

APPRAISAL REPORT
(APPRAISER FILE: 25-0645A)



MULTIFAMILY PROPERTY

7TH AVE APTS
139 & 143 SE 7TH AVE
DELRAY BEACH, FLORIDA

FOR

MRS. AIMIE WANG
DELRAY BEACH, FL

AS OF

APRIL 7, 2025

AUCAMP, DELLENBACK & WHITNEY
APPRAISERS & CONSULTANTS

AUCAMP, DELLENBACK & WHITNEY

APPRAISERS & CONSULTANTS

August 14, 2025

Mrs. Aimie Wang
139 143 SE 7th Avenue, LLC
139 SE 7th Ave
Delray Beach, FL 33483

RE: Appraisal of Real Property
Multifamily Property
7th Ave Apts
139 & 143 SE 7th Ave
Delray Beach, Florida 33483
(Appraiser File: 25-0645A)

Dear Mrs. Wang:

As you requested, we made the necessary investigation and analysis to form an opinion of value for the above referenced real property. This report is an appraisal of the property.

To assist Mr. and Mrs. Wang and City of Delray Beach in business decisions regarding this property, this appraisal provides an estimate of value. This report is written in **APPRAISAL REPORT** format. No other party may use or rely on this report for any purpose.

This appraisal assignment and report have been prepared in accordance with requirements of the Uniform Standards of Professional Appraisal Practice (USPAP) developed by the Appraisal Standards Board of the Appraisal Foundation, with the appraisal requirements of Title XI of the Federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), with the Interagency Appraisal and Evaluation Guidelines of 2010, with the Appraisal Institute's Code of Professional Ethics and Standards of Professional Appraisal Practice, and with requirements of the State of Florida for state-certified general real estate appraisers.

The subject is located along the east side of SE 7th Ave, within the municipality of Delray Beach, Palm Beach County, Florida. The subject consists of two adjacent sites totaling 14,253 square feet (SF), or 0.33 acres. The two adjacent properties function best as one economic unit based on their proximity and trends in the market.

The subject sites are improved with 4 one- and two-story multifamily buildings constructed in 1928 and 1967. The improvements are currently vacant, in shell condition, and contain 4,764 SF of enclosed area within seven units. The owner is in the process of renovating the property and plans to expand the building size by enclosing existing porches. Upon completion, the improvements are expected to total 5,674 SF situated within 6 two-bedroom units. The subject will have an average unit size of 946 SF.

Mrs. Aimie Wang
August 14, 2025

The subject does not appear to be listed for sale on the open market, nor is it reported to be encumbered by a purchase and sale agreement. The subject last sold in March 2022 for \$2,680,000. At that time, the property exterior was in superior condition, but the interior was similar to the current interior condition. The buyer appears to have overpaid.

The subject improvements are contributing structures within the Marina Historic District. Due to building preservation guidelines within this district, the property owner has had difficulties with securing approvals throughout the renovation process.

This report is contingent on the extraordinary assumption that the subject will be built-out according to the description herein.

When the property was purchased in March 2022, the subject was improved with a 120-SF storage building. This structure was in poor condition and was razed in the past couple years. This report is contingent on the hypothetical condition that the subject is improved with a 120-SF storage building. This structure is not included in the building size shown. This hypothetical condition only applies to the value in "as if" condition. The value in "as is" condition does not include the storage building. The difference between the "as if" and "as is" conditions is \$20,000. **Therefore, the contributory value of the storage building is \$20,000.**

After careful and thorough investigation and analysis, we estimate market value for the fee simple interest in the subject real property in its "as if" condition, subject to assumptions and contingent and limiting conditions as well as any extraordinary assumptions and hypothetical conditions, as explained in this report, as of April 7, 2025, is:

**ONE MILLION SEVEN HUNDRED SEVENTY THOUSAND DOLLARS
(\$1,770,000)**

After careful and thorough investigation and analysis, we estimate market value for the fee simple interest in the subject real property in its "as is" condition, subject to assumptions and contingent and limiting conditions as well as any extraordinary assumptions and hypothetical conditions, as explained in this report, as of April 7, 2025, is:

**ONE MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS
(\$1,750,000)**

We estimate market value of the land (as cleared) for the subject real property as of April 7, 2025, is **\$1,700,000**.

Mrs. Aimie Wang
August 14, 2025

Aucamp Dellenback & Whitney has performed services concerning this property for the same client in reports dated April 18, 2025, and May 16, 2025. We have not performed any other services regarding the subject in the prior three years. Thank you for this opportunity to assist in meeting your appraisal needs.

Respectfully submitted,

AUCAMP, DELLENBACK & WHITNEY



Sarah Brand, MAI
State-certified General Real Estate Appraiser RZ3894
sarah@adw-appraisers.com



Jonathan Whitney, MAI
State-certified General Real Estate Appraiser RZ2943
jon@adw-appraisers.com

TABLE OF CONTENTS

PART 1: INTRODUCTION	1
TITLE PAGE	1
LETTER OF TRANSMITTAL	2
TABLE OF CONTENTS	5
SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS	6
LOCATION MAP	8
SUBJECT PHOTOGRAPHS	9
SCOPE OF WORK	15
PART 2: DESCRIPTIONS, ANALYSES, AND VALUE CONCLUSIONS	17
MUNICIPALITY	17
NEIGHBORHOOD	19
MARKET	23
SUBJECT PROPERTY	31
HIGHEST AND BEST USE	42
VALUATION PROCESS	43
SALES COMPARISON APPROACH	44
INCOME CAPITALIZATION APPROACH	67
RECONCILIATION AND FINAL VALUE CONCLUSIONS	78
NORMAL MARKETING PERIOD AND REASONABLE EXPOSURE TIME	80
PART 3: ADDENDUM	81
CERTIFICATION	81
CONTINGENT AND LIMITING CONDITIONS	83
HYPOTHETICAL CONDITIONS AND EXTRAORDINARY ASSUMPTIONS	86
DEFINITIONS	87
AREA DESCRIPTION AND ANALYSIS	91
APPRAISER QUALIFICATIONS AND LICENSE	96

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

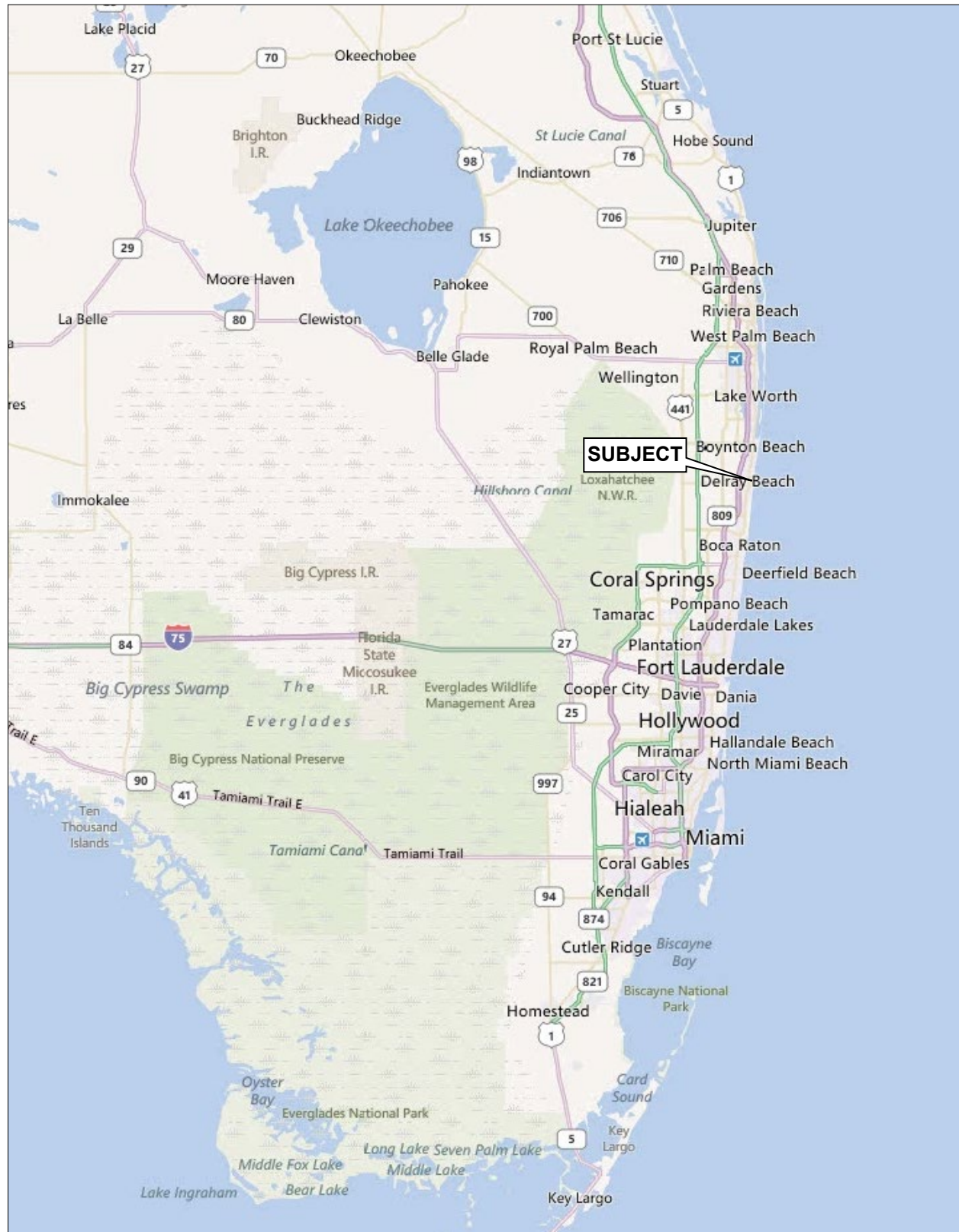
REPORT TYPE	Appraisal Report
PROPERTY TYPE	Multifamily property
LOCATION	139 & 143 SE 7th Ave, Delray Beach, Florida 33483
REPORT DATE	August 14, 2025
VALUATION DATE	April 7, 2025
INTENDED USER	Mr. and Mrs. Wang and City of Delray Beach
INTENDED USE	To assist in business decisions regarding this property
SITE	14,253 SF or 0.33 acres
IMPROVEMENTS	Multifamily buildings constructed in 1928 and 1967 and containing 5,674 SF situated within 6 units
OCCUPANCY	Vacant
ZONING	Medium Density Residential (RM) by the City of Delray Beach
CENSUS TRACT	64.02
FLOOD ZONE	AE, flood insurance is typically required in this zone
HIGHEST AND BEST USE	
As Vacant:	Immediate development of multifamily residential improvements for multiple occupants
As Improved:	Immediate renovation and use of existing multifamily residential improvements for multiple occupants
NORMAL MARKETING PERIOD	12 months or less
REASONABLE EXPOSURE TIME	12 months or less

ASSIGNMENT OVERVIEW

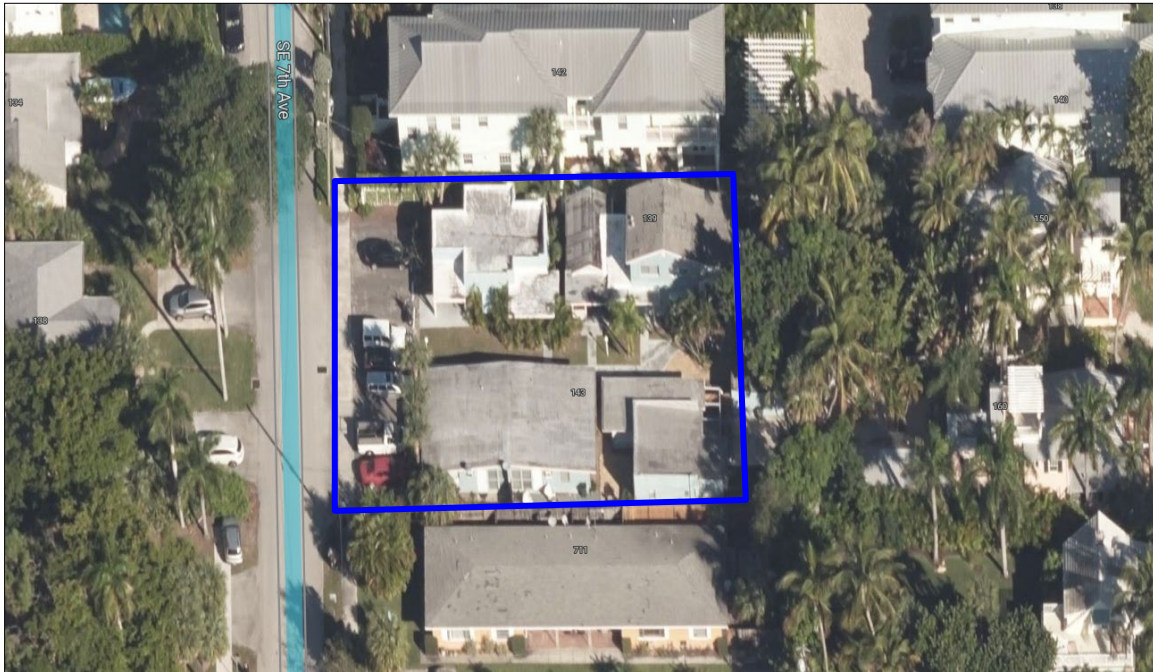
The subject is an attractive property for an investor. The sales comparison approach and the income capitalization approach provide the most useful indications of market value.

VALUE INDICATIONS			
Analysis	Indication	\$/SF	\$/Unit
<u>"As is" Condition</u>			
Cost	N/A	N/A	N/A
Sales Comparison	\$1,750,000	\$308	\$291,667
Income Capitalization	<u>\$1,750,000</u>	<u>\$308</u>	<u>\$291,667</u>
Market Value	\$1,750,000	\$308	\$291,667
<u>"As If" Condition</u>			
Cost	N/A	N/A	N/A
Sales Comparison	\$1,770,000	\$312	\$295,000
Income Capitalization	<u>\$1,770,000</u>	<u>\$312</u>	<u>\$295,000</u>
Market Value	\$1,770,000	\$312	\$295,000
Land Value	\$1,700,000	N/A	N/A

LOCATION MAP



SUBJECT PHOTOGRAPHS



Bird's eye view of subject (outlined)



Facing north along NE 7th Ave with subject on the right



North and west building elevations



West and south building elevations



South and east building elevations



West and north building elevations



East and north building elevations



Interior



Interior



Interior



Photo provided by the client showing the 120-SF storage building



Photo provided by the client showing the 120-SF storage building

SCOPE OF WORKAppraisal

Purpose:	To estimate market value in "as if" condition (with the storage building) and "as is" condition (without the storage building), as well as land value
Interest Appraised:	Fee simple interest
Client:	Mrs. Aimie Wang
Intended User:	Mr. and Mrs. Wang and City of Delray Beach. No other party may use or rely on this report for any purpose
Intended Use:	To assist in business decisions regarding this property
Report Format:	Appraisal Report
Inspection Date:	April 7, 2025
Effective Date:	April 7, 2025
Report Date:	August 14, 2025
Competency Rule:	We had the knowledge and experience necessary to complete this assignment competently at the time of its acceptance
Definitions:	Shown in the addendum of this report
Hypothetical Conditions:	The subject is improved with a 120-SF storage building. (This hypothetical condition only applies to the value in "as if" condition.)
Extraordinary Assumptions:	The subject will be built-out according to the description herein
Valuation Approaches:	The sales comparison approach provides an estimate of market value based on an analysis of comparable property sales. The income capitalization approach provides an estimate of market value based on direct capitalization of net operating income
Appraisers:	Sarah Brand inspected the readily accessible areas of the subject site and improvements, performed the research and analysis, and wrote this report. Jonathan Whitney discussed the assignment with this appraiser throughout the process and reviewed this final report
Other:	We relied on a previous, recent site visit as of the valuation date for the pictures shown herein.

Subject Property

Name:	7th Ave Apts
Address:	139 & 143 SE 7th Ave, Delray Beach, Florida 33483
Location:	The subject is located along the east side of SE 7th Ave, within the municipality of Delray Beach, Palm Beach County, Florida
Legal Description:	Lots 17 and 18 in Block 126, Delray Beach, according to the map or plat thereof, as recorded in Plat Book 11, Page 4 of the Public Records of Palm Beach County, Florida (source: Warranty Deed)
Current Owner:	139 143 SE 7th Avenue, LLC (source: Palm Beach County Property Appraiser records). A title search was not performed as part of this assignment as that is outside the scope of work
Ownership History:	The subject has not sold during the prior three years (source: Palm Beach County Property Appraiser records). The subject does not appear to be listed for sale on the open market, nor is it reportedly encumbered by a purchase and sale agreement.
Items Received:	The following items were provided by a representative of the owner: <ul style="list-style-type: none">▪ Construction plans, verbally

Market

Data Sources:	CoStar Realty (subscription service), LoopNet.com (subscription service), Multiple Listing Service (subscription service), PwC Real Estate Investor Survey (subscription service), published reports from national brokerage firms, RealQuest (subscription service), Site-To-Do-Business (subscription service), Floodmaps.com (subscription service), RealtyRates.com (subscription service), Marshall Valuation Service (subscription service), local county property appraiser's records (public records), Circuit Court recordings (public records), and appraisal files in this office
Types of Data:	Multifamily building and land sales and listings, rental rates, occupancies, operating expenses, and investment rates
Geographic Area:	Primary: Delray Beach; secondary: Palm Beach County; tertiary: South Florida
Verification:	Sales and rental rates were verified by a party to each transaction, unless otherwise noted

PART 2: DESCRIPTIONS, ANALYSES, AND VALUE CONCLUSIONS

The subject property is located in Delray Beach, a municipality situated within Palm Beach County, Florida. The Addendum contains an Area Description and Analysis of the state, South Florida, and Palm Beach County.

MUNICIPALITY

The South Florida region consists of three counties and numerous adjoining cities along the coastline, all of which interact with one another. The result is a long urban-suburban pattern of development from south of Miami to north of West Palm Beach, a distance of approximately 100 miles.

The City of Delray Beach is located in the southeastern portion of Palm Beach County. The unincorporated areas west of the city boundaries are also referred to as Delray Beach. West Palm Beach is the county seat and located several miles to the north.

The city was originally developed in the 1920s as a small town near the intersection of Atlantic Avenue and Federal Highway. Over the next 70 years, the city grew tremendously. The city is now built-out and is primarily suburban in character with a small downtown core. Delray Beach contains a wide variety of residential products attractive to a wide variety of incomes and ages. Industrial uses are typically located near the highways and commercial uses are typically located along arterial roads. The City maintains several public parks, include a popular public beach.

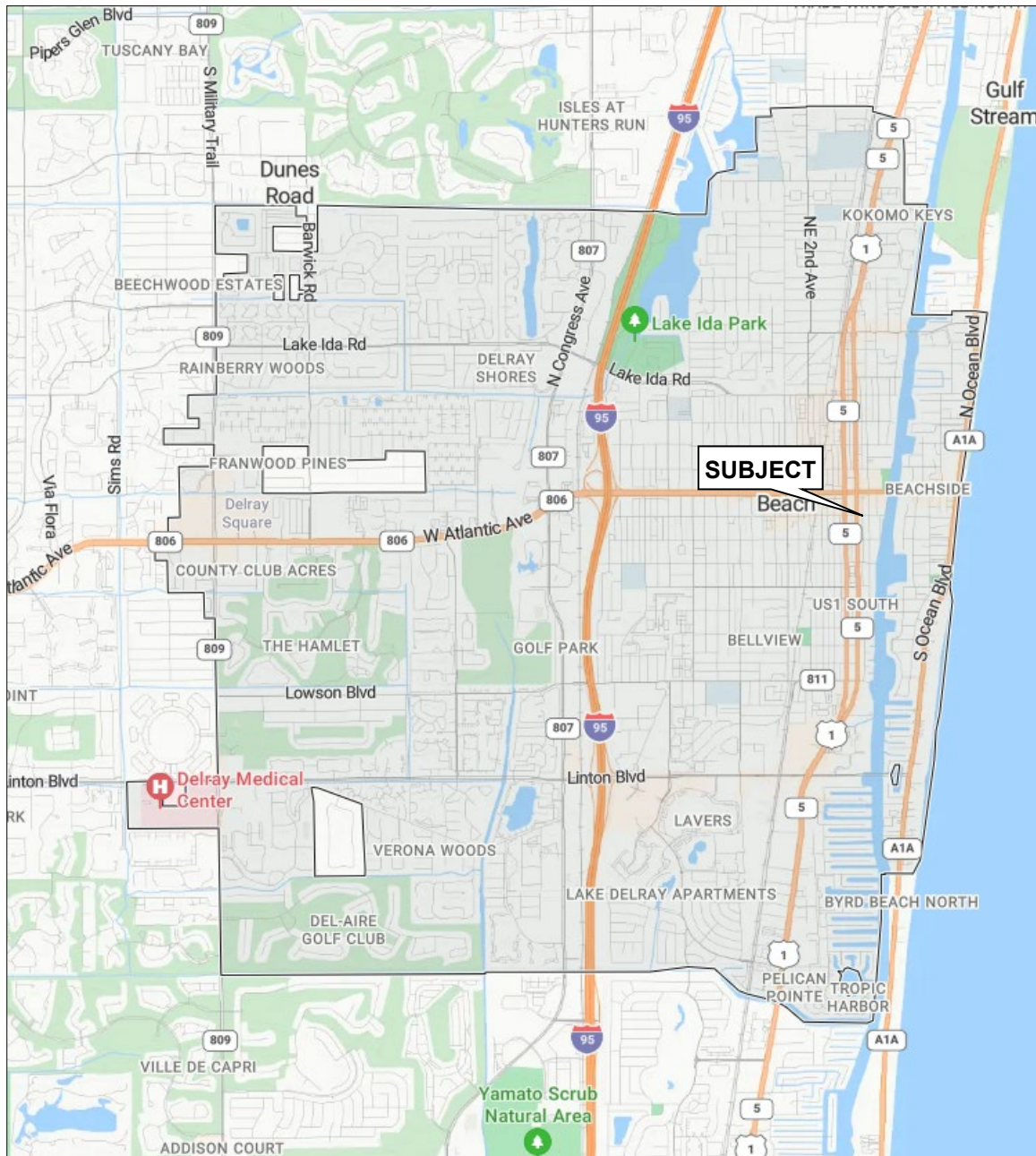
The automobile is the primary method of transportation in the city. Primary east-west roads are Atlantic Ave and Linton Blvd. North-south arterial roads and highways include US 1, I-95, Congress Ave, Military Trail and Florida's Turnpike. The roads in Delray Beach generally have a grid system, based on the quadrants established in its downtown.

