal Harbour/Golden Beach	260	Under Constr.	October 2019	
Arbor	3034 Oak Ave	Miami	South Beach/Miami Bayshore	48	Under Constr.	October 2019	
Belle Isle Apartments - Redevelopment	31 Venetian Way	Miami Beach	South Beach/Miami Bayshore	172	Under Constr.	October 2019	
Modera Metro Dadeland Ph 2	8217 SW 72Nd Ave	Miami	Kendall East/Coral Gables	422	Under Constr.	November 2019	
The Bradley	51 NW 26Th St	Miami	Miami	175	Under Constr.	November 2019	
Mb Station	3170 Coral Way	Miami	Miami	190	Under Constr.	November 2019	
Miamicentral Parkline North	200 NW 1St Ave	Miami	Miami	350	Under Constr.	November 2019	
Miamicentral Parkline South	200 NW 1St Ave	Miami	Miami	466	Under Constr.	November 2019	
Turnberry Ocean Club	18501 Collins Ave	Sunny Isles Beach	N Miami Beach/Bal Harbour/Golden Beach	154	Under Constr.	November 2019	
Park Grove	2821 S Bayshore Dr	Miami	South Beach/Miami Bayshore	296	Under Constr.	November 2019	
The Fairchild	3581 Glencoe St	Miami	South Beach/Miami Bayshore	26	Under Constr.	November 2019	
New Construction Activity - Under Construction (Continued)							
Name	Location	City	Submarket	No. Units	Status	Completion	
Monad Terrace	1300 Monad Terrace	Miami Beach	South Beach/Miami Bayshore	59	Under Constr.	November 2019	
Deering Groves	Sw 256Th St @ SW 137Th Ave	Homestead	South Dade/Homestead	281	Under Constr.	November 2019	
5250 Park At Downtown Doral Apartments	5250 Park Avenue	Miami	South Beach/Miami Bayshore	231	Under Constr.	December 2019	
Soleste Alameda	6290-6230 Southwest 8Th Street	West Miami	Miami	306	Under Constr.	February 2020	
Soleste Bay Village	18301 S Dixie Hwy	Palmetto Bay	South Dade/Homestead	200	Under Constr.	February 2020	
Midtown 6	3101 NE 1St Ave	Miami	Miami	447	Under Constr.	May 2020	
River Landing (Apartments)	1600 NW North River Dr	Miami	Miami	440	Under Constr.	June 2020	
The Plaza Coral Gables	2801-3001 Ponce De Leon Blvd	Miami	Kendall East/Coral Gables	170	Under Constr.	July 2020	
Estates At Acqualina Tower1 Phase 1	17885 Collins Ave	North Miami Beach	N Miami Beach/Bal Harbour/Golden Beach	154	Under Constr.	September 2020	
Reflections Apartments	1000 NW 7Th St	Miami	Miami	141	Under Constr.	October 2020	
57 Ocean	5775 Collins Ave	Miami Beach	South Beach/Miami Bayshore	81	Under Constr.	January 2021	
<b>Total Under Construction</b>				<b>12,214</b>			

New Construction Activity - Planned							
Name	Location	City	Submarket	No. Units	Status	Completion	
Midtown Doral Future Phases Residential	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	---	---
The Elan At Downtown Doral	8425 NW 41St St	Doral	Airport West	383	Planned	---	---
Midtown Doral Ph 2 Residential	Northwest 107Th Avenue And Northwest 74Th Street	Doral	Airport West	518	Planned	---	---
Grand Doral Ph 2	10950 NW 82Nd St	Doral	Airport West	115	Planned	---	---
Avalon Doral	3900 NW 79Th Ave	Miami	Airport West	350	Planned	---	---
Hialeah Drive Apartments	160 E 3Rd St	Hialeah	Hialeah	105	Planned	---	---
East 41 Mixed Use Apartments	1100 E 41St St	Hialeah	Hialeah	196	Planned	---	---
Villa Valencia	515 Valencia Ave	Coral Gables	Kendall East/Coral Gables	39	Planned	---	---
6075 Sunset Drive Apartments	6075 Sunset Dr	Miami	Kendall East/Coral Gables	150	Planned	---	---
Shoma Park Tower	1500 Venera Ave	Miami	Kendall East/Coral Gables	165	Planned	---	---
Shops At Sunset Place Redevelopment Residential	5701 Sunset Dr	Miami	Kendall East/Coral Gables	414	Planned	---	---
Dadeland Apartments	Sw 70Th Ave & SW 85Th St	Miami	Kendall East/Coral Gables	416	Planned	---	---
The Mareas At Coral Reef Phase 3	Sw 124Th Ave & Coral Reef Dr	Miami	Kendall Lakes/Hammond	300	Planned	---	---
The Mareas At Coral Reef Ph 2	Coral Reef Dr @ SW 124Th Ave	Miami	Kendall Lakes/Hammond	192	Planned	---	---
One River Point	Sw 4Th St @ SW 4Th Ave	Miami	Miami	418	Planned	---	---
Wave Of Shorecrest	Ne 82Nd St @ NE 4Th Pl	Miami	Miami	232	Planned	---	---
1621 Apartments Development	1621 SW 2Nd Ave	Miami	Miami	60	Planned	---	---
Little Havana Apartments	3101-3145 W Flagler St	Miami	Miami	184	Planned	---	---
Miami 18	210 NE 18Th Street	Miami	Miami	1,200	Planned	---	---
One Brickell - Tower 3 - Future Phase	444 Brickell Ave	Miami	Miami	436	Planned	---	---
Wynwood Square	2201 N Miami Ave	Miami	Miami	241	Planned	---	---
Nexus Riverside	230 SW 3Rd St	Miami	Miami	462	Planned	---	---
Wynwood 29	2828 NW 1St Ave	Miami	Miami	182	Planned	---	---
Soleste Grand Central	218 NW 8Th St	Miami	Miami	360	Planned	---	---
18 Brickell	18 SW 8Th St	Miami	Miami	392	Planned	---	---
Edge On Brickell	55 SW Miami Ave Rd	Miami	Miami	70	Planned	---	---
Smart Brickell Residential	143 SW 9Th St	Miami	Miami	108	Planned	---	---
Wynwood Green	56 NW 29Th St	Miami	Miami	189	Planned	---	---
Soleste At The District	1033 Spring Garden Rd	Miami	Miami	251	Planned	---	---
Liquid Lofts	35 SW 1St St	Miami	Miami	482	Planned	---	---
One Brickell City Centre Phase 2	700 Brickell Ave	Miami	Miami	256	Planned	---	---
Wynwood Plant - Residential	550 NW 24Th St	Miami	Miami	306	Planned	---	---
One Bayfront Plaza Residential	100 S Biscayne Blvd	Miami	Miami	902	Planned	---	---
Miami Innovation District	1031 NW 1St Ave	Miami	Miami	250	Planned	---	---
Paseo Miami	5700 Biscayne Blvd	Miami	Miami	294	Planned	---	---
Grove Central	2780 SW 27Th St	Miami	Miami	288	Planned	---	---
One Brickell - Tower I	444 Brickell Ave	Miami	Miami	462	Planned	---	---
Miami Riverwalk Bldg 4	Sw 7Th St @ SW 2Nd Ave / SW 3Rd Ave	Miami	Miami	362	Planned	---	---
54 West Flagler	54 W Flagler St	Miami	Miami	391	Planned	---	---
The Link At Douglas Station Ph 3 Tower 4	3060 Southwest 37Th Court	Miami	Miami	330	Planned	---	---
Gallery At West Brickell	201 SW 10Th St	Miami	Miami	286	Planned	---	---
Triton Center	7880 Biscayne Blvd	Miami	Miami	325	Planned	---	---
The Arts Luxury City Rentals	38 NE 17Th St	Miami	Miami	200	Planned	---	---
Miami Worldcenter Fildfield Tower	1001 NE 1St Ave	Miami	Miami	533	Planned	---	---
Miami Riverwalk Bldg 2	Ns 7Th St @ SW 2Nd Ave / SW 3Rd Ave	Miami	Miami	362	Planned	---	---
Miami Riverwalk Bldg 1	Sw 7Th St @ SW 2Nd Ave / SW 3Rd Ave	Miami	Miami	362	Planned	---	---
Grand Station	40 NW 3Rd St	Miami	Miami	300	Planned	---	---
1441 North Miami Avenue Condos	1441 North Miami Avenue	Miami	Miami	457	Planned	---	---
1642 Northeast 1St Avenue Residential	1642 Northeast 1St Avenue	Miami	Miami	225	Planned	---	---

New Construction Activity - Planned (Continued)								
Name	Location	City	Submarket	No. Units	Status	Completion		
Mamcentral Supertower - Residential	200 NW 1St Ave	Miami	Miami	311	Planned	---	---	---
Miami Riverwalk Bldg 3	Sw 7Th St @ SW 2Nd Ave / SW 3Rd Ave	Miami	Miami	362	Planned	---	---	---
The Aston Martin Residences	300 Biscayne Blvd	Miami	Miami	391	Planned	---	---	---
1543 Northwest South River Drive Multi Family	1515 NW South River Dr	Miami	Miami	66	Planned	---	---	---
Miami Worldcenter Ph 2 - Seventh Street Apartments Tower 2	Ne 1St Ave & NE 7Th St	Miami	Miami	429	Planned	---	---	---
M Tower	56-70 SW 1St St	Miami	Miami	440	Planned	---	---	---
One Brickell - Tower 2 - Residential	444 Brickell Ave	Miami	Miami	469	Planned	---	---	---
Aria Tower/Yotel Hotel (Mixed-Use)	227 NE 2Nd St	Miami	Miami	208	Planned	---	---	---
Miami Worldcenter Ph 2 - Luma Tower Apartments	N Miami Ave @ NE 10Th St	Miami	Miami	434	Planned	---	---	---
The Link At Douglas Station Ph 1A Tower 1	3060 Southwest 37Th Court	Miami	Miami	312	Planned	---	---	---
The Link At Douglas Station Ph 1B Tower 2	3060 Southwest 37Th Court	Miami	Miami	421	Planned	---	---	---
Megacenter Brickell	420 SW 7Th St	Miami	Miami	57	Planned	---	---	---
133 Southwest Second Avenue	1133 SW 2Nd St	Miami	Miami	493	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 Harbour/Golden Beach	214	Planned	---	---	---
6747-6757 Collins Avenue	6747-6757 Collins Ave	Miami Beach	N Miami Beach/Bal Harbour/Golden Beach	42	Planned	---	---	---
Casa Verde	1170 93Rd St	Miami Beach	N Miami Beach/Bal Harbour/Golden Beach	30	Planned	---	---	---
Royale House	9431-9481 E Bay Harbor Islands Dr	Miami Beach	N Miami Beach/Bal Harbour/Golden Beach	72	Planned	---	---	---
7914 West Dr	7914 West Dr	Miami Beach	N Miami Beach/Bal Harbour/Golden Beach	52	Planned	---	---	---
Ocean Terrace Historic District Apartments	7450 Ocean Terrace	Miami Beach	N Miami Beach/Bal Harbour/Golden Beach	58	Planned	---	---	---
7918 West Drive Condos	7918 West Dr	Miami Beach	N Miami Beach/Bal Harbour/Golden Beach	54	Planned	---	---	---
Marina Del Mar 2 - Ph 1 - North Tower	100 Kings Pt Dr	North Miami Beach	N Miami Beach/Bal Harbour/Golden Beach	127	Planned	---	---	---
Voda Waterfront Residences	4098 Northeast 167Th Street	North Miami Beach	N Miami Beach/Bal Harbour/Golden Beach	12	Planned	---	---	---
Uptown Biscayne - Residential	Ne 163Rd St & Biscayne Boulevard	North Miami Beach	N Miami Beach/Bal Harbour/Golden Beach	245	Planned	---	---	---
5 Park	16955 W Dixie Hwy	North Miami Beach	N Miami Beach/Bal Harbour/Golden Beach	415	Planned	---	---	---
Estates At Acqualina Tower2 Phase 2	17885 Collins Ave	North Miami Beach	N Miami Beach/Bal Harbour/Golden Beach	91	Planned	---	---	---
Marina Del Mar 2 - Ph 2 - South Tower	15920 Collins Ave	Sunny Isles	N Miami Beach/Bal Harbour/Golden Beach	127	Planned	---	---	---
Palazzo Del Luna	7000 Fisher Island Dr	Miami Beach	Non-Submarketed Areas	55	Planned	---	---	---
25501 Southwest 139Th Avenue Apartments	25501 SW 139Th	Naranja	Non-Submarketed Areas	607	Planned	---	---	---
Twins At Aventura	2560 NE 193Rd St	Miami	North Dade	32	Planned	---	---	---
Villages Of Miami Gardens	3400 NW 191St St	Miami Gardens	North Dade	51	Planned	---	---	---
183Rd Street Residential	Nw 29Th Ct & NW 183Rd St	Miami Gardens	North Dade	90	Planned	---	---	---
Aventura Greynolds Village	17990 W Dixie Hwy	North Miami Beach	North Dade	139	Planned	---	---	---
Causeway Village	1850 NE 123Rd St	Miami	North Miami/Bayshore	297	Planned	---	---	---
Sole Mia Apartments Future Phases	15045 Biscayne Blvd	Miami	North Miami/Bayshore	3,500	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	---	---	---
Par Family Development	Nw 27Th Ave @ NW 54Th St	Miami	Opa-Locka/Brownsville	30	Planned	---	---	---
Sweet River Apartments	3623 NW 36Th St	Miami	Opa-Locka/Brownsville	108	Planned	---	---	---
Ellipsis	702 NE 26Th St	Miami	South Beach/Miami Bayshore	34	Planned	---	---	---
Apeiron @ The Jockey Club - Ph 2	1111 Biscayne Blvd	Miami	South Beach/Miami Bayshore	120	Planned	---	---	---
Grand Plaza	3545 Grand Ave	Miami	South Beach/Miami Bayshore	160	Planned	---	---	---
The Vine	404-435 NE 35Th St	Miami	South Beach/Miami Bayshore	124	Planned	---	---	---
1201 Brickell Bay Drive	1201 Brickell Bay Dr	Miami	South Beach/Miami Bayshore	660	Planned	---	---	---
Apeiron @ The Jockey Club - Ph 1	1111 Biscayne Blvd	Miami	South Beach/Miami Bayshore	120	Planned	---	---	---
Yacht Club At Brickell Redevelopment Ph 2	1111 Brickell Bay Dr	Miami	South Beach/Miami Bayshore	572	Planned	---	---	---
2110 N Miami Ave	2110 N Miami Ave	Miami	South Beach/Miami Bayshore	165	Planned	---	---	---
Yacht Club At Brickell Redevelopment Ph 1	1111 Brickell Bay Dr	Miami	South Beach/Miami Bayshore	178	Planned	---	---	---
Coco Miami Towers	1420 S Miami Ave	Miami	South Beach/Miami Bayshore	350	Planned	---	---	---
1900 Biscayne Boulevard	1900 Biscayne Blvd	Miami	South Beach/Miami Bayshore	429	Planned	---	---	---
1836 Biscayne Boulevard Church Redevelopment	1836 Biscayne Blvd	Miami	South Beach/Miami Bayshore	352	Planned	---	---	---

New Construction Activity - Planned (Continued)								
Name	Location	City	Submarket	No. Units	Status	Completion		
Summerhill Mixed Use	2655 S. Bayshore Dr And 2678 Tigertail Ave	Miami	South Beach/Miami Bayshore	303	Planned	---	---	---
Platform 3750-Apartments/Retail	3750 S Dixie Hwy	Miami	South Beach/Miami Bayshore	192	Planned	---	---	---
Glasshaus In The Grove	3161 Center St	Miami	South Beach/Miami Bayshore	23	Planned	---	---	---
Modera Biscayne Bay	436 NE 22Nd St	Miami	South Beach/Miami Bayshore	296	Planned	---	---	---
1320 14Th Terrace Condos	1320 14Th Terrace	Miami Beach	South Beach/Miami Bayshore	14	Planned	---	---	---
Grand Flamingo North Tower Renovation	1508 Bay Rd	Miami Beach	South Beach/Miami Bayshore	366	Planned	---	---	---
Ten30	1030 15Th St	Miami Beach	South Beach/Miami Bayshore	43	Planned	---	---	---
Miami Beach Marina	300 Alton Rd	Miami Beach	South Beach/Miami Bayshore	250	Planned	---	---	---
The Waves Miami Beach	600-700 Alton Rd	Miami Beach	South Beach/Miami Bayshore	321	Planned	---	---	---
2901 Indian Creek Drive Condominiums	2901-2911 Indian Creek Dr	Miami Beach	South Beach/Miami Bayshore	15	Planned	---	---	---
1414 West Avenue Boutique Condo	1414 West Ave	Miami Beach	South Beach/Miami Bayshore	14	Planned	---	---	---
Terminal Island Condos	120 Macarthur Causeway	Miami Beach	South Beach/Miami Bayshore	90	Planned	---	---	---
340 W 42Nd St Condos	340 W 42Nd St	Miami Beach	South Beach/Miami Bayshore	55	Planned	---	---	---
3900 Alton	3900 Alton Rd	Miami Beach	South Beach/Miami Bayshore	78	Planned	---	---	---
Alcazar Apartments Phase 3	Sw 152Nd Ave & SW 280Th St	Homestead	South Dade/Homestead	234	Planned	---	---	---
10999 Southwest 214Th Street Apartments	10999 SW 214Th St	Miami	South Dade/Homestead	132	Planned	---	---	---
Quail Roost Village Futre Phases	Homestead Ave & Eureka Dr	Miami	South Dade/Homestead	360	Planned	---	---	---
Life Time Living At Coral Gables	251 S Dixie Hwy	Coral Gables	Kendall East/Coral Gables	358	Planned	June 2020		
Pura Vida Hialeah Residential	2901 W 16Th Ave	Hialeah	Hialeah	260	Planned	September 2020		
Regency At Ponce Park	114 Calabria Ave	Coral Gables	Kendall East/Coral Gables	152	Planned	December 2020		
Nativo Miami	119 NE 6Th St	Miami	Miami	400	Planned	March 2022		
Okan Tower	555 N Miami Ave	Miami	Miami	153	Planned	July 2022		
<b>Total Planned</b>				<b>34,541</b>				

New Construction Activity - Proposed								
Name	Location	City	Submarket	No. Units	Status	Completion		
Trail Apartments	1040 Southwest 70Th Avenue	Miami	Airport West	899	Proposed	---	---	
6950 NW 7Th St Workforce Housing	6950 NW 7Th St	Miami	Airport West	460	Proposed	---	---	
102Nd Avenue (Townhomes)	Nw 102Nd Ave @ NW 69Th St	Miami	Airport West	80	Proposed	---	---	
Springs Town Center	1 Curtiss Pkwy	Miami	Airport West	51	Proposed	---	---	
Bridge Crossings	2701 E 11Th Ave	Hialeah	Hialeah	74	Proposed	---	---	
955 East 25Th Street	955 E 25Th St	Hialeah	Hialeah	216	Proposed	---	---	
Babcock Apartments	E 4Th Ave @ E 7Th St	Hialeah	Hialeah	35	Proposed	---	---	
Market Station	725 SE 9Th Ct	Hialeah	Hialeah	2,057	Proposed	---	---	
Hialeah Park Mixed-Use	2200 E 4Th Ave	Hialeah	Hialeah	4,400	Proposed	---	---	
1460 W 68Th St Apartments	1460 W 68Th St	Hialeah	Hialeah	45	Proposed	---	---	
25Th Street Station	1025 E 25Th St	Hialeah	Hialeah	134	Proposed	---	---	
Apogean Pointe	Se 12Th St & SE 9Th Ct	Hialeah	Hialeah	68	Proposed	---	---	
Laguna House	351 San Lorenzo Ave	Coral Gables	Kendall East/Coral Gables	13	Proposed	---	---	
Gables Ponce Phase 3	363 Granello Ave	Coral Gables	Kendall East/Coral Gables	211	Proposed	---	---	
44 Zamora	44 Zamora Ave	Coral Gables	Kendall East/Coral Gables	91	Proposed	---	---	
33 Alhambra Circle	33 Alhambra Cir	Coral Gables	Kendall East/Coral Gables	150	Proposed	---	---	
Santillane Multi-Residential	211 Santillane Ave	Coral Gables	Kendall East/Coral Gables	69	Proposed	---	---	
Miracle Residences	2551 Le Jeune Rd	Miami	Kendall East/Coral Gables	284	Proposed	---	---	
9600 South Dixie Highway Apartments	9600 S Dixie Hwy	Miami	Kendall East/Coral Gables	420	Proposed	---	---	
Bird Road Mixed-Use Ph 1	6900 & 6950 Bird Rd	Miami	Kendall East/Coral Gables	339	Proposed	---	---	
Uncommon Miami	5960 SW 57Th Ave	Miami	Kendall East/Coral Gables	202	Proposed	---	---	
Bird Road Mixed-Use Ph 3	7004 SW 45Th St	Miami	Kendall East/Coral Gables	316	Proposed	---	---	
Bird Road Mixed-Use Ph 2	7040 & 7050 SW 44Th St	Miami	Kendall East/Coral Gables	310	Proposed	---	---	
South Miami Market	5850 SW 73Rd St	Miami	Kendall East/Coral Gables	300	Proposed	---	---	
6781 Sunset Drive	6781 Sunset Dr	South Miami	Kendall East/Coral Gables	32	Proposed	---	---	
4601 Southwest 8Th Street	4601 SW 8Th St	Coral Gables	Miami	96	Proposed	---	---	
Nexus Riverside Central	444 SW 2Nd Ave	Miami	Miami	900	Proposed	---	---	
World Trade Center Of The Americas (Apartments)	340 Biscayne Blvd	Miami	Miami	400	Proposed	---	---	
Miami Gardens Apartments	Nw 7Th Ave & NW 71St St	Miami	Miami	20	Proposed	---	---	
Downtown 5Th	53 NE Fifth St	Miami	Miami	1,042	Proposed	---	---	
400 Biscayne	400 Biscayne Blvd	Miami	Miami	646	Proposed	---	---	
The 7 At Blue Lagoon	4885 NW 7Th St	Miami	Miami	888	Proposed	---	---	
Chelsea Tower (Condos)	1550 Biscayne Blvd	Miami	Miami	222	Proposed	---	---	
734 Southwest 7Th Street Mixed Use	734 Southwest 7Th Street	Miami	Miami	140	Proposed	---	---	
200 Southeast Second Avenue	200 SE 2Nd Ave	Miami	Miami	637	Proposed	---	---	
Eastside Ridge - Residential	5045 NE 2Nd Ave	Miami	Miami	3,157	Proposed	---	---	
Brickell Ridge Apartments Redevelopment	1020 SW 1St Ave	Miami	Miami	243	Proposed	---	---	
555 River House	555 NW South River Dr	Miami	Miami	39	Proposed	---	---	
Crescent Heights Biscayne Boulevard Mixed Use Residential	3180 Biscayne Blvd	Miami	Miami	754	Proposed	---	---	
Miami Riverview Apartments Redevelopment	2507 NW 16Th St Rd	Miami	Miami	650	Proposed	---	---	
2000 Biscayne Boulevard	2000 Biscayne Blvd	Miami	Miami	393	Proposed	---	---	
8Th Avenue Mixed Use Building	Nw 8Th Ave @ W Flagler St	Miami	Miami	96	Proposed	---	---	
779 W Flagler St Micro Units	779 W Flagler St	Miami	Miami	100	Proposed	---	---	
River Central	650 NW 8Th St	Miami	Miami	581	Proposed	---	---	
Midtown 7	3101 NE 1St Ave	Miami	Miami	391	Proposed	---	---	
2222 Northwest North River Drive Multi Family	2222 NW North River Dr	Miami	Miami	36	Proposed	---	---	
16 Southwest 2Nd Street Residential Tower	16 SW 2Nd St	Miami	Miami	430	Proposed	---	---	
1399 Southwest 1St Avenue Residential	1399 SW 1St Ave	Miami	Miami	500	Proposed	---	---	
The Link At Douglas Station Ph 4 Tower 5	3060 Southwest 37Th Court	Miami	Miami	339	Proposed	---	---	
200 North Miami Avenue Apartment Tower	200 N Miami Ave	Miami	Miami	328	Proposed	---	---	

New Construction Activity - Proposed (Continued)							
Name	Location	City	Submarket	No. Units	Status	Completion	
3811 Shipping Avenue	3811 Shipping Ave	Miami	Miami	153	Proposed	---	---
G40 Wynwood	235-257 NW 27Th St	Miami	Miami	72	Proposed	---	---
The Polish American Club Of Miami Apartments	1250 NW 22Nd Ave	Miami	Miami	204	Proposed	---	---
1900 NE Miami Court Apartments	1900 NE Miami Ct	Miami	Miami	358	Proposed	---	---
533 NW 2Nd Ave Apartments	525 & 533 NW 2Nd Ave	Miami	Miami	150	Proposed	---	---
Wynwood Gateway Complex	Nw 29Th St & N Miami Ave	Miami	Miami	70	Proposed	---	---
Mana Wynwood	Nw 22Nd St & NW 2Nd Ave	Miami	Miami	3,487	Proposed	---	---
Northwest 29Th Street Mixed-Use Building (Apartments)	286 NW 29Th St	Miami	Miami	306	Proposed	---	---
170Th Street Residential	Nw 97Th Ave & NW 170Th St	Hialeah	Miami Lakes	245	Proposed	---	---
South Pointe	Commerce Way & NW 82Nd Ave	Miami Lakes	Miami Lakes	179	Proposed	---	---
Allantis Condo	10281 W Bay Harbor Dr	Bay Harbor Islands	N Miami Beach/Bal Harbour/Golden Beach	28	Proposed	---	---
Capriccio Condos	9800-9900 W Bay Harbor Dr	Bay Harbor Islands	N Miami Beach/Bal Harbour/Golden Beach	30	Proposed	---	---
Ambienta	9901 W Bay Harbor Dr	Bay Harbor Islands	N Miami Beach/Bal Harbour/Golden Beach	30	Proposed	---	---
Puerto Aventura	Ne 185Th St @ NE 28Th Ct	Miami	N Miami Beach/Bal Harbour/Golden Beach	205	Proposed	---	---
6800 Indian Creek Condominiums	6800 Indian Creek Dr	Miami Beach	N Miami Beach/Bal Harbour/Golden Beach	30	Proposed	---	---
Island House	9201 E Bar Harbor Dr	Miami Beach	N Miami Beach/Bal Harbour/Golden Beach	87	Proposed	---	---
Cornfield West	16800 Collins Ave	North Miami Beach	N Miami Beach/Bal Harbour/Golden Beach	122	Proposed	---	---
2261 Northeast 164Th Street	2261 NE 164Th St	North Miami Beach	N Miami Beach/Bal Harbour/Golden Beach	400	Proposed	---	---
Preserve On The Bay	16375-16395 Biscayne Blvd	North Miami Beach	N Miami Beach/Bal Harbour/Golden Beach	730	Proposed	---	---
Intracoastal Mall Redevelopment	3501 Sunny Isles Blvd	Sunny Isles	N Miami Beach/Bal Harbour/Golden Beach	2,000	Proposed	---	---
Varadero Condominiums Ph 1	18801 Collins Ave	Sunny Isles Beach	N Miami Beach/Bal Harbour/Golden Beach	490	Proposed	---	---
Graham Development Rentals	Nw 170Th St @ NW 97Th Ave	Hialeah	Non-Submarketed Areas	2,000	Proposed	---	---
South Allapattah Gardens	Sw 256Th St & SW 107Th Ave	Homestead	Non-Submarketed Areas	446	Proposed	---	---
Tropical Breeze Townhomes	13340 SW 250Th Street	Homestead	Non-Submarketed Areas	42	Proposed	---	---
Edge At Naranja	14531 & 14531 Southwest 264Th Street	Naranja	Non-Submarketed Areas	192	Proposed	---	---
West Aventura Town Center	Ne 23Rd Ct & NE 186Th St	Miami	North Dade	480	Proposed	---	---
Solid Oaks Apartments	14752 NE 6Th Ave	Miami	North Miami/Bayshore	66	Proposed	---	---
Golden Glades Residential	Nw 159Th St & NW 6Th Ave	Miami	North Miami/Bayshore	426	Proposed	---	---
190 Northwest 162Nd Street	190 NW 162Nd St	Miami	North Miami/Bayshore	100	Proposed	---	---
11200 Biscayne	11200 Biscayne Blvd	Miami	North Miami/Bayshore	402	Proposed	---	---
Fmr Teco Gas Site	15780 W Dixie Hwy	North Miami Beach	North Miami/Bayshore	2,300	Proposed	---	---
4Th Ave Multi Residential	7755 W 4Th Ave	Hialeah	Opa-Locka/Brownsville	212	Proposed	---	---
Rovel Apartments Ph 1	939 NW 81St St	Miami	Opa-Locka/Brownsville	49	Proposed	---	---
Rovel Apartments Future Phase	939 NW 81St St	Miami	Opa-Locka/Brownsville	167	Proposed	---	---
The Mirage At Sailboat Cove	14300 NW 17Th Ave	Opa-Locka	Opa-Locka/Brownsville	112	Proposed	---	---
Castle Opa Mixed-Use Development	1700 Service Rd	Opa-Locka	Opa-Locka/Brownsville	250	Proposed	---	---
Four Grove Isle Condos	4 Grove Isle Dr	Miami	South Beach/Miami Bayshore	65	Proposed	---	---
25 Bay Tower Redevelopment	175 SE 25Th Rd	Miami	South Beach/Miami Bayshore	150	Proposed	---	---
1430 Brickell Bay Drive	1430 Brickell Bay Dr	Miami	South Beach/Miami Bayshore	300	Proposed	---	---
Resorts World Miami (Residential)	1 Herald Plz	Miami	South Beach/Miami Bayshore	1,000	Proposed	---	---
500 Alton Rd Condos	500 Alton Rd	Miami Beach	South Beach/Miami Bayshore	100	Proposed	---	---
947 Lincoln Road Residential	947 Lincoln Rd	Miami Beach	South Beach/Miami Bayshore	100	Proposed	---	---
312 Ocean Park	312 Ocean Dr	Miami Beach	South Beach/Miami Bayshore	10	Proposed	---	---
Vista Del Lago	Southwest 216Th Street & Southwest 88Th Place	Cutler Bay	South Dade/Homestead	148	Proposed	---	---
Sunshine Views	Sw 246Th St & SW 112Th Ave	Homestead	South Dade/Homestead	76	Proposed	---	---
Park Apartments	28610 Southwest 152Nd Avenue	Homestead	South Dade/Homestead	92	Proposed	---	---
132Nd Avenue Apartments	28600 SW 132Nd Ave	Homestead	South Dade/Homestead	863	Proposed	---	---
Princeton Grove Village Ph 2	24101 South Dixie Highway	Homestead	South Dade/Homestead	180	Proposed	---	---
Paradise Gardens	14505 SW 260Th St	Homestead	South Dade/Homestead	246	Proposed	---	---
Waldin Drive And Southwest 128Th Place Redevelopment	Waldin Drive And Southwest 128Th Place	Homestead	South Dade/Homestead	193	Proposed	---	---
Artesa Ph 2	11406 SW 248Th St	Homestead	South Dade/Homestead	283	Proposed	---	---
New Construction Activity - Proposed (Continued)							
Name	Location	City	Submarket	No. Units	Status	Completion	
Lennar Townhouses	S Dixie Hwy & Fl-1 S	Miami	South Dade/Homestead	121	Proposed	---	---
Sierra Bay Apartments	11720 SW 214Th St	Miami	South Dade/Homestead	170	Proposed	---	---
The Shore At Palmetto Bay	17800 SW 97Th Ave @ Franjo Rd	Palmetto Bay	South Dade/Homestead	220	Proposed	---	---
Park View	9500 SW 174Th St	Palmetto Bay	South Dade/Homestead	308	Proposed	---	---
<b>Total Proposed</b>				<b>45,529</b>			

Source: Reis, Inc.

## Conclusion

The general consensus among real estate professionals and researchers is that the rental market may have reached stabilization. However, the population and employment continues to improve.