Atlantic Avenue is a popular low-rise retail-oriented downtown destination, containing pedestrian-friendly sidewalks covered by canopies and trees, lined with small boutiques, hotels, restaurants and bars. Delray Beach has gained local and national notoriety for successful revitalization of its downtown. Thousands of new residents have moved into new town homes and condominium projects constructed over the past 10 years and pedestrian activity and retail commerce has also significantly increased.

Delray Beach's neighbor to the south, Boca Raton, is a major employment center for the region, containing half of all office space in Palm Beach County. In Delray Beach, office uses are clustered around medical centers, such as the Delray Medical Center at the intersection of Military and Linton Blvd, and along the Congress Ave corridor, south of Atlantic Ave.

Overall, Delray Beach is poised for future sustainability based on its popular retail downtown, availability of public services and parks, close proximity to employment centers as well as continued long-term in-migration to the region.

MUNICIPALITY MAP
(Delray Beach is outlined)



NEIGHBORHOOD

The subject neighborhood is downtown Delray Beach and its surrounding areas. This irregular-shaped neighborhood is generally defined as south of George Bush Blvd (NE 8th St), west of State Road A1A (AKA Ocean Blvd), north of SE 10th St and east of I-95. At its widest point, the neighborhood is roughly two miles wide by roughly one mile long. The area is in a revitalization period of the typical neighborhood life cycle.

Pedestrian traffic can be somewhat busy in certain parts of downtown, but the primary mode of transportation in the neighborhood is the automobile. Atlantic Avenue and Federal Highway are the primary downtown thoroughfares. Atlantic Avenue is the major east-west arterial road in the City, having intersections with I-95 and Florida's Turnpike. In the downtown area, Atlantic Avenue is primarily a two-lane road. The eastern end of Atlantic Avenue feeds into a popular public beach area. Federal Highway (AKA US Hwy 1) is a major north-south arterial road in the South Florida region. In this neighborhood, Federal Highway is split into northbound lanes (6th Ave) and southbound lanes (5th Ave) by one full city block containing privately-held parcels.

The downtown area was initially developed as a small town between the 1920s and the 1960s. Market interest waned in the 1970s and 1980s as new development was focused in other areas. However, over the past 15 to 20 years, downtown Delray Beach has transformed from a rather sleepy, dated downtown to a vibrant, desirable destination. The City enhanced the streetscape of Atlantic Ave, downtown's east-west retail artery, with pedestrian-friendly sidewalks covered by a tree canopy. Substantial property owner reinvestment is evident among the low-rise in-line buildings fronting Atlantic Ave. Occupants include a wide mix of local, regional and national operations, and consist of boutiques, restaurants, bars and hotels.

Property along downtown side streets have become targets for redevelopment. Developers and builders have been actively developing residentially-focused projects. Product offerings have included rental apartments, for-sale condominiums, and for-sale townhomes. Other development along the side streets includes retail and office buildings, as well as new hotels. Also, some older single-family homes (cottages) and older commercial buildings are repurposed for new retail concepts or office space. Several under-construction, proposed and recently delivered projects in the downtown are shown in the Market section. Overall, the downtown area retains a low-rise character, with buildings generally five stories or less.

Single-family homes surrounding downtown have recent sale prices from \$500,000 to well into the multimillions. Home prices and household incomes are higher east of Swinton Ave compared to west of Swinton Ave. Also, commercial property prices and rents are much higher east of Swinton Ave compared to west of Swinton Ave.

The subject is located about two blocks south of the primary retail corridor of E Atlantic Ave. This corridor is a "high-street" retail destination in South Florida, consisting of high rents and high pedestrian activity. The area is undergoing significant changes currently as local retailers with dated buildings are replaced by national retailers with updated façades and storefronts.

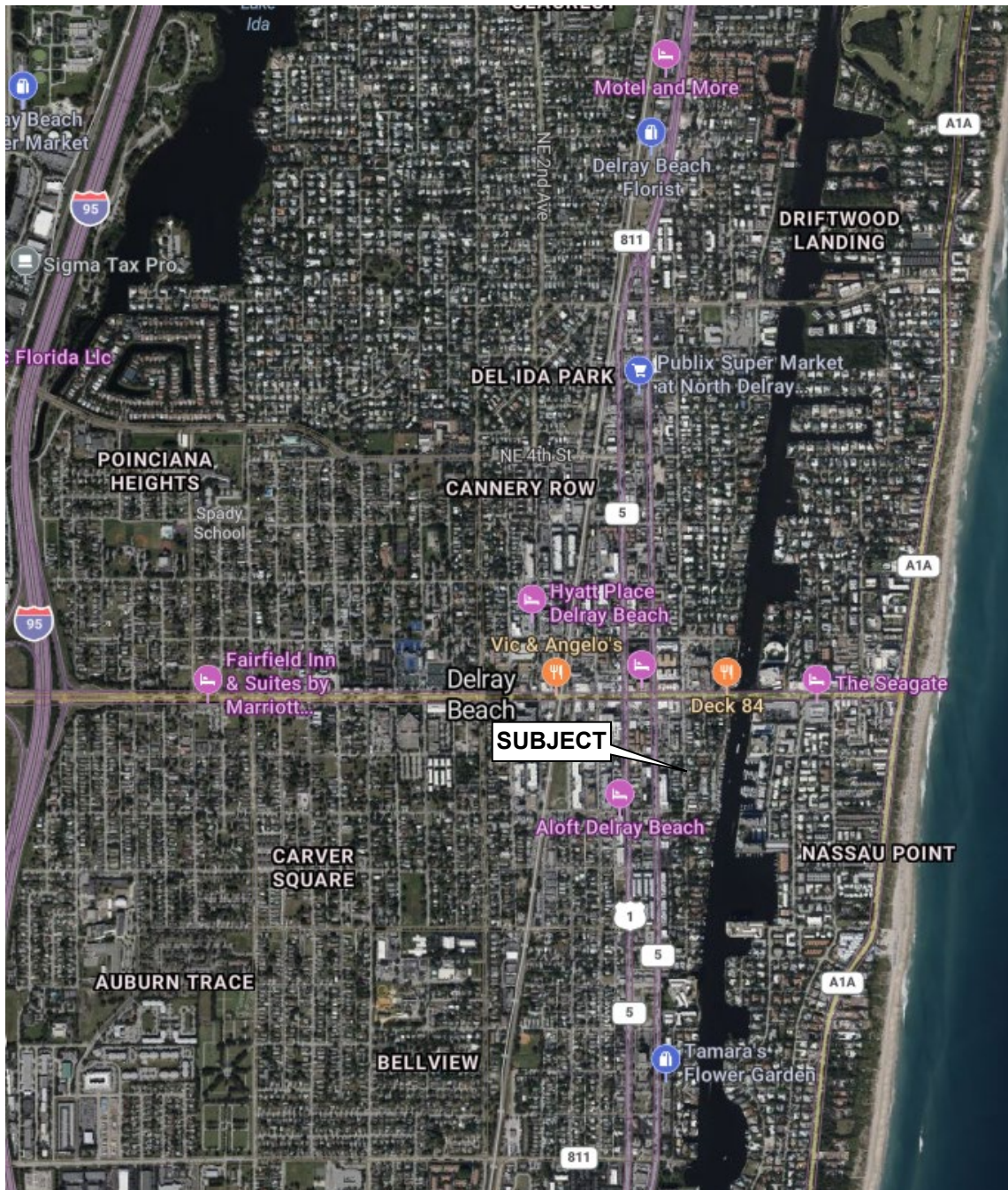
Residential and hospitality projects have been popular in recent years within close proximity to the subject. The Caspian, Courtyard by Marriott hotel, and The Ray hotel, are some of the recently built developments in the area. Sundry Village and Atlantic Corssings are some large mixed-use under construction in the area.

In summary, downtown Delray has become an attractive destination, based on its popular downtown atmosphere and proximity to the ocean. The area is expected to have continued immigration.

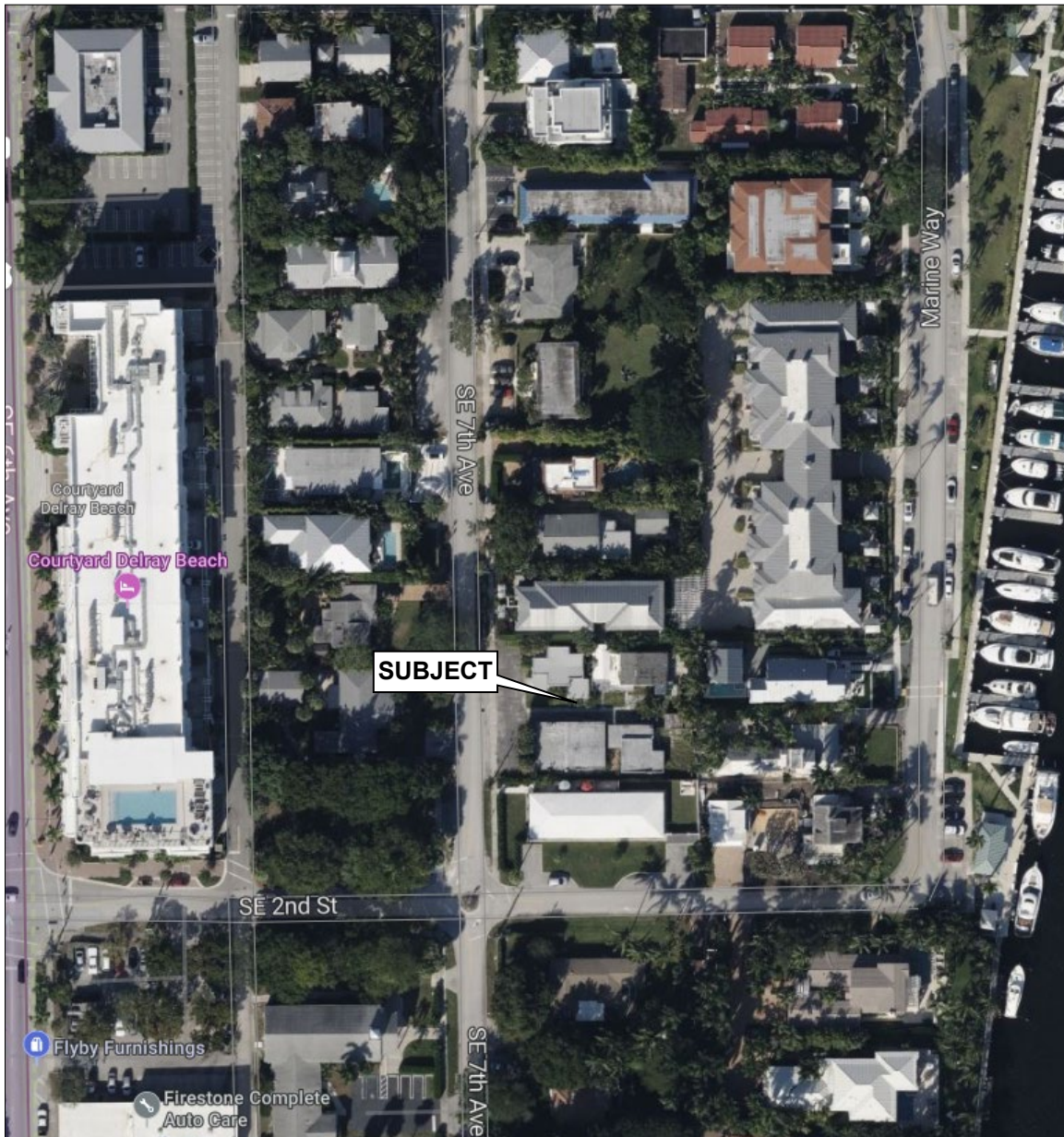
The following chart shows the demographics for rings surrounding the subject, as well as the demographics for the city, the county and the state. Compared to the county, the immediate area surrounding the subject (one-mile ring) has a higher median household income, a higher median home value, and a lower percentage of owner occupied units. The chart indicates modest projected annual population growth in the immediate area over the next five years. The one-mile radius to the subject has 10,838 residents, which is a typical density for Palm Beach County. Overall, the demographics for the neighborhood bode well for residential uses.

DEMOGRAPHICS AROUND SUBJECT						
<i>Source: ESRI, 2024 figures</i>						
Item	1 Mile Radius	3 Mile Radius	5 Mile Radius	Delray Beach	Palm Beach County	Florida State
Population	10,838	66,905	168,950	34,051	1,546,881	22,779,514
Projected Ann. Rate ('24 - '29)	1.09%	0.63%	0.63%	3.24%	0.47%	0.93%
Median HH Income	\$113,278	\$83,351	\$78,621	\$56,752	\$81,615	\$74,715
Households (HH)	5,185	31,840	82,234	14,517	633,334	9,084,882
Average HH Size	2.05	2.07	2.02	2.33	2.40	2.45
Median Age	51.0	50.1	55.8	43.1	45.8	43.5
Owner Occupied Units	42.4%	50.3%	55.5%	38.4%	59.3%	57.8%
Median Home Value	\$782,769	\$575,157	\$475,250	\$439,392	\$486,868	\$391,816

NEIGHBORHOOD MAP



AERIAL MAP OF SURROUNDING AREA



MARKET

Overview

The South Florida real estate market generally consists of property in Palm Beach, Broward, and Miami-Dade County and other smaller, surrounding counties (Monroe, Martin, St. Lucie). This market section was developed as a result of interviewing market participants, reviewing published reports, and analyzing trends involving construction prices, sales, rent rates, and occupancies.

The recent coronavirus pandemic (COVID-19) substantially impacted real estate markets globally. Starting in March 2020, various local, state and federal authorities in the United States ordered the closure of non-essential businesses. Most office workers were asked or ordered to work from home. Initially, most real estate market participants reported a pause in executing new transactions due to market uncertainty. The non-essential business closures were eventually lifted but uncertainty and changes have persisted. As we now move through the post-pandemic years, various segments of the real estate market have been affected in very different ways.

Initially, the Federal government was very active in assisting business and individuals during the onset of the pandemic. This bolstered the economy in various ways, though some have argued the Federal stimulus may have had some unintended consequences. For instance, business owners report difficulty in finding workers for lower-paid retail, transportation, and hospitality jobs as a result of the stimulus money. As a result of increased safety measures related to the pandemic, as well as worker shortages, global supply chain delays disrupted the normal course of business. The United States relies heavily on imports of manufactured goods, and the delays caused some economic uncertainty.

Also, the Federal Reserve cut the federal funds rate to historic lows. Market participants reported the low interest rate environment had a positive impact on the real estate market. In fact, the low interest rate environment led to very robust gains in the real estate markets, with substantial year-over-year price increases between 2020, 2021, and 2022. However, considering significant annual inflation around 9% between 2021 and 2022, the Federal Reserve began to increase the target rate in 2022. The target range reached between 5.25% and 5.50% in early 2024. As inflation started hovering around 3% in 2024, the Federal Reserve indicated some level of success and signaled possible rate cuts in late 2024 and in 2025. Three such cuts were recently announced resulting in a target rate of 4.25% to 4.50% as of early 2025.

Unemployment had been on a slow, steady decline in recent years and was reported to be hovering around 4.0% before jumping upward due to the pandemic. It has recently reset to just under 4.0%.

The Gross Domestic Product (GDP) for the United States had been on a year-over-year percentage increase for several years until disruption occurred in 2020 with the pandemic. It is currently growing at an annual rate of about 3.0%

In early 2025, President Trump introduced new tariff policies involving a host of countries. This has produced some initial uncertainty in the real estate market as of late.

Each segment of the South Florida real estate market has been affected by the above-mentioned events. For instance, as large segments of the United States workforce began to work remotely, workers explored living in warmer climates and low tax environments, such as South Florida. A discussion of residential in-migration and housing starts in South Florida are discussed in more depth in the following pages.

Also, some corporations took this opportunity to entirely relocate or expand offices to warmer climates and business friendly environments, especially in financial services and tech-related industries. As a result, some new Class A office towers are being developed in select areas of South Florida due to robust office absorption and in-migration. This is a unique feature of the South Florida office market, as most other areas in the nation are seeing increasing office vacancies and reduced market interest in the office sector. Nonetheless, a debate continues regarding the longer-term positives and negatives of working remotely. This behavior shift has yet to be fully understood, leaving uncertainty in the office sector both locally and nationally. Most believe South Florida will outperform the nation due to continued in-migration.

The market has seen a surge of new e-commerce activity, causing a need for new warehouse space. This shift in real estate needs from retail to industrial resulted in robust year-over-year gains in industrial prices, both nationally and locally. The retail market has somewhat softened as a result. However, as a result of continued in-migration to South Florida, the local retail market has outperformed the nation, since retail typically follows new rooftops.

As of most recently, the year-over-year price gains in the South Florida real estate market have largely subsided due to pressures from the higher cost of capital due to interest rate increases, as well as construction costs increases. Pressure exists for softening and even a decline in prices as a result of these increases. Overall, fewer large transactions have occurred in 2023 and 2024 compared to recent years.

Overall, the South Florida real estate market is poised to outperform the nation due to the state's low tax environment, business friendly climate resulting in corporate relocations and expansions, as well as mild weather and recreational amenities leading to robust in-migration.

Residential Market

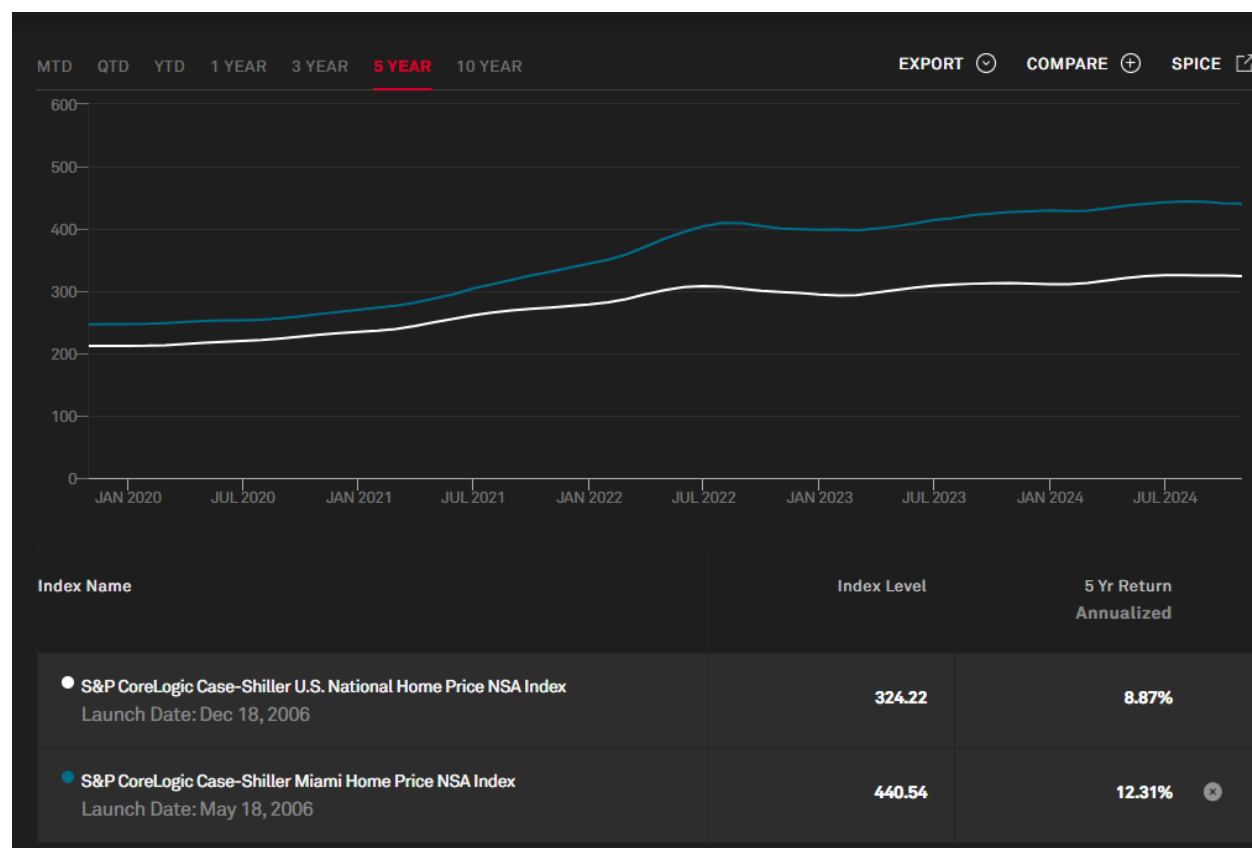
Reinhold P. Wolff Economic Research, Inc. (Reinhold Wolff) publishes a quarterly report showing new building permits in South Florida. The past ten years show new building permits are generally between 20,000 and 25,000 per year.

NEW HOUSING UNITS IN SOUTH FLORIDA											
Source: Reinhold P. Wolff Economic Research											
Location	New Building Permits Per Year										
County	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Palm Beach											
Multiple-Family	2,554	3,213	1,984	3,557	1,959	1,991	2,341	3,255	4,039	2,945	2,163
Single-Family	<u>2,756</u>	<u>4,049</u>	<u>3,737</u>	<u>3,780</u>	<u>2,792</u>	<u>2,969</u>	<u>3,062</u>	<u>4,244</u>	<u>4,269</u>	<u>3,173</u>	<u>3,205</u>
Total	5,310	7,262	5,721	7,337	4,751	4,960	5,403	7,499	8,308	6,118	5,368
Broward											
Multiple-Family	2,835	1,828	2,119	2,585	2,862	2,610	3,394	2,997	2,863	1,224	2,188
Single-Family	<u>1,333</u>	<u>1,714</u>	<u>1,687</u>	<u>1,946</u>	<u>1,658</u>	<u>1,613</u>	<u>1,771</u>	<u>1,423</u>	<u>1,573</u>	<u>1,117</u>	<u>814</u>
Total	4,168	3,542	3,806	4,531	4,520	4,223	5,165	4,420	4,436	2,341	3,002
Miami-Dade											
Multiple-Family	8,087	11,361	13,649	10,777	7,460	7,843	9,633	7,782	11,350	9,749	11,826
Single-Family	<u>2,092</u>	<u>2,482</u>	<u>2,772</u>	<u>2,955</u>	<u>2,271</u>	<u>2,422</u>	<u>2,435</u>	<u>2,133</u>	<u>2,452</u>	<u>2,296</u>	<u>1,401</u>
Total	10,179	13,843	16,421	13,732	9,731	10,265	12,068	9,915	13,802	12,045	13,227
South Florida											
Multiple-Family	13,476	16,402	17,752	16,919	12,281	12,444	15,368	14,034	18,252	13,918	16,177
Single-Family	<u>6,181</u>	<u>8,245</u>	<u>8,196</u>	<u>8,681</u>	<u>6,721</u>	<u>7,004</u>	<u>7,268</u>	<u>7,800</u>	<u>8,294</u>	<u>6,586</u>	<u>5,420</u>
Total	19,657	24,647	25,948	25,600	19,002	19,448	22,636	21,834	26,546	20,504	21,597

A general trend of resident in-migration to South Florida from northern states, mid-western states, and western states is recognized. Several reasons account for the trend. The federal tax overhaul in December 2017 limited the ability of taxpayers to deduct state and local taxes (SALT) from their income in subsequent years. Residents in high local tax states have been relocating to no state income tax states like Florida. Also, the onset of the pandemic and associated possibility of working remotely opened up opportunities for workers. As workers do not necessarily need to be in close proximity to a physical place of employment, the possibilities of relocation to warmer climates enters the equation.

According to a recent article in the South Florida Business Journal, Florida gained nearly \$40 billion in adjusted gross income due to the pandemic between 2020 and 2021. This is according to data collected by the IRS and compiled by CoStar.

In terms of home prices, data provided by the Case-Shiller Home Price Index for South Florida shows home prices have been increasing in the past five years, as shown in the following chart. The latest report indicates the South Florida market has outperformed the nation over the past five years. However, over the past year, the year-over-year increase in the index for South Florida was 3.2%, where the national index was 3.6%.



An increase in interest rates typically results in a decrease in home prices. As interest rates have been increasing, national homebuilders have reported a slight decrease in the price per proposed unit that they are willing to pay. While there is certainly pressure for prices to decrease, this has yet to be meaningfully experienced in the South Florida market. Having said that, the delta between list prices and sale prices was getting quite high, and so some asking prices have been lowered to reflect a more realistic sale price. With many high list prices and a higher cost to borrow money, the quantity of sales has been decreasing as of late.

Rental Apartment Market

To quantify recent trends within the local apartment market, we utilized CoStar Comps to research sales of multifamily properties located within South Florida; the results of this search are shown in the following chart.

Historically, the annual sales volume has been around \$4,000,000,000, though in 2021 and 2022, the annual sales volume was over \$10,000,000,000. The 2023 and 2024 sales volumes were much less.

Median prices per square foot and per unit were showing significant gains year-over-year increases up until recently, and a leveling of prices is noted. The months to sale is similar to the marketing time and has been between five and seven months for several years.

SOUTH FLORIDA MULTIFAMILY SALES							
<i>Source: Compiled from CoStar Realty</i>							
Sales Year	#	Volume	Median Levels			%	Mos. to Sale
			\$/SF	%	\$/Unit		
2015	701	\$3,674,696,681	\$131		\$94,235		7.5
2016	667	\$3,952,005,813	\$138	5%	\$100,000	6%	6.6
2017	773	\$4,265,413,089	\$145	5%	\$105,064	5%	5.9
2018	1,047	\$4,210,030,925	\$146	1%	\$106,458	1%	7.0
2019	1,000	\$4,433,913,373	\$159	9%	\$127,212	19%	6.1
2020	706	\$3,875,323,383	\$177	11%	\$139,706	10%	7.0
2021	889	\$10,629,831,703	\$234	32%	\$174,679	25%	6.6
2022	823	\$10,330,621,191	\$284	21%	\$207,500	19%	6.1
2023	496	\$3,660,468,592	\$284	0%	\$214,227	3%	5.4
2024	545	\$4,082,349,750	\$291	2%	\$205,417	-4%	5.7

The most recent PwC Real Estate Investor Survey was recently published in Q4 2024; this report includes findings for investment grade properties within the Southeast Region Apartment Market which are summarized in the following bullets:

- Overall Cap Rate range: 4.50% to 6.25% with an average of 5.54%.
- Marketing Periods: Two to six months with an average of about four months.
- Year 1 Market Rent Change: Estimate of YOY increases of 0.00% to 4.00% with an average of 2.33%.

The most recent CBRE South Florida Market Update was recently published in 2025; this report includes findings for investment grade properties within the Southeast Region Apartment Market which are summarized in the following bullets:

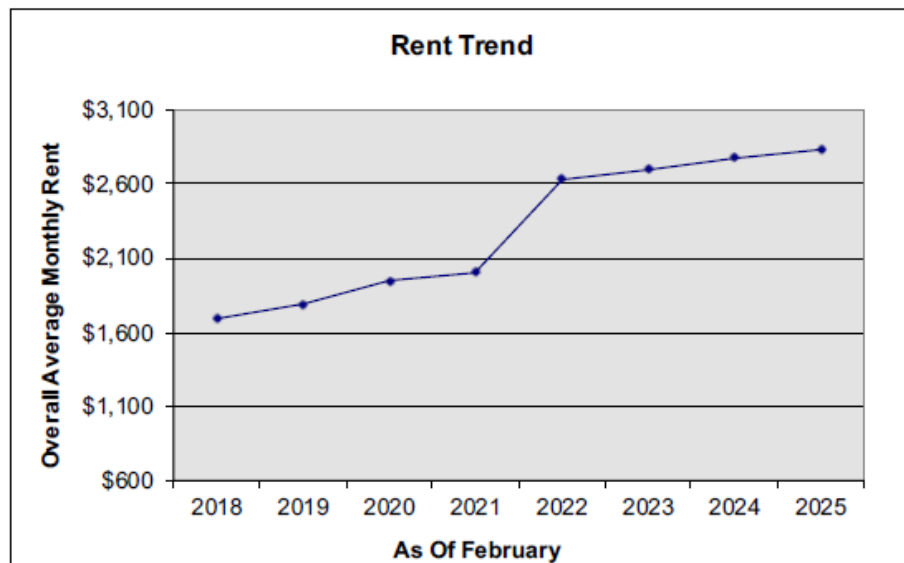
- In 2024, rents increased 1.5% in Miami-Dade County. For the second year in row rents were flat in Broward County, and marginally increased by 0.2% in Palm Beach County.
- In 2024, Miami-Dade County vacancies decreased from 5.8% to 5.6%; Broward County and Palm Beach County vacancies increased from 6.9% to 7.7% and 7.9% to 8.9%, respectively.
- Capitalization rates range from 4.85% to 5.35% for Class A properties, 5.35% to 5.85% for Class B properties, and 5.85% to 6.50% for Class C properties.

Market interest for multifamily property has been quite high in recent years. A low interest rate environment has kept overall capitalization rates quite low. The Federal Reserve increased the federal fund rate to combat inflation in 2022 and 2023. The elevated interest rates put pressure on overall rates to increase, but the increase was actually rather minimal in South Florida among multifamily property. In late 2024, the Fed announced three rate cuts and indicated more cuts are coming after a level of success in curbing inflation.

The following chart provides rental rate information within Palm Beach County as reported by the Q1 2025 *Reinhold Wolff* survey. The data indicate rental rates for all unit types have been decreasing over the past year.

RECENT APARTMENT RENT TREND
Palm Beach County

Unit Type	Average Monthly Rent			Percent Change	
	02/29/2025	Nov-24	Feb-24	11/24 - 02/25	02/24 - 02/25
All Apartments	\$ 2,835	\$ 2,769	\$ 2,778	+2.4%	+2.1%
Efficiency	\$ 2,268	\$ 2,251	\$ 2,386	+0.8%	-4.9%
One-Bedroom	\$ 2,360	\$ 2,340	\$ 2,378	+0.9%	-0.8%
Two-Bedroom	\$ 2,888	\$ 2,845	\$ 2,837	+1.5%	+1.8%
Three-Bedroom	\$ 3,741	\$ 3,528	\$ 3,501	+6.0%	+6.9%



Source: Sample survey of apartment units in projects 18 or more months old by Reinhold P. Wolff Economic Research, Inc.

The following chart provides rental rate as well as vacancy information within Palm Beach County as well as the Delray Beach (subject's submarket) submarket as reported by the Q1 2025 *Reinhold Wolff* survey. The data indicate the vacancy rate within the subject's submarket is lower while the rental rates are much higher in comparison with the county as a whole; this report is summarized in the following bullets:

- Rental rates within Palm Beach County have increased by 2.1% during the past year.
- Rental rates for one-, two- and three-bedroom units within the subject's submarket have changed by about 1.4%, -0.2%, and -2.0%, respectively, during the past year, after several years of significant increases.
- The vacancy rate in the submarket has remained stable around 2.6% during the past year.

RENTAL APARTMENT MARKET				
<i>Source: Reinhold Wolff Research (Q1 2025)</i>				
Units		Average Rent*		Vacancy
Bedrooms	Avg SF	Rate	\$/SF	
<u><i>Delray Beach</i></u>				2.6%
1	825	\$2,675	\$3.24	
2	1,175	\$3,181	\$2.71	
3	1,405	\$3,605	\$2.57	
<u><i>Palm Beach County</i></u>				3.0%
1	824	\$2,360	\$2.86	
2	1,143	\$2,888	\$2.53	
3	1,418	\$3,741	\$2.64	
<i>*Monthly rental rates.</i>				

The Income Capitalization Approach section in this report shows rental rates within the subject neighborhood ranging from \$2,650 to \$3,000/month for two-bedroom units; these rental rates are less than rental rates throughout the subject's submarket which includes newer projects with superior quality features and amenities. Rental rates had been significantly increasing within the subject's immediate area among similar assets over the past few years. Slight softening is noted recently though. The vacancy rate has been stable.

Strengths, Weaknesses, Opportunities, and Threats (SWOT)

Strengths for the subject include aspects of its location.

- **Location:** The subject has a good residentially-focused location with nearby access to transportation links, and close proximity to employment centers and downtown. The subject is located among an area experiencing revitalization and increases in resident population, which bodes well for property values as well as market interest in residential apartment rental units.

Weaknesses for the subject include aspects of its improvements.

- **Improvements:** The subject requires significant renovations prior to occupancy.

Opportunities for the subject include external factors such as market forces.

- **Market forces:** The demand for units in South Florida is anticipated to outpace supply over the five years based on expected population growth. After years of increases, interest rates may decrease in the near term. These features can lend to property prices and-or rents outpacing historic levels of inflation.

Finally, threats for the subject include external factors such as market forces.

- **Market forces:** The residential market exhibits some risk as new product becomes available and as interest rates are at elevated levels, placing some downward pressure on rents or prices. Softening is noted in rental rates in the market. Also the real estate market has not yet had time to fully react to the economic uncertainty related to new tariff policies coming from the Trump administration.

Market participants and market studies provided the following additional information:

- Interest in the subject's submarket has increased significantly during the past few years.
- Apartment properties similar to the subject are generally listed on the open market for less than six months.
- Capitalization rates in the subject's submarket have remained relatively stable during the past year.
- Employment expansion within South Florida has been a driver for strong demand for multifamily rental projects.

Overall, the subject has good appeal in the market.

SUBJECT PROPERTY

This section addresses physical characteristics of the site and improvements plus other factors, such as zoning and taxes. Analysis and conclusions for these features are included at the end of this section.

Site Features

Adjacent Uses:	Low-rise multifamily residential
Size:	14,253 SF or 0.33 acres (source: Palm Beach County Property Appraiser)
Shape:	Rectangular
Frontage/Access:	Along the east side of SE 7th Ave, a two-lane, undivided public road
Topography:	Generally flat and slightly above street grade
Soils:	Generally sandy, typical of the area. We assume the site has no adverse soil conditions
Hazards:	An environmental site assessment report was not provided. We are not aware of any environmental hazards affecting the subject; we assume the site has no adverse environmental conditions
Utilities:	Public water and sewer service as well as electricity and communication services
Easements:	No survey was available to us. We are not aware of any easements which present unusual or adverse development conditions for the subject.
Encroachments:	No survey was available to us. We are not aware of any encroachments which involve the subject.
Census:	64.02 (source: US Census Data)
Flood Zone:	AE, Community-Panel: 12099C0979G, dated December 20, 2024; flood insurance is typically required in this zone (source: FEMA)

Zoning: Medium Density Residential (RM) by the City of Delray Beach. This district permits single-unit and multiple-unit improvements with a maximum density of 12 dwelling units per acre.

- Maximum height: 35 feet
- Maximum lot coverage: 40%
- Minimum front/rear setbacks: 30/25 feet
- Parking: 2.0 spaces per unit plus 0.5 space per unit for guest parking

The subject is located within the Marina Historic District and the improvements are contributing structures within this historic district.

The subject is improved with 6 units which represents 18.3 dwelling units per acre. While a detailed examination of the zoning code was not performed, the subject use, site, and improvements do not appear to meet the current code requirements, namely in regarding parking and density requirements.

The subject improvements have a greater density than what is permitted within the subject zoning district which likely results in a bonus to land value. This lack of conformity to the current code is likely due to the subject improvements pre-dating the current code. Therefore, per the code, the subject appears to be grandfathered-in and legally permitted to continue. This could not be confirmed with the City on an individual basis without a lengthy process, which is outside the scope of this assignment. However, this type of non-conformity to the current code is typical in the immediate area.

Taxes: The County's Property Appraiser establishes assessments annually. The millage rate is the amount paid to each taxing body for every \$1,000 of assessed value. Millage rates applied to properties in this neighborhood are for the state, county, city, and special districts. In addition, property owners are obligated to pay non-ad valorem taxes.

Based on a Florida State Statute, the change in assessments for non-homesteaded property (such as commercial property) cannot exceed 10% per year. As a result, the current market values (per the County's Property Appraiser) for some properties exceed current assessments. Taxes are based on assessments and are not subject to a 10% annual cap. However, after a sale transaction, assessments are reset to the market value per the County's Property Appraiser. A further discussion of taxes is located in the income capitalization approach.

The 2024 millage rate was 18.1994. The subject's 2024 assessed value is more than the market value conclusion in this report. Taxes have been paid to date.

SUBJECT TAXES				
Property	Year: 2024		Year: 2023	
Parcel ID	Assessment	Taxes	Assessment	Taxes
12-43-46-16-01-126-0180	\$1,860,000	\$34,452	\$2,499,339	\$47,865
12-43-46-16-01-126-0170	<u>\$1,395,000</u>	<u>\$25,882</u>	<u>\$2,397,923</u>	<u>\$45,841</u>
Totals:	\$3,255,000	\$60,334	\$4,897,262	\$93,706

Site Improvements

Access:	Paved vehicular access from northbound and southbound SE 7 th Ave
Parking:	Asphalt paved surface parking along the west side of the site; parking totals 10 lined spaces, or a ratio of 1.7 spaces per unit; parking spaces are lined with concrete wheel stops. Back-out parking onto street right-of-way
Curbing:	Concrete curbs along the parking lot and walkway perimeter
Walkways:	Concrete
Drainage:	Positive drainage away from improvements
Landscaping:	Grass, shrubs, and trees
Irrigation:	None observed
Lighting:	Building-mounted
Street Right-of-Way:	Two-lane asphalt-paved road

Building Improvements

The subject sites are improved with 4 one- and two-story multifamily buildings constructed in 1928 and 1967. The improvements currently contain 4,764 SF of enclosed area within seven units. The owner is in the process of renovating the property and plans to expand the building size by enclosing existing porches. Upon completion, the improvements are expected to total 5,674 SF situated within 6 units. The unit mix will consist of five two-bedroom/one-bathroom units and a two-bedroom/two-bathroom unit. The subject will have an average unit size of 946 SF. The source for the building's size is the Palm Beach Property Appraisers records.

Building Shell and Exterior Features:

Structure:	CBS and wood-frame with wood truss roof system (assumed)
Foundation:	Slab or spread concrete footings (assumed)
Walls:	Painted stucco and wood siding
Story Height:	Two floors with an average story height of 9'
Doors:	Wood
Roof:	Flat roof and pitched roof with composition covering over plywood decking (assumed)
Windows:	Fixed glass in aluminum frame and jalousie windows
Access:	Each unit has direct exterior access via covered walkways
Vertical Transport:	Exterior uncovered staircase
Other:	When the property was purchased in March 2022, the subject was improved with a 120-SF storage building (10' x 12'). This structure was in poor condition and was razed in the past couple years. This report is contingent on the <u>hypothetical condition</u> that the subject is improved with a 120-SF storage building. (This hypothetical condition only applies to the value in "as if" condition.) This structure is not included in the building size shown. Also, this structure does not have electrical or plumbing and is not habitable.

Interior Features:

The subject interior is in shell condition with wood-framed walls, partial wood panel ceilings, and partial terrazzo floor covering in one unit. The ceiling height ranges from 8' to 9' in select units and each unit is individually metered for electric.

Analysis and Conclusions:

The site plan consists of parking along the west side of two buildings along the north and south sides of the site. The subject has a typical and sufficient number of parking spaces for occupants as well as guests in the area. Back-out parking onto street rights-of-way is generally discouraged or no longer permitted. The property's floor area ratio (FAR) is 0.40, which is a typical ratio for similar one- and two-story apartment properties in the area. Access is good from public roadways to the parking areas as well as from the parking areas to the building improvements. Landscaping exhibits signs of neglect. Overall, the site improvements have good utility and do not display any significant functional obsolescence.

The subject is considered a Class C investment within the region and is generally attractive to a local investor. The property is in shell condition and is not habitable.

The owner plans to renovate the property. A cost breakdown for the renovations was not provided, but the property owner reported a total renovation budget of \$2,500,000. This represents a cost \$416,667/unit and \$441/SF, which appears high. Per Marshall Valuation Service (MVS), costs for new construction multiple residences are around \$150 to \$200/SF for Good Type construction.

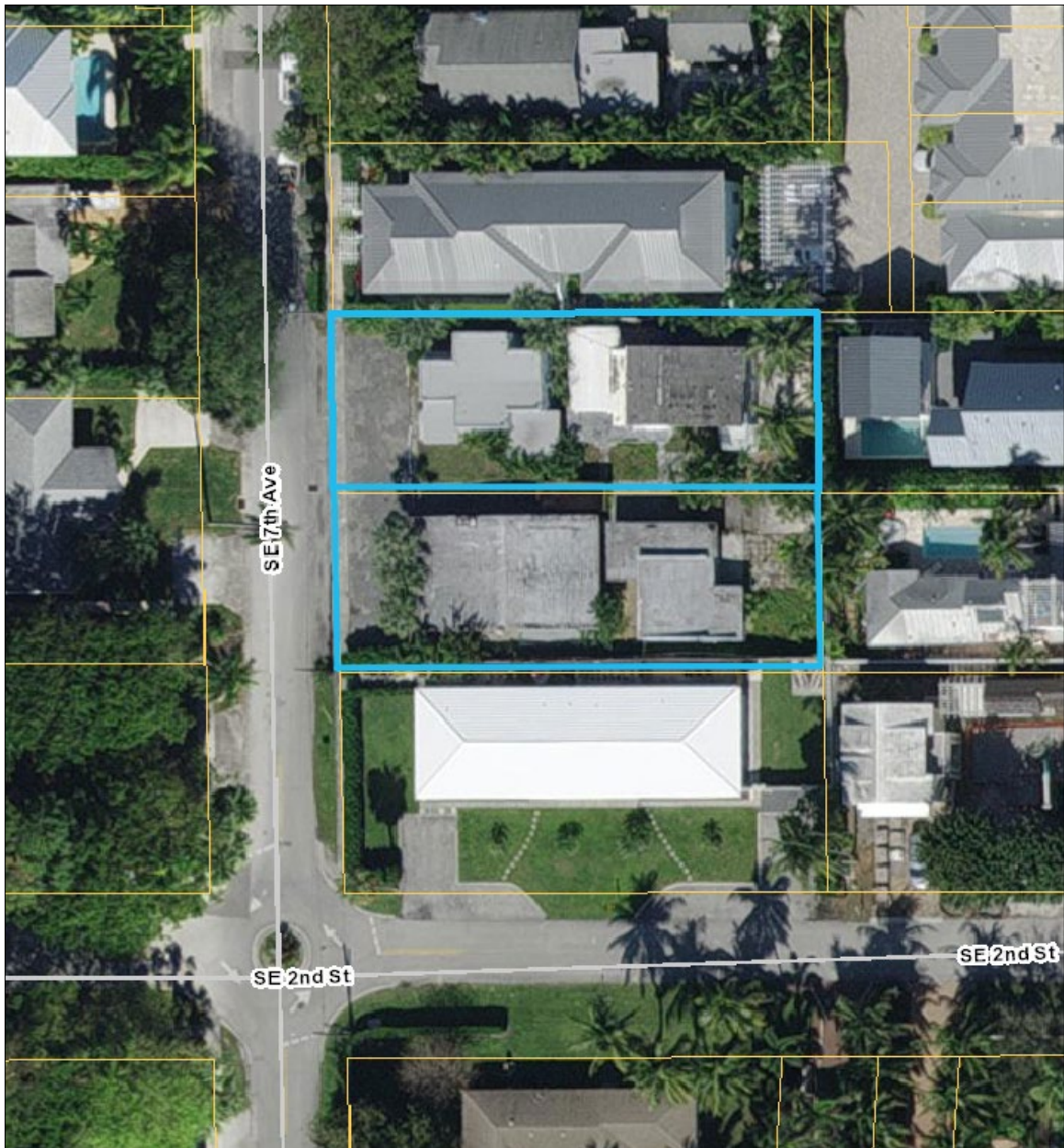
Based on a review of costs and the subject's condition, we estimate \$550,000 is a reasonable renovation budget for the subject. This represents \$92,000/unit and \$97/SF and this estimate will be utilized herein.

The finishes of the exterior and interior are expected to be commensurate with good quality materials, typical of similar properties in the local market.

The following chart shows our life expectancy estimations for the subject property upon completion. The total useful life estimation is based on the guidelines provided via Marshall Valuation Service (MVS). The subject corresponds with Good Type in MVS.