## Demographic Profile

Understanding the demographics of a region helps to ascertain the underlying fundamentals of real estate supply and demand. The foundation of our analysis in the delineation of the subject's profile area may be summarized as follows:

- Highway accessibility, including area traffic patterns, and geographical constraints;
- The position and nature of the area's residential structure, including its location within a heavily developed apartment area, which adds competition for the subject and at the same time adds strength and composition to the appeal for tenants; and
- The project and unit amenity composition of the subject property as compared to its competition

Given all of the above, we believe that a primary market for the subject property would likely span an area encompassing about three miles. The subject's secondary market might span up to five miles from the site given its regional accessibility and location of competitive properties.

Based on these observations, we analyzed a primary demographic profile for the subject based upon a radius of approximately three miles from the property. To add perspective to this analysis, we segregated our survey into one, three, and five mile concentric circles with a comparison to the CBSA, state, and the United States. The report on the following page presents this data.

## Population

Having established the subject's trade area, our analysis focuses on the trade area's population. Experian Marketing Solutions, Inc., provides historical, current and forecasted population estimates for the total area. Patterns of development density and migration are reflected in the current levels of population estimates.

Between 2000 and 2020, Experian Marketing Solutions, Inc., reports that the population within the primary trade area (3.0-mile radius) increased at a compound annual rate of 0.54 percent. This is characteristic of suburban areas in this market. This trend is expected to continue into the near future albeit at a slightly slower pace. Expanding to the total trade area (5.0-mile radius), population is expected to increase 0.26 percent per annum over the next five years.

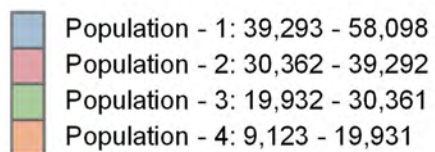
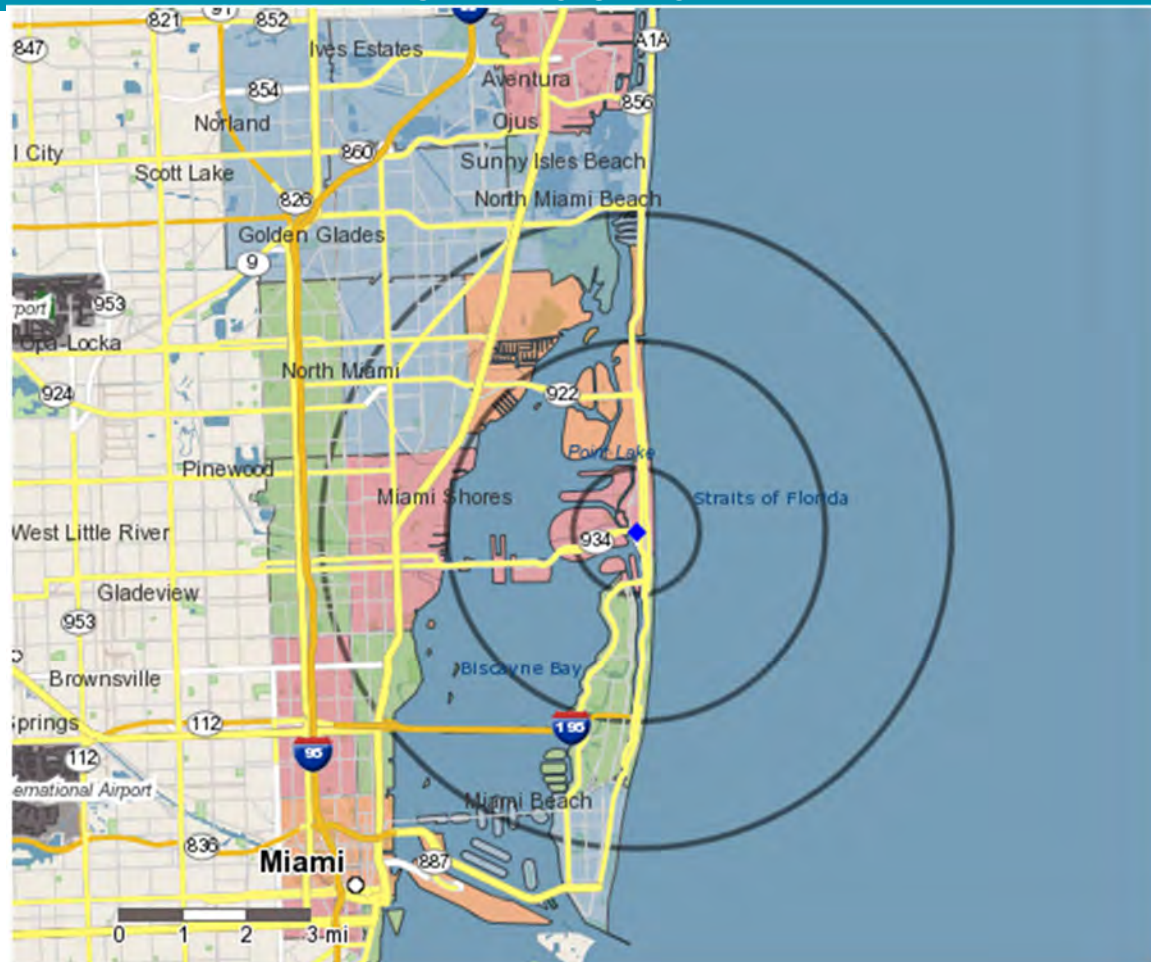
The following page contains a graphic representation of the current population distribution within the subject's region.

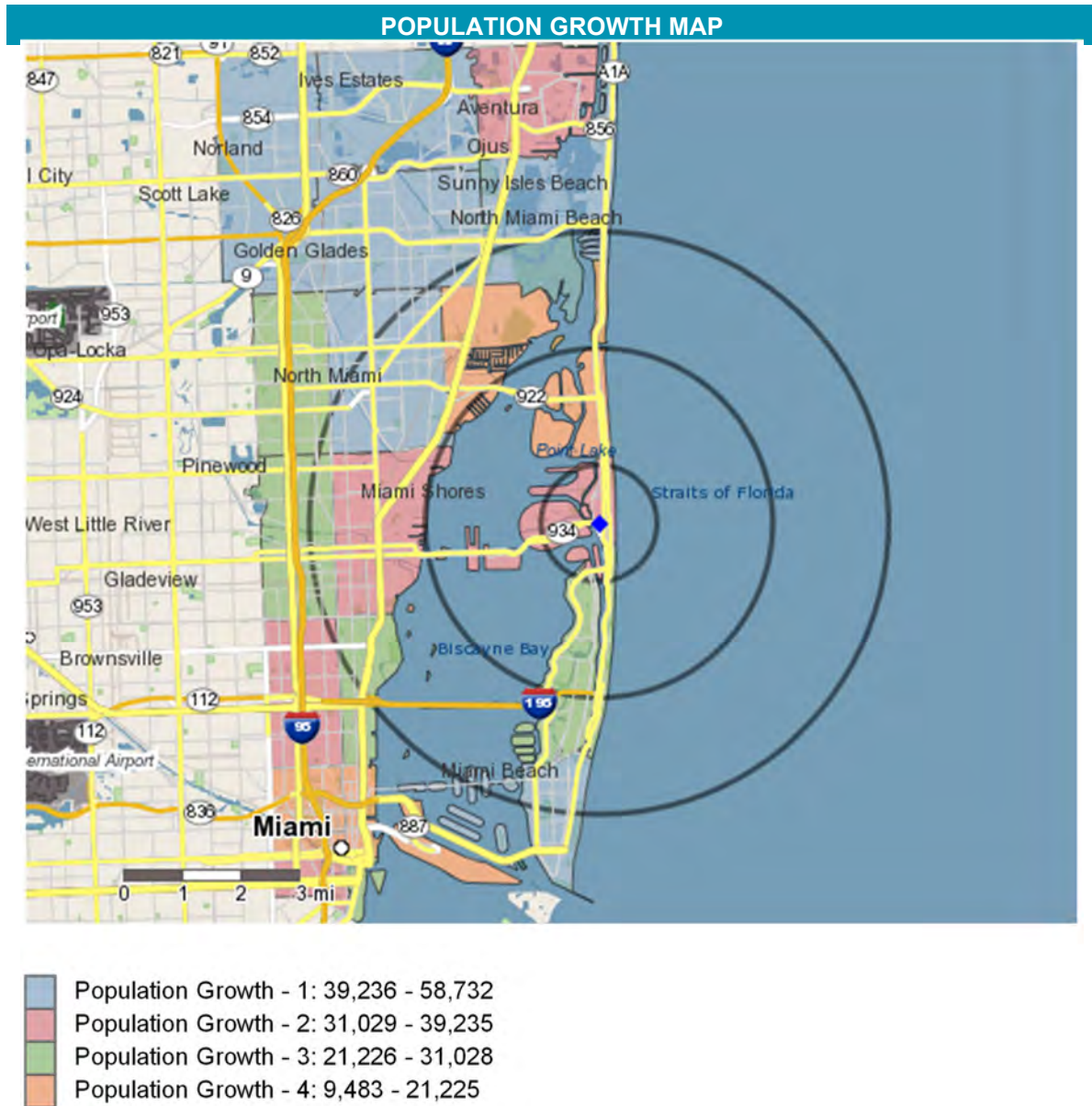
The graphic on the second following page illustrates projected population growth within the trade area over the next five years (2020 - 2025). The trade area is clearly characterized by various levels of growth.

DEMOGRAPHIC SUMMARY						
	1.0-Mile Radius	3.0-Mile Radius	5.0-Mile Radius	City of Miami Beach	Miami-Dade County	State of Florida
<b>POPULATION STATISTICS</b>						
2000	27,113	63,528	193,852	88,064	2,253,408	15,967,608
2020	25,771	70,710	211,081	94,276	2,736,042	21,391,699
2025	25,803	71,658	213,815	94,528	2,818,396	22,406,802
<b><u>Compound Annual Change</u></b>						
2000 - 2020	-0.25%	0.54%	0.43%	0.34%	0.98%	1.47%
2020 - 2025	0.02%	0.27%	0.26%	0.05%	0.59%	0.93%
<b>HOUSEHOLD STATISTICS</b>						
2000	12,505	29,590	82,957	46,247	776,807	6,330,098
2020	12,611	33,786	92,150	50,611	962,333	8,511,499
2025	12,717	34,389	93,678	50,924	996,034	8,958,316
<b><u>Compound Annual Change</u></b>						
2000 - 2020	0.04%	0.67%	0.53%	0.45%	1.08%	1.49%
2020 - 2025	0.17%	0.35%	0.33%	0.12%	0.69%	1.03%
<b>AVERAGE HOUSEHOLD INCOME</b>						
2000	\$43,741	\$63,200	\$53,281	\$53,906	\$52,794	\$53,493
2020	\$70,151	\$107,979	\$91,027	\$101,068	\$80,798	\$80,866
2025	\$80,517	\$122,914	\$103,413	\$115,388	\$91,126	\$91,313
<b><u>Compound Annual Change</u></b>						
2000 - 2020	2.39%	2.71%	2.71%	3.19%	2.15%	2.09%
2020 - 2025	2.79%	2.62%	2.58%	2.69%	2.43%	2.46%
<b>OCCUPANCY</b>						
Owner Occupied	30.21%	45.35%	41.38%	37.02%	52.27%	65.40%
Renter Occupied	69.79%	54.65%	58.62%	62.98%	47.73%	34.60%

SOURCE: © 2020 Experian Marketing Solutions, Inc. •All rights reserved

## CURRENT POPULATION MAP





## Households

A household consists of a person or group of people occupying a single housing unit, and is not necessarily a family unit. When an individual purchases goods and services, these purchases are a reflection of the entire household's needs and decisions, making the household a critical unit to be considered when reviewing market data and forming conclusions about the trade area as it impacts the subject property.

Figures provided by Experian Marketing Solutions, Inc., indicate that the number of households is increasing at a faster rate than the growth of the population. Several changes in the way households are being formed have caused this acceleration, specifically:

- The population is living longer on average. This results in an increase of single- and two-person households;
- Higher divorce rates have resulted in an increase in single-person households; and

- Many individuals have postponed marriage, also resulting in more single-person households.

According to Experian Marketing Solutions, Inc., the Primary Trade Area grew at a compound annual rate of 0.67 percent between 2000 and 2020. Consistent with national trends the trade area is experiencing household changes at a rate that varies from population changes. That pace is expected to continue through 2025, and is estimated at 0.35 percent.

Correspondingly, a greater number of smaller households with fewer children generally indicates more disposable income. In 2000, there were 2.15 persons per household in the Primary Trade Area and by 2020, this number is estimated to have decreased to 2.09 persons. Through 2025, the average number of persons per household is forecasted to decline to 2.08 persons.

### Average Household Income

A significant statistic driving the success of an apartment market is the income potential of the area's population. Income levels, either on a per capita, per family or household basis, indicate the economic level of the residents of the market area and form an important component of this total analysis.

Trade area income figures for the subject support the profile of a broad middle to upper-income market. According to Experian Marketing Solutions, Inc., average household income within the primary trade area in 2020 was approximately \$107,979, 106.84 percent of the CBSA average (\$101,068) and 133.64 percent of the state average (\$80,798).

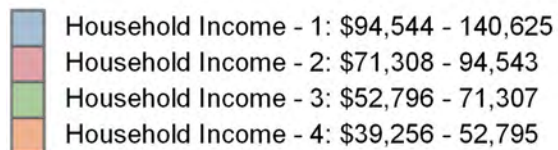
Further analysis shows a relatively broad-based distribution of income, although skewed toward the middle income brackets similar to the distribution within the larger CBSA. This information is summarized as follows:

DISTRIBUTION OF HOUSEHOLD INCOME						
Category	1.0-Mile Radius	3.0-Mile Radius	5.0-Mile Radius	City of Miami Beach	Miami-Dade County	State of Florida
\$150,000 or more	8.85%	18.39%	14.19%	16.83%	10.88%	10.23%
\$125,000 to \$149,999	3.05%	4.44%	3.83%	3.97%	4.28%	4.70%
\$100,000 to \$124,999	4.18%	6.70%	6.55%	6.81%	7.64%	8.23%
\$75,000 to \$99,999	10.13%	10.67%	10.48%	10.91%	11.46%	12.70%
\$50,000 to \$74,999	15.37%	16.29%	16.14%	15.49%	18.04%	19.22%
\$35,000 to \$49,999	13.85%	11.92%	12.77%	11.49%	12.71%	13.60%
\$25,000 to \$34,999	11.63%	8.58%	9.25%	8.48%	9.61%	9.99%
\$15,000 to \$24,999	15.58%	10.72%	11.78%	10.59%	11.15%	10.21%
Under \$15,000	17.35%	12.29%	15.01%	15.43%	14.22%	11.14%

SOURCE: © 2020 Experian Marketing Solutions, Inc. •All rights reserved

The previous chart makes it clear that the distribution of higher income level households increases as distance from the subject increases.

The following is a graphic presentation of the household income distribution throughout the trade area that clearly shows the area surrounding the subject to be characterized by middle to upper income households. Higher income areas are located in surrounding suburban communities.



## Housing Occupancy

As illustrated on the Demographic Summary Table presented earlier, there are 12,611 occupied housing units in the subject's one-mile radius, 33,786 occupied housing units in the primary trade area (3.0-mile), and 92,150 in the total five-mile trade area.

The depth of the rental housing market can be measured by these demographic statistics. The percentage of occupied housing units that are renter occupied is an indicator of demand within an area. Markets that have a high percentage of renter units are indicative of a more transient population. For reference, we note that the occupied housing stock occupied by renters for the subject's State and CBSA have 47.73 and 62.98 percent of this same stock occupied by renters. This compares to the local statistics, which reflect renter occupied ratios of 69.79 percent, 54.65 percent and 58.62 percent in the 1.0-, 3.0- and 5.0-mile trade areas, respectively.

## Local Area Housing

Miami Beach is a well-established community within Miami-Dade County. Residential development comprises mostly older single-family detached and multi-family residences and apartment complexes within planned communities throughout the local area. Residential growth is mostly located in outlying areas of the community with greater land area available for development.

According to Experian Marketing Solutions, Inc., there are 47,069 housing units within a three-mile radius of the subject property. The median year built of the existing housing stock is 1967. The median home value within a three-mile radius of the subject property as of 2020 was \$435,005. There is a large proportion of owner-occupied housing, comprising about 45 percent of total occupied housing units within a three-mile radius of the subject. The following table reflects a housing summary including the total number of housing units, median housing value and median year built in the local area, as well as the Miami-Ft. Lauderdale-West Palm Beach region, State of Florida and U.S. for comparative analysis.

HOUSING SUMMARY						
	1.0-Mile Radius	3.0-Mile Radius	5.0-Mile Radius	City of Miami Beach	Miami-Dade County	State of Florida
<b>HOUSING STATISTICS</b>						
2020 Est. Total Housing Units	15,560	47,069	115,351	68,373	1,045,184	9,768,192
2020 Est. Median Housing Value	\$331,492	\$435,005	\$377,256	\$403,161	\$281,334	\$217,369
2020 Est. Median Year Built	1966	1967	1966	1968	1978	1987

SOURCE: © 2020 Experian Marketing Solutions, Inc. •All rights reserved

## 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.

- 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-Dade County area.
- 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:	500 71st Street Miami Beach, Miami-Dade County, Florida 33141 The subject property is located on the south side of 71st Street in Miami Beach, between Carlyle Avenue and Byron Avenue.	
Shape:	L-shaped	
Topography:	Level at street grade	
Land Area:	0.72 acres / 31,497 square feet - Survey	
Frontage:	The subject property has average frontage. The frontage dimensions are listed as follows: 71st Street: 250 feet Carlyle Avenue: 150 feet Byron Avenue: 100 feet	
Access:	The subject property has average access off of 71 <sup>st</sup> Street, Carlyle Avenue, and Byron Avenue.	
Visibility:	The subject property has average visibility off of 71 <sup>st</sup> Street, Carlyle Avenue, and Byron 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.	

**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 12086C0326L, 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.

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**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.

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**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.

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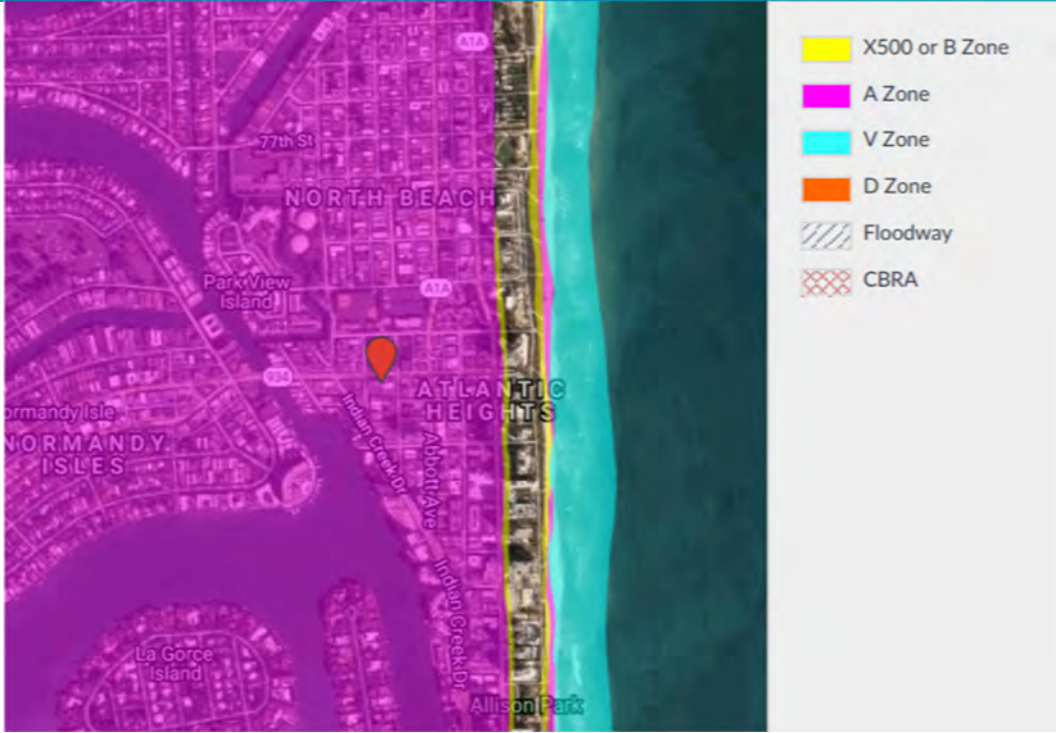
**Overall Site Utility:** The subject site is functional for its proposed use.

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**Location Rating:** Good

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FLOOD MAP

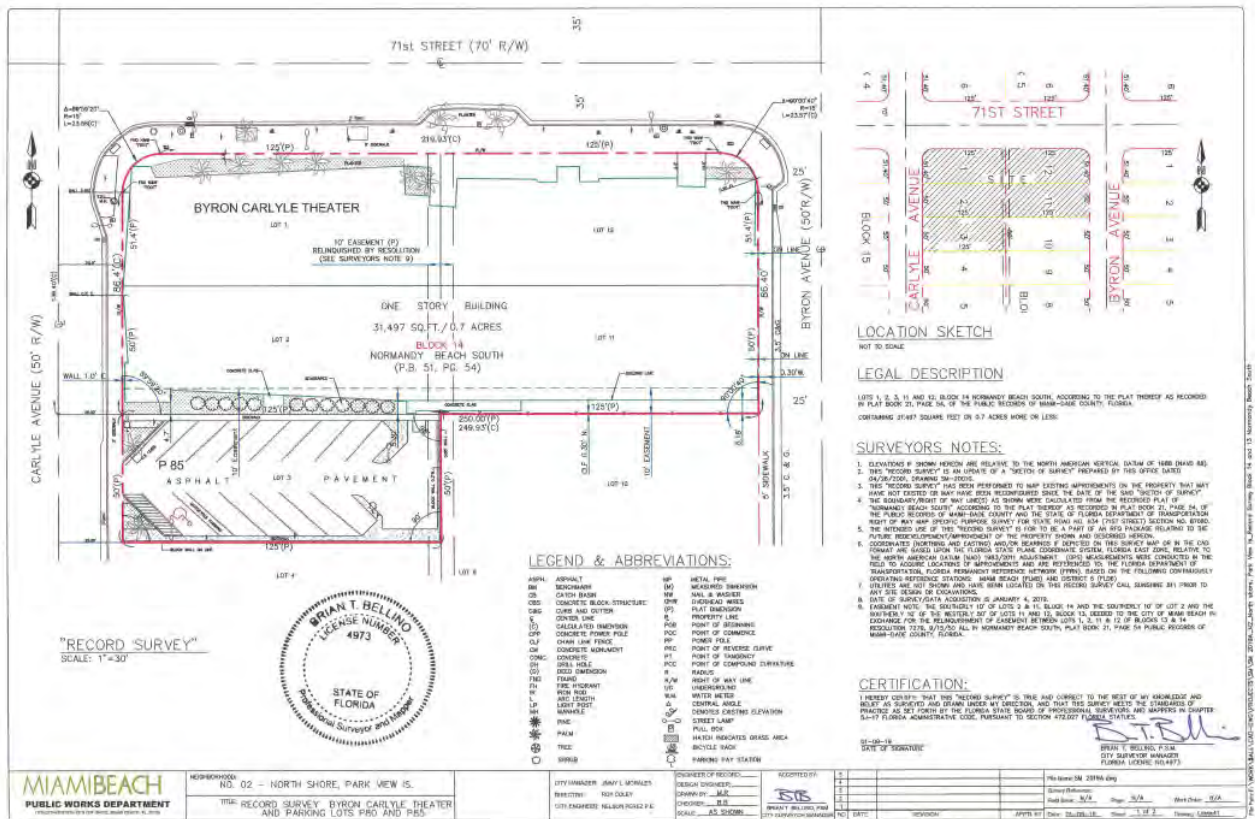


TAX MAP – 02-3211-002-1070





## SURVEY



## 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 02-3211-002-1070 and 02-3211-002-1090. 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:	02-3211-002-1070 and 02-3211-002-1090
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:	Above market levels
ASSESSMENT INFORMATION	
Assessed Value	Totals
Land:	\$6,625,000
Improvements:	\$1,535,246
Total:	\$8,160,246
TAX LIABILITY	
Total Tax Rate	0.00%
<b>Total Property Taxes</b>	<b>\$0</b>
<i>Compiled by Cushman &amp; 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 below that of the Miami-Dade County assessment and the assessment is 136 percent of our market value estimate, while typical assessments range from 70 to 90 percent of market value. The assessment considers the improvements, as well as the land value, while the scope of our analysis was to only value the land for the subject.

## Zoning

### General Information

The property is zoned TC-C, Town Center-Central Core by the City of Miami Beach. A summary of the subject's zoning is presented in the following table:

#### ZONING

<b>Municipality Governing Zoning:</b>	City of Miami Beach
<b>Current Zoning:</b>	TC-C, Town Center-Central Core
<b>Current Use:</b>	Musical Theater
<b>Is current use permitted:</b>	Yes
<b>Permitted Uses:</b>	The main permitted uses in the TC-C district are: apartments, apartment/hotels, hotels, commercial retail, office space, educational uses, cultural and entertainment activities.
<b>Prohibited Uses:</b>	The prohibited uses in the TC-C district are pawnshops; and accessory outdoor bar counter, except as provided in this division.

ZONING REQUIREMENTS	CODE	SUBJECT COMPLIANCE
Minimum Lot Area:	N/A	Complying
Maximum Building Height:	165 feet	Complying
Maximum Floor Area Ratio (FAR):	3.5 times lot area	Complying
Density ( per acre):	150 units/acre	
Front (feet):	25	Complying
Rear (feet):	7	Complying
Side (feet):	7	Complying
Parking requirements:	1.5 per unit	Complying

*Compiled by Cushman & Wakefield Regional, Inc.*

We note the subject is currently zoned GU and will be rezoned to TC-C upon site plan approvals. The current code allows for GU zoned parcels to change their zoning based on an average of the requirements contained in the surrounding zoning districts as determined by the planning and zoning director, which shall be approved by the city commission. For the purposes of our analysis, we have assumed a zoning change to TC-C.

Per sec.142-471 of the Miami Beach zoning code, the TC-C zoning code allows for up to 500 market rate apartments and an additional 500 workforce housing units to be built within the district (after November 2017). Units shall be applied for and allocated on a first-come, first-served basis concurrent with completed applications. Apartment units shall have a minimum size of 550 square feet, while workforce units shall have a minimum size of 400 square feet and a maximum density of 150 units per acre, with an increase of up to 80 percent beyond maximum if utilized only for workforce housing.

The developer proposes to develop the subject site with 151 residential multifamily workforce housing apartment units, 9,000 square feet of ground floor retail space and a 10,500 square foot space that will be dedicated as a cultural center, which is based on the purchase of additional off-site F.A.R. The units will be subject to the following items:

- Tenant mix: (20%) at or below one hundred percent (100%) of AMI – all other units shall be capped at one-hundred forty percent (140%) of AMI.
- Lottery. Priority to City employees, any teachers working in Miami beach (whether public or private schools), medical personnel in Miami Beach (Tier 1). After Tier 1, placement via lottery system for all other income-eligible tenants.

The following chart illustrates the breakdown of the maximum amount of rent that can be charged to tenants based on the current \$59,100 AMI of Miami-Dade County. We have considered this in our analysis.

HUD release: 3/31/2020  
Effective: 4/1/2020  
FHFC Posted: 4/13/2020

**2020 Income Limits and Rent Limits**  
**Florida Housing Finance Corporation**  
**SHIP and HHRP Programs**

County (Metro)	Percentage Category	Income Limit by Number of Persons in Household										Rent Limit by Number of Bedrooms in Unit					
		1	2	3	4	5	6	7	8	9	10	0	1	2	3	4	5
<b>Martin County</b> (Port Saint Lucie MSA)  Median: 67,500	30%	14,600	17,240	21,720	26,200	30,680	35,160	39,640	44,120	Refer to HUD		365	398	543	711	879	1,047
	50%	24,350	27,800	31,300	34,750	37,550	40,350	43,100	45,900	48,650	51,430	608	651	782	903	1,008	1,112
	80%	38,900	44,450	50,000	55,550	60,000	64,450	68,900	73,350	77,840	82,288	972	1,041	1,250	1,444	1,611	1,778
	120%	58,440	66,720	75,120	83,400	90,120	96,840	103,440	110,160	116,760	123,432	1,461	1,564	1,878	2,169	2,421	2,670
	140%	68,180	77,840	87,640	97,300	105,140	112,980	120,680	128,520	136,220	144,004	1,704	1,825	2,191	2,530	2,824	3,115
<b>Miami-Dade County</b> (Miami-Miami Bch-Kendall HMFA; Miami-Ft. Lauderdale-West Palm Bch) Median: 59,100	30%	19,200	21,950	24,700	27,400	30,680	35,160	39,640	44,120	Refer to HUD		480	514	617	726	879	1,047
	50%	32,000	36,600	41,150	45,700	49,400	53,050	56,700	60,350	63,980	67,636	800	857	1,028	1,188	1,326	1,463
	80%	51,200	58,500	65,800	73,100	78,950	84,800	90,650	96,500	102,368	108,218	1,280	1,371	1,645	1,900	2,120	2,339
	120%	76,800	87,840	98,760	109,680	118,560	127,320	136,080	144,840	153,552	162,326	1,920	2,058	2,469	2,853	3,183	3,511
	140%	89,600	102,480	115,220	127,960	138,320	148,540	158,760	168,980	179,144	189,381	2,240	2,401	2,880	3,328	3,713	4,096

As noted, the developer's plans account for the purchase of additional F.A.R. from another nearby parcel. At the client's request, we have analyzed the subject site based on only the development potential for the existing site and we have considered that from an F.A.R standpoint, the subject site can be developed with a total of 110,236 square feet of gross building area. As noted previously, the site is zoned for a density of 150 units per acre or 108 a total of units would be permitted for market rate units on-site. The zoning code also allows for a density increase for workforce housing units 80% bonus is available for affordable/workforce, which results in a total potential workforce housing units for the subject site of 194 units. However, other limitations such as parking, common areas, building height and unit size would be limiting factors in terms of the total number of units that a prospective purchaser would assign to the subject. We believe that a prospective purchaser would take advantage of the workforce housing density increase and analyze the subject based on this zoning code, as well as considering a similar income limit structure as has been proposed by the developer.

Therefore, we have relied on market developments throughout Miami-Dade County of other high-rise apartment sites, as a potential purchaser would also consider this along with the existing zoning code in their analysis. The following chart reflects other recently completed and under construction comparables in the market that have similar characteristics from a density and size standpoint.

SOUTH FLORIDA APARTMENT CONSTRUCTION COST COMPARABLES										
Location Construction Date/Year Built	1 Miami 2015 (estimated) A	2 Miami 2014 (estimated) A	3 Sunrise 2015 (estimated) A	4 Fort Lauderdale 2015 (estimated) A	5 Coral Gables 2013 A	6 Miami 2018 A	7 Miami 2019 A	8 Pompano Beach 2019 A	9 Miami 2019 A	10 Ft. Lauderdale 2018 A
Class										
Units	431	276	417	261	237	292	130	211	710	350
Gross Building Area	927,282	470,019	801,213	565,107	407,265	358,521	260,000	494,863	1,057,207	636,744
Liveable Area	477,520	247,752	409,522	277,272	202,605	258,135	105,035	232,167	666,590	320,758
Average Unit Size	1,108	898	982	1,062	855	884	808	1,100	939	916
Number of Floors	10	8	6	7	7	8	12	8	35	7
Number of spaces in Garage	663	410	780	571	396	467	206	463	934	525
Acres	0.00	0.00	0.00	0.00	1.59	2.49	0.87	4.07	1.39	3.01
Total Land Area	0	0	0	0	69,260	108,647	37,870	177,083	60,549	131,272
Efficiency Factor	51%	53%	51%	49%	50%	72%	40%	48%	63%	50%

SOUTH FLORIDA APARTMENT CONSTRUCTION COST COMPARABLES (continued)										
Location	11 Ft. Lauderdale 2019	12 Miami 2019	13 Miami 2016	14 Miami 2016	15 Miami 2020	16 Ft. Lauderdale 2020	17 Miami 2022	18 Miami 2021	19 Miami 2022	20 Miami 2022
Construction Date\Year Built Class	A	A	A	A	A	A	A	A	A	A
Units	456	272	412	550	257	243	28	43	279	42
Gross Building Area	790,000	527,287	523,667	894,293	566,799	705,676	40,800	54,630	475,048	88,989
Liveable Area	418,112	258,480	346,530	500,909	198,313	249,135	24,128	29,700	266,306	35,682
Average Unit Size	917	950	841	911	772	1,025	862	691	955	850
Number of Floors	8	8	8	6	12	8	5	6	32	6
Number of spaces in Garage	624	462	462	879	481	668	Surface	36	317	75
Acres	3.16	4.59	3.13	11.95	1.78	4.27	0.45	0.29	0.89	0.66
Total Land Area	137,650	199,853	136,257	520,426	77,580	186,001	19,602	12,500	38,978	28,557
Efficiency Factor	53%	49%	66%	56%	35%	35%	59%	54%	56%	40%

The construction cost comparables reflect an efficiency factor (net rentable vs. gross building area square footage) range from 35 to 72 percent, with an average of 52 percent and most comparables being within a 50 to 55 percent efficiency factor range.