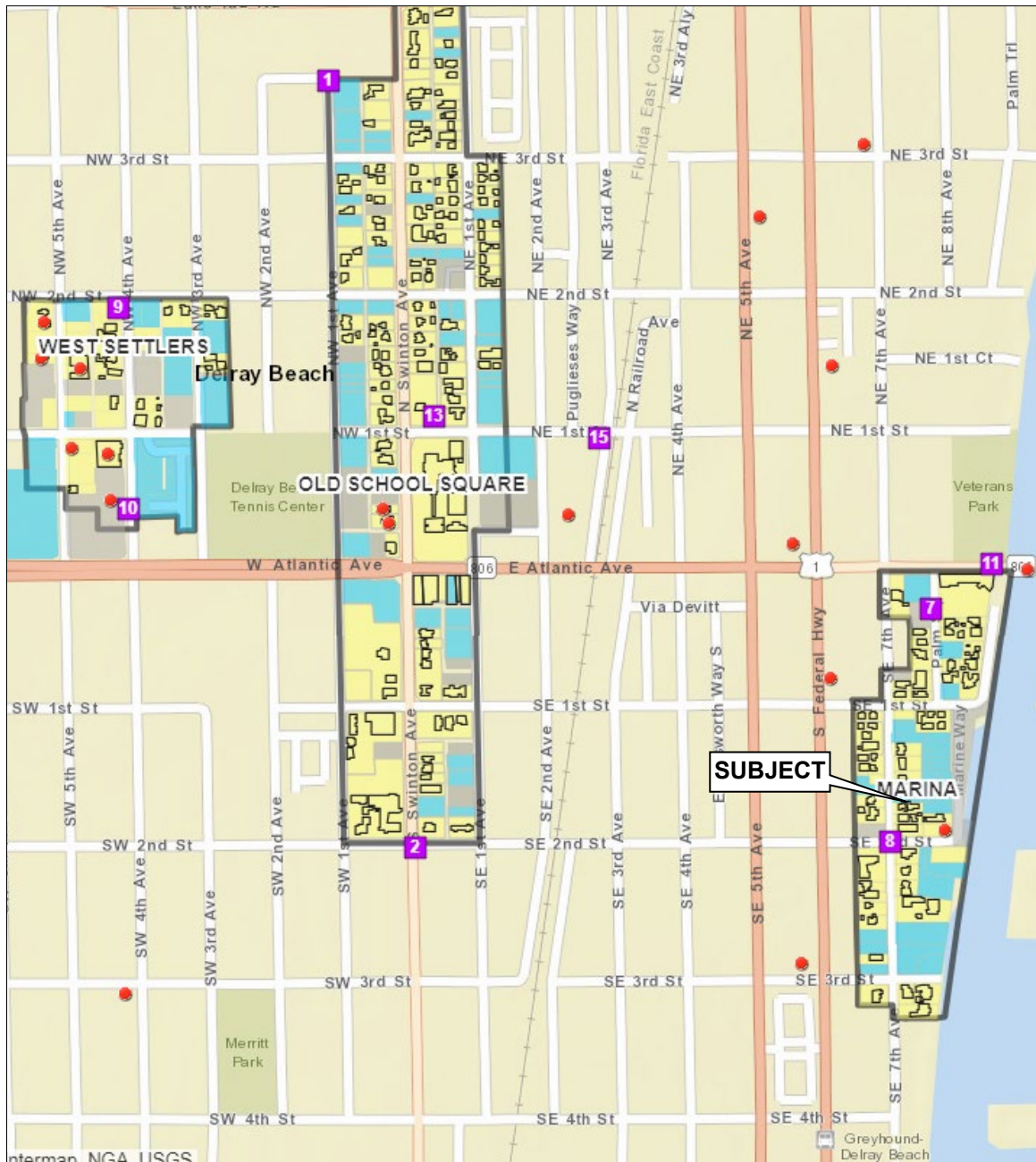
SUBJECT LIFE EXPECTANCY	
<i>Source: MVS</i>	
MVS Building Category	Multiple Residences
MVS Building Class	C
MVS Building Type	Good
Year Built	1928
Actual Age	97
Effective Age	10
Total Useful Life	55
Remaining Useful Life	45

AERIAL PARCEL MAP
Subject is outlined in blue

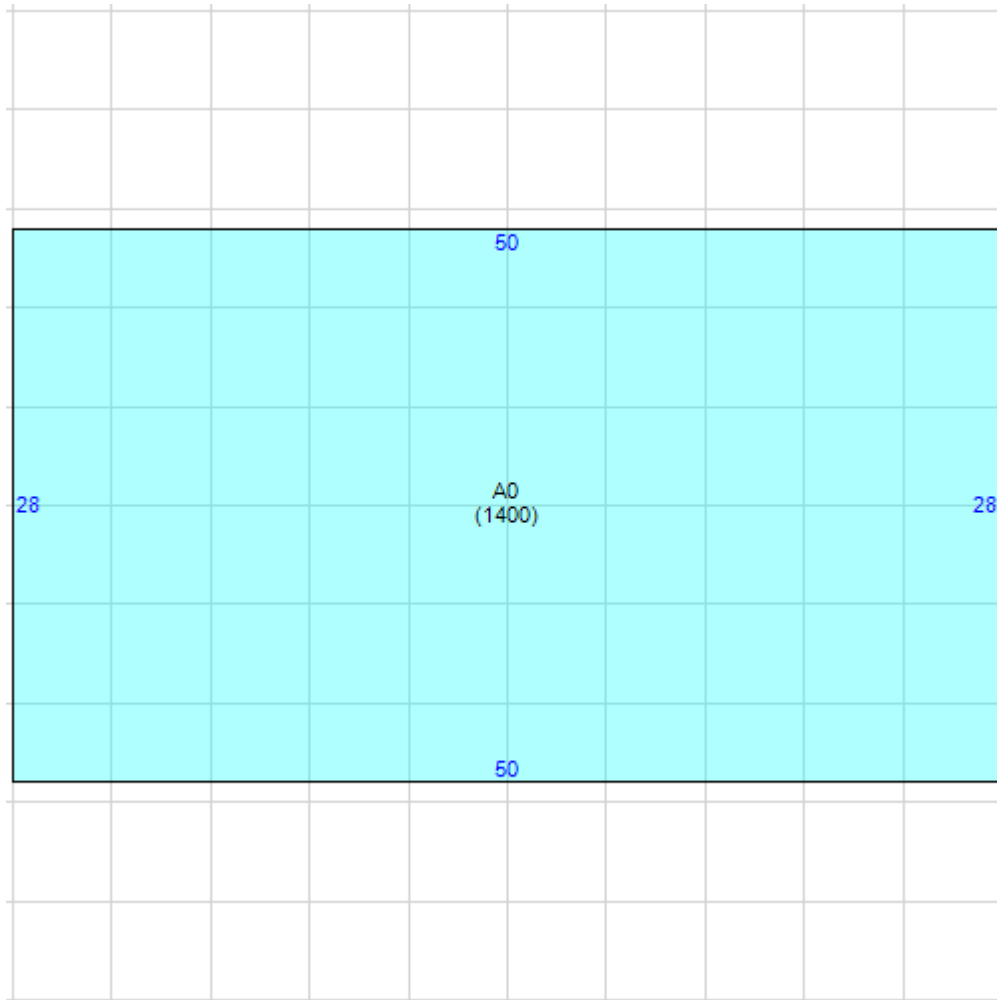


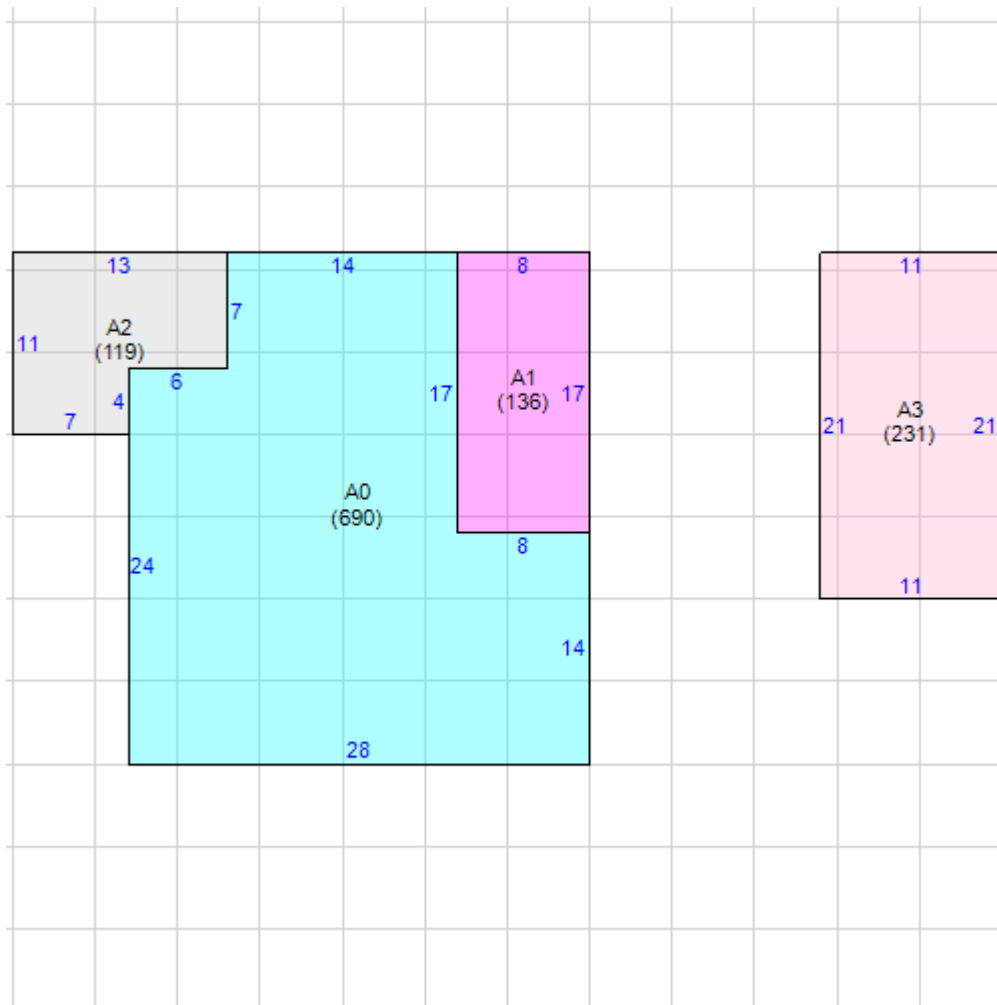
(Properties shown in yellow have contributing structures.)

(Properties shown in yellow have contributing structures.)

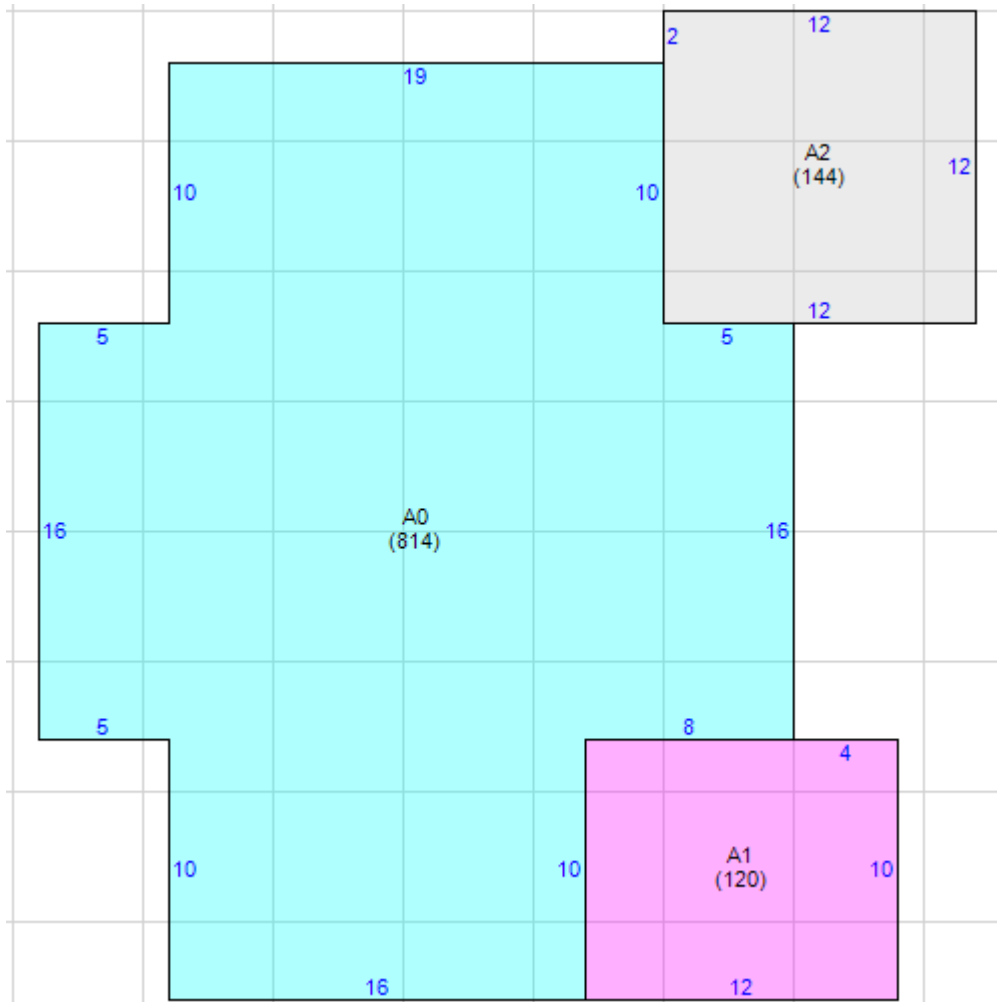


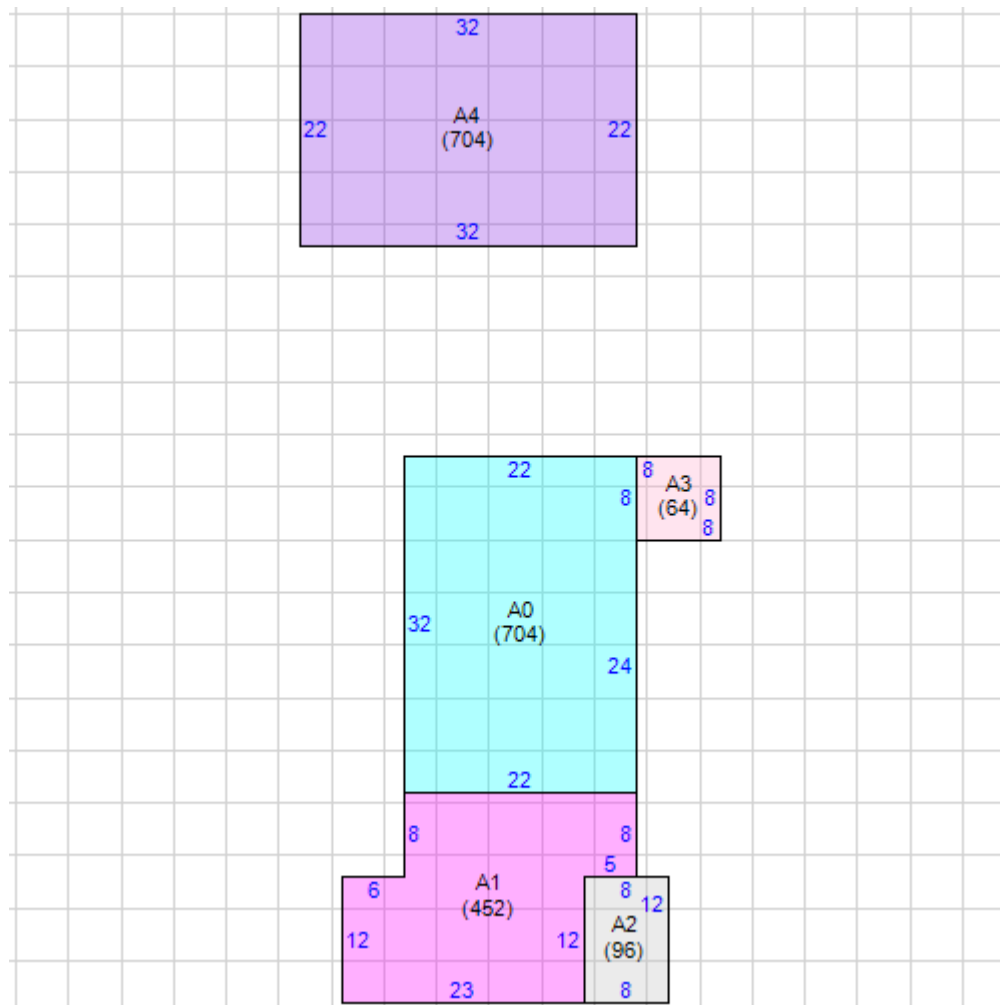
BUILDING SKETCH
(143 SE 7th Ave)





BUILDING SKETCH
(139 SE 7th Ave)





HIGHEST AND BEST USE

The concept of highest and best use has the following definition.

The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value.

Appraisal Institute, The Dictionary of Real Estate Appraisal, Fifth Edition (2010), p. 93.

The highest and best use concept takes into account contribution of a specific use to the community and community development goals as well as benefits of that use to individual property owners. An additional aspect is the use determined from this analysis represents an opinion, not a fact to be found. The concept of highest and best use represents the premise upon which value is based.

The highest and best use must meet four tests or criteria.

Legally permissible: What uses are permitted or have reasonable probability of being permitted by zoning and deed restrictions on the site in question?

Physically possible: What uses are possible based upon the site's physical constraints such as size, shape, area, terrain, soil conditions, topography, and access to utilities?

Financially feasible: Which possible and permissible uses will produce a net return to the owner of the site?

Maximally productive: Among the feasible uses, which one is most probable and will produce the highest net return and highest present worth?

Analysis of highest and best use for a property typically involves analyzing the site as though it were vacant and available for development, as well as analyzing the site as improved and proposed to be improved. In the subject's case, this analysis focuses on highest and best use as vacant and as improved.

Concerning legally permissible uses, the subject site is zoned for multifamily improvements. Based on its physical attributes, the subject site is well suited for residential uses. In-migration to South Florida continues to occur at a rapid clip, especially during the recent pandemic. And, several new multifamily projects are being constructed on available sites in the area and appear financially feasible and maximally productive, based on a review of construction costs, rents and prices. Trends in the area involve assemblage of smaller parcels into larger sites in order to maximize the development potential available in the zoning code. The highest and best use as vacant is for immediate development of multifamily residential improvements for multiple occupants.

The subject is improved with a multifamily use, which is designated as historic and cannot be demolished. The current improvements have a greater density than what is permitted within the subject's zoning district. Therefore, the current improvements represent a bonus to site value. And, the improved value is higher than land value. The improvements provide a contribution to overall property value and cannot be readily expanded. The highest and best use as improved is for immediate renovation and use of existing multifamily residential improvements for multiple occupants.

The most probable purchaser of the subject is an investor.

VALUATION PROCESS

The previous sections contain identification and analysis of the area including the neighborhood and local market as well as data and analysis of the subject site as a basis for determining the highest and best use of the property. Estimating market value for property under its highest and best use typically involves analysis of three separate approaches: cost approach, sales comparison approach, and income capitalization approach.

The cost approach is based on the principle of substitution that states an informed purchaser will not pay more for a property than the cost of reproducing a property with identical improvements having the same utility. This approach consists of estimating value for the site as vacant, adding direct and indirect costs of construction, deducting an estimate of accrued depreciation, and adding an appropriate entrepreneurial profit. This approach is not relevant for estimating a credible market value for the subject. The amount of accrued depreciation to apply to the subject is not only difficult to accurately determine, but would become a function related to the values produced in the other two approaches.

The sales comparison approach is also based upon the principle of substitution whereby similar properties within competitive markets will realize similar prices. An informed purchaser would not pay more for the subject property than the cost to acquire another property with the same amenities and utility. Market data are available for estimating market value.

The income capitalization approach is based on the principle of anticipation whereby an investor expects benefits to be derived in the future. In evaluating future benefits, an informed purchaser will analyze income as well as how change affects income-producing characteristics of the property. This approach consists of analyzing a property's income and deducting appropriate expenses as well as evaluating appropriate capitalization methods. Market data are available for estimating market value.

The final step in the valuation process is reconciliation of the value indications into a single final value by analyzing the appropriateness, accuracy and quantity of evidence in each approach.