As developing workforce housing on the subject site would yield a higher density in relation to market rate housing, we believe that a prospective purchaser would analyze the subject site based on the development potential for workforce housing. Therefore, we have utilized an efficiency factor of 55 percent in our analysis, in determining a market appropriate net rentable area and would consider the minimum square footage for workforce housing units, per the zoning code of 400 square feet.

SUBJECT DEVELOPMENT POTENTIAL - WORKFORCE HOUSING	
Location	Subject
Units	152
Gross Building Area	110,236
Liveable Area	60,630
Average Unit Size	400
Acres	0.72
Total Land Area	31,497
Efficiency Factor	55%

Based on our analysis of the subject zoning via the workforce housing density and zoning requirements, we have utilized 152 units as the development potential for the subject site, which we believe a market participant would consider in their analysis.

## 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 TC-C, Town Center-Central Core by the City of Miami Beach. The main permitted uses in the TC-C district are: apartments, apartment/hotels, hotels, commercial retail, office space, educational uses, cultural and entertainment activities. 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 0.72 acres, or 31,497 square feet. The site is I-shaped and level at street grade. It has average frontage, average access, and average visibility. The overall utility of the site is considered to be average. 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 projected that the subject site can be developed and would be underwritten based on 152 units. Based on current market conditions, demand for residential for rent apartment product is strong within the local area and the region in general. This is due to the lack of new product that has been little completed in the market over the past decade (although there are many new developments under construction or recently completed). As illustrated previously, the local vacancy rate is 4.6 percent in the submarket and 7.3 percent in the county. Between 2015 and 2019, the N Miami Beach/Bal Harbour/Golden Beach submarket experienced new construction of 283 units, or an

average of 57 units per year. This accounts for approximately 1.2 percent of the region's total completions. Over the next five years, Reis projects that an additional 186 units will be added to the Miami submarket.

Prior to Covid-19, apartment demand was projected to be strong in the near term based on the improving local economy and the low vacancy rates in the local market, as well as projecting positive population growth over the next five years. However, since the beginning of the pandemic in March 2020, the unemployment rate has increased substantially in Miami-Dade County from the three percent range to approximately ten percent (and has been steadily declining over the past several months), asking rental rates have decreased within the rent comparable and concessions have increased in the market. This has resulted in a slower absorption rate for apartment product that was in a lease up in the local areas and those complexes that have a large amount of tenants in the hospitality and leisure sectors have been greatly affected and occupancy rates have decreased in those markets. The subject's submarket is a concern for over building given the large amount of product that has been completed recently, as well as that amount that is currently under construction and proposed.

We have also considered that any developer purchasing a site under current market conditions, would account for the current rental rates price points and that most new developments would take approximately 24 months until completion, which is near (or past) the end of current market thinking with regard to the effects of the Covid-19 pandemic (which is anticipated to affect the market over the next two years).

Additionally, there are some concerns with regard to new proposed/planned development within Miami-Dade County outside of the local area, which if completed would be competing for the similar pool of renters. Despite these near term negative Covid-19 effects, the local area has few available development sites in the Miami Beach area. We have also considered that new apartment supply has been well accepted in the market over the past several years and the subject's submarket should retain its desirability over the coming years from a rental product standpoint. We have also considered anecdotal evidence that the Covid-19 pandemic will continue to exacerbate a trend of Northeastern U.S. residents relocating out of the region and into South Florida (particularly areas that have been hard hit, such as New York City).

## **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 multi-family apartment complex 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 recent rental activity in the area suggests that there is demand for similar space in such properties by tenants within the market, and recent comparable sales indicate 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 unit. 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 included an analysis of the subject site on a fee simple basis to determine the feasibility of the subject development. As the proposed development will contain 151 workforce housing units, we have utilized 151 units within our analysis for comparison purposes. The workforce housing unit mix will consist of 20% of the total units at or below one hundred percent (100%) of AMI, with all other units being capped at one-hundred forty percent (140%) of AMI. We began our search for recent apartment land sales in the local Miami Beach market and have utilized recent apartment land sales in Miami-Dade County within our analysis and when none were encountered, we expanded our search to include recent high-rise land sales in Miami-Dade County, with a somewhat similar density as the subject. Note that these represent the most recent land sales within the market.**

## SUMMARY OF LAND SALES

PROPERTY INFORMATION											TRANSACTION INFORMATION				
No.	Location	Size (sf)	Size (Acres)	Density Per Acre	No. Of Units	Proposed Use	Zoning	Site Utility	Public Utilities	Grantor	Grantee	Sale Date	Sale Price	\$/Unit	COMMENTS
S	Subject Property	31,497	0.72	210.21	152	Residential-Multi-Family	PAD	Average	All available						
1	1001 Park West 1016 Northeast 2nd Avenue Miami, FL	44,500	1.02	440.49	450	Residential-Multi-Family	T6-60a-O	Good	All Available	MWC Block A LLC	Akara Partners	7/20	\$18,849,200	\$41,887	This was an arms length transaction of a 1.02 acre site in the Miami World Center district on the eastern portion of a site located at the southeast corner of NE 10th Street and NE 2nd Avenue. The site is located adjacent to the Eleventh Street Metromover station in Downtown Miami. The property was under contract pre-Covid 19 pandemic and pricing was not affected due to the pandemic. The purchaser intends to develop the site in two separate phases. The first phase will be a 39 story, 436,258 total square foot residential tower containing 450 micro-units for rent, 251 parking spaces and 16,000 square feet of ground floor retail. The second phase is planned to be a 79 story residential tower with average unit sizes under 1,000 square feet. Total planned development of the site will consist of over 1,100,000 square feet, including 16,000 square feet of ground floor retail space. However, the site was purchased and underwritten based on 450 units. The property was marketed to specific developers for 4-6 months.
2	The Azule at Flagler 2335 West Flagler Street Miami, FL	19,180	0.44	138.54	61	Residential-Multi-Family	T6-8-O	Good	All Available	Blue Star Inc & Gran Realty Inc	The Azule on Flagler LLC	2/20	\$1,675,000	\$27,459	This transaction consists of two adjacent parcels that were purchased at the same time from different entities. The western parcel was purchased from Blue Star Inc for \$750,000 and the eastern parcel was purchased from Gran reality Inc for \$925,000 to reflect a total purchase price of \$1,675,000. The purchasers intends to build an 8-story market rate apartment complex containing 61 units.
3	Wynwood 28 127 Northwest 27th Street Miami, FL	33,898	0.78	195.32	152	Residential-Multi-Family	T5-L	Good	All Available	Investments 120, LLC	Wynwood 28 Owner LLC	7/19	\$10,770,000	\$70,855	The comparable land sale is located in the northwest quadrant of Northwest 27th Street and Northwest 1st Avenue in the Wynwood District, Miami-Dade County, Florida. The property is an assemblage of multiple parcels that sold on the 29th of July 2019. The parcels total 33,898 square feet of land and sold for \$10,770,000. The property is part of a joint venture between Kushner Companies and Block Capital Group who intend to develop a mixed-use multifamily and retail property on the site containing 152 apartments units. Construction is expected to begin in mid-2020.
4	Rancho Luna Development Site 45 NW 22nd Avenue Miami, FL	23,127	0.53	150.68	80	Residential-Multi-Family	T6-8-O	Good	All Available	Balogh Family Partnership, LLC	45 SBH, LLC	7/19	\$2,250,000	\$28,125	This 0.53 acre site is located on the southeast corner of NW 22nd Avenue and NW Flagler Terrace, in Miami.The site is zoned T6-8-O and has approximately 307 feet of street frontage. The property is offered as a redevelopment opportunity, currently occupied by a restaurant and a car wash; both with leases that are cancellable to make way for a new development. Development applications were previously submitted for an 11-story building with 80 residential units; current status is unknown. The property was listed for just under 2 months with an asking price of \$2,600,000, and sold in July 2019 for \$2,250,000 or \$97.29 per square foot of land.
5	5700 Biscayne Site 5700 Biscayne Boulevard Miami, FL	96,703	2.22	36.04	283	Residential-Multi-Family	T6-8-O	Good	All Available	57BB Investments LLC	BLVD 57 LP	6/17	\$19,500,000	\$68,905	This was an arms length transaction of a multifamily site that has frontage along Biscayne Boulevard. The purchaser intends to develop an eight story apartment tower on-site that will contain 283 for rent apartment units along with 27,290 square feet of ground floor retail.
STATISTICS															
Low		19,180	0.44	36.04	61							6/17	\$1,675,000	\$27,459	
High		96,703	2.22	440.49	450							7/20	\$19,500,000	\$70,855	
Average		43,482	1.00	192.21	205							6/19	\$10,608,840	\$47,446	

Compiled by Cushman &amp; Wakefield Regional, Inc.

**LAND SALE ADJUSTMENT GRID**

Economic Adjustments (Cumulative)							Property Characteristic Adjustments (Additive)						
No.	Price Per Unit	Property Rights Conveyed	Conditions of Sale	Financing	Market <sup>(1)</sup> Conditions	Per Unit Subtotal	Location	Size	Public Utilities	Utility <sup>(2)</sup>	Other	Adj. Price Per Unit	Overall
1	<b>\$41,887</b> 7/20	Fee Simple 0.0%	Arm's-Length 0.0%	None 0.0%	Similar 0.0%	<b>\$41,887</b> 0.0%	Superior -20.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	Inferior 30.0%	<b>\$46,076</b> 10.0%	Similar
2	<b>\$27,459</b> 2/20	Fee Simple 0.0%	Arm's-Length 0.0%	None 0.0%	Inferior 0.3%	<b>\$27,544</b> 0.3%	Inferior 20.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	Superior -5.0%	<b>\$31,675</b> 15.0%	Similar
3	<b>\$70,855</b> 7/19	Fee Simple 0.0%	Arm's-Length 0.0%	None 0.0%	Inferior 1.9%	<b>\$72,234</b> 1.9%	Superior -20.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	<b>\$57,787</b> -20.0%	Similar
4	<b>\$28,125</b> 7/19	Fee Simple 0.0%	Arm's-Length 0.0%	None 0.0%	Inferior 2.1%	<b>\$28,714</b> 2.1%	Inferior 20.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	<b>\$34,457</b> 20.0%	Similar
5	<b>\$68,905</b> 6/17	Fee Simple 0.0%	Arm's-Length 0.0%	None 0.0%	Inferior 8.7%	<b>\$74,874</b> 8.7%	Superior -20.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	Superior -15.0%	<b>\$48,668</b> -35.0%	Similar
	<b>\$27,459</b>	- Low									Low -	<b>\$31,675</b>	
	<b>\$70,855</b>	- High									High -	<b>\$57,787</b>	
	<b>\$47,446</b>	- Average									Average -	<b>\$43,733</b>	

Compiled by Cushman & Wakefield Regional, Inc.

**(1) Market Conditions Adjustment Footnote**

See Variable Growth Rate Assumptions Table  
Date of Value (for adjustment calculations): 1/7/21

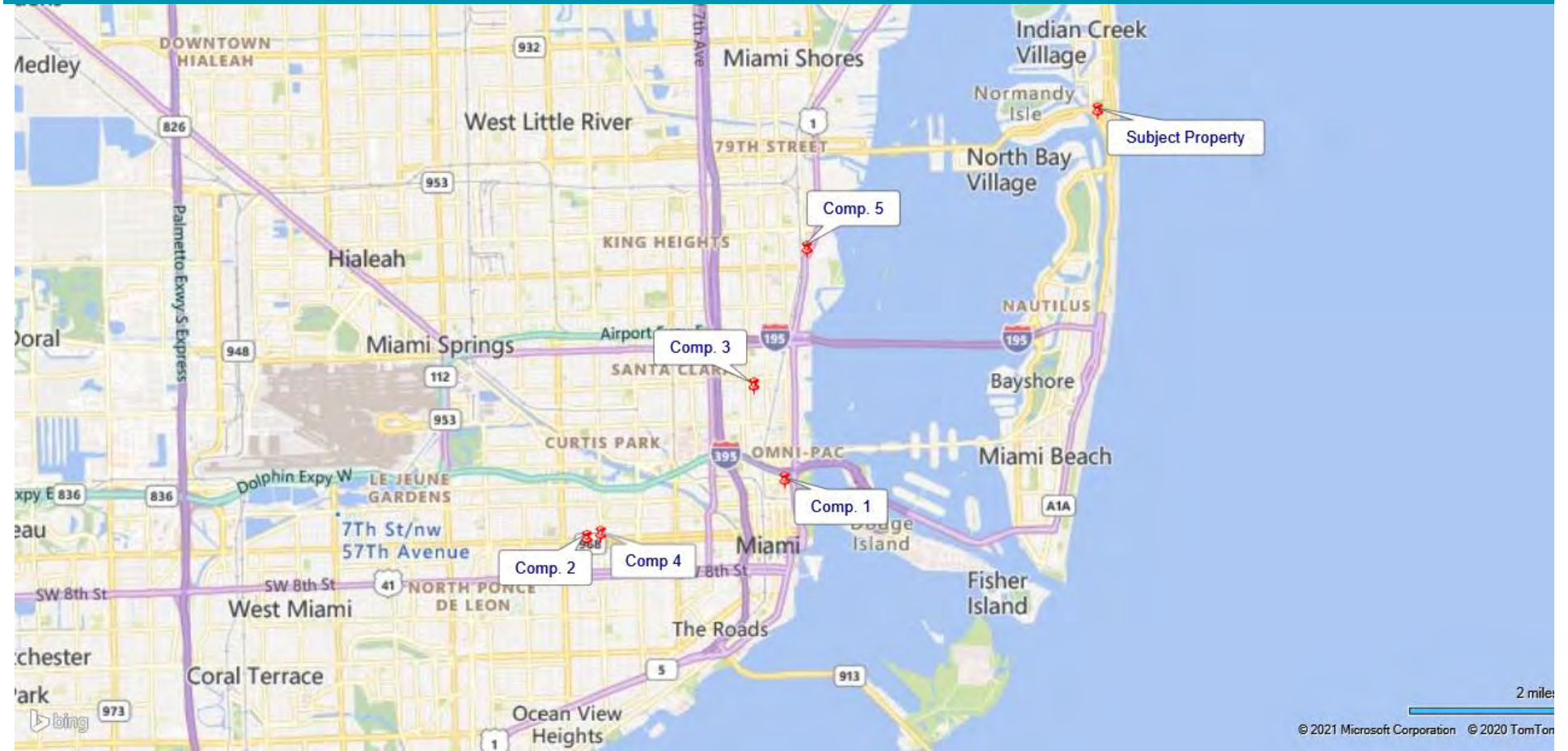
**(2) Utility Footnote**

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%

## 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 June 2017 and July 2020. 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 (January 7, 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):	<b>1/1/2017</b>
Change After IP1:	3.0%
Inflection Point 2 (IP2):	<b>3/23/2020</b>
Change After IP2:	0.0%

**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. No size adjustments were made in lieu of density adjustments.

**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 average access, average frontage and average visibility. Overall, it has been determined that the site has average 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. A density adjustment was made in this category.

**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 \$31,675 per unit to \$57,787 per unit, with an average of \$43,733 per unit.