SALES COMPARISON APPROACH

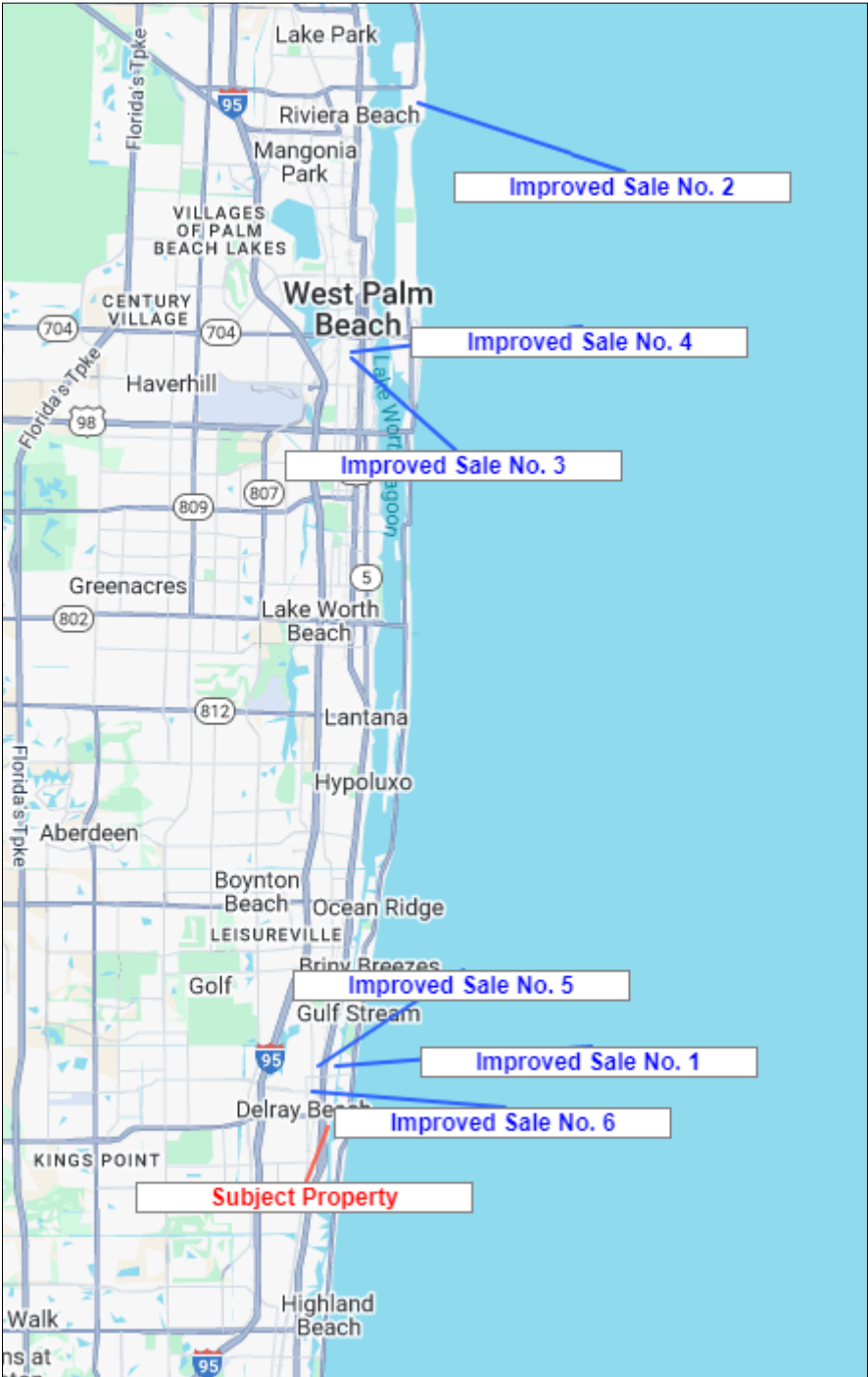
The sales comparison approach is a method for estimating the subject's value by analyzing sales of similar properties. The underlying theory is that a prudent buyer would not buy one property at a price any higher than the cost to acquire a comparable, competitive property. This approach provides a reliable indication of market value when properties are bought and sold regularly.

A search of the immediate area provided limited recent sale data. A search of the broader area for recent sales (comparables) of similar properties provided an adequate number of useful comparables. These comparables are summarized within the following chart, are displayed on a following map, and are described in the subsequent detailed descriptions. Additionally, these comparables are evaluated on the basis of the most relevant unit of comparison which, in this case, is price per building SF as well as price per unit.

The unadjusted prices range from \$386 to \$591/SF and \$238,889 to \$470,833/unit. Comparable listings were also considered in this analysis. The subject units contain appliances that, in this market, are considered fixed to the real estate and part of the real property. The appliances represent a nominal value and a separate value allocation is not warranted.

SUMMARY OF COMPARABLE PROPERTIES							
7th Ave Apts, 139 & 143 SE 7th Ave, Delray Beach, Florida (25-0645A)							
	SUBJECT	COMP 1	COMP 2	COMP 3	COMP 4	COMP 5	COMP 6
Property Name	7th Ave Apts	Palm Apts	Blue Lagoon	Apt Building	Multifamily	Dell Park Apts	Delray Apts
Address	139 & 143 SE 7th Ave	1000 Palm Trl	113 Edwards Ln	614 Palm St	1309 Florida Ave	242 NE 12th St	401 NE 2nd Ave
City	Delray Beach	Delray Beach	Palm Beach Shores	West Palm Beach	West Palm Beach	Delray Beach	Delray Beach
<u>Sale:</u>							
Sale Price	N/A	\$5,650,000	\$1,800,000	\$975,000	\$1,164,000	\$2,500,000	\$2,150,000
Sale Status	N/A	Closed	Closed	Closed	Closed	Closed	Closed
Marketing Period	N/A	2 months	Not listed	2 months	2 months	2 months	2 months
Date of Sale	N/A	Mar-25	Dec-24	Oct-24	May-24	Feb-24	Jan-23
Price/SF	N/A	\$386	\$591	\$411	\$412	\$428	\$424
Price/Unit	N/A	\$470,833	\$300,000	\$243,750	\$388,000	\$312,500	\$238,889
<u>Site:</u>							
Site Size Acres	0.33	0.54	0.20	0.15	0.15	0.32	0.29
Site Size SF	14,253	23,522	8,712	6,399	6,686	14,000	12,480
Floor Area Ratio	0.40	0.62	0.35	0.37	0.42	0.42	0.41
Zoning	RM	RM	B	SF14-C2	SF14-C2	R-1-A	RO
Prkg Ratio/Unit	1.7	1.3	1.1	0.0	0.0	1.4	1.0
<u>Building:</u>							
Property Type	Multifamily	Multifamily	Multifamily	Multifamily	Multifamily	Multifamily	Multifamily
Building Size (SF)	5,674	14,644	3,048	2,375	2,822	5,840	5,073
Number of Units	6	12	7	4	3	8	9
Average Unit SF	946	1,220	435	594	941	730	564
Year Built	1928	1972	1954	1950	1930	1969	1924
Condition	Good	Avg to Good	Avg to Good	Avg to Good	Good	Avg to Good	Average
Quality	Good	Avg to Good	Avg to Good	Average	Good	Avg to Good	Average
Stories	Two	Two	One	One	One	Two	Two
<u>Economics:</u>							
Occupancy at Sale	95%	100%	67%	100%	100%	100%	100%
PGI Per Unit	\$35,500	\$36,365	N/A	\$19,940	\$38,800	\$23,648	\$23,733
OE Per Unit	\$13,424	\$13,247	N/A	\$8,524	\$16,587	\$8,771	\$7,919
NOI Per Unit	\$20,301	\$23,118	N/A	\$10,419	\$20,273	\$13,694	\$14,627
GIM	8.3	12.9	N/A	12.2	10.0	13.2	10.1
OAR	5.25%	4.91%	N/A	4.27%	5.22%	4.38%	6.12%
(Conclusions)							

MAP OF COMPARABLE PROPERTIES



COMPARABLE 1**General Data**

Property Name:	Palm Apts
Property Type:	Multifamily, Garden, Low-Rise
Address:	1000 Palm Trl, Delray Beach, Florida 33483
County:	Palm Beach
Parcel ID:	12-43-46-09-08-002-0260
Legal Description:	KENMONT LTS 26 THRU 28 (LESS ELY 3.79 FT PALM TRL R/W) BLK 2

Site Data

Site Size:	0.54 Acres or 23,522 SF
Floor-to-Area Ratio (FAR):	0.62
Zoning:	RM
Parking Ratio:	1.3 spaces per unit
Site Remarks:	Pool

Building Data

Size SF:	14,644
Number of Units:	12
Average Unit Size SF:	1,220
Year Built:	1972
Condition:	Avg to Good
Construction Quality:	Avg to Good
Stories/Floors:	Two
Building Remarks:	The property was rebuilt in 2010 with a new roof, windows, doors, plumbing, electricity, and pool.

Unit Mix:	<i>Unit Type</i>	<i># Units</i>	<i>Avg Rent/Mo</i>	<i>Total Rent/Mo</i>
	2/1.5	1	\$2,625	\$2,625
	2/2.5	10	\$3,064	\$30,640
	3/2.5	1	\$3,100	\$3,100
	* Totals *	12	\$3,030	\$36,365

Financial Data

Occupancy at Sale:	100%	
Potential Gross Income:	\$436,380	\$36,365/Unit
Effective Gross Income:	\$436,380	\$36,365/Unit
Operating Expenses:	(\$158,965)	\$13,247/Unit
Net Operating Income:	\$277,415	\$23,118/Unit
Overall Capitalization Rate:	4.9%	
Gross Income Multiplier:	12.9	
Financial Data Remarks:	In-place income and expenses per broker	

Sale Data

Sale Status:	Closed
Price:	\$5,650,000
Price/SF:	\$385.82
Price/Unit:	\$470,833
Sale Date:	March 2025
O.R. Book-Page:	35686-109
Grantor:	James and Nohra Gagliardi
Grantee:	Pan American Papers, Inc.
Property Rights:	Fee simple
Marketing Period:	2 months
Listing Price at Sale:	\$6,000,000
Prior Transactions:	None in prior three years
Verification Source:	Listing broker, Sarah Brand, April 2025 (25-0447)

COMPARABLE 2



General Data

Property Name:	Blue Lagoon
Property Type:	Multifamily, Garden, Low-Rise
Address:	113 Edwards Ln, Palm Beach Shores, Florida 33404
County:	Palm Beach
Parcel ID:	54-43-42-27-04-000-2140
Legal Description:	Lot 214, Palm Beach Shores, according to the Plat thereof, as recorded in Plat Book 23, Page 29, of the Public Records of Palm Beach County, Florida

Site Data

Site Size:	0.20 Acres or 8,712 SF
Floor-to-Area Ratio (FAR):	0.35
Zoning:	B
Parking Ratio:	1.1 spaces per unit
Amenities:	On-site laundry

Building Data

Size SF:	3,048
Number of Units:	7
Average Unit Size SF:	435
Year Built:	1954
Condition:	Avg to Good
Construction Quality:	Avg to Good
Stories/Floors:	One
Building Remarks:	Property has been updated in recent years with impact windows and doors and updated kitchens and bathrooms in most units

Financial Data

Occupancy at Sale: 67%

Sale Data

Sale Status: Closed
 Price: \$1,800,000
 Price/SF: \$590.55
 Price/Unit: \$300,000
 Sale Date: December 2024
 O.R. Book-Page: 35450-00084
 Grantor: Sunstar Manufacturing, LLC
 Grantee: 2419 29th Street, LLC
 Property Rights: Fee simple
 Financing: None recorded
 Marketing Period: Not listed
 Prior Transactions: None in prior three years
 Verification Source: Buyer, Sarah Brand, November 2024 (24-1698)
 Sale Remarks: The property was not listed on the open market but the price appears market driven. The property had two vacant units which were vacated during the contract period. The seller wanted the units to remain vacant during the contract period and planned to list the units for lease after the sale closes.

COMPARABLE 3**General Data**

Property Name:	Apartment Building
Property Type:	Multifamily, Garden, Low-Rise
Address:	614 Palm St, West Palm Beach, Florida 33404
County:	Palm Beach
Parcel ID:	74-43-43-28-05-000-0520
Legal Description:	GRANDVIEW HEIGHTS LOT 52

Site Data

Site Size:	0.15 Acres or 6,399 SF
Floor-to-Area Ratio (FAR):	0.37
Zoning:	SF14-C2
Site Remarks:	No on-site parking; public street parking. Located within the Flamingo Park District, just south of downtown

Building Data

Size SF:	2,375
Number of Units:	4
Average Unit Size SF:	594
Year Built:	1950
Condition:	Avg to Good
Construction Quality:	Average
Stories/Floors:	One
Building Remarks:	Property has been updated in recent years

Financial Data

Occupancy at Sale:	100%	
Potential Gross Income:	\$79,761	\$19,940/Unit
Vacancy & Credit Loss:	<u>(\$3,988)</u>	5.0%
Effective Gross Income:	\$75,773	\$18,943/Unit
Operating Expenses:	<u>(\$34,097)</u>	\$8,524/Unit
Net Operating Income:	\$41,676	\$10,419/Unit
Overall Capitalization Rate:	4.3%	
Gross Income Multiplier:	12.2	
Financial Data Remarks:	OAR based on pro forma income; appraiser applied 5% V&CL and 45% OER	

Sale Data

Sale Status:	Closed
Price:	\$975,000
Price/SF:	\$410.53
Price/Unit:	\$243,750
Sale Date:	October 2024
O.R. Book-Page:	35352-01306
Grantor:	Lake 7 Properties, LLC & RGT Holdings, LLC
Grantee:	614 Palm Street, LLC
Property Rights:	Fee simple
Financing:	Not available
Marketing Period:	2 months
Listing Price at Sale:	\$1,175,000
Prior Transactions:	None in prior three years
Verification Source:	Ed Rubio, rep of seller, 561-386-5644, Mark Worch, August 2024 (24-1194s)

COMPARABLE 4



General Data

Property Name:	Multifamily Property
Property Type:	Multifamily, Garden, Low-Rise
Address:	1309 Florida Avenue, West Palm Beach, Florida 33401
County:	Palm Beach
Parcel ID:	74-43-43-28-04-012-0070
Legal Description:	MOSS & HEISLER ADD LTS 7 & 8 BLK 12

Site Data

Site Size:	0.15 Acres or 6,686 SF
Floor-to-Area Ratio (FAR):	0.42
Zoning:	SF14-C2
Site Remarks:	No on-site parking; street parking

Building Data

Size SF:	2,822
Number of Units:	3
Average Unit Size SF:	941
Year Built:	1930
Condition:	Good
Construction Quality:	Good
Stories/Floors:	One
Building Remarks:	Property consists of a single-unit home and two units in the rear. Property has been substantially renovated in recent years including a new roof in 2018.

Financial Data

Occupancy at Sale:	100%	
Potential Gross Income:	\$116,400	\$38,800/Unit
Vacancy & Credit Loss:	<u>(\$5,820)</u>	5.0%
Effective Gross Income:	\$110,580	\$36,860/Unit
Operating Expenses:	<u>(\$49,761)</u>	\$16,587/Unit
Net Operating Income:	\$60,819	\$20,273/Unit
Overall Capitalization Rate:	5.2%	
Gross Income Multiplier:	10.0	
Financial Data Remarks:	OAR based on pro forma income; appraiser applied 5% V&CL and 45% OER.	

Sale Data

Sale Status:	Closed
Price:	\$1,164,000
Price/SF:	\$412.47
Price/Unit:	\$388,000
Sale Date:	May 2024
O.R. Book-Page:	35052 / 01850
Grantor:	FLORIDA AVE 1309 LLC
Grantee:	AARON BRIAN
Property Rights:	Fee simple
Financing:	None recorded
Marketing Period:	2 months
Listing Price at Sale:	\$1,164,000
Prior Transactions:	No arm's length transactions
Verification Source:	Brian Clark Boles, listing broker, 561-350-3082, Mark Worch, August 2024 (24-1194)

COMPARABLE 5**General Data**

Property Name:	Dell Park Apts
Property Type:	Multifamily, Garden, Low-Rise
Address:	242 NE 12th St, Delray Beach, Florida 33444
County:	Palm Beach
Parcel ID:	12-43-46-09-28-005-0100
Legal Description:	Lots 10 and 11, Block 5, Dell Park, Florida, according to the plat thereof as recorded in Plat Book 8, Page 56, Public Records of Palm Beach County, Florida

Site Data

Site Size:	0.32 Acres or 14,000 SF
Floor-to-Area Ratio (FAR):	0.42
Zoning:	R-1-A
Parking Ratio:	1.4 spaces per unit
Amenities:	On-site laundry

Building Data

Size SF:	5,840
Number of Units:	8
Average Unit Size SF:	730
Year Built:	1969
Condition:	Avg to Good
Construction Quality:	Avg to Good
Stories/Floors:	Two
Building Remarks:	Property has been updated in recent years

Financial Data

Occupancy at Sale:	100%	
Potential Gross Income:	\$189,180	\$23,648/Unit
Vacancy & Credit Loss:	<u>(\$9,459)</u>	5.0%
Effective Gross Income:	\$179,721	\$22,465/Unit
Operating Expenses:	<u>(\$70,171)</u>	\$8,771/Unit
Net Operating Income:	\$109,550	\$13,694/Unit
Overall Capitalization Rate:	4.4%	
Gross Income Multiplier:	13.2	
Financial Data Remarks:	In-place income and expenses with 5% V&CL	

Sale Data

Sale Status:	Closed
Price:	\$2,500,000
Price/SF:	\$428.08
Price/Unit:	\$312,500
Sale Date:	February 2024
O.R. Book-Page:	34842-01572
Grantor:	Petes Property Holdings, LLC
Grantee:	Delray Drift, LLC
Property Rights:	Fee simple
Financing:	None recorded
Marketing Period:	2 months
Listing Price at Sale:	\$2,600,000
Prior Transactions:	Sold in June 2022 for \$2,150,000
Verification Source:	Listing broker, Sarah Brand, April 2025 (22-0951)

COMPARABLE 6



General Data

Property Name:	Delray Apts
Property Type:	Multifamily, Garden, Low-Rise
Address:	401 NE 2nd Ave, Delray Beach, Florida 33444
County:	Palm Beach
Parcel ID:	12-43-46-09-29-007-0030
Legal Description:	DEL IDA PARK LTS 3 & 4 BLK 7 (DEL-IDA PARK HISTORIC DISTRICT)

Site Data

Site Size:	0.29 Acres or 12,480 SF
Floor-to-Area Ratio (FAR):	0.41
Zoning:	RO
Parking Ratio:	1.0 spaces per unit

Building Data

Size SF:	5,073
Number of Units:	9
Average Unit Size SF:	564
Year Built:	1924
Condition:	Average
Construction Quality:	Average
Stories/Floors:	Two
Building Remarks:	Property has eight garage units.No significant updates in recent years

Financial Data

Occupancy at Sale:	100%	
Potential Gross Income:	\$213,600	\$23,733/Unit
Vacancy & Credit Loss:	<u>(\$10,680)</u>	5.0%
Effective Gross Income:	\$202,920	\$22,547/Unit
Operating Expenses:	<u>(\$71,273)</u>	\$7,919/Unit
Net Operating Income:	\$131,647	\$14,627/Unit
Overall Capitalization Rate:	6.1%	
Gross Income Multiplier:	10.1	
Financial Data Remarks:	Broker pro forma income and expenses from OM	

Sale Data

Sale Status:	Closed
Price:	\$2,150,000
Price/SF:	\$423.81
Price/Unit:	\$238,889
Sale Date:	January 2023
O.R. Book-Page:	34101-00935
Grantor:	Christine Gardner
Grantee:	Pierre and Angelique Rochemont
Property Rights:	Fee simple
Financing:	None recorded
Marketing Period:	2 months
Listing Price at Sale:	\$2,690,000
Prior Transactions:	None in prior three years
Verification Source:	Listing broker, 954-573-4449, Sarah Brand, April 2023 (23-0543)
Sale Remarks:	Property purchased by an investor who will rent the units.

Adjustments are appropriate and necessary based on differences in elements of comparison. The following elements of comparison are characteristics of properties and sale transactions causing variations in prices. The first five elements of comparison are considered transactional adjustments; each of the transactional adjustments is made prior to making further adjustments. The remaining five elements of comparison are referred to as property adjustments and their total net adjustment is applied at the end.

1. Real property rights conveyed
2. Financing terms
3. Conditions of sale
4. Expenditures immediately after purchase
5. Market conditions
6. Location
7. Physical characteristics
8. Economic characteristics
9. Use
10. Non-realty components of sale

The comparables are adjusted quantitatively. The percentage adjustment indicates the degree of the appropriate adjustment based on our knowledge of the local market, discussion with market participants and reviewing data. A chart on a following page shows comparison of the comparables with the subject, and contains adjustments as explained in the following items and summarized on a following chart.

1. Real Property Rights Conveyed. No differences are noted.

2. Financing Terms. No differences are noted.

3. Conditions of Sale. No differences are noted.

4. Expenditures Immediately After Purchase. No differences are noted.

5. Market Conditions. Market prices and rental rates have been increasing recently, as discussed in the Market section. Comparable 6 is adjusted upward to account for improving market conditions. However, no upward adjustments are made from 2024 forward due to flattening of prices as a result of interest rate increases.

6. Location. Consideration is given to the following factors: rents, land prices, and neighborhood demographics, such as household income and home prices. Comparable 2 has a superior location and is adjusted downward.

7. Physical Characteristics. Differences in prices are evident for several considerations.

Parking ratio: A direct relationship typically exists between the parking ratio and price per unit. As the parking ratio increases, the price per unit tends to increase. Comparables 3 and 4 have no on-site parking and are adjusted upward.

Number of units: Typically, prices per unit have an inverse relationship to building size. As the number of units increase, price per unit typically decrease, based in part on economies of scale. Comparable 4 is a smaller project and is adjusted downward.

Year built/condition: A direct relationship is typically attributed to price and year built/condition. As the building ages or the condition declines, the price tends to decrease. Consideration is given to any recent renovations and-or capital expenditures. We are adjusting to the subject upon completion. Comparables 1, 2, 3, 4, and 5 are newer, updated buildings and no adjustments are applied. Comparable 6 is an older building and is adjusted upward.

Quality: A direct relationship is typically attributed between quality and price per unit. As the quality increases, the price per unit generally increases. Comparable 3 has inferior quality and is adjusted upward. No adjustment is applied to Comparable 6 to account for superior garage space.

Swimming Pool: The subject property does not have a swimming pool, but some sales have on-site pools. Based on a review of sales of similar properties as well as paired sales analysis, premiums for on-site swimming pool are not evident for similar size residential properties in the local market. As a result, no adjustments are applied.

8. Economic Characteristics. We are adjusting to the subject upon economic stabilization. Some buyers of the comparables have the ability to raise rents. No significant adjustments appear warranted.

9. Use. No differences are noted.

10. Non-realty Components of Sale. No differences are noted.

One other factor has been taken into consideration. The subject is located within the AE Flood Zone and flood insurance is typically required in this zone. Consideration has been given to the comparable properties located within similar flood zones. The difference in flood zone is insignificant within the local market and no adjustment is warranted.

The comparable sales have adjusted price range of \$386 to \$490/SF and \$240,000 to \$470,833/unit. This range is relatively broad due to the variety of average unit sizes between the projects. Therefore, we have included the following ranking analysis chart which sorts each sale by average unit size (based on gross building SF). The sales show the price per unit generally increases as the average unit size increases while price per SF generally decreases as the average size increases. The subject has an average unit size of 946 SF and is highlighted in blue.

UNIT SIZE RANKING ANALYSIS			
Sale	Avg Unit SF	\$/SF	\$/Unit
2	435	\$472	\$240,000
6	564	\$490	\$275,917
3	594	\$452	\$268,125
5	730	\$428	\$312,500
4	941	\$412	\$388,000
Subject	946	\$410	\$385,000
1	1,220	\$386	\$470,833

Based on this analysis, we conclude a value around \$410/SF and \$385,000/unit is reasonable for the subject; the corresponding value range for the subject is \$2,310,000 to \$2,326,000, say \$2,320,000 (rounded) upon completion. A value at the upper end of the range is appropriate to account for additional income from the storage building that is not included in the total building size. The additional income from this building is discussed further in the Income Capitalization Approach section of this report.