Land sales one, three and five are located in superior locations in relation to the subject and were adjusted downward based on their closer proximity to the downtown core, density and higher average income levels. We have adjusted land sales two and four were adjusted upward based on their inferior locations. Sales two and five

were adjusted downward in the other category due to their lower density in relation to the subject. Sale one was adjusted upward based on its inferior or higher density on a per unit basis in relation to the subject. 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 sales two. We have reconciled in between these two sales and nearer to sale one in our analysis. We have placed secondary reliance on the remaining sales in our analysis. Therefore, we concluded that the indicated land value by the Sales Comparison Approach was:

<b>AS IS LAND VALUE CONCLUSION</b>	<b>Price Per Unit</b>
Indicated Value	\$40,000
Unit Measure	x 152
Indicated Value	\$6,080,000
Rounded to nearest \$100,000	\$6,100,000
\$/Unit Basis	\$40,132
Less Demolition Costs	(\$113,340)
Indicated Value	\$5,966,660
<b>LAND VALUE CONCLUSION</b>	<b>\$6,000,000</b>
\$/Unit Basis	\$39,474

*Compiled by Cushman & Wakefield Regional, Inc.*

Additionally, we have accounted for demolition costs in our analysis, as we do not believe the existing improvements have any remaining economic value and have deducted demolitions costs in our analysis. We have projected demolition costs of \$4.00 per square foot based on costs via Marshall and Swift Valuation service. We have utilized the improvement size of 28,335 square feet based on Public Records. The total demolition costs are estimated to be \$113,340.

## 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 a review of these trends, ending with a summary of the investment considerations impacting the subject property, based upon the appraiser's market research, discussions with participants in the market, and the relative position of the subject property within its market.

In recent times, the Commercial Real Estate (CRE) market has been driven by investor demand and strong liquidity. Asset values can fall significantly in short periods of time if either of these two factors, often in conjunction with many others, change significantly. While Cushman & Wakefield is closely monitoring the latest developments resulting from the COVID-19 pandemic, the reader is cautioned to consider that values and incomes are likely to 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 date(s) indicated. The appraiser makes no representation as to the effect on the subject property(ies) of this event, or any event, subsequent to the effective date of the appraisal.

### 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 at 3.5%. As a result of the pandemic and economic shut-down, the economy entered into recession and recorded its worst decline in post World War II history in the second quarter. Although the recession was short, possibly as short as two months (March/April), it was severe. From its February peak to its April trough, the U.S. lost more than 22 million jobs. Key real estate sectors experienced substantial declines, including office using employment (-2.9 million), retail (-2.4 million) and leisure and hospitality (-8.3 million). In contrast, the industrial sector, which benefited from the surge in on-line buying, lost only about 250,000 jobs.

While the exact timing of the recovery is not yet known, evidence suggests that it began early in the third quarter. U.S. GDP increased at a 33.1% annual rate during the third quarter, largely driven by a surge in consumer spending supported by the massive Federal Government fiscal stimulus plan. By October, the economy had gained back more than half of the jobs lost (+12.1 million) with all sectors experiencing similar growth. With that said, the initial economic surge appears to have slowed towards the end of the quarter. Job growth has moderated, COVID infections have increased, and the negotiations on a second stimulus package have faltered. The political environment following the Presidential election, while not as volatile as some may have anticipated, has nonetheless slowed the transition and hampered the negotiations on a second stimulus package.

In the long run, the key to recovery will be consumer confidence, which will certainly be boosted now that there are several COVID vaccines on the way. While vaccines have historically taken years to develop, new technological innovations, like the use of mRNA along with massive global cooperation and government programs like the United States' Operation Warp Speed, have shattered previous records. In the first half of December 2020, the US started its first vaccine roll out to first responders. The availability of these vaccines is expected to boost economic recovery, as it will allow businesses and consumers to regain a level of confidence towards returning to normal activities.

Further considerations include:

- Consumer Confidence fell to a three-month low in November, following a surge in coronavirus cases that caused some cities and states to reimpose restrictions, and a call for people to start taking greater precautions. Before the viral outbreak in February, the index stood at 132.6, but currently stands at 96.1, down from a revised 101.4 in October.
- U.S. retail sales fell 11% in November 2020, for the second month in a row. This decrease was likely due to the increase in COVID infections and decreasing household incomes. Further impacting sales are the increase of restrictions placed on businesses and as consumers avoid shopping malls, restaurants, and bars.
- The third quarter of 2020 produced the second consecutive quarter of notable market gains, with the Nasdaq leading the pack with an 11% quarterly increase. The S&P and the Dow gained 8.5% and 7.6%, respectively. On November 25th, 2020 the Dow Jones Industrial rose 454.97 points, a 1.5% increase, topping 30,000 for the first time in its 135-year history.
- For the third quarter 2020, U.S. commercial real estate activity sank sharply, dropping 57% on a year-over-year comparison, according to Real Capital Analytics. With that said, there are positive signs that the market may have bottomed out in second quarter as volume was 37% higher in third quarter than it was last quarter. Price growth in the third quarter was minimal, with the RCA CPPI National All-Property Index up only 1.4% year over year. Growth was primarily driven by the industrial and apartment sectors as weaker trends for the office and retail sectors were a drag on the index.

While the economy is faring much better than it was during second quarter, the coronavirus continues to have severe impacts. Keeping in mind that a majority of the information in this report contains the latest concrete data available, events and data may still be subject to change, or need adjustment, as some market volatility lingers. Further thoughts on recent events are as follows:

- The COVID-19 pandemic resulted in significant disruptions to non-essential businesses. This resulted in a sharp unemployment spike, and despite that fact that businesses are improving, the impacts of such a severe and short recession will continue to have negative impacts for the foreseeable future.
- The commercial real estate sector is not the stock market. It is slower moving, and leasing fundamentals do not swing wildly from day to day. While the economy continues to reopen, it is still struggling to gain its footing, and this will have feed-through impacts on real property.
- The outbreak has also prompted a flight to quality, driving investors into bond markets, where lower rates are creating more attractive debt/refinance options.
- Right now, most economists are expecting conditions to improve now that vaccines began to roll out in December. It will take a few quarters, however, for enough Americans to be inoculated for business activity to return to pre-COVID levels.

## **Economic Conditions & Current Trends**

The second quarter of 2020 was the trough of the recession, and the economy considerably rebounded in the third quarter. While growth declined by 5% in the first quarter, the full effect of the recession commenced in Q2, showing a contraction of 31.4%. This historical decline reflected the response to COVID-19, including "stay-at-home" orders issued in March and April. These restrictions were lifted in some areas of the country in May and June while, at the same time, government pandemic assistance payments were distributed to households and businesses. This led to rapid shifts in activity as businesses and schools functioned remotely and consumers stopped, restricted or redirected their spending. As we move into the winter, restrictions in many markets still abound, but severity and enforcement largely depend on geographic location as people adjust to a "new normal."

In September the unemployment rate dropped by half a percentage point to 7.9%, and the number of unemployed persons fell by 1.0 million to 12.6 million. Most other economic indicators have improved over the last few months. With that said, election results could have a large impact on consumer confidence and private consumption, and on-going trade tensions between the U.S. and China continue to be problematic and are a key downside risk.

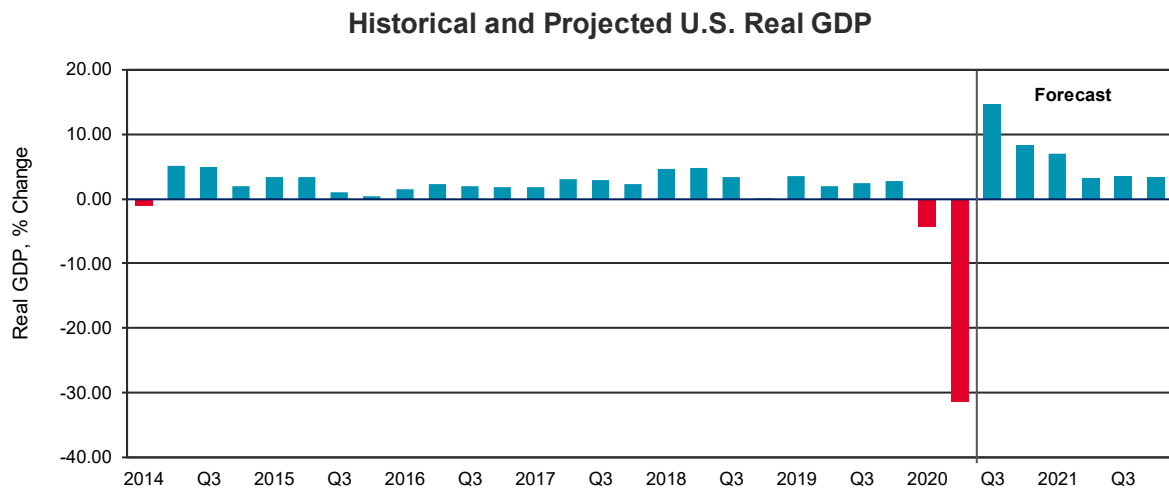
Economies around the world are recovering from similar shutdowns. For the year, the World Bank anticipates a global GDP contraction of 5.6%, the deepest in decades. Only a few countries, such as China, Myanmar and Vietnam will experience any growth, with forecasted year-end GDPs of 1.9%, 2.0% and 1.6%, respectively.

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. Totaling \$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.
- Negotiations on a second stimulus bill appear to be stuck in a stalemate and have been in talks for months. The proposed \$1.8 trillion bill is expected to include another stimulus payment, unemployment benefits, funding for coronavirus testing and tracing as well as state and local funding, but details are still being debated.
- Between Memorial Day and Labor Day, coronavirus cases in the U.S. quadrupled to over 6.2 million, while deaths jumped from just under 100,000 to over 186,000. In mid-December the U.S. passed the 300,000 mark, with the CDC predicting as many as 450,000 fatalities by February 1st even with the vaccine rollout.
- On Friday December 11th, the first COVID-19 vaccine, produced by Pfizer and the German company BioNTech, was approved for use by the FDA. Then, on Monday, December 14th, another vaccine by Moderna, a Massachusetts based firm, was approved for emergency use by the FDA. Both vaccines showed to be 95% effective in late stage clinical trials. Other vaccines by Johnson & Johnson and the British-based AstraZeneca are in the pipeline as well.

While the economy began to recover in the third quarter, job growth has moderated in the fourth quarter. Although the number of COVID infections began to rise again in the fourth quarter, the U.S. economy is anticipated to recover more quickly as vaccine deployment continues into and throughout 2021.

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



Source: Historical Data Courtesy of the Bureau of Economic Analysis, Forecast Data Courtesy of Moody's Analytics

Further points regarding current economic conditions are as follows:

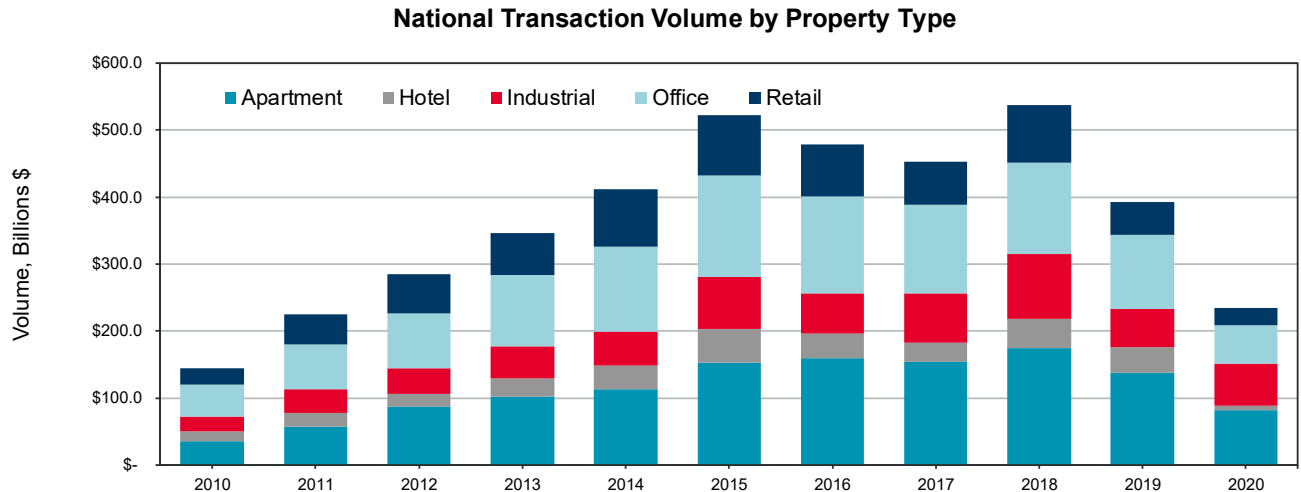
- Through third quarter 2020, GDP increased 33.1%, according to the Bureau of Economic Analysis' second estimate, in response to increases in spending on services and goods as the national economy improved following government enforced shutdowns across the U.S. during the summer. Third quarter's GDP growth was well ahead of Moody's baseline forecast of a 14.6% increase in GDP for third quarter 2020, followed by an increase of 8.3% in the fourth quarter. By fourth quarter 2020, Moody's is expecting the economy to level off, and heading into 2021 GDP is expected to continue increasing as the nation recovers from the fiscal strain brought on by the pandemic.
- Commercial and multifamily mortgage loan originations decreased 47% in third quarter 2020 (latest data available) when compared to the third quarter of 2019, according to the Mortgage Bankers Association's Quarterly Survey of Commercial/Multifamily Mortgage Banker. Loan originations in the third quarter of 2020 were 12% higher than second quarter 2020. The coronavirus has disrupted what was expected to be a strong year of borrowing and lending.
- 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 November 2020 is 36.8% lower when compared to CMBS issuance during the same period in 2019. As of November 2020, Commercial Mortgage Alert data indicates that U.S. CMBS issuance sits at \$49.9 billion but is expected to slow significantly in the near-term.

## U.S. Real Estate Market Implications

The commercial real estate market's sales volume totaled approximately \$283.4 billion through October 2020 and pricing for commercial real estate sat at \$164 per square foot. Through October 2020, deal activity fell by 40% in a year-over-year comparison and pricing for commercial real estate increased by 3.6%, according to Real Capital Analytics. October 2020 saw a total of roughly \$26.2 billion in transaction volume, falling 52% from October 2019. The hotel sector saw the largest decrease in transaction volume, falling by 71%. Retail transaction activity was down 47% in October 2020 from October 2019. The apartment sector saw year-over-year transaction volume fall by 40%, while the office sector dropped by 44% over the same time period. The industrial sector sales volume fell

by 26% in a year-over-year comparison and totaled roughly \$67.2 billion in transaction volume through the end of October 2020.

The following graph compares national transaction volume by property type from 2010 through third quarter 2020:



Source: Real Capital Analytics

According to PricewaterhouseCoopers (PwC) Real Estate Investor Survey average cap rates for all property types increased in 11 survey markets, decreased in 17, and held steady in six through fourth quarter 2020, in a quarterly comparison. For the year, 75% of the market averages are higher today than they were a year ago with 15 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 it is too early to quantify the long-term effects.

The following chart displays overall cap rate analysis of seven distinct property classes during fourth quarter 2020, and compares them to the same time last year:

Overall Cap Rate Analysis			
Fourth Quarter 2020			
Asset Class	Q4 2020	Q4 2019	Basis Point Change
CBD Office	5.65%	5.52%	13
Suburban Office	6.00%	6.36%	-36
National Warehouse	4.85%	4.87%	-2
National Apartment	5.22%	5.15%	7
National Regional Mall	6.93%	6.18%	75
National Net Lease	6.22%	6.19%	3

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 declined 5.2% in the third quarter of 2020 according to RCA, while annual price growth in the non-major metros decreased by 1.6% 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. With that said, buyer demand for single-tenant office product exists but the retail net lease market is split between essential retail more attractive than big-box retail

- The national regional mall market recorded the largest yearly cap rate shift, climbing 75 basis points to 6.9%. At 7.6%, the Chicago office market improved by seven basis points from the previous year and is still the highest, while Manhattan office market, at 5.3%, remains as the lowest cap rate and rose 53 basis points from the fourth quarter 2019. Over the next six months, most surveyed investors foresee overall cap rates holding steady in 20 markets but expect cap rates to increase in ten markets.