As explained earlier in the report, we have applied a deduction of \$550,000 to account for construction costs in “as is” condition. When applying this deduction, this analysis indicates a value of \$1,770,000.

We search the market for comparable listings with similar criteria as the comparable sales. Our search resulted in several listings with asking prices higher than recent sale prices. An appropriate value for the subject is less than these comparable listing prices.

We conclude the value of the subject in “as if” condition, via the sales comparison approach, is **\$1,770,000.**

As shown in the Income Capitalization Approach section, the difference in the “as if” and “as is” condition is \$20,000, which is the added value of the subject’s storage building in “as if” condition. This value difference is applied to the “as if” condition to value the subject in “as is” condition. Therefore, the value in “as is” condition is \$1,750,000.

We conclude the value of the subject in “as is” condition, via the sales comparison approach, is **\$1,750,000.**

ADJUSTMENTS TO COMPARABLES							
7th Ave Apts, 139 & 143 SE 7th Ave, Delray Beach, Florida (25-0645A)							
	SUBJECT	COMP 1	COMP 2	COMP 3	COMP 4	COMP 5	COMP 6
Size (# of Units)	6	12	7	4	3	8	9
Year Built	1928	1972	1954	1950	1930	1969	1924
Condition	Good	Avg to Good	Avg to Good	Avg to Good	Good	Avg to Good	Average
Quality	Good	Avg to Good	Avg to Good	Average	Good	Avg to Good	Average
Parking (Spaces/Unit)	1.7	1.3	1.1	0.0	0.0	1.4	1.0
AC (Central/Wall)	Central AC	Central AC	Central AC	Central AC	Win-Wall A/C	Central AC	Win-Wall A/C
Occupancy	95%	100%	67%	100%	100%	100%	100%
NOI Per Unit	\$20,301	\$23,118	N/A	\$10,419	\$20,273	\$13,694	\$14,627
Sale Status	N/A	Closed	Closed	Closed	Closed	Closed	Closed
Sale Date	N/A	Mar-25	Dec-24	Oct-24	May-24	Feb-24	Jan-23
Unadjusted Price/SF	N/A	\$386	\$591	\$411	\$412	\$428	\$424
Unadjusted Price/Unit	N/A	\$470,833	\$300,000	\$243,750	\$388,000	\$312,500	\$238,889
<u>Transactional Adjs:</u>							
Market Conditions		SIMILAR	SIMILAR	SIMILAR	SIMILAR	SIMILAR	INFERIOR
Adjustment		0%	0%	0%	0%	0%	5%
Adjusted Price/SF		\$386	\$591	\$411	\$412	\$428	\$445
Adjusted Price/Unit		\$470,833	\$300,000	\$243,750	\$388,000	\$312,500	\$250,833
<u>Property Adjs:</u>							
Location		SIMILAR	SUPERIOR	SIMILAR	SIMILAR	SIMILAR	SIMILAR
Adjustment		0%	-20%	0%	0%	0%	0%
Parking Ratio		SIMILAR	SIMILAR	INFERIOR	INFERIOR	SIMILAR	SIMILAR
Adjustment		0%	0%	5%	5%	0%	0%
Project Size		SIMILAR	SIMILAR	SIMILAR	SMALLER	SIMILAR	SIMILAR
Adjustment		0%	0%	0%	-5%	0%	0%
Year Built/Condition		SIMILAR	SIMILAR	SIMILAR	SIMILAR	SIMILAR	INFERIOR
Adjustment		0%	0%	0%	0%	0%	10%
Quality		SIMILAR	SIMILAR	INFERIOR	SIMILAR	SIMILAR	SIMILAR
Adjustment		0%	0%	5%	0%	0%	0%
Net Adjustment		0%	-20%	10%	0%	0%	10%
Adjusted Price/SF	N/A	\$386	\$472	\$452	\$412	\$428	\$490
Adjusted Price/Unit	N/A	\$470,833	\$240,000	\$268,125	\$388,000	\$312,500	\$275,917
Gross Adjustment	N/A	0%	20%	10%	10%	0%	15%
Average Unit Size	946	1,220	435	594	941	730	564

Value As Vacant Land

The client requested a value for the subject property as vacant land (cleared). The sales comparison approach is a method for estimating the subject's land value by analyzing sales of similar properties. The underlying theory is that a prudent buyer would not buy one property at a price any higher than the cost to acquire a comparable, competitive property. This approach provides a reliable indication of market value when properties are bought and sold regularly.

A search of the local market provided limited sales data, but a search of the broader area provided comparable land sales. The comparables are summarized within the following chart, and an adjustment chart is shown on the following page.

The comparables are analyzed on the basis of the most relevant unit of comparison, which in this case, is price per unit. The unadjusted prices of the comparables range from \$575,000 to \$850,000/unit.

SUMMARY OF LAND COMPARABLES							
7th Ave Apts, 139 & 143 SE 7th Ave, Delray Beach, Florida (25-0645A)							
	SUBJECT	COMP 1	COMP 2	COMP 3	COMP 4	COMP 5	COMP 6
ADW Property ID	21837	21545	20606	21544	21543	16864	13907
Property Name	7th Ave Apts	Proposed Townhome Site	Flagler Development Site	Townhome Site	Proposed Duplex Building	Proposed Magnolia Place	Reve Del Mizner
Address	139 & 143 SE 7th Ave	Confidential	3907 S Flagler Drive and 3906 Washington Rd	801 Bond Way	696 Hastings Street	130 SE 1st Avenue	200 E Boca Raton Rd
City	Delray Beach	Delray Beach	West Palm Beach	Delray Beach	Boca Raton	Delray Beach	Boca Raton
<u>Sale:</u>							
Sale Price	N/A	\$6,000,000	\$20,000,000	\$1,900,000	\$1,700,000	\$5,750,000	\$3,400,000
Sale Status	N/A	In-Contract	Closed	Closed	Closed	Closed	Closed
Market Period	N/A	Not listed	Not listed	< 1 month	< 1 month	Extended	Privately
Date of Sale	N/A	N/A	Nov-24	Aug-24	Apr-24	May-23	Nov-22
Price/Unit	N/A	\$666,667	\$740,741	\$633,333	\$850,000	\$575,000	\$680,000
<u>Site:</u>							
Property Type	Land	Land	Land	Land	Land	Land	Land
Site Size Acres	0.33	0.38	0.85	0.31	0.48	0.98	0.39
Site Size SF	14,253	16,397	37,026	13,504	20,909	42,735	17,117
Zoning	RM	CBD	MF-32	RL	R-2	OSSHAD	R1D / DDRI
Surface	Cleared	Old Bldgs	MF Bldgs	Old Duplex	Old Duplexes	Old Bldgs	Cleared
<u>Development:</u>							
Planned Use	N/A	Townhomes	Condos	Townhomes	Duplex	Townhomes	Townhomes
Planned Units	N/A	9	27	3	2	10	5
Approvals	N/A	SPA	None	None	None	None	Yes (seller)
Density	12.0	23.9	31.8	9.7	4.2	10.2	12.7

Adjustments are appropriate and necessary based on differences in elements of comparison. The following elements of comparison are characteristics of properties and sale transactions causing variations in prices. The first five elements of comparison are considered transactional adjustments; each of the transactional adjustments is made prior to making further adjustments. The remaining five elements of comparison are referred to as property adjustments and their total net adjustment is applied at the end.

1. Real property rights conveyed
2. Financing terms
3. Conditions of sale
4. Expenditures immediately after purchase
5. Market conditions
6. Location
7. Physical characteristics
8. Economic characteristics
9. Use
10. Non-realty components of sale

The comparables are adjusted quantitatively. The percentage adjustment indicates the degree of the appropriate adjustment based on our knowledge of the local market, discussion with market participants and reviewing data. A chart on a following page shows comparison of the comparables with the subject, and contains adjustments as explained in the following items and summarized on a following chart.

1. Real Property Rights Conveyed. No differences are noted.

2. Financing Terms. No differences are noted.

3. Conditions of Sale. No differences are noted.

4. Expenditures Immediately After Purchase. No differences are noted.

5. Market Conditions. Market prices and rental rates have been increasing recently, as discussed in the Market section. Comparables 5 and 6 are adjusted upward to account for improving market conditions. However, no upward adjustments are made from 2024 forward due to flattening of prices as a result of interest rate increases.

6. Location. Consideration is given to the following factors: rents, land prices, and neighborhood demographics, such as household income and home prices. Comparables 2, 3, 4, and 6 have inferior locations and are adjusted upward.

7. Physical Characteristics. Differences in prices are evident for several considerations.

Surface / Utilities: Sites that are cleared and ready for vertical development tend to sell for premiums compared to sites which require costs for demolition of old buildings or costs for clearing of trees. Also, sites which have utilities available to the site fetch premiums compared to sites which require costs to extend utilities to the site. The site is assumed cleared for this analysis. Based on these features, a few comparables are adjusted upward.

8. Economic Characteristics. Some differences are noted.

Approvals: Soft costs for project entitlements can be quite costly and buyers tend to allocate value to these approvals. For instance, market participants report spending between 5% and 15% of the price per square foot in securing approvals for development. As the entitlement risk increases, the ratio could be well over this range. Several sales closed after the buyer secured development approvals, thereby reducing entitlement risk. And, premiums are paid for approvals for financially feasible development in this market. Comparable 1 is selling with approvals and is adjusted downward for this superior feature.

9. Use. No differences are noted.

10. Non-realty Components of Sale. No differences are noted.

The comparable sales have adjusted price range of \$552,500 to \$574,000/unit. This range is relatively narrow and provides a good indication of value for the subject. Based on our calculations of 25' wide townhomes, the subject site could be improved with three townhouse units. The corresponding value range for the subject is \$1,658,000 to \$1,722,000, say \$1,700,000.

Utilizing a typical land price to end unit ratio of 20%, this value represents an end unit value around \$2,850,000, which appears reasonable based on recent sale prices in the subject's immediate area.

We conclude the value of the subject property as vacant land, via the sales comparison approach, is **\$1,700,000.**

ADJUSTMENTS TO LAND COMPARABLES							
7th Ave Apts, 139 & 143 SE 7th Ave, Delray Beach, Florida (25-0645A)							
	SUBJECT	COMP 1	COMP 2	COMP 3	COMP 4	COMP 5	COMP 6
Property Name	7th Ave Apts	Proposed Townhome Site	Flagler Site	Townhome Site	Proposed Duplex Building	Proposed Magnolia Place	Reve Del Mizner
Surface	Cleared	Old Bldgs	MF Bldgs	Old Duplex	Old Duplexes	Old Bldgs	Cleared
Site Size Acres	0.33	0.38	0.85	0.31	0.48	0.98	0.39
Site Size SF	14,253	16,397	37,026	13,504	20,909	42,735	17,117
Planned Units	6	9	27	3	2	10	5
Approvals	N/A	SPA	None	None	None	None	Yes (seller)
Sale Status	N/A	In-Contract	Closed	Closed	Closed	Closed	Closed
Sale Date	N/A	N/A	Nov-24	Aug-24	Apr-24	May-23	Nov-22
Unadjusted Price/Unit	N/A	\$666,667	\$740,741	\$633,333	\$850,000	\$575,000	\$680,000
<u>Transactional Adjts:</u>							
Market Conditions		SIMILAR	SIMILAR	SIMILAR	SIMILAR	INFERIOR	INFERIOR
Adjustment		0%	0%	0%	0%	5%	10%
Adjusted Price/SF		\$366	\$540	\$141	\$81	\$141	\$218
Adjusted Price/Unit		\$666,667	\$740,741	\$633,333	\$850,000	\$603,750	\$748,000
<u>Property Adjts:</u>							
Location		SIMILAR	SUPERIOR	SUPERIOR	SUPERIOR	SIMILAR	SUPERIOR
Adjustment		0%	-20%	-5%	-30%	0%	-25%
Surface		SUPERIOR	SUPERIOR	SUPERIOR	SUPERIOR	SUPERIOR	SIMILAR
Adjustment		-5%	-5%	-5%	-5%	-5%	0%
Approvals		SUPERIOR	SIMILAR	SIMILAR	SIMILAR	SIMILAR	SIMILAR
Adjustment		-10%	0%	0%	0%	0%	0%
Net Adjustment		-15%	-25%	-10%	-35%	-5%	-25%
Adjusted Price/Unit	N/A	\$566,667	\$555,556	\$570,000	\$552,500	\$573,563	\$561,000
Gross Adjustment	0%	15%	25%	10%	35%	10%	35%
Density	12.0	23.9	31.8	9.7	4.2	10.2	12.7

INCOME CAPITALIZATION APPROACH

In the income capitalization approach, or income approach, the subject's income stream provides a basis for estimating value. Income producing real estate has earning power and is attractive as an investment. The amount an investor will pay represents the present value of anticipated future benefits. Rental rates within this section are stated on a monthly basis unless otherwise indicated.

Income

Rental income is generated from renting the subject's units to multiple tenants on short-term arrangements. Landlords typically pay for water/sewer, trash, and house/common area electric while the tenants are responsible for individual unit electrical service. The subject is currently vacant.

To estimate market rent for the subject, we searched the local market for comparable rentals and the results are displayed in the chart on the following page; maps and photographs are also included. The comparable projects show the following rental rate ranges for similar units. The comparable rental rates have varying degrees of interior updates, project amenities, and unit sizes, all of which have been taken into consideration. All of the comparable rentals are contract rents (actual rents) signed within the past year. MLS and Costar are deemed by the local market as a reliable source for multifamily contract rental rates within the area, as indicated by local property managers as well as local market participants.

Two-bedroom units

The comparable two-bedroom rents range from \$2,650 to \$3,000/month. The rentals around \$2,700 and \$3,000/month have similar unit sizes as the subject. Weight is placed at the upper end of the range since the subject will be newly renovated. Through analysis of comparable rentals, we conclude \$3,000/month is consistent with market rents for the subject's two-bedroom/two-bathroom unit and \$2,900/month is consistent with market rents for the subject's two-bedroom/one-bathroom units.

The subject's resulting potential gross rental income is \$210,000.

We considered a deduction to account for some rent loss during lease-up, but the deduction would be relatively minimal and the amount would be lost in rounding, and a buyer would likely not make a deduction. As a result, we have not applied a deduction for rent loss.

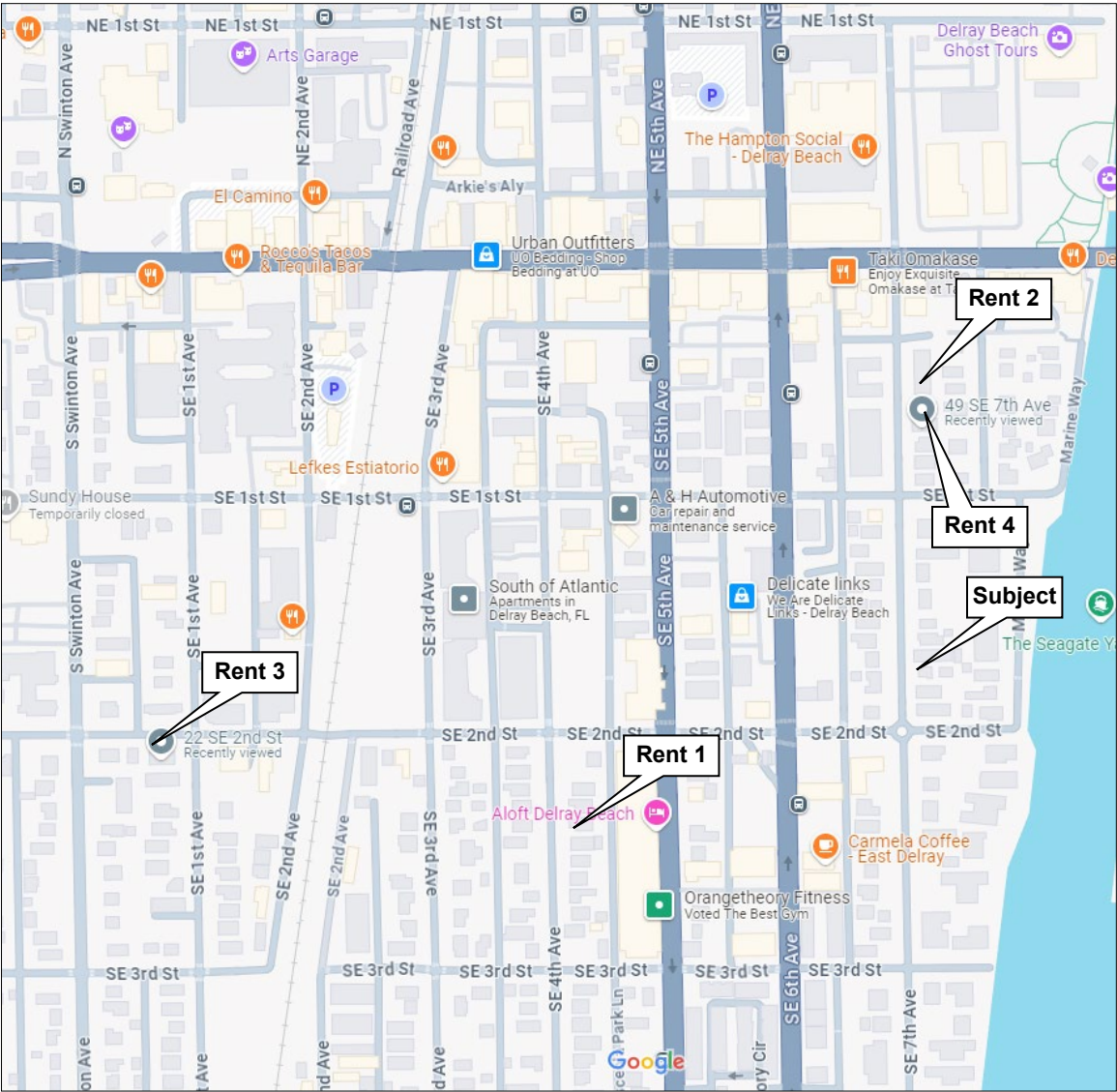
In "as if" condition, the subject has a 120-SF storage building that does not have plumbing or electric, but is useful to tenants as additional storage (such as bike storage). We estimate that this storage building could rent for an additional \$100/month.

In addition to rental income, other income is relevant for fees collected from tenant applications, non-refundable deposits, laundry, late payments, pet fees, etc. Similar apartment communities within the subject's market typically show other income around \$200/unit annually, which appears reasonable for the subject.

We conclude the subject's potential gross income, comprised of potential gross rental income and other income is \$213,000.

COMPARABLE RENTAL RATES			
7th Ave Apts, 139 & 143 SE 7th Ave, Delray Beach, Florida (25-0645A)			
PROPERTY	BUILDING		RENTAL RATES
Location Folio Verification	# Units Built Condition	Quality Stories Size	Monthly Rent/Unit: Two-bed
R1 224 SE 4th Ave Delray Beach 12-43-46-16-04-095-0180 <i>Listing broker via MLS, Sarah Brand, 4/25 (25-0447)</i>	2 1973 Avg-Good	Avg-Good One 744 SF	\$2,650 <i>contract rent</i>
R2 45 SE 7th Ave Delray Beach 12-43-46-16-34-000-0200 <i>Listing broker via MLS, Sarah Brand, 4/25 (25-0447)</i>	4 1966 Avg-Good	Avg-Good Two 925 SF	\$2,700 <i>contract rent</i>
R3 22 SE 2nd St Delray Beach 12-43-46-16-01-071-0010 <i>Listing broker via MLS, Sarah Brand, 4/25 (25-0447)</i>	2 1981 Avg-Good	Avg-Good Two 1,120 SF	\$2,800 <i>contract rent</i>
R4 49 SE 7th Ave Delray Beach 12-43-46-16-34-000-0200 <i>Listing broker via MLS, Sarah Brand, 4/25 (25-0447)</i>	4 1966 Avg-Good	Avg-Good Two 900 SF	\$3,000 <i>contract rent</i>
SUBJECT			
7th Ave Apts	6	Good	\$2,900 - \$3,000
139 & 143 SE 7th Ave	1928	Two	Conclusions
Delray Beach	Good		N/A
12-43-46-16-01-126-0180 & 12-43-46-16-01-126-0170			<i>Wtd Avg Contract Rents</i>

MAP OF COMPARABLE RENTALS



PHOTOGRAPHS OF COMPARABLE RENTALS



Rent 1



Rent 2



Rent 3



Rent 4

Vacancy and Collection Loss

The subject was 100% occupied during our inspection. Historically, a typical vacancy and collection loss within the local market has generally been between 2.0% and 8.0%. As discussed in the Market section, vacancy rates are currently at 2.6% within the subject's local market. In addition to vacancy, a landlord experiences collection loss for unpaid rent and from disputes with tenants, typically around 1.0%. The tenants are current with rent. In consideration of both vacancy and collection loss over a typical holding period, we conclude a rate of 5.0% to be reasonable.

Operating Expenses

We were not provided with the subject's historical operating expenses. We have utilized operating expenses from similar properties to estimate operating expenses for the subject; these operating expenses and our conclusions are shown within the chart on a following page as well as discussed in the following bullets. Operating expenses are subdivided into fixed and variable expenses.

Several of our operating expense conclusions are rounded on a total and/or on per unit basis as shown within the summary chart on a following page; any differences in our conclusions due to rounding are considered insignificant.

Fixed Expenses:

- Real Estate Taxes: The subject's current taxes are \$9,653/unit after a 4% discount for early payment. Inherent in the definition of market value is the consummation of a sale. The tax burden may change after a sale. Upon a sale, Palm Beach County has been actively adjusting tax assessments at 80% to 90% of sale prices. The subject's 2024 tax assessment is higher than the market value conclusion within this report. It is speculative to assume a decrease in taxes. Therefore, we are utilizing the current taxes.
- Insurance: Insurance premiums have significantly increased during the past couple of years. Based on comparable properties, we conclude \$1,000/unit is reasonable.

Variable Expenses:

- Utilities & Trash: The landlord is responsible for house/common area electric, water/sewer, and trash. Based on the comparable properties, we conclude \$750/unit is reasonable.
- Repairs and Maintenance: Based on the comparable properties, we conclude \$650/unit is reasonable for this line item.
- General & Administrative: A nominal amount is appropriate for this line item. We conclude \$50/unit appears reasonable.
- Management: Management fees for multifamily projects similar to the subject's size typically range between 2% and 5% of effective gross income; we have utilized 3% for the subject.
- Marketing: A nominal amount is appropriate for this line item. We have applied \$50/unit.
- Reserves: During a typical investment period, an owner would expect to replace and/or repair roofs, walkways/sidewalks, parking lots, appliances, floor covering, painting walls, etc; we conclude \$250/unit is reasonable.

Our conclusion for operating expenses is \$13,424/unit.

The expense comparables have operating expense ratios (OERs) of 38% to 65%. Additionally, market participants report OERs, within the subject's local market, typically range between 40% and 50%. Our operating expense conclusions result in an OER of 40% which is supported by the operating expense comparables as well as consistent with typical OERs reported by market participants.

COMPARABLE OPERATING EXPENSES (PER UNIT)							
7th Ave Apts, 139 & 143 SE 7th Ave, Delray Beach, Florida (25-0645A)							
	Subject	COMP 1	COMP 2	COMP 3	COMP 4	COMP 5	COMP 6
Property Type	Multifamily	Multifamily	Multifamily	Multifamily	Multifamily	Multifamily	Multifamily
City	Delray Beach	Boynton	North Miami	Lake Worth	Ft Lauderdale	Miami Beach	Lake Worth
Building SF	5,674	4,480	9,968	10,464	3,688	6,706	9,320
Number of Units	6	6	12	13	6	10	15
Avg Unit Size (SF)	946	747	831	805	615	671	666
Year Built	1928	1970	1967	1971	1957	1958	1974
12 Months Ending	Apr-25	Dec-25	Dec-25	Dec-24	Dec-23	Dec-23	Jun-23
Source	Conclusions	Proforma	Proforma	Actual	Actual	Actual	Actual
Operating Expenses:							
<u>Fixed Expenses:</u>							
Real Estate Taxes	\$9,653	\$3,002	\$2,664	\$2,237	\$2,203	\$4,172	\$3,709
Property Insurance	\$1,000	\$1,750	\$1,083	\$638	\$1,053	\$3,000	\$2,000
<u>Variable Expenses:</u>							
Utilities & Trash	\$750	\$891	\$1,335	\$323	\$4,312	\$932	\$971
Repairs & Maint.	\$650	\$700	\$1,150	\$1,895	\$3,845	\$83	\$657
General & Admin.	\$50	\$75	\$417	\$32	\$719	\$25	\$75
Management	\$1,012	\$1,023	\$1,486	\$1,785	\$3,499	\$0	\$1,099
Marketing	\$50	\$0	\$0	\$0	\$92	\$0	\$0
Capital Reserves	<u>\$250</u>	<u>\$250</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$250</u>
Total Expenses	\$13,415	\$7,691	\$8,136	\$6,911	\$15,722	\$8,212	\$8,761
OER:	40%	38%	40%	39%	65%	N/A	40%

Capitalization

The two methods for capitalizing net operating income for estimating value are direct capitalization and yield capitalization. Direct capitalization is appropriate for a project with a relatively stable income stream, and yield capitalization is appropriate for a project with a fluctuating income stream. In this analysis, direct capitalization will be utilized for estimating value of the subject, since this is how a most probable purchaser would analyze the property.

This method converts a stabilized net income stream into value. The net operating income is divided by an appropriate overall capitalization rate. For estimating an appropriate capitalization rate for the subject property, two common methods are derivation from comparable sales and from a band of investment. Additionally, we reviewed market reports to estimate an appropriate overall rate.

The following chart lists overall capitalization rates from several recent multifamily transactions within South Florida. These sales provide a range of 4.27% to 6.80% with an average of 5.22%. Some of the OARs are reconstructed since some owners within the local market do not apply a deduction for vacancy and collection loss and exclude several operating expenses.

OVERALL CAPITALIZATION RATES						
7th Ave Apts, 139 & 143 SE 7th Ave, Delray Beach, Florida (25-0645A)						
Sale Date	City	Type	# Units	\$/Unit	OAR	Comments
		Size (SF)	Occ. %	NOI/Unit		
Oct-24	Riviera Beach	Multifamily	6	\$195,833	6.80%	In-place income and expenses per broker
		2,813	83.0%	\$13,312		
Oct-24	West Palm Beach	Multifamily	4	\$243,750	4.27%	OAR based on pro forma income; appraiser applied 5% V&CL and 45% OER
		2,375	100.0%	\$10,419		
Aug-24	Lake Worth Beach	Multifamily	4	\$193,750	5.11%	OAR based on in-place income; appraiser applied 5% V&CL and 40% OER
		2,600	100.0%	\$9,892		
Jul-24	West Palm Beach	Multifamily	6	\$258,333	4.61%	Proforma income and expenses, 5% V&CL and 45% OER
		3,072	100.0%	\$11,913		
May-24	Boynton Beach	Multifamily	8	\$243,750	5.19%	OAR based on estimated rents, 5% V&CL, and 40% OER
		5,400	100.0%	\$12,654		
May-24	Lake Worth Beach	Multifamily	9	\$200,000	4.81%	OAR low since rents were below market
		4,675	100.0%	\$9,614		
May-24	West Palm Beach	Multifamily	3	\$388,000	5.22%	OAR based on pro forma income; appraiser applied 5% V&CL and 45% OER
		2,822	100.0%	\$20,273		
Apr-24	Riviera Beach	Multifamily	6	\$191,667	5.74%	Pro forma income and expenses
		2,624	83.0%	\$11,004		
Apr-24	Lake Worth	Multifamily	9	\$258,889	5.19%	OAR based on pro forma income and 5% V&CL; appraiser applied 45% OER
		7,251	100.0%	\$13,446		
Subject	Delray Beach	Multifamily	6	N/A	5.25%	Conclusions
		5,674	95.0%	\$20,301		

The following discussion applies to the appropriate rate for the subject in light of the comparables:

- The OAR comparables are generally located in similar to inferior locations in the South Florida region. This places downward pressure on the overall rate.
- The comparables include mostly in-place income (with market rents). Pro forma income is usually higher than in-place income and corresponding OARs for pro forma income are higher. Our estimate is based on pro forma income, which places slight upward pressure on the appropriate rate for the subject.
- All of the capitalization rates are for properties with relatively older improvements. The subject is a relatively older apartment project and older projects are typically associated with higher capitalization rates. The subject's proposed updated have been taken into consideration. This places downward pressure on the appropriate rate for the subject.

Overall rates have been affected because of the recent pandemic. Associated government restrictions and responses to the pandemic may have led to significant increases to the inflation rate in recent years. The subsequent response by the Central Bank was to increase the federal fund rate. Curbing high inflation appears to have been realized as of most recently and the Central Bank has been cutting rates and hints of future cuts. These developments have been discussed with market participants and have been incorporated in our selection of an appropriate OAR at this time.

We also interviewed confidential local market participants regarding an appropriate rate for the subject. Some buyers may not make all of the deductions for operating expenses that we have made, which places downward pressure on the overall rate. With consideration of these comparable sales as well as the factors described herein, we conclude an overall rate range similar to the mean, say 5.25%, is reasonable for the subject.

The band of investment technique is based on the premise that properties are purchased with debt and equity capital and the overall capitalization rate must satisfy the market return requirements of both investment positions. In this methodology, separate capitalization rates for the debt and equity components are summed to calculate a single overall capitalization rate for the property.

Reasonable loan rate and terms for the subject are 6.50% interest rate, 30-year amortization, and 75.00% LTV; the corresponding mortgage constant is 0.076. For the equity component, limited data were available. RealtyRates.com (1st Quarter 2025) reports equity dividend rates currently range from 4.66% to 12.22% with an average of 8.06%. Based on the subject's high-demand South Florida location, we conclude a rate at the low end of the range, say 5.00%, is a reasonable equity rate for the subject. The result is a capitalization rate of 6.90%. This analysis of the band of investment technique is shown within the chart on the following page.

BAND OF INVESTMENT	
Mortgage Component =	$M \times R_m$
Equity Component =	$(1 - M) \times R_e$
OAR (R_o) =	Mortgage Component + Equity Component
Mortgage Component =	$0.75000 \times 0.07585 = 0.05689$
Equity Component =	$(1 - 0.75000) \times 0.05000 = 0.01250$
OAR =	$0.05689 + 0.01250$
OAR =	0.06939
OAR Rounded to:	= 6.90%

This rate does not incorporate all effects of future adjustments in interest rates, downward adjustments for equity build-up, nor downward adjustments for property value appreciation. Market data is not readily available to precisely estimate such factors.

The overall capitalization rate range by derivation from comparable sales and from a band of investment is 5.25% to 6.90%. Compared to the nation, the South Florida market has a high number of cash buyers. And, local market participants generally anticipate that prices and rents in South Florida will outpace inflation, and therefore put more weight on the inflated property reversion rather than the returns on the life of the investment. As a result, less weight is placed on the band of investment technique and more weight is placed on the comparable OARs. Therefore, we conclude 5.25% is a reasonable rate to apply to the subject's net operating income.

Conclusions

We have shown the income capitalization approach summary chart on the following page; as shown within the chart, the subject's corresponding value range through the income capitalization approach is \$1,770,000 after deductions for construction costs. We conclude the value of the subject in "as if" condition, via the income capitalization approach, is **\$1,770,000.**

To estimate the value of the subject in "as is" condition, the additional income from the storage building is not included. This is shown on a following chart. We conclude the value of the subject in "as is" condition, via the income capitalization approach, is **\$1,750,000.**

As a check of reasonableness, we analyzed our conclusion for the subject utilizing a potential gross income multiplier (PGIM). The sales provide a PGIM range of 10.0 to 13.2 with an average of 11.7. When dividing our conclusion for the subject's potential gross income into the above value conclusion, the corresponding PGIM ("as is" condition) is 8.3 (\$1,750,000 / \$211,800). When using the value upon completion ("as is" condition), the PGIM is 10.9, which appears reasonable. This indicated PGIM for the subject falls within the range provided by the comparable properties and provides further support of our value conclusion.

DIRECT CAPITALIZATION SUMMARY - "As If"		
7th Ave Apts, 139 & 143 SE 7th Ave, Delray Beach, Florida (25-0645A)		
	Totals	Per Unit
Rental Income		
2 Bed 1 Bath (5 Units at \$2,900/Mo.)	\$174,000	
2 Bed 2 Bath (1 Units at \$3,000/Mo.)	\$36,000	
Storage (1 Unit at \$100/Mo.)	\$1,200	
Total Number of Units: 6		
Potential Gross Rental Income	\$211,200	\$35,200
Other Income	\$1,800	\$300
Potential Gross Income	\$213,000	\$35,500
Less Vacancy & Collection Loss (5.0%)	(\$10,650)	(\$1,775)
Effective Gross Income	\$202,350	\$33,725
Less Operating Expenses		
<u>Fixed Expenses:</u>		
Real Estate Taxes	\$57,921	\$9,653
Property Insurance	\$6,000	\$1,000
<u>Variable Expenses:</u>		
Utilities & Trash	\$4,500	\$750
Repairs & Maint.	\$3,900	\$650
General & Admin.	\$350	\$50
Management @ 3%	\$6,071	\$1,012
Marketing	\$300	\$50
Capital Reserves	\$1,500	\$250
Total Expenses	(\$80,541)	(\$13,424)
Net Operating Income	\$121,809	\$20,301
CAPITALIZATION		
Net Operating Income	\$121,809	
Overall Rate	5.25%	
Capitalized Value Indication	\$2,320,169	
Less Adjustments		
Construction Costs	(\$550,000)	
Adjusted Value Indication	\$1,770,169	
Value Conclusion	\$1,770,000	

DIRECT CAPITALIZATION SUMMARY - "As Is"		
7th Ave Apts, 139 & 143 SE 7th Ave, Delray Beach, Florida (25-0645)		
	Totals	Per Unit
Rental Income		
2 Bed 1 Bath (5 Units at \$2,900/Mo.)	\$174,000	
2 Bed 2 Bath (1 Units at \$3,000/Mo.)	\$36,000	
Total Number of Units: 6		
Potential Gross Rental Income	\$210,000	\$35,000
Other Income	\$1,800	\$300
Potential Gross Income	\$211,800	\$35,300
Less Vacancy & Collection Loss (5.0%)	(\$10,590)	(\$1,765)
Effective Gross Income	\$201,210	\$33,535
Less Operating Expenses		
<u>Fixed Expenses:</u>		
Real Estate Taxes	\$57,921	\$9,653
Property Insurance	\$6,000	\$1,000
<u>Variable Expenses:</u>		
Utilities & Trash	\$4,500	\$750
Repairs & Maint.	\$3,900	\$650
General & Admin.	\$350	\$50
Management @ 3%	\$6,071	\$1,012
Marketing	\$300	\$50
Capital Reserves	\$1,500	\$250
Total Expenses	(\$80,541)	(\$13,424)
Net Operating Income	\$120,669	\$20,111
CAPITALIZATION		
Net Operating Income	\$120,669	
Overall Rate	5.25%	
Capitalized Value Indication	\$2,298,454	
Less Adjustments		
Construction Costs	(\$550,000)	
Adjusted Value Indication	\$1,748,454	
Value Conclusion	\$1,750,000	

RECONCILIATION AND FINAL VALUE CONCLUSIONS

The approaches provided the following value estimations for the subject property.

VALUE INDICATIONS			
Analysis	Indication	\$/SF	\$/Unit
<u>"As is" Condition</u>			
Cost	N/A	N/A	N/A
Sales Comparison	\$1,750,000	\$308	\$291,667
Income Capitalization	<u>\$1,750,000</u>	<u>\$308</u>	<u>\$291,667</u>
Market Value	\$1,750,000	\$308	\$291,667
<u>"As If" Condition</u>			
Cost	N/A	N/A	N/A
Sales Comparison	\$1,770,000	\$312	\$295,000
Income Capitalization	<u>\$1,770,000</u>	<u>\$312</u>	<u>\$295,000</u>
Market Value	\$1,770,000	\$312	\$295,000
Land Value	\$1,700,000	N/A	N/A

The quality of market data in these approaches is good, and the methods of analysis are appropriate and reasonable. The sales comparison approach includes sale prices above and below the subject's value on a per unit basis as well as above and below the subject's value on an absolute basis. The sales data are good and the value is well supported. The income approach is based on well-supported rents, expenses and rates.

The sales comparison approach and the income capitalization approach provide the same value. An investor is the most probable purchaser and primary weight is given to the income capitalization approach.

The subject last sold in March 2022 for \$2,680,000. At that time, the property exterior was in superior condition, but the interior was similar to the current interior condition. The buyer appears to have overpaid. The property owner has had difficulties obtaining approvals during the renovation process due to the building preservation guidelines in the subject's historic district.

The difference between the "as if" and "as is" conditions is \$20,000. Therefore, the contributory value of the storage building is \$20,000.

After careful and thorough investigation and analysis, we estimate market value for the fee simple interest in the subject real property in its "as if" condition, subject to assumptions and contingent and limiting conditions as well as any extraordinary assumptions and hypothetical conditions, as explained in this report, as of April 7, 2025, is:

**ONE MILLION SEVEN HUNDRED SEVENTY THOUSAND DOLLARS
(\$1,770,000)**

After careful and thorough investigation and analysis, we estimate market value for the fee simple interest in the subject real property in its "as is" condition, subject to assumptions and contingent and limiting conditions as well as any extraordinary assumptions and hypothetical conditions, as explained in this report, as of April 7, 2025, is:

**ONE MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS
(\$1,750,000)**

We estimate market value of the land (as cleared) for the subject real property as of April 7, 2025, is **\$1,700,000.**

NORMAL MARKETING PERIOD AND REASONABLE EXPOSURE TIME

Normal marketing period is the most probable amount of time necessary to expose a property, in its entirety, to the open market in order to achieve a sale. Implicit in this definition are the following characteristics.

1. The property will be actively exposed and aggressively marketed to potential purchasers through marketing channels commonly used by sellers of similar type properties.
2. The property will be offered at a price reflecting the most probable markup over market value used by sellers of similar type properties.
3. A sale will be consummated under the terms and conditions of the definition of market value.

The Market section has a chart showing median DOMs for multifamily sales in South Florida have been five months or less during the past several years. Marketing times for most of the comparable sales in the Sales Comparison Approach section were less than 12 months; the marketing periods for the remaining sales were not available. Most current listings with marketing periods exceeding 12 months have listing prices much higher than market prices. Market participants report strong demand for apartment properties and report marketing periods are currently between one and six months for similar multifamily properties. We conclude a reasonable marketing time for sale of the subject property in its “as is” condition and at a price similar to the estimate of market value is 12 months or less.

Exposure time is the amount of time likely to have been experienced for sale of the subject property on the valuation date. We estimate a reasonable exposure time is 12 months or less based on the same market data.

PART 3: ADDENDUM

CERTIFICATION

I certify that, to the best of my 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 my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
- I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results, a specific valuation, or the approval of a loan.
- My 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 and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the State of Florida.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Sarah Brand made a personal, visual inspection of the readily accessible areas of the property that is the subject of this appraisal. Jonathan Whitney did not inspect the subject property, but is very familiar with this area and product type.
- No one provided significant real property appraisal or appraisal consulting assistance to the person signing this certification.
- As of the date of this report, we have completed the continuing education program of the State of Florida.

- As of the date of this report, Jonathan Whitney and Sarah Brand have completed the continuing education program of the Appraisal Institute.
- The undersigned provided services as an appraiser for the client in reports dated April 18, 2025, and May 16, 2025. The undersigned has not provided any other services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period preceding acceptance of this assignment.



Sarah Brand, MAI
State-certified General Real Estate Appraiser RZ3894

August 14, 2025



Jonathan Whitney, MAI
State-certified General Real Estate Appraiser RZ2943

August 14, 2025

CONTINGENT AND LIMITING CONDITIONS

This appraisal is subject to the following contingent and limiting conditions:

1. The legal description and maps are assumed to be correct.
2. No responsibility is assumed for matters which are legal in character, nor is any opinion rendered as to title, which is assumed to be good and marketable. Any existing liens or encumbrances have been disregarded, and the property is appraised as free and clear. This appraisal is made, assuming that all public improvements of any kind affecting the property appraised are fully paid for, unless otherwise specifically set forth in the property description.
3. No survey has been made of the property on behalf of the appraisers and no responsibility is assumed in connection with such matters. The sketches contained in this report are for illustrative purposes only and are included to assist the reader to better visualize the property. The information furnished by others is believed to be reliable and no responsibility is assumed for its accuracy.
4. In this report, the distribution of the total valuation between land and improvements applies only under the existing program of utilization. The separate valuations for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
5. Possession of this report, or a copy thereof, does not carry with it the right of publication, nor may it be used for any purpose by any but the recipient without written consent of the appraiser.
6. The contract for appraisal, consultation, or analytical service is fulfilled and total fee is payable upon completion of the report. The appraisers will not be required to give testimony in court or hearing because of having made the appraisal in full or in part, nor engage in post-appraisal consultation with the client or third parties, except under separate and special arrangement and at additional fee.
7. The appraisers may not divulge material contents of the report, analytical findings or conclusions or give a copy of the report to anyone other than the client or his designee as specified in writing, except as may be required by the Appraisal Institute as it may request in confidence for ethics enforcement or by a court of law or body with the power of subpoena.
8. Liability of Aucamp, Dellenback & Whitney is restricted to the client. Aucamp, Dellenback & Whitney has no accountability or liability to any third party.
9. It is assumed there are no hidden or unapparent conditions of the property, subsoil or structures which make it more or less valuable. The appraiser assumes no responsibility for such conditions or engineering which might be required to cover these facts. No topographical survey was provided.

10. No environmental impact study, special market study or analysis, highest and best use analysis or feasibility study has been requested or made unless otherwise specified in an agreement for services or in the report. The appraiser reserves the unlimited right to alter, amend, revise or rescind any of the statements, findings, opinions, values, estimates or conclusions upon any subsequent such study or analysis or previous study or analysis subsequently becoming known to him.
11. The market value estimated and the cost used are as of the date of the estimate of value. All dollar amounts are based on the purchasing power and price of the dollar as of the date of the value estimate.
12. This appraisal expresses our opinion and employment to make this appraisal was in no way contingent upon reporting a predetermined value or conclusion. The fee for this appraisal or study is for the service rendered and not for time spent on the physical report.
13. The value estimated in this appraisal report is gross without consideration given to any encumbrance, restriction, or question of title unless specifically defined. The estimate of value in the appraisal report is not based in whole or in part upon race, color or national origin of the present owners or occupants of properties in the vicinity of the property appraised.
14. Responsible ownership and competent property management are assumed.
15. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws, unless noncompliance is stated, defined and considered in the appraisal report.
16. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a non-conformity has been stated, defined and considered in the appraisal report.
17. It is assumed that all required licenses, certificates of occupancy and consents or other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
18. It is assumed that the utilization of the land and improvements is within the boundaries of the property lines, that the property described in that there is no encroachment or trespass unless noted in the report.
19. Authentic copies of this report are signed in ink.

20. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.

21. The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraisers have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon value of the property. Since the appraisers have no direct evidence relating to this issue, possible noncompliance with the requirements of ADA in estimating the value of the property has not been considered.

22. The report may contain estimates of prospective value for the subject property. Forecasts and prospective values are based upon current market conditions and trends. Aucamp, Dellenback & Whitney cannot be held responsible for unforeseeable events that alter market conditions prior to the prospective dates.

23. Acceptance and/or use of this appraisal report constitutes acceptance of the preceding conditions.

HYPOTHETICAL CONDITIONS AND EXTRAORDINARY ASSUMPTIONS

Hypothetical Conditions

This appraisal is subject to the following hypothetical conditions:

1. The subject is improved with a 120-SF storage building. (This hypothetical condition only applies to the value in “as if” condition.)