## Conclusion

The U.S. economy entered 2020 in solid shape, and then entered a short but deep recession. The country witnessed its worst drop in GDP on record, and the lasting effects the coronavirus will have are still too early to be estimated. While the economy is expanding again, growth has moderated somewhat due to surges in coronavirus infections. Economic activity may not truly recover to pre-coronavirus levels until well into 2021, or possibly as late as 2022. Much of the continued economic recovery will depend on the rollout of vaccines in the coming year and how businesses react to limitations imposed by virus prevention until that time.

Below are notes regarding the outlook for the U.S. national real estate market in 2020 and beyond:

- Investment activity has slowed across the globe. Many investors have “pushed the pause button” waiting for more clarity on economic conditions before determining their strategy. Investors are still flush with cash and will look for opportunity as the environment evolves and we head into the next cycle.
- Monetary policy has been aggressively loosened across the board as global central banks lowered interest rates and announced plans to purchase securities and take other actions to increase liquidity.
- The U.S. economy is expected to continue to recover with the Conference Board forecasting fourth quarter 2020 real GDP growth at 2.8%, with an annual contraction of 3.6% for 2020, and an annual expansion of 3.6% for 2021.

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 Unit
Date of Value	January 7, 2021	
Land Valuation		
Land Value	\$6,000,000	
Land Value Per Unit		\$39,474
Final Value Conclusion	\$6,000,000	\$39,474

*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	January 7, 2021	\$6,000,000

*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 a personal inspection of the property that is the subject of this report. Michael C. McNamara, MAI, MRICS and Blake Koletic 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, Blake Koletic 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.
- As of the date of this report, Blake Koletic has completed the Standards and Ethics Education Requirements for Candidates/Practicing Affiliates of the Appraisal Institute.
- The real property appraisal assistance of State-Registered Trainee Appraiser RI 24585, Blake Koletic is hereby recognized. Blake Koletic assisted in the market analysis, forecasting, valuation analysis, and report writing components of this report.
- I, Adrian M. Sanchez, MAI the supervisory appraiser of a registered appraiser trainee who contributed to the development or communication of this appraisal, hereby accepts full and complete responsibility for any work performed by the registered appraiser trainee named in this report as if it were my own work.
- 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:	Client Satisfaction Survey
Addendum C:	Engagement Letter
Addendum D:	Legal Description
Addendum E:	Comparable Land Sale Data Sheets
Addendum F:	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

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

where

RO = Overall Capitalization Rate

YE = Equity Yield Rate

M = Loan-to-Value Ratio

P = Percentage of Loan Paid Off

1/S n = Sinking Fund Factor at the Equity Yield Rate

RM = Mortgage Capitalization Rate

$\Delta O$  = Change in Total Property Value

$\Delta I$  = 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.<sup>1</sup>

## 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.

<sup>1</sup> "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: Client Satisfaction Survey

Survey Link: <https://www.surveymonkey.com/r/LQKCGLF?c=21-48007-900018-001>

Cushman & Wakefield File ID: 21-48007-900018-001

Fax Option: (716) 852-0890

1. Based on the scope and complexity of the assignment, please rate the development of the appraisal relative to the adequacy and relevance of the data, the appropriateness of the techniques used, and the reasonableness of the analyses, opinions, and conclusions:

- ☐ Excellent
- ☐ Good
- ☐ Average
- ☐ Below Average
- ☐ Poor

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Please rate the appraisal report on clarity, attention to detail, and the extent to which it was presentable to your internal/external users without revisions:

- ☐ Excellent
- ☐ Good
- ☐ Average
- ☐ Below Average
- ☐ Poor

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. The appraiser communicated effectively by listening to your concerns, showed a sense of urgency in responding, and provided convincing support of his/her conclusions:

☐ Not Applicable

☐ Excellent

☐ Good

☐ Average

☐ Below Average

☐ Poor

Comments: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

4. The report was on time as agreed, or was received within an acceptable time frame if unforeseen factors occurred after the engagement:

☐ Yes

☐ No

Comments: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

5. Please rate your overall satisfaction relative to cost, timing, and quality:

☐ Excellent

☐ Good

☐ Average

☐ Below Average

☐ Poor

Comments: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

6. Any additional comments or suggestions you feel our National Quality Control Committee should know?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

7. Would you like a representative of our National Quality Control Committee to contact you?

☐ Yes

☐ No

Name & Phone (if contact is desired):

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Contact Information: Rick Zbranek  
Senior Managing Director, National Quality Control  
(713) 963-2863

## Addendum C: Engagement Letter

**Michael C. McNamara, MAI, MRICS**  
Executive Director



December 23, 2020

Mr. Raul Aguila  
**City of Miami Beach**  
Interim City Manager  
1700 Convention Center Drive  
Miami Beach, FL 33139

Re: 500 71<sup>st</sup> Street  
Miami Beach, FL 33141

Dear Mr. Aguila :

Thank you for requesting our proposal for appraisal services (market rent study). 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 Appraisal of the land at 500 71st Street, Miami Beach, Florida (Miami-Dade County Tax Folio Nos. 02-3211-002-1070 and 02- 3211-002-1090) (the "Property").

**Type of Opinion and Rights Appraised:** Fee Simple Interest

**Date of Value:** • Date of inspection

**Subject of the Assignment and Relevant Characteristics:** The land at 500 71<sup>st</sup> Street, Miami Beach, Florida 33141.

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

Extraordinary Assumption—(to be cited)

Hypothetical Condition—(to be cited)

### **II. ANTICIPATED SCOPE OF WORK**

**USPAP Compliance:** C&W will develop an appraisal in accordance with USPAP and



Mr. Raul Aguila  
**City of Miami Beach**  
December 23, 2020  
Page 2

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.
  - Sales Comparison Approach

**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 upon receipt. 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.

**Additional Expenses:** Fee quoted is inclusive of expenses related to 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 hard copies will be provided upon request.

**Start Date:** The appraisal process will initiate upon receipt of signed agreement, applicable retainer, and the receipt of the property-specific data.

**Acceptance Date:** This proposal is subject to withdrawal if the engagement letter is not executed by the Client within four (4) business days.

**Report Delivery:** Delivery in 21 days (three weeks) after receipt of your written authorization to proceed, assuming prompt receipt of necessary property information. Payment of the fee shall be due and payable upon delivery of the report.

**Changes to Agreement:** The identity of the Client, Intended User(s) identified herein, or Intended Use identified herein; the date of value; type of value or interest appraised; or property appraised cannot be changed without a new agreement.

**Prior Services Disclosure:** USPAP requires disclosure of prior services performed by the individual appraiser within the three years prior to this

Mr. Raul Aguila  
**City of Miami Beach**  
December 23, 2020  
Page 3

assignment. The undersigned appraiser has not provided prior services within the designated time frame.

**Future Marketing Disclosure:**

Unless otherwise directed, at the conclusion of this engagement, we may disclose that we have appraised the subject property in future marketing documents and materials.

**Conflicts of Interest:**

C&W adheres to a strict internal conflict of interest policy. If we discover in the preparation of our appraisal a conflict with this assignment, we reserve the right to withdraw from the assignment without penalty.

**Further Conditions of Engagement:**

The Conditions of Engagement attached hereto are incorporated herein and are part of this letter of engagement.

Mr. Raul Aguila  
**City of Miami Beach**  
December 23, 2020  
Page 4

**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



Eric Carpenter

cc:

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

By: \_\_\_\_\_

DocuSigned by:

*Paul J. Aguila*

2B3D6240F02B45D...

Mr. Raul Aguila  
Interim City Manager

Date: 12/24/2020 | 12:28 PM EST

Title: \_\_\_\_\_

E-mail Address:

[raulaguila@miamibeachfl.gov](mailto:raulaguila@miamibeachfl.gov)

Phone Number:

305-673-7000

### **Information Needed to Complete the Assignment**

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

#### **Physical Information**

- Plot plan/survey and legal description
- Building plans/leasing plan/stacking plan
- Property Conditions Assessment Report
- Environmental reports

#### **Financial Information**

- Sales history of the subject property over the past three years at a minimum

## 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.
- 6) In the event the Client provides a copy of the appraisal to, or permits reliance thereon by, any party not identified herein as an Intended User, Client hereby agrees to indemnify and hold C&W, its affiliates and the 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 appraisal by any such party.
- 7) The balance of the fee for the appraisal will be due upon 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.
- 8) 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, including attorneys' fees, if any, as they are incurred. 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.
- 9) By signing this agreement Client 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 Client, or any other party entitled to do so, makes a claim against C&W 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 C&W 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.
- 10) C&W disclaims any and all liability to any party with regard to the appraisal report other than an Intended User identified herein.
- 11) 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 including attorneys' fees incurred by C&W in connection with the collection or attempted collection thereof.
- 12) 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 (or in the applicable arbitration tribunal, if the parties to the dispute have

executed an arbitration agreement) within two (2) 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, two (2) 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.

- 13) 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.
- 14) 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.
- 15) 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.
- 16) 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 D: Legal Description



# OFFICE OF THE PROPERTY APPRAISER

## Detailed Report

Generated On : 1/5/2021

Property Information	
Folio:	02-3211-002-1070
Property Address:	500 71 ST Miami Beach, FL 33141-3018
Owner	CITY OF MIAMI BEACH
Mailing Address	1700 CONVENTION CENTER DR MIAMI BEACH, FL 33139-1819
PA Primary Zone	6600 COMMERCIAL - LIBERAL
Primary Land Use	8940 MUNICIPAL : MUNICIPAL
Beds / Baths / Half	0 / 0 / 0
Floors	2
Living Units	0
Actual Area	Sq.Ft
Living Area	Sq.Ft
Adjusted Area	28,335 Sq.Ft
Lot Size	25,250 Sq.Ft
Year Built	Multiple (See Building Info.)

Assessment Information			
Year	2020	2019	2018
Land Value	\$6,312,500	\$6,312,500	\$6,312,500
Building Value	\$2,030,430	\$1,968,893	\$1,999,646
XF Value	\$171,816	\$172,129	\$172,442
Market Value	\$8,514,746	\$8,453,522	\$8,484,588
Assessed Value	\$7,847,746	\$7,134,315	\$6,485,741

Benefits Information				
Benefit	Type	2020	2019	2018
Non-Homestead Cap	Assessment Reduction	\$667,000	\$1,319,207	\$1,998,847
Municipal	Exemption	\$7,847,746	\$7,134,315	\$6,485,741
Note: Not all benefits are applicable to all Taxable Values (i.e. County, School Board, City, Regional).				



Taxable Value Information			
	2020	2019	2018
<b>County</b>			
Exemption Value	\$7,847,746	\$7,134,315	\$6,485,741
Taxable Value	\$0	\$0	\$0
<b>School Board</b>			
Exemption Value	\$8,514,746	\$8,453,522	\$8,484,588
Taxable Value	\$0	\$0	\$0
<b>City</b>			
Exemption Value	\$7,847,746	\$7,134,315	\$6,485,741
Taxable Value	\$0	\$0	\$0
<b>Regional</b>			
Exemption Value	\$7,847,746	\$7,134,315	\$6,485,741
Taxable Value	\$0	\$0	\$0

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Version:



# OFFICE OF THE PROPERTY APPRAISER

Generated On : 1/5/2021

## Property Information

**Folio:** 02-3211-002-1070

**Property Address:** 500 71 ST

## Roll Year **2020** Land, Building and Extra-Feature Details

Land Information					
Land Use	Muni Zone	PA Zone	Unit Type	Units	Calc Value
GENERAL	CD-3	6600	Square Ft.	25,250.00	\$6,312,500

Building Information						
Building Number	Sub Area	Year Built	Actual Sq.Ft.	Living Sq.Ft.	Adj Sq.Ft.	Calc Value
1	1	1968			8,640	\$646,652
1	2	1968			19,655	\$1,381,161
1	3	2001			40	\$2,617

Extra Features			
Description	Year Built	Units	Calc Value
Sprinkler System/Auto - Wet	2002	20,875	\$26,616
Cent A/C - Comm (Aprox 300 sqft/Ton)	1968	176	\$145,200

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Version:



# OFFICE OF THE PROPERTY APPRAISER

Generated On : 1/5/2021

## Property Information

**Folio:** 02-3211-002-1070

**Property Address:** 500 71 ST

## Roll Year **2019** Land, Building and Extra-Feature Details

Land Information					
Land Use	Muni Zone	PA Zone	Unit Type	Units	Calc Value
GENERAL	CD-3	6600	Square Ft.	25,250.00	\$6,312,500

Building Information						
Building Number	Sub Area	Year Built	Actual Sq.Ft.	Living Sq.Ft.	Adj Sq.Ft.	Calc Value
1	1	1968			8,640	\$627,057
1	2	1968			19,655	\$1,339,308
1	3	2001			40	\$2,528

Extra Features			
Description	Year Built	Units	Calc Value
Sprinkler System/Auto - Wet	2002	20,875	\$26,929
Cent A/C - Comm (Aprox 300 sqft/Ton)	1968	176	\$145,200

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Version:



# OFFICE OF THE PROPERTY APPRAISER

Generated On : 1/5/2021

## Property Information

**Folio:** 02-3211-002-1070

**Property Address:** 500 71 ST Miami Beach, FL 33141-3018

## Roll Year **2018** Land, Building and Extra-Feature Details

Land Information					
Land Use	Muni Zone	PA Zone	Unit Type	Units	Calc Value
GENERAL	CD-3	6600	Square Ft.	25,250.00	\$6,312,500

Building Information						
Building Number	Sub Area	Year Built	Actual Sq.Ft.	Living Sq.Ft.	Adj Sq.Ft.	Calc Value
1	1	1968			8,640	\$636,854
1	2	1968			19,655	\$1,360,234
1	3	2001			40	\$2,558

Extra Features			
Description	Year Built	Units	Calc Value
Sprinkler System/Auto - Wet	2002	20,875	\$27,242
Cent A/C - Comm (Aprox 300 sqft/Ton)	1968	176	\$145,200

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Version:



# OFFICE OF THE PROPERTY APPRAISER

Generated On : 1/5/2021

## Property Information

**Folio:** 02-3211-002-1070

**Property Address:** 500 71 ST

### Full Legal Description

NORMANDY BEACH SOUTH PB 21-54

LOTS 1-2-11 & 12 BLK 14

LOT SIZE IRREGULAR

OR 19658-4990 0501 3

### Sales Information

Previous Sale	Price	OR Book-Page	Qualification Description
06/01/1986	\$1,000,000	12936-3538	Deeds that include more than one parcel

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Version:



# OFFICE OF THE PROPERTY APPRAISER

## Detailed Report

Generated On : 1/5/2021

Property Information	
Folio:	02-3211-002-1090
Property Address:	
Owner	CITY OF MIAMI BEACH CITY HALL
Mailing Address	1700 CONVENTION CENTER DR MIAMI BEACH, FL 33139-1819
PA Primary Zone	8000 COMMUNITY FACILITIES
Primary Land Use	8080 VACANT GOVERNMENTAL : VACANT LAND - GOVERNMENTAL
Beds / Baths / Half	0 / 0 / 0
Floors	0
Living Units	0
Actual Area	0 Sq.Ft
Living Area	0 Sq.Ft
Adjusted Area	0 Sq.Ft
Lot Size	6,250 Sq.Ft
Year Built	0



Assessment Information			
Year	2020	2019	2018
Land Value	\$312,500	\$312,500	\$312,500
Building Value	\$0	\$0	\$0
XF Value	\$0	\$0	\$0
Market Value	\$312,500	\$312,500	\$312,500
Assessed Value	\$312,500	\$312,500	\$312,500

Benefits Information				
Benefit	Type	2020	2019	2018
Municipal	Exemption	\$312,500	\$312,500	\$312,500
Note: Not all benefits are applicable to all Taxable Values (i.e. County, School Board, City, Regional).				