Extraordinary Assumptions

The following extraordinary assumption is important for supporting the value conclusion(s) in this report, and value conclusion(s) may be significantly affected without this extraordinary assumption. This appraisal is subject to the following extraordinary assumptions:

1. The subject will be built-out according to the description and timeline herein

DEFINITIONS

Market Value

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.*

(Source: Interagency Appraisal and Evaluation Guidelines, Federal Register, Volume 75, No. 237, December 10, 2010)

Bulk Value

The value of multiple units, subdivided plots, or properties in a portfolio as though sold together in a single transaction. (Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal, Seventh Edition*, Chicago, 2022, page 22)

Market Rent

The most probable rent that a property should bring in a competitive and open market under all conditions requisite to a fair lease transaction, the lessee and lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus. (Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal, Seventh Edition*, Chicago, 2022, page 116)

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. (Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal, Seventh Edition*, Chicago, 2022, page 149-150)

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. (Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal, Seventh Edition*, Chicago, 2022, page 166)

Value in Use

*The amount determined by discounting the future cash flows (including the ultimate proceeds of disposal) expected to be derived from the use of an asset at an appropriate rate that allows for the risk of the activities concerned. (Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal, Seventh Edition*, Chicago, 2022, page 201)*

Market Value of the Going Concern

*The market value of an established and operating business including the real property, personal property, financial assets, and the intangible assets of the business. (Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal, Seventh Edition*, Chicago, 2022, page 119)*

Liquidation Value

The most probable price that a specified interest in real property should bring under the following conditions:

- 1. Consummation of a sale within a short time period.*
- 2. The property is subjected to market conditions prevailing as of the date of valuation.*
- 3. Both the buyer and seller are acting prudently and knowledgeably.*
- 4. The seller is under extreme compulsion to sell.*
- 5. The buyer is typically motivated.*
- 6. Both parties are acting in what they consider to be their best interests.*
- 7. A normal marketing effort is not possible due to the brief exposure time.*
- 8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.*
- 9. 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.*

*(Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal, Seventh Edition*, Chicago, 2022, page 109)*

Insurable Value

*A type of value for insurance purposes. (Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal, Seventh Edition*, Chicago, 2022, page 97)*

Replacement Cost

The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design and layout.

*(Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal, Seventh Edition*, Chicago, 2022, page 163)*

Limited-Market Property

*A property (or property right) that has relatively few potential buyers. (Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal, Seventh Edition*, Chicago, 2022, page 108)*

Special Purpose Property

*An improved property with a unique physical design, special construction materials, or a layout that particularly adapts its utility to the use for which it was built and may be costly to modify to another use. (Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal, Seventh Edition*, Chicago, 2022, page 178)*

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. (Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal, Seventh Edition*, Chicago, 2022, page 73)*

Leased Fee Interest

*The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires. (Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal, Seventh Edition*, Chicago, 2022, page 105)*

Leasehold Interest

*The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease. (Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal, Seventh Edition*, Chicago, 2022, page 105)*

Real Property

1. *An interest or interests in real estate.*
2. *The interests, benefits, and rights inherent in the ownership of real estate. (Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal Seventh Edition*, Chicago, 2022, page 155)*

Personal Property

1. *Tangible or intangible objects that are considered personal, as opposed to real property. Examples of tangible personal property include furniture, vehicles, jewelry, collectibles, machinery and equipment, and computer hardware. Examples of intangible personal property include contracts, patents, licenses, computer software, and intellectual property.*
2. *Any tangible or intangible article that is subject to ownership and classified as real property, including identifiable tangible objects that are considered by the general public as being "personal," such as furnishings, artwork, antiques, gems and jewelry, collectibles, machinery and equipment, and intangible property that is created and stored electronically such as plans for installation art, choreography, emails, or designs for digital tokens (Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal, Seventh Edition*, Chicago, 2022, page 142)*

Intended Use

1. *The valuer's intent as to how the report will be used.*
2. *The use(s) of an appraiser's reported appraisal or appraisal review assignment results, as identified by the appraiser based on communication with the client at the time of the assignment. (Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal, Seventh Edition*, Chicago, 2022, page 97-98)*

Intended User

1. *The party or parties the valuer intends to use the report.*
2. *The client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser based on communication with the client at the time of the assignment. (Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal, Seventh Edition*, Chicago, 2022, page 98)*

Hypothetical Condition

1. *A condition that is presumed to be true when it is known to be false.*
2. *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. 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. (Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Seventh Edition, Chicago, 2022, page 92)*

Extraordinary Assumption

*An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. Uncertain information might include physical, legal, or economic characteristics of the subject property, or conditions external to the property, such as market conditions or trends, or about the integrity of data used in an analysis. (Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Seventh Edition, Chicago, 2022, page 68)*

Prudent and Competent Management

*An owner, operator, or management company that maintains and uses real estate in a manner consistent with the manner in which typical buyers of similar properties would consider appropriate as measured by actual practices in the competitive market. (Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Seventh Edition, Chicago, 2022, page 150)*

Arm's Length Transaction

*A transaction between unrelated parties who are each acting in his or her own best interest. (Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Seventh Edition, Chicago, 2022, page 10)*

Surplus Land

*Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute to the improved parcel. (Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Seventh Edition, Chicago, 2022, page 186)*

Excess Land

*Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. (Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Seventh Edition, Chicago, 2022, page 66)*

Entrepreneurial Incentive

*The amount an entrepreneur expects or wants to receive as compensation for providing coordination and expertise and assuming the risks associated with the development of a project. Entrepreneurial incentive is the expectation of future reward as opposed to the profit actually earned on the project. (Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Seventh Edition, Chicago, 2022, page 62)*

AREA DESCRIPTION AND ANALYSIS

FLORIDA

Florida is a major U.S. state as seen in population and employment figures. As of 2022, Florida's estimated population was 22,114,754 according to the ESRI. Among the 50 states, Florida is ranked as the third most populous state. Florida is forecasted to have an annual growth rate of 0.61% over the next five years.

The majority of job growth in the next ten years likely will come in the service industry led by new jobs in business services, health care, and government employment. Manufacturing will continue to be a relatively reduced part of the state's economy.

Florida's geography, climate, and location are important reasons for its population and economic growth. Florida's coastline with 1,197 miles along the Atlantic Ocean and Gulf of Mexico is the longest of any state, except Alaska. Temperature variations are mild, and the southern part of the state has a subtropical climate. Florida is strategically located for access to the Caribbean Islands as well as to South and Central America.

SOUTH FLORIDA

South Florida is the tri-county region consisting of Miami-Dade, Broward, and Palm Beach and occasionally consists of other surrounding counties. The metropolitan area stretches from south of Miami to north of West Palm Beach, a distance of about 100 miles, and extends 15 to 20 miles west from the Atlantic Ocean. The three counties are the state's three most populous region with an estimated population of 6,200,000, as of 2022, and comprised almost one-third of the state's population.

The South Florida region experienced explosive growth starting in the 1950s when air-conditioned homes made round year living more comfortable. Moving forward, the tri-county region is forecasted to grow at a much slower pace than the past 70 years. Per ESRI, the average growth rate is projected to be under 1.0% during the next five years. Population growth has largely been migration from northern U.S. states and Canada as well as South American countries and Caribbean Islands.

Economic growth in South Florida is centered on services and retail trade for tourists, seasonal residents, permanent residents and retirees. Real estate construction has been a strong economic contributor over the past 50 years. South Florida is also known as a major export / import center for trade with South America and as an attractive location for some high-tech industries and financial service firms.

Within this region, a primary trend has been northward movement of population from Miami-Dade County into Broward County, and from Broward County into Palm Beach County. This trend accelerated with the dislocation of residents due to Hurricane Andrew in 1992. The movement continues today as residents seek less traffic congestion in comparison to Miami-Dade County.

PALM BEACH COUNTY

Palm Beach County is located along Florida's southeast coast on the Atlantic Ocean to the east and Lake Okeechobee to the west. The county is located about 15 miles north of Fort Lauderdale, 40 miles north of Miami, 175 miles south of Orlando, and 270 miles south of Jacksonville.

Palm Beach County, with approximately 1,974 square miles of land area, is one of the largest counties in the United States and is the third largest of Florida's 67 counties. Elevation changes range from 0-20 feet with the average elevation at 15 feet above sea level. The terrain is generally sandy and flat with some gently sloping coastal ridges.

The county's subtropical climate has an average temperature of 75 degrees Fahrenheit. Winters are mild because of the proximity to the warm Gulf Stream currents of the Atlantic Ocean. Prevailing winds are from the east. Average annual rainfall is 62 inches.

Palm Beach County contains 39 incorporated municipalities mostly located east of Florida's Turnpike. County government, mainly located within West Palm Beach, handles the unincorporated areas. Population growth has put constant pressure on government planning and services.

Land Use Pattern

Palm Beach County has a well-established area of urban development as well as a major nature reserve area and productive agricultural area. The urban corridor stretches along the eastern portion of the county while nature reserve and agricultural areas are located in the middle and western portions of the county.

Several small coastal communities in Palm Beach County were initially developed in the early 1900s. These small cities and towns were separated from each other with agricultural land or vacant land. By about the 1980s, the land was developed and the coastal area become one continuous developed urban / suburban corridor. This corridor now represents continuous development from the municipalities of Boca Raton to Tequesta. Most undeveloped land is located to the west of this eastern urban / suburban corridor. Several eastern coastal downtown areas developed between the 1920s and the 1960s, including Boca Raton, Delray Beach, Boynton Beach, Lake Worth, and West Palm Beach, are now experiencing redevelopment and gentrification.

The nature reserve area consists of a north-south corridor to the west of the urban corridor. This area consists of the large Loxahatchee National Wildlife Refuge in the south and central portion and several other natural areas in the north portion: Dupuis Reserve State Park, J.W. Corbett Wildlife Management Area, West Palm Beach Catchment Area, and Jonathan Dickinson State Park.

The agricultural reserve area in southeast Palm Beach County produces vegetables and ornamental plants while the agricultural area in western Palm Beach County is active in sugarcane production. Belle Glade, Pahokee, and South Bay are the three communities within the western agricultural area.

Population

Per ESRI, the county has an estimated population of 1,521,397 in 2022 representing about 7% of the state's population. Population growth from 2022 to 2027 is projected at 0.34%, which is less than the state's projected growth rate at 0.61%. The county's comparatively lower future growth rate reflects the county's advanced stage of development and diminishing supply of land available for development.

Economy

Palm Beach County has an employment base comprised mostly of several sectors: Trade, Transportation and Utilities; Professional and Business Services; Education and Health Services; and Leisure and Hospitality. These sectors are geared toward the seasonal and retiree segments that have been large part of the county's population.

Per the Palm Beach County Business Development Board, Palm Beach County's labor force consists of over 700,000 people. The county's unemployment rate is similar to that of the State of Florida and the United States, as shown on a chart in the following pages.

Housing

The Palm Beach County Business Development Board indicates Palm Beach County has a total of 700,000 housing units with a homeowner vacancy rate quite low at less than 3.0%. Per ESRI, the median home price in Palm Beach County is much higher than the state median home price.

Services

The county has good medical care facilities consisting of 34 hospitals and 1,992 physician offices. A recent trend in local health care is construction of satellite facilities with outpatient services.

The School District of Palm Beach County is the 10th largest public school district in the United States. The District reports an annual enrollment of 193,000 students and 22,340 employees. Numerous private schools are also available. Overcrowding is present in some areas. Prominent academic colleges in the county consist of Florida Atlantic University in Boca Raton, Palm Beach State College with four branch campuses, Palm Beach Atlantic University in West Palm Beach, and Lynn University in Boca Raton. The county has many vocational, technical, and charter schools.

Public water and sewer utilities are provided throughout the county by either incorporated municipalities, special districts, or by the county. Telephone service is provided by BellSouth and other telecommunication vendors. Standard electric service is generally available from Florida Power and Light. Natural gas is provided by main or delivered as liquefied petroleum gas by Peoples Gas System.

Transportation in Palm Beach County consists of Palm Beach International Airport (PBI), Palm Beach Park Airport, Palm Beach County Glades Airport, North County Airport, Boca Raton Airport, Palm Tran, Port of Palm Beach and Tri-Rail. PBI is conveniently located to serve the air trade area of Palm Beach County and the four surrounding counties. The 600,000 square foot airport accommodates 28 aircraft gates with expansion potential for 24 gates. The airport reports a passenger count of 6.5 million in the recent years, which is an increase year-over-year. The Boca Raton Airport, the Palm Beach Park Airport and the North County Airport are general aviation airports serving private and corporate airplanes.

Palm Tran is a public bus service in Palm Beach County. Palm Tran has been in service since 1971, runs seven days a week serving more than 3,200 bus stops with 150 buses in Palm Beach County. It has a ridership of over 10 million passengers a year.

Tri-Rail is also a means of public transportation in Palm Beach County. Formed in 1987, this light-rail system extends roughly 72 miles and runs parallel to Interstate 95 from West Palm Beach to Miami serving 18 stations. Ridership exceeded 4.2 million passengers in 2016.

Brightline is a recently constructed privately-held high-speed rail service serving Miami, Fort Lauderdale and West Palm Beach. Future expansion involves service to Orlando and other Florida cities.

Port of Palm Beach is one of the busiest container ports in Florida with over 2,500,000 tons of cargo shipped annually. The port also services over 500,000 cruise passengers.

Trends

Palm Beach County has well established urban and agricultural areas. Economic soundness is supported with a higher than average income, expanding employment centers, a wide range of commercial and public services and facilities, and many recreational opportunities. The county is poised for further growth.

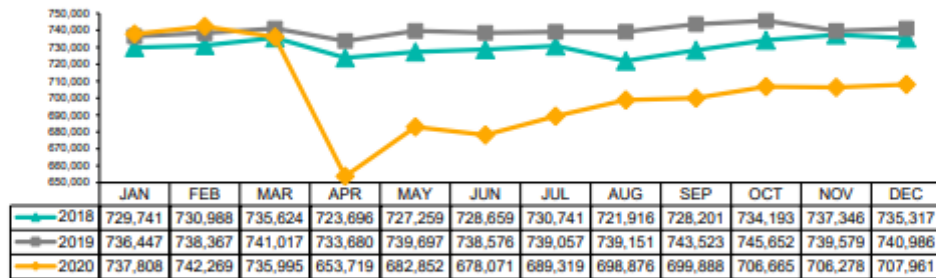
Future trends show modest population growth and a favorable outlook for Palm Beach County's economy. Population trends indicate further migration to the county will continue, and jobs will continue to increase and fuel economic growth in the county.

Problems typically associated with growth will continue to challenge Palm Beach County. The major challenges are schools, transportation and utilities to meet the needs of a growing population.

Palm Beach County Market Indicators

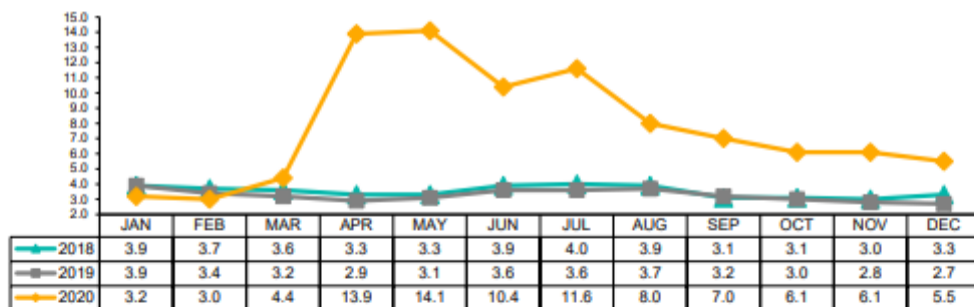


Palm Beach County Labor Force



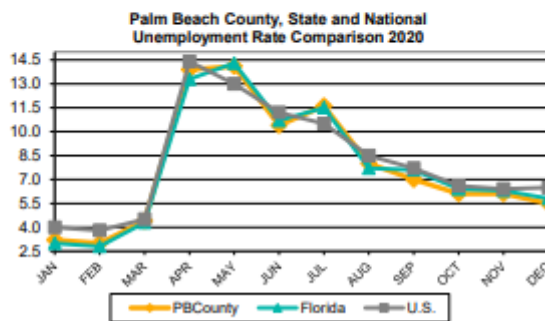
Source: Local Area Unemployment Statistics, Florida Department of Economic Opportunity

Palm Beach County Unemployment Rates



Source: Local Area Unemployment Statistics, Florida Department of Economic Opportunity

2020 County, State & U.S. Unemployment Rate Comparison



2020	PBC	Florida	U.S.
JAN	3.2	3.0	4.0
FEB	3.0	2.8	3.8
MAR	4.4	4.3	4.5
APR	13.9	13.3	14.4
MAY	14.1	14.3	13.0
JUN	10.4	10.7	11.2
JUL	11.6	11.5	10.5
AUG	8.0	7.7	8.5
SEP	7.0	7.6	7.7
OCT	6.1	6.4	6.6
NOV	6.1	6.3	6.4
DEC	5.5	5.8	6.5

Source: Local Area Unemployment Statistics, Florida Department of Economic Opportunity

APPRAISER QUALIFICATIONS AND LICENSE

QUALIFICATIONS OF JONATHAN D. WHITNEY, MAI

State-certified General Real Estate Appraiser, RZ 2943



JONATHAN D. WHITNEY, MAI

Aucamp, Dellenback & Whitney
1900 NW Corporate Blvd, Suite 215E
Boca Raton, FL 33431

jon@adw-appraisers.com
561-609-2884



Professional Experience

Aucamp, Dellenback & Whitney, Boca Raton, FL, 2003 - Present

Real Estate Appraisers & Consultants

- Principal, 2016 - Present
- Commercial Real Estate Appraiser, 2003 - Present

Jonathan Whitney has over 20 years of experience in valuing commercial real estate in the greater South Florida market. He heads the team of eight commercial real estate appraisers for independent Aucamp, Dellenback & Whitney (ADW), and values all major real property types: industrial, office, retail, and multifamily. Valuation assignments also include vacant development sites, residential subdivisions / condominiums, mixed-use buildings, and special-purpose properties. His business partner, David Aucamp, SRA, heads the residential side of their firm with a separate team of seven residential appraisers.

Clients are mostly bank lenders, but also include investors, institutions, property owners, developers, brokers, attorneys, CPAs, municipalities, and associations. Real estate appraisal and consulting assignments involve estimating market value and-or market rent, and providing expert witness testimony. Valuation assignments range between relatively straight forward assignments to multiple-phased projects with complex cash flow considerations.

Education

Master in Arts in Business, University of Florida, 2000

Bachelor of Science in Economics, University of Florida, 1999

Boca Raton Community High School, 1995

Activities and Affiliations

Florida State-certified General Real Estate Appraiser, RZ 2943, 2006 - Present

Florida State-registered Associate Appraiser, RI 11475, 2003 - 2006

Appraisal Institute

- Designated Member (MAI), 2013 - Present
- Board of Directors, South Florida Chapter, 2018 - 2020
- Associate Member, 2004 - 2013

Planning and Zoning Board, City of Boca Raton

- Secretary, 2021 - 2024
- Member, 2019 - 2024

Zoning Board of Adjustment, City of Boca Raton

- Vice Chair, 2017 - 2018
- Member, 2013 - 2018

Urban Land Institute (ULI)

- Associate Member, 2019 - Present

Commercial Real Estate Development Association (NAIOP)

- Member, 2019 - Present

Boca Raton Federation of Homeowners

- Executive Board Member, 2018 - 2019

Boca Raton Chamber of Commerce

- Member (ADW), 1990s - Present
- Leadership Boca, Class of 2016

Boca Raton Downtown Rotary Club

- Member, 2016 - Present
- Fund Board Member, 2020 - Present
- Mayors Ball Honorary Co-Chair, 2022
- Mayors Ball Co-Chair, 2021
- Mayors Ball Committee Member, 2016 - 2020

Spanish River Church and Christian School

- Member, Spanish River Church, 2011 - Present
- School Board Member, Spanish River Christian School, 2022 - Present
- Elder, Spanish River Church, 2017 - 2021

Recent Appraisal Institute Courses (sampling of recent courses)

Appraisal of Medical Office Buildings, 2024
 Forecasting Revenue, 2024
 Business Practice & Ethics, 2024
 ISO Construction & Basic Construction Plan Reading, 2024
 50 Percent FEMA Rule, 2024
 USPAP (Uniform Standards of Professional Appraisal Practice) Update, 2024
 Florida State Law for Real Estate Appraisers, 2024
 Supervisory Appraiser / Trainee Appraiser Course, 2022
 Appraisal of Fast Food Restaurants, 2022
 Business Practice & Ethics, 2018
 Appraising Automobile Dealership, 2018
 Technology Tips for Real Estate Appraisers, 2018
 Advanced Applications, 2009
 Advanced Income Capitalization, 2009
 Advanced Sales Comparison and Cost Approaches, 2008
 Report Writing and Valuation Analysis, 2008
 Office Building Valuation: A Contemporary Perspective, 2007





QUALIFICATIONS OF SARAH BRAND, MAI

State-certified General Real Estate Appraiser, RZ 3894



Sarah Brand, MAI

Aucamp, Dellenback & Whitney
1900 NW Corporate Blvd, Suite 215E
Boca Raton, FL 33431

sarah@adw-appraisers.com
561-998-9326

Professional Experience

Florida State-certified General Real Estate Appraiser, RZ 3894

Work Experience

August 2014 - Present

Staff Appraiser, Aucamp Dellenback & Whitney
Boca Raton, FL
Commercial Appraiser

May 2012 – July 2014

Staff Appraiser, Warfield, Messner & Dodd
Rochester, MN
Commercial Trainee Appraiser

Education

Master of Arts in International Business, University of Florida, 2012

Bachelor of Science in Economics, University of Florida 2011

Appraisal Institute

- Designated Member (MAI), 2024
- Associate Member, 2020 - 2024

Appraisal Courses:

The Uniform Standards of Professional Appraisal Practice (USPAP) Update, 2024

Florida Appraisal Laws and Regulations, 2024

An Appraiser's Guide to Expert Witness, 2024

The Discounted Cash Flow Model: Concepts, Issues, and Apps, 2024

Appraisal of Fast Food Facilities, 2022

Appraisal of Industrial and Flex Buildings, 2022

Complex Properties: The Odd Side of Appraisal, 2022

Business Practices and Ethics, 2020

Neighborhood Market Analysis, 2018

General Appraiser Site Valuation and Cost Approach, 2015

General Appraiser Sales Comparison Approach, 2015

General Appraiser Income Approach, 2015
General Report Writing & Case Studies, 2015
General Appraiser Market Analysis Highest and Best Use, 2015
Statistics, Modeling and Finance 2014
Basic Appraisal Principles, 2013
Basic Appraisal Procedures, 2013