Taxable Value Information			
	2020	2019	2018
<b>County</b>			
Exemption Value	\$312,500	\$312,500	\$312,500
Taxable Value	\$0	\$0	\$0
<b>School Board</b>			
Exemption Value	\$312,500	\$312,500	\$312,500
Taxable Value	\$0	\$0	\$0
<b>City</b>			
Exemption Value	\$312,500	\$312,500	\$312,500
Taxable Value	\$0	\$0	\$0
<b>Regional</b>			
Exemption Value	\$312,500	\$312,500	\$312,500
Taxable Value	\$0	\$0	\$0

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Version:



# OFFICE OF THE PROPERTY APPRAISER

Generated On : 1/5/2021

## Property Information

Folio: 02-3211-002-1090

Property Address:

## Roll Year **2020** Land, Building and Extra-Feature Details

Land Information					
Land Use	Muni Zone	PA Zone	Unit Type	Units	Calc Value
GENERAL	GU	8000	Square Ft.	6,250.00	\$312,500

Building Information						
Building Number	Sub Area	Year Built	Actual Sq.Ft.	Living Sq.Ft.	Adj Sq.Ft.	Calc Value

Extra Features			
Description	Year Built	Units	Calc Value

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Version:



# OFFICE OF THE PROPERTY APPRAISER

Generated On : 1/5/2021

## Property Information

Folio: 02-3211-002-1090

Property Address:

## Roll Year **2019** Land, Building and Extra-Feature Details

Land Information					
Land Use	Muni Zone	PA Zone	Unit Type	Units	Calc Value
GENERAL	GU	8000	Square Ft.	6,250.00	\$312,500

Building Information						
Building Number	Sub Area	Year Built	Actual Sq.Ft.	Living Sq.Ft.	Adj Sq.Ft.	Calc Value

Extra Features			
Description	Year Built	Units	Calc Value

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Version:



# OFFICE OF THE PROPERTY APPRAISER

Generated On : 1/5/2021

## Property Information

Folio: 02-3211-002-1090

Property Address:

## Roll Year **2018** Land, Building and Extra-Feature Details

Land Information					
Land Use	Muni Zone	PA Zone	Unit Type	Units	Calc Value
GENERAL	GU	8000	Square Ft.	6,250.00	\$312,500

Building Information						
Building Number	Sub Area	Year Built	Actual Sq.Ft.	Living Sq.Ft.	Adj Sq.Ft.	Calc Value

Extra Features			
Description	Year Built	Units	Calc Value

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Version:



# OFFICE OF THE PROPERTY APPRAISER

Generated On : 1/5/2021

## Property Information

Folio: 02-3211-002-1090

Property Address:

Full Legal Description
11 53 42
NORMANDY BEACH SOUTH PB 21-54
LOT 3 BLK 14
LOT SIZE 50.000 X 125

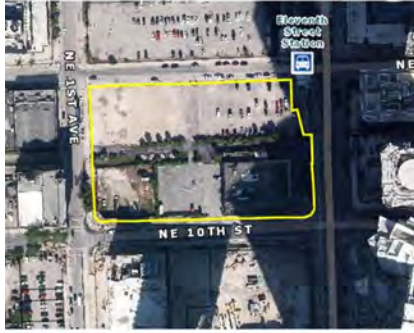
Sales Information			
Previous Sale	Price	OR Book-Page	Qualification Description

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Version:

## Addendum E: Comparable Land Sale Data Sheets

# LAND SALE COMPARABLE 1



**Property Name:** 1001 Park West  
**Address:** 1016 Northeast 2nd Avenue  
**City, State, Zip:** Miami FL 33132  
**Jurisdiction:** Miami-Dade County  
**MSA:** Miami  
**Submarket:**  
**Property Type:** Land  
**Property Subtype:** Residential (Multi-Family) For Rent  
**Classification:** N/A  
**ID:** 558401  
**Tax Number(s):** N/A

## PROPERTY INFORMATION

Site Area (Acres):	1.0216	Public Utilities:	All Available
Site Area (Sq.Ft.):	44,500	Electricity:	Yes
Zoning:	T6-60a-O	Water:	Yes
Utility:	Good	Sewer:	Yes
Access:	Good	Gas:	N/A
Frontage:	Good	Proposed Use:	Residential-Multi-Family
Visibility:	Good	Maximum FAR:	3.03
Shape:	Rectangular	Potential Building Area:	134,835
Topography:	Level	Potential Units::	450
Entitlements:	No		

## SALE INFORMATION

Status:	Closed Sale	OAR:	N/A
Sale Date:	7/2020	NOI:	N/A
Sale Price:	\$18,849,200	Price per Sq.Ft.:	\$423.58
Value Interest:	Fee Simple	Price per Acre:	\$18,450,666
Grantor:	MWC Block A LLC	Price per Potential Building Area:	\$139.79
Grantee:	Akara Partners	Price per Potential Units:	\$41,887
Financing:	N/A		
Condition of Sale:	Arm's Length		

## VERIFICATION COMMENTS

Broker verified - James Quinn, C&W

## COMMENTS

This was an arms length transaction of a 1.02 acre site in the Miami World Center district on the eastern portion of a site located at the southeast corner of NE 10th Street and NE 2nd Avenue . The site is located adjacent to the Eleventh Street Metromover station in Downtown Miami. The property was under contract pre-Covid 19 pandemic and pricing was not affected due to the pandemic. The purchaser intends to develop the site in two separate phases. The first phase will be a 39 story, 436,258 total square foot residential tower containing 450 micro-units for rent, 251 parking spaces and 16,000 square feet of ground floor retail. The second phase is planned to be a 79 story residential tower with average unit sizes under 1,000 square feet. Total planned development of the site will consist of over 1,100,000 square feet, including 16,000 square feet of ground floor retail space. However, the site was purchased and underwritten based on 450 units. The property was marketed to specific developers for 4-6 months.

# LAND SALE COMPARABLE 2



Property Name:	The Azure at Flagler
Address:	2335 West Flagler Street
City, State, Zip:	Miami FL 33135
Jurisdiction:	Miami-Dade County
MSA:	Miami
Submarket:	
Property Type:	Land
Property Subtype:	Residential (Multi-Family) For Rent
Classification:	N/A
ID:	573399
Tax Number(s):	N/A

## PROPERTY INFORMATION

Site Area (Acres):	0.4403	Public Utilities:	All Available
Site Area (Sq.Ft.):	19,180	Electricity:	N/A
Zoning:	T6-8-O	Water:	N/A
Utility:	Good	Sewer:	N/A
Access:	Good	Gas:	N/A
Frontage:	Good	Proposed Use:	Residential-Multi-Family
Visibility:	Good	Maximum FAR:	N/A
Shape:	Rectangular	Potential Building Area:	123,135
Topography:	Level	Potential Units::	61
Entitlements:	No		

## SALE INFORMATION

Status:	Closed Sale	OAR:	N/A
Sale Date:	2/2020	NOI:	N/A
Sale Price:	\$1,675,000	Price per Sq.Ft.:	\$87.33
Value Interest:	Fee Simple	Price per Acre:	\$3,804,224
Grantor:	Blue Star Inc & Gran Realty Inc	Price per Potential Building Area:	\$13.60
Grantee:	The Azure on Flagler LLC	Price per Potential Units:	\$27,459
Financing:	N/A		
Condition of Sale:	Arm's Length		

## VERIFICATION COMMENTS

Prior appraisal

## COMMENTS

This transaction consists of two adjacent parcels that were purchased at the same time from different entities. The western parcel was purchased from Blue Star Inc for \$750,000 and the eastern parcel was purchased from Gran realty Inc for \$925,000 to reflect a total purchase price of \$1,675,000. The purchasers intends to build an 8-story market rate apartment complex containing 61 units.

# LAND SALE COMPARABLE 3



**Property Name:** Wynwood 28  
**Address:** 127 Northwest 27th Street  
**City,State,Zip:** Miami FL 33127  
**Jurisdiction:** Miami-Dade County  
**MSA:**  
**Submarket:**  
**Property Type:** Land  
**Property Subtype:** Residential (Multi-Family) For Rent  
**Classification:** N/A  
**ID:** 520192  
**Tax Number(s):** Multiple

## PROPERTY INFORMATION

Site Area (Acres):	0.7782	Public Utilities:	All Available
Site Area (Sq.Ft.):	33,898	Electricity:	Yes
Zoning:	T5-L	Water:	Yes
Utility:	Good	Sewer:	Yes
Access:	Average	Gas:	N/A
Frontage:	Good	Proposed Use:	Mixed Use
Visibility:	Good	Maximum FAR:	N/A
Shape:	Irregular	Potential Building Area:	N/A
Topography:	Level	Potential Units::	152
Entitlements:	No		

## SALE INFORMATION

Status:	Recorded Sale	OAR:	N/A
Deed Reference:	31551-4021	NOI:	N/A
Sale Date:	7/2019	Price per Sq.Ft.:	\$317.72
Sale Price:	\$10,770,000	Price per Acre:	\$13,839,790
Value Interest:	Fee Simple	Price per Potential Building Area:	N/A
Grantor:	Investments 120, LLC	Price per Potential Units:	\$70,855
Grantee:	Wynwood 28 Owner LLC		
Financing:	Cash to Seller		
Condition of Sale:	Arm's Length		

## VERIFICATION COMMENTS

Deed, News Publication: Miami-Dade Comptroller/ Katherine Kallergis, Miami-Dade/ The Real Deal

## COMMENTS

The comparable land sale is located in the northwest quadrant of Northwest 27th Street and Northwest 1st Avenue in the Wynwood District, Miami-Dade County, Florida. The property is an assemblage of multiple parcels that sold on the 29th of July 2019. The parcels total 33,898 square feet of land and sold for \$10,770,000. The property is part of a joint venture between Kushner Companies and Block Capital Group who intend to develop a mixed-use multifamily and retail property on the site containing 152 apartments units. Construction is expected to begin in mid-2020.



**Property Name:** Rancho Luna Development Site  
**Address:** 45 NW 22nd Avenue  
**City, State, Zip:** Miami FL 33125  
**Jurisdiction:** Miami-Dade County  
**MSA:** Miami  
**Submarket:**  
**Property Type:** Land  
**Property Subtype:** Commercial  
**Classification:** N/A  
**ID:** 474273  
**Tax Number(s):** 01-4103-013-0620

## PROPERTY INFORMATION

Site Area (Acres):	0.5309	Public Utilities:	All Available
Site Area (Sq.Ft.):	23,127	Electricity:	Yes
Zoning:	T6-8-O	Water:	Yes
Utility:	Good	Sewer:	Yes
Access:	Good	Gas:	N/A
Frontage:	Good	Proposed Use:	Mixed Use
Visibility:	Good	Maximum FAR:	N/A
Shape:	Rectangular	Potential Building Area:	N/A
Topography:	Level	Potential Units::	80
Entitlements:	No		

## SALE INFORMATION

Status:	Recorded Sale	OAR:	N/A
Deed Reference:	Book 31537, Page 3930	NOI:	N/A
Sale Date:	7/2019	Price per Sq.Ft.:	\$97.29
Sale Price:	\$2,250,000	Price per Acre:	\$4,238,086
Value Interest:	Fee Simple	Price per Potential Building Area:	N/A
Grantor:	Balogh Family Partnership, LLC	Price per Potential Units:	\$28,125
Grantee:	45 SBH, LLC		
Financing:	N/A		
Condition of Sale:	None		

## VERIFICATION COMMENTS

Public records, CoStar, Offering Memorandum

## COMMENTS

This 0.53 acre site is located on the southeast corner of NW 22nd Avenue and NW Flagler Terrace, in Miami. The site is zoned T6-8-O and has approximately 307 feet of street frontage. The property is offered as a redevelopment opportunity, currently occupied by a restaurant and a car wash; both with leases that are cancellable to make way for a new development. Development applications were previously submitted for an 11-story building with 80 residential units; current status is unknown. The property was listed for just under 2 months with an asking price of \$2,600,000, and sold in July 2019 for \$2,250,000 or \$97.29 per square foot of land.

# LAND SALE COMPARABLE 5



**Property Name:** 5700 Biscayne Site  
**Address:** 5700 Biscayne Boulevard  
**City,State,Zip:** Miami FL 33137  
**Jurisdiction:** Miami-Dade County  
**MSA:** Miami  
**Submarket:**  
**Property Type:** Land  
**Property Subtype:** Residential (Multi-Family) For Rent  
**Classification:** N/A  
**ID:** 474722  
**Tax Number(s):** N/A

## PROPERTY INFORMATION

Site Area (Acres):	2.2200	Public Utilities:	All Available
Site Area (Sq.Ft.):	96,703	Electricity:	Yes
Zoning:	T6-8-O	Water:	Yes
Utility:	Good	Sewer:	Yes
Access:	Good	Gas:	N/A
Frontage:	Good	Proposed Use:	Residential-Multi-Family
Visibility:	Good	Maximum FAR:	N/A
Shape:	Irregular	Potential Building Area:	N/A
Topography:	Level	Potential Units::	283
Entitlements:	No		

## SALE INFORMATION

Status:	Recorded Sale	OAR:	N/A
Deed Reference:		NOI:	N/A
Sale Date:	6/2017	Price per Sq.Ft.:	\$201.65
Sale Price:	\$19,500,000	Price per Acre:	\$8,783,784
Value Interest:	Fee Simple	Price per Potential Building Area:	N/A
Grantor:	57BB Investments LLC	Price per Potential Units:	\$68,905
Grantee:	BLVD 57 LP		
Financing:	N/A		
Condition of Sale:	Arm's Length		

## VERIFICATION COMMENTS

Confidential

## COMMENTS

This was an arms length transaction of a multifamily site that has frontage along Biscayne Boulevard. The purchaser intends to develop an eight story apartment tower on-site that will contain 283 for rent apartment units along with 27,290 square feet of ground floor retail.

## Addendum F: 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	
<b>STATE OF FLORIDA</b> <b>DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION</b>			
<b>FLORIDA REAL ESTATE APPRAISAL BD</b> THE CERTIFIED GENERAL APPRAISER HEREIN IS CERTIFIED UNDER THE PROVISIONS OF CHAPTER 475, FLORIDA STATUTES			
<b>MCNAMARA, MICHAEL CAREY</b> 2006 WOODLAKE CIRCLE DEERFIELD BCH FL 33442			
<b>LICENSE NUMBER: RZ2105</b>			
<b>EXPIRATION DATE: NOVEMBER 30, 2022</b>			
Always verify licenses online at <a href="http://MyFloridaLicense.com">MyFloridaLicense.com</a>			
	Do not alter this document in any form.		
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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

## FLORIDA



Ron DeSantis, Governor

Halsey Beshears, Secretary



**STATE OF FLORIDA**  
**DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION**

**FLORIDA REAL ESTATE APPRAISAL BD**

THE CERTIFIED GENERAL APPRAISER HEREIN IS CERTIFIED UNDER THE  
PROVISIONS OF CHAPTER 475, FLORIDA STATUTES



**SANCHEZ, ADRIAN MONTE**  
333 SE 2ND AVENUE, SUITE 3900  
MIAMI FL 33131

**LICENSE NUMBER: RZ3239**

**EXPIRATION DATE: NOVEMBER 30, 2022**

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### **Blake Koletic**

Valuation & Advisory  
Cushman & Wakefield Regional, Inc.

### **Professional Expertise**

Blake Koletic is an Appraiser of Cushman & Wakefield Regional, Inc. working within the Valuation & Advisory group in Miami, Florida. Mr. Koletic joined Cushman & Wakefield in August of 2018 as a State-Registered Trainee Appraiser.

Currently, Mr. Koletic is involved in the research and development of appraisal assignments of multi-family buildings, self-storage facilities, office buildings, retail buildings and commercial land parcels throughout the State of Florida.

### **Memberships, Licenses, Professional Affiliations and Education**

- State-registered Trainee Appraiser (RI24585)
- State of Florida Real Estate Sales Associate (SL3413465)
- Practicing Affiliate, Appraisal Institute
- Bachelors of Science, Florida State University

### **Appraisal Education**

- Basic Appraisal Principals & Procedures
- General Income Approach I & II
- Florida Appraisal Laws & Rules
- Comprehensive National USPAP

## STATE

	Ron DeSantis, Governor	Halsey Beshears, Secretary	
<b>STATE OF FLORIDA</b> <b>DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION</b>			
<b>FLORIDA REAL ESTATE APPRAISAL BD</b>			
THE REGISTERED TRAINEE APPRAISER HEREIN HAS REGISTERED UNDER THE PROVISIONS OF CHAPTER 475, FLORIDA STATUTES			
 <b>KOLETIC, BLAKE THOMAS</b> 333 SE 2ND AVENUE 3900 MIAMI FL 33131			
<b>LICENSE NUMBER: RI24585</b>			
<b>EXPIRATION DATE: NOVEMBER 30, 2022</b>			
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